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United States of America — PROCEEDINGS AND DEBATES OF THE 85th CONGRESS, SECOND SESSION

SENATE

THURSDAY, MAY 29, 1958

(Legislative day of Wednesday, May 28, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, as on the morrow the Nation pauses to honor its valiant defenders, we are grateful for the cleansing ministry of memory and for the rich heritage of noble deeds which remembered yesterdays bequeath to us. Conscious that we are eating of vineyards that we did not plant and drinking at cisterns we did not dig, we would enter reverently into the spirit of this sacred day of remembrance, bearing in our hands and in our hearts the evergreens of gratitude and the forget-me-nots of love. We would raise our jubilate that visions and ideas and ideals have no sepulchers and march on to their coronation, even when bugles are sounded as the starry banner enfolds the dead.

With the confident faith that the way of the Republic is down no fatal slope, but up to freer sun and air, we pray for a just and righteous peace in our time—

The peace that comes of purity,
And strength to simple justice due:
So runs our loyal dream of Thee;
God of our fathers, make it true.

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 28, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union;

H. R. 12521. An act to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives; and

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union; placed on the calendar.

H. R. 12521. An act to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives; to the Committee on Rules and Administration.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, and that statements made in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the consideration of the Senate, and after clearing these measures with the minority leader, I desire to state that it is very possible that certain small bills—namely, Calendar No. 1622, Senate bill 2447, regarding studies of the effects of insecticides, and so forth; Calendar No. 1395, Senate bill 3295, to increase the authorization for the fisheries loan fund; Calendar No. 1654, House bill 8439, to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended; and Calendar No. 1668, Senate bill 2119, to expedite the utilization of television facilities in public schools and colleges, and in adult training programs—will be considered later this afternoon. It is the understanding of the majority leadership that they are noncontroversial, and either have been cleared or will be cleared with the other side.

Mr. President——

The VICE PRESIDENT. The Senator from Montana.

FARM ACREAGE ALLOTMENT

Mr. MANSFIELD. Mr. President, yesterday the Senate passed Senate bill 3890, to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes. It was understood that if the corresponding House bill were passed, it would be called up for consideration by the Senate.

I now move that the Senate proceed to the consideration of House bill 12602, the corresponding House bill, in view of the fact that Senate bill 3890 is identical with House bill 12602, and in view of the further fact that Senate bill 3890 has not yet been messaged to the House of Representatives.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. Is my understanding correct that these bills are identical and that what is involved is merely a matter of substituting one for the other to avoid the necessity of a conference?

Mr. MANSFIELD. The Senator is correct. There is no difference between the two bills. The Senate bill has not been messaged to the House. The House bill has been passed and is before the Senate for consideration.

Mr. CURTIS. And the Senate bill was passed yesterday by unanimous vote of the Senate, and without objection?

Mr. MANSFIELD. Yes, it was passed unanimously.

The VICE PRESIDENT laid before the Senate the bill (H. R. 12602) to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes, which was read twice by its title.

The VICE PRESIDENT. The question is on agreeing to the motion by the Senator from Montana to proceed to the consideration of House bill 12602.

The motion was agreed to; and the Senate proceeded to consider the bill.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill (H. R. 12602) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that the vote by which Senate bill 3890 was passed be reconsidered, and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, the vote by which Senate bill 3890 was passed is reconsidered, and the Senate bill is indefinitely postponed.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORTS PRIOR TO RESTORATION OF BALANCES

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, reports prior to restoration of balances under the appropriation and fund accounts "Salaries and Expenses, Commodity Exchange Authority, 1957," "Salaries and Expenses, Office of the Secretary of Agriculture, 1957," and "Consolidated Working Fund, Agricultural Marketing Service, 1957" (with accompanying reports); to the Committee on Government Operations.

REPORT ON REVIEW OF MORTGAGE SERVICING OPERATIONS, FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of mortgage servicing operations, Federal National Mortgage Association, Housing and Home Finance Agency, dated October 1957 (with accompanying report); to the Committee on Government Operations.

CONTINUATION OF ACCOUNTS WHEN VACANCY OCCURS IN OFFICE OF DISBURSING OFFICER OF GOVERNMENT PRINTING OFFICE

A letter from the Public Printer, United States Government Printing Office, Washington, D. C., transmitting a draft of proposed legislation to provide for the receipt and disbursement of funds and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes (with an accompanying paper); to the Committee on Government Operations.

CLAIM OF SEMINOLE INDIANS *v.* THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *Lincoln Burden, et al., for Themselves and as Members and Representatives of the Loyal Seminole Group of American Indians, Petitioners, v. the United States of America, Defendant,* Docket No. 121 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CLAIMS OF UNITED NATION OF INDIANS AND OTTAWA TRIBE OF INDIANS *v.* THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claims of *James Strong, et al., as the representatives and on behalf of all members by blood of the Chippewa Tribe of Indians, including all descendants of Chippewa members of the United Nation of Indians, plaintiffs v. the United States of America, defendant,* docket No. 13–J, and *Robert Dominic, et al., as the representatives and on behalf of all members by blood of the Ottawa Tribe of Indians, plaintiffs v. the United States of America, defendant,* docket No. 40–H (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Finance:

"House Concurrent Resolution 144

"Concurrent resolution memorializing the Congress of the United States to enact legislation providing for the repeal of the Federal excise tax upon the transportation of passengers and freight

"Whereas the Federal excise tax upon the transportation of passengers and freight was adopted in 1942 as a wartime tax to discourage the movement of civilian passengers and freight during World War II; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10-percent levy on the transportation of passengers and a 3-percent levy on the transportation of property, which taxes while collected by the common carriers of transportation by rail, by highway, by water, and in the air, are imposed upon and collected from the users of such transportation; and

"Whereas millions of dollars in revenues are paid to the State of Mississippi by those common carriers; and

"Whereas the tax upon the transportation of freight by reason of the transportation of raw materials to the point of manufacture and from the point of manufacture to processing and ultimate distribution to the consumer, frequently has a cumulative effect resulting in a heavy and burdensome tax upon the finished product and the consumer thereof; and

"Whereas such excise taxes on transportation by reason of the distance from the State of Mississippi and the markets for Mississippi products, agriculture, horticultural, and manufactured, impose a heavy and undue burden upon Mississippi shippers and also tend to burden tourist travel to and from the State of Mississippi; and

"Whereas the continuance of Federal excise taxes upon common carrier transportation of persons and property is no longer necessary: Now, therefore, be it

"*Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein),* That we respectfully urge and request the Congress of the United States to enact legislation which will provide for the repeal of the Federal excise taxes upon the transportation of persons and property; be it further

"*Resolved,* That the Secretary of State be directed to transmit a copy of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the Congress of the United States, and each member of the Mississippi delegation in the United States House of Representatives and the United States Senate and to the respective houses of the legislatures of the several States of the United States."

Two resolutions adopted at the 50th annual meeting of the Governors' Conference, at Bal Harbour, Fla., relating to the National Guard Bureau, and the strength of the National Guard; to the Committee on Armed Services.

A resolution adopted at the annual meeting of the stockholders of the United Park City Mines Co., at Salt Lake City, Utah, relating to relief for the domestic lead-zinc mining industry; to the Committee on Finance.

A telegram in the nature of a petition signed by George Benson, of Chicago, Ill., praying for the enactment of legislation to provide relief for class I railroads; to the Committee on Interstate and Foreign Commerce.

A telegram in the nature of a petition from the employees of Hyde Park Postal Station, Chicago, Ill., expressing their thanks for the passage of the postal pay raise bill; ordered to lie on the table.

RESOLUTION OF MALMO FARMERS UNION LOCAL, AITKIN COUNTY, MINN.

Mr. HUMPHREY. Mr. President, on May 16, 1958, the Malmo Farmers Union Local of Aitkin County, Minn., adopted a resolution urging that all wheat producers vote in favor of price supports and marketing quotas on the 1959 crop, and that additional effort be made to seek an improved farm program.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas wheat is produced by some farmers in the county; and

Whereas the price of wheat in 1959 will be directly affected by the results of the June 20 wheat election; and

Whereas a vote in favor of wheat supports and marketing quotas for 1959 will make a difference of about 80 cents a bushel in the price of wheat for the farmer; and

Whereas a lowering of farm prices on wheat or other farm commodities can only result in loss of purchasing power, a slump in business and employment in our rural trade centers; and

Whereas a large volume of necessary farm purchases for repairs, replacements and improvements is being delayed by the lack of farm buying power; and

Whereas nothing would be solved by ending firm supports and marketing quotas on wheat, since surpluses cannot be cured by expanding production, and farm income cannot be raised by lowering prices: Now, therefore, be it

Resolved, That we, the members of the Malmo Farmers Union Local of Aitkin County, State of Minnesota, urge all wheat producers to take an interest in the election to be held on June 20 and that they vote in favor of price supports and marketing quotas on the 1959 crop; and be it further

Resolved, That we urge farmers, businessmen, workers, and all other persons interested in the prosperity of this community, unite in seeking an improved farm program, seeking to achieve parity prices for wheat and other farm commodities; and be it finally

Resolved, That copies of this resolution be given to newspapers in this area, and be sent to members of the House and Senate in Congress from Minnesota and to other interested officials.

RESOLUTION OF BOARD OF GOVERNORS OF MINNESOTA STATE BAR ASSOCIATION

Mr. HUMPHREY. Mr. President, I received a resolution adopted by the board of governors of the Minnesota State Bar Association concerning a vacancy on the Court of Customs and Patent Appeals.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas a vacancy exists on the Court of Customs and Patent Appeals; and

Whereas a major portion of the workload of this court consists of appeals from the Patent Office in patent and trademark cases, which are heard on the record from the Patent Office without the benefit of expert or other testimony in open court even though highly technical or scientific points are often in issue: Now, therefore, be it

Resolved, That the board of governors of the Minnesota State Bar Association recommends that the vacancy on the Court of Customs and Patent Appeals be filled by the appointment of a lawyer who is experienced and trained in patent and trademark law, and that copies of this resolution be sent to authorities of the Federal Government who are interested in and responsible for appointments to the Court of Customs and Patent Appeals.

RESOLUTION OF CHAMBER OF COMMERCE, FRANKLIN, MINN.

Mr. HUMPHREY. Mr. President, I recently received a resolution that was adopted by the Chamber of Commerce of Franklin, Minn., concerning the use of industrial alcohol, blended with gasoline, as a fuel.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Franklin, Minn., May 5, 1958.

At the regular monthly meeting of the Chamber of Commerce of the village of Franklin held in the community hall on this 5th day of May 1958, the following resolutions were adopted to be submitted to Senators HUMPHREY and THYE for consideration:

"1. *Be it resolved*, That corn and wheat grown on the farms of these United States contain the ingredient to make a high percentage of industrial alcohol. Through research and by actual use it has been proven that this industrial alcohol blended with gasoline makes an excellent fuel for all engines and motors using a gasoline as its power. In many respects it is superior to straight gasoline because when blended with gasoline it prevents any freezing in the gasoline line or carburetor, it prevents all hard carbon within the motor itself, giving the motor longer life, more consistent power, more mileage per gallon and less corrosion to the wearing parts within the motor.

"2. *Be it resolved*, That our Federal Government build 15 of these industrial alcohol plants throughout the corn and wheat growing areas of this Nation. The maximum capacity of each plant should be the consumption of 8,000 gallons of water per minute for the manufacture of the said industrial alcohol."

The following benefits will be accomplished by the operation of these 15 manufacturing plants:

(a) It will eliminate the entire surplus of corn and wheat grown each year in the United States.

(b) It will restore the small-farm family back to the farm which has made this country great.

(c) It will take our Federal Government out of the soil bank and other giveaway agencies.

(d) It will keep our farm boys and girls on the farms where they want to be; and by the same token, diminish our unemployment situation.

(e) It will centralize different types of farming to those areas best suited for such farming because; the wheat and corn growing areas will discontinue the production of other crops.

(f) It will centralize the beef and hog industry to the area of these plants where it belongs. This industry should be where the proper feeds are.

(g) In the plants where this industrial alcohol is manufactured a byproduct of mash or malt is left after the alcohol is extracted which makes an excellent food for the fattening of cattle and hogs.

(h) These plants will be self-sustaining and will eliminate the Federal Government from giving away about $700 million a year in the soil-bank program that we now have.

(i) These plants located along the large rivers of the corn and wheat growing areas will require dams being built to insure ample water supply during dry periods. These dams can be so constructed that they will serve the purpose of flood control, which in turn, will save many lives and many millions of dollars each and every year.

(j) These plants will increase our reserve of crude oil 1 year in every 10 years of the future, which in turn, will give our Government and the individual scientist more time to perfect the atomic power before our oil reserves are completely exhausted.

(k) It will save the taxpayers of this Nation many hundred million dollars each year, and by the same token, eliminate the continual controversies of class legislation.

GEORGE W. COLWELL,
President.

E. W. HALL,
Secretary.

USE OF THE CORN TASSEL AS NATIONAL FLORAL EMBLEM—RESOLUTION

Mr. HUMPHREY. Mr. President, I have received a letter from Mrs. Kermit V. Haugan, president of the Minnesota Federation of Women's Clubs, adding the voice of that organization to the Minnesota Legislature and numerous other organizations and individuals who favor making the corn tassel our national floral emblem, and urging early and favorable consideration of Senate Joint Resolution 105, which would accomplish this.

The Minnesota Federation of Women's Clubs consists of 400 clubs in 78 counties in Minnesota with over 10,000 members. Mrs. Haugan states in her letter: "A nation that adopts a humble symbol such as corn will certainly win friends internationally over one that would adopt a symbol synonymous with luxury."

I ask unanimous consent, Mr. President, that the resolution adopted by the Minnesota Federation of Women's Clubs in convention assembled in Minneapolis on May 15, 1958, be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

THE CORN TASSEL AS THE NATIONAL FLORAL EMBLEM

Whereas most nations have a floral emblem to be recognized as their national symbol, while our country has made no such choice; and

Whereas corn is native to our United States, is characteristic of our land, is grown in every State, was cultivated originally by the Indians here, continued by the farmers to become the most widely cultivated food crop of the world; and

Whereas corn kept alive our Pilgrims through perilous winters and was sent by them to England to pay for their Mayflower crossing; and

Whereas the corn tassel has a glory all its own, blooming through many weeks, then to live again in seed which became the first export from our present United States: Therefore, we hereby

Resolve, That in gratitude we should honor corn, the genesis of our history, our agriculture, our economy, by adopting for our national flower, the corn tassel.

RESOLUTION ADOPTED BY THE FEDERATION OF AMERICAN CITIZENS OF GERMAN DESCENT

Mr. CASE of New Jersey. Mr. President, on May 24 I had the honor and the pleasure of speaking, along with the Governor of New Jersey, at the sixth German-American Day sponsored by the Federation of American Citizens of German Descent at Schuetzen Park, North Bergen, N. J.

It was an impressive meeting, appropriately commemorating the many great contributions to our national life made by Americans of German descent.

At the meeting the organization adopted a resolution proposing certain steps to strengthen and improve our educational system. In compliance with its request, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION, SIXTH GERMAN-AMERICAN DAY, MAY 25, 1958

Whereas the Federation of American Citizens of German Descent in the United States of America, Inc., and cooperating societies throughout the United States are the representative and recognized voices of a large group of American citizens; and

Whereas Soviet Russia is producing scientists, chemists, engineers, etc., at so rapid a rate and in so great an excess in number of those graduated and graduating from our colleges and universities at the present time; and

Whereas such a policy on the part of Soviet Russia is an eminent danger to us and constitutes one of the greatest and ever-increasing threats to our national security: Be it

Resolved, That we urge our Government to take immediate steps to correct this alarming situation by revising and improving our educational system so as to make provision for students of a proven and high intelligence quotient to receive an education comparable to and surpassing any such standards of the Soviet Union; and such education to be at the complete expense of our Government, including tuition, living expenses, and personal allowances. Such a plan should be initiated by removing such children as herein referred to at the age of 16 from the regular high schools and placing them in special colleges so provided by our Government. Also included in this plan would be the testing of all school children at the third-grade level; and those with resultant high intelligence quotients and recognized superior intelligence would be removed from the ordinary grade school, and at this early age, be enrolled in a special school designed for those of such intelligence;

Resolved, That in the interest of the future of our country, and in the endurance of our people's ever-cherished principles, that the secretary of the Federation be instructed to transmit a copy of this resolution to the Honorable Dwight D. Eisenhower, President of the United States, and copies to Senator Clifford P. Case, and H. Alexander Smith of New Jersey.

(As drawn up by George L. Kundmuller, 26 Kennedy Terrace, Westwood, N. J.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WATKINS, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3569. A bill to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah (Rept. No. 1644).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 10349. An act to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes (Rept. No. 1645).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S. 1436. A bill to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen (Rept. No. 1646).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3921. A bill for the relief of Peter Tillner; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 3922. A bill to amend the Labor Management Relations Act, 1947, to make unlawful the collection of fees or charges by labor unions for, or in connection with, the unloading of the cargo of trucks; to the Committee on Labor and Public Welfare.

By Mr. MURRAY (by request):

S. 3923. A bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 3924. A bill for the relief of the Inter-County Telephone & Telegraph Co. of Fort Myers, Fla.; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself, Mr. DOUGLAS, Mr. KENNEDY, Mr. HUMPHREY, and Mr. AIKEN):

S. 3925. A bill to increase the amount authorized to be appropriated for each fiscal year for the programs of child welfare services provided for by title V of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 3926. A bill to provide for the conveyance of an interest of the United States in and to fissionable materials in a tract of land in Leon County, Fla.; to the Committee on Government Operations.

By Mr. SYMINGTON:

S. 3927. A bill to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve (retired) to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S. J. Res. 177. Joint resolution to authorize the placing of suitable memorials by the American Battle Monuments Commission marking and commemorating the Spanish-American War of 1898; to the Committee on Interior and Insular Affairs.

INCREASED FEDERAL SUPPORT FOR CHILD AND MATERNAL WELFARE

Mr. NEUBERGER. Mr. President, hardly more than a week ago I spoke on the urgent need for consideration of my bill, S. 3504, to raise the statutory limit on maternal and child health and crippled children services of the Children's Bureau to $25 million for each fiscal year. At that time I told of a new program for open heart surgery that gives hope to children with crippled hearts which, at the present time, is languishing because of a lack of funds. Today I am calling for Senate action on another program, child welfare services. This is a program of grants-in-aid to State child welfare agencies which is less easily dramatized but is just as vital to the future welfare of our children, and of our country.

The same reasons, Mr. President, which I gave in a Senate speech of March 17, 1958 as evidence of the need for a statutory increase for maternal and child health and crippled children activities of the Children's Bureau also apply to their child welfare services. The increases in costs, in our child population, and in the need for trained personnel, affect the administration of a child adoption program just as they do a program for providing artificial arms and legs for children. It is the undivided opinion of the many authorities on the activities of the Children's Bureau with whom I have conferred that their three children's programs should move forward together. Welfare services to children are inextricably bound up with health services.

It is necessary, in order to assure equal opportunity for the social well-being of all children, that there be social services available in all States and counties. However, today we find that only 52 percent of the counties in the United States have available the services of a full time public service worker. In those counties fortunate enough to have these services the average ratio of child welfare workers to child population is 1 worker per 10,000 children. A natural result of this pitifully small number of trained personnel has been the development of wide gaps in our Nation's child welfare services.

Our courts are finding themselves without the services of welfare workers in divorce and other cases involving the custody and support of minor children. Often when dealing with situations involving the desertion and neglect of minors the Court must turn to lay people without proper training for advice. Another typical problem of the States is the strengthening and improvement of adoption services. Babies are being sold in the black market for profit at the same time that State and county adoption agencies are being criticized for not meeting couples' requests for children to adopt. In order to wipe out the black market sale of children, help must be provided to the State agencies in planning for the welfare of children who presently are being sold to the highest bidder. If more Federal funds were authorized for these child-welfare programs, and for the many other child welfare activities in need of financial aid which time does not allow me to mention, not only could additional trained workers be supported, but also more State and local funds would be drawn out by the incentive of increased Federal support.

Mr. President, since the introduction of S. 3504 several members have indicated their willingness to assist me any way possible in my endeavor to increase the statutory limit for maternal and child health and crippled children services. Today, some of them are joining with me in the introduction of a bill to raise the statutory limit for child welfare services as an indication of not only their support of this particular activity, but also, for the other two programs of the Children's Bureau which are included in S. 3504. Therefore, I am especially proud to introduce a bill which would raise the statutory limit on child welfare services to $25 million. I ask unanimous consent that the bill be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3925) to increase the amount authorized to be appropriated for each fiscal year for the programs of child welfare services provided for by title V of the Social Security Act, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first sentence of subsection (a) of section 521 of the Social Security Act is amended by striking out "for each fiscal year, beginning with the fiscal year ending June 30, 1958, the sum of $12 million," and inserting in lieu thereof "for each fiscal year beginning after June 30, 1958, the sum of $25 million."

SEC. 2. The amendments made by this act shall be effective with respect to fiscal years beginning after June 30, 1958.

ADVANCEMENT ON RETIRED LIST OF MAJ. GEN. LEIF J. SVERDRUP TO GRADE OF LIEUTENANT GENERAL—BILL INTRODUCED

Mr. SYMINGTON. Mr. President, it is most unusual to find a man who has built simultaneously a record of the highest honors in civilian life and in the Military Establishment. Such a man is Maj. Gen. L. J. Sverdrup, United States Army Reserve, retired, of St. Louis, Mo.

On May 15, 1958, the Chief of Staff of the United States Army personally presented to General Sverdrup an oak leaf

cluster to the Distinguished Service Medal. General Sverdrup first received the Distinguished Service Medal for his work under General MacArthur in the southwest Pacific during World War II.

No armchair strategist, General Sverdrup also holds the Distinguished Service Cross for extraordinary heroism in action against the enemy in the Philippines early in 1945. This medal, awarded by direction of President Roosevelt, was pinned on by General MacArthur with the comment, "Here is the engineer-soldier at his best."

General Sverdrup holds virtually every medal, short of the Congressional Medal, which his country can bestow on a military man—the DSC, the DSM with cluster, the Silver Star, the Legion of Merit, and the Purple Heart.

Additionally, he holds the Croix de Guerre with palm, a French decoration from World War I; Commander of the British Empire, from World War II; the Distinguished Service Star of the Philippines; and the Commander with star of the Order of St. Olav, awarded by the King of Norway, his native land.

In civilian life, similar honors have been won by this extraordinary citizen of Missouri. The Boy Scouts of America have presented him with the Silver Beaver Award, the highest honor available to adult supporters of the Scout movement. The University of Missouri presented him with its award in engineering; the University of Minnesota chose him for its gold medal award for the alumnus of the year; and for the year 1956, the St. Louis Globe-Democrat chose him as its "man of the year" for his long and distinguished service to his country, his State, and his community.

Although he has devoted much of his time and energy to public affairs, both military and civilian, he has also for more than 30 years devoted himself to the farflung operations of his consulting engineering organization, on whose projects the sun literally never sets.

General Sverdrup, last January, retired from active participation in the United States Army Reserve, but despite this so-called retirement, he continues to serve as required on various military committees where his background and experience are sought.

An immigrant to this country as a young man just prior to World War I, General Sverdrup represents in its highest sense the American success story. Just as he regards himself fortunate to have adopted this country, this country and his community in turn are fortunate in the adoption.

Mr. President, I introduce, for appropriate reference, a bill to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve, retired, to the grade of lieutenant general on the retired list.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3927) to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve, retired, to the grade of lieutenant general on the retired list, introduced by Mr. SYMINGTON, was received, read twice by its title, and referred to the Committee on Armed Services.

AUTHORIZATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mr. MARTIN of Pennsylvania submitted an amendment, intended to be proposed by him, to the bill (S. 3910) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him before Wisconsin State Republican convention at Milwaukee, Wis., on March 24, 1958.

Article entitled "Soviet World Air Challenge Grows," published in the Milwaukee Journal of May 25, 1958.

By Mr. JACKSON:

Article by Senator NEUBERGER in tribute to ex-Senator Herbert H. Lehman, published in the Progressive magazine for June 1958.

COPPER PRODUCTION IN ARIZONA

Mr. GOLDWATER. Mr. President, on April 24, 25, and 26, I inserted in the RECORD four articles from the Christian Science Monitor, dealing with the phenomenal economic growth of my home State of Arizona. There was one dark spot on the horizon at that time. Unfortunately, that spot remains. I refer, Mr. President, to the unhappy state of our domestic mining industry generally, and to the copper industry specifically. Since I last spoke to my colleagues about this situation, the outlook has worsened, with many of the copper producers in Arizona and in the West, generally, laying off workers and curtailing production.

It seems to me, Mr. President, that now, as the Senate prepares to consider extending the Reciprocal Trade Agreements Act, as well as the Mutual Security Act, is a good time for the Congress to take a long look at what can happen and at what is happening to our own industries, as the result of cheap foreign labor which competes with America's well-paid workers. Although I have previously pointed out to my colleagues the disparity between wage rates in the United States and those in competing foreign nations, I ask unanimous consent to insert at this point in my remarks a tabulation which graphically illustrates the labor cost advantage that foreign copper producers enjoy.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Wage data in mining industry in specified countries

Country	Date	Wages or earnings	Exchange rate	Equivalent in United States dollars per day
South America:				
Bolivia	1957	Bs221,000 per month. Average wage in nationalized mines (mainly tin). Fringe benefits equal about 30 percent of payroll.	Bs1,000=US$.118	$1.04, without fringe benefits.
Chile	November 1955	Chil$604 per day (8 hours). Average wage in copper mines. Fringe benefits, average paid for overtime, 7th day pay, bonuses, family allowances, Chil$509 per day.	Chil$1=US$.0016	$1.75, fringe benefits of Chil$509 included.
Peru	1957	S/30 per day. Average earnings, including fringe benefits for overtime, vacations, holidays, 7th day pay and bonus. Some large firms may in addition supply housing, but no estimate is available of the average additional fringe benefits for heat, light, hospitalization, and commissary products which, at wholesale, equal about 30 percent of base earnings, or S/9 per day.	S/1=US$.0525	$1.575, fringe benefits—i. e. overtime, vacations, holidays, 7th day pay and bonus, included.
Northern Rhodesia, native labor	1954	14s. 5d. per month. Average earnings for native underground workers in metal mining.	UK £1=US$2.80	$0.80, without fringe benefits.
North America:				
Mexico	1957	$38.80 per day. Average wage in lead and zinc mines, including 7th day pay. Fringe benefits include paid vacations, medical care, pensions, life insurance, schools, workmen's compensation. Where housing is provided this may average 45 percent.	$1=US$0.08	$2.304, fringe benefits, except 7th day pay, excluded.
Arizona	1957	$2.42 per hour. Average hourly earnings for copper mining. Fringe benefits, which are in addition to average hourly earnings, are estimated at over 18 percent of payroll.		$19.36, without fringe benefits.

NOTE.—The free rate of exchange was used in each case, in order to arrive at a dollar equivalent.

Source: Wage data in Bolivia, Chile, Peru, and Mexico from U. S. Department of Labor, Bureau of Labor Statistics. Wages in Northern Rhodesia from Year Book of Labor Statistics, 1956, published by the International Labor Office, Geneva. Wages in Arizona as reported by the Arizona Department of Mineral Resources.

Mr. GOLDWATER. Mr. President, is it surprising that the Arizona producers who pay $19.36 a day to labor, exclusive of fringe benefits, are hard pressed to compete with, let us say, Peruvian producers who pay their workers $1.60 a day, or with northern Rhodesian producers who pay 80 cents a day?

Mr. President, I know there is not one Senator who does not recognize the present copper situation as a distinct danger to one of our basic industries. The question, then, is what to do about it.

There are several alternatives which can be considered by the Congress. I know that none of us would countenance lowering American wages to meet competition. We can, then, do one of three things: We can set import quotas or we can enact protective tariffs or we can subsidize our domestic producers. Of course, we could just sit by and watch our domestic producers flounder and disappear, while we spent hours on the floor of the Senate debating about where we could send another shipload of American economic aid or where we could enter into another trade agreement to gain the confidence of another doubtful ally. We could choose the last-mentioned course, Mr. President, but I, for one, do not care to work myself into a frenzy over foreign economies while our own is suffering from competition over which it has no control.

Mr. President, on January 16, 1958, I, along with other Senators, including my colleague the senior Senator from Arizona [Mr. HAYDEN], introduced a bill, S. 2998, which would (a) reestablish the excise tax on imports of copper at the original rate of 4 cents a pound; (b) increase the peril-point price, below which the tax becomes effective, from 24 cents to 30 cents a pound; and (c) provide that the tax will be suspended automatically whenever the market price is at or above the peril point. Except for the last feature, the proposed legislation involves no principle or policy that Congress has not already adopted with respect to copper. Congress is asked merely to reexamine the specific figures, in the light of radically changed economic conditions, and to make adjustments which the evidence shows to be urgently needed.

Mr. President, the peril-point approach is, to me, the most satisfactory solution of this problem. It will not be necessary to protect our domestic industry for all time; but until the standard of living in foreign countries is brought more nearly into balance with our own, our local producers will need the help of Congress. One of the ironic things about the present situation is the fact that many of our foreign competitors were put into business with American economic aid and technical assistance. A further complicating fact is that our own domestic production was vastly increased because of Government interest in expanding our domestic copper capability.

I was interested to note in the Metal Reporter for May 17, 1958, an article which outlines what Australia is doing to protect her copper producers from foreign cheap-labor competition. I ask unanimous consent to have the article, entitled "Duty, Bounty Plan Set for Australian Copper Price," printed at this point in the RECORD in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUTY, BOUNTY PLAN SET FOR AUSTRALIAN COPPER PRICE

John McEwen, Australian Trade Minister, announced that the Commonwealth Government, after an inquiry by the Tariff Board, has decided to introduce a combined duty and bounty scheme to stabilize the Australian price of copper to producers at 37.186 cents per pound.

Mr. McEwen said copper block, ingots, and pigs would be admitted free of duty under all columns of the tariff when the determined world price of copper was 30.9 cents per pound. When the determined price was less than 30.9 cents per pound the duty would increase by $2.25⅗ a ton for each Australian pound by which the price fell below 30.9 cents per pound.

With the addition of freight landing charges this should result in a landed duty-paid cost of not less than 32.115 cents per pound. This protection would be supplemented by a bounty of 5.07 cents per pound on copper sold on the local market.

Mr. McEwen said the current world price of about 24.79 cents per pound posed serious problems for Australian copper-using industries, which faced competition from imported copper products.

The Tariff Board had recommended that the copper industry should be assisted by a duty only, but the Government had decided that assistance should be partly by duty, partly by bounty.

The largest producer, Mount Isa Mines, did not seek assistance from the Board, but had provided confidential information on its operations.

The Tariff Board said in its report that two major underground mines, Mount Isa and Peko, could continue to operate profitably on the basis of disposal of 40 percent of their production on the home market at close to 37.186 cents per pound, and the sale of the remainder abroad at around 27.045 cents per pound.

Mr. GOLDWATER. Mr. President, I think Australia's action should be closely studied by this body. Although Australia produces only about 56,000 tons of copper a year, she is taking every precaution to see that her domestic copper industry does not become a sacrifice on the altar of international agreements.

Mr. President, companion legislation to Senate bill 2998 has been introduced in the House of Representatives, and is now pending before the Ways and Means Committee. I urge that committee and the Congress as a whole to take prompt action on a matter which is vital to our Western economy.

NOTES ON POLITICAL LEADERSHIP; ARTICLE BY SENATOR CLARK

Mr. PROXMIRE. Mr. President, the Philadelphia story is one of the rare, happy developments in American politics of a fresh, clean, vigorous group of dedicated men who assume responsibility for government in their local community. This happened to Philadelphia in 1949 and 1951, when JOSEPH S. CLARK became city comptroller, and then mayor.

In the current issue of Harper's magazine Senator CLARK tells a remarkable revealing story of "Operation Clean Government." Through his experience in bringing light and truth to the City of Brotherly Love as mayor of Philadelphia, Senator CLARK established himself as one of the most gifted and competent administrators in America. His record as an immensely capable United States Senator demonstrates that he is eminently qualified for any office within the gift of the American people.

Mr. President, I ask unanimous consent that Notes on Political Leadership, the lead article in Harper's magazine, written by Senator CLARK, be printed in the RECORD at this point, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOTES ON POLITICAL LEADERSHIP

(By Hon. JOSEPH S. CLARK, U. S. Senator from Pennsylvania)

Late one afternoon in the fall of 1943, I was sunning myself on the terrace of an Air Force billet at 26 Ferozshah Road, New Delhi, India, looking through a copy of Life magazine. There was a picture of Bill Bullitt in a chesterfield and homburg inspecting slum property in Philadelphia. Bill was running for mayor on the Democratic ticket against Barney Samuel, the incumbent Republican.

I thought to myself: "That's what I'm going to do when the war is over and I get out of this uniform." World War II was really just beginning then so far as we in the China-Burma-India theater—known in the Pentagon as those "Confused Bums in India"—were concerned. Two years went by before I turned in my Air Force suit.

While I was overseas, oil was discovered at my mother's family home at Avery Island, La. When I came back to Philadelphia I could afford the luxury of seriously going into politics. I had only dabbled in it during the 'thirties, for I had been pretty well occupied with making a living out of the law.

The Democratic Party in Philadelphia was looking for new blood in 1946. Despite the long record of Republican misrule, the Democrats had not elected a mayor since 1884 and the Republican political machine was solidly entrenched. The depression had created a Democratic Party where none had existed before; but although it came close to winning the mayor's office in 1935 and 1939, Bill Bullitt took a bad beating in 1943. When 1947 rolled around, Democratic chances were dim indeed.

Luckily, I found myself in excellent company when I first got involved in local politics. Dick Dilworth and Jim Finnegan had also come back from the war interested in working with the Democratic Party. By the spring of 1947 the three of us—with the help of Mike Bradley, Democratic city committee chairman—had moved into positions of local party influence. Dilworth and I helped organize an effective independent group largely through Americans for Democratic Action. Finnegan was Bradley's right-hand man at the city committee. Without Jim we would never have succeeded. His untimely death this spring deprived our party of one of its ablest and most respected leaders on the national as well as the local scene. He made the art of practical politics an honorable profession.

Dilworth made a valiant but unsuccessful campaign for the mayor's office in 1947. Next year a series of Republican scandals hit the headlines. In 1949, with Finnegan as city chairman (Bradley having become collector of the port), Dilworth was elected city treasurer and I city controller. Two

years later I was mayor, Dilworth was district attorney, and Finnegan was president of City Council. A new city charter was approved and the Democrats controlled the Council fourteen to three. The ball had certainly been thrown to me. The problem was what to do with it.

When I first took office as city controller in 1950 I came into contact with Frank Short, who had been budget clerk under the Republican regime. Frank was an old newspaper man turned municipal financier by accident. In those primitive days he—together with Ed Harris, Republican leader of the 46th ward, and Bill Shellenberger, formerly an employee of the Pennsylvania Economy League—had the job of throwing together an annual city budget which would meet the requirements of the Republican city committee as expressed through city council and the mayor.

Frank and I became warm friends. His advice was disinterested and intelligent. During my 2 years as controller I rarely made a move affecting the budget without first talking over the details with him. When I became mayor, Frank moved over to the city representative's office, where his newspaper training and wide knowledge of city hall made him invaluable as a consultant on public relations in the widest sense of that much abused term.

One day in 1951 we were talking together about the scandals in city government. Frank commented: "They never would have happened if Judge Lamberton had lived."

"Why not?" I asked.

"Because he was a completely honest man," Frank replied, "and his own high standards of integrity spread from the mayor's office all over the city."

Lamberton, an incorruptible judge, had been drafted to run as mayor by the Republican machine in 1939 to save it from the fate worse than death—the election of a Democrat. The maneuver was successful, but after slightly more than a year in office Mayor Lamberton died; city hall slumped back to its normal pattern of unimaginative inefficiency and small-time graft.

The chance conversation with Frant Short led me to some thinking about the function of leadership in an urban democracy. Surely if Lamberton's integrity had the result attributed to it, there must be other ways in which the impact of a mayor's character and political philosophy could make itself felt—not only in local government but throughout the community generally.

An old and favorite story of politicians involves the late Senator Clyde Swanson of Virginia, Secretary of the Navy in the first Cabinet of President Franklin D. Roosevelt. Swanson, beloved by all who knew him, was once asked to what principles he attributed his political success.

"To three rules of conduct from which I have never deviated," he replied. "First: Be bold as a lion on a rising tide. Second: When the water reaches the upper deck, follow the rats. Third, and most important of all: When in doubt do right."

Perhaps the second maxim is as essential for political survival as the first and third are for political success. It was my good fortune as mayor never to have the water reach the upper deck, although there were a couple of times when it came pretty close to the gunwale. But often it seemed wise to be bold and, at least on occasion, doubt was resolved on the side of virtue.

The mayor of a large city has heavy executive responsibilities—especially in a city such as Philadelphia, which operates under a charter giving strong powers to the mayor and relatively little authority to the city council. Within his limited field, such a mayor carries responsibilities which differ only in degree—not in kind—from those of the President. Philadelphia, with a population of more than 2 million, has more inhabitants than 20 of our 48 States. The mayor's problems, therefore, are more difficult than those of many a governor. It has been said that the second most demanding executive job in America is held by the mayor of New York; the mayors of our other great cities can feel, with good reason, that they follow close behind—and that the qualities of political leadership demanded of a President, a Governor, and a big city mayor are not very different.

WHAT DOES A MAYOR REALLY DO?

It is hard for a mayor to plan his day, for he has no fixed routine—or at least I was never able to arrive at one. Speaking dates, to be sure, are lined up in advance. Ordinances passed by city council must be signed or vetoed within 10 days of passage; and council passes a batch every week. Cabinet meetings took 2 hours at lunch on Wednesdays. A large group of commissioners, deputies, and often their wives, met with me in the evening four times a year. The budget message has to go down to council on a day in September. Most of that month and all of October each year found a high priority given to political campaigning, in support of candidates for everything from clerk of the quarter sessions court to President of the United States. And every February and March there were endless meetings in the traditional smoke-filled rooms to work out a "slate" of candidates which would prevent that anathema of all professional politicians: An open primary fight.

But in between, I was never certain of what was coming next. Arriving at the office at 8:30 a. m., I would unload my briefcase, turn over to my staff for processing the papers acted on at home the evening before, and send back to the files the reports, I had read. Before leaving the office around 6, the mail would be signed and the briefcase repacked. In between, each day was different and therefore fascinating.

Much of my time was spent listening to other people's plans and problems. On a typical day, for example, the city's managing director and fire commissioner were having a rough time with the head of the firemen's union (they kept on having it for 4 long years). The director of finance was concerned lest our campaign to have new loans authorized at the spring primary would fall on its face (it did). The city representative wanted help in determining whether to serve sherry, bourbon, both, or neither, to Queen Juliana and Prince Bernhard of the Netherlands at 11 a. m. at the reception at the art museum (we settled for sherry in the Dutch Room). The city solicitor was concerned because the Board of City Trusts refused to admit Negro orphans to Girard College (as this is written, the question is still unsettled). A delegation was waiting outside to protest open-dump burning at 83d and Buist Avenue (we finally closed the dump). The Greater Philadelphia Movement wanted the city to put millions of dollars into a new food distribution center in South Philadelphia but Albert M. Greenfield said it was a waste of the taxpayers' money (the city is now financing the project).

Throughout this crowded routine, a man new to the mayor's office is compelled to hammer out for himself the principles that should guide him in exercising power over the life of a city. One of the first things that struck me was how true—and how terribly difficult to apply in day-to-day reality—were the copybook maxims which have been the old standbys of political commentators and teachers since Thucydides.

WHERE THE BUCK STOPS

It should go without saying, for instance, that a mayor must be honest—not only money-honest but intellectually honest. Honest not only with other people but, even more important, honest with himself. "To thine own self be true" is as good advice to a mayor as it was to Laertes. And this is especially difficult, for wishful thinking can so easily convert "I want it" into "This is right."

But simple honesty is not enough—not nearly enough. It is here that Lincoln Steffens—who spent years studying corruption in American cities—vastly underestimated the complexity of American municipal government. Steffens thought that if the business interests would keep their dirty hands out of politics, honest citizens would elect honest officials who would then collect the garbage and reform the police department and everything would be fine. Maybe that was a sound analysis of the problem in the old days, but things are far different now. Every mayor soon learns that there are both honest and earnest conflicts of interest which involve every quarter of the community; he must strike a balance among them.

An equally obvious requirement is that the mayor should be a good administrator. Harry S Truman, as President, had the cardinal rule of sound administration posted on his White House desk: "The buck stops here." No matter how complex the issue and however meritorious opposing plans may seem, the mayor, like the President, must make the decisions, and he must make them promptly and firmly. He may get some help from the briefing of competent advisers, from prayerful—and preferably secluded—thought and analysis, and from a few well-chosen personal contacts on the grass roots level. But in the end the Chief Executive must act on his own responsibility and his alone.

This is a rule much easier stated than followed, and so are the other ancient precepts of sound administration. Every political leader will agree with them wholeheartedly, while regretfully remembering the many times during his own career when he violated them. Here are a few of the classics:

Pick able subordinates, delegate responsibility, follow up to see that orders have been carried out, support your administrators unless they are clearly wrong; then either fire them or take the rap yourself. (If I had it to do over again, I would not appoint a half dozen men whom I chose at that time.)

Remember that with each individual you have a cup of good will. You can gulp it down or sip it slowly. And if you sip—it tends miraculously to renew itself. (I drank too quickly the cup of good will of at least three Philadelphians, whose resulting opposition delayed or defeated many a pet project.)

Order your life so you can work hard and still get adequate rest, some time for your family and friends, and a chance not only to keep up with your profession but with the major currents of creative thought in the world about you. (At least twice a year I had to make bonfires of the papers which had languished unread in my briefcase for months.)

THE ART OF MOVING FAST

As I made my sometimes fumbling way through the administrative labyrinth of the mayoralty I found, curiously enough, that my 4 years in the Air Force were my salvation. Lawyers, as a rule, get no experience in administration. I did not even know what the word meant when I got myself a captain's commission in August 1941. Imagine my surprise on finding myself a year later director of organizational planning for the Air Staff. I knew nothing about organization and less about planning, and I had to learn fast.

A few months later I took a 9-week cram course in personnel administration at the

Command and General Staff School in Leavenworth, Kans. Next thing I knew I was in New Delhi drawing organization charts in five colors to show the relationship between the British Army, Navy, and Air Force; the Chinese Army and Air Force; the Indian Army and Air Force; the American Army engineers, Air Transport Command, 10th Air Force, Air Service Command, Headquarters AAF India-Burma Theater; Joe Stilwell, Claire Chennault, Lord Auchinleck, Chiang Kai-shek, Lord Louis Mountbatten (known as the Supremo, no kidding) Air Marshal Sir John Baldwin and his RAF colleagues, and—finally—my own boss, Maj. Gen. George E. Stratemeyer, in whose debt I shall always be for his warm friendship and support.

You can't be a part of an organization which grows a hundredfold—from 2,000 officers and 20,000 men—in 4 years, without learning something about administration in the process. Without the Air Force I would have been lost in the mayor's chair.

Beyond the timeless and universal rules of public ethics and administration, the political leader must also try to master a more sophisticated set of tactics. The art of handling his friends, his enemies, and himself in a constantly changing local political situation can be very subtle indeed—and in learning it there seems to be no substitute for experience.

Suppose, for example, that you have just won a great political victory in a city like Philadelphia. Temporarily, at least, you are a local hero. You will accordingly have a honeymoon (unhappily without a bride) during which you can accomplish easily a good many things which will be difficult, if not impossible, later on.

It is important, therefore, to strike while the iron is hot—if I may mix a metaphor. Our reform administration came into office in January 1952, on a wave of good will and civic virtue which drowned effective opposition for well over a year. During that period, we were able to push a $20-million tax increase through a reluctant city council. We were also able to establish both the foundations of a sound personnel system—based on merit instead of patronage—and to hire the best available people for executive jobs, despite the fact that some of them came from as far afield as Denver and Oakland, Calif. Moreover, the marriage was still a happy one when we beat back the first attack of the combined Republican and Democratic organizations to cripple the new city charter in the spring of 1953.

At every point in your administration you will be subjected to flattery—much of it, to be sure, obvious and nauseating, but a good deal of it subtle, insidious, and disarming. Remember, therefore, with Lord Acton that all power tends to corrupt and take frequent measurements of the size of your head.

There are, I found, three good antidotes for a swelled head:

1. Subordinates who aren't afraid of telling you the truth. While there were many in this category, I was blessed with two particularly able and candid administrators in Lennox Moak, director of finance during the first 2 years, and his successor, Vernon Northrop. The former, with the finesse of a battering ram, the latter with the skill of a trained diplomat, kept the mayor in his proper place.

2. Continued association with very old friends who knew you before you became Mr. Big Frog in a relatively small puddle. I lunched quite often with four—my college roommate, Morris Duane; my lifelong friends, Geoffrey Smith and Philip Wallis; and my former law partner, Carroll Wetzel. A frank, relaxed talk with men like these was bound to send one back to city hall with a better understanding of one's assets and liabilities.

3. A wife who tempers affection with understanding of human frailty. For this there is no substitute. I have one such.

You must constantly and carefully assess the powers of your office in relation to other power groups. You must know where you stand with city council, with the local judiciary, with the Governor and State legislature, with the administration in Washington and the Congress and the multiple Federal agencies to which you will inevitably look for help.

The Philadelphia charter gives the mayor great advantages in dealing with city council. His appointments do not need to be confirmed; he has comparative freedom to administer as he sees fit; not much substantial municipal legislation is called for. Only with respect to the budget can the mayor be checked. Luckily, as I've noted, we got over the tax increase hurdle during the initial postelection honeymoon. And so long as Jim Finnegan was president of the council all went well. By the time he left, early in 1955, a pattern of cooperation had developed which even the constant and bitter rows I had with the Democratic organization did not destroy.

In other governmental agencies—local, State, and Federal—we cultivated assiduously those people who could help us most, whether they were Democrats or Republicans.

FRIENDS AND ENEMIES

Another preoccupation that every prudent mayor should have constantly on his mind is his relations with the local press, radio, and TV stations. Here I found that hard work pays off handsomely.

When our reform administration took office, many reporters, commentators, and editors had a healthy skepticism about both our motives and our abilities. Some of them suspected that the mayor's hat was high and his shirt stuffed. We did our best to play everything on the top of the table—to be friendly, available, cooperative, and frank. Gradually the image of the typical Harvard man—whom you can always tell, though not much—began to dissolve. One incident that may have had something to do with this was the mayor's press party one hot August evening; our rendition of Sweet Adeline at about midnight was so outstanding that neighbors called the police. Whatever a politician's platform may be, the reporters' most important judgments about him are personal ones; if he is trying to cover something pretentious or phony under high-sounding phrases, they soon find it out.

A political leader also needs to know at every minute just where he stands with his own party and the opposition. So far as the Republicans were concerned, we were lucky indeed. They were so demoralized by their defeat in 1951, so lacking in leadership, so inept in opposition, that for 4 years we were able to ignore them. With the Democrats it was different. The philosophy of our administration was completely opposed to that of many of the leaders of the city organization. They were in politics for profit, power, and prestige—nothing else. Yet we could not win elections without them.

So, for 4 years there was brush warfare for limited objectives—never massive retaliation on either side—probably because neither antagonist was able to select a time and place of his own choosing. Each spring we would quarrel bitterly over candidates in the primary. Each fall we would kiss, make up, and have pictures taken with our arms around each other's shoulders. I always kept thinking: "This spring we must knock them out of the box."

But the time never came. And in 1955 when question of the succession arose the organization swallowed Dick Dilworth as its candidate for mayor like a brave little boy taking castor oil.

Yet, as I look back on my administration, I think that one of my most early miscalculations was thinking that I could ignore the Democratic city committee and get away with it. So far as defending the city charter and getting our budget through the council were concerned, we were successful. But for 8 long years Bill Green, the Democratic city chairman, and his ward leaders, held on to their power in the county offices. And in the State legislature in Harrisburg no legislation affecting the city of Philadelphia went through without Green's consent. This situation resulted in many frustrating failures and I had to eat a lot of humble pie. Even today, the Governor must look to the city committee rather than to the mayor if he wants help in carrying out his State program.

A successful politician must learn what he can expect from his local business and financial leaders and from organized labor.

We came to expect nothing from the Philadelphia Chamber of Commerce. Like its national parent, it kept repeating ancient and obsolete dogma. For 67 years it had got its way in city hall—low taxes, inadequate municipal services, favors for those who would pay for them—and it was slow to realize that times had changed. Yet, I now feel that if I had been more tolerant and friendly toward the chamber, we might have avoided at least two rows which set our program back. And today new leadership in the chamber is giving Mayor Dilworth cooperation I never could obtain.

WHO SPEAKS FOR THE PEOPLE?

Fortunately, the chamber did not speak for all the city's businessmen. The top-flight business leadership was organized in the greater Philadelphia movement, and it was eager to cooperate. These men supported the Penn Center development—a vast project (reported by James Reichley in the February 1957 issue of Harper's) which is remaking the center of the city. They developed the new Food Distribution Center, replacing the city's old and inefficient markets. And they organized and helped finance the citizens' charter committee, which was of tremendous help in getting and keeping our basic political reforms. Most of them were Republicans, but they were greater Philadelphians before they were partisans—and therefore as anxious to get our help as we were to get theirs.

Organized labor had supported us on our way up, although there were a few rough moments at the summit. For over a year I was unnecessarily at odds with Joe McDonough, the AFL leader in Philadelphia, because of my own tactlessness. He wanted a representative of labor on the civil service commission, which I did not think appropriate. Of necessity, he had to espouse the cause of Jim Forbes, flamboyant leader of the fire fighters' local union. He was also concerned because we had abolished the 40-hour week for city employees 2 days after we took office—not because we opposed it, but because the lame-duck Republican council which had voted it in had failed to provide the tax money to pay for it. From where Joe sat, he had a strong case, and I should have been more sympathetic to the difficulties which confronted him inside his own organization.

But, on the whole, the unions stood solidly behind our administration and asked for little they weren't entitled to. Many of their leaders served faithfully and well on the nonpaid citizen boards and commissions which were an important feature of the new charter.

Winning and holding the loyalty of the civil servants was a major undertaking because of the sleazy methods of administration and resulting low morale we inherited. We fired a few crooked cops and firemen, made friends with the AFL blue-collar employees' union, and gave everybody a long overdue pay raise. We finally convinced

them, I think, that they didn't have to grease their ward leader's palm to hold their jobs or win promotion. I believe we ended up with as fine a group of hardworking, loyal, courageous employees as any large corporation could boast of.

Finally, a political leader must know how he stands with the people, and what steps he should take to keep them constantly informed of his program, so that he can rally popular support at critical moments.

This was a major preoccupation for me. We tried to operate in a goldfish bowl. We solicited criticism and suggestions. Once a week we were on radio explaining our plans and programs. Twice a month we had television shows—Tell It to the Mayor, on which we solicited gripes on everything from trash collection to traffic control—and Report to the People, on which I reviewed the last month's happenings in city hall. Press conferences were held once a week. In addition, all reporters could see the mayor on short notice at any time, and had my phone number to call at any hour. Cabinet officers spoke whenever they were asked.

Through these channels and from our political friends flowed a daily stream of information which we tried to dissect at cabinet meetings. In spite of a good many mistakes, I think we came fairly close to knowing the day-to-day public reaction to what we were doing and to what extent we could rally support for our next move.

HOW HIGH TO AIM?

No matter how carefully a mayor may remember all these things, he is not likely to succeed unless he also remembers his single most priceless asset. This is simply the fact that he is the directly elected representative of all the people in his city.

They look to him for leadership, not to the members of the council or to the party hierarchy. They expect him to carry out his party's campaign promises. They cheer him if their interests are successfully defended, and blame him for any failure.

No appointed official—city manager, managing director, or chief administrator—can possibly get or keep the prestige of an elected mayor. Top leadership in American politics is never hired; it is always elected. This is the mayor's great strength. It is also his heaviest responsibility.

For the essence of leadership is to lead, not to follow. It means staying ahead of the crowd—far enough ahead so that people can clearly see which way you are heading—but not so far that you lose sight of your followers and they of you. Deciding how far ahead you should be at any moment is a matter of intuition, not something you can settle according to the formal rules of administration. It is said ad nauseam that politics is the art of the possible—but in his heart every successful political executive knows that what is possible depends largely on the quality of his own leadership.

One great danger to democracy is that power will fall into the hands of men who react to new challenges in obsolete ways. Toynbee has warned us that the men who have successfully responded to one challenge are rarely able to supply the leadership needed for the next one. They tend to think the same policies and methods will work again. More often than not, they won't.

So the primary function of sophisticated leadership is to use the experience of the past as a kind of arch, through which to look at each challenge as something quite new.

A SHORT DISTANCE

Solving these new problems requires the aid of skilled planners. They are practically all in short supply—whether they are technicians in shelter, traffic, water resources, or race relations. They cost money. One of the leader's jobs is to get that money at almost any cost. No mayor of any major American city can possibly succeed today unless he has at his elbow the very best planners—for the city, metropolitan area, and region—that money can buy; and money alone is not enough. Often he must persuade them to enter public service at considerable personal loss.

He can do this only if he holds a high conception of the purpose of political leadership.

He must set worthy goals for himself, for the men who work with him, and for the people he hopes to lead. Nobody can be expected to follow a mayor with clay feet.

Alexis de Tocqueville, in his classic study of the United States, concluded that such a high standard of leadership was impossible in a democracy. Our form of government was not suited, he believed, to "give a certain elevation to the human mind * * * to inspire men with a scorn of mere temporal advantages, to form and nourish strong convictions, and to keep alive the spirit of honorable devotedness." On the contrary, he thought that democracy was more likely to "divert the moral and intellectual activity of man to the production of comfort * * * to insure the greatest enjoyment and to avoid the most misery to each of the individuals who compriss it."

I take a more cheerful view. I believe it is the function of modern democratic leadership to do both—to provide a floor below which misery will not be permitted to sink, and also to provide an environment in which the mind and spirit can flourish and rise to new heights of achievement. To do this, a leader needs that sense of history which was always a part of the thinking of such men as Franklin D. Roosevelt and Winston Churchill. A mayor does not come to office to preside over the dissolution of his city, any more than Churchill became Prime Minister to preside over the dissolution of the British Empire. He must be proud of his city's past and anxious to play his part in its future. And in his daily life he must make it clear that he has not—in Tocqueville's phrase—"acquired the supreme power only to administer to * * * coarse or paltry pleasures." In short, when ridding Philadelphia of corruption it was also necessary to rid it of contentment.

Together with this sense of history, a good political leader must have the ability to look ahead for the best way to the ideal future of his city. Then, when he has discerned it as clearly as he can, he must try to lead his community a short distance in the right direction—remembering that it is his high duty to bring out the best in that imperfect and imperfectible being who is created nonetheless in God's image: Man, on whose support his claim to leadership depends.

MUTUAL SECURITY ACT OF 1958

The VICE PRESIDENT. Is there further morning business? If not, without objection the Chair lays before the Senate the unfinished business, H. R. 12181.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

THE LAG IN OUR NATIONAL DEFENSE

Mr. SMITH of New Jersey. Mr. President——

The VICE PRESIDENT. The Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I am happy to yield to my distinguished friend the Senator from Missouri [Mr. SYMINGTON], who advises me he has a statement to make and desires to meet a plane. I yield to him with the understanding that I do not lose the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Missouri may proceed.

Mr. SYMINGTON. Mr. President, through a policy of inaction, this administration is handing military superiority over to the Communists; and the recent technological and diplomatic defeats forced upon the Free World as a result of this policy, only serve to emphasize the growing peril.

Our defense effort is being shackled by a lack of decisive leadership.

At the time of the launching of the first sputnik, nearly 8 months ago, our defense strength was greater vis-a-vis the Communists than it is today.

The new Russian sputnik was launched May 15, another grim warning for all but the blind to see—a ton and a half of Soviet technology circling our country at will.

Nevertheless, our Government continues to place soft living and budgetary considerations ahead of national security.

If the rapid advance of communism during recent years has taught us anything, it is that successful negotiations with these people are possible only if conducted from a position of relative strength.

Therefore, there can be no justification whatever for our present policies.

Having permitted the United States to lose its relative defense strength, we are now adding new names to the old trouble spots.

To Korea, Formosa, Indochina, and Egypt, we now add Syria, Yemen, Indonesia, Lebanon, and Algiers.

And our oldest ally of all—France.

Also new names from the Western Hemisphere—Lima and Caracas, places where people recently stoned and spat in derision on the Vice President of the United States.

As things are now going, more names will appear shortly, to be added to the long list of recent Free World failures.

Every American has the right to ask, What action has been taken during the nearly 8 months which have passed since last October 4, the day Russia projected man into the Space Age?

The answer is, very little.

After Sputnik I, there appeared to be a stirring, an uneasiness, a resolve to face up more to reality.

But now again the administration has fallen back into its former ostrich-like state of complacency.

As the beep of the first sputniks faded into silence, inaction, delays, and expenditures ceilings returned to view.

The truth of the matter is they never really left; but became temporarily unnoticed, while our attention was diverted by public statements of promised actions.

In addition, through an unfortunate twist of timing, there was another diversion—discussion of the administration's defense reorganization plan.

That controversy has tended to relegate and obscure the issue of our relative decline in strength.

Last November 14, President Eisenhower himself promised "a critical reexamination of our entire defense position."

At that time also, the President announced a basic change in the policy of his administration, when he asserted that the American people would no longer "sacrifice security worshiping a balanced budget."

As a result of these statements by the President, many of us were willing to overlook the Government's record during the previous months—a record of disgraceful disregard for our declining strength vis-a-vis that of the Soviets.

On the contrary, we were eager to cooperate to recover lost ground; anxious to build up our military strength so there could be hope in negotiations looking toward permanent world peace.

Last November the Senate Preparedness Investigating Subcommittee started hearings to find out the truth about our strength.

During these hearings, expert testimony was received from outstanding civilians, scientists, and military leaders.

On January 23, the subcommittee issued a unanimous report, signed by all Republican members of the committee as well as all Democrats.

That report listed 17 areas "upon which decisive action must be taken."

These recommendations—nonpartisan in origin and constructive in content—presented a suggested framework for positive action on the part of the administration.

Taking them up in order, the first unanimous Senate subcommittee recommendation was to "modernize and strengthen the Strategic Air Command."

What has been done to that end is inadequate.

As example, there has been no acceleration whatever of aircraft production programs.

A few more long-range jet bombers and tankers were scheduled; and for them this administration did request a supplemental appropriation to the 1959 budget; but what was asked for will give less than one additional SAC wing; and that shrunken wing is not planned to be operational for 3 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my able and distinguished friend from Pennsylvania.

Mr. CLARK. I am very much interested in the most important speech which my good friend from Missouri is now making on the floor of the Senate. He has been kind enough to give me an advance copy of his speech. It is on a subject matter in which I personally have an intense interest.

With respect to what the distinguished Senator from Missouri has just said, I should like to inquire, realizing that there is certain classified information which the Senator cannot reveal, but within the limitations of classification, how operational today is SAC? What percentage of its planes can be kept in the air? What is the status with respect to maintenance, and gasoline, and the ability to keep the planes fully operational? I notice that the Senator's recommendation No. 14 deals with the problem of adequate pay for skilled military personnel.

Does the Senator feel that legislation which has been enacted, or that which may be enacted, will be adequate to hold the experienced competence which is necessary not only in armed services personnel, but in civilian personnel? I realize I have thrown a great many different questions at the Senator, but I think all Americans would be interested in an amplification about SAC's situation, subject to restrictions of classified information.

Mr. SYMINGTON. I thank the Senator for his interest in this matter, especially as he is one of those who takes a continuing and basic interest in our national defense.

Answering the last part of the Senator's question first, I would say the new military pay law is a substantial improvement over the pay scales of the past. I do not believe it will do all the job which is required. I still think we shall lose, especially after the first term enlistments, a number of mechanics and other skilled personnel as well as technicians in the new arts which are becoming so important in defense. This turnover is expensive and weakens our defense capability.

However, with respect to the maintenance of SAC—and I am one who believes that SAC is the greatest single deterrent to war we have in the Free World today—the maintenance is inadequate, the number of mechanics is inadequate, and the modernity of the planes is not what it should be. The primary reason for these inadequacies is the expenditure limitations which are arbitrarily imposed on the construction, maintenance and operation, and equipment of the Strategic Air Force.

Mr. CLARK. I thank my friend for his answer. I hope the American people will be given the opportunity to hear this speech through the press.

I feel we have slipped back into another era of complacency, after the splendid work which was done by the Johnson subcommittee, on which the Senator from Missouri served with such distinction earlier in the year. I think the time has come to awaken the people of the United States to the fact that nothing adequate is being done in this area.

Mr. SYMINGTON. I thank the Senator for his typically constructive approach to this vital matter.

I point out, if I may, that under the chairmanship of the distinguished majority leader an extraordinary accomplishment occurred in regard to these 17 recommendations. The logic and wisdom of the majority leader aided by distinguished counsel contributed greatly to this accomplishment. Not only did all the Democratic members sign the 17 recommendations to which I refer in these remarks, but all the Republican members of the subcommittee also signed them.

My statement today is an effort to show that, regardless of this unanimous position in the Senate with respect to military defenses and the promises which the President made last fall after the first sputnik was orbited, little actually has been done compared to what was promised or what was and is needed.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from Alabama, one of the great authorities in the Senate on military affairs.

Mr. HILL. I thank the Senator.

I agree thoroughly with all the Senator from Pennsylvania said about the work of the Johnson subcommittee. The subcommittee did an excellent job.

I desire to bring to the attention of the Senate the fact that some time before the Johnson subcommittee began its investigations we had the Symington subcommittee, and that subcommittee did a most excellent job. The Symington subcommittee brought out information regarding the many weaknesses, and, may I say, derelictions so far as airpower is concerned, as well as the facts relating to other phases of our national defense. Although these facts were brought out very clearly and in a most forceful way by the Senator from Missouri and his subcommittee, very little has been done to correct the situation, as the Senator from Missouri has stated in his speech.

Mr. SYMINGTON. I thank my distinguished friend from Alabama. The Senator has always been a proponent of a strong defense, and especially strong airpower. Unfortunately, the report to which the Senator referred, the report of the Air Power Subcommittee, was one which the Republican members did not sign in agreement with the majority report. Rather, the Republican members presented minority and contrary views.

I am glad to know that in the 12 subsequent months those who were members of both committees reversed themselves. The report which the able majority leader was able to submit was signed unanimously. That is very important from the standpoint of what the people should think about the way the administration is handling our defense problems at this critical time in world affairs.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished acting majority leader.

Mr. MANSFIELD. Mr. President, I want to join my colleagues, the Senator from Pennsylvania and the Senator from Alabama, in commending the Senator from Missouri not only for the timeliness of his report but for the great work the Senator did in the subcommittee of which he was the chairman, which in effect, was the predecessor of the Johnson subcommittee, of which he is a most distinguished member.

The Senator has said that in his opinion the Strategic Air Command is the greatest deterrent to aggression we have. I would assume that in the opinion of the Senator from Missouri SAC is also, in fact, the keeper of the peace at the present time.

The Senator has mentioned maintenance with respect to the Strategic Air Command. Could the Senator tell the

Members of this body exactly how deficient we are with respect to mechanics in SAC?

Mr. SYMINGTON. I am sorry to tell my distinguished friend from Montana that I cannot give precise details as to the exact number needed at this time. I know we had sworn testimony last fall that a significant part of the Strategic Air Force was grounded because of lack of gasoline. I also know we had sworn testimony from the then head of SAC, General LeMay, that he did not have the quality or the quantity of mechanical support and technological support he should have.

I believe it would be interesting to the distinguished Senator from Montana and the Senate to know that 75 percent of the enlisted personnel serving in the Strategic Air Force today have been serving in that command for less than 2 years.

Mr. MANSFIELD. Would the Senator think it would be an indictment of some sort or another with respect to this, the most important of our defense groupings, to contemplate that in such an organization, which is supposed to be on ever-ready alert, 75 percent of the personnel have less than 2 years of service?

Mr. SYMINGTON. Seventy-five percent of the enlisted personnel; that is correct.

Mr. MANSFIELD. It is my hope that the initiative taken by the distinguished Senator from Missouri and the Senator from Arizona [Mr. GOLDWATER] in introducing as a bill what were known as the Cordiner proposals, will have some result in obviating such a situation. I hope something will be done to bring about a strengthening of the personnel of the Strategic Air Command and the other elements of the armed services through the better pay and greater security sought to be provided by the legislation which, under the chairmanship of the distinguished Senator from Mississippi [Mr. STENNIS], has cleared both Houses and been signed into law by the President.

Could the Senator tell the Members of this body what the meaning of the word "abort" is?

Mr. SYMINGTON. As the able Senator from Montana knows, when an airplane goes on a mission and something of a technical or similar nature happens which prevents the mission from being completed, the word "abort" is used.

Mr. MANSFIELD. Does the Senator have any figures indicating how much aborting has been a factor in the operations of the Strategic Air Command?

Mr. SYMINGTON. I do not have the figures exactly, but I know the figure is inexcusably high. We had sworn testimony that as a result of the expenditure ceilings which were placed on the Strategic Air Force there were planes which did abort, there were more accidents, and there were more casualties.

Mr. MANSFIELD. Could the Senator tell the Senate whether we have had in the Strategic Air Command at all times sufficient personnel to man the planes of that command?

Mr. SYMINGTON. We have not. We have been and still are short of trained crews.

Mr. MANSFIELD. Could the Senator, for the information of the Senate and the people of the country, tell us something about Operation Reflex Action?

Mr. SYMINGTON. Now the Senator is getting a little close to something I would prefer not to discuss at this time. The Senator's knowledge of this subject is very great. If there is anything he would like to include in the RECORD on that item I would be happy to have him do so.

Mr. MANSFIELD. I do not intend to go into things which are secret or confidential, but it is my understanding that this operation is pretty well known and has been well publicized in the press of this country.

It was my privilege to witness in Morocco last fall a Reflex Action operation at Sidi Slimane, at which time 20 B–47's were wheeled on the runway and in 20 minutes were in the air on their way to a predetermined destination. This is something which the Air Force recently has had to do to make up in part for the scientific supremacy in ICBM's and IRBM's which the Soviet Union has over our country at the present time. I think General White and the Air Force are to be commended for the great strides they have taken to keep the United States in a state of preparedness and to keep the first arm of our defense on the ever ready and alert.

In that respect, I hope the Strategic Air Command will continue the series of aerial reconnaissance flights in the Arctic area, which, of course, we know are needed very badly. In the Arctic, SAC planes must go up to intercept any unidentified objects. It is an area which is the most important, in my opinion, so far as the defense of this country is concerned.

In other words, I believe that the polar icecap is the area from which any attack against this country will come, if it ever comes.

I thank the Senator.

Mr. SYMINGTON. I thank the Senator for his very able contribution.

As a matter of interest, for some time now, an average of 23 percent of the medium bomber wings of the Strategic Air Force are idle, because of the lack of adequate maintenance. I mention that figure to show the incredible situation in which the defense of this country finds itself at the present time.

The unanimous Senate subcommittee recommendation No. 2 was "to step up the dispersal of SAC bases." Fiscal considerations have blocked sound planning for much of that dispersal.

Solely in order to save money, SAC aircraft, defense missile facilities, and other important military equipment are in some cases now actually being concentrated into more confined areas. This can only delight Mr. Khrushchev, who has announced that he intends to bury us; and also please his bomber pilots, his submarine crews, and the missile experts under his command. This action, against all experience and all expert advice, is especially unfortunate, because if we are ever subject to all-out attack, the first targets will be those bases which represent our capacity to retaliate.

The third unanimous Senate subcommittee recommendation was to "put more effort into developing antimissile missiles." That area of defense is also characterized by indecision and delays.

We know the Russians are far ahead of us in long-range ballistic missiles. We know also that our defense against those weapons has barely gotten off the ground. Since the heavy cutbacks in research and development expenditures of last year, there has been some increased effort in the antimissile field. But the organization to handle this problem is not worked out; and the current division of functions between the services can only cause increased waste and delay. As example, warning and communications rest largely in the Air Force; but the launching function remains in the Army. Both services receive constantly fluctuating financial assistance in their effort to carry out this vital mission—and that would appear to be one of the chief reasons why the entire program is characterized by disorganization and little sense of urgency.

The fourth Senate recommendation was to improve our early-warning system for manned aircraft and accelerate the development of an early-warning detection system for ballistic missiles. Construction of the distant early-warning line, planned to defend this country against manned aircraft, is proceeding slowly; and again, the delay is due largely to arbitrarily established expenditure ceilings. As a result, our warning system against manned bombers, including required radar and other equipment, is still entirely inadequate. Nor is there any adequate warning system against the ballistic missiles now possessed by the possible enemy; weapons which can streak across the polar cap toward the unprotected bases and cities of this country. That is why it is so vitally important to disperse our retaliatory forces, with SAC bombers constantly on the alert.

Senate recommendation five was that action should be taken to modernize and strengthen ground and naval forces. This nation has scores of military commitments all over the world. If we should fail to live up to those commitments, the United Nations would go the way of the League of Nations; and that would be another triumph for advancing communism.

Unless, therefore, we wish to fall back entirely on the 1954 theory of massive retaliation, this Nation must also have an adequate and modern army. Today we have no such army; and the one we do have is being cut down even further. The present administration decision is to reduce the American Army to 14 divisions. Russia alone has 175.

As to the effectiveness of the divisions remaining, nearly every major expenditure item in the Army 1959 budget is being cut back, as compared with Army expenditures for 1958. This further reduction is being taken in the face of sworn testimony that in order for the

United States to meet its world commitments, we must have a minimum of 28 modern division. Eight of our present divisions are stationed at various overseas points, where their strength is but a small fraction of the forces arrayed against them. Of the divisions stationed in this country, only 4 are considered ready; and these 4 divisions are equipped primarily with World War II equipment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from Pennsylvania.

Mr. CLARK. I invite the attention of my friend from Missouri to a news article which appeared in the New York Herald Tribune of May 21, 1958. The article is entitled "Small War Corps Set Up by Army—Battle-Ready for Fast Moves."

That article was placed in the CONGRESSIONAL RECORD by the junior Senator from New York [Mr. JAVITS], who seemed to take some pride in the fact that perhaps the problem of fighting so-called brush wars with adequate forces has finally been solved. However, as I read the article, I note that Maj. Gen. Robert F. Sink, whose headquarters are at Fort Bragg, and who is said to command what is known as STRAC, the Army brush war agency, points out that this group has one gaping deficiency. It must depend on the Air Force or the Navy to move anywhere in the world.

I think I am correct in saying that we could not today airlift as much as one complete division to any threatened point in the world.

Mr. SYMINGTON. That is correct. We could not lift and properly support a single division overseas.

Mr. CLARK. I think the country may perhaps have been lulled into a sense of false security last week, because—in my judgment, very foolishly, indeed—the President directed some Marines to head down to the Caribbean, because of the unfortunate occurrences in Caracas, Venezuela. Some 500 marines, as I understand, were lifted down to bases in the Caribbean so that they could be ready to move farther south if the occasion should arise.

I wonder if the Senator can advise us just how effective 500 airborne marines would be in meeting promptly and effectively a brush war situation which might arise anywhere in the world.

Mr. SYMINGTON. The lift from here to Central America would come under the category of Tactical Air Lift. As for what would happen to the 500 marines would depend upon the resistance which they might meet. I believe that such a lift could be handled, but technically it is not a strategic lift. A strategic lift would be handled by the C–124; a new plane, the C–133; and by a still newer plane, the C–132, which was unfortunately canceled from the program after a great amount of money had been spent upon it.

Last year representatives of the Department of Defense testified before the committee that they were canceling the C–132 development, the new strategic air lift plane, because they intended to concentrate on the C–133.

Later testimony brought out that they did not have any additional money in the budget for the C–133's. The monthly production figures of the C–133's are probably classified. It is the only modern airlift plane which this country, with its worldwide commitments, is building today. Hence, it is hard to understand why the program is so fantastically small.

Mr. CLARK. As I understand, what the Senator is telling us—and I believe it to be one of the most shocking revelations of our inadequate national defense which has been brought to the attention of the American people in recent years—it is that we have no real capacity for airlifting Army troops to fight a brush war, which could arise at almost any place in the world and almost overnight. That to me is a very shocking situation.

Mr. SYMINGTON. I thank the Senator. I would put it in this way: If we retain the airlift that is required for SAC readiness, we cannot at the same time lift properly and support overseas a single Army division. That in itself gives the answer.

Mr. CLARK. I should like to ask my friend one more question. I have heard it said that if a real emergency arose we could tap the commercial airlines for their present aircraft, the luxury liners which are carrying passengers on the civilian airlines with such efficiency. I wonder whether the Senator would care to give us his point of view on the question whether the use of commercial airliners for military purpose would make up the present deficiency.

Mr. SYMINGTON. The Senator's question is a very perspicacious one, as usual. It is not possible to take a commercial airliner and put the floor loads on it that can be put on a plane which is built for military service. For example, in the Berlin airlift, I would say that from about one-eighth to one-tenth of the total space on the floor of a C–54 was used for coal. In addition to that, because of the door arrangements paratroopers cannot jump from commercial airliners. Therefore, the argument that commercial airliners can be used for that purpose is not tenable. In addition to that, as the Senator knows, the use of commercial airliners for that purpose would have a seriously disrupting effect on civilian travel and on the important missions which must be carried out within the country.

The Senate subcommittee's sixth recommendation was to provide an adequate airlift for ground troops.

With the world as it is today, a capacity for the swift movement of fully equipped ground troops is absolutely essential.

Nevertheless, sworn testimony was received by the subcommittee that at this time the United States cannot lift and properly support overseas a single division.

If forced to defend either ourselves or our allies in a limited war, apparently we must hope for some miracle to be able to transport troops where needed.

The seventh recommendation of the subcommittee was to pour more effort into our antisubmarine program.

Two years ago this country officially acknowledged that the Soviet Union had a modern fleet of some 500 submarines, more than 10 times the number Hitler had at the beginning of World War II.

The Soviets have the capacity to launch missiles from submarines.

They also have the capability to produce nuclear-powered submarines.

Based on these facts, one would have expected some sense of urgency in the development of an antisubmarine program.

The 1959 supplemental does ask for money to improve the Navy's antisubmarine capability, but the testimony shows clearly that what was asked for does not fully recognize this new submarine menace.

And there has been no increase in the nuclear submarine program for antisubmarine warfare.

The unanimous Senate subcommittee recommendation eight was to step up production schedules of Atlas, Thor, Jupiter, and accelerate the development of Titan.

As far back as January 1957 the report of the Senate Airpower Subcommittee emphasized the greater rate of progress Russia was making in the field of long-range missiles.

A year later, January 1958, the Preparedness Subcommittee made this flat statement:

> The Soviet Union leads the United States in the development of ballistic missiles.

In between these two reports, we not only had accurate intelligence information regarding the great number of Soviet test firings, but also learned that the Soviets had developed sufficient thrust to throw into orbit a 184-pound satellite, then one weighing more than half a ton.

Last month the Soviet launched and orbited a satellite weighing a ton and a half.

Although this is more mounting evidence we are losing the ballistic missile race, there has been no acceleration of the Atlas, Thor, or Jupiter programs.

A $50 million supplemental request was made to accelerate the Titan. This acceleration, however, amounts to little more than an effort to forestall slippage in the development of this missile.

Lack of a sense of urgency continues to dominate the long-range missile program.

The Senate subcommittee's ninth recommendation was to reduce lead time in the development of weapons systems by cutting down on decision time and by simplifying procurement procedures.

For years we have known that the Soviet Union far surpasses this country in the rapidity with which it can get approved designs into quantity production.

Nevertheless this important lead-time recommendation is another one under study.

The tenth Senate subcommittee recommendation was to provide for a freer exchange of scientific and techni-

cal information between the nations of the Free World.

We now know the United States has no monopoly on such information; and it is understood the Secretary of Defense has taken prompt steps in making recommendations for modifying the existing restrictions in this field.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I should like to point out that of the 17 recommendations made by the Johnson subcommittee, which the Senator is so ably discussing, it appears that recommendation No. 10 is the first one with respect to which any effective action has been taken. It seems to me a shocking thing that that is the case. As the Senator proceeds with his discussion of the remaining recommendations I believe it will be found that recommendation No. 10 is the only one with respect to which anything effective has been done. I believe the attention of the Senate, and, indeed, of the country, should be called to that fact.

Mr. SYMINGTON. I thank the Senator. There is another recommendation in that category to which I will come. It is with respect to the defense reorganization proposal of the President.

Recommendation No. 11 was to start work at once on the development of a rocket motor with a million pound thrust.

Sworn testimony in the 1956 airpower hearings revealed that the development of greater thrust engines was being delayed by limitations on expenditures.

The launching of Sputnik III May 15, gave the clearest indication yet how far this country lags in thrust development.

This latest Russian sputnik weighs some 100 times more than the largest satellite we have been able to put up to date; and it is heavier than any we will put up for years to come.

Mr. CLARK. It is with no pleasure that I call the Senator's attention to the fact that we have had another failure with respect to the latest Vanguard launching. I wonder if the Senator would care to comment briefly on the difference in the thrust between the Russian sputnik, which was successfully fired, and our Vanguard, which, to our great discomforture, was not successfully fired yesterday.

Mr. SYMINGTON. The thrust used for the satellites we have put in orbit is quite small. I will not quote the exact figures. However, the thrust required for an ICBM is from three to four hundred thousand pounds. On the day after Sputnik III went up, by good fortune possibly the greatest authority on rocket engine thrust in the country, Dr. William Pickering, director of the Jet Propulsion Laboratory of the California Institute of Technology, testified before the Senate Space Committee. Upon being asked, he said his guess would be that the thrust used to launch and orbit the latest sputnik was between five and six hundred thousand pounds. Its weight is about a hundred times more than the weight of the heaviest satellite we have been able to place in orbit.

It is true that some effort is being devoted to the development of larger rocket engines than we now have; and it is also true that some consideration is being given to a program for a million-pound-thrust engine. But there is no evidence to show that any real impetus is being put behind this program to offset the previous curtailment of funds.

Once again, therefore, inadequate emphasis is characteristic of an important defense program.

Senate subcommittee recommendation 12 was to give serious attention to the question of shelters and stockpiles for civil defense.

All that has been done about this recommendation is another statement from the administration that adequate civil defense would cost a lot of money.

In other words, this problem continues to be shoved under the rug.

The Senate subcommittee's 13th recommendation was to reorganize the structure of the Defense Establishment.

The President has sent to Congress a proposed reorganization to that end. If his proposal is put into effect and administered efficiently, it will improve our security, and also result in savings to the American taxpayer.

The President's proposal does not go far enough along the paths of modernization and readiness—but it is a move in the right direction.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. I express the hope that at an early date the Senator from Missouri will give his colleagues in the Senate the benefit of his deep thinking on the whole reorganization program. It has seemed to me, too, that the President's proposal should be supported. I intend to do so.

I am interested to hear the Senator say that he does not think the President's proposal goes far enough. Perhaps the Senator would not care to expand on this topic now, but I hope, if he does not do so now, he will do so at a later time. I think it is most important that the country should have the benefit of the thinking of a man now a Member of the Senate, who formerly was the able Secretary of the Air Force.

Mr. SYMINGTON. I thank my able and distinguished friend from Pennsylvania for the honor of his suggestion, and assure him that I intend to discuss this matter after the hearings have started in the Senate.

The Senate subcommittee recommendation 14 was to "provide increased incentives for the retention of trained personnel in the military services."

Some of us introduced a bill to that end over a year ago, in May 1957.

This year the President did send a military pay proposal to the Congress; and a bill satisfactory in most particulars has now been passed and signed into law.

Senate subcommittee recommendation 15 was to "accelerate and speed research and development programs, providing funding on a long-term basis, and improve control and administration within the Department of Defense or through the establishment of an independent agency."

Last August the Department of Defense cut back its research and development efforts $140 million.

Since that time these cuts have been restored; but, despite the known technological progress of the Soviets, estimated expenditures for research and development for 1958 as compared with 1957 give no indication of any real concern.

Actually the increase of 4.3 percent in research and development expenditures does not offset the depreciation in the value of the research and development dollar.

More centralized control in the Office of the Secretary of Defense, including the establishment of the new agency, ARPA, should give better direction to defense research and development activities.

But the continuation of expenditure ceilings, plus the small appropriation requests for research and development, do not leave any impression that this vitally important part of our national-defense program is actually being accelerated.

The survival of the United States demands that this Nation embark immediately upon an all-out, top-priority research and development effort in the field of the new weapons.

In an article published last Sunday in the New York Times, written by John W. Finney, and entitled "United States Lags in Space Race 8 Months After Sputnik I," the approach to this research and development picture is best summed up in three short sentences:

> If you get right down to brass tacks, very little has been done.
>
> The program is on dead center.
>
> All we have had since last October is talk, talk, talk.

Those three paragraphs just about sum up much of our efforts to maintain an adequate defense against communism.

Mr. President, I ask unanimous consent that this informative and thought-provoking article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. I am happy that the Senator from Missouri has made so forthright a statement about the progress of research and development. I am concerned because I have been told by one of our colleagues on the other side of the aisle, who is ordinarily well-informed on these matters, that in point of fact the Department of the Defense is unable to spend the money which is now available for research and development. That statement rather shocked me. It seems to be in direct contravention of what the Senator from Missouri has just stated. Would the Senator from Missouri be willing to comment on that suggestion?

Mr. SYMINGTON. There are two factors. In the research and development field, there must be some long-term planning. I am sure the Senator knows also that the budgetary process calls for authorization, appropriation, and allocation, and expenditure. There is a vast difference among these various actions. The problem is that, despite the fact that money has been now appropriated, in many cases rigid ceilings have been placed over expenditures.

Mr. CLARK. So by executive action, the Bureau of the Budget, with or without the agreement of the Department of Defense, has thwarted the will of Congress and has cut back research and development below the point where expenditures could be usefully made in the interest of national security.

Mr. SYMINGTON. I would not want to place the entire responsibility on a particular department; but, in my opinion, the administration has thwarted the will of Congress. It has not utilized the money which it stated was needed when the appropriation was requested.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my able friend from Montana.

Mr. MANSFIELD. Is the Senator speaking of the impounding of funds by the Department of Defense and the Bureau of the Budget?

Mr. SYMINGTON. I am speaking of impounding funds by the executive branch of the Government.

Mr. MANSFIELD. Is it not correct to state that the Truman administration, a Democratic administration, impounded funds appropriated by Congress to maintain a 70-group Air Force? Is it not a fact that, instead, only a 48-group Air Force was maintained?

Mr. SYMINGTON. That is correct.

Mr. MANSFIELD. Is it not true that under the leadership of the distinguished Senator from Missouri 3 years ago Congress unanimously increased the appropriation for the Marine Corps to $40 million which, it was felt necessary, was to maintain the legislative floor for the Marine Corps at 3 combat-sized divisions and 3 air wings, and that those funds were impounded by the Department of Defense?

Mr. SYMINGTON. I may say to the Senator from Montana, who in his youth was a most distinguished member of that great corps, that I do not think the vote was unanimous, but the bill was passed, and the money was then impounded.

Mr. MANSFIELD. The bill was passed, and it expressed the will and intent of Congress, but that intent was flouted by the then Secretary of Defense, who tried to divert the money to other uses. Had it not been for the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL], the money would have been used for other purposes. Instead, because of the efforts of the Senator from Georgia, it reverted to the Treasury of the United States when it was not used for its original purpose.

Is it not true that at present in this fiscal year supposedly $33,200,000 has been designated for use by the National Guard in the various States to build installations and facilities of various kinds, and that only $10 million of the $33,200,000 has been spent, the remaining $22,300,000 having been impounded by the administration?

Mr. SYMINGTON. The Senator is correct. I shall state briefly some figures on that point. About a year ago a $38 billion expenditure ceiling was placed on the Department of Defense. That action was described by the Comptroller of the Department of Defense as a rigid expenditure ceiling. At the beginning of the fiscal year 1958 for which that ceiling was established, there was available to the Department of Defense $70.8 billion, of which $10.5 billion had not even been obligated. Much of the difficulty we are experiencing now is the result of the arbitrarily applied expenditures ceilings. This arbitrary and defense weakening action was taken despite the fact that the money was available.

Moreover, after the beeps of the first two sputniks had faded, many of the expenditures ceilings were rigidly reapplied.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. Will the Senator from Missouri comment on the extent to which the expenditure ceilings imposed by the executive arm of the Government were necessitated by the national debt limit, which prevents expenditures beyond a certain level? I think the amount originally was $275 billion.

Recently Congress raised the limit $5 billion, and now I think it is $280 billion. It now seems apparent that it will be necessary to raise the limit again.

What gives me such grave concern is that because of the debt ceiling limitation last summer and fall, the restrictions on expenditures imposed on the Department of Defense, resulted in cutting back the military program to a dangerous level. I am concerned that what happened then will happen all over again this summer and fall. I do not know whether the Senator from Missouri wishes to comment on that suggestion.

Mr. SYMINGTON. The distinguished Senator from Virginia [Mr. BYRD], who is always most interested in national defense, stated to me that in each of the 3 previous years the administration had requested a temporary increase in the debt ceiling and that the request had been promptly granted by Congress.

In the year when the Department of Defense applied the expenditure ceiling of $38 billion against the available amount of $70.8 billion, they nevertheless did not apply for an increase, permanent or temporary, in the debt ceiling. Therefore, I cannot say that the debt ceiling was the primary reason for their freezing the money and limiting defense expenditures. The President did not request that the debt ceiling be raised, which he could have done if it was interfering in any respect with defense.

Mr. CLARK. On the other hand, the Senator will agree, will he not, that if the debt ceiling had been lifted, it would have been possible, if the Department had wanted to do so, to remove the expenditure ceilings, and to proceed with the job of providing adequate national defense?

I note only for the RECORD my fear that this will happen all over again in 1958.

As the Senator knows, I am one of the few Members of this body who believes that the debt-ceiling limitation is a serious mistake, and should be entirely eliminated; and that between the Congress and the President, sufficient self-discipline can be exercised to prevent the debt from getting out of hand.

I am interested in the comments of the Senator from Missouri on this point. I merely wish to state that if we do not look out, we shall be back in the same "box," all over again.

Mr. SYMINGTON. I thank the Senator from Pennsylvania for his constructive comments.

Mr. President, Senate subcommittee recommendation 16 was to put more effort into the development of manned missiles.

There has been progress with the many-thousand-miles-an-hour X-15; and progress also in medical research as it relates to space flight. But overall action on this recommendation is likewise handicapped by insufficient funds.

The 17th, and final Senate subcommittee recommendation was to accelerate the development of the Polaris missile system.

The subcommittee received testimony recommending a program of nine Polaris submarine systems. This proposal has been cut down to five.

Mr. President, the above summary and evaluation of what has been done about the 17 unanimous recommendations of the Senate Preparedness Subcommittee, as signed by all the Democratic members and all the Republican members of the subcommittee, can only bewilder and discourage all those who are interested in adequate national defense.

The facts show clearly and incontrovertibly that the military strength of the Communists is growing faster than our own.

Nobody should know that better than the President. What has happened, therefore, to his promised critical reexamination of our entire defense position? And what has happened to his pledge that we would not sacrifice security worshiping a balanced budget?

There are people who sincerely believe that fiscal objectives are actually as important as national security. These people attempt to justify their protest against further defense efforts by stating we have already been asked to make far greater sacrifices than those requested prior to the sputniks.

Mr. President, nothing could be further from the facts, even though it would appear care has been taken to keep those facts from the public.

In the past months of steady technological and diplomatic defeats, how many people realize that the overall 1959 budget, even including the latest defense supplementals, is less than the 1958 budget?

Why is the increase in the amount of money requested for defense since the launching of the first sputnik less than 1 percent of the Nation's gross national product of 1957?

Even worse from the standpoint of our security, defense-dollar expenditures for goods and services were less in the fourth quarter of 1957—the first postsputnik quarter—than they were in any of the three previous quarters of that year.

What is more, defense expenditures for goods and services in the first quarter of 1958 were less than they were in any quarter of 1957.

None of this has been known. In fact, we have been led to believe that increased defense expenditures were being made in order to help cure the recession, with its problems of unemployment.

Therefore, President Eisenhower now owes an accounting to the American people.

Let me ask again: "What is the use of being the richest in the graveyard?"

Mr. HILL. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER (Mr. PROUTY in the chair). Does the Senator from Missouri yield to the Senator from Alabama?

Mr. SYMINGTON. I yield.

Mr. HILL. Mr. President, I agree entirely with the distinguished Senator from Missouri when he says President Eisenhower now owes an accounting to the American people. "Passing the buck," so to speak, to the Bureau of the Budget has no basis or foundation whatever, so far as the Constitution of the United States is concerned.

To begin with, the President is the Commander in Chief of the Armed Forces, and the Chief Executive of the Nation. He has the right to remove any officer or official of the executive branch who does not carry out the President's policies, aims, and purposes.

In the second place, the Bureau of the Budget, as is demonstrated by the stationery on which its letters and other communications appear, is in the executive offices of the President, and is completely under the control of the President.

Mr. SYMINGTON. Yes; the Director of the Bureau of the Budget is a member of the President's official family.

Mr. HILL. Certainly he is.

Furthermore, it is the President's budget and it is the President's Bureau of the Budget; and when the Director of the Bureau of the Budget acts, he acts directly and completely under the President.

So the entire matter of defense, insofar as expenditures are concerned, and insofar as development is concerned, and insofar as the other things the distinguished Senator from Missouri has been discussing today are concerned, is directly under the control of one official of the United States; namely, the President. Is that not correct?

Mr. SYMINGTON. Mr. President, the great Senator from Alabama is invariably correct. Based on the vast experience he has had in the Congress, in both the Senate and the House of Representatives, as usual he knows whereof he speaks.

Mr. CLARK. Mr. President, at this point, will the Senator from Missouri yield to me?

Mr. SYMINGTON. First, Mr. President, I should like to complete my few remaining remarks; and then I shall be very glad to yield to my friend from Pennsylvania.

Mr. CLARK. Very well.

Mr. SYMINGTON. Mr. President, if we continue to drift as we are drifting, the question of our survival as a great Nation will become as important to us tomorrow as it is to the people of France today.

The Free World now stands at the crossroads.

We still have the right to choose the way; but if we continue to drift and dream, that choice will not be ours for long.

The American citizen is determined to remain the master of his state, not the slave of another. He demands, as his birthright, individual and national freedom. To maintain that priceless heritage, he must have more than a promised critical reexamination. He must have action, backed up by able and decisive leadership.

EXHIBIT 1

[From the New York Times of May 25, 1958]

UNITED STATES LAGS IN SPACE RACE 8 MONTHS AFTER SPUTNIK I

(By John W. Finney)

WASHINGTON, May 24.—Nearly 8 months after the abrupt dawn of the space age, the United States still has no firm program, organization or funds for the race into space with the Soviet Union. In fact, there has been no official decision on whether the United States should accept the challenge of the Soviet satellites and run the race.

These basic—and disturbing—conclusions about the status of the Nation's space program emerged from interviews with high civilian and military officials responsible for drafting plans for space research.

The space program has become bogged down in organizational disputes, technical evaluations and reevaluations, multiplying layers of committees and budgetary limitations—all compounded by an underlying public and official apathy.

It appears that it will be almost a year after the first Soviet satellite was launched last October 4 before the United States will have a clear program for space exploration. Even then, there is considerable question whether the United States program will be aggressive enough to overcome the acknowledged 2- to 3-year lead of the Soviet Union in space research capabilities.

ASKED SAME QUESTION

The officials all were asked, "What has happened to our space program since last October?" Typical among the answers were these:

"If you get right down to brass tacks, very little has been done."

"The program is on dead center."

"All we have had since last October is talk, talk, talk."

For the immediate past and future, the picture may not be quite so bleak. The United States has succeeded in launching three satellites—as many as the Soviet Union, but of only about one-hundredth the combined weight of the Soviet satellites.

In the remaining months of this year, there are definite plans to attempt to launch seven or more scientific satellites, leading up to a 100- to 300-pound satellite. Preparations also are under way for shooting five rockets to the vicinity of the moon, probably starting late this year.

But for the long range—and officials repeatedly emphasized that development must begin now for projects to be undertaken years ahead—the picture is not so clear. There are many proposals for future space projects and programs but thus far few decisions.

BACK TO INDIFFERENCE

The official reaction to the first Soviet satellite of last October now seems to have gone the full circle back to indifference.

The initial official reaction to the first 184-point Soviet satellite was that it was a stunt and, in the President's words, should not raise apprehensions one iota.

This air of indifference was shattered when the Soviet Union on November 3 succeeded in launching a much bigger satellite with a payload of 1,120 pounds.

The purse strings were loosened for the Navy's project Vanguard satellite program; the Army was given permission to fire its Explorer satellites; Dr. James R. Killian, Jr., was brought in as special adviser to the President on science and technology, and some of the economy curbs on the ballistic missile program were lifted and accelerated development and production ordered.

The military ballistic missile program continues with highest national priority, but the sense of urgency seems to have been lost about space exploration.

IMPORTANCE UNRESOLVED

Why is the program hanging? One basic reason given by many of those interviewed was that the administration had not resolved how important space exploration was to future security, prestige, and scientific advancement of the Nation. Until this question is resolved, it is difficult to draft a program, organization, and budget.

In proposing a new civilian space agency to Congress, April 2, President Eisenhower said that space technology has such a direct bearing on the future progress as well as on the security of our Nation that an imaginative and well-conceived space program must be given high priority and a sound organization provided to carry it out.

There is a debate within the administration and between the scientists and the military over defining what is "an imaginative and well-conceived program." Under debate are such basic questions as whether it is militarily important to get vehicles and man into space and whether from a scientific standpoint it is more important to conquer the cosmos or such earthly problems as cancer.

Among the military there is the conviction that gaining space superiority will be just as important militarily as achieving air superiority has been. The military applications of space conquest may not be immediately discernible, but the military is convinced that weapons will be developed.

SCIENTISTS SKEPTICAL

Within the scientific community there is considerable skepticism about the military urgency for space research. This skepticism was reflected in the statement in the space primer by the President's Science Advisory Board to the effect that moon bases and weapons-launching satellites appear to be a clumsy and ineffective way of doing a job and therefore, the earth would appear to be, after all, the best weapons carrier.

Now that the first hysteria over space has worn away, second thoughts are arising among scientists that an aggressive program of exploration could divert men and money away from other fields of necessary research. This concern is prevalent in the Science Advisory Committee, whose members are drawn primarily from universities, where the primary interest is in basic research rather than technological development of space vehicles.

The administration is now in the process of resolving—within the limitation of the national budget—these basic priorities between military and scientific exploration of space and between space research and other fields of research. Within the National Security Council, a special task force has been created to develop a national space program. Overseeing this effort is Dr. Killian.

Translating a space program into dollars will raise new problems of priority.

TALK OF HUNDRED MILLIONS

The administration is thinking of spending a few hundred million dollars a year on space exploration—both military and civilian. This is considerably more than original administration estimates of the proper level, but still short of what many officials feel is an ambitious program designed to overtake the Soviet Union.

As one official put it, "We have got to think more in terms of billions if we hope to overtake the Russians. Even at full steam it is going to be 2 or 3 years before we catch up."

The administration and Congress are still seeking the sound organization the President prescribed for space research. Again, much of the debate and uncertainty surrounds the central issue of military or civilian priorities in space research.

The administration took the first step toward organizing for the space age in January when the Defense Department announced it would create an Advanced Research Projects Agency to direct military space projects. It was not until April 1, however, that the agency acquired a director—Roy W. Johnson, former General Electric Co. vice president—and began functioning.

On April 2—almost 6 months after the first Soviet satellite was launched—the Administration sent to Congress its proposal for a civilian space agency built around the long-established National Advisory Committee for Aeronautics.

Congress is still revamping the proposal, trying to find some formula to resolve the inherent conflict between the military and civilian agencies for control of space projects.

A plan oriented in civilian research has been approved by the House Space Committee, but the legislation is still under consideration in a similar Senate space committee. It does not appear likely, therefore, that the legislation will be approved and the civilian space agency established and functioning before midsummer.

The creation of ARPA resulted in some criticism among the military research officials, who felt there already were adequate authority and resources within the Defense Department—if used—to get a space program underway. Some of this criticism has subsided now that ARPA has started to operate.

The introduction of the new space agency proposal has tended once again temporarily to complicate the organizational picture.

Under orders from the President, the civilian space projects now being handled by ARPA will be transferred to the new civilian agency. The transfer discussions over the last several weeks have run into the inevitable conflict of distinguishing between civilian and military space projects.

The compromise developing is that the civilian and military space agencies will cooperate in major projects, such as man-in-space and development of more powerful rocket engines.

PROBLEMS FOR A BUREAUCRAT

Superimposed on these civilian and military space agencies will be complex organizational lines of authority that only the experienced bureaucrat can follow.

Mr. Johnson's agency, for instance, must coordinate with the Defense Department Guided Missile Office to obtain ballistic missiles for launching space vehicles—another possible point of conflict since the inevitable priority will go to military use of the missiles.

The Johnson agency also must coordinate its overall plans with the Defense Department Director of Research. Then the plans, for approval, must go up through the Secretary of the Defense's Office and over to Dr. Killian and the Budget Bureau for approval.

Among the few new space projects to go through this organizational mill and come out approved are the Air Force and Army proposals for lunar probe rockets.

As Dr. Herbert F. York, the chief scientist of ARAP, commented to a House committee recently, this program "has been firmly authorized by everybody that we are aware of that has to authorize it."

There are growing complaints from the military that space proposals submitted in the immediate months after the first Soviet satellite still have not been approved.

FOUR-MONTH ROCKET PLAN WAITS

For instance, there has been no firm decision reached, and funds made available to proceed with the development of a rocket engine with 1,000,000 pounds thrust—a proposal made by the Air Force some 4 months ago.

Development of such an engine—which would be six times more powerful than presently available engines—is generally regarded as the first key step in any long-range space program. It is only with such an engine that the United States can hope to leapfrog the Russians with bigger and better satellites and space vehicles.

For the moment the Soviet Union has the advantage that it not only started development of military ballistic missiles earlier, but also developed more powerful rocket engines to carry its heavier atomic warheads.

It will be late this year before United States intermediate range ballistic missiles, capable of launching satellites weighing several hundred pounds, become available for space exploration. It will be 1960 at the earliest before intercontinental ballistic missiles will be available for launching scientific satellites and space vehicles weighing a ton or more.

The agency's answer to these military complaints of inaction is that in its short existence it has not had a chance to evaluate and decide upon the many and often competing space proposals before it. As Mr. Johnson and Dr. York recently told Congress, it probably will take several months to evaluate the proposals and 8 months to get up a full head of steam.

Many of the hundred or so space proposals before the agency have gone through extensive evaluation previously while the space program was being temporarily handled by the Defense Department's Guided Missile Office. The projects were reviewed in January by the special capabilities panel headed by Homer J. Stewart—the same Committee that in 1955 recommended that the satellite program be given to the Navy's Project Vanguard.

The Guided Missiles Office, however, was reluctant to make any extensive commitments on the various space proposals for fear of tying the hands of the new agency, then in the process of creation.

In the last several weeks, Mr. Johnson's agency has drafted a tentative space program for the fiscal year beginning July 1. The agency, which thus far has been operating on emergency funds supplied by the Defense Department, is asking $520 million in appropriations, of which it plans to spend some $250 million during the coming fiscal year.

As tentatively earmarked by ARPA, more than half of its appropriation—some $300,400,000—will go for the development of a missile defense against ballistic missiles and for a military reconnaissance satellite project of the Air Force known as Pied Piper.

TWO HUNDRED AND TEN MILLION DOLLARS FOR SPACE

Some $210 million would go for space projects. It has tentatively allocated $138 million for such space developments as man-in-space research; a 1 million-pound thrust engine; communications, weather and navigational satellites, satellite tracking systems, and satellite instrumentation and power sources.

The remaining $72 million would go for the already approved projects to shoot five rockets to the vicinity of the moon with instrumentation so they could measure the moon's magnetism and photograph its far side, and for a continuing scientific satellite program.

Even for this tentative program of space research it is conceded by Mr. Johnson that the funds requested are inadequate and that there will have to be further screening to pick out the higher priority projects.

For the Pied Piper project, for instance, $50 million less is being requested than proposed by the Air Force. The program involves $15 million for development of the 1 million-pound thrust engine—a 5-year project estimated to cost as least $200 million.

As is Mr. Johnson's agency, the new Civilian Space Agency is still in the process of justifying its projects to the Killian Committee and the Bureau of the Budget. Its tentative plans call for spending $100 million in the coming fiscal year and to build up to a $1,300,000,000 level in 3 years.

Indicative of the organizational problems is the difficulty the new space agency encountered in obtaining its budget. At first the Budget Bureau said it could not consider the budget of an agency not yet created. It relented after it was pointed out that if the budget was not prepared now, the space agency would have to wait until next year to obtain appropriations from Congress.

In view of many of the officials interviewed, this deliberate pace of preparations for the space race reflects the apathy about Soviet space developments that permeates Congress, the administration, and the public, an apathy that was not shattered when the Soviet Union launched last week its third satellite weighing 2,900 pounds.

Mr. President, at this time I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President——

Mr. SMITH of New Jersey. Mr. President, I rise to a point of order: I regret that I feel compelled to point out that at 12:15, I yielded to the Senator from Missouri, who assured me that his remarks would be completed not later than 1 o'clock. However, it is now almost half an hour later than that. If the colloquy he has been having with other Senators is to continue, I should like to be advised approximately how long it will continue, inasmuch as I have the floor, and obtained it in order to discuss the mutual-security bill.

Mr. HILL. Mr. President, I rise to a point of order: The Senator from Missouri [Mr. SYMINGTON] has the floor.

Mr. SMITH of New Jersey. No, Mr. President; I believe that I have the floor.

The PRESIDING OFFICER. The Chair understands that the Senator from New Jersey yielded to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I rise to a point of order: When the Senator from New Jersey yielded to me, I then obtained the floor.

The PRESIDING OFFICER. That is correct.

Mr. SYMINGTON. Mr. President, I should like to state to the distinguished

Senator from New Jersey that the first I knew about his desire to speak today was when I received from the Senator a letter in which he stated he expected to speak at approximately 3 p. m. this afternoon, and enclosed his speech.

I told the distinguished Senator from New Jersey that my prepared remarks would require approximately 20 minutes, and that has been the case. However, there have been remarks by several of my distinguished colleagues; and, of course, I have been very glad to have these comments and questions, which have thrown much light on the subject.

If the Senator from New Jersey wishes to obtain the floor at this time, I shall be glad to yield. However, I do not think a colloquy on such an important matter should be cut off on a technicality.

Mr. MANSFIELD. Mr. President, if the Senator, whoever has the floor, will yield——

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. SYMINGTON. I yield to the Senator from Montana.

Mr. MANSFIELD. May I suggest to the Senator from New Jersey, who has been most gracious, that he be patient for a little longer? I am sure it will not take too much time to finish the colloquy. The Senator from New Jersey can have the floor.

Mr. SMITH of New Jersey. I am glad to yield. The discussion seems to be going on indefinitely. I was told the Senator from Missouri would be through at 20 minutes to 1. It is now 10 minutes past 1.

Mr. MANSFIELD. The Senator from Missouri cannot be blamed for that. Those of us who interrupted him must take the blame.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator from Missouri can yield only for questions.

Mr. SYMINGTON. Mr. President, I should like to thank the Senator from New Jersey for his invariable courtesy, on the floor and off the floor. I shall now be glad to yield to my good friend from Alabama for a question.

Mr. HILL. Mr. President, I should like to commend the Senator from Missouri for his magnificent address in the Senate today. The Senator from Missouri always speaks with wisdom and with foresight, but he has never spoken with greater wisdom or with greater foresight or with a greater understanding of the challenge which confronts the American people and the American Nation than he has today. He is the great authority on national defense in the Senate of the United States. I wish to thank him, and I heartily congratulate him on his magnificent presentation today.

Mr. SYMINGTON. All I can say in reply to that gracious tribute is that there is no Member of the Senate from whom I would rather have those kind words than the distinguished Senator from Alabama.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield for a question.

Mr. MANSFIELD. I, too, desire to commend the Senator from Missouri for laying the facts on the line. He has rendered a service, not only to the Senate but to the people of the country as well, and, I would express the hope, to the administration also. I hope the speech will be read with great care, that the sound conclusions which have been reached will be taken note of, and that action and leadership will be forthcoming from the administration in this perilous period.

Mr. SYMINGTON. I thank the distinguished acting majority leader for his invariable kindness to me. The Senator's great knowledge of the military and defense needs of this country is comparable with his knowledge of our foreign affairs.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield for a question.

Mr. CLARK. I should like to associate myself with the comments made by the Senator from Alabama and the Senator from Montana. I regret that the statements of the Senator from New Jersey make it impossible for us to continue with the colloquy, which I hope can be resumed later.

Mr. SYMINGTON. I thank the able Senator from Pennsylvania for his fine contributions to this discussion, and I take this occasion to thank also the senior Senator from New Jersey for his kindness in letting me have the floor.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield for three unanimous-consent requests, consideration of which will be of short duration? I talked to the Senator about them.

Mr. SMITH of New Jersey. Are they the matters in which the Senator from Washington [Mr. MAGNUSON] is interested?

Mr. MANSFIELD. Yes.

Mr. SMITH of New Jersey. I yield for that purpose.

STUDY OF THE EFFECTS OF INSECTICIDES, HERBICIDES, AND FUNGICIDES UPON FISH

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily, so that the Senate may proceed to the consideration of the three matters to which I have referred. First, I ask that the Senate proceed to the consideration of Calendar No. 1622, S. 2447.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2447) to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, and fungicides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following spraying and to provide basic data on the various chemical controls so that forests, croplands, and marshes can be sprayed with minimum losses of fish and wildlife.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 5, after the word "herbicides", to strike out "and fungicides" and insert "fungicides and pesticides"; on page 2, line 1, after the word "of", to strike out "determing the amounts and percentages of such chemicals that are lethal to or injurious to fish and wildlife and the amounts or percentages or mixtures which can be used safely, and thereby prevent losses of fish and wildlife from such spraying" and insert "determining the amounts, percentages, and formulations of such chemicals that are lethal to or injurious to fish and wildlife and the amounts, percentages, mixtures, or formulations that can be used safely, and thereby prevent losses of fish and wildlife from such spraying, dusting, or other treatment."

And, after line 10, to strike out:

SEC. 2. The sum of $280,000 per annum is hereby authorized to be appropriated to carry out the objectives of this act.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to undertake comprehensive continuing studies on the effects of insecticides, herbicides, fungicides and pesticides, upon the fish and wildlife resources of the United States, for the purpose of determining the amounts, percentages, and formulations of such chemicals that are lethal to or injurious to fish and wildlife and the amounts, percentages, mixtures, or formulation that can be used safely, and thereby prevent losses of fish and wildlife from such spraying, dusting, or other treatment.

The amendments were agreed to.

Mr. MAGNUSON. Mr. President, Senate bill 2447 was unanimously reported by the Committee on Interstate and Foreign Commerce.

I ask unanimous consent to have printed in the RECORD at this point extracts from the report on the bill.

There being no objection, the extracts from the report (No. 1592) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 2447, as amended and approved by unanimous vote of your committee, would authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and pesticides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials, and to provide basic data on various chemical controls. This research and study will, it is anticipated, determine the amounts and percentages of such formulations and chemicals that may be used on wet lands, rangelands, and other lands with a minimum loss of fish and wildlife.

COMMITTEE ACTION

Public hearings were held by our committee on this legislation, and everyone desiring to testify was given an opportunity to be heard. Appearing and speaking in favor of this legislation were the following: Hon. Lee Metcalf, United States Representative from the First District of Montana; Lansing A. Parker, Assistant Director for Wildlife, Bureau of Sports Fisheries and Wildlife, Department of the Interior; James D. Dewitt,

chief chemist, Bureau of Sports Fisheries and Wildlife, Department of the Interior; John H. Baker, president, National Audubon Society; Charles E. Jackson, general manager, National Fisheries Institute; H. S. Mosebrook, forester of the American Pulpwood Association; Charles H. Callison, conservation director, National Wildlife Federation; and Kenneth Pomeroy, representing the American Forestry Association. This bill is endorsed by farm groups, timber and logging industries, commercial fisheries, sportsmen, Federal and State officials.

NEED FOR THIS LEGISLATION

The current situation is, in a large part, due to the phenomenal growth in the use of new pesticidal compounds developed since World War II. The usefulness of these chemicals in combating ravages of insect pests is evidenced by reports that over 750 million pounds of pesticides having a value of over $256 million are produced in the United States each year. About two-thirds of this production is for domestic use on some 65 million acres of the Nation's land and water.

It is reported that there are over 6,000 aircraft, flying 541,000 hours, used to distribute or spray around 100 million gallons of liquid formulations, a major share of which are insecticidal.

The effects of these sprays, or dusting, has not only killed insects, but also destroyed wild and domestic animals and birds. A Florida operation to control sandflies resulted in the death of an estimated 1 million fish of 30 different species. A spray used to destroy tree-girdling mice has killed other mammals and birds. In March of 1958 approximately 3,000 geese died from eating treated grain used in Klamath Basin, Oreg., mouse-control campaign. Water runoff from some sprays on lands has killed fish. There is grave concern as to whether chemicals used to kill fire ants will even destroy earthworms, a major source of food for woodcock wintering in those areas. In Washington State, there has been damage to upland birds. In Montana, on the Yellowstone River, there was extensive damage to fish following application of DDT as part of the spruce budworm control program. A census of fish in 7 Montana trout streams showed a loss of from 70 to 80 percent as a result of this spray.

This all points up to a pressing and urgent need for research studies to provide basic information which can be used as a guide to the future development and application of such formulations.

At the present time, the effects of many formulations are not fully known or understood.

Your committee believes this Congress should set in motion a research program in this all-important field.

This legislation carries no appropriation with it.

Mr. CURTIS. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. CURTIS. Does the bill provide for a new program, or the continuation of a program?

Mr. MAGNUSON. It is a combination of both. The Agriculture Department and the Department of the Interior have been somewhat concerned for many years in their research as to the effect of insecticides on crops and on fish and wildlife. The departments want authority to have a separate study made in this field.

Mr. CURTIS. Does the bill have the support of the full committee?

Mr. MAGNUSON. Yes. It was unanimously reported.

Mr. CURTIS. How about the Department?

Mr. MAGNUSON. It is a departmental bill. It was introduced at the request of the Department.

Mr. CURTIS. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 2447) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife."

FISHERIES LOAN FUND

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1395, S. 3295.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3295) to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MAGNUSON. Mr. President, this also is a bill which received the unanimous approval of the Committee on Interstate and Foreign Commerce. All it does is to increase the fisheries loan fund authorization. Last year Congress enacted a general omnibus fisheries law which provided certain loan funds. There was provided only a small amount in the revolving fund. The law has been very acceptable to fishermen as it enables them to make small loans with which to buy gear and make repairs, but the funds will be exhausted as of this fishing year. The bill merely adds money to the fund.

I ask unanimous consent that extracts from the committee report be printed in the RECORD at this point.

There being no objection, the extracts from the report (No. 1373) were ordered to be printed in the RECORD, as follows:

The purpose of the bill is to increase from $10 million to $20 million the fisheries loan fund which is used by the Bureau of Commercial Fisheries to make loans to stimulate the development of a strong, prosperous, and thriving fisheries and fish-processing industry.

THE FISHERIES LOAN FUND

The fisheries loan fund was authorized by section 4 of the Fish and Wildlife Act of 1956. A $10 million revolving fund was established for financing and refinancing operations, maintenance, repairs, replacement, and equipment of fishing vessels and fishing gear and for research into the basic problems of fisheries. The minimum interest rate was set at 3 percent and the maximum term of a loan was 10 years. The regulations adopted under a provision of this act provide an interest rate of 5 percent.

The loan fund fills a real need for fishermen having good collateral but who need a longer repayment period than commercial bankers are prepared to grant. On such short-term loans, as granted by private lenders, the payments on the mortgage are so large that they do not have funds left for proper maintenance and their vessel deteriorates rapidly. Before passage of the act the industry had attempted to qualify for loans from the Small Business Administration, but applications were declined on the bases of (a) lack of reasonable assurance of repayment of the loans, and (b) insufficient collateral.

In the operation of the fisheries-loan program every effort has been made to see that the Government is properly protected and that losses will be held to a minimum. Each loan is reviewed, with past records and future prospects being taken into account when studying the ability of the applicant to repay the loan. Unless there is an unexpected downward trend in a segment of the fishing industry, losses are not expected to be substantial.

All applications are investigated by a representative of the Bureau of Commercial Fisheries from a technical viewpoint. On applications over $5,000, the Small Business Administration conducts a financial investigation and on applications of $5,000 or less a similar investigation is conducted by the Bureau of Commercial Fisheries. The results of these investigations are reviewed by specialists in the Bureau's central office and a recommendation for acceptance or decline prepared. After review by the Office of Solicitor of the Department a final decision is made by the Commissioner of Fish and Wildlife for loans of $50,000 and under and by the Assistant Secretary for Fish and Wildlife on loans over $50,000.

Authorization for approved loans are sent to the Small Business Administration for closure and disbursement. They also handle the collection and servicing of the loans. They are utilized as they have a complete organization for this type of work.

Status of the fisheries loan fund as of Feb. 28, 1958

	Number	Value
Applications received	386	$14,167,312
Applications withdrawn	21	1,425,304
Loans approved	203	5,208,887
Loans canceled after approval	23	506,976
Applications declined:		
Ineligible	29	446,850
Other reasons	66	2,057,913
Applications deferred at applicant's request	3	1,710,000
Applications being processed	64	3,258,358
Funds available to cover applications being processed, deferred or additional applications		4,909,039

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CURTIS. I should like to ask the chairman of the Committee on Interstate and Foreign Commerce if he knows of any opposition to this measure.

Mr. MAGNUSON. I know of none. It was unanimously reported by the committee.

Mr. CURTIS. Is the Department supporting the bill?

Mr. MAGNUSON. The Department supported the bill. This bill also was introduced at the request of the Department.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 3295) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That subsection (c) of section 4 of the Fish and Wildlife Act of 1956 (70 Stat. 1121) is amended by striking out "$10,000,000" and inserting in lieu thereof "$20,000,000".

TELEVISION FACILITIES IN PUBLIC SCHOOLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1668, S. 2119.

For the benefit of the Senate, I announce that, to my knowledge, this is the last bill which will be considered today.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2119) to expediate the utilization of television facilities in our public schools and colleges, and in adult training programs.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 4, after the word "States", to insert "and certain organization therein"; in line 7, after the word "this", to strike out "section" and insert "act"; after line 8, to strike out:

SEC. 2. Any State having, directly or indirectly, secured such authorization as may be necessary under the provisions of the Federal Communications Act for the establishment or improvement of television broadcasting facilities may receive a grant, as authorized in this section, to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that such State will provide for the operation and maintenance expenses of such facilities;

(2) that the operation of such facilities will be under the control of the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools; and

(3) that such facilities will be used only for educational purposes.

And, in lieu thereof, to insert:

SEC. 2. Any State agency or officer, or organization in a State, described in clause (b) (2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State-controlled college or university; and

(3) that such facilities will be used only for educational purposes.

On page 3, line 16, after the word "State", to insert "agency or officer or an organization"; in line 19, after the word "such", to strike out "State" and insert "agency, officer, or organization"; in line 22, after the word "State", to insert "agency or officer or an organization"; in line 24, after the word "this", to strike out "section" and insert "act"; on page 4, line 1, after the word "grants", to strike out "to" and insert "for television broadcasting facilities in"; in line 3, after the word "this", to strike out "section" and insert "act"; in line 6, after the word "term", to strike out "establishment or improvement of" and insert "establishing or improving"; and in line 12, after the word "apparatus", to insert a comma and "and the term 'State' means the several States, the District of Columbia, and the Territories of Alaska and Hawaii"; so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated such amounts as may be necessary to assist the States and certain organizations therein to establish or improve television broadcasting for educational purposes, in accordance with the provisions of this act, by providing for the establishment and improvement of television broadcasting facilities.

SEC. 2. Any State agency or officer, or organization in a State, described in clause (b) (2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State-controlled college or university; and

(3) that such facilities will be used only for educational purposes.

SEC. 3. Upon determining that a State agency or officer or an organization has satisfied the requirements of section 2 of this act, the Commissioner of Education is authorized to make a grant to such agency, officer, or organization in such amount as is determined by the Commissioner to be reasonable and necessary to cover the cost of such establishment or improvement of facilities. A State agency or officer or an organization may receive one or more grants under the provisions of this act, but the total amount of such grants for television broadcasting facilities in any State shall not exceed $1 million. Such grants shall be made out of funds appropriated for the purposes of this act, and may be made in such installments as the Commissioner deems appropriate.

SEC. 4. As used in this act the term "establishing or improving television broadcasting facilities" means the acquisition and installation of apparatus necessary for television (including closed circuit television) broadcasting or the improvement of television broadcasting, and does not include the construction or repair of structures to house such apparatus, and the term "State" means the several States, the District of Columbia, and the Territories of Alaska and Hawaii.

SEC. 5. The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of this act as may be requested by the Commissioner of Education.

SEC. 6. Nothing in this act shall be deemed (a) to give the Commissioner of Education any control over television broadcasting, or (b) to amend any provision of, or requirement under, the Federal Communications Act.

Mr. MAGNUSON. Mr. President, I am sure the Senator from New Jersey [Mr. SMITH], who has been so deeply interested in education all of his life, and in matters pertaining to education, will bear with the Senator from Ohio [Mr. BRICKER] and me for a moment.

I am sure the Senator from Ohio, I, and other members of the committee, could spend 2 hours talking about the almost amazing testimony we heard, in the consideration of the bill, with reference to the use of television for educational purposes for primary and higher schools, and for the use of the general public.

Some years ago the Federal Communications Commission wisely set aside certain very valuable and important channels in the B band and in the U band for this use. In many cases the State legislatures failed to act, or the communities were estopped from taking appropriate action because they could not get money for the purpose. The Senator from Ohio and I and the full committee were pleasantly surprised to learn what is being done in this field. The State of Ohio is one of the pioneers in education by use of television. The distinguished Senator from Ohio is one of the trustees of the educational television channel used in the Ohio State University.

The use of television for education has been successful in Alabama, the city of New York, the city of Detroit, and the city of St. Louis.

The committee was unanimous in reporting the bill. A distinguished group of educators, as well as persons who operate television stations, testified before the committee.

I think this is one of the most important bills this Congress will pass for the future of education, particularly in this fast-moving world of physics and science, in which subjects teachers are hard to find, and in which there can be some sort of mass education by use of the new and wondrous means of television.

The committee felt that because the licenses which are issued are Federal licenses and subject to Federal jurisdiction, it was perfectly within its province to report the bill, and that States rights were not being violated. The bill has the

support of boards of education. The Commissioner of Education of the Department of Health, Education, and Welfare, this week held a conference on this matter with educators from all over the country and with representatives of parent-teacher associations.

Mr. President, I ask that excerpts from the report be printed in the RECORD, because of the importance of this measure.

There being no objection, the excerpts from the report (No. 1638) were ordered to be printed in the RECORD, as follows:

PURPOSE OF LEGISLATION

The purpose of this legislation is intended to expedite the use of television in our public schools and colleges and adult training programs in the general States and Territories. S. 2119, as amended, would authorize the Commissioner of Education of the Department of Health, Education, and Welfare, to make a grant to an organization or State which has secured the necessary authorization under the provisions of the Federal Communications Act for the establishment or improvement of television facilities, and which satisfies the Commissioner of Education:

1. That the organization or State would provide for the operation and maintenance expense of such television facilities:

2. That the operation of such facilities will be under the control of—

(a) State agencies or officers primarily responsible for State supervision of public elementary and secondary schools; or

(b) A nonprofit foundation, corporation or association organized primarily to engage in, or encourage educational television broadcasting;

(c) The State educational television commission appointed by the Governor; or

(d) A State college, university, or teachers college.

3. That such facilities would be used only for educational purposes. Grants may be made to more than one organization in any one State but the total of such grants to such organization in one State shall not exceed $1 million. Grants made under the provisions of this bill cover the acquisition and installation of apparatus necessary for television broadcasting (including closed circuit television) or the improvement of television broadcasting but does not include the construction or repair of structures to house such apparatus.

GENERAL STATEMENT

When the FCC issued the television allocations plan on April 14, 1952 (sixth report and order), it set aside 242 television channels (now 256) for the exclusive use of noncommercial educational stations. There are a total of 671 VHF channels in the Commission's allocation plan of which 85 or 12.7 percent are reserved for noncommercial educational purposes; of the 1,519 UHF channels, 171 or 11.3 percent are reserved for noncommercial educational purposes.

Six years have passed since the FCC reserved approximately 12 percent of all television channels in the United States for noncommercial educational use. In that period only 31 educational stations, located from Massachusetts to California, and from Minnesota to Texas, have been constructed and are today serving an area with a combined area of more than 50 million people.

Vast numbers of problems and obstacles have beset educators and laymen throughout the United States in their efforts to activate the channels reserved for education. It has been necessary in most local situations to organize many different segments of a community—civic, cultural, and educational—to direct the activities of these many groups toward a common goal. In many cases the problems of fund raising have seemed almost insurmountable in spite of the Herculean efforts on the part of many of our leading educators, public servants, and civic leaders.

Despite the strides which the educators have made in establishing educational stations in the United States, only a small part of the total potential has been achieved. A total of 256 educational reservations have been made by the FCC and as pointed out above, only 31 stations are on the air. The failure of the educators to use these channels is not the result of lack of interest, desire, planning, or zeal on their part. The largest problem which faces the educators in using television is lack of money. Moreover, this lack of money is concerned mainly with the lack of funds to pay for the basic installation of the TV facilities and stations. Experience has demonstrated that once a television station has been built, State legislatures, local educational systems, and local communities at large have raised the funds to produce the programs over these stations. The educators have shown themselves to be budget-minded people, and with meager operating funds, have produced outstanding program service. The problem which faces the American educator is to secure the basic funds to build the station in the first place.

It is a credit to those people who have labored in this field to look back and view the remarkable progress that has been made in establishing the 31 stations that are now serving more than 50 million people. Current research and experimentation as well as local and regional planning, which has only scratched the educational surface, reveal unlimited potentialities for the future in educational television.

The tremendous strides made by the three-station network operation in Alabama; the plans for similar statewide networks in Oklahoma, Florida, and Georgia; the impressive record submitted by Dr. William Friday, president of the Consolidated University of North Carolina, disclosed a most eloquent picture of the service being rendered to the people of the State of North Carolina and the crying need for expansion of the service; the bold planning being studied by the southern regional board organized under an interstate compact by the legislatures of 16 Southern States to link, through the use of microwave systems, classrooms on the campuses of some 300 of the 4-year colleges and universities in the 16 Southern States; the remarkable record compiled by Ohio State University in its operation of a UHF channel in Columbus, Ohio, in a predominantly VHF market; and the ready acceptance of the educational channel in Cincinnati, Ohio, are merely indications of the potential, the acceptance, as well as the opportunities that are being made available in the educational television field.

The Congress has heard many times about the existing and growing problems of public education. The record is replete with statements made by prominent educators about the serious shortage of teachers and buildings and that each of these shortages grows worse with each passing day. The use of television facilities in our public schools and colleges will strike directly at these existing shortages. While this medium cannot alone eliminate them, the extent of the contribution toward the solution of these problems which television can make is tremendous.

Today there are 37 million students in our public-school population. By 1965 that school population will have increased to 41 million.

With a constantly declining number of our adults entering the teaching profession, it becomes essential that proper steps be taken immediately to meet the needs of the increasing school population. Already school standards are declining. The quality of education furnished our children, in the opinion of your committee, is as important as any single responsibility that faces Congress today.

One of the significant advantages of educational television is the ability of this medium to make the talents of the most effective teachers available to large numbers of students. It has proven itself invaluable as an effective instrument through which high-quality formal instruction may be offered to large numbers of students.

The committee was impressed by the testimony concerning the Hagerstown, Md., experiment where a closed circuit educational system is used. At the moment 23 schools and 12,000 students, out of a total of 48 schools and 18,000 students, are interconnected by this system.

Dr. William Brish, superintendent of schools at Hagerstown, who is in charge of this program, although reluctant to make any overall claims about the results flowing from the Hagerstown operation was enthusiastic about the potential of this medium. He said, among other things:

"1. The use of television provides a situation which encourages pupils to concentrate attention on a selected area at close range. The fact that this attention is almost automatic may be due to several conditions which are peculiar to television. This medium provides each pupil with a framed reference for viewing as well as an eye-to-eye contact with the teacher. It implements the development of good habits of observing and listening. Television magnifies objects in a clear, accurate, and telling way. In addition the television teachers have time to prepare a lesson that is clear, interesting and stimulating.

"2. The use of television provides an opportunity to redeploy the efforts and energies of teachers and improve the quality of the instructional program. One teacher teaching from a television studio can do a superior job of exploring, preparing, organizing, and communicating subject matter content for boys and girls. At the same time another teacher in the classroom can advantageously work with pupils to help them adopt, adapt, integrate, apply, and use subject matter in such a way that their educational experience will enable them to more nearly approach their maximum potential development.

"3. In situations where television instruction is used it is possible for teachers to give more attention to the very important matter of lesson planning and presentation. In the typical elemenary or secondary school situation where a teacher works directly with boys and girls for approximately 7 hours daily, little time is left for class preparation. By a division of labor the teacher who does the direct instruction by television can have ample time to prepare presentations that are stimulating and challenging. These presentations can be made available to hundreds of classroom teachers and pupils at the same time. This opportunity to redeploy the efforts of teachers gives each teacher a chance to develop skills peculiar to his abilities and interests.

"4. It is possible, by means of television, to broaden and enrich the program of education without unduly increasing the expenditure for instruction. Evidence of this fact is found in our system where music and art are being satisfactorily taught in the elementary grades. In September of 1955, when the closed circuit will include all elementary pupils in the public schools of the country, 3.4 teachers will teach lessons from television studios that would otherwise require 33 teachers.

"5. The use of television enables resource people in the community to be brought to all pupils in the system. For example, in a recent guidance telecast a highly skilled engineer in the field of metallurgy was placed in contact with all interested high-school students. On another occasion a florist, who

is actually an artist in flower arrangements, was brought to 1,200 boys and girls at one time. This use of community resources which would be impossible under the usual instructional organization, goes on continuously."

Dr. Alexander J. Stoddard is one of our most experienced educators. He has spent 47 years in the educational field serving as superintendent of schools in Denver, Los Angeles, and Philadelphia, and presently is consultant for the Fund for Advancement of Education. In his testimony on this legislation, he stated:

"I am just as confident as I can be that unless we find some way to break the bounds that are circumscribing the processes of education in America, the schools in this country will not be able to prepare its people to live adequately in the day ahead. We are dealing with curriculum experiences that are beyond the capabilities involved with textbooks and word of mouth, and so on. Television has come as a powerful means of breaking those bounds."

Education is a means through which our country achieved its highest objectives and dreams. With ever-increasing complexities in technical progress, a lack of education for all people, or inferior education for a substantial number threatens the very perpetuation of our country. The use of educational television will meet these needs with the least cost and in the most expeditious manner. While educational television is in its bare infancy, we are not without knowledge of its capabilities. One educational leader has put its potential this way. Dr. Thomas Clark Pollock, of New York University, has said:

"It now seems clear, however, that television offers the greatest opportunity for the advancement of education since the introduction of printing by movable type."

Henry P. Chadeyne, executive director of the St. Louis Educational Television Commission, operator of educational television station KECT, said:

"By using our educational television stations we can afford to bring the greatest teachers of the country to give the lecture portion of college courses by television. The student can receive his instruction before his own television set in his own living room. With a great television teacher, we can come close to capturing that ideal of education of a teacher on one end of a log and a boy on the other."

Television is a powerful means of communications. Its message may be transmitted live or by the use of training film. In addition to black and white transmission, the added educational advantages of color transmissions have been conspicuously proven, particularly in closeup medical and laboratory work. Television makes it possible for our best available teachers to instruct very large numbers of students. One of the first organizations to use educational television has been our Armed Forces. All of the evidence available on the effectiveness of the Armed Forces training programs are highly favorable.

Dr. C. R. Carpenter, director of academic services, Pennsylvania State University, stated in testifying in support of this legislation:

"Television as a means of instruction has gained a necessary acceptance by faculty, students, and administration for its continued use and development at Pennsylvania State. Eloquent evidence on this point is that the television projects have continued and have been progressively expanded for 4 years."

Your committee was impressed by the forceful testimony of Dr. Carpenter, particularly with the following statement:

"As an Air Force Reserve officer, I have studied for a year the economics of the Soviet Union. I, as an educator, have been alert to educational developments in the Soviet I suggest that it would be technically possible and feasible in terms of conditions that now exist, or may soon exist, for the Soviet Union to do the following:

"1. Blanket one-third to one-half of its territory and that of satellite nations with educational television systems;

"2. Reach two-thirds to three-fourths of the population of the region covered;

"3. Employ as many channels as necessary, for as many hours per day as needed, to accomplish their educational objectives;

"4. Develop the system sketched during the next 3 to 5 years."

S. 2119 is a modest and simple proposal but with tremendous, far-reaching effect on the general public. As in the case of any program, especially when it is just started, the greatest obstacle is the lack of financial support. It is this problem which is now plaguing the efforts of those who are working so hard to put more educational television stations on the air because they know the importance of this new technique of disseminating information.

The Federal Government can serve this cause most effectively by making available some funds which can assist in the development of this program. Without these funds few States will be able to launch sound and adequate programs to utilize the television channels now reserved for educational purposes.

S. 2119 only provides grants to qualified groups or organizations and limits such grants to $1 million to each State and Territory on the condition that the group or State agrees to bear the operating end and maintenance costs of the television equipment and facilities. The Federal Government would provide only the equipment needed for television broadcasting, including closed circuit television, and the group and the States must provide the buildings and the land required.

This legislation would create in a sense a Federal-State cooperative matching-fund program which would set a constructive tone in this most important field of education.

At the time when the Nation's educational program is being severely taxed by a serious teacher shortage, rapidly rising enrollments, and inadequate facilities, it is imperative that every avenue and approach be tried in order to alleviate this problem.

It is the wish of your committee that the Federal Communications Commission, in furtherance of this educational program, offer such assistance and advice as it may to the State-approved agencies which receive these Federal funds. Such assistance and advice, it is felt, will enable the States to better utilize funds. However, it is to be understood the Federal Communications Commission is not to exercise any control of funds allotted under this program.

S. 2119 will be a major step in aid of educational television. Your committee, therefore, feels this legislation is imperative.

Mr. MAGNUSON. Mr. President, I shall finish with one short statement. Enactment of the proposed legislation will merely permit very small grants-in-aid to the States, with no strings attached, or to the nonprofit institutions attempting to take the actions provided for in various communities. It will be a grant to help them with some of their equipment, so that the lagging use of the reserved channels will not cause the channels to be sought after by commercial interests. I think this will be a wise move. The far reaching effects of the bill, if enacted, will make this one of the most important bills to be passed at the present session of Congress.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Ohio for a statement.

Mr. BRICKER. I agree with everything said by the distinguished chairman of the committee, the Senator from Washington [Mr. MAGNUSON], and I compliment him upon his leadership in this field.

We did have a rather extensive hearing before our committee. I think it was the most inspiring hearing I have attended since I have been a Member of this body, because of the great promise which educational television holds for the people of our country. Everyone knows our future must rest upon universal education of the highest possible quality.

There was no opposition to the bill at any point. We had the benefit of the experience of many communities. One of the communities close to Washington, where an excellent development has taken place in the television field, is Hagerstown.

As the distinguished chairman of the committee said, there is great pressure from commercial interests at the present time to obtain these reserved channels. Many of us have insisted from the very beginning that the channels be held in reserve until the educational institutions are able to take them over.

Some States have been very fortunate in this regard. My State has been fortunate. Ohio has a great television station at its State university. There are 3 or 4 other stations in the State now under contemplation, some planned, and some really under construction.

I can envision a complete network of educational television, going not only into the colleges of the States of the Union, but into the high schools as well. These programs will not only go to the colleges and high schools, but into the homes of the people, for those who want adult educational programs.

Much of the work will be devoted to adult education in various communities. Alabama had an extremely fine program. It so happened that credit was given to a man from my State, who went to Alabama to make a presentation to the legislature, which presentation brought enthusiasm for this activity. Other States could do the same.

This bill will provide only a small impetus and some financial aid to the various States, to permit them to do what has been done in Alabama and many other communities throughout the country.

I am most heartily in favor of the bill, indeed, I am extremely enthusiastic about it. I am happy to join the chairman of the committee in sponsoring the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and the committee amendments are agreed to en bloc.

The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MAGNUSON. I thank the Senator from New Jersey.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator from New Jersey for his great patience and understanding.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Kentucky.

THE EFFECTS OF CIGARETTE SMOKING

Mr. MORTON. Mr. President, during recent weeks there has been a resumption of the complicated discussion about whether the smoking of tobacco, particularly cigarettes, causes human lung cancer. Among medical men and other scientists, the subject of smoking in relation to health is far from settled. It has, of course, attracted a great deal of publicity, much of which seems to be more sensational than realistic.

There exists a large body of scientific literature and comment which shows that many doctors and scientists seriously doubt the charge that cigarette smoking causes lung cancer.

These men of science and medicine have made their comments in professional publications, at medical meetings, and in interviews with the press. They have reported on their own experimental work or have presented their own analyses and critiques of existing studies whose authors allege that tobacco is harmful to health. They raise penetrating questions into the validity of the anti-tobacco charges and offer objective information and clear logic that oppose the charges.

Mr. President, the findings and comments of these doctors and scientists are significant and important. So that they may be readily available to anyone interested in the subject, I ask unanimous consent that some be printed in the RECORD. The men I cite are:

First. Dr. Joseph Berkson, head, section of biometry and medical statistics, Mayo Clinic, Rochester, Minn.

Second. Sir Ronald Fisher, Arthur Balfour professor of genetics, Cambridge University, England, and until recently visiting professor at Michigan State University.

Third. Dr. Milton B. Rosenblatt, associate professor of medicine, New York Medical College, and coauthor of a medical text on lung cancer.

Fourth. Dr. Frank H. J. Figge, University of Maryland.

Fifth. Fred Bock, cancer research scientist, Roswell Park Memorial Institute, Buffalo, N. Y.

Sixth. Dr. Maurice S. Segal, director, lung station, Tufts University Medical School, Boston, Mass.

There being no objection, the findings and comments were ordered to be printed in the RECORD, as follows:

Dr. Berkson, in an article titled "Smoking and Lung Cancer: Some Observations on Two Recent Reports," published in the March 1958 issue of the American Statistical Association Journal:

"The existence in the data of both these prospective studies, of association between smoking and death rate from many categories of cause of death other than lung cancer, and indeed chiefly with these other categories, raises a serious challenge to the explanation that the statistical association observed between smoking and lung cancer has a direct causal basis. Some physical explanation must be found for the other associations, unless statistics is to be exposed to the charge of scientific irresponsibility.[1] It would assist materially in understanding the analysis of Doll and Hill, and that of Hammond and Horn, if we had answers, as clear and unequivocal as the complexity of the problem permits, to the following questions:

"1. Is their explanation of the association of smoking with lung cancer, at least for a large proportion of the estimated excess deaths among smokers from this cause, about as follows? Cigarette smoke contains carcinogenic substances that, by contact with the bronchial and pulmonary tissues over a sufficient long time, induce changes resulting in cancer.

"2. Is their explanation for the association shown with cancers other than lung cancer, including cancer of such sites as the colon, stomach and pancreas, also that the relation is causal? If so, what in general terms, is the mechanism of this causation?

"3. Do they think that the association with the death rate from coronary heart disease, which has the largest number of estimated excess deaths associated with smoking or heavy smoking of any disease category, is causal? If not, what is their explanation of the association?

"4. Do they have any explanation of the association of smoking with the death rate for the miscellaneous category of diseases, which excludes cancer, and cardiovascular disease and noncancerous respiratory disease?

"For myelf, I find it quite incredible that smoking should cause all these diseases. It appears to me that some other explanation must be formulated for the multiple statistical associations found with so wide a variety of categories of disease. And if we are not crassly to violate the principle of Occam's razor, we should not attribute to each separate association a radically different explanation. * * *

"Firm opinions have been published to the effect that, on the basis of accumulated evidence, it is scientifically established beyond reasonable doubt, that smoking is an important cause of cancer of the lung. I am a member of a committee that has sponsored some of the most important of the published studies and, owing to this circumstance, have felt the responsibility to make a fairly careful study of this evidence. My own conclusions are quite different.

"In the first place, virtually all the evidence is obtained from statistical studies, in the ordinary connotation of the term 'statistical.' We are not dealing with the results of laboratory experiments, or even with placebo-controlled clinical trials. Nor is the conclusion based on a synthesis, by a 'chain of reasoning,' of relevant scientific knowledge from many different sources. Such statistical evidence, for a question like the identification of a cause of a disease, at best, can be only presumptive. But even as statistical investigations, I do not find the published studies so sound or convincing as they apparently have widely been assumed to be. In the studies that have been called retrospective as well as in those called prospective, I find questionable and even paradoxic elements."

Sir Ronald Fisher, in an article titled "Cigarettes, Cancer, and Statistics," appearing in the spring 1958 issue of the Centennial Review of Arts and Science, published by Michigan State University:

"Seven or eight years ago, those of us interested in such things in England heard of a rather remarkable piece of research carried out by Dr. Bradford Hill and his colleagues of the London School of Hygiene. We heard, indeed, that it was thought that he had made a remarkable discovery to the effect that smoking was an important cause of lung cancer. Dr. Bradford Hill was a well-known Fellow of the Royal Statistical Society, a member of Council, and a past president—a man of great modesty and transparent honesty. Most of us thought at that time, on hearing the nature of the evidence, which I hope to make clear a little later, that a good prima facie case had been made for further investigation. But time has passed, and although further investigation, in a sense, has taken place, it has consisted very largely of the repetition of observations of the same kind as those which Hill and his colleagues called attention to several years ago. I read a recent article to the effect that 19 different investigations in different parts of the world had all concurred in confirming Dr. Hill's findings. I think they had concurred, but I think they were mere repetitions of evidence of the same kind, and it is necessary to try to examine whether that kind is sufficient for any scientific conclusion.

"The need for such scrutiny was brought home to me very forcibly about a year ago in an annotation published by the British Medical Association's Journal, leading up to the almost shrill conclusion that it was necessary that every device of modern publicity should be employed to bring home to the world at large this terrible danger.* * *

"What is not quite so much the work of a good citizen is to plant fear in the minds of perhaps a hundred million smokers throughout the world—to plant it with the aid of all the means of modern publicity backed by public money, without knowing for certain that they have anything to be afraid of in the particular habit against which the propaganda is to be directed. * * *

"Before one interferes with the peace of mind and habits of others, it seems to me that the scientific evidence—the exact weight of the evidence free from emotion—should be rather carefully examined. I may say, I am not alone in this. I have been interested to note that leading statisticians in this country also—and I contact a good many statisticians both in my own country and here—are exceedingly skeptical of the claim that decisive evidence has been obtained. * * *

"Now, Doll and Hill, in their first inquiry—the one that I've gone over approximately—did include in their questionnaire, which was put both to the cancer patients and to the patients from other diseases, the question: 'Do you inhale?' And the result came out that there were fewer inhalers among the cancer patients than among the noncancer patients. That, I think, is an exceedingly

[1] Cancer is a biologic, not a statistical, problem. Statistics can soundly play an ancillary role in its elucidation. But if biologists permit statisticians to become the arbiters of biologic questions, scientific disaster is inevitable.

important finding. I don't think Hill and Doll thought it an important finding. They said that probably the patients didn't understand what inhaling meant. And what makes it far more exasperating, when they put into effect an exceedingly important research, based on the habits of the medical profession, by asking about 60,000 doctors in Great Britain to register their smoking habits, and about 40,000 of them did so cooperatively, I am sorry to say that the question about inhaling was not in that questionnaire. I suppose the subject of inhaling had become distasteful to the research workers, and they just wanted to hear as little about it as possible. But it is serious because the doctors could have known whether they were inhalers or not; they could have known what the word meant; perhaps they would have consulted each other sufficiently to lay down a definition which the rest of us could understand. At any rate, there would have been no alibi if the question had been put to a body of 40,000 physicians.

"So, our evidence about inhaling is embarrassing and difficult. There is no doubt that inhaling is more common among heavy cigarette smokers than among light cigarette smokers in Great Britain, where inhaling is not nearly a universal practice. There is no doubt that cancer is commoner among the heavy cigarette smokers than among the light cigarette smokers. Consequently, if inhaling had no effect whatever, you would expect to find more inhalers among the cancer patients than among the noncancer patients. There would be an indirect correlation through the association of both with the quantity smoked. Now, of course, in what was reported everything was thrown together; and yet, in the aggregate data, it appeared that the cancer patients had the fewer inhalers than the noncancer patients. It would look as though, if one could make the inquiry by comparing people who smoke the same number of cigarettes, there would be a negative association between cancer and inhaling. It seems to me the world ought to know the answer to that question. * * *

"I have criticized the overconfidence shown at least in public utterances or published reports of anonymous committees on this subject, and I do not suppose that Bradford Hill, at least, is at all to blame for that overconfidence. The worst effect of that overconfidence, so far, is that it seems to have held back the various teams of workers. They are well supplied with money; the Medical Research Council is not stinting money on cancer research, and the American Cancer Society is obviously exceedingly well supplied with money. And yet, I think nothing but overconfidence that they had found the solution, that they had the game in the bag, could have prevented them from following up some of the other lines of inquiry which are much needed. I have said nothing, for example, so far of the very striking fact that at the same level of cigarette smoking, dwellers in towns have considerably more lung cancer than dwellers in the country. I don't know any extensive piece of research which has been set on foot to get to the bottom of that important difference.

"The desire to make a strong sensation, to bring home the terrible danger to these passive millions, has led writers to stress the very alarming fact that lung cancer is a disease increasing, one of the few important diseases that are increasing in frequency. It is not so important in the United States as it is in England, but it is an important cause of death in both countries. It has been increasing over the last 50 years. It is frightening. But it shouldn't be used to frighten people.

"The change over recent decades gives not the least evidence of being due to increasing consumption of tobacco. We can't tell much about the absolute magnitude of this secular change. It is certain that radiology has facilitated the detection of lung cancer enormously, that radiological apparatus and radiologists are much more abundantly available for our populations than they formerly were. I do not know that there are not remote and secluded communities where patients with lung cancer are not looked at by radiologists, but that proportion of our populations must be still decreasing. Again, the attention of the medical profession has been forcibly drawn to lung cancer, and it invariably happens that when the attention of the medical profession is drawn to any disease, that disease begins to take up more space in the official reports, it is more often seen and more often diagnosed with confidence; death certificates more often include that particular disease. Consequently it is not easy to say how much of the increase is real. I think part of it must be real, because there's no doubt that the populations concerned have been enduring or enjoying a very considerable increase in urbanization. The big metropolitan cities have been growing rapidly. In England, smaller towns have been running together into extensive masses called conurbations, like those of Clydeside or Merseyside or the Birmingham region. Even in the country, even in what used to be remote villages, there are motorbuses regularly which take the young men and women into cinemas perhaps 6 or 8 miles away. You might say that the whole population during the last 20, 30, 40 years has been becoming steadily urbanized, and as the urban rate for lung cancer is considerably greater than the rural rate, in my country as in yours, we must recognize here the possibility of one real cause of the increase in lung cancer. There may be others.

"But the only good comparison we can make in respect of the time-change is that between men and women. The same apparatus, the same radiologists, the same physicians diagnose both men and women. Whatever effects improved apparatus may have, whatever effects an increased attention to the disease may have, will be the same in the two sexes. Whatever effects urbanization may have you would think might be the same in the two sexes. Consequently, we can, at least, inquire whether the rate of increase of lung cancer in men is the same, or greater, or less, than the rate of increase of lung cancer in women. For it is certainly true, I think in both our countries, that whereas the smoking habits of men have not changed very dramatically over the last 50 years, yet the smoking habits of women have changed a very great deal. And on making that comparison, it appears that lung cancer is increasing considerably more rapidly—absolutely and relatively—in men than it is in women, whereas the habit of smoking has certainly increased much more extensively in women than in men. There is, in fact, no reasonable ground at all to associate the secular increase in lung cancer as has been done with dramatic eloquence, I suppose as part of the campaign of bringing home the terrible danger, just as though it was impossible that statistical methods of inquiry should supply a means of checking that very rash assumption.

"And so I should like to see those two things done, one immediately and quickly: an inquiry into the effects of inhaling, and secondly, a more difficult but certainly a possible task of seeing to what extent different smoking classes were genotypically conditioned. And I believe that only overconfidence, if it is allowed to have its way, could prevent those further inquiries from being made."

Dr. Rosenblatt, in an article entitled "Cancer of the Lung: Facts and Fallacies," appearing in the February 1958 issue of the Journal of the Kentucky State Medical Association:

"It is a part of human frailty to assume that what we did not recognize in an earlier decade, did not exist. Proponents of the smoking-lung cancer theory point with conviction to the earlier United States vital statistics and hospital autopsy records which show a paucity of lung cancer cases. However, they omit the facts that the death registration area was first established in this country in 1900, that there was originally no specific category in which to record a case of lung cancer, and that the earliest data was published by Gover, in 1939, in a special study for the United States Public Health Service. * * *

"With approximately 30,000 new cases and 25,000 deaths from lung cancer annually, no one can deny the increased prevalence of the disease. However, the question to be answered is whether this increase is real and due to carcinogenic exposure, or whether it is only apparent and due to explicable factors. If the latter view is correct, the attempts to find an alleged carcinogenic factor, such as tobacco, are fruitless. As an active observer in the field of pulmonary diseases for more than 25 years, it is my belief that one of the most important factors in the increased prevalence of lung cancer is greater awareness of the disease and the availability of the diagnostic tools with which to confirm diagnosis. It is unrealistic to compare incidence statistics of the present with those of three decades ago, when the means to establish a diagnosis were not available. Diagnostic roentgenology, bronchoscopy, tissue biopsy, exfoliative cytology, and exploratory thoracotomy are investigative measures of recent vintage. According to Smithers, there were 29 bronchoscopies at the Brompton Hospital between 1926 and 1929 whereas now the number is well over 800 each year. It has been repeatedly pointed out that when a disease becomes diagnostically accessible, its incidence automatically increases. * * *

"A comparison of lung cancer with upper respiratory cancer is of considerable interest inasmuch as both tracts are equally subjected to exposure with the alleged carcinogen, tobacco. In contrast to the increased incidence of lung cancer, there has been no dramatic rise in incidence in other organs exposed to tobacco smoke. Malignant tumors of the nasopharnyx and larnyx are of epithelial origin and if tobacco is a potent carcinogen for bronchial mucosa it should be equally effective in the upper respiratory epithelium with which it is in contact in greater concentration. However, no statistical association has been demonstrated between an increased incidence of upper respiratory cancer and increased consumption of cigarettes. * * *

"The second major factor responsible for the increased incidence is the age distribution of lung cancer. This is a disease of late adult life. While rare cases have been encountered in young adults and even in children, the vast majority of cases are found in the fifth, sixth, and seventh decades. It is in this age group that the increased lung cancer has chiefly occurred. The average life span of the population in the United States has increased steadily and is now well past 65 years. In the early years of this century there were but 4 million people over 60 years whereas now there are over 14 million. The prevalence of lung cancer has increased because there are more people reaching the cancer age. There has been no increase in cancer in the younger age groups. As the average length of life increases we must anticipate a greater number of cases. Although the total number of cases will probably increase, the statistics already show that the rate of increase is declining. * * *

"Surveys tend to arrive at conclusions sympathetic to the opinions of the observer. If the investigators believe that tobacco is harmful, the results show an association with lung cancer; if air pollution is suspected, somehow, the results point in that direction.

One observer in New Zealand found an entire different cause of lung cancer. His survey showed that the risk of contracting lung cancer was directly proportioned to the number of years the New Zealanders had previously spent in England. Smoking was absolved. The real culprit was exposure to the English environment. * * *

"Summary

"1. Cancer of the lung has been recognized for more than 150 years, antedating the popularity of cigarette smoking by more than a century.

"2. In hospitals interested in the disease, and/or with routine autopsies, there has been no real increase in lung cancer with respect to total cancers. This holds for the 19th century as well as for the 20th century.

"3. The attempt to find an etiological agent for the increase in lung cancer has been going on for half a century. At first the onus was on cigars and as cigarette consumption increased the blame gradually shifted to the latter.

"4. A statistical association does not imply a cause and effect relationship.

"5. Bronchogenic carcinoma has never been produced by tobacco or its products in any experimental animal despite the multiplicity of attempts.

"6. History has repeatedly demonstrated that whenever an inaccessible cancer becomes accessible, the incidence automatically increases. Prior to 1930, the clinical facilities for the diagnosis of lung cancer were few and far between even in thoracic disease hospitals. The perfection of diagnostic tools (exfoliative cytology, bronchoscopy, radiology, and exploratory thoracotomy) occurred within the past 25 years.

"7. Lung cancer is a disease of older age groups. There are more older people among us and more potential candidates for lung cancer. The total number of cases is increasing but the rate of increase is slowing down and will eventually be stabilized like laryngeal or other respiratory cancers in which diagnostic methods have been long established.

"8. The nasopharynx and the larynx are greatly exposed to tobacco products and if tobacco is a carcinogen for the lung, it should also act upon the upper respiratory passage. However, no statistical association has been demonstrated between increased consumption of cigarettes and increased incidence of upper respiratory cancer.

"9. The progressive increase in smoking among women over a period of many years has not led to a change in the ratio of incidence which is predominantly in favor of the male.

"10. The prevalence of lung cancer is more related to diagnostic facilities than to smoking, air pollution, or other urban factors. No matter how remote the community, the establishment of diagnostic centers inevitably results in a greater incidence of lung cancer."

Dr. Figge, as quoted in a story by Patricia McCormack, International News Service medical science editor, which appeared in the March 25, 1958, Boston Evening American:

"CANCER-SMOKE LINK DOUBTED

(By Patricia McCormack)

"BETHESDA, MD.—A leading American Cancer Society researcher said today he would not necessarily advise people to quit smoking and might even tell them to take it up.

"Coming from a longtime ACS investigator, the statement in the cancer-smoking controversy seemed startling. But Dr. Frank H. J. Figge of the University of Maryland explained:

"Too little is known about 'human susceptibility' to cancer to advise persons to give up smoking.

"Overweight persons may even be advised to take up smoking to reduce chances of developing liver or pancreatic cancer.

"Dr. Figge, reporting to writers on the society's tour of research centers told newsmen at the National Cancer Institute his conclusions were based on exhaustive studies of peculiar manlike mice—and humans.

"He said: 'I know these views are in disagreement with the statistics, but I believe individual susceptibility to cancer must be taken into account.

" 'A person who gives up smoking after 6 or 8 years may do himself no good at all—if he is among the 10 percent of the population susceptible to lung cancer.

" 'If not susceptible to lung cancer—and apparently 90 percent of the population isn't—a person can smoke till doomsday and it won't hurt.'

"Dr. Figge, a professor of anatomy, does not smoke, but, he said: 'If I knew I was susceptible to liver cancer, I would smoke.'

"He isn't sure he is susceptible to liver cancer and admitted that personal knowledge about susceptibility is somewhat of a problem.

"Dr. Figge advises smoking for those with excessive weight, which, he explained, tends to predispose susceptible persons to liver and pancreatic cancer.

"Dr. Figge developed the strain of mice that behave like humans. It is believed to be the only strain of its kind in the world. The mice become fat as middle age approaches just as do humans and in the same proportions. And they tend to get thin in old age.

"What is more, without any help from scientists, they develop diseases closely resembling those of humans, including lung cancer. They get nearly as many other kinds of human-like cancers and also develop diabetes and hardening of the arteries.

"Dr. Figge's mice are believed ideal subjects in which to study naturally occurring human-like diseases. Their illnesses, developing spontaneously, closely resemble human ailments.

"The scientist did not transplant tumors or do anything to introduce the other diseases—often the case in animal research.

"To prove his point about susceptibility having a great deal to do with lung cancer, Dr. Figge cited the occurrence of this cancer in his man-like mice, adding: 'This is strange because none of these mice has ever smoked.' "

Fred Bock, cancer researcher at Roswell Park Memorial Institute, as quoted in a story in the April 7, 1958, issue of Medical News:

"A significant number of mice, however, have lived long enough, in the opinion of the researchers, 'for lung cancer to occur if it were going to. But we have not found an increase in lung cancer among strains prone to develop it spontaneously, nor among other strains,' says Fred Bock, cancer research scientist in charge of these experiments. 'And we've seen nothing unusual at autopsy.'

"In painting mouse backs with tobacco tar extracts, the researchers have induced the expected skin cancer, but only by applying the equivalent of 16 cartons of cigarettes for each mouse for 1 year. And some inconsistencies in findings from both experiments are leading the research group into studies on lung resistance—and skin sensitivity—to cancer in mice."

Dr. Segal, as quoted in a story in the Shreveport (La.) Times:

"LUNG SPECIALIST DISPUTES TOBACCO-CANCER THEORY

"A noted lung specialist lecturing in Shreveport yesterday refused to see a boogeyman in smoking. It doesn't even cause short breath, he said.

"Dr. Maurice S. Segal, who is director of the lung station of Tufts University Medical School in Boston, is a nonsmoker and said he personally regards it as an offensive habit.

"But he said evidence is anything but conclusive that cigarettes cause lung cancer. Tests in his own laboratory have found lung cancer among nonsmokers, he said, and added, 'People have smoked from time immemorial. To me, proper ventilation and humidity in homes is of much more importance than questions of cigarettes.'

"Two years of laboratory tests in Boston also have shown cigarettes do not affect breathing at all, he said. Ballplayers often smoke, he noted, and so even do distance runners.

"Dr. Segal, in town to address the Southwest Allergy Forum, was talking about healthy people. Those with chronic bronchitis are not advised to smoke heavily, he said.

"He took issue with announced statistics about cigarette-bred lung cancer. 'Whatever the answer, statistical evidence is not it'; with proposed regulatory legislation, 'How can they possibly list the nicotine content on each pack of cigarettes, when each batch of tobacco is different?'; and with the testing, 'What does tar and nicotine on a mouse's back prove, except maybe that mice shouldn't smoke?' "

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. CURTIS. Mr. President, will the distinguished Senator from New Jersey yield, so that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New Jersey yield for that purpose?

Mr. SMITH of New Jersey. I yield for that purpose.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, I desire to speak in support of the Mutual Security Act of 1958, which is presently under consideration by the Senate. My distinguished colleague, the senior Senator from Rhode Island [Mr. GREEN] the chairman of the Committee on Foreign Relations, in his opening address in the debate last night presented very fully and completely an outline of the need for the proposed legislation. From our side of the aisle, the Republican side, I desire this afternoon to support the bill, and point out some of the reasons for doing so.

Mr. President, it is with mixed feelings that I speak to the Senate today in support of the Mutual Security Act of 1958.

Since 1944 I have been a Member of this body. Since 1947 I have been a member of the Committee on Foreign Relations.

During these years the United States has moved from a position of eminence

among nations to a position of leadership.

The war against fascism has been won.

Bipartisanship has become the guiding political philosophy in the conduct of the foreign relations of the Nation.

The United Nations was established largely as a result of the tenacity with which the United States persevered in the concept of collective security.

When Greece and Turkey were threatened by international communism, the United States supplied the economic and military muscle necessary to their defense.

Postwar chaos in Western Europe was avoided by the efforts of the people of this Nation through the Marshall plan.

When Soviet Russia threatened Western Europe, we joined with other free nations to create the North Atlantic Treaty Organization.

When the Soviet threat erupted into violence in Korea, the United States took the lead in the creation of collective defense arrangements which today serve to preserve the peace in many parts of the world. Of course, that action was taken, as we all know, through the United Nations.

In these postwar years, we have come to the assistance of newly created nations, helping them to develop viable economies, to preserve their independence, and to become responsible members of the international community.

We have pushed ahead in sharing the peaceful uses of the atom.

Mr. President, I could go on repeating the catalog of national achievements in the field of foreign policy in the decade I have had the privilege of serving as a member of the Committee on Foreign Relations. The record of this Nation over these years is one of magnificence. I do not believe the full magnitude—the full selflessness of this Nation will be appreciated for many, many years.

In view of these achievements, it is with reluctance and sorrow that I contemplate the fact that this will be my last opportunity as a Member of the Senate to help promote our foreign policy. Yet I feel also great pride in having been privileged to be a participant in the formulation of foreign policy over these years. I am proud to be able to assert, as I stand here today to urge this body to approve the Mutual Security Act of 1958, that had it not been for the actions of this Nation during the past decade, we would be living in a world of utter chaos. Many newly independent nations would have fallen prey to the Communists; many others would be living without hope; and world war III might well have descended upon us.

I hope, Mr. President, that in the years ahead this Nation may continue on the path charted by the civilian and military leaders of this Nation since the war. The path toward peace is not easy. It calls for sacrifice. It calls for perseverance. It calls for courage. These are qualities of the American people.

THE BILL BEFORE US

The bill we now have before us, Mr. President, carries on the bipartisan tradition of this Nation in dealing with the world in which we live. It has been reported from the Committee on Foreign Relations by a vote of 14 to 1.

The distinguished chairman of the committee, the senior Senator from Rhode Island [Mr. GREEN], has described the work of the committee in translating the high aspirations of our people into workable legislation. My only regret is that the committee did not see fit to support in full the request of the President of the United States. As the chairman noted, however, the Committee on Foreign Relations reduced by $235 million the authorization requested by the President for military assistance and defense support. That was a substantially smaller reduction than the reduction which had been previously made by the House. Although I do not propose to offer an amendment from the floor restoring that amount, I shall oppose vigorously any attempts further to reduce the sums authorized in this bill.

PROTECTING OUR SECURITY

I cannot be a party to any tampering with the security of the Nation.

The President of the United States, who happens also to be the outstanding military figure of this generation, has, on the advice of the Joint Chiefs of Staff and on the advice of the Secretary of State, proposed a mutual-security program designed to serve the security interests of the American people. He has requested the authorization of a total of $3.2 billion and the appropriation of $3.9 billion, including $625 million for the development loan fund, heretofore authorized. This request is less than half the total of $7.9 billion which was actually appropriated in 1951.

The reduced amount requested this year represents a tightening of the belt. It represents a reduction of the military pipeline to the absolute minimum. It represents the judgment of the President of the United States and his military advisors with respect to the expenditures absolutely vital to the protection of this Nation.

Certainly the progressive reduction in these mutual security bills, from a high in 1951 of close to $8 billion to the figure this year of $3.9 billion, is no reason to believe that the world of 1958 is somehow a safer world than it was in 1951. Since 1951 the Soviet military forces have increased in power; the Soviet Union has developed missiles that threaten this Nation directly; and the Soviet Union has embarked on an all-out attempt to win the uncommitted world by pouring out economic assistance at a rate and with a selectivity that exceeds our own.

I digress to say, with respect to the amount which our committee felt might be deducted from the bill, that the recommendation was only in the field of military assistance and defense support, and not in the field of economic aid. We felt that the appropriation for economic aid should be left as it was.

During the past 3 years the Soviet Union has spent more than $2 billion on this economic offensive.

There is really a Soviet "New Look" in external relations. The Soviets are aware that they will be in danger if they do not meet the economic challenge and the competition we have given them by trying to help some of the underdeveloped nations of the world. The Soviets have adopted the economic attack as their line.

I am sure my colleagues will agree that the President of the United States has not established a reputation over the past 5 years as a spendthrift. His budgets have been tight. Indeed, in some areas of military spending they have been so tight that many Members of this body have urged greater expenditures.

It seems to me now to be a matter of commonsense and good judgment that we go along with the President's proposals in this highly important field of mutual security.

THE CONTINGENCY FUND

Before leaving the subject of the need for sustaining the figures recommended by the Committee on Foreign Relations, I wish to emphasize the special importance I attribute to the amount of $200 million which has been requested for the contingency fund—a figure which was cut to $100 million by the House of Representatives but which was properly restored to the full amount of $200 million by the Senate Committee on Foreign Relations.

The request for the $200 million contingency fund rests on solid historical experience that a fund of approximately this magnitude will be needed during the course of a year to meet situations which are either entirely unforeseen or which are foreseen only in part. The contingency fund is therefore unprogramed. Although there has not heretofore been a specific, separate authorization under the heading of contingency fund, the Mutual Security Act has, for years, carried unprogramed funds in various appropriations available for this kind of use. This year, those unprogramed funds are simply lumped together in the bill under one heading so that they can be more readily identified.

In fiscal 1956, contingent requirements developed to the extent of more than $180 million; in fiscal 1957 to the extent of more than $190 million; and in fiscal 1958, they already amount to more than $150 million. In view of this past experience, and in view of the increasing rapidity of world events, it seems only prudent to provide $200 million for fiscal 1959. Indeed, the requirements which are not yet firm but which are already foreseen as potential amount to the full $200 million, for which the bill calls.

This contingency fund is an absolutely indispensable instrument for the conduct of foreign policy in this age of tension and unsettled conditions. It provides funds for Presidential use in the variety of situations which are sure to arise during the coming year but which cannot be foreseen at the present time.

In the past, this fund has been used by the President in such key countries as Turkey, the Sudan, Tunisia, Morocco, and Pakistan. It has been used to help our friends cope with natural disasters as well as with political conditions which have threatened their very existence.

Of the total amount of $200 million, the President may use up to $100 million without regard to the provisions of the Mutual Security Act or related laws, provided the President determines that such use is important to the security of the United States. I might add that there is no person who is better able to judge, from his experience and life's work, what the security of the United States requires or demands.

NEED FOR FLEXIBILITY

Flexibility in the conduct of the foreign relations and in providing for the defense of the Nation is absolutely necessary in the days of intercontinental ballistic missiles. No one doubts that Mr. Khrushchev has sufficient flexibility in his conduct of the cold war. He can decide when and where and how much, without any responsibility whatever to anyone.

We cannot meet Soviet flexibility by putting our elected President in a financial straitjacket. Within the metes and bounds of the Mutual Security Act, it is still essential that we repose in the President confidence that he will utilize the contingency fund in such a way as to serve the overall interests of the Nation. I am very glad that our committee took this position of indicating that the contingency fund must be flexible in character, and that we can trust the President with its use.

SPECIAL ASSISTANCE

Although I have spoken particularly of the contingency fund, I also wish to call attention to the category of special assistance. The President requested the authorization of $212 million for this purpose. That request was reduced by the House to $185 million, but restored to the full amount by the Committee on Foreign Relations.

The $212 million for special assistance, which was requested by the administration and approved by the Foreign Relations Committee, is all intended for presently known, identifiable needs. There is no speculation about this; we know what these needs are. The precise figures by countries are classified, but detailed figures are available to any Senator from the staff of the Foreign Relations Committee. I hope Senators who have any question as to these figures will not hesitate to go to the Committee on Foreign Relations to get accurate information. I can, however, list some of the countries for which special assistance is designed.

In the first place, our aid to Berlin, where we have special responsibilities, is a part of special assistance. This was formerly carried as a separate appropriation.

In Africa, special assistance will help Ethiopia, where we have important military facilities; Libya and Morocco, where we have important air bases; Somalia, which will gain its independence in 1960; and Tunisia, where there is a potentially very critical situation.

In the Near East and South Asia, special assistance will help, among other countries, Afghanistan, where the Soviets are making such great efforts; Israel, Jordan, and Lebanon, where the need for the ability to extend assistance should be obvious to all. In Latin America, special assistance will go to Bolivia and Haiti, in each case for a different, but compelling, reason.

The dangers and difficulties of "too little" have been made painfully evident from our experiences during this current fiscal year. The cut of approximately $75 million by Congress for this year's special assistance left the President in the serious position of having only $5 million of unprogramed special assistance funds for emergencies after March 1. That is the condition we are in this year.

Since that date, as we are all aware, the crisis in Lebanon and the grave situations confronting Tunisia and Morocco arising from the cessation of French assistance have resulted in critical problems of the Free World.

Mr. President, I do not believe it is necessary to add anything further in order to make clear the serious need to authorize in full, for fiscal 1959, the $212 million requested for special assistance and the $200 million requested for the contingency fund.

The story of this year's tragic lack of funds should constitute as eloquent a plea as is necessary.

Last year, the Congress made several positive changes in the structure of the mutual security program. One of the welcomed results was the recognition of the necessity for greater flexibility to meet the challenges which will constantly confront us as the leader of the free nations.

For fiscal year 1959 we are presented with the opportunity to make it possible for the President to meet this challenge. We need only to recognize our responsibility and authorize an adequate amount of funds.

I wish to digress here for a moment to emphasize that we are asking for the authorization. Should an emergency arise, the President could call for a special session of Congress and request an additional appropriation. We are authorizing funds now, and we can appropriate additional money at a later date if a crisis arises, and funds normally appropriated prove insufficient.

Mr. President, one of the most perceptive statements which I have ever read in connection with meeting national challenges was uttered in 1897, by a man who was destined to become one of our greatest Presidents, Theodore Roosevelt. He remarked:

> If in the future we have war, it will almost certainly come because of some action or lack of action, on our part in the way of refusing to accept responsibilities at the proper time, or failing to prepare for war when war does not threaten.

Let us not shirk our responsibilities today. Let us not be persuaded to evade them by criticisms, in many cases unfounded and irresponsible, which seek to magnify and distort the relatively minor things in an effort to divert our attention from the real accomplishments of the program.

CRITICISMS OF THE PROGRAM

There have been some criticisms of the program, and I wish to discuss several of them. It is, of course, impossible to operate a program of the magnitude of the mutual security program without mistakes. There have been mistakes in the past and there will be mistakes in the future. I certainly do not object to honest criticism of the program. Last year the Senate Special Committee To Study the Foreign Aid Program—which included practically all the members of the Committee on Foreign Relations—made an intensive examination of the program in an effort to clarify its structure and correct the faults discovered through 10 years of trial and error. We have tried, since the beginning of the program, 10 years ago, to learn from the mistakes we have made, and have endeavored to correct them. Many eminent groups and individuals participated in this study. Changes that have resulted have promoted greater efficiency and effectiveness.

I, nevertheless, am frank to say, Mr. President, that the mutual security program has been and continues to be subjected to an abuse it does not deserve. Mistakes have been magnified, distorted, and repeated. Malicious attacks have been made by some who have put their prejudices ahead of the interests of the Nation and have thereby created unjustifiable opposition to the program.

The Committee on Foreign Affairs of the House of Representatives has rendered a distinguished service by attempting to draw from all sources the criticisms that have been leveled at the program. They found some 96 specific criticisms and asked that the International Cooperation Administration comment on those criticisms. Here are the results:

In six instances, there was a recognized problem which had not been fully solved.

In another six instances, an error was uncovered which had been corrected.

In 29 instances, the allegation involved a question of judgment, not a question of fact.

In 24 instances, ICA found the facts had been distorted.

In 20 instances, the allegations were based on an error in fact.

In 8 instances, allegations did not even relate to the mutual security program; and in 3 instances the allegations were apparently fictitious.

Let us examine, for example, the charge that has been made and repeated to the effect that United States bulldozer operators in Cambodia receive $20.25 an hour with all living expenses paid and no income tax. The fact is that these operators received between $3 and $3.25 an hour for a 40-hour week, with overtime at the rate of 1½ times the hourly rate. In addition, these United States employees in a foreign land receive food, laundry, and quarters in camps without charge, but nothing else. They pay income taxes, as we do, unless overseas for more than 18 months, as is the law for all American citizens. Such a criticism based on incorrect information does not warrant reducing assistance to a nation like Cambodia, whose fall to communism would endanger all of Southeast Asia. We all

know that Cambodia is a part of the whole Indochina picture and, with Laos and Vietnam, constitutes old Indochina.

Finally, some criticisms have been found to be complete fiction—such as the statement that we have assisted in the erection of frozen-juice plants in Italy, where few homes have refrigerators, and that we have furnished iceboxes to Eskimos.

There are doubtless instances where projects have not represented the best utilization of our resources, but the vast majority of charges of waste are without foundation.

Certainly there have been occasions when the mutual security tool has been clumsily used. But, as the report of the Committee on Foreign Relations says, a carpenter does not throw away a hammer simply because he may from time to time miss the nail and hit his thumb. Neither does he trade it in for a smaller hammer. If he did so, his mistakes would hurt less, but it would also take longer to drive the nail—and it might not be possible to drive the nail at all.

ARE WE BUYING GRATITUDE?

Mr. President, many persons have raised the question, Are we trying to buy gratitude from the world? Time after time I have heard the assertion that mutual-security funds cannot be used to buy friends. I agree with that proposition 100 percent. The American taxpayers cannot be expected to pay out hard-earned dollars on any such theory.

The so-called foreign-aid programs are not enacted for the purpose of buying friends or gratitude. The funds authorized are for the purpose of promoting mutual security among the free nations of the world. There is not one word in the statement of policy of the Mutual Security Act which mentions gratitude as a proper purpose for these expenditures.

In essence, this is the statement of policy that guides these programs:

> The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under domination peoples now free and independent, * * * declares it to be the policy of the United States * * * to make available to free nations and peoples * * * assistance of such nature and in such amounts as the United States deems advisable, compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

These programs are carried on because, since World War II, every President, every Secretary of State, every Secretary of Defense, and every member of the Joint Chiefs of Staff has been willing to state to Congress and to the American people that these expenditures are justified because they promote the peace of the world and the security of the United States.

Certainly it is the right of every American to disagree with every other American, but I suggest, Mr. President, that the burden of proof rests with those who would deny that the Mutual Security Act serves the interest of the United States, and most particularly the long-run interest of the United States.

RECENT ANTI-AMERICAN DEMONSTRATIONS

Naturally, we have all been disturbed by recent evidence of anti-Americanism in Lebanon, Latin America, and Algeria. I feel sure there are some who will argue that such activities show a lack of gratitude for United States assistance and that therefore the mutual security program should be curtailed. But I ask, Mr. President, if the going gets tough, does that mean Americans should give up?

We can expect lots of tough going in the future. Indeed, the more progress we make in shoring up the concept of freedom, the greater efforts we can expect from the enemies of freedom. The United States did not react to Pearl Harbor with a defeatist attitude. We will not react to Soviet moves in the cold war by retreat. We must not respond to the Soviet challenge by cutting foreign aid but, if anything, by increasing the assistance we are providing.

The events in the areas I have referred to have been extremely distressing to all of us. They demand of us a searching examination of our policies. They do not, however, demand that we cut off mutual security assistance in spiteful vengeance for the disclosure that we are not as loved as we would like to be or as we pictured ourselves as being.

Minorities will at times give vent to their feelings, and we may not like it. In saying this I do not mean to belittle the seriousness of the events, but I want us to keep our fundamental goal in mind—that of assuring the continued freedom from Soviet domination of the now free nations of the world.

I know that the Committee on Foreign Relations has very much in mind the need to examine the impact of our policies in many parts of the world. Already it has authorized its Subcommittee on American Republic Affairs to examine our relationships with our neighbors to the south to the end that we may pull together in opposition to threats from outside the hemisphere. It is possible that this examination may be broadened to encompass a review of our policies elsewhere.

CONCLUSION

Mr. President, these days are days when American policy is being criticized abroad, our high officials attacked, and our buildings burned. These are days that test our mettle and our maturity. It is tempting to want to turn our backs on this troubled world. This very temptation, however, increases the importance of adhering firmly to our purpose of preserving and strengthening our security and the security of the Free World. There is nothing that the Soviet Union would like better now than to see us falter in our course, to stop or to curtail our mutual-security program, and to leave a vacuum for the Communists to fill, which they would do with alacrity.

Since the inception of this program, no country protected by it has been the victim of overt Communist aggression. No large-scale conflicts between the Communists and the free nations have broken out. Deterrence has been exceedingly effective, and this is one of the major purposes of the program.

In a world beset by a great ideological ferment, the free nations, and those struggling to become free, need weapons with which to deter the outbreak of aggression and to combat those age-old enemies of constructive development; namely, poverty, ignorance, and disease.

One of the greatest vehicles for assuring that such needs will be met is the mutual-security program. From the ports of America and other free nations flow the arms which enable our allies to unite in the effort to deter overt Communist aggression and to maintain freedom. From our farms, mines, and factories come the commodities which provide the essential wherewithal to the underdeveloped nations in their efforts to rise from the stagnation which has been their lot for so many centuries. From our research centers, universities, professional groups, and cadres of experienced businessmen and administrators come the skilled technicians to help the other two billion to master the complexities of economic development.

Mr. President, I have attempted to show that for more than a decade the mutual-security program has constituted a primary vehicle for the unification of the free nations, under the guidance of God and a bulwark against the insidious penetration of the materialistic, atheistic ideology of totalitarian communism. America can rightfully be proud that its human understanding and material assistance have strengthened the arms of free men and given hope to the legions of the underprivileged. The confirmation and preservation of freedom has been its primary purpose. Against this rock, calumnies and charges have been hurled in vain.

Mr. President, this is no time for the Nation to falter in its leadership. Now, perhaps more than ever before, the fate of mankind rests with the United States. If we hold firm, I predict that history will write, as William Thackeray wrote of George Washington during the Revolutionary War:

> Through all the doubt and darkness, the danger and long tempest of war, it was only the American leader's indomitable soul that remained entirely steady.

May we all support our great President today in his untiring dedication to the cause of a true, sincere, and lasting world peace.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. ALLOTT in the chair). Does the Senator from New Jersey yield to the Senator from Montana?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished senior Senator from New Jersey, who once again has demonstrated his devotion to his country, and once again has been the good and faithful servant he has always been. The administration has had no more devoted follower and no

better spokesman than the senior Senator from New Jersey.

I noted that at the beginning of his remarks today he stated—with a feeling of sadness, I am sure—that this might be the last time he would take the lead in this body in presenting his party's side of the foreign-aid program. Let me say to the Senator from New Jersey that it is with a feeling of sadness that I note that is to come to pass in view of the fact that, because of his expressed, voluntary wish, he will not return to this body next year.

Mr. President it has been a pleasure and a privilege to be associated with so distinguished a statesman. I, too, regret that he is to leave the Senate. However, I know he has carefully considered the matter, and that he and Mrs. Smith have arrived at that decision only after carefully weighing the entire situation.

I know I bespeak the sentiments of all Senators on this side of the aisle when I say we shall miss the distinguished senior Senator from New Jersey, and we hope that as time passes he will always honor us with his advice, his counsel, and his wisdom.

Certainly the Senate will be the poorer, in the years to come, when he is not a Member of this body.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Montana for his kind remarks.

Mr. CASE of New Jersey. Mr. President, will my colleague yield to me?

Mr. SMITH of New Jersey. I am glad to yield to my colleague.

Mr. CASE of New Jersey. Mr. President, I desire to join the Senator from Montana [Mr. MANSFIELD] in commending my beloved and distinguished senior colleague [Mr. SMITH of New Jersey] for his immediate contribution to the deliberations of this body in connection with a matter which is most important to the security of the country and to the security of the entire Free World.

It is not necessary for me to elaborate upon that particular matter at this time, except to say that the address which has just been delivered by my senior colleague is in the best of his honorable tradition in this particular field. It is another evidence not only of his support of this essential program, but also of his stalwart and stanch support of America's bipartisan foreign policy, with the development and maintenance of which he has had so much to do.

With very great truth it can be said that in the last decade and more, during which he has been a most distinguished Member of this body, much of the success which has come to the efforts of this country, under both Democratic administrations and Republican administrations, to steer a course of security and safety, and, recently, of peace for the United States and for the rest of the Free World, has been due to his efforts.

Of course, I need not say—although I must, very briefly, in expressing my personal feeling—how much it has meant to me, as a younger man, to have had the affection, the friendship, and the counsel of the senior Senator from New Jersey, not only in connection with matters relating to his great specialty, namely, the field of foreign affairs, but also in regard to all other matters which relate to our mutual service in the Senate. My life here would have been much less pleasant if it had not been for him.

That I shall miss him, goes without saying—as all of us will.

I, too, with the Senator from Montana [Mr. MANSFIELD], express the confident hope that the senior Senator from New Jersey will return here often; and that his service to his country, although in other fields, will continue to be as great and as rewarding to him as it has been to all of us, in the years of his rich and fruitful service in the Senate.

Mr. SMITH of New Jersey. I thank my distinguished colleague for his generous remarks. He well knows that our warm association has formed some of my most cherished moments, and my esteem for him is deep and full.

Mr. POTTER. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from New Jersey yield to the Senator from Michigan?

Mr. SMITH of New Jersey. I yield.

Mr. POTTER. Mr. President, I wish to join the junior Senator from New Jersey [Mr. CASE] and the Senator from Montana [Mr. MANSFIELD] in commending the distinguished senior Senator from New Jersey [Mr. SMITH] for the statement he has made today. It is typical of the outstanding statesmanship he has always demonstrated in the Senate.

I wish to express my personal regret that that statesmanship will not continue in the Senate after the expiration of his present term. The Senate will be the loser as the result of the decision of the senior Senator from New Jersey to retire from the Senate.

But I know he is conscious of the fact that all the Members of this body wish him well in the years ahead, hold him in the highest admiration and regard, and wish for him and Mrs. Smith the very best of everything.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Michigan.

Mr. ALLOTT. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. Mr. President, I yield to my distinguished colleague, the Senator from Colorado, who, in part, represents the great State which I hold in such high regard that I often refer to myself as its third Senator.

Mr. ALLOTT. Mr. President, I wish to join the Senator from Montana [Mr. MANSFIELD], the junior Senator from New Jersey [Mr. CASE], and the senior Senator from Michigan [Mr. POTTER] in their remarks about our very good friend, the senior Senator from New Jersey [Mr. SMITH].

When I came to the Senate, except for my own senior colleague, Senator Eugene Millikin, I presume I knew Senator SMITH of New Jersey as well as I knew any other Member of the Senate.

It was the result, I am sure, of a very interesting evening we spent together in Colorado that led him to ask that I be assigned with him to the Committee on Labor and Public Welfare—a committee where the work is never easy, but is most difficult and most controversial. In that work the senior Senator from New Jersey has taken a very active part, and he has shown great leadership in the formulation of legislation beneficial to the country.

I would be remiss if I did not express to the one who often calls himself the third Senator from Colorado—and we are proud to have him say that, because he spent some of his early life in our great State—and to his wife, Helen, the deep appreciation of both my wife and myself for all he has done—for both the big things and the little things—in being helpful to us, and particularly to me in beginning the life and work of a Member of the Senate. I hope he knows that he has been of real assistance to us; and we are very grateful.

In whatever course the path of the future may lead him—and I am confident it will not lead to an inactive life, because I know him too well to believe that he would ever be inactive—all of us in the Senate wish him godspeed and the best of fortune. We know he will pursue whatever he undertakes with the same vigor and idealism with which he has pursued his work as a Member of the Senate.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Colorado. I recall many happy times with him. I thank him very much, indeed.

Mr. CURTIS. Mr. President, will the distinguished Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. SMITH of New Jersey. I am glad to yield to my colleague.

Mr. CURTIS. Mr. President, the distinguished senior Senator from New Jersey will be greatly missed in the Senate.

I desire to commend him for his never-failing courtesy and for his loyalty and his devotion to public duty.

I desire to join all my colleagues in extending to Senator SMITH and Mrs. Smith every good wish for a wonderful future.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Nebraska.

Mr. POTTER obtained the floor.

Mr. COOPER. Mr. President, will the Senator from Michigan yield to me?

Mr. POTTER. I yield.

Mr. COOPER. Mr. President, I am sure that before this session of the Senate ends, we shall have another opportunity to speak of the affection and esteem in which we hold the senior Senator from New Jersey [Mr. SMITH].

However, I cannot forgo this opportunity to speak of my own high regard for him.

I have had the privilege of serving under his leadership as chairman and now the ranking minority member of the Senate Committee on Labor and Public Welfare. Anyone who has served on that committee knows how difficult are the problems which confront it in the fields of education, of health, and pub-

lic welfare, and particularly in the controversial field of labor-management legislation.

All of us who have served with him have recognized his leadership, his fairness, and his determination to have fair legislation enacted for all the people of the country in these important fields.

All of us who have been in the Senate for any length of time know of his deep interest in international relations. As a member of the Foreign Relations Committee—which tends the security and peace of our country—and I am sure it would have been the same if he had not been a member of the committee—he has brought to the tremendously difficult international problems of our time profound knowledge and a rare quality of statesmanship.

Many Members of this body—and I assume particularly those on this side of the aisle—when they first came to the Senate, knowing very few Members, and with no experience in a body such as the Senate, found in the Senator from New Jersey, one who gave sympathy and understanding and counsel. I know that was my experience when I came to the Senate. I knew no one except one Member of this body, the late Senator Taft. Senator SMITH as a new friend gave me encouragement, counsel, and help. He has done that in all the time I have been here.

As I have said, all of us can speak of his fairness, and of his statesmanship, his patriotism and of his great legislative record as a Member of this body. But shall always remember him, beyond those great qualities, for his humor, his kindness, and the deep and abiding faith he has in our country and in its future.

We shall remember also his great integrity and his deep religious faith, which has animated his thinking and his action.

I speak not only as a colleague, but as a friend, when I say that his friendship has meant a great deal in my life and that it has given me inspiration.

Finally, I wish to say, and I know that he would be the first to agree, that Mrs. Smith, a noble and devoted woman, has helped him to make his great contribution to the Senate and the Nation.

We shall miss them, but we look forward to seeing them again and again.

Mr. SMITH of New Jersey. I thank my distinguished friend from Kentucky. He has led a sort of peripatetic existence in the Senate. I remember the first time he appeared here. Then, under circumstances which obtain in politics, he did not appear. Then he appeared; and then he did not appear. Finally he appeared again. It has been a great joy to me to have had JOHN among us. I cannot refrain from thanking him for what he has said. The feelings which have been expressed by all my friends have meant much to me. I thank them all.

Mr. NEUBERGER. Mr. President, before the distinguished Senator from New Jersey leaves the Chamber, I should like to pay tribute to the leadership which he has shown in the Senate in the field of foreign policy generally, and on the question of mutual security and foreign aid particularly.

I am a comparative newcomer to the Senate. In the time I have been here, I believe I have supported very consistently the views on foreign policy which the distinguished Senator from New Jersey has espoused and advocated so ably. I continue to be impressed by the sincerity and the clarity of his views.

I wish for him and to Mrs. Smith all possible health, success, and good fortune in the years ahead.

Mr. SMITH of New Jersey. I thank the Senator from Oregon sincerely for his kind remarks.

ORDER DISPENSING WITH CALL OF THE CALENDAR ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar on Monday, under the rule, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO RECEIVE MESSAGES AND TO SIGN BILLS AND JOINT RESOLUTIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the adjournment of the Senate until Monday next, authority be given to the Secretary to receive messages from the House of Representatives, and to the Vice President or the President pro tempore to sign bills or joint resolutions duly passed by the two Houses and found to be truly enrolled.

The PRESIDING OFFICER. Without objection, it is so ordered.

MERGER OF UNITED PRESS ASSOCIATIONS AND INTERNATIONAL NEWS SERVICE

Mr. POTTER. Mr. President, because of the recent merger of United Press Associations with International News Service, a group of International News Service staff members have been given severance notices.

I do not know the precise number of those released throughout the worldwide International News Service news-gathering network. I understand, however, that about 25 persons, formerly in the Washington bureau, are now without jobs.

I shall not comment at this time on what seems to be a disturbing national trend toward consolidation of news media. Newspapers and press associations are businesses, of course, and to stay alive must operate at a profit. While we may disagree from time to time with editorial positions of a given newspaper, not a single one of us would wish to choke off its freedom to express its views. Limiting the number of channels of expression must in the long run limit the variety of viewpoints to which the American people are entitled.

Be that as it may, I wish to comment on the 25 persons who have been severed as a result of this recent development. Most of them are personally well known to members of this body as highly skilled, conscientious professionals.

I earnestly recommend that the United States Information Service arrange to give these fine people special consideration.

The United States Information Service has the task of presenting to the world the story of our Nation and of our people. This responsibility demands the highest professional qualifications available.

Any one of us present today could point to unfortunate incidents in the past, or perhaps to international misunderstandings, traceable to an individual within an information organization who simply did not measure up to the required standards.

On the whole the United States Information Service is staffed by able and dedicated people. There is now an opportunity for that agency to avail itself of an elite corps of men and women. Their years of valuable experience in writing, reporting, and interpreting news, could be utilized to the great advantage of our Nation. This might provide a further means of enhancing the picture the world holds of the United States.

I urge that the agency take steps to investigate the matter, and to utilize this valuable reservoir of communications skills.

Mr. President——

The PRESIDING OFFICER. The Senator from Michigan.

CHALLENGES FOR SCIENCE STUDENTS

Mr. POTTER. Mr. President, the education of scientists and engineers is now one of our foremost concerns.

On May 9, the National Science Fair was held at Flint, Mich. It provided an opportunity for young people to develop their own intellectual abilities. The exhibits at this Science Fair showed what our younger generation have been able to accomplish by themselves with little outside help or stimulus.

Dr. Lawrence R. Hafstad, vice president in charge of the research staff of the General Motors Corp. and one of America's foremost scientists made a significant address to the high school finalists and winners.

Dr. Hafstad told his youthful audience:

> It is a curious thing but science seems at once to be the most democratic and the most aristocratic of activities. Any graduate student can challenge an Einstein. In this sense science is democratic. On the other hand, most of us must recognize that an Einstein, a Von Neumann, or a Teller are blessed with endowments with which we cannot compete.
>
> Thus there is simultaneously a scientific aristocracy. In science we have learned to accept the facts inherent in equality of opportunity with inequality of achievement. There might be lessons to be learned from this in certain nonscientific fields.

We can all derive additional hope from other statements in this significant address. In discussing the cultural exchange program inaugurated with Russia, which has enabled United States

scientists to interact effectively with Russian scientists, he said:

In the above I have touched upon the way in which science becomes involved in your individual problems and in national problems. This is not the time nor place to try to discuss at length the role of science in international affairs, but I would like to close on an optimistic note—and that is, that as part of the recently approved cultural exchange program with Russia, we are beginning to interact effectively with Russian scientists. This I believe to be a most hopeful development. Science, remember, is by definition "An organized body of verifiable knowledge." Science is dedicated to truth. To be successful, and they have proved that they are successful, Russian scientists must be dedicated to the same cause. Science thus gives us an enormous area of common ground within which we can begin to allay suspicions and to develop understanding.

Mr. President, Michigan is fortunate that so many of its great industries are supporting programs of fundamental scientific research. There have been established vast technical centers dedicated to the advancement of truth and knowledge.

I found Dr. Hafstad's remarks challenging and encouraging. I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CHALLENGES FOR SCIENCE STUDENTS

(By L. R. Hafstad)

It happens that in spite of my present activities in industrial research, much of my past career has been in the academic field. As an incidental byproduct of this situation I found myself eligible for insurance under the term of the TIAA, or Teachers Insurance and Annuity Association. Like nearly everyone else in the teaching profession, I have accordingly been making my regular premium payments to this organization. But here is an interesting and, I think, significant fact. Equally regularly I have been receiving from the insurance company small dividend checks. These, as I understand it, are due to the fact that people in and associated with the teaching field seem on the average to insist on living longer than would be expected on the basis of the standard mortality tables. One might account for this in various ways but as for me, I am convinced that no small part of this effect is due to the feeling of satisfaction and confidence of dealing with successive classes of bright and eager young people, each class better than the one before. It is difficult for anyone associated with good students to be anything but optimistic, and this, I believe, is basic both to the deep personal satisfactions in a teaching career and to the incidental longevity I mentioned above.

With these thoughts in mind, it is a special privilege for me to meet with this group of Science Fair finalists and award winners. I certainly wish to add by congratulations to the many you have received, but there is something more which should be said. I cannot help but feel a strong upsurge of confidence in the future of our country and of our particular kind of society when it can produce like this. Still more significantly, this group of real achievements was produced in a period when many of us are convinced that in some places the inroads of a retrograde "progressive education" movement has placed an undue handicap on our best student potential. If we can do this at a low point in our educational process, what unlimited horizons there must be when our educational process is again restored to its normal standards. Beyond that, what might the achievements be when our educational processes are really tuned to the needs of an era symbolized by our imminent conquest of space. To me the future is positively exciting in its opportunities. There is so much that needs doing, yet until recently there was so little appreciation of the role of science and technology in our modern life. Your generation is the first during which the general public is beginning to give some sign of understanding.

It is impossible to outline the countless challenges in specific science and engineering fields, the challenges you must accept. Casually we now discuss space travel, for instance. This implies the need for exotic fuels, which pack more potential power into less space, or new materials, which maintain strength and durability at fantastically high temperatures.

Returning to earth for a moment, great challenges lie here also. We are all aware of the tremendous advances currently being made in medicine. One of the most dramatic things I have seen on television, for example, was the array of hospital beds in a polio hospital emptied by the development of the Salk vaccine. But these very advances produce their own problems, too. Thanks to these advances the world population growth is reaching proportions which are beginning to strain our natural resources. What natural resources, what power and materials, are locked in the oceans? We can visualize the time when the earth's mineral stockpile begins to dwindle. Will we be ready with synthetic replacements?

As we rely more and more on technology to support our civilization, we can anticipate a tremendous upswing in the power curve—the need for more energy sources to operate our plants, factories and production processes. To supply this rising demand, can we tap the sun? This is another area of challenge.

For you the big question in your minds is, no doubt, "Where do we as individuals go from here?" Those of us active in the research field are continually asked by young students, "What school shall I go to? What field shall I specialize in?" etc. These sound like fair questions, but frankly they are not—and here is the reason. Most of you have had your science teachers explain the importance of having your science problems well formulated. Your questions should really be rephrased to answer the additional question—"In order to do what?" Thus rephrased, the questions become much easier for us as advisors to answer, but my guess is the questions properly phrased are correspondingly harder for you to ask. It is for this reason that we are inclined to advise you to be deliberate in the process of choosing your field of specialization. A broad exposure to the vast panorama of scientific activities in college may develop talents and tastes which are unsuspected now. The essential thing is to have the background which will permit you to specialize in any one of many fields, or even to shift fields as exciting new developments occur. This is the reason your advisors keep stressing the importance of the basic sciences, mathematics, physics, and chemistry.

I like to describe the field of science by considering it as a growing tree. In this analogy we can think of the basic sciences—mathematics, physics, chemistry, biology, etc.—as the roots of the tree, with research in these fields being represented by the root tips digging ever deeper into the soil. Similarly, the branches of the tree may then represent the various applied sciences—mechanics, aeronautics, electronics, medicine, etc.—with the growing tips of the various branches and twigs representing research in these fields. Finally, by the fruit of the tree we can represent the end products in which society as a whole is interested—the radios, televisions, airplanes, autos, railroad trains, washing machines, and whatnot, which note well, however, are brought into being only through an essential catalyst, the inventor.

Viewed in this light the fields of science and technology merge completely and one can begin to see also why new sciences are continually being formed and why the boundaries between old sciences are continually being broken down. The opportunities for you as students are truly unlimited in variety, for you may note that the growth potential is throughout the volume of both the roots and the branches.

With this analogy in mind I think it becomes clear why it is difficult to predict fields of science which will be either flourishing or lucrative a decade or more hence. Those fields will be flourishing wherein some scientific genius has made a particularly bold (or lucky) penetration into the unknown. Those fields will be lucrative in which some inventive genius has provided an end product in which society as a whole is interested. Thus in science, as in all human affairs, there is a large element of risk. There is real compensation, however, in the knowledge that in whatever field one may be working each new fact established is a contribution to the advance of mankind. It is a curious thing but science seems at once to be the most democratic and the most aristocratic of activities. Any graduate student can challenge an Einstein. In this sense science is democratic. On the other hand, most of us must recognize that an Einstein, a Von Neumann, or a Teller are blessed with endowments with which we cannot compete. Thus there is simultaneously a scientific aristocracy. In science we have learned to accept the facts inherent in equality of opportunity with inequality of achievement. There might be lessons to be learned from this in certain nonscientific fields.

For those of you, then, who plan to go on to make careers for yourselves as scientists, the course seems fairly clear. The advice must be to get as much formal education as you can manage. A doctor of philosophy is at present standard equipment for independent research in basic science, and the demand is high even now for engineers with formal training to the doctor of philosophy level. Considering the fact that it will be 5 to 15 years before you are committed to a career it would seem that the need for a maximum of education is obvious. Fortunately for those of you who maintain good scholastic records in college, there promise to be ample scholarships, fellowships, and research assistantships available largely to finance your advanced training. Even for undergraduate work, also, scholarships are becoming increasingly available, and here I am glad to say that our own General Motors scholarship plan, which will soon approach $5 million per year, is considered one of the best planned and best organized in the field. By next fall more than 1,600 young men and women will be receiving money from General Motors for their college studies.

But all of you will not become professional scientists. How large is this proportion and what about the rest? Through the courtesy of Science Service, I have some figures on the progress of National Science Fair finalists of earlier years which may be of some interest in this regard.

Of a total of 784 National Science Fair finalists, replies to questionnaires were received from 194 women and 395 men. Of these, 57 women and 99 men have not yet finished high school. There are 104 women and 248 men in college, which is a very gratifying proportion indeed. Of those not in school, 2 women and 21 men in the armed services, 12 women are homemakers, 7 women and 20 men report themselves as being in industry, and a number are in research laboratories. It is of interest that of 45

finalists who have received their bachelor's degrees, only 8 majored in subjects other than science, and these 8 include 4 in education and 1 each in business and industrial administration—which fields are not (or need not be) devoid of interest in science and technology.

Considering that on the average only 25 percent of high-school graduates normally graduate from college, the large percentage of National Science Fair finalists is gratifying indeed. Even more impressive, however, is the large proportion of those receiving a college degree who have majored in science.

Of those few who have graduated from college and by now have full-time jobs in industry, there are the following in advanced fields of technology: A mathematician working on a systems study for the Vanguard project, an aerodynamicist doing dynamic stability and control analyses of supersonic aircraft, a research engineer doing applied research on solid state devices for storage and handling of digital information for data processing and computation devices, a chemist doing infrared spectroscopy for a chemical company, a woman biochemist studying utilization of amino acids for the meat industry, an electrical engineer designing missile ground-support equipment, a woman junior engineer doing research on the properties of germanium for use in transistors, and an engineer concerned with structural design of missiles.

With this record it would appear fairly well demonstrated that the stimulus of the Science Fair does indeed encourage students to undertake a career in science and that not a few of these students are successful.

This science fair stimulus, however, has another facet which should not be forgotten, something immediate and personal. It is the profound satisfaction of individual effort, of intellectual initiative. And with it, usually, goes the sheer thrill of exploration. These science fair exhibits are evidence you as participants have experienced this special feeling of satisfaction, and I am sure that you enjoyed it.

In your various exhibit projects you depended on others—for help, advice, suggestions and a measure of guidance. But beyond those offerings you had to strike out for yourself and operate completely on your own. This is most heartening—and certainly most vital—to the cause of real and true individualism. It is a potent reply to those arguments that all social, economic, scientific and technological problems will be automatically solved through group thinking or life adjustment processes.

We have been talking so far about the problems of making a career—that is, making a living in the field of science. We are also all aware of the now well-publicized shortage of engineers and scientists, so I will not belabor this point. Certainly we want scientists that can be used by society. But is this enough? Don't we also need, and equally urgently, a society that can use the scientists? Don't we need a society that has the wisdom to understand, to accept, and to control science and its potential contributions and not to stand gaping in awe, in fear—yes, and in disbelief—of accomplishments of science?

In this regard there is a deep lesson to be learned from the famous case of the high government official who, having been briefed in great detail on the evidence which led to the conclusion that the Russians had produce an A-bomb, and having made an official pronouncement to that effect, later stated in an unofficial capacity that he did not believe in the Russian success. There is such an enormous difference between knowing something and having it really register.

In a very similar way I believe that our Nation, thanks largely to sputnik, is logically convinced of the importance of advances in science and technology—but I have a lingering suspicion that, too, has failed to really register.

Or to take another example: Everybody knows that a single megaton H-bomb carried by a single plane or missile carries as much explosive power as that of all the bombs dropped in all of World War II. But is there any sign that this knowledge has registered in the minds of, say, the diplomatic fraternity in the United Nations?

For some time now it has seemed to me that large as the problem of training an adequate supply of scientists, the problem of training a supply of responsible managers of a scientific and technological society is larger still. The problem, however, can no longer be avoided. We and the world are already in and committed to a second industrial revolution, based on the current rapid progress in science.

Because of the higher standard of living afforded by the industrialized society, even the underdeveloped nations are now planning to industrialize as rapidly as possible. As we are already beginning to see, the new technological society carries with it social and economic problems unprecedented in kind and magnitude. Unless we are incurable "technocrats" we cannot seriously believe that these grave problems can be solved by the part-time ex cathedra pronouncements of professional scientists. The social and political problems must be solved by nonscientists, but it would certainly help if they could have some background understanding of science, its motivations, its promises, and its limitations.

Since sputnik I have the feeling that the United States public is now determined to have a team of champion scientists much as it wants a championship team of football players or wrestlers. Once we have acquired such a team (which is presumably only a matter of dollars) it is assumed that again all will be well, and that this team will somehow keep us ahead of the competition in the technology of either peace or war. In fact, to most people our science problem seems already to have been solved by the success of the Vanguard.

This emphasizes another problem, the challenge of communications. If many of you plan scientific and engineering careers, look for the communications problem to dog your footsteps. The scientific community complains that its efforts are rewarded by little more than public apathy. For this the scientist must share some responsibility because until now his attitude toward the public has been cozy—not unlike the patronizing attitude of the erudite physician toward his patient who wants to know, in understandable language, just what ails him.

I would urge you to think about this. It is not enough that you engage only in contemplative shoptalk without considering also the arts of communication that make your activities comprehensible to the layman. It is up to you, together with the educational community, to help bridge the gap between the scientific and nonscientific segments of society. Keep in mind, also, that many of your future scientific efforts will necessarily have both social and political impacts which cannot be avoided as our way of life becomes more and more technological.

Our future society and its prosperity is destined to be so intimately tied to science and technology that it becomes almost essential that they be accepted as the warp and woof of our social structure. Yet the layman, educated or not, has a woefully distorted concept of science even now in what we consider a scientific age.

This has been well expressed and emphasized in a penetrating article by M. W. Thistle in a recent issue of Science. He states:

"Nonscientists tend to believe that a scientific institution is swarming with eye-popping discoveries every Tuesday, most of which the scientists conceal because they are overcautious. Laymen cannot bring themselves to believe that most science is singularly undramatic; it is difficult to convince them that science is not a continuing series of spectacular advances, on all fronts at once.

"Scientists, on the other hand, are very much aware that hundreds of scientists and thousands of engineers worked for a significant fraction of a century on the problem of nuclear fission. They feel that laymen must learn not to expect the same sort of spectacular success every week, in time for the rotogravure section; must learn that the progress of science is a slow creep, consisting of thousands of small successes; must learn that only now and then is a result achieved that is both dramatic and obviously meaningful to the multitude."

I stress all this because to me it seems important not only that we train scientific specialists, but that we also train broad gage humanists and especially some humanists with a background in science. Thus, in my opinion we must learn to consider it a gain rather than a loss when people with a solid foundation in science choose to move into some other field of human endeavor. The needs in these areas are just as great or greater than in the field of science itself. The net result of all this, however, is that we need to get on with the training of still more people, enough to supply our need for professional scientists, and enough more for a generous sprinkling throughout the nonscientific world.

In the above I have touched upon the way in which science becomes involved in your individual problems and in national problems. This is not the time nor place to try to discuss at length the role of science in international affairs, but I would like to close on an optimistic note, and that is, that as part of the recently approved cultural exchange program with Russia, we are beginning to interact effectively with Russian scientists. This I believe to be a most hopeful development. Science, remember, is by definition "an organized body of verifiable knowledge." Science is dedicated to truth. To be successful, and they have proved that they are successful, Russian scientists must be dedicated to the same cause. Science thus gives us an enormous area of common ground within which we can begin to allay suspicions and to develop understanding.

In conclusion, then, I would like to summarize for you your prospects as I see them.

There are truly unlimited professional opportunities for you in the many burgeoning fields of science and technology. Over and above these, there are urgent needs for people well grounded in the sciences but trained professionally in the humanities. There will be a growing need for broadly trained people with a profound understanding of science and technology as the leaders and managers of our society. Finally, I believe that science and the people trained therein will provide one of the few areas of common ground between us and the Russians on which we may be able to build. With such an array of opportunities before you, each of you should be able to carve out a career peculiarly suitable both to your tastes and talents. I wish you the best of luck.

AMERICAN MANAGEMENT HAS FAITH IN THE FUTURE

Mr. POTTER. Mr. President, last March President Eisenhower said:

> The real mainspring of our kind of economy is not Government, but the built-in thrust and vigor of private enterprise.

America's strength truly lies in the fact that decisions are made by millions of individuals rather than by a centralized Government bureaucracy.

Mr. Charles H. Percy, one of America's outstanding younger executives, believes

that it is the responsibility of business leadership to show all our citizens how a free-enterprise economy combats a business recession. Through his initiative, the American Management Association, which has served as a clearinghouse for the world's most comprehensive exchange of management information, conducted an economic mobilization conference in New York on May 19 and 20. This conference was the most unique management meeting ever held. The participants included President Eisenhower, Vice President Nixon, and Secretary of Commerce Sinclair Weeks. A number of distinguished business leaders shared their experiences with the whole business community in meeting the challenge of 1958. Secretary Weeks, in his opening address to the conference, said:

This conference demonstrates private enterprise at its best, with emphasis on both words—"private" and "enterprise."

I congratulate you because, instead of sitting back or pleading with Uncle Sam to run everything, private management itself will describe what is being done by business to encourage increased business activity.

It is an inspiring do-it-yourself project in healthy revival.

Your meeting is in keeping with the traditional American outlook on life. All through our history, optimism has been a chief characteristic of Americans. The fact that our economy has grown to first place in the world is proof of the foresight of optimists.

The forward-looking programs of these business leaders should be widely shared. One of the participants was Elisha Gray II, chairman of the board of the Whirlpool Corp., of St. Joseph, Mich. I know that other business leaders in Michigan, each in his own way, are taking steps to make new and better jobs for our people. I am asking management leaders in Michigan to let me know some of the steps which they are taking in their own businesses in keeping with the spirit of this conference.

Everyone should have an opportunity to review the statements by the conference participants, America's business leaders. I, therefore, ask unanimous consent that statements to the conference by Harry A. Bullis, chairman of the board of General Mills, Inc., Minneapolis, Minn.; Thomas B. McCabe, president, Scott Paper Co., Chester, Pa.; Robert S. Ingersoll, president, Borg-Warner Corp., Chicago, Ill.; Cloud Wampler, chairman of the board, Carrier Corp., Syracuse, N. Y.; Thomas J. Watson, Jr., president, International Business Machines Corp., New York, N. Y.; Ralph J. Cordiner, chairman of the board, General Electric Co., New York, N. Y.; Frederick R. Kappel, president, American Telephone & Telegraph Co., New York, N. Y.; William C. Decker, president, Corning Glass Works, Corning, N. Y.; Franklin J. Lunding, chairman of the board, Jewel Tea Co., Inc., Chicago, Ill.; Elisha Gray II, chairman of the board, Whirlpool Corp., St. Joseph, Mich.; and Charles H. Percy, president, Bell & Howell Co., Chicago, Ill., may be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SELLING CAN TURN THE TIDE

(Address by Harry A. Bullis, chairman of the board, General Mills, Inc., at Economic Mobilization Conference, New York City, May 19, 1958)

As far as the food industry is concerned in the current period of business contraction, we are optimistic because consumers have maintained their habits of eating and have not downgraded their purchases.

General Mills, as a partner with the farmer and other processing enterprises in serving the food needs of the United States, is focusing its attention directly upon certain areas that we believe must command the dedicated efforts of all American business. It is our conviction that the remedies which can lead to a new surge of economic growth and development include bold, venturesome capital commitments and greater consumer persuasion and motivation. Now, more than ever, is the time for management to shoulder anew its responsibility for American growth, and for management to do the sweating, the planning and risking to get the consumer dollars flowing faster into the channels of trade.

CAPITAL EXPENDITURES

Briefly, for the fiscal year which ends May 31, 1958, the capital expenditures of General Mills will run above $16 million, fully as high as the previous year. We have increased our capacity to produce cereals and package foods at four plants across the country. We have built a new animal feed plant. We have added to our chemical plant and to our special commodities plant. We have completed a new headquarters office building.

Work is already under way on further enlargement of our package foods capacity, on another new feed mill, on a plant for pet foods, and a plant for refrigerated ready-to-bake foods. We are enlarging bulk flour storage, making substantial additions to our shipping facilities, enlarging our research facilities and providing new manufacturing equipment in existing plants.

For the coming fiscal year beginning June 1, we will carry forward these and other projects. Our plans for capital investment will involve a total amount substantially larger than our expenditures during the current year. It may approximate 15 percent of our company's net worth.

CONSUMER EXPENDITURES

On the consumer front, General Mills is really stepping things up. During this fiscal year, ending May 31, 1958, we have introduced 12 new package foods, and there has been no economic recession insofar as our advertising and promotion is concerned. We have spent at an alltime high for advertising media of well over $24 million. In the year ahead we plan to spend more. We are budgeting at a rate well above the current year and when we add the money we hope to spend on consumer promotions, we are looking at the largest figure by far in the history of General Mills. We have accelerated our merchandising programs, so that we will sell as we have never sold before.

This is significant, and perhaps in a sense typical, of the manner in which the food industry is trying to create new consumer markets, and to upgrade existing markets. What General Mills is doing will be repeated elsewhere, in scores of food companies, large and small. In every case consumer motivation will be built around the convenience of product-engineered maid service that is designed into our products. All these products will make life easier for Americans, and will make the basic business of eating more enjoyable. The economic rewards are added dollars in circulation, the stimulus to work and turn over income, and to produce and to place into distribution the fruits of labor.

Our advertising, too, will be geared to the needs of the Nation to build sales and jobs. An example is our nationwide campaign to improve the physical fitness of the American people. Sponsored by Wheaties, one of our ready-to-eat breakfast cereals, this campaign is designed to sell by performing a public service. This is the kind of approach that has built America.

Business and consumers, working together, can get us started on the uptrend again. This is the General Mills thesis. We expect Government to do its part to provide some incentives for consumers and businesses, and to remove any obstacles to healthy economic recovery that may have accumulated along the way. Reforms of archaic legislative straitjackets, taxes, and depreciation allowances are among the means by which the Government can properly be of assistance. As a partner in free enterprise, Government needs more of the philosophy of constructive change that so permeates the American economy.

However, business and industrial management is not looking for some magic spell from Washington to solve our present problems. We must get rid of the thought that the Government is paying the bill. We know we have to get 5 million people back to work. And we can do that if all of us in our own companies exercise forward thinking and plan our work intelligently, so as to make the most efficient use of our invested capital. Now is the time when industry can usefully plan ahead and secure greater productivity from its resources. We are eliminating any unnecessary expenses. We have no so-called frills or corporate luxuries.

SPECIAL PROMOTIONAL ACTIVITIES

Through advertising and publicity, General Mills has endeavored to stimulate the consumption of agricultural products, with particular emphasis on eggs, poultry, and turkeys. While in the self-interest of our feed division, this effort lends support to the farm economy.

Last fall, in eight major cities and on two university campuses, we took the story of General Mills' progress and plans to shareowners together with financial and business leaders. We spoke optimistically and explained, in news interviews as well as in our presentations, the steps General Mills is taking to expand its future.

ECONOMIC AND SOCIAL CHANGES

This country is undergoing tremendous economic and social changes. Our standard of living is still climbing, and there is every reason to believe that it will continue upward. Advances in agriculture have given us an abundance of basic foods, and innovations in food processing have helped greatly in the struggle for better living.

The most significant change is the rapid increase in family income, which has risen from an average of $4,000 to $5,800 in a single decade. With that change has come more and more of the material things of life. The challenge to industry is to keep up with the changes in the needs and desires of the people. We have to give them what they want today, and, through research and innovation, prepare to give them what they will want tomorrow and next year.

The challenge to the food industry is larger than just supplying sufficient food. People want better eating. With more and more women employed in gainful occupations and a shortage of household help, our housewives want foods with "built-in maid service." I believe the demand for such products will continue and that such demand will put a premium on research for better products, on more capital investment to produce new products economically, and on better selling to tell people about them.

The food industry is looking toward the expanding needs of a growing population. The whole industry is intent on upgrading American tastes and desires, at the same time that it sells more volume. This combination

of product and service commands more money in the marketplace, and it creates more jobs as the consumer is convinced of the added benefits that accrue for him as a result of commodity upgrading. The current business adjustment will actually become a springboard for a sprint into the future, if we keep foremost in mind the appetites of the consumer and the capital needs of our businesses to keep those appetites satisfied. The food industry is moving toward that dual goal with boldness and spirit.

To that end also, General Mills has stepped up its research program, not only for new products and the improvement of old products, but for basic research. We are giving constant attention to the development of better manufacturing processes and greater mechanical efficiency.

PRODUCTIVE CAPACITY

The continued decline in the index of industrial production since last August through March has given rise to the theory that the industrial plant of the country has been overbuilt and that we now have too much capacity for our needs, including national defense. I doubt that this is the case, except in some areas where expansion has taken place so rapidly that obsolete and high cost capacity has remained in operation.

Flour milling is an example of an industry which has suffered from too much capacity and which is doing something about it. Since 1948 the industry has closed at least 163 mills with aggregate capacity of about 325,000 hundredweights per day. At the same time, many mills have been modernized and made more efficient with some capacity increases. According to a recent McGraw-Hill survey, the Flour Milling Industry will spend 10 percent more for capital improvements in 1958 than it did in 1957. Flour millers are facing the economic facts of life, and while they are investing capital in modernization, they are also taking out of production many plants which were high cost, obsolete in equipment, inefficient in management, or geographically obsolescent.

The test which our individual companies will have to face is that of providing efficient service to the consuming public. General Mills, as a part of the food industry, is meeting that test with new and improved products, better selling, more capital investment, and increased expenditures for research.

ECONOMIC SIEGE

For some months the American economy has been in a state of siege, with some sniping going on around the periphery of the central battleground. The siege is centered on a central fortress in our economy—inventory. Production rates are down, while the fortress of inventory is being reduced during this siege.

The sniping is represented by the mild reduction in other economic components which operate to spread the field of battle. Inventory liquidation accounts for about two-thirds of the economic recession. The remaining one-third of the decline in the total of our gross national production comes from a small reduction in consumption, a larger rate of decline in new plant investment by business, a decline in our exports or net foreign investment, and a decline in Federal Government outlay for defense which will soon end.

The forces resisting all these declines are the small rise in housing outlays and the steady increase in the expenditures of State and local governments.

What is the outlook?

We know that inventory reduction has proceeded at a rapid rate and before long production will have to rise to equal the continuing high levels of consumption. This force toward recovery is steadily gathering power and, if the high rate of inventory liquidation is sustained in the present quarter, the upturn may be vigorous when it comes.

Will this force be enough to move us back toward sustained economic growth and full expansion?

Frankly, I do not think so. There are adverse forces—the small decline in total consumption which is the result of a large decline in consumers durable goods, the slowness of the rise in Federal expenditures, the decline in exports, and the decrease in business outlays for new plant and equipment.

We can hardly expect a full recovery to high sustained economic growth and expansion until the downward course of business investment in new plant facilities is arrested. This is not likely to occur this year, and perhaps not until we are well into 1959.

What can we do to speed the upturn in outlays for new plant and equipment? The answer is not easy. Defense expenditures will soon be growing, and expenditures of State and local governments will continue to expand. Housing may increase moderately, and our net foreign investment probably will soon level out. Production will increase when inventories are depleted. However, over and above these gains, consumption must expand sufficiently to encourage enlarged plant investment.

Automatic economic stabilizers have helped to sustain personal income and total consumption as they did in 1949 and 1954. In those years, substantial tax reductions added to purchasing power. So far in this recession, we have not had that advantage. Nor have we had prompt and vigorous efforts in the area of enlarged Government expenditures, which are at best slow in action. There are many billions of dollars, previously authorized, but remaining unexpended.

Lowered taxation is not the permanent deficit creator that enlarged Government expenditures may prove to be. It is important to realize that reduced taxation can so enlarge the total national production and the tax base that total fiscal revenues are increased, not diminished, when taxes are reduced at a time of substantial unemployment. The 1949 and 1954 tax reductions are cases in point. This issue of tax reduction will soon have to be decided. We hope that Government will take effective prompt action. However, we know that the burden of stimulating increased consumer expenditures will still be upon business.

RISING COSTS AND PRICES

Another problem businessmen must consider seriously is that of formulating proper policies for determining wages. In the years since the Second World War, economic measurements show that wages have increased faster than productivity. As a result, the excess of wage increases over productivity increases has produced inflation rather than goods.

We need to adopt policies that equate wage increases to average productivity gains. We have built into the economy far too much escalation and it carries on into contracts which provide rewards for higher costs, as they are reflected by increased prices in the components of the consumer price index.

Analysis and experience indicate that contracts of this type tend to promote inflation, because they gear wage increases to living costs and to expected increases in productivity in individual companies, instead of to average national productivity increases. The circumstances have permitted strongly organized unions in some industries to gain wage increases above the rise in productivity for the Nation as a whole. In some cases, these industries have strongly increased their productivity, which has served as a lever for further wage increases.

Then other organized labor groups, in industries where productivity gains are not great, have pressed for wage increases commensurate with the wage gains of the strong unions in the strong industries. These total combined wage increases have enlarged total purchasing power by more than the enlargement in productivity. The result has been inflation.

This is probably our greatest national economic problem. We must solve it if we are to have economic stability without price inflation. We now have the paradox of wages and prices going up in the midst of a recession, and we face the specter of inflation when this recession is over, unless we do something about it. We must study all of the facts about this wage-price problem, inform the public about them, and assist in the formulation of a correct public opinion, so that inflation—a disease widespread in the Western World—may be brought under control.

CONCLUSION

The important problem that we businessmen face right now is to sell more products to consumers so that production and employment may be increased. To do this, we shall have to break the psychological freeze of consumer funds. We can all do more and better selling, advertising and servicing. We can speed up product improvements and new products, in order to give consumers what they want.

Corollary to that problem is the problem of attractive prices. The consumer is price conscious. Prices must be within the realm of what consumers are willing and able to pay. Therefore, costs, including wages, must be held in line with productivity. We cannot afford to go into another spiral of inflation.

Of importance is the planning for capital investment to achieve greater productivity at present wage levels. We should not defer necessary capital improvements, nor engage in unnecessary plant expenditures. We should plan capital needs over a period of years, rather than rush forward with overextended programs and then come to a full stop.

As businessmen we cannot escape the responsibility for economic growth and the necessity of working with government and labor to channel our economic resources to that end.

This recession is a challenge to us. While it is a bit deeper than the downturns of 1949 and 1954, it is still a moderate business contraction. We all have confidence in the future, and we are all optimistic for the long pull. The challenge is to speed up the recovery which we know will come. We can turn the tide with better selling.

REMARKS BY R. S. INGERSOLL, PRESIDENT, BORG-WARNER CORP., BEFORE THE ECONOMIC MOBILIZATION CONFERENCE OF AMERICAN MANAGEMENT ASSOCIATION, NEW YORK CITY, MAY 19, 1958

Just as there is not any single economic factor which has caused the decline in business activity at this time, there are, in my opinion, not just one, or two, or even three factors, if applied to business in general, that would bring an immediate end to the slackened pace of our economy and restore the boom conditions which we have enjoyed for so many years. In other words, I doubt very much if anyone is going to pull a rabbit out of the hat and change our economic trend overnight.

However, I feel very fortunate in being able to hear what steps other companies are taking to continue economic growth for themselves and the industries they serve. I am sure that the cumulative effect of this exchange of ideas will contribute materially to a better understanding by those attending this conference of what at least 11 companies are doing to help create a better economic climate.

To give you a background for my remarks about Borg-Warner and its efforts to continue its economic growth, I should like to

outline rather briefly the activities of the company.

To the general public Borg-Warner may be the best known through its Norge home appliances, such as refrigerators, freezers, ranges, washers, and clothes dryers, and the air-conditioning products of its York division. However, an even larger part of Borg-Warner's sales are in the fields of component parts for the automotive, agricultural implement, aircraft, and marine industries; plumbing and heating and insulation, oil-well drilling equipment and services, specialty steels, industrial equipment, nucleonics, electronics, chemicals, and defense products as well as consumer financing. These business endeavors are carried out in 40 divisions and subsidiaries in this country and in five foreign nations.

With such broad diversifications Borg-Warner's management must of necessity be highly decentralized. No single group could possess sufficient knowledge to permit it to render day-to-day decisions in all of these different industries and areas. The managements of these divisions and subsidiaries are given almost complete autonomy. To them has been delegated the authority and responsibility for the conduct of their operations. The central office of the corporation furnishes the financing function and acts in a service and advisory capacity through its group vice presidents and staff departments.

In 1952 the American Management Association predicted:

"That by 1957 the headquarters of large corporations may serve as management companies, acting as consultants to manufacturers and distributors in their final decision making. This will give us the advantage of size without the smaller units losing their independence."

This is essentially a description of Borg-Warner's management concept as evolved over the years.

The steps being taken by Borg-Warner to continue its economic growth are primarily long range in nature, as I would venture to predict is true of the other companies represented here today and tomorrow. Any action of an individual company which might appear to take place during this period of economic decline and contribute to an upturn in its business would, undoubtedly, be the result of the application of sound management principles over many years rather than of a hastily devised program initated in the last week or month or 6 months.

For this reason I should like to point out that Borg-Warner is continuing to pursue the policies and procedures which have been established as sound both in good times and in those not so good. These, of course, could include a list entirely too long to recite here, but a few might be mentioned.

We are continually reviewing our central office organization, as well as those of our divisions, to see that we have the most effective structure we can devise. In addition, we are attempting to put the best qualified man in each position with a replacement or two being available wherever possible to give us management in depth. Ways of improving and making more effective our research and development activities at both the divisional and corporate levels are constantly being sought.

Continual improvement in manufacturing processes and standards is the goal of every one of our production departments. At the same time we have always tried to keep our machinery up to date through replacement of worn-out and obsolete equipment. Management controls and procedures are forever under scrutiny and are being revised to meet changing conditions. New and better ways to create teamwork among employees and to develop a working attitude which increases productivity are being put into effect.

But what are we doing differently today from what we were doing a year ago? Even though Borg-Warner has always prided itself on keeping overhead expenses under control at all times, including periods of high output, there isn't any question but the greater emphasis is placed on cost reduction during periods of business decline such as we are now experiencing. The central office, as well as all divisions, have been reviewing every item of overhead expense with a view toward reducing it and keeping it in line with reduced production activity.

One of the annual procedures has been to develop what we call an operating level study. Each year all divisions and subsidiaries are asked to study their controllable expenses and profit margins in the light of theoretical changes in sales volume from the level they had forecasted for the next 12 months. For several years the study covered sales volumes 10 and 20 percent above and below the forecast, thus covering a 40-percent spread. The effects of 5- and 10-percent price reductions on the profit margins also were calculated. Such a technique, if conscientiously followed, draws attention to unnecessary overhead costs, particularly when reductions in sales volume show shrinking profit margins. Most divisions also derive from a study a well-blueprinted plan for cost reduction whenever sales volume begins to fall.

When the requests for this study were being prepared last fall, we thought we saw a different pattern developing in the sales outlook from that prevailing in previous years. We asked that the study cover cost control for reductions in sales volume from the 12-month forecast of 10, 20, 30, and 40 percent. You can imagine that such a drastic reduction in theoretical sales volume caused an even greater percentage reduction in profit margins.

This study, of course, has pointed out most effectively to several divisions that they must modify their cost-reduction plans, tighten up on their variable budgets and intensify their efforts in this phase of their operations.

Once a year all the divisional controllers meet at our company headquarters to discuss accounting procedures and practices. You can be sure that the theme of this year's meeting, held a few weeks ago, was cost reduction and control.

Each controller was asked to reexamine his divisional cost standards, variable operating budgets, purchasing practices, and inventory and production control procedures all with a view toward tightening these controls and developing procedures which will allow these overhead functions to be accomplished for less cost. This same theme was followed in the two quarterly meetings held already this year with all the divisional presidents.

Cost-reduction committees have been functioning in many of our divisions for years, but many more divisions have in the last few months learned the wisdom of using such a committee, spurred on by the recent reduction in their profit margins. As a guide to these committees our central office personnel service department not long ago distributed among the divisions a cost-reduction manual and check list of proven cost-reduction ideas. This department has been receiving an increased number of requests from the divisions for a demonstration of its cost-reduction training program for supervisors which has been available for years but until recently used by only a few divisions somewhat sporadically.

One of our major elements of cost which has been increasing each year since World War II, just as regular as clockwork, has been that of wage rates. For years many of our divisional presidents have been writing letters to their employees about business conditions in their industries and pointing out the effect of excessive wage increases on production costs and attempting to do a job of economic education, not only with the employee himself but with his family, by sending the letters to his home. Even though the number of persons employed in our divisions is very small in relation to the total employment in the manufacturing industries of the United States, and our efforts alone cannot change the national trend in wage rates, we wanted to make more of an impact on employees than had been accomplished in part by these letters.

We thought that if we were going to have any effect on stemming the increasing tide of inflation which, in our opinion, has partly resulted from increases in wages not fully justified by increases in productivity, we must start by educating our own supervision and factory employees that excessive wage rate increases are not good for our own business nor for business in general, that industry in this country by granting such increases in pricing itself out of domestic and world markets. To accomplish this goal of economic education of our employees and plant communities we have made use of a color sound motion picture entitled "Everybody Knows," released by the Chamber of Commerce of the United States to industry in general. All of our divisions are showing this film in their own plants and communities. We understand that this picture, using everyday language in its attempt to correct common misunderstanding about wages, prices, productivity and profits, is being enthusiastically received not only by managements but by employees as well. We sincerely hope this film will play at least a small part in correcting the wage-price inflation spiral which has been shrinking the value of our insurance and pension benefits as well as all fixed incomes since World War II.

You might ask what cost reduction has to do with economic growth. We believe that the pipelines of distribution emptied during World War II have been filled and that the latent wants of consumers which were built up during the war have been satisfied. Competition not only for markets in this country but for those abroad, has already become very keen. If we and other businesses in the United States are going to increase our sales volume or even maintain it and if we are going to make the kind of profit margins which will allow us to pay adequate dividends to our stockholders to attract the capital we need for expansion, then we must find ways of becoming more efficient and give the customer either a comparable product at a lower price or a better product at the same price.

The objective of our research and development activities in contributing to our economic growth is just this of providing a better product, an entirely new one, or a comparable one at a lower price. The new products effort of our division and corporate research facilities are at an an all time high. It is not our intention to curtail these efforts nor reduce our research and new products budgets during this decline. However, today's conditions have caused us to change the emphasis of our efforts to those projects which are closer to bearing fruit as a finished, marketable product and deferring or slowing down those projects which may be several years from commercialization. New product committees in our divisions are periodically screening all projects to see that we are shooting with a rifle rather than a shotgun in our new-product activities.

The consolidation of functions in our divisions for more efficient operations has been taking place constantly, but several steps have been accomplished recently which probably would have taken much longer had they been attempted under the boom conditions which prevailed a year ago. In spite of the hardships which necessarily accompany a dip in business activity, such an economic climate does have an effect on people's minds

and attitudes which is frequently for the good.

As a matter of fact, we find that a period of recession, when the demand for output of goods has slackened, gives us more time to take stock of our strengths and weaknesses.

While long-range planning has always been a responsibility of all divisions in Borg-Warner, greater attention is being given to this activity now then ever before. We believe that there was never a better time to plan carefully for the expansion which we are sure will come in the near future.

Not only our central office but most of the divisions are holding periodic meetings of top management to lay out and discuss their long-range plans for new products and markets, improved production processes and facilities, and lower cost distribution methods. Very intensive efforts are being made to study our present activities and determine the actions we must take in the next few years in order to realize our growth potentials.

We have stepped up our sales and marketing efforts throughout all the divisions of our corporation. There today is a reemphasis on healthy, hard-hitting selling. We believe that people will buy when stimulated by new products, properly and aggressively merchandised.

Our sales departments are being stimulated to improve their selling techniques, particularly as to seeking out new prospects and new markets. In the immediate postwar years, when the demand for our products was high, there was no need to hunt for prospects; we simply had to process the orders that came in. So today there is a lot of talk about the lost art of selling, and in this connection the automobile industry has been the whipping boy of this recession. You hear people say that they can go into an automobile showroom and never have anyone even ask their names, let alone try to sell them a car. But the automobile business shouldn't be put into a category by itself; the same thing is happening in other industries, too.

For instance, our own York division was holding a regional sales meeting not long ago in a hotel in one of our major cities. The sales manager who was conducting the meeting found that the hotel was not air conditioned. He called on the manager and found that no one, neither our competitors nor our own salesmen, had called on the manager at any time to suggest that he air condition his establishment in order to have more comfort to sell prospective guests. You can be sure the York's sales manager used this example in his sales meeting to point out that for 10 or 15 years many so-called salesmen had become mere order takers, and did not practice creative selling by promoting a desire on the part of potential customers for their product or service.

As we move through this year of business downturn, we continue to exercise—and also to reemphasize—the fundamentals of good management. We bend every effort to develop new and improved products. We seek to produce and to distribute our products at lower costs. We are making definite plans, and are preparing ourselves in every possible way, to take advantage of the expansion of the economy which we are sure we may expect in the near future. As evidence of this, we are continuing without interruption our program of replacement and expansion which was inaugurated immediately after World War II and we expect to spend $18 million this year for capital improvements and expansions as against $20 million spent in 1957, the latter sum including the completion of several major expansions previously undertaken. And we try in all ways—through increased efficiency in manufacturing, through rigid cost control, through added productivity, through intensified advertising and marketing and selling, and through renewed teamwork among all those in our employ at every level, to increase our sales and profits right now. By these means, by these actions, we hope and expect to make our own corporate contribution toward the future growth of those industries with which we are identified, and to the economy as a whole.

REMARKS BY CLOUD WAMPLER, CHAIRMAN OF THE BOARD, CARRIER CORP., SYRACUSE, N. Y., AT THE AMERICAN MANAGEMENT ASSOCIATION'S ECONOMIC MOBILIZATION CONFERENCE, HOTEL ASTOR, NEW YORK, MAY 19–20, 1958

Before an audience such as this it is difficult for me to refrain from discussing the various causes of the present recession, especially when I feel so deeply that many of them are mental and moral and perhaps even spiritual. However, this is neither the time nor the place to present personal views regarding such matters. So, I shall move quickly into my assignment, which is to tell you what we of Carrier are doing in these challenging times.

For more than a year now we have been engaged in extensive cost and expense reduction programs just as many of you have. And I am sure we have made a lot of progress. Unfortunately, however, this does not show itself to the extent that might be expected because the gains made are so frequently offset by rising costs and expenses over which we have little, if any, control. Then there is something else to be added—an intensely competitive situation which is complicated by irresponsibility and lack of experience on the part of some producers.

To a considerable extent we have been chasing ourselves around the stump, so to speak. And yet the tightening-up process is good for Carrier and in due course will be good in some small degree for the economy as a whole. Certainly we are getting rid of a lot of accumulated fat. Also, the younger members of our organization are learning the hard way what economy really is and, perhaps even more important, they are learning the hard way that goods have to be sold instead of just taking orders.

As I use the expression "learning the hard way," please do not get the idea that we believe in teaching people how to swim merely by throwing them into the water. And it could be that one of the most important things that Carrier is now doing is the expansion of its training programs including great emphasis upon management training.

Getting back to our cost and expense reduction efforts for just a moment, I am sure that the most difficult task confronting Carrier management is—and will be—to decide when and where to spend money as opposed to when and where not to spend it. You know, there are two ways to go broke. One is to spend too much and the other is to spend too little.

Today and tomorrow you will hear discussed many, many things which certain companies are doing to stem both their individual recessions and the recession. But you may not hear much about what is not being done or perhaps I should say, what must not be done.

Here are some of the things which I believe must not be done.

We of top management must not handle ourselves in a manner which will cause our associates and particularly those who are younger to get the idea that this is a period of great trouble and apt to continue for a long time.

Putting this positively, we must constantly reaffirm our faith in America and its people. And right here and now I wish to express my own deep-seated conviction that even the mental and moral and spiritual causes of the recession will in due course be effectively dealt with. This is my position because I believe in the fundamental good sense of the American people, especially those who work in our plants and yours. And yet I have to admit this—it may take longer than it should for these men and women to realize that selfish leadership is not good leadership.

Now the fact is that from time to time a business readjustment—sometimes small, sometimes large—is inevitable. If for no other reason, it is inevitable because of excesses indulged in and for which one always has to pay.

Using Carrier's own recession to make my point, I now know that in 1956 we overloaded certain of our distributors and dealers. Here I mean to sound a note of warning about hard selling. Although I believe in hard selling, I do not believe in over selling and almost always it takes a lot of wisdom to distinguish between the two. In this connection, I would like to ask—did the sale of more than 7 million motorcars in 1955 help or did it hurt the American economy?

I wish I had time to review in detail the 18-year period beginning with 1940 and going through 1957. But I haven't, and so must content myself with pointing out that numerous segments of American industry supplied in 12 years, or maybe even less, the civilian demand of 18 years. And it was this which caused so many of us to believe that the trees would actually grow to the skies.

Therefore, a great deal of new productive capacity was provided and the total was more than actually needed to supply normal demand. The result was the inevitable, and in the 18th year of the period I am now discussing, that is, 1957, the good old-fashioned law of supply and demand began to catch up with us. So here we are with a case of indigestion that is pretty painful.

I am not sure what you do when you have indigestion, but I know what I do. I just give the old stomach a bit of a rest and simultaneously try to build up my overall health.

This, I suspect, is an apt, although homely, illustration of what is happening and should happen currently in many segments of the American economy. But, for the love of heaven, let's not get indigestion confused with cancer.

Continuing with my warnings, let me again use Carrier as an example. We are now engaged in studies with a view to determining what our standard costs will be in 1959. The evidence appears conclusive that we will have to pay more for all kinds of services and for many materials. At the same time, we see no possibility of increasing selling prices. So what do we do? We put a lot of people hard to work figuring out ways and means to offset the higher costs. And one of the things I fear most is that we may use our engineering skills so extensively to meet the necessities of the moment that we will not do a really good job of getting ready for tomorrow and the day after tomorrow.

This leads me into another area of discussion, and I shall now put to you a question which I believe we should all face up to. Is it not likely that many of us, especially those engaged in the production of consumers' durables, have depended too much in recent years upon gadgetry to sell our wares rather than bringing out fine new products?

Again using our own situation to make a point, I know of only two new products of major importance that have been brought out by the air-conditioning industry since the end of World War II. And the development work on both of these was started prior to 1940. I guess maybe we were so busy making hay while the sun shone that we forgot to sow some pretty important crops. And yet this is not the whole story by any means. The fact is that the long-term development efforts of our industry, and perhaps others, have been hampered by the necessity of trying to beat the cost-price squeese, especially during the last 3 years.

Thus far I am sure I have been painting with too broad a brush. Therefore, I shall now cover briefly certain specific things that Carrier has been or is doing, or what we have not done and propose not to do.

1. We are continuing to make very substantial capital expenditures. The total in 1958 will be second only to the record high of 1957.

2. Basically, our capital expenditures program for 1957 involved the replacement of old and inefficient facilities with fine new buildings and equipment. The same is true of 1958.

3. Carrier's capital expenditure budget for 1959 is now being formulated. It is our present intention to step this up by including certain projects which were deferred last year when money became so tight. I cannot tell you as yet what the total will be. But I know that the present business situation is inspiring us to lay plans for further improvements and, therefore, greater investment than would have been the case otherwise.

Regarding the three points which I have just made, it seems to me that most of us have gotten too bearish regarding the capital expenditure outlook. True, excess capacity exists today. But a lot of this is represented by facilities that should be abandoned in favor of plants that represent the very last word in efficiency.

4. A major part of Carrier's improvement program has been and will be related to research and development. Incidentally, our magnificent new research center was occupied only a few weeks ago.

5. Although many of our development people are working on cost reduction, a very special effort is also being made to get new products ready more promptly than called for by original schedules. Because of our belief in the residential air conditioning market, major attention is being paid to equipment for homes with emphasis upon more efficient air-to-air heat pumps and a gas-fired system that will be lower in price and cheaper to operate than anything of the kind ever before offered. These products will be helpful not only to Carrier but to the utility companies, both gas and electric.

6. Among the possible victims of any business recession is the existing office building that is not air conditioned. Accordingly, Carrier is now hitting this market harder not only in sales effort but also engineering.

7. It is becoming increasingly apparent that the air conditioning of factories results in greater productivity and many other gains. So, here is another area in which Carrier is stepping up its marketing and engineering programs.

8. Our engineering, research, and development expenditures in 1958 will be the second largest in the history of the corporation and a very close second at that. But in results, we are positive they will set a new high record because of better planning and greatly improved facilities.

9. Having in mind the overselling of which we were guilty in 1956, we are determined to do a better forecasting job. Toward that end certain of our marketing people will be pulled away from the pressures of today and tomorrow and required to be more objective in sizing up not only this or that market but also the general business climate.

While on the subject of forecasting, let me tell you about an estimate of room air conditioner sales made in February of 1954, with all leading manufacturers cooperating. The low forecast for 1957 was 1,450,000 units. The top figure was 6,100,000. How's that for an honest difference of opinion? Incidentally, actual sales in 1957 were just under 1,500,000 units.

10. We are holding business training seminars all over the country. The objective is to help our dealers improve their business practices. And we believe that this program will contribute something to protecting the future of small business, both short term and long term.

11. We are seeking to stimulate the interest of the end user of our products in advance of the normal selling season. During the past 4 months Carrier's installing dealers submitted more proposals to prospective buyers than ever before. The results are already beginning to show. Obviously, one of the things we are aiming for is a production curve and therefore an employment curve that is more nearly level.

12. A large portion of our advertising money is being spent closer to the point of sale. Among other things, more newspaper space is being used.

13. We are simplifying our product lines, standardizing an increasing number of components, and doing more and more manufacturing as opposed to buying on the outside.

14. Brainstorming sessions are proving very helpful as we seek to cope with today's problems. And, of course, the same is true of many other companies. My only reason for mentioning our experience is to emphasize the sense of participation provided for a large number of employees including people pretty far down the line. Putting this another way, I believe that these sessions have caused a great many Carrier people to say to themselves, "We belong." And that is good.

15. The principal objective of our cost and expense reduction programs was and still is to get back to reasonably satisfactory profit margins. But we are also shooting for the lower selling prices that will broaden our market.

16. Every aspect of Carrier's incentive compensation program is being reexamined and new possibilities explored. One of our top men is spending practically full time on this assignment, with the assistance of a management consulting firm of wide experience in that field. What we hope to do is provide more and more of our employees with an incentive that will result in greater productivity in all parts of the business. And, of course, such productivity will bring lower costs, followed by lower prices, followed by a broader market. On top of everything else, our people will make more money.

17. Over the years Carrier has sought to encourage its people to take an active working interest in their communities and also in State and National affairs. We now propose to place more emphasis on this even to the extent of urging political action. This is based upon a conviction that American business has for a long time taken too much of a hands-off attitude with respect to selection of men to run for public office, elections, legislation, and, perhaps most important of all, the substitution of administrative procedure for law.

18. This is the last point which I shall seek to make and essentially it is philosophical rather than specific. There is no question but that the most intense competition prevails throughout the industries of which Carrier is a part. But this condition is more nearly normal than the atmosphere of the 10 years following World War II. So there can be no waiting for things to get better. Even more important, a sound balance must be maintained between the needs of today and those of tomorrow. Any other course would be a disservice to both employees and stockholders.

Nobody knows better than I that what I have just presented to you is not very dramatic. But I believe this is as it should be. The troubles that beset us are not going to be remedied by dramatic action on the part of anyone—not even the Government. Anything dramatic that might be done is almost bound to have only a temporary effect, but with a tragic aftermath. For example—more deficit financing and then more inflation. Please don't forget this—today's dollar in terms of purchasing power is 48 cents as compared with 100 cents as recently as 1939.

Maybe we of Carrier are too simple and too old-fashioned. For we hold that the one best way out of this or any other business setback is, "Face up to the facts and work like hell." And, believe me, this does not mean more pay for doing less.

As I have spoken this morning, you must have sensed my concern over the mental and the moral and even the spiritual causes of the recession. So in closing I wish to come back to them.

Over the years, the men and women of Carrier have sought to live up to a set of principles which has come to be known as our creed. Let me read to you the first four sentences:

We believe the rights and obligations are inseparable.

We believe that the great opportunities which are ours carry with them great responsibilities.

We believe that these obligations and responsibilities call for a high order of good citizenship as well as competence in business.

We believe that both individual and corporate conduct should be governed by the Golden Rule.

Ladies and gentlemen, there is no better design for living.

There is no better way out of trouble.

Thank you very much.

Management Action in Today's Economy

(Talk by Thomas J. Watson, Jr., at American Management Association's economic mobilization conference, May 19–20, 1958)

I'm honored to participate in one of the most unique conferences ever held by American business.

I want to say a little bit about the office equipment industry and then a bit about IBM, because there is a good deal of cause for optimism in our field and it isn't by any means confined to our company. We compete with a number of companies and we know their ability for original and creative thinking. To present their ideas as well as our own, I have been in touch with 10.

All of the companies I have heard from are having some problems, but they are all optimistic about the future. Four expect to exceed 1957 performance this year and six expect to be below. Three companies commented on the tax cut and each recommended against it because of its inflationary effect.

The recession has certainly stimulated thinking in our field, and every company sent me good new ideas to combat the recession. Some have bolstered United States profits by increasing business abroad. Most are working on or have installed new sales plans. Some are using their top officers to contact their most important customers, not only to improve relationships but also to learn how better to serve them. To make buying easier, terms of payment are being eased. Newer and more economical products are being rushed from research into production.

Within IBM we have been planning and acting in several areas since our sales began to slow down last September. Our income presently is extremely good, but in a rental business reduced sales affect rate of growth at delivery time, so we are all concerned.

In sales we are concentrating on improving the efficiency of our representatives—emphasizing more prospecting—trying to eliminate paperwork. A salesman is only effective when he's in front of a prospect, and in our company this is only about 180 minutes per day. Anything we do here to improve his time with prospects is money in his pockets and ours.

Selling techniques have changed tremendously in the last 15 years. You all re-

member the auto salesman who would bring attractive new cars around to your homes in the middle thirties. You remember how hard he worked. You perhaps had a chance to try 3 or 4 different cars before making a purchase, if you made one at all. How often do you receive these kind of personal calls at present?

I have wondered about this a great deal and have concluded that it may not be that auto salesmen are any less aggressive or less hard-working than formerly. It may simply be that to sell the large number of cars the industry has been making, marketing methods must change. The auto salesman must sell on a wholesale basis using direct mail and telephone, to develop more or less sure prospects before using the extended time necessary for a personal call and, hopefully, a sale.

Using this conclusion as a lead, we have recently been examining our own salesmen's activity. In the happy easy selling days of the past 10 years we have increased our individual quotas 600 percent over the late thirties. This increased quota has forced our salesmen to bypass the small prospect and concentrate on wholesale selling. This is a significant change in our pattern and if allowed to continue could reduce our business to a basis where we were adding almost no new customers. From 1937 to 1957 our business grew from $30 million to $1 billion, and our customers from 2,000 to 20,000. Obviously, our growth must be continued on a basis of gaining many new customers each year.

We conclude that sales and marketing plans in our own business at least, can get quite warped in times of boom. If these same plans are used in times of lessened industrial activity, they can well change the entire course of the growth of our business.

A new sales and compensation plan is being put into effect in our largest division to better meet present-day markets. This plan will compensate salesmen more equitably for the effort necessary to pioneer new accounts. We know that from a long term growth view, a dollar of new rental is more valuable to us than a dollar of additional rental in an existing customer's account, and our new commission rates will reflect this.

Generally, we're going back to emphasizing the fundamentals in selling that haven't changed in 50 years. Every salesman is going to report on a weekly basis not only calls, but also demonstrations and proposals, as well as the business closed and the percent of quota which has been achieved. The field managers are going to keep weekly records on hours spent in the office, hours spent in the field, and, most important, the number of calls made with the younger salesmen.

Our electric typewriter division has started a new program whereby their service people are encouraged to turn in leads on typewriters that they feel should be replaced. In the last 5 months, this simple device has provided 13,000 leads and resulted in 1,450 sales.

In late 1957, we wanted to get one of our very new products, which we call Ramac, in front of customers and prospects in a dramatic and rapid fashion. Since the product was new and complex, we had a very few prototypes and demonstrator models. To combat this, and to prevent a 12-month wait until demonstrators became widely available, we decided on a road show called Ramacade. Three separate trucks were outfitted to carry the Ramac. These trucks traveled across the country along three different routes, stopping for exhibits at the principal IBM offices in order to give our prospects and customers a firsthand look at this new product. In stops at 25 cities, the Ramacades have been visited by approximately 65,000 customers and prospects, and the effort has resulted in a good number of new orders.

Not only did the Ramacade get the product in front of our customers and prospects in a hurry, but also it saved several million dollars in inventory in demonstrator machines, and insured that every factory delivery after the first few would be revenue producers.

On the production side—the present situation has caused us to make some interesting discoveries. To some extent we have been preparing for 1958 for a long time. We have been very fortunate in IBM in having no layoffs since 1921, and we're doing our best to avoid layoffs in future. To this end, we have had our purchasing people subcontract about 33 percent of our subassembly.

Theoretically, this would imply that we could take a 33-percent reduction in volume without layoffs, but lately we have realized that we have broader responsibilities than just to our own people. A canceled subcontract means that the subcontractor must lay off his people or find new work for them, and in these times finding new work isn't easy. Therefore, we are trying our best not to cancel subcontracts and when we do, we try to give very adequate notice to the subcontractor.

When we do this, something has to give, and with us it's our backlog. It's still comfortable, but it's down a bit over what it was 8 months ago.

We have not canceled or slowed down any of our capital investment plans. Building costs are down slightly, and when times improve they will go up, so we're carrying on. This may result in some temporary overages in space, but we very much doubt it.

In research, we're obviously looking for newer and better products. Our expenditures here are increasing as planned. We know that it's largely through our research team that we've grown as we have in the past, and we're not only increasing our research bill, but also the percentage of our total gross which goes into research.

As a result of increased effort in the research and development areas, we expect our data-processing division to announce many more new products in 1958 than in 1957.

Costs plague all of us, and our cost of product has risen substantially since 1946. This has resulted in higher rentals which has removed a significant segment of our potential market.

Now our development people are putting a great deal of money and effort into bringing out simpler and less costly machines to increase our number of potential users.

In general management, we are striving for more and better control. Our company has been decentralized a great deal and we realize now the need for improved controls. Our people are being taught that although we are decentralized, they must constantly check to see that IBM policies are being correctly interpreted and carried out in the lower echelons of our company.

We have learned again in the last 9 months the vital necessity of good planning and control, and even more important, the necessity of taking firm and immediate action when your control reports tell you things have slipped. We're proud of the action we've been taking lately, and would be prouder if it had been taken last November. Our general plans and results on a corporate basis used to be reviewed every 90 days, and now it's monthly.

In little things we're trying hard too; not so much because of the money that can be saved, but because of the posture of frugality that it gives to the company and all of its people.

We've cut down mail and message deliveries within our offices and plants. Wherever we have private telephone lines, it's now mandatory that they be used and waited for when they are busy, instead of using a public line.

During the past decade, the rapid growth of IBM has constantly brought to our attention the importance of maintaining what we call a small-company attitude. By the small-company attitude, we mean that we are trying to get each manager to feel as much as possible that IBM is his own company, that he has a real stake in the total success of the corporation, and that as the company goes, so will he.

To help accomplish this we set up a stock-option plan for 50 of our top people 2 years ago, and have just announced an employee stock-purchase plan.

With each manager feeling a personal concern for the success of his segment of the business, and for the total company, his actions and decisions must increase the efficiency of the whole company.

This small-company attitude at all levels of management can result in immediate actions to solve problems where they arise. Big companies may tend to become ponderous, rigid, and indifferent to the little things: complaints from small customers, minor mixups in production, or a slip-up in service. Unfortunately, these little things grow and become irritants to customers—can destroy confidence, and build hostility to one's products. We believe that correcting these by proper attitude—the small-company attitude—throughout all levels of IBM, the sales we urgently need will be stimulated.

Rapid response to the service needs of customers is another major way in which we are attacking the decline. Webster defines service as "conduct contributing to the advantage of others." Surely, this is one of the important ways to increase the flow of goods in the economy.

It seems to me that this recession should make all of us in the management realize that we have a larger responsibility than that of managing our own individual companies. We each have a responsibility for the overall economic welfare of our Nation. One hears complaints about Government control of business, and yet, analyzing the controls we resent, we will see that many of them have been brought about by business practices in the past which needed some supervision and control.

Business executives are going to have to learn how to manage their businesses so as to make recessions few and far between, and if they do occur to keep them shallow and prevent real depressions. If we are unable to do this, I'm confident that the voters of the country through the Government will impose on our business community greater and greater controls, and we will lose more and more of the free-enterprise system which we all admire.

I suspect more control—if it comes, will be because we as businessmen have not fully realized our responsibility to society.

We believe in IBM that although the recession is tough, it is possible to turn the conditions it produces into some advantages for us. Ever since 1939, it has been easier to sell our products than presently. We hope this hasn't happened entirely by accident. Nevertheless, when a sales record rolls on and on, it is bound to build up some complacency, first in the sales force itself, and then throughout the company. In IBM we have lost our complacency in the last 8 months and with its loss, we are stronger.

In summary—the last 8 months has shown us in IBM that:

1. There is a critical need for re-examining every management technique at our disposal. We have learned not to look for overall panaceas, but to concentrate on more effective day-to-day direction and tighter controls, knowing the score while the game is being played.

2. Sales practices built in boom times can be detrimental to the long-range growth of one's business. Sales plans effective in boom

times must be considerably overhauled to meet the requirements of recession.

3. Sound long-range programs should not be changed radically and in haste. Fear is never a good basis for intelligent action.

4. Now, more than ever, high employee morale and whole-hearted support in achieving lean and hard-hitting operations are essential.

5. Without research and development there can be no new products. New products are the basic ingredient of an individual company's sales growth and a healthy economy.

6. Finally, if one is to fulfill one's responsibility to the industrial well-being of the Nation, each of our actions must be taken only after careful appraisal of its possible effect on the economy as a whole. Our economy, unlike some others, truly reflects our individual actions. Our actions, therefore, must be wise for they will determine in large measure not only our country's immediate economic future, but also the future of the entire free world.

NEW YORK, N. Y., May 20.—The General Electric Co. is engaged in a 10-part action program designed specifically to help accelerate the upturn in business, Board Chairman Ralph J. Cordiner said today in an address before the Economic Mobilization Conference. These actions, he said, represent "an earnest effort by 1 company, in 1 industry, to speed the recovery."

Speaking at today's morning session of the 2-day conference, sponsored by the American Management Association in the Hotel Astor, Mr. Cordiner said that General Electric's specific approaches include:

1. A vigorous effort to eliminate every element of waste that adds to the cost of producing and marketing goods for the company's customers.

2. A broad program of orderly planning by General Electric managers to try to minimize unemployment and keep production as steady as sales and forecasts permit. Mr. Cordiner added that the company "has urged the States to consider extending the duration of unemployment compensation during these periods of higher-than-normal unemployment."

3. The disciplined carrying out of necessary inventory adjustments in as rapid, yet orderly manner as possible in order to minimize both the length and the intensity of the adjustment period.

4. The unabated continuation of research and development so that new products, new industries and new jobs of the 1960's will not be delayed. Mr. Cordiner pointed out that General Electric's research and development expenditures for 1958 again will amount to "well over 6 percent of sales, which is 3 times as high as the average for all industry."

5. The continuation of the company's long-established program of recruiting, developing and training scientists, engineers, business and liberal arts graduates.

6. The continuation on schedule of General Electric's $500 million capital investment program announced in 1955. Mr. Cordiner said General Electric had no intention of stopping its investment in projects that will help it be competitive in a highly competitive industry of 5,600 electrical manufacturers. He said, "In 1958 we expect that our department general managers will initiate projects amounting to about $135 million. About 80 percent of this year's expenditures will likely be for new machinery, to improve and extend present facilities."

7. General Electric's prices have remained about level in recent months, in spite of automatic wage increases in the company's factories and those of its suppliers. "As a result," Mr. Cordiner noted, "customers are offered unusual values at today's prices, and this will help to build business volume back to the normal level." But in the face of rising costs he noted that "such bargain prices cannot be expected to continue very much longer."

8. A program offering new credit terms that recognize the problems of the times. The program includes an unemployment protection plan to help customers through periods of unemployment due to sickness or layoff, and a skip payment plan to encourage customers to buy now by deferring the first monthly installment for 90 days.

9. Operation upturn, an aggressive, 6-month program to wrap up and intensify all the activities outlined above. Operation upturn is a company-wide drive to accelerate the upturn in business by bringing extra values and renewed confidence to customers. "Its basic purpose," Mr. Cordiner said, "is to build sales and jobs in 1958, for General Electric, and for every company associated with General Electric." The program is being carried out by all the company's decentralized operating departments. Mr. Cordiner emphasized that it is not a price-cutting program. It is, he said, "a program to bring to our customers the kind of improved service and improved values that will make it worth their while to buy now. In other words, operation upturn is focusing the efforts of everyone in General Electric on doing a better job for king customer."

10. A concerted effort to help the public understand the facts about this limited recession, and what is required to bring about the national recovery. "This includes," he said, "both the economic facts, and the political climate that is required to achieve a sound and swift recovery."

Mr. Cordiner emphasized that a swift and sure recovery cannot be obtained by "sitting back and relying on Government stimulants, deficit spending, meaningless tax cuts, deliberate inflation, or any other economic sleight-of-hand." He said that the solutions to today's less serious difficulties will be found in a "common effort by all citizens to work more purposefully, buy and sell more confidently, and build up a higher level of solid, useful economic activity."

Mr. Cordiner declared that the public has a right to know what positive, nationwide measures for accelerating the economic upturn are favored and supported by General Electric. These, he said, include:

1. Tax reform, rather than meaningless tax cuts. Mr. Cordiner noted that "there is increasing public appreciation of the fact that a so-called tax cut without an equivalent cut in Government expenditures is not a tax cut at all. Tax reform should include gradual reduction of excessive tax rates that take away more than half the earnings of business and up to 91 percent of the earnings of individuals. It should also include a complete review of excise taxes and depreciation practices."

2. Acceleration of defense work and public construction that is "truly needed" with the latter preferably on a local or State basis.

3. A realistic monetary policy that encourages investment and construction. Such a monetary policy is now substantially in effect.

4. A vigorous defense program stimulated by the same time-tested profit incentives that have made the American civilian economy the most progressive in the world. "More adequate profits," Mr. Cordiner said, "would produce not only faster progress in technology, but would also lower the costs of defense to the taxpayer."

5. Development of a modern national labor policy that recognizes the realities of present-day monopoly union power, with its restrictions of output and its strong inflationary effects.

"What I am suggesting in these comments," Mr. Cordiner said, "is that, with enlightened public support, the Government can provide the political climate in which the economy can work its way out of the recession; but the Government cannot be expected to cure the recession." He cautioned, "Let us have no illusions. We cannot decide this matter for the American people, nor can the Government. * * * In this do-it-yourself country, the pace of economic growth is determined by millions of businessmen, consumers, investors, employees—in short, by the responsible decisions of every individual citizen."

"Together," he concluded, "we Americans can bring about the upturn and press forward to a great new surge of national growth. Together, we can prove—once again—the unconquerable vitality of a free society."

SUMMARY OF REMARKS BY FREDERICK R. KAPPEL, PRESIDENT, AMERICAN TELEPHONE & TELEGRAPH CO., AT AMA ECONOMIC MOBILIZATION CONFERENCE, HOTEL ASTOR, NEW YORK, MAY 20, 1958

To promote the general economic welfare, the prime necessity for any business is to keep its essential health and strength. Weak sisters cannot contribute to a strong economy.

We ought not to let productivity fall. Using more man-hours to do a given amount of work will cause lasting harm. If productivity goes down, standards of living will go down with it.

The habit of hiking wages above and beyond gains in productivity is just a way of living beyond our means and is bound to have the same consequences. This is the road into trouble for everyone and not the road out of it.

The efforts of business to serve the country's well-being are hampered, not helped, by those who take out after businessmen for trying to do the very thing that holds the best hope for the future—namely, to keep their companies strong and healthy so that they can take new risks, increase productivity, sell more goods, and employ more people.

There are those who hold out the notion that somehow the country will find a formula for pushing profit down with one hand and pulling business up with the other. This is impossible and I hope one of the benefits of this meeting will be to get wider understanding of that fact. We need such understanding not only in Washington and in our State governments, but up and down the countryside.

In the Bell System, construction expenditures and employment are geared to the rate of growth in service, and are dependent on earnings which assure our ability to finance.

Growth in telephones in 1957 was about 2,800,000 and long-distance messages exceeded the previous year by more than 7 percent. Construction expenditures in 1957 were more than $2,500,000,000.

We began to feel the downturn in business, however, about the middle of last year. As the lead time on capital additions in the telephone business is from 12 to 18 months, we started then and there to adjust our planning for the future. Today our construction program for 1958 stands at about $2,200,000,000, or 12 percent below last year; whereas our growth in business has been running about 40 percent less than in 1957 as to telephones, and 30 percent less as to long-distance messages.

So our construction program is down less than our increase in business is down. In fact, our construction in 1958 is about equal to the average for the last 8 years.

Why is it so large? Part of the answer is that we have chosen to go ahead with our modernization program virtually without change. This, plus expenditures for replacing obsolete plant, moving and relocat-

ing facilities, and so on, accounts for about $900 million. To build added capacity to take care of more customers and more long-distance calls, we are spending this year about $1,300,000,000. In this area we have cut about $300 million from what we were originally planning a year or so ago, but the amount as you see is still very large.

The fact is that we are adding capacity faster today, in relation to the growth we foresee in the months ahead, than we have done for quite a while. We are sure the capacity will all be used, but some of it will not be used immediately. In short, we have left in our program of expenditure for growth every dollar good judgment can justify.

I hardly need to say this program is doing a great deal to hold employment up. We now have more than 760,000 people at work in the Bell System. This is less than 5 percent below last year, and the larger part of the adjustment has come about through resignations and retirements. As a matter of fact, we have thousands more at work today than at the end of the boom year of 1955. Let me point this out also: Back in 1949, when business fell off, our employment declined nearly 10 percent. The story today is nothing like that and the reason is simple. At that time our earnings were at a low ebb. Today we are in better shape financially to do the things that ought to be done and that keep people working. This is a clear illustration that financial strength and good health benefit everyone.

In 1959 we intend to keep on with our modernization program at a normal rate. Expenditures for growth will be keyed to the prospects ahead as carefully as we can gage them. As of this moment it is not possible to make a close estimate of total construction expenditures for 1959, but they will probably be in the $2 billion range, or close to it, and that is a very big program no matter how you slice it.

Our growth is not automatic. It comes from research, development, marketing, and door to door sales effort. We have increased and intensified all these.

The Bell System is spending more than $90 million this year for research and development work—more than ever before.

We are doing everything we can to shorten the distance between development and design of new and attractive services, and their introduction into use.

We have more than 6,000 full-time salesmen aggressively selling the business market. This force is growing—not going down. Sales effort is also a regular part of the work of many more thousands of telephone employees, including those in our business offices and our telephone installers and maintenance men.

So we are getting new and improved instrumentalities and we are out selling them hard. Two examples:

This year we are actually increasing the number of home telephone extensions sold in proportion to the number of main telephones installed.

We expect sales forces promoting long distance usage to produce some $75 million in additional annual revenue, compared with $60 million last year.

We also think this is an excellent time to build our human resources for the future. We shall recruit 1,500 or more college graduates in 1958. We are asking many managers at higher levels in the organization to study some of the possible future problems of our business. We are training engineers in new arts of communications built around transistors and related devices.

Western Electric, our manufacturing and supply unit, is proceeding with an engineering training program about equal to running a college with 2,000 students. It is also developing plans to establish an engineering research center. Let me just mention, too, that Western Electric this year will purchase goods and services in the neighborhood of a billion dollars from other companies. Last year Western did this kind of business with more than 33,500 firms all over the country—9 out of 10 of them small businesses employing 500 people or less. This year the facts and figures will not be far different.

To summarize:

We are going ahead with a big program to the limit good judgment allows.

However we do not think we should proceed on a make-work basis, or deliberately overbuild capacity. That would only make less work for the future.

We think modernizing our plant at a normal rate gives the economy the advantage of continuous improvement in productivity.

We are stepping up research and development.

We are intensifying sales effort all through the organization.

We are continuing broad training programs, and hiring college graduates.

Finally, we are determined to maintain our financial good health, because only by so doing can we serve the country well today and in the future. I have great confidence in the future, but it rests on the conviction that we must, can, and will get a proper understanding that adequate profit is the foundation of progress in our free-enterprise system.

OUR CONSUMER PRODUCTS DIVISION LICKS THE RECESSION

(By William C. Decker, president, Corning Glass Works, May 20, 1959)

It is most encouraging to hear from Mr. Kappel (Frederick R. Kappel, president, American Telephone & Telegraph Co.) of the program underway in the vast Bell System to combat the recession. The very size of that program assures that it will be an important factor in the effort now being made by business generally to revive our economy.

Our company, unlike American Telephone & Telegraph is not large enough to influence the economy appreciably. However, in these recession days, we have had some unusually good results in one division of our business, our Consumer Products Division. I hope the case history of what we have accomplished will dispel the notion, if it exists, that lower sales of consumer products are inevitable during a recession.

Last year Corning Glass Works sold $159 million worth of goods. Most of that total was in industrial goods—products we sell to other manufacturers. We accept the responsibility of trying to create better values in such products but normally that requires considerable cooperation in many areas on the part of our industrial customers.

The time required to develop new or improved products is generally long. The sales of our industrial products are down today as compared with a year ago.

But we also have a Consumer Products Division that manufactures and sells such items as Pyrex brand cookingware, beverage ware and tableware. In this operation we do control the design and styling of our products.

Company sales for the first quarter of 1958 were up 4 percent due largely to a 14 percent increase in the sale of our consumer products. The month of February was the biggest single month in the 30-year history of the Consumer Products Division.

How was this accomplished?

First, we improved the appearance and usefulness of many products in our line. And then we merchandized as aggressively as we knew how these new products as well as other products which had not been changed.

As an example of this program, let me tell you about just one new product—our Cinderella bowl set. For the past 10 years one of our most popular consumer items has been a mixing bowl set, but its sales have gradually been falling off. So about a year ago we decided to see how we might improve the product and increase sales.

One of our product designers moved right into the test kitchen of our home economics department and spent hours actually using the bowls—mixing dough, stirring batter, scrambling eggs. He came out with plaster models of bowls which he felt were easier to use, to manipulate, to pour from.

Another product designer prepared a series of decorations for the bowls. A number of different models with many different decorations were placed in our opinion center located in the Corning Glass center. Thousands of visitors were asked to express preference as to shape, size, color, and decoration.

From that test we picked the style selected by the majority and produced a number of bowl sets. They were placed in the homes of 200 consumer panel members who used the product right in their kitchens for 6 to 8 weeks. Housewives told us what they liked—and didn't like—about the new product.

Further improvements were made and then we placed production samples on test sale in two different cities. The results were satisfactory, so full-scale production was scheduled.

Then the merchandising operation began. Sales executives from headquarters at Corning presented the new product at district sales meetings throughout the country. Salesmen were given a sample kit and a sales folder and were advised as to the best way of selling their distributors.

These salesmen then called on 350 distributor buyers and built displays for the new product, demonstrated the sales aids and outlined the advertising program. Incidentally, the 40-hour week has been abolished for our salesmen for the duration of this recession. Some 7,000 distributor salesmen then called on 60,000 retail outlets where they took orders and helped schedule store promotions.

Meanwhile, two different advertising campaigns were underway. The first was in the trade magazines distributed to retailers and wholesalers; the campaign described why it would be to their advantage to stock and sell this product. The second campaign was placed in the women's shelter magazines about 90 days after our salesmen had started to sell to distributors.

At the same time, our home economists were talking with their counterparts in the larger department stores, with communications mediums and with the public utilities.

The results? The Cinderella bowl set has proven to be the best selling new product ever marketed by the Consumer Products Division, even though the program was being carried out as the recession developed. The momentum of the introduction of this item plus six others also helped raise the sales of our old products which had not been changed. Division sales are 14 percent ahead of last year—and last year was the best in the history of the division.

In short, we did not just ask the housewife to buy our product. Instead we first determined what she wanted, then we produced a product to her sepcifications, and finally we pushed the product as hard as we could.

We have another new product line called Corning Chef Ware which is about midway in the development stage. From all indications this new line will even surpass the Cinderella bowl set.

Last May Corning announced a new family of basic materials which we trademarked Pyroceram. This material begin as glass, but special heat treatment transforms it into a very hard fine-grained crystalline substance. Its unusual properties made it ideally suited for range-top ware.

A 10-inch all-purpose dish for range-top use and three smaller sauce pans were put

through the same stages of product development as the bowl set. A month ago these products were placed on test sale. With almost no promotion, sales have been 20 times greater than any item previously tested. Mass production of these products will be started in June. They will be placed on sale on a regional basis beginning in September.

To summarize—the public will buy if industry will offer new, attractive, and useful merchandise. It is industry's responsibility to have the imagination to determine the needs of the public and then to do something about it.

By fulfilling this responsibility as well as doing a real old-fashioned job of intelligent merchandising and hard selling, we will be helping to put people back to work and restoring prosperity.

CONSUMERS RESPOND TO BARGAINS

(Remarks by Franklin J. Lunding, chairman of the board, Jewel Tea Co., Inc., before Economic Mobilization Conference, the Hotel Astor, New York City, May 20, 1958)

I am pleased to report to this conference today that the retail food industry has continued forward as a salient of strength in the present general business recession. In the first quarter this year, consumer spending in retail food stores was at a rate of $50 billion per annum, almost 9 percent ahead of a year ago. This record amount exceeded consumer spending on housing, automobiles, and all other durable goods combined. This acceptance by the public of the offerings of food stores has meant expanded activity for numerous large segments of our population. Employment in all food retailing totaled approximately 1,550,000 in March, up nearly 40,000 from a year ago.

Food retailers are in reality the food handlers of America, purchasing food and also other commodities in large quantities, and moving these through modern one-story warehouses with the aid of automatic tow lines, fork-lift trucks, trailers, and straight trucks, the storage rooms and shelves of the country's supermarkets and stores into the hands of customers. A typical Jewel retail unit in Chicago, for example, handles approximately 125,000 pounds of merchandise a week.

The tremendous tonnage handled by retail food stores is reflected in greater activity for those serving food retailers and wholesalers. Those benefited include not only those employed in food manufacturing, but also those supplying services to the food industry—such as electric and gas utilities, landlords, laundries, suppliers of paper and other packaging materials, makers of shelving, checkout counters, refrigeration equipment, and other machinery; and last, but by no means least, government at the local, State and Federal levels. Along the line traffic is generated for transportation and trucking agencies, and ultimately it reaches back to the farmer and those who supply him, such as the fertilizer and farm-equipment companies. In the first quarter of this year, the annual rate of net farm income was $13 billion, an 11-percent increase over a year ago. It is significant that commodities not under direct Government price supports such as beef cattle, hogs, eggs, fruits and vegetables are doing much better in spite of the current downward adjustment in economic activity than those farm products which are subject to Government support programs and acreage controls.

A clue to the reason for record food sales is to be found in the fact that the retail food price index of the Bureau of Labor Statistics, even now, stands at only 120.8 percent of the 1947–49 average, which is below the level of the entire consumer price index on all items representing the cost of living. Thus food has increased less in the past 10 years than many other commodities. Comparatively speaking, food is still a bargain.

It is certainly true that we all have to eat. But we could eat for less than we do, if we chose to do so. A market basket of food requires the expenditure of a smaller share of income today than 10 years ago, and much less than prewar. Before World War II, people spent 23 percent of their income for food. Ten years ago in 1948 the same foods cost 20 percent of income. The same market basket can be purchased at today's prices for only 17 percent of income. Expressed another way, one hour of work will buy two pounds of steak today compared with 1⅔ pounds 10 years ago. Consumers have apparently found food so attractive that instead of reducing the share of income devoted to food they have actually increased it. According to preliminary estimates, 26 percent of income was spent on food in the first quarter of this year, at least 50 percent more than necessary to maintain prewar standards of convenience and diets. In other words, as pointed out recently by Prof. Herrell De Graff of Cornell University, about two-thirds of present food expenditures are for the equivalent of the prewar diet and one-third for increased amounts of the preferred foods such as milk, meat, and eggs, and for additional food services.

Advances in productivity among all associated with the food industry have contributed to making food a bargain. The advances in farm productivity are becoming well-known. In the last 10 years output per man-hour on the farms has increased by nearly 85 percent compared with 30 percent in nonfarm activity. Transportation agencies have also made extensive improvements in their operations. Ton-miles per train-hour on the railroads are up 19 percent in the past 5 years and 48 percent in the last 10. Similar stories can be told for manufacturers and the food handlers at both the wholesale and retail levels. Output per man-hour in food stores, for example, has increased approximately two-thirds since 1939, or substantially more than the indicated 46 percent gain in output per man-hour in all nonfarm private business.

An important factor in the above-average gain in the efficiency of food handling has been the development of the supermarket founded on the self-service or self-selection principle, one of the first examples of do-it-yourself. And the spread of self-service still continues. Late in 1952 the self-service handling of meat was introduced to the Chicago area food stores, following the signing of a contract with the meat cutters' union permitting this practice. In the ensuing 5 years, output per man-hour in Jewel meat markets in the Chicago area has risen by 54 percent. This increased productivity makes it possible to cut and prepare meat for sale to customers at low cost while still paying high wages to meat cutters. A journeyman meat cutter, for example, earns $2.70 an hour, or $108 for a 40-hour week not counting fringe benefits. People of this high caliber are necessary to meet the exacting demands of customers.

Beyond the improvement in the efficiency of growing, transporting, processing and handling of food—all of which have contributed to making food a bargain by reducing costs—there lies another area of development which has contributed to the attraction of food. This has to do with the vast improvement in food products and their packaging, to meet the desires of consumers for better and more nutritious foods, with greater variety, prepared in ways that will save time and work in the kitchen. It is estimated that time spent in the kitchen in preparing meals now averages less than half the time required 30 years ago. Much of the drudgery of kitchen work has been transferred to the store or the factory where it is performed to a large degree automatically.

Product development has been especially rapid since World War II. Take the potato, for example. Today we count 19 different ways in which potatoes can be purchased in Jewel Food Stores. First, they can still be purchased in bulk, in 5–10-pound bags, though they are now washed before they are packed instead of later in the customer's kitchen. Potatoes can be purchased in cans—little whites, whole or sliced, or french-fried shoe strings. Or, if you prefer, we have fresh potatoes, peeled and ready to cook—whole, sliced, french fries, long or short. Then there are instant potatoes and a host of frozen potato items—such as frozen french fries, with or without a krinkle, potato pancakes, hash-brown potatoes, or potatoes au gratin. There is, of course, potato salad; and potato chips—regular, barbecued, or heavy-duty dip chips with a krinkle.

Let us look at the chicken. Per capita consumption of chicken this year is expected to be 40 percent higher than it was 10 years ago and nearly double per capita consumption before the war. But the chicken of today is a vastly different product than it was years ago when some of us brought up in the country had the task of chasing roosters for Sunday dinner around the farmyard with a hatchet in hand. The quality of the product is more uniformly high and it is sold cut up and ready to be placed in the frying pan, or it can be purchased already cooked in a variety of table-ready dishes if the customer so desires. The same is true of fish. One can still buy a whole fish, in some places, and clean it, scale it, cut it, and prepare it in many ways for cooking and serving. But increasingly, the fish may be purchased with various stages of preparation for the table already performed, right up to buying the fish rolled in cracker crumbs and cooked in portions which are already bite size. If anyone still yearns for the good old days, please explore an old cookbook for detailed instructions on the preparation of fish.

These are but examples of developments in the rapidly changing food industry. All of the diverse elements of the industry have made their contribution—in methods, refrigeration, packaging, transportation, and handling at the wholesale and retail level—each designed to bring food products to the consumer at low handling costs, in better condition, and in easier form to use because of built-in maid service.

The demonstrated response of consumers to the efforts of the food industry to create real values makes us in retail food distribution confident that continued efforts in this direction will be reflected in increased sales dollars. Accordingly, we at the Jewel Tea Co., Inc., the 11th largest food chain in the country, are planning not only to go forward with our growth program, but to accelerate it at this time. We look upon the present as a favorable time to construct new buildings at lower costs than was possible even 6 months ago, to employ high-caliber people who will be needed to guide and service our growth program, and to obtain financing on more favorable terms than have been available in recent years. Specifically, Jewel is planning to open a minimum of 35 new supermarkets in 1958, or 2½ times the number opened in 1957. In addition, we will construct a 200,000-square-foot addition to our central distribution warehouse making this the largest distribution center for nonperishable merchandise of which we have knowledge. Total expenditures for land, buildings and equipment to complete this 1958 program will be nearly $18,000,000, more than double the amount spent for such purposes in 1957. We estimate that our 1958 program will create 1,500 new jobs, an addition of 10 percent to total employment for our company.

The food chain industry as a whole is going forward in 1958 with an expansion

program. The food chains expect to build some 2,000 new supermarkets in 1958 and 1,700 present stores will be remodeled. It is expected that this expansion of facilities will create approximately 50,000 new jobs in our industry.

These figures speak for themselves as to the optimism with which we at Jewel and the food-chain industry in general view prospects for the future. Our optimism is based on the belief that the present recession in general business will be followed by a resumption of growth in our economy, and that customers will continue to respond favorably to the creation of greater values in food production, distribution, and handling—values keyed to the low-cost movement of vast tonnages of food into consumption. This confidence in the future is to be supported by making shopping even more pleasant and convenient, and by further reducing the time needed to perform the task of food preparation in the home.

HOW MANAGERS OF AMERICA ARE MOBILIZING THEIR RESOURCES TO MEET THE CHALLENGE OF THE CURRENT ECONOMIC SITUATION

(By Elisha Gray II, chairman of the board, Whirlpool Corp., St. Joseph, Mich., the American Management Association, May 19–20, 1958, the Hotel Astor, New York City)

I believe I am the only manufacturer on the panel today whose activities are solely dependent upon the durable goods industry. In this circumstance, I would like to begin by giving a few benchmarks to show just where we are statistically. It has been said that this is a durable goods recession and I think that there is a lot of accuracy to that label. Today, with our high standard of living, the consumer in the average family is able to defer about 40 percent of her purchases for a considerable period of time, without actually reducing the standard of living. This is because so many of the family expenditures are not for day-to-day necessities and because much of the durable equipment of the home has a long useful life and can be made to do for another year or so without depriving the family of a customary level of living. Consumers have chosen to defer their purchases of durable goods rather than commit themselves for added debt at this time.

Actually, nationwide appliance factory shipments for the first quarter of the year were off 21 percent, if one were to average all of the major appliances. At retail, however, sales to final consumers are only off 10–12 percent for the quarter, which, of course, indicates that the inventories in the distribution system are being reduced at this time. In my opinion, this process of inventory decumulation has about leveled off right about now, give or take 30 days. The process is already fairly well completed at the retail level.

Now, if those are the facts, that the consumers simply have not chosen to buy the new models, you can only conclude that it's because the merchandise we manufacturers have offered has not been attractive enough to persuade the consumer to exchange her money for the new product. Since the statistics have been adequately expressed by previous speakers, I won't undertake to document the fact that the customer actually has the money to make these purchases and it is strictly a matter of choice or decision on her part.

Fundamentally, I believe it is self-interest that leads people to buy things. If they buy an appliance it is because they either need it for its utility to them or they wish to have that pride of ownership which accompanies most new products. Pride of possession does something for one's ego. So, if a customer wants a thing desperately enough she will find a way to buy it. Therefore, our problem is to review the basic elements of our merchandising format and see what it takes to stimulate this customer wish to buy in the present, somewhat uncertain, climate which is adversely affecting her appetite. In other words, I think we must look to ourselves as being primarily at fault, if we have failed at this time to convince the customer to buy our wares.

Accordingly, my company has gone about this on a basis of completely reviewing the merchandise we are offering, reviewing its mechanical design, its price, its quality and its method of sale. We don't believe there is any easy formula or gimmick that will suddenly bring about important changes in our sales trends. Certainly, we have had every imaginable kind of promotional presentation over these past months. For instance, I believe it is a fact that in selling appliances today you can win yourself, as a prize, a trip to almost any place in the world; but these are not fundamental things.

Our efforts must now be focused on the fundamentals.

First, as to the present product. My company has remerchandized, so to speak, the line of goods that we are offering, in some cases this involved changing the merchandise assortment, adding more powerful attractions in certain price brackets in which our line was not properly represented. In other cases our past market experience has told us that we had overdesigned some of the features we were offering—I refer particularly to the complexity of some of today's modern home appliances—and our review has brought us back a little, to products which are simpler to operate, a little more direct in their appeal to the customer. Now, and perhaps most importantly in the merchandising review, we have felt that we should provide a more sensitive response to the needs of various markets throughout the country. Whereas our business has basically been dedicated to mass production of a limited number of models, we're finding that one can appeal more attractively to customer's taste in Pittsburgh for example, by certain models of automatic washing machines, whereas in the California market we'll do better with a variation of this model. Accordingly we've been developing a flexibility which permits the distributor in Pittsburgh in effect to design his own machine—not in its basic concept of transmission, water system, etc., but in the optional features which after all are the things which he sells to the customer. We think that this is just one more logical step in trying to give the customer what she wants.

In the presentation of merchandise to the customer, we are changing the emphasis of our advertising to bring it a little closer to the point of sale. In other words, we think in times like this one will get the maximum mileage out of point-of-sale advertising that is as close as possible to the customer and the dealer. The institutional type (which is an important part of course in the long-range company planning) is not effective in stimulating today's sales and, therefore, I find in our promotional thinking, the swing to the local, direct, buy-today appeal.

One of the basic functions of management of course is to operate a company at a profit. When one experiences a decrease in sales, it's just plain good business to review the level of expenses and get the operation in line with the reality of the day. Accordingly, we have tightened up our ship all along the line. We have stopped expecting the next week's sales to suddenly rebound to last year's level and we have realistically budgeted our operation throughout the corporation so that at the present level (which after all is still very high indeed), we should show a profit. This adjustment process, of course is a difficult one in any business, but there are, however, some very great byproducts which are good. We find that the organization buckles into the job with more vigor than ever and there is a certain atmosphere about the place of complete confidence that our business is going to make a respectable showing under these new circumstances. (And gentlemen, if confidence is important now for the buying public, it's twice as important for the internal fiber of your business.) In the operation of our business over the past 15 years it has been our practice to discuss, regularly on a quarterly basis, with every member of management—(and to us, management is everyone on salary), exactly how the business is progressing in full detail. At these sessions of small groups of managers, which are usually conducted by an officer of the company, we have an open exchange of questions and answers—with no holds barred. Therefore, it was perfectly natural for us to discuss at this time the present facts of life and to lay out to our men with complete forthrightness, the steps which we proposed to take to adjust our operations to conditions. It is interesting to me that in this particular round of quarterly meetings, which incidentally I personally conducted, and in which we outlined the organizational adjustments as well as merchandising adjustments that were to be made, we received the most spontaneous response and enthusiastic approval of any of the subjects that I can recall discussing in the past. It simply meant to me that our people, and I'm sure this is true of all of your people, are perfectly conscious of the hard economics of business life and are eager to put their shoulders into a plan that makes constructive sense for their particular business, even if at the moment it may be a little painful. Now, in this tightening of the ship we have been selective of course. We feel that it would be sound policy to make some exceptions which are essential for the long-range health of the business but which do not necessarily contribute to today's profits. In this category I particularly have in mind engineering. Because it can be said, in a broad sense, that engineering and creative design will become the most potent future factors in persuading the customer to buy. If the new model is truly better than the old one in function and value, she will replace her present appliance with this latest creation of the engineers. If not, she will make the old one do.

Now as to prices. It is essential that the company remain sound and since the profit margin of the appliance business has crept drastically close to the break-even point we do not feel that the avenue of further general across-the-board price reduction is available to us at this time. In this connection, it is very interesting to note that, according to the United States Bureau of Labor Statistics (1947–49 base), the prices charged for household appliances in general have declined about 14 percent since 1947, whereas for example, the price of steel has increased 21.5 percent, the price of food 20.3 percent, and the price of automobiles 42 percent. So much for the review and recast of our present products and present operations.

The most important effort, I believe, and the one which shortly should be most productive, will be our work on new products. And here I return to the importance of engineering. It seems to me that the continued health of the appliance business depends upon the speed with which new and better products are created. That is to say, the rate of obsolescence of present equipment will be a prime factor in tomorrow's sales. Accordingly, since January 1 we have invested rather important sums of money, not only in design and tooling and creation of new products, but also in facilities and tools necessary for their production. Now, of course, when one feels the need for new products to bolster uncertain sales, you can't simply call up the engineering department and says,

"What's new today boys? Let's get it out because we need more business." If you haven't built a pretty broad base of creative inquiry in recent past years you won't find much in the cupboard now. But it is possible in many circumstances to accelerate the plans that you have already had working and bring forward the introduction of attractive new things.

In our own case, the best illustration I can give you is the important program we have launched in the gas-appliance field. Although we have made certain gas home appliances for over 10 years, we became convinced last fall that the field was; in reality, a neglected phase of appliance engineering and manufacture. In the forward rush of electrical appliances of all kinds since the war, the whole family of gas home appliances has received less than its share of engineering. It came into focus as an enormous market that could and should be developed in parallel, if you please, with the technological advance of electric home devices. So here emerges a business decision of the classic kind. In the face of a soft appliance market, do you play it safe and defer your push and your gamble until customers appetites are more robust, or do you seize the opportunity and press forward? We chose the latter course. In fact, in our minds, the bold course is the safer one. Our plan was fairly straightforward, but since it involved what, for us, was an important sum of money, we first checked our proposals with most of the gas utilities in the country and other leaders in the gas field. With their enthusiastic encouragement we made the plunge. Perhaps the keystone of the program is the domestic gas refrigerator. Such a domestic refrigerator has been manufactured in years past by another manufacturer and there are approximately 3½ million satisfied users of these refrigerators. The product went out of production some time back because of particular business circumstances and it has been our feeling that to restore this appliance to the market would be a constructive thing to do and would also add to the general volume and activity in the refrigerator business. Accordingly, we have, in the last 4 months, invested something of the order of 10 or 11 million dollars in this program and we have acquired added facilities of three-fourths of a million feet of floor space for the production work. Manufacture of this product is currently employing 725 new people and we hope this will become an even larger force, from the employment point of view, as the months pass. Of particular importance in this individual case is the fact that this product gives the gas utilities an appliance to which they can apply their very excellent selling skills and which, therefore, has opened up a new avenue of appeal to the final customer. The gas absorption refrigerator is thought by many to have certain superior characteristics and with the unique and really skilled specialty selling that the gas utilities do command, we think that this offers one more opportunity to stimulate the customers appetite to buy.

Flanking this product, we have introduced new models of gas ranges and that important new home appliance, the gas-fired washer-dryer combination. These and others are to be marketed as the first all-gas kitchen under one nationally advertised brand name.

Supporting this immediate action, we have more than tripled our engineering work on gas appliances, and we are hopeful (I should repeat "hopeful") of having ready by the end of this year a truly exciting new concept in gas cooking.

This emphasis on gas appliances is in no way diminishing our attention to the electrical end of our business—now we are driving ahead with a two-pronged attack on the customer's needs and desires.

So I summarize by saying that my company is brushing aside the fluff and reexamining the A B C's of our business. Very frequently you will find that some of the ordinary things upon which you built your business have somehow gotten lost in present confusion and are not being done at all. Somehow, in the search for the magic formula or the gimmick or the panacea that will solve our problems, we've lost sight of the fact that the A B C's of our businesses comprise our true strength and are the things on which we must focus with increased vigor when times become uncertain.

Therefore, Whirlpool is doing three things. First, we are tightening up our belt. Second, we are presenting exciting new products and new models to the customer in an attempt to entice her to unlatch her purse strings and buy our wares. And third, we are presenting these new things to her on a more sensitively conceived plan to appeal better to the characteristics of the local market.

I conclude by saying to you that our organization is not panicked or hysterical about this current problem. We are concerned, of course, as we should be, and we are redoubling our attentions to the fundamentals of our business with vigor and the expectancy of future successes.

Genesis: One Company's Program To Combat the Business Recession

(By Charles H. Percy, president, Bell & Howell Co., presented at the economic mobilization conference of the American Management Association, the Hotel Astor, New York City, May 20, 1958)

There's an old saying that everyone talks about the weather, but no one does anything about it.

But when it comes to the economic climate, this is not—and should not—be true. Something is being done—and more must be done.

At this meeting we are considering very specific answers to the question, What can a business do today to meet and improve the present economic climate?

Therefore, in the next 20 minutes, I will try to show you what one company has done in an attempt to answer the question. Let me say at the outset that we by no means have all the answers. Nor is there a magic formula here—except, perhaps, the one of action; of doing something instead of waiting for something to happen.

If you were to ask me if what we are doing at Bell & Howell is in our own interest, or in that of the Nation as a whole, I could find no way and no reason to separate one from the other.

Certainly, we are concerned with the welfare of the Nation, as any responsible citizen must be. And, if ever a choice must be made, there's no question but that the welfare of the Nation comes ahead of our own.

Yet, we do not live in a welfare state—where our well-being, or even the well-being of the state, is in someone else's hands. On the contrary. The prosperity we want for ourselves, our children, our community, our Nation is indivisible.

And it is something we must create for ourselves.

The fact is that the single biggest contribution any of us can make to the health of the Nation today is the improvement of the business we're in.

That is why we at Bell & Howell have been taking major steps to strengthen our position in the market: by producing better values, and doing it fast. We think this is a very good time to do so.

We are grateful that, for 12 years, we have ridden the crest of an expanding wave of prosperity, with unprecedented sales based on the highest standard of living any people have ever achieved.

As a photographic manufacturer, we've been part of a growing industry. Because we worked hard, and our products were good, our company grew even faster than industry in general, and ours in particular. But essentially, we have all reaped the benefit of an extremely fair and sunny economic climate, in the postwar decade.

Now, we want to do our full part in helping bring back to America the economic climate of continued growth and development. In this we are under no illusion that any one company, of itself, can reverse a trend. But we are confident that if business—enough businesses—move decisively into positive and forward-looking action, the growth of our economy will soon resume its upward movement.

In taking the following steps, we recognized we were inevitably taking some risks. But after all, risk taking is a function of business management. If we, as American businessmen, don't have the fundamental courage of our convictions about our economic system of risks and profits, who will have the courage and convictions necessary to preserve our way of life?

We cannot believe in profits, without believing in risks.

So, at Bell & Howell, we've taken the risks. And we feel they are, in every way, justified by our objectives of maintaining or increasing employment, sales, and earnings. Here's what we did.

Last year, when the dip in general business activity became apparent, we were faced with a basic decision which can be stated simply, although it took a good deal of determination to see it through. Our long-range planning of new and improved products is done on a 60-month basis; subject, of course, to continuous review. We had three possible choices.

First, we could stick to our carefully laid plans for new product development, plans made in a period of expanding markets.

Second, we could slow up our timetable in order to wait and see what happens. If we did that, we would, of course, slow up our growth and perhaps our increase in market position.

But there was still another choice.

We could gear ourselves for a maximum effort. We could speed up the development and manufacture of these new products; bring them into the market much earlier than originally planned; step up our selling impact on the consumer and trade; reduce selling prices where we could—and so, get the full benefit of these new and better consumer values, when we need them most to maintain our sales and profits.

We decided on the third course of action: to move and move fast. We decided not to drift downward with the general business recession if we could help it.

We therefore undertook a twofold program, which I can summarize for you in two short sentences:

1. We decided to maintain and in some instances increase those expenditures which create new sales and build for the future.

2. We undertook to further reduce and eliminate costs which add very little to the value of our products or future progress.

As for specific, positive actions:

We had a number of new Bell & Howell products in research and engineering at various stages of design. Many were not scheduled for production until the end of 1958 or early 1959.

With the enthusiastic cooperation of our engineering group, this calendar of schedules was moved ahead so that all 9 new products (1 of these a complete product line) could be introduced in March, this year, instead of next year.

Here, for example, is a new movie projector: the first 8-millimeter model which threads the film automatically. It was originally scheduled for the fall of 1958. As a result of our speedup, it was introduced in March and will contribute to our sales throughout the balance of the year.

In terms of dollars, product development is a creative expense. Our 1958 expenditures for research and development will be higher than those of 1957, our previously highest year. For we feel that to cut our expenses here would affect our sales for the next 5 years.

We did more, however, than introduce new products.

We also decided, as a sales stimulant, to reduce substantially the price of one of our fastest selling lines: the 8-millimeter electric eye movie camera.

The first such camera was introduced by us as recently as July 1957; at a retail price of $169.95, with just one lens.

In March of this year, we brought out 4 new models of the 8-millimeter electric-eye camera, ranging in price from $99.95 to $159.95.

This was a reduction in price of about 33⅓ percent across the board. Yet the new line has a number of improved features; and the top model of the line now has a 3-lens turret. It is now priced $10 below the single-lens 1957 electric-eye camera—and the price includes all 3 lenses.

At these lower prices, we knew we would have to sell one-third more cameras to reduce our manufacturing costs to the point where we could show a satisfactory profit—on a line that had been a major factor in 1957 sales and earnings.

These lower prices also meant we would have to commit ourselves to manufacturing the additional cameras well ahead of time, to be ready for the increase in 1958 sales we hoped would result from stepped-up advertising, publicity, and the new low prices.

And this decision to step-up our volume called for an expansion of our manufacturing facilities, in order to be able to produce the additional cameras, as well as the eight other new products rescheduled for March of this year.

Again we had to move—and move rapidly. We leased 120,000 additional square feet of space in a nearby plant—incidentally, on a more favorable long-term lease than could have been secured a year before. Moving our warehouse, shipping and other departments to this new space, gave us an equivalent area of added manufacturing space in our main plant.

But we didn't stop there. New machines to automate all possible manufacturing operations also come within the category of creative spending. With these, our spending for capital equipment will represent a 67 percent increase in 1958 over 1957.

Then, we faced the problem of selling our additional product to dealers and the public. We increased our spending here, too: tripling our advertising and promotion expenditures in the second quarter of 1958.

Again, we found it a very good time to be buying in the open market, for we purchased valuable network-television time on four shows at less than its original cost.

Our increased advertising was preceded by an intensive product-publicity campaign, with articles and interviews on the new products in newspapers, magazines, radio and television stations across the country, starting with the introduction date of March 19.

An intensified selling program includes contests as added incentives to sales to and by retail dealers.

During April, May and June dealer salesmen were invited to join our Partners in Profits contest by filling in a postcard telling, in 25 words or less, the features they emphasized for each sale of a Bell & Howell product. Prizes for the contest are shares of Bell & Howell stock—a total of 450 shares. Each dealer salesman can double his winnings by correctly answering a telephone query on "features that sell," an added incentive for him to study the sales features of Bell & Howell products.

Our district sales managers receive points for each dealer salesman entering the contest, plus additional points for increased sales. The three top winners will earn a week's vacation—with all expenses for themselves and their wives—at an Arizona resort. A carefree week, I might add, since each man's territory will be covered by one of his bosses while he's vacationing.

The top winner will relax in the knowledge that our vice president of marketing is calling on his toughest and best accounts, following an itinerary laid out by the district manager himself. The next two winners will have the director of sales and the regional sales manager covering their territories, while they bask in the sun in Arizona.

While this promises to be the roughest week of the year for his boss, it will be the reward of achievement for each of the three top district managers—a reward each of our field men is determined to win.

To encourage dealers to tie in with our sales-creating national advertising, additional contests offer cameras to both newspaper and television-station representatives for the most imaginative dealer tie-ins in window displays and local advertising. This means that newspaper and television-station salesmen will be calling on our dealers to develop tie-ins at the local level.

Our traveling sales-training program will further step up sales with intensive how-to-do-it training sessions for dealer salesmen in 17 key cities during the month of May.

Our Retailers' Advisory Council, elected each year by fellow dealers in their geographic areas, has provided a particularly valuable check upon our marketing policies and programs this year.

But what did we do to reduce costs?

In order to minimize the risks of our expanded manufacturing and sales activities, all divisions of the company joined in an intensive cost-reduction program.

At a meeting of our entire executive group, all supervisors, from foremen on up—were given the facts—our plans, what we expected to achieve and the risk involved. Then each man was asked to participate creatively in our program to fight the recession—by reducing costs and increasing productivity in his own operation.

The meeting was followed by a letter mailed to each of our 4,000 employees at his home, a letter in which I outlined the program and asked the participation of each member of our organization.

As we have so often found in the past, Bell & Howell people responded with enthusiasm—and with action.

In purchasing, for example, our buyers sought the help of suppliers in reducing prices. They found that when they talked about increasing orders and standardizing parts, they were welcomed with open arms. Substantial cost reductions were achieved—and in all of them we insisted that quality be maintained or even increased.

Throughout our engineering and manufacturing divisions, men threw away preconceived ideas of what could and could not be done, working together to meet deadlines in the accelerated new product development program. Design engineers and production engineers worked closely together so that necessary changes were made in the design stage, eliminating costly and time-consuming changes in pilot production and final production.

Throughout the company executives of every division worked longer and harder, putting in time and a half without overtime—adopting a 60-hour week to make sure that the 40-hour week in the plant could be maintained.

As an added incentive to our overall program, management salary increases are being granted in 1958 on a contingent basis, to be paid retroactively at year end only if employment stability is maintained and sales and earnings are satisfactory.

Are you wondering how these moves have paid off?

I can report to you that our accelerated program has resulted in encouraging gains to date, with sales, earnings and employment up in the first quarter of 1958. Comparing the first quarter this year with the first quarter of 1957, we show a 21½ percent gain in sales, a 23 percent gain in net earnings, and a 4½ percent gain in total employment.

Sales in April continued high.

As for the year as a whole—who can say?

But one thing I've promised our employees, our management, and our shareowners—we'll not retreat without putting up a very hard fight. As has been aptly said, often the difference between victory and defeat is whether a foot soldier in the ranks shouts, "We'll lose," or "We got 'em."

In summary, then, here are the six specific steps we took at Bell & Howell to strengthen our own position rather than allow ourselves to drift into a recession psychology.

1. We accelerated the introduction of new and improved products, in order to capitalize on their profitmaking potentials.

2. We reduced prices, where we could, to offer consumers a real reason for buying now and to insure our own sales volume.

3. We improved our manufacturing facilities to reduce our production costs.

4. We stepped up our selling effort, through increased advertising and merchandising activities.

5. We reduced all costs, throughout the company, which did not contribute to the value of our products, and the future of our business.

6. We created new management and employee incentives to help make 1958 a good year.

What we have done, many other companies can do and have done, each in its own way. And this is a very good time to do it.

In closing, may I say a word or two about industry public relations in a time of business contraction. With the means of communications available today, we could conceivably talk ourselves further into a depression by spreading fear and uncertainty. Fear and uncertainty are more contagious than the Asiatic flu—and can do a lot more harm.

When your company has good news in any of its divisions, it is well worth taking the trouble to tell it as widely and as effectively as you can. This means making it available to editors in well-documented form; backed by facts, figures and specific comments they can use.

In our plans, our actions, our relations with the public, it is a time to "let our light so shine before men that they may see our good works."

The most significant characteristic of the American businessman is his willingness to exchange ideas. In times such as these we need to do more talking together—not about how serious things are or could become—but about what we are going to do to accelerate our progress in the direction of the promising future we know is ahead.

We have the opportunity and the obligation of proving, once again, that the American system of free enterprise—American businessmen doing things the American way—is the best, the soundest and, in terms of human well-being, the most successful way of life in the world.

ORDER OF BUSINESS

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, a short time ago the Senator from South Carolina [Mr. JOHNSTON] requested that he be recognized. I would be most happy to

yield to the Senator from South Carolina if I am able to obtain unanimous consent that I be recognized at the conclusion of the remarks of the Senator from South Carolina. I make that unanimous consent request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered. The Senator from South Carolina is recognized.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, it is supreme irony that the periodic assault on the United States Treasury, in the name of foreign aid, comes at a time when unemployment plagues the land and thousands upon thousands of American families are compelled to go on public relief, many of them because of foreign competition at home resulting from our foreign aid abroad.

Despite the rosy outlook of official administration predictions that things are getting better and better, economic signposts fail to reveal the heralded improvement.

Retail sales, usually a very sensitive barometer of economic trends, saw April totals fall below those of last year. The reports from the Nation's leading retail establishments failed to record any improvement in April, and also failed to show any pickup for May. The Federal Reserve Board reports that department store sales across the Nation in the first week of May were down 8 percent from 1957; and the rainy weather could not be blamed for all of the decrease.

The climb in personal savings has been halted, according to Norman Strunk, president of the United States Savings & Loan League. The continued cost of living increase, which mounts month by month, obviously is making inroads into savings. Higher prices are taking their toll.

By now, with returns from the country at large generally in, it is established that the You-Auto-Buy-Now campaign has run out of gas and, by and large, was a dud. Dealers sold 362,000 cars in April, or a drop of about 29 percent from April 1957. Production on the automobile front remains down when compared with the corresponding weeks last year.

Salary cuts for executives continue to be the order of the day. White collar workers are also hit by wage reductions; factory employment in the United States fell off 271,000 in April and the number of jobless for 15 weeks or more reached the highest point since 1941, a total of 1,900,000.

Mr. President, these are just a few highlights to show the economic climate of the United States at this time. In the Congress there are pending numerous bills to better our national economic situation. They are confirmation of the continuing slump. If the slump is not likely to continue, why pass such temporary legislation?

It is not a pleasant task to stand here and cite the economic facts I have just presented. It affords me no pleasure to find our beloved land in such economic distress. It is a disturbing and saddening thought to realize that today so many American families find themselves in a tough spot. It is high time to concentrate on putting our own national house in order, repair the economic damage to the United States, and bring to our own free people the full measure of economic security and well-being that our free enterprise system affords.

This business of Uncle Sam playing Atlas has taken its toll. For too long a time now, the United States has been giving of its substance in global handouts. We have been so prodigal with our means that we have greatly weakened the economic system from whence poured this great abundance.

And what has this great giveaway program brought us?

On balance, our foreign aid program has created mischief and mistrust in the world, produced a reliance upon "purchased" friends that ultimately could prove to be a terrible weakness in times of military emergency. It has caused us to be scorned as suckers, in some instances strengthened our ideological enemies, and thus indirectly given aid and assistance to the Communists.

I warn the people of this Nation that should any crisis arise between the United States and any other nation, the other nation will look out for itself, and not for the United States, regardless of how much relief we give it.

As to the results on the domestic front, we can say that the fiscal and tax burdens occasioned to support this global giveaway have had an inhibiting effect on American business, caused venture capital to go into hiding, cut the purchasing power of the consumer by tax deductions at the source, and generally have helped put the American economic machine out of whack. Foreign aid is the main monkey wrench in America's economic machinery. These are the results of foreign aid, 13 years and $70 billion later. Bear in mind that for every cent we have given we have gone into debt. We are paying interest on that debt, and will be paying interest 100 years from now, judging from what is happening today.

One has only to read the headlines to realize how we missed the boat in South America. Our globalists have been so busy shoveling out aid to Europe and Asia that we seriously neglected our American neighbors to the south. We have only to witness the results of the Nixon tour for confirmation of this shortsightedness.

How would any of us feel if he were a South American and the United States had shoveled out billions of dollars to other nations across the sea and had given nothing to his nation?

True, the anti-NIXON demonstrations probably were sparked by Communists: This is in line with red tactics. Yet there was plainly in this protest a noticeable coolness on the part of South Americans to the United States. The Vice President himself acknowledged this. The whole situation rather gave expression to the feeling of resentment of those people to the neglect accorded them by our Government.

I have long contended, and the record will bear me out, that our country should have been more attentive, more interested in and more zealous of the well-being of South America instead of throwing our billions to the winds on other continents.

The people of South America have been and basically are, our neighbors and friends, our natural allies. They have demonstrated their loyalty and friendship in the past. They have, in solemn pacts, pledged their word and sacred honor to defense pacts for the American continent. In times of emergency, they have joined arms with us in defense of freedom. It is a matter of enlightened self-interest that we encourage and assist them to the fullest economic development; instead, we have treated them shabbily, to our detriment, as our one worlders have ridden off in all directions except southward in their ill-advised crusade.

I intend to offer an amendment to the bill which will provide that one-third of the money in the foreign-aid program shall be used in South America.

We need to reaffirm the Monroe Doctrine in a modern way.

The skies are black with chickens coming home to roost. We once had an excellent policy for South America—Franklin D. Roosevelt's good-neighbor policy. It gave recognition to the fact that our interests had a large element of mutuality. It recognized the common background of our values and civilization—the Roosevelt good-neighbor policy was based in the knowledge that South America was dependent largely upon a raw materials, resources economy, and that it would be mutually advantageous to the United States to assist our neighbors south of the border in the constructive development of their economy.

Another thing, with the principal military threat to the United States being posed over the Arctic Circle it is vital that our back be protected and to this end it is all important that we have the best possible relations with South America. The daily press bears witness to this concept of American defense and it is significant that the effort is presently being made to arrive at some arrangement of aerial inspection over the Arctic theater to insure against surprise attack by any power. While guarding against attack from the north, we must not be surprised from the South American continent, nor stand by and let our Latin American friends be surprised.

The neglect of the Roosevelt good-neighbor policy by the Eisenhower administration is paying dark dividends. And the sad part of it all is, the attention that was diverted from South America and showered upon the rest of the world along with our billions of dollars, have brought us only a harvest of weeds. The foreign-aid program we began with lofty ideals and open pocketbooks—the $70 billions scattered to the winds to friend and foe alike—finds its present

renewal in the form of a $3.9 billion request to be spent, according to its authors, with no strings attached.

Mr. President, think of it, $3.9 billions for another giveaway of hard-earned American tax money; $3.9 billions for free-wheeling distribution, and this at a time when more than 5 million Americans are out of work. Is it any wonder we are the object of ridicule in so many capitals of the world?

One wonders when we are ever going to learn our lesson. It is a terrible reality to see our economy struggling to maintain stability, our unemployment unabated, our unemployed in want of more unemployment compensation, prices at a record peak, taxes unbearably high, and the administration fighting a needed tax cut while some still cry out for more foreign aid. At the same time the administration states that we will incur another deficit this year.

This is the same administration that is reluctant to favor a needed public works program to meet the growing requirements of an America of some 170 million people; that has opposed a competent extension of unemployment compensation pay, that has set its teeth against an advisable tax cut, an administration that largely confines its aid to the American businessman, to soothing-sirup predictions. This administration is not just going through the motions on this foreign-aid bill but is really shooting the works.

By what strange motivation does an administration that daily reads of mounting business failures in America, of the increasing distress of small business, of plant layoffs and factory closings, and hundreds of factories running 3 days a week instead of 5—by what strange reasoning does the administration choose to blink at such dire happenings on the American scene and concentrate its efforts in urging the vigorous continuation of giveaway programs, which bolster foreign agricultural and industrial production which is in direct competition with our industry, our workers, and our farmers? God save us from ourselves.

As I travel through my State I find cotton mills running only 3 days a week because the money which the United States gives away in the name of foreign aid is used in competition with the industrial workers of South Carolina and the other industrial areas of the United States. Labor in my State, in the cotton mills, receives from $1 to $1.35 an hour. In Japan labor receives from 12 to 16 cents an hour. That is the competition we must meet when we start to sell our goods in the market place. That is because of the giveaway programs our Government is undertaking. When we go out into the world markets we find that cotton sells at 8 cents a pound cheaper than we can make it in the United States.

Not only does the Eisenhower administration go all out for the adoption of the foreign-aid program, but it enlists the services of high-powered outside help to stage Hollywood-type premiere shows to gaff up the deal and presumably overawe the American public. Unless I miss my guess, it is going to take more than movie razzle-dazzle and spectaculars to persuade the American head of a family who is out of work that it is more advisable to finance woofie chasing in Nepal than to invest American public funds in reviving the American economy, with jobs at the end for every available worker.

Mr. President, I wonder if our policy-makers have forgotten the moral of the fable, Killing the Goose That Laid the Golden Eggs. The pursuit of the give-away policy will do just that: It will produce an impossible-to-support tax and fiscal burden so that the American economy will not recover full strength for many a day, thus compounding the evil of undermining the best economic hope of the world and rendering the American giant helpless at a time when he needs full strength to cope with a formidable Communist enemy.

The plain fact is that unemployment-ridden America cannot support give-aways. Americans must be working full workweeks, not part-time weeks, if they are to be able to finance the military commitments which our Government has underwritten. The best possible thing we can do for the freedom-loving people of the world is to get America back on the level of prosperity and economic stability. In this way we can fulfill the tasks necessary to survival in freedom. We are threatened with ultimate socialism if we do not turn away from this endless sap-draining program which has become a parasite on our free economy

Year after year it is necessary for Congress to raise the debt limit. What does that mean? It means that year after year we are going deeper and deeper into debt. More and more taxpayers will have to pay interest on the debt in the future. In every instance, this is because of the money we have given away and propose to continue to give away to other nations.

Mr. President, the Richmond Times-Dispatch of Sunday, May 11, published a feature story entitled "Nepalese Critical of American Aid." It was an Associated Press dispatch sent from Katmandu, Nepal. I take the liberty of reading the first three paragraphs from the dispatch, which is dated May 10:

> The United States foreign-aid program has become a political football in this mountain kingdom 11,000 miles from Washington.
>
> Some Nepalese politicians have little good to say for a program that already has pumped more than $10 million into the Illinois-size realm and this year will spend $10 million more.
>
> The most extreme critic, former Prime Minister K. I. Singh, contends the aid program is actually hurting America's prestige here.

It is going to take more than Hollywood-style shows to put over the foreign-aid promotion this time. The American public is aware that it is being fed a constant stream of slogans from this slicker group, representing special interests—slogans, but not facts. Hoopla and the iron fist are being used to try to stifle criticism of foreign aid this year. But it will not work because the cry of the American people for economic justice at home is too insistent and because this year John Q. Public will not be "bamboozeled."

Mr. President, I have opposed foreign aid consistently, year after year I am proud of my record in that respect.

May I inquire, who is there to speak for and try to represent the seemingly forgotten American taxpayer? I, for one, feel that as I am here in the United States Senate as a duly elected representative of the people of South Carolina, it is my solemn obligation in fulfilling the trust of this office to speak for the people I represent. I would be more than derelict in my duty if I did not voice my strongest protest to the continued and apparently endless draining of our hard-earned dollars out of the pockets of our own citizens and scattering them over the face of the earth. When, oh when, will we be given an opportunity to keep some of our tax money at home and try to set our own house in order?

Mr. President, before we pour out additional billions and billions of the taxpayers' dollars for foreign aid, I should like to have the question submitted to the people for a vote. I have no doubt what the answer would be, if we gave the voters of the Nation the right to vote upon this matter.

We are being coerced through fear, fear, and more fear. We are being browbeaten with the scare phrases and clever slogans again and again. We are told that continued aid is necessary because the alternative is that all the recipient nations would become communistic without such financial assistance. The doom prophets cannot substantiate with facts their predictions that all is lost unless we continue foreign aid.

Mr. President, all a country needs to do to get aid from the United States is to threaten to join with Soviet Russia. If the country has been receiving aid from us, it will get more. If it has not been getting aid, it will then receive aid. That seems to be true in every instance.

The strain on the Soviet economy of building a war machine and meeting the needs of her own people is already beginning to tell. Khruschev has plenty on his hands in endeavoring to meet the growing consumer demands of the Russian people. We may be assured that the flowery talk of Soviet-aid programs to other nations will largely evaporate in the air of broken pledges. We must not be intimidated into the policy that either we must get there first with the most giveaway or the Soviets will beat us to the punch. Russia will find plenty to do in fulfilling the economic requirements of her own domain.

Mr. President, after 13 years and almost $70 billion, do we have any more friends today throughout the world than we had at the end of the war? The answer is plainly "No." Since World War II, communism has gained a hundred million new converts yearly, while we have failed to inspire others with our ideas of freedom and liberty. Instead of trying to lead other nations by example, we have been trying to buy them.

In a great many instances when I have visited nations into which we were pouring our money, I have seen signs reading, "United States Get Out," or "Let

Us Alone," or "Let Us Run Our Own Affairs." I have seen such signs painted on many buildings in foreign lands.

Can anyone deny that in many instances our dollars have subsidized socialism and communism and have created in certain areas more unrest than existed prior to the aid?

Are not we in certain instances actually working against the interests of American industry? After World War II, we gave Japan vast financial aid to repair her textile industry. South Carolinians were taxed to buy machinery for these reactivated mills. Today the same South Carolinians are losing money and jobs because of goods produced on those machines, and imported to this country in violation of voluntary quota controls set up by Japan. Bear in mind, too, Mr. President, that our Nation has refused to impose any quotas whatsoever, but has left it to Japan to determine just what quotas she would impose. Our neglected South American friends are, too, buying Japanese textile goods, instead of South Carolina-made textile goods.

Does anyone actually believe that Russia would pour out over $70 billion in aid to other countries, even to her own satellites and friends? Of course, we know that any Soviet aid is advanced—or rather, held out as a promise—for one purpose, and one purpose only; namely, to help in the conversion to communism. Where is the dam Russia promised Egypt? It has not yet been built, and it will not be built.

It is proposed that $98 million—I refer now to only millions of dollars, Mr. President, not to the billions of dollars to which we so often refer, these days—of our taxpayers' money be sent to Communist Poland. Mr. President, why should we send $98 million of our taxpayers' money to Poland? Yet we propose to hand over that money to the Communist leaders of Poland. But what is happening in that country? Let us remember, too, that when we give money to these countries, we pour it in at the top, not at the bottom; we just hope a little of it will trickle down to the bottom.

According to recent newspaper accounts, freedom—even freedom as it is known in Communist Poland—is being curtailed constantly by Red directives. There has been a tightening of press censorship and of book publication; and, in general, there has been a stricter following of the Moscow edicts. The press further reports that in the face of strong pressures, Polish contacts with the West are being maintained. But from reported events we must conclude that we are losing there, in spite of—or because of—our aid. Just now, Gomulka is telling the world that the Russians did right when they brutally crushed the Hungarians and pulverized Budapest. And our foreign aid helps keep Gomulka in power.

Yes, we have helped the Hungarian Communists keep the rebellious citizens in hand by our contributions to that country. What must the Hungarian patriot think of our aid to his Red masters?

As for the $1 billion India is now seeking; it is interesting to note a recent poll result which was reported in our leading newspapers. The polltakers asked citizens of New Delhi the question, "Who is doing more to help the peace of the world, Russia or the West?" Fifty-four percent of those questioned were reported to have thought that Russia was doing more, and 18 percent thought the West was doing more, to help the peace of the world. We have no prior poll on this question for comparison, so it is pure conjecture on the part of the proponents of this aid for India to state that by continuing the sending of our dollars to India, we can increase the percentage of those who favor the West, over Russia. For that matter, who could dispute the argument, based on this poll, that our aid had lost us friends in India? Personally, I consider these percentages more indicative of the feelings in that country toward the United States, with or without aid.

It would be incorrect for me to say that in the past our foreign aid has not helped in certain areas and has not reflected some credit upon the United States. I, for one, do not believe it would be possible, even under the present administration, to pour out nearly $70 billion and not gain something of value.

Mr. President, I contend that our dollar diplomacy can never, and should never, be a substitute for a policy of honesty and fair dealing in our relations with other nations. But we seem to have fallen into the habit of trying to resolve all our difficulties by appropriating more and more money. When we find that we are losing ground in one venture or another, our reasoning seems to have become, then the way for us to succeed is to hand out some more money.

In 1947, Mr. Henry Hazlitt, to whose articles I have often referred, wrote a very illuminating book entitled, "Will Dollars Save the World?" Mr. Hazlitt concluded, with facts and figures to support his contention, that dollars cannot save the world. One of his conclusions, in dealing with foreign aid, was, in part:

> And it (the United States) can do more for world revival by making its own economy sound and strong and free than by trying to put temporary props under economies built on the treacherous foundations of totalitarian controls.

Mr. President, in my opinion, today our country would be much stronger at home, and would be in a better position as a leader among nations, if we had heeded the conclusions Mr. Hazlitt gave us in 1947.

While we are urged to keep up and to expand our high foreign commitments, the very first line of defense in our own land—that is, our National Guard—is being weakened. The unit of our defense strength which is in each State, and is available for service in time of war or national or State emergency, is to be curtailed, so that our tax dollars can be kept flowing to our foreign friends, would-be friends, and foes in other lands.

We are told we must continue to help the Communist leader in Poland. But we are then told that here at home we must cut back on such vital projects as hospital construction and medical research.

We are admonished that our tax dollars must be poured overseas, to stimulate foreign crop production, while here in our land our own farmers—certainly the first line in our economic structure—see farm income dropping, farm production dropping, the cost of living rising higher and higher, and more and more American farmers walking helpless on our city streets, looking for work.

In fact, Mr. President, during the last year 1,800,000 farmers left the farms in the United States, while the population was increasing by approximately 3 million.

I refuse to go back home and tell my farm friends, my friends in the textile industry, or, in fact, any taxpayer in South Carolina, that although their load is heavy, and no doubt will become heavier, it is absolutely necessary that we continue to use their tax dollars to support foreign ideologies. Instead, I intend to go home and tell my friends that I will continue to vote against and to work vigorously against these foreign aid giveaways, because I believe to do so is in the best interest of our country. For the survival of America, I think that today nothing is needed more than an end to foreign aid.

President Eisenhower has recently vetoed the Flood Control Act of 1958, saying that many of the projects included in it are sound, but some others are not justified. In vetoing this bill, the President said: "I cannot overstate my opposition to this kind of waste of public funds."

The Flood Control Act, which the President calls waste, provides for American projects, designed to help our own citizens and our own country. Before we continue to build dams, dredge rivers, and promote irrigation and flood control projects all over the world, can we not take care of a few such items at home? What bigger pork-barrel legislation has there ever been than this uncontrolled, no-strings-attached foreign aid?

My people would be extremely hard to convince that all, or even the majority, of President Eisenhower's mutual aid program is justified.

In vetoing the Floor Control Act, the President said:

> It would authorize 4 projects * * * on which adequate reports have not yet been submitted * * * it is, therefore, not possible to determine whether their authorization would be in the public interest. * * *"

Bear in mind that the bill the President vetoed carried hundreds of projects to be constructed throughout the United States, but only on four items was there not quite enough information. On the other hand, money is given to foreign countries without any strings attached whatsoever.

Relying upon information from the International Cooperation Administration, the United States taxpayer furnished the money to build a 100-mile stretch of highway in Thailand which was originally estimated to cost $6½

million, but which has ballooned to the staggering sum of $22 million, or more than three times as much as the original estimate; and, as reported by this agency, road construction began before the completion of engineering studies and cost estimates. I wonder if President Eisenhower looked at that before he spent that amount of money? I repeat: Road construction began before the completion of engineering studies and cost estimates. It was arranged that engineering would proceed concurrently with the construction. What can this be labeled but a clear example of improper planning and inadequate reports? But the administering agency says "This project is considered fundamentally sound in concept and execution." Yet, in our own United States of America much more necessary projects are termed waste. Apparently to this administration waste and poor planning are sound policies when on foreign soil at the expense of the American taxpayer, but only become wasteful and poorly planned when they are for Americans here in my homeland.

Mr. President, according to information from the International Cooperation Administration, the United States taxpayers have financed two dams in Afghanistan for irrigation and flood control purposes. I assume cotton and probably wheat will be grown there, in competition with our farmers.

We have financed the building of highways in Jordan. We have spent millions to provide water facilities in Lebanon. The news from Lebanon is anything but heartening. American libraries have been burned and sacked. Anti-Americanism has run high. Such are the returns of our foreign aid expenditures, and regrettably such reaction is all too typical. We have helped erect cotton mills and flour mills in Korea; and we have handed out American tax dollars to purchase and install automatic looms in many, many foreign textile mills.

I wonder how many of our citizens know that United States Treasury checks have been given to foreign governments for budget support? Our municipalities and States are struggling to meet current necessities—our national debt is going up and up—yet we are told that we are justified in taking tax money for budget support in some foreign country. How far are we to carry this sort of reckless thinking and spending? Until our country is completely broke and bankrupt?

It would take days to list all the examples of extravagance, waste, and misuse of foreign aid funds. Again and again Members of our Congress have spoken out against various aspects of the foreign giveaway program.

Many Senators who have visited foreign countries on their return to the Senate have reported on their visits time and time again. Well do I remember the report of the senior Senator from Louisiana [Mr. ELLENDER], who reported to the Senate, after traveling the world over, on the condition we are in because of our giveaway program and the enemies we have in foreign countries on account of it.

Mr. President, I contend that we must call a halt to the handouts, giveaways, and aid to foreign nations.

Have my colleagues asked themselves and the taxpayers these questions:

Do you want your tax dollars to continue to support foreign regimes which say they are opposed to communism, but whose ultimate goal is identical with communism, such as Poland, Hungary, and Yugoslavia?

Do you want our dollars handled by a group of internationalists whose first thoughts are for some foreign ideology, whose last thoughts—if ever—are of America's interests, and whose goals are to see how many foreign cars or foreign textile products they can send to our country while our own people go unemployed?

Do you want your America to play poker with foreign nations in which we put up the stakes and chronically lose everything because the rules are not our own rules and the results are decided against us in advance?

Mr. President, I sincerely believe the people of our great Nation will not be brainwashed into accepting foreign aid as necessary and in our own interest when actually the reverse is true. Our country is becoming bankrupt at home and losing friends abroad, largely because of this foreign-aid program. We are weakening our Nation, depriving our citizens of worthwhile projects; and for what? To follow the road to self-destruction, I fear.

What can we do? At the moment we can render our taxpayers and our Nation a great service by refusing to support this latest giveaway proposal. Next, we can begin to act like Americans again and heed the admonitions and advice of our first President in his Farewell Address.

Finally, we can, and must, turn the confusion and waste of a distrustful and moth-eaten foreign policy of dollars into a virile, stable, and lasting foreign policy constructed upon mutual protection and mutual trust. Without such a change we are doomed to bankruptcy and eventual scorn and hatred such as the world has not seen since the Roman Empire crumbled apart.

Well do I remember the first plea which came to the Senate. It was a plea that we permit England to borrow $3,750 million. I spoke against it, telling the Senate at the time we would never get the money back and that we would never receive interest on it. As Senators know, we did not charge any interest for a long time. The first time interest fell due, England came running to us, asking us not to require them to pay the interest. We with a big heart gave them that privilege. A bill passed the House and the Senate which extended the time permitted England for payment. At the same time England, from the standpoint of internal affairs, was in far better shape financially than the United States.

We let that go by. That was another giveaway. I am predicting that when we collect the first loan to England—that $3,750 million—it will be a cold day in August.

Mr. ALLOTT and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. Mr. President, I will explain the situation to the Senator from Minnesota.

I yielded the floor some hour ago so that the Senator from South Carolina might deliver his address. At that time I asked unanimous consent that I be recognized at the termination of the Senator's address.

If the Senator from Minnesota desires to make some insertions in the RECORD at this time, I will be happy to yield to him. I have a rather short speech which should take 10 or 12 minutes.

Mr. HUMPHREY. I shall be happy to wait my turn. The Senator has been most courteous with other Senators. I do not want to impose upon the Senator's time.

Mr. ALLOTT. Mr. President, before proceeding with the remarks which I have prepared concerning a different matter, I should like to comment that I hope, during the next few days, to answer the remarks made by the Senator from South Carolina. The hour is late. I know not only the Senators but the staff members are anxious to avail themselves of the long weekend, so I shall not now pursue the matter.

It is perfectly obvious to me why we have not been more successful with our foreign-aid program and why few people understand it. It is inconceivable in this day and age that anyone could believe we could erect a wall around the United States—that we could do without tin from Malaya; that we could do without rubber from Africa, South America, and East India; and that we could do without other rare materials, including oil.

I find it a little hard to understand, since all the information is available, how such a position can be considered rational in this day and age. I find it hard to understand, particularly when I realize that the States of the area from which the Senator comes have lowered taxes and given tax preferences in order to bring textile industries to the Southern States while taking them away from other States.

I find it hard to understand when I know, as the Senator must know, that we export $20 billion worth of goods every year, and import only $13½ billion worth of goods. This export program brings employment to 5½ million people. I am speaking of 5½ million people. There is a recession. No one is unaware of the recession. My own State perhaps happens to be more favored in this respect, and for that we are truly grateful. Five and a half million people would be thrown out of employment if our export trade should cease. That is no unsubstantial amount of employment to be considered.

I cannot quite bring myself to understand how we can disregard the poor countries of the world which are trying desperately to gain for themselves the things we have had so long. I care not whether the color of the people is black, brown, or yellow. All one needs to do is

talk with some of those people to find out how much they desire the things we have.

I think perhaps this is a good time to point out that during my service as a member of the Interparliamentary Union I have had occasion, and I have made the occasion, to talk with members of many of the still underprivileged countries, such as Vietnam, Laos, Cambodia, Thailand, the East Indies, the Sudan, Ghana, and many others. I am convinced that most of the people of those countries want essentially the things which we wanted bad enough to fight for and bad enough to cause us to stage a tea party in Boston Harbor.

First of all, those people want a full stomach, and with that the things which go with a full stomach—education, housing, and medical facilities.

The second thing those people want is the right for their countries to be recognized as nations among the family of nations.

The third thing those people want is the opportunity to achieve in their own way and in their form a kind of self-government which satisfies them. We have no right to dictate the form.

If the United States of America helps those people fulfill these three ambitions, it will violate no long cherished traditions or beliefs of its own. If we do so we will only build up our own cherished beliefs and ideals. This is the essential principle of American policy.

President Eisenhower talked about being sloganed to death. I suppose the opponents believe that if they yell "give-away" long enough they will slogan this policy to death. This foreign aid policy enables the backward, underdeveloped, underprivileged nations of the world to build themselves up, to be self-supporting, and resistant to communism. The opponents feel if they call out "give-away program" long enough they will be able to wreck the program. I think they will probably ruin the last chance of the United States to secure the cooperation of these great undetermined, uncommitted nations of the world.

Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

STABILIZATION OF THE MINING INDUSTRY

Mr. ALLOTT. Mr. President, on May 26, Monday of this week, the Senator from Montana [Mr. MURRAY] by request, introduced S. 3892. This is the administration bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines by providing for stabilization payments to producers of ores or concentrates of these commodities.

I send to the desk intended to be proposed by me amendments to S. 3892. I do so, Mr. President, in full awareness that my distinguished colleagues know that our miners are in trouble.

The PRESIDING OFFICER. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments will be printed in the RECORD, together with the section-by-section analysis.

The amendments were referred to the Committee on Interior and Insular Affairs, as follows:

On the first page, between lines 2 and 3, insert "Title I."

On the first page, line 3, strike out "That this" and insert in lieu thereof "Sec. 1. This."

On page 7, line 21, strike out "act" and insert in lieu thereof "title."

At the end of the bill insert a new title as follows:

"TITLE II

"SEC. 21. There is appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1959, an amount equal to 70 percent of the gross receipts from duties imposed under paragraphs 391, 392, 393 and 394 of the Tariff Act of 1930, as amended, during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be available until expended and shall be maintained in a separate fund that shall be used by the Secretary as provided in this title.

"SEC. 22. In addition to any payments under title I of this act, the Secretary shall make limited tonnage payments, upon presentation of evidence satisfactory to him of a sale of newly mined ores, or concentrates produced therefrom—

"(1) to producers of lead,

"(a) as long as the market price for common lead at New York, N. Y., as determined by the Secretary, is at or below 14¾ cents per pound, at the rate of 1.6875 cents per pound on not to exceed 350 tons per quarter per producer; or

"(b) as long as the market price is above 14¾ cents per pound but is below 17 cents per pound, at the rate provided in preceding clause (a) reduced by an amount equal to 75 percent of the amount by which such market price exceeds 14¾ cents per pound, on not to exceed 350 tons per quarter per producer; and

"(c) no payment shall be made under the provisions of this section to producers of lead when such market price is equal to, or exceeds, 17 cents per pound; and

"(2) to producers of zinc,

"(a) as long as the market price for prime western zinc at East St. Louis, Ill., as determined by the Secretary, is at or below 12¾ cents per pound, at the rate of 0.9625 cents per pound on not to exceed 350 tons per quarter per producer; or

"(b) as long as such market price is above 12¾ cents per pound but is below 14½ cents per pound, at the rate provided in preceding clause (a) reduced by an amount equal to 55 percent of the amount by which such market price exceeds 12¾ cents per pound, on not to exceed 350 tons per quarter per producer; and

"(c) no payment shall be made under the provisions of this section to producers of zinc when such market price is equal to or exceeds 14½ cents per pound.

"SEC. 23. Out of funds made available for the purposes of this title and not expended under the provisions of section 22 the Secretary may—

"(1) under such terms and rules and regulations as he may deem appropriate and necessary, make loans for financing and refinancing operations of (including standby operations), and for maintaining, replacing, repairing, and equipping and reequipping, mineral-producing facilities in the United States, its Territories, and possessions, and for research into the basic problems of mineral production; and any such loan—

"(a) shall bear interest at a rate of not less than 3 per centum per annum;

"(b) shall mature in not more than 10 years;

"(c) shall be made only in cases where necessary financial assistance is not otherwise available on reasonable terms; and

"(d) may be modified with the consent of the Secretary with respect to the rate of interest, time of payment of any installment of principal, or terms of security; and

"(2) provide for such programs of research by public or private organizations, other departments or agencies of the Government, or within the Department of the Interior, as he may deem appropriate to assist in the development of the domestic mineral resources of the United States, its Territories, and possessions."

The section-by-section analysis submitted by Mr. ALLOTT is as follows:

SECTION-BY-SECTION ANALYSIS

Section 21 of title II appropriates on a continuing basis, available until expended, 70 percent of the revenues derived from the tariffs on lead and zinc ores, concentrates and minerals. Such revenues, estimated to be approximately $10 million per year, would be placed in a fund to be used by the Secretary of the Interior as provided in sections 22 and 23.

Section 22 provides, in addition to the stabilization payments authorized by title I, limited tonnage payments to producers of lead and zinc. The payments authorized by this section, in conjunction with the payments authorized by title I, will result in a return to producers, on a limited quantity of their production, equal to the return they would receive were the price of lead 17 cents per pound and the price of zinc 14½ cents per pound.

Section 22 (1) provides for payments to producers of lead of 1.6875 cents per pound when the market price is at or below 14.75 cents per pound. This represents the historic mine share on this increase in market price, that is, 75 percent of the difference between 14.75 and 17 cents per pound. Such payments would be made on the first 350 tons production per quarter of each domestic producer of lead. At such times as the price is above 14.75 cents per pound but below 17 cents per pound, the limited tonnage payment would be appropriately reduced. The payments would be suspended during such periods as the market price was equal to or exceeded 17 cents per pound.

Section 22 (2) provides for payments to producers of zinc of 0.9625 cent per pound when the market price is at 12.75 cents per pound or below. This is equal to 55 percent of the difference between 12.75 cents per pound and 14.75 cents per pound. This represents the historic mine share on this increase in market price. Such payments would be made on the first 350 tons per quarter of the production of each domestic producer of zinc. At such times as the price is above 12.75 cents per pound but below 14.50 cents per pound, the limited tonnage payment would be appropriately reduced. The payments would be suspended for such periods as the market price was equal to or exceeded 14.50 cents per pound.

Section 23 authorizes the Secretary to use the remaining funds not required for limited tonnage payments under section 22 for (1) loans for financing and refinancing of (including standby operations), and for maintaining, replacing, repairing, equipping, and re-equipping mineral-producing facilities in the United States, its Territories and possessions, and for research into the basic problem of mineral production; and (2) provisions for such research programs as he may deem appropriate to assist in the development of domestic mineral resources.

Mr. ALLOTT. In my own State, and in those of some of my colleagues, the effects have been drastic. We literally have grass growing in the streets of once proud, but now rotting, mining towns. Unemployment and other economic effects are not limited to the miners alone.

The impact was felt throughout the communities basically dependent upon mining income. Then it was felt through the supply industries and related processing groups. It can become a blight upon a whole State and an entire region.

Mr. President, our miners cannot hold even to hope much longer. The lead and zinc industry has sought relief from the Congress, the Tariff Commission and the administration year after year—and particularly in the past 5 years. Notwithstanding unanimous findings by the Tariff Commission on two occasions that substantial damage from imports is resulting, the lead-zinc industry remains without relief, other than the temporary assistance of stockpiling for the Nation's defense.

Many of our lead-zinc mines are closed. That, by the way, includes most of the smaller ones. In the first quarter of 1957, the domestic miners were producing at the annual rate of approximately 600,000 tons of zinc and 355,000 tons of lead. These rates now have been reduced to about 420,000 tons of zinc and 270,000 tons of lead. There is no improvement—and little help—in sight.

Where there is little or no continuing operation, there is little incentive, and no funds for the research and development work which might bring our miners closer to a position of true competition with foreign mines.

My bill provides, I believe, a formula which can revive the hopes of miners; give them the help they need; bring them a chance to build for a future. Together with the administration proposal it will make possible a stable, profitable mining industry without interfering unduly with our foreign policy or with the mineral economies of our foreign friends.

Briefly, my formula would provide that 70 percent of the revenues from lead and zinc tariffs would go into a special fund from which the Secretary of the Interior would make payments in addition to the stabilization payments he has proposed, on a limited tonnage basis, to give our miners the equivalent of a 17-cent price for lead and a 14½-cent price for zinc. Based on tariff receipts in 1956 it is estimated that approximately $10 million would be available thus to support the first 350 tons of production of lead and zinc for each producer at the equivalent of 14½ cents for zinc and 17 cents a pound for lead. My best information is that approximately half of the moneys derived from tariffs would be required for these production payments.

The bill provides that the balance would be used for research and for loans for financing and refinancing mining operations, including standby operations, maintenance, replacement and repair of equipment, and reequipment of mining operations of this country.

Mr. President, in my opinion this provision of my bill would establish a very necessary program for the domestic mining industry. We have the Small Business Administration, and we have the ongoing research programs of the Bureau of Mines and the Geological Survey. They make real contributions to the strength of the economy. However, there is a gap, both in research—particularly applied research on minerals—and in the assistance of financing to small mine projects. My bill would fill this gap.

Mr. President, I ask unanimous consent that a table showing the sources of our domestic lead-zinc production be printed at this point in the RECORD. This table is taken from the Tariff Commission report on lead-zinc of April 1958.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 32.—*Lead plus zinc: Mine production in the United States, by mines classified by size of output, 1956* [1]

Size of mine (in terms of short tons of recoverable lead plus zinc produced during year)	Mines		Production of recoverable lead plus zinc	
	Number	Percent of total number	Short tons	Percent of total production
0 to 499	557	80.0	27,248	3.0
500 to 999	27	3.9	18,750	2.1
1,000 to 1,999	29	4.2	41,984	4.7
2,000 to 2,999	24	3.4	61,544	6.9
3,000 to 3,999	13	1.9	46,607	5.2
4,000 to 4,999	9	1.3	41,901	4.7
5,000 and over	37	5.3	657,132	73.4
Total, all sizes	696	100.0	895,166	100.0

[1] This analysis includes all mines in the United States that produced any recoverable lead or zinc, regardless of their industry classification; hence, some production is included from mines producing ores valued chiefly for their content of metals other than lead plus zinc.

Source: Compiled from official statistics of the U. S. Bureau of Mines.

Mr. ALLOTT. I invite attention to the fact that this particular table, which is numbered table 32, shows that 557 of the mines in the United States or 80 percent of the total number of mines, produce less than 500 tons of ore.

It is interesting to note in this table that in 1956 there were 696 lead-zinc mines in this country. Five hundred and fifty-seven or 80 percent of them produced only 3 percent of the total production. At the other extreme, 37 mines, or 5.3 percent of them produced the 73.4 percent of the total lead-zinc production in this country. The production payments authorized by the amendment I now offer are designed primarily to assist the 90 percent of our lead-zinc producers who produced in 1956 approximately 16 percent of the total 900,000 short tons of lead and zinc. Of course, these payments would not be restricted to these small producers, but would be of particular importance to them. On the other hand, these payments in addition to those proposed by the administration would apply to such a small percentage of the production of this country that the effect on the domestic price, the world market price, and accordingly on the economies of our neighbors, would not be significant.

In 1956 this country consumed approximately 1,200,000 tons of lead of which 460,000 was imported. For the same period we consumed approximately 1 million tons of zinc. Our imports were 732,000 tons. The effective ad valorem tariff for lead ores was 6.2 percent and metal, 11.7 percent. For zinc, the ad valorem equivalent was 12.3 percent on ores and 5.9 percent on metals. Nineteen hundred and fifty-six tariff revenues produced approximately $18.2 million. Of that amount 30 percent is presently directed to the use of increasing exportation and domestic consumption of agricultural products under Section 32 of Public Law 320 of the 74th Congress, section 7, U. S. C., page 612.

There is adequate precedent for a program such as I have proposed here in the well-known wool plan and in the program authorized by Public Law 320. It has been proven to work in this field, and I am convinced that it will work here. If it will work for lead and zinc, it may well work for some of our other hard-hit mineral industries, but the lead-zinc situation is particularly susceptible to—and in need of—this kind of relief.

From the testimony presented before our Interior and Insular Affairs Committee by representatives of the Department of State and the Department of the Interior, it is my understanding that the other mineral-producing countries in the Americas would have no substantial objection to relief for our mining industry along the lines proposed by Secretary Seaton and the administration. I believe that their views would not be greatly different if this proposal were added to the program submitted by Secretary Seaton for the administration.

Many of the domestic producers of lead and zinc, moreover, have objected to the administration proposal primarily on two grounds: First, that the stabilization price suggested is too low; and, second, that an industry which is dependent on seeking appropriations annually from the Government cannot be truly characterized as a stable one. My proposal would go a long way toward alleviating both those criticisms. In short, it would aid those miners most injured and will have a minimal impact on our foreign relations.

I most earnestly hope and urge Members of the Senate and the other body to give serious consideration to the administration proposal for stabilizing our mining production which, with the provisions I have offered, will provide an honest and effective program to put our miners in a position where they can again make a living from their chosen occupation.

THE ADMINISTRATION'S ECONOMICS

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a letter addressed to the editor of the Washington Post by Prof. Seymour E. Harris, the able chairman of the economics department of Harvard University. The letter was published in the Washington Post of May 29, 1958, and in it Professor Harris criticizes the economic program of the Eisenhower administratory and urges a tax cut, along with increases in unemployment compensation, redevelopment and school construction.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADMINISTRATION ECONOMICS: A CRITICAL APPRAISAL

We have now had 10 months of a recession, 10 months of a declining economy. Historians of the cycle tell us that a turning point generally comes within a year of the initial decline. Perhaps this command of history explains the reluctance of the administration to take positive measures to reverse business trends. But the administration may be gambling too much on the laws of history.

So far the antirecession measures have been inadequate; and most of those taken have been forced upon the reluctant administration by a Democratic Congress, or have been automatic results of built-in flexibility, for example, the decline of the tax receipts with reduced income and the rise of unemployment benefits.

Even defense expenditures are not rising substantially. Despite the insecure state of the Nation, and the recession, the administration is not spending more on security in calendar year 1958 than in 1957. We have the word of the chief finance officer of the Defense Department for this.

In fact, the best estimate I can make does not suggest a rise of Federal outlays of more than $2 billion and certainly not more than $3 billion for the calendar year 1958. (I exclude the rise of transfer payments like unemployment compensation.) Even these estimates take account of the probable outlays under the road program, the Unemployment Compensation, the Housing Act, the Commodity Facilities Act, and proposed legislation on area redevelopment and education.

I do not believe these estimates are ungenerous. If the administration has other estimates, they have never revealed them. Is it not about time that the administration gave the country a monthly estimate of expected help from reduction of taxes, increase of expenditures, etc.—in fact a survey the first of the month of the trends in the economy?

What is the administration afraid of? Indeed, they underestimated revenue for fiscal year 1959 by several billions. Had they shown historical sense at this point, they would not have made this mistake. In addition, expenditures will rise by a few billion beyond their January 1957 estimate for fiscal 1959. They seem to be scared of the rising deficit.

But they should have learned a long time ago, as most economists and an increasing group of businessmen have learned, that the way to keep a deficit down is to raise income; and the way to increase income is for the Government to reduce taxes and increase spending—in the midst of a recession. A continued economic decline can only further increase the deficit.

We are losing income at the rate of $30 to $50 billion a year. Is inactivity supportable under these conditions? Each month the administration waits, we lose $4 billion and perhaps about 700,000 man-years of employment. We do not deal with a leak in a tank by allowing the water to escape; we plug the hole.

We lose this income despite the fact that there are all kinds of public services that need attention—housing, care of the unemployed, urban redevelopment, school construction, and river development.

The Government should favor especially the expenditures that yield the largest returns in the shortest period both in stimulating the economy and helping those in distress. On this score aid for unemployment compensation funds, redevelopment, and school and college construction stand high. Those who are fearful of large public expenditures can be appeased by selecting outlays that put the smallest burden on the Treasury, namely, loans and guaranties against grants, small subsidies for loans against outright grants.

We expect a greater degree of intervention by the Federal Reserve than we have had so far. Indeed, the Federal Reserve has reversed its policy. For this we give them credit. But the reversal was slow in coming and has not been aggressive enough. It is not enough merely to reduce discount rates or even make possible the reduction of borrowing by member banks. What is needed is a rise of several billion dollars in the reserves of member banks, inclusive of excess reserves.

The open market operations of the Federal Reserve have been most inadequate. They are excessively concerned over the dangers of inflation.

The present danger is recession. We cannot afford to lose face in the one area where we are still strong—a well-functioning economy. Hence let us be bold in our fiscal and monetary policies.

How silly are these buying campaigns, these appeals to labor and capital to be sacrificial, the attempts of the Federal Government to shift the responsibilities for recovery to the weakened State and local governments, and, to the contrary to their interest, operations, of the private economy.

A saturation of the capital market contributed to the recession; but just as a dear money policy and a changeover from an excess of spending to an excess of receipts by the Federal Reserve aggravated the recession and helped hasten it, so a drastic reversal of these policies will soften the blows of recession.

SEYMOUR E. HARRIS,
Chairman of the Economics Department at Harvard University.
CAMBRIDGE, MASS.

MR. CYRUS S. EATON

Mr. DOUGLAS. Mr. President, Mr. Cyrus S. Eaton is one of the leading and most successful industrialists in the United States. He is the chairman of the board of directors of the Chesapeake & Ohio Railroad. He is an active spirit in and one of the directors of the great Portsmouth Steel Co. Companies with which he is associated own large iron ore deposits in eastern Canada.

He is active in the direction of several coal companies. His industrial interests are widespread, and he has had great success as an American capitalist.

It has been estimated that his industrial empire amounts to at least $2 billion, and his personal fortune is undoubtedly numbered in the millions of dollars.

But it is not by these financial tests alone that Cyrus Eaton has won widespread recognition and respect. He has also made many civic and philanthropic contributions to American communities.

Mr. Eaton has undoubtedly made a great financial and industrial career for himself; and at the same time he is somewhat unique, in that he speaks his mind freely on many issues, and frequently expresses unpopular opinions. He is the type of free-wheeling capitalist of the stripe of such men in the past as the late Senator James Couzens, of Michigan, and Frank A. Vanderlip, of New York. There is no question but that Mr. Eaton believes strongly in the capitalistic system under which he has prospered and under which he has made such a great success. He believes, however, in a purified capitalism, and he has never hesitated to speak out in support of reforms which he believes would be proper.

There is no question either of his loyalty to his country.

Recently Mr. Eaton has in a number of instances expressed himself upon international relations. I have frequently disagreed with him in the positions he has taken. Mr. Eaton has upon occasion advocated the recognition of Communist China, whereas I, as a member of the executive group of the Committee of One Million, have actively opposed the recognition of Communist China and her admission to the United Nations. Mr. Eaton and I have exchanged correspondence, in which each of us has argued his respective point of view.

More recently Mr. Eaton has believed that there should be a cultural rapprochement between the United States and Soviet Russia. I have felt that he was much more trusting in his point of view about the peaceful intentions of Russia than I have been, and I have expressed myself in this connection to him. I believe that Soviet Russia is out to conquer the world and that her rulers cannot be relied upon to keep their agreements.

On the 4th of May Mr. Eaton appeared on a nationwide television program, when he was interviewed by Mr. Mike Wallace. During the course of the telecast, he urged that the United States and Russia should try to get together. Later he expressed himself in a very critical manner about the Federal Bureau of Investigation. Let me say in this connection that I believe the Federal Bureau of Investigation has frequently been unjustly criticized, and I do not wish to associate myself with what Mr. Eaton has said about it. I do not know what his personal experience has been.

Very soon after he appeared on the program, however, the House Un-American Activities Committee asked for equal time in which to reply to Mr. Eaton, and its counsel delivered an address in which he stated that a subpena had been signed by the chairman of the committee, ordering Mr. Eaton's presence before that committee.

I shall not make any comments about the motives behind the signing of the subpena, except to say that its effect was undoubtedly to cast public suspicion upon the patriotism of Mr. Eaton and to work damage upon his reputation. I believe that this was a great mistake.

While I am not an intimate of Mr. Eaton's, I have watched his career for many years and respect him highly as a man and a friend. I believe him to be in the true essence a patriotic American and a man who in his business and social life has made great contributions to the economic and social life of our country.

I think it is wrong to call the patriotism and loyalty of citizens into question simply because they express unpopular views, however much we may differ with them. To do so is to poison the wells of free discussion and prevent an honest clash of opinion, from which the waters of truth may flow.

Particularly should the agents of Government, with all its power and prestige, refrain from actions which directly or by imputation cast doubt upon the loyalty of those who dare to criticize the Government.

Freedom owes many debts to those who have dared to speak out for what they believe, to the dissenters, and, on occasions, to the critics of Government itself. Truth is served when we debate the issues on their merits and do not impute a lack of patriotism to those who differ with us.

I hope these basic American principles may be kept more clearly in mind, and that the perhaps impetuous, but I believe ill-considered, action initiated against Mr. Cyrus Eaton may be reconsidered by the committee and reversed, so that the subpena which has been signed will not be served, and that the committee will allow its better judgment to influence it and will withdraw the subpena. In my judgment, the cause of freedom would be served if the committee were to do so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. First, I commend the Senator from Illinois upon his very reasonable, well-considered statement relating to the serving of a subpena upon Mr. Cyrus Eaton.

Mr. DOUGLAS. The subpena has not, in fact, been served; the subpena has been signed and held in abeyance.

Mr. HUMPHREY. Then, I should say the intent to serve the subpena, or at least the signing of it, for the obvious purpose of serving it upon Mr. Eaton.

I think the Senator from Illinois has clearly pointed out his differences in point of view with Mr. Eaton on certain crucial matters, but has also pointed with equal clarity to the importance of preserving the right of dissent in a free country.

I myself am not so trusting of the Russians as Mr. Eaton appears to be. Nevertheless, Mr. Eaton is attempting to encourage, at least in some areas of endeavor, a cooperative exchange and cooperative participation with the Soviet Union. This is particularly true in the fields of science, education, and other matters.

Mr. DOUGLAS. Those are the very fields, are they not, in which the President of the United States has urged that we develop relationships with the Russians?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. I am much more skeptical than is the President of the United States about the possibility of gain from these exchanges, because frankly I think we shall find that it will be a blind alley. But I will not condemn Dwight Eisenhower as unpatriotic.

Mr. HUMPHREY. As the Senator from Illinois has so well put it, the areas in which Mr. Eaton has encouraged cooperation with the Soviet Union are in full accord with announced public policies of the Government of the United States.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. The fact that Mr. Eaton has seen fit to make adverse comment relating to the Federal Bureau of Investigation is not a statement in which I myself find any pleasure or which I can entertain any feeling of support.

Mr. DOUGLAS. Neither does the Senator from Illinois.

Mr. HUMPHREY. The Senator from Illinois made that abundantly clear.

But I surely feel that Mr. Eaton has a right to criticize whomever he wishes.

I think one of the real tests of American loyalty is whether one has the courage to be critical on occasion. Anybody can be a "yes-man." The danger in the United States is not from those who criticize, but from those who go along happily, and sometimes rather naively, accepting everything that is offered as if it were the truth.

This country was established by men and women who were willing to challenge existing authority. When one challenges existing authority in a peaceful and constructive manner, he is not engaging in anything which is unworthy of the American tradition or of our great American heritage. It was Voltaire who said:

> I disapprove of what you say, but I will defend to the death your right to say it.

Voltaire was one of the great philosophers of what we may well term the democratic freedoms. What Mr. Eaton has said is something with which many Americans will not agree. I suppose the vast majority of Americans do not agree with his statement relating to the FBI. Be that as it may, as one Senator, I shall defend his right to say it.

I do not think that any agency of the Government is immune from criticism. Surely if Members of Congress are not immune from criticism; if the Chief Executive of the Nation can take criticism, without his critics being called disloyal, or without any inference of their disloyalty; then, indeed, the Bureaus of Government—and I underscore the words "Bureaus of the Government"—can take criticism, even when it is not popular, or fair. In this instance, I regret that the criticism was as pointed as it was.

I associate myself with the Senator from Illinois, and congratulate him again upon his characteristic courage and his sense of personal integrity in these matters.

I greatly regretted reading in the press that the Committee on Un-American Activities in the other body was contemplating the issuance of a subpena to be served upon a distinguished, reknowned philanthropist, industrialist, and fine American citizen—and a man for whom I have great personal respect.

I believe the Government must be very careful how it exercises its power. We in the legislative branch frequently criticize the executive for what we call its abuse of power. Then we must be careful that we do not abuse the authority which we have. The best way to be careful is to exercise restraint—constructive, cautious restraint.

In this instance, I think it would be well, as the Senator from Illinois has said, for everyone to pause a moment and to consider the implications of the proposed action in terms of serving a subpena.

I hope not only that the subpena will not be served, but also that those who are in responsible positions will make it clear that in America there is room for disagreement; there is room for dissent; there is room for active debate.

In fact, not only is there room for them, but the American society requires them. We must preserve the three D's of democracy—discussion, debate, and dissent. If we lose any of them, the country will be placed in jeopardy.

I thank the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Minnesota. He has said exactly what I would have expected from him.

Mr. President, I ask unanimous consent that excerpts from editorials published in the New York Herald Tribune, the Washington Post, the New York World-Telegram and the Sun, and the Milwaukee Journal, all relating to the subpena, be printed at this point in the RECORD.

There being no objections, the excerpts from the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of May 21, 1958]

IS CYRUS EATON UN-AMERICAN?

In this capitalist Nation, few capitalists can equal Cyrus Eaton, of Cleveland, in the extent of the domain he dominates. In railroads he controls the Chesapeake & Ohio, in iron ore the famous Steep Rock Mines of Canada and vast deposits in Labrador, in steel the flourishing Portsmouth Steel Co., and in coal two major companies. He is a director of the Cleveland Electric Illuminating Co., and a trustee of the University of Chicago. He has risen quite far for a man who began life as a meter-reader for John D. Rockefeller's gas company.

It is rather comical to learn that Mr. Eaton has now been subpenaed before the House Un-American Activities Committee. Its chairman, Representative FRANCIS WALTER, Democrat, of Pennsylvania, apparently took umbrage at some recent comments of Eaton's which (1) urged an accommodation with the Soviets, (2) criticized the public adulation of the FBI as a dangerous tendency, in a free society, to glorify the police. Both points of view are defensible, and even if they were not, he has a perfect right to utter them.

We haven't agreed with many of Eaton's positions, but we think it is a very healthy thing, and a heartening affirmation of the pluralistic nature of our society, to have so wealthy a man taking such unorthodox and nonconformist positions. Go right on speaking your mind, Cyrus.

[From the Washington Post of May 22, 1958]

TYRANNY BY SUBPENA

The summoning of Cyrus Eaton by the House Committee on Un-American Activities is an act of tyranny which ought not to be tolerated by any free people. Mr. Eaton, a major industrialist and chairman of the board of the Chesapeake & Ohio Railway, expressed in a recent television interview some opinions critical in general of what he called Government "snooping" and in particular of the Federal Bureau of Investigation. In a television address on Monday evening attacking Mr. Eaton, Richard Arens, staff director of the committee, declared that

"Chairman WALTER recently signed a subpena for Mr. Eaton's appearance before the committee at an appropriate time."

The House of Representatives should mark well this abuse of the power which it has conferred on its Un-American Activities Committee. It is perfectly clear that Mr. Eaton was not subpenaed because the committee believes he has information which will help it in framing legislation; it is equally clear that he was not subpenaed because the committee values his advice. * * *

The effect * * * of this kind of reprisal is to inhibit free speech. It will not, of course, intimidate Cyrus Eaton; but it may well intimidate many others less eminent and less courageous. It is a kind of reprisal wholly outside the proper powers of any Congressional committee and wholly at variance with the United States Constitution. If other members of Mr. WALTER'S committee do not have enough good sense and understanding of American institutions to restrain their chairman and quash this outrageous subpena, then the leadership of the House of Representatives had better do it for them.

It is not necessary to endorse everything that Mr. Eaton says in order to defend his right to express his views. When Americans say with pride that theirs is a free country they mean, above all else, that Americans are free to say what they please about their Government—or about anything else—without fear of being called to account for their opinions by any governmental authority.

[From the New York World-Telegram of May 22, 1958]

THIS IS FREEDOM OF SPEECH?

The House Committee on Un-American Activities has subpenaed Cyrus Eaton, the Cleveland capitalist, to explain why he said that the Federal Bureau of Investigation and other Government agencies snoop too much on the American citizenry.

The committee counsel, Richard Arens, said Mr. Eaton was summoned because the Communists had seized on his remarks and were circulating them throughout the world to America's disadvantage.

So what? Perhaps Mr. Eaton's statement wasn't 100 percent sound, but he has a right to his opinion. He was wholly within his rights in exercising an old American prerogative—that of freedom of speech. If this right is denied or penalized, the Commies are quite capable of circulating that around the world, too.

If what Mr. Eaton has said makes us look bad abroad, that is regrettable. But his words couldn't make us look any worse than the foolish reaction of this House committee.

[From the Milwaukee Journal of May 21, 1958]

Cyrus S. Eaton is an industrialist and a rugged individualist.

He says what he thinks. His statements, whether you agree with them or not, are usually refreshing and often pungent.

Now, it appears that Mr. Eaton is to be hauled before the House Committee on Un-American Activities to answer for some highly uncomplimentary remarks about the FBI.

The ground for the summons is dangerous and absurd.

As the great dissenter, Justice Oliver Wendell Holmes, said:

"If there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought, not free for those who agree with us, but freedom for the thought we hate."

CONTROL OF ARMAMENTS

Mr. CLARK. Mr. President, recently the National Planning Association published a most helpful special committee report entitled "1970 Without Arms Control." That pamphlet in itself is well worth reading in its entirety. It points out the critical condition in which we find ourselves because of our inability to come to some understanding with respect to the international control of armaments.

In order that Members of the Senate may have an opportunity to have the benefit of a condensation of this most helpful report, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article entitled "Bomb Control Obstacles," which was written by Melvin K. Whiteleather, a very able reporter for the Philadelphia Evening Bulletin; and also an editorial entitled "Without Arms Control," which was published in the Washington Post of May 12.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Evening Bulletin of May 14, 1958]

BOMB CONTROL OBSTACLES

(By Melvin K. Whiteleather)

If the Russians are now prepared to start technical discussions on how to detect and control thermonuclear bomb testing, the world will be in for more shocks.

Bomb testing is but one phase of an arms question that is terribly complicated and riddled with unknown quantities. Because testing has been so highly publicized, laymen have the idea that once ways are discovered to detect bomb blasts, the arms control problem will be licked. That is not so, as an international investigation of the technical feasibility of controls most certainly would reveal.

For one thing, weapons developments are proceeding at such a fast rate that any control schemes decided upon now would soon be obsolete. A National Planning Association study of arms control made by 25 experts in armaments, physical sciences and international politics brings this out in a notable contribution to an understanding of what is involved in the attempt to find security in detection, controls, checks and so on.

With each day that passes, controls become more elusive. Enforcement would have been simple back in 1946 through control of raw materials, but that is no longer the case. And as the NPA report finds, the inspection problem will be intensified with development of subversive and unconventional methods of warefare, such as suitcase atomic weapons or bombs and devices for toxicological warfare, and the use by ever more and more countries of nuclear weapons. The more countries involved, the harder it will be to identify sources of attack.

Separating missiles from other pips that appear on radar screens in not always possible, and when in another decade the extreme warning period is expected to be no more than a quarter of an hour, delegation of the decision to retaliate will go to lower echelon officers. There will be no time for consultation with high government officials, and this will multiply the risks of warfare through mistake or accident.

The NPA report makes an observation about clean bombs which are so much in the news, since the Atomic Energy Commission insists it needs to continue testing to develop such bombs. We have been told that great advances have been made in this direction, and that our bombs are now 96 percent clean. The report says this:

A 10-megaton weapon which derived 96 percent of its energy from fusion and 4 percent from fission—that is, a 96 percent clean bomb—would release the same amount of dirty fission fragments produced by 20 Nagasaki-size fission bombs.

That gives some idea of how clean these so-called clean bombs really are.

Just how our proposal for Arctic aerial inspection would give the United States full protection has been somewhat puzzling. It might work against bombers, but what about missiles? The latter can be fired from outside the inspection area, and even if properly identified, travel faster than the time it would take to intercept them. The NPA report observes that to see an ICBM nose cone at the distance required to take effective counteraction has been said to be as difficult as seeing a golf ball with the conventional defense radar at a distance of several hundred miles.

Given proper identification and the time to react, there is the further problem of how to destroy the nuclear warhead so that it will do no damage below. This would have to be done, according to the NPA study, at a height of 50,000 feet. Antimissile missiles, on which the Atomic Energy Commission is also working hard, will have to be designed so they will not set off the nuclear warhead on contact.

When ICBM's become available in quantities, the NPA experts say it will then be possible for an aggressor to make saturation attacks with full likelihood that one or more missiles, which would be enough, will hit the target.

Such are some of the complications that make arms control in this nuclear age akin to chasing the pot of gold at the end of a rainbow. And the NPA study concludes that there is no reason to be optimistic that defense will keep up with offense in the decades ahead.

[From the Washington Post of May 12, 1958]

WITHOUT ARMS CONTROL

Any tendency to regard the arms control deadlock with the Soviet Union as hopeless needs to be measured against the sure knowledge that the longer some start is delayed the more difficult effective control becomes. That is the essential meaning of a new report by an expert committee of the National Planning Association, 1970 Without Arms Control. The report is probably the most intensive nonclassified examination of the problem yet published, and it is undeniably gloomy.

Projecting the development of weapons systems on both sides, the study notes the increasing protection problems with submarine-based missiles, "suitcase" bombs and toxicological warfare; with the spread of nuclear weapon capability to additional countries, making identification of the source of any attack far more doubtful; with the use of space for military purposes, particularly surveillance. The development of new weapons systems, barring some fundamental change in the strategy of deterrence, will necessitate huge numbers of new defensive weapons—and the danger to humanity will grow with the concept of automatic retaliation which may eliminate all discretion. Of interest in the clean weapon controversy, the report asserts that a 10-megaton weapon 96 percent clean would still produce 20 times the radioactive fallout of the atomic bomb dropped on Nagasaki.

Since the study is concerned with depicting the problem rather than with furnishing specific answers, it makes no very concrete recommendations except for the establishment of a scientific advisory committee in the United Nations to keep abreast of the expanding technical problems of arms control. This would be useful, although it seems apparent that direct negotiations between the Western nuclear powers and the Soviet Union offer the most immediate chance of a start. Especially significant in this connection is the study's observation that a dis-

armament agreement can be worse than useless unless it provides for safeguards against violations and unless it effectively assures national security. Its purpose is to diminish, not increase risks. However, it would be grossly unrealistic for any nation to assume that no risks inhere in the present situation. [There are too many risks in the present situation to rely on a leisurely pursuit for perfection] in the vaguely distant future. Indeed, each year's delay sees further developments of military technology which, in turn, makes a fair and workable agreement harder to reach. (Matter in brackets ours.)

It is this compelling point of increasing difficulty that, in our judgment, makes so barren the all-or-nothing approach taken by Chairman Strauss of the Atomic Energy Commission and those who share his views. In his talk at the National Press Club on Thursday, Mr. Strauss really did very little more than expose his secrecy mania; despite the past boasts of publicity on American nuclear tests, precise times of approximately half the tests in the current Pacific series will not be disclosed because it might give too much information to the Russians. Meanwhile Mr. Strauss argues for continued testing to perfect more sophisticated weapons. There may be plausible reasons for this under some sort of limitation; but the undeniable fact is that both the continuation and the refusal to announce tests adds to the ultimate difficulty of control.

No one needs to emphasize that the Russians have been recalcitrant. But they have offered, in connection with their own suspension of nuclear tests, to accept some sort of inspection. It seems to us incredible foolishness for the administration not to take up this offer, in a realistic proposal of its own, as a means of getting inspection started. As the debate continues in the administration, the National Planning Association study of the consequences of doing nothing would make extremely pertinent reading.

AID TO INDIA

Mr. CLARK. Mr. President, on previous occasions I have taken the liberty of commending very strongly the position taken by the junior Senator from Massachusetts [Mr. KENNEDY] and the senior Senator from Kentucky [Mr. COOPER] with respect to aid to India. I am most happy to note that the position taken by these two fine Senators has been supported by the Foreign Relations Committee, and that adequate aid to India is now provided in the pending mutual security bill.

In order that my colleagues may have an opportunity to read a most helpful comment on this subject, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a newspaper article entitled "Kennedy-Cooper Proposal for India Could Bring Democracy Key Victory"; and in that connection I point out that the word democracy, as used in the headline, is used in a nonpartisan sense. The article is a syndicated one which was prepared for the North American Newspaper Alliance.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KENNEDY-COOPER PROPOSAL FOR INDIA COULD BRING DEMOCRACY KEY VICTORY—REDS LURKING TO POUNCE IF INDUSTRIALIZATION PROVES FAILURE

(EDITOR'S NOTE.—The writer, professor of economic history at Massachusetts Institute of Technology and a staff member of the Center for International Studies, is an expert's expert. He is a coauthor of The Dynamics of Soviet Society, the Prospects for Communist China, and A Proposal: Key to an Effective Foreign Policy. He is a Yale graduate and brother of Prof. Eugene V. Rostow, dean of the Yale Law School.)

(By W. W. Rostow)

CAMBRIDGE, MASS.—When they come to 1958, historians will have plenty to write about. This has been a year of missiles and earth satellites, of economic recession, of debate on how to reorganize the Pentagon. It has been a year when the market for big cars caved in, and when the Giants and Dodgers opened on the west coast. It will shortly become a year of noisy Congressional elections.

Historians may judge, however, that the most important issue of 1958 was whether or not an amendment to the Mutual Security Act, proposed by Democratic Senators JOHN KENNEDY, of Massachusetts, and JOHN SHERMAN COOPER, of Kentucky, did or did not get through Congress.

This amendment concerns India. It does not require any additional appropriation of money this year. Nevertheless, the passage or failure of passage of this amendment will have important historical consequences. It will affect the outcome of the Indian second 5-year plan and with it, the fate of the democratic process in the world's largest democracy. It will affect the outcome of the ideological race between Communist China and democratic India, and the struggle between communism and democracy throughout Asia, the Middle East, and Africa. It will even strongly influence future relations between the United States, its western European allies, and Japan.

What have the Senators proposed? Why should it have any such grandiose significance?

INTERNATIONAL COOPERATION LOANS

The amendment is simple enough. It would be an expression of Congress that the industrialization of India under political democracy is in the interest of the United States; and that the executive branch of the Government should initiate negotiations looking to the long-term international support of the Indian effort.

Specifically, Senators KENNEDY and COOPER have suggested that a group of men of the stature of John McCloy (board chairman of the Chase Manhattan Bank) and Sir Oliver Franks (former British Ambassador in Washington) should go to India, sit down with responsible members of the Indian Government, and work out what would be required in the way of long-term loans for the success of the Indian industrialization effort.

On the basis of such information they would work out an arrangement in which Japan, the countries of Western Europe, Canada and the United States would share in providing the loans (and technical assistance) necessary to do the job. The American share in this international arrangement would come before Congress for approval next year.

This straightforward proposal is, nevertheless, packed with high drama, for both the Indian second 5-year plan and Indian democracy stand at a critical point.

PROGRESS MADE

Economically, much progress has been made. The first 5-year plan (1952–56) raised the Indian national income by nearly 18 percent, outstripping the rise in population and giving the Indian people a sense of hope and of forward momentum. This first phase of the Indian effort concentrated on raising food production. The second 5-year plan aims to take a decisive step toward the industrialization of India which, in the long pull, is necessary if the low standard of living is to be raised.

At the moment the second 5-year plan—now near the close of its second year—is in grave danger. It has already been cut back and may have to be cut back further. And this could have the most serious political effects.

The reason for this cutback lies in 1 unfavorable and 1 extremely hopeful circumstance.

In part the plan is imperiled by poor harvests which reduced supplies of food available in India and forced the increased import of grain to prevent starvation.

But the major cause of the Indian foreign-exchange crisis is a startling and exciting fact: To everyone's surprise, the private-enterprise sector of the Indian economy has moved ahead so fast that it used up in less than a year and a half the foreign exchange allotted to it for a 5-year period.

The Indian Government now has been forced to ration foreign exchange to private enterprise. It did this because India must import large amounts of equipment for railroads and electric powerplants and other items it needs to build the framework within which an industrial system can grow. The competition for foreign exchange is not between capitalist and socialist sectors of the Indian economy. It is between the essential overheads for an industrial society and its manufacturing sector: between railway engines and machine tools.

FACE SLOWED

In the face of this conflict the Indian Government has been forced to slow down the pace of industrialization at a moment of great promise.

Meanwhile, the Indian Communist Party has been building its case on the claim that neither democracy nor Indian association with the United States and the West is capable of seeing India through the transition from an impoverished agricultural society to a modern industrialized one. Already the loss of momentum and morale has permitted the Indian Communists two major successes, one in the state of Kerala, the other in Bombay.

To the North the Chinese Communists, forcing the pace of investment in their police state, are making great industrial progress. But this progress is attained at the cost of collectivizing the peasant—who makes up about three-quarters of the Chinese population—and at the cost of relative stagnation in agricultural output.

If the Indian second 5-year plan should fail and the Chinese Communists should achieve substantial success—even at the cost of great human suffering—a billion human beings in the underdeveloped areas of the Free World, including the Indians, may well conclude that whatever its moral virtues, the technique of democracy and the diplomacy of association with the United States and the West are inappropriate for a country seeking to modernize its society.

On the other hand, if the well-balanced agricultural and industrial plan of India should succeed in the next 4 or 5 years, we will be able to confront the Communists in China and throughout the world with the fact that secret police and forced labor and starvation are not the necessary conditions for the modernization of an underdeveloped society; and that the method of consent at home and of association with the Free World abroad can do the job.

STAKES HIGH

If this can be demonstrated between now and, let us say, 1962, the last serious basis for the ideological appeal of communism will have ended; for while communism is largely discredited in the more developed parts of the world, many of the political leaders in Asia, the Middle East, and Africa believe, or half-believe, that only ruthless Communist methods can quickly bring about the changes necessary for a poor,

stagnant country to achieve steady economic growth and progress.

Even more is at stake, however, in the Kennedy-Cooper amendment. Its passage could contribute to the reconstruction of the North Atlantic Alliance and to the improvement of American relations with Japan. In part the regeneration of the North Atlantic Alliance must take a military form and must reflect a tightening of the common effort in the face of the expanding Soviet ability to deliver nuclear weapons with missiles. In part, however, the association between the United States, Western Europe, and Japan must be based on the creation of an effective alternative to colonialism.

A new basis must be found for relating the richer parts of the Free World to the aspiring peoples of Asia, the Middle East, and Africa. Such a new basis for association may include anticommunism; but it must also involve effective long-term aid in loans and technical assistance to those underdeveloped areas which seriously wish to develop their economy.

NEED CRITICAL, URGENT

India is clearly the place to start. Not only is India's need critical and urgent, but India represents 40 percent of the total problem; that is, some 400 million of the 1 billion human beings who live in underdeveloped areas of the Free World live in India.

More than that, India's connection with the British Commonwealth and with the Colombo plan organization have already cleared the way for the kind of joint effort which is required.

Finally, the experience of setting up a cooperative international program in India could furnish a useful guide for a more general effort which might later embrace the rest of free Asia, the Middle East, and Africa.

In short, the enterprise proposed by Senators KENNEDY and COOPER gives the industrialized nations of the Free World the chance to give an essential new dimension to the Free World alliance, and to begin to define an alternative to colonialism around which the whole Free World could rally.

In a year of Congressional elections and of recession, at a time when the Nation is seeking also to get its military house in order in the face of a new, somewhat unexpected and lethal challenge, it would be understandable if the United States were to postpone taking the initiative in India, that Senators KENNEDY and COOPER propose. It would be understandable if we do this; but history is unforgiving.

The situation in India could disintegrate so fast that, by the time we next looked up, we could be confronted with a crisis where loans could not help much. This has happened before in recent times: In China, Egypt, Indonesia.

Both those who bear political responsibility in Washington and the American people as a whole, bear the heavy responsibility of moving now in relation to India and cutting down the risk that Communist purposes there—which hinge on the failure of the Indian industrialization program—confront us before long with a second China tragedy.

DISASTER LOANS TO SMALL BUSINESS CONCERNS INJURED BY CONDEMNATION PROCEEDINGS FOR FEDERALLY AIDED HIGHWAYS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD the testimony I presented before the Small Business Subcommittee of the Senate Committee on Banking and Currency, when it was considering my bill (S. 3434) on amendment and extension of the Small Business Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY ON S. 3434 BEFORE THE SMALL BUSINESS SUBCOMMITTEE, BANKING AND CURRENCY COMMITTEE, UNITED STATES SENATE, MAY 23, 1958

Mr. Chairman, I wish to express my appreciation to you for being afforded this opportunity to testify on my bill, S. 3434, which is among the bills presently being considered by this subcommittee in its deliberations on the amendment and extension of the Small Business Act.

S. 3434 would amend the Small Business Act by providing disaster loans to small business concerns which suffer economic injury due to condemnation proceedings under federally aided highway construction programs.

The States Highway Commissioner of the State of Minnesota, L. P. Zimmerman, brought to my attention the fact that many small businesses have been forced to move due to condemnation proceedings in connection with federally aided highway construction programs, and as a result thereof many such businesses have suffered severe economic injury.

In view of the interstate highway construction program now underway, this is a problem which will be affecting more and more businesses in the years ahead. It has been estimated that as many as 50,000 businesses may be forced to move from their current sites in the next few years as a result of such construction.

It is, of course, true that when property is condemned the owner is entitled to just compensation. But it is a difficult question as to what just compensation is in a particular case—especially when it is business property. As pointed out in a recent newspaper article on this very subject:

Sometimes this can be very tough indeed on the person whose property is taken, especially if it is a business property. For the courts rarely allow appraisers to take into consideration such items as loss of goodwill, costs of moving the business to a new location, or loss of profits occasioned by the move or the inability to start over again. (Condemnation Evolves as Hot Public Issue, by Phil Yaeger and John Stark, Washington Star, February 14, 1958.)

To the businessman who suffers a severe economic hardship as a result of being forced to move, it is just as great a catastrophe as destruction of his property due to floods or other natural disasters.

It seems to me that a businessman who suffers such an economic injury should be entitled to receive a disaster loan from the Small Business Administration just as he can under present law if he suffers an economic injury due to natural catastrophes such as floods or droughts. The injury suffered—due to natural causes or action of the Federal Government—is in either case beyond the businessman's control.

It should be emphasized that such disaster loans as are proposed in S. 3434 would only be given when the SBA determined that actual economic injury was suffered by a business. My bill does not propose that all businesses forced to move under such construction programs automatically qualify for disaster loans.

In my opinion, it is an obligation of the Federal Government to provide low-interest long-term loans to small business concerns which suffer economic injury due to the action of the Federal Government itself.

For these reasons, I respectfully urge that this subcommittee favorably consider S. 3434.

WE OUGHT TO KNOW MORE ABOUT CANADA

Mr. HUMPHREY. Mr. President, since 1939, a delegation of the St. Paul-Minneapolis Committee on Foreign Relations has carried on an exchange program with the Canadian Institute of International Affairs, for the purpose of discussing foreign-affairs problems of mutual interest. These exchange meetings have been, of course, mutually beneficial.

The last such meeting is discussed in an article written by Wilbur Elston, a member of the editorial page staff of the Minneapolis Tribune; and it was published in that newspaper on May 11, 1958. In his article, entitled "We Ought To Know More About Canada," Mr. Elston writes of the need for better understanding between Americans and our Canadian neighbors.

Mr. President, in view of the recent discussions in the Senate Foreign Relations Committee on United States-Canadian relationships, I ask unanimous consent to have this very fine editorial printed at this point in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE OUGHT TO KNOW MORE ABOUT CANADA

(By Wilbur Elston)

Relations between Canada and the United States have been deteriorating in recent years. For that reason, many people have welcomed the news that President Eisenhower and Secretary of State Dulles and their wives will visit Ottawa in July.

Undoubtedly, there are dissatisfactions in Canada with the United States and with Americans. Some of it arises from the tremendous amount of American capital invested in Canada. Some of it stems from our failure to take Canada into consideration when we adopted such policies as our wheat surplus disposal plan. Some of it results from our restrictions on Canadian goods we import. Some of it comes from the irritating American habit of taking the Canadians for granted.

Yet Canadian irritations with the United States are seldom displayed to American visitors in Canada. The Canadians seem to like us as individuals and to many Minnesotans our friends just north of the border appear to be more friendly—and more similar to us—than Americans who live along the eastern seaboard.

A delegation from the St. Paul-Minneapolis Committee on Foreign Relations certainly had no cause to complain about Canadian hospitality—except perhaps that it was excessive—when in Winnipeg for a joint meeting with the Winnipeg men's branch of the Canadian Institute of International Affairs last weekend. These exchange programs, for the purpose of discussing foreign affairs problems of mutual interest, have been going on since 1939. They have contributed to much better understanding and appreciation of the Canadian point of view by the Twin City participants—and vice versa.

It is obvious, however, that much more needs to be done in this area. For any American visiting Canada will have to admit that the average Canadian knows much more about what is going on in the United States—in politics, entertainment, business and other fields—than the average Americans knows about Canada.

A special Congressional study mission composed of Representative BROOKS HAYS,

Democrat, of Arkansas, and Representative FRANK M. COFFIN, Democrat, of Maine, last week blamed the deterioration in Canadian-American relations on America's lack of information about Canada. They urged newspapers and press associations to provide more and better news coverage of what is going on in Canada. And they recommended other moves to increase the flow of information.

The Congressmen said that it often appears to our Canadian cousins that Americans do not desire to learn anything concerning Canada and its problems. This may be true of the average American—and we think it is—but obviously many American businessmen have learned a good deal about Canada or they would not be doing so much business or investing so heavily there.

A royal commission on Canada's economic prospects recently found that 60 percent of Canada's domestic exports went to the United States in 1955, as contrasted with only 18 percent to the United Kingdom, 8 percent to continental western Europe and 14 percent to all other countries.

It also reported that more than $10.2 billion of American capital was invested in Canada in 1955 out of a total nonresident investment of about $13.4 billion.

The huge American investment no doubt has contributed to the recent rapid growth of the Canadian economy, but it is only natural that the Canadians should be somewhat resentful of the fact that the development of their resources has often benefited Americans more than it has Canadians.

The Royal Commission found, for example, that the book value of Canadian companies in which a controlling interest is held in the United States accounted at the beginning of 1955 for 68 percent of the total investment in the petroleum industry, 51 percent in the chemical industry, 95 percent in the automobile and parts industry, and 45 percent in the pulp and paper industry.

It also is estimated that Canadians have a standard of living that is between 25 and 30 percent below that of the United States. While the Canadian standard of living still is well above that of the United Kingdom—and, indeed, probably is superior to that of every other nation in the world except the United States—there is still a substantial gap between the Canadian and American standards of living.

The Canadians, however, can point to the fact that their economy has been growing faster than ours has in recent years. In 1955, for example, Canada's gross national product amounted to 6.3 percent of that of the United States, whereas in the 1926–28 period the average was 5.6 percent.

Furthermore, a substantially higher proportion of income is being devoted to investment in Canada, investment has been increasing more rapidly in Canada and Canadas' population has been growing more rapidly because of a higher birth rate and a relatively higher flow of immigrants. Canada, indeed, contains the last real frontier on this continent.

All of these factors give the Canadians a good deal of satisfaction as well as hope for the future. It also may account for the greater independence being expressed by Canadian politicians although it is more accurate to describe Prime Minister Diefenbaker as pro-Canadian rather than anti-American. But as we look to the future, we can think of no better advise than that offered by the Royal Commission:

Such economic problems as may arise from time to time between the two countries would be eased, in our opinion, if more Americans could remember to think of Canada, not as a hinterland, but as a country. Canadians, for their part, while taking such action as may be necessary to provide the economic basis for the nation they are building in the northern half of the continent, would do well to recognize how much they have profited from having as neighbors a people so productive, so ingenious, and so capable of magnanimity.

INSPECTION FOR NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President, on Saturday, May 24, President Eisenhower sent to Soviet Premier Khrushchev a letter in which the President agreed to appoint a scientific team of experts on nuclear test suspension control. The President indicated that he thought the team headed by the United States and the team headed by the Soviet Union should meet in Geneva, Switzerland, within 3 weeks after learning whether the President's suggestion was acceptable to the Soviet Union. The President further stated that a preliminary report should be made within 30 days of the convening of the group, and a final report within 60 days.

This statement by our President is a commendable one, and I wish to congratulate him for it. It indicates, I believe, that the world may be one small step closer to an agreement to suspend nuclear weapons tests, with an inspection system to verify the suspension. Certainly the President's proposal should be acceptable to the Soviet Union. On May 9, Premier Khrushchev, in a letter to the President, stated that the Soviet Union was willing to enter into a discussion of the inspection system needed to check for violations of a test-suspension agreement, if beforehand there were agreements regarding the meeting arrangements. The President has found this Soviet condition reasonable; so now we await acceptance by the Soviet Union and the setting of a date for talks to begin.

Mr. President, this statement of the President's has also been commented on favorably by many of our leading newspapers. The New York Times refers to the letter as "an important step forward in the effort to secure progress toward ending nuclear tests."

The Washington Evening Star states that such a development,—as an inspection agreement for suspending nuclear tests—"If it materializes, will be encouraging as a first step—a little break that might eventually become very big—out of the dreary and deadly dangerous impasse in which the Soviet bloc and the Free World now find themselves.

Other supporting statements have come from the Philadelphia Inquirer, which calls the letter of the President an important and effective move, showing American willingness to discuss the problem of nuclear testing on the basis of agreed scientific facts any time the Russians are willing to go along."

And the Tampa Sunday Tribune indicates that the President "seemed to go out of his way to make the proposal appealing to the Russian official and that he also seemed anxious to move the situation off dead center."

Mr. President, I ask unanimous consent that at this point in my remarks the editorials to which I have referred be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 26, 1958]

TEST BAN CONTROLS

President Eisenhower's latest letter to Soviet Premier Khrushchev represents an important step forward in the effort to secure progress toward ending nuclear tests. Whether this progress will actually be achieved now depends on the Soviet Union. The President has made a concrete proposal for Soviet and American nuclear experts to meet shortly to reach conclusions on methods for detecting violations of a possible agreement to end these tests. Three outstanding American scientists have been named to participate in this proposed meeting. Premier Khrushchev agreed in his letter earlier this month that such a meeting be held. Now it is up to the Soviet Union to name its team of specialists and thus make possible this joint scientific study of the problems involved.

The President expressed the hope that the Soviet Union will name a team of technical experts so that "we get scientific not political, conclusions." We share the President's hope, but it would be futile to ignore the fact that in this case scientific conclusions may be highly charged with political overtones. To detect possible violations of a nuclear test ban, observers with appropriate instruments will have to be stationed at various points on the earth's surface, and particularly in both the United States and the Soviet Union. Techniques must be agreed upon which will guarantee these observers complete freedom to make their observations and then to communicate their findings to the world.

To political implications inherent in these technical needs are clear from yesterday's State Department appeal to the Soviet Union to end or reduce the two nations' present restrictions on travel within their borders by nationals of the other nation. The Soviet Union has insisted throughout the postwar era that large areas of its territory be closed to foreigners, and we have imposed similar restrictions here on Soviet citizens in an effort to create pressure for the ending of the Soviet restrictions. Can adequate policing of a nuclear test ban be possible without having the entire territory of both countries open to international observers and inspectors? Moreover, the problem is further complicated by the fact that it may be necessary for such policing to have observers spread throughout the world. If this is so, the problem of having inspectors in Communist China will also have to be faced and solved.

[From the Washington Evening Star of May 26, 1958]

OUT OF THE IMPASSE?

In view of his recent concession on the subject, there is some reason to hope that Premier Khrushchev will reply favorably to President Eisenhower's latest letter proposing an early meeting of technical experts to study ways and means of policing an international ban on nuclear testing. In any event, logic would seem to require such a reply. For the Soviet leader is on record as having declared that he and his government, "in spite of our serious doubts," are ready to "try out" the President's idea, "with the proviso that work should be completed in the shortest term agreed upon beforehand."

Taking due note of this condition, Mr. Eisenhower has suggested to Mr. Khrushchev that the proposed meeting begin at Geneva, Switzerland, "within 3 weeks of our learning whether these arrangements are acceptable to you." The arrangements would bring together distinguished experts (the State Department has already designated three outstanding Americans for the project) from the Soviet Union, Britain, France, the United

States, and a few other countries on both sides of the Iron Curtain. In the President's words, these men would be "chosen on the basis of special competence, so as to assure that we get scientific, not political, conclusions" from them regarding how best to safeguard against "possible violations of an agreement on the cessation of nuclear tests." Further, he would have them make "an initial progress report within 30 days after convening and to aim at a final report within 60 days. * * *"

This is a time schedule that seems reasonable enough to satisfy Mr. Khrushchev's call for a speedy completion of any technical study that may be undertaken. Certainly, if he responds promptly and affirmatively, it should be possible for the Communist and non-Communist experts—assuming that they work together in a genuinely scientific spirit—to arrive at firm conclusions and recommendations 3 months or so from now. That is to say, they should be able, within that period, to figure out the kind of policing machinery that would be needed (international observation posts and the like) to provide adequate insurance against the danger that a testing ban might be circumvented or violated through clandestine underground detonations—explosions that could be easily confused with natural earth shocks unless an effective system of inspection were operating.

Of course, even if Mr. Khrushchev assents to the President's proposal, and even if the Kremlin finally agrees to accept real international control over a stoppage of nuclear tests, only a small part of the tremendously complex problem of disarmament will have been dealt with satisfactorily. But such a development, if it materializes, will be nonetheless encouraging as a first step—a little break that might eventually become very big—out of the dreary and deadly dangerous impasse in which East and West now find themselves.

[From the Philadelphia Inquirer of May 26, 1958]

PRESSING THE RUSSIANS ON THE SUMMIT

Half a year ago, when the Russians began thumping their propaganda drums for a summit meeting, they seemed to have things all their way. Russia was in the position of eagerly desiring effective negotiations between East and West; the United States seemed to be holding pack.

But now the positions have shifted drastically, and President Eisenhower's latest note to Soviet boss Nikita Khrushchev emphasizes the change.

On the surface, Mr. Eisenhower's proposals for a meeting between scientists representing the West and those speaking for the Soviet bloc seem to be a long way from any heads-of-state conference to discuss the great problems afflicting the world.

The purpose of the scientists' session suggested by the President is limited. Three men of notable achievement in science from the United States would meet with similar experts from other countries to try to agree on just what measures would be necesary to supervise and control disarmament agreements.

President Eisenhower did not limit the question to checking an agreement to halt nuclear tests, as the Russians have proposed. But there is little doubt that the big question to be studied by the scientists would be detection of nuclear explosions which any nation might set off in violation of an agreement to suspend them.

Beyond those scientific matters, however, there is a broader question which this scientific get-together might answer: whether there is any ground for believing that the Russians are willing to discuss any issue, not on political or propaganda grounds, but on the basis of the most expert opinion of what the facts are.

Up to now, the Russians have balked at any honest attempt to narrow the issues between East and West and to agree at least on what the two sides are talking about. They announced they were stopping their own atomic tests, after a series of explosions which shot tons of radioactive material into the atmosphere, and asked us to suspend ours. But they wouldn't agree on any means of checking for secret tests.

Khrushchev's grudging concession a few weeks ago on a meeting of scientific experts may only have indicated that the Kremlin realized its negative stand on presummit exploration of the issues had backfired. But he did, at least, agree that such a meeting might be held.

President Eisenhower's proposal that the meeting be held in Geneva, Switzerland, and the State Department's designation of the three outstanding scientists who would represent the United States are effective displays of initiative.

Moreover's the President's suggestion that the sessions begin within 3 weeks, and that the scientists prepare a report on the technical aspects of inspecting disarmament agreements within 60 days puts it up to the Russians to make a definite answer without delay.

Even if Khrushchev should agree to the meeting, there would be plenty of obstacles. Mr. Eisenhower's pointed suggestion that Communist experts be chosen for their scientific competence shows his awareness of the danger that Russian scientists would be guided more by the party line than by the facts in their conclusions.

Thus the Eisenhower note is but one more move in the presummit chess game. But it is an important and effective move, showing American willingness to discuss the problem of nuclear testing on the basis of agreed scientific facts any time the Russians are willing to go along.

Khrushchev can keep talking about the summit without doing anything to get there. But if he really wants to take effective steps toward top-level negotiations between East and West, President Eisenhower has shown him where to begin.

[From the Tampa Sunday Tribune of May 25, 1958]

MOVING OFF DEAD CENTER

Mr. Eisenhower's new letter to Soviet Premier Nikita Khrushchev is a determined effort to get the Russians to take another step toward scientific talks at Geneva on plans for policing a possible world ban on nuclear weapons tests.

In tone, the note is friendly and conciliatory. It is also positive and constructive, qualities which have been conspicuous by their absence in some of the recent letters exchanged by the leaders of the most powerful countries of the West and East.

Basically, the President's letter is an acknowledgment of Khrushchev's acceptance on May 9 of one small portion of a series of American proposals for international agreement on nuclear disarmament and inspection systems. The Russian leader accepted only the suggestion that technical studies be held to determine methods for detecting possible violations of an agreement on cessation of nuclear tests.

In taking the positive tack, Mr. Eisenhower urged Khrushchev to agree to a meeting of nuclear scientists within 3 weeks. He followed it up by naming a three-man team of top United States scientists who, he said, have no connection with politics, to meet with a group of Soviet experts.

At the same time, the White House said that additional expert scientists for the Western side might be contributed by Britain, France, Canada, and possibly other countries. This leaves the way open for Russia to bring in experts from such countries as Poland, Czechoslovakia, and Communist China if it chooses to do so.

One of the significant points about the Eisenhower proposition is that it is not hedged with severe restrictions. On the contrary, the President, in the brief and personal note, seemed to go out of his way to make the proposal appealing to the Russian official. He also seemed anxious to move the situation off dead center.

In answer to Khrushchev's comment in a previous communication that the Western nations might stall and delay progress on any substantial agreement, Mr. Eisenhower said the scientific experts could meet within 3 weeks if the Russians were agreeable, make an initial progress report within 30 days and aim at a final report within 60 days or as soon thereafter as possible.

How can Moscow now refuse to move forward with the new American proposal for broad-scale technical discussions on means of enforcing disarmament agreements, including a ban on nuclear test explosions.

Certainly Mr. Eisenhower has demonstrated he is entirely sincere in hoping for constructive accomplishments. His sincerity invites an equal sincerity in Moscow. If the Russians are willing to enter the technical discussions with a similar purpose of attaining concrete results, substantial progress toward an accord on the suspension of nuclear weapons tests might well follow during a later conference at the summit.

Mr. HUMPHREY. Mr. President, these editorials are an indication that the Nation agrees with the President's decision. The editorials also reflect a point of view which I have held, and have been urging the President to consider—that is, the separation of the proposal for test suspension with inspection from the other proposals in our disarmament package.

If the Soviet Union agrees to hold talks on an inspection system, then it seems to me the United States has no course but to negotiate with the Soviet Union on a test ban. To refuse to do otherwise would be to make the President's constructive proposal a meaningless gesture, for what is the reason to discuss inspection for a test suspension if we do not wish to negotiate on the subject?

The only justification for a refusal by the United States to negotiate, after the report is submitted by the two groups of experts, would be a refusal of the Soviet Union to agree to effective inspection. The word "effective" is the key to whether a test suspension would be possible.

We must assume that in calling for technical groups to study inspection, our Government is satisfied that verification of a test-suspension agreement would be possible. It would be unthinkable, and also hypocritical, for the United States ever to propose a measure, and then to declare that inspection for verification was not possible. Therefore, it seems reasonable to assume that the President has satisfied himself that inspection can be effective. I say this, although the administration has not studied the inspection problem to the extent that I believe it should have. It had not studied in detail the problem of underground nuclear testing. For that reason, I undertook, as chairman of the Disarmament Subcommittee, to obtain information on this point from reliable seismologists throughout the country. For that reason, I also wrote to the President, on May 16, and offered to him, to Dr. Killian, and to others who are con-

cerned with this problem, the results to date of the subcommittee's study. Testing underground is the most important aspect of detecting and identifying such tests. Tests on the surface or low in the atmosphere can be detected quite easily; and tests in high altitudes promise not too much difficulty in the way of detection, although some more work must be done on this problem. But testing underground does present problems, and this will be the most important point which our experts must discuss with the Soviet scientific representatives.

Mr. President, I shall speak further on the subject of inspection for a test suspension. But I wanted to make these few remarks today.

I ask unanimous consent to have printed in the RECORD the text of a release I made on my correspondence with the President about the material of the Disarmament Subcommitee on the detection of underground testing.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY OFFERS PRESIDENT VITAL DATA ON NUCLEAR TEST INSPECTION

Senator HUBERT H. HUMPHREY, Democrat of Minnesota, revealed today that he has made available to the White House the replies of over 20 seismologists to a questionnaire of the Disarmament Subcommittee on the detection and identification of underground nuclear testing.

Senator HUMPHREY, chairman of the Disarmament Subcommittee, released correspondence with the President on May 16 and 19 in which he urged the President to find out whether the Soviet Union is or is not willing to agree to a supervised test suspension, and expressed the eagerness of the Disarmament Subcommittee to cooperate with the executive branch on the most vital and complex question of arms control.

"I believe that Dr. Killian would find the answers to the questionnaire of considerable use in his work on devising an inspection system for a nuclear test suspension," Senator HUMPHREY wrote. "If he or any of the members of his Committee wishes to see these replies I would be pleased to send them to the White House."

Senator HUMPHREY indicated that the replies to the subcommittee's questionnaire from about 25 leading seismologists throughout the country would be published along with a staff summary and analysis of their content. The Senator made his offer to the President in view of the President's intention of setting up a scientific group to meet with Soviet scientists on the inspection system needed to verify a test suspension agreement, if this is also acceptable to the Soviet Union.

Senator HUMPHREY indicated that although he had not yet heard from the President directly, Dr. Killian has sent for the material mentioned in his letter.

Text of the correspondence follows:

MAY 16, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: It is my understanding that you are currently considering your reply to the note of Mr. Khrushchev of May 9. In that note Mr. Khrushchev agreed to one of your earlier proposals, namely, to establish a scientific group to study the inspection system necessary to assure that a nuclear test suspension was being observed.

I am writing this letter to urge you to pursue this apparent change in Soviet policy so that we may find out whether the Soviet Union is or is not willing to agree to a supervised test suspension. If an adequately inspected test suspension could be agreed upon, I believe it would be a meaningful but safeguarded first step toward slowing down the armaments race. It would help to relieve tension throughout the world, and it would reduce whatever risk to human health there may be in continued testing. It the Soviet Union would not accept the necessary inspection system, the Soviet unilateral test cessation and pleas for test cessation would be exposed as hypocritical and deceitful.

The main purpose of this letter is to inform you of the availability of replies to a questionnaire sent by the Subcommittee on Disarmament to some 37 seismologists. The questionnaire dealt with the detection of underground nuclear explosions and the inspection system needed to verify a test suspension agreement.

Our analysis of the replies to this questionnaire is not yet complete. However, I believe that Dr. Killian would find the answers to the questionnaire of considerable use in his work on devising an inspection system for a nuclear test suspension. If he or any of the members of his Committee wishes to see these replies I would be pleased to send them to the White House.

The Disarmament Subcommittee is eager to cooperate with the executive branch on this most vital and complex question of arms control.

Respectfully,

HUBERT H. HUMPHREY.

THE WHITE HOUSE,
Washington, May 19, 1958.

DEAR SENATOR HUMPHREY: For the President, it is a pleasure to acknowledge your May 16 letter requesting an inspection system for a nuclear test suspension, and to assure you that you will be further advised at an early date.

With kind regard.

Sincerely,

BRYCE N. HARLOW,
Administrative Assistant
to the President.

DISARMAMENT

Mr. HUMPHREY. Mr. President, more and more organizations and groups throughout the United States are devoting study and discussion to the problem of dirarmament. Some few years ago the number of organizations with stated positions on this subject were extremely few—perhaps no more than several dozen. But today, the situation has changed; and people are beginning to realize that the arms race is a futile one. They know we must have sufficient military strength to defend ourselves and to be able to keep our international commitments. But many of our citizens are demanding greater attention to halting the arms race by our Government and by the Representatives the people have sent to the Congress.

The position on nuclear weapons tests of three leading organizations were sent to me recently. One is the Woman's Division of Christian Service of the Board of Missions of the Methodist Church, which advocates an agreement to suspend nuclear weapons tests for a trial period and under proper inspection safeguards. The Woman's Division also urges the creation of a group to work out additional disarmament steps.

I digress to note that practically every single organization today that comments at all upon the disarmament question, or comments in any way upon the question of test suspensions or the ban of nuclear tests, also includes, fortunately and properly, within its resolutions or comments the imperative necessity of an adequate and an effective inspection system. I really believe that the work of our Subcommittee on Disarmament and of spokesmen in private and public life on the subject of disarmament has begun to take hold in the American community. People are thinking much more sensibly, much more constructively, and much more reasonably about the whole subject matter of disarmament and the importance of an adequate inspection and detection system.

Mr. SYMINGTON. Mr. President, will the able Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I congratulate the Senator from Minnesota on the fine work he has done as chairman of the Subcommittee on Disarmament. It is one of the outstanding accomplishments since I have been in the Senate.

Does not the Senator agree with me that we should do everything possible to obtain nuclear test cessation, provided we do not do so on a unilateral basis.

Mr. HUMPHREY. I surely do. I wish to repeat that the Senator from Missouri has been a clear and powerful voice to the American people in terms of educating and informing them of the importance of an inspection and detection system within the entire disarmament subject matter.

As the Senator knows, it is the key to the problem. Sometimes we have had a little difficulty in getting the people to understand it. Too many times editorial writers and spokesmen talk about disarmament or test suspension without placing the emphasis which is needed upon the scientific development of an adequate and effective inspection system which can replace the quality known as trust, because we simply cannot trust; we have to rely upon inspection.

Mr. SYMINGTON. I know the Senator agrees that we should not be penalized for our consistent and persistent efforts to find an adequate method of test cessation. We should be penalized for not being willing and anxious to pursue test cessation, but only with the premise of an inspection system which would mean it was not unilateral disarmament on our part.

Mr. HUMPHREY. The Senator is correct. In fact, criticism should be directed against those who recommend unilateral disarmament without an inspection system. Then we would really be the targets of justifiable criticism.

Mr. SYMINGTON. I thank the Senator. Let me say again it has been a great privilege to work with him on the Disarmament Subcommittee.

Mr. HUMPHREY. I thank the Senator.

The second organization which I wish to mention is the United World Federalists. This group has also taken a position urging an agreement to suspend nuclear weapons tests, along with the establishment of a U. N. inspection agency to verify that the agreement was being observed.

I also note that this splendid organization met in annual convention in Minneapolis, Minn. It adopted very constructive resolutions, which I shall later place in the RECORD, when the officers of the organization make them available to me.

It was my privilege to be one of several persons who addressed the United World Federalists Conference. I found the audience and participants to be men and women not only dedicated to the cause of a just and enduring peace, but to be very alert, intelligent, and constructive in their approach.

The third organization is the National Council of Jewish Women. The council wrote to the President to "proclaim to the world our Government's forthright stand in support of a halt to the testing of nuclear weapons" and to propose immediately "an inspection system to maintain this suspension."

Mr. President, I compliment and commend the National Council of Jewish Women upon their thoughtful and constructive resolution and proposal.

I ask unanimous consent to have printed in the RECORD the statements of these three organizations on the suspension of nuclear weapons tests.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

WOMEN'S DIVISION OF
CHRISTIAN SERVICE OF THE BOARD OF
MISSIONS OF THE METHODIST CHURCH,
New York, N. Y., May 12, 1958.

The Honorable HUBERT H. HUMPHREY,
Chairman of the Senate Subcommittee on Disaramament, Senate Office Building, Washington, D. C.

MY DEAR SENATOR HUMPHREY: The women's division of Christian service of the Methodist Church considered the question of suspension of nuclear testing during its recent executive committee meetings. This group, which is the policy-making and administrative body for nearly 2 million Methodist women, has registered the opinion that it is important at this time, both for practical reasons and for the effect on world opinion, to separate the question of cessation of nuclear tests from other matters of disarmament. It is our opinion that proper safeguards can be insured and that the matter can properly be dealt with as a first step toward disarmament.

While we are keenly aware of the Nation's need to guard its security, we are also much concerned about the moral questions involved in continued testing and of the tremendous fear accompanied by some measure of distrust which has been aroused in countries like Japan.

For these reasons, the women's division of Christian service is anxious to see such measures as these suggested in Mr. Harold Stassen's proposals adopted:

1. Agreement to suspend tests for a trial 2-year period.

2. Establish a United Nations' inspection agency.

3. Install inspection posts inside and outside the United States of America and U. S. S. R.

4. Create a group to work out additional disarmament steps.

We are convinced that this four-step plan, or something similar, offers one of our best hopes at the present time.

Yours sincerely,

SADIE W. TILLMAN,
Mrs. J. Fount Tillman,
President.

TEXT OF UWF TELEGRAM TO PRESIDENT EISENHOWER

DEAR PRESIDENT EISENHOWER: When in a time of crisis over a year ago, you said, "There can be no peace without law," you spoke the most compelling truth of our age.

At this particular time many people in many parts of the world believe a nuclear test suspension offers a promising first step.

Although the physical and moral danger in which we find ourselves is well nigh intolerable, any separate measure to reduce the arms race involves grave risk. However, the risk will be minimized if a single step is not regarded as an end in itself, and if it facilitates taking additional steps promptly.

Therefore, we urge you, Mr. President, to delay no longer in negotiating a nuclear weapons test suspension based on the following four points:

1. A 2-year agreement by the big two to suspend tests from the date of treaty ratification by both nations.

2. Creation of a U. N. inspection agency.

3. Installation of inspection posts inside the United States and Russia with scientific instruments to verify the end of testing.

4. Setting up of a negotiating group to work on additional disarmament steps during the 2-year period.

We attach particular importance to the opportunity this proposal affords to initiate a United Nations inspection system within the major nations, as you have repeatedly advocated. If the expressed Soviet willingness to accept this inspection can be realized, it would represent so advantageous a breakthrough in one of the most difficult, yet essential, aspects of disarmament as to outweigh the considerations which have so far deterred our Government.

We believe that the sane alternative to surrender to Soviet domination, or suicide in an atomic war, is to invest the United Nations with the power of world law to enforce world peace with justice for all.

This will require the disaramament of all nations under U. N. authority, the substitution of an effective U. N. police force for the common security, and U. N. courts and arbitral tribunals for the prompt and just settlement of international disputes by peaceful means.

We recognize that it will take time to develop world political and legal institutions adequate to the challenge of modern science and technology. Nevertheless, we are convinced that a clear and sincerely declared intention to pursue this objective to the end will determine what practical action can be taken now, and must define our course in the future.

As the goal is comprehensive, many paths may lead to its attainment, and none should go unexplored that offers hope of some progress, however slight.

Sincerely yours,

DONALD HARRINGTON,
President, United World Federalists, Inc.
APRIL 21, 1958.

NATIONAL COUNCIL
OF JEWISH WOMEN, INC.,
New York, N. Y., April 23, 1958.

The PRESIDENT,
The White House,
Washington, D. C.

MR. PRESIDENT: The National Council of Jewish Women urges you, in the interest of the peace and security of the world and the leadership of the United States, to meet directly the great fear of nuclear weapons testing that torments the world. We urge you, in the name of the United States, to:

1. Proclaim to the world our Government's forthright stand in support of a halt to the testing of nuclear weapons.

2. Immediately propose an inspection system to maintain this suspension.

3. Propose the immediate convening of the United Nations Disarmament Commission to achieve quick agreement on an inspection system to halt nuclear weapons testing throughout the world at the earliest possible moment.

We are writing to you, Mr. President, in a mood of despair and urgency created by our conviction that the American people are losing faith in themselves because they are losing faith in their ability to act as leaders in the world.

This would be tragic if it were to continue. Our loss of national self-confidence has been highlighted most recently by our frustration and sense of inadequacy when the Soviet Union made its gesture of stopping its nuclear weapons testing without inspection. There is the feeling on the part of many Americans that the world is being offered no alternative to Soviet leadership.

Has the world no alternative, Mr. President? Have we the American people no alternative? Must the United States, too, follow Soviet initiative and succomb to Soviet leadership?

We of the National Council of Jewish Women believe that the United States has other steps to take, other action which it must effect immediately so as to assert its leadership to its own people and to the world. We believe that the three points enumerated in our letter above indicate the general course that the United States must take at once. We believe that in following out this course the United States will be strengthening the cause of peace and security by originating action to end the dangers of nuclear weapons testing in the world and thus end the danger to future generations of atomic fallout.

The American people and the world look to United States advocacy of a halt to testing and of an inspection system to protect such an agreement as the only hope of a world in mortal fear.

We earnestly hope, Mr. President, that you will see fit to use your great office to implement United States Government action along the lines we have indicated. We believe that in so doing, you will be extending United States leadership in the world in its best and greatest sense.

Respectfully yours,

Gladys F. Cahn,
Mrs. MOISE S. CAHN,
President.

Mr. HUMPHREY. Mr. President, among other articles and editorials on various aspects of the problem of arms control, and worthy of special mention, is an article entitled "How the Arms Race Can Be Checked." It appeared a few weeks ago in the Reporter magazine, and was written by a brilliant young Air Force Reserve officer, Richard S. Leghorn. Mr. Leghorn is also president of the ITEK Corp., and chairman of the National Planning Association's special project committee on security through arms control. Mr. Leghorn points out that "it is no longer good enough to blame arms-race problems on communism alone" and that "it is also true that the arms race, once begun, is in part self-generating."

Mr. Leghorn makes some novel suggestions in this article. He calls upon science to help devise ways to slow down the arms race in addition to accelerating it. For example, he suggests that new scientific disciplines, such as operations analysis, war gaming techniques, and systems engineering might be used in arms control matters. Another device would be an inspection satellite. I have been similarly interested in such devices, and on several occasions have urged

priority be given to the development of a reconnaissance space satellite.

Mr. Leghorn also points out that at present there are several important groups devoting fulltime to speeding up the arms race—the Rand Corp., the Army Operations Research Office, and the Defense Department's Institute of Defense Analyses. Why cannot we, says Colonel Leghorn, organize one such group to be concerned with checking the arms race? He is right. We need to have Government, as well as private efforts, devoted to studying this complex but, nevertheless, vitally important problem.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the full text of Mr. Leghorn's article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE ARMS RACE CAN BE CHECKED

(By Richard S. Leghorn)

Two centuries ago Benjamin Franklin demonstrated the important role a scientist can play in public affairs. His awareness of the problem that still confronts us is shown in a letter he wrote to Joseph Priestley:

"It is impossible to imagine the height to which may be carried, in a 1,000 years, the power of man over matter. We may perhaps learn to deprive large masses of their gravity, and give them absolute levity, for the sake of easy transport. O that moral science were in as fair a way of improvement, that men would cease to be wolves to one another."

The Franklin example of a dedicated scientist-statesman was, unfortunately, almost unique in our Republic until the Second World War brought its Comptons, Bushes, and DuBridges. The recent appointment of the respected Dr. Killian to responsibilities at the summit of our political life is the latest example of the resumption of the honorable and exciting contributions of scientists to our public affairs that began with Franklin.

Mankind, already well into a second atomic decade, has now entered the first space decade. The conjunction of an intense ideological conflict with the rapidly accelerating pace of technological revolution has led to an entirely new sort of arms race. Coming to grips with this problem is surely the key issue that faces our scientist-statesmen today. For until we address ourselves to the problem of enlisting a substantial scientific effort in the design of a workable security system, the arms race in all its madness will continue to enslave science throughout the world. The 50 percent of the West's research and development now feeding the arms race and the even higher Russian figure will continue or even increase, while science for peaceful pursuits will be severely limited.

The crux of our scientific problem today is not more science for the arms race, important though that may be as an interim measure. Neither is it just to loosen the grip of the arms race on science, for that would be tantamount to unilateral disarmament. The crux does not even lie in placing direct emphasis on science for peace—whether atoms for peace, space for peace, food for peace, or any other. The science-for-peace programs cannot possibly flourish in an age of deep insecurity and fear. All these problems will take care of themselves when—and only when—we have dealt with the more urgent problem of undertaking a major scientific effort to aid in the construction of a rational world security system.

NEW STYLES IN WEAPONS

Looking at the weapons of today and tomorrow, we find that smaller nuclear explosions represent a more likely trend than larger explosions. Huge explosions, of course, are technically feasible. One occasionally hears talk of "gigaton" weapons representing the equivalent of billions of tons of TNT, but the military usefulness of such weapons is open to serious question.

More significant than the amount of explosive force will be the size of the weapons themselves. We already read of atomic and hydrogen weapons small enough for fighter aircraft, missiles, and artillery pieces. "Suitcase" A-bombs have been mentioned. We can expect the trend toward a bigger bang per cubic foot of bomb to continue further before practical limits are reached. "Clean" weapons, of course, represent another design trend, but it is not yet clear just how "clean" a nuclear device can become. Under many conditions of explosion, even "clean" weapons produce a dirty result in terms of radioactivity. But possibly the more long-persisting products can be avoided.

The world is beginning to test ballistic rockets whose speed approaches the velocity needed to escape from the earth. This means that the practical limits of velocity for terrestrial wars have been reached. While reentry speeds may become greater, we cannot expect the speed of weapons to targets on earth to increase significantly beyond the speeds now being tested. There will, however, be two significant trends in delivery systems.

First, bases will become more mobile, more dispersed, much smaller and less detectable, and therefore less vulnerable. In hand or immediately foreseeable are rocket launchings from underground sites and from mobile platforms on the ground, on the sea, under the sea, and from aircraft. While launchings from space platforms will be technically feasible, it is not yet clear whether space launching sites for terrestrial wars will offer appreciable advantages.

Second, what is known as the reaction time of delivery systems will shorten appreciably. Today the countdown time necessary to prepare long-range missiles for firing is about the same—10 hours or so—that it takes long-range aircraft to fly between continents. But the development of missile systems, particularly improvements in solid propellents, will soon shorten the time needed for preparation. We can foresee that before many years 1,000- to 2,000-mile rocket weapons will be maintained in a state of readiness permitting nearly instantaneous firings. The readiness time of 6,000-mile missiles can be shortened to minutes instead of hours and they may eventually be instantaneously ready. Thus, the reaction time from the instant of command to megaton explosions 1,000 to 6,000 miles away will soon run from about 10 minutes to less than an hour.

The accuracy of weapons, both for defense and counteroffense, will, of course, increase steadily, but not fast enough to offset the two dominant characteristics of opposing delivery systems—speed of delivery and small, dispersed, and relatively invulnerable bases. Thus, defense either by counteroffense or by Maginot Line techniques does not look promising. Retaliatory doctrines will continue to dominate the great-power scene in a military standoff, where violent conflict poses losses for each side that would more than offset any possible gains.

THE CONSEQUENCES

These trends in the design and development of weapons produce a number of troublesome consequences. For one thing, the arms race is already producing the so-called *n*th-country problem—known to the British as the fourth-country problem, and to the French as the fifth-country problem, and to others by various numbers. In the absence of arms controls, modern weapons will come into possession of more and more nations either through gift, sale, or local development. Ownership of modern weapons by many nations, some of which may be irresponsible or even fanatical, will introduce a major factor of instability into the world's security arrangements.

Furthermore, the increasingly fast and automatic response characteristics of modern weapons will lead to concentration and delegation of control. There will be much less time for investigation, diplomacy, and decision making. The dangers of accidental war or the accidental spread of limited war to total war become increasingly significant.

Finally, reliable physical inspection for possession of nuclear warheads is already impractical. With the decreasing size of warheads and the growing ease of hiding bases, many other inspection and control problems will approach practical insolubility. Man faces steadily increasing difficulties in backing out of the corner into which he is now boxing himself.

We must henceforth deal with two major threats to our security: Communist imperialism and the arms race itself. While it is true that the arms race would largely disappear if communism disappeared, it is no longer good enough to blame arms-race problems on communism alone; it is also true that the arms race, once begun, is in part self-generating.

Can we construct a rational world security system capable of blocking military aggression and simultaneously of dealing with the threat of the arms race? Can peace be maintained without an unlimited arms race by a stabilized system of deterrents and arms controls?

I believe that these questions can be answered affirmatively in view of the advantages to both the United States and the Soviet Union of stabilizing massive deterrence.

WHAT WE WANT

Consider first the nature of massive deterrence. To deal with the threat that Russia, now the world's only other great military power, might initiate nuclear war against us, we have built a capacity for massive retaliation against military forces and productive centers. This retaliatory strength deters by presenting Russia with a situation in which it would lose immensely more than it could possibly gain from initiating nuclear war against us. Our policy of massive deterrence is now undergoing a critical period of change, whether we like it or not. Until now, our deterrent power has been based on military superiority—composed of a nuclear advantage, a better geographical situation and base structure, and greater air strength. In a few years these particular military superiorities will either vanish or lose their significance.

The Russian nuclear stockpile, while perhaps not equal to our own, will nevertheless be quite sufficient for military and retaliatory purposes. ICBM's and submarine missile systems will give the Russians an intercontinental capability and offset much of our current advantage in overseas bases. Rocket devices, whose development the Russians emphasized after the war while we tarried and in whose technology they now lead us, will become the principal retaliatory weapons.

Then, too, consider the sources of modern military power. In some fields of science and technology, the Russians are clearly our equals. As for production know-how, it is no longer mass production in a sudden mobilization after a surprise attack that counts, but the ability to produce batches of new weapons systems promptly as new technology makes them feasible. In this regard, Russia has demonstrated shorter lead times than our own. As for the economic source of military power, the Soviet system, although it is smaller than our own, has demonstrated

a sustained ability to divert a much larger fraction of its budget to military ends, whether in peace or war. Another source of military power is the sort of military intelligence that enables a nation to know quickly where the threats and opportunities are and what new equipment needs to be built. Here the Russians are definitely superior. In short, we cannot be complacent about the relative strengths of Soviet versus American sources of military power.

Instead of deterrence through military superiority, then, we shall soon have the long heralded situation of mutual deterrence. Russia, too, will have achieved a capacity for massive retaliation sufficient to kill the United States as a modern nation.

There are a number of critically important things we can and must do to maintain deterrence against massive Russian attack.

One military measure which should have been taken years ago and which is now crucial is to make our retaliatory force relatively invulnerable: in military jargon, we must disperse, give mobility to, and "harden" our present "soft" retaliatory forces. These forces now include our quite vulnerable SAC airfields, many vulnerable overseas bases, and aircraft carriers. A temporary solution is being sought by SAC, which will soon be more dispersed and able to have one-third of its striking force airborne in 15 minutes. Although SAC thus becomes less vulnerable, even this partial solution depends on actually receiving timely warning—no easy trick in an age of ballistic rockets. The real solution to the problem of developing a hard retaliatory force lies in many dispersed underground, submarine, and mobile launching sites for rocket weapons. The costs of an invulnerable rocket retaliatory force are large and must be borne. There is little reason to continue to pour vast sums into soft bomber and carrier systems.

Our second essential step in preparation for the coming period of mutual deterrence is to obtain reliable warning of surprise attack. Our deterrent power will be greatly enhanced when we have both hard bases and adequate warning. But with soft bases and without warning, we shall be inviting attack whenever Russia has a massive intercontinental capability.

It was to solve the warning problem that the Russians themselves on May 10, 1955, proposed the exchange of ground-control posts at major Military Establishments. Although nuclear warheads can be concealed without much difficulty, a system of inspection that could be depended on to discover major military movements would go far to prevent surprise attacks and accidental wars caused by misinterpretation.

The third step we must take in order to stabilize deterrence is to make certain that our retaliatory weapons are not inferior to those of the Russians. This means getting excellent information about Russian military affairs—much better than the intelligence we now have. Our own "open skies" proposal would go far toward enabling us to avoid insufficiency in our retaliatory weapons.

Thus, from the American point of view, controlled mutual deterrence will increase security and can be substituted for the arms race for military superiority, provided that we have hardened our bases and that there is enough mutual inspection to warn of surprise attack and provide information to warn of approaching retaliatory inadequacy. Air inspection by space satellites may be the key to a rational world security system.

WHAT THEY WANT

Now let us examine the Russians' position. Are they ready to accept any arms controls? Despite the failure of the London disarmament talks, I personally hold firmly to the view that within a few years Russia will accept enough controls to stabilize the arms race. Consider these five points from the Russian point of view:

First, Russia will achieve in a few years a sufficient intercontinental capacity for massive retaliation, at least for all practical political purposes. Russian diplomacy and political conflict strategy will no longer be restrained by retaliatory inferiority.

Second, it is obvious from Russian protestations and threats about missile weapons for NATO countries that Russia is becoming acutely aware of the nth-country problem. This awareness has been sharpened by reflection about the Hungarian revolt; suppose Hungary had been in possession of modern weapons of retaliation? Also, Russia can hardly thrill at the notion of a Nasser or a Mao being so equipped.

For the Soviets, the problem of controls on nuclear production is a matter of fine judgment as to timing. Production controls too soon would mean an inadequate retaliatory capacity vis-a-vis the United States. Accepting them too late will bring the risks of the nth-country problem. Thus, it seems reasonable to estimate that Russia will try to strike a balance and accept controls on nuclear production within a few years.

Third, certain quarters in Russia have now developed genuine apprehension of a surprise mass attack. In the postwar years, Russian military planners became fully aware of the decisive nature of surprise attack with modern weapons, and the obsolescence of the historical Russian defense based on mass deployed in depth as successfully used against both the Napoleonic and Hitlerian invasions. SAC's readiness exercises and preventive-war talk in the United States keep this apprehension alive. Today it is supplemented in Russia by an awareness of the danger of accidental war. There is every reason to believe that the Russians' interest in warning of surprise has persisted since they proposed an exchange of ground control posts in May 1955.

Fourth, with the advent of the sputniks and the Air Force's announcement before LYNDON JOHNSON's Senate Preparedness Subcommittee that it will operate a reconnaissance satellite by the spring of 1959, the Russians assuredly realize that open skies are inevitable. In addition, they must now realize that the open skies proposal was not just a trick of United States intelligence but a necessary precondition if the United States is ever to give up the arms race and accept a stable military stand-off, whether tacitly or explicitly recognized. The Russians seem concerned that our first reaction to sputnik was to accelerate the arms race. The combination of this concern about a continued arms race, our firm insistence on open skies as the key precondition for stabilizing the military situation, and their awareness of its inevitability will surely bring mutual aerial inspection before long.

Fifth, Russian Communist imperialism always considers all methods in planning and executing its strategy of conflict with the West. There is ample evidence that in the present military situation Russia now sees a great deal more to be gained by the methods of nonviolent conflict than by war. True, it has first to achieve at least retaliatory sufficiency with the United States in order to free its diplomacy to play a fully mischievous role. But this sufficiency will be achieved in a few years, and it has already been discounted in advance throughout diplomatic and propaganda circles. Therefore, it is quite in keeping with Russia's overall strategy to stabilize the arms race in order to release economic and technological resources for the waging of nonviolent conflict.

For all these reasons and more, Russia will soon accept enough controls to stabilize deterrence and minimize risks from the nth-country problem and accidental wars. While welcoming this development and avoiding unreasonable demands in negotiations, we must, of course, insist on soundly conceived and executed controls. For Russia, still pursuing its goal of world domination, and still relying on a total, amoral strategy to achieve it, will not hesitate to exploit weaknesses in any arms-control program. The blatant use of "ban the bomb" propaganda, while officially recognizing that inspection for warheads is no longer practical, is evidence enough of Russian duplicity on disarmament issues. We must proceed both with optimism and with caution, an approach Harold Stassen wisely took in all his disarmament negotiations.

RATIONAL AND REALISTIC

The time has clearly come to do a little inventing in a novel field. Instead of inventing new weapons systems, ad infinitum, science and technology must life their sights and invent a rational world system to provide security from war; this system must be based on rationally organized and controlled deterrents. While technology has brought the greatest threat from war the world has ever known, it has also brought the greatest opportunty for security from war.

Such a system is our main hope for peace in the 1960's. The hope of eliminating the economic, political, and ideological causes of conflict is far from promising. The hope of eliminating the means of violent conflict through a direct assault on the disarmament issue itself is equally unpromising for the time being. But there is substantial hope of securing a stable peace by a sensible organization of the world's deterrent power and arms controls.

This system will in turn lead to improved methods for peaceful change and resolving conflicts; later it will lead to substantial arms reductions. But the first order of business is to construct world security arrangements that take account of mutual massive deterrents, limited deterrents, and certain arms controls.

The design of such a system would obviously be a very complicated matter. But it may be useful to summarize certain concepts which can and soon will be accepted as a matter of mutual self-interest and which will enable such a system to be organized.

Both the United States and the Soviet Union must build invulnerable rather than soft retaliatory systems, including underground ICBM's and two-stage intercontinental systems of the submarine-rocket and aircraft-rocket type. The United States must abandon the now profitless pursuit of decisive counterforce superiority vis-a-vis Russia, the pursuit of the "instant" in its capacity for massive retaliation, and the illusory hope of security through antirocket defensive systems. Russia must and will soon accept equivalent notions and, also, sufficient mutual inspection to warn of surprise attacks, to minimize the dangers of accidental war, and to warn of any approaching insufficiency in the retaliatory capability of either side.

As these concepts gain acceptance, the construction of a rational world security system can go forward rapidly. Disengagement, limitation on tests and nuclear production, the organization of international security forces, and limitations on the uses of modern weapons will appear as matters of logical self-interest.

Left to themselves, mutual deterrents are bound to become increasingly unstable and exposed to uncontrollable accidents. But stabilized by certain arms controls, mutual deterrents can pave the way to later reductions.

WHAT SCIENCE CAN DO

How can science contribute to the achievement of a rational world security system? The possibilities are almost limitless. Let us consider a few suggestions. First, new scientific disciplines, such as operations analysis, war gaming techniques,

and systems engineering, have been developed in recent years into powerful tools for dealing with large, complex problems. Brought to bear on the design of a rational world security system, they could help produce answers to such questions as: At what point will the payoff from the pursuit of counterforce superiority among great powers disappear in the 1960's? How many ground control posts are necessary to provide an adequate mutual system to warn of surprise attack, or to minimize the dangers of accidental war? Where should they be located, and how should they be manned and equipped?

The physical sciences, too, can contribute in important ways, particularly in providing the tools for inspection. Of the many possibilities, one merits specific consideration now, as it might well provide the key to the entire deadlock on arms controls.

What I mean is inspection satellites. Their feasibility can hardly be doubted any longer. There are the sputniks in being, some apparently capable of carrying a half-ton payload, and there has recently been a good deal of official testimony before Congressional committees as well as responsible reporting in the press about the imminence of TV satellites, both Russian and American.

Need we let the Russians reap yet another propaganda victory from their space technology by putting a simple television camera in Sputnik III and demonstrating an inspection satellite? Although this would not produce information of much actual significance, the Russians have already displayed an acute awareness of the political value of simple space devices. It would surely compound our chagrin if they would thus be able to capture for their own propaganda the appeal of the President's open skies plan.

Cannot our science produce such an instrument of peace? Have not the Russians already established through precedence the right of large satellites to be anywhere around the earth? Cannot the inevitability of inspection from space be used to accelerate Russian acceptance of some aerial inspection as well? A combination of space, aerial, and ground inspection would become the most powerful means for stabilizing the world's military situation and ending the madness of the current arms race. A United Nations arms-control agency equipped with modern data-processing devices could compile and disseminate the information to all nations. What better contributions could science make to peace?

But the fundamental problem still remains. How do we enlist science in the building of a rational security system? Science can contribute many tools for solving the problem, but the joining of science to the arms-control problem is a political matter.

Private organizations are now pointing the way. The initiative of the National Planning Association through its committee on security through arms control is one attempt to bring scientists and the arms-control problem together. But private means, essential and promising though they may be, are too slow and inadequate to cope with the total problem. Government must act.

Harold Stassen, who has done so much against so many odds to achieve arms controls, made an attempt in this direction 2½ years ago when he established 7 task groups to advise him on inspection matters. For his many initiatives, he well deserves the gratitude of his countrymen. But these task forces were called on only sporadically, and part-time advisers are inadequate anyway. What is needed is a full-time staff of many hundreds of system engineers and scientists of mixed disciplines whose sole duty would be to study and experiment with arms controls and the doctrines and design of a rational world security system.

For military purposes, we have several such groups—the Air Force has its RAND Corporation, the Army its Operations Research Office, the Defense Department its Institute of Defense Analyses—all serving to speed the arms race. Why couldn't the Government organize one such group to be concerned with checking the arms race?

Mr. HUMPHREY. Mr. President, another interesting article on the arms race has recently appeared in the magazine World Affairs. It is by Oliver D. Knauth and is entitled "How To Break the Disarmament Deadlock." Mr. Knauth's main suggestion toward breaking the disarmament deadlock is to strengthen the United Nations. He suggests such measures as limiting or giving up the veto, and defining aggression so that a nation cannot commit whatever it has agreed was unlawful.

Mr. President, one may not agree with all the ideas and analyses in his article, but one should agree it is important that such ideas be discussed and analyzed. For this reason, Mr. President, I ask unanimous consent to have Mr. Knauth's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO BREAK THE DISARMAMENT DEADLOCK—AN INDIVIDUAL'S SUGGESTION

(By Oliver D. Knauth)

Nearly 100 years ago Henry Adams predicted that "someday science may have the existence of mankind in its power and the human race [will] commit suicide by blowing up the world." Unless the disarmament deadlock is broken, Adams' prediction is more than likely to come true.

What blocks disarmament? Can we honestly blame everything on Russia? Are we not trying to treat the symptom rather than the disease by calling upon the Soviet Union to disarm without first taking concrete steps to remove the fear and distrust which pervades our relations with the Kremlin? Have we made little or no progress toward establishing peace because we have not taken the proper steps in their proper order? Could it even be that the very idea of reducing armaments is out of date?

The Washington Naval Conference of 1923 reduced the world's greatest navies to a 5–5–3 ratio. The postwar period has produced renewed proposals to limit armaments quantitatively—but largely for propaganda purposes. Arms limitation has little meaning today because it is based upon the preatomic assumption that some day armed forces may clash and that in the ensuing conflict those forces should bear a certain proportional relationship to each other. Missiles do not clash; they pass each other, headed for the industrial heart of the opponent. The only limitation placed upon the number of intercontinental missiles will be the number of industrial targets offered by the largest potential enemy. The proposal that armaments be limited to a set ratio is an example of gunpowder thinking in the atomic era.

Disarmament in the prewar sense of reducing the size of armies and navies is not the issue at point today. The great powers are voluntarily cutting the size of their military establishments because in the age of ballistic missiles the ancient art of war is taking on a new aspect. In another war the targets will be more industrial than military. Women and children will be closer to the "front line" than the military technician in his underground launching site. Under such conditions the problem is not how to limit the number of H-bombs; it is how to eradicate them altogether.

II

To abolish the warmaking capacity, particularly of the atomic variety, requires inspection and enforcement. Hence, since World War II the search for security has shifted its emphasis from disarmament to inspection and control systems.

The story of America's attempt to control atomic weapons is one to be proud of. Soon after the war, the United States representative to the U. N. Atomic Energy Commission, Bernard Baruch, presented United States proposals for international control of atomic energy. The United States declared its willingness, under effective control, to give up its A-bomb monopoly, destroy or dispose of its atomic stockpile and turn over atomic secrets to an international atomic agency in which no nation would wield a veto. The Soviet Union rejected our proposal and urged that control of atomic weapons be placed under U. N. supervision. Since this plan relates the atom to the U. N., it gave the impression of being international in character. Actually, Russia knows she can paralyze the U. N. through her veto power in the Security Council. The atom bomb can only be placed in the hands of an agency possessing independent authority to enforce its control, and Russia has been unwilling to make the necessary concession of sovereignty required by such an agency. But if the Soviet Union could be induced to give up the veto in the limited field of atomic control, her plan would have real merit. Because we have failed to persuade her to do so, progress on control of hydrogen weapons has been in the nature of a treadmill. Thus the specific problem is how to induce the Soviet Union to give up her veto over atomic control.

Since Soviet scientists discovered hydrogen fusion this country has stood in peril as at no time in its history. The Rockefeller report estimates that sixty-odd million Americans would be killed if Russia attacked. This raises the question: How long can America afford a policy dependent upon Soviet refusal to take constructive action toward controlling the atom? Can we wait until the Communists have sufficient intercontinental missiles to wipe us out before we know we are hit? Or should we go ahead with our plans regardless of the Soviet Union's attitude? Common sense points to the latter course.

Two major reasons why international inspection is imperative are: (1) Without inspection Soviet scientists may develop a defense against missile attack unbeknownst to us. Should they do so (and conceivably they already have) the entire basis of our security—our ability to retaliate massively—goes up in smoke; and if at this juncture the Soviet Union decides to attack, most of us will go up in smoke as well. With full inspection facilities the danger of the Soviet Union secretly developing a means of defense are much reduced.

(2) The intercontinental ballistic missile is not yet in mass production in this country and presumably not in the Soviet Union, though without international inspection there is no way to know how far they have progressed. However, the point is that the production of missiles, like the production of hydrogen bombs, can be readily detected and controlled. Only the finished article is elusive. If an inspection system can be agreed upon before ballistic missiles go into mass production, the prospect of human survival in the 20th century is considerably brightened. If we wait, the prospect is more likely to be racial hara-kiri.

III

If the present deadlock over inspection and controls is to be broken, the right steps must be taken in their proper order. For the past decade the Soviets and America

have wrangled over whether disarmament should precede some method of arms inspection or vice versa. This country favors the logical order of setting up controls first. The Soviets have balked at inspection because it would deprive them of one of their few advantages—the secrecy of their military plans.

Yet, if the Soviet Union has put the cart before the horse by demanding that disarmament precede inspection, America is also reversing the natural order by expecting the Soviets to reveal vital secrets while a state of international insecurity exists. Although both countries claim they are proposing a reasonable "first step," in fact neither is. We are correct in demanding that controls precede disarmament, but wrong in expecting the Soviet Union to accept such controls until her fear of "capitalist encirclement" has been abated.

If we are to make any progress in the disarmament talks, we must first dispel international distrust. Can this be accomplished by a new summit meeting with Soviet leaders? The answer is highly dubious. Distrust can better be dispelled by some concrete action which will prove to the world that the United States would never use the atomic bomb aggressively. That we should ever do so may sound absurd to Americans but it is by no means self-evident to the rest of the world. We tend to forget—but others remember—that the United States is the only country which has ever dropped an atomic bomb on a defenseless civilian population. Moreover, how defensive do our airbases in Arabia and elsewhere look to the Kremlin? How would Americans feel if the Soviet Union leased an airbase from Guatemala?

But even had we no airbases close to Soviet territory, the Kremlin would still be suspicious of our aggressive designs; for nations, like people, tend to judge others by themselves. Von Ribbentrop, Hitler's foreign minister, thought the British sent the Duke of Windsor to Bermuda "in order to do away with him at the first opportunity." The Soviets, with their dreams of world hegemony, attribute similar dreams to the United States.

The first step in any serious attempt to reduce world tensions, therefore, is for the United States to convince other nations—particularly the Soviet Union—that they have nothing to fear from our preponderant power. Before one can expect real disarmament, one must eliminate the cause for armament—namely, aggressive design on the one hand and fear of aggression on the other.

Up to World War II, America had little aggressive design and less fear of aggression. Hence we maintained a small Army. Today we have no aggressive design, but much fear of an atomic Pearl Harbor. Our armament bill is enormous.

The Soviet Union interprets our armament program as an indication of aggressiveness. She fears the United States as well as pursuing her own aggressive policies. Hence her military establishment is second to none.

There can be no prospect of peace until this military deadlock is broken. To do so should be the major aim of American foreign policy. By proving to the world that we harbor no aggressive designs—as much of the world believes we do—we can reaffirm our moral leadership as well as relieve the Soviet Union of her understandable apprehensions.

In the step-by-step approach to peace the first move should come from Washington. This may sound odd in view of the fact that Moscow has provided most of the grounds for distrust. Yet we have nothing to gain by perpetuating the present international tension; the Soviet Union has. If the Communist aim is world domination it can best be achieved under unstable conditions. We should also consider that the Soviet Union is far more likely to launch a surprise attack than we are. In either case it is this country which stands to lose, not the Soviet Union.

The initial step which we should take is suggested by the nature of the threat which confronts us. Barring some miraculous invention, no nation is capable of defending itself against the ballistic hydrogen missile. Since national security can no longer be nationally guaranteed, it can only be internationally guaranteed. This suggests that real authority be gradually transferred to the U. N. At present the U. N. has no authority to act on its own. It is under the negative dictatorship of the five veto-holding powers. The veto guarantees the five permanent members of the Security Council against disciplinary action by the U. N. in case any one of them aggresses. If it were our intent, let us say, to dominate Canada as Russia dominated Czechoslovakia, then our veto would serve us in good stead by preventing action in the Security Council. But since we have no aggressive intent, our retention of this aspect of the veto only leads others to suspect we have.

The first act this country should take toward reducing international tension is voluntarily to offer to give up that superfluous part of the veto which protects our right to aggress. Having led the way, we should ask the other veto-holding powers to follow our example. For the United States the result of such a move would be all gain and little, if any, loss. It would scotch the lie of imperialism with which the Soviet Union constantly charges us. Like the Marshall plan, it would be an "open-door" arrangement, which the Soviet Union could always accept. It would not disrupt the machinery of the U. N.; on the contrary, it would tend to strengthen it. Instead of continuing to try to build the U. N. around the medieval doctrine of sovereignty, it would modernize the doctrine to fit the requirements of the atomic age. If our veto offer convinced the Soviet people that we are not such imperialists after all, they might relax those military efforts which are so largely based upon fear of us—and even be less insistent on the veto protection for themselves. Finally, such an offer by the United States would prove to the world that the United States is sincere in its desire to transform the U. N. into a competent instrument of peace.

Whether the leaders of the Kremlin matched our offer sooner, later, or not at all, a voluntary self-limitation on the veto would place the United States in a constructive light. It would give us the initiative in waging peace. As long as the Soviet Union refused to meet the offer, it would place a powerful propaganda weapon in our hands; for the rest of the world would rightly ask: "Why do the Soviets reserve their right to aggress?"

Renouncing our veto-protected right to aggress would be a suitable first step toward peace because it would have the double effect of reassuring the Soviet Union of our peaceful intent and of transferring limited authority to the U. N. in the specific field of international security.

At this point some international lawyer is bound to ask: "How can one renounce the right to aggress when there is no agreement over what constitutes an aggresive act?" The U. N. Special Committee on the Question of Defining Aggression recently concluded 2 years of study without arriving at an answer because its member nations could not agree, thereby producing the ironic spectacle of an international organization created to prevent something it is unable to define.

If there is any way to free this logjam, it is for one nation to arrive at its own definition of aggression and, having done so, to renounce all acts which it defines as aggressive. Then other nations should be invited to follow suit.

The United States is uniquely fitted to foreswear aggression, being without aggressive designs. As other nations subscribed to our definition the pressure on the Soviet Union to fall in line would mount. In this way the present deadlock could be broken.

Since no definition of aggression can cover every contingency, we could also volunteer to abide by a majority decision of the General Assembly on matters not covered by our definition. This offer might be made contingent upon other nations following our example. Majority rule being the essence of democracy, such an offer would simply be an elevation of our national belief to the international plane. Needless to say, the offer would not be welcomed by the Kremlin.

Such an act of self-limitation naturally would be criticized on the ground that we should keep a free hand. Why should we voluntarily bind ourselves in such a fashion without demanding a quid pro quo? Is this not a typical example of egghead diplomacy? Decidedly not. In the first place, we have virtually nothing to lose from renouncing aggression. Secondly, we have more to gain from world opinion by a voluntary act than by protracted and probably sterile negotiations with the Kremlin. Thirdly, it should remove any doubts in the minds of the neutralist Afro-Asian bloc which of the Big Two really stands for peace.

But to define aggression—like defining first-degree murder—is not enough. Both must be prevented. Crime prevention requires a police force. The third step toward assuring Russia of our peaceful intent should be to place certain contingents of our armed forces at the disposal of the U. N. in case of threatened aggression. In other words, we should offer these contingents before the outbreak of another Korean war rather than after.

When a sense of world security has been established through authorizing the U. N. to act on its own, and empowering it to enforce its action, the present proposals for atomic control, disarmament, and inspection become feasible. As international security replaces national insecurity, the Soviet Union no longer need fear armament inspection and control under U. N. supervision. And as inspection becomes acceptable, we can safely accept the Soviet demand that atomic weapons be outlawed.

Mr. HUMPHREY. Mr. President, the May 24, 1958, issue of the Nation has printed an article, which it was my privilege to write, entitled "First Step Toward Disarmament." I ask unanimous consent that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRST STEP TOWARD DISARMAMENT

(By Hon. HUBERT H. HUMPHREY, of Minnesota) [1]

Seven months ago the Soviet Union launched the earth's first artificial satellite. This sputnik inspired dreams throughout the world of future explorations in space; but it also cast an ominous shadow on earth, for it demonstrated the Soviet determination and ability to perfect the ICBM, a missile which could carry a nuclear warhead from one continent to another.

The shock of the Soviet launching had repercussions which were in large part beneficial and which I hope will not die out now that we too have successfully launched earth satellites. The Soviet sputniks propelled us into a reexamination of our educational systems and scientific endeavors which may re-

[1] HUBERT H. HUMPHREY, Democrat, of Minnesota, is the chairman of the Subcommittee on Disarmament of the Senate Committee on Foreign Relations.

sult in a renaissance of intellectual efforts. On the defense front, we were given ample proof that defense needs should be determined primarily by the threat rather than by the requirements of a balanced budget. To those hoping for progress toward disarmament, however, the reaction to the sputnik launching at first glance appeared unfortunate, for it gave a fresh impetus to the arms race.

Our security system at the present time is built on the ability to retaliate effectively against, and thus deter, any attack. As long as the Soviet Union chooses to increase its capacity for attack, we have no choice but to continue to strengthen ourselves militarily and plug important loopholes in our defense system.

Many have asked me whether we could seriously demand greater progress toward disarmament at the very time when we were also demanding greater progress in missiles. My answer to this is not only that we can, but that we must.

A security system based on massive strength, a balance of terror, is not satisfactory as a permanent security system. It is extremely wasteful of money, talent and energy. We cannot help but deplore the vast expenditure of funds and effort for weapons that become outdated almost as soon as they are in production and that we hope will never be used. How much better if we could use the resources for urgently needed schools, houses, hospitals, roads, libraries, laboratories, and aid to underdeveloped countries.

An even stronger objection to our deterrent policy is that it simply does not provide real security. No matter how far our rockets can travel or how many nuclear warheads we have, a terrible risk remains. If the deterrent fails, it means a nuclear war in which most of the people of this country and the Soviet Union would probably perish, and residual radiation would threaten the safety of survivors and their posterity throughout the world.

During the 7 months immediately following the sputnik's launching, disarmament negotiations were in great jeopardy. Talks within the United Nations broke down when the Soviet Union vowed it would not continue with them until the United Nations agreed to the Kremlin's version of a reconstituted Disarmament Commission. The United States and the Soviet Union each proposed negotiations at levels which were unacceptable to the other. The anxiously waiting world did not see how the cause of peace could be advanced in such an atmosphere.

The outlook for negotiations is only slightly more hopeful now, and many questions are yet to be resolved. But whatever the form, whoever the participants, there are certain qualities which the United States can demonstrate if it wishes to help create an atmosphere in which negotiations can be conducted.

One of these qualities is flexibility. When one policy has been given a reasonable trial without success, then we should search for an alternative. To maintain that a policy which was valid 5 or 6 years ago must necessarily still be valid today, is pure nonsense. Our mentalities have got to be flexible enough to adjust to evolving reality.

The adoption of a much more positive attitude by us could also improve the atmosphere. No government, least of all the Government of the United States, should be negative about the possibility of limiting the arms race. Proposals of the Soviet Union should not be lightly or impatiently brushed aside, even when they are exasperatingly rigid or unreasonable. The densest armor has chinks and it is the task of statesmanship to find them.

One of the few diplomatic victories which the United States has scored in recent months came as a result of demonstrating some flexibility and positive thinking. I refer to our timely proposal for mutual aerial inspection of the Arctic, in response to Soviet complaints of the flights of the Strategic Air Command in the area. The Soviet veto of this proposal indicated to the people of the world that the Soviet Union is just as capable of responding negatively to disarmament proposals as is the United States.

The lack of respect for its bonded word which Moscow has shown time and again necessitates another quality on our part, prudent caution. I do not think we should become so skeptical of the Soviet record that we refuse to deal with her. Even Russia keeps some of its agreements—for instance, the peace treaty of 1947 with Finland and the Austrian Peace Treaty. The key to making effective agreements with the Kremlin is to confine them to those situations where it is to the interest of the Soviet Union, as well as to the United States and other countries, to keep the agreement. If we exercise prudent caution we will not endanger ourselves.

In regard to disarmament, prudent caution requires that we should not jeopardize our security by putting our signatures to any agreement that depends on good faith alone for its fulfillment. Adequate inspection must be provided for wherever appropriate to make discovery of violations so certain that they would not be attempted.

This does not mean that an inspection system must be absolutely perfect. I do not believe we can hope to establish a 100-percent foolproof inspection system. Among human beings, very little can be that certain. However, I believe that with respect to many arms-control measures we can establish an inspection system which would make the probability of detecting violation so great that the Soviet Union would abide by the agreement rather than risk the ignominy of being caught cheating. Moreover, we should always remember that any inspection system established in the Soviet Union would be a tremendous step toward raising the Iron Curtain. It could pave the way, not only to additional inspected disarmament measures, but also to a general opening up of the Soviet Union and to greater mutual understanding. Despite Russian assertions that inspection is really intelligence and thus proposed for purposes of spying, could there be any better political breakthrough than to conclude a first-step disarmament agreement with inspection safeguards?

Right now we should concentrate our efforts on making that first step. If we really want to base our security system on armaments control rather than on armaments alone, we must recognize that a task of such complexity cannot be achieved overnight or all at once. The most we can hope for at this time is to make a beginning. In fact, unless we concentrate on reaching agreement on a small first step, we shall make no progress at all.

For some time this country has talked of offering so-called first-step proposals. In practice, however, we have not been able to abandon our get-rich-quick dream. Instead of proposing first steps which would be feasible, we have put forward measures which, when coupled with the elaborate inspection systems necessary to assure their observance, were so far reaching as to be virtually unattainable.

For example, the Western proposal for a first-step disarmament agreement offered at the London disarmament negotiations included various nuclear-control measures, an inspection system to provide against surprise attack, a reduction of armed forces, and the transfer of some armaments to international depots, and the establishment of a committee to study ways to insure that objects sent into outer space would be used exclusively for peaceful purposes. All the measures were tied together in such a way that each proposal was contingent on acceptance of all the other proposals.

To expect the Soviet Union to accept a package such as that as a first step would be like expecting a baby to take its first step 2 days after birth. Since it would be excessively optimistic to press for agreement on our total disarmament hopes all at once, I have suggested that the package be broken up into small parcels and presented bit by bit. The support I have received for this approach from the American people is overwhelming.

One of the most meaningful measures, and one which would prove our earnest desire for disarmament, is the suspension of nuclear weapons tests, with inspection on both sides. Public opinion throughout the world favors stopping the tests in order to check the rising level of radioactive fallout in the atmosphere. Suspension of tests would also be an effective measure of arms control. It would freeze or retard nuclear-weapons development in those countries which have produced live weapons—the United States, the Soviet Union, and the United Kingdom. Since we have been assured that we are not behind in nuclear-weapons technology, a test ban should not be to our disadvantage. It would retard, and I hope prevent, the spread of nuclear-weapons production to other countries. Otherwise, the day is certain to come when these lethal devices will fall into many hands which by accident, irresponsibility, or malevolent intent, might trigger off an Armageddon.

Adequate assurance that the Soviet Union was observing a test-suspension agreement would require monitoring stations within the Soviet Union equipped with seismographs, microbarographs, and radiation-measuring and other equipment, but it would not require much intermingling of inspectors with the Soviet people, a prospect which the Soviet Government greatly fears. The closer together such stations were placed, the more certainly we could detect violations. But even with relatively few stations, I believe we could make the chances of detecting clandestine tests good enough to discourage Soviet cheating.

In view of the energy with which the Soviet Union has been calling for a separate ban on nuclear tests, we should at least call their bluff to see if they are willing to do what is necessary or if they are just spreading a propaganda hoax. The move is just as necessary now that the Soviets have announced that they are temporarily stopping weapons tests unilaterally. If the Soviets really want to bring an end to testing, they will agree to an inspection system. An opportunity to move forward may have been provided by Mr. Khrushchev's note of May 9, in which he expressed an apparent willingness to set up the joint study of inspection for a test suspension which had been proposed earlier by us.

Control of outer space is another avenue along which we can pursue disarmament. Now is the time to make sure that our new technical ability to send vehicles into outer space is dedicated to peaceful purposes alone. If we fail to bring under control weapons designed to travel through outer space, the new discoveries, instead of opening up new horizons to us on earth, may bring an end to our existence.

To keep man's differences on earth from contaminating outer space the United States, as a separate and independent project, should take the lead in marshaling the talents and resources of the world for space research and exploration under the auspices of the United Nations. The cooperative endeavor of the International Geophysical Year has laid a foundation of experience. This year should be extended until a more advanced structure can be erected, an egency similar to the International Atomic Energy Agency which promotes world cooperation on developing peaceful uses of the atom.

All nations should be invited to participate in what may be man's greatest enterprise. Our experience in setting up the International Atomic Energy Agency has demonstrated that such joint undertakings for world peace and welfare exert a magnetic force that compels even the reluctant to join. An international space research and exploration agency would absorb energies and divert resources that might otherwise be expended in military rivalry.

My second proposal in the field of outer space is that the nations of the world should unite in a priority program for an earth reconnaissance satellite. Under the supervision, guidance and control of an international organization, such a satellite could cross national borders and climb over Iron Curtains and expose to the wholesome gaze of the world military preparations of all nations. This watcher in space would make preparations for surprise attack, especially by conventional forces requiring mobilization, much more difficult. In this way developments in space could help control armaments on earth.

My third proposal is that all flights of long-range missiles and outer-space vehicles should be placed under international surveillance to insure that no clandestine tests of rockets or outer-space devices are conducted for military ends. The United Nations would be the proper body to assume responsibility for this task. Until long-range missiles have reached a state of perfection, test firings are necessary. Since the missiles rise to great heights and travel great distances, long-range radar now under development could in all probability fulfill much or all of the surveillance necessary to insure only authorized flights.

Difficulties would be compounded, however, if inauguration of an inspection system were delayed until the long-range missiles were perfected, for then multiplication of their numbers could proceed without field tests. Location and inspection of factories would then be necessary to discover illegal production, and it is uncertain whether any inspection system could detect hidden stockpiles of completed missiles.

Time is already growing short and I consider it necessary to get a program under way as soon as possible to work out the details of a control and inspection apparatus to prevent stockpiles of long-range ballistic missiles from adding to the threat that nuclear stockpiles already hold for the world. The United States should continue to pursue its proposal, thus far ignored by the Soviet Union, to create a joint study commission with the U. S. S. R. to devise machinery that can insure that no further tests of long-range missiles are conducted for weapons purposes.

It should be pointed out that any of these proposals entails risks. I feel strongly, however, that in these days the greatest risk, an immeasurable risk, lies in doing nothing—in letting the armaments race continue with no control whatever. The first step, perhaps, is the hardest, but until we take it we shall never progress toward a security system based on the control of armaments rather than the fear of armaments.

DEVELOPMENTS IN THE ECONOMY

Mr. HUMPHREY. Mr. President, last week the President, in his address before the American Management Association Economic Mobilization Conference in New York, stated:

Reports from the country strongly indicate that the economic decline is slowing down. Not all our economic troubles are over by any means. But there is a change in the making.

Is it not an amazing situation when the best news the administration can give is that we are losing ground, but at a slower rate? It is like a fighter being told by his manager that things are looking up because he was only knocked down twice the last round compared to three knockdowns the round earlier. I do not think this would be much consolation to a wobbly legged boxer, and it is not any consolation to the Nation to be told we are going down hill—but not quite so fast.

This type of approach, as illustrated in the President's latest speech, reflects the administration's complacency to this recession. The administration has created the impression that it is unaware of the tragic worldwide implications of a long and deepening recession, and it has presented itself as having no concern over the suffering of millions of Americans faced with extended unemployment.

I maintain, Mr. President, that we cannot be contented with the recession merely bottoming out—if in fact it is bottoming out. We cannot afford to breathe easily until we have restored the economy to a position where there is a steady and tangible rate of growth. We must keep in mind the fact that when the economy is standing still we are actually losing ground, because of our expanding population and productive capacity.

The great disservice which the administration is rendering is its attempt to lull the country into a false sense of security by its assurances that the worst is over.

In this connection, I invite attention to a recent speech by Alfred Hayes, president of the New York Federal Reserve Bank, in which he warned that "we cannot look with equanimity on current levels of unemployment and production overcapacity." Mr. Hayes also stated that it is his opinion that the dangers of recession at this time outweigh the dangers of inflation.

I ask unanimous consent that this speech by Mr. Hayes, as reported in the May 23 Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HAYES SAYS RECESSION DANGER NOW OUTWEIGHS CURRENT INFLATION PERIL—NEW YORK RESERVE BANK HEAD DEFENDS EASY CREDIT POLICY, CALLS GOLD OUTFLOW HEALTHY

ATLANTIC CITY.—Alfred Hayes, president of the New York Federal Reserve Bank, believes the immediate dangers of recession still outweigh the immediate dangers of inflation.

Mr. Hayes told the New Jersey Bankers Association that though the Nation "may again be faced with a problem of fighting inflation after we emerge from the current recession, I think it would have been inexcusable to let this consideration prevent our doing all we reasonably could to combat the recession and to provide an atmosphere of money and credit ease conducive to recovery."

The president of the country's largest Federal Reserve bank added, "Though there are some signs the bottom of the recession may be near, we cannot look with equanimity on current levels of unemployment and production overcapacity."

Mr. Hayes said there is no sure way of telling how far the Federal Reserve System should go in its present policy of easing credit conditions. But he observed that as a result of the System's credit-easing moves over the past 7 months, "the banks are much better disposed now than 6 months ago to seek aggressively to meet all sound demands for credit."

EFFECTS OF SYSTEM'S POLICY

Mr. Hayes said he thought monetary developments in recent months "refute pretty effectively the old allegation that monetary policy, effective though it may be in checking a boom, is helpless to combat recession." He said that as a result of the System's making bank reserves less expensive and more plentiful, the Nation's money supply in the form of demand deposits, seasonally adjusted, has been increasing at the rate of nearly $1 billion a month since January.

Such deposits, he explained, have been expanding because the banks have taken the added reserves, made available to them by the System in successive cuts in reserve requirements, and used them mostly to step up their investments, chiefly in Government securities. Banks, he noted, have also offset the recession-related decline in business loans, with loans to securities dealers to carry increased dealer holdings of securities. Banks, as a rule, credit the proceeds of such loans and investments to the borrower's deposit accounts, thus increasing the banks' total deposits—on the basis of which it can make additional loans and investments, up to about six times the reserves.

LOANS, INVESTMENTS

Since last October, Mr. Hayes noted, total loans and investments of banks have risen $7 billion, compared with an increase of less than $2.5 billion in the corresponding period of 1956–57 and $1 billion in 1955–56.

"The fact," said Mr. Hayes, "is that the banks do largely use any reserves which are made available to them to make additional loans or investments, and in so doing contribute substantially to the supply of investible funds."

"Naturally," he added, "I am not claiming that monetary policy alone can create eager borrowers nor that it can provide all the stimulus needed to pull the country out of a recession—but it can be of tremendous help and is, in fact, an indispensable element for resumption of economic growth."

Mr. Hayes, whose public views are generally regarded as reflecting prevalent Federal Reserve thinking, noted that the system has been criticized for easing money too much by people who are worried mostly about inflation, on the one hand, and for not easing fast enough to curb the recession, on the other hand.

"The first group has tended to point to the continuing increase in some price indexes, notably in the Consumer Price Index, as calling for continued restraint," he remarked. He added: "Yet I am quite clear in my own mind that during recent months the immediate dangers of recession have come to outweigh very clearly the immediate dangers of inflation, and they still outweigh them."

Turning to a discussion of the recent outflow of United States gold to foreign government purchasers, the Federal Reserve official said he regarded these purchases as a decidedly healthy sign, showing that the international gold standard is working as it should work. He added:

"Gold and dollars are, and I am sure will continue to be, interchangeable at the present fixed price. * * * It would not be in the interest of world financial stability if this country were always to gain gold at the expense of the rest of the world.

"We make a crucial contribution toward the effective operation of the international financial and monetary system by standing ready to sell our gold at the same price at which we bought it, and by thus keeping

stable the key relation between gold and the dollar."

Mr. HUMPHREY. Mr. President, another warning comes from Walter E. Hoadley, Jr., treasurer of the Armstrong Cork Co., and a noted construction industry economist, who recently predicted that the recession will last through 1960 and is more than a rolling readjustment. Mr. Hoadley said:

The greatest possible danger is a secondary shock wave later this year or early in 1959 when the good news fails to come in.

I ask unanimous consent that the May 23 Wall Street Journal article on this address by Mr. Hoadley be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMSTRONG CORK OFFICIAL SEES ECONOMIC SLUMP EXTENDING THROUGH 1960—HE SEES BIGGEST DANGER AS SHOCK WAVE "WHEN GOOD NEWS FAILS TO COME" IN LATE 1958, EARLY 1959

NEW YORK.—Walter E. Hoadley, Jr., treasurer of Armstrong Cork Co. and a noted construction industry economist, said the current recession will last "through 1960 and is more than a rolling readjustment."

He told the New York Society of Security Analysts that he didn't expect an upward trend in the economy to start this year. "We are not being pessimistic, but realistic. The greatest possible danger is a secondary shock wave later this year or early in 1959 when the good news fails to come in," he said.

Mr. Hoadley said "the artificial backlogs of demand caused by depression and war are gone and there is no real population and family formation boom in the near future to be expected."

He said second quarter earnings and sales of Armstrong Cork so far "indicate no deterioration from the first quarter results" but would not comment further. In the first quarter the company reported net income fell to $2,665,000, or 50 cents a share, on sales of $57,949,000 from $2,865,000, or 55 cents a share, on sales of $60,923,000 in the similar period last year.

The treasurer said about 60 percent of the company's sales are building materials, half of which go into homes and half of which are bought for repair and modernization. He said building materials sales are "being well sustained" and he expects about 1 million total new dwelling units to be started in 1958 or about the same number as in 1957. "With the arrival of spring there has been a small seasonal upturn in the building industry," he added.

Packaging, which is Armstrong's second largest market, "continues as another source of current sales' strength," Mr. Hoadley said, but industrial specialities, including automobile products "reflect the drastic curtailment in durable goods production" and sales are lower and are expected to remain depressed.

Mr. Hoadley said the product mix of the company is changing, with traditionally important products such as linoleum and felt base floor coverings and corkboard insulation declining and new plastic materials taking their place.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that an article from the Wall Street Journal of May 23, which reports that auto production this year is estimated to barely top 4 million cars, as compared to almost 6 million cars produced in 1957, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YEAR'S AUTO OUTPUT PUT JUST ABOVE 4 MILLION—NO LATE UPTURN SEEN—ECONOMISTS SEE UNITED STATES RETAIL SALES TOTALING 4,200,000—LOW SINCE CALENDAR 1952

DETROIT.—Auto production for the calendar year 1958 will barely top 4 million cars, according to estimates by industry statisticians for the third and fourth quarters.

Moreover, based on the present sales rate, a consensus among auto economists is that domestic retail sales will be about 4,200,000, plus approximately 275,000 foreign cars. That would be the lowest year for sales since 1952, when 4,158,000 cars were registered. In 1957, new car registrations were 5,982,000.

Taking some exception to these estimates was Henry Ford II, president of Ford Motor Co., who predicted at the Ford annual meeting yesterday that auto companies will sell 4,500,000 cars in 1958.

Economists surveyed said there are no solid signs that retail sales, currently running 29 percent behind a year ago, will increase in the final months of the year, even though 1959 models will have appeared.

They put third quarter output at slightly over 600,000 cars, based on expected earlier and longer closedowns for model changeovers. In the third quarter last year, the industry turned out 1,302,207 cars.

More importantly, they see low initial output of the 1959 models, which they figure will probably continue through the fourth quarter. Several top industry economists, including Ford Motor Co.'s George Hitchings, estimated total output in the final quarter this year probably will approximate first-quarter 1958 output, or about 1,238,000 cars.

RATE ONE-THIRD OF 1957'S

Currently, car producers are continuing to build cars at about one-third the rate of last year. For the week ending at midnight tomorrow, an estimated 86,420 cars will be built by the industry, as against 87,407 last week. In the corresponding week a year ago, 127,428 cars rolled off assembly lines.

By week's end, the industry will have built 1,966,469 cars since the first of the year, down 32 percent from the 2,791,209 built in the corresponding period a year earlier.

Projections for third and fourth quarter auto output are causing concern among economists who have been looking to the auto industry to pace an economic comeback by the Nation. These projections also have caused alarm among workers in auto and supplier companies, who have been hit hard by short workweeks and lengthy layoffs since late last year, and had been counting on a sharp step-up in production when output of 1959 models starts.

If sales remain at their present rate—and there is no sign of an upturn—the Nation's dealers will deliver about 1,750,000 cars from May through September. New car inventories currently stand at about 790,000. Auto makers hope, through earlier and longer model changeover and by holding down production, to reduce this stockpile to 750,000 by the first of next month and to wind up the calendar year with about 450,000 cars in dealers' hands. This takes into account exports by domestic producers to foreign countries. The year began with dealers holding about 750,000 cars.

Most of the Nation's auto builders this week have scheduled short workweeks in at least some of their plants. However, assembly plants of American Motors Corp. at Kenosha and Milwaukee, Wis., and Ford's Mercury-Edsel-Lincoln division at Wixom, Mich., are scheduled to work 6 days this week. These are the only producers in the industry working more than 5 days.

All plants of General Motors Corp.'s Chevrolet division will work 5 days this week, except for its Atlanta plant, which will work 4 days, and its Los Angeles plant, which is closed for the week. The company's main Pontiac division plant at Pontiac, Mich., will work 4 days this week. The Cadillac plant at Detroit has returned to a 5-day workweek after working 4 days last week.

SEVEN GM PLANTS DOWN

Three of GM's seven Buick-Oldsmobile-Pontiac assembly plants are down for the week this week. Those plants are at Atlanta, Arlington, Tex., and South Gate, Calif.

Ford Motor Co.'s Ford division plants at Louisville and San Jose, Calif., are down for the week this week, and the assembly plant at Atlanta is closed today.

Chrysler Corp. said its DeSoto division plant will be closed for the week this week. Studebaker-Packard Corp. at South Bend, Ind., said it has scheduled 4 days this week.

General Motors also announced that 6 of its 7 Buick-Oldsmobile plants will work 4 days next week because of the Memorial Day holiday. The seventh, at Atlanta, will work 4½ days.

Weekly auto table

	This week	Last week [1]	Year ago week	To date	
				1958	1957
Chevrolet	25,100	27,002	29,710	588,220	646,627
Ford	20,372	18,144	30,457	426,162	663,787
Plymouth	9,400	9,391	16,372	165,188	304,744
Oldsmobile	5,362	7,260	7,704	151,728	193,782
Rambler	4,550	4,559	2,291	72,385	39,583
Mercury	4,034	3,386	6,576	85,814	150,956
Buick	3,529	5,026	7,694	114,259	208,022
Dodge	3,500	3,421	7,575	43,573	138,761
Pontiac	3,200	4,420	6,724	104,179	168,813
Cadillac	3,200	2,596	3,339	63,414	69,606
Chrysler	1,700	123	3,157	24,313	60,498
Studebaker	1,181	0	1,429	13,708	25,920
Lincoln	456	449	824	19,243	20,453
DeSoto	450	1,616	2,244	18,626	64,197
Imperial	360	0	1,099	6,720	20,143
Packard	35	0	20	1,360	6,039
Nash	0	0	160	0	2,833
Hudson	0	0	43	0	1,128
Totals [2]	86,420	87,407	127,428	1,966,469	2,791,209

[1] Revised
[2] Totals include 428 Continental cars in 1957.

Mr. HUMPHREY. Mr. President, in conclusion, I note that new orders for machine tools fell in April by 56 percent from April of last year. In reporting this sharp drop the Wall Street Journal of May 23 stated:

Economists frequently look to the tool order trend as an indicator of future economic activity. A long downtrend in machine-tool orders, for example, began in the fall of 1956, well before the weakening in general business activity became pronounced. Likewise, it is expected the machine-tool trade would show early signs of any pickup in the economy.

I ask unanimous consent that this Wall Street Journal article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ORDERS FOR MACHINE TOOLS TUMBLED IN APRIL—DROP FOLLOWED 4-MONTH RISE, WAS ENTIRELY IN DOMESTIC ORDERS—FOREIGN BUYING UP—BUILDERS DOUBT UPTURN SOON

CLEVELAND.—New orders for machine tools tumbled last month. They had been on an upgrade since December.

Net new bookings less cancellations in April slipped to $22,800,000, according to the National Machine Tool Builders Association.

This figure about equaled the February total but was 23 percent below the $29,450,000 of March and was 56 percent under the $51,300,000 of April last year.

A slight increase in orders from abroad helped keep the April order figure from dropping even lower, the association noted. Foreign buying last month totaled $6,450,000, which topped the $6 million figure of March and also the $5,600,000 total of April 1957. Trade sources credit this relatively high buying to European auto makers, whose tool orders have held at a relatively high level most of the year.

ENTIRE DROP IN DOMESTIC ORDERS

On the other hand, domestic orders accounted for the entire dropoff, declining to $16,350,000 in April from $23,450,000 in March.

Machine tools are basic to the production of just about all heavy metal products, ranging from household appliances to automobiles. The equipment is used to cut, grind, drill and otherwise shape the parts for these major consumer items. Since the equipment—much of which must be custom built to fit production of a specific part—takes from a few months to a year and a half to build and ship, orders must be placed well in advance of the scheduled shipment date.

Because of this long lead time between orders and shipments, requiring tool buyers to anticipate their needs well in advance, economists frequently look to the tool order trend as an indicator of future economic activity. A long downtrend in machine tool orders, for example, began in the fall of 1956, well before the weakening in general business activity became pronounced. Likewise, it is expected the machine tool trade would show early signs of any pickup in the economy.

UPTURN BEFORE FALL DOUBTED

However, few machine-tool builders look for an upturn in orders at least before fall. They say a general improvement in the business picture as well as buying from the automotive industry should improve the trend late in the year.

At least one builder, though, looks for a pickup in orders from the car makers as soon as wage talks with the AFL–CIO United Auto Workers union are concluded. Others doubt a decision to order tools for 1960 or 1961 by the big Detroit concerns would come that soon. "We hear the auto companies are going to close down for a while this summer, and if they do, they certainly won't be talking tools," says an official of another tool concern. The auto industry, of course, is of major interest to machine-tool makers. Except for Government purchases in wartime, changes in the family car have provided the industry with its biggest source of volume.

Also of concern to tool builders is a belief some auto makers are planning to rebuild older tools to adapt them to production of newly designed parts.

ORDERS THIS MONTH

For the current month, 6 of 12 concerns contacted, said orders were coming in at a pace similar to April. Of the other 6, 3 reported an increase and 3 a decline. Among the concerns reportedly placing orders in recent weeks is General Electric Co. Ralph Cordiner, GE chairman, recently predicted the company would undertake a company-wide tool replacement program.

While orders for machine tools may have passed the lowest point in the current drop, the industry's shipments could still fall a lot more. Big tool orders from the auto industry, along with some hefty Air Force buying in late 1955 and most of 1956, built up huge backlogs in most tool shops. Even now, the last of these backlogs continue to keep some of the shops far busier than the sales offices.

Tool shipments last month, despite a decline of 12 percent to $40,350,000 from $45,850,000 in March, were nearly double the April new order figure. These April shipments, however, were less than half the $87,800,000 worth of tools packed off to customers in the like month a year ago.

For the first 4 months of the year, shipments totaled $172,450,000, compared with $331,150,000 in the first 4 months of 1957. Orders so far in 1958 have amounted to $94,450,000, compared with $231,650,000 a year ago. For shipments this is a decline of 48 percent; for orders, a decline of 59 percent.

Mr. HUMPHREY. Mr. President, I point out these indications of the seriousness of the recession, not because it gives me any pleasure to do so, but only because I feel we cannot deal effectively with the recession by ignoring its effects. I, along with many of my colleagues in the Senate, have been accused of being a "doom and gloomer" by bringing forth the true facts as to this recession. To this charge I say that we are only kidding ourselves if we think we can halt this recession by pretending it does not exist. In my opinion, the great disservice to the country is not being rendered by those who call attention to the economic facts of life, but rather by those who would have us wear economic blinders.

ADJOURNMENT TO MONDAY

Mr. SYMINGTON. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, June 2, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 29 (legislative day of May 28), 1958:

Robert E. McLaughlin, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified. (Reappointment.)

Thomas M. Healy, of Georgia, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1958. (Reappointment.)

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of sections 8298 and 8299, title 10, United States Code. All officers are subject to physical examination required by law.

MAJOR TO LIEUTENANT COLONEL

Line of the Air Force

Stiles, Myrl D., 21374W.
White, Frances L., 21251W.
Connor, Miles A., 32850A.
Hammond, Fred B., Jr., 19774A.
Birnbaum, Myron L., 20018A.
Higgins, Fred J., 20019A.
Dickson, Donald C., Jr., 21430A.
Green, John O., 24260A.
Berry, Cooley C., 20020A.
Yandala, Gust J., 19775A.
Magee, Fabrian L., 32851A.
Spence, Harry B., 32852A.
Smith, Russell L., 32853A.
Quinn, William W., 32854A.
Bechtel, Paul S., 32855A.
Schirmer, Robert F., 32856A.
Michels, Robert W., 19783A.
Everett, June, 21376W.
Kiegel, Albert C., 6731A.
Jacobs, Herbert M., 6736A.
Howe, Everitt W., 6854A.
Dockstader, Daniel B., 6856A.
Barker, William H., 6943A.
Hackett, James E., 7082A.
Thompson, Alden G., 7126A.
Bergman, Harold O., 7137A.
Buck, Arthur W., 7168A.
Harris, Jesse L., 7178A.
Armstrong, George H., 2124A.
Ryan, Paul T., 7222A.
Stutzman, Robert G., 7347A.
Thomas, Frank L., 7509A.
McCoy, Paul L., 7538A.
Cannon, John H., Jr., 7582A.
Williams, James M., 8046A.
Anderson, Leonard W., 8138A.
Dilly, Vincent S., 8163A.
Byers, Edward F., 8223A.
Lupear, Cornell J., 8224A.
Theisen, Emmett J., 8225A.
Gilbert, Raymond A., 8226A.
Miller, Eugene F., 8227A.
Taylor, Richard W., 8228A.
Loughry, Robert J., 8229A.
Yon, Pershing L., 8230A.
Howes, Francis B., Jr., 8231A.
Schaal, William R., 8232A.
Selden, Littleton C., 8233A.
Thompson, Dan F., 8234A.
Hoermann, Francis J., 8235A.
Brodie, George F., Jr., 8236A.
Taylor, Robert H., 8237A.
Kaufman, Alfred, 8238A.
Black, William M., 8239A.
Wobbe, Roger L., 8240A.
Steakley, Ralph D., 8241A.
Fears, James W., 8242A.
Whitmire, James M., Jr., 8243A.
Smith, Edward D., 8244A.
Svore, Ferdinand L., 8246A.
Wray, Cletus, 8248A.
Kurz, Albert A., 8249A.
Hatch, Lewis M., 8251A.
Alois, Frank J., 8252A.
Boles, Homer C., 8253A.
Roberts, Sam A., 8254A.
Nixon, Robert L., 8255A.
Nestor, Vergil N., 8256A.
Neil, Charles V., 8258A.
Smith, Elmer F., 8259A.
Tyler, Joe M., 8260A.
Larrick, Percie J., 8261A.
Rogers, Herbert J., 8262A.
Wiehrdt, Leonard I., 8265A.
Mackay, Neill, C., 8266A.
Aubrey, Carl L., 8267A.
Peck, Fred R., Jr., 8268A.
McRaven, Claude C., 8269A.
Reife, Robert W., 8271A.
Bridges, Dewey R., 8274A.
Johnson, Paul E., Jr., 8275A.
Beall, J. Mac, 8276A.
Papania, Ralph, Jr., 8277A.
Sorte, Martin E., 8278A.
Ewing, Donald W., 8279A.
Payne, Carl G., 8280A.
Newland, Martin K., 8281A.
Martin, Lloyd J., 8282A.
Twichell, Wallace B., Jr., 8284A.
Mansfield, Richard M., 8285A.
Tanberg, Lawrence F., 8286A.
Edwards, Wilbur H., 8289A.
Smith, Derwood K., 8290A.
Whitehorn, Kenneth W., 8291A.
Westfall, William B., 8292A.
Andreae, Andreas A., 8293A.
Sanders, Harry G., 8294A.
Ducote, Marc M., Jr., 8295A.
Silliman, Clifford R., 8296A.
Rankin, Warner F., Jr., 8297A.
Childress, Raymond K., 8298A.
Burns, Harold W., 8299A.
Parker, Julian W., 8300A.
Fischer, Henry A., Jr., 8301A.
Yarbrough, Walter R., 8302A.
Benner, John G., 8303A.
Morris, Robert C., Jr., 8304A.
Robertson, Philip O., 8306A.
Frazier, Edwin B., 8307A.

McGuire, Troy B., 8310A.
Johnston, George H., 8311A.
Daunt, John J., Jr., 8312A.
Smith, Robert E., 8313A.
Uhle, Richard B., 8314A.
Baker, Royal N., 8315A.
Sabin, Flavel P., 8316A.
Tucker, Norman P., 8317A.
Fields, Melvin E., 8318A.
Brundage, Theodore T., 8320A.
Blat, Seymour, 8321A.
Cryer, Elmer H., 8323A.
Jack, Chester A., 8324A.
Cook, Richard H., 8325A.
Roberts, Ben H., 8326A.
Jobanek, Wilbur L., 8327A.
Kyzer, David A., 8328A.
Thornton, Clark O., 8329A.
Schlupp, John A., 8330A.
Perry, Bruce L., 8331A.
Key, William D., 8332A.
Guyton, John A., 8333A.
Watson, Oscar L., 8334A.
Taylor, Fitz G., 8335A.
Shapton, Leslie D., 8337A.
Jackson, Edgar R., Jr., 18106A.
Schratz, Robert K., 8338A.
Mixson, Marion C., 8339A.
Hill, Landon P., 8340A.
Joyce, Thomas B., 8341A.
Lucas, Henry E., 8342A.
Heiser, Sherwood W., 8344A.
Foy, John P., 8345A.
Penn, Kirby C., 8346A.
Stroud, Herbert O., 8348A.
McGiverin, Francis, 8349A.
Myers, Raymond B., 8352A.
Kucheman, Henry B., Jr., 8353A.
Crouchley, Edward A., 8354A.
Burrus, Donald E., 8355A.
Shumway, John R., 8357A.
Young, William R., 8359A.
Sterling, Edwin L., 8360A.
Vivian, Edward A., 8361A.
Nolan, Robert J., 8362A.
Sims, Daniel A., 8363A.
Schmidt, Ferdinand R., 8364A.
Dowswell, John R., 8365A.
Keefer, William E., 8366A.
Simmons, Hal F., 8367A.
Noonan, Robert M., 8368A.
Nielsen, William C., 8369A.
Atchison, Delmar W., 8370A.
Simmons, John A., Jr., 8371A.
Johnston, Robert D., 8372A.
Morales, Carl H., 8373A.
Shanklin, Donald W., 8375A.
Robertson, John A., 8376A.
Libbey, Richard B., 8377A.
Brandon, William D., 8378A.
Smith, Stanley, 8379A.
Taylor, John P., 8381A.
Soha, Walter M., 8382A.
Clark, Gordon B., 8383A.
Hartman, Herber A., 8384A.
Lame, Roland C., 8385A.
Gruetzemacher, Robert O., 8386A.
McClughan, George W., 8387A.
Lawson, George A., 8389A.
McCorkle, Howell P., 8390A.
Tyson, John, 8391A.
Maxwell, Jewell C., 8393A.
Saunders, Johnson R., Jr., 6853A.
Lanzoni, Silvio D., 8395A.
Price, Thomas J., 8396A.
Forest, Stuart V., 8397A.
Ryan, Thomas S., 8398A.
Clary, Ralph L., 8399A.
Hull, Arnold R., 8400A.
Sorey, Robert L., 8401A.
Robertson, Bennett E., 8402A.
Stinson, Frederick A., 8403A.
Walck, Richard E., 8761A.
Roberts, Donald W., 8404A.
Crisi, Alfred R., 8405A.
Summers, Charles L., 8406A.
Dunlap, Robert R., 8407A.
Suggs, Ralph G., 8409A.
Smith, William R., 8410A.
Lingo, Jack W., 8412A.
Skousen, Samuel J., 8413A.
Watkins, John J., 8416A.
Wilk, Jake L., Jr., 8417A.
Nye, Francis W., 8418A.
Vogt, Louis R., 8420A.
Carroll, John W., 8423A.
Kelly, Walter E., 8424A.
Downing, Harry L., Jr., 8425A.
Thomas, Leonard L., 8427A.
Beard, William A., 8428A.
Gammon, William J., 8430A.
Foster, James H., 8432A.
Banning, Richard E., 8433A.
Schleeh, Russell E., 8435A.
Wilcox, Grover C., Jr., 8436A.
Tarver, William H., Jr., 8437A.
Roberts, William K., 8438A.
Lown, Franklin D., Jr., 8439A.
Leaverton, George B., 8440A.
Taylor, Glenn W., 8441A.
Marek, Frank E., 8442A.
Nichols, Frederick K., 8444A.
Appold, Norman C., 8445A.
Eckert, Clarence A., 8446A.
McCleary, William J., 8447A.
Burkett, Reinhold E., 8448A.
Miller, Jerry D., 8449A.
Evans, Clayton E., 8450A.
Allison, Royal B., 8451A.
McDonald, John R., 8452A.
Allyn, Robert H., 8453A.
Iverson, Leroy C., 8454A.
Reber, Marlen E., 8455A.
Shaffer, Dale L., 8456A.
Morrison, John E., Jr., 8459A.
Rushforth, Robert G., 8460A.
Byrne, Eugene W., 8461A.
Roath, Dean G., 8462A.
Steiner, William H., Jr., 8463A.
Reid, Michael T., 8464A.
Hoffmann, Robert M., 8465A.
Genez, Victor M., 8466A.
Haltom, Charles C., 8467A.
Darby, James A., 8468A.
Taylor, Richard, 8469A.
Cronin, James J., 8471A.
Barton, Terry R., 8472A.
Grubbs, Wallace E., 8473A.
Blais, Lawrence F., 8474A.
Alexander, Donald, 8475A.
Begg, Charles F. H., 8476A.
Marvel, Alden L., 8477A.
Ward, Oliver C., 8478A.
Wallen, Phil J., 8479A.
Ritter, Lattie A., Jr., 8480A.
Smith, Clure E., Jr., 8481A.
Roberts, George S., 8482A.
Bradley, Raymond A., 8483A.
McLean, Daniel P., 8484A.
Matthews, Donald E., 8485A.
Marchesi, William, 8486A.
Merchant, Frank B., 8487A.
Duke, Claude L., Jr., 8488A.
Collinsworth, J. D., 8489A.
O'Connor, Frank Q., 8490A.
Wilson, Vernon E., 8491A.
McAllister, Walter L., 8493A.
Brown, Ralph L., 8494A.
Rose, James L., 8495A.
Scullion, J. Donald, 8496A.
Campbell, James M., 8497A.
Rennels, Fred L., Jr., 8498A.
Riggs, William E., 8499A.
Chairsell, William S., 8501A.
Fisher, Franklin L., 8502A.
Massengale, Herbert W., 8503A.
Hedlund, Bryce A., 8504A.
King, Donald H., 8505A.
Lewis, Armit W., 8506A.
Briscoe, Carroll D., 8507A.
Vaughn, Jasper M. P., 8508A.
McClung, Ray S., 8511A.
Saunders, Clason B., 8513A.
Cooper, Harold D., 8515A.
Barthel, Carl C., 8517A.
Dyer, Frederick W., Jr., 8519A.
Burton, Charles R., 8522A.
Bushue, Bernard J., 8523A.
Schulstad, Louis M., Jr., 8524A.
Lindberg, James O., 8525A.
Stoffel, Nicholas P., 8526A.
Brainerd, Jackson W., 8527A.
Temple, Kenneth L., 8529A.
Pedersen, James C., 8530A.
Walters, Joe P., 8531A.
Williams, Lee R., Jr., 8532A.
Jenkins, Ralph C., 8533A.
Blakely, Everett E., 8534A.
Stewart, John S., 8535A.
Brady, Edward L., 8536A.
Huston, Laverne F., Jr., 8537A.
Martin, Bill H., 8538A.
Regan, John M., 8539A.
Arnold, Richard T., 8540A.
Scott, Robert R., 8541A.
Gossett, Ernest E., 8542A.
Armbrust, Carl W., 8543A.
Powell, Russell, 8544A.
Tueller, Jack L., 8545A.
Belongia, Blair G., 8546A.
Trask, James E., 8548A.
Debriyn, Raymond J., 8549A.
Sweetland, Earle E., 8551A.
Knapp, Joseph M., 8552A.
Ferebee, Thomas W., 8554A.
Lavagnino, William L., 8555A.
Hoffman, John M., 8556A.
Butts, Earl A., 8557A.
Clement, Edwin G., 8558A.
Artiglia, Aldo, 8560A.
Perlberg, Norman N., 8562A.
Edwards, Richard G., 9020A.
McCloy, Edward, 8563A.
Banker, Robert D., 8564A.
Sharp, Daniel F., 8565A.
Hostler, Charles W., 8567A.
Kaspereen, Frank R., 8568A.
Anderson, William A., 8569A.
Wicklund, Harold A., 8570A.
White, William T., 8571A.
Kay, Marvin E., 8572A.
Eisenbrown, Walter T., 8573A.
Killip, John T., 19534A.
Pakenham, Thomas F., 8574A.
Tipton, Richard P., 8575A.
Collins, Harold D., 8576A.
McClelland, Jack, 8578A.
Grady, William R., 8581A.
Keeling, Gerald G., 8582A.
Buckley, William G., 8583A.
Smith, Harvey N., 8484A.
Galt, George T., 858A.
Newsom, William W., Jr., 8587A.
Davis, Henry P., Jr., 8589A.
Snodgrass, Okey W., Jr., 8590A.
Larson, Harold B., 8591A.
Godwin, Jasper L., Jr., 8592A.
Campbell, William A., 8593A.
Bland, George T., 8594A.
Drees, Fred W., Jr., 8595A.
Hansley, Frank W., 8596A.
Cline, Harold F., 8598A.
Harrington, Ralph H., 8599A.
Dubose, Edward E., Jr., 8600A.
White, Harold C., 19570A.
Sanders, Francis A., 8601A.
Spear, Peter H., 8602A.
Stephenson, Ottis V., 8603A.
Wright, William J., 8604A.
Bowen, John E., 8605A.
Totten, Jerry M., 8608A.
Ariano, Richard A., 8609A.
Patillo, Leslie G., Jr., 8611A.
Lamm, Louis J., 8612A.
Hensley, Gaston M., 8613A.
Hatcher, Nolan C., 8614A.
Biberstein, Arthur L., 8617A.
Westmoreland, Lonnie Q., 8618A.
Holman, Alvin R., 8619A.
Brown, Jack R., 8620A.
Beall, Lewis S., 8621A.
Godfrey, Eugene O., 8622A.
Hunter, William A., 8623A.
Bower, Deward E., 8624A.
Britt, James O., 8625A.
Marsh, Frederick H., 8626A.
Belfield, Douglas F., 8627A.
Asch, Alfred, 8629A.
Bryant, Marion F., 8630A.
Pendergrast, Donald W., 8631A.
Matson, Wayne, 8632A.
Curran, Emmett E., 8634A.
Eells, Irving C., 8635A.
Johnson, Charles W., Jr., 8636A.

Reppert, Leonard B., 8637A.
Midkiff, Richard L., 8638A.
Jory, Jesse F., 8639A.
Hewett, Henry B., 8640A.
Parsons, Hershell E., 8641A.
McCord, George E., 8642A.
Richmond, George M., 8644A.
Hendry, Augustus M., Jr., 8645A.
Forward, Ronald B., 8646A.
Crossey, James L., 8647A.
Hancock, James H., 8648A.
Zeigler, Carl E., Jr., 8649A.
Upson, Linus F., Jr., 8650A.
Kendig, Robert E., 8651A.
Long, Benjamin F., 8652A.
Hallam, Philip G., 8653A.
McWilliams, Calvin E., 8654A.
Breeze, William H., 8655A.
Reecher, Kenneth A., 8656A.
Ayers, Jerry H., 8657A.
Taylor, Ralph G., Jr., 8660A.
Myers, Joseph, 8661A.
Gates, Robert W., 8662A.
Crumm, William J., 8663A.
Haselby, Johnnie V., 8665A.
Bamburg, Horace E., 8666A.
Schuyler, Dean H., 8667A.
Vestal, Howard L., 8668A.
Ceuleers, George F., 8669A.
Alexander, Wiley L., 8670A.
Johnson, Gerald W., 8671A.
Barraclough, Robert A., 8673A.
Birdsong, George P., Jr., 8674A.
Turton, John S., 8675A.
Jeffrey, Arthur F., 8676A.
Benz, Walter G., Jr., 8677A.
Byrd, Herman E., 8678A.
Gossick, Lee V., 8679A.
Lancaster, Hartwell C., 8681A.
Rhodes, William J., 8683A.
Moore, William H., 8684A.
Fackler, Robert F., 8685A.
Green, Herschel H., 8686A.
Kellogg, David N., 8687A.
Adams, William A., Jr., 8688A.
Adair, Allan P., 3d, 8689A.
Hill, Alvin J., 8690A.
Curry, James H., 8691A.
Stewart, James T., 8692A.
Carlton, Paul K., 8693A.
Pace, William N., Jr., 8694A.
Click, Benjamin A. L., Jr., 8695A.
Giller, Edward B., 8696A.
Blair, Hubert M., 8697A.
Arnold, Carl, 8698A.
Wimsatt, Joseph F., 8699A.
Bloomer, Joseph A., Jr., 8700A.
Newman, Fred H., 8701A.
Burns, Harmon E., 8702A.
Hoeper, Paul E., 8703A.
Meyer, Robert J., 8704A.
Rex, Edward M., 8706A.
Crim, Harry C., Jr., 8707A.
Moberly, Caleb P., 8708A.
Vogt, John W., Jr., 8709A.
Whitker, Frederic E., 8711A.
Dickinson, Jacob M., 3d, 8712A.
Howle, Robert P., Jr., 8714A.
Upchurch, Jerry E., 8715A.
Barnes, John W., 8716A.
Jones, William J., 8717A.
Rudolph, Bestow R., 8718A.
Robins, Nathaniel B., 8719A.
Barney, William S., 8720A.
Marler, Maurice E., 8721A.
Guilfoyle, Frank J., 8723A.
Rasmussen, Darwin E., 8724A.
Sours, Lyle S., 8725A.
Jones, Dorrie E., 8726A.
Johnson, Grove C., 8727A.
Dimel, James J., 8728A.
Corrie, Wirt H., 8729A.
Gibson, Richard C., 8731A.
McDaris, Robert A., 8733A.
Petersen, Tracy J., 8734A.
Silva, John J., 8735A.
Parsons, Herman O., 8736A.
Hastings, Vernon L., 8737A.
Trzyna, Casimir J., 8738A.
Hyde, Thomas C., Sr., 8739A.
Nichols, Philip C., 8740A.
Thurston, Joseph W., 8741A.
Mallett, John H., 8742A.
Gebhart, Harold J., 8743A.
Koch, Harry E., 8744A.
Mann, Herbert R., 8745A.
Coen, Oscar H., 8746A.
Dufour, Jerome P., 8747A.
Shaw, Lauren L., Jr., 8748A.
Levy, Robert M., 8749A.
Nunziato, Ralph J., 8750A.
Livingston, Robert P., 8751A.
Shepard, Charles W., 8753A.
Hill, Clayton C., 8755A.
Frank Milton, Jr., 8756A.
Callaway, Leonard C., 8758A.
Crutcher, Richard L., Jr., 8759A.
Arbogast, Thomas J., 8760A.
Carroll, John A., Jr., 8762A.
Allen, Clayton F., 8763A.
Gregory, John L., Jr., 8765A.
Draper, Frederick A., Jr., 8766A.
Head, Willie C., Jr., 8767A.
Crumley, James P., 8768A.
Johnson, Timothy R., 8769A.
Brinson, Sheldon S., 8771A.
Tatum, Theodore P., 8772A.
Dunn, Bruce C., 8774A.
Abellera, Thomas, 8775A.
Parsley, Wayne M., 8776A.
Hornsby, Joseph D., 8777A.
Patton, James D., 8778A.
Sheppard, Chris J., 8779A.
Braun, Vincent A., 8780A.
Faught, Courtney L., 8781A.
Cartwright, Philip E., 8782A.
Simmons, Henry C., 8783A.
Martindale, Ward W., 8784A.
Eddy, Leonard A., 8785A.
Stevenson, Horace A., Jr., 8786A.
Lutman, Charles C., 8787A.
Griffith, Frank J., 8788A.
Cometh, Lawrence, 8789A.
Wray, James W., Jr., 8790A.
Coleson, Roger D., 8797A.
Ansell, Norris J., 8792A.
Duff, David D., 8794A.
Alexander, Andrew J., 8795A.
McLaughlin, George W., 8796A.
Coleson, Roger D., 8797A.
Hardee, Walter R., Jr., 8798A.
Waters, Joseph R., 8799A.
Herring, John H., Jr., 8800A.
Bores, Albert D., 8801A.
Davis, William M., 8802A.
Tara, Hollis B., 8803A.
Cody, Howard E., 8805A.
Hayes, James M., Jr., 8806A.
Hueners, George W., 8807A.
Andrews, John W., 8808A.
Fahringer, John C., 8809A.
Johnson, George M., Jr., 8810A.
Jorgensen, Gerald R., 8813A.
Cathcart, Richard E., 8814A.
Brooks, Philip, 8815A.
Butler, Herbert I., 8816A.
Campbell, James M., 8817A.
Barker, Darold K., 8819A.
Arbuthnot, George S., 8821A.
Allbritton, John L., 8822A.
Hemphill, Robert F., 8824A.
Smith, James G., 8825A.
Ruddell, George I., 8826A.
Walters, Therwin S., 8827A.
Madeley, Arthur C., Jr., 8828A.
Lockard, Chancy H., 8829A.
Grace, James D., 8830A.
O'Connor, Denis P., 8831A.
Middleton, Arthur J., 8832A.
McCarty, Billy S., 8833A.
Baird, Julian B., 8834A.
Ayles, Robert L., 8835A.
Shelton, Eldridge G. Jr., 8837A.
Cole, Charles H., Jr., 8838A.
Weaver, James W., 8839A.
Townsend, Guy M., 8840A.
Schultz, Melvin R., 8841A.
Moreland, Charles T., Jr., 8842A.
Lucas, Anthony D., 8843A.
Hicks, Roger L., Jr., 8844A.
Moon, Ryan M., 8846A.
Schwarze, Elroy H., 8847A.
McConnell, Charles H., 8848A.
Banks, Jack R., 8849A.
Carvalho, Henry P., 8850A.
Griffith, Ole C., Jr., 8851A.
Lemley, Samuel A., 8852A.
Abramson, Charles E., 8853A.
Vernon, Elmer H., 8855A.
Gaslin, Harold E., 8856A.
Hackleman, John L., 8857A.
Ventriss, Donald E., 8859A.
Fitzgerald, Vernerd, 8860A.
Staite, Robert A., 8862A.
Bagley, Ronald D., 8863A.
Webb, Clarence R., Jr., 8864A.
Kendrick, Robert F., 8866A.
Macklin, John D., Jr., 8867A.
Cobb, John T., 8870A.
Tosti, Carlo R., 8871A.
Futch, Kenneth H., 8872A.
Dieterich, Virgil C., 8873A.
Reddell, William H., 8874A.
Gipson, Charles H., 8875A.
Dieterle, Jack W., 8876A.
Fox, James H., 8877A.
Horridge, Richard M., 8878A.
Hozier, George C., 8879A.
Hewitt, John A., 8880A.
Michel, Theodore J., 8882A.
Ogden, Harold A., 8883A.
Moody, Peter R., 8884A.
Clementson, Gerhardt C., 8885A.
McAdam, Theodore J., 8886A.
Harrell, John W., Jr., 8887A.
Hardaway, Ben F., Jr., 8889A.
Low, Andrew S., Jr., 8890A.
Palfrey, Campbell, Jr., 8892A.
Stapleton, Carl W., 8893A.
Short, Robert B., 8894A.
Smith, Roy O., Jr., 8895A.
Maupin, Jere W., 8896A.
Woodward, Paul B., 8897A.
Holdrege, Fred E., Jr., 8898A.
Gustaves, Selmer, 8899A.
Robinson, Floyd I., 8900A.
Reid, John D., 8901A.
Weigel, Andrew H., 8902A.
Anderson, John M., 8903A.
House, Richard A., 8904A.
Munns, Edward A., 8905A.
Nickodem, Lowell S., 8906A.
Ballard, Roy W., 8908A.
Maffry, Richard W., 8909A.
Scofield, Frank C., Jr., 8910A.
Hanley, Thomas J., 3d, 8912A.
Jaynes, Jay, 8913A.
Boone, Harry F., 8915A.
Hinkle, Carl C., Jr., 8916A.
Peck, John C., 8917A.
Dillon, Walter W., 8918A.
Retzer, Karl N., 8919A.
Buck, George T., Jr., 8920A.
Hughes, George D., 8921A.
McGuire, Lawrence P., 8922A.
Burris, Howard L., 8923A.
Stann, Leon, 8924A.
Baxter, Wyley L., 8925A.
Blake, Donald F., 8926A.
Reinbold, Richard D., 8927A.
Plott, William C., 8929A.
White, Ralph J., 8931A.
Shelton, Harvey W. C., 8932A.
Garland, William C., 8934A.
Gernert, William E., 8936A.
Evans, Robert R., 8937A.
Beers, Robert W., 8938A.
Berman, Robert A., 8939A.
Frank, Wallace B., 8940A.
Hyde, Frederick W., Jr., 8941A.
Slaton, Howard W., 8942A.
Burke, Mark J., 8943A.
Murphy, John R., 8944A.
Westenhoff, John H., 8945A.
Rose, John B., Jr., 8946A.
White, Ernest J., Jr., 8947A.
Scott, Richard M., 8948A.
Fishburne, Charles C., Jr., 8950A.
Rew, George R., 8953A.
Ellis, Jerome P., 8954A.
Clay, Lucius D., Jr., 8956A.
Ward, Albert M., 8957A.
Cunliffe, Richard K., 8958A.
Shirley, Paul, 8959A.
Callahan, Charles A., 8960A.
Shepard, Ernest B., 8961A.

Svejkar, Joseph, 8963A.
Worthington, Roy H., Jr., 8964A.
Shean, John P., 8965A.
Grow, Clyde L., 8967A.
Lafko, John W., 8968A.
Dietrich, Calvin G., 8969A.
Hammett, George P., Jr., 8970A.
Embrey, Leland E., 8972A.
Catterlin, Richard R., 8973A.
Mulligan, Robert A., 8974A.
Mulling, Eugene G., Jr., 8975A.
Huie, Perry L., 8976A.
Turnipseed, Felix M., Jr., 8978A.
Heisler, William F., 8979A.
Phillips, Samuel C., 8981A.
Clay, Marvin J., 8982A.
Bennett, John W., 8984A.
Voigt, Jack P., 8985A.
Wallor, John T., 8986A.
Howat, Kenneth W., 8987A.
Lynch, Robert J., 8988A.
Powers, John J., 8989A.
Biretta, Algert A., 8990A.
Seale, Maxie B., 8992A.
Coons, Walter H., 8993A.
Martin, Metro, 8994A.
Reineck, Rollin C., 8996A.
Riddle, Richard D., 8997A.
Starke, Eugene C., 8998A.
McClanahan, William A., 8999A.
Barton, William G., 9000A.
Gee, Howard S., 9002A.
Hegyessy, Harold M., Jr., 9003A.
Miller, Lester F., 9004A.
Yucker, Julius L., Jr., 9005A.
Hegseth, Orville D., 9006A.
Springer, Ralph R., 9007A.
Snipes, James C., 9008A.
Deets, Jack L., 9009A.
Spelis, Tadas J., 9011A.
Bussing, Henry G., 9012A.
Talbot, Joseph L., 9015A.
Raebel, James B., 9017A.
Hoefler, George E., 9018A.
Weddle, Owen A., 9019A.
Schneider, Edward A., 9021A.
Malitz, Charles C., Jr., 9022A.
Hays, Reginald L., 9023A.
Bradford, James W., 9024A.
Wilson, William A., Jr., 9025A.
Carss, Walter L., Jr., 9026A.
McNeese, Harold G., 9027A.
King, John R., 9028A.
Kimbell, Earl S., 9029A.
Murray, James E., 9030A.
Whitmore, Robert A., 9031A.
Younkin, Richard C., 9033A.
Pepitone, Byron V., 9034A.
Laurents, Robert B., 9035A.
Foster, James O., Jr., 9036A.
Sartor, Samuel O., 9037A.
McCracken, Delmar I., 9038A.
Kirkpatrick, Charles E., 9039A.
Brown, Robert L., 9041A.
Clark, Delbert M., 9042A.
Minnehan, Bernard A., 9043A.
Ripko, Joseph U., 9044A.
Cameron, John W., 9045A.
Nichols, Steward H., 9046A.
Sheldon, Porter F., 9047A.
Robinson, William B., 9048A.
Tennant, Charles W., 9049A.
Whitsett, Jack W., 9050A.
Bonneaux, William K., Jr., 9051A.
Tapp, James B., 9052A.
Whitley, Edgar D., 9053A.
Boggs, Aaron J., 9054A.
Langley, Julius R., 9055A.
Omsted, Kenneth A., 9056A.
Howton, Harry G., 9057A.
Stiles, Lowell A., 9058A.
Borman, Robert C., 9059A.
Webber, Paul E., 9060A.
Graham, Marshall R., 9061A.
Brackley, William L., 9062A.
Heaberg, James H., 9063A.
Fulton, Raymond A., 9064A.
McCullough, John H., 9065A.
Nigra, Le Roy, 9066A.
Tweedie, Roy L., 9067A.
Richey, Robert H., 9068A.
Hibner, Edwin L., 9069A.
Hobaugh, John H., 9070A.
Hinkle, Wayne K., 9071A.
Hoggatt, James L., 9072A.
Hauser, Elmer F., 9073A.
Paffel, Donald W., 9074A.
Appel, Charles A., 9075A.
Adams, George W., Jr., 9076A.
Maul, Dwight E., 9077A.
Harvey, John F., 9078A.
Stewart, R. C., 9079A.
Beckley, Raymond E., 9080A.
Sacknoff, David A., 9081A.
Talmant, Alex W., 9082A.
Stoney, Paul R., 9083A.
Carter, James R., 9084A.
Small, Richard D., Jr., 9085A.
Johnson, Ralph A., 9086A.
Lefevre, Frederick H., 9088A.
Simpson, Charles E., 9089A.
Robertson, Edward H., 9090A.
Mitchell, Robert H., 9091A.
Kirkendall, James F., 9092A.
Bieck, Robert B., 9093A.
Johnson, James T., 9094A.
Frarie, Wayne M., Jr., 9095A.
Schultz, Kenneth W., 9096A.
Anderson, Milton A., 9097A.
O'Connor, Squire T., 9098A.
Everest, Frank K., Jr., 9100A.
Carlson, Robert E., 9101A.
Greffet, Charles V., 9102A.
King, James W., 9103A.
Buckey, James H., 9105A.
Nolan, John A., 9106A.
Bennett, Robert L., 9107A.
Toland, Butler B., Jr., 9108A.
Pedone, Vito S., 9109A.
Whitfield, Joe M., 9110A.
Meyers, Charles R., Jr., 9112A.
Hardzog, Walter A., Jr., 9114A.
Quirk, Michael J., 9115A.
Keller, Robert W., 9116A.
Sipes, William C., Jr., 9117A.
Ryan, Lloyd M., 9118A.
Bradshaw, Marion A., 9119A.
Smith, Claude W., 9120A.
Mikolowski, Edward, 9121A.
Ellis, Joseph W., 9122A.
Young, Hugh D., 9125A.
Kolstad, Robert F., 9127A.
Milburn, Walter B., Jr., 9128A.
Horne, Claude G., 9131A.
Kellis, James G. L., 9132A.
Woodruff, Harold D., 9133A.
Wright, Fred P., Jr., 9153A.
Manbeck, Lester E., 9136A.
Neill, Dennis V., 9137A.
Alba, Carmelo V., 9138A.
Gaynos, Nicolaus, 9139A.
Schulte, Orville J., 9140A.
Williams, George P., 9141A.
Barton, James R., 9142A.
Marschner, Bernard W., 9143A.
Tiernan, Thomas J., 9144A.
Sawyer, Charles W., 9146A.
Stay, Jesse E., 9148A.
Stephens, Lawrence E., 9149A.
Ramsey, Robert L., 9151A.
Satterwhite, Albert W., 9152A.
Kelly, Robert L., 9153A.
Kohnert, Harold A., 9154A.
Harris, Louis E., 9156A.
Timbers, George T., 9157A.
Schlie, Walter, 9158A.
Price, Weston H., 9160A.
Rosebush, Kenneth E., 9161A.
Howe, Charles W., 9162A.
Peterson, Marshall R., Jr., 9163A.
Personeus, Lester, Jr., 9164A.
Adams, Orville G., 9165A.
Morris, Frederick E., Jr., 9166A.
Gaston, Allen B., 9170A.
Kremer, Emil A., 9171A.
Walker, Hal T., 9172A.
Cameron, William R., 9173A.
Beck, Richard W., 9174A.
Bennett, Thomas W., Jr., 9175A.
Hillstrom, Carl M., 9176A.
Kreidler, Howard E., 9177A.
Baker, Charles C., 9178A.
McElhanon, William E., 9182A.
Stahl, Horst A., 9183A.
Crispen, Marshall F., 9185A.
VanDeever, Lawrence E., 9186A.
Dacus, John H., 9187A.
Bedford, John P., 9188A.
Kimball, Clarke C., 9189A.
Bench, Herbert G., 9190A.
Cassada, Randall C., 9191A.
Clendenin, Robert A., 9192A.
Hines, Wilfred E., 9193A.
Holland, Chaz M., 9194A.
Collier, Ben F., 9195A.
Gunn, James H., 9196A.
Stehling, Henry J., 9197A.
Layhee, Harold F., 9198A.
Elling, Milfred O., 9200A.
McNally, Lawrence M., 9201A.
Black, Walter E., Jr., 9202A.
Stallings, Gordon K., 9203A.
Crabtree, Jean E., 9204A.
Olsen, Sumner M., 9205A.
Hanson, Robert W., 9206A.
Culp, Merle H., 9207A.
Sevier, Coy T., 9209A.
Haller, Roscoe R., 9210A.
Sarosy, John A., 9211A.
Carlson, Elmer G., 9212A.
Bartol, Dominic A., Jr., 9214A.
Abdallah, William P., 9215A.
Isaacson, Clayton M., 9216A.
Prickett, Donald I., 9217A.
Strait, William V., Jr., 9218A.
Henny, Max W., 9219A.
Walker, Lewis H., 9220A.
Dienz, John E., 9221A.
Rash, John F., 9223A.
Maggart, Robert E., 9224A.
Kaufmann, Leonard J., Jr., 9225A.
Bradburn, Gordon F., 9226A.
Bacalis, Paul N., 9227A.
Workman, Jack B., 9228A.
Frank, Donald H., 9229A.
Phillips, John E., 9230A.
Adduci, Vincent J., 9231A.
Keller, John C., Jr., 9232A.
Wigger, William F., 9233A.
Morganti, Clyde J., 9234A.
Simler, George B., 4th, 9236A.
Wiseman, Lee V., 9237A.
Simpson, Thomas S., 9238A.
Weeks, James B., 9239A.
Caudill, Edwin G., 9240A.
Watson, George H., 9241A.
Hughes, Charles E., 9242A.
Molander, Stanley V., 9243A.
Hill, William C., 9244A.
Carrigan, Thomas M., 9247A.
Smith, James M., 9248A.
Younkin, Leland A., 9249A.
Byerley, Howard L., 9251A.
Roche, Jean R., 9252A.
Blake, Lynn T., Jr., 9253A.
Munson, Charles B., 9254A.
Buel, Joseph G., 9255A.
McReynolds, Zachariah A., 9256A.
Vivian, Lawrence, 9257A.
Shinner, John W., 9258A.
Balchunas, George A., 9259A.
Buskey, Paul G., 9260A.
Schweiger, Walter J., Jr., 9261A.
Zink, Harry J., 9262A.
Perkins, Lytle R., 9263A.
Adams, George M., 9264A.
Erben, James B., 9265A.
Spencer, Charles F., 9266A.
Arcuri, Michael J., 9267A.
Neal, John R., 9268A.
Mirock, George C., 9269A.
Godley, Lawrence E., 9270A.
Nichols, Willard A., 9271A.
Agan, Charles K., 9272A.
Tarbet, Dale F., 9273A.
Past, Sheldon J., 9274A.
Mecke, Harold J., 9275A.
Bolt, Jones E., 9276A.
Cox, Richard G., 9277A.
Robinson, Lillian T., 21281W.
Weniger, Robert L., Jr., 9278A.
Noel, William H., 9280A.
Clocksin, Albert J., 9281A.
Cole, Louis B., 9282A.

Bruce, Robert E., 9283A.
Johnston, Robert B., 9284A.
Callahan, Walter, 9285A.
Kane, Harold E., 9286A.
Kerr, Kenneth J., 9287A.
Green, Norman E., 9288A.
Peck, George S., 9289A.
Spear, Sid F., 9290A.
Shiner, Byron D., 9291A.
Iverson, Richard J., 9292A.
Andre, Louis E., Jr., 9293A.
Anderson, William L., 9294A.
Nollkamper, James L., 9295A.
Pasero, Bernard B., 9296A.
Bergum, Lester N., 9297A.
Lowell, Marlan E., 9298A.
Hannah, George L., Jr., 9300A.
Bradley, Jack T., 9301A.
Thompson, Shirley B., 9302A.
Emory, Frank N., 9304A.
Basel, George P., 9305A.
Wood, Jim H., 9306A.
Winn, Chasteen G., Jr., 9307A.
Austin, Orlo L., 9308A.
Oglesby, Herbert W., 9309A.
Butler, Richard D., 9310A.
Byers, Vic L., Jr., 9311A.
Behrens, Elton A., 9312A.
English, Peter P., 9313A.
Sweeney, James E., 9315A.
Hadley, James A., 9316A.
Cronin, William R., 9317A.
Keene, John H., 9319A.
Smutko, Leonard S., 9320A.
Dennis, Harry S., Jr., 9321A.
Jackson, Arthur C., Jr., 9323A.
Willms, Gene C., 9324A.
Krause, George J., 9327A.
Berry, Everett O., Jr., 9329A.
Collins, Frank J., 9330A.
Green, Paul D., 9331A.
Smith, Leon A., 9332A.
Smith, Cornelius M., Jr., 9333A.
Norton, Carl R., 9334A.
Gutierrez, Joseph S., 9335A.
Lumley, Jack T., 9336A.
Winneshiek, William S., 9337A.
May, Lowell E., 9338A.
Taylor, Dayton R., 9339A.
Perry, Henry B., 9340A.
Walker, Richard L., 9341A.
Fuller, Edwin W., 9343A.
Parker, Clarence S., 9346A.
Althouse, Donald I., 9347A.
Miller, Edward L., 9348A.
Templeton, Horace A., 9349A.
Bridget, Henry B., 9350A.
Witt, Thomas F., 9351A.
Wooten, Edward D., 9352A.
Hedrick, Walter R., Jr., 9353A.
Manda, Francis S., 9355A.
Griffith, Richard S., 9356A.
Wilson, Richard A., 9357A.
Schlamersdorf, Oscar E., 18079A.
Lisack, John P., 9358A.
Rogers, Thomas E., 9359A.
Cafarelli, John, 9361A.
Crown, Richard K., 9363A.
Blanton, Ernest L., 9364A.
Ogiba, Henry S., 9366A.
Joram, Louis H., 9368A.
Evans, David L., 3d, 9369A.
Harris, Richard C., 9370A.
Patton, John M., 9371A.
Chandler, William F., 9372A.
Lee, William W., 9373A.
Woods, Jesse L., Jr., 9375A.
Alworth, John W., 9376A.
Nathe, Leonard H., 9377A.
Harris, George T., 9380A.
Goldner, Irving A., 9381A.
Boyle, John H., 9382A.
Peterson, Chesley G., 9383A.
Dreier, Charles N., 9384A.
Foster, James W., 9385A.
Merkel, Ellsworth L., 9387A.
Kinard, Clinton R., 9388A.
Klam, Louis B., 9389A.
Sporn, Martin, 9390A.
Worley, Ernest L., Jr., 9391A.
Nichols, William C., 9392A.
Hunter, James D., 9393A.
Boyd, Howard T., 9394A.
Mara, Thomas D., 9395A.
Gourley, Harold H., 9397A.
Andrews, Thomas J., 9398A.
Owen, James C., 9399A.
Roughton, Aurelian E., Jr., 9400A.
Lynn, Roland R., 9401A.
Hinkel. George M., 9402A.
McKee, Ralph D., 9404A.
Embrey, Ralph C., 9405A.
Pratt, Leonard E., 9406A.
Mistrot, Joseph F., 9407A.
Bounds, John E., 9408A.
Baker, Norman N., 9409A.
Franke, Joseph, 9410A.
Anderson, Oscar S., Jr., 9411A.
Mauck, Fred G. D., 9412A.
Ford, Claud E., 9513A.
Hull, George R., 9414A.
Causey, Rufus F., 9416A.
Edwards, Wilson V., 9417A.
Mitterling, Robert O., 9418A.
Fitzsimmons, Robert J., 9420A.
Brueland, Lowell K., 9422A.
Long, Maurice G., 9423A.
Kortemeyer, Henry A., 9424A.
Chapman, Carl J., 9426A.
Fisk, Harry E., 9427A.
Buer, Glendon J., 9428A.
Elliott, Elmo A., 9429A.
McKinnon, Duncan J., 9430A.
Roper, Frank A., 9431A.
Amos, Robert F., 9432A.
Bogard, Wayne C., 9433A.
Morris, James M., 9434A.
Sittman, William L., 9437A.
Eagleston, Glenn T., 9438A.
Bolton, Willard L., 9439A.
Fellenbaum, William R., 9440A.
Stephens, Robert W., 9441A.
Hunn, Spencer S., 9442A.
Jackson, Frank D., 9443A.
Mau, Fredrick E., 9444A.
Hall, William L., 9446A.
Hochstetter, Herman E., 9447A.
Hughes, Arden B., 9449A.
Brock, John W., 9450A.
Burr, Frank R., 9451A.
Crahan, James E., 9452A.
Erickson, Earl M., 9453A.
Brosnan, Cornelius G., 9454A.
Dedera, Joseph E., 9455A.
Popek, Edward S., 9456A.
Klette, Immanuel J., 9457A.
Bahler, George P., 9458A.
Bray, Clifton L., 9460A.
Solem, Herman S., 9461A.
Fulmer, Harold G., 9462A.
Thompson, John K., 9463A.
Russell, Harold G., 9464A.
Larsen, William A., 9466A.
McAdams, William B., 9467A.
Green, Louis A., 9468A.
Simcoe, Desider A., Jr., 9469A.
Fly, Hugh G., Jr., 9470A.
Davis, Joseph F., 9471A.
Hughes, Maurice L., 9472A.
Vivian, Jerrold M., 9473A.
Ballew, John M., 9474A.
McLachlan, Joseph J., 9475A.
Anderson, Bryant Y., 9476A.
Miller, Jean B., Jr., 9477A.
Zeine, Merle M., 9478A.
Mourer, Lester C., 9479A.
Orr, George A., 9480A.
Tarbutton, Jean D., 9481A.
Hnatio, Myron M., 9482A.
Rowland, Thomas J., Jr., 9484A.
Chilstrom, Kenneth O., A485A.
Brinson, Robert F., 9486A.
Fischer, Jerome J., 9488A.
Orwat, Norman S., 9489A.
Compton, Gordon B., 9490A.
Stubbs, Gail L., 9491A.
Rose, Ralph J., 9494A.
Rickert, Walter K., 9495A.
Tilley, Reade F., 9496A.
Chatterley, Archie W., 9497A.
Anderson, John F., 9498A.
Lyon, Aubrey G., 9499A.
Gunn, Raymond D., 9501A.
Warns, Thomas F., 9502A.
Pickett, Joe W., 9503A.
Triantafellu, Rockly, 9504A.
Meek, Arthur M., 9505A.
Gray, Jay O., 9506A.
Marsh, Robert A., 9507A.
McIntyre, Clarence E., 9509A.
Davis, Thomas A., 9510A.
Lyman, Lawrence R., 9511A.
Ayres, Langdon F., 9512A.
Yandoh, Thomas R., 9513A.
Whitt, James A., 9514A.
Eade, George J., 9515A.
Petty, Morris E., 9516A.
Koval, Andrew E., 9517A.
Ashley, Clower P., 9518A.
Carter, William P., 9519A.
Svenvold, Harold R. 9520A.
Kraus, Glenn R., 9521A.
Wilson, Robert A. H., A9523A.
Henslee, Lem P., 9524A.
Reber, Carl J., 9526A.
Atkins, John H., Jr., 9527A.
Clark, Thomas M., 9528A.
Sharpe, Carl L., 8029A.
Scanlan, Joseph W., 18067A.
Ellison, Lawrence A., 9531A.
Froman, Howard W., 9532A.
Payne, Kenneth J., A9533A.
McCoskrie, Roland K., 9534A.
Rogers, Glenn E., 9535A.
Conques, Lawrence, 9536A.
Helmantoler, Willis L., 9537A.
Adams, Peter P., 9538A.
Chatfield, Stanley E., 9539A.
Reichardt, Leslie L., 9542A.
Opper, Clifford R., 9545A.
Adamson, Norman F., 9546A.
Williamson, Samuel S., Jr., 9547A.
Meroney, Virgil K., 9548A.
Childress, Hubert M., 9550A.
Schwellenback, Thomas W., 9551A.
Hoover, John R., 9552A.
Newby, Richard E., 9553A.
Hofmann, Thomas C., 9554A.
Ramsauer, Robert T., 9556A.
Paukert, Robert S., 9557A.
Williams, David M., 9558A.
Albritton, Jesse T., 9559A.
Rife, Raymond S., 9560A.
Middlekauff, Darwin C., 9562A.
Schuster, Robert C., 9563A.
Smith, William E., 9564A.
Slater, Herschel H., 9566A.
Wentz, Paul N., 9567A.
Giblin, Richard T., 9568A.
Personett, Thomas A., 9569A.
Harker, Chester V., 9571A.
Herway, Loren W., 9573A.
King, Benjamin H., 9574A.
Harris, Shelby J., 9575A.
Mitchell, John T., 9576A.
Baugh, Howard L., 9577A.
Emmert, Benjamin H., Jr., 9578A.
Bland, Edward C., 9579A.
Haydon, Edward R., 9580A.
Taylor, Edward H., 9582A.
Brenner, George P., Jr., 9583A.
Donovan, Joseph N., 9584A.
Fidrocki, Alfred V., 9585A.
Ferris, Lester R., Jr., 9586A.
Hilton, James B., 9587A.
Fenlon, James W., 9588A.
Willey, Clifford A., 9589A.
Broaddus, Donald A., 9590A.
Miller, Charles L., 9591A.
Fricks, Robert O., 9592A.
Jones, William T., 9593A.
Wormington, Jack E., 9594A.
Dwyer, Harry R., 9595A.
Strode, Ross D., 9597A.
Broyles, Enoch E., 9598A.
Hale, Blair, 9599A.
Clifford, Robert R., 9600A.
Zell, Lucian T., 2d, 9601A.
Rochez, Louis A., 3d, 9602A.
Doyle, Thomas F., Jr., 9603A.
Belser, Joseph H., 9604A.
Butterfield, William H., 9605A.
Sands, Warren H., 9606A.
Shirey, Clair L., 9307A.

King, Edward C., Jr., 9609A.
Potebnya, Orr Y., 9610A.
Kelly, Clyde R., 9613A.
Anderson, Arthur W., 9615A.
Duncan, George H., 9616A.
Bundgaard, Robert C., 9617A.
Godfrey, Stephen M., 9618A.
Lucich, Stanley, 9619A.
Pournaras, Stephen W., 9620A.
Fischer, Irvin A., 9621A.
Bonnot, Carlos D., 9622A.
Brown, Dean B., 9624A.
Brown, Gerald, 9625A.
Winter, William F., 9626A.
Warfield, Allen, Jr., 9628A.
Martin, Urban W., 9629A.
Kimsey, James W., 9630A.
Hart, Fred L., 9632A.
Potter, Thomas K., Jr., 9633A.
Jarratt, Jerry D., 9634A.
McKee, Jack E., 9635A.
Best, William M., 9636A.
Seal, Earl D., 9637A.
Walsh, David I., 9638A.
Clark, Charles H., 9639A.
McDonald, William G., 9640A.
Gross, Richard R., 9642A.
Schenkein, George, 9643A.
Ewbank, William L., A9644A.
Atwater, William E., 9646A.
Miller, Earl C., 9647A.
Hale, William S., 9648A.
Steinhauer, Raleigh F., 9649A.
Wisniewski, Raymond F., 9650A.
Kissick, Luther C., Jr., 9651A.
Sims, Harold H., 9653A.
Yeater, James W., 9654A.
Larkin, Robert T., 9655A.
Flavin, Kenneth A., 9656A.
Carroll, Robert W., 9657A.
Patton, Phil M., 9658A.
Harwell, James A., Jr., 9661A.
Saunders, Patrick H., A9662A.
Thompson, Harry J., 9663A.
Duch, Walter F., 9664A.
Berube, Paul G., 9665A.
Peters, Gilbert A., 9666A.
Haywood, Floyd H., Jr., 9667A.
McRae, Roland L., A9668A.
Andres, Joseph E., 9669A.
Griffin, Edmund D., Jr., 9670A.
Slusser, Hayden C., 9671A.
Waltz, Robert W., 9672A.
Hawkins, Steedly P., 9674A.
Gonye, Leonard F., 9676A.
Bass, Earl J., 9677A.
Williams, Charles W., 9679A.
Kiser, Ralph W., 9680A.
Conklin, Joseph E., 9681A.
Sloan, William A., Jr., 9682A.
O'Hara, Robert C., 9684A.
Keithley, George J., 9686A.
Cooper, Theodore L., 9687A.
Trask, John A., 9688A.
Aaron, Thomas R., 9689A.
Johns, Howard G., 9690A.
Powell, Sherrill L., Jr., 9692A.
Graves, Needham W., 9693A.
Leaf, Charles C., 9694A.
Kilgore, Bishop M., 9695A.
Henington, Henry M., 9696A.
Koehler, Leonard F., 9697A.
Boatman, Beryl L., 9699A.
Crane, Russell D., 9700A.
Arakelian, Edward J., 9701A.
Wilson, Jean S., 21291W.
Wilson, Harry A., 9702A.
Weiser, Gus, 9703A.
August, Jack W., 9704A.
Taylor, Robert A., 9705A.
Brauer, William H., 9706A.

Medical Corps

Watkins, Philip B., 19245A.
Nareff, Max J., 29805A.
Seaman, Oliver R., 19242A.
Bellnoski, William O., Jr., 20471A.
Marett, William C., 19267A.
Lau, Robert E., 19246A.
Spiegel, Frederick S., 21643A.
Bradley, William G., 23052A.
Tarrow, Arthur B., 19244A.
Yerg, Raymond A., 24192A.
Streck, Fletcher W., 19283A.
Veatch, Charles A., 26349A.
Hart, William W., 26351A.

Dental Corps

Morgan, Bernard B., 18910A.
Krause, Lyndon S., 20522A.
Jakob, Robert H., 20832A.
Ketcham, Frank H., 21685A.
Book, William H., 22395A.
Hewson, John M., 21594A.
Miller, William A. C., Jr., 21845A.
Zuber, Jack M., 18911A.
Bienvenu, Patrick X., 18956A.
Hase, Robert R., 23163A.
Zukowski, Alphonse A., 21593A.
Michalik, Walter J., 20007A.
Poor, Willard H., 21728A.

Veterinary Corps

English, Burt W., 19000A.
Rushmore, Rowland W., 19001A.
Beckcom, Edwin A., Jr., 19005A.
Gorman, Harry J., 19007A.
Kadets, Martin, 19008A.
Snider, Charles H., 19009A.
Couch, J. B., 21601A.

Medical Service Corps

Parker, James F., 19445A.
Criswell, Thomas F., Jr., 19446A.
Herbert, Woodrow C., 19574A.
Umphress, Donald L., 19449A.
Brunnemann, Auben W., 19450A.
Sutton, Allan D., 19462A.

Nurse Corps

Kowaleski, S. Margaret, 20911W.
Darden, Elizabeth A., 20925W.
Hall, Sara C., 20985W.
Norred, Annice E., 21928W.
McKenzie, Margaret E., 21933W.
Berendsen, Dorothy M., 21941W.
Jahr, Rhoda U., 20905W.
Montgomery, Alice L., 20980W.
Young, Eunice P., 20929W.
Deason, Bernice Y., 20951W.
Hoadley, Mary E., 21924W.
Benston, Martha L., 20920W.
Pierce, Miriam R., 21084W.
Kovach, Ethel R., 21110W.
Nereson, Myrtle N., 22006W.
Upshaw, Esther L., 20924W.
Bendetti, Rose M., 21929W.

Medical Specialist Corps

Horr, Frances M., 21195W.

Chaplain

Flowers, Elijah V., 18779A.
Brown, Ormonde S., 18784A.
Andrew, Joseph D., 18785A.
Rex, Wendell P., 18786A.
Kessler, John N., 18789A.
Goodhand, Vernon M., 18792A.
Wills, Charles F., 18796A.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Patton, Orin C., 31528A.
Tuthill, Daniel A., 47815A.
Vaughan, Daniel G., 47805A.
Patrick, John R., 47814A.
Thompson, Leland L., Jr., 47818A.
Hilton, Richard D., 47821A.
St. Jean, Frederick J., 47816A.
McCurdy, Thomas P., 47822A.
Thornton, Leonard F., 47817A.
Lee, James D., 47812A.
Jones, Harold D., 47826A.
Martin, Jimmy G., 47829A.
Merrill, Charles D., 47833A.
Hughes, Vincent C., Jr., 47835A.
Wise, Boyd E., 47836A.
Norman, Warren E., 47837A.
Wilson, Dick E., 47838A.
Staehli, Alfred M., 47847A.
Krueger, Richard W., 47856A.
Webre, Eugene J., 47848A.
Fitton, Crosley J., Jr., 47853A.
Somerder, Herbert E., 47854A.
Bellinger, Richard A., 47843A.
Rigby, William G., 47851A.
Parrish, John A., Jr., 47852A.
Tomaskovic, Thomas M., 47846A.
Smith, Douglass W., 47869A.
Shively, Stanley F., Jr., 47867A.
Jordan, Wayne E., 47870A.
Hector, Perry G., 47871A.
Story, Conrad L., 47874A.
Conway, Richard P., 47873A.
LaFond, Roger A., 47877A.
Potter, Ernest J., 47880A.
North, Ronald M., 47879A.
Fallows, Thomas E., 47883A.
Gillespie, Claude M., 47882A.
Treu, Gaylord B., 47885A.
Toft, Donald L., 47887A.
Spegal, Donn A., 47884A.
Richards, Donald C., 47895A.
Hunsucker, Coley A., 47893A.
Larsen, Richard N., 47894A.
Melleraki, Robert A., 47897A.
Muskat, Michael S., 28071A.
Waddill, Rober G., 47902A.
Griffith, Tedd N., 47901A.
Haskins, Gale L., 28073A.
Burris, Marvin E., 28072A.
O'Donnell, Francis B., Jr., 29585A.
Jandt, Robert A., 31863A.
Guinn, Gregor S., 31862A.
Deloache, Kelly L., 47920A.
Lamb, Henry A., 47915A.
Milam, F rl E., 47911A.
Cahill, Harley R., 47919A.
McGee, Joseph W., 47910A.
Tolbert, William T., 47913A.
Peterson, Arthur A., 47916A.
Thornton, Richard W., 47921A.
Canfield, Paul C., 47924A.
Lanning, Robert G., 47923A.
Burns, Lindo L., 31864A.
Shircliff, Thomas A., 47926A.
Kingsley, Rubert H., Jr., 31865A.
Cannon, Mervyn M., 31866A.
Whiteside, Jack H., 31867A.
Velde, Lee D., 47927A.
Haffner, Richard W., 31868A.
Fitts, Richard E., 47929A.
Burkett, Walter M., 31869A.
Ostrominski, John, 47932A.
Baker, Ward J., 47934A.
Rutkowski, Phillip T., 28074A.
Houde, Frank L., 47935A.
Wareman, William A., 31870A.
Duckworth, Richard D., 47937A.
Hill, James R., 47938A.
Ledbetter, Melvin N., 28075A.
Mohler, Thomas F., 31872A.
Oglesby, Joseph D., 31871A.
Lofton, Theo G., 47950A.
Fagan, Willis P., 47943A.
Ham, Ronald L., 47944A.
MacQueen, George F., 47945A.
Haney, William F., Jr., 47941A.
Greene, Taylor H., 47940A.
Ridlinghafer, Billy R., 47946A.
Strait, Ernest D., 47953A.
Tucker, Gordon L., 28076A.
Valle, Manuel D., 31873A.
Coupland, William R., 31874A.
Tucker, Sidney L., 47957A.
King, Robert R., 31875A.
Gustafson, Charles J., 31877A.
Maratos, Stanley G., 47961A.
Dean, Ernest S., Jr., 47959A.
Hall, Donald J., 47965A.
Tuttle, William C., 47969A.
Simon, Paul J., 47964A.
Rhodes, Robert N., 47962A.
Smith, James A., 47963A.
Atkinson, Gary D., 28077A.
Bartlett, Reid, Jr., 31878A.
Robertson, O. D., 47972A.
Langford, Walter M., 47973A.
Peterson, Donald C., 47971A.
Lindenmeyer, Edgar J., 47974A.
Waldman, James H., 28078A.
Wilde, James B., 28079A.
Davis, Richard, 47977A.
Cunningham, Charles J., Jr., 31879A.
Nichols, David L., 31880A.

Silverstein, Jack, 48001A.
Soherr, Paul E., 47989A.
Tuttle, Robert R., 47979A.
McIlvaine, Francis J., 47985A.
Cates, Charles W., 47978A.
Tadlock, Carlos E., Jr., 47999A.
Founds, Boyd E., 47988A.
Weber, Alban L., 47990A.
Reidy, Thomas P., 47997A.
Kolling, James L., 47984A.
Bennett, Robert E., 47995A.
Sanders, Robert W., 47891A.
Blanton, Harvey B., Jr., 28080A.
Grewell, Dean R., Jr., 31882A.
Edwards, Harry N., 31881A.
Olson, Arthur W., II, 48004A.
Davis, Walter R., 28081A.
Masoner, Thayer E., 28082A.
Blair, William D., 28083A.
DeCarlo, Anthony J., 31884A.
Fuller, Benjamin R., III, 31883A.
Robidoux, Joseph E., 48010A.
Milliken, Gordon J., 48007A.
Poor, William B., 48005A.
Shook, Tom M., 31885A.
Slider, Joseph H., 31886A.
Buckley, Sims A., 48012A.
Fleshman, Roger F., 48013A.
Hanson, Stanley C., 48015A.
Krim, John W., 48016A.
Hime, James L., 28977A.
Hess, Robert C., 31895A.
Hogue, Herbert R., 31889A.
Bartman, Gilbert, 31887A.
Keith, Patrick, 31890A.
Yancy, Raymond C., 11894A.
Trudell, Alfred A., 31893A.
McHugh, Joseph A., 31891A.
Nou, Juri V., 31892A.
Brander, Albert, 48019A.
Perdue, Jacque M., 48027A.
Roell, Roger V., 48028A.
Freedman, Bernard, 48022A.
Lorch, John H. V., 48018A.
Smart, Edmund P., 48031A.
Noyd, Dale E., 28084A.
Dederick, Donald L., 48033A.
Jones, Robert D., Jr., 28085A.
Coyle, Francis S., III, 31897A.
Curtis, Lewis G., 31896A.
Craven, William E., 480394A.
Nunenkamp, Max T., 48038A.
Will, Kenneth J., 28086A.
Griggs, Phillip D., 28087A.
Sutton, Robert L., 28088A.
Kunz, Richard E., 28089A.
Miller, Gerald S., 48046A.
Thompson, Robert L., 48053A.
Vogler, Frederick J., 48052A.
Lindholm, John A., 48049A.
Latta, James P., 48048A.
Schorsch, Rudolf H., 31898A.
Lee, Donald V. H., 48055A.
Wheeler, Terrence G., 48056A.
McCoy, Lelian D., 28090A.
Wirth, Peter C., 28091A.
Anderson, Richard E., 31901A.
Claiborn, Edward L., 48058A.
Tripp, Harold D., 48061A.
Johnston, Robert L., 48060A.
Lamb, George H., 48059A.
White, Leslie W., 28092A.
Paschal, Richard B., 31902A.
Beardsley, Clarence J., 48062A.
Pyle, George T., 48067A.
Kroese, Coe J., Jr., 48066A.
Kishline, Samuel J., 48065A.
Harrison, John W., 48063A.
Roberts, Albert J., Jr., 48077A.
Nelson, Oscar W., Jr., 48076A.
Morris, Jack K., 48075A.
Evans, David W., 48068A.
Letto, Augustine R., 48069A.
Cornwell, William T., Jr., 48071A.
Mullennex, John T., 31903A.
Trolinger, Donald C., 48081A.
Rendahl, Neil J., 48082A.
O'Neal, Bob H., 48083A.
Gunther, William J., 28093A.
Poore, James W., 48004A.
Cleveland, Frederick H., 31904A.
Carrier, Stephen C., 31905A.
Gandy, Ray P., 28094A.
Miller, Ralf M., 31851A.
Bedke, Ernest A., 48086A.
King, Cliff A., Jr., 31906A.
Smith, Murray L., 48088A.
Wagner, Paul E., 48090A.
Lewis, John C., III, 48091A.
Gregory, Carl R., 48092A.
Underwood, David B., 48089A.
Bergstrom, Terry J., 28096A.
Connolly, Vincent J., 48094A.
Plowman, Charles E., 48093A.
Walker, Rees D., 48097A.
Mullenger, Robert W., 48099A.
Dosky, Raymond C., 48103A.
White, George A., 48104A.
Lamkin, John J., 48107A.
Franscini, Lucien S., III, 28097A.
Cushing, Stanley R., 48116A.
Obzut, Nicholas P., 48114A.
Avila, George C., Jr., 48112A.
Traband, George P., Jr., 48121A.
Price, Norris E., 48117A.
Lesster, William C., Jr., 48120A.
Stroup, Walter E., 48118A.
Kuwamoto, Melvin M., 48109A.
Prescott, Richard E., 28098A.
Headley, Lanny J., 28100A.
Knapp, Byron H., III, 28102A.
Minier, Evan R., 28099A.
Cline, Joseph P., 28101A.
McBride, Roger T., 48123A.
Hopkins, Thomas C., 48124A.
Mayer, Marvin D., 48130A.
Shields, Richard A., 48131A.
Foster, Dick L., 48129A.
Kujawa, Walter A., 48132A.
Smith, Carl R., 28105A.
Rudolph, Hans W., Jr., 28104A.
Zuker, Alan L., 28103A.
Equi, Dino P., 48135A.
Passi, Henry R., 48134A.
Workmon, Edward E., 48137A.
Hause, Richard G., 28108A.
Sackschewsky, Donald M., 28109A.
Hahn, Jack, 28107A.
Schaefer, Ronald T., 48142A.
Tingley, Ronald D., 48143A.
Groves, Fergus C., Jr., 48141A.
Williams, Sherman F., 28110A.
Leigh, Gerald G., 48144A.
Wolford, Leland, 29541A.
Orenstein, Stephen M., 29540A.
Sheringo, William, 29691A.
Schlichter, Robert N., 29690A.
Hawkins, Jerry P., 48145A.
Haynie, John M., 48147A.
Scott, Franklin S., 28111A.
Shaw, David H., 48148A.
Krueger, James H., 48151A.
Tourangeau, Clifton E., 48153A.
Rosenlof, Kenneth D., 28112A.
Aukerman, Donald T., 29542A.
Pitstick, William F., 29543A.
Sloth, Sven E., 29544A.
Hall, George F., 48154A.
Von Gohren, Edward V., 28113A.
Fry, Clifford P., 28115A.
Dwyer, Neil B., 28114A.
Cook, Peter G., 28117A.
Manns, Ralph E., Jr., 28116A.
Rezac, Robert J., 29550A.
Murray, James D., Jr., 29547A.
Russell, Robert S., 29551A.
Pankey, Harold E., 29552A.
Dutcher, William W., 29545A.
Rogers, Albert G., 29548A.
Garove, Eugene, 29546A.
Lillibridge, Jackson L., 29692A.
Thomas, Virgil D., 29549A.
Ushkow, Elliott A., 48167A.
Brandon, Francis E., Jr., 48169A.
Farnham, Neil J., 48168A.
Prewitt, George P., 48171A.
O'Connor, Harold W., 48166A.
Caine, Philip D., 28118A.
Gray, Michael, 28119A.
Gendron, Roger J., 28120A.
Griffin, William C., 48173A.
Suver, James D., 29538A.
Knauss, Russell N., 48176A.
Clark, James R., 48175A.
Larrabee, Edward R., 48177A.
Shiver, Robert A., 31907A.
Vance, David R., 48180A.
Tindall, Ira F., 48181A.
Dickens, Freddie D., 29554A.
Wiles, Donald A., 29556A.
Ward, Robert B., 29555A.
Aamodt, Clark E., 29553A.
Powers, John, 48182A.
Lodge, William G. S., 29560A.
Dyer, Richard E., 29558A.
Bowen, Richard A., 29557A.
Thomas, Wayne H., 29559A.
Bergstrom, James W., 29693A.
Koon, David P., 48191A.
Cozine, John E., Jr., 48186A.
Pratt, John C., 48188A.
Steele, Gail P., 48189A.
Story, Albert G., 48190A.
Amsler, Gordon M., 48185A.
Boyer, Gary L., 48192A.

Medical Service Corps

DeStefano, Peter, 32503A.
McCambridge, John J., 28095A.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

William E. Kerby, Leighton, Ala., in place of G. C. Spangler, retired.

Thomas E. Fischer, Plantersville, Ala., in place of S. K. Martin, retired.

John Y. Metzger, Point Clear, Ala., in place of B. A. Brodbeck, retired.

ARIZONA

Pearl J. Guthrie, Ash Fork, Ariz., in place of W. L. Conger, resigned.

David H. Hill, Hereford, Ariz., in place of C. M. Isaacson, resigned.

ARKANSAS

Cline C. Pile, Charleston, Ark., in place of C. W. Spiller, retired.

Velma L. May, Washington, Ark., in place of Elizabeth Horton, retired.

CALIFORNIA

Inez Alma Rice, Bryn Mawr, Calif., in place of D. O. Rice, retired.

Wayne J. Cummins, Hornbrook, Calif., in place of H. H. Chapman, retired.

Edward G. Garza, Janesville, Calif., in place of F. E. Martin, retired.

Cleatis A. Bookout, Mendota, Calif., in place of M. J. Smoot, retired.

COLORADO

Darrell G. Arnold, La Veta, Colo., in place of E. A. Stansbury, resigned.

CONNECTICUT

Bryce S. Reymers, Falls Village, Conn., in place of M. M. J. Murray, retired.

Edward D. Loomis, Guilford, Conn., in place of L. W. Harrison, resigned.

FLORIDA

Harlow John Schutt, Boynton Beach, Fla., in place of E. S. Pierce, retired.

James F. Rylant, Fernandina Beach, Fla., in place of Louis Goldstein, retired.

Eugene M. Dunlap, Miami, Fla., in place of S. R. Valliere, deceased.

Katherine E. Ragsdale, Pierce, Fla., in place of G. C. Bryan, retired.

William H. Bowes, St. Petersburg, Fla., in place of L. A. Riden, retired.

Harriett R. Miller, San Mateo, Fla., in place of H. C. Bailey, retired.

Clarence C. Christilles, Seville, Fla., in place of M. O. Causey, retired.

GEORGIA

Frances K. Cowan, Ellenwood, Ga., in place of J. A. Clark, retired.

Gussie M. S. Owen, Gordon, Ga., in place of F. S. English, retired.
James Lawrence Hunt, Perry, Ga., in place of O. A. King, retired.
Luke R. Warren, Tennille, Ga., in place of R. D. Smith, retired.
Frederick R. Peterson, Vidalia, Ga., in place of S. D. Williams, retired.

ILLINOIS

Raymond D. Hixon, Claremont, Ill., in place of D. L. Doan, removed.
Marion E. Lang, Creston, Ill., in place of D. C. Bailey, resigned.
Leroy T. Hopkins, Roodhouse, Ill., in place of F. E. Battershell, retired.
Albert J. Rule, Thornton, Ill., in place of W. H. McColly, removed.
Charles E. Higgins, Vandalia, Ill., in place of C. H. Green, retired.

INDIANA

Kenneth H. Cook, Kewanna, Ind., in place of Joe Crabill, resigned.
Franklin E. Dark, Kingman, Ind., in place of M. L. Cory, retired.
Albert Lee Bennett, New Lisbon, Ind., in place of Floyd Leakey, retired.

KANSAS

Benjamin H. Schulz, Jr., Hunter, Kans., in place of R. K. Baird, deceased.

KENTUCKY

James M. Lane, Gravel Switch, Ky., in place of R. O. Harmon, retired.

LOUISIANA

John H. Sharp, Eros, La., in place of V. M. Canady, retired.

MARYLAND

William F. Laukaitis, Baltimore, Md., in place of N. A. Sibley, retired.
William L. Boteler, Buckeystown, Md., in place of E. K. Grimes, retired.
Dudley J. Rickwood, East New Market, Md., in place of E. M. Walls, removed.

MASSACHUSETTS

Annberta L. Terry, Brookfield, Mass., in place of J. J. Durkin, deceased.
Henry A. Kane, Hanson, Mass., in place of W. J. Farley, deceased.
Charles L. Sullivan, Norfolk, Mass., in place of L. H. Chase, retired.

MICHIGAN

James H. Dorsey, Empire, Mich., in place of A. M. Roen, retired.
Urho J. Koski, Houghton, Mich., in place of J. C. Healy, removed.
Barbara J. Leach, McBrides, Mich., in place of H. H. Miel, retired.
Byard G. Raeburn, Sault Sainte Marie, Mich., in place of M. A. Ripley, retired.

MINNESOTA

John Butkiewicz, Kettle River, Minn., in place of F. S. Ronkainen, deceased.
Lowell O. Sovde, Oklee, Minn., in place of Henry Falardeau, retired.
Robert Schwinefus, Ostrander, Minn., in place of F. W. Hill, retired.

MISSISSIPPI

Dura I. Lowrey, Robinsonville, Miss., in place of M. B. Gray, retired.
Austin H. Russell, University, Miss., in place of C. E. Morgan, deceased.

MISSOURI

Jeffrey P. Hilleison, Kansas City, Mo., in place of A. P. Sachs, retired.

MONTANA

Leonard E. Eriksen, Hungry Horse, Mont., in place of H. D. Howell, resigned.
Norman J. LaFriniere, Thompson Falls, Mont., in place of A. J. Dorris, retired.

NEBRASKA

Clarence R. Jeffrey, Allen, Nebr., in place of F. J. Clough, retired.

NEW JERSEY

Evelyn T. McGill, Alpine, N. J., in place of V. M. Burkhardt, resigned.
Alvah R. Blisard, Kearny, N. J., in place of F. A. Brown, deceased.
William N. Clegg, Wayne, N. J. Office established September 22, 1957.

NEW MEXICO

Margarito Arellano, Springer, N. Mex., in place of I. C. Floersheim, retired.

NEW YORK

John J. Murphy, Au Sable Forks, N. Y., in place of T. A. O'Neill, retired.
Clark B. Lord, Bemus Point, N. Y., in place of F. R. Ward, resigned.
Theodore James Kilmeyer, Brentwood, N. Y., in place of K. H. Gallagher, retired.
Beulah I. Giess, Celoron, N. Y., in place of A. T. Guyer, declined.
Hilda D. Maynard, Hartford, N. Y., in place of G. L. Brayton, deceased.
Lewis A. Ward, Lawyersville, N. Y., in place of C. D. Zeh, deceased.
Edwin Earl Jones, Lisbon, N. Y., in place of F. S. Murphy, retired.
Homer E. Houghtaling, Masonville, N. Y., in place of J. L. Peck, resigned.
Elton F. Van Deventer, Palmyra, N. Y., in place of R. C. McCarthy, retired.
Gladys E. Van Haneghem, Walworth, N. Y., in place of G. L. Naber, resigned.
Howard J. Bloodgood, Jr., West Nyack, N. Y., in place of C. F. Partridge, resigned.
Gerald R. Davis, Woodhull, N. Y., in place of W. J. Reynolds, retired.
Genevieve W. Kavanaugh, Woodville, N. Y., in place of Glenn Potts, retired.

NORTH CAROLINA

Lewis N. Cooper, Cameron, N. C., in place of N. B. McDonald, transferred.
Raymond H. Hoots, Edneyville, N. C., in place of J. W. Nesbitt, retired.
Sion Chester Rogers, Elizabethtown, N. C., in place of J. K. Clark, retired.
Maude T. Brown, Hillsboro, N. C., in place of T. E. Bivins, resigned.
Norman J. Hutton, Polkton, N. C., in place of M. T. Ledbetter, retired.

NORTH DAKOTA

Wayne R. Bergan, McHenry, N. Dak., in place of E. N. Swanson, transferred.

OHIO

Richard M. Lauber, Archbold, Ohio, in place of Theodore Buehrer, retired.
Horace M. Barrett, Bainbridge, Ohio, in place of F. C. Stultz, retired.
Joseph Harry Andrus, East Palestine, Ohio, in place of P. C. Schmidt, removed.
George Schneider, Gahanna, Ohio, in place of G. M. Price, deceased.
Robert E. Nelson, Greensburg, Ohio, in place of G. W. Garman, retired.
Eldon G. Roswurm, Huron, Ohio, in place of V. E. Campbell, retired.
Ruth E. Stanforth, Martinsville, Ohio, in place of J. W. King, resigned.
Harry H. Deardorff, Uniontown, Ohio, in place of Carl Palmer, deceased.
Charles V. Lashley, Wellington, Ohio, in place of W. H. Sutliff, retired.
John A. Podor, Westlake, Ohio, in place of E. J. Brause, retired.

OKLAHOMA

George L. Holloway, Stuart, Okla., in place of R. L. Nunn, transferred.
George L. Lockard, Jr., Tuskahoma, Okla., in place of A. H. Lockard, retired.
Loran D. Rhodes, Webbers Falls, Okla., in place of M. D. Harmon, retired.

PENNSYLVANIA

Carl E. Sheldon, Bradford, Pa., in place of P. J. Denman, retired.
William F. Murphy, Jacobus, Pa., in place of D. L. Darr, resigned.
Pauline R. Witmer, Lampeter, Pa., in place of E. B. Witmer, retired.
Raymond R. Orben, Milford, Pa., in place of G. G. Drake, retired.
Harold R. Sampsell, Millmont, Pa., in place of C. R. Graham, deceased.
Olin W. Rogers, Montrose, Pa., in place of J. E. O'Brien, removed.
Walter E. Spangler, Wellsville, Pa., in place of S. M. Zeigler, retired.

SOUTH CAROLINA

Joe H. Giltner, Jr., Chester, S. C., in place of C. C. Wilkes, retired.
Margaret H. Rountree, Elko, S. C., in place of I. K. Youngblood, retired.
Joseph S. Thomas, Jefferson, S. C., in place of H. P. DuBose, retired.
Robert Morris Clayton, Laurens, S. C., in place of M. J. Simpson, retired.

SOUTH DAKOTA

Gerda M. Likness, Langford, S. Dak., in place of A. E. Healy, retired.
Agnes K. Pivny, New Underwood, S. Dak., in place of A. C. Liggett, resigned.

TENNESSEE

Marvin H. Reaves, Dyersburg, Tenn., in place of R. R. Jones, transferred.
Harold T. Hammontree, Greenback, Tenn., in place of R. G. McCollum, retired.
Betty Greer Goddard, Louisville, Tenn., in place of S. L. Graves, transferred.
Carroll R. Booker, Luttrell, Tenn., in place of J. C. Davis, retired.
Johnnie V. Braswell, Smyrna, Tenn., in place of N. E. Coleman, retired.
Charles G. McCuistion, Spring City, Tenn., in place of R. B. Gibson, transferred.
Thomas R. Carothers, Wartrace, Tenn., in place of A. S. Shriver, retired.

TEXAS

Oscar Dwain Carr, Big Lake, Tex., in place of G. T. Edens, retired.
John A. Stavely, Fluvanna, Tex., in place of J. M. Sims, resigned.
Charles M. Martinson, Jr., Jasper, Tex., in place of H. R. Hancock, transferred.
Bill R. Reeves, McLean, Tex., in place of J. R. Back, removed.
Wade M. Slough, Odessa, Tex., in place of W. T. Henderson, retired.
Hugh Clifford Ryan, Pasadena, Tex., in place of C. T. Coolidge, retired.
L. Genevieve McGilvray, Sheffield, Tex., in place of G. M. Mills, resigned.

UTAH

Frank B. Gear, Eureka, Utah, in place of C. W. Bauer, transferred.
Frances R. White, La Sal, Utah, in place of Charles Redd, retired.

VERMONT

Esther L. Sweatt, Craftsbury Common, Vt., in place of B. W. Farrar, retired.
Robert K. Jones, Warren, Vt., in place of H. C. LaMorder, deceased.

VIRGINIA

Claude A. Heisley, Maurertown, Va., in place of Roy Hockman, retired.
Herbert S. Jones, Middletown, Va., in place of W. F. Shipe, retired.
Thomas E. Lonergan, Orange, Va., in place of J. M. McIntosh, deceased.

WASHINGTON

William Bizyack, Cle Elum, Wash., in place of Wayne Ballard, retired.
Edward P. Fitzgerald, Kitsap, Wash., in place of A. E. Pickrell, deceased.

WEST VIRGINIA

Ralph R. Thompson, Fort Ashby, W. Va., in place of M. S. Walker, retired.
Serreda M. Banks, Seth, W. Va., in place of Grace Watkins, resigned.

WISCONSIN

Shirleigh L. Collins, Melrose, Wis., in place of E. D. Young, resigned.
Charles J. Neuenfeldt, Spencer, Wis., in place of D. B. Prehn, transferred.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 29, 1958

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. ALBERT.

The SPEAKER pro tempore. The Chair lays before the House the following communication from the Speaker:

MAY 29, 1958.

I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Samuel 12:22: *It hath pleased the Lord to make you His people.*

Eternal God, our Father and Friend, our Companion and Counselor, humbly we invoke the blessings of Thy grace as we assemble in this Chamber to engage in the business of statecraft.

We earnestly beseech Thee that Thy spirit may come nearer to us than we have ever known and reveal Thy truth more clearly than we have ever seen.

Penitently we confess that again and again we try to silence the persuasions and promptings of Thy spirit, hardening our hearts against those divine demands which we know are imperative and righteous.

Inspire us with a faith that is vital and victorious and endue us with insight to see and courage to obey Thy holy will.

In Christ's name we offer our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 8 and 17 to the above-entitled bill.

CEREMONIES FOR UNKNOWN VETERANS OF WORLD WAR II AND KOREA

Mr. HALEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HALEY. Mr. Speaker, I read in the Washington Daily News of Wednesday, May 28, 1958, an item which is quite disturbing to me and which will be very distressing to our colleagues here in the House. The article follows:

MOTHERS AND WIDOWS DENIED TICKETS

Military and veterans officials have had the unhappy task all week of turning down pleas from mothers and wives of men missing in action for tickets to the Memorial Day ceremonies for the unknown warriors of World War II and Korea.

About 3,000 tickets to the Memorial Amphitheater at Arlington National Cemetery have been distributed, most of them to veterans organizations, Congressmen, members of the Supreme Court, the diplomatic corps, and high administration officials.

Some 200 tickets went to Medal of Honor holders here for the Friday ceremony.

Col. Waldron E. Leonard, District of Columbia veterans' adviser, said his office had received "hundreds of calls from mothers all over the country."

I am sure that the officials who have the responsibility of this important task have done the best they could under the circumstances. I offer no criticism to any of them.

However, I do make this plea to my colleagues: If you have tickets which are not being used, please contact the veteran's adviser mentioned heretofore to see if we cannot alleviate this most unfortunate situation.

I talked with Colonel Leonard this morning and I turned over to him all of the tickets which were made available to my office. Colonel Leonard has contacted the Gold Star Mothers of the District of Columbia. The president of that great organization has advised that any tickets we make available to them through Colonel Leonard will be distributed to the widows and mothers of our missing warriors who are now our Unknowns.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield.

Mr. CANFIELD. May I say to my distinguished friend and colleague from Florida that two tickets for these services were requested by constituents of mine en route to Washington. They were supplied but when I heard that Gold Star mothers had been unable to get a sufficient quantity, I reached my people who agreed the tickets should be returned to the Pentagon. This was done with the understanding they would be given to these mothers. At the same time, the Pentagon explained that it had been in touch with the Gold Star Mothers organization and veterans groups in the first instance and had been most anxious to be as cooperative as possible.

COMMITTEE ON PUBLIC WORKS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 3778.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE LITTLE MAN PAYS

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection?

Mr. HIESTAND. Mr. Speaker, just who will pay for the great "bold-spending" projects so ardently advocated by the Democratic leadership of the other body?

The money is not in the Treasury. We cannot raise the already burdensome taxes and we have not enough votes to cut expenditures that much. Where is the money coming from? Just one way.

This demanded 10 or 20 billion dollars worth of projects must come from deficit spending, which means inflation.

And who pays for inflation and its resultant increased cost of living? The housewife, the little man, the pensioner, and the fixed income people.

Where do they pay for it? At the grocery store and other retail store cash registers in their cost of living. Many of these people do not pay income taxes, but they are the ones who will have to pay for these gigantic and supercolossal projects and they are the ones that can afford it the least.

Let me repeat—the little man, the lower income bracket who are the most numerous will pay for these great new proposed projects, and they will pay for them in their cost of living—the most vicious form of invisible taxation.

That is another reason for opposing these big projects.

UNKNOWN DEAD OF WORLD WAR II AND THE KOREAN CONFLICT

Mr. PRICE. Mr. Speaker, I ask for unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection?

Mr. PRICE. Mr. Speaker, like most Members of Congress, I made my private pilgrimage today to the rotunda under the great dome of the Capitol where the two Unknowns of World War II and the Korean conflict lie in state before their final interment on Memorial Day in the National Cemetery in Arlington.

In the two caskets rest all that was mortal of two Americans who gave their lives and even their identities to keep their country free.

They are the symbols, forevermore to be honored in the eternal watch before

their crypts, of America's youth sent forth to battle against forces hostile to all that we hold dear.

It was a long time ago that I sponsored the first piece of legislation, in September 1945, that set in motion the process that brought these Unknowns here where the Congress could pay tribute to them in the place where once lay the casket of Abraham Lincoln.

Nearly 13 years—and the solemn ceremonies for the Unknown of World War II should have been completed on Memorial Day of 1951. But that was a year of another grim conflict. It was not until 1956 that my second bill, to honor the Unknown of the Korean struggle, became law, and not until this week that the two Unknowns came home together.

I thought as I gazed at these honored dead, flanked by their ceremonial guard in the dim recesses under the Capitol's dome, that they had made a long, long journey.

We owe them our debt of gratitude, and that we shall pay through the unceasing sentry-guard in Arlington through all the generations that our country lives.

But, whatever the tributes of ceremony and majestic solemnity, the ultimate debt must be paid from the hearts of the living. The consciousness of what they gave for all of us will dwell most richly in the minds of those who comprehend, each in his own time, the full challenge of freedom, the true meaning of our country.

We cannot be really sure, I thought, that the swords will be beaten into plowshares, though most fervently we pray that the ancient curse of war shall pass away. But from the example of our honored dead, from these Unknowns whose remains are the symbols of all that our youth gave to us, we may gain high boldness of mind and spirit in whatever trial the years may bring.

The light in the Capitol's rotunda was shot through on this day of dedication with shafts of sunlight.

GIVE PEOPLE THE OPPORTUNITY TO VOTE FOR PEACE OR WAR BY REFERENDUM

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection?

Mr. FINO. Mr. Speaker, tomorrow, May 30, Memorial Day services will be held throughout this Nation in memory of our fallen comrades who shed their blood for us in the cause of freedom.

And yet, while we dedicate this day as a day of memories, we stand aghast at the prospect of a possible destructive war between the United States and the Soviet Union. Whatever the circumstances, whatever the motives leading to such a war, the results would be the certain annihilation of millions of human beings, the desolation and desecration, the scorching and the atomic poisoning of—at the very least—our own beloved land and the land of the Soviet people.

It is up to every thinking citizen, to every Member of the Congress, to every responsible official of our Government to give top priority to exploring all means, to promoting any measure that might offer hope of averting such a holocaust.

Mr. Speaker, the desire of peoples everywhere for peace has been demonstrated again and again. Everywhere, in the United States and in the Soviet Union, the people know that war can only bring death, to themselves, and to their children, and to the very land itself. And yet, every day the atomic armaments pile up, tensions mount, and the world seems to drift ever closer into a state in which any brief flame of controversy may spark the atomic explosion.

If the people of our two countries, the United States and the Soviet Union, were allowed to make a direct decision on any supreme issue of war and peace, none can doubt what the outcome would be.

Mr. Speaker, the process of deciding itself would allow for a cooling-off period in which momentarily aroused passions could be allowed to die down and reason could be allowed to prevail. By advocating a policy of direct referendum of the people on such issues the United States could demonstrate its faith in the essential sanity of man and in the democratic process. It would have everything to gain and nothing to lose in such an endeavor.

Mr. Speaker, I am therefore offering today a resolution for the consideration of the House requesting the President to propose to the Soviet Union that before either of our two countries take military action beyond our borders, outside the context of the United Nations, that the Soviet and American people be given the opportunity to vote on the issues involved. I am sure, if this opportunity were given, there would be no wars between our two countries.

SAGINAW'S BOOTSTRAP OPERATION

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection?

Mr. BENTLEY. Mr. Speaker, I would like to take this opportunity to tell the membership of the House of the efforts of the people of Saginaw, Mich., in combating our recession. First, I would like to very briefly describe the city of Saginaw. It is a community of 100,000 people and is located approximately 100 miles north of Detroit. Saginaw's principal industry is the production of automotive parts to feed the production lines of Flint and Detroit. Our present recession has hit hardest in Michigan and particularly in the automobile industry. Saginaw has suffered considerable unemployment along with the rest of Michigan.

The leaders of Saginaw determined that the best way to combat the recession was to restore the faith of the buying public. They adopted the slogan "Saginaw sales make jobs," and embarked on a citywide sales campaign. The campaign includes all retail business in Saginaw rather than only the automobile dealers, as is the case with the sales campaigns in most other cities. Saginaw's response to the campaign has more than justified the faith of its leaders. All segments of the community came forth to assist and participate. Sales meetings and parades have been held and the retailers have offered special bargains.

The results of this communitywide campaign have been amazing. A survey of retail sales for the 4 weeks beginning April 18, 1958, when the campaign started, show an increase of 31 percent over the previous 4 weeks. Automobile sales for the first month of the campaign have jumped 200 percent in the city of Saginaw, where 409 new cars and 528 used cars were sold from April 18 to May 13. These figures are certainly encouraging. However, the most gratifying result of the campaign has been its effect on the employment picture in Saginaw. During the first 2 weeks of the drive, requests for employees by employers increased by 10 percent, according to the Michigan Employment Security Commission. From April 15 to May 15 unemployment decreased by 400, and the commission reports that since May 15 an additional 400 workers have been recalled by Saginaw employers. This is certainly a material improvement in the employment picture in Saginaw, and most of the improvement can be traced directly to Saginaw sales campaign. The Pysher Heating Co., of Saginaw, presents a splendid example of the drive's effect on a small business. Before the campaign started, Pysher employed only 3 people; as a result of the increased sales since April 18, Pysher has added 5 persons to its payroll. Saginaw's bootstrap operation has removed the gloom of recession from the city and has resulted in a truly encouraging improvement in the employment picture. The idea has spread to other communities in Michigan and throughout the country. Mr. Robert Albert, manager of the Saginaw Chamber of Commerce, has received 25 inquiries from other communities who want to follow Saginaw's splendid example. I certainly hope that the cities of our Nation will show the same faith and resourcefulness that the citizens of Saginaw have shown. A nationwide movement of this same grassroots confidence in our American system will bring this recession to a speedy end. I salute the people of Saginaw for their faith and urge others to follow the example.

THE LATE LT. GEN. ALEXANDER M. TUTHILL

Mr. RHODES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection?

Mr. RHODES of Arizona. Mr. Speaker, on May 25 the State of Arizona was shocked by the death of one of its most outstanding citizens. Lt. Gen. Alexander M. Tuthill was a pioneer, a soldier, and a statesman. He came to Arizona first to be employed as a medical doctor in Morenci. He was a member of the convention which drafted the constitution of the State of Arizona. He was a member of the Arizona National Guard for years and served during World War I as division commander in France. He was the father of the Arizona National Guard. Although he was not of an age to serve in World War II, the work which he had done to train the Arizona National Guard was the foundation of the organization of one of the very famous regiments of World War II, the 158th Infantry, the Bushmasters.

The State regrets his passing, and I personally am at a loss for words because of the personal loss which I feel. I served in the Arizona National Guard under this great man. He was one of my very best friends. I send my most sincere regrets and sympathies to his family which survives him.

General Order No. 1, issued by the Military Department, State of Arizona, May 26, 1958, reads as follows:

MILITARY DEPARTMENT,
STATE OF ARIZONA,
Phoenix, Ariz., May 26, 1958.

GENERAL ORDERS NO. 1: DEATH OF LT. GEN. ALEXANDER M. TUTHILL, FORMER ADJUTANT GENERAL, STATE OF ARIZONA

1. The death of Lt. Gen. Alexander Mackenzie Tuthill, Arizona military leader, surgeon, and statesman; former commanding general, 45th Infantry Division, and former adjutant general of the State of Arizona, is announced with deep regret. He died at the Veterans' Administration Hospital, Phoenix, Ariz., on May 25, 1958.

2. General Tuthill was a member of the Arizona constitutional convention which convened to frame the basic law of the State of Arizona in 1910, 2 years prior to admission of Arizona as a State. For more than 54 years he served the people of Arizona as a distinguished physician and surgeon, retiring from active practice in 1952.

3. General Tuthill assumed leadership in the National Guard of Arizona at a most critical time in 1903, soon after the Spanish-American War, and rose from the outstanding captaincy of a cavalry troop at Morenci to the rank of lieutenant general, National Guard of Arizona, retired. With decisive leadership and high military standards he laid the foundation for the policies under which the troops of the National Guard of Arizona trained in peacetime and rendered distinguished service in World War I, World War II, and the Korean conflict. His unswerving adherence to sound principles and high standards, devotion to duty, and untiring efforts, won him the love and admiration of his associates and an enviable reputation in the military profession.

4. Lt. Gen. Alexander M. Tuthill was born at South Lebanon, N. Y., September 22, 1871. He graduated from high school in Los Angeles, Calif., in 1890, and from the Medical College of the University of Southern California, with the degree of doctor of medicine, in 1895.

5. The military service of General Tuthill was as follows:

Private, Troop D, California National Guard from November 2, 1897, to September 30, 1898.

Captain, 2d Troop of Cavalry, National Guard of Arizona, Morenci, Ariz., July 16, 1903, to August 4, 1910.

Colonel, Infantry, commanding officer, 1st Arizona Infantry, August 5, 1910, to August 4, 1917. Entered active Federal service, Mexican border service, May 9, 1916. (1st Arizona Infantry redesignated as 159th Infantry, August 3, 1917.)

Brigadier general, commanding 79th Infantry Brigade, 40th Infanty Division, August 5, 1917, to April 10, 1919. (Remained in active Federal service, World War I, to April 10, 1919. Served at Camp Kearny, Calif., and in AEF, France.)

Brigadier general of the line, commanding general, 89th Infantry Brigade, 45th Infantry Division, December 1, 1928, to September 14, 1933. (National Guard brigade comprising regiments from Arizona and Colorado.)

Major general of the line, commanding general, 45th Infantry Division (Arizona, Colorado, New Mexico, and Oklahoma), September 15, 1933, to September 22, 1935. Federal recognition terminated by reason of having reached age 64.

Appointed major general of the line, National Guard of Arizona, for life, September 22, 1935.

Major general, the Adjutant General of Arizona, February 4, 1936, to June 25, 1952. Appointed lieutenant general, National Guard of Arizona, retired list, August 16, 1952.

Major general, Arizona State Director of Selective Service, October 18, 1940, to August 15, 1952, lieutenant general, August 16, 1952, to date of death, May 25, 1958.

6. General Tuthill was appointed State Director and Coordinator of Civilian Defense in June 1942, and served in that capacity during World War II. He again served as State Director of Civil Defense from July 1950, to June 1951.

7. Already a doctor of medicine, he was honored by his State with the honorary degree of doctor of laws by the University of Arizona at commencement in 1952.

8. Decorations, awards: Awarded Arizona's only existing Medal of Honor, 1935; awarded 10- and 20-year service medals, State of Arizona; awarded Medal for Merit by the State of Colorado, 1935; awarded Medal for Merit by the President of the United States, 1947; and awarded Medal for Merit by the State of California, 1950.

9. General Tuthill has long distinguished himself by his exampie as a great soldier, physician, and citizen. His self-sacrificing zeal for the public welfare has won the heartfelt appreciation and gratitude of the people of Arizona. Professionally, as a surgeon, he was recognized for more than 54 years as one of Arizona's finest. He was a true patriot and his zeal in the leadership of the National Guard won stature for himself and for the National Guard of Arizona in training, performance, administration, and facilities, which has won our organizations national fame.

10. The officers and men of the National Guard of Arizona mourn his passing as the loss of a dear leader, friend, and ardent supporter. The heartfelt sympathy of this headquarters, the entire National Guard of Arizona, and the thousands of veterans who served under his leadership is extended to his bereaved family.

11. The body of Lt. Gen. Alexander M. Tuthill will lie in state in the rotunda of the Capitol of the State of Arizona from 1000 hours to noon, May 28, 1958, and funeral services will be conducted at Trinity Episcopal Cathedral at 1230 hours, May 28, 1958. Interment will be in Greenwood Memorial Park, Phoenix, Ariz.

12. As a remark of respect to the memory of General Tuthill all flags flown over the State headquarters, State arsenal, and all State armories and airbases will be displayed at half staff on the day of the funeral, May 28, 1858, from sunrise until 1400 hours.

By order of Governor McFarland:

FRANK E. FRASER,
Major General, National Guard of Arizona, The Adjutant General.

JUDICIARY AND RULES COMMITTEES REPORT BILL TO CLARIFY MALLORY CASE: CONGRESSIONAL APPROVAL IMPERATIVE

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, the Judiciary Committee on May 27, 1958, reported favorably on H. R. 11477, identical to H. R. 11467 which was introduced by me as minority member of the special subcommittee established by the Judiciary Committee of the House to study the recent rulings of the Supreme Court.

This bill was the result of lengthy hearings and great deliberation by both the subcommittee and the full Committee on the Judiciary. The proposals contained therein were made after thorough and exhaustive hearings and study by the committee members. I feel that this bill is one vitally essential to the proper conduct of law enforcement officers providing full protection to the rights of the individual and society in an effort to overcome a decision on the law by the Supreme Court that has hampered and defeated apprehension of criminals and their conviction under conditions that do not in any way condone duress.

Testifying before the Rules Committee of the House today, and at which time a rule was reported on H. R. 11477, I pointed out the following purposes and functions of the bill:

First. The bill itself will provide at all times for the full protection of the rights of the individual but maintain the full authority of law-enforcement officers and their obligation to protect the entire society.

Second. Need for legislation to correct the effects of the Supreme Court ruling were clearly set out in the report of the Committee on the Judiciary. I would point out some of the more important points brought out in House Report 1815:

Crimes such as robbery, rape, even murder, are planned in secret and committed under circumstances which do not lend themselves to evidence of perpetration. * * * There is no evidence for the police except a recounting of the case by complaining witnesses. * * * If the police are (in effect of the Mallory decision) prevented from conducting a proper and reasonable interrogation of suspects, law enforcement is faced with a serious challenge.

There are many cases of law enforcement in which the proper interrogation has resulted in the clearing of an accused person of a crime.

The human frailty involved in the identification of a suspect is well known to all prosecutors and demands caution and substantiation.

All of these instances involve "justified delay" and must entail reasonable interrogation. Yet, if the Mallory decision is permitted to stand, proper police procedure cannot be followed and criminals may go free while innocent people go to jail.

The committee is cognisant of the fact that the concept of "unnecessary delay" is one that must be flexible, if it is to be adequate for the protection of both the accused and of society * * * for that reason a proper

balance, in the opinion of the committee, is achieved.

The effect of the language of this subsection is to restore the rules of evidence for the admission of statements and confessions into evidence.

The bill as proposed will permit the judge and jury to consider the time element as a factor in determining the free and voluntary nature of a confession.

The bill further provides that before a confession may be admitted into evidence two prior requirements must be met. They are: The arrested person, prior to interrogation, shall be advised by the law enforcement officers that he is not required to make any statement, and, that the officer must also state to the arrested person that he is not required to make a statement and if he does so, it may be used against him in subsequent criminal prosecution.

Third. There is no doubt in my mind that, under the proposed bill any undue delay between arrest and arraignment can still be considered under the new legislation if it appears that the time element results in coercion and thus makes confession involuntary.

Fourth. The prohibition against improper action on the part of the arresting officer still remains intact because rule 5 (a) remains intact and the bill provides for a rule of evidence.

Fifth. There is no constitutional question involved in the Mallory case and therefore none is involved in this bill. It is merely clarification of rule 5 (a) by adding to it a rule of evidence.

These are the facts in brief. I can assure the Members of the House that this bill is to be presented as the result of the very best legal advice available in the Nation. It comes as the result of extremely damaging interpretation by the Supreme Court of the United States ruling in the Mallory case, that has tied the hands of law-enforcement officers all over our Nation. An admitted and proven rapist was set free to commit the same heinous crime again. I urge prompt and favorable action by the House on H. R. 11477.

SMALL-BUSINESS MAN SAYS BANKERS UNAWARE OF THEIR RESPONSIBILITY TO HELP PRESERVE OUR ECONOMIC SYSTEM

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am sure that the big majority of the Members of the Congress are sympathetic toward the small-business man and want him to continue in business, to be able to compete effectively, and to grow and expand in a fashion commensurate with his management skill and effort. Accordingly, I invite especial attention to a communication which I received yesterday from a small-business man who tells me that he wrote the letter at 5 o'clock in the morning before undertaking his daily chores. The letter is primarily noteworthy, however, because of the sincere and persuasive manner in which it deals with the plight of small business and the related failure of the banking fraternity to measure up to those responsibilities traditionally expected of those individuals engaged in that profession of prestige. This letter asserts that the bankers appear to be oblivious to the fact that their outmoded brand of conservatism is actually crippling the economic system which they want to foster.

The letter is as follows:

MAY 27, 1958.

DEAR MR. PATMAN: Good morning, Mr. Chairman.

It is only 5 a. m. but before my daily chores start, allow me to talk to you once more of the problems of the real small-business man.

First of all let me congratulate you warmly for your address of January 29, 1958, on a bill to create a system of small business capital banks. To your last word you hit the nail on the head. I admire you, and in the name of the millions like me who unfortunately remain forever mute I beg you to continue your uphill fight. As I see it more clearly every day, unless we succeed to keep small business alive, prosperous and wholly independent, our generation shall see the sad day, when due to lack of economic independence, freedom shall once more become the topic of dreamers and idealists.

When a few months ago the rate of interest was lowered a few times in succession, I hoped that things might change. So far no news of the lower interest rates reached the grassroots. If I was a cynic, I might think that the purpose was to give the banks a better margin of profit.

As usual the small fellow who has to compete, under the most unfair of financial circumstances (3 percent for the strong, 6 percent for the solvent but small, and 15 to 20 percent in the black market, for much-needed long-term capital) shall have to fight impossible odds. The situation is such that it is hard to believe. The small banks I work with, are frank about it. They feel no obligation to the community, refuse to consider character as an asset, refuse even to use good judgment. In my case in particular, 2 weeks ago when I applied to two local banks who hold the first mortgage on whatever we own in this world, including our private home, for a personal loan, to follow the President's advice to "do it now," I was told indirectly that I was a "screwball." This would be funny if it wasn't that the two banks could easily give me 40 times, I repeat 40 times, the amount asked for and still be under 50 percent of the book value of the real property they hold in our first mortgage.

Mind you, my dear Mr. PATMAN, I have no axe to grind against banks as such. I know all the directors of the banks I deal with and would call them good business friends. My complaint is that the banks, having for all practical purposes a monopolistic franchise, when it comes to small business, have no conception of their responsibilities. They simply cannot see that their outmoded brand of conservatism is the gravedigger of the economic system they claim to be in favor of.

I do think that we have to go ahead and help the underprivileged nations of the world.

I do think that we should spend $50 billion a year or more to keep our freedom.

I do think that Federal roads should be built, and many other projects (useful ones) be undertaken to boost the economy.

But if the purpose is to keep the United States strong and free, and not become within a short time a mere copy of what we are fighting, we will have to find the courage to help the small enterprise to be an equal to big business. No matter how many billions it will take. Not a cent has to be tax money. With enough capital, the great majority of small businesses can easily meet the competition of the unwieldy big fellows. The signature of the American father and mother is as prime a business paper as any oil potentate can give us. Their responsibility is at least as high as that of any impersonal board of directors. Finally the sounder base and prospects of true independence will keep our sons interested in the family enterprise, instead of hunting around the land for junior-executive positions, which in most cases cannot be more than glorified clerkships.

Thanking you once more for your hard work in behalf of a good and urgent cause, I remain, with best regards also to Mr. MacIntyre,

Sincerely yours.

IDAHO POWER CO.'S LITTLE DAMS IN HELLS CANYON

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 10 minutes.

Mr. ULLMAN. Mr. Speaker, I have spoken many times on this floor about the criminal waste of our inexhaustible water resources which the Federal Power Commission and the present administration have permitted, aided and abetted in Hells Canyon. Today I want to take just a few minutes to report briefly on the latest information concerning the operations of Idaho Power Co. in its legalized robbery of the American people.

All through the Hells Canyon fight we heard the refrain from the Idaho Power Co., "Look what we are going to do for you. We are going to build this dam for the Northwest with our own money, at no cost to the taxpayers." Time and again, in Senate and House hearings on Hells Canyon authorization bills, in the proceedings before the Federal Power Commission, in the propaganda brochures and letters and newspaper advertisements and planted articles with which the Idaho Power Co. flooded the country, and of course in the slick-paper magazine ads of ECAP, the Electrical Companies Advertising Program—always the song was the same—"at no cost to the taxpayers."

Well, from time to time we have seen a glimmer of truth break through this curtain of power company baloney. We saw it when the full facts of the rapid tax amortization certificates were made public, when the chief accountant of the Federal Power Commission testified that the rapid tax amortization certificate of the great Idaho defender of the taxpayer would amount to a subsidy of $329 million for the company and cost the taxpayers some $83 million. But the company hastened to pull the curtain shut on the eve of the consideration of the Hells Canyon bill by the other body, by renouncing, with a grandiose flourish, its rapid tax amortization certificates. It must have been a painful process for the company, but I do not suppose it took any skin off the company's officials, and I am quite sure it did not cause their salaries to be cut. And at least it permitted the company to resume its posture as the defender of the American taxpayer.

Well, Mr. Speaker, the baloney curtain has been breached again. This time the breach has been caused by the revelation of the agreement which the Idaho Power Co. tried to foist off on the Bonneville Power Administration as compliance with article 39 of its Federal Power Commission license to build Brownlee Dam, which required the company to coordinate the operation of its projects with the Northwest power pool. This coordination involved two separate but interrelated aspects—hydraulic coordination with the downstream projects and electric coordination with the other members of the pool.

Under section 10 (f) of the Federal Power Act, there was no provision for Idaho Power Co. to be compensated for the benefits at Federal downstream projects caused by the hydraulic coordination of its Brownlee Dam with the rest of the Northwest system, and it is to the credit of the Solicitor of the Interior Department and the Chairman of the Federal Power Commission that they have both interpreted the license provision in accordance with that section 10 (f).

But that did not stop the Idaho Power Co., which has as little regard for the provisions of section 10 (f) as it has for the laws of my State of Oregon. All it was interested in was in getting someone else to pay for its projects, and if the Federal Government would not pick up the check under the rapid tax amortization program, maybe it would through a coordination agreement with the Bonneville Power Administration.

So the company went to Bonneville with several proposals, and I think the Members of this House should know what they were. One of them, made last August 7, has been spelled out for the record in the hearings held by the Senate Interior Committee on May 14, 15, and 23. The subject of these hearings was Columbia Basin Problems, and it is an interesting commentary on the position of the Idaho Power Co. as a great public service company in that basin that it was involved—in fact was the major character—in every one of those problems.

It is also an interesting commentary on the company's respect for the Congress of the United States that when it was invited by the chairman to participate and present its side of these problems, it refused. But, Mr. Speaker, it did not refuse courteously by informing the chairman a week in advance that it would not be present; it actually waited until the morning of the day it was to appear to give the brush-off to a great standing committee of the Congress. Only an hour before the company was scheduled to present its testimony before the Committee on Interior and Insular Affairs the chairman received a telegram saying, in effect, "So sorry, we are really too busy to show up at your hearing."

But the record of the hearings does show how Idaho Power Co. intended to get the United States Government through the Bonneville Power Administration to pay for its Brownlee Dam, and more too. The testimony of the Bonneville Power Administration indicates that the company proposal of August 7, 1957, intended to comply with the license requirement of coordination with the Northwest Power Pool, would be worth between $1.1 million and $1.8 million a year to the company—and I do not mean as just a business proposition. I mean as an outright gift from the Government system to the private company.

I have had the transcript of the hearings checked, Mr. Speaker, and here is the way the company worked out their latest pitch for a Government subsidy: First, it requested half the downstream benefits at Government plants from its Brownlee storage releases; under the Federal Power Act it had no claim in the world to those benefits, but that did not stop it from asking for them. The value of this requested bonanza, roughly computed by BPA technicians, amounts to $284,471 with 4 downstream projects and $605,504 with 8 downstream Federal dams.

Then the company asked for summer integration energy from the Bonneville system, but it did not want to pay for all it got. In fact, it proposed that it only be charged for four-tenths of this power delivered to it when it needs it most, during the summer pumping season. The additional six-tenths was apparently to be a free gift to the company for its largess in consenting to deal with the Federal system. With 4 downstream projects in the lower Snake and Columbia Rivers, this would have meant a gift of $823,440 in addition to the $284,471 from downstream benefits, for a total of $1,107,911 annually. With 8 downstream projects, the integration benefits would have been $1,206,340, making a total of $1,811,844 a year for the company in pure bonanza from Uncle Sam.

If we assume that the 4 projects would be in the river for the first 20 years and 8 during the last 30 years, this comes to a total of $76,513,540 which the company asked for just during the 50-year pay-out period of the FPC license. Yet according to its own estimates, the total cost of Brownlee Dam will be only $67 million.

That may be just good business, Mr. Speaker, but to me it looks more like monkey business, and a mighty strange way to relieve the Government of the burden of paying for the full development of its resources. It is the same old story—what the company always intended was to have the Government subsidize its underdevelopment, its waste, of our greatest water resource. And that waste only this House can prevent now, by passing S. 555, which comes up for consideration next week in the Committee on Interior and Insular Affairs. It is time we got on with the full development of our resources, I say to my colleagues today, instead of subsidizing their waste and underdevelopment by private monopoly.

I request that there be included in the RECORD at the close of my remarks two brief excerpts from the committee print of the Senate Interior Committee, dated May 7, 1958, and from the transcript of the Senate Interior Committee hearings of May 14, 1958. These two excerpts provide all the documentation needed to illuminate the Idaho Power Co.'s latest scheme of subsidized underdevelopment.

EXCERPT FROM MAY 7, 1958, COMMITTEE PRINT OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ENTITLED "COLUMBIA BASIN PROBLEMS," CONSISTING OF MATERIALS CONCERNING COORDINATION OF PROJECTS IN THE COLUMBIA RIVER BASIN

(This excerpt, consisting of a proposal by Idaho Power Co. to Bonneville Power Administration, dated August 7, 1957, for the coordination of the company's Brownlee project with the Federal Columbia River power system, is at page 64 of the committee print.)

A method of settlement—median water

BROWNLEE, OXBOW, AND 4 DOWNSTREAM PLANTS

(For water released on request: Annual payment one-half energy generated by storage water—0.445 kilowatt-hours per foot of head per acre-foot, times head, times acre-feet released in critical period)

	Kilowatt-hours
Operating energy account for winter energy exchange, Bonneville Power Administration credit to Idaho: 0.445×327×1,000,000 acre-feet	145,515,000
Integration energy account for summer energy exchange, Bonneville Power Administration charge to Idaho: median year	584,000,000
Transfer to present exchange agreement:	
Operating energy credit to Idaho	145,515,000
Intergration energy charge to Idaho: 584,000,000×0.4	233,600,000
Balance Idaho owes Bonneville Power Administration	88,085,000
Winter secondary available which Idaho may use to return above balance	378,000,000

BROWNLEE, OXBOW, AND HELLS CANYON, AND 8 DOWNSTREAM PLANTS

	Kilowatt-hours
Operating energy account for winter energy exchange, Bonneville Power Administration credit to Idaho: 0.445×697 feet×1,000,000 acre-feet	310,165,000
Integration energy account for summer energy exchange, Bonneville Power Administration charge to Idaho: median year	855,560,000
Transfer to present exchange agreement:	
Operating energy credit to Idaho	310,165,000
Integration energy charge to Idaho: 855,560,000×0.4	342,224,000
Balance Idaho owes Bonneville Power Administration	32,059,000
Winter secondary available which Idaho may use to return above balance	617,799,000

SUPPLEMENTAL STATEMENT OF C. E. MOHLER, BONNEVILLE POWER ADMINISTRATION, BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS OF THE UNITED STATES SENATE, MAY 14, 1958

On page 64 of the committee print dated May 7, 1958, appears "A Method of Settlement" suggested by Idaho Power Co. During the hearing the request was made that an estimate of the value of this proposal be provided for the record. Because it was not stated whether what was desired was the value to Idaho Power Co. or the value to Bonneville Power Administration assuming alternative saleability of the power involved,

two analyses have been provided, with the assumptions of each stated:

VALUE TO IDAHO POWER CO.

I. Operating energy credit to Idaho for downstream generation from storage water released on request, 145,515,000 kilowatt-hours.

A. Assumptions

1. Value of 2.08 mills per kilowatt-hour for firm energy at market. This is the average revenue from all sales of firm power by Bonneville Power Administration to privately owned utilities in calendar 1957.

2. Energy transmission losses of 6 percent.

3. For the purpose of this computation, it is assumed that Idaho Power Co. would buy firm power from Bonneville if its proposal is rejected, although BPA has no such firm power to sell. Since this price is much lower than any alternative source, the estimate is very conservative.

4. It is further assumed that there would be no charge for wheeling this power to Idaho Power's delivery point.

B. Computation

$145,515,000 \times 0.94 \times 2.08 = \$284,471$

II. Integration energy proposed to be supplied to Idaho Power Co., but not charged to its account (584,000,000−233,600,000= 350,400,000 kilowatt-hours).

A. Assumptions

1. Value of 2.5 mills per kilowatt-hour at market for summer secondary energy. This is the regular Bonneville Power Administration H rate.

2. Energy transmission losses of 6 percent.

B. Computation

$350,400,000 \times 0.94 \times 2.50m = \$823,440$

III. Total value of proposal to Idaho Power Co. as computed above: $284,471+$823,440= $1,107,911.

VALUE TO BONNEVILLE POWER ADMINISTRATION

I. Operating credit to Idaho for storage releases, 145,515,000 kilowatt-hours.

A. Assumptions

1. Value of 2.29 mills per kilowatt-hour for firm energy at market. This is the average revenue from all sales of power by Bonneville Power Administration in calendar 1957.

2. Energy transmission losses of 6 percent.

3. Cost of 1.0 mill per kilowatt-hour for transmission. This is merely a recent average cost and varies with stage of system development.

B. Computation

$145,515,000 \times 0.94 \times (2.29-1.0)m = (-)\$176,510$

II. Integration energy proposed to be supplied to Idaho Power Co. without charge, 350,400,000 kilowatt-hours.

A. Assumptions

1. Value of 2.5 mills per kilowatt-hour at market for summer secondary energy (BPA H rate).

2. Energy transmission losses of 6 percent.

3. Cost of 1.0 mill per kilowatt-hour for transmission.

4. Alternative saleability of 50 percent for the summer integration energy involved.

B. Computation

$350,400,000 \times 0.94 \times (2.50-1.0)m \times 0.5 = (-)\$247,032$

III. Total value (lost net revenue) to Bonneville Power Administration: $176,510 + $247,032=(−)$423,542.

NOTE.—It should be emphasized that the above computations are at best only approximate evaluations based upon the assumptions stated. If gross revenue loss to Bonneville were desired, the 1.0-mill factor for cost of transmission would be omitted, increasing the "value" to BPA by $320,715 to a total of $744,257.

All computations above are of course based upon an assumption of acceptance by Bonneville Power Administration of the proposal as made, a course which has never been seriously considered by the Administrator and under the law could not be.

WITH EIGHT FEDERAL PLANTS DOWNSTREAM

The above computations assume the existence of 4 Federal plants downstream from Brownlee Dam. Using the system of 8 Federal plants downstream as computed in the second half of the proposed "method of settlement," the equivalent figures would be:

Value to Idaho Power Co.	
I. Operating energy credit	$605,504
II. Integration energy not charged	1,206,340
III. Total value	1,811,844
Value to Bonneville Power Administration	
I. Operating energy credit	$375,723
II. Integration energy not charged	361,902
III. Total value (net revenue loss)	(−) 737,625
Transmission costs	567,183
Total value (gross revenue loss)	(−) 1,304,808

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANE, for June 2 and 3, on account of legislative business (Judiciary Committee hearing at Portsmouth, N. H.).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CEDERBERG for 1 hour on June 4.

Mr. ULLMAN, for 10 minutes, on today, to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. O'HARA of Illinois and to include related matter.

Mr. BURNS of Hawaii and to include related matter.

Mr. KEATING and to include extraneous matter.

Mr. WEAVER.

ADJOURNMENT

Mr. MILLS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 20 minutes p. m.), under its previous order, the House adjourned until Monday, June 2, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1969. A letter from the Comptroller General of the United States, transmitting a report on the review of mortgage servicing operations, Federal National Mortgage Association, Housing and Home Finance Agency, October 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) and the Budget and Accounting Act, 1921 (31 U. S. C. 53) (H. Doc. No. 389); to the Committee on Government Operations and ordered to be printed.

1970. A letter from the Acting Secretary of Agriculture, transmitting three reports prior to restoration of balances, pursuant to title 31, United States Code, sections 701–708, and Bureau of the Budget Circular No. A–23; to the Committee on Government Operations.

1971. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claims: *James Strong, et al., as the representatives and on behalf of all members by blood of the Chippewa Tribe of Indians, including all descendants of Chippewa members of the United Nation of Indians, Plaintiffs, v. the United States of America, Defendant* (docket No. 13–J), and *Robert Dominic, et al., as representatives and on behalf of all members by blood of the Ottawa Tribe of Indians, Plaintiffs, v. the United States of America, Defendant* (docket No. 40–H), pursuant to 60th United States Statutes at Large, page 1055; title 25, United States Code, section 70t; to the Committee on Interior and Insular Affairs.

1972. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claim: *Lincoln Burden, et al., for themselves and as members and representatives of the Loyal Seminole Group of American Indians, Petitioners, v. the United States of America, Defendant* (docket No. 121), pursuant to 60th United States Statutes at Large, page 1055; title 25, United States Code, section 70t; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H. R. 488. A bill to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; with amendment (Rept. No. 1831). Referred to the Committee on the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 11305. A bill to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H. R. 7898. A bill to revise the authorization with respect to the charging of tolls on the bridge across the Mississippi River near Jefferson Barracks, Mo.; without amendment (Rept. No. 1833). Referred to the House Calendar.

Mr. HAYS of Ohio: Committee on Foreign Affairs. Report of the special study mission to the Near East on Africa pursuant to House Resolution 29 (85th Cong.) (Rept. No. 1834). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 585. Resolution for the consideration of H. R. 11477, a bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes;

without amendment (Rept. No. 1835). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 586. Resolution for the consideration of H. R. 12695, a bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; without amendment (Rept. No. 1836). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 580. Resolution to amend the rules of the House to provide for a Committee on Science and Astronautics; without amendment (Rept. 1837). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H. R. 3778. A bill to amend the act of May 29, 1930, with respect to the stream valley parks in Maryland; with amendment (Rept. No. 1838). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H. R. 12739. A bill to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; to the Committee on Merchant Marine and Fisheries.

By Mr. BURNS of Hawaii:

H. R. 12740. A bill to amend section 34 of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KILGORE:

H. R. 12741. A bill to amend the Civil Service Retirement Act with respect to the crediting of service of United States Commissioners for purposes of such act; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 12742. A bill to establish an emergency program of grants to accelerate the construction of State and local public works; and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA of Illinois:

H. R. 12743. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

By Mr. PRICE:

H. R. 12744. A bill to authorize the establishment of the Indiana Dunes National Monument, to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Arizona:

H. J. Res. 617. Joint resolution providing for the construction by the Department of the Interior of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs.

By Mr. FINO (by request):

H. Res. 584. Resolution requesting the President of the United States to submit a peace formula at his next conference with the Premier of the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to remove discriminatory regulations as they apply to transportation by railroads in order that this vital industry may maintain its place of usefulness to the Nation in times of peace and war; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to enact legislation providing for the repeal of the Federal excise tax upon the transportation of passengers and freight; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 12745. A bill for the relief of Mrs. Hagit Lalo; to the Committee on the Judiciary.

By Mr. POAGE:

H. R. 12746. A bill for the relief of Mr. Marion M. Bostick; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 12747. A bill for the relief of Col. Fred C. Gray; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 618. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 619. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 620. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

657. Mr. RHODES of Arizona presented a petition of Mrs. Lilian Crandell and 31 other citizens of Arizona in support of legislation to prohibit alcoholic beverage advertising in interstate commerce, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Soviet World Air Challenge

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, May 29, 1958

Mr. WILEY. Mr. President, each new day brings new evidence of the Soviet challenge to United States technical supremacy.

Today, I should like to point out that our country is challenged significantly in a field which has, heretofore, largely escaped our attention, unfortunately.

I refer to the tremendous Soviet advance in international air passenger travel.

The Soviet State Airline Aeroflot is now second in route-miles flown throughout the world, in volume, to the largest American flag carrier.

Right now, Soviet air routes reach into 16 foreign countries. Plans are underway to extend Russian service to additional capitals and other major population centers.

A most interesting article in last Sunday's May 25 Milwaukee Journal pointed out the grim significance of the Soviet-United States technical race for commercial air supremacy.

In many respects, American commercial airlines are very far ahead, as attested by detailed analysis by the Air Transport Association, which represents the scheduled airlines of the United States.

SOVIETS ALONE HAVE JET PLANES IN USE

But, in some respects, the Soviets are ahead, principally in that they operate the world's biggest fleet of jet transport planes.

These, however, are merely modifications of military jet bombers; they do not have anything like the luxury and civilian conveniences which Americans traditionally associate with air travel; particularly on international routes.

I raise this point of United States technical competition with Russia because I think that all the United States agencies involved—the United States State Department, the Commerce Department, and the Civil Aeronautics Board—had better think it through in all of its implications; just as the Department of Defense, likewise, must think through the Aeroflot challenge in all its ramifications.

PURPOSES OF SOVIET AIR PUSH

It is clear that the Soviets conceive of international air route progress as a goal for many reasons:

First. As a prestige symbol for the U. S. S. R.; particularly in the underdeveloped world, as modern Russian planes impressively arrive and take off.

Second. Perhaps, in part, as a commercial-economic earner of foreign revenue. Of course, the fact that Aeroflot is owned and operated by the state means that Soviet aviation economics are far different from our own.

Third. As a convenient instrument for acquiring military air intelligence data.

Fourth. As a convenient artery for assisting in Soviet subversion—the protected flying in and out of intelligence operatives and information.

And there are other Soviet objectives, as well.

We, in the United States, rightly pride ourselves in our own private airline industry.

Commercial aviation in the United States, domestic and international, represents a triumph of free enterprise at work. It is about as outstanding an example as I know of, in citing what can be done by a combination of risk-taking by private investors, technical compe-

tence by aviators, ground maintenance men, aircraft manufacturers, and others; plus courage, vision, and private initiative.

The American commercial aviation industry is a civilian industry. Yet, in times of emergency, it has served us so effectively that we can hardly ignore its deep significance in terms of the overall defensive capability of the United States.

I, for one, certainly want to see American commercial aviation strengthened at home and abroad.

I would like to see American commercial planes be able to fly into Moscow, and other key Russian cities, through the bilateral Soviet-United States agreement. Already, the CAB has certificated a carrier to fly to Moscow, but agreement with Russia is still lagging.

I would like to see aviation used solely as a tool for shrinking the world's distances for purposes of man's betterment and well-being.

SOME $64,000 QUESTIONS FOR EXECUTIVE AGENCIES

But I cannot close my eyes, and I do not want the executive branch to close its eyes, to the serious overtones of the Soviet challenge.

Let the executive branch review its actions. Is it helping or hurting United States commercial aviation at home and abroad? Is it truly helping the carriers to complete successfully the enormous problem of financing costly jetplanes? Is the executive branch imposing excessive taxes on this industry, including on aviation fuel? Is it helping enough to provide jet airports to accommodate jetplanes?

Has not it been overgenerous in giving away choice United States routes to foreign carriers? Has it been realistic and practical in its attitude toward fares which it permits our heavily burdened carriers to charge for costly international air service?

These are questions which I have asked before and which I now ask again, in my capacity as senior minority member of the Foreign Relations Committee.

My purpose is constructive. I want true United States leadership both within and outside government.

Leadership means being awake to the new facts of life, such as Aeroflots' serious rise and the spreading network of Red air routes.

Leadership means our flashing the green light, go, not the red light, stop, to our own carriers serving overseas territories and lands.

I ask unanimous consent that the text of the Milwaukee Journal article on the ATA report "Red Star Into the West" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET WORLD AIR CHALLENGE GROWS

(By William J. Normyle)

Russia is standing with one foot in the commercial jet age and the other planted heavily just this side of the Lindbergh era. That's the combined opinion of expert American observers who have studied Russia's rapidly growing passenger air route network.

Their views are presented in a memorandum compiled by the Air Transport Association (ATA) which represents scheduled airlines in the United States. The 30-page report is titled: "Red Star Into the West."

Russia's single airline—Aeroflot—presents a series of startling contrasts. In many respects, it is several years ahead of the United States. In others, it stands 20 years behind.

SOON TO SERVE LONDON, PARIS, NEW DELHI

But of one thing the ATA is certain, Aeroflot is the most serious challenge ever made to United States supremacy in commercial aviation.

Aeroflot's route structure, already enormous, is due for even more expansion. It now reaches 16 foreign countries from Norway to North Korea and is second in route miles only to Pan American World Airways, the largest American-flag carrier.

Aeroflot plans to extend service this year to London, Paris, New Delhi, and Amsterdam. It has made overtures for permission to fly into the United States.

Facts about Aeroflot present some odd contrasts.

Although the Russian operated air system has the world's biggest fleet of jet transport planes, they are no more than modified jet bombers lacking many of the luxury services which American passengers have come to consider common.

Cost is no object

Aeroflot has been flying its jets since 1956. A United States jet won't fly commercially until this fall.

ATA's memorandum to aviation writers says Aeroflot achieved its rapid expansion because the Russian Government operates it for prestige and propaganda—with cost no object. If a United States carrier attempted the same technique it would quickly drop into financial chaos, ATA concluded.

ATA's memorandum observed:

"If the United States Government were to take every trunkline, local carrier, helicopter, international, cargo, and territorial air line, the charter operators and the supplemental carriers, all of the flying schools, the airport authorities, every private aircraft and business plane and their pilots, the civil areonautics board and the civil areonautics administration, push them all into a hopper, what would come out would be an American version of Aeroflot."

RUSSIA HAS 40 JET LINERS IN USE

The Russian airline, in short, controls everything in the air except military aircraft.

Show piece of the Aeroflot civil air fleet is the TU-104, a twin jet airliner which has been flying on impressive junkets around the world for 2 years. It has visited this country 3 times, and publicity conscious Russians threw it open to the public.

Aeroflot supposedly has about 40 of the 104's.

Figures on the 104 are impressive. It cruises at about 500 miles an hour, carries 70 passengers at about 33,000 feet.

But the ATA memorandum, quoting American observers who have flown the Russian jet, marks it as a vastly overrated plane, for these reasons:

1. As a modified version of the Red TU-16 medium bomber, the 104 is underpowered, short ranged (1,600 miles) and gulps fuel in such enormous amounts that it would force an American carrier into bankruptcy.

2. Landing speed of 150 miles an hour, coupled with markedly weak brakes, have sent several overshooting runways.

Turboprops seem better

But the Russians are developing several turboprop airplanes which the ATA's observers say may be far superior to the 104. Some of them are strikingly similar to American designs.

A pure jet successor to the 104 may be the TU-110, a big brother capable of carrying 100 passengers at about 515 miles an hour for almost 2,200 miles.

Four-engined American jets due to start service this year will carry at least that many passengers twice as far, the ATA points out.

Despite Russian advances in jets and turboprops, ATA's memorandum suggests that most of Russian civil aviation is still 20 years behind the times.

ONLY JETPLANES ARE PRESSURIZED

ATA made these claims:

1. Services aboard Aeroflot planes range from fair to rotten.

2. When available, food was far below western standards. About half the flights have stewardesses.

3. Many Red air liners lack safety belts.

4. Only the Aeroflot jets are pressurized, so that all other planes must fly below 10,000 feet.

There may be attempts to improve the passenger facilities in the new TU-114 Rossiia. Russian claims for their new airplane certainly are expansive.

Rossiias will have 8 contrarotating propellers powered by 4 turboprop engines. They will travel at about 470 miles an hour, with a 4,000 mile range and a capacity for 170 passengers.

Included in the Rossiia, says Aeroflot, will be a 48-passenger restaurant, a telephone system, two elevators and motion picture facilities.

By contrast, many of the conventional four engined, propeller driven airplanes are ornate monstrosities that reminded many observers of ancient railway coaches. Thick rugs, heavy drapes, and cast-iron toilets are common.

But the ATA experts were not inclined to scoff at the overall Russian air effort. They acknowledged that its mushrooming growth is a means of economic penetration of many countries and a propaganda weapon of enormous influence.

Language That Needs No Translation

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. O'HARA of Illinois. Mr. Speaker, William H. Stuart and his wife Mary write Heard and Seen, probably the most widely read weekly political comment newspaper in the Middle West. Mary ends her column of news and observations with a pungent line of which this in current issue is a sample:

A woman can make a fool out of a man because he usually gives her such excellent cooperation.

Mary Stuart's last-word paragraphs are much quoted in Chicago.

But in the May 24, 1958, issue Bill Stuart has a line that out-Mary's Mary. Speaking of the great Democratic dinner in Chicago where, he says, the Democratic Party expected to receive big financial and spiritual encouragement, he adds:

Most of the latter from Harry S Truman who talks a language that needs no translation.

Of all the many tributes that millions of admirers have paid to the courageous outspoken former President of the United States none hits the target most truly than Bill Stuart's reference to him as a man who speaks a language that needs no translation.

The trouble today is we have too many ghost writers whose meaning cannot be translated even by the statesmen who read them. It is hard enough for some of the statesmen in high executive positions to pronounce all the words, let alone to glimpse what, if anything, the words are intended to mean. No one ever is left guessing when Harry S Truman speaks, as Bill Stuart puts it, the language that needs no translation.

Memorandum in Support of H. R. 12740, a Bill To Amend the Trading With the Enemy Act

EXTENSION OF REMARKS
OF
HON. JOHN A. BURNS
DELEGATE FROM HAWAII
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 29, 1958

Mr. BURNS of Hawaii. Mr. Speaker, I have, at the suggestion of constituents, introduced H. R. 12740, a bill to amend the Trading With the Enemy Act. This bill would provide for the establishment of a final date for completion by the Alien Property Custodian of examination of claims filed before September 2, 1947. Failure of the Custodian to complete his findings and lack of a statutory final date has operated to the injury of claimants desiring to proceed further.

For the information of interested Members I include for printing the following memorandum:

MEMORANDUM IN SUPPORT OF H. R. 12740, A BILL TO AMEND SUBSECTIONS (C) AND (F) OF SECTION 34 OF THE TRADING WITH THE ENEMY ACT

The proposed amendments to subsections (c) and (f) of section 34 of the Trading With the Enemy Act,[1] relate to a group of an estimated 15,000 unsettled debt claims, which are still pending in the Office of Alien Property awaiting final administrative determination by the Director of Alien Property.[2] These unsettled claims were filed under section 34 (a) of the act, and it is the group of claims which were required under the act to be filed before the September 2, 1947, bar date of the Custodian for filing of debt claims. All of these unsettled section 34 (a) debt claims are for debts asserted against funds of the Governments of Germany, Japan and their nationals, whose property was vested in or transferred to the United States after December 18, 1941.[3]

It is estimated as of May 1958 that among the 15,000 unsettled claims still pending in the Office of Alien Property, awaiting final determination, there are about 20 debt claims remaining of 1,824 totally filed before September 2, 1947, against funds of the German Government, vested after December 18, 1941. Despite almost 12 years for administrative determination, the Custodian's Office has not completed his examination of these debt claims, and has not yet filed the subsection (f) schedule of claims allowed against the alleged insolvent trust estate of the German Government, which is held under Custodian's Vesting Order No. 5706, et al.

The Custodian, on April 1, 1957, submitted an affidavit in Civil Action No. 406–57, suit filed for review of Custodian's disallowance of the debt claim of *Trent Trust Co., Ltd., and Cooke Trust Co., Ltd., Receiver,* v. *Brownell, Attorney General, et al.* (United States District Court, District of Columbia), against Custodian-held trust property of the German Government, reciting that an aggregate of 1,824 debt claims had been filed against the debtor estate of the German Government, and that the aggregate of debt claims exceeds the money held from which payment may be made from this alleged insolvent debtor's estate; the affiant also stated that the Director of Alien Property, as of March 29, 1957, had disallowed 1,696 of the above-mentioned 1,824 claims, and that 1 such claim had been allowed, leaving 127 of such claims still awaiting action of the Director; the affiant concluded his affidavit by stating that the schedule of all debt claims allowed and the proposed payment to each claimant, which schedule the Custodian is required to prepare and serve by registered mail on all claimants, pursuant to section 34 (f) of the act, where the aggregate of debt claims exceeds the money from which payment may be made, has not been prepared in the case of the German Government, alleged debtor.

Following the filing of the above affidavit the court entered an order on June 12, 1957, in Civil Action No. 406–57, reciting that plaintiff's action for review had been instituted prematurely, and granted the Government motion, dismissing plaintiff's complaint, without prejudice.[4]

The attorney for plaintiffs in Civil Action No. 406–57 was recently informed by the Office of Alien Property that 10 of the remaining unsettled 20 debt claims still pending against the German Government are now under investigation by the West Germany Office of the Custodian. Fairness to the claimants requires that this dilatory abuse be terminated. Congress should enact the proposed remedial legislation. This legislation will enable any diligent aggrieved claimant to file a suit for review of his claim within 60 days after October 1, 1958, which is the directive date for dismissal of all unsettled debt claims. It is also the date for filing of the section 34 (f) schedule of claims allowed by the Custodian against any pending insolvent debtor's estate.

The proposed amendments to section 34 of the act are a Congressional directive to the Custodian to allow, or disallow, all unsettled debt claims by October 1, 1958. The amendments provide a necessary terminal date of October 1, 1958, for termination of all consideration by the Director of Alien Property of all pending and unsettled debt claims. This terminal date of October 1, 1958, is necessary to bring to a final conclusion consideration by the Office of Alien Property of all the remaining unsettled debt claims which have been pending since 1947.

The amendments fully protect the existing rights of diligent claimants, and merely enable them to obtain an early judicial review of their debt claims under existing provisions of subsections (e) and (f) of section 34. All suits for review of the Custodian's determination of debt claims must be filed within 60 days after October 1, 1958, directive date for disallowance of any and all of the pending unsettled debt claims. The amendments will accordingly bring to a definite close, in 1958, any further administrative consideration of section 34, Trading With the Enemy Act, debt claims by the Office of Alien Property, Department of Justice. No extensive litigation will result from the October 1, 1958, dismissal of pending unsettled debt claims. No suits for review were filed in 1957 by claimants of seven insolvent debtor's estates after the Custodian issued his section 34 (f) schdeule of claims allowed.[5]

[1] Section 34 of the Trading With the Enemy Act, added by Public Law 671, 78th Cong., approved August 8, 1946 (60 Stat. 925).

[2] Senate Rept. No. 120, 85th Cong., 1st sess., at p. 4; Senate Rept. No. 1347, 85th Cong., 2d sess., at p. 3; Report of Office of Alien Property, Department of Justice, fiscal year ended June 30, 1957, at pp. 66–67.

[3] Bar Order No. 1, Director Office of Alien Property F. R. Doc. 47, 1937; filed, February 28, 1947; 1957 Report of Alien Property, p. 62.

[4] 1957 Report of the Custodian, p. 72.

[5] 1957 Report of Custodian, at p. 67.

Statement of Hon. Thomas J. Lane in Support of Legislation To Help Depressed Segments of Fishing Industry

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 29, 1958

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement before the House Committee on Merchant Marine and Fisheries on May 27, 1958, in support of H. R. 10529, by Congressman BATES, to help depressed segments of the fishing industry:

STATEMENT OF HON. THOMAS J. LANE BEFORE THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES IN SUPPORT OF H. R. 10529, BY MR. BATES, TO HELP DEPRESSED SEGMENTS OF THE FISHING INDUSTRY, MAY 27, 1958

Mr. Chairman, along the Atlantic and the Pacific coasts, the United States fishing industry is going down under the flood of fish imports. It is ironic that the Federal Government while encouraging this unfair competition, has turned a deaf ear toward compensatory relief.

The research provided for under the Saltonstall-Kennedy Act is appreciated, but unless some form of direct assistance comes to the aid of the fishing industry, it may be lost beyond recovery by the time that long-range solutions can reverse the disastrous trend.

The fishing industry of Massachusetts, which is vital to the economic life of the commonwealth, is fighting a losing battle against the administration's strange policy of making concessions to foreign competition in our home market, while it refuses to provide domestic relief for the victimized fishing industry.

The facts speak for themselves. In 1948, imports of groundfish fillets totaled 54 million pounds. They had almost tripled by 1957, expanding to 141 million pounds. As a consequence, our industry declined by a similar ratio. Since 1941, landings at the port of Boston have gone down 74 percent.

As the price which a fisherman receives for his catch is but slightly more than he received in 1945, and the price of his equipment and supplies has risen sharply, it is obvious that he himself is trapped in a net from which there is no escape without assistance from the Federal Government.

The Federal Government is under obligation to help our fishing industry, because its failure to provide tariff relief, and its failure to provide construction differential

subsidies for the fishing vessels that, by law, must be built at much higher costs in this country, have exposed our fishing industry to the unfair competition from abroad that is driving it out of business.

From the very beginning, our fishing industry has prided itself upon its spirit of self-reliance; but it cannot survive those policies of its own Government, which, in effect, place obstacles in the way of American fishermen and American fish processors, while extending every advantage to foreign competitors in our home markets.

Even in its predicament, our industry does not seek any quota or price-support crutch to lean on forevermore. It asks only for those reasonable measures that will help it to get back on its own feet. Namely:

1. Incentives to reduce the heavy burden of insurance costs.

2. Construction differential subsidies for vessels built in American yards.

3. A loan program for the repair and modernization of processing plants, to produce processed fillets efficiently and economically.

4. Incentive payments for both fishermen and processing plants. This latter provision is designed to encourage the boat operators and processors to improve the quality of the fish caught and processed. These incentive payments would not only help to make up the price differential between foreign and domestic products, in order to hold the present share of the market, but would require our industry to improve its practices, thereby insuring a better product for the American consumers.

The American fishing industry does not ask for handout. It does, however, expect cooperation in solving those problems that have reached a critical stage. A nation with a long coastline cannot afford to neglect its fishing industry, which is the source of an essential food supply.

European nations are not indifferent to the value of their fishing vessels and processing plants. If reports are correct, the Russians are fishing off the northeast coast of this continent, which is a long distance to travel from their home ports. Whether their purpose is to deplete our supply, or to take soundings and make charts in their leisure moments, is of course incidental. The major point to consider, at the moment, is that they have good fishing vessels, whose rang and activity are not limited by foreign competition.

Our industry needs help, and it is in the national interest to come to its rescue. The program outlined in H. R. 10529 is realistic and within our means. It will save and revive the important fishing industry of the United States, which is struggling for its life.

Article by Senator Neuberger in Tribute to Ex-Senator Herbert H. Lehman

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EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, May 29, 1958

Mr. JACKSON. Mr. President, one of the most esteemed men to serve in the Senate during recent years has been our beloved former colleague, Herbert H. Lehman, of New York.

In the issue of the Progressive magazine for June 1958 high tribute is paid to ex-Senator Lehman by one of his close friends, Senator RICHARD L. NEUBERGER, of Oregon.

The title of Senator NEUBERGER's article is "Herbert H. Lehman: A Profile in Courage."

I am extremely pleased to have the honor, Mr. President, to request that this commendation of so illustrious and dedicated a man as Herbert Lehman be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERBERT H. LEHMAN: A PROFILE IN COURAGE

(By Senator RICHARD L. NEUBERGER)

In the Denver Post Roscoe Fleming recently described George W. Norris of Nebraska as the one authentically great Senator of modern times. Undoubtedly the mold was broken with "Uncle George," who came from the crunching poverty of a stump farm to pioneer for the TVA and to defy lynch mobs because of his hatred of war. Yet to his illustrious name I should like to add that of another great Senator—a man whose leavetaking of Congress early in 1957 received far too perfunctory recognition. In contrast to Norris, this man came from wealth and from the metropolis. But he combined in himself the qualities which I am certain must have helped to make Norris great—sublime political courage, personal unselfishness, a gentle and kindly nature, and an understanding of people and their frailties.

Herbert H. Lehman has just marked his 80th birthday anniversary. He left the Senate while he was ahead. He did not stay there to vegetate with age. He voluntarily withdrew, in full possession of all his faculties. Characteristically, on his 80th birthday he asked for no gifts or presentations. Instead, to commemorate the start of his ninth decade on earth, he gave a check for $5,000 to one of his favorite causes—Brandeis University. It also was in keeping for this singular man to talk about a topic appropriate to his own career. He discussed courage, particularly the capacity to place principle above politics, to think of future generations rather than of future elections.

Herbert Lehman's devoted friend and sponsor, Franklin D. Roosevelt, once described Senator Norris as the very perfect gentle knight of American progressive ideals. It was a description which fit like a satin glove. But Norris is gone now, and nobody is so qualified to inherit the glowing phrase as former Senator Lehman. Politics can be a brutal game, full of haranguing and personal abuse. Both Norris and Lehman have been men capable of fervent advocacies and creative ideas, without ever resorting to assassination of the reputations of their political opponents. I knew Norris, I know Lehman—two of the greatest privileges I have ever enjoyed. Not once have I ever heard either of these truly noble Americans deride an adversary or run down an antagonist. Such tactics have not been their nature.

I shall never forget Herbert Lehman as he was on the day that I became a Senator, back in January of 1955. He had called a conference in his office of all liberal Senators to thrash out civil-rights legislation. Around the room ranged a wide spectrum of Senate liberals from all sectors of the Nation. As newcomers, PAT MCNAMARA of Michigan and I stood in a remote corner. Lehman, alone of the entire group, wanted to wage a stubborn fight, then and there, to change Rule XXII of the Senate, which permits unlimited debate. For varying reasons, none of the others chose to support his stand.

"Gentlemen," said Herbert Lehman, "you are making a very serious mistake. You are trying to postpone something which cannot be postponed."

Many times later I was to hear men like Senators DOUGLAS, MURRAY, HENNINGS, and HUMPHREY admit that Lehman had been right. The significant thing was that Lehman himself never rubbed it in. He never even called the episode to memory. It would not have been in character for him to do so. This was never a man to inflict personal hurts.

Politics, alas, is a self-centered game. Acts of nobility are rare. Why take the risk? Men eye their own constituencies with a fixed stare, but with only a side glance for the other fellow's bailiwick.

Fortunately, there are isolated exceptions to this. I remember the night we were debating the Hells Canyon bill in July of 1956. At nearly 10 o'clock, the late Senator Herman Welker, of Idaho, was criticizing the proposal for a high Government dam. I looked around me on the Senate floor. There we sat, all the interested parties: Senators MAGNUSON and JACKSON, of Washington; DWORSHAK, of Idaho; WATKINS, of Utah; MURRAY and MANSFIELD, of Montana; MORSE and NEUBERGER, of Oregon. It was our fight, on one side or another. Our States were directly involved. The stakes for us were as vast as the great canyon itself. Then I turned to the rear of the Chamber. An elderly man sat there in solitary exhaustion, at that weary hour of the evening—Lehman, of New York, representing a State 3,000 miles from Hells Canyon.

At the age of 78, he was gray and tired. His eye twitched with fatigue.

"What are you doing on the floor, Herbert?" I inquired. "You're the only Senator here who isn't from the Northwest."

His reply was in keeping: "I thought you and WAYNE and SCOOP JACKSON might need me, so I decided not to go home."

And when our bill was under discussion to protect the resources of the Klamath Indian Tribe, Herbert Lehman volunteered an interest in it on several occasions. This was an issue so remote from the Empire State that a Senator from New York could barely communicate with it by smoke signals. Yet these Indians were people, and Herbert Lehman was concerned about people, especially people who needed help.

Personal embarrassment meant nothing to him if he could serve his friends. When the bill was before the Senate to increase Congressional salaries, a long speech had just been made against it by a wealthy Republican Senator. With typical candor, Lehman said he had been fortunate enough in life not to need the higher pay. Indeed, he confessed that the increased salary would merely add to the Federal income taxes collected from himself and his wife. But he declared that the United States Senate should not be open only to rich men, but to all American citizens, regardless of financial status.

Such a speech could not have been calculated to help Herbert Lehman politically in New York. But it helped to pass the Congressional pay bill, and Lehman felt that some of his impecunious friends in the House and Senate desperately needed the increase.

In or out of the Senate, he never did the corny thing. When he was interviewed by Edward R. Murrow on Person to Person, Lehman was asked which deed of his long career in Congress had given him the greatest satisfaction. He might have referred to any of a dozen bills that provided projects or brought funds to the State of New York. Instead, he referred to his fight against McCarthyism and to his efforts to protect men and women who had been unjustly or unfairly accused of a lack of patriotism. And from the way Edith Lehman nodded her handsome white head in vigorous assent, viewers knew one reason why Herbert Lehman had never lacked for courage on his travels through life.

Cruelties in politics might put to shame the Mau-Mau. Herbert Lehman always has seemed just the opposite from the politician

who tries to torment his foes. When he and his New York colleague, Senator IRVING M. IVES, were engaged in caustic debate on the question of public versus private acquisition of kilowatts from Niagara Falls, I remarked to Lehman that IVES had not made a particularly effective presentation.

"IRVING has been quite ill lately," Lehman answered. "I imagine that is why his speech may have lacked fire or forcefulness. IRVING is really a very able man. Don't underestimate him."

And I wondered how often so generous an opinion ever was vouchsafed in politics about a man of another party, with whom one had just been debating an issue of major importance.

I think it was typical of Herbert Lehman that he left the Senate with pennon flying. He refused to wait until he nodded at his desk or bumbled in debate. He never needed Harry S Truman's admonition, delivered in February, that some men do not know when to quit. Yet departing from the solemn prestige of the Senate has not meant for Lehman a musty retirement. He has not been one to sulk because his own vote-getting career is at an end. At the 1957 San Francisco conference of the Democratic Party, he made the most militant speech of all about the need for a fighting party dedicated to active and affirmative liberalism. In this year of 1958 he has been honorary chairman of another cause which claims his complete allegiance, the 10th anniversary of the founding of the Republic of Israel.

Yet it is civil rights legislation with which the name and career of Herbert H. Lehman are most inextricably identified. It has been a passion with him that neither the color of a person's skin nor the manner of his worship shall interfere with access to the "life, liberty, and the pursuit of happiness" which Jefferson enshrined in our Declaration of Independence.

Whenever fundamental bills dealing with civil rights reach the Senate Calendar, I know that I shall look back at the desk along the wide center aisle, in the very rear of the Senate Chamber. In my mind's eye, no matter who sits at that desk, I know that I will see the balding, gray-fringed old man with the gentle smile and the kindly eyes. I will hear again his solemn warning to us that this is an issue which liberals cannot delay or postpone, regardless of the political difficulties it might precipitate.

And when finally the great Government of the United States guarantees the liberties of all its citizens, I will have no doubt as to whom much of the credit really belongs. Herbert Lehman may not participate in these epochal rollcalls, but the victory and the glory will be his, nevertheless.

Address by Hon. Alexander Wiley Before Wisconsin State Republican Convention

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, May 29, 1958

Mr. WILEY. Mr. President, it was my privilege to address a group of Republicans in my State last Saturday, when I delivered an address before the Wisconsin State Republican Convention. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE KEYS TO REPUBLICAN VICTORY: PARTY UNITY AND PARTY FULFILLMENT OF THE NEW NEEDS OF A CHANGING AMERICA IN THE ATOMIC AGE

(Statement by Hon. ALEXANDER WILEY, Republican, of Chippewa Falls, at Wisconsin State Republican Convention, May 24, 1958)

Mr. President, ladies and gentlemen of the convention, Mrs. Wiley and I are glad to be here to exchange ideas on the coming election in our State and in our Nation.

You and I are here today to talk about, and to work for, the victory of the Republican Party.

Our party deserves to be successful this coming November.

But, if we are to be successful, it is up to you and to me to demonstrate to Wisconsin and to America that we have the answers to the changing world of 1958.

I am here today to talk about some of the most vital matters which affect you, and all the people of our State.

And the greatest of all these issues is the issue of avoiding world war III. That includes making sure that this continent is never attacked by an enemy.

This is the first and greatest challenge: Peace. Our task is to keep America adequate to the changing world, with its changing conditions. I will tell you a little more about that a little later on.

AMERICA IS CHANGING DYNAMICALLY

And I am here also today to talk to you about prosperity in our own State of Wisconsin. I mean full employment of our citizens in our fine manufacturing plants. I mean prosperity for Wisconsin's great tourist industry here in America's Vacation Land. I mean prosperity for the farmers here in America's Dairyland.

But here again industry is changing; farming is changing; the tourist industry is changing. And it is up to us to prove that we have the answers to these changing needs.

We cannot live in our yesteryears. We cannot have our heads in the sand. We must apply to the science of government, practical, commonsense methods. The Republican Party can do this, and will do this.

First of all, it is up to us to get the facts—the scientific facts, the geographic, the economic, the political facts. It is up to us to understand how Wisconsin has changed, how America has changed, how the challenge to the Republican Party has changed.

Solutions which might have been adequate 5, 10, 15 years ago, are not adequate today. We are in an age of exploration, and we are dealing with new forces, like nuclear energy. We are seeking to guide the Nation into the unknown, including the exploration of outer space.

We are opening up new frontiers for peace.

WISCONSIN CAN BE FIRST IN SCIENCE THROUGH MURA PROJECT

Here in our State, I am trying to make sure that this great science-minded State of ours is first in scientific development.

I am trying to bring to our State what can prove to be one of the greatest single instruments for man's unlocking the mysteries of matter, the atom. How? Through the $100 million high-speed physics accelerator, a new form of atom-smasher. It is our task to try to get funds authorized so that this accelerator can be constructed near Madison, under the auspices of the Midwest Universities Research Association.

Why?

So that Wisconsin will be first in science, first in industry; but infinitely more important, so that America will be first in strength and preparedness.

But now, let me tell you further why it is so important that we keep up with these changing times. Let me tell you how, within the years of my service as your Senator in Washington, the world has changed, America has changed, Wisconsin has changed.

Once we understand these changes, we will have vision for the future; we will grasp what is necessary to guide the ship of state. "Without vision, the people perish." Without understanding of these changing forces, we might not be adequate.

Look back, then, to 1939, and compare it to the America of today.

THE SEAWAY—IDEA IN 1939, REALITY IN 1959

In January 1939, the very idea of a fourth ocean coast for America—a Great Lakes-St. Lawrence seaway seemed, as you may recall, like only a dream.

But in the spring of 1959, that dream will become a wonderful reality. The St. Lawrence seaway, enacted under a Republican President by a Republican Congress, but with full bipartisan support, will transform the Middle West. We will become next-door port neighbors to the world.

Twenty years—that is the difference in time. But the Milwaukee of 1959 and the Wisconsin of 1959 are in a new age—a high-speed age, in a contracted world.

HIGHER INCOME FOR AMERICA

Then, two decades ago, we were a nation of about 132 million; now, we are a nation of about 173 million. (And our population is rising by over 3 million a year.)

Then, we had a national income of about $50 billion. Now, we have a national income (in spite of the recession) of about $334 billion.

Then, we had a national product of about $80 billion; now, we have a national product of $430 billion. (Let's remember these facts of growth, my friends, when our opponents, the spreaders of gloom and doom try to distort the national picture.)

Then, in 1939, the world was large; it took 44 days to go around it. Now, we can fly around it in 40 hours. With jets, the Atlantic will be crossed in 4 hours.

Then, speaking very frankly, Wisconsin was isolated, mentally and physically. Now, because Wisconsin is nearer to attack over the Arctic Circle than is New York City, we know that physical isolation has gone out the window.

Then, there had been no concept of a Pearl Harbor. Blitz attack hit us that Sunday morning, December 7, 1941. It alerted us, at least in part, to the changed facts of life on the international stage.

When Pearl Harbor broke, the world was still large. The Pacific was still a barrier. After the attack, we had 2 years to pick up the pieces and prepare to counterattack. Had we been awake previously, we could have saved, perhaps, $100 billion in money, tens of thousands of American boys' lives, and 2 years of war.

Then, we knew nothing about the A-bomb or the hydrogen bomb. The A-bomb at Hiroshima took 70,000 lives and wounded 70,000 more.

Today, an all-out enemy attack on America could cost 70 million—I repeat, 70 million—lives in a matter of hours.

Avoidance of another Pearl Harbor is, therefore, at the very top of our priority list—the list of our great President, Dwight D. Eisenhower, and your list and mine.

THE DEADLY EVIL—COMMUNISM

And what about the very source of possible attack?

In 1939, the Communist danger existed but in nothing like the strength that it does today.

We had little realization of this evil, dynamic force that since has burst over the world stage. It has taken into its orbit since the close of the war, over 700 million human souls; it now occupies about one-fourth of the globe's land surface. Today,

it is on the march in its drive for complete world conquest.

And what about changes on the American scene?

COMPARISON OF EMPLOYMENT FIGURES

During the 1930's there were as many as 13 million unemployed, and some 40 million employed. Not until World War II did we solve the unemployment problem.

Now, there are some 63 million employed—virtually the highest peacetime level in our history, despite the fact that 5¼ million are unemployed.

With 63 million employed, we have reached the highest standard of living in our history, with more comforts and conveniences than we dreamed of 20 years ago.

NEW EMPHASIS ON WORLD TRADE

Part of our high standard comes from our international trade. It supplies us essential materials without which we might hardly build a single automobile, much less a single tank or plane.

Four and one-half million United States jobs depend on international trade. Seven-hundred and fifteen thousand jobs last year were created alone by our aid expenditures.

Here are some of the available facts on United States and Wisconsin exports for the year 1957, as contrasted with 1939:

Total national exports: 1957, $19.5 billion; 1939, $3.2 billion.

Agriculture: 1957, $4.5 billion; 1939, $6.5 million.

Dairy export (sales): 1957, $72 million; 1939, $7 million.

Agricultural exports under government programs: 1957, $1.7 billion.

Wisconsin dairy exports (1956): $18 million.

THIS ALL ADDS UP TO NEW CHALLENGES

What does all this add up to?

It adds up to the importance of not living in yesterday, but in meeting the needs of today and tomorrow.

MEETING THE COMMUNIST THREAT

A 1½-ton Soviet Sputnik III circles over our heads, high in outer space. Soviet submarines—the world's largest fleet—lurk off our coast. Soviet guided missiles are in place in northern Siberia. One-hundred and seventy-five Red army divisions are stationed in eastern Europe.

And the Communists are at work throughout the free world: in the explosive Middle East, in civil-war torn North Africa, in Latin America, in South Asia.

What is our answer? Dare we wear blindfolds? Dare we do nothing?

Of course not.

THE BIG PROBLEM WE ALL AGREE ON

No matter how much men may differ—and very honestly—on some of the details of our foreign policy, they cannot differ on this obvious fact: The big problem, the overall problem, is the maintenance of peace, seeing that no third world war comes upon us.

Therefore, we have to maintain modern military strength to deter the Kremlin from starting such a war. And military strength today, requires allies—strong allies. Let me point out that thus far, our allies have spent on military defense $120 billion, while our military aid to them amounts to $20 billion.

We have to recognize that we can't live in this house alone. We need allied divisions manning the ramparts in Turkey, Greece, Korea, Western Germany, and elsewhere.

Meanwhile, we have to keep on testing our nuclear weapons so as to advance both our striking and our defensive capabilities. Part of these tests will provide the answer to an anti-missile missile to help defend continental United States.

THE SCIENTIFIC RACE EVERYWHERE

Meanwhile, we are seeking to grasp the forces underlying electronics, astrophysics, geophysics, atomic energy, automation, and other new developments of which we had almost no knowledge, but a few years back.

So, this is a world vastly different from a generation ago. We stand upon the threshold of still newer phases of development in jet flight, in communication, transportation, production, distribution. We are in a world, lifting its borders into outer space; a world of exploration and research and technical development, such as mankind has never seen.

HOLDING BACK INFLATION AND BEATING RECESSION

In connection with all of this, in order to keep America strong, you and I know, as Republicans and as Americans, we must maintain our economic equilibrium. The Republican Party can and will provide the answers. To do this, we recognize that there is the obligation locally, statewide, and nationally of meeting head-on the unemployment situation.

Every citizen, including the leaders of labor and of management, must recognize the tremendous challenge involved in meeting the twin problem of unemployment and inflation.

There must be engendered a spirit of cooperation which will help hold down both excessive price and wage increases during this recession period.

APPLYING THE SCIENCE OF GOVERNMENT

Thus, we are talking, my friends, about applying the science of government in this challenging age.

Primarily, that's a matter of the individual—you and I—learning to govern himself, getting rid of any little foxes of hate and bigotry and intolerance and selfishness that would destroy the vines, so there might be no fruit of stabilized government.

CHECKS AND BALANCES IN UNIONS

We Americans have to relearn self-reliance. Yes, too, we have to relearn constitutional principles.

When our fathers formed this Federal Union, they created a government of checks and balances under the Constitution. They recognized that power in the hands of human beings becomes tyrannical—that no man or group could be trusted with absolute power. That's why they created this, a government of checks and balances, of separation, not centralization of power.

Let's apply that in Congress today. It is the general conclusion in Congress that the wrong conduct of certain labor leaders, in infringing upon the rights of the members of unions definitely calls for a revamping of the Taft-Hartley law.

Sound amendments should provide additional security for the laboring man himself—for his job, for his investment in union welfare funds, and for his right to secret ballot.

Why? So that he, himself, will have more to do and to say in relation to his own union. And so, that he and his family will, by sound checks and balances within unions, be fully protected against any possible abuse of power.

We want tyranny nowhere—not on the home front, or on the foreign front.

When I went to Washington in 1939, Poland was free, Czechoslovakia, Bulgaria, Rumania, and all the Balkan and Baltic States were free. But now they are under the tyrannical hands of the Kremlin.

You and I know that freedom, political and economic, etc., calls for constant sacrifices by those who would preserve it.

Liberty has gone out the window in all these other countries that I have mentioned. It must not go out here.

As leaders, it is our business—yours and mine—to furnish direction and guidance and inspiration in these challengng times.

Then we will have that vision which will mean that the people and our way of life will not perish.

But I repeat, our big job, above all, is to maintain the peace.

THE MECHANICS OF ACHIEVING OUR GOALS

Now, let me discuss a bit of mechanics.

The decisions which you, the delegates at this convention have made and are making, are based upon what you feel to be in the best interests of our State and Nation and our party. Your present decisions and future decisions must be based on the facts—some of which I have previously mentioned.

But now, in the remaining few minutes, I am going to talk about our specific needs as a party.

And I am going to make one principal point: We need true teamwork, if our party is to win in November.

But, more important, teamwork is essential if America is to enjoy peace and prosperity.

PARTY'S RESPONSIBILITY FOR PROSPERITY

Why do I so stress teamwork? The answer is simple: Since we Wisconsinites have deep convictions, yes, often differing convictions on domestic and foreign issues, you and I know that the Republican Party might end up by warring against itself.

My hope is that we can avoid such internal warfare.

That does not mean that you and I should sacrifice our own principles. It does not mean that any one Republican in this convention hall, or outside, should be a rubberstamp of another.

But it does mean that we should try to work out in a spirit of mutual respect, cooperation, and understanding, a program which will serve the best interests of our State and country, and our party.

A PROGRAM FOR FUTURE COOPERATION

What, then, should be our program for cooperation?

What should be a program that would avoid the internal disputes with which you and I are familiar?

I am not going to rake over the coals the old sores of those past disputes. I say, let the dead past bury its dead. I say, let us work with teamwork, so that in the future, there will be as much harmony as possible.

Let us remember that the Republican Party is a people's party, a party of, by, and for the people.

You and I know that there is no place in it for czars or czarinas. There is room in it for the conservative and the liberal, for the independent, but certainly, not the Communist.

Let me suggest a few points in a plan for State teamwork:

1. The Republican Party of Wisconsin must be unalterably committed to faith and confidence in our State, and in America's future, as the leading land of freedom and opportunity.

We know that, right in our own neighborhood, there are enormous unfilled demands for new appliances, for new homes, for schools, for playgrounds, for roads, for hundreds of other types of comforts and conveniences. All this means an expanding economy for Wisconsin.

The Republican Party knows that our farmers need more income. But it knows, too, that we have had a far more successful record under the Eisenhower administration than our farmers were able to achieve under previous administrations.

2. Awareness of our responsibilities abroad.

Just as teamwork can win for America at home, teamwork can win for America abroad.

Again, this does not mean that we should be the rubberstamp of our allies, any more than we want them to be our rubberstamp.

We have honest differences with our friends. Let those differences be voiced. But let there be no recrimination, not against France which is, as you know, in the midst

of a historic crisis, nor against other lands. No, let there be a maximum of harmony among friends, especially as it is in the interest of international security against communism.

3. Pride in our State government at Madison.

Let there be teamwork between the Federal Government and the State here at home.

I say that there has been fine teamwork between Washington and Madison in these past years.

I can tell you of a dozen instances where our hard-working, able Gov. Vern Thomson has worked hand in hand with your public servants in Washington.

Vern Thomson is a battler for Wisconsin, and he is respected throughout our State and in Washington for his devotion to the public interest.

The Eisenhower administration wants strong State governments; it does not want to deprive State governments of their responsibilities and rights.

Vern Thomson has acted time and again to work out with Washington problems which can and should be solved at the State level. At the same time, he has not hesitated to point up those areas in which the Federal Government must take action to help the States.

A great Republican, Abraham Lincoln, you remember, said it is the business of Government to do for the people what they cannot do for themselves.

THINKING ANEW AND ACTING ANEW

I have not attempted (in these few brief moments) to do a thorough analysis of the problems facing us.

But, I have tried to get across, as I see them, some of the facts of life today—the new facts.

Ever since 1939, it has been my privilege to serve you, the people of Wisconsin in the Senate.

During those years, the world has changed. The problems facing the Republican Party have changed.

The first Republican President, whom I have quoted to you before, Abraham Lincoln, stated, "As our cause is new, we must think anew and act anew."

Let me paraphrase that statement, "A changed and diminishing world calls for new vision. Without vision the people perish."

Cities like Milwaukee face new problems. Wisconsin faces new problems. Old, moth-eaten formulas will not work.

To meet these new problems, the very least we can do is try to work together as a team.

CENTRIPETAL AND CENTRIFUGAL FORCES IN PARTY

Within a party, there are always what you might call centripetal and centrifugal forces at work.

There are forces which would tear us apart, and there are forces which unite us.

Let us see if we can practice the wise admonition given to us in the holy scripture, "Behold how good it is for brethren to dwell in unity."

The Republican Party faces a great challenge, and a great opportunity. There is no good reason under the sun why we should not continue our worthy Republican administration in Madison.

There is no good reason why we should not have an overwhelmingly Republican State legislature once again.

There is no good reason why we cannot strengthen our position in the United States Congress.

But, to do so, we must try to narrow our areas of internal disagreement and widen our areas of agreement.

CONCLUSIONS

I am sure we can agree on the following:

1. The leadership of the Western World is in our hands. Yes; the safety of the world can be said to be in our hands. We must see to it that a third world war doesn't happen. If it should it could obliterate mankind.

So to be true to ourselves, we must play our part well. We cannot withdraw into our shells. We have no choice, we must lead adequately to preserve ourselves and civilization.

2. We must keep our own house in order. Every American's first loyalty is to the Nation, whether he be an industrialist, farmer, professional man or labor-union member.

3. Both strong labor unions and corporations are a part of our industrial life. Each is a creature of the law and should be held to a strict accountability to the law for its actions. No individual or group is above the law.

4. This is a new era and the menace of Communist imperialism stalks across the world's stage. We must remain constantly aware and alert to this evil and make sure that our military deterrent power is in fact a real and effective deterrent against war.

5. With the world shrunken as it has been by man's ingenuity, and with the ferment of peoples in the underdeveloped world reaching up for higher standards of living, and more political freedom, the penetrating influence of the Kremlin marches on.

The Kremlin would try to isolate us from what President Eisenhower calls the vast reserves of human energy and resources that are opening up throughout the Asian and African continents.

We must not permit the Kremlin to take over the one-third of the world in Asia, Africa, and the Middle East.

This then is my theme today. Let us unite and strive for peace, for sound political and economic government.

In my opinion, the United States of America and the Republican Party do not have the option as to whether this Government or this party will play a great part in the world. In this age, both must play a great part.

The party of Lincoln can be true to itself—true to the great cause of freedom and justice—only if it is awake to the realities of the facts of life today and if it meets head-on the challenges of our age.

Heptachlor Best for Grasshoppers

EXTENSION OF REMARKS
OF
HON. PHIL WEAVER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 29, 1958

Mr. WEAVER. Mr. Speaker, for the second consecutive year the First Congressional District of Nebraska is being invaded by grasshoppers, which, if unchecked, will do millions of dollars of damage to our fine crops.

The University of Nebraska and the United States Department of Agriculture have issued stern warnings to farmers in Nebraska pointing out that the infestations in Kansas and Colorado will soon spread into Nebraska and even South Dakota. Latest estimates place over 12 million acres infested in eastern Colorado and at least that many more in Kansas. Untold millions of dollars of damage has already been done in those States.

The district which I represent includes the lower two tiers of counties extending from the Missouri River on the east to the Colorado border on the west. These counties are under immediate danger of attack.

HEPTACHLOR SAFE AND SURE

Unlike the thirties when we had to stand by helplessly as the grasshoppers stripped our fields clean, we now have a potent insecticide which can be successfully and safely used in combating this age-old menace.

This chemical is Heptachlor, and it has been used successfully for many years, since shortly after World War II when it was discovered. It has a long-lasting kill and when used as directed—2 ounces per acre—the farmers do not need worry about contaminating the meat and milk of animals which eat the treated crops.

Some of the chemicals which are used present added problems to the farmers. It means that our farmers cannot harvest or pasture the treated crops for 2, 3, or 4 weeks because the chemical will taint the milk and meat, contaminating it and subjecting it to seizure by the Federal Food and Drug Administration as adulterated.

Heptachlor is offered under many different brand names and is available through leading chemical companies at local feed and seed stores.

The cost of treating an acre is very nominal. Twenty pounds of actual Heptachlor will treat 160 acres, protecting the crops from damage due to grasshoppers.

As one of my colleagues on the Agriculture Committee said upon learning of the extensive damage expected from the grasshoppers, "A farmer cannot afford not to treat his crops with Heptachlor."

BULLETINS AVAILABLE

If the grasshoppers are not stopped, it will mean millions of dollars of damage to crops in Nebraska alone. Truly the farmer cannot afford another bite out of his small profits. The cost-price squeeze is already too tight.

More information on grasshoppers and their control is available in Farmer's Bulletin No. F 2064, entitled "Grasshoppers, a New Look at an Ancient Enemy." This bulletin is available through my office, and I will be happy to send a copy to anyone who requests it. My address is Representative PHIL WEAVER, House Office Building, Washington 25, D. C.

A New Sports Bill

EXTENSION OF REMARKS
OF
HON. KENNETH B. KEATING
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 29, 1958

Mr. KEATING. Mr. Speaker, in concert with the gentleman from Pennsylvania [Mr. WALTER], the gentleman from New York [Mr. MILLER], and the gentleman from Arkansas [Mr. HARRIS], I have today introduced a new bill to declare the inapplicability of the antitrust laws to the playing practices of professional football, baseball, basketball, and hockey.

We plan to offer this bill as a substitute to the measure introduced by the gentleman from New York [Mr. CELLER] when it comes before the House for consideration. We have invited all Members of this body to give their support to this measure in the forthcoming debate on sports legislation.

These identical bills provide for the exemption of the sports practices of organized professional baseball, football, hockey, and basketball from the antitrust laws. Under present court decisions, baseball has been granted complete exemption from the antitrust laws while the other sports have been denied even a partial exemption. It is our firm view that enactment of the legislation we have today introduced is essential to eliminate the discriminatory treatment of these sports and to protect them all from potentially ruinous antitrust litigation.

Our bill exempts from the antitrust laws sports practices which relate to first, the equalization of competitive playing strengths; second, the employment, selection or eligibility of players, or the reservation, selection or assignment of player contracts; third, the right to operate within specified geographic areas; fourth, the regulation of rights to broadcast and telecast reports and pictures of sports contests; and fifth, the preservation of public confidence in the honesty in sports contests.

On the other hand, commercial practices of all these sports, such as the rental or operation of concessions and the sale and purchase of stadiums would be subject to the antitrust laws. In addition, the important right of the players to join together to protect their mutual interests through players' associations is fully protected.

We have been assured that this bill has the approval of both baseball and football. We know from the testimony at the hearings before the House antitrust subcommittee that it also is in accord with the position of professional hockey and basketball. We are very glad that all sports have now been able to join together on a measure of such importance to them.

The new bill will be offered as a substitute for H. R. 10378 when it is considered on the floor of the House. In our view H. R. 10378 in its present form does not afford any sport any relief from its present antitrust vulnerability. On the contrary, under H. R. 10378 the sports practices of professional baseball, as well as football, hockey, and basketball would be judged by antitrust standards. We reject this approach because we are firmly convinced that organized professional team sports are unique and cannot be treated the same under the antitrust laws as other business enterprises.

Legislation should be clear and definite if it is to be effective. The language of H. R. 10378 is unclear and indefinite, which means that it would be up to the courts to determine its significance. This is undesirable in any legislation and in this case the litigation spectacle which would result could have disastrous consequences for our national sports. The Supreme Court itself has clearly indicated that these problems should be resolved by legislation rather than court decision.

The bill we have today introduced plainly demarks the area of antitrust exemption for the activities of our sports enterprises. It gives more than lipservice to the fact that sports are unique. It fully reflects the view that the policy decisions of baseball, football, hockey, and basketball should be made by the people who know and understand these sports—the owners, the players, and the fans. And it unequivocally rejects the view that such decisions should be arbitrated by Federal judges and juries who may have no special knowledge of or interest in the problems of the game.

We know that there will be no partisan dispute in the Congress over our national pastimes. In a letter to Members of the House we have invited general support of our bill. We are confident that it will meet with the overwhelming approval of all friends of our national team sports.

A copy of the proposed substitute follows:

A bill to declare the inapplicability of the antitrust laws to certain aspects of designated professional team sports, and for other purposes

Be it enacted, etc., That the act of July 2, 1890, as amended (26 Stat. 209); the act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717) shall not apply to any contract, agreement, rule, course of conduct, or other activity by, between or among persons conducting, engaging in or participating in the organized professional team sports of baseball, football, basketball, and hockey which relates to—

(1) the equalization of competitive playing strengths;

(2) the employment, selection or eligibility of players, or the reservation, selection or assignment of player contracts;

(3) the right to operate within specified geographic areas;

(4) the regulation of rights to broadcast and telecast reports and pictures of sports contests; or

(5) the preservation of public confidence in the honesty in sports contests.

SEC. 2. As used in this act, "persons" means any individual, partnership, corporation, or unincorporated association or any combination or association thereof.

SEC. 3. Nothing in this act shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sports of baseball, football, basketball, or hockey.

SEC. 4. Nothing in this act shall be construed to deprive any players in the organized professional team sports of baseball, football, basketball or hockey of any right to bargain collectively, or to engage in other associated activities for their mutual aid or protection.

SEC. 5. Except as provided in section 1 of this act, nothing contained in this act shall affect the applicability of the antitrust laws to the organized professional team sports of baseball, football, basketball, or hockey.

SENATE

MONDAY, JUNE 2, 1958

Rev. Melville D. Nesbit, Jr., pastor, Clarendon Presbyterian Church, Arlington, Va., offered the following prayer:

O Thou Almighty God, who makest thyself known in the stillness, and who hearest the cry of every sincere heart, be present in our midst this day, opening to us the majesty of Thy person, convincing us of Thy will, guiding our minds and our hands to fulfill Thy purposes.

Make us to remember the vastness of Thy overarching power, the needs of our brethren worldwide, the high privilege and responsibility that are ours, as elected instruments of Thine and representatives of the people.

Bless, we pray Thee, each Senator, the State and constituency thus represented. Grant the guidance of Thy Holy Spirit to each one, that he may serve the cause and welfare of the whole people. In our deliberations, keep us from the petty, the vindictive, the sectional. Lead, even through us, this our native land. We ask it in Thy name, who rulest supreme over this life and the life to come. Amen.

THE JOURNAL

On request of Mr. GORE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 29, 1958, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. GORE. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON WORKING CAPITAL FUNDS, DEPARTMENT OF DEFENSE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the working capital funds of that Department, dated June 30, 1957 (with an accompanying report); to the Committee on Armed Services.

EXTENSION OF PERIOD IN WHICH CERTAIN OFFICERS MUST BE RETIRED OR SEPARATED

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to extend the period in which warrant officers who have twice failed of selection for promotion, must be retired or separated (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to

amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes (with accompanying paper); to the Committee on the District of Columbia.

REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT OF 1938, AS AMENDED

A letter from the Attorney General, transmitting, pursuant to law, his report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the calendar year 1957 (with accompanying report); to the Committee on the Judiciary.

REPORT OF NAVY CLUB OF THE UNITED STATES

A letter from the Secretary to National Shipswriter, Navy Club of the United States of America, Rockford, Ill., transmitting, pursuant to law, a report of that club, dated April 30, 1958 (with accompanying report); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Interstate and Foreign Commerce:

"Senate Concurrent Resolution 148

"Concurrent resolution memorializing Congress to remove discriminatory regulations as they apply to transportation by railroads in order that this vital industry may maintain its place of usefulness to the Nation in times of peace and war

"Whereas employment by the railroads of this Nation has dropped to half of that experienced during the 1926–30 average to such an extent that it is estimated that as many as 33 railroads might be plunged into bankruptcy in 1958 unless effective action is taken to remove restrictive governmental legislation and regulations which fail to recognize that railroads no longer enjoy a monopoly; and

"Whereas the railroads are uniquely adapted to the quick and relatively inexpensive shipment of heavy goods and materials and large numbers of personnel in times of emergency: Now, therefore, be it

"*Resolved by the State senate (the house of representatives concurring therein)*, That we do hereby memorialize the Congress of the United States to enact legislation to remove discriminations against the railroad industry; to make it no longer necessary that they operate with heavy deficits threatening bankruptcy; and to save so important an industry whose jobs, whose earnings, and whose usefulness to the Nation manifestly are of equal necessity both in times of peace and war; be it further

"*Resolved*, That the secretary of state be directed to transmit a copy of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the Congress of the United States, and each member of the Mississippi delegation in the United States House of Representatives and the United States Senate and to the respective houses of the legislatures of the several States of the United States."

A letter in the nature of a petition from John Ford Baecher, of Chevy Chase, Md., submitting a proposed plan for tax relief, and so forth; to the Committee on Finance.

A resolution adopted by the Commission on Christian Social Action of the Evangelical United Brethren Church, favoring an expanded nonmilitary program of mutual aid and programs for reciprocal foreign trade; to the Committee on Foreign Relations.

Petitions signed by sundry citizens of the city of West Covina, Calif., and vicinity, relating to the Presidential veto of the omnibus rivers and harbors bill; to the Committee on Public Works.

A telegram in the nature of a petition from A. Grace King, postmaster at Allenhurst, N. J., expressing appreciation for the approval of the postal pay bill; ordered to lie on the table.

A letter in the nature of a memorial from the National Board of the Young Women's Christian Association of the United States, New York, N. Y., signed by Lilace Reid Barnes, president, remonstrating against the enactment of the bill (S. 2646) to limit the appellate jurisdiction of the Supreme Court in certain cases; ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (by request):

S. 3928. A bill to amend the act entitled "An act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'the Municipal Court for the District of Columbia,' to create 'the Municipal Court of Appeals for the District of Columbia,' and for other purposes," approved April 1, 1942, as amended; and

S. 3929. A bill to amend the District of Columbia Business Corporation Act; to the Committee on the District of Columbia.

By Mr. MURRAY:

S. J. Res. 178. Joint resolution authorizing the President of the United States of America to proclaim February 8–14, 1959, as National Children's Dental Health Week; to the Committee on the Judiciary.

REPEAL AND REDUCTION OF CERTAIN EXCISE TAXES—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 3799) to repeal the manufacturers' excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers' excise tax on trucks and buses to 5 percent, which were referred to the Committee on Finance, and ordered to be printed.

MUTUAL SECURITY ACT OF 1958—AMENDMENTS

Mr. PROXMIRE. Mr. President, I submit two amendments to the Mutual Security Act of 1958, and ask that they be printed and lie on the table, so I may call them up at the proper time.

The first amendment reduces the authorization for the appropriation for military assistance and defense support by $339 million below the amount requested by the administration. It is $104 million below the amount in the bill reported by the Senate Foreign Relations Committee. It is the same amount as the cut made by the House of Representatives, but my amendment concentrates the entire reduction in the military-assistance and defense-support aspects of the bill.

It has been established repeatedly that there has been wholesale waste in military foreign aid to Laos, Cambodia, Vietnam, Thailand, and elsewhere. The only way Congress can apply pressure to eliminate this waste is by a reduction in the overall appropriation. I think Congress has a clear obligation to the American taxpayer to stop this waste.

If adopted, my amendment would constitute a directive to the Senate conferees to work for reduction strictly in the military field.

In his individual views filed with the committee report on the Mutual Security Act, the senior Senator from Oregon [Mr. MORSE] points out that 78 percent of the money authorized in this bill is for the strengthening of military establishments. I agree with him that this is far too much. As I have pointed out before on the floor of the Senate, today the principal challenge of the Soviet Union is an economic one; the masters of the Kremlin have seized upon trade and aid as weapons in the cold war, and they are plying them effectively.

The distinguished senior Senator from Oregon also emphasized that—

Sixteen percent of this year's foreign aid is in loan form for economic development, and 65 percent is in grant form for military establishments under this bill.

Like him, I should be glad to see these proportions reversed, with 75 percent in loans and 25 percent in grants, and with economic development emphasized over military assistance. I believe that money which has to be repaid will be not so likely to be squandered in waste and graft.

My second amendment would transfer military assistance and defense support from the foreign-aid budget to the defense budget.

The Department of Defense has the competence and experience to judge the relative importance of our various needs for military assistance and defense support. It is they who can best decide whether a dollar is spent better in equipping a soldier in a friendly foreign country or in outfitting one of our own. The principal responsibility for such determinations already rest with the Department; it is a responsibility which it cannot and does not want to avoid. My amendment would place that responsibility clearly where it belongs.

The major argument for military aid is that every dollar spent on it brings full value or more in defense. If this is true, control of it ought to be in the hands of military leaders, who are most competent to judge the defense merits of the program.

In the past the administration has requested that military assistance and defense support be separated from foreign aid, and has made clear that it would do so again if there were a chance of Congressional approval.

Finally, this is the fairest and most honest way to present to the taxpayer the program of military assistance and defense support. If it is for defense of America—and it is—it ought to be stated that way, not as foreign aid, which it is not.

The report of the Committee on Foreign Relations says:

In each of these four countries (Korea, Taiwan, Greece, and Turkey), the military assistance program (coupled with defense support) enables far more strength to be

generated than if the same number of dollars were spent on American forces. The Department of Defense calculates that it costs $3,515 a year to maintain an American soldier (pay, allowances, subsistence, and clothing). Comparable figures for the countries mentioned above are Korea, $302; Taiwan, $147; Greece, $424; and Turkey, $240.

There it is, Mr. President, stated in terms of American defense, as it should be, in a way that the American people can understand. But it ought to be made crystal clear by taking it entirely out of the foreign-aid bill. The size and cost of foreign economic aid will then be segregated, so such aid can be judged in its proper cost perspective by the American taxpayer.

The PRESIDENT pro tempore. The amendments will be received, printed, and will lie on the table.

Mr. PROXMIRE. Mr. President, on last Monday, May 26, I submitted three amendments, the purpose of which was to bar Yugoslavia, Saudi Arabia, and the Dominican Republic from any kind of aid under the Mutual Security Act of 1958. Today, I submit an additional amendment which prohibits the giving of any aid under the act to Cuba, as well.

I am submitting also 2 amendments which are intended simply as technical corrections to the 3 I submitted on May 26. One of these bars aid to Saudi Arabia; the second does the same for the Dominican Republic. Together, they make it possible for each of these amendments to stand independent of the others. Thus, a Member of the Senate may vote to deny aid to Yugoslavia, Saudi Arabia, the Dominican Republic, or Cuba, or to two or more of them, or to all of them.

Mr. President, I ask that these amendments be printed and that they lie on the table, so that I may call them up at the proper time.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

PROPOSED REDUCTION OF EXCISE TAXES

Mr. GORE. Mr. President, the President of the United States in a recent message to Congress and in statements to the press has taken the position that a general tax reduction is not warranted at this time as an antirecession measure. The President continues to make optimistic statements concerning the immediate future of our economy. He was quoted as saying at his press conference last Thursday: "and there is ground to believe that the worst of our problems are behind us."

As I understand, the President's position is based on the theory that tax cuts are not needed as an antirecession measure, because in his view, a correct analysis of the economic situation indicates that the economy will shortly take a turn for the better.

I am in agreement with the President that a general tax cut is not warranted at this time. I wish to make it clear, however, that I do not share in full measure his optimism in connection with the interpretation of current economic indexes.

While I agree that no general tax reduction is now warranted, I do not wish to imply that a complete status quo in the field of taxation is necessarily appropriate, desirable, or advisable. In some areas, particularly in the field of excise taxes, adjustments may be desirable, both from the standpoint of eliminating inequities and because of the impact such adjustments would have upon our economy. Some of the excise taxes, such as that levied upon transportation, directly affect the cost structure throughout all segments of industry and agriculture. To the extent that modification of the excise tax on automobiles would stimulate the sale of cars, such would provide assistance leading directly to more jobs in the automotive industry which, as all of us realize, is particularly hard hit by the current recession, and such a modification would almost immediately be helpful to the steel industry and other basic industries which are closely associated with the automobile industry or with highway transportation.

We also realize that the railroads are sorely pressed. Railroads are basic and vital to our economy and to the strength of the Nation. We must have railroads, and we must have them in the free-enterprise system. Trucks, buses, and airlines are also necessary to our economic well-being.

I have mentioned these two particular excise taxes by way of illustration only, and not as indicating any preconceived conclusions that they should be singled out for reduction, although I favor a reasonable reduction in both. I would point out that excise-tax reduction would have a much more direct and immediate effect upon business activity than would corporate and individual income-tax reduction. Excise-tax reduction passed on to the consumer in the form of price reduction may stimulate an increase in consumption so as more nearly to utilize our production capacity.

I believe that price reductions would be a wholesome thing for the economy at this time.

In the instances in which it can be shown that excise-tax reduction will indeed stimulate business activity, it is quite possible that there will be no overall loss of tax revenue to the Treasury. Even if there were a loss, it might well be made up to the Treasury by closing some of the many loopholes and instances of tax favoritism in the present tax law.

I believe, Mr. President, that the Congress should study quite closely the existing excise-tax structure, and that appropriate adjustment should be made in the light of the economic conditions which exist today.

NEEDED CHANGES IN FOREIGN POLICY

Mr. WATKINS. Mr. President, I wish to call attention to an article by Roscoe Drummond which was published this morning in the Washington Post and other newspapers. The article is particularly timely, now that we are discussing the mutual-security legislation. Mr. Drummond calls attention to a series of articles which recently have been published in the Deseret News, of Salt Lake City, and were reprinted in the CONGRESSIONAL RECORD of Monday, May 26, for the Members of Congress.

These discussions focus attention on new stimuli which affect, or might affect, our foreign policy and further our progress toward peace. Briefly, a proposal is made for appointment, by the President, of a Peoples' Peace Commission composed of members from outside the Government, to give the benefit of their thoughts and their fresh insights regarding what new things can be done to refresh our foreign-policy thinking.

Mr. President, I request unanimous consent that the article by Mr. Drummond be printed in the CONGRESSIONAL RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN POLICY: SOMETHING NEEDS TO BE ADDED

(By Roscoe Drummond)

When you consider the massive, costly, continuous efforts which the United States has been making to improve the prospects of peace and better living standards in the world and compare these efforts with the miniscule results and the whole series of increasingly disheartening and perilous setbacks, there is one conclusion which seems almost beyond argument:

Something needs to be added to American foreign policy.

Of course, it isn't wholly accurate to put our gains and losses in a box score and compare them with Moscow's, but surely there is some lesson to be drawn from facts like these:

Since World War II we have, through UNRRA, the Marshall plan, and the mutual-security program, poured some $60 billion into the Free World while the Soviet Union has put about one-twentieth of that into its foreign aid. The results have been disproportionate, to say the least.

We used our influence to bring about the independence of Indonesia and the present government of Indonesia tends to look upon us as an enemy.

We shield the South American Republics from war and conquest, respect their independence, do much to help their economic progress—and the Vice President is stoned on a good-will trip.

We seek to befriend the Algerians and the Lebanese, and mobs fire USIA libraries in Algeria and Lebanon.

The United States—as in the Philippines—stands for the liberation and defense of the newly independent nations; the Soviet Union suffocates the independence of nearly a dozen formerly free countries—and some prominent neutralist leaders say they can see little to choose between the Soviet and American leadership.

I'm not saying that we have done wrong or that we don't need to do more of the same. Without the Marshall plan, Europe would be Communist today. Without NATO and SEATO and other alliances and mutual-security aid, there might well have been more Communist military aggression than in Korea and Indochina.

But something more needs to be added to American foreign policy.

Admittedly, it is a lot easier to see this need than to define what should be done. But if we can agree that something more needs to be added to American foreign policy, we had better begin to do something about it—and soon.

To recognize the need is the essential starting point. To do something about it is urgent.

I venture to urge that it would be useful and timely for President Eisenhower to appoint a peoples' peace commission of respected and qualified citizens outside the Government to contribute a fresh impetus to United States foreign policy thinking.

Such a commission could, at the very least, serve three valuable purposes.

It could generate new ideas and supplement the thinking of Government officials.

It could examine the merit of proposing that similar peoples' peace commissions be created in other countries to put the cause of peace and freedom on a people-to-people as well as on a government-to-government level.

It could generate a sense of public participation in foreign policy throughout the United States and, believe me, this is going to be indispensable if the American people are going to continue to have to spend so much for defense and aid with so few positive results and so many damaging setbacks.

In a continuing series of editorials the Deseret News of Salt Lake City, a newspaper of deep spiritual conviction, has been advocating this course of action and it seems to me that it has been making a constructive case and that its voice should be heeded.

"The surest, most hopeful fact in the whole troubled international picture is that the peoples of the world want peace," it points out. "Let us have the best minds of America called to serve on a peace commission here in America, and invite other world powers to join us in a peoples' level, unremitting search for peace based on principles of understanding and brotherhood."

This may well be the something new which needs to be added to American foreign policy—or a good way to find it.

A LAWYER'S DUTY—TO THE COURTS OR TO HIS COUNTRY AND TO HIS PEOPLE

Mr. TALMADGE. Mr. President, on March 20, 1948, Hon. Charles J. Bloch, of Macon, Ga., an eminent Georgia attorney, addressed the Lawyers Club of Atlanta on the subject A Lawyer's Duty—To the Courts or to His Country and to His People.

Mr. Bloch is one of Georgia's most outstanding citizens and respected leaders. During my administration as Governor of Georgia, he served as chairman of the Judicial Council of Georgia. He is a recognized authority on constitutional law, and is the author of the recent and widely acclaimed book States' Rights—The Law of the Land.

Mr. Bloch's address is a scholarly and thoroughly documented treatment of the obligations of attorneys as officers of the court, and is a reasoned and convincing defense of the right of attorneys to speak out in defense of constitutional principle, as opposed to judicial usurpation.

In view of the present concern over the usurped role of the Supreme Court of the United States as the giver, rather than the interpreter, of the law, I consider Mr. Bloch's conclusions to be most timely and illuminating; and I ask unanimous consent, Mr. President, that the condensed version of them which appeared in the Monthly Report of the Lawyers Club of Atlanta, dated May 8, 1958, be printed herewith in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A LAWYER'S DUTY—TO THE COURTS OR TO HIS COUNTRY AND TO HIS PEOPLE

A few weeks ago I was in Atlanta, attending the meetings of the American Bar Association.

One morning (February 21) I read in your morning paper an editorial. It was entitled "Our Laws, Courts Must Be Upheld."

Part of it was:

"The United States is a Nation of law. This newspaper, which stands by the law and the courts, regrets the sometimes unbridled criticism of our courts by some extremists. They do not represent the voice of the thinking people, who know that we will have either law or anarchy. In this connection, if the ABA members will pardon us we advance the opinion that the bar itself perhaps has been derelict in its duty, officially and individually, in not standing forthright in defense of our Supreme Court and all lesser courts. Our courts have been subject to irresponsible abuse, to ridiculous and un-American sniping by fanatics who charge Communist influence. Each lawyer, as we understand it, is an officer of the courts. We expect a stronger defense from the legal profession. It is necessary that all of us stand up and be counted on the side of the law."

After I read it, I embarked on a long airplane trip. As I flew from Atlanta to Houston, Tex., I had plenty of time to think. I thought—I was admitted to the bar of Georgia on July 8, 1914. I took an oath:

"I swear that I will justly and uprightly demean myself, according to the laws, as an attorney, counselor and solicitor, and that I will support and defend the Constitution of the United States and the constitution of the State of Georgia. So help me God."

A year later I was admitted to practice before the supreme court of Georgia. I took a similar oath. On December 18, 1918, I was admitted to practice before the Supreme Court of the United States, and took a similar oath.

Under those oaths, am I "derelict in my duty" if I do not stand "forthright in defense of our Supreme Court and all lesser courts"?

Am I "demeaning myself justly and uprightly" if I do not stand forthright in defense of our Supreme Court?

What is my duty to the courts?

What is my duty to my country and my people, who may be looking to me for guidance and advice?

Those are questions which do not concern me alone. They concern all lawyers who are conscientious in the discharge of their duties.

Knowing what I do about American history and legal history of the past 20 years, must I stand forthright in defense of our Supreme Court?

Or, is it my patriotic duty to my country, my friends who are not lawyers, to sound a warning, and continue to sound warnings as to the danger which is about to encompass us, and destroy constitutional government?

I do not propose to engage in unbridled criticism.

I am not an extremist.

I do not propose to subject anyone to irresponsible abuse, to ridiculous and un-American sniping.

I am not a fanatic, and do not charge Communist influence.

I do propose to state facts to you, facts gleaned from the opinions of the Supreme Court, and from the opinions of Justices who dissented.

Then, on the basis of those facts, let us each answer for himself the questions:

Do I, as an American lawyer, have a duty to stand forthright in defense of our Supreme Court, whatever a majority of its members sitting at a particular time may do or say, or is not my greater duty as a lawyer, supposedly trained and educated, to call attention to the fact that it is not I—but the Supreme Court—which has been derelict in its duty?

Have not the people of our State and our country the right to expect from the lawyers of this country guidance and advice when any one of the branches of our Government—executive, legislative, or judicial—is derelict in its duty, and is exceeding its constitutional powers and functions?

If lawyers, trained in the law, do not warn the people who are untrained, there will be a gradual but certain erosion of our very form of Government.

What are those facts?

Up to about 35 years ago, the Constitution of the United States was treated as the Ark of the Covenant. It stood as the guiding light of American law. Law schools taught obedience to the Constitution, not tricky avoidance and supplanting of it.

The lawyers of that day did not seek to overturn established precedents merely because different judges occupied the bench. The judges would not have paid any attention to them if they had. Firmly and sternly they would have been told, "The question which you seek to relitigate has been settled by a decision of this court" (e. g. *Gong Lum* v. *Rice*).

In 1895, an income tax statute enacted by the Congress was by a divided Court declared unconstitutional. The personnel of the Court frequently changed after that but no effort was made to have the Court reverse itself because, forsooth, those who wanted an income tax were becoming more numerous. Instead, though it took time, the Constitution was amended as provided by that Constitution. Constitutionally, 18 years after the 1895 decision, the power of Congress to levy an income tax became a part of our governmental system.

In 1874, the Court decided that despite the 14th amendment, a State could deprive women of the right to vote. Judges came and judges went, but the Constitution as thus construed remained the law of the land until it was legally amended by the adoption of the 19th amendment, 46 years later.

In 1920, the liquor prohibition amendment, the 18th, was adopted. It was declared validly adopted. Though it became exceedingly unpopular it remained as a part of the law of the land until repealed by the 21st amendment in 1933.

Then there arose a cult who taught and were taught not obedience to the Constitution, but avoidance of it. It became smart to teach and learn how to evade and overturn settled constitutional doctrines.

Their first major accomplishment was to persuade the Supreme Court to hold, or rather, to assume that because of the 14th amendment, the 1st amendment became applicable to actions by the individual States. That theory had been firmly rejected by the Court as far back as 1883, (*Hurtado* v. *California*), and again in *Maxwell* v. *Dow* (176 U. S. 581). In the Scottsboro case (1932) it was revived. And, then, the majority of the Court held that there were compelling considerations which required a different rule from that announced 50 years before.

Justices Pierce, Butler, and McReynolds did not consider themselves derelict in their duty to their brethren of the bench when they denominated the action of the Court as "an extension of Federal authority into a field hitherto occupied exclusively by the several States."

This cult—these "smart alecks of the law"—met with such success in having established precedents set aside that in 1943, Justices Roberts and Frankfurter in a dissenting opinion (321 U. S. 112) protested vigorously.

They were not extremists. They were not derelict in their duty, they were not engaging in irresponsible abuse when they said:

"The evil resulting from overruling earlier considered decisions must be evident. In the present case, the court below naturally felt bound to follow and apply the law as clearly announced by this Court. If litigants and lower Federal courts are not to do so, the law becomes not a chart to govern conduct but a game of chance; instead of settling rights and liabilities, it unsettles them. Counsel and parties will bring and prosecute actions in the teeth of the decisions that such actions are not maintainable on the not improbable chance that the asserted rule will be thrown overboard. Defendants will not know whether to litigate or to settle for they will have no assurance that a declared rule will be followed. But the more deplorable consequences will inevitably be that the administration of justice will fall into disrepute. Respect for tribunals must fall when the bar and the public come to understand that nothing that has been said in a prior adjudication has force in a current controversy. The tendency to disregard precedents in the decision of cases like the present has become so strong in this Court of late as, in my view, to shake confidence in the consistency of decision and leave the courts below on an uncharted sea of doubt and difficulty without any confidence that what was said yesterday will hold good tomorrow, unless indeed a modern instance grows into a custom of members of this Court to make public announcement of a change of views and to indicate that they will change their votes on the same question when another case comes before the Court."

This is firm language. It is harsh criticism. But it is not irresponsible abuse, it is not ridiculous and un-American sniping by fanatics. It is the solemn warning of a great American jurist to the American bar and the American people. It was language that was much quoted but little heeded.

The same justice felt constrained to warn again 3 months later. Without one word of the 14th amendment having been changed, without one word of the statutes of Texas regulating primaries having been changed, the Court completely reversed itself as to Negroes' right to vote in Texas primaries. The Court had in 1935 held that these Texas statutes did not violate the Negroes' constitutional rights. Now, 9 years later, the decision was uprooted, a few months before the presidential election of 1944.

Justice Roberts certainly had no demagogic tendencies.

Dissenting alone, solemnly he worded: "It is regrettable that in an era marked by doubt and confusion, an era whose greatest need is steadfastness of thought and purpose, this Court, which has been looked to as exhibiting consistency in adjudication, and a steadiness which would hold the balance even in the face of temporary ebbs and flows of opinion, should now itself become the breeder of fresh doubt and confusion in the public mind as to the stability of our institutions."

In 1948, another election year, there came before the Court a case which even now stands out as a beacon light warning the American public of what may be coming.

The Supreme Court had in 1926 (271 U. S. 323) held that restrictive covenants based on race or color alone do not violate any rights guaranteed by the 14th amendment. But, said the Court, or rather, Chief Justice Vinson and five associates, that when and if a State court enforces such contracts by injunctive process that State action contravenes the amendment. There was no dissent here, but three justices did not participate.

Not long thereafter the question arose: Can such a restrictive covenant be enforced at law by a suit for damages against a co-covenantor who broke the covenant? The Supreme Court, or rather, six of the Associate Justices, held that it could not.

Chief Justice Vinson who had written the 1948 opinion, dissented. I believe he thought he was doing his duty when he said:

"Since we must rest our decision on the Constitution alone, we must set aside predilections on social policy, and adhere to the settled rules which restrict the exercise of our power of judicial review, remembering that the only restraint upon this power is our own sense of self-restraint."

That solemn admonition was delivered June 15, 1953. *Brown* v. *Topeka* and the other segregation cases had been argued. One week before, June 8, 1953, the Court had ordered the cases restored to the docket and assigned for reargument the following October (1953). Counsel were invited to discuss particularly several questions, the first of which was:

"What evidence is there that the Congress which submitted and the State legislatures and conventions which ratified the 14th amendment contemplated or did not contemplate, understood or did not understand, that it would abolish segregation in public schools?"

Chief Justice Vinson was not destined to live to hear the answer to that question, or to decide the legal effect of the answer. He died suddenly September 8, 1953. Gov. Earl Warren was given a recess appointment and took office October 5, 1953. The segregation cases were argued in December and decided May 17, 1954. They were argued before and decided by a Court composed of Chief Justice Warren, of California; and Associate Justices Black, of Alabama; Reed, of Kentucky; Frankfurter, of Massachusetts; Douglas, of Connecticut; Jackson, of New York; Burton, of Ohio; Clark, of Texas, and Minton, of Indiana.

The answers to the question which had been propounded by the Court headed by Chief Justice Vinson showed beyond a doubt that the Congress which submitted the 14th amendment did not contemplate or understand that it would abolish segregation in public schools.

These answers were ignored.

The answers also demonstrated that by decisions of their courts of last resort rendered soon after the adoption of the 14th amendment, the States of California, New York, Ohio, and Indiana in unmistakable terms showed that they did not understand or contemplate that the 14th amendment would abolish segregation in the public schools.

It is beyond understanding that this decision of May 17, 1954, should have been unanimous. One cannot but wonder: What would have been the result had Chief Justice Vinson lived: Had he foreseen the result and did he dread having to write another bitter dissent as he had in the restrictive covenant case of 1953? Or was it his hope that he could prevent the chaos and confusion which have ensued from the decision handed down just 8 months after his death?

Only the Associate Justices who survive know the answer.

Am I—are you—to stand forthright in defense of that decision?

Is it irresponsible abuse, is it ridiculous and un-American sniping, when we say that the Supreme Court in rendering it swept aside doctrines of American constitutional law established for over a century, and substituted therefor jurisprudence based on the doctrines of Swedish psychologists?

Is it irresponsible abuse for me to say that that decision carried almost to the ultimate doubt and confusion in the public mind as to the stability of our institutions?

I say almost to the ultimate for I want to bring to you now expressions from Justices, judges, and lawyers demonstrating that since May 17, 1954, that doubt and confusion in the public mind as to the stability of our institutions has from year to year, from month to month, almost from day to day, increased.

In the school segregation cases, Justice Frankfurter had forgotten the fine sentiments he expressed in the West Virginia flag salute case a few years before. There (319 U. S. 642) he had said:

"One who belongs to the most vilified and persecuted minority in history is not likely to be insensible to the freedoms guaranteed by our Constitution. Were my personal attitude relevant I would wholeheartedly associate myself with the general libertarian views in the Court's opinion; representing as they do the thought and action of a lifetime. But as judges we are neither Jew nor Gentile, neither Catholic nor agnostic. We owe equal attachment to the Constitution and are equally bound by our judicial obligations whether we derive our citizenship from the earliest or the latest immigrants to these shores. As a member of this Court, I am not justified in writing my private notions of policy into the Constitution, no matter how deeply I may cherish them or how mischievous I may deem their disregard."

He was to overlook these lofty sentiments many more times after their utterance.

Just a couple of years after the school segregation cases, he joined with Justices Clark, Black, Douglas, and Chief Justice Warren in holding that New York could not discharge a professor in one of her colleges who had utilized the privilege against self-incrimination to avoid answering a question relating to his official conduct. (350 U. S. 551—Slochower.) The other four Justices criticized that holding. Justice Reed started his dissent with this criticism, "* * * the Court (sic) strikes deep into the authority of New York to protect its local governmental institutions from influences of officials whose conduct does not meet the declared State standards for employment."

Justice Harlan criticized thus: "I think that a State may justifiably consider that teachers who refuse to answer questions concerning their official conduct are no longer qualified for public school teaching, on the ground that their refusal to answer jeopardizes the confidence that the public should have in its school system."

About the same time, Justice Frankfurter joined with the same four plus Justice Harlan (350 U. S.) in holding in the now famous Nelson case that the Smith Act superseded the Pennsylvania Sedition Act, and prevented Pennsylvania from enforcing her State statute against a person charged with acts of sedition against the Federal Government.

Vehement has been the criticism of this Nelson case. The first criticism was in Justice Reed's dissent. He logically called attention to the fact that the Smith Act appears in that title of the United States Code which codifies the Federal criminal laws. A section of that title is: "Nothing in this title shall be held to take away or impair the jurisdiction of the courts of the several States under the laws thereof."

"That declaration," he said, "springs from the Federal character of our Nation. It recognizes the fact that maintenance of order and fairness rests primarily with the States * * *. The majority's position in this case cannot be reconciled with that clear authorization of Congress."

Now let's go back to the editorial of February 21—and quote from it again:

"Our courts have been subject to irresponsible abuse, to ridiculous and un-American sniping by fanatics who charge Communist influence."

I have not engaged in irresponsible abuse. I am not a fanatic. I have not engaged in ridiculous and un-American sniping. I have

not charged Communist influence. I have discussed with you some cases.

There is pending in the Senate today a bill by Senator JENNER, of Indiana, seeking not to stand forthright in defense of the Supreme Court in its decisions in the Slochower case, the Nelson case, and similar cases, but to see to it that such decisions cannot be repeated, to deprive the Supreme Court of jurisdiction in those fields.

The only trouble with the Jenner bill is that it does not go far enough.

The strongest voice which has yet been sounded warning us of this judicial oligarchy, this superlegislature, this superboard of bar examiners, is that of Judge Learned Hand.

In the U. S. News & World Report of March 7 is an article with reference to his recent lectures at Harvard Law School demonstrating that it is no part of a lawyer's duty to stand forthright in the defense of any court which pursues a course contrary to the Constitution of the United States.

Judge Hand demonstrated, too, that the Supreme Court recently has not only proceeded to impose its own views of what is wise or unwise legislation, irrespective of constitutional powers, but seems to have applied hostile rules where property is involved and softer rules where liberty is at issue.

You lawyers who have to read, study, and try to apply Supreme Court decisions, know in advance, when you pick up one involving employer and employee or labor and management, just where four of the Justices will be alined. Cases before the Court are measured by this group not by the yardstick, "Does the decision of the lower court under review square with the Constitution and laws as they are written?" but by the yardstick, "Does the decision of the lower court under review meet our views of what is right and wrong?"

Do you think that it is your duty to stand forthright behind such decisions, and so let five men on the Supreme Court supersede the President of the United States and our elected Congress?

You may think that to be your duty.

I do not conceive it to be mine.

On the contrary, I conceive it to be my duty, as a citizen of the United States, as a lawyer sworn to uphold the Constitution of the United States and the constitution of Georgia, to warn those who are not trained in the law of what is happening to them.

In so doing, I join with Judge Hand when he says: "For myself it would be most irksome to be ruled by a bevy of platonic guardians."

PROGRAM OF CEREMONIES AT INTERMENT OF THE UNKNOWNS OF WORLD WAR II AND THE KOREAN WAR

Mr. MARTIN of Pennsylvania. Mr. President, last Friday afternoon, in beautiful Arlington Cemetery, the remains of a soldier of World War II and one from the Korean war were laid to rest. The services were as dignified and impressive as it was possible for a grateful nation to make them.

A few days ago, I placed in the RECORD the program of the ceremonies at the burial of the Unknown Soldier of World War I.

Mr. President, I ask unanimous consent that the program of the ceremonies on last Friday afternoon be inserted at this point in the RECORD, as a part of my remarks.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

FUNERAL SERVICE FOR THE UNKNOWNS OF WORLD WAR II AND KOREA, MEMORIAL AMPHITHEATER, ARLINGTON NATIONAL CEMETERY, MAY 30, 1958, 3 P. M.

PROGRAM

The National Anthem: Francis Scott Key, United States Marine Band, Maj. Albert Schoepper, director.

Invocation: Chaplain (Maj. Gen.) Patrick J. Ryan, Chief of Chaplains, United States Army.

Trumpet call: "Attention" (sounded three times).

(Two minutes of silence.)

America the Beautiful: Samuel A. Ward (music), Katherine Lee Bates (lyrics), the audience.

Address and presentation of Medals of Honor: Dwight D. Eisenhower, the President of the United States.

On Bended Knee: Anonymous, United States Army chorus, Capt. Samuel Loboda, director.

Psalm of the Day (Psalm 145): Chaplain (Lt. Col.) Philip Pincus, United States Air Force.

Twenty-third Psalm: Albert Hay Malotte (music), M. Sgt. William D. Jones, United States Marine Band.

Scripture lesson (John 14): Chaplain (Maj. Gen.) Charles I. Carpenter, Chief of Chaplains, United States Air Force.

Dirge for Two Veterans: Walt Whitman, United States Army chorus, Capt. Samuel Loboda (music).

Benediction: Chaplain (Rear Adm.) Edward B. Harp, Chief of Chaplains, United States Navy.

Postlude: United States Marine Band.

AMERICA THE BEAUTIFUL

Oh, beautiful for spacious skies,
For amber waves of grain,
For purple mountains majesties
Above the fruited plain.
America! America!
God shed His grace on thee
And crown thy good with brotherhood
From sea to shining sea.

Oh, beautiful for heroes proved
In liberating strife,
Who more than self their country love
And mercy more than life.
America! America!
God shed His grace on thee
And crown thy good with brotherhood
From sea to shining sea.

ON BENDED KNEE

Father God,
We bow on bended knee,
Thankful for the blessings of the free,
May we always true and faithful be
To the author of our liberty.

O God,
We pray that Thou wilt light the way,
Oh, give us strength and courage day by day,
May we earn the right for all to be free,
For now and always, for eternity.
Amen.

DIRGE FOR TWO VETERANS

The last sunbeam
Lightly falls from the finish'd Sabbath
On the pavement here, and there beyond it is looking,
Down a new-made double grave.
Lo, the moon ascending,
Up from the east the silvery round moon,
Ghastly, phantom moon,
Immense and silent moon.
I see a sad procession,
And I hear the sound of coming full-key'd bugles,
All the channels of the city streets they're flooding,
As with voices and with tears.
I hear the great drums pounding,
And the small drums steady whirring,
And every blow of the great convulsive drums,
Strikes me through and through.
In the fierce assault they fell,
Two veterans drop together,
And the double grave awaits them.
Now nearer blow the bugles,
And the drums strike more convulsive,
And the daylight o'er the pavement quite has faded.
O strong dead-march, you please me!
O moon immense with your silvery face, you soothe me!
O my soldiers twain! O my veterans passing to burial!
What I have I also give you.
The moon give you light,
And the bugles and the drums give you music,
And my heart, O my soldiers, my veterans,
My heart gives you love.

"KNOWN BUT TO GOD"

Two American unknown have come home.

The two servicemen of World War II and Korea returned to the United States to take their places at Arlington National Cemetery beside the Unknown Soldier of World War I.

Each of the Unknowns was selected in simple ceremonies outside the continental United States. The Unknown of World War II was chosen aboard the U. S. S. *Canberra* off the Virginia Capes on May 26 from among two candidate Unknowns representing the trans-Atlantic and trans-Pacific phase of that war. The Korean War Unknown was selected from among four candidate Unknowns interred in Hawaii.

On May 27, the Unknowns arrived at the Naval Gun Factory in Washington aboard the U. S. S. *Blandy* with the U. S. C. G. C. *Ingham* as escort.

On Wednesday morning, May 28, the Unknowns were carried down the gangway after their last sea voyage, and were met by a distinguished group of Government and military leaders.

At the ceremony welcoming the Unknowns returning to their native land, honors were rendered by four ruffles and flourishes and a reverential hymn. When the Unknowns had been placed in the hearses and as the escort proceeded to the United States Capitol, a 21-gun salute was fired.

Upon arrival at the Capitol, the Unknowns were borne into the rotunda and placed on identical catafalques where they laid in state for 2 days. Attending this ceremony were United States and foreign government representatives.

During the lying-in-state period, citizens of every walk of life and representatives of foreign governments viewed the caskets. Many paid homage with floral tributes. During this period, the positions of the Unknowns were changed so that both would rest on the catafalque which has borne the remains of all who have laid in state in the rotunda since Abraham Lincoln.

Concluding the lying-in-state was the presentation of floral wreaths and other decorations by officials of veterans, patriotic, and civil organizations ending at noon, Friday, May 30.

The Unknowns were then borne from the Capitol rotunda and placed on the caissons for the main funeral procession to Arlington National Cemetery. A battery of artillery, located at the Washington Monument, started firing every minute beginning with the movement of the Unknowns from the rotunda and will continue firing until the final 21-gun salute during the interment service.

Thousands of the Nation's citizens lined the thoroughfares as the solemn procession passed between them—the caskets resting on caissons drawn by matching teams of gray horses.

Gathered in the amphitheater are the country's leading civilian and military leaders, representatives of foreign governments, veteran, patriotic, and civic organizations, and private citizens.

Chaplains of the military services will participate in the funeral service, climaxed by the presentation of this Nation's highest award—the Medal of Honor—to each Unknown.

Following the funeral service, the caskets will be carried to the two crypts prepared for them adjoining the Tomb of the Unknown Soldier.

As the stillness of the afternoon is shattered by a 21-gun salute, three rifle volleys and a lonely "Taps" by the bugler, the Unknowns will become a part of the land for which they had valiantly fought.

With their interment, the country's shrine to her military dead will become the Tomb of the Unknowns.

Mr. SMITH of New Jersey. Mr. President, on Friday last I had the privilege of attending the inspiring services which were held in honor of our unknown dead of World War II and the Korean war and the emplacement of two more caskets of Unknown Soldiers in Arlington Cemetery beside the Unknown Soldier of World War I.

The whole Nation, led by our President and Vice President, paid the last tribute. Those of us who were present and participated were deeply moved, and we felt rededicated to the great cause for which these boys of ours gave their last full measure of devotion.

PROPOSAL TO RAISE CAMPAIGN FUNDS BY INDIVIDUAL SUBSCRIPTION

Mr. NEUBERGER. Mr. President, in the New York Times magazine of last Sunday, June 1, there appears a most interesting article by Mr. David Sarnoff, chairman of the American Heritage Foundation, describing the program sponsored by this foundation for a nationwide campaign to raise political election funds through small contributions from millions of individual citizens.

Mr. Sarnoff's article contains an excellent review of the nature and characteristics of the problems of campaign financing as it has developed in the United States, and of the magnitude to which it has grown since the expenses of television time have been added to the already heavy needs of effective campaigning.

The article cites the estimate by Professor Alexander Heard, of the University of North Carolina, that the 1956 campaign probably cost a total of close to $200 million, and the estimate by the able senior Senator from Illinois [Mr. DOUGLAS]—who has been a leader in the battle against the undue role of money in politics—that the minimum campaign costs for a senatorial race in a contested election range from $150,000 to $200,000. I have no doubt that these figures will be dwarfed in the 1960 elections, and this fact of the ever-growing size of necessary campaign costs in itself constitutes the crux of the problem of campaign financing.

The American Heritage Foundation is addressing itself to the second aspect of the problem—the question of where this money comes from, and why. Mr. Sarnoff's article quotes Mr. Oliver Carlson and Mr. Aldrich Blake in How To Get Into Politics as saying that campaign funds are made up of: Coppers—from the general public, plus nickels—from the candidate's personal friends; plus silver—from persons who hate the opposition and want some kind of revenge; plus gold—from persons who want something from the winner.

The gold is naturally the most important. Political scientists estimate that more than 90 percent of the money raised in Federal election campaigns is contributed by less than 1 percent of the population.

The potential evils inherent in this system of financing of elections require no explanation or illustration. To deal with them, the American Heritage Foundation is seeking to reverse the relative importance of the different sources of campaign funds—by collecting so many coppers from the general public that they will relieve a candidate from his present reliance on the silver and gold of contributors with special stakes in the election.

Mr. Sarnoff's article refers to the suggestion by President Theodore Roosevelt in 1907, that Congress provide public funds to meet the bulk of the necessary and legitimate campaign costs of major party candidates, as a means of eliminating the dependence of our elected officials on large campaign funds collected from interested private sources. This is the principle, Mr. President, which I have sought, since coming to the Senate, to revive and to translate into legislative proposals that would meet all of the reasonable objections which might be made to it. I am still firmly convinced that only the substitution of public funds—available as a matter of right on equal terms to all candidates—for private campaign funds will, in the long run, be able to meet the problem of the ever-increasing costs of presenting election programs and candidates to an electorate which is vastly increasing in numbers with every census.

The supporters of the alternative of mass collections of small contributions from many individual donors—a plan first suggested by Mr. Philip L. Graham, the publisher of the Washington Post and Times Herald, and which has the support of the two national party chairmen, the Advertising Council, and many other civic minded leaders—are not yet convinced of the necessity or feasibility of the Teddy Roosevelt principle. I sympathize entirely with their very public-spirited plan, and I could wish nothing more than that my skepticism about its ultimate adequacy should prove unfounded.

However, Mr. President, I offer Mr. Sarnoff, Mr. Graham, and their associates one modest proposal.

If the small, individual campaign collections plan succeeds in eliminating or even substantially reducing—the significance of large campaign contributions in financing our policial elections, I shall gladly abandon my proposals for the use of public funds in meeting election expenses, because this will have become unnecessary.

But if, on the other hand, my expectations prove true, and the role of large political contributions collected from wealthy individuals, business interests, and trade-union political education funds continues to grow in importance as campaign costs increase, then I hope and suggest that these civic-minded promoters of the American Heritage Foundation program will join me in supporting the addition of direct public funds to the sums that may be collected through small, individual contributions, as the only effective means of eliminating completely the necessity of relying on large contributions to meet the heavy costs of modern election campaigns.

I think that is a fair offer, Mr. President.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD the article entitled "Campaign for Campaign Money," by Mr. David Sarnoff, in yesterday's New York Times magazine section.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAMPAIGN FOR CAMPAIGN MONEY

(In this election year, a chronic question arises: How should our increasingly expensive political campaigns be financed? A nationwide campaign is now underway to answer that question by encouraging individual voters to come to the financial aid of their parties. It is being sponsored by the American Heritage Foundation, with the endorsement of both the Republican and Democratic National Committees and the cooperation of the Advertising Council. In this article, the chairman of the American Heritage Foundation and of the Radio Corporation of America tells what lies behind the drive.)

(By David Sarnoff)

"Politics," Will Rogers wryly observed, "has got so expensive that it takes a lot of money even to get beat with." In the half century since President Theodore Roosevelt dealt with the problem in a message to Congress, the question of campaign finances has been investigated by no fewer than 60 Congressional committees. Scarcely a session of Congress goes by without the introduction of bills aimed at meeting the problem. Countless Federal and State laws have been adopted in an effort to solve it. While not all of them have been ineffective, the general result has been far from satisfactory.

At the root of the problem is the sheer magnitude of campaign costs today. A half hour on a nationwide television hookup can cost a candidate as much as $100,000—more than Abraham Lincoln spent on his entire campaign of 1860.

In 1880, when the Republican Party staged the first million-dollar campaign to elect James A. Garfield to the Presidency, this was regarded as a staggering sum. Sixteen years later, when Mark Hanna raised some $3.5 million to put William McKinley in the White House, everybody thought that the absolute peak had been reached in campaign spending.

Yet this amount is infinitesimal in comparison with the $33 million which the Senate Subcommittee on Privileges and Elections listed as the reported campaign expenditures of both parties in the 1956 elections for President, Senators, and Representatives. Moreover, the subcommittee conceded that this was only a partial accounting. An authoritative study at the University of North Carolina, conducted by Dr. Alexander Heard, professor of political science, indicates that a true expenditure total for

the 1956 campaign, on local, State, and national levels, would run close to $200 million.

Today it is not unusual for a senatorial campaign to cost more than a Senator's total salary of $135,000 for his whole 6-year term of office. Senator PAUL H. DOUGLAS, of Illinois, estimates that the minimum campaign cost for a senatorial candidate in a fairly large State ranges from $150,000 to $200,000. Printing alone runs about $50,000, he figures. Billboard advertising and posters take another $50,000. The cost of headquarters, rallies, travel, clerks' salaries, postage, and telephoning can easily add up to the same.

Then, of course, there are radio and television expenses. In many nationwide and statewide contests, they have become the biggest single item in the campaign budget, accounting for as much as one-third of the total. Yet radio and TV have been found indispensable, because they can reach large numbers of voters as nothing else can. If you consider costs on a per capita basis, the candidate probably spends much less to reach the individual voter today by radio and television than he spent in the days of tent meetings and torchlight parades. The high cost of politics is a direct result of our growing population and our expanding electorate.

Where does the money come from? Oliver Carlson and Aldrich Blake, in their book How To Get Into Politics, say that campaign funds are made up of coppers from the general public; plus nickels from the candidate's personal friends; plus silver from persons who hate the opposition and want some kind of revenge; plus gold from persons who want something from the winner.

The gold is naturally the most important. Political scientists estimate that more than 90 percent of the money raised in Federal election campaigns is contributed by less than 1 percent of the population. These large campaign contributions come from three principal sources.

The first source is the wealthy family or individual. Most of these donors have a long tradition of solid financial support for one major party or the other.

In these days of high taxes, say party fundraisers, the big money is not nearly so big as it used to be. The Senate Subcommittee on Privileges and Elections, headed by Senator ALBERT GORE, of Tennessee, reported that, in the 1956 campaign, the top family contribution was $248,423 and this sum actually came from 73 members of the family. Back in 1904, Thomas Fortune Ryan personally tossed $450,000 into the campaign kitty, and Perry Belmont contributed another $250,000.

The second major source of political campaign funds is the organized group—in labor, business, and government. The Gore subcommittee noted that, in the 1956 campaign, 17 national labor groups and 171 State and local groups reported spending close to $3 million. While labor unions are forbidden by law to make direct contributions to political campaigns, they can set up educational and political committees to solicit voluntary contributions.

Similarly, while corporations cannot donate to political campaigns, individual company officials can make contributions. According to the Gore subcommittee report, individuals connected with 225 of the largest United States corporations contributed about $2 million in the 1956 campaign.

Though Federal and State laws prohibit Government workers from soliciting from their colleagues, there is no restriction on an individual worker's contributing spontaneously. Surveys show that donations from Government employees are proportionately higher than from persons who do not have such a direct stake in the outcome of an election. The standard practice in many localities is for the officeholder to contribute a fixed percentage of his salary—usually between 1 and 3 percent.

The third source of political campaign gold is the underworld. How much money comes from this source is impossible to estimate. But the Kefauver committee's investigation and others have amply documented the fact that gangster elements can be an important factor in State and local politics.

Not so long ago, it was reported that the numbers operators in Washington, D. C., had raised $100,000 to be spent against two Senators who tried to investigate local gambling. In a Chicago mayoralty campaign, candidate Robert Merriam got one offer of $50,000 from the independent operator of a numbers game. In return, the operator wanted Merriam's pledge that he would crack down on Chicago's numbers syndicate, which was driving small independents out of business. "All he wanted," said Merriam, who turned down the donation, "was a return to free enterprise."

Over the years, there has been growing criticism of our methods of financing political campaigns. Long-smoldering dissatisfactions come to an explosive boil in election years like this one when voters will go to the polls to choose 435 Congressmen, 34 United States Senators, 34 governor's, and thousands of other State and local officials.

One major complaint is that, in the light of soaring costs, the laws governing campaign contributions are unrealistic. One Congressional committee has deplored them as a hodgepodge of inconsistency and confusion.

Under Federal law, a candidate for Congress may spend no more than $5,000, and a candidate for the Senate no more than $25,000. (Senator DOUGLAS recalls that $30,000 was spent on his campagn for the $5,000-a-year post of Chicago alderman.) No national political committee may collect and spend more than $3 million in any one year. No individual may contribute more than $5,000 to the campaign fund of a candidate for Federal office or to a national political committee.

On paper, these political ground rules may seem simple and clear cut. But in practice, they contain loopholes wide enough to run a campaign train through.

While an individual cannot contribute more than $5,000 to the Republican or Democratic National Committee, this is by no means all he can donate to a campaign. He can, in strict conformity with the law, give $5,000 to the national committee, another $5,000 to a citizens' committee for his favorite presidential candidate, and another $5,000 each to his State central committee and his county committee. Having done all this, he can also have his wife, his sons and daughters, and his grandchildren all give similar amounts to these same committees.

Though a Senator himself may not spend more than $25,000 on his campaign, his friends and supporters can form any number of committees that may spend all they want on his behalf. The late Senator Robert A. Taft figured that his 1950 campaign in Ohio cost $518,000.

The feeling of many shrewd political observers is that, while the laws governing party finances have probably reduced some corrupt campaign practices, they have done little to limit the amount of money spent in politics or to even things up between rich and poor candidates, as they were intended to do. Instead, they have invited evasion, encouraged concealment and perpetuated the fiction that political campaigns cost only a fraction of what they really do.

Another criticism directed at present political financing practices is that they inevitably expose candidates to the pressure of self-serving groups. The influence of large contributions upon the loyalties of congressmen has been a subject of deepening concern. While many donors give because of honest principle or party fealty, there are undoubtedly those who look for a quick return on their investment.

Proposals for reform of our campaign financing methods have echoed like a political convention's chant all through the long and dramatic history of American elections. "The need for collecting large campaign funds would vanish," President Theodore Roosevelt told lawmakers in his 1907 message, "if Congress provided an appropriation for the proper and legitimate expenses of each of the great national parties."

The suggestion that the Federal Government subsidize political campaigning has been renewed from time to time, and still has a strong following. But it has been assailed on the ground that it would be manifestly unfair to smaller parties and would inject the Federal Government into an area where many people feel it has no business.

Another proposal is that candidates' campaign expenses and contributors' political gifts be made deductible for income-tax purposes. Such deductions, it is felt, would make it much easier to raise campaign funds.

Still another proposal calls for raising the ceiling on candidates' expenditures, but requiring more precise financial accounting. One version would boost the limit on a Congressman's spending from the current $5,000 to $25,000 and on a Senator's from $25,000 to $250,000. It would authorize only one organization to collect and spend funds on a candidate's behalf, instead of having a half-dozen or more groups doing it as at present.

These and other recommendations for reform unquestionably have merit. Yet many political analysts doubt seriously that any legislation, however well intentioned, can resolve the principal dilemma in our current system of financing, the problem of how candidates can collect the large sums needed for waging their campaigns, without compromising themselves.

"The most immediate action of all," says Dr. Heard, "can be taken by plain citizens who recognize the constructive ends to be served by supporting the candidates of their choice with dollars as well as with votes."

The idea of appealing to the public's conscience through a nationwide public service campaign was first suggested in 1955 by Philip L. Graham, the distinguished publisher of the Washington Post and Times Herald. The present drive resulted. Through newspapers, magazines, television, radio, billboards, car cards, and even match folders, citizens will be reminded again and again that voting is just the beginning and not the end of good citizenship.

The campaign is designed to create the proper climate so that, when the citizen is visited by a political party worker, he will feel more inclined to make a contribution. Both major parties will conduct an intensive doorbell-ringing drive on the neighborhood level during September.

Those independent voters who shy away from affiliation with either of the major parties can contribute instead to the individual candidates of their choice, to the Smith-for-Senator committee or the Jones-for-Congressman committee.

The Gallup poll has come up with impressive evidence that millions of voters are ready to contribute to the political party of their choice, but most of them are never asked to give. The poll showed that some 17 million families would be willing to give at least $5 each—a total of $85 million—if somebody would just ask them. Almost half of the business and professional people questioned said they would contribute. About 1 out of 3 workers and farmers said they would be willing.

While broadening the base of party financial support would not automatically produce a political utopia, it would, nevertheless bring many advantages.

It would lessen the dependence of political organizations and candidates on wealthy contributors and on special interests.

It would stimulate abler men and women to run for public office, and encourage independent thinking on the part of our public servants.

Above all, it would add new vigor to our two-party system by spurring citizens to take a livelier interest in political activity.

The continued vitality of our democratic form of government depends upon active citizen participation in the selection and support of candidates for public office. Such participation clearly includes campaign contributions as a part of the price we should be willing to pay for the privilege of living in a democracy.

SAFETY IN THE AIR

Mr. SMITH of New Jersey. Mr. President, my thought this morning has been one of great and sincere thankfulness that our beloved minority leader, the Senator from California [Mr. KNOWLAND], was spared and protected in the moment of great danger he passed through on his trip last Thursday to his native State.

His experience was a further warning to us all in Washington, both in the executive branch and in the Congress, of the need for a prompt review of safety regulations to protect all our commercial airways in a jet age.

Mr. President——

The PRESIDENT pro tempore. The Senator from New Jersey.

FAITH AND PRESIDENT EISENHOWER

Mr. SMITH of New Jersey. Mr. President, we all know by reputation and his publications Dr. Norman Vincent Peale, who is the pastor of the Marble Collegiate Church in New York City, and who is the author of such outstanding books as The Power of Positive Thinking and his most recent work, Keep Alive All Your Life.

In the Washington Post and Times Herald of Saturday, May 31, his column, under the heading of "Confident Living," pays a wonderful tribute to President Eisenhower and to the example of faith the President has set to all the American people. This tribute is entitled "Faith Helps Keep Ike's Chin Up." I ask unanimous consent that Dr. Peale's column be printed in the body of the RECORD at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

CONFIDENT LIVING: FAITH HELPS KEEP IKE'S CHIN UP

(By Norman Vincent Peale)

The newspapers these past months have been filled with news that someone has called gloom and doom. To read some commentators and editorialists, you would think things have never been worse and are never going to get better.

I don't share these beliefs. The whole history of man is filled with periods that were truly dark ages, but things have never failed to get better. It is on the basis of this historical fact and an unfailing faith in divine providence, that I believe in our keeping our chin up. Keep your chin up and presently things will look up.

It is encouraging that this philosophy is shared by the President of the United States. Some time ago I had an opportunity to talk with the President about his philosophy of life, his faith and his attitudes toward difficulties. It was a most inspiring experience for me.

As we talked, I found myself forgetting that this man is the head of the greatest Nation in the world. Instead, I was completely absorbed by the personality of a humble human being who is, at the same time, one of the most dynamic and personally lovable individuals I have met.

I asked Mr. Eisenhower what secret enables him to carry such a heavy load of gigantic problems and still stay so vital and filled with enthusiasm. He told me that if he did not have such a deep faith in God the job of being President would long since have landed him in the insane asylum. (Later he said the same thing publicly.) He remarked that if I could see the problems that come over his desk in the course of a day, if I could see the gloomy fear-ridden people who came to him telling him everything is going to pieces, it would be obvious that he would have faith in God.

The President gives the impression of a man who really believes in prayer. His philosophy of living is daily to ask the Lord to guide him and help him do his best. Then he proceeds to do the best he knows how in whatever arises.

At the end of his day, he goes home and empties out his mind. For a little while he lays problems aside to find rest and renewal. Relaxation is needed to face the next day with confidence and strength. When he is ready to retire, he prays and puts his actions of that day into the hands of God and then goes to sleep.

Usually, Mr. Eisenhower sleeps—and sleeps well. He awakens early and of course there are a new day's problems awaiting for him. But, he told me, he asks God to help him with the one day. Rested and revitalized, he feels thrilled that he has that new day in which to tackle his many problems and deal with great events.

I came away from my meeting with the President with the impression of a thoroughly vital person who has a deep sense of excitement about life and who, at the same time, has mastered the technique for keeping the inflow of renewal greater than the outflow of energy. This vital spiritual method of meeting and mastering problems is what is meant by keeping your chin up.

The simple secret is this: Put your trust in God. Do your best. Then leave the results to God.

MUTUAL SECURITY ACT OF 1958

Mr. SMITH of New Jersey. Mr. President, as a member of the Foreign Relations Committee and one who has been active in the consideration of proposed mutual security legislation this year, I desire to pay a special tribute to the staff of the committee and the great assistance the staff has rendered to all of us who have been engaged in considering the Mutual Security Act of 1958, which is now the unfinished business before the Senate.

It is my earnest hope that every Member of the Senate, before voting on this important bill, will read in full the report of the committee, which was prepared by the staff, and which is dated May 26. This report, of course, was submitted by our distinguished chairman, the Senator from Rhode Island [Mr. GREEN].

The members of the staff attended all the hearings of the committee and all its executive sessions in the study of the House bill and in the development of the amendment in the nature of a substitute which is now before the Senate.

The report, which is 90 pages in length, contains in the appendix all of the changes in the existing law which are proposed. The report of the full committee, which is contained in the first 38 pages, is followed by the individual views of the Senator from Oregon [Mr. MORSE].

The committee's report is broken down to indicate the main purpose of the bill and what the bill actually does. The table of contents gives a careful breakdown of all the matters covered by the bill, and makes it possible for the reader to understand thoroughly the position of the committee and the action which was taken in each instance.

A study of this report, with the opening addresses and the debate which will occur on the floor, suggests the full support by our committee of the general conclusions arrived at by the special committee, which over a year ago made an overall study of the mutual security program and recommended changes in organization and procedures which are now reflected in this excellent report.

Let me call special attention to the table on page 3, under the title "Mutual Security Authorization, Fiscal Year 1959." This table shows in one column the administration authorization request broken down into topics; in another column the bill as passed by the House, broken down similarly and indicating the House cuts; and in a final column the Senate committee bill, which is now the pending business, likewise broken down and showing the cuts proposed by the Senate committee.

It is interesting to note that the cut of $235 million, which is the Senate committee recommendation, applies only to the two items of military assistance and defense support. The action of the Senate committee was in the form of a provision to the effect that the total of these two items may not in any event exceed $2.4 billion. The effect, therefore, is to reduce by $235 million the amounts requested by the President for these two items and to give the President the authority to decide how the cuts shall be divided between the two.

As we approach the full debate on this important bill, it has seemed to me wise to call attention to the excellence of this particular report, and again I urge my colleagues in the Senate to read the report carefully in full before taking the responsibility of voting on the measure, a measure which in the judgment of many of us is vital to the future security of the United States.

INDIA'S DEVELOPING ECONOMIC SYSTEM

Mr. SMITH of New Jersey. Mr. President, India's developing economic system has been given all kinds of descriptions, often because the designator has wished to create his own image of it, for his own ends, in the minds of his listeners. The resulting confusion and fuzziness about India here in America, has not

made it easier to develop understanding about this great Asian democracy.

Prime Minister Nehru made an excellent contribution to clarity in several speeches which he delivered in New Delhi in May. He made it very plain that he desired to see every person in India have an equal opportunity to progress, and that he considered decentralized, cooperative organizations spread throughout the country to be a good means of assuring such progress. He was very much opposed to state socialism, "of that extreme kind in which the state is all powerful and governs practically all activities," that is, communism.

For all Americans who are sincerely interested in India's future as a member of the free nations, a clearer understanding of the pattern of its needs and goals is essential. Mr. Nehru has done a great deal to help assure such understanding by his remarks.

Mr. President, I ask unanimous consent that two articles describing Prime Minister Nehru's addresses, as published in the May 11 and May 16 issues of the Washington Post and Times Herald, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MARXIAN THEORY NOT FOR INDIA, NEHRU DECLARES

NEW DELHI, INDIA, May 10.—Prime Minister Nehru told his Congress Party today not to confuse its goal of socialism with the stern controls of Marxism.

"Socialism does not mean chopping off heads or pockets," he said. "Most of Marx's theories are not applicable to modern conditions."

Mr. Nehru spoke to the 600-member National Committee. The secretary general, Shriman Narayan filled in reporters on Mr. Nehru's remarks.

The Prime Minister also warned the party against "Western patterns of socialism where the state becomes a vast agglomeration of power."

"I desire for India, a large measure of decentralization." Mr. Nehru said, "where industries should be organized as far as possible on cooperative principles. I do not like the idea of the state controlling everything."

NEHRU SAYS UNITED STATES UPSETS MARX THEORY

NEW DELHI, INDIA, May 15.—Prime Minister Jawaharlal Nehru said in a speech made public today that United States prosperity had exploded many of the predictions of Karl Marx, the father of communism.

Nehru's speech, made before a recent meeting of his Congress Party, was published in the official party organ, Economic Review.

Nehru said Marx was a famous man and many things were accomplished through his theories, "but many things explained by him do not exist today and many of his predictions have proved to be incorrect."

"Marx did not envisage the tremendously prosperous America," Nehru said.

"Capitalism has shown amazing strength to adapt itself to circumstances. Scandinavia is a semi-Socialist state but fundamentally a capitalist state with a higher standard of life."

Nehru said the concept of socialism is changing, even in the Western World.

"Therefore, we in India should be wide awake," he said.

He explained his concept of socialism.

"The basis of socialism is greater wealth," he said. "There cannot be any socialism of poverty. Therefore, the process of equalization has to be phased."

He said it was dangerous for governments to nationalize private industries without being prepared to work them properly.

"My idea of socialism is that every individual in the state should have equal opportunity for progress," he said.

He said he did not care for the idea of the state controlling everything "because I attach value to individual freedom. I do not want a state of socialism of that extreme kind in which the state is all powerful and governs practically all activities."

COMMENDATION OF SECRET SERVICE AGENTS

Mr. KEFAUVER. Mr. President, with the full details of the recent unpleasantness experienced by the Vice President and his wife in Venezuela now available from all informed sources, it becomes clear that our country owes a considerable debt of gratitude to the Secret Service agents acting as security officers for the vice presidential party. Their highly commendable presence of mind, their calm courage in the face of mounting danger, their unhesitating and vigorous actions but with admirable restraint, unquestionably prevented what could well have become a serious international affair. Their outstanding conduct not only reflected great credit on the United States Secret Service as a government organization, but also on our Nation as a whole, because it served as a shining example of how Americans can bravely and intelligently meet any crisis.

The men of the Secret Service are the only civilian employees of our great Government whose daily official duties require them to be instantly ready to sacrifice their lives for the protection of the President and the Vice President—yet they serve so quietly and humbly that they seldom receive public notice or public recognition for their highly efficient and most faithful official efforts.

Therefore it seems highly fitting and proper that for their exceptionally splendid service in the Venezuela affair we should now publicly express commendation and the gratitude and appreciation of the Nation to these modest Secret Service men who have so well proven themselves to be among our country's finest and most valued public servants.

WISCONSIN SUGGESTED AS POSSIBLE SITE FOR CHARITABLE INSTITUTION IN HONOR OF CARDINAL STRITCH

Mr. WILEY. Mr. President, with the untimely death of Samuel Cardinal Stritch last week, America and the world lost one of its great minds and foremost spiritual leaders. His leadership and dynamic personality far transcended the boundaries of creed or denomination.

In tribute to his many contributions to education, two institutions of higher learning have been named in his honor: one in my home State of Wisconsin, the Cardinal Stritch College, and the other in Chicago, the Stritch School of Medicine at Loyola University.

As you well know, Mr. President, Cardinal Stritch had a dedicated interest in one particular phase of the work of the church. I refer to the charitable activities for which he later became known as the cardinal of charity. Although I am only a layman, and not of his faith, I feel that it might not be inappropriate to submit this thought—perhaps, still another institution may, in the not too-distant future, bear his name—an institution, perhaps, dedicated to the furtherance of charitable works.

I believe that it might be fitting if such an institution were situated in the State of Wisconsin, where Cardinal Stritch made an indelible mark while serving as archbishop of Milwaukee.

Thousands of lives were enriched by Samuel Cardinal Stritch. Thousands of hearts are saddened by his passing.

I send to the desk an article from the May 27 Milwaukee Journal containing statements by three distinguished Catholic leaders in Wisconsin which well express the loss felt in my home State. I ask that this clipping, together with an editorial tribute from the same newspaper, be included with these remarks in the RECORD.

CHURCHMEN HERE CITE STRITCH "LASTING MARK"—MEYER, ATKIELSKI, AND O'DONNELL PAY TRIBUTE TO CARDINAL FOR DEVOTION TO CHURCH

Samuel Cardinal Stritch left a "lasting imprint on the life of the church wherever the providence of God called him" and a permanent mark on the clergy and laity of Milwaukee.

That tribute to the Catholic prelate who died Monday night in Rome was given Tuesday by the Most Rev. Albert G. Meyer, archbishop of Milwaukee.

Cardinal Stritch was archbishop of Milwaukee from 1930 to 1940.

Other tributes came from Most Rev. Roman R. Atkielski, auxiliary bishop of Milwaukee, who served 7 years as his personal secretary when Cardinal Stritch was here, and from Father Edward J. O'Donnell, S. J., president of Marquette University.

WILL ATTEND SERVICES

Archbishop Meyer planned to attend the requiem mass for Cardinal Stritch next Tuesday in the Holy Name Cathedral in Chicago. The cardinal's body will be flown to Chicago from Rome Friday.

Bishop Atkielski also will attend, and a large delegation of priests and other Milwaukee Catholics were expected to go either to the rites or to view the body lying in state in the Chicago cathedral.

Archbishop Meyer called on Milwaukee Catholics to pray for the cardinal and asked special masses for him.

In a message to the archdiocese to be published this week in the Catholic Herald Citizen, the archbishop said:

"As a partial token of our gratitude for the blessings of God which were brought into our lives through the influence of Cardinal Stritch, I ask the clergy, religious and faithful of the archdiocese to remember him in their prayers. In particular, I ask that a special mass be celebrated in all the churches and chapels of the archdiocese for the repose of his soul on an appropriate day."

Bishop Atkielski, who spent a week with the cardinal in Rome right after he was stricken, said a mass in his behalf Tuesday morning at St. Sebastian's Church here.

EXPRESS SORROW, PRAISE

The statements issued here expressed both sorrow at the loss of a leader and praise for

his long service to the church and people in Wisconsin and the Middle West.

"The death of Cardinal Stritch is a source of deep sorrow to all of us," Archbishop Meyer said.

"We had looked forward to the great things which we felt would be done through his untiring energy and zeal, in the new appointment given to him by our holy father, Pope Pius XII, but God has willed otherwise.

"Perhaps, however, the heroism which he exemplified in his obedience to the call of the holy father, as well as in the fortitude and resignation with which he accepted his last illness and death, are the greatest things that will win many souls to Christ."

DEDICATED TO COUNTRY

"Always an eminent churchman, whose only goal in life was the promotion of the kingdom of God, he was also an outstanding cultured and learned American, well versed in the history of his country, totally dedicated to its welfare and deeply interested in the civic affairs of the community in which he served.

"During the 9½ years of tenure as archbishop of Milwaukee, he felt a permanent mark on clergy and laity alike. He was an inspiration and a challenge because of his wide learning and scholarship, but mostly because of his generous and kindly, priestly heart, and his genuine, unaffected piety."

SEES REASON FOR JOY

"First and last, Cardinal Stritch was a priest of God, intent only on how he might better serve God by serving his fellow men.

"Although his passing is a source of profound sorrow, not only locally, but we might say even to the world at large, we may rightfully use the occasion of bereavement to thank God for the real good which he accomplished, and to rejoice in the example which he has left for us to follow.

"Our sympathy goes out in a special way at this time to our holy father, Pope Pius XII, as we unite with him and with all the church, in our own act of resignation to God's holy will, and pray for the repose of the noble soul, who touched the lives of such countless persons to bring them closer to God."

Bishop Atkielski issued this statement:

"There are moments in one's life when it is extremely difficult to express adequately in words one's feelings at the loss of a dear friend. It was my happy privilege to spend the first years of my priesthood under the cardinal's fatherly guidance."

TELLS LOVE FOR CHURCH

"A great deal might be said about the cardinal's brilliant gift of mind, his zealous preaching, his great achievements and his love, care, and concern for the faithful entrusted to his care. Though it was his sincere wish not to be praised, I know I will be forgiven for saying that his predominant passion was love for his church, his devotion and loyalty for the vicar of Christ.

"Many were the times I found him kneeling before the Blessed Sacrament where he laid in supplication at the feet of his Divine Master his problems and the souls entrusted to him.

"In his death, I lose a true friend who was to me an example in charity toward all men regardless of race, color, creed, or station in life."

STATEMENT BY O'DONNELL

Father O'Donnell's statement:

"America has lost one of its truly great religious leaders. Men of all religious backgrounds will mourn his departure. He was intensely interested in the problems of his fellow men and earned their esteem and respect.

"The city of Milwaukee was always close to his heart and we Milwaukeeans are proud to have numbered him as one of our own. With his passing, Marquette University has lost a loyal and gracious friend. He will be sorely missed by all of us."

A GREAT BUILDER OF HIS CHURCH

Because he was a former great citizen of this community, the brilliant career of Samuel Cardinal Stritch has had special interest for Milwaukeeans, transcending the boundaries of faith. More than in most places, the sadness at his death must be felt widely and deeply here.

The promise of that career showed itself as the orphan son of Irish immigrants became a grade school diplomate in Nashville at the age of 10, a bachelor of arts at 16, a priest by special dispensation at the precanonical age of 22. Rapid recognition thereafter of his executive and leadership talents made ecclesiastical history.

He became the youngest Roman Catholic bishop in this country, in Toledo, at 34; the youngest archbishop, in Milwaukee, at 43; head of the church's wealthiest archdiocese, in Chicago, at 52; a red hatted prince of the church at 58. This would be a rare success story in any profession, is most to be admired in one motivated by love and service.

As a great builder of his church, both spiritually and physically, Cardinal Stritch put charity and education first. In Toledo he built a high school first, then a cathedral. In Milwaukee during 1930–40 he let the rebuilding of the burned cathedral wait on the needs of Catholic charities. Fittingly, his memory was already made permanent here in the naming of Cardinal Stritch College.

Two grave afflictions in quick succession tragically struck him down on the threshold of the Vatican at the moment of his becoming the first American cardinal ever to sit on the Curia Romana, through which the pope rules the church. Yet there can be gratification that he was spared long enough, nearing 71, to receive this crowning recognition.

STATEHOOD FOR ALASKA—ARTICLE BY ROSCOE DRUMMOND

Mr. NEUBERGER. Mr. President, in the Washington Post and Times Herald of May 31, 1958, the distinguished syndicated columnist, Roscoe Drummond, contributed a vigorous and forceful article which ably sets forth the case for passage of the Alaskan statehood bill in the Senate. Mr. Drummond has emphasized how both major parties have pledged themselves to this goal. I am pleased that he notes House Democrats adhered to their platform with somewhat greater fidelity than House Republicans.

But statehood for Alaska is not a partisan question, as Mr. Drummond emphasizes. Both parties have endorsed it at national conventions. Both parties should share in its fruition.

I subscribe to Mr. Drummond's view that Alaska and Hawaii should be considered separately and not tied together. Was statehood for Oregon made a condition of California's admission to the Union? Was the entrance of Washington State coupled with a later admittance move on behalf of New Mexico? No, Mr. President; Alaska and Hawaii should be considered separately and voted upon as separate entities, as Roscoe Drummond stresses.

I ask unanimous consent that the column by Mr. Drummond from the Washington Post and Times Herald be printed in the body of the CONGRESSIONAL RECORD, as one further argument in favor of statehood for Alaska at this session of Congress.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALASKA IN THE SENATE—TYING IT TO HAWAII COULD KILL STATEHOOD FOR BOTH

(By Roscoe Drummond)

At his press conference this week President Eisenhower was asked:

"If the Alaskan statehood bill is defeated today, as appears rather likely in light of the adverse vote yesterday, what do you feel the American people should think about the integrity of party platforms?"

The spirit and substance of the President's reply was this: He believes that the parties have a duty to honor their platform commitments; he deeply respects these commitments, and he accepted the nomination in 1952 and 1956 only after he had made sure that he could conscientiously pledge his word to do his best to carry out the platform.

Four hours after Mr. Eisenhower made this statement, the House of Representatives reversed its action of the previous day against Alaskan statehood and in the end, by 208 to 166, voted to make Alaska the 49th State.

If the Senate concurs—and this cannot be taken for granted, the outcome is unpredictable—then Congress will have redeemed a promise which both parties made to the American voters and to Alaska in 1952 and in 1956.

If this happens, I believe that, whatever today's doubts and dissents, we will before many years be as benefited by and as proud of the State of Alaska as we are of all the other Pacific Coast States.

Secretary of State Seward little realized in 1867 what a coup in the future cold war he was making for America when he purchased Alaska from Russia for less than the cost of one B–52 bomber.

Now, every political writer knows that in the platforms of both parties there is much weasel-worded mush calculated to appear to support something but hedged about with enough escape clauses so that the parties are really committed to nothing. For example, in 1956, the Democrats pledged vigorous support of reciprocal trade and more protection for American industry. The Republicans promised gradual reduction of the national debt and no weakening of the defense program.

But the platform commitments of both parties on Alaskan statehood—and Hawaiian statehood for that matter—are specific, explicit, unequivocal, and if they are repudiated, it will be a transparent fraud on the Nation's voters.

The Democrats declared: "We pledge immediate statehood for these two Territories."

The Republicans declared: "We pledge immediate statehood for Alaska * * * we pledge immediate statehood for Hawaii."

In the House this week—it may well be different in the Senate—the Democrats did better by their platform than the Republicans. In the decisive test vote to recommit the bill 95 Republicans and 79 Democrats lined up against Alaskan statehood. There were 119 Democrats and 80 Republicans for statehood. Thus a slight majority of Democrats voted to honor their platform and a slight majority of Republicans voted against their platform.

The House Republican leadership walked out all the way on the platform. Representative JOSEPH MARTIN, minority leader; CHARLES HALLECK, former minority leader; and Republican whip LESLIE ARENDS were in the forefront of the opposition. When Mr. ARENDS voted to recommit the bill, he explained that more time was needed before acting on the legislation. The Alaskan statehood bill has only been before Congress since 1916.

The supporters of Alaskan statehood are convinced that they have the votes in the Senate if the Alaskan and Hawaiian statehood bills are not tied together or if the Senate leadership is not forced into a public guaranty, as Senator KNOWLAND has asked, that Hawaii must be brought up at this session.

If you see either of these moves in the making in the next few weeks, you will know that the opponents of statehood are maneuvering for the kill. Linking the two together would combine the opponents of each into simultaneous opposition to both. An advance commitment to vote on Hawaii at this session would virtually insure a full-scale southern filibuster against Alaska.

These are the two pitfalls to be avoided if Alaska is to become the 49th State.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1191) to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes.

The message also announced that the House had severally agreed to the amendments of the Senate to the following joint resolutions of the House:

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 529. Joint resolution for the relief of certain aliens; and

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens.

The message further announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 553) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

MUTUAL SECURITY ACT OF 1958

Mr. GORE. Mr. President, I ask unanimous consent that the morning hour be closed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and, without objection, morning business is concluded.

The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. WILEY. Mr. President, I wish to speak today in support of the mutual security bill for 1958, H. R. 12181, which is the unfinished business of the Senate. I shall be brief.

I shall devote myself principally to four issues.

The first is the critical situation in the world today, which requires passage of the bill. With all the ferment of events in France, north Africa, Latin America, and south Asia, the United States can provide a constructive type of "yeast" by the passage of the bill.

Second, as the American people properly understand the bill, they will support it wholeheartedly. To prove this point, I propose to cite the facts so ably stated by two distinguished Members of the House of Representatives in a series of speaking engagements throughout the United States.

Third, the bill is in our own enlightened self-interest. In my opinion we are considering measures which go to the question of the self-preservation of the Republic. It is a bill which will provide constructive "yeast" in our own national economy. We hear much talk now about people who are out of work. Passage of the bill will sustain jobs and will add to production. This bill, if passed, will help combat the recession.

Fourth, the bill wisely provides discretion within the hands of the Chief Executive to provide aid to those countries behind the Iron Curtain which it would be in our national interest to assist.

Mr. President, I shall take up each one of these points. This is an important matter. People have a right to disagree with respect to it. It is a question, in my opinion, which goes to the matter of the preservation of the Republic.

As the President said, the appropriation and utilization of the money to be provided for this program is more important, even, than our own military appropriations. The President said words to that effect.

Now let us turn to each of these issues. Let me take them up point by point.

WORLD CRISIS DEMANDS CONSTRUCTIVE ACTION

Mr. President, we have only to go to the news tickers in the lobby adjoining this Chamber to see that the world is in ferment and that crises exist everywhere, including France which today, according to the latest news over the radio, is in great difficulty. Even De Gaulle's friends in Africa are at sixes and sevens with him.

Events are moving to a head in crisis after crisis in many parts of the world.

If we are to be adequate to our responsibilities in this critical hour, then we must provide the leadership which this moment in history has conferred upon us. We did not want such leadership, but it has come to us. Now we must be adequate, and we must prove our adequacy.

Let the word, therefore, go forth to France, to north Africa, to Latin America, and to Asia, that the United States stands by its commitments, that the United States stands by its friends, and does not abandon them. The United States will continue the sound program which it has followed to date.

I now turn, Mr. President, to my second point.

CLARIFYING MISUNDERSTANDINGS ABOUT THE BILL

A great deal of misunderstanding exists about the bill. I stated at the outset that, as the American people gain more light on this subject, they will support it ever more strongly. This is, unfortunately, a bill which is largely misunderstood. All sorts of unfair slogans have been hurled at it—"giveaway," "rathole," "waste."

It is none of these things.

I cite these evidences:

(a) The President of the United States has termed this program absolutely essential. Some persons say he does not know what he is talking about. The American people elected him. He knows the world situation. He says the program is absolutely essential. Essential to what? To maintaining the peace of the world. We do not want a third world war.

It is part and parcel of the national defense of this country, itself.

We are, this year, to authorize approximately $40 billion for national defense. We are to authorize around one-tenth of that sum for mutual security.

Both of these items supplement one another in the program of national defense and world peace. A strong America without strong allies is as unthinkable as is strong allies without a strong America.

The world has been shrunken; our next-door neighbors must man the ramparts which we watch and which they must watch, as well.

(b) Is there waste in this program? Charge after charge to that effect has been made.

Every single charge has been run down, analyzed, and refuted. The International Cooperation Administration, in report after report, has documented this fact: The accusations made against this program are, by and large, unfounded.

Here and there an honest error of judgment has been made in time of stress or under the most adverse conditions. We even make mistakes on the floor of the Senate, and we acknowledge them. The situation has been most difficult in places like Laos, and other lands. Our administration of the program has not been perfect, but I ask what human institution is perfect? What human allocation of funds is completely free of an occasional error or honest mistake?

Suffice it to say that in charge of the program are competent men who are trying to do the very best they can for their country in getting a dollar's worth of value for every dollar authorized.

(c) A third piece of evidence was contained in the most interesting report made by two able members of the House Foreign Affairs Committee, Representatives A. S. J. CARNAHAN, of Missouri, and C. E. MERROW, of New Hampshire.

Under a program sponsored by the American Association for the United Nations, Representatives A. S. J. CARNAHAN, Democrat of Missouri, and CHESTER E. MERROW, Republican of New Hampshire, went on a tour, lasting between 5 and 6 weeks, in an effort to provoke discussion of the mutual security program. They visited 32 cities in 21 States, including my own city of Milwaukee, conducted 24 press conferences, 28 radio programs, and 24 TV programs during their bipartisan effort to find the truth.

Touring this country they met with audience after audience. They presented the facts and, as they did so, they found that the opposition melted away. Truth antidoted falsehood; fact refuted misconception.

Let me read the words of those men:

After the tour, Representative MERROW stated:

They were not all selected audiences since we were speaking before the Rotary Clubs, Lions Clubs, Kiwanis Clubs, junior chambers of commerce, boards of trade, and large open meetings in the evening—I say large, some of them perhaps 2 and 3 hundred. They were entirely open to questions. We were led to the conclusion that once this program is understood by the public, and once the benefits are known—and we haven't been talking enough about the benefits—there is very little opposition. * * *

We found people were anxious to ask about foreign policy. They asked intelligent questions. The opposition as I have stated was almost at a minimum and therefore we have concluded that once the program is understood, people are overwhelmingly in support of the authorization and the appropriation for carrying on the program during the next fiscal year. * * * I am certain the people with whom we talked after they saw the benefits derived from the program, reached the same conclusion that we have come to, that it is certainly not a handout or a giveaway, or the pouring of money down a rathole, and it would be most unfortunate for a program as valuable as the mutual security program to be sloganized to death. It was actually a heartwarming experience and one that was very revealing.

One of these men is a Democrat and the other a Republican. I wish to compliment them. I think it is a wonderful thing to tour the country, and give the people the facts, and see what their reaction is.

Thirdly, I turn to a point which I have made year after year in the Senate:

This bill provides a tonic, a shot in the arm to our own economy. It is a "shot in the arm" to our own national economic system.

Between 85 and 90 percent of all the money which we authorize will be spent right here in the United States. The other 10 or 15 percent, which goes overseas, ultimately will create a demand upon our economy for goods and labor—especially for labor, which we need to see go into action.

This will generate economic health in factory, mine, and farm. It will generate jobs. That is what we are looking for in this period of recession.

Let me cite a few further facts by way of illustration of this point. The breakdown of employment created by the foreign aid program, according to the segments of the economy, is as follows:

In agriculture the program creates 150,500 jobs; in manufacturing it creates 380,400; in transportation, 20,100; in trade, 9,900; in services, 13,600; unallocated, 140,100. The program creates jobs for a total of 714,600 Americans. If we toss the program out the window, 714,000 more Americans will be in the unemployed class.

AID TO INDEPENDENT SATELLITES ESSENTIAL

Fourth, I come to the final point of my argument. I stand by the version of this bill as reported by the Senate Committee on Foreign Relations, particularly as it relates to continuing the responsibility of the President to determine if aid to a Communist country is in the national interest.

There are many who feel that we should limit the President. If I had my way, I would see to it that the bill for which the President has asked in relation to unification of the Armed Forces was enacted. I would see to it that there was on the statute books emergency legislation, so that if and when the balloon went up, it would not be necessary to call Congress into session. The executive department would be ready to take whatever action was necessary. If the balloon goes up, there will not be any Congress. There will not be any Washington. One H-bomb would destroy all of New York City. Yet we talk as though we were living in the age before Pearl Harbor. The danger is we can become complacent as we did then.

My colleagues are aware of the high regard I have for the distinguished minority leader, the Senator from California [Mr. KNOWLAND]. They know that our friend from California feels nothing but distaste for communism of any brand. However, I cannot go along with the amendment he has offered. In my judgment, if I were to do so, I would help, in effect, to tie the hands of the President. The amendment would deny the President the opportunity to make an independent judgment as to whether aid to a country such as Poland—and who will tell me that the Poles are Communists?—or Yugoslavia continues to be in our national interest.

I heard a distinguished Democrat say on a television program that in his opinion the aid to Yugoslavia has kept Yugoslavia independent, and that if we had not taken the action we did with respect to Yugoslavia, and if the leadership of that country were today under the Kremlin, we might very well be in the third world war in the Mediterranean.

I cite these facts: We will not, under present law, or under the pending bill, aid by so much as one penny Russia itself or Red China or Red Korea. The line is drawn against them unequivocally. However leeway is provided, as it should be, for other satellite lands.

Who can look around the corner of tomorrow? Who can predict the future? Who can tell whether tomorrow dynamic changes may not occur in Hungary, Czechoslovakia, or the Baltic lands? The wave of the 1950's is a nationalist wave. Nationalism is sweeping the world in front of and behind the Iron Curtain.

This morning there came to my desk what is purported to be a report of a poll with respect to conditions in Russia, showing that Russia, made up of different nationalities itself, was having its internal troubles. I can foresee readily how the situation might change to such a degree that in the mind of the Commander in Chief it would be necessary for him to have the discretion provided in the bill in order to prevent a third world war from erupting. That is the discretionary power which would be taken from him if the Knowland amendment were adopted.

Nationalism is anti-imperialism. The worst imperialism in the world today is Soviet imperialism. Poland is nationalist, Yugoslavia is nationalist, Hungary is nationalist, and so are the other enslaved lands.

Would it not be unwise, therefore, to turn our backs on this nationalist sentiment, which dates back so far in history in each of these lands?

Every one of the satellite countries is anti-Communist. I might go along with my friend from California if I felt the people of Poland were genuinely Communist; or the people of Hungary, or the Baltic or the Balkan lands. But there is not a Senator in this Chamber who would contend that the masses of people in these countries are anything but anti-Communist.

Why, then, should we slam the door in their faces?

Yugoslavia, admittedly, remains an enigma. The fact is that the record of the past shows that Marshal Tito's so-called heresy has literally shaken the Communist world. It has produced reverberations in Poland, in Hungary, in Russia, and in Red China. Tito is following his own national interest, and that interest is far different from the interests of the Kremlin clique.

I have confidence in the judgment of the President of the United States in determining whether aid to Tito is advisable. The President has been sound in his judgment in the past. I see no reason why we should deny him the prerogative, which is his under the Constitution, to spearhead foreign policy in this or in any other respect.

This is no time for us to seek to deprive the Executive of pushbutton powers which it may be necessary for him to have. I am alert, I believe, to the situation. I know how we fell asleep before Pearl Harbor—the Army and the Navy and the Air Force, and the people. At that time we had 2 years in which to pick up the pieces. The Pacific was large. However, now we are only a matter of 3 or 4 hours from across the Atlantic. If the Russians have the intercontinental ballistic missile, we are only 15 or 16 minutes away. This is no time to take from the Executive the power to do what is necessary, if the situation demands action by him.

The most dramatic and vital way in which we are looking out for ourselves is by the increased national security provided in the pending bill. I have long sought to impress on the people of Wisconsin and elsewhere, as well as on my colleagues in the Senate, the amazing rate at which our world is shrinking. I have said over and over again that we are now a neighbor of every other nation in the world. Never has this been more true than now. Since we debated this program last summer, our sky has become accustomed to new stars. Right now circling around our shrinking world are four new satellites: Two Explorer moons, 1 Vanguard, and 1 new Soviet sputnik. There is talk of "shooting the moon" before 1958 ends.

Not only has man's horizon been vastly expanded, but the danger to his survival has also vastly increased. Each succeeding sputnik has been heavier in almost direct geometric progression than

the previous one. This establishes beyond a doubt the ability of the Soviet Union to launch intercontinental ballistics missiles. And it proves what I have been saying for years, namely, that Wisconsin and our other northern border States will be in far greater danger, if war should occur, than the east and west coasts of our Nation.

We are helping ourselves therefore when we give assistance to our allies. Such assistance not only guarantees that they will be able to fight effectively on our side, if need be, but also that we have territory for our intermediate range ballistics missiles bases with which to rim the Communist world. That is quite a concession for any nation to make to us because the country that permits the establishment of one of these bases on its soil, joins us as a prime target during the first few hours in the event of war. Isolation for all or any one of us is now totally inconceivable.

So we are helping ourselves by our military assistance program, which is the largest single money item in the bill before the Senate.

Incidentally, the military assistance program is something of a bargain. If we did not spend this sum, the cost to ourselves of providing other means of national defense would be much greater and the strain on our budget much heavier. Let me cite one figure.

It costs our country $3,515 a year to maintain each member of the Armed Forces. It costs other countries much less—for instance, Greece, $424 a year; South Korea, $302 a year; Thailand, $245 a year; and Turkey only $240 a year. By assisting these nations to maintain armies which we would otherwise have to supply, for we still need men on the ground to control the ground, we are lessening the burden to ourselves. That, to me is plain commonsense.

How else do we help ourselves through this program? The administration this year testified that about 85 percent of all the money we are about to authorize will be spent directly in the United States for commodities to be furnished our allies. That means that this program will involve domestic expenditures well in excess of $2 billion. And even most of the other 15 percent will ultimately return to us, because in the final analysis the dollars cannot be used except to purchase American goods and services from our citizens.

These facts I have pounded home year after year. I shall continue to pound them home because there is too much talk about waste, foolish expenditures, and ratholes. Foreign aid provides employment for our people and orders for our factories and outlets for our farm products. In a year, when our economy is a little shaky it is doubly important for us not to put it to the additional strain of depriving it of foreign aid business.

To show what is involved here, I should like, if I may, to devote a few minutes to what foreign aid has meant to my State of Wisconsin.

From January 1954 to June 1957, a period of 3½ years, the International Cooperation Administration paid to Wisconsin firms about $17½ million. I ask unanimous consent that there be printed at this point in the RECORD the list of firms, by city, which have received that money.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Wisconsin

CITY AND SUPPLIER	
Appleton:	
* Fox River Tractor Co	$780.09
Miller Electric Manufacturing Co., Inc	961.49
Total Appleton	1,741.58
Baraboo: The Insemikit Co	13,874.57
Belgium: Rice Pump & Machine Co	6,891.82
Beloit:	
Beloit Iron Works	60,454.00
Gardner Machine Co	124,039.08
Total Beloit	184,493.08
Burlington: Master Mechanic Manufacturing Co	2,640.00
Clintonville: The Four Wheel Drive Auto Co	489,083.22
Eau Claire:	
Dried Milk Products Cooperative	137,260.98
National Presto Industries, Inc	707.39
Total Eau Claire	137,963.37
Edgerton: Highway Trailer Co	$22,621.04
Fond du Lac:	
Fred Rueping Leather Co	16,617.60
Giddings & Lewis Machine Tool Co	485,847.11
Total Fond du Lac	502,464.71
Fort Atkinson:	
James Manufacturing Co	2,775.30
National Agricultural Supply Co	8,745.34
Total Fort Atkinson	11,520.64
Green Bay: Paper Converting Machine Co	2,335.00
Janesville: The Parker Pen Co	56,940.05
Kenosha:	
American Motors Corp	1,397,303.40
Macwhyte Co	9,348.00
Simmons Co	745.20
Snap-On Tool Corp	62,580.06
Total Kenosha	1,469,976.66
Kohler: Kohler Co	77,346.82
La Crosse:	
The Trane Co	250,500.25
La Crosse Trailer Corp	17,596.24
Total La Crosse	268,096.49
Madison:	
Gisholt Machine Co	225,894.80
Madison Kipp Corp	9.71
Ray-O-Vac Co	19,898.90
Varigraph Co., Inc	450.68
Total Madison	246,254.09

Wisconsin—Continued

CITY AND SUPPLIER—Continued	
Manitowoc: Manitowoc Engineering Corp	1,621.76
Marinette: Ansul Chemical Co	18,972.78
Milton: The Burdick Corp	362.15
Milwaukee:	
Allis Chalmers Manufacturing Co	2,914,710.99
Ampco Metal, Inc	1,495.97
Artos Engineering Co	12,827.53
Blackhawk Manufacturing Co	297.60
Briggs & Stratton Corp	7,547.53
The Bruce Publishing Co	22.61
Bucyrus-Erie Co	3,098,881.14
F. W. Burns Machinery Co	400.00
Chain Belt Co	109,587.64
Cleaver-Brooks Co	136,257.86
Cohen Iron & Metal Co	627,139.46
Controls Co. of America	383.60
Dings Overseas Corp	100.00
Dummann World Trade Co	7,872.50
General Steamship Agencies, Inc	25.23
Great Lakes Transatlantic, Inc	12.50
Harley-Davidson Motor Co	210,360.31
Harnischfeger Corp	733,132.25
Harnischfeger Export Corp	278.20
Harnischfeger International Corp	522,451.21
Harnischfeger Overseas Corp	451,585.47
The Heil Co	81,285.47
Hevi Duty Electric Co	52,200.00
Jambor Tool & Stamping Co	383.47
Koehring Overseas Co	1,016,140.70
Chas. A. Krause Milling Co	20,515.26
Kremers-Urban International Corp	66,600.00
Le Roi Co	11,074.19
Line Material Co	11,620.90
Mercury Motors International	44,672.03
Milwaukee Electric Tool Corp	459.66
Murphy Diesel Co	13,233.69
Nash Motors division of Nash-Kelvinator Corp	559.78
Nordberg Mfg. Co	48,858.21
The Oilgear Co	25,663.00
John Oster Manufacturing Co	2,373.82
Pressed Steel Tank Co	19,020.50
Safway Steel Products, Inc	5,959.95
Seaman-Andwall Corp	41,916.85
A. O. Smith Corp	649,496.56
T. L. Smith Co	5,322.08
Smith Engineering Works	4,932.65
Tolstoy Foundation, Inc	1,262.22
The Vilter Manufacturing Co	8,294.51
Wisconsin Motor Corp	100,345.74
Wolff International, Inc	36,544.51
Total Milwaukee	10,984,195.43
Oshkosh:	
LST Manufacturing Co	80,710.41
Oshkosh Motor Truck, Inc	184,809.06
United States Motors International, Ltd	151,144.39
Universal Motor Co	21,488.56
Total Oshkosh	438,152.42
Port Washington: Food Machinery & Chemical Corp	1,855.59
Racine:	
George Gorton Machine Co	27,092.76
Horlicks Corp	17,651.24
Howard Industries, Inc	1,372.70
Massey Harris	2,318,572.99

Wisconsin—Continued	
CITY AND SUPPLIER—Continued	
Racine:—Continued	
Peerless Machine Co	27,676.96
Webster Electric Co	242.12
Total Racine	2,392,608.77
Rothschild: Marathon Corp	2,710.54
Sheboygan: Hayssen Manufacturing Co	12,700.00
Superior: Superior-Lidgerwood-Mundy Corp	2,181.20
Waukesha: Waukesha Motor Co	23,515.46
West Allis: Kearney & Trecker Corp	38,552.92
West Bend: West Bend Aluminum Co	29,607.97
Total Wisconsin	17,441,285.13

Mr. WILEY. Mr. President, bear in mind that in those cities, in those factory towns, American citizens were working. The money which Congress appropriated produced the goods which our allies needed.

Who can say that this program does not help Wisconsin? Can any of my colleagues deny that foreign aid has assisted their States? I ask unanimous consent to have printed at this point in the RECORD a table showing the amount of money which each State received during the same period.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Alabama	$10,352,658.33
Arizona	3,846,786.45
Arkansas	1,637,754.52
California	167,462,292.07
Colorado	1,077,546.69
Connecticut	16,253,295.50
Delaware	5,884,302.83
District of Columbia	1,000,399.71
Florida	3,748,643.90
Georgia	2,291,304.57
Hawaii	10,038.00
Idaho	202,207.27
Illinois	77,056,999.87
Indiana	9,255,215.83
Iowa	8,062,043.14
Kansas	449,902.32
Kentucky	7,862,017.72
Louisiana	84,434,121.68
Maryland	3,220,281.84
Massachusetts	12,407,483.86
Michigan	13,217,096.90
Minnesota	7,965,879.93
Mississippi	3,648,301.21
Missouri	11,829,893.32
Nebraska	981,284.67
New Hampshire	166,337.37
New Mexico	923,711.53
New Jersey	29,329,686.00
New York	864,932,402.47
North Carolina	5,747,094.47
Ohio	44,275,398.10
Oklahoma	4,975,444.10
Oregon	63,020,402.03
Pennsylvania	83,742,970.30
Rhode Island	2,581,279.61
South Carolina	639,898.79
Tennessee	144,526,355.57
Texas	271,174,127.85
Utah	108,194.91
Vermont	792,424.90
Virginia	10,078,702.39
Washington	10,276,617.09
West Virginia	2,027,230.44
Wisconsin	17,441,285.13
Total, all States	2,010,917,315.18

Mr. WILEY. Mr. President, if any Senator desires to know what his State received, I shall be glad to state the amount specifically. The total amount for all States was $2,010,917,315.18.

I need not remind the Senate that Wisconsin is a great agricultural State. This brings me to another illustration of how we help ourselves through foreign aid.

As is well known, during the war, our agricultural production reached the level which it continues to maintain to this date. At first, the tremendous needs of war-torn Europe absorbed what otherwise would have become surplus. Then, as surpluses developed, the Congress directed the International Cooperation Administration and its predecessors to begin purchasing surplus agricultural commodities with foreign-aid money and sell the surpluses abroad for local currencies which in turn could be used for foreign-aid projects. The foreign-aid program has been of great help to our farmers. Without it, we would have had to face either 1 of 2 unpleasant alternatives. We could have let the surpluses accumulate at a tremendous cost to the American taxpayer or we could have brought about an agricultural depression at tremendous cost to the American farmer. By using agricultural surpluses in our foreign-aid program, we are helping both the taxpayer and the farmer. We are helping both the taxpayers, including the manufacturers and farmers, and we are helping our allies to put iron into their backbone, so that they will remain our allies.

The surpluses sold abroad provide the money there for the building of dams and other useful projects which will strengthen the economies of Free World countries. The dollar spent in this way really does double duty.

That brings me to another point which I have been making for years. Our trade is mostly with the highly industrialized nations of the world—Canada, Western Europe, and similar areas. As we know, the more developed a country is, the better it is as a customer. We can maintain an expanding domestic economy only in the climate of an expanding world economy. If we are going to produce more goods, we must find ways of consuming more goods, both at home and abroad. So when we help underdeveloped nations with our economic and technical assistance, we are also laying the foundation for an expanding trade relationship with those nations. As their incomes go up, so does their demand for consumer goods. We are the greatest Nation in the world for producing consumer goods.

To prove my point, let me cite the case of Germany. In 1950, exclusive of foreign aid, United States exporters sent goods worth $439 million to Germany. In 1956, when the German economy had recovered, private firms in the United States sent $780 million worth to Germany. An economically healthy country is a good buyer. Let us not forget that. Of course, with the underdeveloped areas, such a growth in private trade will be slower to appear. So when I say that helping them is good business for the United States, I am thinking in long-range terms.

The point is that in 1950 United States exporters sent to Germany goods worth $439 million. In 1956, after Germany had recovered, the amount had increased to $780 million.

Of more immediate importance to us, and another reason why we should continue the foreign-aid program for our own good, is our dependence on other nations for some of our vitally needed raw materials. Particularly is this true of South America.

I hope not one of my colleagues will suggest cutting or changing the mutual security program on the basis of the recent minority outbursts abroad. The world is full of critical situations. Let us not be hasty and pave the way for Communist infiltration and subversion by telling countries that we do not care about their future. This is a time for searching self-examination on our part.

Remember, we have a problem at home which is called the recession. We must keep the American people employed. The only way to keep them employed, as I have already shown, is to make certain that we keep our allies strong.

In the meantime let us keep our eye on the ball. We are debating the question of how best to insure our own survival and well-being. I believe that the Mutual Security Act of 1958, H. R. 21281, provides the way.

I am aware that much of what I have said today, I have been saying for years. I do not get tired of repeating facts, because these are facts that we have to face.

I face them recognizing, I think, as much as anyone else what they mean to the taxpayers of the Nation. But I know also that I was in the Senate when we voted to authorize in one lump sum $100 billion when we were in the war. Someone has said that if we become engaged in a third world war, it will mean a cost of $100 billion a month if we are to survive.

Often the facts are drowned by epithets like "sinking money in a rat hole" and the "great giveaway." Yet they are more true with every passing year. Our gravest dangers now are intercontinental ballistic missiles, a serious economic recession, and worsening political and economic conditions abroad. Each one of these dangers will be less as the result of continuing foreign aid.

Whose skin are we trying to save, anyway? Our own, of course. It is our self-interest that is at stake in the Mutual Security Act of 1958. Very little altruism is involved. The truth is that we have no business giving aid to any foreign country unless it is in our self-interest to do so. This is a program for America, not for foreign aid, as I said at the beginning, and the sooner we realize this, the better off we and succeeding generations will be.

I hope that House bill 12181 will be passed by an almost unanimous vote.

In conclusion, Mr. President, my arguments may be summarized as follows:

The enactment of this bill is necessary in our own national self-interest.

The bill which conforms to the first law of nature: self-preservation.

The bill will enable us to be adequate to our responsibilities.

The bill has been proven by the record of the past to be wise; it has been confirmed by the headlines of today to be essential; and it is indicated by the possibilities of tomorrow to be advisable.

I urge the enactment of House bill 12181 as reported by the committee.

Mr. President, this is one time when the voice of the executive branch of the Government should be heeded in our own self-interest, in applying the law of national self-preservation.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Does the Senator from Wisconsin yield to the Senator from New Jersey?

Mr. WILEY. I yield.

Mr. SMITH of New Jersey. Mr. President, I am very happy to say to the distinguished Senator from Wisconsin, the ranking Republican member of the Foreign Relations Committee, that in my judgment he has made a very important contribution to the debate on the foreign-aid bill, and has pointed out, in his own able way, the arguments which appeal to him as being important in this connection.

I should like to ask the distinguished Senator a question; and in doing so, I shall practically repeat what he has been emphasizing: Does not he believe that the bill has nothing to do with giveaways, handouts, or anything except the security, safety, and future of our Nation; and that if we fail to pass this bill and ignore our President's advice and leadership, we shall be taking a grave chance of giving a mortal blow to our country, which today faces serious difficulties? Do I correctly summarize the able argument the Senator from Wisconsin has made?

Mr. WILEY. Mr. President, I believe that in the course of my remarks, I have covered the answer which has been suggested by the questions the Senator from New Jersey has asked.

It is my humble opinion that when one gives to another a handout—if anyone wishes to use that term—which will save his life and will aid in keeping the economy of his country from worsening, and at the same time will save the one who gives it and the rest of the world from a great catastrophe, that cannot be classified, as someone has called it, as a reckless disposal of the taxpayers' money. Instead, in my opinion, it is like an insurance-policy premium. It must be paid if we are to use our judgment and our vision.

I cannot help but recall that the ancient prophet said, "Where there is no vision, the people perish."

Before Pearl Harbor we exercised insufficient vision. We sat back, and said that the world was large, and that we could not be successfully attacked. But then the attack came. However, as I have said before, and as I now repeat, at that time the very size of the world was a protection to us, and the Pacific Ocean was a barrier. But now only 2 hours are required to cross that barrier; and now that the intercontinental missiles have been developed, unless we can strengthen the freedom-loving peoples, we may find that the power of the Kremlin—which already has taken into its orbit about one-fourth or one-fifth of the earth's surface and approximately 700 million human beings since the shooting stopped—may, unless we provide a deterrent, and the pending bill constitutes a deterrent—take over the rest of the world. If that happens, the Kremlin will then take over America.

I believe this bill is an insurance policy. I believe it provides, as the President has suggested, a very important means of keeping the world free.

Mr. SMITH of New Jersey. I thank the Senator from Wisconsin.

Mr. TALMADGE. Mr. President, my position on foreign aid is well known.

I subscribe wholeheartedly to the concept of utilizing the wealth and resources of the United States to strengthen its military posture.

I accept cheerfully the Christian and humanitarian responsibility of sharing our supplies of food and fiber to help feed and clothe the hungry and naked people of the world.

But I cannot in good conscience, Mr. President, give my assent to an undefined and never-ending program which seeks to achieve the impossible and utopian end of making the world over in our own image.

Since 1948, the United States, according to Life magazine, has spent $420 billion from public and private sources in the vain pursuit of that mirage. Of that amount, more than $64 billion has been spent or appropriated for what we call foreign aid.

Our first goal was to rehabilitate the war-ravaged nations of the world.

Then we undertook to save the world from Communist aggression and subversion.

Now we are told that we must continue our international largesse in order to bolster and save our own internal economy.

The results of our past efforts belie any hopes of worthwhile accomplishment in the future.

To the extent that we have endowed our former enemies and many of our former allies with more stable and prosperous economies than our own, we could be said to have achieved the first goal. But in so doing we created new and more modern industrial economies which are destroying our own industry and the jobs of American workers with the flood of cheap goods which they are producing.

That we have not saved the world from the threat of communism is self-evident from the world situation today in which the cleavage and tensions between East and West are greater and more alarming than ever before. We have fewer dependable allies than when we embarked upon our present ill-fated course, and those for whom we have done the most, our NATO associates, have done the least to assist us in strengthening and manning the ramparts of the Free World.

Those who would now have us believe that the United States can spend itself strong and give itself security, ignore history's fundamental economic laws. For to rely on dollars alone is to court the national bankruptcy which Marx and Lenin long ago predicted for us.

If the purpose of foreign aid is to buy friends, it is fallacious. All but those who, like the ostrich, stick their heads in the sand of idealism and refuse to face up to reality have to admit that the whole experience of mankind disproves the theory that friendship can be purchased. Not only does all history disprove that, but every experience of humanity belies it also.

If the purpose of foreign aid is to so bolster the economies of other nations that communism will not be a threat to them, it is doomed to failure. It must be remembered that despite the expenditure of more than 36 billion 100-cent dollars between 1933 and 1940—including more than $15.5 billion for direct and work-relief projects—we in the United States could not even relieve our own unemployment situation.

The real object of foreign aid as now practiced by this Nation is found in a recent report by the Committee for Economic Development. The consensus of 48 world leaders polled by that organization was that the United States must undertake over the next 20 years to help achieve a better balance of world wealth.

It is ironic that in the same country where the late Senator Huey Long—the distinguished father of a distinguished son who presently sits in this body—was ridiculed for advocating a program to balance the wealth among individuals here at home, it should be proposed now that the Nation seek to balance the wealth of the world.

It is particularly ludicrous in light of the fact that the United States has been sorely strained to balance its own national budget only 5 times since 1930.

It is impossible to understand the thesis of those who contend that the Soviet threat to our Nation's military superiority must be met with greater outlays for foreign aid.

To be sure, foreign-aid projects which strengthen the defense posture of this country are necessary and justified. Assistance to nations like Korea and Turkey, which are maintaining large and effective armies in defense of the perimeter of the Free World, certainly is in our best interests.

On the other hand, aid to other countries given in terms of general social welfare programs cannot achieve anything but to bankrupt our Nation and to make the American people despised for meddling in the domestic and foreign affairs of those so helped.

There is a place for economic aid and technical assistance, but it hardly can be justified on the basis of underwriting a 5-year plan in India, building highways through the jungles of Southeast Asia, or paying off the national debt of Austria.

It always has been my view that economic assistance where required should be on a loan basis secured by the collateral of undeveloped natural resources, and such loans preferably should come from private capital. In that connec-

tion, I think it would be well for Congress—instead of blindly voting direct handouts from the Federal Treasury—to give thought to granting tax inducements to private firms to stimulate the flow of American capital into undeveloped areas.

The only really beneficial economic aid is that extended on the basis of partnership. Outright gifts arouse suspicion and generate contempt, while business ventures stimulate pride and create friendships so long as they are mutually profitable.

Every year about the time Congress begins considering this question, the propaganda drums begin to beat loudly about the urgent necessity for continued foreign-aid spending and the great benefits to be derived thereby. Report after report and witness after witness are brought forth to give lipservice to the cause of bigger and better foreign giveaways.

It is passingly strange, however, that the reports of the only two agencies which have undertaken a realistic assessment of the results of such spending have been highly critical and have raised disturbing questions about what, if anything, is being accomplished by it.

When the House Committee on Government Operations sought to determine how well the $24 billion in American military aid has been spent, it was forced to conclude in its 19th report, House Report No. 1381, that it could get no satisfactory answers.

The General Accounting Office reported that no internal audit ever has been made in the military-aid program and that expenditures to date have not resulted in the creation and maintenance of effective fighting forces. The Comptroller General, in his report of August 29, 1957, disclosed that no estimates have ever been developed as to the long-range cost of the program and that the United States has underwritten military objectives incapable of achievement and beyond the ability of its fiscal resources to fulfill.

The House committee found that defense support funds—an $835 million item in the proposed fiscal 1959 budget—are being used not for defense support but for outright attempts to buy allies and to keep them bought. It reported that the present practice is to fix the level of aid to any given country at—and I quote from page 12 of its 21st report, House Report No. 1374:

> the amount of United States dollars it is necessary to promise a country in return for its agreement to undertake certain military efforts. Whether this "level of aid" actually is related to the military costs involved or the capacity of the economy to meet those costs appears to be largely irrelevant. It is essentially an agreed-upon price for the country's cooperation.

It is hard to understand why Congress has permitted such free-handed spending of the taxpayers' money without so much as the first control or check.

The reports of the House Committee on Government Operations and the General Accounting Office bring into sharp focus the urgent need for Congress to reassess the whole foreign aid picture and to take immediate steps to restore its control over such expenditures.

Present practices allow overseas spending almost completely beyond the control of Congress and, as the Committee so aptly phrased it, make "a mockery of the whole process of appropriating money."

The Government Operations Committee is correct in its urgent recommendation that the foreign aid program must be "reexamined in relation to national resources and other military needs" and that Congress act immediately to determine "how long the program is to continue, what precise objectives it is to serve and how best they can be achieved."

A proper safeguarding of the interests of the American taxpayer demands that Congress cease giving blank checks to the executive branch and begin diligently exercising its constitutional duty to pass on all spending programs individually before they are undertaken.

The Mutual Security Act of 1958 presently under consideration is but another of those blank checks. It offers nothing better than a continuation of the waste and boondoggling which has characterized the American foreign aid program from its inception.

The administration asked for a new foreign aid appropriation for fiscal 1959 of $3.9 billion, but, should that sum be voted, the total figure would amount to more than $18 billion of taxpayers' money.

That is true because at the end of the current fiscal year, according to U. S. News & World Report, there will be a carryover of foreign aid funds estimated at $6.2 billion, the capitalization of the Export-Import Bank is to be increased by $2 billion, the Public Law 480 authorization for fiscal 1958 has been increased by $500 million and the authorization for 1959 set at $1.5 billion, the Defense Department will spend more than $3 billion maintaining service personnel and bases abroad, servicemen will spend more than $600 million from their own resources in the countries in which they are stationed, and the Federal Government will pay almost $400 million in salaries to American and foreign civilians it employs in other countries. If we add those sums together, Mr. President, they represent a total of $18 billion of the taxpayers' money which is involved in the program.

Add to this the more than $1.8 billion which American tourists will spend abroad during the year, and the almost $4 billion which American private enterprise will invest in foreign economic development, and the total American foreign expenditures for the next year would run to $24 billion.

Mr. President, that is not all. The United States of America this year will spend in excess of $40 billion for its Military Establishment, in order to provide defense and security not only for the United States but also for every other nation of the Free World. The expenditure of that $40 billion will be just as much for the benefit of every other nation in the Free World as it will be for the benefit of the citizens of the United States.

When we add those gigantic sums together, we see that the taxpayers of the United States are being called upon to provide approximately $64 billion for military and economic security not only for the United States, but also for foreign countries.

It is hardly likely, Mr. President, that the American taxpayers, struggling to make ends meet in this period of inflated recession, would look very sympathetically upon an outpouring of more than 18 billion of their hard-earned tax dollars overseas during the next fiscal year.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this juncture in my remarks the memorandum prepared for me by the Legislative Reference Service of the Library of Congress, showing American overseas expenditures exclusive of foreign aid, Export-Import Bank loans, and the subsidized sale of surplus agricultural commodities under Public Law 480.

The PRESIDING OFFICER (Mr. PROUTY in the chair). Is there objection to the request of the Senator from Georgia?

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

OVERSEAS EXPENDITURES AND EMPLOYMENT—ANSWERS TO SPECIFIC QUESTIONS SUBMITTED BY SENATOR HERMAN TALMADGE OF GEORGIA

No. 1: Amount spent by United States Government maintaining service personnel and bases abroad, fiscal years 1953–56:

Fiscal year:	
1953	$2,300,000,000
1954	2,300,000,000
1955	3,400,000,000
1956	3,200,000,000

NOTE.—This total includes purchase of supplies in foreign countries, construction expenditures, etc. It is taken from a classified report entitled "United States Defense Expenditures Entering the International Balance of payments" which is a detailed analysis of expenditures by country and by program. It is now in the process of revision and should be available in 2 to 3 weeks.

Source: United States Department of Defense, by phone.

No. 2: Out-of-pocket expenditures of American servicemen stationed abroad, fiscal years 1956 and 1957: [1]

1956	[2] $683,000,000
1957	[2] 648,000,000

[1] Includes purchases by post exchanges in foreign countries.

[2] Includes purchases in commissaries, post exchanges, and post office remittances; excludes official savings accounts.

Source: United States Department of Commerce, Mrs. Cora Sheffler, by phone.

No. 3: Expenditures for foreign travel by United States citizens, 1948–56:

Calendar year:	Total Amount
1948	$822,000,000
1949	927,000,000
1950	1,022,000,000
1951	1,028,000,000
1952	1,188,000,000
1953	1,306,000,000
1954	1,401,000,000
1955	1,612,000,000
1956	1,814,000,000

Source: United States Department of Commerce, Bureau of Foreign Commerce, United States Participation in International

Travel, Washington, United States Government Printing Office, 1957, page 3.

No. 4: The Bureau of the Budget (Mr. John Clinton) reports that this information is not available. (The request was for the amount which all agencies of the United States Government, excluding the International Cooperation Administration, spend in other countries each year.)

No. 5: Growth of United States private foreign investments, 1952–56:

Year:	*Yearly net Investment*
1952	$1,881,000,000
1953	1,018,000,000
1954	2,742,000,000
1955	2,465,000,000
1956	3,923,000,000

Sources: United States Department of Commerce. Bureau of the Census. Statistical Abstracts of the United States 1957, Washington, United States Government Printing Office, 1957, page 878 (1952–54). United States Department of Commerce. Office of Business Economics. Survey of Current Business, volume 37, August 1957, page 23 (1955–56).

Nos. 6 and 7: Paid civilian employment abroad, 1956 and 1957:

	June 30, 1956 [1]	June 30, 1957 [2]
United States citizens	33,630	34,269
Noncitizens	99,295	99,531
Total	132,925	133,800

[1] Excludes 290,967 foreign nationals working for the Department of Defense under contracts, agreements, or other arrangements with foreign governments which provide for the furnishing of personal services to the agency.

[2] Excludes 267,894 foreign nationals working for the Department of Defense under contracts, agreements, or other arrangements with foreign governments which provide for the furnishing of personal services to the agency.

Source: United States Civil Service Commission, Federal Employment Statistics Bulletin, June 1956 and 1957.

Annual payroll paid to employees abroad by the U. S. Government

[Full-time employment]

	Fiscal year 1956		Fiscal year 1957	
	Number	Payroll	Number	Payroll
United States citizens	33,440	$195,000,000	34,152	$206,000,000
Noncitizens	98,752	115,000,000	99,075	177,000,000

Source: U. S. Bureau of the Budget, Mr. John Clinton, by phone.

ELDEN E. BILLINGS,
Analyst in International Finance, Economics Division.

MARCH 17, 1958.

Mr. TALMADGE. Mr. President, I know of no man possessed of conscience and a sense of Christian duty who would not vote for all reasonable and practical programs designed to assume the safety of his country and to help the needy of the world.

By the same token, Mr. President, I cannot understand how any man could vote to squander the resources of his country through a program shrouded in secrecy, devoid of any promise of accomplishment, and steeped in the threat of national bankruptcy.

If this Congress will measure up to its responsibility to examine each foreign spending program which may be proposed or deemed necessary, I will cast my vote in favor of those which strengthen our Nation and give substance to our humanitarian impulses.

I will vote for a reasonable program of military assistance to dependable allies.

I will vote for a practical program to help feed the hungry and clothe the naked.

I will not vote to give the executive branch a blank check to spend $3.9 billion in addition to the $64 billion already voted when Congress can get no satisfactory answers as to what its expenditure has accomplished.

I am confident, Mr. President, that if the overwhelming sentiment of the masses of the American people could prevail, the majority of the Members of Congress would vote as I have indicated.

Mr. JAVITS. Mr. President, this is sort of a quiet day in the Senate, but it is not a quiet day in the world, nor is it a quiet day in the minds of the American people. The debate upon the mutual security program gives us an opportunity for an analysis of the foreign policy posture of the United States, a question of burning interest to every American.

The recession is serious. I might say we did a great deal to meet the recession, in terms of the fundamental problem question of what to do to deal with unemployment, by our action of last week. But notwithstanding the recession, what agitates the American people most is a desire for peace. The American people are interested in whether peace is imperiled by our present posture in the world.

Mr. President, I think every American is deeply puzzled by events; whether it be the attacks on Vice President NIXON in South America, the grave complexities which afflict free institutions in France, or the problems in Indonesia, where grave threats face free institutions in what is probably the richest natural resource area in the world, the whole Indonesian Archipelago.

All of us represent the people of States. I, together with my dear friend and senior colleague [Mr. IVES], represent 17 million people in New York. The gross State product of New York is probably not less than $70 to $80 billion a year, or somewhere in that vicinity. New York pays about 20 percent of the Federal taxes. I doubt if there are many nations in the world, even including the United Kingdom, which, in economic and production terms, are so important as is my own State. So I think it becomes the duty of as many of us as are so moved to explain to the American people what we think this program is all about, and what action we propose to take regarding it.

All of us know that the pending bill will probably pass very much as it is written. There will be efforts to amend it. Some will be successful and some will not, but in the final analysis we shall continue the mutual-security program. So far as the American people are concerned, the news out of this bill will not be some sensational turn in foreign policy, but whether or not we in the Congress have a rational understanding of what is occurring in the world, and whether, over a period of time, we may be entrusted with the destiny of our Nation—indeed, the destiny of the Free World. This, to my mind, is the news.

I have read with the deepest interest the views of my colleagues as expressed in this debate. I feel very deeply that this debate, in itself, is a major contribution to the concern of our country, because it will show the color of our thinking, what we see ahead, and what we feel should be done by way of a comprehensive policy. That, I respectfully submit, is even more important than the fate of this particular bill, which, as I say, I am quite confident will pass substantially in the form in which it is now written.

I should like to state my fundamental thesis with respect to American foreign policy. I believe that our objectives are sound, and are very clearly understood by the world. I believe also that American idealism and American good will—though they may not be reflected in terms of the number of millions of people who like us, which is an extremely ephemeral and superficial standard, because it can change from day to day—are more basically founded upon the respect which we have in the world because of our achievement. That, I think, still ranks very high.

Our trouble in the world today, fundamentally, is that while we have clear objectives and pretty clear policies to meet those objectives, we have failed to pursue those objectives with the necessary men, the necessary money, and the necessary participation of our private-enterprise system.

I should like to repeat that statement, because I think it is the nub of our problem. We have decent objectives, and, on the whole, we have pretty good plans to pursue those objectives, but we have failed to pursue them with the necessary men, the necessary money, and the necessary participation of the free-enterprise system.

As I stated in the beginning, the people are worried about peace, about defense, about science and engineering, about our friends and those who are not our friends, about our moral position, about the efficacy of Soviet competition and pressures, as well as about the recession. They are worried about all the other things, in my opinion, even more than about the recession, although they are certainly very concerned about the recession, as we all know.

We are faced with serious challenges to which the people wish to know our answers; they know the challenges. We can give them the answers effectively in the pending mutual security bill. The Congress has the opportunity to more decisively influence the course of the struggle for peace right now than the Executive.

What we do on the mutual security bill will serve notice to the world either that we intend to push forward with the responsibilities of Free World leadership more vigorously than ever, or that recent reverses have brought about a new trend toward isolationism as dangerous alike to our own security as it would be to the whole Free World.

I predict that the enactment of the mutual security bill as requested by the

President and, very importantly, implementing appropriations equal to or greater than he has requested—and I believe that at least a $200 million increase in the Development Loan Fund request is needed—will have an electric effect upon Free World morale and confidence and go far to neutralize recent adverse developments. The increase is necessary to compensate for the reduction made last year. If no Senator on the committee offers such an amendment, I shall offer an amendment to provide the increase.

United States foreign policy needs more resources, the participation of more people, especially in overseas technical assistance, both public and private, and more participation by the private economy. Again I emphasize that we need to pursue our objectives with more men, more money, and a greater participation of the private-enterprise system.

The state of the world is so dangerous that everyone of us must make his full contribution without stint or delay. For this reason I believe it essential to state specifically my views as a Senator from my State and take a position myself, as I believe the Senate must take a position. I say this as one of the two Senators from the State with the largest population and income in the Union and which carries an estimated 20 percent of the Federal tax burden while it has 10 percent of the country's population. In addition to the tremendous economic importance of my own State, there is the fact that we house within New York City, the nerve center of our economic system, the United Nations, considered to be the nerve center of the struggle for peace in the world today.

First, I state my conclusions as follows: One, the Free World's position though under grave assault, perhaps graver than anything encountered yet in peacetime, is still strong and viable and well able to emerge successful in the struggle with totalitarianism now represented by the Moscow-Peiping axis; two, we need to put our primary emphasis on working with the areas of strength in the Free World as the best way to shore up the areas of weakness—while we need to bypass those which are Communist-oriented. I shall discuss that question in greater detail in a moment. Three, in this revolution of rising expectations when economic development is the overriding consideration, our economic aid and technical assistance programs for the underdeveloped areas of the Free World and those in which we participate become the major offensive weapon in the struggle for freedom while our activities at home and abroad in military security are recognized as the indispensable guaranty that these positive activities of technical assistance and economic aid be carried on; four, the greatest single deficiency in our program for the economic development of Free World areas needing development is the inadequate utilization of the United States private economy in these efforts.

I shall take each of these subjects in turn. Although our position is under grave assault, we have adequate means for achieving success in the struggle.

There is no illusion about our status in the world; if anything, we are too pessimistic about it. The recent demonstrations against the person of the Vice President in South America; the grave threat to the continuance of parliamentary government in France; a runaway situation in Algeria; a threat to the maintenance of international peace in Tunisia; and a perilous internal crisis in Lebanon are but the latest readings on the fever chart. Yet the strength of the Free World in the face of these events is remarkable.

A recent survey taken in 11 world opinion centers from Oslo, Norway, to New Delhi in India—where, incidentally, more persons thought we were doing better than anywhere else in the world—revealed that though a significant number of people—28 percent of those sampled—said that their respect for the United States had decreased recently, 41 percent said that there was no change in their respect for the United States, and 11 percent said their respect had increased. When taken with an expression of no opinion from 20 percent, this showed a 2 to 1 ratio in favor of positive respect for the United States in the world. In other words, 41 percent said their respect for us had remained unchanged and 11 percent said it had increased, which made 52 percent, against 28 percent of those who said their respect had decreased recently. I consider this one of the most significant indications of strength we could find.

There are other elements of strength. The Free World even now outnumbers the Communist world by some 700 million people—and that is the way we should keep it—and the Free World occupies the greater part of the world's area, and contains by far most of the world's resources. Though increases in industrial productivity in the Soviet Union are said to run as high as twice the increases in our productivity in recent years, it is nonetheless the fact that the U. S. S. R. started from a primitive agricultural society after World War I, and therefore has much greater leverage for advance, but it is still an economy which is only from one-quarter to one-third as productive as ours. In other words, the gross national product of the Soviet Union remains, even today, one-quarter to one-third behind ours.

We can also point to several major achievements, especially at a time when there is so much frustration in foreign policy, and we can point to certain successes in our own foreign policy, too, such as the continued durability and importance of the United Nations; the integrity of a system of regional alliances for mutual security; the basic success of our economic aid and technical assistance programs beginning with the Marshall plan; the development of the atom for peace; the successful demonstration of Communist foot-dragging in respect to purposeful disarmament and to an auspicious summit conference; and new high levels of Free World prosperity and production reached in the years since the end of World War II.

There have been phenomenal increases in Europe, as well as in the United States.

To these accomplishments must be added the success of our foreign policy when it gave notice in advance that we would act and backed it up with sufficient resources; notable examples were the breaking of the Berlin blockade; the withdrawal of Communist China's imminent threat to Formosa in early 1955; and the fact that the U. S. S. R. refrained from sending volunteers into Suez in October and November 1956. In each of these cases we gave notice in advance that we would act, and act with full power. No action was necessary.

Even in the situation in France we have had successes, rather than failures, in connection with the policies which the United States and the other free nations have been pursuing.

Although Premier De Gaulle came to power at a moment of great crisis, when the French people were said to have a choice only between civil war and De Gaulle, the fact is that he sought to take power by legal means and legal investiture. That is a very considerable tribute to the progress and inherent strength of the Free World, and should be the occasion for great pride on the part of any country. We have a right to reflect confidence in our basic strength—economic, political, and spiritual—and in the soundness of our decisions which have been tested by time and experience and by the aproval of the Free World.

II

The next question is with whom should we work, and whom should we bypass? It should be remembered that in fighting the struggle in the Pacific during World War II, we did not think it necessary to defeat the Japanese by occupying every area in the Pacific in series.

There were very strongly held Japanese areas which were not seized, but left behind to be starved out. In other words, we bypassed those areas. What we are being challenged to do today is to participate in every struggle and problem and provide a way to solve them. That is not the way of life. We should do what we normally do, and bypass particular situations which we cannot adequately cope with at the moment.

Everybody knows where the trouble spots are: France and Algeria; Lebanon; Indonesia; South America, notably Uruguay, Peru, Bolivia, and Venezuela. Not as many people, however, recognize and remember that we have points of strength, too, which not long ago were points of trouble. They include the German Federal Republic, Italy, Greece, and Turkey; Israel—which was torn by strife only a decade ago—and also Iran, Pakistan, Vietnam, Korea, Taiwan, Japan, the Philippines, and Mexico. Those were all areas of difficulty in another day, but today they are areas of relative strength because we consistently pursued policies backed by sound resources, and because we have made our policies stick.

In addition, of course, there are the other stanch members of the Free World, such as the United Kingdom, the Scandinavian countries, Belgium, Brazil, Canada, Australia, and New Zealand, all with very long-standing, continuous constructive records in their relations with us. Even the Dutch, who suffered only

very recently liquidation of a great overseas empire, now show great productive strength, as anyone who has read the morning's newspapers will note.

The economic aspects of the mutual security program are estimated to aggregate $1,500 million for the fiscal year ending June 30, 1958, with approximately $1,180 million committed for bilateral and regional economic aid under the Mutual Security Act. Of this amount, defense support accounts for $729 million, and the balance is accounted for by nonregional projects like Atoms for Peace, malaria control, UNWRA in Palestine, and similar expenditures. This year, assuming that the program is enacted substantially as presented, approximately the same amount is expected to be spent. It is noteworthy that the overwhelming bulk of this amount will move to those countries which represent positions of strength for the Free World. For example, 70 percent of the $835 million of funds for defense support requested in the bill goes to four countries, namely, Korea, Vietnam, Formosa, and Turkey, while more than half goes to Korea and Vietnam alone. In addition to these countries, heavy expenditures for economic aid go to Greece, India, Iran, Israel, Pakistan, the Philippines, Thailand, Jordan, Morocco, Laos, and Cambodia.

In this respect, I should like to call the attention of my colleagues to an extremely interesting analysis of what the United States is doing in the world in terms of world economic development. The analysis was published in the January 1958 issue of Fortune magazine under the title of "The Migration of United States Capital."

Mr. President, the article shows a perfectly remarkable record, and one to which we should point with considerable pride. It demonstrates that it is always darkest before the dawn, and that perhaps we do not realize that with a little extra drive we can really accomplish the objective which we seek to accomplish; to wit, making immeasurable progress in furthering free institutions, in providing higher standards of living, and in increasing the economic development of the great mass of people in the underdeveloped areas of the Free World. Let us remember that these peoples have just found freedom and self-government since the end of World War II, a good deal through the initiation of policies by the United States Government and followed under its leadership, regardless of administration.

These figures show that what the United States is today investing, from public and private sources, when coupled with investments made by Britain, France, and Belgium, the primary investing countries abroad, is putting into underdeveloped areas, from both public and private sources, about $6 billion a year. An analysis of the article shows that the optimum figure that these areas can absorb right now, which will do most for them in terms of their development, is about $8 billion a year.

That is getting very close to what the bill provides, and which ought to be paid for in terms of our own self-interest and in terms of the development of the Free World.

Serious criticism has been made of economic aid to Yugoslavia and Poland and to Spain, and there is little question about the troublesome nature of aid to totalitarian countries whether Communist or Falangist, but here, too, where the urgent requirements of Free World defense or the encouragement of a basic spirit of independence within the Communist bloc is to the Free World's interest, we need to have enough flexibility and boldness to act with decision and purpose.

In short, without in the least disagreeing with the inherent moral stand of those who would have us give no aid or trade to dictatorships—and certainly my whole record indicates that I feel the same moral conviction—it is, nevertheless, not incompatible with our own position in the world that we do not have to judge every program by the same standards. We are dealing with positions of strength, as I have just outlined. We must encourage independence within the Communist bloc. This is the responsibility of world power. We need to have enough flexibility for that purpose.

We can and should, however, bypass Communist-oriented areas if they are using us only to bid up the other side or to strengthen themselves to make mischief for us. A case in point is the allegation that the United Arab Republic is fomenting civil war in Lebanon. Certainly the State Department ought to be able to advise us upon this fact, and we ought to have the fortitude to cease cooperation with those who are seeking to undermine and destroy us.

III

The aggregate of our economic aid and technical assistance programs, excluding defense support, comes to about $770 million annually, and even when there is added to this disposal of surplus farm commodities and Export-Import Bank loans and similar financing operations, the aggregate is in the area of $3 billion annually. That this is inadequate to show measurable progress for the people in the underdeveloped areas, which is the test by which they will judge the situation, is testified to by the experts we have put on the job as well as by the competition of the Soviet Union.

Here I emphasize two points. I agree with the distinguished Senator from Oregon [Mr. MORSE], for whom I have the deepest respect, that we are spending too little for economic and technical assistance. But I do not agree that we are spending too much for military assistance. I do not feel that we need to reduce military assistance only for the sake of reduction in order to increase economic and technical assistance. I feel we should spend what is needed for military aid.

But I believe economic aid and technical assistance, which are our offensive weapons, must stand on their own, and that the requirement of the additional expenditures which are required, considering our total world situation, is so small that it is sad that we should even be questioning it.

As I pointed out when I began, there may be a difference between policy and expenditures. There may arise the question of the possibility of failure. If we spend $3 billion, it may not close the gap. If we spend $5 billion, it may be more than enough.

So I earnestly recommend, to enable the economic and technical assistance programs of the United States to reach their mark, an expenditure of from $3 billion to $5 billion annually. Now I shall cite some of the evidence on that subject.

In a study entitled, "Objectives of the United States Economic Assistance Programs," prepared last year for the Committee on Foreign Relations by Milliken and Rostow, of the Massachusetts Institute of Technology, for the finding is made that the underdeveloped areas need $2.5 to $3.5 billion per year additional from all sources in order to show measurable progress, of which 50 percent or more, considering the economic condition of the world, must come from us.

In short, that is pretty much the figure I have named, $1,250,000,000, and $1,750,000,000 additional to come from us.

According to their study, this amount is necessary to maximize additional effort in such countries so that they may come to a stage of self-sustained growth. The test they put is the capability for a country to devote an investment of 10.5 percent of its annual output to its own growth. The present figure in most of Asia is about 5 percent, less than half the amount they recommend.

In terms of what we should do, here I should mention that I have the great honor to be the rapporteur—a sort of international secretary—for a subcommittee of the NATO parliamentarians, that is, the members of the parliamentary organizations of the North Atlantic Treaty Organization countries. Incidentally, the parliamentarians' organization is included among those to receive an authorization in the bill. In that capacity I am engaged, together with my colleagues in each of the other NATO countries, in determining a new concept for possible American foreign-aid partnership with other NATO countries in the development of underdeveloped areas.

This is a most promising field of inquiry. It is a logical area into which I think we may well move. I think it should have the sympathy of both the opponents and proponents of foreign aid, because we will do our job better and will be able to do it more economically. I assure the Senate that the organization takes its work very seriously. I am very hopeful that it will soon be able to produce some results.

There is outstanding cooperation in that regard from our State Department, from the International Cooperation Administration, from the foreign countries which are concerned, and also from a group of American advisors who hav been assembled as an advisory board to give us the best possible opinion and governmental guidance upon this subject.

I also pay tribute in this regard to the distinguished Senators who are so active in this particular area: The senior Senator from Rhode Island [Mr. GREEN], who heads our delegation; the senior Senator from Tennessee [Mr. KEFAUVER], who heads the political committee of NATO parliamentarians; the senior Senator from New Jersey [Mr. SMITH], who is the senior Republican on the delegation; and Representative WAYNE HAYS, of Ohio, the immediate past president of the NATO parliamentarians.

Now I turn my attention to a field of competition which we are meeting in technical aid and foreign assistance. This is a subject of most absorbing interest, because it demonstrates that while the Soviet Union has been calling the United States dollar imperialists and generally has been accusing us of trying to subvert the world with dollars, the Soviet Union has been paying us the unparalleled compliment of imitation by endeavoring, themselves, to move forward with economic aid and technical assistance programs.

They are trying to compete in an ideological way by advocating their system as the best way of improving the standards of living. That is a very interesting point, because the Communists apparently have got away completely from the ideological connotations of their system as being the best system, and are now saying that the reason why large areas of the world ought to go Communist is that by so doing they can get the highest standards of living.

I refer in that respect to a fascinating article entitled "Collectivism: It Does Away With Unemployment," written by Palmiro Togliatti, the head of the Italian Communist Party, and published in the magazine Western World as a part of a symposium, in which Paul Hoffman, of the United States, spoke for our own system, and Andre Philip, of France, spoke for a purely Socialist society.

It is fascinating that the main argument made by Togliatti for communism is in essence that he claims it produces the highest standard of living—he says nothing about justice, freedom, or individiual dignity, integrity or security—for obvious reasons. That seems to me to be indicative of the fact that in our economic and technical aid programs we are on the right track in understanding that this is the field in which the real struggle will take place to determine whether freedom or communism will be successful. I shall read two sentences from Mr. Togliatti's article, which are most indicative of the basis on which the Communists are making their "pitch."

> For the last 40 years there has existed, in a great country like the Soviet Union, a socialistic regime based upon ownership of means of production and trade, not by private capitalists, but by society and by the State which is its representative. The problem is then to see whether or not in these 40 years this country's economy—

Meaning the economy of the Soviet Union—

> has declined, whether or not it has suffered from booms and busts, from depressions or, to use a popular term, recessions, with the resultant waves of unemployment, poverty, and suffering. If such had been the case, the enemies of collectivism would be justified in claiming victory for themselves, and would surely not fail to do so. Tangible proof would exist that a collectivist economy (or, in our preferable term, a socialistic economy) is no better than a capitalistic one. Events, however, have proved that exactly the opposite is true.

In other words, that is one gage of battle which we should be most anxious to pick up—in short, the claim that communism, rather than freedom, can provide the best standard of living. It seems to me that is exactly what is being claimed by Communist leaders throughout the world. In that connection, I have just quoted a statement by Togliatti, and, of course, it is the essence of Khrushchev's challenge to the United States, namely, that the Communist world is declaring economic war upon us. It seems to me that the dictators generally tell us in advance what they are going to do. Hitler did so; Mussolini told us; Nasser told us; and many other dictators, little and big, have told us. I favor taking them at their word.

So the essence of the struggle is to be found in the field of higher standards of living, in which, as I have pointed out, we are within a short distance of success, if only we "keep our shirts" on and work and fight even harder than before, with more resources and more men, but along the same line.

As I have said, Soviet Communist competition comes in two ways: first, in ideological competition as to the best way for improving standards of living. On the one hand, dictatorship and collectivisation through rule of force by a Communist Party elite, as in Communist China; on the other hand, free institutions with incentives for production in rewards of higher living standards and the enjoyment of individual dignity, as in Pakistan and India. All of us know that these barometers are being carefully watched in those very countries, to wit, Pakistan and India.

In addition, as I said a moment ago, the Soviet Union has paid us the compliment of imitation of economic aid, having now put out about $1,500,000,000 for that purpose, principally in Afghanistan, Indonesia, Syria, and Egypt, within the last 3 years, plus $400 million in military assistance.

Mr. President, what is needed in this field? The Committee for Economic Development, a body which is highly respected for its economic thinking, in its report entitled "Economic Development Assistance, 1957" said:

> If definite proposals should be formulated, involving the outlay of, say, $5 billion in 5 years, in addition to our present economic assistance program, and holding out reasonable promise of a significant contribution to the economic development of the Free World, we would regard this as a desirable and necessary investment in our national security, economic, and humanitarian interests.

Mr. President, as bearing directly on the adequacy of the figure proposed by the administration for economic aid under our foreign-aid program, I point out that the Under Secretary of State for Economic Affairs has already stamped the request as at most no more than the barest minimum. The figures I have from the ICA show that at the present time the Development Loan Fund has over $1.8 billion in loan proposals under consideration, in addition to the $166 million already approved or earmarked. Each of these proposals is considered to involve the type of activity, and to be located in the geographic area, eligible for financing by the fund, and to deserve serious scrutiny and consideration. In addition, it is expected that these proposals may well exceed $3 billion before the end of the fiscal year 1959, and that not less than an aggregate of $1,025,000,000 must be committed and earmarked for specific loan proposals before the end of the fiscal year 1959, at the very minimum. While we willingly appropriate billions of dollars for military security, it would seem to me indeed foolhardy to refuse to appropriate $200 million more for securing the base upon which military security must rest.

Mr. President, to make that point clear, let me state that the situation is as follows: Originally, the administration requested $1,125,000,000, in 2 years, for a Development Loan Fund, which is the very essence of our economic-aid program. Last year, the administration received $300 million, instead of $500 million. Instead of requesting this year $825 million, the administration has requested $625 million. I believe that is wrong; the administration should have requested the $825 million which it knows it needs; and I believe Congress now has the great opportunity to see that it is not parsimonious in providing for the security of the country, in terms of such an expenditure. Certainly I propose to do my utmost in that respect, and I hope others will do likewise.

I have said that $1 billion or more a year is needed. The Committee for Economic Development has said the same. But the administration has not requested it. Obviously the Congress cannot cram additional amounts down the throat of any administration. If Congress were to do so, an administration would not have any plan to use it. But the point is that in our country, when public opinion becomes informed, enlightened, and determined, the Government acts. I deeply believe that in terms of this economic aid, we are building a bridge which is strong enough and sufficiently effective if it is long enough to reach the other side of the stream. On the other hand, if the bridge is only a few feet short, it will fall into the river.

Hence, the need for the additional funds I have suggested. I shall do my utmost to have the Congress provide for the administration everything it can possibly program, even though it has not requested it—which I believe is a mistake. But, in my opinion, it also is necessary for the Congress to blueprint and to outline the means by which the bridge can be built in such a way that it will reach the other side of the stream, especially when the world situation is involved, and especially when such an amount, as compared to what the rest of the world is doing, is required if we are to reach our objective.

The news that India's worried political leaders have cut back that country's second 5-year plan in such a crucial aspect as the community development program, properly called India's quiet revolution, lends deep emphasis to the need for adequate economic aid. What is involved is about $500 million in foreign exchange, over and above what already has been made available; and this to be on a loan, not a grant, basis. Mr. President, let us make no mistake about it: India is grateful for our additional aid, recently given in the amount of $225 million, and for our aid consistently maintained under the mutual-security program at a level of about $85 million a year. Its people are not making any demands on us. But do we feel, in our own interests and in the interests of Free World security, that we have done what we should do? If the comparisons between economic progress in Communist China and that in free India are adverse to the latter, and if its people are moved by the comparisons toward the Communist orbit, shall we then ask ourselves what would we have spent to keep India free? There is nothing hypothetical about that; we faced that very rough question when mainland China went Communist. In other words, the question then was how much we would have spent to keep mainland China free.

Mr. President, within the last year I visited India. Although I do not claim, as a result, to be an expert on the situation in India, at least I tried to do a thorough job. The people of India are carefully watching Communist China, and are making careful comparisons between how they, themselves, are getting along and how the people of Communist China are getting along.

I believe that every day one lives through such an experience emphasizes the importance of the Kennedy-Cooper resolution on India's development plan, which is contained in the pending bill, and which pledges our moral support—certainly a very important pledge—to back up India in her second 5-year plan.

Mr. President, as I have already stated, we cannot make the executive branch of the Government program more than it has, although I wish we could. And I fully understand its our self-inforced restraint in terms of what it knows public opinion and Congressional opinion to be on this subject. But certainly we can serve clear notice that we shall do our utmost to marshal the support of public opinion throughout the country to make the executive branch of the Government bolder than apparently it is, so that the next time it will build the bridge all the way across, not just part way.

Mr. President, in addition to the other points with respect to the underdeveloped areas and our interest in them, we must not overlook the fact that we have a tremendous stake in raw materials from the underdeveloped areas, and that that stake is growing larger all the time. Indeed, our domestic industrial machine is heavily dependent upon the manganese, hemp, tin, natural rubber, cobalt, and chrome, three-quarters or more of which we derive from these areas.

Finally, it is said that incentives to productivity are lacking in our society because markets are so fully supplied at home; but every high-school student knows that any effort to materially improve standards of living in the underdeveloped areas is bound to keep the United States and the other industrial nations of the world humming for a century, so great is the need. A recent United Nations report showed that 760 million people in the Free World—let alone the Communist World—live in countries where they have a national product of under $100 per head, and that 140 million live in countries where the national product is under $200 per head. Standards of housing, sanitation, health, and communications in those countries, except for the elite, are well nigh intolerable. They need the very things we need to produce to maintain a stabilized prosperity; machinery, equipment, and durable goods generally. The missing ingredient is credit, and we have learned that, given life expectancy, education, and free institutions, the best security in the world is people. Six hundred thousand Americans are already estimated to be at work supplying exports under the foreign economic aid program.

The possibilities in that particular area are unbelievable, indeed limitless, if we but begin to use our weight and our strength in order to develop this tremendously underdeveloped Free World.

I have made the point that we need $5 billion a year for this purpose from the public sector, and that we are today spending roughly about $3 billion. I have also said that if we could, and we should, increase our expenditures by $1 billion, it would result in an immediate program of $4 billion.

The other point to which I should like to direct attention is the question of the number of persons needed. Many more people are needed to do the job in order to bring American competence and American standards right on the ground of the needy nations.

We hear a lot about the technical assistance program, but in the point of number of Americans abroad engaged in this activity, there is a very thin number of Americans.

About 7,000 Americans are engaged in the administration of these programs and technical assistance abroad as illustrated in the breakdown given in the following chart:

Americans employed in United States foreign-aid programs and technical assistance abroad

Americans employed by ICA in Washington	1,799
Americans employed by ICA abroad	3,684
United States participating agencies	587
Department of State	904
Total	6,974

Source: ICA—figures as of December 31, 1957.

The technical assistance possibilities, both public and private, in terms of personnel are infinitely greater. Where we fall short is in training personnel in language and other qualifications for the purpose. Our national interest and the Free World interest require us to have 250,000 young men and women available for such overseas activities throughout the world.

In the same spirit, we fall far short, in boldness of action, in the number of students from abroad who study here. Foreign students number 40,000 in American colleges and universities now; there ought to be not less than 250,000—out of our total higher-education population of 3 million. Indeed, 250,000 is the minimum estimate of the foreign students studying in the Soviet Union.

Boldness in our foreign policy needs to be shown especially where we are having major difficulties. For example, if we have the personnel, special missions should now be going into Latin America on a regional or country-by-country basis to ascertain needs and requirements in our relations with these countries. We should be considering what we can do to help with the commodity price problem so critical to Brazil's coffee, Chile's copper and nitrate, Venezuela's oil, Bolivia's tin, and similar situations. We should be working on hemisphere development financing, as well as closer groupings in the other American Republics, like customs unions and more intensive intercommunication and trade, through railroads, radio, telegraph, and television. Our participation as a working force in the life of the Western Hemisphere needs to be enormously accelerated.

IV

Now, Mr. President, I come to my fourth point. The greatest single deficiency in our foreign policy program, aside from this lack of resourcefulness and boldness and lack of personnel, is the inadequate utilization of the United States private economy, the major way in which all these deficiencies might be overcome.

It is for that reason, Mr. President, that I am proposing an amendment to the bill calling for a study "of the ways and means by which the role of the private sector of the national economy can be more effectively utilized in foreign technical assistance, coordination with United States and other foreign-aid programs, and otherwise in the foreign-policy efforts of the United States."

In that respect I am greatly honored to have the present Presiding Officer, the Senator from Wisconsin [Mr. PROXMIRE], as a cosponsor with me on this amendment.

Mr. President, I now ask unanimous consent that there may be added as an additional cosponsor to the amendment the name of the Senator from North Dakota [Mr. LANGER].

The PRESIDING OFFICER. Without objection, it is to ordered.

Mr. JAVITS. Mr. President, I point out the success of such an approach realized in the special study on travel just made by the President's special representative, the Honorable Clarence Randall, pursuant to an amendment I proposed to the mutual-security bill passed last year—the objections made to that amendment were exactly the same objections made to the current private enterprise amendment—notwithstand-

ing that travel studies have been made by various Government departments for years in the same way as ICA, the State Department, and various private groups have been studying the problem of promoting greater private investment overseas. The point is that recommendations need to be called for directly in connection with the coordination of such investment and overseas business activity with United States foreign policy.

Indeed, foreign private investment is in the process of a development which may well be called explosive. It is based, of course, on the underpinning of roads, harbors, irrigation and reclamation projects, dams, education, and sanitation, assisted by Government foreign economic aid, but foreign private investment is indispensable in its own right.

Mr. President, when I began my statement, I alluded briefly to the figures given in Fortune magazine for January 1958. I should like to repeat those figures at this time.

Fortune magazine, in its January 1958 issue, estimates that in 1956 and 1957 the average outflow of United States private capital jumped more than two and one-half times over the average for the decade ending 1955, increasing from $1.6 billion per year to $4.3 billion per year, and of this total, about $1.2 billion represented short-term lending and portfolio investing, and $3.1 billion represented direct investment of United States corporations in foreign branches and subsidiaries.

Fortune estimates that within 10 years we shall see an increase of almost 100 percent with the aggregate value of United States private investment abroad now at roughly $37.5 billion—double what it was in 1950—shooting up to $90 billion.

Already 15 percent of corporate profits after taxes of American corporations are attributable to earnings from these investments, and the aggregate United States foreign market, both from exports of goods and services and sales of branches and subsidiaries of 2,500 United States firms operating abroad, is now on the order of $60 billion a year.

This expansion points up the basis of foreign economic aid as an antirecession factor. For this is a capital goods recession and the greatest room for expansion in capital goods sales is in the export areas of our economy right now. Whatever may be said about the overexpansion of United States production capacity in some industries, there can be no question of the dearth of capital goods in the less developed areas of the Free World. Fortune magazine reports that such capital goods producers as American Radiator, International Harvester, National Cash Register, and the International Business Machines are earning 30 percent or better of their net profit abroad. The leverage right now is in United States foreign trade. It slumped 10 percent in January 1958, compared with January 1957, when it should have been moving up. This is a key place to apply economic stimulation, and the programs I am proposing will do it.

Granted the weighing of United States private investment favors places like Canada and the other American Republics in oil exploration and similar mineral extractions, and the relative minority of such investments in manufacturing and similar enterprises in the less developed areas, the figures on the likely expansion through United States private investment of the volume of production conducive to improving standards of living in the less developed areas are nevertheless explosive in character.

To give one example of what a study tied in with Congressional authority can do, I invite attention to the fact that Argentina, Brazil, Chile, and Mexico are not in the mutual security guaranty program for private investments because we have been unable to conclude suitable Government agreements with them. Yet those countries are the key to United States private investment in the other American Republics with a reported $50 million in investment in Brazil alone awaiting the successful negotiation of a United States-Brazil agreement on private investment guaranty.

Just as I urge upon the Senate the need for increased and assured foreign aid both as essential to our national interests and as a necessary condition precedent to growing United States private investment abroad, so too I believe the study of the interrelation of Government foreign economic aid and private investment and the possibilities for their coordination to be urgently required.

Mr. President, to sum up, I have made four points.

First, though we have areas of weakness and difficulty in the world, we have areas of tremendous strength. We should, as we do in life, utilize to the full the areas of strength, in order to deal more effectively with the areas of weakness.

Second, Mr. President, in our economic aid and technical assistance programs we are absolutely on the right track, and the Russians have confirmed that we are on the right track, because they are trying to do the same thing. Mr. President, our difficulty is that we are not backing up the foreign-aid program with enough money and enough men. These are the urgent matters of high priorities which our foreign-policy planners both in and out of the Congress understand.

Third, Mr. President, I have pointed out the glaring deficiency in the foreign policy efforts of the United States, in that we are not utilizing effectively the private economy—instead we are trying to fight the Russians with one hand tied behind our back. The figures are very clear, Mr. President. The aggregate Soviet economy produces roughly $150 billion a year, but is mobilized 100 percent in the struggle. There is no question about that. One man pushes the buttons and that is it. In this country the most the Government spends in the aggregate is in the area of $70 to $75 billion a year, yet the gross national product of the United States is over $430 billion a year. The rest of the gross national product is in the private economy. We are fighting the whole battle, roughly speaking, in terms of the fundamental governmental organization, with 20 percent or less of the totality of the effort we can put in the struggle.

Mr. President, the strength we have is in the private economy. We want to keep it a private economy, and we do not want to socialize it, but that fact does not mean we should overlook its potential in coordination with the public sector and the public effort of the United States in the foreign affairs field.

Mr. President, I conclude by pointing out that one of the things which so many of us do not do enough is read what the Communists say about themselves. Interestingly enough, almost everything I have discussed today is confirmed in an article in a Communist journal called Economic Questions, issued by the Soviet Academy of Sciences in June 1957, written by one V. Alkhimov. What Mr. Alkhimov says, in practical effect, is, the reason the Soviet Union is going to win the struggle, in terms of control of the world, for its ideas of totalitarianism and statism, is that the Soviet Union is going to do a better job in terms of economic well-being.

When we strip the whole article down to its essentials, that is exactly what the man says. That is exactly the Soviet purpose, and exactly what the Russians are attempting to do.

Nothing could be more logical than that we should marshal, not simply a part of our forces, but all of our forces to engage in this struggle, for as soon as we do, the cards will be stacked on our side. This is a field in which our great genius and great initiative in terms of production has taken place. If we have any reputation in the world, it is a reputation built upon a genius for producing goods and raising standards of living. If we cannot do that job, it would be a shocking blow to every value which we hold dear and as to which we have confidence.

We can do the job if we will organize for it. What the Communists are banking on, Mr. President, is an absolute conviction on their part that we will not organize for the job. The Russians know if we do organize for the job, they will be absolutely and conclusively defeated. Therefore, if we see the Russians working for coexistence, oriented toward a life in which they will be part of a world fundamentally dominated by individual dignity and human freedom, we may know they are beginning to believe we will marshal all our resources for the purpose of winning the struggle, because they know if we do we can absolutely win the struggle.

Mr. President, a few keys to the Soviet thinking are contained in this very significant article I mentioned. Mr. Alkhimov says:

> Cooperation between the Soviet Union and economically underdeveloped countries is already one of the most important factors of international life. Its significance is now admitted not only in the Soviet Union and the economically underdeveloped countries but even in the capitalist states of the West. In a document on Soviet technical aid to underdeveloped countries published in 1956 in the United States by the Subcommittee on the Technical Aid Program of the Foreign Affairs Committee it is admitted that Soviet technical and economic aid is a fact, and, moreover, it is a fact of enormous significance.

Then, Mr. Alkhimov goes on, Mr. President, to develop the point that the U. S. S. R. has a great opportunity for developing broad economic cooperation with the underdeveloped countries on the basis of mutual advantage, and he points out that the Soviet Union engages primarily in bilateral trading with these countries.

Mr. Alkhimov further points out:

The U. S. S. R. is also ready to cooperate in training domestic personnel for higher qualification in industry and other branches of the national economy of underdeveloped countries, enabling citizens of these countries to study in Soviet institutions of higher education and to acquire experience in Soviet enterprises.

I ask, Mr. President, whether that is not very sharply reminiscent of a program which we have been pursuing for a good many years.

Finally, Mr. President, Mr. Alkhimov sums up as follows on page 6 of his article:

The most important form of economic cooperation of the U. S. S. R. with other powers, including the countries which are poorly developed in regard to economic relationships, is foreign trade on the basis of the preservation of mutual interests and noninterference in internal affairs. The U. S. S. R. proceeds on the indisputable idea that international trade has great significance not only from the economic point of view but also from the point of view of the adjustment of social relationships between countries and the strengthening of peace in the entire world.

It seems very clear that the Soviet Union expects to marshal its economic resources to make the people of the world, especially people in the underdeveloped areas, forget all about its repressions, its brutality, its terrorism in Hungary and other countries, its subversion and infiltration, its terrorizing of the individual, and its deprivation of the individual of any human dignity or human freedom, because it believes that the key to the minds of the peoples of the world who have just obtained their freedom and are emerging from primitive states of economic being is what can be done in terms of improving their standards of living.

I believe that, too, but in addition, I believe that we have the tremendous power of the ideal of freedom, which we represent. Given the two together, our victory, in terms of free institutions and peace, is absolutely sure, provided we marshal our resources for the purpose. The Soviet Union is depending upon us not to do so.

The Marxists and Leninists believe that the organization of capitalistic society is such that we cannot do so.

We know that we can do so, given the will, provided we open our eyes to the realities of the world situation. That is the purpose of my talk today. I hope very much that my voice, together with that of many others, both in the Congress and in the country, may help the American people see how their fundamental interests are involved, and induce them to marshal the needed resources, which can indisputably win the struggle for peace, freedom, and human dignity.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 171) to amend section 217 of the National Housing Act.

The message also announced that the House had passed the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate; that the House insisted upon its amendment, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, Mr. DAVIS of Georgia, Mr. REES of Kansas, and Mr. CORBETT were appointed managers on the part of the House at the conference.

ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. JAVITS. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 31 minutes p. m.) the Senate adjourned until tomorrow, Tuesday, June 3, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 2, 1958

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

JUNE 2, 1958.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

Rev. Robert S. Nagle, the Evangelical Lutheran Church of Our Savior, Coatesville, Pa., offered the following prayer:

Our Father in Heaven, how earnestly we need and invoke Thy presence here today as our divine Speaker, Parliamentarian, and fellow Member of the House. It is so easy to recall the indelibly inscribed X upon the ballot but to forget Thy call to the dedicated task before us. There is ever the danger of the demand of the constituency being amplified while the mandate of heaven is overlooked. So, wilt Thou speak to us and explain the proper procedure as Thou dost vote with the other Members to create a majority in favor of the most blessed recommended action of all time—peace on earth and good will among all mankind. In the name of Jesus we pray. Amen.

The Journal of the proceedings of Thursday, May 29, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2119. An act to expedite the utilization of television facilities in our public schools and colleges, and in adult training programs;

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; and

S. 3295. An act to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 527) to facilitate the admission into the United States of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 1, strike out all after line 2 down to and including "For" in line 8 and insert "That, for."

Page 2, line 1, strike out "3" and insert "2."

Page 2, line 6, strike out "4" and insert "3."

Page 2, line 11, strike out "5" and insert "4."

Page 2, strike out lines 16 to 20, inclusive.

Page 3, line 1, strike out "7" and insert "5."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 529) for the relief of certain aliens,

with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 2, line 1, after "act," insert "Ellen Yuin-Shang Chung Au."

Page 2, line 1, after "act," insert "Mosche Davidovitz."

Page 2, line 1, after "act," insert "Frieda Davidovitz."

Page 2, line 3, strike out "Eliseva Kaufman (Saltz)."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 552) to facilitate the admission into the United States of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 3 to 8, inclusive, and insert:

"SEC. 3. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Jamie H. Salva and Fred H. Salva shall be held and considered to be the minor alien children of M. Sgt. Calvin V. Salva, a United States citizen.

"SEC. 4. For the purposes of the Immigration and Nationality Act, Teruko Miesse, the widow of a United States citizen, shall be deemed to be within the purview of section 101 (a) (27) (A) of that act, and the provisions of section 205 of that act shall not be applicable in this case."

Page 2, after line 8 insert:

"SEC. 5. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Athos Benedos Perin, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Peter Perin, citizens of the United States."

Page 2, line 9, strike out "5" and insert "6."

Page 2, line 10, strike out "1 and 2" and insert "1, 2, and 5."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

WAIVING OF CERTAIN PROVISIONS OF SECTION 212 (A) OF IMMIGRATION AND NATIONALITY ACT

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H. J. Res. 553) to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendment, as follows:

Page 1, strike out all after line 9 over to and including line 12 on page 2 and insert:

"SEC. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Nachum Pfeifenmacher and Sheu Shei Lan may be issued visas and be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiaries are entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited in each case as prescribed by section 213 of the Immigration and Nationality Act."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SALMON DAY TOMORROW

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, I am happy to announce that tomorrow noon salmon from the State of Washington will be a rival of bean soup on the menu of the House dining room.

This salmon, 200 pounds of it, is the gift of the Grays Harbor Poggie Club, unusual and colorful sportsmen's organization of my home county. The purpose of this salmon treat tomorrow is to call the attention of the Members of the House and their guests to the fact that on August 9 and 10 the world's largest and most colorful salmon fishing derby will be started at Westport, Wash. It is the club's ninth derby.

In last year's 2-day salmon derby at Westport, 6,216 sports fishermen checked in catches of one salmon or more.

Last year's take of fish off Westport by sportsmen alone totaled 157,000 salmon weighing 2,335,000 pounds and valued as food at $942,000, according to the figures of the Washington State Fisheries Department.

Salmon was not the only fish taken off Westport. There were also tuna, halibut, red snappers, and cod. The commercial fish catches included 330,434 dozen—3,912,020—of the large Dunganess crab and 2,225,023 pounds of shrimp.

Come and taste our Washington salmon tomorrow and then come west, August 9 and 10, and land several of these sports fish for yourself.

Big names in politics have often come to Westport for the fun of landing the big fish. Governor Russell—Nevada—makes annual fishing there an event. Former Governors Fine, of Pennsylvania; Dewey, of New York; and Craig, of Indiana, all have landed big salmon off Westport. Among Members of Congress who have fished there are Representatives BONNER, of North Carolina; VAN PELT, of Wisconsin; NEAL, West Virginia; KLUCZYNSKI, Illinois, and MCGREGOR, Ohio, and, of course, all of our Washington State Senators and Representatives.

THE MARINE CORPS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, at Lowell, Mass., we had a wonderful, fine dedicatory memorial parade. In that parade there was a float which I thought, was a replica done in stone or bronze of the Iwo Jima Monument here near the Arlington Cemetery in Washington. But, it was not a replica in stone, or in any material, it was a replica of that monument protrayed by human beings. It was very dramatic, very inspiring—it was breathtaking. I do not believe an eyelash flickered or a muscle moved on any man who took part in that portrayal of that marine memorial. Certainly, we owe a great debt of gratitude to those men who are so trained to stand absolutely still without moving an eye or a muscle hour after hour. I was so very, very proud that they were marines in my district. The greatest honor we can bestow goes to the marines and those who train them.

CONSENT CALENDAR

The SPEAKER pro tempore. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

SETTING ASIDE CERTAIN LANDS IN OKLAHOMA FOR THE CHEYENNE AND ARAPAHO INDIANS

The Clerk called the bill (H. R. 6090) to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I do so to ask the gentleman from Oklahoma [Mr. JARMAN] something about the bill.

There has been some question as to whether Fort Reno, where important research work is carried on, is included in this bill. Can the gentleman inform the House?

Mr. JARMAN. In response to the question of the gentleman from Nebraska, I assure him that the Fort Reno land is not affected in any way by this bill. The only land affected by the bill is a part of the Cheyenne and Arapaho

Reservation at Concho, Okla., which is about 10 miles northeast of the Fort Reno land.

Mr. MILLER of Nebraska. I notice on page 3 of the report these words:

The lands were formerly used by the Bureau of Indian Affairs in connection with a dairy program, but that program has been discontinued, and the lands are excess to the needs of this Department.

Then, on page 4, from the Department of Justice report, January 15, 1958, they have this paragraph:

The Bureau of Prisons has need for additional land for use by the Federal reformatory at El Reno, Okla., to support beef-cattle herds necessary to provide the beef requirements for inmates at this reformatory. The Bureau of Indian Affairs presently has pending before it a request that at least 1,700 acres of the land covered by the bill be transferred to the Department of Justice for the use of the Federal reformatory at El Reno. In view of the pending negotiations looking to the transfer of this property needed for use of the Federal reformatory at El Reno, it is recommended that the following-described property be excluded from the operation of the bill.

Then I understand that the bill does exclude that property. Is that correct?

Mr. JARMAN. No; the bill does not exclude that property. In response to the question, I would say this, as background, that an effort is being made to try to work out a solution between the Bureau of Prisons and the Department of Agriculture, which has an experimental station at Fort Reno, so that there is adequate grazing land for the 650-head herd of the Bureau of Prisons.

Mr. MILLER of Nebraska. I understand they have a very fine research program here and are doing some good work, and it is my hope that we would not disturb that section. But if the gentleman can assure me that this bill will not disturb that, I will remove my objection.

Mr. JARMAN. I can give definite assurance to the gentleman that no part of the 7,000 acres that constitute the Fort Reno Experimental Station of the Department of Agriculture is touched by the present bill.

Mr. MILLER of Nebraska. I thank the gentleman very much.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby eliminated from the Cheyenne and Arapaho subagency reservation at Concho, Okla., and set aside in trust for the use and benefit of the Indians of the Cheyenne and Arapaho Tribes of Oklahoma, approximately 3,900 acres of land located in township 13 north, range 7 west and range 8 west, Indian meridian, Canadian County, Okla., together with improvements thereon and surplus personal property (not including livestock): *Provided*, That hereafter when any additional agency and school lands, together with improvements and personal property, within the Concho, Okla., reservation shall be determined surplus to administrative needs of the Bureau of Indian Affairs, the Secretary of the Interior shall, and he is hereby authorized and directed, to set same aside in trust for the use and benefit of said Cheyenne and Arapaho Indians of Oklahoma.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That there are hereby eliminated from the Cheyenne and Arapaho subagency reservation at Concho, Okla., approximately 3,900 acres of land considered excess to the present school and agency reserve needs. The Secretary of the Interior is authorized to set aside in trust for the use and benefit of the Cheyenne and Arapaho Tribes of Oklahoma such land located in township 13 north, range 7 west and range 8 west, Indian meridian, Canadian County, Okla., together with improvements thereon."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING HAWAIIAN ORGANIC ACT TO LOWER VOTING AGE

The Clerk called the bill (H. R. 8479) to amend the Hawaiian Organic Act to lower the voting age of citizens of the Territory of Hawaii to 20 years.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the paragraph beginning "Third." in section 60 of the Hawaiian Organic Act (48 U. S. C. 617), is amended by striking out "twenty-one" and inserting in lieu thereof "twenty".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHMENT OF FORT PEMBERTON NATIONAL MONUMENT

The Clerk called the bill (H. R. 7466) to provide for the establishment of the Fort Pemberton National Monument.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDING ACT OF AUGUST 11, 1955, RE HISTORIC PROPERTIES IN NEW YORK CITY AREA

The Clerk called the bill (H. R. 11868) to amend the act of August 11, 1955 (69 Stat. 632), relating to the rehabilitation and preservation of historic properties in the New York City area, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act to promote public cooperation in the rehabilitation and preservation of the Nation's important historic properties in the New York City area, and for other purposes," approved August 11, 1955 (69 Stat. 632), is hereby amended as follows:

(a) In the first sentence of the second paragraph of section 1 of such act insert a comma and the word "development" after the word "rehabilitation."

(b) In the first sentence of section 2 of such act insert a comma and the word "development" after the word "rehabilitation."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TO INCORPORATE VETERANS OF WORLD WAR I OF THE UNITED STATES

The Clerk called the bill (H. R. 11077) to incorporate the Veterans of World War I of the United States of America.

Mr. WEAVER. Mr. Speaker, a rule has been requested on this bill. I therefore ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

AMENDING REVISED ORGANIC ACT OF THE VIRGIN ISLANDS

The Clerk called the bill (H. R. 12303) to amend the Revised Organic Act of the Virgin Islands.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ADMISSION OF CERTAIN ALIENS

The Clerk called the bill (H. R. 11874) to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 249 (a) of the Immigration and Nationality Act (66 Stat. 219; 8 U. S. C. 1259) be amended to read as follows:

"A record of lawful admission for permanent residence may, in the discretion of the Attorney General and under such regulations as he may prescribe, be made in the case of any alien, if no such record is otherwise available and such alien shall satisfy the Attorney General that he is not inadmissible under section 212 (a) insofar as it relates to criminals, procurers and other immoral persons, subversives, violators of the narcotic laws or smugglers of aliens, and he establishes that he—

"(1) entered the United States prior to June 28, 1940;

"(2) has had his residence in the United States continuously since such entry;

"(3) is a person of good moral character, and

"(4) is not ineligible to citizenship."

With the following committee amendments:

On page 1, line 3, after "section 249" strike out "(a)".

On page 1, line 9, after the words "any alien," insert the following "as of the date of the approval of his application".

On page 2, line 5, strike out "(1)" and substitute "(a)".

On page 2, line 7, strike out "(2)", and substitute "(b)".

On page 2, line 9, strike out "(3)" and substitute "(c)".

On page 2, line 9, after the word "character" change the comma to a semicolon.

On page 2, line 10, strike out "(4)" and substitute "(d)".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAMAGES CAUSED BY THE LAKE OF THE WOODS

The Clerk called the bill (H. R. 10805) for the relief of certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to each claimant who filed a claim pursuant to the act entitled "An act to provide for the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods," approved August 13, 1954 (68 Stat. 728), a sum equal to the amount determined by the Secretary of the Army to be equitably due such claimants as set forth in the report to the Congress submitted in accordance with the provisions of such act, together with interest at the rate of 4 per centum per annum on such sum from May 18, 1950, to date of payment. No part of the amount appropriated in this act for the payment of any one claim in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 10: Following "729)" insert "or if deceased, to his heirs".

Page 2, lines 3, 4, and 5: Strike ", together with interest at the rate of 4 per centum per annum on such sum from May 18, 1950, to date of payment", and insert ": *Provided*, That the payment of those amounts shall be in full and final settlement of all claims of the claimants and their successors in the damages arising from the fluctuations of the water level of the Lake of the Woods occurring both before and after the effective date of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING FOR ANNUAL MEETING OF HAWAIIAN LEGISLATURE

The Clerk called the bill (H. R. 7564) to provide that the Legislature of the Territory of Hawaii shall meet annually, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 41 of the Hawaiian Organic Act (48 U. S. C. 576) is amended to read as follows:

"SEC. 41. (a) Regular sessions of the legislature shall be held annually, and shall commence at 10 o'clock antemeridian, on the third Wednesday in February. Regular sessions in odd number years shall be known as general sessions and regular sessions in even number of years shall be known as budget sessions.

"(b) At budget sessions the leigslature shall be limited to the consideration and enactment of (1) the general appropriation bill for the succeeding fiscal year, (2) bills to authorize proposed capital expenditures, (3) revenue bills necessary therefor, (4) bills calling elections, (5) proposed constitutional amendments, (6) bills to provide for the expenses of such session, and (7) matters relating to the impeachment or removal of officers, and (8) urgency measures deemed necessary in the public interest. No urgency measure shall be considered unless a statement of facts constituting such urgency shall be set forth in one section thereof and until such section shall have been first approved and the final passage of such measure in each house shall require a two-thirds vote of all the members to which such house is entitled, taken by ayes and noes and entered upon its journal."

SEC. 2. Section 43 of the Hawaiian Organic Act (48 U. S. C. 576) is amended to read as follows:

"SEC. 43. (a) General sessions shall be limited to a period of 60 days and budget sessions and special sessions to a period of 30 days, but the Governor may extend any session for not more than 30 days. Sundays and holidays shall be excluded in computing the number of days in any session.

"(b) The Governor may convene the legislature, or the Senate alone, in special session. All sessions shall be held at the capital of the Territory. In case the capital shall be unsafe, the Governor may direct that any session shall be held at some other place."

SEC. 3. Section 53 of the Hawaiian Organic Act (48 U. S. C. 586) is amended to read as follows:

"SEC. 53. The Governor shall submit to the legislature, at each regular session, estimates for appropriations for the succeeding fiscal year."

SEC. 4. The amendments made by this act shall take effect January 1, 1958.

With the following committee amendments:

Page 1, strike out all of lines 5 to 10 inclusive, and insert in lieu thereof the following:

"SEC. 41. (a) Regular sessions of the legislature shall be held in odd number years and additional regular sessions may, if so provided by act of the legislature, be held in even number years. All such sessions shall commence, at 10 o'clock ante-meridian, on the third Wednesday in February. Regular sessions in odd number years shall be known as general sessions and those in even number years shall be known as budget sessions."

Page 2, line 7, following the word "session," insert the word "and".

Page 2, line 8, following the word "officers" change the comma to a period and insert quotation marks. Strike out the remainder of line 8 and all language through line 16.

Page 3, line 4, strike out the word "place", the period and the quotation marks, and insert in lieu thereof the following: "place in the Territory of Hawaii."

Page 3, strike out all of lines 7, 8, and 9, and insert in lieu thereof the following:

"SEC. 53. The Governor shall submit to the legislature, at each regular session, estimates for appropriations for the succeeding biennial period or, if provision be made in accordance with section 41 of this act for additional regular sessions of the legislature, for the succeeding fiscal year."

Page 3, strike out lines 10 and 11 and insert in lieu thereof the following:

"SEC. 4. Section 26 of the Hawaiian Organic Act (31 Stat. 146), as amended (48 U. S. C. 599), is further amended to read as follows:

" 'The members of the legislature shall receive for their services, in addition to mileage to and from general sessions at the rate of 20 cents a mile each way, the sum of $1,000 for each general session, payable in three equal installments, on and after the first, thirtieth, and fiftieth days of such session, to be appropriated by Congress from any moneys in the Treasury not otherwise appropriated, based upon regular estimates submitted through the Secretary of the Interior. The sums authorized to be appropriated from the Federal Treasury for mileage and salary of members for general sessions shall constitute the only sums to be appropriated by the Congress for legislative expenses. Members shall receive from the Treasury of the Territory $500 as compensation for any special session held under the provisions of existing law. The Territory of Hawaii is hereby authorized to enact such laws as it may deem appropriate for the payment from the Treasury of the Territory of compensation and mileage to such members for budget sessions and for the payment of additional compensation to such members for general sessions and special sessions.'

"SEC. 5. This act shall not become effective until the legislature of Hawaii has, by concurrent resolution, resolved that it approves this act, in which event it shall become effective on the first of January immediately following such resolution."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORREGIDOR-BATAAN MEMORIAL COMMISSION

The Clerk called the bill (H. R. 10069) to amend the act of August 5, 1953, creating the Corregidor-Bataan Memorial Commission.

Mr. TABER. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXCHANGE LANDS AT OLYMPIC NATIONAL PARK

The Clerk called the bill (H. R. 4964) to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the bill (S. 1191) to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes, an identical bill may be considered in lieu of H. R. 4964.

The Clerk read the title of the bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized to exchange approximately six thousand six hundred and ninety-six one-hundredths acres of land adjacent to the Queets Corridor and Ocean Strip portions of Olympic National Park, which were originally acquired by the Federal Government for public works purposes, for lands and interest in lands not in Federal ownership within the exterior boundaries of

the park: *Provided*, That the lands so exchanged shall be of approximately equal value.

SEC. 2. Lands acquired pursuant to the exchange authority contained herein shall be administered as a part of Olympic National Park in accordance with the laws and regulations applicable to the park.

SEC. 3. The provisions of this act shall not be applicable with respect to any privately owned lands lying within the exterior boundaries of the Olympic National Park which are within township 23 north, range 10 west; township 23 north, range 9 west; township 24 north, range 9 west; and township 24 north, range 8 west, West Willamette meridian; and lot 5 of the July Creek lot survey consisting of .15 acre, and lot 12 of the July Creek lot survey consisting of .35 acre.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

The Clerk called the bill (S. 2224) to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That section 203 (e) of the Federal Property and Administrative Services Act of 1949, as amended, is hereby further amended to read as follows:

"(e) (1) All disposals or contracts for disposal of surplus property (other than by abandonment, destruction, donation, or through contract brokers) made or authorized by the Administrator shall be made after publicly advertising for bids, under regulations prescribed by the Administrator, except as provided in paragraphs (3) and (5) of this subsection.

"(2) Whenever public advertising for bids is required under paragraph (1) of this subsection—

"(A) the advertisement for bids shall be made at such time previous to the disposal or contract, through such methods, and on such terms and conditions as shall permit that full and free competition which is consistent with the value and nature of the property involved;

"(B) all bids shall be publicly disclosed at the time and place stated in the advertisement;

"(C) award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Government, price and other factors considered: *Provided*, That all bids may be rejected when it is in the public interest to do so.

"(3) Disposals and contracts for disposal may be negotiated, under regulations prescribed by the Administrator, without regard to paragraphs (1) and (2) of this subsection but subject to obtaining such competition as is feasible under the circumstances, if—

"(A) necessary in the public interest during the period of a national emergency declared by the President or the Congress, with respect to a particular lot or lots of property or, for a period not exceeding 3 months, with respect to a specifically described category or categories of property as determined by the Administrator;

"(B) the public health, safety, or national security will thereby be promoted;

"(C) public exigency will not admit of the delay incident to advertising;

"(D) the property involved is of a nature and quantity which, if disposed of under paragraphs (1) and (2) of this subsection, would cause such an impact on an industry or industries as adversely to affect the national economy, and the estimated fair market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

"(E) the estimated fair market value of the property involved does not exceed $1,000;

"(F) bid prices after advertising therefor are not reasonable (either as to all or some part of the property) or have not been independently arrived at in open competition;

"(G) with respect to real property only, the character or condition of the property or unusual circumstances make it impractical to advertise publicly for competitive bids and the fair market value of the property and other satisfactory terms of disposal can be obtained by negotiation;

"(H) the disposal will be to States, Territories, possessions, political subdivisions thereof, or tax-supported agencies therein, and the estimated fair market value of the property, and other satisfactory terms of disposal are obtained by negotiation; or

"(I) otherwise authorized by this act or other law.

"(4) Disposals and contracts for disposal of surplus real and related personal property through contract realty brokers employed by the Administrator shall be made in the manner followed in similar commercial transactions under such regulations as may be prescribed by the Administrator: *Provided*, That such regulations shall require that wide public notice of availability of the property for disposal be given by the brokers.

"(5) Negotiated sales of personal property at fixed prices may be made by the Administrator either directly or through the use of disposal contractors without regard to the limitations set forth in paragraphs (1) and (2) of this subsection: *Provided*, That such sales be publicized to the extent consistent with the value and nature of the property involved, that the prices established shall reflect the estimated fair market value thereof, and that such sales shall be limited to those categories of personal property as to which the Administrator determines that such method of disposal will best serve the interests of the Government.

"(6) Except as otherwise provided by this paragraph, an explanatory statement of the circumstances of each disposal by negotiation of any real or personal property having a fair market value in excess of $1,000 shall be prepared. Each such statement shall be transmitted to the appropriate committees of the Congress at least 30 days (or such shorter period as may be concurred in by such committees in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal. No such statement need be transmitted to any such committee with respect to any disposal—

"(A) of any perishable food or other property which may become useless by deterioration within 30 days;

"(B) required to be made immediately for the preservation of human life or the alleviation of human suffering;

"(C) required in the public interest to be made within 30 days during a period of national emergency declared by the President or the Congress;

"(D) of real property made through a contract realty broker pursuant to paragraph (4);

"(E) of personal property made under paragraph (5) at a fixed price; or

"(F) authorized by section 3709 of the Revised Statutes or any other provision of law to be made without advertising.

"(7) Section 3709, Revised Statutes, as amended (41 U. S. C. 5), shall not apply to disposals or contracts for disposal made under this subsection."

With the following committee amendments:

1. On page 3, line 1, immediately before the word "property" insert the word "personal".

2. On page 3, line 8, immediately before the word "property" insert the word "personal".

3. On page 3, line 6, following the word "promoted," strike the semicolon and add the words "by a particular disposal of personal property".

4. On page 3, line 8, following the word "advertising," strike the semicolon and add the words "certain personal property".

5. On page 3, line 9, immediately before the word "property" insert the word "personal".

6. On page 3, line 14, strike the word "the" and insert in lieu thereof the word "such".

7. On page 5, strike out line 3 and all that follows down through line 5 on page 6, and insert the following:

"(6) Except as otherwise provided by this paragraph, an explanatory statement of the circumstances of each disposal by negotiation of any real or personal property having a fair market value in excess of $1,000 shall be prepared. Each such statement shall be transmitted to the appropriate committees of the Congress in advance of such disposal, and a copy thereof shall be preserved in the files of the executive agency making such disposal. No such statement need be transmitted to any such committee with respect to any disposal of personal property made under paragraph (5) at a fixed price, or to property disposals authorized by any other provision of law to be made without advertising."

The committee amendments were agreed to.

Mr. BARTLETT. Mr. Speaker, I move to strike out the last word to ask the chairman of the subcommittee a few questions about the bill. I would like to ask him if this is the type of legislation under which telephone facilities have been declared surplus to Government needs and then sold?

Mr. BROOKS of Texas. Actually, not. This is an extension of negotiating authority of the GSA to dispose of surplus property.

The question the gentleman raises deals with property that has previously been declared surplus by another Government agency.

Mr. BARTLETT. Then may I ask the gentleman if it can be stated legally that the facilities are surplus when the Government sells them and then turns around and buys the same services from the telephone company?

Mr. BROOKS of Texas. This is a practice which I think is reprehensible and has been followed by the Department of Defense in several instances.

We are now in the Government Operations Committee looking into several such instances whereby the Department of Defense or one of its agencies has declared a usable facility surplus when it is being used every day. They declare it surplus with the apparent hope that as surplus property it can be disposed of to one of the telephone companies and then the United States Government would be immediately required to release it and pay considerable moneys for that same service or an amended service of that character.

Mr. BARTLETT. I thank the gentleman from Texas. I may say I am interested in this bill because it is planned to declare the Alaska Communication System surplus under this or a special act; then the Government or the public will obtain service from a private company.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Michigan.

Mr. FORD. I am sure the gentleman is familiar with the fact that every year for the last 5 years anyway the Federal Government has had to put in an appropriation through the Department of the Army of $5½ million annually for the operation of this facility. It is a pure subsidy of the service. Up until about 2 or 3 years ago the rates which were charged were totally inadequate and were not sufficient on a comparable basis to pay for the operation of the facility. If it is a good business investment for Uncle Sam to get out of business and a report will determine that, I personally think they should want to dispose of the service.

Mr. BARTLETT. I may say to the gentleman from Michigan that I am not unalterably opposed to that. I do not know how much it cost the Government to provide the military service. I merely wanted to find out what can be done regarding the ACS in this particular act. It may be that proof will be offered that it should be sold to a private company. I well appreciate the expressions of the Appropriations Committee in that regard.

Mr. FORD. It costs about $5½ million to $6 million a year plus the cost of military personnel which is not included to operate this facility. There are many people who feel that it is a pure subsidization and an unnecessary business operation of the Federal Government. There is a report being prepared to determine which is the better procedure. I think we ought to await that determination.

Mr. BARTLETT. I agree with the gentleman absolutely that we should await the submission of a report.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPOSAL OF SURPLUS FOODS

The Clerk called the bill (H. R. 12164) to amend the Agriculture Act, as amended, to permit use of Federal surplus foods in nonprofit summer camps for children.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That clause (3), section 416, of the Agricultural Act of 1949, as amended, is amended by adding after the words "nonprofit school lunch programs," the words "in nonprofit summer camps for children."

SEC. 2. Public Law 165, 75th Congress, as amended, is amended by adding at the end thereof the words "and for use in nonprofit summer camps for children."

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I would like to say a few words in support of H. R. 12164 which I introduced in the interests of thousands of children attending summer camps.

The bill amends the Agriculture Act, as amended, to permit use of Federal surplus foods in nonprofit summer camps for children. It has been reported upon favorably and without amendment by the House Agriculture Committee and has the approval of the Department of Agriculture. Agriculture Department support for a bill I introduced is a pretty fair indication that there is no controversy over the matter.

The purpose of this bill is to clarify the law relating to the authority of the Secretary of Agriculture to make available without cost, surplus food commodities to nonprofit children's summer camps. As you know, nonprofit school-lunch programs receive surplus food commodities. The Department of Agriculture has considered summer camping an extension of school activities in the past and has donated surplus food to nonprofit camps. I am informed that nationally, more than 850,000 children attended camps last year which received some surplus food.

Since specific regulations concerning food donations are being written by the Department with the possibility that this particular activity might be discontinued under a strict interpretation of the new rules, I decided to introduce this bill to continue what I believe to be the intent of Congress in the matter.

The purpose of this bill is to clarify this provision of law so there will be no doubt that nonprofit summer camps for children have the same kind of eligibility to draw surplus foods as do nonprofit school-lunch programs.

This program is a natural companion to a special summer-camp milk-donation bill the Congress passed and the President signed after I introduced it in 1956. It will benefit youngsters at thousands of camps conducted by charitable, welfare, civic, and religious organizations—such groups as the 4–H, YMCA, YWCA, Boy and Girl Scouts and others. Children will receive wholesome foods such as butter, cheese, dried milk, rice, flour, and cornmeal.

But what is even more important, the budgets of the nonprofit groups involved will be stretched a bit by this grant of surplus food so that I am certain many more youngsters than otherwise might have gone, will have a chance to vacation in the great outdoors. I hope there will be a prompt acceptance of this bill as this summer's camping activities might be affected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to permit the use of Federal surplus foods in nonprofit summer camps for children."

A motion to reconsider was laid on the table.

ESTABLISHMENT OF PLANS FOR THE PEACEFUL EXPLORATION OF OUTER SPACE

The Clerk called House Concurrent Resolution 332.

Mr. ASPINALL. Mr. Speaker, inasmuch as this bill is calendered to be brought up under suspension of the rules, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The SPEAKER pro tempore. That concludes the call of the Consent Calendar.

FEDERAL EMPLOYEES' SALARY ADJUSTMENTS, 1958

Mr. MURRAY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, with an amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Federal Employees Salary Increase Act of 1958."

SEC. 2. (a) Section 603 (b) of the Classification Act of 1949, as amended (69 Stat. 172, 70 Stat. 740; 5 U. S. C. 1113 (b)), is amended to read as follows:

"(b) The compensation schedule for the general schedule shall be as follows:

"Grade	Per annum rates					
GS-1	$2,960	$3,055	$3,150	$3,245	$3,340	$3,435	$3,530
GS-2	3,255	3,350	3,445	3,540	3,635	3,730	3,825
GS-3	3,495	3,590	3,685	3,780	3,875	3,970	4,065
GS-4	3,755	3,850	3,945	4,040	4,135	4,230	4,325
GS-5	4,040	4,190	4,340	4,490	4,640	4,790	4,940
GS-6	4,490	4,640	4,790	4,940	5,090	5,240	5,390
GS-7	4,980	5,130	5,280	5,430	5,580	5,730	5,880
GS-8	5,470	5,620	5,770	5,920	6,070	6,220	6,370
GS-9	5,985	6,135	6,285	6,435	6,585	6,735	6,885
GS-10	6,505	6,655	6,805	6,955	7,105	7,255	7,405
GS-11	7,030	7,270	7,510	7,750	7,990	8,230	----------
GS-12	8,330	8,570	8,810	9,050	9,290	9,530	----------
GS-13	9,890	10,130	10,370	10,610	10,850	11,090	----------
GS-14	11,355	11,595	11,835	12,075	12,315	12,555	----------
GS-15	12,770	13,070	13,370	13,670	13,970	----------	----------
GS-16	14,190	14,430	14,670	14,910	15,150	----------	----------
GS-17	15,375	15,615	15,855	16,095	16,335	----------	----------"
GS-18	17,500	----------	----------	----------	----------	----------	----------

(b) The rates of basic compensation of officers and employees to whom this section applies shall be adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the general schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade in the general schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rate in effect on and after such date.

(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended.

(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2 (b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208 (b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208 (b) of the act of September 1, 1954, and (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955 and (C) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208 (b) of such act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

(5) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, was promoted from one grade under the Classification Act of 1949, as amended, to another such grade at a rate which is above the minimum rate thereof, his rate of basic compensation shall be adjusted retroactively from the effective date of this section to the date on which he was so promoted, on the basis of the rate which he was receiving during the period from such effective date to the date of such promotion and, from the date of such promotion, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this act) at the time of such promotion.

(6) If the officer or employee on the rolls has had his rate of basic compensation established, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this act, his rate of basic compensation shall be adjusted retroactively in accordance with one or more of the following provisions of this paragraph (6), as applicable:

(A) if his rate of basic compensation was established under authority of such section 803 after September 1, 1954, and prior to the effective date of this section such rate shall be adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such effective date and prior to the date of enactment of this act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803;

(B) if his rate of basic compensation was established under authority of such section 803 on or after the effective date of this section and prior to the date of enactment of this act, such rate shall be adjusted retroactively for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such effective date and prior to such date of enactment, as follows—

(i) for the period of time prior to the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate of basic compensation which he was receiving during such period, and

(ii) for the period of time on and after the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803,

and such basic compensation adjusted under subparagraphs (A) and (B) (ii) of this paragraph (6) shall be paid in accordance with such subparagraphs until—

(a) he leaves such position, or

(b) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(7) If the officer or employee became subject to the Classification Act of 1949, as amended, at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this act, at a rate of basic compensation which was established under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), his rate of basic compensation shall be adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after the effective date of this section and prior to the date of enactment of this act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803, and such basic compensation shall be paid in accordance with this paragraph (7) until—

(A) he leaves his position, or

(B) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(8) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, became subject to the Classification Act of 1949, as amended, at a rate of basic compensation which was fixed on the basis of a higher previously earned rate and which is above the minimum rate of the grade of such officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this act) at the time he became subject to the Classification Act of 1949 as in effect immediately prior to the effective date of this section.

(9) Each officer or employee—

(A) (i) who with his position has been transferred under authority of the Classification Act of 1949, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, from the general schedule of the Classification Act of 1949 to a prevailing rate schedule, or (ii) who, at any time during such period, transferred from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule,

(B) who, at all times subsequent to such transfer, was in the service of the United States (including the Armed Forces of the United States) or of the municipal government of the District of Columbia, without break in such service of more than 30 consecutive calendar days and, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, without break in service in excess of the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia,

(C) who, on such date of enactment, is being compensated under a prevailing rate schedule, and

(D) whose rate of basic compensation on such date of enactment is less than the rate to which he would have been entitled on such date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault),

shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such date of enactment (including compensation for each within-grade and longevity step-increase which he would have earned) if such transfer had not occurred until the day immediately following such date of enactment, for all time in a pay status on and after the effective date of this section in a position subject to a prevailing rate schedule under the circumstances prescribed in this subsection, until—

(a) he leaves the position which he holds on such date of enactment, or

(b) he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule;

but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with prevailing rate schedules.

SEC. 3. (a) The rates of basic compensation of officers and employees in or under the

judicial branch of the Government whose rates of compensation are fixed pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U. S. C. 102 (a) (2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604 (a) (5), or sections 672 to 675, inclusive, of title 28 of the United States Code are hereby increased by amounts equal to the increases provided by section 2 of this act in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations of $13,485 and $18,010 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the paragraph designated "Salaries of supporting personnel" in the Judiciary Appropriation Act, 1958 (71 Stat. 65; Public Law 85–49), or any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this act.

(c) Section 753 (e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out "$6,450" and inserting in lieu thereof "$7,095."

SEC. 4. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 10 percent of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the month following the date of enactment of this act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that (1) the provisions of this subsection shall not apply in the case of any employee if on or before the 15th day following the date of enactment of this act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish this subsection to apply to such employee, and (2) no employee whose basic compensation is adjusted under this subsection shall receive any additional compensation or increase in compensation under this act for any period prior to the effective date of such adjustment.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate (except the presiding officer of the Senate), the Parliamentarian of the Senate, the Legislative Counsel of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 10 percent.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "Senate" in the Legislative Appropriation Act, 1956 (69 Stat. 510; Public Law 242, 84th Cong.), is amended to read as follows:

"No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $16,300 per annum, unless expressly authorized by law."

(e) The provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the Senate" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 246; Public Law 85–75), or in any subsequent appropriation act, but the limitation contained in such paragraph is hereby increased by the amount necessary to provide increases corresponding to those provided by subsection (a).

(f) The official reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a).

(g) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U. S. C. 2251–2267).

(h) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956 (69 Stat. 505; Public Law 242, 84th Cong.), is amended by striking out so much of the second sentence thereof as follows the words "First Supplemental Appropriation Act, 1947," and inserting in lieu thereof the following: "the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,040 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of $8,880 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,460 per annum."

(i) No officer or employee shall be paid increased or additional compensation for any period prior to the first day of the month following the date of enactment of this act at a rate in excess of 10 percent of his gross rate of compensation computed without regard to the amendment made by subsection (d) and without regard to subsections (m), (n), (o), and (p).

(j) The position of chief nurse in the Senate Office Building, under the Office of the Architect of the Capitol, shall be established and allocated to grade 9 of the General Schedule of the Classification Act of 1940, as amended, so long as such position is held by the present incumbent.

(k) The rate of gross annual compensation of each of the elected officers of the House of Representatives (except the Presiding Officer of the House and the Chaplain of the House) is hereby increased by 10 percent.

(l) The aggregate rate of the rate of basic annual compensation and the rate of additional annual compensation authorized by law of the Chaplain of the House of Representatives and of the coordinator of information of the House of Representatives is hereby increased by 10 percent.

(m) The rate of gross annual compensation of the legislative counsel of the House of Representatives shall be an amount which is equal to the rate of gross annual compensation of the legislative counsel of the Senate on the day following the effective date of this subsection.

(n) The basic compensation of the administrative assistants to the Speaker, majority leader, minority leader, majority whip, and minority whip shall be at the rate of $8,880 per annum.

(o) Subsection (e) of section 202 of the Legislative Reorganization Act of 1946, as amended (2 U. S. C. 72a (e)), is amended (1) by striking out "$8,820" where it first appears in such subsection and inserting in lieu thereof "$6,680", and (2) by striking out "$8,820" at the second place where it appears in such subsection and inserting in lieu thereof "$8,880."

(p) (1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

(2) Clause 27 (c) of rule XI of the Rules of the House of Representatives is amended (A) by striking out "$8,820" where it first appears in such clause and inserting in lieu thereof "$8,880," and (B) by striking out "$8,820" at the second place where it appears in such clause and inserting in lieu thereof "$8,880."

(q) The limitations in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the House" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 249; Public Law 85–75), or in any subsequent appropriation act, are hereby increased by 10 percent.

(r) Each employee in the legislative branch of the Government whose compensation—

(1) is disbursed by the Clerk of the House of Representatives,

(2) is not increased by any other provision of this act, and

(3) is fixed at a gross aggregate rate per annum, shall receive additional compensation at the rate of 10 percent of the rate of his existing gross annual compensation.

(s) The increases in compensation provided by this section shall not be applicable with respect to the Office of the Parliamentarian of the House of Representatives and to any employee in such office.

(t) Subject to subsection (j) of this section, each position of nurse under the Architect of the Capitol shall be allocated by the Architect to that grade of the General Schedule of the Classification Act of 1949, as amended, which is recommended to the Architect by the Attending Physician of the Congress. Any such allocation shall not be subject to post audit, review, or change by any authority in the executive branch.

SEC. 5. (a) Section 1403 (b) of the Veterans' Benefits Act of 1957 (71 Stat. 130; Public Law 85–56), relating to the annual salary of the Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$17,800" and inserting in lieu thereof "$19,580."

(b) Section 1403 (c) of such act, relating to the annual salary of the Deputy Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$16,800" and inserting in lieu thereof "$18,480."

(c) Section 1403 (d) of such act, relating to the annual salaries of the Assistant Chief Medical Directors and the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

(1) by striking out "$15,800" and inserting in lieu thereof "$17,280";

(2) by striking out the word "twenty" and inserting in lieu thereof the word "twenty-five"; and

(3) by striking out "$13,225 minimum to $14,300 maximum" and inserting in lieu thereof "$14,545 minimum to $16,500 maximum."

(d) Section 1403 (e) of such act, relating to the annual salaries of the Director of Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

(1) by striking out "$11,610" and inserting in lieu thereof "$12,770 minimum to $13,970 maximum"; and

(2) by striking out "$10,320" and inserting in lieu thereof "$11,355 minimum to $12,555 maximum."

(e) Section 1403 (f) of such act, relating to the annual salaries of the chief pharmacist, the chief dietitian, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $12,770 minimum to $13,970 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $11,355 minimum to $12,555 maximum a year."

(f) Section 1407 (a) of such act, relating to maximum and minimum annual rates of salary of certain employees of the Medical Service, Dental Service, and Nursing service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

"MEDICAL SERVICE

"Chief grade, $12,770 minimum to $13,970 maximum.

"Senior grade, $11,355 minimum to $12,555 maximum.

"Intermediate grade, $9,890 minimum to $11,090 maximum.

"Full grade, $8,330 minimum to $9,530 maximum.

"Associate grade, $7,030 minimum to $8,230 maximum.

"Junior grade, $6,505 minimum to $7,405 maximum.

"DENTAL SERVICE

"Chief grade, $12,770 minimum to $13,970 maximum.

"Senior grade, $11,355 minimum to $12,555 maximum.

"Intermediate grade, $9,890 minimum to $11,090 maximum.

"Full grade, $8,330 minimum to $9,530 maximum.

"Associate grade, $7,030 minimum to $8,230 maximum.

"Junior grade, $6,505 minimum to $7,405 maximum.

"NURSING SERVICE

"Assistant Director, $8,330 minimum to $9,530 maximum.

"Senior grade, $7,030 minimum to $8,230 maximum.

"Full grade, $5985 minimum to $6,885 maximum.

"Associate grade, $5,205 minimum to $6,165 maximum.

"Junior grade, $4,425 minimum to $5,385 maximum."

(g) Section 1408 (d) of such act, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section or prior corresponding provisions of law, shall receive, in addition to his basic pay, an allowance equal to 15 percent of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $16,000 per annum."

(h) Section 1411 of such act, relating to appointment of additional employees, is amended—

(1) by inserting "(a)" immediately following "SEC. 1411."; and

(2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, the per annum rate of salary of each individual serving as a manager of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 1407 if his service as a manager of a hospital, domiciliary, or center had been service as a physician in the medical service in the chief grade. This subsection shall not affect the allocation of any position of manager of a hospital, domiciliary, or center to any grade of the General Schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

(i) Paragraph (2) of section 1404 of such act, relating to additional appointments, is amended to read as follows:

"(2) Managers, pharmacists, physical therapists, occupational therapists, dietitians, and other scientific and professional personnel, such as optometrists, pathologists, bacteriologists, chemists, biostatisticians, and medical and dental technologists."

(j) Paragraph (5) of section 1405 of such act, relating to qualifications of appointees, is amended—

(1) by redesignating subparagraphs (B) and (C) thereof as subparagraphs (C) and (D) thereof, respectively; and

(2) by inserting immediately below subparagraph (A) thereof the following:

"(B) optometrist—

"be licensed to practice optometry in one of the States, Territories, or Commonwealths of the United States, or in the District of Columbia."

SEC. 6. (a) The Foreign Service Act of 1946 as amended as follows:

(1) The third sentence of section 412 of such act (22 U. S. C. 867) is amended by striking out "$17,500" and inserting in lieu thereof "$19,250."

(2) The fourth sentence of section 412 of such act is amended to read as follows: "The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$16,060	$16,500	$16,940	$17,380	$17,820	$18,260	$18,700	
Class 2	13,860	14,190	14,520	14,850	15,180	15,510	15,840	
Class 3	11,660	11,990	12,320	12,650	12,980	13,310	13,640	
Class 4	9,900	10,175	10,450	10,725	11,000	11,275	11,550	
Class 5	8,140	8,415	8,690	8,965	9,240	9,515	9,790	
Class 6	6,710	6,930	7,150	7,370	7,590	7,810	8,030	
Class 7	5,610	5,775	5,940	6,105	6,270	6,435	6,600	
Class 8	4,730	4,895	5,060	5,225	5,390	5,555	5,720	$5,885."

(3) The second sentence of section 415 of such act (22 U. S. C. 870) is amended to read as follows: "The per annum rates of staff officers and employees within each class shall be as follows:

"Class 1	$11,770	$12,120	$12,480	$12,830	$13,160		
Class 2	10,920	11,205	11,485	11,770	12,120		
Class 3	10,030	10,320	10,600	10,885	11,165		
Class 4	9,095	9,380	9,665	9,945	10,230		
Class 5	8,305	8,610	8,815	9,090	9,315	$9,600	
Class 6	7,690	7,905	8,120	8,325	8,540	8,955	
Class 7	6,990	7,200	7,415	7,630	7,840	8,050	
Class 8	6,285	6,495	6,710	6,925	7,140	7,350	
Class 9	5,585	5,795	6,005	6,220	6,435	6,650	
Class 10	5,115	5,260	5,400	5,540	5,755	5,970	$6,175
Class 11	4,650	4,790	4,930	5,070	5,215	5,355	5,500
Class 12	4,180	4,320	4,460	4,605	4,745	4,890	5,025
Class 13	3,730	3,870	4,010	4,155	4,295	4,440	4,580
Class 14	3,300	3,445	3,585	3,730	3,870	4,010	4,155
Class 15	3,060	3,165	3,230	3,300	3,445	3,585	3,730
Class 16	2,875	2,950	3,020	3,090	3,165	3,230	3,300
Class 17	2,660	2,735	2,805	2,875	2,950	3,020	3,090
Class 18	2,455	2,520	2,590	2,660	2,735	2,805	2,875
Class 19	2,240	2,310	2,380	2,455	2,520	2,590	2,660
Class 20	2,025	2,095	2,165	2,240	2,310	2,380	2,455
Class 21	1,810	1,880	1,955	2,025	2,095	2,165	2,240
Class 22	1,600	1,670	1,745	1,810	1,880	1,955	2,025"

(b) Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this section at one of the step rates provided by sections 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on or after the effective date of this section at the corresponding step rate as provided by such sections 412 or 415 as amended by this section.

SEC. 7. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this act are hereby authorized to be increased, effective on or after the first day of the first pay period which began on or after January 1, 1958, by amounts not to exceed the increases provided by this act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(b) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

(c) Nothing contained in this section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.

SEC. 8. (a) Retroactive compensation or salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this act, except that such retroactive compensation or salary shall be paid (1) to an officer or employee who retired during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 636, 81st Cong.), as amended (5 U. S. C. 61f-61k), for services rendered during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act by an officer or employee who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 9. (a) The Director of the Bureau of the Budget is authorized and directed to provide by regulation for the absorption from the respective applicable appropriations or funds available for the fiscal year in which this act is enacted and for the immediately succeeding fiscal years, by the respective departments, agencies, establishments, and corporations in the executive branch, to such extent as the Director deems practicable, of the costs of the increases in basic compensation provided by this act.

(b) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

(c) Subsections (a) and (b) of this section shall not apply to the field service of the Post Office Department and to such other departments, agencies, establishments, and corporations in the executive branch as the Director, with the approval of the President, may designate.

SEC. 10. Section 505 (e) of the Classification Act of 1949, as amended (5 U. S. C. 1105 (e)), is amended by striking out "thirty-seven" and inserting in lieu thereof "seventy-five."

SEC. 11. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof the following new subsection:

"(g) Appointments to positions in grades 16, 17, and 18 of the General Schedule, except positions provided for in subsection (e) of this section, shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees."

SEC. 12. The annual rate of basic compensation of the position of Chief Postal Inspector in the Post Office Department shall be $19,000.

SEC. 13. Section 604 (d) of the Federal Employees Pay Act of 1945, as amended (5 U. S. C. 944), is amended to read as follows:

"(d) (1) Hereafter, for all pay computation purposes affecting officers or employees in or under the executive branch, the judicial branch, or the District of Columbia municipal government, basic per annum rates of compensation established by or pursuant to law shall be regarded as payment for employment during 52 basic administrative workweeks of 40 hours.

"(2) Whenever for any such purpose it is necessary to convert a basic annual rate to a basic biweekly, weekly, daily, or hourly rate, the following rules shall govern:

"(A) An hourly rate shall be derived by dividing the annual rate by 2,080;

"(B) A daily rate shall be derived by multiplying the hourly rate by the number of daily hours of service required; and

"(C) A weekly or biweekly rate shall be derived by multiplying the hourly rate by 40 or 80 as the case may be.

"(3) All rates shall be computed in full cents, counting a fraction of a cent as the next higher cent."

SEC. 14. (a) The Postal Field Service Schedule contained in section 301 (a) of the Postal Field Service Compensation Act of 1955, as amended by section 401 (a) of the act of May 27, 1958 (72 Stat. 145; Public Law 85-426), is amended by striking out levels 7 to 20, inclusive, and the respective per annum rates and steps for such levels and inserting in lieu of such levels and per annum rates and steps the following:

7	$4,870	$5,035	$5,200	$5,365	$5,530	$5,695	$5,860
Temporary rate	4,990	5,160	5,330	5,500	5,670	5,840	6,010
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
Temporary rate	5,385	5,575	5,765	5,955	6,145	6,335	6,525
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
Temporary rate	5,815	6,020	6,225	6,430	6,635	6,840	7,045
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
Temporary rate	6,390	6,610	6,830	7,050	7,270	7,490	7,710
11	6,860	7,095	7,330	7,565	7,800	8,035	8,270
Temporary rate	7,030	7,270	7,510	7,750	7,990	8,230	8,470
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
Temporary rate	7,735	8,000	8,265	8,530	8,795	9,060	9,325
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
Temporary rate	8,520	8,805	9,090	9,375	9,660	9,945	10,230
14	9,140	9,440	9,740	10,040	10,340	10,640	10,940
Temporary rate	9,370	9,680	9,990	10,300	10,610	10,920	11,230
15	10,050	10,375	10,700	11,025	11,350	11,675	12,000
Temporary rate	10,300	10,635	10,970	11,305	11,640	11,975	12,310
16	11,075	11,400	11,725	12,050	12,375	12,700	13,025
Temporary rate	11,350	11,685	12,020	12,355	12,690	13,025	13,360
17	12,255	12,580	12,905	13,230	13,555	13,880	14,205
Temporary rate	12,560	12,895	13,230	13,565	13,900	14,235	14,570
18	13,760	14,085	14,410	14,735	15,060	15,385	15,560
Temporary rate	14,105	14,440	14,775	15,110	15,445	15,780	
19	15,050	15,375	15,700	15,900			
Temporary rate	15,425	15,760	15,900				
20	16,000"						

(b) (1) The provisions of sections 402, 403, 404, and 405 of the act of May 27, 1958 (72 Stat. 146; Public Law 85-426), shall be applicable and effective, as of the effective date of this section, with respect to the application and operation of the amendment made by subsection (a) of this section.

(2) For the purposes of paragraph (1) of this subsection,—

(A) the terms "This title" and "this title", as used in such sections 402 (a), 403, and 404, mean the amendment made by subsection (a) of this section; and

(B) the term "This act", as used in such section 405, means the provisions of this section 14.

SEC. 15 (a) Except as provided in subsections (b) and (c) of this section, this act shall take effect as of the first day of the first pay period which began on or after January 1, 1958.

(b) This section, the first section, and sections 4 (b), 4 (e), 4 (h), 4 (j), 4(q), 4 (t), 5 (1), 5 (j), 7, 8, 9, 10, and 11 shall take effect on the date of enactment of this act.

(c) Sections 5 (h), 12, and 13 shall take effect on the first day of the first pay period which begins on or after the date of enactment of this act.

(d) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this act shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

The SPEAKER pro tempore. Is a second demanded?

Mr. REES of Kansas. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MURRAY. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this legislation as provided by the committee amendment would increase the annual rates of compensation of approximately 1,064,072 officers and employees in the executive, legislative, and judicial branches of the Federal Government. The main difference between this bill as passed by the Senate and as recommended by your Committee on Post Office and Civil Service is the amount of salary increase given the employees covered by this legislation.

The bill as it passed the Senate provided 7½ percent salary increase. The salary increase our committee recommended is 10 percent. Both the Senate and our committee recommended that that increase be retroactive to the first day of the first pay period which began on or after January 1, 1958.

I will say that I thought the 10 percent increase provided by this amendment was too high and should have been somewhere around 7½ or 8 percent. I was also strongly opposed to the retroactive feature making this pay increase effective on the first pay period after January 1, 1958. This retroactive feature will cost the Government over $200 million, but since the postal pay and rate bill has already been passed and signed by the President, and since that bill gives the postal employees retroactive pay back to January 1, I feel that the classified and other employees of the Federal Government are entitled to the same treatment and the same consideration as the postal employees.

I do not think it is fitting for me to be complaining at this time since the postal employees have already received retroactive pay to January 1, and like treatment should certainly be accorded other employees of our Government.

The bill also increases from $16,000 to $17,500 the existing maximum salary rate of the General Schedule of the Classification Act of 1949, as amended.

The salary increases apply to these categories of officers and employees:

First. Employees whose positions are subject to the Classification Act of 1949, as amended.

Second. Officers and employees in the judicial branch of our Government, including court reporters for district courts of the United States, secretaries and law clerks of Federal, circuit, and district judges, and certain others.

Third. Officers and employees in the legislative branch of the Federal Government, with certain exceptions.

Fourth. Officers and employees of the Department of Medicine and Surgery in the Veterans' Administration.

Fifth. Officers and employees of the Foreign Service of the United States under the Department of State.

This legislation also provides in the amendment that an additional 2½-percent cost-of-living increase be paid, effective for 3 years, for postal employees in levels 7 to 19.

As the Members know, when the postal pay bill was enacted, a 7½ percent permanent increase was given to all postal employees. Those employees who were in levels 1 to 6 were given an additional 2½ percent temporary increase for 3 years and the employees in level 7 were given 1½ percent for a temporary period of 3 years and the supervisory officials in level 8 and above were not given any temporary increase. When the President approved this legislation, he complained strongly about this discriminatory feature. He said that all employees, whether supervisors or higher officials or not, were entitled to the same consideration as those in the first seven levels.

I heartily agree with this statement of our President and for that reason this amendment provides that those supervisory officials, including postmasters in the larger cities, would have the 2½ percent temporary increase for a period of 3 years as those in the first 6 levels. For level 7, where a 1½ percent increase was given, this amendment adds an extra 1 percent, giving them the same 2½ percent temporary increase as those in the first 6 levels.

The President said that when Congress stopped the temporary increase at level seven, it was a distortion of the postal field service pay schedule and that such action was inconsistent with the basic principles of equal pay for equal work, and recognition that postal salaries offer substantial differences according to the difficulty and the degree of responsibility of the work performed by employees.

I have just received the following letter from Postmaster General Arthur E. Summerfield in strong support of this amendment:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 2, 1958.

Hon. TOM MURRAY,
Chairman, Post Office and Civil Service Committee, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: You will recall our recent conversation concerning the salary inequities created by the enactment of Public Law 85-426 affecting thousands of postal supervisors and postmasters.

Knowing your keen interest in fair salary treatment for all postal employees, the Post Office Department strongly recommends prompt action to eliminate this discrimination.

This can be accomplished by extending the same percentage pay increase provided in Public Law 85-426 for the first 6 levels of the postal field service salary schedule to all the remaining levels. The cost of such an extension is estimated at $5½ million a year, which is nominal in comparison with the $265 million in pay increases for postal employees provided by the legislation recently enacted.

Postal supervisors are chosen from the ranks. Equitable salary treatment for them will restore the incentive to all employees to seek advancement to the more difficult and responsible positions.

Postmasters who are responsible for handling an ever increasing volume of mail, controlling substantial sums of money and directing large numbers of employees, should also be accorded fair treatment and have their salaries increased proportionately.

It is my understanding that you will offer an amendment to S. 734 to accomplish this purpose. Such an amendment has my wholehearted endorsement.

Sincerely yours,
ARTHUR E. SUMMERFIELD,
Postmaster General.

I realize the tremendous cost of this legislation. No one is stronger for holding down the cost of the operation of our Government than I, but at the same time I fully realize that the classified and other employees included in this legislation are entitled to a reasonable increase. They have received only one increase since 1951. That only increase was in 1955 when they were given a 7½ percent increase. I feel that in view of the postal pay legislation which has already been approved by the President, this legislation should also be approved for the classified and other employees, including the judicial, those in the Foreign Service and in the Veterans' Administration, and the differences in pay is set forth in S. 734 and the House committee amendment should be adjusted in conference.

As I said before, the cost of this legislation will be $547,669,447. That is a tremendous amount of money—I am very hopeful that the Director of the Budget will carry out section 9 of our amendment which provides as follows:

SEC. 9. (a) The Director of the Bureau of the Budget is authorized and directed to provide by regulation for the absorption from the respective applicable appropriations or funds available for the fiscal year in which this act is enacted, by the respective departments, agencies, establishments, and corporations in the executive branch, to such extent as the Director deems practicable, of the costs of the increases in basic compensation provided by this act.

This amendment provides that it is applicable to not only this fiscal year but succeeding fiscal years. I am quite confident that the Director of the Budget can hold down the cost of this legislation due to changes in service, and due to retirements, resignations, and deaths of employees. Having great confidence in the present Director of the Budget, I feel sure he will carry out the provisions of section 9 of the amendment.

Certainly we must do everything we can to reduce the cost of our Government, and I have long been disturbed at the tremendous cost of our Government. As long as we keep increasing expenditures, I do not see how we can ever decrease taxes. It is a serious proposition, but at the same time we must treat our employees fairly, and I think this legislation is proper and should be approved by this body and then the difference between the 7½-percent approval of the Senate and the 10-percent approval of the House can be adjusted in conference.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Assume that a Congressman had a clerk who worked in April and May. This bill becomes effective January 1. Does that affect getting the 10-percent increase for those employees?

Mr. MURRAY. That is correct. It is retroactive in pay to January 1.

Mr. HOFFMAN. Even though that employee does not work any more?

Mr. MURRAY. That is correct. If the employee retires or if he should die then the amount due will go to his survivor.

Mr. HOFFMAN. How much bookkeeping will that take?

Mr. MURRAY. Quite a little.

Mr. HOFFMAN. Even if he was fired for incompetency he would still get the 10 percent?

Mr. MURRAY. No; that is not correct.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield.

Mrs. ROGERS of Massachusetts. As I understand it, this takes in the medical profession, the nurses and doctors in the various Government services? Is that correct?

Mr. MURRAY. That is entirely correct. The amendment includes an amendment offered by the gentlewoman's committee, by the gentleman from Texas [Mr. TEAGUE], the chairman of the committee, who worked this out.

Mrs. ROGERS of Massachusetts. Yes; it is my understanding they would be included. But this does not include the unclassified workers?

Mr. MURRAY. Those who are on per diem are not included with those who get salaries.

Mr. CORBETT. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. The gentleman in reply to the query of the gentleman from Michigan I believe inadvertently gave a wrong answer. The only persons who would be entitled to receive this retroactive pay would be those who have retired or are deceased. If they were involuntarily separated or separated by resignation they would not be covered by the terms of this bill.

Mr. HOFFMAN. If the gentleman will yield further, is the gentleman sure about that? This bill covers 10 percent to all of them who have been in since January.

Mr. CORBETT. But it deals with present employees of the Government.

Mr. HOFFMAN. It applies just to those who are on the payroll when the bill becomes law?

Mr. CORBETT. Certainly.

Mr. MURRAY. I thought it applied to all who were on the payroll since January 1.

Mr. CORBETT. And who were retained on the payroll and are presently covered.

Mr. MURRAY. I thank the gentleman. I am herewith attaching a summary of the categories and number of

employees and the estimated increased annual cost of S. 734 as amended by the House Committee on Post Office and Civil Service:

Categories and number of employees affected and estimated increased annual cost of S. 734, as reported by the House committee

Section of bill	Coverage	Number of employees	Annual cost
Sec. 2	Classification Act of 1949, as amended	978,632	$513,205,700
Sec. 5	Doctors, dentists, and nurses, Department of Medicine and Surgery in Veterans' Administration.	19,485	12,850,647
Sec. 6	Foreign Service	12,636	9,792,400
Sec. 4	Officers and employees in or under the legislative branch.	6,200	4,090,000
Sec. 3	Officers and employees in or under the judicial branch.	4,119	2,230,700
Sec. 14 (amendment)	2½ percent only increase for post office supervisory employees.	43,000	5,500,000
	Total	1,064,072	547,069,447

Mr. REES of Kansas. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, as one who represents more Federal employees in the Congress than any other Member, I rise in vigorous, enthusiastic, and sincere support of this legislation. I believe my colleagues will agree that my position is consistent with the best principles of representative government.

I recognize however, that my appeal here has to be based upon more than just a personal desire to serve my people; it has to be based on what is in the best interests of the Nation as a whole and what is fair and proper for both sides.

Mr. Speaker, you have heard the story many times before, and whenever you have heard this story and heard the recommendations made by our committee, you have gone along with it rather overwhelmingly. Last year the committee recommended a bill providing an increase of 11 percent. It was passed overwhelmingly by this body, but was subsequently vetoed. Since that time there has been a steady increase in the cost of living and other wage adjustments for employees in other fields. In spite of this continued increase in the cost of living and in spite of the fact that we went along with the 11 percent last year, and in spite of the fact that many of us introduced legislation providing for a larger increase, the committee came out with a compromise of 10 percent, which is less than we approved overwhelmingly last year in spite of the increase in the cost of living.

I strongly feel, Mr. Speaker, this is a minimum compromise that the Congress should accept at this time. Why is it a minimum compromise? In the first place, better than 50 percent of the Federal employees earn less than $60 a week take-home pay. It does not take an economist to realize that it is almost impossible to provide for one's family the basic necessities of life with such an income. Furthermore, we have not over the period of years granted increases to the Federal employees consistent with the increased cost of living. I will take one grade for an example, and that is grade 7 which is the medium grade between 1 and 15 exclusive of the so-called supergrades. Grade 7 today is receiving $4,525 per year. In 1939, that grade was receiving $2,600 per year. All of us agree that in 1939 the cost of living had been somewhat stable for several years. The cost-of-living index, the Consumer Price Index shows that as of December 31, 1957, the cost of living had gone up to 104.7 percent. Yet, the total salary increase of that medium grade has amounted to 74 percent. In order for the grade 7, the medium grade, to receive the same gross income they received in 1939, we would have today to grant an increase of 17.6 percent. For that same employee to have the same purchasing power and the same net take-home pay after taxes and retirement payments are taken into consideration and to buy the same number of loaves of bread, and the same number of pairs of shoes, we would have to grant today an increase of 25 percent. Yet, this bill only provides for an increase of 10 percent. That is the reason I say it is a minimum compromise that we should accept. I think all of my colleagues will agree that we get what we pay for in every walk of life, and most certainly if we do not properly adjust these wages and these salaries, over a period of time the quality of our personnel is going to be lowered. The efficiency is going to be lowered and the cost to the Government as a consequence will naturally be higher. I think all of my colleagues will also agree that we should be fair with all of our employees and provide the same increase for the classified employees as was provided for the postal employees within the last few weeks, which is a little over 10 percent. In fact, the amendment offered by the chairman here today is equalizing that, so as to provide a minimum 10 percent for all postal employees. I hope this body today passes this bill by such an overwhelming vote that it will encourage the conferees to hold to the 10 percent figure in the conference. Recognizing that the other body did approve 7.5 percent before, and there would naturally be an inclination on the part of our conferees in the conference to compromise somewhere between that amount, I believe the overwhelming vote today should indicate the feeling of this body that we believe all of our employees should receive the same and equal treatment. The only way we can be fair to all the employees is to insist on this minimum bill of 10 percent at this time.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. BOW. Does the gentleman believe that if this increase were granted, taking into consideration the great amount of income in the gentleman's District, that perhaps we could cut down on the amount that we contribute to the schools of his District?

Mr. BROYHILL. No, I do not agree with that. The Federal Government contributes to the schools on the basis of the fact that the Federal Government owns property in that area on which it does not pay taxes. I do not think you can penalize the employees of the Federal Government because of the cost of the Government operation on tax-free property in our districts. I do not believe there is any connection between the two.

The average Government employee makes less today than the average coal miner, steel worker, automobile worker, oil worker, or construction worker. It was not always this way. A Government position used to be sought after, not only because of the opportunity of service that it offered, but also because of the good pay and fine working conditions that Government employees used to enjoy compared with other groups in the population.

This is no longer so. We have allowed the status of Government employees to deteriorate. Let me illustrate the experience of one occupation in the Government with which we are all familiar—that of the letter carrier. The average letter carrier today makes $4,383. In most American cities this is less than is required, for what I called before, an adequate but modest cost of living. It is no wonder, therefore, that most postal employees have to look for a secondary job to supplement the income that they receive for long hours of work in the post office. During the past 10 years, the average salary of a letter carrier has increased by 52 percent, but most of this increase was absorbed by the rise in cost of living so that during the whole decade since 1946, the real rise in the wages of letter carriers has been only 10 percent. Compare this with an increase of three times as high for workers in manufacturing, coal, and building construction. Even retail employees have gained relatively twice as great a wage boost in real wages during the past decade than those of the letter carrier.

The lot of the classified civil service employee is not much better. Their money wage over the decade between 1946 and 1956 has increased by 61 percent, but the average real wage has risen by only 16 percent, or half as much as that in manufacturing, coal, and building construction.

Over the past 2 years alone, since Federal Government employees have received their last and inadequate salary raise, wage rates of the major groups in American economy have risen between 10 and 20 percent.

Is it, therefore, any wonder that the position of Federal employees has corroded over the years and that the status

of Federal employment has been seriously injured.

In private industry we take it for granted that the increases in cost of living and improvements in productivity are compensated so that the remuneration of employees improves with increases in productivity. Most Government jobs do not lend themselves to measurements of productivity, but such measurements do not appear necessary. It is quite obvious that Government employees who perform essential services and who help create a climate which makes possible the overall growth of productivity should be entitled to share in the economic growth of this economy.

But in some areas where productivity of Government employees can be measured, like in the post office, we find that the rise in productivity has compared favorably with that in private industry. According to the Postmaster General and the Bureau of the Budget productivity of postal employees has increased at an annual rate of some 3 percent, and the best available data indicate that these increases are going to continue in the future.

Plain justice and fair play would therefore require that we grant a substantial wage increase to Federal employees in order to make it possible for them to catch up with the increases granted to employees in private industry doing comparable work. This in itself would be sufficient and good reason for granting the increase, but there are other compelling reasons which would require Congress to raise the wage and salary scales of Federal employees.

Evidence presented before the House Post Office and Civil Service Committee shows that in many cases the Federal Government has difficulty in hiring suitable personnel to replace those who retire or who leave Government employment for more remunerative occupation outside of Government.

In addition, independent studies conducted by the Department of Defense, the Civil Service Commission, and a commission especially appointed by the President to study the problems of Federal pay practices have all concluded that in many areas, Federal wages and salaries are too low to attract the necessary caliber of men to perform the high level of responsibility that Government work requires.

Mr. Speaker, I am in favor of reducing the budget and in favor of reducing the heavy burden that taxation brings upon our population. But we cannot accomplish this at the expense of the already underpaid Federal employees. Failure to enact a fair wage increase to Federal employees will not constitute a saving but a loss. Failure to act now would impair essential Government services and would, therefore, constitute a damage to our total economy.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. FULTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. Mr. Speaker, I strongly favor passage of this bill for a 10-percent pay raise for classified employees and other classes of employees of the Federal Government, and recommend this action heartily to my colleagues. The Congress should recognize the good and efficient work these employees have rendered to the American people, and should realize the urgent need for this increase in pay.

These classified employees have been given only one pay raise since the year 1951. This previous raise was 7½ percent in the year 1955. Compared to employees in business and industry, this pay raise is long overdue. The cost of living has increased every year and this pay raise, which is a minimum, should be promptly passed.

As this legislation has been the subject of much controversy, which has delayed the passage of the bill, the pay raise should be made fully retroactive to January 1, 1958, in order to do full justice to our worthy Government employees.

Mr. REES of Kansas. Mr. Speaker, I yield 6 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, before I learned that this bill was coming to the floor of the House under suspension of rules which permits committee amendments only, I had intended to offer an amendment to the bill. My amendment would provide that only 50 percent of the vacancies among classified employees could be filled until a 5-percent reduction had been effected in personnel for the fiscal year 1959. I will read my proposed amendment:

SEC. 15. Effective July 1, 1958, or 30 days after the enactment of this act, whichever is later, positions, the grades and rates of compensation for which are specified in sections 2, 5, 6, and 7 of this act, becoming vacant shall not be filled: *Provided*, That this limitation shall not apply to—

(1) not to exceed 50 percent of all vacancies;

(2) departments or independent agencies the total positions within which does not exceed 100:

Provided further, That when total employment, the compensation for which is prescribed in sections 2, 5, 6, and 7 of this act, shall have been reduced to a figure not exceeding 95 percent of the total number provided in the various appropriation acts for the fiscal year 1959, this section shall become operative: *Provided further*, That this section shall cease to be effective on June 30, 1959.

Since I learned only yesterday that this bill was to be considered under suspension of rules, I have just talked with the chairman of the committee, my good friend and able colleague from Tennessee [Mr. MURRAY] and also my good friend and able colleague from Kansas [Mr. REES], the ranking Republican member of the committee, and asked them if they would offer my amendment as a committee amendment. They feel that it would not be proper since the Post Office and Civil Service Committee has not had an opportunity to act on the amendment.

As most of my colleagues know, in 1952 and 1953, a similar amendment introduced by myself was adopted on five appropriation bills, and the effect of those amendments on those appropriation bills kept many thousands of people off the payroll, without a single Federal employee losing his or her job. My amendment, as you know, reduces Federal employees by the attrition method by not filling vacancies that occur through death, retirement, and resignation. Since the committee will not offer my amendment as a committee amendment, I can only wait until the supplemental appropriation bill is considered by the House, which of course will be necessary to support this legislation with dollars, as is the case with most every legislative bill that comes before the Congress. Had this amendment been adopted to this bill and made law it would have saved in the fiscal year 1959 $240 million, which is $40 million more than is estimated that the retroactive section would cost.

Some of our liberal spenders of taxpayers' dollars will say $240 million is hardly worth saving, but who knows what effect that last straw will have on the future of America. I say, Mr. Speaker, $240 million is not hay in anybody's language, and we had best start saving wherever we can. At a later date when the appropriation bill comes here, I propose to find out whether or not this House is interested in making such a saving, and at that time I propose to demand a yea and nay rollcall in order that the people in each Congressional District will know the attitude of their Representative in Congress on the all-important issue of Federal spending.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Tennessee.

Mr. MURRAY. The gentleman spoke to me about this amendment only this morning, and then it was too late to secure consideration by the committee and it could not be considered as a committee amendment.

Mr. JENSEN. Yes; I explained that.

Mr. MURRAY. The gentleman has put such a rider on bills in the past and I have always supported him.

Mr. JENSEN. I thank the gentleman.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I agree with the gentleman to this extent that a great amount of money could be saved if the agencies of the Government would, every time a person is separated from the payroll, not fill the position until it is shown that to do so is absolutely necessary to the proper functioning of the agency.

Mr. JENSEN. I am glad to see that the committee did include a provision in this bill directing the Bureau of the Budget to see to it that the agencies affected make every attempt to save money by this very method of not filling vacancies. But as the gentleman knows, it is always best to say to the fellow who is working for you alone or for all

the people: "This is what you must do," and say it in such language that your orders are sure to be carried out, and in this instance to the letter of the law.

Mr. MURRAY. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Speaker, the challenge of Soviet scientific achievements has reawakened America to the necessity of having the ablest and the best trained personnel in our Federal service, working for our national preservation. In recent years we have witnessed a marked deterioration in the prestige of our civil service. Government personnel directors can testify to the serious difficulties they have faced in recruiting trained personnel for Government jobs. The Federal agencies have been unable to compete with the alluring offers from private industry.

In addition, the civil service has been losing valuable, skilled employees through the enticements of higher paid positions elsewhere. Turnover rates as high as 25 percent among highly trained employees have been cited. In the interests of our national welfare and the retention of a high caliber civil service, we must authorize immediate and substantial pay increases for our Federal classified employees so that they can regain lost ground in our expanding economy.

The continued and accelerated upward spiral in the cost of living have left Federal employees bearing the brunt of the inflation. The cost of living has far outdistanced the meager increases in the Federal pay rates. The pressure of the never-ending treadmill of trying to purchase the necessary goods and services for their families and themselves with dollars of declining relative value ha. led many Federal employees to take secondary jobs or to have their wives go back to work.

Recent surveys indicate that for a family of four to maintain a modest but adequate standard of living their annual income must be at least between $4,700 and $5,000. Yet the median wage for Federal classified employees is $4,075. In other words, more than half of our Federal civil servants are receiving substandard wages. This is a disturbing situation which calls for immediate action.

Over the past decade, while workers in private industry, with the assistance of their unions, have considerably improved their conditions both in wages and in added fringe benefits, Government employees, precluded from the advantages of collective bargaining, have steadily lost ground. Federal workers have been given only one general wage increase of 7½ percent for classified employees in the last 6 years, while many workers in the business world have been getting annual wage boosts commensurate with their increased productivity and the rise in the cost of living.

In the 3 years since the Federal employees received their last pay raise, wages in manufacturing have gone up 14 percent; in wholesaling 13 percent; and in mining they are up 21 percent. One has only to compare the changes in real income of Government employees with various other occupational groups over a 17-year period from 1939 through 1956 to realize how poorly the civil service has fared in our growing economy. Bituminous-coal miners have enjoyed the largest increase in real income of 107 percent. But other groups have also prospered: Lumber workers, up 73 percent; textile workers, up 64 percent; chemical workers, up 58 percent; meatpackers, up 47 percent; even schoolteachers are up 36 percent; and retail clerks, up 24 percent, to mention only a few. And where do we find the Federal Government workers? At the bottom of the list, with a modest 14-percent increase in their real income. To raise Government salaries to the pre-World War II status would require a pay raise of at least 25 percent, a much greater figure than anyone is proposing.

The disparity in wage increases and real take-home pay is not confined to a comparison of Federal employees with other occupational groups. Even within the Government service this disparity extends to the relationship of classified employees' salaries and the earnings of nearly 700,000 Federal employees whose rates of compensation are not set by the Congress, but rather are based upon the prevailing wage rates in the communities where they are employed. These Federal wage-board workers have received repeated upward adjustments which have kept their wages in line with the cost of living, but which have also placed them far ahead of their fellow classified employees in terms of increased income. The Department of the Navy reports that its wage-board employees have received pay raises totaling 25.8 percent since 1951, while the Federal classified employees have had to settle for 7½ percent. Numerous situations have been created where classified supervisors are paid lower salaries than the wage-board workers they supervise. If this condition is allowed to continue, we will witness a further decline in the morale of our Federal service, which we cannot afford in these perilous times.

Today the median salary in the 927,822-man classified service is $4,075 compared with that of the wage-board employees of $4,597. This is quite the reverse of the picture in 1950 when the classified service salary median was $3,225 as against the wage board's $3,099. These figures clearly illustrate the unjustified inequities in our Federal pay system. We in Congress are now faced with the responsibility of removing these detrimental inequities before they endanger the whole quality of our civil service.

Our economy-minded friends in both Houses argued last year that we could not afford to grant Federal pay increases because the cost would add to the already huge Federal expenditures and precipitate an increase in the Federal debt limit. I favor Government economy wherever possible, but I say to these colleagues we cannot afford not to authorize some upward adjustments in our Federal pay scales. It would be faulty business logic and false economy to allow a slow deterioration of our Government service in the name of economy. The replacement costs of training new, skilled employees would far outweigh the savings gained from not giving a pay raise. The Hoover Commission reports that it costs $3,000 to recruit and train a new Federal employee.

Another argument propounded by opponents to a Federal pay increase was that these raises would start an inflationary chain reaction. This appears to be a case of confusing cause and effect. Actually, the Federal employees have become the special victims of the inflation. Why should this one small segment of our economy be singled out to hold the line in the fight against inflation, by foregoing justified salary increases, in the face of the complete failure of the administration's efforts to restrain price increases in other segments of the economy?

We are confronted here with the almost unbelievable spectacle of the richest country in the world today keeping a majority of its Federal employees on what is subsistence pay or less. To authorize a pay increase would only be remedying an inequality.

National self-interest requires us to improve the wages of our Federal employees and to return them to an equitable position in our economy. I know I need not belabor the importance of our civil service to the workings of our whole society. In recent years, the Federal Government has grown to have such a vital role in the economy and in the preservation of our way of life. It is essential that our Government be manned by the most capable and best trained of our citizens. We cannot hope to entice qualified personnel into Government service with our present inadequate pay scales. It would be sheer folly to let this pressing problem go unsolved any longer.

Therefore, Mr. Speaker, I wish to say that I favor suspension of the rules and passage of this legislation.

Mr. MURRAY. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Speaker, like several members of our committee, I introduced legislation similar to this bill which is before the House today. Our committee went over this legislation very carefully in the hearings, and went into every possible detail. I believe it is the best compromise our committee could bring to the floor, the bill that is presently before you.

I therefore strongly favor same and urge you to support this bill.

Representatives of the administration and of every major Federal employee organization have agreed that salary increases are justified. During the hearings held in the first session of this Congress on pay increase legislation, which passed the Congress but was vetoed by the President, witnesses representing the Federal employees were unanimous in their testimony with respect to the need for immediate and substantial classified pay increases. The pay increases they urged were not only in fairness to employees, so that they could regain lost ground arising from increased costs of living, but, also, in the interest

of the Government itself. Inadequate compensation was given as the primary reason for the high turnover of Federal employees—particularly in the scientific, engineering, and technical fields of Government activity which are essential to the maintenance of a strong national defense. Turnover rates of 25 percent a year and higher were cited, with instance after instance of trained and highly capable employees leaving Federal employment to accept higher paid positions in private industry.

The cost of recruiting and training new employees and bringing them up, through the necessary period of service, to the standard of production of those they replace is a tremendous item of expense which well could outweigh a large part of the direct payroll cost of the salary increase provided by this legislation.

I strongly supported the 11 percent pay increase which was passed by the House last year. Frankly, I felt that a larger increase than 11 percent was more than justified. I still feel that a larger increase should be considered; however, in the spirit of compromise, I am supporting this legislation which provides for an increase of 10 percent per annum.

I hope the House will pass the bill so that differences between the House and the Senate can be worked out and the employees will receive the benefits of this legislation, which is long overdue, in the form of larger paychecks at the earliest possible time.

I also urge your support for the committee amendment. This amendment is fair and equitable and gives a full 10 percent pay increase for all postal supervisors and postmasters. Since the postal employees have a bill now, a law providing for their 10 percent pay increase, it is only fair that this bill, as amended, be enacted into law to provide a 10 percent pay increase for all other Federal employees.

Mr. REES of Kansas. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. CEDERBERG].

Mr. CEDERBERG. Mr. Speaker, I do not intend to take the 4 minutes that have been allotted to me. I rise in support of the pending legislation. A pattern has already been set in the previous conference report which was adopted regarding postal rates and postal pay for our other workers. I certainly hope that this legislation will be adopted overwhelmingly and that no demand for a rollcall will be made because then it will be necessary to delay calling of the roll until Thursday. If this can be prevented, the bill may go to conference right away; the sooner the better.

Mr. Speaker, I want to commend the gentleman from Tennessee for putting this amendment in here which will erase an inequity as far as postal supervisors are concerned. It was not in the previous legislation.

Mr. BROYHILL. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Virginia.

Mr. BROYHILL. In view of the fact that we do grant a minimum of 10 percent in this bill and around 10.3 for postal employees, if the Senate does not concur in this legislation does not the gentleman feel that our conferees should insist upon the House position; that is, grant a minimum of 10 percent for the classified employees?

Mr. CEDERBERG. I have no question but what that will happen in the other body, knowing that body as I do. I have every confidence it will come back with 10 percent and I hope the other body will do that.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I rise in support of S. 734. This bill, as amended by the House Post Office and Civil Service Committee, would provide for a 10 percent increase for Federal classified civil service employees. This increase is justly deserved and urgently needed. In fact, I believe we should have passed this bill months ago.

Our Federal classified civilian employees play an essential part in making it possible for our Government to function. We should certainly be fair with them and be prompt in enacting legislation which will give them a fair and just pay increase. In the San Francisco Bay area of California, the Federal wage board employees have received three pay increases in the last 3 years, as their wages are adjusted periodically to be competitive with those in private industry and business. On the contrary, the Federal classified civilian employees in the same area have received no pay increase for 3 years. This has been unjust to the Federal classified employees and has created serious inequities. In some cases Federal classified employees are receiving less pay than Federal wage board employees under their supervision. This is most detrimental on morale and should be corrected.

I hope that the House of Representatives will pass this bill today unanimously. I also hope that the conferees who will then be appointed to resolve the differences between the House bill and the bill passed by the other body will resolve these differences promptly so that we may then act to approve the conference report and send this legislation to the President for signature as soon as possible.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MCDONOUGH].

Mr. MCDONOUGH. Mr. Speaker, I rise in support of the pending legislation to increase the salary of Federal employees. I believe it is timely. I favor the House resolution for a 10-percent increase over the Senate resolution for 7.5 percent and I further favor that this increase be retroactive to January 1, 1958.

This raise in pay for Federal employees is long overdue and has not kept in pace with the rise in the cost of living.

The following statement from the committee report confirms this:

Since 1951 Federal classified employees have received only a 7.5-percent salary increase, granted in 1955. During the same period employees in private manufacturing industries have received an average of 31.4 percent in pay raises, and nearly three-quarters of a million Federal wage-board employees have received comparable increases.

The Consumer Price Index of the Bureau of Labor Statistics rose only 3.07 percent between the 1951 and 1955 salary adjustments for these Federal employees. Since the 1955 increase, the index has risen 7.9 percent—that is, 2½ times as much in the last 39 months as it rose in the preceding 42 months. Latest Bureau of Labor Statistics figures show it still on the rise.

Earlier allegations of an inflationary effect due to Federal salary increases, presented by opponents of such increases, now are purely academic in the present trend of our economy. The salary adjustments provided by this legislation should tend to have a valuable influence in the efforts to arrest the decline in the national economy.

I compliment the House Post Office and Civil Service Committee for the fine job they have done and on reporting this bill to the House for action.

I will support and vote for the bill and I urge all Members of the House to vote favorably for its passage.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Speaker, I rise in support of the pending legislation to increase the pay of our Federal employees. It is a measure long overdue. As you know Government employees have now gone since 1955 without receiving any cost-of-living or other salary adjustments, during which time the cost of living throughout the Nation has continually risen. This has had the effect of shrinking the salary of classified Government workers who are in a fixed salary bracket.

It is vital to the efficiency of Government operations to retain in Federal service its highly skilled and professional personnel who are now being attracted from Federal service by more attractive pay and fringe benefits offered by private enterprise.

The Federal Government has always lagged behind the pay in private industry, and it is now further behind than usual. Employees in private industry have their bargaining units which take care to see that pay is commensurate with the cost of living. The Congress is the only place to which the Federal employees may look for equitable treatment. It is high time we recognized our responsibility and pass this legislation.

Mr. MURRAY. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. ROBESON].

Mr. ROBESON of Virginia. Mr. Speaker, the effect and the coverage on this legislation has been most ably explained by our distinguished chairman, the gentleman from Tennessee, [Mr. MURRAY], and I will not burden the RECORD with additional details regarding its many benefits.

I do believe it appropriate, however, to emphasize and reaffirm the great importance of early approval of this legislation to the interest of the classified and other employees who will benefit. These one million or more employees have placed their reliance in the Congress for fair and equitable salary adjustments. I might say that these employees, also, consistently have followed

this policy and by and large feel that their faith is fully justified. Approval of this legislation will be keeping faith with them.

I am fortunate in having thousands of these Federal employees engaged in the conduct of vital defense activities in my District. Therefore, I have the benefit of first-hand experience, through hundreds of personal discussions with friends and neighbors who certainly have brought home to me their urgent need for adjustments in their Federal salaries.

There is one feature of Federal salary consideration which, in my judgment, has not been brought out clearly enough up to this point. This is the factor which causes perhaps greatest concern to many of our outstanding and very capable Federal employees. There is no question but that Federal salaries are lagging far behind those in private enterprise. One immediate and undesirable result is that our Federal employees gradually have been moved farther and farther downward in the economic and social scale in relation to their friends and associates in private industry who have not had to wait so long for improvements in their incomes. Not only is this tied to a lack of ability to obtain material things—the necessities and a few comforts and luxuries of life—but, also, there is a natural tendency for widely varied income groups to move apart in their interests and pursuits. This works a real hardship on those who are not able to move with their old friends and neighbors.

Still another factor is the pride which every Federal employee should and does take in his work and the prestige which public service should bring to him. I think most of us will agree it is only human to suffer a loss of pride and prestige where one's employer fails or delays in giving deserved recognition—particularly when it comes to compensation for services rendered. I know from personal observation and long experience that these Federal employees are doing an outstanding and productive job for their Government and are the most vital link in maintaining a national defense capable of meeting the threat of any potential enemy.

I strongly support the motion to suspend the rules and pass S. 734 with the proposed amendments, and urge its approval so that the employees may obtain the recognition they have earned in the form of substantial increases in their take-home pay.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I strongly favor this legislation and only regret that the long deadlock over the postal pay and rate raise bill has prevented its being enacted into law long ago. The feature making the increase retroactive to January 1, 1958, helps some.

One possible partial consolation for the delay is that if the bill had been passed last year, it probably would have provided a somewhat smaller increase than the 10 percent in the present bill. In the end the employees affected may receive a total larger amount under this bill, especially if the other body will accept our bill and the 10 percent figure, as I hope and believe is likely to be the case.

There are some real advantages and satisfaction in Federal employment. Surely the greatest disadvantage and the cause of greatest wear and tear to the employee, is the difficulty in getting ponderous Government machinery to move without unconscionable delay in making adjustments in salaries and making conditions necessary to keep pace with the times and with rising costs of living. I am glad that at long last this overdue bill is on the way to final passage.

Mr. REES of Kansas. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the provisions of this legislation have been explained in some detail by our chairman. Briefly, the bill grants salary increases to 1,021,072 employees, including 978,632 under the Classification Act; also, 19,485 doctors, dentists, and nurses in the Department of Medicine and Surgery of the Veterans' Administration, 12,636 in the Foreign Service, 6,200 in the legislative branch, and 4,119 in the judicial branch.

Our committee held complete hearings on salary legislation during the first session of this Congress. Representatives of every major Federal employee organization presented their views. Testimony was also submitted by representatives of the executive branch.

On the basis of information and evidence developed at the hearings, our committee approved House bill 2462, which provided for an increase of 11 percent for classified and other employees above-mentioned. Following that, Senate bill 734, which provides for a 7½ percent increase for these employees, was amended by striking all after the enacting clause and inserting the language of the House bill with a further amendment providing a 10 percent salary increase for classified employees, employees in the judicial and legislative branches, Foreign Service personnel, and doctors, dentists, and nurses in the Department of Medicine and Surgery in the Veterans' Administration.

The annual cost of this legislation is estimated at $542 million—representing an average increase per employee of $530 a year. Approval of this legislation will represent one of the most generous salary increases that has been enacted in many years. I hope that the House will approve the reported bill with the amendments offered by the chairman, so that the differences between the House and the Senate can be worked out in conference in order that the employees will receive the benefits of this legislation at an early date.

It is my opinion that if all the agencies of Government cooperate, as I hope they will, the cost of this legislation can be materially reduced through the process of attrition.

It is estimated that there is an annual turnover in Government employment of approximately 20 or 25 percent. If each agency would follow a recommendation made by our committee some time ago, by determining first whether it is necessary to fill a position made vacant rather than filling such position on a routine basis, then a considerable share of the extra cost of this measure can be saved.

In other words, let the head of each agency make sure it is necessary to hire a new employee to fill vacancies before such action is taken. There are many places in Government where vacancies need not be filled and where such procedure followed would not cause anyone to lose his job. More consideration of such policy will make considerable difference in the cost of Government.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, some Members of Congress as well as the average citizen are somewhat confused as to the real reason for the present unemployment, the ever increasing cost of living, the larger than usual bank deposits. There are demands for increases in the wages paid industrial workers, an evident determination on the part of the Congress to increase the compensation of millions who are paid by the Federal Government out of funds contributed by the taxpayers.

In years gone by, we have been told that inflation was dangerous—that is, when the supply of money increased and prices continued to rise. Inflation hurt all those who had been thrifty and industrious. They always suffered a substantial loss in the diminished purchasing power of their savings as prices rose.

The President has several times told us that we were in grave danger of a depression unless wages and prices were stabilized. That statement seemed to be accepted by a majority of our people.

Nevertheless, the Congress, not only with the approval of the administration, but at its request, granted an increase of compensation, said to be long overdue, to 510,000 postal employees the approximate annual cost of which is estimated at $265 million.

Again and at the administration's request, increased the pay of approximately 2,500,000 people in the military service at an estimated cost of $576,438,000 per year.

Today, the bill before us will increase the compensation of approximately 1,021,072 officials and employees in the executive, legislative, and judicial branches of the Federal Government at an annual cost of approximately $547,669,447. That figure is the one given in the RECORD and I assume is approximately correct.

Mr. REES of Kansas. The figure given me is $542 million plus.

Mr. HOFFMAN. And the gentleman said from that up to $550 million? Will the gentleman tell me where the money to meet that obligation will come from each year?

Mr. REES of Kansas. From the taxpayers of the United States.

Mr. HOFFMAN. The taxpayers generally. Who is there in the country that has not had a wage increase? Upon what proportion of population will this $500 million plus fall? The wage earners?

Mr. REES of Kansas. Of course, this does not include the blue collar worker. I failed to mention that a while ago.

Mr. HOFFMAN. This money must come from the taxpayers?

Mr. REES of Kansas. Yes, you and the other taxpayers.

Mr. HOFFMAN. How are we to avoid continued inflation if the compensation of so many goes up?

Mr. REES of Kansas. I am not in a position to answer that question, sir.

Mr. HOFFMAN. Well, so far I have failed to find anyone who can give a satisfactory answer, that is, tell us how we can avoid inflation, which in other countries has always resulted in financial ruin to so many and which ultimately always seemed to end in a disastrous depression.

It seems rather strange for the administration to call upon workers and merchants, employees and businessmen, to hold the line on prices and wages, and for the Congress then, when requested by the administration, to add to the compensation of so many people.

Inquiry of the Research Branch of the Congressional Library gives the information that approximately 52 million tax returns were filed last year and that these returns showed that some 86 million people were taxpayers.

The net result would seem to be that the Congress, when this bill goes through, as it will, has, within the last few weeks, for the benefit of 4,031,072 people, added $1,389,107,447 to the tax burden of some 86 million taxpayers, a burden of over $16 upon each taxpayer.

That is to say, 86 million taxpayers are, through this legislation, having imposed upon them the annual payment of $1,389,107,447, or $16 each. If we put it in a little different way, it means that 86 million are being adversely affected by the additional tax burden to benefit 4,031,072 of their number.

This may be the way to cure inflation but in my humble judgment it is not holding the line as the President has so often advised union officials and business leaders must be done if we are to avoid a disastrous depression, make our country a sitting duck for the Communists.

Mr. MURRAY. Mr. Speaker, I yield the balance of the time to the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I wish to thank the distinguished chairman of the House Committee on Post Office and Civil Service for allotting me this time. I was the author of the bill H. R. 9999 which was reported by the Committee on Post Office and Civil Service during this session of the Congress. The committee-reported bill which is under consideration here today is also my substitute for the Senate bill S. 734, the bill which is before the House this afternoon.

Testimony received at the hearings on these bills and statistical information furnished by the Department of Labor gives every justification for an increase in the Federal employees' salary much larger than the 10 percent provided in this bill. I personally feel that an increase in the neighborhood of 15 percent would be more realistic. However, in a spirit of compromise and a desire to pass a bill which would be signed into law, I am supporting the 10 percent contained in this bill.

The bare figures in the Consumers' Price Index of the Bureau of Labor Statistics indicate that there has been an 8-percent increase since the last Federal salary increase in 1955. However, the actual cost-of-living increase has been approximately 18 percent. This is the amount of the increases in the wage rates being paid the employees of the General Motors Corp. under their cost-of-living escalator clause in their wage contract. Since 1955 wages at General Motors have risen 18.3 percent. Since 1951, they have risen 31.4 percent. During the same period the Federal employee's pay has risen only 7.5 percent. Thus, the Federal employee is now 23.9 percent behind the employees in private industry insofar as pay increases are concerned.

I again wish to state that it is my personal belief that the House should be acting on a bill with a 15-percent increase rather than a 10-percent increase if the Federal employee is to receive anywhere near the equal treatment that has been received by employees in private industry. However, I firmly believe that the 10 percent provided by this bill will become law and result in money in the pocket to the Federal employees. I, therefore, am supporting it.

Mr. ROBSION of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Georgia. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. Mr. Speaker, I would like very much to associate myself with the gentleman in the very splendid statement that he is making.

Mr. DAVIS of Georgia. I thank the gentleman from Kentucky.

During the first session of this Congress, the President vetoed a bill which would have increased the salaries of Federal employees on the basis that it would have been inflationary. There has been some question raised at this time that due to the recession it is not the proper time to give raises to the Federal employee. I ask, if the Federal employees cannot get raises during an inflationary period and cannot get raises during a recessionary period, when can they get a raise? I firmly believe that the Federal Government has owed its employees an increase in salary for a number of years, and that now is the time to give it to them regardless of the so-called inflationary-recessionary trends. I especially believe that it should be given at this time inasmuch as it will put additional money into circulation in the retail outlets throughout the country. Money in the retail outlets is what is needed to offset the present recessionary trends.

I urge unanimous support of this bill with the committee amendments so that the Federal employee can have money in his pocket at the earliest possible time.

The minimum amount granted under this legislation will be $270, which is the increase in the first step in grade 1. The maximum increase will be $1,500, which is the fifth step in grade 17. This bill also provides for 38 supergrades in the Federal Bureau of Investigation.

It provides for a number of increases in the 313 category. The total cost of it, according to the figures furnished us in the committee will be $547,669,447. It includes increases for the legislative employees. It includes increases for doctors, dentists, and nurses in the Department of Medicine and Surgery in the Veterans' Administration, and for 12,636 employees in the Foreign Service; for 4,119 officers and employees in or under the judicial branch and, as the chairman of the committee has pointed out, in one of the amendments which he has offered, it carries a 2½ percent temporary increase for the Post Office supervisory employees to bring that category up to the employees in level 6 and below, in the postal salary increase bill which was passed and signed by the President during the past week.

This is good legislation. It carries, as the chairman has said, a provision for absorption, as much as can be done during this fiscal year and succeeding fiscal years by departments, without interfering with and without injury to governmental services. I look for considerable absorption under that provision.

Now, I would like to address my remarks to the comments just made by the gentleman from Iowa [Mr. JENSEN]. I, too, in the past have been a supporter of proposals somewhat of the type indicated by Mr. JENSEN, namely, a controlled employment program and an overall lower total Federal employment.

In September 1955 the Manpower Utilization Subcommittee of the House Committee on Post Office and Civil Service inaugurated its present program calling for more effective manpower utilization in the departments and agencies, and, with that, a reduced Federal employment. For the past 3 years this subcommittee has worked closely with the departments and agencies to eliminate duplication and overlapping of effort as well as unnecessary positions.

When our subcommittee began this program in September 1955 we had slightly more than 2,400,000 employees on the Federal payroll. Today this number has been reduced by over 76,000. This is a significant decrease but it is not enough. I am convinced the Federal Government can get done efficiently all of its essential tasks with considerably fewer employees.

Our subcommittee in the past 3 years has continued to emphasize to the Federal departments and agencies that a close, objective review of job vacancies will result in the elimination of unnecessary jobs. Planned attrition will produce economies without the harmful effects either of cutting top priority programs or firing people. In fact, this policy was adopted by the President in December 1956 when he requested the departments and agencies of the executive branch of the Government to thoroughly examine all job vacancies before making new hires.

From experience, agencies and departments in the Government have shown

that they can reduce their employment by attrition. During the last 6 months of calendar year 1957, the Defense Department made a net civilian personnel decrease of 74,500. A large part of this reduction was through attrition. Each military activity critically reviewed its job vacancies as to essentiality and only 40 percent of the vacant jobs were filled.

In contrast to the suggestions proposed by my colleague, Mr. JENSEN, my feeling is that it is best to give the Federal departments and agencies some personnel administrative flexibility in making their employment reductions. Top management should know best the areas where the personnel reductions can and should be made. It is also recognized that an across-the-board reduction hurts the efficient operator. The meat-ax approach not only eliminates management flexibility but it allows the inefficient to continue.

Mr. Speaker, I believe that the most effective and lasting basis for reducing overall Federal employment is to continue to urge and to work with top management in agencies for planned personnel reductions through careful and objective analysis of all job vacancies.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, I wholeheartedly support this legislation providing for 10 percent pay increase for classified civil service Government employees. These Federal employees have been given only one increase in the last 7 years, while the cost of living has increased many percentage points during that time. Their pay checks have not kept pace with this rise in the cost of living, and their economic plight has worsened in the last several months. Thousands of these hard-working and loyal Federal employees are trying to support families on take-home salaries of just over $60 a week. The seriousness of this problem is emphasized by the fact that many of these employees work in vital Government operations pertaining to defense, while others work in the varied services that Government performs for the American people. If these agencies are to retain their highly qualified employees in the many categories essential to the security and welfare of this Nation, the employees must be given the opportunity to earn a living wage.

Mr. Speaker, I urge my colleagues to vote overwhelmingly in favor of this 10 percent pay increase. By so doing we will strengthen the position of the House conferees to convince the Senate conferees to adopt the 10 percent instead of the 7½ percent recommended by the other body.

Mr. TEAGUE of Texas. Mr. Speaker, I, too, want to say a word concerning section 5 of S. 734.

In the 84th and 85th Congresses the Subcommittee on Hospitals of the Committee on Veterans' Affairs, under its late chairman, the Honorable George S. Long, visited many hospitals throughout the United States to gather information on a first-hand basis concerning the operation and administration of those installations. The Hospitals Subcommittee came to a number of very definite conclusions, among them that if the high standard of medical care in Veterans' Administration hospitals was to be maintained, a sizeable increase in the salaries of professional personnel would have to be granted.

As a result of this decision, the late chairman of this subcommittee introduced early in the 85th Congress H. R. 6719, which has for its purpose the increasing of the rates of pay for employees of the Department of Medicine and Surgery in the Veterans' Administration. Three days of hearings were held on this bill in the 1st session of the 85th Congress and it was later reported favorably by the full committee.

A most unusual thing occurred following the reporting of this bill. The action of the full committee and the study of the subcommittee apparently had so impressed the Veterans' Administration, and the Bureau of the Budget in particular, that these agencies took a second look at the legislation, recommended greater increases, and then also recommended favorable action. As all Members of the House know, this is indeed an unusual step.

Many Members have received much correspondence concerning the section in the bill which relates to recognition of the services of optometrists. I am glad to be able to say to the House that the language before you today is supported by the American Optometrical Association and does not have any objection from the American Medical Association or from the Veterans' Administration.

I want to stress, too, the importance of the language which begins on page 46, line 9, which places laymen on a par with doctors insofar as management of a hospital is concerned. The net result of this language will be that laymen who manage hospitals or Veterans' Administration medical centers will receive the same pay as doctors in the chief grade. This, too, was one of the provisions of the bill in which the late chairman of the subcommittee was most interested. He early came to realize the importance of utilizing to the fullest extent possible laymen in our Veterans' Administration medical system. In doing so, of course, we free doctors for doing the duties for which they were primarily trained.

The passage of this bill today would bring much pleasure and satisfaction to the gentleman from Louisiana, the late Dr. George S. Long, if he were alive. He had worked long and diligently for it, and whatever credit accrues as a result of the passage of this section is largely due to his efforts.

The chairman of the Committee on Post Office and Civil Service in moving to suspend the rule and pass this bill has been good enough to include in his motion an amendment which is badly needed. Section 5 of the bill, among other things, would amend Public Law 85–56 to provide increases in the pay of professional personnel of the Department of Medicine and Surgery in the Veterans' Administration comparable to the increases which would be provided for classified employees in positions of similar responsibility. It also raises the maximum ceiling on base pay plus specialty allowances for doctors rated as medical, surgical, or dental specialists to $16,000 per annum. Application of the bill's across-the-board 10-percent increase to the pay of Directors of Service in the Department of Medicine and Surgery results in a maximum salary of $15,730 per annum for those officials. Accordingly, under the bill those top staff members of the Department would receive less pay than subordinate physicians who are in the top step of the chief grade and who are entitled to specialists' pay. The amendment would correct this situation for the 28 employees concerned.

Mr. Chairman, I want, also, to express publicly my appreciation to the chairman of the Post Office and Civil Service Committee and to that committee as a whole for the cooperation which has been extended to me and to the Committee on Veterans' Affairs in connection with section 5 of S. 734. This section is largely H. R. 6719 as finally agreed upon and recommended by the Subcommittee on Hospitals. After the last action of the subcommittee it became evident that it would be desirable from all standpoints that the provisions of H. R. 6719 be included as a section in this bill. The gentleman from Tennessee [Mr. MURRAY] was most cooperative and patient in taking the necessary steps to accomplish this. The entire Committee on Veterans' Affairs, I am sure, joins me in expressing our appreciation to the gentleman for his consideration and help in this matter.

Mr. SISK. Mr. Speaker, on behalf of the Committee on Veterans' Affairs, I want to comment primarily on section 5 of the pending bill.

The Committee on Post Office and Civil Service and its distinguished chairman were good enough to include, as section 5 of S. 734, most of the features of H. R. 6719, as reported by the Committee on Veterans' Affairs last July.

This bill, which was introduced and sponsored by the late Dr. George S. Long, who, at the time of his death, was chairman of the Subcommittee on Hospitals, was reported unanimously on July 11, 1957, by the committee after the subcommittee had held 3 days of hearings. The bill was designed primarily to make more likely the retention by Veterans' Administration of its medical and professional personnel. Since the bill was reported, certain changes have been proposed and embodied in section 5, which make it, in our opinion, a better bill than was the original reported version.

I will not discuss the increases provided for the various grades suffice to say that each of these provisions had careful consideration by our committee. We believe it is a merited increase and is a positive step forward.

Some Members have received considerable correspondence concerning the inclusion of optometrists in H. R. 6719, and the language which appears in section 5, I am glad to say, is supported by

the American Optometry Association. So far as I know, the American Medical Association and the Department of Medicine and Surgery of the Veterans' Administration have no objection to this addition.

I also invite the House's attention to the subsection (b), beginning on line 9, page 46, of the reported version of S. 734, which seeks to provide that laymen who are managers of Veterans' Administration hospitals shall receive remuneration on the same basis as a doctor in the chief grade in the medical service. In this day of great shortages of medical personnel it seems to the Committee on Veterans' Affairs every encouragement should be given to the use of trained laymen in the management of hospitals. Most of the management functions of Veterans' Administration hospitals are administrative in character and do not involve medical questions. It is hoped that this section will lead to an increase in the number of laymen who are managers in the Veterans' Administration medical system. At the present time there are over 40 such managers out of 173 hospitals and 16 domiciliaries.

Again, Mr. Speaker, I desire to express the appreciation of the Committee on Veterans' Affairs to the Committee on Post Office and Civil Service and to its chairman for their courtesy and consideration in including section 5 in this general pay bill, so that any pay increase which is finally granted will be effective at the same time and available on the same basis.

Mr. CUNNINGHAM of Nebraska. Mr. Speaker, as a member of the Post Office and Civil Service Committee I have supported legislation to increase the standard of living of Government employees and I support the pay bill before us today.

I also support the committee amendment which proposes to correct the postal employees pay schedule so that postal supervisors receive the same benefits as have been given other postal employees. If we are to retain a high morale among our postal employees it is necessary that we treat each group fairly. The committee amendment recognizes this need and I urge that the amendment be adopted.

Mr. ROOSEVELT. Mr. Speaker, it is most gratifying that Congress has had the wisdom to follow the postal workers pay increase with this legislation to increase the wages of classified Federal employees. In my own district in Los Angeles there is a larger than average number of Federal employees, and I am most aware of the vital need for this legislation—both from the standpoint of the problems which are clearly presented by the difficulties in maintaining living standards as living costs rise and from the increasing difficulties in retaining trained personnel who can earn more in private employment than under Civil Service.

It is eminently fair that the increase be retroactive to January 1st, in conformity with the postal pay bill.

I am happy that, even at this late stage, action has been secured. However, I cannot help but wish and hope that a better system could be devised to review the pay of Government workers. The retroactive provision of the bill will help only slightly to close the wide gap between the fixed wages of the classified schedules and the cost of living. In fairness to our civil servants and to the country as a whole, it is important that we bend our efforts toward determining ways in which it might be possible to keep the wages of postal and classified workers in line both with the cost of living and with the wages of nongovernmental workers, and, in so doing, to prevent this gap from periodically recurring.

Mr. MACK of Illinois. Mr. Speaker, I wish to join with my colleagues in support of this legislation which is designed to make vitally needed adjustments in the pay of our classified employees. The Post Office and Civil Service Committee is to be commended for bringing this matter before the House of Representatives.

During my 10 years in the House of Representatives, I have consistently supported legislation to adequately reimburse our Federal employees. I have always felt that if we are to compete with private industry we must at least approach the prevailing wage scales being paid by these industries. I believe that if we are to have a strong Government we must have well qualified individuals serving in that Government. Obviously it is impossible to have these well-qualified individuals working for the Government unless they are adequately reimbursed for their services.

The 10-percent increase provided in this bill is a very modest increase indeed. It will, however, assist our workers in meeting some of the higher costs which have been caused by the increased cost of living in recent years. The increased will also aid and assist in combating the downward trend in our economy and supply an additional source of funds which is always spent in the consuming market by our Federal employees.

Mr. Speaker, I am particularly happy that an amendment has been offered that will result in postal supervisory employees getting the same 10-percent that was recently voted for postal employees in the lower grades and which we are approving today for the classified workers.

Mr. Speaker, I strongly support this bill and hope that this legislation will receive favorable consideration.

Mr. O'HARA of Illinois. Mr. Speaker, I wish to join in commending the committee in bringing in a bill that gives recognition to the effect of inflationary conditions on our Federal workers and their need for relief. The sorry fact is that the men and women in Federal employment, in the classified and other positions as well as in the post office, if we take into account the wage boosts in private employment during these years of inflation, have actually been penalized for their willingness to work for the Government. This has had no justification on moral grounds and the continuance of a condition of underpayment of Federal workers, so much below comparable scales in private employment, is not in the public interest. The 10-percent increase is not as large as the facts and the figures justify, but at least it is an advance in the right direction, and some amends are made in the retroactive provision. Since I have been in the Congress, I have fought and voted on every occasion for fair wage and salary treatment for Federal workers and my especial interest has been in letting in a little more economic sunshine into the lives of those countless thousands who labor in humble places faithfully and loyally even though underpaid. I am happy to support the pending bill and to join with my colleagues in urging upon our conferees to stand firm against any wage readjustments below the figures in this bill.

The SPEAKER pro tempore. The question is, Shall the rules be suspended and the bill S. 734 as amended be passed?

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I move that the House insist on its amendment to the bill just passed, S. 734, and request a conference with the Senate.

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. MURRAY, MORRISON, DAVIS of Georgia, REES of Kansas, and CORBETT.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDMENT TO SECTION 217 OF THE NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I move to suspend the rules and pass the joint resolution (S. J. Res. 171) to amend section 217 of the National Housing Act.

The Clerk read as follows:

Resolved, etc., That section 217 of the National Housing Act is amended by striking out "$3 billion" and inserting in lieu thereof "$7 billion".

The SPEAKER pro tempore. Is a second demanded?

Mr. TALLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, Senate Joint Resolution 171 would authorize an increase of $4 billion in the amount of mortgages the Federal Housing Administration is authorized to insure under section 217 of the National Housing Act. Section 217 contains the mortgage-insurance authorization for all FHA programs, except the home repair and improvement program—title I—and the armed services housing program—title VIII. These excepted programs have separate authorizations and at this time need no further increase in their respective authorizations.

Since the enactment of the Emergency Housing Act of 1958 early this spring, and because of a general improvement in the availability of mortgage funds, FHA mortgage-insurance activity has risen markedly over the past several months. In January the net use of authorization totaled $157.8 million and in February $234.4 million. In March the use of insurance authorization rose to $367 million, and in April to $464 million. The activity in April was the highest in FHA history since 1950.

This increased use of FHA insurance is most gratifying to us all for everyone recognizes that the FHA programs are of vital importance to the improvement of the national economy. The leadership of the Congress was largely responsible for bringing this condition about for the Emergency Housing Act of 1958 was a Democratic measure. However, because of this desired increase use of FHA mortgage insurance we now have reached a point where FHA was required recently to stop issuing commitments except as approved, on a day-to-day basis by the central office of FHA.

This certainly must not be allowed to continue for the FHA programs, with their low downpayment and long-term loan features, are vital to a healthy home building and home financing industry which is of basic importance to our economy. For these reasons we must take this emergency type of action today. I personally regret that we could not have followed a more orderly legislative process in meeting this situation and I trust the agency will be more alert in the future to their needs and requirements in order for the committee to hold public hearings and thus be in a better position to pass upon the question of the precise amount of increase which should be authorized.

In this regard, Mr. Speaker, I believe the House is entitled to an explanation of the need for its legislating in this manner. Your committee had very little advance or definite notice of the emergency and the depletion of the fund. In fact, the first indication of this condition was contained in a letter dated May 10, 1958, from the Administrator of the Housing and Home Finance Agency. The Administrator requested an increase of $4 billion in FHA insurance authorization; he indicated in his letter that the remaining authorization would last through June 10. However, on May 20, the staff was advised informally that the FHA insurance authorization would be exhausted by the end of May.

Because of this sudden change in the Agency's estimate the committee met on May 22 and agreed to report out an emergency resolution for an increase of $1 billion in FHA's insurance authorization. This was done with the understanding that this authorization would permit the FHA insurance programs to continue uninterrupted until the committee could consider this question more fully, after public hearings. A rule was granted on the committee's resolution on May 28.

Mr. Speaker, the committee is proud of the accomplishments of the FHA and would support any reasonable request that it should make. We certainly want nothing to interfere with its work. It should be mentioned that since the committee took its action on May 22 the Senate passed Senate Joint Resolution 171, which is now before us. This action was taken after the Senate Banking and Currency Committee had concluded its hearings on general housing legislation for this year. It appears that the Senate committee found the request of the agency for $4 billion additional insurance authorizations to be necessary and reasonable. Because of this finding and our general knowledge of the existing conditions I believe the House is justified in passing the resolution and do so urge it.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. TALLE. Mr. Speaker, I am happy to underwrite the comments made by the distinguished chairman of the Committee on Banking and Currency, the gentleman from Kentucky [Mr. SPENCE]. I think it would be well at this point to give a brief history of the development of this legislation, especially from the point of view of clarifying the need for quick action.

On May 10 the Administrator of the Housing and Home Finance Agency addressed a letter to the Speaker of the House, and likewise to the presiding officer in the other body, pointing out that authorization for insurance by FHA was running out and that in all likelihood it would run out completely by the 10th of June. The authorization under current law is $3 billion plus the amount of outstanding mortgages and commitments. Mr. Cole, the Administrator, asked for an increase of $4 billion, with the expectation that that increase would carry the agency through the fiscal year 1959. In response to that letter the chairman of the Committee on Banking and Currency and I introduced identical resolutions for the purpose of making effective the request made by the Administrator of the Housing and Home Finance Agency. However, on May 21 the chairman of the committee introduced a second resolution calling for only $1 billion, and in executive session the following day that was approved. My amendment to provide a $4 billion increase was defeated by a vote of 12 to 11. Thereupon I asked for an open rule before the Rules Committee, in order that I might offer my amendment to restore the $3 billion cut.

Accordingly, on May 28, such a rule was granted and it was expected that this legislation would come before the House in the form of an open rule and 2 hours of general debate. It is significant that in the other body similar resolutions were introduced on a bipartisan basis just as was done in this Chamber on the 14th of May, and that the Banking and Currency Committee in the other body approved $4 billion on the 20th of May. The other body passed the legislation on the 28th of May. It therefore appeared that employing the suspension procedure would be the better way to bring the legislation before this Chamber, inasmuch as the other body had approved it, and the dire need for quick action was apparent. The evening before the action was taken in the other body the FHA Agency sent word to all district offices throughout our land stating that from then on those offices would be on a day-to-day basis and that in all likelihood 2 out of every 3 applications would have to be turned down. The directive to the FHA district offices stated further that in any event the applications they received would have to be screened in Washington, in the Washington office, and what could actually be effectuated would depend on the status of the revolving fund—on money coming in, on cancellations, and so on.

This great activity in the housing industry is something in which we may take great pride. I believe that the Congress should take some pride in having enacted the Emergency Housing Act which became law on April 1, 1958, because that has had something to do with the progress that has been made.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield gladly.

Mrs. ROGERS of Massachusetts. I would like to express my deep appreciation to the gentleman from Iowa and the gentleman from Kentucky [Mr. SPENCE] and the other members of the committee for bringing this up instead of the other bill.

Mr. TALLE. I thank the gentle lady very much.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Minnesota.

Mr. WIER. I would like to say that in the last 2 weeks I have received not less than 15 letters and telegrams urging speed because contractors are running out of funds. So in the interest of continued employment and the welfare of the veterans this bill should be passed without delay.

Mr. TALLE. I thank the gentleman. As an illustration of the tremendous increase in this activity may I point out that during the months of January, February, March, and April of this year as compared with the same months of last year there was an increase of 80 percent.

What does this mean? It means that the increase is running on the basis of approximately 20 percent a month.

On May 21 the Secretary of Labor, Mr. Mitchell, testified before the House Committee on Banking and Currency and pointed out that 85 percent of the slowdown in economic activity is in

manufactures. He pointed out that 70 percent of the slowdown is in hard goods. This is our glorious opportunity, because when a house is built it must be supplied with plumbing, a heating plant, washing machine, refrigerator, stove, and other hard goods. So this would tend to promote further activity in the very field in which the slowdown is most apparent.

Mr. SPRINGER. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think the gentleman is exactly right on this whole question not only of construction but also as to the need for the hard goods that will be used on the inside of houses; and that is where the effect will be felt. I want to associate myself with what the gentleman has said with reference to this entire bill and ask unanimous consent that I may insert my own remarks at the end of the gentleman's.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. TALLE. The contribution of the gentleman is appreciated.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Ohio.

Mr. VANIK. I appreciate the necessity and urgency for this legislation, but I wish the gentleman would comment on the possibilities of an omnibus housing bill under which we can do something about urban renewal and other projects about which there is a great deal of concern. Can the gentleman tell me whether there will be any chance that that kind of legislation can be considered before this session is over if this legislation passes today?

Mr. TALLE. My personal opinion is all I can give to the gentleman, but my personal opinion is that the possibility is very good.

Mr. VANIK. I hope the gentleman will help make that a reality, that we can consider an omnibus bill so that we can reach into a great many other fields that will help stimulate employment and which will also result in the development of a sound housing program.

Mr. TALLE. As a humble worker in the vineyard of the minority, I assure the gentleman from Ohio that I will do my best.

Mr. VANIK. If the gentleman will yield further, I ask unanimous consent, Mr. Speaker, to extend my remarks at the conclusion of the gentleman's remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TALLE. Mr. Speaker, this is the very heart of our economy; it is the brightest star in our economic firmament, if I may use such a metaphor. Let us not forget that the building season is right upon us now, and any day that is lost is a great loss indeed. In large parts of our country building is practically suspended during the cold season, so this is the time when assistance in this field can do the greatest good.

This is not the authorizing of the appropriation of money; it has nothing to do with appropriation or taxation; it merely increases the right of a Government agency to insure money that is lent by local lenders. The borrowers pay the insurance premiums, and those premiums have been adequate to cover the losses that have been incurred, and the agency has accumulated a reserve of half a billion dollars.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I understood the gentleman to say it did not require the Government to become obligated. Does not this bill fix upon the Federal Government a contingent liability?

Mr. TALLE. I may say to the gentleman that in the event we should encounter complete disaster so that the economy would collapse, then there would be a contingent liability.

Mr. HOFFMAN. There would be an actual liability under the situation the gentleman states.

Mr. TALLE. A contingent liability that would become an actual one.

Mr. HOFFMAN. So in the end the Government stands to lose.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from Iowa has expired.

Mr. SPRINGER. Mr. Speaker, Senate Joint Resolution 171 would authorize an emergency increase of $1 billion in the amount of mortgages the Federal Housing Administration is authorized to insure under section 217 of the National Housing Act. National home building has been one of the greatest cushions we have had in the economy during all of the time I have been a Member of Congress. Each time we have had a falloff in the economy, house building has picked up the load and gone ahead. Home building has not only an employment effect, but also makes possible a substantial increase in the sale of building materials. One of the most important results of home building is to decrease the sale of refrigerators, stoves, home appliances, furniture, and general home furnishings. The impact from the latter in many respects is almost as great as the actual building of homes.

In April the Federal Housing Administration received applications for loan insurance on 1- to 4-person family homes covering approximately 80,000 units. Of this, 31,600 represented new construction and 47,900 represented existing construction. This is more than double the same month a year ago.

Because of this the rate of applications for mortgage insurance jumped from $158 million in January to $464 million in April. This represented the highest rate of utilization in FHA history since the boom year of 1950.

The rate of application and commitment has been so great that FHA will be forced to stop issuing commitments unless the insurance authority is passed today.

If this resolution is passed, FHA activity will continue uninterrupted for several months.

The FHA merely guarantees the loan. It means that the money will be repaid to agencies which provide money to the borrower. The United States Government has not lost a penny on FHA during all of the years it has operated. In fact it has returned a small dividend. This is the greatest antirecession legislation we could pass where no cash outlay is required by the Federal Government.

This is good legislation in the best interests of the entire country and it should be passed without further delay.

Mr. VANIK. Mr. Speaker, I fully appreciate the urgency for action on this legislation to increase the amount of mortgages the Federal Housing Administration is authorized to insure under section 217 of the National Housing Act.

The Emergency Housing Act passed last month has stimulated the current building season and is depleting existing mortgage insurance authority.

The administration's handling of the FHA authorization issue, moreover, has the earmarks of strategy to short circuit possibilities for the enactment of an omnibus housing bill to include such items as extensions of public housing and a long-range urban-renewal program. On May 10 the administration advised that FHA authorization would last through June 10. Early last week the FHA estimate was revised to indicate that authorizations would be exhausted by the end of the week.

Under these circumstances, there is no alternative but prompt action on Senate Joint Resolution 171 increasing FHA insurance authority by $4 billion to a total of $7 billion. The emergency precludes the further deliberations which would be required on an omnibus housing bill of which this legislation should be a part. But this is an emergency situation to which Congressional attention was not directed in a timely, orderly manner.

As a result, Congressional action this year on other aspects of the housing problem is not likely. Urban renewal cannot go forward on a short-term basis. Cities cannot plan that way. Without the assurance of an extended Federal program, local urban renewal development is in serious jeopardy.

It is my hope that this Congress will enact an omnibus bill to provide general housing betterment and establish continuity to the urban renewal program which has just started to show hope for the restoration and rebirth of our cities.

CALL OF THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. JONES of Missouri. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 82]

Abbitt	Ashley	Bass, N. H.
Adair	Ashmore	Baumhart
Alger	Auchincloss	Belcher
Andersen, H. Carl	Bailey	Bentley
Anfuso	Barden	Boggs
	Barrett	Bolling

Bolton	Griffiths	Morris
Bosch	Gross	Moulder
Brownson	Gubser	Multer
Buckley	Gwinn	Neal
Burdick	Hale	O'Hara, Minn.
Byrne, Pa.	Halleck	O'Neill
Canfield	Harden	Osmers
Carnahan	Hays, Ark.	Patterson
Carrigg	Hays, Ohio	Philbin
Chelf	Healey	Pillion
Chiperfield	Henderson	Powell
Christopher	Hess	Preston
Clark	Hill	Prouty
Coad	Hillings	Radwan
Collier	Holtzman	Reece, Tenn.
Cretella	Horan	Riley
Cunningham, Iowa	Hosmer	Robison, N. Y.
	Jackson	Rodino
Curtis, Mo.	James	Rooney
Dawson, Ill.	Jenkins	Sadlak
Delaney	Jennings	Santangelo
Dellay	Johansen	St. George
Dennison	Jones, Ala.	Saund
Devereux	Kean	Scherer
Dies	Kearney	Scott, N. C.
Diggs	Kearns	Scott, Pa.
Dixon	Kelly, N. Y.	Selden
Dollinger	Keogh	Sheehan
Donohue	Kilburn	Shelley
Dooley	Kitchin	Sheppard
Dorn, S. C.	Kluczynski	Shuford
Dowdy	Krueger	Sieminski
Doyle	Lafore	Sikes
Durham	Landrum	Siler
Dwyer	Lane	Smith, Kans.
Eberharter	Latham	Staggers
Edmondson	Lennon	Sullivan
Elliott	Lesinski	Taylor
Fallon	McGovern	Teller
Farbstein	McGregor	Thompson, La.
Fino	Macdonald	Thompson, N. J.
Flynt	Madden	Tuck
Fogarty	Marshall	Utt
Forand	Mason	Vursell
Friedel	Matthews	Watts
Garmatz	May	Wharton
Gary	Merrow	Widnall
Gavin	Michel	Williams, N. Y.
Gordon	Miller, Calif.	Wilson, Calif.
Granahan	Miller, Md.	Wilson, Ind.
Green, Pa.	Moore	Zelenko
Gregory	Morano	

The SPEAKER pro tempore. On this rollcall 245 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDMENT TO SECTION 217 OF THE NATIONAL HOUSING ACT

Mr. SPENCE. Mr. Speaker, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Speaker, I rise in support of the resolution. In its 24th-year history, the FHA program has helped millions of families to buy homes. Because the FHA will insure the lender against loss on home loans, private lenders make larger loans, for longer terms, under this program than they would without it. This means lower downpayments and lower monthly payments for home buyers. It means that people who could not otherwise afford to do so are able to buy homes for their families. It has helped to make America a Nation of homeowners.

Since the FHA program was established in 1934, it has insured over $30 billion in home loans, and close to $50 billion in loans under all its programs—including multifamily housing and property-improvement loans. And it has done this without costing the Government one cent. FHA's income over the years, mainly from premiums it charges for insurance, has amounted to $1,460 million. Out of this income, losses of $105 million and expenses of $510 million have been paid; refunds of $80 million have been made to homeowners on their premium payments; and a balance of $765 million remains available to pay claims on hand, provide reserves for future losses, and make future refunds.

This resolution, therefore, will not require any increase in Government expenditures. This is a self-supporting program. No appropriations are required.

The law places a ceiling of approximately $26 billion on the amount of insurance and commitments FHA may have outstanding under all of its programs except home-improvement loans and military housing. FHA activity has increased sharply this year, and this ceiling has already been reached. It must be raised to prevent a sharp cutback in housing starts at a time when the housing industry is making a recovery after a 2-year slump. This is an emergency situation.

The Banking and Currency Committee had very short notice of this developing emergency. When the administration on May 10 submitted to the Speaker a proposed resolution for a $4 billion increase, FHA estimated the ceiling would be reached by June 10. Some 10 days later word reached the committee informally that the ceiling would be reached by late May. The committee met promptly and reported out a resolution providing for a $1 billion increase. I supported this resolution because of the emergency situation, even though we had not been able to hold hearings. I felt that, under the circumstances, a $1 billion increase could be enacted quickly and that the question of how much of an increase was needed for the whole fiscal year should be left for more careful determination in connection with the general housing bill.

Now, however, the Senate has passed Senate Joint Resolution 171, providing for a $4 billion increase, and it is apparent that the quickest way to keep FHA in business will be to accept the Senate resolution. I urge its adoption.

Mr. TALLE. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. MCDONOUGH].

Mr. McDONOUGH. Mr. Speaker, I rise in support of this resolution. I believe it is timely. It is very urgent and very much needed in order to take care of the demands for homes, applications for which are now being processed through the offices of the FHA throughout the Nation. Let me read the following general statement from the committee report:

GENERAL STATEMENT

This joint resolution would amend section 217 of the National Housing Act in order to increase by $4 billion the mortgage insurance authorization of the Federal Housing Administration. Section 217 contains the mortgage insurance authorization for all FHA programs, except the title I home repair and improvement program and the title VIII military housing program. At the present rate of use, it is estimated by the Federal Housing Commissioner that available authorization for FHA mortgage insurance will be exhausted by mid-June 1958. At the same rate of use, $4 billion in additional authorization will be sufficient to enable new FHA mortgage activity to continue through the fiscal year 1959. Adoption of this joint resolution will supply the authorization needed for that purpose. The committee favorably reported on the joint resolution.

Section 217 now authorizes FHA to issue insurance until the aggregate amount outstanding equals the sum of (a) the outstanding principal balances, as of July 1, 1956, of all insured mortgages (as estimated by the Commissioner based on scheduled amortization payments without taking into account prepayments or delinquencies), (b) the principal amount of all outstanding commitments to insure on that date, and (c) $3 billion. The sum of these three categories is approximately $25,784 million, which is available as a revolving insurance authorization.

Since July 1, 1956, when the last increment of $3 billion was added to FHA's authorization, the rate of use has averaged approximately $113 million a month. The rate of use has varied widely from month to month. For example, during some of the months in late 1956 and early 1957, mortgage terminations and repayments were greater than the total of new commitments, resulting in a net increase in the amount available for insurance purposes. This excess of inflow over outflow is a minus figure.

Since the beginning of this calendar year, however, the rate of use has been at the high level of $297 million per month, and for April, the latest month for which data are available, the FHA estimated a net use of insurance authorization of $432 million. This increased rate of use resulted from an increase in applications for FHA mortgage insurance. The most recent figures show that for the month of April 1958, the FHA has received applications for mortgage insurance under this authority covering 79,000 units, of which 32,000 represented new construction and 47,000 represented existing construction. A substantial portion of this increase in activity can be attributed to the stimulation of residential construction by the 1958 Emergency Housing Act which was signed into law on April 1, 1958.

The committee is especially interested in avoiding any interruption in FHA processing and underwriting, particularly in a time of recession such as the present. For this reason, the committee recommends the adoption of this joint resolution.

I urge a favorable vote on this resolution.

Mr. TALLE. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MCVEY].

Mr. McVEY. Mr. Speaker, I rise in support of this resolution. I think it is badly needed in view of the fact that the Federal Housing Administrator is handicapped in the performance of his work unless this legislation is passed. I think home construction is one of the bright spots in our economy today and should be encouraged. I urge support of this resolution.

Mr. TALLE. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Speaker, I rise in favor of this legislation. I believe that this legislation will be a most effective measure to stimulate employment. It is going to mean additional work for carpenters, painters, plumbers, electricians, bricklayers, and all other workers who participate in the building trades. I think it is urgent that this legislation be passed today.

Mr. BREEDING. Mr. Speaker, I should like to note, with approval, House adoption today of a measure designed to amend the National Housing Act in

order to increase by $4 billion the mortgage insurance authorization for all FHA programs, except the title I home repair and improvement program and the title VIII military housing program.

Although this legislation deals solely with Federal Housing Administration programs, and has but an indirect effect on the problems connected with general housing, any interruption in the FHA processing and underwriting procedures would, I think have an adverse economic effect, especially during this period of recession. House approval of Senate Joint Resolution 171 should prevent the possibility of such an interruption by granting the FHA $4 billion in additional authorization which should be sufficient to permit new FHA mortgage activity to continue through the fiscal year 1959.

The beneficial economic effects to be derived from this legislation, and the emergency Housing Act, signed into law on April 1, 1958, are set forth quite clearly, I think, in a committee report describing the measure:

Since the beginning of this calendar year * * * the rate of use has been at the high level of $297 million per month, and for April, the latest month for which data are available, the FHA estimated a net use of insurance authorization of $432 million. This increased rate of use resulted from an increase in applications for FHA mortgage insurance. The most recent figures show that for the month of April 1958 the FHA has received applications for mortgage insurance under this authority covering 79,000 units, of which 32,000 represented new construction and 47,000 represented existing construction. A substantial portion of this increase in activity can be attributed to the stimulation of residential construction by the 1958 Emergency Housing Act which was signed into law on April 1, 1958.

The SPEAKER pro tempore [Mr. McCORMACK]. The question is on the motion to suspend the rules and pass the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A similar House bill was laid on the table.

House Resolution 583 was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is their objection?

There was no objection.

ESTABLISHMENT OF FORT PEMBERTON NATIONAL MONUMENT

Mrs. PFOST. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 7466) to provide for the establishment of the Fort Pemberton National Monument, as amended.

The Clerk read as follows:

Be it enacted, etc., That in order to establish Fort Pemberton, Leflore County, Miss., as a permanent place of historical interest the Secretary of the Interior shall acquire on behalf of the United States by gift, purchase, condemnation, or otherwise such real property, not exceeding 2 acres, on the site of Fort Pemberton, Miss., as may be necessary to carry out the purposes of this act.

SEC. 2. The Secretary of the Interior shall erect, on the real property acquired pursuant to the first section of this act, an appropriate monument to mark Fort Pemberton, Miss., as the place where the Union Yazoo Pass Expedition was turned back by Confederate forces on March 11, 1863.

SEC. 3. The property acquired pursuant to the first section of this act and the monument erected thereon pursuant to section 2 of this act shall constitute a facility of the Vicksburg National Historical Park which shall be administered and maintained by the Secretary of the Interior for historical, educational and recreational purposes.

The SPEAKER pro tempore. Is a second demanded? [After a pause.] The question is on the motion to suspend the rules and pass the bill as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to provide for the establishment of a facility of the Vicksburg National Historical Park."

Mr. ALBERT assumed the chair as Speaker pro tempore.

RELATIVE TO THE ESTABLISHMENT OF PLANS FOR THE PEACEFUL EXPLORATION OF OUTER SPACE

Mr. McCORMACK. Mr. Speaker, I move to suspend the rules and pass the resolution—House Concurrent Resolution 332.

The Clerk read the resolution, as follows:

Whereas man is standing upon the threshold of a new era of space exploration; and

Whereas it is the devout wish of all peoples everywhere, in every nation, in every environment, that the exploration of outer space shall be by peaceful means and shall be dedicated to peaceful purposes; and

Whereas the United States as a nation and as a people favors the peaceful solution of all international problems: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States believes that the nations of the world should join in the establishment of plans for the peaceful exploration of outer space, should ban the use of outer space for military aggrandizement, and should endeavor to broaden man's knowledge of space with the purpose of advancing the good of all mankind rather than for the benefit of one nation or group of nations;

That it is the sense of the Congress:

That the United States should strive, through the United Nations or such other means as may be most appropriate, for an international agreement banning the use of outer space for military purposes;

That the United States should seek through the United Nations or such other means as may be most appropriate an international agreement providing for joint exploration of outer space and establishing a method by which disputes which arise in the future in relation to outer space will be solved by legal, peaceful methods, rather than by resort to violence;

That the United States should press for an international agreement providing for joint cooperation in the advancement of scientific developments which can be expected to flow from the exploration of outer space, such as the improvement of communications, the betterment of weather forecasting, and other benefits; and

That the Congress respectfully requests the President to effectuate in every way possible the objectives set forth in this resolution.

The SPEAKER pro tempore. Is a second demanded?

Mr. ARENDS. Mr. Speaker, I demand a second.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, recently I had the honor to introduce in this House a concurrent resolution expressing the belief of the Congress that the nations of the world should join in the establishment of plans for the peaceful exploration of outer space. This resolution represents the unanimous views of the members of the Select Committee on Astronautics and Space Exploration. I introduced it for all members of the select committee, each member is just as much an author of this resolutions as I am. The resolution proposes we should ban the use of outer space for military aggrandizement, and should endeavor to broaden man's knowledge of space for the purpose of advancing the good of all mankind rather than for the benefit of one nation or group of nations. The resolution further expresses the sense of the Congress that the United States should strive, through the United Nations or such other means as may best be appropriate, for international agreements designed to accomplish these purposes. The resolution requests the President to effectuate in every way possible the objectives therein set forth.

This measure, House Concurrent Resolution 332, has now been reported favorably by the Committee on Foreign Affairs. As the committee's report states:

The purpose of the resolution is to make clear to the people of the world that the Congress and the American people, recognizing the significance of the developments which are occurring in the exploration of outer space, are determined to ensure that outer space is to be used for the benefit of all mankind rather than for military purposes and narrow nationalistic motives. The resolution indicates the position of the Congress on the fundamental issues of foreign policy which are involved.

I cannot overemphasize the importance which I attach to this resolution. Man stands once again at a crossroads in history. Humanity is burdened with a fearful choice between alternatives—the use of outer space for peace or for war, its use for man's benefit or for destruction. The wrong choice may seal man's fate. We must ensure that the nations of the world make the right choice.

In this last fateful year we have been privileged to witness man's first faltering steps from his cradle, earth. I hope that we shall all live to see these faltering steps become giant strides as man journeys far into the starlit cosmic spaces in the exploration of the unknown and

toward the promise of new worlds and new knowledge.

The great potential benefits to all mankind that may result from the exploration of outer space are almost within man's grasp. They are certain to include the achievement of vast strides forward in man's knowledge of himself and the universe. Practical applications of all varieties can be expected to flow quickly from this new knowledge. Our lives are certain to be benefited profoundly by gains thus made possible in almost every area of science and technology. Ultimately, new resources, habitable worlds, and, perhaps, even other intelligent forms of life may be discovered.

But it is impossible to analyze man's forthcoming exploration of space solely in terms of such technological benefits; its scope and meaning for man and his development far transcends such calculation. Not least among the possibilities of this great adventure is the potentiality of a reemphasis in men's hearts of the common links that bind the members of the human race together and the development of a strengthened sense of community of interest which quite transcends national boundaries. It is my belief that in such a development lies our strongest hope of world peace and the security necessary to live in happiness and prosperity. And, most of all, in this voyage of discovery we may achieve our most profound revelation of the beauty and wonder of nature and the loving handiwork of God. This is the heritage and the promise which it is our responsibility to pass on in all their splendor to our children and generations yet unborn.

But, just as it is within man's power to achieve this dream, it is within his power to destroy it. In the absence of strong leadership, the resources, talents, and energies available for the peaceful exploration and development of outer space may be spent upon competitive and wasteful national rivalries instead of being devoted to the rapid and efficient realization of common benefits. The golden dream of hope could be turned quickly into a black cloud of terror by the usurpation of outer space as an arena of violence and the utilization of the instruments of peaceful exploration as weapons of fearful war. Attempts to project nationalistic rivalries beyond the earth's boundaries cannot but lead to a perpetuation of existing world tensions and the increased likelihood of war. The grave responsibility upon all of us to prevent such developments needs no emphasis.

Perhaps never before in the history of the Republic has there been so clear an opportunity for decisive leadership by our great country in establishing a world in which our children can live in peace and plenty. While the future is still in the balance, our country must cast the weight of its great influence and leadership firmly on the side of peaceful international cooperation, and away from the side of competitive nationalism with all of its dangers. We must proclaim our strong determination that the exploration and development of space must be inherently an international effort pursued by peaceful means and dedicated to peaceful purposes. We must seek to provide that the common resources and energies of the world community will be utilized to the fullest extent possible through the institution of cooperation. By such means we may ensure that the military use of outer space will be effectively prohibited and that the benefits of outer space for all mankind be most quickly achieved. In so doing we may hope to develop among nations that experience and trust and that machinery of international cooperation which can alone ensure the survival and continuing growth of our civilization.

It is my conviction that the resolution now before this House will demonstrate clearly to the world the determination of the United States to meet with forcefulness and maturity the crisis of our times. It can help fulfill our responsibility for providing leadership in the search for new solutions of common problems. Most important, it can promote the attainment of that bright promise which the exploration and development of space holds for man's future. We must not fail to meet this challenge and this opportunity.

Mr. ARENDS. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Speaker, I rise in support of House Concurrent Resolution 332.

Having had the privilege of serving on the House Select Committee on Astronautics and Outer Space Exploration, I have had the unusual privilege of hearing the testimony of a very imposing list of scientific men who are engaged in the exploration of space and, in addition to that, of serving under the chairmanship of our genial, sympathetic, and understanding chairman of the House select committee, the gentleman from Massachusetts [Mr. McCORMACK]. He is the author of this resolution, and it is definitely in line with the expressed views of the President of the United States and in line with the recommendation of the Science Advisory Committee of the executive branch of the Government. The prevailing thought is that space should be used for peacetime purposes rather than military purposes.

Let me read the purpose and intent of this resolution:

> The purpose of the resolution is to make clear to the people of the world that the Congress and the American people, recognizing the significance of the developments which are occurring in the exploration of outer space, are determined to insure that outer space is to be used for the benefit of all mankind rather than for military purposes and narrow nationalistic motives. The resolution indicates the position of the Congress on the fundamental issues of foreign policy which are involved.
>
> The resolution requests the President to enter into international agreements concerning the joint exploration of outer space, the advancement of scientific development relating thereto, and prohibiting the use of outer space for military purposes.
>
> In advocating agreements calling for joint action by nations in the exploration of outer space, for the advancement and application of related scientific developments, for the establishment of procedures for resolving any issues which may arise, and for the prohibition of the military use of outer space, the Congress indicates that it may be appropriate to proceed either through the United Nations or through negotiations with a more limited group of countries active in the field of space exploration.
>
> The resolution declares the support of the Congress for the prohibition of the use of outer space for military purposes. It is recognized that such a prohibition would deny the use by the United States as well as other nations of certain types of missiles now in process of development. It is, however, understood that the United States will not enter into any agreement banning the use of outer space for military purposes until joint studies for the development of effective control procedures for the control of missiles have been completed and agreements establishing reliable controls have been negotiated.

Mr. Speaker, we are coming into a new area of scientific investigation; we are venturing into the unknown in many instances. We are, and have reason to be, concerned about the advances made by the Russian Government in the scientific exploration of space; and, since outer space is usable at the present time for purposes of investigation through satellites that have been released and can be used for military reconnaisance purposes it seems very opportune and proper that the United States express its sentiments through the Congress that we are seeking international understanding and cooperation that outer space shall be used for peacetime purposes only and for the scientific advancement of mankind rather than for his destruction.

It is a very vital resolution and I recommend its approval. I know of no serious opposition to the resolution, but if there are any objections they should be raised and resolved here.

I trust that all Members of the House will support the resolution before us.

Mr. McCORMACK. Mr. Speaker, I yield 4 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Speaker, I want to pay tribute also to the chairman of our committee who has worked most diligently and capably and brilliantly and produced vast results in handling of the affairs of this committee and bringing legislation before us, plus this present resolution to the House of Representatives for consideration. He has done a magnificent job and we all commend him and congratulate him.

Mr. Speaker, legislatively I have specialized to a large extent in military legislation during my service in Congress, first as a member of the House Military Affairs Committee and then as a member of the House Armed Services Committee. I have given much time and effort and energy to the matter of developing the strength of this Nation for one purpose—that purpose is to maintain peace and tranquillity in the world. We are on the eve of vast developments in the field of outer space. In recent years we have developed weapons like poison gas in World War I, atomic energy in World War II, bacteriological warfare not used during the Korean conflict, and other forms of destruction

usable in war which shock the conscience of mankind and make war even more ghastly.

These developments have reached the point where demand has come that the nations of the world circumscribe the use of certain ghastly weapons and certain ghastly means of destruction. As we enter the field of outer space, we can either add to the terror and to the tragedy of living in this generation by devoting this development largely to military purposes or we may proclaim that outer space shall be used for the purpose of benefiting mankind—for peaceful purposes and for security of the peoples of the world.

This latter is the very purpose of this resolution before us today. It is to invite other nations who are delving deeply into fields of pure and applied science to join with us in dedicating outer space to peaceful pursuits rather than to use it in the furtherance of waging war and of placing fear in the hearts of the peoples of the nations of the world. This is an important resolution. It puts the United States in a position of leadership in this respect and it calls upon other nations who believe that there are possibilities for peace on this globe to join with us in dedicating at least outer space to peaceful means and peaceful pursuits at this time. I sincerely trust, in fact, devoutly I hope that leaders, whether they be dictators or not, across the seas may seize upon this opportunity of joining our leadership in dedicating outer space to peace and declaring it shall be off limits for war and military endeavors.

Mr. ARENDS. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Speaker, this resolution, introduced by the distinguished majority leader, provides a fitting companion to the civilian space agency bill we are also considering today. It puts Congress squarely on record behind the President, the Secretary of State, and other leaders who have advocated saving space for peace. It permits Congress to express emphatically the dedication of the American people to the cause of peace. It deserves overwhelming support.

The resolution before us parallels rather closely one that I introduced on February 10 of this year. It would simply and concretely express the sense of Congress that space should be out of bounds for military uses and that it should be developed for the benefit of all mankind by joint effort. This resolution has the backing of both the Department of State and the Department of Defense. It echoes the sentiment of leaders all over the world, including the Secretary General of the United Nations and the Ambassador of New Zealand.

Man's headlong rush into the reaches of outer space, the miraculous strides which are being made in tapping the wonders of that region, and the terrible military potential of space—all form the backdrop for this resolution. In a few short years, literally, we have come from the atomic age to the threshold of the space age. Almost overnight, our understanding and knowledge of the universe has increased tremendously. And at the same time, man's ability to destroy man has also leaped forward.

As a member of the Select House Committee on Astronautics and Space Exploration, I have had an opportunity to study at first hand the potentialities and dangers inherent in man's conquest of space. This knowledge has steeled me in the belief that we must move rapidly and decisively if we are to prevent outer space from becoming a battleground of conflicting national interests and military aggrandizement.

The need for nipping in the bud any effort to turn space into an area for military use cannot be doubted. The lesson of history bears study on this point. All too often, down through the pages of history, great scientific and technological breakthroughs, and advances on land and sea, have led to military rather than peaceful exploitation. I would hope man has learned his lesson and that this newest conquest of the mysteries of the universe will be employed for peace and progress rather than war and destruction.

But if we are to save space for peace, we must move rapidly. We must take the lead before nations gain vested interest footholds in the outer regions and before jurisdictional and conflicting claims arise. The failure of the recent Geneva Conference on the law of the high seas to reach agreement on rules and jurisdictional limits should be a lesson to all nations that once governments are caught in the vice of fixed interests and long-term procedures, it is well nigh impossible to reach any common ground of understanding.

Mr. Speaker, the stand of the United States on the development of outer space could well be a basic first step toward the peace of the world. Passage of this measure will demonstrate anew that America will continue to lead the way along the pathways to peace. It can act as clarion call to other nations of the world to join with us in the crusade for peace in space.

This resolution will show the world the United States has no intention of flexing its military muscles in the heavens if the other nations will join with us in peaceful pursuits there. In concert with the civilian space agency bill, passage of this resolution will demonstrate to all the world our fervent and unrelenting desire for peace on earth.

Mr. ARENDS. Mr. Speaker, I yield such time as he may desire to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. HASKELL. Mr. Speaker, I rise in support of House Concurrent Resolution 332. While it is quite true that most of our early advances in space exploration will have military application, I think it is of paramount importance that we join with other nations of the world for the peaceful exploration of space. The knowledge of space will be broadened day by day as man explores these hitherto uncharted areas.

From this knowledge will come benefits to all mankind, not just to one particular nation or another. As was the case in the atoms for peace, we have the opportunity to show the world that any advances we make in space will be aimed toward peace. This resolution and the bill establishing the National Aeronautics and Space Administration both contain quite clearly language that would leave no doubt that our efforts will be directed toward bettering man's existence on earth.

I concur most heartily in this resolution and urge its acceptance.

Mr. McCORMACK. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, the Committee on Foreign Affairs unanimously reported this resolution, and I want to indicate that I personally endorse it wholeheartedly. I want to congratulate the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], chairman of the Select Committee on Astronautics and Space Exploration, for recognizing the importance of the issues dealt with by this resolution and for his zeal in bringing it forward so promptly.

I am sure that every Member of the House will agree that it is desirable that Congress reach decisions on the major foreign policy issues relating to the exploration of outer space and that, having reached decisions on these issues, we will make a contribution to our own security and to the peace of the world by letting the world know what these decisions are.

It is already apparent that the enlargement of our scientific knowledge which will result from the exploration of outer space can confer great benefits on mankind. The advances in weather forecasting which should result have been emphasized, and there has been discussion of the improvement in communications which may be brought about by new developments in this field. Undoubtedly, there are other areas in which we may expect great advantages to emerge, although it is yet too early to anticipate what these may be.

It is necessary to face the fact also, however, that the exploitation of outer space for military purposes constitutes not only a major threat to the security of our Nation but that the future of civilization itself is endangered.

If the exploration and exploitation of outer space develops along selfish nationalistic lines, the outlook for the future must inevitably be discouraging. On the other hand, there is still time for the nations of the world to take action to assure that such exploration and utilization of outer space will be jointly controlled in the interest of all humanity.

This resolution makes clear that the Congress of the United States believes that the nations of the world should join in the peaceful exploration of outer space and in the advancement of science as the result of such exploration. It indicates also that the United States

should seek to negotiate agreements with other nations for the establishment of procedures for resolving any issues which may arise as a result of such explorations. It also puts the United States on record as favoring the prohibition of the use of outer space for military purposes.

This is a very important step for the United States to take. It should be pointed out, however, that although the United States wholeheartedly and without reservation is ready to enter into agreements prohibiting the use of outer space for military purposes, we have no intention of making any such commitment until effective control procedures for missiles have been developed and agreements establishing reliable control systems have been negotiated and put into operation.

There is no action which the United States alone can take to assure that the future exploration and use of outer space will be in the interest of mankind generally and for peaceful purposes. Unless the leaders of the Soviet Union are willing to follow such a course, we will inevitably fall short of our objective. Nevertheless, I think it is important that the Congress go on record as to how it stands on these most fundamental issues in the hope that the leaders of all nations may know what our position is.

Mr. McCORMACK. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BURLESON].

Mr. BURLESON. Mr. Speaker, perhaps we are at times inclined to give less cognizance to this type of Resolution than to some other matters which have the force of law. This is a measure which to me has great significance. I think that in the years to come we will find that the decision represented in this measure will compare to other proposals for the solution of complex problems which have made our history rich and our country great. It represents vision and deep concern for the future of the United States and for the world.

As I told our distinguished majority leader when he was before the subcommittee of the Committee on Foreign Affairs considering this matter, I thought of his being another one of those statesmen produced by the great State of Massachusetts, when they had the vision to construct and compound the great reasoning behind what is now the law and order of our great country. So I think of his having conceived and envisioned this proposition in this time of many imponderables which are round about us by reason of the great advances in the exploration of space.

He proposes that outer space should be controlled by peaceful means and dedicated to peaceful purposes. By reason of rapid and breathtaking scientific advances we must think in these terms and it is best to seek what is proposed in this resolution while time still permits sanity.

As our distinguished chairman of the Committee on Foreign Affairs has just said to you, we were indeed glad to take the recommendations of the select Committee on Astronautics and Space Exploration and to produce this concurrent resolution. I feel that it has great significance at the present time and will prove more so as time goes by.

Mr. McCORMACK. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Speaker, it has been a pleasure serving with our chairman, the gentleman from Massachusetts [Mr. McCORMACK], and the other members of the Select Committee on Astronautics and Space Exploration.

Mr. Speaker, during the 20th century we have undergone the industrial and atomic ages and now we are at the threshold of the space age. Before crossing this threshold we must remember that we are in a desperate race for control of man's mind.

This race started following the close of World War II. In 1949 we created NATO and at this time we had an atomic monopoly. This monopoly was safe with us.

In the fall of 1949 Russia exploded an atomic bomb and in 1953 succeeded in detonating a hydrogen bomb. On October 4 of last year we were shocked out of our complacency by Sputnik I. This satellite was launched with a military rocket. The missile race is now on and top priority is being given to ballistic missiles. This is the weapon that can bring about almost complete destruction of any country in the world.

The satellite has changed our foreign policy. No longer can we rely entirely upon national wealth, productive capacity, and physical strength. The unsolved secrets of intermediate and intercontinental ballistic missiles are probably fewer that we are led to believe. This weapon when armed with a nuclear warhead can destroy our country and the same applies to Russia.

The cold war continues unabated. We certainly are not seeking war or anything that would cause us to be pushed into a shooting war.

Outer space exploration should be for peaceful purposes and not for increasing military strength. Our missile and outer space programs bring home the realization that every effort should be made now to bring about disarmament.

The conquering of outer space should be for peaceful purposes and by peaceful means. The nations of the world should join in the establishment of plans for the peaceful exploration of outer space and every effort should be made through the United Nations organization to obtain international agreements banning the use of outer space for military purposes. It is essential that we continue our efforts along this line until our objectives are accomplished.

Until we bring about peaceful use of missiles and outer space exploration programs we must maintain our military parity with Russia. In order to accomplish this, we must reexamine our whole educational system. Our educational requirements must meet the present day needs for leadership in the field of science. We must reward intelligence and learning and restore some of the attitudes of our Founding Fathers. We must not be pessimistic or submit to fear.

We are in need today of intelligent realism and while seeking peace we must continue to stand firm in all of our negotiations and meetings with the Soviet Union. We must be prepared to confer and to negotiate and to explore all possibilities of peace without appeasement.

Our Committee on Astronautics and Space Exploration recommends passage of House Concurrent Resolution 332 and I sincerely hope that every member votes to adopt this Resolution.

Mr. McCORMACK. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I want to emphasize the fact that while I introduce the pending resolution, it was upon the unanimous request and vote of all members of the Select Committee on Astronautics and Space Exploration, and that each and every one of them is just as much an author of the resolution as I am. I would like also for myself and for the members of the Select Committee to express my sincere thanks to the acting chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN] and also especially to express my sincere thanks to the chairman of the subcommittee, the gentleman from Texas [Mr. BURLESON] for the very prompt manner in which they called and conducted the hearings in connection with this resolution which could be of far reaching importance if it is implemented by the Department of State and, generally, by the executive branch of the Government.

Mr. FORD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. FORD. Mr. Speaker, I want to reaffirm my own approval of this resolution. But, further I would like to say as one Member of the minority, it has been a very great pleasure and privilege to work with the gentlemen of this Select Committee under the able leadership of the gentleman from Massachusetts. I think he has done a masterful job in charting a new course on a subject which although at the moment is somewhat unknown, in time will certainly be the blueprint not only for progress in the United States of America but the progress of mankind as a whole. I think the committee has done an exceptionally good job on this resolution, and further has done an admirable job in reference to the bill which will be considered by the committee very shortly. I congratulate the staff who have willingly and constructively aided me and my colleagues on the Select Committee. It has been a fine experience to be a part of this group. Again may I express my admiration to the committee's chairman, the gentleman from Massachusetts.

The SPEAKER pro tempore (Mr. ALBERT). The question is on the motion of the gentleman from Massachusetts that the rules be suspended and the concurrent resolution be passed.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was passed.

A motion to reconsider was laid on the table.

Mr. FULTON. Mr. Speaker, did the RECORD show at this point it was passed unanimously?

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

NATIONAL AERONAUTICS AND OUTER SPACE ACT OF 1958

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 577) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Select Committee on Astronautics and Space Exploration, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may require, at the conclusion of which I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, House Resolution 577 makes in order the consideration of H. R. 12575, a bill to establish a national space program. The resolution provides for an open rule and 2 hours of general debate on the bill.

Following extensive hearings by the Select Committee on Astronautics and Space Exploration, the pressing need for a comprehensive program of research and development in aeronautical and space sciences became more than ever apparent. To accomplish this, the bill establishes a new civilian agency to be known as the National Aeronautics and Space Administration. The agency will be headed by a civilian administrator, appointed by the President, by and with the advice and consent of the Senate. The authority and duties of the administrator are fully outlined in the bill.

An Advisory Committee to be composed of 17 members is established. The President is to appoint 9 members from Government departments and agencies, with at least 3 from the Department of Defense, and the other 8 members are to be selected on the basis of their achievement in science, engineering, and technology. In order to coordinate and have full cooperation with the military and the Atomic Energy Commission, a Military Liaison Committee and an Atomic Energy Liaison Committee are established.

As the nucleus of the new agency provision is made to transfer the present functions of the National Advisory Committee for Aeronautics, as well as its property, personnel, funds, and records to the NASA. In addition, the Administrator is authorized, for a period of 5 years after enactment of this bill, to transfer from other Federal departments and agencies, with the concurrence of the agency head and approval of the President, any functions which relate primarily to aeronautics or outer space.

The Committee on Rules reported favorably on May 29 House Resolution 580, to establish a standing Committee on Science and Astronautics. Title IV of H. R. 12575 establishes a Joint Committee on Aeronautics and Outer Space to be composed of 9 Senators and 9 Representatives. Since it is proposed to have a standing committee of the House, a motion to strike title IV of the bill will be offered.

In order to advantageously utilize all our resources it is of the utmost importance that we have immediately a properly developed and sound program of research and development in the fields of aeronautics and astronautics. I urge the adoption of House Resolution 577 so the House may proceed to the consideration of this proposed program.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 12575, with Mr. CELLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. McCORMACK] will be recognized for 1 hour, and the gentleman from Illinois [Mr. ARENDS] will be recognized for 1 hour.

The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the bill before the House today is probably one of the most important bills that has ever come before the Congress. It is a bill establishing an agency, the agency of our Government which will have facing it problems, duties, and responsibilities of exploring outer space, so called, and making discoveries for the benefit of man, an agency that will be civilian in nature and headed by a single administrator.

President Eisenhower, in a message to Congress some weeks ago, recommended the establishment of a civilian agency. In both branches of Congress select committees were appointed. I was appointed by the Speaker as chairman of the select committee of the House. In all of our considerations, both public and executive, there has never been one disagreement. As indicating the importance of the legislation and the bipartisan approach made by the select committee, the select committee elected as vice chairman the distinguished gentleman from Massachusetts [Mr. MARTIN], the minority leader of the House.

In the consideration of the other resolution, which is of far-reaching importance, several Members who spoke were very kind in their references to me and the manner in which I presided as chairman of the select committee, and conducted the matters coming before the select committee. I appreciate and value greatly the very kind and generous things they said about me. I want to say, however, that I could not have been successful as chairman of the committee without the fine cooperation of the splendid members of the select committee. Each and every one of them was a giant in his contribution.

After our appointment we got to work and organized our staff and started public hearings. Mornings and afternoons for about 4 weeks, the select committee conducted public hearings. In the ensuing time we had before us the most competent men of the country in this particular field giving us the benefit of their great talents and their great capacity.

For example, on March 5 the committee was set up. On March 20 we had the first executive session with two witnesses. On March 26 we had the second executive session with one witness.

On April 2 the President's message and bill was received. Public hearings starting on April 15 continued for 17 days until the 12th of May, and during that period 48 witnesses were heard and over 3,000 pages of testimony taken. Questionnaires were sent to 67 industrial leaders, scientists, and military officers for their comment on space organization needs.

The committee then recommended the introduction of the House concurrent resolution that just passed and that was developed through the public hearings and in recognition of the fact that we are trying to stop the military race in outer space if it can be done. The time to do it is before the fact, not after the fact.

I introduced the President's bill on April 14, the first day after the Easter recess, and then after the many weeks of public hearings and of executive session I introduced the committee bill.

So we find from March 5 to May 24 the committee was working morning and afternoon and sometimes evenings in public hearings and executive sessions, on the bill now before the House, reported out by the select committee.

I am proud of each and every member of the select committee, and I am

indebted to them for being able to accomplish this result evidencing to the world what the Congress can do in the field of leadership. So while I am appreciative of the kind and generous remarks made of me, I am really not entitled to them, because the members of the committee cooperated in such a splendid manner and in such an unselfish manner, recognizing that the national interest of our country was involved in this legislation.

I shall always remember my service with the members of the select committee. I have served on many committees, but my service on none shall I treasure more strongly than that on this particular committee.

The select committee was very fortunate in having an excellent staff. George J. Feldman, chief counsel and director, is a distinguished lawyer of outstanding ability and a public-spirited citizen. Years ago he was secretary to the late lamented Senator David I. Walsh. He has given untiringly of his time and talents. Dr. Charles S. Sheldon II, who is assistant director connected with the Legislative Reference Service of the Library of Congress, rendered inestimable service. The other members of the staff were Spencer M. Beresford, special counsel; Richard P. Hines, committee clerk; Raymond Wilcove, director of research; Harney S. Bogan, Jr., assistant counsel; Philip P. Yeager, special consultant; Jean H. Cameron, staff assistant; and Mary Louise Myron, secretary.

Then we had as consultants Dr. Harold Weber, of the Massachusetts Institute of Technology; Dr. Homer E. Newell, Jr.; Frank Gibney; Frank Cotter; Dr. Carroll Quigley; William Beller; and Frank Waldrop.

I also want to express my sincere thanks to Lawrence E. Filson, of the legislative counsel's office for the excellent contributions he has made to this committee.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. FULTON. May I join as a member on the Republican side with the chairman in saying what a fine job the staff has done for our select committee?

Mr. McCORMACK. I thank the gentleman.

Mr. Chairman, I now wish to call the attention of the Members to a committee print and I want those present to see this. It is unique and original in our committee work. The staff prepared this.

In the first meeting we had in executive session there was a committee print. First there is the bill itself. Every suggestion and every observation made by a witness and very pointed observations as to other facts appear in the different paragraphs alongside of it. Then there are suggested amendments.

Then, as we started out in executive session to make changes, the next day this was brought up to date. This committee print was right before us. We had the whole picture there. I recommend to the staffs of other committees that they look into this and adopt it for the benefit of the members of their committees because instead of a half dozen bills introduced with changes and trying to find out what they are, when you have a committee print of this kind before you, that is all you need and you also have all the comment necessary, together with the changes that have been made all before you on the right-hand side, as you will see here. It is a remarkable piece of originality by a staff and a remarkable contribution.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. McCORMACK. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, I am very happy to give credit to the staff for this and to call it to the attention of the chairmen and members of other committees and also to the staffs of other committees because it is something that might be looked into and adopted.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. TABER. The Appropriations Committee has followed that practice for 35 years to my knowledge.

Mr. McCORMACK. I am sure the gentleman will agree it is a good practice for us to follow. This committee and its staff carried the idea even further by listing even all pertinent comments by witnesses and providing other observations.

Mr. TABER. It is a good practice.

Mr. McCORMACK. Mr. Chairman, the bill before us has a very far-reaching effect and a very important one. It carries out the recommendations of the President and when it becomes law a great deal will depend upon the type of person who is appointed as administrator to administer the law. It is amazing what can be done in what is called outer space and what they know can be done in 5, 10, 15, or 20 years from now. Involved in that might be the very survival of our Nation. For example, another country that was a potential enemy of ours or an enemy of a government of laws and not of men, in other words an enemy of the free world, a potential enemy, if it was able to get a decided advantage, that advantage might result in the destruction of the entire world or in the subjugation of the entire world to that particular nation.

Under this bill we establish a civilian agency, but we recognize the needs of the military. I want the RECORD to clearly show that it is the intention of this committee that within the field of the military we recognize that the military has responsibilities for astronautic activities, and that is provided for in the bill, and in the committee report the intent of the committee is also provided for.

H. R. 12575 is a new bill, unanimously adopted by the Select Committee on Astronautics and Space Exploration, to take the place of the original administration proposal, which I introduced as H. R. 11881, to establish a civilian space agency.

There is no need to stress here that the prompt enactment of this measure is required in the national interest. The artificial satellites whirling above our heads have kindled the imagination of mankind. The challenge and the opportunity are limitless. In its interim report, the committee spelled out the dimensions of this opportunity for science and technology; for military uses; for economic growth—both the immediate stimulus to production and employment and, even more important, the ultimate economic benefits of technological progress; for peaceful competition with the Communist world; and, above all, for the human adventure in a largely unknown universe.

In the President's message to the Congress of April 2, 1958, the early establishment of a civilian space agency was recommended in order to take full advantage of our science and industry in meeting the challenges of the space age. Our main immediate concern is national defense. Committee witnesses have agreed that an adequate astronautics program is necessary to our national survival. But the military development of rockets and missiles cannot be carried out in a vacuum. It must be based on long-range scientific education and research. Committee witnesses have said that military development alone, unsupported by basic research, would soon come to a dead end. Therefore the chief function of the new agency will be to develop a comprehensive program of research in the space sciences.

The bill directs the civilian agency to cooperate with the Defense Department on all matters that are primarily military. At the same time, the military departments will be free to carry out such research and development as may be necessary and appropriate to their military missions. The civilian agency will have the duty and the powers to coordinate all aspects of astronautical research, and to keep them oriented toward our national policies and interests.

Apart from defense, the establishment of a civilian space agency is imperative for reasons of international prestige and scientific and economic progress.

There is no need to point out the effect of astronautical accomplishments on world opinion. An artificial satellite in the skies is a symbol of scientific achievement that anyone in any part of the world can understand.

Civilian control of the space agency will help enlist the cooperation of the scientific community at home and abroad, and will give substance to our hope that outer space may be devoted to peaceful and scientific purposes.

Even in its early stage, a national program of research and development in the space sciences will materially expand production and employment. In time, it will give birth to new growth industries, in weather prediction and control, transport, communications, and navigation. These developments will yield enormous savings—for example, in expenditures now made for flood control, drought relief, water supply, hurricane warning, and similar measures, not to mention the savings in human

lives. In testimony before the committee it was estimated that the savings from weather prediction and communications alone will more than pay for the costs of the national space program, both civilian and military. Still further and greater economic benefits are likely to result from the growth of scientific knowledge and the exploration of outer space.

As the President recommended, the bill provides for a civilian agency formed around the National Advisory Committee for Aeronautics as a nucleus, under the direction of a single executive assisted by an advisory committee. This type of organization was considered more suitable than either a commission like the Atomic Energy Commission or an executive committee like the NACA, to enable the new agency to carry out its functions most effectively.

According to NACA witnesses, the contemplated expansion of functions under the new agency will take place largely by means of contract work rather than through research conducted by the agency itself. At present, the NACA employs approximately 8,000 people. The NACA witnesses estimated that the increase in agency personnel would not be more than several hundred. Even with considerable allowance for error in their estimate, it seems likely that the number of new Federal employees in the near future will be relatively small. In other words, the full benefit of this expending program will accrue to private enterprise. The bill specifically provides for equitable participation by small business.

Every effort has been made in the bill to define the functions and powers of the new agency so as to prevent possible conflict and wasteful duplication with the military departments and other agencies concerned, and at the same time to make sure that the program will be coordinated and comprehensive. Congress will exercise a periodic check on the new agency through the semiannual reports to be submitted by the Administrator, and in the appropriations process. Review by Congressional committee must also be provided, so that Congress can effectively and continuously oversee all Government-sponsored research and development in the space sciences.

The urgency of this legislation can hardly be exaggerated. It is highlighted by the series of surprising developments the Soviet Union has already accomplished in astronautics. The United States must leapfrog these Soviet accomplishments. In view of the long lead-times involved, this process will take some years. The time to start is now, as the committe said in its first report:

> The establishment of a national space program is a matter of the highest urgency both for reasons of immediate national defense and to insure that in the long run outer space is effectively utilized for peaceful purposes * * * the decision to enter into the space age is not one the United States can ignore or defer. Our national survival requires it.

The program must be launched here in Congress by appropriate legislation.

In the bill we provide for a joint committee, but we have eliminated that, and I am going to offer a motion to strike that out, because the Committee on Rules has reported out a resolution within the past few days establishing another standing committee on science and astronautics, which gives it a broad base of legislative action, and in the light of that it will be unnecessary to continue the joint committee in this bill; at least, the members of the select committee feel that way. In the light of present conditions we need committees in the Congress on science and technology. We have got to realize that we are living in an unusual world, a fast moving world. The world of 10 years ago might just as well be 1,000 years behind us. We are now living in a nuclear world, and who knows but what a a thermonuclear world is around the corner. We have got to adjust ourselves to it, and the establishment of this standing committee with a broad base is a recognition on the part of the House of the necessities and the obligations of the present time and of tomorrow.

I compliment the Committee on Rules for reporting out the rule and the gentleman from Oklahoma [Mr. ALBERT] for introducing the resolution. That resolution will be acted upon later in the year. There being a standing committee with a broad base, it is unnecessary to continue the joint committee in this bill, and when I offer the motion to strike this provision out, I hope the Committee of the Whole will adopt it.

I could go into a more detailed explanation of the bill, but I think it is unnecessary to do so, except to say that this bill will effectively carry out the President's recommendations. It establishes a civilian agency and it recognizes, as I said, the needs of the military in the world of today and of the foreseeable years as we project our minds into the future.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Will the gentleman tell me how the military in our national defense is protected under this resolution? The gentleman says that the committee recognizes the needs of the military. The thing that I am afraid of is that sometimes civilians, who do not know as much about it as the committee does here, might prevent the military from getting the full use of this space.

Mr. McCORMACK. Well, we provide:

> The Congress declares that the activities described in paragraph (1) shall be directed by a civilian agency which shall exercise control over aeronautical and space research, development, and exploration sponsored by the United States, and which shall act in cooperation with (A) the Department of Defense insofar as such activities are peculiar to or primarily associated with weapons systems, military operations, or the defense of the United States.

The original bill of the President did not have "defense of the United States" in it. We put it in.

Mrs. ROGERS of Massachusetts. I am delighted that the gentleman did.

Mr. McCORMACK. The committee also included this language:

> Including the research and development necessary to make effective provision for the defense of the United States.

That is committee action. We recognize that in the world of today we have got to be powerful militarily to preserve our institutions of Government, and under this bill we have established a civilian agency, and the military is given broad power within the military field to make their own decisions, and furthermore, in another provision in the bill, if there is any dispute between the military and the new civilian agency as to who has jurisdiction, we then provide they can go to the President of the United States for decision. I think we have taken care of it very effectively.

Mrs. ROGERS of Massachusetts. I know the gentleman has always been strong in looking after the national defense.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I hope our committee has not put itself in the light of patting itself on the back, but I do want to say that I believe we have done, for a new assignment, a very good job, and the members of our staff, with their outstanding ability, experience, and background, have all been extremely helpful in the preparation of the bill before us today and in the hearings and on all matters pertaining to the efforts put forth by committee members.

Mr. Chairman, I consider this bill to be one of the most significant measures brought before the House during my service in Congress.

There is no nonsense about this bill. It is needed. It is adequate to do the job it has been assigned. And it will pay this country dividends on our investment many times over.

As a member of the committee which you created for the express purpose of investigating what action the United States should take to move forward in the astronautic and space sciences, I am convinced this bill merits your approval.

I confess that I was unable to spend as much time with the Select Committee on Astronautics and Space Exploration as I should have liked. Other duties made it impossible. So I defer to other members of the committee as to some of the details of this legislation as well as the background leading up to it.

However, I was able to participate in the committee's work and hearings sufficiently to grasp certain basic essentials.

For example, I know the committee has been careful to heed the concept of civilian control in this bill. Simultaneously, the needs of the military—and they are great in this area—have not been ignored. I think they have been taken care of with reason and prudence.

I also find it something more than merely noteworthy when highly individualistic authorities in such divers professions as science, education, law, and soldiering can get together and agree on the major features of a single piece of legislation.

Essentially, this is what has happened.

We have had men before our committee like Wernher von Braun, the celebrated German rocket expert now working on Army ballistic missiles; Dr. Lee Du Bridge, the president of California Institute of Technology; Dr. John C. Cooper, the dean of international air law and a former member of the Institute for Advanced Studies at Princeton; Admiral Rickover, who developed the atomic submarine; the renowned Gen. "Jimmy" Doolittle, who presently serves as Chairman of the National Advisory Committee on Aeronautics; and many others of similar caliber.

While there were, and obviously were bound to be, points of difference among the witnesses, there were no real dissents as to what our committee was attempting to do in working over this particular proposal for a national space program.

I should add, moreover, that this same spirit prevailed in the committee itself, and that the bill before us represents not only the considered but the unanimous judgment of members as to the best way to proceed toward keeping America in the van of space exploration and astronautics.

I am sure we all agree that that is the best place to be.

Some of you may be worrying about the cost of this program, and I am not one to imply—by any means—that an effective space program is going to come cheaply.

The original thought of the administration was that the costs of an adequate program under the proposed Space Agency would be between $100 million and $200 million a year to start with. After going into the matter carefully, however, and in light of the long lead times and exploratory activities necessary to the development of astronautical techniques, the committee has concluded that costs may approach $500 million a year for the first several years and perhaps a billion a year thereafter.

This is a lot of money. Possibly, on further inquiry, we may find that amount will not be needed. But even if it is, I suggest to you that the probable cost to the Nation of not spending it will be infinitely more. Besides, as other Members have already told you, the peaceful economic benefits and savings to result from the program should begin to more than pay its cost within a few years time.

Finally, Mr. Chairman, let me say that the liaison between our committee and the executive branch on this bill has been effective and harmonious.

As you know, the proposal was initially formulated and transmitted to the Congress by the President early in April. Its main substance has been retained in the bill before us—with certain changes drafted by the committee. These changes have been outlined in the report and are being explained more fully by my colleagues.

It is my understanding that the alterations incorporated in the measure have been discussed with representatives of the executive branch—and that the bill in general as it stands has the backing and enthusiasm of the President.

Mr. Chairman, American participation in the field of astronautics and space technology can no longer go unorganized or on a haphazard basis. That situation must end.

This bill is designed to end it.

Mr. McCORMACK. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I have been able to attend almost all of the hearings of this committee. I want to bear witness to the fact that these hearings were as intense and as complete as any hearings I have ever had occasion to sit through. Not only did we meet long hours but many times we went through the lunch hour with the hearings and followed through in the afternoon. So when you refer to the fact that these hearings extended 17 days it was not 17 days as we sometimes have hearings of 2 hours a day, from 10 to 12, but it was 17 days of hearings that went even through the luncheon hour at times and then extended far into the afternoon. I think, therefore, the hearings were as intense as any hearings I have ever sat through. I think the committee knows the subject as well as the committee can know the subject from the testimony of expert witnesses who appeared before it.

Mr. Chairman, I see this bill as our best solution to the enormous problem and the challenge before the Nation today—how to provide for the continued development of aeronautics, and at the same time make faster progress in the exploration of space.

Both of these areas of science and technology must be carried forward with zeal and effectiveness. We must not lose our undoubted world leadership in the one, while striving to regain our lead in the other. H. R. 12575 provides for the orderly, integrated development of both, without conflicts or displacement, as part of a broad, well-thought-through national plan. It provides for an integrated approach. It provides for the best use of existing facilities and manpower, under strong leadership, able to make decisions and carry them through. It makes possible the marshalling of the resources of the Nation, if need be—whether of men, materials or money—to provide for the necessary advancement of aeronautics and astronautics.

Now, as you all know, I am much interested in our Nation's leadership on the world scene. I am interested in national defense from potential enemy action from whatever quarter: Whether from the earth, the air, or space. At the same time, I want to see the American people get their money's worth, in whatever investment they make, whether for science, technology, or the Nation's defense.

I have followed closely the deliberations of the Select Committee for Astronautics and Space Exploration. I have sought answers to several questions; among them, whether all this contemplated effort is necessary at all; whether it will in fact pay adequate dividends either of security or scientific advancement; whether, in short, we would be better off not to spend the money.

I am now convinced, from what I have read, heard, and experienced that this race to explore space is one in which we must, indeed, make progress—and without further delay. I am convinced that unless we achieve superiority in this field our national defense will suffer. And in defense we can certainly not afford to be second to any nation. I am convinced that other great benefits will also accrue. Some of these can be clearly foreseen, and others can confidently be expected, even though we may not at present be sure of their full nature or extent.

If we do not take our full part in this great new adventure of mankind, our Nation will certainly be the loser—and our loss will be far more than the possible cost. For we will have lost one of the most valuable things a great nation can have today: Technical superiority and leadership, in an increasingly technical and complicated universe.

A great deal has been said and written about the purposes to be served by advancing man's conquest of space. In its statement of March 26, 1958, the President's Science Advisory Committee mentioned "the compelling urge of man to explore the unknown," "the military potential of space," "the effect on national prestige," and "the opportunities for scientific observation and experimentation."

To my way of thinking, the only real and permissible motivation for such a giant national undertaking must be the national self-interest. But in these days self-interest must be broadly defined. It is no longer just narrow nationalism. The national self-interest is served by aiding and maintaining a stable and happy international order. And in these times, self-interest also implies not only our national prosperity, but our national survival as well.

The fight for survival is by no means exclusively a military one. The cold war, as we know it in the days of Korea and the Berlin blockade, has entered a new phase—or a new dimension at least has been added to it. The major arena in the new, if deceptively peaceful, form of Soviet competition with the United States is that of science and technology—an area which we had, until recent months, considered to be pretty much our own preserve of special competence and achievement.

The Soviet demonstration of competence in science and technology now takes the form—in part at least—of what has become known popularly as the race into space. To understand the importance of this race to the United States it is necessary not to overlook the undoubted military advantages to be gained by entry into space. But we also have to realize the difficulty in this field of making distinctions between that part of space exploration that has military implications, and the parts which seem to offer only scientific, technical, or propaganda values. As Rear Adm. Hyman G. Rickover told our committee, there is in these times a complete blurring between military and civilian considerations. The conflict between nations is a conflict of the total peoples of

those nations, not merely of their armies or their capacity for production.

No, unfortunately, in this crucial battle for the mastery of space, we have let the Russians get ahead of us. We did not see the advantages of this project early enough. We did not organize for it fast enough. We did not put sufficient steam and energy behind it. And so we are now running second—perhaps a bad second at that.

In my opinion we have no choice but to catch up. More, we must surpass our competitors. This will take some doing. The lost time cannot be repurchased except at great effort and expense. Overtaking the Russians; bettering their accomplishments; once again seizing world leadership, will require intelligent, forceful, integrated organization—not haphazard competitive efforts spread among several agencies of our Government. It will require willingness and ability to make specific plans and programs, and to take concerted forceful action upon them with persistence, boldness and courage.

Mr. Chairman, the type of organization which is embodied in H. R. 12575 will provide this kind of approach. It is a well-thought-through plan. It is the product of some of the best organizational and scientific brains of our Nation. It represents the kind of integrated approach to a big problem that can and will work in our democracy.

I have spoken of the importance of seeing other than military advantages in what we are about to do. The proposed plan for a civilian agency, working closely with the armed services, the Atomic Energy Commission, and other arms of the Government, assures the broadest type of development from both the military and civilian points of view.

As I have said, there are already in sight some civilian advantages in the space program that may well pay for the entire effort and more besides. The possibilities of better weather forecasting alone, it has been estimated, may well save the American people up to $4 billion per year in reduction of crop losses, industrial losses, and property losses, to say nothing of the loss of human lives in disastrous, unexpected storms, floods, tornadoes, and hurricanes. Improved weather forecasting can soon result, we are assured, through weather reconnaissance satellites, coupled to electronic computers. And this will benefit not only the United States, but the entire world.

Other possible gains foreseen by scientists and engineers from space flight developments and the new knowledge and methods that will flow therefrom, include better and faster transmission of mail and express by rocket power, the rapid and almost instantaneous transmission of information all over the earth by means of communications satellites, new knowledge of cosmic radiations, forces and materials which will be applicable to machinery and processes on earth as well as in space.

I do not know—nor does anyone—how to evaluate such discoveries and methods in dollar terms. But all human experience runs to the effect that every major scientific discovery results in highly valuable and often unexpected gains for humanity. In the new area we are about to enter—one never hitherto penetrated by man—the probability of important, valuable new discoveries is so high as to be a certainty. We shall look back some day on our expenditures of energy and money in this cause and consider them trivial when compared with the human benefits that have flowed therefrom.

Mr. Chairman, I have only one more word on this bill. I wish to call attention to the need for action.

Every newspaper that appears carries stories these days of the technical and space flight advances being made by our competitor on the other side of the world. He is forging ahead, adding triumph to triumph, while we hesitate, consider and debate. His plans are broadly drawn. He has announced programs not only for launching satellites but for the manned exploration of space and landings on the moon and planets. He is not waiting for us to catch up and we shall never do so unless we begin at once, with every energy that we can muster for this task.

When asked recently what we might expect to find on the moon when we get there, Dr. Edward Teller, testifying before a congressional committee replied "Russians."

I hope it will not be so—but further delay in our action will certainly help to make it so.

I add one more word of caution. There are those throughout the United States who sneer and snicker about the space problem. They refer to it as the "Buck Rogers" and the "Superman" programs of the funny papers. It is true that these characters in the funnies have entertained us for years by entering into adventures using forces which defy human experiences; but they seem to make for fascinating reading. To these people I add a word of caution.

This is no time to get up into the clouds. On the contrary, this is the time to keep one's feet on the ground. It is the time to be practical, to realize the enormous stakes offered to that people which boldly and yet with full sense of the practical seize the moment and push on to a control of the outer space. This means a huge tax burden on our people, much effort and much disappointment before the end is achieved; but it also means a practical advantage in the control of the affairs of the world which we cannot, and dare not, refuse to face.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this is a very important and a very serious piece of legislation. I think the challenge that we are facing was stated in a very brief statement in Time magazine, last edition, which says that "Soviet rule has bestowed upon science all the authority of which it deprived religion."

That is a frightening statement when you consider the importance of it. It means that Russia has devoted its entire attention, manpower, and scientific resources to a materialistic world based on the advancement of science.

This bill before us today is for the purpose of establishing an administration under, an Administrator, to see that the program for space exploration and for the scientific advancement into outer space will be carried out.

Mr. Chairman, on March 5, 1958, the Speaker of the House, under House Resolution 469, in an unprecedented move, chose the majority leader and minority leader, together with representatives of key standing committees, to serve on the Select Committee for Astronautics and Space Exploration. The committee immediately began comprehensive studies of the many proposals made by various interested groups. As a member of the committee I had the privilege of taking part in those hearings and discussions.

Of the many proposals suggested to the committee, and discussed among ourselves and with the experts, the best was contained in the President's message forwarded to Congress on April 2, 1958. The message called for the establishment of a strong civilian agency to direct the national program for outer space. The existing National Advisory Committee for Aeronautics was proposed as the nucleus of the new space agency.

The President's proposal was extremely sound in concept, and the bill which accompanied it served as an excellent base for the drafting efforts of the select committee. The bill was under constant review during the course of 4 weeks of public hearings, and many days of executive session.

Let me depart for a moment and say that I have never enjoyed serving on a committee more than on this made up of such capable people. Members of the House who devoted their time and attention to the work, and under a chairman, the majority leader, Mr. McCORMACK, who was very considerate and understanding in all the deliberations of the committee. He seemed to seek out the ideas of the members of the committee and encourage them to make suggestions that might be beneficial to improving the discussions before us.

The administration itself offered a series of amendments, when shortcomings in the original version became apparent during the course of the hearings. Various administration officials and outside witnesses also suggested changes in the language of the bill.

The select committee at length agreed upon the final language by unanimous vote, and directed the chairman to file a new bill, which is H. R. 12575. This bill takes the place of H. R. 11881, which was previously filed by the chairman, and H. R. 11996, which I filed, embodying the original administration proposal.

I will not now take your time by going into the differences between the two bills, but instead will point out that the new bill provides for an integrated organization which in my opinion offers the best way for the United States to handle the development of space flight, while at the same time maintaining its leadership in aeronautics, and accomplishes both objectives without putting the two into costly and demoralizing rivalry or competition.

The bill first of all declares, as the policy of the United States, that the activities of mankind in outer space, including activities upon or in connection with the moon and other heavenly bodies, shall be devoted to peaceful purposes and the general welfare. It declares that research, development, exploration, and other activities of the United States with respect to flight within and outside the earth's atmosphere shall be so conducted as to promote world peace, improve the general welfare, and effectively utilize the scientific and engineering resources of the United States to expand human knowledge—of course with adequate safeguards for the common defense and security of the United States.

To carry out the Nation's future development of air flight and space flight, consonant with these aims, the bill provides for:

First. Creation of a unified civilian agency, the National Aeronautics and Space Administration, which shall act in cooperation with the Department of Defense, the Atomic Energy Commission, and all other appropriate departments and agencies of the Federal Government to develop a national program in this field and actively carry it into practice.

Second. Appointment by the President of an Administrator, and a Deputy Administrator, who will be responsible for the development of the program of aeronautics and space exploration, and whose principal job will be to see that the Nation regains and hereafter keeps world leadership in these fields.

Third. The creation of an Aeronautics and Space Advisory Committee, to provide the administrator of the NASA access to the best scientific and administrative brains and talent in the country for the furtherance of the national program.

Fourth. The appointment of Military and Atomic Energy Liaison Committees, to promote the closest cooperation between the NASA, the Department of Defense and the Atomic Energy Commission, for the more rapid advancement of all projects in which they are mutually interested.

It is further provided in the bill that the present staff, establishments and facilities of the National Advisory Committee for Aeronautics will be taken over and incorporated into the new agency, thus avoiding duplication of facilities, or the loss of time or energy in the maintenance of present research in aeronautics or space flight, or the dislocations that inevitably occur when such activities are reorganized or displaced.

We believe this bill provides the machinery for regaining the Nation's lead in astronautics. Its success, of course, will depend on the quality of men who are chosen for the posts of Administrator and Deputy Administrator, on the quality of their staffs and organization, and on the money appropriated by Congress to make their efforts fruitful.

For it is obvious that to overtake and surpass the Russian lead in this field is going to cost a great deal of money and effort. The total amount of these cannot now be stated or even estimated with any degree of accuracy. However, the testimony of witnesses and discussions with consultants have given the committee some general guidelines as to the magnitude of the costs to be expected.

The administration has suggested a space program of approximately $100 million for the NASA in the first year, plus some other tens of millions, depending on what functions and projects are transferred from the Advance Research Projects Agency of the Department of Defense. The committee feels, as a result of its studies, that these sums, although not small, are not likely to provide the United States with the kind of program that will leap-frog the Soviet effort with a broadly conceived, adequate program.

These costs, as I have said, do not represent small sums, and we must be fully aware that we are entering into a program—and an international competition—of very great magnitude. But the money will be well spent, for the gains to the Nation and to humanity at large are potentially very great, indeed—such, in fact, as to dwarf the costs involved.

The costs are fully justified in any event, for reasons of national survival. But, in addition, there will unquestionably flow from this effort inestimable economic benefits. Many of these cannot now be foreseen, any more than Columbus or his contemporaries could have, in 1492, estimated the world benefits that would flow from his discovery of America. Already, however, there are some obvious economic benefits in sight.

The hearings held by the committee indicated that increased fields of employment for the growth of the economy will certainly appear as an early result of this new effort. In a 3-year span, the ballistic program of the Air Force brought an increase in employment in supporting industries from 5,000 to 80,000. As this expansion has come about in the very early stages of the programs related to the use of outer space—what enormous added increases may we expect when the project really gets under way?

Another promised material gain from the program will be better weather forecasting, with all that this can mean to our farmers, our merchants, and the people of the country generally. In our hearings, the Chief of the Weather Bureau almost diffidently revealed some of the astonishing results of studies the Bureau has been conducting to measure what economic savings would be produced if the accuracy of weather prediction were to be improved. The savings for industry and agriculture ran into billions of dollars. These estimates, trimmed by large factors to make them conservative, show that if such savings could be realized even to the extent of 1 percent of our national output, the total would be close to $4 billion a year.

Weather reconnaissance satellites which can be launched in increasingly more sophisticated forms, starting this very year, will begin to improve worldwide reporting of weather almost at once. In the next decade such data—from satellites, coupled to electronic computers and other advanced methods, should give us a very high degree of accuracy, indeed, in such reporting. These advances will yield enormous savings to the economy, substantially reducing expenditures needed for flood control, drought relief, water supply, hurricane warning, and similar measures, not to mention the savings in human life.

Other testimony demonstrated that the extension of presently known communications techniques, and the use of automatic tape recorders, would enable a mere six satellites to carry the entire long-distance mail load of the world, with delivery made in a matter of minutes to any place on the earth. These developments are not fiction; they represent some of the earlier and more mundane possibilities springing from the peaceful development of astronautics. What will ultimately come for the benefit of mankind, from new discoveries of the laws of nature through the exploration of space, is now beyond our ability to foresee, and possibly beyond our comprehension. We only know that the results will be profoundly great; possibly such as to change the very nature of our economic and social life, as have so many other great new discoveries and human ventures of the past.

But we must not become so bemused by these future possibilities that we fail to see the very great urgency that now confronts us—the need for prompt action on this bill.

The Soviet lead in astronautics has made it abundantly clear that business as usual is not going to close the gap between United States and Soviet capabilities.

We may be very sure that the Soviets are not now standing still but are moving resourcefully with might and main, not only to maintain their lead over us, but to further outdistance us. They, too, have unified programs and long-range plans, and they are pouring into this field an important part of their national effort.

Even if we begin at the earliest possible moment to develop our own unified program for space research and exploration, it will probably take us some years to overtake them. And it will not be done at all if we do not enter into the project with the greatest zeal and promptitude, with the full intention of overtaking them, surpassing them, and then maintaining our leadership. This is particularly true when one considers the long-lead times required for any astronautics programs, and the series of surprises the Soviets have already accomplished in the scientific area.

The Soviet advance in the field of astronautics and space flight presupposes a broad scientific effort of many years standing. It is based on a long-range plan of scientific education and research. It has combined, since World War II, the military development of rockets and missiles with the scientific resources of the country.

In 1955, 3 years ahead of the United States, the Soviet Union set up a strong civilian astronautics agency, able to command all the resources of the nation. That agency in the Academy of Sciences, which sits at the same level as the Presidium of the Supreme Soviet, 2 or 3

years ago announced detailed plans for its satellites of varying weights, and also announced its plans for moon exploration and instrumented probes of Mars and Venus. We have similar plans—but ours are still under discussion, or only this year being specifically authorized for the years ahead.

Whatever the people of the United States may think of other aspects of the Soviet political system, there is little doubt that a single coordinated agency offers tremendous advantages over the fragmented, uncoordinated effort which the United States has made to date. A haphazard uncoordinated effort involves the dangers of duplication and incompleteness, together with competition for funds and headlines, to the detriment of rapid attainment of our national goals. There is room, of course, for alternative approaches, and for the development of different teams and facilities, but all of these should be pointed toward the fulfillment of a well-rounded, comprehensive national plan.

It is just this type of coordination that can and will be supplied by the proposed new agency.

I therefore urge adoption of the bill—and immediate adoption and implementation. For we have already lost too much time. We cannot afford to delay any more.

[From Time magazine of June 2, 1958]

SOVIET RULE HAS BESTOWED UPON SCIENCE ALL THE AUTHORITY OF WHICH IT DEPRIVED RELIGION

Golden cage: The intellectual climate of the Soviet Union is conditioned to make a scientist out of every Russian boy who thinks he has the wit to qualify. Russia already turns out 2 to 3 times as many engineers as the United States, and 59 percent of its two-million-odd students in higher education are after science degrees. The 17-year-old graduate of the best of Russia's 10-year secondary schools is reckoned to be at least 2 years ahead of his American counterpart in scientific attainment; he has had 10 years of mathematics, 6 years of biology, 5 years of physics, 4 of chemistry. Westerners have found that even children's toys point up the stress on science: while dolls and tin soldiers are shabbily made, such gadgets as toy TV sets, workshops, radios, and telephones seem to have been manufactured with expert care.

Almost every university student is subsidized, and the freshly graduated physicist can count on making at least $200 a month, plus another $100 for research, which is good money in the land of the proletariat. The government thinks nothing of building whole science cities, equipped modern villas, clubs, cinemas and stadiums for scientists. When an American asked Physicist Vladimir Veksler how much his hugh accelerator at Dubna cost, Veksler replied simply: "I don't know. To get the money, all we had to say was that you had one." If the Soviet scientist lives in an ideological cage, the cage is a gilded one, and within it there is more freedom and luxury than almost anywhere else in Russia. In the past 10 years not a single top Soviet scientist has defected to the West.

Zils and rubles: Comrade scientists, the majority of whom are not even party members, eat at special restaurants, whiz about in big, two-tone Zils, spend their summers at a Black Sea Riviera resort of their own, are allowed to subscribe to any foreign publications they please and to buy luxury goods denied others. By Russian standards their salaries are princely; Nesmeyanov makes 30,000 tax-free rubles ($7,500) a month, besides thousands more for teaching, lecturing, appearing on TV, or writing books. Even after a scientist dies, his privileges continue. His widow may get a pension and a lump sum of 75,000 rubles, his grandchildren may get extra allowances while in school. A British visitor noted that the chief topic of conversation among Soviet scientists, aside from their work, is the servant problem.

Tanks to its moon: Though the party is supreme in Russia, a surprising degree of independence is allowed the academy in scientific matters. With notably few exceptions—mostly in nonscientific fields—the academy elects its members on the basis of merit. It not only directs the policies of the 12 "sister academies" of the various republics, it runs at least 126 research institutes, and to large extent governs the work of more than 200,000 scientists and technicians. Its institutes probe into everything from weather control and ionospheric explorations above the Antarctic icecap to elaborate schemes for landing electronic-guided tanks on the moon. It sponsors as many as 100 field expeditions at a time, one of which last year discovered in Siberia what may be the largest diamond field in the world. It is the goad, guide, and guardian of Russia's most impressive national effort.

Status of Russian science in key fields:

Mathematics: Traditionally, one of Russia's specialties. In pure mathematics and statistics, on a par with anything in the West. Russia has solved the complex riddle of the giant atom-smashing accelerator, produced the exact solution of superconductivity, but lags in automation. More Soviet mathematics books have been translated into other languages than any other subject.

Physics: Landau's Institute "is probably the best in the world," says Oxford's Kurt Mendelssohn. "In some aspects of nuclear particle physics, and in the theory of superfluidity, it is undoubtedly the best." The Soviet ranks high in cryogenics, crystallography and reactor work. But it still trails the United States in low-tension nuclear physics and paramagnetic resonance. "In my own field of neutron physics," says Donald Hughes of Brookhaven, "I could find no activity to compare with that of the United States."

Chemistry: The Soviet is generally behind, notably in the development of synthetic fibers and plastics, the synthesis of vitamins and isolation of antibiotics. Khrushchev himself has called for a crash program in plastics. "Comrades. The fulfillment of this task must become a nationwide cause."

Biology: "The stage of Soviet genetics," says one United States expert, "can be summed up in two words: simply lousy." Lysenko, who has been pushed into the shade but rated three separate on the back in a recent Khrushchev speech, all but destroyed what was once the pride of Russian science. On the other hand, the distinguished Mendelian geneticist, N. P. Dubinin, is back in business, and the Russians now publish more studies of flora and fauna than anyone else.

Medicine: Probably 10 years behind the West. Nevertheless Russia by U. N. statistics has a lower mortality rate than the United States, is developing techniques for radical heart surgery. One British evaluation of Soviet hospitals: "The nurses are nifty, the plumbing nauseous." Research in cancer is a comparatively recent development. Psychoanalysis is anathema and Russian psychology suffers from an excess of Pavlovism.

Geophysics: At the March meeting of the academy, one speaker boasted: "The whole world recognizes our leadership in this field." It does.

Astronomy: Behind, but determined to catch up. The new Biurakan Observatory in Armenia has one of the world's largest telescopes, and one of the world's finest libraries in the field. The observatory's head, Viktor Ambartsumian, the first Soviet scientist since World War II to become a foreign honorary member of the American Academy of Arts and Sciences.

The contrasting extremes: Between the best in Russia and the next best, Westerners have found, there is a yawning gap: What is good is very good; what is not so good is apt to be horrid. Contrasts abound. Visitors to Dubna, duly impressed by the lavishness of the laboratories, were equally impressed by the women driving oxcarts on the outside. You step off a Tupolev jet," says Paris Bacteriologist Marcel Raynaud, "and you see people wearing rags." One United States industrialist found Russia's metallurgy growing by leaps and bounds, but in no laboratory or factory did he see a single pair of safety goggles. ("And you see a lot of Russians in bandages, too.")

"You sit in Moscow," says one United States scientist, "and you wonder how in the hell these people put sputnik up when they can't even bring your dinner to you. They simply don't seem to know how to get things done. Everything seems to be in the extreme. They have commercial airplanes that seem to be falling apart, don't even have seat belts in them; yet they have the finest jet airliner in the world. From the street level, Russia seems hopelessly mired down in confusion. Yet you know that it is a nation that has a long-range plan that puts us to shame."

"When I feel really gloomy," says M. I. T.'s Wiesner, "I think that 5 years from now the Russians will be ahead of us in every area. But when I feel optimistic, I think it may take them 10." This may be so in the scientific and technical fields that the Kremlin thinks are important. But nation's do not live by science alone. And when, as it does, the Kremlin demands results from its splendidly isolated scientists, the results (except in high-priority specialties) run afoul of all the difficulties and confusions that beset the Russian economic system. To catch up with the West's overall standard of living, Russia will need a good deal more than a decade; it may even have to extend freedom beyond the borders of a favored island.

Time is not on our side, the urgency of the approval of the bill cannot be overestimated. I trust that all Members of the Congress fully realize this and will wholeheartedly support and vote for H. R. 12575.

Mr. BROOKS of Louisiana. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, you have heard from the chairman of our committee a presentation on our legislative situation, researches, recommendations, and needs.

It would be idle for me to attempt useful addition to the divisions of his subject matter.

All of us here know him as a cool, careful, and precise master of lawgiving. Even in the most ordinary of day-to-day work on the floor of this House, as in its committees, he demonstrates by performance a ruthless and self-sacrificing attention to thorough knowledge of what he is about. You have heard him today on a subject that needs no emphasis from me as to its awesome character and complexity of elements. I do not need to say that he has done his homework, for you have heard him.

You do not need to be reminded that we have urgent business before this

House in undertaking to establish national policy on astronautics and the exploration of space. Let me testify as solemnly as I know how that this business is urgent in the name of not only the people of the United States, but for the sake of the civilization that made us and which is the hope and light of all the world.

We are about no small and local undertaking in this hour.

As we meet here in this room, this day, we begin something which leads no man knows just where, to discover just what no man can truly guess, with what consequences to us all no man can now be sure.

And before I say one word more about anything else, there is one thing I say now with a humble and contrite heart. In our hearings and our explorations and inquiries and studies as a committee, we have heard famous men describe what science has done, is doing, and is about to do, to send human beings flying out into the general space of the universe. We have heard learned and impressive discussions of stars, planets, galaxies, and solar systems that make this earth and all our traditional impressions of its place in the measure of all things, seem small indeed.

With what effect? With this: That I am confident none of us who heard these things came away terrified or depressed or bowed down with gloom. What we heard can only make any man glad to be alive in such a time of great flowering of talent.

To hear and to understand that what you hear is really the prologue to the greatest dramatic act in all the history of this earth since its time began, is to sharpen a taste for life and to inspire the will to produce the very best that you can find in yourself to give to the work that must be done.

But not in a spirit of vanity and overweening pride.

I say to you that no man can truly consider what we have heard and what we have to undertake, and not be touched with humble gratitude that God created such a universe and put in it a world on which we can live to see the horizon before us.

This is a time which can only fortify and deepen faith in the Almighty for any human being who tries seriously to comprehend what it means that man is really on his way to see the other side of the Moon and to find out what manner of life there is on Mars. These are no longer matters for jokes and scoffing. We are here, this day, in the House of Representatives of the Congress of the United States, beginning our contribution to the human act of going and looking among the heavens, themselves.

I have said that no man knows what we are going to find, or what will happen before we are through.

But that does not mean the propositions involved in astronautics are infirm or that we are about to get into something about which—since we do not know everything—it could be said we know nothing at all.

On the contrary, all of us here know one thing for certain. It is that matters of the gravest military nature are involved right this very hour. The energy that can send almost a ton of scientific machinery in orbit around the earth observing and recording can do other things and I do not need to dwell on the point that damage is the hallmark of these things.

Our very physical survival is geared to the power and knowledge that must be turned in force and with a precision on the exploration of space. You know all this, so I need not attempt to impress you further. What I do want to discuss is that out of this urgent and immediate effort we must now make, is sure to come a great victory for life and light, as against terror and darkness, for all of mankind, if only we do our work well and faithfully.

We are living now to see rising a chance for a kind of peace that has never before been imaginable.

As the hard work of legislation in this matter proceeds, you are going to hear a great deal about what it will cost in money, not to mention in manpower and thought and industrial application, to develop the American position in astronautics. The sums will be great. But will they represent loss, or gain?

You may take the case of atomic energy as just one index to the answer. The taxpayers of the United States have invested in the Government's efforts, from the time of the Manhattan project to the present, approximately $14 billion.

As all of us know, it was an investment begun in the midst of a war for survival. It was about as uncertain an effort as could be imagined, with one paramount aim, to build an explosive which would save us from being killed by a like explosive in the hands of a deadly enemy.

And we still make bombs.

But consider this: one small, single byproduct of the American investment in atomic research, a byproduct hardly considered in the beginning, is already providing us national savings at a rate to more than offset the whole of our dollar investment. This byproduct is the isotope. The Atomic Energy Commission is authority for the estimate that radioisotopes, which are another kind of fallout from the atom besides the one you hear so much about, are now saving industry, agriculture, and medicine not less than $500 million a year in money alone, not to mention the unmeasurable value of lives that are saved, knowledge compounded on knowledge, and other intangibles upon which no material estimate of worth can be made.

It is now forecast that the fruit of isotope research will soon be able to save the American economy not less than $5 billion, that is $5,000 million, a year.

I have not even attempted to touch on the significance of the value to the rest of the world contributed by this single byproduct, the isotope.

Nor will I attempt to measure what it is worth to us and everybody else, that we know now how to extract energy from atomic fission and fusion on the order of megatons. By now, all this is more than familiar to you.

I mention the matter only to remind that out of astronautic research and exploration of space we are certain of the same kind of gains, but on an even more vast scale.

You will find these matters elaborated in the committee's report, but briefly allow me to cite the prediction of Dr. Fred L. Whipple, director of the Smithsonian Astrophysical Observatory, that out of the space effort will come weather forecasting which will be, as he puts it, "a science, instead of an art."

Here are his exact words:

> I predict that that alone (weather forecasting as an exact science) in its value to the country will greatly outweigh the cost of the entire program.

Dr. Francis W. Reichelderfer, chief of the Weather Bureau, testified that some years ago the Bureau undertook to compute the value of weather forecasts and storm warnings to the general public and the national economy.

Here again are his words, not mine:

> However, the figures presented to us by business and agricultural interests were so high that we never have been quite willing to come out with the values for fear that someone would think we were exaggerating.

When you read some of the estimates turned in to his organization by the taxpayers, you can understand his concern. But you cannot doubt that he is correct in saying that accurate weather forecasts would mean several billion dollars a year in gain to our own economy, alone.

And precision in weather forecasting is just one of the byproducts of the search into space of which we are now already sure. The way is open to convert this ancient art into an exact science. It is open now. It needs only to be developed. It does not have to be imagined. It has only to be taken.

Dr. Wernher von Braun, the director of the Development Operations Division of the Army's Ballistic Missiles Agency, testified as to gains now in sight not only as to weather forecasting but as to communications.

He describes a communications satellite to link up a world-wide television system and he does it in language that any Member of this House can follow. You need only turn to the committee's report for reference to it.

And in another application, this same communications satellite can handle fantastic volumes of information at ultra-high speed, through the combining of coding techniques now emerging. Here are his words:

> One of these electronic codes permits the printing of a text of a book in a few seconds in the form of an electronic code. So with six satellites of this kind you could handle the entire mail volume of the whole earth.
>
> You can imagine the implications of this when you consider that such a message would not take longer than 1 hour from sender to receiver. If you charge 1 penny a word, this surely will not only pay for it but pay for trips to the moon and other ventures in this business.

I could elaborate here on this theme, to illustrate from countless experiences of the past how the coming of new knowledge into the world has profited beyond all previous imagining. Just consider the introduction of electric power, energy sent along wires. Whose wildest guess of what that meant was even close to the

truth, when it first began? Who could believe, again, just what would really happen to the economics of the world when the first wireless message was proved? Or when the first plane flew?

The thing we must remember, and it is a hard thing to grasp, is that all these astounding performances of the past were minor by comparison with this feat now to be undertaken, in which almost all the knowledge that man has ever gained in mathematics, physics, and other branches of the physical sciences, are now to be focused, so to speak, for use in a single, all-combining effort.

How can we allow such an opportunity to pass us by? How can we allow anything less than the maximum genius of all our powers to be used in it?

Which brings me now to something which all of us know we must face up to sooner or later.

An American philosopher, William James, undertook just as this 20th century was coming in, to set down his feeling on the psychology and philosophy of religion. Out of this came a famous series of lectures in the spring of 1902 which were then published under the title "The Varieties of Religious Experience," and in which he embedded a comment which has ever since haunted thoughtful men. It was this:

> What we now need to discover in the social real is the moral equivalent of war: something heroic that will speak to men as universally as war does and yet will be as compatible with their spiritual selves as war has proved itself to be incompatible.

And here we have it—something heroic that will speak to men as universally as war does and yet is surely compatible with our spiritual selves. Can anybody doubt it?

I am moved to say that a vigorous and imaginative wisdom exercised in this moment save us all.

Surely no Member of this House any longer thinks of the Soviet Union as a backward and downcast failure in the family of nations. We are realists here. There is in the Soviet Union vigor and imagination, not to mention intelligence. Now is the time to do what we can to inspire an uprising in the Soviet Union of something we need as much as they do, and that is wisdom.

I am bound to think of Comrade Khrushchev just now as the scientists of the Soviet Union present him and his associates in the Kremlin with the specifications of their own plans for astronautics and exploration of space.

Like all of us here in Congress, Comrade Khrushchev is of another school. His business has been in politics, after the Soviet fashion. And I am sure that no matter how bold a face he may put upon it, his inward feelings cannot be much different from our own as he considers what the impact of astronautics and the exploration of space will be upon Marxism and dogmatic assertions from the collected works of Lenin as to what must be and will surely be, among the nations of the earth.

The word we must get to Comrade Khrushchev is that he and we are in the same boat, that it is possible for us to exchange sympathies but it is necessary for us to recognize that pre-atomic politics will not fit the need of the hour. Only wisdom can find us the inspiration and the application of William James' moral equivalent to war, an appreciation of the something heroic which we do not now have to invent but have right here with us as we meet.

What is lacking here is not the money or the knowledge or the industrial skill and power to apply all the scientific gift that is emerging.

What we all lack together, everywhere, is a real feeling of the link between the intellects that are fashioning the performance of space travel and the ordinary citizen who is both cause and effect, both contributor and receiver, who makes the performance possible not only by his presence but by his actions, and yet does not truly know it.

What we need most to make the takeoff into space something heroic for every man is for every man to appreciate that he, too, is a part of that takeoff, that without him it would not have happened and that without him it is not worth doing.

As of now, the spiritual and emotional, as well as the intellectual gap between the operators and the participators in this project is too wide.

We need help and the Soviet Union needs help, to close this spiritual and emotional gap. The tragedy to mankind that would mark the actual beginning of the space age if it were to be remembered only for the antagonisms and the hatreds and the fears all of us have suffered for so long, would be the last bearable tragedy in the record of the race, it seems to me.

I call on this House, therefore, to consider, along with its other work, the ways and means by which to help the Russians to wisdom so that we may also help ourselves. We need it at least as much as they.

All of us here know that there is no turning back nor is there any safe haven anywhere, of avoidance of thought and action that must be at the same time reasonable and yet of the highest order. The hardest thing we have to do is to keep a fresh and growing appreciation here of, not only the urgent needs of self-defense, real as they are, or of the already visible profits on investment in the economic sense that are predicable from the effort to build satellites and space machines, but something far more vital.

We have to keep alive our sense of what all these things mean in terms of people and of, if I may put it so, the human heart.

On that account, I am hopeful that you will encourage our committee and provide it the means to do something more than collect information on the prospects of using what it is now fashionable to call the hardware of space exploration, surely not the liveliest possible description for the wonderful instruments now already made or others even more wonderful going next to be made.

What it seems to me we need now to begin doing is the collection of thought about just what the space age does for and to and with and by the human race and this world, in terms other than military and economic.

I am, for one, interested in hearing from eminent men in not only the physical but also the social and the natural and life sciences. I would like to see Congress inviting philosophers and theologians to come and bring light. I would like a chance to hear what anthropologists and biologists and zoologists have on their minds. I see no reason why we could not seek them from all over the world, without regard to any feature of race, sex, religion, or politics, but measuring them by the single standard of their character and worth, to help us assess this potent moral equivalent of war, the age of space.

To be sure, nothing quite like that has been done before. But nothing quite like this present has come up before.

It seems to me that we must avoid the danger of over specializing on how to explore the moon and neglecting to consider what it all means to us as we do it. Now is the time to invite speculation and suggestion and imaginative inspiration of wisdom from every available source. For instance, I have just heard of a book now being reviewed entitled "Of Stars and Men: Human Response to an Expanding Universe." The author is Harlow Shapley, a distinguished astronomer at Harvard University. He offers a line of reasoning and evidence, to the effect that there are living creatures on other planets equal to or maybe even superior to, this race we call human. I, for one, would like to hear Professor Shapley on the age of space as he conceives it. I would value the stimulation toward wisdom that would come from having witnesses of such a kind come before us.

Just what questions I might think of to ask I cannot now imagine, but that I would listen and try to enlarge my understanding, I am sure. The compendium of thought and idea, plus enlightenment, that we could collect in the printed record from such a set of hearings would serve Congress for many a day and in many a way, to help us explore the time ahead.

In this time we are going to need hardware and all of it we can get. This we know. We are going to make astounding profits on investment in the enterprises of the space age, just as we always have before. Of this we may be confident.

But if we are to enter the space age whole and hopeful and free of the horrors of war, we must find wisdom and war's moral equivalent. We must be able to ask help in that search from all the world and from within ourselves as well. We must be able to see that Comrade Khrushchev, in this entrance into the space age, is no more free of the need for this same wisdom and freedom and moral equivalent than anybody else. We must also have the wisdom to know that he knows his needs as well as we know ours and that since he is not a madman, he will be grateful for a sign to that effect.

It is surely true that he is a Communist and that he does not plan to change, just as it is true that each of us here is a friend of liberty and does not plan to

change. But it is also true that he and we have this in common: We are all human. And with all the rest of the human race, we stand at the opening of an age that can never be equaled. It will be either the age of the greatest achievement or the greatest damnation that can ever come to the world.

Which do we mean to make it be? Perhaps if we begin now to call in as Congressional witnesses some to help us seek the moral equivalent to war, in terms that will be vivid to the fans of Pvt. Elvis Presley, we may also begin to find an answer.

In outer space we who believe in God will find reaffirmation of our belief. I pray that in that same area the materialists will find God.

Mr. BROOKS of Louisiana. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. METCALF].

Mr. METCALF. Mr. Chairman, in the months since last October, "earth satellite" and "sputnik" and "orbit" have become household words not restricted to the junior set watching television in the hours before dinner. I think most Members of this body understand that we are engaged in a race with the Soviet Union to excel in the ability to use outer space. It is likely, however, that for most men this understanding is an instinctive sort of thing, an awareness of psychological implications rather than a specific assessment point by point as to why the United States cannot afford to come out second in such a race.

There is probably no clear way in which one can assess the direct political effects on world opinion of the placing in orbit of large scientific satellites by the Soviet Union. We know that few other events of the recent past have attracted such wide press coverage in every country of the world. The Soviet radio gave to every country the time schedules for the passage of their sputniks so that local inhabitants could step out of doors at dusk or early morning, and catch a glimpse of the moving white light of the sputnik as it crossed the heavens. Radio amateurs could easily tune in on 20 or 40 megacycles to hear the coded beep of the satellite as it crossed that part of the world.

Whether large satellites are proportionately as much more useful as small satellites is beside the point. In the propaganda war, the comparison has always been a simple one: an orange as compared with something about 80 feet long, and weighing at least 3 tons. Sputnik II, for example, fitted this latter description, of which 1,120 pounds was the payload of instruments and dog. Sputnik III has a payload of 2,926 pounds, and one can only guess at the size of the rocket in the final stage. The United States is working hard to perfect its intermediate range and intercontinental ballistic missiles. These several projects are all built around a rocket motor with a thrust of about 180,000 pounds. In the case of the intercontinental missiles, such motors have to be paired to supply the necessary thrust. Pairing or clustering is not an easy matter, any more than is building a very large capacity motor. For what may be saved in design of a given rocket chamber is added back by the increased likelihood that some part of the cluster will fail, and the whole mission will abort.

The Soviet authorities have not revealed what thrust has been used to put their sputniks into orbit, as these have been military boosters. While we are still working to establish our 180,000-pound thrust motor as a reliable operational device, the Soviets are putting into direct use motors which give every indication of being even larger. For example, in the case of Sputnik III, conservative estimates have placed the launching thrust as 500,000 pounds. Some responsible scientific consultants to the House Select Committee have estimated the thrust as being between one and two million pounds. We know that the United States is still in the early stages of developing a million-pound thrust engine, and that about 5 years of hard work lie between us and accomplishment of such a power output, although with clustering we might achieve such thrusts earlier on a makeshift basis. This gives a partial clue as to our relative position in the race with the Soviet Union to create a capacity to put up large scientific satellites.

What can be done with a scientific satellite? It can carry an array of instruments which will collect in the course of a few weeks information which would take a year or more to do with smaller satellites. This one action can represent a further time saving of a year in the collection of data needed for later steps in the exploration of space. Not only that, but such a complete scientific laboratory in space can record phenomena which are interrelated, throwing light on problems which would be difficult of solution by ordinary satellites of the nominal size presently in use by the United States.

It can not be emphasized too strongly that a necessary forerunner of more ambitious space projects is the collection and analysis of data of a scientific nature such as the present satellites and sputniks are collecting. For example, it was through our satellites that we learned of the existence of the deadly band of X-rays which surrounds the earth. This is a hazard that future space ships can overcome, but it might have meant the death of the first man to enter orbit in a satellite in some future device if the instrumented satellites had not been sent first and uncovered the hazard.

Suppose it were argued that the United States could do without satellites, that our scientific curiosity could go unsatisfied in order to save the high cost such programs involve. I don't think we would do it, but let us look at the proposition. One of our rocket scientist witnesses pointed out that for 12 years he has been shooting sounding rockets into the upper atmosphere. He pointed out that at the rate of progress he was making, it would have taken a thousand years to collect the data which Explorer I supplied in its first 2 weeks in orbit. Clearly, the satellite approach represents an efficient way to gain much knowledge in a relatively short time.

Could we argue that others will collect this information for us, if we choose not to make the expenditure? I think this would be very unlikely. The Soviet Union is making some information available, but it may very well be brought about by the hope that we will continue to share what we learn as well. Indeed, if the United States were to hold back we might look pretty silly. Not only is the Soviet Union interested in satellites. The British are now talking in terms of launching moderately large satellites using their intermediate range ballistic missile under development. And even the Red Chinese have announced their intention to launch satellites in the not too distant future. Beyond this, there are substantial reasons for suspecting that the Soviet Union already has collected more scientific data by satellite than it has admitted to the world. The weight lifted suggests a capacity to carry more instruments and to operate more communications devices than have been explained.

I suppose that a natural question is, how do we know that the weight of the Soviet satellites is as great as they claim? The techniques for independent measurement are related to those used to measure the weight of the moon and other bodies in space. These scientific calculations coupled with study of the life in orbit at the altitudes found by radar sounding enable the estimation of weights. What these measurements disclosed was not that the Soviets had exaggerated the weight of at least the Sputnik II, but that they had refrained from reporting the great rocket case which was attached to it. No, I fear we cannot delude ourselves with any such synthetic comfort as saying that the sputniks are probably smaller than announced.

Indeed, one of the interesting speculations is to consider what particularly Sputnik II and III may have been doing which has never been announced. There is no reason in the world why Sputnik II may not have had additional instruments collecting not only scientific data for the IGY, but also other data for military reconnaissance purposes. Just as our tiny Explorer III carries a tape recorder which in a few seconds plays back data collected in an hour and a half, so the much larger sputnik may have been recording many different kinds of data. When this recorder was triggered from the ground in the U. S. S. R. it would send back to earth a flood of military intelligence. We know that some monitoring of Sputnik II revealed a whole maze of codes which we have been unable to decipher. Sputnik II may easily have done a reconnaissance survey of all the military bases and industries of the Free World, testing the capabilities of later even more complex reconnaissance systems. Sputnik III has about 800 pounds of additional payload even by Soviet admission which they have not accounted for. Does it include television cameras? Is it doing radar mapping to guide future ICBM's? Does it incorporate retro rockets which in a few weeks when many thousand feet of special film have been recorded will allow the recovery of all or a part of

this pay load? Even if such speculative questions are answered in the negative now, the Soviet scientists have already demonstrated successfully a capacity to lift up into orbit all the weight of instruments required to conduct extensive reconnaissance. This could be priceless in establishing the exact position of targets for future attack, targets whose position although in general known was not known previously in relation to Soviet bases. Either the Soviet Union is already carrying out secret military reconnaissance of the United States, or it has the lifting capacity to do so any time it assembles the necessary package of detecting components.

I think my discussion is moving over into an area which is more tangible then the field of propaganda warfare as to why the United States should be concerned about space developments in all parts of the world. My discussion of possible military reconnaissance which may already be a reality is merely one example of what the superior size of Soviet satellites may mean to the United States.

Some other military uses of satellites cannot be discussed in a public talk. But it should be obvious that the past history of weapons development has demonstrated again and again that new devices which seemed to have limited applicability at first, later are of importance to warfare. Who could imagine that chance discoveries about radio signals bouncing off solid objects would later so dominate military operations in the form of radar? Recall, too, that very sensible people could see no practical military use to the airplane for some years after it had been invented. Indeed, when World War I began, the airplane was still viewed primarily as a supplement to the captive balloon as a means for artillery target spotting.

It would be a grave mistake to underestimate the future importance of space technology on the grounds that only a few uses are currently foreseen. I think, for example, it was Mr. Roy Johnson, of the ARPA, who suggested, by way of illustration, not forecast that in another 20 years hydrogen bombs might be obsolete as weapons, and that perhaps a death ray pointed down from a satellite 500 miles up will be the weapon which better meets military requirements of the future.

My discussion of the race with the Soviet Union to perfect space exploration devices has beeen couched essentially in grim terms of national survival. This is a factor which the Members should not overlook when they come to authorize this new agency and later to approve appropriations for it.

I do not want to end my remarks on this note, however. It is entirely consistent for me to report to you that the real hopes for the space age lie in the field of peace and human betterment. The testimony collected by the select committee, and the reports issued by this committee make clear what some of the most obvious benefits will be. We have explained how they can add to the national income and cut future tax burdens, in greater degree than they will cost in appropriations over a span of years.

The only point I am trying to make is that we will not have the option to use space for peace and for human advance unless we develop broad capabilities. This is because space technology can be used for military purposes, too, and our only safeguard against such use to the detriment of the Free World would be to match or exceed what any potential enemy might do in this field. Indeed, if we fail to develop space technology comprehensively for peace and to have available, if need be, its military potentialities, not only will we be cut off from use of outer space, but our freedom of action as a nation will be threatened. I ask that this legislation be passed, and that we take the opportunity to develop a broad capability in cooperation with other nations which will preserve the peace for all mankind.

Mr. BROOKS of Louisiana. Mr. Chairman I yield 5 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Select Committee on Astronautics and Space Exploration brings to the floor of the House for your approval a bill providing for research into problems of flight within and outside the earth's atmosphere and for other purposes. I have enjoyed my assignment to this committee and at this time desire to express my deep appreciation to our Speaker, the distinguished gentleman from Texas [Mr. RAYBURN], for giving me the opportunity of serving on this select committee. It has been a pleasure serving with our chairman, the able and distinguished gentleman from Massachusetts [Mr. MCCORMACK]. I have enjoyed working with the other members of this committee.

We were ably assisted by George J. Feldman, our chief counsel and director, and the other members of our staff.

On October 4, 1957, the people in this country were awakened rather abruptly when Russia placed Sputnik I into orbit. Reaction in this country varied from utter astonishment to consternation. Sputnik I was a serious threat to our sense of security. Russia obtained a great propaganda advantage in placing a satellite in orbit first, and at the same time conferred a great favor on the United States by making all Americans more cognizant of the value of science and technology and more aware of some of our shortcomings.

For a generation, the most powerful force in world affairs had been the United States of America. As the strongest country in the world, we were able to choose our own course and persuade others to follow it with us.

Our people have assumed for years that anything new, exciting or bold would be first discovered by the United States. The Soviet Union's success in placing the first satellite in orbit quickly shattered any illusions to the effect that our country was the leader at the present time in technology. Instead, we suddenly realized that we were guilty of complacency—never a frame of mind to bring about great accomplishments. Our system of government is peerless but we deluded ourselves into thinking that we were invincible.

The launching of Sputnik I placed us in the position for the first time during this generation of discovering that we have a challenging competitor in the most advanced scientific fields. This satellite was evidence of the fact that we are in a desperate race for control of man's mind. Up to this time we had confused economic strength and high standards of living with intellectual stature.

We must make the most of our assets now. How far we are behind Russia in space research is a moot point. We must face the fact that if we neglect to exploit the possibility of space exploration, our prestige will suffer. We must have a bold and original program. We must assemble the best scientific, engineering, and administrative minds in the country, and an active program with the proper objectives, timetables, and priorities must be forthcoming.

To remedy our present missile and space research programs, we must have legislation of imaginative and courageous conception. Our country must be set on the right track in moving into this new space age.

We must, at an early date, reap the benefits of space exploration. Even though our plans are bold and aggressive there will be failures and disappointments. We must temper our enthusiasm with good common sense. We must set up a space program which will accomplish results and at the same time win the respect of our own people and the people of the Free World.

In order to discover the secrets of outer space we must first set up the organization to be in charge of this program. The necessity of this program warrants its long tenure and ever-increasing importance.

Our committee has held extensive hearings and spent considerable time studying the problems arising from the need of this country concerning its leadership in space exploration and exploitation. We have heard many distinguished gentlemen from science, business, government, and the military testify. Their testimony has emphasized the extreme importance of astronautics and the exploration of outer space.

The first problem was deciding whether our space program should be under civilian or military direction. We are of the opinion that our national space effort must be under civilian direction, and there must be effective cooperation and correlation between the civilian organization and the military. This new organization will be an operating agency and not an advising agency.

Our study leads us to believe that the reasons for establishing a space exploration program are, first, to collect scientific information; second, to initiate an economic potential; third, to collect military information; fourth, to explore the possibility of people migrating to other planets; and fifth, to better the world position of this country.

Most of the surface of the earth has now been explored, and we now turn to the exploration of outer space as our next objective. We must be sure that space is not used to endanger our security. If space is to be used for mili-

tary purposes we must be prepared to use space to defend ourselves. To be strong and bold in outer space exploration we will enhance the prestige of the United States among the people of the world and bring about confidence in our scientific, industrial, technological and military strength. Space exploration will add to our knowledge and understanding of this earth, the solar system, and the universe.

The new space agency must consider carefully all aspects of this undertaking and coordinate them with our national policy and decide what steps are feasible and establish priorities. It must decide what problems to meet, and the chances of success. The price of each project in money, in scientific manpower, and the final result must all be weighed.

We believe and so state in our bill that the policy of the United States is to see that the activities of mankind in outer space, including activities upon or in connection with the moon and other heavenly bodies, shall be devoted to peaceful purposes and the general welfare. Research, development, exploration, and other activities of the United States with respect to flight within and outside the earth's atmosphere shall be conducted so as to promote world peace, improve the general welfare, and most effectively utilize the scientific and engineering resources of the United States to expand human knowledge of phenomena in the atmosphere and outer space with adequate safeguards for the common defense and security of the United States.

We also believe that if this country is to be the undisputed space technology leader 10 years from now, we must put more effort into basic and applied research. If we are to conquer the distance involved in outer space, entirely new propulsion systems will have to be developed. Solid and chemical propellant rockets will not be adequate. A nuclear propulsive method will be necessary and the next step might logically be ion propulsion. Here we would obtain thrust through ejection of a stream of ionized particles. It is imperative that we develop a million-pound-thrust engine as quickly as possible.

In the near future reconnaissance satellites will be used for surveying and mapping the surface of the earth. They will serve as our eyes in outer space for warning of military movements on the earth's surface. This same type of satellite will forecast hurricanes, typhoons, and weather conditions generally. Such satellites will serve as radio and television relay stations able to receive signals from any point on the earth and relay them directly or via another satellite to any other location.

Astronomy will be the science to benefit most from space exploration. The Moon, Mars, and Venus will be the first to be explored because they are the closest. Both this country and Russia are interested in hitting the moon with a rocket, not only for world prestige but because we can then ascertain the nature of the moon's surface. We must have this information before we can land a spaceship on the moon. We must achieve manned spacecraft if we are to conquer space.

In our conquest of outer space we will have many medical and biological problems to solve before we can successfully place a man on the moon. In addition to medical problems we will have legal problems to solve. The satellites placed in orbit during the International Geophysical Year followed announcements of such action and all legal questions pertaining to control and ownership of outer space were temporarily waived. This question will be up for solution before too many months pass.

With adequate money and discovery of new fuels and new propulsion systems we should hit the moon and make a controlled landing within the next 4 years. By 1966 we should be able to send landing parties and by 1970 we should be able to develop a supply system and set up and maintain a base on the moon.

This bill provides for an Administrator and Deputy Administrator to be appointed by the President and confirmed by the Senate; establishes Military and Atomic Energy Liaison Committees; establishes a 17-member advisory committee, with 9 members of same from appropriate departments of Government, and a minimum of at least 3 from Department of Defense; the functions of the Space Agency are clarified; provides for transfer of related functions; access to information; security; idemnification, and limitation of liability; international cooperation; patent rights; auditing of contracts; appropriations; and reports to Congress.

The Director of the National Aeronautics and Outer Space Agency is destined to be one of the most influential men in this country. To qualify for this important position he must have an extensive knowledge of science and vast experience in the administrative field. His duties will consist of initiating and administering different programs in research, managing and operating the Space Agency generally. In all of his duties he will confer with an advisory committee composed of members whose background and experience are varied and diverse. It is all important that the Director of this Agency be a man of great knowledge, infinite patience and unusual ability.

In considering a new Space Agency we must keep in mind that already during the 20th century we have undergone the industrial and atomic ages, and now we are at the threshold of the space age. I use the expression threshold because we have only begun to penetrate outer space. Total conquest entails complete knowledge of many types of technology in addition to space physiology. The entire world is watching to see whether the United States or Russia will be the first to overcome the many obstacles to a successful space flight.

In making our study to determine the necessary legislation for this new field of astronautics and outer space we discovered that a great portion of our scientific information to be used in this field can now be declassified and this action should take place immediately. Further, we must have international exchange of scientific knowledge and this effort must be cultivated and promoted. In this struggle for survival we desperately need the greatest minds we can assemble to retain our sovereignty.

In this race for dominance we no longer rely entirely upon use of money, arms, and men. Now, one of our strongest weapons is brainpower and its by-products. Our study further shows that some of our immigration laws and visa regulations prevent international science organizations from holding conferences in this country. Regulations pertaining to temporary visits in this country by scientists from different countries of the world must be corrected accordingly.

Now is the time for the United States to work cooperatively with the other countries of the Free World. The mutuality of our aims will bring about a much stronger alliance than we had thought possible.

Mr. Chairman, I have every confidence that the United States will weather this crisis. We have the economic and moral strength to move forward to victory and with the help of God we will succeed and maintain our position of leadership in the world. We will discover the secrets of outer space and move through this new space age with our colors flying.

Our committee recommends this bill to the Members of the House.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, before proceeding to discuss this resolution, I want to express my admiration for the fine, nonpartisan, statesmanlike manner in which the distinguished majority leader has discharged the duties of chairman of the Select Committee on Astronautics and Space Exploration. It has been a real privilege to serve under his able leadership.

Also the record should indicate an expression of deep appreciation for the outstanding services rendered by the splendid staff headed by Mr. George J. Feldman. They have performed in an extremely able and intelligent manner without regard to hours. They deserve our highest praise.

Mr. Chairman, it has been my good fortune, as a member of the Select Committee on Astronautics and Space Exploration, to listen to an almost unparalleled group of witnesses discuss the measure now before us.

The half a hundred experts who—without a single exception—testified in favor of the essence of this bill represented brainpower, experience and sincerity of the highest order. I heartily recommend a reading of what they had to say to every Member of the House.

I came away from the hearings, and from subsequent executive sessions of our committee, with certain strong convictions. Of these convictions, two stand out above the others.

First. The broad political and scientific picture existing today—both domestic and international—simply will not admit of delay in moving forward with a comprehensive national space program. We cannot hesitate if we value our way of life.

Second. Taking the long view, I am equally convinced that this bill may well be the most significant legislation to

come out of the current Congress—or, indeed, to come from many Congresses. It has the word "history" stamped all over it.

I do not believe that I need comment in detail on the urgency or the need for this bill. That is being done very well by my colleagues.

But I do want to emphasize this thought:

At the present moment, and contrary to much that you may have heard or read lately, America is behind no nation in its overall scientific state or capacity. It is obvious that in some areas of astronautics—notably the strategic area of rocket engine power—we lag behind the Soviets. But in some areas of what we now call space technology we are on a par with them. In still others, we are definitely ahead.

But the point is this—we cannot afford not to catch up where we are behind; we cannot afford not to forge ahead in all other areas. For while it may be true that science is not the only, or even the greatest, contribution America has to make on this earth, it is certainly true that once we are deprived of our traditional freedoms then our greatness in every field—political, social, legal, economic or ideological—must inevitably wither and die.

And, Mr. Chairman, I submit that in these tumultuous times there is only one way to assure our continued freedom—through our national strength, which today as never before depends upon scientific knowledge and the canny application of that knowledge. This fact is especially compelling when viewed against the backdrop of the spectacular emerging arena of astronautics and space technology.

It goes without saying that we must bend every possible effort toward preserving the use of outer space for peaceful purposes. We must convince other nations of the world of something Americans recognize instinctively—that our presence in space is, and will continue to be, pursuant to the search for facts, not targets; for understanding, not destruction.

The proposal before us, therefore, has twin objectives: knowledge and progress on the one hand, and national security on the other. Its enactment is crucial to both purposes.

Essentially this bill follows the precepts of a space program as developed and presented to the Congress by the President some weeks ago.

The select committee, on the basis of demonstrated need, has made a number of changes which are detailed in the report. Some of the bill's provisions have been considerably tightened. Others have been made more flexible.

I am satisfied that in making these changes our committee accomplished what it set out to do—namely, insure strong civilian control and direction of the space program without in any way hampering or penalizing military efforts to develop as rapidly as possible in this field.

The bill, for example, establishes a strong military liaison committee. It not only authorizes but directs the civilian head of the new Space Administration to consult with the Defense Department on all matters which the Department of Defense deems to relate to military applications of research and development in the aeronautical and space field.

While I have some reservations about specifying the scope of the liaison committee's duties to the extent that this bill does, I acknowledge that it follows closely the pattern set by the Atomic Energy Act. And in the experience of the Atomic Energy Commission, the arrangement seems to have worked effectively and smoothly to the satisfaction of both the AEC and the Pentagon.

You will also find that the bill vests sufficient concentration of authority in a single Administrator to give that office the ability to move with decision and dispatch—in short, to get the job done. This is highly important, for a minimum of redtape—in light of the speed of modern-day communications and development—is an absolute must. The Space Administrator's hands cannot be tied if we expect to get results from our space program. At the same time, expert advice is provided through the 17-member aeronautics and space advisory committee. As now proposed, the advisory committee will include nine members from appropriate Federal departments or agencies. At least three of these must be taken from the Department of Defense.

This advisory committee will be no mere figurehead adjunct to the proposed Space Administration. It will meet frequently. Nevertheless, while it is contemplated the Administrator will consult with the advisory committee in regard to major policy matters, the committee is an advisory body. It will exercise no undue restraints on effective action by the executive head of the Space Administration.

In one respect I would have been happy to see the bill go even further and give the Administrator of the proposed Space Administration a statutory seat within the highest councils of the executive branch. It seems clear to me that he should participate in the formulation of national policy at the top level.

For some time I have urged the establishment of a Department of Science and Research or its equivalent. I am convinced such a department is on its way. We will have to have it sooner or later. And I am convinced that it must and will be "sooner." All the political and scientific weathervanes are so pointing.

The proposed Space Administration is a step—and a long one—in that direction. There can be little doubt that it heralds, if, indeed, it is not the actual forerunner to, a permanent scientific research and development organization at the Cabinet level.

Perhaps this is not the time to press for such a department, but I suggest that we all keep the possibility in mind—for I predict that we will be seriously considering the addition of a science and research member to the President's Cabinet in the not-too-distant future.

Mr. Chairman, there is another point I want to develop, one which has not, in my estimation, received the emphasis it deserves.

This is the very great need for developing, as rapidly as our scientific knowledge and our international alinements will permit, some sort of law or code to govern the case-by-case problems of outer space as they arise. We must at least make a beginning, an overture to this end.

Expert witnesses have testified that the state of anarchy which now exists in space could be the trigger to plunge the world into an atomic-missile holocaust. This could, of course, happen by design. It could occur in spite of any agreements or rules reached. But with no astronautic regulations or agreements in existence, with space operations of all nations currently being undertaken in a legal vacuum, disaster could also strike through simple misunderstanding or by accident.

In my judgment, we cannot take that added risk. It is just not common sense to do so.

Enormous, complex, and challenging as the scientific and factual determinations of space exploration may be, they are no more so than the political and legal facets of space control. In fact, when the human element is added to the latter equation, it may become even more difficult to solve than the physical enigmas of outer space.

In other words, as I see it, the exploration and regulation of our interplanetary voids must develop hand in hand.

We must work for law and order in space, both internationally and on a domestic plane, at the summit and on the working level.

If possible, I believe we should attain international agreement at the earliest possible moment on these points:

First. Barring the military use of space.

Second. Excluding any nation from the appropriation of special masses or any natural bodies found beyond earth.

Third. Adapting some existing international organization, or the formation of some new one, for the cooperative exploration of space.

Finally, we should be moving toward a real functioning cooperation with other nations on specific space problems, as they materialize, in such areas as national jurisdiction, communications, navigation, rescue, liability, spacecraft ownership, and responsibility, and the like.

It has been with this thought, among others, in mind that the bill before you authorizes the proposed administration to "develop a comprehensive program of research and development in aeronautics and space sciences and related matters."

This wording was added in committee. And one of the major reasons for it was to give the proposed Space Agency sufficient authority to investigate the regulatory realms of space as well as the scientific ones.

I am satisfied that this bill meets all the legislative needs for a national space program which we can foresee at the present time.

It should be enacted into law as swiftly as possible.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from California.

Mr. McDONOUGH. Just to emphasize the point the gentleman made, and not to emulate the Russian role by any means, but we do know that the National Academy of Sciences of Russia does sit at the highest level of government; as a matter of fact, it is part of the Presidium.

Mr. KEATING. That is my understanding.

Mr. McDONOUGH. And your recommendation is that the head of this department should have equal status in our Government in order to carry on the authority which we think he needs.

Mr. KEATING. Personally I would like to see him a statutory member of the National Security Council, but perhaps that is moving too fast. I personally think that is likely to come, but perhaps it is wise not to press for it at this time.

Mr. McCORMACK. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, membership on the Committee on Astronautics and Space has been one of the most challenging experiences of my life. I would like to say at the very beginning that the fact that we are here today apparently almost completely unanimous in support of this bill does not mean that the members of the committee were rubberstamps—certainly not. The bill was very carefully examined. It was discussed at great length. Many provisions, many sections, many paragraphs, many sentences were written and rewritten.

I wish at this time to commend the chairman of the committee for his great patience. I am sure the other members of the committee will agree with me when I say that certain phases of this bill were discussed at great length and there was a great deal of patience shown by our chairman as well as by other members of the committee.

At this time I would like to pay tribute to all members of the committee, to my friends on the Democratic side as well as my friends on the Republican side because, after long discussion and carefull analysis, every amendment and every change in this bill was agreed to unanimously. I do not wish to imply that this committee is perfect, of course; or to imply that the bill could not possibly be improved. I want to make clear that there was not always complete agreement to begin with in the committee, but that after the bill had been thoroughly discussed and analyzed we were able to come up with language that did do the job that we were so desirous of doing.

One of the most outstanding and most impressive things to me during the lengthy hearings on this bill was the quality and type of witness who appeared before our committee. A great many of us sometimes have the idea that scientists, men with the scientific mind, tend to be a bit eccentric, old fogy in some ways, with closed minds with reference to everything except the specialty on which they dwell. I was most impressed, as I am sure were other members of the committee, with the type and the quality, with the openmindedness of these men who appeared before us day after day. They represented, in my opinion, the cream of America; men who truly had open minds, men whose minds were not earthbound, men who where capable of dreaming and of having vision and yet at the same time were realistic enough to face up to the practicalities of life. They were in most instances young men, courageous men, men of sound judgment.

Another thing that caused some considerable impression on my mind was the fact that we have many times tended to sell the Soviet Union short with reference to the brainpower of their scientists. We were inclined to give credit to the German scientists captured at Peenemünde for the great advances Russia has made. But, contrary to that, all the evidence by the scientific people as well as the military people was to the effect that their accomplishment was due to the Russian scientist, to the Russian mind. Actually, according to former German scientists we had before us, there was very little accomplished in Russia by the German scientists that were captured.

So I think the lesson we should learn is this, that we cannot be first simply because we are American, but if we are going to be first and foremost in this field of space and astronautics we are going to have to be willing to give, we are going to have to be willing to sacrifice, we are going to have to dedicate ourselves to the task that lies before us and to move ahead. In that way and in that way only will we be able to overcome the lead that today is enjoyed by the Russians, particularly in the field of apparatus, in the field of vehicles rather than in the field of basic science.

The thing that today we should be concerned about, according to the testimony that was given, is emphasis upon this equipment, upon the vehicles, upon the operation, upon the greater thrust needed in order to put our vehicles into space, rather than upon basic research alone.

Another thing that was most impressive to me and I am sure it was to other members of the committee were the statements made, for example, by Admiral Rickover, General Gavin, General Medaris, General Schriever, and many others, with reference to our basic needs in the educational field. I hope a little bit later to expand on that when we get to the point of reading the bill for amendment, because we are concerned here about providing for the people in this Agency that can do the job, about providing the pay scale that will bring into this field the best potential material we are able to obtain. The need in the educational field is to put greater emphasis upon science, upon math, upon physics, and chemistry.

I think that because of what occurred last October 4 when sputnik was launched, and because of the statements of men like Admiral Rickover and others we hear from, out in the field—I hear from my District, as I am sure you do—a change has taken place in the attitude of our school administrators, on the part of our teachers, to give greater emphasis to those things which are basic and to which we must give emphasis if we are to do the job that lies ahead in this great scientific and research field.

Mr. Chairman, I hope this bill will pass unanimously. As I said at the beginning, it has been thoroughly analyzed. It possibly can be improved, but we need to be about the task of moving ahead in this great new field in this new space age in which we live.

Mr. McDONOUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I would like to reaffirm my comments made earlier concerning the leadership and the superb assistance given to the committee by the chairman, the gentleman from Massachusetts [Mr. McCORMACK]. Also I think it is appropriate to re-echo what has been said earlier by almost everybody on the committee concerning the fine work done by the staff under our director, George Feldman.

Others have spoken this afternoon about the general program of astronautics. There has been some discussion of individual provisions. I would like to concentrate at this point in reference to the bill as it affects appropriations. If you will turn to page 39 of the bill, you will find under the head of "Appropriations," section 509 (a) and (b). Then if you turn to page 26 of the committee report, you will find a discussion of the section relating to appropriations. I would like to read the part of the bill itself that affects appropriations. It is as follows:

SEC. 509. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out this act, except that nothing in this act shall authorize the appropriation of any amount for (1) the acquisition or condemnation of any real property, or (2) any other item of a capital nature (such as plant or facility acquisition, construction, or expansion) which exceeds $250,000. Sums appropriated pursuant to this subsection for the construction of facilities, or for research and development activities, shall remain available until expended.

Then subsection (b):

(b) Any funds appropriated for the construction of facilities may be used for emergency repairs of existing facilities when such existing facilities are made inoperative by major breakdown, accident, or other circumstances and such repairs are deemed by the Administrator to be of greater urgency than the construction of new facilities.

I think it is important to have for the benefit of the record, perhaps, some clearer explanation of what the committee is seeking to do. As I read the section I have just quoted, and as I recall the phraseology in the committee report, I think what we have done in this committee action is as follows:

First, we are saying that for the operating expenses of the Agency, the annual operating funds, the appropriations shall be on what we call a 1-year basis. In effect, that means for the pay of the employees of the Agency, for the general operating and maintenance expenses of the Agency, the funds which Congress

makes available shall be on a 1-year basis. This means that funds in this area shall be made available for a single fiscal year, and that at the end of the fiscal year, the funds which are not obligated shall lapse. We are also saying in this language that for the acquisition or condemnation of any real property, and I emphasize, any real property, or for any other item of a capital nature which exceeds $250,000 the Agency must come to the Congress for specific legislative authorization ahead of time.

I think that is probably sound procedure. It is my understanding that this language adopts the Atomic Energy Act approach, rather than that which was recommended by the administration. It does take from the Appropriations Committee, of which I am a member, some authority, but I do feel that it is sound legislative procedure for this requirement of legislative authority before actual appropriation.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. McCORMACK. In order that the gentleman's statement may show the intent of the committee, may I say that it represented the views of the entire committee. I might state that the gentleman's views as just stated represent my views and the views of all members of the committee. In other words, they have to come back to Congress for their appropriations, except the acquisition or condemnation of real property, for which they have to get specific authority. Then of course the last sentence relates to research and development. Any funds appropriated for that shall be made available until expended. The gentleman has clearly stated what the intent of the committee and the Congress is.

Mr. FORD. I thank the gentleman for his comments. I think it is important to emphasize the last sentence which the gentleman read, research and development and for the construction of facilities. It is imperative that when the Congress makes money available for research and development that the funds be made available on what we call the no-year basis. That is done in the case of research and development for the military. Without that no-year fund approach our research and development program for the Army, the Navy, and the Air Force could not operate intelligently or constructively. This language in the bill gives to this new Agency the same authority for the application and followup of appropriations for research and development as currently exists for the Armed Forces. In other words, this means that when the Congress in an appropriation bill for this Agency makes $100 million available for research and development, those funds will be completely available to that Agency until fully obligated. They are not automatically terminated nor do they lapse at the end of the fiscal year in which they are originally made available. It is a continuing obligation authority.

I am confident that the Agency will use these funds properly. I am certain that the Appropriations Committee will look at the budget submitted each year and will be most certain to see that the funds made available previously have been used according to the budget presentation, and furthermore that any changes that have been made in the program as originally submitted and as executed will be fully explained to the Committee on Appropriations. We should not permit unlimited variations between the budget as submitted and the budget as executed. There should be a high degree of uniformity between submission and execution of the research and development program. My experience with the Committee on Appropriations is that it is always agreeable to a change between the program submitted and as executed, provided the committee is informed as to the changes contemplated. That is only fair to the committee.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. McDONOUGH. As I understand the gentleman's proposal in outlining procedure, he is establishing Congressional intent in the event there is reference back as to how those funds are to be used?

Mr. FORD. That is what I am seeking to do, so the people in the Department know precisely the procedure that they should use in submitting the budget for research and development, executing it, and changing it if they so desire.

Mr. McDONOUGH. I am happy to say that I know of no one better acquainted with the fact, having served on the select committee during all its deliberations, and also serving on the Committee on Appropriations, than the gentleman from Michigan [Mr. FORD], or no one better qualified to lay out Congressional procedure and intent.

Mr. FORD. Subsection (b) of section 509 simply gives some latitude to the Administrator in case there is an emergency or some unforeseen problem should arise. The inclusion of this provision is absolutely necessary because in an agency of this kind there will inevitably be certain contingencies and emergencies which will arise where the administrator obviously will have to use his own initiative to meet the problem promptly and effectively.

In closing I would like to reemphasize my personal endorsement of this legislation. I think the committee has done a remarkably good job. It has not taken the administration bill and approved it without a thorough examination. The bill reported by the committee carries forth the general aims and objectives of the bill submitted by the President, but it also bears our own handiwork as a committee; and, in my opinion that is the proper way for a committee and for the House to operate.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

The Chair wishes to announce that the gentleman from Massachusetts has 2 minutes remaining and the gentleman from California 3.

Mr. McDONOUGH. Mr. Chairman, I yield the balance of my time to the gentleman from Delaware [Mr. HASKELL].

Mr. McCORMACK. Does the gentleman desire the 2 minutes at my disposal?

Mr. HASKELL. I would appreciate it, if the gentleman please.

Mr. McCORMACK. Mr. Chairman, I yield 2 minutes to the gentleman from Delaware.

The CHAIRMAN. The gentleman from Delaware is recognized for 5 minutes.

Mr. HASKELL. Mr. Chairman, I rise in support of this legislation to create a National Aeronautics and Space Agency. The distinguished gentleman from Massachusetts and the members of his committee conducted extensive hearings on the bill and received testimony from the ablest and most respected scientists that we have in this field. It was my privilege to testify before the committee, as a cosponsor of the original legislation, and I know that the committee's deliberations were conducted with a great seriousness of purpose and with a completely nonpartisan approach.

There are just three specific points I would like to make in connection with this legislation.

First, this bill will establish a program of research, under civilian direction, into the peaceful uses of space. It will document for the whole world America's determination to devote every possible effort in this new reach of science to the benefit of all mankind.

Obviously, our military programs in this area must go forward with all possible speed, so long as our country is faced with a threat to its security. This new legislation imposes no restriction whatever on that activity which will be directed by the Department of Defense. However, through this new program we have an opportunity, parallel to the atoms-for-peace program, to show the world that our scientific advances in space will be directed to peaceful purposes and earn enthusiastic worldwide support for the principles by which we live. While the Soviet Union talks glibly of peaceful uses of space and busily throws its full scientific effort behind military space hardware, we can act to implement our peaceful purposes by setting up this organization that has one goal in carrying on space research: that goal is the fullest possible benefit to humanity. Action will speak louder than words in the forum of world opinion.

The second point is that while generally referred to in the press as a space bill this legislation is not limited to space research. The new Agency will help develop new technical capability in manned and unmanned flight both within and outside the earth's atmosphere.

Although space science at the moment has captured our imaginations, we must not overlook the tremendous importance of future gains that can be made in the use of the earth's atmosphere for man's benefit. Great advances in air travel have been made in the last 20 years, but much more use can be made of relatively low altitudes if we solve the technical problems involved.

The third specific point on this legislation is that it provides for long-range research and study into the nontechnical problems of flight as well as the purely technical problems. It is all too obvious in the light of our recent air disasters

that as our technical capability in the air increases, we must learn how to solve the nontechnical problems of flight such as the safety, economic, legal, and regulatory problems. This type of research must go along hand in hand with the development of our technical capability.

If it is not provided for, we may have future operating problems in air and space that dwarf aviation's serious difficulties today. Or perhaps more importantly, we might find that we had developed new technical capability with little or no knowledge of how to put it to use for our benefit.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. HASKELL. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to compliment the gentleman on his very fine statement and say he has taken a keen interest and has worked diligently with the committee members in this particular field.

Mr. HASKELL. I thank the gentleman.

Mr. HAYS of Arkansas. Mr. Chairman, I rise to urge the adoption of H. R. 12575.

In my opinion, this bill offers the best way for the United States to approach its responsibilities, and realize its opportunities, in the peaceful development of space flight, at the same time giving due regard to the needs of the national defense.

In these trying and uncertain times, the national defense must always be uppermost in our minds. But most of us will agree, I think, that our country, while taking care not to be vulnerable to attack from the earth, air or space, must also comport itself as to be in the vanguard of those who further the cause of peace among all nations, and those who work for the good of all peoples everywhere.

In the statement of principles which should guide us in the development of aeronautics and space flight, H. R. 12575 puts emphasis, most properly, I think, on the need for peaceful development of these important fields of human endeavor. It declares that, as a matter of national policy—with adequate safeguards for the common defense and security of the United States—"the activities of mankind in outer space, including activities upon or in connection with the moon and other heavenly bodies, shall be devoted to peaceful purposes and the general welfare."

I think that is a most proper statement. It is a very suitable guideline to our Nation's organized and mounting effort to establish and maintain its leadership in the development of space flight in this vast and venturous foray into the unknown.

It will put the peoples of the world, including those of Soviet Russia, on notice that our intentions in space are peaceful, for the good of all, and not an instrument of international force.

It has always seemed to me that, when the time comes for men to venture into space and visit the moon and nearby planets, the effort ought to be made, not on behalf of any one nation, but on behalf of all mankind. And if it should fall the lot of man actually to establish colonies on the planets, or to settle them with beings like ourselves, then it is certainly of the utmost importance that such extensions of our own human world should be peaceful extensions, not battlegrounds. "Space flight," as one of our committee witnesses put it, "is inherently international."

In the early stages especially, it will be necessary for us to keep this fact firmly in mind. For the start of our earth-transcending effort must be made, paradoxically, at a time when nationalistic rivalries are obvious everywhere. The force of nationalism has been intensified by the establishment since World War II of newly independent countries in areas of the world where over one-quarter of the world's population lives. While this continuing struggle for national independence and sovereignty is to be respected in our earthly relationships, it should have little relevance to our relations in outer space. We must do everything we can to convince all countries to leave our nationalistic rivalries behind when we explore the universe.

It is therefore necessary to make real, aggressive efforts at forming international programs, at developing the purely international frame of mind which must go with the orderly handling of programs in this area. Everyone agrees, I think, that internationalization of the space effort is good. But unless a strong program is set up to further this purpose immediately, we shall have a long road to travel before internationalism becomes a fact.

The United States has a unique chance to internationalize this effort at its start—not necessarily on a governmental level, which might pose initial difficulties, but at least through invited participation of foreign scientists and interested groups. Such internationalization is also very much in the national self-interest. It is noteworthy that every witness before our committee spoke of the need for getting the cooperation of foreign scientists in our programs. One does not need to labor the point of the contributions already made by foreigners or the foreign-born men like Einstein, Fermi, and Von Neumann—to American scientific advances, to see the point and logic of this.

Unfortunately, the advance of communism in the postwar years, and the fear of subversion that accompanied the American efforts at containment, necessarily caused changes in our early national policy of admitting all men to these shores. Given adequate safeguards, the time has come for some relaxation, especially with regard to men of learning and scientific ability. The secrecy provisions of the original Atomic Energy Act, though now somewhat eased, have remained rigid and unwieldly, instead of expanding with changed situations. There has been considerable testimony in recent months, not only about superfluous secrecy in the conduct of our own affairs, but about the unnecessary seclusion of foreign scientists from even the most elementary researches in the United States.

Beyond question, this policy has, in a very real sense, limited our scientific progress. It may be regarded as an interesting test case in comparative experimental techniques, for United States, British, Canadian, French, Dutch, Belgian, Australian, German, and Japanese scientists to go ahead with their experiments in individual vacuums. But it hardly furthers the united scientific efforts of the Free World.

The fastest progress of scientific research is based squarely on free communication between and among scientists. Through the free and ready exchange of ideas and information, each new discovery becomes the source of additional applications and further discoveries. It is the future discovery from the immediate source that is science's greatest payoff—not necessarily the immediate discovery itself. By improperly restricting information about basic scientific discoveries, we lose the real and as yet unrevealed value of those discoveries. It is a heavy penalty.

In the age of space flight we are confronted with some of the most difficult and complex scientific and engineering problems ever confronted by man. It seems obvious that, whatever precise form our organization takes, the United States space agency must be organized as an active agent of international cooperation, and ultimately, perhaps, as the basis for international organization. We can and should invite everyone, including even the Soviet Union, to join in this effort. There are great long-run gains for us to obtain from this policy, not only by benefiting from such Soviet discoveries as the Communists will feel obliged to make public, but also by introducing increasing numbers of Soviet citizens to the world outside.

In addition to this effort to internationalize the study and exploration of space, we obviously also must face the need to extend the provisions of international law to cover the needs of the space age.

Present international law, which defines each nation's airspace as extending to infinity above its boundaries, obviously will not do. Already the artificial satellites of two nations would be in violation, were it not for the fact that they have been cast into orbit under a multination agreement through the International Geophysical Year, which temporarily sets aside the implications of existing law regarding the sovereignty of the airspace above each nation.

But in the long run this problem will have to be permanently settled by international agreement, and international agreement on the definition and use of outer space will obviously be difficult. Judged by the rate of current achievement in international agreement, it may take years to achieve.

At present there are differences of opinion even within the United States as to appropriate criteria, such as the physical properties of space and the needs of national defense. Many pertinent problems remain to be solved—for example the legal basis of national claims to territory on the moon and other celestial bodies. Related legal problems include the right of a nation to destroy or confiscate a space vehicle flying over its territory; liability for damage caused by

manmade objects falling unintentionally from outer space, and the retention of property rights in such objects on their return to earth.

There are differences of opinion as to the method by which an international agreement should be pursued. The United States might make a unilateral declaration of its legal position. We might negotiate a treaty or an international executive agreement.

As to the United Nations, it might serve merely as a forum for discussion of the necessary changes in international law; it might provide the framework for an international agreement, or it might even serve as an international authority, exercising jurisdiction over the use of outer space.

Such considerations strongly urge for the further study of the legal problems of space flight. In the proposed National Aeronautics and Space Agency we shall have a body that can make such studies, and help to focus attention and guide action, at both the national and the international levels.

There is so much to be accomplished—not only in the scientific and engineering aspects of space flight, but in the human and legal aspects as well—that we can surely no longer delay. We can no longer deny the need for a unified national program, one large and vigorous enough to meet the need and to solve the problems of this new and daring venture of humankind.

The type of organization proposed by H. R. 12575 will, I believe, provide the kind of setup we require to accomplish all these ends. I heartily recommend its adoption.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I—SHORT TITLE AND DECLARATION OF POLICY

Short Title

SEC. 101. This act may be cited as the "National Aeronautics and Outer Space Act of 1958."

Declaration of policy and purpose

SEC. 102. (a) It is the policy of the United States that—

(1) the activities of mankind in outer space, including activities upon or in connection with the moon and other heavenly bodies, shall be devoted to peaceful purposes and the general welfare; and

(2) the research, development, exploration, and other activities of the United States with respect to flight within and outside the earth's atmosphere shall be conducted so as to promote world peace, improve the general welfare, and most effectively utilize the scientific and engineering resources of the United States to expand human knowledge of phenomena in the atmosphere and outer space, with adequate safeguards for the common defense and security of the United States.

(b) (1) The Congress finds and declares that the general welfare and the common defense and security of the United States require that adequate provisions be made for research into, and the solution of, problems of flight within and outside the earth's atmosphere, and that provision also be made for the development, construction, testing, and operation for research purposes of aircraft, missiles, satellites, and other space vehicles, manned and unmanned, together with related equipment, devices, components, and parts.

(2) The Congress declares that the activities described in paragraph (1) shall be directed by a civilian agency which shall exercise control over aeronautical and space research, development, and exploration sponsored by the United States, and which shall act in cooperation with (A) the Department of Defense insofar as such activities are peculiar to or primarily associated with weapons systems, military operations, or the defense of the United States (including the research and development necessary to make effective provision for the defense of the United States), (B) the Atomic Energy Commission insofar as such activities are peculiar to or primarily associated with the development, use, or control of atomic energy, and (C) any other department or agency of the Federal Government insofar as such activities are peculiar to or primarily associated with matters within its jurisdiction.

(3) The Congress further declares that the activities described in paragraph (1) shall be conducted (with due regard for the common defense and security of the United States) so as to contribute materially to one or more of the following policy objectives:

(A) The expansion of human knowledge of phenomena in the atmosphere and outer space;

(B) The improvement of the usefulness, performance, speed, safety, and efficiency of aircraft, missiles, satellites, and other space vehicles;

(C) The development and operation of vehicles capable of carrying instruments, equipment, supplies, and living organisms through outer space;

(D) The establishment of long-range studies of the potential benefits to be gained from, the opportunities for, and the problems involved in the utilization of manned and unmanned flight within and outside the earth's atmosphere for peaceful and scientific purposes;

(E) The leadership of the United States in aeronautical and space science and technology and in the application thereof to the conduct of peaceful activities within and outside the atmosphere;

(F) The availability to and use by agencies directly concerned with the national defense of discoveries that have military value or significance;

(G) Cooperation by the United States with other nations and groups of nations in work done pursuant to this act and in the peaceful application of the results thereof; and

(H) The most effective utilization of the scientific and technical resources of the United States and the avoidance of unnecessary duplication of facilities and equipment.

(c) It is the purpose of this act to carry out and effectuate the policies declared in subsections (a) and (b).

TITLE II—ORGANIZATION

National Aeronautics and Space Administration

SEC. 201. There is hereby established the National Aeronautics and Space Administration (in this act called the "Administration").

Administrator and Deputy Administrator

SEC. 202. (a) The management of the Administration shall be vested in an Administrator (in this act called the "Administrator") appointed from civilian life by the President by and with the advice and consent of the Senate. The Administrator shall receive compensation at the rate of $22,500 per annum.

(b) There shall be within the Administration a Deputy Administrator, appointed from civilian life by the President by and with the consent of the Senate, who shall act in the place of the Administrator during his absence and perform such other administrative and executive functions as the Administrator shall direct. The Deputy Administrator shall receive compensation at the rate of $21,500 per annum.

(c) The Administrator and Deputy Administrator shall be citizens of the United States, and shall not hold any other office in the Federal Government or engage in any other business, vocation, or employment while serving as such.

Other officers and divisions of the Administration

SEC. 203. (a) There shall be within the Administration a General Counsel, who shall be appointed by the Administrator, shall serve at the pleasure of the Administrator, shall be removable by the Administrator, and shall receive compensation at a rate determined by the Administrator but not in excess of $21,000 per annum.

(b) There shall be within the Administration a Division on Military Application, a Division on Nuclear Application, and such other program divisions as the Administrator may determine to be necessary to the discharge of his responsibilities. Each such division shall be under the direction of a Director, who shall be appointed by the Administrator. The Director of the Division on Military Application shall be an active officer of the Armed Forces and shall serve as Director of such Division without prejudice to his commissioned status as such officer. The compensation of the Director of each such division shall be fixed by the Administrator at a rate not in excess of $19,000 per annum, and each such Director shall receive the compensation so fixed except that the compensation received by the Director of the Division on Military Application for his service as such shall be equal to the amount (if any) by which the compensation fixed under this subsection for the Director of such Division exceeds his pay and allowances (including special and incentive pays) as an active officer of the Armed Forces. The Administrator shall require each such division to exercise such of the Administrator's administrative and executive powers as the Administrator may determine.

(c) The Administrator shall establish within the Administration such officers and procedures as he deems appropriate to provide for the greatest possible coordination of his activities under this act with related scientific and other activities being carried on by other public and private agencies and organizations.

Aeronautics and Space Advisory Committee

SEC. 204. (a) There is hereby established the Aeronautics and Space Advisory Committee (in this section called the "Committee"), which shall be composed of 17 members appointed by the President.

(b) (1) Nine of the members of the committee shall be designated from appropriate departments and agencies of the Federal Government, including at least three from the Department of Defense.

(2) Members of the Committee other than those appointed under paragraph (1) shall be eminent in science, engineering, technology, education, administration, or public affairs and shall be selected solely on the basis of established records of distinguished achievement. Each member of the Committee appointed under this paragraph shall be appointed for a term of 4 years from the date of the expiration of the term of the member whom he succeeds, except that in making initial appointments of such members the President may make appointments for such shorter terms as he deems appropriate.

(3) The Chairman of the Committee shall be designated from time to time by the President from among the members appointed under paragraph (2).

(4) The members of the Committee shall not be compensated for their service as such, but the members appointed under paragraph (2) shall be paid travel expenses and per diem in lieu of subsistence in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 (5 U. S. C., sec. 73b-2) relating to persons serving without compensation.

(c) (1) The Committee shall meet at least four times each year and shall advise the President and the Administrator concerning the policies and programs of the Administration.

(2) The Committee shall be consulted by the Administrator with respect to—

(A) the policies and programs of the Administration;

(B) the transmittal of any request for appropriations to the Bureau of the Budget pursuant to the Budget and Accounting Act, 1921 (31 U. S. C., sec. 1 et seq.); and

(C) the establishment of major constituent organizational units of the Administration (other than those expressly provided for by this act), the assignment of major functions or groups of functions thereto, and the appointment of the heads thereof.

Military Liaison Committee

SEC. 205. (a) There shall a Military Liaison Committee consisting of—

(1) a Chairman, who shall be the head thereof and who shall be appointed by the President, who shall serve at the pleasure of the President, and who shall receive compensation (in the manner provided in subsection (h)) at the rate of $20,000 per annum; and

(2) one or more representatives from the Department of Defense, and one or more representatives from each of the Departments of the Army, Navy, and Air Force, to be assigned by the Secretary of Defense to serve on the Committee without additional compensation.

The Chairman of the Committee may designate one of the members of the Committee as Acting Chairman to act during his absence.

(b) The Administrator, through the Military Liaison Committee, shall advise and consult with the Department of Defense on all matters within the Administrator's jurisdiction which the Department of Defense deems to relate to military applications of the research and development activities of the Administration, including research on, and the development, construction, testing, and operation for research purposes of, aircraft, missiles, satellites, and other space vehicles, manned and unmanned, together with related equipment, devices, components, and parts.

(c) The Administrator, acting through the Military Liaison Committee, shall keep the Department of Defense fully and currently informed on all matters as to which he is directed to advise and consult with the Department of Defense under subsection (b). The Department of Defense, acting through the Military Liaison Committee, shall keep the Administrator fully and currently informed on all matters within the Department of Defense with respect to which the Administrator requires information in order to carry out his functions under this act.

(d) The Department of Defense, through the Military Liaison Committee, shall have the authority to make written recommendations to the Administrator from time to time on such matters coming within the Administrator's jurisdiction and relating to military applications of the research and development activities of the Administration as it deems appropriate.

(e) Whenever the Administrator considers it necessary or desirable to use the services, equipment, personnel, resources, or facilities of the Department of Defense for scientific or technical research or for the development, construction, testing, or operation for research purposes of aircraft, missiles, satellites, or other space vehicles, or related equipment, devices, components, or parts, or for any other purpose related to the performance of his functions under this act, his request for such use shall be made through the Military Liaison Committee.

(f) If the Department of Defense concludes that any request, action, proposed action, or failure to act on the part of the Administrator is adverse to the responsibilities of the Department of Defense, or the Administrator concludes that any request, action, proposed action, or failure to act on the part of the Department of Defense is adverse to the responsibilities of the Administration, and the Administrator and the Department of Defense are unable to reach agreement with respect thereto, either the Administrator or the Secretary of Defense may refer the matter to the President, whose decision shall be final.

(g) The Administrator shall furnish to the Military Liaison Committee such office space and related facilities as such Committee may require to carry out its functions under this act.

(h) Notwithstanding the provision of any other law, any active or retired officer of the Army, Navy, or Air Force may serve as chairman of the Military Liaison Committee without prejudice to his active or retired status as such officer. The compensation received by any such officer for his service as Chairman of the Military Liaison Committee shall be equal to the amount (if any) by which the compensation fixed by subsection (a) (1) for such Chairman exceeds his pay and allowances (including special and incentive pays) as an active officer, or his retired pay.

Atomic Energy Liaison Committee

SEC. 206. (a) There shall be an Atomic Energy Liaison Committee consisting of—

(1) a Chairman, who shall be the head thereof and who shall be appointed by the President, who shall serve at the pleasure of the President, and who shall receive compensation at the rate of $20,000 per annum; and

(2) such number of representatives from the Atomic Energy Commission as may be assigned by the Atomic Energy Commission to serve on the Committee without additional compensation.

The Chairman of the Committee may designate one of the members of the Committee as Acting Chairman to act during his absence.

(b) The Administrator, through the Atomic Energy Liaison Committee, shall advise and consult with the Atomic Energy Commission on all matters within the Administrator's jurisdiction which the Atomic Energy Commission deems to relate to the development, use, and control of atomic energy.

(c) The Administrator, acting through the Atomic Energy Liaison Committee, shall keep the Atomic Energy Commission fully and currently informed on all matters as to which he is directed to advise and consult with the Atomic Energy Commission under subsection (b). The Atomic Energy Commission, acting through the Committee, shall keep the Administrator fully and currently informed on all matters within the Atomic Energy Commission with respect to which the Administrator requires information in order to carry out his functions under this act.

(d) The Atomic Energy Commission, through the Atomic Energy Liaison Committee, shall have the authority to make written recommendations to the Administrator from time to time on such matters coming within the Administrator's jurisdiction and relating to the development, use, or control of atomic energy as it deems appropriate.

(e) Whenever the Administrator considers it necessary or desirable to use the services, equipment, personnel, resources, or facilities of the Atomic Energy Commission for scientific or technical research or for the development, construction, testing, or operation for research purposes of aircraft, missiles, satellites, space vehicles, or related equipment, devices, components, or parts, or for any other purpose related to the performance of his functions under this act, his request for such use shall be made through the Atomic Energy Liaison Committee.

(f) If the Atomic Energy Commission concludes that any request, action, proposed action, or failure to act on the part of the Administrator is adverse to the responsibilities of the Atomic Energy Commission, or the Administrator concludes that any request, action, proposed action, or failure to act on the part of the Atomic Energy Commission is adverse to the responsibilities of the Administrator, and the Administrator and the Atomic Energy Commission are unable to reach agreement with respect thereto, either the Administrator or the Atomic Energy Commission may refer the matter to the President, whose decision shall be final.

(g) The Administrator shall furnish to the Atomic Energy Liaison Committee such office space and related facilities as such Committee may require to carry out its functions under this act.

TITLE III—FUNCTIONS AND POWERS OF THE ADMINISTRATOR

General functions

SEC. 301. (a) The Administrator, in order to carry out the purpose of this act, shall develop a comprehensive program of research and development in aeronautical and space sciences and related matters and, in developing such program, shall—

(1) plan, direct, and conduct studies and investigations of the problems of manned or unmanned flight within or outside the earth's atmosphere with a view to their practical solution;

(2) develop, construct, test, and operate aircraft, missiles, satellites, and other space vehicles, manned and unmanned, together with related equipment, devices, components, and parts; and

(3) arrange for participation by the scientific community in planning scientific measurements and observations to be made through use of aircraft, missiles, satellites, and other space vehicles, and conduct or arrange for the conduct of such measurements and observations; and make provision for appropriate dissemination of data collected.

(b) The Administrator shall also perform any other functions transferred to the Administration from the National Advisory Committee for Aeronautics by section 501 which he determines to be necessary or appropriate to carry out the purpose of this act.

General powers

SEC. 302. (a) In the performance of his functions under this act, the Administrator—

(1) may make, promulgate, issue, rescind, and amend rules and regulations governing the manner of the operations of the Administration and the exercise of the powers vested in him by law;

(2) may appoint and fix the compensation of such officers and employees as may be necessary to carry out such functions. Such officers and employees shall be appointed in accordance with the civil-service laws and their compensation fixed in accordance with the Classification Act of 1949, except that, to the extent the Administrator deems such action necessary to the discharge of his responsibilities, he may appoint and fix the compensation (up to a limit of $19,000 a year, or up to a limit of $21,000 a year for a maximum of 10 positions) of not more than 260 of the scientific, engineering, and

administrative personnel of the Administration without regard to such laws;

(3) may, subject to the availability of appropriations, acquire, construct, improve, repair, operate, and maintain laboratories, research and testing sites and facilities, aircraft, missiles, satellites, and other space vehicles, manned and unmanned, together with related equipment, devices, components, and parts, quarters and related accommodations for administration employees and dependents of such employees, and such other real and personal property, or any interest therein, as the Administrator deems necessary within and outside the continental United States; may lease to others such real and personal property; may sell and otherwise dispose of real and personal property in accordance with the provisions of the Federal Property and Administrative Services Act of 1949 (40 U. S. C., sec. 471 et seq.); and may provide by contract or otherwise for cafeterias and other facilities for employee welfare at the installations of the Administration and purchase and maintain equipment therefor;

(4) may accept gifts or donations of services, money, or property, real, personal, or mixed, tangible or intangible;

(5) may, without regard to section 3648 of the Revised Statutes (31 U. S. C., sec. 529) or section 3709 of the Revised Statutes (41 U. S. C., sec. 5), enter into and perform such contracts, leases, cooperative agreements, and other transactions as may be necessary in the conduct of the work of the Administration, on such terms (except that he shall not use the cost-plus-percentage-of-cost system of contracting) and for such periods as he may deem appropriate, with any agency or instrumentality of the United States, or with any State, Territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution; and may establish such procedures for gathering information with respect to each such contract, lease, agreement, or other transaction as may be necessary to show whether there is full compliance with the terms and conditions thereof and with the provisions of this act and the appropriate rules and regulations of the Administrator. To the maximum extent practicable and consistent with the accomplishment of the purpose of this act, such contracts, leases, agreements, and other transactions shall be allocated by the Administrator in a manner which will enable small-business concerns to participate equitably and proportionately in the conduct of the work of the Administration;

(6) shall use to the maximum extent practicable with their consent, the services, equipment, personnel, resources, and facilities of Federal and other agencies with or without reimbursement, and may cooperate on a similar basis with other public and private agencies and instrumentalities in the use of services, equipment, and facilities. Each department and agency of the Federal Government shall cooperate fully with the Administrator in making its services, equipment, personnel, resources, and facilities available to the Administrator, and any such department or agency is authorized, notwithstanding any other provision of law, to transfer to the Administrator, without reimbursement, aircraft, missiles, satellites, and other space vehicles, and related supplies, equipment, devices, components and parts other than administrative supplies or equipment. If the Administrator and any other department or agency of the Federal Government are unable to reach agreement with respect to cooperation as provided for in this paragraph or with respect to any other matter within the jurisdiction of the Administrator which involves or is related to the performance by such other department or agency of the functions vested in it by law either the Administrator or the head of such other department or agency may refer the matter in disagreement to the President, whose decision shall be final;

(7) may appoint such advisory committees as may be appropriate for purposes of consultation with and advice to the Administrator in the performance of his functions;

(8) may obtain services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), at rates not to exceed $50 per diem for individuals;

(9) may, when determined by the Administrator to be necessary, and subject to such security investigations as he may determine to be appropriate, employ aliens without regard to statutory provisions prohibiting payment of compensation to aliens;

(10) may employ retired commissioned officers of the United States (when determined by the Administrator to be desirable by reason of the unavailability of sufficient numbers of qualified individuals from civilian life) and compensate them at the rate established for the positions occupied by them within the Administration less the amount of their retired pay; except that when the retired pay of any such officer amounts to or exceeds the rate of compensation established for the position occupied, he shall be entitled to the pay of the Administration position, or the retired pay, whichever he may elect;

(11) may, with the approval of the President, enter into cooperative agreements under which members of the Army, Navy, Air Force, and Marine Corps may be detailed by the appropriate Secretary for services with the performance of functions under this act to the same extent as that to which they might be lawfully assigned in the Department of Defense;

(12) may, to the extent the Administrator finds it will contribute to the objectives of this act, or to the more effective functioning of the Administration, conduct or provide training and assign employees to research, study, or training at Federal or non-Federal facilities, including public or private agencies, institutions of learning, laboratories, industrial or commercial organizations, or other appropriate organizations or institutions, foreign or domestic, and, if the Administrator deems it appropriate, may pay in whole or in part the following: the salaries of such employees for the periods of such training or assignments; the cost of their transportation and per diem in lieu of subsistence in accordance with the Travel Expenses Act of 1949 (5 U. S. C., sec. 834 et seq.); necessary expenses incident to their training or assignment, including tuition, fees, and study materials; and other customary expenses. The Administrator shall require any employee who accepts such a leave or assignment to agree in writing to return to the service of the Administration and, unless involuntarily separated therefrom, to remain in the service of the Administration for a period equal to three times the length of any time off with pay granted such employee without charge to annual leave for the purpose of such training or assignment. Any employee who fails to fulfill such agreement shall be required to reimburse the Administrator for whatever portion the Administrator determines to be equitable of the transportation, per diem in lieu of subsistence, and other expenses incident to such training or assignment paid by the Administrator. To the extent authorized by the Administrator, contributions may be made by private sources and accepted by employees receiving training in non-Federal facilities without regard to the provisions of section 1914 of title 18 of the United States Code; and

(13) may authorize employees to attend meetings concerned with functions or activities of the Administration, including meetings concerned with the improved conduct, supervision, or management of such functions or activities, and may pay the whole or any part of the expenses of such attendance.

(b) (1) The Administrator shall consider, ascertain, adjust, determine, settle, and pay, on behalf of the United States, any claim for money damages of $5,000 or less against the United States for bodily injury, death, or damage to or loss of real or personal property resulting from the conduct of the Administrator's functions as specified in paragraphs (1), (2), and (3) of section 301, where such claim is presented to the Administrator in writing within 2 years after the accident or incident out of which the claim arises.

(2) If the Administrator considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this subsection he may pay the claimant $5,000 and report the excess to Congress for its consideration.

(3) Except as provided in paragraph (2), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction thereof.

TITLE IV—JOINT COMMITTEE ON AERONAUTICS AND OUTER SPACE

Membership

SEC. 401. (a) There is hereby established a Joint Committee on Aeronautics and Outer Space to be composed of 9 Members of the Senate to be appointed by the President of the Senate, and 9 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. In each instance not more than 5 Members shall be members of the same political party.

(b) Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee, and shall be filled in the same manner as in the case of the original selection.

Authority and duties

SEC. 402. (a) The Joint Committee shall make continuing studies of the activities of the Administration and of problems relating to aeronautics and outer space. The Administrator shall keep the Joint Committee fully and currently informed with respect to all of the Administration's activities; and the Department of Defense and the Atomic Energy Commission shall keep the Joint Committee fully and currently informed with respect to all matters within their respective jurisdictions which relate to the Administration's activities or to aeronautics and outer space. The Joint Committee shall keep the Administrator fully and currently informed with respect to all of its activities, and shall keep the Department of Defense and the Atomic Energy Commission fully and currently informed with respect to all of its activities which relate to matters within their respective jurisdictions. Any Government agency shall furnish any information requested by the Joint Committee with respect to the activities or responsibilities of that agency in the field of aeronautics and outer space.

(b) All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the Administration, to research and development in aeronautics, or to outer space shall be referred to the Joint Committee. The members of the Joint Committee who are Members of the Senate shall from time to time report to the Senate, and the members of the Joint Committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses which are referred to the Joint Committee or otherwise within the jurisdiction of the Joint Committee.

Chairman and vice chairman

SEC. 403. The Joint Committee shall elect a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the ab-

sence of the chairman. The chairmanship shall alternate between the Senate and the House of Representatives with each Congress, and the chairman shall be selected by the Members from the House entitled to the chairmanship. The vice chairman shall be chosen from the House other than that of the chairman by the Members from that House.

Powers

SEC. 404. In carrying out its duties under this act, the Joint Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings or investigations, to sit and act within or outside the United States at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and make such expenditures as it deems advisable. The Joint Committee may make such rules respecting its organization and procedures as it deems necessary; but no measure or recommendation shall be reported from the Joint Committee unless a majority of the committee assent. Subpenas may be issued over the signature of the Chairman of the Joint Committee or by any member designated by him or by the Joint Committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the Joint Committee or any member thereof may administer oaths to witnesses. The Joint Committee may use a committee seal. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, as amended, shall apply in case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this section. The expenses of the Joint Committee shall be paid from the contingent fund of the House of Representatives from funds appropriated for the Joint Committee, upon vouchers approved by the chairman. The cost of stenographic service to report public hearings shall not be in excess of the amounts prescribed by law for reporting the hearings of standing committees of the House of Representatives. The cost of stenographic service to report executive hearings shall be fixed at an equitable rate by the Joint Committee. Members of the Joint Committee, and its employees and consultants, while traveling on official business for the Joint Committee within or outside the United States, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher. The provisions of section 502 (b) of the Mutual Security Act of 1954 shall apply with respect to the Joint Committee in the same manner as they apply with respect to the Joint Committee on Atomic Energy.

Staff and assistance

SEC. 405. The Joint Committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The Joint Committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government, with their consent.

Classification of information

SEC. 406. The Joint Committee may classify information originating within the committee, in accordance with standards used generally by the executive branch of the Government for classifying restricted data or defense information.

Records

SEC. 407. The Joint Committee shall keep a complete record of all committee actions, including a record of the votes on any question on which a record vote is demanded. All committee records, data, charts, and files shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or other places as the Joint Committee may direct under such security safeguards as the Joint Committee shall determine in the interest of the common defense and security.

TITLE V—MISCELLANEOUS

National Advisory Committee for Aeronautics

SEC. 501. (a) Effective 90 days after the date of the enactment of this act or at such earlier time as the President by Executive order shall prescribe, the National Advisory for Aeronautics shall cease to exist and all functions, real and personal property, personnel, funds, and records of that organization are transferred to the administration. The administrator shall wind up any outstanding affairs of the National Advisory Committee for Aeronautics not otherwise provided for in this act. Except as otherwise directed by the President, the members of the National Advisory Committee for Aeronautics shall serve as the members of the General Advisory Committee established by section 204 (a) until their successors are appointed by the President as provided in that section.

(b) Section 2302 of title 10 of the United States Code is amended by inserting "or" after "Air Force;", and by striking out "; or the Executive Secretary of the National Advisory Committee for Aeronautics" and inserting in lieu thereof a period; and section 2303 of such title 10 is amended by striking out "(5) The National Advisory Committee for Aeronautics."

(c) The Unitary Wind Tunnel Plan Act of 1949 (50 U. S. C., secs. 511–515) is amended (1) by striking out "The National Advisory Committee for Aeronautics (hereinafter referred to as the 'Committee')" and inserting in lieu thereof "The Administrator of the National Aeronautics and Space Administration (hereinafter referred to as the 'Administrator')"; (2) by striking out "Committee" wherever it appears and by inserting in lieu thereof "Administrator"; and (3) by striking out "its" wherever it appears and inserting in lieu thereof "his".

Transfer of related functions

SEC. 502. For a period of 5 years after the date of the enactment of this act the Administrator, with the concurrence of the head of the department or agency involved and with the approval of the President, may transfer to the Administration any functions (including powers, duties, activities, facilities, and parts of functions) of any department or agency of the Federal Government or any officer or organizational entity thereof which relate primarily to the functions of the Administrator as set forth in title III. In connection with any such transfer the President may, under authority of this section or under other applicable authority, provide for appropriate transfers of records, property, civilian personnel, and funds. A notification and report of each transfer under this section shall be transmitted to the President of the Senate and the Speaker of the House of Representatives not later than the effective date of such transfer.

Access to information

SEC. 503. Information obtained or developed by the Administrator in the performance of his functions under this act shall be made available for public inspection, except (A) information authorized or required by Federal statute to be withheld, and (B) information classified to protect the national security: *Provided, however,* That nothing in this act shall prohibit the furnishing of information by the Administrator to the Senate or House of Representatives or to any committee or joint committee of Congress.

Security

SEC. 504. (a) The Administrator shall establish such security requirements, restrictions, and safeguards as he deems necessary in the interest of the national security. The Administrator may arrange with the Civil Service Commission for the conduct of such security or other personnel investigations of the Administration's officers, employees, and consultants, and its contractors and subcontractors and their officers and employees, actual or prospective, as he deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Administrator.

(b) The Atomic Energy Commission may authorize any of its employees, or employees of any contractor, prospective contractor, licensee, or prospective licensee of the Atomic Energy Commission or any other person authorized to have access to restricted data by the Atomic Energy Commission under subsection 145 b. of the Atomic Energy Act of 1954 (42 U. S. C., sec. 2163), to permit the Administrator or any member of an advisory committee to the Administration, or any Administration officer or employee or contractor or employee of a contractor of the Administration, to have access to restricted data required in the performance of his duties and so certified by the Administrator, but only if (1) the Administrator has determined, in accordance with the established personnel security procedures and standards of the Administration, that permitting him or the member of such advisory committee, or officer or employee, or contractor, or employee of a contractor, to have access to such restricted data will not endanger the common defense and security, and (2) the Administrator finds that the established personnel and other security procedures and standards of the administration are adequate and in reasonable conformity to the standards established by the Atomic Energy Commission under section 145 of the Atomic Energy Act of 1954 (42 U. S. C., sec. 2165).

(c) Section 1114 of title 18 of the United States Code is amended by inserting immediately before "while engaged in the performance of his official duties" the following: "or any officer or employee of the National Aeronautics and Space Administration."

(d) The Administrator may direct such of the officers and employees of the Administration as he deems necessary in the public interest to carry firearms while in the conduct of their official duties. The Administrator may also authorize such of those employees of the contractors and subcontractors of the Administration engaged in the protection of property owned by the United States and located at facilities owned by or contracted to the United States as he deems necessary in the public interest, to carry firearms while in the conduct of their official duties.

(e) The first section of the act of August 26, 1950 (5 U. S. C., sec. 22–1), is amended by striking out "the Director, National Advisory Committee for Aeronautics" and inserting in lieu thereof "the Administrator of the National Aeronautics and Space Administration", and by striking out "or National Advisory Committee for Aeronautics" and inserting in lieu thereof "or National Aeronautics and Space Administration".

Indemnification and limitation of liability

SEC. 505. (a) The Administrator is authorized to enter into agreements with the contractors and subcontractors of the Administration to indemnify them and hold them harmless from public liability arising out of major accidents resulting from activities in connection with the performance of

contracts and subcontracts entered into under this act. In any such agreement of indemnification the Administrator may require the contractor and each subcontractor indemnified to provide and maintain financial protection of such type and in such amount as the Administrator shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity involved. Such financial protection may include private insurance, private contractual indemnities, self-insurance, other proof of financial responsibility, or a combination thereof.

(b) The aggregate liability of the Administrator in connection with any one accident for all persons indemnified under any such agreement, including the reasonable costs of investigating and settling claims and defending suits for damages, shall not exceed the sum of $500 million over and above the amount of the financial protection required of the persons indemnified. When a major accident covered by such an agreement occurs, the Administrator or any person indemnified may apply to the district court of the United States having jurisdiction over bankruptcy matters at the place of the accident or to the district court for the District of Columbia and, upon a showing that the public liability arising out of such accident will probably exceed the limit of liability imposed by this section, shall be entitled to have such orders issued as may be appropriate for the enforcement of the provisions of this section, including an order limiting the liability of the persons indemnified, orders staying the payment of claims and the execution of court judgments, orders apportioning the payments to be made to claimants, orders permitting partial payments to be made before final determination of the total claims, and an order setting aside a part of the funds available for possible latent injuries not discovered until a later time.

(c) The Administrator is authorized to collect a fee, in such amount as he deems appropriate, from all persons with whom an agreement of indemnification is executed under this section.

(d) In administering the provisions of this section, the Administrator shall to the maximum extent practicable use the facilities and services of private insurance organizations, and contract to pay reasonable compensation therefor. Contracts may be made under this subsection and obligations incurred in connection therewith without regard to sections 3648 and 3679 of the Revised Statutes, and without regard to section 3709 of the Revised Statutes upon a determination by the Administrator that advertising is not reasonably practicable.

(e) An agreement of indemnification under this section may contain such terms as the Administrator deems appropriate. Each such agreement shall provide that, when the Administrator determines that indemnity payments will probably be required under this section, the Administrator shall collaborate with any person indemnified and may approve the payment of any claims under the agreement of indemnification, appear through the Attorney General on behalf of the person indemnified, and take charge of and settle or defend any suit or action brought. The Administrator shall have final authority on behalf of the United States to settle or approve the settlement of any claim under the agreement on a fair and reasonable basis, having due regard for the purpose of this act. Such settlement may include reasonable expenses in connection with the claim incurred by the person indemnified.

(f) After any accident which will probably require indemnity payments under this section, the Administrator shall make a survey of the causes and extent of damage and forthwith report the results thereof to the Joint Committee on Aeronautics and Outer Space, and, except as otherwise provided by or under section 503 or 504, all of its final findings shall be made available to the public, to the parties involved, and to the courts.

(g) The Administrator shall submit to the Joint Committee on Aeronautics and Outer Space an annnual report of his operations under this section.

International cooperation

SEC. 506. The Administrator, under the foreign policy guidance of the Department of State, may engage in a program of international cooperation in carrying out the activities authorized by this act and in the peaceful application of the results thereof, pursuant to agreements negotiated or approved by the Department of State.

Patent rights

SEC. 507. (a) Any invention or discovery made or conceived under any contract, subcontract, arrangement, or other relationship with the Administrator, regardless of whether the contract or arrangement involved the expenditure of funds by the Administrator, shall be deemed to have been made or conceived by the Administration, except that the Administrator may waive the Administration's claim to any such invention or discovery under such circumstances as the Administrator may deem appropriate.

(b) In any case where the Administrator waives the Administration's claim to an invention or discovery as authorized by subsection (a), the Administrator shall retain the full right to use such invention or discovery in carrying out his functions under this act and to license other persons on such terms and conditions as he may deem appropriate to use such invention or discovery in the conduct of any activities authorized by or under this act. In any such case the Administrator may provide for the payment by the Administration or by the other persons licensed under this subsection, for the use of the invention or discovery, of a reasonable royalty fee determined by the Administrator in accordance with such standards and procedures as he may by regulation establish.

(c) In any case where the Administration does not waive the Administration's claim to an invention or discovery which is deemed to have been made or conceived by the Administration under subsection (a), the Administrator may grant to the person who made or conceived the invention or discovery, as compensation therefor, a cash award in an amount determined by the Administrator in accordance with such standards and procedures as he may by regulation establish.

Comptroller General audit of contracts negotiated without advertising

SEC. 508. Any contract with the Administrator negotiated without advertising shall include a clause to the effect that the Comptroller General of the United States or any of his duly authorized representatives shall, during the performance of such contract and until the expiration of 3 years after final payment thereunder, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor or any of his subcontractors engaged in the performance of, and involving transactions related to, the contract or subcontract. None of the funds appropriated to carry out this act shall be available for payment under any such contract which does not include such a clause or which includes a provision precluding an audit by the General Accounting Office of any transaction under such contract.

Appropriations

SEC. 509. (a) There are hereby authorized to be appropriated such sums as may be necessary to carry out this act, except that nothing in this act shall authorize the appropriation of any amount for (1) the acquisition or condemnation of any real property, or (2) any other item of a capital nature (such as plant or facility acquisition, construction, or expansion) which exceeds $250,000. Sums appropriated pursuant to this subsection for the construction of facilities, or for research and development activities, shall remain available until expended.

(b) Any funds appropriated for the construction of facilities may be used for emergency repairs of existing facilities when such existing facilities are made inoperative by major breakdown, accident, or other circumstances and such repairs are deemed by the Administrator to be of greater urgency than the construction of new facilities.

Report to Congress

SEC. 510. The Administrator shall submit to the President for transmittal to the Congress in January and July of each year a report concerning the activities of the Administration. The Administrator shall include in such report, and shall at such other times as he deems desirable submit to the President for transmittal to the Congress, such recommendations for additional legislation as the Administrator deems necessary or desirable.

Mr. McCORMACK (interrupting reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that it be printed in the RECORD at this point and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I offer several committee amendments and ask that they be considered en bloc.

The Clerk read as follows:

Committee amendments offered by Mr. McCORMACK: Strike out all of title IV, beginning on page 23, line 13, and ending on page 28, line 16.

Redesignate title V as title IV.

Redesignate sections 501 through 510 as sections 401 through 410.

And make the following conforming amendments:

Page 16, line 2, strike out "501" and insert "401."

Page 36, lines 12 through 14, strike out "and forthwith report the results thereof to the Joint Committee on Aeronautics and Outer Space."

Page 36, line 15, strike out "503 or 504" and insert "403 or 404."

Page 36, strike out lines 18 through 20.

Mr. McCORMACK. Mr. Chairman, the amendments I have just offered strike from the bill the joint committee provided therein which has been referred to during general debate. The Albert resolution establishing a standing committee on science and astronomics has been reported by the Rules Committee. Using that as a broad base, the House of Representatives is showing its leadership in the world of today by its intention to establish such a committee. These committee amendments were unanimously agreed to this morning by members of the select committee.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will be happy to.

Mr. HOFFMAN. Is this an administration measure?

Mr. McCORMACK. Yes. Well, you say "administration measure."

Mr. HOFFMAN. I mean, it is supported by the President.

Mr. McCORMACK. Yes. President Eisenhower sent up a message some weeks ago, and the bill followed.

Mr. HOFFMAN. Then, if no one objects, he would get credit, would he, for supporting the administration?

Mr. McCORMACK. I assume that is a fair statement to make.

Mr. HOFFMAN. Well, that is much needed by some of us.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. KEATING. Would the gentleman explain that part of the committee amendment which related to page 36? It was read so rapidly I was not able to catch that.

Mr. McCORMACK. Page 36, line 12 through 14, strike out "and forthwith report the results thereof to the Joint Committee on Aeronautics and Outer Space."

Mr. KEATING. I get it. In other words, that is conforming to the other.

Mr. McCORMACK. Yes.

Mr. KEATING. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendments.

The committee amendments were agreed to.

Mr. McCORMACK. Mr. Chairman, I offer several amendments technical in nature and ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

Committee amendments: Page 5, line 15, insert "advice and" before "consent."

Page 16, line 25, strike out "availability" and insert "availability."

Page 20, line 1, strike out "appropriated" and insert "appropriate."

Page 29, line 5, strike out "General" and insert "Aeronautics and Space."

Page 29, in lines 21 and 22, strike out "'Committee' wherever it appears" and insert "'Committee' or 'Committee's' wherever they appear"; and in lines 22 and 23, strike out "'Administrator'" and in insert "'Administrator' and 'Administrator's', respectively."

Page 36, line 15, strike out "its" and insert "his."

Page 38, line 4, strike out "(f)" and insert "(c)."

Page 17, line 1, after "acquire", insert "(by purchase, lease, condemnation, or otherwise)."

The committee amendments were agreed to.

Mr. McCORMACK. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment: On page 17, line 1, after the word "acquire" insert "by purchase, lease, condemnation, or otherwise."

The committee amendment was agreed to.

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISK: Page 16, in line 17, strike out "except that," and insert "except that (A)"; and before the semicolon in line 24, insert the following "and (B) to the extent the Administrator deems such action necessary to recruit specially qualified scientific and engineering talent, he may establish the entrance grade for scientific and engineering personnel without previous service in the Federal Government at a level up to two grades higher than the grade provided for such personnel under the general schedule established by the Classification Act of 1949, and fix their compensation accordingly."

Mr. SISK. Mr. Chairman, as a member of the Select Committee on Astronautics and Space Exploration, I fully support this bill, introduced by the committee chairman. A national program of space research directed by a civilian agency is vital to our interests and even to our survival.

I am not entirely satisfied, however, that adequate provision has been made for recruiting and holding sufficient numbers of qualified scientists and engineers. As you know, the bill authorizes the Administrator to pay slightly higher compensation than is permitted by the Classification Act to a limited number of agency personnel. But there is no comparable provision for the starting salaries of recent scientific and engineering graduates.

The same justification for higher pay applies to the bottom as well as the top of the civil-service salary scale: A premium must be paid for scarce skills, in order to meet the competition of private employers. In fact, representatives from the Department of Defense, the NACA and other Federal agencies have repeatedly testified before Congressional committees that it is more difficult to recruit recent graduates, especially in science and engineering, than to hold more senior civil servants.

The report submitted last year by the Cordiner Committee gave special attention to Federal employment of scientists and engineers. The Cordiner report specifically recommended competitive rates at the entrance level, and, in particular, changing the Federal starting level for professional occupations from GS–5 to GS–7. This is contained in recommendation 2a.

In support of this recommendation, the Cordiner Committee pointed out the following:

First. The increase in turnover. It was four times as great in 1956 as in 1951.

Second. The decreasing quality of incumbents, as judged by their superiors.

Third. The high proportion of vacancies. In June of 1956, for example, 1 out of 5 electronic, mechanical, and aeronautical engineering positions was vacant.

Fourth. The low academic quality of available candidates and their reluctance to accept Federal employment. For example, in 1956, 9 out of 10 scientific and engineering graduates offered Government jobs declined.

The table of starting salaries included in the Cordiner report shows that starting salaries in the Federal Government, even for grade 7, are roughly $500 a year lower than in private industry for personnel holding a bachelor of science degree in chemistry, and more than $700 lower for those holding a bachelor of science degree in physics or engineering. The pay bill that passed the House would substantially reduce but by no means eliminate this disparity. As this comparison shows, Federal recruitment of qualified scientific and engineering personnel is likely to remain difficult—and will be still more difficult if scientific and engineering graduates must continue to be hired in grade 5 rather than grade 7.

Under the Classification Act, the Civil Service Commission can raise starting salaries within grades. Recently, it authorized the payment of the top rate to scientific and engineering personnel in grades 5 and 7. This action, inadequate though it admittedly is, shows that the Civil Service Commission also has recognized the special problem of starting salaries for scientists and engineers.

My amendment would provide for the recruitment by the space agency of sufficient numbers of qualified scientific and engineering personnel at the starting level. These recent graduates will be the seed crop of future research in the space sciences. They will be essential to the development of an adequate national space program.

Mr. Chairman, I hope the amendment will be adopted.

Mr. HOFFMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I should like to ask the gentleman who offered the amendment just what the effect of it will be; that is, to what extent will the pay be increased?

Mr. SISK. The effect of the amendment, of course, would be to permit these new people, these graduates right out of colleges and universities, to go to work at 2 grades above the salary at which they could be hired at the present time which, as I understand it, would be something like six or seven hundred dollars a year more than they would receive at present.

Mr. HOFFMAN. Without this amendment?

Mr. SISK. That is right. At the present time, a graduate with a bachelor of science degree must be hired as a GS–5. This amendment would make it possible for a man with a bachelor of science degree to be hired at a starting salary of GS–7.

Mr. HOFFMAN. Regardless of experience?

Mr. SISK. Regardless of experience; that is, if he is the type of person and has had the type of education and is competent and is the sort of person needed in this new agency.

Mr. HOFFMAN. The gentleman says "competent." He has not had any experience and no one knows whether he is competent. How does anyone know whether he is competent or not?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. We had evidence and found a situation where in recruiting young men with degrees from college, who had the intention of making a career, they were offered salaries less

than those received by maintenance men, elevator men.

Mr. HOFFMAN. That is so all over.

Mr. McCORMACK. But this is a specialized activity. We have to realize the importance of it. The committee felt that there was a clear case made for this particular agency.

It is my understanding that they recruit between 300 and 500 a year, and they want them to make a career of their work. This gives flexibility, where there can be recognition for the young men who are graduates of colleges and inducement for them to come into this Agency to make a career for themselves.

Mr. HOFFMAN. I get that, all right. Does that also apply to someone outside, for instance, scientists who have had experience?

Mr. McCORMACK. We have provided in this bill also that 10 top positions are provided, from $19,000 to $21,000. We also provide on the top level for 250 top scientists to receive consideration that will induce them to remain in the Agency. So we have taken care of the top, which is important, but we also take care of the bottom.

Mr. HOFFMAN. I get the idea. Now, I have this question:

Beyond question, as the gentleman knows, there are quite a few Members of Congress who earned more before they came here than they are receiving since they got here, and in spite of their experience. Has the gentleman any idea as to why there should be that difference between the scientists and the Members who sit in Congress? Do the scientists have less patriotism or desire to serve the Government, or has not the gentleman any idea on that?

Mr. McCORMACK. It is difficult for me to understand the comparison the gentleman makes as between the Members of Congress and this particular group of young graduates from colleges coming into this Agency.

Mr. HOFFMAN. Does the gentleman mean they are on a higher level? There are some Members of Congress that graduated from Harvard, Yale, and have been Rhodes' scholars, even a few from the University of Michigan.

Mr. McCORMACK. If my friend wants to put a bill through where by reason of his meritorious service he gets a higher compensation than I do, I would vote for it because I think the gentleman is entitled to it, but fortunately we have to treat all Members of Congress alike.

Mr. HOFFMAN. That boils down, as I get the argument, to the conclusion that the Members of Congress are more willing to sacrifice their pecuniary rewards in private life than the scientists are.

Mr. McCORMACK. I would not say that.

Mr. HOFFMAN. I know the gentleman would not, but I want to finish this if I may.

Mr. McCORMACK. I think my friend gets the purpose we have in mind, which is a very desirable one, to make it possible for young men to come out of college and enter the scientific field.

Mr. HOFFMAN. Oh, yes.

Mr. McCORMACK. They naturally do not desire to get a salary less than an elevator man receives.

Mr. HOFFMAN. If the gentleman will yield back to me just one moment, I recall very distinctly when the milk drivers in Chicago—the gentleman from Massachusetts was in Congress then and he was receiving $7,500, and the milk drivers in Chicago were getting $8,000 and they struck to get $20,000. They tied it up until they got a compromise. The gentleman would not think we ought to give those milk drivers more?

Mr. McCORMACK. When I came here we got $10,000, and I was making $30,000 practicing law.

Mr. HOFFMAN. It was $7,500 when some of us came down here.

Mr. McCORMACK. How long has the gentleman been here?

Mr. HOFFMAN. I have been here only since 1935. The gentleman has been here since 1860 or something like that.

Mr. McCORMACK. It was $10,000 when I came here.

Mr. HOFFMAN. How much?

Mr. McCORMACK. Ten thousand dollars.

Mr. HOFFMAN. When you came here?

Mr. McCORMACK. Yes.

Mr. HOFFMAN. How come? You came here long before I did.

Mr. McCORMACK. Yes, sure; I am older than you are.

Mr. HOFFMAN. When did they put it back? Oh, I know, the economy bill.

Mr. McCORMACK. I did not vote for the economy bill.

Mr. HOFFMAN. I know, but did not the gentleman get that cut of $500?

Mr. McCORMACK. No.

Mr. HOFFMAN. Never?

Mr. McCORMACK. No.

Mr. HOFFMAN. I think the gentleman had better think again.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment is a very desirable one. It has been very carefully considered by the committee. The committee met this morning and while there was no vote taken on the question, it was unanimously agreed that I, as chairman of the committee, might accept the amendment when it was offered by the gentleman from California.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to my colleague.

Mr. BROOKS of Louisiana. Is it not a fact that if this amendment prevails, it will permit—and I want to emphasize it is not mandatory, but it will permit the proper authority to employ these young scientists at an increase of two grades in the civil service if it is necessary. If these scientists can be obtained and be retained in their work as scientists, then it will not be necessary to raise them these two grades, but if they are needed, then to obtain them or retain them it is permissible to do this. Is that not a fact?

Mr. McCORMACK. That is correct and it would also enable the agency to retain these young men in the agency which is of such vital importance, and it would be of great help in avoiding a situation where the agency would be raided from the outside and have its skilled scientific personnel taken away.

Mr. BROOKS of Louisiana. Is it not a fact also that in the event this amendment prevails the difference involved will only be about $75 per month for the scientists and cannot exceed 500 scientists?

Mr. McCORMACK. That is my understanding.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to my colleague.

Mr. McDONOUGH. Mr. Chairman, I want to speak for the minority side of the committee. We considered this amendment very thoroughly. We understood its urgency and the need for it. If this Agency or the Administration is to have the right kind of young men, qualified young men who are competent, then we have to pay them a salary that will prevent their being pirated out of the Agency by private industry or other branches of the Government. Therefore, Mr. Chairman, we are supporting the amendment offered by the gentleman from California.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to my colleague.

Mr. SISK. I have asked the gentleman from Massachusetts to yield in order to set the record completely straight. Under the new classification pay bill, which was passed today, a GS–5, and I may say this is in answer to the gentleman from Michigan, a GS–5 would receive $4,040 per year. Now, for two grades up, which would be a grade 7, this would give them $4,980 a year or a $940 per year increase over what they would have to be hired for under the present situation. I just want to set the record straight on that question.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to my colleague.

Mr. FULTON. I likewise favor this amendment. I think it is necessary to give some leeway to the Administrator in the hiring of this new scientific group that will be coming out of the colleges. Likewise, I feel that the select committee has been very careful in the handling of the personnel under the provisions of this bill because they are specifically put under the 1949 Classification Act, that is the employees of the Agency.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to my colleague, the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I should be very much interested in knowing how this compares with the salary paid to young doctors going into the civil service. I think we ought to overhaul the ratings of the entire civil service so far as professional people are concerned in order to hold them. There is a

terrific shortage of professional people as everyone knows.

Mr. McCORMACK. I am unable to answer that question, but I think the adoption of this amendment will be a step along the direction that the gentlewoman has in mind.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to my colleague.

Mr. FORD. I believe that doctors of medicine going into the military service are paid an additional $100 a month plus their regular military salary.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROOKS of Louisiana. Physicians going into the military service are given a grade in accordance with their preceding education and prior experience, and that is taken into consideration in adjusting the pay in accordance with their competence and their worth to the service.

Mr. McCORMACK. Mr. Chairman, speaking for the committee, I accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. SISK].

The amendment was agreed to.

Mr. McDONOUGH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McDONOUGH: On page 1, line 7, strike out "Aeronautics and Outer Space" and insert "Aeronautics and Astronautics."

The CHAIRMAN. The gentleman from California is recognized.

Mr. McCORMACK. Mr. Chairman, we have discussed this and the amendment is acceptable.

Mr. McDONOUGH. The committee understands the purpose of the amendment. It is to describe "outer space" as "astronautics" instead of outer space.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FORD. Mr. Chairman, I ask to strike out the last word.

Mr. Chairman, the impending conquest of space has added literally a new dimension to our science, to our military estimates. In the end, it will affect almost every aspect of our lives. The matter of traveling to the moon, or other planets, with all that this implies, has long since passed the point of theory. It is now merely a question of production and engineering, of how much effort we want to put into space exploration and how much time it will take to fashion the tools we know we need for this job.

This exploration is more than a matter of instrumented satellites. The first piloted space flight will be made by this country in 1959, when the new manned rocket plane, the X–15, will make flights 100 miles above the earth's surface. By 1966, the experts calculate we shall be able to send a man to the moon and get him safely back to earth. This is a conservative estimate, which the pressure of international competition will probably speed up. After that, the problems of going to other planets are only matters of degree. Obviously there will be tremendous difficulties involved in working out the engineering, medical, and logistics problems on such space voyages. But they are within our ability to solve.

We can, therefore, truthfully call this the beginning of the first space decade. It was with a sense of the urgency that these target dates imply that the President sent his message to the House of Representatives on March 2. In it he asked that we make provision for a space and astronautics agency as speedily as possible. In the present bill, we have faithfully followed the President's outline, as spelled out in the fine statement of his Science Advisory Committee. There are two broad goals which he and his experts have constantly emphasized. One is the need for a continuing, sustaining program. Nothing would be more wasteful of our time—and our money—than a succession of crash programs, armed with hindsight urgency—what might be called the fire-drill system of scientific and military preparedness. Nothing would play so perfectly into the hands of our Russian rivals. That is why we have set up a permanent, but flexible administration for space and aeronautics, equipped to develop a long scientific tradition of its own and a formidable body of scientific skills. The administration, as far as is necessary, will supervise development and production of the tools necessary for man's conquest in space. It will be no superagency, attempting to do all of this job on its own. It will on the contrary use all the available resources of present Government agencies, as well as private industry, which is now addressing itself to this new and potentially great industrial opportunity.

The second and most stressed aim of the President was civilian control. It is not that the President or Congress fears any destructive action on the part of the so-called military mind. In point of fact, it is our military men who were first, in many cases, to recognize the primacy of science in this age, and the great opportunities it gives us. But the military necessarily concentrates on its own job, which is national defense. Such concentration would injure the far-ranging plans for peaceful space exploration and the scientific and industrial utilization of our space discoveries. It would also put a dangerous emphasis on military rivalry with the Russians, which could turn space into a weird and explosive kind of scientific shooting-gallery. Such a prolongation of our earth-bound arms race would help no one. We have every reason to believe, on the other hand, that the Russians will have to follow our lead in peaceful space development—as long as we keep up our own missile capacity as a deterrent to their aggressive military designs on earth.

Civilian control of such a complicated scientific effort is a must, if we want to get and use the greatest available pool of knowledge, from industry, our universities, from the scientists of allied nations. It will not jeopardize our military effort. We have after all the example of the Atomic Energy Commission. The AEC has perfected the A-bomb and H-bomb capability for the military, while at the same time building a whole new world through its advances in the field of peaceful nuclear and thermonuclear energy.

The need for detailed and long-range planning on such a space program comes from its very nature. There was a time when we thought it a complicated operation to provide funds for a certain type of aircraft carrier, or a military airplane. But these vehicles as least had definitely predictable functions, which could be reasonably estimated and expected. The space program is complicated by the fact that it is both operational and exploratory. We have to get rockets and engines built, as well as space vehicles, based on our present knowledge. At the same time we have to expect that advances in scientific research will be making them outmoded at a faster pace than anything which even our fast growing aircraft industry ever imagined.

Take the present program for building both missiles and space vehicles. Our biggest effort now should be in the direction of more powerful rocket thrust. The Russian Sputnik III was the handwriting on the wall, if it had not been already visible. For it is clear that the Soviet scientists must have used at the very least a 500,000 pound thrust to get this ton and a half vehicle into space. Quite possibly it was a 1 million pound thrust. That is at least three times anything this country has available or until recently projected for the immediate future.

Our current program we are basing on chemical fuels—the means of propulsion that we now know about and have at hand. Yet we also know that for any long-term space travel chemical fuels must yield to nuclear propulsion—another demonstration of how we can adapt nuclear power to different jobs. The Atomic Energy Commission has at least two programs under way for providing this form of nuclear power. Each will take between 5 and 10 years, before we get even a working prototype. Other still more advanced possibilities are now being researched. There is ion propulsion, for example, that would enable a space vehicle to travel the long distances involved in interplanetary journeys without running out of fuel in the process. Some scientists have suggested that the harnessing of the H-bomb will give us an even more serviceable kind of power. As experiments in the United States, Great Britain, and Germany have shown, the controlled thermonuclear explosion is on the way.

All of this adds up to one basic demand: We must have coordinate control of our space programs, and control with teeth in it, so that we can in effect keep all these balls in the air at the same time. Without squandering our brains and money either on the immediate space program or on purely long-term questions like nuclear propulsion, we must run all of these projects as part of a unified effort.

It is no exaggeration to say that a complicated system of projects like this is the supreme test of our democratic form of

government. The Russians can order up programs, without worrying about the cost—either in time, money, or men. If one program fails, they can call up another, without worrying about the waste involved in the national economy. Waste is part of their system, and lives are cheap in it. We cannot afford to have our scientists and our military men running up several blind alleys at the same time, or conversely, neglecting any available possibility. The problem of selection is at the core of this space effort. If we use intelligently the traditions and resources of our free society, it is precisely in this matter of selection that we can overtake the Russians and outstrip them.

We cannot disguise the fact that this space program will be expensive. The Vanguard program alone, which has thus far put 1 tiny satellite into orbit, has cost over $100 million. Even the purely scientific part of a space program will probably involve spending something like $200 million a year at the outset—to say nothing of military research expenditures on the side. As the program gets going, it will cost more. That is to say, when we pass the exploratory stage, and know more what will work, and what will not, we will want to produce in quantity. After a few years, space exploration work will probably run more than $1 billion annually.

We have no choice about spending this money. The sputniks may be a household word and in their way symbols of scientific progress, but they are also quite literally objects of a terrible threat to this country. They signify that the Russians have a capacity in the ICBM that we will not reach for about a year. We have seen how the Russians would use this superiority, if it is allowed to continue, not only from the threats of Khrushchev, but from the notably aggressive cast of Soviet policy in the last year and a half; that is, the period when the possibility of their superiority in this one field became evident. Our existence is threatened unless we can: First, bring our missile deterrent power up to theirs; secondly, insure that our space program within the next 5 to 10 years will forge ahead of theirs; thirdly, continue our superiority in long-range aircraft and other defense programs. Only in this way can we make certain that the exploration of outer space will be a peaceful one, not another form of Communist threat.

But the threat and the need for a large program does not prevent us from spending our money wisely. If waste is part of the Russian system, we cannot afford it in ours. I think an agency with the safeguards incorporated in the House bill will be able, powerful, and flexible enough to trim excess programs, and eliminate wasteful ones. We have given it the power to act on the highest levels of Government policymaking. Its administrator has direct access to the President. We have also set up the necessary means of built-in communication with the Defense Department, the Atomic Energy Commission, and other interested agencies, so that 3 hands will not be doing the work of 1.

In all of this discussion, and in most on the subject, the accent has been on the urgency of getting a space program, the military necessity, the military danger. Much has also been said about the purely scientific aspects of space exploration, man's desire for knowledge and the urge to explore the unknown. All this is true. But there is another side to the space effort. That is the economic benefits that will accrue from it. Some of these benefits are direct. In 3 years, for instance, the Air Force's missile program increased employment from 5,000 to 80,000 in the industries doing business with it. This represents only the start of what will beyond question become a major American technical field of endeavor; so we can presume that the numbers of directly employed will increase at similarly spectacular rates.

The ultimate benefits to the American and the world economy represents far more than a matter of employment. Space exploration for the first time in scientific history makes possible the exact forecasting of weather. The savings from such forecasting alone, in industry and agriculture, would have to be reckoned in the billions. As Dr. Fred Whipple, head of Harvard's Smithsonian Astrophysical Observatory, said:

> Making weather forecasting an exact science * * * alone will greatly outweigh the cost of the entire program in its value to the country.

Exact forecasting will probably lead to some sort of weather control, with proportionately greater savings involved.

There is the use of rockets for transporting people and freight between different points on the earth's surface. In time this could be a safe means of bulk travel, an incredibly fast, even in terms of present-day jet aircraft. A small chain of earth satellites, also could provide us with a global television network, and communications devices which could transmit letters and telegrams from any point on earth to another in a matter of minutes.

What immediate economic advantage will accrue from interplanetary exploration we cannot yet say. Other planets may turn out to be either habitable, or storehouses of natural resources for an earth whose resources are daily dwindling. We do know, on the analogy of every similarly sweeping discovery, that we cannot in advance discount or discredit the results of this one. Like the A-bomb, the rocket first saw its use in war, and this is the use with which we are now most familiar. But the peacetime employment can be expected to unfold just as the use of nonmilitary nuclear and thermonuclear power is now unfolding before us—in industry and in medicine—as a tremendous source of power. We can only establish our channels of research and development, then see where they lead us.

Above all, whatever we find on other planets, the space exploration effort is going to have a tremendous effect in unifying this one. That is the reason—I would like to say again—behind our insistence on civilian control of this effort. We do not want to risk projecting the missile race into a nightmare world of manned military satellites or moon warfare, even if such things are feasible. I am convinced, on the other hand, that if we keep the space effort civilian and are willing to make fair and reasonable approaches for international programs and control we can use it as an end to a better world for all mankind. The one thing communism cannot stand is immediate, direct communication with the rest of the world and observation by the rest of the world. That is one thing that the age of space has already made inevitable.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I would like to express my very deep appreciation of the wonderful work done by this committee headed by our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK], and by all the members of the committee and by the staff. I wish there were some way that the CONGRESSIONAL RECORD could be sent to every high school and school of higher learning all over the country. It is extremely important in this day and age that the students at our high schools and colleges be educated in national defense, and especially in space information in defense education and in civilian space information. Hundreds of school students have expressed great interest to me. I wish the students could have heard this debate and the freedom from partisanship on this floor; something that I shall never forget. The speeches were most informative and were fascinating. I thank all of the Members here with all my heart for giving us the benefit of their knowledge and their inspiration.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have studied the language of the bill as it has been amended in committee after striking out title IV, and I have read the report, of course, and a part of the hearings. I want to add my word of commendation to the chairman of the committee and to the members of the committee and the staff for the fine work they have done in bringing this matter to the attention of the Congress and the American people.

As I stood in the Red Square in Moscow, on October 6, last year, 2 days after the launching of the sputnik, I saw the crowds gather there and saw the facsimiles of the globe and the sputnik surrounding it. The people were listening as the event was explained to them, and I saw the enthusiasm of the Russian people.

Later on, I visited some of the great Soviet industrial establishments. I came back to this country with the very definite idea that we should get on with the job of protecting the Free World against the possible dangers of the rapidly growing technology in the slave world.

As the weights of the Russian sputnik increased from 184 pounds to 1,100 pounds and then to approximately 3,000 pounds while we were earthbound with satellites of less than 30 pounds of weight, again the impression came to

me that we should get on with the job of propulsion into outer space. We are tragically behind in the missile propulsion field.

This is not exactly a new program with some of us. As chairman of the Legislative Authorization Subcommittee of the Joint Committee on Atomic Energy, way back in 1955, we started what was then known as the Rover program in the Joint Committee on Atomic Energy. We have authorized an appropriation of several million dollars every year.

Nuclear rocket propulsion was first conceived in 1947 by scientists at the California Institute of Technology and North American Aviation Co. working under Air Force study contracts.

Research and development work on the nuclear rocket began at Los Alamos in the latter part of 1954 and the early part of 1955. The Rover program, as such, was initiated in the summer of 1955.

Due to budgetary cutbacks in January of 1957, Project Rover was concentrated at Los Alamos and Livermore was given the job of developing the nuclear ramjet—Project Pluto.

The Joint Committee has consistently given its active support to Project Rover in the belief that nuclear energy is the best and most logical means of propulsion for space vehicles, particularly where heavy pay loads and long distances are required. As evidence of this interest the committee authorized $25 million for construction of facilities in fiscal 1957. Fifteen million dollars of this has been committed to date and the balance is being asked for in the fiscal 1959 appropriations budget.

At the present time, a team of highly trained scientists is busy at Los Alamos and at the Nevada Testing Site preparing for the first reactor test for the nuclear rocket this fall. Although many tough technical problems must still be overcome, the fact that the first reactor will be tested later this year is an indication of the substantial progress which has been made to date in design and development of a nuclear rocket system.

In view of the fact that the group of scientists at Los Alamos working on Project Rover is part of a going concern and are men of the highest competence and experience, it is logical and desirable that their talents be utilized to the fullest possible extent and that the program continue under the direction of the Atomic Energy Commission.

I note that although at this time these objects which are hurled into orbit in outer space are propelled by either solid, liquid, or gaseous propellents, there is growing belief among the scientists, a growing belief that nuclear fuel will have to be used if we are going to have a continuous source of propellent once we get the satellite into orbit; and, of course, it is necessary to have that continuous source of propellent if we are going to direct it to different areas, different planets, and bring it back to earth safely. All of this has been told to us and told to the Special Committee on Astronautics, and I am glad to see this body of Members of Congress being initiated into some of the mysteries that are occurring in the scientific field. The Members of Congress have to take cognizance of the fact that we are entering into a great new age, an age in which science is going to draw the limitations of man's mind, man's endeavors, and man's security; and I want to compliment the chairman and the members of the committee for the fine job they have done in draftsmanship of this legislation.

I notice in section 302 (a) (6) particularly there has been certain authorization given to the Administrator of this new agency, and there are 1 or 2 questions I wish to ask at this time from the standpoint of clarification. I recognize the trouble that is to be expected in setting up an agency of his type because the jurisdictional bounds of scientific endeavor will transgress necessarily into the field of military research and development as well as into the field of peacetime application of the atom, and I want to ask the chairman at this time if it is his understanding that in the writing of the provisions of subsection (a) (6) of section 302 which directs the Administrator to utilize to the maximum extent practicable, with their consent, the services, equipment, personnel, resources, and the facilities of other agencies, both public and private; and that subsection (e) of section 206, page 17 of the committee report provides:

> That the Administrator shall transmit through the Atomic Energy Liaison Committee his requests for permission to use the services, equipment, personnel, resources, or facilities of the Atomic Energy Commission (as authorized by sec. 302 (a) (6)).

Is it the understanding of the chairman of the committee and the members of the committee that this language provides that this is a matter of consultation between the two agencies; this is not a matter of direction on the part of the new Administrator; it is a matter of consultation and agreement and if disagreement does occur, then the matter is referred to the President for decision?

Mr. McCORMACK. The gentleman is correct. As a matter of fact the proviso states "Shall use to the maximum extent practicable, with their consent."

Mr. HOLIFIELD. With their consent?

Mr. McCORMACK. Yes.

Mr. HOLIFIELD. So there is an arrangement here for a concert of agreement. That is as I read the language of the act, and I wanted it verified.

I want to ask this question: Will the Atomic Energy Commission be interfered with in this Rover program which has been going for several years, this development of nuclear propulsion, by any action of the Administrator?

Mr. McCORMACK. As a matter of fact, instead of being interfered with, I think the Atomic Energy Commission might be helped. It is expected that there shall be complete cooperation, that the national interest of our country is paramount to every individual and every agency; and we expect by this bill to achieve that end. We know there is going to be no perfection, because none of us are perfect, but we have tried to establish an agency that in its relationship to other agencies can negotiate and make agreements, that the agency involved will with an understanding mind approach any problems from the angle of the best interests of our country.

Mr. HOLIFIELD. And I note that you have made provision in the bill that no duplicating laboratories or projects will be started or constructed, and that complete use will be made of all the laboratories and facilities which now exist, without interference.

Mr. McCORMACK. Exactly, and any public official would be severely recreant in his duty if he did undertake to bring about unnecessary duplication.

Mr. HOLIFIELD. The gentleman's answers to my questions are as I expected they would be, because they are in conformity with the language as I have read it. I again want to express my personal appreciation for the very careful draftsmanship which has occurred in the presentation of this legislation, to the gentleman, his members, and the staff that have produced this bill. I have read it carefully. I think it is a fine job of draftsmanship. It follows the pattern of legislation which has already been found to be successful in the work of the Joint Committee on Atomic Energy and I believe that this legislation will accomplish great good for our Nation.

Mr. McCORMACK. Speaking for the committee, I appreciate the gentleman's sentiments.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. ALBERT, having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R.12575) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, pursuant to House Resolution 577, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. FULTON. May we note on the RECORD it was a unanimous vote? I note for the RECORD it was a unanimous vote.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that on tomorrow and the next day I may be allowed to extend my remarks at the end of the proceedings of the day and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who so desire may have 5 legislative days to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONGRESS MUST SAFEGUARD THE ALASKA SALMON FISHERY IN SPITE OF JAPANESE CONCESSIONS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, the House Subcommittee on Fisheries last week reported H. R. 10244 favorably with an amendment which I had requested. This legislation would make it unlawful to import salmon in any form taken by nationals of any country that permits fishing for salmon by gill nets on the high seas where there are large quantities of immature salmon of North American origin or of North American salmon runs, which fishing prevents proper management so as to conserve and obtain maximum utilization of this resource.

This is a conservation measure and its objective is to prevent the destruction of our Alaska fishery. As a result, H. R. 10244, since it was introduced by me last January, has received strong and widespread support.

Recently in Japan—to be exact, from May 24 through May 28—I am informed, representatives from the United States and Japanese salmon fishing industries held private talks. My information, which is from one of the American representatives who participated in those discussions, indicates the meetings were cordial and both parties were sympathetic with each others' problems. Furthermore, since the Japanese under treaty were under no legal obligation to make any concessions I am told our Americans came back feeling the informal voluntary agreements reached were like all compromises, probably not satisfactory to either side but better than had no conversations been held. Obviously, any concessions by either parties are temporary and experimental.

The question has been asked me, Mr. Speaker, if, following this international industry understanding, I intend to withdraw my bill and request that no further action be taken.

Therefore, Mr. Speaker, I hasten to state that I see nothing which changes the picture. Only total abstention from the area where the highest incidence of Alaska spawned salmon exists would cause me to ask withdrawal of my bill. On the basis of research, I would hope the North Pacific Fishery Commission established under our treaty with Japan and Canada would move the provisional abstention line west from 175 degrees west longitude where it is now. A new line must more properly divide salmon of American and Asian origin. The interim measures taken by Japan to date on a voluntary basis, I believe, are wholly inadequate to preserve our red salmon runs. As it is, our sacrifices in the interest of conservation are such as to benefit the Japanese who will take, it is estimated, far more fish of the Bristol Bay run than the American fishermen will be allowed to harvest.

As I understand the Japanese have increased the number of their boats and while they talk in terms of cutting their catch from 20 million to 11 million fish and taking them as much as possible west of the 175 degree west longitude, it is a low-cycle year so that percentagewise the Japanese are increasing rather than decreasing their total catch.

The United States must safeguard its natural fishery resources. My bill is to remove the American market from indirectly being used against the very conservation regulations that we ourselves practice directly as a nation. We cannot expect our own people to support conservation of fishery resources for the benefit of a foreign nation. Our policy must be to support the principle of abstention for conservation.

Taking into consideration our restrictions under latest fish and wildlife regulations, and also considering the voluntary curtailment of the Japanese—the situation is that the overall pressure or expected harvest of fish in Aleutian waters is no less than it was last year. Accordingly, I must continue to push for enactment of my bill—the purpose of which is long-range conservation of salmon of North American origin. No interim voluntary agreement could solve that problem and legislation such as I have introduced appears to be the only practical corrective procedure, at least until a permanent treaty abstention line is agreed to by Japan, Canada, and ourselves.

LET'S NOT LOSE OUR STAKE IN THE SOUTH POLE

Mr. DEROUNIAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, yesterday there appeared in the Sunday magazine, This Week, my article on the importance of the Antarctic Continent. I feel it is a subject of interest to the Members and present it herewith:

LET'S NOT LOSE OUR STAKE IN THE SOUTH POLE

(By Representative STEVEN B. DEROUNIAN, Second Congressional District, New York, as told to Earl Mazo)

Few Americans understand how much the United States has at stake at the South Pole and on the Antarctic Continent. Most people still think of Antarctica as a frozen waste with importance only for a few curious scientists.

But I've been there, and, though I don't pretend to be an expert on the vast continent—it's almost twice the size of the United States—I have come to realize its enormous value to this country.

President Eisenhower's recent proposal to internationalize Antarctica under 11 interested powers is a good one. But similar proposals have been made and have always come to grief because nations with territorial claims in Antarctica wouldn't give them up.

I believe that if the President's solution does not meet with a prompt acceptance and lead to a practical settlement, then the United States must act to protect its vital interests.

Up to now, we haven't been able to make up our minds. I say it's time we did—high time that we resolved to defend our perfectly just and valid rights, if necessary by staking our own claim to the South Pole and substantial areas of the Antarctic Continent. For the truth is, the Soviet Union may quite possibly beat us to the punch.

Late last year I visited both the North and South Poles as a member of the six-man Subcommittee on Transportation and Commerce of the House Interstate and Foreign Commerce Committee. I spent more than a week on the snow and ice of Antarctica. I inspected our installations, talked to our scientists and military personnel.

I came away from my 40,000-mile air journey convinced that the United States must halt its equivocation. Unlike the North Pole, which is only unclaimable ice and water, the South Pole is planted on a continent which carries a price tag of incalculable billions.

So rich, in fact, is the Antarctic that it cannot fail to tempt Russia. That is the main reason I am concerned about our Polar policy.

What has that policy been in the past? It started out as wait and see. As set forth by Secretary of State Charles Evans Hughes in 1924, our policy was that a claim without occupation was invalid. We refused recognition to the claims of any other nation in the Antarctic while reserving our own rights. Then in 1948 we proposed to other interested powers that an international body—a condominium—be established over Antarctica.

OUR RIGHTS ARE WELL GROUNDED

The President's present plan is similar. I'm all for it, if it can be worked out. But I can't help having doubts, recalling that it has been 10 long years since we first proposed to end international dispute over the southern continent.

I'm convinced we must waste no more time. If we do we're likely to wind up sending feeble protest notes to Moscow. And the best way to avoid a Russian land grab while other nations debate their claims is to establish our own claim.

We need not be embarrassed about doing it. Our rights in the area are well-grounded.

Capt. Nathaniel Palmer, of Stonington, Conn., was probably the first man to sight the continent. The date: November 17, 1820. In search of fur seals, Captain Palmer sailed his ship *Hero* close by the peninsula which now bears his name on the northern tip of the continent.

And, despite British dissents, Capt. John Davis, American, is believed to have been the first person to set foot on the South polar mass in February 1821.

Captain Davis wrote in his log: "I think this southern land to be a continent."

Nineteen years later another American, Lt. Charles Wilkes, of the United States Navy, determined finally that the Antarctic was indeed a continent.

The late Rear Adm. Richard E. Byrd was the first man to fly over the South Pole (November 29, 1929) and the first man to live alone in the Antarctic. A few years later another American, Lincoln Ellsworth, became the first man to span the continent by air.

WE'VE EXPLORED MOST

In the subsequent decades, American planes pioneered air exploration of the region while American snow tractors trundled over the icy wastes. By 1956, man had seen about 4 million square miles of the Antarctic. More than 80 percent of it had been seen by American eyes alone.

We have built the first permanent station at the geographic South Pole. And most recently we announced that we would maintain and operate four bases in the Antarctic after the IGY closes.

Despite all this American activity, the United States has never made a formal claim. But seven other nations are zealously roosting on claimed slices of the continent. Only about 25 percent of the continent remains unstaked. Claimants are Australia, France, New Zealand, Chile, Argentina, Britain, and Norway.

President Eisenhower's proposal invites these countries and the four others—Japan, Belgium, South Africa, and Russia—that are participating in the IGY Antarctic program to join the United States in a treaty to preserve Antarctica for scientific research.

In effect, the plan asks claimant nations not to give up, but not to press, their claims and to dedicate themselves to the principle that the vast uninhabited wastes of Antarctica be used only for peaceful purposes in the future.

Will it bring years of bickering over the South Pole to a halt? I sincerely hope so—the entire world would benefit. But I have misgivings.

And now the whole Antarctic picture is complicated by the fact that, for the first time in 20 years, Russia is there—and, from all appearances, to stay. So if the international plan does not work, we had best make a claim ourselves, based on what we have discovered, explored, and occupied.

We should start with the geographic South Pole itself. We are there now.

I'm mindful of our committee report of last February which stated:

"This country has been the first to establish a station at the South Pole, and is now operating the station. * * * We are of the opinion that we should stay there. We are convinced that were this station to be abandoned by us, the Russians would take it over."

And we should take title to the something like a third of the land mass. We discovered it. We explored most of it. This area would include Marie Byrd Land, which is as yet unclaimed, Ellsworth Highland, Palmer Peninsula, and Edith Ronne Land as well as Coats Land and a small segment of Queen Maud Land.

Of course much of this is within the claims of Chile, Argentina, France, Britain, Norway, and New Zealand. I'm not suggesting that they be cut out of the picture altogether.

We can't ignore the very early exploits of Britain's James Clark Ross or of France's Dumont d'Urville. And in the first years of this century, Capt. Robert Scott and Lt. Ernest H. Shackleton, both of Britain, made heroic contributions to Antarctic exploration.

OUR BIG INVESTMENT

On December 14, 1911, Roald Amundsen, of Norway, discovered the South Pole, reaching it by dog sled. Amundsen won a race with Britain's Scott, whose expedition ended in tragedy because he attempted to employ Siberian ponies with his sleds. Scott attained the Pole on January 17, 1912, and on the long trek back perished with his companions.

Nor can we ignore the accomplishments of Australia's distinguished scientist, Douglas Mawson, who headed several expeditions to the polar continent. Australia, in fact, has claimed more of Antarctica than any other nation.

But the plain fact is that the United States has—in terms of men, money and time—a far greater investment in the Antarctic than any other nation.

Choosing sectors of the continent to place under our flag would be like buying a pig in a poke. We wouldn't know precisely what we were getting because some 99 percent of the land is covered by an ice and snow blanket of a thickness ranging up to ten to twelve thousand feet.

But this much is certain. Each nation which has staked out a claim—and Russia, too— is well aware of Antarctics's potential as a storehouse of rich minerals, as a base for valuable scientific study, as a hub of world aviation.

A URANIUM FIELD

Here are some of the frozen continent's most valuable assets:

Less than one percent of Antarctica has been surveyed and tested for mineral deposits. Yet the existence of about 176 minerals has been determined, including coal, gold, silver and copper. Scientists suspect the presence of uranium ore.

Scientists agree that weather in the south polar zone influences weather all over the world. I'm not suggesting any nation controlling the South Pole will control the weather. But I am saying that a nation in charge down there would know the most about the weather and its makeup and this I am certain could be of vital importance.

Another reason scientists are so interested in Antarctica is its perfect location for studying cosmic rays and the sun.

The air age has arrived in the Antarctic. In 10 or 20 years international air routes will crisscross the continent.

Experts told our subcommittee that within the next 10 to 15 years the Northern Hemisphere may well become over-populated and that large numbers of people will move southward to enjoy economic opportunities becoming available in South America, Africa, Australia, and New Zealand.

The Great Circle Antarctic air route provides huge savings in travel distance. For instance, from Cape Town, South Africa, to Christchurch, New Zealand, is 5,943 nautical miles direct over Antarctica, while the present route through Mauritius and Sydney is 9,516 miles.

For all these reasons, the South Pole area is of utmost importance. If the nations cannot agree on a fair plan for joint rule, then I propose that at 12:01 a. m., January 1, 1959 (the end of the International Geophysical Year), President Eisenhower formally claim for the United States the Pole and other American-explored areas.

RESOLUTION TO INVESTIGATE THE NATION'S MONEY AND CREDIT SYSTEMS, HOUSE RESOLUTION 587

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 1 hour.

Mr. PATMAN. Mr. Speaker, once again I must urge the House to make an investigation of this Nation's money and debt systems. I have today introduced a new resolution, House Resolution 587, calling for this to be done.

In urging the House to allow this investigation to be made, I am not unmindful that this body has rejected two similar resolutions by me within the past three years. In 1955, the House voted down such a resolution of mine, and only last year, shortly after the present Congress convened, the House voted down such a resolution by me.

Since this proposal to investigate was last considered, however, a tremendous change has come over our country. What the administration calls its "monetary policies" had not yet produced the disastrous results many of us expected that they would produce, when we last considered this question. When we last voted, our money managers were still assuring us that their manipulations of the Nation's supply of money, their doctoring of interest rates, and their juggling of the Federal debt, were all a kind of magic which would stop inflation and give the country what they called a "sound" prosperity. Well, the inflation has not been stopped—prices have gone higher than ever. And the country is in a recession or depression—call it what we may—that is sapping our economic strength at a time when our race for survival depends upon increasing strength. For almost a year now our economy has been on the decline, and no money magic which our money managers have yet called forth has changed matters. In view of these developments, it is to be hoped that the House will now consent to have done what I believe it has a clear duty to do. After all, the Constitution reserves to Congress the power of issuing money and regulating the value thereof, as it does the power of issuing debt against the United States. We cannot, it seems to me, simply delegate these powers to the Federal Reserve System, to the Federal Open Market Committee, to the private banks, and to the Treasury Department, and forever close our eyes to what is done with these powers. Since our future as a Nation may well be at stake in this, it is to be hoped that the members of both parties will now consider this proposal to investigate on its merits, which has not been done before.

EFFORTS TO INVESTIGATE HAVE BEEN DEFEATED BY BIG MONEY POLITICS

It is no secret, at least in Washington, why these previous efforts to have an investigation into the handling of the Nation's debt and monetary affairs under this administration have failed. They have failed simply because this administration did not want an investigation, and it mobilized all of its forces to prevent an investigation. In the weeks and months preceding the vote on my two previous resolutions, powerful financial groups were busy pulling strings and passing down orders to defeat these resolutions. National associations, such as the American Bankers Association, mobilized their membership to manufacture grassroots opposition. Republican leaders in Congress made a partisan political issue of the investigation, and—not once, but twice—they organized the Republican Members of the House with a party solidarity seldom reached in the history of the House. Nor did they stop at merely lining up passive opposition among their own ranks. They held party caucuses to do what the Wall Street Journal called "generate steam" against these resolutions.

When we voted in 1955, only one out of the 203 Republican Members of the House broke away from the organized

opposition and voted to investigate. In 1957, only 2 out of the 200 Republican Members voted to investigate.

Under these circumstances, with the House being closely divided between the two political parties, these previous attempts to have an investigation were bound to fail.

THE PROPOSED INVESTIGATION HAS NOT BEEN CONSIDERED ON ITS MERITS

In reminding the Members of the history of the two previous resolutions, I only wish to make the point that the House has not considered this proposal on its merits. My purpose is not to embarrass our colleagues on the other side of the aisle.

When we voted on this proposal to investigate in 1955, business was prosperous. Business was still prosperous, on the whole, when we voted against it last year. At least big business was booming, and our economy had been making a modest year-to-year growth. Almost all of the people who needed and wanted to work had jobs.

Furthermore, there had been many utterances from high places, and much high-powered propaganda, which had many people believing that our Government had a new-found magic in manipulating money and interest rates. This magic, we were led to believe, would not only prevent inflationary booms but could be confidently relied upon to lift the country out of a recession, should so unlikely event ever be allowed to occur. The recession of late 1953 and early 1954 was not, we were told, caused by this administration's first and overhasty effort to raise interest rates, but that recession's cure was demonstrated proof that our Government's monetary magic holds all the curative powers needed to deal with any recession that might sneak up unnoticed. True, the tight-money, high-interest policies had been restored by then, and these policies were causing great hardships on a great many people of small means. But the official wisemen assured the country that this was all for a good purpose. They assured us the purpose was to check an inflation which the money managers thought was about to happen, and which did in fact happen after their high-interest policies were put into effect.

REPUBLICAN BLIND FAITH IN THE MAGIC OF MONETARY POLICIES

Under these circumstances it is understandable how some of our Republican colleagues felt they could afford to form a solid political line to prevent an investigation of the handling of the Nation's money matters under this administration. Under these circumstances, it is understandable how some of our Republican colleagues had developed a blind faith in mysteries of our Government's money magic and then work with great zeal to prevent an investigation which seemed to be a probing into the administration's most sacred innerworkings. Under these circumstances, it is understandable too how a few Democrats in the House may have been persuaded to have some confidence in the money managers' pious assurances, or persuaded that greater advantages could be had by helping defeat an investigation which the administration and all the powerful financial groups were so determined to defeat.

But surely no Member of this body would play politics with the dire state which our country is in today. And surely, none of us can any longer have a blind faith in the money managers. Look what they have done.

MONEY "MAGIC" HAS FATTENED THE BIG FINANCIAL INTERESTS

They raised interest rates and fattened the money lenders, telling the country it would stop inflation. Well, in the last 12 months of the Truman administration the consumer price index went down slightly, although there were still postwar shortages and consumer buying was still increasing. In the 12 months just past, consumer prices have risen 3½ percent, while production and sales have fallen terrifically. At least 5 million people are now unemployed, and the Secretary of Labor is predicting there will be at least 6 million unemployed when the June graduates come into the job market. Thousands of efficient small businesses are going bankrupt monthly.

The effects of the tight-money, high-interest policies are still very much with us. In the past 12 months, the American people have paid, according to my estimates, at least $10 billion more in interest charges than they would have paid if interest rates had been left at their 1952 levels. This extra $10 billion—which includes added interest charges on installment debt, mortgages, and everything else—is the same as the amount at which economists have estimated the present gap in consumer purchasing power. It is the amount of increased spending and increased debt which these economists say the Government will have to assume to bring back full employment.

This $10 billion of increased interest payments means that the farmers and home buyers are paying more on their mortgages, that consumers are paying more to finance purchases of automobiles, furniture, and appliances, that small businesses are paying more to carry inventories, that the States and local governments are paying more to finance schools and other community facilities, and that the people in every community of the country are paying more taxes. Yet this is only a drop in the bucket. It does not count how much more consumers are paying in higher prices, even when they buy for cash. The high interest charges are added onto the cost of raw materials, added on again in the cost of manufactures, added on again in the cost of wholesalers and retailers, because business at all of these levels is done in large part on borrowed money. And finally it is the consumers who pay.

INFLATION WITHOUT PROSPERITY

Has all this brought about what we were promised? We were promised prosperity without inflation. What we have been given is inflation without prosperity. It has brought us a year-long breather while we race with the Soviets for economic growth.

A century ago, our great land was plundered and looted by the robber barons who stole everything in sight, including funds from the Federal Treasury. In a more civilized age we thought we had put a stop to the terrifying depression, with its bank failures, losses of property, and human misery, which resulted from that kind of greed and licensed theft. But frankly, it seems today that the robber barons are back, in gray flannel suits, this time robbing the American people by making them pay more for automobiles, houses, refrigerators, taxes, and everything else—through the slick devices of high interest and money manipulations.

The moneylenders make more profits on automobiles and appliances sold on the installment plan than either the manufacturers or the distributors.

Surely we have reason to question. Surely we have reason to find out how all this has come about. Surely it is time that we open our eyes and ears and learn for ourselves how our Nation's money and credit affairs are being managed. We should know who is managing these affairs and for what purpose. And last but not least, we should try to learn for ourselves to what extent guidance of this Nation's economic destiny does depend upon manipulations of the supply and price of money, and what the virtues and evils of these methods are.

TIME TO STOP GUESSING

What is needed for an understanding of our money and credit systems is an investigation and study of both the public and the private agencies of banking and finance. Such an investigation must develop a complete understanding of the functions and policies of the Federal Reserve System, since this agency more than any other determines how much money and credit are available for business, farmers, and consumers—through the privately owned agencies of banking and finance. Such an investigation must develop a full understanding of the functions and policies of the Treasury Department, since the operations of this agency also have an important bearing on both interest rates and the amount of credit which is available in the private agencies of banking and finance. As the Nation's biggest users of credit, the Treasury greatly influences these things by the kinds, amounts, and prices at which it issues Federal securities; and as the Nation's biggest bank depositor, it greatly affects these things by the amounts of funds which it deposits with the private banks, and the conditions under which it leaves these funds on deposit. Such an investigation must develop an understanding of the functions and policies of the private commercial banks, because these banks also operate on a delegated power of the Government to create money, and to destroy money and lessen the amount available. Such an investigation must also make a critical review of the functions and policies of the Federal agencies which regulate, supervise, and examine the commercial banks, such as the Comptroller of the Currency and the Federal Deposit Insurance Corporation. Finally, such an investigation must develop an understanding of the part played in the Nation's money and credit systems by those kinds of financial companies—such as the insurance companies, the investment trusts and others—which have come into being or come to

be important sources of credit since the last monetary investigation was made some 50 years ago.

STUDIES BY PRIVATE GROUPS ARE NO SUBSTITUTE FOR CONGRESS' DUTY

Clearly, it is a responsibility of Congress to learn the facts and gain the understanding for itself. We cannot sit back and wait for private groups to tell us what they think we ought to know.

It is also clear that these things are of great importance, and both the administration and important private groups think so.

Only recently the Committee for Economic Development has announced the appointment of a large committee of private individuals to delve into these matters. But unfortunately—and I say this with all respect to the individuals involved—this group is topheavy with people who have an ax to grind and who have fixed ideas about the answers which their investigation should reveal. And unfortunately, too, this private group of businessmen do not have subpena powers, they can command only the testimony and the facts which the bankers want to give. And finally the group will have no report and no information for the public for 3 years.

IN THE RECESSION BY ACCIDENT OR DESIGN?

The investigation which I propose that a committee of the House make will have both short-term and long-term results. Obviously, much of the information and understanding we need, and should have developed long ago, cannot now be developed for many months and perhaps even several years. On the other hand, we should be able to obtain promptly the answers to some of the key questions facing us today. We should be able to learn rather quickly whether or not Congress is wasting time and giving the people false hope in considering any measures to help pull the country out of this recession. If this recession is a deliberate objective and plan of the money managers, then we should be able to learn that rather quickly, in which case we can quit wasting time on the kind of anti-recession measures we have been considering. Furthermore, if this recession is planned, as many people think, then we should be able to learn when the money managers plan to bring us out of the recession, if ever. Developing this information will not only help the people in making their plans for the future, it will also tend to give everybody a chance at the financial gains which can be made by having this information. On the other hand, if the money managers are not capable of manipulating the country out of the recession, we should know that. If these monetary manipulations are not capable of doing the things we have been led to believe they can do, then we should know that the bankers and the moneylenders have been enriched for no good purpose and the people are paying, according to my estimate, $10 billion in interest charges they would not be paying if interest rates had been left at their 1952 levels. This $10 billion a year means $60 per capita or $300 annually for a family of five. We should know these things so that we will free ourselves from a misplaced faith and put our minds to finding methods of government that will work, and work in the public interest.

WE SHOULD FIND OUT IF THE RECESSION IS PLANNED

As for myself, I do not hold any categorical belief that this recession was caused, deliberately or otherwise, by our Government's tight-money high-interest policies. I do not wish to form an opinion on that before the investigation is made. We cannot ignore the fact, however, that some eminent authorities are saying that these policies have brought about the present unemployment. And more than that, the policies did not stop inflation, but have added to the inflation. For example, the head of the economics department of Harvard University recently told a committee of the Senate that:

> Despite a vigorous policy, the Federal Reserve failed to stop inflation and yet helped to bring on a recession. * * * To stabilize prices with a large cost inflation could only be done by inducing unemployment through a restricted monetary policy. This the Federal Reserve has accomplished.

Another fact we cannot ignore is that there is some reason to believe that this is a planned recession, a recession deliberately brought about. There was discussion of a planned recession even before the first signs of the recession appeared. As early as July of 1957, the New York Journal of Commerce reported, in a feature editorial, that:

> The evidence now points strongly to the conclusion that both the administration and the Federal Reserve authorities believe that a "moderate recession now" would be a small price to pay for the avoidance of another boom-and-bust later on.

This financial journal, which is generally read only by a small number of people, and people who are in full sympathy with the administration's inner thoughts, then discussed the "public relations" problem which bringing on this recession posed for the administration. It said:

> Such a policy leads compellingly to the all-important psychological (or public relations) problem of whether the administration should take the public into its confidence by trying to explain its goals and methods—or whether it is better just to follow the course it deems necessary without attempting to make it palatable to the public by official explanations.

ANTI-RECESSION MEASURES MAY BE WASTED EFFORT

If the Journal of Commerce was right about this recession being planned, then it is evident that the administration decided not to take the public into its confidence. When the first signs of the recession appeared in August, our monetary authorities pretended not to see these signs. As the recession deepened in October and early November, they continued to look the other way. They finally acknowledged the recession's existence, and made a show of cutting the Federal Reserve discount rate—an action which really amounted to nothing.

Was the recession caused by the money managers? If so, was it because of bungling? Not until mid-November, did they acknowledge the existence of any recession, although it had long since been plain to everybody else. If it was deliberately brought about, what was the purpose? Was it the plan also to bring us out again? If so, when? Have the money managers now found that their tools cannot undo what they have done. If this recession is not wanted, then it is certainly odd that nothing has been done to get rid of it.

If our idea of trying to bring back full employment is contrary to the wishes of the money managers who run the Republican Party, then we may be wasting our time and giving the people false hopes. Whatever measures we finally pass may be futile. They may do nothing more than cause the money managers to take further steps to offset the effects we intend. Certainly, then we have reason for questioning whether this administration intends to restore full employment any time in the foreseeable future. It has proposed no measure which would accomplish this purpose, and it has plainly lacked enthusiasm for all such measures that have been started in Congress.

And what, we might ask, has been done even with the monetary tools about which we had heard so much? The answer is almost nothing. In spite of the many big announcements of action to ease credit, all of these actions to date have brought bank rates on business loans down only ½ percent below the rates in effect last summer, and only 1 percent below the peak rates which were reached last August. Last summer, when our money managers were applying the brakes hardest on what they saw as a runaway boom, the banks were charging 4 percent on prime business loans, and today they are charging 3½ percent. Isn't it remarkable, then, that the difference between a credit policy to fight an inflationary boom and one to fight a recession is a difference of only ½ percent in the cost of bank credit.

THE RECESSION HAS NOT BEEN EXPLAINED

Is it the plan to keep the country in a recession of about 6 million unemployed? Certainly, some very powerful financial and business leaders have said this country cannot have a stable dollar without unemployment and they have made it clear that as between the two, unemployment is a small evil, if an evil at all.

If our Government's aim is to keep the economy at a certain level of unemployment, then certainly we ought to ask what that level is. If our money managers believe that they have a mandate to maintain a stable price level, and they think this makes a certain amount of unemployment necessary, then we ought to find out how many unemployed they think are necessary. And we should try to find out what the odd things are in our economic system, if there are such odd things, which make it impossible for this Nation to have full employment without inflation.

As yet, no one charged with responsibility for deciding monetary and credit policies has told us why or how this recession came about. The chairman of the Federal Reserve Board told us only that it was needed to bring about some fundamental adjustments. And he told us that if these adjustments had not

been set in motion, the country would have had a lot worse depression later. Assurances, yes, he has said that "after not too long a period of readjustment, healthy revival should set in, progressing to new records of economic performance and new high levels of national well-being," adding "a great deal depends upon the speed with which needed readjustments are made."

Now, what in the name of reason were these adjustments which the money managers thought they had to make? What was unhealthy in the prosperity we had? Was it deficient consumer incomes, low farm prices, or small-business bankruptcies? Surely these are not things that a recession will help. We have been told only that "as a Nation we were trying to do too much too fast."

Well, is it better to do too little too slow? What were these unhealthy things in our prosperity that a period of sickness will cure? What is behind this idea that we must be made sick to be made well again? And if a period of economic illness is good for the rest of the business system, why would such an illness not be good for the banks and the moneylenders, to?

THE BANKS AND WALL STREET STILL PROSPER

Certainly, no part of the financial community has suffered from any of the manipulations of our money or our public debt. In the years when interest rates were being raised, profits of the banks and the moneylenders went up, up, and up. And since the recession started, profits of the banks and the moneylenders have still gone up. Every important step which our Government's money managers have taken in the name of easing credit has been a step which has permitted the banks to create more money to buy more Government bonds and collect more interest. All told, these steps have allowed the banks to create $9 billion of new money, and to add to the Nation's money supply by this amount. If easing bank credit was all that was intended, then why did the Federal Reserve not buy the bonds itself? This would have eased bank credit, too, but the interest payments on these bonds would have come back to the Federal Treasury instead of coming out of the taxpayers' pockets and going into fatter bank profits.

The reasons why the House should make an investigation and study of our money and debt systems do not stop with the questions raised by the recession. All of the old reasons are still with us that were with us when we last voted on a proposal to investigate. Wall Street has the same stranglehold on this Government and the American people it had 12 months ago. We have not heard of any Wall Street financial bank that has gone broke because of this recession, and we have not heard any complaining that their profits were falling.

Nor have we heard of any big industrial corporation going broke; we have heard only of the tens of thousands of small competitors that are being squeezed out. True, the profits of the big corporations have declined, but as one business magazine recently said "if a person has money, a recession sometimes opens up opportunities."

A DUTY OF CONGRESS LONG NEGLECTED

What is being neglected here is a duty of Congress, and this is a long-neglected duty of Congress. The Constitution reserves to Congress the power to create money and to regulate the value thereof. And the Constitution reserves to Congress the power to issue debt in the name of the United States. But Congress has delegated these powers and duties to the Federal Treasury, to the Federal Reserve, and to the private banks, and it has not bothered to check on how these duties are being carried out.

As to issuing money and regulating its value, we have simply turned the job over to the Federal Reserve and the private banks, then we have closed our eyes to what is being done.

As to issuing debt against the United States, we maintain only a ceiling on the total amount that may be outstanding—which ceiling we raise from time to time when requested. But we pay no attention to the methods by which the debt is issued, to whom it is issued, and how much unnecessary interest and other premiums are paid.

TOO LITTLE REGULATION OR TOO MUCH REGULATION?

The last time there was a full investigation and study of our monetary system, the Federal Reserve System was set up. Nearly half a century has passed since that investigation was made. In this half century new types of financial institutions have come into being. Other types which then handled only unimportant amounts of savings and investments now handle gigantic sums. Many of them—such as the insurance companies, the investment trusts, and the savings banks—appear to have close working relationships in and among themselves, and with the commercial banks and the investment bankers. Just what are their interconnections? Are the vast sums of savings of millions of families being handled in the public interest? How do these new financial giants fit under our laws that are supposed to safeguard the public interest in financial institutions? These are some of the questions which this investigation should look into.

Now what about the banks that are being regulated—and regulated to death—by some accounts under our present laws? Certainly, there seems to be an unwieldly number of different agencies issuing regulations and harassing the banks with duplicate, triplicate, and perhaps quadruplicate examinations. The Comptroller of the Currency, the Federal Reserve System, and the Federal Deposit Insurance Corporation all have corps of Federal bank examiners going through the banks from top to bottom. But what are these regulators and examiners actually doing?

There is considerable evidence that practices have grown up over the years which go far beyond what is proper to safeguard depositors' money. In fact, it appears that the regulators and examiners are not only dictating private investment policies to the banks, they are reviewing each investment and each loan and imposing their judgments as to which should be made and which should not be made. They set a pattern of performance which does not tolerate originality or pioneering in new ways of doing things. And they set a pattern of unthinking conservatism which leaves little room for the local banks to make loans to small business, to invest in many of the local bonds, or to serve the needs of the community in other ways. If the Federal bank examiners are going to decide what loans and investments the banks can make, then wouldn't it be more economical to dismiss a large percentage of these examiners and have all loan applications sent to Washington? Or, to look at the question another way, shouldn't we find some way to eliminate the overlapping supervision and find general rules to govern the banks in place of Federal interference in individual policies and decisions? The investigation should certainly look into this.

PRIVATE BANKERS GIVEN POWERS OVER MONEY AND INTEREST

In the emergency of depression, Congress amended the Federal Reserve Act, in 1933 and in 1935, without waiting to study what the effects would be. That study has still not been made, although these amendments made basic changes in the Federal Reserve. Before these changes were made, the Federal Reserve had been a system of regional banks, with each region having its own powers. But those changes of 1933 and 1935 created a central bank. They took away the powers of the regional banks; and centered those powers in the New York bank.

Woodrow Wilson was supposed to have settled, once and for all, the question whether the private bankers would have representation on the boards and committees of the Federal Reserve System. He settled, he thought, the question whether the private bankers would have representation on any public board which determines what the money supply shall be, determines what the interest rates shall be, or determines any other matters of bank regulation. The bankers went to him and proposed such representation when the Federal Reserve legislation was being drafted and he flatly turned them down. President Wilson said then that the private banks had no more right to be on the public boards to regulate money, interest rates, or other banking matters than the railroad owners had a right to be on the Interstate Commerce Commission, to help fix freight rates.

But the 1935 act—we now know—gave the bankers the representation which Woodrow Wilson had said no civilized country would permit. This act created the present-day Open Market Committee and gave that committee the Federal Reserve's powers to buy and to sell Government securities. This committee is today by all odds the most powerful financial body in the world. It has all the resources of the Federal Government—all of the gold in Fort Knox—at its disposal and discretion. In this committee of 12 men, 5 are selected by representatives of the private banks. Now this is something to think about: The buying and selling of Government securities is the most powerful weapon the Federal Reserve has for determining what the Nation's supply of money and credit shall

be, and what interest rates the people will pay. And the committee of 12 that decides these things has on it 5 members who are chosen by representatives of the private banks.

When this Open Market Committee meets to decide how much money the Nation will have and what interest charges the users of credit will pay for the use of this money, it secedes from the Federal Reserve Board, and it secedes from the whole Government. According to their own report, the members of this committee meet as individuals, and as individuals only, and as individuals responsible to no temporal power on this earth.

TWO BODIES DETERMINING MONEY SUPPLY AND INTEREST RATES

The creation of the Open Market Committee has brought about some strange divisions of responsibility within the Federal Reserve System. The System now has two boards or committees with powers and duties for issuing money and regulating its value. The Federal Reserve Board has this power, which it can exercise by changing the percentage of deposits which the member banks are required to keep in reserve. And the Open Market Committee has an even greater power, which it can exercise by buying or selling Government securities or changing the price at which it offers to buy or sell these securities.

Certainly, then, this is a matter which should be looked into.

Here we have two bodies—neither of which is responsible to the other, and neither of which is responsible to anybody, except Congress—with separate powers to go in opposite directions.

For example, when credit needs loosening the Open Market Committee can buy the right amount of Government securities. This helps first the Government and the taxpayers, because the interest on those securities comes back into the Treasury. And this method of easing credit also helps the private banks, because it makes more bank reserves available on which the banks can make loans at higher rates of interest than the Government securities pay. But the Federal Reserve Board can also loosen credit, when it wishes to do so, by lowering the percentage of deposits which the private banks are required, by the Board's regulation, to keep in reserve. This method of easing credit primarily helps the private banks, because it allows the banks to create more money for loans and keep the Government securities, too. In this way, instead of the interest on the Government securities coming back to the Government, it goes to fatten bank profits.

Are these conflicting powers being used in the public's interest? Does one board or committee force the other to act, by itself refusing to act? Or is action deadlocked while the public interest suffers?

WORLD'S MOST POWERFUL GROUP DEALS IN SECRET

Today the Open Market Committee holds the greatest portfolio of securities in the world. It has bought, with public money, and is holding almost $25 billion of securities of the United States Government. It trades in these securities with private dealers to the tune of about $10 billion a year. Yet all of this trading is carried on in secret deals with a small group of about 15 private dealers and speculators. The prices at which these deals are made are secret; the amounts of securities traded with individual dealers are secret; and even the names of the dealers are secret. In addition, this committee trades in United States Government securities with foreign central banks to the tune of about $5 billion a year; and all the details of this trading are also secret. Certainly this, too, is something that Congress ought to look into.

WHO MAKES MONETARY POLICIES?

Actually, we do not know what real division of power and responsibility over monetary matters exists among the Federal Reserve System, the Treasury Department and the White House. At various times since this administration has been in power, the President has made public statements referring to the then current monetary policies as the administration's policies. But at alternate times the President has referred to these monetary policies as matters decided solely by the Federal Reserve System and at these times he has said that the administration could not and would never try to influence the Federal Reserve on the monetary policies it makes. On one occasion while the President of the United States was explaining to a press conference in Washington that the executive branch has no voice in monetary policies, his Secretary of the Treasury was making a speech in Detroit giving the executive branch full credit for these policies.

Who, then, actually determines these policies? We do not really know; but we ought to know.

Clearly, however, the manner in which the Treasury manages the public debt has a great influence on interest rates and on the amount of credit which is available to business, consumers, and farmers. And this we do know: Since the present administration has been in power, it has repeatedly issued new Federal securities at interest rates that were above the market rates. These rates were proven to be too high, over and over again, because the securities were quickly being resold in the market at prices much higher than the Treasury got for them. In fact, this administration had been in office little more than a month when it embarked on a program of issuing new Federal securities at artificially high interest rates. In February of 1953, it issued about $8 billion of Treasury certificates paying 2¼ percent interest, and exchanged these for securities paying 1⅞ percent. Shortly after that, it issued $1 billion in bonds at 3¼ percent, when the longest term negotiable bond then outstanding paid 2½ percent. And what is more, it issued these new high-interest bonds at a time when the Treasury did not need the money.

WHO MANAGES THE TREASURY GIVEAWAYS?

Nor have we seen the end of these Treasury giveaways. Within the past few weeks the Treasury announced the sale of a billion dollars' worth of bonds when it has $6 billion of unused funds on deposit with the private banks. These bonds have an arbitrarily set interest rate of 3¼ percent, when the short-term rate in the money market is one-half of 1 percent, and the rate on Federal funds is only one-eighth of 1 percent. Is this, after all the talk of easing credit, a continuation of the policy of keeping interest rates high?

What then are the facts of the Treasury's influence? Does the arbitrarily fixed prices at which it issues securities force interest rates up or down throughout the banking system? Do these repeated Treasury giveaways force up interest rates with or without the consent of the Federal Reserve? Why should the Treasury arbitrarily fix interest rates on its securities in any case? Why should it consult with an advisory committee of big bankers and moneylenders who are going to buy the securities about what the interest rate should be fixed? Why does the Treasury not sell its securities on the basis of open, competitive bids, just as the States and most of the private corporations sell their securities? This, too, is a matter which we should certainly look into.

I have indicated only a few of the questions which the investigation I am proposing should look into. There are many others that are equally vital to the proper functioning of our economic system. Clearly, it seems to me, we ought to try to get the answers to these questions. We ought to find out for ourselves how our monetary and debt systems are being managed.

A FAIR INVESTIGATION BY DEMOCRATIC METHODS

What is wrong with having a Committee of the House investigate, study, and report to the House on the answers to these questions? What objection can there be to making the facts known? Are there skeletons to hide?

The committee which I propose will be composed of both Democrats and Republicans. If this committee uncovers any facts which are embarrassing to the administration, or to any powerful financial group, the Republican members will have every opportunity to express their views and to present whatever justification for these facts they care to present. If any member of the committee does not like what the majority reports, he will have the usual opportunity of making a minority report. He will have an equal opportunity of convincing the public that his facts are right and the others are wrong.

To refuse to investigate is to deny ourselves and deny the public the facts. That is undemocratic, and it leads to misinformed public opinion. Refusing to investigate and learn for ourselves could lead to bad laws, and it could lead to plunders unheard of.

The investigation I propose is, I think a fair procedure. It is a democratic procedure. It will lead to an informed public opinion, and it will give Congress the facts and the understanding it needs to carry out its legislative duties.

SAFETY ON THE HIGHWAYS

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have already obtained permission to extend my remarks in the RECORD and include an editorial from the Lowell Sun of Saturday endorsing a bill which I introduced for safety on the highways over the long weekends:

COMMON SENSE

Already the Nation faces the grim possibility of chalking up its worst record for highway fatalities over a holiday weekend. Back in 1955 the record was so bad that drivers sensed the need for more caution and less speed in the future. On subsequent holiday weekends, the death toll went down.

The lesson of those horrifying 1955 weekends has now been forgotten, it appears, as Memorial Day, 1958, may set new records.

Lecturing and pleading serves little purpose; there are too many who refuse to accept good advice. Other attempts to reach the people and impress upon them the need for greater care on the highway have also missed the target, or, so we judge from the bad reports now coming in.

Last week Congresswoman EDITH NOURSE ROGERS introduced a resolution in Congress calling for a uniform maximum speed limit of 50 miles an hour on all highways during holiday weekends, requesting the President and Congress to urge all 48 governors to cooperate.

More than three-quarters of all highway accidents are traced to high speed, and it seems to us that since all other efforts to control speed have generally failed, that the Rogers resolution, applying only to holiday weekends, has extraordinary merit.

We may realize its value more when the accumulated accident reports are tabulated Monday morning.

CIVIL SERVICE PREFERENCE FOR VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Memorial Day we decorate the graves of our heroes and shed tears over our heroes, we give them all kinds of decorations, but when it is over I wonder just what we do for them. I am horrified at some of the lack of consideration of them. Civil service veterans' preference is almost a thing of the past; sometimes the way persons get around it and evade it is shocking. I am constantly reminded of the cruel things that are done to veterans.

MEDICAL CARE FOR VETERANS

Mrs. ROGERS of Massachusetts. Mr. Speaker, over the weekend I talked with doctors and the personnel of Veterans' Administration hospitals. They do not have enough money, Mr. Speaker, to run the hospitals properly. They do not have enough doctors or nurses and other personnel or even the proper food for the patients. I realized to some extent what was going on, but I did not realize how bad the situation is. I do not know just where the fault lies, but it lies somewhere. It should be pinned down and people should be made to see that they must give our veterans the proper care. They buried at Arlington Cemetery two of our unknown heroes known only to God. I think everybody felt that there was not too much that could be done for the men who died and served us. Helping our veterans in every way is one way of showing our appreciation. But what are we actually doing when we do not provide proper hospitalization? We do not provide enough beds. A doctor told me Saturday that he was not able to open a new building for continued treatment at Bedford because he could not give adequate care to his patients. He felt just as you and I, and the rest of us here in the Congress feel, that they should receive the best of care. They did at one time receive care second to none. I have eaten in Veterans' Administration hospitals all over the country. The food was excellent. Now the food is deteriorating.

VETERANS' PENSIONS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to speak about the question of an increase in pensions for veterans. We have done that for everybody else. We have increased the salaries of postal workers and thank God for that. I was at a letter carriers' meeting the other day where I spoke and I have spoken to the men who go out in all kinds of weather—in the rain, in the snow, and in the sleet, starting out in the morning fairly warm and coming home at night drenched. Certainly, they deserve increased compensation and appreciation and they are happy at the bill passed for the postal service. All our people in the classified service and also the unclassified service have deserved raises. But, we are not doing anything in this Congress for our veterans. We have not been continuing the so-called service connections the veterans have been getting because there have been surreptitious ways of cutting them such as cutting their compensation and then when they are cut out and when they are reinstated after much time the Veterans' Administration reinstates it under—at a lower amount—under an old regulation and an old law. So many things are going on undercover, things that I believe the Administrator of Veterans' Affairs does not realize. There are personnel from various departments of the Government and Congressional committees going through the Veterans' Administration. There are people always behind the shoulders of the men working there. I know the case of one man who told me that in rating a case, he wondered whether he was going to be punished because he had not cut a rating or because he reinstated a rating. The Members of Congress I am sure do not realize how extremely dangerous and how unfair this situation is. We all could rise up and stop it, if we would. There is plenty of time before we adjourn.

SCIENTISTS AND THE SPACE AGENCY

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to say a few words about the young scientists coming into the Space Agency, without regard to the regular civil-service rules. I am unhappy over that because there will be no veterans' preference.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. McCORMACK. They have to come in under civil service. The appointment will be made in accordance with civil service.

Mrs. ROGERS of Massachusetts. I do not know how it will operate.

Mr. McCORMACK. Once they are appointed in accordance with civil service, then it gives a leeway in connection with grades and salary.

Mrs. ROGERS of Massachusetts. The same as they did with the doctors?

Mr. McCORMACK. I am not sufficiently acquainted with that.

Mrs. ROGERS of Massachusetts. I know the gentleman's great interest in the veterans. I have been horrified since I found that the Internal Revenue Service was not taking in people according to the veterans' preference.

Mr. McCORMACK. This does not change the appointment in accordance with the civil service laws.

Mrs. ROGERS of Massachusetts. Then they will come in through civil service?

Mr. McCORMACK. Exactly. Then they will get the benefit of the revision if it is enacted into law.

Mrs. ROGERS of Massachusetts. Perhaps we can get some revision for the doctors in the Veterans' Administration. I know the gentleman's great interest in the veterans.

Again I would like to express my deep appreciation for the work the gentleman did on this space resolution. He deserves the greatest of appreciation for it.

The SPEAKER pro tempore. The time of the gentlewoman from Massachusetts has expired.

SIMPSON-DAVIS-DORN-BAILEY BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 5 minutes.

Mr. BAILEY. Mr. Speaker, it is my purpose to use the time allotted to me in this special order to acquaint my colleagues in the House of the basic objectives of the so-called Simpson-Davis-Dorn-Bailey substitute—H. R. 12676—which will be offered in place of the administration approved H. R. 12591, when the House considers the renewal of our trade agreements later this week.

Many Members will not be able to hear the general debates outlining the objectives of these two separate pieces of legislation. It is my thought that this summarization will acquaint my colleagues with the necessary information to afford them the basis for their support of the substitute legislation.

TWO-YEAR EXTENSION

Section 2: The President's authority to enter into trade agreements would be extended for 2 years to June 30, 1960. Duty decreases could not become initially effective after that date. The effect is to permit tariff reductions up to 10 percent—5 percent per year—only on items on which the maximum concessions were not made under the 1955 extension.

DUTY INCREASES

Section 3: Permits raising a duty 50 percent above the rate on July 1, 1934. In the case of a specific or mixed rate,

the increase would be based on the ad valorem equivalent of a July 1, 1934, rate, determined with respect to values of imports in 1934 or the first year thereafter in which imports were substantial. The effect of this provision is to match rate increases with inflated prices of imports.

PERIL POINT

Section 4: Present law and procedure before a trade agreement negotiation require the State Department, acting for the President, to prepare a list of possible United States concessions. This list is furnished to the Tariff Commission, which then determines by how much, if at all, a duty can be reduced "without causing or threatening serious injury" to the American industry involved, and whether an increased duty is necessary to avoid such injury.

This section changes the procedure by requiring the President to notify the Tariff Commission that he has found as a fact that existing duties or import restrictions of the United States or a foreign country are unduly burdening or restricting United States foreign trade, at the same time advising the Commission of his intention to negotiate a trade agreement. The Commission would then prepare a preliminary list of imported articles "which in its judgment may be considered by the President" in the negotiations for possible modification of duties and import restrictions. The list is to include articles on which the Commission "considers that the existing duties or other import restrictions appear to be inadequate to prevent imports from causing or threatening serious injury to the domestic industry producing like or directly competitive articles."

The Commission is to publish the preliminary list and make an investigation and finding on each article on it as to: (a) the limit of modifications, and so forth, that may be extended without causing or threatening such injury, and (b) if duty increases or additional import restrictions are required to avoid injury, the minimum increases or restrictions required.

The Commission may add or delete articles, publishing notice of such amendment, and investigating any article added.

During any investigation the Commission must hold public hearings on 60 days' notice. It shall request, through appropriate channels from the principal supplying country of any article investigated, such data as the estimated or approximate cost of production and prices. If the foreign country refuses to furnish such data—except on an article "included in the list because of indequacy of existing import restrictions"—the Commission must delete the article from the final list.

In determining peril points the Commission must consider each of the following:

First. Estimated or approximate cost of producing an article in the principal supplying country, as compared with such cost in the United States.

Second. Estimated or average wholesale price, in dollars, of the article in the foreign country as compared with such wholesale price of the American article in the United States—if the foreign price cannot be ascertained, the Commission may consider the average invoice price.

Third. Other data relative to the competitive status of the foreign and American competitive articles in the United States market, and the effect of such competitive status "on the likelihood of serious injury, or threat thereof, to the domestic industry producing like or directly competitive articles."

Within a year of the publication of the preliminary list the Commission must publish and transmit to the President a final list for negotiation.

The President, in trade agreement negotiations, is permitted to exceed or ignore the peril points fixed by the Commission, but no resultant agreement can become effective as to any concession which fails to comply with a peril point, "until the Congress, by law, shall have approved" the concessions.

ESCAPE CLAUSE

Section 5: The Tariff Commission's period for investigating escape clause applications would be reduced from 9 to 6 months. The Commission would make an escape clause recommendation report not only to the President, as at present, but to the Congress.

INJURY; QUOTAS

Section 6: If the Tariff Commission, in an escape clause investigation, finds that the maximum permissible duty increase for the article being investigated "will not prevent or remedy serious injury to the domestic industry concerned, the Commission shall recommend the establishment of such quotas—either tariff quotas or absolute quotas, including seasonal quotas of either kind, such quotas to be subject to such allocation among countries of origin as the Commission may direct."

ESCAPE CLAUSE ACTION

Section 7: The President, under present law, may proclaim, modify or ignore Tariff Commission recommendations. Under this section he would be required to proclaim them without change unless, in 30 days, he reports to Congress recommending "that no such—tariff—adjustments or modifications be made, or no such quotas be imposed, or recommending a rate of duty as an alternative to that recommended by the Tariff Commission or recommending a quota as an alternative to that recommended by the Tariff Commission." Thereafter, unless Congress, in 60 days, by law approves the President's recommendations, he must proclaim those of the Commission.

If Congress were not in session at all, or for 60 days following the President's report, the Commission's recommendations would be provisionally proclaimed until Congress had a 60-day opportunity to legislate on the subject.

NATIONAL SECURITY

Section 8: The Director of the Office of Defense Mobilization at present may advise the President whether imports are threatening to impair the national security. The President is currently authorized to investigate and to take such action as he deems necessary to adjust the imports so as to remove the threat. No requirements or procedures are specifically provided by law.

On Presidential request, resolution of either House of Congress, or resolution of the Senate Finance or House Ways and Means Committee, on application of an interested party, or on his own motion, the Director of ODM shall investigate whether an article is being imported in such quantities as to threaten to impair the national security. ODM must hold public hearings. If the Director has reason to believe that such a threat exists he must so advise the President within 3 months from the time the action was initiated.

The Director and the President in administering this section must, without excluding other relevant factors, consider domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements.

If the President agrees on the threat to national security, he must, within 30 days after the ODM report, impose on the article involved, an increased duty or a quota or both.

If a duty, it must be 50 percent higher than the July 1, 1934, rate, or, if a specific or mixed duty, 50 percent above the ad valorem equivalent on that date. A proviso is included that any such increase may be reduced for particular countries in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the product may be transported to the United States with relative safety.

If a quota limitation is imposed, it must reduce imports of an article to 25 percent or more below the average level of imports for the most recent 3 years. Such quota may be allocated among countries so as to take into account the availability, and so forth, as in the proviso mentioned just above.

The President may proclaim a lesser increase or a larger quota than provided above if he finds and so certifies to Congress that the duty or quota provided above would impair the availability of materials determined to be essential to the defense of the United States.

Actions or determinations taken prior to the effective date of the above amendment of procedures are not affected thereby.

AGRICULTURAL COMMODITIES

Section 9: Agricultural items, subject to a Government program, may today receive special import relief through section 22 of the Agricultural Adjustment Act. The action presently starts with the Secretary of Agriculture notifying

the President that imports are interfering with some such program. Thereafter, the President, if he agrees, directs the Tariff Commission to conduct an investigation.

Also, under the present law, when the Secretary reports to the President and the Commission that due to the perishability of the commodity an emergency exists, the Commission must make an immediate investigation. In the meantime, the President may take immediate remedial action before the Commission makes a recommendation. In any case, the Commission's report and the President's decision must be made within 25 days after the Commission receives the Secretary's report.

This section supplements these emergency procedures, by requiring that when an interested party raises the perishability question, and the Secretary of Agriculture fails, within 15 days, to tell the Commission that the commodity is not perishable, the Commission shall immediately investigate and report to the President. This report and the President's action thereon must be taken "at the earliest possible date" but no later than 60 days after the issue was raised. This section would also permit the Secretary of Agriculture, the Senate Finance Committee, the House Ways and Means Committee, or any interested party to petition the Tariff Commission directly for an investigation as to whether imports are interfering with a Government program. The Commission must report in 6 months. If the Commission finds the existence of such interference, the President must impose fees up to 50 percent of quotas.

The President is given authority to further restrict or exclude imports when the Secretary of Agriculture finds that special circumstances so require.

Present law permits a suspension or termination by the President of any proclamation made under section 22, if he determines the need for it no longer exists. This section changes this procedure by providing that the President act only when the Tariff Commission finds and reports the advisability of such action.

GATT CAVEAT

Section 10: This section provides that the enactment of the act contemplated "shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive agreement known as the General Agreement on Tariffs and Trade."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 20 minutes, on tomorrow.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

Mr. PATMAN, on Thursday next for 30 minutes, to revise and extend his remarks and include extraneous matter.

Mr. BAILEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LIBONATI in two instances and in each to include extraneous matter.

Mr. DAVIS of Georgia and to include extraneous matter.

Mr. BAILEY in two instances and to include extraneous matter.

Mr. PELLY.

Mr. MACK of Washington.

Mr. FULTON.

Mr. ASPINALL.

Mr. ANFUSO (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. ALGER.

Mr. VAN ZANDT in two instances.

Mr. ULLMAN.

Mr. CELLER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2119. An act to expedite the utilization of television facilities in our public schools and colleges, and in adult training programs; to the Committee on Interstate and Foreign Commerce.

S. 2447. An act to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands, and other lands can be sprayed with minimum losses of fish and wildlife; to the Committee on Merchant Marine and Fisheries.

S. 3295. An act to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act; to the Committee on Merchant Marine and Fisheries.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 3, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1973. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated April 2, 1958, submitting a report, together with accompanying papers and illustrations, on a review of reports on Turtle Creek, Pa., requested by resolutions of the Committees on Public Works, United States Senate and House of Representatives, adopted September 20, 1950, and December 14, 1950, respectively (H. Doc. No. 390); to the Committee on Public Works and ordered to be printed with three illustrations.

1974. A letter from the Secretary of Defense, transmitting a report setting forth the financial condition of working capital funds of the Department of Defense as of June 30, 1957, and the results of their operation for the year then ended, pursuant to the National Security Act of 1947, as amended; to the Committee on Armed Services.

1975. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 564 (a) of title 10, United States Code, to extend the period in which warrant officers who have twice failed of selection for promotion must be retired or separated"; to the Committee on Armed Services.

1976. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for other purposes"; to the Committee on the District of Columbia.

1977. A letter from the Manager, Development Loan Fund, relative to the establishment of a loan of not to exceed $5 million from the Development Loan Fund to the Government of Honduras has been authorized, pursuant to title II of the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

1978. A letter from the Attorney General, transmitting the report of the Attorney General on the administration of the Foreign Agents Registration Act covering the calendar year 1957, pursuant to the Foreign Agents Registration Act; to the Committee on the Judiciary.

1979. A letter from the executive secretary, the Military Chaplains Association of the United States of America, transmitting the annual report of the Military Chaplains Association of the United States of America's proceedings and the financial statement for the years 1954, 1955, 1956, and 1957, pursuant to Public Law 792, 81st Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of May 28, 1958, the following bill was reported on May 30, 1958:

Mr. MILLS: Committee on Ways and Means. H. R. 12695. A bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; without amendment (Rept. No. 1839). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 2, 1958]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COOLEY: Committee on Agriculture. H. R. 11330. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U. S. C. 181), relating to practices in the marketing of livestock; without amendment (Rept. No. 1840). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 12226. A bill to amend the Virgin Islands Corporation Act (63 Stat. 350), and for other purposes; with amendment (Rept. No. 1841). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H. R. 12617. A bill to amend sections 2 and 3 of the act of May 19, 1947 (ch. 80, 61 Stat. 102), as amended, relating to the trust funds of the Shoshone and Arapahoe Tribes, and for other pur-

poses; without amendment (Rept. No. 1842). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. S. 1832. An act to authorize the appointment of one additional Assistant Secretary of State; without amendment (Rept. No. 1843). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. H. R. 11694. A bill to provide for the conveyance of certain real property of the United States situated in Clallam County, Wash., to the Department of Natural Resources, State of Washington; with amendment (Rept. No. 1844). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H. R. 12632. A bill authorizing Gus A Guerra, his heirs, legal representatives and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande, at or near Rio Grande City, Tex.; without amendment (Rept. No. 1845). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H. R. 11253. A bill to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes; without amendment (Rept. No. 1846). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 12748. A bill to amend the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. BAKER:

H. R. 12749. A bill to amend section 37 of the Internal Revenue Code of 1954 to equalize for all taxpayers the amount which may be taken into account in computing the retirement income credit thereunder; to the Committee on Ways and Means.

By Mr. BERRY:

H. R. 12750. A bill to amend Public Law 959, 84th Congress; to the Committee on Interior and Insular Affairs.

By Mr. BONNER (by request):

H. R. 12751. A bill to amend the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. RAINS:

H. R. 12752. A bill to amend title IV of the Housing Act of 1950 to increase the amount available thereunder for housing loans to educational institutions and hospitals, and to authorize loans to educational institutions for classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mr. ADDONIZIO:

H. R. 12753. A bill to amend title IV of the Housing Act of 1950 to increase the amount available thereunder for housing loans to educational institutions and hospitals, and to authorize loans to educational institutions for classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mr. BARRETT:

H. R. 12754. A bill to amend title IV of the Housing Act of 1950 to increase the amount available thereunder for housing loans to educational institutions and hospitals, and to authorize loans to educational institutions for classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mrs. SULLIVAN:

H. R. 12755. A bill to amend title IV of the Housing Act of 1950 to increase the amount available thereunder for housing loans to educational institutions and hospitals, and to authorize loans to educational institutions for classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mr. ASHLEY:

H. R. 12756. A bill to amend title IV of the Housing Act of 1950 to increase the amount available thereunder for housing loans to educational institutions and hospitals, and to authorize loans to educational institutions for classroom buildings and other academic facilities; to the Committee on Banking and Currency.

By Mr. ROOSEVELT:

H. R. 12757. A bill to amend title II of the Social Security Act to reduce from 62 to 55 the age at which widows' benefits become payable thereunder; to the Committee on Ways and Means.

By Mr. TOLLEFSON (by request):

H. R. 12758. A bill to amend the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. ANFUSO:

H. Con. Res. 338. Concurrent resolution expressing the sense of the Congress with respect to the submission of a peace formula by the President of the United States during the next summit conference between the United States and the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. PATMAN:

H. Res. 587. Resolution calling for an investigation of monetary and debt management policies; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALGER:

H. R. 12759. A bill for the relief of Dr. George Berberian; to the Committee on the Judiciary.

By Mr. ALLEN of California (by request):

H. R. 12760. A bill for the relief of Curt A. Krummenacher; to the Committee on the Judiciary.

By Mr. BOYLE:

H. R. 12761. A bill for the relief of Cyrla Lasica; to the Committee on the Judiciary.

H. R. 12762. A bill for the relief of Ilene Cibulski; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H. R. 12763. A bill for the relief of K. C. Ertzberger; to the Committee on the Judiciary.

By Mr. JOHANSEN:

H. R. 12764. A bill for the relief of Gordon Langlands Johnston; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 12765. A bill for the relief of Mrs. Dorothy Cecile Charley Smith; to the Committee on the Judiciary.

H. R. 12766. A bill for the relief of the Inter-County Telephone & Telegraph Co., Fort Myers, Fla.; to the Committee on the Judiciary.

H. R. 12767. A bill for the relief of Mrs. Ursula Gerda Oppel (Richardson) Scott; to the Committee on the Judiciary.

By Mr. SADLAK:

H. R. 12768. A bill for the relief of Jonathan Welfare Society; to the Committee on Ways and Means.

By Mr. SISK:

H. R. 12769. A bill for the relief of Hyung Il Kim; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

658. By the SPEAKER: Petition of the secretary, Christian Social Action, Dayton, Ohio, relative to strongly supporting an expanded nonmilitary program of mutual aid and programs for reciprocal foreign trade; to the Committee on Foreign Affairs.

659. Also, petition of John E. Cady and others, Railway Express Agency, Detroit, Mich., requesting passage of House bills 1008, 3974, 4523, and 4677, pertaining to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

660. Also, petition of the city clerk, Reno, Nev., strongly urging the Washington office of the Bureau of Public Roads to make a decision relative to the beneficial placement of an interstate freeway routing through the city limits of Reno, Nev.; to the Committee on Public Works.

661. Also, petition of the president, Guam Chamber of Commerce, Territory of Guam, relative to transmitting 84 additional signatures to petition No. 656, dated May 28, 1958, relating to the local imposition of income taxes in the Territory of Guam; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Atomic "White Elephant"

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. BAILEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I desire to call the attention of my colleagues to the Nation's latest "white elephant," the new atomic reactor just dedicated at Shippingport, Pa.

President Eisenhower participated May 26 in the dedication of what may eventually prove—according to some observers—to be the most expensive "white elephant" in American history This is the much publicized atomic-power-producing reactor at Shippingport, Pa.

Although the project, set up to produce power for civilian needs, is supposed to be nonsecret, it is difficult to obtain all the relevant facts concerning it. From those statistics which are available, however, it becomes apparent that the bill for the taxpayers is formidable. It has been officially announced that the cost exceeds $121 million. This figure does not include the cost of the fuel or of the insurance which the Government furnishes. Since the plant has a rated capacity of 60,000

kilowatts, it is obvious that the cost per installed kilowatt runs to over $2,000, as contrasted with $145 per installed kilowatt of a modern coal-burning plant.

Even the designers and operators admit that the cost of operation per kilowatt-hour will be over 70 mills—in an area where electricity can be purchased for 5 mills per kilowatt-hour. Other technicians claim that the actual cost for this plant will probably come to more than 100 mills.

In short, Shippingport will lose over $20 million annually—assuming that it operates for a full year. There may be some question about such full-scale operation. For the reactor, which commenced running in December 1957, has so far—according to AEC figures—performed for a cumulative total of only 17 days.

Business circles in Washington point out: First, that the Federal Government is spending a great deal of money on an atomic plant placed squarely on top of a coalfield in one of the cheapest electric power-producing areas of the world; and second, that the plant is producing electricity for 20 times the price in the open market.

Ban the Obscene but Not the Word "Bingo" From the United States Mails

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. PELLY. Mr. Speaker, not long ago the Post Office Department, in compliance with postal regulations censored the North Central Outlook, a weekly newspaper in my Congressional District. The offensive matter was a news article in which the paper had mentioned that a bingo game was to be played at a local boys club. The postal authorities refused to allow delivery of the paper through the mails until the word "bingo" was stricken.

As a consequence of that episode the Washington State Newspaper Publishers Association passed a resolution last week pointing out the inconsistancy of banning the mention of bingo yet allowing the reporting of horseracing and in including betting odds; also of bingo being played on television with thousands of dollars given in prizes.

This is not a question of morals or lotteries, as I see it. Rather it seems only reasonable that a game played in thousands of homes, schools, churches, and nonprofit clubs and charitable organizations should not come under the restriction covering the publication of information on a lottery.

It has seemed to me, Mr. Speaker, that this application of censorship of the press is silly and that instead of enforcing this interpretation of the law it would be more in the public interest to expend the same energy and effort into banning the distribution through the mails of obscene and indecent literature.

Right now, wouldbe panderers of literary filth say interference in transporting their material is reading censorship. In this instance, however, I strongly disagree. Freedom of the press should not be completely unlimited. The public and parents are entitled to legislative protection. It is important to distinguish between the two types of freedoms. Certainly the legitimate and respectable press would accept and support restrictions to dissemination of indecent matter as against a law disallowing mention of the word "bingo."

Right now, Congress is considering legislation to outlaw transportation of obscene literature. It should be enacted into law.

By the same token, the bill to revoke the postal regulation which prevents publication of information which is construed to include bingo as a lottery should be promptly considered and passed. Let us ban the obscene but not the word "bingo" from the United States mails.

The Government Makes Money by Spending Money

EXTENSION OF REMARKS
OF
HON. RUSSELL V. MACK
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. MACK of Washington. Mr. Speaker, when the Federal Government spends money to develop a seaport, the money so spent is not always just an expenditure. Often, it is an investment.

The money which the Federal Government has expended at Westport, on Grays Harbor, in Washington State illustrates this point.

Peterson's Point, just off the town of Westport, 10 years ago was being eroded away by the surf. It appeared likely that many docks and a Coast Guard station might be swept into the sea.

I persuaded the House Public Works Committee to authorize protective works, estimated to cost about $2 million, to protect Peterson's Point from further erosion by the erection of a seawall along its ocean front shoreline. Later, over several years, I persuaded Congress to provide the money to do this job. The United States Army Engineers did the breakwater job.

Today, largely as the result of this protective work, Westport has become one of the great fishing ports, both commercial and sports, of the Pacific coast and the Nation.

Every spring, summer, and fall day thousands of cars of tourists and sportsmen are parked along the seafront at Westport. Numerous motels have been developed to house visitors and the waterfront is lined with delightful and unusual eating places. Westport, because of the port improvements made by the Federal Government, has grown into a hustling and bustling summer city, visited by tens of thousands from all parts of the Pacific coast and from even far more distant points.

Many new businesses have sprung into existence, are doing well and paying Uncle Sam increased income taxes. Fish catches are bigger than ever and the United States Treasury gets a cut out of these incomes too. In the long run the Federal Government will be returned many dollars for each one it has invested in this Westport project that has made this great development possible.

The little village of Westport, which prior to the Federal bulkhead improvement, probably never had done more than $1 million of business in any year now does an annual business, mostly from its fishing activities, of almost $5 million a year, and its volume of trade still continues to expand by leaps and bounds.

The State fisheries department reports that 111,552 sports fishermen trolled for salmon off Westport last year, that these sports fishermen landed 157,000 salmon weighing 2,335,000 pounds and valued as food at $942,000.

While the sports fishermen were doing this, the commercial fishermen of the town caught 2,242,415 pounds of salmon valued at $896,966, say State fisheries department officials.

Salmon are not the only fish taken at Westport by both commercial and sports fishermen. Other species include tuna, cod, and red snapper.

Prior to the improvement of the Westport fishing harbor, the annual take of large Dunganess crab by Westport fishing boats usually was less than 30,000 dozen a year. During the last few years the Westport annual crab take has been 250,000 to 300,000 dozen—more than 3 million—crabs a year. Westport fishermen are paid about $1 million a year at dockside for their crab catches.

Better port facilities have resulted in more fishing of all kinds, and the increased fishing has resulted in the discovery that shrimp are in the area waters off Westport. Last year, the first year of shrimp taking, the shrimp catch was 2,225,023 pounds. Present indications are that this year's shrimp take will be much larger. A new shrimping industry has developed.

This year 200 good-sized charter boats are operating out of Westport, carrying sports fishermen to the salmon fishing grounds where there were less than half a dozen of these charter boats prior to the building of the Government breakwater. These charter boats do a gross business of more than $1 million a year now.

Scores of good, clean, and modern motels have been built in the area. Streets are being paved. Telephone lines have been installed. Westport has become a modern, growing city of taxpaying Americans all because the Federal Government wisely invested about $2 million in building seawalls at Westport to protect its harbor and make possible its further development by local interests.

The Federal Government will get back manyfold the money it has invested in this harbor development. The same

story could, I am sure be told, of many other river and harbor developments.

One of the things for which I am grateful is that I was in a position as Congressman to call attention to the need for the Westport breakwater and as a member of the House Public Works Committee, to sell the idea to the committee and to Congress.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following newsletter of May 31, 1958:

WASHINGTON REPORT
(By Congressman BRUCE ALGER)

The Alaskan statehood bill came to a surprising conclusion when the House Members reversed a previous vote to pass it 208 to 166 (only 2 Texans voted in favor—WRIGHT and BECKWORTH). Several limiting amendments previously had been accepted. Long debate, rollcalls, and votes lasted through Wednesday. The expectation now is that the Senate will kill it as before. I opposed the bill in view of the arguments against admission (see last week's newsletter).

The reciprocal trade bill rule (specified by Rules Committee to control consideration of the trade bill) passed decisively. The rule permits 8 hours debate, and is closed, that is, the only changes to be permitted will be: 1. Amendments by the Ways and Means Committee (not all Members); 2. A substitute bill specifying tighter control of trade by Congress; or 3. A motion to recommit with or without instruction (send the bill back to committee). Thus the scene is set for one of the year's big debates. Foreign trade, like foreign aid, is all encompassing to Americans geographically and financially. Dallas, like other cities, participates greatly in foreign trade. The question now is what kind of trade bill? Everyone recognizes the need for trade.

Current events and legislation suggest realistically that United States self-interest should be the underlying motivating factor in our participation in world affairs, it seems to me. Yet in foreign aid, trade, military alliances, and international discords (currently Algeria and Lebanon) the United States position is not clearly stated and often is mistaken by friend and foe. The Middle East resolution is coming back to haunt us, since through it the United States can be drawn into trouble between nations in the Middle East. Our policy toward South American countries also should be reviewed and our self-interest clearly stated. The United States can be coldly calculating in looking after our Nation's interest without being selfish toward others. Firm policy based on national sovereignty is one basis which the people of other nations can understand. We cannot afford missteps or miscalculations because others misinterpret our intentions.

The national debt, the impending deficits, and Federal spending comprise another perilous problem that won't go away, but must be solved. For example, citizens should know: 1. Fifteen House Democrats have totally different bills in the hopper that would cost this Nation's taxpayers an additional $158 billion over 5 years; 2. 17 different Democrat bills introduced in the Senate by April totaled an additional $48 billion over 5 years; 3. one Democrat Senator alone has introduced bills costing an additional $23 billion annually. It's no wonder the deficit will grow with such spending proposals getting consideration. The anticipated deficit this year is $3 billion and next year $10 billion or more. Of course, those doing the spending later will criticize the deficit.

The wage-price spiral is worthy of attention, a fact noted in the CONGRESSIONAL RECORD this week by Congressman VURSELL, of Illinois. Here's the pattern: high prices cause buyer resistance in new cars. Stocks of new cars accumulate; production goes down; workers are laid off. Meanwhile, wage contract cost-of-living escalator clauses keep wages going up in the car and steel industries (20 cents per hour steel worker wage-increase imminent—but no downward escalation). Higher wages mean higher prices in cars (and cost of living) which means further new car-buyer resistance, which means fewer purchases, less production, and more workers laid off. The cure as proposed by Reuther, the labor boss? Demands for higher wages. So labor monopoly control of industry feeds the sickness instead of administering corrective medicine. Then Government is called in with Federal aid as anti-recession measures. The taxpayers are asked to shoulder the load. So the inflationary recession is coddled and nourished by hard-working taxpayers who are rewarded by having their currency and savings devaluated through inflation. Then Congressmen fan the flame by antirecession speeches (see list of Members and speeches, CONGRESSIONAL RECORD, May 27, 1958, pp. 9623–9625). If: (1) Congress were forced to balance the budget; and (2) citizens were required to pay their own withholding taxes, sounder Government would result. Anyway, the wage-price spiral must stop.

Those who have left us caught Washington's attention this week. First, the Members of Congress, Supreme Court, the military leaders, all congregated in the Capitol rotunda to honor and pay homage to the two Unknown Soldiers of World War II and the Korean war. Vivid to each of us were those we knew who didn't return home. Also, many Washington officials joined in the military honors for a fellow Texan, 43-year-old Bill Francis, whose untimely death shocked us all. To his widow, Caroline, goes the heartfelt sympathy of Bill's many friends.

Florida as a Territory of the United States Between 1822 and 1845

EXTENSION OF REMARKS
OF
HON. WAYNE N. ASPINALL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. ASPINALL. Mr. Speaker, during the debate on H. R. 7999, the Alaska statehood bill, on May 26, 1958, my good friend and colleague from Florida, Representative HALEY, called the attention of the Members to an error found on page 4 of the report of the Committee on Interior and Insular Affairs on the bill then under consideration. The committee report listed 24 States outside the area of the 13 Original States according to years which elapsed between organization as Territories and admittance to statehood. The committee listing indicated that the State of Florida, like California and Texas, had no period of territoryhood but came directly into the Union without undergoing the tutelage that all other States had.

On behalf of the members of the Committee on Interior and Insular Affairs I regret this error and want to assure all Members that Florida went through the same procedure in being admitted to the Union as did 33 other States. Florida was organized as a Territory on March 30, 1822, and was admitted to the Union on March 3, 1845. During that 23-year period 5 great Americans represented the Territory of Florida as Delegate to the Congress of the United States. They were the Honorable Joseph M. Hernadz, Hon. Henry W. Conway, Hon. Joseph M. White, Hon. Charles Downing, and Hon. David Levy.

The Land of Opportunity

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. LIBONATI. Mr. Speaker, some say life is but a mad journey over a rocky road with pitfalls along the way. For most kids where Jimmie came from it was worse than that—he, too, was a kid with a rather dismal future as he now looks back over the years.

Taylor and Halsted on Chicago's West Side was teeming with immigrant populations—thousands of them, of all nationalities, a regular polyglot of humans—each group with its Old World customs trudging along the path of poverty. The same old prejudices, practiced against the new citizens. It was a tough and rough go. And Jimmie and his family were no exception. Yet there was an ambitious gleam for accomplishment in the eyes of the immigrants and the fire in their souls told them that destiny owed each one of them a better future. It only meant hard work and more work. It was a battle from the very start—those who survived would come through.

The teachers at the Dante School were of a fine breed—the future of each kid meant something to them—one could say honestly that a strong maternal interest was always the dominant factor in the handling of these youngsters. The teachers molded the lives of these boys to prepare them for the problems of manhood. With large families, the mothers were unable to guard with watchful eyes the antics of the male of the species, but the teachers moved in with hawklike celerity. As a lad Jimmie went through this metamorphosis unscathed completing fourth grade. He had to go to work to help the other eight. Having started flipping cars at an early

age (5), his papers under his little arms selling, selling and selling. So he now went on full time, worked at his news stand for long hours then at night to the Hull House where the beloved Jane Addams reigned, and a kinder and more understanding person never lived. She was truly called the Angel of the Ghetto. It was there at the Hull House—joining the band and later at the Chicago Daily News, Mr. Lawson, the publisher appointed Jimmie as a member of the band under the celebrated band leader, Oscar Hand, that Jimmie as a young lad lipped his way through the musical instruction that was to lead him into his brilliant versatile career as a leader of men.

As a boy and as a man he was always a spirited "fire cracker"—and could he use his "dukes," fists. He traveled the same worthwhile labors as the others who fed by ambition struggled to better themselves—after school selling papers and Saturdays collecting old newspapers to sell to the grocery store owners—2 pounds for 1 cent—used to wrap "vittles." At times smashing baggage—carrying for a dime heavy valises for older people who traveled from depot to depot on foot to change trains. Then again junking—collecting old papers, discarded bottles, old bones, and metals and all sorts of household articles, receiving a small pittance from the junkman. Those early years are precious experiences to the now distinguished president of the American Federation of Musicians.

No money—sparing meals was a familiar family routine. And so he entered the music world—playing his instrument in orchestras of others, and his own—doing odd jobs, dances, weddings, funerals, parades, and festivals.

Always preparing himself for his future work. It can be truly said that he was self-educated and developed the mental alertness that was to stand him in good stead in the years to come—his keen mind developed methods of teaching the public to appreciate and covet a sense of justice for the protection of a talented profession, and he learned well to use his broad knowledge of human understanding to create a real dignity on the part of the public to force employers to accept the demands of the union toward the betterment of their lot—to win public approval of the demands of the artists for better working conditions.

In the Chicago area he entered the political field and through his popularity and zeal was placed on the park board, and succeeded in promoting weekly concerts throughout the summer that are attended by thousands of music lovers. The band shell stands on the lake front in Grant Park downtown to this day.

He was elected president of the Chicago local about 26 years ago—musicians found work. He introduced the most modern and honest methods of conducting union business—his integrity is impeccable—and he stands out as a great labor leader and is loved and obeyed by every member of the union for his sincerity and loyalty and for the cause that he has so gallantly advanced successfully. He was elected president of the American Federation of Musicians 18 successive years. James Petrillo is truly a great man and to his credit he has the sincere gratitude of his members. He believes in fair play and has moved swiftly and without equivocation in any matter or problem involving the welfare of his men. He does not hesitate to emphatically put over his point. He studies a situation and then moves upon it. There is no guessing with Mr. Petrillo. He knew what to do—whether it was before legislative bodies, city councils, at conventions, dance halls, movie, radio, or television, hotels, resorts, or restaurants, he never came out a loser—and after the rules were accepted—there were no exceptions, whether friend or foe.

Several years ago he was hauled up before a Federal judge who was also a positive character and strict on the side of enforcement. Petrillo informed the theater owners that the members voted that new terms must be negotiated—the old contract was unsatisfactory and upon its termination in a few weeks, it would not be renewed under the same terms.

An injunction was procured in the Federal court before a Federal judge who could have been a lion tamer.

Mr. Petrillo called his men together and they voted to strike—the judge cited Petrillo—the newspapers were having a jubilee, here was a contest between real battlers.

Mr. Petrillo appeared in court—told the judge that he had pleaded with the members to remain on the job but that they had cast almost a unanimous vote to call a strike. Judge Barnes glared at Mr. Petrillo—who, having an inherent respect for the Federal judiciary, remained silent. During the lull the judge asked Mr. Petrillo if he wanted to say anything before he acted.

Mr. Petrillo, with a rather strong voiced intonation said, "Your Honor, the contract under which they worked has now been terminated. They have fulfilled its requirements as to the period it covered. Judge, I don't know what you or I can do if they will not go back to work. The Constitution forbids slavery, and so, what can we do? That's it, Judge." And that was it.

So you see, Mr. Petrillo is a rare bird with a fine brain and a good sense of humor therein.

A large orchestra obeys the rules just like a small orchestra. Big names or influence mean nothing to Mr. Petrillo. Everyone follows the rules.

You must hire so many musicians to play in a certain class of hotel no matter whose affair it may be. Yes, Mr. Petrillo, for charity, has furnished many an orchestra out of his own pocket—but the men are paid. If a troupe comes into town—Mr. Petrillo's men may stand around with their instruments but they must eat and you must pay—using your own out-of-towners does not make any difference.

Performances and broadcasting stations have tested his ire on the same basis—but they lost—and if one did not accede to his demands—not even piped-in-music could come in—or the orchestra in distant parts would walk out of the studio or the union.

The rule on the records was a pippin—but Mr. Petrillo won. The recording of the peculiar talents of any musician were controllable by his rule—and so disks came under his heavy hammer. He sat with experts and high-priced lawyers for the theater owners, yet Mr. Petrillo had an answer—and he won.

Honesty is his watchword; and, when a man is not for sale, then whatever he wants that is reasonable or just from his point of view, in the protection of his interests and those that he represents, he gets. Everyone respects him. President Truman is his friend. His men have traveled a long way by his side. He is one of the greatest generals in the labor movement, and it is too bad that he has declared himself to go the rest of the way sitting on the bench. After 42 years of back-breaking assignments, he deserves to retire and enjoy reminiscing with his old cronies back in Chicago's West Side, where he feels they know him best—in the old neighborhood ready to welcome the man who like many others made names for themselves in their chosen fields. Yes, the Honorable James C. Petrillo at the age of 66 years can well say this is the land of opportunity and, to the great honor of his name, he made us all proud of his worldwide accomplishments, and we are happy that he returns to his family and friends. Even to the last he is considerate of his interest in the great movement that he spearheaded for so many years. When he announced his retirement by saying, I quote:

"Now," says the Petrillo statement, "I feel the time has come when I must decline to accept the nomination as president of the American Federation of Musicians at the 61st annual convention in Philadelphia. I hope and pray the delegates to this convention will respect my wishes by not nominating me for the presidency of our great organization and if nominated by permitting me to withdraw."

Having been advised by his physician that he should take things easy, Petrillo said, "to continue just to hold the position of president would make me a traitor to the cause that I have been fighting so hard for."

Labor was wise in accepting, trusting, and advancing through the years a capable, understanding, loyal, sagacious, and honorable man.

The AFL–CIO News carried the first official notice:

PETRILLO TO RETIRE AS HEAD OF MUSICIANS NEXT JUNE

James C. Petrillo, president of the American Federation of Musicians, will not accept renomination to succeed himself at the 61st annual convention of the union which opens in Philadelphia on June 2.

His decision to retire from the presidency, to which he has been elected 18 successive years, was revealed in a personal communication to the membership appearing in the current issue of union's official publication, The International Musician.

In the published announcement Petrillo notes that he has served as a labor leader for 42 of his 66 years and that he has been an officer of the musicians for the last 26 years. He is also a vice president of the AFL–CIO and is president of his home musicians' local in Chicago.

CONVENTION TO NAME SUCCESSOR

Petrillo's announced determination to retire as president of the musicians means

that his successor will be elected during the June 2 convention and will assume office immediately. The federation will also elect a vice president, secretary-treasurer and five members of its international executive board.

The Musicians Union convention comprises about 1,200 delegates representing some 700 local unions in the United States and Canada. Petrillo's announcement, coming well in advance, makes for a wide-open convention. The musicians elect their officers each year by secret ballot.

The Washington Daily News puts the entire matter cryptically and to the point:

MUSICIANS WANT PETRILLO TO STAY ON

(By Fred W. Perkins)

Controversial Jimmy Petrillo is facing his first big "revolt" among members of the American Federation of Musicians—most of them don't want him to quit as president.

That is the conclusion from a survey by Scripps-Howard newspapers from coast to coast among delegates to the union's 61st annual convention, opening June 2 in Philadelphia.

Judging from this, Mr. Petrillo may be "drafted" to continue wielding the baton over his union—unless he becomes much more emphatic in his expressed desire to retire.

TIRED

Mr. Petrillo is telling the union's 260,000 members that he is not exactly sick or superannuated at 66, but he is tired. And he thinks his job needs a vigorous young man with bright new ideas.

Only in New York and Pittsburgh does the survey show a somewhat muted desire among convention delegates and other union spokesmen for more of Petrillo. Local 802 in New York is reported undecided at present because its president, Al Manuti, is a potential candidate for the top job in the international—particularly if Mr. Petrillo does retire.

Delegates from Cleveland, Indianapolis, and Washington are recorded as favoring a Petrillo draft, and the same thing with qualifications is backed from San Francisco, Memphis, Houston, Fort Worth, Cincinnati, El Paso, Albuquerque, and Evansville, Ind. The qualifications are if he wants reelection and if his health permits.

The three Washington delegates say they simply can't imagine the union without Petrillo, and as for a successor—they decline to risk a guess because they say it would be highly premature. They think there will be a draft movement which Mr. Petrillo cannot resist, and they say they will support it.

The Washington delegates are Sam Jack Kaufman, president; J. Martin Emerson, treasurer, and Robert Doran, business agent of local 161.

Memorial Day 1958

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. VAN ZANDT. Mr. Speaker, it was a pleasure for me to join with the residents of Du Bois, Houtzdale, La Jose, and Boalsburg, all in my Congressional District, in the observance of Memorial Day. Each community had its own special program with an exceptional number of residents in attendance.

My address follows:

NINETEEN FIFTY-EIGHT MEMORIAL DAY SPEECH BY THE HONORABLE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA

It is in a spirit of humility and reverence that I join you this Memorial Day in paying homage to those who laid down their lives in war's grim struggle.

Their mutual sacrifice binds all those homes throughout the Nation that today are joining in this annual rededication, this day of memory.

Memorial Day this year has added significance because two unknown American servicemen will be laid to rest in Arlington National Cemetery beside the Tomb of the Unknown Soldier of World War I.

Brought from quiet graves across the seas, they will be honored as brave symbols of all the unknown servicemen who gave their lives in World War II and in the war in Korea.

The inscription on the Tomb of the Unknown Soldier of World War I will remain unchanged when the two new comrades of glory are finally left in peace beside the tomb of their nameless World War I brother.

The inscription reads: Here rests in honored glory an American soldier, known but to God.

Now there are 3 unknown American servicemen at Arlington, as symbols of the unknown servicemen, who made the supreme sacrifice in 3 foreign conflicts in which this Nation was engaged.

Anonymous in death—the deeds of these three unknown servicemen are recorded in the book of time and are a constant reminder of the spirit and courage of American servicemen in furthering this Nation's efforts to achieve peace among all nations.

This year President Eisenhower's Memorial Day Proclamation was headed: Prayer for Peace—Memorial Day 1958.

It proclaimed Memorial Day, Friday May 30, 1958, as a day of prayer for permanent peace designating the hour beginning in each locality at 11 o'clock in the morning as the period in which all of us may unite in prayer for strength to work unceasingly toward the goal of permanent peace on earth.

Ladies and gentlemen, over 2,000 years ago Cicero said, "Memory is the treasury and guardian of all things."

Recalling these words, we are confident that as long as there is a free United States of America the people of our land will gather on Memorial Day to pay heartfelt tribute to all those who died that we might enjoy the benefits and blessings of a land Lincoln called the last great hope of earth.

And indeed it is that.

Frankly, it is folly to believe that by patriotic ceremonies, speeches, and music we can consider to have discharged our sacred duty to the heroes of yesterday.

We must be ever mindful of the fact that we have solemn obligations to fulfill.

If those millions now silent in death could speak they would express the earnest desire that we help care for those who went forth with them, and who happily returned, but now are old, ill, or helpless.

They would especially entreat that we do all possible for those who survived and who are spending their lives in hospitals or sanatoriums, constant reminders of our everlasting debt.

Let us never forget that it is our duty to blend our patriotism with gratitude.

It was said of old that gratitude is not only the greatest of human virtues but the parent of all others.

When and wherever possible let us, the living, prove this gratitude in action.

Whether we keep or break faith with those who have gone before will depend on what we do.

And what we do depends largely on our own free will as dictated by our conscience.

There is no greater incentive to live up to the highest ideals of the American heritage than to give serious thought on Memorial Day to those of our Armed Forces who made the supreme sacrifice.

There is in each ceremony taking place during the Memorial Day period throughout the Nation a basis for renewed fervor, revived loyalty, and abiding confidence in our great country.

How may we translate these noble sentiments into action?

How may we, as individuals, do our share to further the realization of the American dream?

Above all, I believe it fundamental that the basic significance of constitutional government must be a matter of deep personal conviction.

We should keep in mind that in the American Republic we have the first government in the world to be dedicated to the personal and religious freedom of mankind.

We should never forget that our forefathers created and bequeathed to us the noblest ideal of a political system in all history.

There is hardly any limit to the blessings of life that are possible with full realization of this great political conception.

The nearer we come to it the happier we will be as individuals and the greater we will be as a Nation.

However, again it is emphasized, the extent to which we realize this great ideal depends entirely upon ourselves.

This, today, should be a matter of serious reflection as loving hands lay wreaths on the resting places of those who fought for, and died for, that ideal.

As citizens how can we work for the fulfillment of the dream of the founders of our Republic?

Moving in the small circle of our daily tasks it may seem to us that our efforts are of little avail in the great struggle for the extension of human liberty.

But there is a way, and it is to be realized only through the practice of full-time Americanism.

How may one convert theoretical Americanism into its most effective and practical value?

First. We should uphold the doctrines of the Declaration of Independence and the Constitution of the United States by showing our fellow men that we, at all times, place the interest of our country above the interest of the party or of the individual.

Second. We should give constant proof of a conviction that is the soul and spirit of the Declaration of Independence, and that is profound faith in the value and the possibilities of the common man.

Third. That high or low, rich or poor, we should never forget that justice is the basis of all Government and human relationships.

In short, equal rights for all; special privileges for none.

That is the essence of true Americanism.

Fourth. We should impress the fact on youth and apathetic citizens, who take everything for granted, that there is nothing in this world more precious than life, liberty, and the pursuit of happiness as guaranteed by our Constitution.

For a true American the Constitution is in his heart as well as in his mind.

For all of these lofty ideals of freedom hundreds of thousands of patriotic Americans have died.

Millions have fought world powers that would take these ideals from us.

To those honored dead we pay respectful homage on Memorial Day.

Time will not permit recounting some of their heroic deeds.

However, it is particularly appropriate that we remember today one who died in the original struggle to secure our freedom.

I refer to Nathan Hale of the American Revolution.

You will recall that just before the British executed this sturdy patriot he said, "I regret that I have but one life to lose for my country."

I am sure that he is remembered on this day.

There are so many whom we should remember.

As Theodore Roosevelt said: "Every man among us is so much the better prepared for the duties of citizenship because of the perils over which, in the past, the Nation has triumphed."

Continuing, the Rough Rider of the Spanish-American War said: "Because of their blood and sweat and tears, the labor, and anguish, through which, in the days that have gone, our forefathers moved on to triumph."

It is from their indomitable spirit we gained the will to preserve what they so dearly won.

Yes, it took much sacrifice and suffering, with enormous expenditures of money and goods, to gain and preserve a heritage that is beyond price.

To guard and protect this great legacy is not only a duty we owe to ourselves. It is also a sacred debt we owe to those who have gone before and a sacred obligation to those who are to follow.

Calvin Coolidge once said in a speech: "Patriotism is easy to understand in America. It means looking out for yourself by looking out for your country."

Today our danger is greater than ever in history. We face momentous issues.

The necessity for a strong and unified America has never been greater.

We have reached a definite crossroads in history.

The atomic bomb blasted in an era fraught with danger to all.

What is the greatest danger we face?

All here know that, beyond any doubt, it is the sinister communist conspiracy to conquer the Free World.

To date communism has forced more than a billion people into abject slavery.

Those men, women, and children are different from us only in the fact that they are living in constant fear and uncertainty.

They crave security.

But their only security is through submission to Communist brutality.

That has been demonstrated clearly in Poland, Hungary, Czechoslovakia, and East Germany.

Those foreign people crave freedom but freedom is not a Communist word.

They want peace but, again, peace under communism is at the price of national honor.

Those conditions have never afflicted the American bloodstream, therefore we find it difficult to comprehend them fully.

We take liberty and the rights of the individual for granted because those who have always been our lot.

But liberty and the rights of the individual are challenged today here in our own country as well as around the world.

Those are the hard and unpleasant facts we face.

They identify the task before us.

In recent months Mr. Khrushchev hurled a bold and boisterous challenge to the United States in the area in which we have always considered ourselves unbeatable, namely, our ability to produce the necessities of life in ever-increasing volume and which in so doing has enabled us to build the world's strongest economy.

Here is what Mr. Khrushchev said:

1. "We declare war on you in the peaceful field of trade."

2. "You are not being threatened with ICBM's but with peaceful competition in consumer goods."

3. "We will prove the superiority of our economic system over yours."

4. "Your grandchildren in America will live under socialism."

Mr. Khrushchev, as we all know, is the spokesman for the Communist Government of Russia.

In his challenge to us he reveals the Soviet pattern of communizing the United States and abolishing the American way of life.

Truly, as Secretary of States Dulles recently said, it may be time for an agonizing reappraisal on the part of the United States if we are to continue to exist as a nation of free men.

Therefore, my friends, I ask of you in these stormy days of world turmoil to keep faith with those we honor on Memorial Day.

The dead we honor today have contributed immeasurably to our way of life.

Armed victories were theirs at terrific price. We cannot sell them short.

We must carry on their struggle with the same unconquerable will and with intelligence and readiness to defend our glorious freedom heritage.

In this year of 1958 many things are changing rapidly.

It is the year of atomic progress and of space flight.

Scientists have harnessed the atom to drive submarines and powerplants, also to serve the field of medicine, and to produce destructive forces far more devastating than anything imagined a few years ago.

Man has conquered the forces of nature to send missiles hurtling around the earth 500, 1,000, and 2,000 miles into space.

Next we shall travel to the moon and beyond.

Also, man is shrinking the world with his fantastic radio, radar, and jet-propelled planes.

All of these are triumphs of human intelligence.

Each one of us should become better acquainted with the new progress so that collectively we can help science contribute to a more useful and happy life in peace rather than a more destructive war.

Every one of us has a mind and a tongue.

With those instruments of expression men can rule the world for peace if only all minds and all tongues agree on what is the real goal in man's relationship to man and in the true meaning of justice and peace.

Those are some of the obligations to which we can rededicate ourselves on this Memorial Day.

They are some of the tasks before us.

Their fulfillment will become our highest tribute to the honored dead.

A Brief Summary of H. R. 12676—The Simpson-Dorn-Davis-Bailey Bill

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. BAILEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following summary:

A BRIEF SUMMARY OF H. R. 12676—THE SIMPSON-DORN-DAVIS-BAILEY BILL

The bill would extend the President's authority to enter into trade agreements for 2 years to June 30, 1960. He would be authorized to make maximum reductions of 10 percent, in two 5-percent annual cuts, on the many rates not cut the full 15 percent permitted by the 1955 act.

Two major safeguards, one preventive, the other remedial, are included for domestic producers injured or threatened with injury from imports linked to tariff cuts.

1. Peril Point: The bill changes procedures whereby the State Department currently prepares the bargaining list for trade agreements negotiations, and, instead, makes the Tariff Commission responsible for its preparation. In the process the Commission determines peril points for the items on the list in two categories: (1) the extent of tariff reductions that can be made on any listed articles without threatening injury to American producers, and (2) the tariff increases, or quotas, necessary on any other listed articles to avoid such injury. More definite cost criteria than at present are to be employed by the Commission. Any agreement which fails to comply with any peril points cannot become effective for the pertinent articles unless Congress approves the concessions.

2. Escape Clause: Escape clause investigations would be cut from 9 to 6 month, and the Tariff Commission recommendations would go not only to the President but to Congress. They would become law unless Congress, on Presidential request, within 60 days, enacted a bill providing otherwise. In its escape clause action the Commission would be required to recommend a quota if the maximum permissible duty increase would not prevent or remedy injury to a domestic industry.

National Security: Definite procedures and criteria are incorporated in the investigatory process whereby the Director of the Office of Defense Mobilization and the President determine whether imports are threatening national security. If a threat exists the bill requires the President to increase pertinent tariff rates, and/or set quotas. A 3-month time limit is set on ODM's investigation.

Agricultural Commodities: Direct access to the Tariff Commission is provided for determinations and remedial action in the case of imports of agricultural products which are interfering with Government programs.

Address by Senator Herman E. Talmadge, of Georgia, at Commencement Exercises of Georgia State College of Business Administration in Atlanta at Which 241 Graduates Received Degrees

EXTENSION OF REMARKS

OF

HON. JAMES C. DAVIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. DAVIS of Georgia. Mr. Speaker, the Georgia State College of Business Administration in Atlanta is one of the outstanding institutions of higher learning in the State of Georgia. Two hundred and forty-one graduates received degrees at the college commencement exercises this year.

On Sunday, June 1, United States Senator HERMAN E. TALMADGE delivered the commencement address. In his address, Senator TALMADGE called attention to some fundamental truths which deserve the utmost consideration, not only of these young people standing on the threshold of manhood and womanhood, but of all our citizens. Under unani-

mous consent, I insert Senator TALMADGE's address herewith:

President Langdale, Dr. Sparks, distinguished guests, members of the graduating class, faculty, and student body of Georgia State College, and my friends and fellow Georgians, this is an hour to which each of you has looked forward with keen anticipation and I am deeply grateful to you for according me the cherished privilege of sharing it with you.

For parents and loved ones, it is an hour of fulfilled dreams.

For members of the faculty, it is an hour of completed tasks.

For members of the graduating class, it is an hour of achieved goals.

For all of us, it is an hour in which the past and the future meet.

Patrick Henry once said there is "no way of judging the future but by the past" and Georgia State College is of itself an example of the blending of the past and the future.

This institution stands as a monument to all the attributes which constitute our great American heritage and as a guidepost to the application of that heritage in the building of a better world of tomorrow.

This institution is the embodiment of the basic tenet of Americanism that an individual's achievement is limited only by his own energy, ability, initiative and vision and is the epitome of the revered American tradition of advancement by pulling one's self up by one's own bootstraps.

This institution is tangible proof that, given the opportunity and the climate in which to flourish, the characteristics of rugged individualism will produce quicker and more lasting results than all of the theories which would sublimate individual drives and dreams to the arbitrary dictates of a regimented society.

It is true that changing times alter circumstances, but the contention that the day when the individual could shape his own destiny is no more is refuted by the fact that here, at Georgia State College, 75 percent of the students are paying for their education by working at full- or part-time outside jobs.

There could not be a more convincing illustration of the continuing vitality of the American concept that opportunity belongs to the individual who possesses the courage to seize it and the capacity to utilize it.

The student of today who earns his schooling by working in a store or office is but a 20th century counterpart of the Abraham Lincoln of yesterday who learned his sums by writing them on the back of a shovel with a burnt stick.

It is a source of hope for the future of this Nation and the principles upon which it was founded when, despite the many false values generated by contemporary society, we have young men and women like you of this graduating class and student body who have chosen to go out and meet the world on its own terms rather than waiting for the world to come to you on your terms.

Credit for what has been accomplished here at Georgia State College belongs primarily to one man—your president emeritus, Dr. George M. Sparks.

One of my most pleasant experiences as Governor of Georgia was in knowing and working with Dr. Sparks and seeking the fulfillment of his great dream of building here in Atlanta a senior institution of higher learning which would afford educational opportunity to every person, regardless of age or circumstances, willing to work for it.

Georgians are proud of Georgia State College and what Dr. Sparks and his associates have achieved here for Georgia people and hope the philosophy of education developed here will prove to be the model for all higher education of the future.

I would like to take this opportunity to express to you, Dr. Sparks, the gratitude and high esteem of your fellow Georgians. It is the wish of all of us that your years of well-earned retirement will be happy ones and that your continued endeavors in educational and civic causes will be as pleasant and productive of good as those of years past.

I also want to salute you, President Langdale, for the magnificent manner in which you have proved yourself to be an administrator of exceptional ability and demonstrated that you are, indeed, a worthy successor to an illustrious predecessor. I know all Georgians join me in voicing the hope that, under your guidance and leadership, Georgia State College will experience the same impressive rate of growth it has enjoyed during the past 44 years.

I am confident that it shall.

In preparing my remarks for this occasion, I was deeply impressed by the declaration in your college catalog that it is the policy of Georgia State College to educate "the whole man" and that it seeks to do so through emphasizing the education of man as a doer, an artist, a planner, and a philosopher.

I was particularly struck by the paragraph devoted to Man: The Planner and, because it so well summarizes the thought I want to develop this afternoon, I would like to read it again to you.

"Man," it states, "plans the future. He fills it with new products, new organizations, and new ways of doing things. In order to plan the future, he must understand the past. Especially, he must know how things and people behave. The educational demands are for a breadth of knowledge: history, the natural sciences, and the social sciences. Only with the understanding of these can even the specialist make plans which are workable."

Pinero wrote that "the future is only the past again, entered through another gate" and Swinburne maintained that "all our past acclaims our future." The Prophet Isaiah put it this way: "Look unto the rock whence ye are hewn, and to the hole of the pit whence ye are digged."

But none of these has expressed the truth I wish to emphasize as forcefully, coherently or succinctly as the author of the sentence I have just read from the Georgia State Catalog: "In order to plan the future, he must understand the past."

Just as the individual finds it necessary to plan successfully for the future on the basis of the experience of the past, so it is with nations.

The sum total of the experience of mankind is that the inevitable result of the failure to profit by the mistakes of the past is to repeat them in the future.

Bitter though it is to admit to ourselves, we in the United States seem bent upon blindly following such a course in both domestic and international affairs.

The policies which we are following at home and abroad are diametrically opposed to the principles upon which this Nation was founded and are parallel to the courses which have brought about the downfall of every other major world power in history.

The United States was founded as a Nation which respected the rights and integrity of other nations and demanded that it be accorded the same respect.

The United States was founded as a Nation in which government at all levels would be the least government necessary to do for the people what the people could not do for themselves.

The United States was founded as a Nation dedicated to faith in God and the right of the individual to achieve his highest destiny under God consistent with the right of every other individual to do the same.

So long as the United States adhered to those founding principles, it grew, prospered and was respected throughout the world.

Now that the United States has departed from those founding principles, its economy is deteriorating, the rights of its people are being circumscribed and it is losing the respect of the other nations of the world.

In foreign affairs, we have taken the position that we are always right and everyone else is always wrong. We have undertaken to try to make the world over in our own image and in so doing have sought to substitute words for wisdom, dollars for deeds and bluster for good faith.

Is it any wonder then that our Vice President is stoned in South America; that our diplomatic buildings are sacked in the Middle East; and that our enemies depict us throughout the world as a Nation of neurotic, meddling busybodies who attempt to buy what we are unable to earn and to preach what we ourselves are unwilling to practice?

In domestic affairs, we have allowed the development of the theory that an all-powerful central government is better qualified to manage the affairs of the people than are the people themselves. In so doing we have permitted the development of a sprawling, ever-encroaching Federal bureaucracy which has steered the Nation on the road to bankruptcy and totalitarianism.

Is it any wonder then that we are burdened with a tax load which borders on confiscation and a national debt which has mortgaged posterity for generations to come; that government by laws enacted by the elected representatives of the people has given way to government by executive decree, judicial edict and Federal bayonet; and that we have pitted region against region and race against race in bitter internal strife at a time when we should be standing shoulder to shoulder in a common effort to conquer our problems at home and thwart our enemies abroad?

In our personal affairs, we have built unto ourselves false gods of automobiles, television, high fashion, ranch-style houses and the all-consuming quest for security. In our preoccupation with the pursuit of creature comforts we have forgotten the words of the Psalmist that "blessed is the nation whose God is the Lord" and have departed from the example of the Apostle Paul who said:

"For though I be free from all men, yet have I made myself servant unto all, that I might gain the more."

Is it any wonder then that we have become a nation plagued by stomach ulcers and heart attacks; that the clamor for the benefits of the welfare state have stifled individual initiative; that personal debt and national crime have reached an all-time high; and that the Golden Rule is something which is printed on advertising rulers?

The reply of the apologists for our present course of personal and political expediency to these criticisms is to call the critic a reactionary and to plead that changing times and changing conditions have made our founding fundamentals obsolete.

The lessons of the past give the lie to these pious defenders of pseudo-progress in the name of expediency.

They choose either to forget or deliberately to ignore that the collapse of Roman law under the weight of a decadent bureaucracy heralded the conquest of Rome by the barbarians.

They choose either to forget or deliberately to ignore that the attempt of the British Empire to extend its control over the world reduced Britain to national bankruptcy, state socialism and military impotence.

They choose either to forget or deliberately to ignore that every nation in the history of the world which has sought to control the

destiny of the world at the expense of its own citizens has fallen from within or without.

It could happen to the United States unless we change our course.

It will happen to Soviet Russia unless that country changes its course.

The advocates of our present course maintain there is no alternative.

I emphatically reject that philosophy of fatalism.

There is an alternative to a foreign policy based upon the inevitability of world conflict.

There is an alternative to a domestic policy based upon the regimentation of people and resources.

There is an alternative to a personal philosophy based upon physical existence as an end unto itself.

That alternative is simply expressed in the development of an America so strong militarily, economically, and spiritually that any nation choosing to attack us invites not retaliation but annihilation.

And it is an alternative which can be realized only in a return to the principle of individual freedom, free enterprise economy and government on all levels which is the servant, not the master, of the people.

Our present course offers only 1 of 3 ultimate conclusions: conquest from without, collapse from within, or development here in the United States of a totalitarian government as reprehensible as that which exists in the Soviet Union.

I, for one, cannot bring myself to believe that free men and women living in a free society will choose to wait supinely for either of the first two consequences or to countenance passively the implementation of the latter.

I, for one, believe with Thomas Jefferson that "the people may be misled or deceived for a time, but where the avenues of truth are open there men will learn to reject what is false and harmful. Where the people are well-informed, they can be trusted with their own government; whenever things get so far wrong as to attract public notice they may be relied upon to set them to rights."

Throughout the Nation there is a growing awakening to the dangers inherent in the Nation's present policies and a swelling voice for a recognition of the lessons of the past through a return to the fundamentals of constitutional, republican government.

I feel with all my being that the American people already would have expressed themselves in favor of such a return to fundamentals had they been given such a choice at the polls.

I have faith in the desire and willingness of the American people to demand that their house be set in order and I believe that that desire and willingness is not far from making itself felt.

In a constitutional republic such as ours, the masses may not be immediately articulate; but once given leaders and leadership they are swift in making their wishes known and felt.

The American people share a heritage which has served us well.

We are proud of it.

We respect it.

We adhere to it.

And, by the grace of God, we are determined to preserve and protect it and to insure that it is passed uncompromised to our children and their children after them.

The world's greatest living statesman, Sir Winston Churchill, in his famed Iron Curtain address delivered 12 years ago at Fulton, Mo., gave words to the common duty of all Americans when he declared:

"We must never cease to proclaim in fearless tones the great principles of freedom and the rights of man, which are the joint inheritance of the English-speaking world and which, through Magna Carta, the Bill of Rights, the habeas corpus, trial by jury, and the English common law, find their most famous expression in the Declaration of Independence."

And that, my friends, is the thought which I wish to leave with you on this the one occasion in your lives when the past and the future come more sharply into focus than at any other time.

Although we sometimes may be justified in feeling frustrated about the course and policies of our Government, we must never sell America short nor discount the loyalty, courage, honesty, ability, and sincerity of purpose of the American people.

They have demonstrated time and again their intense determination to meet and to overcome whatever obstacles may confront them.

You who have proved yourselves to have the qualities of leadership now have a responsibility to go forth and provide for this Nation the leaders and leadership which it so desperately needs to guide us back along the pathway of real and lasting values.

And in so doing I challenge you to remember that the future is a world limited only by yourselves.

Hells Canyon

EXTENSION OF REMARKS

OF

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. ULLMAN. Mr. Speaker, today the Morse bill authorizing Hells Canyon was defeated in Interior Subcommittee on a partyline vote. For all those Americans in every State of the Union who fought for the principle of full multiple use river development, this is, indeed, a sad and disheartening day. To me Hells Canyon was a very personal matter because the great gorge of the Snake River cuts deep along the borders of my district for 150 miles. I am proud to have worked closely with the Congresswoman from Idaho, GRACIE PFOST, from the adjoining district across the river, who fought so valiantly for the high dam.

My colleagues will be interested in a letter from Mr. Byron Brinton, the fighting editor of the Record-Courier in Baker, Oreg., who I am also proud to have been associated with during the long Hells Canyon fight. Under unanimous consent, I include Mr. Brinton's letter following a brief statement of my own issued to my friends and to the press:

JUNE 2, 1958.

STATEMENT OF HON. AL ULLMAN

WASHINGTON, D. C.—Hells Canyon has again been defeated in committee by the same solid Republican opposition as in the past. Only history can provide the final chapter in the Hells Canyon saga.

This is indeed a sad day for all those who believe in the full use and development of our great natural resources. The Idaho Power Co. now sits firmly in control of one of the Nation's greatest multiple-purpose damsites. It will neither use the site nor develop the resource. Its small earth-filled dams will provide only 1 million acre-feet of storage in the exact stretch of the river earmarked for a high dam with 3,800,000 acre-feet of usable storage. There will be no irrigation and reclamation assistance from power revenues such as provided in the high-dam bill. There will be little recreation and tourist interest or development. Fish facilities promise to be totally inadequate. Flood control and navigation benefits will be token in comparison with the high storage project. The power potential will be only fractionally developed at more than twice the cost to the consumer.

Instead of a great integrated system of multipurpose dams of storage regulation and power inter-ties we will have isolated operation and minimum goals. There will be no great blocs of power for the smelting of our low-grade ores, no low-cost energy supplied for agricultural pumping and rural electric development. Power company domination of the economic life of the Middle and Upper Snake Basin will result in higher power costs, in less service and in the stifling of new economic enterprise.

The fight for the full development of the remaining Snake River resource must continue. I call upon all those who have so valiantly fought for Hells Canyon to continue the long fight ahead to preserve and develop the maximum potential of this great river.

I call for a new study of the whole remaining Middle Snake system so as to guarantee that this resource travesty will not be repeated.

The political record at Hells Canyon is clear. The high dam was scuttled by a Republican administration and Republican politicians to make way for a gigantic giveaway to private power interests. The people of Oregon and the Nation will have reason to remember.

The dedicated people who fought for Hells Canyon did not fight in vain. The million acre-feet of storage at Brownlee was forced on the power company by public opinion. Many concessions to the public interest in access roads and other matters have been gained because of the constant surveillance of organized public opinion. Most of all, millions of Americans all over the country have been alerted to the need for a closer guardianship of our great public natural resources. Hells Canyon will always symbolize this fight and will always remain a battle cry for those dedicated to the wise conservation of America's resources.

MAY 31, 1958.

Hon. AL ULLMAN,
Representative, Oregon Second District,
Old House Office Building,
Washington, D. C.

DEAR CONGRESSMAN ULLMAN: I returned last night from a biweekly trip to Brownlee and in view of the pending June 2 committee session on the high-dam bill I feel I should express my summary views and bring previous observations up to date.

First, events of the past spring, as well as the flooding of the project its first spring, together with statements made to the unions during the May 1958 emergency confirm that this project has been built upon the narrowest margins and might well have suffered severely had normal runoff peaked this year in March or April.

This same skimping upon schedule seems to be reflected in skimping upon safety (seven men killed on the project) during construction and it would seem upon masses and quality. One ought to predict that these projects at best will have relatively short life, high maintenance, low overload or safety margin potential; and if this type of construction is continued on our big river sites, in our day we are going to witness the tragic consequences at some of them. Except for some of our previous observations as to deficiencies such as in the diversion tunnel and our observations as to certain geologic conditions at the site we can, of course, take no exception with the competence of the project engineers, not being engineers ourselves. As you know, we are in no position

to take exception for we have determined there has been no adequate public inspection of this project during construction, by FPC or otherwise. As an editor, I am not going to place any stamp of approval upon this thing, whether the high dam is a lost cause or not. Margins and quality in dams is a matter of policy. If Congress wants to approve a cheap project, that is one thing; but it is certainly not the quality that we have seen evident in the Federal projects. We have talked many times about the public not getting a bargain in the three-dam project from the standpoint of benefits. Here, you see, I am observing that as a physical structure, likewise, Brownlee is no bargain, now that it is largely built and can be reviewed and inspected.

Second, I am convinced that Brownlee project will not go on the line at a bargain. I know that it is off original schedule (May) and will not go on the line till fall, even though the work force has been as much as 1,000 men over original company predictions when such things as school facilities and such local problems were originally discussed. And, as you know, the alertness of local people—even the keeping of the issue pending in Congress—has compelled the company to do things which it had not planned to do. For example, the Oregon road relocations which were originally a matter of near final negotiation at less than $800,000, when we publicized the delinquency of the plan finally became about $4 million and, in some respects, are still short. You will recall, also, that the very three-dam plan, though inadequate compared with the high dam, was originally a $10 million face-lifting project at Oxbow and took its final form only when Hells Canyon organizations forced the Snake River issue politically, through hearing and even in the courts.

What this means is that even at this late hour you people in Congress, so far as I know, have never demanded proof that Ipco power will flow at even the figure represented by FPC after hearing. After no little evidence that it will not be cheap power, this also becomes not a matter of engineering or economics but a matter of Congressional policy. Cheap power versus high-cost power. Bargain versus no bargain. I hope at least you and our friends on the committee will now more than ever realize that cheap power is not only a matter of full development and certain advantages of public operation but is also a matter of physical costs. As of this moment we are not betting Brownlee can produce cheap power.

Third, there has developed in connection with the three-dam plan a definite pattern of powerline planning that causes me to predict a complete independence from the BPA, in effect the pattern of a private pool. The effect can only be to break down the Columbia River system, including hydraulic integration (which even the most reactionary cannot take issue with) and thus isolate the new private power policy from any possible comparison as it goes into operation around the eastern skirt of the BPA operation on the Columbia. This, again, is basic policy. And, as I have repeatedly said, you and I and others who knew the fundamental merit of the high dam as a multiple-purpose project have always faced the opposition not of any competing project for a particular site substituting for a high dam, but rather of a whole national movement willing to sacrifice a good project, using the Brownlee case to spearhead a whole new monopolistic concept of utility empire. There were too few of us out here in the sagebrush to keep this issue upon resource merit against the powerful forces making Hells Canyon the battleground for an empire and not just a site. But the Brownlee pattern is now well enough along that at this late hour I hope some members of the committee, at least, see that as policy the Nation has been hoodwinked in Hells Canyon.

Fourth, I want to observe that while Oxbow may be partially begun, Brownlee project in a few days after June 2 will lay off thousands of men who cannot go to work at Oxbow. The plan to take over Brownlee for interim Federal operation during high-dam construction not only is feasible but would also give this area hope of long-term employment in resource development, whereas if the high dam issue is terminated June 2, the payroll on the Snake during our generation will be virtually at an end.

Finally, I hope you realize that if the high dam cannot pass out of committee June 2, it would continue to be highly desirable to keep the issue pending even if only till the last week or two of the session. So long as this issue has been live the three-dam project has been on good behavior. We could never have fought this road relocation out in the public interest had not the high-dam issue still been pending. We could never have won the fish resource case last year against the reluctance of the company had not the issue been pending. We will not win the still incomplete recreation case unless it is kept pending. We will not continue to see progress at Oxbow or even on the third low dam unless the issue is kept alive. To us, at this time, unless the high dam is recommended by committee action, it will serve no useful purpose for the committee to kill the pending bill until at least late in the session. On the other hand it will be of tremendous public benefit as a measure of forcing compliance by the low-dam project with fundamental provisions of its license which you and I know were won over the reluctance of the private utility after a long and bitter fight.

I am sorry that I have been too busy with my own affairs in recent months to devote the hours on the Hells Canyon issue that I did during the many years preceding this one. Nor have I time now to put these thoughts in form for my sending them to members of the committee. I only hope that you will have time, at least to hand a copy of this to Hon. Mrs. PFOST who has been exceedingly wise in her agreement with you on this great Snake River issue, and to let other members of the committee have my views before they vote on the committee June 2.

I know we have failed quite badly in our efforts on behalf of full development of the Snake, but I want you to know that as time goes on we become increasingly aware that we have been right. After my periodic trips to Brownlee the past few years during construction, I have not changed my mind. Consequently the above observations at this late hour.

With appreciation for your past help, your keen interest, and your capable leadership, and with wishes for the best of luck.

Sincerely and respectfully,

BY BRINTON,
Editor.

Legal Problems of International Private Enterprise

EXTENSION OF REMARKS
OF

HON. JAMES G. FULTON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. FULTON. Mr. Speaker, on April 24, 25, and 26, 1958, the American Society of International Law held their 52d annual meeting in Washington, D. C. I had the privilege and honor to be invited to participate in a panel discussion concerning the legal problems of international private enterprise. Under leave to extend my remarks in the RECORD, I include the text of my address to the panel, as follows:

It has been gratifying to me to see the increased emphasis in recent years on practical solutions for the problem of protecting foreign investments. It is especially gratifying to see the international lawyer so concerned with the need for such solutions. Perhaps never before have lawyers and businessmen made such searching inquiry into the finding of better and more realistic ways to safeguard investments and to strengthen the rules of international law in this area. We can now see and judge the first fruits of this search. We have had in recent months a number of bold and imaginative proposals for concrete measures to protect foreign investments. I need only mention that of Hermann Abs by way of illustration.

It seems to me that recent inquiry into this problem has followed a twofold approach. One is better ways to protect investment property. The other is better ways to uphold the sanctity of contracts.

These are basic matters. They were once the objects of strong canons of international law. Then the investor could enter into contracts and develop property secure in the knowledge that he possessed a corpus of rights sanctioned by international law and acknowledged, by and large, by the world community. It goes without saying that the rule of law in investment matters has been undermined in recent years. There is no need to repeat the dreary catalog of seizures and nationalizations. The task is once again to affirm those rules, which we have never ceased to believe, to be of enduring worth and validity. They must be strengthened, made more explicit, made more effective in the interest of a sounder world economy and a better world order.

The United States is sympathetic with this objective. It firmly believes that international law must be strengthened in this important area. I am frank to admit that it is in the national interest to do so, if for no other reason, than that, the United States is a capital exporting country. But let me say emphatically that this is but a lesser motive. The point is whether there shall be an effective rule of law in international affairs, and, as has been said time and again, the United States is dedicated to the proposition that without a world of law there cannot be a world of peace and human progress.

There is thus no difficulty in fixing the objectives. The difficulty comes when we proceed to the specifics. Proposals of varying character and purport are offered, each as the best means of achieving our objectives. The United States must consider each of these carefully from the standpoint of broad national interest. Often such proposals would require the conclusion of treaties, which pledge the good faith of this country and assume solemn obligations on its behalf. When treaty proposals are made, whether to work out codes of fair treatment for investments or to provide guarantys against expropriation or to assure redress against wrongdoers, perplexing problems of law and policy arise.

It seems to me that the policy problems arise mainly because the treaty needed to accomplish these objectives would have to be a multilateral instrument worked out at an international conference. As a practical matter, could an acceptable treaty emerge from such a conference. The record of the past is most unpromising. A great variety of countries would be represented. They would include capital-importing states, states with a socialist orientation, states

committed to policies of extreme economic nationalism. Would we be able to muster the votes for the kind of treaty we want? I am inclined to doubt it.

Moreover, merely holding such a conference might do the protection of foreign investments a disservice. Important issues would have to be raised in a forum where the institution of private property would readily be subject to attack. This attack, generated by the emotional pressures of anticolonialism and economic nationalism could be unfortunate. A treaty might emerge from the conference, for example, but one which sought to give the coloration of international law to principles hostile to the sanctity of contract and the security of private property. We have only to call to mind the United Nations debate in 1952 of the nationalization resolution of Uruguay to realize that this prospect is not merely imaginary.

Even more important, however, is the likelihood that such a conference would sharpen the differences between the capital-exporting and capital-importing countries. It is not too extreme to see 2 antagonistic blocs forming, 1 withholding guaranties, the other withholding capital. It is not too extreme either to forsee the former, deprived of capital from its normal source, turning to another source; which even now is ostentatiously offering capital on deceptively attractive terms.

Suppose, however, that there was a mutually admitted community of interest between capital-importing and capital-exporting states. Would this really improve the prospects of a worthwhile treaty? Again, I am inclined to doubt it.

I know, for example, that the United States has participated in the past in a number of multilateral discussions looking to the adoption of a uniform system of protection for foreign investment. These discussions failed. There appear to be very substantial difficulties in drafting a generally acceptable code because, I suppose, of the great differences among states as to the commitments they feel they can undertake. Yet I believe every possibility should be explored in order to give effect to a policy that would strengthen the security of foreign investments.

In fact, this policy has found expression in treaties of friendship, commerce, and navigation which the United States has concluded with a considerable number of countries in recent years, as well as in other conventions and agreements whose purpose it is to strengthen and secure our investment abroad. So far the bilateral means has been the more effective vehicle for securing meaningful commitments in the investment field. Whether the multilateral approach can ever succeed is a matter about which I have grave reservations.

Up to now the main difficulty has been the marked variances among nations as to the degree of which they are prepared to bind themselves legally to accord fair treatment. Standards as to what constitutes fair treatment vary with different cultures. And I suppose countries with a federal constitution such as ours have a special problem which restrains them in the kind of commitments they can legitimately undertake. This is the case not only for ourselves but for such countries as Australia and Canada and possibly others. In any event, the experience of the past is the best evidence that the multilateral approach appears infeasible at this time.

For example, the Conference which met in 1929 under the auspices of the League of Nations failed because each country participating in the Conference felt obligated to attach reservations which minimized the effectiveness of the proposed convention to such an extent that the project had to be abandoned.

Another attempt, doomed to failure, was the negotiation of the charter for the International Trade Organization which, in order to accommodate varying philosophies, equivocated on certain fundamental principles, including the standard of compensation in case of the expropriation of property.

Still another attempt to secure multilateral agreement on protection of private foreign investment was made at the 1948 Conference at Bogotá, Colombia. The economic agreement concluded at that time contained an article designed to secure protection for foreign investment. This article provided as follows:

"ART. 25. The States shall take no discriminatory action against investments by virtue of which foreign enterprises or capital may be deprived of legally acquired property rights, for reasons or under conditions different from those that the Constitution or laws of each country provide for the expropriation of national property. Any expropriation shall be accompanied by payment of a fair price in a prompt, adequate, and effective manner."

This provision was unacceptable to a number of countries. Some appended reservations when signing the agreement. I would like to mention one of them which is typical. In the case of Ecuador, the reservation reads as follows:

"Article 25 must be understood in the sense that the rule therein established must be subordinated to the constitutional provisions in force at the time of its application, and that it is exclusively within the jurisdiction of the courts of the country within which the expropriation takes place to determine, in accordance with the laws in force, everything relating to the circumstances under which such expropriation must be carried out, the sum to be paid, and the means of executing such payment."

This reservation would have nullified the provisions of the agreement insofar as they conflicted with provisions of the Ecuadoran Constitution as they might happen to be at the time of its application. The reservation also made clear that the compensation fixed by the Ecuadoran courts was final and could not be tested by the international law standard of just compensation in any litigation. Because it became impossible to remove reservations of the Ecuadoran type, the Bogotá agreement never entered into force.

In my judgment, differences between legal systems, between national policies, and differences as to economic interests—created in each case difficult obstacles to the establishment of uniform principles applicable to each of the many countries concerned.

Experience, therefore, has shown the futility of the multilateral approach—at least up to this time. In my opinion, it will be decades, perhaps, before a worthwhile multilateral convention can be attained. For the moment, the bilateral approach offers the soundest alternative, for it is easier to arrive at a common denominator where two countries negotiate one with the other than when a group of countries with differing philosophies seek uniform standards. Multilateral negotiations, I would assume, are always more difficult since deference must be paid to varying attitudes which run from one extreme to another. The more frequent the accommodations, the less precise is the standard of behavior laid down in the agreed rule.

I do not mean to suggest that we should abandon the multilateral approach forever. Nothing of the sort. But I am convinced that before a meaningful multilateral convention can be accepted, a standard of behavior must reach the level which the United States, for example, has sought to include in its bilateral treaties of friendship, commerce, and navigation, its conventions on double taxation, on investment guaranties, and others. If enough countries accept such standards bilaterally, only then will it be possible seriously to consider a multilateral convention. Even then serious legal and constitutional problems may be expected to emerge, problems which may be serious for those countries having the best records of property protection. For example, I am certain that proposals for new tribunals could be expected to raise questions for the United States. The enforcement by international agencies of treaty law in matters of domestic concern to the United States raises obvious problems.

I believe therefore that for the present we should make every effort to use the bilateral approach as a means of affording protection to the American investor abroad. I also believe that the provisions which we have incorporated in our friendship, commerce, and navigation treaties establishes a standard which if accepted by a sufficient number of countries bilaterally could provide a basis for adoption in a multilateral framework. Every effort should be made, and I know that the United States Government is doing everything it can, to accelerate the treaty program and to assure that such treaties include effective safeguards for private investment.

If enough agreements of this type are concluded, if they are supported by double-tax conventions, investment-guaranty arrangements and other similar measures, a strong and effective standard of fair treatment for investments will be worked out piece by piece. Each such agreement strengthens the rule of international law in this vital area and hastens the day when these rules and principles can receive the sanction of the world community in an effective multilateral code.

Peacemaking by All

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 2, 1958

Mr. ANFUSO. Mr. Speaker, I am introducing a concurrent resolution which deals with the vital problem of peace and war and, most important of all, with the question of the future survival of the human race.

Specifically, the resolution expresses the sense of Congress with respect to the submission of a peace formula by the President of the United States at the forthcoming summit conference between our country and the Soviet Union. The peace formula is a very simple one. It proposes that both the United States and the Soviet Union agree to give their peoples an opportunity to vote for peace or war by referendum, before taking any military action outside their borders. Only one exception is being made and that applies to action taken in support of a United Nations police-force action.

No people on earth desires war. War means destruction, famine, disease, suffering, death, annihilation of entire peoples. It means the loss of freedom and independence for some nations. It means vast destruction of life and property which can never really be replaced. It means a halt in human progress in all phases of life. A war with modern nuclear and atomic weapons will mean all

this and much more—it may spell the doom of all existence of human life on this earth.

Before embarking on any such adventures, no matter how promising they may appear to one side or the other, it is well to remember that all sides stand to lose in a new conflict. Even the victor may find that his losses are too heavy for comfort and that the victory is but a mirage of very short duration.

In the world as constituted today peaceful coexistence and friendship between nations should be the primary goal. Instead of waging total war, humanity should concentrate on waging total peace, and that means the participation of all people in peacemaking efforts. Every effort should be undertaken to explore all avenues and ideas that lead to peace and will assure peaceful and harmonious relations between countries and peoples.

I am convinced that if the people of the United States and the people of Russia would be given the opportunity to express their views on the question of war or peace, there is not the slightest doubt what their decision would be. A direct referendum of this sort would not only help to restore sanity to the world at a crucial and very dangerous moment, but it would also provide world leaders with a true perspective of events and a consensus of opinion on the part of mankind and in this way inspire them to take the necessary precautions to prevent a global holocaust.

The Soviet rulers have been propagating the idea of peace these past few years, but their actions have been in the opposite direction. By now, peace-loving and freedom-loving people everywhere have lost confidence in the empty words and fancy phrases of the Russian leaders because they no longer have the ring of sincerity. The Kremlin rulers have sown mistrust and falsehood all over the world. It is generally felt that Russia would not hesitate to start a shooting war if she felt assured of success.

Adoption of this proposal to allow the Russian people a full and free opportunity to vote on the question of peace or war would go far in convincing the world of the Soviet Union's sincerity in its advocacy of peace.

Mr. Speaker, I urge all my colleagues in Congress to give thoughtful consideration to the proposal contained in this resolution. The text of the resolution follows:

House Concurrent Resolution 338

Whereas the common people of both the United States of America and the Union of Soviet Socialist Republics unquestionably desire that the unbroken record of friendship and peaceful coexistence should be continued forever; and

Whereas the battle for the minds of men should be settled by means of ballots rather than bullets; and

Whereas to "wage total peace" should mean peacemaking by all rather than peacemaking by the collective leadership of the few; and

Whereas a cessation of the testing of nuclear weapons (desirable as it is) will not of itself prevent another world war or be a key factor in a workable disarmament plan; and

Whereas there is an urgent need to make a new approach to break the disarmament deadlock; and

Whereas the political leaders on both sides have failed to agree on the mechanics of halting the armament race by eliminating the possibility of a "surprise attack"; and

Whereas it behooves world leaders to study all formulas designed to solve the "surprise attack" problem: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President of the United States should, at the next summit conference between the United States and the Union of Soviet Socialist Republics, consider the submission of the following peace formula: That the United States and the Union of Soviet Socialist Republics agree to give their peoples the opportunity to vote for peace or war by referendum before taking military action beyond their borders, except in support of a United Nations police force action.

Text of Congressman Celler's Remarks on One of His Weekly Broadcasts Over Station WINS, New York, June 1, 1958

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the transcript of one of my weekly radio broadcasts over station WINS, New York, June 1, 1958:

YOUTH AND AGE

It was Henry Adams who said, "Young men have a passion for regarding their elders as senile." Yet, as they grow older themselves, they find themselves doing many of the same things they criticized in their elders and explaining it the same way. How often have you heard someone say, "I know I'm getting older, but I don't feel any different"?

There are many of us who are surprised to find that this is so. Comparing themselves with the aged, young men gain the impression, somehow, that the young and the old are different people—almost of a different race. The implication would seem to be that at some magic date or through some magic period, human beings undergo complete change. Before it, they are as they have always been; after it, they are different—they are old.

Actually, this is not so. The old are not different people, but essentially the same people that they were. If we believe otherwise, we lose much of the enjoyment of the later years. We cannot suddenly at age 59, prepare for old age and retirement at 60. The characteristics we had at 20, we will have in more marked degree some 40 years later, whether they be good or bad characteristics. Simply stated, the old are the same people they were—only more so.

Therefore, the whole of life should be the preparation for the process of aging and perhaps the most valuable characteristic to develop for old age is interest—interest in people, in ideas, in developments. He who is interested, is interesting, too.

But we must remember that we cannot change the attitudes of a lifetime on the eve of retirement. The habits of a lifetime can make old age enjoyable by the time old age comes.

INSULTS

In my 35 years' experience in Congress, I have often found that a sharp tongue was a weapon of offense, and that biting words frequently accompany acid debate. Any Member who was quick at disparagement or the quick retort seemed always to amuse and win admiration. Even slander, for which there is immunity in Congress, never lacks for circulation. There has been much of vituperation and repartee. Timing, however, is always important. To me, however, it has always seemed that if the majority of the House is with you, that is the best kind of repartee. Sometimes it is well to be silent, especially in the face of great provocation. Sometimes to assume a quiet dignity causes all the verbal darts hurled at you to be deflected.

The situation is not dissimilar in general to the late lamented Fred Allen, in his many verbal combats with Jack Benny. Fred Allen was ribbing Benny unmercifully. Frankly, Benny was no match for him. Jack Benny moaned in a fit of despair at being unable to ad lib effective retorts. Jack Benny said, "If I had my gag writers here, you wouldn't say that to me."

Insults are often used as a weapon but insults are like bad coins. We cannot help their being offered to us but we need not take them. Some insults are witty and some are just mean and ornery. Some insults can be couched in excellent poetry as when King Lear berates some disgraced soldiers and says:

"I have seen better faces in my time
Than stands on any shoulder that I see
Before me at this instance."

I, personally, have been the subject of unintentional jolt. I remember at a dinner not so long ago, when a chairman leaned over me while coffee was being served, and said, "Shall we let them enjoy themselves a little longer, Mr. CELLER, or had we better have your speech now?"

A certain American politician was asked if he expected to attend the funeral of a rival whom he cordially detested. He replied: "No, but I thoroughly approve of it."

When Big Tim Sullivan, a Tammany Representative in Congress, resigned, he explained his action simply: "Congressmen? In Washington, they hitch their horses to them."

Not so long ago, a Member from one of our Middle West States quoted Henry Clay's statement: "I'd rather be right than President," as applying to himself. A Democrat retorted: "The gentleman need not worry. He will never be either."

One day in the cloakroom, a Congressman was discussing an older Member and he said: "I don't believe he is the man he used to be." And he provoked the reply: "No—and he never was."

William Jennings Bryan, when in the House, was called the Boy Orator of the Platte, the Platte being the name of a river. Senator Foraker took care to define the Platte as follows: "The Platte—6 inches deep—and 7 miles wide at the mouth.

Some years ago, Representative Johnson, of Indiana, called a fellow Representative from Illinois a jackass. A point of order was made immediately that the statement was unparliamentary. Johnson said he retracted his statement, and then added: "While I withdraw the unfortunate word, Mr. Speaker, I still insist the gentleman from Illinois is out of order." "How am I out of order?" quickly demanded the Illinois Congressman. To which Representative Johnson replied: "Probably a veterinary surgeon could tell you."

A Republican Senator attacked our then President for making a distinction between good trusts and bad trusts. He was asked to set forth the difference between good trusts

and bad trusts. He said: "Good trusts contribute to the Republican Party and bad trusts do not."

Former Gov. Alfred E. Smith once said of an opponent: "I know the color of his liver and it is whiter—if that could be—than the driven snow."

Most Secretaries of the Treasury like to be compared in greatness and goodness with the first secretary of the Treasury, Alexander Hamilton. That comparison is frequently heard. Recently a Democratic Member said: "Secretary of the Treasury Anderson is the greatest Secretary of the Treasury since Secretary Humphrey."

A Senator once said of a member of the opposite party, whom he detested, that the particular Senator went into a room with a skunk and the door was shut. There was considerable scratching on the door and the skunk shot out of the door like blue lightning.

I could go on and give you more insults that are heard in and out of Congress but we must have time for sterner stuff.

NASSER

In diplomacy, as well as in most things of life, timing is all important. The new Hitler of the Middle East, Nasser, became a threat to the Western democracies some time ago, particularly at the time he seized the Suez Canal. Later, France, Great Britain, and Israel staged their incursion into Sinai. Nasser was in quick retreat. His army was shattered and much of his Russian arms were captured, particularly by the Israelis. The Israeli soldiers were within hailing distance of Cairo. Nasser's days as a dictator were numbered. The Israelis could have easily captured him and placed him on some island of Elbe in Napoleon fashion, but unfortunately, due to very bad timing and very bad judgment, our purblind Secretary of State, John Foster Dulles, forced a cease-fire through the United Nations and the armies of Israel, France, and Great Britain were compelled to stack their guns. Nasser was saved. He should never have been saved. The timing was beautiful for Nasser, but bad for the Western democracies.

Now Mr. Dulles has his labor for his pains as far as Nasser is concerned. Instead of being deposed, he has gone to Moscow and returned. He was received in glowing style by Khrushchev and his henchmen. He is riding high. He feels that he is a man with a mission, especially with Soviet arms to help him. He wants to control the entire Arab world. Moscow is encouraging him and giving him aid. Mr. Dulles, and those in our Government who think like him, realize now that a new Hitler has been let loose upon the world—a freebooter, an armed adventurer, whose everyday activity might well lead to general war. He is now the boss of the United Arab Republic composed of Egypt, Syria, and Yemen, comprising 40 million Moslems. He is exchanging Egyptian long-staple cotton for guns and planes from Russia and Czechoslovakia. Russia has even supplied him with three or more submarines and many jet-propelled planes. While Nasser was visiting with Khrushchev in Moscow, his coconspirators and troublemakers were stirring up strife in pro-Western Lebanon. Buildings were bombed and there were armed conflicts between Lebanese and Syrian infiltrators, who cross the Syrian border at the behest of Nasser. Nasser wishes to control, with Russia's help, the United Arab Empire containing the rich oil reserves of the Middle East. From the sale of this oil, he hopes to build up a huge domain which will eventually include Iraq, Saudi Arabia, and Lebanon, as well as the countries he now controls. After he has consolidated all these lands under his aegis, he will stage a war of complete destruction against Israel. He has been twice worsted by Israel, but with modern lethal weapons from Russia and such a vast population to draw upon for soldier cannon fodder, Israel will be sorely put to it to defend herself.

Nasser is riding high and for the first time, the millionaire oilmen, as well as the diplomats of the West, are gravely concerned. They watch belatedly the growing prestige of Nasser among the Arab peoples in all Moslem countries. He is even popular in those countries which have governments that are pro-Western. His control of the Suez Canal gives him a tremendous economic leverage. His control of Syria gives him physical control of the major oil pipelines that bring Iraqi and Iranian oil to the coast. He could in a thrice cut off most of the flow of Middle Eastern oil to Europe by cutting these pipelines and closing the Suez Canal. Through his Cairo radio and infiltration of subversives into Yemen, Nasser is encouraging war in those parts of that world where Britain controls important oil concessions. He is bringing tremendous pressure against the King of Jordan whom he wishes to topple and thereby get control of Jordan. From Egypt, Red arms are being fed to the Moslem rebels in Algeria for use against France. He is getting from Russia far more aid than he ever got from the United States. He is playing both ends against the middle—he has learned to play Russia against the United States. Both sides seem to bid for his friendship. Mr. Dulles may resume United States aid to Egypt. Already Mr. Dulles has released $26 million in Egyptian funds that have been frozen in America. This money is to be used to pay off former owners of the Suez Canal. Mr. Dulles has stated: "We hope to get along in a correct, friendly way with the United Arab Republic."

I, personally, am in disaccord with this changing American policy. You cannot appease this rascal, Nasser. There is an old saying and a true one—"Appease a rascal as you will, he was and is a rascal still." In the same way we tried to appease Hitler, but to no avail. We will never win Nasser's friendship—he is not capable of friendship. He doesn't appreciate and never mentions the fact that it was United States intervention in the United Nations that saved his skin and caused Israel, France, and England to cease their war against him. Frankly, one wouldn't expect such a rascal to ever express the slightest thank you.

Like a cunning, smiling, Cheshire cat, he is watching for his opportunity. He is going to corral all the Russian arms he can get; he is going to take from Mr. Dulles all the economic aid Dulles will give him and very likely moneys to erect the Aswan Dam. Thereby, he will climb higher and higher. Meanwhile, he exploits the religious and race issues. With Hitler it was Nordic supremacy—with Nasser it is Arab supremacy. A vast net of propaganda, radio network and pro-Nasser agitators are operating throughout the United Arab Republic.

We are having much trouble in keeping Lebanon in line with the West. It is hoped that Lebanon will not fall into his net. If it does, his next act will be an attack on King Hussein of Jordan. If Jordan and Lebanon are in his control, then he has Israel completely surrounded except along the Mediterranean.

His successes then might produce, as the U. S. News & World Report indicates, a chain reaction that would put intense pressures upon Iraq and Saudi Arabia to hop on the Nasser bandwagon.

All this proves that there is only one country in that troubled area upon which the United States can rely and that is little Israel.

Unfortunately, it took a world war before Hitler could be curbed. The only nation that can stop this new Hitler is the United States. Our policy, however, is one of encouragement. We seem to be vying with Russia in buying his favor. In this manner we encourage him, whereas we ought to discourage him. There are many ways by which we can put the screws on Nasser but this method is not in line with our foreign policy and will not be until we get a change in the State Department.

Graduation Exercises of the 1958 Class of Osceola Mills, Pa., High School, May 29, 1958

EXTENSION OF REMARKS
OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. VAN ZANDT. Mr. Speaker, it was my privilege to deliver the commencement address to a class of 53 graduates of the Osceola Mills, Pa., High School in that community, May 29, 1958.

The graduation exercises marked the closing of the Osceola Mills High School, as it has been merged with the Philipsburg, Pa., High School in the new school jointure in that area.

The address follows:

ADDRESS BY JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE GRADUATION EXERCISES OF THE SENIOR CLASS, OSCEOLA MILLS, PA., HIGH SCHOOL, THURSDAY, MAY 29, 1958.

It is pleasing that you have given me the honor of being a speaker on this important occasion.

A high school graduating class such as we have here in Osceola Mills tonight is always a good thing to look upon for you, as a group, symbolize some of the happiest and most rewarding moments in the lives of young people. Included in this happiness is the feeling of achievement that comes from a job well done.

To receive a high-school diploma has been your goal for many years, and now tonight you have reached your objective. For your efforts I congratulate you, most heartily.

Equally important, however, are the efforts of your parents and teachers who have worked with you to make this commencement possible.

I know that every member of the graduating class joins me in recognizing the part that your parents and teachers have played in helping you to achieve your goal. To your parents and teachers, I also offer my congratulations.

From all accounts it seems that a good commencement speaker is expected to give words of advice to the members of the graduating class, advising them as to the best methods to use to pursue and achieve success. I am not so sure that this is what I want to do.

Our Nation faces a crisis of such importance that the material success of the individual citizen becomes a secondary matter. Yet the responsibilities of overcoming this crisis will rest with you and me, the individual citizens of America.

So, tonight instead of speaking just to the members of the graduating class of their future, I should like to speak with everyone here on the future of America which, in the last analysis, is the future of us all.

We are faced with the fact that the educational system in which we have so long placed our faith can no longer serve us as it is. If we are to survive as a nation we shall have to revitalize our public school system so that it will provide America with

the trained type of citizens needed in this new space age. This is the crisis of which I speak.

As a member of the Congressional Joint Committee on Atomic Energy and especially as a member of its Subcommittee on Research and Development I can assure you that your Federal Government has long been aware of some of the educational problems that face us.

In April and May of 1956, the Subcommittee on Research and Development, of which I am a member, held hearings on the shortage of scientific and engineering manpower that exists in our country today. The testimony presented at these hearings by some of our leading men in science, education, and defense was as the subcommittee later reported "a shocking indictment of America's indifference toward one of the most serious problems facing this Nation."

As members of the subcommittee we reported that the testimony heard at the hearings painted "a graphic picture of what America stands to lose, in future years, if we do not immediately initiate vigorous corrective measures."

The fears and warnings expressed in the report of the Subcommittee on Research and Development were brought into focus by the launching of the first manmade satellite by the Soviets. This appearance of sputnik came as proof that we are challenged in the battle for brainpower. The overwhelming amount of criticism of American public education since that time has shown how deeply aroused our Nation has become.

As a result the citizens of America are now reexamining their schools in a manner that has hardly been done before.

However, I am of the opinion that many of the weaknesses of which we have become acutely aware existed long before sputnik went into orbit. This idea was expressed recently in an article written by Mortimer J. Adler, the noted professor of philosophy at the University of Chicago. Dr. Adler writes, and I quote:

"Those of us who have been complaining for the last 20 years about the dismal failures of our school system take grim satisfaction in all the Johnnies-come-lately who panicked by sputnik, now seem to be rushing to our side.

"What they are discovering is wrong with American education was wrong with it before technological warfare reached its present pitch and would be wrong with it if Soviet Russia did not exist, or if the cold war were replaced by a state of permanent peace.

"The essential trouble is not that we are producing too few scientists, engineers, and technicians, even though that is the case, and even though we sorely need them for the technological advances so important to our economy and military prowess. Our failure goes much deeper than that."

Dr. Adler then goes on to state what he believes is the essential weakness of our schools. He says:

"We are producing too few men who are prepared for the responsibilities of citizenship, for economic independence, for the uses of leisure, and for life in a free society."

As Dr. Adler pointed out, and as we can see, there is much more at stake than our scientific leadership, although our defense program calls for the most highly trained men. Equally as important is the training of citizens for responsible living in a free society.

We must not forget the words of Abraham Lincoln spoken in our own State of Pennsylvania on November 19, 1863, when he came to dedicate a part of the battlefield of Gettysburg as a resting place for the men who gave their lives that this Nation might live. That great President of ours described America as a "government of the people, by the people, and for the people."

Therefore, if we are to survive as the free nation that we were meant to be, then we must train citizens in such a manner that they will prove themselves capable of maintaining this government. Frankly we cannot survive unless our government continues to be of the people, by the people, and for the people.

A sporadic crash program to produce engineers, physicists, atomic scientists, and mathematicians will still not help us to maintain ourselves as the great free nation that we are.

Some maintain that less crowded schools will produce a better type of education. Others believe, and I heartily agree with them, that we must raise the salaries of teachers in order that we can have more teachers and better qualified ones. There are some who believe that if we were to revise the curriculum and abolish the elective courses that we would get the type of education we are seeking. Another group would have us prolong the school year, making a 12-month school term.

I am certain that there are many educators here tonight, members of the school board and members of the faculty, who have had ideas as to the best method of producing the kind of education that we shall need for the future.

At any rate, all of us here are, I hope, intensely aware of what should be done for our schools. The awareness is valuable in that it unites us to a common purpose, a common task. But since we are unable at present to carry out our particular plans, perhaps there is one thing that all of us can do in order to produce the kind of education that America will need for the future.

No doubt many of you are asking yourselves this question: How can anything be expected of me when so much is involved? You may be saying to yourself: I am but a citizen of a small community in Clearfield County, Pa. What can I do that would in any way contribute to a betterment of our public school system?

To these thoughts I answer this: America is made up of such communities as Osceola Mills, and of Brisbin, and Decatur, and Chester Hill, and all the other towns and communities multiplied a thousand times and more. It is at the community level that we shall have to begin our task of improving public education in order that it may better suit the needs of our Nation.

What is the one thing that each of us can do as best he can? I would suggest that we devote ourselves to the task of creating a greater respect for learning.

It is the one thing that is needed most in our Nation and is an essential foundation for any educational reforms in the future. Creating a greater respect for learning can begin at the community level for it has to have its beginnings in the home.

We must teach our children to have a greater respect for intellectual achievement for what it can give us by way of a more noble and meaningful life as individuals and as a nation. We ourselves must look upon the learned man as the key man perhaps in our future survival.

American culture as well as education has been subject to much criticism within recent months, and even within a period farther back than the launching of sputnik.

There is the old saying that when a European meets a professor he raises his hat, and when the American meets a professor he simply taps his forehead. Perhaps we have deserved much of what has been said about our low standards of culture, if that is the term to be used.

I am afraid that we have all been guilty of looking at the intellectual fellow as something of an oddity in our society. We have not appreciated his work as we might have done. We have even created words of ridicule to describe him such as "egghead" or "highbrow."

The student in school who preferred to be in the science laboratory instead of on the playing field, or at the corner drugstore, has always been considered as not quite a regular fellow. I am certain that the youngsters of today have a special word in their vocabulary that describes him.

At any rate, we Americans have come to realize that a nation which neglects its men of learning will have a hard struggle to survive. I do not mean that we shall have to give up the heroes of the National League for those who have won the Nobel prize for physics. But I am of the opinion that we shall have to look anew on intellectual achievement and adopt a more serious attitude where learning is concerned.

These attitudes that we have today toward education may very well be traced back to the days of our pioneer ancestors. There was a time when this great continent of ours had more need of the hardy pioneer than of the highly educated man of learning. There were woods to be cleared and land to be cultivated. Learning had its place in our early pioneer settlements, but it was not the scholar who first made a civilization out of the wilderness.

The ideal of the brawny pioneer still lives with us today in such figures as Daniel Boone and Davy Crockett, and I fervently hope that characters such as these will never fade from the American scene. We must always have them to remind us that daring, strength, and courage are qualities necessary for a more abundant life. But we live in a new age that calls for something more than the physical accomplishments of men.

As the continent of America became more and more civilized, great masses of immigrants poured into this wondrous land of freedom. The public school system which developed was a primary force that united these various groups into a unified nation. The early American educators who helped to shape the American public schools all placed emphasis on the public school as a means for social betterment.

Horace Mann, considered as one of the founders of the American public school system, established the conception that education must be universal, nonsectarian, and free, and that the aim of the school must be social efficiency, civic virtue, and development of character. Later American educators, such as Henry Barnard, John Dewey, and others, enlarged upon these fundamental ideas. Henry Barnard worked for the better training of teachers and maintained that we should have schools good enough for the best and cheap enough for the poorest.

With John Dewey, public school education spread farther and farther away from concentrated learning. His aim of education was social efficiency. His means of education were to be play, construction, use of tools, contact with nature, and expression and activity.

I do not doubt that all of these educational aims were used for the good of the American people in one way or another. But we have reached a stage when this type of education no longer serves our purpose. In using play as a means of education we have made learning too easy and have taken much of the seriousness away from it. In using expression and activity as a means of learning we have become too relaxed in discipline and made schooling too painless and too broad in scope to produce the men and women we need for our times.

However, just as we still need the ideal of the pioneer to help us toward success, we also need the socially efficient and well-adjusted citizen who has been educated in our time. But this is still not enough.

The future of America calls for all of these things, but in addition we need a more serious, better educated type of man and woman. We need citizens who are well trained to fill the demands of our economy and our defense. We need citizens who are vibrantly aware of what it means to live in a free society and who are willing to live in such a manner that the people of other nations will embrace our way of life as gladly as they have embraced our financial and technical assistance. We must have citizens so educated that our Government will always be a government of the people, for the people, and by the people.

I am certain that if each one of us here does his part we can create the respect for learning that will eventually produce the type of education that America needs for survival.

To the members of the graduating class I should like to say that you have a wonderful, boundless, and challenging future ahead of you.

Most of you came into the world at the beginning of or during World War II. Your childhood was a childhood of the atomic age.

As you approach adult life such things as television, manmade satellites, and space travel are as familiar a part of your young life as the invention of the automobile and moving pictures was a part of mine.

I, for one, rather envy you for you will live in an astounding world.

The boy who was voted most likely to succeed in your class can very likely be the one who will make a trip to the moon. But for all of the astonishing things to come there are certain fundamental truths by which we still must live, regardless of the age or the times.

Plato, the ancient Greek philosopher, who lived and died some three hundred years before Christ, said that what is honored in a country is cultivated there. So my parting word to the members of this class is this: Honor learning.

A nation that cultivates learning among its citizens, particularly if these citizens are free men, will never, as Lincoln has said, "perish from the face of the earth."

These are the words that I hope will be remembered as you look back on this event, your high-school graduation.

Christian Democratic Party of Italy Gains Strength in Recent Elections

EXTENSION OF REMARKS

OF

HON. ROLAND V. LIBONATI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 2, 1958

Mr. LIBONATI. Mr. Speaker, the Christian Democratic Party gained strength in the recent elections in Italy due to the efficient organization developed by its aggressive party leader Amintore Fanfani.

The pro-Western Christian Democrats increased their representation in both the Chamber of Deputies and the Senate but fell short of their goal of an absolute majority in both houses. Thus they had to depend upon the loyalties of the minor centrist parties to form a new coalition government. The Communists lost 3 seats in the chamber while the left wing Socialists led by Pietro Nenni picked up 8. The extreme right Monarchist group and neo-Fascists suffered a crushing defeat. The Communists held their own, increasing the popular vote from 35.2 percent to 36.4, an increase of 1.2 percent from 1953. The Christian Democrats increased their vote from 40 percent to 42.4 percent, an increase of 2.4 percent over the last general election in 1953. It gave them 122 seats in the Senate, an increase of 12 over 1953 and 273 seats in the chamber, an increase of 12 seats over 1953, but 23 short of a majority.

Although the election left the situation the same as far as placing complete control in the Christian Democratic Party, yet there was a strengthening of the center parties that are pro-Western in their attitudes.

The leadership, having fallen to Fanfani, a dynamic statesman who believes in the coalition between the center and non-Communist left, has led to a formidable grouping of pro-Western North Atlantic Treaty Organization policy and acceptance of allied missile bases on Italian soil.

His conferences in Italy with the Ambassadors of Turkey, Egypt, and Western Germany and the Prime Minister of France will enable him to give the proposals not only of the Italian plan of its Mid-East policy but also the viewpoints of these other nations as well and so, he comes well informed to Washington to discuss with President Eisenhower and Secretary of State Dulles the Mid-East-Orient situation relative to its effect on the Italian economy and the problems of the others. This is indicative of the high trust and complete confidence that the officials of the aforementioned governments placed in him. He certainly is a statesman of definitely an important stature. As a cofounder with the late Gaspari and others of the Christian Democratic Party he has always maintained a belief that Christian principles as a political platform can be worked toward the betterment of the national life; and on the whole the party has done a fine job. The party publicly has proclaimed separation of church and state, their critics maintain that the policies of the party are dictated by the Vatican. Of course in any nation where the predominance of one religious group makes up the very religious complexion of the body politic, the same accusations are made.

We are fortunate that the leader of the Christian Democratic Party visits our country, within which thousands of his comparees are its citizens and whose most fantastic dreams have been realized through the great opportunities toward their accomplishment.

He knows of and saw in his own Italy during World War II thousands upon thousands of Americans of Italian extraction, sons of these pioneers, march through Italy with bloody bayonets and hand-fired weapons at short range; at the landings, the bloody triangle at Casino and Anzio Beach—there is no hyphen here—but just a high respect and a fond regard for the homelands of our ancestry. America is strong because she venerates in all her people the love and interest in the folklore, the customs, and the welfare of the homelands of the many nationalities that have contributed so much to the strength of the greatest Republic. A Republic that protects the freedom at birth and to the very grave.

In her role as the leader of freedom-loving nations, she has been very patient and at times the rich chump of satellite sweethearts. But in her spendthrift orgies she gives away only what she cares so little about if peace has a price. But once aroused to even a scarey threat of the loss of the sacred freedoms of her peoples or these peoples over which she has placed her protecting hand—God has unleashed the fury of the damned—to the last man—it will be the last war. The courage of America is not in the dollar but "in God we trust" and so we welcome our fighting friend the great Premier Amitre Fanfani of the Republic of Italy always a nation whose population was our friend—even though in this generation it was once betrayed by a dictatorship that was betrayed itself under its own tutelage. Italy passed through the reconstruction era after the war and made tremendous strides in its recovery, standing next to the great Republic of Western Germany as one of our most powerful allies in the Atlantic Pact.

We know that the President of the United States, Dwight D. Eisenhower and Secretary of State Dulles will accord to him every advantage that is necessary to help maintain the independence and security of the great Italian Republic and its liberty-loving people. America is fortunate in having this great statesman on its side—Italy, as the most strategic spot in Europe, is of the greatest importance to the maintainance of our supremacy in Europe. God bless Premier Fanfani and may the gratitude of the United States protect and support him in his common stand with us for the freedom-loving nations of the world. He is our kind of statesman. At the present time he is already moving fast toward the implementation of his economic and social program for Italy, whose aim is to give each Italian an education, a home, and a job. This program he knows will insure the popular support of the democratic institutions and stability of the Italian Government.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Washington Post and Times Herald and an article from the Chicago Sun-Times as follows:

[Editorial from the Washington Post and Times Herald of May 29, 1958]

GOOD NEWS FROM ITALY

Although the Italian elections leave the political configuration only slightly altered, their net effect is to strengthen the center and the non-Communist left. The middle-road Christian Democrats, who have constituted the strongest party since the end of the war, gained by more than a million and a half in the popular vote. This was reflected in their gain of 11 votes in the Chamber of Deputies and of 6 votes in the Senate; but they again fell well short of an absolute majority in the chamber. The Communists lost some ground in the chamber but gained four additional places in the Senate, and in the popular voting barely held their ground.

On the other hand the left-wing, or Nenni, Socialists emerged stronger than ever and the right-wing, or Saragat, Socialists also made substantial gains. The parties of the extreme right, such as the Monarchists and the neo-Fascists have been so severely atrophied by the returns as to be no longer serious political factors.

From the point of view of international policy the Italian elections are a clear victory for the West, since the controlling power in the new parliament will lie, and even more firmly than before, with the pro-Western parties of the center. On the question of internal policy the consequences are less clear. Much will depend upon the personal composition of the new parliament, for under the Italian system of proportional representation the voters are permitted to state preferences among the individual candidates of a given party. This is especially important as concerns the Christian Democrats who include in themselves right, centrist, and radical wings.

The election, nevertheless, may be interpreted as a personal triumph for Signor Fanfani, leader of the Christian Democrats and also of their more radical faction. His assumption of the premiership is now strongly indicated though as yet by no means assured. It is possible that Signor Fanfani, now that he has nothing to fear from the right, may even seek to woo the Nenni Socialists even farther away from their former Communist allies in the hope of gaining their support for further economic and social reforms.

As for the Communists, the earlier returns by districts suggest that the party has suffered heavy defections to both Socialist parties in the industrial and now relatively prosperous north but that these were largely offset by gains in the agricultural and still misery-stricken south. If this proves to be correct, it will give further plausibility to the theory that Italian communism is much more a matter of the stomach than of ideological conviction.

[From the Chicago Sun-Times of May 29, 1958]

FIND MILD SATISFACTION FOR UNITED STATES IN ITALY'S VOTE RESULTS

WASHINGTON.—United States officials drew mild satisfaction from results of Italy's general election.

Slight strengthening of the center parties offset the pro-Communist left's modest gains. It was the extreme right—Monarchists and Fascists—that suffered appreciable losses.

The voting Sunday and half of Monday elected a Senate or upper house and a new Chamber of Deputies, in which the real power resides. State Department experts were suspending final judgment until they learned the balance of power inside the major parties.

FANFANI OR PELLA?

For instance, it remains to be seen whether the dominant man among the Christian Democrats, biggest party, is Amintore Fanfani or the present Foreign Minister, Giuseppe Pella. Both are potential premiers of the next government. Fanfani, a former Prime Minister, is more inclined to form a coalition between the center and non-Communist left.

Pella leans toward the right wing of the Christian Democrats and would head a more conservative government.

In the less important Senate, the Christian Democrats just missed winning a majority.

It is the lower house, or Chamber of Deputies, that experts are scrutinizing closely. There the 3 rightist parties together lost 21 seats out of their 69 in the recently dissolved Parliament. The 3 are the 2 Monarchist Parties and Italian social movement (Fascists).

On the left, the Communists increased their popular vote to 6,700,000: from 6,120,709 at the last election in 1953. But owing to the influx of new voters since 1953, it took more ballots to hold the same number of seats. So the Communists dropped from 143 to 140 seats. Their share of the total vote was almost identical with that 5 years ago—22.7 percent now, as against 22.6 then.

NENNI GAINS MORE SEATS

The Socialists under Pietro Nenni fared better than the extreme left. Nenni increased his party's seats from 76 to 84, its popular vote from 3,441,014 to 4,198,000, and its percentage of the entire poll from 12.7 to 14.2.

The Socialists have tended to crawl into bed with the Communists on major issues.

The Christian Democrats, while making a good showing, failed to win an absolute majority of the chamber. They gained 12 seats, now holding 273 as against 261 in the former parliament. Their popular vote was 12,508,000, compared with 10,834,466 in the 1953 election. They increased their slice of the total vote from 40 percent to 42.2.

Bracketed with them in the moderate center are the Social Democrats, Liberals, and Republicans. The Social Democrats won 23 seats (formerly 19). Liberals 16 (14). Republicans 9 (5).

Since the Christian Democrats fell short of the strength needed to form a one-party government, these coalitions are possible:

1. Christian Democrats, Social Democrats, and Republicans, with 305 of the total 596 seats in the chamber.

2. Christian Democrats, Liberals, and (Guiseppe Lauro's) Monarchists with 302 seats.

3. Christian Democrats, Social Democrats, and Liberals with 312 seats.

All these groupings mean continuance of Italy's pro-Western, North Atlantic Treaty Organization policy and acceptance of Allied missile bases on Italian soil.

It appears that the rightists' losses were divided about equally between the center and left.

SENATE

TUESDAY, JUNE 3, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Lord of our pilgrim years, the day returns and brings us the round of its concerns and duties. As in Thy sight these servants of this land of our hope and prayer stand in posts of high public office, make them solemnly conscious that their thoughts and attitudes, their words and acts, are not their own, but go out from this Chamber, set as a light on a hill, to influence and to mold the whole structure of human relationships around the world. Help them in all things to be masters of themselves, that they may be the servants of others.

In these times of tension and strain, save us all from minding and magnifying little slights and stings, or giving them. Keep us calm in temper, clear in mind, sound of heart, in spite of ingratitude, misrepresentation, or even treachery. Enable us, we pray Thee, to perform faithfully and well what Thou dost require, even to do justly and to love mercy and to walk humbly with Thee, our God. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. TALMADGE, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 2, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 29, 1958, the President had approved and signed the following acts:

S. 728. An act to authorize the acquisition of certain property in square 724 in the District of Columbia for the purpose of extension of the site of the additional office building for the United States Senate or for the purpose of addition to the United States Capitol Grounds;

S. 847. An act to amend the act of June 5, 1944, relating to the construction, operation, and maintenance of Hungry Horse Dam, Mont.;

S. 2557. An act to amend the act granting the consent of Congress to the negotiation of certain compacts by the States of Nebraska, Wyoming, and South Dakota in order to extend the time for such negotiation;

S. 2813. An act to provide for certain credits to the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District in consideration of the transfer to the Government of property in Phoenix, Ariz.;

S. 3087. An act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes; and

S. 3371. An act to amend the act of August 25, 1916, to increase the period for which concessionaire leases may be granted under that act from 20 years to 30 years.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. TALMADGE, and by unanimous consent, the Railroad Retirement Subcommittee and the Labor Subcommittee of the Committee on Labor and Public Welfare were authorized to meet today during the session of the Senate.

On request of Mr. BRICKER, and by unanimous consent, the Committee on Interstate and Foreign Commerce was authorized to meet at 2:30 p. m. during the session of the Senate this afternoon to consider proposed legislation on the subject of regulation of radio and television networks.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. TALMADGE. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON ADMINISTRATION OF SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

A letter from the Attorney General, transmitting, pursuant to law, his report on the administration of the Subversive Activities Control Act of 1950 (with an accompanying report); to the Committee on the Judiciary.

ADJUSTMENT OF IMMIGRATION STATUS OF A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order entered in behalf of Huilan Koo, relating to adjustment of immigration status (with an accompanying paper); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

The petitions of Mrs. H. G. Carroll, and Mrs. Carrie Parnell, both of Baldwin Park, Calif., relating to the Presidential veto of the omnibus rivers and harbors bill; to the Committee on Public Works.

A telegram in the nature of a petition from David G. Hunt, president, National Federation of Federal Employees, of Pasadena, Calif., praying for early action by the Senate on the amendment of the House to Senate bill 734, the classified employees' pay bill; ordered to lie on the table.

IMPROVEMENT OF THE NATIONAL TRANSPORTATION SYSTEM—REPORT OF A COMMITTEE (S. REPT. NO. 1647)

Mr. SMATHERS. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably with amendments, the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes, and I submit a report thereon.

I ask unanimous consent that the individual views of the Senator from Connecticut [Mr. PURTELL] and the Senator from Ohio [Mr. LAUSCHE] be printed with the report.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Florida; and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 3930. A bill to amend section 416 of the Agricultural Act of 1949, as amended; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY:

S. 3931. A bill for the relief of Olivia Mary Galante; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 3932. A bill to provide for Federal assistance for the construction and expansion of public community junior colleges; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

RESOLUTION

Mr. NEUBERGER (for himself, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, Mr. KENNEDY, Mr. JAVITS, Mr. LONG, Mr. CLARK, and Mr. HUMPHREY) submitted a resolution (S. Res. 312) to establish a Select Committee on Foreign Economic Policy, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full where it appears under a separate heading.)

AMENDMENT OF AGRICULTURAL ACT OF 1949, RELATING TO INCREASED DISTRIBUTION OF SURPLUS FOOD TO NEEDY PEOPLE

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to expand the programs for distributing surplus food to needy people.

The proposed legislation would amend section 416 of the Agricultural Act of 1949, as amended. It would provide Federal funds for one-half the costs incurred in certifying individuals and families as recipients of surplus foods.

As we know, a tremendous number of needy people in the Nation would benefit greatly from access to surplus foods. In Wisconsin, for example, more than 11,000 needy persons are now receiving food through special plans operating in over a dozen counties. In addition, several other areas are preparing to participate. Nationally, approximately 1,079 counties are carrying on a program of distributing surplus foods.

Unfortunately, the offices that certify needy people are often understaffed and overworked. This acts as a deterrent to making foodstuffs available to additional needy persons. The addition of only one more certifying officer—for which the Federal Government would provide one-half the cost—would help in some areas to make this food available to many more persons.

Today, too, a no-man's land exists for individuals and families not eligible for assistance under other programs. These include the unemployed, handicapped, and persons temporarily distressed economically, through personal misfortune or natural disaster, and others. If these persons could be eligible to receive surplus food, it would at least help to "tide them over." This proposal would help to eliminate this no-man's land.

Currently, about 5.2 billion worth of farm commodities—including dairy products—are held by the Commodity Credit Corporation as so-called surpluses. At the same time, there are still a large number of hungry people in the Nation. This situation is unjustifiable.

We realize, of course, that it is important not to interfere with normal trade channels, by flooding the market with surpluses. Thus, the program should be confined to those who are in need, and who could not otherwise afford to supplement their diets adequately.

The expense of providing this additional support for the food-distribution program would be extremely small, especially in comparison to its humanitarian benefits.

This cost-sharing proposal, I believe, will encourage participation in communities which otherwise might not undertake to provide their needy people with the available surplus foods.

The Department of Health, Education, and Welfare would administer the program on a basis similar to that of such programs for the aged, blind, and disabled, as now carried out by that agency.

As we are aware, section 416 of the Agricultural Act of 1949, which my proposal would amend, deals with distribution and dissemination of surplus commodities.

Currently, the Agriculture Committees in both the Senate and House of Representatives are working together on an omnibus farm bill. This bill for increasing the distribution of surplus commodities to needy people, justifiably can, and should, I believe, be incorporated in such a measure.

If my bill is enacted—as I believe it should be—it will help to achieve two important objectives:

First, it will step up the disposal of price-depressing surpluses; and,

Second, it will feed hungry people.

Mr. President, I request unanimous consent to have this brief bill printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3930) to amend section 416 of the Agricultural Act of 1949, as amended, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 416 of the Agricultural Act of 1949, as amended, is amended by inserting "(a)" after "Sec. 416." and by adding at the end thereof the following new subsection:

"(b) There are hereby authorized to be appropriated such sums as may be necessary to enable the Secretary of Health, Education, and Welfare to pay to each State one-half of the total of the sums found by him to have been expended on or after July 1, 1958, by State and local public welfare or-

ganizations in such State in the proper and efficient administration of the procedures employed by such organizations for the certification of needy persons to receive food commodities made available under the provisions of this section. Payments under the provisions of this subsection may be made either in advance or by way of reimbursement, as may be determined by the Secretary of Health, Education, and Welfare; and shall be made in such installments and on such conditions as he deems advisable."

AUTHORIZATION FOR CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENTS

Mr. BUSH submitted amendments, intended to be proposed by him, to the bill (S. 3910) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which were referred to the Committee on Public Works, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. PROXMIRE. Mr. President, I submit for appropriate reference an amendment to House bill 8381, the Technical Amendments Act of 1957, so as to prohibit the allowance as a business expense, deductible for income-tax purposes, of an expense incurred in the conduct of an illegal gambling enterprise.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

Mr. PROXMIRE. Mr. President, I submit for appropriate reference an amendment to House bill 8381, the Technical Amendments Act of 1957, so as to reduce the percentage depletion allowance for oil and gas wells from 27½ percent to 15 percent, and to reduce the allowance for sulfur and uranium and about a score of minerals and metals from 23 percent to 15 percent.

The percentage depletion allowance for the oil and gas industry is, in my opinion, the biggest of all tax loopholes, and amounts, in effect, to a subsidy of $1½ billion a year.

Exclusive of the depletion allowance, the oil industry is allowed to write off all developmental, drilling, and operating costs tax free against net income. It can also charge off the cost of drilling unsuccessful wells or dry holes. These allowances are proper costs of doing business. But the additional allowance of 27½ percent of gross income, up to 50 percent of net income, is a $1 billion tax favor for the oil industry.

This tax favoritism toward the oil industry is gross discrimination against other industries. While the general corporate rate is now 52 percent, the 27 biggest oil companies paid only 17 percent on their net incomes between 1945 and 1954, and one large oil company paid only 9 percent on its profits.

If the 10 largest oil companies had paid the same average taxes as other large industries in 1955, the Treasury would have received an additional $600 million.

Besides this large tax loss, the depletion allowance also causes an immeasurable, permanent loss in natural resources, by encouraging unnecessary exploitation by prospectors who jump into the oil and mining industries to take advantage of this income-tax discrepancy.

With wells in oil-producing States now running only 7 days a month, any alibi about incentive taxes to encourage exploration for new oil has evaporated.

According to sober and responsible estimates, my amendment would recover half a billion dollars in taxes for the Federal Treasury.

Mr. President, one of the most disturbing developments of our time is the growing concentration of great wealth in the hands of those who operate the oil and gas industry and those who control the great insurance companies. In both cases, the staggering economic power that they are piling up, which dwarfs anything dreamed of by the robber barons of the 19th century, is a direct result of tax favoritism on the part of the Government of the United States. This kind of economic power has infiltrated and subverted political activity in an insatiable effort to win ever greater tax privilege.

Mr. President, there is no reason to postpone the long overdue curtailment of the favoritism shown the oil and gas industry.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. MORTON. Mr. President, I submit an amendment intended to be proposed by me to the pending bill, House bill 12181, a bill to amend the Mutual Security Act of 1954, and ask that my amendment be printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

Mr. MORTON. Mr. President, the amendment which I intend to offer deals with the subject of the expenditure of counterpart funds by Members of Congress. I should like to have it fully understood that I support Congressional travel. I think travel by Members of Congress is desirable. I felt that way as an officer of the State Department, and I feel that way as a Member of Congress.

However, I believe there should be public disclosure of expenses incurred. I do not desire any limitation on travel, and I believe that counterpart funds should be used. They are being eaten up by inflation in most countries. All we need is disclosure.

Not long ago we had before us a bill dealing with union welfare funds. It was very vehemently argued that what was necessary was not regulation, but disclosure. I think that is all that is needed in this case.

My amendment would merely require the filing of an expense account by the Member of Congress when he returned home, which account would become a matter of public record. When I traveled as Assistant Secretary of State, not only did I make an official report to the Department, but it was made a matter of public record, for public information. I do not mind making my expense accounts public when I travel as a Member of Congress. I believe that making such accounts public would safeguard the entire system. That is all we need to do to stop irresponsible talk and rumors in this connection. If there have been any abuses in the past—and I must admit that probably there have been isolated cases of abuse—such abuses can be avoided if we adopt a simple amendment which will lead to public disclosure.

Mr. WATKINS submitted an amendment, intended to be proposed by him, to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. SMATHERS submitted an amendment, intended to be proposed by him, to House bill 12181, supra, which was ordered to lie on the table, and to be printed.

Mr. HUMPHREY submitted an amendment, intended to be proposed by him, to House bill 12181, supra, which was ordered to lie on the table, and to be printed.

EXTENSION OF CERTAIN CORPORATE AND EXCISE TAX RATES—AMENDMENT

Mr. COTTON. Mr. President, I submit, for appropriate reference, an amendment to the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

As Senators know, H. R. 12695, which now is pending before the House of Representatives, provides for a 1-year extension of the existing corporate and excise tax rates.

This amendment provides a moratorium on retailers' and manufacturers' excise taxes. The temporary suspension of these taxes would last until December 31, 1958.

This is one tax cut which will start the ball rolling toward a recovery from the present slump, and yet will not embark the Government on a permanent, long-term reduction of revenues. It will lay the foundation for a period of sound, sustained growth in the economy.

The moratorium on excise taxes, as provided by the amendment, would be the signal for a nationwide bargain sale, and would be a fast acting shot in the arm for sales, production, and employment. It would stimulate manufacturers and businessmen to cut their prices, and would result in real, across-the-board price cuts in almost every line of goods.

Such a moratorium would help most the industries which have been hit hardest—steel, automobiles, appliances, and manufactured goods. It would help consumers, by lowering costs. It would strike a direct blow against a major cause of the recession—namely, high prices and buyer resistance. And, by

producing lower prices, it would raise a new barricade against inflation.

Frankly, Mr. President, I believe the hour is late for a moratorium on excise taxes. But it is not too late. Such a tax suspension will still do wonders for the economy, for the unemployed, and for the consumer, in my opinion. It will adapt for the Government the same technique that wise businessmen have used for years—namely, a bargain sale whenever sales are lagging and shelves are filling.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GREEN:

Address, entitled "Woman's New Role in the World," delivered by him on June 2, 1958, at Western College for Women, Oxford, Ohio.

By Mr. TALMADGE:

Address delivered by Senator RUSSELL at the commencement exercises of Georgia State Teachers College on June 2, 1958.

By Mr. WILEY:

Statement by him on progress toward better provision for the needs of brilliant children.

A NATION STILL YOUNG—ADDRESS BY SENATOR JOHNSON OF TEXAS

Mr. PROXMIRE. Mr. President, the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON], delivered on last Saturday a commencement address to the graduating class of the University of Houston. In the address, he soberly assessed the reasons for the decline of American leadership, and challenged his youthful audience to meet with boldness and imagination the problems and opportunities of tomorrow.

Nations, like people, said the majority leader, grow older and assume the burdens of maturity. The American Nation is still young; but across the world there is a rising demand for American greatness, a demand which, unfortunately, we are not meeting. In the last 12 months the "assumption of American leadership among the community of nations in the West has been seriously undermined."

Why is this so? The distinguished Senator from Texas said we have not been fair either to our friends or to ourselves.

With our friends, we have "placed reliance upon dollars alone to buy what cannot be bought; what we once got free by the exercise of inspiration and leadership."

More than that, we have not stood up for our own ideals.

We have preached freedom but patted the foes of freedom on the back. We have accorded friendship to leaders of other governments who stood in those lands for what we oppose at home. We have trafficked in expediency, and sold ourselves down the river for doing so.

And we have deluded ourselves about the problems we have not solved, but should solve.

In the address, the majority leader made it clear that we cannot meet with dollars alone the world's demand for American greatness; we can meet it only by taking spiritual inventory, and by making America "freedom's meeting ground" where the ideas of the Free World can be applied with imagination and reason to the problems of the world.

Mr. President, few men of his time can match the record of leadership of the senior Senator from Texas. Nevertheless, this address demonstrates that he faces the challenge of the future with at least as much eagerness as do any of his youthful auditors.

I ask unanimous consent that the address delivered by the majority leader, which is entitled "A Nation Still Young," be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A NATION STILL YOUNG

(Address by Senator LYNDON B. JOHNSON, of Texas, at University of Houston commencement exercises, Houston, Tex., May 31, 1958)

President Bruce, members of the class of 1958, on your programs, the ceremonies of this evening are described as commencement—a time of beginning.

Unless commencement has changed greatly since I sat where you of this class now sit, the thoughts that fill your minds at this hour are less of the future than of the immediate past.

For the happy years you have spent on this campus, there is now a time of ending. I am sure that it is not without a measure of sadness—and even of reluctance—that college is left behind.

BURDENS OF MATURITY

That is one of the burdens of maturity. As we grow older, we are not permitted to linger over the certainties of yesterday. We must, instead, turn constantly to meet the uncertainties of each new day and the unknowns of each new tomorrow.

Maturity reserves its rewards for those who turn most willingly to face the future's challenge.

As it is with each of us in our personal lives, so it is also with our Nation.

Nations, too grow older. Nations, too, assume burdens of maturity. With nations, as with individuals, maturity requires a turning away from the certainties of yesterday to meet the uncertainties and unknowns of the present and the future.

At this hour of your graduation, it is fitting, I believe, to make this comparison—for you and your Nation face together much the same sort of challenge, traveling side by side the long road, toward maturity.

A CHALLENGING JOURNEY

Dim as the distant horizon may be, I envy you your journey.

I envy you, not because the course of your journey is safe and forseeable but because it is not. You will, of necessity, have to meet and to master challenges of greater dimension than any generation before you has faced.

This I consider no fearful prospect, but a future of the very greatest promise. Life without challenge is life without reward.

Whether among men or among nations, absence of challenge can only mean mediocrity—and in such a climate, greatness cannot flourish.

CALL TO GREATNESS

Looking about us at the world today, we can see on every hand a rising demand for American greatness—a greatness of mind and spirit and character and purpose such as has never been demanded of us in the past.

We have come to the time of a great national rebuilding.

We must rebuild the American spirit and, with it, the fiber of the American character.

We must rebuild the American image before the world, and, with it, the world's respect for the principles for which America has stood.

We must rebuild the American position and, with it, the strength of freedom as the most powerful force at work in the hearts of the human race.

And we must realize above all that the path to the future does not lie solely in physical and material resources. We must concentrate on the humanities and the social studies with the same fervor that we pursue the arts of physics and engineering.

It is as important that we learn to get along with our fellow human beings as it is that we learn to build satellites and spaceships.

CERTAINTIES CHALLENGED

From the day you completed your junior year to this night when you come to the end of your senior year, many basic American assumptions have undergone the greatest change and challenge.

The assumption of American technological superiority has been made subject to direct and serious challenge.

The assumption of American economic stability and permanent American prosperity has been dealt a blow which commands respect and attention.

The assumption of American leadership among the community of nations in the West has been severely undermined.

FREEDOM'S WORLD IS SHRINKING

As Americans, we do not live now in the same world we knew 12 months ago. Our resources, our capacity, our knowledge, our competence are the same, undiminished and unfettered. Yet only the willfully blind can fail to see that America's world is shrinking, that the shoreline of freedom is receding.

France, the center of the great North Atlantic line against Soviet imperialism, is disintegrating in chaos.

The Middle East is aflame with the bright fires of nationalism.

North Africa is covered with a pall of smoke from smoldering ruins of colonialism.

Canada stirs under an awakening spirit of independence and challenge to our policies.

The once friendly lands to the south of us are exploding with old resentments and new ambitions.

On every hand, men and nations we have counted on the side of freedom are challenging openly and angrily our own assumption that we were secure as leaders of all freemen. It would be all but impossible to overstate the seriousness of this challenge.

A LONELY ISLAND

If we continue long on this course, America will be left as an island in an angry sea of world contempt. We shall be poor amid our abundance, ignorant amid our knowledge, weak amid our strength, and without hope amid all our promise.

This must not come to pass.

America must not stand with cotton in its ears and hands over its eyes and pretend that it neither hears nor sees the walls of freedom crumbling at its feet.

What has happened to the American position?

THE DARING OF YOUTH

I do not presume to suggest that there is a single and final answer. But I do believe the answer lies somewhere within the fact that we have drifted away from the fundamental truth that America is a young nation with the best years of its life still to be lived.

Through all the years of America's growth to preeminence in the world we have moved forward with the inner fire and ambition of youth. We have had the daring and self-confidence of youth. We have not had the smugness and contentment that sometimes comes with age.

Americans have tamed rivers, leveled mountains, joined oceans together, made deserts bloom, fought with the winds to reclaim the dustbowls. We have built great cities in the wilderness and brought the wonders of electricity to rural homes.

For all the peoples of the earth who had yet to accomplish these goals, America was an inspiration, and the freedom for which America stood was their goal and their dream, too.

FEAR AND CAUTION

I cannot believe that it is entirely coincidence that the state of America's position in the world has come about so promptly in the wake of a changing American attitude toward these enterprises which have been the showpieces of freedom.

Our American attitudes have changed.

We have grown fearful and cautious about building great dams to harness the power of our streams.

We have derided public projects as pork barrels.

We have filed our plans on the shelf and tucked our dreams away in drawers.

We have told ourselves and the world that the American economy was mature, that it required no more expansion, that its great threat was overexpansion.

Beyond this, we have lectured to our friends, scolded them, and preached to them and talked down to them. We have complained about their backwardness, their lack of development, their need to work harder and sweat more in pursuit of the carrot of American dollars we dangled before them.

TWOFOLD TRAGEDY

The tragedy was twofold. We have been neither fair to them nor to ourselves.

We have placed reliance upon dollars alone to buy what cannot be bought. Aid to other nations has never bought for us what we once got free by the exercise of inspiration and leadership. Without such inspiration and leadership, aid itself becomes a cynical and corroding gesture, which diminishes the self-respect of both the giver and the receiver.

We have preached freedom but patted the foes of freedom on the back. We have accorded our friendship to leaders of other governments who stood in those lands for what we oppose at home. We have trafficked in expediency and sold ourselves down the river for doing so.

We have, most seriously of all, deluded ourselves about what we need to do here at home.

America is not a land where all problems are solved, where all answers are written, all the examinations passed. We still face the future of a young and growing land.

A TIME OF TOTAL CONFIDENCE

Thirty years ago, when I sat at commencement in San Marcos, the members of my class looked forward with total confidence to a world of certainty and stability. The war to end all wars had been fought. America was isolated and immune, free of danger of involvement in foreign wars.

The economy was prosperous. Except in the most academic way, none of us knew the meaning of the word "depression."

AN ABRUPT AWAKENING

But in a matter of months, each of us knew in the most personal way the real and raw meaning of depression. In a matter of years, we could see the forming of the clouds of war over Europe and Asia—and finally over our own land.

In my own case, my whole life since college has been consumed with problems and challenges which were unknown—did not, in fact, exist—on the night that I graduated from college.

IN 5 MORE THAN 50

For you in this class of 1958, life may hold much the same pattern.

You will work in fields that are not yet named.

You will live by skills that are not yet known.

You will travel to stars and planets that cannot now be seen by the naked eye.

You will know worlds and wonders that do not even have a place in our fiction and fantasy.

Your world will change more in 5 years than the world of your fathers has changed in 50 years. And it will change more in your lifetime than it has changed in the 2,000 years of Christendom.

But you will realize the promise and the opportunity and fulfillment of this world only if America returns to its traditions of expansion and challenge and daring. You will realize it only if America recaptures the spirit of youth and ambition and self-confidence.

How can our Nation recapture such a spirit?

Many Americans are asking that question but many who ask it despair of finding the answer and thus resign themselves—and the Nation—to a state of hopelessness.

GREATNESS NOT FOR SALE

I do not presume to say that I have the answer or that any other one person has it or should have it. It is an error of the most serious sort for Americans to blame our national troubles on individuals or expect those troubles to be resolved by individuals alone.

In our world today—and in the foreseeable world beyond—Americans will not find the secrets of greatness packaged neatly in one-man leadership or one-idea thinking. We cannot buy greatness with our check books.

What we freely need in America today, it seems to me, is a rekindling of the search for truth, the search that leads us into exploration of the frontiers of the human mind. With all that we have done, with all that we have attained, we have as yet barely penetrated these frontiers.

NO MAPS, HIGHWAYS, OR MOTELS

How is this to be done?

I think we might well compare our challenge with the challenge that faced earlier generations who opened the frontiers of the American West. They had no road maps, no superhighways, no motels along the way—but they went into the West together, gaining both strength for the task and security from the hazards by traveling in bands and groups.

Our Government did not and could not order the American settlers into the West, nor could Washington guarantee what they would find. But Washington could—and Washington did—offer incentives for those who dared the wilderness and by those incentives a continent was won for freedom.

We can today apply that same pattern to our own times and our own challenges.

America and Americans cannot explore the distant frontiers of human knowledge alone and neither can we expect all the pioneering to be done by or in the capital city of Washington.

This is a joint adventure. Let's make it that in truth.

SPIRITUAL INVENTORY

Let's set in motion without apology a frank and open search for new ideas, new decisions, new careers.

In each State and in each region, let's bring together the finest of minds—young and old—to reexamine both our attainments and our ambitions. Let us inventory our intangibles as well as the obvious measures of our wisdom, and by so doing arrive at a new estimate of our potential and our problems.

Rather than dwell upon the differences and distinctions between our national regions and sections, let us make a start by bringing our people together as Americans to climb over the walls of our own provincialism to come to a better, first-hand understanding of one another.

CAMPUS OF FREEMEN

In our relations with other nations, let us travel this same road and travel it together.

Today, in the eyes of the world, Washington is seen as a capital of power—a distant and sometimes indifferent city of wealth and authority. I say, let us set about to make Washington and all of America the campus of freemen where men and women of young lands can come to discuss their work together in a climate of real freedom.

Let us use the round table, the seminar and the lecture room as instruments of freedom and make America the spiritual leader of the awakening that is now stirring the West.

We can, I am sure, safely invest each year at least the cost of two nuclear bombs in the building of great new libraries. We can channel the costs of an army division into the support of great new schools for the humanities. We can certainly set aside a percentage of our national budget for the financing of the laboratories and other facilities required to set in motion a program of pure research.

We can, with applied imagination, far outdistance the lands of tyranny in opening the way for men to search for truth along the unexplored frontiers of human capacity.

FREEDOM'S MEETING GROUND

America cannot forever sustain the burdens of a mammoth military. We must and we can invest a greater portion of our wealth in creative endeavor, leading the world not merely in the provision of instruments of war but in the provision of the arts of peace. Out of the ferment of such labors, we shall enrich our own lives and add to our own strength as well as to the strength of freemen everywhere.

Let's make America the meeting ground for freemen and freemen's ideas. Let us not merely bring the young here to teach them but bring their elders here to help teach us. Let us not confine our exchange programs to the graduate students but bring to America the farmer of India, the worker of Europe, the teacher of Latin America—bring men and women of all stations of life, so that we can learn from them and they can learn from us.

This, as I see it, is a way to revitalize the spirit of our Nation and to recapture the wisdom that comes only from a continuing search for new ideas.

It is your personal challenge—and the challenge to your elders—to set America on this course again, not tomorrow, not next year, but now.

CHALLENGE TO YOUTH

Stale and static policies, good though they were yesterday, may not still be good today. Searching reexamination is in order and it must begin soon, for we have little time to linger and wait for better days to return.

We need to dwell on what America can do—not on what our Nation can't do.

We need to chart our course by what America should do—not by what it should not do.

This is the spirit of youth, the spirit you carry in your hearts tonight as you enter the world beyond this campus. It is the spirit that your Nation must emulate as it enters a world beyond the dimensions of any known in the past.

The challenge immediately before us is great.

The challenge beyond—the challenge to your generation—is greater, but, in the mastery of that challenge lies reward and promise far greater than any generation has known.

I envy you. I wish to each of you Godspeed.

IMPORTANCE OF SAVINGS

Mr. HOBLITZELL. Mr. President, I believe the Treasury's decision to offer a 3¼-percent bond is a recognition of the importance of the saver and of savings to the soundness of recovery and our next wave of prosperity. There was much concern a year ago over the fact that the rate of saving in the United States was lagging in relation to the rate of growth and of borrowing in our national economy. There is even reason to believe that this is one of the big reasons why the 1955–57 boom outran its steam. The Treasury's decision to include a long 3¼-percent bond in the current financing operation was a hard one to make. But it will be appreciated by all who have the well-being of savings and savers in the Nation at heart.

I ask unanimous consent to have printed in the RECORD an editorial from the American Banker of June 3, 1958, entitled "A Lift for Thrift."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A LIFT FOR THRIFT—NEW 3¼-PERCENT UNITED STATES BOND HINTS 3 PERCENT CAN BE CONTINUED ON SAVINGS

Amid the flurry of criticisms evoked by the Treasury's announcement of an offering of $1 billion, 27-year 3¼-percent bonds at 100½, permit us to raise one small voice of applause on behalf of the thrifty American. For him, Secretary of the Treasury Anderson has done just right.

Many tongues will be heard taking the Treasury to task for paying a 3¼-percent rate in a recession period. They will say that the money could have been borrowed more cheaply; that the Treasury is taking out of the money market funds which would contribute to recovery if left available for municipal, corporate, and housing borrowers; that liquidity is more desirable than lengthening of the debt; that a new 3¼-percent rate anchor at the long end of the Treasury securities yield curve interferes with the theoretically desirable policy of lowest possible interest rates to foster borrowing and business recovery. In short, that a 3¼-percent bond at this time was the wrong thing.

Yet the Treasury undoubtedly had assurance from the committees representing the savings, insurance, pension, and other institutional investors that they had the funds in sight for $1 billion of long-term bonds over and above the probable needs of other long-term borrowers. It is significant that last week, for the first time, a committee of savings and loan executives was invited by the Treasury in the series of conferences preliminary to the announcement of the financing. The savings and loans, it has been indicated, are becoming more interested in building up secondary reserves of United States Treasury paper these days, and would like to put less of their deposit growth into mortgages.

In the various conferences which the Treasury held with savings institution representatives, it was probably pointed out that the supply of funds coming into the market for investment in the near future would so exceed the demand that yields would be pushed lower and lower on long-term securities—and someone would get hurt again when more nearly normal interest levels return. It is not so long ago that United States Treasury 4's were selling under par and the 3's of 1995 under 90.

Extremes in matters of finance are always bad. Interest rates are no exception, and in the long run the cost to the Treasury of a 3¼ percent, 27-year bond as compared with 2½ percent for a 5-year bond, may be well worth while. Certainly, in the light financial history, 3¼ percent is not a high price to pay for the use of the public's savings over a period of a quarter century.

The Treasury's objective of lengthening out its debt, and thus getting more of its paper in the strong hands of investors and thrift institutions is sound policy. When the foreseeable supply of funds affords opportunity to put a bit more of our near $275 billion Federal debt into long-term paper, it is simply common sense to do so.

Not to be overlooked is the fact that this $1 billion cash which the Treasury wants in exchange for the new 3¼ percent bonds is going to be spent, and spent quickly as part of the Treasury's regrettable, but probably inescapable, $3 billion current fiscal year deficit. This $1 billion will certainly find its way back into the Nation's spending stream faster than if it were borrowed by housing builders, municipal authorities, or corporations. In other words, there will be no stagnation or deflationary effect from this issue of a billion of new Treasury bonds. As much of a contribution to recovery will be made by the Federal Government spending this billion as any borrower could make; more than if corporations or other borrowers floated long-term issues simply to pay off bank debt.

However, it is from the point of view of the saver that the Treasury's decision to issue a 3¼-percent bond is most important to the banking world. It seems to hint an answer to the question whether banks and other savings institutions will have to cut rates being paid to savers. As long as paper yielding more than 3 percent is available in these slump months, banks now paying 3 percent or savings institutions paying 3¼ percent will hesitate to cut the rates being paid to the public. (It should be recalled that the actual cost to most savings institutions and departments of a 3-percent interest rate is more often than not in the neighborhood of 2.67 percent because of the turnover of accounts, withdrawals, and methods of computation of interest.)

And the level of interest rates is important as a factor in stimulating and rewarding the accumulation of savings. At the New Jersey bankers' convention a few days ago, President Hayes, of the Federal Reserve Bank of New York, pointed out that the problem of monetary policy in the Nation is to tread a narrow path between a level of interest rates low enough to attract borrowers but not too low to attract savings.

We believe that the Treasury's decision to offer a 3¼-percent bond is a recognition of the importance of the saver and of savings to the soundness of recovery and our next wave of prosperity. There was much concern a year ago over the fact that the rate of saving in the United States was lagging in relation to the rate of growth and of borrowing in our national economy. There is even reason to believe that this is one of the big reasons why the 1955–57 boom outran its steam. The Treasury's decision to include a long 3¼-percent bond in the current financing operation was a hard one to make. But it will be appreciated by all who have the well-being of savings and savers in the Nation at heart.

MUTUAL SECURITY

Mr. WILEY. Mr. President, for several days we have been discussing the mutual security bill. It is very apparent that there is considerable disagreement over it. Some Senators are very much in favor of it. I am one of those. From the fine remarks made by the distinguished acting majority leader, the Senator from Georgia [Mr. TALMADGE], I would say he was opposed to it. That is a part of life in this American forum. That is true not only in the Senate, but in the press, in the pulpit, and elsewhere. We have a right to disagree.

I received a letter from a friend of mine, a part of which I shall read:

ALEXANDER WILEY: This is what I think of your report.

There were enclosed cut-up pieces of paper.

The letter stated further:

Have you ever thought of retiring?

The letter further stated:

If you have any more on this subject, don't write me.

The letter was signed "Disappointingly yours."

It was not a new experience to receive that kind of letter, but it caused me to do a little philosophising. I made up a little poem and sent it to the writer of the letter. It expresses the American philosophy in no uncertain terms. I wrote to her:

It is good that folks like you and me,
Can agreeably disagree,
Over our political and religious thought.
A few years back we would have fought,
And blood would have been shed.
Now we have law instead.
And arbitrary power is checked,
So liberty will not be wrecked.
The Constitution stands supreme,
Let those who will, snort and scream.
Disappointingly yours,
ALEXANDER WILEY.

WASHINGTON, D. C. *June 2, 1958.*

I have taken the liberty of expressing these thoughts on the floor of the Senate because there has been in the days that have gone by and there will be in the days that are ahead much disagreement on vital issues; but we can argue the issues in the Senate and still be friends. What is more, we have learned to give credit to those who disagree with us, the credit of being honest and of having different views because of differences in background—geographical, economical, religious, and political. Consequently, we see issues from different standpoints. That is the reason why I wrote the little note, in the form of a poem, to the writer of the letter from which I just quoted. If any "fireworks" are contained in the reply, and they are significant enough to sustain or overthrow the position which I have taken, I shall be glad to include the reply in the RECORD.

THE MINNESOTA IRON-ORE INDUSTRY

Mr. HUMPHREY. Mr. President, in recent days Skillings' Mining Review, published at Duluth, Minn., has quoted the most informed observers as estimating that iron-ore shipments by lake freighter from the Lake Superior region may dip this year to the lowest point since 1939, when only 45 million tons of ore were shipped.

Most estimates now indicate an ore movement of only 50 million to 60 million tons from the Lake Superior ports this year, as compared with shipments of 84,600,000 tons from the region last year—most of it from Minnesota. This, I emphasize, will be the lowest level of shipments since 1939.

The new taconite plants of Erie and Reserve Mining Cos., producing a new type of high-grade iron ore through a complicated mining-manufacturing process, have already been severely cut back. The beginning of the shipping season for direct shipping ore was delayed this year for almost a month, despite good shipping weather. Families throughout Minnesota's great iron range are severely hit by the plummeting drop in the demand for iron ore.

These are conditions which experienced observers could predict months ago, as the dimensions of the current recession began to emerge. The uneven pattern of Minnesota's iron range employment, resulting from the seasonal character of open-pit mining in northern Minnesota, is always accentuated during times of general economic recession.

Mr. President, the distinguished Representative from the Eighth District of Minnesota [Mr. BLATNIK] and I have over the years many times discussed measures to stabilize the employment pattern on Minnesota's Iron Range and to bring about a steady growth of economic opportunity. On February 20 of this year we issued a joint statement concerning our projected efforts toward this goal during 1958. I ask unanimous consent to have printed at this point in my remarks the text of the joint statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BLATNIK, HUMPHREY ANNOUNCE PLANS TO HELP STABILIZE NORTHEASTERN MINNESOTA ECONOMY

Plans designed to help stabilize the employment level on Minnesota's iron range and to encourage a steady expansion of economic opportunity for northeastern Minnesota are nearing completion, Congressman JOHN A. BLATNIK, Democrat-Farmer-Labor, of Minnesota, and Senator HUBERT H. HUMPHREY, Democrat-Farmer-Labor, of Minnesota, announced today.

In a joint statement the two Minnesota Democrat-Farmer-Laborers said that their studies and discussions over the past several years have indicated five clear lines of progress by which Federal and State action can assist northeastern Minnesota to break the highly erratic employment pattern of past years.

"During this session of Congress," they said, "we expect to press for action in the following areas:

"1. Research and development of Minnesota's tremendous low-grade mineral resources, particularly nonmagnetic taconite.

"2. Encouragement of expanded production of magnetic taconite.

"3. Regulation of imports of foreign iron ore.

"4. Expanded research into the utilization of Minnesota's extensive peat resources.

"5. Encouragement of new industries in northeastern Minnesota, particularly in the field of timber utilization.

"6. Acceleration of the preparation of Duluth Harbor to meet the opening of the St. Lawrence Seaway and the deepening of the connecting channels of the Great Lakes."

"The principal economic problem in northeastern Minnesota," HUMPHREY and BLATNIK said, "is the highly erratic level of employment resulting from virtual dependence on one industry, and aggravated by a sharply increasing importation of foreign iron ore during the past 5 years."

"In order to remedy this situation, positive programs must be undertaken to provide alternative sources of income for the area; but at the same time a serious effort must be made to deal with the unfortunate fact that when steel production drops, the only serious reduction in iron ore production occurs in Minnesota, while the imports of foreign iron ore continue to rise straight through the steel cutbacks," they pointed out.

"Principal effort to increase the utilization of Minnesota's low-grade mineral resources," the two legislators said, "will be the securing of funds this year to construct the Bureau of Mines Minerals and Metallurgical Research Laboratory now being designed for a site on the Fort Snelling Reservation in St. Paul." Despite administration opposition, the two are seeking appropriation of $1,718,000 to permit the laboratory to commence operations by midsummer 1959.

"Of course we will expect the laboratory to commence work immediately with the University of Minnesota in the development of a commercial process for nonmagnetic taconite," they said.

"Expanded magnetic taconite production should be strongly encouraged, for taconite plants provide the kind of stable, year-around employment that the range area so badly needs.

"Both here in Washington and throughout Minnesota, the mining companies should be encouraged in every way to increase taconite pellet production capacity in Minnesota," HUMPHREY and BLATNIK recommended.

Referring to the increasingly erratic pattern of employment in mining in northeastern Minnesota, BLATNIK and HUMPHREY pointed out that since 1952 iron ore production in Minnesota has wavered between 68 million tons and 104 million tons, varying sharply from year to year, with consequent severe unemployment in bad years. Employment in the iron mines next summer, they pointed out, would undoubtedly be adversely affected by the sharp cutbacks in steel production this year, currently running at about 54 percent of total capacity.

"Iron ore imports, on the other hand," they pointed out, "show a steady increase during these years of Minnesota ore production fluctuation." The last firm figures, they said, indicate that 22 million tons were imported from Canada and Venezuela alone in 1956, compared with about 75 million tons shipped from Minnesota to the lower lakes. By 1965, they predicted, under the present pattern, 34 million tons of foreign ore can be expected to come in through the St. Lawrence Seaway.

The two Minnesota legislators revealed that the Office of Defense Mobilization has almost completed a several years' study of the pattern of iron ore production and its relation to the national defense, and said that "as soon as ODM has digested this report, we are to meet with the Administrator of ODM, Gordon Gray, to discuss such possibilities as stockpiling, and import quotas, and other means to prevent the unilateral cutbacks in Minnesota production during years of low steel production."

"Peat utilization can open up a whole new energy resource for northeastern Minnesota, and we are seeking substantial Federal participation in the research program on peat," they said.

"Minnesota's vast peat deposits look more valuable every day," the two legislators pointed out, commenting on the important material gathered by the Iron Range Resources Commission on its recent inspection trip to the Soviet Union to study the utilization of peat.

New industries for northeastern Minnesota are a must, HUMPHREY and BLATNIK declared. "Particularly a way must be found for better use of the extensive timber resources of this area." In this connection they announced that they were seeking this year an increase in the budget request for the Lakes States Forest Experiment Station at Grand Rapids, "not only for better wood utilization, but for the better maintenance of sustained yields on northeastern Minnesota forest lands."

Mr. HUMPHREY. Mr. President, since mid-February, our predictions that employment in the iron mines this summer would be adversely affected by the sharp cutbacks in steel production have unfortunately been most accurate. At the same time, in Congress we have taken some steps this session toward making possible a long-range solution to many of northeastern Minnesota's economic problems. Among the chief accomplishments of this session has been the providing of the construction funds for a new Bureau of Mines Minerals Research Laboratory, despite the failure on the part of the administration to request such funds. This laboratory, commencing in 1959, is expected to initiate intensive research into the commercial development of nonmagnetic taconite—an iron-bearing rock appearing in tremendous quantities in northern Minnesota. In addition, the laboratory anticipates research into the utilization of Minnesota's vast peat deposits, and many low-grade ores such as manganese which are plentiful in northern Minnesota and the North Central States area.

I am most grateful to the distinguished chairman of the Committee on Appropriations [Mr. HAYDEN], and the distinguished chairman of the Committee on Interior and Insular Affairs [Mr. MURRAY], for their fine assistance in providing this laboratory, as well as to the House conferees who concurred in the Senate amendment providing $1,719,000 for this laboratory.

Other amendments to the Interior appropriations bill which constitute constructive additions to our program for the rehabilitation of the northeastern Minnesota economy were added in response to my request. These include a $200,000 addition to the research facilities at the Lakes States forestry station at Grand Rapids, and an addition to the 1959 budget for timber management research at this fine Forest Service station. Altogether, we increased the President's budget for forest research by more than one-third, an increase which will greatly

benefit northern Minnesota's forest industries. We also increased the budget request for reforestation and stand improvement, insect and disease control, assistance to the States for their tree-planting programs, and for the construction and maintenance of timber access roads and forest trails.

Representative BLATNIK and I are joining also in requesting an increase in the appropriation for continuing the construction of the Great Lakes connecting channels, so that Duluth and northern Minnesota will be able to benefit from the opening of the St. Lawrence Seaway by 1962. Until the connecting channels are deepened to 27 feet, oceangoing vessels coming up the St. Lawrence will not be able to steam directly to the port of Duluth. We have urged the appropriation of $30 million for the coming fiscal year, to permit full utilization of all the Corps of Engineers resources on this project during fiscal year 1959.

I am resisting the pleas of many who have called for a tariff on imports of iron ore—despite the mounting evidence that American steel and mining companies are accelerating their imports of iron ore from Canada and South America at the expense of the mining industry in the Great Lakes area, and particularly the iron range of Minnesota.

I am satisfied that the real reason for the sharp cutbacks in American iron-ore production is the general depressed state of our economy, and the particular rate of production of the steel industry itself. The best short-range solution for the mining industry, of course, will be the restoration of the purchasing power of the American consumer, and for this reason I have been urging a tax cut for consumers and a broad program of public works to provide additional useful and constructive jobs.

We also need the foreign markets provided by our international trade program, and that is why I continue strongly to support the reciprocal trade program.

Nevertheless, the latest figures on the imports of iron ore, principally from direct-shipping mines owned and operated by American firms, are very sobering. During 1957, according to the United States Bureau of Mines, there was another increase of 10.9 percent in total iron-ore imports—or a total of more than 33.7 million tons. This figure is 42 percent above imports in 1955. Increases from American-owned South American mines alone were up last year 80 percent over 1955.

Based on the estimates of direct-shipping ore planned to be mined in new deposits being developed in Brazil, the rate of imports will continue to increase during 1958.

It is clear, from a study of comparative iron-ore production on the Minnesota iron range, and the imports of iron ore since 1952, that during years of lower steel production, the steel companies have been deliberately reducing the production of Minnesota ore, while they have taken no steps to equalize the layoff burden by reducing production concurrently in their American-owned foreign mines. This pattern was particularly clear in 1954 and 1957, and seems destined to be followed in 1958.

The result is either feast or famine for the Minnesota iron range. In the good steel-production years, Minnesota mines are worked to the limit; in the bad years, Minnesota miners are laid off to an extent proportionately far greater than the cutback in American steel production. Iron-ore imports continue to rise straight through the years of falling steel production.

The steel industry has a heavy responsibility to the Nation to develop a new American source of iron ore to replace the fast-dwindling high-grade direct-shipping Minnesota ores. In Minnesota, with the beginnings of a new taconite industry, two major companies have begun such an effort. But the leadership of the steel industry has as yet taken no major steps to provide an adequate iron-ore base for the industry within the continental United States. Rather they have concentrated on the development of vast new direct-shipping ore deposits in South America, Canada, and Liberia.

Certainly these deposits should be developed, and surely our expanding economy in good years will need these new supplies of ore. But to concentrate on the development of these overseas ores to the exclusion of an effort to develop a new domestic mining industry is to create both hardship in the Minnesota iron range and a clear danger to the Nation.

If the dominant interests in the steel industry continue to ignore the infant taconite industry, and to throw the weight of mining cutbacks on the miners of Minnesota, they are going to force serious consideration of some form of restriction on imports of iron ore, probably through the imposition of a flexible quota system which would be operative in times of economic slump.

Frankly, I do not relish the thought of any restrictions on trade. But in a matter which is so vital to the defense of the United States as the steel industry, nothing must be permitted to block the development of an adequate submarine-proof iron-ore source.

I wish to take particular note of the tremendous pioneering work of Dr. E. W. Davis, formerly of the University of Minnesota, who almost singlehandedly developed the first commercially feasible process of converting taconite into high-grade iron ore. Truly, he is one of the giants of the American mining industry.

At the same time, tribute should also be paid to two great companies in the steel industry whose willingness to invest over half a billion dollars in the construction of taconite-processing facilities has created the beginnings of a new industry in northern Minnesota. These two companies are Erie Mining Co. and Reserve Mining Co. Of course their pioneering work could not have been undertaken had it not been for the strong support of such political leaders in northern Minnesota as Representative JOHN A. BLATNIK, who worked tirelessly and successfully to develop special State-tax legislation to encourage the investment in taconite.

But the two major taconite-processing operations in Minnesota are only a start. They have proved that taconite can be tailor made for specific types of steel processing. They have demonstrated the feasibility of a taconite industry in Minnesota supplying the steel mills with perhaps 30 million tons of taconite agglomerate each year.

Still, not every important segment of the American steel industry has yet moved to join in the effort to create a strong taconite-processing industry.

I hope and trust that the steel-industry leadership will once again prove its intelligence, initiative, and patriotism by taking the necessary steps, without further delay, to accelerate the full development of Minnesota taconite, and thus make unnecessary any action whatsoever by the Government of the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a second statement which was issued jointly by Representative BLATNIK, of the Eighth Congressional District of Minnesota, and myself, dated May 26, 1958.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there objection to the request of the Senator from Minnesota?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HUMPHREY, BLATNIK CITE PROGRESS TOWARD MORE STABLE RANGE ECONOMY

Senator HUBERT H. HUMPHREY, Democrat-Farmer-Labor, of Minnesota, and Congressman JOHN A. BLATNIK, Democrat-Farmer-Labor, of Minnesota's Eighth Congressional District, yesterday meeting with Minnesota iron range leaders in Rochester, reported their success last week in gaining funds for a new Bureau of Mines Research Laboratory in Minnesota and for the expansion of forest research facilities at Grand Rapids, Minn. These, they said, are major steps toward their goal of helping to build a more stable iron range economy.

"A program of far more intensive research and development of northern Minnesota's rich undeveloped resources, such as nonmagnetic taconite and peat, and the better utilization of northern Minnesota's timber and pulpwood stands, is now a certainty," the two Minnesota legislators declared.

HUMPHREY and BLATNIK had high praise for Governor Orville Freeman's leadership in Minnesota in encouraging the study of iron range resources and seeking to bring new industry to the range, as well as Freeman's efforts to convince United States Steel that they should invest in taconite production in Minnesota at an early date.

At the same time, the Minnesotans served notice on the leadership of the steel industry that "if the dominant interests in the steel industry continue to ignore the infant taconite industry, and to throw the weight of mining cutbacks on the miners of Minnesota, they are going to force serious consideration of some form of restriction on imports of iron ore—probably through the imposition of a flexible quota system which would be operative in times of economic slump."

Referring to recent statements by Republican political leaders in Minnesota that Minnesota's iron ore tax laws were responsible for the present low rate of employment on the range, Senator HUMPHREY and Congressman BLATNIK charged that such statements are "completely irresponsible," and "ignore the central fact that the serious national recession brought about by Republican economic

policies is responsible for the fact that the steel industry is running at half-capacity."

"If the Republicans would just agree to increase purchasing power through a tax cut and a major public-works program," the two Minnesotans said, "the steel industry would find enough customers to light off its idle furnaces and begin to mine iron ore at a normal rate."

"At the same time," they said, "the dominant interests in the steel industry itself are aggravating the effects of the recession on the iron range by their reluctance to develop a 'submarine-proof' iron-ore resource in Minnesota through expansion of Minnesota's taconite production capacity."

Pointing out that iron ore shipments from the Great Lakes area this year are expected to dip to the lowest rate since 1939, BLATNIK and HUMPHREY took note of the 80 percent increase in iron ore shipments from American-owned South American mines since 1955.

"Certainly these deposits should be developed," they said, "and surely our expanding economy in good years will need these new supplies of ore. But to concentrate on the development of these overseas ores to the exclusion of an effort to develop a new domestic mining industry is to create both hardship on the Minnesota iron range and a clear danger to the Nation."

Other developments in Congress which affect the long-range stabilization of the range economy cited by the two legislators were their effort to increase the appropriation for the Great Lakes connecting channels to bring oceangoing shipping from the St. Lawrence Seaway to Duluth Harbor, and encouraging Congressional interest in their joint proposal for a 150,000-man youth conservation corps to provide useful conservation jobs in the national forests and other Federal and State-owned lands for young men, Indians, and unemployed woodsmen.

EXECUTIVE SESSION

Mr. SALTONSTALL. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

DEPARTMENT OF THE NAVY

Mr. SALTONSTALL. Mr. President, the Committee on Armed Services has reported to the Senate the nominations of four midshipmen to become ensigns upon their graduation from the Naval Academy tomorrow, Wednesday, June 4. Confirmation of these four nominations has been delayed. The Committee on Armed Services has approved the nominations. It is very important that the nominations go to the White House this afternoon, so that these men may receive commissions with the others of the class on graduation day, which is tomorrow.

Mr. President, under these circumstances, I ask unanimous consent that the nominations be acted upon by the Senate today, so that the four young men may receive their commissions with the other members of the graduating class.

Mr. TALMADGE. Mr. President, may I inquire of the Senator from Massachusetts what are the nominations to which he refers?

Mr. SALTONSTALL. The nominations of four midshipmen to be ensigns. The nominations of others of the class have been acted upon. These men have been delayed in having their nominations confirmed.

Mr. TALMADGE. I have no objection, Mr. President.

Mr. SALTONSTALL. I thank the acting majority leader.

The PRESIDING OFFICER. The nominations will be stated.

The legislative clerk proceeded to read sundry nominations of ensigns in the Navy, as follows:

George B. Greer, Jr., midshipman (Naval Academy), to be an ensign in the line of the Navy;

Eugene J. Peltier, Jr., midshipman (Naval Academy), to be an ensign in the Civil Engineer Corps of the Navy in lieu of ensign in the line of the Navy as previously nominated and confirmed;

Maurice H. Manahan, midshipman (Naval Academy), to be an ensign in the Navy; and

James L. Denny, midshipman (Naval Academy), to be an ensign in the Supply Corps of the Navy.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, these nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. SALTONSTALL. Mr. President, I move the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

OREGON REPUBLICAN PARTY STATEMENT ON POWER POLICY—CORRECTION

Mr. DWORSHAK. Mr. President, I request unanimous consent to have printed in the CONGRESSIONAL RECORD an article from the Oregon Journal which corrects a misrepresentation made recently in a hearing before the Senate Public Works Subcommittee.

At that time the acting chairman read into the record a telegram which purported to commit the Republican Party in Oregon to supporting the principles of a bill to turn the water resources of the Northwest over to an all-powerful five-man corporation.

I should like to have my colleagues read the clipping, which reveals that the statement read into the record was unauthorized by the Republican State organization. The telegram was sent by a former official of the party, and did not represent the thinking of the party, since there had been no opportunity to discuss the proposed bill at a party meeting.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMITH HITS STATEMENT—GOP POWER REPORT SIRES OPPOSITION

Ex-Gov. Elmo Smith, who early this year was chairman of the policy and action committee of the Oregon Republican Party said Thursday the statement on power policy issued Wednesday by William Niskanen, of Bend, was made without the authority of the Republican Party as such.

Niskanen sent a letter to Senator RICHARD L. NEUBERGER in which he said, as chairman of the "Oregon Republican power policy committee," that the Republican Party in Oregon approved in principle the creation of a regional power corporation. Niskanen's statement was accompanied by one from James P. Short, State GOP chairman, supporting the views of Niskanen's group.

Smith left the policy and action committee this spring after some young Republicans complained of his position there in view of the fact he was chairman of Mark Hatfield's gubernatorial campaign committee. In the same move Hatfield and Sig Unander, also on the policy and action committee, withdrew.

Smith said "I have checked records carefully and cannot find that authority was given at any time to Bill Niskanen to commit the Republican Party in Oregon to place in its platform an indorsement of a vaguely defined Federal power corporation.

"As chairman of the policy and action committee I appointed Niskanen to a power policy subcommittee which was to study the power problem and report back to the full committee. Neither he nor anyone else was empowered to impose a personal power philosophy on the Republican Party as a part of its platform," Smith said.

"In issuing his statement Niskanen misused the appointment given him, and, either intentionally or mistakenly, misrepresented his position to other party officials who thought in good faith he was carrying out an assignment.

"Before the Republican Party can evaluate a Federal power corporation proposal, a lot more detail of its makeup will have to be made available. I would suggest that a broad committee of openminded individuals interested in the general welfare of the State study the matter. Such a committee should not be abused to superimpose personal philosophies on the party."

LEGISLATIVE PROGRAM

Mr. TALMADGE. Mr. President, I announce, for the information of the Senate, that the unfinished business may be temporarily laid aside this afternoon in order that the Senate may consider Calendar No. 1613, S. 3506, a bill to authorize the transfer of naval vessels to friendly foreign countries. The bill has been cleared with the minority side.

RESTRICTION BY WEST GERMANY OF COAL IMPORTS FROM THE UNITED STATES

Mr. MORTON. Mr. President, I should like to read a very brief news item published in this morning's New York Herald Tribune. The article is entitled "Adenauer Would Put Import Ban on United States Coal." The article reads as follows:

BONN, June 2.—Chancellor Konrad Adenauer came out today for restricting coal imports from the United States after a meeting with labor and management of the West German mines.

The Government said Dr. Adenauer has instructed Economics Minister Ludwig Erhard, now visiting the United States, to inform the United States Government about the situation in the German mines, where miners have been on short time for 2 months.

The entire subject of reciprocal trade and the extension of the Trade Agreements Act will be before the Congress shortly. I hope it will be made abundantly clear to Minister Erhard, when he makes his representations to the United States Government, that reciprocal trade is a two-way street. Our coal mines are also on short time.

One of the causes of the demonstrations which took place in Venezuela is said to be threatened and actual United States restrictions on imports of fuel oil from Venezuela.

I point out that Germany sells a great many of its manufactured products in Venezuela. They are paid for with dollars generated by Venezuelan exports to this country.

International trade is a complex business. Sometimes the merchandise or products involved may move to one country, generating currency in another, the currency moving through 4 or 5 others before it gets back to the originating country.

I hope the German Government will think twice before it completely clamps down on the importation of United States coal. It is a great tribute to our coal industry and the miners of our coal that we are able to pay far higher wages to miners than they receive in any other country in the world; and yet we compete in the coal market almost everywhere.

FARM PRICES

Mr. HUMPHREY. Mr. President, there has been considerable newspaper comment and discussion about the recovery of agricultural prices and the purported general state of well being of the agricultural economy. I should like to present for the record a few statistics which I believe will give a reasonably objective evaluation of what has developed in our agricultural economy.

Farm prices for April, after 63 months, reached the level which prevailed when Secretary Benson took his oath of office in January 1953. A recent report from the Department of Agriculture indicates that farm prices were unchanged from the levels which obtained at the end of April 1958, so the parity ratio for the month of May is the same as that for the month of April.

In 1952 the farm parity ratio was 100. During the 5 years since 1952, it has averaged 86. During 1957 it was 82.

Prices of all livestock and livestock products in the month of May, despite the sharp increases in recent months, are still 8.5 percent below the level which prevailed in 1952 for livestock prices.

There has been a great deal of comment about the favorable prices of livestock, particularly beef cattle and hogs. Indeed, those prices are much more favorable now than they have been in recent years. For this we are deeply grateful.

However, I wish to note for the record that such prices are 8½ percent below the level which prevailed in 1952. I do not recall that in 1952 very many farm producers were being listed in the select circle of millionaires. They were doing fairly well in 1952, but not well enough to be classed as the rich, the high, and the mighty.

I also have from the Department of Agriculture an analysis of the May 15 farm prices of cotton, wheat, corn, soybeans, grain sorghums, milk, butterfat, beef cattle, hogs, eggs, and chickens. Those are typical farm commodities, covering a rather broad range of the American agricultural interests.

I know that these figures do not cover limes. The price of limes is at 300 percent of parity. But, with all due respect to our friends who grow limes, they are not necessarily one of the most important agricultural products in the Nation. Nevertheless, the figure for limes is included in the overall parity ratio.

I have listed on the table which I shall present for the record the parity prices today on these particular commodities, on the basis of a national average. For example, cotton is at present at 75 percent of parity, based on a national average; wheat, 80 percent; corn, 65 percent; soybeans, 70 percent; grain sorghums, 66 percent; milk, 74 percent; butterfat, 76 percent; beef cattle, 100 percent, on the basis of a national average; hogs, 98 percent; eggs, 71 percent; chickens, 68 percent.

The figures, with respect to Minnesota, showing the percentage of parity based on the May 15 prices, do not include cotton or grain sorghums, as we grow none. Wheat is at 86 percent of parity; corn at 59 percent. In Minnesota we produce a great deal of corn, both for feeding on the farm and for commercial sales. Soybeans—which is our second largest crop—67 percent. Milk, 57 percent. That is our major production. Butterfat, 81 percent. Beef cattle, 98 percent. Hogs, 95 percent. Eggs, 59 percent. Chickens, 52 percent.

Mr. President, I ask unanimous consent that the table to which I have referred be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

May 15 farm prices

	United States			Minnesota	
	Parity price	Average price	As percent of parity price	May 15 average price	As percent of parity price
Cotton ..... pounds	$0.38	$0.29	75		
Wheat ..... bushels	2.42	1.93	80	$2.08	86
Corn ..... do	1.76	1.15	65	1.03	59
Soybeans ..... do	3.05	2.13	70	2.05	67
Grain sorghums ..... hundredweight	2.67	1.76	66		
Milk ..... do	5.08	3.77	74	2.90	57
Butterfat ..... pound	.76	.57	76	.62	81
Beef cattle ..... hundredweight	23.30	23.10	100	22.90	98
Hogs ..... do	22.20	21.70	98	21.20	95
Eggs ..... dozen	.49	.35	71	.29	59
Chickens ..... pound	.287	.196	68	.149	52

TAX DEDUCTIONS FOR TEACHERS

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the RECORD two editorials concerning education which I believe to be very worthwhile. The first editorial is from the Baltimore Sun of April 5, 1958, and the second editorial is from the Washington Star of April 7, 1958.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of April 5, 1958]

AID TO LEARNING

The Treasury Department has righted a wrong of long standing by ruling that employed persons may deduct from their income tax the cost of formal instruction which improves their professional skill. Under the old system, a doctor or a lawyer, being self-employed, could deduct the cost of such instruction, including attendance at professional meetings and conventions. A teacher or a civil servant could not, even though the instruction was just as important to him professionally.

The old rule bore particularly hard on teachers, to whom professional advancement depends to a great degree on professional qualifications which generally have to be acquired at summer schools. Summer school may be an expensive business entailing outlay for travel and lodging, besides the loss of earnings with which so many teachers eke out the unpaid summer months. It is significant that the new ruling got the warm support of Mr. Folsom, the Secretary of Health, Education, and Welfare.

Now that the Treasury has made concessions, perhaps those who set up the teaching qualifications could give a little, too. The public school systems could take some of the weight off the pedagogical side of qualification, and allow equal status to improvement in the subject taught. There should be less insistance on education courses in mere teaching techniques as the road to permanent status and promotion, and more credit given to research, wider learning, and, especially in the growing language departments, to travel and study abroad. It is not only a teacher's attainments in tactics and methodology which need brushing up, but also his enthusiasm for and knowledge of his subject. Colleges and businesses know this and so, now, does the Treasury. Some elasticity on the part of those who dictate teaching qualifications could immensely widen the scope of the new ruling.

[From the Washington Star of April 7, 1958]

WARRANTED ALLOWANCE

The Treasury Department has made a sound decision in liberalizing income-tax deductions to be allowed teachers for costs incurred in adding to their own educational qualifications. The action followed recommendation by the Department of Health, Education, and Welfare that some provision be made to encourage teachers to employ their summers and other spare time in furthering their own professional competence. Secretary Folsom has pointed out that enrollment in organized courses of instruction,

sometimes at substantial cost, is often necessary in expanding teachers' knowledge or in learning new and improved teaching methods.

Actually, the new regulations are included in a broad liberalization of comparable allowances in business and professional occupations for maintaining or improving required skills. At a time when there is increasing emphasis on the need for raising educational standards, its special applicability to teachers is in the national interest.

STATEHOOD FOR ALASKA

Mr. ALLOTT. Mr. President, I ask unanimous consent that immediately following my remarks there be printed in the RECORD the address of the Secretary of the Interior, given in Anchorage, Alaska, on May 28, before the Alaska Press Club. Secretary Seaton's statement was made in Anchorage on the same day that the House of Representatives passed H. R. 7999, a bill to admit Alaska into the Union.

Since this body will undoubtedly be called upon soon to consider such proposed legislation, I recommend that each of my colleagues give serious consideration to the remarks of Secretary Seaton. The financial development in Alaska, the discussion of the population of Alaska, and the comparison of Alaska with other States as they entered the Union, will indeed be illuminating to those who seek further information about the status of this great Territory which now seeks admission as the 49th State in our Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SECRETARY OF THE INTERIOR FRED A. SEATON BEFORE THE ALASKA PRESS CLUB, ANCHORAGE, ALASKA, MAY 28, 1958

This occasion is a particularly pleasurable one to me. As a newspaper, radio, and television man in private life, I am committed to the proposition that an informed people are an intelligent people in the discharge of their duties as members of the electorate. And so tonight, I want to pay tribute to all of you, professionals and laymen alike, who have worked together to make of the Alaska Press Club an effective instrument for the improvement and strengthening of journalism in the Territory of Alaska.

No one lives a life in isolation from other human beings. "Man," Aristotle wrote, "is a political animal." His proper place is in society. To it he has an obligation which he must discharge. Pericles made that point clear in the Funeral Oration, when he said the man who takes no part in the affairs of government is not unambitious but useless.

In the year 1958, in the United States of America, these words are still true. And here in Alaska, as in your sister Territory of Hawaii, they have today a particular ring of immediacy.

I believe in statehood for Alaska, as for Hawaii, because I believe in representative government. Fundamentally, it's as simple as that.

Alaska's course toward statehood reaches back to March 30, 1916, when Judge James Wickersham, Delegate from Alaska, introduced H. R. 13978, the first statehood bill; and moves to 1946, when Alaskan citizens voted for statehood 3 to 2; to April 16, 1947, when, in the 80th Congress of the United States, the House Public Lands Committee began hearings on statehood legislation.

In the past 4 years the strides along this course have become faster, more numerous, surer, more implacable.

In 1954 the Ketchikan Pulp Co. set up the largest manufacturing establishment in Alaska's history—the $50 million pulp plant at Ketchikan, turning out 500 tons of chemical pulp a day to supply the demands of the plastics industry in the United States and elsewhere.

In 1955, the first major hydroelectric powerplant went into operation at Eklutna, to bring light and energy to Anchorage. Alaskans that year voted for delegates to draft a constitution for their new State. The Territorial government set up the Rural Development Board to spur economic progress in small rural communities. On March 22, the Department of Agriculture awarded a contract for the sale of 5¼ billion board-feet of timber to the Pacific Northern Timber Co. for a pulp plant near Wrangell. On August 17 it awarded another contract for 7½ billion board-feet to the Georgia-Pacific Alaska Co., a plant near Juneau. (The latter company has recently requested a 5-year extension of its award.) The volume of timber awarded was brought to 21 billion board-feet throughout the Territory—nearly one-tenth of the total.

In 1956 Alaskans looked back on two striking increases: a 50-percent increase since 1953 in their total cropland; an increase of nearly 50 percent since 1950 in their civilian population.

The following year, 1957, Alaskans caught 8 percent of the United States total commercial fishing harvest—twice the percentage caught by fishermen operating in the 5 Great Lakes and the Mississippi River system. They produced 840,000 tons of coal—the second largest amount in their history. They saw ground broken for another great $50 million pulp plant—the one at Sitka. They saw the volume of timber cut and scaled in the Tongass and Chugach forests exceed that of 1956 by 17 percent, and they welcomed tourists who brought in 29 million dollars' worth of business—2½ times that of 1951, just 6 years before.

Most important, on July 23, 1957, they heard the news that oil had been discovered on the Kenai Peninsula.

The rush began. On June 30, 1957, the Bureau of Land Management had under lease, or subject to pending application, 6½ million acres. By April 25, 1958, this total had soared to nearly forty million—a figure well over half the total acreage now under lease in the entire continental United States, including the rich Outer Continental Shelf. Already private industry has spent more than $30 million on exploration. And it has an interest not only in the Kenai Peninsula, but in many other areas, such as the 20 million acres of PLO 82 north of the Arctic Circle which were recently opened for oil and gas development and which contain the famous Gubik field with its estimated 300 billion cubic feet of natural gas.

Here today Alaska stands. To anyone who considers its vast and largely untapped riches of natural resources, its economic future can only be bright with promise. We know of its forests covering 136 million acres, an area nearly 3½ times the size of the State of Washington. Her forested area is equivalent in size and type to that of 15 States in New England, the Middle Atlantic and the Great Lakes regions.

We know of the Territory's hydroelectric potential which the Bureau of Reclamation estimates at more than 8 million kilowatts. That's nearly 1⅓ times the existing capacity in the State of Washington; more than 2½ times that of California; nearly 4 times the capacity in Oregon; and four-fifths of the entire existing combined capacity of all 3 States, the greatest hydropower producers in the Union.

We know of the hundred billion tons of coal—bituminous, subbituminous, lignite and anthracite—under Alaskan soil; and we know of the one-half billion tons of iron ore in the Klukwan deposit.

Above all we know this: Alaska has one of the greatest potential petroleum areas in the world. The Geological Survey of the Department of the Interior estimates that 100 million acres in Alaska are geologically favorable to oil production.

Our national consumption of energy has been growing at a fantastic rate. Half of all the coal ever burned in the United States has been used since 1920. Half of all the oil and gas consumed has been consumed since 1940. Consumption now is about 8½ million barrels of oil a day. This amount can double or even triple in 25 years.

Considered in the light of such demand, the discovery of oil in Alaska may well prove to be one of the most important economic occurrences of our time.

All these facts you and I know. But if Alaska is to go forward at the greatest possible speed, we must know much more.

For several months, the Department of the Interior has been studying the establishment within the Department of a Committee on Alaskan Rural Development. Including representatives of the Bureau of Indian Affairs, the Bureau of Land Management, the Fish and Wildlife Service, the Geological Survey, the Office of Territories, and the Bureau of Reclamation, that committee will come into working existence by June 15. In cooperation with the Territorial Government's Alaska Rural Development Board, it will study the economic problems of rural Alaska and work for its people's economic progress.

In addition, it will study the means of making a comprehensive survey of the entire Alaskan economy—a survey designed to describe in unprecedented accuracy and detail the economic possibilities in Alaska and to present this information in useful form to prospective investors.

That committee should be ready to report next year. It is my earnest hope that this study can be immediately turned over to the new State government of Alaska and be put to immediate use.

The economic justification for the formation of such a government is compelling. The political justification is even more compelling.

There are opponents of statehood who say: "Alaska has enough area, but it doesn't have enough people to justify being represented by two United States Senators."

Well, let's look at that argument. According to the Bureau of Census, Alaska had a total population in 1956 of 206,000 people; unofficial estimates of today's population put this figure as high as 220,000.

Now consider the population of the 17 States which have come into the Union in the past century. Only six of them had more people at the time of entry than Alaska now has. Eleven of them had fewer. Arizona, Minnesota, Kansas, Colorado, Montana, Wyoming, Oregon, Nevada. Arizona was the largest in population, with 217,000; Nevada the smallest: only 21,000 claimed residence there. Before 1858, 16 more States—apart from the original 13—were admitted to the Union with populations smaller than Alaska's today.

On the grounds of sheer numbers alone, Alaska is as worthy of statehood as any 1 of 27 of its predecessors.

"All right," opponents of statehood will say, "but that isn't a fair comparison. The population of the entire United States has increased. Alaska today doesn't have a percentage of the total population great enough to entitle it to two Senators."

Well, let's look at this argument too. Of the 17 States admitted since 1858, only 2—Oklahoma and West Virginia—had more than 1 percent of the total United States population at the time of entry. All the rest had

less. Minnesota and South Dakota had six-tenths of 1 percent; Washington five-tenths of 1 percent; Kansas, Utah, and New Mexico four-tenths of 1 percent; Nebraska, Colorado, and North Dakota three-tenths of 1 percent; Oregon, Montana, and Arizona two-tenths of 1 percent; Idaho and Wyoming one-tenth of 1 percent; and Nevada six one-hundredths of 1 percent.

So, on this basis, if you want to make a mathematical argument out of it, with one-tenth of 1 percent of the national population today Alaska has just as much right to statehood as did Idaho and Wyoming when they were admitted and one and two-thirds times as much right as Nevada.

Now let's look squarely at the question of representation in the Senate. Every single State entering the Union in the past century has had a percentage of the Senate vote far in excess of its percentage of the national population. Minnesota came into the Union in 1958 with six-tenths of 1 percent of the national population. In the Senate it had 2 votes out of 64, or a little over 3 percent. It therefore had representation in the Senate about five times as great as its population warranted.

Every new State which has entered the Union since that time has had a progressively smaller proportion of the senatorial vote. Oregon, which came into the Union in 1860 with two-tenths of 1 percent of the Nation's population, had 3 percent of the Senate vote. Arizona, which came into the Union in 1912 with the same percentage of the national population, had 2 votes out of 96, or just a little over 2 percent of the Senate vote. When Alaska and Hawaii are admitted to statehood, their proportion will be exactly 2 percent.

Alaska and Hawaii, therefore, will necessarily get a smaller senatorial representation than any of their predecessors.

The argument over population as a criterion of senatorial representation fails utterly to register with me.

We now have Senators—and outstanding ones, too—coming from States with only a few thousand or at the most a few million population. No one seems to question their right to sit in the United States Senate on terms of equality with the Senators from Pennsylvania with 11 million citizens, California with 13½ million, and New York with 16 million.

There are no hard-and-fast rules to determine automatically a Territory's readiness to become a State. There is a precedent, however, written into history by the Congress of the United States throughout an entire century.

That precedent is unmistakable.

Not once, but three times, the Congress of the United States has granted statehood to Territories with no greater percentage of the total population than Alaska now has.

Not once, but 11 times, the Congress of the United States has granted statehood to Territories with no greater actual population than Alaska now has.

Not once, but 17 times, the Congress of the United States has granted senatorial representation to Territories far in excess of what a mere population count would warrant. And, remember, the Constitution of the United States expressly negates consideration of population as a measure of senatorial membership.

The Senators and Representatives who thus voted time and again for the entry of new States were not content with the status quo or with a narrow defense of their own States' prerogatives. They were ranging themselves squarely on the side of the future of this country. And their faith in the growth of the United States in the past century has been amply vindicated.

There is one more argument which came home to me in Fairbanks on Monday when I had the honor of delivering the 36th commencement address at the University of Alaska.

When 9 out of the 17 States I have cited entered the Union, no commencement speaker could have had the honor of addressing the graduates of their land-grant college, for the plain reason that those colleges did not exist. It is a measure of the value which Alaskans place on education and also a measure of the Territory's readiness for statehood that the University of Alaska is now more than 40 years old.

It is a sobering and unpleasant thought that for nearly that long its graduates have been going out of its doors into the possession of less than the full rights of adult American citizenship.

Let me express to you tonight my most sincere hope that the 1958 class is the last that will ever so graduate, and that from now on its students will be accorded those rights, which on the basis of justice, of history, and of fact, you and your fellow citizens for so long have emphatically deserved.

True, as a Territory of the United States, Alaska has long had orderly and lawful government in the tradition of the American system. But one thing—a tremendously important and intrinsically valuable thing—has been missing. And it is something in which every American, wherever he may be, believes with all his heart and soul.

Yes, there is a plenitude of government in Alaska. There is government for her fisheries and her minerals, for her mountains and lakes, islands and tidal flats. There is government for her waterfowl and caribou, seals and walruses, for taxes and tax collectors and her courts and criminals. A government for transportation and communications systems and for her Aleuts, Eskimos, and Indians.

As is the case everywhere, there is government enough and, perhaps, even some to spare.

What Alaska does not have outweighs all else in the scales of human justice. That is government of the people, by the people, for the people.

That omission, in essence, is why I so strongly support statehood.

God willing, we now are near the end of the long struggle to accomplish our mission.

As an incorporated Territory of the United States, Alaska, this giant area of 375 million acres of land and water, has the body and the strength and the loyalty to pull her weight and do her part as a full-fledged member State of the Republic.

All she lacks is a voice and vote in the Halls of Congress and the rights of full and free suffrage. Anything less would be a travesty and a violation of simple justice.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, had been elected Speaker pro tempore during the absence of the Speaker.

The message announced that the House had passed, without amendment, the following bills of the Senate:

S. 59. An act directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper;

S. 1657. An act for the relief of Lloyd C. King; and

S. 1979. An act for the relief of Barbara Hollinger.

The message also announced that the House had passed the bill (S. 2224) to amend the Federal Property and Administrative Services Act of 1949, as amended, regarding advertised and negotiated disposals of surplus property, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 7454) to amend the Tariff Act of 1930 to provide for the free importation by colleges and universities of sound recordings and film to be used by them in certain nonprofit radio and television broadcasts.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6090. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians;

H. R. 7466. An act to provide for the establishment of a facility of the Vicksburg National Historical Park;

H. R. 7564. An act to provide that the Legislature of the Territory of Hawaii shall meet annually, and for other purposes;

H. R. 8479. An act to amend the Hawaiian Organic Act to lower the voting age of citizens of the Territory of Hawaii to 20 years;

H. R. 10805. An act for the relief of certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods;

H. R. 11868. An act to amend the act of August 11, 1955 (69 Stat. 682), relating to the rehabilitation and preservation of historic properties in the New York City area, and for other purposes;

H. R. 11874. An act to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940;

H. R. 12164. An act to permit use of Federal surplus foods in nonprofit summer camps for children; and

H. R. 12575. An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 332) relative to the establishment of plans for the peaceful exploration of outer space, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1191. An act to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes;

S. 2448. An act to authorize a payment to the Government of Denmark;

H. R. 9291. An act to define parts of certain types of footwear;

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes;

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes;

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes;

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes; and

S. J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6090. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians;

H. R. 7466. An act to provide for the establishment of a facility of the Vicksburg National Historical Park;

H. R. 7564. An act to provide that the Legislature of the Territory of Hawaii shall meet annually, and for other purposes;

H. R. 8479. An act to amend the Hawaiian Organic Act to lower the voting age of citizens of the Territory of Hawaii to 20 years; and

H. R. 11868. An act to amend the act of August 11, 1955 (69 Stat. 632), relating to the rehabilitation and preservation of historic properties in the New York City area, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 10805. An act for the relief of certain persons who sustained damages by reason of fluctuations in the water level of the Lake of the Woods; and

H. R. 11874. An act to record the lawful admission for permanent residence of certain aliens who entered the United States prior to June 28, 1940; to the Committee on the Judiciary.

H. R. 12164. An act to permit use of Federal surplus foods in nonprofit summer camps for children; to the Committee on Agriculture and Forestry.

H. R. 12575. An act to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes; to the Special Committee on Space and Astronautics.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 332) relative to the establishment of plans for the peaceful exploration of outer space, was referred to the Committee on Foreign Relations, as follows:

Whereas man is standing upon the threshold of a new era of space exploration; and

Whereas it is the devout wish of all peoples everywhere, in every nation, in every environment, that the exploration of outer space shall be by peaceful means and shall be dedicated to peaceful purposes; and

Whereas the United States as a nation and as a people favors the peaceful solution of all international problems: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States believes that the nations of the world should join in the establishment of plans for the peaceful exploration of outer space, should ban the use of outer space for military aggrandizement, and should endeavor to broaden man's knowledge of space with the purpose of advancing the good of all mankind rather than for the benefit of one nation or group of nations;

That it is the sense of the Congress:

That the United States should strive, through the United Nations or such other means as may be most appropriate, for an international agreement banning the use of outer space for military purposes;

That the United States should seek through the United Nations or such other means as may be most appropriate an international agreement providing for joint exploration of outer space and establishing a method by which disputes which arise in the future in relation to outer space will be solved by legal, peaceful methods, rather than by resort to violence;

That the United States should press for an international agreement providing for joint cooperation in the advancement of scientific developments which can be expected to flow from the exploration of outer space, such as the improvement of communications, the betterment of weather forecasting, and other benefits; and

That the Congress respectfully requests the President to effectuate in every way possible the objectives set forth in this resolution.

MUTUAL SECURITY ACT OF 1958

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

NECESSITY FOR REPEAL OF 3 PERCENT EXCISE TAX ON FREIGHT AND 10 PERCENT EXCISE TAX ON TRANSPORTATION

Mr. SMATHERS. Mr. President, last week, President Eisenhower declared his resolve to hold the line against tax reductions for the present, except for some minor adjustments in favor of small business.

This policy has been endorsed, with reservations, by the leaders of both parties, in part, I suppose, because of the likely Presidential veto of any general tax reduction.

I have my own reservations about the wisdom of this Presidential decision. It seems to me to ignore the very real dangers of an unarrested recession, with its debilitating effects not merely on our own economy, but that of our friends around the world.

It has been graphically and truthfully stated that when "America's economy sneezes, that of our allies quickly catches a cold."

However, I leave aside today the discussion of general tax policy to consider the merits of a single aspect of our present tax program. I refer to the repeal of the excise tax on transportation charges of persons and property. I believe this tax should be abolished, now, in spite of the economic truce, which has been entered into. I hope in the next few minutes to make clear the reasons why.

Before considering the legislative history of this tax, I should like to say that I am one of those who believe that there should be a general reduction of almost all the excise taxes in the interest of stimulating business and strengthening our economy.

However, it is clear from the truce which has been entered into by the President, Secretary of the Treasury, and the leaders of both parties that we cannot expect to have a broad-scale tax reduction, even a broad-scale excise-tax reduction, this year.

So, I am directing my efforts and my attention toward the elimination of this particular excise tax on transportation charges as the most iniquitous and the one most deserving of quick removal.

Mr. President, I have been directed by the Senate Interstate and Foreign Commerce Committee to present an amendment seeking repeal of the excise tax on transportation charges.

The amendment has been sponsored by the members of the Interstate and Foreign Commerce Committee of the Senate. However, in the past 3 weeks I have written to every Senator advising him of the proposed amendment and seeking his cosponsorship of it. I can report that a total of some 46 Senators have indicated their willingness to cosponsor the amendment.

Some of the letters from my fellow Senators were received prior to the announcement of the President last week, and it may be that the President's announcement will cause some Senators to change their position with respect to the repeal of the transportation tax. It is for that reason that I shall not announce the list of cosponsors at this time, but leave it to each individual Senator to make known his position in his own way.

The excise tax on transportation charges is distinguished from other excise taxes in this one particular: It applies to everybody and everything. It is a tax on the transportation of people, food, medicine, clothing, machinery, gasoline, and almost every other item that goes into our daily living.

It is a tax whose baneful influences are felt from the top to the bottom of our economy and from every crossroad into the middle of every giant city.

It is a tax which was imposed during wartime for the purpose of discouraging transportation of persons and of freight; it was to constitute a drag upon the civilian economy, and that is exactly what it is doing.

Mr. President, let us examine briefly the history of the excise tax on transportation charges.

As we all know, it was first imposed immediately prior to our entering World War II. It was one of a group of excises suggested by the Treasury Department. I should like now to quote from the statement of Henry Morgenthau, Jr., the then Secretary of the Treasury, made before the House Committee on Ways and Means on April 24, 1941. This statement begins on page 3, volume I, of the hearings:

Secretary MORGENTHAU. I have come before you today to discuss with you the need of producing $3.5 billion annually in additional revenue for the defense of our country. Such an increase is without precedent, but the situation confronting us today is also without parallel. * * *

The problem of building our defense is fundamentally a problem of production. We cannot build planes and tanks, ships, and guns, merely by voting money. We build them with labor and management, with raw materials and machinery. The resources now employed in the defense industries are not

enough to produce the guns and tanks and ships and planes that we need to carry out the program to which we are already committed. We must hasten the reemployment of our idle resources. Even this increase will not be enough. As we closely approach full employment of our resources, we must take the next step of diverting to defense production more and more of the resources now engaged in satisfying our civilian needs and wants.

The tax program now before you is designed to promote these very objectives.

First of all, it presents a method of paying as we go for a reasonable proportion of our expenditures.

Secondly, it is designed so that all sections of the people shall bear their fair share of the burden.

Thirdly, it will help to mobilize our resources for defense by reducing the amount of money that the public can spend for comparatively less important things. * * *

The Treasury is prepared to suggest tax revisions of which the most important features are an increase of income-tax rates, a lowering of the minimum income subject to surtax, an increase in excess-profits tax, and finally, new excise taxes on a number of commodities which are not essential to the defense program.

Quite plainly, then, the passenger excise tax was proposed mainly for two purposes—first, to raise revenue; second, to discourage passenger travel.

The second point was borne down upon rather heavily during the hearings in a statement by Leon Henderson, then the Administrator of the Office of Price Administration and Civilian Supply.

Henderson did not like certain of the Treasury's excise recommendations. His testimony reads in part—page 645:

Turning first to the proposals for excise taxes, the only case which may be made out for such additional taxation at the present time from a total defense point of view must rest upon its effectiveness in discouraging civilian production which competes with the defense program for men, materials and machines.

I have divided the excise-tax proposals of the Treasury into three groups. First, taxes on goods and services of mass consumption which in no way compete with the defense program. These are deflationary, unnecessary, and highly inequitable. Second, taxes on luxury items which likewise do not compete with the defense program. These are deflationary and unnecessary, but they are not so objectionable from the viewpoint of equity. And third, taxes on articles, such as automobiles and refrigerators—a whole range of things—which compete very heavily for materials, productive facilities, and skills with defense production. This is the type of excise which is called for today.

Asked later in the hearing which items belonged in which category, Mr. Henderson replied—page 662:

In what I would call the luxury items, where I am not particularly concerned—I would say wines and cordials and liqueurs, sporting goods, jewelry, furs, club dues, trunks, safe-deposit boxes and things like that—I do not think there is going to be competition there, but I would not particularly object to the kind of tax that the Treasury is proposing to put on.

Where I would sock them is in automobiles and motorcycles, auto parts and accessories, secondhand cars, tires and tubes, photographic apparatus, clocks, watches, mechanical refrigerators, phonographs, radio sets, washing machines, and passenger transportation. I have a little doubt about the passenger transportation, and I would like to drop that one out until I have studied it a little more.

In 1942, with the war in progress, the passenger excise tax was doubled and the freight excise tax newly imposed. By this time, the Treasury had accepted Henderson's thesis, and the tax that year was unmistakably designed not only to raise money, but also to discourage the civilian use of the railroads and other common carriers.

Mr. President, we can all remember that the carrier-transportation industry itself cooperated in a program to discourage unnecessary travel. Billboards, posters, and newsaper advertisements all over the country solemnly inquired: "Is this trip necessary?"

The effect of the campaign was to discourage all forms of transportation, not simply common-carrier transportation. The passenger-freight excises helped slow down the use of for-hire vehicles. But meanwhile, gas and tire rationing effectively eliminated long-distance travel by private carrier.

Mr. GORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. GORE. The Senator from Florida has said that the effect of the campaign was to discourage all forms of transportation. Was not that the effect of the tax and the campaign?

Mr. SMATHERS. I agree with the Senator; it was a combination of both. The tax probably did more to discourage the use of transportation facilities than did the advertisements. But the common carriers themselves were cooperating by asking the potential travelers: "Is this trip necessary?"

Mr. GORE. Is it not true that the intended effect of the tax and the program, indeed their very purpose was to repress traveling entirely?

Mr. SMATHERS. The Senator is entirely correct. The tax and the program were designed to stop the civilian use of transportation facilities so that the facilities could be devoted to the war effort.

Mr. GORE. The Senator from Florida is ably making the point, without indulging in an understatement, that these measures had a repressive influence.

Mr. SMATHERS. That is absolutely correct. I shall speak at some length about that in a few moments. I appreciate what the junior Senator from Tennessee said yesterday concerning the whole subject of excise taxes. I know, from my association with him on the Committee on Finance, that he thoroughly understands the importance to our economy of the removal of some of these taxes, if not all of them.

Certainly the transportation tax, as I said earlier, is one which affects every facet of our daily living. It is a tax on medicine, on clothes, on automobiles. It is imposed on every article which is in daily use. Therefore, it is the kind of force which is weighing very heavily on our economy today, as the Senator from Tennessee says.

As I have stated, Mr. President, there was no discrimination in the imposition of the excise tax on competitive forms of consumption.

During World War I, when Congress imposed a similar system of taxes for similar purposes, it clearly intended them as emergency measures. And they were repealed effective January 1, 1922, by the Revenue Act of 1921, slightly more than 3 years after the war had ended.

The World War II taxes were likewise intended for emergency use only, as has been implicitly and explicitly acknowledged by spokesmen for each of the last three Presidents of the United States.

I have already quoted the statements of Henry Morgenthau and Leon Henderson, both of whom indicated, quite clearly I believe, that they were proposing temporary devices to suit emergency needs.

I may cite also the statement of President Harry S. Truman in his message to Congress of January 23, 1950:

The excise taxes are still substantially at their wartime levels. Some are depressing certain lines of business. Some burden consumption and fall with particular weight on low-income groups. Still others add to the cost of living by increasing business costs.

Earlier, the Treasury Department itself, in its report of December 19, 1947, on "Federal Excise Taxes on Transportation," said:

The prewar history of railroad rates indicates that coach travel is rather sensitive to changes in passenger rates. Accordingly, under normal conditions the profits of railroads may be affected substantially by the existence of the tax. Because of large fixed costs, a small decrease in passenger revenue can have an important effect on profits from passenger operations. Since railroads are again sharing deficits on passenger operations, any reduction in traffic resulting from the tax would add to their difficulties.

In any case, despite these admissions, and perhaps because of the Korean intervention, which again turned transportation taxes into an instrument of defense policy, nothing was done or has been done to rectify the situation. The emergency taxes were allowed to continue into the period of no emergency, with disastrous but clearly foreseeable results.

The ironic aspect of this situation is that the present administration, too, has stated its recognition of the problem. I ask unanimous consent to have printed at this point in the RECORD a revealing exchange between Representative EBERHARTER, of Pennsylvania, and Dr. Dan Throop Smith, special assistant to the Secretary of the Treasury. This exchange took place late in 1956 in hearings on excise taxes before a subcommittee of the House Committee on Ways and Means.

I shall not take the time now to read this statement in full. It will be available in the RECORD for the edification of my colleagues. I point out, however, that Dr. Smith conceded the excise tax on transportation charges had been designed to discourage travel and that their continuance harmed the transportation industries. But, he said, the Treasury Department favors "the continuation of those taxes until something better comes along. We are not doing it for the purpose of discouraging, and

we regret that any tax, of course, has a discouraging effect."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Mr. EBERHARTER. * * * One of the discriminatory excise taxes, namely, that imposed on the transportation of property, there can be no question but that this tax favors some and hurts others. The economic burden and competitive hurdle for small shippers who must pay a higher freight rate than larger firms is only amplified by the tax. This is also true for shippers who are far from the distribution centers as compared to those nearby.

The ultimated discrimination, of course, is between the various classes of consumers who certainly bear the final burden. A man with an income of $5,000 a year most certainly pays more in proportion to his income than the man whose income is $10,000 or $20,000 a year.

Dr. SMITH. That is the position indicated by the President there; of course, it is still our position. On the other hand, after having examined the subject for something over 3½ years now, we do not have anything that we are ready to suggest as being preferable to the present system.

Mr. EBERHARTER. Then your answer is, as I take it, that it may not be economically sound, but it is the best thing we have at the present time.

Dr. SMITH. As of now, we know nothing better to support that.

Mr. EBERHARTER. * * * First, I want to ask you this: Was not one of the primary reasons for instituting the tax on transportation of freight and persons discouragement of shippers and a discouragement of train travel by passengers during the war emergency? Was that one of the primary reasons?

Dr. SMITH. I do not know. I was not here at the time, and, as I read the record, I think that was, shall we say, one of the things that made very fruitful revenue source more acceptable, but as to whether it was one of inherent logic I really do not know.

* * * * *

Dr. SMITH. I certainly would not say, if the implication is, do we in supporting the continuation of the tax favor a discouragement of travel and of the use of telephones, let me say promptly, "No"; that we do not favor the discouragement of that.

Mr. EBERHARTER. I certainly cannot agree with you on that, because every added burden of cost helps discourage the use.

Dr. SMITH. * * * I said in favoring the continuation of those taxes until something better comes along, we are not doing it for the purpose of discouraging, and we regret that any tax, of course, has a discouraging effect upon an activity if it is an income tax, or upon a form of consumption if it is an excise tax. * * * Those taxes bring in a good many hundreds of millions of dollars a year, and the elimination of those, in view of all the other taxes which it would be desirable to reduce or eliminate, we just do not see that a priority should go to those.

Mr. EBERHARTER. * * * Even if the transportation tax is most discriminatory, and even if it is economically unsound, you still believe and it is the position of the Treasury that we should still keep it in force.

* * * * *

Mr. EBERHARTER (continuing). Solely on the ground that we need the revenue?

Dr. SMITH. I think that there is a matter of degree as to how discriminatory and how bad the effects are. * * * You referred to a discrimination that exists between long shipments and short shipments and those who pay somewhat higher freight rates because they ship in small quantities.

Mr. EBERHARTER. And there is one further discrimination * * *. Large concerns, it has been testified here, have their own transportation system and pay no tax on freight at all, whereas the small shipper must use the common carrier and he has to pay this 3-percent tax.

Dr. SMITH. That is the discrimination you mentioned.

Mr. EBERHARTER. This is a terrific discrimination.

Dr. SMITH. That, I think, is the significant one.

Mr. EBERHARTER. * * * Your general answer is that you favor continuation of all these excise taxes now on the books?

Dr. SMITH. Until we see a better way of getting the money; yes, sir.

* * * * *

Dr. SMITH. Up to now we have not been able to find a better way.

Mr. SMATHERS. Let us pause briefly to take stock. What do we have?

A tax which was imposed in wartime as an emergency device for two essential purposes: first, to raise revenue, and, second, to conserve a vital defense industry for defense purposes. It was not intended to redistribute the tax burden. It was not intended to reshape our transportation industry by favoring private carriers against common carriers.

During wartime, it was a highly successful tax. It served the two purposes it was intended to serve; and it did not create any undesirable side effects.

But what has happened since the war?

I propose to demonstrate that today the transportation excise tax not only fails to serve the purposes for which it was intended, but, in fact, operates against those purposes. I believe we can show that it is the undesirable results which today are paramount.

To be sure, the transportation excise tax remains a semifruitful source of income. As I have already indicated, this is the principal justification offered by the Treasury for its continuance.

During the fiscal year ending June 30, 1957, the Federal Government collected a total of $690 million from these excises—approximately $222 million from the 10-percent passenger tax and $468 million from the 3-percent tax on transportation of property.

But there is reason to believe that this tax is self-defeating; that is, that it destroys another and perhaps a richer tax source. In other words, the transportation tax is its own loophole. It leaks out of the Treasury from the bottom as much as or more than it pours in at the top.

The reason for this, as I shall explain in fuller detail, is that the transportation tax actually creates a tax favoritism for private carriers, leaning to a draining off of taxable income from regulated common carriers.

I have reference to the regulated airlines, trucklines, motorbus lines, and water carriers, as well as to the railroads.

Furthermore, these transportation taxes are themselves deductible from income as legitimate business expenses. So the apparent gain for the Treasury is at least partly offset by invisible losses.

As I have pointed out before the $468 million collected in transportation of property taxes in fiscal 1958 actually represents a clear gain for the Treasury of only about $225 million. The rest is charged off against income.

It has even been estimated by competent authority that elimination of the transportation excise tax on property would, in fact, bring about a clear cash gain of about $24 million to the Treasury. This is the contention of Mr. E. R. Jelsma, an economist who formerly served as chief of one of the bureaus at the Interstate Commerce Commission, and, in addition, had an illustrious association with the Senate Committee on Interstate and Foreign Commerce.

Mr. Jelsma believes that repeal of the tax would enable common carriers to regain about 20 percent of the private carrier business, with a resulting increase in income-tax payments. This return and the elimination of the deductible feature of the 3 percent excise—presuming that the saving is not passed on to the consumer—would more than cover the cash loss to the Treasury.

As I have said previously, only three basic things can happen if this tax is repealed: The shipper may try to hold on to the 3 percent, in which case he will have to pay income tax on it; or the carrier may raise his rates, in order to get a share of the 3 percent, in which case the carrier will have to pay income tax on it; or the 3 percent could be passed on directly to the consumer, in which case it would become a vitamin B shot for the entire economy.

I do not know whether Mr. Jelsma is correct. I do know, however, that the transportation-property tax is bringing in less money than before from the railroads, and is costing a good deal of money to collect. If the economics I learned in college is still in vogue, taxes which are expensive to collect are worth less per dollars than taxes which are collected cheaply.

During the recent hearings of our Subcommittee on Surface Transportation, President J. M. Symes, of the Pennsylvania Railroad, filed a statement showing the trend in excise-tax collections. In 1951, the Pennsylvania Railroad collected $19.9 million on transportation of property, and $19.3 million on transportation of persons. By 1957, receipts had fallen to $18.7 million on property, and $10.4 million on persons, an overall reduction of more than $10 million. But at the same time, costs of collection rose from $439,000 to $450,000, an increase of $11,000. Thus, the cost of collection has risen from approximately 1.1 percent to more than 1½ percent.

Collections are comparatively cheap for the railroads, however. The American Trucking Association reports, in a special survey of 188 motor carriers for 1954, that trucking company collection costs averaged almost 6.5 percent.

Even presuming—and it is not a correct presumption—that railroad losses in traffic have been absorbed by other common carriers, the greater cost of collection has necessarily reduced the net tax return.

Thus, I think all must agree that the transportation excises have ceased to be

a really productive source of tax funds.

What about the discouragement of consumption? Obviously, this is no longer a goal of national policy.

Let me quote from the statement of the Presidential Advisory Committee on Transport Policy and Organization, appointed by President Eisenhower on July 12, 1954. The Committee members were Secretary of Commerce, Sinclair Weeks; Charles E. Wilson, the then Secretary of Defense; Arthur S. Flemming, then Director of the Office of Defense Mobilization; and the participating members were George M. Humphrey, Arthur E. Summerfield, Ezra Taft Benson, and Rowland R. Hughes.

This is what the Committee said:

> No economy that is based fundamentally on mass production and distribution of products throughout a continental market can continue to prosper without a transportation system that is dynamic, efficient, and capable of delivering goods and people with safety, expedition, with a high degree of dependability, and at the lowest cost in the expenditure of manpower and other scarce resources. Historically, these requirements have been met most satisfactorily by common carriers, who by statute are charged with the heavy obligation to serve all individuals and shippers alike to the extent of their physical capacities, on known schedules at published rates and without discriminations. The availability of this type of stable and dependable service is of equal importance in the day-to-day business operations, production, and market planning of large and small businesses alike. Moreover, in a broader sense, the availability of this type of transportation system is essential to the orderly and healthful operation of a peacetime economy and is indispensable to the national security in time of war.

Congress, itself, has declared a national transportation policy, as follows:

> It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each: To promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges to transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions—all to the end of developing, coordinating and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the postal service, and of the national defense.

This is an unmistakable mandate, endorsed by the highest authorities in our land, by both the legislative and executive branches of our Government. Yet we persist in a tax policy that undoes our fine resolve.

The war is over, and, with it, the need to discourage transportation.

When, under the necessity of doing business, the tax fails to stop transportation, it nevertheless tends to divert the use of transportation from common carriers to the private carriers. Thus it subverts the very policy we wish to foster.

Not only that, but it diverts traffic regressively; that is, the cost of this shift falls most heavily on those least able to bear the load—on small business, as compared to big business; on low-income groups, as compared to those with larger incomes.

Furthermore, this tax imposes an unfair and unjustifiable burden on producers and consumers in the West and South, as against those in the East. It, therefore, upsets the balance of the economy, by discouraging efficient division of labor and a fair distribution of costs.

Nor are the West and the South the only losers, for this tax also encourages the uneconomic transfer of plants and warehouses—mostly from the East—to points closer to the changing consumer markets, even though these plants and warehouses might do a better and cheaper job where they are presently located.

The transportation excise tax also discriminates against coal and domestic oil, in favor of oil imports and natural gas. It puts American producers of other goods at a distinct disadvantage in legitimate competition with producers in Canada and Mexico.

Because of this tax, shady economic practices have sprung up, and highway safety has become more difficult to police.

Finally—and this is the ultimate absurdity—we have been driven to subsidizing certain segments of the transportation industry in an effort to undo partially the damage we have done by the continuation of this tax.

I think all will agree that if I can sustain this indictment, my case is established.

Then let us go back to the first item in this indictment. I quote now from the 71st Annual Report of the Interstate Commerce Commission for the fiscal year ended June 30, 1957:

> It should be a matter of deep concern to the Congress as a legislative body, to the public and to the shippers, as it is to the Commission as the regulatory body, to note the continuing erosion of the traffic of regulated carriers who serve the public generally. Although the volume of freight transported by public carriers has increased, its growth has not kept pace with the general expansion of industrial production.
>
> Adequate statistics to measure the growth of private transportation are not available, but a survey published in June 1957 by a private organization showed that 201 of 325 manufacturers operate their own trucks and about 40 others in this group are planning to do so. The survey indicated, also, that motor common carriers account for 39.3 cents of the transportation dollar; railroads, 32.9 cents; company-operated trucks, 15.2 cents; contract-carrier trucks, 10.4 cents; parcel post, Railway Express, air freight, and others, the remainder, or 11.2 cents.
>
> The gradual chipping away of the regulated carriers' portion of the total freight business has continued, partly because of a tax inequality which fosters the use of private transportation and partly because of a further broadening of the agricultural commodity exemption by court interpretations.
>
> We noted in our last report that the process of erosion raises the basic question of whether the public, and particularly the small shippers, will in the long run lose the advantages of a public transportation system with its open, relatively stable, and properly adjusted rates. The question is as vitally important now as it was last year. Public transportation must be financially sound if it is to provide safe, efficient, and adequate service, but its position must inevitably become less and less secure as long as the diversions of traffic continue.

Mr. President, the 3 percent transportation property tax affects only common carriers. There are today approximately 90,000 private carriers operating an estimated 600,000 vehicles. Many of these are private truck fleets or barges owned by industrial giants. In fact, the transportation tax is a direct incentive for the big shippers to buy their own transportation and operate their own transportation.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the able Senator from Oregon.

Mr. NEUBERGER. To begin with, as one of the Senators from the Pacific Northwest, I desire to thank the Senator from Florida for the genuine leadership he has shown on this subject. As he well knows, and as he has so often emphasized, no part of the country is more cruelly hurt and discriminated against by the transportation tax than is the Pacific Northwest. We are almost 2,500 miles away from the major markets. Therefore, our industries carry the load of the 3-percent tax on every single mile of transportation of products they seek to sell, and they are at a disadvantage in the market place as compared with their competitors.

The Senator is aware of that fact, and I shall not dwell on it; but I thought it would be perhaps thoroughly justified for some Members of the Senate from the Pacific Northwest to show their gratitude to the Senator from Florida for what he has tried to do in this vital field.

I am particularly pleased that the Senator from Florida has emphasized how the small shipper is at a disadvantage because of the transportation tax. To buttress his argument, although I know it needs no fortification, I should like to point out that my area is the leading lumber producer. A very large sawmill owns its own fleet of logging trucks. It owns its own fleet of lumber-carrying trucks. They are a part of the mill operation. Such mills are very wealthy and generously capitalized. Therefore, they pay no 3 percent tax, because the trucks which bring the logs to the mill and carry the lumber away from the mill are owned by the mill itself.

However, let us consider the small sawmill, which is having a difficult time already trying to get along in view of the depressed lumber market. The small sawmill must hire a common carrier to bring the logs to the mill, and it must hire a common carrier to take the lumber away from the mill, either to the seller or the railhead. It pays a 3 percent tax on the transportation of the logs. It pays a 3 percent tax on the transportation of the lumber. Those products are among the heaviest in tonnage of any industry in the United States. Therefore, the small sawmill operator, who is already at a great disadvantage in competition with the absentee-owned

large mill, is further discriminated against by the 3 percent tax.

I merely cite that example of an industry in Oregon, which is 3,000 miles away from Florida, in the opposite corner of the country, to demonstrate how correct the Senator from Florida is in the point he is making at this particular juncture in his speech.

I shall not delay the Senater further except again to stress how appreciative we in the Pacific Northwest are for his leadership on this issue, and for the very thorough hearings he has held as chairman of the Surface Transportation Subcommittee, which is seeking to bring about solvency and efficiency in the vast railroad industry of the United States.

Mr. SMATHERS. May I say to the able Senator from Oregon how grateful I am for his kind remarks. I think it is important, however, that we point out for the RECORD, and for the people of the great Northwest, that the able Senator from Oregon has on many occasions talked to me, and to others who are directly concerned with the problem, of his great interest in it. He has supplied us with information fortifying our arguments. He is one of the sponsors of a proposal which would eliminate this tax. I think many of us saw even more clearly the inequities which were suffered by some areas when the Senator some years ago wrote for Coronet magazine, I believe, an article on this very subject. It was a fine article. I am sure it is still read by those interested in the subject.

In connection with the point we have just been discussing, I should like to state that not only does the 3-percent transportation tax put small businesses, those far removed from centers of population, at a great disadvantage; but, with respect to the regulated carriers, the 3-percent tax has the effect of diverting use of transportation furnished by regular transportation companies to use of transportation furnished by private companies. Of course, the big companies can have their own fleets of trucks.

There is in the rear of the Chamber a chart showing the class I intercity motor carriers ton-mile carriage. In 1939 the regulated carriers had what amounted to an equal share of the business. In 1942, 1943, and 1944, they had a larger share, because gas rationing was in effect and tires could not be obtained. When the war was over, in 1945, it can be seen what happened to the business of the nonregulated carriers. They have practically all the business. It is no wonder that our regulated motor carriers, the railroads, and even the airlines, are finding greater difficulty in meeting payrolls and in maintaining the transportation efficiency which all of us are agreed we must continue to have in order to serve our growing country.

We are bringing about an economic result which nobody ever intended. Certainly the small amount of revenue which is realized from such a tax is not worth the dislocation of our whole transportation system and the inequity which results for the small-business man from the tax.

Mr. NEUBERGER. And the threat to the entire structure of common carriers, on which we must depend if we are going to restore domestic prosperity and if we ever should have another national defense emergency.

Mr. SMATHERS. The Senator is correct.

Mr. NEUBERGER. I thank the distinguished Senator from Florida again, and express appreciation for his characteristically kind remarks to me.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the able Senator from Minnesota.

Mr. HUMPHREY. I said earlier in the day in a private conversation with the distinguished Senator from Florida that I would be very much pleased if he would state quite publicly that the junior Senator from Minnesota was in full support of his earnest and dedicated endeavor to do something helpful for our great transportation system.

The address of the Senator from Florida today is directed primarily toward the excise tax problem with respect to our common carriers. The Senator from Florida, as every citizen in the land should know, has been the chairman of a special subcommittee of the Committee on Interstate and Foreign Commerce of the Senate, which subcommittee has conducted extensive hearings with respect to the whole problem of our railroad transportation system.

I commend the Senator from Florida for the work of his subcommittee and for his own work relating to the problems of our railroads. Secondly, I commend the Senator from Florida for his diligence and perseverance in pursuing the matter of tax adjustment and tax equity relating to the freight tax and the transportation tax, to which he now addresses himself.

I have nothing to add to what the Senator from Oregon has stated so well. I join with him. I know that time after time I have heard the junior Senator from Oregon rise in the Senate to tell of the discriminatory effects of the transportation taxes—the passenger tax and the freight tax—on the users of the railroads and common carriers themselves in the Far West and, I might add, in the Midwest and surely in the South.

If the Senator from Florida will permit me, I should like to restate what he himself said, referring to the manner in which the tax burden falls upon certain groups in our communities:

> Not only that, but it diverts traffic regressively; that is, the cost of this shift falls most heavily on those least able to bear the load, on small business as compared to big business, on low income groups as compared to those with larger incomes.

The Senator from Florida noted, by referring to the chart which is on display in the Senate Chamber, that starting about the year 1949 there was a tremendous increase in the number of nonregulated carriers, which do not pay such a tax as compared to the regulated carriers. The persons and business firms who are compelled to use the regulated carriers pay the tax. The shippers have to pay the tax. That surely is a discriminatory tax.

I think the tax should be eliminated not only because it is regressive and not only because of the need, more or less, to stimulate our entire transportation system, but I think it should be eliminated because the statistical facts prove it is a discriminatory tax. It is a tax which actually creates a kind of unfair competition. Surely the Government of the United States has a responsibility to promote fair competition.

I also noted the Senator from Florida referred to the Cabinet committee; that is, the special transportation committee.

Mr. SMATHERS. The committee on transportation.

Mr. HUMPHREY. The committee on transportation, transport policy, and organization. The objectives listed by the committee are negated or obviated by what is happening in the transportation industry as a result of these two discriminatory taxes.

I desire to pledge my support to the effort the Senator from Florida is making. The President has said he does not want any tax reduction. I gather what the President means is he wants no loss of revenue. Therefore, I believe one can support the President's position as to revenue by the repeal of these two taxes, because they are reducing Government revenues every day.

Mr. SMATHERS. I completely agree with the Senator. There is another chart which was not brought into the Senate Chamber, which demonstrates the effect of the removal of this particular tax. Actually, most people who have to pay the tax in fact deduct it as a business expense. The net income to the Government is really not very much.

There is no doubt, however, that the removal of the tax would stimulate business activity in the communities. The revenue to the Treasury would be greater than the loss which would be involved by the repeal of the tax.

Mr. HUMPHREY. I wish to associate myself again with the remarks of the Senator from Oregon [Mr. NEUBERGER], who pointed out the importance of a great national transport and transportation system. The key to that system is the railroads. It for no other reason than sheer national defense or if for no other reason than the kind of world in which we live, we must have a railroad system which is modern, which is operative, and which is solvent in order to serve the needs of the people. That is imperative.

I do not believe we can discuss transportation as an ordinary business. Transportation is not an ordinary business. Transportation furnishes the arteries and lifelines of commerce.

The Senator from Florida has done tremendous good by conducting hearings and by his leadership in the matter. I sincerely commend the Senator from Florida for the work he has done to bring to public attention the dire plight of our transportation system at the present time—particularly the railroads—and, secondly, the inequitable burdens placed upon some of the users of the common carriers under the kinds of tax laws we presently have.

Mr. SMATHERS. I thank the able Senator from Minnesota. As I had intended to say earlier, I knew of the Senator's expressed interest in the whole problem. I have never known anybody, in the years I have served in the Senate, who has been more energetic and more consistent than the able Senator from Minnesota in behalf of the small businessman and in the bringing about of equity, insofar as the business community is concerned, to those who do not have large resources. I know, of course, the Senator from Minnesota is in favor of the repeal of this tax, because he recognizes clearly it is inequitable and imposes a tremendous burden on the little man by starting him off with a handicap. It is much the same as loading down a race horse at the start of a race. If the handicapper before the race required that the horse carry 10 pounds more than any other horse had to carry, it would be inequitable to the horse so burdened.

One of the reasons why we observe the small-business man is disappearing from the economic scene in America today is the imposition of this tax. It is contributing to his demise.

I thank the Senator for what he has said. He is always a strong colleague to have when fighting any kind of battle, and in an effort such as this I am delighted to have the Senator standing with us and helping us.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. NEUBERGER. I wish to emphasize again very briefly a point mentioned by the Senator from Minnesota, which the Senator from Florida stressed many times. This tax is the worst of all, geographically, for the Far West, much of the Middle West, and the South. Those three areas of our country are most in need not of discouragement of industrial development but of encouragement of industrial development, so that the people may obtain per capita incomes commensurate with those in some of the Eastern States. This tax mitigates against such a goal.

Mr. SMATHERS. I thank the Senator. I have some illustrations of that fact to present a little later.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. HUMPHREY. Is the Senator going to develop the revenue aspects with respect to the tax? There is a general feeling throughout the country, I will say to my good friend, that whenever we repeal a tax we lose revenue. Of course, that is not necessarily true, because an excise tax may have such a regressive effect upon a business that it may destroy the income tax base. I am of the opinion the excise taxes, to which the Senator addresses himself today, have actually impeded and obstructed economic growth, thereby denying revenue to the Government. I make this point to encourage the Senator to dwell more upon it, because I know there is going to be a tremendous resistance in the Congress to any modification of the tax structure.

I am of the opinion that if there is one single tax above all others, which should be repealed, it is the 3 percent freight tax. That tax definitely should go off the books. I think it represents a loss of revenue to the Government. From all the material I have read—and I have read a good deal about this tax—I know that it involves a loss to the business enterprises themselves, to the common carriers. It also represents a loss to independent business.

Mr. SMATHERS. At the moment we are working on some charts with which we hope to demonstrate that even if there were no stimulation to business activity by reason of the removal of the tax, nevertheless, it is costing the Government in the neighborhood of $24 million. I do not have those charts at the moment, but I hope to have them prepared tomorrow or the day after, at which time I hope we can discuss this subject further.

The tax referred to brings in only $429 million. That is not a great deal of money so far as the Federal Government is concerned. Yet it is so stifling, so rigid, and so depressing that common sense should dictate to a man that he must conclude that it is a burden which should be removed if we are to bring about greater business activity. I hope we shall have the figures ready for the Senator tomorrow or the next day.

Mr. President, the 3 percent transportation property tax affects only common carriers. There are today approximately 90,000 private carriers operating an estimated 600,000 vehicles. Many of these are private truck fleets or barges owned by industrial giants. In fact, the transportation tax is a direct incentive for the big shippers to buy their own transportation.

Meanwhile, the small shipper who cannot afford the investment must continue to rely on common carriers, further weakening his competitive position, for he starts at a 3 percent disadvantage, and each subsequent shipment of his goods, multiplies his disadvantage.

Because of this 3 percent tax, private transportation has mushroomed since the war, aggravating the imbalance between big business and small. Moreover, the situation becomes increasingly worse as time runs on, for common carrier service is a decreasing-cost operation. That is, it becomes cheaper per unit as the volume rises.

So, as more and more large industries turn to private trucking, the effect snowballs, common carrier rates are forced up, the revenue to the Government is decreased, and the competitive burden on small business becomes increasingly heavy.

Consider the results. The Southern Railway told our subcommittee recently that it is losing about $25 million a year to private trucking.

I do not absolve the railroads of certain responsibility for their failures. No doubt, a cleverer leadership of the industry, with more imagination and aggressiveness, could have done a better job of resisting these inroads. A handicapped horse, given superior powers and superior endurance, may still win the race. But, as the handicap increases, the wise man looks for another nose on which to lay his bet.

Must we now vote a subsidy for our certificated common carriers to equalize the race?

Perhaps that strikes other Senators as it does me, as the ultimate absurdity—first handicapping our regulated transportation industry so that it grows less and less competitive, then taking that which is realized from the tax, to help them stay in business. Such a course makes no contribution to logic, or good business, although it does nourish an already flowering bureaucracy.

So much, then, for the first count in the indictment—the discrimination against common carriers in favor of private transport.

Now let us examine a little more closely the regressive effect of the transportation tax.

I have already shown how big business is able to escape the effects of the tax, while small business is loaded down under an increasing cost burden. Surely this is a regressive effect. It shifts to small business the job of paying the greater part of the tax, while big business gets, if anything, a headstart on profits.

There are, however, other and subtler effects, more pernicious because they are harder to detect.

The 3-percent freight tax—and the 10-percent passenger tax, too, of course—applies against the cost of transportation. That is to say, the more one pays for his ticket, the more tax one must also pay.

Consider what this means to the low-volume businessman. Because he must ship in less-than-carload and less-than-truckload lots, he is subject to rates which frequently are just about double the rates available to high-volume shippers. His taxpayments, therefore, are proportionately higher. And once again, so far as price competition is concerned, he is running with a hobble on his knees.

As a typical example, I call attention to the freight rates on masonite hardboard for shipments between Laurel, Miss., and Danville, Pa.

The carload rate is $1.38 a hundredweight. The less-than-carload rate is $3.20 a hundredweight.

A single shipment of 50,000 pounds at the carload rate costs $690. Aggregate shipments of 50,000 pounds at the less-than-carload rate cost $1,600.

That is quite a difference. There is already enough of an advantage for the big shipper.

But in both cases there is a freight-transportation tax to be paid. The carload shipper pays $20.70 for his 50,000 pounds of masonite. The less-than-carload shipper pays $48. That is a differential of 135 percent.

I quote from the Ninth Semiannual Report of the Small Business Administration, listing the major current problems of small business:

1. The impact of taxes which makes it difficult for some small businesses to accumulate working capital or capital for expansion.

2. Shrinking margins of profit due to high wage rates, high cost of materials, or lowered volume of business.
3. Competition from imports.
4. Competition with large businesses which extend their operations in new fields by diversification or by mergers.

In each of these four areas, the freight transportation tax is an obvious villain. Not only is it regressive in its first application, but even worse, it is a pyramiding tax which becomes more regressive at each stage until finally it crashes down onto the consumer with the weight of lead.

Let me illustrate.

Take a common article of clothing like a man's cotton shirt. Let us ignore, for the moment, the tax charges which have already accumulated on the cotton before it is grown—the charges on the agricultural implements, for example, which figure in the cost of cotton planting. Let us start with the cotton in the field.

The cotton goes first to a processing plant. Step 1, a 3-percent tax on transportation. After processing, it goes to the spinning plant. Step 2, another 3-percent tax on transportation. From the spinning plant to the weaving plant. Step 3, another 3 percent. From the weaving plant to the manufacturer. Step 4, a 3-percent tax again. Next, from the manufacturer to the distributor. Step 5, another 3 percent. And from the distributor to the retailer. Step 6, another 3 percent.

Of course, some of these steps may be telescoped. If the manufacturer is big enough, perhaps he does his own processing, spinning and weaving. If the retailer is big enough, perhaps he gets away without a middleman or distributor. But again the controlling factor is size. The bigger the business, the less this tax hurts; and conversely.

What about the effect on the consumer? There are several effects, none of them good. The most immediate effect—working through the pyramidal tax I have just outlined—is that consumers are in fact paying a hidden Federal sales tax on almost everything they buy. And this obviously has a regressive effect, since the tax eats up a bigger part of smaller incomes than it does of larger ones.

Furthermore, this tax is a direct and indirect contribution to higher living costs. Let me illustrate what I mean. In December 1942, a lumber mill in Hattiesburg, Miss., paid a transportation tax of $7.16 to move a carload of lumber to Chicago. By November of 1956, without any increase in the tax rate, the transportation tax charge had climbed to $13.81. And every time freight rates go up, the tax charge climbs again.

This much is clearly a direct contribution to the rising cost of living, since all new transportation costs, including taxes, are eventually reflected in the price the consumer must pay.

But there is also a further contribution to the inflationary spiral, for experience shows that manufacturers, distributors, and retailers have been including the transportation tax charge in the base figure from which markup is figured. In other words, the consumer ends up paying, not only a hidden sales tax, but a pyramidal profit based on the sales tax.

I have been talking chiefly about the tax on transportation of property. But the same regressive effects also result from the passenger tax. For two reasons: First, because the poor man and the rich man both pay 10 percent on their tickets. That represents a fraction of the rich man's income, but it is quite a sizable expense to the poor man. Second, however, and more important, because much of the traveling in this country today is done on expense accounts, which are chargeable against profits tax, the higher a company's income, the greater advantage the company receives through business deductions against profits.

In our highly mobile country, travel is not always a luxury. Today diversification in business is desirable. It can be accomplished through quiet and efficient travel. Sometimes families are split between east coast and west, between north and south. In tragedy or on occasions of joy, the transportation system is the link which makes separation bearable.

Yet, foolishly, we are penalizing mobility, which is one of the sources of America's great strength. In most circumstances, travel is not a commodity to be classed with jeweled trinkets or toilet water; and it ought not to be taxed in the same way.

III

Now, let me move to another aspect of the tax situation, namely, the effect on commerce among our major economic regions.

It would take a combination of a Philadelphia lawyer and a Harvard economist to trace the tax thread through all its ramifications, and I shall not attempt to do so. I do know, however, that this transportation tax has more than a little to do with some of the industrial dislocations which have taken place during the past decade.

I do not mean to suggest that I oppose industrial mobility. Far from it. Most of the changes which have come about since the war were dictated by solid economic logic—by shifting population, by new market conditions, and by advances in technology. When these have been the causes of industrial movement, the changes have contributed, and will continue to contribute in the long run to balance in our national economy and, therefore, to our national strength.

But it is no secret, I am sure, that in some instances, the crucial factor in relocation has been a matter of artificial advantage. Given a neat balance between competing factors, the 3-percent property transportation tax has more than once been enough to tip the scale in favor of relocation. Where this has happened, it has frequently been a sacrifice of efficiency and other natural advantages for a wholly synthetic cause, and, as such, it represents a net loss for the country.

But not all industries can afford to relocate. Many, instead of being able to capitalize on an artificial advantage, are subjected to an artificial disadvantage. For example, the taxes on food.

A carload of apples shipped from Winchester, Va., to New York City costs $267.83. A carload shipped from Yakima, Wash., to New York costs $852.18. That is a big differential. That is the difference in the cost of transportation.

But the shipper in Yakima must also pay a tax of $25.57—while the shipper in Virginia pays only $8.04. So the apple-grower from Washington State not only has a natural, understandable disadvantage, but the Federal Government compounds the disadvantage for him.

The disadvantage works in reverse when the eastern manufacturers try to ship to the West or the South. No wonder plants seek to relocate.

This transportation tax helps to build an unnatural wall between regions, creating economic isolation. And it shows up on practically every item that is sold anywhere in the country.

Even worse, this tax is an unnecessary and unfair burden on certain of our native industries in their economic competition with producers in Canada, in Mexico and elsewhere abroad.

Understand, I am not making an argument against international trade. My record on this point is clear. I merely say that we ought not to load down our own people under an unfair tax.

Let us take one specific example of how this tax works to harm our native industries.

Muriate of potash is a basic ingredient in the manufacture of commercial fertilizer. It is shipped in large quantities from Trona, Calif., and from Saskatoon, Saskatchewan.

The railroad freight rates from Trona to Jackson, Miss., and from Saskatoon to Jackson are exactly the same—$17.44 a ton.

But if two 40-ton cars are shipped to Jackson, one from Trona and one from Saskatoon, the cost of the California shipment will be $20.93 higher than the cost of the shipment from Canada. The difference, of course, is the 3-percent freight tax, which must be paid by the California shipper but not by the Canadian.

Obviously, unless he is willing to absorb the tax, the Californian will not get this business.

I say this is unreasonable and unfair to our own people.

In March 1958 the United States Bureau of Labor Statistics reported the Consumer Price Index at 123.3—1947–49 equals 100—0.7 percent above February 1958 and 3.7 percent over March of the previous year. This index has gone up in 22 of the last 25 months.

The question has been asked many times, how can the cost of living remain high and actually increase in the face of a depression?

One of the reasons is the increased cost of food, most of which is shipped from the outlying producing and processing areas to large population consuming centers. This food, subject to the 3 percent transportation tax, makes up 30 percent of the cost of living index.

Incidentally, there has never been a valid reason for a tax on food.

It is this continuing rise in the cost of food and other items in the index that has activated the escalator clauses in wage contracts and created the demand for higher wages—all of which is inflationary.

The Federal Government has suggested that States reduce the property taxes of railroads; it has urged manufacturers to reduce prices; it has asked labor to curtail wage demands.

The Government, then, should set an example by being the first to reduce prices and curb inflation through the repeal of this tax.

IV

While we are about it, I believe it is also time to consider the artificial upset created in the fuel industries by two special freight transportation taxes.

The present code, in section 4271 (b), imposes a special flat rate transportation tax on coal of 4 cents a short ton. Section 4281 imposes a tax on transportation by pipeline of crude petroleum and petroleum products at 4½ percent of the transportation charge.

There is no comparable tax on transportation of natural gas in pipelines; and there is, of course, little opportunity to tax imported oil, since most of it is used on the eastern seaboard, close to the port of entry.

Plainly, this is unequal taxation of competing industries and amounts to a guaranteed competitive edge for natural gas and imported oil. Again, I say this is unfair and unreasonable.

V

These are some of the major results of the transportation taxes. There are also several lesser—but still quite important—side effects.

The report of the Interstate Commerce Commission for the fiscal year ending June 30, 1957, commented as follows:

> The special wartime excise taxes on the transportation of property and persons continue to cause a diversion of an increasing amount of traffic from for-hire carrier to private means of transportation, and have fostered development of pseudo-private buy and sell truck operations which escape public regulations as well as the tax.

Increasingly, the transportation taxes have furnished the incentive for a whole series of semiethical and semilegal dodges and sharp practices. Trading on their 3 percent advantage, certain private carriers have contrived to divert volume traffic from the regulated common carriers by back hauling nonexempt freight.

From all over the country, increasing numbers of complaints have flooded into the ICC concerning such traffic in salt, sugar, meat and meat products, lumber, and canned goods.

Some of these carriers merely lease their equipment to a shipper who then avoids the tax as a private shipper.

But the most common subterfuge is the so-called buy and sell device. In this scheme, false bills of sale and invoices are issued to make it appear that the commodities being transported actually belong to the owner of the vehicle.

Unregulated private carriers and exempt carriers—following normal deliveries—go through the motions of purchasing nonexempt items at the source to avoid an empty back haul. Usually the resale is arranged even before the carriers buy their loads.

Frequently the driver of a privately owned truck makes these arrangements unknown to his employer. They are so advantageous to the driver and so difficult to police that they are rapidly becoming common practice. Therefore, I submit, this tax is encouraging wholesale law violations on an ever greater scale.

Another of the harmful side effects of the freight transportation tax is the impetus it has given to deterioration of highway safety standards.

Public interest and, in fact, public law require that private and exempt carriers must meet the same standards of vehicle safety and driver working conditions prescribed for common carriers.

But of the 160,000 carriers in this country, operating about 1½ million trucks, less than 6 percent are regulated common carriers, and they operate only about one-third of the trucks.

Of the other 94 percent with their million-odd trucks, the Interstate Commerce Commission has been able to identify and serve copies of its regulations upon only one-third.

During a special road check in August 1957 the Interstate Commerce Commission discovered that 62.3 percent of the private carriers and 67.1 percent of the exempt carriers were operating vehicles with four or more driver-equipment faults. This percentage compares with a percentage of 32.6 for the authorized regulated carriers.

Of course, not all of these defects would be remedied as a direct result of eliminating the 3-percent freight tax; but with the incentive gone, we would see disappear the worst of the fly-by-night offenders.

Mr. President, I think that there are two basic conclusions which emerge quite clearly from the facts I have presented to the Senate today. First, the purposes for which these transportation taxes were enacted no longer apply. Second, the taxes today operate directly against the basic and oft-expressed interests of the Government.

Let me go a little further on this second point.

We have heard much from the administration about its desire to quit competing with private industry. But the 3 percent freight tax does not apply to the parcel post operations of the Post Office Department. What is more, for years the Post Office has ignored a mandatory provision of the 1912 law requiring that rates be high enough to make the service self-sustaining. Not only has the Government forced the common carriers into an unfair competitive position, it is also operating its own freight enterprise at a loss.

Now, what about another of our Government's self-contradictions?

For years the Government has had a special and rightful interest in the development of air transport. Cash subsidies to the domestic airlines are running this year and next in the neighborhood of $35 million.

Since the 1930's the Federal Government has spent more than a billion dollars for airports, without a cent of direct repayment.

Through the Civil Aeronautics Board, the Federal Government today maintains and operates a vast and complicated system of traffic control which has cost almost $2 billion in the 33 years of its operation.

Probably half this money represents a direct contribution to the use of air facilities by commercial carriers; and no user charges have ever been made.

Not long ago, Secretary of Commerce Sinclair Weeks sent to Congress a 5-year plan, calling for expenditures of $2.8 billion to modernize the Nation's air traffic control and navigation systems.

Yet, in spite of these direct and indirect subsidies, the airlines, too, find themselves faced with the specter of declining revenues and rising costs.

I favor expenditures for improved airline transportation; and certainly I favor every one of the recommended appropriations which will result in greater safety in the air. But we are in a somewhat inconsistent position today, because commercial airline business is suffering greatly, and this results in large measure for a continuation of the pressure of the 10 percent passenger tax and the 3 percent tax on the potential cargo customers of the airlines.

But this is a two-edged blade, Mr. President. The 3 percent tax also does its part on the soft underside of the carrier by jacking up costs, in the usual pyramidal fashion, of fuels, oils, tires, food supplies, shop machinery, maintenance materials, parts, and even the very fabric of the airplanes themselves. The companies all have to pay the 3 percent transportation tax when they are moving equipment to the assembly points.

What sort of crazy logic permits a subsidy on one end because the victim cannot move very fast, and still places a ball and chain on the other end? That is exactly what is happening today in the air transport business.

Mr. President, it has been suggested that if the Federal Government removes the excise tax on transportation, the carriers who would receive the benefit would raise their rates, because the public would have become accustomed to paying the additional 3 percent on the transportation of freight and the additional 10 percent on transportation of passengers. I was greatly concerned whether that might not be the effect. I did not believe it should be. So I thought the best way to determine the answer was to take up the matter with the various regulated carriers' associations, which represent the carriers that might benefit most by the proposed repeal of the tax.

I have received a letter dated June 2, 1958, from Stuart G. Tipton, president of the Air Transport Association. I shall not read the entire letter; I shall read the first and the last paragraphs:

> Reference is made to our recent discussion regarding the necessity of repealing the outmoded World War II excises on the transportation of persons and property. During that discussion you inquired whether if the 10 percent transportation tax were removed the airlines would increase their fares 10

percent to "take up the slack." It is the purpose of this letter to state for the record the answer I gave you at that time.

* * * * * *

It seems clear that under the circumstances stated an additional rate increase is justified and should be forthcoming whether or not the tax is repealed.

Mr. Tipton's reference is to the fact that the airlines have had pending before the Civil Aeronautics Board for the last 2 years a general rate increase. He continues:

In any event, the airlines do not intend to take advantage of the elimination of the tax as an excuse for a corresponding increase in fares. Any such increases must and should be based upon, and justified by, the need of the carriers for additional revenue and will not be based upon, or justified by, the elimination of the tax.

Mr. President, I ask unanimous consent that the entire letter may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AIR TRANSPORT ASSOCIATION,
Washington, D. C., June 2, 1958.

The Honorable GEORGE A. SMATHERS,
United States Senate,
Washington, D. C.

DEAR SENATOR SMATHERS: Reference is made to our recent discussion regarding the necessity of repealing the outmoded World War II excises on the transportation of persons and property. During that discussion you inquired whether if the 10-percent transportation tax were removed the airlines would increase their fares 10 percent to "take up the slack." It is the purpose of this letter to state for the record the answer I gave you at that time.

As you know, airline fares are regulated by the Civil Aeronautics Board. The Board can prevent any airline from increasing its fares. If the transportation tax were repealed tomorrow, it would mean an immediate reduction of 10 percent in the cost to the public of air travel.

During our discussion I pointed out to you that the scheduled airline industry is committed to invest close to $3 billion in propjet and turbojet airplanes in the next 4 years. The size of this commitment can best be appreciated when it is compared to the present book value of airline operating equipment—$1,056,000,000. If the airlines are to meet their commitments for new aircraft they must have increased earnings. These commitments must be met because this country's supremacy in air transportation depends upon them. In view of the fact that the airline industry is caught in a spiral of increasing costs, which cannot be overcome by greater efficiency in management and operation, the industry cannot realize increased earnings unless it increases its fares. A proceeding to investigate airline fare levels was instituted by the Civil Aeronautics Board 2 years ago. Although the Board early this year granted an interim increase of 4 percent plus $1 per ticket, it is not expected that the pending proceeding will be terminated until sometime next year and, of course, we have no way of knowing at this time what further increases will be granted. It seems clear that under the circumstances stated an additional rate increase is justified and should be forthcoming whether or not the tax is repealed. In any event, the airlines do not intend to take advantage of the elimination of the tax as an excuse for a corresponding increase in fares. Any such increases must and should be based upon, and justified by, the need of the carriers for additional revenue and will not be based upon, or justified by, the elimination of the tax.

Cordially,

S. G. TIPTON.

Mr. SMATHERS. Mr. President, I have received a letter dated June 2, 1958, from Daniel P. Loomis, president of the Association of American Railroads, which reads as follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., June 2, 1958.

Hon. GEORGE A. SMATHERS,
Chairman, Subcommittee on Surface Transportation, Committee on Interstate and Foreign Commerce, United States Senate.

DEAR SENATOR SMATHERS: During the course of the recent hearings before your committee, there was presented a wealth of testimony showing clearly that repeal of the transportation excise taxes would not only aid the railroad industry but would also materially benefit the traveling public and shippers and consumers generally. During those hearings, no real attempt was made to refute such testimony. However, it has come to my attention that opposition to the repeal of these taxes has now been voiced on the ground that there would be no benefits to the travelers, shippers, or consumers as the railroads would use such repeal as a basis for seeking increases in their freight rates and passenger fares.

While the Association of American Railroads does not concern itself with rate or fare policy matters, I have been authorized, on behalf of the regional traffic organizations, within which rate and fare changes are initiated, to state that repeal of the transportation excise taxes will not be urged as a basis for authorization of a change in freight rates or passenger fares.

Very truly yours,

DANIEL P. LOOMIS.

That is a statement from the head of the Association of American Railroads that the railroads will not use the proposed excise tax removal as the basis for a fare or freight rate increase.

I have received a letter dated June 2, 1958, from A. W. Koehler, secretary-manager of the National Association of Motor Bus Operators. I shall read a pertinent paragraph of the letter:

There should be no fear that the intercity bus industry will attempt to take advantage of the elimination of the tax as an excuse for a corresponding increase in fares. Some of the intercity companies do, of course, have fare increase applications pending, and no doubt it will be necessary to make applications for increases from time to time in the future. You may be assured, however, that any such applications will be based upon and justified, as indeed they must, by economic facts and will not be the result of or based upon the elimination of the transportation tax.

Mr. President, I ask unanimous consent that the entire letter written by Mr. Koehler may be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF
MOTOR BUS OPERATORS,
Washington, D. C., June 2, 1958.

Hon. GEORGE A. SMATHERS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SMATHERS: The following information is being sent you in support of your efforts to afford relief to the passenger carriers from the outmoded and burdensome transportation tax.

The 10-percent tax on the transportation of persons was enacted as an emergency wartime measure during World War II, and its sole purpose and justification was to discourage unnecessary wartime travel. The emergency need for discouraging travel has long since disappeared, but the tax remains as a deterrent to travel and a depressing influence upon the entire transportation industry. We earnestly believe that this tax should be removed, and this opinion is shared by all modes of transportation, by the public bodies, both Federal and State, which regulate or have an interest in public transportation, and we believe by the vast majority of the traveling public as well.

The removal of the tax would relieve the industry of the substantial administrative burden of collection which the tax imposes and would result in an appreciable saving in administrative and reporting expense. While precise cost data are not available, a traffic executive of a large operating company expressed the view that 4 cents per passenger was a reasonable estimate of the cost, to the carriers, of collecting the tax, processing the dealled records required, and remitting the proceeds to the Treasury. On this basis the cost to the intercity carriers for 1957 would be approximately $8 million, which is equivalent to 22 percent of their net revenues before taxes and roughly 44 percent of their net income after taxes.

Moreover the removal of the tax would encourage travel and, in our opinion, give a much-needed shot in the arm to the entire transportation industry.

There should be no fear that the intercity bus industry will attempt to take advantage of the elimination of the tax as an excuse for a corresponding increase in fares. Some of the intercity companies do, of course, have fare increase applications pending, and no doubt it will be necessary to make applications for increases from time to time in the future. You may be assured, however, that any such applications will be based upon and justified, as indeed they must, by economic facts and will not be the result of or based upon the elimination of the transportation tax.

It is the thought and the purpose of the bus industry that the traveling public will be the direct beneficiary of the removal of this tax while at the same time the bus industry will be benefited by the relief from the administrative burden of collection and by an increased use by the traveling public of all modes of public transportation. The intercity bus industry would not realize the benefits of stimulated bus travel if the industry should increase fares on the basis of the elimination of the transportation tax.

Please be assured that your efforts toward elimination of the burdensome 10 percent transportation tax are greatly appreciated.

Sincerely yours,

A. W. KOEHLER,
Secretary-Manager.

Mr. SMATHERS. Mr. President, it remains only to summarize the advantages which would flow from the removal of these excises. I have been over most of them in transit.

First. I believe that there would be only an insignificant drop in tax revenue—perhaps even a gain.

Second. Removing these excise taxes would stimulate the entire transportation industry. It would encourage traffic in exactly the same fashion as it discouraged traffic.

Third. It would unquestionably lower prices to the consumer, not only directly, by cutting the cost of train and plane tickets, but indirectly in the goods and services on which tax costs are now pyramided.

Fourth. It would improve the competitive position of small business, by eliminating what is essentially a tax favoritism for big business.

Fifth. It would remove a regressive feature from our present tax structure—something which obviously we can easily do without.

Finally, it would give a shot in the arm to the railroads, which, as we all know, are hurting quite badly now. It would help all regulated motor carriers. It might well save the intercity but transportation system. It can assist greatly the airlines who face mounting operating costs with little or no increase in traffic. It would be a direct and essential contribution to the health of our economy which depends, as it has depended for years, on huge capital expenditures from the entire transportation industry. These capital expenditures have not been forthcoming in their usual volume for the last several years now; and this is one reason why the steel industry is in such difficulty, and why our economy is in its present weakened condition.

In short, Mr. President, it appears to me that there are few steps we can take, in this session or any other session, which promise so much good for the expenditure of so little effort.

Mr. President, on behalf of the Senator from Washington [Mr. MAGNUSON] and myself, I submit an amendment which seeks to bring about repeal of the excise tax on the transportation charges for freight and passengers.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance.

THE RAILROAD RETIREMENT BILL

Mr. MORSE. Mr. President, I am chairman of the Subcommittee on Railroad Retirement, of the Senate Committee on Interstate and Foreign Commerce. I have just come to the Chamber from a meeting of the subcommittee. There, information reached us that an unfair criticism had been made of a member of the subcommittee, the Senator from Colorado [Mr. ALLOTT], to the effect that the subcommittee has not yet made to the full committee a report on a railroad retirement bill, because, so it has been alleged, the Senator from Colorado has been "sitting on the bill" in the subcommittee, or a similar charge to the effect that the Senator from Colorado has been delaying action on the bill.

Mr. President, as chairman of the subcommittee, I resent that charge against the Senator from Colorado. In fairness to him, I make the statement that there is no basis in fact for such a charge.

We have been working as hard as we can on the railroad retirement bill. I know of no subject that is more technical. In fact, we have almost reached the conclusion that, even to serve on the subcommittee, one should have a degree in higher mathematics.

From time to time there have been postponements, for two primary reasons: One has been to get more statistical or mathematical information for the enlightenment of the subcommittee, because we want to report to the Senate a bill which will be actuarially sound. Second, some representatives of the railroad brotherhoods themselves—and I stress this point—last year and also during a part of this year have said they would prefer to have action taken by the Senate on the bill only after the House of Representatives took action on a tax-exemption bill which they have pending before the House of Representatives.

Some weeks ago, I made clear to representatives of some of the railroad brotherhoods that my subcommittee could not wait indefinitely for action in the House of Representatives on any tax-exemption bill, and that I intended to have the subcommittee proceed with further consideration of the railroad retirement bill. That is exactly what we have done.

Mr. President, as chairman of any committee or subcommittee, I shall always protect the members of my committee from unfair criticism. If such a criticism has been afloat in regard to the Senator from Colorado [Mr. ALLOTT], I wish to say it is not based on fact.

Mr. ALLOTT. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. ALLOTT. I wish to thank the Senator from Oregon for his remarks.

I believe it is wise to emphasize the fact that back in 1956, when we voted to report the measure which called for a 10-percent raise, some of us agreed that we would do everything within our power to make this fund actuarially sound.

I wish to compliment the Senator from Oregon, who has tried very hard, especially during the periods when the Senate has held long sessions, to have the committee meet; but time after time he has had to give way—as both of us know—for other committee meetings, particularly those of the Committee on Labor and Public Welfare, which demanded his attendance and the attendance of other Senators.

I assure the Senator from Oregon that if it is at all within my power, I shall assist him in every way to have the committee report, this year, a bill which will be actuarially sound.

Mr. MORSE. I know that is true, and that is what the Senator from Colorado has done in the past.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

CONGRESSIONAL RESPONSIBILITY AND FOREIGN AID

Mr. JENNER. Mr. President, the time has come for the annual performance in Congress which I have called the Foreign Aid Follies.

Every year both the Senate and the House go through the old routine. Their respective committees hold two sets of hearings—first on the foreign aid authorization, and then on the appropriation. They publish hundreds of printed pages of testimony and reports. But the result is never for a moment in doubt.

The executive branch will get whatever it asks for, minus token cuts here and there. But the executive agencies always calculate what cuts Congress will probably make, and add them to their requests. Even after the cuts are made, executive agencies end up with all the funds they expected, and sometimes more than they hoped for.

I have no doubt that if Congress were free to express its real opinion, both Houses would vote to put an end to the Foreign Aid Follies at once.

But Congress is not free. Instead Congress is cribbed, cabined, and confined by a network of restrictions woven by the executive branch.

The Constitution gives Congress the legislative power. That means Congress is charged with two great responsibilities. It is responsible for deciding how much of the people's earnings is to be granted to executive agencies for specific purposes; it is also responsible for devising administrative machinery so precise that the executive agencies can spend the public money only in the way Congress has told them it is to be spent.

Let us be honest, and admit that Congress does not make the decisions about how much of the people's earnings is to be diverted to foreign giveaways and Congress does not set up administrative machinery to guide the use of this money into channels restricted to the purposes Congress has approved.

In dealing with foreign aid, Congress has totally abdicated its constitutional responsibilities. Of course, we go through the motions. We have bills in proper form, with impressive titles and numbers. Our committees hold the requisite number of hearings, and issue the requisite number of reports. We debate, and solemnly count the votes. The only thing missing is that Congress has nothing whatever to say—in fact—about how much of the people's earnings should be spent for foreign aid, and does nothing whatever to keep this spending within administrative limits which insure the money will be spent as the sovereign people and their respresentatives wish.

This is not a criticism of the Members of Congress. I gladly pay tribute to the great amount of work they do in connection with foreign aid. I say we have forgotten the one thing needful—it does not make the slightest difference how much work we do, if we do not do enough to preserve full Congressional oversight of the people's money and of the Government agencies which are supposed to serve the people.

This is the last statement I shall make in the Senate on foreign-aid bills I have fought year after year, against both the authorization and the appropriation bills knowing the fight was hopeless.

This year I do not intend to discuss the appropriation bill, which will follow this bill because the issue lies here. For years Members of Congress have been told that the foreign-aid-authorization bill was not important. "Let them pass this bill, and you can reduce the appropriation later, when the appropriation bill comes up."

Then, when the foreign-aid appropriation was before us, the same soft voices

murmured, "We cannot do anything now. We would be glad to go along, but Congress has given us orders to spend, in the authorization bill."

I say the authorization bill is our chief responsibility. The authorization bill determines the objectives for which money is to be spent and the administrative channels through which our money is to move.

It does not make any difference whether a sum appropriated is large or small. If Congress has not made certain in the authorization that it will be spent for purposes desired by the people of the Nation, it is bad law.

We cannot have a Government under law, except as Government spending is under law. Government spending cannot be restricted to definite, lawfully established purposes, unless Congress makes sure that the spending agency will operate within the channels laid down by the representatives of the people.

The collectivists of our day know well that any government has unlimited power, in fact, no matter how many legislative restrictions hem it in, if it has unrestricted spending power. Government agencies with "easy money" can bypass every law and every article of the Constitution without even the slightest appearance of illegality.

Foreign aid was devised by those who were in power during World War II, when Harry Hopkins and Dean Acheson set the standards. It was set up, from the beginning with such broad noble objectives and such wide, indefinite, powers that the executive agencies can spend these billions in any way they please, and then hide the results behind a curtain of secrecy.

Members of Congress know that the foreign-aid programs are riddled with inefficiency, stupidity, and waste. Patriots like Spruille Braden and Eugene Castle have been untiring in trying to collect the evidence, in spite of the curtain of secrecy.

Members of Congress have spent their free time traveling all over the world to find out what has been done with our money. Some of them have brought back invaluable reports.

Now we have the careful audits of the General Accounting Office, and the hearings held by the House Committee on Government operations, on the evils the GAO has unearthed.

This is a great help in bringing out past mistakes. But let us admit it. We shall never catch up with the waste and folly of the foreign-aid program that way.

As soon as a diligent investigator, Congressional or private, has told his story, the foreign-aid officials issue statements denying his reports, and explaining everything in the nicest way.

Are they right or not? We shall never settle the question. The most careful individual investigators make 1 or 2 visits and come home. They write their reports, but they have dozens of other things to do. The ICA and its colleagues have nothing else to do. They have teams of men, against our individuals. Their teams are on the ground. They have spent 7 to 14 hours a day, 5 or 6 days a week, for years on ICA. They have Government-paid channels of communication, making a vast propaganda network, reaching out to every school, every radio, TV, magazine, universities, church, and lodge in the country.

Who is going to win? Let us not be silly.

A year ago, the junior Senator from Georgia [Mr. TALMADGE] made an excellent speech on the weaknesses of foreign aid. The ICA disputed many of his statements. They had the last word. Why? Because the ICA had teams of researchers, writers, public-relations men, with travel money to go to every country in the world. Did the junior Senator from Georgia have free time and unlimited funds and nothing else to do in the last year, but keep up his investigations of foreign aid?

Look at the CONGRESSIONAL RECORD and list the areas of government, economics, politics, military problems, science, agriculture, and the rest, on which the junior Senator from Georgia has had to work, while the ICA had its teams of people traveling all over this world, and funnelling their stories into every corner of the United States, to prove how wrong he is.

How long should we keep up such an unequal contest?

I have the highest respect for the work of the General Accounting Office, and of the individuals and committees in Congress, which are searching for the truth. I believe they have been most helpful, and their work should be continued, even expanded, with the fullest support we can give.

But just as soon as Congress discloses the proof of waste or silliness in one field of activity, the foreign aid officials know what to do. They transfer their efforts to a new field, where critics must start from the beginning to get their facts, and cannot get enough facts to hurt, until the foreign aid officials skimmed the cream off the new operation, and are ready to move to even richer fields their planning agencies have been preparing for them.

We are in process of abandoning military aid to hard anti-Communist countries like Korea, Free China, and Turkey. Does that mean expenditures will turn down? Oh, no. We are moving deeper into another area with the pleasant-sounding name of economic development. What does that mean? It means the United States is undertaking to erect the railroads, port facilties, airports, water systems, and other public works for the so-called underdeveloped areas. But there are perhaps a billion people in these undeveloped areas. The people of the United States are to finance the steps by which a billion people will be lifted to our economic level—or we will be dragged down to theirs.

To make the picture complete, this pouring of American tax funds into economic development will strengthen the neutralists. The firm anti-Communist nations, like Korea and Free China, will be told to cut their military spending because military spending is not nice, you know. We cannot be beastly to the Russians any more. Did they not say nice things about Van Cliburn?

The billions we vote for development will be coordinated with the U. N. and other international agencies, whose staffs make no pretense of agreeing with the ideals of the United States. This development will be called private enterprise, but it is private enterprise in leading strings, taking gifts from Government and obeying the orders of its patron. It may benefit a few big international financiers, but it is not private enterprise in the American sense of economic freedom to choose one's work and livelihood. It is captive private enterprise, harnessed to the chariot of big government, to be exhibited to the world as triumphal proof that resistance to world collectivism is hopeless.

There is not a shred of evidence that foreign aid expenditures contribute anything to strength our country militarily.

There is not a shred of evidence that these expenditures have done anything whatever to deter the Communist Governments of Russia and China, or to interfere with their onward sweep.

Let us consider first the period since the end of World War II. The Department of Commerce estimates that we gave away or lent some $62 billions since the war's end. They include $11 billions of loans to be repaid—in 30 or 40 years—or credits for services to us. This total is an extremely conservative estimate of what we have given away. Of course, this figure makes no allowance for the interest cost, which we must pay on borrowed money. It makes no allowance for the ever-rising cost of living which harries our families, or the loss to those who live on savings, or the blow to our national pride as the dollar of the United States falls down, down, down—and it is still going down.

Since we began spending those billions—for the purpose, we were told, of checking communism—the Communists have extended their conquests to nearly a third of the land area and nearly half the population of the globe. Where have we protected ourselves by giving away these billions? In Laos, or Cambodia, or Egypt, or France, or Peru?

Inasmuch as I have referred to France, I remember when we first debated some of the bigger steps in the foreign giveaway. The debate related to NATO. The leading statesmen on the floor pleaded to the voters and to his colleagues: "We have to set up NATO. Do not worry about sending our boys overseas," and so forth. "The security of the United States depends upon NATO." Then the solid premise was laid that the land mass strength of France was the key to the success of NATO. Well, take a look at France today.

Let no one say the Communists would have made even greater gains if we had not spent this money. We hear that. If the Communists gain another square mile, they will have won. They do not have to conquer the whole world to rule it. If they advance anywhere else, they will have so altered the balance of power and of resources, that once-free countries will drop into their net 1 by 1. Khrushchev boldly boasted of it to our people, over our own television networks.

We are not stopping communism.

We are not strengthening the United States.

The Members of Congress know that there is nothing in the very dangerous situation of the United States which can be cured by spending money.

The Members of Congress know that spending money on giveaway programs is not enough to protect the United States against the plans of the cold, crafty, ruthless, skillful men who make up the Soviet Government.

Today foreign policy is not so glamorous as it used to be. The State Department can no longer tell our people to turn away from the dull grey problems of every day and look at the romantic backdrop of Thailand, or the dancing girls of Indonesia, or the poor orphan children of the Middle East for escape. Our people are not as innocent as they used to be. When they look at Thailand they might see the crumbling of Laos and Burma, even while our Government is supposed to be supporting them. When they look at the exotic dancers in Bali, they might see the pro-Communist actions of the State Department's darling, President Sukarno. When they look at the poor orphan children of the Middle East, they might see, instead, how State Department men, who served in China when it fell to the Communists, were moved stealthily to key diplomatic posts in that fateful area, immediately before the trouble began. Our people might wonder if our Government's helplessness in the Middle East is not strangely like our helplessness in China after 1945.

Now we are told a new tale—that foreign-aid spending is not foreign aid because 80 percent of the money is spent in this country, for farm and industrial products, and jobs for workers. Recession remedies are now the fashion, so foreign aid has become a cure for recession.

Let us look at that statement. It is true that perhaps 80 percent of foreign-aid appropriations is spent for orders in this country. But does this increase the job total?

Let us say that out of an appropriation of $4 billion a year, some $3 billion is spent in this country for Government purchases of wheat, cotton, coal, road machinery, trucks, and so forth. Is this a boon to our economy? The publicity handouts tell us it is. What they do not tell is one simple fact—none of these orders is paid for, in any economic sense. The countries which receive these goods give us no goods in return. No silks or spices or services flow back to repay the farmers, the workers, the industrialists, the railwaymen, and the shippers.

The American producers are paid money or checks, in the first instance, it is true; but who pays them? The answer is simple.

The money or checks that pay for these orders on our economy are simply the Government's I O U's, which promise that the checks will be redeemed by taxes laid on the same farmers, workers, industrialists, railwaymen, and shippers.

This is pure and undiluted inflation. We are financing our foreign aid exactly as we finance war—by printing-press money. Then we pay interest, forever and ever, on the money the Government borrows to make good the checks.

We had runaway inflation in World War I, but the Republicans put a quick stop to spending, in 1920, and went back to honest money.

We inflated our money on a bigger scale in World War II, but the Fair Dealers did not want to give up the fun of spending unlimited money in peacetime, so they invented foreign aid. Foreign aid was not devised by Dean Acheson to help foreign countries, or to fight communism. It was devised to help the New Deal-Fair Deal spending oligarchy, who would otherwise have been forced back to balanced budgets and tax reduction, as was Wilson's bureaucratic staff when the Republicans took over in 1920.

Governmental advocates of unlimited spending have plenty of money to hire statisticians and writers and public relations experts who tell us, again and again, that foreign aid exports are international trade. We have heard all kinds of slogans, including "Trade, not aid." But trade is a two-way process. Trade is exchange. Something tangible of equal value must come back before there is any trade.

We used to call expenditures, which were not balanced by an equal return, an honest name, like gifts or charity. It is a lie to call them trade.

All foreign aid shipments and shipments of surplus commodities should be deducted from our foreign trade figures, and called foreign aid, or giveaway. Then we would see how false is another argument—that reciprocal trade and GATT have increased world trade. We are being gulled by both foreign aid and reciprocal trade one-worlders. In spite of the lovely handouts, the blue-sky prospectuses, there is nothing there.

Senators, remember the famous story of the emperor whose counselors could no longer find beautiful clothes to dazzle the people with his magnificence, so they invented a publicity stunt. They told the people the emperor's clothes were more beautiful than ever, but those who were not loyal could not see the garments. So everyone was afraid and said, "Yes, yes, the emperor's clothes are beautiful." Only an innocent child, holding its mother's hand, did not understand, and said, "But the emperor has no clothes."

So I say that foreign aid is blue-sky appropriations. There is nothing there but public-relations fairy tales.

I return to my question: When will Congress stop rubberstamping these lovely prospectuses for taking the money of our people and giving them nothing in return?

When will Congress return to its constitutional responsibility again?

We must come to grips with the fact that foreign aid is a political spending program, brilliantly contrived by its planners to influence the political situation at home by bringing gifts where gifts will do the most good.

Foreign aid funds buy up commodities, services, and interest groups, and use foreign countries as a dumping ground to get rid of the purchases. What is the advantage to the spending managers?

Let me make my point clear. WPA was called a program for relief of the unemployed. But if one examined WPA spending minutely, he would see that every dollar for the unemployed was spent in an area where it would accomplish the most political good—where grateful mayors and governors and other local leaders could be induced to come down to Congress and warn that WPA appropriations must be kept up, or grass would grow in the streets.

Every dollar of so-called foreign aid is spent to influence the American political picture by supporting those who will support big spending.

There is nothing international about it, except the catastrophic effects on friendly nations.

For evidence of the way foreign aid has built up a body of vested interests which will work unceasingly to continue big spending, as far as possible from the eyes of Americans—I cite Eric Johnston's recent National Conference on Foreign Aid.

A list of the participants in that Conference can be found in the CONGRESSIONAL RECORD. All the expenses of the Conference were said to be contributed by private individuals or firms.

Does any Member of Congress believe this Conference was organized by men unselfishly dedicated to finding a good foreign policy, or to defeat the reactionary isolationists who would otherwise run the country?

No, there is no one in this body so gullible as that. This Conference was a Conference of the men who get the gravy from foreign aid or of colleagues who innocently fronted for them. Those businessmen did not know they were sent here to blow up public sentiment for the next year's appropriations.

Some time ago, in an ICA press release, I noticed that ICA had one staff member assigned to keep in touch with the National Council of Churches. By what theory of government does an American agency keep in touch with a religious body, concerned in no way with its program?

I am only too certain that ICA has staff members assigned to keep in touch with Catholic agencies and Jewish agencies and the Friends, the Unitarians, and probably the Moslem religious leaders. Someone in their organization keeps in touch with the Rotarians, the Elks, the Odd Fellows, the women's clubs, the magazines, the press, TV, and the book publishers.

This is the certain result of big government spending, and no one in his right mind should be surprised at it. A government committed to big spending will never stand off and leave public opinion free to give voice to the opposition.

The spenders have reached the limits of arrogance in their attempts to influence Congress by sending paid hirelings or credulous volunteers to stir up our districts against us.

Mr. Chalmers Roberts, in an article in the Washington Post of May 23, 1958, describes one of the grass roots propa-

ganda conferences, organized by the State Department with public funds. It was called a Spring Conference On Foreign Affairs.

Secretary Dulles and other high officials of the foreign policy agencies appeared and handed down to representatives of 137 nongovernmental organizations the official version of our foreign aid.

What these officials told the assembled representatives of such institutions is "off the record." Reporters were permitted to summarize the arguments but not to identify the speakers.

These officials, who were not willing to be responsible for their statements, said some very important things.

One of them made what Mr. Roberts called a plea for pressure at the Capitol to help pass the foreign aid and reciprocal trade extension bills.

If that is not improper and illegal activity by officials of the executive branch, what is illegal under statutes forbidding lobbying? Congress should find out.

The same official—whose identity can be guessed without too much effort—said that "Arctic flights of nuclear-laden bombers admittedly create a situation where there is a chance of war by accident or miscalculation." If that is not contradiction of our official position, what is? Why should foreign governments trust us, when we can not trust statements from the highest levels of our Government on whether these Arctic flights are fully protected against accident or not?

Soviet press representatives are freely admitted to such conferences. Obviously American adherents to the fifth column may be present as representatives of one or more of the non-Government organizations. Why should not the Soviet Union make propaganda use of such confusion and deceit in American foreign policy?

Another Government official talked off the record about the very delicate situation in France and that in Lebanon.

A third said the Soviet Union will surpass the United States this year in industrial investment, that is, presumably in industrial capacity. The answer was obviously more foreign aid.

Such statements are responsible if made to Congress or the press. They are irresponsible as well as illegal, if made to pressure officials of non-Government agencies. Executive secrecy acts as a barrier to limit the responsible but not the irresponsible.

Congress has steadily refused to come to grips with lobbying by Government employees using public money.

What a help it would be if Members of the Senate decided to act on this flouting of the law, before they took a vote on either foreign aid or reciprocal trade.

The correct answer to such tactics was made by Representative OTTO E. PASSMAN, chairman of the House Appropriations Subcommittee on Foreign Aid. Chairman PASSMAN suspended the hearings on the appropriation bill, because of what he called the unprecedented pressure campaign by executive agencies to influence Congress.

The executive branch is forbidden, by the separation of powers, and by statute law, from trying to influence Congressional appropriations. The Congress can not ignore it, when executive agencies use public funds to distort and disorganize the legislative process.

Lobbying in Washington by government officials is bad enough, but it is far more serious when members of the executive branch, well supplied with public money, go out into the Congressional Districts, to organize a public opinion opposed to the best judgment of the area's representatives in Congress.

Members of Congress have no defense against such tactics. They have no funds, no staff and no time, to go back into their districts and defend their position.

The proper first step is that taken by Representative PASSMAN, to suspend Congressional hearings until the pressure stops. The second step is for Congress to insist on the arrest and punishment of the officials responsible for such illegal and improper behavior.

We see the results of these conferences, organized and paid for by the State Department, as the flood of letters comes in, to tell us we must not tamper with foreign aid.

We can deal with foreign aid spending only if we face the fact that it is a domestic program, operated for political effects.

Foreign aid is a continuation of WPA.

The WPA was converted from a dole of the poor to a dole for big business, when World War II began, and renamed lend-lease. Lend-lease subsidized the big operators, so they would go along with spending unnecessary billions in the name of war. Like foreign aid, most of the excess spending went to interests at home which influenced public opinion.

How does lend-lease differ from foreign aid? Not at all.

How does either differ from the WPA if we remember the political advantages of a dole for the rich instead of a dole for the poor, as a way to get really big appropriations.

Congress will never come to grips with foreign aid spending, until it deals with the foreign aid bureaucracy as an instrument for the perpetuation of collectivism on an increasingly international basis.

I will say here and now that we can never have a sound foreign policy, and we can never have a sound military policy, until Congress decides to cope with this antagonist of true representative government.

The minority views of the House Foreign Affairs Committee estimate that, if this authorization is passed with its appropriation, the executive branch will have a total of $12,129,307,500 in its pipeline, from foreign aid and surplus commodities, to give away in foreign countries.

This year the Senate Foreign Relations Committee has added a provision specifically stating that the giveaway is to include Poland and Yugoslavia.

Imagine our voting to tax our hard-working people for giveaways to Communist satellites, despite the fact that Tito has publicly stated that if war comes he will march at the side of the Communists, and notwithstanding the fact that the people of the satellite countries are enslaved to feet the Soviet war machine. Many Members of Congress have fought hard against this folly; so now the State Department wants full say.

Let me repeat it slowly, $12,129,307,500, for foreign giveaways to be used in any way the State Department likes.

Congress can come to grips with the cancer of foreign aid spending whenever it has the courage.

Congress will never come to grips with this politically fatal disease, if it lets the spending bureaucracies make their own program, while it goes through the motions of trimming off a few hundred millions here or there.

Mr. President, You may ask me: What is the alternative to foreign aid? Would you be willing to leave the brave Koreans or the Free Chinese at the mercy of the Communist armies a stone's throw away?

Of course, I do not propose to abandon Korea or Free China or Turkey. On the contrary, I say that the State Department and the ICA intend to abandon them. They intend to cut anti-Communist military aid to a trickle, as fast as they can get their so-called economic development going.

But I admit the challenge. Can Congress abandon a program which has been in operation for 10 to 25 years? Are we committed to keep going, with a bad program, because we have so many involvements?

Let me tell Senators the answer. We do not need to abandon our present foreign policy. It is abandoning us. All we need to do is to pick up any daily newspaper and read the reports from the AP and UP–INS. We do not need to abandon our foreign policy. It is falling away like dust in the sands. We have not bought any friends. We have not stopped communism. But we are bankrupting our own Nation.

In some remarks I made in Indianapolis last October, I said:

> There is a new wind blowing in the world.

I say now: There is a new wind blowing in Europe. There is a new wind blowing in Africa. There is a new wind blowing in Asia and in Latin America. There is a new wind blowing among the people of the United States. The American Government is aware of it, but hostile. Only Congress does not know that the political climate is changing so rapidly that we shall hardly recognize it in another year or two.

Epochs do not die with a bang. They die with a whimper. The people of the world are sick of socialism, statism, spending, and propaganda. They are sick of lies and doubletalk and two facedness. They do not want to be brain washed any longer, with their own money.

Germany has broken out. Italy has broken out. The Socialist constitutional structure of France is crumbling. Africa is seething. The Soviet leaders have made a complete shift from competition by armed forces to economic competition

for the world. They sent up their sputniks to keep American eyes on the military threat, just when the Communists were ready to turn to more profitable fields.

Germany and Italy and Benelux are building themselves the most beautiful economic and political union in the name of the common market and Euratom. They are going to confront the Soviet Union with a block of people larger by many millions than the European Communist bloc. They will have the most powerful industrial complex in the world.

The English understood immediately the meaning of these European moves. They sent topflight officials to Germany to see how they could get a foot in the door. They are not going to be left outside while such golden economic opportunities are opening up.

Do we in Congress understand what is happening in Europe? We are confronted right now with a de facto united Europe, with a free continental market of a size comparable with ours. Its industrial plant has been almost completely rebuilt with our money, so that it will be at many points more modern than our own.

Let us take a look at this West European economic empire. When American manufacturers sell to France in competition with Germany, the Germans now pay the same tariffs our businessmen pay. As the tariff walls are taken down over Western Europe within the next few years, the American businessmen will find himself selling his product to France in competition with a German manufacturer who sells in France duty-free. What will happen then to our foreign trade?

That is not all. This rising industrial complex has in Africa a continental source of raw materials such as we had in our own country in 1789. The new Western Europe will open up the oil and minerals and wood and foodstuffs of Africa.

That is the key to the war in Algeria. The French want to be able to transport oil from the Sahara, across Algeria, so that they will not be dependent on the Middle East. So the Communists are pouring gasoline on the blazing fires of Arab nationalism.

Even the Soviet Union has abandoned the outmoded ideas of the postwar period. Its leaders know we are in a new era. They are planning a brilliant economic offensive to win over the uncommitted nations of Asia and Latin America. What model have they chosen? They are doing what the United States used to do, and should have done in place of the silly foreign aid. They are lending money, not giving it. They are sending their best industrial, technical, and military experts along with the money, not their do-gooders and amateur propagandists.

They have simply coordinated the economies of all the Soviet Union states into one gigantic combine, which will use all its resources and skills to win the world through economic warfare.

Mr. President, do you think the able leaders of Europe and Asia and Africa and Latin America do not know the new war is under way? Of course they know. Do you think they do not know it is directed at us? Of course they do. Do you think they are impressed by our stupidity? Why should they be?

Why do we not know? We do not know because we are still drugged by propaganda. We have heard so many fairy tales about foreign aid that we cannot see the cold reality.

Mr. President, do you think NATO will stand as a bulwark against this brilliant Communist strategy?

I do not often agree on foreign policy with the Washington Post, but I quote from an editorial of May 27, 1958:

> The fact is that so far as effective ground defense is concerned, NATO is and for several years has been a shell. Its available troop strength consists largely of American and British divisions with some incipient German support. Most of the French Army strength pledged to NATO has been deployed in Algeria. The real deterrent to aggression against Western Europe is American strategic air power.

I ask, in parentheses, How isolationist can we get?

Now to return to the Post editorial:

> Meanwhile, the political instability in France imperils the NATO infrastructure. Not only is the NATO headquarters just outside Paris but there is an elaborate system of bases and supply lines in France, including oil pipelines. * * *
>
> This unlovely dilemma is not the only problem for NATO pointed up by the anguishing situation in France. There is the question whether, with the increasing dependence of the British on strategic arms for all-out war, any limited-war deterrent role for NATO is longer practicable. There is the question whether the neglected political and economic ties of NATO can at this late date be forged into something meaningful. And there is the central question whether it is, in fact, possible to hold together a military alliance in the face of altered Soviet tactics. * * *
>
> The problems within NATO cannot be solved by pretending they don't exist.

Mr. President, I agree completely with those excerpts from the Post editorial. My only disagreement with the Post is in timing. I held the same opinion when NATO was first established. Even then, we were trying to solve problems by pretending they did not exist.

Mr. President, if you think the United States is beginning to look awfully silly, I am afraid I have to agree with you. If you think this program may be more than silly, if you think it may prove to be tragic, I have to agree with you.

Let me go back to the European Common Market. If an American businessman cannot export his products behind a tariff, in competition with a Germany inside a tariff wall, what can he do? He can take part of his working capital from the United States and can invest it inside the Common Market, and can sell without paying the tariff.

Let us call this program by its right name. It is a program of exporting employment. Let me repeat, Mr. President, it is a program of exporting jobs. The capital savings which used to make jobs in Pittsburgh and Detroit and Toledo will be journeying to Europe, to buy factory buildings and machinery and wages to pay to workers of foreign countries.

This is not new, Mr. President. It has been going on since the giveaway started, and it is increasing at a more alarming rate. When the bill to extend the so-called Reciprocal Trade Act is before the Senate, we shall debate this point further.

Who will be the losers, Mr. President? You know the answer. For the first time in our history, American workers will not be able to get enough capital to support the world's most productive, highest-paid jobs.

I ask the indulgence of the Senate while I lay down the outlines of an alternative program resting on a sound principle, namely, that the purpose of all our defense and foreign policies is to safeguard America.

I propose that Congress transfer all foreign-aid funds to the Treasury, as of December 30, 1958, and that all existing contracts be assumed by the Treasury. The ICA would be abolished as of that date.

Foreign-aid funds would thereafter be paid out of the Treasury, on the basis of nation-to-nation agreements, as foreign loans were made through the ages. A handful of people could do all the work.

The projects system should be abandoned. This would end the huge American staffs which operate on foreign soil, American operations in foreign currency and banking, and all the rest. They are outrageous invasions of the sovereign independence of friendly nations, in addition to being extremely wasteful of our own people's earnings.

When friendly governments wished to hire American civilian or military personnel, to train their armed forces or to carry on technical economic training, this should be done by private contract between individual Americans and the foreign governments, on the model of General Chennault's training of the Chinese Nationalist Air Force. Many Americans have given devoted service to other governments in meeting advanced technical problems—military, financial, or engineering—without sacrificing their loyalty to their country or compromising the sovereign independence of their hosts.

The United States does not want any power or influence over any other country. The objective of our foreign policy should be taken from the words of the Liberty Bell—to proclaim liberty throughout all lands, to all the inhabitants thereof. How easy, then, to meet our problems, one by one.

The objective of our military aid should be to help anti-Communist nations with limited economic resources to get the modern training and weapons to meet a Communist thrust. Americans never wish to watch another Hungarian revolution in which brave men are sacrificed in heroic, but hopeless, defense of their homeland, because free men did not have the courage to give them arms. Such military assistance could be given to Korea, Free China, Vietnam, the Philippines, Pakistan, Turkey, and Greece, and to Spain, for operations of direct military benefit to us.

As I have said before, the valiant fighting men of free Asia can, if properly equipped, hold, and eventually drive back, the armies of Communist China. Free Europeans, properly led, can hold, and eventually can drive back, the armies of European communism.

Our men can come home.

The substance of our policy for Western Europe should be hands off.

Why should the United States give any military aid, either direct or indirect, to England, France, Germany, or Benelux? The agreement with Norway, and perhaps the one with Denmark, might be somewhat similar to that for free Asia.

The United States should make no attempt to influence the military or political policies of England, France, Germany, or any other country, except by nation-to-nation agreements. These should be fully in the interest of other countries, as well as ourselves, or else they are worthless. They should have the full consent of the political forces in each country, or else they are worthless.

If West Europeans wish to protect themselves against Soviet attack, they can do it unaided. They raised tens of millions of fighting men in World War I and World War II. If they do not wish to preserve their own independence, they can be of no help to us in time of trouble.

We can use no bases in time of war, except in countries ready to fight for their own freedom, and free of the danger of fifth column subversion.

The United States should grant no more funds to any multinational system.

Really useful functional cooperation among the NATO countries might survive if it is based on mutual agreements among member governments; otherwise, it is of no use to us or to any other anti-Communist nation for protection against Soviet attack.

NATO was always meant to be more than military. It was designed as a way to put together the interchangeable parts of world government. The growth of its power is a very great danger to American sovereignty, as I pointed out in material I inserted in the CONGRESSIONAL RECORD of August 15, 1956.

NATO is also a dangerous threat to the American Constitution, as I said in Los Angeles in June 1957. The NATO superstructure makes it impossible for the sovereign American people to choose new policies by a national election, as they used to do, when they voted out the party in power.

The Germans are already taking the lead in coordinating into a new European Defense Community the military plans of Germany, France, and Italy.

We have no business interfering in European defense policies. The countries of Europe have had more experience in war than we have had. There is no good reason why West European military planning should be confused by intervention of the American State Department, with its bias in favor of world government.

One problem remains. We should make it clear, especially to nations on the frontier with communism, that we have not weakened, in the slightest, our determination to block every increase in power by the Communist leviathan. On the contrary, the change I propose would strengthen our purposes by simplifying our governmental machinery, and abolishing the dark places where fifth columnists do their deadly work.

In place of fictitious mutual security, we can once more offer our historic policy of the right of national independence, for which we fought in our Revolutionary War, and on which we insisted for others in the Monroe Doctrine and the Open Door in China.

The United States should increase its interests in the American hemisphere, including Canada and Latin America. This special area might include the Philippines and Australia.

We should strengthen our economic ties with Latin America by private business, existing lending agencies, and tourism, not by Government aid which they do not want.

There is much more we could do to improve the subtle psychological relations between the United States and both Canada and Latin America, who are our best customers as well as our peaceful neighbors. Liquidating useless ties with other parts of the world would free our energies for improving relations with our friends.

It is a known fact that Canada, which has a population of only 17 million, takes 25 percent of the total export trade of this great Nation. Yet today, because of the silly policies of our Government in appropriating money in order to give away surplus grains to countries all over the face of the earth, we are destroying the market for the best exportable commodity our best friend and best customer has, namely, Canadian wheat.

The Pan American Union should be completely divorced from the United Nations, which was set above the Monroe Doctrine by Secretary Acheson's finesse.

The United States Congress should establish as basic a return to private economic operations, free from regulation, supervision or aid, by the United States or foreign or international agencies.

This would put an end immediately to the economic development programs, which are designed to keep ICA in business indefinitely and to bring huge windfall profits to the insiders.

I know there is not the slightest hope that such a program as I have outlined could be adopted at this session. But if even a few Members of the Senate wish to make a new start, here is a blueprint of how to begin.

In his last broadcast on May 26, 1953, Senator Robert Taft told us, as his parting advice, to "go it alone" in the Korean war and forget about the United Nations. Think how much sorrow the world would have been spared if the Americans had been permitted by their Government to go it alone in Korea, to crush the Red Chinese armies, to bar the conquest of Southeast Asia, and to remind the Soviet Union of our colonial flag with the coiled serpent and the motto, "Don't tread on me."

We in Congress are the heirs of a heroic struggle. The right of the people to limit the spending of their Government was not won with legal briefs and oratorical contest. The right to question what the king and his counselors spent with public money was won by men who knew the headsman's ax was punishment for a misstep. The right of the Parliament to say what taxes the rulers could raise led to one bloody civil war in England, and another, the War of the Revolution, in America.

We here today did not risk our lives to win these great powers. How can we refuse to exercise them? We in this body will not be punished by having our heads cut off on the block, or be torn limb from limb on the public highway. We shall be punished by a flood of letters from the organized propaganda machines. Do we fear little pieces of white paper with black marks on them? Many Members of Congress have faced German machine guns and Japanese bayonets, flak over Europe, and kamikazes over the Pacific. Are we afraid of letters? Are we afraid of trumped-up conferences?

Certainly the American people do not wish us to support the foreign-aid follies.

They do not in my State, and I think that is true of the people of every other State, as Senators will find if they will talk with their constituents.

It may take a little while for them to show their approval if we begin to cut this sickness out of the body politic. But I assure you, Mr. President, the support will come, as it is coming, 99 to 1, for the bill limiting appeals to the Supreme Court, so Congress and the States can protect our country against the fifth column.

I say that Congress must bring spending back under its control, or become a hollow shell.

I say the Congress cannot control a bureaucracy of nearly 5 million spenders, civilian and military, if it sits tamely waiting for the spenders to tell us how much money we must give them, while they send their emissaries into our districts and States to tell us they are public opinion, and we must represent them.

I have said again and again that Congress alone could save the Republic. I have said that if Congress is not going to fight the collectivist network which is feeding on our people, we should close the doors of the Capitol, haul down the flag from the dome, and go home.

In this bill we are not voting whether the ICA shall get $3 billion or $12 billion to give away.

We are voting on whether our sovereign American people still have the right to choose our foreign policy, and to dislodge officials who have kept us too long in bondage by using our own money—our money, if you please—to blind our own eyes.

The American people are strong in mind, strong in body, strong in spiritual health. But they cannot solve their political problems in a town meeting. They can solve the ever more ominous political problems of our time only through their

chosen representatives, assembled in Congress.

This is a trust of which we can be proud. I know Congress will be worthy of the trust.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JENNER. I am glad to yield.

Mr. DWORSHAK. The Senator from Indiana will soon be voluntarily terminating his service in this body, and as he does so I am sure he is deserving of the commendation of the American people for his dynamic crusade in support of basic American issues, such as the safeguarding of individual rights and the building up of a strong national defense.

Obviously today there is questionable interest, on the part of the Members of this body or those in the executive agencies, in advocating basic principles which are essential to preserve the Republic, insofar as Federal spending is concerned.

I am sure the Senator from Indiana recalls that a decade ago, when the Marshall plan was created, the people of the United States were given assurances by Paul Hoffman, the first Administrator of the Marshall plan, that the program would last only about 4 years and would involve the spending of only $15 billion or $17 billion.

Mr. JENNER. The Senator is correct.

Mr. DWORSHAK. Today, a decade later, after we have spent approximately $70 billion promoting the Marshall plan and its successors, we find turmoil and conflict throughout the entire world.

I wonder if the distinguished Senator from Indiana can give the American people any assurance that there will be a reappraisal of this program, with a revitalizing of interest in determining whether by such spending policies we are actually bringing relief to the free nations of the world through military and economic aid, or whether in reality we are bankrupting our own Government and weakening it to such an extent that it cannot carry the burdens which result from the challenge of Communist aggression.

Mr. JENNER. The Senator from Idaho has paid me a very high compliment.

I am very fearful that we will not win this fight. There is nothing wrong with the American people, but there is no way in the world one can get the story to the American people, because the mass means of communication have joined in the brainwash propaganda with all the slogans the Senator from Idaho and I remember.

First Mr. Hoffman said the Marshall plan would be 4 years and would cost $15 billion. Then we moved on to a new era, when it was said, "We have to help war-ravaged Europe, and get it on its feet again." Now the productive plant there is greater than ever, but the program goes on and on. Then it was said, "We have to have NATO in order to provide military assistance for the defense of our country."

I have tried to go through the matter systematically in my remarks. I have stated my firm beliefs. I am afraid it is very late. I am afraid it may be too late.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. JENNER. I yield.

Mr. DWORSHAK. It is true that few Members of this body have heard the Senator from Indiana make his persuasive remarks today, but I have observed that throughout the Senator's very effective speech there have been present in the galleries from 12 to 20 representatives of the press. Having been a newspaperman for many years prior to my service in this body I feel confident that since we still have a free press in this Nation, notwithstanding the propaganda activities of Eric Johnston and his cohorts, we can finally bring this message to the people and convince them that there is still time to save and preserve the Republic. Does the Senator from Indiana share the hope and the confidence that we shall still be able to awaken the American people and alert them to the real dangers facing our country?

Mr. JENNER. I know that is true, because in my State the people will not elect to public office—for example, to the United States Senate—a man who does not have these beliefs. The reason for that is not found in what I have done. I am not leading my people. The propaganda of the State Department and the bureaucracy has failed to influence the people of Indiana, because there is in that State a conservative and free press which still believes in the basic fundamentals which have made America a great Nation.

I can start at the top of the State, with the Chicago Tribune, which is circulated over the northern third of the State. Then there is the great Fort Wayne News-Sentinel, in the Fourth District. We have the Indianapolis Star, which covers the two-thirds middle of the State like the dew. We also have the Indianapolis Times, the Indianapolis News, the Richmond newspapers, the Bloomington newspapers, and the Bedford newspapers.

In other words, the people of Indiana know what is right, because the great press of Indiana has kept them completely informed and they have never been brainwashed and propagandized.

Yes, the Senator from Idaho has answered his own question. If we can get the message to the American people, there is nothing wrong with the people.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. JENNER. I yield.

Mr. DWORSHAK. As we consider the annual authorization of the appropriation for the foreign aid program, instead of having some assurance that we may be hopeful the program will terminate soon, we are told it may be necessary to continue the program for another decade.

Mr. JENNER. The Senator is correct.

Mr. DWORSHAK. Will the Senator from Indiana agree with me that if the program had proved to be successful, then today we would not be standing in the shadow of Communist aggression, which is gaining rapidly in every sector of the globe, and facing realities in countries like France, which have been the beneficiaries of billions of dollars of foreign military and economic aid? Today some of those countries are at the crossroads. While the aid from the United States undoubtedly has accomplished some worthwhile results, the fact remains that the Marshall plan and its successor devices have not done the job the American people were told a foreign aid program would do.

Mr. JENNER. Of course not. All one needs to do is look in the daily press to see where we stand. We do not have any friends. We do not have any stanch allies. Communism is gaining every day, and we are bankrupting our country.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. JENNER. I yield.

Mr. DWORSHAK. Is the Senator aware of the fact that within the next few weeks this body will debate a legislative proposal to make available to countries in Europe some atomic energy information and facilities for using nuclear power, not for peacetime purposes but for military uses? Is the Senator aware of the fact that the proposal is to make such information available to countries which do not have this valuable research information about atomic energy? Also, we shall be considering a proposal to authorize the appropriation of about $350 million to subsidize the development of approximately 1 million kilowatts of nuclear power in 6 nations of Western Europe, operating under EURATOM?

Although we have spent $70 billion to strengthen the economic structure of those free nations of the world and to build them up militarily to defend themselves and to cooperate with us, we are now confronted with a proposal to initiate new policies which go far afield and provide for sharing highly classified nuclear information dealing with research and other important matters with foreign countries. This information and facilities ultimately may be used against the United States, if we should become involved in a global war.

What does the Senator from Indiana have to say about that proposal?

Mr. JENNER. As I said in my remarks, it seems as though when we finally catch up with the failure, the foolishness and the absurdity of one program, an immediate transfer is made to another program.

The Senator will be able to discern, from the Washington Post article written by Chalmers Roberts, that NATO is now a joke. NATO is past history; it does not help the defense of this country at all. NATO is really only a shell, as the article says.

Now we come to something new, which is atomic power. That is the story every time we catch up. Then a new program is started. We cannot get ahead of the foreign-aid advocates in that way, because they have literally tens of thousands of planners, in a staff operated with public money, working day and night to find ways and means to carry on these foreign aid follies.

Mr. DWORSHAK. Mr. President, will the Senator further yield?

Mr. JENNER. I yield.

Mr. DWORSHAK. Does not the Senator agree with me that, as we propose

new aid policies under one name or another, and continue the programs of the past decade, it is inevitable that we shall weaken the economic fabric of our own country? I wonder if there is a conspiracy to destroy our country, to dupe the American people, and withhold from them vital and essential information which, if they had it, would convince them that the time has come for a reappraisal of foreign policies which have not been successful throughout the past decade.

Mr. JENNER. The Senator is correct.

Mr. DWORSHAK. What must we do to awaken the American people to the situation confronting them today?

Mr. JENNER. There is no question that what the Senator from Idaho says is exactly correct. Such policies can only lead to the eventual destruction of this country.

Consider our fiscal policies. In my remarks today I have been discussing only the foreign-aid appropriations, which amount to more than $12 billion.

Only a few weeks ago we increased the lending authority of the Export-Import Bank by another $2 billion. We are spending more than $3 billion a year on military bases. We send abroad almost $2 billion a year in tourist trade. United States salaries abroad amount to approximately $400 million a year. In addition to what our Government is spending, our servicemen abroad are spending $600 million a year. When all these sums are added together, the total is enormous.

We have had to raise our debt ceiling. Our debt is now $280 billion. We are bumping the ceiling. We shall have to raise it again. We are hearing talk now about a $300 billion debt. We hear talk about a 48-cent dollar. If reference is made to the automobile dollar, it is not a 48-cent dollar. It is a 30-cent dollar. If reference is made to the cost of building a home, the dollar is worth only 30 cents. We do not have a 48-cent dollar now. The value of the dollar is going down and down and down. The ultimate end is complete chaos, wild inflation, and the destruction of the greatest Nation under God's sun.

Mr. DWORSHAK. Mr. President, I should like again to commend the Senator from Indiana for the outstanding and valuable service he has rendered throughout his Senate career. I sincerely hope that when he leaves this body he will continue in various ways, as a private citizen, his efforts to reawaken and alert the people, so that they may appreciate how serious, acute, and menacing many of these problems are today, as we coast along complacently in the face of worldwide danger, when we should have the full realization that we have fewer and fewer friends throughout the world today than we have ever had. If we become involved in a holocaust, we must be prepared, as we did in Korea, to assume almost the entire responsibility of safeguarding this country and preserving our American way of life.

Mr. JENNER. I thank the Senator. I assure him that I shall always be interested, and will do my best.

TRANSFER OF NAVAL VESSELS TO FRIENDLY FOREIGN COUNTRIES

Mr. SALTONSTALL. Mr. President, I asked unanimous consent that the Senate proceed to the consideration of Calendar No. 1613, Senate bill 3506. I do so with the understanding and consent of the majority and minority leadership.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3506) to authorize the transfer of naval vessels to friendly foreign countries.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with amendments, on page 1, line 4, after the word "may", to insert "extend the loan of one aircraft carrier to the Government of France until June 30, 1960, and may in addition"; on page 2, line 1, after the word "exceed", to strike out "seventeen" and insert "nineteen"; in line 4, after the word "area", to strike out "(Taiwan" and insert "(Japan, Taiwan,"; in line 5, after the word "exceed", to strike out "two" and insert "four", and in line 6, after the word "exceed", to strike out "seven" and insert "three"; so as to make the bill read:

Be it enacted, etc., That, notwithstanding section 7307 of title 10, United States Code, or any other law, the President may extend the loan of one aircraft carrier to the Government of France until June 30, 1960, and may, in addition, lend or otherwise make available to friendly foreign nations, from the reserve fleet, on such terms and under such conditions as he deems appropriate, destroyers, destroyer escorts, and submarines, as follows: (1) North Atlantic Treaty Organization and European area (the Federal Republic of Germany, Greece, Italy, Norway, Spain, and Turkey) not to exceed 19 ships; (2) Latin American area (Argentina, Brazil, Chile, Colombia, Cuba, Peru, and Uruguay) not to exceed 17 ships; (3) far eastern area (Japan, Taiwan, and Thailand) not to exceed 4 ships; and (4) a pool of not to exceed 3 such ships to be loaned to friendly nations in an emergency. The President may promulgate such rules and regulations as he deems necessary to carry out the provisions of this act.

SEC. 2. Loans under this act shall be for periods not exceeding 5 years. All loans shall be made on the condition that they may be terminated at an earlier date if necessitated by the defense requirements of the United States.

SEC. 3. All expenses involved in the activation, rehabilitation, and outfitting, including repairs, alterations, and logistic support, of vessels transferred under this act shall be charged to funds programed for the recipient government under the Mutual Security Act of 1954, as amended, or to funds provided by the recipient government under the reimbursable provisions of that act. In the event that a loan is terminated by the United States prior to the expiration of the loan period, the Secretary of Defense may reimburse the recipient government on a pro rata basis for funds provided by it under the reimbursable provisions of the Mutual Security Act of 1954, as amended, in connection with the loan.

SEC. 4. No vessel may be made available under this act unless the Secretary of Defense, after consultation with the Joint Chiefs of Staff, determines that its transfer is in the best interests of the United States. The Secretary of Defense shall keep the Congress currently advised of all transfers under this act.

SEC. 5. The authority of the President to transfer naval vessels under this act terminates on December 31, 1960.

Mr. SALTONSTALL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, the bill under consideration would authorize the President to loan to various foreign countries not more than 43 ships from the reserve fleet. The ship types involved are destroyers, destroyer escorts, and submarines. The bill also would authorize the extension for 2 years of an existing loan of a small aircraft carrier to France.

The proposed recipients and the number of ships involved are these:

First. North Atlantic Treaty Organization and European area—the Federal Republic of Germany, Greece, Italy, Norway, Spain, and Turkey—not to exceed 19 ships;

Second. Latin American area—Argentina, Brazil, Chile, Colombia, Cuba, Peru, and Uruguay—not to exceed 17 ships;

Third. Far Eastern area—Japan, Taiwan, and Thailand—not to exceed four ships;

Fourth. A pool of not to exceed three ships to be loaned to friendly foreign nations in an emergency.

The ships will be used by the recipient countries to discharge naval responsibilities assumed by them in their areas. Use of these ships will contribute to the total antisubmarine capability of the Free World.

The Chief of Naval Operations, Admiral Burke, testified before the Armed Services Committee in support of this authorization. He indicated that this loan program is valuable to the United States for several reasons. The bill would assist in the mutual defense of the free nations. It would result in having ships in operation at critical points in the event of an emergency. The United States Navy reserve fleet would become more effectively dispersed; ships in operation are of greater value to us than ships in the inactive reserve fleet.

Another advantage to the United States is that these loans would offer the opportunity for extending United States influence throughout the world. Crews that will operate the ships are trained in the United States. Experience has shown that these crews take home a favorable impression of our country and our people and that this contributes to a greater trust and understanding between our countries.

The committee inquired about the ability of the recipient countries to maintain and to operate these ships effectively. Assurance was given that the

proposed recipients are capable of operating the vessels properly and without imposing on themselves an intolerable financial burden.

The total cost of activating these ships is approximately $93 million. Of this amount, it is estimated that at least $41 million of the expense will be borne by the recipient countries under the reimbursable provisions of the Mutual Security Act of 1954. The difference of approximately $52 million will be funded from grant aid under the Mutual Security Act.

In addition, modernization costs of about $48 million will be incurred. Of this amount, it is estimated that $10 million will be paid by the recipient countries and that the remainder of $38 million will be borne by the United States in the form of grant aid.

An amendment requested by the Department of Defense during hearings on this bill would authorize the extension of an existing loan of the small aircraft carrier *Belleau Wood* to France. This loan would expire on June 30, 1958, unless extended. The French Government is presently constructing a new aircraft carrier *Clemenceau*, and has requested an extension of the loan of the *Belleau Wood* until June 30, 1960, at which time the *Clemenceau* will replace the *Belleau Wood* in the French fleet.

I should like to emphasize that the authority for these loans is permissive and that the President is not required to execute the loans if circumstances should indicate that it is undesirable, for any reason, to make the loans after the authorization is granted.

Mr. President, it is my understanding that the Senator from Florida [Mr. SMATHERS] wishes to offer an amendment. So as to facilitate his request, I ask unanimous consent that the amendments of the committee be agreed to en bloc, that the bill as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. SMATHERS. Mr. President, I have carefully studied the pending bill, and seriously question the advisability of its passage at least insofar as its provisions relate to seven Latin American countries.

Under its provisions 17 ships of the destroyer escort and submarine class would be made available to Argentina, Brazil, Chile, Colombia, Cuba, Peru, and Uruguay. I might add at this point that though Ecuador had expressed an earnest desire to be included in the bill, its wishes were not complied with for alleged economic reasons.

Last year a representative of the Defense Department told me that Ecuador was excluded because it is beyond the nation's economic capabilities to maintain and operate an additional ship of the destroyer or destroyer-escort size.

Since none of the seven Latin American countries specifically named in the bill has sufficiently strong economies to enable them to carry a big burden of modern military equipment, it is difficult for me to reconcile why Ecuador was singled out inasmuch as its economy is in no worse condition—nor is it in any better condition—than the economies of the Latin American countries which are included in the bill's provisions.

From the standpoint of fairness, Ecuador, in my opinion, should be included along with other maritime nations of South America. For that reason I will submit an amendment to add Ecuador to the list of Latin American recipients. However, for reasons which I will now discuss, with or without Ecuador in the bill, I intend to vote against the proposal insofar as it pertains to Latin America. The Vice President's recent experiences in South America provide all too vivid indications that our policy in the area leaves much to be desired.

FOREIGN RELATIONS COMMITTEE PROBE

A subcommittee of the Committee on Foreign Relations, under the able leadership of the senior Senator from Oregon [Mr. MORSE], is about to conduct a searching probe of what has gone wrong in our relations with Latin America. One of the facets which must be considered is the effect of our past military aid programs. Even prior to the recent deplorable incidents, there was a growing sentiment, visible in the Senate, that military aid to Latin American countries was out of proportion to economic aid.

IS MILITARY ASSISTANCE THE ANSWER?

The seven countries named in the bill are our friends. Along with the 13 other American Republics, they constitute a vital force in our own prosperity and security. During my years in Congress I have made my position clear with regard to reinforcing inter-American solidarity as a bulwark of western civilization. If I now question the provisions of S. 3506, it is not because I have in any sense diminished my esteem and regard for Latin America and its vital importance to the United States.

The Latin American people are a proud and wonderful people. Without doubt they want to do their part in the Free World's struggle to maintain its freedom from Communist expansion.

The basic reason advanced for including seven Latin American countries in the bill is that it will "strengthen hemisphere defense." In past mutual security hearings, representatives of the Department of Defense have argued that military assistance to Latin America would relieve the United States of the necessity to divert more than 100,000 men to man defenses south of the Rio Grande, as was the case during World War II. This is a worthwhile objective.

However, military strategy and world conditions have changed considerably since World War II, and the central question as I see it, therefore, is to determine in what way, at this stage of world developments, the Latin American countries can make their most effective contribution to hemisphere defense and to Free World defense.

In connection with the proposed antisubmarine work which would be performed by the ships in question, I might say that an article was published in a recent issue of the Wall Street Journal—I believe it was on Wednesday, the 28th of May—which discussed the new submarines the United States is building, one of which was recently placed on active duty. The article stated that the new submarines can travel at more than 20 knots, and that that speed no doubt will be doubled when atomic reactor plants are installed in submarines of the hull design of the *Skipjack* class. Of course, the exact speed of the submarines is a Navy secret, but it is known that the speed is sufficient to enable the submarine to outrun the swiftest destroyer or destroyer escort, and it can be pursued effectively only by airplane. Furthermore, the submarine need not surface for air, and is required to come up only to take on food and supplies and to give its crew a change of pace, so to speak.

Mr. President, in the light of what the Soviet Union has been doing with respect to the development of nuclear power, and certainly with respect to the launching of guided missiles and sputniks, it would appear to me that undoubtedly the Soviet Union is already making some progress with the development of the same type of submarine that we are building; and such a submarine can run circles around any destroyer we now have, and certainly any of the older destroyers which it is intended to give to Latin American countries. Therefore, there would be very little benefit to us from the standpoint of any antisubmarine work so far as these ships are concerned.

I am afraid that here once again our military is making the same mistake, in trying to fight the next war in terms of the last war, and do not make a particularly good argument, in the light of recent developments in the Soviet Union with respect to the building of not only a great many submarines, but also the new type of nuclear-powered submarines.

THREAT TO LATIN AMERICA NOT MILITARY

Nobody considers seriously that Communist military invasion is an immediate threat to Latin America. Certainly this is the judgment of experts in the Department of State and the Pentagon. The nature of Latin America's strategic relation to the international Communist conspiracy was well summed up by the General Counsel for ICA in the hearings on the Mutual Security Act. He stated:

> Because of its geographic location, there is no immediate threat of massive external Communist aggression, such as exists around the perimeter of the Soviet bloc, in places like Korea, Vietnam, Taiwan, and Western Europe, and hence no pressing requirement for the creation and maintenance of large modern military forces. This does not mean that there is no Communist threat in the area, but, rather, that it takes the forms of subversion and of political, economic, and cultural penetration, and must generally be dealt with by other than conventional military measures.

The disturbances which occurred during the Vice President's South American tour should be warning enough that the Soviets are finding fertile soil for their brand of subversion. Does it make

sense to try to combat subversive ideological and political tactics with military aid? I think not, since the basic problem is an economic one and its solution must be resolved from that angle.

THE CHANGED NATURE OF WARFARE

Moreover, I am not convinced of the accuracy of the Pentagon's contention that military aid to Latin America will spare us our World War II experience there. Obviously, nuclear developments in the past decade have greatly changed the strategy of warfare. It is no longer valid to prepare for any future international conflict on the basis of World War II.

Furthermore, to arm and train the Western Hemisphere countries in the constantly changing technique of nuclear warfare is simply beyond our capacity. With our heavy military commitments in Europe and Asia, on the periphery of Soviet-Communist expansion, we cannot supply costly military equipment to Western Hemisphere countries in amounts which would be meaningful. Let us not kid ourselves. The trickle of useful military aid which we can afford to make available to our sister republics will not relieve the United States of any measurable proportion of its responsibility for hemisphere defense.

MILITARY POSTURE A STRAIN ON LATIN AMERICAN ECONOMIES

On the other hand, our Latin American friends will exert every effort to hold up their end of any military agreement we encourage. But implements of warfare are extremely costly. Their maintenance is expensive. The training of technicians is an additional drain on expanding economies which desperately need such scarce trained personnel for economic development purposes.

It is abundantly clear that Latin American economies cannot support a modern military establishment. It follows then that resistance to communism can better be served by devoting all their precious capital, and manpower to a concerted drive to raise the living standards of their 183 million people.

I had surveys made of the economic conditions of the Latin American countries included in S. 3506. I could only conclude that we will do our friends more injury than service at this time by saddling them with ancient vessels of war which we ourselves stopped using in the middle of World War II. Since time will not permit a detailed presentation of conditions in each of the seven republics, I will present only examples. I have not singled out the worst cases. The selection was made by alphabetical order.

THE CASE OF ARGENTINA

Consider Argentina. The provisional government inherited a bankrupt country from Peron. During the pre-Peron era, Argentina normally held official reserves of between 1.2 and 1.5 billion dollars. The new regime found only $300 million in reserves. The Peron regime also left a legacy of a substantial indebtedness abroad—about $757 million.

Besides the swollen foreign debt and meager reserves, Peron left an obsolete plant. The railroads particularly have become a factor limiting economic activity there. Thirty-seven percent of the locomotives are more than 48 years old, while only 25 percent are less than a quarter of a century old. In this regard it may be mentioned that a major portion of a recent $100 million Export-Import Bank loan is being used to purchase locomotives.

The power crisis is also acute. The shortage of electric power has been a major limitation to industrial expansion. The Minister of Commerce and Industry has stated that Argentina needs 2.4 million kilowatts of electric power within the next 5 years.

A third vital weakness in the economy is the necessity to import large quantities of oil. Several million dollars must be spent yearly for oil imports, draining the country's foreign exchange earnings.

Inflation brought a 13-percent increase in prices in 1956 and 23 percent in 1957.

Any permanent solution to Argentina's economic problems will require increased productivity in both agriculture and industry. But increased productivity will come only with a thorough rehabilitation of the country's economy. In August 1957, the Minister of Commerce and Industry estimated the nation's foreign exchange requirements for a renewal of Argentina's physical plant at $1,324 million.

To effect the capital goods investments required, Argentina must ultimately pay for them by export earnings in excess of import expenditures. Here the picture becomes even more serious, because world prices for Argentina's principal agricultural exports are declining. In fact, for 1955 and 1956, imports exceeded exports by nearly $200 million a year. Last year the deficit grew to $340 million.

It is little wonder that President Frondizi in his inaugural address on May 1 termed Argentina's economic situation "tragic." He called for a belt-tightening austerity program. These facts showing the status of Argentina's economy reflect that it should not undertake new naval responsibilities contemplated by the bill.

THE BRAZILIAN SITUATION

What of Brazil? That giant country occupies half of the continent, and contains more than one-third of Latin America's population. It, too, is suffering a serious financial crisis. Like Argentina, the country's physical plant needs vast investments both in foreign and in local currency. It is an understatement to say that the transportation system is inadequate. There are comparatively few decent roads; railroad equipment is obsolete and in poor condition; more vessels to ply the coastal trade are needed. A bill to provide such assistance is now before the Committee on Interstate and Foreign Commerce. Surpluses of agricultural products in one part of the country cannot be transported to the areas where they are needed, with the result that commodities must be imported, causing a needless drain on foreign exchange. In fact, a few weeks ago Brazil renewed legislation allowing foreign-flag vessels to participate in coastal shipping. This, too, is a drain on sparse foreign exchange.

The power shortage is equally critical. There are perhaps 3 million kilowatts available at this time. The Brazilian Government had hoped to make available another 2 million by 1960, but even then demand will exceed supply. There is no immediate prospect for financing, and industrial requirements simply cannot be met.

Brazil has yet to solve its reliance on one crop, coffee, for foreign exchange earnings. The nation depends on coffee for from 70 to 80 percent of its foreign exchange. This year coffee sales have dropped drastically, and surpluses are piling up. With little coffee being sold and with imports remaining high, Brazil has been cleaned out of foreign exchange reserves. Meanwhile, the Government owes more than $300 million this year in foreign debt payments, some $332 million in 1959, and about $373 million in 1960.

Along with dwindling of reserves, the value of the cruzeiro has plunged. In September 1957 it stood at 80 to the dollar; by May 12, 1958, it had depreciated to about 138 to the dollar.

At the same time internal inflation plagues the country. In 1956 there was a rise in the cost of living of more than 25 percent. Last year brought another 15 percent increase. During the first 2 months of this year, it rose another 5 percent.

In a similar manner, although for varying causes, Chile, Colombia, Peru, and Uruguay face critical financial developments. In my opinion, further military expenditures by these Latin American republics will serve only to debilitate rather than to strengthen their resistance to Communist penetration.

AWARENESS IN LATIN AMERICA OF THE BUDGETARY PROBLEM

That Latin Americans are not all sold on the idea of increased military expenditures was made apparent in Colombia. Immediately after the revolution that ousted the dictator, Rojas Pinealles, Business Week reported:

> The Rojas interim has cost dearly. One informed private estimate this week was that the Rojas regime had cost Colombia about 20 billion pesos—something like $5 billion. Vast sums were lavished on the armed forces; and since Colombia has no traditional enemies on its borders, it was simple waste. Police units were equipped with expensive apparatus to keep civilian protest to a minimum.

More recently, on June 1, 1957, the New York Times reported:

> The first budget cut, it is generally agreed, will have to be in military appropriations, which have been far out of proportion to the country's needs under the Rojas military dictatorship.

OTHER QUESTIONS RAISED

Other questions regarding military assistance in Latin America come to mind. Does it strengthen military cliques and hinder the development of democratic process, thus creating divisive ill will toward the United States? Does it arouse inter-American jealousies and envies and lead to miniature arms races?

I do not intend to discuss or go fully into these questions today, but I should say that each of the questions would have to be answered in the affirmative. The

real danger today in Latin America is, of course, still communism, but not military communism. The danger is Communist exploitation of unhappy, unhealthy people. This offer of relief in the form of military aid in no way meets the threat of Communist infiltration in Latin America. Destroyers and submarines cannot halt subversion. The answer to subversion lies in meeting, in a democratic fashion, the aspirations of people eager for a more humane and better existence. It lies in easing the growing pains of the Latin American economies as they emerge into modern societies.

It is easy for us to understand and sympathize with the very human pride and desire of some of the Latin American people to possess modern armies and navies. But in reviewing the total picture, I am reminded of the old proverb:

God save me from my friends; I can take care of my enemies.

We do our friends a great disservice by encouraging them to take on financial responsibilities which put an additional strain on their wobbly economies.

Let us help our Latin American friends channel all their constructive energies into productive purposes. That is the best way to build a strong hemispheric defense.

Mr. President, as I have already stated, I do not favor enactment of the bill in any form. However, if the bill is to be passed—and I understand there is considerable support for it—then I believe it is only proper that Ecuador be included as one of the countries which may receive one of the destroyers.

As already stated, the only reason given for omitting Ecuador has been her alleged weak economic position. However, the economy of Ecuador is just as well off as is that of Peru, and certainly that of Chile, and also, I believe, that of Argentina.

So, Mr. President, in order to bring some equity into the bill, I submit, and send to the desk, an amendment which will add, after the name "Cuba", the name "Ecuador."

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, in line 3, after the word "Cuba", it is proposed to add the word "Ecuador."

On page 2, in line 3, it is proposed to strike out the word "seventeen," and to insert in lieu thereof the word "nineteen."

On page 2, in line 6, it is proposed to strike out the word "three" and to insert in lieu thereof the word "one."

Mr. SALTONSTALL. Mr. President, I believe the amendment has been read in modified form.

Let me say that I have discussed this matter with the Senator from Florida, and also with the Chief of Naval Operations, Admiral Burke.

There are three vessels which are not now assigned to any one country. The amendment of the Senator from Florida would reduce the number to one vessel, and that would be too great a reduction. But I believe, and Admiral Burke believes, that it will be all right to reduce the number to two.

Therefore, if the Senator from Florida is agreeable to a modification of his amendment, so as to provide that only one of these vessels, rather than two, shall be received by Ecuador, I shall accept the amendment, and it will be satisfactory for the working out of the bill.

Mr. SMATHERS. Mr. President, I accept the suggestion which has been made by the Senator from Massachusetts.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 2, in line 3, after the word "Cuba", it is proposed to add the word "Ecuador."

On page 2, in line 3, it is proposed to strike out the word "seventeen," and to insert in lieu thereof the word "eighteen."

On page 2, in line 6, it is proposed to strike out the word "three," and to insert in lieu thereof the word "two."

The PRESIDING OFFICER. The question is on agreeing to the modified amendment submitted by the Senator from Florida [Mr. SMATHERS].

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3506) was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF WILDLIFE AND FISHERIES IN ALASKA

Mr. NEUBERGER. Mr. President, inasmuch as the Alaskan statehood bill presently is on the Senate Calendar, I should like to call to the attention of the Senate a letter which I have received from C. R. Gutermuth, vice president of the Wildlife Management Institute, and from the following other leaders in the field of conservation: Mr. Richard W. Westwood, president of American Nature Association; Mr. Fred Packard, executive secretary of National Parks Association; Mr. Charles H. Callison, conservation director of National Wildlife Federation; Mr. George B. Fell, executive director of Nature Conservancy; and Mr. Howard Zahniser, executive secretary of the Wilderness Society.

They have urged the Senate to support the inclusion, in the bill which has been passed by the House, of a provision which seeks to protect the wildlife and fisheries of Alaska.

Let me emphasize that all these men and their organizations are backers of statehood for Alaska. By means of the provision in question, they merely seek to assure that the new State of Alaska will develop a true conservation program which has as its goal the sound management and protection of Alaska's great resources in the realm of fisheries and wildlife.

Mr. President, I ask unanimous consent that the letter which I have received appear in the body of the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WILDLIFE MANAGEMENT INSTITUTE,
Washington, D. C., June 2, 1958.

To All Senators:

The following national conservation organizations urge your favorable consideration of the Westland amendment to the Alaska statehood bill, H. R. 7999, that was adopted by the House, and which would safeguard the future welfare of the exceedingly valuable fish and wildlife resources of the Territory. Enactment of the statehood bill without this clarifying amendment would jeopardize the natural resources upon which a major part of the Territory's economy is based.

As evidenced in the House debate on the Westland amendment, copy enclosed, the stage already is set in Alaska for the commercial interests to take over the administration of the invaluable fish and wildlife resources upon statehood. Under Alaska Senate bill 30, which was passed last year and permitted to become law without the Governor's signature, commercial interests are assured complete domination over the Territory's fish and wildlife resources on the advent of statehood. That new law has been denounced vigorously in Alaska and in the States.

We are opposed to relinquishing the management of Alaska's fish and wildlife resources by the Federal Government until the new State legislature makes provision to protect the broad national interest. The Westland amendment would permit the fish and wildlife resources to be turned over to the new State just as soon as the Secretary of the Interior can certify to the Congress that the Alaska State Legislature has made adequate provision for the proper administration, management, and conservation of the fish and wildlife resources in the public interest.

We are relying upon you to protect these natural resources.

Sincerely,

C. R. GUTERMUTH,
Vice President.

Provided, That the administration and management of the fish and wildlife resources of Alaska shall be retained by the Federal Government under existing laws until the first day of the first calendar year following the expiration of 90 legislative days after the Secretary of the Interior certifies to the Congress that the Alaska State Legislature has made adequate provision for the administration, management, and conservation of said resources in the broad national interest.

STATEHOOD FOR ALASKA

Mr. NEUBERGER. Mr. President, inasmuch as I have been discussing the great question of statehood for Alaska, I ask unanimous consent to have printed in the body of the RECORD an effective editorial, which was published in the St. Louis Post-Dispatch of May 27, which sets forth 10 unanswerable reasons why, in the opinion of that eminent newspaper, Alaska should be admitted to full membership in the Union.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CASE FOR ALASKA

The United States may very well be on the eve of a historic event—the admission of the first State since Arizona and New Mexico came into the Union in 1912. With the House debate on the Alaskan statehood bill closing and voting scheduled to start Tuesday, a practical demonstration that the United States believes in equality and jus-

tice for all its citizens appears to be taking form.

Let us hope so. It is high time that Congress applied the adage that "action speaks louder than words" to the rapidly growing Territory to the northwest. Here are 10 good reasons why the Alaskan statehood bill ought to pass the House this week and the Senate soon thereafter.

First. The people of Alaska want to turn their Territory into a State. They have voted overwhelmingly for it time and again. They have adopted a constitution on which a State can operate. They have sent by popular election two Senators and a Representative to Congress, under the historic Tennessee plan, as evidence of their desire to be full-fledged members of the Union.

Second. The people of the United States favor bringing Alaska into the Union. Cross-section groups in different parts of the country have voted for admission by ratios ranging all the way from 5 to 1 up to 12 to 1. The American people have believed for years that their fellow citizens in Alaska ought to have the right to vote in national affairs and to participate effectively in the work of Congress.

Third. Both political parties have promised repeatedly in their platforms to work for statehood. The most recent time was in 1956, less than 2 years ago. Actually statehood for Alaska was first proposed in Congress in 1916.

Fourth. National leaders of both parties are for Alaska's entry into the Union. President Eisenhower, Secretary of the Interior Seaton, and Republican Senate Leader Knowland are three of the prominent GOP leaders who are for admission, the President declaring himself anew only last week. Speaker RAYBURN is leading the Democratic forces in the House. Adlai E. Stevenson, Democratic standard bearer in 1952 and 1956, has spoken for bringing in a new State.

Fifth. Congress itself favors statehood When the House voted last week on the question of taking up the bill, the division was 217 for considering it to 172 opposed. Had the 100 Republicans who voted "nay" known that President Eisenhower was going to recommend passage, the margin for Alaska would have been much larger. As it was, the majority was a sizable 45. Four years ago the Senate passed a bill to admit both Alaska and Hawaii by the heavy majority of 57 to 28.

Sixth. The population of Alaska, 212,500, is greater than that of 22 States—almost half the members of the present Union—at the time they were admitted. But more important than Alaska's present population is the rate of growth of its population. In the first 6 years after the 1950 census, the population of Alaska grew almost 49 percent. Within the United States, the national average growth was about 13 percent for the same period.

Seventh. The rich resources of Alaska deserve the kind of development which will come with statehood and a still greater growth in population. Already the timber, metals, minerals, fish, and other products that have come from Alaska have returned more than 400 times the $7 million the United States paid Russia shortly after the Civil War. No one knows the extent of the vast oil reserves awaiting exploration.

Eighth. Alaska is a geographical outpost of the United States in the Pacific which should be made a more effective part of our defense system. In World War II Alaska was the only part of North America invaded by Japanese forces.

Ninth. There is no remotest question of the loyalty of the people of Alaska. A report by the Federal Bureau of Investigation in 1951 said there were only 10 Communists in the entire Territory. The likelihood is that the number is smaller now.

Tenth. Admission of Alaska will show the world that the pioneering spirit which made this country great is not dead. It will demonstrate that we have not grown old and tired, but that, on the contrary, we are ready and willing to carry on vigorously along frontiers.

To these 10 reasons for admitting Alaska it would be easy to add others—as for example, with Alaska admitted the way will be open to exhibit the same justice and fairness to Hawaii. Surely these 10 are enough when the chief arguments on the other side are little more than inertia, local pride, or prejudice.

Pass the Alaska bill.

Make this session of Congress historic.

Infuse new blood into the Union.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). As a Senator the present occupant of the chair suggests the absence of a quorum; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRANTS FOR CONSTRUCTION AND EXPANSION OF PUBLIC COMMUNITY JUNIOR COLLEGES

Mr. NEUBERGER obtained the floor.

Mr. YARBOROUGH. Mr. President, will the Senator from Oregon yield to me, for the introduction of a bill?

Mr. NEUBERGER. I yield.

Mr. YARBOROUGH. Mr. President, I introduce a bill to authorize an annual grant of $200 million for 5 years to assist States to cope with the emergency in higher education presented by skyrocketing college enrollments. The bill provides for Federal assistance in the construction of public community junior colleges.

Testimony which I have heard before the Senate Labor and Public Welfare Committee indicates that the number of potential college students in the United States will be doubled by 1970. Unless immediate steps are taken to construct buildings to accommodate them, the children of the veterans of World War II and the Korean conflict will be denied opportunities to attend college, simply because there will not be room for them.

Today, many high-school graduates are being denied an opportunity to go to college, simply because the colleges say they are full and have no more room. This is a denial of the American dream of a college education for every boy or girl who wants it and is capable of mastering the courses.

This bill provides grants for extension of existing public junior college facilities, or the establishment of new facilities. It provides for the development of State and local junior colleges, with special priority to the areas in need of higher educational facilities. States whose plans are approved will receive a flat Federal grant, with additional funds to be matched by the States.

The bill leaves wholly under the States control of these public junior colleges. There is no danger, under this bill, of Federal control of junior colleges.

The failure to provide adequate educational facilities for the young people of America is leading to the waste of the greatest of all our resources, our human resources.

In the next 15 years, the college population of Texas alone will increase by 75 to 100 percent, and similar increases will take place throughout the rest of the Nation. There are 32 public junior colleges in Texas, and additional ones are authorized and are in the process of formation. If our society is to continue to grow and to develop, we must be alert to the particular needs of our times. The junior college represents a movement which has grown out of the educational needs and demands of our people.

The construction of public community junior colleges will be of distinct value to the Nation, as we strive to meet the urgent need for more and more highly skilled people. The junior college has played a very important role in Texas, because it has given thousands of students—who otherwise might not have been able to afford post-high-school study—an opportunity to pursue their studies beyond the high school. The outstanding contribution of the public junior college program throughout the Nation warrants our attention now. Through its expansion, the Nation's urgent need for more semiprofessional personnel can be met. The expansion of public junior community colleges, which the bill provides, would be as significant to the future of this country's world leadership and industrial productivity as the land-grant college legislation has been for 96 years.

For the future security of the Nation and for the continued fulfillment of our Nation's educational goals, we must recognize the need for the continued development of the community junior college.

So, Mr. President, I introduce, for appriopriate reference, a bill to provide for Federal assistance for the construction and expansion of public community junior colleges.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3932) to provide for Federal assistance for the construction and expansion of public community junior colleges, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. YARBOROUGH. I thank the Senator from Oregon for yielding to me, so that I might introduce a bill which I believe to be on a very important subject.

Mr. NEUBERGER. Mr. President, I have been very happy to yield to the Senator from Texas for the introduction of so important a measure.

SELECT COMMITTEE TO STUDY FOREIGN ECONOMIC POLICY

Mr. NEUBERGER. Mr. President, I now come to the subject on which it

is my privilege to address the Senate today.

Mr. President, from all sides we see mounting evidence of the great challenge which confronts the United States today in the realms of international economic policy.

This challenge is not as dramatic as the conquest of space and the threat of intercontinental ballistic missiles armed with nuclear warheads.

It is not as immediate as the terrible crisis facing the Atlantic community in France and in north Africa, or as the potentially explosive power struggles in the Near East.

It does not lend itself to oratory as readily as does, for example, the ideological battle between the Communist doctrines of dialectical materialism and the democratic philosophy of individual liberty.

This challenge in the real of international economic policy is not even exclusively one that can be pin-pointed as coming from an adversary—from communism or Soviet Russia—although the challenge of Mr. Khrushchev is very explicit indeed, and backed by impressive displays of present and potential performance.

Nevertheless, the mounting evidence indicates that the fate of the world in our lifetime is more likely to be determined by the success or failure of the free democracies' economic systems, of their interrelationship, and of our economic policies, than by either atomic war or ideological debate.

To the so-called uncommitted nations—and that means largely the underdeveloped countries whose people have only recently emerged from colonial bondage, carrying with them deep-seated resentment and suspicion of Western and capitalist institutions—Mr. Khrushchev offers the vision of economic and industrial development under the harsh but rapid forced-draft patterns of Communist Russia and China. Here, the fate of our competing political systems and philosophies will hang in the balance of a choice that will be made on economic grounds.

To the older, more developed countries, the Soviet leaders offer glittering promises of trade with what they confidently predict will soon be the largest, richest, most powerful bloc of nations in the world—offers which can promise more favorable terms than are available in the West because they are made in a context of foreign policy, independent from the short-run needs and fluctuations of any domestic commercial markets within the Communist bloc.

We have had ample warnings that such Soviet sallies on the international economic front are effective—and their future effectiveness will be in direct relation to whatever opportunities are opened or closed to them by the success or failure of our own international economic policies.

Furthermore, we have recently seen ample evidence that economic issues are basic points of challenge to our foreign policy, quite apart from anything the Soviet Union has done or may do. We confront it in the development of a common market and other integrated economic institutions in Western Europe, which—if they are not destroyed by the present French crisis—will inevitably carry with them crucial political consequences. We have seen such evidence in our own hemisphere—even in our relations with our great and close neighbor and ally, Canada, where Soviet policies certainly have played no role.

American, not Russian, economic policies are the issue in the worsening of our relations with Canada, and American, not Russian, economic policies are widely agreed to be the issue in our relations with the Latin American nations, where the Vice President received such mixed receptions recently. For the time being, the United States, along with the older Western democracies of Europe and the Commonwealth, still constitutes incomparably the strongest, richest, most influential economic unit and factor in the world economy. The challenge that faces us is whether or not we can so organize and apply our policies that this strength and wealth will serve not merely the economic objectives which we have as a Nation—not merely the goals of prosperity and security of the individual segments of our internal economy—but also the greater, noneconomic objectives of our national interest in the modern world. The challenge, in brief, is whether or not we can make foreign economic policy serve the ends of foreign policy, as well as those of our domestic economy.

SENATE STUDY NEEDED NOW

Mr. President, I propose that the Senate prepare to respond to this challenge while it is still of manageable proportions; while we still have time to meet it in an orderly fashion, on the basis of adequate information, study, and public deliberation. Too often, the Congress is criticized for being shortsighted, for facing only the issue immediately before it at the moment, and for habitually investigating only at the moment of crisis or disaster problems to which others had vainly sought to draw attention before it was too late.

For a considerable time, responsible leaders from President Eisenhower on down have been drawing our attention to the problems of our foreign economic policies. The frequency and intensity of the danger signals have increased rapidly in recent months, and I shall refer to some of them later. From time to time, in the past, studies have been made by Presidential commissions and under various private auspices, which have resulted in the accumulation of valuable knowledge and policy ideas. But the ultimate responsibility for enacting into law any such policies remains with the Congress, and it is to the Congress that the American people most particularly turn in such matters as economic policies, that have a pocketbook impact within our own country.

I propose no such specific policies today. But I do propose that, at this important juncture, the Senate act now by undertaking its own study of the challenge facing us in the realm of international economic policy, and of the economic foreign policies we shall need to meet that challenge.

To this end, Mr. President, I submit today a Senate resolution to create a Select Committee on Foreign Economic Policy, for the relatively brief span until June 30, 1959, to undertake studies of American foreign economic policy as specified in more detail in the text of the resolution. I am honored to have, as cosponsors of this resolution, a group of our distinguished colleagues that include the chairman of the Committee on Foreign Relations, the senior Senator from Rhode Island [Mr. GREEN], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the junior Senator from Massachusetts [Mr. KENNEDY], the junior Senator from New York [Mr. JAVITS], the junior Senator from Louisiana [Mr. LONG], the junior Senator from Pennsylvania [Mr. CLARK], and the junior Senator from Minnesota [Mr. HUMPHREY].

I ask unanimous consent that the text of the proposed resolution be printed in the RECORD at this point, and I shall explain it further at a later stage in my remarks.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 312) to establish a Select Committee on Foreign Economic Policy, submitted by Mr. NEUBERGER (for himself and other Senators), was referred to the Committee on Foreign Relations, as follows:

Whereas the foreign policy of the United States is necessarily affected, both in its ends and its means, by the economic position and policies of the United States and other nations;

Whereas the United States is being repeatedly and vigorously challenged by the U. S. S. R. to a worldwide competition in the field of international economic policy;

Whereas the degree and manner in which international economic policy should be integrated with the objectives and instruments of United States foreign policy has not been adequately examined and clarified;

Whereas important and radical changes have occurred in the world situation in recent decades, including historic developments concerning the independence of nations, their economic and political relationships to each other and to the United States, and their relative strength;

Whereas in the course of these historic developments of the past quarter century, economic policies have increasingly become integral elements of national foreign policies, and are now being actively and effectively so used by the U. S. S. R.;

Whereas trade among the Western democracies of the Atlantic community, constituting in itself almost one-half of all world trade, represents a vital element of the economic and political interdependence of the Free World that is a key premise of United States foreign policy;

Whereas six Western European democracies have newly formed a European Economic Community to encompass 162 million people in the most highly developed region of that continent, and there are plans to develop a wider trade area with the collaboration of Great Britain, members of the Commonwealth, and other Western democracies such as Scandinavia, which has recently formed its own trade area;

Whereas there has been no comprehensive, objective public examination of the foreseeable economic and political impact of these modern world developments, and their significance for the international position, objectives, and policies of the United States;

Whereas the Senate has special responsibilities for measures to foster commercial intercourse with foreign nations and for other measures to the end that the foreign policies of the nation may be promoted: Be it

Resolved, That there shall be established a Select Committee on Foreign Economic Policy, which shall undertake thorough and objective studies of the extent to which United States economic policies serve, fail to serve, and should serve the national interest under present and foreseeable world conditions, to the end that these studies and recommendations based thereon may be available to the Senate in considering United States international trade policies for the future.

SEC. 2. (a) The select committee shall be composed of 4 members of the Senate Committee on Foreign Relations, 4 members of the Senate Committee on Finance, and 4 members chosen from the Senate at large. Members from the respective committees of the Senate shall be selected equally from the two political parties by the chairman of said committees. Members from the Senate at large shall be chosen equally from both parties by the Vice President.

(b) Any vacancy in the membership of the select committee shall not affect its powers and shall be filled in the same manner as provided for in determining the original membership.

(c) The chairman of the select committee shall be designated by the chairman of the Senate Foreign Relations Committee.

(d) Seven members of the select committee shall constitute a quorum.

SEC. 3. The select committee shall, without limiting the scope of the study hereby authorized, direct its attention to the following matters:

(a) The relationship between the economic needs and objectives of nations and their political relations and policies in international affairs.

(b) The manner and effect of the use of economic means, including trade, as instruments of political foreign policy by the Soviet Union, and by other past and present totalitarian regimes.

(c) The conditions under which, and the methods by which, trade, taxation, monetary, and other economic policies can and should be more effectively utilized to further the overall foreign policy objectives of the United States.

(d) The significance, for United States foreign policy objectives, of the speed of, and sources of capital for, economic expansion in the non-Communist world.

(e) The economic, political, and military implications of the developing European Economic Community and the proposed European free trade area, including their effects upon United States foreign trade and policy in both the short-run and the long-run.

(f) The manner in which the United States should respond to these developments of closer economic and institutional interrelation in the Free World—by reviewing and modifying its own trade and tariff policies in any direction, by encouraging and negotiating the broadening of these market areas into wider, multilateral trading arrangements, by participating in the creation of new institutions to include the United States, or any other means.

(g) The extent to which controls over international economic relations have assumed importance as aspects of foreign policy, and the extent to which the tariff and other such controls have diminished in importance as a factor, directly or indirectly, in the collection of Federal revenue.

(h) The degree to which United States policy toward economic relations with other nations, including modifications of tariff rates and other controls over trade, should depend upon reciprocal action by other countries, and the extent to which it should be unilateral, and the suitability of the unconditional most-favored-nation policy in the light of present world conditions.

(i) The economic and commercial factors affecting the determination of United States policies in the national interest such as, for instance, the problem of imports from non-Communist countries having abnormally low wage standards, and the gradual shift in United States economic dependence from commodity exports toward resource imports.

(j) The effects upon the American economy as a whole, its human and material resources, and upon regions and groups within it, of any substantial modifications, in any direction, of United States tariffs or other international trade policies as part of United States foreign economic policy.

SEC. 4. The select committee shall transmit to the Senate not later than June 30, 1959, the results of the study herein authorized, together with such recommendations as may at that time be found desirable.

SEC. 5. In the conduct of this study full use may be made of the experience, knowledge, and advice of private organizations, schools, institutions, and individuals. The select committee may divide the work of the study among such groups and institutions as it may deem appropriate and may enter into contracts for this purpose. Full use shall be made of studies and plans prepared by executive agencies, and such agencies are requested to give the select committee, or any of its authorized study groups of consultants, such assistance as may be required.

SEC. 6. (a) For the purposes of this resolution the select committee is authorized to employ, on a temporary basis through June 30, 1959, such technical, clerical, or other assistants, experts and consultants as it deems desirable. The expenses of the committee under this resolution, which shall not exceed $300,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee. The chairman may designate one or more members who may act for him for the purposes of this resolution.

(b) For the purposes of this resolution, the select committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require, by subpena or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems advisable. The select committee shall cease to exist at the close of business on June 30, 1959.

Mr. NEUBERGER. Mr. President, it seems to me this is a particularly auspicious and pertinent time to submit such a resolution. In the House of Representatives debate is about to begin on the administration's recommendation to extend the reciprocal trade program for 5 years. I wish to say parenthetically that I support the administration's proposal in that respect.

Today we in the Senate are debating the Mutual Security Act of 1958, as reported by the Foreign Relations Committee. I also wish to add parenthetically that I support the program as recommended by the administration and as reported by the Foreign Relations Committee. Although, of course, I may vote for some amendments which would improve the program, I do support the program in general.

Thus at this moment there is before the Senate and the House of Representatives vital proposed legislation which pertains to American economic policy in the sphere of foreign relations.

Mr. President, I have said that in submitting this resolution, I do not intend to promote any proposals with respect to any particular phase or program of our economic foreign policy. Two of the most important are these programs that will be before us in the immediate future—the mutual security authorization, which is before us this week, and the extension of the Reciprocal Trade Agreements Act, which will soon follow. It is my expectation that both of these bills, which I support, will have been dealt with by the Senate on their own merits before the study I propose will get underway. That study should provide the basis for intelligent, informed and rapid action by the 86th Congress on whatever new, further, or different programs may then prove necessary to meet the gathering threats to our national interests in the international economic field.

However, while this resolution will and should have no relation to the specific substantive bills on which the Senate will act at this session, I refer to them now only to illustrate how important it is that public study and attention be given to the foreign policy aspects of programs which, because of their impact on domestic American interests, are so widely regarded and judged only from that domestic point of view.

This is true of the mutual-security program. Foreign aid is not apt to be a popular label under the best of conditions, and it is doubly vulnerable at a time when many thousands of Americans, in communities throughout the country, have good cause to point to the need of economic expansion and prosperity right at home. And it is even more true of the reciprocal trade program. Trade policy by its nature must lie at the heart of the foreign economic-policy problems of which I speak today; yet under our private trading system, it is also a direct factor in domestic economic policy. We cannot isolate the two, as a totalitarian government can.

RECIPROCAL TRADE KEY PHASE OF ECONOMIC POLICY

Thus, the case of trade policy today is one important illustration of the need for the broader study I propose. Very soon, the Senate will once again debate and act on the basic legislative instrument of our international trade policies—the Trade Agreements Act. The bill to renew that act, H. R. 10368, is now running the first steps of the Congressional gauntlet in the House Committee on Ways and Means. In urging its passage, President Eisenhower has told us:

> The enactment of this legislation—unweakened by amendments of a kind that would impair its effectiveness—is essential to our national economic interest, to our security, and to our foreign relations.

Gov. Adlai E. Stevenson has said:

> It would be folly not to give the President the authority he needs and to hobble our leaders at the conference table or in the cold war. Surely it would be unthinkable to refuse to renew the Reciprocal Trade Act, and for at least 5 years, in order to create some permanence about our intentions.

Strong statements in support of continuing the reciprocal trade agreements

program have come from former President Truman, Vice President Nixon, the Senator from Texas, Mr. Johnson, Speaker of the House Sam Rayburn, Secretary of State Dulles, Secretary of Commerce Weeks, and many other leaders.

Yet once again this year we have heard widespread predictions that the trade agreements extension bill faces perhaps its most critical test since Cordell Hull initiated the program in 1934; that the President can hope only for a much shorter extension than the 5 years he has asked, and even this only at the cost of destructive amendments or concessions.

What these predictions reflect, of course, is the fact that our country is in its most serious economic recession since World War II, with the highest rate of unemployment since 1941. Industries are idling along at a fraction of capacity, with workers on short weeks or laid off; lumber and plywood mills in my State are facing abrupt drops in demand and prices; mines are shut down for lack of a market at a price level that would meet production costs—these are conditions that must react adversely on a program of reciprocal international trade, as American producers in a shrinking market ask Congress to erect barriers to keep American purchasers from buying abroad.

It is natural, particularly under conditions of depressed American markets as we have today, that our international trade policy will be judged by many in narrow economic terms. Those who are most directly affected by it and therefore most vocal about it—exporters, importers, producers of goods that face competition from imports—naturally think of international trade primarily in relation to their own markets. Besides, it is the ancient tradition, at least in the capitalist world, to think of trade between countries as a commercial function, in aid or hindrance of the domestic economy. That emphasis is inherent in the term "trade" itself.

Mr. President, I believe the reciprocal trade program we have followed for the past quarter century has proved to be in the best interests of our national economy. It can and will be defended on the basis of its direct, economic benefits to the American people. I support its continuation, and I am confident that the Trade Agreements Act on which it is based will be extended at this session of Congress.

TRADE POLICY MUST BE RELATED TO FOREIGN POLICY

However, it is not reciprocal trade policy, but American foreign policy, about which I speak today. I expect to speak more specifically in support of the trade agreements program when that comes before us; but today I refer to it only as one aspect of our foreign economic policy. In today's world our international trade policies have far more than commercial significance. Of necessity, they are an essential, integral part of our total economic foreign policy. Trade policy must be judged by and adapted to the objectives of our total foreign policy. For compared to those objectives, to the magnitude of the stakes, and to the amounts and efforts we invest each year in other means for their attainment, the purely commercial impact of most of our international trade shrinks into relative insignificance. Thus we need trade policies that will aid and support our foreign policies whenever possible; and certainly we cannot afford to adopt, for domestic economic reasons, trade policies that would actually contradict and impair the attainment of our foreign-policy objectives.

These propositions sound fairly self-evident in principle, Mr. President. But as a matter of fact, we do not now have any comprehensive, documented, widely understood factual basis for judging what they mean in practice. To my knowledge, the relationship between our international trade and our overall economic and other foreign policies has not been directly and specifically studied by the Congress.

Trade is a key factor in our international relations; yet so far as I have learned in my limited experience in the Senate, trade policy is not studied as part of our foreign policy, in conjunction with other aspects of foreign policy which are closely related to international trade in the overall world economic picture—for instance, our programs of economic aid and technical assistance to productivity in underdeveloped countries.

To give only one example, we have long heard the slogan "trade, not aid." That slogan may be unrealistic, for trade depends on exportable surpluses, and much of our economic and technical assistance has gone to precisely those countries that needed to restore deficits in their war-destroyed economies or create new, undeveloped capacity, rather than having surpluses to trade with. But whatever may be the interrelation between American aid programs and international trade, the two are not studied in relation to each other. The Senate does not act on a single, integrated plan of American foreign-policy interests in the world economy.

UNIFIED STUDY OF FOREIGN ECONOMIC POLICY NEEDED

That is why I believe that a Senate study, such as I have proposed, should be directed at the overall field of American foreign economic policy—that is to say, at the relationship of economic ends and economic means to the noneconomic ends and the noneconomic means of American policy in the modern world. Foreign economic policy, as so conceived, obviously involves far more than international trade. The study I propose must be far broader than a study directed specifically at trade and tariff policies; but the latter are of sufficient importance that I thought they should be given special significance, in determining the composition of the committee that should make such a study.

The select committee, as my cosponsors and I have proposed it in our resolution, would be composed of 12 members, drawn equally from both parties in the Senate. In this particular instance, it has seemed to me important to avoid any unnecessary question of political partisanship in the study of issues which are vital to the national interest abroad as well as at home. The function of this committee is intended to consist of undertaking serious, factual and objective studies in a difficult and important field of national policy—not to report legislation, nor to make any "investigation" in the popular sense of that term, for which the definition of a majority and a minority responsibility might be appropriate.

Of the 12 members, 4 would be from the Committee on Foreign Relations, because of its obvious primary concern with the subject of foreign economic policy as an aspect of our foreign policy. Four would be from the distinguished membership of the Committee on Finance, because of that committee's thorough familiarity with our trade and tariff policies, and because insofar as the studies result in conclusions for future legislative policies, some of those policies would be likely to fall within its jurisdiction. The 4 remaining members would be appointed by the Vice President from the Senate at large, 2 from each party.

I recognize that other Senate committees—for instance, the Committee on Interstate and Foreign Commerce, the Committee on Banking and Currency, and the Committee on Agriculture and Forestry—also have important stakes in aspects of our foreign economic policies—as, indeed, we all do. That is precisely a measure of their importance to the Nation as a whole.

For example, Mr. President, I am a member of the Senate Committee on Interior and Insular Affairs, on which committee I serve under the chairmanship and guidance of the able senior Senator from Montana [Mr. MURRAY]. We have before that committee now for consideration proposals from the Secretary of the Interior under which certain domestic mineral products would be subsidized in order that they not be too heavily damaged by competition from minerals brought to America from abroad.

I cite this merely to indicate that nearly all the great committees of the Senate, with few exceptions, are involved to some degree in our economic policies which impinge on our foreign relations.

This question of the composition of the committee will no doubt be given serious attention by the committee to which the resolution is referred for action. The important thing is that we obtain a unified look at and analysis of this field of policy, rather than approaching it from a series of narrow and limited aspects, as the six blind men diversely describing an elephant in the fable. It is for that important central reason that we are proposing this bipartisan and temporary Select Committee on Foreign Economic Policy.

TRADE NO LONGER PURELY COMMERCIAL INTEREST

Mr. President, I said earlier that it seems like a self-evident principle that our economic policies toward other nations must aid, not contradict or impair, our overall foreign policies. This applies to our trade policies, including tariffs, in these difficult and perilous

times, when so much more depends upon the success of our foreign economic policies for our national interest in the long run than the prosperity of any single domestic interest. Yet if that principle is accepted by responsible people today, it is nevertheless actually a new development, based on the historic lessons of the past 3 decades.

For until the long and tragic series of worldwide crises that began with the great depression of the 1930's, trade policy was everywhere regarded only as a form of governmental action in aid of private commercial interests. Actually the tariff is, of course, one of the oldest—if not the very oldest—economic issue in American politics, along with the issue over hard or soft money. The historical tradition has been to regard it as a purely economic issue—phrased in terms of the controversy over tariffs for revenue, or tariffs for protection; the controversy between American farmers who exported grain, cotton and tobacco, and the domestic producers for whom the tariff became the instinctive refuge against every adverse turn in the American market. The Smoot-Hawley tariff of 1931—that record-high schedule of import duties from which the reductions made under the reciprocal trade agreements are calculated—was itself such a reaction to the depression which began in 1930, a reaction based wholly on considerations of domestic, not foreign, policy.

In that depression, Mr. President, the United States at first reacted in the traditional way of seeking purely national solutions to its grave and painful economic problems. So did the great European industrial and trading nations, as the depression spread to that continent. Manipulation and control of foreign economic transactions began as a measure of desperate economic self-defense. Within a few years, the spread of political totalitarianism turned such controls into potent instruments of foreign policy—instruments which served German political penetration in Europe and the Near East, and Japanese expansion in the Far East for purposes which were political and strategic as much as commercial, and which ultimately paved the way for naked aggression, domination and war.

At no time since World War II have international economic problems, relationships and economic foreign policies played so large a role in the world situation as they do again today. For 10 years—since the Russian blockade of Berlin in 1948, which was met by the spectacular Western airlift to that encircled city—our foreign policy has been based upon the premise of a primarily military and aggressive threat from the Soviet world. In response to this threat, the economic programs of the original Marshall plan were given a new, military emphasis in the development of NATO and the mutual security program. That program, as it comes before the Senate again this week, still maintains such emphasis on defense against the threat of military aggression, not only in Europe, but in Asia, in Africa, even in Latin America. The same premise underlies the pacts and alliances we have sponsored in the Far East and the Middle East, as well as policy pronouncements such as the so-called Eisenhower doctrine for the latter area.

Throughout this cold-war decade, we have been conscious of the great military might of Soviet Russia. Yet, until very recently, Americans did not regard Russia as a serious competitor in economic and other peacetime fields of endeavor. Any remaining illusions of Russia as a country of backward serfs being driven reluctantly onward by terror and despotism has now been rudely shattered by the sputniks. We shall be better off for no longer underestimating the competition we face. But evidence of a change in the nature of that competition has been accumulating both before and after the U. S. S. R. demonstrated its dramatic technological progress by launching the first earth satellite. It has been accumulating while our own preoccupation, in Europe, in the Middle East, and in Asia has continued to be with the threat of possible military aggression.

NEW COMMUNIST THREAT IS ECONOMIC MORE THAN MILITARY

In the recent past, we have from time to time heard of instances of Soviet economic activity beyond the borders of Russia—of Soviet aid for streets in Afghanistan, Soviet offers of assistance to Egypt, Syria, and other areas of the Middle East, Soviet trade proposals to West Germany, Great Britain and Latin America. But only very recently have we begun to look at the total magnitude of the present and prospective Communist international economic effort.

Former Secretary of State Dean Acheson pointed out in a speech in Detroit on May 3 that the export of capital, in the form of production equipment, is the fundamental means of development for the economies of the underdeveloped nations. He stated:

> The Soviet Government is well aware of this. Since 1953 it has put out $1.6 billion of capital export commitments in 19 countries under the supervision of over two thousand Soviet technicians. This could be the course of such countries as India, Brazil, the Philippines, and others, if the Free World economic system should not operate effectively. Governments which do not respond to the economic needs of their countries do not stay in power.

Both the manner in which the Soviet Union is moving to take advantage of every opportunity of economic penetration, and its increasing capacity for doing so effectively, were recently described in a most informative and enlightening speech by Mr. Allen W. Dulles, Director of Central Intelligence, to the Chamber of Commerce of the United States. I regard Mr. Dulles' speech of such importance that I wish every member of the Senate would read it, and that I could include its entire text in the RECORD with my present remarks, for this speech by the head of our Central Intelligence Agency shows more convincingly than anything I can say, why we need Congressional study and readiness for action in the field of foreign economic policy now.

Since the length of Mr. Dulles' speech makes this impossible, however, I shall only read a few excerpts from it now. This is how he states the new challenge we face, since the direct military threat and bluster of the post-war Stalin era was halted by our response through NATO and other defensive preparations:

> Today the Soviet Union, through its very vocal leader, Khrushchev, is directly challenging the United States in the fields of industrial development and foreign trade and aid as well as in military matters. The other day he remarked, "To the slogan that says 'let us arm,' we reply with the slogan, 'let us trade'."
>
> The economic challenge is a dual one. They are setting goals for their own domestic production to compete directly with our own and to quote their words, "to get ahead of us in the economic race." The other phase of their challenge is through their foreign economic penetration program.

The progress which the U. S. S. R., through its continuing program of forced-draft industrialization, is making toward both these goals is indicated by a series of statistical data given by Mr. Dulles. I ask unanimous consent to have printed in the RECORD at this point in my remarks extensive excerpts from the speech by Mr. Allen W. Dulles.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> Comparison of the economies of the United States and the U. S. S. R. in terms of total production of goods and services indicates the U. S. S. R.'s rapid progress.
>
> Whereas Soviet gross national product was about 33 percent that of the United States in 1950, by 1956 it had increased to about 40 percent, and by 1962 it may be about 50 percent of our own. This means that the Soviet economy has been growing, and is expected to continue to grow through 1962, at a rate roughly twice that of the economy of the United States. Annual growth overall has been running between 6 and 7 percent, annual growth of industry between 10 and 12 percent.
>
> These rates of growth are exceedingly high. They have rarely been matched in other States except during limited periods of postwar rebuilding.
>
> A dollar comparison of U. S. S. R. and United States gross national product in 1956 reveals that consumption—or what the Soviet consumer received—was less than half of total production. It was over two-thirds of the total in the United States. Investment, on the other hand, as a proportion of gross national product in the U. S. S. R. was significantly higher than in the United States. Furthermore, investment funds in the U. S. S. R. were plowed back primarily into expansion of electric power, the metallurgical base, and into the producer goods industries. In these fields, it was over 80 percent of actual United States investment in 1956, and in 1958, will probably exceed our own. Defense expenditures, as a proportion of gross national product in the U. S. S. R., were significantly higher than in the United States; in fact about double.
>
> Soviet industrial production in 1956 was about 40 percent as large as that of the United States. However, Soviet heavy industry was proportionately larger than this overall average, and in some instances the output of specific industries already approached that of the United States. Output of coal in the U. S. S. R. was about 70 percent of that of the United States, output of machine tools about double our own and steel output about half.
>
> Since 1956, Soviet output has continued its rapid expansion. In the first quarter of 1958, Soviet industrial production was 11

percent higher than a year ago. In comparison, the Federal Reserve Board index shows a decline of 11 percent in the United States.

According to available statistics, in the first quarter of 1958, the Sino-Soviet bloc has for the first time surpassed the United States in steel production. The 3 months' figures show that the U. S. S. R. alone turned out over 75 percent of the steel tonnage of the United States.

Mr. NEUBERGER. Let me read only one conclusion stated by Mr. Dulles on the basis of the statistics of recent Soviet development, which takes on special meaning at this time of recession, when our own economy is actually being permitted to shrink. He states:

These (Soviet) rates of growth are exceedingly high. They have rarely been matched in other states except during limited periods of postwar rebuilding.

This is the image and the pattern which the U. S. S. R. offers, for emulation, to the underdeveloped nations that yearn desperately for rapid economic growth—while the image of capitalist America is one of recession, shrinkage, and inability to plan and sustain continued constructive development.

Beyond offering a tempting pattern, however, Soviet economic growth of the dimensions shown by the CIA's statistics has also made possible the active entry of Soviet Russia into international trade. Thus the Soviet Government is aggressively seeking, and achieving, expanded trade with western nations, including the key industrial nations of Europe—Germany and Great Britain.

We have seen a dramatic recent example in the sales of Russian aluminum, particularly in the British market, which have driven the world market price down 2 cents a pound or more, at a time when western aluminum producers in Canada, in the United States, Norway, and elsewhere already face difficult problems of temporary excess capacity.

I digress at this point to say that I have been particularly aware of the Russian impact on the world aluminum market with respect to price, because the Pacific Northwest, which is my native region, today produces some 35 percent of the American total aluminum production, and I know that many of the men engaged in supervising the production of aluminum in the Northwest, and in working in those plants, have been concerned by the effect of the delivery of Russian aluminum in the British market at 2 cents less a pound than the prevailing world price.

Mr. Dulles states that the U. S. S. R. may well, in time, become a major supplier of other metals, petroleum, and other industrial necessities to Western Europe, with these consequences:

Soviet ability to use trade as a weapon to advance its political aims will increase in a direct ratio to their success in realizing their economic goals.

For example, once they have penetrated Western European markets to the extent that these markets become substantially dependent on Soviet industrial raw materials, they will have available a new and formidable weapon of economic warfare. By withholding supplies, by capriciously raising prices, or by dumping commodities, the Soviets in effect will have a seat at the council table of the great industrial nations of Europe.

I believe, Mr. President, that I have quoted enough of this sober analysis by Mr. Allen W. Dulles, Director of the Central Intelligence Agency, to indicate the magnitude of the Soviet potential for adding an economic cold war to the other, familiar techniques in the Communist arsenal. The picture of the U. S. S. R. at the political council table of Western Europe is not a reassuring one for the United States or for democracy. But if it happens, we cannot say that we have not been forewarned. Mr. Khrushchev's challenge of competitive coexistence is an open one. And we must remember that economics, and not military warfare, is the original battleground on which the Communist ideology has challenged Western, private-property democracy as a doctrine of society and government. If there is to be competition, let us welcome that it is to be in this realm of alternative roads to material, economic, and social accomplishment—the realm which is most hotly contested between the United States and our Communist adversaries, and in which we both have staked out major claims. Certainly we shall not regret that it is not to be on the field of battle. But let us also remember that the victory in this contest of economics and politics is not to be won inside Russia, or inside the United States, but in the vast bulk of the world which is neither.

UNITED STATES POLICY HAS RECOGNIZED WORLD NEEDS FOR ECONOMIC AID

Certainly, the record of postwar American policy shows that we have recognized that fact. This recognition led to the epoch-making Marshall plan for Europe, to our active and unstinting support for the World Bank for Reconstruction and Development, and to the point 4 technical-assistance program. Most recently we have recognized, in the resolution expressing our support for India's 5-year plan that was offered by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Kentucky [Mr. COOPER], the decisive importance of whether the development of this vast nation shall find its sources of capital—and its sources of inspiration—in the democratic West, or in communism.

I desire to emphasize in this connection my support for the very forward-looking and thoughtful resolution submitted in the Senate by the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Kentucky [Mr. COOPER].

Yet our recognition of the importance of economics to our foreign policy has been expressed largely in a single class of programs—programs of foreign aid, such as those I have just mentioned. With the possible exception of some of the technical assistance programs, these have taken the form of extensions of credit, money grants or gifts of specific economic equipment and commodities to or through the governments of the recipient nations. The foreign-aid programs have carried almost the whole burden of our foreign economic policies, while our policies toward other forms of international economic intercourse even with the same nations, such as trade and private capital investment, seem to be based on domestic, economic, and commercial considerations without much regard for our foreign policy objectives. Thus, in fact, these domestic American considerations may sometimes appear themselves to be our main foreign policy objectives in such nations.

U. S. S. R. HAS ADVANTAGE OF MORE FLEXIBLE, COMBINED PROGRAMS

Mr. President, the greater measure of Soviet governmental economic control mentioned by Mr. Allen Dulles, to which I have referred, permits the U. S. S. R. to mix aid, trade, loans, and personnel exchanges in formulating foreign economic programs tailored to meet the needs of Soviet policies in different countries and under changing conditions. Because of this mixing of the ingredients of grants, loans, trade, and other forms of economic activity, and the absence of private trading, Soviet foreign economic programs cannot readily be compared with United States or Western economic relations with respect to the same country. This was cogently pointed out, for example, in an analysis of Soviet and United States programs in Afghanistan, which was sent me by the International Cooperation Administration at the suggestion of Mr. Sheldon Mills, our Ambassador to that country.

Ambassador Mills is a very distinguished career diplomat and a constituent of mine from Oregon—although his duties in our Foreign Service force him to be an absentee constituent much of the time—and he and I had occasion on his last visit to Washington to discuss the question of the comparative Soviet and American programs in Afghanistan.

For example, the report on Afghanistan sent me by ICA explains that—

One important distinguishing characteristic of—Soviet—block aid is that it is generally presented on a long-term basis without reference to annual commitments, and in a package form which may include a long-term line of credit, technical assistance, training, military assistance and, in particular, increased trade opportunities. Such single package offers can have great appeal, particularly when the recipient country is having difficulty in marketing its export products.

Although direct grants of assistance by the United States far exceed the amount granted outright by the U. S. S. R., the total achievements of the combination Soviet package may appear disproportionately effective to the local population, particularly if they are channeled into projects which are chosen and designed to produce such an immediate impact that they have an economic dramatic effect. For instance, reporting on the Soviet package in Afghanistan, ICA states:

Although perhaps less than one-fourth of the credit extended under the economic aid agreement has been drawn down, substantial progress has been reported on many of the projects covered by the agreements. Streets of Kabul were paved and one asphalt factory near Kabul was completed with a line of credit extended in 1954. Con-

struction has been completed on a grain silo, flour mill, bakery, petroleum storage tanks and cement plant. Surveys have been made or construction begun on various other projects, including a new highway over the Hindu Kush Mountains and airport construction. A number of buses and taxicabs were delivered, and also equipment for a 100-bed hospital. Although a substantial part of the $100 million credit from the U. S. S. R. has been obligated for specific projects, actual expenditures to date have probably been relatively small.

The report points out that the Soviet foreign economic programs are aided by the ability of the Soviet Government to commandeer and assign Russian technical personnel and needed equipment for such programs, and to design the specific projects themselves with an eye only on the desired policy goals, and without close regard for costs or economic feasibility, because the U. S. S. R. can, for political expediency, absorb any loss which may be inherent in any particular transaction.

When Ambassador Mills was in Washington some weeks ago, I had the opportunity of having breakfast with him in the Senate dining room. He emphasized to me at that time the importance of Congress passing the Mutual Security Act and sending it to the President for his signature. He said that without the foreign aid being made available to him and our other American representatives in Afghanistan, where he is our chief diplomatic spokesman, he would be absolutely helpless in combatting the propaganda and the efforts of the Soviet Union to bring Afghanistan into the Soviet orbit.

A very recent report prepared for the Committee for Economic Development stresses these same points. According to a review of this report in the Washington Post and Times Herald of June 1, entitled "Red Trade Gain Cited in Study," Afghanistan, Egypt, Indonesia, Nepal, Syria, and Yemen have received far more economic aid from the Soviet bloc than from the Free World. This again is consistent with what I was told by Ambassador Mills during his recent visit here. Thirty-two percent of India's aid and 40 percent of Ceylon's are said to have come from the Soviet bloc. At the same time, the report states that the Communists have made trade expansion a full partner with assistance in their economic offensive outside their own area, particularly in Latin America, where Soviet trade expansion has been 609 percent from 1952 to 1956, particularly with Argentina, Brazil, Cuba, and Uruguay. Mr. President, I ask unanimous consent that the Washington Post's article on this report for the CED be printed in the RECORD at this point of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of June 1, 1958]

RED TRADE GAIN CITED IN STUDY

(By Carroll Kilpatrick)

Russian-bloc countries increased their trade with Latin America 609 percent from 1952 to 1956—a greater increase than with any other part of the world, a study prepared for the Committee for Economic Development reported yesterday.

"The Communists have made trade expansion a full partner with assistance in their economic offensive outside their own area," the study, by Michael Sapir, said. The aid program, he wrote, has a different emphasis in three distinct areas of the underdeveloped world.

In Asia and Africa, the Communists are concentrating on economic development aid; in the Middle East, on aid and trade, but in Latin America "the emphasis is on increasing trade," Sapir said.

"In Latin America, the increase has taken place primarily because of vigorous efforts by eastern European countries," he reported. "A network of direct agreements has been established, with liberal credit provisions featured."

Latin America's principal imports from the Communist countries have been coal, machine tools, railway rolling stock and agricultural machinery. Principal exports have been meat, leather goods, and animal hides, sugar, coffee, and wool.

FOUR COUNTRIES INVOLVED

Sapir said the Soviet bloc, including Communist China, has concentrated on increasing trade with "a relatively few underdeveloped countries." Four countries in Latin America are chiefly involved: Argentina, Brazil, Cuba, and Uruguay.

"They account for practically all of Latin American-Soviet trade at present," he said. Sapir is a student of international economics who has specialized in affairs of underdeveloped areas.

"The Communists are attempting to create, in the eyes and minds of the underdeveloped nations, the image of a widespread, richly varied but unified Communist world, similar in scope, variety and resources to the Free World, available and capable no matter what the problem," Sapir wrote.

While the Communists have expanded their relations with the non-Communist world in general, "they have concentrated increasingly on a 'trade and aid' program with the underdeveloped areas, and within the underdeveloped areas to uncommitted nations," the report said.

Sapir noted that only a very small amount of Soviet aid has been sent to countries receiving arms aid from the United States. But the uncommitted countries are receiving a substantial amount of Communist-bloc aid.

Afghanistan, Egypt, Indonesia, Nepal, Syria, and Yemen have received far more economic aid from the Soviet bloc than from the Free World. Thirty-two percent of India's aid and 40 percent of Ceylon's has been from the Soviet bloc.

CONTRAST WITH UNITED STATES AID

In an introduction to the study, Herbert Stein, CED's director of research, said that of America's total foreign aid in the 11 years from 1945 to 1956 some $10.6 billion, or less than a fifth went to underdeveloped countries, and some $3.5 billion of that was for relief work.

Sapir said his study showed that the Soviet bloc "is capable not only of sustaining the economic drive currently under way but has the capacity to increase the effort several times over."

He said the Soviets are "constantly * * * probing for weak spots in the Free World which can be exploited by a variety of means and to a myriad of costumes and poses * * *.

"Probably the greatest and clearest type of danger to the Free World is the success of the Soviets in winning major influence in the Arab world, notably Egypt and Syria. * * *

"The Communists are moving more slowly and less directly in Afghanistan, close to the border of sensitively neutral India." He said Russia also is concentrating on Indonesia's "troubled waters" with apparent success.

Sapir held out the possibility that Communist bureaucratic methods and poor quality goods may cause the Soviet bloc trouble in the underdeveloped countries.

"It would seem reasonable to expect that the longer the bloc programs are in existence, and the wider their efforts, the greater the likelihood that the Soviet and its satellites will stub their toes, making many of the errors we have made and others of their own invention," Sapir said.

"There is evidence that such countries as India, Pakistan, Turkey, or Burma and Ceylon are increasingly concerned about the political intent of the Soviet bloc, but concern alone, often, is not enough to frustrate Soviet ambitions."

Mr. NEUBERGER. Mr. President, I do not propose today that we change our economic aid programs in underdeveloped countries so as to imitate Russian methods. I am not now addressing myself to the mutual security and technical assistance programs, which already have been studied thoroughly and recently under the auspices of the Committee on Foreign Relations. My point, rather, is to illustrate that effective foreign economic policy involves more than foreign aid. If economic means are effectively to aid in the attainment of our foreign policy goals, then the proper relationship of trade, of credit and capital transactions, of technical assistance and of other economic activities—both private and governmental—to these foreign policy goals needs as urgently to be considered by the Senate as were the foreign aid programs themselves.

That is what is proposed in the resolution I am submitting today.

TASK OF FOREIGN ECONOMIC POLICY LIES WITHIN WEST ITSELF

Mr. President, I have spoken at some length about the economic challenge being presented to us by the U. S. S. R. throughout much of the world. Our Soviet adversary is rapidly developing the economic strength to make that challenge effective; yet as of now, the gap between that strength and ours is still so vast that any Soviet opportunity for success is largely a measure of a failure on our own part.

The greatest area where our foreign economic policy badly needs review, however, is one in which a direct contest with Soviet economic penetration does not yet—and, let us hope, never will—play a really major role. That area is the West itself—Western Europe and the twin continents of North and South America.

Here, on the two sides of the Atlantic, are both the most industrialized and some of the resource-richest regions of the world. In both natural and capital resources—if combined—this Western World so far outdistances the Communist bloc that what may look like a competition, when measured between the United States and the U. S. S. R., proves in fact to be no contest at all. It is here, within the West itself, that the success or failure of Western economic and political philosophy must prove itself. If we succeed here, with the vast resources at our combined command, the Atlantic economy will act as an irresistable magnet to the development of the so-called uncommitted nations of Asia where communism now offers actual competition. If we do not

succeed in finding policies and systems for ordering these resources our joint economic growth, stability and prosperity, however, then the West risks the loss not only of these nations for the Free World—but eventually its own disintegration.

Here, as it seems to me, is the greater challenge to the foreign economic policy specifically of the United States, which today is the dynamo of the entire Western World.

Here, too, is the area where our foreign economic policies most deserve the intensive study of a special committee of the Senate, with the authority and the mandate to cut across all the separate lines of our national policies and programs in a unified inquiry into their impact on our national objectives in the world. For it is right in this Atlantic area itself that the last few months and even days have shown us the crises that make a review of United States policies so timely and even urgent today.

Our relations with Canada have deteriorated largely over economic issues, which have lent much popular support to talk of more nationalistic attitudes and policies in that country. These economic issues began—at a time of expansion—with impatience over the manner of United States business investment and control in Canada. When expansion turned to recession, new importance was added to old issues of tariffs and wheat markets and quotas. Our relations with Canada were not helped when, last December 24, President Eisenhower imposed the miscalled "voluntary oil quotas" against the import of Canadian oil to the United States west coast—an action which led to violent but unsuccessful protests from the Canadian Government. And we have failed outrageously in one step that could well serve as a pattern for imaginative and resourceful statesmanship in foreign economic policy—the negotiation of an agreement with Canada for the mutually beneficial development of the upper Columbia River Basin, in which rests a large share of the vast economic promise of western Canada.

Mr. President, I should also like to point out that the same type of mutually beneficial agreement should be reached between Canada and the United States with respect to the great headwaters of the Yukon River, where the Yukon territory of Canada and the Territory of Alaska potentially share in one of the great hydroelectric resources of the entire world.

Our relations with Latin America, as with Canada, are also inevitably involved in our actions on such matters as the oil quotas and mineral imports. Press reports since the regrettable and shocking demonstrations of anti-Americanism, on the occasion of the Vice President's appearances in Venezuela and Peru, have emphasized the importance of dissatisfaction with United States economic policies in Latin American public opinion. The two countries involved in these demonstrations are, perhaps, no coincidence. Oil, of course, is the foundation of Venezuela's economy as much, or more, than it is that of Texas' or Oklahoma's. And, as Deputy Undersecretary of State Douglas Dillon recently told the Senate Interior Committee, 15 percent of Peru's commodity exports are lead and zinc, and two-thirds of these go to the United States. Add copper, and more than half of Peru's total dollar earnings are directly involved in United States minerals policies. The figures for Chile and Mexico are equally impressive. The direct relationship between United States trade and Soviet economic penetration in Latin America was also reviewed in a brief article in Fortune magazine for April 1958, and I ask that it be printed at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit 3.)

Mr. NEUBERGER. Mr. President, nothing could be more effective than Secretary Dillon's testimony to demonstrate that no longer can we make national policies on oil, on minerals, on other commodities, and on trade generally, simply as domestic economic decisions. We cannot have all United States governmental decisions made by the State Department, nor channel all legislation through the Committee on Foreign Relations. The legislative committees of the Senate—such as the Committee on Interior and Insular Affairs—can be counted on to give needed recognition and weight to the impact on our foreign policies of the measures that come before them, but they cannot all independently study this complex field. That is why I propose a single, unified Senate study to provide us with a long-range perspective and overall framework of United States foreign economic policy and its significance for the national economy.

UNITED STATES TRADE KEY FACTOR IN ECONOMY OF WEST

Mr. President, I have referred to the overwhelming concentration of capital and natural resources which makes the West itself the area in which our economic policies for a Free World must succeed or fail, and I have indicated that the United States economy itself is the dynamic heart of this concentration, on which the bloodstream of the whole depends.

This fact is borne out by an analysis of our foreign trade. I have asked the Legislative Reference Service of the Library of Congress to break down the total of United States exports and imports in 1956 by different pertinent groupings of the nations with whom we traded. These groupings include, first, the nations of the European Common Market—France, Germany, Italy, Holland, Belgium, and Luxembourg. Second, the so-called Free Trade Area that has been suggested by Great Britain to include also the Common Market nations, Scandinavia, Austria, and Switzerland—in effect, almost all of Western Europe. Third, the 15 countries of the North Atlantic Treaty Organization. Fourth, the Latin American nations of the Organization of American States. Fifth, the nations which met at the Bandoeng Conference, which included about 30 of the Asian, Near Eastern, and African nations. Sixth, I have singled out Japan, because so much of the controversy over trade policy involves that one country. Seventh, our trade with the Soviet bloc. Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*United States trade with groups of countries*

[Dollars in millions]

	Exports		Imports	
	Value	Percent	Value	Percent
Total	$19,066.0	100.0	$12,736.5	100.0
European common market	2,871.2	15.1	1,428.8	11.2
Free trade area	4,431.4	23.2	2,667.8	20.9
NATO countries	8,184.7	42.9	5,378.3	42.2
OAS countries	3,687.0	19.3	3,668.9	28.8
Bandoeng Conference countries	2,384.2	12.5	1,771.6	13.9
Japan	894.6	4.7	557.8	4.4
Soviet bloc	119.8	.6	91.0	.7

Mr. NEUBERGER. Mr. President, these figures show that almost 20 percent of our exports and almost 30 percent of our imports, in 1956, were in trade with Latin America. They show that more than 42 percent of our trade was with the nations of the North Atlantic alliance. Very roughly, they indicate that about two-thirds of all United States foreign trade takes place within the great Western area that I have mentioned, and less than one-sixth of United States trade is with Asia, including Japan, and with the Communist world. The latter accounts for less than 1 percent.

This illustrates the extent to which, as I have said, United States trade and economic policies are a question of our policies for the West itself. How much this is true when limited even more specifically to the North Atlantic community itself is shown by another table prepared for me by the Legislative Reference Service, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*External trade of NATO countries (including United States)*

[Dollars in millions]

	Exports		Imports	
	Value	As percent of world total	Value	As percent of world total
Total	$56,069.1	60.1	$55,715.4	58.5
Internal (with other NATO countries)	40,334.3	43.2	42,535.9	44.7
World	93,327.9	100.0	95,225.4	100.0

Mr. NEUBERGER. Mr. President, looking only at the 15 members of the North Atlantic Treaty Organization, which is the chief alliance of the Western democracies and the keystone of our foreign policy, we find that the foreign trade of these nations, including the United States, constitutes about 60 per-

cent of all the international trade in the world. More impressively, the internal trade of the NATO nations among themselves alone—eliminating their trade with the entire rest of the world, and that means eliminating trade with Latin America, with Japan, and with important European and commonwealth democracies which are not members of NATO—constitutes about 44 percent of all the international trade in the world.

This is a measure, Mr. President, of the importance of our foreign economic policies to the success or failure of our noneconomic objectives and our noneconomic programs in the foreign policy realm. On the military and diplomatic effectiveness of NATO, for instance, we have staked an immense proportion of our entire international political and defense efforts. Does it not make sense to study our commercial, monetary, fiscal, and other economic foreign policies in the context of this commitment of billions of dollars, and of our national security itself, to a NATO policy, rather than to regard them as a separate and distinct realm, to be judged by quite different and largely domestic considerations?

FRENCH CRISIS IMPERILS WESTERN COMMUNITY

The question is daily gaining urgency at this very time. None of us can tell what the current crisis in France will mean to NATO and to the various Western European institutions whose development we have so long encouraged. In raising the questions about which I speak today, I certainly do not pose as an expert in either economics or foreign affairs. No such special knowledge is needed; for these questions now confront us in daily newspaper headlines. The Washington Post and Times Herald of last Saturday, May 31, published an article by Don Cook of the New York Herald Tribune News Service which reported that impending French bankruptcy threatened the end of the European payments union and the proposed European trading institutions. On Sunday, June 1, the New York Times reported that "uncertainty over the future of France has cast a darkening cloud across the bright new plans for European economic unification." Both articles predict grave difficulties for the common market, and also the death of the proposed greater free-trade area. I ask unanimous consent that these informative and very ominous reports may be printed at the conclusion of my speech.

There being no objection, the articles were ordered to be printed in the RECORD.

(See exhibits 1 and 2.)

Mr. NEUBERGER. Mr. President, we can no more be indifferent to these developments than we could be to the possible collapse of the military structure of NATO. For in the long run it is impossible that we could maintain a military stake in the Atlantic community, but refuse to make any commitment to its economic stability, growth, and future prosperity. The time may already have come when the second is more important than the first, in the light of the new challenge from Soviet Russia which I have discussed. If we want to speak of a Western community, can we expect very long to hold to a view that in defense it is one for all and all for one, but that in the peaceful pursuit of prosperity it is everyone for himself, and business is business? Or must we not, rather, modify nationalism at least enough so as to offer a community of positive goals to those whom we ask to share a community of defense against communism?

As early as July 29, 1955, in testimony before the Committee on Foreign Relations, I spoke of the necessity of preparing for a shift in emphasis from military to economic and political functions for joint NATO institutions. I then stated:

> The problems of world trade and currency transfers exist—except for the case of Japan—almost wholly within the Atlantic community itself. They should be treated as internal economic problems by institutions of that community. * * * At the very least, the Organization for European Economic Cooperation, OEEC, should be expanded into an Organization for Atlantic Economic Cooperation, so as to include Canada and the United States.

Mr. President, I have seen nothing in the intervening 3 years to change the views I expressed then, and much is happening at this very time to confirm them.

Other voices, including those of persons more expert than I, are being raised in the effort to gain recognition for the significance of an economic policy for the West. Two weeks ago, the highly respected National Planning Association called for the development of nonmilitary, and particularly economic, institutions for the Atlantic community, to organize a meaningful and promising economic program for the future development of the Free World. I am proud that the presidential candidate of the Democratic Party in the past two elections, Adlai E. Stevenson, has been in the forefront of those who have sought to anticipate and to meet the challenge of peacetime competition, rather than military aggression, to the Western World. I ask unanimous consent to have printed at this point in the RECORD the excellent lead editorial entitled "Free World To Work," which was published in the Washington Post last Sunday, June 1, because it reviews so cogently the points which I have tried to mention in my speech today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 1, 1958]

FREE WORLD TO WORK

In a time that cries for ideas, Adlai Stevenson has supplied one that deserves to be taken up, developed, and applied. Mr. Stevenson's concern is the growing Free World economic crisis which he believes is far more serious in its implications than even the paralysis that beset Europe in 1947. Why not, he asked in an extremely thoughtful address at the University of Louisville a few days ago, establish a committee of experts comparable to the group which laid the groundwork for the Marshall plan in 1947? Their function on an international basis should be to prepare an agenda for the regeneration of the Free World economy upon which the nations can agree and act within a year.

The crisis has its roots in the breakdown of the old trading system symbolized by Britain and grounded on low tariffs, high lending, and reserves flexibly based upon gold. Despite substantial American aid and investment programs since the war, the gap between the American standard of living and those elsewhere in the Free World is steadily widening. Last year, for example, the United States had a favorable balance of trade of some $7 billion—which meant that we sold that much more than we bought. In that same year falling raw material prices reduced the income of producer countries by some $750 million.

If the United States were now investing in development abroad at the same rate as Britain in her heyday as a creditor nation, the total of public and private lending would have to be at least tripled—and some authorities say it would have to be increased by as much as 30 times. That is a measure of the imbalance. Although there has been much praiseworthy internationalism in our outlook since the war, the practical effect of our policies still has much isolationism to it; we are enriching ourselves while the remainder of the world falls behind. And while the Free World is thus economically disunited, the Communists broaden and intensify their economic offensive, commiserating with nations that rely upon the West's failing capitalism. "One thing you don't find," Mr. Stevenson notes pointedly, "is a really isolationist Communist."

Today the capital hunger in some areas of the world is so great that it can be heard gnawing. Indeed, there will have to be primary infusions before there can be even the rudimentary expansion to foster private growth; there can be no doctrinaire blinders about socialism respecting countries which grasp at almost any slogan for improvement. Different manifestations of the same crisis of imbalance, of course, affect some developed nations as well. The World Bank, the International Monetary Fund, American reciprocal trade and assistance programs, the United Nations, Senator MONRONEY's soft-loan bank plan—all these are part of the answer. But they need direction.

Unity of concept thus is a first requirement. Specifically, Mr. Stevenson would have the committee of experts seek means of regaining momentum in economic expansion—an overall growth of 5 percent annually that would minimize inflation; build new links with the European Common Market and free trade area so as to avoid new protectionist walls; expand investment in underdeveloped areas; and stimulate additional working capital for trade and convertibility.

It follows that the United States is by no means alone in having resources to contribute. Germany, Britain, France, Canada, Japan, and other nations are now investing abroad, and they could help more in a distributed effort. Obviously, such help should not be unrequited. A basic essential is self-help, which means the sort of stocktaking and housecleaning in prospective recipient nations that underlay the Marshall plan.

Americans distressed by the waves of anti-Americanism that have broken in South America and the Near East could devote themselves to no more constructive purpose than developing such a catalyst. There is no short-term answer to such outbreaks, which are more symptomatic than causative; and in any event the country should concern itself with more than short-term remedies in the situation that confronts it. The basic problem is economic, and the basic requirement is to marshal the resources of the Free World—through investment, raw materials stabilization, and the like—in such a way that they complement each other.

Some years ago Clare Boothe Luce referred derisively to such globalism as "globaloney." The plain truth is that the subject of yesterday's scoffing has become today's realism. We are finding more and more that we are literally our brothers' keepers, and that their health intimately affects our own. Mr.

Stevenson appeals for the foresight, energy, and patience of Marshall, Acheson, Truman, Vandenberg, Bevin, and Monnet in organizing a new American initiative; "I believe," he says, "that my fellow Democrats will follow an administration lead today as faithfully and eagerly as many Republicans followed the Democratic initiative 10 years ago." Ideas can move men and nations. This one should.

Mr. NEUBERGER. Mr. President, the point of this speech, Mr. President, is not to offer solutions or to recommend specific proposals. There will be other occasions for that. The point I make today is only to urge that the Senate begin now, and carry out in the coming year, a thorough study of these challenges to our economic role and policies in the world, which are daily being brought so insistently to our attention. If it is not already too late, certainly it is high time to take this step toward developing the understanding necessary for effective action in the future. That is why I hope that the committees of the Senate responsible for such decisions will give early and favorable consideration to the resolution which I am submitting today for my cosponsors and myself. The resolution affects no present program, no legislation before the Congress. It commits us to no preconceived conclusions or policies. All it can do is to permit the Senate to place itself in the position of giving serious, thorough, and nonpartisan study and consideration to a most important set of problems confronting our Nation in today's world—and to do it before a real crisis leaves us only the opportunity for ex-post-facto investigations of failure. I urge the Senate to undertake such a study now.

Mr. President, ahead of the other articles I have asked to have printed after my remarks, I ask unanimous consent to place in the RECORD an excellent editorial entitled "Trade: Weapon for Freedom," published in the Christian Science Monitor of May 23, 1958. This editorial also most effectively states the case for a bold, new approach to economic policy which will look beyond the narrow bounds of national commercial self-interest to the greater objectives of the Western, democratic contest with communism.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of May 23, 1958]

TRADE: WEAPON FOR FREEDOM

The postwar struggle between the Soviet and the free way of life proceeds on several planes at the same time, but with changes of emphasis and with the West usually taking a defensive posture and replying to offensives as they develop. The Western nations are familiar with this shifting pattern. But they have given less than adequate attention to the new "front" where Soviet leadership is probing.

The eight-nation conference now reported from Moscow is a warning. It aims at organizing the resources of the Warsaw Pact countries and enlisting the interest of the whole Communist world in the possibilities of extending the Communist system through trade and aid within and without their community.

That Communist leadership regards trade not as an end in itself but as a means of cementing political controls has timely illustration at Moscow. Yugoslavia is absent from the conference. Reports indicate that the Moscow thermostat is raising the heat on the too-independent South Slavs, and will use trade devices among other things to do it.

Western peoples are slower, even reluctant, to beat their economic plowshares of trade into weapons of politics. Yet they need to understand that unless they view their own trade and aid policies—toward each other as well as the rest of the world—as inextricable from their efforts to build Free-World security these efforts will be endangered.

In the recent weakening of the Atlantic community at its core the neglect to develop closer economic relations among allies plays a big part. Canadian-American and other hemisphere frictions arise partly from economic misunderstandings or downright malpractices. The feeling that Americans are a source of largess may irritate Americans. But it also irritates others who might not need largess if trade policies consistent with common military security operated in the Western World.

A challenge now urgently confronting American, British, and West German leadership in particular, with Washington holding the key for the initiative, is (1) to open up the channels of trade within the Western community, and (2) to marshal Western resources for aid to underdeveloped regions—aid that need not have American strings.

Some Western leaders are already calling for this. Limited illustrations of the idea already exist in United Nations efforts, in cooperation between American and British programs in some parts of the world, and so forth. The internal development of the West necessary to real external strength is just beginning in such organizations as the European Common Market. But the West is dangerously far from being ready to answer to trade and aid offensives shaping up in the Communist world.

This is much more than an economic matter. It is an axiom of international politics that wherever one side in a contest leaves a power vacuum—an area inadequately defended or inadequately organized—the other side will fill it. "Nature," as they say in the laboratories, "abhors a vacuum." But the old concept of power vacuums has acquired a new dimension in this age. Power vacuums can be created—and filled—as surely by economic as by political or military policies.

The expansion or contraction of a nation's area of influence, like the Soviet orbit on the one hand, the Free World on the other, is now a matter for economic engineering. It is no longer a one-nation job. One or another nation will lead in the organization of the resources of its own moral neighborhood for the economic development of the world's present political no man's lands. That nation will make the stronger bid to maintain its own way of life.

EXHIBIT 1

[From the Washington Post and Times Herald of May 31, 1958]

FRANCE NEAR BANKRUPTCY, IT TELLS ALLIES—FINDS IT IMPOSSIBLE TO GO DEEPER INTO EUROPEAN PLANS

(By Don Cook)

LONDON, May 30.—The French Government has informed its European partners that it faces a financial crisis verging on bankruptcy in the next 6 weeks, and that it cannot negotiate further on a European free-trade area and may not even be able to implement the already-ratified European Common Market Treaty.

This warning, it was learned through diplomatic sources in London, was conveyed to a meeting of the "European six"—Italy, West Germany, France, and the three Benelux countries—at Brussels last week by Maurice Faure, Minister of State for European Affairs in the outgoing Pflimlin government.

This warning, however, is also believed to hold true for the incoming government of Gen. Charles de Gaulle as well—particularly the death knell which has been sounded for the British sponsored European Free Trade Area plan which the French have never liked much anyway.

Moreover, the warning also confronts Europe with an immediate policy crisis in one of its most successful postwar institutions—the European Payments Union. The current EPU agreement, which has been instrumental in the clearing of trading accounts and liberalization of trade policies for all of Europe for the past 8 years, expires June 30. Negotiations for its renewal were to have opened shortly.

France, however, is already more than $400 million in debt to the Payments Union, and the deficit was increased by another $58.3 million in April, according to latest figures. The incoming De Gaulle government might well decide on a suspension of trade liberalization and a policy of greater economic isolation to try and curb the plunge into bankruptcy.

The main purpose of the Brussels meeting of the six powers was to discuss their common attitude toward the free trade area plan. France had prepared a memorandum which the other Europeans wanted modified to meet British views more nearly, but at the end of the discussion, Faure stated his government's position quite bluntly.

France was verging on bankruptcy, he said, and it was pointless to discuss any further modifications in her counterproposals on free trade. Moreover, although the European Common Market Treaty is due to come into force January 1, 1959, the financial situation was so serious that France might not be able to implement these obligations.

It is too early for other European governments to have assessed this impact of the French crisis on their basic policies—but no government expects General de Gaulle to take a more positive or liberal attitude than the outgoing Pflimlin government, and the dismal, inevitable conclusion must be, therefore, that the slow but steady process of European integration is now to be halted, if not thrown into reverse.

EXHIBIT 2

[From the New York Times of June 1, 1958]

STRIFE IN FRANCE SNAGS TRADE PLAN—COMMON MARKET SET BACK BY WOES IN ALGERIA, LACK OF A REGIME IN PARIS—UNIFICATION IS STALLED—REVISIONS OR ABROGATION OF THE SIX-NATION AGREEMENT ARE FEARED POSSIBLE

(By Brendan M. Jones)

Uncertainty over the future of France has cast a darkening cloud across the bright new plans for European economic unification in which she is scheduled to play a major part.

Even before it worsened, France's deep involvement in the Algerian problem had been delaying the negotiations for the European free trade area. This proposed partnership of European nations for advancement of their most vital economic activity was to complement the small Common Market union.

The latter, comprising France, West Germany, Italy, The Netherlands, Belgium, and Luxembourg, provided for their gradual economic integration under the spur of mutual reduction of trade barriers. An initial 10 percent cut in duties has been scheduled for next January 1.

The Common Market, or by its official title, the European Economic Community, was established by a treaty which technically is irrevocable. Before its adoption in March last year, however, it had to be considerably modified to make it acceptable to France. It was well hedged with delaying clauses

and exceptions to cushion the shock of freer trade to France's highly protected economy.

TIMETABLE IN DOUBT

Nonetheless, the agreement retained a fairly exacting time schedule for its basic objective of trade-barrier removal. It set a transitional period of 12 to 15 years in which a fully free trade market was to be achieved. But it added the broad provision that reductions were to be made by the member countries "if permitted by their general economic situation and the conditions of the sectors (industries) concerned."

On the surface this would seem to be a fatal loophole. But the treaty itself incorporated commitments to principles requiring conscientious and constant efforts by the partners to implement its flexible blueprint for a stronger, more prosperous future.

In short, the agreement was recognized as one that could succeed only through willing cooperation, not by compulsion. Besides the freeing of trade, it also called for a freer movement of capital, services, and labor within the community and expansion of industry and new development projects. Among other activities, a special fund exceeding $500 million was to be set up for economic development in overseas territories, mainly those of France.

Despite its shortcomings the treaty was hailed as a major stride toward economic and possible political federation. Its designers have been confident not only that it would ultimately succeed, but also that it would be carried out with a minimum of delay.

But it appears doubtful whether France will be in any condition to carry out her commitments as scheduled. Whether this will cause a delay in implementation of the agreement generally, or whether the other community members would proceed without France is highly uncertain.

PACT IS UNDER STRESS

The unpredictability of what is likely to happen in France is such that abrogation of the agreement under a radically changed regime cannot be ruled out. Indications that a stronger central Government in France would lead to imposition of economic austerity do not auger well for her participation in a free-trade arrangement.

But if the outlook for the Common Market has been confused by the French developments, that for the free-trade area has not, although the effect is negative. For this plan to augment the Common Market move has still to be drafted in treaty form. Negotiations, under the aegis of the Organization for European Economic Cooperation, had been going forward with the aim of reaching agreement in time to synchronize the trade-area plan with that of the Common Market.

As a major party to these negotiations, involving the 17 Organization for European Economic Cooperation nations, France had been proving a main stumbling block to agreement. But in addition, her preoccupation with Algeria and another Cabinet fall forced suspension of talks. In recent weeks, hope for settlement of the trade-area program this year have faded completely.

MASS OUTPUT IS GOAL

The free trade area proposal was largely a self-protective move. It recognized that fusion of six highly industrialized economies, aided by a free market of 160 million consumers, would bring lower cost mass production into the heart of Europe. Surrounding nations particularly would feel its impact both in export trade and in their home markets.

Additionally, the six nations ultimately were to establish a single tariff. Exporting to the six would become especially difficult for other nations, unless reciprocal tariff-reduction agreements could be effected.

The solution was the free-trade area, which would include the six Common Market nations and an auxiliary of other member nations of the OEEC. Besides its practical aims, the plan also has the virtue of extending trade liberalization already attained through OEEC.

With the six-nation group, other prospective members who have taken part in the recent negotiations are Britain, Ireland, Iceland, Denmark, Norway, Sweden, Portugal, Switzerland, Austria, Greece, and Turkey. At the outset of treaty negotiations last year, agreement had seemed mainly a matter of solving technical problems. Knottiest of these in relation to desired uniformity in the agreement seemed to be the devising of a formula by which less developed countries could continue some protection of new industries.

But French reluctance to make concessions sought in the broader 17-nation bargaining added to the technical complications. Time was important since it was hoped that a treaty could be completed and ratified so that the entire trade area could meet a January 1 deadline for the start of the Common Market tariff cutting.

This spring, the negotiators prepared to consider new French proposals. Then the Gaillard government fell and with subsequent delay in formation of a successor, France could not negotiate. Meetings on the trade area were suspended and, with France increasingly beset by the Algerian crisis, they could not be effectively resumed.

Hope now is gone for final agreement this year, but a German proposal for a gentlemen's agreement to allow tentative duty reductions by January 1 has been offered. The outlook for this stopgap is uncertain. Its acceptance by France and resumption of trade-area treaty talks with French participation are unlikely for the immediate future.

It has been evident, moreover, that even if a treaty were completed this year, there would be little chance of French ratification for some time. With the approach of the Common Market tariff reductions, French opposition to the plans has apparently grown.

UNIFICATION SET BACK

France, which has produced some of the leading advocates of European federation, also has been the source of major opposition to unification plans. She is the largest single partner in the six-nation plan, and a compromise on its original terms to suit French requirements had emphasized her essential role.

The cry that Algeria must remain French is a disturbing omen. As part of Metropolitan France, Algeria falls within the area of the Common Market, and if Algerian tariffs were reduced, German, Italian, Dutch, and Belgian goods presumably would enter more freely. A militant assertion of French rights in Algeria would seem to make such a development—should it ever occur—a cause of more turmoil.

But under special provision of the Common Market treaty, Algeria was to be eligible also for grants from the investment fund planned as economic aid to "overseas territories" of community members.

In Western Europe's need for greater production and trade, economic unification has seemed the effective course. The Common Market has been viewed as a "metamorphosis" through which its members jointly could become a "third power" ranking economically with the United States and Russia. The Free Trade Area has been regarded as necessary to assure success of the Common Market and add further to European economic vigor.

Even under strain of a big military budget, and its aggravation of foreign-exchange deficits, France's economy has shown basic strength. Many French economists have urged European unification, despite its initial difficulties. But others have argued that France was not ready, that her industry would have to be further modernized and that the exchange deficit would have to be overcome before unification could be started.

EXHIBIT 3

[From Fortune magazine of April 1958]

THE BAD-NEIGHBOR TARIFF

United States tariff policy is also becoming of increasing importance in Latin America, particularly in view of Russia's new economic offensive in the Southern Hemisphere. While the United States remains Latin America's best customer—last year United States imports from the area ran to about $3.8 billion, or some 45 percent of all its sales—trade restrictions are constantly giving trouble. A case in point: In 1951 the United States wool lobby succeeded in getting the tariff on Uruguayan wool tops raised to an insurmountable height. Russia stepped into the breach; is now one of Uruguay's biggest wool customers (working through Dutch intermediaries). Among other things, the move has enabled Moscow to use its Montevideo Embassy as a central command post for further economic infiltration.

Fresh from their successes in the Middle East, Russian leaders are now intensifying their drive into Latin American trade routes. In 1957 Soviet-bloc countries offered to sell arms to Ecuador, to arrange a $30-million wheat-for-coffee deal with Colombia, and to supply Argentina with sorely needed capital goods and oil. Then, a few weeks ago, came the biggest carrot yet—a $40-million trade package for Brazil.

Its contents:

Russia could buy Brazil's coffee, sugar, hides, etc., sell the Brazilians oil, drilling rigs, refineries, and, "with no political conditions whatsoever," supply Rio with technical assistance and nuclear know-how. All this in return for reestablishment of diplomatic relations with Moscow, which Brazil broke off back in 1947.

Washington is not worried that latino businessmen will immediately rush to take these latest Red baits. Latin American countries in general are fully aware that in the past Soviet shipments have often been poor in quality, late in delivery, and sometimes surprising in content—like the cargo of blue glass eyes reportedly foisted upon Brazilian importers in lieu of requested capital goods. And the continent's coffee growers in particular are aware that Russia, a nation of inveterate tea drinkers, can dispose of its coffee purchases only by dumping them on the world markets. For these reasons, plus an understandable hesitancy to incur United States displeasure, the countries south of the border have had little to do with the Communist world. Last year these 20 republics, only 3 of which have diplomatic relations with Russia (Argentina, Mexico, and Uruguay), did $220 million worth of business with the Reds, or less than 3 percent of their total trade with the outside world.

But what does worry Washington is the fact that many a Latin American nation finds it politically impossible at this juncture to rebuff the Russian blandishments. However dubious he may be about Russia's offer, the fact remains that President Kubitschek of Brazil has not flatly turned it down. In Argentina, the head of a trade mission off to collect a $30-million trade debt incurred by Red nations since the war stated flatly: "We urgently need machinery and capital goods. We do not care where they come from." And in Chile legislators are talking about an emergency measure to permit trade with the Soviet bloc. Pressure for doing so has been visibly increased by demands in this country for higher tariffs on copper, lead, zinc, and other vital exports. If these demands were met, United States relations with Chile and Peru would take a decided turn for the worse, and all Latin American nations might conclude that Moscow has something to offer after all.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 3, 1958, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1191. An act to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes;

S. 2448. An act to authorize a payment to the Government of Denmark; and

S. J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. NEUBERGER. Mr. President, I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 59 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, June 4, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 3, 1958:

UNITED STATES ATTORNEY

Harry Richards, of Missouri, to be United States attorney for the eastern district of Missouri for a term of 4 years. He is now serving in this office under an appointment which expired July 16, 1957.

IN THE COAST GUARD

The following-named person to be a commissioned instructor with the grade of lieutenant (junior grade), United States Coast Guard:

Albert L. Wilding.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 3, 1958:

IN THE NAVY

The following-named persons to be ensigns:

George B. Greer, Jr., midshipman (Naval Academy), to be an ensign in the line of the Navy, subject to qualifications therefor as provided by law;

Eugene J. Peltier, Jr., midshipman (Naval Academy), to be an ensign in the Civil Engineer Corps of the Navy in lieu of ensign in the line of the Navy as previously nominated and confirmed, subject to qualifications therefor as provided by law;

Maurice H. Manahan, midshipman (Naval Academy), to be an ensign in the Navy, subject to qualifications therefor as provided by law; and

James L. Denny, midshipman (Naval Academy), to be an ensign in the Supply Corps of the Navy, subject to qualifications therefor as provided by law.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 3, 1958

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
HOUSE OF REPRESENTATIVES, U. S.,
Washington, D. C., June 3, 1958.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Joshua 24: 15: *Choose ye this day whom ye will serve, but as for me and my house, we will serve the Lord.*

Almighty God, at this noon hour we are again drawing nigh unto Thee in prayer, constrained by the wonder of Thy grace and compelled by the weariness of our need.

Thou art always sharing with us Thy divine strength and seeking to fortify us against the evil forces and influences which would undermine our character and corrupt our soul.

Grant that we may be more eager to hear and heed the words of wisdom and sympathy of our blessed Lord which He uttered with such simple majesty and appealing graciousness.

Inspire our hearts with calmness and courage and our minds with a new insight and a larger outlook as we face the tasks and responsibilities of this day.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

ELECTION OF SPEAKER PRO TEMPORE

Mr. PRICE. Mr. Speaker, I offer a privileged resolution and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. ALBERT). The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That Hon. JOHN W. MCCORMACK, a Representative from the State of Massachusetts, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. JOHN W. MCCORMACK as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF SPEAKER PRO TEMPORE

Mr. PRICE administered the oath of office to the Speaker pro tempore, Mr. MCCORMACK.

PERMISSION TO SIT DURING GENERAL DEBATE IN HOUSE

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs may sit this afternoon during general debate on the bill H. R. 12738.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

FREE IMPORTATION OF SOUND RECORDINGS AND FILM BY COLLEGES AND UNIVERSITIES

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7454) to amend the Tariff Act of 1930 to provide for the free importation by colleges and universities of sound recordings and film to be used by them in certain nonprofit radio and television broadcasts, together with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, after "1631.'," insert "sound recordings, slides and transparencies," after "music."

Page 2, lines 1 and 2, strike out "sound recordings, exposed or developed picture film, and slides and transparencies" and insert "exposed or developed picture film."

Page 2, line 4, strike out "radio or."

Page 2, line 12, after "Act" insert ", and, in the case of articles imported under subparagraph (b) of paragraph 1631, prior to July 1, 1960."

Amend the title so as to read: "An act to amend the Tariff Act of 1930 to provide for the free importation under certain conditions of sound recordings, film, and slides and transparencies."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, the purpose of H. R. 7454, in the form in which it passed the House of Representatives, was to amend the Tariff Act of 1930 to provide for the free importation by any college, academy, school, or seminary of learning, any society or institution established for the encouragement of arts, science or education, or any association on the enumerated institutions, of sound recordings, films, and slides and trans-

parencies to be used by them in certain nonprofit radio and television broadcasts.

The Senate amended this bill to provide for the permanent free importation of sound recordings and slides and transparencies by any qualifying organization whether or not it owned or operated any broadcasting station. The Senate amendment retained the restriction on exposed or developed picture film and added a limitation on that item of 2 years as the period of free importation.

Mr. REED. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED. Mr. Speaker, it will be recalled that H. R. 7454 as it passed the House of Representatives provided for the free importation by certain educational institutions of sound recordings, films, slides, and transparencies for use in nonprofit radio and television broadcasts.

The Senate amendment to this legislation to which the House has just agreed provided for the free importation of such articles by any qualified organization without regard to the ownership or operation of any broadcasting station.

URBAN RENEWAL PROGRAM

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, yesterday this House approved a measure increasing the loan guaranty authority of the Federal Housing Authority by $4 billion, to a total of $7 billion. This authority was necessary to keep FHA in business since all available guaranty authority was being exhausted by mortgage activity accelerated by the Emergency Housing Act which became law on April 1, 1958.

It is regrettable that the same plea was not made by the administration for the practically defunct urban renewal program. Originally $900 million was set aside for this program, which provided for the rebuilding of our cities with the Federal Government assuming two-thirds of the cost of land preparation and the local governments assuming the remaining one-third.

Last year, Congress increased this program by the sum of $325 million. At the present time, practically all but a few million dollars of this authority have been committed. No funds remain on hand for the continuation of this worthwhile and essential program.

Through the Federal urban renewal program, our cities have just started to lift themselves from hopeless blight and deterioration. Hope has displaced despair. Without Federal participation on the present basis, our cities could not begin to comprehend the task of restoration of the central cities.

The recommendation of the Senate Subcommittee on Housing for a 10-year 3½ billion urban renewal program at the rate of $350 million per year is absolutely essential if the vital renewal of American cities can be carried forward on a well-planned basis. If this Congress fails to act, if no funds are provided to extend and continue this vital national program, the central cities of America would be compelled to abandon the wonderful start which has been made to eliminate urban slums and revitalize city life.

ANNIVERSARY OF A BULGARIAN PATRIOT

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, among the latter-day heroes of the Bulgarian people was a poet and patriot named Khristo Botev, born 100 years ago this June 3 in an era when the revolutions of 1848 shook the kingdoms of the Old World.

His life was a romance and an adventure in the service of his native land. The son of a schoolmaster, he went to Russia at the age of 17 and plunged almost at once into the ferments of his time.

He wrote for and edited revolutionary journals in Russia and in Romania. He poured out lyrics and ballads filled with the fervor of patriotism, the yearning for freedom and a better way of life for his people.

His own life was not long; he went back to Bulgaria to bear a hand in the revolt of 1876, and at the age of 28, in the struggle for independence from the old Ottoman Empire, he was killed in action. But the memory of his heroism, his valor, his idealism is fresh in the minds of Americans of Bulgarian ancestry, and we may be sure that the memory is in the minds of Bulgarians now held under satellite status by the Soviet Union.

We honor the cause of freedom when we observe the centennial of the birth of this brave young man and pause to think of the people to whose independence he gave his life.

ONLY NATIONAL LOTTERY WILL GIVE TAX CUT

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, again, our American taxpayers have been dealt another severe blow. This time by the announcement made by the administration and the Democratic leaders of this House that there will be no tax cut. This decision shuts down tight all hopes for tax relief for our hard-pressed wage-earners who spend one-third of their working day to pay their taxes.

Mr. Speaker, we are told that this position against tax cuts is based on the fact that due to increased defense spending and reduced tax revenues as a result of the recession, there will be a deficit of about $3 billion this year and possibly $10 billion next year.

Mr. Speaker, while we are all interested in preserving the fiscal integrity of our Government, it has become obvious that all hopes for tax relief for our overburdened taxpayers are getting dimmer and dimmer. With our defense spending and other costs of Government operation going up, we can expect next year's budget to reach $80 billion which means a still larger deficit.

Mr. Speaker, I think we ought to stop fooling the American people with all of this tongue-in-cheek talk of tax cuts. The people in this country are intelligent enough to realize that if we ever again wind up with a surplus it will be used to reduce our ever-increasing national debt. The chances of man reaching the moon are brighter than our hopes for a tax cut in the future.

Mr. Speaker, there is only one bright ray of hope for a tax cut—and that is if we show enough courage to enact a national lottery.

A national lottery would mean $10 billion a year in additional revenue which will not only help cut taxes but would provide necessary funds to help balance the budget.

Mr. Speaker, if we are sincere in our desire to help the American taxpayers with a tax cut, then, let us exercise wise judgment by giving serious and favorable consideration to my bill for a national lottery. Now is the time to wipe out hypocrisy and demonstrate enough courage to make our tax-relief dream a reality.

WHO FORMS POLICIES IN THIS COUNTRY?

Mr. BEAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BEAMER. Mr. Speaker, I am asking the question: Who forms policies in this country? Is it the Congress? Is it the State Department? Or, is it the Department of Defense?

I was shocked a few days ago when I learned from one of the manufacturers in our district that the Air Force was considering the awarding of a contract to a Canadian firm for certain equipment that also is made by several United States manufacturers.

There is a price differential but it must be remembered that the Indiana firm pays taxes in the United States, as do their American employees. However, this was not the reason given for the consideration of the Canadian bids. I

was told by a representative of the Air Force that Canada has an unemployment situation that they wanted to help alleviate in this manner. I advised him that in this particular plant in the Fifth Indiana District, the normal employment of 550 people had been cut to 225. We have an unemployment situation which I feel must be given first consideration.

Equally shocking was the fact that when I discussed this subject with some members of the House Armed Services Committee, I learned that apparently they had no jurisdiction in this matter because it was preempted by the State Department. Apparently, some of the people in the State Department are more interested in keeping friends abroad than in helping the economy in this country.

Mr. Speaker, this is a shocking illustration of a possible breakdown of our representative form of government. I believe that all of us in the two Houses of the Congress should act promptly in reasserting the prerogatives and rights that were established by the Constitution to the legislative branch. We are the direct representatives of the people and their voices and opinions should be heard through us. I would feel derelict in my duty if I did not bring this to the attention of the House and I hope that many others will join in this effort to restore to the Congress and to the country the representative form of government.

PARLIAMENTARY INQUIRY

Mr. KILBURN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KILBURN. Mr. Speaker, last week I was paired as voting against the motion to recommit and against striking the enacting clause and for the Alaska statehood bill. I had left instructions for just the opposite. In view of the fact that another Member is involved in the pair, how can I correct the RECORD?

The SPEAKER pro tempore. The Chair will state that if it is a matter involving pairs, that is a gentleman's agreement that the Chair has no control over and the matter does not fall within the jurisdiction of the Chair. The Chair would volunteer the suggestion that the gentleman confer with the gentleman with whom he was paired with a view to try to see if an agreement can be made to correct the RECORD in accordance with the understanding between the two Members.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first bill on the calendar.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill (H. R. 10094) for the relief of the Western Union Telegraph Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Western Union Telegraph Co. on account of the shortage of the Western Union Telegraph Co. funds at Fort Sheridan, Ill., created by the peculations of an employee of the Department of the Army at Fort Sheridan, and to allow in full and final settlement of the claim the sum not to exceed $7,643.05. There is hereby appropriated the sum of $7,643.05, or so much thereof as may be necessary, for the payment of said claim.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BARBARA HOLLINGER

The Clerk called the bill (S. 1979) for the relief of Barbara Hollinger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 212 (a) (6) of the Immigration and Nationality Act, Barbara Hollinger may, if found to be otherwise admissible under the provisions of that act, be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act under such conditions and controls as the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided*, That suitable and proper bond or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said act: *And provided further*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FOR THE RELIEF OF CERTAIN ALIENS

The Clerk called the resolution (H. J. Res. 589) for the relief of certain aliens.

There being no objection, the Clerk read the resolution, as follows:

Resolved, etc., That, for the purposes of the Immigration and Nationality Act, Segundina Kirkby, Robert Louis Schmidt, and Annie Bertha Yarnold shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

SEC. 2. For the purposes of the Immigration and Nationality Act, Mrs. Chu Buoy Ngow Lee, Maximo C. Angeles, and George Kuosing Wu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this act, if such alien was classifiable as a quota immigrant at the time of the enactment of this act, the Secretary of State shall instruct the proper quota-control office to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 3. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Mrs. Hayguhi (Kedesyan) Kudis, Bror Henrik Johansson, Mrs. Vincenza Donato Vaio, and Angela Insana. From and after the date of the enactment of this act, the said persons shall not again be subject to deportation by reason of the same facts upon which said deportation proceedings were commenced or any such warrants and orders have issued.

With the following committee amendment:

Page 1, line 10, after the word "act," strike out the name "Mrs. Chu Buoy Ngow Lee," and substitute in lieu thereof the following "Chu Lau Soo (also known as Mrs. Chu Buoy Ngow Lee)."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FORFEITURE OF RIGHT-OF-WAY IN CALIFORNIA

The Clerk called the bill (H. R. 7790) to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic and Pacific Railroad Company by the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the right-of-way located within the State of California, and the right, power, and authority of the Atlantic and Pacific Railroad Co. to take from the public lands adjacent to the line of the railroad within such State, material of earth, stone, timber, and so forth, for the construction thereof, including all necessary grounds for station buildings, workshops, depots, machine shops, switches, sidetracks, turntables, and water stations, granted to such company by section 2 of the act entitled "An act granting lands to aid in the construction of a railroad and telegraph line from the States of Missouri and Arkansas to the Pacific coast", approved July 27, 1866 (14 Stat. 294), are hereby declared to be forfeited to the United States.

With the following committee amendments:

Page 1, line 5, following the word "Company" insert "and its successors in interest."

Page 2, line 5, change the period to a colon and add the following proviso: "*Provided, however*, That nothing in this act shall apply to, and there is hereby excluded from the forfeiture hereby declared, any portion or portions of said right-of-way within any part of which any railway or telegraph line has been heretofore constructed and is existing on the effective date of this act, together with all grounds heretofore selected as necessary for station buildings, workshops, depots, machine shops, switches, sidetracks, turntables, and stations upon which any such buildings, structures, or facilities have been heretofore constructed, and are existing on the effective date of this act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZE QUITCLAIM TO JOSEPH G. PETTET

The Clerk called the bill (H. R. 8211) to authorize and direct the Secretary of the Interior to quitclaim to Joseph G. Pettet all right, title, and interest of the United States in and to certain lands in the State of Montana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding any provision of the act of Congress approved February 13, 1891 (26 Stat. 747), the Secretary of the Interior is hereby authorized and directed to sell and convey by quitclaim deed to Joseph G. Pettet of Bozeman, Mont., all of the right, title, and interest of the United States in and to a tract of land lying in the northeast quarter of section 15, township 2 south, range 6 east, Montana principal meridian, situated in Gallatin County, Mont., containing 0.67 acres more or less, and more particularly described as follows:

Beginning at a point on the north line of said northeast quarter 2,000 feet south 89 degrees 52 minutes west of the northeast corner of said section 15; thence continuing along said north line south 89 degrees 52 minutes west 264 feet; thence south 00 degrees 08 minutes east 162 feet; thence north 68 degrees 44 minutes east 283 feet; thence north 00 degrees 08 minutes west 60 feet to the point of beginning, containing 0.67 acres, more or less.

SEC. 2. The tract of land described by the first section of this act shall be conveyed upon the payment by the said Joseph G. Pettet of the appraised fair market value of the land, if payment is made within 1 year after the Secretary has notified the said Joseph G. Pettet of the price of the lands, except that the Secretary shall have the appraisal made on the basis of the value of the Federal interest in the land at the date of appraisal, exclusive of any increased value resulting from the development or improvement of the land by Joseph G. Pettet or his predecessors in interest.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEY PROPERTY TO STELLA VUSICH

The Clerk called the bill (H. R. 2689) to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior shall convey to Stella Vusich, without consideration therefor, all right, title, and interest of the United States in and to the real property described in section 2 of this act.

SEC. 2. The real property referred to in the first section of this act is more particularly described as follows:

The southerly 632.00 feet, measured along the easterly and westerly lines of the following described land;

That portion of the west half of the southeast quarter of section 15, township 7 north, range 12 west, San Bernardino meridian in the county of Los Angeles, State of California according to the official plat of said land approved by the surveyor general June 19, 1856, described as follows:

Beginning at the southeast corner of the land described as lying west of the Southern Pacific company's railroad in the deed from M. L. Wicks to the Southern Pacific Railroad Company dated April 23, 1885, recorded in book 137, page 555, of deeds in the office of the county recorder of said county, said corner being 50 feet westerly measured at right angles from engineers station numbered 16503, as same is located on the centerline of said railroad, 114 feet southerly from its intersection with the easterly extension of the southerly line of 12th Street, as said street is shown on the map of the town of Lancaster as per map recorded in book 5, page 470, of miscellaneous records of said county; thence southerly along the westerly line of said railroad right-of-way to the northerly line of Government Street as same existed on December 29, 1925, along the southerly line of said section 15; thence west along said northerly line of Government Street to its intersection with the westerly line of the right-of-way granted to the Southern Pacific Railroad Company of California by act of Congress approved March 3, 1871; thence northerly along the last mentioned westerly line to the southerly line of the land conveyed by deed hereinabove described; thence easterly to the point of beginning.

With the following committee amendments:

Page 1, line 3, strike out the word "convey" and insert ", except as provided in section 3 of this act, quitclaim."

Page 3, following line 4, add a new section as follows:

"SEC. 3 (a) The transfer of lands under this act shall be subject to and contain reservations in favor of the United States of all oil, gas, and other minerals in the lands transferred with the right to prospect for, mine, and remove the same: *Provided, however*, That such reservations shall not include rights to enter onto the surface of the property for said purposes."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEY PROPERTY IN COLORADO TO WILLIAM M. PROPER

The Clerk called the bill (H. R. 2251) directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 59, be considered in lieu of the House bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There being no objection, the Clerk read the Senate bill as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, without consideration, to William M. Proper, of Montrose, Colo., all right, title, and interest of the United States in and to the water ditch situated near the town of Montrose, Colo., known as the reservation (United States) ditch, together with any water rights to the water carried by such ditch which were acquired by the United States under a decree entered by the district court in and for the county of Montrose, Colo., on November 14, 1888 (clause No. 149), such ditch being more particularly described in a plat of such ditch recorded in book 2, ditch plats, Montrose County clerk and recorder, Montrose, Colo.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2251) was laid on the table.

GENERAL BOX CO.

The Clerk called the bill (S. 118) for the relief of the General Box Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the General Box Co., of Des Plaines, Ill., the sum of $13,143.10. Such sum shall be in full satisfaction of all claims of such company against the United States for the destruction by the United States in 1947 of certain timber which was owned by such company in the State of Louisiana and for the loss of which such company brought suit against the United States in civil cases numbered 2536 and 2804 in the United States District Court for the Western District of Louisiana, Alexandria Division: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$13,143.10" and insert "$10,801."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD C. KING

The Clerk called the bill (S. 1657) for the relief of Lloyd C. King.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lloyd C. King, of East Braintree, Mass., the sum of $1,000. The payment of such sum shall be in full satisfaction of all claims of the said Lloyd C. King against the United States for compensation for personal injuries and loss of earnings sustained by him, and reimbursement of hospital, medical, and other expenses incurred by him, as a result of his being struck by a United States Navy vehicle in Boston, Mass., on March 18, 1949: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon

conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

D. S. AND ELIZABETH LANEY

The Clerk called the bill (H. R. 2647) for the relief of D. S. and Elizabeth Laney.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc. That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to D. S. and Elizabeth Laney, Osceola, Ark., the sum of $4,592.28, plus interest on $2,572.80 from January 15, 1951, and on $2,019.48 from July 21, 1953, at the rate of 6 percent per annum, to the date of payment under authority of this act. The payment of such sum shall be in full settlement of all claims of D. S. and Elizabeth Laney against the United States for refund of an overpayment with respect to their Federal income tax liability for the calendar year 1951: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 6, 7, 8, and 9, strike out "$4,592.28, plus interest on $2,572.80 from January 15, 1951, and on $2,019.48 from July 21, 1953, at the rate of 6 per centum per annum, to the date of payment under the authority of this act." and insert "$2,572.80."

Page 2, lines 3 and 4, strike out "in excess of 10 percent thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM S. SCOTT

The Clerk called the bill (H. R. 3452) for relief of William S. Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notice and claim required by sections 15 to 20 of the act of September 7, 1916 (5 U. S. C. 756–759), filed by William S. Scott in November 1937, with the Collector of Internal Revenue, second district of New York, having through administrative oversight failed to be forwarded to the Bureau of Employees Compensation, shall be deemed to have been received by that Bureau, and it is directed to consider and act upon a new claim on account of the same disability without considering such sections if such claim is filed by the said William S. Scott within 6 months after the enactment of this act: *Provided*, That no benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment, except in the case of such medical or hospitalization expenditures which may be deemed reimbursable.

With the following committee amendment:

Strike out all after the enacting clause down to the colon on page 2, line 2, and insert "That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (5 U. S. C. 765–769) are hereby waived in favor of William S. Scott for compensation for disability caused by an injury allegedly sustained by him in November 1937 while an employee of the Internal Revenue Service of the Treasury Department at the Custom House, Bowling Green, New York City, New York and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act as amended, if he files such claim with the Bureau of Employees' Compensation, not later than 6 months after the date of enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NISSIM S. TAWIL AND FAMILY

The Clerk called the bill (H. R. 3889) for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomon Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Nissim S. Tawil, of Brooklyn, N. Y., is relieved of all liability and responsibility to the United States based upon departure bond No. 231,307, issued April 8, 1949; and that Esther Tawil (nee Goldman), his wife, is relieved of all liability and responsibility to the United States based upon departure bond No. 229,618, issued October 1, 1948; and that Solomon Tawil, his son, is relieved of all liability and responsibility to the United States based upon departure bond No. 231,308, issued April 8, 1949; and that Kathy Tawil, his daughter, is relieved of all liability and responsibility to the United States based upon departure bond No. 229,621, issued October 1, 1948; and that Jacqueline Tawil, his daughter, is relieved of all liability and responsibility to the United States based upon departure bond No. 229,620, issued October 1, 1948; and that Sarina Goldman, his daughter by adoption, is relieved of all liability and responsibility to the United States based upon departure bond No. 231,309, issued October 1, 1948; and that Isaac Tawil, his son, is relieved of all liability and responsibility to the United States based upon departure bond No. 229,619, issued October 1, 1948; and that each of said bonds is canceled as of the date of its execution.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM FYE

The Clerk called the bill (H. R. 4049) for the relief of Abraham Fye.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,400 to Abraham Fye, of Brooklyn, N. Y., in full settlement of all claims against the United States. Such sum represents internee allowance for a period of 40 calendar months while held prisoner by the Imperial Japanese Forces, and failed to file a claim prior to the deadline of August 31, 1955: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHNNIE P. SAYLORS

The Clerk called the bill (H. R. 4461) for the relief of Johnnie P. Saylors.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Johnnie P. Saylors, the sum of $101,165, in full settlement of all claims against the Government of the United States for injuries sustained by them on October 26, 1953, as a result of being struck by a United States Army vehicle, near Dingleing, Germany: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike out the figures and insert in lieu thereof "$9,665."

Page 1, line 8, strike out "them" and insert "her."

Page 1, line 11, strike out "in excess of 10 per centum thereof."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HERBERT WOLFF

The Clerk called the bill (H. R. 5776) for the relief of Herbert Wolff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Herbert Wolff, of Alexandria, Va., (1) the sum of $347.83, in full settlement of all claims of Herbert Wolff against the United States for annual leave which he had accrued as an employee of the Secretary of Commerce during 1954 but which he was prevented from taking because of misinformation given him by officers and employees of the Department of Commerce; and (2) the sum of $897.50, in

full settlement of all claims of Herbert Wolff against the United States for reimbursement for subsistence for the period from May 27, 1954, to September 4, 1954, both dates inclusive, during which period, although Herbert Wolff's residence was in Coral Gables, Fla., he was employed by the Secretary of Commerce in the District of Columbia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The sum of $347.83 paid to Herbert Wolff pursuant to clause (1) of the first section shall not be taxable as income under the internal-revenue laws of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALBERT GUIDO

The Clerk called the bill (H. R. 6357) for the relief of Albert Guido.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Albert Guido, in full settlement of all claims against the United States as reimbursement for bond posted for Charles Urso on April 28, 1950: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 9, strike out the following "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CATHRYN A. GLESENER

The Clerk called the bill (H. R. 6448) for the relief of Cathryn A. Glesener.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Cathryn A. Glesener, of Underwood, Wash., the sum of $70,031.38 in full satisfaction and final settlement of all her claims against the United States for compensation arising out of (1) the damage caused to her leasehold rights in certain shorelands, located on the north side of and extending into the Columbia River, near Underwood, Wash., caused by the United States Engineers in the construction of the Bonneville Dam, and (2) the damages sustained by her as the result of the destruction of her rafting and booming business at such leasehold property by the construction of said dam: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out the figures "$70,031.38", and insert in lieu thereof "$18,151.97."

The committee amendment was agreed to.

Mr. ROBERTS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: On page 1, line 7, after the figures insert ", with interest at 4½ percent from January 1, 1938, to the date of enactment of this bill."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES W. DUNCAN

The Clerk called the bill (H. R. 6622) for the relief of Charles W. Duncan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,610 to Charles W. Duncan, care United States prison, Alcatraz, Calif., and to pay him at the rate of $44 per week after his discharge from prison so long as he is disabled, for injuries sustained as the result of an accident on November 15, 1956, while working in the prison baking shop at Alcatraz Prison, Calif. This claim is not cognizable under the Federal Tort Claims Act.

With the following committee amendments:

Page 1, line 5, strike "$1,610" and insert "$866.67."

Page 1, lines 7 and 8, strike "and to pay him at the rate of $44 per week after his discharge from prison so long as he is disabled" and insert "in full settlement of his claims against the United States."

Page 1, line 11, strike the period following "California" and insert "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. JUANITA BURNA

The Clerk called the bill (H. R. 6593) for the relief of Mrs. Juanita Burna.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Juanita Burna, Warwick, Va., the sum of $50,000. The payment of such sum shall be in full settlement of all claims of Mrs. Juanita Burna against the United States on account of severe personal injuries sustained by her on October 5, 1954, when the automobile she was driving on the island of Okinawa in the Ryukyu Islands was struck by a vehicle owned by the United States and operated by its agent: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$50,000" and insert "$15,335.93."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARKUS H. TEITEL

The Clerk called the bill (H. R. 6595) for the relief of Markus H. Teitel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be and he is hereby authorized and directed to pay out of any money in the Treasury, not otherwise appropriated, the sum of $1,000 to Markus H. Teitel of New York, N. Y., in full settlement of all claims against the United States. Such sum represents a departure bond posted on October 1, 1949, for himself and wife, Pessel Teitel, which was breached on June 15, 1950:

With the following committee amendments:

Page 1, line 10, strike the period and insert: "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD J. DOYLE

The Clerk called the bill (H. R. 7375) for the relief of Edward J. Doyle, of Manistique, Mich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to relieve Edward J. Doyle of Manistique, Mich., of all liability to refund the sum of $2,100. Such sum represents the amount of class E allotments which were erroneously paid his wife Billie M. Doyle for the period from September 1, 1942, to November 30, 1945.

With the following committee amendment:

Page 1, line 4, after the name "Doyle", insert "and Mrs. Edward J. (Billie M.) Doyle."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read "A bill for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle."

A motion to reconsider was laid on the table.

COOPER TIRE & RUBBER CO.

The Clerk called the bill (H. R. 7499) for the relief of the Cooper Tire & Rubber Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Cooper Tire & Rubber Co., Findlay, Ohio, the sum of $1,439,111.31, in full satisfaction of the claim of such corporation against the United States arising out of losses sustained by it in performing the following listed contracts with the Department of the Army for the manufacture of tires for military vehicles: DA-23-018-ORD-4127, -6686, -7219, -8827, -9409, and -10378 and DA-23-089-ORD-6488 FS: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out $1,439,111.31" and insert $616,911.88."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

McRAY VESTAL

The Clerk called the bill (H. R. 7945) for the relief of McRay Vestal.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to McRay Vestal, of Ferriday, La., in full settlement of all claims against the United States for damages sustained by him as the result of his wrongful arrest and charges filed against him on September 21, 1954, for offenses allegedly committed on July 27, 1953, and July 31, 1953, near Orange, Tex.

With the following committee amendment:

Page 1, line 5, strike out the figures and insert "$1,000."

At the end of bill strike out the period and insert "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. RONCKER

The Clerk called the bill (H. R. 8497) for the relief of Robert J. Roncker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Robert J. Roncker, of Cincinnati, Ohio, the sum of $55.13. The payment of such sum shall be in full settlement of all claims of Robert J. Roncker for reimbursment of the cost of transportation for his wife and certain household articles from Fort Lauderdale, Florida, to Cincinnati, Ohio, during 1945 when Robert J. Roncker was on active duty in the United States Navy, which claim has been held to be barred by the Comptroller General of the United States by the limitation of time prescribed in the act of October 9, 1940 (31 U. S. C., secs. 71a, 237): *Provided*, That no part of the amount appropriated in this act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 5, strike the words "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. EDGAR SCOTT

The Clerk called the bill (H. R. 9222) for the relief of Dr. Edgar Scott.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Edgar Scott, Birmingham, Ala., the sum of $3,335.75. The payment of such sum shall be in full settlement of all claims of the said Dr. Edgar Scott against the United States for medical and surgical treatment and hospital care and medication afforded by him to Anthony P. Contorno, private, United States Army (Army serial number 53199918), during the period from November 11, 1953, to February 8, 1954 (both dates inclusive): *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MINNIE PERREIRA

The Clerk called the bill (H. R. 9258) for the relief of Mrs. Minnie Perreira.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $500 to Mrs. Minnie Perreira, 2117 Kaohu Street, Wailuku, Maui, Hawaii, in full settlement of all claims against the United States as reimbursement for bond posted for Soeko Tsuchiya, now Soeko Tsuchiyo Perreira, in August 1952: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. HENRY ENNEN

The Clerk called the bill (H. R. 10416) for the relief of J. Henry Ennen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to J. Henry Ennen, Lakewood, Calif., the sum of $1,124.25. The payment of such sum shall be in full settlement of all claims of J. Henry Ennen against the United States on account of the loss of personal property incurred by him on December 26, 1956, when the bachelor officers' quarters at the United States Naval Station, Long Beach, Calif., were destroyed by fire: *Provided*, That no part of the amount appropriated in this act in exces of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 3, strike out all after the enacting clause and insert in lieu thereof the following: "That the Secretary of the Navy is hereby authorized to settle claims submitted to him by J. Henry Ennen, Suzanne Sennott, Don I. Mitchell, Ejnar Christian Halden, Arne Petersen, and Svend Arne Pill for the loss of personal property resulting from a fire which occurred at, and in the vicinity of, the bachelor officers' quarters, United States Naval Station, Long Beach, Calif., on December 29, 1956. That such claims shall be settled and paid in the same manner and under the general authority otherwise provided the Secretary of the Navy in sections 2731 and 2732 of title 10, United States Code."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of J. Henry Ennen and others."

A motion to reconsider was laid on the table.

HARLEY D. RUCKER

The Clerk called the bill (H. R. 10515) for the relief of Harley D. Rucker.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 through 20, inclusive, of the Federal Employees' Compensation Act, as amended, are hereby waived in favor of Harley D. Rucker of Saint Paris, Ohio, for his claim for compensation and disability resulting from an injury alleged to have been sustained by him on or about September 9, 1944, while in the performance of duty as an employee at Wright-Patterson Air Force Base, and that his said claim shall be acted upon under the remaining provisions of such act if he files such claim with the Bureau of Employees' Compensation, United States Department of Labor, not later than 60 days after the date of enactment of this act: *Provided*, That no benefits except medical and hospital expenses shall accrue prior to the enactment of this act.

With the following committee amendment:

Page 1, line 9, after the word "Base", insert "and that his said claim."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCIAN ROACH

The Clerk called the bill (H. R. 12261) for the relief of Lucian Roach, doing business as the Riverside Lumber Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Lucian Roach, doing business as the Riverside Lumber Co., Savannah, Tenn., the sum of $465.81. The payment of such sum shall be in full settlement of all claims of the said Lucian Roach against the United States for refund of taxes erroneously paid by him under the Federal Unemployment Tax Act for the years 1942 and 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMSON CONTRACTING CO., INC.

The Clerk called the bill (H. R. 5904) for the relief of Thomson Contracting Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $91,905.20 to Thomson Contracting Co., Inc., of St. Petersburg, Fla., in full settlement of all claims against the United States. Such sum represents losses sustained as a result of contract NOy 89175 with the Department of the Navy, dated July 22, 1955.

With the following committee amendments:

Page 1, line 5, strike "$91,905.20" and insert "$48,966.36", page 1, line 10, strike the period after "1955" and insert "*Provided*, That no part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DAN HILL

The Clerk called the bill (H. R. 7660) for the relief of Dan Hill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That Dan Hill, of Denver, Colo., shall be relieved of all liability to refund the amount of $2,209.50 to the United States. Such sum represents the overpayment of naval allowance for the period June 11, 1945, to April 30, 1955, as a result of an erroneous computation of the amount of naval allowance paid him by the Veterans' Administration.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS MAME E. HOWELL

The Clerk called the bill (H. R. 8088) for the relief of Miss Mame E. Howell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the designation on April 2, 1940, by Lucy Howell Netherton, deceased former employee of the Veterans' Administration, of Miss Mame E. Howell, Louisville, Ky., as the sole beneficiary entitled to payment of the amount of $4,954.85 in the civil-service retirement and disability fund to the credit of the said Lucy Howell Netherton, shall be held and considered to be, and at all times on and after April 2, 1940, to have been, in full force and effect.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGH LEE FANT

The Clerk called the bill (H. R. 10142) for the relief of Hugh Lee Fant.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hugh Lee Fant, of Uniontown, Pa., the sum of $248.29. The payment of such sum shall be in full settlement of all claims against the United States arising out of the failure of the Department of the Army to pay his mother class E allotments deducted from his pay for the period February 1, 1946, through October 31, 1946, the present payment of such allotments being barred solely by reason of lapse of time: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 2, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEONORA BENT

The Clerk called the bill (H. R. 11202) for the relief of Leonora Bent.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay out of any money in the Treasury not otherwise appropriated, the sum of $15,000 to Leonora Bent, the mother of Verentes Bent. The payment of such sum shall be in full settlement of all claims of Leonora Bent against the United States on account of the death of her son Verentes Bent caused when a vehicle owned by the United States and operated by the Navy Department collided with a public bus on July 27, 1946, near the city of Celon, Republic of Panama: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction

thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out the figures and insert "$10,000."

Page 1, line 6, strike out "Leonora Bent, the mother of Verentes Bent" and insert "the estate of Verentes Bent, deceased."

Page 1, line 8, strike out "Leonora Bent" and insert "the estate."

Page 1, line 9, strike out "her son."

Page 2, line 1, strike out "Celon" and insert "Colon."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the estate of Verentes Bent, deceased."

A motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the further call of the calendar be dispensed with.

The SPEAKER pro tempore (Mr. McCORMACK). Is there objection to the request of the gentleman from Alabama.

There was no objection.

CALL OF THE HOUSE

Mr. SCRIVNER. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. MAHON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 83]

Abbitt	Elliott	Mason
Adair	Engle	Michel
Alger	Evins	Miller, Calif.
Andersen, H. Carl	Fallon	Morano
	Farbstein	Morrison
Ashley	Fogarty	Neal
Ashmore	Forand	O'Hara, Minn.
Auchincloss	Frazier	O'Neill
Barden	Garmatz	Patterson
Barrett	Gary	Philbin
Baumhart	Gavin	Pillion
Belcher	Gordon	Powell
Blatnik	Green, Pa.	Prouty
Boggs	Gregory	Radwan
Bolton	Gubser	Reece, Tenn.
Brownson	Gwinn	Rhodes, Ariz.
Buckley	Hale	Riley
Burdick	Halleck	Rivers
Canfield	Hays, Ohio	Robeson, Va.
Celler	Healey	Rodino
Chelf	Henderson	Roosevelt
Chiperfield	Hess	Saund
Christopher	Hillings	Shelley
Clark	Holt	Sheppard
Coad	Hosmer	Shuford
Collier	Jackson	Smith, Kans.
Coudert	James	Staggers
Cramer	Jenkins	Sullivan
Cretella	Jennings	Taylor
Curtis, Mo.	Johansen	Teague, Tex.
Dawson, Ill.	Jones, Ala.	Thompson, N. J.
Dennison	Judd	Tollefson
Dies	Kean	Utt
Diggs	Kearney	Vursell
Dooley	Kitchin	Watts
Dorn, S. C.	Kluczynski	Wharton
Dowdy	Landrum	Williams, N. Y.
Doyle	Latham	Wilson, Calif.
Durham	Lennon	Zelenko
Eberharter	Madden	
Edmondson	Marshall	

The SPEAKER pro tempore. On this rollcall 304 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries may have permission to sit during general debate today.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1959

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be confined to not to exceed 6 hours, the time to be equally divided and controlled by the gentleman from Massachusetts [Mr. WIGGLESWORTH] and myself.

Mr. WIGGLESWORTH. Mr. Speaker, that is entirely satisfactory.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 12738, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MAHON. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, today and tomorrow in the House we are going to be talking about more than one-half of the budget for the Government for the fiscal year 1959. We are going to be talking about the $38 billion appropriation bill for the Department of Defense. I think we have a good bill. I believe you are going to approve of the action of the Appropriations Committee.

We began work on the appropriations for defense on January 7. We presented a supplemental bill in January, and we have today the big annual appropriation bill for the Department of Defense.

Last year just prior to this time, we passed the annual defense appropriations bill. There was talk of economy, efficiency, how to get more for the defense dollar, how to cope with service rivalries. Money aspects of defense loomed large on the horizon. We said the defense budget was too fat, that it was unnecessarily big to finance the specific programs which had been submitted to Congress for funding in the President's budget.

Congress is not always right, but Congress was, I believe, right about these matters last year. The funds requested were unnecessarily large to finance the programs submitted in detail to Congress for funding. In general, we approved the programs but said they could be financed with less money. We gave every dollar requested for space age weaponry. In hindsight it is obvious that the budget submitted to us last year should have made more provision for rocketry and space age weapons.

As to the bill before us today, let me make this most significant statement. It provides in funds $4½ billion more than the bill which was approved by Congress last year. Even more significantly, it provides for programs and weapons systems which last year seemed quite far beyond our capability.

This bill does not represent a wild spending splurge for the unattainable. It is not an overly ambitious approach to our defense problems; yet it is not a timid approach. It provides funds for many new or relatively new programs that make sense as a means of defense for this country in the space age. In a few moments I shall undertake to be more specific on that point.

But this bill today is not going to be adequate regardless of the billions provided unless the right attitude and atmosphere prevail in this country. The degree of dedication of the American people at all levels to the task at hand will determine the outcome. The present attitude is not sufficient. There does not exist the degree of determination and singleness of purpose which are required to meet the rugged challenge confronting us.

Some people shy away from using the word "sputnik." They want to substitute the words "earth satellite." But the Soviets made sputnik a part of the language of the world last October and November and again on May 15 of this year, and the word is here to stay. The way we react to it will determine whether or not we win or lose in this contest for survival as the foremost Nation of the world.

Yes, when the Soviets made their big and significant breakthrough with the sputniks last fall and gave us a more meaningful view of their capabilities, we became aroused, humiliated, angry, frustrated, and determined. There was even a touch of hysteria which was not very becoming to our great and powerful country. Now the hysteria is gone, the anger has cooled, and the determination has been blunted. As I judge the situation, our emotions and resolves have run the whole gamut from the peak of awareness and urgency to the humdrum plane of complacency. We have slowed down our worries about survival and substituted the recession—itself a serious and important subject—as a focal point of interest. We are thinking more about how to keep up with the Joneses than how to keep up with the Russians in space technology and the cold war. We are wondering why Silky Sullivan could not really run after all, and why the people will not buy those big, beautiful, uncomfortable,

expensive-to-operate automobiles that have been manufactured for them.

Pardon me if I exaggerate in trying to make my point clear. And my point is, we cannot let anything, anything at all, blunt our awareness of the threat which faces the United States. We cannot afford to let anything deprive us of a sustained sense of urgency to do the required things for the security of our country. This, in my judgment, is our most difficult problem.

The Soviet threat to our preeminence in industry, science, and military striking power is steadily increasing. It will become more acute, definitely more serious during the next few years. I am not trying to paint a warped picture. We have many instruments and sources of overall strength. My object is to shed light on our status at this critical stage in our history.

Unfortunately, we keep the American people pretty well confused as to our prowess. We advertise that we have a weapon at the time it is little more than a twinkle in the eye of the technician. This is very misleading. The Russians do not talk much about a new device at the dream stage. They wait until they have successfully hurtled a satellite into the air with the thrust of their powerful engines and then they make an announcement of the fact. Much can be said for that propaganda technique. Obviously, that system would not work in the United States where freedom of speech and press prevail and where each service is seeking to scoop the other. The American people should be on their guard lest they be unwittingly deceived into believing we have something in being when it is really little more than a research project that has been glamourized over a period of a few weeks in the headlines.

No one knows how long the present and ever-increasing tensions between Communist Russia and the United States can continue without erupting into something more violent. It seems evident that these stresses and strains, while they may continue for a long time, cannot continue into the indefinite future. It may well be that conditions will worsen. It could be that we will move toward some sort of adjustment that will produce an atmosphere of peace and understanding. The latter is our hope and aim.

When we look squarely at the facts we find ourselves in a precarious situation. At this very moment our forces in Europe face a massive and modernized Russian army. The terrific striking power of the Soviet air arm is without question. The Soviets are a year or two ahead of us in the ballistic-missile field. It is believed that the Soviets have opertional ballistic missiles in quantity in the 300- to 900-mile range, capable of being employed against our troops in Europe and other important targets in that area. Press reports from West Germany even undertake to give the location of some of the Soviet long-range ballistic-missile bases. The Soviets announced last August that they had perfected the intercontinental ballistic missile. We have learned that we cannot ignore Soviet announcements of technological advances. The Russians have in orbit a 3,000-pound satellite. Within 1 year we hope to be able to orbit a 500-pound satellite.

We have in orbit a 4-pound satellite and a 30-pound satellite, I believe. The military significance of satellite capability is not disputed. Added to these potential threats is the Soviet submarine force of more than 450 submarines. It would be difficult to exaggerate the danger implicit in the growing Soviet submarine force. Hitler had only 58 submarines at the beginning of World War II.

We have long been accustomed to think of the United States as occupying an unchallenged and unchallengable position. We cannot afford to make such assumptions today.

Let us project this picture into, say 1961. By then the Soviet submarine menace will be much greater. Then the Soviet ballistic missile strength will be much greater. It may be that we will still be behind in the ballistic missile field. We hope not to be if we move with great speed and determination, but no one can predict with complete certainty just where we will be in this space race in the 1961 period.

Secretary Wilson used to say the Russians are not 10 feet tall. They are not. They have their problems, too, but they are working with fanatical zeal for technological and military supremacy. We are not.

There is no desire, however, to minimize our strength. We are very strong today. We have in the Strategic Air Command a very powerful and ready force, the one single greatest deterrent to war. The Navy air arm is strong and ready. We have many weapons and many trained men and other elements of strength in all the services; and in overall striking force today, not necessarily tomorrow, we are superior to the U. S. S. R. But the deterrent power of the SAC bomber force must inevitably become weaker in a relative sense in the face of the ever-growing Soviet submarine force and the growing long-range ballistic missile power of our opponents.

We must roll up our sleeves and go to work in the area of space age weaponry if we are to earn the right to face the 1960–70 period with some degree of confidence and optimism.

This situation demands the leadership of the President; it demands the leadership of the Congress; it demands the sustained support of the people.

The power of weapons now moving or soon to move into the arsenals of the U. S. S. R. and the United States of America is so great we seem incapable of grasping the magnitude of the dangers confronting the world. These unbelievably powerful weapons in the hands of an opponent make our situation most difficult. As a matter of national policy, and rightly so, we are not aggressors. We even concede to the opponent the privilege of striking the first blow in the event of war. We speak of launching an unstoppable counteroffensive in the event we are attacked; but as the power of weapons in the arsenal of the opponent increases, the difficulty of being able to survive a massive attack and still strike back with an unstoppable counteroffensive increases.

To produce enough military power to absorb a massive attack and have enough left to successfully strike back is becoming an increasingly heavy burden on our people. Our national policy, which we, of course, support, gives the opponent a very tremendous advantage in his planning and in the utilization of his resources.

Could it be that we are approaching the time when if you give a powerful opponent the first blow no country on earth could survive and have the means to launch a winning counterattack? I hope not.

Our planners and policymakers, indeed, all Americans, need to make sure that we face up to this issue. We must reduce to the minimum the danger of surprise attack and make sure that we have adequate strength in being to absorb or deflect an initial strike against us and have abundant power to counterattack. This latter consideration is highly important if our strength is to be an adequate deterrent to war. How to evaluate a military budget in terms of these considerations is most difficult for Congress; and how to frame such a budget is most difficult for the executive branch of our Government.

The bill before us is no panacea, no quick and ready answer to our problems. It is, however, a very decided step in the direction of strength. Its purpose is to deter aggression. Aggression must be deterred, for there is nothing plainer than this, that all-out war is becoming, with every passing week and month, more unthinkable and unacceptable.

I join you and all other Americans in the hope that through American leadership a way may be found to create an atmosphere of peace and good will so that the arms race can be slowed down and the threat of armed conflict may be greatly reduced.

So that would be my philosophy, Mr. Chairman, with respect to this bill. Now, to get into some detail I should like to highlight some of the things which I believe you will consider significant.

CONTENTS OF BILL

Ninety-six million dollars are provided for the B–70 chemical bomber which is scheduled within a few years to be the successor to the heavy jet bomber, the B–52.

Nine hundred and fifty million dollars are provided for the intercontinental ballistic missile program. Principally, this is for the Atlas, Titan and the solid propellant Minuteman ballistic missiles.

Four hundred and forty million dollars are provided for the intermediate range ballistic missile—the Thor and Jupiter.

Seven hundred and fifty-eight million dollars are provided for the B–58 bomber now under construction at Fort Worth, Tex. This is the supersonic all-jet bomber which is scheduled to be the follow-on of our large fleet of B–47 medium bombers.

One billion, three hundred million dollars are provided for the fleet ballistic missile firing submarine, the Polaris. We had heretofore provided for three such submarines. This will give us a fleet of nine Polaris boats.

One billion, five hundred million dollars are provided for antisubmarine warfare. Specifically, this includes destroyers and killer submarines, special type missiles, aircraft and ships.

One billion, five hundred million dollars are provided to the Army for the modernization of equipment, including a very considerable sum for Army missiles.

In research and development this bill provides for a major step forward.

For the first time in the history of Congress in one bill we have put $2.7 billion in one appropriation for research and development, the field in which we recognize we must be preeminent if we are to hold our position in the contest for survival as the foremost country in the world.

The increase for next year over this year will be $877 million.

In these vast sums for research and development, funds are provided to take steps toward the production of a one-million-pound-thrust rocket engine. The bill provides for $157 million for the anti-ballistic missile missile, sometimes called the anti-ICBM. In February we provided other funds, making a total appropriation by Congress this year for defense against the ICBM in excess of one-half billion dollars.

One hundred fifty-two million dollars are provided for reconnaissance satellites.

One hundred thirty-eight million dollars are provided to further the projects designed to put a man in space.

Seventy-two million dollars are provided for lunar probes which are described more meaningfully as projects for shooting and orbiting the moon.

Forty million dollars are provided for the continuation of our work on the atomic airplane. We will probably be beaten to the draw in this field because our Government has elected to undertake to build a sophisticated and militarily significant atomic airplane rather than try to rush ahead with putting an atomic airplane in the air which would be of little commercial and military importance.

All this adds up to a gigantic sum of money for putting America ahead in the space age. The degree of speed and skill with which these programs are administered will determine whether or not we surge forward rapidly in the completion of projects and in the production of weapons needed to enable us to hold our own in the so-called conquest of space.

RATE OF SPENDING

In presenting the 1958 supplemental appropriation bill to the House on January 22, I made reference to the effects of expenditure limitations which were imposed by the budget on the Department of Defense last year. I shall not repeat that information at this time. Testimony before the committee shows that for the current fiscal year from funds appropriated for defense last year, $900 million are being withheld from obligation and expenditure by the services. These sums are being applied against the fiscal 1959 military program.

Expenditure limitations of the type imposed last year no longer exist in the Department of Defense. Fiscal management of the available funds is, of course, being provided. The services have come to an agreement with the Secretary of Defense and with the Bureau of the Budget for the carrying out of certain programs which are priced for fiscal 1959 in the area of $40 billion. It is true that in some fields we are not pressing forward with maximum speed. Yet it must be agreed that we cannot afford to throw ourselves off balance and assume a speed that cannot be sustained for the duration of the race we are running.

To more fully understand the situation which I am discussing, we must not only look at appropriations, we must also look at expenditures. As pointed out before, this bill appropriates $4.5 billion more than we included in the defense appropriation bill which was passed about 1 year ago. However, in actual spending, that is, in money to be paid out of the Treasury, it is estimated that the increase for fiscal 1959 over 1958 will only be about $1.2 billion. And mark this point—of this $1.2 billion increase in expenditures over $700 million is accounted for by special pay increase legislation, passed and pending, for military and civilian personnel. This increase for pay legislation is not reflected in the $4.5 billion increase for appropriations. Eventual appropriations will be that much higher. After taking this military and civilian pay increase from the projected expenditure estimate, the increase in expenditures for 1959 over 1958 will be no more than $500 million, including a nearly $200 million increase for construction not in this bill.

From this it will be seen that the budget allows only a net expenditure increase of about $300 million. Experience shows that cost increases from inflation have accounted for about a 3 percent increase in defense spending each year. This means, of course, that as a net proposition applied to defense effort we will perhaps be spending less in 1959 than in 1958. At least the net increase, if any, would be insignificant.

Going back to 1957, as the President did in his budget message, we note that estimated expenditures for 1959 are only about $2 billion higher than actual expenditures for 1957. Eliminating from the picture the cost of special pay legislation and increases for construction not in this bill, the increase for 1959 over actual 1957 is only slightly over $1 billion or hardly enough to provide for a 1-year increase from usual inflationary factors.

It should be observed in this connection that the total funds available to the Department of Defense for expenditure purposes in 1959, including amounts in this bill as well as the amounts for pay increases and military construction, will be in the area of $73 billion. This entire $73 billion could not be spent in a single year. Large portions of this vast sum are earmarked for long leadtime procurement and there are many other factors in explanation.

SHIFT IN SPENDING

Now that I have pointed out how little defense expenditures have increased over the past 2 years, it should be said in explanation that there has been a significant shift in emphasis in application of these expenditures within the total. That factor is highly important and meaningful. For example, we are buying considerably fewer airplanes and guns but spending more on missiles. Spending for the new Polaris submarine program will be felt with increasing impact during fiscal 1959. The tempo of spending for ballistic missiles is continuing to rise.

The question is not how much are we spending, but how and for what are we spending our money. We must try to buy maximum defense with minimum dollars. Good management and wise fiscal control are necessary. Despite our worries about defense, we must maintain fiscal responsibility as a nation. We must so tailor our defense plans and defense spending that the American people can carry the load. We are confronted with huge deficits and many fiscal perils. We hope that through reorganization and otherwise, much better selectivity in defense spending can be achieved.

ACTION ON SPECIFIC ITEMS

Over the budget we have supplied in excess of $600 million for additional Polaris ballistic missile submarines. We have been very much impressed with the progress being made on the three that were appropriated for in January. The budget requested a total of 5 including 2 in the current budget. We provided what we considered a more meaningful fleet of Polaris submarines. We provided for a total of nine. But we must recognize that we have not completed any of these submarines, and of course it should be said that if the plans go awry and if difficulties arise which are not contemplated by the Navy, it may not be possible to utilize these funds, and they should not be utilized unless they can be utilized for the achievement of the purpose Congress has in mind in recommending these appropriations.

We did not increase the size of the Army. There are many people who want to increase the size of the Army. The budget brings the Army down by June 30, 1959, to 870,000. The majority of us took the position that under all the circumstances, with the modernization, and so forth, this was the reasonable thing to do, especially since it represented the very strong conviction of the President of the United States with respect to the issue. We did, however, provide for more strength in the National Guard, 400,000, rather than the lower figure of 360,000. We also provide additional manpower for the Army Reserves.

We provided for a Marine Corps strength of 200,000 rather than a strength of 175,000 at the end of fiscal 1959.

We provided some additional funds above the budget for the solid propellent intercontinental ballistic missile.

We believe that great progress is being made in missiles, and we hope that these additional funds above the budget can be utilized in gaining time. We are trying to buy time in an area where we are behind.

We did something that I believe will meet with the approval of the majority of the House as we face the advanced weapons problems. The majority of the members of the committee are disinclined to provide for the beginnings of a second atomic supercarrier. We provided one last year. The Navy asked for $35 million for long lead time items for a second atomic carrier. The budget approved this sum. The committee felt that we are moving pretty rapidly in the area of weapons development. We were not ready to say at this time that an additional atomic supercarrier should be built. We are supporting funds for killer submarines and more antisubmarine warfare activity, but we are not now providing funds for the beginning of an additional atomic carrier.

We did something which I think will please the President and the Department of Defense with respect to flexibility. We provide in this bill for an emergency fund of $150 million in appropriations and $100 million by transfer within the appropriation bill, giving a total emergency fund of a quarter billion dollars which can be utilized by the President and the Secretary of Defense. These funds can be channeled into any one of the services and used to exploit breakthroughs in research and development, and can be used to take programs and weapons into the production stage if necessary. So we have given the money and we have given the flexibility.

We, of course, have not given the spirit that will be necessary to carry this program out with zeal and efficiency. That problem is a problem not just for the Congress and the President; it is a problem for all of us.

The problem is to sustain a sense of urgency which will enable us to achieve a military position which will deter aggression and buy time for that moment when some sort of workable agreement can be achieved whereby armaments can be reduced and we can live in a greater degree of peace and security. This bill seeks to point in that direction and I commend it to you for your support.

Mr. Speaker, I shall ask unanimous consent to insert in the RECORD at this point certain information in fuller explanation of the provisions of the pending bill. Among other things, I am providing excerpts from the committee report.

Mr. Chairman, to make more understandable the committee action on this bill I believe it would be well to quote a few paragraphs from the committee report. However, before doing that I would like to insert the table on page 2 of the report showing in summary form, for the Office of the Secretary of Defense and each military department, a comparison of the amounts provided for this year, the budget request for 1959, and the amount recommended in the bill.

I pointed out earlier in my remarks that the pending bill is about $4.5 billion above the annual defense bill we passed a year ago. Note, however, that the table includes not only the annual bill but the supplemental bill of January and February of this year.

Summary of appropriations

Title	Appropriations, 1958	Budget estimates, 1959	Recommended in bill, 1959	Bill compared with—	
				Appropriations, 1958	Budget estimates, 1959
Title I—Office of the Secretary of Defense	$16,350,000	$536,400,000	$536,050,000	+$519,700,000	−$350,000
Title II—Interservice Activities	682,375,000	734,000,000	[1] 796,900,000	+114,525,000	+62,900,000
Title III—Department of the Army	7,264,550,000	8,755,800,000	[2] 8,617,626,000	+1,353,076,000	−138,174,000
Title IV—Department of the Navy	10,216,355,000	10,714,247,000	[3] 11,042,210,000	+825,855,000	+327,963,000
Title V—Department of the Air Force	16,320,220,000	17,456,500,000	17,317,775,000	+997,555,000	−138,725,000
Total	34,499,850,000	38,196,947,000	38,310,561,000	+3,810,711,000	+113,614,000

[1] In addition, authority to transfer $100,000,000.
[2] In addition, $425,000,000 to be derived by transfer from Army stock fund.
[3] In addition, $160,000,000 to be derived by transfer: $120,000,000 from the Navy stock fund; $15,000,000 from the Navy industrial fund; and $25,000,000 from the Marine Corps stock fund.

I now quote for the RECORD parts of pages 3, 4, 7, 8, and 9 of the report. These references give the highlights of the committee action on the bill and the basis for that action.

SUMMARY OF THE BILL

In summary, the bill provides for the basic forces on which the President's fiscal year 1959 budget is based and, in addition, certain increases proposed by the committee in the manpower strengths of the Army National Guard, the Army Reserve, and the Marine Corps. Furthermore, the committee has provided for a number of increases in certain significant and urgently needed programs to assure more rapid advances in the areas covered. Among these are the highly significant fleet ballistic missile program (Polaris), antisubmarine warfare, modernization of the Army, the air-to-ground missile for the B–52 bomber, and a step-up in development of the Air Force Minuteman solid propellant intercontinental ballistic missile. Funds have been provided to maintain Marine Corps end strength at 200,000 men as compared with 175,000 men proposed in the budget and Army National Guard and Reserve strengths at 400,000 and 300,000, respectively, compared with 360,000 and 270,000, respectively, proposed in the budget. The committee has, of course, attempted to make all reasonable economies wherever they could be effected. In making these adjustments up and down, the committee has provided for increases totaling $1,021,161,000 and made decreases totaling $907,547,000, including $260 million provided by transfer from surplus cash in stock fund balances. The net effect is an overall increase of $113,614,000 over the $38,196,947,000 requested in the President's January budget, as amended by the augmentation request of April 2, 1958. The total recommended for appropriation in the bill is $38,310,561,000. This will provide $3,810,711,000 more than the $34,499,850,000 appropriated for comparable progress in 1958.

BASIS FOR THE BUDGET REQUESTS

The early guidance and planning for the 1959 budget were presputnik. Undoubtedly, the service budgets were reviewed after sputnik and a number of programs were expanded or accelerated. Nevertheless, the postsputnik aspects of the present military program, from a budgetary or appropriation standpoint, were reflected in the Supplemental Defense Appropriation Act for fiscal year 1958 approved by the House in January and the amendment to the 1959 budget submitted to Congress on April 2, 1958. The overall military personnel strength of the four services were not affected by either of these supplementary appropriation requests.

As pointed out in the report accompanying the bill, the Supplemental Defense Appropriation Act approved by the House in January merely brought forward or stepped up anticipated completion dates for certain advanced weapon systems. The weapon systems financed by that act had previously been a part of the planned 1959 budget. The request was for programs and projects not theretofore presented to Congress for funding. It was made clear by Defense officials that these additional requests were in no sense to be considered as restoring funds previously denied by Congress. The decision to request funding for these items at an earlier date instead of waiting for the regular 1959 bill, resulted from a sense of urgency, so dramatically underscored by the sputnik launchings by the Soviet Union.

The more recently submitted additional requests proposed as amendments to the 1959 budget totaling $1,455,747,010, were by and large a natural follow-on as a part of this stepup in our weapons development programs. With the exception of procurement of additional B–52 bombers and associated tankers, it could be said that the amendments to the 1959 budget were primarily for the purpose of accelerating the technological aspects of our armament and scientific race with the Russians. The emphasis is on technological and scientific advances rather than increasing conventional arms. Of course, it should be pointed out that we are still strong and are getting stronger, especially in the area of our massive retaliation capability.

Since the first launching of an earth satellite, it has become increasingly apparent that major accomplishments in our defense effort, or accomplishments closely associated with our defense effort, have a significant bearing on our position in the so-called cold war. Consequently, in dealing with our defense program we must be concerned with two kinds of war—the cold war in which we are now actively engaged and the possible hot war on a large or small scale which could develop at a future date. The Soviet successes in rocketry have demonstrated that there is a definite relationship between preparation for a possible hot war and progress in the current cold war. Our successes of the future in retaining world leadership will undoubtedly depend in considerable measure upon our accomplishments of what may be termed the spectacular; that is, doing those things that capture man's imagination. It is accomplishment of the spectacular that could help put us ahead and keep us ahead in the cold war. These spectacular accomplishments based on sound scientific and technological advances will also assist in giving us the advantage needed for the development of those weapons of the future necessary to deter military aggression by the Communist bloc of nations.

CHANGES IN THE BUDGET REQUEST

As noted, in previous paragraphs, the committee made certain reductions and provided for certain program increases over budget estimates. This was done in the light of the foregoing background of facts and conditions affecting our national security. The total amount of the estimates considered by the committee in preparation of the accompanying bill is $38,196,947,000. The amount included in the bill is $38,310,561,000 or $113,614,000 more than requested and $3,810,711,000 more than the amount provided for 1958. The final figure approved results from a number of changes up and down. These were mentioned above and are explained in detail under the respective headings in the report. But for convenience of reference they are also listed here in highlight form. Before discussing changes in the budget request, however, it would be well to explain briefly the relationship of these estimates to the overall total defense budget.

The President's defense program and budget for fiscal year 1959 consists of three major segments. The first of these was an advanced installment on the previously approved fiscal year 1959 budget program, submitted to the Congress in January 1958, as a fiscal year 1958 supplemental request for $1,260,000,000. The relationship of this request to the 1959 budget was explained previously under the heading "Basis for the Budget Estimates." The second of these major segments is the basic fiscal year 1959 budget request for new obligational authority of $39,145,400,000, plus $345,000,000 to be derived by transfer from available balances in Defense Department working capital funds. (This does not include the $500 million contingency reserve for defense purposes mentioned in the President's budget message which was absorbed in the amendments to the budget submitted April 2.) The third major segment of this fiscal year 1959 budget package is the so-called program augmentations involving additional new obligational authority of $1,592,300,000, of which $1,455,747,000 was submitted to the Congress on April 2, 1958, as amendments to the fiscal year 1959 budget request.

Even an explanation of these three major budget segments does not provide the full story. Funds to be obligated during fiscal year 1959 are considerably in excess of the new funds being appropriated in this bill. These additional obligations result in part from a net reduction in the overall unobligated balances. They also result in a large part from the application of excess fiscal year 1958 funds to the estimated 1959 program requirements. As was pointed out in the committee report on the 1958 Supplemental Defense Appropriation Act, nearly $900 million deemed excess by the Department for fiscal year 1958 were applied in the budget estimates under consideration to help finance estimated requirements for 1959 programs. Had these excess funds not been available from 1958 appropriations, it would have been necessary to now provide about $900 million more in the accompanying bill. These excess 1958 funds were generated as a result of curtailments imposed last summer on defense spending, not by the Congress, but by the Bureau of the Budget and the Department of Defense.

Excluding the $1,260 million, "advance installment" provided in the Supplemental Defense Appropriation Act of 1958, the total Department of Defense budget request for 1959 was capably summarized by Assistant Secretary McNeil when he appeared before the committee on April 22, 1958, as follows:

"With the incorporation of the $1 billion 592 million in program augmentations, the overall budget request for fiscal year 1959 calls for new obligational authority of $40 billion 738 million, direct obligations of $42 billion 618 million and estimated expenditures of $40 billion 335 million. The amended request now before this committee covered appropriation estimates totaling $38 billion 197 million. The difference between this figure and the total budget request for fiscal year 1959 of $40 billion 738 million consists of three elements: (1) The use of receipts amounting to $57 million in so-called special accounts (i. e., preparation for sale and salvage of military property and Navy ships' stores profits), which the Bureau of the Budget treats as new obligational authority in the budget document; (2) the transfer of $50 million in unexpended balances to the revolving fund for 'Acquisition, rehabilitation and rental of Wherry Act Housing', pursuant to authority of Public Law 1020, 84th Congress; and (3) $2 billion 434 million proposed for later transmission—$1 billion 711 million for military construction, $518 million for application of the Cordiner principles to the military pay system, and $205 million for the cost of revision in the pay structure for classified civilian employees."

Committee reductions

Getting back to the $38,196,947,000 considered for items to be financed from appropriations in this bill the committee has made reductions totaling $907,547,000, of which $260 million results from the transfer of available cash balances from Army, Navy, and Marine Corps stock and industrial funds. (This increase in transfers from stock and industrial fund balances brings the total portion of the budgeted programs to be financed by such transfers to $585 million.) Consequently, the real decrease in funds available for obligation for budgeted programs considered is $647,547,000 of which $343,500,000 is for aircraft spare parts; $23,800,000 is for executive type aircraft; $104 million for Navy ships; and the remainder for operating funds and additional minor procurement reductions.

Committee increases

More than offsetting these reductions were the program increases recommended by the committee totaling $1,021,161,000. These increases provide additional funds over the budget estimates in the amounts of $65 million for the Emergency Fund; $81,918,000 for a higher average strength in the Army National Guard and the Army Reserve forces; $42 million for further modernization of the Army forces and expanding the Army mapping program; $649,043,000 for additional Polaris submarines and speeding work on certain Regulus missile submarines; $45,200,000 for keeping the Marine Corps at a 200,000 man end strength; $90 million for accelerated work on the Minuteman solid-propellent ICBM; and $48 million for fully equipping our B–52 forces with the Hound Dog air-to-ground missile.

OFFICE OF THE SECRETARY OF DEFENSE

The bill includes $536,050,000 for the Office of the Secretary of Defense compared with $16,350,000 for fiscal year 1958 and a budget request of $536,400,000. The $520 million increase for 1959 over appropriations for 1958 is to provide for the new Advanced Research Projects Agency.

Interservice activities

For those items administered by the Secretary of Defense applying to activities in which the entire Defense Establishment is involved, the bill includes $796,900,000. This is an increase of $62,900,000 over the budget estimates and is accounted for entirely by an increase for the emergency fund of the Secretary of Defense.

DEPARTMENT OF THE ARMY

The budget estimates for new Army appropriations in 1959 considered by the committee total $8,755,800,000. The original budget submitted in January contained estimates for $8,510,000,000. This was increased by $245,800,000 in the amendments to the budget submitted on April 2, 1958 (House Document No. 364). These amounts are exclusive of the military construction program requirements for both the regular establishment and reserve forces which will be considered at a later date for inclusion in a separate bill.

The committee recommends total appropriations of $8,617,626,000, which is a net decrease of $138,174,000 in the budget estimates, as amended, and an increase of $1,353,076,000 over the direct appropriations made for 1958. In addition to the direct appropriation, the committee recommends transfer of $425 million from the cash balance of the Army stock fund which will be excess to the amount required for operations during 1959.

Army program for 1959

The principal operational tasks of the Army, as outlined to the committee by the Chief of Staff of the Army, include: (1) the maintenance of overseas forces for deterrence of aggression or for the effective resistance to aggression if deterrence fails; (2) the maintenance of a mobile combat-ready strategic force at home for the rapid reinforcement of forward deployed forces or for the prompt suppression of small war situations; and (3) the contribution of Army forces as required for the defense of the United States against air attack.

To carry out these assigned tasks during 1959 the Army program, upon which the budget is based, provides for an active duty military personnel strength of 870,000 on June 30, 1959 as compared to 900,000 on June 30, 1958. The major combat units in the Army structure as of those dates are summarized in the following table:

Army structure—Major combat units

	Fiscal year 1958	Fiscal year 1959
End of year strength	900,000	870,000
Divisions	15	14
Armored Combat Command	1	1
Brigades, battle groups, and regiments	11	11
Missile commands	4	4
Total surface-to-surface missile units [1]	29 (9)	35 (7)
Surface-to-air missile battalions	65	74
Aviation companies	25	30
Aviation helicopter companies	21	24
Aviation cargo companies	4	6

[1] Numbers in parentheses represent units included in missile commands listed above.

DEPARTMENT OF THE NAVY

Appropriations and estimates

The budget estimates for the Department of the Navy for fiscal year 1959, exclusive of the military construction items, total $10,714,247,000 and, in addition, transfer of $100 million from the Navy stock fund to "Military personnel, Navy." The committee recommends $11,042,210,000, an increase of $327,963,000 over the estimates and $825,855,000 above similar appropriations for fiscal year 1958. In addition the committee has recommended transfers in the amount of $160 million from the stock and industrial funds, consisting of $120 million from the Navy stock fund, $15 million from the Navy industrial fund and $25 million from the Marine Corps stock fund. The first two amounts have been transferred to "Military personnel, Navy" and the last amount to "Military personnel, Marine Corps" and are included in the reduction shown. The specific actions of the committee are explained in subsequent paragraphs in this report.

Summary of committee bill

In broad outline, the bill approved by the committee provides for the following:

(1) Active fleet: Operation of an active fleet with a planned force level for end fiscal year 1959 of 864 ships. The active fleet will be improved by receipt of 27 new ships and 9 newly converted ships from prior year construction programs. The major additions from new construction consist of 1 attack carrier, 6 destroyers, and 8 submarines of which 3 are nuclear and 2 with guided missile capabilities. Conversions include 1 attack carrier and 3 guided missile cruisers. Planned manning levels will be maintained constant at an average of 80 percent of wartime strength.

(2) Shipbuilding: The shipbuilding program for fiscal year 1959 includes new construction of 23 ships consisting of 5 guided missile destroyers, 7 guided missile frigates, including 1 nuclear-powered frigate, 11 nuclear submarines including 6 fleet ballistic-missile submarines and 1 with other guided-missile capability. In addition, 7 conversions are included consisting of 2 guided-missile cruisers, 1 nuclear submarine, 1 amphibious ship and 3 auxiliary ships. A list of the various vessels in the 1959 budget program will be found in the table below. Provision is also made for continued maintenance and limited modernization of a reserve fleet estimated to be 1,510 vessels.

(3) Operating aircraft: Naval aviation will utilize about 10,300 aircraft of which approximately 8,300 will be in daily operating status. The percent of modernity and combat potential will increase during fiscal year 1959 with the receipt of more modern aircraft. Additional Navy and Marine air squadrons will have guided missile capabilities.

(4) Aircraft procurement: The aircraft procurement program is designed to modernize and increase the combat potential of the naval air arm. The fiscal year 1959 program provides for the procurement of approximately 697 aircraft with emphasis placed on starting new advanced models. Deliveries during fiscal year 1959 are estimated to total about 1,275 new modern aircraft.

(5) Marine Corps: The Marine Corps will continue to maintain a balanced force in readiness of 3 combat divisions and 3 aircraft wings with necessary reinforcing combat and logistic support forces. The strength of the Marine Corps will be 200,000 military personnel at the end of fiscal year 1959.

(6) Naval personnel: The budget provides for an end strength of 630,000 personnel for fiscal year 1959. The military strength of both the Navy and the Marine Corps during fiscal year 1959 will be maintained through voluntary enlistments.

(7) Reserve personnel: The Navy Reserve personnel strength in drill-pay status during fiscal year 1959 will be approximately 135,000 and the Marine Corps 45,000. Emphasis will continue to be placed on practical, team-type training with attention to continued qualitative improvement. The Naval Reserve forces will continue to stress anti-submarine warfare training.

Priority	Vessel type	Number of vessels	New construction or conversion
1	Submarine SSG (N) FBM.	2	New.
2	Submarine SS (N)	4	Do.
3	Guided-missile submarine SSG (N).	1	Do.
4	Submarine SS (N)	1	Conversion.
5	Auxiliary submarine AG (SS).	1	Do.
6	Guided-missile frigate DIG.	6	New.
7	Guided-missile destroyer DDG.	5	Do.
8	Guided-missile frigate DIG (N).	1	New.
9	Guided-missile cruiser CG.	2	Conversion.
10	Amphibious assault ship LPH.	1	New.
11	Amphibious transport, dock LPD.	1	Do.
12	Seaplane tender AV	2	Conversion.
13	Attack transport APA	1	Do.
14	Small service and landing craft.	55	New.

NOTE.—Does not include 4 SSG (N) FBM submarines added by the committee.

DEPARTMENT OF THE AIR FORCE

Financial summary

The budget for fiscal year 1959 contained appropriation requests for the Department of the Air Force totaling $16,879,400,000, exclusive of military construction. This request represented an increase of $559,180,000 or 3.4 percent over the combined amounts for comparable purposes in the regular and supplemental appropriations for fiscal year 1958.

In April, the President submitted an amendment to the 1959 budget, the Air Force portion of which amounted to $577,100,000. This amendment increased the fiscal year 1959 request to $17,456,500,000 which is $1,136,280,000 or 7 percent over fiscal year 1958, exclusive of military construction. The committee recommends an appropriation of $17,317,775,000, a net decrease of $138,725,000 under the budget estimates, but $997,555,000 over 1958 appropriations. This reduction consists of a gross decrease of $276,725,000, partially offset by an increase of $138 million over the budget to support the Hound Dog and Minuteman missile systems, discussed under subsequent sections of this report.

Air Force program

The program of the Air Force for 1959 is based on a strength of 850,000 men and a 105-wing reorganized combat structure consisting of 43 strategic, 27 air defense, and 35 tactical air wings, supported by an active aircraft inventory of 20,475 planes. Complementing this active force are well-trained and equipped Air Reserve and Air National Guard forces. These reserve forces are capable of being quickly mobilized and have been assigned definite missions in event of emergency.

The committee believes that its actions on the 1959 appropriation request will promote the combat effectiveness of the Air Force by providing additional quantities of modern aircraft, missiles, and other essential equipment. The role of missiles in the Air Force combat arsenal is assuming greater importance than ever before. Missiles of all sizes, ranges, and types will soon become commonplace military weapons. Army missiles are replacing large numbers of tactical-type aircraft formerly required for support of ground troops. In this important field the committee has exceeded the budget by $138 million to support an increased program for the Hound Dog and Minuteman missile systems which offer significant advancements in combat effectiveness.

The Hound Dog guided air-to-ground missile will greatly increase the penetration and destructive capability of the Air Force. It can be carried by the B–52 bomber and is capable of being launched hundreds of miles from its target.

The Minuteman system is expected to provide a new solid-propellant intercontinental ballistic missile. The Air Force evaluation of this missile indicates that it will present fewer production problems than liquid propellant missiles, will be relatively easier to site and maintain, and will probably cost less than those first generation missiles.

Mr. Chairman, I reserve the balance of my time.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, our subcommittee brings this bill to you after 4 solid months of hearings both morning and afternoon. The results are reflected in 7 volumes of printed hearings which we have on the committee tables, some 5,200 pages in length, and in the report of the committee which is about 81 pages in length.

This year for the first time in many years, the bill has been handled by a subcommittee of 17 members appointed to hear all the testimony from start to finish. Whatever may be said in favor of the new procedure, it has not been conducive this year, in my judgment, either to speed or to detailed analysis.

I express my appreciation to the majority members of the subcommittee for their consideration at all times, and I congratulate my good and able friend, the gentleman from Texas [Mr. MAHON] and the able members of our committee staff upon bringing this bill into being under great difficulties.

COMPLACENCY OF YEAR AGO GONE

Last year, Mr. Chairman, the Congress slashed this bill to the tune of $2½ billion, about a billion dollars in the field of real reductions.

A short time thereafter the Congress slashed appropriations for our allies in the military field to the tune of three-quarters of a billion dollars.

Those reductions were made over the opposition of the Joint Chiefs of Staff, of the Secretary of Defense, of the Secretary of State, and of the President of the United States with his great and successful military experience.

This year the entire atmosphere has changed.

This year we have already put on the books a supplemental appropriation carrying funds in the amount of $1,260 million. And today we bring you this bill carrying a total of $38,800 million which is about $5 billion more than the bill, as passed at this time a year ago, and about $3,800 million more than made available for the year as a whole including the supplemental appropriation.

As compared with the President's budget request it carries an increase of about $373.6 million. Or if we deduct the balances made available from stock and industrial funds, it means an increase over the budget, in new money, of $113.6 million.

The complacency of a year ago has disappeared. It must not return.

BUDGET ESTIMATES

The amount carried in this bill is, of course, a tremendous sum of money. You will find that the increase as compared with the previous year, is largely reflected in about seven items.

There is an increase of $1.6 billion for Army missiles and equipment.

There is an increase of $110 million for Navy missiles and related equipment.

There is an increase of $664 million for Air Force procurement of other than

missiles and aircraft, which is really for the support of missiles and aircraft.

Then there is an increase of $110 million for aircraft and related procurements for the Navy.

There is an increase of $136 million for shipbuilding and conversion.

There is an increase of $389 million for Navy ordnance and ammunition.

There is an increase of $444 million for research and development.

The overall increase, of course, reflects incidentally the increase in prices, the increase in the cost of new weapons and equipment, and the increase due to the assumption of new functions and duties by the various branches of the armed services.

ECONOMY AND EFFICIENCY

Were it not for the many steps taken by all branches of the services in the direction of economy and efficiency during the past year; were it not for the implementation of many of the recommendations of the second Hoover Commission, the request submitted to the Congress would have been very much greater.

You will find 66 pages in the hearing, pages 423 to 489 of the Department of Defense hearings, volume II, devoted to detailing the steps that have been taken in the past year in the direction of economy and efficiency.

You will find another 12 pages, pages 412 to 423, of the same volume of the hearings, devoted to describing the implementation of the recommendations of the second Hoover Commission.

IMPORTANCE OF BILL

Mr. Chairman, the importance of this bill cannot be overemphasized. It is absolutely vital, not only to America but to the entire Free World.

In order to find the roads which lead to world peace, we must with our allies have military power adequate to deter aggression.

We must, with our allies, have military power adequate to destroy any aggressor.

We have that power today, Mr. Chairman.

The Kremlin knows we have that power and that we are prepared to use it if necessary.

Under present world conditions that power must be retained.

Speaking in this connection on the state of the Union on January 9, 1958, as you will recall, President Eisenhower stated:

> As of today we have the necessary power to present to any potential attacker who would unleash war upon the world the prospect of virtual annihilation for his country.

And he added:

> Every informed government knows this. It is no secret.

Mr. Chairman, you will find similar statements in the hearings by top civilian and military leaders.

MILITARY POWER CONTEMPLATED

Mr. Chairman, what does the bill before us contemplate in terms of military power?

Briefly, it contemplates an overall armed force of 2,525,000 men. It contemplates a Reserve force in drill-pay status of well over a million men. It contemplates tremendously increased and increasing firepower all along the line.

We have been told repeatedly that a single plane today can carry as much destructive power as all of the planes of World War II put together.

It contemplates a civilian personnel of 2,100,000 men, reflecting a decrease of about 60,000 between the end of fiscal 1957 and the end of fiscal 1959.

Under leave to extend by remarks I insert at this point in the RECORD a table giving the details of the proposed military personnel strengths:

Military personnel strengths (excluding reimbursables)

[In thousands]

	Actual end strengths		Projected					
			End strengths			Average strengths		
			June 30, 1958			Fiscal year 1958		
	June 30, 1957	Dec. 31, 1957	Approved fiscal year 1958 funding	Revised in fiscal year 1959 estimates	June 30, 1959 [1]	Approved fiscal year 1958 funding	Revised in fiscal year 1959 estimates	Fiscal year 1959 [1]
Department of Defense:								
Officers	342.3	329.6	345.9	325.3	319.4	344.6	331.2	322.6
Enlisted	2,442.6	2,276.1	2,442.4	2,271.6	2,219.5	2,437.2	2,335.6	2,234.6
Subtotal	2,784.9	2,605.7	2,788.3	2,596.9	2,538.9	2,781.8	2,666.7	2,557.2
Officer candidates	10.0	10.4	11.7	11.1	11.1	12.5	11.2	11.8
Total	2,794.9	2,616.1	2,800.0	2,608.0	2,550.0	2,794.3	2,678.0	2,568.5
Total personnel by service:								
Army, excluding cadets	995.3	914.9	998.0	898.1	868.1	994.5	936.5	876.0
Cadets	1.8	2.4	2.0	1.9	1.9	2.5	2.4	2.4
Total Army	997.1	917.3	1,000.0	900.0	870.0	997.0	938.9	878.4
Navy, excluding midshipmen, cadets, and OCS	671.6	623.7	668.5	638.7	623.9	669.0	646.8	626.2
NAVCADS	1.9	1.4	1.7	1.8	1.7	1.8	1.7	1.6
Midshipmen	2.6	3.7	3.5	3.5	3.5	3.6	3.6	3.4
OCS and AOCS	1.0	.7	1.3	.9	.9	1.5	.9	1.3
Total Navy	677.1	629.6	675.0	645.0	630.0	675.9	653.0	632.4
Marine Corps	200.9	190.7	200.0	188.0	200.0	200.0	193.4	193.9
Air Force, excluding aviation cadets and cadets	917.1	876.4	921.8	872.0	846.9	918.3	890.1	861.1
Aviation cadets	2.2	1.4	2.5	2.2	2.2	2.4	1.8	2.1
Cadets	.5	.8	.7	.8	.9	.7	.8	1.1
Total Air Force	919.8	878.6	925.0	875.0	850.0	921.4	892.7	864.3

[1] Includes committee action in increasing the strength of the Marine Corps.

ARMY

You will note that the Army is to have a regular force of 870,000, 20,000 more than the original Defense Department figure supplemented by the addition of some 15 new missile battalions, either surface to surface or surface to air.

You will note that a reserve corps of 300,000 and a National Guard of 400,000 are provided for, in each case about 10 percent above the budget estimate.

The Army is to have 14 Pentomic divisions, 13 separate battle groups and regiments, 1 armored combat command, 4 atomic missile commands, 28 surface-to-surface missile battalions, and 74 surface-to-air missile battalions.

The chairman of the subcommittee has emphasized the importance of the modernization of the Army. Mr. Chairman, there is $782 million in this bill for the modernization of the Army, $37 million more than requested by the budget.

The Army is to have an enormous and steadily increasing firepower.

General Twining makes it clear for the record that despite the reduction in recent years per division, that a division today has virtually the same non-atomic power as the old division used to have, and in addition to that an enormous increase in terms of new atomic power.

NAVY

The Navy is to have a force of 630,000 regulars, a reserve corps of 135,000, an operating fleet of 864 ships, a reserve fleet of 1,511 ships, and an active aircraft inventory of well over 10,000 planes.

The Navy is moving steadily from a conventional Navy to a nuclear powered guided missile Navy.

This is clearly reflected in the 1959 construction program calling, as amended by your subcommittee, for 23 new ships and 7 conversions, referred to in tabular form in the committee report at page 53.

We have, of course, the greatest seapower in the world.

MARINE CORPS

The Marine Corps will have 200,000 regulars, 25,000 more than the budget request, 30,000 more than the original Department of Defense figure, and, in addition, it will have 45,000 in its reserve corps and steadily increasing fire power.

AIR FORCE

If you will look at the Air Force figures you will find that this bill contemplates a regular force of 850,000, with about 146,000 in reserve, including the reserve corps and the National Guard.

It is to have 105 wings supplemented by 36 other wings in the reserve and in

the National Guard. It will have an active aircraft inventory of well over 20,000 planes.

The new wings are to have 45 B–52's as contrasted with 30 B–36's in the past. There is to be a very substantial increase in tankers.

General White states for the record that despite the decrease in wings contemplated the overall combat strength is at least equivalent to the current strength and General Twining in his testimony says emphatically that as of today the overall Air Force combat strength is superior to that of Russia.

One additional wing of B–52's and accompanying tankers at a cost of some $423 million were included in the amendment to the 1959 budget and are approved by your subcommittee.

MISSILES

The greatest single increase is in the field of missiles. Overall for procurement of missiles there is carried in this bill a total of $4,900,000,000 as compared with a figure for the current fiscal year of $2,313,000,000.

In other words, the amount provided for missile procurement in 1959 is more than double the amount provided in the current fiscal year. The increase takes care of almost two-thirds in the total increase in this bill over the bill for the current year.

We have many types of missiles. They are in various stages of research, of development, and of operation for all of the branches of the armed services—surface to surface, surface to air, air to air, and air to surface.

We are doing our utmost in the ballistic missile field to overcome the head start which was given to Russia by the fact that during the 5 or 6 years immediately after the conclusion of World War II we did little or nothing in this field. We have been making tremendous progress.

Mr. Chairman, under leave to extend my remarks I include at this point in the RECORD a statement entitled "Fact Sheet" prepared by the Department of Defense on March 28, 1958, which lists and gives certain detailed information about the various types of missiles to which I have referred:

FACT SHEET ON GUIDED MISSILES

The Army has announced the following guided missiles and rockets of which the first three are operational:

Nike-Ajax: Surface to air.
Corporal: Surface to surface.
Honest John: Surface to surface.
Little John: Surface to surface.
Sergeant: Surface to surface.
Redstone: Surface to surface.
Pershing: Surface to surface.
Jupiter IRBM: Surface to surface.
Lacrosse: Surface to surface.
Dart: Surface to surface.
Nike-Hercules: Surface to air.
Hawk: Surface to air.
Nike-Zeus: Surface to air.
Plato: Antimissile system.
Talos Defense Unit: Surface to air.

The Navy has announced that the first five of the following weapons are operational:

Sidewinder: Air to air.
Petrel: Air to surface.
Regulus I: Surface to surface.
Terrier: Surface to air.
Sparrow I: Air to air.
Sparrow II: Air to air.
Sparrow III: Air to air.
Talos: Surface to air.
Tartar: Surface to air.
Polaris IRBM: Surface to surface.
Triton (canceled September 1957): Surface to surface.
Bullpup: Air to surface.
Corvus: Air to surface.
Weapon Able: Surface to underwater.
HVAR: Air to air.
Zuni: Air to surface.
RAT: Surface to underwater.
Gimlet: Air launched.

The Air Force has announced that the first three of the following are operational, and operational training units have been established for the Snark, Rascal, Bomarc, Thor, and Atlas:

Matador: Surface to surface.
Falcon: Air to air.
Genie: Air to air.
Snark: Surface to air.
Rascal: Air to surface.
Hound Dog: Air to surface.
Bomarc: Surface to air.
Mace: Surface to surface.
Green Quail: Diversionary missile.
Bull Goose: Diversionary missile.
Thor (IRBM): Surface to surface.
Atlas (ICBM); Surface to surface.
Titan (ICBM): Surface to surface.

ARMY

Nike-Ajax, named Nike after the Greek goddess of victory, is the Army's first supersonic antiaircraft guided missile designed to intercept and destroy the enemy target regardless of evasive action. Nike guided missile units are now deployed around vital industrial, highly populated and strategic areas of the United States. Nike-Ajax is a missile about 20 feet long and about 1 foot in diameter, with 2 sets of fins for guidance and steering. It is boosted to supersonic velocity by a solid-propellant booster and maintained by a liquid sustainer motor. The missile and booster weigh more than 1 ton. Speed, range, altitude, and lethality of Nike-Ajax can meet an attack from any direction and its kill potential has far exceeded expectations. There are 12 launchers in each Nike battery, which is operated by approximately 100 officers and men. Personnel are trained at the Antiaircraft and Guided Missile School, Fort Bliss, Tex., and the Ordnance Guided Missile School, Huntsville, Ala. This missile was developed and produced with the aid of the Army, Western Electric Co., Bell Telephone Laboratories, and Douglas Aircraft Co.

Corporal: Equipped with either an atomic or conventional type warhead, the Corporal guided missile is capable of engaging tactical targets at ranges over 75 miles away. The weapon gives the field commander great firepower on the battlefield and enables him to strike selected targets deep in enemy rear areas. Corporal follows a ballistic trajectory during most of its flight to the target. Weather and visibility conditions place no restriction on the use of the weapon. The propulsion system uses a liquid propellant rocket motor. The missile travels through space at several times the speed of sound. A Corporal battalion has 250 men. Each battalion has two batteries—a firing battery and a headquarters service battery. There are two operational launchers to a battalion. Corporal battalions have been deployed to Europe. This missile is being manufactured by Firestone Tire & Rubber Co. and Gilfillan Bros., Inc.

Honest John is a long-range artillery rocket and is capable of carrying both an atomic or a high explosive warhead. The weapon will be used tactically to provide close-fire support in ground combat operations. Honest John is a free-flight rocket as distinguished from guided missiles. Having no electronic controls, it is simple in design and simple to operate. Range is equivalent to medium-to-long range artillery. It has considerably more battlefield mobility than conventional artillery and one round can deliver on a target the demolition effect of hundreds of artillery shells. The Honest John system consists of a rocket weighing several tons and a highly mobile self-propelled launcher. It was developed by Army Ordnance and several industrial firms, including Douglas Aircraft Co., and Emerson Electric Co., of St. Louis, Mo.

Little John is a 12½-inch rocket, about 12 feet long, packing explosive power greater than heavy artillery. The system possesses simplicity and reliability and utilizes a solid propellant rocket engine. Lightweight launchers and ground equipment are adaptable for an extremely high degree of mobility on the ground and are easily airlifted. Little John has now been issued to the 101st Airborne Division, Fort Campbell, Ky., for training and development of combat techniques. Little John is manufactured by Emerson Electric Co. of St. Louis, Mo.

Sergeant is a solid propellant surface-to-surface ballistic guided missile development that will eventually succeed the 4-year-old Corporal. The Sergeant is 30 feet long and incorporates many improvements over its predecessor in power, range, and accuracy. It can deliver a nuclear blow deep into enemy lines, and is invulnerable to any known enemy countermeasures. Sergeant has greater mobility, can be more easily stored, and put into action more quickly than many other weapons systems. It is air transportable, and can be rapidly emplaced and fired under all conditions of weather and terrain by a comparatively small crew. The Sergeant is under design and development by the Jet Propulsion Laboratory. It will be produced by the Sperry Gyroscope Company's Surface Armament Division, Sperry Utah Engineering Laboratory, Salt Lake City, Utah. Major subcontractors include Thiokol Chemical Corp., Trenton, N. J.,; Bell Aircraft Corp., Buffalo, N. Y.; Minneapolis-Honeywell Regulator Co., Minneapolis, Minn., and Excelco Developments, Inc., Silver Creek, N. Y.

Redstone: Activation of the first United States Army unit to fire the Army's supersonic Redstone missile was announced on March 14, 1956. The Army uses surface-to-surface artillery missile units armed with Redstone and other Army missiles to extend and supplement the range and firepower of artillery cannon. It is capable of delivering both atomic and nonatomic projectiles. Redstone is the largest surface-to-surface ballistic guided missile employed by the Army. Named for the place of its development, the Army's Redstone Arsenal at Huntsville, Ala., it is an operational field missile and at the same time a basic step toward the new Jupiter. The Redstone was developed under supervision of Dr. Werner von Braun, developer of the German V–2 rocket, and is being produced by Chrysler Corp.

Pershing is a solid-propellant ballistic-missile development for the field army. The new missile will be smaller, lighter, and more mobile than the Redstone and will provide the Army with a more versatile and flexible weapon with which to discharge its role on the battlefield of the future.

The Army was authorized and directed by Secretary of Defense McElroy on January 10, 1958, to proceed immediately with the development of the Pershing. Recent advances in solid-propellant technology resulting in large part from the Army's Sergeant and Navy's Polaris programs make it possible to start development without delay. Work on the Pershing will be under the supervision of the Army Ballistic Missile Agency, Redstone Arsenal, Huntsville, Ala.

Jupiter is the Army-developed and Air Force-employed intermediate-range ballistic missile capable of being launched from land,

The Army Ballistic Missile Agency at Huntsville, Ala., was set up to develop Jupiter under high priority early in 1956. Chrysler Corp. was awarded an engineering and production work contract on this missile.

The Air Force announced the activation of the 864th Strategic Missile Squadron on January 15, 1958, utilizing the Jupiter (IRBM). Training of 200 to 300 Air Force personnel started February 1 at Redstone Arsenal, Huntsville, Ala.

Lacrosse is a highly accurate general-support field-artillery guided missile for use in close tactical support of ground troops. It is an all-weather guided missile capable of carrying highly effective area-type warheads and sufficiently accurate for destroying hard-point targets. It will replace and supplement conventional artillery. Its propulsion system uses a solid-propellant rocket motor. The Lacrosse system includes the missile, a launcher mounted on a standard army truck, and other ground equipment. It was developed for the Army by Cornell Aeronautical Laboratory of Buffalo, N. Y., and is being produced by the Martin Co., Orlando, Fla.

Dart is a guided antitank missile, solid propellant, rocket propelled. It was designed for an increased effective range, for higher accuracy at this longer range, for greater probability of a first-round hit, and for a larger warhead. The Dart missile is designed for use by front-line troops. The missile carries a warhead capable of defeating the heaviest known enemy armor and delivers this warhead with pinpoint accuracy. The Dart can be launched by a light-weight launcher from a variety of vehicles. The Dart system is being developed under an Army Ordnance contract by Aerophysics Development Corp.

Nike-Hercules will be the Nation's second land-based combat-ready surface-to-air guided missile system to be placed by the Army into the air defense system of the United States. It will become operational in four areas in June 1958. The Nike-Hercules missile is an integral part of a weapon system which electronically acquires the target and causes the missile to intercept the target. The missile can engage and destroy at much longer ranges and higher altitudes than Nike-Ajax either single, or formations of, aircraft of the present or foreseeable future. The dart-shaped missile alone is 27 feet long; the booster is 14.5 feet long. The missile is launched by remote control and is given its initial impetus by a solid-propellant booster rocket and then accelerated by a solid sustainer motor. The atomic warhead is designed to insure that detonation can only occur at altitudes sufficiently high to prevent damage to friendly surrounding terrain. The design, development, and production of the missile system by the Army is the result of extensive coordinated efforts of the Army Ordnance Corps, Western Electric Co., the Bell Telephone Laboratories, and the Douglas Aircraft Co., together with numerous subcontractors.

Hawk is the Army's newest air defense weapon capable of carrying a modern warhead and of destroying attackers flying at the lowest altitudes and at such ranges as to insure effective protection of defended areas. When placed in service, it will complement the defense against high-level air attack provided by the Army's Nike system. The system is capable of operating both in the continental United States air defense system at fixed Army installations and with the fast-moving combat troops of the field army. The missile uses a solid fuel propellant and is approximately 17 feet long and 14 inches in diameter. Raytheon Manufacturing Co. developed and is currently producing the Hawk missile system. The United States Marine Corps has also selected the Hawk for field use when it becomes operational.

Nike-Zeus is a surface-to-air missile system under development to provide an antimissile defense against intercontinental ballistic missiles equipped with nuclear warheads that could strike the United States. Nike-Zeus is being pursued by the Army with development in the hands of the same contractor team that developed the earlier two members of the Nike family—Nike-Ajax and Nike-Hercules. The contractor team consists of Western Electric Co., prime contractor; Bell Telephone Laboratories, developers; and Douglas Aircraft Co., prime subcontractor.

Project Plato is a mobile antimissile guided missile system being developed by the Army in the defense of overseas installations of both the United States and its Allies. The Plato system is being designed to use the Nike-Zeus missile. Work was started on the Plato system about 4 years ago by Sylvania Electric Products., Inc., Waltham, Mass., prime contractor for the project.

Talos Defense Unit, a land-based version of the Navy's Talos Shipboard Missile System, was turned over to the Army by the Navy on October 15, 1957, at White Sands Proving Ground, N. Mex., for evaluation.

The Army is studying the missile system to see if it can be integrated into the present Army Air Defense System. The system was built by the Radio Corporation of America.

NAVY

Sidewinder is the Navy's newest air-to-air guided missile. Named after the desert rattlesnake of the same name, the missile is guided by an infra-red or heat seeking device. The missile seeks the target by homing on the heat emitting from the aircraft. It is an inexpensive, reliable weapon measuring 9 feet in length and weighing about 155 pounds. Sidewinder is designed for destroying high-performance enemy fighters and bombers from sea level to altitudes over 50,000 feet. The missile, which has very few moving parts and no more electronic components than an ordinary radio, requires no specialized technical training to handle and assemble effectively.

The missile is now the primary guided missile weapon used by squadrons in the Sixth Fleet in the Mediterranean and the Seventh Fleet in the Western Pacific. It is basically a defensive weapon to augment protection of our men and ships at sea from attacks by enemy aircraft. It will also be employed in the air defense of the continental United States by the Air Force and Navy. The missile permits defending fighters to knock down the fastest enemy aircraft even when it is miles away.

Development of the Sidewinder was assigned to the Naval Ordnance Test Station of the Bureau of Ordnance, China Lake, Calif., in 1950. Dr. William B. McLean of the test station, who originally developed the missile, saved the Navy over $40 million. He was subsequently awarded $25,000 for his outstanding achievement.

On October 25, 1956, the Navy awarded two contracts for production of guidance and control units to Philco Corp., Philadelphia, Pa., for about $14 million, and to General Electric's Light Military Electronic Equipment Department, Utica, N. Y., for about $17 million. Other industrial concerns connected with Sidewinder are the Avion Division of the American Car and Foundry Industries, Paramus, N. J., which produced experimental missiles used in the research and development phases; the Eastman Kodak Co., Rochester, N. Y.; and the Bulova Research and Development Laboratories, Woodside, N. Y.

Petrel is an air-to-surface weapon 24 feet long, with a wingspan of 13 feet, and weighing 3,800 pounds. It is powered by a turbojet engine and uses radar homing for guidance. Although presently operational within the fleet, it has been phased out of production. The missile was developed under technical direction of the Bureau of Ordnance by the National Bureau of Standards. Production contractor for Petrel was Fairchild Guided Missiles Division, Wyandanch, Long Island, N. Y.

Regulus was the first operational attack missile to joint the fleet. It is a surface-to-surface missile resembling a conventional swept-wing jet fighter about 30 feet long. Its range is in the 500-mile class, and it travels at high subsonic speed. The missile, capable of carrying a nuclear warhead, is powered by a turbojet engine, and is guided by an electronic brain. Regulus launching equipment can be installed in a short period of time on several types of vessels at relatively low cost, with only slight modification to the ship itself. An improved missile known as Regulus II is under development.

Ships which can fire the missiles are the cruisers *Macon, Helena, Toledo,* and *Los Angeles;* the submarines *Tunny* and *Barbero;* and the aircraft carriers *Randolph, Hancock, Forrestal, Saratoga, Lake Champlain, Franklin D. Roosevelt, Lexington, Bennington, Bon Homme Richard,* and *Shangri-la.* Regulus II will arm the atomic cruiser *Long Beach,* the guided missile submarines *Grayback, Growler,* and *Halibut,* and a nuclear submarine requested in the fiscal year 1959 budget. Space and weight compensation are reserved in the cruisers in the 1958 ship conversion program for inclusion of Regulus II, in case there is a future need for the missile.

Tactically, the missile's main use is against land-based targets, but it also can be used against ships.

Regulus I was developed by Chance Vought Aircraft Co. in 1948 under a Bureau of Aeronautics contract. On December 12, 1956, the company's Dallas, Tex., plant had orders totaling $26 million for additional production of Regulus I.

Regulus II incorporates the basic components of its predecessor but as in the 1,000-mile-plus-range and is designed to exceed speed of Mach 2. It is 57 feet long, and has a 20-foot wingspan.

A recoverable version of both missiles is equipped with a retractable landing gear. This version flies pilotless missions and lands intact on runways so it can be flown again. As many as 16 flights have been made by one of the Regulus I recoverable missiles.

Terrier is an all-weather surface-to-air missile. Designed to intercept enemy aircraft at longer range and higher altitudes than conventional antiaircraft guns, the 15-foot weapon weighs about 1.5 tons, has a range of about 10 miles, and utilizes a solid-fuel rocket motor.

The missile is suitable for shipboard use or beachhead operations with the Marine Corps. Ships which now use Terrier are the guided-missile cruisers *Boston* and *Canberra,* and the guided-missile destroyer *Gyatt.* In addition, the following ships under conversion or construction will use Terriers: Aircraft carriers *Kitty Hawk* and *Constellation;* cruisers *Topeka, Providence, Springfield;* the nuclear cruiser *Long Beach;* and frigates *Farragut, Luce, MacDonough, Coontz, King, Mahan,* and *Dewey.*

One Marine antiaircraft battalion now is using Terrier launched from mobile trailers. This makes it the only mobile surface-to-air guided missile operated by ground forces today.

Shipboard Terriers are selected automatically from the magazine and loaded on the launcher which is then automatically trained, elevated, and fired. The entire operation takes only seconds. Radar then guides Terrier to the target.

Terrier is the result of 8 years of research and development by the Applied Physics Laboratory of Johns Hopkins Uni-

versity, Silver Spring, Md., under direction of the Bureau of Ordnance. It is made by Convair at the Naval Industrial Reserve Ordnance Plant, Pomona, Calif. Launching equipment for the missile was designed and built by Northern Ordnance Inc., Minneapolis, Minn.

Other concerns which helped perfect Terrier are the Hicks Corp., Boston, Mass.; Bell Telephone Laboratories, Whippany, N. J.; Vitro Laboratories, Silver Spring, Md.; Reeves Instrument Co., New York, N. Y.; Ford Instrument Co., Long Island City, N. Y.; and the Radio Corporation of America.

Sparrow I is an air-to-air missile which became operational in the fleet in the spring of 1956. It is 12 feet long, weighs 300 pounds, and has a speed of over 1,500 miles per hour. It is powered by a solid-propellent rocket motor. After being fired from Navy fighters either singly or in rapid sequence salvos, the Sparrow is guided to a target by a beam transmitted by the launching aircraft's radar. It does not have nuclear capability.

The missile, developed by the Bureau of Aeronautics and the Sperry Gyroscope Co., is a versatile weapon, permitting effective attack against high and low altitude enemy jet bombers and fighters. The Sperry-Farragut Co., Bristol, Tenn., produced the Sparrow I. It has been phased out of production.

Sparrow II was developed by the Douglas Aircraft Corp. as an experimental missile and is not intended for fleet use but will be manufactured by the Canadians (Canadair Ltd.) for RCAF use.

Sparrow III was developed by the Raytheon Manufacturing Co., Boston, Mass. It will augment its predecessor, Sparrow I, in fleet air defense. A later model will eventually replace Sparrow I. The new missile is 12 feet long, weighs about 350 pounds, and attains a speed of over 1,500 miles per hour within seconds after launching. It is an all-weather missile which can be fired above or through clouds with accuracy. Navy fighters can carry 2 to 4 Sparrow III's.

Raytheon Manufacturing Co., under agreement with the Bureau of Aeronutics, is now manufacturing Sparrow III at the Naval Industrial Reserve aircraft plant in Bristol, Tenn., which the Sperry-Farragut Co. formerly used for Sparrow I production.

Talos is a supersonic surface-to-air missile being used by the Navy and may be used in Continental Air Defense under the Army. It is named after a Greek mythological demigod who guarded the island of Crete. Talos is powered by a ramjet 40,000 horsepower engine, weighs about 3,000 pounds, and is about 20 feet long and 30 inches in diameter. It can destroy enemy aircraft at extremely high altitudes and has a range of over 65 miles. Since a ramjet must be boosted to supersonic speed, a solid propellent rocket is utilized during the few seconds of the boost phase. The booster falls away and the ramjet engine takes over the propulsion job. The missile is guided to the target by a mechanical brain within the weapon. When it is within lethal range, a proximity fuse detonates the warhead. It can carry either high explosive or nuclear warheads. The missile can destroy supersonic and subsonic targets and will be effective against enemy planes and employing air-to-surface missiles. It also can be used against ships and shore bombardment targets.

Talos will become operational in the fleet in April 1958, when conversion of the cruiser *Galveston* for Talos handling is completed. The cruisers *Little Rock* and *Oklahoma City* also are being converted for Talos use. Three later cruiser conversions—*Albany, Fall River*, and *Chicago*—plus the Navy's first nuclear powered cruiser, *Long Beach*, will also carry Talos.

The missile is developed for the Bureau of Ordnance by the Applied Physics Laboratory of Johns Hopkins University. The Bendix Aviation Corp. is prime contractor for Talos and makes the missile at the Naval Industrial Ordnance Plant, Mishawaka, Ind.

Flight testing is being conducted at the White Sands Proving Ground, N. Mex., under the direction of the Naval Ordnance Missile Testing Facility, a part of the joint command of WPSG. The Army is also testing Talos at WSPG, for possible use in continental air defense.

Tartar, is a surface-to-air missile designed especially for use aboard destroyers. It is described as a junior version of the Terrier missile, but has about the same range. A solid-propellant rocket, it is being built by Convair Division of General Dynamics Corp., Pomona, Calif., under a Bureau of Ordnance engineering and production contract. The missile will be installed in the guided missile destroyers DDG's 2–14, for which contracts have been let. It is also slated for use aboard three cruisers—*Chicago, Albany*, and *Fall River*—which will be converted into missile ships.

Adm. John H. Sides, United States Navy, has described the missile as small enough to go into destroyers and the secondary batteries of large ships, yet have more performance than the original Terrier (the type presently in *Boston* and *Canberra*) * * * it can replace 5-inch mounts.

Polaris, named after the north star, is the Navy's name for the project developing a shipboard intermediate range ballistic missile; this has come to be the name applied to the missile itself. Plans for Polaris were announced in January 1957, and the missile is well along in development. The program is high on the Navy's weapon priority list.

It will be smaller and lighter than other IRBM's in the Nation's arsenal. The missile is designed especially for shipboard use and will use a solid-propellant fuel. Polaris is the Navy's substitute for the Jupiter IRBM in the fleet ballistic missile system. The Navy's part in the Jupiter program was essentially to develop a shipboard launching system. Its range will be about 1,500 miles.

A converted cargo ship—now the *Compass Island* (EAG–153)—was commissioned in November 1956 to develop the accurate navigational equipment needed for accurate shipboard use of an IRBM. The result is the Navy's ship inertial navigation system (SINS), which can position the firing ship with such accuracy that its missiles can strike small target areas at 1,500-mile ranges. SINS determines true north, ship position, and speed to supply the data necessary for pinpoint firing.

Polaris' tactical mission will be to beat down fixed-base air and missile defenses and pave the way for carrier strikes aimed at destroying mobile or concealed primary targets.

Funds for construction of three nuclear submarines capable of launching Polaris were approved by Congress in the fiscal 1958 supplemental budget. In addition, the Navy has requested permission to build six additional Polaris subs as part of the fiscal 1959 program. Each of these submarines will carry 10 or more of the missiles.

Major contractors are Lockheed Aircraft Co., Sunnyvale, Calif.; Aerojet General Corp., Sacramento, Calif.; Massachusetts Institute of Technology, Cambridge, Mass.; General Electric Corp., Pittsfield, Mass.; Interstate Electronic Corp., Anaheim, Calif.; and Westinghouse Corp., Sunnyvale, Calif.

Triton is a surface-to-surface missile which was canceled September 17, 1957, following an overall review by the Navy of its surface-to-surface missile program. However, the Navy is continuing modest support of the missile's research and development team in order to incorporate the most desirable of the Triton's features into future missile systems. The Triton program was under the direction of the Applied Physics Laboratory of the Johns Hopkins University, Silver Spring, Md. The McDonnell Aircraft Corp., St. Louis, Mo., the Goodyear Aircraft Corp., Akron, Ohio, and the Kearfott Co., Inc., Clifton, N. J., also were participants in the program.

Bullpup is an air-to-surface tactical guided missile designed for use by carrier-based Navy aircraft and shore-based Marine planes. It is 11 feet long, weighs 540 pounds, and is now in production at the Martin Co.'s Orlando (Fla.) Division. Bullpup is relatively inexpensive, highly accurate, and simple in design. The missile is for use against comparatively small targets—pillboxes, tanks, truck convoys, bridges, railroad tracks, and marshaling yards. It has movable canard control surfaces, self-contained navigational system, is powered by a solid-propellant rocket at supersonic speeds. Bullpup is scheduled to become operational this year.

Corvus is an air-to-surface missile for use in penetrating heavily defended areas, also for use against surface ships. It is designed of a size to permit its use on carrier-based aircraft. The prime contractor for this solid fuel rocket is the Temco Aircraft Corp., Dallas, Tex. Principal subcontractors are: Reaction Motors, Inc., Danville, N. J., for the propulsion component; Texas Instrument Co., Dallas, Tex., for the guidance component; and W. L. Maxson Corp., New York, N. Y., for the guidance component.

Weapon Able is a 500-pound, 12.75-inch antisubmarine rocket which is installed on destroyer escorts in the active fleet and the new 931 class frigates. Equipped with a conventional explosive charge, the weapon is fired from a launcher resembling a conventional gun turret. A special fire-control system aims the rocket at the enemy submarines. Weapon Able gives destroyers greater range and latitude of attack against submarines by removing the necessity of positioning the ship in the immediate area of the submarine as is necessary with depth charges. The rocket turret can be trained in an almost complete circle, enabling a ship to fire the rocket as soon as an enemy submarine is detected. The range of the rocket is variable. The rocket sinks rapidly and covers effectively a larger ocean area than the old type depth charges.

HVAR or high-velocity aircraft rocket is a 5-inch World War II weapon. The 5-inch rocket is also known as Holy Moses, because of the rigor of its blast. The rocket is about 6 feet long, weighs about 140 pounds, and has a velocity of about 1,500 feet per second. It has been in use since July 1944. The HVAR finished production in fiscal year 1955.

Zuni is a 5-inch folding-fin, solid-propellant, all-weather, conventional explosive rocket designed primarily as an air-to-surface weapon. Used by attack-type aircraft, the rocket is highly effective against tanks, pillboxes, gun emplacements, trains, motor convoys, ammunition and fuel dumps, and small ships. The rocket's target versatility is due to the various types of heads with which it can be armed. These include flare, fragmentation, armor-piercing, etc.

Zuni is named for the Zuni Indians, a Pueblo tribe of western New Mexico. It was built to replace the World War II HVAR rocket in high-speed aircraft, permitting a plane to carry four times the former number of rounds. Up to 48 Zuni's can be carried by the AD type aircraft.

The rocket was developed for the Bureau of Ordnance by the Naval Ordnance Test Station, China Lake, Calif. The test station also is developer of the rocket's launcher. The launcher holds four rockets and is used for transporting and storing the rocket as well as launching it. This results in greater speed in rearming planes as they return to their bases between combat strikes. At the same time, it brings about considerable money savings by eliminating the need for the conventional packing crates. The

launcher can be jettisoned after firing by the plane to increase its speed.

A $2 million contract was awarded by the Bureau of Ordnance to the Hunter-Douglas Division of the Bridgeport Brass Co., Riverside, Calif., for the pilot production of aluminum rocket motor tubes for the rocket. It is not currently in full production. Zuni has been approved for operational use in the fleet.

RAT is a rocket-thrown torpedo weapon system, consisting of a rocket-propelled antisubmarine torpedo, 13½ feet long, weighing 480 pounds. The missile is propelled through the air by a powerful rocket; the spent rocket drops away, and the torpedo continues on its trajectory. It deploys a parachute which stabilizes its flight and carries it down to the water. On entering the water, the torpedo releases the parachute, sheds its nose cap, and starts to search for and attack the submarine. The torpedo, guided toward the submarine by an intricate homing device, intercepts the submarine, and the warhead explodes for a kill.

The RAT weapon system was conceived at the United States Naval Ordnance Test Station (NOTS), China Lake, Calif. The Navy's Bureau of Ordnance assigned the design construction, and installation of the launcher to the Puget Sound Naval Shipyard, Bremerton, Wash. Development and production of the fire-control system were by Librascope, Inc., Glendale, Calif. Design, development, and testing of the missile were accomplished by NOTS. The detection system, alread in existence, was provided by the Bureau of Ordnance. Clevite Research Center, Cleveland, Ohio, manufactured the torpedo selected as the payload. The rocket was made by Allegany Ballistics Laboratory, Cumberland, Md. Design and development of the airframe which joins the rocket and the torpedo, the mechanism which first deploys and then releases the parachute, and the nose cap which protects the torpedo against shock at water entry, were also accomplished by NOTS.

The complete RAT system, consisting of search and detection equipment, fire-control equipment, and the launching system, is expected to become operational in the fleet late this year. RAT can be installed in the majority of United States destroyers at relatively low cost by utilizing existing 5-inch gun mounts and by slight modification of the search and fire-control systems now in use.

Gimlet is an air-launched rocket under research and development. All other information is classified.

AIR FORCE

Matador (TM–61) (TM–61C) is a tactical missile in the subsonic speed range (650 m. p. h.), manufactured by the Martin Co. First flight was made in December 1950. In March 1954 it was assigned to operational units. It has a wingspan of 28.7 feet, a length of 39.6 feet. Ground-launched by a rocket booster from a roadable launcher, it is powered by an Allison jet engine (J–33–A–37), controllable electronically in fight by ground personnel. It is capable of delivering conventional or nuclear weapons hundreds of miles. The TM–61 is being replaced operationally by the TM–61C, which has greater range and an improved guidance system with high resistance to electronic countermeasures. The TM–61C is capable of deep penetration into enemy territory, and can be deployed over wide expanses of water. Its operational altitude is in excess of 35,000 feet.

Five tactical missile groups now employ the Matador missile, of which three groups are assigned to the 1st Tactical Missile Wing, deployed in Europe. One unit has been assigned to Taiwan (Formosa).

Falcon (GAR–1 radar guidance) (GAR–2, heat-seeking guidance) are guided, airborne rockets in the supersonic speed range, manufactured by Hughes Aircraft Co. Under development since 1947, the Falcon was test-fired in 1950. Production was ordered in 1955, and the rocket became operational in March 1956. Falcon weighs slightly over 100 pounds, is approximately 6 feet long, and is powered by a solid propellent. It is fired and guided electronically. Designed for internal or underwing installations, it can be carried in quantity by interceptor aircraft and launched miles from the target. It then "homes" automatically on its objective. During developmental tests, Falcon knocked down target planes without use of explosive warheads.

Falcon is now in operational units of the Air Defense Command.

Genie (MB–1) is an air-to-air rocket with atomic warhead developed by the Air Research and Development Command for air defense purposes. The nuclear warhead was designed by the Los Alamos Scientific Laboratory. The Genie airframe is manufactured by Douglas Aircraft Co., and the rocket engine by Aerojet-General Corp. Genie was placed into the weapons inventory of the Air Defense Command in January 1957. It was fired as an integral unit at the AEC Nevada test site during Operation Plumbob on July 19, 1957, from an F–89 Scorpion.

Snark (SM–62) is a long-range strategic missile now in production, which was assigned to the Strategic Air Command's first Snark missile unit activated last year. This will be the first United States intercontinental missile to be placed in operational use. Snark is manufactured by Northrup Aircraft, Inc. and is powered by a Pratt & Whitney J–57 turbojet engine. It is designed to carry a nuclear warhead at high speeds and high altitudes against far-distant targets, by means of a self-contained guidance system, operating independently of weather, day or night. Snark tests were conducted at the Air Force Missile Test Center, Patrick Air Force Base, Fla., where its long-range accuracy was proved in numerous flights over sea test lanes reaching southward in the Atlantic.

The Snark has been successfully fired down the entire 5,000 mile Missile Test Range several times, impacting with accuracy in the target area near Ascension Island.

The first Snark Missile Squadron was activated at Patrick Air Force Base, on December 15, 1957, where it will undergo combat readiness training prior to being assigned to its permanent operational site now under construction at Presque Isle Air Force Base, Maine.

Rascal (GAM–63) is an air-to-ground guided missile. It is now in production for the Strategic Air Command's first Rascal missile unit, scheduled to be operational during fiscal year 1959. Rascal was flight-tested at the Air Force Missile Development Center in New Mexico. It is manufactured by the Bell Aircraft Corp., is 32 feet in length, and 4 feet in diameter. This rocket-powered missile is launched from B–47 stratojet bombers at high altitude and at high speed, and at such distances from the target that bombers and crews are not exposed to local defenses. In tests with the Rascal at the Air Force Missile Development Center in New Mexico, four direct hits were scored on the target. Recently the first SAC Rascal training unit launched the missile at a target from over 75 miles away, scoring a hit within the 1,500 feet called for in its design. With the nuclear warhead that the Rascal delivers, the target would have been completely destroyed.

Hound Dog (GAM–77): An air-to-surface guided missile now under development by North American Aviation Corporation, Inglewood, California, on a high-priority basis for use by the Strategic Air Command's long range bombers. The selection of North American, announced on August 21, 1957, was made after a comprehensive analysis and evaluation of proposals submitted by a dozen competing firms. The Hound Dog will be supersonic and will be capable of carrying a nuclear warhead many hundreds of miles to a target with pinpoint accuracy.

A successor to the Hound Dog, envisioned as an air-launched ballistic missile is already under study. This unnamed missile would have a range in the same class as the surface-launched IRBM's. Because the air-launched ballistic missile would begin its flight well above much of the earth's atmosphere, radical reductions in weight can be made over the present land-based IRBM models.

Bomarc (IM–99) is a long-range surface-to-air guided missile, now in production, designed for air defense to engage and destroy the enemy far out from his intended target. Bomarc is approximately 47 feet long with a wingspan of about 18 feet. The missile weighs about 15,000 pounds. It is rocket launched from a vertical position after which it cruises on twin ramjet engines at supersonic speed to its distant target. Bomarc's capability extends to extreme altitude. Bomarc was designed and built by the Boeing Airplane Co. of Seattle, Wash. Bomarc has been successfully tested in a series of launchings from Patrick Air Force Base, Fla., against high-flying drone aircraft far out over the Atlantic Ocean, in one instance, at least, scoring a kill more than 100 miles away after attacking it from above 60,000 feet. It has intercepted and destroyed drone targets at distances far beyond the design range of any other surface-to-air missile. Bomarc will be assigned to the Air Defense Command where it will be used to defend large areas. The missile can be equipped with either a conventional or an atomic warhead.

The first Bomarc training unit, the 4751st Air Defense Missile Wing, was activated on January 16, 1958, at Eglin Air Force Base, Fla. At nearby Santa Rosa Island, Air Force Bomarc crews will be trained in the operational employment of the missile. The Bomarc training program is designed to provide ready missile crews for the operational squadrons, when the Bomarc air defense missile sites are completed in the Northern United States.

The 250-mile combat range of the Bomarc is such that a single missile site could give statewide air defense coverage for each State in the United States, except the State of Texas, or approximately 20 missile sites would cover all of the border area around the United States.

The first Bomarc sites are scheduled to begin construction in Maine, Massachusetts, New York, and New Jersey this spring.

Mace (TM–76A) newest Matador development (formerly the TM–61B), includes a self-contained navigation system, and is currently undergoing cross-country flight tests in a controlled air corridor from the Air Force missile development center near Alamogordo, N. Mex., to a preselected impact area on the Wendover, Utah, Air Force Base target range, approximately 650 miles away. Flight testing through this corridor began on September 25, 1957. Escort fighters are used as a safety precaution, although the flight path does not cross major population areas. Successful flights of the Mace on this new range have been made. The missile is recoverable by parachute for reuse.

Green Quail (GAM–72): A diversionary air-launched missile for the Air Force under development by the McDonnell Aircraft Co., of St. Louis, Mo. It is designed for use by the United States Air Force, and in the event of hostilities, will be used to assist in the penetration of enemy defenses.

Bull Goose (SM–73): A ground-launched diversionary missile under development for the Air Force by the Fairchild Engine &

Airplane Corp., of Hagerstown, Md. This missile is designed to be used by the Strategic Air Command to aid in the penetration of enemy defenses in the event of hostilities.

Thor (SM–75): Intermediate range ballistic missile (IRBM). Now in production by the Douglas Aircraft Co., which was awarded a development contract for the Thor in December 1955. Separate contracts were awarded to prime contractors for subcomponents such as a guidance system, propulsion, and other subsystems. The A–C Spark Plug Division of General Motors holds a contract for research, development, and production of inertial guidance systems for Thor, which are completely self-contained within the missile and cannot be jammed or deterred from a preset course. The General Electric Co., of Philadelphia, has been named to develop and produce a nose cone for both Thor and Atlas. One-half of the booster engine manufactured by North American Aviation's Rocketdyne Division serves as the propulsion unit for Thor. (The complete power package is being developed for the Atlas ICBM.) Engineering and fabrication of Thor airframes is being supplied by the Santa Monica Division of the Douglas Aircraft Co. Many of the major components and subsystems will serve both the IRBM and ICBM programs, which will not only accelerate development, but should also reduce overall costs. Highest national priorities have been accorded the Air Force IRBM–ICBM programs.

The Thor has been undergoing flight tests at the Air Force Missile Test Center, Patrick Air Force Base, Fla., since early 1957.

The first IRBM training unit, the 672d Strategic Missile Squadron, was activated at the SAC's Ballistic Missile Training Center, Cooke Air Force Base, Calif., on January 1, 1958. The first Thor operational squadrons are scheduled to be deployed overseas by December 1958. Each Thor squadron is scheduled to have 15 missiles.

The Thor has recently been selected, in a joint agreement between the United States and the United Kingdom, as the intermediate range ballistic missile that the United States will furnish the United Kingdom. The Thor units in that country will be manned by Royal Air Force personnel that will be trained by the United States Air Force.

The first Thor squadron is now in training at the Douglas Aircraft Co.'s Thor plant in Santa Monica, Calif.

Atlas (SM–65): Intercontinental ballistic missile (ICBM). The Atlas, with a range of 5,500 nautical miles, is being produced by Convair Division of General Dynamics Corp., San Diego, Calif., who produce the airframe and integrate the subsystems; General Electric Co., Philadelphia, Pa., and Syracuse, N. Y., produces the nose cone and the radio guidance system; Burroughs Co. produces the computer; American Machine & Foundry produces the power supply accessories; and North American Aviation, Rocketdyne Division produces the propulsion system.

The Atlas, which has been undergoing flight tests since June, 1957, at the Air Force Missile Test Center, Patrick Air Force Base, Fla., is launched by rocket engines developing many tons of thrust and millions of horsepower within seconds, which impart speeds well above 10,000 miles per hour.

At the Ballistic Missile Training Center, Cooke Air Force Base, Calif., the 1st Missile Division, assigned overall responsibilities for the Air Force's ballistic missile training program, was activated on September 11, 1957, and was transferred to the Strategic Air Command on January 1, 1958. The Division controls the operation of the 704th Strategic Missile Wing at Cooke and the 4320th Strategic Wing at Warren Air Force Base, Wyo. The first operational ICBM Squadron, the 576th Strategic Missile Squadron, to ultimately be deployed at the Wyoming missile site, will be activated at Cooke Air Force Base on April 1, 1958.

Cooke Air Force Base will have an operational capability along with its training activities for ICBM's beginning in 1959, and Warren Air Force Base will be the second ICBM launching site, and a third site is yet to be named.

The Atlas is programed to become operational in late 1959.

Titan (SM–68) intercontinental ballistic missile (ICBM): The Titan is being developed by Martin Aircraft Co. Denver, Colo., who manufacture the airframe and integrate the subsystems. AVCO Manufacturing Corp., Lawrence, Mass., is producing the nose cone. Its all-inertial guidance is being developed and produced by American Bosch, ARMA, Garden City, N. Y. The Aerojet General Corp., Sacramento, Calif., is producing the propulsion system. The Titan, like the Atlas, is a missile of 5,500-nautical-mile range.

The Titan, a two-stage missile, by design is potentially superior to the Atlas in range and payload and is proceeding well in its development phase. Static tests of the Titan engine have been made and flight tests of the complete system will commence later this year.

OTHER IMPORTANT INCREASES

Mr. Chairman, there are other important increases with respect to outer-space technology; with respect to Army modernization; and with respect to the Marine Corps, the National Guard, and the Army Reserve Corps.

CONTINENTAL DEFENSE

Mr. Chairman, continental defense calls for a very large and increasing expenditure. This, of course, is a problem that is vital to us all. I am glad to report that the hearings indicate that it is progressing according to schedule.

DOLLARS AND CENTS

Coming back for a moment to the dollars and cents, this bill, as I have indicated, carries a total of some $38.8 billion. There is another bill to follow this which will include the increases in pay recently provided by the Congress, as well as military construction.

The testimony of Assistant Secretary McNeil, Comptroller of the Department of Defense, indicates that the two bills taken together will total approximately $41 billion and will amount to some $5.3 billion more than the appropriations originally made available a year ago and to some $4.1 billion more than the appropriations made available for the current year as a whole, including the supplemental appropriation.

These two bills will amount to over 55 percent of the Federal budget and will call for obligations of about $42.6 billion and for expenditures of about $40.3 billion. The contemplated expenditures will be just about $1.1 billion in excess of the present estimated expenditures for the current fiscal year.

Secretary McNeil's testimony also indicates that there will be an unexpended balance as of the end of fiscal 1959 of about $32.4 billion, roughly the same as at the end of the current fiscal year, and that there will be an unobligated balance of $6.7 billion compared to $8 billion estimated for June 30, 1958, and compared to $15.7 billion at the end of fiscal 1954.

Secretary McNeil estimates that all of the unobligated balance will be either legally committed or earmarked under approved programs pursuant to the full funding principle as of the end of fiscal 1959.

SUBCOMMITTEE ACTION

Just to summarize the subcommittee action briefly.

The action results in an increase in budget estimates of $1,021 million. It results in decreases under those estimates of $647 million. It also includes by way of reduction recoveries from the stock and industrial funds in the Army, the Navy, and the Marine Corps, amounting to $260 million over the $325 million recommended in the budget.

The net result is an increase in new money of $113,614,000.

PRINCIPAL DECREASES

The principal decreases have been made in respect to five items.

There is a decrease of $358 million or thereabouts in respect to spare parts, a decrease across the boards resulting from holding the purchase of initial spare parts to 20 percent of flyaway costs.

There is a decrease of roughly $100 million in respect to M. & O., something less than 1 percent across the boards, in respect to all branches of the services.

There is a decrease of $69 million because of the fact that two of the ships requested in next year's program have not yet been authorized. This is presumably a temporary decrease.

There is a decrease of $35 million to which the chairman of the subcommittee has referred which eliminates long-lead items in respect to the second nuclear carrier which the Navy plans to request a year hence.

Finally there is a decrease of $23.8 million in respect to so-called executive aircraft, which has been applied across the boards in respect to all branches of the services.

PRINCIPAL INCREASES

The increases of $1,021 million appear largely in respect to items eight in number.

First there is an increase of $65 million and a change in language, in the President's Emergency Fund, to give a flexibility of $250 million in respect to scientific breakthroughs.

Increases 2 to 4 are in personnel; $51 million for the National Guard, $30 million for the Army Reserve and $45 million for the Marine Corps.

Increase No. 5 is in respect to modernization of equipment for the Army, $37 million.

Finally increases 6 to 8 are in respect to guided missiles of particular interest; $638 million for the Navy Polaris in the hope of making 9 Polaris missile units available within the same period that it was contemplated to make 3 available, and in the hope of making the first unit available 5 to 9 months earlier than would otherwise be the case; $48 million for the so-called Hound Dog missile, with a view to fully equipping all of the B–52's with this very important air-to-ground missile; and $90 million for the so-called Minuteman missile, a new solid propellant ICBM missile which gives much promise.

Mr. Chairman, I am not convinced that all of these increases are wise. As a matter of fact, I did not vote for them all in committee.

I am going to go along with this bill at this time, however, because I believe that under present conditions it is better to err on the liberal side, if err we must, in respect to the items referred to, and because I know that the control over expenditure in the last analysis is, of course, in the hands of the executive branch of the Government.

Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, to work on this committee dealing with national defense appropriations is at best a trying experience. As vast as are the operations of the military department, as many activities as they conduct, as much money as they handle, it is almost more than any one individual can comprehend, much less deal with in detail.

For the last 2 or 3 years, I have thought we were making some progress with our investigations of procurement policies and practices, when we began to bring about some correction in the things we saw that were not good and that were expensive and wasteful. About that time we began to have something of a recession in this country. With the beginning of the recession, a number of national magazines and newspapers and a number of national leaders began to say that the more we spend in defense, the more we will stop the recession. It has made it so that the more you try to save in defense the more you are hurting prosperity, in the views of many of these publications and of many national leaders. If the more you spend does lead to prosperity, we should have an unequalled period of prosperity for the next few years; but I do not believe that is true; in fact, I know it is not so.

This bill carries in excess of $38 billion; and may I say here and now, in my opinion, if our defense expenditures were 5 times what they are, if our Military Establishment were 10 times as big as it is, it would not deter Russia from taking those things in sight that are within her reach as long as she sees any signs of weakness in our determination to stand up and be counted with what we have for what we believe.

I shall not belabor this House as I did earlier in this session when the supplemental appropriation bill was up, but there is every reason to believe that we are playing into the hands of Russia in many, many ways. I have made this statement before the committee, and I think perhaps I should again speak so it will be in the RECORD. In judging our defense by how much we spend that we are showing our weaknesses. What we need greatly is courage.

I was in Budapest, Hungary, 13 days before the outbreak there. From all the people that I listened to, definitely the Hungarian people had been led to believe in one way or the other that we were on their side and that they could count on our help. I heard from our own people there that there was much to indicate that the Russians were trying to work out something in Hungary on the order of Poland. The Communist papers were criticizing the local government. Hungarian leaders of Russian opposition had been rehabilitated.

I was back here when the outbreak came, but I got the local papers to see the sequence of events, and this is what the Washington Post and the other Washington papers reported: On October 29, after this uprising occurred, according to the Washington papers, the Russian troops withdrew from Budapest and were announcing they would meet with the Hungarian Government there to try to solve this problem on the order of what we know they did in Poland.

On November 1 in a speech at Cleveland, Ohio, our Government announced, through our leader, that we would not join France and England in any fight over Suez. Now, I am not saying that we should have fought; but I am saying it was going too far to announce to the world that we were not going to fight to hold the lifeline of the Western World.

Then on November 2, after the statement that we would not support France and England and had announced it to the world so far as the Suez is concerned, the Russians had every reason to believe that certainly they had nothing to fear from us whatever they did in Hungary. According to the local paper, the Russian troops then went back into Budapest and the slaughter occurred.

Then, what did we do, my friends? To help the Hungarian people, we brought to this country thousands and thousands of Hungarians, many of whom for years had wanted to come to the United States for economic reasons. I should think that in all likelihood the people now in Hungary have about as much appreciation for what we did as the early American revolutionists had for Canada for giving a haven to those unwilling to stay here and help the colonists in this country in their struggle against England. That is a serious statement, but the reason I am making it is to point out that it is not how much money you spend to pump prime your economy, it is the courage with which you stand for the things in which you believe.

I would like to briefly point out what I think is one of the greatest dangers we have facing us today. May I say that my colleagues on this committee have heard this argument before; and to a degree they have heeded it. Their report shows they do have a realization of it. Most of the items here, under present conditions with the present public attitude and the public atmosphere, are just about as good as anybody could do, all things being considered. So this is not to be taken as a criticism of them. If anything, it is to sound a little warning.

It was testified before our committee by the top military people that the nation that loses this war will doubtless be that nation whose economy cracks up first. If that be true, attention to the economy of our country is certainly something that we should keep in mind. Last week, I believe it was, this Congress approved an increase for postal clerks. Yesterday a bill passed this House increasing the pay of other workers. Only a short time ago we raised military pay. Nobody involved in that received any actual raise at all. It was merely expressing former pay in terms of presently depreciated currency. And we are on the same road all down the line.

Mr. Chairman, it is dangerous when military public works bills are sent here listed by States, so that everybody knows he has something in it. I think it is dangerous when we get to the point that contracts are allocated to areas of unemployment as a pump-priming operation. Yes; I think it is highly dangerous when conservative organizations like the American Medical Association line up on the side of more defense spending, whatever their reasons may be.

National leaders offer increased defense spending as a cure for the present recession. It is said this will prime the pump of our economy by putting in the hands of the people purchasing power to buy the supply of consumer goods which many need. In my opinion this would be a case of offering the cause as a cure.

Adequate defense is, of course, essential. However, even a limited knowledge of economics should make it apparent that what we spend for defense, even though necessary, does not contribute usuable goods to the general economy and, at best, is dead weight from the standpoint of economics. However essential real defense happens to be, it is a drain on the economy, not an economic asset; and waste or excessive spending for defense aggravates the situation. It would seem that anyone could see that we cannot spend more than half our national tax-take on non-productive goods without it being felt. I believe we are feeling the effects now.

Expenditures in the name of defense, with the demand on manpower and on the treasury, have increased taxes, leaving fewer dollars in private hands and to the extent not paid for by taxes, but by increasing the national debt, have led to inflation and thereby increased the price on these products to the point where many Americans cannot afford them.

Our troubles did not just now occur but started several years ago when great defense expenditures including foreign aid drained our economy, our manpower, and our money to the point that American business had to start selling with virtually no downpayment and with many months to pay. We covered up the situation for several years by this and other means. What looks to be an oversupply of consumer goods is really too few dollars left after taxes and too little purchasing power in the dollars left due to inflation. The price in terms of dollars has been too high for many people to pay and now has become too high for many to buy. Increased defense spending for pump-priming would only aggravate the situation and postpone the day of reckoning.

It is hard to understand how men in high places, leading economists, those who should know best, offer as a cure more defense spending and continuing foreign aid programs. Truly, they offer

as a cure that which to a large extent is the cause of our problem. Perhaps it is because too many vested interests believe they will get an extra slice of the national income every time the treasury writes a check in the name of defense, though the rest have fewer dollars left after taxes, and each dollar left will buy much less. They should realize time will show we are all in this together.

In the final analysis, what each of us may have is dependent upon the soundness of our over-all economic structure; and while it is well to hold Russia off, it is just as essential that we be strong when the chips are down. We must not destroy ourselves in the scrimmage as long as there is any likelihood of a real contest coming up.

A few years ago a Presbyterian minister in Washington, who spent his hours with troubled people who came to him for comfort, in writing of his experiences said anybody in Government had to learn that he could not influence the trend of events very much and had to adjust himself to doing the best he could, else he would end up having to go to his preacher, a psychiatrist, a doctor, or perhaps all three. I have taken that to heart and do not expect to crack up by reason of the many things which look to me to be out of balance.

On January 23, 1958, I made a speech on the floor of the House when the supplemental appropriation for the Defense Department was up. This speech appears on page 924 of the CONGRESSIONAL RECORD. It was made off the cuff, but from the heart, based on facts which I had earlier developed in the hearings.

I had the real attention of this membership. However, I am afraid attention to the thoughts expressed largely ended with my presentation of the speech.

Since that time I developed in the record the fact that the Small Business Administration has the final say-so in determining what companies are qualified for military production. Under the pressure for preventing the military from competing with private business, though the military did not produce for the general public but only for themselves, we have stopped the military from doing many things which it could do for itself and which it might have to do in wartime.

It reached the point where we largely stopped them from baking bread; and to cap the climax, we have the Bolling Field Airbase having its food provided and served by a catering service under contract.

Actually, if you study it, most of this drive is not to prevent competition by the military, but has been an effort to make money out of military expenditures. In other words, everybody wanted to be cut in. This statement is not intended as an indictment, for it is merely an example of our American system of business enterprise. The individual examples probably do little harm, but as an index to a public attitude and trend they could be dangerous. Truly, it might be said that the next war had better be a push button one, for if this trend continues, we might have difficulty fighting beyond the delivery area of the local bakery.

Along this line, I quote from announcements in recent weeks:

The Washington Star:

> The greatest potential stimulant originating in the administration was provided by an order increasing the placement of defense contracts from the $7.9 billion let in the last 6 months of 1957 by $5.5 billion, to $13.4 billion in the first half of 1958.

The Army announced $100 million additional in truck and trailer contracts. In this announcement by the Department of Defense the following statement was made:

> The acceleration of this procurement, according to Secretary Brucker, accomplishes the two-fold purpose of purchasing critically needed vehicles for the Army and at the same time helping to relieve the unemployment situation.
>
> The placing of orders for such a large quantity of finished trucks and trailers will generate an immediate demand for subassemblies and component parts from hundreds of sub-contractors. Its impact will quickly be felt over large parts of the country, the Secretary added.

Later the Army announced the purchase of 3,000 five-ton trucks from the Diamond T Motor Truck Co., for $32,279,809.00. I quote:

> It is estimated that the execution of this contract will provide for the continued employment of 1,100 and will permit the rehiring of 1,832 personnel.
>
> Of the above-stated value, approximately 65 percent of that amount will be used for subcontracting activities. It is estimated that 38 percent of all contracting will be accomplished in the State of Michigan.

Yet the military has acres of good trucks and vehicles stored all over the world. In fact, there is evidence that much of our foreign military aid is an effort to move this equipment into other hands, so we can place new contracts with American producers.

Recently in connection with the military pay raise bill, the Jackson, Miss., Daily News carried the following news story:

> NEW PAY BILL FOR SERVICES BRINGS $4.3 MILLION HERE
>
> President Eisenhower's signature on the new pay bill increase for the armed services means another $4,300,000 annually, distributed through checks to 31,000 individuals, mostly Reserves and National Guard, in Mississippi.
>
> This estimate was given Wednesday by the authoritative but unofficial Army Times.
>
> The new bill was steered largely by Senator JOHN C. STENNIS, of Mississippi, who considers it an incentive bill which will help stop turnover in key position in the services, and thus eventually prove an economy instead of an added expense.

According to members of the Appropriations Committee, a report on how much business the contributors to the Eric Johnston meeting to promote foreign aid have with the Government would be an eye opener.

In a different vein, foreign aid is almost 100 percent inflationary because the goods go overseas; the money stays here with no goods to offset it.

Nelson Rockefeller appeared before our committee and requested an increase of $3 billion per year in defense spending, but admitted under questioning that he and his group had not had time to study what we were already spending. Neither did he know of the carryover of funds, nor much of anything else about present expenditures.

Sometime ago, I had the Library of Congress to supply me with the names of generals and admirals, most of whom retired at an early age under laws provided by the Congress, who are now top officials with corporations engaged in producing under contracts with the Defense Department. The list is lengthy and impressive.

Years ago, the late State Senator Harper, of Mississippi, more familiarly known as "Peachtree" Harper, said if we needed more money, print it. Dr. Townsend, I believe, advocated the Government giving those 65 years of age $200 per month on the basis that spending it would generate prosperity.

The Washington Evening Star, Monday, April 28, 1958, carried the following story:

> BUSINESS BACKS ARMS OUTLAY, TALBOTT SAYS—VAST EXPENDITURE WILL BE NEEDED, HE TELLS PARLEY
>
> Philip M. Talbott, president of the United States Chamber of Commerce, pledged the support of American businessmen today for the vast spending necessary to build military strength.
>
> He said this strength must be so tremendous that "the leaders of any country with aggressive inclinations will know in advance that if they ever push the buttons in their own atomic arsenal, they will be inviting doom for themselves and their nation."
>
> Our defensive shield also must be impenetrable, he told the opening session of the national chamber's 46th convention.
>
> Warning that all this means "vast expenditures of money," he noted that the chamber has always stood for prudent spending. He added:
>
> "But you have not heard—and you are not going to hear—one word from this federation of businessmen in opposition to the cost of necessary expenditures for national defense."

I am certain the members of the Chamber of Commerce are thoroughly patriotic and sincere. I do believe, however, that profits from defense spending make it easier to take Mr. Talbott's position. So many people are in the act that fewer and fewer people are able to look at this matter objectively.

Recently the Secretary of Defense, in testifying before my Committee on Appropriations in connection with this year's expenditure of $40.3 billion for defense, told the committee that next year and each year thereafter, as he saw it, we would have to increase expenditures for defense from one to one and a half billion dollars each year in real purchasing power. He went further and said that while he believed Government had done a fair job of holding down depreciation in the value of the dollar, depreciation in our currency had averaged about 3 percent a year; and on that basis the committee would have to appropriate more than a billion dollars a year to offset currency depreciation alone, which would be in addition to the real increase which he felt we could expect.

Military leaders have advised our committee that if Russia sticks to its present policies, as does the United States, the present defense expenditure situation will probably continue 35 to 40 years;

and these leaders have significantly agreed under questioning that the loser in this contest between Russia and the United States will likely be that one whose economy cracks up first.

If the 3-percent decrease in the value of the dollar continues, as Mr. McElroy, Secretary of Defense, thought it perhaps would, and if such condition lasts for 35 to 40 years, you can see what will happen to our money and our financial structure.

On a visit to Russia a year and a half ago, we observed Russian soldiers building telephone lines. The Russian troops are used in times of need to gather crops. Under our system, with the power of labor unions and others, making use of our people in uniform to contribute to the general economy is not going to come about. Though in peacetime it is hard to find things to do to keep military personnel occupied or busy, we are largely stopping them from doing for themselves.

The point of this is that if the military in Russia and the United States were of the same size and of the same cost, in the United States it would be a 100-percent drain on the economy, whereas in Russia the drain would be much less because the military is used to contribute to the general economy. I am not advocating that our troops be used as are the Russian troops; but if our leaders are correct and if the loser will be that country whose economy cracks up first, such a course as we follow will increase the strain on our economy and would to that extent give Russia an additional advantage.

If we had 100 times as much military strength as we now have, it would not deter Russia as long as she knows we are 100 percent on the defensive. It is our courage to stand which will count.

I made the trip to Russia in 1956 as chairman of the Agriculture Appropriations Committee. I have been told the report I made on my visit was later circularized by our own Ambassador, Mr. Bohlen, to all our employees in Russia, with the notation that it represented worthwhile travel and objective reporting. Much of that comes because many of the views and statements set forth actually come from our top representatives abroad, though I did not feel free to quote them or attribute to them the information I acquired.

Not a single magazine was willing to carry the story contained in my report when we first came back, though I am pleased to note that a few weeks ago the U. S. News and World Report came out with a story on Russia which is almost 100 percent in accord with the report which we made.

Those who agree with some of the fears I have expressed, like myself, should heed the advice of the Presbyterian preacher. There is not a whole lot we could do about it other than to point out this side of the situation from time to time. Since I can see my views are not going to be the prevailing ones and since there is very little presented on the side I have tried to cover, perhaps I have pressed them a little harder than if they were going to be followed in the hope they might tend to bring about a little better balance. After all, Russian leaders have said they will make us crack up from within.

It is serious, it is doubly serious, and if this is a long-range conflict we have with Russia we had better have something in reserve when the chips are down, instead of exhausting ourselves in advance. That is what has happened to your dollar; it is what is happening to the American economy. As I have said, for many years under this approach we have seen the American people reaching the point where they did not have money to pay but bought on credit; and we covered up this thing for 2 or 3 years. It has now reached the point that they not only do not have the money to pay, but they do not have the courage to buy after taxes are paid, under the policies that we are following right now. There have been too few dollars left in the hands of the American people and too little purchasing power in the dollars they have. You cannot cure your ills by throwing your money around, whether you do it in the name of national defense or what have you.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, I strongly support the fiscal 1959 defense appropriations bill because I believe it reflects some of the difficult facts of life in a period when the safety of every one of our people depends on our national power to prevent successful aggression by the Soviet Union.

We have to stay strong. We must have sufficient men and weapons to fight successfully any kind of war or limited war into which we may be forced. Only this way can we discourage aggression.

I am particularly pleased that the Committee on Appropriations has seen fit to recommend modest increases in the budgets for the National Guard, the Army Reserve program, and the Marine Corps. At relatively small cost, these contingents of our military forces have demonstrated their great value in the past. Under present reprogramming plans, these elements should be better trained and provide a readier, more flexible source of strength.

By maintaining the National Guard at a continuing strength of 400,000, by increasing the active Army Reserve force to 300,000, and by strengthening the renowned striking force of the Marine Corps, boosting it from 175,000 to 200,000 personnel, we are assuring our country maximum performance from these important forces.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 30 minutes to the distinguished gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, Friday of last week, a small group of Members of the House of Representatives assembled in this Chamber and participated in the services for the two unknown American servicemen who have now joined their comrade in arms at the top of the hill in Arlington Cemetery. There now are three, three unknown American servicemen. We could not help but think as we considered those three unknowns whether or not there would ever be a fourth. The only conclusion to which I could come after having been on this committee for 12 or more years, and having observed the progress of as many military appropriation bills as I have, was that if there ever should be a fourth unknown American serviceman in Arlington Cemetery he will be completely surrounded by countless millions of unknown Americans.

Complacency? Mr. Chairman, I have not seen it in the White House. I have not seen it in the Pentagon, and even though there is only a small handful of Members of the House listening, it is not complacency as far as the absent ones are concerned. This situation shows a very high regard for and confidence in the hard work and the sound judgment of the members of the Military Appropriations Subcommittee. I think that is true throughout the country. Yet, if we were to have a lot of fireworks, we would be accused of being hysterical. When we take a calm approach we are accused of being complacent. I do not know how you are ever going to walk on both sides of the street at the same time. We do try to keep to the middle of the road and keep our feet on the ground and our head out of the clouds. It is far better for us to go along on a level scale of defense preparedness than it is to have a series of ups and downs as a result of either so-called complacency on one hand or hysteria on the other, brought about by any 1 day's event. Furthermore, if we jump every time Russia pops off, Russia is running us. We should make our own plans and run our own show. I do not share the alarm of my good friend, the gentleman from Mississippi [Mr. WHITTEN]. I cannot believe that we are in a position to use defense spending as such a great force for economy as some people say. After all, $40 billion is only 10 percent of our national productivity and it takes more than 10 percent of our national productivity to have any massive effect. Be that as it may. Defense does cost a great deal of money, it does bring forth many results without which we could not have an adequate defense.

Much has been said about the progress made by the Soviets in their missile field. Let us be realistic for a minute. They had to have missiles a long time ago. We did not. We have had and right now we do have the strongest, the best, and the greatest and most powerful deterrent to war that there is in our long-range bombers—the Strategic Air Command.

How many of you remember that we were having a terrific argument here in the committees of Congress not so long ago about the relative merits of the supercarrier and the B–36's? Well, bless your soul, to show how fast these become obsolete, you read yesterday where the last B–36 in our inventory was being flown to the junk pile; yet here we were battling back and forth, getting excited, getting hysterical as to the comparative merits of the supercarrier and the B–36's. Those bombers are not only obsolete; the old carrier is on the way out. That has not been too long ago, so that some of the things we look at as being so fine

today will also be obsolete in just a short time from now.

I said that Russia had to have missiles. They did. They have to have fighters, lots of them. They had to have a defense because we have had a strong offense. They still have to have a defense. What they can do with missiles they could have done to European bases with the medium bombers for some few years. So the picture has not changed to a marked degree. One day offensive measures are in the dominant position; the next defense measures come along and offset them. There is a constant battle between offense and defense.

I want to refer to our chairman, the gentleman from Texas [Mr. MAHON], who has not always been as genial during the hearings as he formerly was. He made some remarks about last year's committee action.

Now, a lot of people do not understand the situation we face. They have President Eisenhower, a Republican, President of the United States, but the Congress is controlled by Democrats this year. It was last year and for the last 2 previous years; as far as that goes, for 24 out of the last 28 years, I do recall that early last year I heard a lot of my Democrat colleagues getting up on the floor of the House and shouting to the high heavens about the greatest peacetime budget in the history of the world. Oh, they talked economy, and actually we brought about some economy, and I think it is well justified economy, but I do not recall having heard any of them mention economy since the 1st of January. Maybe the word has been forgotten, but it must not be if this Nation is to exist and remain sound economically, which we must do, as well as to be strong militarily. Yes, "economy" is a lost word. I would like to hear it again sometime. But, after all that talk about the biggest peacetime budget in the history of the world, here it is another year, and what have my Democrat colleagues done? Well, here comes in the Presidential budget that is even greater than the one last year that they complained about, $38,196,000,000. That is a lot of dough. But, they are increasing it by almost another billion. No, they do not talk about cuts this year. Oh, we cut a few places here and some place else and increased it in many others. Some increases are good. I go right along with some, but not with all of them. I felt that the Department of Defense had suggested too great a cut in the strength of the Marines. I thought they had gone too far in reducing the size and the appropriation for the National Guard and the Reserves, and I thought the increases that we made for these forces were proper. And, I will look with a great deal of dissatisfaction upon any attempt by anybody in the administration to thwart the will of the House of Representatives and the Congress by not making use of the funds provided and maintain the strength of the National Guard, Reserves, and the Marines at the figure at which we set them. On the other hand, I did not agree with the increase for the Polaris submarine system. It holds great promise, yes, but it is still too far in the future to justify the increase of more than $1 billion this year. And, as the gentleman from Massachusetts [Mr. WIGGLESWORTH] has mentioned, if they cannot use it wisely, it will not be spent. So, maybe it has not done any harm, but I doubt that it has done much good.

I am probably the one that the gentleman from Texas was talking about when I said I thought we were puffing the Russian ego when we constantly referred to the sputnik. Of course, what they were referring to as the sputnik was the third-stage rocket, which became the fellow traveler with the satellite.

"Sputnik" means "fellow traveler." I told you in January, when we had the 1958 supplemental before us, that I had no idea how much their satellite had cost the Soviet Government, but no matter how many million dollars it had cost them, it was going to cost the taxpayers of this Nation many, many millions of dollars more than it did Russia. Since then many programs of expanded expenditures have been tied to the tail of that Russian sputnik. Perhaps in some ways it was probably a good thing that it did go into orbit when it did. It has caused a great many people to reassess the situation that faces this Nation. I must, I think in all fairness to the Navy and to others, again declare the actuality, the fact, namely: That our satellite programs have not been military satellite programs as such, but have been undertakings by our civilian scientists as a part of and a participation in the International Geophysical Year, IGY.

The Navy came into the picture, as I have previously related, as the contracting agency, because they had had some experience in making contracts for military rockets. So they were called in to be the contracting agency for the civilian scientists. The National Science Foundation and the heads of this program, Dr. Porter and Dr. Higgins and others, are the ones who are in charge of that civilian program.

We do have military satellite programs that are coming along in pretty good shape.

I know there are some who feel that the cut in the regular Army from 900,000 to 870,000 was too great. I do not agree with them. It is time, past the time, to cut down the size of our regular standing force. If you will go back and read some of the figures you will find that at the very peak of the Korean war—and I am now talking about the very peak of the Korean war—we had only 1,600,000 in our regular Army. We will now have 870,000 which is more than half, and we are in a period of at least quasi-peace. Unless we have wasted countless billions of dollars—and I say billions advisedly—it is time for us to reduce our Army, because we have more rapid transportation, we have better communications, we have increased intelligence, we have furnished them with planes and drones with newer, better and more destructive weapons of all kinds. With adequate weapons in his hands, one military man today, one Army man, can inflict more damage than 1,000 of his fellow fighters could in World War II. So perhaps you will agree that 870,000 is enough. The outstanding military leaders of the Nation, and especially the outstanding leader and the most experienced of all, President Eisenhower, said that it is sufficient. Being an old Army man himself I am sure that if he felt that the Army was being unduly hurt in this figure he would have been in here battling for a greater number for them. Particularly do we have enough if these men would be used for military purposes and if we would bring back home many thousands who belong here instead of having them scattered throughout the world, in 61 different countries on the face of the globe.

Mr. Chairman, let us see where we are. You have heard these figures but maybe these charts will give you a little better idea of where this $40 billion goes. The Army's share of this particular budget will amount to $8,617,000,000. They will have 870,000 men, and the payroll just for those 870,000 men will be $3,490,000,000. The Navy will have appropriated funds of $11 billion.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Michigan.

Mr. FORD. That figure of $3,490,000,000 includes not only pay, but also subsistence.

Mr. SCRIVNER. Pay and allowances.

Mr. FORD. Things of that sort.

Mr. SCRIVNER. Yes.

The Navy's share will be $11,042,000,000, and will provide for 630,000 personnel in the Navy plus the 200,000 marines, or a total of 830,000 naval forces, including the Marines, and for their pay and allowances they will have $3,169,000,000.

As the gentleman from Massachusetts [Mr. WIGGLESWORTH] told you, this Navy of ours is a good Navy. It is becoming more atomic than it has been in the past—they are, as has been told you, stressing antisubmarine warfare. They are going into many fields, including, I think, some fields in which they have no business, such as strategic and long-range or heavy bombing.

The Air Force will be provided $17 billion—17 thousand million dollars—to provide for the Air Force with its equipment and all the attendant costs, to maintain a strength of 850,000. You recall that prior to 1947 when we talked about the strength of the Army we then included in the Army the Air Corps, which is now the Air Force, so that to compare the figures before that time and today you would have to take both the Air Force and the Army to have comparative figures. But for the pay and allowances of these 850,000 airmen and officers the cost is $3,914,000,000. So you can get the cost for the personnel of the Army, Navy, and Air Force, their pay and allowances, $10 billion.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from New York, who has served long and well on the subcommittee.

Mr. OSTERTAG. Will the gentleman indicate whether that includes the pay increases recently authorized by the Congress?

Mr. SCRIVNER. No; it does not. That will come later. I probably should

have pointed that out at the outset, and I will later, that none of the figures we are talking about now include the recently increased military pay. That will be another half billion dollars, or $500 million. That is not included in this, although part of it was included in the President's budget. So it is one reason why I say we have increased this budget better than a billion dollars above what it was in the President's budget.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Iowa.

Mr. JENSEN. The personnel and the costs the gentleman has explained do not include the personnel of the National Guard and the Reserves nor their costs? Is that right?

Mr. SCRIVNER. No. It is not included. Those are separate budget items.

This Air Force we have, and do not let anyone kid you about it, is the best in the world. It can on very short notice have literally and actually hundreds of planes on the way to previously designated targets; and, as has been told you so many times, each one of these planes can carry with it more destruction on this one trip than all of the planes in all of their sorties in all of World War II, Pacific and European. The same thing is true in our new fighter bombers, as much destruction in one fighter bomber today as in all the planes on all the sorties in the entire World War II. So sometimes we have reason to wonder whether or not we have occasion to procure as many of the costly planes as we have been getting, in view of that ability.

We are making rapid progress in missiles. They are costly, no question about it. They are not cheap.

And they will cost you more next month and next year. You just read last week where these workers out in the missile plant in California went on strike. Their pay is going to be increased by nearly 10 percent. And it only comes from one place. All these missile plants operate on renegotiable, escalator clause contracts. So all the missile plants will do is add the price of the increase in pay. It comes out of the taxpayers' pocket. So the missile which cost you a million dollars last month, next month and the next few months, because I cannot tell you what it will cost next year, will cost you $1,100,000.

And we did oppose a cut in the Marines. So there it is—a $38 billion budget. You say how much is it? Eventually, it is going to be $41 billion.

Now if you—I do not have any with me—but if some of you have a thousand $1,000 bills, new crisp bills and not the old, dog-eared bills that the folks from Texas carry around—you take those thousand new crisp $1,000 bills, that is $1 million. That is all. It is a million dollars. This packet of paper represents a bundle of 1,000 $1,000 bills.

Mr. SIKES. Will the gentleman bring in something more realistic? We would like to see the real article.

Mr. SCRIVNER. The Republican dollars have gone down to Florida to keep that State green. But, at any rate here it is. A theoretical stack of $1,000 bills. It is 8 inches high. To get a billion dollars you have to have a thousand bundles, like this. That means a stack 8,000 inches high. That is 666 feet high, that is 111 feet higher than the Washington Monument. So now what are we talking about? You are talking about a green forest. Here on this chart are 41 green stacks of $1,000 bills higher than the Washington Monument. That is what your defense bill is. That is what is being provided in your defense appropriations for this fiscal year of 1959.

Where does it all go? In addition to this 2½ million military personnel you have been told about, the military uses the services of 1,100,000 civilians. They are scientists, typists, chauffeurs, truck drivers. They work in some of the factories. They work, for instance, down at Patrick Air Force Base. There are civilians on all the bases doing all sorts of things. Their pay averages a little better than $4,000 a year. So just to pay the 1 million civilians takes another $5,000 billion. We are talking about big money.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BEAMER. I would like to ask the gentleman the question whether or not the number of civilian personnel has been increased or decreased last year?

Mr. SCRIVNER. It has been gradually decreasing, but how long that can keep on, I cannot tell you because you have so many functions to perform and somebody has to perform them whether they are in the uniform or out of the uniform.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to my colleague on the subcommittee.

Mr. FORD. With reference to the figure of $5 billion which is the cost in 1 fiscal year for the 1,100,000 civilian employees that does not include the pay increase legislation which we enacted; does it?

Mr. SCRIVNER. That had not been cleared so we could not consider it in this appropriation bill. It will come in on a supplemental along with the increased military pay.

Now where does the military dollar go? We will break that down by these separate charts. Twenty-six percent of it or a little better than one-fourth of each dollar appropriated for the military goes for the pay of military personnel and allowances. That includes medicare and some of these other items that we have been talking about.

Then we come to what we call hardware, major procurement. Thirty-six percent of your military dollar goes for the procurement of hardware, that is, some of the things, perhaps, that the gentleman from Mississippi [Mr. WHITTEN] spoke about: tanks, guns, ammunition, ships, planes, and missiles.

Now where does it go? This chart shows the various fields of spending almost $6 billion, that will go into aircraft. This large sum is not hard to understand when you realize and appreciate that one of our new B–58's, and it is a pretty slick job, costs about $8 million. Here is a model of a B–58. It is practically all wing. It is supersonic. It does a tremendous job. The first few copies of the B–58 cost much more than $8 million when the amortization of the factory is included. That is why when they first started getting into production and coming out they cost us $20 million, perhaps the first half dozen or so probably cost around $30 million each.

Now we are going into missiles. Missiles are not cheap. Here is one of the old standards, the old Corporal. That is just a piece of long-range artillery. The cost of that is down to a few thousand dollars now. But when we are talking about these new ones, the Atlas, the Thor and Polaris, then we are getting into big money. By the time you put 16 Polaris missiles on a submarine—costing around 80 to 90 million dollars—one submarine loaded with 16 Polaris will run around 110 or 125 million dollars each.

The Thor will run about a million dollars each. The Atlas will run a little better than twice as much as the Thor.

Then we come down to ships. They, too, are expensive.

We did not provide anything for a new atomic carrier this year. An atomic carrier will cost around $325 million. Then when you get into electronics you are getting into a wide field. Here on this chart is the item for electronic communication. This bill provides more than a billion dollars for this item alone.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. AVERY. In the item where the gentleman just referred to the cost, has the gentleman itemized the research cost in that?

Mr. SCRIVNER. Oh, no research and development comes from separately provided funds.

Mr. AVERY. You have written that right off?

Mr. SCRIVNER. That has been written right off.

When we start building plants for the production of missiles, then we amortize the cost in the first 50 or 100 missiles made, just as when we built airplane plants, we amortized the cost of the plants in the first hundred or so planes. The last B–36 that came out, just the plane, cost less than a million dollars, because the plant had been amortized and the efficiency was vastly greater.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FORD. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. SCRIVNER. Now here on the chart is another big item: Maintenance and operation. That takes 23 percent or almost one-quarter of your dollar. What do we do with that? Maintenance and operation—there is $9 billion. That is just for housekeeping for over 1,062 bases, all over the world; from the little remote nonmanned radar stations clear on up to Fort Benning, Ga., with 34,000 men. You have got to keep the roof painted. You have got to have water. You must have electricity. You have to have all those things. Here is where it goes. We will procure from operation and maintenance funds 265

million barrels of fuel. For what? We are going to keep over 37,000 planes flying. That is the Air Force, Army and the Navy.

Eight hundred and fourteen thousand vehicles consume fuel, gas, until we find that in the Army we have one vehicle for almost every three men in the service. Hardly anybody has to walk any more; it is a very mobile army.

We buy more water in 1 day than is consumed by the city of New York.

Here is the bill for electricity: 6 billion kilowatt hours. These are just a few of the items that are necessary in the upkeep and maintenance of these bases.

We operate nearly 10,000 miles of railroads on our bases.

And telephones and telegraph lines: We maintain 43,000 miles of them on these bases. So these are some of the reasons why the maintenance and operation portion of the military budget always stays at a sizable figure.

Missiles: I will come to them in a moment. But here in this series V we come to the sheet "Research and development." Seven cents out of every military dollar goes for research and development. This year we are providing $2,700,000 for research and development. For what? For fast planes. This B–58 is not fast enough. We are talking about the B–70 now. Then there is one that is going to go higher and faster. It may perhaps go around the moon and come on back.

We are not satisfied with the kind of missiles that we have. Here is the Bomarc. Now that is not good enough even though it will go out 400 miles and knock down a plane. We want one that will go out a thousand miles and knock down a plane. Then we come to the Nike-Ajax, the Nike-Hercules, and then the Nike-Zeus, which will go out and knock down missiles. We are never satisfied.

We have some cracking good planes, but long before we have a new plane finished we have plans and specifications for still better, bigger, faster planes.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. ANDREWS. While the gentleman is discussing the speed of planes and missiles I wish he would tell us something about the new Hound Dog.

Mr. SCRIVNER. I will get around to that in just a minute. I do not come from the Ozarks, but I get down there once in a while, and this talk about hound dogs makes me feel like I would kind of like to hear the hound dogs baying myself.

Research and development: Here is another item—radar. We no more than get our radar line built in the Arctic than we are told it is obsolete, that we have to get bigger and better radar, that when we get into the missile field radar screens will be as big as football fields. You do not get them for pennies, either.

This is not in this bill, but it is another item of cost: Military construction. It is necessary to have more houses, more barracks, more runways, more of everything.

We have a special volume of the hearings just devoted to missiles. Here in my hand is the model of an old Matador, it is a pilotless airplane. We have them in overseas service now. These are the ones that come in six parts, every part can be interchangeable. But it is obsolete. So they have a new Matador coming along that will do better than this one, one with longer range, greater accuracy.

And in connection with missiles I must mention our submarines and our missile-carrying submarines. Here is the Regulus which will be launched from submarines. It is not a ballistic missile. It is just a good missile of the pilotless bomber type launchable from a submarine, similar to the Air Force Snark, a missile with a high degree of accuracy, and a long range.

Titan is the successor to the Atlas, and we hardly get started on that until we are working on another one. The Army, as you have heard, has the Jupiter—the companion to the Air Force Thor—both 1,500-mile missiles.

Then, of course, there is the submarine missile, the Polaris. Over here we have these others, the Matador, the Snark, the Regulus. Then there are the smaller missiles, Honest John, Little John, Redstone, Corporal, and Sergeant. The gentleman from Texas [Mr. MAHON] referred to the Minuteman which will be a solid-fuel missile. They come in various classes. Some of these, like this one, the Corporal, is nothing more than long-range artillery to be launched from the ground to hit a target on the ground. We have others, including the Bomarc, the long-range antiaircraft missile, then the two missile frigates you read about, the *Canberra* and the *Boston* which carry the Terrier. We have the Nike, Ajax, and Hercules. Then, of course, with the planes themselves we have what we call air-to-air missiles with such astounding accuracy they will go right up the tail pipe of the pursued jetplane.

Now, here is where the Hound Dog comes in. I do not know who got up all of these names. Whoever it was must have been retired from the pullman service because some of the names are fantastic. Hound Dog is just a rather large, substantial guided missile, that can be carried by the B–52, probably not the B–58 because the B–58 carries their stuff in this suspended pot below, but by the B–52. It can be released from the B–52 some hundreds of miles from a potential target and with high degree of accuracy in guidance can then strike that target without the bomber ever going into the range of the enemy antiaircraft weapons. It is quite an innovation and, as I look at it, it is in many ways much superior to the guided missiles themselves. Then, of course, we have the Bullpup. We have a lot of them, some 40 missile programs, some of which we talk about and some of which we should not.

We are providing in this budget for a good strong, and I feel, adequate, defense force. It is a military machine that will work if it is ever called upon to do so.

Here is another chart that I hesitate to speak about. We think of missiles being simpler and less expensive and that we do not have to have big airfields and everything that we have to have for the big bombers. But if you think for a minute that missile bases are going to be cheap, forget it. This is a simulated drawing. By the time you get these missiles installed, and we are making some installations now, with everything that goes with it, with all the control centers, with all of the checking stations, everything that is necessary exclusive of the missiles, each one of these missile bases is going to cost a minimum of $50 million.

Mr. Chairman, I hope what I have done in bringing this to you in the illustrated manner I have has given a better understanding of what we are talking about today when we are discussing a $41 billion military appropriation bill. To boil it down, here it is: Military personnel, for pay and allowances, $10,600,000,000; procurement and production of everything, your planes, missiles, your pumps, tanks, guns, and ammunition, $14,800,000,000. Operation and maintenance, keeping up all of these bases with everything from pins and pencils on up and down, $9,200,000,000.

Research and development for new gadgets to help us do a better job in defending this Nation, $2.7 billion. Military construction, which will come in later, $1.7 billion, and then these other items such as the Office of Secretary of Defense, Department of Defense, downtown, the Pentagon, and pensions, $1.8 billion, bringing the total amount up to $40.8 billion.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I would like to thank the gentleman from Kansas personally and officially for the exposition he has given this House. I wish every one of the Members had been here to hear it. I will say to the gentleman that it makes it much easier for us to vote for the $40 billion.

Mr. SCRIVNER. I thank the gentlewoman for her commendation.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Texas, the subcommittee chairman.

Mr. MAHON. I want to join with my colleague from Illinois in complimenting the gentleman from Kansas for this most unique and unusual and interesting and understandable presentation. I think it is very fine, and I thank the gentleman for his splendid work. He does a good job on the committee, and he has done a good job in giving us a basic overall picture of what we undertake to do with $40 billion for defense.

Mr. SCRIVNER. I thank the gentleman.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Ohio.

Mr. VANIK. With respect to contracting, which is taking over a good part of our defense structure now that we are spending more money for private contracting in order to reduce the great

body of civilian workers in the Department of Defense, it has recently come to my attention that we are contracting with private corporations for the preparation of plans, planning preparation. Our own military defense people in the Pentagon work hard over defense plans, and then they are gone over by some private contractors who go through their work and analyze it, and then the work is taken off to some company headquarters and then it comes back to the Pentagon as a contracted item for which the Government spends tremendous sums of money. A good part of this work is paraphrase work that is done largely by the military. Is that criticism correct?

Mr. SCRIVNER. I think probably you can find some activities like that. But, you have two choices, as I see it. You have the choice for example as is exercised by the Army in the missile program as to whether you are going to develop your own corps within the military, have your own Army plant and build your own weapons through the military branch of the service. On the other hand you can, as the Air Force does, after they look into this, go to private industry and say, "All right. We want a plane" or "We want a missile that will do certain things." Then private industry, with their experience, comes up and tells the Air Force what they can do. You have the choice. And, the same thing is true in the other. There are certain phases where I believe quite surely that some of the men we have in the military service can do an exceptionally fine job where, on the other hand, there are certain phases of activity where, I feel quite sure, we are better off to get somebody in private industry to do it than to do it with military personnel. So, you have to hit a happy medium, I am sure.

Mr. VANIK. I was not talking about missiles or research and development. I was talking about actual strategic planning, where some of the strategic planning on the part of our defense structure was being let out by private contract. I think it has a demoralizing effect on our military.

Mr. SCRIVNER. I do not recall anything like that, but I do recall that there are certain types of defense studies; yes.

Mr. VANIK. I was told that some of these plans had been labored over by military people, and the civilian contractors come in and paraphrase the stuff, add a few visual aids, and then sell it back to the Government for a quarter of a million dollars.

Mr. SCRIVNER. It might be that some of that planning is worth a quarter of a million dollars, but I do not know the specific instance to which the gentleman is referring.

I would just like to point out what I have tried to point out so often, which bears repeating. The job of sitting on this committee is not an easy task by any means. We start these hearings sometimes before the Congress convenes. We are sitting in that committee room day in and day out, from early morning until late at night, and there is no release from pressure whatever. The responsibility is there. If you give too much money, you are wasting it; if you do not give enough, and do not have it when it is needed, you have a worse situation. We have many decisions to make. I have said many times that this Nation—and that is my concern—this Nation must have a strong national defense, and we have it. But we must also realize by now, after listening to the other Members as well as observing this chart presentation, that a strong national defense is not cheap.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Mississippi.

Mr. COLMER. Mr. Chairman, first I want to be associated with the other Members who have complimented the gentleman on his very able exposition of this subject. My second reaction is that the exposition within itself—and where it leads is appalling, I am sure, to the gentleman himself as well as to his audience, and makes one wonder just how long we in this country as well as the potential enemy itself, Russia, can keep up this armaments race without destroying our own economy.

Mr. SCRIVNER. That very question has entered the mind of every member of our committee. The only thing I can say for sure is that as long as Russia is a menace to the peace of the world, so long must this Nation be prepared and so long must we be prepared to spend huge amounts of money. I can see no hope whatsoever within even the next few years of the request for military spending to be reduced at all. If anything, it is going to go up a little bit every year, from 3 to 5 percent, maybe a little bit more, just in the natural course of events. Within 5 years the gentleman may predict to his folks at home that the military request will be not less than $50,000 million or $50 billion a year. And as far as I am concerned, while I begrudge the spending of every nickel of this money, it is worth $50 billion a year for me to survive in this great Republic.

Mr. COLMER. With that statement of the gentleman I have no quarrel.

Mr. SCRIVNER. I am sure of that.

Mr. COLMER. I know exactly how the gentleman feels and I feel exactly the same way, but it also seems to me that somewhere along the line somebody has got to give consideration, Russia as well as America, to whether the economy can stand this kind of an armaments race.

Mr. SCRIVNER. As I pointed out, $40 billion is only about 10 percent of our national productivity.

Mr. COLMER. And yet it is 10 times as much as it cost to operate the entire Federal Government, defense and all, when I came to Congress.

Mr. SCRIVNER. I could paint pictures of all kinds to show what we could do with this money if we were doing something constructive for the folks back home rather than potential destruction of a great part of the world. I share the gentleman's concern, but what the answer is I am frank to say I do not know. But I do know that it is a load for Russia, too. We do not have all the problems; they have some.

Mr. COLMER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. SCRIVNER] has again expired.

Mr. MAHON. Mr. Chairman, I yield 25 minutes to the gentleman from Pennsylvania [Mr. FLOOD].

Mr. FLOOD. Mr. Chairman, this for the members of the subcommittee is a very important day, a very important time. We have had special and regular hearings on this problem. Two weeks after sputnik was fired last fall we came back to Washington and held hearings, this subcommittee, and we toured missile installations in California and Alabama, we went to Cape Canaveral in Florida for the investigations and the firing of the different missiles there. That took us up until January. We came back in January and starting immediately—this subcommittee has been sitting every morning and every afternoon, day in and day out, without exception, of course leaving out the Saturdays and the Sundays. On Saturdays we were working on testimony and reviewing the evidence and reports. So this has been a long, difficult job.

Keep in mind, this bill before you today carries about $40 billion. In effect, this will be more than half the total budget. This subcommittee handling this bill today, under the leadership of the distinguished gentleman from Texas [Mr. MAHON], this one subcommittee handles more than half the total budget.

Generally as you know I find myself in opposition to the bill as it comes on the floor. Year after year I come here with amendment after amendment after amendment. I have been doing that for over 10 years, because I was always protesting and objecting to the cuts you were making in the Army and the Navy and the Air Force and the Marines, always begging and pleading with you, "Don't do this, don't cut the Air Force, don't cut the Marines, don't cut the Army, don't cut the Navy; leave it alone, or in many areas add this, add that."

This budget which came to the Congress this year from the Executive was a presputnik budget, make no mistake about that, but the minute the Russians fired that sputnik, yi, yi, yi, yi, what a different complexion there was all over the place. My!

Well, I had a handful of amendments the day before the sputnik was fired, just as I have had for 14 years. Now, Mr. Chairman, I have only one left. I should write a letter to Khrushchev and the Russians and thank them for doing me the greatest favor anybody ever did as far as my getting the kind of defense bill I wanted for the first time. For the first time in 14 years I have a defense bill, with the exception of an Army amendment, that almost satisfies me—not quite, but almost satisfies me. I have got the Russians to thank for that.

The funny thing about these fellows, these Russians, every time things begin to look bad for us, every time we begin to slow up, every time we cut our defense budget so deep that we leave blood, every time we are in trouble, the Kremlin has a fantastic genius for saying or doing something that puts us right back

on the track again. I do not give the Congress much credit for it, certainly not the Executive no matter who the Executive is, and less the American public, certainly less the public than anybody else, because you, the Members of this Congress, react to the way the public thinks and feels.

Every time we are in trouble these Ruskies do something or say something, and bang, we get ourselves all straightened out again. When we were at our worst state of mind, just when we were in the worst condition possible and we were going to get worse, because that was the way you were all thinking, they fired the sputnik, and that did it. They scared you to death. They scared you to death from one end of this House and one end of the country to the other. My, if this bill was on the floor last Thanksgiving Day, the galleries would have been filled. Every Member of the House would have been here instead of this corporals' guard. A $40 billion budget.

Well, Mr. Chairman, here is the problem. I certainly thought my friend, the gentleman from Kansas [Mr. SCRIVNER] did a great job. The only thing wrong today is that Mr. SCRIVNER and I are not going to have an argument about anything. That disappoints him I am sure, and me, too, because we usually fight and roll around on the floor here hour after hour. But, he did a good job and as was pointed out while we on the subcommittee are aware of these vast details, the Members of the House generally of necessity cannot be, and the gentleman from Kansas [Mr. SCRIVNER] performed a service for everybody going to all this bother and trouble. He enjoyed doing it and he did well. Now, let me tell you this. That is all right. He gave you a picture of how we looked and that is the way we looked. He laid it on the line. Let me tell you something. The trouble is not what we are doing. As was pointed out, the trouble is this: Are we doing enough in relationship and in direct ratio to what the Russians also are doing? Even if the Russians only continue to develop their war machine at the same degree that they are now developing it, and even if we continue to do what you have heard today, we propose to do, you are still in mortal danger. It is the ratio of the increase of the Russians as contrasted to ours—that is the danger. That is the danger. Did you ever think you would live long enough—did you ever think when you were a kid in school that you would live to see the day that anybody would be standing on this floor and speeches would be made by Members of the Congress all over the country day after day saying, "We must catch up to the Russians—we must catch up to the Russians." Can you imagine that? We, the United States of America, all we want to do and all we talk about is, "We must catch up to the Russians."

I do not agree with that. That will not satisfy me, and I am sure it would not satisfy you. I know it would not satisfy the American people. That is not what we mean—catching up to the Russians; and the way you are going, keeping in mind what they are doing, you will not catch up to the Russians. You are not going to catch up with anybody, according to this budget. There is something the matter with your thinking. They are not standing still. You will have to go twice as fast and do twice as much and be twice as good as the Russians are for the next 5 years before you are even with them, on the ratio of percentages of increase; and then if you do something more than that you will do what I want you to do and what I believe you want to do and that is to go ahead of them and stay ahead of them in everything. But you are a long way from that.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. MILLER of Maryland. I think I know what the gentleman has in mind. I think I probably agree with his thought, but his remarks would indicate that we might perhaps be derelict because we do not catch up with the 175 divisions that the Russians may have or the 500 submarines, or whatever it is. I think the gentleman means in the overall readiness, not talking about details. But I thought it might be misleading if I did not mention that.

Mr. FLOOD. I think I know what you mean. Let me put it this way. At the end of the fiscal period with which this budget deals, July 1, 1959, the Russian Army will be four times bigger than yours; four times bigger. It will have the best possible equipment that you can imagine. In my opinion, their hardware will be better than yours. The Russians will have more equipment and better equipment than the United States Army July 1, 1959, and it will be four times bigger.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Yes; I yield.

Mr. SCRIVNER. I do not like to try to make you out a poor prophet, but here is where we can have a little argument.

The fact that Russia has four times as big an army as we have is nothing new. They have had it since the end of World War II.

Mr. FLOOD. Oh, I know all that, too. I do not go as far back as the gentleman does—Peter the Great—although I respect his gray hair. The fact remains, regardless of what they had and when they had it, on July 1, 1959, the Russian Army will be four times bigger than ours, regardless of divisions or numbers. It will have the best and most modern hardware and equipment in the world.

Mr. SCRIVNER. No American military man talks about meeting them on the ground, either.

Mr. FLOOD. I yield to the gentleman from Florida.

Mr. SIKES. It is true the Russians have always had a much bigger army than we have. The picture relatively now is about the same. But in World War II the only modern equipment that the big Russian Army had was what we gave them and what they were able to build in the late stages of the war, or take from Germany. Since World War II the Russians have completely equipped their big armies with new weapons and equipment, built since World War II, all completely modern; whereas the small American force is largely equipped with weapons that were modernized—not new weapons, but modernized weapons that have been rebuilt since World War II, and we do not even have enough of that to take care of a first-class fighting army.

Mr. FLOOD. Make no mistake. That is the first significant factor to keep in mind. Remember what I have said and what the gentleman from Florida [Mr. SIKES] just said.

Second, 2 years from now you will have 200 submarines. Russia will have 700—700 just as good and just as big as yours. The Germans started World War II and nearly swept the oceans of the world with 48 The Russians will have 700; and combined intelligence has advised us within the last week that 2 submarines were observed in Russia that are 35 feet longer than the one you are now building, atomic, and probably or most certainly, they are atomic submarines.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield.

Mr. SCHWENGEL. I have listened with a great deal of interest to the gentleman's comments on our lack of proper defense.

Mr. FLOOD. I have not said that.

Mr. SCHWENGEL. But the gentleman distinctly implied that that was what he meant.

Mr. FLOOD. Oh, no, no, no; there must be something the matter with my language. I certainly am implying nothing of the sort; I am not writing an editorial; I am not preaching a sermon, I am reciting the facts. You draw your own conclusions, I am not giving any.

Mr. SCHWENGEL. What would it cost to get modern?

Mr. FLOOD. What would it cost?

Mr. SCHWENGEL. What would it cost to do all the things you seem to think we ought to do?

Mr. FLOOD. In this day of astronautics and space the figure would be astronomical. That is about as close as I can come. If the gentleman means could I tell him what it would take, how many dollars it would take to do what I think should be done in the matter of catching up with the Russians, let me tell you this, almost all of the experts who came before our committee to testify, almost every man on our subcommittee said to them—I know I did it with every witness, and nearly every other member did it with nearly every witness: "Do you have enough money? Be sure; be sure that you do not go short of money." Of course, many admirals in the Navy and generals in the Army and Air Force, as it has been always, would immediately say, "I have not got enough." We know all about those fellows. But I do not believe, as of this minute, that more dollars are going to do this in many, many, many ways; I am not sure that it can be done over a period of the next number of years, you understand. If I say to you: "Give me X dollars and I will solve this problem," that is not so. X dollars will not solve this problem. It is much more

serious than that. You cannot buy this; you cannot just like the big-shot American in many places will say, "How much? Give them all a drink." Oh, no, you cannot buy this.

Mr. SCHWENGEL. But the gentleman agrees that it will cost more money.

Mr. FLOOD. Oh, it will. My friend from Mississippi raised the question. In my opinion the budget next year will be $50 billion—$50 billion next year, and I think it will stay at a floor of between $50 billion and $60 billion for 20 years. Sure, you are not going to get it cheap.

Mr. SCHWENGEL. I would like to get the gentleman to say what he thinks we ought to do and what he thinks we can afford.

Mr. FLOOD. What you can afford is not the point; the point is you cannot afford not to do this.

Mr. SCHWENGEL. What figure would you say? Fifty billion or seventy billion dollars more?

Mr. FLOOD. Under no circumstances am I going to put a price tag on national defense. In the first place, I do not know the answer; in the second place, I am not sure that anybody in the world, not even the Joint Chiefs of Staff, can say that for so many dollars we can do what should be done. I do not know that there is such a figure. At least, I do not think anybody knows what it is.

Mr. SCHWENGEL. From what the gentleman said, it would cost twice as much as we are spending now?

Mr. FLOOD. Let me say it in this way. I am not sure. As a matter of fact, may I say I do not think you could spend twice as much as we are asking you to appropriate; I do not think that the economy or production could utilize it; I do not think it could be absorbed. As a matter of fact, I will say that I do not think we will be able to spend the $40 billion we are asking for.

Mr. SCHWENGEL. One further question, and I thank the gentleman. From the observations that the gentleman has made of the world, he should know that the warmongers are not in the United States; the warmongers of this world are in Russia.

Mr. FLOOD. I hope that is the majority opinion of the world. It is certainly mine and the gentleman has just stated it is his.

I want to go on. I told you about the Army and the submarines. Let me tell you this, and make no mistake about it: The Russians have more fighters than you have and on July 1, 1959, the Russians will have more supersonic jet fighters just as good as yours, more than you will have, in case you do not know it. Remember what we are talking about. Two years from today they will have more bombers, long-range bombers, that will fly just as far as yours. They will have more of them, and they will be just as good. They will have as many H-bombs and A-bombs. Make no mistake about that.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from New York.

Mr. OSTERTAG. I would like to refer the gentleman to the hearings in which General Taylor appeared before the committee. A question was raised as to the size and strength of the Soviet Army. I would like, if I may, to read briefly what the general said. To a certain extent it agrees with what the gentleman has said.

Mr. FLOOD. Did I ask him that question? I did at one time or other.

Mr. OSTERTAG. No. This was a question I asked him.

Mr. FLOOD. It was even better than mine, I am sure.

Mr. OSTERTAG. I am not going to read the question but I will read the general's answer. General Taylor said:

> I would say the Soviets are maintaining large ground armies because they anticipate the need for ground armies. In other words, they have objectives on the ground which can be attained only by ground forces. I would add, also, that they have very serious problems in controlling this Communist empire which they have imposed by force upon the so-called satellite nations. So they have many requirements for armies which are quite apparent and certainly to them the Army is still the principal arm.

Mr. FLOOD. I have no quarrel with that. The gentleman is reciting the facts. I do not care what the reasons are. The facts are what I am telling you. They are going to have an army four times as big as yours and equipped better than yours. Do not make any mistake about that. This I give you so you will have a review of what the Russian Air Force, the Russian Navy, the Russian Army, everything in the Russian Defense Department, are doing. You will then know what it looks like compared to yours 1 year from today, if that makes you feel good.

Now, you hear that we have a great bomber force, the best in the world. No doubt about that. And thank God you have it. It is your bomber force which is responsible for world war III never taking place. There will never be a third world war, and the reason for that is your bomber force. You say our bombers will fly over Russia with H-bombs and A-bombs and will kill 30 million Russians in 12 hours. That is right. Yes, sir, that is exactly what we can do. But the only catch is that Russian bombers will fly over the United States with H-bombs and A-bombs and kill 30 million Americans at the same time. Now, if that makes you feel better, that is the way it is.

Mr. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Kansas.

Mr. GEORGE. As a Member of the House who has watched the gentleman come in and out of the Congress, I am sure that he has the answers. What I want to know, since you are a member of this great committee, is what we should do. We are concerned; we are vitally concerned. You are telling us what is wrong. Give us the answers as to what we should do within your considered and divine judgment.

Mr. FLOOD. If you want the answer to that, I am a member of the Committee on Appropriations, and the one thing you people out there have insisted we do not do is write law. I may or may not have the judgment and the wisdom and the ability to write it, but I am on the Committee on Appropriations, and I refer you to the great leader of the legislative committee, the gentleman from Georgia. You go to the Committee on Armed Services, and they will tell you what to do and how to do it. They can tell you better than I can. I am a member of the Committee on Appropriations; I do not write law on that committee.

Here is another problem. I want to talk a few minutes about an amendment which will be offered by my friend from Florida, which he is going to introduce tomorrow. I am going to support his amendment. I am convinced that the Army should be restored to a figure of 900,000. The President wants it cut to 870,000. Now, despite the fact that I am on this side of the aisle, I have been supporting the President more than you fellows have on that side of the aisle for the last 4 years, be that as it may, and I think I am going to support him more than you will this year, but that is the way the ball bounces, because the program the President has espoused during the last 5 years is a program I have been voting for for 15 years, most of it. So, many of these proposals are not new to me.

Now, let me tell you this. It is my opinion that within the next 3 years everybody on both sides of the world is going to have so many missiles, intercontinental ballistic missiles at 5,000 miles, with nuclear warheads, intermediate range missiles with nuclear warheads, bombers with H-bombs; everybody, Russia and the United States, on both sides, are going to be so loaded with weapons of nuclear potential that in my opinion you are going to have an absolute impasse; you are going to have a complete stalemate. Other than suicide, nobody is going to push that button. But nobody. That is what I think. Now, you can argue with me, "yes," "but," "if," "suppose," "I know all about it; I know all about it." I do not want any "iffy" situation. I think in about 3 years that is going to be the actual fact.

However, I know something about the Bible and I know something about history, and I am just as convinced that about that time and from then on you are going to have rashes and outbreaks of little wars, or brushfire wars, or quarantine wars, or police actions, or whatever you want to call them—you know what I am talking about—all over the world, north, south, east, and west. You are going to have them all over the world, make no mistake about that. There is not a man here who does not believe it. Now, nobody is going to fight that kind of a war with B–52 bombers or H-bombs. Nobody is going to use the IRBM or the ICBM.

Mr. SCRIVNER. If the gentleman will yield, I would point out that we have 200,000 marines for fighting.

Mr. FLOOD. That war has to be fought by the Army, by ground forces. Of course, you know I would be the first man to include the Marines.

Mr. SCRIVNER. I was afraid the gentleman was going to overlook them.

Mr. FLOOD. Do not be afraid of that. You know perfectly well that every time I stand up here on the defense bill the boys start to sing "From

the Halls of Montezuma to the Shores of Tripoli." That is my outfit. I am not forgetting the Marines, certainly. But the Marines go in to strike amphibiously, and hit. It is the province of the Army to come in and hold and fight the action at length. The reason you use Marines for continued action, as you did in Korea, is because somebody had to do it and you did not have a big enough Army, because you cut the heart out of them and the legs off them, with economy in the Congress and the executive.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield for one further observation?

Mr. FLOOD. I do not yield; I want to take up one or two more points.

Mr. SCRIVNER. I should be glad to yield the gentleman an additional minute, if he will yield to me for one observation.

Mr. FLOOD. The gentleman will be able to get plenty of time tomorrow. Mr. Chairman, while it breaks my heart, I cannot yield at this time.

Mr. Chairman, we have this situation. Finally, let me tell you this. For the last several years I have been pointing out to you that you do not have an adequate airlift. Today you do not have an adequate airlift. On July 1, 1959, you will not have an adequate airlift. So if you had an Army, such as I think you should have—and I think you should have an Army of at least 10 more divisions. You do not have it now. You have only one full-strength division capable of taking the field, the 101st Airborne. The 82d Airborne is not full strength and ready to take the field, only by regimental combat teams. Your other divisions are not. They are all training divisions and you made them training divisions because you cut the Army. But even if you had the Army, and all the divisions I want you to have, you cannot take it any place. If there is a brushfire war, it will break out, let us say, in the Far East. Monday morning at 9 o'clock you have an outbreak in the Far East. Monday morning at 9 o'clock you have an outbreak in the Mediterranean. You cannot take even one Army division to either place. You cannot fly an Army division to either one of the two theaters inside of 30 days, and you cannot take the hardware with it, you cannot support it logistically inside of 30 days without the United States Navy Surface Transport Service for logistics and hardware. You cannot do it. Certainly if that is the case, you cannot do anything about the fire in the Far East. You do not have the planes. You do not have the right kind of planes. The United States Department of Defense does not have an adequate airlift as of this minute and will not have a year from today.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. Yes, of course.

Mr. MILLER of Maryland. Of course, I would not argue with the gentleman on the facts that he has pointed out, as to just how many troops we could fly, or where, on short warning. But it does emphasize the absolutely essential part of our defense program that is involved in mutual security, does it not?

Mr. FLOOD. Oh, yes. I am convinced of that. I do not want to get into a foreign-aid argument here, but I agree, of course. The point I make is that you do not have an Army of proper strength, you do not have it by full strength combat divisions, and even if you had, you could not move it where you wanted it when you wanted it fast enough. That is the Achilles' heel of your defense structure.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield at this time?

Mr. FLOOD. Yes, of course.

Mr. SCRIVNER. We have gone over this matter many times. I have heard the gentleman's position on it many times.

Mr. FLOOD. That is right.

Mr. SCRIVNER. I have also listened to the statements made to us by the Chiefs of Staff and by the Chairman of the Joint Chiefs of Staff about the airlift and we have been told exactly why, in many instances, if we had a million planes we still could not use them as an airlift to a great many of the places to which the gentleman has referred, because we would not have preposition fuel, we would not have a field to land on or to take off to get back.

Mr. FLOOD. There is no question about that. I am not debating those facts with the gentleman. What I said was that the fact remains that you do not have the right kind of airplanes, and you do not have enough airplanes to take the Army east, and west, north, and south, if and when you needed it. The reasons I am not debating with you, the fact that there may be difficulties, the fact that you may have to do this, the fact that you may have to, do change the configuration of your planes. I am just making these statements. The Army is not big enough, you do not have enough trained combat divisions, you are forced to utilize what you have for training cadres, and you have cut it too far already, you have cut it half a million in the last 5 years. You should leave it at 900,000. Even if you had a million, even if you had 15 full-strength combat divisions, you do not have an airlift to take it where you want when you want it, at the time you need it. There is no argument about that.

Mr. Chairman. I support the bill. In particular I support the policy directive of our committee, noted on page 64 of the report—House Report 1830—that the Department of Defense should use the appropriations provided to foster the growth of civil airlift in order to increase the national capability of moving our Armed Forces rapidly to any area in the world should trouble develop.

A little over 2 years ago, really for the first time in its 8 years of history, the Military Air Transport Service was called before our committee for intensive interrogation. Among other things, we were interested in what explanation MATS could give to its continuous resistance to the policy recommended by the Hoover Commission and by President Eisenhower's Air Coordinating Committee Report on Air Policy that the Government should adjust its policy so as to use existing unutilized capacity of United States air carriers before authorizing the use of Government-owned and Government-operated transportation.

The committees of both Houses and the conference expressed approval of the policy advanced by the Hoover Comm'ssion and the President's Air Coordinating Committee.

Our committee stated:

The committee notes that it is apparent that commercial air facilities, including scheduled and nonscheduled airlines, are an essential part of the overall mobilization transport strength of the United States (H. Rept. 2104, 84th Cong.).

The Senate committee stated:

The committee wishes to make it clear that the Department of Defense should, in the future, utilize the services of commercial transportation to the fullest extent possible when it is more economical, and that in evaluating relative costs of transportation, the Department should recognize the element of time saved as an important factor (S. Rept. 2260, 84th Cong.).

The conferees in a letter of August 3, 1956, signed by the chairman of our own Defense Appropriations Subcommittee, the distinguished gentleman from Texas [Mr. MAHON] and by Senator CHAVEZ, as chairman of the Senate Defense Appropriations Subcommittee, to the Secretary of Defense approved the policy laid down in our report including the statement:

In this regard, President Eisenhower's Air Coordinating Committee 1954 Report on Air Policy (p. 17) had this to say:

"The Government should to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers."

The committee strongly endorses that statement.

Mr. Chairman, I insert the complete text of the legislative documents expressing the Congressional intent with respect to the appropriations for the Defense Department for the fiscal year ending June 30, 1957:

CONGRESSIONAL INTENT AS EXPRESSED IN REPORTS OF HOUSE AND SENATE COMMITTEES ON APPROPRIATIONS REGARDING POLICY TO BE FOLLOWED BY THE DEPARTMENT OF DEFENSE IN USING COMMERCIAL AIR TRANSPORTATION AND REGARDING THE MILITARY AIR TRANSPORT SERVICE (MATS)

1. House Report 2104, 84th Congress, 2d session, May 3, 1956, on Department of Defense appropriation bill for fiscal year 1957, pages 45–47:

"The Military Air Transport Service has, for some time, been one of the most controversial activities of the Air Force. The controversial aspects of this service result primarily because, to some extent, it is competitive with commercial air facilities. MATS, as the Military Air Transport Service is called, is an integrated Air Force command providing strategic airlift, technical services, and a global air-route system. Since it was originally organized in 1948, it has been the subject of much comment and numerous studies and recommendations. Several years ago, the Committee on Appropriations recommended that the air transport portions of MATS be set up under an industrial-fund type operation. The last so-called Hoover Commission has made a similar recommendation. The President's budget for fiscal year 1957 contained a provision for placing the air transport portion of the MATS operation on an industrial-fund basis during that year.

"The MATS organization is an enormous operation supporting more than 110,000 miles of global air routes, and employing approximately 105,000 military and civilian personnel. Of this total, over 16,000 are civilians. It should be pointed out, however, that approximately 63,000 of these employees are assigned to technical services and independent units of the MATS operations, that only 42,000 are assigned to the air transport facilities. MATS has 506 4-engine aircraft of the C–54 and larger variety assigned to the transport mission. The total operating costs for fiscal year 1955 are reported to have been about $560 million, of which approximately 40 percent was for technical services, 22 percent for base support, 30 percent for strategic transport operations, and the remainder for miscellaneous activities.

"From the foregoing data, it is evident that the MATS operation is one of the major commands of the Department of the Air Force. It is also evident from the testimony given the committee that the mission assigned to MATS is of major strategic importance. It is more than just a convenient air transportation system. It is a significant portion of our overall air defense forces. Because of its size and the complexity of the problems involved, witnesses from the Air Force stated that it would be impossible to accomplish conversion of the air transport phases of MATS to an industrial-fund type operation during fiscal year 1957. Therefore, the committee is not providing the necessary funds for this purpose during fiscal year 1957. Nevertheless, it is expected that the agencies of the Department of Defense will continue to work toward the objectives of setting up a consolidated air transport organization which can be placed under an industrial-fund method of operation. The committee strongly favors such procedure.

"As noted in the previous paragraph, the committee recognizes the strategic importance and necessity of a strong MATS type of operation. At the same time, the committee notes that it is apparent that commercial air facilities, including scheduled and nonscheduled airlines, are an essential part of the overall mobilization transport strength of the United States, and as it has been stated by Air Force representatives, will provide a major part of the ability of the Nation to meet the huge demands for transport in the event of a sudden war emergency.

"Because of the significant role that the Military Air Transport Service plays in our mobilization, the committee does not desire to set an arbitrary limit on the size of the MATS operation. However, it is the opinion of the committee that the Air Force should give attention to handling its air transport business in such a way as to assist in keeping the nonscheduled and other airlines in a reasonably sound financial and operating position. In this regard President Eisenhower's Air Coordinating Committee 1954 Report on Air Policy (p. 17) had this to say:

" 'The Government should to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.'

"The committee strongly endorses that statement.

"As was stated in the hearings, the committee will require complete annual operating statements from the Air Force and the MATS organization for consideration in connection with the annual appropriation requests. At the time of the fiscal year 1958 hearings, it is expected that the Air Force will have a firm statement on its plans for industrialization of the Air Transport organization. The statement to be prepared for the committee should contain firm information with respect to the following points:

"(1) The basis for determination of the number of aircraft to be assigned to the consolidated Air Transport organization.

"(2) The number of hours, by type and model, that it is planned to fly the aircraft assigned to the Air Transport organization during fiscal year 1958.

"(3) The policy to be followed with respect to the assignment of cargo and passengers to the Air Transport organization and commercially operated aircraft.

"(4) The routes to be regularly serviced by the consolidated Air Transport organization.

"(5) The policies to be followed in contracting for commercial airlift.

"(6) The policies to be followed in dividing Department of Defense peacetime traffic between the consolidated Air Transport organization and commercial carriers.

"(7) The policies to be followed in leasing aircraft owned by agencies in the Department of Defense to private operators.

"(8) The extent to which transport-type aircraft are to be retained by other operating elements of the Department of Defense and the purpose for which such aircraft are to be utilized.

"(9) A statement of accounting principles to be followed in determining the costs and the method by which the using agencies are to reimburse the industrial fund operation."

2. House Report 2076, 84th Congress, 2d session, April 27, 1956, on Department of Commerce and related agencies appropriation bill for fiscal year 1957, page 4:

"For a number of years, the committee has been concerned about the necessity for the Military Air Transport Service to occupy a considerable portion of the airport. With the constantly increasing demands being placed upon this airport by civilian traffic, the committee is at a complete loss to understand how responsible officials of the executive branch can continue to allow this situation to exist. The committee feels that the Secretary of Commerce should insist that the Military Air Transport Service be located at some other field convenient to Washington."

3. Senate Report 2039, 84th Congress, 2d session, May 23, 1956, on Department of Commerce and related agencies appropriation bill for fiscal year 1957, page 5, commends Congressional efforts "to achieve increased commercial air carrier revenue, with accompanying decreases in subsidies, by pressing for curtailment of MATS services, where commercial service is available."

Page 4: "The committee joins with the House committee in its statement that the Secretary of Commerce should insist that the Military Air Transport Service be located at some other field convenient to Washington to relieve the increasing demands being placed upon Washington National Airport by civilian traffic."

4. Senate Report 2260, 84th Congress, 2d session, June 18, 1956, on Department of Defense appropriation bill for fiscal year 1957, page 8:

"The committee wishes to make it clear that the Department of Defense should, in the future, utilize the services of commercial transportation to the fullest extent possible when it is more economical, and that in evaluating relative costs of transportation, the Department should recognize the element of time saved as an important factor."

The Department of Defense appropriation bill (H. R. 10986, 84th Cong., 2d sess.) for the fiscal year 1957 was considered in the conference committee (H. Rept. 2529), passed by both Houses, and signed into law as Public Law 639, 84th Congress, 2d session, July 2, 1956.

UNITED STATES SENATE,
Washington, D. C., August 3, 1956.

Hon. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: During the recent conference by Senate and House managers on the Department of Defense appropriation bill for 1957, the subject of Military Air Transport Service was discussed at some length. The committee of conference agreed to express its position in this matter in a joint communication to you and empowered the undersigned to act in its behalf.

The agreement, in substance, reiterates and endorses the statements on MATS as contained on pages 45 through 47 of the House report on the bill (No. 2104), which statements should be considered as a joint expression of the intent and desires of the two Committees on Appropriations.

We would like to see MATS converted to an industrial fund basis at the earliest practicable date and on a basis to insure efficient and economical operation.

Without deemphasizing any portion of the House report herein referred to, we wish to quote the following from page 46, which is a statement from the President's Air Coordinating Committee 1954 Report on Air Policy:

"The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers."

Sincerely yours,

DENNIS CHAVEZ,
Chairman, Subcommittee on Department of Defense Appropriations, United States Senate.

GEORGE MAHON,
Chairman, Subcommittee on Department of Defense Appropriations, House of Representatives.

(Source: House hearings on Department of Defense Appropriations for fiscal year 1958, pt. II, p. 1703.)

In connection with our hearings on the Defense Appropriations for fiscal 1958, witnesses from the Department of Defense argued against reaffirmation of the policy which the Congress had adopted the year before, wanting instead to build up the Government-owned airlines, while on the other hand my own survey—pages 1711–1718, part II of the House hearings on Defense Appropriations for 1958—indicated that all airlines, big ones, little ones, and medium ones, reported almost a billion dollars worth of capacity available to fly military traffic which was not being used.

To forestall the possibility that the Air Force might, on July 1, 1957, pretend that the Congress had forgotten all about the policy laid down the preceding year, I discussed the matter on the floor of the House with my distinguished chairman, the gentleman from Texas [Mr. MAHON], who reaffirmed the language of our report of the preceding year in regard to MATS, and I should like to insert at this point the exchange on the floor at the time of the passage of the Defense Appropriation for fiscal 1958 on May 27 and May 29, 1957:

Mr. FLOOD. The gentleman has been reading my speeches. I agree with you.

Now, I would like to direct my remarks to one phase of the Air Force bill, although it comes under the general heading of defense as well. One of the most controversial phases of our entire Defense Department is the Military Air Transport Service known affectionately as MATS. Now, Secretary Wilson and the other civilian secretaries came to us in the last 2 or 3 years and they have been sending us vast lists of where they are putting the Government out of competition with private business. Now, everybody on the appropriations subcommittee for defense is in favor of that. We have eliminated popcorn machines and shoeshining machines; we have eliminated beauty parlors; we have eliminated all kinds of paint and other factories. So we are consistent with the best wishes of a businessman's adminis-

tration for whom our heart bleeds in putting the Government out of competition with business. I am for that. Everybody is for that. And we did it. And yet here, in this Military Air Transport Service—and it is not chickenfeed—you have the United States Government in competition with commercial airlines by at least $500 million a year.

The commercial airlines are no great friends of mine; because, when I served on the Appropriations Subcommittee for the Department of Commerce, with the gentleman from New York [Mr. ROONEY] we went to bat to cut out their subsidies. So I am not a very popular fellow with them, either. And we succeeded in doing it. They can use their own money. This House did it.

But if you want to take the Government out of competition with business, and you mean it, here is where you can do it, providing, in the course of it, you do not even indirectly endanger the national security or the national defense by interfering with the operations of the Air Force. If you do that, then I am against it. But my information is that you do not, if you exercise merely the rule of reason; that the Air Force should control their aircraft and have as much of it as they need, where they need it, and when they need it. I am for that. But you can have a reasonable difference of opinion as to what constitutes how much and when and where.

We believe that in the best interests of national defense, a greater amount of military traffic, cargo, and people, should be contracted for by the Department of Defense with commercial air carriers. Why not? If they cannot carry them, then do not give it to them. If they cannot buy their aircraft and maintain them properly, then do not bother about it. But if they can, if they will buy their own aircraft and maintain them and fly them safely and more cheaply—and for the purpose of emphasis I repeat "more cheaply," much more cheaply than the Air Force—then if those facts are correct, it is difficult for me to understand why these commercial airlines, businessmen in a business administration, great contributors, should not have a reasonable opportunity to engage in that transportation.

Last year this subcommittee, after an exhaustive examination, and again this year with a special investigation and long hearings, 610 pages of hearings on this question, had this to say. And I would like to have the chairman reaffirm the language which was the gist of a 2- or 3-page statement we made last year, because I do not want the Air Force on July 1, if this language is not in the report or in this RECORD, to pretend that we forgot about it. This is the language from the Hoover Commission report and it is the language from the committee's and Senate report of last year. I shall read it and I hope that the gentleman from Texas [Mr. MAHON] will agree that again, for the purpose of emphasis if for no other reason, and to protect our flanks, the language be reaffirmed. This is the language:

"The Government should to the greatest extent practicable adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers" (H. Rept. 2104, 84th Cong., 2d sess., p. 46).

What in the world is the matter with that, and who possibly could object to it? For that reason, because of his sound judgment, I am sure the gentleman from Texas would concur.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Texas.

Mr. MAHON. As I understand it, the gentleman from Pennsylvania is suggesting that we agree that our view and our statement in the report of last year for the current fiscal year for the defense budget with references to MATS is still the view and opinion of the committee. I believe the view and opinion of the committee is still as we expressed it in the language we used in the report last year. I wish to assert very strongly that it is my own view that we should favor civilian aircraft as long as we can do so without jeopardizing the necessary military air transportation. I strongly support and reaffirm the language in the report last year in regard to MATS and I have so notified Air Force officials.

Mr. FLOOD. The highest form of compliment I could pay to the gentleman from Texas is to say I could not have said that better myself.

The very distinguished gentleman from Texas [Mr. MAHON], who is the chairman of the Defense Appropriations Subcommittee and floor manager of this bill, has clearly expressed the sense of our committee and I know that we all expect the Defense Department to reduce its expenditures on MATS and other Government-owned air transport activities and devote these funds to making far greater use of United States air carriers.

More extensive use by the military of United States air carriers, as is being directed by our committee, will result in considerable net savings to the American taxpayers, as well as a reduction of Government competition with private taxpaying business.

The language of the Senate Appropriations Committee generally followed, and strengthened, the position of the House, the position of the President of the United States, and the Hoover Commission, and the chamber of commerce, and I insert at this point the relevant portions of Senate Report 543, 85th Congress, 1st session.

In doing so, I will read just two sentences of this report and then insert the entire section of the report headed "Use of Commercial Carriers:"

The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation, in preference to Government-owned and Government-operated transportation, to the fullest extent possible when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation.

It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogramed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service.

What in the world is wrong with that policy? No one can quarrel with it.

In addition, I would like to insert in the RECORD certain extracts from the excellent statement of Perry M. Shoemaker, Chairman of the former Hoover Commission Subcommittee on Transportation of the Department of Defense, which he gave at the Senate Defense Appropriations Subcommittee on behalf of the Chamber of Commerce of the United States on June 19, 1957. The parts of Mr. Shoemaker's excellent statement which I am inserting deal with MATS and other Government-owned air transport activities and praise the clear and wise policy laid down last year by both the House and Senate which reads:

The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.

Speaking in behalf of the Chamber of Commerce of the United States, Mr. Shoemaker makes the excellent suggestion that the Congress reaffirm the same policy, as was done in the exchange between the distinguished chairman of the House committee, Congressman MAHON and myself in the CONGRESSIONAL RECORD, volume 103, part 6, page 7735, and carry it a step further to direct that within the appropriations for operation and maintenance and the military personnel, the Defense Department reduce its expenditures on MATS and other Government-owned air transport activities below what is being expended in fiscal year 1957, and devote these funds toward making far greater use than is being done in this present fiscal year of United States commercial airlines.

It is my distinct feeling, Mr. Speaker, that the program advocated by the chamber and myself will result in, first, considerable net savings to the American taxpayers and, second, reduction of Government competition with private taxpaying businesses.

I make note for the benefit of my Republican friends that regarding Mr. Shoemaker's general statement about the defense budget, Senator SALTONSTALL commented:

I appreciate the spirit in which the chamber of commerce has gone at this. It is the most thorough job that I have ever seen done.

The distinguished Democratic chairman of the Senate Defense Subcommittee, Senator CHAVEZ, stated also to Mr. Shoemaker:

I think you have devoted a lot of time and research in preparing this statement.

So, I think it is plain that Mr. Shoemaker's presentation has attracted strong bipartisan support.

EXTRACTS FROM STATEMENT OF PERRY M. SHOEMAKER, REPRESENTING THE CHAMBER OF COMMERCE OF THE UNITED STATES, BEFORE THE DEFENSE SUBCOMMITTEE OF THE SENATE APPROPRIATIONS COMMITTEE ON H. R. 7665, JUNE 19, 1957

(Page references are to the mimeographed prepared statement)

(Pp. 11 to 13)

Another area of savings opportunity involves Government competition with private enterprise. There is evidence of but limited progress within the Department of Defense toward enforcing the announced policy of the administration in this respect and thus reducing its expenditures directly involved. Clearly, Congress should support the elelimination of competitive activities which keep operation and support costs high. At the time of the Hoover Commission report the Defense Department was operating some 2,500 business and commercial-type activities in competition with private enterprise and employing some 600,000 persons.

Extensive testimony on the MATS operation was taken by the House Appropriations Committee. We do not question the desirable existence of a nucleus air-transport service that can be expanded to cooperation with civil airlift for strategic purposes during

an emergency, but we consider the present MATS operations as greatly exceeding any reasonable interpretation of a nucleus operation. The single-manager system was designed to centralize this en masse. Competition between the services has not permitted this to be fully effective and on the present basis the operation, which already exceeds the combined airlift of all the commercial lines of the country, will continue to grow and compete as long as Congress provides appropriations to finance them. Savings in this field would reduce investment in new transport aircraft and operating and maintenance costs in personnel. Related thereto, it would feasibly reduce subsidies now being paid to international air carriers and related training costs.

I can talk with some assurance with respect to the Military Air Transport Service as a result of the first public study of its operation which was carried out under my direction as Chairman of the Hoover Commission Transportation Committee. Our recommendations for the elimination of duplicating air-transport services in the Defense Department and preferential usage of available commercial transportation have not been implemented by the Department of Defense.

Transportation costs are an important factor in the general category of operations and maintenance. The Defense Department has established a single managership for traffic management. We will not have real traffic management and all of the broad economies which are possible from the exercise of this important function until the policy control is completely passed from the individual services and the organizational responsibility is placed upon a worldwide basis and not restricted to the continental United States as is presently true. Like many of the support functions, there is duplication and lack of economic control in the overseas theaters worldwide.

These are factors which strengthen our belief that the reductions we have recommended in the operations and maintenance field are realistic, that they can be accomplished without impairing our national security or defense capability one iota, that the one necessary ingredient is pressure from the Congress to cut across the rigid bureaucracy which is the Military Establishment as presently organized.

We have read carefully the statements by the Department of Defense in reply to our MATS testimony before the House Appropriations Committee. They are the usual arguments motivated by an extreme desire to maintain active control over this vast enterprise. And if this type of competition continues, it is bound to cause severe damage to our free economy.

Gentlemen, may I propose a suggestion that in my opinion would serve to accomplish the objectives of this committee, as set forth by you in a letter to Secretary of Defense Charles E. Wilson, August 3 last year, and at the same time provide valuable guidance to the Department of Defense in its efforts to comply with your wishes relative to the operation of MATS.

It is my suggestion that a directive be sent to Mr. Wilson by this committee which would reemphasize the position taken last year in your letter of August 3, and also declare that maximum utilization of the United States Government of privately owned and operated air and sea transport is essential to both the promotion of our free enterprise economy and the provision of a necessary reserve of facilities in training personnel, essential to national defense and that Government operation of its own transport facilities should be limited to that essential to military security.

I might say that of all the Government activities competing with private business that we have looked into, that MATS is by far the largest. It dwarfs all the others.

That, in line with this position, it is the wish of the committee that within the 1958 appropriations for operation and maintenance and military personnel, the Defense Department show a reduction in its expenditures on MATS and other Government-owned air transport activities to a point below that expended for the 1957 fiscal year. And that these funds then be applied toward making greater use, than is being done in this fiscal year, of the United States commercial airlines in meeting their airlift requirements. It is also the wish of this committee that a progress report be made by the 1st of January 1958 which would indicate the progress made by DOD in implementing this directive.

Such a directive would implement the clear and wise policy laid down last year by both the House and Senate in the conference committee letter to Secretary Wilson, for which both Congressional committees are to be heartily commended, which reads:

"The Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers."

It is our firm belief, therefore, that appropriations for "Operation and maintenance" as set forth in H. R. 7665 can be reduced $357,097,000 in the areas suggested in appendix A.

(Pp. 14 and 15 of appendix A)

OPERATION OF AIRCRAFT (FUEL AND OIL)

The House reduction for this activity is $32 million, or about 5 percent of the budget estimate. The national chamber recommends that appropriations for this activity be reduced to the fiscal 1957 level of $585 million—a cut of $55 million. We realize that fuel and oil costs have increased, but we also know that there has been an increase in the MATS operation to a point where it has expanded from a $480 million operation in 1954 to about an $800 million operation at the present time. This operation will continue to grow and compete with commercial carriers until Congress cuts appropriations to finance it. The national chamber would object strenuously to any effort to reduce fuel consumption for essential aviation activities. However, there is every indication that the Air Force is expanding their nonessential flight activities each year to a point where it is becoming a terrific burden on the defense budget. We think, therefore, that Congress has a great responsibility in this area to make sure that these costs do not get out of control and should take action at this session of Congress to maintain the level of expenditures for this activity at the 1957 level and make certain that the MATS operation is curtailed for the future.

[Extract from S. Rept. 543, 85th Cong., on Defense Department appropriations for fiscal year ending June 30, 1958, to accompany H. R. 7665, now Public Law 85-117, effective August 2, 1957]

USE OF COMMERCIAL CARRIERS

Last year in the conference committee on the defense appropriations bill the Senate joined with the House in stating in a letter to the Secretary of Defense that the Government should, to the greatest extent practicable, adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers. This statement was based upon our position that maximum utilization by the Department of Defense of United States civil air carriers is essential both in the promotion of our free enterprise economy and in the provision of the necessary ready reserve civil airlift for national defense; and that Government operations of its own air transport facilities should be limited to that essential to military security.

The committee reaffirms its position of last year that the Department of Defense should utilize the services of commercial transportation, in preference to Government-owned and Government-operated transportation, to the fullest extent possible when, upon using the same cost standards for both commercial and Government facilities, it is found to be more economical, and further, that in evaluating relative costs of transportation, the Department should recognize the specific monetary value of time saved as an important factor in the award of competitive bids in transportation.

It is the desire of the committee that all commercial carriers be given a fair and equal opportunity to offer their facilities on a bid basis to the Department of Defense, and be provided to the extent practical with equal access to information regarding commercial movements of cargo and personnel. The Department should make every effort to centralize the procurement of such transportation so as to consolidate movements in the interests of economy and to avoid the practice of arbitrarily dividing groups into such small units as to necessitate unwarranted additional expense.

The committee desires that at installations where private carriers are permitted to offer their services for sale to individual personnel, representatives of all commercial carriers should be afforded equal access without discrimination.

The committee notes with approval that the Air Force budget reflects increased use as compared with fiscal year 1957 of civil air carriers to augment the Military Air Transport Service in the movement of military personnel and dependents. This is offset in part, though, by the decreased use of civil air carriers in moving cargo for MATS. In summary we do not feel that sufficient effort has been made by the Department of Defense in the international and overseas field to adjust its use of air transportation so as to use existing unutilized capacity of United States air carriers.

It is the wish of the committee, therefore, that within the 1958 appropriations for operations and maintenance and for military personnel the Defense Department reprogram expenditures for operating MATS and other Government-owned transport activities sufficiently to permit the funds so reprogramed to be applied toward procuring the services of United States civil air carriers to meet as nearly as possible 40 percent of the passenger requirements and 20 percent of the cargo requirements of the Military Air Transport Service.

The committee desires that a report be made by the 1st of January 1958 which would indicate the progress made by the Department of Defense in implementing this directive.

Next in the legislative history comes the conference report, House Report 841, 85th Congress, 1st session. The entire section of Senate Report 543 on use of commercial carriers was upheld in the conference report, which includes this important sentence from the statement of the managers on the part of the House, signed by Messrs. MAHON SHEPPARD, SIKES, NORRELL, WHITTEN, ANDREWS, RILEY, FLOOD, CANNON, WIGGLESWORTH, SCRIVNER, FORD, MILLER, OSTERTAG, and TABER, all of whom are here today.

The committee of conference emphasizes the importance of the Senate committee report on Use of Commercial Carriers and calls on the Department of Defense to carry out the full intent.

EXTRACTS FROM HOUSE REPORT 841, 85TH CONGRESS, CONFERENCE REPORT ON DEFENSE DEPARTMENT APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1958

* * * * *

Amendment No. 37: Deletes provision of the Senate providing for competitive bid-

ding. This matter also is now under study by the legislative committees. The committee of conference strongly feels that competitive bidding should be required whenever practicable for more effective and economical procurement.

Amendment No. 37: Deletes provisions of the Senate pertaining to the procurement of commercial transportation. The committee of conference emphasizes the importance of the Senate committee report on Use of Commercial Carriers and calls on the Department of Defense to carry out the full intent. However, it is realized that the procurement of commercial transportation must be made in accordance with existing law.

* * * * *

GEORGE MAHON,
HARRY R. SHEPPARD,
ROBERT L. F. SIKES,
W. F. NORRELL,
JAMIE L. WHITTEN,
GEORGE ANDREWS,
JOHN J. RILEY,
DANIEL J. FLOOD,
CLARENCE CANNON,
R. B. WIGGLESWORTH,
ERRETT P. SCRIVNER,
GERALD R. FORD, JR.,
EDWARD T. MILLER,
HAROLD C. OSTERTAG,
JOHN TABER,
Managers on the Part of the House.

Another thing, Mr. Chairman, which both Houses agreed upon was that a progress report should be made by the Department of Defense by the 1st of January 1958, which would indicate "the progress made by the Department of Defense in implementing this directive." In making the report referred to, the Air Force admitted that they were only moving 6 percent of the international and overseas military cargoes on United States civil air carriers notwithstanding the Congress had required that 20 percent of these cargoes be moved on United States civil air carriers and that the other 94 percent was being used to build up the fleet of Government-owned and Government-operated transport activities.

In making this admission that they had not fulfilled the Congressional policy, the Air Force argued strongly that the Congress should change its policy and either say nothing whatever about Government competition with private enterprise in the air transport field or, preferably, endorse their point of view that military transportation was the only type that could be relied upon, and that consequently the Government-owned air transport planes should have unlimited opportunity to carry peacetime Government traffic even though they might be taking it away from United States civil carriers.

Someone suggested language for our report which would simply suggest some meetings be held between the Defense Department and jet airline representatives, and the Defense Department should decide its own conscience whether it should exercise any restraint upon itself in competing with private enterprise.

I am glad that the committee again rejected these arguments and expressed itself in a much stronger and more positive way because a policy question like this is one not to be left to the Pentagon but can and should be settled by the Congress.

Mr. Shoemaker, the former chairman of the Hoover Commission task force on transportation activities of the Defense Department, a bipartisan group set up by the Congress which included some of the most outstanding citizens in the country, put his finger on the problem—a question of principle—when he sent to those of us in the committee a letter, which I shall insert at this point, noting his alarm in reading the Air Force testimony before our committee that the Air Force was getting away from the nucleus concept under which MATS had been formed and was trying to expand this nucleus into an empire which threatened to overlap and duplicate the international network of the United States civil carriers.

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD CO.,
New York, N. Y., May 21, 1958.

Hon. GEORGE H. MAHON,
House Office Building, Washington, D. C.
Hon. HARRY R. SHEPPARD,
House Office Building, Washington, D. C.
Hon. W. F. NORRELL,
House Office Building, Washington, D. C.
Hon. JAMIE L. WHITTEN,
House Office Building, Washington, D. C.
Hon. GEORGE W. ANDREWS,
House Office Building, Washington, D. C.
Hon. JOHN J. RILEY,
House Office Building, Washington, D. C.
Hon. DANIEL J. FLOOD,
House Office Building, Washington, D. C.
Hon. ALBERT THOMAS,
House Office Building, Washington, D. C.
Hon. CHARLES A. BOYLE,
House Office Building, Washington, D. C.
Hon. ROBERT L. F. SIKES,
House Office Building, Washington, D. C.
Hon. RICHARD B. WIGGLESWORTH,
House Office Building, Washington, D. C.
Hon. ERRETT P. SCRIVNER,
House Office Building, Washington, D. C.
Hon. GERALD R. FORD, JR.,
House Office Building, Washington, D. C.
Hon. EDWARD T. MILLER,
House Office Building, Washington, D. C.
Hon. HAROLD C. OSTERTAG,
House Office Building, Washington, D. C.
Hon. HAMER H. BUDGE,
House Office Building, Washington, D. C.
Hon. MELVIN R. LAIRD,
House Office Building, Washington, D. C.

GENTLEMEN: The subcommittee will recall that, 2 years ago, at its request and because of the study which my task force of the second Hoover Commission had made with respect to the Military Air Trasportation Service, I had the privilege of testifying with respect to your consideration of appropriations for that segment of the Air Force.

Because I am in the transportation business, as well as because of the interest developed through our study of MATS, I have followed with great intent the continuing growing competition of this commercial-type operation with private American-flag transportation.

I have just reviewed the published hearings with respect to 1959 appropriations conducted by your subcommittee. The justifications given by the Air Force for the further expansion of MATS, and for the disregard of the policy declarations made by the Appropriations Committee in its reports for fiscal 1957 and fiscal 1958 appropriations are more than disturbing.

I read into the testimony a replacement of the nucleus concept of MATS by a theory of augmented military necessity.

As I think the committee will recall, I would be the last to impair real military adequacy, but the Hoover Commission's report and your own prior considerations have emphasized the important principle that military preparedness with respect to commercial-type transportation should include a well planned usage for commercial equipment and manpower. If, in peacetime, the private lines are deprived from reasonably sharing in military freight traffic, then the whole theory of public support for defense reasons becomes questionable and clearly the commercial organizations have little incentive to emphasize in their procurement the type and capacity of equipment needed to complement military forces.

Involved in the principle of military sharing with commercial aviation its wartime responsibilities are great expenditures of public funds. In spite of the admonitions of Congress, MATS has continued to grow, has continued to expand. The policies of the Air Force in this respect seem to be in direct contradiction to those of the Navy and the latter's responsibility for MSTS. The Military Sea Transportation Service has, to an increasing and commendable extent, cooperated with the commercial marine lines and held fast to a nucleus concept.

It is my considered belief that your committee has an important principle before it, and it is only to emphasize my concern for this principle that I have taken the liberty of calling it to your attention with great respect and with great seriousness.

Very truly yours,

P. M. SHOEMAKER.

Our committee also noted the testimony of the Navy Department that in the case of the Military Sea Transport Service, the Military Sea Transport Service had maintained itself as a genuine nucleus during the same years when MATS had tripled itself in size, and that some 73 percent of the Government ocean cargoes were given to the commercial lines which make up our American merchant marine. They pointed to the fact that throughout our history we have placed reliance, and we have certainly not misplaced it at any time, in the heroism of the merchant sailors and the great traditions of the American merchant marine.

The Federal Government does not have to take over every field of enterprise to be effective.

Reliance can be placed upon our air merchant marine. The great heritage of the sea has taught us valuable lessons for the air age.

We received assurances on the soundness of our policy from many presidents of certified airlines, from the Air Line Pilots Association, and Transport Workers Union, and from the Civil Aeronautics Board.

The CAB strongly supports our policy and notes that subsidy payments for support of civil airlines could be reduced if the Federal Government made more use of these lines.

A strong statement calling for reaffirmation of the Congressional policy of encouraging the growth of free enterprise in the air was made by General Nelson for the chambers of commerce of the United States. Similar views were voiced by the Transportation Association of America.

And I wish to acknowledge the helpfulness to our thinking of the statement made before our Defense Appropriations Subcommittee by the gentleman from California [Mr. HOLIFIELD].

As you can read in the report before you, our committee did not go along with a wholly military concept, and does not believe that this country can or should place its entire faith—in peace or in war—in Government-owned air transport activities.

We believe in a more balanced viewpoint.

We do not feel that the civil airlift should be neglected nor that all our eggs should be placed in the basket of MATS. We do not feel that MATS should be expanded at the public expense to overlap and replace the civil industry, and by its competition reduce the size of the civil lift. We do feel it is necessary, in the words of our committee report, that we have a "hard core" known as MATS, which should be a genuine nucleus, efficient and immediately responsive.

As I expressed myself to my colleagues, and I attach the complete language of my letter of May 23:

Come war, we will need both civil and military airlift.

MAY 22, 1958.

Hon. ROBERT L. F. SIKES,
House of Representatives,
Washington, D. C.

DEAR BOB: I propose the attached language for our report because I feel our subcommittee should stand on the sound principle which we have adopted the last 2 years.

Come war, we will need both civil and military airlift.

Ten 4-engine planes, all of the largest and most modern types, all assigned to the United States Civil Reserve Air Fleet, are now being sold to foreign-flags by various United States civil air carriers, all of whom say they are forced to do so by MATS competition. The CAB says this recent alarming loss to the United States airlift represents some $10 million of planes and parts.

We should be building up civil airlift and not let it be cut down.

Obviously, the availability and readiness for emergency use of civil airlift depends upon securing sufficient peacetime traffic. The MATS planes will be here when the whistle blows even if in peacetime they fly only 60 percent full, instead of 75 percent full.

But the civil transports will not be here when the whistle blows unless they get enough business during peace.

The principle that the Government should use the unutilized space of United States air carriers is a sound one; it was asserted by President Eisenhower's Air Coordinating Committee report on "Air Policy" and was unanimously adopted by our subcommittee in House Report 2104.

I think the least we should do is to reaffirm our previous position.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

(Enclosure: Draft language for our report.)
(Same letter sent to all members, Defense Appropriations Subcommittee.)

I believe very firmly that our committee is wise in saying as it does in the report now before you—House Report No. 1830, 85th Congress, 2d session, May 28, 1958, page 64:

The committee reaffirms its views that the airlift requirement should be met by a combination of military and civil capability.

Instead of competing with United States civil air carriers, MATS should concentrate on developing specialized types of military transport planes, not being ordered by the civil air fleet, to meet the specifications of the several armed services.

There is a history to this policy. As was pointed out in the CONGRESSIONAL RECORD, volume 103, part 6, page 8076, there have been some boondoggles. There was a $110 million boondoggle unearthed by the Defense Subcommittee. In 1953 Congress appropriated $110 million for the purpose of buying a fleet of planes capable of carrying Army tanks. This was and is a sound concept. But what happened? In 1954 out at the Pentagon the bureaucrats reprogramed the money that had been given them to buy real tank carriers and took that money to buy 6 dozen DC–6's, all plushed-up passenger planes.

Of course I was told that I was giving the committee inaccurate information and in fact that these planes were not plush at all. We asked the General Accounting Office to send a squad of photographers up to McGuire Air Force Base in New Jersey to bring back photographs of the interiors of each of these DC–6's, so that we might let the members of the Defense Appropriations Subcommittee judge for themselves whether they are plush jobs or whether they are carrying Army tanks.

I hold in my hand a photograph, one of the ones taken at the request of the General Accounting Office, and, on orders of the Air Force, this photo is stamped "secret." I think anyone looking at the photo must conclude that this plane is plush—very plush. Neat linen headrests on each seat. Thick carpets, hatracks built into the side of the plane, not easily removable, ashtrays, shiny galleys capable of serving 10 different kinds of hot meals, reading lamps, curtains—all this is plush stuff, all right, nothing but the best.

And what of this photograph? The Pentagon stamped it "secret." My friend, the distinguished gentleman from California [Mr. Moss] is familiar with the attempts of bureaucrats at the Pentagon to try and cover up their blunders and putting a rubber stamp with the word "secret" on the document or the photograph.

In fact, I understand that the gentleman from California will have this photograph in his annual report of the Special Government Information Subcommittee, and I am looking forward to seeing that report.

You know, I found even my own letter launching the inquiry about these plush jobs was classified "secret." How absurd can you be?

Now, of course, it means that they did misappropriate the money and they did cancel the aerial tank carriers, and they did bring in plush jobs, and these plush jobs have very little use in war. They are not genuinely military transports. The lightest tank which the Army has is 50,000 pounds, almost twice the carrying capacity of the DC–6, and even if that were not so, the doors to these plush jobs that MATS is running are too small for the tank to be even able to get in the door.

Even the lightest experimental model tank that the Army has, so they testified, cannot get in the door of these plushed-up "secret" DC–6's of MATS, and if they could, they could not get off the ground because, unlike the C–124 and other strictly military planes, these plushed-up DC–6 passenger planes do not have the lift capacity.

So, all that these plushed-up DC–6's owned by MATS have been doing has been carrying wives and children of servicemen and officers over to Europe and back, 6 round trips a day, when that type of traffic can perfectly well be handled by the civil airlines and always used to be.

So, what happened by this Air Force "switcheroo" of types of planes? The Army did not get its aerial tank carriers and the commercial airlines lost a lot of business.

That is the kind of Government activity that does not increase the national defense and only hurts the taxpayers and private taxpaying businesses.

It is that type of competition that our committee is taking a stand against.

And, as my friend from Florida [Mr. SIKES] has so frequently pointed out, this boondoggling by MATS means that we do not have the type of airlift to fly our Army tanks and missiles to the Middle East, to Vietnam, to trouble spots all over the globe. We should be able to move 3 divisions—simultaneously—with their tanks and missiles, but we cannot, yet.

MATS should concentrate on specialized types of military transport planes, not being ordered by the civil air fleet. Then MATS would be much more useful to the military on the one hand and, on the other hand, would not be getting into the hair of the civil airlines.

Such an arrangement would give us more defense for fewer dollars.

There are a number of lines of development in specialized types of military transports which the Air Force can advantageously pursue. For example, I insert an article from the New York Times concerning the Army interest in giant seaplanes of types not being ordered by the commercial lines which can get to points in the world in which there may be local or brushfire wars and land easily because they can land on lakes and rivers and oceans and do not require 8,000-foot runways.

[From the New York Times of June 2, 1958]

STRATEGIC VIEWS OF ARMY GAINING—SERVICE PRESSING FOR POLICY OF BEING READY TO FIGHT LOCAL, NONATOMIC WAR

(By Jack Raymond)

WASHINGTON, June 1.—High-ranking Army officials believe they are gaining ground in their advocacy of a policy of being prepared for limited war.

They feel that influential circles within the administration are now conceding that if the United States should be involved in hostilities these are more likely to be a limited action than a general war.

The Army has been pressing hard for acceptance of this view ever since the policy of massive retaliation was adopted by the Eisenhower administration.

That policy called for a powerful and probably nuclear retaliation in an aggression against the United States or its allies. Its purpose was to make the threat to forestall a conflict.

Army officials have not disputed this policy. But their leaders, such as Gen. Maxwell D. Taylor, Chief of Staff, have contended that it has stressed strategic aerial bombardment and led to neglect of the buildup of powerful mobile ground forces.

LOCAL CONFLICTS CITED

Yet ever since World War II, they point out, the world has been faced with an end-

less series of conflicts in which the big nuclear weapons could not be used.

Now, the Army feels it is winning its argument. As evidence, officials cite two major studies on limited war that are due to be finished shortly.

One is a study for the National Security Council, proposed in the still-secret report prepared for President Eisenhower last year by a committee headed by H. Rowan Gaither, Jr., and William C. Foster. Each of the major Government departments is contributing to the study.

The other study is being made by the Joint Chiefs of Staff in connection with the strategic military planning for 1961.

In this study, specific areas of the world have been analyzed with respect to what forces would be necessary to deal with "brush-fire" war situations in these localities, barring the use of nuclear weapons.

THIRD STUDY UNDER WAY

In still another study, the Joint Chiefs are considering the Army's complaints that there are insufficient troop carrier aircraft available for sending ground forces great distances.

In earlier official discussions the Army generally has lost its argument for increased airlift. Persistent Army complaints and the concern expressed during recent Senate hearings on defense have prompted another review of this issue.

A proposal that the Army is studying keenly would call for the construction of large seaplanes for troop movements. Army officials, in advancing this idea, have pointed out that such planes could land in many areas where land-based aircraft would find no airfields available.

The Army, in its top level discussions, has pointed out one Asian country as a case in point. This country has only two airfields that can handle big planes but it has about 700 lakes.

Neil H. McElroy, Secretary of Defense, said at a news conference last week that the Defense Department would make a greater effort to stress the country's capacity to cope with limited wars.

However, he left no doubt that he considers many of the Army's arguments to be overdrawn.

Army officials are somewhat annoyed with Mr. McElroy's attitude. They note that in testimony before the House Appropriations Committee, he declared:

"We have as first rate a limited-war fighting force as there is anywhere in the world, in the United States Marines."

STRESS ROLES AND MISSIONS

Some Army sources believe Mr. McElroy has betrayed an inadequate conception of the roles and missions of the military forces.

According to an official statement concerning its long-existing but newly announced Strategic Army Corps, the Army regards the Marines as an appendage to the Navy and not as a separate major force.

"The Marine Corps has no assigned functions with respect to limited war," says the Army statement. "On the contrary, as pointed out in the 'functions' paper of March 16, 1954, the Marine Corps is responsible for 'service with the fleet in the seizure or defense of advance naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign.'

"The functions paper goes on to say that Marine functions 'do not contemplate the creation of a second land army.'

"On the other hand, the same functions paper assigns the Army the role of conducting 'prompt and sustained combat operations on land'."

There are other types of planes—land planes that can take off and land on unprepared fields. And these are types that can be concentrated on instead of plush luxury liners to take business away from the civil lines.

It is obvious that to have a sizable United States civil airlift on hand for local or general war will depend in good part on these companies being able to secure sufficient peacetime Government business.

The Government-owned aircraft can fly with lighter loads than is now the case; they will still be here and will still be ready when the whistle blows.

The same is not true of the civil planes; if their business is taken away from them by the Government-owned planes, they will be sold as the 10 large modern planes have been in the last 3 months to foreign flags and are gone forever from the national reserve. They will not be around when the whistle blows. We have already lost 10 to foreign flags.

This must not happen again.

That is the importance to the national defense itself, to the taxpayers, and to the principle of free enterprise of our committee policy opposing undue competition by the Government with private industry and directing the Defense Department to foster the growth of the civil fleet.

We of the committee have been under considerable pressure from certain parts of the Pentagon to give the Air Force a free hand to expand its empires in whatever direction it wants whether or not they are in competition with private business and whether or not they are meeting the specialized specifications of the armed services.

I am glad we have not given in to this pressure.

Instead we have adopted a sound policy that:

First. Calls for the airlift requirement for local or general war to be met by both military and civil air transport capability.

Second. Calls for an effective civil reserve air fleet with modern planes and capable of being quickly mobilized.

Third. Directs the Government to avoid undue competition with these United States civil air carriers.

Fourth. Calls for a hard core MATS which is efficient and immediately responsive, and which meets specialized military specifications.

Fifth. Directs the Defense Department to use its appropriations to foster the growth of the civil fleet.

So we are consistent. We are reaffirming the policy agreed to by the Congress in the conference report last year and in the report the year before that.

If this policy is sincerely and fully followed by the Defense Department, then the United States civil air fleet, plus the military air fleet, will be able to meet the national requirements in event of local or general war.

We will have achieved the maximum airlift preparedness at the minimum cost to the taxpayer.

EXTRACTS FROM HOUSE REPORT 1830, 85TH CONGRESS, 2D SESSION, MAY 28, 1958, REGARDING DEFENSE DEPARTMENT APPROPRIATIONS FOR FISCAL YEAR ENDING JUNE 30, 1959

AIRLIFT

It is most important that our military forces be highly mobile and capable of moving rapidly to any area of the world should trouble develop. We do not have enough mobility at present and steps should be taken to work out more realistic plans for the essential airlift portion of this requirement. The committee reaffirms its views that the airlift requirement should be met by a combination of military and civil capability.

The Civil Reserve Air Fleet must be depended upon to provide a substantial amount of airlift should the United States become involved in either local or general war. To be fully effective the Civil Reserve Air Fleet must be modern and capable of being quickly mobilized. In order to promote an atmosphere in which this civil capability can operate and modernize, the Government must not create undue competition with private industry. The Military Air Transport Service is the largest air transport service in the world. The committee questions whether this operation is not creating undue competition for private enterprise. On the other hand, the committee heartily endorses the necessity in peacetime for a hard-core, efficient and immediately responsive Military Air Transport Service. The basic problem is the establishment of an equitable combination of military and civil capability.

The committee feels that adequate arrangements can be developed by fair and objective cooperation to foster the growth of the civil fleet and at the same time maintain an effective Military Air Transport Service (p. 64).

The Air Force budget for 1959 contained no request for increases in capitalization of either the Air Force working funds.

The committee notes with satisfaction that the Military Air Transport Service is finally to be placed on an Industrial Fund operating basis. The committee has advocated this action for several years. Funds in the amount of $75 million were provided for this purpose by transfer during fiscal year 1958.

The committee feels that prudent management of these two funds, particularly with the addition of the Military Air Transport Service, will result in considerable benefit to the Air Force (p. 74).

Finally, you will note on page 74 of House Report No. 1830:

The committee notes with satisfaction that the Military Air Transport Service is finally to be placed on an industrial fund operating basis. The committee has advocated this action for several years.

I think the Congress can congratulate itself, Mr. Chairman. This means that there will be no more free rides on MATS. They will have to be paid for by those who are riding on them for official business.

However, we should realize that our work is not over, that the Air Force industrial fund will cover only MATS and that MATS represents only one-half of the total number of Government-owned transport planes in the hands of the Defense Department. You see, the Department of Defense has more transport planes outside MATS than have yet been coordinated into MATS. So free rides will, presumably, continue on

the other half of the Department of Defense fleet. Our committee has not yet been able fully to delve into this problem, but will, I hope, in the future. For example, the Air Force admitted to me and my distinguished colleague from California [Mr. SHEPPARD]—House hearings on Defense Department appropriations for fiscal 1958, pages 1711 and 1752–1755—that they alone have 573 "administrative, executive or special mission" transport planes. Think of it. Why, if you gave 2 private planes to the President and 1 to each member of the Cabinet that would only add up to 11 planes. What is the justification for the other 561 executive planes? Who else gets to have one of these plush jobs? This looks like an awful boondoggle. They may be fine for taking Assistant Secretaries or high brass in comfort—and at no expense and with no accounting—up to hunting lodges in Alaska or things like that, but I do not think a fleet of this size can be justified. If some general has some genuine official business to be done somewhere, I am sure the Government can buy him a ticket on an airline. The taxpayers don't have to provide him with a whole plane.

We have ground rules on who can have limousines and chauffeurs at the public expense, but it looks as if the sky's the limit with these million-dollar aerial limousines.

The Hoover Commission stated:

> The number of administrative aircraft should be drastically reduced.

The Pentagon disagreed, said they were needed to fly people "to isolated areas" and "to move traffic which for security reasons must be transported in these administrative aircraft."

Well, I am sure there are a number of secret missions by government officials, but not that many.

And speaking of security, do they not trust the commercial airlines? Do they not trust MATS? Do they mean we have to pay for another fleet of transports in addition to MATS because riding on MATS is not sufficiently confidential?

Our committee said last year:

> The matter of numbers of aircraft maintained for administrative purposes should be closely examined. (H. Rept. 471, 85th Cong., 1st sess., p. 21).

I am looking into this whole question. I want the Defense Department to know that.

The chances are that the Congress will have a lot more work to do in this field. We are not through by any means.

This type of luxury living does not increase our war potential. It just wastes our money.

Meantime, at least we have made a start by getting MATS put on something of a business-like basis, not nearly as business-like basis as I had hoped, but some progress anyway.

It is expected that the MATS industrial fund will take in in excess of $313 million. In connection with our committee intent that the Defense Department foster the growth of the civil fleet, we point out that not only are the several appropriations available for this function but also are the funds of the Industrial Fund which can make purchases from the United States civil air carriers in conformity with our conference report of last year and our report of this year.

My expectation in general is that for the fiscal year ending June 30, 1959, as compared with fiscal 1958, there will be a substantial increase, about 20 percent, in Defense Department purchases of civil airlift on the international and overseas routes.

My estimate of this future increase in military use of United States civil air carriers is supported by an exchange of several letters between myself and the Assistant Secretary of the Air Force, Mr. Dudley C. Sharp. This latest assurance was delivered to me by courier only a few hours ago, just before we took up his appropriation.

This action will not only increase the civil airlift available to meet the requirements of local or general war, but will also represent a reduction in Government competition with private taxpaying business.

Despite strong pressures from certain parts of the Pentagon we have not backed down on sound principle; and we do not intend to back down.

In conclusion, Mr. Speaker, and to summarize, I strongly commend the committee for its sound policy that the airlift requirements of the Nation should be met by a combination of the military and civil capabilities.

For the Military Air Transport Service to create undue competition with private air carriers, as appears likely to the committee, is detrimental to the airlift preparedness of the Nation and is wasteful of the taxpayers' money.

While it is essential that the Military Air Transport Service be the hard core of an efficient and immediately responsive mobile airlift, it is just as essential that the Civil Reserve Air Fleet, a necessary adjunct of our airlift capability, be modern, well-equipped and readily available.

To obtain both of these necessary military potentials, the committee has expressly directed that the appropriations provided be used by the Department of Defense to foster the growth of the civil airfleet. The amount of the appropriations made will permit, through realistic planning on the part of the Department of Defense, the maintenance of an efficient and immediately ready Military Air Transport Service, and an efficient and immediately ready Civil Reserve Air Fleet.

I congratulate the distinguished chairman of our committee [Mr. MAHON] and all the Members on both sides of the aisle for standing by principle, for laying down a policy that is not in the interest of any group or faction in the Government or outside, but is in the interest of the American people and the American taxpayers as a whole.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, the chairman of our subcommittee the gentleman from Texas [Mr. MAHON], and the ranking minority member the gentleman from Massachusetts [Mr. WIGGLESWORTH], as well as other members of the Defense Appropriations Subcommittee with more years of service than I, have gone into the details of this bill very thoroughly in the presentation here on the floor today.

I wish to state at the outset that I enjoyed my work on the Defense Appropriations Subcommittee and believe that I have learned a great deal during the hearings which began last January on this, the most important appropriation bill which we will consider this year.

SUMMARY OF THE BILL

The bill provides for the basic forces on which the President's fiscal year 1959 budget is based, and in addition, certain increases proposed by the committee in the manpower strengths of the Army National Guard, the Army Reserves, and the Marine Corps. Furthermore, the committee has provided for a number of increases in certain significant and urgently needed programs to assure more rapid advances in the areas covered. Among these are the highly significant fleet ballistic-missile program, Polaris, antisubmarine warfare, modernization of the Army, the air-to-ground missile for the B–52 bomber, and a step-up in development of the Air Force Minuteman, solid propellent intercontinental ballistic missile. Funds have been provided to maintain Marine Corps end strength at 200,000 men as compared with 175,000 men proposed in the budget and Army National Guard and Reserve strengths at 400,000 and 300,000 respectively, compared with 360,000 and 270,000, respectively, proposed in the budget. The committee has, of course, attempted to make all reasonable economies wherever they could be effected. In making these adjustments up and down, the committee has provided for increases totaling $1,021,161,000 and made decreases totaling $907,547,000, including $260,000,000 provided by transfer from surplus cash in stock-fund balances. The net effect is an overall increase of $113,614,000 over the $38,196,947,000 requested in the President's January budget as amended by the augmentation request of April 2, 1958. The total recommended for appropriation in the bill is $38,310,561,000. This will provide $3,810,711,000 more than the $34,499,850,000 appropriated for comparable progress in 1959.

Defense spending has been referred to in the debate this afternoon as an answer to various economic problems which face this country. Mr. Chairman, I do not subscribe to the theory that defense spending at any time is the solution to economic difficulties which we may face. The waste and duplication existing in the armed services today is indeed shocking. It is most important that the recommendations made by President Eisenhower for unification of our defense forces be given immediate favorable action by this 85th Congress. Our military services must be made aware of the effect of deficit financing upon the future economic well-being of our country. Deficit financing is the No. 1 threat which faces the economy of our Nation today. Deficit financing means inflation and it is

incumbent upon every Member of Congress to make the military realize their responsibility for receiving a full dollars worth of defense value for every dollar appropriated.

Mr. Chairman, the fundamental nature of the military threat facing our Nation and our present and future capabilities for meeting that threat must be thoroughly evaluated in connection with requests for defense appropriations.

This year the committee made a special effort to explore thoroughly the relative military strength of the United States and the U. S. S. R. Not only did the committee hear the Secretary of Defense, the Secretaries of the three military Departments and the respective Chiefs of Staff on this issue, but also the principal representatives of our intelligence organizations, including the Director of the Central Intelligence Agency and top officers of the intelligence branches of the three armed services.

It is generally agreed by all concerned that the world is moving rapidly into a period of increasing danger—danger to ourselves, our possible enemies, and for that matter, to all peoples of the world. This increasing danger, accentuated also by an apparent growing discontent throughout the world, results primarily from the accelerating progress in science and technology which are making available weapons of ever greater destructiveness with increasing speed and ease of delivery. This, of course, is not exactly a new development, but it is moving more and more rapidly. We have known of these developments but have continued to feel somewhat secure in our position of world leadership industrially, militarily, and technologically. Recent scientific successes of the Soviet Union, however, show that the Soviets are challenging us in more than military power and that they are progressing much more rapidly than had been generally recognized. These successes point up the fact that the United States must move forward more rapidly in a number of areas to regain leadership in such areas and to maintain its military and technological lead generally.

Not only are the Soviets making rapid technological progress but testimony of intelligence officials shows that they are also continuing to improve the equipment of existing present-day military forces. It is reported that the Soviets have reequipped their ground forces with newly developed missiles, tanks, guns, armored personnel carriers, and amphibious vehicles. They have deployed in Europe and the Far East a large Navy with powerful conventional submarine forces capable of threatening our sea lanes and control of the seas generally. With respect to their Air Forces, the overall number has remained fairly constant over the last few years, but the quality of the forces has apparently been steadily improved by the introduction of more modern jet aircraft and missiles of various types. The Soviet Union has also obviously expanded its program for the development and testing of nuclear weapons and ballistic missiles as well as its research and development programs generally.

CAPABILITIES OF OUR PRESENT FORCES

With respect to the capabilities of our forces to deal with the present threat to our national security, the general consensus of civilian, and military officials of the Department of Defense, in the words of Secretary of Defense McElroy, is that:

The Nation is prepared to meet the threat it faces today.

In support of this judgment, Secretary McElroy made the following pertinent points in his testimony before the committee:

The quality of our bomber aircraft and supporting air-refueling tankers is high, and is being steadily improved. A worldwide system of operational bases has been provided for its use. The aircraft are manned and supported by the most highly trained and experienced bomber crews in the world. No other strategic air force has had the actual combat experience of SAC. When, in addition, we consider the number and destructive power of the weapons that are now available for these bombers to carry, the retaliatory power of SAC today is enormous.

* * * * *

In addition to SAC we have today a very important retaliatory capability in the tactical air units deployed overseas and in the carrier task forces of the Navy * * *

We have, right now, a most extensive and sophisticated continental air defense detection system. This system, which stretches from the mid-Pacific around the northern edge of the North American Continent and across the North Atlantic approaches, is to a large extent in operation.

It should be made clear that the foregoing statement does not imply that we have in being a detection system against long-range ballistic missiles but some progress is being made toward this end.

As to our limited war capability, Secretary McElroy pointed out that:

Our forces designed to deal with situations short of general war * * * constitute a large part of our total Military Establishment. Included are the Army divisions, all of which have completed conversion to the "Pentomic" organization * * * Also included * * * are the 3 divisions and 3 air wings of the Marine Corps which are in their traditional high state of combat readiness.

With reference to the Navy, he said:

In its ability to carry out its traditional mission—control of the seas—the United States Navy is without peer in the world today * * *. Virtually all of the combatant ships of the Navy have some sort of antisubmarine capability. But even if we consider only our specialized antisubmarine forces, our capabilities in this area are impressive.

Secretary McElroy's evaluation of our present military strength was seconded by General Twining, Chairman of the Joint Chiefs of Staff, in the following words:

I would * * * like to make it crystal clear for the Members of this Committee that we are not today, in my considered judgment, in a position of inferior strength visavis the military forces of the Soviet Union. To restate that thought in a positive manner—I believe that our military forces are strong enough today to make any would-be aggressor realize that to attack us would be reckless folly—folly which would bring down upon such aggressors the very kind of devastation that would defeat any plan to conquer this country.

Mr. Chairman, there has been concern expressed by many members that have contacted me today about the future of the medicare program and the effect of the $10 million cut made by the committee.

In 1956, Congress passed the Medicare Act. It was designed as a fringe benefit to offer a uniform pattern of medical care to service families and thus to make military careers more attractive and reduce turnover of personnel. Prior to this act, there was a great variation in the extent of medical care offered dependents by the three services. Also, as care could be given only at military installations, the unfortunate 40 percent of dependents who were not located near military medical installations were denied this fringe benefit through no fault of their own. This is of special concern to the service people of my Congressional District where no military medical installations are available.

The medicare program has corrected this inequity to a large extent. In view of the interest expressed by Members in regard to the effect of this bill on the program, I think it worth while to discuss it this afternoon.

To achieve equality of treatment among military dependents, Congress authorized a choice of care as between civilian facilities or care in military facilities. For the fiscal year 1959, the military has requested $71.9 million. The Appropriations Committee in the bill before us today recommends $60 million. The effects of such a reduction, I am told, will mean that, instead of 40 percent of all dependents receiving the same kind of medical care that dependents living on military bases receive, about one-quarter of these will be denied federally financed medical care because funds will not be available. It is my understanding that this reduction will be appealed to the Senate. In the subcommittee it was my position that the $10 million cut was too severe.

The figures furnished by the military are not comparable to civilian costs because they do not represent full costs. The military services, in computing their costs, omit such items as depreciation of the cost of building hospitals and the travel, leave, recruitment and retirement of military personnel who are normally assigned to hospitals. Omitted also are other fringe benefits. Fire and liability insurance premiums are not computed nor are many other expenses which go into the total cost of care in a civilian facility. The fact is, there is no authoritative data proving that the cost of medical care is higher in civilian facilities. Besides, to say that if the costs were equal we should prefer to furnish care in military facilities would be also to say that the military services should build their own aircraft, their trucks, roast their own coffee and make their own uniforms.

I am advised that the military is now preparing a new request for funds provided for this program. It is the opinion of the military departments that if this program is limited to $60 million annually, military facilities will be required to be used exclusively for more than 70 percent of all dependents—those living

within large geographic areas surrounding military bases.

Mr. Chairman, I would like to read into the RECORD at this point three letters pertaining to the medicare program. The letters are as follows:

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., April 25, 1958.

The Honorable GEORGE H. MAHON,
Chairman, Subcommittee on Department of Defense Appropriations, House of Representatives, Washington, D. C.

DEAR MR. MAHON: I am taking the liberty of writing you because of certain questions which I understand have been raised before your subcommittee with respect to the free-choice provision of the legislation enacted by Congress in 1956 authorizing medical care and hospitalization for dependents of service personnel.

The questions deal in part with the economy which would allegedly result by eliminating in some instances free choice by eligible dependents between private and service physicians and facilities. The American Medical Association does not agree that tax money would necessarily be saved if dependents of service personnel are denied a free choice. Furthermore, we are convinced that elimination of free choice would result in lessening the amount of authorized medical care now available to and received by the dependents.

It is difficult for many reasons to make an accurate cost comparison between civilian and military medical care and hospitalization. Depreciation costs, fringe benefits, as well as the expenses involved in recruitment, training, etc., are not included in computing the cost of military medical care. In this connection, we would respectfully invite your attention to the statement of Dr. Hugh Hussey before the Senate Subcommittee on Defense Appropriations on June 19, 1957. In addition, any attempt at comparison of costs must also take into consideration the types of cases involved. The medicare program under title II of Public Law 569, 84th Congress, has dealt predominantly with obstetrical cases which have a relatively high cost per hospital day.

The interchange in status between eligibility and noneligibility for civilian care would most certainly compound administrative problems. This would make DD forms 1173 meaningless with resulting confusion among not only the dependents but civilian physicians and hospitals as well.

Many of the costs to date in the administration of Public Law 569 have been of a nonrecurring nature and were necessary in contracting for civilian care through the medical associations, hospitals, and their designated fiscal agencies. A significant part of this cost was for informing all parties and agencies concerned. Any change at this time would only entail further disruption in administrative mechanisms and would result in the total loss of the nonrecurring expenses of inaugurating the program.

To eliminate the free-choice provision in the law, as spelled out in the implementing directives, would necessitate in many instances the exclusive utilization of military and naval facilities staffed by physicians in the uniformed services. Should this occur, and should the armed services take over the civilian phase of medicare, or a substantial part of it, an increased demand for physicians in uniform would also undoubtedly result—a demand which could probably be met only by reactivation of discriminatory draft legislation.

In any thorough consideration of the program, it should be emphasized that dependents of those in the uniformed services are civilians and should seek their medical treatment through civilian channels if we are to preserve the beneficial aspects of our present system of providing medical care and to guard against further maldistribution of professional health personnel.

The medicare program has been accepted by dependents of service personnel and by the medical profession and it is our understanding that it has been successful. We have also been advised that it has been economically and wisely administered. It is, therefore, our sincere recommendation that no major change affecting choice between civilian and military facilities be made in the medicare program at this time.

Sincerely,

F. J. L. BLASSINGAME, M. D.,
General Manager.

AMERICAN MEDICAL ASSOCIATION,
Washington, D. C., May 23, 1958.

The Honorable MELVIN R. LAIRD,
Department of Defense Subcommittee, Committee on Appropriations, House of Representatives, Washington, D. C.

DEAR MR. LAIRD: We are disturbed by a recent report that the Defense Subcommittee of the House Appropriations Committee is considering limiting the amount of civilian medical care military dependents may receive under the medicare program. We understand economy is the motivation; namely, that costs of the civilian phase of this program are described as exceeding budget expectations.

We are convinced that this projected cutback in civilian medical care is based on insufficient and misleading information. We hope the subcommittee will therefore give serious consideration to the following facts:

We have been reliably informed that some subcommittee members were led to believe that when the authorization bill passed the House in March of 1956 the annual cost for civilian medical care was estimated at only $53.8 million. That was not the case.

The record shows that in the hearings and during debate in the House the estimated annual budget was repeatedly described as $76 million. Here are some of the citations:

Page 102 of the printed hearings before the Committee on Armed Services, United States Senate, on H. R. 9429, April 12 and 13, 1956, in the testimony of Steven D. Williams, second vice president of the Connecticut General Life Insurance Co., of Hartford, Conn.:

"Our cost estimate for the minimum care which must, under H. R. 9429, be provided to the wives and children of active servicemen, is well within the $76 million which has been identified as the budget limitation for this year."

Page 6035 of the full committee hearing on H. R. 2430, misccllaneous real-estate projects, H. R. 9429 (H. R. 7994), H. R. 9428 (H. R. 8675), in the testimony of Representative KILDAY:

"We have $76 million in the budget."

Page 6030, also testimony of Representative KILDAY:

"We have this situation: If it should be that, instead of costing $76 million."

Page 12 of the House of Representatives Report No. 1805 (to accompany H. R. 9429), 84th Congress, 2d session:

"The Committee on Armed Services has been advised that there will be available for fiscal 1957 approximately $76 million to defray the first year's cost of the proposed legislation."

CONGRESSIONAL RECORD, volume 102, part 3, page 3850, of the House debate on H. R. 9429, Mr. KILDAY:

"But we can take this program and the budget of $76 million." (Mr. KILDAY then referred to $53.8 million, the meaning of which sum shall be explained later.)

CONGRESSIONAL RECORD, volume 102, part 3, page 3851, House debate on H. R. 9429, Mr. ARENDS:

"There is provision in this year's budget for $76 million for this bill."

Where, then, did the "estimated cost" figure of $53.8 million come from?

Page 44 of the printed hearings on H. R. 9429 (hearings before the Committee on Armed Services, United States Senate, April 12 and 13, 1956) carries a table prepared to show "the estimated first year annual cost, using the medical service plan provided by Blue Cross-Blue Shield facilities." There the estimate of $53.8 million is given as the cost of caring for spouses and children of active servicemen. A comparable figure is carried on page 9 of Senate Report No. 1878 (to accompany H. R. 9429), 84th Congress, 2d session, in this sentence:

"The Blue Cross-Blue Shield organizations estimate that the cost of providing the care authorized by the bill for the incidence of illness that would occur among the 40 percent of the eligibles (who would use civilian care) is $52.2 million."

The significant thing is that the $53 million figure was used as an estimate not of the cost of the program that finally was approved by Congress and put into operation, but as the cost of a more limited medical care plan used by Blue Cross and Blue Shield as the basis of their cost planning before enactment of Medicare.

At no time do the records available to us show that Congress anticipated the cost would be under $53.8 million; the authorization was repeatedly stated to be $76 million.

As further evidence that the civilian phase of medicare has not expanded beyond the estimate since the program was set up in December of 1956, I refer you to the testimony of Gen. Paul I. Robinson, in charge of medicare, before the Department of Defense Subcommittee of the Committee on Appropriations of the House of Representatives, on April 24, 1958:

"In a remarkable affirmation of these percentages (the advance estimate of 40 percent) * * * recent studies show that under the program 42.7 percent of dependent care was provided in civilian hospitals. * * * Over 71 percent of such dependents voluntarily gave precisely the same reasons for choosing civilian facilities as were presented at the Congressional hearings."

Before any change is made in the medicare program we recommend that you call in the same people who made the original cost estimates and testified on them and who now are on the DOD Advisory Committee established by the law authorizing medicare * * * Dr. Donald Stubbs, Blue Shield medical care plan; Mr. Steven D. Williams of the American Life Convention and the Life Insurance Association of America; Mr. E. A. Van Steenwyk, Blue Cross Commission. They could establish beyond a doubt just what the figures $53.8 million and $76 million did represent.

At a meeting on May 9, 1958, this advisory committee commended the Defense Department for keeping medicare within the budgetary limits set by the law. These consultants at the same time stated that the program was being administered the way the law intended it to be administered, and was being held within the true cost estimate.

For information on comparative costs of care in civilian and military facilities see the letter of April 25 from F. J. L. Blasingame, M. D., to Congressman GEORGE H. MAHON, a copy of which was sent you.

Sincerely yours,

W. J. KENNARD, M. D.,
Acting Director.

AMERICAN HOSPITAL ASSOCIATION,
Washington, D. C., May 29, 1958.

Hon. CLARENCE CANNON,
Chairman, Appropriations Committee, United States House of Representatives, Washington, D. C.

DEAR CONGRESSMAN CANNON: We are deeply disturbed to learn that the Committee on Appropriations has recommended a drastic

change in the dependents medical care program (Public Law 569, 84th Cong.) which provides needed health care to dependents of the armed services.

We have had a long and continuing interest in this program. Prior even to its inception, we had urged elimination of inequities in earlier health programs for military dependents by which they received care primarily on the fortuitous circumstances of available military facilities and being located near them. We have continuously urged that the full benefits of available civilian health services be made available to these civilian dependents. We wish, therefore, to bring the following points to the attention of your committee and the Congress:

1. This program to provide health care to dependents is going to cost the Federal Government money irrespective of where the care is rendered. We believe that the cost of hospitalization in military facilities is no less than such care in civilian facilities, and that this fact has been documented by the Budget Bureau. We wish to point out that the cost of the medicare program was well within the bounds of the estimated costs arrived at by the Bureau of the Budget at the inception of the program.

It is an illusion to think that by reducing the appropriation for the civilian medicare program and thus requiring greater use of military facilities for care will result ultimately in any substantial savings to the American taxpayer. The full cost of dependent care will appear each year in the Federal budget even though it may not fully appear in the budget of the medicare program.

2. If an additional appreciable number of dependents are going to be forced into the military facilities, is this eventually going to require increases in the staffs of the military facilities—doctors, nurses, technicians, therapists, dietitians, and many other highly trained personnel? Is the Congress willing to reinstate the draft of physicians from civilian life in order to provide for the care of these civilians?

If it is indeed a fact that the size of the staffs of military facilities is larger than is needed, we believe it an incongruous circumstance that the corrective measure proposed is to increase the patient load rather than to decrease the staffs and return these people to civilian life where they can meet existing critical personnel shortages.

3. The effect of the action proposed by the committee can only mean one thing, and that is to deprive a number of dependents of the right of free choice of their physician and of their hospital. The Budget Bureau has opposed any limitation on free choice stating that the difference in charges and the desire on the part of the servicemen to use military facilities should provide adequate protection of the use of the military hospitals.

The Executive Director, who has been responsible for operating the medicare program, has taken the position that freedom of choice should not be restricted, and he gives as one of his reasons "the adverse effect on the morale of the servicemen."

Since the whole purpose of the act as it was passed by Congress was to increase the morale of the armed services essential to the security of the Nation, we interpret any action that would harm morale at this time as a disservice to the Nation. If the sole concern of the Congress had been one of a monetary nature, the act never would have been passed. We therefore construe the action proposed by the committee as contrary to the intent of Congress, as expressed in the basic act.

4. The action of the committee would in effect create an administrative monstrosity. Again the Administrator of the medicare program, General Robinson, set forth very clearly, commencing on page 739 of the hearings before the subcommittee, some aspects of the administrative difficulties which would result by limiting free choice. We believe that a careful reading of everything the administrator of the program has stated can only be taken as urging strongly against any such limitation. We believe such a limitation would create havoc for the whole program because of the uncertainties resulting in the minds of the dependents themselves. It would further create uncertainties in the minds of physicians, nurses, hospitals, and others accepting responsibilities for carrying out the program in good faith. With a constant flow of dependents from one duty station to another and the myriad of details that would be necessary to insure that they receive care, this could only result in a more costly and complicated administration.

It has been said that the continued success of the medicare program depends essentially upon the participation of the Nation's physicians and hospitals. We can say that the hospitals of the Nation have cooperated fully in making this program the success it has been to date. We can also say that hospitals intend to continue this cooperation, but we urge that no action be taken which needlessly damages such cooperation.

5. This recommendation to cut back the medicare program may be seen as a first step to destroy it. A program which, as reported by everyone closely connected with it, has proved to have met with the overwhelming satisfaction of the Armed Forces and their dependents. If there has been indeed any criticism of the medicare program, and we have heard of none, then we believe it should be dealt with by the Armed Services Committee itself as a legislative problem.

Finally, we believe the medicare program has been eminently successful; it has served fully the purposes which the Congress had in mind; it has been well administered; it has been within the budget estimates established for the program, and in fact, the budget requested for the coming period is less than the amount established for the program originally; it has provided care to the numbers of dependents which it was expected to take care of; it has contributed to the good morale of our armed services and, therefore, to the improved security of the Nation; and it has had the full support of civilian organizations and agencies not only in rendering the care, but in administering the program.

We respectfully urge therefore that your committee reconsider its action to reduce the medicare appropriation and that you support the full budget estimates requested by the administration for the conduct of the medicare program for fiscal 1959.

Sincerely yours,

KENNETH WILLIAMSON,
Associate Director.

The Medicare Act was designed to give fringe benefits to the military service, to provide medical care to service families, thus to make military careers more attractive and to reduce the turnover of military personnel. Prior to this act there was a great variation in the extent of medical care offered to dependents by the three services.

This was particularly true in districts such as mine, which is a rural district located in the central part of Wisconsin. There are no military medical installations available any place in the area. There are several bases, however, located in the area. These people have no place to go for any medical care.

I think the medicare program was intended to handle this type of situation, where medical treatment was not available in the so-called military medical installations, but in these particular areas care would be provided for the families of our servicemen.

I should like to ask the chairman of our committee, the distinguished gentleman from Texas [Mr. MAHON], what effect he believes the action of the committee will have on the entire program.

Mr. MAHON. May I say to my able friend, the gentleman from Wisconsin, a member of the subcommittee, that it is my feeling that the medicare program can be carried out within the fund limitation carried in the bill.

The purpose of the committee in setting the limitation was to try and make certain that existing defense facilities and personnel would be used in preference to outside facilities when such facilities were adequate and reasonably available to the dependent. It is not the desire of the committee to build additional military hospitals, or to hire additional nurses and doctors in order to expand the medical operations of the services for military dependents. It is the hope of the committee that the hospitals and the hospital beds that are in operation, and the doctors and nurses who are available be used within reasonable limits to take care of dependents in that area who find it possible to be accommodated in the hospitals of the defense services. We had sought last year to get the services to work out a program of this kind, but, the program was not agreed to by the Department of Defense and the will of the committee was not carried out. So this procedure was carried in the bill this year in order to reasonably utilize the medical facilities where they were readily available to the dependents.

Mr. LAIRD. I wonder if the gentleman from Texas could tell me something about this point. There has been information brought to me by several Members today that the language in section 633 of the bill on page 45 which states:

SEC. 633. No part of the funds contained in this act may be used to incur obligations in excess of $60 million for the medical care of the dependents of military personnel.

It is my understanding that the Department of Defense is interpreting this language to apply to obligations incurred in the fiscal year 1958 and that this would cut down on the obligation authority in the fiscal year 1959. I cannot understand how that could apply to any obligation authority in 1959.

Mr. MAHON. I do not see how that could be true. This limitation provides only for the fiscal year 1959 which will begin on July 1 and there are no restrictions for the year 1958, the current fiscal year.

Mr. LAIRD. I personally had reservation about the extent of the cut on this particular item, but I realize that there will be a possibility of adjustment and further review of this particular figure in the Senate and during the conference between the two Houses.

Mr. MAHON. If the gentleman will yield further, it does seem to me if the services can establish that $60 million will not be adequate within the procedure relating to freedom of choice advocated by the committee, then before this bill is enacted into law, finally, an

opportunity will be available to present the case to the other body for consideration, I am sure, and the final amount can be worked out in the conference on the bill. It is not the desire of the committee to deny to any military dependent the medical care made available to them under the Dependents' Medical Care Act.

Mr. LAIRD. I thank the gentleman from Texas.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mrs. ROGERS of Massachusetts. You know there was a great deal of controversy when they closed the Army hospital and the patients were supposed to go to the Chelsea Naval Hospital. I understand that it is very hard for many of the women to go to the Chelsea Naval Hospital, and I understand they are not going to the private hospitals because they are too expensive and they are hard to get to. So many of the mothers and the babies are not having proper care. Proper prenatal care is not being given to many of the mothers. I got this from one of the officials of the service, and I think perhaps he would not mind my using his name at a later date. But, I have been deeply troubled because they are supposed to go to Fort Devens in my District, which is a very fine place and a very fine hospital, but you know a baby does not wait to go 45 miles to arrive in this world. I do not think we are giving the proper care also to our veterans and I have been greatly distressed about it. I think we ought to overhaul our complete medical program. I thank the gentleman for yielding to me, and I would like to know what he has found out about the care that our mothers and babies are getting.

Mr. LAIRD. I thank the gentlewoman from Massachusetts for her contribution.

I believe the type of medical care being offered by the various services has been good medical care in the past year. I do believe, however, that a review of the medical care program should be undertaken. I think the effect of the action of the House Committee on Appropriations will be that a complete review of the medical care program will be instituted by the Department of Defense.

Mrs. ROGERS of Massachusetts. I hope there will be. I know that I tried to get one civilian physician. I could not get him at his office or at his home, and he was the man in charge of the service for these women and babies.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. NORRELL. The situation of the Army and Navy Hospital this year is like last fiscal year. We have been unable to get language into the bill. We are hopeful, of course, that the other body will do that as it did last year. I think that will answer your question.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. FENTON. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. FENTON. I think the basic question in this matter of medical care for the dependents of the service people is mainly what it is in the basic act, as to whether they have a choice of hospitals and physicians, or whether they have to accept the hospital treatment of the military.

Mr. LAIRD. I think that is the basic question.

Mr. FENTON. What is the basic act?

Mr. LAIRD. The basic act, according to the debate carried on in 1956, was to provide for greater freedom in choice on the part of the military personnel and their dependents in respect to medical care.

Mr. FENTON. I take it, then, that section 633 as written in the bill is legislation.

Mr. LAIRD. No; I believe that section 633 as written into the bill is a limitation on the obligation authority. I do not believe it would be subject to a point of order as legislation on an appropriation bill.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. LAIRD] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, at the outset I want to pay tribute to our distinguished chairman, the gentleman from Texas [Mr. MAHON] for his able leadership and his valued understanding of the many aspects of our Military Establishment and operation. He has been most courteous. He has led the work of this committee with distinction and credit to himself and the committee.

May I add also a word of praise for our ranking Republican member on the subcommittee, the gentleman from Massachusetts [Mr. WIGGLESWORTH]. It has been a privilege to work with him, and with all of the members of the committee, for that matter, through the long and arduous days and weeks in the consideration of this tremendous budget for our Defense Department.

I want to add another word of commendation and that is for the fine presentation that was made by our distinguished colleague the gentleman from Kansas [Mr. SCRIVNER].

In my judgment, the gentleman from Kansas has presented to the committee today a very comprehensive picture of the many ramifications and changes that are taking place in our Military Establishment, and particularly in the light of the developments that have taken place in this world.

Mr. Chairman, I believe this is a good bill and that it reflects considerations which must be taken into account at this time in the light of the new developments and the tenseness of the world today. You will recall that the committee reduced the military budget request last year by some $2½ billion, and that the Congress sustained that reduction. This year it is a different story. We are by this appropriation bill actually increasing the total amount of new funds, although there are reductions in some areas and increases in others.

I believe it is important also to bear in mind that the budget does not include the funds necessary to meet the obligations incurred because of the military pay raises recently authorized by the Congress. Estimates for military and civilian pay increases are in the neighborhood of some $700 million, and, of course, we might add to the budget for military purposes the sum of $1,700,000,000 for military construction. I think the report gives a clear picture of what has happened, what changes have been made in the plans, and the reasons for committee action.

Our committee also points out, however, that of a total appropriation amounting to $40,500,000,000, the total amount of money available for expenditures will be about $73 billion. I think it is important to have that in mind, because sometimes we lose sight of the picture by virtue of our thinking in terms of the immediate dollar sign that is in front of us. So I repeat that even though we are appropriating approximately $40 billion for military purposes this year, there will be about $73 billion available for expenditure in the hands of our Military Establishment.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Of course the gentleman wants to make it clear also that much of the additional $20 billion or $30 billion has already been obligated for various things.

Mr. OSTERTAG. Oh, absolutely; the gentleman from Pennsylvania is correct. Perhaps all of it, or practically all, has been obligated for one purpose or another; and it is also well to bear in mind that by virtue of the very nature of our military program, long lead time is required on many items which involve research and development, and procurement before the military actually reaches the point of expenditure on any given item.

As I said before, I do not intend to go into detail in the matter of the cost of military personnel because that phase of the budget has been ably covered by other members of the committee.

As our report points out, the committee reductions in the Defense Department budget request totaled about $900 million, of which $260 million is for transfer of available cash balances in certain categories; but the real decreases are in the area of the aircraft spare parts in connection with aircraft procurement. Our distinguished chairman referred to this matter. The committee has been somewhat disturbed over the tremendous amount of money that is required for spares and spare parts. We feel that many billions of dollars have been wasted by virtue of an imbalance that exists between the end item, or the weapon, and the spares or spare parts necessary for it. So we have arrived at an arbitrary balance of 20 percent in the belief that that percentage will be sufficient to meet the procurement requirements in the spares and spare-parts field. I think a year from now it will be clearly established that the committee was sound and right in its thinking and conviction in this important matter.

The other question is that of the executive type aircraft, where the committee reduced certain funds for that, and for Navy ships, including $35 million for advance procurement of a second nuclear supercarrier. This subject and this issue of aircraft carriers is dealt with on page 54 of the committee report. I think the report itself clearly describes the reasons for the $35 million reduction and the attitude and the policy with regard to the need of a new or added nuclear supercarriers.

While we have made decreases it is also important to know there are increases in this bill and where the increases are. The increases in this bill amount to over $1 billion. Briefly I can describe them as follows: $65 million for the President's Emergency Fund, which, as our distinguished chairman has pointed out, is available, or additional funds are available for research and development or for any need resulting from any breakthrough which might be described as of an emergency nature. It will take $82 million in new money to provide for the increase that the committee has made in the National Guard and Army Reserve strength. The amount of $42 million additional is placed in here for the Army mapping program, which is an exclusive job in he hands of the Army and very vital to many developments that are taking place in parts of the world.

Important and perhaps the largest increase in the appropriation in this bill is the net sum of $649 million for the Polaris submarines; that is, for additional Polaris submarines. Because of the acceleration of the program and because of these new developments, it is generally believed this expenditure is wise and that this increase is desirable, because it will give us more Polaris submarines at an early date. There is an increase of $45 million to meet the Marine Corps strength, that is, added strength in Marine Corps personnel. The sum of $90 million is in the bill as an increase to provide for the Minute Man, which has to do with the intercontinental ballistic missile, the solid propellant weapon. The sum of $48 million is for the Hound Dog, which is an air-to-ground missile to go with the B–52 bombers.

Our defense program is sound from the standpoint of the military aspect and I want to call the attention of the committee to our committee's report, pages 14 and 15, wherein we deal specifically with the relation of the defense program to the national economy. We point out in part that the committee is convinced that the actions taken are sound from a military standpoint, from the standpoint of the national economy and from the standpoint of the taxpayer, in that we are continuing to make progress toward getting more for our manpower and money in defense programs. There is need for haste in our defense efforts, and as pointed out previously in the report, the committee has provided for a speed-up in a number of important defense programs. However, we should move rapidly but sensibly and no one should interpret our desire for haste as an invitation into slipshod, irresponsible, and wasteful action.

Mr. Chairman, I think it is important to bear in mind what this bill and what this budget and what this report does in regard to our defense and its relationship to our economy. Many people, since the early part of the year, when it was felt that there was a recession and that we would need more Government and other business and more employment, were turning their eyes toward the Pentagon and the defense contracts as a crutch to bolster our economy. So, with this thinking it is well that we regard this defense appropriation as a sound program. It has a definite relationship to our economy, but it is not concerned with the idea of being slipshod and wasteful and cannot be regarded in that fashion.

Research and development plays an important role in this overall picture, and I wonder if we are aware of the fact that more than $2.5 billion is provided here for that purpose. This is an increase of several hundred million dollars. One other phase of the defense picture which perhaps has not come to the attention of many is the fact that within our Defense Establishment we now have an agency known as the Advance Research Projects Agency. Approximately $520 million has been allocated to that Agency or will be funneled through that Agency, because that Agency will be responsible for the so-called space projects or research projects having to do with outer space but only such projects that are directly related to the military and for military purposes alone.

Again I would like to call your attention to the fact that in this budget nearly $5 billion is appropriated for the missile program. That, perhaps, is the largest amount ever to be made available for missiles in a single year and I think one of the reasons for that is this: In the past we have been going through the stages of research and planning, and now we have reached that point where missiles including ballistic missiles are becoming a reality. They are reaching that stage known as operational, and for that reason there are many hundreds of millions of dollars, yes billions more in here, because we have reached the point of production and procurement of operational weapons. There is money in here for antimissile missiles. Here again we are in a field where we no more than reach the missile stage when money must be expended in large amounts to meet the challenge and the test of the use of missiles.

Now, Mr. Chairman, in addition to these tremendous developments that have taken place in the field of outer space, in the field of missiles and antimissile missiles, we also have a tremendous challenge in that area known as submarines and antisubmarine warfare. The large number of submarines under the jurisdiction and control of the Soviet Union has been mentioned here today, and I am sure we all recognize that one of the most important phases of our defense is that of antisubmarine warfare. Here again these developments are vital to our defense and will play an important role in the protection and the defense of our country.

I shall not discuss this question of where we are as compared with Russia, whether we are superior to them in all phases of weapons of warfare, but the point remains that we are making tremendous progress. And, I agree with the gentleman from Kansas [Mr. SCRIVNER] when he pointed out that your defense budget is going to be larger and larger and larger before it reaches the point where it can and will be smaller. I believe that because in this day of tremendous scientific development, development of weapons of tomorrow, the costs are going to be staggering. We have got to trim our sails to the situation that confronts us. We must be realistic. I think our committee has been. And I want to say to you that I am proud of having served on this committee and having been a party to the changes in these developments and recommendations as reflected in this bill and in this budget. I hope that there will be little or no difficulty in gaining unanimous approval of this important defense bill for the fiscal year 1959.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, this, I think, is easily one of the best bills the Subcommittee on Military Appropriations has brought to the floor. It presents a bold new approach to the problem of national defense in that the committee itself has taken the initiative in trying to determine what is most needed at this moment to place America in the strongest possible defense position. We have considered the progress that can be made in the new fields of warfare and balanced this with the money that can be used productively.

This measure provides, for instance, more Polaris submarines, and this is one of the most important things we have done, in my opinion. I feel that the Polaris submarine may become the most important weapon in our arsenal during the early 1960's—certainly one of the most important. This measure embarks as well on a second family of missiles, and a much improved family of missiles than those we now have from the standpoints of ease of handling and dependability. It speeds up the modernization of our forces and their weapons much more than the original budget proposal would have made possible.

Mr. Chairman, let me point specifically to the fact that the committee and the Congress, if it approves our recommendations, will expect the appropriations that we provide to be spent for the improved defense posture that is provided. We do not propose to make these recommendations and then have the Bureau of the Budget rewrite the bill, or have the administration refuse to spend the money that we appropriate. I would like to remind you that the Constitution clearly says that Congress shall have the responsibility of raising the Armed Forces and, of course, of providing the money necessary for the Armed Forces.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman.

Mr. FLOOD. And, of course, I am sure the gentleman means also within reason for the purposes for which the Congress appropriates the money.

Mr. SIKES. I agree on the point my distinguished friend has made. Now I want to touch briefly on several matters—and I do intend to be brief. There are so many important facets to this bill which could be discussed at great length, but most of them have already been touched on and I find myself at this late hour talking to a limited number of my colleagues. I do not want to repeat what has been said today, and said well, but I want to emphasize the fact that this bill, while strong in many particulars, is in my opinion, weak in conventional forces because, in an effort to save money, the administration has proposed to cut down the ground forces and the Reserve components. I do not recall any students of warfare of world reputation who has ever advocated a simultaneous reduction both in conventional forces and in Reserve forces in time of danger. The committee has recognized this weakness, and has recommended that the Army Reserve components be maintained at the presently authorized strength of 700,000 in drill-pay status for the Army, with 400,000 in the National Guard and 300,000 in the Reserves.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my colleague.

Mr. MILLER of Maryland. I think the gentleman inadvertently misstated the fact. It is not a question of the authorized strength—I think that is considerably larger—but it is the programed strength as of the end of this year.

Mr. SIKES. I stand corrected. I know my friend feels as strongly as I do on the importance of having an adequate Reserve. We do want for fiscal 1959 a strength of 400,000 in the National Guard and 300,000 in the Reserves. It was proposed in the bill as it came to us from the Department of Defense that these be cut to 360,000 in the National Guard and to 270,000 in the Reserves. Of course, the Reserve components are very seriously disturbed about that recommendation and they have a right to be. For years the Reserve organizations have been subjected to an up and down program with little stability. The Reservists frequently have not known for 6 months at a time what their own program would be. Let us not forget that the members of the Reserve components for years have given freely of their time and efforts with little expectation of reward or recognition in order that this Nation may be strong in time of trouble. Time and again we have interrupted their careers and their homes by asking them to come to the aid of our Nation in time of peril. Where today, in time of trouble, would you turn other than to the Reserve components to supplement the Regular forces speedily and effectively?

Mr. MILLER of Maryland. It is also a fact, is it not, that at the present time, probably for the first time in our history, the National Guard and Reserve units are getting on a basis where they would be of immediate value? It would be particularly tragic if just as they are getting to the goal they have sought for many years they were put in reverse, whether or not they were immediately needed at this time.

Mr. SIKES. I think they are stronger now from the standpoint of preparation than possibly at any previous time in their history. They would be even stronger had they been allowed to go ahead with the program originally outlined for them by the Pentagon and approved by the Congress.

Mr. MILLER of Maryland. They are also confronted, are they not, with the same very serious problem that is presented to all the ground troops, that is, the reorganization of the so-called pentomic formation, and this in itself faces them with very serious difficulties, even if they were allowed to have the necessary strength?

Mr. SIKES. Of course, the gentleman is correct.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. The gentleman from Florida knows, as does my friend from Maryland, that I join with them in concern to have the National Guard maintained at the 400,000 strength, by all means. I am sure the gentlemen agree that you cannot take a National Guard division and put it in the line in modern warfare unless, according to the Joint Chiefs of Staff, you give it pretty rigorous training for several months after it is federalized. We do not want to create the impression that the Guard is ready for immediate active duty in the line.

Mr. SIKES. As a matter of fact, there are Guard units and there are Reserve units that are ready for duty in the line now. Many, of course, do require additional training and additional personnel to bring them up to strength. Some of these would have full strength if permitted to by the Pentagon.

There has been mention of the difficulties brought about by the reorganization of the Reserve components into the new pentomic concept which has been adopted by the Army. That does present difficulties, yet the Guard and Reserve recognize the fact that they must be organized on the same basis as the Regular forces. Now an agreement has been worked out between the Department of Defense and the Reserve components which will permit them to have a voice in their own reorganization, in order to permit them to come into the new pentomic concept with the least difficulty possible insofar as their own forces are concerned. This also will preserve the old historic divisions.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Kansas.

Mr. SCRIVNER. While the gentleman is discussing this as well as he is and with his well-versed knowledge, inasmuch as many will not read the entire hearings it might be well to point out the basic reason for the action which we took. The reason was that the committee felt, and the National Guard and other Reserve components concerned agreed, that it was far better to have a National Guard of a stable strength, even though it might not be as large as some might desire, rather than going up maybe this year to 470,000 and then to be cut down, perhaps, to 375,000 and then go back up. If we keep the Reserve components at a stable level number, they could plan for the future much better than they can with the vacillation in numbers which has presented such a problem heretofore.

Mr. SIKES. Of course, the members of the Reserve components themselves want a stable program. They are tired of having a fluctuating program in which they themselves do not know 6 months in advance what kind of program they are going to have and what their strength is to be. With a stable program they will be enabled to set their sights on something definite and to go out and meet their objectives, and I am confident that they can meet those objectives if the Pentagon and the Congress will let them.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. BRAY. I want to commend the gentleman and the committee for the action they have taken regarding the National Guard and the Organized Reserve. It is rather interesting that in the past it has been the Congress that has attempted to maintain stability and a sound defense policy through the years, and the vacillating policies have not been the result of actions on the part of the Congress, but it has been on the part of the executive branch of the Government. I am very happy that the Committee on Appropriations took the stand that they did in order to build and maintain a sound, stable defense policy that meets the needs of the United States and does not ebb and flow as the Kremlin smiles or frowns.

Mr. SIKES. The gentleman himself is a distinguished Reservist and knows whereof he speaks. I appreciate his contribution.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my good friend.

Mr. FLOOD. May I suggest to the gentleman, who is so well versed in the problems of the National Guard, to indicate that the committee had in mind the potential of the National Guard for civil-defense purposes in the case of enemy attack in addition to other functions.

Mr. SIKES. I recognize there are a number of phases in our national life where the Reserve components would be extremely useful. I am glad to point out that in the Department of Defense consideration is being given to the use of Reserve components in civil-defense activities, where much difficulty has been had in maintaining an effective organization, and, in addition to the use of the Reserve components in the field of psychological warfare, in better acquainting the American people with the full facts of the cold war. There are other important fields in which the reservists can be very useful.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my distinguished friend.

Mr. ANDREWS. I want to commend the gentleman for the statement he made

with reference to the National Guard. I have always thought we received more for our defense dollar by spending it for the maintenance of the National Guard than any other branch of our service. The record of the hearings shows that 7.8 guardsmen can be maintained for the cost of one regular soldier in the United States Army.

Mr. SIKES. The gentleman has made a substantial contribution by his comment.

May I point out, Mr. Chairman, it was estimated that $38,499,000 would be required to maintain the Organized Reserves at a strength of 300,000 in drill pay status, or rather to permit the Reserve to build up to a strength of 300,000 which I am confident they can do, if they are permitted to. The committee has voted $30 million for that purpose. It was estimated that $62 million would be required for the National Guard to maintain a strength of 400,000 during the coming fiscal year. The committee voted $51,419,000 for this purpose. Now each amount is a little less than that which may be needed and the committee voted the lesser amount, not with the idea of holding them back or preventing them from reaching the programed strength of 400,000 and 300,000 respectively, but because the committee felt, after reviewing the circumstances, that this would actually be an adequate amount of money for the purpose. It is the full understanding of the committee that we want and we intend to provide sufficient money for a National Guard of 400,000 and an Organized Reserve of 300,000. If additional money is required, the committee is prepared to approve a request for additional funds or for a transfer of funds from other sources. I want to be sure that is fully understood by the House.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. MILLER of Maryland. The gentleman from Florida is referring solely to the Army National Guard. The ground forces and the Air National Guard and the Air Reserve are entirely different.

Mr. SIKES. That is correct. I am referring to the Reserve components of the United States Army. The Congress expects this money to be spent. The Congress recognizes the important part they play in the national defense, and expects this money to be used to maintain them at maximum efficiency at the strengths specified.

Mrs. ROGERS of Massachusetts. I am delighted that the committee is going to bring the Reserves up to their full strength. In Massachusetts on Patriots Day I have never seen the National Guard more aroused than they were there. Every day we need help the National Guard is there to help.

Mr. SIKES. The gentlewoman has made a significant contribution, as she always does.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished majority leader.

Mr. McCORMACK. As I recall, General Taylor addressing the governors' meeting in Florida recently, made a rather strong statement regarding the importance of the National Guard and the means of carrying out their reorganization. Is my recollection correct?

Mr. SIKES. May I say, as I recall the statement, it was that the National Guard would itself be allowed to rework within its own framework the existing divisions into the new Pentomac concept. As I recall it he would not specify whether or not the additional money being provided by Congress would be spent to maintain 400,000.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. MILLER of Maryland. I think what the distinguished gentleman had in mind was the statement that the general made that was a great relief to many National Guard organizations, because there has been a reduction in numbers of divisions, which would have resulted in some of the historic units in some States being deprived of the organization which they had. The general's statement was not to the effect that that would not be done, but he did not involve the question our committee was concerned with, as to the numbers of people in the Guard.

Mr. SIKES. The gentleman is correct.

Mr. McCORMACK. Secretary McElroy did not take a position against carrying out the mandate of Congress as expressed in this appropriation bill if the appropriation for the National Guard, as carried in this bill, is passed.

Mr. SIKES. He has declined to commit himself that he would or would not spend additional money for greater strength of the Armed Forces if it is provided by Congress.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. FLOOD. But the fact remains that the Secretary of Defense, despite the probing and lengthy interrogation in the committee and subsequently still left the inference that regardless of what the Congress did he would not use the money to restore the Guard to 400,000. The Secretary of Defense left a strong inference at the Governors' Conference that regardless of what we did he would not follow this clear mandate of the Congress. I think the gentleman from Florida means that he wants to make it clear, and I join with him, that regardless of the technical constitutional job as the prerogative of the Executive and administration or the Budget, that this is the clear specific intent of the Congress, and if the Executive does not use the funds for the purposes set forth in this bill he is proceeding counter to the intent of Congress rather than to execute its intentions.

Mr. SIKES. On that I agree fully. Secretary McElroy did not specify that the money would be spent or would not be spent. As I followed his statements, and I have read them very carefully, he has declined to commit himself either way. I say if Congress after having explored this matter fully believes this money should be spent, Congress is speaking with constitutional authority and expects the money to be spent.

Mr. FLOOD. Will the gentleman repeat it now for the purpose of emphasis?

Mr. SIKES. I will repeat it as many times as necessary for it to be understood without question.

Now I would like to move on to something else, and that, Mr. Chairman, is the matter of small business. May I ask you to refer to your hearings on procurement, supply, and surplus operations of the Department of Defense, pages 64 and 65, where at my request each of the services placed a table in the hearings showing the amount, the percentage, of their procurement money that is going into the field of small business.

First, let me be sure that we understand what we are talking about when we speak of small business. Small business as the services apply the rule are businesses with fewer than 500 employees. A firm with 500 employees in my view can be a very large concern; nevertheless, the services say that if it has fewer than 500 employees it is small business. Keeping that fact before us and saying that anything above 500 employees constitutes big business, here is what, percentagewise of the dollars spent, is going to small business in contracts from the Department of Defense in the Nation: In 1957 the Air Force spent 8.2 percent of their money with small business. Now, get that: 8.2 percent with small business, or businesses having fewer than 500 employees.

The Navy spent 37 percent of their money with small businesses the same year.

The Army spent 20.9 of their money with small business during fiscal 1957.

Mr. Chairman, I think the danger of what is taking place is very obvious; we are spending more money each year for defense contracts, and more and more money is going into the hands of fewer and fewer people. Small business—the kind that you and I are most familiar with and recognize as the backbone of the country must be preserved. Yet small business is being crowded to the wall. Day after day more of them are finding themselves in difficulty. The number of bankruptcies is bigger now than it has ever been, most of them from among small businesses. Big business is getting more and more of the Government's contracts. If the present situation is allowed to continue in this country, we are soon going to find ourselves with a very few, a half dozen or so huge monopolistic corporations doing all the business for the Nation.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MAHON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SIKES. I want to touch very briefly on two or three things that have not previously been brought out, and then I am through.

Quite a bit was said about the development of the antimissile missile, the weapon that is being designed to shoot down intercontinental ballistic missiles, and the intermediate-range ballistic missiles. Please think for a moment about what is involved in this undertaking. The intercontinental ballistic missile is going to be traveling at 15,000, 18,000, or 20,000 miles an hour. It is

small in size, possibly about the size of a small automobile. During flight it is going to be within the range of that football field size antenna just a matter of a very, very few minutes, and yet during that time calculating processes must operate to determine the speed, determine the trajectory, determine where in flight you can intercept the ICBM with another missile, and explode and destroy it. I hope we are going to be able to do it. I know that we have no choice but to spend the money to try. I am not very optimistic about our chances of ever developing an effective antimissile missile because of the tremendous tasks involved. But I want to point this out to you. We are at long last in the process of developing a weapon that can make conventional bombers obsolete insofar as use over a target is concerned. You may not knock down many missiles with antimissile missiles, but you probably can destroy every bomber that comes within range. Consequently, the Air Force has been smart in recognizing this new development and is moving into the new field of the Hound Dog, and the other missiles which will be fired from bombers several hundred miles from the target.

Now, to move on to another field. I am not pleased with the fact that the administration has virtually conceded the first atomic plane to the Russians. Yet I think that is about what we have done. I suspect they will have one in the air in a few months notwithstanding the fact we have spent $700 million in the development of an atomic-powered plane. Unfortunately we are moving very slowly and we will not have one for some time. I am apprehensive about the tremendous psychological boost the Russians are going to get, and the propaganda benefits they will derive when they launch the first atomic plane.

There is one other thing I want to say today. I should like to refer to America's historical practice of letting the other fellow strike the first blow in time of war. Mr. Chairman, in my opinion, it is time to stop giving an opponent the all-important advantage under present-day conditions of knowing that he can strike the first blow, when and how he chooses. Now we advertise piously—we seem to want to glorify the fact—that we are going to let him try to knock us completely out of any future struggle before we raise a finger to protect ourselves. That is sheer stupidity despite the fine motives which have actuated such a policy. It is time to realize that we are in a fight for survival against a completely unscrupulous foe. It is time to let the world know that we expect to take care of ourselves, and that we will deal with each problem as it arises, according to the circumstances that are presented. If survival is to be associated with striking the first blow, and it may very soon be, only a fool would sign his own death warrant by supinely awaiting that blow. We may, by following our present policy, actually bring on the war that will destroy us.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Kansas.

Mr. SCRIVNER. That situation has been discussed by many of us in committee for quite some time. I do not know for how many years, I do not know for how many generations, that has been the policy of the United States of America. I have thought about it, as the gentleman from Florida has thought about it. But where is the policy coming from? Is it coming from the Congress of the United States or from the President? The gentleman says we should change the policy.

The public cannot do it themselves. What would be the best approach? I agree with the gentleman. The gentleman has heard me say in committee that the fellow who gets in the first shot has every advantage. I agree that a good offense is the best defense. But how can we bring that to pass on the part of the American public?

Mr. SIKES. If a few more of us will stop these pious but antiquated platitudes that we will never strike the first blow, and let it be known that our first concern is for the survival of the United States and its people and the things that the United States stands for, it may put some backbone into other people all along the line. It must be recognized worldwide that we are not going to let ourselves be destroyed just to preserve a legend.

Mr. SCRIVNER. Is that to be the policy established by the Congress? I would like to help, because I think the policy has been wrong as long as I can remember.

Mr. SIKES. If the gentleman and I could constitute a majority, we would have a new policy right now.

Mr. SCRIVNER. Well, let us work together and get it done.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, while the House is considering the Defense appropriation bill, let me say that I realize the cost of weapons and service payrolls has increased substantially so that relatively this bill in terms of military strength compared with last year is not as large as it might appear.

I am glad, however, to note the increase in funds for research and development and that while the President requested $2.5 billion, the Appropriations Committee has seen fit to increase this to $2.7 billion. Certainly the $500 million included for space research is important from a defense standpoint—aside from its desirability from the viewpoint of science.

Personally, I do not favor the elimination of the $35 million requested by the Navy for advance procurement of a second nuclear supercarrier for fiscal 1960. I fear this denial may imply that carriers are not still the greatest potential force for defense or attack in the event of war. The emphasis on antisubmarine warfare is understandable. But I believe the best defense is a strong offense and so I look on aircraft carriers as the best deterrent to local or all-out war. In delivering bombs on an enemy, the aircraft from carriers will take off from locations not predictable to the enemy whereas our fixed bases are more and more subject to prearranged guided missile attack.

However, the planned level in this bill of 80 percent of wartime strength for the active fleet would seem reasonable, and the shipbuilding program including new construction of 23 ships—5 guided missile destroyers, 7 guided missile frigates—1 nuclear powered, and 11 nuclear submarines, including 6 ballistic missile ones, should contribute substantially in our program to modernize the Navy.

In addition, I note we are converting and modernizing 2 guided missile cruisers, 1 nuclear submarine, 1 amphibious, and 3 auxiliary ships.

We laymen must conclude that our naval experts on the basis of what is known of the growing Soviet naval strength are recommending what is essential.

I think our naval aircraft and carriers might well be the balance of power today between the Communists and the Free World. As such, our Navy may well be the basis of preserving world peace, so let us not curtail or reduce it in the face of the new interest in intercontinental ballistic missiles. One of these days, I firmly believe, the antimissile missile will be developed. But, come what may, I can conceive of no present or near future situation where a strong Navy is not absolutely necessary to peace.

I, for one, commend the Appropriations Committee for adding $428 million to the revised budget, requesting and recommending a total of more than $2 billion for naval shipbuilding and construction. We must meet the threat of the Russian submarine and other Soviet military potential. We must be able to defend ourselves if we are attacked. Therefore, I shall support this legislation.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, I congratulate the committee on its bold program. I agree with one of the preceeding speakers, it is a bold program. But I am concerned with the denial of funds in the amount of $35 million requested for advanced procurement of a second nuclear supercarrier for the fiscal year 1960 procurement program.

Why does the Navy still want to go on building attack carriers when ICBM's and fleet ballistic missiles are replacing aircraft and guns?

If we don't provide for the flexibility in our Armed Forces to cope with the full possibilities in international relationships, our statesmen will be severely handicapped in negotiating from a position of real strength across the conference tables.

Suppose we put our statesmen in the position where their only course of action are, first, to unleash devastating nuclear destruction upon the world; or, second, to concede to an enemy's demands—for example, turn over South Korea to the North Koreans; or, Vietnam to the Communists. What can be their decision? How dangerously can we jeopardize the security of the Free World and along with it our own, for if we make even small concessions of what

is left of the Free World, the balance of power will soon shift to the enemy to the point where it can never be regained by us. We will be a second-class nation and our existence as a free people will be only a matter of a very limited time.

If you are agreed that such a situation is intolerable then you will agree that we must have forces that can effectively deter, fight, and win other types of wars than just an all-out nuclear exchange between the United States and the U. S. S. R.

What is the nature of these wars and what are the forces that are required?

They are wars over some third country outside the United States or the U. S. S. R., usually Communist inspired and Communist supported to gain control of the government of some independent, underdeveloped, Free World nation and bring it into the Communist orbit. These names will recall recent examples: Korea, Quemoy, Vietnam, Israel, Syria, Jordan, and Egypt.

Now, nuclear warheads of mass destruction are the only practicable weapons that can be employed by ICBM's and IRBM's and long-range bombers, and are not suitable to engage in such wars. There are no suitable targets—unless we want to destroy our friends along with their enemies—or, the use of these weapons for one reason or another is politically, morally, or pyschologically infeasible.

Nor, from a look at the record, does the fact that we possess these weapons and the ability to deliver them, deter the outbreak of such wars, as the previous examples showed.

Such wars, limited wars, not a war initiated by the Soviets to obtain world domination in one all-out pyrrhic victory, but a piecemeal nibbling aggression for one limited objective after the other. The Free-World society can die of cancer just as surely as from a heart attack.

Such a war by definition then will take place across some ocean from our shores and three requirements exist:

First. An ability to control the sea routes to and surrounding the area of aggression.

Second. The ability to strike within the area of aggression, to strike precisely and with discrimination using weapons appropriate to the scale of the war, inflicting minimum harm on our friendly forces ashore.

Third. The ability to put forces promptly ashore in the combat area against whatever opposition there may be from the air, land, and sea.

Naval forces are required to provide for these capabilities. As a matter of fact they are the only type forces that can satisfy these needs. We have developed the weapon system that is the spearhead of these indispensible forces. This is the aircraft carrier, the heart of the carrier striking forces.

The fast carrier task forces are the Nation's primary resource for instant, worldwide application of tactical offensive striking power in these very probable limited wars. This is the main job of the carriers today.

The attack carrier striking forces are the forces that give us our control of the seas. They can move with relative impunity over the sea routes of the world, carrying with them powerful defensive forces in the form of the guided missile cruisers and destroyers for protection against air and submarine attacks.

Through their mobility they can reach any of the peripheral areas where limited aggression may be a threat.

With this mobility they can be deployed readily and economically to troubled areas as they may occur. They are sovereign United States airbases where they are shifted throughout the oceans of the world. In their deployment they do not infringe on any nations' sovereignty. They require no treaty arrangements or permissive agreements. They require no joint decision with another nation to employ their weapons. They can be used where, when, and how the United States unilaterally decides.

We see in the aircraft carrier the essential answer to having precision striking forces which can get quickly to the scene of action before the war has been lost. We see no substitute for the manned aircraft to deliver small weapons with discrimination which we must be able to do in the limited war.

The carrier striking forces must provide the necessary control of the air and sea and over the land in the objective area so that we can put amphibious forces ashore safely and keep them supplied over the sea routes as must be done.

Deployment of naval forces to troubled areas does not constitute an act of war or aggression. Its sailing toward a critical area signifies United States intention to uphold and protect Free World interests. Its speed toward the spot is fast enough to convey our decisiveness but not too fast as would be the case of launching aircraft or missiles which would call for immediate and direct counter action. Before the enemy or the enemy allies could reconsider their position—that is, whether their limited objectives are worth the price they are going to have to pay.

By their existence the carrier striking force testify to America's readiness and willingness to meet its political obligations to the Free World. The carriers are a precision implement of United States foreign policy, capable of meeting the demands of any conflict without expanding that conflict beyond the bounds of political reason.

In speaking of limited wars we are not talking about old-fashioned wars fought with obsolete weapons. The U. S. S. R. has been and is equipping their satellite countries and uncommitted nations like Syria and Egypt with modern high performance aircraft, tanks, and submarines.

Therefore the planes we operate from our carriers must be the highest performance planes our Nation can produce. They must be able to match the best the enemy can throw at us.

Safe and efficient operation of these high performance aircraft, both fighters and attack types requires a carrier of the approximate size of the *Forrestal* class. Additional advantages accrue from this large size also:

It can operate its planes in the roughest seas and weather.

It can carry more aircraft—important in limited wars where large numbers of small bombs must be delivered accurately on target.

Lower accident rate resulting from the larger landing area and stability of the ship saves the highly expensive aircraft to say nothing of the lives of our pilots.

Nuclear power should be incorporated into these ships. They will serve for many years, and the strategic and tactical flexibility that this adds is becoming increasingly important.

Finally, we get a big dividend from these mobile airbases—they have a tremendous nuclear capability.

We do not say that these carriers are not vulnerable in a nuclear war but we do say they are less vulnerable than fixed bases on land. They are not profitable targets for ballistic missiles, and they are strongly protected by missile cruisers and destroyers against air attacks. In other words, they have a higher probability of getting off their retaliatory strikes in the face of a surprise attack by the enemy, and after all this is all that has to be done if it comes to that type of a war.

Our carrier program has been thoroughly evaluated against all our requirements to provide the balanced naval forces to perform our many functions in the national defense. To maintain the combat effectiveness and modernity of our forces I ask for a nuclear-powered attack carrier in our 1950 shipbuilding program and ask your support for this vital ship by putting this $35 million request by the Navy into this appropriation to start the building of this ship.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DORN of New York. I yield to the gentleman.

Mr. MILLER of Maryland. The gentleman has made a very strong case for the importance of the aircraft carrier.

Mr. DORN of New York. Thank you.

Mr. MILLER of Maryland. I fully agree. But the gentleman knows, does he not, that we have a very powerful fleet of aircraft carriers, in fact more than all the rest of the world put together, so we are not at this point devoid of that form of defense.

Mr. DORN of New York. Very fortunately we are not, but if we do not keep up our carrier forces we will be. The 1960 program will be delayed if the $35 million appropriation is not put in this bill. And the Navy wants this nuclear carrier on schedule.

Mr. MILLER of Maryland. If the gentleman will look at the record——

Mr. DORN of New York. I have it here.

Mr. MILLER of Maryland. He will see that the only thing that has been delayed is some advance procurement for an aircraft carrier that has not yet even been requested by the Department of Defense.

Mr. DORN of New York. Yes, but the Department of Defense intends to request it next year, and it needs this money in order to develop and start the nuclear reactors for the carrier. I do

not think we should deny them these funds to start the program. If the gentleman will read the record, the Navy does request these funds so it can have this carrier as planned.

Mr. MILLER of Maryland. But it also has not made up its mind fully.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DORN of New York. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that seven-tenths of the earth's surface is water?

Mr. DORN of New York. That is my understanding.

Mrs. ROGERS of Massachusetts. It is extremely important to have mobile bases.

Mr. DORN of New York. That is vital, and that is the reason I have made this statement.

Mrs. ROGERS of Massachusetts. It is a wonderful statement. I hope the Committee will grant everything the gentleman asks, and even more.

Mr. DORN of New York. I thank the gentlewoman very much.

LEGISLATIVE PROGRAM

Mr. WIGGLESWORTH. Mr. Chairman, I yield 1 minute to the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I take this time to secure from the majority leader the program for the rest of the week.

Mr. McCORMACK. On Thursday, as we all know, the President of the Federal Republic of Germany will address a joint meeting of both branches of the Congress.

The reciprocal-trade program bill will not come up this week.

After consideration of the pending bill is completed, the next order of business will be the tax bill.

The reciprocal trade agreement bill will come up next week and I will announce the time later on in the week when the program for next week is announced.

Mr. MARTIN. I thank the gentleman.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. McCORMACK, having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, had come to no resolution thereon.

LIMITATION OF DEBATE

Mr. MAHON. Mr. Speaker, I should like to come to an agreement with respect to general debate on the pending bill. I ask unanimous consent that the agreement limiting general debate, which was made earlier today, be revised, and that on tomorrow general debate be limited to not more than 1½ hours, the time to be divided equally between the gentleman from Massachusetts [Mr. WIGGLESWORTH] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE TO REVISE AND EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the pending bill may have the privilege of revising and extending their remarks and including together therewith suitable excerpts, if they so desire.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MUSKINGUM DISTRICT'S 25TH ANNIVERSARY

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, America's outstanding conservation project, the Muskingum Watershed Conservancy District of Ohio, is 25 years old today.

Louis Bromfield called it "the greatest example up to now in all civilization of man's understanding of how to develop his natural environment to his greatest good."

Anyone who visits the Muskingum area will soon learn what Bromfield meant. The dams and lakes with reforested slopes have brought nature into balance in Ohio's rich countryside. One-fifth of the State has permanent protection from the disastrous floods that formerly ravaged Zanesville and adjacent areas. The worst effects of drought and flood have been relieved for the area's farmers. New industry and new business have been attracted to the region, and recreational opportunities have been provided for more than 2 million people each year.

All of this has been accomplished from very modest beginnings 25 years ago.

The people of the Muskingum watershed are celebrating this anniversary tonight in Zanesville, and I want to join them in paying tribute to Bryce Browning who, more than anyone else, has been responsible for the success of the project.

Bryce Browning's personal philosophy is reflected in two policies of the district that set it apart from all others.

First. The Muskingum district is self-supporting. It receives no revenue from taxation, although it is a public body. It pays taxes on all of the land it controls.

Second. The Muskingum district cooperates whenever possible with other agencies of the local, State and Federal governments, and nongovernmental agencies, to the end that it will not duplicate in its own establishment facilities that are available elsewhere. There is no empire building in the Muskingum district.

Others in conservation work would do well to consider these examples.

Maj. Gen. S. D. Sturgis, Jr., former Chief of Engineers, United States Army, described the district's policy in this manner:

> The Muskingum development has long been recognized as a shining example of local people and their State and National Governments working together for the good of their community and of the United States. Combining the local initiative of the Muskingum Watershed Conservancy District with the Corps of Engineers' technical resources, a reservoir system was built with a $40 million Federal contribution and integrated into the large Ohio River flood-control system. At the same time, working with the advice of the appropriate branches of the Federal Departments of Agriculture and Interior, and companion State agencies, the district began programs of both land management and recreational development of the reservoir lakes, which have received nationwide applause. Twenty years of working together have produced an integrated development combining land, forest, and water conservation with reduced flood heights extending into the great Ohio River itself.

All of this work began as a direct result of the great flood of March 1913, which destroyed nearly 500 lives and some $300 million worth of property. As this flood was rather general throughout Ohio the demand for flood control was likewise general. However, Dayton was the only community where any particularly significant action was taken. The passage of the Ohio Conservancy Act and the construction of the Miami project came as a direct result of their efforts.

Following the completion of the Miami project several other conservancy districts were organized. However, none of them became particularly active. Organized on June 13, 1933, the Muskingum district became the second active agency of its type.

The promotional work which preceded the formation of the Muskingum district was started in 1927 by the Zanesville Chamber of Commerce. The people of that city still had a vivid recollection of the terrible damage which resulted from the 1913 floods and were anxious to improve their situation. However, it was not until 1927 that a campaign was put on to raise the necessary funds for a flood-control survey.

Dr. Arthur Morgan who had directed the Miami project was employed to make this survey. The only interest of the Zanesville people was in local protection. However, Dr. Morgan's study indicated that flood protection for that city would not be economically practical except as it became a part of a project which would include the entire watershed.

It seems certain the promotion would have ended at that time except for the fact that considerably more money had been raised for the project than was necessary for the survey. As a result, various other specialists were employed to study the problem. Among these was a man by the name of George H. Maxwell who introduced some radical new ideas concerning its solution. Basically, he suggested that erosion was an even greater problem than floods, that droughts could be more costly, and that

the basic cause of all three was uncontrolled raindrops. In other words, he believed that, through adequate control measures which would be developed as near the point where the raindrop made contact with the earth as practical, all three of these problems could be either solved or their damaging results tremendously reduced. Mr. Maxwell was employed by the Zanesville Chamber of Commerce and, through his efforts, the program was greatly broadened and the interest continued.

Dr. Morgan's report stated that flood control for Zanesville would be realized only as a part of a general flood-control program in the watershed. He also stated that the general program should be greatly broadened and that it would require both State and Federal assistance. He emphasized that the development of such a program would have very great benefits from the standpoint of both the State and Federal Governments and which would justify their financial participation in its construction. Following the inauguration in 1933 of President Roosevelt, he proposed a public works program and specifically referred to projects which would include flood control, soil-erosion control and water conservation. With this encouragement, action was immediately taken for the organization of the Muskingum Watershed Conservancy District. At the same time a representative committee went to Washington and endeavored to sell the authorities there on the Muskingum project.

A Federal grant of $22,590,000 was authorized in December of 1933. Immediately afterward the Zanesville folks contacted George White, then Governor of Ohio, and requested a special meeting of the legislature to consider an appropriation to the Muskingum project. Such a session was called for this, as well as other purposes. Action was taken with the State making a $2 million grant to the project and authorizing the director of highways to assume responsibility for the relocation of the affected highways. The action of the legislature was based in large measure on the fact that it seemed clearly apparent the benefits to the State would substantially exceed the contribution which it was making.

It was originally understood that the Muskingum district was to contribute $6 million to the cost of the project. However, as a result of policies later established by the Federal Government additional contributions were made which substantially reduced its cost to both State and the district.

In 1939, under authority of Congress, the War Department assumed responsibility for the operation of the flood control phase of the district's program. Following this action, the district immediately adopted the policy of operating without tax income of any kind. From its inception it had also followed a policy of paying the full real estate tax on all its land. It has been said that the district is the only agency of government which both pays taxes and operates without tax income.

The primary activities of the district are in the fields of conservation and recreation. Its major conservation activity is in forestation. It has already planted more than 5 million trees and plans are being made whereby it hopes to plant an additional 7 million within the next 10 years. All of this operation is financed out of income from its lands. The recreation improvements made by the district represent an expenditure of more than a million dollars and it is hoped that this program may also be substantially increased. The district completed the liquidation of its flood control debt on May 1, 1958, when its remaining flood control bonds became callable.

The 10 Muskingum lakes are the most valuable recreational asset in this section of the United States. According to tables furnished by the National Park Service it has an annual recreational value to the citizens which it serves in excess of a million dollars. It is now looking forward to a substantial expansion of both its recreation and forestry activities.

It is a pleasure to take notice today of this great accomplishment, and to pay tribute to the devoted men and women who have made it a success. It has been my own pleasure and honor to work with them, and I hope to continue this good relationship in the future.

TAX RELIEF FOR SMALL BUSINESS FIRMS IS DESPERATELY NEEDED

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, there is a great need for this Congress to take decisive and constructive action toward improving the climate in which small business operates today. In my Congressional District the small-business firms are confronted with serious problems as they face the effects of this recession with its unemployment, reduced purchasing power of the consumer, and inflation. These problems today have simply aggravated the difficulties they have encountered for years and for which only Congress can grant relief.

Back in March 1957, in cooperation with the small-business men of my Congressional District, I introduced H. R. 5704, a bill to establish corporate income tax rates at 22 percent normal tax and 30 percent surtax. This bill amends section 2 of the 1954 Internal Revenue Code and lowers the normal tax rate on all taxable corporate income from 30 to 22 percent and increases the surtax rate from 22 to 30 percent on taxable income in excess of $25,000.

My bill, H. R. 5704, which has been pending before the House Ways and Means Committee since the spring of 1957, is identical to several bills introduced in the Senate and House of Representatives during this Congress and is in keeping with the general desire on the part of many Members who are interested, as I am, in legislating immediate tax relief for the little-business man.

Mr. Speaker, of the 4¼ million business concerns in the United States only 200,000 of this number can be considered as big business, which means that 95 percent of all the business concerns in the United States are classified as small business. These small businesses represent between 40 and 50 percent of the total dollar business of the Nation's manufacturing, wholesaling, retailing, and service firms. From the standpoint of employment, out of the approximate 39 million employed by the Nation's business concerns, nearly 22 million have jobs with small business where the employment is less than 500 employees.

As already mentioned the little-business man is having his trouble and surely before adjournment of this Congress the House Ways and Means Committee will take affirmative action on legislation of the type of my bill H. R. 5704, as well as other tax relief proposals which have been sponsored by the ranking members of the House Ways and Means Committee. These legislative measures will extend accelerated depreciation formulas to used property, give favorable tax treatment for losses on small-business stock, permit partnership tax treatment for small corporations, and finally allow installment payment of estate taxes.

All of these legislative suggestions, Mr. Speaker, which include my own bill H. R. 5704, are designed to assist the little-business man in keeping his head above water during these trying days. As is often said the small-business man is the backbone of our economy and to neglect him in his hour of need is simply adding strength to the present economic recession.

In closing, Mr. Speaker, the eyes of the small-business men of the Nation are focused on the 85th Congress and like all Americans they approve of the effort that is being made to meet the Nation's international and national problems. It is, however, their sincere desire for this Congress to take a look at their problem and grant them the type of relief that only Congress can authorize.

They know as we do that one of the real threats to the economy of our Nation is the inability of small-business concerns to retain earnings and plow them back into business for the purpose of creating employment and stabilizing the economy of the Nation.

Therefore, it is my ardent hope that we will get action on this very important legislation before the adjournment of the 85th Congress late this summer.

RECIPROCAL TRADE AGREEMENTS

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have requested this special time in order to acquaint my colleagues with some constitutional questions that have been raised concerning legislation involved in

the renewal of our present Reciprocal Trade Agreements Act.

I am not a member of the bar, and I do not consider myself qualified to discuss these constitutional questions; but, I do have access to sources of good legal advice, and I have asked one of the Nation's largest and most substantial legal firms for their opinion on H. R. 12676, which will be legislation considered when we take up the matter of renewing our present Reciprocal Trade Agreements Act.

At this time, I would like to read into the RECORD a letter I received only yesterday from the firm of Steptoe & Johnson, with major law offices in Washington, D. C.; New York City; Charleston, and Clarksburg, W. Va.; commenting on constitutional questions that might be raised in reference to H. R. 12676.

WASHINGTON, D. C., *June 3, 1958.*

HON. CLEVELAND M. BAILEY,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE BAILEY: In response to your request for our opinion concerning the constitutional aspects of your bill, H. R. 12676, we are pleased to submit the following:

Section 7 of H. R. 12676 would amend section 7 (c) of the Trade Agreements Extension Act of 1951 to provide that the President must either proclaim escape clause recommendations of the Tariff Commission or submit to the Congress a report containing his counter or alternative recommendations. In either event, the President must act within 30 days after receipt of the Tariff Commission's recommendations. The section further provides that in instances where the President has submitted his own recommendations to the Congress he shall, after the expiration of a stated period of time, proclaim the recommendations of the Commission unless "the Congress, by law, shall have approved the recommendations made by the President." In that event, the section provides that he shall proclaim the recommendations so approved.

In our opinion, section 7 of H. R. 12676 comports with all pertinent requirements of the Constitution of the United States. It is well established that the Congress may authorize either the Tariff Commission or the President to make certain tariff adjustments when a fact-finding prescribed by statute is established. *Field* v. *Clark* (143 U. S. 649 (1892)). It is self-evident that where such authority has been provided for by statute it may be revoked, altered or modified by another statute enacted pursuant to law. In our opinion, section 7 of H. R. 12676 is constitutional because it involves a direct application of these two principles.

It is to be noted that, in essence, section 7 of H. R. 12676 provides for the recommendations of the Tariff Commission to become effective unless "the Congress, by law, shall have approved" different recommendations. In our opinion, the language used insures conformity to the requirements of article I, section 7, of the Constitution which makes action of the President an essential element of the legislative process. By providing that the Congress shall act by law rather than by concurrent resolution a serious constitutional question of proper legislative procedure is avoided. (See 37 Op. Atty. Gen. 56 (1933); 39 Op. Atty. Gen. 61 (1937); Jackson, a Presidential Legal Opinion (66 Harv. L. Rev. 1353 (1953)); Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees (66 Harv. L. Rev. 569 (1953)).)

Very truly yours,

STEPTOE & JOHNSON.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a communication.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

SMALL BUSINESS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to say that I think Small Business Administration can do more in assisting small business to get new loans.

MAXIMUM EMPLOYMENT WITHOUT INFLATION: STRENGTHENING THE EMPLOYMENT ACT OF 1946 BY CLARIFYING THE PRESIDENT'S RESPONSIBILITIES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 20 minutes.

Mr. REUSS. Mr. Speaker, the Employment Act of 1946 attempted to centralize in the President the duty of developing a national program "to promote maximum employment, production and purchasing power." The Congress, I am convinced, has always considered these economic goals as including the closest possible approach to jobs for all, maximum production, steady growth, and as much price stability as possible.

It cannot be denied that the machinery for reaching these goals has broken down at several points. Current unemployment is well in excess of 5 million, more than 7 percent of the labor force. An estimated $40 billion is being lost from this year's national production. Our economic growth has gone into reverse while Russia's continues to bound forward.

Finally, with the cost of living index up every month for the last 20, inflation continues. And almost every one of the scores of distinguished economists who appeared in May, 1958, before the Joint Economic Committee's symposium on "The Relationship of Prices to Economic Stability and Growth" testified that the price index, except for occasional interruptions, will continue up and up for decades to come unless we change our ways.

That the first three objectives—maximum employment, production, and growth—are not being attained is no fault of the Employment Act of 1946. Section 3 of the act requires that the President recommend proposed levels for these goals, and a "program" for achieving them. He obviously has failed to do either one.

But the act does seem faulty as regards the fourth objective, that of price stability—or "maximum purchasing power," as the act puts it. As interpreted, the act contains inadequate machinery for requiring the President to make specific recommendations to combat inflation.

INADEQUATE ANTI-INFLATIONARY MACHINERY NOT ONLY FEEDS INFLATION BUT IMPAIRS THE WILL TO FIGHT RECESSION

I believe that this inadequate machinery has brought harm to the economy in two main ways. In the first place, it has been used as an excuse by the administration for its policy of leaving almost the whole fight against inflation to the Federal Reserve, and to "monetary policy," while appropriate tax, fiscal, and selective control measures go unconsidered.

In the second place, the administration's resulting weak anti-inflationary performance since 1955 has so raised the spectre of inflation that today the administration hesitates to recommend obviously necessary antirecession measures because of the fear of inflation if it does so.

Here is the supreme irony. The administration, confronted by increasing prices and increasing unemployment at the same time, hesitates to combat increasing unemployment for fear of increasing prices, just as in the preceding boom it hesitated to combat increasing prices for fear of increasing unemployment.

I have today introduced for appropriate reference a bill, H. R. 12785, to clarify and strengthen the President's duties under the Employment Act of 1946 to safeguard the maximum purchasing power of the dollar. If we are equipped to make a stab at checking inflation, we need not be so skittish about taking steps to end recession.

The text of H. R. 12785 follows:

A bill to amend the Employment Act of 1946 to provide for the inclusion of recommendations concerning monetary policies in the President's program, and to bring to bear an informed public opinion upon proposed inflationary price increases

Be it enacted, etc., That section 3 of the Employment Act of 1946 is amended to read as follows:

"SEC. 3. (a) The President shall transmit to the Congress not later than January 20 of each year an economic report (hereinafter called the 'Economic Report') setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program (including monetary and credit policies) of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program (including monetary and credit policies) for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable.

"(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations (including recommendations concerning monetary and credit policies) as he may deem necessary or de-

sirable to achieve the policy declared in section 2.

"(c) The Economic Report, and all supplementary reports transmitted under subsection (b) of this section, shall, when transmitted to Congress, be referred to the joint committee created by section 5 (15 U. S. C. 1022)."

SEC. 2. Section 4 (c) (3) of the Employment Act of 1946 is amended to read as follows:

"(3) to appraise the various programs and activities (including monetary and credit policies) of the Federal Government in the light of the policy declared in section 2 of this title for the purpose of determining the extent to which such programs and activities are contributing, and the extent to which they are not contributing, to the achievement of such policy, and to make recommendations to the President with respect thereto."

SEC. 3. Section 4 (c) of the Employment Act of 1946 is amended by adding an additional subsection (c) (6) as follows:

"(6) to collect information concerning, and make studies of, such proposed price and wage increases as may adversely affect maximum employment, production, and purchasing power; and to report to the President instances where the proposed increase is found likely to have such an adverse effect, in order to enable the President to make an appropriate informed request for voluntary restraint by the parties concerned."

H. R. 12785 would impose on the President anti-inflationary responsibilities of two types.

INFLATION: BOTH DEMAND-PULL AND COST-PUSH

The panel of economic experts testifying on the nature of inflation before the Joint Economic Committee in May was by no means in agreement on the nature and causes of the recurrent price rises we have experienced in the last 2 or 3 years. To some, the major cause was excessive demand by the buyer, including the consumer, the Government, and the capital investor. Others argued that a primary impetus to inflation came from the supply or sellers' side. How else, say the proponents of this view, can we account for the persistence of price increases for many months after serious unemployment has set in? According to this view, wage increases and administered price increases, usually stimulated by demand, accentuate inflationary price rises. Some experts believe that the wage increases were not justified by the price increases, others that the price increases were not justified by the wage increases. In my own tentative view, our recent inflationary trends are the result both of strong demand in certain areas and at certain times by buyers, and of wage and pricing practices on the cost-push side. One cause feeds the other.

H. R. 12785 aims to correct the deficient way in which the present act spells out how the President should react to both types of inflation. Under the act as presently interpreted by the President, he is not required to have a program either for monetary and credit policies, which most generally affect demand-pull inflation, or for wage and price increases, which are most involved on the cost-push side.

H. R. 12785 would encourage the President, where appropriate, to make recommendations in both the monetary-credit field and in the wage-price field, thus addressing himself to both aspects of inflation.

I. REQUIRING RECOMMENDATIONS ON MONETARY POLICY

The first of H. R. 12785's provisions is to require the President to include in his economic program—contained in the annual Economic Report and supplementary reports—recommendations concerning monetary and credit policies. Such a program would include both recommendations for action by the Federal Reserve System within its existing statutory powers, and for legislation by Congress affecting the Federal Reserve System.

The President has interpreted the Employment Act of 1946 as not imposing upon him the duty of including monetary and credit policy recommendations in his program. He has done so by what amounts to a formal renunciation, and by consistent practice.

A. THE PRESIDENT HAS FORMALLY RENOUNCED THIS RESPONSIBILITY

In the first place, the President has formally renounced any responsibility to advise the Federal Reserve Board and the Open Market Committee of the administration's position on monetary and credit policy. Of course, the Federal Reserve System is independent of the Presidency in the sense that once the Board of Governors is appointed by the President, they are not subject to removal except for cause during their 14-year term. This independence, however, has been distorted in recent years into a refusal by the administration to accept responsibility for making monetary and credit recommendations to the Federal Reserve System, even though, were such recommendations made, an independent Federal Reserve could still disregard them. In the 1952 campaign Mr. Eisenhower advocated "a Federal Reserve System which exercises its functions in the money and credit system without pressure for political purposes from the Treasury or the White House"—testimony of Secretary of the Treasury Humphrey, Senate Finance Committee, Investigation of the Financial Condition of the United States, part 1, page 16, June 18, 1957.

In a similar vein, Under Secretary of the Treasury W. Randolph Burgess has recently said:

The job of the bank of issue is making money scarcer and costlier when boom psychology appears. This takes courage and judgment. That is the reason why it can't be done safely or well by politicians. The usefulness of the bank of issue is exactly in doing the unpopular things at the right time. The wise government knows this and leaves these unpopular jobs to the bank of issue. (Ibid., pt. 2, p. 960, August 3, 1957.)

It is apparent from numerous utterances of President Eisenhower that he regards the independence of the Federal Reserve as a reason for refraining from even making administration recommendations in the field of monetary and credit policy. Discussing the Federal Reserve's April, 1956, increase in the discount rate, the President said at a press conference:

The Federal Reserve Board is set up as a separate agency of Government. It is not under the authority of the President, and I personally believe it would be a mistake to make it definitely and directly responsible to the political head of state—I do have this confidence in the Federal Reserve Board: They are watching this situation day by day. And they are watching it very closely, and I personally believe that if money gets to what is normally referred to as too tight, they will move in the other direction in some way or other as soon as they can. (New York Times, April 26, 1956, p. 16.)

In a Presidential press conference on October 5, 1956, the following colloquy took place:

Mrs. Sara McClendin, of El Paso Times: "Mr. President, sir, we know that many communities want more school buildings, and we know you said you wanted to help them, I believe, on the partnership basis—but how can these communities build more schools when the cost of doing so would be a million or two higher as a result of the interest they would have to pay, as a result of your policies on high interest. [Laughter.]

The President: "What are my policies on high interest? You have not explained that."

Mrs. McClendin: "Well, the Treasury Department and the Federal Reserve Board, under your administration, have contributed to raising the interest rates all over the country."

The President: "To what extent is the Federal Reserve Board under my control?"

Mrs. McClendin: "Well, I would imagine—I don't know, sir, but I would imagine you would have some influence."

The President: "Then, the only thing I am getting at is don't start out with a premise that isn't quite correct. The Federal Reserve Board is not under my control, and I think it is proper that the Congress did set it up as an independent agency."

B. THE PRESIDENT, IN PRACTICE, HAS FAILED TO MAKE MONETARY AND CREDIT RECOMMENDATIONS

Not only has the President thus repeatedly used the Federal Reserve's "independence" as a reason for renouncing the responsibility of making recommendations in monetary and credit policy. In fact, since 1953 the President's statutory programs, as contained in the Economic Report, have omitted any recommendations for action by the Federal Reserve or the Open Market Committee. Both these bodies, of course, exert a profound influence over employment, production, and purchasing power. They do so through the Board's power over changes in Reserve requirements, rediscount rates, regulation of stock market credit, and setting of maximum rates of interest for savings deposits in member banks; and through the Open Market Committee's power over the purchase and sale of Government securities.

In this year's 1958 Economic Report of the President, dozens of specific recommendations for action were made to the Congress and to state and local governments—see 1958 Economic Report, pages 77–80—but not a single recommendation or suggestion to the Federal Reserve Board or to the Open Market Committee. Chairman Raymond J. Saulnier of the CEA has since testified—Joint Economic Committee hearings, January 27, 1958, page 29:

In the Economic Report we have expressed no judgments as to the adequacy or inadequacy of credit policy. We have done the best we can to describe that policy

and to describe the movement of our economy, and have left evaluations of it completely out of the story.

Surely the Federal Reserve Board and the Open Market Committee are no more "independent" of the Executive than are Congress and local and state governments. Yet for some reason the vital field of monetary and credit policy administered by the Federal Reserve System is thought to be a field beyond the power of the President in which to recommend or to suggest.

Similarly, in the 1955, 1956, and 1957 economic reports, State and local governments were advised to rewrite their tax and debt limitation statutes in order to relieve the problems caused by tight money. Yet no recommendations were made to the Federal Reserve concerning tight money itself.

THE NEED FOR PRESIDENTIAL RESPONSIBILITY IN MONETARY POLICY

It is perfectly true that the Federal Reserve System, like other branches of the Federal Government, has acknowledged a responsibility to promote the goals of the Employment Act of 1946. It is also true that, at least since September 1957 an informal committee on credit policy, consisting of the President's economic adviser, the Chairman of the Federal Reserve Board, the Secretary of the Treasury, and the Chairman of the Council of Economic Advisers, permits a useful informal exchange of information and views on monetary and credit policy.

Neither of these, however, meets the fundamental need which gave rise to the Employment Act of 1946 in the first place—the need to centralize in the President the responsibility for coming forward with a constantly revised program for maximum employment without inflation, which is then to be implemented in the executive branch where it is a matter for the executive branch, and referred with a recommendation where the responsibility for carrying out the recommendation must in the nature of things be on someone else—as on the Congress, State, and local governments, or the Federal Reserve.

If the President believes that the Federal Reserve is exercising its rediscount and reserve powers properly, or too severely, or too laxly, he should say so. If, at a time when credit needs to be made easier, he believes that national economic goals will be enhanced by open market purchases of Government securities, rather than by changing reserve or rediscount requirements, he should say so. If he believes that the Federal Reserve's general monetary controls need to be supplemented by selective controls, as over consumer spending, he should say so.

In fact, he has not said so. Recent examples of administration irresponsibility in failing to state its position to the Federal Reserve at the relevant time, apparently in the hope that all will come right in the end, are not lacking. For example, Chairman Martin of the Federal Reserve testified as follows concerning the administration's position on the Federal Reserve's April 1956 increase in the discount rate:

By the last week in March the position in the Federal Reserve—which was not a 1-man operation; you see, the 12 bank directors were considering all aspects of this—was that it would be wise for us to go up in the discount rate.

I think Secretary Humphrey subsequently testified that his judgment at that time was that the timing was poor, but that he was not opposed to the long-run objective.

We finally reached a point where there was no meeting of the minds that could be had, and there was nothing for the Federal Reserve to do except to go and act. And we acted.

Senator LONG. Since that time the discount rate has been advanced several additional steps, has it not?

Mr. MARTIN. It has. And it has been discussed persistently with the Treasury and with the Council of Economic Advisers and others in the administration. And we benefit a great deal from these discussions with them, just as we benefit from the meeting here before this committee, getting the different points of view.

Senator LONG. Are you free to say whether there was a divergence of opinion on the subsequent increase in the rediscount rate?

Mr. MARTIN. In some degree, I think there was. There was no pressure put on us not to do what we did. Everything was very friendly and amicable, but I am inclined to believe, to be honest, that if it had been handled by the administration it would have been handled differently. (Senate Finance Committee, investigation of the financial condition of the United States, pt. 3, p. 1363, Aug. 16, 1957.)

Asked "what communications and representations from executive department officials or their subordinates" the Federal Reserve Board had before it in its decision to up the discount rate in April 1956, Chairman Martin replied:

The answer is none. I informed the Board, as is my practice, of the conversations which had been carried on, and of the fact that Secretary Humphrey and Chairman Burns questioned the wisdom of the action, but there were no formal representations. That was conveyed to the Board. They knew that at the time they took their action. (Conflicting Official Views on Monetary Policy: April 1956, Subcommittee on Economic Stabilization, Joint Committee on the Economic Report, p. 40.)

The August 1957 increase in the discount rate by the Federal Reserve Board is another instance where the administration, although apparently disagreeing with Federal Reserve action, was silent at the time. The August 1957 discount rate-increase action was taken despite months of increasing business failures, falling agriculture incomes, declining employment, and falling prices of sensitive commodities. A New York Times story of January 20, 1958, by Edwin L. Dale, Jr., on the filing of this year's economic report, reported that:

In elaborating on the report, administration sources made these points:

"The Federal Reserve, in the administration's view, carried on its tight-money policy too long, and even now has not switched sufficiently to easy money. Current Federal Reserve policy was described as 'a trifle overstern.' The Reserve operates independently of the administration."

To the same effect, Mr. Raymond J. Saulnier, Chairman of the Council of Economic Advisers, testified on January 27, 1958, that he "would have welcomed a shift toward a somewhat easier credit policy at an earlier date" than the November date the Federal Reserve in fact selected—Joint Economic Committee hearings in January 1958, Economic Report, page 29. But the CEA apparently did nothing about it at the time.

The failure of the administration to assume responsibility for making monetary and credit recommendations to the "independent" Federal Reserve System is, therefore, a departure from the act's philosophy of centralizing responsibility in the President for producing a coherent across-the-board economic program—tax, fiscal, credit, monetary, wage-price.

More than that, however, the administration's "let Bill do it" practice, coupled with its belief that monetary and credit policy is the most effective antidote to inflation, has in effect brought about the retirement of the administration along the whole anti-inflation front. If the administration in the last 3 years had had the responsibility of making recommendations to the Federal Reserve on monetary and credit policy, three facts might well have caught the President's eye:

First. The tight money policy was so haphazard as to have no visible effect on dampening inflation. It operated mainly on the commercial banks, missing completely such financial institutions as insurance companies, savings and loan associations, finance companies, pension funds. It affected only a fraction of the financial community. It ignored self-financing out of corporate profits. Moreover, Federal Reserve restrictions on reserve requirements and rediscount rates could be, and were, largely circumvented by the banks' selling Government bonds in their portfolios and obtaining loanable funds instead.

Second. The tight money policy not only failed to prevent inflation. It caused great hardship on small business, in the cities and on the farm; on the housing industry, particularly the FHA and VA financed portion of it, which found its funds siphoned away; and upon State and local governments, which ran into financing difficulties at higher interest rates.

Third. While the Federal Reserve was supposed to be pursuing anti-inflationary credit policies, the rest of the administration was going in just the opposite direction in its credit, tax, and other economic policies. While the tight money policy was supposedly in full effect, executive lending agencies responsible to the President, such as HHFA, Farm Home Administration, and the Farm Credit Administration, were increasing the supply of credit. Administration tax policy, including the lavish granting of rapid amortization certificates, was feeding a considerable capital goods inflationary boom. At the same time, the administration was refusing to ask for the imposition of consumer credit controls. Had the President had a clear mandate to do something about inflation, and not just "let Bill do it," it is at least possible that such contradictory policies might not have been pursued.

II. WAGE-PRICE RESTRAINT THROUGH AN INFORMED PUBLIC OPINION

The second of H. R. 12785's two provisions is to require the Council of Economic Advisers to study proposed price and wage increases which have an inflationary potential, and to report them to the President. The President, in turn, may take either or both of the following courses:

First. Consult informally with representatives of industry and labor concerned with the proposed price or wage increase, in an effort to induce voluntary restraint. In these consultations, the President would be armed with a complete analysis and set of recommendations as to why the proposed increases would be contrary to economic stability. These consultations with representatives of industry and labor are clearly envisaged by two present provisions of the Employment Act of 1946. Section 2 declares that the responsibility of the Federal Government is to promote the goals of the act "with the assistance and cooperation of industry (and) labor." Section 4 (e) (2) empowers the Council of Economic Advisers to consult with "representatives of industry (and) labor."

Second. Make public his recommendations against the proposed increases, in order to let an informed public opinion help induce restraint.

This new definition of duties in the wage-price field by the President and his Council of Economic Advisers is designed to make definite and useful the vague exhortations and admonitions to industry and labor which the President has repeatedly used.

THE GENERALIZED ADMONITIONS

For example, the January 1958 Economic Report set forth the following:

Business managements must recognize that price increases that are unwarranted by costs, or that attempt to recapture investment outlays too quickly, not only lower the buying power of the dollar, but also may be self-defeating by causing a restriction of markets, lower output, and a narrowing of the return on capital investment. The leadership of labor must recognize that wage increases that go beyond overall productivity gains are inconsistent with stable prices, and that the resumption of economic growth can be slowed by wage increases that involve either higher prices or a further narrowing of the margin between prices and costs.

In his state of the Union message of January 10, 1957, the President said:

And, if our economy is to remain healthy, increases in wages and other labor benefits, negotiated by labor and management, must be reasonably related to improvements in productivity. Such increases are beneficial, for they provide wage earners with greater purchasing power.

Except where necessary to correct obvious injustices, wage increases that outrun productivity, however, are an inflationary factor. They make for higher prices for the public generally and impose a particular hardship not only on the active workmen, but on those whose welfare depends on the purchasing power of retirement, income and savings. Wage negotiations should also take cognizance of the right of the public generally to share in the benefits of improvements in technology.

At his press conference on June 26, 1957, the President said:

The only point I make is this: Government, no matter what its policies, cannot, of itself, make certain of the soundness of the dollar, that is, the stability of the purchasing power of the dollar in this country. There must be statesmanlike action, both by business and by labor. Frankly, I believe that boards of directors of business, of business organizations, should take under the most serious consideration any thought of a price rise and should approve it only when they can see that it is absolutely necessary in order to continue to get the kind of money they need for the expansion demanded in this country—and at the same time labor should demand wages, wage increases that conform roughly to the increase in productivity of the individual, and the only exception I think they ought to make to that, when there are demonstrable injustices existing in particular areas.

In a speech on May 21, 1958, he said:

The American people are going to be looking over the shoulders of those sitting at every bargaining table to see whether the wage settlement and subsequent price decisions are consistent with a stable dollar.

MAKING THE ADMONITIONS SPECIFIC

The trouble with these generalized admonitions is that nobody pays any attention to them. Both labor and management insist that the President must be talking about somebody else. Such admonitions will be meaningful, and public opinion in the last analysis can be marshaled for their support, only when they are specific. If they are specific, it is quite likely that both labor and management will be sufficiently public-relations-conscious so as to pay some heed to a Presidential recommendation. Thus in many cases public opinion may not have to be brought into play at all.

The proposed redefinition of Presidential responsibilities would in practice be applicable only to the so-called strong industries, those which have an important effect upon maximum employment, production and purchasing power. It is in just these industries, incidentally, where both management and labor have come to exercise what amounts to political power over the value of the dollar. Nor would Presidential recommendations be required for all proposed price or wage increases in these industries. Many price increases are justified by cost-profit positions. Many wage increases do not require price increases, but merely translate growth in productivity into increased standards of living.

But unless the President, advised by the Council of Economic Advisers, is willing in specific cases to formulate standards, the public's interest is likely to be lost sight of. Without public standards, labor and management occupy the plain where ignorant armies clash by night.

The purpose of H. R. 12785 is to collect information and bring it to bear where it will be most useful. It is in no sense price or wage control, since the industry or union involved is free to disregard the recommendation.

The Council of Economic Advisers would probably need some modest increase in staff in order to handle the proposed new function, although much of the work could be done by other Government agencies which the Council is privileged to use, such as the Bureau of Labor Statistics.

I believe that enactment of these two strengthening provisions would make the Employment Act of 1946 a more effective instrument for producing the goal of maximum employment without inflation. Of course, the Employment Act of 1946 is not self-executing, and is no better than the recommendations for tax policy, credit and monetary policy, wage-price policy, and expenditure policy which the President recommends under it. The purpose of H. R. 12785 is to make it clear that the Nation expects to President to make the appropriate recommendations.

Many of the participants in the symposium before the Joint Economic Committee on the Relationship of Prices to Economic Stability and Growth in May 1958 testified that in their opinion the Employment Act of 1946 needed a more emphatic anti-inflationary mandate than the present statutory goal of maximum purchasing power. Others, including Dr. Edwin G. Nourse, former Chairman of the Council of Economic Advisers, felt that the maximum purchasing power mandate of the act, which has been unchanged since the act's passage in 1946, does constitute a sufficient anti-inflationary mandate. His successor as Chairman of the CEA, Leon H. Keyserling, takes the same view. I am inclined to agree that the words "maximum purchasing power" do give a mandate to the President to combat inflation with a zeal equal to that with which he combats unemployment. To amend the law to include a specific anti-inflationary mandate would imply that none now exists. H. R. 12785, therefore, does not tamper with the act's present goal of maximum purchasing power. I should hope, however, that the legislative history of H. R. 12785, as well as any utterances of the Joint Economic Committee, would restate and reinforce Congress' intention that price stability is a goal of the Employment Act of 1946 equally important as its other goals.

THIRD ANNUAL UNITED STATES WORLD TRADE FAIR NOW FIRMLY ESTABLISHED AS WESTERN HEMISPHERE'S GREATEST MARKET PLACE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TELLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TELLER. Mr. Speaker, today it has been one of my greatest satisfactions to introduce a joint resolution authorizing the President of the United States to invite the States of the Union and foreign nations to participate in the third annual United States World Trade Fair to be held at the New York City Coliseum from May 8 through May 19, 1959.

The great pleasure that I derive from offering this resolution stems from the fact that I consider it a distinct honor and privilege to assist in furthering the

aims and objectives of the United States World Trade Fair because of its proven, immeasurable value in creating better international understanding, economic advancement, and good will.

This past May the finest products and raw materials from over 60 countries were presented in 3,000 exciting displays at the second annual United States World Trade Fair.

As we all know, attempts have been made in recent years to create a much-needed international market place of this kind in the Western Hemisphere. They failed. But the United States World Trade Fair in New York City has succeeded, succeeded in establishing itself as the greatest market place in the Western Hemisphere, succeeded in fulfilling that long existing need.

Let me cite some brief statistics of the successful establishment of the United States World Trade Fair. In its first year, 1957, the United States World Trade Fair attracted approximately 125,000 businessmen and buyers from all parts of the world. In May of 1958, the second annual United States World Trade Fair drew a trade attendance of 144,700. In other words, the fair has definitely set a business trend which can be expected to increase with each succeeding year.

The reasons for this growth trend stem from several highly important fundamental factors. First, the United States World Trade Fair is under the guidance of sound and experienced management. Second, the United States World Trade Fair has never been planned or projected as a one-time tourist attraction. This international exposition, from its very onset, has been planned and projected and executed to fulfill the purpose of providing the greatest market place in the Western Hemisphere for the efficient and effective exhibition, promotion, and volume sale of foreign products and services to buyers and to the public on an annual basis. It is this combination of sound purpose, of continuity, and of sound, experienced management that has provided the basic elements necessary for making the United States World Trade Fair a completely recognized, tested and proven economic tool—a highly powerful machine—for paving the highway to world peace and prosperity through world trade.

That is why, from its very inception, the United States World Trade Fair merited and received full cooperation from the New York City and New York State government administrations as well as from our own United States Departments of Commerce, State, and Treasury. I am sure that our Federal Government's support of the United States World Trade Fair will continue to be as great and effective as it has been in the 2 formative years.

I firmly believe that the citizens of every great State in this Union can be equally as proud of the United States World Trade Fair as the people of New York themselves. Its successful establishment, its continuity as a major international event, is living proof of our general regard for the economic and social welfare of our neighbors and brothers throughout the world.

We, as Americans, know that world trade is not an exclusive one-way street, built for our own benefit; not something that merely offers other nations the opportunity for purchasing our exports.

We, as Americans, have come to realize that world trade is in fact an economic common denominator among all nations. We know full well that the sale of foreign goods and commodities to this country generates the purchasing power necessary for building good customers abroad for our American-made products.

The people of the United States, as well as people throughout the entire world, understand and accept the fact that the well-being of all of us is dependent upon the ability of each to produce the products, the goods, and the services which the others need, want, will, and can buy.

The United States World Trade Fair is living proof of this economic interrelationship of nations, because it provides the medium for this vital exchange of goods and services. That is why it is the real American way of helping to improve political and economic conditions throughout the world, the established way whereby the people of other nations can actively participate in efforts to stabilize their domestic economies and raise their living standards with a pride, self-respect, and personal satisfaction of achievement resulting from their own productivity and ingenuity.

Today, more than ever, it is becoming increasingly clear—almost painfully apparent—that a faltering economy in any nation represents a threat to the health and well being of other countries. We now know that economic cooperation through world trade represents the most effective serum against the incipient germs of war that are spawned by unhealthy economic conditions in any country.

But again, I should like to remind you that the United States, today more than ever, must represent international leadership in the struggle for world peace and prosperity. To generate lasting international harmony, we know that we must continue to foster and build a healthy world trade condition, in the best interests of all nations as well as ourselves.

That is why I believe, and why I urge, that we join together, here and with our neighbors throughout the world, in a mutual determination, through such important efforts as the United States World Trade Fair, to accelerate a continuing normally forceful and responsible program of international trade.

This is the way we and the other nations of the world can achieve our common aims—peace, prosperity, and human freedom—by working together as partners and neighbors.

WE HAVE NO ALTERNATIVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD and include a speech.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, Mr. Louis Nizer, distinguished New York attorney and author, speaking before the Bronx Bar Association, has summed up, most brilliantly the dilemma confronting the nations of the world today. His speech, entitled "We Have No Alternative," deserves careful reading by all who are concerned about the survival of the Free World.

Under unanimous consent I ask that Mr. Nizer's speech, as well as the preface to it by Stuart Levison, president of the Bronx Bar Association, be printed in the CONGRESSIONAL RECORD.

The speech follows:

WE HAVE NO ALTERNATIVE

FOREWORD

(By Stuart Levison, president, Bronx Bar Association)

Chief Judge David W. Peck of the appellate division said about the speech which is here reprinted: "To Louis Nizer, I would like to say what all of you did say by your ovation to him at the end of his remarks, that his address was one of the most thoughtful, penetrating, philosophical, and spiritual messages that has ever been delivered in any gathering."

Such an evaluation from one given to measured words may convey the emotional impact of the address upon all who heard it. The effect was not temporary. Upon reflection, it seemed to grow, and we received an unprecedented number of requests for copies, coupled with the concern that none would be available, since Mr. Nizer spoke without script. However, a court stenographer had recorded the address, and we now make it available not only to the members of the Bronx Bar Association, but to the members of other bar associations whose presidents heard it, and also asked for reprints.

As was suggested by various judges and distinguished members of the bar, we are also forwarding copies to President Eisenhower, the State Department, and leaders of Congress.

There are rare occasions when a speech may affect international policy. It is possible that this reprint may achieve such historic significance.

ADDRESS BY LOUIS NIZER

Mr. Chairman, Chief Judge Peck, distinguished members of the judiciary, counsel, and ladies of counsel, ordinarily, I would deem it my first duty to disavow the general compliments, and the obituary, which have just been read about me. I shall not do so, however, because your chairman has such a fine reputation for accuracy that I would not insult him by suggesting that anything he said about me was not precisely true. Indeed, he also has a reputation for understatement. If I were hard pressed, I might confess to you that if it were not for that frailty he would have done me more justice.

It is good, on an evening like this, to share the dais with so many judges. In France, the identity of the lawyer is preserved by his costume. The French lawyer wears a gown with a red velvet collar. In England, the barrister wears a wig. In this country, democracy has denuded us, and we do not wear a gown or a wig, although we are sometimes permitted to wear our masks.

In any event, it is good on such an evening to catch the judges with their robes off; it gives us an external appearance of equality.

When you invited me to address you this evening, I had thought it was to be a meeting only of the members of the Bronx Bar Association and, therefore, I intended to address you on a subject of technical professional interest.

Then, I learned that this was to be a social gathering; indeed, as I now know, preceded by a cocktail party designed, I suppose, to dull the razor-sharp brains of many counsel here. I also learned that it would be an occasion which was to be graced by beauty other than that which can be found in a legal syllogism.

Therefore, I decided it would be wrong to talk shop, just as if you had a lady speaker—it would be wrong for her to talk shopping.

Instead, I choose this opportunity to address you on a subject which has pressed upon my mind, and is very dear to my heart. I hope you will find it appropriate, because it does involve the subject of international law. I assure you, though, it is a subject of profound interest to every person alive today, for it involves nothing less than the survival or extinction of the human race.

I do not like suspense, except in stories. When an associate of mine comes from the law court, I implore him to tell me the conclusion first, and then he can sit back and tell me, at great length, how he brilliantly bested his adversary. Therefore I shall state my conclusion first.

President Eisenhower should address the United Nations and propose a new Constitutional Convention to amend the Charter of the United Nations. Such procedure is authorized (United Nations Charter, section 109, subdivision 3) at any time after 10 years existence of the United Nations.

The calling of such a convention to amend the Charter need be passed by only a majority of the Assembly, and seven members of the Security Council.

The objective would be to create an effective instrumentality for the preservation of world peace.

In making this proposal, I do not share the view of those who think that the United Nations is an impotent, helpless organization, which might mercifully be put to death.

On the contrary, to have a shelter, where all the nations of the world can gather and listen to each other, and pass resolutions which at least have the moral grandeur of an international assembly meeting in democratic process, is the hope of the world. It is because, in our desperation, we reach forward to that hope and find it a mirage, that we must take steps to make it real.

In discussing this proposal, I shall drink heavily from the fountain of our constitutional history. For there is a remarkably apt analogy of our own ineffective Constitution which was later revised to make it workable.

In 1776, when this country was founded, we drew the Articles of Confederation. They were so ineffectual that the Republic foundered. Eleven years later, in 1787, though there was no authority to do so, we called a Constitutional Convention. We transformed the Articles of Confederation into the Constitution as we know it today.

Notice even the similarity of the lapse of time—11 years between 1776 and 1787—and it is 11 years since the United Nations Charter was drawn in 1945.

Why did the Articles of Confederation turn out to be inadequate? Chiefly because each of the 13 States deemed itself to be an independent nation, and would not surrender its sovereignty to a Federal Government. Article II of the Articles of Confederation read: "Each State retains its covereignty, freedom, and independence."

This meant that the Federal Army was subordinated in effectiveness to the State militia. Massachusetts and other States had their own armies, while the Federal Army constituted only a token force. Notice the new United Nations token Army we have just founded for the Mid-East crises.

Under the Articles of Confederation, there was no effectual means to raise money. The Federal Government levied a tax of $8 million. Only $420,000 could be collected.

Congress consisted of 1 House, and each State had 1 vote, just as each country has 1 vote in the United Nations. Nine out of 13 States had to assent to make possible a decision. This was equivalent to veto power.

Indeed, each State considered itself so much an independent sovereignty that it would not even yield to the Government the right to declare war or make peace. Georgia declared war on 2 Indian tribes, used its own Georgia army to win, and then made 2 peace treaties, ignoring the United States Government.

Four States—Maryland, New Jersey, Pennsylvania, and Virginia entered into treaties with each other, without the consent of Congress.

Many States taxed imports across their borders. New York, for example, imposed a tariff on wood and cabbage which came from Connecticut.

There was no Federal Judiciary. There was no Supreme Court until 1787. When there was a dispute between the States, Congress would appoint a committee to determine it and, sometimes, the States would not even subject themselves to the jurisdiction of that Congressional committee.

The result was that our Federal currency failed, our laws were unenforcible, and there was chaos in our Republic. This great and noble experiment in modern democracy almost collapsed during the first 10 years of its existence.

When John Shay, a hero of the Revolutionary War, led an army in revolt, due to the desperate condition of farmers and debtors, the time had come for some radical measures.

Alexander Hamilton, practicing deception, got together the Representatives of the 13 States on the theory that they would make some minor amendments to the Articles of Confederation. Previously, in 1785, he tried to convene them, but only 5 States agreed to attend.

Then it was that out of a cauldron of fierce debate, resistance and compromise the Constitution of the United States emerged.

What were the changes of the Articles of Confederation which transformed it, 11 years later, into the Constitution? As we analyze them, keep an eye on the present situation in the United Nations, because the parallel is striking.

First, we made possible, through effective taxation, the maintenance of a Federal Army to enforce the edicts of the Federal Government.

We changed the voting, so that representation was based on population. But we created a bicameral Legislature so that, in the Senate, each State would still have an equal vote with any other.

Finally, we created the United States Supreme Court over such protests as that of Mason, the delegate from Georgia, who said: "I will not permit a foreigner from New York to determine the rights of the sovereign State of Georgia."

We think of our Constitution as an inspired work designed by great minds. So it is, but those who drafted it had misgivings, for they were compelled, by fierce opposition to compromise their convictions.

Patrick Henry is often quoted, approvingly, for "Give me liberty or give me death," but listen to him, as the delegate from Virginia, oppose the Constitution: "I would rather infinitely have a king, lords and commons, than a government so replete with such insupportable edicts."

A Delaware delegate said: "We are told that although 3 large States form a majority of the people in the 13, yet these 3 States will never do any harm to the rest of the States. Gentlemen, I do not believe you."

Jefferson said about the Constitution: "There are, indeed, some faults which revolted me a good deal in the first moment, but we must be contented to travel on toward perfection step by step."

The delegate from South Carolina said: "What is liberty? The power of governing yourself. If you adopt this Constitution, have you this power? No. You give it into the hands of a set of men who live 1,000 miles distant from you."

There were also predictions that the Federal Capital "would be a walled or fortified town with an enormous standing army to sally forth and reduce the people to submission."

Yet the new Constitution was adopted and from a faltering Republic, a steady and powerful nation emerged.

How shall we now amend the United Nations Charter to transform an ineffectual symbol into the reality of international power?

First, the veto must be abolished.

Russia is guilty of many, many iniquities, and communism is the shortest distance between the cradle and the grave, but let us not blame the existence of the veto upon Russia. The truth is that the United States, as well as Russia, had to have the veto. Without it the Senate would not permit us to join the United Nations and surrender our sovereignty to foreign powers.

We did not join the League of Nations because of article XIII, which was deemed to impinge upon our sovereignty. President Roosevelt, mindful of that experience, took the precaution of designing the veto, so he could say to the United States Senate: "You are not surrendering your power; you can always veto a decision which you, in your sovereign powers, deem should not be made." Thus, we were lured into the United Nations. But the time has come to eliminate the veto, which immobilizes any effective action. How, for example, could any judicial system operate if the losing litigant could veto a decision rendered against him? We can no longer permit the paralysis which the veto imposes on international conduct.

We might realistically take a new look at the outmoded notion of sovereignty. Sovereignty means free and independent choice of action. Have we real sovereignty with respect to taxation, or is it determined by Russian policy, and the necessities for defense? Have we real sovereignty with respect to our domestic program, or is it determined by what happens in the world about us, over which we have no control? Is it not true that sovereignty can actually be enlarged by each nation diminishing the extreme concept of its sovereign rights, and pooling it for the common good? The greatest sovereignty of all is that of the human being. We speak of the rights of nations, but who speaks for man, and his self-preservation?

The Charter of the United Nations should be amended so as to excise the veto, and subject all nations to the will of the world assembly. Only in this way can sovereignty be preserved at all.

Second, we must amend the Charter so that voting power will be more representative. Today, 20 South American nations, representing 7 percent of the population of the United States, control 40 percent of the votes in Assembly. Russian satellites carry an artificial voting power. In dealing with Mideastern crises, 24 Afro-Asian votes, can defeat any resolution which requires a two-thirds assent.

I have no precise blueprint to submit on this difficult question, but let me suggest a few thoughts to stimulate a solution.

Would it not be wiser to have voting power which reflects four combined and weighted elements—populations, industrial output, food production, literacy, and education?

Such a yardstick for voting would more realistically measure the size and power of each nation.

To those idealists who believe that raw power should not be afforded so much consideration, I would commend Churchill's statement: "Only if you make a political organization which has an alinement between the reality of power and politics can you achieve an ideal ultimately. * * * We may deplore, if we choose, that there is a difference between the strong and the weak in the world, but there is undoubtedly such a difference, and it would be foolish to upset such arrangements in order to try to attain immediately what is a hopeless ideal."

Third, we must create an International Supreme Court with power to enforce its edicts. The judges should be chosen as were those of the International Court of 1921; each country nominated 1 of its own nationals, and 2 from other countries. National partisanship was thus reduced to a minimum. This device had all the ingenuity which is attributed to the Greek generals who, after their victory over the Persians at Salamis, voted to select the best among them. Each general voted for himself, but each chose Themistocles as the second best. It was he who was declared the winner. It is possible to establish a tradition of impartiality, freed from national bias just as we have achieved such a tradition in the United States Supreme Court, notwithstanding the dire prediction of State prejudice.

Finally, we must create a United Nations military force to implement its decisions.

There have been many cogent proposals for a world army. I submit only one: That each nation give 20 percent of its military power to the United Nations, and the collective 20 percent would be greater than any country's individual army.

The byproducts of such an international military body would be to encourage genuine disarmament among the individual member states. We would not have to resort to such circuitous plans as air inspection—Russian planes flying over America, and American planes flying over Russia. On the contrary, United Nations representatives would have free access to all countries of the world, to every city, nook and cranny of them.

Would Russia continue to belong to a United Nations which had been so revised? The probability is she would. Self-interest, rather than good faith, might compel her to. For Russia has always wished to be in contact with world opinion. She has always respected military and political power. Russia may want 1 world which is divided, but she does not want 2 worlds. I think she would fear to be outside the pale of international justice as organized in the United Nations.

However, let us suppose that Russia, and her satellites, chose to quit a vetoless United Nations. Would we be worse off?

Let us make a few comparisons of power:

The United States and the United Nations would have a production of 165 million tons of steel, as against 50 million tons for Russia, and her satellites.

Six hundred and ninety billion dollars of gross national products, against $155 billion for Russia.

Three hundred and twenty-three million tons of oil production, against 68 million tons.

Fifty-eight percent of the world's total power consumption, against 19 percent.

Our farmers are five times as productive, per man, as Russia's and her satellites'.

Our rate of increase of surviving population is twice as great as Russia's and her satellites'.

Another advantage to the Free World would be that our military position would be improved by the cooperation of all members in the United Nations against any nonmembers. No longer would it be necessary for us to implore distant countries to afford us bases or sell our souls for such privileges. The United Nations would have the right to call upon every nation to make available sites for United Nations bases.

Even if Russia and her satellites withdrew from the United Nations, the possibilities of peace would be better than they are today.

I come, then, to the final inquiry: Is it possible to achieve this "utopian" scheme, as many will call it? Shall we yield to the cynicism that one cannot hope to organize international society to stop war, because, by precedent, nations have always had war?

The answer—and I ask you to note it deeply in your hearts—is that we have no alternative. We have no alternative.

The peoples of the world are not fully informed concerning the power of annihilation which now exists. The bomb at Nagasaki had 20,000 tons of TNT power, and today there are hydrogen bombs of 10 million tons of TNT power. Indeed, we have had to coin the word megaton to measure a million tons of TNT power.

The fallout destruction of one such 10 metagon bomb could extend to 100,000 square miles—twice the area of the State of New York.

We have no alternative.

We have now learned how to make hydrogen bombs of limitless power because we case them in U–238, a uranium isotope easily created.

Scientists now tell us we can combine a hydrogen bomb with cobalt, a common ingredient available cheaply which has the characteristic of becoming radioactive, and floating for long periods in the air currents, until it descends to lay waste to vast areas. Indeed, it is no longer an imaginary concept, that we could destroy not only all human life on this earth, but every insect, invisible microbe and every blade of grass and vegetation.

We have no alternative.

Even hydrogen bombs give only a glimpse of the potential horror. It is now possible to wage biological or germ warfare. Without use of intercontinental missiles an enemy can destroy, selectively, the complete cattle or wheat supply of another nation, not to talk of the human supply of any nation.

Even this is only the beginning of the obliterating power which now exists. There are the "G" gases, nerve gases, which can destroy anything they touch, in 45 seconds, and they are invisible and unstoppable. One of our allies shunned possession of these gases after the last war ended and sunk them in the middle of the Atlantic.

We have no alternative.

Perhaps the rules of physics which threaten our destruction may also teach us how to survive. In releasing the energy from atoms, we have progressed from fission to fusion. Atom bombs split the larger atoms. This process is fission.

Hydrogen bombs, which use the atom bomb as a detonator, force together the smaller atoms of hydrogen so that they join together to become larger and larger. This process is fusion.

Perhaps this foretells the destiny of the world. For centuries we have proceeded by fission, splitting the Adams of the world into different countries. The power released from this fission has been hatred and war.

Now we must turn to fusion—the joining together of the Adams of the world, into a larger unity, into an international society. The power released from such fusion could be beneficial. If the United States could have rid itself of the burden of $300 billion spend in the last 10 years for destructive and defensive armaments, and a current average expenditure of $35 billion each year for the same purposes, what glories could be achieved.

We could build medical centers, the size of cities, to eradicate the scourges of mankind: cancer, heart disease and high blood pressure.

We could organize psychiatric clinics in all the cities of the Nation, so that, instead of having one child psychologist for every 46,000 schoolchildren, as we have today in a few of our cities, we could provide adequate care for all emotionally disturbed children. We could wage war successfully against juvenile delinquency.

We could apply all the new techniques for healing the minds so that we would no longer have 1 out every 10 Americans at some time or other occupying a bed in a mental hospital.

We could build geriatric institutions to study the aging process, and provide dignified and serene surroundings for the aged, so that they would live out their lives, rather than die out their lives.

We could construct an adequate and completely new educational system, both in bricks and mortar and in teaching personnel, adequate to the needs of a new society.

We could offer subsidies to all gifted children, so that they could follow careers in the arts, whether music, painting, or writing and thus develop to the full potential the genius of our youth.

We could give subsidies to scientifically inclined children, so as to create a new class of physicists and engineers to usher in the new era of atomic energy and automation and, similarly, a new and adequate group of doctors, nurses, and psychiatrists.

We could construct new housing for all classifications of income, with installations of the new miracles of science to control light, temperature, and entertainment facilities.

We could do all this, and have billions left over to balance our budget.

Yes; we could create a veritable paradise on earth.

We have no alternative.

I cannot believe that the destiny of mankind is international suicide.

If you will look at the map of the world, you will see that the bulge of Africa and the bulge of South America fit together. Apparently, they were once one continent. Perhaps what tore them apart millions of years ago was the same power which man has discovered today.

Shall nihilism be our unseen epitaph? Shall we look backward and say peace cannot be won because it has never been more than a temporary interlude? If we look backward, we will move backward. Nothing is inevitable that is resisted. Mankind faces the greatest of all dilemmas, the most fearful of all challenges, the most sublime of all choices. Will we end the story of man, in one final, suicidal holocaust which obliterates all living things and, perhaps, the planet itself? Or will we vindicate the evolution of reason and erect a peaceful society, blessed with the joys of noblest fulfillment?

It is a moment for religious evocation. Isaiah prophesied that "Nation shall not lift up sword against nation, neither shall they learn war any more."

Perhaps an allegory points the way:

The master of the library was asleep, and the books in the library took to quarreling with one another as to which was the most important in the library. The dictionary argued that he was the king of the library for, without him, there would be no language. The book of science said that he was the king of the library, because without him man could not have progressed to the heights he now enjoys. The book of poetry said he was

the king, because he gave peace and surcease to people who read him. The novels claimed that they were the masters, because they had the most expensive gold backing, and described the foibles and joys of mankind.

And so, the din rose, and the fury of argument grew greater and the shouts and noise were deafening.

Then, from an old worn book on a table in the center of the room, there came a thin voice which said: "The Lord is my Shepherd; I shall not want." All the noise and fury ceased. There was silence in the library, for everyone knew who the real King of the library was.

We have reached the stage in international affairs where, despite all the din, contentiousness, confusion, and threats, we must resort to the one hope that there is a true Master of the world, and that He has decreed for us a fate of peace and existence.

UP-INS MERGER A SETBACK FOR DEMOCRACY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, over the weekend the papers carried the sad news that the Justice Department has approved the merger of the United Press Associations and the International News Service. With this merger, democracy died a little.

News in certain realms of human activity had poor enough chances of passing the editorial boards of three news services—INS, UP, and AP. Now that there are only two rational news services, the chances are even less that information in these realms will reach the general public

We may expect, I think, that the two remaining great organizations of news dissemination will continue to give the country adequate reporting on street crimes, violence and sudden death, labor rackets, spy hunts, Communist intrigues, philanthropies of the great corporations, White House handouts, and attacks on Democratic ex-Presidents. We would have no cause to be disturbed if our freedoms depended upon public information on these matters.

The disturbing thing is that we may expect that the high crimes of high finance, the big bread-and-butter issues, the half-hidden manipulations of government for the special advantage of groups holding great concentrations of wealth, the struggles for domination over the minds of men, and all varieties of fact which fail to flatter this administration and the big-business leaders who run it—such matters as these will become even less newsworthy than they have been previously.

I would hate to think what the news from Washington would be like if it were not for the fact that many of the larger papers are able to maintain their own correspondents here. These correspondents work under great handicaps. They cannot be everywhere at once; they are usually expected to devote themselves to news of purely local interest; and they are frequently up against the handicap of editors who think news that is not reported by one of the wire services must not be worthy of reporting. Yet it is these special correspondents who stand between us and disaster. They will now carry a greater burden and a greater responsibility.

SMALL BUSINESS WILL DISAPPEAR UNLESS FINANCING IS OBTAINABLE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, during recent months many of us have devoted much of our time and effort to measures that would provide greater opportunities to small-business men in obtaining needed finances. During January of this year, I introduced H. R. 10345, which would establish a small-business capital-bank system somewhat along the lines of the land-bank system, which is operating so wonderfully for farmers. Other Members have introduced bills for the unimpeachable purpose of assisting small-business men in obtaining needed capital. Likewise, in the other body a number of Senators have moved for consideration of similar legislation. I am informed that the Banking and Currency Committee of the Senate has voted to report S. 3651, which was introduced by the distinguished senior Senator from Texas, the Honorable LYNDON B. JOHNSON, and others. It is our hope that out of all of these bills will eventuate a piece of legislation to relieve the plight of small business regarding financing.

No one denies that there is need for such legislation. But the needed legislation will not pass unless it gets the needed momentum. Therefore, let us keep the problem in mind. We are able to help each other do that by calling attention to various items of information concerning small-business financing needs. That is the purpose of my remarks today.

Mr. Speaker, information has come to my attention showing why some legislation on this subject is needed and needed now. I refer to an article by Thomas Graham, president of the Bankers Bond Co., Louisville, Ky., which appeared in the Commercial and Financial Chronicle, Thursday, May 8, 1958, entitled "Small Business Will Disappear Unless Financing Is Obtainable," and an editorial by Tom Wallace which appeared in the Louisville Times, May 14, 1958, entitled "People Like To Transact Business With Neighbors." In that editorial he pointed out how commerce has changed since in the days of the Randolphs when small-business men made things for their neighbors and the latter did not find it necessary to go to Wall Street or Madison Avenue for assistance.

I ask that these two items of information be included in the revision and extension of my remarks on this occasion:

[From the Commercial and Financial Chronicle of May 8, 1958]

SMALL BUSINESS WILL DISAPPEAR UNLESS FINANCING IS OBTAINABLE

(By Thomas Graham,[1] president, the Bankers Bond Co., Inc., Louisville, Ky., president, Bankers Southern, Inc., former governor, and a member of Federal Taxation Committee of Investment Bankers Association of America, former president, National Security Traders Association)

First, for the purposes of this discussion, I would like to offer these two definitions of the general areas of this problem of small business: (1) Equity capital, and (2) what is small business.

Equity is the value of a property over all debts.

Small business is any business whose stock is not listed on any of the major stock exchanges. There are exceptions to the rule, including Government securities.

There have been much discussion and much debate over what is equity capital and what is small business, but in my opinion until we can resolve and agree upon a standard for these two areas we cannot achieve any substantial good for small business.

From the standpoint of hindsight, let us review the performance of the past quarter century of financial history as it bears upon the problems of small business. We can only marvel in such a review at the movements that have culminated in extension of credit and aid instrumentalities to almost all segments of the American economy. At all levels, the fiat of the government—State, local, and Federal—has been used to assist business, labor, and financial units either through direct assistance by Federal agencies or indirectly by subsidies in the form of tax relief or rapid amortization programs.

This participation of Government has resulted in a natural occurrence—big business, big labor, big farm, and big Government. Somewhere along the line, this trend must square itself with a fundamental belief not only of our Constitution but also of a common way of life shared in varying degree by all Americans—the free enterprise system—and its corollary political theory—equality of opportunity.

SEES ONLY BIG BUSINESS AIDED

If this is accepted in principle—that taxing and aid programs of the various State, local, and Federal agencies should be applied with a measure of equality—then how are we to reconcile the fact that small business is in a present state of economic emasculation. In many cases, small business is suffering in a direct way from the very things that have been designed to assist business: credit, tax relief, amortization programs, etc. For these instruments have not been made available to small business in a general way because laws and traditions that implement the instruments preempt and restrict long-range equity capital offerings or management services.

Small- or medium-sized business has its tap roots embedded deeply in the soil of the fundamental American political and economic tradition; but in the past two decades we have been so busy giving aid and sustenance to the highest branches that we have forgotten the roots. All or most of us have been guilty of the sin of omission in this area as our economy has grown bigger and bigger. We have forgotten that small business made this nation great in its beginning.

[1] A statement by Mr. Graham before Senate Banking and Currency Committee concerning proposed assistance to small business, Washington, D. C., April 29, 1958.

Many or most of us have been lulled by the efficiency or supposed efficiency, of bigness. But this attitude is proper and excusable when we consider the overall scheme of things in a balance between what can best be done by big units and what can best be done by small units of business. This is not only a law of physical science, but it also is an immutable law of the natural order voiced by the discipline of the market place—economics.

We can, of course, view with pride and assurance those vast accomplishments in research and mass technological production of our large integrated manufacturing and production units. We might even gasp with or without mixed emotions at the organization efforts in the fields of labor, farm or government. In the main, these immense undertakings have served in the public interest—to implement the public good. But we suggest that these policies inevitably must—in extension—square themselves with the fundamental belief held in common by most Americans: the free enterprise system with its magnificent doctrine of equal opportunity to all.

SMALL FIRMS IGNORED

Respect for these fundamental beliefs, I am afraid, have not manifest themselves except in a cursory and offhand fashion for small business. The fiat of government—whether it be Federal, State, or local, or the directives of the agencies concerned with the economic life—obviously have chosen to ignore the real needs of the small-business community. These needs are essentially the same as those of any business or financial enterprise, however large. These needs have their own individual deviations which must be reconciled in principle as well as practice. These needs have been recognized by almost all levels of human endeavor as soundly centered in constitutional law and tradition. But in the market place—the market place of small business—they have been ignored.

These needs have been administered to in all groups in our society with the notable exception of small business. When the oil industry needed assistance, the taxing instrumentality in the form of a generous depletion allowance was the tonic administered. When labor was struggling to organize its masses of workers, a national labor act was injected as its insurance. Farmers have been given subsidies, parities, and Soil Bank programs. Big industry has received rapid amortization programs and other advantages.

You and your committee, Mr. Chairman, are now facing the problem of the submergence of small business with vigor, courage, and forthrightliness. Your endeavors cannot be other than successful when you have considered the volumes of testimony before you and the wealth of ideas and proposals set forth in the various bills now under consideration.

SUGGESTS THREE FUNDAMENTAL CHANGES

Let me urge you, as a small-business man and as a sometimes spokesman for small-business interests, to promulgate and adopt as speedily as good judgment and consideration dictate a program for small business that would do three fundamental things: (1) Make equity capital more readily available to small business; (2) Provide an instrumentality by which small business may have more readily available good management and good management services; and (3) Assist in promoting the liquidity of the common stocks of small companies in the area served.

The small-business man urgently needs help in obtaining equity capital, good management, and ready marketability of his firm's common stock if he is to escape the Charybdis of bankruptcy on the one hand and the Scilla of merger on the other. Unless something dramatic and drastic is done soon on behalf of small business, we surely can look for increased failures and a new rash of mergers of small business into big business to the point where Wall Street will control every Main Street in America.

The shocking truth is that the economic erosion of small business, if not halted soon, eventually will destroy our entire free-enterprise system. We must act in concert to rebuild the equity capital and the confidence of the little-business man. Companies whose stocks are listed on any of the big exchanges have little if any difficulty in obtaining corporate financing, but the small-business man without listed shares is at a financial disadvantage. And without sufficient equity capital, management resources or marketability of its common stock, small business has only two courses to follow: bankruptcy or merger. The stock answer in Wall Street is, "Come back next week."

A good deal of my adult life has been spent in championing the causes of small business in our economy, and particularly the economy of Kentucky and Indiana. Small business is the greatest bulwark we have as a stabilizing factor in our economic system. Small companies always have been to me the kind of enterprises that may not be as alluring and dramatic as our big business corporations, but they provide an opportunity for individuals to practice the finest management for the interests of their stockholders and the communities which they serve.

OUR NUMBER ONE CONCERN

The development and financing of small business are of prime concern to all of us interested in the welfare of our States and our Nation. As one Louisville business leader told me recently: "Small and developing business should be our number one concern as it is our number one problem. Big business, big labor, big government—this continual trend can soon mean the end of the American system and way of life as we know it."

It would perhaps be appropriate at this time to mention briefly the problems that a small company has in attracting either capital for the sale of its securities or in borrowing money from existing financial institutions such as banks. When a small company goes into the market place with its securities, it is competing with the larger companies that are able, because of their greater borrowing power, to attract investment money with a great deal more ease. It is, therefore, often necessary for a smaller company, in order to survive, to sell its stock at less than real value and to borrow money at higher than considered competitive interest rates. Furthermore, because of its size and relatively smaller capitalization, the smaller company does not have the added attraction of liquidity—or marketability—of its securities. The stock of a large corporation, for example, listed on the New York Stock Exchange in itself has liquid asset value acceptable to leading financial institutions as collateral. So raising additional capital or borrowing money is relatively easy for such a corporation. On the other hand, a smaller company with unlisted stock has little or no liquidity and lending institutions are reluctant to lend on such securities. Therefore, most smaller companies are compelled to issue senior debt securities, such as preferred stocks and bonds, at high enough interest rates to attract the major sources of equity capital.

Many regulatory agencies, such as Securities and Exchange Commission, Small Business Administration, Federal Trade Commission, Federal Power Commission, and Public Service Commissions, have recognized the basic inequality inherent in small business and have been of great service to small enterprises within the scope of their authority and when financial situations develop. But the scope of this authority does not extend to the vital areas of small business in a large number of cases.

COLLAPSE OF LOCAL MARKETS

The fundamental problems found in local market places, like Louisville, is found in the fact that in 1938 there were 23 investment dealers while in 1958 there are only 11. Of this remaining group 7 are small local dealers and 4 are large New York Stock Exchange firms.

A recent study further highlights the testimony that I have given up to this point. It shows, in brief, that since 1946 the percentage drop-off of the securities traded in the local market of our area has exceeded 58 percent—this dissolution has occurred either through buy-outs, mergers or listings. The result and effect has been that during the past 2 years there has been an almost complete collapse of our local markets in Louisville, due to the fact that there was no liquidity for borrowing purposes in the securities of our area.

One point I would like to make here is that the massive unemployment presently in effect in our area is due, in substance, to the factor of the dominance in our area by several large industrial organizations which are prone to inventory cyclical recessional cycles.

The fact of the matter is that the policy of large industrial organizations in regard to labor is that, in the main, labor is factored as a commodity; while in small business labor must be, because of the investment therein, factored as an asset. This is not an ideological argument, but it is said as a practical analysis of the current unemployment situation in our region and, I am sure, in other regions of the country.

Large business necessarily, I suppose, must use their inventory excesses as a determining factor in employment practices.

STRONGER BULWARK

I feel sincerely that a small- to medium-sized business is a much stronger bulwark during recessional periods than large industry, and anything that we can do to strengthen the small- to medium-sized business will be beneficial in combating severe inflationary or deflationary pressures.

In conclusion, may I suggest, that if we had the three built-in supports for small business—such as equity, management and liquidity of stocks—it is extremely doubtful if we would have had the present recession.

[From the Louisville Times of May 14, 1958]

PEOPLE LIKE TO TRANSACT BUSINESS WITH NEIGHBORS—BUT COMMERCE HAS CHANGED SINCE THE RANDOLPHS MADE BUGGIES FOR EVERYBODY LIVING NEAR SHELBYVILLE

(By Tom Wallace)

What is meant by small business about which everyone hears much, and why does small business need and deserve more attention from big Government?

According to Thomas Graham, a Louisvillian addressing the Senate Banking and Currency Committee, small business is business whose stock is not listed on any of the stock exchanges. There are exceptions to the rule. They include governments, which do not list their securities.

Small business, says Mr. Graham, president of the Bankers Bond Co., Inc., needs better access to capital and better terms as a borrower.

Small business is rooted deeply in the fundamental American political and economic tradition. It is business nearest the grassroots, among businesses that are not conducted by farmers. The boasted free enterprise system rests to a great extent upon it.

Government ministers to the needs of all groups within our society, Mr. Graham says, except the small-business group. Its needs

have been ignored. Farmers are given subsidies and soil-bank programs. When labor was struggling to organize masses, a labor act was injected as its insurance. The oil industry has gotten assistance from Government when it was needed. Small business, because it is neglected, sells its securities at less than their value, finds borrowing a catch-as-catch-can project and is between the Scylla of submergence and the Charybdis of mergers. Unless something drastic and dramatic is done soon in behalf of small business we surely can look for increased failures and a new rash of mergers of small business into big business to the point at which Wall Street will control every Main Street in America.

Mr. Graham, often, he says, a spokesman of small business, speaks for what, to many heads of still smaller business, seems big business, but his definition is reasonable, and the class for which he speaks is troubled.

The writer of this article is not a businessman under any definition of the term. He does not undertake to discuss causes of the trend, so widely observable, toward mergers. They seem to be more common than failures. Mergers must therefore reflect absorption of many independent enterprises which are sound fundamentally. Mr. Graham says many small businesses which could prosper if they could borrow become units of chains or lose their lives, not merely their independence. It seems reasonable for Congress to consider the problems of such business.

What, if anything, could be done to improve the outlook of free enterprise without causing it to become no longer free; how to save it in many of its manifestations and not denature it; how to lend a hand and yet not take many hands in leading, is a question that must arouse differences of opinion.

Upon one thing all of us or most of us will agree. That is that the social effect of mergers is undesirable to the average customer of the small business which has become part of big business and is captained in New York or in some city distant from the scene of its services; far from the sphere of its activities as an independent enterprise.

It is natural for people to like to transact business with their neighbors. The familiar story about how industrialization began—two poor families, finding no other means of livelihood, took in each others' washing—makes a point by stepping across the line of possibility. The original plan of business, from fireside industries upward, was exchange of services.

Up to the point at which mergers submerge independent enterprises, with the result that sooner or later even their identity is lost, the principle of exchange between neighbors survives.

In Kentucky a generation ago the neighborhood miller ground corn for the farmers surrounding him; not the whole crop of course. The distiller of the section bought the corn crop, selling to the farmer, who did not, of course, consume all of the bourbon whisky that was made from the corn. The miller, the distiller bought their buggy horses from the farmers. The saddler, the buggymaker dealt and were dealt with in the same way. Neighbor did business with neighbor. Innkeepers, storekeepers, were pillars of society, using that term in its broader sense. One did business with acquaintances and to some extent by negotiation.

Nowadays, many of the groceries, the hotels, the sources of your alcoholic beverages are under remote or central control. You, as a consumer, are, almost in the degree that one of 10,000 laborers in a great industry is, a commodity to the vender—the national or local vending organization.

The chain, national or regional—in some cases local but nevertheless offering no opportunity for the customer's contact with the proprietor—spreads its links every year. Within its links fall many of the kinds of small business. Of, and for, that sort of business Mr. Graham speaks.

Mr. Graham sees in the nature of big business the motherhood of recessions. He sees in small business, provided it can survive, a bulwark against recession; a bulwark against inflationary and deflationary pressures. He believes that massive unemployment at present in effect in our area is due to dominance of our area by several large industrial operations which inventory recessional cycles.

Those industries are "hard goods" sources, largely. Some are sources of vehicles.

When I was a boy, living in Shelbyville, a county capital, all of the passenger vehicles which anybody wanted to buy were made with great care and precision by the Randolphs. They selected their material thoughtfully and supervised their workmen competently. Nobody wanted a factory buggy even if it were made as near as Owensboro, saying nothing of Toledo. Everybody knew the Randolphs and their spacious antique residence. Nowadays everyone's vehicles are factory made and who knows Packard or Chrysler? Regretting trends is one thing. Reversing them is, or would be, another. Trends in politics follow trends in industry.

Thomas Graham is sincere and sturdy as a champion of small business. May his laurels become a densely woven crown. But it is difficult to interest Congress sympathetically in an unorganized minority.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. KILDAY, for 60 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DIGGS (at the request of Mr. LESINSKI) and include related matter in two instances.

Mr. VANIK and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mr. WIGGLESWORTH, the remarks he intends to make in Committee today and to include extraneous matter.

Mr. LAIRD, to revise and extend his remarks made in Committee and to include extraneous matter and letters.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker pro tempore.

H. R. 9291. An act to define parts of certain types of footwear;

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes;

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes;

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes;

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1191. An act to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes;

S. 2448. An act to authorize a payment to the Government of Denmark; and

J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 9291. An act to define parts of certain types of footwear;

H. R. 10015. An act to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes;

H. R. 11767. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes;

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes; and

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes.

ADJOURNMENT

Mr. MAHON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 4, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1980. A letter from the Attorney General, transmitting a report on the administration of the Subversive Activities Control Act of 1950, for the year ending May 1958, pursuant to the Subversive Activities Control Act of

1950, as amended; to the Committee on Un-American Activities.

1981. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order entered in behalf of the case of Huilan Koo, A-11836708, pursuant to section 13 (c) of the act of September 11, 1957; to the Committee on the Judiciary.

1982. A letter from the Comptroller General of the United States, transmitting a report on the review of activities in regions 3, 4, and 8, Forest Service, Department of Agriculture, June 1957, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H. R. 9147. A bill to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; with amendment (Rept. No. 1847). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 12770. A bill to provide for the application and disposition of net revenues from the power development on the Grand Valley Federal reclamation project, Colorado; to the Committee on Interior and Insular Affairs.

By Mr. BAKER:

H. R. 12771. A bill to restore (for 1 year) the duties on aluminum and aluminum products established in the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. BROYHILL:

H. R. 12772. A bill to amend the act of September 7, 1950, to authorize the Secretary of Commerce to reimburse owners and tenants of lands acquired for Chantilly Airport for their moving expenses; to the Committee on Interstate and Foreign Commerce.

By Mr. BURNS of Hawaii:

H. R. 12773. A bill to amend section 34 of the Trading With the Enemy Act to expedite the final determination of debt claims filed thereunder; to the Committee on Interstate and Foreign Commerce.

By Mr. CORBETT:

H. R. 12774. A bill to provide compensation for extra duties assigned to postal employees; to the Committee on Post Office and Civil Service.

By Mr. DIXON:

H. R. 12775. A bill to amend the Packers and Stockyards Act, 1921, and the Federal Trade Commission Act, and for other purposes; to the Committee on Agriculture.

By Mr. FALLON:

H. R. 12776. A bill to revise, codify, and enact into law, title 23 of the United States Code, entitled "Highways"; to the Committee on the Judiciary.

By Mr. McGREGOR:

H. R. 12777. A bill to revise, codify, and enact into law, title 23 of the United States Code, entitled "Highways"; to the Committee on the Judiciary.

By Mr. LIBONATI:

H. R. 12778. A bill to authorize the establishment of a youth camp recreation program to assist those organizations which have for their purpose the providing of healthful outdoor and camp training for indigent children and to inculcate the principles of Americanism and loyalty to the Republic in these children who are its citizens of the future; to the Committee on Education and Labor.

By Mr. McCARTHY:

H. R. 12779. A bill to extend certain rights, benefits, and privileges granted to veterans of service in the Armed Forces of the United States to certain citizens of the United States who served in the active military or naval service of any government allied with the United States during World War I, and to their dependents; to the Committee on Veterans' Affairs.

H. R. 12780. A bill to amend the Internal Revenue Code of 1954 to provide tax relief for small business; to the Committee on Ways and Means.

H. R. 12781. A bill to enable American farmers to conduct their own programs; to establish production and marketing goals at prices fair to consumers and profitable to farmers; and for other purposes; to the Committee on Agriculture.

By Mr. MILLER of New York:

H. R. 12782. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. MOORE:

H. R. 12783. A bill to authorize the Secretary of Defense to provide Congressional Medal of Honor holders with appropriate uniforms and insignia according to their rank and branch of service; to the Committee on Armed Services.

By Mr. OSMERS:

H. R. 12784. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to prohibit the use in food of chemical additives which have not been adequately tested to establish their safety; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H. R. 12785. A bill to amend the Employment Act of 1946 to provide for the inclusion of recommendations concerning monetary policies in the President's program, and to bring to bear an informed public opinion upon proposed inflationary price increases; to the Committee on Government Operations.

By Mr. MACDONALD:

H. R. 12786. A bill to amend the Federal Trade Commission Act, as amended, and to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, for the purpose of prohibiting loss leader sales; to the Committee on Interstate and Foreign Commerce.

By Mrs. CHURCH:

H. J. Res. 621. Joint resolution to provide that the final resting place in the Memorial Amphitheater of the National Cemetery at Arlington, Va., of the three unknown American servicemen of World War I, World War II, and the Korean conflict shall continue to be known as the Tomb of the Unknown Soldier; to the Committee on Armed Services.

By Mr. TELLER:

H. J. Res. 622. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Third Annual United States World Trade Fair to be held in New York City, N. Y., from May 8 to May 19, 1959; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BROOKS of Louisiana: Memorial of the Legislature of the State of Louisiana calling for repeal of certain excise taxes on the transportation of persons and property; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (by request):

H. R. 12787. A bill for the relief of Richard B. Dow; to the Committee on the Judiciary.

By Mr. LIBONATI:

H. R. 12788. A bill for the relief of Miss Tomoko Uehara; to the Committee on the Judiciary.

By Mr. TELLER:

H. R. 12789. A bill for the relief of Eden Wong; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Armenian Independence Day

EXTENSION OF REMARKS

OF

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1958

Mr. DIGGS. Mr. Speaker, on the 40th anniversary of Armenia's declaration of independence, I wish to join in tribute to these courageous, democracy-loving people. The ancient nation Armenia has been oppressed by various conquerors down through the years, mainly because she early embraced the principles of Christianity. The United States supported the cause of Armenian independence when those brave people revolted against the Turks following the massacre of over 1 million Armenians in 1915 by the Ottoman Turks, who accused the Armenian people of aiding Russia in the war between that country and Ottoman Turkey. On May 28, 1918, Armenia declared herself an independent republic and her independence—provided for in the Treaty of Sevre in 1920—was officially recognized by this country on April 23, 1920.

Paradoxically, however, Russia—the country the Turks accused Armenia of aiding against them—gave short life to Armenia's independence by invading the little republic later during 1920. Despite her successful rebellion in 1921 against Russian enslavement, the Republic of Armenia found itself no match against subsequently reinforced Russian troops.

Divided among the Soviet Union, Turkey, and Iran, the Armenian people have not surrendered their democratic spirit. We know, especially, of the

strong anti-Communist sentiments of Armenian-Americans. We share their dream that an independent, democratic Armenia will ultimately triumph. The United States has proved a haven for many of these oppressed nationals. But their migration to this country is seriously curtailed by certain provisions of our immigration laws. For the most part, Armenians are included in the Turkish quota.

Along with many of my colleagues, I decry the undemocratic features of our present immigration and nationality law. We look forward to the enactment of remedial legislation so that our immigration laws more truly embody the sentiments of those lines from Emma Lazarus' famous poem, The New Colossus, which frame the invitation the Lady on Liberty Island cordially extends to Armenia and other oppressed nations to—

"Give me your tired, your poor,
Your huddled masses yearning to breathe free.
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door."

Woman's New Role in the World

EXTENSION OF REMARKS
OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, June 3, 1958

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a commencement address which I delivered yesterday, Monday, June 2, 1958, at Western College for Women, Oxford, Ohio, entitled "Woman's New Role in the World."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WOMAN'S NEW ROLE IN THE WORLD

(Address by United States Senator THEODORE FRANCIS GREEN at the commencement exercises of the Western College for Women, Oxford, Ohio, Monday, June 2, 1958)

Mr. President, distinguished guests, alumnae, students, and friends of Western College for Women, I am deeply grateful to you for your gracious invitation to attend and take part in the exercises of this morning. It is a distinct honor and privilege to be the commencement speaker at your college. As chairman of the Foreign Relations Committee of the United States Senate, I spend a good deal of my time in the study and formulation of the foreign-relations policies of the United States. It is because of this interest that I am particularly delighted to be present on this solemn occasion when many of you graduate from this institution which emphasizes the international aspects of human life today.

Women in education have progressed considerably since your college was organized a little over a century ago as the Western Female Seminary, in order to meet the inequality of educational opportunities and consequent needs for higher education of women in the expanding Middle West of our great country. Since then your college authorities, giving recognition to the American position of world leadership, and the consequent responsibility toward international understanding, have placed considerable emphasis, both in your faculty curriculum and in your student body, on global problems. From what I have learned, your college, both your faculty, and your student body, have been chosen for their special interest in intercultural learning. For the past 5 years, these halls of learning have emphasized education with a global background. Your program of instruction provides for teachers trained in different parts of the world, and students from all over the world, on the basis of a common heritage of truth. From a variety of cultural backgrounds you now promote a cross-fertilization of ideas. I was most interested in noting that your college provides a basic course in the development of world civilization, and that such a course is now required for graduation; I noted also that you have a 4-year cycle emphasizing four foreign areas of the world in sequence, Latin America, the Middle East, the Far East, and Africa; and that you have intensified the teaching of languages; and that consequently your students are prepared for foreign assignments in Government, business, religion, and education. Your annual summer seminar trips, your lectures by visiting specialists, your faculty members with experience abroad, all serve to bridge the cultural gaps existing between our own people and the various other peoples of the earth. Even your nonacademic functions are aimed to acquaint your students with the foreign areas of the world studied. Thus, you are preparing your young women for life in a world community. I feel sure that an understanding of the common problems and aspirations of the many peoples on this earth leads to mutual comprehension and respect.

I emphasize this international aspect of your educational program because in these critical times the same theme reechoes through every campus commencement. It has one single theme, "What can be done in this present world crisis to meet this peril to free men, the like of which has never been noted before in the annals of history?"

On an occasion like this, impressive not only to the graduates, but also to humanity in general, a young woman graduate of today cannot afford to think only of her own immediate future and individual happiness. She must sense her responsibility both for curing the ills of today, and also for building the future welfare of mankind. The stake today is the survival of her very being, her soul, her spirit, and her sacred heritage, the American way of life. Today free men and women everywhere are faced with the necessity of working out methods to attain this basic aim, which means the support all over the world of a better way of life, of individual freedom under the law, and of wider community development through the democratic process.

Communism today poses a very great danger to mankind in general and to us Americans in particular. That menace has no regard for the inherent dignity of man, and has an absolute disregard of all ethical and moral principles, as well as of human sympathy. The black ogre behind the Iron Curtain has now extended his tentacles to almost every corner of the earth. It may be expressly asserted that communism is no longer a threat of evil—it is an actual evil, as evidenced by its actions in Korea, in Bulgaria, and in the Near East. It regards the human being as merely a cog in an official machine; all human rights are denied; Mr. Khrushchev and his colleagues are the evil masterminds in the attempt to enslave humanity everywhere. If they succeed, the soul and spirit of man will be killed—cruelty and enslavement will be our fate. You, the graduates of this college, are fortunate that you are sufficiently prepared to face the problems encountered by mankind today. You, as educated women, have an unusual opportunity to help in the solution of international problems. While the lot of women in this country and in other Anglo-Saxon countries has improved considerably, it is not so everywhere. But we Americans believe that, after all, the influence of women in world affairs can be substantial.

As the result of mechanical and technological progress the world has shrunk in size. People all over the globe are now neighbors—and close neighbors. Whatever affects any other country on earth affects us in this country also. In this sputnik and missile space age the battlefronts are no longer in the foxholes on far-off battlefields, but in homes and hamlets everywhere on earth. Furthermore, no nation can really win any war today because a conflict between nations can bring total destruction not only to all combatants, but also to noncombatants as well.

Peace can only be achieved on the basis of justice and mutual forgiveness. To achieve such a peace, education and understanding of the problems of people everywhere must be a requisite for every thoughtful individual. You, the graduates and students of this college, are best prepared to provide such an education. Because of the rapid rise of the United States from a humble origin to a position of foremost leadership among the nations, we, the people of the United States, have the responsibility of protecting freedom for mankind everywhere. We have to become a potent force in the maintenance of world peace. Any encroachment upon freedom anywhere on this earth is nowadays a threat to the freedom of the rest of the world. Some of you graduates may have to suspend your individual dreams of your own homes, families, and businesses. You may have to concentrate on one goal only, namely, the finding of a road to universal peace. Such a peace must be free from the influence of immoral dictators who stop at nothing in their aggressive tyranny to enslave and subdue the mind and spirit of man. It is the responsibility of educated men and women such as you to prevent the crumbling of our civilization. You young women here, as the recipients of an education which stresses international good will, are especially bound to help instill in the minds and hearts of all other people the necessity of a worldwide morality.

The history of our country has been a tremendous adventure in the achievement of freedom. You of this generation must continue this great adventure and in so doing you will provide the world with the leadership necessary to achieve the ways of liberty. It is a great challenge which lies before you young women, but I am confident that because of the training you have received within these walls, you will assist in great measure in the achievement of this global goal. You have a civic and moral duty, a social responsibility, not only to the American people, but to the world at large. The influence of women on world affairs has increased substantially in recent decades, but there is much more to be done.

As you undoubtedly know, there was established in 1946, in the United Nations, a Commission on the Status of Women. It was one of the functional commissions of the Economic and Social Council, commonly known as UNESCO. It was charged with the important task of studying the political, economic, social, civil, and educational status of women throughout the world and of making recommendations to the Council on the steps to be taken to improve that status and make effective the equality of status as between men and women. That Commission has functioned effectively to date. It has a program aimed to improve the lot of women the world over. It has emphasized the importance of general education and has made considerable progress in securing access of girls and women to education at all levels—primary, secondary, and

university. It has concentrated on the very important principle of equal pay for equal work and, in collaboration with the International Labor Office, has done much to win acceptance of this principle and its application in practice. The Commission on Women has also studied the status of women in the economic field, particularly the important question of part-time work for all women, including mothers. Likewise, it is making a study on an international level of the questions of family law and property rights of married women, for in many countries women, when they marry, lose their right to administer and dispose of their own property. Indeed, under many legal systems, a mother has no voice in bringing up her children and no right to be their guardian. Recognizing, as proclaimed in the Declaration of Human Rights, that "the family is the natural and fundamental group of society," the Commission believes in an equal real partnership between husband and wife.

This Commission is also constantly seeking to serve the cause of women in the less developed areas of the world where there are certain customs and ancient laws practiced respecting marriage and the family, such as child marriage, etc., which disregard the human dignity of women. In addition, one of the main concerns of this Commission on the Status of Women is the elimination of discrimination against married women in the field of nationality. All this is being done in line with the proclamation of article I of the Charter of the United Nations to promote and encourage "respect for human life and for fundamental freedoms for all without distinction as to race, sex, language or religion."

You, as educated women, and uniquely educated in a global background, must do your share to help secure, through international cooperation, the solution of the many problems and difficulties which must be overcome in order to achieve mutual understanding and respect. Very often we do not like our neighbors because we do not know them. The foreigner or the stranger becomes our friend when we get to understand him. That is a requisite for world peace.

A good example of this was demonstrated in a conference held at Bangkok in August of 1957. A United Nations seminar was being conducted there in the First Assembly of Asian Women pursuant to a United Nations program of the advisory service in the field of human rights. It was obvious that many of the women, who had only recently acquired political rights, did not fully exercise those rights because they had no full understanding of their civic duties. Delegates met from 27 different Asian countries, representing a cross section of the professions and interests of these women.

I shall try to summarize for you what Dr. Edward A. Corbett, former Director of Adult Education in Canada, stressed before that group, because I think that, to a lesser degree, it is equally applicable to the women of this country and should be of interest to you. He stated that civil responsibilities of women are no different in degree of importance from those of men. However, civil rights are often granted to women, who do not exercise them fully because of preoccupation with home and children. Women must be made to realize that their home is vitally linked with affairs of State and that what is done in the legislative halls affects life in the home.

Women must understand something of the public scene. The inhibitions preventing women from being active in public life must be worn down. It is not enough to vote for candidates. Women should vote to elect the right candidate, but they cannot know who the right man or woman is unless they understand the issues propounded by the candidates for office. To exercise their civil liberties properly women must be made and kept better informed about the economic, social and political forces at play, not only in their own country, but in the entire world. In short, women must play a bigger part in the process of government. Educated women must lead in the campaigns to improve the status of women in all countries and to get equality of law for women. Women should seek election to legislatures. Women should take advantage of public communication methods, such as press, radio and television to promote legislation favorable to all women and men alike. Women must prove their worth so that they can take part in public life.

You graduates and those who will follow you in years to come are properly equipped to share in achieving these ideals for womankind, and in attaining the kind of peace this world sorely needs. It is safe to say that hardly any time in all human history has been so important to civilization as the next few years are likely to be. The world has long sought the means to discover ways of life to extricate mankind from the evils which have beset it since human beings came into existence such as poverty, starvation, disease and the like. The Free World will achieve the elimination of these evils if people everywhere will strive to that end. You here today are given the opportunity to share in the solution of these problems.

Our country at the present time is marshaling all its material forces to stem totalitarian aggression. The inviolate freedom of personality is the foundation of the structure of individual rights and social obligations. Man has always striven for individual dignity, worth and goodness, purity and truth. Every individual has his hopes and his aspirations. Each plans and dreams of the opportunity to participate in directing his own destiny and to develop according to his own talents and interests. This is the meaning of life in a Free World. That freedom we must maintain. Let us all on an occasion of this sort rededicate ourselves to giving all our efforts to the achievement of that end.

First of all, however, we must turn a deaf ear to the prophets of doom and despair. We, who believe in God and His divine guidance, know that He is our greatest source of strength. We must have a spiritual and moral, as well as scientific, rearmament. In this world where material things are so significant, the only appropriate source of strength is to be found in the regions of the mind and the soul within our hearts. We must not only think about our own rights, but about the rights of others—not only in terms of what is good for us, but what is good for everybody else, too. If the world is to enjoy lasting peace, it will be necessary to embrace the whole human race in the same kind of sympathy which we now feel for our countrymen.

Your international educational background will serve you well in approaching world problems from that aspect. Let us remember, and let us be resolute in our conviction, that we cannot defend our National Constitution and the institutions developed thereunder without a deep and abiding faith in God and by a fulfillment of our duties arising from such faith.

The world in its present crisis sorely needs sound leadership. History has taught us that lack of sound leadership has turned many a people to false prophets. Our leaders must have integrity, courage, vision, and imagination to inspire the confidence and dreams of our fellow men. Leadership involves responsibility and onerous duties. It is the function of a university to train men and women to assume this responsibility and to perform these duties in the interest of mankind. Your college has provided you with such essentials of contemporary leadership. Take advantage of them.

Now, when you leave these halls of learning and are about to face the trials and tribulations of life, it is well for you to ponder on the great responsibility which is yours. You will leave these buildings of instruction with the good wishes of your teachers, your families, and your friends. One can only speculate as to what part each of you will play in the life of future generations, but I assure you there is one thing certain. True happiness will be achieved by you individually only to the extent of your willingness to participate in the affairs of your community and to the extent of your efforts toward the preservation of our democratic institutions.

Be ever grateful to your alma mater. With the passage of time and with your increased maturity, you will develop a deep and intense feeling of gratitude and loyalty to Western College for Women. You will achieve a feeling of spiritual obligation which you will also try to repay. You owe much to your college and you must, therefore, resolve to do all you can to help it, for in that way you will help the cause of humanity. Indeed, the more you give yourself to your college, the more you will find yourself in her debt. Your generation has a date with destiny. It is privileged to face the greatest challenge with which mankind has ever been confronted. Your college has provided you with the equipment, the tools with which to combat this challenge. I am confident you will make the best of this opportunity and will utilize those tools to their full extent. Most of all, do not yield to defeatism—your education will serve to bolster you against all challenges. I am confident you have the courage and the wisdom to meet them.

It is my firm belief that with all our resources, energies, and commonsense, with the marshaling and wise use of all our assets, material and spiritual, we, here in the United States of America, can as a united people, with the help of freedom-loving men and women elsewhere, be successful in the great objective of defending freedom and bringing lasting peace to all mankind. This, the most perilous moment of history to free men, may yet prove to be the most helpful and promising for humanity. It is going to be a difficult and hardy adventure, but it cannot be avoided. May each one of you at this milestone in your life resolve to have a share in it.

Who's the Squeezer in Orange Juice Freeze?

EXTENSION OF REMARKS
OF
HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 3, 1958

Mr. VANIK. Mr. Speaker, in addition to the problem of administered prices in many manufactured items, the American consumer is also plagued with controlled pricing resulting from the establishment of pricing and marketing cartels, some of which are established under State law. The ostensible purpose of these organizations is to protect the producers, the practical result is to "rig" the consumer price.

In some States, oil-conservation authorities have been organized ostensibly to protect oil reserves from wasteful practices, but the practical effect of such conservancy has been to curtail produc-

tion to maintain consumer price levels—to protect against overproduction and falling prices. These same forces which have bitterly fought price control, vigorously fight for price fixing.

In Florida, 5 or 6 large orange-juice processors buy up the orange crop early in the season. These crop-purchase contracts, which guarantee the producer a crop sale price, provide the several processors with a virtual monopoly of orange production and permit them to control consumer prices of orange juice throughout the Nation. The Florida State Fruit Commission has been deployed to "police" the production and processing of juice oranges—ostensibly to benefit the producer and the public. With this State machinery effectively used by the orange-juice cartel, the general public is "protected" into paying ridiculously high prices for orange juice which has become an essential commodity in every American home.

Last winter's Florida orange crop was blighted by frost and extraordinary cold. The day after the frost, the consumer price of orange juice made from oranges harvested the year or 2 years before immediately jumped and continued in a skyrocketing rise ever since. The orange crop was curtailed by adverse weather—but the supply of processed orange juice is not completely dependent upon the weather in any given year. Supplies of processed juice are carried over for several years and a curtailed orange crop can be readily made up out of processed reserves. When the current cold wave struck Florida last winter, reserves of processed orange juice were at an alltime high for that time of the year.

The fact is that the major producers of oranges and the processors of orange juice are one and the same. This year's orange crop damage is used as an alibi to justify "bilking" of the American public of millions of dollars. The price of orange juice at the grocery store has doubled during the past year. With reduced production, harvesting, and processing, total orange juice sales have doubled in dollar volume. The result is that with crop failures, profits have doubled with the American consumer footing the bill.

A 6-ounce can which sold for 17 cents a year ago sells today for 33 cents. Lower cost brands which sold in supermarkets at 6 cans for 59 cents are now selling at the rate of 3 cans for 79 cents. With further increases promised in the retail price of orange juice, every American family should consider reducing orange juice consumption or use substitute food until reasonable retail prices return to the market.

The following article in the Cleveland Press June 3, 1958, by Robert Crater, of the Scripps-Howard bureau, is a very significant study of the problem which merits the careful consideration of every Member:

WHO'S THE SQUEEZER IN ORANGE JUICE FREEZE?

(By Robert Crater)

WASHINGTON.—Housewives are caught in the frozen orange juice price freeze.

A year ago they were paying 17 cents for a 6-ounce can. Today the cost is 33. More boosts are coming.

The all-too-pat answer is that we're feeling the effect of the old law of supply and demand. Florida's crop was blighted by last winter's frosts, and there aren't enough oranges to go around, industry spokesmen say.

Marketing experts at the United States Department of Agriculture agree the crop is smaller this year. But they supplied other statistics which show the price squeeze is at odds with supply facts.

Makers of frozen orange concentrate have more gallons in cold storage vaults now than they had a year ago. What's more, they have shipped almost as much to markets. If these facts alone were true indicators, housewives should be paying the same now as they did last year.

But getting all the facts is as tricky as holding onto one of those frost-sheathed cans from your supermarket's ice chest.

The finger of suspicion points to Florida growers.

On May 10, 1957, they were peddling oranges to concentrate makers for $1.68 a box. This year the price tag was a whopping $4.48. That's a hop of 167 percent compared with the retail increase of 94 percent.

As for this year's estimated supply, agriculture officials say Florida concentrators will wind up with about 58 million gallons compared with last year's 70 million. This slump is greater than orange-crop figures justify.

Last year Floridians picked 93 million boxes. This year's estimated yield is 84 million.

Tracking down profit facts is tricky, too. Under Florida's marketing structure it's hard to tell a grower from a concentrate maker without a score card.

One of the leading concentrators boosted its profits from $380,000 net for the first 6 months of its 1957 year to a plump $1,285,000 for a similar period this year. A better marketing arrangement, rather than the price rise, was credited.

This firm limits its profit to 7 percent, and growers are supposed to share in any excess.

Wisconsin Pioneers in Caring for the Needs of Brilliant Children

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, June 3, 1958

Mr. WILEY. Mr. President, one of the important problems which has come to the fore is the meeting of the needs of the Nation's high I. Q. children.

Here is a great national resource—brilliant youngsters who potentially can make top scientists, top public servants, outstanding leaders in every walk of life—in the liberal arts and in the humanities. But here is a resource which, all too often in the past, we have squandered.

I sent to the desk a supplementary statement and appended materials on this vital subject. I ask unanimous consent that they be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

I have previously brought to the attention of my colleagues in the Senate several reports on what is being done in the public schools of Milwaukee, and in other centers of my State and elsewhere, toward better utilization of our brilliant children, as for example, my comment on March 3, in the CONGRESSIONAL RECORD.

RACINE PLANS A PROGRAM, FOUR HIGH SCHOOLS OPERATE ANOTHER

I cite now 2 programs, 1 planned, 1 in operation, in my State illustrating some progress in this field.

One program in Racine is aimed at very young pupils at the sixth-grade level. This program, which is still in the planning stages, would give children an accelerated program of study in their regular school for 4 days a week and then on the fifth day would enroll them in a special school for advanced study in mathematics and science.

This program was recommended by a committee of Racine teachers after careful evaluation of existing teaching methods. The Racine Board of Education will meet tomorrow on this proposal.

A second program of accelerated study is one designed to steer bright high-school students into college. This educational experiment is being conducted by the North Central Association of Colleges and Secondary Schools in cooperation with the Carnegie Corp.

Four high schools in Wisconsin are among 50 in 19 States which will be participating in the program. The objective of this experiment is to stimulate interest among top level high-school students to continue their educational pursuits in college or university work.

There follow now two articles from the June 1 Milwaukee Journal, describing each of these programs, respectively:

"Top pupils at Racine may try new course—Teachers' committee suggests stepped-up studies for brightest sixth graders

"RACINE, WIS.—Some 80 to 100 talented sixth grade pupils may pioneer an educational experiment in public schools here next fall, if the board of education accepts the recommendations of teachers.

"The teachers' committee, headed by Harold E. Cripe, has recommended establishing a pilot program for advanced boys and girls at the new Wadewitz School, which will open in September. The board will meet next Wednesday to decide on the pilot program and discuss other committee recommendations for greater emphasis on special training for advanced pupils.

"Fifth Day Plan

"Cripe said the committee's plan would cover pupils who were at least 2 years ahead of their normal grade in mathematics and reading. Pupils able to complete a normal sixth grade work week in 4 school days would be taken to the Wadewitz School on the 5th day for special work in mathematics and science. Parental approval would be necessary for a child to participate in the program which would be handled by a special teacher. There also would be a special text, reference books, scientific equipment, and audio-visual aids.

"Cripe's committee also recommended that the school board offer intensive courses in mathematics, the sciences, and English, starting in the seventh grade, for advanced children. The program would permit the children to accelerate their work in mathematics and science so they would be taking college-level courses in those subjects when in 12th grade.

"Not Crash Program

" 'This is not a crash program to produce a preponderance of scientists and technicians,' Cripe said. 'It is a modest and practical program to provide data and information on which later revisions can be based.

" 'The key to the program is guidance, by parents and through the school.' "

"Bright pupil program set in four State schools

"Four Wisconsin high schools are among 50 in a 19 State area selected to participate in an experimental program aimed at steering bright pupils to college.

"They are Pius XI High School, Milwaukee; West Allis Central High School, Waukesha Junior-Senior High School, and Beloit Memorial High School.

"The experiment is being conducted by the North Central Association of Colleges and Secondary Schools, the country's largest accrediting organization, with a $174,000 grant from the Carnegie Corp.

"Pilot Plan Arranged

"Clyde Vroman, director of admissions at the University of Michigan and chairman of the project, said 557 high schools applied for the project. The pilot schools will carry on their programs for 2 years.

"The schools will attempt to find out why some students of high ability do not plan to continue their education in college and what might be done to motivate them to go to college.

"Workshops To Be Held

"Representatives of the selected schools will attend workshops this summer. The Wisconsin educators will attend one at Northwestern University, Evanston, Ill., July 7 to 11.

"They will be Father John B. Becker, S. A. C., principal, and Father Lawrence W. McCall, S. A. C., vice-principal, of Pius XI; Mrs. Alice Maronn, dean of girls, and Miss Irene E. Smith, director of guidance, West Allis Central; Clifford Goerke, assistant principal, and Robert Duckett, senior counselor, Waukesha High School, and Royal B. Everill, principal, and Ole G. Kvitle, assistant principal, Beloit Memorial."

SPLENDID WORK OF ICEC

As is readily apparent, it is fortunate that leaders of the educational profession throughout our land are seeking to develop ever-improved programs to meet the needs of brilliant youngsters.

In the National Education Association, there is an excellent International Council for Exceptional Children. Included among the categories which are served by this council is the group which can be identified as gifted children.

In reading through the pages of the magazine Exceptional Children, as published by the council, I am impressed by the constructiveness of the various reports of expert groups throughout the land working on this problem.

In the May 1958 issue of Exceptional Children, there is, for example, an excellent article from leaders in Michigan State University in East Lansing. The article is entitled, "The Gifted Evaluate Their High School Experience."

Incidentally, the same issue reports on the successful delegate assembly of the council in Kansas City in April. At that time, Ivan K. Garrison, editor of Exceptional Children was selected to succeed Lloyd Dunn as president-elect. Mr. Dunn of George Peabody College of Teachers in Nashville, succeeded in turn, Dr. Maurice H. Fouracre of Teachers' College, Columbia University, as of June 1 of this year.

It is most fitting that a highlight of the Kansas City meeting was the reading by President Fouracre of a telegram of greetings from President Dwight D. Eisenhower. The speaker on that occasion—the president's dinner—was the Honorable CARL ELLIOTT, Member of Congress from Alabama.

Incidentally, the same May 1958 issue, to which I have referred, reports on impressive studies made by the Institue for Research on Exceptional Children at the University of Illinois.

And there were other contents of that and other issues which demonstrated gratifying grassroots progress.

I have been pleased to correspond with numerous leaders of the council, including Harley Z. Wooden, executive secretary, and others.

My purpose is to seek to help, if only in small part, to stimulate the search for new answers, new techniques, new understanding toward tapping the maximum potential of the intellectually endowed.

SOME GIFTED CHILDREN HELD BACK BY HANDICAPS

These youngsters are, however, more than just brilliant brains. They have emotions, they have characters, they have souls. So, comprehensive attention is needed in meeting all their needs.

Who is to know how many so-called normal or average, even so-called below average children there are in this land who might break through to intellectual leadership if some present handicap were overcome—some emotional handicap, or perhaps a handicap of speech or hearing which at present holds them back?

What I am saying is that intellectual genius does not exist in isolation, in a vacuum. It exists side by side with other faculties, or, yes, with shortcomings.

So, it is our task to enable youngsters to be free of that which may arrest their rightful development.

This is why I hope that the council's work will be constantly strengthened.

The NEA, of course, faces many challenges, but this is one of the keenest. It goes to the very heart of the future of this land, including, perhaps, its very survival.

Eight months have elapsed since Sputnik I. Interest in schools among some parents, and others who were tremendously aroused last October, has now unfortunately diminished. Let us not allow America's revitalized concern with education to deteriorate.

HELPFUL LETTER FROM UNITED STATES OFFICE OF EDUCATION

Naturally, America's principal obligation at the Federal level in the education field, is entrusted to the United States Office of Education. There follows now the text of a helpful letter from Rall I. Grigsby, Acting United States Commissioner of Education, in response to a letter of inquiry which I had recently sent to Commissioner Laurence Derthick, as regards Federal programs for research on the gifted:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
May 21, 1958.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: In Dr. Derthick's absence from the office, I am replying to your letter of May 9 concerning research and programs at the Federal level for gifted children.

The section for exceptional children, of the Office of Education, makes and participates in a number of general studies on all types of the exceptional, which include the gifted. Examples are: "State certification requirements for teachers of exceptional children," "College and university programs for the preparation of teachers of exceptional children," and "Statistics of special education for exceptional children." It gives consultative service to organizations and individuals through conferences and correspondence, and it keeps a file of current publications on the gifted, from which it composes reference lists. As part of a special study, it is preparing a report on competencies needed by teachers of gifted children, and it is hoped that study can be made in the next year or two of the needs of gifted children in less populated areas.

Education of the gifted is of officewide concern. A number of specialists in the secondary education section have prepared publications related to the talented, and rapid learners. The guidance section works with the gifted through State departments of education by helping to identify the needs of individuals in developing their curricular offerings, and by helping in the selection of tests and interpretation of cumulative record information in identifying gifted children. It has no publications on this subject. Higher education division provides scholarship information through three bulletins on the subject.

We are sending under separate cover a brochure about cooperative research projects under contract July 1, 1956, to March 31, 1958, with the Office of Education, conducted under the provisions of Public Law 531, 83d Congress. This lists the numbers of cooperative research projects on gifted children under the heading of "Development of Students' Special Abilities—the Identification and Encouragement of Unusual Talent," in the appendix. It also identifies the studies on the mentally retarded and other aspects of education by category.

The Bio-Sciences Information Exchange, Room 1113, Dupont Circle Building, administered by the Smithsonian Institution, serves as a clearinghouse which lists ongoing projects of research in all areas of psychology, including those which affect talented and gifted children. They could give you information about research supported by private organizations as well as that supported by the Federal Government.

All of the materials to which we have referred in this letter are being sent to you under separate cover, except for the higher education publication, Financial Aid for College Students: Graduate, Office of Education bulletin 1957, No. 17, the supply of which is temporarily exhausted until it is rerun by the Government Printing Office.

If you have further questions, we shall be glad to try to answer them.

Sincerely yours,

RALL I. GRIGSBY,
Acting United States Commissioner of Education.

Israel's 10th Anniversary

EXTENSION OF REMARKS
OF
HON. CHARLES C. DIGGS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 3, 1958

Mr. DIGGS. Mr. Speaker, for the 13th Congressional District of Michigan and for myself, I express highest tributes to the nation of Israel as it celebrates its 10th anniversary.

Last year under the honor which you, Mr. Speaker, conveyed upon me, I had the tremendous privilege of attending the celebration ceremonies attendant to the establishment of the new African nation of Ghana. A few weeks ago I returned from celebrations attendant to the establishment of the West Indies Federation and the opening of its Parliament. Again, it was my privilege to go there under your appointment, Mr. Speaker, as an official representative of the United States Congress. These experiences, in my view, have great sig-

nificance in connection with the celebrations now drawing to a close in Israel. For no man who cherishes freedom and justice and has watched the steadfastness and progress in the history of democratic nations as against the history of deterioration, slavery, and ruin of nondemocratic nations could be less than profoundly moved by the spectacle of the coming to life of a new counterpart of democratic government in new corners of the world amidst peoples holding opposing precepts. Such a man must also be intensely impressed by the fact that the establishment of a sound and progressive system of free government in itself involves many more problems than does the establishment of a form of government based upon domination and control of the peoples. Freedom, wherever found, brings many preferences and choices, good and bad, which must be reconciled finally to those principles which in the end are the enduring faith, but when reconciled, the fruits of independence and justice and the opportunity it gives each man to soar to his own orbit are greater, as history reveals, than can be reaped under any other system.

My tributes to Israel are many, but these experiences of witnessing the birth of new nations have whetted my appreciation for the mountainous tasks the nation of Israel has had before it in these 10 years past. These experiences have crystallized my understanding of the phenomenal victories which this people of indomitable will and unflagging faith in the cause and the ends of freedom and democracy have been able to accomplish. Today, to all of the peoples of the world—those under slavery, to those under colonialization who are struggling for and toward freedom, to those new babes of nations, Ghana and the West Indies—and also very definitely to the old Free World, Israel stands not merely as a symbol of hope but as a revelation of what liberty, justice, integrity, and courage among a free people can offer to a world even in these chaotic times.

The Washington Post observed that Israel celebrates a 10-year miracle. It could not be more aptly put. Gov. G. Mennen Williams, of my own home State of Michigan, calls the first decade of Israel's life one of the most remarkable stories of growth and progress this world has ever seen. Why? He lists:

> The population of Israel has almost tripled; in this period, she has absorbed a fair share of the 915,000 immigrants who have come into Israel since the establishment of the state; industry and agriculture have steadily grown; the number of hospitals has increased from 63 to 102; school attendance has expanded four times over—from 113,000 in 1948 to 507,000. The number of teachers has been more than doubled. In 1948, 412,000 acres of land were under cultivation. Today there are 956,000.

Governor Williams comments:

> Thousands of Americans do not know that Israel's schools include 116 Arab elementary schools and 6 Arab high schools. This simple fact speaks volumes about the willingness of Israel to give its Arab citizens every opportunity to integrate themselves into the national life, while at the same time preserving their own traditions and culture.

But more important than all the statistics, impressive as they are, is the spirit and morale that pervades this ancient land of the Bible, this new world democracy.

Mrs. Alice Dunnigan, Associated Negro Press reporter just recently returned from a visit to Israel, observed that in the many schools and hospitals she visited there she rejoiced to see the complete integration of races.

> There you see among the people other races—

She said—

> of all colors ranging from the black of Ethiopians to the honey color of the Yemenites, happily together—absolutely no segregation as to color.

And in the Israelite Congress—the Knesset—only one House consisting of 120 members, one counts 10 women and among them one whose color is brown.

We repeat words from the Washington Post editorial:

> If one can judge by the record of this first decade, Israel, given the boon of peace, will be a land not only of promise but also fulfillment.

Address of Hon. Richard B. Russell at Commencement Exercises of Georgia State Teachers College

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EXTENSION OF REMARKS
OF
HON. HERMAN E. TALMADGE
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 3, 1958

Mr. TALMADGE. Mr. President, on yesterday my distinguished senior colleague [Mr. RUSSELL] delivered the principal address at commencement exercises which marked the observance of the 50th anniversary of Georgia Teachers College at Statesboro, Ga.

Emphasizing the continuing vitality of the American concept of individual liberty and initiative under a free enterprise economy, my colleague eloquently warned against our losing sight of the values of American institutions which have brought the United States to its present greatness. His remarks deserve the careful attention of all Americans who are interested in projecting that greatness into the future; and I ask unanimous consent, Mr. President, that the text of his address be printed herewith in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR RICHARD B. RUSSELL AT THE COMMENCEMENT EXERCISES OF GEORGIA TEACHERS COLLEGE, JUNE 2, 1958

President Henderson, members of the faculty, members of the class of 1958, friends and fellow Georgians, it is a high privilege to participate in this significant occasion. Dr. Henderson has told me that today's exercises have a dual purpose. We not only celebrate the work of the members of this class, entitling them to their diplomas. We also conclude the program celebrating the 50th anniversary of this institution.

Georgia can be proud of her attainments in the field of education. Our State university was the first to be chartered and we are proud of her and of all of our other great educational institutions, whether publicly or privately supported. But I think it must be admitted that this institution, dedicated to the training of teachers, has had and has used the opportunity to make a unique contribution to the development and progress of our State. Our future strength and development depend in no small measure on the continued and increased strength of Georgia Teachers College.

As we celebrate the achievements of the past half-century, let us prepare for even greater effort to meet the challenges of the future.

A great school such as this represents many things. It is the place where we learn the skills to develop our capacity to make our way through a troubled world. It is where we apply the knowledge of the past to enable us to find the truth today. It is the site of many happy memories of youth.

More than that, it represents the sacrifices of parents who have deprived themselves that their children may drink at the fount of knowledge. It represents the sacrifices of those who have put their faith, their toil, and their treasure into the building of a great institution.

The more heavily endowed and more advertised colleges of the country have oftimes acquired an aura of superiority that is not justified by an analysis of the true values of education.

Exclusive clubs, fancy cars, and a contempt for tradition emphatically are not the hallmarks of a great school. The records of those who have gone out from this institution are eloquent evidence of the quality of instruction and the spiritual and intellectual development available here. It is my firm conviction that your graduates can compete successfully with those from any other school in this country.

To truly serve its purpose, a college must keep pace with the present. It must remain a strong current in the implacable stream of life, constantly seeking new channels but always fed from the springs of other days. Georgia Teachers College has provided the training to enable its graduates to develop their natural and God-given talents.

As a Georgian, I am proud of this college and I say with pride that we Georgians are a people strong in our loyalties and possessed with a deep and abiding sense of our strong ties with the past.

A day of commencement is always meaningful and I approach my responsibilities today with humility. I well recall my reactions at the time when my own classes were graduating from high school and from college. These reflections give me complete understanding if many of you are restrained in your enthusiasm over the possibility of finding in my words an "open sesame" to a successful life. I can only hope that some one thought will prove of value to you.

To this class of 1958, I extend my sincere congratulations and best wishes. Those of you who are to receive degrees have every reason to enjoy a feeling of real accomplishment. Despite commendable progress in broadening educational opportunities in this country, you today join a rather select group of Americans who have successfully completed 4 years of college. I know that the achievements that we commemorate today represent for most of you a great deal of determination and hard work.

You are passing today from academic competition in the classroom into a highly competitive world.

This business of making a living is sometimes more complicated than making a passing mark in a college course.

Many of you are weighing and selecting your objectives in life. I would not presume to advise any young person today as to a vocation. I would, however, urge that in

selecting a career your choice not be controlled by a standard based on either safety or immediate income. Admitting the desirability of wealth, always bear in mind that there are other rewards more satisfying in latter years. Weigh well the things that you will enjoy and the contribution you are capable of making.

I assume that many of you will utilize your special training in the field of education. Teachers who get rich are as rare as dodo birds but certainly teaching is to many a satisfying career.

It is said that there is a major crisis in American education. The cause we hear the most about is money. This is reflected, as you know, in the salary scale of teachers and in the lack of satisfactory tools and facilities. The increasing number of children entering our schools has far outstripped the funds available for their training. While it is unfair to them to be compelled to do so, many teachers though poorly paid and with crowded classrooms have overcome the crisis in education. The value of such teachers is inestimable.

In America today as in the past their number is legion, their salaries more often than not inadequate; but their inspiration rises from a source higher than the pocketbook. They are sustained by the knowledge that it is impossible to tell in advance when and in what pupil their serious teaching will set aflame the spark of latent genius.

I believe that the American people are willing to pay for the education of their children. There are very few American parents who have not expressed the hope that their children would be able to get a better education than they have obtained. This has been so often noted that foreign observers have called it a unique national trait. From the very beginning and even in times of economic hardship, our people have made sacrifices to maintain the public schools. Indeed, no people in history have ever provided a more elaborate publicly supported educational system or offered as alternatives so many private institutions of learning. I do not believe that they will long tolerate the invidious comparisons of the salaries of our schoolteachers with the wages of brickmasons and industrial workers.

But all of the weaknesses in our system are not due to inadequate salaries and facilities. As we correct this weakness, our educators must eliminate fallacious theories of education that have contributed to the adulteration of educational standards.

We must restress the fundamentals. Many schools have frankly substituted what they call adjustment to life for the study, discipline, and self-reliance traditionally associated with responsible individualism. We will not cure our deficiencies with a cafeteria-style education from which the student may select courses in flycasting, basket weaving and the like, and escape classes in mathematics, chemistry, and foreign languages. No adequate system of basic training will seek to equate credits for playing in the high-school band with credits in literature or physics.

The world that you enter today is unusually troubled and confused. The state of our own economy is likely to pose an immediate problem to many of you. A long period of booming growth has leveled off and many people are out of employment. Many who are covered by the unemployment insurance have exhausted their payments. It has been well said that when a friend loses his job, it is a recession; but when you lose your own job, it is a depression. Many of us can remember a real depression, but today's problem is very serious to those out of work or seeking employment for the first time.

In your college career, you have studied the differences between our economic system and that of other nations. You know that the bedrock of our system is private ownership of the means of production with prices regulated by fair competition between producers.

Consumer purchases determine the scale of employment and the profits of the owners of producing property. The final decision as to the total production is in the hands of consumers with enough income to constitute an effective demand.

The most striking contrast with our system is found in the Soviet Union. There, the government owns all of the instruments of production and an elaborate bureaucracy determines the quantity, quality, and type of goods to be produced. In our own system, if production exceeds demand or if the demand is for something different from what is being produced, changes in price levels are supposed to be the corrective influence.

Incident to today's depressed economy is the fact that powerful combinations of both business and labor have injected rigid elements into the economy that prevent the price system from functioning. Due to these rigid elements and a lack of widespread competition, we have the unusual paradox of rising prices to the consumer at a time when unemployment is likewise increasing.

Organized labor points its finger at what it calls monopolistic ownership. Labor leaders suggest that prices would decline if owners would be satisfied with smaller profits. In turn, business management asserts that the source of the trouble is the insistence of labor upon wage increases over and above what is justified by the productivity of their labor. Both accusations contain a measure of truth.

Experience teaches us that in our system, governmental control of both prices and wages creates more problems than it solves. It follows that restraint and some concessions by both labor and management to permit price levels to fall are one way out of the impasse in which we find ourselves.

Before leaving this subject, I should like to make a brief comment on the status of the farmer in our economic scheme. No one would deny that the production of food and fiber is indispensable. Opponents of any governmental aid to farmers tend to overlook the fact that without any assistance the farmer must buy in a controlled and rising market and sell in an uncontrolled and declining market. Business and industry enjoy many benefits by the way of tariffs and subsidies of one sort or another. Minimum wage and labor laws protect labor and provide a floor for wages. To me, it is completely unfair to expect the farmer to survive if the price of the things he must buy are maintained and increased by policies of Government if he is compelled to sell in a market that affords not even a semblance of protection to his prices and income.

INTERNATIONAL RELATIONS

The grim facts of the international scene today present an even more somber picture.

The Free World has been shocked by the facts which prove the technological developments in the Soviet Union. The consternation caused by Sputnik No. 1 was heightened by Sputnik No. 2. Then followed the hard fact of Sputnik No. 3, a Soviet satellite weighing 3,000 pounds which is now orbiting in the heavens. This large satellite is tangible and dramatic proof of the fact that the Soviets have developed an intercontinental ballistic missile with the power to deliver a nuclear warhead 5,500 miles in 30 minutes.

Because of the fact that our nuclear scientists have tapped sources of power once considered locked in the sun, your generation must adjust itself to the constant possibility of catastrophic destruction. All of us today live under a modern sword of Damocles, horrifying to contemplate.

Another fact not so dramatic but which cannot be overlooked is the fact that while the population of the world stands today at a little more than 2.6 billion, experts tell us that in another 100 years there will be 7.5 billion. This is, of course, based upon the assumption that we will find a peaceful solution to present issues. The destructive potentialities of modern weapons threaten to drive humanity back into the Dark Ages. Dr. Einstein aptly described the danger when he said that if there were a world war IV, it would be fought with bows and arrows.

A nuclear war is certainly not a proper solution to the problem of excess population.

My committee responsibilities cause me to almost live in a word world of powerful atomic weapons, of missiles and rockets, and other engines of death and destruction. I often come from committee hearings with the feeling that I am emerging from a bad dream. Developments have been so rapid that there is a certain measure of truth in the cynical inventor's wisecrack, "If it works, it's obsolete."

I can understand the natural feeling if you should ask yourself, "What can a young college graduate of today do about all of this?"

Under our system you participate in the direction of the affairs of government. The one important lesson to me is the necessity for being strong militarily. We must maintain a national defense adequate to the threat posed by a potential enemy and sufficient to deter a nuclear war. All that America means to us, the values of an education, the blessings of governing ourselves, the right to enjoy the products of our immense industrial plant, indeed life itself, all depend on our ability to meet any possible military threat.

That this threat is real, no reasonable person can deny. I have heard the testimony of our most responsible military and civilian officials and technological experts within the past several months. This evidence justifies the conclusion that the United States has a slight superiority in weapons of the present, but that we are falling behind on weapons of tomorrow. The modern weapons system is so expensive that it requires a considerable part of our income and is so complex as to demand many of the best minds trained in technology.

As citizens of the Republic, you will participate in this great endeavor to maintain ourselves. This means that you have a duty to keep well informed. But it is not enough to be only well informed. The college-trained leaders of a truly great nation must also be contemplative and wise. Under no circumstances must we yield to hysteria or become slaves to our fears.

The launching of the first sputnik almost brought hysteria. A great cry went up that we had failed completely in the education and training of scientists and engineers. In newspapers and magazines and over the radio and television we heard how far the Soviet had outdistanced the United States in the training of engineers, both in numbers and in quality. Nearly everyone had some proposal either to cajole or bribe our brightest young people into technological training. The curricula of Soviet education from the first grade through the specialized training in their universities was compared with our own to our disadvantage.

I would be the last to deny the weaknesses in our system of education. I realize the importance of more realistic training and of improving and encouraging the opportunities of our young people in scientific training. I am convinced that the future destiny of this country will be determined in our schools and depends upon a more realistic advancement in real educational values.

The deficiencies in modern education are clearly indicated by President Griswold's complaints about Yale students who can neither read nor write; by the complaint of the dean of the Columbia Law School that

he is confronted by college graduates entering law school who do not know how to use a dictionary; and by the recent survey by the Carnegie Corporation of New York indicating that 62 percent of our colleges are forced to give courses in high-school algebra because students arriving at college are so ill prepared.

But I do not agree that Russian superiority in the field of missiles necessarily means supremacy in the field of technology. It is an established fact that, without regard to other needs, a totalitarian state can devote all of the talents of its people and the total capacity of its industrial plant to any project. Only a small proportion of our engineers are devoting their talents to the field of missiles, and I know from my own observation that our own industrial plant is incomparably superior to that of the Soviet Union. Our principal error was in underestimating Soviet capacity and in failing to utilize the means at our command to assure American supremacy.

Before we accept the thesis that our future salvation depends solely upon the number of scientists and engineers that we can graduate, it might be well to consider some of our more recent failures in other fields.

We have just been shocked by the insults and acts of violence heaped upon the Vice President of the United States while he was on a peaceful visit to some of our sister American Republics. Without going into the wisdom of his trip or other decisions that were made, the fact remains that not only was the second officer of our country threatened and spat upon, but that on two occasions the American flag was desecrated by those we have looked upon as our closest friends.

This was due to no failure of American technology. If our scientists and engineers had been multiplied by four, there is no reason to believe that it would have changed this situation. This reveals a weakness in the field of humanities. We have somehow missed the fundamental values essential to deal successfully with other people. We must not emphasize any one field of education to the detriment of another. We must treat basic education as a whole. Progress must be made on every front.

There is a tendency to seize upon our absorption in the failing government of our friends, in missiles and sputniks and Communist plots to cause us to lose sight of the values of our own institutions of government which have brought us to our present greatness. There are those who contend that we cannot meet the threats from without unless we create an all-powerful central government of our own. The historic concept that State and local self-government can best protect our rights and liberties is under attack by those who believe it is necessary to meet the emergency by placing in the hands of a few men the power to determine the way of life most advantageous to 170 million individual citizens.

To those who have asserted that it is necessary for the Federal Government to take over the whole business of higher education in this country, I would like to point out that in 1949 the Department of Labor surveyed the employment situation and advised students that we had an oversupply of engineers that would exist for several years. Thank God that no bureaucrat in Washington had complete control over the lives of our people to plan and direct on the basis of that prediction.

I do not propose to question the motives of some of those who hold this point of view. Some of them are genuinely appalled by the inequality of seeing some at the bottom of the ladder while others are on the top rungs.

They overlook the crucial fact that a government which can grant benefits can also withhold not only benefits but the means of life itself.

All of the genius of mankind has yet to devise a truly disinterested system of government—a government that can truly apportion awards and benefits as if by divine law. The only true equality that any government can achieve in a diversity of individuals is equality before the law.

We must carefully examine problems purporting to do justice to a minority lest we actually do injustice to a majority and eventually work great injustice to both the majority and minority. It will avail us little to prepare a defense for the gate if termites undermine the foundations of the citadel.

This is a day when catch words and slogans are employed to promote the doctrine that the ends justify the means. But history clearly demonstrates the impossibility of changing the mind and heart by either legislative or judicial fiat.

Unity and good will among the diverse peoples of our country will never be generated at the point of a bayonet. An all-powerful Central Government can never hope to substitute for local self-government in the ordinary relations of life nor can it impose a social order repulsive to the majority of the people of any section of this Nation.

The members of this class will enter a society with the highest standard of living that the world has ever known. We enjoy more freedom than any people in human history. This could only have been brought about in a government such as ours. Wherever you go, whatever you do, always take an interest in the affairs of your government.

Whenever the individual citizen becomes indifferent to the quality of government, you may be sure that the ambitious representatives of special interests will make their inroads against the general welfare.

You are among the privileged few who have had a college education. Never forget the obligation of the trained mind to participate in the affairs of government. It is to you that our country must look for the calm and imaginative thought that will enable us to successfully meet the many challenges of this complex age.

The world is aware that America has created its greatest civilization. We must constantly remind the world that we have not retired nor even paused but have every intention of moving forward. With trust in God, with trust in each other and our ability, we will not fail to meet the challenge of our day.

I congratulate you again on your achievement. I know you will prove equal to the future.

The Truth About the Trade Act

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 3, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks which I had the pleasure of presenting last week before the Chamber of Commerce and the Export-Import Club, of San Antonio, Tex.:

THE TRUTH ABOUT THE TRADE ACT

Mr. Chairman, ladies and gentlemen, the truth about the Trade Act, H. R. 12591, officially known as the Trade Agreements Extension Act of 1958, is easy to learn, but perhaps a little harder to realize, especially if you are out of a job and have the idea some washed or unwashed Christian or heathen foreigner is fattening at the expense of American citizens.

This bill hits the floor of the House next Wednesday or Thursday.

President Eisenhower says, "If we fail in our trade policy, we may fail in all." The President, the Vice President, the ex-Presidents, the twice defeated candidates for President in both major parties, and almost every leading public figure endorse the extension and, as I trust you will see for yourself in a moment, the facts are overwhelmingly in favor of extension.

Yet this bill may die in the House or be made a basket case and just as well be dead. Three years ago it passed by only one vote and I am told that the opposition now is greater than ever, opposition arising from unemployment in particular industries, such as your oil and my Oregon plywood industries (both of which I'll discuss before I sit down) and also arising from alarm and dismay over the turmoil in this world of 1958.

The basis for the opposition is ironic, for the truth, if it is known and realized fully, is that a return to economic isolation means greatly increased unemployment in our country and it means more turmoil in the world along with a serious, perhaps fatal, blow to our position as leader of the Free World against the well-publicized plans of the Soviet Union.

Well, you ask, what is the truth about the trade program?

First. It is not a new program being foisted on the country by starry-eyed do-good internationalists. It has been our basic policy for 24 fruitful years. Cordell Hull, a great practical man of principle, evolved it after the notorious Smoot-Hawley protectionism failed, failed miserably to protect even the industries it sought to protect and indeed was one of the biggest single factors in worsening conditions during the great depression. The reciprocal trade act has been extended by Congress 10 times since 1934.

Second. H. R. 12591 is a sensible, moderate bill, with many safeguards for our industries and for our national defense. It extends the authority of the President to enter into trade agreements 5 years to June 30, 1963. It controls the rate of reductions and improves escape clause and peril point procedures. It provides that the President seek advice from representatives of American industry, agriculture and labor in connection with new agreements. It allows Congress by a two-thirds vote of each House to override the President with respect to a particular agreement.

Third. We are the world's largest producers, the world's largest traders, the world's largest creditors, the world's largest investors. Of all our dividend payments 17 percent come from foreign investments. The truth is that we need unencumbered trade to maintain our high standard of living. We import 10 percent of the raw material we must have for our own needs. Last year we were sold $13 billion worth of goods and we sold abroad almost $21 billion. Take manufactured goods alone: We bought $2.2 billion and sold $10.5.

Some people summarize this situation with a glow of satisfaction by saying we have a "favorable" trade balance of more than $6 billion. But stop for a moment and think. Where do our customers get that $6 billion to give to us? Yes, that's right—they get some from tourists; but most of it comes from foreign aid and loans, a process that for many reasons cannot last forever. And it need not last forever if we encourage trade to replace aid.

Let me throw just a few more statistics at you. From 1929 to 1953 our exports have increased 2½ times, in recent years more than keeping pace with our economy. In 1953, exports were 3.4 percent of our total output of goods and services and this rose to 4.8 percent in 1957.

Fourth. Increased foreign trade is good for employment, not bad. This is not understood by my colleagues who oppose the act. They say we are hurting their constituents who are out of work or will be out of work because of the competition from foreign imports. In some cases, of course, this is true. And it isn't much solace to workers in those cases to tell them that 4½ million jobs, 7 percent of our labor force, 1 out of every 14 workers, depend on foreign trade. Imports account for 1,400,000 jobs and exports for the other 3,100,000 jobs. The output of 1 acre out of 5 in the United States was sold abroad, a figure that may well go up and more than take care of our agriculture surpluses.

Finally, the truth about the Trade Act is that its extension is essential to promote the economic strength and political unity of the Free World. You have heard about the cold war? It isn't over. It won't be for a long time. We must support foreign economic expansion at the same time that we stimulate a healthy economic expansion at home. Is this possible? Yes, there is no other way. Alarmists once worried about our losing our markets in Canada and Mexico as they became industrialized. They were wrong. As they have industrialized they have become better customers than ever. This is true and will be increasingly true for all of Latin America, for Africa, and for Asia. About half of our foreign trade now is with Canada and Latin America. Literacy and a better standard of living for the average man means more consumption of the products of our industrial economy, not less. Our political and economic interests coincide.

So much for a few of the basic truths. That they be realized and acted upon is much more important today than it was 3 years ago. The Soviet Union had not launched its astounding program of economic penetration 3 years ago. Three years ago, we were not in a serious economic slump, which can clearly be overcome in part by the presumption of growth in foreign trade after last year's decline. If we raise our trade barriers, retaliation can now be much more effective than 3 years ago, before western Europe joined in a common market. Three years ago our relationships in this hemisphere, both to the north and south, were not nearly so sticky, as they are today, after 3 years of protectionist inroads.

Now, a word about Oregon plywood and Texas oil.

Oregon plywood is to me what oil is to you. Many of our plywood workers are unemployed and have been for a long time. Japanese plywood imports have increased markedly in the last few years. These facts, both with intrinsically explosive aspects, have been put together by several persons who want Congress to put a quota on Japanese plywood.

However, you need some other facts to show what a phoney this proposal is. You need to know that we produce only softwood plywood in the Pacific Northwest, not hardwood plywood which is all Japan sends to us. Then you need to know that hardwood and softwood plywood are used for different purposes. They don't compete. Indeed, they can't compete because Japanese hardwood plywood is about $35 per thousand board-feet more expensive. Yet, in the face of these facts, an Oregon Congressman and a Washington Congressman, both Republicans, have filed bills for a quota on imports of hardwood plywood from Japan.

It is sad to note that the only unemployment caused by Japanese import policies is in door plants in Washington State where voluntary curtailments by the Japanese make it impossible for them to continue operation. The campaign for restrictions on Japanese hardwood plywood is an economic hoax.

But what about oil? Is this like plywood? I am not prepared to say that it is, but I do believe that a better understanding of the importance of foreign trade to economy of Texas and the Nation and of foreign trade's place as our foremost weapon in the cold war would help Texans, even those who are in the oil business, big or small, realize why an exception for them may not be warranted. As you can understand, if one industry is favored many others clamor for the same privileges, which is why the President has been given such great powers under the Reciprocal Trade Act. You can't expect a Congressman to resist pressures on him from unemployed or nearly bankrupt constituents, but the President can take the larger view of the matter. Sounds ruthless, but consider the alternative—protectionism throughout the Nation with its result in much higher prices for the consumers and its provoking of retaliatory measures which would cost us millions of jobs and our place as the leader of the Free World.

Texas industries producing goods that the United States, as a whole, exports in greater volume than it imports are: Petroleum and petroleum products, aircraft and aircraft parts, apparel and related products, oil-field machinery, equipment and tools, industrial chemicals, structural metal products, grain-mill products, cotton broad-woven fabrics, furniture and fixtures, finished wood products, canned and preserved fruits and vegetables, iron and steel foundry products.

These industries employed well over 150,000 workers, earning over $420 million, back in 1947 and the aggregate value added by manufacture of their production exceeded $915 million. Assuming that Texas shared in national export trade proportionately to its importance as a producer, the value in recent years of exports of these commodities produced in Texas has been somewhere in the neighborhood of $200 million annually.

The same story can be told for Texas agricultural exports which were about $300 million a few years ago and, of course, are more today.

Practically every important industry in Texas is dependent upon imports to supply essential raw materials. In 1947, the most recent year for which there are figures, principal large industries of Texas dependent on imports employed more than 90,000 Texans who received more than $252 million in wages and salaries.

I know your oil production has been cut back and that as a result, employment, profits, and tax revenues are down. To be precise, your production is down from 1,108 million barrels in 1956, your peak year, to 1,085 million barrels in 1957. I don't know about this year, but I gather things aren't satisfactory. In 1957 Texas produced almost 17 percent of the world's crude petroleum while Venezuela produced a little over 16 percent. At a time when Venezuela had just overthrown a dictator our country cut back our imports of oil from there, a coincidence but not a happy one. We sell far more to Venezuela than we buy from her. Thousands of Texans work in Venezuela. We want and need Venezuela as a friend.

Texas has wonderful ports on the Gulf of Mexico and thriving border cities. Texans travel the world and they help in an outstanding way to maintain our Nation. They know very well why we must remain strong and why we must win the cold war.

Texas, one-twelfth of the entire area of the United States, the richest political subdivision in the Free World and with only the Ukraine as a possible challenger in the whole world. Texas, the natural leader in oil, natural gas, helium, cotton, cattle, sulfur, sheep, wool, onions, and turkeys—certainly Texans should know and realize the truth about the trade act.

Last year Nikita Khrushchev told us what we know he is now carrying out. He said, "We declare war upon you—excuse me for using such an expression—in the peaceful field of trade. We declare a war we will win over the United States. The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this and it will prove the superiority of our system."

He wasn't fooling. Soviet trade agents are active everywhere. Soviet education is teaching foreign languages on a scale beyond belief. Soviet trade agents are working on our very doorstep. This is war, a war in which Texas is intimately involved economically and politically, a war in which the rest of the Nation and the entire Free World assume that Texans, as always before in any war, will acquit themselves with honor.

SENATE

WEDNESDAY, JUNE 4, 1958

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, in whose keeping are the destinies of men and of nations, Thou hast called us, whose lives are passing swiftly as a watch in the night, to labor with Thee in the unfolding of Thy purpose for the ages. In the midst of decisions that concern fearful forces of nature, which, if not harnessed by mutual good will, may destroy us utterly, give the heads of states in these dread times greatness of soul, that the keys of new power may be used to open doors, not of peril, but of plenty for the whole earth. Strengthen us with the assurance that in the supreme tests, only the soul is decisive, and only the spirit can save the flesh. So distill upon us the dews of quietness and calm that in simple trust and deeper reverence we may be found steadfast and abounding in the work of the Lord, knowing that in Him and for Him and with Him our labor is not in vain. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 3, 1958, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business; and I ask unanimous consent that statements be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT MEETING OF THE TWO HOUSES ON JUNE 5 TO RECEIVE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY—ORDER FOR RECESS

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I announce that tomorrow, June 5, the President of the Federal Republic of Germany, the Honorable Theodore Heuss, will address a joint meeting of the two Houses.

President Heuss will speak at 12:30, in the House of Representatives. I ask unanimous consent that tomorrow, at 12:20 p. m., the Senate take a recess, subject to the call of the Chair.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I announce that the following measures have been cleared by the minority, and may be brought up by motion after the unfinished business is disposed of:

Calendar 1651, Senate bill 921, to amend section 161 of the Revised Statutes with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records.

Calendar 1659, House bill 7953, to facilitate and simplify the work of the Forest Service, and for other purposes.

Calendar 1660, House bill 5497, to amend the Watershed Protection and Flood Prevention Act.

Calendar 1670, Senate bill 2419, to amend the District of Columbia Unemployment Compensation Act, and for other purposes.

Calendar 1671, Senate bill 3058, to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933.

Mr. President, it is not my intention to ask the Senate to hold an evening session without prior notice, unless that is unavoidable. Therefore, I desire to inform Senators that we do not expect to have the Senate remain in session this evening. We expect the session today to last until a reasonable hour—until 6 or 7 o'clock, I would assume, if votes can be taken.

If it is not possible for the Senate to complete its action on the unfinished business today, the session tomorrow may last until a late hour; and the sessions on the remaining days of the week may last until late hours, if necessary.

Of course, I hope it will not be necessary for the Senate to hold a session on Saturday of this week; but if action on the unfinished business has not been completed by Saturday, I would expect the Senate to hold a session on Saturday.

Mr. President, beginning next week it will be necessary for Members of the Senate to be prepared to vote each day of the week, and perhaps to have Saturday sessions and evening sessions, if we are to dispose of the business before the Congress and adjourn sometime during the month of August.

I am hopeful that all Senators will arrange their plans so they can be in the Senate for important votes which we expect beginning next week and for the remainder of the session.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Secretary of Agriculture, proposing certain amendments to the Agricultural Trade Development and Assistance Act of 1954; to the Committee on Agriculture and Forestry.

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Administrator, Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C., reporting, pursuant to law, on agreements concluded during April 1958, for the sale of various agricultural commodities to certain governments (with accompanying papers); to the Committee on Agriculture and Forestry.

CONTRACTS TO FACILITATE NATIONAL DEFENSE

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the making, amendment, and modification of contracts to facilitate the national defense (with an accompanying paper); to the Committee on Armed Services.

REPORT ON LIQUIDATION OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Administrator, General Services Administration, reporting, pursuant to law, on the progress of the liquidation of the national defense, war and reconversion activities of Reconstruction Finance Corporation, for the quarter ended March 31, 1958; to the Committee on Banking and Currency.

REMARKS OF SPEAKER OF LEGISLATIVE COUNCIL OF FEDERATION OF MALAYA

A letter from the Assistant Secretary of State, transmitting a transcript of the remarks of the Speaker of the Legislative Council of the Federation of Malaya, made on March 17, 1958 (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON REVIEW OF ACTIVITIES IN CERTAIN AGRICULTURAL REGIONS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the review of activities in Region 3, Albuquerque, N. Mex., Region 4, Ogden, Utah, and Region 8, Atlanta, Ga., Forest Service, Department of Agriculture, dated June 1957 with an accompanying report); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications with accompanying papers); to the Committee on the Judiciary.

PETITION

The PRESIDENT pro tempore laid before the Senate the petition of Vern and Venola Ward, of Baldwin Park, Calif., relating to the Presidential veto of the omnibus rivers and harbors bill, which was referred to the Committee on Public Works.

PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by organizations of the State of New York, relating to the plight of the railroad industry.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION OF VILLAGE OF STILLWATER, N. Y.

Whereas the economic welfare and prosperity of the village of Stillwater, N. Y., in large measure depends upon a sound and thriving railroad industry; and

Whereas the present depressed state of our railroads has caused numerous layoffs and widespread unemployment, to the detriment of the people of Stillwater: Now, therefore, be it

Resolved, That the village board of trustees urges Senator IVES, Senator JAVITS, Representative TAYLOR, and Representative O'BRIEN, to lend active support to the passage of legislation to implement the recommendations of the subcommittee on Surface Transportation of the Senate Committee on Interstate and Foreign Commerce; that a copy of this resolution be spread upon the records of the village of Stillwater, N. Y., and copies sent to the said Senators and Representatives.

VILLAGE OF WEBSTER,
Webster, N. Y., May 29, 1958.

Hon. JACOB K. JAVITS,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JAVITS: Please be advised that at a regular meeting of the village trustees of the village of Webster, the following resolution was unanimously adopted:

"Whereas the railroads are an essential element in the economy of the Webster area and a vital factor in both our national prosperity and our national defense; and

"Whereas if the Webster area and the Nation are to continue to reap the benefits of this essential free enterprise transportation system, relief from some of the legislative restrictions of the railroads is imperative: Now, therefore, be it

"*Resolved*, That the village board of trustees of the village of Webster hereby requests that prompt action be taken by the Congress of the United States to make the necessary practical changes that will permit the Nation's railroads to improve their financial condition."

This action, I am sure, reflects the opinion of the people of Webster and your support of the necessary legislation that the railroads may survive will be more than appreciated by the trustees of the village of Webster.

Very truly yours,

WILSON H. O'DELL,
Village Clerk.

EARL J. MANNING AMERICAN LEGION POST 490,
Stillwater, N. Y., May 23, 1958.

Whereas the railroads are in serious financial straits, largely because of outmoded and inequitable Government regulations; and

Whereas the railroads are necessary in time of war and in the national defense of the United States of America; and

Whereas these conditions have an adverse effect upon the employment, business, and general economy of Stillwater, N. Y., as well as of the Nation as a whole; and

Whereas a healthy, competitive railroad industry is essential to our welfare and security both locally and nationally: Now, therefore, be it

Resolved, That the Earl J. Manning Post 490, American Legion, Stillwater, N. Y., strongly urges Senator JACOB JAVITS to support corrective legislation introduced by the Senate Subcommittee on Surface Transportation of the Senate Committee on Interstate and Foreign Commerce; and be it further

Resolved, That a copy of this resolution be forwarded to the above-named gentleman.

THOMAS HUTTON,
Post Adjutant.

RESOLUTION OF FRANK A. JOHNSON POST 758, AMERICAN LEGION, JOHNSON CITY, N. Y.

Whereas the railroads have played an important role in the development of this community and the Nation, both in peacetime and in times of national emergency; and

Whereas the railroads are important to this community because they are big taxpayers and are among the biggest employers and purchasers of goods and services; and

Whereas in the event of a national emergency, they would be essential to the Nation's safety; and

Whereas during World War II they carried 97 percent of all military freight and about 90 percent of troop movements; and

Whereas, because of declining revenues, many railroads in the East are threatened with bankruptcy or possible Government operation; and

Whereas a Senate subcommittee which conducted an intensive 3-month investigation into the railroad situation, has reported that the railroads must be given assistance at once, if they are to survive as a free enterprise; and

Whereas the committee has recommended legislation to give the railroads relief from obsolete regulations and excessive taxation: Therefore be it

Resolved, That Frank A. Johnson Post 758, American Legion, of Johnson City, N. Y., urges the Congress of the United States to adopt the legislation recommended by the Senate committee, in order to help the railroads survive as a vital free enterprise industry, without Government ownership or Federal subsidy; and be it further

Resolved, That copies of this resolution be forwarded immediately to Hon. IRVING IVES and Hon. JACOB JAVITS, the two United States Senators representing New York State, and to Hon. HOWARD ROBISON, the Congressman representing this district in the House of Representatives.

SIZE OF THE UNITED STATES ARMY—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the New York Chapter, Association of the United States Army, opposing any decrease in the present size of the United States Army.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF NEW YORK CHAPTER, ASSOCIATION OF THE UNITED STATES ARMY

Whereas it has been proposed that the size of the United States Army be reduced below its present figure, which figure is deemed to be too low; and

Whereas it has also been proposed that the budget for the United States Army for the fiscal year 1959 be decreased below the amount asked for by the United States Army: Now, therefore, at a regular meeting of the New York Chapter, Association of the United States Army, held on February 18, 1958, in the city of New York, after due and serious consideration and discussion, it was, upon motion duly made, seconded and unanimously carried;

Resolved, That the New York Chapter, Association of the United States Army, is not only unalterably opposed to any reduction in the present size of the United States Army, but also urgently advocates an increase in its manpower to bring it to a strength of 1 million, thereby assuring for the Army a greater capability to effectively retaliate in the event of a limited war, which situation is deemed more likely to occur than a general war; and it was further

Resolved, That the New York Chapter, Association of the United States Army, is implacably opposed to any decrease in the size of the budget requested by the United States Army for the fiscal year 1959; and it was further

Resolved, That the president of the chapter be, and he hereby is, directed to forward copies of these resolutions on behalf of the chapter to the chairman of the House Appropriations Committee; the chairman of the Senate Appropriations Committee; the Senators from the State of New York; and the Senators from the State of New Jersey.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 3139. A bill to repeal the Act of July 2, 1956, concerning the conveyance of certain property of the United States to the village of Carey, Ohio (Rept. No. 1648);

H. R. 7081. An act to provide for the removal of a cloud on the title to certain real property located in the State of Illinois (Rept. No. 1649);

H. R. 10009. An act to provide for the reconveyance of certain surplus real property to Newaygo, Mich. (Rept. No. 1650); and

H. J. Res. 427. Joint resolution to permit use of certain real property in Kerr County, Tex., for recreational purposes without causing such property to revert to the United States (Rept. No. 1651).

By Mr. GORE, from the Committee on Public Works, without amendment:

S. 3560. A bill to authorize the construction of a courthouse and a Federal office building in Memphis, Tenn., and for other purposes (Rept. No. 1653).

AVAILABILITY OF EQUITY CAPITAL AND LONG-TERM CREDIT FOR SMALL-BUSINESS CONCERNS—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. CLARK. Mr. President, from the Committee on Banking and Currency, I report favorably, with an amendment, the bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes, and I submit a report (No. 1652) thereon. I ask unanimous consent that the report may be printed, together with individual views.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Pennsylvania, and the bill will be placed on the calendar.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Lawrence L. Seal, and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

By Mr. FULBRIGHT, from the Committee on Banking and Currency:

Edward N. Gadsby, of Massachusetts, to be a member of the Securities and Exchange Commission.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRICKER:

S. 3933. A bill for the relief of Shunji Mihori and his wife, Chieko Mihori; to the Committee on the Judiciary.

By Mr. JOHNSON of Texas:

S. 3934. A bill for the relief of John Macy; to the Committee on the Judiciary.

By Mr. LANGER:

S. 3935. A bill for the relief of Peter Clemens, August Grauert, and Hans Herbert Grauert; and

S. 3936. A bill for the relief of Peter Pawluk; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself and Mr. JAVITS):

S. 3937. A bill to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH:

S. 3938. A bill to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide that certain claims for losses sustained in the Texas City disaster, which have not been settled, may be settled by the Secretary of the Army; to the Committee on the Judiciary.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. MAGNUSON (by request):

S. 3939. A bill to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG:

S. 3940. A bill to amend the Soil Bank Act; to the Committee on Agriculture and Forestry.

By Mr. BIBLE (by request):

S. 3941. A bill to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, and for

other purposes; to the Committee on the District of Columbia.

By Mr. PASTORE:

S. 3942. A bill for the relief of certain aliens distressed as the result of natural calamity in the Azores Islands, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. PASTORE when he introduced the above bill, which appear under a separate heading.)

RECOVERY BY THE STATES OF CERTAIN UNCLAIMED PERSONAL PROPERTY

Mr. HUMPHREY. Mr. President, several months ago I was approached by the appropriate officials of the National Association of Attorneys General and the Council of State Governments about their interest in a Federal bill concerning escheats. Members of the Committee on Escheat of Funds include Attorneys General Edmund G. Brown of California; Paul L. Adams of Michigan; W. W. Barron of West Virginia; John J. Bracken of Connecticut; Albertis S. Harrison of Virginia; Miles Lord of Minnesota, and Thomas O. Miller of Wyoming.

Mr. President, on behalf of myself and the junior Senator from New York [Mr. JAVITS], I am happy to introduce, for appropriate reference, a bill requested by this committee. I ask unanimous consent that the bill, together with a statement summarizing its provisions, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3937) to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes, introduced by Mr. HUMPHREY (for himself and Mr. JAVITS), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That is act may be cited as the "Unclaimed Personal Property Act."

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress that—

(a) The United States Government recognizes that the States may escheat or acquire as lawful custodians unclaimed property in custody of officers, departments, and agencies of the United States whenever the owners of such property have or may have had a vested interest therein and whenever claims for delivery and possession thereof have not been made by or on behalf of such owners or their heirs, assigns, or representatives.

(b) The United States Government shall not assert an interest in such property by reason of any delay in the presentation of claims or demands for payment or delivery by or on behalf of original owners if a State may escheat or become the lawful custodian of the property.

(c) The United States Government shall assist the States in discovering and recovering such property.

DEFINITIONS

SEC. 3. As used in this act—

(a) the term "unclaimed property" means any tangible personal property or intangible personal property, including choses in action in amounts certain, and all debts owed or entrusted funds or other property held by any Federal agency or any officer or employee thereof, whether occasioned by contract or operation of law or otherwise, except bonuses and gratuities, which has remained unclaimed by the owner for:

(1) 20 years from the date of maturity or call for payment, if arising from transactions under the public debt; or

(2) 20 years after the last transaction concerning principal or interest, if deposits in the postal savings system; or

(3) 5 years after the property first became payable, demandable, or returnable, if arising from any other transaction.

(b) the term "owner" means any person, including his legal representatives, who has or had a legal or equitable interest in unclaimed property. The owner shall be conclusively presumed to be the person to whom unclaimed property was or is payable or returnable according to the records of the United States Government. If two or more persons are interested in the property, and the extent of their respective interests is unknown, it shall be presumed that their interests in such property are equal.

(c) the term "State" means any State of the United States, including any antecedent commonwealth, republic, territory, or other jurisdiction, the District of Columbia, Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

(d) the term "person" includes any individual, partnership, corporation, unincorporated association, or other legal entity.

(e) the term "Federal agency" means (1) any executive or military department, agency, or independent establishment in the executive branch of the Government, (2) any wholly owned Government corporation, and (3) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

(f) the term "Administrator" means the Administrator of General Services.

DISCOVERY OF UNCLAIMED PROPERTY

SEC. 4. (a) The Comptroller General shall conduct periodically an examination of all records in possession of or relating to the accounts of each Federal agency concerning unclaimed property. From such records, the Comptroller General shall determine and record the following information with respect to such property:

(1) The name and last known address of each owner;

(2) The dates essential to determine when the property became unclaimed property;

(3) The recoverable value, if funds; otherwise, a description of the property; and

(4) The transaction whereby the property is held in custody by such Federal agency and the name and address thereof.

(b) Except as otherwise provided by section 2575 of title 10 of the United States Code, all unclaimed property in the custody of any Federal agency shall be transferred, under such regulations as the Comptroller General shall prescribe, to the custody of the Administrator, who shall retain custody thereof pending its disposition pursuant to the provisions of this act.

REPORTS TO STATES

SEC. 5. (a) Notwithstanding any other provision of law, the Comptroller General shall report from time to time after June 30, 1960, but not more often than annually, to the authorized officer of any State upon request of that officer, all relevant information previously determined and unreported concerning unclaimed property in which that State is or may be interested under the provisions of this act if the Governor of such State (or the Board of Commissioners of the District of Columbia) certifies and the Comptroller General is satisfied that the law of such State provides effective means whereby:

(1) The United States shall be compensated at reasonable times for a proportionate share of the actual and necessary cost of examining records pursuant to section 4 and for reporting such information; and

(2) The United States shall be held harmless or otherwise protected against any claim if the State escheats or acquires lawful custody of the unclaimed property.

(b) For the purposes of paragraph (1) of subsection (a), the Comptroller General shall determine the proportionate share of a State as follows: The accumulated total actual and necessary cost shall be multiplied by a fraction the numerator of which is the accumulated total estimated value of the unclaimed property reported and reportable to that State and the denominator of which is the accumulated total estimated value of all unclaimed property reported and reportable to all States. From the amount thus ascertained there shall be subtracted any sums previously paid by that State to reimburse the United States for such costs.

RECOVERY OF UNCLAIMED PROPERTY BY STATES

SEC. 6. (a) Where according to the records of the United States examined pursuant to section 4 (a) the last known address of an owner of unclaimed property is in a State, such unclaimed property held by any Federal agency shall be subject to (1) escheat or custodial taking by that State or its authorized representative, or (2) collection by a fiduciary who has been appointed by a court in that State for the purpose of collecting assets of a deceased, disappeared, or missing person or of an owner of unclaimed property where the property will be escheated or taken into custody by the State if the owner or his successors do not claim the property. For the purposes of this act it shall be presumed that the situs of unclaimed property is in the State of the last known or presumed address of the owner. In case of any unclaimed property disclosed by such records to be owned by two or more persons—

(1) If the last known addresses of owners are in one State, any owner's address which is unknown shall be presumed to be in that State;

(2) If the last-known addresses of owners are in more than one State, the addresses of owners whose addresses are unknown shall be presumed to be in the State where the Federal agency having custody of such property initially acquired possession of the property; and

(3) If the records of the United States do not disclose the address of any owner of unclaimed property, such address shall be presumed to be in the State where the Federal agency having custody of such property initially acquired possession of the property. If it cannot be determined where possession of the property was initially acquired, such address is presumed to be within the District of Columbia.

(b) If a State, its authorized representative, or a proper fiduciary of the owner has obtained an appropriate order or judgment of a State court declaring the right of the State or such fiduciary to escheat, acquire custody, or obtain possession of any unclaimed property, and if the State has paid its proportionate share as ascertained under section 5, the Administrator shall deliver or pay over the unclaimed property upon written request accompanied by a certified copy of the order or judgment.

(c) The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for funds or recovery of property shall not affect the right of a State, its authorized representative, or a proper fiduciary of the owner to escheat, acquire custody, or obtain possession of unclaimed property in accordance with the provisions of this act.

(d) There is hereby authorized to be appropriated to the Comptroller General and to the General Services Administration, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this act.

RULES AND REGULATIONS

SEC. 7. The Comptroller General shall prescribe such rules, regulations, forms, systems, and procedures for Federal agencies as may be required for the administration of the provisions of this act.

AMENDMENTS

SEC. 8. (a) Subsection 203 (m) of the Federal Property and Administrative Services Act of 1949, as amended (40 U. S. C. 484 (m)), is amended to read as follows:

"(m) Subject to the provisions of section 2575 of title 10 of the United States Code, the Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, and to retain custody thereof pending its disposition pursuant to the provisions of the Unclaimed Personal Property Act. Except in the case of property transferred to the Administrator pursuant to that section, such disposition shall not be made until (1) the Administrator has made a diligent effort to determine and locate the owner of the property, his heirs or next of kin, or his legal representative, and (2) 1 year has expired after the date of receipt of such property by the Administrator."

(b) The text of section 2575 of title 10 of the United States Code is amended to read as follows:

"(a) Subject to the provisions of sections 4712 and 9712 of this title, if money or other personal property of a deceased member of an armed force of the United States is in the custody of a military department, the secretary concerned shall keep it in safe custody and make a diligent effort to determine and locate the heirs, next of kin, or legal representative of the deceased member. Property remaining unclaimed 2 years after the death of the member shall be transferred to the Administrator of General Services, who shall dispose of such property pursuant to the Unclaimed Personal Property Act.

"(b) Whenever any other lost, abandoned, or unclaimed property is in the custody of a military department, the secretary concerned shall make a diligent effort to find the owner, his heirs or next of kin, or his legal representative. If the owner, his heirs or next of kin, or his legal representative cannot be found within 1 year after such property is received at a storage point designated by the secretary concerned, the secretary shall transfer such property to the Administrator of General Services, who shall dispose of that property pursuant to the Unclaimed Personal Property Act, except that if the owner, his heirs or next of kin, or his legal representative is determined but not found, such property may not be so transferred until the expiration of 120 days after the date when notice, giving the time of the intended transfer, has been sent by registered mail to that person at his last known address."

(c) Subsections (e), (f), and (g) of section 4712 of title 10 of the United States Code are amended to read as follows:

"(e) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Army for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Army for transmission to the General Accounting Office for action authorized in the settlement of accounts of deceased members of the Army."

(d) Subsections (e), (f), and (g) of section 9712 of title 10 of the United States Code are amended to read as follows:

"(e) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Air Force for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Air Force for transmission to the General Acounting Office for action authorized in the settlement of accounts of deceased members of the Air Force."

(e) Sections 4713, 6522, and 9713 of title 10 of the United States Code are repealed.

EFFECTIVE DATE

SEC. 9. This act shall take effect on the first day of the second month beginning after the date of enactment of this act.

The statement presented by Mr. HUMPHREY is as follows:

STATEMENT CONCERNING FEDERAL BILL RELATING TO UNCLAIMED PERSONAL PROPERTY

The National Association of Attorneys General at its 1956 conference established a committee on escheats. The committee was directed to draft a form of Federal bill to facilitate States in the discovery and recovery of unclaimed property in custody of officers, departments, and agencies of the United States. By resolution of the association at its 1957 conference, the committee was empowered and directed to continue its studies.

Officers, departments, and agencies of the United States possess large sums of moneys (credits) and some tangible property remaining unclaimed by owners whose identities or whereabouts have not been determined. There is no such thing as Federal escheat, except in the District of Columbia and in those Territories where the power has not been delegated *American Loan & Trust Co.* v. *Grand Rivers Co.* ((C. C. Ky., 1908), 159 Fed. 775); *Late Corporation, etc.* v. U. S. ((1890), 136 U. S. 1). The States wherein unknown or missing owners last resided have a clear legal right to acquire possession of unclaimed funds and property (See, e. g.: *U. S.* v. *Klein* ((1938), 303 U. S. 276); *Roth* v. *Delano* ((1949), 338 U. S. 226). Systematic recovery has been impracticable for want of information enabling the discovery of assets.

The committee on escheats has drafted and approved a form of bill containing a proposed "Unclaimed Personal Property Act." If enacted, the bill will accomplish the purposes recited in the resolutions of the National Association of Attorneys General.

Provisions of the bill are summarized and commented upon as follows:

SUMMARY

SEC. 2. The section declares the intent of Congress and adopts a form employed by section 65, title 31, concerning accounting and auditing.

Subdivision (a) recognizes the right of a State to escheat or obtain custody of unclaimed property in possession of the Government whenever owners of vested rights have not asserted claims for delivery.

COMMENT

The recognition does not extend to assets in the nature of bonuses or gratuities. Section 3 (a) expressly excepts such property because owners do not possess vested rights therein. The past tense is intended to cover situations in which a vested right may be affected by a statute or regulation limiting the time for presentation of claims. A similar expression is contained in section 3 (b).

SUMMARY

Subdivision (b) declares that the Government will not assert an interest in property by reason of any delay in presentation of claims by original owners provided local law enables a State to escheat or acquire custody of the property.

COMMENT

The bar of any statute or regulation is waived notwithtsanding the inability of an owner to claim payment or delivery. If local law does not enable a State to escheat or otherwise acquire the property, subdivision (b) is inoperative with respect to that State.

SUMMARY

Subdivision (c) declares that the Government shall assist the States in discovering and recovering unclaimed property.

COMMENT

The declaration is not consistent with, and to that extent would supersede, any existing law prohibiting officers of the Government from assisting in the preparation of claims against the Government.

SUMMARY

SEC. 3. Subdivision (a) defines unclaimed property as tangible or intangible personal property including choses in action in amounts certain, except bonuses and gratuities, which have remained unclaimed for prescribed periods. Transactions under the public debt must be unclaimed 20 years after maturity or call for payment. Accounts in the postal savings system must remain unclaimed 20 years after the last transaction concerning principal or interest. All other property must remain unclaimed 5 years after the time it first became payable, demandable or returnable.

COMMENT

Bonuses and gratuities are excepted because the Congress can grant or withhold at pleasure and in that circumstance can condition a grant. No equity appears to favor a State with respect to such assets. Application of the prescribed period under the public debt can be illustrated as follows: If a 20-year bond were issued in 1918 it would have matured in 1938 and the proceeds would be unclaimed in 1958—20 years following date of maturity. A 20-year period is adopted for postal savings accounts for the reason that regulations of the Post Office Department adopt the same period. The 5-year period is reasonable and coincides with the time prescribed by Congress for transmittal to the Treasury of any funds remaining unclaimed in the registries of Federal courts.

SUMMARY

Subdivision (b) defines an owner as a person who has or had a legal or equitable interest in unclaimed property and includes his representatives. The owner is conclusively presumed to be the person to whom unclaimed property was or is payable according to the records of the Government. If two or more persons are interested in property and the extent of their interests is unknown, it is presumed that their interests are equal.

COMMENT

As in section 2 (a), the verb is expressed in the present and past tense to cover existing rights as well as rights which existed before the application of any statute or regulation limiting the time for presentation of claims. The conclusive presumption operates against the Government, only; it does not preclude one State from otherwise asserting in a contest with another State.

SUMMARY

Subdivision (c) defines "State" to include any antecedent commonwealth, territory, or

other jurisdiction as well as the District, Territories, and possessions.

COMMENT

"State is broadly defined as including its antecedents to the end that early transactions concerning property, particularly bonds, may be received by the States.

SUMMARY

Subdivision (d) defines "person" to include corporate or other entities.

COMMENT

Problems relating to actual domicile of a corporation are not resolved by the bill. Information is reportable and property is deliverable to the State of the last known or presumed address. If the address is not within the State of incorporation, any problem resulting from that fact must be resolved by the interested States.

SUMMARY

Subdivision (e) defines "Federal agency" to include the Military Department and other executive branches of the Government, wholly owned Government corporations, and other agencies within the judicial and legislative branches of the Government (other than the Congress and the Architect of the Capitol).

COMMENT

The definition embraces substantially all officers, agencies, and departments of the Government.

SUMMARY

SEC. 4. Subdivision (a) directs the Comptroller General to examine all records, whether in his possession or possessed by other officers or agencies, to determine relevant information concerning property which has remained unclaimed or after the times mentioned in section 3 (a).

COMMENT

The desired information is not cataloged or compiled by the Government. The records of transactions are possessed by different officers and agencies. The Comptroller General is the proper officer to supervise duties imposed by the section. The information disclosed by a search of records will satisfy any constitutional requirements if local law seeks to disturb vested interests in property.

SUMMARY

Subdivision (b) directs the Administrator of General Services, under such regulations as the Comptroller General shall prescribe, to acquire custody of unclaimed property in possession of Federal agencies and to retain custody pending disposition pursuant to the act.

COMMENT

The provision was added by the office of the legislative counsel, United States Senate, and principally concerns tangible property.

SUMMARY

SEC. 5. Commencing June 30, 1960, and from time to time thereafter, but not more often than annually, the Comptroller General is directed to furnish relevant information to the States upon request of proper State officers in the event the Governor certifies and the Comptroller General is satisfied State law provides means whereby the Government shall be (a) reimbursed for the actual costs of record search and (b) held harmless against the claim of any owner following delivery to a State. The section contains a formula for determination of the fair share of the costs attributable to individual States.

COMMENT

If the bill were to be enacted at the present session of the Congress, a substantial portion of record search can be had by the commencement of fiscal 1960–61. In seeking recovery of unclaimed property, the States would petition for their legal entitlements; the Government, however, possesses the property through no fault of its own. Accordingly, the committee believes that State law should contain the assurances recited in section 5. The mathematical formula appears to work the greatest equities among the States in that the cost of record search is keyed to the value of recoverable property.

SUMMARY

SEC. 6. Subdivision (a) declares that unclaimed property is subject to escheat or custodial taking by the State or an authorized representative, or to collection by a court appointed fiduciary in the event a State will escheat or acquire custody of such property upon failure of owners to claim. Presumptions concerning residence are as follows: The addresses of owners whose addresses are unknown are presumed to be in the State where the known addresses of owners are located, if the known addresses are in the same State. If the known addresses are in different States, or if there is no known address, the addresses of owners whose addresses are unknown are presumed to be in the State where the Government initially acquired possession of the property. If it cannot be determined where such possession was acquired, the unknown addresses are presumed to be in the District of Columbia. The situs of unclaimed property is presumed to be in the State of the last known or presumed address of the owner.

COMMENT

Subdivision (a) recognizes several approaches permitted by existing State laws. Upon application by the Attorney General, property can ultimately escheat and the rights of owners can be terminated. Contract escheators can acquire property for custodial delivery to the State. Fiduciaries under appointment of probate courts administering assets of the estates of missing persons can collect the property if it will escheat or be delivered to the custody of a State upon failure of owners to claim. The District of Columbia is presumed to be the address of owners whose addresses are unknown and cannot logically be attributed to a particular State. By statute, the Congress can independently prescribe the fate of such assets by reason of its control over the District.

SUMMARY

In the event a State has paid its proportionate share of record costs, subdivision (b) directs the appropriate officer to deliver possession of unclaimed property to the representative of a State or to a fiduciary upon request therefor accompanied by certified copy of court order declaring the right to escheat, acquire custody, or obtain possession.

COMMENT

If local law is such that the State cannot escheat or acquire custody of the property either initially or upon failure of owners to claim, subdivision (b) does not direct payment or delivery by the Government. Section 2 (b) declares that the Government will not assert an interest by reason of the bar of any statute if a State may escheat or become lawful custodian. Section 6 (a) provides that property may be collected by a fiduciary if the property will ultimately escheat or be delivered to the custody of a State upon failure of owners to claim. The bill does not contemplate delivery by the Government in any situation where the State will not ultimately benefit by receipt of the unclaimed proceeds.

SUMMARY

Subdivision (c) declares that the expiration of any time prescribed for commencement or enforcement of actions shall not affect the rights of a State or its representative of a proper fiduciary to acquire possession of unclaimed property pursuant to the provisions of the proposed act.

COMMENT

Subdivision (c) waives any statutory bar only in the event a State will ultimately benefit if property remains unclaimed.

SUMMARY

Subdivision (d) authorizes an appropriation for the purpose of carrying out the provisions of the proposed act.

COMMENT

The Government holds some tangible property but most of the assets represented by funds are credits. Subdivision (d) authorizes an appropriation. Under existing law, funds are appropriated to cover certain transactions, for example, section 725p, title 31, U. S. C. A.

SUMMARY

SEC. 7. The Comptroller General is directed to establish proper systems within the Government whereby the required information may be obtained.

COMMENT

With a view to prospective transactions, section 7 would authorize adoption of procedures whereby records can be coded when established to permit mechanical sorting of relevant facts when property becomes unclaimed.

SUMMARY

SEC. 8. Amends existing provisions of law to conform with provisions of the Unclaimed Personal Property Act.

SUMMARY

SEC. 9. Declares that the effective date of the Unclaimed Personal Property Act is the first day of the second month following the date of enactment.

Mr. HUMPHREY. I also ask, Mr. President, that the bill lie at the desk until the end of Senate business on Friday, June 13, 1958, to enable other Senators to cosponsor it if they so desire.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF TEXAS CITY DISASTER RELIEF ACT OF 1955

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to amend the Texas City Disaster Relief Act of 1955, in order to provide for settlement of certain claims not adequately considered by the Secretary of the Army.

The Texas City Disaster Relief Act of 1955 provided a maximum amount of $25,000 which might be paid on any individual claim. In the administration of the act, the Secretary of the Army has taken the position that that is the maximum which can be paid to any family. If one person in a family was killed, he has considered the $25,000 as the maximum which might be paid. If four persons were killed, he has considered all four claims together, and stated that since the claims involved only a single family, $25,000 was the maximum that could be allocated, regardless of the earning capacity or age of the persons involved. We believe this bill will remedy that situation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3938) to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide

that certain claims for losses sustained in the Texas City disaster which have not been settled, may be settled by the Secretary of the Army, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF MERCHANT MARINE ACT, TO IMPLEMENT THE PLEDGE OF FAITH CLAUSE

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 1105 (b) of title XI—Federal ship mortgage insurance—of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause. I ask unanimous consent that a statement of the purposes and need for the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3939) to amend section 1105 (b) of title XI—Federal ship mortgage insurance—of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. MAGNUSON is as follows:

STATEMENT OF PURPOSE AND NEED FOR BILL TO AMEND SECTION 1105 (B) OF TITLE XI (FEDERAL SHIP MORTGAGE INSURANCE) OF THE MERCHANT MARINE ACT, 1936, AS AMENDED, TO IMPLEMENT THE PLEDGE OF FAITH CLAUSE

The Department of Commerce, Maritime Administration, is authorized to insure construction loans and mortgages on certain types of cargo- and passenger-carrying vessels and other watercraft (title XI, Merchant Marine Act, 1936, as amended; 46 U. S. C. 1271 and ff.). Receipts representing premiums for insurance and certain incidental fees are deposited in the Federal Ship Mortgage Insurance Fund (a revolving fund for the purpose of carrying out title XI) and, such deposits, together with such amounts as may be appropriated or otherwise made available, may be used for the redemption of any loans or mortgages in case of default (46 U. S. C. 1275). The outstanding balance of insured loans and mortgages at the end of the current year is expected to reach $225 million and insured ship loans and mortgages under the title will exceed $600 million by the end of 1959.

Title XI (46 U. S. C. 1272) provides that "(d) The faith of the United States is solemnly pledged to the payment of interest on and the unpaid balance of the principal amount of each mortgage and loan insured under this title."

Section 1105 of title XI (46 U. S. C. 1275), provides that in the case of a default in payment of principal and interest, the insured mortgagee may demand payment by the Secretary of Commerce of the unpaid principal and accrued interest. Upon offer of an assignment within 30 days from date of demand, the Secretary must promptly pay in cash to the mortgagee the amount of the unpaid principal and unpaid interest to date of payment.

There has been one default under an insured mortgage. Inasmuch as there were not sufficient available moneys in the fund promptly to pay upon demand the Government obligation under the title, the Congress in the Second Supplemental Appropriation Act, 1958 (Public Law 85-352, 85th Cong.), made $10 million from the Vessel Operations Revolving Fund of the Maritime Administration available for the purpose of meeting the obligations under title XI in respect of any default (46 U. S. C. 1241a).

The Government guaranty under title XI guarantees payment of 100 percent of the principal and interest of construction loans and mortgages (which do not exceed 75 percent, and in some cases 87½ percent of the actual cost of the vessel). Interest rates paid to the mortgagee by the mortgagor have been at rates not in excess of 5 percent (rates up to 6 percent are possible on the basis of certain findings). Under current policy, applicants for mortgage insurance generally propose an interest rate of 5 percent per annum. Certain applicants for insured loans are seeking funds for a replacement program so large that funds accumulated in statutory reserve funds of the operators are insufficient to carry out entire programs, particularly when the companies are faced with requirements for replacement of passenger vessels in the near future. The costs of new construction are so large and the total of interest payments are correspondingly so large that the item of interest becomes critical in progress of the ship replacement programs. Two companies with passenger ship replacements specifically propose, as is permitted under title XI, making a loan to be underwritten as a public issue of bonds secured by a Government insured ship mortgage. Such a procedure was contemplated by the Congress under title XI, which was enacted to enable new ship construction to be financed through public investment rather than by direct Government loans. Underwriters have assured the companies contemplating such issues and the Maritime Administration that the lowest interest rates (possibly as low as the 3½ percent Government loan rate under the Merchant Marine Act, 1936), can be secured in case of public issue, if the underwriters can point to the 100 percent Government insurance of the mortgage security which is made immediately effective by having on hand or making available to the Maritime Administration the necessary funds to pay up accrued unpaid interest and unpaid principal of a defaulted insured mortgage. Thus implemented, the pledge above recited would serve its ultimate purpose—that of facilitating private investment under Government guaranty, so that interest rates should be very little above that carried by long-term Government bonds. Such a saving in interest cost would be beneficial both to the United States Government as well as the shipping companies. Reduction of costs of financing construction will be reflected in greater subsidy recapture. All operating-differential subsidy contracts contain recapture provisions, whereby the United States shares equally with the subsidized operator all profits arising from subsidized operations in excess of 10 percent of capital necessarily employed in the operations. The decrease in the rate of interest would also lessen the contingent liability of the Government for accrued unpaid interest in the case of a default.

It would be very difficult to establish the amount of the necessary reserve to meet possibilities of defaults. Moreover, to establish and maintain a cash reserve would mean that the reserve funds would lie idle for indefinite periods of time at Government expense. It is proposed, therefore, that authority be vested in the Secretary of Commerce to borrow from the Secretary of the Treasury sufficient moneys to make the required payments in the event of any default. Under this plan the Secretary of the Treasury would loan the Secretary of Commerce the needed funds as a public debt transaction. The loans would be subject to such terms and conditions as may be prescribed by the Secretary of Commerce with the approval of the Secretary of the Treasury. The notes or other obligations would bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. Any such loan with interest thereon would be repaid from the Federal Ship Mortgage Insurance Fund, which is maintained with premiums paid for insurance, incidental fees, receipts from disposition of assets acquired under title XI, and any necessary additional appropriations.

There is submitted herewith a bill to accomplish this proposal.

The Department urges prompt consideration of this bill. Four large passenger vessels will be delivered in the next few months and the arrangements for the insurance of the mortgages on these vessels and the public issuance of securities based thereon must be promptly made in advance of the delivery of the vessels. Otherwise, the advantage of general public participation and the reduced interest costs will be lost to the disadvantage of the owners of the new vessels and the United States Government as insurer of the mortgages.

RELIEF OF CERTAIN ALIENS IN THE AZORES ISLANDS

Mr. PASTORE. Mr. President I introduce for appropriate reference, a bill for the relief of certain aliens distressed as the result of natural calamity in the Azores Islands. This is a story of terror and tragedy, of the destruction of homes by the hundred and of more than five thousand people who had to be evacuated from the island of Fayal in the Azores. It is a story of people panicked by almost continuous earthquakes, as the volcano of Pico Gorda belches forth its fumes and smoke and lava, and the country folk flee their homes. Most of the island's 25,000 people have flocked to Horta, Fayal's main seaport, looking for means of escape to other islands. Units of the Portuguese Navy and hundreds of small fishing boats carry their precious cargoes of women and children to Pico Island, 4 miles away, and to other isles of the Azores.

Proud Portugal has not requested aid from any other government as yet, but in spontaneous humanity, CARE is flying food by the ton from this country and blankets by the thousand from Rome.

In this country the relatives of these desperate people in the Azores look to us for an expression of help and friendship which is the meaning of America as we like to portray it to the world.

This measure is such an act of friendship, offering to destitute families the shelter of this land if there is no likelihood of their lives being reestablished in their homeland.

It deprives no other nation of any part of its immigration quota. It requires strict conformance with all immigration laws and regulations. It is strictly for those whose families might be dispersed to unfamiliar surroundings unable to return to their homes and urgently in need of the essentials of life.

It is an expression of human charity yet surrounded with every safeguard and hinged with conditions that would exclude the unworthy. It extends a helping hand to those whose families must flee from the ruins of their beloved homes, but it requires them to meet the standards of eligibility which assure us they will be of the quality of the people of the Azores whom we have long welcomed and valued as loyal and important segments of the American community.

This measure is America speaking at its finest, its fairest to a people in need.

I ask unanimous consent that the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3942) for the relief of certain aliens distressed as the result of natural calamity in the Azores Islands, and for other purposes, introduced by Mr. PASTORE, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, notwithstanding the provisions of any other law, there are hereby authorized to be issued 1,500 special nonquota immigrant visas to aliens, specified in section 2 of this act, seeking to enter the United States as immigrants, and to their spouses and their unmarried sons or daughters under 21 years of age, including stepsons or stepdaughters, and sons or daughters adopted prior to July 1, 1953, if accompanying them.

SEC. 2. Visas authorized to be issued under this act shall be issued only to nationals or citizens of Portugal who, because of natural calamity in the Azores Islands subsequent to January 1, 1958, are out of their usual place of abode in such islands and unable to return thereto, and who are in urgent need of assistance for the essentials of life.

SEC. 3. Visas authorized by this act may be issued by consular officers as defined in the Immigration and Nationality Act in accordance with the provisions of section 221 of that act: *Provided*, That each such alien is found to be eligible to be issued an immigrant visa and to be admitted to the United States under the provisions of the Immigration and Nationality Act: *Provided further*, That a quota number is not available to such alien at the time of his application for a visa.

SEC. 4. Except as otherwise specifically provided in this act, the definitions contained in section 101 (a) and (b) of the Immigration and Nationality Act shall apply in the administration of this act.

RELIEF OF CERTAIN OFFICERS OF THE AIR FORCE—AMENDMENT

Mr. JENNER submitted an amendment, intended to be proposed by him to the bill (S. 3623) for the relief of certain officers of the United States Air Force who performed service with the United States during World War II as part of a Yugoslav detachment, which was referred to the Committee on Armed Services, and ordered to be printed.

MUTUAL SECURITY ACT OF 1958—AMENDMENTS

Mr. BRICKER submitted an amendment, intended to be proposed by him, to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BRIDGES submitted amendments, intended to be proposed by him, to House bill 12181, supra, which were ordered to lie on the table and to be printed.

Mr. WILLIAMS submitted amendments, intended to be proposed by him, to House bill 12181, supra, which were ordered to lie on the table and to be printed.

Mr. THURMOND submitted an amendment, intended to be proposed by him, to House bill 12181, supra, which was ordered to lie on the table and to be printed.

Mr. ELLENDER. Mr. President, I submit some amendments to House bill 12181, the mutual security bill, to be printed and lie on the table. I have a total of seven amendments.

Amendment No. 1 is a language amendment which would require the Department of Defense to charge no more than an average price for the equipment sold by the Department of Defense or its agencies under the mutual security program. The amendment is designed to correct a number of inequities which have arisen under both past and present Department of Defense policies, which permit the charging of "replacement" or otherwise unreasonable or unrealistic prices for used military-aid equipment not actually excess to domestic defense needs, purchased from the Department with ICA funds.

In 1956, Congress sought to bring the prices of such equipment more nearly into line with the value of the equipment, and language designed to do so was written into the act at the time. However, under a Department of Defense directive, implementing the act's language, it still is possible to charge the replacement cost for such equipment.

Amendment No. 2 would reduce the amount of military aid by $500 million, and would strike from the bill section 13, which permits the President to shift up to $235 million from defense support to military aid, or vice versa, as he may desire.

My third amendment, Mr. President, would reduce the amount authorized for defense support by $135 million, and would also delete section 13, to which I referred earlier.

My fourth amendment would eliminate authority for the contingency fund of $200 million.

The fifth amendment would strike the proviso making $4 million worth of Austrian counterpart funds available on a loan basis to an Austrian agency to pay Nazi war-crime reparations to Austrian citizens.

Amendment No. 6 would modify the so-called Korean housing authority contained in the bill. It will be recalled that in the past Congress provided that up to $18 million could be transferred from Korean-aid funds to construct living quarters, office space, and supporting facilities for personnel assigned to Korea. I sought in the past to delete this authority entirely, but I failed.

The purpose of the amendment is to preserve the presently authorized amount of $18 million to preclude the $8 million increase that has been provided in the committee bill.

The amendment would also delete the authority to spend in other areas of the world up to $2,750,000 to build similar quarters for personnel in the field.

My seventh, and last, amendment, Mr. President, simply provides that none of the contingency fund may be spent or given to countries of Western Europe.

The total effect, insofar as reducing the amounts provided in the bill are concerned, would be a gross reduction of $845,750,000, less, of course, the $235 million that the President is permitted to transfer between defense support and military aid. The total net cut would therefore be $610,750,000.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DIRKSEN:

Address delivered by the Secretary of Agriculture before the United Republican Fund of Illinois, at Chicago, Ill., on June 2, 1958.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 118) for the relief of the General Box Co., with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 2647. An act for the relief of D. S. and Elizabeth Laney;

H. R. 2689. An act to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusich;

H. R. 3452. An act for the relief of William S. Scott;

H. R. 3889. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomon Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman;

H. R. 4049. An act for the relief of Abraham Fye;

H. R. 4461. An act for the relief of Johnnie P. Saylors;

H. R. 5776. An act for the relief of Herbert Wolff;

H. R. 5904. An act for the relief of Thomson Contracting Co., Inc.;

H. R. 6357. An act for the relief of Albert Guido;

H. R. 6448. An act for the relief of Cathryn A. Giesener;

H. R. 6593. An act for the relief of Mrs. Juanita Burna;

H. R. 6595. An act for the relief of Markus H. Teitel;

H. R. 6622. An act for the relief of Charles W. Duncan;

H. R. 7375. An act for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle;

H. R. 7499. An act for the relief of the Cooper Tire & Rubber Co.;

H. R. 7660. An act for the relief of Dan Hill;

H. R. 7790. An act to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic & Pacific Railroad Co. by the United States;

H. R. 7945. An act for the relief of McRay Vestal;

H. R. 8088. An act for the relief of Miss Mame E. Howell;

H. R. 8211. An act to authorize and direct the Secretary of the Interior to quitclaim to Joseph G. Pettet all right, title, and interest of the United States in and to certain lands in the State of Montana;

H. R. 8497. An act for the relief of Robert J. Roncker;

H. R. 9222. An act for the relief of Dr. Edgar Scott;

H. R. 9258. An act for the relief of Mrs. Minnie Perreira;

H. R. 10094. An act for the relief of the Western Union Telegraph Co.;

H. R. 10142. An act for the relief of Hugh Lee Fant;

H. R. 10416. An act for the relief of J. Henry Ennen and others;

H. R. 10515. An act for the relief of Harley D. Rucker;

H. R. 11202. An act for the relief of the estate of Verentes Bent, deceased;

H. R. 12261. An act for the relief of Lucian Roach doing business as the Riverside Lumber Co.; and

H. J. Res. 589. Joint resolution for the relief of certain aliens.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker pro tempore had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the President pro tempore:

S. 59. An act directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper;

S. 1657. An act for the relief of Lloyd C. King; and

S. 1979. An act for the relief of Barbara Hollinger.

H. R. 7454. An act to amend the Tariff Act of 1930 to provide for the free importation under certain conditions of sound recordings, film, and slides and transparencies;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H. R. 2647. An act for the relief of D. S. and Elizabeth Laney;

H. R. 3452. An act for the relief of William S. Scott;

H. R. 3889. An act for the relief of Nissim S. Tawil, Esther Tawil (nee Goldman), Solomon Tawil, Isaac Tawil, Kathy Tawil, Jacqueline Tawil, and Sarina Goldman;

H. R. 4049. An act for the relief of Abraham Fye;

H. R. 4461. An act for the relief of Johnnie P. Saylors;

H. R. 5776. An act for the relief of Herbert Wolff;

H. R. 5904. An act for the relief of Thomson Contracting Co., Inc.;

H. R. 6357. An act for the relief of Albert Guido;

H. R. 6448. An act for the relief of Cathryn A. Glesener;

H. R. 6593. An act for the relief of Mrs. Juanita Burna;

H. R. 6595. An act for the relief of Markus H. Teitel;

H. R. 6622. An act for the relief of Charles W. Duncan;

H. R. 7375. An act for the relief of Edward J. Doyle and Mrs. Edward J. (Billie M.) Doyle;

H. R. 7499. An act for the relief of the Cooper Tire & Rubber Co.;

H. R. 7660. An act for the relief of Dan Hill;

H. R. 7945. An act for the relief of McRay Vestal;

H. R. 8088. An act for the relief of Miss Mame E. Howell;

H. R. 8497. An act for the relief of Robert J. Roncker;

H. R. 9222. An act for the relief of Dr. Edgar Scott;

H. R. 9258. An act for the relief of Mrs. Minnie Perreira;

H. R. 10094. An act for the relief of the Western Union Telegraph Co.;

H. R. 10142. An act for the relief of Hugh Lee Fant;

H. R. 10416. An act for the relief of J. Henry Ennen and others;

H. R. 10515. An act for the relief of Harley D. Rucker;

H. R. 11202. An act for the relief of the estate of Verentes Bent, deceased;

H. R. 12261. An act for the relief of Lucian Roach, doing business as the Riverside Lumber Co.; and

H. J. Res. 589. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

H. R. 2689. An act to provide for the conveyance of all right, title, and interest of the United States in and to certain real property to Stella Vusich;

H. R. 7790. An act to provide for the forfeiture of the right-of-way located within the State of California heretofore granted to the Atlantic & Pacific Railroad Co. by the United States; and

H. R. 8211. An act to authorize and direct the Secretary of the Interior to quitclaim to Joseph G. Pettet all right, title, and interest of the United States in and to certain lands in the State of Montana; to the Committee on Interior and Insular Affairs.

VOLUNTARY UNIONISM

Mr. GOLDWATER. Mr. President, as the Subcommittee on Labor works diligently to produce proposed legislation to cover the irregularities disclosed by the McClellan committee over the past year and a half, I become more and more convinced that the only real answer to the complete protection of the union members and the working people of this country will be voluntary unionism. As each section of this piece of proposed legislation is discussed, one can see more clearly than ever that if free men had a free choice to join or not to join a labor organization, the problems covered by this measure would be quickly solved. We cannot, by legislation, stamp out dishonesty in men; but Congress has, by legislation, stamped out freedom in the labor movement. Because unions are compulsory, not free, the problems disclosed by the McClellan committee have arisen. We do not find similar situations in voluntary organizations where free men have the free right to belong or not to belong, and where those who belong have a free right of expression in open meetings. So it is logical to assume that a free labor movement would prosper in this country as it prospers over the rest of the world.

David Lawrence, in this week's U. S. News & World Report, in his logical and concise way, has pointed out that the United States Supreme Court has, in recent decisions, in effect recognized a man's right to work. Because of the timeliness of the editorial, I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SO THERE IS A "RIGHT TO WORK"?

(By David Lawrence)

Unions, with their monopoly power, have mistakenly come to be regarded even by some of their own members as having some of the absolute powers of Government. The threat of expulsion hovers constantly over the nonconformist in union meetings. Under a Federal statute, moreover, a worker today can be required to join a union in order to retain his job. Workers who have conscientious objections to union membership can lose their jobs when a plant is unionized. Efforts to correct this by State laws that would prohibit compulsory membership and would protect the "right to work" have been met with hostility by labor-union leaders.

So it is refreshing to read the opinion handed down last week by the Supreme Court of the United States which upholds the principle that nobody can lawfully interfere with an individual's right to work.

The issue arose in a picketing case in 1951. Paul Russell, not himself a union member, sought to continue working at an Alabama factory during a strike. Justice Burton, speaking for the Court's majority, writes:

"Such pickets, on July 18, by force of numbers, threats of bodily harm to Russell, and of damage to his property, prevented him from reaching the plant gates. At least one striker took hold of Russell's automobile. Some of the pickets stood or walked in front of his automobile in such a manner as to block the street and make it impossible for him, and others similarly situated, to enter the plant."

This kind of picketing has happened hundreds of times in recent years in America without effective intervention by Federal or State authorities. Hence the intimidation has been successful. In such cases, the proud boast of trade unionism that it rests on volition rather than coercion becomes an empty claim.

It is, therefore, commendable that six justices of the Supreme Court—Burton, Whittaker, Brennan, Clark, Harlan, and Frankfurter—all voted to uphold the right of a State court to impose damages. Russell was permitted not only to recover back pay but to collect punitive damages for the emotional harm done to him by the incident.

The dissenting members of the Court—Chief Justice Warren and Justice Douglas—argued that only Federal law applied. This meant that only back pay would be obtainable and no redress would be possible for bodily harm or damage to one's automobile. In fact, the minority of the Court takes the political view that it would be bothersome to labor unions if they were subjected to such

suits in State courts. No similar solicitude seems to have been exhibited for the rights of the individual worker. Chief Justice Warren says:

"There is a very real prospect of staggering punitive damages accumulated through successive actions by parties injured by members who have succumbed to the emotion that frequently accompanies concerted activities during labor unrest."

How easy it is glibly to rationalize violence as just emotionalism.

Here is an example, too, of indifference to human suffering which will come as a surprise to those who have believed the so-called liberals on the High Court are more concerned with humanitarianism than with absolute legalisms.

Fortunately, the majority of the Court did not hesitate to reaffirm the principle of State protection against physical interference with the right to work.

"The issue before us," says Justice Burton's majority opinion, "is whether a State court, in 1952, had jurisdiction to entertain an action by an employee, who worked in an industry affecting interstate commerce, against a union and its agent, for malicious interference with such employee's lawful occupation * * * we uphold the jurisdiction of the State courts in this case."

A lawful occupation, the Supreme Court says in effect, must not be interfered with, and the warning is clear that, if the local police do not furnish protection to the citizen, he may sue the union whose pickets have forcibly prevented him from working at his job.

The Supreme Court majority last week also held that a worker unjustly expelled from a union could sue it for damages in State courts. The point was emphasized that expulsion of a member for ill-founded reasons is a breach of contract by the union.

The right to work, whether exercised by a member or nonmember of a union, is an inherent right of the individual. It is protected by the Federal Constitution, which says that nobody shall be "deprived of life, liberty, or property, without due process of law."

It is time for the so-called liberals and the labor-union leaders of the country to accept these basic principles of constitutionalism. A trade-union movement that is dependent for its progress on measures of coercion cannot survive. Only when the organizing methods are voluntary can the concerted activities of private individuals ever win lasting respect.

Mr. GOLDWATER. Mr. President, another writer who daily is growing in stature, Mr. George Todt, of the Valley Times, of San Fernando, Calif., has over the years recognized the right of a person to join or not to join a labor organization. I ask unanimous consent that three of his more recent articles be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the San Francisco Valley Times of May 26, 1958]

UNIONS' MONOPOLY POWERS EXAMINED

(By George Todt)

"Wise men argue causes, and fools decide them." (Ancharsis.)

One of the best addresses I have listened to this year was given by Milton C. Lightner, president of the National Association of Manufacturers—he is also chairman of the board of the Singer Manufacturing Co.—at the Los Angeles Rotary Club in the downtown Statler recently. It was reasonable, moderate, and unselfish in view.

Two of the points Mr. Lightner touched upon were labor problems and taxation. Since he represents an important segment of our economy and its thinking along such lines, I am going to bring my readers some of his thought-provoking views as he gave them.

"The monopoly power of unions has enabled them to obtain wage increases far beyond any increase in productivity," said Lightner. "Union demand for still further wage increases can only have the effect of further restricting productive activity—and thus holding back necessary increases in jobs.

"One essential to correcting the conditions that bring on and prepetuate a recession is to curb the monopoly power of organized labor. I am not advocating legislation aimed at destroying labor unions or laws that would hamper them in their proper functions. It is in the labor union field that flagrant abuse of power is arousing the public to the need for controls—and they will come.

"Twenty-five years ago, a law was passed protecting the right of a person to join a union irrespective of the wishes of his employer. The very labor unions that once campaigned for the right of an individual to choose to join their ranks are now making every effort to destroy the right of the individual to exercise his own free choice as to whether to become a union member—or whether to remain a union member once he has joined.

"Today the individual employee stands in need of the protection of his rights not to join a union if his conscience so directs him. For he is only a slave if he must join a union—through force, compulsion or duress—in order to hold a job to make a living for himself and his family. Actually, if an employee has a right to join a union, then, by the same token, he also has a similar right to decline to join a union. That right is more and more being denied. It should be protected in the United States of America."

On the subject of taxation, Lightner spoke out boldly with these telling words:

"We have adopted for our own the philosophy of Karl Marx. This destructive socialist said that the way to destroy capitalism is to destroy capital—and the way to destroy capital is by steeply graduated, progressive income taxes.

"The Federal budget should be kept as low as possible by holding expenditures in check—and by reducing or eliminating nonessential programs. The States and their citizens will have to break the bad habit of running to the Federal Government each time some real or fancied need develops in their communities.

"The tax burden, coupled with unjustified wage increases, has hit business and industry particularly hard.

"Another essential remedy for what ails the national economy is income-tax reform along lines of the Sadlak-Herlong bills. These bills call for a scheduled series of five annual reductions of the tax rates on individual and corporate incomes.

"At the end of the 5-year period, the maximum rate on individuals would be brought down all along the line to a top rate of 42 percent instead of the present 91 percent. The top rate on corporate income would also be brought down to 42 percent from the present 52 percent in a series of five steps.

"If this type of tax reform could become law, it would be a tremendous spur to the whole economic life of the country—not merely a panacea aimed at the present recession. The existence of the recession indicates that there is a strain on the economy of the Nation. Where does this strain originate?

"The two principle sources are to be found in the wage-price inflation that has been with us for several years," concluded Lightner, "and in unsound Government spending and taxation policies."

[From the San Francisco Valley Times of May 27, 1958]

LABOR MONOPOLY IRKS THE PEOPLE

(By George Todt)

"It is not a revolt, it is a revolution." (Duc de Liancourt to Louis XVI, July 14, 1789).

With public opinion mounting every day against the haughty labor barons who spurn the very idea of effective reform by means of remedial legislation against what now constitutes the biggest monopoly in the United States—indeed, if not the whole world by this time—it will be interesting for us to hear from Joe Doakes on this subject today.

What do the American people think about such items as union democracy (Senator WILLIAM F. KNOWLAND's labor bill of rights), union monopoly and the oft-debated voluntary unionism initiative measure in California—more commonly called the right to work?

For answer to these interesting questions, let us go no further than right here at home in the San Fernando Valley and neighboring Hollywood. In this very locale, covered by the Valley Times, the Congressman of the 22d District—JOE HOLT—has recently performed an outstanding service to the members of this area by conducting an outstanding poll of opinion which was answered by more than 50,000 people.

"Inasmuch as there are thousands of citizens who have moved to this district from every State of the Union," said Mr. HOLT, "I believe the results of the questionnaire represent a national cross section to a large degree. * * * Tabulation of the answers by IBM (International Business Machines) has been completed and results are as follows:"

The questions covered such items as national defense, education, foreign policy, labor, taxation, general subjects, and questions of local interest. In view of the fact that our California primary election is only a week away—and the labor issue is the chief difference between the two parties in the key race for the governorship between Attorney General Pat Brown and Senator BILL KNOWLAND—let us content ourselves to concentrate on the more meaningful aspects of the Holt poll as it pertains to the present campaign.

The Sherman Oaks Congressman is a member of the House Committee on Education and Labor, and is known for his fairness in phrasing questions concerning labor. I think he has done a masterful job in this instance. His queries to his constituents are short, concise, and to the point. There are only three in number, but they cover the entire matter—and do so very well. I shall repeat Congressman HOLT's phraseology here so that my readers may judge for themselves how fair and correct they are. Here are the questions and the answers from the people of our area:

Question. Do you favor legislation requiring unions to conform to antitrust laws now applicable to private corporations and other business enterprises?

Yes, 86.3 percent; no, 9.2 percent; no opinion, 6 percent.

Question. Do you favor Federal supervision and regulation which guarantees union democracy, protecting voting rights of members, and reporting of all financial transactions made by union leaders?

Yes, 91.5 percent; no, 5.4 percent; no opinion, 3.1 percent.

Question. Do you favor enactment of a State law along the lines of the right to work (also called voluntary unionism) amendment currently being discussed in California?

Yes, 66.7 percent; no, 23.7 percent; no opinion, 9.6 percent.

My readers, being the intelligent citizens, which I know them to be, do not require me to labor the point. Can the labor bosses explain it?

Here is the data for you to judge for yourself. Form your own conclusions.

The overwhelming majority opinion expressed by the grassroots public opinion of our area is precisely what this column has backed unwaveringly over most of the past 8 years.

It appears that Joe and Mary Doakes are in accord with our premise.

Let the politicians wonder. Let the labor bosses worry. And let the people dance in the streets. I think their liberation from the fear of tryanny and homegrown dictatorship may not be too far away.

Public opinion is still the greatest force for good left in America.

Note to Joe and Mary Doakes: Please be on hand next Tuesday to back up your political opinion with your ballot at the polls. Can do?

[From the San Francisco Valley Times of May 29, 1958]

VIEWS ON RIGHT TO WORK

(By George Todt)

"My man's as true as steel."—(Shakespeare, Romeo and Juliet, act II, scene 4.)

Recently a Democratic political hopeful charged into my office with the information that he was a moderate, middle-of-the-road, anti-Ziffren type of Bourbon contender and told me many reasons why this was true.

It sounded pretty good as far as it went; but it didn't go quite far enough. So I asked my friend a soul-searching question:

"Where do you stand on the right to work?"

"Oh, I'm against that," he told me. "You see, I'm running in a labor district. What else can I do?"

"Well, Senator WILLIAM F. KNOWLAND is running in a lot of labor districts, too," I replied. "And he isn't ducking the issue."

"But he's antilabor," squealed my young visitor. "You certainly don't think I could embrace his platform do you?"

"I'm afraid you have been listening to the labor bosses and their expensive propagandists," quote I. "You ought to listen to the rank and file of organized labor for a change. From what I hear, they realize that the Senator is really on their side. His labor bill of rights is made to order for them."

Further conversation with the exuberant politico revealed to me that he was against the right to work and Senator KNOWLAND for the best of all known reasons: "Just because." But I don't think he really knew why.

Many others who think emotionally instead of factually are in the same category, however. Lots of company for my political friend here. So, in the interests of those who want to know what BILL KNOWLAND really believes about the labor problem today—not what propagandists might like us to think erroneously—here is what "Mr. Integrity" says about it himself:

"The right of every American worker to belong to a union and to bargain collectively," says the Senator, "must continue to be effectively protected by law.

"The right to earn a living is a basic civil right of the first magnitude and should not be denied to any American worker because he or she does not join a union.

"No American should be required to belong to a private organization and pay dues as a condition to earning a living for his wife and children.

"On the other hand, every worker should have the opportunity to join a union voluntarily.

"The following eight points of a workers' bill of rights should be guaranteed to all union members. They should have the right:

"1. To elect their officers by secret ballot and be assured that the ballots cast are the ballots counted.

"2. To recall their elected officers by secret ballot when they prove to be incompetent or corrupt.

"3. To control the election of their national officers by voting, by secret ballot, for the delegates sent to their national conventions.

"4. To call a strike—or call off a strike—by the secret ballot.

"5. To speak up against union practices of which they disapprove without fear of recrimination or retaliation against them.

"6. To control the amount and use of their initiation fees, dues and assessments.

"7. To have their welfare funds safeguarded.

"8. To expect legislation insuring penalties for cases involving collusion between management and union officials against the interest of union members.

"Voluntary unionism, protected by this workers' bill of rights, will challenge organized labor's officers—local and national—to give their members outstanding leadership of integrity and ability.

"It will strengthen the trade union movement by assuring the members of the unions that their organizations belong to them—and are run accordingly. Captive locals and members thereof would soon be a thing of the past, as would coercion by unscrupulous union bosses.

"Samuel Gompers, a great labor leader of another day, repeatedly emphasized his belief in voluntary over compulsory unionism—emphasizing that it would produce the best overall results for labor and management alike. Mr. Gompers was a labor libertarian and I am in accord with his position."

For those who wish more details of the KNOWLAND stand on the vital labor question, I recommend their reading of his Why Not a Bill of Rights for Labor? in the March issue of the American Mercury and the May edition of the Reader's Digest. Let "Mr. Integrity" speak for himself.

Then ask yourself: "Which American citizens are not entitled to his labor bill of rights?"

PRESIDENT EISENHOWER'S COMMENCEMENT ADDRESS AT MOUNT ST. MARY'S COLLEGE

Mr. SMITH of New Jersey. Mr. President, this is the season when graduating classes throughout the country receive a great deal of advice from many distinguished Americans. However, I am sure that none of the commencement speakers this June will offer a greater or more stimulating challenge to the youth of our Nation than did President Eisenhower when he spoke at Mount St. Mary's College in Emmitsburg, Md., on Monday.

In his commencement address, the President stressed the great frontiers still to be conquered in the areas of world peace, race relations, educational opportunity, and human welfare. He challenged his listeners to take an active part in pioneering these frontiers, both at home and in the world struggle against Communist totalitarianism.

I think—

He declared—

there are more frontiers to explore, more crusades that need to be waged, than ever before in our history.

This morning, the New York Herald Tribune commented editorially on the President's speech, and contrasted its vision of a challenging future with the gloomy pessimism which is now so popular in certain quarters. I ask unanimous consent to have printed in the RECORD at this point in my remarks the text of the editorial, which is entitled "The New Frontiers."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of June 4, 1958]

THE NEW FRONTIERS

Talk of a closed frontier was commonplace in the early days of the New Deal. The argument ran that America, having used up its elbow room for expansion, now had no more room for growth. As it happened, all this gloomy talk was at its height on the eve of the most explosive growth in the Nation's history.

A typical pessimist was the 6-year-old son of author Lincoln Steffens, Peter, who told his father he could see no future, since everything useful had already been invented. Answered Steffens: "Man still couldn't make a faucet that didn't leak." But within a few years man did make the atom yield up its energy, overthrow the previous laws of physics, and create the first manmade moon.

But now new pessimists are abroad in the land. President Eisenhower, addressing the commencement at Mount St. Mary's College in Maryland, expressed bafflement at the spirit of a youngster who had written, "There are no more frontiers, so what is there to crusade about?"

"Personally," said the President, "I think there are more frontiers to explore, more crusades that need to be waged than ever before in our history."

The President listed the crusades the class of 1958 can wage, the frontiers that are there for them to open:

The frontier of race relations, to make all our citizens equal before the law * * * in every political, legal, and economic aspect of their lives.

Wipe out the slums that still infest our cities.

Expand our living standards until no one's is inadequate.

Help the whole world reach similar abundance.

Provide adequate education to all.

Establish world peace.

Those are mighty big targets. But a sound, free economy can and should accomplish them. We agree with the President they provide plenty for the class of 1958 to tackle. They are the biggest frontiers in history. Human survival may depend on their solution.

THE PLIGHT OF THE RAILROADS

Mr. SMITH of New Jersey. Mr. President, all of us are deeply concerned with the present plight of the railroads. The situation is becoming increasingly difficult, and in some quarters the very survival of the railroads is threatened. I am advised that the Committee on Interstate and Foreign Commerce has reported a bill which will give at least some relief in this situation, and I am extremely hopeful that the bill will receive overwhelming support.

Yesterday, I received an important letter from an old friend of mine in New Jersey, former Gov. Charles Edison, who, as all of us know, was Secretary of the Navy during the years immediately preceding World War II. In his letter to me, former Governor Edison calls attention to his personal interest in this matter and to what he did, while he was in public office, to relieve the tensions on the railroads.

Because of the importance of Governor Edison's observations and the rele-

vancy of this matter as the Senate approaches consideration of the bill referred to, I ask unanimous consent that Governor Edison's letter of May 29 be published in full in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WEST ORANGE, N. J., *May 29, 1958.*

The Honorable H. ALEXANDER SMITH,
United States Senate,
Washington, D. C.

DEAR ALEX: Over many years my business has kept me in touch with the progress, achievements and tribulations of American railroads. Further, as Secretary and Assistant Secretary of the Navy during the years immediately preceding World War II, I became increasingly aware of the necessity of maintaining a network of healthy railroads if America's basic requirements for transportation of freight and passengers were to be met.

Therefore, when I became Governor of New Jersey at a time when war was imminent and many rail lines were in reorganization or sorely threatened with bankruptcy, one of the accomplishments of my administration was a modernization of New Jersey's archaic railroad tax laws which were strangling the carriers.

Many legislative proposals are now pending in the Congress. I urge that prompt and effective action be taken to protect the future of what one Congressional report refers to as "the bedrock of our Nation's transportation system."

There is an urgency in this problem that transcends most of matters pending in the Congress.

A multiplicity of Federal controls stemming from many years back when railroads enjoyed something of a monopoly—a status which now bears no relationship to fact—is just one of the areas in which corrective legislation is needed.

In closing, may I stress that the salvation of American railroads lies in the direction of promoting freedom of enterprise. Any movement tending to nationalize the railroads would be deleterious not only to the rail lines but to all segments of our business and industry as well.

Sincerely yours,

CHARLES EDISON.

STATEMENT OF HON. C. BURKE ELBRICK BEFORE FOREIGN RELATIONS COMMITTEE

Mr. SMITH of New Jersey. Mr. President, at the meeting of the Foreign Relations Commitee yesterday, Tuesday, the Assistant Secretary of State for European Affairs, Mr. Elbrick, made an outstanding and very illuminating statement with regard to the European situation. He discussed East Europe and the satellite countries, and then discussed West Europe, and especially the significance of NATO. What Secretary Elbrick said is of first importance to every Member of this body, especially as we are now considering the Mutual Security Act of 1958.

Yesterday I urged my colleagues to read the splendid report prepared by the staff of our committee before they make up their minds finally as to how to vote on the mutual security bill. Today I am urging them to read Secretary Elbrick's testimony before our committee yesterday in order to understand the vital importance of our cooperating fully with NATO, as is provided in the mutual security bill.

Mr. President, I ask unanimous consent that Secretary Elbrick's testimony as presented to our committee be printed in the body of the RECORD in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE C. BURKE ELBRICK, ASSISTANT SECRETARY OF STATE FOR EUROPEAN AFFAIRS, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE, ON UNITED STATES POLICIES AND PROGRAMS IN EUROPE

It is a privilege to be able to discuss with you once again our policies and problems in the part of the world covered by the European Bureau of the Department of State. As you know my Bureau deals with two broad areas which are fundamentally different, but which are both of the utmost significance to American interests. The first of these—Communist Europe—represents the main threat to our freedom, security and well-being. The second—free Europe—constitutes our principal source of external strength and support.

With the members of this committee, it is hardly necessary for me to undertake any detailed exposition of our basic European policies. You gentlemen know these policies as well as I do. You have contributed to their development and implementation over a period of years. At this time, therefore, I think it would be most useful for us to concentrate on the application of these policies to the current situation in Europe.

During recent weeks, there has been considerable talk about the need for a general revision of our foreign policies, both in Europe and elsewhere. This talk is inevitable when our Government faces a critical situation abroad. To some extent the demand for change is altogether reasonable. As Secretary Dulles has pointed out, our policies are never static. They are constantly being reexamined to meet the changing world situation. While this fact may not be widely understood by the general public, I am sure it is obvious to the members of this Committee.

With respect to our really basic foreign policies, however, I believe demands for change must be viewed with considerable caution. These basic policies are grounded in basic American interests and are tailored to the hard facts of the international situation as it actually exists. Unless there is a far-reaching change in our national interests or in the fundamental character of the international situation itself, a radical change in basic policy would be a perilous experiment.

Let us examine first our relations with the Soviet Union and the part of Europe under Soviet control. Here, our fundamental purposes are relatively simple to express, although immensely complicated to carry into effect. We want to prevent the spread of international communism dominated by the U. S. S. R. which means that we must constantly resist the further expansion of Soviet territory, power and influence. We want to avoid military conflict. Wherever possible, we want to settle our differences with the Soviet Government through peaceful negotiation. We want to encourage the development of conditions which will permit the enslaved peoples within the Soviet system to regain their freedom. We want to promote better understanding between people living in the Soviet orbit and free peoples. Finallly, we want to create incentives which will induce the Soviet Union gradually to alter its basic policies—to abandon its ambitions for a universal empire and to enter sincerely into peaceful and constructive cooperation with the rest of the world.

In several important respects, we have made significant progress toward the realisation of these purposes during the past 10 years. There has been no war on the European continent. Since the beginning of the North Atlantic Treaty, in April, 1949, the Communists have made no territorial gains in the European area. Communist political influence in the free nations of Europe has substantially lessened. Behind the Iron Curtain, Soviet rule has encountered increasing popular resistance, as demonstrated by the violent uprisings in East Germany and Hungary. Yugoslavia has established and maintained its independence from Soviet control, and Poland has demonstrated a heartening tendency toward greater freedom of action.

There has been a significant expansion of contacts between the Western peoples and the peoples under Soviet rule. You will recall that on January 27 of this year we concluded an exchange agreement with the Soviet Government which provided for a series of exchanges of persons in the cultural, educational, and athletic fields over the next 2 years. As a result of that agreement, for example, there will be for the first time in the recent history of our relations with the Soviet Union American students studying this fall in Soviet universities and Soviet students enrolled in American institutions. Much remains to be done, of course, especially in removing the obstacles to the free flow of information to the Soviet peoples, but we hope to make some progress toward this objective by pressing for implementation of those sections of the agreement of January 27 which relate to exchanges of radio-TV programs on world events, reciprocal purchase and sale of films, and improved distribution of Amerika magazine.

At the same time, we must recognize that these favorable developments are offset by certain considerations that are distinctly unfavorable. The most important single factor in our relations with the Soviet Union remains unchanged. All available evidence indicates that the Soviet rulers are still firmly determined to achieve world domination through whatever means may be required.

It is true, I think, that the growing strength and unity of the Free World has stretched out the Soviet timetable of conquest. We know that the Soviet strategists have always thought and planned in fairly long-range terms, but conditions during the early postwar period seemed to offer them opportunities for immediate success in a number of critical areas. They were tempted to grab while the grabbing was good. Today, the grabbing is no longer good in the European area, and Soviet strategy to absorb the vital territory, manpower, resources, and industrial facilities of free Europe has had to take account of this fact. While there is no doubt that the Soviet rulers will remain alert to any new opportunities for quick and cheap victories that may arise, military or otherwise, they are clearly planning in terms of years and decades, and are concentrating their immediate attention primarily upon promoting neutralism in Europe, seeking to break up NATO and other Western cooperative arrangements, exploiting weak spots in the European economic and social structure, and attempting to outflank and strangle free Europe by achieving Communist domination of Asia and Africa.

It is also true, I feel sure, that the Soviet rulers would greatly prefer to achieve their ambitions without the risk of all-out warfare. They have come to realize that direct military aggression would invite a nuclear catastrophe, and they are therefore concentrating more heavily upon political, economic, and psychological aggression. Nevertheless, they have continued to proclaim world empire as their ultimate goal, and as long as this remains their objective the

peace and security of the world will be constantly threatened.

We must also recognize that the Soviet capacity to wage its cold war against the Free World has substantially increased. The overall Soviet economy has grown stronger, and the Soviet rulers have clearly indicated their willingness to use a sizable portion of their economic power to finance aid and trade programs designed to penetrate and ensnare free nations. The remarkable advances of Soviet science and technology are familiar to all of us. Finally, we must remember that the Soviet Union is still maintaining an enormous military establishment, supported by nuclear power and missiles as well as the more conventional military forces. While they undoubtedly hesitate to use this military power under present circumstances, we could expect this hesitation to vanish rapidly if we and our allies should permit ourselves to be weakened to the point where the Soviet rulers might have reason to believe they could destroy us with minimum damage to themselves.

In view of the situation I have described, I feel considerable assurance in saying that our basic policies toward the Soviet Union are sound. We frequently hear demands for more boldness in our relations with Russia—and simultaneously hear counter demands for more flexibility—but these demands are rarely translated into specifics. I do not believe that any sane American who is familiar with the horror of modern warfare would propose that we pursue our interests through suicidal military adventures. On the other hand, I do not believe that any American who is concerned with our ultimate survival would suggest that we abandon our resistance to Soviet expansionism. We have no alternative but to steer a course between these extremes, and that is exactly what we are now doing.

Some people have repeatedly emphasized the importance of negotiations with the Soviet Union as a means of achieving a peaceful settlement of differences. This emphasis is altogether proper, but I think we should remember two things. First is the simple fact that negotiation with the Soviet Government is not a one-shot deal, but a constant process. In one way or another, we are almost continuously engaged in negotiations with the Soviet Union. We negotiate through our diplomatic missions, through the United Nations, through the U. N. specialized agencies, through special committees of experts, and even by means of public statements. We have participated in one meeting of heads of governments and are fully prepared to hold another if it appears that such a meeting offers any reasonable prospect of constructive results. Whether or not such a meeting takes place, however, we should understand that negotiations with the Soviet Union will continue through a variety of channels. Where the Soviet rulers have a genuine desire to reach agreement on any subject, there are plenty of ways and means available.

Next, we should remember that there are inevitable limitations upon what we can expect from any kind of negotiations with the Soviet Government. These limitations stem first from the fact that most international agreements necessarily involve promises, and that Communist promises are not what we would call gilt-edged collateral. They stem also from the fact that the Soviet rulers do not truly represent their own people or any other people, and that the peoples under their control have relatively little practical influence upon the policies and actions of their rulers. Finally, they stem from the fact that the fundamental Soviet goal of world domination—which lies behind all their negotiations and other international activities—is utterly incompatible with our own interest in peace and security. These limitations do not mean, of course, that we should abandon efforts at negotiation.

In the past, we have been able to reach accord with the Soviet Government on several important matters, such as the Austrian Peace Treaty, the cessation of the Berlin Blockade, the recent exchange program, and the establishment of the International Atomic Energy Agency. I am convinced that other valuable agreements are possible in the future. But we should be aware of the fact that we can never expect a complete settlement with the Soviet Union without a fundamental change in the Soviet Union's own purposes. We certainly cannot enter into any agreement which implies an abandonment of resistance to Communist imperialism.

There are also those in this country and abroad who insist the United States and its Western allies should demonstrate a greater readiness to make concessions to Soviet demands. I'm not sure I know exactly what this means. We should always be prepared, of course, to match Soviet concessions with concessions of our own, provided these result in a genuine improvement in the outlook for peace and security, or provided they give the Soviet Government real incentives to alter its attitudes and designs. But we should also understand that such incentives are unlikely to be provided by a policy of appeasement. The Soviet rulers will never call off their program of world conquest so long as they feel they have a good chance of being successful. Therefore, we have nothing to gain and much to lose by concessions which merely whet their appetites or which enlarge their capacity for pursuing their goals.

While we are always ready to meet the Soviet half way in the search for a lasting peace, there are several things that we simply cannot afford to do. We cannot be satisfied with a mere illusion of peace. We cannot accept empty words as a substitute for the concrete arrangements upon which a workable peace must depend. We cannot accept the permanent enslavement of any nation which wants its freedom. We cannot break up our collective security systems nor weaken the bonds of unity with our allies. Most of all, we cannot barter away the solid military, economic and political strength which we and our allies have achieved in exchange for shallow promises. There is nothing we could do that would be more dangerous to world peace than to give the Soviet rulers the mistaken impression that free nations are too stupid, too decadent or too weak to resist.

It has been said on occasion that we are devoting too much effort to the military aspects of defense—that we need to give more attention to the fierce political, economic and psychological offensive which the Soviet Union is waging against the Free World. I think both the executive branch and the Congress have long been aware of the grave dangers presented by the nonmilitary techniques of aggression employed by the Soviet Union. In Europe, for example, we should recall that we undertook the Marshall plan to restore Europe's economy some time before we began the NATO military buildup. It is also true, I believe, that the Soviet shift of emphasis from military to nonmilitary expansion is one of the most striking developments of recent years, and that we must be prepared to adapt our own policies to meet the new situation. We need to tighten our collective security relationships, extend political consultation with friendly nations, improve the effectiveness of our programs of economic assistance, maintain realistic trade policies, strengthen our informational and cultural operations, and do many other things. But we should also understand that the need for greater effort in the political, economic and psychological fields does not justify less effort in the field of military defense. There is no reason to believe the shift in Soviet tactics was occasioned by any sudden burst of tenderness or generosity. It was almost certainly based upon their recognition of the fact that military adventures have become too dangerous. This, in turn, resulted from the position of military strength which the United States and its allies have attained. We should remember that, despite Soviet announcements of force cuts, there have been no real reductions in overall Soviet military power. In fact, modern weapons have increased this power, and a renewal of Soviet military pressure could occur at any time. Let us lead them not into temptation. Nobody should discount the importance of the nonmilitary aspects of the cold war, but I think every sane person would rather fight the battle against communism on this front than to be compelled to fight with missiles and nuclear weapons. Only by keeping our military defenses strong can we have reasonable assurance that Soviet aggressive action will be confined to other channels. Strong military defenses, in fact, are the indispensable foundation of all our diplomatic, economic, cultural and informational efforts to stop the nonmilitary advances of communism.

Our prospects for success in carrying out our policies toward Soviet Europe depend to a considerable degree upon our relations with free Europe. In this important area, also, our basic purposes are fairly simple. We want the nations of free Europe to remain free. We want them to be strong—strong enough to provide for the well-being of their peoples—strong enough to protect themselves against Communist political and economic penetration—strong enough to give us real help in maintaining an adequate system of military defense. We want to see the nations of free Europe attain maximum cooperation among themselves, and also want them to cooperate with us on a broad Atlantic basis. We want friendship, understanding and mutually beneficial commercial and cultural relationships between the European countries and the United States. Finally, we want our European friends to use their considerable resources and influence in non-European areas to promote peace, freedom, strength and unity among the peoples of the Free World as a whole.

Here again, I do not believe there is much doubt about the general success of our policies during the last 10 years. I have already mentioned the fact that the Communists have failed to capture any of these countries, and that Communist influence inside their borders has appreciably diminished. I am sure the members of this committee are also familiar with the gigantic strides these countries have taken toward greater strength and stability. They have made a truly remarkable recovery from the economic chaos which threatened them 10 years ago. Most of them have also achieved a measure of political stability that once seemed impossible. Through NATO, they are now making a substantial contribution not only to their own military defense, but to the total defensive power available for the protection of the entire Free World. They have granted independence to a number of former colonies in Africa and Asia and are gradually evolving new political and economic relationships with other dependent areas. This process has been extremely difficult, and is all the more laudable for this reason.

Meanwhile, the nations of free Europe have made tremendous progress in the development of cooperative relationships with one another. The OEEC is a valuable substitute for the economic nationalism that characterized the last generation. The Community of Six represents a bold, new experiment in supra-national integration, which is moving step by step toward a

united Europe. This cooperation within Europe is matched by growing cooperation between Europe and North America. As you know, the joint military effort developed under NATO is steadily being extended to political, economic, and psychological activities. I believe the recent NATO meeting at Copenhagen, from which I returned a few days ago, marked a new peak of Atlantic political unity.

When I speak of the political unity achieved within NATO, I do not mean to suggest that there are no disagreements among the members. You all know that disagreements frequently exist, sometimes on fairly important issues. It is not surprising that 15 sovereign nations will often have differing attitudes and interests with respect to specific problems. What is surprising is the remarkable measure of agreement attained on fundamentals. Our processes of political consultation are not designed to eliminate all differences, but rather to achieve an essential accord in basic policy and action despite these differences. In this, we have done very well indeed. I doubt that human history records any other instance in which 15 independent nations have managed to work together so effectively and to maintain such a closely knit community of purpose.

All things considered, I would not hesitate to say that the success of our policies in Western Europe during the last 10 years has been little short of miraculous. At the same time, of course, we cannot blind ourselves to the fact that our European friends still face a number of serious problems. Despite the substantial improvement of European production and trade, the economies of several countries are subject to severe and constant strain. Communist influence, despite its decline, remains too strong for comfort in certain areas of Western Europe. Little concrete progress has yet been made toward the important objective of German reunification, without which there can be no enduring stability in central Europe. There is evidence of a significant volume of neutralist sentiment in some countries, and this sentiment is constantly being stimulated and exploited by Communist elements.

The relations between certain European nations and their overseas territories, as you know, still produce a number of exceedingly complex problems. The United States has consistently sought to promote the orderly evolution of dependent peoples to self-government. At the same time, we have been aware that premature independence and irresponsible nationalism may present grave dangers to the dependent peoples themselves, as well as to the whole Free World. We have also hoped that the peoples evolving toward self-government will voluntarily choose to maintain intimate political, economic, and cultural ties with the nations of Europe. Our policies with respect to these matters have not always been satisfactory to our European allies, and we have sometimes been critical of their own policies and practices. On the whole, however, we have recognized that the processes of political and social evolution are not easy, and we feel that the European governments have made long strides, in dealing with the intricate problems involved.

Even in the field of military defense, we and our allies are a long way from being out of the woods. Science and technology moves at a breathtaking pace, and military weapons and facilities are growing more complicated and more expensive every day. The maintenance, improvement, and progressive modernization of NATO forces will continue to present problems of tremendous magnitude. In addition, we are confronted by the fact that the German defense buildup has been slower than expected, and that the French have considered it necessary to divert a large portion of France's military forces to Algeria. The NATO defense program certainly cannot be taken for granted and there is no basis for any relaxation of interest or effort.

Finally, we know that certain European governments have had difficulties of an internal nature. France, in particular, has been going through a severe domestic political crisis.

For obvious reasons, I would prefer to avoid making extensive comment on the internal French situation at this time. It would be inappropriate for Americans to do or say anything which might be construed as interference in a matter that is essentially the concern of the French people themselves, or which might complicate the enormous tasks facing the de Gaulle Government. I do not want to suggest any lack of interest in the situation, nor to gloss over the seriousness of the problems that may arise from recent events in France. It has been necessary for us to give this situation a great deal of thought, and to follow developments very closely. At the same time, I think Americans would do well to avoid going off the deep end in considering the possible effects of the French situation upon the Western World as a whole. We should view this situation in the broad perspective of history.

I am convinced of the profound dedication of the French people and their government to the cause of human freedom. I am equally convinced that the basic interests of the French nation are inextricably tied up with the future of the European community and the Atlantic community. The Western World needs France just as France needs its association with the Western World. France has played a leading role thus far in the building up of Western defense, and I do not believe that any French Government, other than a government under Communist control would wish to try to undermine or halt the progress that is being made.

With respect to the various other problems I have mentioned, I believe that we should take a similarly calm and constructive attitude. We should not try to sweep any of these problems under the rug. On the other hand, we should not exaggerate their difficulty. Here again, I feel that perspective is essential, because we are going to have to live with some of these problems for a long time to come.

Actually, none of the problems that we face today in Western Europe is nearly so difficult as those we faced 10 years ago. I remember when a number of people sincerely opposed the Marshall plan with the argument that European economic recovery was hopeless and that any effort to promote recovery would simply amount to pouring money down a rat hole. I remember when NATO was also opposed on the grounds that Europe was politically and militarily indefensible, and that any effort to build an effective defensive structure would be a waste of effort. If we had followed these counsels of despair, we probably would not be sitting here today discussing our policies of Western Europe because Western Europe would already have been lost to the Free World.

In dealing with the current problems of free Europe, I believe our policies should follow the same general patterns that have been successful in the past. While economic aid to Europe has been virtually eliminated, with the exception of assistance recently given France, we must keep the European economic picture under close observation, and must take account of the need for European economic health in developing our own financial and commercial policies. We must do our part in maintaining the NATO defense structure, and must continue to help our allies to improve and modernize their forces. We must develop further the processes of political consultation in NATO, in order to insure a fundamental unity of policy and action among the member governments. We must explore constantly with our allies the possibilities of joint effort in all fields of endeavor where a combinaiton of skills and resources may offer mutual advantage. In particular, I believe we should give full support to the recent NATO program for scientific cooperation.

We must encourage our European allies to settle occasional differences among themselves in a peaceful and constructive manner. Without interfering in the internal affairs of friendly nations, we should use our influence to promote political and social stability. We should encourage our friends to adopt progressive and realistic policies in dealing with their territorial and economic interests in other parts of the world. We should continue our cultural and information programs, both as a means of counteracting Communist propaganda and as a means of inspiring a greater unity of spirit throughout the Atlantic community. One of the strongest bulwarks of Atlantic cooperation is the widespread and direct contact that has developed among the peoples themselves—among businessmen, professional bodies, labor groups, legislators and many other elements of national populations. These contacts produce a kind of understanding and community of interest that could never be achieved through governmental contacts alone.

In carrying forward our multiple policies and programs in the European area, we must give constant consideration to new methods and techniques of operation. In the final analysis, however, there is no substitute for old-fashioned diplomacy—for the ability to move rapidly and decisively in all fields of common interest—for the day-to-day diplomatic cooperation on a host of little problems which, if effectively handled, we can keep from becoming big problems. It may be trite to say that diplomacy is not only our first but our only satisfactory line of defense, but I believe the statement is nevertheless true.

All things considered, I would say that our European policies have paid off. I believe they will continue to pay off in the future. I do not mean to imply, of course, that there is no room for improvement. As I have already indicated, all our policies and programs are in a constant state of revision. We must always be on the alert for better ways of doing things. However, I honestly believe that our basic policies are on the right track and that our principal task is to improve their practical application to particular situations.

We cannot expect that these policies are going to result in an immediate relaxation of international tensions or a sudden termination of the cold war. On the contrary, I think we should face up to the fact that an early end to the cold war just doesn't seem to be in the cards. The road ahead will probably be long and hard, with many twists and turns, but we already know better than to expect any smooth-surfaced freeway to peace and survival. We will certainly make mistakes, and the enemies of freedom will do everything they can to capitalize on these mistakes.

However, I am sure that the Soviet rulers are not nearly so hopeful about any particular mistakes we may make as they are hopeful that we will ultimately quit trying. It is their fondest dream that we will eventually "run out of gas"—that we will succumb to a sort of "cold war weariness"—that we will become "fed up" with a troublesome and perplexing international situation and decide to let the world go by default. A major part of our job is to convince them that this dream is never going to come true. If we display the same energy, imagination and determination that we have shown in the past, we have reason for confidence that we can meet the challenges of the future.

UNEMPLOYMENT IN WISCONSIN

Mr. PROXMIRE. Mr. President, the Monday edition of the Milwaukee Journal reports extremely serious economic news from my State. It has just been reported that unemployment in Milwaukee, Wis., reached the highest figure in May that it has reached since before World War II. The tragic fact is that, as of the middle of May, there were 31,400 Milwaukee men and women who wanted work but could not find it.

To these unemployed people in Milwaukee, the unwillingness of the President of the United States to recommend any significant action to the Congress, his unwillingness to do anything about unemployment except talk about it, is a tragedy they find hard to understand.

Mr. President, the same issue of the Milwaukee Journal reported that in May there were more bankruptcies filed than in any month since Federal court records have been kept in the eastern district of Wisconsin. In the first 5 months of this year alone there were more bankruptcies in eastern Wisconsin than in any full year, and I emphasize full year—between 1943 and 1953.

Because literally thousands of businessmen have gone to the wall, workingmen have been thrown out of work and the milk prices of farmers have just fallen to another low, we are in a full scale depression. We are in a time that demands immediate and substantial Government action.

Mr. President, I ask unanimous consent that the two articles from the Milwaukee Journal be printed in the RECORD at this point following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

JOBLESS TOTAL HITS POSTWAR HIGH HERE—COUNTY FIGURE ROSE 1,100 BY MID-MAY TO 31,400—REVERSES SEASONAL TREND

Milwaukee County unemployment increased 1,100 from mid-April to mid-May, the local office of the Wisconsin State employment service reported Monday. The rise brought total unemployment to a new postwar high of 31,400.

According to Willett S. Main, manager of the local office, total employment in the county during the last month dropped 2,400, from 457,000 to 454,600. The employment figure was 22,800 below the level of a year ago.

The combination of a rise in unemployment and a numerically greater drop in employment pushed the jobless figure as a percentage of the total work force in the county to 6.5 percent—up three-tenths of 1 percent over the mid-April percentage. Joblessness has risen 20,300 in the last 12 months, Main reported.

REVERSES NORMAL TREND

In its regular bimonthly labor market analysis, the employment service said that county employment decreased 3,400 from mid-March to mid-May. It was the first decline recorded for that bimonthly period since 1949. A normal trend for the March to May period, the report stated, would have been an increase of 5,700 workers.

"The continuing slump in durable goods manufacturing," Main said, "more than offset weaker than usual seasonal expansion. Construction, service, agriculture and food products hiring was nearly normal, but usual spring upturns in retail trade and metal fabricating did not take place."

The mid-May unemployment percentage still was below those that were chalked up during the 1949–50 recession when the jobless accounted for 7.1 percent of the total labor force in November 1949; 6.9 percent in January 1950, and 6.8 percent in March 1950.

CITES FEWER OPPORTUNITIES

The total labor force, Main said, has decreased 1,800 since the middle of March. He said that although labor force withdrawals normally exceeded additions during the period, the greater loss this year could be attributed to the lack of job opportunities.

"There is also evidence indicating that a significant number of jobless persons have returned to their home communities to wait for improvement in the job market," Main added.

The report showed that employment in durable goods manufacturing declined for the eighth consecutive bimonthly period. The current reduction amounted to 6,300. Since January 1957, the start of the hard goods downtrend, payrolls have decreased 22,600. Principal decliners have been producers of electrical and nonelectrical machinery and primary metals.

GRADUATE DEMAND DOWN

"The demand for high school graduates is expected to be very weak this year," Main said. He said that "outstanding trade apprentice candidates and well-qualified stenographers had the best chance of getting jobs immediately after graduation.

"Graduate engineers, elementary teachers, social workers, nurses, mathematicians, physicists, and other technically trained college graduates should get jobs without much trouble," Main said.

The job outlook for students during the vacation period, however, is not bright, according to Main. He pointed out that much of the demand for students in the past had stemmed from a shortage of adult workers available for permanent employment.

RECORD IS SET BY BANKRUPTS—MAY TOTAL REACHED 175, THE HIGHEST FOR A SINGLE MONTH

There were more bankruptcies filed in the month of May than in any month since Federal court records have been kept in the eastern district of Wisconsin.

Exactly 175 bankruptcy petitions were filed with the court last month, according to Dale E. Ihlenfeldt, clerk of the Federal court. The previous record was 165, in March. Federal court records go back to about 1907.

A total of 732 bankruptcies have been filed in the first 5 months of 1958. That total was more than were filed in any full year between 1943 and 1953.

There were 1,345 bankruptcies filed in 1957, the highest ever, including the depression years of the 1930's. The 1958 figures were running considerably ahead of this rate; there were only 566 bankruptcy petitions filed in the first 5 months of last year.

Bankruptcy petitions filed so far this year were 122 in January, 125 in February, 165 in March, and 145 in April. The biggest month in 1957 was 141 in July.

FARM PRICES

Mr. SYMINGTON. Mr. President, I read with interest the analysis of farm prices presented in yesterday's RECORD by the distinguished junior Senator from Minnesota [Mr. HUMPHREY].

Seldom do I disagree with the Senator from Minnesota—particularly on farm matters. However, based on the latest Department of Agriculture release on agricultural prices, I know he would be glad to have me present the fact that the May 1958 average price of limes, in terms of percentage of parity, is not 300; it is 421.

The same official Department of Agriculture release shows that, as of May 15, sweet potatoes average 107 percent of parity; apples, 110 percent; grapefruit, 156 percent; and oranges, 167 percent.

Even more important, however, to Missouri farmers is the current level of livestock prices. Here again, Mr. President, despite the glowing claims by some individuals regarding the current level of livestock prices, I present some data to give more perspective to the current situation.

The May 15 index of prices received on all livestock and livestock products is 8 percent below the same index for 1952. In the case of meat animals, prices have finally reached approximately the same level as in 1952.

The index of prices received on dairy products on May 15 was 19 percent below the level which prevailed in 1952; on poultry, 18 percent below; and on wool, 29 percent below.

While we are extremely grateful for the current prices on cattle and hogs, it is therefore clear that other livestock products, as well as most of the crops, are not doing nearly so well.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, the May 15 average prices received by Missouri farmers, and a comparison of those prices with the May 15 parity prices.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Missouri farm prices, May 15, 1958

		Average price received	As percent of parity price
Cotton	pound	40.21	55
Wheat	bushel	1.93	80
Corn	do	1.17	65
Soybeans	do	2.15	70
Grain sorghums	hundredweight	1.80	67
Milk	do	3.35	66
Butterfat	pound	.59	66
Beef cattle	hundredweight	24.50	105
Hogs	do	22.20	100
Eggs	dozen	.33	67
Chickens	pound	.17	62

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield for a question.

Mr. HUMPHREY. Did I understand correctly that the Senator from Missouri was taking the junior Senator from Minnesota to task for underestimating the parity price ratio on limes?

Mr. SYMINGTON. The distinguished Senator from Minnesota is entirely correct. Let us give the prices of limes full credit as a result of the freezes and floods which have helped the overall national parity level.

Mr. HUMPHREY. I apologize for this inadvertent error, but this is the period in which everything is new. We have had the new look, we have had the new NIXON, and now we have the new HUMPHREY. I am underestimating prices.

Mr. SYMINGTON. This is the first time I have ever known the Senator from Minnesota not to be entirely ac-

curate about everything he says on a farm question.

Mr. HUMPHREY. Perhaps it is because of a new, cautious, conservativism which has come over me.

TO BENEFIT THE FAMILY FARM—LETTER BY LEONARD HALL

Mr. SYMINGTON. Mr. President, on June 2 the St. Louis Post-Dispatch published a letter entitled "To Benefit the Family Farm," by Leonard Hall, of Caledonia, Mo.

Mr. Hall is one of this country's outstanding authorities on agriculture, and, as usual, his analysis is penetrating and clear.

I ask unanimous consent that Mr. Hall's excellent letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTERS FROM THE PEOPLE: TO BENEFIT THE FAMILY FARM

To the EDITOR OF THE POST-DISPATCH:

Writer C. R., under the heading, "Change on the Farm" says "sentimentality continues to obscure farm evolution"—and from there bases his argument on interpretations of recent columns of mine concerning agriculture.

May I point out that what is happening today in farming is not evolution. Part is a deliberately directed trend toward bigness which is, in my unsentimental opinion, decidedly for the worse. It continues because it benefits a powerful few at the expense of a less influential many in agriculture. Thus we admit our inability to control the directions in which we travel.

I well recall opinions in America that fascism and communism represented evolution and were a natural wave of the future. Fortunately, some of us did not share these opinions—and today I do not agree that what is happening to farming is evolution. It is mainly tragedy brought about by greed and stupidity.

Always I have stated I am not much concerned with what United States Department of Agriculture calls the small farmer; that 45 percent who are marginal, residential or part time because of a job in town. These do little farming, produce less than 5 percent of farm crops, are unaffected by any farm program.

My concern is for the good, adequately financed, efficiently operated family farm—with its $50,000 capital investment, requiring 600 or more days of work per year and producing 45 percent of all crops. This is the farm chiefly hurt by today's conditions.

If C. R. thinks he will find many such farmers belly-aching on courthouse lawns, he simply doesn't know what real farming is. As to bosses, the farmer has a hundred of them: the deadlines imposed by plowing, planting, and harvest; by birth and death of animals; by the inevitable rolling cycle of the year. Failure to meet the deadlines is the surest road out of farming.

It isn't impossible to come up with a "well-thought-out program that will stand critical examination and (once they understand it) satisfy the majority of farmers." Let's face it, however, that any such program will be bitterly fought by a small but powerful minority of big land operators, their equally powerful farm organizations and representatives in Congress, and reactionary elements in the business community.

Yet such a program is possible. It would help all farmers instead of the 10 percent who reap the chief benefits today, cut farm program costs by a large amount with a corresponding saving in taxes, rapidly eliminate surplus production, increase consumption of farm products at home and abroad.

Creating the program is not the problem. Selling it and getting it adopted and accepted is another story. Yet the farm problem is definitely evolving in this direction. One day we may see it solved.

LEONARD HALL.

CALEDONIA, MO.

LAG IN NATIONAL DEFENSE EFFORT

Mr. SYMINGTON. Mr. President, last Thursday, on the Senate floor, I examined in some detail the lag in our national defense effort. In my remarks I said:

> Defense dollar expenditures for goods and services were less in the fourth quarter of 1957—the first post-sputnik quarter—than they were in any of the three previous quarters of that year.

It was also pointed out that defense expenditures for goods and services in the first quarter of 1958 were less than they were in any quarter of 1957.

These statements were diametrically opposed to the official claims and published accounts of a step-up in our defense spending; and inquiries have come in as to the precise figures and their source.

I present the information for the RECORD at this time. The May issue of Survey of Current Business, published by the Department of Commerce, records on page 6 an official breakdown by quarter of the gross national product. Under the heading "Government Purchases of Goods and Services," is a subheading entitled "National Defense."

This table lists what the Government spent in purchasing goods and services for national defense for each quarter of calendar year 1957 and for the first quarter of calendar year 1958.

Those figures are as follows: 1957, first quarter $10.9 billion, second quarter $11.1 billion, third quarter $11 billion, fourth quarter $10.8 billion; and, 1958, first quarter $10.7 billion.

This table also presents the figures for each of those five quarters at seasonally adjusted annual rates, and the downward trend is the same.

These are the official data, showing what defense expenditures for goods and services contributed to total spending from January 1957 through March 1958.

Based on these data, it is clear that, since the economic recession started and since Sputnik No. 1 was orbited, the expenditures for defense purposes have gone down instead of up.

Mr. CLARK. Mr. President, the distinguished Senator from Missouri [Mr. SYMINGTON] last Thursday made a striking speech on the floor with respect to the inadequacy of our defense program. Since that speech was made, the press of the Nation has echoed the complacency which has overtaken not only our people as a whole, but the Eisenhower administration particularly.

I ask unanimous consent that there may be printed in the RECORD at this point in my remarks an article entitled "Strange Complacency in Capital—Sense of Urgency Gone Although No Vital Problem Solved." The article was written by Robert Roth, of the Philadelphia Evening Bulletin.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STRANGE COMPLACENCY IN CAPITAL—SENSE OF URGENCY GONE ALTHOUGH NO VITAL PROBLEM SOLVED

(By Robert Roth)

WASHINGTON.—A curious atmosphere of complacency, almost of indifference, appears to have descended, smog-like, on Washington.

The sense of urgency that was so apparent only a few weeks ago is not now to be observed in either the White House or the Congress. The drive to match the Russian sputnik, to arrest the recession, to reorganize the country's defenses, has slowed perceptibly.

The inclination now is to take it easy, to look before leaping. The President himself took note of this at his latest press conference when he was discussing the future of the Defense Establishment and its effect on the national economy.

ALERT TO EXTRAVAGANCE

"I do believe that the United States has now caught its breath," the President said, "and it is not quite so apt to use the words 'urgent' and 'critical' as they were last fall after the first sputnik was put into the air.

"I believe that we should—well, I would say—examine, we should critically examine every dollar we spend for defense. I believe that we must be alert to the damage that extravagance there can cause us."

The new "let's not go off half-cocked" attitude represents a significant political victory for President Eisenhower, for it is what he has wanted all along.

It was a very short time ago that it seemed to make little difference what the President wanted. His foreign aid, reciprocal trade and defense organization programs—the big three of his peace and security policies—appeared headed for defeat. Congress, dissatisfied with administration handling of the missiles and rockets program, was threatening to move into that field itself. Important elements in Congress wanted to fight the recession with a tax cut, with massive public works spending and with wholesale expansion of unemployment compensation payments. There were signs that such legislation might be passed in the face of Presidential opposition.

PRESIDENT HAS WAY

But in all these things the President has had or is about to have his way. The foreign aid, reciprocal trade and defense bills are assured of passage in substantially the form the administration wants. The furor over sputnik has died down. A tax cut is out the window, pressure for big spending has relaxed and job-insurance payments are to be held within the limits the President laid down.

This is a switch not easily accounted for. Certainly there has been no change in either the world or the domestic situation sufficient to justify the air of relaxation that now prevails in the Capital.

We are no nearer to matching, let alone surpassing, the Russians in missiles and rockets than we were last October when the first sputnik was put into orbit.

The international situation has, if anything, worsened. Soviet progress in penetration of the Middle East continues unabated, with no new accomplishment on our side to offset it. The crisis in France has put the whole NATO alliance in jeopardy. We are in trouble in Latin America, and disaffection threatens even our longstanding friendship with Canada.

LEVELING OUT SIGNS

On the home front the recession shows signs of leveling out or, if you prefer, in President Eisenhower's words, "has largely spent its force." But no one, from the President

down, is willing to hazard a guess as to when the upturn will come and there are not a few qualified economists who consider a further downturn still in the cards. Unemployment continues to be a vexatious problem and is expected to get worse before it gets better.

The lag in American education, the shortage of scientists and technicians, the overcrowding of schools are as much with us as they were a few months ago when they were the subject of angry public debate.

In the light of all this, why has a Democratic-controlled Congress decided, in an election year, to jettison what looked like the most promising issues? Why have members of the President's own party who have fought him many times decided now to soft-pedal if not to abandon their opposition?

SIMPLE PATRIOTISM?

The answer might lie in part in simple patriotism, in an inclination in a time of crisis to forget partisan and personal advantage so that the Nation may present a united front to the world. But that would hardly apply to economic issues, to things like tax reduction and unemployment compensation, which have always been considered fair game for politicians.

It has been suggested that the Members of Congress when they went home during the recent Easter recess found that the country is not genuinely concerned about so-called burning issues. It has even been suggested, though this is hard to credit, that the Democrats are so convinced they are going to win this year, and the Republicans so persuaded that they are going to lose, that neither side sees much point in stirring up agitation about matters to which the folks at home appear indifferent.

Some observers see signs that the country is at least temporarily in the grip of a neo-isolationism that inclines the public to shut its eyes to the troubles of the world and to concern itself exclusively with domestic problems that bear no relation to the international turmoil.

CONGRESSIONAL MAIL

In this connection it is noteworthy that most of the mail Congressmen are getting these days deals with two topics—the humane slaughter of animals for food, and ways in which the advertising and sale of liquor can be curtailed.

It is noteworthy also that the Speaker of the House of Representatives, SAM RAYBURN, probably the most powerful Democrat in the country today, refused when he addressed the National Press Club this past week to discuss any of the big issues that beset this Nation of the troubled world. What he talked about for 30 minutes was a plan to improve the east front of the Capitol.

Three possible explanations for the current complacency suggest themselves. One is that things are going very well and there is no reason to rock a boat that is sailing smoothly. It is an explanation that will appeal to few who watch closely the march of national and international events.

A second is that the President and the Congress have failed to awaken the people to the peril that confronts them. If that is so, after all that has been said and written, published, and broadcast, nothing save a new crisis of immense proportions will change the picture much.

A third explanation is that the officials of this country, in Congress and out, may have misgaged the temper of the people, may have failed to appreciate the real popular concern that lies below the surface.

If that is so, a day of reckoning is at hand for those now in office.

Mr. CLARK. Mr. President, on June 4, the Washington Post and Times Herald published a most important editorial entitled "After 8 Months," which pointed out that the sputnik had awakened the country to a temporary sense of urgency about the major problems which confront our country. I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFTER 8 MONTHS

The United States passes a melancholy landmark today. Eight months ago, on October 4, Sputnik I soared into orbit and gave this country humbling proof that its scientific preeminence could no longer be safely taken for granted. The beep from the sky was faint, but the message was unmistakable. The tiny satellite served notice that in two short generations the Soviet system was swiftly coming abreast of the United States in technological achievements. The shock to many Americans was all the greater for being so unexpected, and the way seemed clear for executive leadership aimed at repairing some of the long-ignored deficiencies in education and basic research.

How has the opportunity been used? Has the country turned the humiliation of Sputnik I to its advantage? Is there any essential difference in the posture that the United States presents to the world today?

With a few honorable exceptions, the unhappy fact is that 8 months later, the country seems adrift in the same doldrums as in the complacent times before October 4, 1957. To be sure, the Explorers and Vanguard have redeemed United States prestige to an important extent, but the smaller size of the American moons must temper any self-congratulation. There has been a needed emphasis on missile research, but the country still lacks an operational ICBM and may not be able to supply intermediate-range missiles to its European allies as promised next fall. And, in the increasingly vital area of space research, there is still no firm program, or funds—although the House of Representatives has acted commendably in approving a civilian agency to direct outer space exploration.

Most disappointing of all, the past 8 months have seen no perceptible progress toward an enlightened and generous program of Federal aid to the shortage-ridden schools and colleges of the country. No major hearings have been held on any of the four measures introduced in Congress to provide needed support for the schools. The administration diffidently asked for a half loaf; it seems all too likely the schools will in the end receive only a few meager crumbs if anything at all.

For a while, it seemed as if the sputniks might nourish a sense of urgency and direct attention to the need for a wiser investment in the country's most precious resource, its youth. So far, the hope has proved empty. The next 8 months renew the challenge. It is harsh to think that only another disaster like Sputnik I could prompt the administration—and the country—to show the aroused capacity of a free society to insure its survival.

Mr. CLARK. Mr. President, this morning in the New York Times there was published an article written by John D. Morris entitled "Defenses Expert Warns on Apathy," which summarizes the comments of Representative MAHON, of Texas, on the same subject with respect to which the Senator from Missouri spoke so ably last Thursday. I ask unanimous consent that the article from the New York Times be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEFENSES EXPERT WARNS ON APATHY—MAHON, BACKING $38 BILLION BILL IN HOUSE, SAYS NATION LACKS WILL TO KEEP LEAD

(By John D. Morris)

WASHINGTON, June 3.—A leading Congressional authority on United States defenses said today that complacency was again hampering the country's efforts to meet the Soviet challenge.

Representative GEORGE H. MAHON, Democrat of Texas, told the House that the United States lacked the necessary determination and singleness of purpose to win this contest for survival as the foremost nation of the world.

Mr. MAHON is chairman of the Appropriations Subcommittee in charge of the defense budget. He took the floor as the House began consideration of a bill appropriating $38,310,561,000 in new funds for the defense program in the fiscal year starting July 1.

The measure provides $113,614,000 more than President Eisenhower requested and is nearly $4 billion larger than the current year's appropriation.

WARNS ON UNITED STATES ATTITUDE

"But this bill today," Representative MAHON declared, "is not going to be adequate regardless of the billions provided unless the right attitude and atmosphere prevail in this country. The present attitude is not sufficient."

When the first Soviet earth satellite was launched last October, he said, the country became "aroused, humiliated, angry, frustrated, and determined." There was even a touch of hysteria, he observed.

"Now," he asserted, "the hysteria is gone, the anger has cooled, and the determination has been blunted. Our emotions and resolves have run the whole gamut from the peak of awareness and urgency to the humdrum plane of complacency."

Yet the Soviet threat to United States preeminence in industry, science, and military striking power is steadily increasing and "will become more acute, definitely more serious in the next few years," he said.

MOST DIFFICULT PROBLEM

"We cannot afford to let anything deprive us of a sustained sense of urgency to do the required things for the security of our country," he declared. "This, in my judgment, is our most difficult problem."

Mr. MAHON supported the United States policy of waiting for any potential enemy to strike the first blow. But he asked:

"Could it be that we are approaching the time when if you give a powerful opponent the first blow, no country on earth could survive and have the means to launch a winning counterattack?"

He said leaders and Americans generally must face up to this issue.

ROCKET EXPERT CRITICAL

Another aspect of United States defense policy, meanwhile, was criticized by a Pentagon expert, Capt. Robert C. Truax, of the Navy.

Captain Truax, a rocket specialist now assigned to the Defense Department's Advanced Research Projects Agency, deplored what he called half-hearted, piecemeal efforts to overtake the Soviet Union in the conquest of space.

Writing in the June issue of Astronautics, a publication of the American Rocket Society, he said the United States now lacked an integrated space flight program and was not even planning one.

He asserted:

"Without a clear-cut national resolve to lead in the exploration of space, and centralized planning and direction, we not only will not overtake the Russians, but the gap

will continue to widen until they are as truly masters of space as England was master of the seas in the last two centuries."

Mr. SYMINGTON. Mr. President, will the able Senator yield for an observation at that point?

Mr. CLARK. I am happy to yield to my friend.

Mr. SYMINGTON. Mr. President, I congratulate the Senator from Pennsylvania for his usual perspicacious analysis of this vital problem. I am especially pleased the Senator has seen fit to have printed in the RECORD the outstanding remarks made by the chairman of the Subcommittee on Military Appropriations of the House Committee on Appropriations, the Honorable GEORGE MAHON, of Texas. In my opinion, no Member of either branch of the Congress is more assiduous in his efforts to give the facts about our defense to the people and to see that our country is properly prepared, than is this distinguished Representative from Texas.

Mr. CLARK. I thank my friend for his comments. I hope the Senator from Missouri will be able to remain on the floor for 1 minute more.

Mr. President, this morning, to my amazement, there was published in the New York Times an article written by James Reston, a distinguished reporter, entitled "President Begins Review of Policy on Crises Abroad—Meets With National Safety Council on Defense Plans and Foreign Relations." I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT BEGINS REVIEW OF POLICY ON CRISES ABROAD—MEETS WITH NATIONAL SAFETY COUNCIL ON DEFENSE PLANS AND FOREIGN RELATIONS

(By James Reston)

WASHINGTON, June 3.—President Eisenhower met with the National Security Council today for a broad review of foreign and defenses policies.

It is not known what decisions, if any, were taken. But it is stated officially, though privately, that a major foreign policy and defense policy review is underway.

For example, in the field of defense, the administration is confronted with three major decisions:

What priority is to be given to the production of various missiles, different planes, and other strategic delivery systems such as missile-launching submarines?

Is the Nation's capacity to wage limited wars to be stepped up, and if so how?

Which service is to do what in the revised defense of the continent, now under study within the Joint Chiefs of Staff?

MOST CONTROVERSIES INCLUDED

These three questions involve most of the controversial questions about allocation of funds and allocation of roles and missions to the services. They involve such complex decisions as how many B–70's are to be ordered at a cost of $15 million to $20 million each, how much is to be spent on the antimissile missile, how much on the Polaris-launching atomic submarine, and what concessions can be made to induce the Soviet Union to agree to an inspection system against surprise attack.

Also, just as scientific and technical events are forcing fundamental budgetary and service-mission decisions, so world political events are forcing the President and Secretary of State Dulles to review their foreign policies.

Nobody here pretends to know yet what the rise of Gen. Charles de Gaulle in France is going to mean to the future of the North Atlantic Treaty Organization, the European integration plans such as the Common Market, the exchange of atomic and missile information, or allied relations in the Mediterranean.

MACMILLAN VISIT AWAITED

President Eisenhower and Mr. Dulles will have an opportunity to review these things, however, with the British Prime Minister, Harold Macmillan, who arrives here Saturday. And this visit is adding some urgency to the policy review, especially since Mr. Macmillan is planning to see General de Gaulle in Paris in the near future.

The changing situation in France, however, is not the problem that is forcing a review. In recent days a variety of significant events have caused officials here to take another, and in some ways, a more hopeful look at the world situation. Among these events are the following:

The ideological feud between President Tito of Yugoslavia and the Soviet leaders has broken out again.

Pro-Western forces not only held their own but achieved some significant gains in the recent Italian and Japanese elections.

British gold-dollar reserves have just gone over the $3 million mark for the first time in 7 years.

Secretary Dulles believes there is now reliable ground for believing that Premier Sukarno of Indonesia is getting control of the pro-Communists in his Government. Despondency here over the drift of Indonesia toward communism is giving way to the official line that we have not played our main card there yet.

If Ambassador Raymond A. Hare's report of his talk with General Abdel Nasser, President of the United Arab Republic, on May 21 can be relied upon, President Nasser is now offering to cooperate in a moderate solution of the Lebanese crisis, which not long ago forced the President to dispatch troops into the eastern Mediterranean.

Even in India, there seems to be a new realization of the danger of Communist penetration in that part of the world.

CATALOGUE CALLED DECEPTIVE

This catalogue, by itself is deceptive. The hard fact is that the Communists still retain the initiative on the German question, are exercising great influences in Indonesia and the Middle East, and, unless General de Gaulle can find a formula for the solution of the Algerian and Tunisian questions, may even be able to make new progress at the heart of the Atlantic alliance in France.

Also, there is no concerted Allied policy, as yet, to deal with these problems any more effectively than in the last 2 years. All that can be said is that the situation in France, Tunisia, Lebanon, and Indonesia seems a little better than it did a few days or weeks ago, when a whole series of distastes seemed imminent.

What is going on here now is a reappraisal to see what can be done to improve these situations even more. The administration has found ways and means to help solve the financial crises in Brazil, Colombia and Chile. Both the foreign aid and the trade bills are in better shape in Congress than seemed possible a fortnight ago.

There are not yet, however, any new policies to deal with the larger Allied or Communist problems. But the search is on, and officials are moving from the discussion stage to the stage of decision.

Mr. CLARK. My sense of amazement, Mr. President, is due to the fact that Mr. Reston, a reporter of great ability and accuracy, states as a fact that for the first time the National Security Council is about to meet to determine:

First, what priority is to be given to the production of various missiles, different planes, and other strategic delivery systems such as missile-launching submarines?

Second, is the Nation's capacity to wage limited wars to be stepped up, and if so, how?

Third, which service is to do what in the revised defense of the continent, a subject now under study within the office of the Joint Chiefs of Staff?

Mr. President, I ask: How long is the present administration going to dilly-dally with problems of national survival? How long is the administration going to fail to give the slightest attention to the reports of the Johnson Preparedness Subcommittee, which indicated, as the Senator from Missouri said last Thursday, that in 16 out of 17 categories nothing of any effectiveness has been done to implement the subcommittee's recommendations, while the national defense remains in a state about which we must have grave concern.

Mr. President, perhaps the country is dilatory. Perhaps the country is not aroused. Perhaps the country has no sense of urgency. But what is the responsibility of the national administration? Its responsibility is to awaken the country.

I hope the Members of the Congress, with the help of the distinguished majority leaders of the Senate and of the House, will continue our efforts to push water uphill despite the failure of the Eisenhower administration to have any understanding of the needs which confront our Nation today.

SENATOR GOLDWATER, OF ARIZONA

Mr. BRIDGES. Mr. President, a very worthwhile and enlightening article about the able and forthright junior Senator from Arizona [Mr. GOLDWATER] is contained in the June 7, 1958, issue of the Saturday Evening Post—which appeared on the newsstands yesterday.

I congratulate not only the junior Senator from Arizona, but the author of the article, Mr. Paul F. Healy, the well-known journalist, for his objective treatment of one of the Nation's brilliant, younger statesmen who is serving his Nation and State so well. I ask unanimous consent that the article be printed in the body of the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GLITTERING MR. GOLDWATER

(By Paul F. Healy)

The most aggressive, articulate, colorful, and possibly most conservative conservative in the United States Senate is BARRY MORRIS GOLDWATER, a 49-year-old Republican from Arizona. At a time when conservatives are retiring or subsiding and dullness is settling over the Senate generally, GOLDWATER stands out like a spitball expert at a caucus of deacons.

GOLDWATER infuriates the professional liberals and his name has become almost a form of profanity in many labor-union circles.

He is the only Member of the Senate who is sponsoring and constantly talking up a so-called right-to-work bill which would prevent compulsory unionism. This year he is in a rough reelection contest which is attracting national interest, partly because GOLDWATER gives the impression he is running against Walter Reuther, the United Auto Workers' president, who lives not in Arizona, but Detroit. The Senator from Arizona started his word war with Reuther in the best pulp-fiction style—shooting from the hip with both guns.

As a jet flier, photographer, explorer, Indian authority, sportsman and free-swinging politician, GOLDWATER likes to live dangerously—seeming to be swept along by his own jet stream. He is expensively tailored and wears black-rimmed spectacles, except when piloting a plane. In his flying clothes he could pass for a character in the Steve Canyon comic strip; he is a colonel in the Air Force Reserve and the only Member of Congress with a command-pilot rating. As a man's man, he also appeals to women. "BARRY'S got a message for us girls," says one prominent young Democrat's wife.

To understand how GOLDWATER got where he is and how he is, some attention must be paid to his heritage, which is a ruggedly far western, pioneer variety. His grandparents, Michael and Sarah Goldwater (then Goldwasser) and a paternal great-uncle, Joseph, followed the gold rush to California in 1852, where they ran a general store and saloon in the Mother Lode country of Sonora. Later, when gold was discovered along the Gila River in what is now Arizona, Russia-born Mike Goldwater drove wagons of goods from Los Angeles across the desert to become an itinerant peddler in the mining camps. In 1862 the Goldwaters opened an adobe store and founded the town of Ehrenberg. The store offered everything from gunpowder and whisky to calico and lace, and also served as city hall, post office, and jail.

Then the Goldwaters began building a chain of stores—a venture involving more than commercial risk at a time when travel between towns literally could be a hair-raising adventure. Mike and Joe were badly wounded in a brush with Apache Indians in a place aptly named Skull Valley. The Goldwaters opened the second of their stores in Prescott with the help of two of Mike's sons, Morris and Baron—who was to become BARRY'S father. The other sons, Ben and Sam, forsook the hazards of frontier mercantile life in favor of the comparatively quiet occupation of faro dealing up and down the west coast. The Arizona Goldwaters proceeded to expand their stores to Phoenix, Tombstone, and Bisbee—their establishment in the latter town was the site of the famous Bisbee massacre in 1883, when bandits held up Joe and shot down five passersby who tried to sound an alarm. The bandits were later caught by a posse and five of them were convicted and hanged. A sixth member of the gang was sentenced to 20 years, but the citizenry disagreed with the verdict and strung him up with a rope from Goldwaters'.

Politics got into BARRY GOLDWATER'S blood when he was a boy. His Uncle Morris had helped found the Democratic Party in Arizona Territory, was mayor of Prescott, and served in the State legislature as Speaker of the House and President of the Senate. Morris took his nephew with him on his political rounds and had a profound influence on the boy, although not enough to make a Democrat out of him. When BARRY and his brother, Bob, took over the family stores after the death of their father in 1929, they decided that one of them should be a Republican for business reasons, and BARRY registered as such.

BARRY greatly admired his mother, the former Josephine Williams, a Nebraska descendant of Roger Williams, an Episcopalian and a Republican. Mrs. Goldwater raised her two sons and daughter, Carolyn, as Episcopalians.

BARRY GOLDWATER also seems to have taken after his mother in his supercharged energy. Weighing less than 100 pounds, she was a crack shot with rifle and shotgun, and skilled her sons in her favorite sport, deer hunting.

Few men expend themselves in so many directions as BARRY GOLDWATER. He needs remarkably little rest, which he attributes to the fact that he never overeats and has never smoked or drunk coffee. Six feet tall, his weight has remained a muscular 185 pounds for 30 years. He is handsomely square-jawed, with curly gray hair, and usually is suntanned. His nose was broken when he played center on the University of Arizona football team and he bears a small scar on his forehead, a souvenir from a wrestling match. A disgruntled fan hurled the top of a stool and GOLDWATER happened to be in the line of fire.

When he is not questioning Reuther, GOLDWATER radiates a boundless geniality, an earthly, self-deprecating sense of humor, and disarming candor. One AFL–CIO representative who has dealt directly with GOLDWATER sums him up as a "charming scoundrel." Union officials complain that GOLDWATER either does not understand labor-union practices or deliberately distorts them. The kindest term they apply to him is "playboy," apparently a reference to the fact that the Senator and his wife, Peggy, travel in a transcontinental social set.

GOLDWATER'S faults, like his talents, are gaudy. He has a tendency to take extreme positions, to speak out impetuously and too often, and to jumble facts or handle them loosely. He is gradually developing a degree of patience, but he feels it has been sorely tried.

GOLDWATER believes in calling a spade a spade, but in the heat of his arguments it is more likely to sound like a power shovel. Having previously called Reuther "the most dangerous man in America," he got carried away with this theme in a Detroit speech on the Salute-to-Eisenhower program last January. Filling out his air time, he ad-libbed that Reuther was "more dangerous than the sputniks or anything Russia might do."

This time Reuther blew his top. Three days later he told a cheering UAW convention that GOLDWATER was "this country's No. 1 political fanatic, its No. 1 antilabor baiter, its No. 1 peddler of class hatred." He cried that if GOLDWATER believed what he said he was "mentally unbalanced and needs a psychiatrist."

Privately, GOLDWATER commented: "I knew he'd crack, and he did it when I went into his backyard and started bitin' at him."

Reuther and GOLDWATER have been challenging each other to a showdown debate for 2 years, but they have yet to arrange a face-to-face argument outside a Senate committee room. On last February 27, Reuther stormed Capitol Hill and denounced GOLDWATER as a "political hypocrite" and a "moral coward" during a noon recess of the Senate Rackets Committee hearings on the United Auto Workers strike against the Kohler plumbing-fixtures company. GOLDWATER and the three other Republicans on the committee had blocked Reuther in his determination to be the first witness in the hearings. Reuther charged that GOLDWATER had "run out" every time there was a chance for a confrontation.

This time GOLDWATER blew his top. On the Senate floor he said that Reuther was a "liar," and various other reprehensible things. He recalled that he had accepted a challenge to debate the United Auto Workers leader over the radio in Detroit in June 1957, provided the union allowed him to pay half the cost of the program. Ten days before the event, Reuther canceled out because of a schedule conflict. Nonetheless, GOLDWATER related, he agreed to debate a United Auto Workers vice president, Leonard Woodcock, instead. He said the union meanwhile had expanded the program into a half-hour television show and, all in all, it had cost him approximately $1,000 to get insulted in Detroit.

In calmer moments, GOLDWATER often looks askance at his own quixotic nature.

"There are words of mine floating around in the ether that I would like to reach up at, grab and eat," he said recently. "I am sorry I called Reuther a liar. He did me a favor by cussing me out. You see, westerners are proud of their people and they don't like outsiders telling them they have an S. O. B.

"My differences with Reuther are purely philosophical," he continued mildly. "He's not a bad guy. He's a churchman and good to his family. But I think he's a devoted Socialist. And I don't like him taking dues money from Republicans and Democrats and using it to help elect Democrats.

"Reuther's not a labor leader, he's become a politician. When he was reelected president of his union in 1948, he said that 'political action shall have the first call upon my time and energy.' He's made a conquest of the Democratic Party in Michigan, and has made the United Auto Workers, with its 1,500,000 members, the greatest, strongest political machine this country has ever known. If he isn't stopped, Reuther will control this country's politics by 1960."

GOLDWATER is frank to admit he wishes the Republicans had a party adjunct as potent as the UAW. "I'd rather have 1,000 men working for me on election day than $10,000," he explains.

Emil Mazey, secretary-treasurer of the UAW, keeps a file on GOLDWATER, but it is not nearly as large as GOLDWATER'S 254-page file on Reuther. The Senator flips through it, reading Reutherisms at random, whenever he wants to be stimulated.

Significantly, none of GOLDWATER'S GOP Senate colleagues have enlisted in his running battle with the nimble Reuther, whose emotional forensic torrents invariably drown out his opponents. But it is accepted among Republicans that "BARRY'S got all the guts in the world." He can always be counted on to take a difficult speaking assignment for the party.

A former Republican official of the Senate says that first-termer GOLDWATER "has more leadership potential than any of the younger men I saw on our side of the aisle in 10 years. All he needs is more maturity—not to let himself get so riled by his adversaries."

It is a tribute to GOLDWATER'S charm that he is personally popular in the Senate cloakroom, even with those who disagree with him the most violently. He is respected for his sincerity and is considered a "good horse trader." However, many Democrats feel he went to unfair lengths in a vain attempt to get Reuther in the Kohler strike hearings. At one point in the hearings, GOLDWATER cryptically cited a Bureau of Labor statistic to the effect that 37 deaths were caused by CIO strikes in the period 1936–47. This stirred up a Democratic hornet's nest in the Senate. Senator PAUL DOUGLAS pointed out that 32 of the 37 killed were strikers or strike sympathizers and that only 1 of these was killed in a UAW strike.

GOLDWATER also hurt himself through his association with the late Senator Joseph R. McCarthy. They had been friends since McCarthy had come to Arizona for his health in the early 1940's. Though they had some fundamental disagreements, GOLDWATER voted against McCarthy's condemnation by the Senate in 1954 on the ground that it would be a dangerous precedent to set limits on a Senator's right to express himself. He pleaded in several speeches that McCarthy's transgressions at least were "mistakes of zeal and not of timidity." He said that the Re-

publicans were committing cannibalism on the Senate floor, but not enjoying their Irish stew.

The AFL–CIO annually grades GOLDWATER zero or close to it in a box score of whether Members of Congress voted right or wrong on selected issues. GOLDWATER agrees that he should be placed about as far out on the edge of the right wing as any Senator.

While he was pro-Eisenhower at the 1952 GOP convention in Arizona, he has not had the slightest desire to take the veil as a so-called modern Republican. He says he has retained his admiration for the President and they have remained personal friends. Ironically, though, he has not played golf or bridge with Eisenhower, while his brother, Bob, has done both.

The Senator is opposed to foreign aid and the welfare state. He is in favor of States rights, drastic Government economy, and lower taxes. He says his critics ignore the fact that he is just as opposed to big business as he is to big Government and big labor. He considers all three as inherently dangerous to a free-enterprise system. And he thinks the world is upside down when a "modern" and a "liberal" is one who supports centralized bureaucracy, which limits human freedom.

"Just what does it means to be 'modern,' anyway?" he asked plaintively on the Senate floor in 1957. "I think of myself as modern in the true meaning as outlined in the dictionaries. My brother and I have just built a new store. I am building a new home. I fly an airplane. I like new things and new gadgets."

GOLDWATER is the most versatile Member of the Senate. He has taken off and landed in 9 of the Air Force's jet models, including the F–104 fighter and the new KC–135 Stratotanker, and over the years has flown 70 different types of aircraft. He is an associate of the Royal Photographic Society of London, having qualified with his portrait studies of old Indians. He helped build the first radio station in Phoenix when he was 12 years old, now builds and installs his own hi-fi sets, and reputedly can fix anything mechanical.

He is devoted to Dixieland music and once taught himself to play the saxophone, clarinet, and trombone.

GOLDWATER is an authority on Arizona's 90,000 native Indians, among whom he is variously known as Barry Sundust, Barry One Salt, and Curly Head. He has a valuable collection of 350 katcina dolls, the famous masked religious figures made by the old Hopis. He also collects primary historical material on the Southwest and has taken some 8,000 photographs illustrating the more remote areas of the State and the customs of its 12 Indian tribes.

GOLDWATER has explored every sector of Arizona, the fifth largest State, and knows the Grand Canyon intimately. In 1940, when the feat was still rare, he navigated 700 miles of the Colorado River in a 3-week trip in a wooden boat—from the Green River in Utah to Boulder Dam through the Grand Canyon. He has shown movies of his river expeditions all over the State.

Cruising by air over the Grand Canyon one morning in 1951, GOLDWATER noticed deep down in Nankoweap Canyon the shadow of a natural bridge whose existence was not known. He returned later and made a complete aerial reconnaissance to be sure it was not a hallucination. Then he got a helicopter pilot to take him down into Nankoweap, clambered 2,000 feet, mostly upward, to the site of his geological discovery, and photographed it.

In 1934 GOLDWATER married attractive Peggy Johnson, whose father, Ray Prescott Johnson, and uncle, Charles S. Davis, were two of the heads of the Borg-Warner Corp. One of the guests at the wedding in Muncie, Ind., was G. Mennen Williams, now better known as "Soapy" and the fifth-term Democratic Governor of Michigan. The Senator still kids his wife about the days when Williams—then at Princeton—dated her and presented her with poetry. GOLDWATER has never taken dead aim at the Governor, whom he regards as a junior partner of Reuther, but he denies that this is due to gallantry toward Peggy's ex-beau.

The GOLDWATERS have four good-looking children—Joanne, now Mrs. Thomas Ross, living in Salt Lake City; Barry, Jr., a freshman at the University of Colorado and three-time all-American interscholastic diver; Michael, a student at Staunton, Va., Military Academy; and Peggy, a student at the Judson School in Scottsdale, Ariz.

They have a spectacular new modern house on a mountain just outside Phoenix and overlooking the Valley of the Sun. Built of northern Arizona sandstone and redwood, it is complete with steam bath, hi-fi speaker in every room, built-in movie projector, a photography darkroom, a gallery of western paintings, and a collection of early western firearms. The GOLDWATERS also have a summer home overlooking the Pacific at La Jolla, Calif., and an apartment in Washington, D. C., that is strikingly decorated in a desert motif.

The old GOLDWATER home, where BARRY was born on January 1, 1909, was headquarters for the active young people of Phoenix when he was growing up. The three GOLDWATER children were openhanded, fun-loving, and utterly uninhibited. Mrs. Baron Goldwater, now a salty septuagenarian, recalls: "I always let them do what they pleased, but I taught them what was right and wrong. I told them I'd rather they'd steal than tell a lie."

BARRY was graduated from Staunton Military Academy and went on to the University of Arizona. After his freshman year his father died. Somebody had to mind the store. BARRY told Bob that "one of us has got to get educated, and it better be you." Bob, though 18 months younger than BARRY, had brilliantly skipped several grades and passed him in school. BARRY was never a scholar.

When Bob later joined BARRY in the store, they made an imaginative pair of merchandisers. They imported the smartest styles from New York and expanded the business 10 times over. Today, Goldwater's, Inc., is a cross between an elegant department store and a high-fashion women's specialty store. It includes 4 stores in Phoenix, 1 in suburban Scottsdale, and 1 in Prescott. The combined annual gross is approximately $6,500,000.

Like most of the stores in Phoenix, Goldwater's has not been organized by unions. The Senator says, "I wish we could pay our people more." But he points out that their 550 employees have long enjoyed a 37-hour week, a liberal profit-sharing plan, and company-paid life insurance. During World War II, the Goldwaters bought a farm in order to supply their employees with milk, vegetables, and meat.

Senator GOLDWATER still likes to talk about the days when he was, as he puts it, "selling pants." He says he has sold everything but shoes and brassieres. One day before Christmas he set a record in the store by ringing up 204 individual sales.

He is convinced that salesmanship is largely a matter of initiative and is compiling an on-the-spot documentary to instruct salesmen in "how not to sell." As he travels about the country, he makes a point of dropping into the local department store with a wire recorder concealed under his coat. He approaches the cosmetics counter and innocently asks for razor blades. He has privately committed himself to buy, without resistance, any other items the girl suggests up to $5. To his disappointment, most of the clerks simply direct him to the razor-blade counter instead.

"Only one girl—in a drugstore in Oklahoma City—got all my $5," GOLDWATER says. "I told her, 'Honey, if you ever need a job, come to Phoenix'."

GOLDWATER learned to fly in 1930, but when the war started, the Army Air Corps turned him down because of his age—32—and astigmatism. Having been in the National Guard, he wangled an assignment as an infantry officer as a ground-school instructor in gunnery. He next made a deal with training pilots to take their photographs in flight—GOLDWATER and his camera would ride in the rear cockpit of one of the planes and would snap the pilots as they flew by. In return, the pilots gave him after-hours flying time, enough so that he eventually qualified as a ferry pilot. In August 1943, he participated in the first—and last—flight of fighters, P–47 Thunderbolts, to cross the Atlantic during the war.

GOLDWATER spent the rest of the war overseas with the Air Transport Command. He became a chief pilot on the "pony-express runs" supplying the B–29 bases in India via the Azores and Casablanca. One moonlit night in Calcutta, GOLDWATER and a buddy, Major (now Colonel) Hap Croswell, climaxed a private celebration by having a ricksha race down the main street, carrying the ricksha boys as passengers. Returning late to his quarters, GOLDWATER found a radiogram reading: "By first available aircraft you return to United States." He rounded up a crew, climbed into a C–54, and was airborne by 4 a. m. When he arrived back at ATC headquarters, he was greeted with: "What the hell are you doing in the States?" It developed that three words had been left off the message in transmission. It should have read: "Inform Major Croswell by first available aircraft you return to United States." So GOLDWATER immediately flew the 13,000 miles back to India, completing perhaps the longest unnecessary trip of World War II.

A lieutenant colonel when the war ended, he organized the Air National Guard in Arizona and retained an active status in the Air Force Reserve, which requires him to fly Air Force planes 100 hours a year. In more than 6,000 hours of piloting, GOLDWATER has had only one minor crackup.

One of his most surprising passengers was the late Willie Bioff, the labor racketeer who was convicted of extortion and pandering. Bioff had made GOLDWATER'S acquaintance while hiding out in Phoenix under an alias. Late one night in 1955, after making a speech in Las Vegas, Nev., the Senator and his wife ran into Mr. and Mrs. Bioff at the airport. The Bioff's flight had been canceled and they asked if they could hitch a ride back to Phoenix in the Goldwater's 4-seat private plane. The Senator obliged. He does not apologize for knowing Bioff, who, he says, gave him firsthand knowledge of gangsterism in the labor movement. Shortly after that, Bioff was dynamited in his car in Phoenix.

In 1949 GOLDWATER was elected to the first of two terms in the Phoenix city council on a reform ticket. He led his 7-man slate in balloting each time. In 1950 he covered 50,000 air miles as campaign manager and pilot for Republican Howard Pyle's successful bid for the governorship of Arizona. Thus stimulated, he ran for the United States Senate in 1952 and defeated Ernest McFarland, the Democratic incumbent. This was no small feat, even though GOLDWATER had the benefit of Eisenhower's coattails and his margin of victory was less than 1 percent. After all, McFarland was the Senate majority leader and only once previously in its history had Arizona elected a Republican to the Senate.

In Washington, GOLDWATER has worked for Arizona's interests by shrewdly cooperating as much as possible with its powerful senior Senator, CARL HAYDEN, a Democrat and long a family friend. GOLDWATER is a member of the Interior and Insular Affairs Committee, where his knowledge of Indians, forestry, water, and mining is valuable, and of the controversial Labor and Public Welfare Committee, where, as a nonlawyer, he had a lot to learn. But, as usual, he jumped in feet first where most Senators fear to tread. By 1955 he was needling Reuther. He has been in demand as a speaker before business, farm, and professional groups all over the country ever since.

Today GOLDWATER is not so controversial inside Arizona as he is outside it. A great many Arizonians say they are proud of him and some Phoenix businessmen have begun calling him the most outstanding all-around citizen the State has produced. In these circles there is hope that he can capitalize on his opposition by union leaders as successfully as the late Senator Taft did in Ohio in 1950.

Vice President NIXON hinted at this line in a speech on February 15 in Phoenix, when he said of GOLDWATER: "I predict the voters of Arizona will show their resentment of Walter Reuther's attempt to purge him from public life."

Aside from the union spokesmen, a vociferous minority of white-collar liberals in Arizona can't stand GOLDWATER. The State's 1,070,000 population includes only 1,000 UAW members and 32,000 union members in all, but the word is being passed that labor will go all the way to knock off GOLDWATER in November. Labor's spokesmen, including Walter Reuther's brother, Roy, have come into Arizona in recent years and pictured GOLDWATER as one of the most hated men among working people.

Paul Theiss, regional director of the AFL–CIO in Phoenix, told me disgustedly in April, "With all the big issues facing our people—life-and-death matters—our Senator is out shadowboxing with Reuther."

GOLDWATER shrugs off such shafts with a smile. He points to his daily avalanche of mail, which is full of bitter anti-Reuther sentiment and encouragement from working people. He says he believes the right to strike is basic, but that forcing a man to join a union in 30 days under a union-shop contract is a violation of constitutional rights under the 1st, 5th, 9th, and 14th amendments.

GOLDWATER will pitch his campaign primarily on this issue, which is safe ground in his State. Arizona was the second of 18 States to pass a right-to-work act, by popular referendum back in 1947, and since has put teeth in the law.

McFarland, finishing his second term as Governor of Arizona, is burning with an ambition to regain his Senate seat from GOLDWATER. A lawyer, a lifelong politician and a transplated Oklahoman, the red-faced, 64-year-old Governor looks and acts like a farmer. Though his platform manner is customarily described as bumbling his common touch is his strength. He is considered formidable as a down the street handshaker in an election campaign.

The Republicans are counting on the GOLDWATER glitter once again to put McFarland in the shade. They hope to hook the slow-spoken governor into a debate with the fast-talking Senator. McFarland is regarded as the strongest Democrat who could be run against GOLDWATER, but he is not exactly the liberals' delight. Politically, he has always been in the middle of the road, sometimes trying to straddle it.

In the spring, local AFL–CIO officials as well as GOLDWATER himself were estimating his reelection chances at about 50–50. There were two unknown factors in the speculation. One was the recession, which at that time had barely touched Arizona. After a record winter-tourist boom, the State was feeling prosperous. But there were increasing layoffs in the copper mines, one of Arizona's four major industries, and if unemployment should spread generally, GOLDWATER's stock would drop.

The other question mark was the political complexion of the 300,000 to 400,000 new people who have settled in the State since GOLDWATER's election. The GOP thinks the great majority of them are Republicans because so many hail from the rural Midwest. Some forecasters predict the election will be decided by less than 1,000 votes. Summing up, William R. Mathews, publisher of the Arizona Daily Star in Tucson, said that "Mac has been a good, conservative governor, and BARRY has enhanced his popularity because out here we like a courageously outspoken fighter." Mathews mused on this and added exultantly: "Whoopee, it's going to be a campaign. Whew."

COLUMBIA RIVER REGIONAL DEVELOPMENT CORPORATION BILL

Mr. NEUBERGER. Mr. President, without actually meaning to do so, I am sure that the distinguished senior Senator from Idaho misled the Senate when he made a statement on the floor June 3 regarding the position of the Republican Party of Oregon with respect to the proposed Columbia River Regional Development Corporation bill (S. 3114).

Earlier, I had received a statement sent to me by Mr. William Niskanen of Bend, chairman of the Oregon Republican power policy committee, which declared in favor of the regional corporation principle for management of Columbia Basin power resources. As acting chairman of hearings before the Senate Public Works Subcommittee, and in response to Mr. Niskanen's request, I placed the statement in the record of the hearing.

In his statement to the Senate, the distinguished Senator from Idaho [Mr. DWORSHAK] claimed that the statement read by me "was sent by a former official of the party." Actually, Mr. Niskanen is presently chairman of the Oregon Republican power policy committee. The "former official of the party" is the person on whom the Senator from Idaho is relying, in his effort to discredit the statement which I placed in the hearing record. He is Elmo Smith, who was defeated in his reelection bid for governor in 1956.

Mr. Smith is the first incumbent Republican governor to be defeated for reelection at a general election in our State in modern times. Yet he is cited by the senior Senator from Idaho as a person with great authority in the Republican Party of Oregon. Not only was Mr. Smith defeated for reelection; but he resigned this spring from the policy and action committee of the Oregon Republican Party.

I do not claim to have any special knowledge as to who speaks for the Republican Party of Oregon on policy matters. I do not know whether it is an ex-governor who has resigned from a policy and action committee, a chairman of a power policy committee, or the chairman of the State central committee. Because of the conflicting views expressed by members of the Oregon Republican Party and prior to the time which the senior Senator from Idaho made his comments on the floor of the Senate, I sent a telegram to Mr. Smith, Mr. Niskanen, and Mr. James F. Short, chairman of the Oregon Republican State Central Committee, urging them to present clarifying statements to the Senate Public Works Subcommittee when it resumes hearings on the regional power corporation bill on June 5.

I ask unanimous consent to have printed in the RECORD with my remarks a copy of the telegram sent June 3 to the above-mentioned members of the Republican Party. Since Mr. Smith has challenged Mr. Niskanen's right to send a statement to the committee, I believe such clarification is necessary. I thought that Mr. Niskanen's statement was commendable. Ex-Governor Smith has questioned Mr. Niskanen's right to favor the regional corporation bill, and I have wondered who gave Elmo Smith authority to speak for the Republican Party in opposing the bill. As I mentioned in the telegram which follows, I would appreciate learning if Mr. Smith is the authorized Republican spokesman in opposition to the bill. I await with interest the replies which I have requested, and I assure the Members of the Senate that I will make such answers as I may receive available for the record, so there may be no further claims of misrepresentation of Oregon Republican policy on this important issue of resource management and development.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

The Honorable ELMO SMITH,
The Democrat Herald, Albany, Oreg.
Mr. WILLIAM NISKANEN,
Bend, Oreg.
Mr. JAMES SHORT,
Chairman, Republican Party of Oregon, Portland, Oreg.:

Our Senate Public Works Subcommittee holding 1 further day of hearings June 5 on Columbia River Regional Corp. issue to accommodate witnesses from Montana unable to be present earlier. Inasmuch as controversy seems to have developed in Oregon over exact position of Republican Party in State on this vital issue, will be pleased to receive clarifying telegrams for the committee record, should you desire to submit same. Note references in press by former Governor Elmo Smith that William Niskanen not authorized to speak for Republican Party in support of regional corporation bill. In response to his request, I included Mr. Niskanen's entire statement on corporation legislation in hearing record on May 23. Would appreciate learning if Mr. Smith is authorized Republican spokesman in opposition to bill. Kind regards.

RICHARD L. NEUBERGER,
United States Senator.

ELECTION OF UNITED STATES SURGEON GENERAL LEROY E. BURNEY AS PRESIDENT OF THE WORLD HEALTH ORGANIZATION

Mr. HUMPHREY. Mr. President, I know that many hundreds of Americans who are familiar with his great contribution in the field of world health were pleased to see the election of United States Surgeon General Leroy E. Burney president of the World Health Organization. This is a deserved tribute to Dr. Burney's magnificent accomplishments in

the field of public health, and all his many friends and admirers wish him well in his new responsibilities.

As a delegate of the World Health Assembly last week, I know full well the great prestige which Dr. Burney brings to his new position.

I was particularly pleased, Mr. President, that Dr. Burney has stressed his hope that WHO activities will expand to include studies of the peaceful uses of atomic energy. I ask unanimous consent that the text of a news article about Dr. Burney's election which was published in the Washington Star on May 30, 1958, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BURNEY NAMED HEAD OF WHO

MINNEAPOLIS, May 30.—The Surgeon General of the United States, Dr. Leroy E. Burney, was elected President of the World Health Organization yesterday and said he hopes his term of office will see WHO activities expand to include study of the peaceful uses of atomic energy.

Dr. Burney, 51, was unanimously chosen to succeed Dr. Sabin Hassan Al-Wahbi of Iraq. He was the second American to head the worldwide organization. Dr. Leonard A. Scheele was president of the fourth assembly while he was Surgeon General.

Peaceful use of atomic energy is one of the most important phases of study for WHO, Dr. Burney said.

Another important field, he told a reporter, was malaria, which he said remained a major health problem in many nations.

"We must turn from malaria control to the eradication of malaria," said Dr. Burney. WHO has spearheaded an attack on malaria throughout the world in recent years.

Dr. Burney said WHO, to be completely effective, must increase its membership to include all nations.

Vice presidents elected by WHO were Dr. J. Anouti, Lebanon; Dr. A. Sauter, Switzerland; and Dr. Tran Vy, Vietnam. Prof. N. N. Personen of Finland was named chairman of the committee on programs and budget. S. Khanachet of Saudi Arabia was elected to head the committee on administration, finance, and legal matters.

Mr. HUMPHREY. Mr. President, Dr. Burney delivered the keynote address at the annual meeting of the National Citizens Committee for the World Health Organization in Cleveland, Ohio, last November. Among the many comments which I have read in recent days about the importance of the World Health Organization, I have seen no statement which summarizes better what Dr. Burney calls the Importance of WHO to Americans. I ask unanimous consent that the text of his address on this subject be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE IMPORTANCE OF WHO TO AMERICANS

(By Surgeon General Leroy E. Burney)

I am grateful to the National Citizens Committee for the World Health Organization for the opportunity to say something today about the importance of the World Health Organization to Americans. My remarks here will be rather in the nature of a personal statement—the impressions and reflections of one who is a relative newcomer to active association with WHO. Of course, my belief that WHO is important existed even before my first attendance at a World Health Assembly, the Eighth, held in the colorful setting of Mexico City in 1955. This conviction was accentuated by attendance in 1957 at the Tenth World Health Assembly in Geneva, the headquarters of the Organization. At this Assembly, I had the privilege of heading the United States delegation. Having to exercise responsibility during the Assembly for the effective and proper presentation of United States views is one of the best ways of necessitating a clear hard look at WHO programs and policies.

I did not find such a look disappointing. The World Health Assembly is genuinely an impressive meeting. The delegates, representing most of the countries of the world, give serious consideration to the world's pressing health needs and how they can be met, resulting in tangible decisions directly affecting the health of millions of human beings such as the decision to drive for eradication of malaria from the world. The Assembly provides unique opportunity to exchange views and to establish friendly relations with the health leaders of other nations. This is the essence of communication—both more ready interchange of technical information and more international understanding, which basically is understanding between individuals. A further development of the ties between Americans and health leaders in other countries is one among many reasons why I am delighted that the Assembly in May 1958 will be held in the United States.

Any realistic accounting of the benefits which Americans derive from United States membership in, and support for, WHO must include the following:

Protection against importation of disease through almost universal application of the International Sanitary (quarantine) Regulations.

Protection of the health of United States citizens traveling abroad through these quarantine measures and through control of diseases at their source.

Stimulation of markets for United States products and lowering of prices of United States imports through reduction of the enormous drag of disease on economic productivity in many parts of the world.

Making available to the United States, for application here, the latest health and medical advances in other parts of the world.

WHO stimulation and correlation of such technical advances and of research.

Friendship for, and in many cases direct acquaintance with, the United States among health leaders—leaders who are often influential in their own countries outside the field of health.

WHO leadership in helping countries raise health levels and create more stable conditions of life as an essential part of the United Nations system.

TWIN CONTRASTS

Hours could be spent in elaboration and illustration of any one of these points. I particularly wish to discuss some aspects of the last point—the basic importance of the World Health Organization in raising health levels and creating more stable conditions of life.

Today, we face staggering contrasts. In a few short decades, a minority of mankind, mostly in North America and Western Europe, have almost conquered major communicable disease and have prolonged the span of life so that now the problems and diseases of old age loom large before us. At this very same time, one-seventh of mankind suffer from trachoma, perhaps one-quarter are infested with intestinal parasites; one-tenth still suffer from malaria each year; the dysenteries, often fatal, especially in young children, are too prevalent for calculation.

This type of contrast symbolizes, in the field of health, the vast gap which separates the conditions of life in economically developed countries from those in the rest of the world. The medical science and the technology now exist to conquer these diseases, yet for only a minority of mankind have they been truly conquered. For the first time, peoples in nearly all economically underdeveloped areas are acutely aware that, for some, ill health is not a normal condition of life and, furthermore, that it need not be.

But there is another contrast. On the one hand, there is around the world an insistent demand for health. Consequently, the nations, working cooperatively through the World Health Organization, are beginning to be really successful in the mass applications of the recently developed modern knowledge of the means to health. These applications are ways to the kind of life where human potentialities can be realized; where hunger, disease, and ignorance do not drag man down in his ascent from levels of animal existence. Yet at this very same time, man has made vaulting strides, terrifyingly rapid, in developing the means of mass destruction. These are means which, when wrongly used, can serve the passions of hate, fear, and the lust to dominate.

These twin contrasts—between conditions of life for a minority of mankind and for a majority and between the technology of human welfare and the technology of destruction—define, in my opinion, the context in which we must now view the importance of the World Health Organization to Americans and to the world. The technical means to health and the organizational means by which nations cooperate to realize health fully form a priceless counterpoise to help balance these contrasts.

AREAS OF COMMON INTEREST

Thirteen years ago, the 73d annual meeting of the American Public Health Association heard an unusual address. Two years before the international health conference, it defined forcefully and incisively the basic meaning and value of an organization such as WHO. As so often in the evolution of public health programs, national or international, the Rockefeller Foundation, in the form of this address by its top official, seemed to be lighting a path for others to follow. In speaking on public health as an international problem, Dr. Raymond B. Fosdick, then president of the Foundation, declared:

"The community of nations has got to have a kind of intellectual and spiritual integration before it can be absolutely sure that the forces of violence are under control. Consequently there must be developed for international life new areas and techniques of cooperative action. * * * We need rallying points of unity, centers around which men of differing cultures and faiths can combine, defined fields of need or goals of effort in which by pooling its brains and resources the human race can add to its own well-being." Dr. Fosdick saw hope only "as we begin to build, brick by brick, in these areas of common interest where cooperation is possible and the results are of benefit to all."

"Public health," he said, "can be an important area of common interest, a rallying point of unity." This is my view, and I believe it was the view of the health experts directly responsible for founding the World Health Organization. All nations want health, and no nation in the process of gaining health takes it from another—rather, thereby, it helps to advance health everywhere.

This notable address listed activities which a new international health agency might profitably pursue. It is impressive for me, and hopeful, that the list was an accurate preview of WHO's present far-reaching activities: a worldwide epidemic intelligence system; the standardization of biological products; the organized exchange of public health personnel to broaden the

technical outlook and stimulate the imagination of health officers; the supplementation of public health activity in countries where it is inadequate; the development of minimum standards of acceptable public health work that can be applied on a worldwide basis; the creation of expert committees and international conferences on special subjects.

These are all activities which, among others, WHO has inherited or initiated, expanded, and made markedly successful in 10 years. They represent the organized cooperative application, worldwide, of the swiftly developing modern technology of health—tangible interrelated action by most countries in the interests of all.

In September 1957, I had the opportunity to see for myself some of the progress in health being made in countries in the Pacific and Asian areas. I found fundamental changes taking place in these countries. Many of them, for example, are establishing spreading networks of rural health centers, which are the basic units of public health protection in that part of the world. During my all-too-short visit to that hospitable country, the Philippines, I saw several such centers. These rural centers, built largely by the efforts of the people in the villages, are so impressive that I confessed to my hosts that they are even better than many of our own here in the United States.

It is evident that in health most of the nations have indeed found an area of common interest. They have begun to build, brick by brick, expanding the techniques of cooperative action. In the context of today's world, this process, associated with international cooperation in other fields, such as education and agriculture, holds out hope. It is lessening, though slowly, the stark contrast in conditions of life; it is demonstrating incentive and ability to apply science for man's common benefit.

In viewing this essential value of the working of WHO, I have noticed how familiar many of WHO's techniques and modes of operation seem to be. Almost my whole professional life has been spent in the area of domestic intergovernmental health relations within the United States—as a State health official, working in cooperative relationships with Federal agencies, with other States, and with local and voluntary agencies; and as a Public Health Service official, in cooperative relationship primarily with the States, and with the same wide range of other organizations.

Through these effective working relations, we have built in the United States a true community of health effort.

On the plane of international intergovernmental health relations—the relations between WHO and member countries—the same trends are evolving. WHO's interrelationships with member countries seem familiar because, on reflection, they are in many respects quite similar to our relationships in technical matters between Federal and State health agencies. WHO's relationships with other United Nations specialized agencies and international voluntary organizations also remind me of our patterns of cooperation.

TECHNIQUES OF A FREE SOCIETY

The member nations of WHO are, of course, independent countries. Even though this is true, the pattern of technical relationships established between WHO and these countries contains the following elements which have a familiar ring to us.

WHO provides expert consultation and assistance to member nations. It develops and demonstrates public-health methods which are new, or new to the nations concerned. It stimulates cooperative action among nations on problems requiring such action. And in annual regional and worldwide meetings, the evolving health needs and the future shape of health programs are determined. Through WHO, the nations are succeeding in building on a world scale many of the interrelationships and techniques of cooperation which have proved so rewarding here—techniques of a free society.

The techniques of cooperation, indeed, involve not only WHO and national governments, but extend through them to a multitude of health experts and institutions within countries. The WHO influenza study program is an example of great current interest. In this program, WHO has brought about organized cooperation between laboratories in many countries, which collect, study, and report on influenza virus strains. WHO gives small grants to a World Influenza Center in London and to the International Influenza Center for the Americas, operated by the Public Health Service in Atlanta, Ga., as focal points in this program. In the United States alone, 60 different laboratories cooperate.

Through the program, which also includes the essential participation of a WHO panel of experts around the world, there is constant worldwide watch on the appearance and spread of influenza epidemics and rapid identification of responsible strains. Owing in part to this WHO influenza study program, we in the United States were alerted to the 1957 epidemic and were able to prepare for the invasion of the new strain through production of a protective vaccine.

The world, while now so interdependent, is still a large place. WHO makes use of a decentralized regional structure to an extent unique in international organizations. I believe that this decentralization has considerably strengthened WHO as an instrument through which nations cooperate for health. Through the regional offices and regional committees, WHO is brought closer to the needs and governments of member countries, and they closer to WHO. When I recently attended the meeting in Hong Kong of the WHO Regional Committee for the Western Pacific, it was clear that the health leaders of that part of the world and the WHO staff are good friends and work closely together in defining needs and planning programs in health.

Moreover, the decentralized regional structure makes possible more flexibility and experimentation in the WHO programs. An example of a worthwhile experiment is the establishment of the Institute for Nutrition of Central America and Panama. Under the aegis of the Pan American Sanitary Bureau, the WHO Regional Office for the Americas, and supported largely by the Central American republics, this institute has attained a worldwide influence in nutrition.

Comparison with our own national experience, then, shows that WHO and the nations are evolving a pattern of cooperation along lines to which all Americans can wholeheartedly subscribe. In its sphere, WHO is becoming a rallying point of unity. With the clearly defined need and goal of health in mind, men and nations of differing cultures and faiths are combining their efforts.

During the past year, some of the Soviet group of countries have resumed active membership in WHO. Even without their participation, WHO has already accomplished a great deal. The eventual character of renewed active membership by these countries remains to be seen. If, in the long haul, it turns out to be a real working together with other nations for health, this would considerably enhance the significance of WHO, as a pattern of cooperative action, applying the technology of human welfare. In such circumstances, the World Health Organization and associated international technical agencies might, given time, contribute more than we realize to bringing the forces of conflict into balance. It is our hope, and our imperative need, that this will be so.

EPILOG

I have given you some of the reflections of a relative newcomer to active concern with WHO affairs. After these reflections had been put on paper, I listened the other night to the President's address to the Nation on science in national security. In concluding his address, Mr. Eisenhower referred to the peaceful uses of science, naming specifically the contributions of science to healing as one of the most important products of the conquest of nature's secrets. Speaking for us all, he said that we will never cease to work for the day when the scientist can give his full attention, not to human destruction, but to human happiness and fulfillment. My theme today has been that WHO represents this use of science, and that, insofar as it is successful, WHO is building a pattern of common interest and action which can strengthen the conditions of peace.

Those of us who have had opportunity to appreciate all facets of the importance of WHO have a responsibility to meet. The holding of the World Health Assembly in the United States in 1958 gives us added opportunity to meet that responsibility.

If the 11th World Health Assembly appears to the American people to be merely another meeting on a technical subject, we shall have missed the boat. If it leads to greater appreciation by our public of the world demand for health, of the effective moves to fill this demand with leadership by the World Health Organization, we will have partially grasped this priceless opportunity.

It seems to me, however, that taking full advantage of the opportunity means furthering public understanding of the role of WHO in the total world context, the context of sharp contrasts which I have tried to sketch today. The National Citizens Committee for the World Health Organization, as a voluntary association of leaders in health and public affairs, is best equipped to promote vigorously this fuller understanding of why the World Health Organization is actually important to Americans.

UNITED STATES HOST TO 11TH WORLD HEALTH ASSEMBLY

The World Health Assembly, the governing body of the World Health Organization, will hold its 11th session in Minneapolis, Minn., beginning May 28, 1958. This will be the first session of the Assembly to be held in the United States.

Observance of the 10th anniversary of WHO is a special event of this year's meeting, and the Assembly delegates will participate in a commemorative session, May 26 and 27, preceding the regular session.

The World Health Assembly, composed of delegates from WHO's 88 member states, decides the Organization's policies, programs, and budget.

At Minneapolis, the Assembly will consider the annual report of the Director General on the work of the World Health Organization during 1957. It will approve the program for 1959 and determine the amount of money needed to carry it out. The 1958 budget, mainly contributed by member states, is $13,500,000.

It will also elect 6 member states, each entitled to designate a person to serve on WHO's Executive Board of 18 health specialists. Six board members retire each year. The Executive Board makes recommendations to the Assembly and gives effect to its decisions.

The Director General is appointed by the Assembly to serve as the chief technical and administrative officer of WHO, subject to the authority of the Executive Board. Dr. M. G. Candau is the present Director General and is in charge of a staff of about 1,400 professional workers of 54 nationalities at WHO headquarters in Geneva and in the field.

In a decade of operation, the World Health Organization, working with national health services, has made substantial progress in controlling infectious diseases, training

health workers, improving sanitary conditions, and in worldwide health activities of benefit to all countries.

THE NATIONAL COMMITTEE FOR A SANE NUCLEAR POLICY

Mr. HUMPHREY. Mr. President, the National Committee for a Sane Nuclear Policy has been the subject of discussion and comment in a number of periodicals during the past year. It has been my privilege to know many of the persons associated with the committee. The objectives of the committee are honorable and directed toward the attainment of a just and enduring peace.

The committee has done much to encourage a constructive and thoughtful discussion of the problems inherent in the development of nuclear weapons and the proposals to ban nuclear weapons testing by international agreement providing for an effective system of inspection and detection.

Recently there was published in the Saturday Review of Literature, the May 3 issue, an article by Mr. Norman Cousins, publisher and editor, concerning the composition, activity, and purpose of the Committee for a Sane Nuclear Policy.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TIME TO KNOW

This is about Time magazine, about which the Saturday Review has warm sibling feelings. In the early days of Time and the then Saturday Review of Literature, we shared the same working space in a somewhat rundown and poorly ventilated office building in lower New York. Indeed, the name of Time, Inc., appeared on our masthead as publisher. Time grew much faster than we did and we separated. It was the kind of separation, however, that is natural and inevitable inside a family when the children reach a certain age.

Now we have something severely critical to say about Time. In doing so, we sacrifice none of the sense of kinship we feel for the men who struggled alongside us in our weaning years in the publishing business.

For more than a year, one of the most distinguished and effective advertising campaigns in the United States has been carried on by Time magazine in connection with the verb "to know." Time has wisely and imaginatively sensed that a respect for knowledge is as vital to America as any of our natural resources or items in our arsenals. And the right to know and the need to know are intimately related to the facilities for knowing.

An item has just appeared in Time magazine, however, that violates the demands of knowing. The article is concerned primarily with the voices that have attempted to speak about American nuclear policy in general and nuclear testing in particular. Time magazine made it appear that people who questioned United States policy on testing were "dupes of the enemies of liberty." It didn't hesitate to use the spillover technique by which one name on a list is made to stain all the others.

Only a few years ago, Time was itself one of Senator McCarthy's larger targets. In that situation, Time properly put the Senator through its press roller. The essence of what Time said about the Senator was that he did not know what he was talking about. Also, that indiscriminate labeling was in itself a form of service to Communists.

Unhappily, this is the effect of Time's own piece on the National Committee for a Sane Nuclear Policy. Neither one of the cochairmen of the committee was interviewed by the magazine for its story. The committee was grouped together with other organizations with which it had no connection. It was made to appear that the committee was advocating a policy of surrender.

Among those who have signed the committee's policy statements were people like the Reverend Harry Emerson Fosdick, Paul Tillich, Lewis Mumford, Norman Thomas, Oscar Hammerstein, Elmo Roper, David Riesman, the Reverend George B. Ford, Dean John C. Bennett, Donald Harrington, Eleanor Roosevelt, General Hugh B. Hester, Clarence Pickett, the Reverend Ralph W. Sockman, Bishop Hazen G. Werner, Dr. W. Barry Wood, Dr. Erich Fromm.

It is more in the line of know-nothingism than knowing the Time to suggest that such persons are dupes of the enemies of liberty. Time has no monopoly either of knowledge concerning the threat of communism or zeal in combatting it. Men like Norman Thomas and Father Ford were fighting communism long before Time and Saturday Review of Literature even thought of setting up shop on Vesey Street.

If Time, a news magazine, disagrees with these people, it has every right to state its differences. But dealing in damaging catchphrases, is to our mind not consistent with the kind of standard that Henry Luce and Roy Larsen and Briton Hadden were raising in the mid-twenties.

Apart from the committee, a fairly impressive number of persons here and elsewhere have been questioning various aspects of our nuclear policy for many of the same reasons given to the committee, among them Walter Lippmann and Sir Anthony Nutting and Prime Minister John G. Diefenbaker of Canada. Does Time believe these men are Communist dupes too? And what about Pope Pius XII and Dr. Albert Schweitzer, both of whom have been deeply concerned about the sanity and safety of nuclear testing? Does Time take the position that it alone knows what the true hazards are? Even the United States Atomic Energy Commission now admits that this country is "the hottest radioactive place in the world." And a survey under the auspices of the AEC admits that there has been a recent increase in strontium-90 from 30 to 60 percent in the bones of the American people as the result of nuclear testing. Further, the New York area at present suffers a burden of 46 millicuries of radioactive strontium per square mile. This will be multiplied as the result of continued testing.

Not even the defenders of the AEC have contended that there is no danger from indefinite testing. How can Time know so confidently there is nothing to worry about?

Nor has Time, to our knowledge, ever faced up to the basic moral issue involved in nuclear testing. The question that has to be decided is not whether testing contributes to our security but whether we or any nation have the right to affect the atmosphere and the land that belong to other people against their protests. If the United States did not happen to be a nuclear power itself, and radioactive materials from a foreign source got into the air over our farmlands and lakes and cities, we would quite properly let out a roar of protest that would shake the earth. Why should Time not know that this is exactly how others feel?

Time says that the committee has shrewdly timed its major statement to appear just before the American tests and that it also has carefully refrained from issuing statements before the Russian explosions.

If Time had thought about this for only a moment, it would have realized how ludicrous this charge was. The Soviet Union did not announce its tests in advance. If Time had some way of knowing when the Russian tests were to be held, it should have revealed the news to the world. In that case, the National Committee for a Sane Nuclear Policy would most certainly have acted on the information.

As it happened, however, one of the major statements of the Committee did come just before the recent Russian test. This was sheer luck.

Time called attention to the men of the *Golden Rule* who are sailing into the forbidden area of the Pacific where the American tests are being held. What Time neglected to say is that a related group has already left for the Soviet Union to protest against Russian nuclear policy. If Time knew this, it was holding back on its facts. If it didn't know it, then it missed an important part of the story.

Recently, Time magazine ran some articles on public education that were displeasing to many educators. In retaliation, a few school officials have declared a boycott against Time and are banning the magazine from their libraries. In so doing, they overlooked the sustained and substantial service to public education in America by Roy Larsen, president of Time, Inc. We deplore this attitude. There are reasonable limits in public controversy beyond which reasonable men ought not and need not go. Public boycotts of the kind being organized against Time by some educators are out of bounds. So is name-calling and know-nothingism by Time itself in its last issue.

We are going to continue our subscription to Time, betting that the men we knew almost 35 years ago are still basically devoted to the sovereignty of accurate reporting and fair play. We still believe they are big enough to admit to a serious mistake, particularly as it concerns the reputation of men who are as eager as the editors of Time to serve the cause of freedom and a better world.

It is important to know. Especially is it important to know the difference between hard facts and sly innuendoes, between information and defamation.

N. C.

DISARMAMENT

Mr. HUMPHREY. Mr. President, there was published in the Sunday, May 18, issue of the Washington Star an article by Mr. William R. Frye entitled "Khrushchev and West Are Close on Little Disarmament Terms."

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KHRUSHCHEV AND WEST ARE CLOSE ON LITTLE DISARMAMENT TERMS

(By William R. Frye)

UNITED NATIONS, N. Y.—Two subjects are coming more and more to be linked by United Nations disarmament experts in forecasts of things to come. They are:

A temporary ban on the testing of nuclear weapons, with inspection to verify compliance.

Ground and air inspection not merely of the Arctic but of all areas where the Communist and free worlds come in contact.

These two subjects were first linked by the United States almost exactly a year ago—to be specific, on May 31, 1957—in a private memorandum handed to the Russians by Harold E. Stassen, then the President's disarmament adviser. The incident took place behind the scenes at a meeting of the U. N. Disarmament Subcommittee in London.

The two ideas also were linked by U. N. Secretary General Dag Hammarskjold in his

dramatic appeal for a break in the East-West arms deadlock. Mr. Hammarskjold spoke during the U. N. Security Council debate on bomber flights across the North Pole.

KHRUSHCHEV TAKES OVER

Now, interestingly enough, the test ban and open skies appear to have become the principal disarmament concerns of Soviet Premier Nikita S. Khrushchev. His latest letter to President Eisenhower deals almost wholly with these two subjects.

More and more people here at the U. N. are coming to regard a so-called little package consisting of a curb on testing and inspection to bar East-West surprise attack as the most likely first step toward arms control. Diplomats say privately that Mr. Hammarskjold, who has been acting as a go-between for the great powers, regards it as the probable pattern of arms negotiations in coming months.

The fact that the United States was the original author of this little package is not widely known. The contents of the Stassen memorandum have never been published. When the allies learned of it—they were not filled in until after it had been given to the Russians—two of them, France and West Germany, blew through the roof, and the British also objected.

As a result, the package was broadened to include other items which the Russians were known to oppose. Cynics said that the danger of a disarmament agreement between Washington and Moscow had thus been averted.

Steps are now being taken to revive the original package.

NEW PROPOSAL

In an effort to overcome the allies' objections, the United States is suggesting tentatively, as a possible move, a 3-year test suspension which would not begin until January 1, 1959—time enough to permit France to set off her first atomic weapon and thus become a member of the nuclear club. The delay would also, of course, give the United States and Britain time to finish their current series.

In a second major move to ease the allies' objections, the Eisenhower administration has asked Congress to amend the Atomic Energy Act to permit sharing of atomic information and weapon fuel. Britain and France have said privately that if this were done, they would agree to freeze their own nuclear-weapons technology in re a test ban.

BIG PROVISO

In order to qualify to receive American help, France would have to demonstrate that she already possessed a nuclear-weapons capacity. Information and materials would be given only to such countries. This—not just concern for prestige—is driving Paris toward her first test shot this year.

West Germany's opposition to the little package is much harder to overcome. Bonn does not want to sell Russia relief from two of the Kremlin's greatest fears—fear of surprise attack and fear of Germany building the bomb—for any price which does not include German unification. To do so, in Bonn's eyes, would be to abandon all practical hope of ever obtaining such unification.

But there was great pressure on Germany at the NATO meeting in Copenhagen this month to permit negotiation on disarmament to proceed without tying unification into the package in the early stages. And Bonn had to give in—though some face-saving was written into the final communique.

CLEARED FOR ACTION

Thus the decks are fast being cleared. And now, in Mr. Khrushchev's letter to Mr. Eisenhower, Moscow, too, seems to have come around to test suspension and prevention of surprise attack as the two principal objections to be sought.

Most of the world's attention understandably was focused on that part of the Khrushchev letter which agreed to study methods of inspecting a test ban. But his references to surprise attack were also of importance—and they included at least one conciliatory gesture toward the West.

For the first time, the Soviet Premier acknowledged that inspection of the Arctic was important. Previously, Moscow's line had been that there was nothing there to inspect except polar bears. Now Mr. Khrushchev called the region "an important strategic area which is of particular significance in view of the existence of rocket weapons." This sentence could have been written in Washington.

ASKS INSPECTION

Mr. Khrushchev then went on to ask for aerial and ground inspection of other areas from which surprise attack could be launched, he said, against the Soviet Union—inspection which the United States has long since agreed to give, if conditions are right.

U. N. diplomats believe the overall impact of this part of Mr. Khrushchev's letter is to revive for negotiation in a new and less objectionable context a question the United States has regarded as paramount ever since the Eisenhower open skies plan was first put forward in 1955.

Taken together with the offer on test inspection, this gesture toward open skies constitutes a considerable price for Russia to have paid to dig herself out of the hole she fell into as a result of her U. N. veto May 2 on the Arctic inspection issue.

The outlook for arms negotiations thus has changed materially. There is new talk here that it may be a useful diplomatic summer after all.

Mr. HUMPHREY. Mr. President, there was published in the March 9 issue of the New York Times an article by Thomas J. Hamilton entitled "Armaments Main Issue for a Summit Meeting."

I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMAMENTS MAIN ISSUE FOR A SUMMIT MEETING—ALTHOUGH UNITED STATES AND RUSSIA ARE STILL SPLIT ON MOST ASPECTS, ACCORD MIGHT BE REACHED ON A FEW—BREAKING UP THE PACKAGE

(By Thomas J. Hamilton)

With the negotiations for a summit meeting moving toward a showdown, the United States is trying to prepare a solid case on disarmament, which is bound to be a major issue. The United States wants meetings of both the United Nations Disarmament Commission and the Security Council to discuss the disarmament question before the summit. This would have the advantage of dramatizing the fact that it was the Russians, not anybody else, who broke off the disarmament negotiations after their success with the sputnik. Whether or not the American program goes through, it would seem that there will be a preliminary meeting of foreign ministers to determine the agenda and the other participants at the summit.

Although other subjects, notably Germany and the Middle East, have been proposed by one side or the other, disarmament will obviously be the dominant issue. But the disarmament problem has now grown so complex that it includes most of the important subjects in dispute between the United States and the Soviet Union.

APPROACH TO AGREEMENT

It is sometimes forgotten that the two superpowers are not far from agreement on such aspects of disarmament as the reduction of conventional armaments and armed forces. The deadlock has continued because each side has made its acceptance conditional upon the fate of other categories on which there is no agreement.

As the accompanying checklist demonstrates, the only hope of getting anywhere is to break up the respective packages. Then it can be determined whether the United States and the other Western Powers can reach agreement with the Soviet Union on 1 or 2 specific issues.

(1) Nuclear armaments: At the moment this is the demand on which the Soviet propaganda is placing its major emphasis. Both the Soviet Union and India insist on stopping nuclear tests without waiting for agreement on anything else. The Soviet Union has offered a quite comprehensive system of control, but the United States has rejected the proposal unless there is an accompanying ban on the production of nuclear materials for weapons.

ATOMIC DISAGREEMENT

The Soviet Union refuses to accept the United States proposal for a prohibition of the production of nuclear weapons unless there is an accompanying ban on their use.

The United States refuses the proposal for a ban on the use of nuclear weapons because no system of inspection could be relied upon to detect all the bombs now in the possession of the United States, the Soviet Union and Britain. That being the case, the side that complied with the agreement would have to depend upon the good faith of the others or its fear of reprisals.

(2) Use of outer space for peaceful purposes only: For obvious reasons the United States has suggested that the study of this problem be given priority and should proceed without waiting for a comprehensive disarmament agreement. However, the Soviet Union makes control of outer space conditional upon acceptance of its demands on two other issues: Prohibition of the use of all nuclear weapons, not just missiles, and the abandonment of American bases abroad, including those from which the United States could launch missiles against the Soviet Union.

(3) Ceilings on conventional armed forces: The Western Powers and the Soviet Union are quite close on both inspection arrangements and the ultimate size of the forces. The Soviet Union wants ceilings of 1,500,000 for itself, the United States, and Communist China while the Western Powers propose 1,700,000. However, the Western Powers propose a ceiling at the first stage of 2,500,000 and would come down to 1,700,000 only if progress had been made meanwhile on the settlement of political issues, meaning primarily the German question.

(4) Aerial inspection against surprise attack: As originally proposed by President Eisenhower in 1955, the entire territory of the United States would be open for aerial inspection by the Soviet Union, and vice-versa. The United States agreed later to a Soviet proposal for supplementary inspection on the ground.

However, this basic plan is barely recognizable as a result of changes during subsequent negotiations. The two areas on which there is the best chance of agreement are the Arctic Circle, together with the Kamchatka Peninsula of Siberia and all of Alaska, and a zone in central and eastern Europe.

(5) The Rapacki plan: Adam Rapacki, Polish Foreign Minister, did not propose a nuclear-free zone in central Europe until last October, after the United Nations Disarmament Subcommittee had concluded work for the year. However, the Soviet Union insists that this be taken up at the heads of government meeting. The Rapacki plan provides that no nuclear weapons be manufactured or stored on the territory of Poland, Czechoslovakia, East Germany or

West Germany. The United States opposes it because it would deny nuclear weapons to American troops in West Germany, who are there to hold the first line of defense against a Soviet attack.

STILL FAR APART

As this check list would indicate, the United States made a decided understatement when it informed the Soviet Union this week that the public positions of the two governments "do not as yet indicate the probability of agreement as to any matters of significance" yet proposed for discussion.

Limited as the immediate prospects are, there might be an agreement to stop nuclear tests. The Russians are undoubtedly sincere in their desire to prevent any fourth power from acquiring nuclear bombs and might be willing to make concessions on this point.

The Eisenhower Administration, moreover, now appears more receptive to the separation of this issue from the rest of the disarmament problem.

Failing such a development, the disarmament phase of the summit talks would probably concentrate on procedures for resuming negotiations in the United Nations. Assuming that the Western powers agreed to the Soviet demands that more neutralist and satellite countries be placed on the disarmament commission and its subcommittee, the General Assembly would ratify the arrangement next fall.

The disarmament commission, in that event, would resume its long-standing attempt to get an agreement in December or January.

FOOD—A FORCE FOR FREEDOM

Mr. HUMPHREY. Mr. President, one of the deeds of peace we can and must continue in the world is making better use of our abundance of food and fiber as a force for freedom. Many times I have discussed in the Senate the opportunities that confront us, for turning what some regard as a surplus problem into a constructive foreign economic policy asset.

Some time ago the Senate passed a bill which I sponsored to extend and broaden the Public Law 480 program which provides the basis for our agricultural export program.

Unfortunately, the other House has not yet acted. However sincere the motivation of agriculture's friends in the House, in holding back the Public Law 480 extension as a part of an omnibus farm bill, they are actually depriving farmers of export markets which cannot be regained.

Export sales from foreign currency have dwindled sharply as a result of available funds being exhausted. The bill to which I have referred would have made available immediately, an additional half billion dollars more for exports, and also an extension through the next 2 fiscal years. Even if the extension is eventually approved in the House, as I am certain it will be before the present Congress adjourns, we have during the final 6 months of the present fiscal year lost markets which were begging for our farm commodities.

Secretary Benson and other Republican farm leaders have expressed concern over this loss. They have a right to be concerned, but they are primarily responsible for that loss.

The reason we are losing export markets now, and have been for the last 2 months, is the lack of foresight of the Department of Agriculture a year ago. When we urged a 2-year extension at that time, Secretary Benson would only agree to a 1-year extension. When we asked for expanded authorization, Secretary Benson insisted that a billion dollar authorization would be enough to cover all needs for the year. We warned a year ago that the Department needed to lift its sights. Six months after enactment of the last extension, the Department of Agriculture found it was running out of funds and needed more. Even then it asked for only another 1-year extension, raising the likelihood of the same problem being repeated next summer—a lag in export funds, until a new extension could be voted. Fortunately, we in the Senate provided a 2-year extension, and also made provision for additional funds for the remainder of this fiscal year instead of merely trying to cover 18-months with a year's authorization, as the Department of Agriculture had proposed.

Now that it is in trouble, the Department of Agriculture is trying to shift its own responsibility onto delays in the House—delays which, incidentally, would not be happening in the first place if it were not for the administration's veto of the farm price freeze resolution.

The problem now is not who is to blame; however, the problem is to get the exports moving again.

I hope our House colleagues will take a new look at this export situation, and adopt the Public Law 480 extension without waiting for action on the omnibus farm bill. The important thing now is to get maximum exports moving again before harvest time. Unless this is done, farmers themselves will lose much of the benefit of Public Law 480 sales.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the May 27 issue of the Washington Post, entitled "Sending Surpluses Abroad," and an article by Scripps-Howard Staff Writer Henry N. Taylor, entitled "Our Surplus Food to World's Hungry at $4 Million a Day," from the May 7 issue of the Houston Press.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Famine in Brazil," published in the Washington Post of June 2, 1958. There is a very severe famine in Brazil, where approximately 1,800,000 persons are imperiled by starvation. It seems to me that under the emergency authority which the President has, both under the Mutual Security Act and Public Law 480, food could be provided for those friends of America in Brazil. This would be one way of demonstrating the generosity and compassion of the people of the United States for our American neighbors in Brazil. It would be an appropriate answer to some of the complaints which have been made and would be, in essence, turning the other cheek at a time when we have witnessed certain reactions in South American countries toward American policies and personalities.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 27, 1958]

SENDING SURPLUSES ABROAD

Secretary Benson has reason to be anxious over the surplus disposal bill which has not yet emerged from the House Agriculture Committee. If this measure should fail of enactment, farm exports would be sharply curtailed, and the accumulating surpluses would probably undo much of the improvement which has taken place in farm prices in recent months. The administration is seeking a step-up in the program from $1 billion this fiscal year to $1.5 billion in fiscal 1959 and $2 billion the following year.

India has been the largest buyer of American surplus farm products under this program, but substantial amounts have also gone to Poland, Yugoslavia, Pakistan, Korea, Mexico, and many other countries. Such commodities as wheat, flour, feed grain, rice, tobacco, and cotton are sold for foreign currencies at world market prices. The foreign currency is then used by the United States in the country of origin for diplomatic expenses or in many instances as economic loans to the country making the purchase. Thus double or quadruple benefits are reaped: For the United States, the elimination of price-depressing surpluses and the creation of new markets for American products; for the purchasing country, the acquisition of needed food, feed, and fiber and of capital for development of its economy.

Operation of the program has meant increased competition on the world market for other agricultural countries, including our neighbor Canada. That is unfortunate, and certainly the maximum of coordination is called for to avert dislocations wherever possible. But the United States would serve no constructive purpose by allowing its agricultural surpluses to rot when there are people who need and want them. This country is attempting to limit its output through acreage quotas and the reduction of support prices. While the adjustment between supply and demand is being made, some of the surpluses will have to be disposed of on the world market for foreign currencies, and Congress would do well to extend the requisite authority with a minimum of restrictions.

[From the Houston Press of May 7, 1958]

OUR SURPLUS FOOD TO WORLD'S HUNGRY AT $4 MILLION A DAY

(By Henry N. Taylor)

WASHINGTON, May 7.—The United States is spending about $4 million a day to give away or sell American surplus food abroad. This is likely to go for at least 10 years more.

It is a generous, yet frustrating, undertaking. It is also a program which, even in a recession, Congress will O. K. with less debate than on any other major item in the Eisenhower budget.

This is because few disagree with its basic philosophy. This Nation has bulging surpluses. A lot of the world is hungry. Surely some way exists to diminish our glut, fight starvation among the havenots, and win friends doing it.

Since 1954 the United States has spent $4 billion trying to do all this. Hearings begin in the House this week on an administration request for another $1.5 billion. The Senate has already authorized twice that sum over 2 years ahead.

PROBLEMS, TOO

So far, United States surplus stocks have been lowered one-sixth from the record high of 1956. Hundreds of thousands have been saved from starvation. Loans made possible

by food surplus sales are improving living standards in 35 nations.

Yet sometimes American food has brought problems rather than friendship. Allies such as Canada and Australia, heavily dependent on selling wheat abroad, complain that giant United States grain disposal hurts their exports.

Many economists feel United States dollar exports could suffer too, if food buyers abroad get too accustomed to free or cheap American food.

Behind the scenes, Russia threatens to make trouble by buying up surpluses in producing countries such as Brazil (coffee) and Ghana (cocoa).

Meanwhile Moscow makes propaganda by accusing the United States of selfishly disrupting markets to empty its own glutted warehouses.

PAYMENTS RELOANED

America's overseas food and fiber business is booming now. Last year, exports totaled a record $4.7 billion, one-fourth of everything grown in America. Of this, 60 percent was sold for dollars. But a surprising 40 percent moved under various Government programs.

Pushing mostly wheat, rice, cotton, and dairy products, the Government has tried many ways to do business without requiring dollars. In emergencies such as recent Ceylon floods, food goes free. Other shipments go free through charities such as CARE Inc., which makes up 3.5 million packages a year from surplus food stocks.

But most surplus United States food is sold overseas for local currency. On paper that makes it no giveaway. But in practice, United States officials do not seriously expect $1 in $100 ever to come back stateside as hard cash.

Most of the rupees, etc. are loaned right back to the beneficiary country to finance economic development, to be repaid (still in local money) at 4 percent over as much as 40 years.

BIGGEST CUSTOMER

Key Congressmen admit the overseas food program is chiefly aimed at surplus busting, secondarily as an aspect of foreign affairs. Thus, even if soft currency is eventually written off, the food-gift law can hardly be considered a failure.

Largest customer to date has been India, and our deal there shows how United States food sales can go on helping a nation long after the grain has been eaten up.

India has taken $362 million in surplus, mostly wheat. The United States lost $199 million on the bargain to start with since the grain came from Commodity Credit Corporation bins, where it was listed at an inflated price due to farm supports.

Uncle Sam laid out another $60 million to ship the wheat to India. Of the $362 million in rupees actually received, India got $234 million back right away in long-term development loans.

Two devices were written in to protect United States free-enterprise policies. India agreed to invest $55 million of the loan cash through private firms. And she promised to keep buying a normal import of United States wheat for dollars. Actually she has increased such purchases.

The deal leaves $130 million worth of rupees in United States hands, plus more as India repays the loan. These rupees can be used for housekeeping expenses at the United States Embassy, educational and information programs, and to help develop more United States markets in India. Much of it will be reloaned to India.

CREATING MARKETS

India says our wheat saved the country from reimposing bread rationing. The average Indian now gets 1,800 calories a day, still below world nutrition minimums, but up 101 calories from 1954. Indians say United States food help has helped stall communism.

Agriculture Secretary Ezra Benson says food gifts abroad help United States markets by whetting new appetites.

Milk is catching on in southeast Asia. It's powdered milk out of United States surplus added to water. A few platters of United States chicken at a West German trade fair led to a 4 million pound order, paid in dollars.

About 80 percent of the countries which get United State food help also qualify for military-type aid under mutual security, although the two programs are separate.

Poland, which has received $127 million worth of aid, is an exception. So is Finland, which gets corn and pays in timber which is later used in England to build barracks on United States air bases.

BARTER DEALS

A deal is in the works for 500,000 tons of strategic manganese, which India offers in exchange for wheat.

Many Congressmen would like to see more of this kind of barter, something which Benson resists. This is one of the few internal controversies over food aid.

Often the food help is used to pad out mutual-security aid after Congress has shaved the budget. Or it can be a straight diplomatic tool, like the wheat rushed recently to help pro-West Tunisian President Habib Bourguiba feed his unemployed and get industry started again.

Senator HUBERT HUMPHREY, Democrat, of Minnesota, a member of both the Foreign Affairs and Agriculture Committees, predicts that the United States will keep giving away food as long as there exists a United States surplus and troubled spots in the world where Communists can take advantage of hungry people.

[From the Washington Post of June 2, 1958]

FAMINE IN BRAZIL

Outwardly, it seems a shocking paradox that an estimated 1.8 million persons are perilled by starvation in Brazil while American warehouses bulge with surplus foods. And it speaks well for the heart of Representative HARLAN HAGEN of California, that he is prodding the administration for a prompt and dramatic relief effort. But the issues are more complex than they seem. Drought conditions are chronic in the five States which comprise the tip of the bulge in Brazil's vast terrain. This year, the area has been more than usually parched and severe crop failures resulted. Yet the problem is essentially one of transportation since Brazil already has some extra foodstuffs which could be used for relief.

This country, it is worth stressing, has not been indifferent to Brazil's plight. The United States has made known its willingness to supply added food and to send military transports to the stricken area. But under the law such an action can only come after a formal request from Brazil and so far there has been no request for aid.

At the same time Mr. HAGEN's plea draws needed attention to the longer range problem of the terrible human costs resulting from woefully inadequate communications in much of the hemisphere. Perhaps he could usefully bend his energies to the study of practical programs which might help develop Latin-American transportation links and make similar scourges of famine unlikely in the future.

HOUSING AND ACCELERATED HIGHWAY CONSTRUCTION PROGRAMS

Mr. LAUSCHE. Mr. President, I desire to invite the attention of my colleagues to the paradoxical situation that has come into existence in connection with the accelerated highway building and expanded housing construction programs approved by this Senate.

We authorized the expenditure of $1,915,000,000 in the accelerated highway construction program, and approved a general guaranteed loan, and a GI direct loan program in house construction in the sum of $1,875,000,000. In each instance, the purpose of the Congress was to revitalize the economy and to make jobs available in this period of recession.

On May 1 the Building Craftsmen of Greater Cleveland, consisting of about 10,000 in number, went on strike for increased wages. They were at that time getting from $3.74 to $3.76½ an hour.

On May 29 the Home Builders of Cleveland, facing the uncertainty of labor costs, discontinued operations affecting 20,000 workers.

Other Senators and myself voted for these two programs with the genuine belief that they were justified as a means of revitalizing the economy and placing building craftsmen and workers in allied industries to work. We did not anticipate that while we were spending Federal money to provide work, that labor leaders of those craftsmen for whose benefit the work programs were primarily passed would incredibly foment work stoppages unless wage increases were granted.

When we were considering the accelerated highway construction program, I specifically asked the Senator from Tennessee [Mr. GORE], the chairman of the Subcommittee on Public Roads of the Senate Public Works Committee, certain questions to which he gave his answer. I herewith set them forth:

Mr. President, yesterday and today I received three letters from highway construction contractors in Ohio. Each of the three letters expressed the fear that because of further increases in the price of materials, equipment, and supplies, and possibly new demands for increased wages, the cost of the construction will likely go up 10 percent a year.

I ask the Senator from Tennessee whether any of the suppliers or material men or labor representatives who testified urged the adoption of this program to stabilize the economy.

Mr. GORE. There was testimony urging the adoption of a vigorous highway-improvement program not only for the purpose of building and improving highways, but also for the purpose of increasing employment opportunities.

Mr. LAUSCHE. In the calculation that the bill will make available an investment which will hire 550,000 workers, did the Senator from Tennessee have in mind the present wage levels and price levels?

Mr. GORE. We calculated on the basis of the existing situation.

Mr. LAUSCHE. That is, the Senator did not anticipate that while Congress intended to stabilize the economy, it might in the next year be faced with a 10-percent increase in cost because of increased costs of wages and supplies?

Mr. GORE. On the contrary, the subcommittee requested the Bureau of Public Roads to make a survey of the experiences the States were having with respect to costs; that is, the actual terms of bids and contracts as compared with estimates submitted to the committee in January. We were

pleased to have the report that, nationwide, the contracts are running approximately 7 percent below the estimated cost.

Mr. LAUSCHE. After I received the letters, I called officials of the State of Ohio. I was told by them that there is now sound, keen competition. I called one other contractor, and he said he was of the belief that there may be a demand for increased wages and increased prices.

Mr. President, I contemplate voting for the bill. But I will be a bitterly disappointed man if, at the end of 1 year, we find that, whereas we were trying to stabilize the economy and provide jobs, 10 percent of the amounts provided will have been expended for increased costs of materials, supplies, and labor.

Mr. President, I yield the floor.

In connection with the house-building program, I made the following statement on March 12, 1958, before I cast my vote in favor of the bill:

I subscribe to the words spoken by the Senator from Minnesota [Mr. HUMPHREY] about practices which will sap the strength of the bill we contemplate passing. Any activity by any segment of the economy which will take from the ordinary citizen the benefits which Congress contemplates giving, by this bill will be contrary to the purpose which I will have in mind when I vote for the bill. The taking of an unjust discount rate from a man who wants to buy a house ought to be watched and condemned.

But I go beyond that. Any segment of the economy, whether labor leaders, banks, contractors, or building-material suppliers, which contemplate receiving special benefits from the passage of the bill ought to be warned. I listened to the words of the leader of the majority, who said that labor leaders in the building-crafts unions came to him and said that a great many of their members were out of work. I suggest to the Senate that in this year, while we are providing money to reestablish the economy and to help Americans build houses, we should be watchful so as to guard against, if possible, a huge wave of demands for increased wages and increased prices by material suppliers which will be financed by the general taxpayers and will destroy the purposes we have in mind as we pass the bill.

I want to vote for the bill, but I shall watch with interest to see how quickly the labor leaders and suppliers step in and ask for 25- and 30-cent-an-hour wage increases and also price increases, which will reduce the size of the house which a veteran will be able to buy and will nullify the purpose of the bill.

The purpose of the bill is to reestablish the economy. While the general taxpayer is contributing to the fund which will make possible the buying of the mortgages, we should call upon all segments of the economy to join shoulder to shoulder to hold the price line and to recognize that we are in a recession and that we should cooperate in the effort to help the economy pull out of it.

I ask the chairman of the subcommittee, while he is watching other things, to watch to see that in the depression the cost of building houses does not go up. If the cost goes up, there will be shame upon us in taking money from the general taxpayers and spending it.

It is a frightening condition. It ought to cause us to stop and think.

In this period of recession, while 5 million people are out of work, prices are going up. Moreover, reflecting upon the general situation prevailing in the house-building industry, what chance does the person of ordinary wages have to own a home, maintain it, when in a period of unemployment, when every conceivable method was used to influence the Congress to spend money to put people to work, we have a condition where the very ones who were intended to be benefited refuse to work unless increased wages are granted.

How can the ordinary citizen have a house painted, a room wallpapered or plastered when his cost for labor alone, without material, will be $30 a day per man? Unwittingly, those responsible for this condition are slowly killing the goose that lays the golden eggs.

The President of the United States, properly and with a serious recognition of the problem created by the constant cheapening of the purchasing power of the dollar, asked both industry and labor to hold the line. Regrettably, the response to that request has not been what it should be.

Maybe the time has come when, in connection with projects which are financed by Federal loans or Federal guaranteed loans and by direct Federal expenditures, prices ought to be controlled by Congressional action.

At least, the thought is worthy of serious consideration.

OUR DEFENSE POLICIES RECONSIDERED—I

Mr. FLANDERS. Mr. President, I ask unanimous consent to address the Senate for 7 minutes.

The PRESIDING OFFICER (Mr. PROUTY in the chair). Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, as my fellow Senators know, I am not seeking reelection this fall. When my successor is sworn in on January 3, 1959, I will cease to be a Member of this body. The 12 years of my service will have been the richest years of a life preserved beyond the span set by the psalmist. I am deeply grateful to that divine providence which has permitted me to sit among you, to enjoy the counsel and friendship of my peers in the most powerful legislative body in the world, and to share their deep responsibility for affecting the present and the future of mankind.

In the later years of my service it has been my custom occasionally to offer for the consideration of the Senate a series of brief speeches on international problems of current importance. Among these series are to be found in the RECORD, one of 7 between July 6 and 18, 1955, on disarmament; one of 8 between June 25 and 29, 1956, on foreign policy; one of 3 on the Middle East problem between May 8 and 13, 1957; and, most recently, one on the prospect for disarmament, covered by 5 speeches between May 7 and 14 of this year.

While these speeches attracted little attention at the moment, they seem to me to have stood the test of time rather well. Some represented opportunities which were lost by inaction and cannot be regained. Some of them would now be revised in the light of later knowledge. On the whole, however, they stand up today; and if they do, it is because the proposals were based on the eternal truths of the moral law, which cannot be broken but against which we can only break ourselves. Prophecy based on that law often displays a Cassandralike quality which properly is found to be disturbing.

My series of talks in May were confined to the prospect for disarmament and the means for attaining it. The disarmament being considered was universal, total, and controlled. This is an ultimate purpose of mankind. Radical though this purpose is, it was shown not to be unattainable. Attainment is, however, only possible by policies and acts which cover a major part of governmental activity and which concern all the nations of the earth. Our great end is to be reached by means which are difficult but not impossible to a devoted public spirit and to skillful statesmanship.

In that series of talks one area of policy was omitted from the discussion. Nothing was said about the military policy to be followed while the three factors set forth were being made effective. It will be remembered that these factors were, first, persuading the American people to accept the political changes necessary to replace war with the rule of law; second, gaining the support of the whole non-Communist world; and, third, persuading the Soviet Government.

During the years in which our domestic and foreign policy is focused on these factors we must support it with a military program which will protect the freedoms of the Free World and fend off the holocaust of total atomic war. This is no small undertaking. To its consideration I will address myself in the coming days as opportunity is given.

The subjects now contemplated in these brief talks are:

Reorganization of the Department of Defense;

Organizing the Atomic Stalemate;

Massive Retaliation Against Graduated Deterrence;

Limited Wars and Limited Objectives;

The Missions of the Services;

The Moral Aspects of Our Defense.

Mr. President and fellow Senators, I could wish that this series of brief talks might be considered as my last will and testament, prepared in anticipation of my departure from this beloved and august body. I cannot, it is true, promise that there will be no codicils to this testament. That would suppose a self-restraint to which I can lay no claim. What I am sure of is that there is in these words some value which can properly and confidently be devised and bequeathed to those who remain and to those who come after.

TRIBUTE TO SAMUEL CARDINAL STRITCH

Mr. DIRKSEN. Mr. President, Samuel Cardinal Stritch, who was laid to eternal rest this week, will be long remembered as a wise, patient, and prudent church administrator, but he will be remembered even longer for his piety and for the deep impression which that piety and his exalted character made upon all with whom he came into contact.

I have known him many years. I have attended many meetings when he was

present. I have been in many assemblies where he was honored. Whatever the occasion and whatever the theme or purpose of the meeting, he never failed to emphasize the attribute of piety as the slow, still, and irresistible force in shaping character as the foundation of all human hope in achieving the noblest purposes of mankind.

In the press of vast administrative responsibilities which he was called upon to perform, and the many supervisory functions which were an inherent part of his high office, it would have been easy indeed to forget or to put aside the need for constant emphasis upon the great mission of the church, namely, to fashion character, perfect the spirit, and to reconstruct the individual as the one great hope for a reconstructed society, but he never forgot and he never put this mission aside. This was first and foremost in his daily thinking. This was indeed his great earthly mission, and nobly did he carry on in the finest tradition as a great missionary.

In all this he came to grips with the basic spiritual and moral weakness of our own time, and that is the overemphasis on material things to the point where it was beginning to master the affairs of men.

The lust for power, the search for glory, the lure of material things, the ascendancy of greed, the flaunting of decency have admittedly marked the thinking and the activities of our time.

Samuel Cardinal Stritch knew that the real answer and the abiding remedy for this moral malady lay in reorienting individual thinking, reconstructing individual hearts, and restoring that everchastening attribute of individual piety. Long will he be remembered for this noble mission among his fellow men.

CAMPAIGN CONTRIBUTIONS AND EXPENDITURES

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter which I addressed to Mr. Otto A. Silha, vice president and business manager of the Minneapolis Star and Tribune under date of May 27, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 27, 1958.

Mr. OTTO A. SILHA,
Vice President and Business Manager,
The Minneapolis Star and Tribune,
Minneapolis, Minn.

DEAR MR. SILHA: On or about October 22, 1956, an advertisement of the Minneapolis Star and Tribune was published in a number of metropolitan newspapers, including the New York Times, the New York Herald Tribune, the Washington Post and Times Herald, the Chicago Daily News, the Detroit Free Press and the Philadelphia Bulletin. The text of this advertisement called for the reelection of President Eisenhower and Vice President NIXON. I am advised that the cost of publishing the advertisement in the newspapers above referred to was $9,115.

During the time of the publication of the advertisement referred to above, the Subcommittee on Privileges and Elections of the United States Senate, of which I was then chairman, was conducting an inquiry relative to campaign contributions and expenditures in connection with the 1956 national election. As chairman of the subcommittee, I made inquiry as to the nature of this advertisement and received a reply from you concerning it under date of October 29, 1956.

I write now to request further information concerning the cost of the advertisement in question. Specifically, I should like to be advised as to whether the Minneapolis Star and Tribune Corp. received or claimed a deduction as a business expense for the cost of this advertisement on its Federal income tax return for the tax year in question.

I desire to make it clear that I am no longer chairman of the Subcommittee on Privileges and Elections, nor a member of that subcommittee. This letter is written and the information I seek is requested by me in my individual capacity as a United States Senator.

With appreciation for your cooperation in this matter, I am

Sincerely,

ALBERT GORE.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MUTUAL SECURITY ACT OF 1958

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which is H. R. 12181.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. HUMPHREY. Mr. President, I rise to speak on the Mutual Security Act of 1958. A number of my colleagues have been exercising their privilege of discussion and debate in commenting on the provisions of the bill as reported by the Committee on Foreign Relations. The bill and the report are now before us, and the Senate will soon take action on the bill.

First of all I wish to commend the staff of the Committee on Foreign Relations for its preparation of an excellent report in support of the Mutual Security Act of 1958.

Any Member of Congress, in fact, any citizen, who seeks a compromise description and analysis of the provisions of the Mutual Security bill as suggested by the Committee on Foreign Relations, will find in the report most of the essential documentation and information. It seems to me that it would be well to place in the RECORD, in particular, the first 5 pages of the report, in which are stated:

First. The main purpose of the bill.

Second. What the bill does.

Third. Committee action.

Fourth. Mutual security and the national interest.

I ask unanimous consent to have printed at this point in my remarks the selected paragraphs of the report to which I have alluded.

There being no objection, the excerpts from the report (No. 1627) was ordered to be printed in the RECORD, as follows:

1. MAIN PURPOSE OF THE BILL

The main purpose of the bill is to continue for another year the variety of programs which are carried on under the general heading of mutual security. For this purpose, the bill authorizes appropriations totaling $3,068,900,000. This is $229 million less than the administration requested, and $110 million more than the House authorized. In addition, the bill incorporates the Development Loan Fund, for which no new funds are provided, and makes a number of other changes designed to improve the mutual security program and other overseas activities of the United States.

2. WHAT THE BILL DOES

The table below shows the authorizations requested by the administration, those approved by the House, and those recommended by the committee. Insofar as country programs are unclassified they are shown in the sections of the report dealing with the various types of assistance authorized.

The committee bill authorizes $1.8 billion for military assistance (sec. 3) and $835 million for defense support (sec. 4) as requested by the administration, but with a proviso (sec. 13) that the total of those two items may not in any event exceed $2.4 billion. The bill also provides that the President can transfer funds in the amount of $235 million between military assistance and defense support appropriations. The effect, therefore, is to reduce by $235 million the amounts requested by the President for these two items but to give the President the authority to decide how the cut shall be divided between the two.

In addition to the appropriations which are authorized, the bill makes the following principal changes in existing law:

1. The Development Loan Fund is incorporated under a Board of Directors consisting of the Under Secretary of State for Economic Affairs as Chairman, the Director of the International Cooperation Administration, the Chairman of the Board of Directors of the Export-Import Bank, the Managing Director of the Fund, and the United States Executive Director on the International Bank for Reconstruction and Development (sec. 6).

2. Authority is provided for contributions to the United Nations fund for special projects as well as to the United Nations technical-assistance program. Existing limitations on the percentage of the United States contribution will apply (sec. 7 (b)).

3. A prohibition is written into the law against the use of either dollars or counterpart funds for the retirement of the debts of foreign governments (sec. 9 (d)). This is identical to a provision which has been carried in the annual appropriation acts.

4. The provisions of the Defense Base Act and the War Hazards Compensation Act are extended to certain employees of the mutual-security program. The effect is to provide covered employees with disability and death benefits, compensation during internment by an enemy, and compensation for injury or death resulting from war-risk hazards (sec. 11 (b)).

5. New policy statements are added in regard to the Western Hemisphere and India. The importance of the economic development of India is recognized and the sense of Congress is expressed that it is in the interest of the United States to join with other nations in providing adequate assistance to India to complete successfully its economic-development program. With respect to Latin America the President is required to review annually Western Hemisphere defense plans to be sure that military assistance to Latin America is based on these plans. Internal security is ruled out as a normal basis for military assistance to Latin America. Finally, the President is requested to seek to strengthen cooperation in the Western Hemisphere by encouraging joint programs of technical and economic development.

6. The bill prohibits the return to the United States for commercial sale of American-made military firearms (sec. 8 (m)).

7. The World Health Organization is invited to initiate studies for the strengthening of medical research and related programs (sec. 11 (b)).

8. Authority is provided to use foreign currencies accruing under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) to collect, translate, and disseminate scientific and technical information and to support scientific activities overseas (sec. 11 (b)).

9. Tighter reporting requirements are provided in connection with Congressional use of foreign currencies (sec. 9 (a)).

10. A limit of 50 percent is put on defense support, technical assistance, special assistance, and contingency funds which can be used for offshore procurement, and then only if the President makes specified determinations (sec. 9 (c)).

11. Officers and employees of the United States are prohibited from accepting compensation or other benefits from foreign governments (sec. 10 (a)).

12. The method of financing the informational mediums guaranty program is revised and put on a longer range basis (sec. 11 (b)).

13. There is created the post of Under Secretary of State for Economic Affairs, replacing the present position of Deputy Under Secretary for Economic Affairs (sec. 11 (b)).

14. The Mutual Defense Assistance Control Act of 1951 (Battle Act) is amended so as not to prohibit economic or financial assistance to any nation, except to the Soviet Union, Communist China, and North Korea, when the President makes certain findings (sec. 11 (b)).

15. Increases are authorized in United States contributions to the Interparliamentary Union, the NATO Parliamentary Conference, and the International Labor Organization (sec. 11 (b)).

16. The National Commission for the United Nations Educational, Scientific, and Cultural Organization is authorized to accept gifts, and the gifts are made tax deductible (sec. 11 (b)).

Mutual-security authorization, fiscal year 1959

NOTE.—Section numbers refer to Mutual Security Act of 1954, as amended.	Administration authorization request	House bill	Senate committee bill
Sec. 103 (a). Military assistance	$1,800,000,000	$1,640,000,000	$2,400,000,000
Sec. 131 (b). Defense support	835,000,000	775,000,000	
Sec. 304. Bilateral technical cooperation	142,000,000	150,000,000	150,000,000
Sec. 306 (a). U. N. technical cooperation	20,000,000	20,000,000	20,000,000
Sec. 306 (b). OAS technical cooperation	1,500,000	1,500,000	1,500,000
Sec. 400 (a). Special assistance	212,000,000	185,000,000	212,000,000
Sec. 401 (b). Contingency fund	200,000,000	100,000,000	200,000,000
Sec. 405 (c). U. N. High Commissioner for Refugees	1,200,000	1,200,000	1,200,000
Sec. 405 (d). Escapees	8,600,000	8,600,000	8,600,000
Sec. 406. U. N. Children's Fund	11,000,000	11,000,000	11,000,000
Sec. 407. Palestine refugees	25,000,000	25,000,000	25,000,000
Sec. 409 (c). Ocean freight	2,100,000	2,100,000	2,100,000
Sec. 410. Control Act expenses	1,000,000	1,000,000	1,000,000
Sec. 411 (b). ICA administrative expenses	33,000,000	33,000,000	31,000,000
Sec. 419 (a). Atoms for Peace	5,500,000	5,500,000	5,500,000
Total	3,297,900,000	2,958,900,000	3,065,900,000

3. COMMITTEE ACTION

The President's message requesting this legislation (H. Doc. 338) was sent to Congress February 19, 1958. On the same day, Senators GREEN and WILEY introduced the administration's draft bill, by request, as S. 3318 so that the specific proposals would be before the Senate and the country in legislative form.

Between March 19 and April 2, the committee held 10 days of hearings in both public and executive session. These hearings have been published after deletion of classified material from the executive portions. From the administration, the committee heard, among others, Secretary of State John Foster Dulles; Secretary of Defense Neil McElroy; Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff; Gen. Lauris Norstad, Supreme Allied Commander, Europe; Adm. Felix Stump, Commander in Chief, Pacific; C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs; and James H. Smith, Jr., Director of the International Cooperation Administration.

In addition, the committee heard 34 private citizens—all of those who had requested an opportunity to testify. These included representatives of such organizations as the AFL–CIO, the Chamber of Commerce of the United States, the American Farm Bureau Federation, the National Farmers Union, the League of Women Voters, the National Council of the Churches of Christ, the American Veterans Committee, and the General Federation of Women's Clubs.

The committee considered the bill in executive session May 21, 22, and 23, and on the last date voted, 14 to 1, to report H. R. 12181 with an amendment in the nature of a substitute.

4. MUTUAL SECURITY AND THE NATIONAL INTEREST

It is now 10 years since the Foreign Relations Committee reported, and the Senate approved, the bill which launched the Marshall plan. In the intervening decade, Congress has authorized $54.5 billion and appropriated $49.0 billion for the Marshall plan and successor programs. This is less than 2 percent of the total gross national product of the United States over the same period.

This means that, over the last decade, the American people have invested in these various programs something less than 2 cents out of every dollar of goods and services they have produced.

The Foreign Relations Committee remains convinced today, as it was 10 years ago, that this investment is sound, that it is in the national interest, and that to abandon it would be "penny wise and pound foolish."

The committee desires to emphasize, however, that the activities authorized by H. R. 12181 bear little resemblance to those carried on under the Marshall plan. As the world has changed since 1948, so has the character of the mutual security program changed with it. The program has remained static only in the sense that today, as 10 years ago, it is based on the concept of collective security, the premise that the national interests of the United States are served by the creation and preservation of other free and independent nations in the world.

Nothing has happened in the last 10 years to impair the validity of this premise. What has changed is not the requirements of the national interest but the actions necessary to meet those requirements. These changes have been reflected in the annual mutual security acts passed by Congress.

The mutual security program is designed to achieve specific results in specific countries. In the European NATO countries, it is designed to augment, in a minor but critical way, local defense expenditures in order to supply advanced weapons and to provide other increments in military strength which would not otherwise be possible. The strategic force objectives toward which the program is working in NATO countries are those approved by NATO itself and by the United States Joint Chiefs of Staff.

In certain countries of Asia—principally Korea, Taiwan, Vietnam, Pakistan, and Iran—the object of the program is likewise to support military forces, but in these countries it is necessary not only to supply military equipment but also to provide economic assistance to make the support of military forces possible.

In most of the free countries of Asia, Africa, and Latin America, it is the object of the program to promote stability and to induce a self-sustaining rate of economic development. This is sought to be accomplished through technical cooperation, through special assistance, and through loans from the Development Loan Fund.

In a few countries, it is the object of the program to secure base rights for American military forces, and this is another function of special assistance.

All of these objectives are clearly in our national interest. The military forces of NATO and of our allies in Asia provide the indispensable shield to discourage local aggression short of all-out war. The economic development of underdeveloped countries serves two purposes. It gives those countries the confidence they need in democratic, as opposed to totalitarian, processes, and it provides increased opportunities for private American trade and investment. The availability of foreign bases for American military forces increases the striking power of those forces and their ability to defend the United States.

The mutual security program is an indispensable tool for the accomplishment of all of these objectives. It has accomplished great things, a partial list of which would include the recovery of Europe, the strengthening of NATO, the sustenance of Korea, Taiwan, and Vietnam. It has also, on occasion, been used clumsily. But a carpenter does not throw away a hammer simply because he may from time to time miss the nail and hit his thumb. Neither does he trade it in for a smaller hammer. If he did so, his mistakes would hurt less, but it would also take longer to drive the nail—and it might not be possible to drive the nail at all.

If there were no mutual security program, there would obviously be no mistakes made in administering it. If there were a smaller program, the mistakes perhaps would not be so costly in monetary terms. But in either case, the results would likewise be correspondingly diminished, and the net long-term cost increased.

The committee is impressed by the lack of alternatives offered by opponents of the mutual security program. It is said that the American people cannot afford these expenditures abroad. But there is no measure of the ultimate cost of not making them—in terms of a higher defense budget at home, of increasing isolation in the world, and of loss of world leadership. This argument likewise overlooks the fact that 80 percent of the expenditures are not made abroad at all. They are made in the United States. And even the 20 percent which is spent abroad in the first instance returns to the United States in the form of foreign purchases of American goods and services.

It is said that our allies should carry a larger share of the load. But a good way to persuade them to carry even less is for the

United States to shirk its responsibilities. And surely one cannot seriously expect a greater effort from the Koreans, who receive more mutual security aid than any other people, who have a gross national product of $113 per capita, and whose exports pay for only 5 percent of their imports.

It is said that we could get more for less. But it is not said how.

It is said that aid should go only to allies, to nations who will stand up and be counted. This is an argument for all or nothing. People who insist on everything frequently wind up with nothing. A further defect in this argument is that genuine independence, even neutrality, in parts of Asia and Africa is quite enough to serve the interests of the United States.

Finally, the committee desires to call attention to the impressive evidence gathered in its hearings of public support for the mutual security program. One witness declared, probably without great exaggeration, that a majority of the taxpayers of the United States were represented through the organizations which testified in favor of the program. The statements of only two of these organizations need be quoted here.

The Chamber of Commerce of the United States said:

"Congress should support the mutual-security program as an instrument of United States foreign policy dedicated to the purposes of—

"(a) Security for the United States and the other nations of the Free World.

"(b) The development of the economic resources and the living standards of the peoples of the Free World through cooperation and self-help.

"(c) The encouragement of responsible political freedom and stability.

"(d) The fulfillment of the traditional humanitarian aspirations of our people."

And the American Federation of Labor and Congress of Industrial Organizations said:

"Every relevant consideration—our own domestic economic situation, the minimum requirements to assure economic growth in the underdeveloped countries, the urgent need to enhance the welfare and security of the Free World against the economic and political encroachment of the Soviet bloc—all emphasize the necessity for an adequate foreign-aid program."

The Foreign Relations Committee endorses these statements and commends them to the Senate and to the country.

Mr. HUMPHREY. Mr. President, 2 years ago, in the debate on the Mutual Security Act of 1956, I proposed an amendment, which the Senate adopted as the concluding language of that year's authorization bill. We hoped it would bring new light and promise to our foreign-aid program. It amounted to an invitation to the administration to undertake a broad rethinking and rescaling of its foreign-aid program in preparing future requests. The amendment specifically said:

It is the sense of Congress that in the preparation of the mutual security program, the President should take fully into account the desirability of affirmatively promoting the economic development of underdeveloped countries, both as a means of effectively counteracting the increased political and economic emphasis of Soviet foreign policy and as a means of promoting fundamental American foreign policy objectives of political and economic self-determination and independence.

In adopting this amendment, the Congress clearly envisioned the possibility of a solemn summons to the people of this Nation to understand the magnitude of the economic challenge which the Soviet Union has thrown out to us. Some of us, at least, hoped for an effort on the part of the administration that would rouse the American people to support an ambitious, bold, imaginatively devised and soundly proportioned foreign-aid program that would measure up to the demands and opportunities of the times.

Unfortunately, Mr. President, the administration did not rise to this occasion. The basic rethinking and formulation of far-reaching proposals still need to be made. We are proceeding again with well-motivated but, I suggest, haphazard and inadequate measures in a world in which all life is constantly in danger, in which freedom everywhere is in danger of being lost, in which democratic ideals are being submerged, and in which the United States itself is facing severe competition for leadership.

The newspapers of the Nation are filled with stories and articles about the proportions of the Soviet economic offensive. In fact, in yesterday's newspapers I commented to the effect that the Soviet Union has shifted its emphasis from a military to an economic offensive. I am convinced that the Soivet Union will entertain, and ultimately will agree to certain limited disarmament proposals—simply because the Soviet Union hopes to have the American people lower their guard. The Soviet Union feels that by reducing some of the military tension, the United States may very well reduce some of its economic activities.

Our basic error, it seems to me, has been our failure to consider foreign aid and mutual security in the broad context of overall foreign policy. A total challenge from a totalitarian society demands a broad response from, and total commitment by, our own free society.

Instead, world developments continue to unfold in an almost daily revelation of defeats for American influence and setbacks for our prestige abroad.

We find ourselves threatened by our arch rival at our own game—overseas investment, trade, economic and technical assistance. The Soviets apparently have correctly appraised the worldwide social, political, and economic revolution abroad, and have determined to capitalize on it.

In this overall contest with the Soviet Union, we are gradually becoming aware that we face several important handicaps. Without wishing to appear unduly pessimistic, I would like to list these handicaps as I see them.

First, militarily, as was pointed out this morning by the Senator from Pennsylvania [Mr. CLARK] and as was pointed out last Thursday in a splendid, well-document address in the Senate by the Senator from Missouri [Mr. SYMINGTON], we have slipped behind the Soviets in concentrating on the most important new weapon, the ICBM, so that we can no longer negotiate on a basis of military balance.

Second. We are handicapped by a lack of success in our own racial adjustments in a world where the majority of the people are colored and are acutely sensitive to discrimination.

Third. We are handicapped by our apparent unwillingness or inability to make our economic system provide expanding opportunity for all of our people. The rate of growth of industrial production in the Soviet Union is now more than twice the best United States rate since 1920, and this differential has been frightfully magnified by our current decline.

I remind Senators that the cost of this economic recession has been a cost not only in terms of the economy, but also in terms of international prestige. The cost of our economic recession is felt in every market in the world, particularly in the raw materials markets.

It was not simply by accident that the Vice President of the United States was the recipient of abuse and insults on his trip to Latin America. It happened that his trip came at a time when the prices of raw materials purchased by the United States were at a very low point and the economies of some of our sister republics to the south were facing serious difficulty.

Fourth. We are handicapped by what Professor Galbraith calls our affluent, consumer-oriented production in competition with a centrally-directed economic system capable of ruthless allocation of any desired portion of resources to international aims.

Fifth. We are handicapped by a misplacement of affection which, on the one hand, in various parts of the world, clings so closely to a particular pro-Western leader as to make him suspect to his own people; and, on the other hand, as in Venezuela, assists, lauds, and succors a dictatorial leader until his deposers riot against the United States.

Sixth. Our reluctance to make a firm commitment to one-world economics has handicapped us in trade with producing nations. Anarchy in commodity prices, to which I have just referred, and growing nationalism in trade practices in this country are driving our friends to seek other ties.

Seventh. We are handicapped by allowing ourselves to become identified in many areas with the opponents of social and national revolution in the newly awakening countries of Africa, the Near East, and Asia. I believe that within the past 2 weeks, this handicap was properly and pointedly referred to and commented upon by none other than the Vice President of the United States.

Eighth. Our banker's approach to world competition has held us back in granting long-term credits to countries because we could not be assured of the safety and interest we expect from domestic loans. Meanwhile, the Soviets are charging 2 or 2½ percent on loans, compared to our 4½ or 5 percent.

As a matter of fact, Mr. President, we have yet really to get ourselves in the frame of mind of being the world's greatest creditor nation. We have yet really to understand fully the responsibilities of being an international leader in the field of economic development and financial assistance. That was pointed up not long ago by the fact that today our British friends actually do more world financing than does the United

States, despite the condition of the British economy and the British Treasury.

Ninth. We are handicapped by our own complacency and smugness. Our official view often seems to be that everyone automatically wants liberty, and that time, therefore, is on our side, in that the backward nations will automatically reject communism and will adopt capitalistic democracy. However, we have seen that this does not always occur automatically.

Tenth. We are handicapped by an insistence on forcing a great deal of military aid on nations whose economies thereby are twisted and whose economic growth may be thwarted or delayed, thus making them even riper targets for Kremlin imperialism.

Mr. President, the difficulties that we face help to make Khrushchev confident of the disintegration of the Free World. But I, for one, despite my listing of these difficulties, am not ready to concede defeat. I am not ready to concede that our economic system is so weak or our people so flabby that we cannot face up to this new dimension of world problems.

America has a great sufficiency of resources of every kind—raw materials, productive capacity from farm and factory, ideas, organizing ability, courage, and self-sacrifice. If we really wanted to, we could overwhelm the Soviet Union in an effort to raise living standards without sacrificing the human dignity and freedom necessary to make the good life, once attained, worth living.

No, Mr. President; for us the question is not one of shortage of resources or shortage of money. Our Nation is still the richest nation on the face of the earth.

Instead, our problem is one of organizing and marshaling all our resources behind a sound program, with clearly defined objectives. This marshaling can be done if someone will provide the standard around which people can rally. This is the leadership the people have a right to expect. Indeed, they have a right to expect it from the President; it can come from no one else.

As was said earlier today in the Senate by the distinguished junior Senator from Pennsylvania [Mr. CLARK]—and I listened with great interest to his brief remarks, which were both moving and eloquent—today all that is lacking in this country is the will to get the job done.

The American people are no more indifferent than their leadership; they are no more unwilling to move than their leadership. They look to Washington—to Congress, but to the President in particular, for direction in the field of foreign affairs. What we need is not more money, not more resources, but a program which is understandable with clearly defined objectives, and someone to "call the signals" and get the job done.

In the field of foreign affairs, the Congress is at a disadvantage. By means of statements of legislative intent in committee reports and by indicating dissatisfaction through cutting the budget here and augmenting it there, Congress can prod and push. But the administration must provide the pull and the direction and do the steering from its position at the front, if we are to get our foreign affairs cart out of the mud and rolling along the highroad again.

II

In the area of mutual security, as in other areas of foreign policy, my attitude and approaches have been stated on many previous occasions. Let me review briefly my suggestions:

First. I believe there should be a substantial increase in both the quantity and the quality of foreign economic aid. Our effort must not be circumscribed by any standard of what we spent last year or the year before or by what the bookkeepers in the Bureau of the Budget independently consider permissible. Instead, our efforts must be based upon utility and need.

The authoritative Massachusetts Institute of Technology study project estimated that the maximum capital investment which could be effectively utilized in underdeveloped countries is approximately $2,500 million a year. I repeat those are the economic-aid funds which are needed and can be used. It is my conviction that, of this amount, the United States could well supply approximately $1,500 million, in addition to exports of our agricultural commodity abundance. The balance should be provided by our allies and our friends in areas of the world where considerable economic growth and prosperity exist.

It is for this reason, Mr. President, that I have repeatedly recommended that our North Atlantic Treaty Alliance have a new sense of direction, and that its existence should not merely be predicated upon military defense. Our Government should give leadership, advice, and counsel to our friends in the Western Alliance, and should urge them to pool their capital resources for economic development and assistance.

Surely the great West German Republic, with a sound currency and with a phenomenal recovery since World War II, can make a substantial contribution in this area. Furthermore, Mr. President, other nations within the North Atlantic Treaty Alliance could, if called upon, bear their fair share of the responsibility of a broad Free World economic program—a multilateral economic program.

One of the real problems we face, Mr. President, is a desire to go it alone—to do everything ourselves, to have the entire program designed, produced, and delivered "U. S. A."

But I submit, Mr. President, that the time has come when the mutual security program needs to include within it specific authorization for the utilization of our economic assistance in multilateral international regional economic developments.

I tried to get such an amendment attached to the bill. It was, regrettably, rejected. I think that was a mistake. The rejection was on the ground that there was ample authority in existing law. If there is, then I ask that our Government exercise present authority by calling upon other nations to join with us in a broad, overall economic offensive and economic development program wherein others share in these privileges and responsibilities, and that we ourselves do not attempt to do it alone.

Second. We should greatly expand available loan funds. The Development Loan Fund is a promising development compared with what has gone before in financing overseas projects. Personally, I suspect that however much the Loan Fund is expanded, it will not be able to meet a still faster-expanding market for loans abroad. I think we must find a way to tap private and corporate sources for this purpose. Perhaps this could be done through various kinds of guaranties.

I remind my fellow Americans that private American capital is not really being put to work in the great struggle with communistic state capitalism. In the Soviet Union all the resources of the nation—in fact, all the resources of the Soviet Empire and her satellites—can be brought to bear on any one single objctive. In the Soviet Union the Government is everything. The Government is the state. The economy is in the hands of the Government. The profits of industry are in the hands of the Government. The ability of the Government to raise money is limited only by the police authority, the power, and the force of the state.

In the United States of America the Government is but a part of the system, thank goodness. In America the Government raises revenue by taxes. Some persons think present taxes are confiscatory. Others feel they are very high. But the truth is that the Government of the United States does not own or control the American economy. Nor should it.

Surely we should have the cooperation and the participation of private sectors of our economy. This means private investment, and the Government must unite in a clearly defined program for a Free World economic effort. This we do not have today. The Congress of the United States spends its time and energies on Government projects. In the meantime the Government of the United States does not properly harness the great voluntary efforts, the great voluntary strength of the Nation, the great forces of freedom in the private economy, by having them contribute to our overall foreign policy.

I say again we must find a way to incorporate, to correlate, and to tap private and corporate sources for this broad program of economic development. I suggest that it might be done through various types of Government guaranties. But, more important, the Government must have a purpose, it must have an objective it seeks to fulfill, and leadership that can be used to attain the objective in a challenging manner.

Third. On the other hand, loans will never suffice by themselves, although I prefer them. A considerable grant program will continue to be necessary, especially for those underdeveloped countries where a scarcity of professional and technical skills makes it impossible to even plan development projects that are worthy of receiving credits.

Fourth. Many of our grants and loans of foreign aid should be through multilateral arrangements of international organizations. By operating in this way we could allay the suspicions of selfish aggrandizement and colonialism. We should expand present regional development agencies and foster new ones like the Middle East Development Agency, which I have repeatedly proposed, and which, by the way, receives considerable support from many governments. We should retreat from our opposition to a United Nations capital assistance fund—the SUNFED idea is not dead. What it lacks is the energizing hand and direction of the United States Government.

I repeat, as we continue to expend our resources in foreign aid, it is nothing short of mismanagement and poor judgment to fail to mobilize the assistance of other countries, through the United Nations or other international organizations, over and beyond the World Bank or the International Development Fund.

Fifth. We must ask no immediate political returns for our international assistance. It is not wrong to expect that long-term results of international stability and increased trade opportunities will flow from building up the economies and social systems of now-backward nations. But expecting these proud new countries to assume the posture of political satellites, mimicking us in internal government, and parroting our foreign policy, is too much to expect. I trust we do not expect it.

The Soviets have bragged about aid without strings, and, as a matter of fact, have until just recently kept their aid remarkably free from visible conditions. Now their pique at Yugoslavia has exposed their impatient, grasping hands. We should exploit this grave tactical error by publicizing it, but not by imitating it.

I might add at this point, as we in the Senate consider economic aid, that with all our aid to Yugoslavia, with all the risks attached to it, and with all the doubts that have accompanied such aid, at this juncture of history Yugoslavia remains a major thorn in the side of the Soviet Union. American economic aid has been of considerable help to Yugoslavia. As a matter of fact, there is reason to believe that the effect and influence of the so-called revisionists of and deviationists from Communist ideology in Yugoslavia are causing grave concern to the leaders of communism as far away as China. There is good ground for believing that the reason for the utmost secrecy in the recent meeting of the Communist Party in China was that Yugoslav developments have caused great unrest in China.

Mr. President, I have supported aid to Yugoslavia, granted in the discretion of our President, simply because it was a risk worth taking. I would be the last one to say it will pay off eventually. I do not know. Many things in life do not work out the way we plan. But I submit we will make no progress by standing like an immovable object, by standing inflexible, and displaying flexibility only when we at times bury our heads in the sand.

Our responsibility today is to attempt to encourage not only the underdeveloped areas of the world and not only the new nations, but also the eastern countries of Europe, to maintain a kind of autonomy or national independence. To be sure, this necessarily will be socialistic and perhaps communistic. That, of course, I do not like, for it does not provide what I believe to be sound standards of government or economics. But I say that to have relatively autonomous, quasi-independent Communist states in Eastern Europe is a much more desirable situation than to have those countries under the complete domination of the Soviet Union. Anything we can do to encourage such a limited type of freedom and limited type of mobility and flexibility on the part of the eastern states in Europe is to the advantage of the people of the United States and to the cause of freedom and peace throughout the world.

Mr. President, this leads directly to my next point, which is:

Sixth. There should be, in my mind, a separation of military aid from economic aid. There should be a clear identification of what part of our tremendous overseas effort is an extension of our military activity and what part—and a much smaller part it is—is actually going to assist other nations to build up their economies and enable them to take a part in the modern technological world.

I really regret that the Senate Committee on Foreign Relations did not adopt the amendment offered by the distinguished junior Senator from Montana [Mr. MANSFIELD] and myself to separate the defense funds from the economic funds. I know the present Presiding Officer of the Senate, the junior Senator from Wisconsin [Mr. PROXMIRE], intends to offer an amendment to accomplish such an objective, namely, separating the military aid from the economic aid. That is, to me, an amendment worthy of support.

Mr. President, our greatest need, as I stated at the outset, is to treat foreign aid as one aspect of our total international effort. As a matter of fact, we would be better off if we stopped calling it foreign aid. What we are talking about is an international peace and development fund. We are not aiding foreigners. We are attempting to build a world in which our economy, our country, and our people can live in peace and security. The greatest misfortune in recent years, in terms of semantics or in terminology, has been the calling of the mutual-security program a foreign-aid program. It is not a foreign-aid program at all. The mutual-security program is exactly what its title indicates—a program for mutual security.

The United States has more to gain from the program than has any other nation. The American economy needs markets. We cannot sell American goods to people who are without any means to purchase the goods. We cannot sell American goods in a world which is barren of capital. The only way to obtain capital is to build it, to make it, or to earn it. That takes time. Therefore, Mr. President, I suggest we would be much better advised to look upon the particular program of mutual security as an international peace and development program of long duration.

Our real difficulty is that we have tried to fool ourselves. In fact, our own political leaders have tried to fool us by indicating that the program "might come to an end next year." I have heard that statement year after year.

I repeat, one of the mistakes of the present administration, made when it first came into office, was the assurance it kept giving the American people that the mutual-security program would taper off and that it might soon come to an end.

Mr. President, in the kind of world in which we live, if we draw some of these programs to an end, we shall lose to and be defeated by the Soviet Union in the development of national economies.

We need a world, as Woodrow Wilson once said, which is safe for democracy.

We have a democracy. It is a very delicate instrument of social order. This democracy of ours cannot live in a world of famine, of disease, of pestilence, of tension, of hatred, and of bitterness. This democracy of ours needs to have a political, social, and economic climate in which free men can live and act decently, honorably, and creatively.

What we are seeking through a program of mutual security is to lay the foundations for the creation and the building of such a political, social, and economic order. I submit, Mr. President, that, while the program may be costly, it would be much more costly not to pursue it. It is costly to take care of one's health, but it is more costly to suffer the ravages of disease.

What we are attempting to do through mutual security—and what I believe we have failed to do in adequate quantity or quality—is to lay a foundation for the kind of social, political, and economic structure in which free institutions can live and can, we trust, flourish.

Mr. President, it cannot be said too often that foreign policy must be pursued on many fronts. If we fail on one front our entire enterprise may fail. We must begin by enunciating a consistent policy which is truly realistic and based unashamedly on American ideals and American interest. Then we must pursue the policy with a flexibility of approach. We must undertake to provide adequate capital for development abroad and give the technical and professional personnel needed to make it effective.

We need long-term planning, Mr. President. Another weakness in the mutual-security program of the years gone by is that we have planned these projects year by year. I charge on this floor that we have wasted millions of dollars because we have not had long-term planning and long-term authorizations for mutual security.

We must continue to expand and liberalize trade opportunities so that free nations can develop their most natural economies. One of the amendments which has been presented for our consideration provides that in case the United States should raise tariffs and

the raising of such tariffs should cause some injury to other nations, we in turn would provide such other nations with free food. We would share with them our abundance of agriculture.

Mr. President, the amendment goes further. It provides for help to those countries economically.

My suggestion is, Mr. President, that we should try to have reciprocal trade, looking to the lowering of tariffs. Then if such a national policy and program should adversely affect any American industry, any American worker, or any American community, our Government should help the American worker, the American community, or the American industry by a kind of redevelopment program. This would provide for our own people on the one hand, while on the other hand, it would provide for markets and trade.

To raise tariffs is to invite retaliation. I say to this distinguished body that if the Government of the United States should, unfortunately, engage in a program of raising tariffs, we would give to the Soviet Union new allies. We might thereby very well give to the Soviet Union a weapon much more effective in the cold war than any kind of missile or rocket.

I serve notice upon my colleagues that there will be no wavering whatsoever on the part of this Senator when the Senate comes to consider the reciprocal trade bill. Surely, a foreign trade program has a cost, but the cost of an effective trade program is much less than the cost of returning to the old course of protectionism.

The 19th century is gone. We are more than halfway through the 20th century. I see no reason to go back and garb ourselves in the political and economic habiliments of the 19th century when we are now in the space and atomic age.

Mr. President, I repeat that we must continue to expand and liberalize trade opportunities, so that free nations may develop their natural economies. We need to accompany all of this with well supported and imaginative information, to insure that we are maximizing our gains. If we should be weak or fail entirely on any of these fronts, the others will be weak, and all our foreign policy objectives will be in jeopardy.

In line with these views, it is obvious that I would prefer a stronger and more far-reaching mutual security bill than the one before us. However, the bill has many virtues. I shall support it vigorously. I want the administration to support it, too. I do not want to see any wavering, such as I read about in the newspapers. On one day we are given to understand that the administration will support every part of the bill as reported by the Senate committee, including the amendment offered by the Senator from Massachusetts [Mr. KENNEDY]. Then newspaper stories, to which I shall refer further, begin to appear, indicating a modification of that attitude. This morning there was published in the Washington Post an article entitled "Red Bloc Aid Loses Support."

The administration yesterday let it be known on Capitol Hill that it will no longer support the Kennedy amendment to the foreign aid bill to permit economic aid to some Communist countries.

Also this morning, an editorial entitled "State Caves In," appeared in the Washington Post.

I say most respectfully, and in the spirit of cooperation, that I want to know just where the captain of the team is to be when the ball game starts. I want to know whether the members of the team are going to block and tackle, or whether someone is going to walk into the stands and watch the game, while the rest of us are being batted around.

If the administration wants a foreign-aid bill like the one which has been reported by the committee, there is one way to get it. The President of the United States, the Secretary of State, and the Director of the International Cooperation Administration should say, in chorus and singly, that they stand behind the provisions of the bill, and that they want every supporter of mutual security to stand up and be counted for the bill as reported by the Foreign Relations Committee. I appeal to the President and his Secretary of State, first of all, to repudiate the stories which have appeared in the morning newspapers as to the wavering of the administration, and, secondly, to enunciate their active support. If the President will be half as firm in connection with this program as he has been in connection with Pentagon reorganization, there will be many more firm spines in Congress. There will be less weaving and bobbing around, and more straightforward marching up to the line to cast votes in support of the pending measure.

Let no one misunderstand me. The bill which we have before us is not what I would call a very progressive, aggressive, or comprehensive program. But efforts are being made to weaken it rather than to strengthen it. I repeat that I believe it represents progress in some areas toward a better approach to foreign aid. The bill has many virtues. I note the presence in the Chamber of the chairman of the committee and the Chief of Staff. I wish to compliment both of them upon a masterful handling of the bill, and for dedication beyond the call of duty. The Chief of Staff and his associates have done a magnificant job in the preparation of the report, which, to my way of thinking, is one of the best reports we have ever had in support of a bill of this kind.

I think the pending bill is the best single mutual-security bill we have had for years. It was given careful attention, after extensive hearings, and exhaustive and comprehensive study.

HEALTH AMENDMENTS

Mr. President, I should like to point out one particular aspect of the bill in which I have a particular interest. It is an aspect to which I have been privileged to contribute by virtue of two amendments which have been included in the bill at my initiative.

I refer to the amendments on international health which are found on pages 61, 62, and 63 of H. R. 12181, as revised.

One of these amendments adds a section to the World Health Organization membership act. In this new section, the Senate Foreign Relations Committee recommends that the Congress declare it to be the policy of the United States to "continue and strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer." In furtherance of this policy, the World Health Organization is invited to "initiate studies looking toward the strengthening of research and related programs against heart disease, cancer, and other diseases common to mankind or unique to individual regions of the globe."

The purpose of a second amendment of mine, accepted by the committee, is to provide for the use of Public Law 480 funds for the collection, collating, abstracting, and translating of scientific information overseas.

Moreover, this amendment provides that such activities shall include "programs and projects of scientific cooperation between the United States and other countries, such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe."

Thus the effect of the two amendments will be to authorize increased international cooperation in medical research and to provide a source of funds to carry it out, as well as to make available other scientific information.

I was present at the World Health Organization's 10th commemorative session at Minneapolis when Dr. Milton Eisenhower, president of Johns Hopkins University, representing the President of the United States, delivered a fine address in which he outlined some of these same suggestions. I had the privilege of talking with Dr. Eisenhower and assuring him that in the Senate we were supporting the mutual security program which he laid before the World Health Organization as a policy commitment on the part of the executive branch of our Government.

Mr. President, you should have been there to see how the faces of the delegates lighted up when the Government of the United States, through the spokesman for our President, did not merely review the past, did not spend time admonishing Congress, but spent his limited time making a new proposal.

We have been strong on rebuttal, and short on the affirmative. I quickly walked up to Dr. Milton Eisenhower, after his speech before that assembly, and extended to him the warm hand of fellowship and commendation for speaking out affirmatively on behalf of the United States. That is what is required. There was a new spirit in the conference. Up to that point the Soviet delegates had been saying that they wanted to wage a worldwide war on smallpox. There had been discussion in the newspapers to the effect that the Soviet delegates intended to bring up the question of banning nuclear bombs, which is a political subject, not related to the purpose and functions of the World Health Organization.

The Soviets had the offensive. Then we came forth with a program and policy statement of affirmative purposes. From

that day on the United States was in the lead. This may very well have contributed to the election of our Surgeon General, Dr. Burney, as the president of the Eleventh World Health Organization Assembly. This was the second time that an American Surgeon General was elected president, in the more than 10 years of existence of the World Health Organization.

When we have a positive proposal which we place before a group on a multilateral basis, asking others to join, we make headway.

Recently I outlined my suggestions for a more affirmative and constructive program in the field of international health. Surely here is an area where America should be out in front so far that no one can touch us. We have the greatest medical profession in the world, the greatest research laboratories in the healing arts, the greatest pharmaceutical production firms in the world, the finest chemists and scientists in the field of medicine and pharmaceuticals, the greatest hospitals and laboratories in our National Institutes of Health. All of these characterize America as the unquestioned leader in the field of health. It is certainly important that we maximize and utilize to the fullest these great resources and the prestige which is ours for the benefit of humanity.

Many a person in the world who cannot name the president of his own country or the President of the United States, or identify the United Nations, if he has been healed from disease by an organization such as the World Health Organization, WHO, knows how it happened.

At the World Health Organization Conference in Minneapolis we heard some stories told about such situations. One concerned a native in Malaya, who, on being asked if he knew who President Eisenhower was said he did not know; if he knew who Prime Minister Nehru was, said he did not know; and if he knew what the United Nations was, said he did not know. He said he knew one man. He knew WHO, because it had cured him from his sickness.

I repeat, Mr. President, that we build our steps to peace not by military equipment alone, not by the works of the great masters of strategy and foreign policy, but by constructive works and good deeds.

ORIGIN OF THE AMENDMENTS

The real origin of these health amendments, I suppose, dates back to the unknown time in history when scientists of one nation first cooperated with scientists of other nations in the eradication of disease. But there are more modern origins of an attempt to further cooperative research efforts in medicine.

On the governmental level, they date to the founding of what is perhaps the greatest single collection of health research institutions anywhere in the world, namely, the National Institutes of Health, in Bethesda. Many illustrious names of Members of Congress are associated with the founding and expansion of those Institutes. From them have come some of the finest medical advances in the last 2 decades anywhere in the world. And to these Institutes has come the latest information from the four corners of the world on medical advances elsewhere.

If anyone needed proof of the results that can flow from an intensive cooperative attack on one of the Four Horsemen, Pestilence, the National Institutes of Health have provided it. Now we propose to multiply its effectiveness through bringing medical researchers in all countries into joint efforts to push the attack on disease.

FIVE SIGNIFICANT EVENTS OF 1958

This year, the pace of scientific cooperation and policy for such cooperation quickened.

First. On January 9, the President of the United States offered "to pool efforts" with the Soviet Union "against the diseases that are the common enemy of all mortals—such as cancer and heart disease."

Second. On May 26, the Senate Committee on Foreign Relations reported the present revised version of H. R. 12181, emphasizing, as I have indicated, that it is the policy of the legislative branch that world research be accelerated.

I am glad to acknowledge at this point the very splendid contribution to the success of this amendment in committee made by my able associate, the senior Senator from Oregon [Mr. MORSE].

Third. On May 27, Secretary of Health, Education, and Welfare, Mr. Marion Folsom, speaking in Minneapolis at the 10th anniversary commemorative session of WHO, stated that his Department "is prepared to provide a grant on the order of $300,000" to support a study "to search out new and more effective ways of fostering medical research on an international basis."

Fourth. On that very afternoon, as I have indicated, the president of Johns Hopkins University, Dr. Milton Eisenhower, speaking as a personal representative of the President of the United States, proposed that the WHO conduct a special study "to determine how it may most effectively perform its fullest role in research," and reiterating the proposed grant to WHO, as announced by Secretary Folsom. It was this study which the Committee on Foreign Relations endorsed and made a part of the bill.

This was the sequence of events up to last Thursday, May 29.

EXCHANGE OF NOTES WITH THE SOVIET UNION

Fifth. Last Thursday the State Department issued a release indicating that the United States and the Soviet Union have been engaged in constructive bilateral discussions on cooperation against heart disease and cancer.

The Department publicly commended a positive response from the Soviet Embassy, dated May 19. This message was in response to the President's invitation in January, and moved to carry out phases of the subsequent United States-Soviet cultural and educational exchange agreement of January 27.

United States-Soviet discussions are still continuing. The present meeting of the WHO General Assembly provides an ideal meeting ground in which these fruitful talks between the United States and Soviet delegations can proceed.

This bilateral discussion is, of course, an important phase of multilateral efforts. If the 2 largest powers in the world—2 of the strongest scientific powers—can agree on bilateral efforts, then the stage will have been set for multilateral action by WHO.

Obviously, this latest exchange of notes is by no means the final sequence. On the contrary, it represents still but the first chapter in what I sincerely hope will be an unfolding volume of world scientific cooperation.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at the close of my remarks several items to which I have just referred. The first is the chronology of official policy statements on increased world scientific cooperation for health; the second is Department of State press release No. 297 regarding the exchange of notes with the Soviet Union; the third is an unofficial English translation of the May 19 Soviet Embassy note; the last is an article from the New York Times of Monday, June 2, discussing the challenge confronting us. It is headlined "Drive to Conquer Five Killers Asked."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, in the article, the distinguished chairman of the National Health Education Committee, Mrs. Albert D. Lasker, is quoted as urging a medical research program equal to the Manhattan project which gave the United States the first atom bomb.

Mrs. Lasker points out that the United States is now spending less than 1 percent on research against the killers within, as compared with expenditures on defense against attack from without.

Mr. President, there is one other related point in connection with health which I should like to mention. The Senate report on page 24 says:

> To the extent that American made drugs are used in this and other health programs, it seems desirable that the administration explore the possibilities of arrangements under which these drugs would be clearly labeled as to origin.

This language hints at committee concern over a problem which I should like to mention explicitly.

In this interrelated economic world we have been well aware that the strength we build into the economy of our allies is a source of strength to ourselves. We have also been aware that with the demand for the capital goods of the United States what it is, every dollar accruing to the economy of our Allies for purchases which we make for foreign procurement will eventually return by some channel to the purchase of some kind of goods in the United States.

For this reason we have not forced into this foreign-aid program more buy-American philosophy than we have.

There are some fields, however, in which the anonymity of products purchased with dollars furnished out of the goodwill of the American people who

would otherwise be devoting those dollars to development of their own country seems to me to be a disservice to the picture of American humanitarianism versus Communist inhumanitarianism which we justifiably feel we are trying to give to the world as the spirit of the entire foreign-aid program.

There is at least one field of science—characteristically a human field—in which we are still demonstrably ahead of our competitors in the race for the respect and the friendship of the underdeveloped masses of mankind. That field is the field of effective medicines. The incredible advances which our own pharmaceutical manufacturers have made in the last 20 years have put us well ahead of the rest of the world in the agents of mercy and of hope that are represented by the magic drugs which permit the wiping out from whole communities of diseases like malaria, for instance, which have long been the scourge of mankind and one whose elimination has, in the truest sense, conserved and released and multiplied the human energies and the development potentialities of those areas.

There is no one to whom the individual is more grateful and respectful than the magician who restores him to health or saves him from death. It is no accident that, from the earliest records of mankind, the medicine man, the protector of life, the source of the magic of life, rather than the organizer of death, has been the leader whom mankind has been willing to follow.

At the present time, there is no systematic attempt in the administration of our health programs supported by American Government money to take advantage of this psychological truth by making sure that every recipient of the magic of American medicine paid for by American money unmistakably realizes that the magic came from American technical skill in the conservation of life through the generosity of Americans. This is not the only answer, but at least one kind of answer to sputniks and the Soviet threat to bring death through their technical skill in the destruction of life.

I am not suggesting that we should at this time write rigid and inflexible requirements into a statute. I am rather suggesting a directive for administration of the statute. I am suggesting that, as the bill passes, we should in the conference report or otherwise make sure that the Department of State understands a purpose of Congress. That purpose is that, in the expenditure of American funds for these vast health programs, in proportion to the amount of such funds, full psychological value should be squeezed out of the fact that it is American science and American technical supremacy in the field of humane purposes which is bringing the magic of effective medicines to the common people of the areas of Asia, Africa, and Latin America to which these health programs will be applied.

To my mind, being effective does not mean the making of press statements and speeches which do not reach the common man suffering from diseases; nor does it mean wrappers which can be removed or substituted. To me, effective psychological use of the situation means having stamped on the magic tablet itself the American flag and the legend "Made in America as America's gift to you." This field of mercy and the magic of life is a field of power and influence for good far outlasting in the traditions of generations to come the economics of the moment. In this field of psychological warfare against the enemies of mankind and the forces of darkness, America's gifts must not be anonymous.

Mr. President, I hope that in the conference report even stronger language can be reported to emphasize this point.

Let me now return to my discussion of the mutual-security bill now before the Senate.

AID TO INDIA

There are certain other aspects of the bill about which I should like to make some specific comments.

My colleagues know of my interest in assistance to the Republic of India. There is no single area of the world where American foreign policy is being more closely watched nor more effectively tested than in the large, strategic, democratically oriented subcontinent of India.

Mr. President, it is discouraging, but not surprising, to hear remarks again this year castigating aid to the so-called neutral or uncommitted nations. I do not know why this broken record is such a pleasant one for some people to replay. But it is high time that the majority of the American people and the majority of their Representatives in Congress view the attitudes of some of the so-called uncommitted statesmen of the world with a little more charity and from a broader perspective. On issues of cold-war politics and geography there may be important reasons why certain governments and certain leaders disassociate themselves from American foreign policy. This is not necessarily to our disadvantage. On the contrary, it may be a positive asset, in terms of third-party assistance in negotiations with the Soviet Union and in other ways.

But when it comes to the central issue of our time, the choice between freedom and totalitarianism—not the choice between a particular Secretary of State or President and a particular country or the country of the individual—there is no doubt whatsoever where leading democratic statesman of South Asia stands. I refer to Prime Minister Nehru and his views on communism. Because a contrary impression is widely circulated in this country, I have had a selection of quotations from Prime Minister Nehru assembled for me, and I ask unanimous consent that they be printed in the RECORD at this point in my remarks.

There being no objection, the quotations were ordered to be printed in the RECORD, as follows:

Speaking recently to a group of American and other newsmen, Prime Minister Nehru observed:

"I am unconcerned with Communist economics. But politically I dislike it for two reasons. Firstly, it is too strongly linked with violence. Secondly, it has not shown that regard for standards I should like to see observed. Its philosophy is violent and I do not like that."

While welcoming this remark, a number of newspapers have commented that this is the first time that Mr. Nehru has publicly criticized communism.

This is far from truth. Mr. Nehru has for the last 20 or more years expressed his dislike of the violent and antiliberal aspects of communism.

To put the record straight, below are a few extracts from his writings and speeches.

"In Russia the dictatorship is exercised by the Soviets in which all the workers and peasants and other 'active' elements are represented. Thus it becomes a dictatorship of the 90 percent or even 95 percent over the remaining 10 percent or 5 percent. This is the theory. In practice the Communist Party controls the Soviets and the ruling clique of Communists control the the party. And the dictatorship is as strict, so far as censorship and freedom of thought or action are concerned, as any other." (Glimpses of World History, 1934.)

"I dislike dogmatism, and the treatment of Karl Marx's writings or any other as revealed scripture which cannot be challenged and the regimentation and heresy hunts which seem to be a feature of modern communism. I dislike also much that has happened in Russia, and especially the excessive use of violence in normal times." (Autobiography, 1936.)

"Much in Soviet Russia I dislike—the ruthless suppression of all contrary opinion, the wholesale regimentation, the unnecessary violence in carrying out various policies." (Ibid.)

"We stand in this country for democracy, we stand for an independent sovereign India. How obviously, anything that is opposed to the democratic concept—the real, essentially democratic concept, which includes not only political but economic democracy—we ought to oppose. We will resist the imposition of any other concept here or any other practice." (Independence and After—speeches of Jawaharlal Nehru, 1946–49.)

"I have always refused to bow to the bigotry of any religion, and I likewise refuse to bow to the bigotry of this new religion (communism)." Jawaharlal Nehru's speeches, 1949–53, Delhi, Government of India Pub. Division, 1954.)

"With all respect to the leaders of the Russian people, I wonder whether they would not try other ways of achieving their ideals if they had another chance. I doubt that they would choose violence again. However, that is a matter of opinion." (Ibid, p. 33.)

"I think also that there is always a close and intimate relationship between the end we aim at and the means adopted to attain it. Even if the end is right but the means are wrong, it will vitiate the end or divert us in the wrong direction. Means and ends are thus intimately and inextricably connected and cannot be separated." (Ibid, p. 396.)

Mr. HUMPHREY. Mr. President, when one reads the statements made by the Prime Minister of India, he will see that Mr. Nehru is not neutral in the struggle between freedom and communism. He may very well chart a course of dissociation from some of the specifics of American foreign policy, but that does not by any means indicate that Mr. Nehru is neutral as between the forces of good and evil, as between the forces of freedom and totalitarianism.

Quotations like these, Mr. President, seem to me to be unnecessary, but I mention them because they help to redress the public relations balance in discussions of Indian foreign policy views here on the floor of the Senate.

Whatever we may think of the views of any particular statesman or of his temporary reaction to certain events, we must not lose sight of the central issue: democracy and freedom in Asia depend upon the success of India, and the United States has an enlightened interest in that success.

I wish it to be quite clear that India is not the only country in which we have concern and interest. We want to see all the free countries of Asia develop more and more in strength and stability and in terms of their ability to provide a higher standard of living for their people. I have mentioned India partly because India has been the subject of what I consider to be a relentless attack by persons who do not tell all the facts, but rather utilize certain portions of statements in order to imply that India is anything but a friend of the United States.

My own views on what the situation in India requires from us in terms of economic and technical assistance have been a matter of public record for months. I ask unanimous consent that a statement which I released on March 10, 1958, concerning a new Marshall plan program for funds and food for India, be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPANDED FUNDS AND FOOD FOR INDIA PROGRAM PROPOSED BY HUMPHREY

A dynamic new Marshall Plan program of funds and food for India was proposed today by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, in a statement prepared for Senate delivery arguing for a basic United States commitment to insure the success of India's second 5-year plan.

While welcoming the $225 million loan to India announced by the State Department last week, Senator HUMPHREY declared that it "fell far short of the challenge and opportunity facing us; $1.4 billion is the absolute minimum gap which must be filled from foreign sources if the second 5-year plan is to succeed by 1961. In view of the increasing difficulties in financing, probably $2 billion comes closer to the actual need. Not all of this amount will have to come from American sources, but most of it will.

"The situation is emphatically a special and serious one. It needs special and serious attention. India's strategic situation, her democratic institutions, her economic absorptive capacity, and her size and prestige in Asia and in world affairs, all add up to a unique challenge. The issue at stake is so crucial, and the assistance needed so large, that a Marshall Plan effort for India is required, apart from the Mutual Security Program, the Development Loan Fund, and the Export-Import Bank assistance.

"Indeed these present instruments of assistance should not be distorted by exerting disproportionate pressure on them for the major Indian aid which they are unable to supply. I do not mean that these agencies should play a role in Indian assistance. But the task is beyond them, singly or together.

"It is not fully realized," the Minnesota Senator continued, "that there are two major challenges facing us in Indian economic assistance. The first is to provide the critical foreign exchange necessary for industrial progress until India can surmount her present balance of trade problem. The second, so far largely ignored, is to find a solution for the growing food crisis in India to make certain that economic development is not undermined by uncontrollable inflation. Fortunately the United States has the tools to help on both fronts, if we will only put them to use."

Using even the probably obsolescent estimate of $1.4 billion gap in foreign credits over the next 3 years, and allowing for the $225 million loan already committed for the possible conversion to rupees of the 1952 wheat loan, as well as for funds likely to be available from non-American sources, Senator HUMPHREY estimated that "$900 million of American economic assistance is the minimum which this country must provide by 1961."

Since its usefulness is maximized by its early availability, this amount should be provided by two Congressional appropriations, Senator HUMPHREY suggested. The first of $600 million should be appropriated this year, and the second of $300 million in 1959. The Senator called upon the State Department to "summon the courage to give us the facts and the leadership which the situation requires.

"The food crisis in India is not appreciated for what it really is—a key to this whole situation," Senator HUMPHREY declared. "The foreign exchange problem is immediate and must be dealt with on an emergency basis. But unless the inflationary situation in India is stabilized and rupee capital generated within the country for effective, economic development purposes, the foreign exchange assistance may prove of little avail. Insufficient food in India is producing inflation, and inflation can torpedo economic development. The United States, blessed with ample food and fiber, can use it to stabilize Indian economic development and the effectiveness of our own economic aid.

"This may mean a vastly increased food availability program for India, one which would perhaps quadruple the present $125 million agreement under Public Law 480. Here, too, I would like to see imaginative, constructive proposals from the administration. Anticipating that these proposals will not be forthcoming, I am urging Congressional initiative," Senator HUMPHREY concluded.

Mr. HUMPHREY. Mr. President, I have not changed my mind about the importance of this kind of large-scale, imaginative endeavor. I am under no illusions that the pending bill meets this challenge. Nevertheless, the bill now before the Senate does add a critically important new statement of national policy toward India, and I welcome that statement enthusiastically. The distinguished junior Senator from Massachusetts [Mr. KENNEDY] and the distinguished senior Senator from Kentucky [Mr. COOPER] deserve the heartfelt thanks of all of us for their initiative in obtaining the inclusion of this new policy statement. I was happy to support it. I earnestly hope that the statement will be included in the bill, and that the administration and Congress will thereafter turn their attention in a meaningful and deliberate way to the implementation of this major new commitment to help India succeed.

INTERNATIONAL FOOD AND RAW MATERIAL RESERVE

Mr. President, 2 years ago in the Mutual Security Act of 1956, section 549 of the bill as amended by the Senate, expressed the sense of Congress that the President should explore with other nations the establishment of an international Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations. This amendment was based upon S. Res. 86 of the 84th Congress, which I cosponsored on March 30, 1955, together with 22 other Senators. A subcommittee of the Committee on Foreign Relations held hearings on this resolution. The witnesses, except for the representatives of the executive branch, strongly favored the resolution.

Inasmuch as the Committee on Foreign Relations was simultaneously considering the problem of surplus agricultural commodities in connection with the Mutual Security Act of 1956, the committee voted to incorporate the substance of this resolution in the mutual-security bill of that year. The amendment was not mandatory, and it excluded minerals. The reserve would be organized for the purpose of acquiring and storing in approprite countries raw or processed farm products and other raw materials with a view to:

First. Preventing extreme price fluctuations in the international market in these commodities.

Second. Preventing famine and starvation.

Third. Helping absorb temporary market surpluses of farm products and other raw materials, exclusive of minerals.

Fourth. Economic- and social-development programs formulated in cooperation with other appropriate international agencies.

According to the report of the Foreign Relations Committee on the Mutual Security Act, the committee's action was based on a strong sentiment that more imaginative and vigorous action was necessary to find ways of using agricultural surpluses. It was not satisfied that the administration had done its utmost to explore every possible avenue of making effective use of these commodities. So while the language of the amendment does not make it mandatory for the President to explore the creation of a raw materials reserve, the committee hopes and expects that he will do so unless there are overriding reasons to the contrary. It should also be pointed out that the bill does not attempt to anticipate the results of the President's explorations and specifically reserves to Congress the right to reexamine any plan which may be presented.

Unfortunately, Mr. President, this proposed language lost out in the conference committee on the Mutual Security Act of 1956. The arguments in favor of this proposal are, if anything, more persuasive today than they were then. Consequently, yesterday I submitted an amendment, which I propose to call up at the appropriate time, to include that language of the 1956 act in the Mutual Security Act of 1958. The amendment is identical with the one which was included in the 1956 act. Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the amendment intended to be proposed by Mr. HUMPHREY to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, was ordered to be printed in the RECORD, as follows:

On page 63, after line 9, insert:

"(d) Add the following new section to the act:

"'SEC. 550. It is the sense of the Congress that the President should explore with other

nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations for the purpose of acquiring and storing in appropriate countries raw or processed farm products and other raw materials, exclusive of minerals, with a view to their use in—

"'(1) preventing extreme price fluctuations in the internationaal market in these commodities;

"'(2) preventing famine and starvation;

"'(3) helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals);

"'(4) economic and social development programs formulated in cooperation with other appropriate international agencies.

"'Participation by the United States in such an International Food and Raw Materials Reserve shall be contingent upon statutory authorization or treaty approval, as may be appropriate. The President shall include in each of the semiannual reports required by section 534 an account of action taken under this section.'"

Mr. HUMPHREY. Mr. President, I shall return to this discussion when I call up my amendment at the time when amendments are being offered to the bill.

Let me add that since 1956, the new government of Canada has vigorously supported an international food and fiber reserve. I say most respectfully to my colleagues on the Foreign Relations Committee, where we are examining United States-Canadian relations, that it might not be a bad idea not only to examine them, but also to do something about them. One way to do something constructive about the argricultural commodity surpluses which exist in both the United States and Canada, and which result in problems which today concern us a great deal, is to permit the President at least to look into that situation and to discuss with the Prime Minister of Canada ways and means of developing, with the affirmative support of the Congress, a project for the development of a food and fiber reserve.

Furthermore, the government of Japan, the government of Italy, and the governments of other nations have taken action, through their respective parliaments and foreign ministers, to invite the establishment of an international food and fiber reserve.

Mr. President, the one country which has more to gain from such a reserve than any other country is the United States of America. However, for some reason or other, those who are responsible for the executive policies of the United States refuse to lend their efforts to this worthy endeavor. In fact, they even refuse to implement the resolution, which was adopted at the 11th General Assembly of the United Nations, for the establishment of national food and fiber reserves, which resolution I was privileged to handle there as a delegate, and which was adopted unanimously, and was applauded by every nation represented there. Yet, our government has not so much as even lifted a finger to implement it.

Even more important, Mr. President, from a national-security point of view, our Government has not implemented the provisions of the Mutual Security Act which require the United States to have adequate food reserves in the NATO countries as a part of the common defense. Such authority exists, but apparently our Government prefers to have the food in America so it can be the subject of political discussion and partisan debate.

I respectfully suggest that we consider the establishment of reserves of food and fiber by these countries as important as the transfer of rockets and missiles to European bases. We say we will not use the rockets and missiles unless we are attacked. Then what is wrong with making some food available to our allies? It might be helpful to stabilize their markets, on the one hand, and also to assure them that it will be available to them in case of attack. Certainly, if war were to break out, the 500-plus Soviet submarines would not be used for fishing. Instead, they would be used to sink American ships and the ships of other nations in order to prevent the movement of food to the countries of Europe.

Mr. President, I have addressed myself to this subject again and again, but to little or no avail, I realize. Nevertheless, I say it is shortsighted and indefensible for a government which complains about the burdensome problems of agricultural commodity surpluses to be incapable of designing a program and plan to utilize them more constructively in the interest of national security and national defense, and the best way to use them to that end is by means of an international food and fiber reserve.

Again I respectfully suggest that when the Prime Minister of Canada visits with the President of the United States, one way to open the conference on a pleasant note would be to say that we salute the Canadian foresight and Canadian statesmanship in their appraisal of an international food and fiber reserve—that we are prepared to discuss it, and to try to work out its details, so that never again will Canadian wheatgrowers and American wheatgrowers have to be the subject of controversy and political tension between what should be the two most friendly nations on the face of the earth, namely, Canada and the United States.

Mr. NEUBERGER. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. JAVITS in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I am happy to yield to my friend, the Senator from Oregon.

Mr. NEUBERGER. Mr. President, as usual, I am very much impressed by the speech which is being delivered by the able junior Senator from Minnesota.

I am not a member of the Foreign Relations Committee; therefore I rely very extensively on other Senators for the information and enlightenment I receive on questions of foreign policy.

Since I became a Member of the Senate, I have quite consistently—indeed, very consistently, I believe—supported programs such as those for mutual security, the NATO alliance, the reciprocal trade agreements, and similar programs which seek to strengthen the Free World alliance.

One of the reasons why I have taken this position—and I may state that these programs are not always popular politically—is the fact that in this Chamber my seat is directly behind that of the junior Senator from Minnesota [Mr. HUMPHREY], I have had the opportunity of hearing many of his very wise and thorough statements on these subjects, and have been pleased to follow his leadership on foreign policy issues, because not only is he persuasive, but he is also, I believe, very sound.

I wish to ask several questions, if I may, regarding the general issue now before the Senate; and then I should like to ask a question about one particular, more restricted, phase of the issue.

Is it not the opinion of the Senator from Minnesota that if the United States were to abandon the mutual-security program, in many parts of the world the Russians would gain the allegiance of peoples who today are uncommitted as between the Soviet world and the Free World?

Mr. HUMPHREY. I think there is no doubt that if the United States were to abandon the mutual-security program, particularly in its economic aspects, the countries with which the United States presently is working, in terms of economic loans and some economic grants, would have to look elsewhere for capital, for technical assistance, and for professionally trained personnel. Today, there is one country that seems to be looking for customers; it is the Soviet Union. As a matter of fact, if the United States were to end its mutual-security efforts, or were to reduce them substantially, that would not mean that there would be less economic development in the world. It would simply mean that the Soviet Union would march in immediately, to take over and to offer its capital, its professional personnel, its talented technicians, and its means, to help other countries, and thereby to bring them within the orbit of the Soviet system.

Mr. President, what better way is there to have friends than to develop them through economic contacts? The leaders of the Soviet Union are shrewd. Khrushchev may drink vodka, but there is nothing wrong with his brain. He is a shrewd and able man; and so is the Soviet Ambassador to the United States, Mr. Menshikov. These men are fully aware that, in this day and age, one country does not simply force others to use its system, if it can get them to "come in through the back door" of economics, education, infiltration, cultural exchanges, and whatnot.

So the Soviet Union is working intensively to move into any areas where there seem to be a lack of leadership and a need for capital and for technically trained personnel.

Again, I remind my colleagues that the Soviet Union has capital for export, and has more gold than does any other nation on the face of the earth, save the United States; and the Soviet Union also has technicians and industrial goods for export. In other words, we have our work cut out for us. It is about time that we quit deluding ourselves into believing that, somehow or other, everyone will stand up and cheer for America merely because we happen to believe that

we are the most prosperous nation and the greatest nation on the face of the earth. I remind my colleagues that the Soviets are tough competitors.

Mr. NEUBERGER. Mr. President, I am in complete agreement with the warning which has been voiced by the distinguished junior Senator from Minnesota.

In this connection, I should like to state that a few weeks ago, I had the pleasure of having breakfast in the Senate dining room with Sheldon Mills, a distinguished American diplomat whom I know well personally, and whose wife Mrs. Neuberger and I knew when Mrs. Mills was a member of the staff of the Portland Oregonian. Today, Mr. Sheldon Mills is the Ambassador of our country to Afghanistan. Sheldon Mills is a career diplomat, who represents us in one of the outposts between the Soviet world and the Free World. He represents us in Afghanistan. He told me that without the mutual-security program and the aid that the mutual-security program makes possible, American prestige and American influence would be absolutely at the vanishing point in Afghanistan. He told me, for example, the Soviets had paved the streets in the capital, the seat of government in Afghanistan, Kabul.

Through the influence of Ambassador Mills, I have received a most illuminating letter from the International Cooperation Administration, which details the rivalry and competition which are taking place today in Afghanistan between American aid and the Soviet bloc. I should like to read one short paragraph of the letter to the Senator from Minnesota to emphasize how correct he is in his general warning as it applies to a frontier like Afghanistan:

> It has been estimated that in the last half of 1955 there were more than 450 bloc technicians in Afghanistan, most of whom were Russian, the remainder Czech. It is expected that the Afghan petroleum-development program will more than double the number of bloc technicians in Afghanistan over the next 4 years. In addition, a number of Russian military specialists were in the country engaged on a training program.

If the Senator from Minnesota has no objection, I should like to ask unanimous consent that the whole letter, detailing how Soviet penetration, economically and financially, is taking place in Afghanistan, be included in the RECORD.

Mr. HUMPHREY. I should like very much to have the letter placed in the RECORD. May I suggest that it be printed at the end of my remarks?

Mr. NEUBERGER. That is quite agreeable to me.

The PRESIDING OFFICER. Without objection, the letter will be printed as requested.

(See exhibit 2.)

Mr. HUMPHREY. In reference to the statement on Afghanistan, I may say that the records of the Foreign Relations Committee will confirm exactly what the Senator has just read to us. We had a visit with our Ambassador to Afghanistan, a very illuminating visit, a very informative one. I felt the Ambassador was extremely well informed about the problems of the area and what needed to be done. While I have not had an opportunity to read the letter which the Senator from Oregon received, the paragraph which he has just read was very much like what was indicated to me by our Ambassador.

Mr. NEUBERGER. I told Ambassador Mills, who is a resident of Oregon, as I am, if he could only tour all 36 counties in the State of Oregon and tell people the story that he told me at breakfast, my mail would not be against the foreign-aid program, as it unfortunately is today.

Mr. HUMPHREY. The mail I receive is against the foreign-aid program, but I am for it.

Mr. NEUBERGER. As I am.

Mr. HUMPHREY. I have studied foreign aid. I recognize mistakes have been made. The mistakes in the foreign-aid program are not mistakes in the sense of extravagance in amounts of money granted, but they are mistakes of bad planning, mistakes of dealing with unstable governments. They are mistakes of dealing with people who do not have the integrity needed for the good of the public. All people do not have the same standards as those which prevail in the United States. We have to deal with the world we now live in. Some people would like to deal with a world that does not exist; but in foreign policy we have to deal with the people who are here, not those who are dead or yet unborn.

The greatest mistake of the foreign aid program is that it has not been pursued aggressively enough; that it has not had long-range planning, and that we have not done enough in terms of economic lending and assistance. I repudiate any suggestion that the program is a giveaway. Those who say it is a giveaway are giving away their lack of understanding. They are exposing a kind of political illiteracy. The program is not a giveaway; it is a build-up program. It is building up other societies, thereby strengthening American society.

Mr. NEUBERGER. Is it not also true that there is a great deal of flyspecking about the foreign aid program? It is possible for a Senator to make a speech in the Senate or somewhere in the country, and show examples of misuse or waste of funds in foreign aid.

I think it was Napoleon Bonaparte, who was a master in the art of war, who said war is waste. The foreign aid program is the way America is waging the cold war. If we lose the cold war, then America may be in a shooting war, in which millions of our people, both in the battleline and in the country, itself, will die.

It seems to me it is totally unfair to pick out an isolated example, where there has been misuse or waste or bungling, and try to use that example to indict and repudiate the whole undertaking, through its whole scope. I do not think any program has been subject to that type of argument, as the foreign aid program has been. I am delighted when a speech is delivered such as is being delivered by the Senator from Minnesota, which defends the mutual security program.

I should like to ask the Senator about one other matter, and then I shall not interrupt him further. There has come to me a telegram signed by Robert R. Nathan, of the Americans for Democratic Action, and Rev. James L. Vizzard, of the National Catholic Rural Life Conference, and a good many other liberal groups in the country. This telegram expresses concern about the fact that the funds made available by the United States Government to United Nations technical assistance are not pegged at 40 percent. They feel the House provisions in this respect should have been included in the Senate bill. Because the Senator from Minnesota is not only a member of the Foreign Relations Committee, but also is a former delegate from the United States to the United Nations, and one of the foremost spokesmen and defenders of the United Nations in our country, I wonder if he will explain that matter.

Mr. HUMPHREY. I desire to concur in the sentiments in the telegram. I shall address myself to that point shortly. The Senator from Wisconsin [Mr. PROXMIRE] has been waiting to participate in the discussion. The very next item in my speech is the multilateral programs of technical assistance. If the Senator will permit me, I shall proceed to that and get to the substance of the telegram.

Mr. NEUBERGER. I will not interrupt then, because I know the Senator's time on the floor is limited. I want to say I, too, am concerned about the situation, but I feel certain the welfare of the United Nations will be well championed by the Senator from Minnesota when he reaches that point.

Mr. HUMPHREY. I thank the Senator.

Mr. NEUBERGER. With the Senator's permission, I ask unanimous consent to have the telegram to which I referred printed at the conclusion of the Senator's remarks.

Mr. HUMPHREY. I should like to have the telegram in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HUMPHREY. Whenever waste is demonstrated by the General Accounting Office, or by a Senator, or by any other official, we ought relentlessly to investigate and pursue the allegation and correct the condition, if we find the charge to be true. Sometimes in the past, in an effort to defend mutual security, persons have tried to brush aside some of the charges made about mismanagement or misuse of funds. There is no doubt that there have been such instances. My suggestion is that whenever there is any body of evidence as to waste or mismanagement, there be a special task force appointed at once to investigate the charge and to report back forthwith to the executive branch of the Government and to Congress.

For example, there have been charges of waste in Iran. There have been many charges made, from different sources. I wrote a letter to the staff director of the Senate Committee on Foreign Relations, Mr. Marcy, who in turn replied to me, in a very informative and very helpful way.

We have evidence of a certain amount of waste in certain countries. My suggestion is that when the evidence comes in we should have an investigation. The State Department could appoint one representative. The Congress, both Houses or one House, could appoint a representative. There could be a public representative, who could well be appointed by the President. That would be a committee of three. We could have a committee of five, or whatever number might be needed. The committee could proceed to investigate at once.

I am tired of hearing arguments about whether there is waste in this country or that country. I do not think it adds up to very good public policy to have such continuous arguments and such petty bickering going on. I feel we ought to have the sort of system wherein, whenever charges of substance are made, we can proceed forthwith to investigate with an impartial or at least an objective body, which will report at once to the Department of State, to the Congress of the United States, and to the press of America, which can inform the public, so that we shall all know what is going on. I do not know whether that procedure would be a cure-all, but I will state frankly a little public ventilation of these matters would result in some improvement in efficiency and also in better understanding.

Mr. President, I was very sorry that the Senate Committee on Foreign Relations found it impossible to accept what I consider to be the important and desirable provisions of the House bill in connection with the United Nations technical assistance program. It is with with respect to this point the Senator from Oregon [Mr. NEUBERGER] made reference earlier.

The small, but critically useful, U. N. technical assistance program merits all the support which the United States can effectively give. The House of Representatives adopted two constructive proposals which the Senate Foreign Relations Committee has rejected.

The first of these was a provision in the House bill to level off the United States contribution to the U. N. technical assistance program at 40 percent for 1959 and succeeding years. For 1958, we are contributing 45 percent. Even the reduction to 40 percent, as proposed by the House bill, is a substantial drop in one year.

Moreover, as mentioned in the committee report on page 15, the present law adopted last year calls for a reduction to 38 percent in 1959 and 33⅓ percent in 1960. Mr. President, not only is the United States national ability to pay estimated at about 40 percent of the world's income, but there is a special reason why the 40-percent figure is extremely important this year.

This reason lies in the creation of the Special Projects Fund approved by the United Nations General Assembly last fall. The Special Projects Fund is designed to finance larger and more sustained projects than could be handled under the present program. A goal of $100 million was proposed for the combined programs. This proposal was accepted unanimously by the General Assembly. By the way, that was an American proposal, and it was a constructive proposal.

It was a step forward—admittedly not as great a one as some of us who have supported SUNFED and related proposals would have liked, but nevertheless a step forward. Of course, I would be one of the first to say that other countries should bear their fair share of the cost of this program. This is a principle on which we can all agree.

But others are bearing an increasing share of this and other international programs. Already the United States percentage has been reduced from 60 percent to 45 percent. Since the U. N. technical assistance program began in 1950, contributions from other governments have increased from $8 million annually to $16.7 million for 1958, or more than double. Our contribution has gone from $12 million in 1950 to $15.3 million in 1957 and will be reduced to about $13.6 million for 1958 because of the 45-percent limitation which we have placed on our contribution. These figures do not take into account the local costs of projects which are borne by recipient countries, which are estimated at about $65 million annually.

The United Nations technical-assistance program is a successful, going program. We get more per dollar from the United Nations technical-assistance program than from any other single program to which we contribute. The United Nations technical-assistance program, which is a multilateral technical-assistance program, produces more results per dollar, per nickel, and per penny than any other program to which we contribute. For us to be bickering about the percentage figure when we are getting the results we want from a great United Nations effort seems to me to be like punching ourselves in the nose to see how strong our right arm is.

I repeat, Mr. President, that the House figure makes much more sense. I shall do whatever I can to sustain that figure, despite the fact that the Senate Committee on Foreign Relations, in its majority judgment, felt some alterations should be made.

I know the reason for such position. There is a considerable feeling on the part of some Members of the Senate concerning percentages. If we had a little less argument about percentages and a little more concern about objectives, I believe we would be better off. What we need are people who understand objectives, who do not quibble about percentages. The United States of America is not going to go broke by furnishing a million dollars extra for the United Nations technical-assistance program. That amount of money is about what we spend when a Vanguard missile fizzles. I have not seen any Senator stand up screaming, stomping, jumping, and arguing about the fact that we are wasting money when a Vanguard missile simply fails to function.

I think, Mr. President, we have spent more money trying to launch rockets which do not work than we are spending on the United Nations technical-assistance program.

Mr. GREEN and Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom?

Mr. HUMPHREY. I yield first to the distinguished chairman of the committee.

Mr. GREEN. Mr. President, I cannot resist inviting the attention of my colleagues to the fact that this subject was dealt with specifically in the report of the Committee on Foreign Relations, which was ordered to be printed May 26, 1958.

Mr. HUMPHREY. Yes, indeed.

Mr. GREEN. I shall read the section in question:

> The committee considered and rejected a provision in the House bill which would have repealed this scale of reductions and substituted a continuing limitation of 40 percent. The committee remains of the opinion that the percentage of the United States contribution should be brought down to 33⅓ percent in accordance with the schedule in existing law. Further, the percentage should continue to be calculated as at present—that is, on the basis of contributions to the central fund of the United Nations program. The committee rejects suggestions that local cost assessments against governments receiving United Nations technical assistance should be included in this base on which the United States contribution is calculated. These local cost assessments have been levied since 1954 and amount to 50 percent of the per diem subsistence allowances paid to United Nations experts. They are paid into the central fund, and in this respect differ from other local cost contributions by recipient governments, but they are not in precisely the same category as regular contributions to the central fund and should not be used as a device to increase the United States contribution.

I thank the Senator.

Mr. HUMPHREY. I thank the distinguished chairman. I respect the point of view of any who may support the committee's proposal. As I have said, from the overall standpoint I support the bill as reported from the committee. Undoubtedly the bill will go to conference. I am hopeful that in conference, with respect to this one feature, we may be defeated, and that the House may be victorious in connection with this item. With respect to other items, I hope it will not be so fortunate.

However, I know that the House will not be victorious if my friend, the able chairman, is as persuasive in conference as he is on the floor of the Senate. I shall try to induce him not to be quite so able and energetic at that particular moment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The Senator from Minnesota has made his characteristic stimulating, provocative, and brilliant kind of speech. It is a wonderful speech in support of a tremendously important bill. He has shown what a genuine humanitarian liberal he really is.

I should like to ask the Senator from Minnesota a question with respect to a specific point. I ask him to confirm or

deny this statement. It seems to me that it supports his position very strongly. However, I do not wish to overstate the position.

Our original contribution to the United Nations Technical Assistance Fund was about 60 percent. That has been reduced to 45 percent, or a cut of one-fourth during the past 6 years. If we follow the provisions of the law we must make further reductions in the next 2 years. If we make a further reduction of 26 percent more at this time, and an even larger percentage in the next 2 years, the result will not be to induce other countries to increase their share to a sufficient extent to make up the difference. The result will be to start the program downhill instead of uphill. The job will not be done, and we may be defeating our own objectives.

Furthermore, if we follow the objectives of existing legislation, we shall defeat the purposes of the program.

I ask the Senator from Minnesota if in his judgment this is a fair and accurate statement.

Mr. HUMPHREY. I am sure it is accurate in terms of statistical information. There is an honest disagreement among our colleagues as to whether the program would really be cut back. As the committee report states, there is no desire to cut back the total aggregate amount; but it is desired to reduce the percentage levels.

Mr. PROXMIRE. It is a matter of judgment.

Mr. HUMPHREY. It is a matter involving deep conviction on the part of certain of our colleagues that the percentage level of American contribution should be limited to 33⅓ percent.

I well understand the desire to reduce the percentage contribution of the United States, but I say to my colleagues that we are not using that same percentage level when it comes to military aid. We are paying for all the H-bombs for our side. We do not even want some of the other countries to have them. We are paying for most of the airplanes. We pay the lion's share of many costs. But when it comes to a project in which we can teach other people how to live better, in which we can teach other people how to conserve their land, care for their resources, and protect their homes and communities, we say, "We must keep the percentage level down."

We are not talking about billions of dollars. We are talking about a few million dollars. A few million dollars is a great deal of money, but in the kind of world in which we live, it seems to fade into insignificant proportions, considering the tremendous costs of national defense and armament.

This program is one of the best working, most successful international programs in which we participate. It is a program which is heralded throughout the world. It is the strong right arm of the United Nations, which is the world's greatest instrument for peace and justice. I feel that we are making a mistake.

We were the instigators of this movement in the 12th General Assembly of the United Nations. Our Government, through Ambassador Lodge and one of the United States Delegates, Representative WALTER JUDD, of my home State, spoke in behalf of American participation in a specialized United Nations technical assistance program. We laid before the delegates a project involving a cost of $100 million. We said, "This is in part our answer to the request for a special United Nations Fund for Economic Development." We said, "Let us try this program. It will yield more long-term good, and more constructive and positive results."

Now we say, "It was a good idea last October, but we have thought it through, and while we would like to see it work, we do not want to spend so much."

If we were talking about $1 billion, $3 billion, or $500 million, or even $50 million, one might say, "Let us take another quick look at the program." I say that this reduction is the wrong kind, in connection with the wrong project. I fully recognize that we must limit these funds somewhat in terms of our ability to pay, but we can afford 40 percent.

Mr. PROXMIRE. Mr. President, will the Senator yield on that very point?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. I ask the Senator if it is not true that at the level of 40 percent, this program is an exceedingly good and wise investment. For every $4 we put up, $10 will be spent properly, as the distinguished Senator from Minnesota has so eloquently shown.

Mr. HUMPHREY. That is true.

Mr. PROXMIRE. Now it is proposed that for every $4 we put up, $12 should be spent. That is stretching things a little too far. It seems to me that when we invest $4, and that investment brings about the expenditure of $10, that is a pretty good return.

Mr. HUMPHREY. It is not bad in this day and age.

I thank the Senator from Wisconsin for his keen interest in this subject.

Some of the work in connection with this program is being carried on by county agents of our Agricultural Extension Service. Most of those who work in the United Nations technical assistance program are Americans. There are some from other countries, but the largest group is from our own country. Through that program we gain a wonderful reputation around the world. I hope we shall look kindly upon the recommendations of the other body.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. JAVITS. I wish to join my colleagues in expressing appreciation for the detailed and well-considered analysis of our foreign policy situation being made by a distinguished advocate of the bipartisan foreign policy, who is also a member of the Committee on Foreign Relations.

I should like to invite my colleague's attention to two points which I think bear upon this discussion. We all realize that this is an authorization bill, and we have yet to fight the battle to determine how much money will actually be appropriated. But this bill is very important, from the standpoint of establishing conditions upon which appropriations will be based.

I was a member of the Foreign Affairs Committee of the other body when we first decided upon this plan of yearly authorization as well as yearly appropriation. I think it has turned out to be a very good plan.

Is it not a fact that we face a rather historic decision upon two points in the bill, especially in view of the shock to our national vanity which has come about lately by reason of some pretty hard and realistic blows to our foreign policy position? There are two questions which we must decide. I should like to have my colleague's views upon them. I know that he is very well informed upon the subject.

First, do we or do we not wish to draw a cordon sanitaire around the Communist bloc and say, "They are out. We will not do anything with them. They will have to paddle their own canoe. We will not try to win any of them away; and if any country behind the Iron Curtain wishes independence it will have to gain independence before we will do anything for it."

Obviously we are not going to drop guns, although some have suggested that we do so in Hungary. But we will not even drop dollars. That is fundamental question No. 1.

I agree entirely with the Senator from Minnesota. We talk about being smart in this game. We have been outsmarted from time to time because we did not take advantage of our opportunities. This program represents the kind of equipment we need for that purpose.

Mr. HUMPHREY. What some people are really saying is, "Poland, Hungary, Rumania, and other countries are in the hands of the Kremlin."

It is true that they are at present in the hands of the Kremlin, but the people are not. We had a witness to that fact last week by the kind of information which has come out of Rumania. American reporters and columnists and some travelers have come from Rumania with glowing reports of pro-American sentiment and pro-American attitude of the people there.

As a matter of fact, there is more pro-American attitude in some of the satellite countries than in some countries that are not satellites of the Kremlin, because the people in the satellite countries yearn for the chance of having contact with the United States.

What some people are saying is: "These countries are Communist, and we will have nothing to do with them," as the Senator from New York has so ably said. Does the Soviet Union act that way?

Let us take a look at Latin America. Latin American countries vote solidly with the United States in the United Nations. Latin American countries have been looked upon as our brothers and sisters, as one with us in the great organization of American states, and they are a part of the great Rio pact. Accordingly, most people in the world have traditionally looked upon Latin American countries and the United States as one family, happy and inseparable.

Do the leaders in the Kremlin say, "The Latin American countries like the United States; they are always with the United States; they always vote with the

United States in the United Nations; therefore, we will have nothing to do with them?" Is that what Mr. Khrushchev said? Oh, no.

The Russian leaders looked at Latin America and said, "There may be just a few people who may not like the United States, and who may not be happy with the United States. Let us go to work there." They are down there doing their best. They are down there offering economic assistance. They are sending their books to those countries. They are buying goods there. Their students are being exchanged. They have their political infiltrators going into those countries by the hundreds. The Soviets are working in every country down there. They do not go around giving blood tests and saying, "If you have so much as one little molecule of pro-United States sentiment, you will get nothing from us." As a matter of fact, when they do find a country in which there is pro-United States sentiment they work overtime in that country. They are smart. They are trying to win people over.

The trouble with us is that we have been such good friends with them for so many years that we hardly dare tell the truth about each other; and we say, "Let us continue to do business with them. We eat the same kind of soup they eat, and we dress the way they dress. We understand them, and they understand us. They have the same bad habits that we have, and probably some of the good ones, too."

No, that is not the way to conduct an aggressive and effective and dynamic foreign policy.

Still some people say that we will have nothing to do with countries that are socialistic and communistic. We will not give $1 to such countries. Yet at the same time they talk about liberating them. All I can say is, "Baloney."

As I said earlier in the discussion, we might just as well face the fact that we are not ready to send American forces to liberate satellite states. At least I have heard no responsible official of Government say that. In fact, all statements by responsible Government officials have been to the contrary. We ought to offer to these people, who still want to worship their God and who still want to attend churches and synagogues and cathedrals, help that will let them hold up their heads, particularly when they manifest a desire to be more independent and gain a little more freedom.

I know it is a calculated risk to help them. I suppose one of these days something will go wrong, and someone will say, "I remember that man HUMPHREY, who was in favor of giving aid to Yugoslavia and Poland." I am in favor of giving aid to anyone who wants to stand up, and I want to help any country, within the limit of our means. I know we do not have an inexhaustible Treasury. However, I say at least let us do what we can to help men and women stand up in their desire to be free men and women. Many of these countries did not have much freedom even before the Communists took over. Many of them had dictator-type regimes. Now they have tyrants and commissars.

We do not order this aid to be given. We merely say to the chief spokesman of American foreign policy, our President, that if he in his wisdom—after he has had the advice and counsel of the best brains in this country, and also from our friends abroad—believes it is to our national interest and in the interest of our national security, and that it will lend itself toward peace and justice, the President will have the approval of Congress to proceed and offer some help. That is all we are talking about.

I hope, as I said earlier, that there will be no weakening on this point, and that in a couple of days we will not fail in a test of courage on this issue. I hope the administration will be ready to stand up and be counted on this question. I call to the attention of the Senator that this point has disturbed me no end. I know that the Senator from New York feels the same way.

Mr. JAVITS. I do feel the same way. I feel very deeply that the administration will stand foursquare with what it has recommended to Congress. Let me point out that the administration has actually negotiated with both Yugoslavia and Poland on these aid deals. I see no indication whatsoever that the administration will recede from that position, which is in the national security interest of our country.

That leads me to the next point. Is it not a fact that when we say that the men in the Kremlin can press the button and, as our British friends say, send up the red balloon any time they wish to do so, that they want to stay in their jobs and probably save their skins? As they wonder about Poland and Rumania and Bulgaria and Czechoslovakia, and see what we are contributing, they will have some doubts placed in their minds.

Mr. HUMPHREY. The Senator is eminently right. That is one of the most persuasive arguments that can be made, and, as usual, the Senator from New York has made it eloquently. I wish to thank him.

Mr. JAVITS. I should like to ask the Senator one more question, because it involves a question of principle. I hope the Senator will forgive me for asking him these questions.

Mr. HUMPHREY. I am delighted to have the Senator from New York do so.

Mr. JAVITS. I know that there are not many Senators in the Chamber, and that this is almost in the nature of a dress rehearsal for the debate-and-vote day to follow. However, unless we say it now in this general debate, what we have to say just does not get said. In this way, in this debate, what we have to say does get out to the country and to the people of our States. When we vote, there is not much opportunity for interest to be manifested, especially by the people back home.

So I ask the Senator from Minnesota this question: Is this not one of the fundamental questions of principle at issue, namely, if the Free World and parts of the Communist world which are wavering a little bit do have higher states of living, there is far less chance of an atomic holocaust being unleashed than if their states of living remain low? Therefore, when country A is aided—whether it be aided by us or by the U. N.—the fact is we must decide in this Chamber whether that when standards of living are improved, no matter by whom, it represents a benefit to us and we win in that exchange?

Mr. HUMPHREY. Of course we win. The Senator is absolutely correct. As I have said about other matters, when some countries have been declared to be neutrals—if a country is simply for itself; if a particular country seeks to lift the standard of living of its own people, to improve its economic system, its productive apparatus, its means of distribution, that is a victory for what we want. Because what we want is not more territory; what we want is not somebody else's resources. What we want is not more control over somebody else's people.

What we want is a world in which nations can live under law and order. We want a world in which nations can live in peace; in which people will have the hope of a better life. What we want is peace with justice and peace with freedom, so that every time any country or any group lifts itself, or any time any group or country is helped, so that their own economy and political institutions are improved or strengthened, it will be a victory for freedom. This is a victory for, I will not say only our side, but for all decent people. There is no doubt about it.

Mr. JAVITS. I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I was speaking earlier about the United Nations technical assistance program. I shall complete my observations on it. It is a successful, going program. Its success to date was one of the reasons other governments responded to the United States initiative when our delegation proposed the new special projects fund as an extension of the technical assistance program.

When a new international enterprise is launched, other governments need to know what our intentions are toward it. I believe for us to announce our intention to contribute no more than 33.33 percent by 1960 will get the new program off to an inauspicious start, and would be inconsistent with the role of leadership we should maintain at the United Nations.

There is no doubt in my mind that the depressive influence of the Senate committee action on percentage contributions will have a stifling effect on this whole United Nations project even before it gets under way. I hope that in conference it will be possible to accept what I think are the more enlightened views of the House of Representatives on this issue.

There is another important provision in the House bill which has been rejected by the Senate committee. The House of Representatives recommended that the base on which United States contributions are computed should be enlarged to include local cost assessments. These sums, which are estimated at $3.1 million for 1958, are assessed against nations receiving U. N. technical experts,

are paid to the U. N. technical assistance program and audited.

Mr. President, I ask unanimous consent that a brief description of local contributions to the United Nations expanded technical assistance program be printed at this point in the RECORD.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

SOME FACTS ON LOCAL CONTRIBUTIONS TO THE U. N. EXPANDED TECHNICAL ASSISTANCE PROGRAM

RAMSEYER RULE PRINT OF THE MUTUAL SECURITY ACT OF 1958

Title III, technical cooperation, section 306: "* * * There is hereby authorized to be appropriated to carry out the purpose of this section * * * (a) [$15,500,000] $20,000,000 for the fiscal year [1958] 1959 for contributions to the United Nations Expanded Program of Technical Assistance and such related fund as may hereafter be established: *Provided*, That, notwithstanding the limitation of 33.33 percent contained in the Mutual Security Appropriation Act, 1957, the United States contribution [to this program] for such purpose may constitute for the calendar year 1958 as much as but not to exceed 45 percent of the total amount contributed [to the program] for such purpose for that period, for the calendar year 1959 as much as but not to exceed 38 percent of the total amount contributed [to the program] for such purpose for that period, and for the calendar year 1960 as much as but not to exceed 33.33 percent of the total amount contributed [to the program] for such purpose for that period."

CONTRIBUTIONS PLEDGED BY GOVERNMENTS TO THE EXPANDED PROGRAM

These are the contributions on which the United States percentage contribution is computed:

1952	$18,797,200
1953	22,320,700
1954	25,020,600
1955	27,666,200
1956	28,833,700
1957	30,794,200
1958 (authorized)	31,890,422

LOCAL CONTRIBUTIONS OF A GENERAL NATURE—NOT ASSESSED OR AUDITED

In 1949 the U. N. Economic and Social Council approved a resolution (222 (IX) Annex I) that: "the requesting government should be expected to agree * * * normally to assume responsibility for a substantial part of the costs of technical services with which they are provided, at least that part which can be met in their own currencies."

Under this arrangement, recipient governments have provided funds to pay for personnel assisting the experts, office and other physical facilities, transportation within the country, project supplies and material available in the country, and certain services such as postal and telecommunicative facilities.

The State Department has estimated the cost of all local contributions at $67.5 million for 1958. (Francis O. Wilcox before Senate Foreign Relations Committee, April 1, 1958; John W. Hanes, Jr., before House Foreign Affairs Committee, March 26, 1958.)

LOCAL CONTRIBUTIONS FOR LIVING COSTS OF EXPERTS—ASSESSED AND AUDITED

In 1953 the Economic and Social Council in resolution 470 (XV) approved arrangements under which recipient governments are required to pay toward the local living allowances of experts a flat sum calculated on the basis of 50 percent of the daily subsistence allowance rate established by the Technical Assistance Board multiplied by the number of man-days served by experts in the country.

This procedure went into effect in 1954. The local costs assessments are as follows:

Paid	
1954	$913,267
1955	1,379,589
1956	1,494,529
Estimated assessments	
1957	$2,570,420
1958	3,100,000

These payments are listed along with voluntary contributions as payments to the special account in the U. N. records. But they are not included when computing the amount of the United States percentage contribution.

PRIMARY SOURCES

Status of Local Costs Arrangement, Report of the Technical Assistance Board (U. N. Doc. E/TAC/60, 8 May 1957).

Annual Report of the Technical Assistance Board for 1956 (E/TAC/REP/97).

Mr. HUMPHREY. Mr. President, the present statutory language is rather vague in connection with the computation of the United States contribution to the technical assistance program. The position has been taken that only the voluntary payments to the central account should be considered. This has meant that the very considerable contributions made by the recipient nations in the form of local costs to support the projects have not been recognized.

About $3.1 million of the estimated $67.5 million in local contributions consists of definitely audited local costs assessments from the various countries. This sum, which is assessed against recipient governments in accordance with a 1953 ECOSOC Resolution, goes for the living costs of UNETAP experts in the recipient country and is included by the U. N. along with the voluntary payments in computing the total payments to the central account.

Mr. President, I think it is highly unfortunate that the Foreign Relations Committee rejected the House conclusion that these local cost assessments ought to be included in computing the United States proportionate share. Here, too, I am hopeful that corrective action will be possible in the conference.

Mr. President, as I said earlier, really our mutual security program is a program for international peace and security. I have approached mutual security in the context of a broad, across-the-board foreign policy. I have expressed my sense of urgency that our foreign aid program should become a far better instrument to achieve our national aims as a responsible member of the world community. I have approached mutual security in the context of a broad, across-the-board foreign policy.

I have discussed some of the provisions of the present mutual security bill which I think move in the right direction. I have mentioned others which I think are deficient, which I hope may yet be rectified. Obviously, I have not taken the time to go into every aspect of the mutual security program in which I am interested.

Perhaps the administration feels that it has complied with the provisions of the Mutual Security Act of 1956 that the President should take more affirmative action effectively to counteract Soviet economic policy and to promote political and economic self-determination of the underdeveloped nations of the world.

Personally, I am not yet satisfied that this has been done. Indeed, the Soviet's peaceful offensive in foreign economic operations has increased with such magnitude in just the last year that the implied warning in our 1956 legislation has merely become a faint prophecy of greater challenges to come.

Only continued rethinking of our whole mutual security effort, with an outpouring of new ideas and an increased devotion by administrators and legislators can keep our country in the position all Americans wish it to maintain.

Occupied as we are with grave domestic problems, and weary as we may be with the seemingly endless perplexities posed for us by unfolding world developments, we must keep in mind the stupendous stakes involved.

Our whole life is involved. The security and safety of our Nation are involved. So I plead with my fellow Americans not to weary under the burdensome load of these responsibilities. We need to have the kind of faith and dedication which will convince the world that we will stick to the job. Let us never leave a moment's doubt in the minds of the people of the world that we are capable of giving leadership and that we will pay the price for leadership. This is what we need to have the people understand.

We must not by any inadequacy on our part leave to our children an inheritance of a world in which we are unable to establish enough military equality to get disarmament, and unable to establish enough liberty to prevent the expansion of an aggressive communism. We do not want to be responsible for the gradual loss of independent nations to the Communist bloc until our own Nation becomes a frightened armed camp, a lonely, out-balanced world power.

Mr. President, I hope that we yet may get the kind of leadership required for a full-fledged national effort in foreign affairs. I think that the Congress is ready to do the job. I know that the American people are ready to support it.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial entitled "Free World to Work," published in the Washington Post of June 1, 1958. This is a very moving editorial, one which demonstrates, again, the kind of imagination and creativeness which we as a Nation need to have if we are really to command respect and to be worthy of the awesome responsibilities of world leadership.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREE WORLD TO WORK

In a time that cries for ideas, Adlai Stevenson has supplied one that deserves to be taken up, developed, and applied. Mr. Stevenson's concern is the growing Free World economic crisis which he believes is far more serious in its implications than even the paralysis that beset Europe in 1947. Why not, he asked in an extremely thoughtful address at the University of Louisville a few days ago, establish "a committee of experts comparable to the group which laid the groundwork for the Marshall plan in 1947"?

Their function on an international basis should be "to prepare an agenda for the regeneration of the Free World economy upon which the nations can agree and act within a year."

This crisis has its roots in the breakdown of the old trading system symbolized by Britain and grounded on low tariffs, high lending and reserves flexibly based upon gold. Despite substantial American aid and investment programs since the war, the gap between the American standard of living and those elsewhere in the Free World is steadily widening. Last year, for example, the United States had a favorable balance of trade of some $7 billion—which meant that we sold that much more than we bought. In that same year falling raw material prices reduced the income of producer countries by some $750 million.

If the United States were now investing in development abroad at the same rate as Britain in her heyday as a creditor nation, the total of public and private lending would have to be at least tripled—and some authorities say it would have to be increased by as much as 30 times. That is a measure of the imbalance. Although there has been much praiseworthy internationalism in our outlook since the war, the practical effect of our policies still has much isolationism to it; we are enriching ourselves while the remainder of the world falls behind. And while the Free World is thus economically disunited, the Communists broaden and intensify their economic offensive, commiserating with nations that rely upon the West's failing capitalism. One thing you don't find, Mr. Stevenson notes pointedly, "is a really isolationist Communist."

Today the capital hunger in some areas of the world is so great that it can be heard gnawing. Indeed, there will have to be primary infusions before there can be even the rudimentary expansion to foster private growth; there can be no doctrinaire blinders about socialism respecting countries which grasp at almost any slogan for improvement. Different manifestations of the same crisis of imbalance of course affect some developed nations as well. The World Bank, the International Monetary Fund, American reciprocal trade and assistance programs, the United Nations, Senator MONRONEY'S soft loan bank plan—all these are part of the answer. But they need direction.

Unity of concept thus is a first requirement. Specifically, Mr. Stevenson would have the Committee of Experts seek means of regaining momentum in economic expansion—an overall growth of 5 percent annually that would minimize inflation; build new links with the European Common Market and free trade area so as to avoid new protectionist walls; expand investment in underdeveloped areas; and stimulate additional working capital for trade and convertibility.

It follows that the United States is by no means alone in having resources to contribute. Germany, Britain, France, Canada, Japan and other nations are now investing abroad, and they could help more in a distributed effort. Obviously such help should not be unrequited. A basic essential is self-help, which means the sort of stocktaking and housecleaning in prospective recipient nations that underlay the Marshall plan.

Americans distressed by the waves of anti-Americanism that have broken out in South America and the Near East could devote themselves to no more construction purpose than developing such a catalyst. There is no short-term answer to such outbreaks, which are more symptomatic than causative; and in any event the country should concern itself with more than short-term remedies in the situation that confronts it. The basic problem is economic, and the basic requirement is to marshal the resources of the Free World—through investment, raw materials stabilization and the like—in such a way that they complement each other.

Some years ago Clare Boothe Luce referred derisively to such globalism as "globaloney." The plain truth is that the subject of yesterday's scoffing has become today's realism. We are finding more and more that we are literally our brothers' keepers, and that their health intimately affects our own. Mr. Stevenson appeals for the foresight, energy and patience of Marshall, Acheson, Truman, Vandenberg, Bevan and Monnet in organizing a new American initiative; "I believe," he says, "that my fellow Democrats will follow an administration lead today as faithfully and eagerly as many Republicans followed the Democratic initiative 10 years ago." Ideas can move men and nations. This one should.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Foreign Policy; Something Needs To Be Added," written by Roscoe Drummond, and published in the Washington Post of June 2, 1958. Mr. Drummond is one of the foremost political commentators. He is an able columnist and a great citizen. He has contributed much to the understanding of world affairs and American politics, not only to the American people, but to people elsewhere. I shall read these lines from Mr. Drummond's article:

I venture to urge that it would be useful and timely for President Eisenhower to appoint a peoples peace commission of respected and qualified citizens outside the Government to contribute a fresh impetus to United States foreign policy thinking.

Such a commission could, at the very least, serve three valuable purposes.

It could generate new ideas and supplement the thinking of Government officials.

It could examine the merit of proposing that similar peoples peace commissions be created in other countries to put the cause of peace and freedom on a people-to-people as well as on a government-to-government level.

It could generate a sense of public participation in foreign policy throughout the United States and, believe me, this is going to be indispensable if the American people are going to continue to have to spend so much for defense and aid with so few positive results and so many damaging setbacks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 2, 1958]

SOMETHING NEEDS TO BE ADDED

(By Roscoe Drummond)

When you consider the massive, costly, continuous efforts which the United States has been making to improve the prospects of peace and better living standards in the world and compare these efforts with the miniscule results and the whole series of increasingly disheartening and perilous setbacks, there is one conclusion which seems almost beyond argument:

Something needs to be added to American foreign policy.

Of course, it isn't wholly accurate to put our gains and losses in a box score and compare them with Moscow's, but surely there is some lesson to be drawn from facts like these:

Since World War II we have, through UNRRA, the Marshall plan and the mutual security program, poured some $60 billion into the Free World while the Soviet Union has put about one-twentieth of that into its foreign aid. The results have been disproportionate, to say the least.

We used our influence to bring about the independence of Indonesia and the present government of Indonesia tends to look upon us as an enemy.

We shield the South American Republics from war and conquest, respect their independence, do much to help their economic progress—and the Vice President is stoned on a goodwill trip.

We seek to befriend the Algerians and the Lebanese, and mobs fire USIA libraries in Algeria and Lebanon.

The United States—as in the Philippines—stands for the liberation and defense of the newly independent nations; the Soviet Union suffocates the independence of nearly a dozen formerly free countries—and some prominent neutralist leaders say they can see little to choose between the Soviet and American leadership.

I'm not saying that we have done wrong or that we don't need to do more of the same. Without the Marshall plan, Europe would be Communist today. Without NATO and SEATO and other alliances and mutual-security aid, there might well have been more Communist military aggression than in Korea and Indochina.

But something more needs to be added to American foreign policy.

Admittedly, it is a lot easier to see this need than to define what should be done. But, if we can agree that something more needs to be added to American foreign policy, we had better begin to do something about it—and soon.

To recognise the need is the essential starting point. To do something about it is urgent.

I venture to urge that it would be useful and timely for President Eisenhower to appoint a people's peace commission of respected and qualified citizens outside the Government to contribute a fresh impetus to United States foreign-policy thinking.

Such a commission could, at the very least, serve three valuable purposes.

It could generate new ideas and supplement the thinking of Government officials.

It could examine the merit of proposing that similar people's peace commissions be created in other countries to put the cause of peace and freedom on a people-to-people as well as on a government-to-government level.

It could generate a sense of public participation in foreign policy throughout the United States; and, believe me, this is going to be indispensable if the American people are going to continue to have to spend so much for defense and aid with so few positive results and so many damaging setbacks.

In a continuing series of editorials the Deseret News of Salt Lake City, a newspaper of deep spiritual conviction, has been advocating this course of action; and it seems to me that it has been making a constructive case and that its voice should be heeded.

"The surest, most hopeful fact in the whole troubled international picture is that the peoples of the world want peace," it points out. "Let us have the best minds of America called to serve on a peace commission here in America, and invite other world powers to join us in a people's level, unremitting search for peace based on principles of understanding and brotherhood."

This may well be the something new which needs to be added to American foreign policy—or a good way to find it.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Red-Bloc Aid Loses Support," written by Carroll Kilpatrick, and published in the Washington Post of June 4, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 4, 1958]

RED-BLOC AID LOSES SUPPORT

(By Carroll Kilpatrick)

The administration yesterday let it be known on Capitol Hill that it would no longer support the Kennedy amendment to the foreign aid bill to permit economic aid to some Communist countries.

Senate minority leader WILLIAM F. KNOWLAND (Republican of California) last week announced that he would fight the Kennedy amendment, which Secretary of State John Foster Dulles earlier had said would be in the national interest.

The administration decision appeared to be embarrassing to some Republican as well as some Democratic Senators. Senator ALEXANDER WILEY (Republican of Wisconsin), senior minority member of the Foreign Relations Committee, made a vigorous defense of the amendment on the Senate floor Monday.

A State Department official said the administration had endorsed the Kennedy proposal in principle only and not as a part of the Mutual Security Act.

WOULD RELAX CURBS

KENNEDY'S amendment would permit economic assistance to all Communist-controlled nations except Russia, Red China, and North Korea. It would not permit military aid. The amendment would relax Battle Act restrictions which prohibit economic aid.

The Senate is expected to begin voting on the $3 billion aid bill today, and may pass it tonight or Thursday.

State Department officials were said to be divided over what position to take after KNOWLAND made known his determination to lead a fight against the proposal.

An official said it was decided not to support the proposal, however, because the House had never considered it and would not agree to it in conference. The aid bill already has passed the House. The official said the Kennedy amendment as a separate bill would be supported.

In March, testifying before the Foreign Relations Committee, Dulles endorsed the Kennedy plan, saying it would provide "more flexibility" in the administration of foreign aid which would be "very desirable."

In April, the State Department suggested some changes in KENNEDY'S amendment, which the Senator accepted.

In reporting the aid bill, the Foreign Relations Committee said "a series of cracks has appeared in the Iron Curtain" and that "there is a third category of nations in the process of moving away from Communist control and establishing some measure of independence."

AWARE OF RISKS

It said the amendment would make it possible "to help the freedom-loving peoples of Eastern Europe and other areas to achieve greater political, economic and social freedom by means short of either civil war or international war."

The committee said it was "well aware of the risks" of a policy of extending aid to such countries, but explained that "this is the area of maximum vulnerability of the Soviet empire."

"The committee believes that the risks are outweighed by the increased chance for world peace which may result if the United States can help some countries within the Communist bloc gradually to loosen their bonds," the report said.

KNOWLAND told the Senate such aid would play into the hands of the rulers of Russia and Communist China by alleviating for them the burdens of providing an acceptable standard of living in these nations.

"No third category of nations is in the process of moving away from Communist control and establishing some measure of independence," the Californian said.

SEES HANDS TIED

WILEY told the Senate Monday that KNOWLAND'S amendment "would tie the hands of the President" and "deny the President the opportunity to make an independent judgment as to whether aid to a country such as Poland * * * or Yugoslavia continues to be in our national interest."

As the Senate continued to debate the aid bill Senator ALLEN J. ELLENDER, Democrat, of Louisiana, said he would introduce a series of amendments to cut substantially the amount of money to be authorized.

ELLENDER said he favored the Kennedy provision. He said he did not know whether limited aid to Red satellites would do any good but that this country should be able to give such aid if the President thought it advisable.

Senator WILLIAM E. JENNER, Republican, of Indiana, called for an end to all aid programs as of December 31. After that, he said, aid funds should be paid by the Treasury on the basis of nation-to-nation agreements.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "State Caves In," published in the Washington Post of June 4, 1958. The editorial concerns the Kennedy amendment and refers to the colloquy which took place between the Senator from New York and the junior Senator from Minnesota.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 4, 1958]

STATE CAVES IN

The State Department again is displaying the kind of spinelessness on an important aspect of the mutual security program that makes a mockery of the Administration's recent warnings about the massive Soviet trade and aid offensive. In April the Department enthusiastically endorsed the bill by Senator KENNEDY to liberalize the restrictive Battle Act, which severely limits the granting of economic assistance to Communist countries. But now that the Kennedy bill has been approved by the Senate Foreign Relations Committee as an amendment to the pending Mutual Security Act, State Department spokesmen have let it be known that the question is one for legislative determination.

Given the violent objections of Minority Leader KNOWLAND to any and all aid to Communist countries, whatever the circumstances, the plain implication is that the administration is prepared to let him have his way even though Senator WILEY and other Republicans have supported the Kennedy amendment. It appears that Mr. KNOWLAND is exercising a kind of blackmail by threatening the foreign aid appropriation if his opposition is ignored.

Aid to Communist countries should not of course be routinely given. There ought to be Presidential findings that such assistance is in the national interest. But once the finding is made, it is utter nonsense to apply all kinds of special inhibitions and restrictions. In what other kind of situation is it more important to have prompt and adequate action?

Under the Battle Act it took 8 months for modest assistance to be worked out for Poland during the difficult time in which that country began to steer a more independent course. Even then, the use of Export-Import Bank loans was foreclosed, and the full implementation of the agricultural surplus disposal program was impossible. The Kennedy amendment would lift some of these restrictions and give the President the power to help the satellites make the most of any opportuntiies that come their way for lessening their subservience to Moscow.

The State Department may have a tactical point in its professed preference for action on the Kennedy bill independent of the mutual security legislation. But if so, it has done precious little in the House to move matters in that direction and its truckling to Mr. KNOWLAND will leave it subject to further attack. The unavoidable inference is that Senator KNOWLAND is, at the moment, in charge of this phase of American foreign policy.

Mr. HUMPHREY. Mr. President, an eloquent plea has been made for foreign aid and foreign trade in the form of an address entitled "International Trade and Our National Security," delivered by Under Secretary of State Christian Herter before the Seventh Annual Washington State International Trade Fair at Seattle, Wash., April 11, 1958, and published in the Department of State Bulletin of recent date.

Under Secretary of State Herter is a man for whom I have very high regard, and who is a very faithful public servant.

Under Secretary Herter has demonstrated the interrelationship of the mutual security program and the reciprocal trade policies. He has made a powerful and persuasive argument. I read it twice and found it to be invigorating and provocative. It is worthy of the attention of every Member of Congress and all other citizens.

I ask unanimous consent that the address be printed at this point in the RECORD as I conclude my own remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INTERNATIONAL TRADE AND OUR NATIONAL SECURITY

(By Under Secretary Herter [1])

President Eisenhower and Mr. Dulles asked me to tell you of their keen interest in this great civic enterprise. The benefits of a fair such as this extend throughout the United States. In the most practical way possible, you are demonstrating the interdependence of nations. Our foreign policy is based on the belief that no nation is an island unto itself and, in bringing nations and peoples and goods closer together, you are furthering the aims of this Government.

Trade fairs hark back to ancient days. There is a Biblical reference in the Book of Esther to a fair lasting 180 days conducted by Xerxes, King of the Persians, for the purpose of displaying the riches of his kingdom. This was 500 B. C. Through the ages, trade fairs played an important role in establishing many of the important trading centers of Europe—Frankfort, Leipzig, Lyon, Brussels. They became crossroads of traffic in the very same sense that this great city of Seattle is a gateway to the Orient.

We can trace the history of fairs from medieval times through the Middle Ages down to the present—from stalls and booths and bazaars and shows to the great industrial exhibitions of today. But there is an essential difference between fairs today and in olden times.

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[1] Address made before the Seventh Annual Washington State International Trade Fair at Seattle, Wash., on Apr. 11 (press release 183 dated Apr. 9).

This is a geographical difference. In Europe distances between countries like Belgium or Holland or, for that matter, almost any country in western or central Europe are comparatively short. Because of the difficulties of transportation and the small area and population of each country, the producers of goods a few hundred years ago had to rely on outlets in neighboring countries.

The mid-20th century has changed all this. The world is the market for the man with the better mousetrap. You can fly that mousetrap from Bangkok to Seattle in 44 hours.

This is a mixed blessing. In less than 44 hours a military plane carrying an atomic or hydrogen bomb can also deliver its cargo to any city in the world. This, together with the threat of ballistic missiles, makes it all too evident that the United States is no longer protected by its Atlantic and Pacific Oceans. From a space-age viewpoint, Moscow is just about as close as your nearest shopping center.

Now, the foreign policy of the United States reflects this fundamental fact—and that is that the security and prosperity of this Nation cannot be separated from that of other nations.

COMMUNIST STRATEGY

We live in a troubled world, but we have no trouble in locating the threat to our peace and security. The threat is international communism. The threat is not new. It is as old as communism itself. Thirty-five years ago, Lenin said:

"First we will take Eastern Europe, next the masses of Asia, and finally we will encircle the last bastion of capitalism—the United States. We shall not have to attack it; it will fall like overripe fruit into our hands."

Now that is very specific and very direct; and I don't think I need to point out to this audience that communism has accomplished the first step. What the mapmakers called Eastern Europe 20 years ago is behind the Iron Curtain.

This Lenin statement is Communist doctrine. It charts the strategy, and it has been like a polar star to the succession of rulers in the Kremlin. World domination was and is the goal.

While attempting to lull the Free World into a sense of false security, the Sino-Soviet bloc has developed the largest standing army in the history of the world. They have built a submarine fleet more than three times larger than our own. And they back up this army and navy with an array of tactical and intermediate missiles. While protesting their peaceful intentions, they work night and day to develop the so-called ultimate weapon—the intercontinental ballistic missile.

This is the military threat of communism. It is not dreamed up by any alarmist. It exists today—now—and it is very, very formidable.

In view of the record of international communism, a record filled with treachery and broken promises, simple prudence would dictate that the United States and the rest of the Free World counter this threat. This we have done and will continue to do. Briefly, I would like to tell you how.

First, we have strengthened, modernized, and streamlined our own military establishment. The more than 2,600,000 men and women in the Army, Navy, Marine Corps, and Air Force are equipped with the latest nuclear weapons, atomic submarines, guided-missile ships, fighters, bombers, and ballistic missiles. This combined force, dispersed, ready for action, and capable of instant retaliation, is a mighty deterrent to any would-be aggressor.

THE MUTUAL SECURITY PROGRAM, A SHIELD OF ADDITIONAL STRENGTH

But we have not stopped here. Under the mutual security program we have built a shield of additional strength to protect the free nations of the world.

Using our basic theory of the interdependence of nations, we have established military alliances with 42 nations of the Free World. We have bilateral treaties with Korea, Free China, Japan, and the Philippines and multilateral agreements through the Organization of American States, the North Atlantic Treaty Organization, the Southeast Asia Treaty Organization, and the Australia-New Zealand-United States treaty called ANZUS.

During the past 7 years we have contributed $20 billion in mutual defense assistance to our Free-World allies. But during this same period of time our partners in these defensive alliances have contributed $122 billion to develop the strength of the Free World. In addition to helping us with manpower problems that would greatly weaken our economy if we had to go it alone, our allies have provided more than 250 major overseas bases.

This massive defensive strength has brought to a halt outright armed aggression by the forces of international communism. The weapons of bullying and bullets have been put in the skeleton closet—probably the largest skeleton closet in all history.

SOVIET ECONOMIC OFFENSIVE

Communism is now probing in another direction with new weapons. I am talking about the new Soviet economic offensive.[2] Instead of bombast and bluster, the Communists now talk softly. They coax and use blandishments. Listen to this statement by a Russian delegate at the recent Afro-Asian Peoples' Solidarity Conference in Cairo:

"We do not seek to get any advantages.* * * We are ready to help you as brother helps brother, without any interest whatever, for we know from our own experience how difficult it is to get rid of need."

I think the martyrs of Hungary and Poland and Czechoslovakia and Rumania and Latvia and Estonia and Lithuania and Bulgaria bear silent witness to the tragedy of believing that brother act. Getting rid of the Communists is harder than getting rid of need.

The sometimes voluble Khrushchev let slip the real intention of the economic offensive of the Soviet Union when he told a group of Congressmen who interviewed him: "We value trade least for economic reasons and most for political purposes."

But, unbelievable as it may seem, nations which have waited centuries for independence are edging perilously close to the spider's web. With long-term loans at low interest rates, the Soviet bloc has doubled its trade with the less developed nations in 3 years from $840 million in 1954 to about $1.7 billion in 1957; and the number of trade agreements in this 3-year period has leaped from 49 to 147. The ink is scarcely dry on these agreements before the first planeload of Soviet technicians arrives to begin the job of veering the country toward communism.

President Eisenhower, in a message to Congress,[3] made it clear how we as Americans must regard this new threat. This is what the President said:

"If the purpose of Soviet aid to any country were simply to help it overcome economic difficulties without infringing its freedom, such aid could be welcomed as forwarding the Free-World purpose of economic growth. But there is nothing in the history of international communism to indicate this can be the case. Until such evidence is forthcoming, we and other free nations must assume that Soviet bloc aid is a new, subtle, and long-range instrument directed toward the same old purpose of drawing its recipient away from the community of free nations and ultimately into the Communist orbit."

Now, the greatest mistake we could make would be to assume that this Soviet economic offensive is something that will pass in the night, that it is a flash in the pan, that it will peter out. It is being pursued with the same determination, the same ruthlessness, the same disregard for the truth, and with the same tenacity that the Soviet Union has demonstrated in its military buildup.

The mutual-security program is a counter to this threat, too. We are working with the less developed nations to help them find their place in the sun. Most of these nations need higher levels of health, education, and sanitation. They need to learn new methods of agriculture, of irrigation, of conservation. They need nurses, doctors, teachers, engineers, administrators. Through our technical cooperation program we are helping in all of these areas.

DEVELOPMENT LOAN FUND

We are not trying to prime the pump of these underdeveloped countries. We are helping them to get the basic industry—the pump itself—for them to prime. Most of these developing countries do not yet have the basic facilities to attract private risk capital. They lack good harbors, port facilities, roads, communications, power, railways. To help fill the vacuum we established late last year the Development Loan Fund as a part of the mutual-security program.

The Development Loan Fund lends money for specific, economically sound, and technically feasible projects. It does not extend credit when other financing is available on reasonable terms. It concentrates on long-range, economic-growth projects. Applications for nearly $2 billion in such projects are now being carefully screened. Only $300 million was appropriated last year, and $625 million has been requested for this year.

There are strong moral and humanitarian reasons for this effort to help hundreds of millions of people rid themselves of dirt, disease, and despair, but there are strong reasons from an economic, self-interest standpoint too. This one-third of the world's population constitutes a tremendous potential market for the goods of America, the world's largest trading nation.

Let me say a few words about world trade and America's relation to it. I am a Yankee from Massachusetts. From my State about a century ago, clipper ships set sail on voyages round the world. Those beautiful clipper ships helped to build not only Massachusetts but the entire United States of America. Today America is the world's largest exporter and the world's largest importer. Our two-way trade in 1957 reached the staggering total of $32 billion, an all-time high in any nation's history.

RECIPROCAL TRADE AGREEMENTS PROGRAM

This world record was accomplished within the framework of the reciprocal trade agreements program. Twenty-five years ago, Cordell Hull, a great American, established this program. It has become known as a symbol of international trade cooperation. The reciprocal trade agreements program has been renewed by Congress 10 times, and it is before Congress for renewal now. The President of the United States has requested that it be renewed again, this time for 5 years.[4]

Strong voices are being raised against the program by those who think, rightly or wrongly, that the trade agreements program

[2] For a statement by Deputy Under Secretary Dillon on Soviet-bloc economic activities in less developed countries, see Bulletin of March 24, 1958, p. 469.

[3] Ibid., March 10, 1958, p. 367.

[4] Ibid., February 17, 1958, page 263; for statements by Secretary of Commerce Sinclair Weeks, Secretary Dulles, and Deputy Under Secretary Dillon, see ibid., March 17, 1958, page 432, and April 14, 1958, page 626.

is injurious to their particular industry. Less than a month ago about 1,800 leaders from all walks of life and from all sections of the country gathered in Washington to voice their support of the reciprocal trade agreements program.[5] Theirs was the grassroots voice of America, but whether it will continue to be heard over the daily cries of the self-interest groups remains to be seen.

Here is an example of the situation we face. In the month of February, 114 textile concerns in Japan went bankrupt. Now, my own State of Massachusetts is one of the leading textile States in the Nation. We have unemployment in the textile industry in Massachusetts at the present time, and all of us naturally have a greater concern for the problems of our own citizens than for those of our friends overseas.

But let's just consider this fact: Japan is America's second best customer for the products of our farms and factories. Last year it was better than a billion-dollar customer, but its trade deficit with the United States was $624 million. The effect of Japan's purchases is felt in every corner of the United States. And when you have a billion-dollar-a-year customer who shows signs of ailing, it's time to call the doctor and get a good diagnosis.

What's wrong is obvious. Japan needs desperately greater access to the American market. Japan is the most industrialized nation in Asia. They are a dependable ally. Faced with 90 million people to support in an area smaller than California, and with few natural resources of her own, Japan must trade to live. If the West closes the trade door in Japan's face, Japan must turn to the Communist bloc.

This situation illustrates vividly the interrelationship between international trade and security. We cannot have strong partners in our Free-World alliance unless we give them a chance to build strong economies through trade.

This is the problem—how to safeguard the Nation's defense through effective alliances while adequately protecting American business interests. There is no perfect way to accomplish both objectives. However, I believe that the reciprocal trade agreements program, with its built-in protections, is the most practical way.

If we do not make it possible for the nations of the Free World to trade with us, they have no alternative but to trade with the Soviet Union. As a supporter of this program has so aptly said, "This is the cold algebra of sense and reason." Khrushchev is confident that our democratic system will force the nations of the Free World into his hands. Last November he said:

"The threat to the United States is not the ICBM, but in the field of peaceful production. We are relentless in this, and it will prove the superiority of our system."

This is a warning to be heeded. What could be greater folly than to push the nations of the Free World into the crushing embrace of the Russian bear?

This economic cold war will be won in the field of trade. It will be won by dedicated men and women like yourselves, working toward the common goal of national freedom and trade freedom. I have unbounded faith in the outcome of this struggle.

[5] For an address made at the conference by President Eisenhower and remarks by Secretary Dulles and Mr. Dillon, see ibid., April 14, 1958, p. 591.

EXHIBIT 1

CHRONOLOGY OF OFFICIAL POLICY STATEMENTS ON INCREASED WORLD SCIENTIFIC COOPERATION FOR HEALTH

EXCERPTS FROM ADDRESS BY PRESIDENT DWIGHT D. EISENHOWER ON THE STATE OF THE UNION BEFORE JOINT SESSION OF CONGRESS, JANUARY 9, 1958

Works of peace

My last call for action is not primarily addressed to the Congress and people of the United States. Rather, it is a message from the people of the United States to all other peoples, especially those of the Soviet Union.

This is the spirit of what we Americans would like to say:

"In the last analysis, there is only one solution to the grim problems that lie ahead. The world must stop the present plunge toward more and more destructive weapons of war, and turn the corner that will start our steps firmly on the path toward lasting peace.

"Our greatest hope for success lies in a universal fact: The people of the world, as people, have always wanted peace and want peace now.

"The problem, then, is to find a way of translating this universal desire into action.

"This will require more than words of peace. It requires works of peace."

Now, may I try to give you some concrete examples of the kind of works of peace that might make a beginning in the new direction.

For a start our people should learn to know each other better. Recent negotiations in Washington have provided a basis in principle for greater freedom of communication and exchange of people. I urge the Soviet Government to cooperate in turning principle into practice by prompt and tangible actions that will break down the unnatural barriers that have blocked the flow of thought and understanding between our peoples.

Another kind of work of peace is cooperation on projects of human welfare. For example, we now have it within our power to eradicate from the face of the earth that age-old scourge of mankind: malaria. We are embarking with other nations in an all-out, 5-year campaign to blot out this curse forever. We invite the Soviets to join with us in this great work of humanity.

Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease.

If people can get together on such projects, is it not possible that we could then go on to a full-scale cooperative program of science for peace?

A program of science for peace might provide a means of funneling into one place the results of research from scientists everywhere and from there making it available to all parts of the world.

There is almost no limit to the human betterment that could result from such cooperation. Hunger and disease could increasingly be driven from the earth. The age-old dream of a good life for all could, at long last, be translated into reality.

EXCERPTS FROM SENATE REPORT 1627 BY THE SENATE COMMITTEE ON FOREIGN RELATIONS ON H. R. 12181, THE MUTUAL SECURITY ACT OF 1958

K. World Health Organization

The bill adds a new section 6 to the act authorizing United States participation in the World Health Organization. The new section recognizes that the "diseases of mankind, because of their widespread prevalence, debilitating effects, and heavy toll in human life, constitute a major deterrent in the efforts of many peoples to develop their economic resources and productive capacities and to improve their living conditions."

It is declared to be the policy of the United States "to continue and strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer."

Finally, in furtherance of this policy, the World Health Organization is invited to "initiate studies looking toward the strengthening of research and related programs against heart disease, cancer, and other diseases common to mankind or unique to individual regions of the globe."

The policy statement in this section is of broader application than, but is similar to, that which is already contained in section 420 of the Mutual Security Act in regard to malaria. It seemed to the committee desirable to broaden the expression of Congressional interest in the conquest of debilitating diseases. It will be recalled that in his state of the Union message, the President invited the Soviet Union to join in the worldwide malaria eradication program and then added: "Indeed, we would be willing to pool our efforts with the Soviets in other campaigns against the diseases that are the common enemy of all mortals—such as cancer and heart disease."

The amendment does not provide any additional funds. The United States contribution to the World Health Organization is limited by law to one-third of the Organization's assessed budget. The committee is hopeful, however, that the Organization will broaden its activities in the field of research in accordance with a sound and well-thought-out program.

L. Scientific activities abroad

The bill adds to section 104 of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480) a new subsection (k) which would make it possible to use foreign currencies accruing under title I of Public Law 480 to "collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct and support scientific activities overseas."

It is specified that these activities could include "programs and projects of scientific cooperation between the United States and other countries, such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe."

Activities of the kind authorized by the amendment seem to the committee to hold great promise. There is, for example, great need in the United States for translations and abstracts of scientific works published abroad. There is equal need abroad for such works published in the United States. There are many excellent scientific institutions abroad which could do even more effective work if they could receive even marginal increments in funds, and these funds are frequently available, in local currencies, as a result of operations under Public Law 480. Obvious possibilities are raised of fruitful collaboration between the American and foreign scientific communities. This collaboration should be advantageous not only in terms of the scientific results but also in terms of better people-to-people understanding. This is perhaps particularly true in regard to medical research.

The amendment does not in itself make funds available. It simply authorizes the use of Public Law 480 foreign currencies for the purposes stated. The amendment leaves to the President the question as to which executive agencies will administer these programs. However, it is contemplated that the National Science Foundation might be a principal collating and disseminating agency of general scientific information and that the Public Health Service would be active in regard to collecting, translating, and disseminating medical information.

EXCERPTS FROM H. R. 12181, MUTUAL SECURITY ACT OF 1958, AS REVISED BY SENATE COMMITTEE ON FOREIGN RELATIONS

(n) Section 104 of the Agricultural Trade Development Assistance Act of 1954 (Public Law 480, 83d Cong.; 7 U. S. C. 1704), as amended, is further amended by adding after paragraph (j) the following new paragraph:

"(k) To collect, collate, translate, abstract, and disseminate scientific and technological information and to conduct and support scientific activities overseas including programs and projects of scientific cooperation between the United States and other countries such as coordinated research against diseases common to all of mankind or unique to individual regions of the globe."

(o) The act of June 14, 1948, as amended (22 U. S. C. 290) authorizing participation in the World Health Organization, is amended by adding the following new section 6:

"SEC. 6. The Congress of the United States, recognizing that the diseases of mankind, because of their widespread prevalence, debilitating efforts, and heavy toll in human life, constitute a major deterrent to the efforts of many peoples to develop their economic resources and productive capacities, and to improve their living conditions, declares it to be the policy of the United States to continue and strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer. In furtherance of this policy, the Congress invites the World Health Organization to initiate studies looking toward the strengthening of research and related programs against these and other diseases common to mankind or unique to individual regions of the globe."

EXCERPTS OF ADDRESS BY HON. MARION B. FOLSOM, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, AND CHIEF, UNITED STATES DELEGATION FOR THE 10TH ANNIVERSARY LUNCHEON COMMEMORATING THE FOUNDING OF THE WORLD HEALTH ORGANIZATION

And so on this anniversary occasion, in glancing back, we look not so much for reasons to congratulate ourselves for what has been accomplished as to learn from those experiences how we may quicken our pace in the years ahead.

The men and women of the World Health Organization cannot, of course, hope to do the whole job alone. You will need ever increasing understanding of people everywhere. You will need greater support.

One of the most pressing needs, certainly, is wider support of what Dr. Candeau has identified as the real backbone of WHO's varied activities; namely, to pool all available scientific and technical knowledge, constantly appraise it, and to study its applicability to the solution of public health problems.

In his most recent state of the Union address, as many of you will recall, President Eisenhower noted this need and expressed the willingness of the United States to engage, with other nations, in research on pressing world medical problems.

As a concrete step toward this objective, the United States will propose that the World Health Organization undertake a special study to search out new and more effective ways of fostering medical research on an international basis. If the forthcoming assembly views this proposal with favor, I am happy to announce that our Government, through the Department I represent, is prepared to provide a grant on the order of $300,000 to the World Health Organization to support this study. We believe such an undertaking holds bright promise for the future welfare of mankind.

Many of you, I am sure, are familiar with the work that is already being carried on by the Public Health Service in the field of international health. At present there are about 100 visiting scientists representing 30 different nations engaged in research at the National Institutes of Health. Since 1947, fellowships awarded by the National Institutes have enabled about 300 American scientists to study in other countries. These and other research arrangements between the United States and other countries will be continued and wherever possible expanded. For example, through a relatively new program of research fellowships, we are planning to bring many more medical scientists to the United States to study in laboratories of their own choice.

This kind of interchange of professional people—with all their specialized knowledge and their ideas—not only increases our skills but contributes immeasurably to the further development of that human understanding upon which all progress depends.

History teaches us that international undertakings which seek to establish political harmony among nations are one of the most difficult of all human endeavors.

But history also indicates that political harmony can be advanced through common interests in fields which are primarily nonpolitical in nature. I can think of no field which presents a better opportunity to promote harmony among men than the field of good health—a common desire among all peoples.

As we strive to deal ever more effectively with the diseases of man, we look toward that further horizon of the World Health Organization—the physical, mental, and social well-being of all peoples, to the end that man may live in greater understanding and in peace throughout the world.

EXCERPTS OF ADDRESS BY DR. MILTON EISENHOWER, PRESIDENT, JOHNS HOPKINS UNIVERSITY, PERSONAL REPRESENTATIVE OF THE PRESIDENT OF THE UNITED STATES, BEFORE THE 10TH ANNIVERSARY COMMEMORATION SESSION OF THE WORLD HEALTH ORGANIZATION AT MINNEAPOLIS

The President of the United States has asked me to bring you the following message:

"Personally and on behalf of the people of the United States, I extend to you, the delegates of governments of so many countries, a warm welcome. You have come here from all corners of the world to deal with very human and personal problems that affect us all. I wish you notable success.

"The 10th anniversary commemorative session of the World Health Organization directs our attention to the fact that the nations of the world are working together in harmony for the improvement of the living conditions of all peoples. As a result of the work of the World Health Organization and the stimulating leadership it has given to its member states, millions the world over are spared from disease and suffering that would have been their lot. The United States is proud of its part and the part of its health leaders in this mutual endeavor. We look forward to even greater accomplishments in the control of disease, in the building of health services, and in the opening of new avenues of medical knowledge through research. We look to the World Health Organization with confidence as a proven instrument through which the nations and the peoples of the world can combine their efforts, in friendship, toward the building of true peace.

"DWIGHT D. EISENHOWER."

As the infectious diseases—the historic scourges of mankind—are gradually brought under control and eradicated, we find other problems moving into the foreground of our concern. Two such are heart disease and cancer. A certain amount is known about both—enough so that the vast uncharted areas of knowledge concerning them are recognized, as an explorer recognizes the borders of a new continent.

Yet we know that intensive exploration will solve the mysteries of heart disease and of cancer—that a way will be found. It is even now a question of when, not whether. Where is almost immaterial. For the man or woman who achieves the final breakthrough may come forward in any part of the world.

The great medical advances over the last century evoke names from many countries: Pasteur and the Curies of France; Koch and Ehrlich of Germany; Noguchi of Japan; Fleming of Britain; Houssay of Argentina; Pavlov of Russia; Florey of Australia; Semelweiss of Austria; the Mayos and Salk of the United States. India has given us the tranquilizers; Switzerland, DDT; Germany, the sulfa drugs.

What great names, and what countries will take their places on the high pediment of future medical history we do not yet know. But what is clear is that, whoever they are, wherever they are, their achievements will be based on the shared knowledge of scientists everywhere, and will benefit all mankind.

I wish to submit a proposal for your thoughtful consideration. I propose that the WHO conduct a special study during the coming year—through a staff selected for the purpose, working with the world's leaders in medical research—to determine how it may most effectively perform its fullest role in research. If this seems to you to offer promise, Secretary Folsom has told me that the Department of Health, Education, and Welfare, on behalf of the United States, is prepared to make a special grant to the Organization for such a preliminary study. From this study, emphasizing initially cancer and heart disease, we would anticipate the emergence of a plan that would merit the support of member states.

Furthermore, the United States is prepared to consider providing substantial support for any sound program that may result from the study.

In research the World Health Organization has been a stimulator and coordinator, not a doer. This is as it should be, and we should assure that it can play this key role with full effect.

The first steps toward the coordination of research have already been taken. By the end of last year the WHO had established close working relationships with 1,800 institutions and laboratories. It was making use of 35 expert panels in as many fields, with a total membership of 1,400 health experts. It thus is able to stimulate and coordinate research in a wide variety of fields through laboratories in many lands. WHO facilitation of interchange of ideas and information in 1957 included worldwide or regional technical conferences, seminars and expert committees in cancer, addiction-producing drugs, heart disease, malaria, insect resistance to insecticides, atomic energy, mental health, yellow fever, professional education, and other fields.

The sum total of these research activities represents only a small percentage of the Organization's budget. Their significance, however, cannot be measured in terms of the amounts spent. One example of this important type of work which has impressed me was the rapid development of an effective preventive vaccine against Asian influenza last year. This was the direct result of having an internationally coordinated network of laboratories that received reports on its occurrence, and determined the prevalence of the causative virus strain.

The record is impressive. But much more is needed.

We need more rapid exchange of ideas and information between laboratories and scientists. We need more opportunities for scientists to meet together and discuss freely their work and their problems. We

need to find the gaps in research and fill them. We need to develop research workers and give them scope and opportunity. We must search worldwide to know where disease occurs and why. We must test, in the laboratory, empirical observations that are made in the field and in the hospitals. We must examine those materials and ideas that have persisted through the centuries as traditions and superstitions in the folklore of the world.

It is our expectation that out of the special study which I have proposed the world can, through the WHO, address itself more vigorously to finding solutions to the great unsolved mysteries of disease. Thus again the WHO would establish international patterns of effort, which might lead, as President Eisenhower suggested last January to "a full-scale cooperative program of science for peace."

A reexamination and intensification of its research role is one of the significant challenges before the World Health Organization. The United States has faith in the will and ability of the WHO to meet this challenge. Our faith in the future is based on the performance of the past—indeed on a decade of accomplishment which it is our pride and our privilege to celebrate today.

DEPARTMENT OF STATE,
May 29, 1958.

The Department of State today released the texts of the notes exchanged with the Soviet Union concerning suggestions made by President Eisenhower for international cooperation in the struggle against disease. These suggestions in the President's state of the Union message on January 9, 1958, invited the Soviet Union to join with the United States and other nations in the existent campaign against malaria and in other campaigns against illnesses such as heart disease and cancer.

In a note delivered May 26, 1958, the Department of State expressed gratification at the positive response given in a note from the Soviet Embassy dated May 19, 1958. The note contained specific suggestions for cooperative measures in the field of public health and indicated that the Soviet Union was prepared to cooperate in the programs of the World Health Organization.

The Department's note in reply pointed out that the United States was presenting proposals to the World Health Organization relating to a cooperative program of research, with initial emphasis on cancer and heart disease, and expressed the hope that the Soviet Union would support these proposals and cooperate in the proposed program. Should some aspects of the Soviet suggestions not be covered by the current programs of the World Health Organization, or those adopted in the near future, the Department expressed willingness to discuss these aspects under the arrangements established for Soviet-American discussions of exchanges between the two countries.

The American note pointed out that the recent agreement on exchanges between the United States and the Soviet Union provided for exchanges of medical delegations, reciprocal trips of medical specialists, and the exchange of medical films and medical journals. These features of the agreement are being actively developed at present. A delegation of American women doctors has been visiting medical installations in the Soviet Union in reciprocity for a previous visit by Soviet women doctors to the United States. Exchanges of medical publications are being expanded. Plans are being developed for American medical scientists to deliver lectures at Soviet medical institutes and for Soviet scientists to reciprocate. An exchange of technical films on medical subjects is under discussion.

The American proposals to the WHO, mentioned in the Department's note, were outlined by Dr. Milton Eisenhower on May 27, 1958, at the current session of the World Health Assembly at Minneapolis. Dr. Eisenhower proposed that the WHO conduct a special study during the coming year to determine how it may most effectively perform its fullest role in international cooperative research, with initial emphasis on cancer and heart disease. He stated that the United States is prepared to make a special grant for such a study and would consider providing substantial support for any sound program resulting from it. He also reaffirmed United States support for the current campaign sponsored by WHO against malaria. Dr. Eisenhower praised the great strides which have been made in this cooperative effort, which has already halved the incidence of malaria and saved millions of lives. He recalled the President's invitation for nations, including the Soviet Union, which were not yet participating, to join in this international effort, and expressed the hope that many would do so.

The text of the Department of State's note of May 26, 1958, follows:

"The Department of State acknowledges the receipt of note No. 14 dated May 19, 1958, from the Embassy of the Union of Soviet Socialist Republics.

"The Department is gratified that the Union of Soviet Socialist Republics has found it possible to respond positively to the suggestion which President Eisenhower made in his state of the Union message on January 9, 1958, that the Soviet Union join with the United States and other nations in the existent campaign against malaria and in other campaigns against illnesses such as cancer and heart disease. As the Embassy's note states, the President's suggestions were discussed during the negotiations on the agreement between the United States of America and the Union of Soviet Socialist Republics concerning cultural, technological, and educational exchanges. It was agreed during the discussion that the exchange of opinions on the President's suggestions would be continued. The agreement on exchanges between the United States of America and the Union of Soviet Socialist Republics in the cultural, technological, and educational fields which was signed on January 27, 1958, provides for certain exchanges of medical delegations in 1958–59, reciprocal trips of medical specialists and the exchange of medical films and medical journals.

"The Embassy's note contains certain specific proposals for further cooperative measures in 1958–60 in the field of public health. The note also refers to the World Health Organization as an organization through which the Union of Soviet Socialist Republics is prepared to cooperate with other nations in this field. The Department considers that some aspects of the proposals in the Embassy's note might most appropriately be discussed and carried out through the World Health Organization. At the forthcoming commemorative 10th anniversary session of the World Health Assembly at Minneapolis the United States will have certain proposals to present relating to a cooperative program of research, with initial emphasis on cancer and heart disease. The United States hopes that other governments, including the Government of the Union of Soviet Socialist Republics, will find it possible to support these proposals and to cooperate in the proposed program.

"Some aspects of the proposals set forth in the Embassy's note may not be encompassed by the cooperative measures which the World Health Assembly has adopted or may adopt. The Department is prepared to discuss these aspects of the Soviet proposals under the arrangements established for Soviet-American discussions of cultural, technical, and educational exchanges between our two countries.

"DEPARTMENT OF STATE.
"WASHINGTON, *May 26, 1958.*"

[Unofficial English translation]

EMBASSY OF THE UNION OF SOVIET SOCIALIST REPUBLICS.
DEPARTMENT OF STATE,
United States of America,
Washington, D. C.

The Embassy of the Union of Soviet Socialist Republics presents its compliments to the Department of State of the United States of America and upon instructions from the Soviet Government has the honor to communicate the following:

During the Soviet-American negotiations about working out an agreement between the U. S. S. R. and the United States concerning exchanges in the fields of culture, technology, and education, the question was touched upon as to whether the U. S. S. R. and the United States should agree upon uniting their efforts in the struggle against cancer, vascular heart ailments, and malaria, and it was agreed that an exchange of opinions on this question would be continued.

As is well known, the Soviet Union joined the World Health Organization for the purpose of cooperating with other countries in improving and preserving the health of all nations, and it also cooperates with other countries in the field of public health even outside the framework of this organization.

At the suggestion of the Soviet Union there were also included measures in the field of public health in the agreement between the U. S. S. R. and the United States for exchanges in the field of culture, technology, and education, which was concluded on January 27, 1958. In particular, the agreement provides for the exchange between the U. S. S. R. and the United States of medical delegations in 1958–59, reciprocal trips of specialists for giving lectures in the field of medicine, and the exchange of medical films and medical journals.

The Soviet Government considers that in addition to the measures which have been provided for by the said agreement the Soviet Union and the United States might also agree on adopting other measures in the field of public health.

For the consideration of the Government of the United States the Soviet Government introduces the proposal to agree on carrying out the following measures in 1958–60:

Mutual exchange of plans and results of scientific research on the development of the problems of cancer and vascular heart ailments of scientific research institutes of the U. S. S. R. and the United States.

Periodic sending of leading American specialists in cancer problems and vascular heart ailments to the U. S. S. R. and of Soviet specialists to the United States for a more profound study of the setup of scientific research.

A mutual publication of works by American research men in Soviet journals and of works by Soviet research men in American journals on cancer problems and vascular heart ailments.

Organization of mixed Soviet-American groups for combatting malaria and smallpox, to be sent, with the consent of the respective governments, to the regions of Africa and South America where those illnesses are endemic.

The Soviet Government would appreciate a prompt rely to the above-mentioned proposals and, on its part, is prepared to examine the proposals that might be presented by the American side.

(Signed) A. MENSHIKOV.

WASHINGTON, *May 19, 1958.*

[From the New York Times of June 2, 1958]

DRIVE TO CONQUER 5 KILLERS ASKED—MEDICAL MANHATTAN PROJECT URGED BY MRS. LASKER—SPENDING CONTRASTED

A medical research program equal to the Manhattan project, which gave the United States the first atom bomb, was recom-

mended yesterday by Mrs. Albert D. Lasker, chairman of the National Health Education Committee.

She made her recommendation in connection with publication of the committee's new booklet titled "Do We Spend Enough Dollars to Defend Our Lives Through Medical Research?" She declared that five major killing and crippling disease groups now stood between Americans and their attainment of longer, healthier, happier lives.

The disease groups were listed by Mrs. Lasker as arteriosclerosis (hardening of the arteries) and other heart diseases, cancer, mental illnesses, arthritis, and metabolic diseases, neurological, and blinding eye diseases.

Despite the direct threat these pose to all Americans, Mrs. Lasker asserted, the United States continues to spend less than one percent on research against the killers within as compared with expenditures on defense against attack from without.

CONTRASTS IN SPENDING

In line with this, the book said that the Federal Government was spending $600 million for the necessary construction of the distant early warning line to give Canada and this country warning against possible nuclear attack. In the 1958 fiscal year the Government has spent only $27,084,000 for research against heart diseases, the leading killer of Americans (643,410 deaths in 1956), it was said.

The book declared that while wisely spending $47 million for the construction of an atomic submarine, the Government spent only $1,787,970 in 1956 for research directly against arteriosclerosis, the main cause of circulatory disease deaths (640,330 deaths in 1956).

After pointing to contrasts between various nondefense expenditures by industry and government agencies as compared with medical research allotments, the book called upon Americans to urge increased Congressional appropriation for studies in the field of disease. It also called for increased State and local support in this field by Government officials and voluntary agencies.

EXHIBIT 2

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D. C., May 19, 1958.

Hon. RICHARD L. NEUBERGER,
United States Senate,
Washington, D. C.

DEAR SENATOR NEUBERGER: Prior to returning to his post in Kabul, Afghanistan, early this month, Ambassador Sheldon Mills requested that we provide you with a comparative statement of United States and Soviet assistance to Afghanistan.

In making a comparison of the relative amounts of aid supplied by the Soviet bloc and by the United States, it is important that the different character of the two programs be recognized. Many conceptual difficulties are involved in making exact comparisons of aid data. These difficulties result in large part from the characteristics of the two aid programs. One important distinguishing characteristic of bloc aid is that it is generally presented on a long-term basis without reference to annual commitments, and in a package form which may include a long-term line of credit, technical assistance, training, military assistance and, in particular, increased trade opportunities. Such single package offers can have great appeal, particularly when the recipient country is having difficulty in marketing its export products. In addition, this Soviet combination provides arrangements for repayment of loans. There is no Soviet private sector active in foreign markets, and since most of the Soviet assistance is repayable in commodities, it must be assumed that much of what previously passed for trade is now aid.

The United States mutual security program has generally provided aid in annual increments, supplemented by loans from the United States Export-Import Bank, by agricultural commodity sales, where the local currency proceeds are loaned to the country for economic development and by private investment. Trade is mostly outside the United States aid program. In the nature of the ICA operation, there is no commitment stage involving a signed umbrella agreement which is comparable with the long-term line of credit commitments made by the Soviet bloc. United States assistance necessarily is limited to yearly appropriations by the Congress, while the bloc countries extend lines of credit which can be drawn down over a period of time as projects are agreed upon. A large part of United States assistance has been in the form of grants. In contrast, it is doubtful if more than $200,000 equivalent of the more than $160 million of bloc assistance to Afghanistan has been on a grant basis.

Economic and military assistance has been provided to Afghanistan in substantial volume by the Soviet bloc since the first credits were extended by the U. S. S. R. and Czechoslovakia in 1954. By the end of April 1958, the total credit provided for by agreements in effect was $161 million, including $129 million for economic assistance and $32 million for military assistance. This amount includes the $100 million line of credit extended by the U. S. S. R. in 1956 for a variety of vaguely described development projects, including airfields, roads, irrigation projects, motor-repair shops, hydroelectric projects, and a laboratory.

It is believed that by now the arms and other military equipment to be supplied by the bloc have been largely delivered. Although perhaps less than one-fourth of the credit extended under the economic-aid agreement has been drawn down, substantial progress has been reported on many of the projects covered by the agreements. Streets of Kabul were paved and one asphalt factory near Kabul was completed with a line of credit extended in 1954. Construction has been completed on a grain silo, flour mill, bakery, petroleum-storage tanks, and cement plant. Surveys have been made or construction begun on various other projects, including a new highway over the Hindu Kush Mountains and airport construction. A number of buses and taxicabs were delivered, and also equipment for a 100-bed hospital. Although a substantial part of the $100-million credit from the U. S. S. R. has been obligated for specific projects, actual expenditures to date have probably been relatively small.

It has been estimated that in the last half of 1955 there were more than 450 bloc technicians in Afghanistan, most of whom were Russian, the remainder Czech. It is expected that the Afghan petroleum development program will more than double the number of bloc technicians in Afghanistan over the next 4 years. In addition, a number of Russian military specialists were in the country engaged on a training program.

Standard United States procedure requires that any project be economically justifiable and feasible from an engineering standpoint before a commitment is made. Clearly, these considerations have not worried the U. S. S. R. at the time they have made their initial commitments, as their real intent has been to draw the Afghan economy into the Soviet orbit, without regard to the technical feasibility of the individual projects. Recently the cost estimates for several of the projects to which the U. S. S. R. committed itself in the first months of 1956 have doubled and in some cases quadrupled as Soviet engineers have been able to do actual feasibility appraisals.

Not only is the character of the Soviet assistance different but their methods of implementation also vary considerably from the typical United States operation. From what we know of the Soviet operation it appears that they can draft technicians and commandeer commodities as needed, without going through the formalities generally characterizing the United States operation of recruiting volunteers and obtaining competitive bids, etc. Moreover, the Soviets do not need to negotiate any service contracts with private firms. Thus, their operation can be faster and their costs can be completely flexible. As a monolithic entity, the U. S. S. R. can, for political expediency, absorb any loss which may be inherent in any particular transaction. The Soviet bloc is not bound by the competitive pricing limitations of the free market.

The United States is attempting not merely to assist Free-World nations in their efforts to develop their own resources, but to promote joint activity by neighboring countries to attack common problems. This joint activity can have a most significant influence on the reduction of regional tensions. The President's fund for Asian economic development was established for this specific purpose, and, if current negotiations are successful it may shortly provide nearly $27 million additional funding for improvements over the next few years of the connecting Afghan and Pakistan surface transportation systems.

Briefly then, United States and Soviet aid are not directly comparable. They are two very different types of undertakings and Soviet and United States aid cannot be compared in a truly useful line-item tabulation. Thus, the tabulation attached covers only the official United States bilateral assistance from the beginning of its program in Afghanistan.

Sincerely yours,

GUILFORD JAMESON,
Deputy Director for Congressional Relations.

United States bilateral assistance to Afghanistan 1952–58

(All stated in thousands of dollars or equivalent)

Fiscal year	Technical cooperation	Economic development	Export-Import loan	Agricultural commodities	Personnel
1951			21,000		0
1952	258				0
1953	717			[1] 1,434	17
1954	1,341		18,500	[2] 1,172	35
1955	1,946				67
1956	2,950	[3] 15,300			94
1957	2,886	[3] 11,362		[4] 5,072	127
1958	2,850	[5] 5,950		[6] 6,780	303
Total	12,948	31,612	[7] 39,500	14,458	

Total United States assistance estimated to June 30, 1958 ..... $98,518,000

[1] Loan of development assistance funds for wheat purchase.
[2] MSA section 550 for wheat.
[3] Includes $5,000,000 and $5,750,000 in developmental loans in fiscal years 1956 and 1957.
[4] Net cost to United States after cash payment by RGA.
[5] $1,950 has been allotted through Apr. 30, 1958. The balance is subject to the outcome of current negotiations and technical clearances involving tentatively $3,000,000 of special assistance to supplement the earlier Export-Import funding of the Helmand Valley development program.
[6] Public Law 480 title II for relief of famine.

EXHIBIT 3

WASHINGTON, *May 28, 1958.*

Hon. RICHARD L. NEUBERGER,
Senate Office Building,
Washington, D. C.:

Small but important U. N. technical assistance program deserves all support United States can give. Foreign Relations Committee decision not to accept two constructive House provisions is most disappointing. We urge Senate on floor or in conference to peg United States contributions at 40 percent. Creation of new special fund makes 40 percent essential. United States ability to pay estimated at 40 percent of world's income. Also urge revision of base to include local cost assessments received and audited by U. N., thus giving greater recognition to contribution of other governments. These amendments already accepted by House would greatly strengthen technical assistance through U. N. They have our wholehearted support.

Robert R. Nathan, Americans for Democratic Action; Andrew E. Rice, American Veterans Committee; Wallace J. Campbell, Cooperative League of the U. S. A.; E. Raymond Wilson, Friends Committee on National Legislation; Bernard Weitzer, Jewish War Veterans; Reuben Johnson, National Farmers Union; Rev. James L. Vizzard, S. J., National Catholic Rural Life Conference; Mrs. Samuel Brown, National Council of Jewish Women; John W. Edelman, Textile Workers Union of America; Victor G. Reuther, United Automobile Workers; Donald Harrington, United World Federalists; Annalee Stewart, Women's International League for Peace and Freedom.

Mr. WILEY. Mr. President, we shall shortly begin to vote on what is universally acknowledged to be one of the three or four most important pieces of legislation in this second session of the 85th Congress.

I should like to say, as I said on Monday of this week, that I am not only for the mutual security bill, H. R. 12181, as reported by the Committee on Foreign Relations, but I am for it more strongly than ever. The headlines on the front pages of this very afternoon's newspapers confirm the wisdom of the bill.

Furthermore, I should like to say that I am more strongly than ever in favor of keeping in the bill the Kennedy amendment. It rightly amends the overly restrictive Battle Act, and thereby permits, within the discretion of the President of the United States, possible aid to Iron Curtain countries, excluding, however Soviet Russia, Red China, and North Korea.

I shall vote, therefore, in opposition to the effort made by my distinguished friend, the able senior Senator from California [Mr. KNOWLAND], who would attempt to eliminate the Kennedy amendment, and thereby keep the restrictive Battle Act, as it is at present.

CRITICS OF FOREIGN POLICY IGNORE GOOD NEWS ABROAD

I should like to state, Mr. President, that with respect to this overall bill, the basic choice before us is whether we will:

(a) Strike another effective blow for human freedom, for liberty, for security; or

(b) Whether we will wring our hands in dismay, in defeatism, and in self-imposed limitation.

The fact of the matter is that in recent weeks the critics of our present foreign policy have tended to follow two standard lines of procedure which have been their pattern for years and years:

(a) They have ignored all the good news on the international scene.

(b) They have played up all the not-so-good news, and have magnified it as if it were "utter calamity."

Thus, in recent weeks, we have not heard from these critics any reference to the gratifying news which came from Italy and from Japan. In the recent balloting in both of those countries, pro-western leadership, while it did not win an overwhelming victory, nevertheless it not only maintained itself, but, in some instances, grew even stronger.

Meanwhile, the economic position of the Western World, while it is not all that we would like it to be, certainly has not deteriorated as some prophets of gloom foresaw once our own recession had set in.

NEWS FROM FRANCE DISPELS GLOOM-MONGERING

Now, what about the news from France?

I would be less than frank if I did not say that, for a good many days, all of us were indeed concerned about the future of our great ally.

I had personally expressed the hope that the then Premier Pfiimlin might be successful in his efforts.

The fact, however, that the Pfiimlin Government has now given way to the De Gaulle Government, and that the latter has been clothed with extraordinary legal powers, is certainly, in itself, no cause for gloom in the Western World.

On the contrary, there is a great deal of enheartening evidence to indicate that Gen. Charles De Gaulle may indeed prove to be exactly the man who is needed at this fateful hour in history to extricate France not only from the morass in Algeria, but to deliver it from its dire economic, social, and yes, psychological straits.

Charles De Gaulle is obviously a patriot to the depths of his being. He is a man of honor. I have faith that he will honor the treaty obligations to which France has subscribed, as was indicated yesterday by Assistant Secretary of State Elbrick.

Meanwhile, General De Gaulle's choice of Cabinet members and other associates has indicated that he is wisely determined to mobilize many of the best talents of a nation which is rich with talent.

General De Gaulle's prompt messages to Tunisia and Morocco, and his visit at this very moment in Algiers, are evidence that here is a man of speed and decision who will not dillydally in meeting head on the challenges which confront his nation.

I am no prophet; I cannot attempt to foresee the future, in particular the future constitutional reforms which he proposes. But certainly De Gaulle's efforts to repair France's parliamentary weaknesses, its chronic immobilism, its factionalism, and political splinterism, its weak office of chief executive—his efforts along these lines will strike a responsive chord in our hearts.

I do not mean to imply that the road ahead will be easy for De Gaulle, or that the western alliance, particularly NATO, may not be in for many serious problems. But I ask, what alternative do the domestic critics of our foreign policy constructively offer, with regard to France, or NATO, or anything else?

The answer is that the critics have no constructive alternative. They criticize; they lament; they wring their hands; they complain. But never once do they outline a specific and helpful program which would provide an alternative.

CONCLUSION

For that reason, I say, let the mutual security bill pass. Let it pass intact. And let H. R. 12181 be approved in Senate-House Conference Committee in its Senate form, so that we can make our fullest contribution to mankind in this decisive hour of history.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may yield for 10 minutes to the Senator from South Carolina [Mr. JOHNSTON] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVISION OF BASIC COMPENSATION SCHEDULES OF CLASSIFICATION ACT OF 1949

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 734, which has just been received from the House of Representatives.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, which was to strike out all after the enacting clause and insert:

That this act may be cited as the "Federal Employees Salary Increase Act of 1958."

SEC. 2. (a) Section 603 (b) of the Classification Act of 1949, as amended (69 Stat. 172, 70 Stat. 740; 5 U. S. C. 1113 (b)), is amended to read as follows:

"(b) The compensation schedule for the General Schedule shall be as follows:

"Grade	Per annum rates					
GS-1	$2,900	$3,055	$3,150	$3,245	$3,340	$3,435	$3,530
GS-2	3,285	3,360	3,445	3,540	3,635	3,730	3,825
GS-3	3,495	3,590	3,685	3,780	3,875	3,970	4,065
GS-4	3,755	3,850	3,945	4,040	4,135	4,230	4,325
GS-5	4,040	4,190	4,340	4,490	4,640	4,790	4,940
GS-6	4,490	4,640	4,790	4,940	5,090	5,240	5,390
GS-7	4,980	5,130	5,280	5,430	5,580	5,730	5,880

Grade		Per annum rates					
GS-8	$5,470	$5,620	$5,770	$5,920	$6,070	$6,220	$6,370
GS-9	5,985	6,135	6,285	6,435	6,585	6,735	6,885
GS-10	6,505	6,655	6,805	6,955	7,105	7,255	7,405
GS-11	7,030	7,270	7,510	7,750	7,990	8,230	.....
GS-12	8,330	8,570	8,810	9,050	9,290	9,530	.....
GS-13	9,890	10,130	10,370	10,610	10,850	11,090	.....
GS-14	11,355	11,595	11,835	12,075	12,315	12,555	.....
GS-15	12,770	13,070	13,370	13,670	13,970	.....	.....
GS-16	14,190	14,430	14,670	14,910	15,150	.....	.....
GS-17	15,375	15,615	15,855	16,095	16,335	.....	.....
GS-18	17,500	.....	.....	.....	.....	.....	..... |"

(b) The rates of basic compensation of officers and employees to whom this section applies shall be adjusted as follows:

(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date.

(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade in the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such act, as amended.

(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2 (b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208 (b) of the act of September 1, 1954 (68 Stat. 1111; Public Law 763, 83d Cong.), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208 (b) of the act of September 1, 1954, and (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955 and (C) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this act or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208 (b) of such act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

(5) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, was promoted from one grade under the Classification Act of 1949, as amended, to another such grade at a rate which is above the minimum rate thereof, his rate of basic compensation shall be adjusted retroactively from the effective date of this section to the date on which he was so promoted, on the basis of the rate which he was receiving during the period from such effective date to the date of such promotion and, from the date of such promotion, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this act) at the time of such promotion.

(6) If the officer or employee on the rolls has had his rate of basic compensation established, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this act, his rate of basic compensation shall be adjusted retroactively in accordance with one or more of the following provisions of this paragraph (6), as applicable:

(A) if his rate of basic compensation was established under authority of such section 803 after September 1, 1954, and prior to the effective date of this section such rate shall be adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such effective date and prior to the date of enactment of this act, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803;

(B) if his rate of basic compensation was established under authority of such section 803 on or after the effective date of this section and prior to the date of enactment of this act, such rate shall be adjusted retroactively for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after such effective date and prior to such date of enactment, as follows:

(i) for the period of time prior to the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate of basic compensation which he was receiving during such period, and

(ii) for the period of time on and after the effective date of the establishment of his rate of basic compensation under such section 803, on the basis of the rate for that step of the appropriate grade of the General Schedule contained in this section which corresponds numerically to the step of the grade of the General Schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803,

and such basic compensation adjusted under subparagraphs (A) and (B) (ii) of this paragraph (6) shall be paid in accordance with such subparagraphs until—

(a) he leaves such position, or

(b) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(7) If the officer or employee became subject to the Classification Act of 1949, as amended, at any time during the period beginning on September 1, 1954, and ending on the date of enactment of this act, at a rate of basic compensation which was established under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), his rate of basic compensation shall be adjusted retroactively, for the period of time served by him in a pay status under the Classification Act of 1949 in the position concerned on and after the effective date of this section and prior to the date of enactment of this act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule which was in effect for such officer or employee, without regard to this act, as a result of such adjustment under such section 803, and such basic compensation shall be paid in accordance with this paragraph (7) until—

(A) he leaves his position, or

(B) he is entitled to receive basic compensation at a higher rate by reason of the operation of any provision of the Classification Act of 1949, as amended.

(8) If the officer or employee, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, became subject to the Classification Act of 1949, as amended, at a rate of basic compensation which you fixed on the basis of a higher previously earned rate and which is above the minimum rate of the grade of such officer or employee, his rate of basic compensation shall be adjusted retroactively to the date on which he became subject to such act, on the basis of the rate for that step of the appropriate grade of the general schedule contained in this section which corresponds numerically to the step of the grade of the general schedule for such officer or employee which was in effect (without regard to this act) at the time he became subject to the Classification Act of 1949 as in effect immediately prior to the effective date of this section.

(9) Each officer or employee—

(A) (i) who with his position has been transferred under authority of the Classification Act of 1949, at any time during the period beginning on the effective date of this section and ending on the date of enactment of this act, from the general schedule of the Classification Act of 1949 to a prevailing rate schedule, or (ii) who, at any time during such period, transferred from a position subject to the Classification Act of 1949 to a position subject to a prevailing rate schedule,

(B) who, at all times subsequent to such transfer, was in the service of the United States (including the Armed Forces of the United States) or of the municipal government of the District of Columbia, without break in such service of more than 30 consecutive calendar days and, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, without break in service in excess of the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia,

(C) who, on such date of enactment, is being compensated under a prevailing rate schedule, and

(D) whose rate of basic compensation on such date of enactment is less than the rate to which he would have been entitled on such date if such transfer had not occurred (unless he is receiving such lesser rate by reason of an adverse personnel action resulting from his own fault),

shall be paid basic compensation at a rate equal to the rate which he would have been receiving on such date of enactment (including compensation for each within-grade and longevity step-increase which he would have earned) if such transfer had not occurred until the day immediately following such date of enactment, for all time in a pay status on and after the effective date of this section in a position subject to a prevailing rate schedule under the circumstances prescribed in this subsection, until—

(a) he leaves the position which he holds on such date of enactment, or

(b) he is entitled to receive basic compensation at a higher rate under a prevailing rate schedule;

but when such position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with prevailing rate schedules.

SEC. 3. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U. S. C. 102 (a) (2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604 (a) (5), or sections 672 to 675, inclusive, of title 28 of the United States Code are hereby increased by amounts equal to the increases provided by section 2 of this act in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

(b) The limitations of $13,485 and $18,010 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the paragraph designated "Salaries of supporting personnel" in the Judiciary Appropriation Act, 1958 (71 Stat. 65; Public Law 85-4[1]), or any subsequent appropriation act, shall be increased by the amounts necessary to pay the additional basic compensation provided by this act.

(c) Section 753 (e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out "$6,450" and inserting in lieu thereof "$7,095".

SEC. 4. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 10 percent of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the month following the date of enactment of this act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that (1) the provisions of this subsection shall not apply in the case of any employee if on or before the 15th day following the date of enactment of this act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish this subsection to apply to such employee, and (2) no employee whose basic compensation is adjusted under this subsection shall receive any additional compensation or increase in compensation under this act for any period prior to the effective date of such adjustment.

(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate (except the presiding officer of the Senate), the Parliamentarian of the Senate, the Legislative Counsel of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 10 percent.

(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading "Senate" in the Legislative Appropriation Act, 1956 (69 Stat. 510; Public Law 242, 84th Cong.), is amended to read as follows:

"No officer or employee, whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $16,300 per annum, unless expressly authorized by law."

(e) The provisions of subsection (a) shall not apply to employees whose compensation is paid from the appropriation contained in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the Senate" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 246; Public Law 85-75), or in any subsequent appropriation act, but the limitation contained in such paragraph is hereby increased by the amount necessary to provide increases corresponding to those provided by subsection (a).

(f) The official reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a).

(g) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U. S. C. 2251-2267).

(h) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956 (69 Stat. 505; Public Law 242, 84th Cong.), is amended by striking out so much of the second sentence thereof as follows the words "First Supplemental Appropriation Act, 1947," and inserting in lieu thereof the following: "the basic compensation of any employee of a standing or select committee of the Senate (including the majority and minority policy committees and the majority conference of the Senate and minority conference of the Senate), or a joint committee of the two Houses the expenses of which are paid from the contingent fund of the Senate, whose basic compensation may be fixed under such provisions at a rate of $8,000 per annum, may be fixed at a rate not in excess of $8,040 per annum, except that the basic compensation of one such employee may be fixed at a rate not in excess of $8,880 per annum and the basic compensation of two such employees may be fixed at a rate not in excess of $8,460 per annum."

(i) No officer or employee shall be paid increased or additional compensation for any period prior to the first day of the month following the date of enactment of this act at a rate in excess of 10 percent of his gross rate of compensation computed without regard to the amendment made by subsection (d) and without regard to subsections (m), (n), (o), and (p).

(j) The position of Chief Nurse in the Senate Office Building, under the Office of the Architect of the Capitol, shall be established and allocated to grade 9 of the General Schedule of the Classification Act of 1949, as amended, so long as such position is held by the present incumbent.

(k) The rate of gross annual compensation of each of the elected officers of the House of Representatives (except the presiding officer of the House and the Chaplain of the House) is hereby increased by 10 percent.

(l) The aggregate rate of the rate of basic annual compensation and the rate of additional annual compensation authorized by law of the Chaplain of the House of Representatives and of the Coordinator of Information of the House of Representatives is hereby increased by 10 percent.

(m) The rate of gross annual compensation of the Legislative Counsel of the House of Representatives shall be an amount which is equal to the rate of gross annual compensation of the Legislative Counsel of the Senate on the day following the effective date of this subsection.

(n) The basic compensation of the Administrative Assistants to the Speaker, majority leader, minority leader, majority whip, and minority whip, shall be at the rate of $8,880 per annum.

(o) Subsection (e) of section 202 of the Legislative Reorganization Act of 1946, as amended (2 U. S. C. 72a (e)), is amended (1) by striking out "$8,820" where it first appears in such subsection and inserting in lieu thereof "$8,880", and (2) by striking out "$8,820" at the second place where it appears in such subsection and inserting in lieu thereof "$8,880".

(p) (1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

(2) Clause 27 (c) of rule XI of the Rules of the House of Representatives is amended (A) by striking out "$8,820" where it first appears in such clause and inserting in lieu thereof "$8,880", and (B) by striking out "$8,820" at the second place where it appears in such clause and inserting in lieu thereof "$8,880".

(q) The limitations in the paragraph designated "Folding documents" under the heading "Contingent Expenses of the House" in the Legislative Branch Appropriation Act, 1958 (71 Stat. 249; Public Law 85-75), or in any subsequent appropriation Act, are hereby increased by 10 percent.

(r) Each employee in the legislative branch of the Government whose compensation—

(1) is disbursed by the Clerk of the House of Representatives,

(2) is not increased by any other provision of this act, and

(3) is fixed at a gross aggregate rate per annum, shall receive additional compensation at the rate of 10 percent of the rate of his existing gross annual compensation.

(s) The increases in compensation provided by this section shall not be applicable with respect to the Office of the Parliamentarian of the House of Representatives and to any employee in such office.

(t) Subject to subsection (j) of this section, each position of nurse under the Architect of the Capitol shall be allocated by the Architect to that grade of the General Schedule of the Classification Act of 1949, as amended, which is recommended to the Architect by the Attending Physician of the Congress. Any such allocation shall not be subject to post audit, review, or change by any authority in the executive branch.

"SEC. 5. (a) Section 1403 (b) of the Veterans' Benefits Act of 1957 (71 Stat. 130; Public Law 85-56), relating to the annual salary of the Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$17,800" and inserting in lieu thereof "$19,580."

(b) Section 1403 (c) of such act, relating to the annual salary of the Deputy Chief

Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out "$16,800" and inserting in lieu thereof "$18,480."

(c) Section 1403 (d) of such act, relating to the annual salaries of the Assistant Chief Medical Directors and the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

(1) by striking out "$15,800" and inserting in lieu thereof "$17,380";

(2) by striking out the word "twenty" and inserting in lieu thereof the word "twenty-five"; and

(3) by striking out "$13,225 minimum to $14,300 maximum" and inserting in lieu thereof "$14,545 minimum to $16,500 maximum."

(d) Section 1403 (e) of such act, relating to the annual salaries of the Director of Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

(1) by striking out "$11,610" and inserting in lieu thereof "$12,770 minimum to $13,970 maximum"; and

(2) by striking out "$10,320" and inserting in lieu thereof "$11,355 minimum to $12,555 maximum."

(e) Section 1403 (f) of such act, relating to the annual salaries of the chief pharmacist, the chief dietitian, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $12,770 minimum to $13,970 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $11,355 minimum to $12,555 maximum a year."

(f) Section 1407 (a) of such act, relating to maximum and minimum annual rates of salary of certain employees of the Medical Service, Dental Service, and Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 1404 shall be as follows:

"MEDICAL SERVICE

"Chief grade, $12,770 minimum to $13,970 maximum.

"Senior grade, $11,355 minimum to $12,555 maximum.

"Intermediate grade, $9,890 minimum to $11,090 maximum.

"Full grade, $8,330 minimum to $9,530 maximum.

"Associate grade, $7,030 minimum to $8,230 maximum.

"Junior grade, $6,505 minimum to $7,405 maximum.

"DENTAL SERVICE

"Chief grade, $12,770 minimum to $13,970 maximum.

"Senior grade, $11,355 minimum to $12,555 maximum.

"Intermediate grade, $9,890 minimum to $11,090 maximum.

"Full grade, $8,330 minimum to $9,530 maximum.

"Associate grade, $7,030 minimum to $8,230 maximum.

"Junior grade, $6,505 minimum to $7,405 maximum.

"NURSING SERVICE

"Assistant Director, $8,330 minimum to $9,530 maximum.

"Senior grade, $7,030 minimum to $8,230 maximum.

"Full grade, $5,985 minimum to $6,885 maximum.

"Associate grade, $5,205 minimum to $6,165 maximum.

"Junior grade, $4,425 minimum to $5,385 maximum."

(g) Section 1408 (d) of such act, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section or prior corresponding provisions of law, shall receive, in addition to his basic pay, an allowance equal to 15 percent of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $16,000 per annum."

(h) Section 1411 of such act, relating to appointment of additional employees, is amended—

(1) by inserting "(a)" immediately following "SEC. 1411."; and

(2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, the per annum rate of salary of each individual serving as a manager of a hospital, domiciliary, or center who is not a physician in the medical service shall not be less than the rate of salary which he would receive under section 1407 if his service as a manager of a hospital, domiciliary, or center had been service as a physician in the medical service in the chief grade. This subsection shall not affect the allocation of any position of manager of a hospital, domiciliary, or center to any grade of the general schedule of the Classification Act of 1949, except with respect to changes in rate of salary pursuant to the preceding sentence, and shall not affect the applicability of the Performance Rating Act of 1950 to any individual."

(i) Paragraph (2) of section 1404 of such act, relating to additional appointments, is amended to read as follows:

"(2) Managers, pharmacists, physical therapists, occupational therapists, dietitians, and other scientific and professional personnel, such as optometrists, pathologists, bacteriologists, chemists, biostatisticians, and medical and dental technologists."

(j) Paragraph (5) of section 1405 of such act, relating to qualifications of appointees, is amended—

(1) by redesignating subparagraph (B) and (C) thereof as subparagraphs (C) and (D) thereof, respectively; and

(2) by inserting immediately below subparagraph (A) thereof the following:

"(B) optometrist—

"be licensed to practice optometry in one of the States, Territories, or Commonwealths of the United States, or in the District of Columbia;".

SEC. 6. (a) The Foreign Service Act of 1946 is amended as follows:

(1) The third sentence of section 412 of such act (22 U. S. C. 867) is amended by striking out "$17,500" and inserting in lieu thereof "$19,250."

(2) The fourth sentence of section 412 of such act is amended to read as follows: "The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"Class 1	$16,000	$16,500	$16,940	$17,380	$17,820	$18,260	$18,700	
Class 2	13,860	14,190	14,520	14,850	15,180	15,510	15,840	
Class 3	11,660	11,990	12,320	12,650	12,980	13,310	13,640	
Class 4	9,900	10,175	10,450	10,725	11,000	11,275	11,550	
Class 5	8,140	8,415	8,690	8,965	9,240	9,515	9,790	
Class 6	6,710	6,930	7,150	7,370	7,590	7,810	8,030	
Class 7	5,610	5,775	5,940	6,105	6,270	6,435	6,600	
Class 8	4,730	4,895	5,060	5,225	5,390	5,555	5,720	$5,885."

(3) The second sentence of section 415 of such act (22 U. S. C. 870) is amended to read as follows: "The per annum rates of staff officers and employees within each class shall be as follows:

"Class 1	$11,770	$12,120	$12,480	$12,830	$13,190		
Class 2	10,920	11,205	11,485	11,770	12,120		
Class 3	10,030	10,320	10,600	10,885	11,165		
Class 4	9,095	9,380	9,665	9,945	10,230		
Class 5	8,395	8,610	8,815	9,030	9,315	$9,600	
Class 6	7,690	7,905	8,120	8,325	8,540	8,955	
Class 7	6,990	7,200	7,415	7,630	7,840	8,050	
Class 8	6,285	6,495	6,710	6,925	7,140	7,350	
Class 9	5,585	5,795	6,005	6,220	6,435	6,650	
Class 10	5,115	5,260	5,400	5,540	5,755	5,970	$6,175
Class 11	4,650	4,790	4,930	5,070	5,215	5,355	5,500
Class 12	4,180	4,320	4,460	4,605	4,745	4,890	5,025
Class 13	3,730	3,870	4,010	4,155	4,295	4,440	4,580
Class 14	3,300	3,445	3,585	3,730	3,870	4,010	4,155
Class 15	3,090	3,165	3,230	3,300	3,445	3,585	3,730
Class 16	2,875	2,950	3,020	3,090	3,165	3,230	3,300
Class 17	2,660	2,735	2,805	2,875	2,950	3,020	3,090
Class 18	2,455	2,520	2,590	2,660	2,735	2,805	2,875
Class 19	2,240	2,310	2,380	2,455	2,520	2,590	2,660
Class 20	2,025	2,095	2,165	2,240	2,310	2,380	2,455
Class 21	1,810	1,880	1,955	2,025	2,095	2,165	2,240
Class 22	1,600	1,670	1,745	1,810	1,880	1,955	2,025"

(b) Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this section at one of the step rates provided by sections 412 or 415 of the Foreign Service Act of 1946, shall receive basic compensation on or after the effective date of this section at the corresponding step rate as provided by such sections 412 or 415 as amended by this section.

SEC. 7. (a) Notwithstanding section 3679 of the Revised Statutes, as amended (31 U. S. C. 665), the rates of compensation of officers and employees of the Federal Government and of the municipal government of the District of Columbia whose rates of compensation are fixed by administrative action pursuant to law and are not otherwise increased by this act are hereby authorized to be increased, effective on or after the first day of the first pay period which began on or after January 1, 1958, by amounts not to exceed the increases provided by this act for corresponding rates of compensation in the appropriate schedule or scale of pay.

(b) Nothing contained in this section shall be deemed to authorize any increase in the rates of compensation of officers and employees whose rates of compensation are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

(c) Nothing contained in this section shall affect the authority contained in any law pursuant to which rates of compensation may be fixed by administrative action.

SEC. 8. (a) Retroactive compensation or salary shall be paid by reason of this act only in the case of an individual in the service of the United States (including service in the Armed Forces of the United States) or the municipal government of the District of Columbia on the date of enactment of this

act, except that such retroactive compensation or salary shall be paid (1) to an officer or employee who retired during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act for services rendered during such period and (2) in accordance with the provisions of the act of August 3, 1950 (Public Law 363, 81st Cong.), as amended (5 U. S. C. 61f–61k), for services rendered during the period beginning on the first day of the first pay period which began on or after January 1, 1958, and ending on the date of enactment of this act by an officer or employee who dies during such period.

(b) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

SEC. 9. (a) The Director of the Bureau of the Budget is authorized and directed to provide by regulation for the absorption from the respective applicable appropriations or funds available for the fiscal year in which this act is enacted and for the immediately succeeding fiscal years, by the respective departments, agencies, establishments, and corporations in the executive branch, to such extent as the Director deems practicable, of the costs of the increases in basic compensation provided by this act.

(b) Nothing contained in subsection (a) of this section shall be held or considered to require (1) the separation from the service of any individual by reduction in force or other personnel action or (2) the placing of any individual in a leave-without-pay status.

(c) Subsections (a) and (b) of this section shall not apply to the field service of the Post Office Department and to such other departments, agencies, establishments, and corporations in the executive branch as the Director, with the approval of the President, may designate.

SEC. 10. Section 505 (e) of the Classification Act of 1949, as amended (5 U. S. C. 1105 (e)), is amended by striking out "37" and inserting in lieu thereof "75".

SEC. 11. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof the following new subsection:

"(g) Appointments to positions in grades 16, 17, and 18 of the general schedule, except positions provided for in subsection (e) of this section, shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees."

SEC. 12. The annual rate of basic compensation of the position of Chief Postal Inspector in the Post Office Department shall be $19,000.

SEC. 13. Section 604 (d) of the Federal Employees Pay Act of 1945, as amended (5 U. S. C. 944), is amended to read as follows:

"(d) (1) Hereafter, for all pay computation purposes affecting officers or employees in or under the executive branch, the judicial branch, or the District of Columbia municipal government, basic per annum rates of compensation established by or pursuant to law shall be regarded as payment for employment during 52 basic administrative workweeks of 40 hours.

"(2) Whenever for any such purpose it is necessary to convert a basic annual rate to a basic biweekly, weekly, daily, or hourly rate, the following rules shall govern:

"(A) An hourly rate shall be derived by dividing the annual rate by 2,080;

"(B) A daily rate shall be derived by multiplying the hourly rate by the number of daily hours of service required; and

"(C) A weekly or biweekly rate shall be derived by multiplying the hourly rate by 40 or 80 as the case may be.

"(3) All rates shall be computed in full cents, counting a fraction of a cent as the next higher cent."

SEC. 14 (a) The Postal Field Service Schedule contained in section 301 (a) of the Postal Field Service Compensation Act of 1955, as amended by section 401 (a) of the act of May 27, 1958 (72 Stat. 145; Public Law 85–426), is amended by striking out levels 7 to 20, inclusive, and the respective per annum rates and steps for such levels and inserting in lieu of such levels and per annum rates and steps the following:

"7	$4,870	$5,035	$5,200	$5,365	$5,530	$5,695	$5,860
Temporary rate	4,990	5,160	5,330	5,500	5,670	5,840	6,010
8	5,255	5,440	5,625	5,810	5,995	6,180	6,365
Temporary rate	5,385	5,575	5,765	5,955	6,145	6,335	6,525
9	5,675	5,875	6,075	6,275	6,475	6,675	6,875
Temporary rate	5,815	6,020	6,225	6,430	6,635	6,840	7,045
10	6,235	6,450	6,665	6,880	7,095	7,310	7,525
Temporary rate	6,390	6,610	6,830	7,050	7,270	7,490	7,710
11	6,860	7,095	7,330	7,565	7,800	8,035	8,270
Temporary rate	7,030	7,270	7,510	7,750	7,990	8,230	8,470
12	7,545	7,805	8,065	8,325	8,585	8,845	9,105
Temporary rate	7,735	8,000	8,265	8,530	8,795	9,060	9,325
13	8,310	8,590	8,870	9,150	9,430	9,710	9,990
Temporary rate	8,520	8,805	9,090	9,375	9,660	9,945	10,230
14	9,140	9,440	9,740	10,040	10,340	10,640	10,940
Temporary rate	9,370	9,680	9,990	10,300	10,610	10,920	11,230
15	10,050	10,375	10,709	11,025	11,350	11,675	12,000
Temporary rate	10,300	10,635	10,970	11,305	11,640	11,975	12,310
16	11,075	11,400	11,725	12,050	12,375	12,700	13,025
Temporary rate	11,350	11,685	12,020	12,355	12,690	13,025	13,360
17	12,255	12,580	12,905	13,230	13,555	13,880	14,205
Temporary rate	12,560	12,895	13,230	13,565	13,900	14,235	14,570
18	13,760	14,085	14,410	14,735	15,060	15,385	15,560
Temporary rate	14,105	14,440	14,775	15,110	15,455	15,760	
19	15,050	15,375	15,700	15,900			
Temporary rate	15,425	15,760	15,909				
20	16,000"						

(b) (1) The provisions of sections 402, 403, 404, and 405 of the act of May 27, 1958 (72 Stat. 146; Public Law 85–426), shall be applicable and effective, as of the effective date of this section, with respect to the application and operation of the amendment made by subsection (a) of this section.

(2) For the purposes of paragraph (1) of this subsection—

(A) the terms "This title" and "this title," as used in such sections 402 (a), 403, and 404, mean the amendment made by subsection (a) of this section; and

(B) the term "This act", as used in such section 405, means the provisions of this section 14.

SEC. 15. (a) Except as provided in subsections (b) and (c) of this section, this act shall take effect as of the first day of the first pay period which began on or after January 1, 1958.

(b) This section, the first section, and sections 4 (b), 4 (e), 4 (h), 4 (j), 4 (q), 4 (t), 5 (i), 5 (j), 7, 8, 9, 10, and 11 shall take effect on the date of enactment of this act.

(c) Sections 5 (h), 12, and 13 shall take effect on the first day of the first pay period which begins on or after the date of enactment of this act.

(d) For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this act shall be held and considered to be effective as of the first day of the first pay period which begins on or after the date of such enactment.

Mr. JOHNSTON of South Carolina. Mr. President, the House amendment to Senate bill 734 is proper and very desirable.

First. It extends the cost-of-living adjustment to employees of the postal service who were not included in the postal pay bill recently enacted. That is done by giving an additional 1 percent to employees in level 7 who, under the postal bill, received only 1½ percent, and by extending the 2½ percent increase to employees in level 8 and above. The net result is to give the same percentage increase to all postal employees. I commend the House for its wise and proper action in this respect.

Second. The House amendment gives the other employees the same percentage increase which has been received, or will be received, by the postal employees. The House is to be commended for its wisdom and fairness in this respect.

I had hoped that the House amendment might be accepted by the Senate without sending it back to the House or without having a conference with the House. But, unfortunately, that will not be the case.

The House and the Senate are not far apart in the matter, and I see no difficulty in reaching quick agreement. As a matter of fact, most of the changes that need be made have already been agreed to. In these circumstances, the best course of action would seem to be to agree to the House amendment with an amendment. Accordingly, I sent to the desk an amendment, and ask that it be read, but first I wish to explain briefly the purpose of the amendment.

First. It makes a necessary technical correction to carry out the wish of this body in regard to the adjustment of salaries in the offices of Senators. It leaves it to Senators to make adjustments as they see fit, and gives them a lump sum allowance.

Second. It makes a necessary technical correction in the language relating to the fixing of salaries of employees in the House document room. This correction was requested by the other body, and I am happy to comply with their request.

Third. It puts into the bill language requested by the administration which permits the recruitment of certain scientific and professional college graduates at grade 7 rather than grade 5. This provision was previously approved by the Senate after full consideration when S. 734 was passed on February 28, so I am confident there will be no dissent here today to putting it back in the bill.

Fourth. The amendment restores to the bill previously approved Senate language relating to the establishment of necessary supergrades and scientific positions justified to the Post Office and Civil

Service Committee by the administration at the time S. 734 was under consideration, and as it was passed by the Senate.

Fifth. The amendment restores previously approved Senate language prescribing a method for adjusting the pay of employees upgraded under section 803 of the Classification Act by action of the Civil Service Commission.

Finally, the amendment makes certain perfecting changes of a minor nature.

This bill authorizes a substantial increase in the number of grade GS–16, GS–17, and GS–18 positions. When we approve these additional supergrade positions I should like to insure that the needs of the Bureau of Prisons are recognized. In the past this Bureau has not been authorized supergrade positions by the Civil Service Commission.

I am familiar with the work of this agency. In the position of warden at the United States penitentiary, Atlanta, Ga., there is a man whose responsibilities are exceeded by few in the Federal service. He is charged with the detention of some of the most difficult prisoners in the country, and at the same time with their modification of attitude and rehabilitative preparation for release. He administers and manages a large and complex Federal installation, and directs the operations of a large industrial factory which any place else would by itself justify a higher grade

Similarly in the Federal prisons at Leavenworth, Kans.; Alcatraz, Calif.; Lewisburg, Pa.; Chillicothe, Ohio; McNeil Island, Wash.; El Reno, Okla.; and the Medical Center at Springfield, Mo., we have administrators performing as difficult and important work as one can find in the Federal Government. None of these wardens have been approved for supergrade positions. They are in fact paid considerably less than are the wardens in many of the State prisons. I want the attention of the Civil Service Commission called to this inequity.

The Federal Bureau of Prisons has a worldwide influence upon law enforcement, confinement, and programs concerned with the treatment and rehabilitation of prisoners. In the central office of the Bureau, at its Medical Center, and in the major institutions, administrators and professional personnel with broad backgrounds of experience and understanding are required. It is essential that this agency of Government be able to recruit and retain persons with understanding and skill in this specialized field of work.

In its relationships with the legal and medical professions, and in its participation at national and international conferences this Bureau is expected to take the initiative in improving standards and methods of handling and treating prisoners. The trends in age groups toward more youthful offenders and in types of offenses toward more violent crimes greatly increase the difficulties and responsibilities of this organization. There is a pressing need to meet the challenge of these responsibilities. Correctional leaders of the highest capability are needed to recognize and exploit every opportunity to find solutions to the problems which face this Nation and its people in our growing inmate population.

The Bureau of Prisons has worked tirelessly to make a career service for its personnel. A few supergrade positions in its eight major institutions will be of great assistance to the Attorney General and the Director, Bureau of Prisons, in their staffing key positions with individuals possessing the needed abilities and stature.

Mr. President, I now ask that my amendments to the House amendment be read, and I move that the Senate agree to the amendments, in the hope that the House will agree to them, which will avoid the necessity for a conference.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DIRKSEN. It is my understanding that after the Senate had taken action on the bill, it went to the House, and the House struck out all after the enacting clause and substituted an entirely new bill.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. In the bill as passed by the House, among other things the House included a proposal to require Civil Service Commission approval of all classifications of GS–16, 17, and 18, the supergrades, and also schedule C.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. In the amendments the Senator offers it is proposed to strike that out, so that matter will be in conference. Is that correct?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DIRKSEN. In addition, only the increases in FBI supergrades were permitted to stand, and all other scientific and supergrades were stricken in the House bill?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DIRKSEN. That also will be cured by the amendments offered by the Senator from South Carolina?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DIRKSEN. As to scientists and others who are given increases under section 803, an automatic ceiling has been provided by the House as against the Senator's proposal to carry them, so to speak, as they go along. That will be cured?

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. Finally, there is a provision with reference to recruitment of scientific and professional college graduates, namely, the ceiling of GS–5, will be removed, and grade 7 substituted?

Mr. JOHNSTON of South Carolina. That is also included in the amendments.

Mr. DIRKSEN. And in the motion?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DIRKSEN. That would put all the Senate bill and the House bill, and also the new proposals submitted by the Senator from South Carolina, in conference?

Mr. JOHNSTON of South Carolina. No; it would put in conference only amendments as to which there was a difference, if the House failed to agree to them.

Mr. DIRKSEN. The whole latitude of the House bill and the Senate bill and the new proposals would be in conference. Is that correct?

Mr. JOHNSTON of South Carolina. I have talked to the Senator from Kansas [Mr. CARLSON] about the matter, and I have taken the House bill, with the amendments I am suggesting.

Mr. DIRKSEN. I want to be reasonably sure about the situation, in order to satisfy the distinguished Senator from Delaware [Mr. WILLIAMS] who has raised some questions both with me and with the Senator from Kansas, so there can be no misunderstanding as to what is contemplated by the motion before the Senate. I ask the Senator from Delaware whether he has any questions with respect to the matter, so the record will be entirely clear.

Mr. WILLIAMS. Mr. President, it was my understanding, from my conversation with the Senator from Illinois, that all the provisions which are being discussed would be in conference.

Mr. JOHNSTON of South Carolina. What I have done is ask the Senate to accept the House bill with the amendments I have called to the attention of the Senate.

Mr. WILLIAMS. The House bill may be all right, or it may not, but the language of the House bill has not been before the Senate or a Senate committee, nor has it been considered by any Member of the Senate, except perhaps the chairman of the Committee on Post Office and Civil Service. I never saw the language until this morning, and even now it is not printed and available for distribution.

Mr. DIRKSEN. I suggest that there be a reading of the amendments and the motion.

The PRESIDING OFFICER. The Chair is waiting for an opportunity to have the clerk read the amendments.

Mr. WILLIAMS. Am I correct in my understanding that the language the Senator from South Carolina is proposing has not been before the Senate for consideration in printed form prior to today?

Mr. JOHNSTON of South Carolina. The language is the same, but the amount is not the same. We agreed to that.

Mr. WILLIAMS. Does the Senator mean the language of the House bill is the same as that passed by the Senate? If so, why not take the Senate language?

Mr. JOHNSTON of South Carolina. There is some difference in the phraseology, but it means the same thing. It provides for an increase of 10 percent. That is what it amounts to.

Mr. WILLIAMS. I object to the motion unless it is cleared up. Frankly, I am a little confused as to what is proposed. I hope other Senators know more about it than I do.

Mr. JOHNSTON of South Carolina. All the amendments do is to put back in the bill what was in the Senate bill.

The PRESIDING OFFICER. The clerk will read the proposed amendments.

The Chief Clerk read as follows:

Amendments to House amendment to S. 734: On page 5 of the House engrossed amendment, beginning with line 5, strike out through line 6 on page 8 and insert in lieu thereof the following:

"(6) Except as provided in paragraph (7) of this subsection, if the officer or employee is receiving basic compensation immediately prior to the date of enactment of this act as a result of action taken under section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), he shall receive the higher of either (A) a rate of basic compensation at the scheduled rate in effect on the effective date of this section to which he would have been entitled under the provisions of section 701 of the Classification Act of 1949 (5 U. S. C. 1121) had such action under section 803 not been taken, or (B) a rate of basic compensation at the scheduled rate in effect on such effective date which is equal to his existing rate, or if there is no such scheduled rate equal to his existing rate, then at the next higher scheduled rate: *Provided*, That upon approval by the Civil Service Commission, based upon a determination that such action is equitable, any such employee may be paid at any scheduled rate not in excess of the rate which he was receiving on the date of enactment of this act, adjusted in accordance with paragraph (1), (2), or (3) of this subsection.

"(7) If the officer or employee has had his rate of basic compensation adjusted, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on the effective date of this act and ending on the date of enactment of this act—

"(A) his rate of basic compensation shall be adjusted retroactively in accordance with the initial conversion rules prescribed in paragraphs (1), (2), and (3) of this subsection for the period beginning on the effective date of this section and ending on the effective date of such adjustment under such section 803, on the basis of the rate or rates which he was receiving during such period; and

"(B) on and after the effective date of such adjustment under such section 803, he shall receive a rate of basic compensation adjusted in accordance with paragraph (6) of this subsection."

On page 12 of the House engrossed amendment, strike out all of subsection (b) and insert in lieu thereof the following:

"(b) The basic compensation of each employee in the office of a Senator."

Mr. JOHNSTON of South Carolina. Mr. President, if Senators will obtain copies of the bill which passed the Senate, they will observe the exact wording of the amendments I am offering is in the bill which the Senate passed.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DWORSHAK. Is the effect of the proposal essentially that the Senate is abdicating its responsibilities by accepting every amendment put in the bill by the House, with the exception that we are insisting upon retention of the one amendment concerning the number of higher grades which may be increased?

Mr. JOHNSTON of South Carolina. With some other minor amendments which the clerk will read. Every item the clerk is reading was in the Senate bill.

Mr. DWORSHAK. I am not interested in hearing about what was in the Senate bill. What I should like to know is what we are accepting in the House amendment, without giving the membership an opportunity to discuss it or to know what we are acting upon.

Mr. JOHNSTON of South Carolina. The Senate is asked to accept a 10-percent pay raise bill instead of a 7½-percent pay raise bill.

Mr. DWORSHAK. Is that the only amendment?

Mr. JOHNSTON of South Carolina. That is all that is involved. The proposal is the same as the language of the Senate bill, with the 10-percent pay raise provision.

Mr. WILLIAMS. Mr. President, will the Senator from South Carolina explain what the amendments the clerk has just read will do?

Mr. JOHNSTON of South Carolina. There is one exception. There has been added an item requested by the administration, that in the Postal Department those above grade 6 be allowed to get a 10-percent pay raise also. That is the only difference. That provision is in the House bill. We do not object to that.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senator will state it.

Mr. WILLIAMS. Mr. President, has the clerk finished reading the proposed amendments?

The PRESIDING OFFICER. No, he has not.

Mr. JOHNSTON of South Carolina. Mr. President, I did not know whether the Senator wanted to have them all read. If the Senator will pick up a copy of the bill, he will see we have covered the subject in the past.

Mr. WILLIAMS. Let us forget what we have acted upon before. Does somebody know what the amendments now being proposed will do? If so, just explain them. First, it was claimed that the proposed amendments merely reinstated some Senate language. Now, we find that they include other proposals.

Mr. JOHNSTON of South Carolina. I have made that clear in my statement on the floor. I will read the statement again. I read it once.

Mr. WILLIAMS. Mr. President, I am merely asking for an explanation. If the Senator will read the statement that might help. The Senator says he read it before, but I did not hear him. I should like to have an explanation.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the reading of the amendments be suspended temporarily, because I believe I can explain the matter for the Senator.

First. The amendments proposed by me make a necessary technical correction to carry out the wish of this body in regard to the adjustment of salaries in the offices of Senators.

Second. They make a necessary technical correction in the language relating to the fixing of salaries of employees in the House document room. This correction was requested by the other body, and I am happy to comply with their request.

Third. They put into the bill language requested by the administration which permits the recruitment of certain scientific and professional college graduates at grade 7 rather than grade 5. This provision was previously approved by the Senate after full consideration when S. 734 was passed on February 28, so I am confident there will be no dissent here today to putting it back in the bill.

Fourth. The amendments restore to the bill previously approved Senate language relating to the establishment of necessary supergrades and scientific positions justified to the Post Office and Civil Service Committee by the administration at the time S. 734 was under consideration.

Fifth. The amendments restore previously approved Senate language prescribing a method for adjusting the pay of employees upgraded under section 803 of the Classification Act by action of the Civil Service Commission.

Finally, the amendments make certain perfecting changes of a minor nature.

We found that mistakes had been made, which were brought to our attention. The sections are to be renumbered in accordance with the amendments. Certain changes had to be made to make the provisions clear.

Mr. WILLIAMS. I thank the Senator for his explanation, but what has he said? I am very frank to say I am not sure I understand it fully. In simple language, tell us what the proposed amendment does.

Then one other question. As to the retroactive feature of the bill, would a retroactive payment be subject to retirement deductions?

Mr. JOHNSTON of South Carolina. For the information of the Senator, that matter will not be considered in the conference. The bills passed by both Houses fixed the same date, so we cannot consider that matter.

Mr. WILLIAMS. I am simply asking a question. In connection with the retroactive-payment feature of the bill, I understand there is a date for payment retroactive to January 1, 1958.

Mr. JOHNSTON of South Carolina. The Senator is correct.

Mr. WILLIAMS. Will retirement deductions be taken from such back payments?

Mr. JOHNSTON of South Carolina. They will be. Certainly they will. The retirement percentage will be deducted, the same as would be true with respect to any salary.

Mr. WILLIAMS. If there is such a deductible provision—and it is my understanding from a hurried examination of the bill that there is—would not that necessitate a recomputation of payments for all retirees who have retired since January 1, 1958?

Mr. JOHNSTON of South Carolina. No; it would not.

Mr. WILLIAMS. Is that matter provided for in the bill?

Mr. JOHNSTON of South Carolina. That is covered.

Mr. WILLIAMS. What section of the bill provides for that?

Mr. JOHNSTON of South Carolina. The bill contains language consistent with that in the Postal Pay Act, so that is taken care of.

Mr. WILLIAMS. I do not question the Senator's statement, but could the Senator bring to my attention the paragraph in the bill which covers that item?

Mr. JOHNSTON of South Carolina. I will provide that information for the Senator in a moment. I shall have to look it up. It is a long bill.

Mr. DIRKSEN. Mr. President, has the Senator found the information?

Mr. JOHNSTON of South Carolina. I have the information. It reads as follows:

On page 25 of the House engrossed amendment, after the period in line 20, insert a new sentence as follows: "Such retroactive compensation or salary shall not be considered as basic salary for the purpose of the Civil Service Retirement Act in the case of any such retired or deceased officer or employee."

That language takes care of the matter, and is provided in the amendments on the desk.

Mr. WILLIAMS. Is that provided in the amendments on the desk, or in the bill which was passed by the House?

Mr. JOHNSTON of South Carolina. That is in the amendments at the desk.

Mr. WILLIAMS. Is the Senator from South Carolina sure that that is in the amendments on the desk or in the bill which was passed by the House? No mention of this point was made in his explanation of the amendment.

Mr. JOHNSTON of South Carolina. It is at the desk, in the amendments we were going to have read.

Mr. WILLIAMS. Then we are now being assured that it is one provision of the amendments which was not explained. I did not understand the Senator to explain that as being in the amendments.

Mr. JOHNSTON of South Carolina. These are merely clarifying amendments.

Mr. WILLIAMS. May I ask what other clarifying provisions are in the amendments which have not been fully read? Is that the only one?

Mr. JOHNSTON of South Carolina. The Senator will find there are approximately seven amendments changing section numbers and things like that.

Mr. WILLIAMS. I am speaking of those corrections in the form of amendments which are of major substance, such as the one we have just mentioned.

Mr. JOHNSTON of South Carolina. I would answer the question; No.

Mr. WILLIAMS. May I ask the Senator another question? The retroactive feature of the measure, as I understand it, will necessitate the payment of between $250 million and $275 million. Is that correct?

Mr. JOHNSTON of South Carolina. That is approximately correct, but there is nothing we can do in regard to that matter. The House has adopted such a provision in its amendment to the Senate bill, which contained the same provision.

Mr. WILLIAMS. I am not debating that point now. I am merely speaking of the fact that that is the amount involved.

Mr. JOHNSTON of South Carolina. That is about correct.

Mr. WILLIAMS. Presumably that will be paid as of a given date, assuming the bill is enacted. Is that correct?

Mr. JOHNSTON of South Carolina. I should say on the first payday thereafter. It may require longer to compute the amount in some cases. It may be the second payday.

Mr. WILLIAMS. It will be paid at some projected future date.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. WILLIAMS. Do the agencies have funds with which to pay the increase? Have funds been appropriated to pay it, or how will they get the $250 million? Does the bill make any provision for it? Also, where will the agencies get the extra $250 million to pay salaries for the remainder of the year? Is that provided for in this measure?

Mr. JOHNSTON of South Carolina. Money is appropriated for the various departments. If any department runs short in the last 2 weeks or the last month, we always pass a supplemental bill to take care of the shortage.

Mr. WILLIAMS. That may be true, but——

Mr. JOHNSTON of South Carolina. This is only an authorization act, and not an appropriation bill.

Mr. WILLIAMS. This is more than an authorization, as I understand it. It is a commitment to pay.

Mr. JOHNSTON of South Carolina. That is true.

Mr. WILLIAMS. Therefore there would be a direct obligation to pay. The question is how the agencies are to pay it. We have already acted on the appropriation bills for 4 or 5 departments, and we are now passing on to those departments their proportionate share of this $500 million increase.

Where will they get this money? Will this action necessitate an immediate reconsideration of the appropriations for the various departments in order to provide the additional money?

Certainly it is not out of order to ask from where the money to make these payments is coming. This bill calls for an extra expenditure of $500 million, and the entire pay structure increase will be in excess of $1¼ billion in calendar year 1958.

We already are operating at a deficit, and our national debt is bumping the ceiling. What suggestions does the Senator have for raising this extra $1¼ billion.

Mr. JOHNSTON of South Carolina. The employees affected by this bill will be placed in the same position as the postal workers and the military personnel.

Mr. WILLIAMS. That may be true; but what position are they all in? I am not debating the point. I am merely asking for information. There is no need of saying that we are going to pay the money if there is not some projected plan for doing so. I am asking if any plans have been made or any consideration given by the Post Office and Civil Service Committee as to where the money will come from. The agencies must be given the cash to pay the increase if the bill passes. Or is that to be considered later?

Mr. JOHNSTON of South Carolina. Each department will pay out of the general fund, as the departments always do. That is a matter for the Appropriations Committee to pass upon. All we can do is pass an enabling act.

Mr. WILLIAMS. What general fund? The reason I asked the question is that there is a law, as I understand—and the Senator from Illinois [Mr. DIRKSEN], who is a member of the Appropriations Committee, can correct me if I am in error—which provides that no agency of the Government may spend in any month more than one-twelfth of its allotted appropriations. The Government agencies are supposed to stay reasonably close to that figure. They are not permitted to spend the entire annual appropriation in the first 6 months and go broke. That would be a violation of the law.

Yet, now it is proposed that we place an extra obligation on these departments for an immediate payment of $250 million in retroactive payments and another quarter billion for increases during the latter half of this year.

But apparantly no consideration has been given as to from where this money is to come. Let us face this issue.

If we impose a commitment on the agencies of another $500 million for the next 6 or 7 months, either they will have to violate the intent of the law or we shall have to appropriate an additional $400 million or $500 million. Is not that true?

Mr. JOHNSTON of South Carolina. We shall have to pay the money out of the Treasury over a term of years—not at one time.

Mr. WILLIAMS. The Senator says we would be paying it out of the Treasury over a period of years. That is not true. This $575 million will be paid out this calendar year. Is it not a fact that instead of paying it out of the Treasury's ready cash we would have to borrow the money in order to pay for this increase?

Mr. JOHNSTON of South Carolina. That is true. We appropriate money for everything. We are about to appropriate about $3,900,000,000 and give it to people outside the United States.

Mr. WILLIAMS. Some of us are hoping that that will not be done.

The point I am making is that, whatever the cost, to a large extent it will have to be met with borrowed money. We might as well agree on that.

Mr. JOHNSTON of South Carolina. We all realize that we shall have to pay the money. I am glad the Senator is telling us about it.

Mr. WILLIAMS. Then before we borrow it, we shall have to increase the debt ceiling so that we can borrow the money to pay what we are now authorizing, appropriations for which will be made later. Is that correct?

Mr. JOHNSTON of South Carolina. I do not know. I will have to leave that up to the financial experts.

Mr. WILLIAMS. Mr. President, I appreciate the answer from the Senator

from South Carolina. It is a clear indication of the complete lack of concern on the part of so many Members of the Senate as to how we are to pay for these expenditures after they are authorized. It is easy to pass a bill and say, At some later date we will find the money somewhere. As a result of such irresponsible actions we are now confronted with a $10 billion deficit for next year. I think it is well to recognize in the Congress, aside from the question of the merits of the proposal, that what is being proposed is to authorize salary increases—salary increases amounting to a billion or a billion and a quarter dollars, proposed to be paid for with borrowed money, by a Government which is already expected to be in the red to the extent of $10 billion for the next 12 months. I am not proposing that salary consideration for Federal employees should be altogether based on the condition of the budget. The fairness or need of the increase in comparison to industry salary scales and the cost-of-living factor are also involved. But likewise we cannot ignore the condition of the budget.

A cost-of-living adjustment in my opinion would be in order, but the House bill goes far beyond that factor, and I will not support the measure as it is now before us. Let us not forget that we shall have to borrow the extra money to make these payments, and before we borrow it we must raise the debt ceiling.

There may be some merit in this proposal, but I do not think the full implication of what is proposed is understood. It was laid before the Senate only a few hours ago. I frankly admit, as one Member of the Senate—that I have very little knowledge as to what is in the measure now before us and I will not support any measure with respect to which I know so little.

Our Government must be kept solvent and it is long past time when some consideration should be given as to the financial crisis which is rapidly developing. Inflation is still one of the major threats in America.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. DIRKSEN. In order to make certain that a record is made, I wish to make a few observations.

First of all, we passed the bill substantially in this form on February 28 this year, to cover, roughly, 1,021,000 employees in the classified service.

Mr. JOHNSTON of South Carolina. That is true.

Mr. DIRKSEN. There were some technical difficulties which were corrected when the bill was considered by the House committee, and also by the House.

I should observe that I am not a member of the Committee on Post Office and Civil Service. As I understand from the House report, among other things the House had to clarify provisions with respect to wage board employees, so-called salary-saving cases, and so-called section 803 cases.

The House had to make some provision for computation of compensation in the case of retirement since the first of January or the first pay period, to the effective date of the act.

In addition, the House also provided for Civil Service Commission clearance with respect to those employees who are in the general classification schedule—the so-called C-grade employees, and some others.

Moreover, the House inserted a provision which eliminated all the supergrades, with the exception of those allocated to the FBI. I think the House also inserted a provision to increase the salary of the Chief Postal Inspector to $19,000.

Then there was a new formula for computing hourly, daily, weekly, or biweekly rates of compensation in certain cases.

My understanding is that finally, in effect, the House eliminated 564 supergrades, and also 313 jobs under Public Law 525.

Furthermore, the House struck out the Senate provision with respect to the recruitment of those who had a college degree or college education.

Finally, the House inserted a provision with respect to an automatic ceiling on scientists and engineers.

The proposal of the Senator from South Carolina——

Mr. JOHNSTON of South Carolina. By the way, the Senator from Kansas [Mr. CARLSON] is a cosponsor, with me, of the amendments.

Mr. DIRKSEN. That is correct. I merely wished to make sure that the record was clear, in view of the questions raised by the Senator from Delaware [Mr. WILLIAMS].

Substantially, then, we have the Senate bill, with some clerical changes, and some clarifying and technical amendments, and certain substantial provisions, which the Senator now proposes to strike, so that the House may again work its will on the bill, which will bring it back substantially in the form in which it passed the Senate.

Mr. JOHNSTON of South Carolina. With the exception that the House has provided for an increase of 10 percent instead of 7½ percent.

Mr. DIRKSEN. I was coming to that. The Senate passed a bill providing for a 7½-percent increase. The House provided a 10-percent increase for the one-million-odd employees in the classified service.

One further observation. This increase would normally cost, I suppose, about $540 million. So the question arises, Where are we to get the money? That question is inevitable. Of course, the Budget Bureau will have to send a supplemental estimate to the Congress. That estimate will be referred to the Appropriations Committee, and it will receive consideration before the present session is over.

Obviously provision will have to be made for every agency and department involved. We must give them whatever is necessary, because this is a mandate in the law.

This is a modification. It is an amendment of existing law which changes the classification schedule. Congress is obligated to provide the money regardless of what the situation may be. Perhaps I ought to add, if my affable friend will permit me to do so, that there must have come to the desk of every Senator a preliminary estimate from the Bureau of the Budget as to what the fiscal situation will be in 1958 and in 1959. The Budget Director indicates, as does the Secretary of the Treasury, what the anticipated revenues will be and what the anticipated expenditures will be. The deficit for fiscal 1958, which will end on the 30th day of June, will be in the neighborhood of three billion dollars, and the deficit for fiscal 1959 will be between eight billion and ten billion dollars, as I understand the figures.

Of course we have had similar conditions to deal with heretofore; indeed I was a Member of one body of Congress or the other, in the days when we had, I believe, 17 continuous deficits, some larger and some smaller. However, the Senate ought to be aware of the fact that, notwithstanding the deficits during this and the next fiscal year, this bill provides for five-hundred-and-forty-odd million dollars in salary increases which will have to be paid. Obviously the administration will certainly honor the obligation.

I should say, with respect to the position taken by the administration, that it wanted the supergrades to apply not only to the FBI, but also to other agencies of the Government. The administration was not happy about the Civil Service Commission qualifications of certain of the 16, 17, and 18 GS grades and the so-called C-schedule, and also with respect to the action taken by the House in regard to scientists and in connection with college recruitment, as well as in the case of engineers. Those four items are being cured by the amendments which are now before the Senate. I believe I am in position to say, and I think I am free to say, that that is in accordance with the desires of the administration.

Mr. CARLSON. Mr. President, I wish to say that, as I understand, the only question before the Senate is, Do we wish to treat the classified employees in the same way we treated the postal employees?

When we passed the postal employee pay increase bill, I said I would be in favor of doing for the classified workers what we did for the postal workers. That is what our committee chairman is trying to accomplish this afternoon. I sincerely hope that the Senate will concur in the House amendments, with the amendments which the chairman is offering. The amendments restore provisions which we placed in the Senate bill. We are not doing anything new. We are not dealing with any new language.

As the distinguished acting minority leader has said, what is suggested is very badly needed language. I hope the Senate will adopt the amendments, and I also hope that the House will not hesitate to accept them. If the House wishes to get quick action on behalf of the classified workers, I hope it will accept the amendments. In that connection, I

call attention to the language in the House report:

Under these circumstances, the consideration by the House of S. 734, rather than H. R. 9999, will expedite final legislative action on needed adjustments in the compensation of the Federal employees concerned.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. DWORSHAK. The Senator from Kansas is the ranking minority Member of the Committee on Post Office and Civil Service. Have we any assurance that the President will accept the bill, or is there a possibility of a veto?

Mr. CARLSON. All I can say to the distinguished Senator from Idaho is that the President signed the postal pay bill, which contained the same percentage increases. I sincerely hope that there will be no question about the classified bill on that ground. The postal bill set the pattern. The pattern was also set by the bill covering the retired annuitants, which we passed yesterday. The bill now before the Senate would take care of the classified employees on the same basis. It seems to me to be only fair that such action be taken.

Mr. DWORSHAK. As I recall, when this bill was first considered by the Senate, the President said he would not accept more than a 7 or 8 percent increase in the pay schedules of classified civil servants. Is that correct?

Mr. CARLSON. As a matter of fact, last year the President submitted in his budget a recommendation for a 6 percent increase. He suggested a 6 percent increase for postal and classified employees and military personnel. The cost of that increase would have been about $1,052,000,000. Since that time Congress has passed a postal pay bill and a retired annuitants bill, and I hope that it will approve the bill for the classified employees with the 10 percent feature in it.

Mr. DWORSHAK. Does the Senator have any estimate of the total cost of the increases for the civilian employees of the Government? I am not thinking of the military personnel now.

Mr. CARLSON. The bill for the classified worker will cost $542 million in pay increases. I forget what the other figure is. It represents a substantial increase also.

Mr. DWORSHAK. Does the Senator from Kansas believe, then, that the President has changed his position—probably in equity to all categories of Federal employees—and that he will accept the bill if it is finally approved by both Houses of Congress?

Mr. CARLSON. When we had the postal pay increase bill before the Senate, I said I hoped the President would sign it after we had approved it. He did sign it. That is about all I can say.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. LAUSCHE. Is there not, in fact, a bit of difference between the principle which was applicable to the postal employees' pay increase and that which we are now discussing with respect to the civil-service employees? I have in mind that, in a measure, we provided funds with which to meet the increases for postal employees by raising the rates charged for the delivery of mail. Here we are doing nothing in that regard. We are saying to the administration: You have a $3 billion deficit in 1958. There will definitely be an $8 to $10 billion deficit in 1959. However, we want you also to take on this additional burden of $500 million in expenditures on a deficit basis.

Mr. CARLSON. I merely wish to say to the distinguished Senator from Ohio that while we did increase the postage rates on first-, second-, and third-class mail, that is not applied, so to speak, to the salaries of the postal workers. The collections from postal receipts go into the Treasury of the United States. The postal employees are paid out of the United States Treasury, just as the classified employees are.

Therefore, I do not believe we can say—and I have always contended that we should not say—that the postal workers' salaries are based on the postal rates obtained from first-, second-, and third-class mail. Many persons seem to think that a postal employee gets his salary from postal receipts. That is not correct. A postal employee gets his salary from the United States Treasury, as does also a classified employee. The increased receipts from postal rates go into the Treasury of the United States. This is a separate matter altogether. While we did pass a postal workers' pay bill, I do not believe it can be tied to the postal rate bill.

Mr. LAUSCHE. What I have in mind is that it is a good policy in Government first to provide the money, and then to spend it. It is a bad policy to do the spending first and then become indifferent about providing the funds. The Senator from Kansas, I am sure, to a substantial degree subscribes to that philosophy.

Mr. CARLSON. The Senator from Ohio and the Senator from Kansas both served as Governors of their States. We have had some experience with financing. I believe the Senator from Illinois [Mr. DIRKSEN] made a very appropriate statement when he said that, after all, those of us who are voting for this increase must keep in mind that we are responsible to see to it that there are funds in the Treasury of the United States with which to take care of these items. I feel very deeply on this subject, and I know the Senator from Ohio does also.

Mr. LAUSCHE. The President of the United States has asked industry and labor to hold the line against inflationary processes. I subscribe to that suggestion of the President. I do not want to go along with a program, to which ordinarily I subscribe, and at the same time state to the labor leaders and the industrialists of the Nation that Congress is the first one to contribute to the inflationary process. I went along with the 7½ percent increase. The Senator from Kansas also was of that belief originally. I will not be a part of a program which contemplates the cheapening of the dollar of the American citizen any further. Even though I am the only one to vote against the bill, I will do so, because I do not believe it is in the interest of the security of the Nation.

Mr. CARLSON. I share the concern of the Senator from Ohio.

Mr. DIRKSEN. Mr. President, I hope the Senator from Ohio will not leave the flood for a moment. This is an excellent opportunity to commend to the Senate a reading of a very notable portion of the rules of the Senate, which deals with the legislative budget. It is to be found on page 63 of the rules.

In 1947 I was a member of the joint committee of the Senate and House which wrote this rule. It provides that the Committee on Ways and Means of the House, the Senate Committee on Finance, and the Appropriations Committees of both Houses shall become one great committee and shall meet at the beginning of a session in order to propose a legislative budget.

Remember, Mr. President, this rule has been enacted into law. It provides that the joint committee must estimate the receipts and the expenditures for the fiscal year with which it is dealing. It provides that a recommendation shall be made as to how much shall be expended.

But this is the gimmick; this is the "kicker." The Senate has ignored that rule, and the House has ignored it, and they have not even bothered to do so formally by a resolution. The rule provides:

If the estimated expenditures exceed the estimated receipts, the concurrent resolution shall include a section substantially as follows: That it is the sense of the Congress that the public debt shall be increased in an amount equal to the amount by which the estimated expenditures for the ensuing fiscal year exceed the estimated receipts, such amount being $——.

That is what we wrote into the rule in 1947.

The rule also provides:

Such report shall be made by February 15.

Then it continues:

The report shall be accompanied by a concurrent resolution adopting such budget, and fixing the maximum amount to be appropriated for expenditure in such year. If the estimated expenditures exceed the estimated receipts, the concurrent resolution shall include a section substantially as follows: "That it is the sense of the Congress that the public debt shall be increased in an amount equal to the amount by which the estimated expenditures for the ensuing fiscal year exceed the estimated receipts."

I have no recollection that any such concurrent resolution ever was introduced. I have no recollection that the two Houses ever paid any attention to the legislative budget estimate except for the first year. Then that unwieldly committee of 107 Senators and Representatives was cut down to frying size, so to speak, so that it could work, and we labored over the problem for quite a while. But then the whole business went out the window.

If we are looking for someone at whom to cast a stone, let us cast it right in

this Chamber; and let the Members of the House cast it in their Chamber; because the legislative budget procedure is still a part of the rules of the Senate and the House of Representatives, but has been blithely and beautifully ignored. Once in a while it is well to become familiar with some of the provisions in our own rule book.

Mr. CARLSON. I think the Senator from Illinois has brought into the discussion a very timely topic. The Senator from Delaware is entitled to credit for reminding the Senate that some of these days—and I predict it will be before the end of this session—we shall have to vote for an increase in the debt limit. I hope we will keep that in mind when we make the appropriations.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. NEUBERGER. I was chairman of the subcommittee which held hearings for 3 weeks on the postal pay and classified pay bills. We were not dealing there with the Senate rules, with theories, or with anything of that kind. We were dealing with the fact that the paychecks of Government employees have been held in legal shackles at a time when the cost of their groceries, their rent, their clothing, their medical care, their children's education, and everything else has been rising steadily.

During the past several years there has been the sharpest increase in the cost of living in the peacetime history of the United States. The able Senator from Ohio [Mr. LAUSCHE] stated that when we ask industry and labor to hold the line on pay increases, there should not be substantial increases in the pay of Federal employees. But the answer is that industry and labor as a whole have not held the line. While employees in some segments of private industry have received pay increases through the efforts of their labor unions, the people who work for the Government have had their pay held in legal shackles. To say now that their pay should be frozen or held to a very minimum increase, after some of labor and many segments of industry have had a picnic, does not seem to me to be fair.

I wish the junior Senator from Ohio, who is a very thorough student, would read the hearings before our subcommittee to see what the people who work for the Government—such as letter carriers, postal clerks, stenographers, forest rangers, and all the others who are employed by the Government—have encountered in increased costs of living. The basic fact remains that no one in authority or power in the United States Government is willing to inflict upon his own group the discipline which is necessary to control inflation.

The people who live in farm States make speeches about why unemployment compensation should be reduced. The people from States which do not have a large farm population urge reductions in farm-commodity price supports. But I have not heard many speeches which urge a reduction in expenditures in their own States.

I gathered together the other day a number of quotations made in the Senate about 12 years ago when the OPA was still in existence. They are very interesting. Many able Senators made speeches then to the effect that if only the then prevailing price controls were removed, the law of supply and demand would go into effect, and the American people really would get low prices for the things which they had to buy. They said prices would rapidly come down. Some of the most eminent Members of the Senate made that prediction at that time. I do not condemn them for it, because they were under terrific pressure from their constituents to get rid of price controls so there could be "lower prices."

I regret that I do not have with me that compilation of quotations about what would happen to the cost of living if price controls were removed. Needless to say, though, prices have not come down. The cost of living has risen approximately 101 percent with respect to cereals and bakery products since price controls were removed in 1946, so that the cost of living could allegedly come down. This is a sample.

It seems to me, speaking as Chairman of the Subcommittee on Federal Pay, that unless we are willing to impose price, wage, and profit controls on every segment of the population, then we have no right to impose legal restrictions on the pay of the people who work for the Government. This was brought out in our hearings. I want the Senator from Kansas and the Senator from South Carolina to correct me if I am wrong.

The so-called Wage-Board employees of the Government, those who work in blue shirts, the members of the various craft unions, have had far greater increases than have the classified employees who work in white shirts, because they have been subject to the general lack of economic discipline which has been imposed on most of the population.

If we expect to stop inflation, I do not see how we can continue to make speeches on economy only to the people who work for the Government who are sincere people who want to support their families adequately. If they are not afforded relief in the form of a pay increase, they will leave the Government service; and it will cost the Government more than the cost of the increases to train new personnel.

There was placed in the record of our hearings a table published in the U. S. News & World Report, which certainly cannot be said to be a leftwing or a radical magazine. That table will show that in recent years—the past 3 or 4 years—the persons whose salaries had risen the least, in comparison with the cost of living, were retired Federal employees and the present Federal employees.

Mr. LAUSCHE. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. Mr. President, I shall yield to the Senator from Ohio. However, I told the distinguished Senator from Arkansas [Mr. FULBRIGHT] that I would speak only 1 minute. Since then, nevertheless, I have taken probably 20 minutes. However, I shall yield to the Senator from Ohio; and then I wish to yield the floor.

Mr. LAUSCHE. Mr. President, I thank the Senator from Kansas for yielding to me.

Let me say that I subscribe to the proposition that a reasonable pay raise should be granted.

There has been a difference of opinion about what constitutes a reasonable pay raise. I think the President first suggested 6 percent. Then it was conceded that a 7½-percent pay increase would be reasonable. On the other hand, the pending amendment, as I understand it, provides for a 10-percent increase.

Mr. President, with regard to the issue of shackling the salaries of the Federal employees, let me say that, as Governor of Ohio, I was constantly confronted with the anomalous situation that the State employees who were paid with Federal funds were paid substantially more than the State employees who were paid with State funds. All my employees in the State government wanted to work in the Unemployment Compensation Bureau or the Employment Service Bureau because of the liberality of the wages granted by the United States Government, allegedly, in comparison with those granted by the State government.

Mr. President, everything to the contrary that has been said does not refute the statements which have been made by the Senator from Illinois. The Congress is responsible for inflation. The Congress has been creating the deficits. If in 1959 there is to be a $15 billion deficit, the dollar, which today is worth 48 cents, probably will fall eventually to a value of only 40 cents. Deficits are paid by cheapened dollars. The Congress is promoting every spending program, is urging tax reductions, is indifferent to the deficit, and is unmindful of the ultimate impact on the safety of the country.

If the dollar falls to a value of 35 or 40 cents, then we shall really have to begin to worry about what is happening to the country.

Mr. President, what is wrong with a 7½-percent increase in the wages of these employees? If the budget is increased by 10 percent, next year the total budget will be $80 billion, instead of $72 billion or $73 billion.

Mr. President, I have watched the chief executives and the legislatures of the States operate. The President is worried about the deficit. He must answer for it. On the other hand, there are 96 Members of the Senate, and they get lost in the shuffle, and do not have to make any direct answer.

Legislatures by nature are indifferent to whether the budgets are balanced or are not balanced. But the Chief Executive finally has to find the necessary money. He has to do the budget-balancing and he has to do the answering.

So, Mr. President, the Congress should give some heed to what the President says about this proposition, rather than continue the policy of spend more, become indifferent to the consequences, and believe that everything will turn out all right.

Mr. NEUBERGER. Mr. President, will the Senator from Ohio permit a question?

Mr. LAUSCHE. Yes.

Mr. NEUBERGER. Will the Senator from Ohio join me in the introduction of a bill, in the comparatively near future, to reinstate wage, price, and profit controls?

Mr. LAUSCHE. Mr. President, earlier today I read a statement directed to my colleagues. The Congress passed the bill providing for a $2 billion housing-construction program, and the Congress passed the bill providing for a $1,900 million accelerated highway-construction program. When those bills were passed, I asked whether labor leaders had asked for the passage of the bills, so that the members of their unions would be provided with work. They did so testify; they said, "Our men are out of work. Make this money available."

But last month, in Ohio, labor leaders called out on strike 10,000 craftsmen. The very men for whom the Congress provided approximately $4 billion, in order that they might have work to do said, "We will not work unless we receive wage increases." Mr. President, how can the Congress consistently defend conduct of that type?

In the statement I made earlier today, I said that Congress had better begin to give consideration to price and wage controls.

Mr. President, many of those who are listening to my remarks have savings deposits and are drawing annuities and pensions and own bonds of the United States Government. Every year those deposits, annuities, and bonds are falling in value 3 cents on the dollar. The banks may be paying them interest at the rate of 2 percent a year, but the dollars thus invested are shrinking in value at the rate of 3 cents a year on each dollar. I, for one, am not going to be drawn into the tide of the thinking that deficits can be carried. I will not do so, because it is not consistent with my thinking and it is not in the interest of the Government.

I am thinking of the proposal the Senator from Oregon has just made to me.

Mr. NEUBERGER. I would be very happy to join with so eminent a Member of the Senate as the Senator from Ohio in sponsoring it.

Mr. CARLSON. Mr. President, I yield now to the Senator from Delaware [Mr. WILLIAMS]. I am trying to yield the floor.

Mr. WILLIAMS. Mr. President, I thank the Senator from Kansas for yielding again.

Let me say that one of my major objections to the pending measure is not so much in regard to providing for a cost-of-living increase, but that as the Senator from Ohio has pointed out the pending measure goes far beyond providing for a pay increase commensurate with the increase in the cost of living. At this time we have before us a bill which has been adopted by the House of Representatives. The bill is approximately 25 pages in length. It strikes out all of the Senate version and provides an entirely new formula. Frankly, I am not sufficiently informed about the House amendment to be able to vote intelligently on it, but I do know that it goes far beyond what the Senate had originally approved.

On page 5 of the House committee's report it is pointed out that between 1951 and 1955 the consumer price index—in other words, the index for the cost of living—rose only 3.07 percent; that the increase in the consumer price index has risen 7.9 percent since 1955; and that since 1951, the Federal classified employees have received a 7.5-percent salary increase, which was granted in 1955. Some industrial wages in this same period have increased as much or more, but some industry wages have not been increased as much. We should take note of the fact that in 1955 there was a 7.5-percent increase in the salary of these Federal employees, whereas since 1955 there has been a 7.9-percent increase in the cost of living; but does that justify a 10-percent increase in all wages financed by borrowed money?

The pending measure provides for a pay increase of 10 percent.

Mr. President, I cannot avoid the fear—as the Senator from Ohio has Stated—that by such action we shall be contributing to inflation. Inflation is recognized by all as the No. 1 danger which faces the country. Now, if the Government of the United States sets a pattern for a 10-percent wage increase—an increase far in excess of the increase in the cost of living—I wonder what will be the effect on the employees in the automobile industry, the steel industry, and other industries, and, ultimately, on the value of the United States dollar.

I believe we should consider especially the fact that today the various executive departments of the Government not only do not have sufficient funds to pay the proposed wage increase, but also our executive branch has recently publicly called upon labor and industry to join in holding the present wage and price level in an effort to check inflation further and to get the unemployed back to work. The projected deficit for next year is approximately $10 billion, according to the most conservative estimates as of the present time.

When we realize that the pay increase now proposed will add to the deficit another $1 billion, which can be financed only by means of borrowed money and by having the Congress raise the debt ceiling above what it is at the present time, I believe it is clear that we should give more careful consideration to this proposal.

While I would support a cost-of-living adjustment for Federal salaries, I shall vote against these proposals, which go far beyond what, in my opinion, can be justified and what the American taxpayers can afford.

Mr. PURTELL. Mr. President, will the Senator from Kansas yield to me?

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Does the Senator from Kansas yield to the Senator from Connecticut?

Mr. CARLSON. I yield. However, I should like very much to yield the floor.

Mr. PURTELL. Mr. President, I thank the Senator from Kansas for yielding to me.

Let me say that I am as much concerned as is any other Member of the Senate about deficits, and, in particular, about the deficits in 1958 and in 1959. But I believe we must dissociate the pending question from the question of deficits.

If there is validity to the argument that the proposed pay raise should be predicated upon the deficit, then we would have a valid reason for decreasing the salaries of the Federal employees sufficiently to wipe out the deficit.

I think the question before us is, Are these increases warranted? I do not think we should consider at all the matter of deficits. What we should consider is, Are the increases warranted? In my opinion, I would say to my colleague from Kansas, I believe they are. I shall vote for them. Certainly, if we think the pay increases should be denied because the deficit will be increased, then, it seems to me, using the same reasoning, we should reduce salaries because there is a deficit.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CARLSON. I would like to yield the floor.

Mr. DIRKSEN. I try to be a little cautious about what goes in the RECORD. So much of what we say is quoted in the press. High-school youngsters who are studying contemporary problems refer to this great compendium of information as wholly authoritative, and we should use care that what goes into the RECORD is authoritative.

With respect to what the Senator from Delaware has said, I think the rest of the story should go into the RECORD. There was an increase in pay from 1951 to 1955 of 7½ percent for the Federal workers; but in that comparable period of time, according to the report, there was an increase in the pay of workers in industry and in private enterprise of 31.4 percent.

We must have the whole story in order to come to an honest and a fair conclusion. There have been increases in the cost of living. The Consumer Price Index—assuming the House report to be correct—increased from 1951 to 1955 by a little more than 3 percent; but since 1955 it increased by 7.9 percent, and is in a rising trend at the present time. That is not a happy situation, but that is the whole story.

So what we are considering is an endeavor to provide an equitable pay increase, which does not move ahead with salaries enjoyed in private industry, but does attempt reasonably to keep up with the industrial increase and put employees on the same pay level.

I think the record ought to show those facts, so the story will be there for anyone who wants to examine it and argue the question from that premise.

Mr. DWORSHAK. Mr. President, will the Senator from Kansas yield, or will the chairman of the Committee on Post Office and Civil Service yield?

Mr. CARLSON. Mr. President, I would like to yield the floor.

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. DWORSHAK. When the Senator from South Carolina and the Committee on Post Office and Civil Service recommended increases in the postal wage scales, the increases were made contingent upon increases in postal rates, so that there might be increases in the revenues of the Post Office Department to partially offset the increased cost of its operations.

I should like to ask the chairman of the committee whether, in the extensive deliberations which I am sure the committee has had about all aspects of this problem relating to the payroll of the classified civilian employees of our Government, any consideration was given to the possibility of recommending an increase in taxes to partially offset the increased cost of the wage increases and minimize the budget deficit which is inevitable not only this year, but next year and in subsequent years, at a time when we are giving urgent consideration to the essential needs of national defense and expenditures for various programs of preparedness?

Mr. JOHNSTON of South Carolina. I shall answer the question of the Senator from Idaho by saying that in the passage of the postal bill I hope no Senator voted for an increase in pay based on an increase in postal rates. Postal rates have absolutely nothing to do with the pay postal workers should receive. They should be paid reasonable wages for the services rendered.

If that argument were carried to its logical conclusion, if income taxes were increased 50 percent, then the pay of the Federal employees should be increased that much.

Mr. DWORSHAK. Is the Senator from South Carolina interested in increasing income taxes 50 percent?

Mr. JOHNSTON of South Carolina. No.

Mr. DWORSHAK. Who is proposing that?

Mr. JOHNSTON of South Carolina. Neither am I tying taxes to the salaries which Government employees should receive for their services. We should look at what private corporations are paying their employees, and then keep Government employees on the same basis.

Mr. DWORSHAK. Will the Senator yield further?

Mr. JOHNSTON of South Carolina. Yes.

Mr. DWORSHAK. I agree substantially with what the chairman of the committee has said, that Federal employees in the civilian departments are entitled to equitable pay; but at the same time I am sure the chairman will agree with me and other Members of this body who profess to have great apprehension over increasing inflationary trends, which will probably make it necessary, a year or two hence, to increase again the salary schedules of Federal employees. With the recurring cycle of increasing wages and prices, there will be greater inflation, with a constant weakening of our economic structure.

Mr. JOHNSTON of South Carolina. Let me say to the Senator from Idaho that if the rest of the Senate had voted to withhold the $70 billion which has been given to other countries, considering the interest which will have to be paid on that money, and also the $10 billion proposal now before the Senate—when the $3,900,000,000 is appropriated, it will amount approximately to $10 billion—and if that money were now in our hands, there would not be a deficit.

I am glad the Senator from Idaho voted with me all the way through on such expenditures.

Mr. DWORSHAK. I am glad the Senator from South Carolina has clarified that statment, because the Senator from Idaho, throughout an entire decade, has consistently voted against the wasteful expenditures of $70 billion for economic and military aid abroad, which likewise have contributed materially to the large deficits. Therefore, instead of fortifying our defenses and strength against potential aggression by counrties behind the Iron Curtain, in reality we are destroying the very fabric and weakening the defense and preparedness of our country by deficit spending.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. JAVITS. There are a great many Federal employees in my State, I think at least as many as any other place except Washington, D. C.

I shall support the motion made by the distinguished Senator from South Carolina, which has been advocated by my colleagues, the Senators from Kansas and Illinois, based to a great extent upon personal experience, and for this reason: The test of what persons should be paid in times of recession are not what people get absolutely, but what they get as compared with productivity and the general rate of compensation as compared with the standard of living. Applying that test to Federal Government employees, who, themselves, have no machinery for bargaining for their wages, but must depend upon our conscience, our sense of justice, our analysis of the facts, the employees, by this measure, are being placed at least within shooting distance of parity as compared with what is going on in the rest of the country.

I do not think it is quite fair to tax the people with whatever misapprehensions we may have by way of the cost of such wages, if there is a disproportion and a lack of parity in the salaries which they receive as compared with the pay of those doing the same kind of work in the communities. In short, I do not think the Federal employees should be penalized because they work for the United States Government. All the considerations which have been voiced, and they are important, should not be imposed on the workers because of our shortcomings in failing to measure up to our responsibilities as legislators or the shortcomings in the pay scale of the Federal Government which we have allowed to exist.

For those reasons I shall vote as indicated by the distinguished Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the further reading of the amendments be suspended. I think the reading of the amendments is the item of business before the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Carolina? The Chair hears none, and it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the amendments be printed in the RECORD in full.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENTS TO HOUSE AMENDMENT TO S. 734

On page 5 of the House engrossed amendment, beginning with line 5, strike out over through line 6 on page 8 and insert in lieu thereof the following:

"(6) Except as provided in paragraph (7) of this subsection, if the officer or employee is receiving basic compensation immediately prior to the date of enactment of this act as a result of action taken under section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), he shall receive the higher of either (A) a rate of basic compensation at the scheduled rate in effect on the effective date of this section to which he would have been entitled under the provisions of section 701 of the Classification Act of 1949 (5 U. S. C. 1121) had such action under section 803 not been taken, or (B) a rate of basic compensation at the scheduled rate in effect on such effective date which is equal to his existing rate, or if there is no such scheduled rate equal to his existing rate, then at the next higher scheduled rate: *Provided*, That upon approval by the Civil Service Commission, based upon a determination that such action is equitable, any such employee may be paid at any scheduled rate not in excess of the rate which he was receiving on the date of enactment of this act, adjusted in accordance with paragraph (1), (2), or (3) of this subsection.

"(7) If the officer or employee has had his rate of basic compensation adjusted, under authority of section 803 of the Classification Act of 1949, as amended (68 Stat. 1106; 5 U. S. C. 1133), at any time during the period beginning on the effective date of this act and ending on the date of enactment of this act—

"(A) his rate of basic compensation shall be adjusted retroactively in accordance with the initial conversion rules prescribed in paragraphs (1), (2), and (3) of this subsection for the period beginning on the effective date of this section and ending on the effective date of such adjustment under such section 803, on the basis of the rate or rates which he was receiving during such period, and

"(B) on and after the effective date of such adjustment under such section 803, he shall receive a rate of basic compensation adjusted in accordance with paragraph (6) of this subsection."

On page 12 of the House engrossed amendment, strike out all of subsection (b) and insert in lieu thereof the following:

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on the first day of the month following the date of enactment of this act, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was

receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the 15th day following the date of enactment of this act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. No employee whose basic compensation is adjusted under this subsection shall receive any additional compensation under subsection (a) for any period prior to the effective date of such adjustment during which such employee was employed in the office of the Senator by whom he is employed on the first day of the month following the enactment of this act. No additional compensation shall be paid to any person under subsection (a) for any period prior to the first day of the month following the date of enactment of this act during which such person was employed in the office of a Senator (other than a Senator by whom he is employed on such day) unless on or before the 15th day following the date of enactment of this act such Senator notifies the disbursing office of the Senate in writing that he wishes such employee to receive such additional compensation for such period. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased, such notice shall be deemed to have been given."

In the last line on page 16 and the first line on page 17 of the House engrossed amendment, strike out ", or in any subsequent appropriation act."

On page 25 of the House engrossed amendment, after the period in line 20, insert a new sentence as follows: "Such retroactive compensation or salary shall not be considered as basic salary for the purpose of the Civil Service Retirement Act in the case of any such retired or deceased officer or employee."

On page 27 of the House engrossed amendment, strike out all of sections 10, 11, and 12 and insert in lieu thereof the following:

"SEC. 10. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof the following new subsections:

"'(f) The Administrator of the United States Courts is authorized to place a total of 4 positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(g) The Commissioner of Immigration and Naturalization is authorized to place a total of 11 positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades.'

"SEC. 11. (a) Section 505 (b) of the Classification Act of 1949, as amended, is amended by striking out 'twelve hundred and twenty-six' and inserting 'seventeen hundred and seventy-nine', by striking out 'three hundred and twenty-nine' and inserting 'four hundred and seventy-two', and by striking out 'one hundred and thirty' and inserting 'one hundred and eighty-eight.'

"(b) Such section is further amended by striking out 'thirty-seven' in subsection (e) and inserting in lieu thereof 'seventy-five'.

"SEC. 12. (a) The first section of the act of August 1, 1947 (Public Law 313, 85th Cong.), as amended, is amended by striking out 'one hundred and twenty' and 'twenty-five' in subsection (a) and inserting in lieu thereof 'four hundred and thirty-five' and 'fifty', respectively.

"(b) Such section is further amended by striking out 'thirty' in subsection (b) and inserting in lieu thereof 'one hundred and fifty.'

"(c) Such section is further amended by adding at the end thereof the following new subsections:

"'(d) The Secretary of the Interior is authorized to establish and fix the compensation for not more than 10 scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(e) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(f) The Secretary of Health, Education, and Welfare is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(g) The Secretary of Commerce is authorized to establish and fix the compensation for not more than 50 scientific or professional positions in the Department of Commerce, of which not less than 10 shall be for the United States Patent Office, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation act authorizing an agency of the Government referred to in this act to establish and fix the compensation of scientific or professional positions similar to those authorized by this act, the number of such positions authorized by this act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation act.'

"(d) Section 3 of such act is amended by inserting after 'Secretary of Defense' a comma and the following: 'the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare,' and by inserting after 'Military Establishment' a comma and the following: 'the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare.'

"(e) Section 208 (g) of the Public Health Service Act, as amended (42 U. S. C. 210 (g)), is amended by striking out 'sixty positions' and inserting in lieu thereof 'eighty-five positions, of which not less than seventy-three shall be for the National Institutes of Health.'

"SEC. 13. (a) (1) Clause (2) of that paragraph of section 602 of the Classification Act of 1949, as amended (5 U. S. C. 1112), which defines the level of difficulty and responsibility of work in grade 5 of the General Schedule (GS-5) is amended to read as follows:

"'(2) to perform, under immediate supervision, and with little opportunity for the exercise of independent judgment, simple and elementary work requiring professional, scientific, or technical training; or.'

"(2) Clause (2) of that paragraph of the same section which defines the level of difficulty and responsibility of work in grade 7 of the General Schedule (GS-7) is amended to read as follows:

"'(2) under immediate or general supervision, to perform somewhat difficult work requiring (A) professional, scientific, or technical training, and (B) to a limited extent, the exercise of independent technical judgment; or.'

"(b) The Civil Service Commission shall exercise its authority to issue such standards or regulations as may be necessary for the administration of subsection (a) of this section.

"SEC. 14. It is the sense of the Congress that appropriations for cooperative agricultural extension work and appropriations for payments to State agricultural experiment stations for the fiscal year beginning July 1, 1958, should include additional amounts sufficient to provide increases in the portion of the compensation of persons employed in such work or by such stations, which is paid from such appropriations, corresponding to the increases provided for employees under this act."

On page 27, line 18, of the House engrossed amendment, strike out "SEC. 13." and insert in lieu thereof "SEC. 15."

On page 28, line 19, of the House engrossed amendment, strike out "SEC. 14." and insert in lieu thereof "SEC. 16."

On page 29, in the next to the last line, of the House engrossed amendment, strike out "14" and insert in lieu thereof "16."

On page 29 of the House engrossed amendment, in the salary schedule on such page, in lieu of the blank space at the end of the line providing temporary rates for level 18 insert "15,780."

On page 29, in the last line, of the House engrossed amendment, strike out "SEC. 15." and insert in lieu thereof "SEC. 17."

On page 30, line 6, of the House engrossed amendment, strike out "and 11" and insert in lieu thereof "11, 12, 13, and 14."

On page 30, line 7, of the House engrossed amendment, strike out "5 (h), 12, and 13" and insert in lieu thereof "5 (h) and 15."

On page 30, lines 15 and 16 of the House engrossed amendment, strike out the words "the first day of the first pay period which begins on or after."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from Kansas [Mr. CARLSON], to the House amendment.

The amendments to the amendment were agreed to.

The PRESIDING OFFICER. The question now is on concurring in the House amendment, as amended.

The House amendment, as amended, was concurred in.

Mr. JOHNSTON of South Carolina. Mr. President, I move to reconsider the vote by which the House amendment, as amended, was concurred in.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana to lay on the table the motion of the Senator from South Carolina to reconsider.

The motion to lay on the table was agreed to.

HEARINGS ON RENOMINATION OF EDWARD N. GADSBY AS CHAIRMAN OF SECURITIES AND EXCHANGE COMMISSION

Mr. FULBRIGHT. Mr. President, the Committee on Banking and Currency has had some difficulty in polling the members of the committee on the question of the reappointment of Mr. Edward N. Gadsby as Chairman of the Securities and Exchange Commission.

Under the rule, the nomination is required to lie over 1 day. But I have conferred with the majority leader, and the first thing tomorrow the nomination will be taken up. I am confident that it will be acted upon favorably. In any event, if any Senator wishes to express his views about Mr. Gadsby, he will be heard. I simply give notice now that the nomination will be taken up the first thing tomorrow.

PERSONAL STATEMENT BY SENATOR GORE

Mr. GORE. Mr. President, our two-party system has served the Nation well. It is through the workings of the two-party system that the people have a meaningful choice as to broad policies and direction of government.

If in our country, now grown so large and great, most people merely voted for the man, or chose between a myriad of fly-by-night, irresponsible political parties, the people would have but little meaningful choice except between nostrums and personalities. In that connection, we have but to consider the sad plight of our friend and ally, France, to realize the unfortunate predicament into which such could lead.

I hold it fortuitous, then, that we have two strong, vigorous political parties which biennially offer national programs and candidates to the public. This is not to praise unreasoning partisan rigidity in either the exercise of the franchise or in official action. Such would rob our system of the necessary flexibility and facility for change, and would promote extremism in governmental operation.

During the course of my political career, I have enjoyed the friendship of many members of the Republican Party. Indeed, the people of several Tennessee communities which normally are Republican in political leanings have repeatedly voted for me, and this I appreciate. I, in turn, have undertaken to represent the whole people.

Upon occasion I have strongly supported legislative proposals submitted by President Eisenhower, such as the Cordell Hull reciprocal trade program.

On the other hand, I have opposed with equal vigor unsound programs, such as the Dixon-Yates contract. By and large, I have tried to measure issues on merit, supporting on principle and opposing on principle.

Even so, I have recognized the benefits of our two-party system; and consequently I have in the main undertaken to work within the Democratic Party. Especially, and specifically, I have refrained from undertaking to intrude into matters that are particularly the prerogatives of the members of the Republican Party. I believe this can be said of all other Democratic Senators and in reverse of all Senators who are members of the Republican Party. This is part of the workings of our two-party system, and I endorse it.

Mr. President, it seems to me a little strange, then, that certain Republican leaders, both from within and from without Tennessee, together with a few special interests with which they are allied, are undertaking to intervene in a Democratic Party primary election in Tennessee. I refer particularly to Mr. Guy Smith, of Knoxville, Tenn., chairman of the Tennessee Republican Executive Committee; and to Mr. Meade Alcorn, chairman of the National Republican Executive Committee, who has invaded Tennessee for personal attacks upon me, and who has sent agents there to serve a similar purpose.

Their fury at me seems to have stemmed from the fact that I said frankly, early this year, that our country was in a recession, and proposed an acceleration of highway improvement and other permanent public works as a means of stimulating our economy and relieving the distress of unemployment.

Mr. Presdient, the partisan voices which now seek to interfere with what should be a matter for Tennesseans, and primarily for the Democrats of Tennessee, immediately denounced me as a prophet of gloom and doom, and in other uncomplimentary and untrue terms.

The fact that the whole country and President Eisenhower later recognized and acknowledged the recessionary condition of our economy seems not to have dulled in any respect those personal attacks upon me.

Mr. President, I shall not be deterred in the least, by those or other tactics, from speaking the truth as I see it, nor will the people of Tennessee be misled by such tactics.

UNKNOWN SOLDIER OF WORLD WAR I

Mr. MARTIN of Pennsylvania. Mr. President, one of the most famous news stories in the history of American journalism was written by Mr. Kirke L. Simpson on the burial of the Unknown Soldier of World War I.

Mr. Simpson was then a member of the Washington staff of the Associated Press, and for his famous story he was awarded the Pulitzer Prize, the highest honor that can come to a reporter.

I have already placed in the RECORD the program of the 1921 ceremonies and the 1958 ceremonies. I feel that Mr. Simpson's article will be of great interest, not only to the Members of the Senate but to the general public, and therefore I ask unanimous consent that a major portion of the story be inserted at this point in the RECORD as a part of my remarks.

There being no objection, the news story was ordered to be printed in the RECORD, as follows:

A STORY RETOLD: UNKNOWN SOLDIER RESTS AT LAST

WASHINGTON, November 11, 1921.—Under the wide and starry skies of his own homeland, America's unknown dead from France sleeps tonight, a soldier home from the wars. Alone, he lies in the narrow cell of stone that guards his body; but his soul has entered into the spirit that is America. Wherever liberty is held close in men's hearts, the honor and the glory and the pledge of high endeavor poured out over this nameless one of fame will be told and sung by Americans for all time.

Scrolled across the marble arch of the memorial raised to American soldier and sailor dead, everywhere, which stands like a monument behind his tomb, runs this legend: "We here highly resolve that these dead shall not have died in vain."

The words were spoken by the martyred Lincoln over the dead at Gettysburg. And today with voice strong with determination and ringing with deep emotion, another President echoed that high resolve over the coffin of the soldier who died for the flag in France.

Great men in the world's affairs heard that high purpose reiterated by the man who stands at the head of the American people. Tomorrow they will gather in the city that stands almost in the shadow of the new American shrine of liberty dedicated today. They will talk of peace; and of the curbing of the havoc of war.

They will speak of the war in France, that robbed this soldier of life and name and brought death to comrades of all nations by the hundreds of thousands. And in their ears when they meet must ring President Harding's declaration today beside that flag-wrapped, honor-laden bier:

"There must be, there shall be, the commanding voice of a conscious civilization against armed warfare."

All day long the Nation poured out its heart in pride and glory for the nameless American. Before the first crash of the minute guns roared its knell for the dead from the shadow of the Washington Monument, the people who claim him as their own were trooping out to do him honor. They lined the long road from the Capitol to the hillside where he sleeps tonight; they flowed like a tide over the slopes about his burial place. They choked the bridges that lead across the river to the fields of the brave, in which he is the last comer.

Soldiers, sailors, and marines—all played their part in the thrilling spectacle as the cortege rolled along. And just behind the casket, with its faded French flowers on the draped flag, walked the President, the chosen leader of a hundred million, in whose name he was chief mourner at his bier. Beside him strode the man under whom the fallen hero had lived and died in France, General Pershing, wearing only the single medal of victory that every American soldier might wear as his only decoration.

Behind came the carriage in which rode Woodrow Wilson, also stricken down by infirmities as he served in the highest place of the Nation, just as the humble private riding in such state ahead had gone down before a shell or bullet. For that dead man's sake, the former President had put aside his dread of seeming to parade his physical weakness and risked health, perhaps life, to appear among the mourners for the fallen.

After President Harding and most of the high dignitaries of the Government had turned aside at the White House, the procession, headed by its solid blocks of soldiery and the battalions of sailor comrades, moved on with Pershing, now flanked by Secretaries Weeks and Denby, for the long road to the tomb.

Ahead, the white marble of the amphitheater gleamed through the trees. People in thousands were moving about the great circle. Down below the platform placed for the casket, in a stone vault, lay wreaths and garlands. Above the platform gathered men whose manes ring through history—Briand, Foch, Beatty, Balfour, Jacques, Diaz, and

others—in a brilliant array of place and power. They were followed by notables from all countries gathered here for tomorrow's conference, and by some of the older figures in American life too old to walk beside the approaching funeral train.

At the arch where the choir waited the heroic dead, comrades lifted his casket down and, followed by the generals and the admirals, who had walked beside him from the Capitol, he was carried to the place of honor. Ahead moved the white robed singers, chanting solemnly. Carefully the casket was placed above the banked flowers and the Marine Band played sacred melodies until the moment the President and Mrs. Harding stepped to their places beside the casket.

Mr. Harding showed strong emotion as his lips formed the last words of the address. He paused, then with raised hand and head bowed, went on in the measured, rolling periods of the Lord's Prayer. The response that came back to him from the thousands he faced, from the other thousands out over the slopes beyond, arose like a chant. The marble arches hummed with the solemn sound.

Then the foreign officers who stand highest among the soldiers or sailors of their flags came one by one to the bier to place gold and jeweled emblems for the brave above the breast of the sleeper. Already, as the great prayer ended, the President had set the American seal of admiration for the valiant, the Nation's love for brave deeds and the courage that defies death, upon the casket. Side by side he laid the Medal of Honor and the Distinguished Service Cross.

The carket, with its weight of honors, was lowered into the crypt. A rocking blast of gunfire rang from the woods. The glittering circle of bayonets stiffened to a salute to the dead. Again the guns shouted their message of honor and farewell. Again they boomed out: A loyal comrade was being laid to his last, long rest.

High and clear and true in the echoes of the guns, a bugle lifted the old, old notes of taps, the lullaby for the living soldier, in death his requiem. Long ago some forgotten soldier poet caught its meaning clear and set it down that soldiers everywhere might know its message as they sing to rest:

"Fades the light;
And afar
Goeth day, cometh night,
And a star
Leadeth all, speedeth all,
To their rest."

The guns roared out again in the national salute. He was home, the unknown, to sleep forever among his own.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I shall not make a lengthy statement on the Mutual Security bill. My views on this matter are well known. I have consistently supported policies looking to the economic advance of free nations throughout the world. I have also supported, perhaps with less enthusiasm, those involving military aid to other nations.

My endorsement of these measures, Mr. President, is not a perfunctory one. I have listened intently for years to the justifications of these programs as they have been made by the executive branch under two administrations before the Committee on Foreign Relations. I have been persuaded that these aid programs are essential in terms of the defense of the Nation, in terms of the contribution which they make to the strengthening of freedom throughout the world, in terms of the requirements of common decency of those who are fortunate, to help others in distress, and in terms of the long-range benefits which they might bring to this country in greater international trade and other economic benefits.

These justifications have always seemed to me to be more than ample to validate the aid program. The justifications promised a contribution to the national interest of dimensions far greater than the cost of the aid programs. They represented the program as a form of enlightened self-interest, of broad national interest, which I, for one, was most anxious to advance.

This year, however, a new model of justification has emerged for the mutual security program, like the new models of automobiles. And like the latter, I do not find the new justification very persuasive. To be sure, the defense, the broad-range economic advantages, and the humanitarian appeals are retained as selling points. But new tail fins have been added, and double headlights.

The program this year is being justified by what it contributes to keeping the American economy going. It is being justified as an anti-recession measure. We are presented with detailed analyses of how much good aid given abroad does for the airplane industry, the farmer, the farm equipment manufacturer, the shipping industry, the electronics industry, and what not. Discreetly omitted is how much good it does for the armaments industry.

I can assure Senators, Mr. President, that I have a great concern for the condition of the American economy. It is not, as the Senate well knows, in very good condition at this moment. To suggest, however, that the way to maintain the economy in a tolerable condition is by continuing an aid program abroad is to drain this program of its meaning.

I recall that Marxist propaganda against this program has frequently reverted to the theme that American aid is a device to alleviate economic crisis within the United States by conjuring up crises abroad. Those who have seen fit to justify the aid program this year in terms of its salutary impact on the American economy are underscoring this propaganda. They are leaving the impression—and I have no doubt that the Soviet Union will make the most of it in the months ahead—that we are pouring our wealth abroad because we do not know what to do with it at home. And to that end we are keeping the world in a state of crisis.

Let me say that there are many things which could be done at home with these billions we are using in the foreign-aid program. There are other ways—far more effective ways—to deal with an economic recession within the United States, and I hope that this administration will soon begin to follow them. If we are going to continue the aid program as I assume and hope that we are, however, let us not, ourselves, so narrow its concept as to make the Nation the legitimate butt of Soviet propaganda and an object of derision throughout the world. Let us drop this nonsense that we must continue the program because it keeps a factory going or dumps some wheat or corn abroad. Who pays for the products of the factory or the wheat or corn, if it is not the people of the Nation, through their taxes to support the program?

Let us continue the program, not for an imaginary advantage which is no advantage at all. Let us continue it because military aid, as it is necessary, is a legitimate interest of the Nation; because economic and technical progress throughout the world is an essential of the survival of freedom; and because assistance to a people elsewhere in acute distress is a human responsibility on any Nation more favorably situated. In short, Mr. President, let us support this program as an expression of bold leadership for peace and not as a fearful, inward-looking enterprise gutted of all of its enlightened significance. As an expression of positive leadership for peace aid programs make sense. Otherwise they do not.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I congratulate the Senator for the statement he has made. I did not hear all the Senator's address, but I rejoice especially in his pointing out what is the real significance of the program. We are not operating the program to try to give people in this country jobs, even though our people may benefit from the program. We have the program, as I think the Senator will agree, for the security of the United States of America. Is that a true statement?

Mr. FULBRIGHT. I appreciate the significance of the Senator's remarks.

The Senator from New Jersey made a very thorough, extremely competent, and interesting speech on the program the other day. I felt it was not necessary at all to attempt to reiterate all the many points which the Senator from New Jersey made. I merely sought in my very brief statement to pick out one of the aspects of the matter which has not pleased me at all. I notice that because of the recession there is a tendency to say the program will assist in alleviating the recession. That is stated to be one of the major purposes and motives. I deny it is my motive, and I do not think it is a proper purpose. I think the program is entirely justifiable for many other reasons.

I can think of many, many places where we could use the money and the resources for improvements at home if we were not compelled to use the money for this program, which is essential in the national interest and to the security of our country.

Mr. SMITH of New Jersey. I thank the Senator from Arkansas very much for his clear exposition of his views. I find myself in accord with him. It is always a pleasure for me to work with the Senator from Arkansas for the safety and security of the United States.

Mr. FULBRIGHT. I know the Senator from New Jersey has for many years given very fine leadership in the development and passage of legislation in this field. I know the Senator did so again this year. I am confident the Congress is going to accept the program. I want to keep the record straight as to why we are accepting the program—or at least try to keep the record straight.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. FULBRIGHT. Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, as I address myself to the pending bill, I should like to go back for a moment to the ceremony which took place last week here in the Nation's Capital, and particularly in the Rotunda of the Capitol Building.

There came back home the bodies of two unknown soldiers, one symbolic of those who fell in Korea, and the other symbolic of those who fell in World War II. They came by warship up the Potomac, with a very precise ceremonial. Their bodies lay in state in the Nation's Capitol. Wreaths were reverently placed on the caskets.

The Supreme Court Justices returned to the home of the Court. Members of the Senate filed back to the Senate Chamber. Members of the House of Representatives returned to their Hall. Those from the executive branch returned to their various agencies. Then began the long procession of those who wanted to pay homage to the two unknown heroes who, in the language of the day, are known only to God.

I went back to the rotunda, after we returned to the Chamber. Among other things I saw the great predominance of the youth of our country, passing by the catafalques to pay their meed of tribute and devotion to those who, in an earlier generation, had fought for the Republic.

I began to wonder a little about those youngsters. I had not been out of high school very long two generations ago when I donned the uniform of my country and went abroad to fight in World War I.

As I saw those young men of America I wondered whether one of them might become the fourth Unknown Soldier. I wondered whether, at some future time—God forbid that it should become necessary—a fourth comrade would join the Unknown Soldiers of World War I, World War II, and the Korean conflict, and whether one of the youngsters passing by the flag-draped caskets might become an Unknown Soldier some years hence.

As I thought of it, I wondered what could be done in order to prevent that kind of result. I wondered what policies we should pursue, and what we might do in the hope that another conflict could be avoided, and that peace as an abiding thing for all time to come might at long last become a reality in a rather fevered world.

I know, of course, that peace is the ultimate hope. I know that it requires reconstructed hearts to fashion a reconstructed society. That will require a long time, because the chastening process of civilization is still needed. Consider how long it has taken to eradicate even a little of the vestigial animal which was so long in mankind.

So peace is an ultimate hope. No one can quite say that it is a present hope, as he lifts his eyes and beholds all the contagion, all the infection, all the fear, all the death, and all the disaster in the world.

He may start at one end with the unhappiness of Poland and the small Baltic countries, Lithuania, Estonia, and Latvia, which are under an imperious heel. Consider Hungary, where people dedicated to the cause of freedom went so far as to use stones, sticks, clubs, and even bare fists, in order to meet the onslaught of modern military weapons.

Consider a country like Germany, whose people are separated at present, but are filled with a desire for reunion. They will be unhappy until the day of reunion arrives. Let no one be mistaken on that point.

Consider what is happening in the Middle East, in a freedom-loving country such as Lebanon, where some of our own institutions and facilities were destroyed.

Consider Egypt, under the direction of Nasser, and all the ferment which exists in the Middle East at the present time.

We need only to consider the experiences of our own Vice President in Latin America. When we turn to Indonesia, we see that conflict rages there. We see a small country like Vietnam, separated by the 18th parallel. The southern part of it is under a very capable head of state, who is trying to effect the reunion of that small country in the interest of its prosperity and freedom.

I think of Korea, whose people are separated by the 38th parallel. I think of the money authorized by the pending bill for Korea, for Taiwan, better known as Formosa, and for Vietnam, key centers in the Orient, where we hope somehow to stem the tide and prevent that vast area of Southeast Asia from being engulfed by Red fascism, which we commonly refer to as communism.

So who can behold this contagion, who can consider this fever, who can contemplate this infection without at least feeling that this measure is the ultimate hope, and that something must be done in our time and in our generation to advance the cause of peace and to do it realistically?

I hear from time to time the statement—and sometimes it is made on the floor of the Senate—"The more we do for other people, the less they like us." I have never felt that there can be any real national affection between one country and another. I do not believe there is such a thing as a national love of one country for another. There will be individuals in one country, no doubt, who will be sympathetic and who will be well disposed to our purposes and our objectives; but we can hardly say that that is a national affection.

I believe the best we can hope for in behalf of our policies is respect. It may be respect coupled with envy—envy for our institutions, envy for the standards we have generated in this country. It will be a cold respect. It will be a naked respect. However, it is the respect of the weak for the strong, and the weak will gravitate toward the strong.

They may hate us, but they will respect us. The greatest function our Republic can perform in a fevered world is to maintain its strength, and, through strength, to develop a leadership, as we march in the direction of an ultimate peace, and meanwhile preserve the security and assure the survival of this country and its leadership.

What are the components of strength? First of all, there is the home front strength. There is the solid industrial strength. Industrial strength on the home front is absolutely indispensable to the strength and the security of the Republic.

There is a type of striking strength that must be developed, so that we need not marshal all the resources of the country in order to deal with brushfires which could conceivably burst into a wide conflagration. That would add materially to our strength. Among other things, there must be a confidence in leadership, for out of it and out of the unity it develops there comes a national strength. We must have a military force in every field, properly armed with the best weapons we can supply. Obviously it is going to cost money.

I wonder sometimes about our space researches, and how much or how little will come from them. However, we must undertake them in order to maintain the prestige of the country, and in the hope that, in probing the unknown, suddenly we will have something which will constitute a great weapon—not necessarily a destroying weapon—which will advance the security and leadership of this Nation.

Among the components of strength there is the strength of association. I know, of course, that there are those—and at one time I may have been among them—who have said that we must be strong enough to be able to hold our own anywhere in the world at any time against any single country or association of countries, without relying upon the strength or the affiliation of any other country.

Mr. President, I try to remain mindful of the fact that there is a 20,000-mile perimeter which the forces of freedom are trying to defend. One can visualize it by moving across the 38th parallel in Korea, the 18th parallel in Vietnam, the whole Pacific with its islands, the Western Hemisphere, and the NATO line, from where it begins in northern Europe and as it runs down through Turkey to the countries which are a part of the Baghdad Pact. It is a tremendous periphery of freedom that must be defended.

How can we defend it? We can do it with our resources and our forces, with some aid from the countries with which we are associated in the effort to preserve freedom where it still exists, and to extend it where it is being extinguished, but still burns in human hearts, until the lights come on once more.

I believe that is involved in the pending bill.

One of the components of our national strength, one of the components of our survival, one of the components of our security is in this bill. If I did not have a conviction on that subject, I would not vote for the bill. I doubt whether I would have supported it in other years. I voted against the Marshall plan when it was first inaugurated, largely because I saw in it a good deal of waste and extravagance. It was essentially an economic program, without military components. I am not sure that I would not do so again under similar circumstances.

However, Mr. President, the emphasis here has changed. Most of the emphasis is on the military aspects of the program. I know that that is not satisfactory to people in some quarters. Their feeling is such that they believe the emphasis ought to be wholly on the economic side of the program.

Mr. President, there are no vacuums in this world. An inimical force moves into any vacuum that is created. Therefore we are confronted with a rather interesting equation if we are going to maintain this perimeter: Shall we send American youngsters—like those who paraded by the Unknown Soldiers last week—from their homes and firesides, at a cost of $3,600 a year each, when we can get youngsters from Turkey to hold a segment of freedom's line at a cost of approximately $120 a year each? Shall we send an American youngster into the Pacific, when we can get young Nationalist Chinese to hold the line at a cost of $109 a year for each one, instead of our youngsters at a cost of $3,600 a year apiece? Shall we send young men, like those who moved by the bier of the Unknown Soldiers last week, to Korea, when we can get a redoubtable ROK soldier in South Korea at a cost of roughly $120 a year, instead of $3,600 a year, which it would cost to send one of our youngsters?

I am pretty sure on what side of the equation any thoughtful person is going to be. That is what is involved here.

It does presuppose this question: If a young Korean will stand on that line, are we willing to spend money to give him a gun? If a young Turk is willing to stand on the line, are we willing to spend some money to furnish him a gun? If a young Chinese is going to stand on the line, will we be willing to appropriate money to provide him a gun? It seems to me that to do so is in the best interest of American youth and in the best interest of peace and in the best interest of the ultimate hope that is so close to the heart of all mankind. So I believe that is the thing that finally commends this bill to the thinking people.

I doubt whether the whole story has been adequately told to the people. I know, from the temper of the mail which reaches my desk, some people have all manner of rather infelicitous terms for the bill. They go further than to call it a foreign giveaway program. I am sure many of them do not appreciate the fact that we do not give away money as such under this program. Most of the economic portions of the program are delivered in terms of commodities, and they are fabricated in American mines, mills, and plants, and and then sent abroad. The military materiel and equipment which are made available to the soldiers of other countries, to help us man the perimeter, are fabricated in our own arsenals, plants, and factories. So we have the benefit of the expenditures here and also the benefit of the employment which is provided.

Mr. President, this program is in the interest of an ultimate peace, of the preservation of freedom's line, of our security, and of our survival.

As I have noted the criticisms of the program which have come to my desk from time to time, I have sent such criticisms to the International Cooperation Administration with a request for the whole story concerning the criticisms which have been made. I have said, "I want to know whether there is any truth in some of these rather sharp and unhappy allegations which are made." I have here, for instance, a reprint of an article entitled "Foreign Spree for Our Superspenders," written by Eugene Castle, and published in American Mercury magazine for May 1958. I know Mr. Castle. He has appeared before the Committee on Foreign Relations and also before the Committee on Appropriations. I heard him give his testimony recently concerning the United States Information program. I apprehend that when the bill making appropriations to implement the authorization bill for mutual security goes to the Committee on Appropriations, and the hearings begin, Mr. Castle will come to testify.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article written by Mr. Castle.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN SPREE FOR OUR SUPERSPENDERS

(By Eugene W. Castle)

Once again, from Washington, come the familiar pleas for more money to spend, tied to whatever current excuse will serve to frighten the American people into substituting spending for orderly progress and common sense. Ignored is the fact that a strong economy is still the most powerful weapon for our survival. Yet inflation, always the end product of reckless spending, could fulfill the prediction of Lenin in 1920 that America would be conquered—because we eventually would spend ourselves into bankruptcy.

Tragically, the White House, the State Department, and the majority of the Members of the United States Senate seem bent upon carrying out this dire prophecy. Constantly we are reminded that the American people must make sacrifices, but what will the sacrifices gain for us?

In 1952 General Eisenhower said: "The United States cannot be an Atlas; it cannot, by its financial sacrifice, carry all the other nations of the world on its shoulders and we should stop giveaway programs." Yet on January 21, 1957, President Eisenhower told this Nation and the world: "We accept our deepest involvement in the destiny of men everywhere * * * high will be the cost."

We do not have the resources permanently to support all men everywhere. The real meaning of the NATO meeting in Paris last December was that our allies told us that they had little faith in our ideas and were even reluctant to agree to accept more of our global bribery. Instead, they urged us to go to Moscow and make a "talk" deal with the Kremlin. Yet, we are again being urged to perpetuate these same ill-conceived and badly executed schemes and policies that weaken our economy and dissipate our resources under the false assumption that we can buy allies with bales of money—and convert them with torrents of worthless propaganda.

Since the Soviets respect only strength, none will disagree that there must be concentration on our missile program and other means of maintaining military power. This does not mean, however, that those who spend our money should be allowed to use any excuse to waste our Nation's resources on other projects. Both prudence and self-interest dictate that, if we are to survive against the slave states, we must find ways and means to get the maximum value for every dollar expended.

One thing is certain. The solution to our problems is not to be found in circling the globe with more foreign-aid dollars. Foreign aid is now the second-largest operating item in our Federal budget. By July 1, 1958, our foreign-aid ventures will approximate the astronomical total of $70 billion.

So anxious are they to keep the giving in high gear that our highest officials continually fly around the world seeking new ways and means of maintaining and enlarging this global giving.

Basically our foreign-aid program was conceived as the unselfish action of a successful nation to rescue the devastated countries of Europe from the ravages of war. That objective, originally estimated to cost not more than $17 billion and to be completed within 4 years, was accomplished. Those who conceived it did not intend that it should continue for 13 years and $70 billion.

Few will dispute that a limited amount of foreign aid honestly and carefully dispensed to such friends as Turkey, Greece, Formosa, and Korea is justifiable; but the idea of continuing to try to buy the friendship of nations is completely unsound.

Presently, our foreign-aid billions are paid mostly to the governments or public authorities of the receiving countries. Very large sums of our aid moneys allocated freely to underdeveloped countries all too often find their way into the pockets of the ruling politicians and their supporters. Some countries use our aid dollars to pay for luxury imports. Others spend our money for a multitude of unwanted, unneeded, and wholly unsuitable public-works projects.

Let us recall a few of these projects: Our foreign aiders financed an extensive survey to ascertain the sexual habits of Nehru's Indians.

In Formosa, we are giving $46 million annually to pay for pensions for overaged Chinese soldiers.

In Pakistan, we handed over $1 million to bolster that country's fishing industry.

Our wheat giveaway has ruined Canadian farmers. Once our best customer, the Dominion Government now is looking elsewhere to spend its dollars.

In Vietnam, 200 American engineers are enjoying home comforts to the envy of the restless natives, while building a military highway of highly questionable value.

In Lebanon, our foreign aid dollars are used to plant wild grass shoots along public highways.

In Iran, the Shah tells us to come across with more millions to support his army or he will seek the cash from Moscow. Perhaps the Shah of Iran would have respect—instead of contempt—for us if we told him and his fellow fencesitters to go to (Moscow).

In Afghanistan, we continue to pay for expensive airfields in a country where most travel is still done on the backs of camels.

In the Philippines, we have provided costly electronic microscopes and technical equipment in regions where no power is available for their use.

In Laos, population 1,300,000, the government uses our foreign aid millions to buy luxury goods and to protect the internal political graft of that country.

In Thailand, we began the building of a highway to cost $6.5 million. This highway has already cost us $18 million for half of the originally planned stretch, and this is a country with fewer than 9,000 automobiles.

We have provided dress suits for Grecian undertakers, public baths for Egyptian camel drivers and free airplane rides for thousands of Arabs to visit their religious shrine in Mecca.

In the name of foreign aid we are spending $5 million annually to send warblers of arias to Western Europe, weight lifters to the Near East, and high-priced jazz bands to the Far East.

Here are further examples as revealed by American reporter Fred Sparks, who in late 1957 circled the world to bring home the facts. After urging that the White House dispatch a mission of businessmen fully familiar with particular foreign regions, accompanied by retired generals who know when an army commander is featherbedding, Mr. Sparks wrote: "If I belonged to such a mission I would take it to the Uyeno PX in Tokyo where bargain-priced merchandise, brought over for our troops at high taxpayer cost, is peddled illegally. I would take it to our economic-aid mission on Dewey Boulevard in Manila where, recently, directors told me the Philippines could live and prosper without one free American dollar if integrity dominated. To another where we run a knitting school. To another where we underwrite modern art exhibits. To a third where we finance an elaborate survey of flower reproduction. I would take it to Pusan and Inchon in Korea where millions in aid shipments are stolen off the docks through careless or corrupt police practices. I would take it to Algeria's grim battlefields where planes and tanks earmaked for anti-Communist use only are crushing a strictly local rebellion."

Reporter Sparks cited many more examples of squander, waste, and corruption. He wrote that if instead of a mission of administration followers—tripping from red carpet to red carpet and seeing only what they are supposed to see—a real factfinding group was sent, it would come up with practical ways for cutting military aid 25 percent and economic aid 50 percent "without pulling back a single soldier on guard against Soviet adventures."

Those who continually clamor for ever-increasing spending for foreign aid solemnly repeat that we cannot support our Armed Forces as cheaply as we can subsidize the armies of other countries. They never say that some of our friends and so-called neutralists might, in self-interest, support their own military establishments if they were made to realize that Uncle Sam would no longer pick up the check.

Joseph Campbell, Comptroller General of the United States, is one of the few high officials of our Government who reports directly to the Congress and not to the President. While making a routine check of the Defense Department's assets, Mr. Campbell discovered an item of $363 million that should not have been there at all. It was part of the 1954 military-aid appropriation which had never been used and had never been reappropriated. By rights, it should have reverted to the Treasury, and so Comptroller Campbell vigorously advised the Congress. More recently, he has made some additional discoveries concerning the disbursal of our military aid. His report underscored that United States military-aid objectives in many allied countries were unrealities and financially unsound. It further stated that this country sent to some allies more weapons than they could use and failed to recapture the weapons for reallocation to allies suffering a shortage.

The Comptroller General also stated that the Army and Air Force had failed to provide adequate accounting and reporting on the supply and delivery of military aid and it recommended that our military-aid program must be put on an austere basis within the demonstrated capability and willingness of the recipients. The report summarized the General Accounting Office's findings in nine countries: France, Germany, Italy, Japan, Korea, Pakistan, Spain, Taiwan (Formosa), and Turkey.

On January 16, 1958, the House Committee on Government Operations in an official report asked, "How much of the $24 billion appropriated by the Congress for the military-aid program has been wasted?"

It was revealed that neither the committee nor the General Accounting Office were allowed access by the State and Defense Departments to important information.

The committee reported that military assistance is often granted for political rather than strictly military reasons, i. e., large sums are wasted in order to feed the vanity of some foreign politicians and keep them happy rather than to strengthen the recipient nations.

Planes, it was cited, are delivered without anyone to fly them, motor vehicles without gasoline to run them.

The United States was charged for rental of $112 million worth of machine tools we had given to Great Britain.

The committee learned that a given country may receive arms funds even though it may not be able to furnish a single soldier or jet pilot should war come.

To sum up, the committee said, "Millions of dollars have been needlessly expended in excess costs, loose contract administration and overall laxness in protecting the interests of the United States against charges for foreign taxes and profits in offshore contracts."

And all this, we are told by the President and Secretary of State, is vital to our security and very existence.

For the past several years, Secretary of State John Foster Dulles repeatedly has assured us that the Soviet economy was becoming worse by the hour and that it was on the verge of a crackup. Now, Mr. Dulles does a sudden and complete about face. He solemnly warns Congressional committees and issues lengthy press releases to the American people to inform us that the now-affluent Soviet bloc is tripping over itself in outgiving us in economic handouts and that if we do not immediately enter a marathon to match this alleged and recently discovered Red generosity we are most certainly destined toward ruin.

As a part of Washington's stepped up campaign to terrify the American public into supporting bigger foreign giveaways than ever, the State Department recently announced that during 1956 and 1957 the Soviet bloc agreed to supply $1.9 billion of military and economic assistance to 10 underdeveloped countries while during the same period the United States allocated only $900 million to these countries.

This sudden announcement, made just before Congress reconvened, is wholly misleading.

The facts are that out of the total of $1.9 billion which the State Department gave as an estimate, the Soviet bloc promised $1,335 billion and earmarked—but did not deliver—this sum for four countries, Egypt, Yugoslavia, Syria, and Indonesia. All of these countries can be classed as frigidly unfriendly to us and what we stand for. Only 10 to 15 percent of the promised Soviet money—that is between $130 and $170 million, has been actually spent in these countries. During the same years of 1956 and 1957, the United States provided nonmilitary aid to the Middle East and Asia amounting to more than $2 billion, or more than 10 times the Soviet payoff. In addition, very large quantities of military aid, logistic supplies and free food were ladled out by our global givers during this 2-year period.

If, as we are now told, the Soviets can accomplish so much by giving so little away, then why have we accomplished so little while giving so much? Actually, we are far outspending the Soviet bloc on both economic and military aid. Our real concern lies in getting much better value for what we are now giving away rather than making additional and unwarranted billions available to our self-perpetuating planners.

At one time only nations that appeared to be friendly were eligible for our foreign aid. Neutralists were to get nothing. But our Washington bureaucrats could not muster up enough friendly nations so the rules were mysteriously changed to enable neutralists—and even Communists—to receive the billions wrung from the American taxpayers.

Shortly after President Eisenhower entertained Prime Minister Nehru of India at Gettysburg in December 1956, a dispatch from New Delhi to the New York Times confirmed the fact that the President had pressed an offer of new economic aid on Nehru before he had even asked for it. It was reported that: "The President raised the problem of India's economic future. He said that India's second 5-year plan was a good plan and he wanted to boost it. The President took the initiative on this at the suggestion of State Department experts who knew Mr. Nehru would be reluctant to raise it himself."

Some months later Nehru's bashfulness disappeared. It was announced that the new 5-year plan would require $1,500,000,000 almost at once and that the United States was expected to give it a boost by handing over about $600 million to prevent the plan from collapse before it could be started. This explains why the White House was so disturbed when, last July, the Congress reduced its demand for $2 billion over a 3-year period for economic development projects in backward nations. Congress, it should be recalled, reduced this from a 3- to a 2-year appropriation. It allows $300 million for the first year, instead of the half-billion dollars originally requested. It reduced the expenditure for the second year to $625 million and eliminated the blank check for the third year entirely.

It has just been revealed that the International Cooperation Administration finds itself in the embarrassing position of not yet having spent the $300 million included in this year's budget—now the ICA is doing handsprings to get rid of these hundreds of millions before double this amount is made available for the new fiscal year. Secretary Dulles went to Baghdad to get rid of some of this money quickly and ICA Director Smith has been flying around the Near East trying to do the same before the June 30 fiscal deadline.

Under Secretary of State Douglas Dillon, now the coordinator of foreign aid, has, for many months, been actively seeking to obtain a substantial increase in the blank check allocation. Dillon, with the backing of both the President and the Secretary of State, has called for the immediate availability of the $625 million which Congress specified in the Mutual Security Act of 1957 could not be spent before the fiscal year beginning July 1958. The spending of these hundreds of millions far ahead of schedule would, of course, facilitate the fulfillment of

the promise made to Nehru, and, at the same time, would avoid a bitter and prolonged debate in Congress. But it would also nullify the intent of Congress.

The President, and those who advise and speak for him, appear unaware of the conclusions reached by industrial adviser to the International Cooperation Administration in India who said:

"Our extreme vulnerability here (India) seems to me to be in the fact that what we are trying to do is unknown to 80 or 85 percent of the population and only known to at the most 15 percent of the population, the political leaders and educated people who manipulate or suppress this knowledge to suit their political motives of the moment. * * * Two facts may be accepted without question: India is determined to socialize or nationalize all industry as soon as possibe, and there exist more offers of aid from sources other than the United States than India can possibly assimilate or accept. Now, why do we use the American taxpayers' money to accelerate nationalization of industry in India? The time has passed when they can be converted to private enterprise and all we are buying is a minority interest or liability in a national policy that is ultimately headed for either economic chaos or communism."

In the case of Yugoslavia and Poland, our aid dollars are not even buying a minority interest in a liability. They are actually reducing the liabilities of those who unqualifiedly support the men in the Kremlin and whose avowed purpose was and is to destroy us. Red Dictator Tito and Moscow's Polish puppet, Gomulka, both openly boast that they are and will continue to be bedfellows of the men in the Kremlin. Yet, despite the pronouncements and actions of these two avowed Communists, new excuses are being found to pressure both the Congress and the American people into sending more hundreds of millions after the vast sums already wasted.

Nehru, Tito, and Gomulka are but three examples of how the American taxpayers could and should be saved hundreds of millions of wasted dollars, and these savings should be made now.

Four years ago there were 9,793 persons on the Government's foreign aid payrolls. Today there are 18,819 employed in our ICA, State, and Defense Departments, to give our resources away. Yet Congress reduced the billions for foreign aid spending from $6 billion in 1953 to $3.5 billions for the current fiscal year. With fewer billions to spend, why do we need twice the number of people to spend them?

If the ICA were to cut down on its field programs, reduce the number of bodies serving it in Washington and throughout the world, two things would happen: The rank and scale of pay of the great mass of officials would be dropped one or more grades, and the still greater mob of jobholders would be substantially reduced. Obviously this will never be done voluntarily by thousands of people who have become careerists and paymasters in the disposal of $5 billion annually and who, as a group, never had it so good. Our Chief Executive and those who plead for him insist upon perpetuating and not reducing this wasteful and topheavy bureaucracy.

Perhaps too many of us are under the erroneous impression that the Government's perpetual spending for foreign aid is very far away in terms of our own personal economy. But in reality, this is not so. Foreign aid is much closer to our everyday life than most of us realize. Year after year, since the end of the war, our foreign aid expenditures represented our deficit financing. Now there are the added dangers of the national debt already revised and the return to a deficit economy. To continue the annual spending of more than $5 billion (which includes our food giveaway of one billion annually) will make impossible for many years to come a balanced budget with sufficient surplus to provide tax reduction for millions of middle-bracket Americans, who are sadly in need of such assistance.

Those who clamor for more foreign aid never mention the fact that our giveaway program has already cost us twice as much as all Social Security benefits, plus aid to the needy, aged, blind, and disabled. And it has cost three times as much as all farm programs since the war, and seven times as much as all atomic energy projects.

The $70 billion total for foreign aid spending, which we are now approaching, is the equivalent of one-fourth of our present national debt. The cost of servicing this portion of the debt now approximates $2 billion annually, or one-fourth of the total interest charge. This is a continuing expense.

Last July the Congress, led by such stanch supporters for a sound economy as Congressman OTTO E. PASSMAN, Democrat, of Louisiana, and the late Lawrence H. Smith, Republican, of Wisconsin, reduced the administration's original demand for foreign aid for the current fiscal year by over a billion dollars. This was accomplished in the face of a strong administration-supported lobby, the assistance of two-thirds of the Members of the Senate, the dire predictions of the Department of State and the Pentagon, and the power, prestige, and patronage of the President.

The cut could and should have been much deeper. Nevertheless, in addition to slashing the President's original demand by 23 percent, Congress, by courageous action, reduced his second demand for a blank check from 3 years to 2 and by nearly a billion dollars. Also, the Congress flatly rejected the President's request that it abdicate its lawful control over the foreign-aid purse strings by turning over more than $2 billion of foreign military aid to the Department of Defense. By placing this vast sum in the Nation's military budget, it would be permanently hidden from both the legislators and the American people who pay the bill.

Year after year, as appropriation time approaches, the administration, its spokesmen, and manipulated pressure groups discover new pretexts to pressure the Congress and propagandize the American people. Last year it was Egypt and Syria. The year before it was the Russian loans (not gifts) to Afghanistan, Burma, and India. Sputnik was promoted as the excuse for hiking the foreign-aid bill by more than a billion dollars and to increase the lending authority of the Export-Import Bank by an additional $2 billion.

Despite bureaucratic pressures, we must not permit foreign aid, presently the cornerstone of our foreign policy, to become the tombstone of our Nation. Instead, foreign aid should now be tapered off so that eventually millions will be used to observed advantage where billions are presently being wasted. Americans would then have a foreign-aid bill from Congress which our Republic could support, one that would no longer be a device for politicians to use for promoting themselves as WPA directors of the world.

Last year, when the President confronted the Nation with a bloated $71-billion budget, the people showered their protests upon Washington to an extent never experienced before. The avalanche of mail hitting Capitol Hill, demanding a deep cut in the foreign-aid appropriations, caused panic in the White House as well as in the offices of Senators who were attempting to defend the continuance of unlimited giveaway funds and the maintenance of rivers of waste and extravagance.

Our businesswise citizens must tell their Congressmen again and again that economy and integrity in Government are still the greatest weapons we possess. Responsive to the will of the people, Congress, if commanded, will reduce foreign aid, which visibly is yielding diminishing results.

Mr. DIRKSEN. Mr. President, I turn now to the work which has been done by the International Cooperation Administration with respect to some of the charges contained in Mr. Castle's article. They have been repeated in the press in many sections of the country. Last year a great many of Mr. Castle's statements were printed in the CONGRESSIONAL RECORD as a part of a speech made by a Member of this body. I spoke to the Senator afterward and said that I thought some of those statements should be handled rather cautiously, because I had some doubts whether they were founded in fact.

As I encountered criticisms from time to time, I was not willing to disbelieve Mr. Castle's allegations; neither was I willing to accept them. I believe statements of that kind must be documented, because the bill involves billions of the taxpayers' dollars, and if we are to deal with the subject adequately we must do so on the basis of facts.

So I asked the International Cooperation Administration, which administers the program, about some of the statements made by Mr. Castle, in the hope that they could supply me with the facts. Under date of May 31, 1958, I received a letter from the International Cooperation Administration, Office of the Director, over the signature of Mr. J. H. Smith, Jr. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INTERNATIONAL
COOPERATION ADMINISTRATION,
OFFICE OF THE DIRECTOR,
Washington, D. C., May 31, 1958.

Hon. EVERETT MCKINLEY DIRKSEN,
United States Senate,
Washington, D. C.

DEAR SENATOR DIRKSEN: This is in further reply to your letter of April 30, 1958, asking for detailed comments on an article by Eugene W. Castle in the May issue of the American Mercury.

A brief statement of the facts with regard to each of the charges or implied charges made in Mr. Castle's article is attached for your information. As you requested, we have arranged these in the order in which they appear in the original article. I am returning the original article with key numbers entered in the margin to tie in with the numbers of the comments attached. The charges which relate to the mutual-security program in general or the economic assistance portions of it are numbered from 1 to 36. In addition, there are 10 charges which relate primarily to the military-assistance portion of the mutual-security program. Comments on these have been supplied by the Department of Defense. These are numbered from D–1 to D–10.

I think the comments on Mr. Castle's specific charges speak for themselves. As to the reliability of his statements, it is interesting to note that he starts by seriously misquoting President Eisenhower's inaugural address and ends up by miscalculating the relationship between foreign aid and certain other budget costs. Most of the statements in between seem to be similarly designed to distort or ignore actual facts in whatever

way may be required to support the general points Mr. Castle is attempting to make.

An overall analysis of the 36 charges in this article which relate to the mutual-security program in general or to the economic portions of it indicates that none of them represents a case of misuse or mismanagement of mutual-security funds where full corrective action either has not already been taken or is not now being undertaken to the best of our ability.

In some 24 out of the 36 cases, the reported criticism is clearly erroneous. This includes two cases where, as far as we can determine, the reported events never took place at all.

Moving along in this group of erroneous charges, we find six charges of activities which were carried on by agencies not connected with the mutual-security program, ICA, or any of its predecessors. Next there appear to be 6 cases in which the facts reported are wrong and 10 cases in which more or less accurate facts have been misinterpreted. In these case I believe the correct facts or the correct interpretation would substantially eliminate the criticism.

As for the remaining 12 charges in which the facts do relate to ICA and are reasonably accurately reported and interpreted, 9 of these are cases where there is a genuine question of judgment involved. These range from broad questions of public policy to questions of economic or technical judgment. In each of these cases, ICA, or its predecessors took the action for which we are criticized on the basis of the best political, economic, and technical advice it could obtain. Mr. Castle, with the benefit of hindsight, has reached a contrary judgment. Next, we come to one case where there was clearly an error in judgment on the part of one of ICA's predecessor agencies, but where full corrective action has long since been taken.

This leaves two cases of problems which ICA has recognized and which we are striving to correct, but where we have not yet been wholly successful in doing so. Both of these cases involve emergency situations in which ICA's efforts to assure the proper use of every dollar of the funds made available to us have run up against either deeply imbedded ways of doing business in some countries or a complete lack of familiarity with the handling of Government funds in others.

I am also enclosing for your information a copy of the paper published by the House Committee on Foreign Affairs which gives a complete indexed list of ICA's comments on various charges made by Mr. Castle and other critics of the program.

Finally there is enclosed a copy of a staff memorandum prepared by the staff of the House Committee on Foreign Affairs, commenting on some of Mr. Castle's charges and the ICA responses to them.

I welcome the opportunity to cooperate with you in attempting to arrive at the truth about these often-repeated charges. Please let me know if there is any further information you would like to have.

Sincerely yours,

J. H. SMITH, Jr.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SMITH of New Jersey. I had presented to me a study made by the House Committee on Foreign Affairs, which seems to relate to certain charges made against mutual security operations, and which contains answers furnished by the ICA. I assume the questions and answers to be presented now, based on Mr. Castle's article, are totally different from what is contained in the survey made by the House along the same lines, but as a result of different complaints which were made.

Mr. DIRKSEN. There may be duplications, for aught I know; but I have placed this letter in the RECORD because the document which was prepared by the House committee, while it is a most compelling and persuasive document, has not had wide currency; and the amazing thing is that it is not carefully examined to show the repudiation of so many of the charges which have been made.

Obviously the ICA could not refute or put the label of complete error on many of these charges unless it had good grounds for doing so. Therefore, I intend to pursue this matter when the representatives of the ICA come before the Appropriations Committee, in connection with appropriations of funds for the ICA.

I believe the case must be made now, as a part of the CONGRESSIONAL RECORD, so that those in libraries, schools, colleges, and elsewhere can, if they have a disposition to do so, obtain the documented facts.

Mr. SMITH of New Jersey. Mr. President, I cannot commend the distinguished Senator from Illinois too highly for what he is doing. I believe he is rendering a most important service; I believe it important that the study be made, in connection with the article, which seems to be biased in opposition to what we have been trying to do in connection with the mutual security program.

So I commend the Senator from Illinois most highly for what he is doing.

Mr. DIRKSEN. I thank my friend, the Senator from New Jersey.

Mr. President, I hope the record can be established in such a way that the charges can be labeled, seriatim No. 1, No. 2, and so forth.

Charge No. 1 which is made in the article by Mr. Castle, and which has been published in the American Mercury magazine, is as follows:

CHARGE NO. 1

Eugene Castle states: "* * * on January 21, 1957, President Eisenhower told this Nation and the world: 'We accept our deepest involvement in the destiny of men everywhere * * * high will be the cost.' "

ANSWER

Mr. President, standing by itself, that quotation means one thing. However, it means something else when we read all the President said, so that no violence is done to the context. The quotation given in the article is taken from the President's Second Inaugural Address. Now I shall read into the RECORD all of that portion of the President's address. The relevant portions of the President's Second Inaugural Address are as follows:

We seek peace, knowing—as all ages of man have known—that peace is the climate of freedom. And now, as in no other age, we seek it because we have been warned, by the power of modern weapons, that peace may be the only climate possible for human life itself.

Yet this peace we seek cannot be born of fear alone; it must be rooted in the lives of nations. There must be justice, sensed and shared by all peoples, for, without justice the world can know only a tense and unstable truce. There must be law, steadily invoked and respected by all nations, for without law, the world promises only such meager justice as the pity of the strong upon the weak. But the law of which we speak, comprehending the values of freedom, affirms the equality of all nations, great and small.

Splendid as can be the blessings of such a peace, high will be its cost: in toil patiently sustained, in help honorably given, in sacrifice calmly borne.

Then three paragraphs intervene; and then comes the portion of the statement Mr. Castle quoted in his article which has been published in the American Mercury magazine. That very pertinent paragraph is as follows:

We recognize and accept our own deep involvement in the destiny of men everywhere. We are accordingly pledged to honor, and to strive to fortify the authority of the United Nations. For in that body rests the best hope of our age for the assertion of that law by which all nations may live in dignity.

Mr. President, it seems clear that Mr. Castle has rather deliberately misquoted the President and taken the words out of context, because in the way he has quoted them, they have an entirely different meaning.

I believe in making an honest record. I do not intend to demean Mr. Castle or any other critic. I simply say that if we are to have a record, let us have the whole record, not merely a portion of it on which criticisms are based, and which too often is the moving base for so much of the mail which comes to our desks.

CHARGE NO. 2

In his charge No. 2, Mr. Castle writes:

(a) We do not have the resources permanently to support all men everywhere. The real meaning of the NATO meeting in Paris last December was that our allies told us that they had little faith in our ideas and were even reluctant to agree to accept more of our global bribery. Instead, they urged us to go to Moscow and make a talk deal with the Kremlin.

Mr. President, that is rather singular language. I propose to follow it here with the answer. I shall not detain the Senate by reading the answer at the moment. Instead, Senators can read it tomorrow morning in the CONGRESSIONAL RECORD. I have prepared the whole answer, not merely a partial one; and I ask that the answer be printed at this point in the RECORD.

The PRESIDING OFFICER. (Mr. CLARK in the chair). Is there objection?

There being no objection, the answer was ordered to be printed in the RECORD, as follows:

ANSWER

(a) The December NATO heads of government meeting was a success from the United States viewpoint. The first steps were taken to solve several difficult problems in the military field, such as: stockpiling nuclear warheads; putting IRBM's at the disposal of SACEUR; improving coordination of defense plans; and promoting a coordinated approach to the research, development, and production of modern weapons. The meeting also led to the significant agreement that governments must give greater support to fundamental research and to scientific and technical education and that national efforts must be aided through sharing tasks and pooling scientific facilities and information. The meeting also arrived at agreement on important political and economic matters.

Differences between allies tend to receive much more attention in the press than do less spectacular but often more important matters on which countries agree. There are of course some issues on which certain NATO countries do not see eye to eye. But these problems must not be permitted to overshadow many other basic matters on which NATO countries are in unanimous accord and on which great progress is being made. The discussions on disarmament in NATO last year are an example of the achievements in the field of political consultation, as are the recent discussions and decisions taken at the NATO Foreign Ministers Conference on dealing with Soviet political manuevers. The ministers noted that conferences at the summit are not the only way, or necessarily the best way of conducting negotiations or reducing international tensions. They agreed that a summit conference took place, it should be properly prepared and should consider certain important questions including the reunification of Germany and controlled disarmament. In taking these decisions the ministers in effect offered strong support for United States policies.

CHARGE NO. 2 CONTINUED

Mr. DIRKSEN. Mr. Castle also says that:

(b) The mutual security program is based on the false assumption that we can buy allies with bales of money.

Answer: (b) The mutual security program does not seek to buy friends and allies for dollars, and any program with such a purpose is doomed to fail. As has been repeated time and again by the leaders of both political parties, the program is designed to enhance our national security. It is achieving this end: it has checked the advance of Communist imperialism most dramatically in Greece, Iran, and Vietnam; by defraying about 20 percent of the cost, it has provided armed forces of 5 million men joined with ours through collective security agreements; it has enabled us to secure and maintain 250 bases vital to our air and naval forces; and in the face of Communist pressure and blandishments, through economic and technical assistance, it has enabled the many new but underdeveloped nations to maintain their independence and to begin the economic development their people so desire and deserve.

The countries to which we extend military and economic aid are not our satellites to which we dictate domestic and foreign policies, nor is it our desire to make them such. They are rather free and independent nations, and thus may honestly differ with us on many issues. But they all agree with us on the fundamental issue: the need for a truly peaceful world in which nations are free to pursue their destinies in their own way. By helping establish security from aggression and in the underdeveloped nations, providing hope for economic betterment, this program encourages and enables countries to continue working toward their goals through free and democratic institutions.

CHARGE NO. 3

Mr. President, Mr. Castle's third charge is that the Marshall plan was originally estimated to cost $17 billion. Then in the article we find that he has written the following:

But those who conceived the first Marshall plan did not intend that it should continue for 13 years and $70 billion.

ANSWER

Mr. President, what was the final cost of the Marshall plan; and what was its duration? Here is the answer:

Mr. Castle's statement that the Marshall plan, contrary to its initial conception, has continued for 13 years, at a cost of $70 billion, is not correct.

The Marshall plan was the program of economic aid to Europe—designed to rehabilitate war-devastated economies—which was commenced in April 1948 and was concluded in June 1951. The total cost of that program was $12 billion—$10.8 billion in grants, and $1.2 billion in loans repayable in dollars.

Mr. President, I ask unanimous consent that the entire answer be printed at this point in the RECORD; and at this point I only wish to interpolate that I was in the other body when the Marshall plan was written. As I recall, I voted against it. Since then there have been many changes in the world, and there has been a difference in emphasis and accent. At that time there was not much of a military program. In the past 10 years we have come far from the condition and the circumstances which obtained in the world in 1948. So the whole documented answer, with all the figures verified from the record, is here; and I submit it as an answer from the ICA to the allegation made in the article published in the May issue of the American Mercury magazine.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the answer was ordered to be printed in the RECORD, as follows:

Answer: Mr. Castle's statement that the Marshall plan, contrary to its initial conception, has continued for 13 years at a cost of $70 billion is not correct.

The Marshall plan program was the program of economic aid to Europe—designed to rehabilitate war-devastated economies—which was commenced in April 1948 and which was concluded in June 1951. The total cost of that program was $12 billion—$10.8 billion in grants and $1.2 billion in loans repayable in dollars.

After the completion of the Marshall plan program, the United States furnished defense support assistance to European NATO countries. This program—distinct from the Marshall plan program—was essentially designed to enable these countries to undertake rearmament and defense efforts so as to contribute to Free World defensive strength to counteract the Communist menace. It did so by providing the economic assistance necessary to sustain their economies under the burden of these defense efforts. The last year in which defense support assistance was programed for European NATO countries was fiscal year 1955. The total cost of defense support for European NATO countries was approximately $2.8 billion.

If Mr. Castle's reference to the Marshall plan is taken to mean all nonmilitary assistance under the mutual security program including not only the Marshall plan and defense support to European NATO countries but also all other nonmilitary assistance to all areas of the world since the inception of the program, then the program to date has continued for about 10 years, not 13, and has cost approximately $22.5 billion, not $70 billion. If all military assistance is added to this figure, the total is $42.6 billion.

Mr. DIRKSEN. Mr. President, to resume with charge No. 4, in this article Mr. Castle states:

Presently, our foreign aid billions are paid mostly to the governments or public authorities of the receiving countries. Very large sums of our aid moneys allocated freely to underdeveloped countries all too often find their way into the pockets of the ruling politicians and their supporters.

I think ICA makes a rather persuasive answer.

At this point I ask unanimous consent to have printed charge No. 4 and the answer from the International Cooperation Administration.

There being no objection, the charge and answer were ordered to be printed in the RECORD, as follows:

Charge No. 4: Mr. Eugene Castle states: "Presently, our foreign-aid billions are paid mostly to the governments or public authorities of the receiving countries. Very large sums of our aid moneys allocated freely to underdeveloped countries all too often find their way into the pockets of the ruling politicians and their supporters."

Answer: Mutual security funds almost never take the form of dollars "paid" to governments and public authorities of receiving countries. Rather, it is the supply of goods and technicians. In the case of goods, these are provided normally through commercial channels and, while there may be opportunities for indirect gain on the part of government officials, the aid dollars themselves cannot result directly in personal gain. The providing of technicians, of course, gives no opportunities of this kind. In the 10 years of mutual security and predecessor programs in the economic field, totaling over $20 billion, there is a remarkable record of honesty in the handling of these programs. What minor instances of alleged charges of misuse have occurred are either unsubstantiated or in a few instances involve the actions of government officials which are beyond the control of this Government. And again it is noted in these cases it is not the aid dollars themselves which are available for misuse.

Mr. DIRKSEN. I now come to charge No. 5 and charge No. 6, and I ask unanimous consent that the charges and the answers be printed in the RECORD.

There being no objection, the charges and answers were ordered to be printed in the RECORD, as follows:

Question No. 5: Are any of our foreign-aid dollars used to pay for luxury imports by the recipient countries?

Answer: Under ICA policies United States assistance may not be used for importing luxury items. ICA has taken careful steps to enforce these policies and thereby to make sure that this does not happen. These steps include: (1) the building up over the years of an internal administrative list of specific items classed as luxuries which in the absence of a demonstration of their essentiality are not eligible for ICA financing, (2) a careful system of end use checks or checks on the actual use to which United States-financed imports are put, (3) an arrival accounting system operated either by the United States or by the host government which in turn makes reports to us, and (4) a system of penalties for any infraction of the policy against luxuries under which the United States money so used is recaptured.

Charges of this sort are made from time to time because observers learn of certain imports but do not learn of the use to which they are put. For example, one might make this charge about air conditioners or cameras. But it is apparent that an air conditioner is not a luxury where laboratory work requires rigid temperature control. Similarly, what may appear under the label "camera" is not a luxury item if it is a specialized type of industrial photographic equipment. These are two actual examples of charges which have been made. This

kind of charge frequently occurs also when the observer learns of the existence within a country of luxury items and makes this charge without learning that, in fact, no mutual security funds were used to finance its import.

Obviously, no administrative system can prevent mistakes. This is particularly true where, as required by law (as well as sound principle), we make maximum use of private trade channels. But if an unauthorized use is made of ICA funds, the aid country is obliged to make a refund of such funds to ICA. As of January 31, 1958, over $8 million had been received by ICA from aid countries as refunds of amounts improperly spent for luxury or unessential goods.

Even in the uncommon cases, where, because of the need to secure foreign local currencies quickly, ICA has transferred dollars directly to the aid country (as where local currency for troop pay has been required before commodity imports could generate the amounts required), a control system has usually been established to prevent purchase of luxury goods with the dollars transferred. Although in such cases the dollars are no longer the property of the United States, the aid country has formally agreed not to spend them for luxuries and has permitted an ICA representative to sit with the Government's import control body which enforces this agreement. In those rare cases where the control system has not operated to prevent the purchase of luxury goods, ICA has taken additional steps to correct the situation and prevent additional purchases of nonessential goods.

Question No. 6: Eugene Castle alleges that some nations spent our money for a multitude of unwanted and unneeded and wholly unsuitable public works projects.

(a) Is this true?

(b) What is the procedure utilized in selecting a project eligible for foreign aid?

(c) What voice do we have and what voice does the recipient nation have in the selection and evaluation of projects?

Answer: (a) This criticism is certainly not true. Of course it is so generalized and sweeping as to defy a specific response. Such an answer would require knowledge of which projects, in which countries, financed by which United States money Mr. Castle has in mind and in what particulars he believes them unwanted, unneeded, and unsuitable.

Procedures developed by ICA and its predecessors make highly unlikely the expenditure of funds for any unwanted, unneeded, and unsuitable project, not to speak of multitudes of them. No ICA project, in public works or of any other kind, is even started unless and until specifically and formally requested by the cooperating country. So it can hardly be "unwanted." Actually, each proposed project represents the cooperating country's judgment as the most desirable out of many desirable activities, all fiercely competing for the limited aid funds available. In addition, in almost all cases the country itself must finance the bulk of the project cost from local currency resources, including counterpart funds, which are very short in relation to a multitude of competing needs. When, as frequently happens, the United States assistance is on a loan basis and must be repaid, another factor militates against expenditures for "unwanted" projects.

The likelihood of a project being unneeded or unsuitable is likewise remote in view of the screening which project proposals receive before they are approved. These procedures are described in (b) below.

It must be conceded that it is possible that in the course of supporting scores of public works projects in dozens of countries over a period of more than 10 years ICA and its predecessor agencies may have supported a few projects which some people with the benefit of hindsight might now consider undesirable. Such cases are likely to be ones associated with a crash program which ICA or its predecessors have been required to take for urgent political and economic reasons, such as the Iranian crisis of 1952. In any case where ICA has determined that a public works project is not wholly suitable, ICA has taken vigorous action to correct the situation and to maximize the project's utility.

(b) While specific ICA procedures for reviewing proposed projects vary somewhat with the particular type of funds involved, projects generally go through the following steps before they are approved for financing with any funds controlled by ICA:

1. The cooperating country proposes the project and requests United States assistance.

2. The ICA mission in the cooperating country reviews the proposed project for its desirability, economic and technical feasibility, and cost. Where sufficient technical or economic data is not available, a special engineering or other survey may be required.

3. When the ICA mission is satisfied the project is sound, it submits it to ICA/Washington for further review and approval. This review is carried out by United States economic and technical staffs, by specialized agencies of the United States Government, or by private firms under contract to ICA, as necessary.

4. Only when the project has successfully passed this total screening is it approved for financing.

5. At this stage a project agreement is signed between ICA and the cooperating country, specifying the details of the project and the contributions which each party agrees to make to its cost.

6. ICA technical staffs in the field and in Washington follow up on the implementation of the project to see that it is carried out in a satisfactory manner and in accordance with the agreement.

This standard procedure is followed in cases of projects financed by defense support or special assistance funds under the Mutual Security Act. A somewhat less elaborate review procedure characterizes projects financed from counterpart funds or Public Law 480 local currencies. In the case of counterpart, the funds legally belong to the cooperating government and ICA's review of proposed expenditures is understandably not as intensive as where United States Government funds are expended. In the case of Public Law 480 funds, the projects are in most cases financed on a loan, not a grant, basis, and ICA review depends upon the degree of consent given by the country in the underlying surplus agricultural commodities sales agreement. These agreements customarily require ICA review and approval of the specific projects but it has not been feasible to secure from a country purchasing our surplus agricultural commodities under Public Law 480 consent to the same elaborate procedures for project review as they accord in the case of mutual security assistance funds.

As a sidelight to the matter of review procedures, a serious question has thrust itself upon us whether ICA's present review processes are not too intensive and extensive. Some critics maintain that Soviet assistance programs make less demands upon countries for information and project review, and that, consequently, they are both less irritating to the nationalist pride of sensitive nations and more expeditious in operation than the United States programs.

(c) The foregoing description of procedures indicates the framework in which projects are developed. The general aim is to secure that development on a fully mutual and cooperative basis.

Mr. DIRKSEN. Mr. President, charge No. 7 is rather intriguing, because Mr. Castle has charged that the United States financed a survey to ascertain the sexual habits of the inhabitants of India. Was such a survey undertaken? What was its purpose? What was its justification? This is what the International Cooperation Administration says:

Insofar as ICA or its predecessor agencies are concerned this statement is not true. India has been and is conducting studies of this type in connection with the problem of population pressure, assisted by United States private groups and U. N. agencies.

But that is quite a different thing. This is a juicy piece for the front page. It is well that this charge has been refuted, because otherwise, everybody who deals with the matter might be the victim of the rather sharp and caustic criticism which has been made. It is like the charge which was made last year that American funds were used to provide dress suits for Greek undertakers. That was untrue. It had no merit. Somewhere, the truth has got to catch up with unfounded allegations.

Charge No. 8 deals with pensions for over-aged Chinese soldiers.

Charge No. 9 deals with the Pakistani fishing industry.

Charge No. 10 deals with the statement that our wheat giveaway has ruined Canadian farmers; and that Canada, once our best customer, now is looking elsewhere to spend its dollars.

Charge No. 11 is that 200 United States engineers are building a military highway in Vietnam which has no military value.

Charge No. 12: Are we financing the planting of wild grass shoots along public highways in Lebanon?

I have been in Lebanon a number of times. It is a fine country with fine people. The question asked in the charge is, "If so, why? What is the value of this project?"

This is what the ICA states:

We have contributed the services of a technician and the use of two tractors to a project involving the planting of wild grass shoots along a Lebanese highway.

The purpose of this project was to prevent movement of sand. The highway in question runs from Beirut to the Khalde Airport.

I have flown in there many times.

Winds from the sea were blowing sand over the highway from adjacent dunes.

The dunes in Indiana are but a circumstance as compared with the dunes in Lebanon.

This sand movement constituted a serious traffic hazard, not only to highway traffic but to incoming aircraft as well. It is estimated that annual labor costs of removing sand from the road were $16,000. It was considered that this was a worthwhile project to further by contributing technical guidance and equipment.

If I have ever known of a justifiable expenditure on the basis of what I have seen at the Beirut airport, that certainly was one. It is reckless to make a charge and not follow it up with the whole truth.

Charge No. 13 is:

In Iran, the Shah tells us to come across with more millions to support his army or he will seek the cash from Moscow.

Mr. President, in the interest of time economy, I ask unanimous consent to

have printed in the RECORD all 36 of the charges which have not already been ordered to be printed, together with the answers as they come from the International Cooperation Administration, with the documentation.

There being no objection, the charges and answers were ordered to be printed in the RECORD, as follows:

Question No. 7: Eugene Castle has charged that the United States financed a survey to ascertain the sexual habits of the inhabitants of India. Was such a survey undertaken? What was its purpose? What was its justification?

Answer: Insofar as ICA or its predecessor agencies are concerned this statement is not true. India has been and is conducting studies of this type in connection with the problem of population pressure, assisted by United States private groups and UN agencies.

Question No. 8: Eugene Castle alleges that we are giving $48 million annually to pay for pensions for overaged Chinese soldiers. Is this correct?

Answer: The ICA has neither set up nor financed a pension program for overaged Chinese soldiers.

In 1954, the Chinese Government requested assistance from the United States to meet its urgent need for a program to increase the combat efficiency of the Chinese military forces on Taiwan by removing and replacing with fresh recruits some 80,000 overaged and disabled servicemen who came from the China mainland with President Chiang Kai-Shek. Such assistance was an essential part of a joint Chinese-United States effort to increase the combat effectiveness of the armed forces on Taiwan. The release of the combat ineffectives to the civilian community would make them refugees in a sense as they had no family, home, or relatives to whom they could turn for assistance. Most lacked skills or crafts of the type to permit them to support themselves in civilian life. The magnitude of this problem was such as to be beyond the financial capabilities of the Government of the Republic of China.

After due consideration of the factors involved it was concluded to be in the interests of the United States to make available a total sum of $48 million of mutual security funds to help the Chinese Government not in setting up pensions, but rather in carrying out a positive program to find productive and permanent solutions to the problem. Accordingly, $6 million was allocated to the military assistance program administered by the Department of Defense for expenses connected with equipping and training the young replacements, and $42 million were economic aid funds made available by ICA. The $42 million includes the local currency element of the project cost. The funds administered by ICA are being used principally for two types of projects: (1) productive activities such as highway construction and forestry development by which the able-bodied soldiers are being converted into self-supporting civilians and (2) provisions of hospital and other facilities for the treatment of the sick and disabled. The program was approved and initiated in 1955 and it is currently anticipated that by June 30, 1958 United States-financed support of the program will have been substantially completed within original budgetary estimates. There are no plans to request additional United States funds for this purpose.

Question No. 9: An allegation has been made that we handed over $1 million to bolster the Pakistani fishing industry. Is this correct?

Answer: Through June 30, 1957, ICA obligated $1,275,000 toward improving Pakistan's fishing industry. The average national diet in Pakistan is 2,125 calories per day, of which only 10 percent are proteins, and therefore the exploitation of the fishing industry is extremely important in improving the welfare of the populace.

In East Pakistan alone fish and rice are the main diet of 45 million people. Two hundred thousand fishermen are dependent directly upon fisheries, and unknown thousands are indirectly dependent. The industry is now in a primitive condition, but there is the natural potential to produce the millions of pounds of fish needed by the local population.

The major portion of the ICA assistance has been for the development of the Karachi Fish Harbor. This has included technical advice in dredging the harbor and reclaiming approximately 47 acres of land, the furnishing of equipment and supplies not available in Pakistan, and United States training for Pakistanis. The fish harbor when completed will include such structures as an auction market, ice plant, drying sheds for nets, boat repair shops and allied facilities. Some of these structures have been completed and are already in operation, others are in the process of construction and others are still in the planning and designing stage. It is expected that when the harbor is in full operation it will provide employment for approximately 5,500 people. Present plans call for completion of the facilities by December 31, 1959. The fish processed at Karachi Fish Harbor are for domestic consumption. Other related activities in the program are assisting mechanization of the fishing fleet, demonstrating equipment and technique, and providing nylon twine for improved nets.

Pakistan undertook to furnish local labor and supplies needed for this program and its contribution to the necessary financing was $2.9 million through June 30, 1957.

The foregoing description relates to projects specifically directed to the improvement of Pakistan's fisheries by assisting development of facilities, advising on and demonstrating techniques and equipment.

Charge No. 10: Mr. Castle states: "Our wheat giveaway has ruined Canadian farmers. Once our best customer, the Dominion Government now is looking elsewhere to spend its dollars."

Answer: Although the United States wheat surplus disposal program is not the only problem, it has been a factor in recent relations between Canada and the United States. However, steps taken by the United States to develop improved programing procedures and make changes in a major part of the wheat disposal program have gone far toward meeting Canadian complaints. Canadians continue to be concerned, however, that surplus disposal programs will become a fixed part of the United States farm program.

Although the United States Government has maintained a uniform price for wheat for all export programs, the nature of some of the disposal programs has probably been one of the factors in the reduction in Canadian wheat prices. These Canadian prices are, apart from a small payment on flour exports, the same regardless of whether the wheat is sold for domestic consumption or for export. However, the United States wheat farmer benefits under the price-support program from a much higher price and the difference between this and the lower price at which wheat can be sold for export is taken care of by an export subsidy. As a result, Canadian farm groups often urge the adoption of some of the features of United States price support and surplus disposal programs. Recent steps have been taken by Canada, however, to enlarge wheat exports through long-term credit arrangements and grants under the Colombo plan.

During a conference in October 1957, the Canadian ministers emphasized barter transactions as a harmful United States disposal program. They maintained that the barter program had prevented Canada from sharing in the great increase in wheat exports to northern Europe in the 1957 crop-year. The barter program gave an advantage to United States traders by enabling them to cut the price of barter wheat for export. A reappraisal of the barter program in May 1957 led to major revisions of procedures governing its administration. The principal change requires that traders prove that these exports are in addition to United States sales that would otherwise take place. Another change requires that interest be paid on funds which the traders obtain by taking delivery of the surplus agricultural commodities before they deliver strategic materials to the United States Government. These changes have resulted in a substantial decrease in barter transactions by eliminating price discounts in the major hard currency markets of the world.

In the first 2 years of the 4 years of programing to date, the Canadians complained about certain of the smaller sales for foreign currency under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.) as amended. It was argued that these sales failed to increase consumption and directly displaced Canadian exports. This appeared to be borne out in a small number of instances in which imports from Canada declined after the introduction of the title I programs, although in some of these there had previously been a decline in United States sales as Canadian sales increased. Title I program procedures, however, have been worked out which tend to minimize any disadvantage to Canada or other exporters. Our main efforts in this respect are:

1. The United States consults with Canada on proposed title I programs which it feels might affect Canada's interests. On occasion, importing countries are encouraged to discuss their requirements with Canada;

2. The great bulk of the wheat under title I moves to less developed countries which, for the most part, are outside the commercial or cash market. It is only in these noncommercial areas where Canada or the United States can effect substantial increases in wheat exports; and

3. Many title I agreements serve to protect Canada and other exporters by requiring that countries purchase specific quantities of wheat from Free World sources in addition to the amounts purchased for local currency. Sometimes it is necessary that agreements require certain purchases for United States dollars; the former method is used if it appears it will meet the requirements of Public Law 480.

Question No. 11: It is alleged that we have 200 United States engineers building a military highway in Vietnam which has no military value. (a) Is it correct that 200 American engineers are so engaged? (b) What is the military value of the highway in question?

Answer: This statement is incorrect.

ICA is contributing funds to the construction of two highway segments in Vietnam. The first, running from Saigon to Bien Hoa (31 kilometers) is the main north road out of the capital (Route 1). It is heavily traveled and is of great economic and strategic importance.

The second road (Route 21) is the 160-kilometer stretch from Ban Me Thuot to Ninh Hoa, providing road communications with new resettlement villages which have been established by the Government of Vietnam to insure settlement of the area by loyal Vietnamese who will resist infiltration by Vietminh agents. The Government of Vietnam has stressed the importance of these settlements and the connecting roads (including Route 21) to the defense and internal security of the country.

The United States decision to assist Vietnam in the construction of highways has always been based on the urgent need to rehabilitate the war-damaged road system for the purpose of improving Vietnam's defense potential, contributing to internal security, and providing a basic ingredient for economic progress. Completion of the highway system will facilitate rapid movement of the Vietnamese armed forces and the civil police.

A United States engineering firm and a United States construction company are in charge of engineering and construction on both Route 21 and Route 1. Total engineer personnel (including engineer types and including not only United States but all non-Vietnamese) employed on the highway projects by both companies has never exceeded approximately 70. In addition to engineers, there are employees of management, administrative, and operational character. The number as well as the types of non-Vietnamese personnel who may be engaged on the highway projects is subject to ICA approval which is based upon a review of personnel needs to meet project objectives.

Question No. 12: (a) Are we financing the planting of wild grass shoots along public highways in Lebanon? (b) If so, why? (c) What is the value of this project?

Answer: (a) We have contributed the services of a technician and the use of two tractors to a project involving the planting of wild grass shoots along a Lebanese highway.

(b) The purpose of this project was to prevent movement of sand. The highway in question runs from Beirut to the Khalde airport. Winds from the sea were blowing sand over the highway from adjacent dunes. This sand movement constituted a serious traffic hazard, not only to highway traffic but to incoming aircraft as well. It is estimated that annual labor costs of removing sand from the road were $16,000. It was considered that this was a worthwhile project to further by contributing technical guidance and equipment.

(c) The project as a whole cost approximately $4,000. ICA's contribution consisted of the part-time services of 1 technician and use of 2 tractors, both in the area in connection with other ICA-financed projects. The Government of Lebanon provided the other equipment, fuel, lubricants, grass shoots, and labor.

Although this was not treated as a separate ICA project, the work done was highly successful and nearby countries have drawn upon Lebanese experience to tackle similar dune-control problems. This is an excellent example of the sort of incidental assistance which is possible within an aid-receiving country at little or no additional cost to the United States.

Question No. 13: Eugene Castle states: "In Iran, the Shah tells us to come across with more millions to support his army or he will seek the cash from Moscow."

Comment: The Shah has not made such representation to the United States Government.

The Shah is understandably greatly concerned over the military position of his country as a member of the Baghdad Pact. He is keenly aware of the Soviet threat to the Middle East and has justified his country's adherence to this defensive alliance on that basis. He is concerned with Iran's military commitments under the pact and the need to maintain a balance between military and economic expenditures. The Shah has, therefore, asked for substantial United States economic and military assistance.

The Soviet Union has made vague but seemingly generous offers of aid without strings to various countries in the Middle East, including Iran. Iran's economic resources are being strained by a substantial development program considered essential for the improvement of living standards and the maintenance of political stability. In this context, Soviet offers, naturally, have a certain surface attraction but Iran has to date refused such offers.

Question No. 14: (a) Have we undertaken the construction of expensive airfields in Afghanistan? (b) If so, what has been the cost? (c) Why have we built airfields? (d) What is the justification of the airfield when the rest of the transportation system is exceedingly backward?

Answer: (a) and (b). We have undertaken the construction of one large airfield in Afghanistan. It is located approximately 12½ miles southeast of Kandahar. Five and nine-tenths million dollars was obligated by the United States in June 1956, for construction, materials, and equipment and for communications-navigational aids at Kandahar as part of an overall air project. The Government of Afghanistan had already, before it received any mutual security funds, planned the construction of the airfield at Kandahar and had spent approximately $600,000 of its own funds for grading and compaction.

(c) and (d). The United States has provided assistance to air development, including airfields, in Afghanistan because air development is believed to be an essential and economical first step in helping the economy of Afghanistan. The civil aviation program, under which the United States will help Afghanistan expand its airlines system and improve its Department of Civil Aviation was requested by the Government of Afghanistan, and initiated in June 1956. Through June 30, 1957, a total of $14.7 million had been obligated for the program. As a result of the development of the international airport at Kandahar, United States commercial planes have begun to link Afghanistan with the other countries of the Free World. A management contract already in operation has helped the Afghan airline operate scheduled flights for an expanding volume of traffic. And as a further and important result of this United States assistance, Afghanistan has already been able to strengthen its internal political and economic cohesion in a manner similar to the experience of Latin America, whose transportation problems closely parallel those of Afghanistan, and which, like Afghanistan, have very difficult terrain problems. Moreover, at this time when the Afghan airlines have operated domestic and international scheduled flights for nearly a year, both freight and passenger traffic have exceeded all expectations; revenues have increased substantially; and exports of Karakul and Afghan carpets have been greatly facilitated. The net advantage to the Afghan economy is clear.

It is fully recognized that it is important also to develop land transportation in Afghanistan, and substantial efforts have been made to do so; including assistance in surveying the highway system, in providing training in highway maintenance, in improving the highway maintenance organization, and in the establishment of motor maintenance repair shops. But many difficulties have arisen in making such assistance effective, and it is recognized that it will be a slow process before this assistance will have the necessary impact in the Afghanistan economy. In these circumstances, simultaneous assistance to air development seems unavoidable.

Question No. 15: The allegation has been made that we have provided electronic microscopes in regions of the Philippines where no power is available for their use. Is this correct?

Answer: Two electronic microscopes were procured for the Philippine program. Use of one of the microscopes was delayed due to a lack of power at the time of its arrival. The problem was rectified thereafter and the microscope was put to affective use.

The second microscope was procured in 1953 for the Alabang Serum and Vaccine Laboratories of the Department of Health of the Philippine Government, and power was available at that location to put the instrument into effective use on its arrival.

The facts concerning the first microscope are as follows: In 1951 the Philippine Government requested, and the then ECA approved, the procurement of one electronic microscope for use in plant research at the College of Agriculture of the University of the Philippines at Los Banos.

The procurement of the microscope was considered essential for the study of virus diseases, especially of coconuts, which is a serious problem in the Philippines. Although it was known at the time of procurement that there was no dependable source of power at the college to operate the microscope, the Philippine Government assured our mission that arrangements would be made for the college to connect onto the powerline which was furnishing power to Manila. It subsequently developed that the Philippine National Power Co. was unable to obtain the necessary capital to extend their power facilities in order to furnish dependable power to Los Banos and surrounding communities. Faced with this difficulty the Philippine Government and our mission concluded that the most economical and practical alternative was to build a small generating plant for the college in order that it could supply, and be assured of, dependable power for all its facilities, including the electronic microscope, rather than relying on the then used commercial source whose equipment was rapidly deteriorating. Generators were procured by ICA for the plant and the college thereafter generated power for its facilities and equipment including the microscope as well as the contiguous new Forest Products Laboratory and the College of Forestry, which also are ICA projects.

Question No. 16: Eugene Castle states: "In Laos, population 1,300,000, the government uses our foreign aid millions to buy luxury goods and to protect the internal political graft of that country."

Comment: The Governments of Laos and the United States have been faced, over the past several years, with a particularly difficult situation in their attempts jointly to preserve Laos as a country free of Communist domination. During this period may problems have developed of serious concern to the representatives of both governments. There has been profiteering, and some of the dollars made available to the Laos Government as a consequence of our aid program have been diverted from the purposes for which they were intended and not effectively used. The United States Government has been aware of these conditions and has been attempting, in cooperation with the Lao Government, to correct this situation. This has been difficult, and efforts have not been fully successful.

A balanced view of the problems in Laos, however, must take into account the fact that Laos has successfully combatted attempts of a Communist-dominated Pathet Lao to extend their control by military force. The country remains independent.

In order better to understand the problem, it may be useful to recall the circumstances under which the program in Laos first began. Laos acquired full independence on January 1, 1955, after the collapse of French resistance to the Communist Vietminh. With independence it inherited a 25,000-man army, which it desired to maintain in order to guard against potential Communist aggression originating in North Vietnam and the Pathet Lao provinces to the north. As it turned out, it was well this army was maintained, for fighting soon broke out.

The young government of this country, however, was extremely deficient in personnel experienced either in economic affairs, or

in the handling of the many responsibilities which came with independence, and it lacked the resources needed to finance its army.

The funds needed to keep the army in being could not be raised in adequate quantities by the usual ICA procedures of financing the importation of commodities and, in the emergency circumstances, the local currency was purchased with ICA dollars—a procedure followed only in the most unusual circumstances. These dollars were turned over at the official rate of exchange, with the understanding that the dollars so transferred would be utilized only for purposes mutually agreed upon.

Two deficiencies in this arrangement subsequently appeared. The dollars transferred were not fully utilized for the import of saleable commodities, and certain irregularities appeared in the use of that portion of the dollar funds allotted by the Government of Laos to importers for the procurement and shipment to Laos of goods. The most common of these were over-invoicing, sale of import licenses, diversion of goods in transit and reexport into Thailand.

In an attempt to help the Government of Laos cope with these irregularities, technical assistance was provided under a contract designed to tighten procedures in the essential steps involved in making dollars available for imports. Separate studies also were undertaken by ICA to find ways of improving end-use controls; and other steps were taken to prevent diversion of goods in transit.

It became increasingly clear, however, that the situation could be effectively dealt with only by fundamental fiscal and monetary reforms, including measures to deal with the overvaluation of the Lao currency. Difficult and complex problems were involved, and hasty action could have led to highly undesirable economic and political consequences. Memories of the recent unhappy effects of devaluation under the French increased the difficulty of dealing with the problem. These problems are still under active discussion. Some proposals to solve them have been made and others are being readied.

Question No. 17: It has been alleged that the United States undertook the building of a highway in Thailand for $6 million and that this highway has already cost $18 million for half of the originally planned stretch. Is this correct? What are the circumstances surrounding the construction of this highway?

Answer: United States support of the Northeast Highway project in Thailand was undertaken in 1954 on an urgent basis when Communist Viet Minh troops penetrated to the northeast, Thailand border and it appeared there was grave danger that neighboring countries, especially the former Indochina States might fall to overt Communist aggression and subversion. Initially, the highway was conceived as a strategic road to the northeast so that Thai forces could more effectively use tanks and other vehicles furnished as United States military aid, to defend the area in the event of hostilities, while at the same time the great economic importance of the road was recognized.

The semiarid northeast of Thailand to be served by this road is relatively isolated, economically depressed, and vulnerable to subversion. The road forms a main link in the vital transportation route from the Port of Bangkok to landlocked Laos. The linking of Bangkok to the northeast with an all-weather road is of very high priority in the improvement of Thailand's communications. Already remarkable new economic activity is resulting as the road penetrates into the heretofore underdeveloped northeast. Agricultural diversification and processing is essential to the development of economic self-sufficiency in Thailand and the northeast is the key area in this regard.

Because of the grave military situation existing when the project was initiated, it was considered necessary to start road construction quickly before completing detailed engineering studies and cost estimates. In lieu of such studies, it was arranged that detailed engineering would proceed concurrently with the construction.

At an early stage a preliminary cost figure of $6½ million (plus a $1 million Thai contribution) was suggested, based on generally unchecked Thai data. However, before ICA undertook to contract for any construction, an engineering reconnaissance survey was arranged in order to secure more realistic figures. This survey was not and did not purport to be a detailed engineering study with precise cost estimates. The survey estimated a cost of $21 million for a 200-mile highway consisting of two principal parts: A first 100-mile stretch involving completely new construction through difficult terraine; and a second 100-mile section, largely involving bridge repair and the rehabilitation of an existing road, and therefore being the less expensive half of the project. On the basis of these reconnaissance figures it was decided initially to undertake only the first 100-mile stretch.

The cost of constructing this 100 miles is proving greater than the estimates made in the initial 1954 reconnaissance survey for the following reasons:

(a) Design criteria were revised upwards upon the advice of the Department of Defense.

(b) There has been a continuing general worldwide increase in construction costs since 1954.

(c) Part of the highway was relocated.

(d) In addition, certain cost elements, such as quantities of earth and rock to be moved, were underestimated in the reconnaissance survey.

It now appears that this first 100-mile stretch will cost about $22 million when completed in mid-1958.

This project is considered fundamentally sound in concept and execution.

Question No. 18: Have we provided dress suits for Grecian undertakers under the foreign aid program?

Answer: Procurement records in Greece show no aid-financial procurement of clothing of any kind with the exception of footwear for the army. Civilian clothing, as a matter of United States and Greek policy, has been ineligible for United States aid financing in Greece since the inception of the aid program in Greece.

Question No. 19: Have we financed public baths for Egyptian camel drivers?

Answer: ICA has provided funds to assist a cooperative rural health demonstration center at Shubra Mont, in Egypt. The project included public baths as part of the health center. Although the project commodity procurement schedule, which describes the commodities being bought with the United States dollar contributions to the project, does not include public baths, some of the commodities procured could have been used in connection with building the baths.

There is also included as part of the Egyptian-American rural improvement service projects a project for village improvement in the Abis area. This project which was financed from a joint United States-Egyptian joint fund provided for the construction of a building combining baths and a laundry.

Neither of these projects was specifically designed to provide facilities for camel drivers. However, it is obviously possible that the facilities could have been used by camel drivers. This is particularly true of the Shubra Mont project, which is located just off a well-traveled road to Cairo.

The inclusion of public bathing facilities in these two projects results from the fact that Egyptian villages customarily have public bathing facilities, and from the further fact that such facilities are frequently no more than drainage ditches, the use of which has sometimes led to the development of bilharzia. A project designed to encourage and improve health and sanitation standards would therefore necessarily include public bathing facilities.

It should be pointed out, furthermore, that technical cooperation projects have for some time included public bathing facilities in health projects.

Question No. 20: Have we provided free airplane rides for thousands of Arabs to visit Mecca? (a) If this is true, what are the justifications? (b) Did the United States derive any benefits from this project? (c) What were the nationalities of the Arabs so transported?

Answer: (a) We have not provided free airplane rides for any pilgrims to Mecca. On three occasions the United States Government has provided transportation for pilgrims to Mecca, but on each occasion the pilgrims paid full commercial fares.

1. The first instance did not involve ICA or its predecessor agencies or the use of any MSP funds. In August 1952, the Lebanese Government appealed to the United States Embassy in Beirut for help to provide emergency transportation for pilgrims who were stranded in Beirut on their way to Mecca. This appeal occurred on August 22. The pilgrims had to be at Mecca by August 29 to fulfill the deeply-felt religious purpose of their journey. Local airlines had oversold tickets on the normally scheduled and special flights that were to take Moslem pilgrims from all over the Moslem world to Mecca in time for the yearly pilgrimage ceremonies. When it was found that private American airlines could not fill the gap, the Department of State consulted with the Secretary of the Air Force, and it was determined that Air Force transport planes could be made available. Over 3,000 pilgrims were transported by the Air Force. These pilgrims were not given free trips. They paid full commercial fares in Lebanese pounds. The funds so collected were distributed to Moslem charities. At the time it was made clear to the Lebanese Government that the United States Government could not be expected to repeat such a humanitarian operation in the future and it was impressed on those responsible that adequate planning for commercial transportation had to be undertaken during future pilgrimage seasons.

2. In July 1954 ICA provided $250,000 to the Iranian Government for foreign exchange needed by the Iranian airline for transportation of Moslem pilgrims to Mecca. In return the Iranian Ministry of Finance agreed to deposit the local currency equivalent into the United States-Iranian Master Joint Fund to be used as a contribution by the United States for local costs of technical cooperation projects. At that time it was the practice to generate local currency in Iran for assistance programs by dollar cash grants which were later used by Iran for commodity imports. Local currency could also be generated for the assistance programs by dollar grants for specific purposes, and the grant to the Iranian airline for transportation of pilgrims to Mecca was one such special method of obtaining local currency for technical cooperation projects.

3. In June 1956, at the request of the Government of Afghanistan, the United States, under the mutual security program, chartered from Pan American World Airways for a period not to exceed 75 days 1 DC–4 aircraft and the services of a crew to help transport Moslems from that country on their pilgrimage to Mecca. The total cost to the United States was less than $200,000. The aircraft and services of the crew were provided to Afghanistan on a grant basis, but the pilgrims paid their own way in Afghan currency.

b. All of these projects resulted in increased good will in the Moslem world for the United States. In the case of the 1952 airlift from Beirut, the fact that the United States had come to the rescue of stranded Moslem pilgrims received considerable publicity in the Middle East and brought a grateful response from numerous prominent Moslems, many of whom had previously been hostile to the United States.

The main purpose of the grant to the Iranian airline in 1954 was to obtain local currency for technical cooperation projects. However, since the Iranian Government would in any event accord the pilgrimage to Mecca high priority in the use of available foreign exchange, the United States was able to earn considerable good will by providing dollar resources for this purpose in its local currency generating program.

As for the 1956 Afghanistan project, the provision of transportation for pilgrims to Mecca is an important function of the Government of Afghanistan, which it must perform in order to meet the expectations of the Afghan people. United States assistance to the Afghan Government in fulfilling that function at a time when the government air transport system was inadequate to the task demonstrated the friendliness of the United States and thus helped to dispose the Afghan Government favorably to the West. It also provided an important stimulus to the Afghan air transport system, a project to which the United States was planning to provide and is now providing economic assistance.

c. In the case of the Beirut airlift, the pilgrims stranded in Beirut were primarily of Turkish, Iranian, and North African origin. The Moslems assisted in Iran and Afghanistan were mostly of Iranian and Afghan nationality respectively (not Arabs).

Question No. 21: Are foreign aid funds being used to send operatic singers to Western Europe, weight lifters to the Middle East, and jazz bands to Latin America and the Far East?

Answer: No.

Some tours abroad by creative and performing artists and athletes from the United States are being assisted by the Department of State under the express authority of Public Law 860, 84th Congress. They are not a part of the mutual-security program and are not administered by ICA.

Charge No. 22: Eugene Castle states: "I would take it (a factfinding mission) to the 'Uyeno PX'—the black market near Tokyo's Uyeno Station where bargain-priced merchandise, brought over for our troops at high taxpayer cost, is peddled illegally."

Answer: This, of course, refers to PX operations which have nothing to do with the mutual-security program. Black markets are known to exist in areas where luxury and quality merchandise is scarce or unobtainable locally. The Uyeno black market has been in existence at least since World War II. It could not continue to exist if it depended on United States PX merchandise alone. Present PX regulations and controls are both adequate, administratively practical, and enforced. Frequent checks of Uyeno by United States authorities for possible PX merchandise, and identification data required of PX buyers, have resulted in prosecutions by the military authorities. The use of Uyeno as an outlet for stolen goods has been greatly reduced by Japanese police action. All the above has had a salutary effect and the continuation of present measures can be expected to make illegal disposition of PX items both unprofitable and most unattractive.

Question No. 23: It has been alleged that the Philippines could live and prosper without one American foreign-aid dollar. (a) What is the economic situation in the Philippines? (b) What would occur if all American aid were to be withdrawn?

Answer: While a more effective use of its resources would benefit its economy, the Philippines cannot meet both its present defense and development requirements without external assistance.

(a) Currently, the economic situation in the Philippines is at its worst since 1949, when an economic crisis resulted in the Philippines' request for aid from the United States. Due to falling prices of exports and a heavy demand for imported consumer goods, the Philippines' foreign-exchange position deteriorated seriously during 1957. Foreign-exchange reserves at the end of 1957 amounted to approximately $140 million, less than 3 months' import requirements at the average monthly import rate that year.

Since most of the Philippine people live only a little above a bare subsistence level, government revenues are derived largely from customs duties and excise and sales taxes. These revenues are insufficient to defray the costs of essential government operations, thus necessitating deficit financing of important public works and military installations, with inflationary results. The present situation is such that foreign investors are loath to invest in the Philippines and domestic capital is hoarded or used in speculative activities.

(b) The ICA defense-support technical-assistance program for the Philippines, reduced to $19 million this year from a $33.9 million program last year, is concentrated in support of military construction and rural development. The effects, if the present ICA defense-support technical-assistance program were terminated, would jeopardize goals of specific interest to the United States. Military construction would probably be substantially curtailed and the rural development program, on which much of the United States past aid has been focused, would deteriorate. Lack of the programed military facilities would not immediately affect the economy but would delay the development of the military strength of an important ally.

Retrenchment in the Philippine Government's rural development program would risk a resurgence of discontent in rural areas, a problem with which the Philippines, with United States aid, was beginning to make substantial progress. Without the pesos derived from the sale of United States surplus agricultural commodities (half of ICA aid to the Philippines takes this form) the Philippine Government would either have to curtail these activities, reduce other essential government activities, or further increase its budgetary deficit. Curtailment of other government services would increase the danger of instability, and any increase in deficit financing would intensify inflationary pressures in an economy facing a serious economic situation.

It is true that United States aid to the Philippines is small compared to that country's gross national product of $5 billion. It is also true that United States aid will not solve all the problems of Philippine defense and development and that the primary job must be done by the people of that country, who in some ways could be doing that job more effectively. However, it is also true that: 1. the problems of Philippine defense and development are not easy ones; 2. a primary purpose of United States aid has been to stimulate the Philippines to make the most effective use of its resources in tackling these problems; and 3. without United States aid the rate of economic development in the Philippines, the growth of governmental, financial, and educational institutions needed to improve economic and social conditions, and the construction of needed defense facilities would have been much slower.

Question No. 24: Do we conduct a knitting school with foreign-aid funds?

Answer: ICA does not, insofar as we can determine, conduct a knitting school with foreign-aid funds anywhere in the world. We do under the technical cooperation program support projects of a home economics and cottage industry nature which involve teaching of sewing.

This kind of charge is particularly difficult to deal with because of its failure to specify the type of activity involved or where in the world it might be.

After a diligent search, the only activity which ICA can discover which may have given rise to this charge, is a project in Korea which is operated entirely with private funds by the Church World Services, a distinguished American humanitarian organization. This activity was designed to assist impoverished Korean war widows to earn a living by knitting and other sewing. It has been assisted by the wives of American diplomatic and ICA personnel in Korea, on a voluntary basis.

It seems particularly unfortunate that such a charitably inspired and worthwhile voluntary effort should be misinterpreted and held up to ridicule.

Question No. 25: Do we underwrite modern art exhibits with foreign-aid funds?

Answer: No.

Some activities of this general character are financed by other agenices of the Government under legislative authority which is entirely separate from the mutual security program.

Question No. 26: Has a survey of flower reproduction been financed with foreign-aid funds?

Answer: Mutual-security funds have not been used in connection with a survey or the growing of ornamental flowers. We know of only one case where we have financed a project involving a plant which could reasonably be mistaken as ornamental. That involved experimental growing in Latin America of Kenaf which is a member of the hibiscus family. It is a jute substitute valuable for string, rug, yarn, and burlap and is considered a strategic material. The only substantial sources of supply at present are Indian and Pakistan.

ICA policy would permit the financing of flowers where they have an industrial or agricultural use. Where the flower is ornamental, even though it may have economic value, either as a foreign exchange earner or in the development of local markets, we would not finance any project involving it. We have refused to finance ornamental flowers on a number of occasions. Late in 1954, for example, we refused the request of one government that we help replace the rose collection of an agricultural experimentation station which was destroyed by flood.

The Agricultural Research Service, using Department of Agriculture, not mutual-security funds does survey and investigate ornamental flowering plants in various parts of the world as part of its regular research activity. This has nothing to do with the mutual-security program. Perhaps it was such a survey that gave rise to the above question.

Charge No. 27: "I would take it (a factfinding mission) to Pusan and Inchon in Korea where millions in aid shipments are stolen off the docks through careless or corrupt police practices."

Answer: With $300 to $400 million of MSP-financed military and civilian imports moving annually through these two ports into a country where 22 million live on an average annual income of less than $100 per person, some pilferage is to be expected. However, there is no information to indicate that millions of dollars are involved. The charge that careless or corrupt police practices cause such thefts as are occurring is unsubstantiated. On the contrary, strong action by the Korean Government and by military police (both United States and Korean) and the Korean civil police forces have kept losses at ports to a minimum.

Charge No. 28: "I would take it (a factfinding mission) to Algeria's grim battle-

fields where planes and tanks earmarked 'for anti-Communist use only' are crushing a strictly local rebellion."

Answer: MAP equipment is provided France under a bilateral Mutual Defense Agreement dated January 27, 1950. Article I of this agreement states in pertinent part:

"2. Each Government undertakes to make effective use of assistance received pursuant to paragraph 1 of this article (a) for the purpose of promoting an integrated defense of the North Atlantic area, and for facilitating the development of defense plans under article 9 of the North Atlantic Treaty, and (b) in accordance with defense plans formulated by the North Atlantic Treaty Organization recommended by the North Atlantic Treaty Defense Committee and Council, and agreed to by the two Governments."

MAP equipment has been delivered to two NATO-committed French divisions stationed in north Africa since 1950. MAP equipment has also been delivered to additional French NATO divisions which were either formed in North Africa or have been sent there from Europe since 1954. Such MAP equipment is intermingled with other equipment of United States origin used by French units in North Africa, some purchased commercially in the United States and some provided under the wartime supply program for the French Army in 1943–46. The bulk of the heavier, more costly MAP items belonging to units deployed to North Africa has, however, remained in French continental depots.

In August 1954, when the French began to deploy army units having MAP equipment from Europe to North Africa, the United States asked for assurances from the French Government that MAP equipment would be used only for the purposes for which it was furnished. The French Government replied that such equipment would "only be used for purposes consistent with the need of the integrated defense of the zone of the North Atlantic."

In November 1954, the United States expressed to the French Government its hope that forces and equipment sent to North Africa would be restored to Europe as soon as possible.

The North Atlantic Council, in a statement issued on March 27, 1956 (in which, of course, the United States concurred) "noted that France has found it necessary, in the interests of her own security, to reinforce the French forces in Algeria, which is part of the North Atlantic Treaty area." (Article 6 of the North Atlantic Treaty defines the NATO area to include the northern departments of Algeria.) The North Atlantic Council also noted the expressed determination of the French Government to restore, as soon as possible, its full contribution toward the common defense in Europe.

On June 28, 1957, in a published letter to Arab Ambassadors, Secretary Dulles made the statement that military assistance is furnished to France "within the framework of cooperative arrangements for mutual defense. It would not be in accordance with the policy of the United States Government or with Free World interests to deny such assistance to France."

The French use of MAP equipment in North Africa is but one aspect of a complex and many-sided problem confronting the United States. On the one hand, the Algerian conflict has imposed a strain on French resources; the deployment of men and materiel to North Africa has seriously impaired France's contribution to NATO and weakened the NATO defense structure; the situation has had a deleterious effect on Western relations with the Arab world, and is providing opportunities for Soviet exploitation.

On the other hand, France's location, resources, and manpower make her a vital element in the NATO alliance. We have continued to provide materiel for French NATO-committed forces so that such equipment will be available for the most rapid possible reconstitution of those forces on the Continent of Europe. The overriding threat is still that of aggression from the Soviets.

The Algerian situation has provoked a grave national problem in France. The United States recognizes that only a lasting solution of the Algerian question will resolve the many problems created by the situation in a manner consistent with United States policies and purposes. United States policy has therefore been to encourage endeavors to find such a solution.

Charge No. 29: (a) Eugene Castle states in his article that the State Department announced that during 1956 and 1957 the Soviet bloc agreed to supply $1.9 billion of military and economic assistance to 10 underdeveloped countries while during the same period the United States allocated only $900 million to these countries. Mr. Castle further states that this announcement is "wholly misleading," saying in his article that the Soviet bloc earmarked—but did not deliver—the major part of this aid, $1.335 billion, to 4 countries: Yugoslavia, Egypt, Syria, and Indonesia. Mr. Castle points out that only 10 to 15 percent of the promised Soviet money has been actually spent in these countries (presumably the 10 countries), appearing to imply that the State Department omitted to mention this fact.

Answer: The State Department announcement to which Mr. Castle refers is probably the background paper on the Soviet bloc economic offensive in underdeveloped areas which was prepared by the Department in January 1958 in response to numerous press inquiries on the subject. Far from attempting to mislead on the subject of Soviet bloc aid, the State Department paper clearly noted that the $1.9 billion of such aid represented firm agreements to provide credit and grants, and not actual expenditures. The paper also clearly noted that it was estimated that as of November 1957 about half of the bloc economic aid had been obligated or covered by specific contracts and that probably only 10 to 15 percent of such economic aid had actually been spent. In the case of bloc military credits, however, which account for a large part of total bloc assistance (some $400 million), the major portion has probably been delivered in the form of weapons and equipment by the U. S. S. R. and Czechoslovakia. The figures used by Mr. Castle are the very same figures used by the State Department in its background paper. It is difficult to see, therefore, where the State Department was misleading in this respect.

A substantial portion of the $1.9 billion in bloc aid agreements, as Mr. Castle points out, was concluded with Yugoslavia, Egypt, Syria, and Indonesia. The State Department paper clearly pointed this out in its listing of the countries receiving bloc aid. To these 4 countries noted by Mr. Castle, however, we would add India and Afghanistan as major recipients of some $300 million and over $160 million, respectively, of bloc aid credits.

Implementation of the Yugoslav credits has fluctuated with the state of relations between the U. S. S. R. and Yugoslavia. When relations deteriorate, the aid slows up. It is estimated that about $350 million of bloc credits to Yugoslavia has been obligated or drawn upon. Bloc arms credits to Egypt and Syria are estimated at some $350 million, the bulk of which has probably been delivered. Bloc economic aid credit agreements with Egypt and Syria were concluded near the end of 1957 and thus far implementation has taken the form of discussions for specific obligations of these economic credits. Such discussions were held in the early months of 1958. Agreements on 12 of the 19 projects included in the $168 million Soviet line of credit to Syria were reported but ratification has been held up by the formation of the UAR. Aziz Sidky, Egyptian Minister of Industry, announced in April that all contracts under the $175 million development credit to Egypt involving 65 projects would be signed by the end of May. Czechoslovakia has begun construction on a petroleum refinery in Syria under a credit of about $10 million. The U. S. S. R. $100 million loan to Indonesia was not ratified by the Indonesian Parliament until February 1958. The U. S. S. R. has already delivered 10 ships, totaling 23,000 tons, against this credit, and substantial quantities of military equipment have also been supplied by the bloc, presumably on credit. Negotiations with the bloc for additional ships are continuing. East Germany has completed a $7.4 million sugar mill and a $1.5 million Czech tire factory is expected to be finished this year, both on credit, while Communist China had begun deliveries of rice and textiles under a $11.2 million credit. The bloc has completed several projects in Afghanistan—e. g., grain silos, a cement plant, road paving in Kabul, a flour mill-bakery complex, etc. More than half of bloc aid to Afghanistan under the $100 million credit has been obligated for specific projects but as yet only a small portion has actually been expended. About $290 million of the bloc credits to India have been obligated or drawn. The Bhilai steel mill now being constructed under two Soviet credits totaling $132.3 million is scheduled to be completed in 1959. Agreements have been reached for five heavy industrial projects to be financed by a $126 million Soviet credit and construction is to begin in 1959.

It should be noted that Sino-Soviet bloc aid has increased measurably, since the period covered by the State Department paper. For example, new aid agreements have been concluded with Ceylon, Yemen, Burma, Indonesia, and Afghanistan. With the exception of Yugoslavia, where performance has dragged, implementation of outstanding agreements has moved ahead on schedules generally satisfactory to the recipient country. (Other data on bloc performance on its aid programs can be found in letter to Senator DIRKSEN from W. K. Scott of ICA, dated January 15, 1958.)

No mention was made in the State Department paper of comparable United States aid to the 10 countries listed.

(b) Mr. Castle states that during the same years of 1956 and 1957 the United States provided nonmilitary aid to the Middle East and Asia amounting to more than $2 billion, or more than 10 times the Soviet payoff.

Answer: The following excerpt, which was incorporated in Mr. Smith's reply to the House Foreign Affairs Committee with reference to a number of criticisms and allegations regarding the MSP, contained a general comparison of the Soviet bloc and United States aid to those Middle East and Asian Free World countries which are recipients of Soviet bloc grants and credits:

The following table shows the estimated value of Sino-Soviet bloc credit and grant economic assistance to Middle East, Asian, and other Free World countries compared with United States Government nonmilitary credits and grants to these countries, on a roughly comparable value and time period basis. Aid from the Sino-Soviet bloc rather than just the U. S. S. R. is given because this assistance is to a great extent coordinated by the U. S. S. R. or made available through satellites as "fronts"; the bulk is from the U. S. S. R. United States aid includes ICA nonmilitary aid (defense support, development assistance, technical cooperation), that portion of Public Law 480, title I, local currency made available for economic development and trade, Public Law 480, title II, assistance, and new Export-Import Bank credits for this period. The calculations are based on the period mid-1955 to January 31, 1958.

Sino-Soviet bloc credit and grant economic aid to Middle East and Asian Free World countries compared with United States economic aid to these countries, mid-1955 to Jan. 31, 1958

[Estimated in millions of dollars]

	Sino-Soviet bloc	United States
Middle East and Asia	1,092	962
Afghanistan	136	47
Burma	42	24
Cambodia	22	96
Ceylon	20	11
Egypt	235	16
India	295	419
Indonesia	109	120
Nepal	13	7
Syria	194	0
Turkey	10	222
Yemen	16	0

The United States, of course, in addition provides substantial assistance to other Free World governments in this area—Pakistan, Korea, Philippines, Taiwan, Vietnam, etc., and the Soviet bloc, in addition, provides substantial assistance to Communist as well as Free World governments in the area—Communist China, North Korea, North Vietnam, etc. It becomes obvious that there are too many differences in the character, scope, and operation of the two aid programs to permit exact comparison in monetary terms in specific areas. There is no doubt that the United States program of aid to Free World countries is much larger on a global basis, but it must be remembered that in certain countries of the Free World, particularly in the Middle East and Asia, Sino-Soviet bloc aid is an important and growing factor, in some countries either approximating or exceeding our own. The central fact is that bloc aid, trade, and technical assistance to less developed countries has become an integral, effective, and growing part of Soviet diplomacy in carrying out its political objective to reduce the influence of the United States and its allies, to disrupt Free World defense alliances, and a increase its own prestige and power.

Question No. 30: The charge has been made that the United States took the initiative in discussions with India concerning loans for the second 5-year plan. Is this correct?

Answer: No.

As originally drawn up, the second 5-year plan required substantial foreign assistance for its completion, and it was known that the Government of India would explore possible sources of external aid. As the need for additional foreign assistance for its plan has become more acute, the Government of India has initiated talks with the IBRD, the United States, and other countries.

The success of the Indian development effort under a Free World orientation continues to be of the greatest importance to United States security interests. The United States has, therefore, been concerned with the progress of India's development program and discussions with the Indian Government have been held in the normal course of diplomatic relations.

Questions Nos. 31 and 32: Is the ICA doing handsprings to get rid of the $300 million included in this year's budget * * * before double this amount is made available for the new fiscal year; has the administration called for the immediate availability of the $625 million which Congress specified in the Mutual Security Act of 1957 could not be spent before the fiscal year 1958; and is the ICA attempting to spend these hundreds of millions far ahead of schedule?

Answer: The charges presumably refer to the $300 million authorized by the Congress to become available for obligation by the Development Loan Fund in fiscal year 1958, and to the $625 million which the Congress authorized for appropriation in fiscal year 1959.

The facts are these:

1. The DLF is a new organization established only this fiscal year by the Congress. Necessarily, therefore, time was required to develop minimal policies and procedures for initiating operations. Its initial funds did not become available until September of last year. The receipt of applications began toward the end of the year. It is reasonable, therefore, to expect the Fund's pace to accelerate as it emerges from its preparatory phase.

2. One of the basic reasons for the establishment of the DLF was the need to place development assistance on a basis which would obviate the need to obligate funds by a given date, say the end of a fiscal year. Congress therefore did not restrict DLF obligations to a particular period of time, in order to relieve the Fund from pressure to obligate its funds hastily. Therefore, the Fund is taking the time necessary to assure that the individual proposals before it are technically and financially sound, economically worthwhile, and reasonably close to implementation before obligating its funds. It is processing the more than $2 billion in proposals before it as rapidly as the facts in each case permit.

3. At the present time, the Development Loan Fund has authorized loans totaling $137 million and approved in principle an additional $25 million. By the end of this fiscal year it is estimated that a total of $220 million will have been authorized for lending and an additional $80 million approved in principle.

The executive branch has at no time requested the immediate availability of the $625 million already authorized in fiscal year 1959, nor is there any intention on the part of the executive branch to spend, as the writer puts it, or obligate this money ahead of schedule. Either course would be unlawful. If Congress appropriates the full $625 million requested, it will not be possible under the law to obligate any part of those funds prior to the beginning of fiscal year 1959.

Charge No. 33: (a) Statement: "Our extreme vulnerability here (India) seems to me to be in the fact that what we are trying to do is unknown to 80 or 85 percent of the population and only known to at the most 15 percent of the population, the political leaders and educated people who manipulate or suppress this knowledge to suit their political motives of the moment. * * * Two facts may be accepted without question: India is determined to socialize or nationalize all industry as soon as possible, and there exist more offers of aid from sources other than the United States than India can possibly assimilate or accept."

Answer: The assertion that the political leaders and educated people of India manipulate or suppress knowledge of the United States aid program is not supported by any evidence.

India, as a democracy, has a free press, which has always carried news stories about United States aid to India. Official Indian Government publications give credit to United States assistance where appropriate. For example, the reports of the Estimates Committee of the Parliament recognize explicitly the role the United States had in helping to initiate the community development program in India. The Explanatory Memorandum on the Budget of the Central Government of India for 1958–59 contains throughout the document notations and references to United States assistance. Prime Minister Nehru, at the general conference of 200 mission personnel November 20, 1957, put it this way:

"We welcome your cooperation here, your assistance, your partnership in this tremendous adventure in India. We are grateful, not only today, but for the last many years, for the assistance in various ways which we have received from the United States."

We would not presume to guess how many people in this nation of almost 400 million people know about the United States aid program. Some 80 percent of the population live in rural and agricultural areas; perhaps 20 percent of the people are literate. We feel certain that some of the programs in which ICA has participated, such as community development and malaria control and eradication, are known to most of the Indian population, literate or not.

(b) Statements: "India is determined to socialize or nationalize all industry as soon as possible. * * *"

"Why do we use the American taxpayers' money to accelerate nationalization of industry in India?"

"The time has passed when they can be converted to private enterprise and all we are buying is a minority interest or liability in a national policy that is ultimately headed for either economic chaos or communism."

Answer: Indian Government industrial policy is not intended to bring about complete socialization of all industry. The private sector is permitted considerable scope for industrial development. For example, while the Government of India is building three steel mills, the private sector steel industry is carrying out its own expansion plans. The loan of foreign exchange provided for this private steel investment by the IBRD was guaranteed by the Government of India. Private sector capacity is being developed in a great number of industries; e. g., aluminum, ferromanganese, cement, industrial machinery, petroleum, and vehicle manufacture. The consumer goods industries are also being developed by the private sector. At the end of the second 5-year plan, the private sector is expected to account for 93–94 percent of all factory output.

United States aid is not promoting socialization of the economy. In fact, in the absence of significant aid, the ensuing economic chaos would be much more likely to cause a significant deterioration in the position of private enterprise, by producing conditions under which communism might succeed in assuming power in India. India has chosen a different economic path than ours. Most countries in the world have chosen to adapt their economic systems on their own lines, which frequently involve a greater degree of government participation in economic enterprise than has been common in the United States. However much the United States might believe in the absolute advantage of the competitive free enterprise system for industry in promoting economic development, the presence or absence of this factor cannot become the sole criterion of whether it is in the United States interest to extend assistance to another country. In short, we provide assistance to free countries not because of the particular way in which their economies are currently organized, but because they are free and because, if we didn't provide this assistance, these nations would be more likely to lose their freedom to communism.

(c) Statement: "There exist more offers of aid from sources other than the United States than India can possibly assimilate or accept."

Answer: There is no basis for this statement. Obviously, India would not be cutting back on its development program—an action prompted by the $1 billion loss in foreign exchange reserves suffered in the past 2 years—if India were being overwhelmed by offers of aid.

Question No. 34: "In the case of Yugoslavia and Poland, our aid dollars are not even buying a minority interest in a liability.

They are actually reducing the liabilities of those who unqualifiedly support the men in the Kremlin and whose avowed purpose was and is to destroy us. Red Dictator Tito and Moscow's Polish puppet Gomulka, both openly boast that they are and will continue to be bedfellows of the men in the Kremlin. Yet, despite the pronouncements and actions of these two avowed Communists, new excuses are being found to pressure both the Congress and the American people into sending more hundreds of millions after the vast sums already wasted.

"Nehru, Tito, and Gomulka, are but three examples of how the American taxpayers could and should be saved hundreds of millions of wasted dollars, and these savings should be made now."

Answer: 1. Yugoslavia:

The economic assistance which we have provided to Yugoslavia under this program in recent years and that which we now propose serves one overriding purpose. It helps Yugoslavia to maintain its independent status. As the first Communist country to assert such independence of the U. S. S. R., Yugoslavia has exercised and continues to exercise an influence in Eastern Europe out of all proportion to its size.

The determination of Yugoslav leaders, moreover, to maintain their independence and to resist Soviet efforts to reassert domination over them has apparently not been shaken. This was demonstrated in November 1957, when the Yugoslavs refused to sign the Moscow declaration of principles issued on the occasion of the 40th anniversary of the Bolshevik revolution. It was demonstrated even more forcefully at the recent Yugoslav Party Congress in Ljubljana, where Tito and his colleagues defied Soviet attacks and a boycott of the meetings to approve a party program which had been sharply criticized as erroneous and inaccurate by Soviet leaders. The basic issue between Yugoslavia and the Soviet Union is of course Yugoslavia's refusal to accept Soviet domination. From this there have evolved, however, some rather liberal reforms (e. g. the breakup of collective farms and the introduction of workers' councils) which have had an influence on the thinking in other Communist countries.

In a word, the essential consideration which motivates our policy with respect to Yugoslavia and the mutual security program is not whether we agree with that country's political and economic philosophy but whether we want it to be able to stay independent.

Yugoslavia, currently engaged in a renewed struggle with the Kremlin, is scheduled to receive some further economic aid in the form of special assistance and a small technical cooperation program in fiscal year 1959. No grant military assistance is proposed. In December, at Yugoslav initiative, further deliveries of military aid were halted, and discussions were undertaken for the termination of the entire grant military assistance program. We do not exclude the possibility of some further sales of military equipment to Yugoslavia, however.

2. Poland: The United States Government believes, in view of the developments in Poland since late 1956, that it is mutually advantageous for the people of the United States and Poland to expand their economic relations. The October 1956 upheaval in Poland attracted world interest to the continuing struggle of the Polish people for freedom and independence. President Eisenhower, in an address before the United Brotherhood of Carpenters and Joiners at Washington on October 23, 1956, spoke of the Poles in the following terms: "A people like the Poles who have once known freedom cannot be for always deprived of their national independence and of their personal liberty." He further stated that our aim is "to help those freedom-loving people who need and want and can profitably use our aid that they may advance in their ability for self-support and may add strength to the security and peace of the Free World."

The United States held talks with Polish representatives in 1957 and 1958 to discuss these economic matters and to consider, in particular, Poland's interest in obtaining United States agricultural commodities in surplus supply. The Polish Government has consistently stated during these discussions that it is not seeking grant aid. The Polish delegations have stressed Poland's desire for an expansion of normal economic relations with the United States, based on such credits and loans as might be available in this country. The United States delegation's objective in its study of the Polish proposals has been to determine ways and means by which the United States could respond and thereby help the Polish people.

The delivery in Poland of the commodities provided under the agreements concluded in 1957 has contributed to the improvement of stocks of grain in Poland as well as to improvement in the supplies of raw materials needed for certain Polish industries. During the recent economic discussions the Polish representatives assured us that the wheat which the United States sold to Poland under the Public Law 480 agreements of last year enabled the Polish Government to make over a 30 percent reduction in compulsory deliveries of grain. Under the recent economic agreement Poland will import an additional 400,000 tons of wheat to help build up Polish grain reserves. Sufficient grain reserves are a prerequisite for a further reduction in compulsory deliveries by the Polish Government. In the February 15, 1958, agreement, $1 million has been set aside for the purchase of canned citrus products under the $25 million line of credit extended Poland and administered by the Export-Import Bank of Washington.

The Polish Government has expressed its desire to make additional purchases in the United States under credit or local currency sales arrangements. The United States Government has indicated its willingness to discuss such additional purchases with the Polish Government at a mutually convenient date.

Question No. 35: Four years ago there were 9,793 persons on the Government's foreign aid payrolls. Today, there are 18,819 employed in our ICA, State and Defense Departments, to give our resources away. Yet Congress reduced the billions for foreign aid spending from $6 billion in 1953 to $3.5 billion for the current fiscal year. With fewer billions to spend, why do we need twice the number of people to spend them?

If the ICA were to cut down on its field programs, reduce the number of bodies serving it in Washington and throughout the world, two things would happen: The rank and scale of pay of the great mass of officials would be dropped one or more grades, and the still greater mob of jobholders would be substantially reduced. Obviously this will never be done voluntarily by thousands of people who have become careerists and paymasters in the disposal of $5 billion annually and who, as a group, never had it so good. Our Chief Executive and those who plead for him insist upon perpetuating and not reducing this wasteful and top-heavy bureaucracy.

Answer: It is true that there has been a sharp increase in personnel concerned with the mutual-security program. This is not because the program needs "twice the number of people to spend * * * fewer billion." It is a measure of the changing character of the program.

The shift in the location of aid programs from Europe to less developed countries has called for increased emphasis on project aid and relatively less emphasis on nonproject aid or commodity import programs. Although amounts of money appropriated have been reduced, the need for personnel has increased. Project type aid and technical assistance require greatly increased technical advice as well as increased United States assistance in the planning and management of projects.

Also missions have been established in several newly developing countries, a larger number of detailed projects have been needed as well as more people to staff them.

The technical cooperation program accounts for approximately 86 percent of ICA's personnel strength but uses approximately 8 percent of total funds available for economic aid. Obligations of technical cooperation funds have continually increased from $113 million in fiscal year 1955 to $129 million in fiscal year 1957. The amount needed for technical cooperation in 1959 again shows an increase. Along with the increase in the amount of technical cooperation funds required has been the increase in the percentage of these funds utilized for the employment of United States personnel. In fiscal year 1954, this percent was 17.9. By 1957, it had increased to 25.

It should be emphasized that the countries in which ongoing programs have been expanded, as well as those in which new programs have been undertaken, tend to be newly developing nations. These do not have enough economists, engineers, and technicians to plan and supervise projects and are short of business facilities to carry on required commercial transactions. Such scarcities make necessary relative larger numbers of ICA staff, as technicians, programers, and auditors. Moreover, there is little or no opportunity to rely on the host country for support activities such as guarding, driving, or maintenance or to procure such services by contract. It simply requires more staff to carry on ICA operations in countries which are only beginning their development programs than it does in countries which have a long history and demonstrated competence in economic development activities.

It is implied that the reduction of field programs bears a direct relationship to reduction in the numbers of personnel required to carry them out. As indicated above, this relationship does not obtain. ICA programs of economic and technical aid are developed jointly with host governments; consequently, the nature of the projects as well as the numbers and types of personnel required to implement them is not something determined entirely by ICA.

The pay scales of ICA personnel are provided for in legislative acts of the Congress. Salaries paid are related to the degree of difficulty of the jobs to be performed and to the level of training and experience of the incumbent and are not dependent upon the size of the ICA organization. ICA attempts to fill the requests of cooperating countries for high-level specialists who are required to demonstrate how the basic wants and needs of the population for food, clothing, and housing can be met. As the country develops and our programs advance ICA attempts to supply assistance in such complex fields as taxation, public administration, engineering services, and the like. Technicians capable of being of real service in these fields must be experienced, mature people. Their salaries do not depend on the numbers of people supervised.

Charge No. 36: (a) "Perhaps too many of us are under the erroneous impression that the Government's perpetual spending for foreign aid is very far away in terms of our own personal economy. But in reality, this is not so. Foreign aid is much closer to our everyday life than most of us realize. Year after year, since the end of the war, our foreign-aid expenditures represented

our deficit financing. Now there are the added dangers of the national debt already revised and the return to a deficit economy. To continue the annual spending of more than $5 billion (which includes our food giveaway of 1 billion annually) will make impossible for many years to come a balanced budget with sufficient surplus to provide tax reduction for millions of middle-bracket Americans, who are sadly in need of such assistance."

(b) "Those who clamor for more foreign aid never mention the fact that our give-away program has already cost us twice as much as all social security benefits, plus aid to the needy, aged, blind, and disabled. And it has cost three times as much as all farm programs since the war and seven times as much as all atomic-energy projects."

(c) "The $70 billion total for foreign-aid spending, which we are now approaching, is the equivalent of one-fourth of our present national debt. The cost of servicing this portion of the debt now approximates $2 billion annually, or one-fourth of the total interest charge. This is a continuing expense."

Answer: (a) The public debt of the United States rose from $252.3 billion on June 30, 1948, to $270.5 billion on June 30, 1957, a net increase of $18.2 billion. It is not possible to attribute any one part of the increase in the public debt to a particular type of expenditure of the Federal Government. It should be observed, however, that during the 3-year period of heavy expenditures in connection with the Korean war, December 1950 to December 1953, the national debt rose from $256.7 billion to $275.2 billion.

(b) The expenditures of the Federal Government for the several programs cited for the period July 1, 1948, through June 30, 1957, are as follows:

	Billion
1. Social security benefits plus aid to the aged, blind, and disabled	$59.2
2. Farm programs	26.4
3. Atomic energy	13.1

The cost of the mutual-security program from April 1948 through June 30, 1957, is as follows:

	Billion
1. Military Assistance (grants)	$20.1
2. Economic Assistance (grants and loans)	22.5
Total	42.6

(c) It is possible to relate mutual security expenditures to total Federal expenditures during the period and then prorate part of the increase to the mutual-security program. During the period from July 1, 1948, through June 30, 1957, total budget expenditures of the Federal Government were $531.1 billion. For the same period, the cost of the mutual-security program (military and economic) was $42.6 billion. On a pro rata basis, the mutual-security program accounts for 8 percent of total Federal Government expenditures. On this basis, about $1.5 billion of the total debt increase of $18.2 billion is accounted for by the mutual-security program.

Mr. DIRKSEN. Mr. President, I think this is a good place to summarize. I shall take only a brief time, because I understand we shall vote on one amendment tonight.

Here is the list:

The No. 1 charge, with respect to the President's second inaugural address, is cataloged as a piece of misinformation.

The NATO meeting significance is described as misinformation on the part of Mr. Castle.

The Marshall plan cost is pegged as an error in his facts.

The charge of misuse of foreign aid money is ascribed as an error in Mr. Castle's facts.

Luxury imports for recipient countries. That is a recognized problem which has not been fully solved.

Public works projects under foreign aid. It is a matter of judgment as to whether they are worth while.

Sexual habits survey in India. That has nothing to do with the mutual security program.

Pensions for Chinese soldiers. That is labeled by ICA as misinformation.

Pakistani fishing industry support. That is wholly a matter of judgment. I think I could make a rather extended statement, Mr. President, about supporting the fishing industry in countries where there is warmth and where there is no refrigeration. The diets are based upon carbohydrates, and the proteins which are derived from the fishing industry could do wonders toward helping ameliorate the poverty and hunger of many people. That is put down as a matter of judgment.

The wheat surplus disposal program affecting Canada. That is not a part of the mutual security program.

The Vietnam military highway. That is described by ICA as an error in Mr. Castle's facts.

The Lebanese wild grass shoots. That is cataloged as misinformation.

Iranian threat to seek Russian help. That is cataloged as misinformation.

The airfields in Afghanistan. That is a question of judgment.

Electronic microscopes for the Philippines. That was an error which has been corrected.

Laos program irregularities. Very freely ICA says this is recognized as a problem and is not fully solved. I took the trouble to read the long articles in the Wall Street Journal on that subject. I am rather unhappy about what is happening in Laos. I recognize the difficulties, and particularly the difficulties in effecting a cure.

No. 17 is the allegation with respect to the highway in Thailand, or ancient Siam. ICA says that is simply misinformation on the part of Mr. Castle.

Dress suits for Grecian undertakers. That is cataloged as fiction.

Baths for Egyptian camel drivers. That is listed as a matter of judgment. The interesting thing about baths for the camel drivers is that I suppose the camel drivers develop a rather unhappy fragrance of their own. There was a water project in Egypt, and somebody suggested, as I recall—we will put all the data in the RECORD—that perhaps for a very small investment a few shower-baths could be provided. The project would not cost much, and it was thought not only the camel drivers but perhaps the camels could get a little sprinkling of water in a country where water is extremely scarce. If one has any doubt, I suggest he travel up and down Egypt sometime. ICA says that project is a matter of judgment. I think it is. But to see a headline, "ICA Builds Baths for Camel Drivers in Egypt" causes one to have visions of oceans of marble to which camel drivers resort to take a bath and to utter their prayers, with sounds from the minaret. It is easy to spread these mistaken concepts abroad.

Airplane rides for Arabs to Mecca. That is a matter of judgment. But the riders paid. ICA says those people paid the commercial rate, as I recall. That is a fact stated in the data I submitted, and asked to have printed in the RECORD. After printing it will look like a very long speech for me. I have gotten out of the habit of making long speeches.

Operatic singers, weightlifters, and jazz bands sent abroad. ICA says that was not an ICA program at all.

The Uyeno black market. That is not a mutual-security program.

Prosperity of the Philippines: That is a matter of judgment. I saw one project there, Mr. President, which I do not dare describe on the Senate floor, I was so incensed when I saw it. There was a certain hilarity about it. It involved the orange and blue "Chic Sales" which are built in the Philippines. You know what a "Chic Sales" is, Mr. President; or, if you do not, I am not going to tell you. That was an engaging business before we got through, but it did not make me very happy.

There has been some waste; there has been some extravagance. Nobody defends such things, but an entire program should not, and cannot, be indicted on the basis of misinformation, fiction, and partial truths, and those who make the charges ought to know better.

Knitting school: That was not a part of the mutual-security program.

Modern-art exhibits: That is cataloged as not a part of the program.

Flower - reproduction survey: Mr. President, about the only hobby I have is raising a few flowers. I plant a seed and wait for the Lord to send sunshine and rain so it will germinate. From such things I get the biggest thrill any human being can get. To coax a rose out of a stalk or a beautiful flower out of a little seed is very gratifying. I think perhaps the flower-reproduction survey might appeal to me. ICA says that is sheer misinformation on Mr. Castle's part.

Korean theft of aid shipments: ICA says Mr. Castle is simply mistaken as to the facts.

Use of military equipment in Algeria: That is a question of judgment. I believe I talked to General Gruenther about that in the headquarters in France, about the time it was happening. A pretty difficult situation arises, Mr. President, when one is up against the gun. A question of judgment is involved. ICA does not dispute it, but everything is done as honorably and as candidly as possible.

Soviet-bloc aid amounts: That is listed as misinformation on Mr. Castle's part by ICA.

The Indian second 5-year plan: ICA says Mr. Castle is wrong about his facts.

Development-loan fund, $300 million: As described, ICA says that is simply a lot of fiction.

ICA spending ahead of schedule: ICA says that is misinformation on Mr. Castle's part.

Indian publicity of United States aid. That is listed as a matter of judgment.

Aid to Poland and Yugoslavia: That is listed as a matter of judgment, and it is,

Mr. President. I remember standing on this floor last year when our very distinguished minority leader took a position contrary to my own, as did the distinguished chairman of the Republican policy committee. That is never a very happy situation, but we differed honorably and we differed honestly as to what should be done. One of the unfortunate things was that I could not tell the whole story to defend a certain position because so many of the facts were at that time confidential. ICA says that items is a matter of judgment, and certainly it is.

Increase in ICA personnel. ICA says Mr. Castle is misinformed.

Cost of foreign aid. ICA says there is an error in Mr. Castle's figures.

That is not a very good score, Mr. President, for a man who writes a magazine article which goes into all sections of the country, which is read and quoted from very freely, and which comes back to the desks of Members of this body in the form of letters.

Before I close this rather sketchy statement, Mr. President, I should like to submit for the RECORD eight other observations relating to other criticisms which have been made, such as the item discovered in Defense Department assets, obviously by the General Accounting Office, in the sum of $363 million, which should not have been there at all. I have the answer. It comes from the Defense Department. I think the entire answer ought to be printed in the RECORD, so I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the question and answer were ordered to be printed in the RECORD, as follows:

Question CD 1: While making a routine check of the Defense Department's assets, Mr. Campbell discovered an item of $363 million that should not have been there at all. It was part of the 1954 military-aid appropriation which had never been used and had never been reappropriated. By rights, it should have reverted to the Treasury, and so Comptroller Campbell vigorously advised the Congress.

Answer: The item referred to arose out of the complex process of implementing section 1311 of the Supplemental Appropriation Act of 1955, which was the first comprehensive statutory definition of a recordable obligation. That act was approved August 26, 1954, almost 2 months after the end of fiscal year 1954. It was made retroactive, however, so as to apply to obligations as of the end of 1954. The item referred to consisted of obligations which were valid according to standards in effect during and at the end of fiscal year 1954 and represented actual obligations and liabilities of the Government, but which did not meet the new standards established by section 1311.

The drafting of regulations implementing section 1311, and securing of Comptroller General approval of these regulations took several months. Obligation accounts for military assistance were brought largely into compliance with section 1311 by the end of fiscal year 1955. Errors, which admittedly affected the 1954 obligation balances, have automatically been removed by the process of disbursement and the application of the new standards in the certification of later obligation balances.

Also the size of unexpended balances in 1954 was in part responsible for executive branch action taken in the summer of 1955 to reduce the request for funds for fiscal year 1956, and reportedly for reductions in funds for fiscal year 1956 made by the Congress. Complete information about unexpended balances, obligated or unobligated, has always been made available to the Congress, and it must be assumed that any error in 1954 obligation accounts has been taken account of in the appropriation of new money. Any lapsing of funds due to the application of more stringent standards in the definition of obligations would simply have required a larger appropriation of new funds, or reappropriation of unobligated funds.

Mr. DIRKSEN. Then there is the Comptroller General's report, which underscored that United States military aid objectives in many allied countries were unrealistic and financially unsound. I have here the opinion of General Twining and others, men of competence and men who were expert in the field. They ought to know what the score is. I prefer to let their answer speak for them and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the question and answer were ordered to be printed in the RECORD, as follows:

Question CD 2: His report underscored that United States military aid objectives in many allied countries were "unrealistic" and financially unsound.

Answer: The objectives to which the Comptroller General's report referred are military force objectives.

Force objectives are the military force levels of allied nations that the United States believes desirable to be developed and maintained to contribute to United States security and the common defense of the Free World. These force objectives do not commit the United States to a specific or even a general amount of military assistance. The degree of support provided through MAP and accomplishment of these force objectives vary, depending on many factors. Force objectives are established upon the recommendation of the Joint Chiefs of Staff and are, at the point of time when they are approved, the most realistic formulation of military objectives that can be made by the executive branch.

General Twining has commented on the allegation that force objectives are "financially infeasible," as follows:

"The present system of establishing force objectives and furnishing support provides for flexibility and is responsive to United States strategic planning. Institution of a system based primarily on fiscal considerations would tend to reverse the latter advantage by making United States strategic planning dependent on assistance rendered Allied Nations to an unwarranted degree." (Hearings on Mutual Security Act of 1958 before the House Foreign Affairs Committee, p. 77.)

Mr. DIRKSEN. The charge is made that the country sent to some allies more weapons than they could use, and failed to "recapture" the weapons for allocation to allies suffering a shortage. The answer is here. Anyone who is interested need only examine the documentation.

I ask unanimous consent that the memorandum on this subject be printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Question CD 3: It further stated that this country sent to some allies more weapons than they could use and failed to "recapture" the weapons for reallocation to allies suffering a shortage.

Answer: The Comptroller General's finding was that "comparatively little equipment which, in the opinion of the United States, is no longer required for the purposes for which it was furnished has been recaptured and redistributed to other recipients." As the Comptroller General pointed out, differences in opinion and standards as to when material is no longer needed for the purposes for which it was furnished, make the recovery process complex. Nevertheless steps have been taken to facilitate and increase recovery of excesses.

DOD has provided policy direction under DOD Directive No. 2110.4, dated December 7, 1956, for redistribution of excess MAP property which has been reported as excess to the MAAG's by the foreign country. This directive calls for increased effort on the part of the MAAG's, clarifies and supersedes a 1953 directive on this subject, and revises and strengthens reporting procedures.

The new programing guidance emphasizes that items will not be programed from supply to fulfill deficiencies in one military department of recipient countries when there are excesses in the same items in other military departments.

Where necessary, consideration will be given to amending existing agreements with MAP recipient countries so that additional information can be obtained on excesses, and to set forth the conditions for its return to United States control.

Mr. DIRKSEN. With respect to question No. 4, the Comptroller General stated that the Army and Air Force had failed to provide adequate accounting and reporting on the supply and delivery of military aid, and it was recommended that our military aid program be put on an austere basis within the demonstrated capability and willingness of the recipients.

Very well. Here is the answer from the military. It will speak for itself. I ask unanimous consent that this memorandum be printed in the RECORD at this point as a part of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Question CD 4: The Comptroller General also stated that the Army and Air Force had failed to provide adequate accounting and reporting on the supply and delivery of military aid and it recommended that our military aid program must be put on an austere basis within the demonstrated capability and willingness of the recipients.

Answer: The Comptroller General has stated that his office's investigations have revealed no evidence of fraud or misappropriation in the administration of the military assistance program. The inadequacy noted in Army and Air Force accounting and reporting procedures related to management control, not to honesty of administration.

The Department of Defense, with General Accounting Office cooperation, is presently studying alternate recommendations to change the point at which transactions are recorded and reported, in order to make reports more useful and accurate. Other recommendations made by a working group established by the Assistant Secretary of Defense (International Security Affairs) have already been adopted. For example, a mechanized supply report is being designed which will eliminate inaccuracies and increase timeliness.

Military assistance is presently conceived on an austere basis. The Comptroller General's statement was that increased efforts should be made to develop annual requirements on an austere basis, to insure that the

program as implemented reflects consistently the conception of it as an austere program. It must be recognized that the military assistance programing process involves consideration of a number of complex factors, political, financial, and economic, as well as military, which concern several agencies. There have been isolated instances when conditions at the time of delivery of military assistance items have differed from what was expected when the program was planned so that deliveries have appeared excessive for an austere program. Such situations have been only temporary, however. Furthermore, improvements in programing procedures and in the collection of information on the basis of which programs are developed, have been made, which reduce the likelihood of such situations, even temporary, in the future.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have various additional memoranda on a number of questions printed in the RECORD at this point as a part of my remarks.

There being no objection, the memoranda were ordered to be printed in the RECORD, as follows:

Question CD 5: The committee reported that military assistance is often granted for political rather than strictly military reasons, i. e., large sums are wasted in order to feed the vanity of some foreign politicians and keep them happy rather than to strengthen the recipient nations.

Answer: The Mutual Security Act provides that "it is the purpose of this chapter to authorize measures in the common defense, including the furnishing of military assistance to friendly nations and international organizations in order to promote the foreign policy, security, and general welfare of the United States and to facilitate the effective participation of such nations in arrangements for individual and collective self defense." Therefore, in order to promote United States foreign policy objectives diplomatic and political considerations are taken into account in all military-assistance planning. This does not mean that these considerations often dominate and outweigh military considerations, or that countries get arms which might not be able to furnish a single soldier for the Free-World cause. It does mean that in certain special cases military aid may be furnished to a country even though its military forces do not play a significant part in United States strategic planning.

It has occasionally been necessary to provide some support for forces not considered essential by the United States in order to accomplish certain political objectives which override strictly military considerations. Support which has been provided primarily for political reasons has been the result of commitments made on a government-to-government level through diplomatic channels.

Question CD 6: Planes, it was cited, are delivered without anyone to fly them, motor vehicles without gasoline to run them.

Answer: Military assistance programs are based upon joint planning by the United States and recipient countries. Such planning involves the phasing of United States delivery schedules with recipient country activities, such as training, required to make immediate use of equipment delivered. In some cases plans made in good faith fail to materialize, and a temporary excess of United States deliveries may result.

For example, in Japan, aircraft were scheduled many months in advance of the projected dates of shipment to coincide with the planned pilot training program. Due to slippage in the country's pilot-training program, it was found necessary to place the aircraft in storage. Since it was more economical to store them in Japan at that country's expense rather than to store them in the United States, the aircraft were shipped to Japan. As the necessary pilots are trained, the aircraft will be put to the use intended.

The basis of the allegation that motor vehicles are delivered without gasoline to run them is not known. However, POL shortages have been a very real, although temporary, problem in many countries that do not have sufficient resources to maintain their own forces without the benefit of outside assistance. Where such deficiencies exist, we work with our allies to correct such shortages in order to bring their forces to optimum effectiveness. In some instances, this may require United States grant-aid assistance for POL, while in other cases it may require increased amounts budgeted for POL products by the recipient country.

Question CD 7: The United States was charged for rental of $112 million worth of machine tools we had given to Great Britain.

Answer: A joint Defense-State-General Accounting Office staff group was established to study the above matter as well as the general question of no profits and visited Europe during the period January 15 to February 9, 1958. In its report it was recommended that the United States Commander in Chief, Europe, pursue with the United Kingdom Government the assessment of past charges for machine-tool rentals included in offshore-procurement contract prices.

Apart from, but generally associated with, the no-profits subject, the question arose as to the propriety of allowing, as an element of cost in contracts with private corporations, charges for payment to foreign governments for the rental of Government-owned machine tools originally provided by the United States under an earlier aid program. This is a significant problem only in the United Kingdom. Such charges are consistent with United Kingdom Government accounting practice with respect to all Government-owned machine tools, regardless of source. The United Kingdom Government has agreed to exclude such charges from all future contracts and to examine the feasibility of determining the amount of such charges in past contracts. The study group found that United States commander in chief, European Command, is actively participating with the United Kingdom Government in this examination and concluded that the action taken by commander in chief, European Command, to date is sound and should be continued.

(The above is set forth in the 22d report by the Committee on Government Operations, H. Rept. No. 1610, dated April 16, 1958.)

Question CD 8: The committee learned that a given country may receive arms funds even though it may not be able to furnish a single soldier or jet pilot should war come.

Answer: No country receives arms funds under the military assistance program. Funds are spent by the United States Government, mostly in the United States, to purchase materiel or pay for services, which are furnished in kind to military assistance recipients. All such recipients have agreed and are able to use the assistance furnished to strengthen the collective security of the Free World. In no case has equipment been provided without the assurance that it will be used for the purpose for which intended.

Mr. DIRKSEN. Mr. President, I conclude these remarks pretty much as I began. We honored the Unknown Soldier of World War II and the Unknown Soldier of the Korean conflict in the rotunda. Hundreds of thousands of our fellow citizens paid homage to their memory for the sacrifices they made for the Republic.

Included among those hundreds of thousands were many fine young Americans. In line with my puzzling over the question, who could help but wonder whether one of them might become the fourth Unknown Soldier. There is upon this generation a tremendous responsibility to leave nothing undone within the realm of reason to make sure that such awful things do not recur.

We hope that the three Unknown Soldiers who sleep in peace on the hill overlooking the Potomac may not have to be joined by a fourth young American in our generation or some subsequent generation. To prevent such an event, we must reexamine every component of our strength. Not the least of those components are those who are willing to associate with us, who are willing to offer their manpower if we are willing to contribute a little of that with which the Lord has blessed this country, to put weapons in their hands. It is not asking too much.

This Chamber will fairly resound with discussion to the effect that thus far we have spent $54.8 billion on this program in 10 years. That would average about $5½ billion a year. In the last year of World War II, when I was a member of the House Appropriations Committee—and the RECORD will bear me out—we appropriated $114 billion to prosecute that conflict. One hundred fourteen billion dollars is twice as much as the entire cost of the foreign-aid program for a 10-year period. We appropriated twice as much in a single year for weapons of destruction as we have spent on this program.

If, within the frame of that equation, there are those who think that money was misspent, I have no answer. I have been criticized freely. I have been maligned, and nearly every condign implication has been flung at me at one time or another. It has been said that I have changed my mind, that I have "weaseled." It may be so. But Mr. President, I have never weasled and I have never changed my mind with respect to one thing, and that is a conviction and a principle which I brought to Washington in 1933. I have neither forsaken nor abandoned it since that time.

I refer to my devotion to an ultimate cause, the cause of peace, the ultimate cause which I think we must finally achieve through a reconstruction of individual thinking in order to create a new social order in the world. Pending that happy result, we should maintain our strength, because it begets respect; and in that framework of respect we should have associated with us some peoples on the perimeter of freedom who are willing to offer their young men if we will spend money for and send them some weapons. It is not too much to ask.

If we put the question up to the American father, the American mother, the American wife, the American sweetheart, or the American young man whose life must necessarily be completely distorted if he must go into uniform and be hauled to some far off battlefield if we should be embroiled in a conflict—which God forbid—I think they will understand on which side of the equation to stand.

Mr. President, I expect to support the bill. I do not know about the amend-

ments. I understand there will be about 25 amendments. Perhaps not all of them will be offered. I shall evaluate every one of them from the standpoint of whether or not it would continue to make this a program devoted to the security and survival of this, the greatest, finest, freest Republic on God's footstool. If the amendments meet that test, I am ready to support them. If they do not, I am ready to stand up and oppose them, and vote to defeat them.

With that, I yield the floor.

The PRESIDING OFFICER (Mr. CLARK in the chair). With respect to House bill 12181, the unfinished business, the question is on agreeing to the committee amendment, which strikes out everything after the enacting clause and inserts a substitute.

Under the Senate precedents the substitute is considered, for the purpose of amendment, as the original text. Therefore any amendment thereto is in the first degree, and is therefore itself subject to amendment.

Mr. PROXMIRE obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. PROXMIRE. I yield.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. In order to make sure that we be sure what will be included, it is my understanding that the committee amendment is regarded, for purposes of amendment, as original text, so that any amendment to it will be in the first degree.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. DIRKSEN. Is my understanding correct, that the new language includes the Kennedy amendment?

The PRESIDING OFFICER. It includes everything that is in the committee amendment; and the Chair is not advised as to whether or not the Kennedy amendment is in the committee amendment. The Chair understands that it is.

Mr. DIRKSEN. I understand that it is in the committee amendment.

Mr. President, I should like to reserve decision on this question until those who have a particular interest in it, including our distinguished minority leader [Mr. KNOWLAND] and the Senator from New Hampshire [Mr. BRIDGES] can be present. They have indicated to me that they would not care particularly to consent to the committee amendment until they had a better understanding of what was intended with respect to the Kennedy amendment. I understand that it can be stricken by amendment.

The PRESIDING OFFICER. It is the understanding of the Chair that at this point nothing has been agreed to. At the suggestion of the Parliamentarian the Chair made the preceding statement to clarify the parliamentary status.

Mr. DIRKSEN. I thought we were being asked to agree to the committee amendment.

The PRESIDING OFFICER. The Chair is putting no question to the Senate at this time; but since an amendment is about to be offered by the Senator from Wisconsin [Mr. PROXMIRE], it seemed advisable to the Parliamentarian and the Chair that the exact parliamentary status should be stated by the Chair.

Mr. PROXMIRE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 34, beginning with line 12, it is proposed to strike out down through line 21 and insert in lieu thereof the following:

SEC. 3. Title I, chapter 1, of the Mutual Security Act of 1954, as amended, which relates to military assistance, is further amended as follows:

(a) Strike out subsection (a) of section 103 and insert in lieu thereof the following:

"(a) There are hereby authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended."

(b) Add the following new sentences to section 105 (b) (4): "The President annually shall review such findings and shall determine whether military assistance is necessary. Internal security requirements shall not normally be the basis for military assistance programs to American republics."

On page 34, beginning with line 22, it is proposed to strike out down through line 2 on page 35 and insert in lieu thereof the following:

SEC. 4. Title I, chapter 3 of the Mutual Security Act of 1954, as amended, which relates to defense support, is further amended by striking out subsection (b) of section 131 and substituting the following:

"(b) There are hereby authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended."

Mr. McNAMARA. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. McNAMARA. I suggest the absence of a quorum. It is my intention to have a live quorum call.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Michigan for the purpose of suggesting the absence of a quorum?

Mr. PROXMIRE. I yield for that purpose.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Ervin	Lausche
Allott	Frear	Magnuson
Beall	Gore	Malone
Bennett	Green	Mansfield
Bible	Hayden	Martin, Iowa
Bridges	Hennings	Martin, Pa.
Bush	Hickenlooper	McClellan
Byrd	Hill	McNamara
Capehart	Holland	Monroney
Carlson	Humphrey	Morton
Carroll	Jackson	Mundt
Case, N. J.	Javits	Neuberger
Case, S. Dak.	Jenner	Pastore
Clark	Johnson, Tex.	Payne
Cooper	Johnston, S. C.	Proxmire
Cotton	Jordan	Purtell
Dirksen	Kefauver	Revercomb
Douglas	Kennedy	Robertson
Dworshak	Knowland	Saltonstall
Eastland	Kuchel	Schoeppel
Ellender	Langer	Smathers
Smith, Maine	Symington	Williams
Smith, N. J.	Talmadge	Yarborough
Sparkman	Thurmond	
Stennis	Watkins	

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Michigan [Mr. POTTER], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Maryland [Mr. BUTLER] and the Senator from Nebraska [Mr. CURTIS] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. PROXMIRE. Mr. President, at this time I wish to make a brief statement in regard to my amendment which is lettered "B."

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. As I understand, the distinguished Senator from Wisconsin desires to have the yeas and nays ordered on the question of agreeing to his amendment.

Mr. PROXMIRE. I do.

Mr. JOHNSON of Texas. Will the Senator from Wisconsin ask for the yeas and nays now, so that all Senators may be on notice?

Mr. PROXMIRE. Yes.

Mr. President, on the question of agreeing to my amendment lettered "B," I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. Let me inquire how long the distinguished Senator from Wisconsin expects to discuss the amendment.

Mr. PROXMIRE. For less than 10 minutes.

Mr. JOHNSON of Texas. Very well.

Mr. President, I ask all Senators to be on notice that at the conclusion of the discussion of the amendment, there will be a yea-and-nay vote on the question of agreeing to it; and we hope the vote will be reached at a reasonably early hour.

Mr. PROXMIRE. Mr. President, the amendment was offered in the Foreign Relations Committee by the distinguished Senator from Montana [Mr. MANSFIELD] and the distinguished Senator from Minnesota [Mr. HUMPHREY].

A similar amendment was offered last year and was accepted by the Foreign Relations Committee and adopted by the Senate, but failed of adoption in the House.

What the amendment does is to place military assistance and defense support

under the Defense budget. The amendment does not affect in substance the foreign aid program or the mutual security program. However, it seems to me this change is extremely important for the future of our military assistance program and for economic aid, too.

First, I should like to establish the fact that this amendment is desired by the administration. I quote first the Secretary of Defense, Mr. McElroy, in reply to a question asked by the Senator from Arkansas [Mr. FULBRIGHT]. The Senator from Arkansas asked the following question:

> Last year the administration asked for continuing authorization for military assistance and defense support so that appropriations could be included in a separate title of the Department of Defense appropriations bill.
>
> No such request was made this year. What led the administration to change its mind on this point?
>
> Secretary MCELROY. I do not believe that the administration changed its mind. This is a matter of tactics. It was proposed last year. We would favor it now. But since it was turned down last year, it seemed to us not appropriate to raise the question again. It seemed to be simply raising time after time a question which presumably the Congress had settled contrary to the administration view. We would say again, however, Senator, that this is of sufficiently vital importance in our judgment in our overall military position around the world that we would be very glad in the Department of Defense to include it in the Defense budget, and to defend it as part of that budget.

In the second place, the distinguished Secretary of State, John Foster Dulles, also thinks this amendment should be approved. I will quote the reply which Secretary Dulles made to the question of the Senator from New Jersey [Mr. SMITH]. The Senator from New Jersey asked this question:

> Mr. Dulles, when Secretary McElroy was here, he testified that he would favor a continuing authorization for military assistance and defense support, as was requested by the administration last year. The administration did not renew that request this year. Was that because there was opposition to it last year in the Congress?
>
> Secretary DULLES. It was because, Senator, there was opposition, and that opposition seemed to be so formidable that it was something to which the administration felt it had to pay heed because it did not seem likely that the views which prevailed last year would change this year.
>
> Personally, I think that at least the item of military assistance had better be under a continuing authorization in the Defense budget, but there seemed to be such opposition to that that we did not attempt to ask for it again this year.

My final witness is Mr. Dillon, of the Defense Department, who made this statement:

> The military-assistance program here is a direct part—is directly connected with the budget of the Department of Defense. We feel it is an integral part of their budget, at least of their planning, and if they do not have these funds, they would have to make other provisions which would be much more expensive in their own military planning.

Furthermore, the Committee on Foreign Relations, in its own very excellent report on the bill, justifies, in very large part, the two-thirds of the Mutual Security Act that constitutes military assistance and defense support strictly on the basis of its military value.

It seems to me the arguments which have been made by the Senator from Illinois [Mr. DIRKSEN] and the Senator from Minnesota [Mr. HUMPHREY], as well as by other Senators, in support of foreign aid have in very large part boiled down to the enormous importance of such aid to the defense of this country.

It certainly is more honest to the American people if we tell them that is the purpose of military assistance, and that is the purpose of defense support, which, of course, is essential if we are going to have military assistance. Also, it puts our foreign economic aid into proper dimensions. There is virtually a $4 billion request from the administration, and $1,300 million of that request is really for economic assistance. I believe the American people can understand that. I think they are confused by a most unfortunate bookkeeping system which is in effect in our foreign aid program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I commend the Senator for offering the amendment, which I think is a good one, and which I think should be adopted.

As the Senator has pointed out, in the testimony given by Secretary of State Dulles, Secretary of Defense McElroy, and Deputy Under Secretary for Economic Affairs, Mr. Douglas Dillon, they all said, when asked the question, it ought to be in the Defense budget. The Senate last year thought it should be; but because of opposition on the part of the House to the Senate action, it was felt unwise at this time to press the issue.

As the Senator has pointed out, 2 years ago 85 percent of the entire foreign-aid program was in military aid and defense support. This year I think the figure, on the basis of the administration request, is 67 percent of the entire foreign-aid request. I think it would be a good thing for the country if the people really understood what foreign aid is; that 67 percent of the appropriation goes into the field of military aid and defense support, and that the other 33 percent goes into economic aid and aid related to things economical. If we could get military aid and defense support into the Department of Defense, and all the rest of the foreign-aid program into the Department of State, and liquidate ICA, I think we would be doing the administration a favor. We would have a better and more efficient and more businesslike operation, and we would have military aid and defense support where it belongs, and economic assistance in the State Department, where it belongs.

At the same time we would get rid of an agency for which I do not think there is any need. These two factors, the economic and military factors, can, should, and must be administered respectively—if not this year, certainly eventually—by the Department of Defense and the Department of State.

I want the Senator to know I am in wholehearted accord with his proposal, and I intend to support it.

Mr. PROXMIRE. I thank the Senator from Montana.

The PRESIDING OFFICER. Let the Senate be in order, so that the Senator from Wisconsin may be heard.

Mr. PROXMIRE. I thank the Senator from Montana, who is such an outstanding expert on foreign relations and who has had such an extensive opportunity to judge how the program can best be administered.

The Department of Defense is indeed more competent to judge the military aspects of the program. This is a military program. It involves tanks and planes. It involves the paying of soldiers, in some cases in foreign countries. It is a military program and not a program for our State Department.

Furthermore, the Department of Defense is certainly in a far better position to defend the program on the basis on which it seems to me it should be defended; that is, as a program in the interest of the defense of America.

I should like to say, finally, the Defense Department should be made to justify the program in terms of its own needs. There have been some very eloquent and persuasive statements made by the distinguished Senator from Illinois [Mr. DIRKSEN] about how much less expensive it is to have a soldier from South Korea or from some other allied country help to defend us. I think that is correct, but I believe it is an evaluation which cannot be made by people in the State Department, no matter how competent. That evaluation must be made by a military expert.

I should also like to point out that such a procedure would permit foreign aid to be defended as it should be defended. It seems to me we would thereby eliminate much of the accusation against the foreign aid program to the effect that it is a giveaway program, that we are "Uncle Sap" or "Uncle Sugar." It would then be possible for us to have the kind of foreign aid program we need.

So far as the future is concerned, Mr. President, it seems to me we are considering an extremely important amendment. The amendment would not change the substance of the bill at all. The amendment would simply make it far easier in the future to defend the foreign aid program as it should be defended, on its merits.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from North Dakota.

Mr. LANGER. I am anxious to know who is opposed to the amendment.

Mr. PROXMIRE. I am sure before we finish the opponents to the amendment will be heard. I do not know of anyone in the administration or of anyone in private life who has said he would oppose the amendment. I am sure the opponents of the amendment will be heard in the next few minutes.

Mr. LANGER. In the testimony, which the Senator has before him, was any opposition demonstrated?

Mr. PROXMIRE. I could find no opposition set forth in the hearings.

Mr. MORTON and Mr. CARROLL addressed the Chair.

Mr. PROXMIRE. I yield first to the Senator from Kentucky.

Mr. MORTON. Mr. President, I would normally be inclined to follow the committee recommendation in such a matter. In 1954 I started this program in the Department of State and worked for it unsuccessfully during the remainder of my tour of duty, in which time I had some responsibility for putting the program through the Congress.

I shall support the amendment of the Senator from Wisconsin. I am sorry the matter was not worked out in committee. I feel such an approach is long overdue. I think it is the only way properly to present the whole picture to the American people.

All of us know that when we go home we hear people talk about $4 billion worth of foreign aid when actually, as the Senator from Montana [Mr. MANSFIELD] has pointed out, some $2.8 billion of the money is military assistance, which is primarily in the interest of defending the United States. That is a significant point we must make plain to the American people, who should understand it.

I want the Senator from Wisconsin to know I shall support his amendment.

Mr. PROXMIRE. I thank the Senator from Kentucky; and I yield the floor, Mr. President.

Mr. CARROLL. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I have yielded the floor.

Mr. CAPEHART. Mr. President, I have been advocating in substance such legislation as this for a number of years. During the past 2 or 3 years I offered a similar provision as an amendment in the Committee on Foreign Relations. I am a firm believer in the idea that military appropriations and military assistance, whether to be used in the United States or on foreign soil, should be handled by the military. The money ought to be appropriated to the military services. The military services ought to be held responsible for the expenditure of the money.

A year ago the administration was in favor of such a proposal. I did not offer the amendment in the committee this year for the reason that the administration did not advocate it. If I remember correctly, the administration did not necessarily oppose the provision, but simply did not advocate it, on the ground that the Congress turned down the request last year. I believe my memory is correct in that respect.

I feel that a much better administration will be had and that we will all be much better off if we permit the military to handle the military affairs of this Nation, of course under the supervision of the President and of the Secretary of State. The President is the Commander in Chief, and the military take their orders from the Secretary of State in respect to those matters which have to do with his office, under the Constitution of the United States. I have been a firm believer in this sort of procedure for many, many years.

There is one thing I do not quite understand about the amendment, but perhaps it can be cleared up in conference or later. I refer to this provision:

> There are hereby authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums shall remain available until expended.

I think we normally prefer to appropriate specific sums for the military, and not use the phraseology "sums as may be necessary." I think we always have set forth specific amounts. I do not quite understand that portion of the amendment, but I am hopeful it is all right as it is written, and that if it is not the language can be perfected in conference. I would much prefer to appropriate specific amounts to the military, rather than to have the amount left open as it is by the amendment.

Mr. GREEN. Mr. President, the amendment offered by the junior Senator from Wisconsin brings up a subject which is familiar to this body. Last year in the mutual-security bill the committee recommended, and the Senate approved, a much less drastic amendment to the Mutual Security Act on this subject. That provision called for a 2-year authorization for appropriation for both military assistance and defense support. However, the amendment was defeated in the House of Representatives. I see little purpose to be served by asking the House to accept a much more drastic amendment on this subject now.

An amendment identical with this one was considered at length during the committee's markup of this bill and was rejected. The committee rejected the amendment for the following reasons:

First, the amendment would authorize unlimited appropriations for military assistance and defense support. The committee believes that annual review of the amounts for such programs by committees charged with foreign-policy responsibility is necessary for the program.

Second, the amendment would make permanent authorizations for appropriations for military assistance and defense support. The committee feels strongly that the question of the continuation of these programs should be restudied annually.

Third, the amendment would eliminate the annual opportunity for the Committee on Foreign Relations to ascertain the effectiveness of these two military segments of the mutual-security program and the proportionate effort which this country should put into the military part of the program compared with the nonmilitary part.

Finally, Mr. President, the amendment would result in the weakening of the power of the Secretary of State to insure that the conduct of our military programs overseas is consistent with the foreign policy objectives of the United States.

Mr. President, these are the reasons why the Committee on Foreign Relations has already rejected this amendment, and I have restated them in the hope that the Senate will also reject the amendment.

Mr. MANSFIELD. Mr. President, I appreciate the arguments made by the distinguished chairman of the Foreign Relations Committee, but I reiterate for the RECORD that this particular proposal was passed upon by the Senate last year. It was reported unanimously by the Foreign Relations Committee, and, as I recall, was unanimously agreed to by the Senate.

The question has been raised that last year the House Foreign Affairs Committee was responsible for killing this proposal. I should like to read from the House committee report on the Mutual Security Act of 1958, the measure which is now under consideration. I read from page 14:

> VII. SEPARATION OF MILITARY FROM ECONOMIC ASSISTANCE
>
> Although the bill reported includes authorizations for both military and economic assistance, the committee questions whether the practice of including the provision of military aid in the same legislation as that providing economic assistance and technical cooperation should be continued in the future. The supplying of arms and military equipment to our allies is based on considerations and involves decisions which differ in important respects from those relating to providing aid to underdeveloped nations. The separation of the program into its two major components should facilitate an informed evaluation by the public and the Congress of the different elements of the program. It is argued that the linking of economic aid and technical cooperation with a military program detracts from the effectiveness of our nonmilitary operations in certain areas.
>
> The committee recommends that the Executive initiate a new study of the question of bringing in separate bills for military aid to foreign nations and for economic assistance. There are difficult technical problems as well as policy considerations involved. In anticipation of further recommendations on this subject, the committee contemplates an independent examination of the issues and problems involved.
>
> As a step in the direction here recommended, the committee this year has changed the title headings of the act in order to separate more clearly the provisions dealing with military assistance from those dealing with economic assistance.

Mr. President, as the distinguished Senator from Wisconsin, the author of the amendment, has stated, on the basis of questions raised in the Foreign Relations Committee, Secretary of Defense McElroy, Secretary of State Dulles, and Under Secretary of State for Economic Affairs, Douglas Dillon, have all indicated their approval of and their interest in this provision.

As I recall, the Senate voted $300,000 to the Senate Foreign Relations Committee 2½ years ago to undertake an investigation of the aid program. One of the recommendations of the committee was the separation of military aid and defense support from the economic aspects of the foreign aid program. This the Senate, both in committee and on the floor, tried to accomplish, but, of course, the provision was knocked out last year because of action by the House.

I think this is a vital and necessary amendment. I express the hope that it will be agreed to. At the present time 99 percent of the administration of the

military assistance and defense support program is directly in the hands of the Defense Department itself. There is a little policy guidance from the director of the ICA, and I assume, now, from the Deputy Under Secretary of State for Economic Affairs.

When we go home to explain foreign aid to our constituents, they have the idea that this is economic foreign aid, and it is difficult, as the Senator from Kentucky has said, to get across to them the idea that for a good many years 85 percent of the entire foreign aid programs was in the field of military assistance and defense support. This year 67 percent of the entire appropriation asked is in the field of military assistance and defense support.

I hope that not only will the Senate accept this particular amendment, but at the same time take two further steps. The second step would be to transfer to the Department of State the remainder of the program; and the third step would be to liquidate ICA, so that the two departments charged with administration of foreign policy and defense matters would have direct and unchallenged control of these programs, which are vital, which are needed, and which I think should be considered on the basis of their own merits, and not on the basis of being intertwined, as they are at the present time.

Mr. KENNEDY. Mr. President, I rise to oppose the amendment as it is now worded. I would see no objection to placing the military hardware under the control of and within the appropriations of the Department of Defense; but I believe it would be a mistake to place in the Defense Department both the military assistance and defense support program and the program for economic assistance to the country with which we happen to have a military alliance, eliminating any control by the ICA and the Department of State. In the future neither the Foreign Relations Committee, which has direct responsibility in this field, nor the Armed Services Committee, would have anything to say about continuing appropriations for hardware items and defense support. Those subjects would come directly before the Appropriations Committee. I think such a course would involve a great loss of important influence on the part of those responsible for the administration of the programs, but it would also result in a great weakening of the power of the Secretary of State.

With respect to foreign policy, the hand of the Secretary of State is strengthened if he is able to deal directly with Spain or Iran in administering these programs, instead of having them handled by the Department of Defense. Strengthening the hand of the Secretary of State influences the policy of those countries.

I should be glad to see the amendment changed so that the actual hardware would come under the Secretary of Defense. That is dealt with by the language on the first page of the amendment.

I believe that the language on the second page of the amendment is already in the bill. The language on page 2 of the amendment is the same as the language which is found on page 34 of the bill, beginning in line 17, and including section 4, dealing with defense support, which includes surplus agricultural commodities, raw materials, fuel, machinery and equipment, other industrial commodities, and cash transactions. To place such programs under the Department of Defense, and not under the ICA and the Department of State would be a mistake.

I wonder if the Senator from Wisconsin would accept an amendment to strike out the language on page 2, retaining the language on page 1, placing the actual hardware under the Department of Defense, and not under the Secretary of State.

The PRESIDING OFFICER. The Chair rules that inasmuch as the yeas and nays have been ordered——

Mr. KENNEDY. Mr. President, I ask unanimous consent that such an amendment be considered.

The PRESIDING OFFICER. The Chair rules that the Senator from Wisconsin may modify his own amendment by unanimous consent. He may request unanimous consent for modification of his own amendment, if he so desires.

Mr. PROXMIRE. Mr. President, I feel very strongly that the amendment as it is written is the amendment which should be adopted. Because I feel that defense support is still a part of our defense effort, and is required only because we have the military hardware, and because that program is completely justifiable as an adjunct of the military department, I think the case for having the defense support program administered by the Department of Defense is very strong.

However, I recognize the very deep understanding, wisdom, and sincerity of the distinguished Senator from Massachusetts. I think it is important that we get something out of this effort. Therefore, with extreme reluctance, I ask unanimous consent to modify my amendment by striking out section 4, which embraces lines 10 to 17 on page 2 of the amendment.

The PRESIDING OFFICER. The Senator from Wisconsin will have to clarify the amendment he desires to propose, so that the Chair may put the question on the unanimous-consent request to the Senate.

Mr. CAPEHART rose.

Mr. PROXMIRE. Perhaps the Senator from Indiana will object.

Mr. CAPEHART. Mr. President, I object to the unanimous-consent request.

Mr. MANSFIELD. Vote!

Mr. COOPER. Mr. President, may I ask a question of a member of the committee?

Mr. KENNEDY. I shall be glad to yield to the Senator from Kentucky.

Mr. COOPER. Was this amendment considered by the committee?

Mr. KENNEDY. It was.

Mr. COOPER. What was the position of the Department of State?

Mr. KENNEDY. The committee took a position in opposition to the amendment which was offered in a similar form by the Senator from Montana [Mr. MANSFIELD]. I do not know what the position of the Department of State was.

Mr. CAPEHART. Mr. President, may I answer that question?

Mr. COOPER. Yes.

Mr. CAPEHART. They took no position. They were not asked for any statement; neither were they opposed to it. A year ago they had asked for the same thing the Senator from Wisconsin is now advocating.

Mr. MANSFIELD. They took no position, but the Secretary of Defense, Mr. McElroy, the Secretary of State, Mr. Dulles, and the Deputy Under Secretary for Economic Affairs, C. Douglas Dillon, indicated approval of the amendment and said in so many words that the reason they did not ask for it this year was because of the action of the House last year.

Mr. CAPEHART. That is correct.

Mr. COOPER. Would the adoption of the amendment in any way limit the powers of the Secretary of State in exercising his role in foreign affairs?

Mr. MANSFIELD. In my opinion, it would not, because, as I said before, at the present time the Department of Defense is exercising at least 99 percent control and management of the program, with a little guidance from the Deputy Under Secretary of State for Economic Affairs or from Mr. Smith, the Director of the ICA.

Mr. COOPER. If the amendment were adopted, would it mean that the Department of Defense would have exclusive control over matters which relate to military aid programs in foreign countries?

Mr. MANSFIELD. Yes, indeed, because they have that almost at the present time, to the extent of 99 percent. They told us year in and year out that when they spend in this way $1, it is the equivalent of $6 spent from our own defense budget.

Mr. COOPER. If an issue arose—as undoubtedly it would, regarding military aid—which bore on the foreign policy of the United States, and the relations of the United States with another country, would the Secretary of Defense or the Secretary of State have final and conclusive jurisdiction?

Mr. MANSFIELD. The Secretary of Defense would have the general say and, in my opinion, the Secretary of State would have the final say.

Mr. COOPER. Will the Senator say today, without question, that the Secretary of State would have the final decision?

Mr. MANSFIELD. I am loath to make any answer with the expression "without question" in it. However, certainly under our Constitution the Secretary of State, as the personal agent of the President, is charged with the conduct of our foreign policy. In my opinion in a matter of the kind we are discussing, insofar as it affected foreign policy—and certainly this does—the final say would be lodged in the Secretary of State. I see on the floor the junior Senator from Kentucky [Mr. MORTON]. He has served in the Department of State, and has had long experience in this field. I believe he would be better qualified to answer the Senator's question.

Mr. COOPER. The Constitution, of course, provides that the President shall conduct the foreign policy of the country, and the Secretary of State is the President's agent. Therefore it seems to me that whatever the result on this amendment, the Secretary of State has the final say and judgment. However I believe the amendment, if adopted, would increase the influence of the military in the conduct of foreign relations, and in practice limit the powers of the Secretary of State.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. COOPER. That is the issue which worries me. My colleague from Kentucky served in the State Department, and I have the highest regard for his judgment. However, I am worried about this matter.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KNOWLAND. I should like to say to the distinguished Senator from Kentucky that, as I understand the situation, the subject was before the Committee on Foreign Relations. I am personally supporting the position of the distinguished Chairman of the Committee on Foreign Relations, for several reasons. In the first place, I believe the amendment would have a tendency to do what the Senator from Kentucky feels it would; namely, at least throw some doubt—and there may be some honest difference of opinion on this point—on the question of jurisdiction.

Secondly, for the reason stated by the Senator from Massachusetts [Mr. KENNEDY], it would tend to remove from the Committee on Foreign Relations and from the Committee on Armed Services an annual review of the program. I believe Congress itself should have such right of review. For these reasons I shall vote against the amendment and support the position of the distinguished Senator from Rhode Island [Mr. GREEN.]

Mr. MORTON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MORTON. As a practical matter, there is a real relationship between the Departments of State and Defense in the formation and implementation of this entire program, as my colleague well knows. Many of the decisions which are made in this field are made at the Security Council level, of course. I believe it should be the primary function of the Secretary of State. I do not want to see the influence of the military increased in this area, although they must have a substantial influence in it. I would hope that the balance could be maintained as it is now, in connection with the responsibility of the two. The reason I favor such a program is that I believe we would get the whole subject into a much clearer light for the benefit of the people of the country, and I believe it would be to the benefit of the program. For that reason I have favored some such plan, and I did so when I was in the Department of State.

Mr. COOPER. I appreciate the remarks of my colleague, and friend. Without having had a chance to hear a discussion of the subject in the committee, however, there are several points which concern me. One is the question I raised a few moments ago and which the minority leader has also raised. While the constitutional power to conduct foreign relations is clearly vested in the Secretary of State, as the agent of the President, nevertheless the amendment would, without question, increase the power and influence of the military in the field of foreign relations.

A second point, which I believe is of material importance is that if the two programs are separated there will be more and more pressure brought against continuing the economic side. I do not think this is a very good argument; but nevertheless, it must be considered, for many support our aid program because of its military side.

There is one other problem we are confronted with in our conduct of foreign relations. Many people, here and abroad, believe our policy is directed too strongly toward the military side. If we place greater jurisdiction in the Department of Defense, inevitably more and more people from the Department of Defense will be sent into other countries and there will be pressures for larger defense installations abroad. Under such circumstances I have the feeling that the weight of the military in our conduct of foreign policy will be increased. For these reasons I believe the amendment should not be pressed at this time. It needs further study.

I have great respect for the opinion of my colleague—but without further consideration I would not want to vote for it at this time.

Mr. CAPEHART. Mr. President, I cannot quite understand the argument of the Senator from Kentucky [Mr. COOPER], for the simple reason that the administration, with the same President and the same Secretary of State, has been in favor of the proposal. They certainly knew what they were doing a year ago, or they would not have made their proposal a year ago. They did not advocate it again this year for the reason that Congress had turned it down last year.

They did not ask for it. The House was adamant, and they did not ask for it. Otherwise, as a member of the Committee on Foreign Relations, I heard no testimony from anyone that he was opposed to it this year.

I do not agree at all with the argument that the authority of the President of the United States or of the Secretary of State to make foreign policy would be lessened. The President is the Commander in Chief of the Armed Forces and conducts the Defense Establishment; and under the Constitution he handles all foreign affairs. Regardless of how these matters may be shuffled, as to who controls this or that, under the Constitution the President of the United States runs it all. He can designate the departments which will operate the programs, if he wishes to.

I see no reason why there should be a distinction between military operations at home and military aid in foreign countries. I think the appropriation should be made to the military. It ought to be included in one budget, so that we can see exactly what the amount is. The idea of having a part of the military budget located in one place and a part of it somewhere else is not sound. I have been an advocate of this very proposal for many years.

In my State I have said many times that the people are willing to appropriate whatever money is necessary to defend the United States. They are willing to leave it to the Defense Establishment and to the Commander in Chief to determine whether the money shall be spent in the United States or outside the country. But they would like to have the funds separated from the Department of State budget.

I strongly urge the adoption of the amendment.

Mr. SYMINGTON. Mr. President, as I understand the amendment of the Senator from Wisconsin, the question of mutual security military aid would be in the hands of the President. At the present time it is not simply a matter for the Committee on Appropriations, for the authorization must be considered by the Committee on Foreign Relations. The appropriation is then made by the Committee on Appropriations. But if the amendment shall be agreed to, there will be no authorization of military aid in the sense that the Committee on Foreign Relations now currently reviews the annual program. The matter would simply go before the Committee on Appropriations.

As I see it, therefore, amendment would constitute an additional step in the direction of giving to the executive branch what is normally a legislative function. For that reason, I oppose the amendment.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CAPEHART. I am certain the Senator understands that the so-called domestic defense appropriation bill is one which is not authorized by any committee, including the Committee on Armed Services, of which the Senator from Missouri is a member. Why is the Senator willing to have no review or authorization by a committee in respect to the great bulk of military expenditures—I should say some $38 billion, which will be appropriated this year—but with respect to an amount of perhaps $2,500,000,000, the Senator from Missouri says there should be an authorization? What is the difference?

Mr. SYMINGTON. The Chiefs of Staff, the Chairman of the Joint Chiefs of Staff, and the Secretary of Defense come before the Committee on Armed Services to defend the program for which later the Committee on Appropriations makes an appropriation.

Mr. CAPEHART. The same thing is done under this bill.

Mr. SYMINGTON. As a result of the hearings before the Committee on Armed Services, great weight is given to the opinion of that committee when the matter goes before the Committee on Appropriations.

As I read the amendment, the President would simply decide what was necessary, and the Committee on Armed

Services and the Committee on Foreign Relations would be bypassed. I submit that such a procedure would be contrary to sound legislative policy.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CAPEHART. The money for military expenditures in foreign countries would be handled in exactly the same way as the funds for domestic military use. The Committee on Armed Services would consider the whole matter, just as it does now.

Mr. SYMINGTON. It is not only I who state that this would be the procedure, but the Senator who offered the amendment says that it would operate in the way I have just stated, as does the distinguished Senator from Montana [Mr. MANSFIELD].

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. Does the Senator desire to speak on the amendment?

Mr. CAPEHART. Yes.

The PRESIDING OFFICER. The Senator will be speaking for the third time on the amendment.

Mr. CAPEHART. Is the Chair objecting?

The PRESIDING OFFICER. The Chair is not objecting.

Mr. CAPEHART. The amount which would be spent in foreign countries, and which is authorized by the pending mutual security bill, would be, hereafter, a part and parcel of the total overall military appropriation bill, and would be considered in the same way in which the Committee on Armed Services now considers the so-called domestic military bill. The Committee on Appropriations would then consider the amount to be appropriated, just as is done now. I believe that is a correct statement.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SYMINGTON. In my opinion, there is some merit in the amendment from one standpoint, namely, that we are selling, so to speak, to the American people a large amount of military aid which actually should be classified as economic aid. From that standpoint, I would be in sympathy with the amendment. On the other hand, any form of mutual security, whether it be military or economic, naturally is bound in with our foreign policy.

The more I consider the amendment, the more it seems to me that if it were adopted, we would lose the advantage of a review of the military aid by the Committee on Armed Services and by the Committee on Foreign Relations; and military aid is, of course, a part of our foreign policy, just as the activities of the Department of Defense, in peacetime anyway, are a part of our foreign policy.

Mr. CAPEHART. I do not understand at all that under the procedure, if the amendment should become law, the Committee on Armed Services would not consider the money which the military would spend overseas, the same as that committee now reviews the money which the military spends at home.

If I correctly understand the amendment, it would not take away from the Committee on Appropriations the right which that committee now has to consider the amount of money which is to be provided in the defense appropriation bill for purposes of overseas spending.

The whole situation would be exactly as it is now. We would simply add to the domestic budget the so-called foreign budget or the money to be spent in foreign countries. That is my understanding of the amendment, and that is, I think, what is proposed. At least, that is what I have always advocated, and I still do.

Mr. DIRKSEN. Mr. President, I hope the amendment will not be agreed to. I think in order to get it fairly before the Senate, it is necessary to review the original act. The original Mutual Security Act, as amended, which is called the act of 1954, refers to the matter in four lines in section 103 (a). That is the provision for military assistance. It is very clear. It is title I, chapter 1. All it does is to authorize an appropriation to the President for a specific fiscal year, a specific amount. That is the basic law.

Last year we authorized an appropriation to the President of $1,600,000,000 for the fiscal year 1958. That is the first section of military assistance.

When the committee bill came along, all that was done was to amend that section in three respects. The amount was changed from $1,600,000,000 to $1,800,000,000. We changed 1958 to 1959. Then we added some review language with reference to the necessity for military assistance.

Now comes the amendment offered by the distinguished Senator from Wisconsin. What does it do? It strikes out the fiscal year. No fiscal year is provided in the Proxmire amendment. The authorization is permanent; it is from now on. It is a permanent authorization for an appropriation to the President of the United States. That becomes permanent. It will not be necessary for the Executive to return to Congress for any further authorization on a fiscal year basis. That is what the Proxmire amendment provides.

Second, the amendment would strike out the fiscal year and would strike out the amount.

Mr. President, what does the amendment of the Senator from Wisconsin provide? It provides in part:

(a) There are hereby authorized to be appropriated to the President—

Not for any particular year, but for all time—

such sums as may be necessary.

Mr. President, how much would be appropriated by the amendment? Such sums would be appropriated—perhaps $1,600,000,000, or perhaps $2,600,000,000, or perhaps $5,600,000,000; under the amendment of the Senator from Wisconsin, the sky is the limit. The only limit would be whatever is written by the Appropriations Committee. So the amendment is an attempt to escape from a definite amount and from a fiscal-year limitation.

Mr. President, I have never been afraid to return home and defend this program on the basis that we write it for the fiscal year 1959. That is what the amendment of the committee provides. But under the pending amendment there would be an unlimited, open-end, permanent authorization to appropriate to the President of the United States, for military assistance, from now on; and the amendment would not change by one bit the purpose of the bill or its general theme.

Mr. President, it is now rather late in the year to make such a proposal.

It is said that Secretary McElroy favors it. It is said that Secretary Dulles favors it. It is said that Under Secretary Dillon favors it. I do not know; but I know I sat in on conferences at the State Department where I helped to present this matter, this year; and finally they backed off, and said, "We prefer not to do it"; and that is where it died.

I do not know where the confusion comes. I did not read what the Secretary of Defense said to the committee, or what Under Secretary Dillon said to the committee, or what Secretary Dulles said to the committee. But I know what Mr. Dulles told me in his office; namely, that they had pondered and puzzled over this, and finally decided they did not want it.

I do not know what happens to the testimony. When we serve as a jury, we place our credence on whatever testimony we prefer. But I know that I am not going to vote for a permanent, open-end, unlimited authorization to any President for military assistance.

I prefer to have the law include a limitation on a fiscal-year basis, because that makes for better appropriations procedure.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the amendment lettered "B" of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. CAPEHART. Mr. President, I ask unanimous consent that at this time I may speak for 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? Without objection, the Senator from Indiana may proceed.

Mr. CAPEHART. Mr. President, I wish to say that the able Senator from Illinois [Mr. DIRKSEN] has described perfectly and 100 percent how the amendment would operate, so far as its open-end feature is concerned.

But the amendment would operate exactly like the $38 billion domestic military budget which the House of Representatives and the Senate handle. In other words, no standing committee has reported an authorization for the $38 billion. Therefore, why are Senators now so much concerned about authorizing the expenditure of $3,500 million or $2 billion, when they have permitted the expenditure of $38 billion without an authorization? I cannot see the difference between foreign military spending and domestic spending.

Mr. CASE of South Dakota. Mr. President, will the Senator from Indiana yield to me?

Mr. CAPEHART. I yield.

The PRESIDING OFFICER. The time requested by the Senator from Indiana has expired.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that at this time I may address the Senate for 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? Without objection, the Senator from South Dakota may proceed.

Mr. CASE of South Dakota. Mr. President, first, let me say that I believe that the statement made by the Senator from Indiana does not relate to the $38 billion, or whatever may be the correct amount, that is appropriated for the Department of Defense.

In the first place, I know that, as a matter of fact, each year the Congress considers a military-construction authorization bill. This year we are considering a military-construction authorization bill which will authorize the appropriation of more than $1,500 million; that is a part of the military appropriations which will be made. The Appropriations Committee will not be able to report appropriations for military construction without the consideration, first by the Armed Services Committee, and then by the Senate, of certain authorizations.

In addition, other aspects of the procurement program which are represented by the $38 billion will depend upon and rest upon authorization legislation.

Second, Mr. President, if we were in a hot war, then, more appropriately, we might turn over to the Appropriations Committee the question of providing for military hardware. But primarily this item is a part of a cold war. What we do in extending military assistance to other countries is partly—in fact, largely—a matter of policy. That matter of policy should be reviewed by the appropriate legislative committees. It should not be turned over to the Appropriations Committee; it should not be turned over to the Defense Department. In that respect, I respectfully disagree with the position taken by Secretary McElroy.

Whether we like or do not like this whole program is not the pending or immediate question, Mr. President. But if we are to have a foreign-aid program which embraces military aid, the policy of military aid should be reviewed by the Foreign Relations Committee and, to some extent, by the Armed Services Committee. It is a policy matter, not a matter of military hardware, such as would be the case if we were in a hot war.

Therefore, I believe it should be reviewed by the appropriate legislative committees which handle such authorization measures.

Mr. CAPEHART. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. CAPEHART. I admit that military-construction appropriations require authorization legislation. But I say that the great bulk of military expenditures do not require authorization legislation; they are simply handled directly by the Appropriations Committee, although it is a fact that the Armed Services Committee goes over these matters and does consider them.

Mr. CASE of South Dakota. The Armed Services Committee considers proposed legislation which deals with the ceilings on the personnel of the Army, the Navy, and the Air Force; and those ceilings on the number of persons in the Military Establishment directly affect the amounts of the appropriations which may be provided for the pay and subsistence of the Army and other armed services.

Mr. CAPEHART. Under this amendment and under the proposal we are making, the committee would do exactly the same with respect to measures for military spending for overseas purposes as they do with respect to measures for so-called military spending for domestic purposes.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "B" of the Senator from Wisconsin [Mr. PROXMIRE].

On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I further announce that if present and voting, the Senator from Oregon [Mr. MORSE] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. IVES], the Senator from Michigan [Mr. POTTER], and the Senator from Minnesota [Mr. THYE] are absent on official business.

If present and voting, the Senator from Wyoming [Mr. BARRETT], the Senator from Ohio [Mr. BRICKER], the Senator from New York [Mr. IVES], and the Senator from Minnesota [Mr. THYE] would each vote "nay."

The Senator from Maryland [Mr. BUTLER] and the Senator from Nebraska [Mr. CURTIS] are necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

The Senator from Vermont [Mr. AIKEN], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are also detained on official business.

The result was announced—yeas 16, nays 56, as follows:

YEAS—16

Bible	Jackson	Monroney
Capehart	Johnston, S. C.	Morton
Douglas	Jordan	Proxmire
Ervin	Lausche	Talmadge
Gore	Magnuson	
Humphrey	Mansfield	

NAYS—56

Allott	Hayden	Neuberger
Beall	Hennings	Pastore
Bennett	Hickenlooper	Payne
Bridges	Hill	Purtell
Bush	Holland	Revercomb
Byrd	Javits	Robertson
Carlson	Jenner	Saltonstall
Carroll	Johnson, Tex.	Schoeppel
Case, N. J.	Kefauver	Smathers
Case, S. Dak.	Kennedy	Smith, Maine
Clark	Knowland	Smith, N. J.
Cooper	Kuchel	Sparkman
Cotton	Langer	Stennis
Dirksen	Malone	Symington
Dworshak	Martin, Iowa	Thurmond
Eastland	Martin, Pa.	Watkins
Ellender	McClellan	Williams
Frear	McNamara	Yarborough
Green	Mundt	

NOT VOTING—24

Aiken	Flanders	Morse
Anderson	Fulbright	Murray
Barrett	Goldwater	O'Mahoney
Bricker	Hoblitzell	Potter
Butler	Hruska	Russell
Chavez	Ives	Thye
Church	Kerr	Wiley
Curtis	Long	Young

So Mr. PROXMIRE's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROXMIRE. Mr. President, I call up my amendments, identified as "6–2–58—D."

The PRESIDING OFFICER. The amendments of the Senator from Wisconsin will be stated.

The LEGISLATIVE CLERK. On page 63, line 24, it is proposed to strike out "$2,400,000,000" and insert in lieu thereof "$2,296,000,000".

On page 64, line 2, it is proposed to strike out $235,000,000" and insert in lieu thereof "$339,000,000."

ANNOUNCEMENT OF JOINT MEETING ON TOMORROW IN HONOR OF DR. HEUSS, PRESIDENT OF THE REPUBLIC OF WEST GERMANY

Mr. MANSFIELD. Mr. President, before I move that the Senate recess until 12 o'clock noon tomorrow, I should like to notify the Senate there will be a joint session of the two Houses tomorrow, honoring the visit of the President of the West German Republic, Dr. Heuss. Incidentally, that meeting will occur at 12:20 p. m.

WORLD PEACE COMMITTEE OF SOUTHERN BAPTIST CONVENTION

Mr. KEFAUVER. Mr. President, at their recent meeting in Houston, Tex., the Southern Baptist Convention established a world peace committee to study what the Southern Baptists can do to promote peace and good will in the world. This committee was created upon the recommendation of their very

able and devoted president, Representative BROOKS HAYS of Arkansas. It includes both lay and ministerial people of the Southern Baptist faith who are concerned about the hostility and conflict which is everywhere present in the world today.

As a Baptist and as an American I am very pleased to see the Southern Baptists take this action. In the past decade we have witnessed our relations with the Soviet Union, and even with our allies, deteriorate almost beyond belief. The major sources of conflict that we knew existed even during those quiet days after World War II have not been eliminated but in some ways have grown and have become more difficult to deal with than ever before. Our Government has not satisfactorily dealt with these problems, often for reasons beyond its control. It is a very promising thing to witness private organizations, and particularly religious organizations such as the Southern Baptists, recognizing that they too share a responsibility in waging the peace, that they too can contribute to a world in which understanding and confidence can exist.

Representative HAYS, in a recent trip to Russia, found that the religious faith of the Russians has not been stamped out in spite of the rigorous oppression of religion practiced by the Communist rulers. He found thousands of Russians who retained a faith in Christian principles and who longed for a communion with their brothers in faith throughout the world.

Three years ago during a trip to the Soviet Union I attended many church services and found the faith of many Russian people vibrant and growing. I feel certain that this spirit can provide a basis for the development of democracy and international brotherhood in that country.

I am much impressed with the possibilities which these private groups offer in creating a climate of opinion in which international understanding can be furthered. The bonds of Christian faith, the appreciation of good music, the love of the best literature is not national but international in character. We should support and encourage these organizations to use their good offices in every way possible in dissolving the almost universal feelings of jealousy and distrust which permeate the negotiations between governments. We should assist them in their attempts to discover common goals, mutually acceptable principles, and satisfactory procedures by which an international community of interest can be instilled in the hearts and minds of peoples throughout the world.

I heartily endorse the efforts of the Southern Baptists in their initial steps to find the role that they can play in world affairs. They have contributed to the spiritual enlightenment of man wherever they have gone in the past. I am certain that they will contribute materially to the breaking down of distrust and misunderstanding, whether these be international, linguistic, racial, or cultural in origin. I shall be much interested in the recommendations which this distinguished committee on world peace makes, and I hope its views will be widely disseminated and thoroughly considered by those whose responsibility it is to make decisions in international affairs.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 4, 1958, he presented to the President of the United States the following enrolled bills:

S. 50. An act directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper;

S. 1657. An act for the relief of Lloyd C. King; and

S. 1979. An act for the relief of Barbara Hollinger.

RECESS

Mr. MANSFIELD. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 21 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 5, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 4, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Job 22: 21: *Acquaint now thyself with Him, and be at peace; thereby good shall come unto thee.*

Eternal and ever-blessed God, whose wisdom never errs and whose strength never fails, in these days of conflict and confusion, may we lay hold upon Thee with increasing tenacity of faith.

Grant that our longings and hopes for peace on earth and good will among men may soon come to fulfillment and fruition.

We penitently confess that we are so frequently without any clear vision of the spiritual values because we have allowed the windows of our souls to be made opaque by material ambitions.

May Thy blessings of insight and inspiration be given in an abundant measure to our President, our Speaker, and all who share in the responsibilities of administering the affairs of government.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3506. An act to authorize the transfer of naval vessels to friendly foreign countries.

SWEARING IN OF MEMBER

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. WALTER] is recognized.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that the oath of office be administered to the gentleman from Pennsylvania, Mr. ROBERT N. C. NIX, today. Certificate of his election has not arrived, but there is no question about the validity of his election, and no contest has been filed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. NIX appeared at the bar of the House and took the oath of office.

REREFERENCE OF BILLS DEALING WITH HIGHWAY CODE

Mr. CELLER. Mr. Speaker, by direction of the Committee on the Judiciary I ask unanimous consent to rerefer the bills H. R. 12776 and H. R. 12777, to revise, codify, and enact into law title 23, United States Code, entitled "Highways," from the Committee on the Judiciary to the Committee on Public Works. I particularly want to emphasize that this unanimous-consent request is not to be construed as a waiver by the Committee on the Judiciary of any of the jurisdiction under the Legislative Reorganization Act of 1946 or the United States Code. It is made solely because of the particular circumstances with respect to the drafting of the bills. Under section 12 of Public Law 350 of the 83d Congress, the Secretary of the Department of Commerce was directed to transmit to the Committees on Public Works of the Senate and of the House of Representatives a suggested draft of a bill or bills for a Federal Highway Act, which will include such provisions of existing law, and such changes or new provisions as the Secretary deems advisable. The Secretary submitted such a draft bill to the committees, as a result of which the bill H. R. 10488, to revise the Federal aid highway laws of the United States, was introduced and referred to the Committee on Public Works. A companion bill, S. 3151, was referred to the Senate Committee on Public Works. Through the cooperation between the counsel of the House Committee on Public Works and the law revision counsel of the Committee on the Judiciary, clerical changes have been suggested in the bill H. R. 10488 to provide for the enactment into law of title 23, United States Code "Highways." As a result, the bills H. R. 12776 and H. R. 12777 were introduced containing a number of clerical changes to achieve that purpose. These two bills are, however, essentially the same as the bill submitted by the Secretary of Commerce to the Committee on Public Works and which is now pending before that committee which has set hearings for tomorrow.

Therefore, in view of these special circumstances and without any intention to waive the prerogative of the Committee on the Judiciary, I make this unanimous-consent request to rerefer the bills H. R. 12776 and H. R. 12777 from the Committee on the Judiciary to the Committee on Public Works.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE CASE FOR LIMITED EXCISE TAX REDUCTION

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, on yesterday the junior Senator from Florida [Mr. SMATHERS] acting as spokesman for the Senate Interstate Commerce Committee, made a powerful plea for excise tax relief as a stimulus to the chronically depressed transportation industry. His committee proposes that the excise taxes on freight and passenger travel be eliminated simultaneously with the extension of the present corporate and excise taxes as a single exception to the Eisenhower administration's decision to hold the line against any tax cuts.

Mr. Speaker, in my opinion, the case for action now to repeal these recession-producing taxes is unassailable.

First, these taxes have served to further depress a major industry already deep in the throes of grave economic problems.

Second, these taxes have a built-in discriminatory effect which favors foreign over domestic shippers.

In the third place, these taxes operate to penalize producers—in the West, South, and Middle West—who are remote from our major national markets.

Fourth, this tax burden falls most heavily on new and small businesses.

Mr. Speaker, if this limited tax relief program succeeds in the other body it is my hope that our colleagues will wisely concur in these amendments when the pending tax extension bill goes to conference.

OUR AGED POPULATION

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I am extending my remarks to include an article on the economic status of the aged population from the June 1958 number of Trustee, the journal of the American Hospital Association, as follows:

THE ECONOMIC STATUS OF THE AGED POPULATION

(By Wilbur J. Cohen)

The net total of aged persons 65 and over is increasing by more than 1,000 each and every day.

This means the number of living aged persons is increasing by 1 million every 3 years.

There are 15 million persons age 65 and over today in the United States. Both their number and their proportion of the total population is increasing.

Six major groups among the aged can be identified, although there is some overlapping and some omissions in any such simplified classification:

1. The group working full time or drawing substantial income from self-employment or executive or professional services.

This group's income is, on the whole, reasonably adequate. They enjoy a double income-tax exemption and some retirement-income exemption from income tax. They may have savings, insurance, and own their own homes, or have substantial equities in their own homes. Of the 4.2 million persons age 65 who worked in 1956, only about half worked more than 26 weeks in the year at full-time jobs.[1] These 2.3 million persons, plus their wives, represent about one-third of the total number of the aged. The average income of this group is relatively high and most likely will rise with increased incomes of the general population.

2. The group of aged persons who could work somewhat more and earn somewhat more if the opportunities were available. This is not as large a group as is commonly believed, because of the health status of the present aged. In June 1957, only 3,260,000 of the aged were working.

3. The group of retired persons with social security and a private pension and frequently with some minor employment and other investment income. There are 8.5 million persons age 65 and over now drawing social security.

4. The sick or disabled aged with modest incomes inadequate to meet their heavy medical costs in addition to their regular maintenance costs.

5. The elderly widow who has very little income—some receiving insurance, others assistance, and still others living with their children. Many have no regular retirement or pension income.

6. The 2 million persons on old-age assistance who are not drawing old age, survivors, and disability insurance. (About 500,000 additional draw both benefits.)

Several other groups among the aged could be identified for various purposes, such as the institutionalized aged, or single men, or the aged living with relatives or on farms. The above classification, however, aims to give some insight into the priorities which should be considered with respect to improving the income of the aged. Thus, proposals to repeal or greatly liberalize the retirement test would only aid those who were employed, primarily the minority of the aged consisting of those in groups 1, 2, and 3. The increased cost would not result in any increased income for any of the other groups.

On the other hand, increasing the cash benefit payments a modest amount will not meet the heavy medical costs of those in groups 4 or 6.

Our major policy question is, can we tailormake our policies so that we will give priority to those groups among the aged who require attention most urgently?

The average money income from all sources (public and private) of the nonworking aged person was probably around $1,300 in 1954. I have suggested, as an objective for discussion, a 25 percent increase in their average total income (public and private) by 1960 and a 50 percent increase by 1965.[2] This would involve increased income from savings, private pension plans, and social security. As an immediate step, it has been suggested that there be an increase of approximately 10 percent in OASDI benefits and a roughly comparable increase in the Federal matching maximum in old age assistance from $60 to $66. It has also been proposed that the present $6 and $3 ceilings for Federal matching of medical care vendor payments be raised to $12 and $6.

Vendor payments for all medical care for all public assistance recipients now exceeds $300 million annually, of which 55 percent is for aged persons.

My estimates indicate that vendor payments will reach approximately $500 million by 1960, or thereabouts, of which approximately $275 million will be for aged persons.

About 6.8 million persons received public assistance in March 1958, representing 4 percent of the total population. During the course of a year, about 7.5 million persons receive some kind of assistance.

Last year, total expenditures for public assistance were about $3 billion, or about three-quarters of 1 percent of the gross national product.

Medical care expenditures are a growing factor in public assistance costs.

INCOME SOURCES FOR THE AGED

The slow downward trend in the labor force participation rate of aged men appears to be continuing. In June 1957, it is estimated, fewer than 4.2 million persons aged 65 and over received cash income from employment either as earners or as wives of earners. A large proportion of the earners worked part-time or intermittently, and consequently many of them were also drawing retirement benefits.

The year ending June 30, 1957, saw a net increase of more than 1.2 million in the number of persons 65 and over receiving old-age and survivors insurance benefits. Since the total number of aged persons in the United States is estimated to have increased by only about 350,000 during this time, the proportion of the aged benefiting under the program increased almost one-sixth to 52 percent.

In addition to the 7.8 million persons 65 and over receiving social security in mid-1957, another 1.8 million were eligible for, but not receiving, benefits. Thus, the number protected was approaching two-thirds of the entire population aged 65 and over—more than three-fourths of the men and more than half of the women.

More than 2.2 million aged persons received benefits under the retirement programs for railroad workers and Government employees, the pension and compensation programs for veterans, or the unemployment compensation program. Certainly more than one-fifth, but possibly a very much larger proportion, of these persons were also old-age and survivors insurance beneficiaries.

Despite the phenomenal growth in the old-age, survivors, and disability insurance program, public assistance in mid-1957 still provided the main support for close to 2 million aged persons—two-thirds of them women—and supplementation for about 570,000 old-age and survivors insurance beneficiaries whose needs (as measured by State public assistance standards) exceeded their income.

Taken together, persons receiving income under one or both of the social security income-maintenance programs—old-age, survivors, and disability insurance and public assistance—accounted for almost two-thirds of all the aged. The proportion was only slightly higher for men than for women, although men were much more likely than women to receive insurance benefits.

Field work has been completed by the Social Security Administration on a cross-section sample survey of the resources of

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[1] During 1956, 1,903,000 persons aged 65 and over worked part time or intermittently during the year, out of the 4,182,000 who worked during the course of the year. The proportion working part time or intermittently was 40 percent of all men and 60 percent of all women 65 and over with work experience in 1956. Work Experience of the Population in 1956, Current Population Reports, Labor Force, series P–50, No. 77, November 1957, Bureau of the Census, Department of Commerce.

[2] Average benefits and average increases are used here only as a simple and convenient method of dealing with a complex problem involving income distribution. It should also be noted that there will be some increase in average income due to the broader coverage and increased benefits provided by the 1954 and 1956 amendments to the OASI program.

old-age and survivors' insurance beneficiaries on the rolls in December 1956. This study will provide the needed data on the proportion of aged beneficiaries with earnings and/or income from each of the other public income-maintenance programs at the end of the survey year. In addition, it will yield useful information on the amount of income received in 1957 from such sources, from private pensions, and from private investments, and the amount of contributions from relatives and friends.

At the present time hospitals are caught in a tight squeeze. On the one hand, they have long been considered as community nonprofit organizations of a service character and have, thereby, been endowed with a special status under the tax laws. To keep their heads above water they increasingly have had to require potential patients to be able to pay before being admitted. They insist on being paid by someone for all service rendered. There is widespread recognition of the difficulty of receiving sufficient endowments, community chest contributions, and payments from public agencies for the indigent to fully cover the costs of hospital service for those who do not or cannot pay the full cost. The dilemma with which hospitals are faced is (1) to refuse to admit those who do not pay their full cost, or (2) require someone to pay the full cost on their behalf, or (3) spread the cost of those who cannot pay over those who can or are willing to pay.

In recent years the extent to which public agences are paying the cost for the needy and the medically indigent has increased. The Federal Congress—by amendments in 1950, 1956, and 1957—has provided Federal funds to the States for paying medical costs of the needy and the medically indigent. Each state, however, may decide for itself how much money it wishes to put up and how much it will pay for care. In many States, the public agency pays only part of the full hospitalization costs of the needy. While payment of the full cost is in the interest of good service, nevertheless it may be wise to be realistic and recognize that all hospitals are not likely to be reimbursed for full costs for all the needy and the indigent in the foreseeable future.

As standards and costs increase, it is likely that more persons will become eligible for hospital care as needy or medically indigent persons. Hence, the financial problems faced by hospitals are likely to become greater rather than less, as time goes on.

Last year all medical costs in the United States averaged $100 for every man, woman, and child in the Nation.

Hospital room rates have increased 71.2 percent from 1948 to 1956, while all medical care costs increased 31.7 percent.

Private expenditures for hospital services have increased from 1 percent of per capita disposable income in 1948 to 1.16 percent in 1952, 1.33 percent in 1954, and 1.43 percent in 1956—a 44 percent increase from 1948.

Public and private expenditures for hospital care in 1955, in all general and special, short and long-term hospitals was $4.3 billion, of which 26.6 percent came from tax sources. If mental and tuberculosis hospitals are included, the total expenditures reach $6 billion, and the portion coming from tax sources, 43.8 percent. From these figures, it can be seen that the issue is not whether tax funds shall be used to finance hospital care but in what manner and to what extent.

In recent years Blue Cross nonprofit plans have been declining relative to commercial insurance carriers in the proportion of the premium income earned for hospitalization services. In 1949, the Blue Cross nonprofit plans received 51 percent of all premium income earned for voluntary hospital insurance protection while the commercial carriers received 29 percent. In 1956, the nonprofit plans received only 44 percent while the commercial carriers received 50 percent. (The remaining 6 percent was received by other community or consumer-sponsored plans.)

Unless some new factor intervenes, it appears that Blue Cross will continue to decline in terms of the share of the total voluntary hospital insurance coverage it handles.

RATE INCREASES MAJOR PROBLEM

A major problem facing hospitals, the Blue Cross plans and communities, is the fact that, as hospital costs rise, the premiums for hospital insurance must rise. This engenders, in many cases, violent public arguments, criticism of Blue Cross financial policies and accounting procedures, and appeals for the denial of permission for rate increases.

Coupled with this problem is the conflict between Blue Cross and private insurance plans in the method of determining premium charges. Blue Cross uses the community-rating method which fixes at an average rate the cost for all participants in the plan.

Private commercial insurance carriers use the experience-rating method by which lower rates are charged groups with more favorable experience, and those groups of persons with higher cost experience are left to Blue Cross or are uninsured.

The result is a tendency for the private insurance carriers to handle the lower cost groups and for Blue Cross to handle higher cost groups. Inevitably, one of the issues which may result from this is the possible governmental regulation of both Blue Cross and private insurance so that unfair competition will not develop. As voluntary insurance continues to grow, it becomes more and more affected with a public interest and, as in the case of public utilities, may face closer governmental regulation.

With both hospital costs and hospital insurance premiums rising, the question arises whether social insurance financing of part of the cost of hospital care is better protection in the long run to hospitals and the consumers of hospital care than the alternatives of (1) Government regulation, or (2) Government subsidy for construction or maintenance, or (3) haphazard financing with deficits and continued controversy as to premium increases.

CALL OF THE HOUSE

Mr. AREND. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 84]

Adair	Dooley	McCarthy
Andersen, H. Carl	Dowdy	Marshall
	Doyle	Miller, Calif.
Auchincloss	Eberharter	Miller, N. Y.
Baumhart	Elliott	Morris
Belcher	Everett	Philbin
Bentley	Farbstein	Pillion
Boggs	Gray	Powell
Boykin	Gregory	Radwan
Brownson	Gubser	Reece, Tenn.
Buckley	Hale	Rhodes, Ariz.
Burdick	Halleck	Rivers
Byrd	Harden	Robeson, Va.
Canfield	Hillings	Roosevelt
Chelf	Hosmer	Saund
Christopher	James	Scott, N. C.
Clark	Jenkins	Shelley
Dellay	Jones, Ala.	Sheppard
Devereux	Kearney	Shuford
Dies	Lankford	Smith, Miss.
Diggs	Lennon	Spence
Sullivan	Utt	Zelenko
Taylor	Williams, N. Y.	
Tollefson	Wilson, Calif.	

The SPEAKER pro tempore. On this rollcall 350 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1959

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12738, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the unanimous-consent agreement of yesterday, further general debate on the bill will continue for not to exceed 1½ hours, to be equally divided, and to be controlled by the gentleman from Texas [Mr. MAHON] and the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield 30 minutes to the distinguished chairman of the House Committee on Appropriations, the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, on the night of July 29, 1870, Otto Von Bismarck, the Iron Chancellor of Germany, was awakened from a sound sleep by an exhausted courier with the news that France had declared war. Without lifting his head from the pillow he said, "Tell them to open drawer 7," and relapsed again into slumber. In the drawer were orders, proclamations, and directions for mobilization down to the minutest detail. And when Bismarck again awoke German armies were already converging on the French frontier.

There is a drawer 7 in Moscow. And this bill is the basis for a drawer 7 in Washington. It embodies national defense. It is our hope of deterring further military aggression by the Communist nations.

It is a good bill—one of the best—judged by the needs of the time—that has been submitted to the House for many years.

It emphasizes the ballistic missile program, the submarine program, and for the present, the long-range bomber.

The most sensible feature of the bill is its discontinuance of the construction of supercarriers which for some years past has monopolized the time and attention—the engineers, experienced builders and the most valuable of the strategic materials to the neglect of submarines and missiles, on which we must depend when in due course of time the enemy has neutralized the Strategic Air Command.

After spending on carriers these priceless years, which should have been devoted to submarines and missiles, we find ourselves where Chamberlain stood at Munich, defenseless against the planes Germany had developed while England slept.

But, Mr. Chairman, the report which accompanies the bill is the most somber, the most disheartening, the most alarming, the most disillusioning report ever brought to this floor. It in effect concedes the lead in military progress to a relentless enemy pledged to destroy the United States. It refers to the presputnik and postsputnik eras and acknowledges that the progress made by Russia in the scientific field, in which we have always considered ourselves superior to any nation on earth, has compelled us to completely revise our international policy and readjust all plans for national defense. It attributes what little progress we have made to "a sense of urgency so dramatically underscored by the sputnik launchings by the Soviet Union."

And in accounting for what progress we have made during the year it explains that—

> The Soviet successes in rocketry have demonstrated that there is a definite relationship between preparation for a possible hot war and progress in the current cold war.

It tells us that the recent scientific success of the Soviet Union "points up the fact that the United States must move forward more rapidly to regain leadership" in certain areas.

The report says that the Soviets have a navy "capable of threatening our sea lanes and control of the seas generally." And that their air forces have been steadily improved by the introduction of more jet aircraft and missiles."

The report is pessimistic in the extreme and tells us that—

> The world is moving more and more rapidly into a period of increasing danger—danger to ourselves and * * * all peoples of the world.

The situation on which the report is based is even more disturbing. Russia seems to have accomplished more in the field of science in the last 20 years than we have accomplished in the last 200 years.

Russia has more jet planes than the United States and is producing them faster.

Russia has more submarines than the rest of the world combined.

Russia has more troops under arms and ready to march.

Russia controls one-fourth of the world geographically and one-third of the world's population.

The United States Central Intelligence Agency reports that "Soviet Russia's gross national product is growing faster than ours."

Russia has won the admiration and in most instances the tacit support of neutral nations.

Russia is outdistancing us in the development of trade in the undeveloped countries.

Russia is outproducing us in heavy machine tools, the basic equipment of war.

Russia has just finished making us the laughing stock of the world. Last week after the evening papers announced that we had launched a satellite the size of an orange, the morning papers had to tell us the orange had gotten only as far as the Atlantic Ocean. In the meantime Russian scientists had thrown into orbit a sputnik weighing 1½ tons.

In this connection it is well to note that rocketry which will throw a ton-and-a-half satellite through the stratosphere can launch a missile which will exterminate every living organism in an area considerably more than a hundred square miles when it lands here in the United States, not counting the spread of the fallout.

Admiral Burke, a naval authority, said:

> The Soviets possess a substantial military threat to our control and use of the seas, and hence to our ability to project our military power across the oceans and support our allies. They will almost certainly have guided missiles and nuclear-powered submarines in the years ahead.

It may be added that there is every reason to believe that they already have them.

Admiral Rickover, the builder of the *Nautilus*, the *Skate*, and the *Sea Wolf*, the first successful nuclear submarines, said:

> They (Soviets) have operational missiles which are good for at least 200 miles, probably more. I would anticipate that in the not-too-far-distant future they will have operational missiles with a range of 600 to 700 miles. Therefore, with a large number of submarines that can carry missiles fitted with atomic or hydrogen warheads, they have the capacity to operate off our coasts and destroy our cities. In my opinion that is the gravest immediate threat that faces the United States.

Against such attacks our only defense is the power of the SAC to retaliate on Russian cities. When that power is lost—sometime in 1959, as had been testified, there will be no deterrent except our own submarines and missiles. That is where our efforts must be concentrated.

And yet amendments were offered in the committee and have already been written to be offered in the House today to increase the size of the Army and Navy. Any attack on the United States will unquestionably come through the air. Of what possible service could additional troops be in such an attack?

Russia has reduced the size of its army. Our allies have reduced their forces. In Germany alone the United States Army is releasing close to a thousand soldiers a month before the end of their enlistment period.

The President has consistently reduced the size of the Army since the war in Korea. The Congress and the country have consistently supported him. Three times within the last year the President has made reductions in Army troops.

In 1955 the Army had 1,109,300 troops.

In 1956 they were down to 1,025,800.

In 1957 they declined further to 998,000.

For 1958 the President first suggested 1 million, but on 2 occasions since he has reduced that to 900,000.

And for 1959 he urges a further reduction to 870,000.

We no longer fight wars with masses of men. Modern wars are fought with machinery and chemistry.

Let us take a concrete illustration. If Khrushchev should decide to wipe out the city of Washington, no power on earth could stop him. If a single bomb dropped in the Capitol Grounds, it would leave a hole 3,500 feet deep and would reduce to rubble everything between Seat Pleasant, Md., and Ballston, Va.—6 miles east and 6 miles west, 6 miles north, and 6 miles south. If you had 10 times our present Army, what could it do in defense of an attack like that—or on any other city within the radius of attack from the sea? Of what use would additional troops be against a fleet of a thousand Russian planes coming in over the North Pole? Any proposal to increase our ground forces is a disservice to the Nation and a menace to national defense. The money and time and attention and material must be devoted to submarines and missiles which can take over the task of reprisal against Russia when SAC is no longer able to give them blow for blow in retaliation.

DEFENSE REORGANIZATION

And now I want to earnestly beg the indulgence of the Members of the House while I briefly discuss in this connection a matter of some controversy—precincts wherein angels fear to tread. I would not presume to differ with my colleagues were it not for the extreme urgency of the matter. But it was fatal at the bombing of Pearl Harbor and it may be just as disastrous at the bombing of New York and Washington.

President Eisenhower commends the reorganization bill reported out this week. He is very moderate in his suggestions. He does not ask to add anything to the bill. He only asks for three elisions. On page 2 he recommends taking out eight words. On page 3 he would take out five words. And beginning on page 4 he asks us to leave out three paragraphs.

In this atomic age, military decisions must be made in seconds. Retaliation must follow in minutes. And the armed services must respond as one, and not as three quarreling units. As a matter of fact the real question here is not whether the President is asking too much but whether he is asking enough.

Had there been a unified command at Pearl Harbor the likelihood is that there would have been no Second World War. And without the Second World War there would have been no Korea and Russia would today be merely a geographical name. Can we take the risk—can we for these few words refuse to take the urgent recommendation of the most experienced commander of modern times?

It has been my misfortune to have to differ with the President on a number of occasions in the last 6 years. But this is his field. And the President can have now, in the declining years of his administration, no personal purpose to

serve. From this time forward he is dealing with history—the record of his administration which will be written a hundred years from now. No one else is so thoroughly qualified to decide this matter—these few words. And I am certain most of you agree that his only purpose in this crisis is to save the Nation. I, for one, would not be willing to trust that supreme responsibility to any lesser man.

The President is not alone in his position on this bill. And it is not a partisan question. Former President Truman, who commanded a battery on the western front, and was himself for 7 years Commander in Chief of the Army and Navy of the United States, has expressed decided views on the subject.

He said:

Modernization of our Military Establishment is long overdue, especially in view of modern world development.

The President of the United States, as Commander in Chief of the Armed Forces under the Constitution, is responsible for military policy as well as foreign policy. Therefore the President should have a free hand without statutory hindrance, to modernize and reorganize our Military Establishment as he deems necessary for the security of the Nation.

The Congress need have no fear of abrogation of its own role or participation in the determination of our military requirements. Congress will always retain its right under the Constitution to hold a check on the President and the military through its sole powers to grant money. Moreover, Congress will always have a continuing right and opportunity to pass on all requests for appropriations and to demand justification of all expenditures. The watchful eye of the Congress throughout our history has served this Nation well and should serve to bring out into the open any abuses or bad judgment of the Executive.

The former President said he had little fear of any Secretary of Defense usurping power or permitting himself to be dominated by an overambitious military person or approach.

I have no fear that this can happen under our system of government because a President can fire his Secretary of Defense who is his appointee and can transfer any general or admiral at any time he decides it is necessary. And I do not think we should be afraid that any President will desire to be a man on horseback. Our history clearly shows that we have had a number of professional soldiers and even more civilian soldiers in the White House beginning with George Washington.

And it was George Washington who, as a general and great hero, could have had anything he wished from a grateful people, insisted that our military be always under civilian control. And no President has given the slightest indication of wanting to alter the subordination of the military to civilian authority.

The aim of any modernization of the Pentagon should enable the Secretary of Defense—by direction of the President—to coordinate every branch of our Military Establishment for the purpose of speedy carrying out of the military policies and decisions of the Government.

On the basis of the recommendations I received and my own judgment the three-headed monster was clearly out of line with what was necessary for the speedy and effective defense of the country and the exercise of our obligations and commitments abroad. Admiral Nimitz, General MacArthur and General Kenny, among others in the field, all favored a Department of Defense with a Secretary of Defense in full authority and direct control speaking for the President.

I first learned about unnecessary duplication when I was chairman of the Senate investigating committee (The Truman committee). As Senator I ran into a strange situation in Jacksonville, Florida, where the Air Force and the Navy had first-rate airfields adjoining each other and yet no Air Force plane could land in the Navy airfield without special clearance and no Navy plane could land in the Air Force field without special permission. There were many needless casualties as a result of inability to obtain emergency clearance.

Mr. Chairman, may I also include another authoritative letter at this point:

HAMILTON, OHIO, *May 27, 1958.*

DEAR MR. CONGRESSMAN: I am sure you will understand my intense interest in the proposals for reorganization of the Defense Department, which are now pending debate in the House of Representatives. While serving as a member of the Hoover Commission, and more particularly during my recent tenure as Deputy Secretary of Defense, I had unusual opportunities to study the many aspects of defense reorganization and to learn the real need for it.

As you know, the plan submitted by the President was worked out in concurrence with some of our most able military and defense leaders. These leaders represented many years of experience in and with our land, sea and air forces. The President's plan was embodied in H. R. 11958 by Representative MARTIN and in S. 3649 by Senator SALTONSTALL. I had hoped that these bills would be acted on, with such minor amendment as seemed to be warranted by the hearings. Now the House Armed Services Committee has reported out a new bill by Representative VINSON (H. R. 12541), and it appears to be the one that will receive consideration. At the same time it appears, judging from news reports, that there is general support for the Vinson bill on the ground that it provides for the main objectives sought by the President and effects changes only on minor points.

However, I hasten to call your attention to three main provisions in the Vinson bill which would cause serious hindrance to effective unification:

First. Lines 4–8 on page 5 (of H. R. 12541) provide "that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective Secretaries of such departments." The underlined portion of this provision could be interpreted to preclude the Secretary of Defense from using a staff to help him in the administration of the Department. As a practical matter, the volume of business which the Secretary of Defense would have to take up daily with each Service Secretary is so great that effective administration would be virtually impossible. As you can see, such a requirement not only would hamstring the Secretary of Defense but also is directly contrary to the idea of real unification and should be deleted. The same wording appears in the preface of lines 10–15 on page 2, and should be eliminated there, also.

Second. The provisions beginning at line 7 of page 4 seriously restrict the freedom of the Secretary of Defense with regard to the transfer, reassignment, abolition, or consolidation of major combatant functions. It would seem that 30 days' notice to the Congress would establish ample protection against any radically erroneous move on the part of the Secretary of Defense, and allow adequately for retention of effective supervisory control in the Congress. Also, in this connection, it is to be noted that beginning at line 20 on page 4 the Vinson bill not only allows any single 1 of the 4 subordinate Service Chiefs to cause inordinate delays, perhaps in time of great crisis, in the shift of combatant functions by the Secretary of Defense, but also would allow any one of them to cause the classification of any combatant function, no matter how minor, as a major combatant function in order to delay action by the Secretary of Defense. If Congress has notice of a shift for 30 days there is no need to provide for additional delay within the Defense Department or before the Congress.

Third. At lines 9–14 of page 5 it is stated that "No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper." There is nothing in the President's proposal that would diminish the right of Congress to call military personnel before its committees, and Congressional control has constitutional assurance. But this provision of the Vinson bill, although stated in the negative, tends to encourage affirmatively a circumvention of the Secretary of Defense and the President in taking grievances to the Congress. I understand this provision already has drawn the appellation of "legalized insubordination"—this may be an exaggeration, but it reflects the real reason why such a provision ought not be included in legislation aimed at effective unification through reorganization of the Department of Defense.

I know you appreciate the fact that in considering this legislation you are dealing with matters that touch the security of all of us in these United States. It is because this legislation is so vitally important that I write to you in this vein urging your opposition to half measures, and your support for the enactment of a measure that truly seeks unification and the elimination of inter-service bickering. The time is too late for petty considerations and no longer can we believe that we have years ahead in which to allow unification to arrive by some mysterious force of its own. The legislation enacted this year ought to be a real blueprint for streamlining this Nation's defense, and I believe that adherence to the President's plan will provide us with that blueprint. I strongly urge your support for adoption of the President's plan.

Sincerely,

REUBEN B. ROBERTSON, Jr.

Mr. Chairman, already we are far down the road that leads to the point of no return—the point beyond which, if we have not prepared for the last struggle for survival against a merciless foe, it will be too late to prepare.

The reorganization bill is basically a good bill. It needs only the three changes asked by the President.

For years a unified command has been the crying need of our national defense. This is our last chance. If we cannot now, under the leadership of President Eisenhower, provide for the mobilization and utilization of our manpower and resources under unified direction and control, it can never be done. It is time for us to forget every other consideration.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Chairman, I want to congratulate the distinguished gentleman from Missouri on his forthright endorsement of the three changes that the

President desires in the defense reorganization bill. May I say for the gentleman's information that I have this afternoon introduced a bill at the request of the President which meets the needs outlined in the speech of the gentleman from Missouri. When the reorganization bill comes up on the floor next week I will offer the bill as a substitute. I report it changes the committee bill in the three ways suggested by the distinguished chairman of the Appropriations Committee.

Mr. Chairman, the following is a statement by President Eisenhower on these three provisions in question:

STATEMENT BY PRESIDENT EISENHOWER

This morning I talked with Secretary of Defense McElroy about the defense reorganization bill as reported to the House of Representatives.

Three provisions of the reported bill directly conflict with the reorganization I proposed to the Congress.

These three provisions continue to emphasize disunity and separatism within the Defense Department. They continue to imply congressional approval of wasteful duplications, administrative delays, and interservice rivalries.

I have had convincing evidence that Americans everywhere favor a thoroughgoing reorganization of the Defense Department. The committee has acted commendably on most of the needed changes. But in dealing with our Defense Establishment, pretty good is not good enough, and going part way is not going far enough.

America, having started on this reorganization, wants the job done right.

I earnestly hope, as does Secretary McElroy, that the changes needed for an effective reorganization will be made by the House of Representatives when this bill comes up for debate.

OBJECTIONABLE FEATURES OF DEFENSE REORGANIZATION BILL

Section 2

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense [exercised through the respective Secretaries of such departments]; to provide for their unified direction under civilian control of the Secretary of Defense but not to merge these departments or services; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands, to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an overall Armed Forces general staff."

Comment

The language in black brackets is best described as a legalized bottleneck. It constricts the authority of the Secretary of Defense; puts a premium on intransigeance by lower Pentagon levels; blocks normal staff processes; fails to express the intent of the committee as explained in its report; will, as the committee report itself asserts, cause administrative chaos if fully implemented.

So, with this language, frictions, delays, duplications in the Defense Department would be given the color of legality.

Remedy

Delete the language in black brackets in section 2.

Section 3

"SEC. 3. (a) Section 202 (c) of the National Security Act of 1947, as amended (5 U. S. C. 171 (a) (c)), is amended to read as follows:

"'(c) (1) Within the policy enunciated in section 2, the Secretary of Defense shall take appropriate steps (including the transfer, reassignment, abolition, and consolidation of functions [other than major combatant functions]) to provide in the Department of Defense for more effective, efficient, and economical administration and operations and to eliminate duplication. However, except as otherwise provided in this subsection, no functions which have been or are hereafter established by law to be performed by the Department of Defense, or any officer or agency thereof, shall be substantially transferred, reassigned, abolished, or consolidated until 30 days after a report to the Congress in regard to all pertinent details in each instance shall have been made by the Secretary of Defense.

"'(2) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

"'(3) [Except as otherwise provided in paragraph (2) hereof, no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished, or consolidated until the first period of 60 calendar days of continuous session of the Congress following the date of report of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff. For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever one or more members of the Joint Chiefs of Staff disagree to the transfer, reassignment, abolition, or consolidation of such combatant function: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems].'"

Comment

The language in black brackets is best described as the everyone's-out-of-step-but-me provision. It vests astonishing authority in one military man without regard to the views of his military colleagues, the Secretary of Defense, the President and the Congress; allows one military man to hold up defense improvements for many months and perhaps block them altogether; subordinates civilian judgment, authority, and responsibility; repudiates concept of flexibility of combatant functions.

So it is an endorsement of duplication and standpatism in defense and of the concept of military superiority over civilian authority.

Remedy

Delete the language in black brackets in section 3.

Section 3

"(4) Each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense [exercised through the respective Secretaries of such Departments]."

Comment

The language in black brackets is the same as appears in section 2; again, the legalized bottleneck.

Remedy

Delete the language in black brackets in section 3.

Section 3

"(5) [No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper]."

Comment

The language in black brackets is best described as legalized insubordination. It: invites interservice rivalries; invites insubordination to the President and Secretary of Defense; endorses idea of disunity and blocking of defense modernizations; suggests that Congress hopes for disobedience and interservice rivalries; is bad concept, bad practice, bad influence within Pentagon.

Remedy

Delete the language in black brackets in section 3.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. As the gentleman recalls, last year when we had the appropriation bill up, several comments were made about what should be required and the changes that should be made in the way of military reorganization. I suggested some myself. We have seen one example where all the services can work so well together in the Air Defense Command where we have the Air Force, the Army, and the Navy working together as a team for the defense of this Nation. If that same principle were carried through in some of our other military activities and commands, while it might not save a great deal of money, it would save time. We could have efficiency and accomplish the purposes which the gentleman from Missouri has so ably set out. Personally, I would go just a little bit further on some of the other suggestions. I would completely divorce the Chiefs of Staff from any command over the Army, Navy, or the Air Force, respectively. Once they became members of the Joint Chiefs of Staff that would be their last assignment as far as United States military service is concerned. There are many other places they could be used—such as NATO. Let them be there as planners and let somebody else be commanders

of the Army, Navy, or the Air Force. I commend the chairman of the Committee on Appropriations on his statement.

Mr. CANNON. I am most interested in the gentleman's suggestion that the President did not go quite far enough. But, certainly, we should go as far as he recommends.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. BECKER. I want to compliment the gentleman from Missouri on his very wonderful association with the ideas of the President to have what he desires in the Department of Defense Reorganization bill. I listened to all the hearings and I can assure the gentleman I shall certainly support these amendments. As the gentleman has said, let us go at least as far as the President wants and not cut it short at this time. This is no time to sidetrack these ideas when we need the finest streamlined military department that this country can possibly have. These changes then will certainly give the President and the Secretary of Defense the necessary implements to carry forth what the people of this Nation want, namely, a real security program. I thank the gentleman for yielding.

Mr. CANNON. I am in agreement with the gentleman. It is a time to forget partisan distinctions, a time to forget every consideration except the most effective way of providing an efficient fighting force ready for service on short notice.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Missouri has consumed 27 minutes.

Mr. MAHON. Mr. Chairman, I yield to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise to support this bill, H. R. 12738. This bill appropriates $38 billion for the Department of Defense. This appropriation is $4.5 billion more than the bill which was approved by Congress last year. It provides for programs which last year seemed quite beyond our capability.

Without preparedness, there can be no security. This bill provides the funds for preparedness and for our security. It provides funds for relatively new programs that make sense as a means of defense for this country.

Since October of 1957 when sputnik electrified the world, the American people have asked themselves soul-searching questions and are critically appraising our governmental leaders. The people want to know the facts. They were humiliated, angry, frustrated, and aroused. They became slightly hysterical. But today hysteria has disappeared, and the people are determined; they are determined to recapture our world leadership in all fields.

We are the leaders of the Free World. We seek not war, but peace. We have enjoyed the monopoly of atomic bombs and technological inventions, and we did not abuse our power. We have shared the fruits of our scientific advances with the nations of the world. We have shared our atomic resources. We have given generously of our economic aid to more than 60 countries to fight poverty and to bolster their economy. Because we were the strongest nation in the world, we became smugly complacent. While we dawdled and enjoyed our televisions and automobiles, another nation with less noble and peaceful purposes has advanced with great strides. Today the Russians have surpassed us in rockets and missiles. Today the Russian submarines, more than 600 in number, present the greatest potential danger to our security. Despite our great struggle, we are perhaps not even the masters of our fate.

We are determined, however, to be free and to regain the prominence in industry, science, and military striking power. We are prepared to pay the financial cost as contained in this bill. While we are behind in submarine strength and missile development, we need not minimize our prowess. We have in orbit three satellites. We are very strong today. We have in the Strategic Air Command a very powerful and ready force. Our great strength and retaliatory power are the greatest deterrent to war. In overall striking force, we are superior to the Soviets, but the Russians are moving fast and we cannot tarry or dawdle.

This bill provides funds for necessary programs. I shall, in my limited time, mention some provisions which are of paramount importance.

One billion three hundred million dollars are provided for the fleet ballistic missile firing submarine, the Polaris. Heretofore, we made provisions for three such submarines. We are now ready to build a fleet of nine Polaris boats to offset the Russian submarine strength. We are providing funds for killer submarines and more antisubmarine warfare activity.

Nine hundred and fifty million dollars are provided for intercontinental ballistic missile program. Principally, this is for Atlas, Titan, and the solid propellant minutemen ballistic missiles.

Four hundred and fifty million dollars are provided in the intermediate range ballistic missile.

One billion five hundred million dollars are provided for the modernization of equipment, including a very considerable sum for Army missiles.

These and other provisions will help us compete in this space age. If we desire to remain free in this world, we must conquer space out of this world and have the will to incur the high financial cost to build a community of nations right here on earth.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 30 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, this bill, as has been stated in the debate yesterday, calls for new obligational authority to the extent of something over $38 billion. Approximately $113 million more than the Presidential request. It totals approximately $4 billion more than the obligational authority available in fiscal year 1958. In other words, it is more than what is available this year and it is more than what the President himself requested of the Congress. Some people might assume that the Congress in this bill was going off on an unwise spending program. I sincerely hope and trust that the people who will administer these funds in the Department of Defense in each and every service will be guided by the principle of getting the most defense for the least dollars.

Last year we were concerned primarily with economy. The House reduced the President's budget for the Defense Department by $2½ billion. We insisted that economy be practiced in the Pentagon. I would caution anybody in the Defense Department that they should follow the same guidelines in the administration and expenditure of these funds as they were cautioned last year in the handling of the funds then made available. I am sure that our committee will be just as scrutinizing in the future, when we are called upon to review how these funds have been handled, as we have been in the past.

May I talk about transferability and flexibility. The President in the budget as presented requested authority to transfer $2 billion from one account in one service to another account in another service. In addition, he indicated he would submit a request for a $500 million contingency fund. Furthermore, it was stated that in the preparation of the 1960 budget a specific request for increased flexibility would be made. Our commitee had several hearings where Mr. McElroy, Secretary of Defense, discussed this problem. It was pointed out to the Secretary of Defense that the Defense Department does have substantial flexibility today.

Let me review what flexibility does exist. In the first place, in fiscal 1958 there was $30 million made available in obligational authority under the contingency fund program. In this program the Secretary of Defense can obligate up to $30 million for any purpose that he desires. In addition, in fiscal 1958 the Secretary of Defense has $85 million in obligational authority available in the emergency fund, plus the right of transfer of an additional $50 million, making a total in the emergency fund, both as to new obligational authority and transferability of $135 million. The language in the bill did however restrict this to research and development. Furthermore, there is additional flexibility. For example, take the account in the Army part of the budget, for the procurement of equipment and missiles, where approximately $1,500,000,000 is available in 1958.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Adair	Auchincloss	Boykin
Allen, Calif.	Belcher	Brownson
Andersen, H. Carl	Bentley	Buckley
	Boggs	Burdick

Byrd	Harden	Scott, N. C.
Canfield	Hillings	Shelley
Celler	Hosmer	Sheppard
Chelf	James	Shuford
Christopher	Jenkins	Smith, Kans.
Clark	Jones, Ala.	Smith, Miss.
Devereux	Kearney	Spence
Dies	Kilburn	Steed
Diggs	Lankford	Sullivan
Dooley	Lennon	Taylor
Dowdy	Marshall	Teague, Tex.
Doyle	Miller, Calif.	Tollefson
Eberharter	Morris	Tuck
Elliott	Philbin	Udall
Fallon	Pillion	Utt
Farbstein	Polk	Vursell
Garmatz	Powell	Williams, Miss.
Gregory	Reece, Tenn.	Williams, N. Y.
Gubser	Rivers	Wilson, Calif.
Hale	Robeson, Va.	Winstead
Halleck	Saund	Zelenko

Accordingly the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 12738, and finding itself without a quorum, he had directed the roll to be called, when 351 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. FORD. Mr. Chairman, just prior to the quorum call I was discussing the degree of flexibility that does exist in the 1958 Department of Defense appropriation bill. I pointed out that the Secretary of Defense has a $30 million contingency fund which is wide open. In the emergency fund he has $85 million in outright obligational authority, plus the transferability of another $50 million. This emergency fund is primarily limited to research and development.

In addition, within each account in the various services there is also a very high degree of flexibility, providing, of course, that the Secretary of Defense or the individual service makes known to the committees the changes in the program and the funding between what was submitted at the time the budget was justified and what they want to do under the revised program.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. In connection with the gentleman's statement relating to the flexibility that does exist, has existed, and will exist, it might be well for the Members to turn to page 258 of the Department of Defense appropriation hearings which on the front page bears the words "Advanced Research Projects Agency," where Secretary McNeil, who is well conversant with these facts and figures, shows that in 1957 and 1958 there was flexibility and reprograming of better than $5 billion. In other words, it amounts to about 5.5 to 6 percent of flexibility, which on a $40 billion bill is rather complete flexibility if the services care to exercise it.

Mr. FORD. For example, if we take the Department of the Air Force appropriation called Aircraft, missiles, and related procurement, the figure for fiscal 1959 is $6,308,000,000. Within that total of over $6 billion there is complete flexibility, provided the committee is notified of any major changes in the program between what was submitted and what they intend to execute.

Let us take a minute to see why and when flexibility is required. Whenever Congress is in session flexibility within an account can be handled adequately purely by notification to the Committee on Appropriations. If there is a transfer needed from one account to another, that requires Congressional action, but with Congress in session, to my knowledge every such request has been completely honored. The only area where there is a requirement for flexibility of an unusual character is when Congress is not in session. If you look at the record of Congressional sessions for the last 5 or 6 years, you will see that we have not been in session on an average of about 4 months a year.

If in this 4-month period when Congress is not in session a dire emergency should arise, Congress, of course, would be called back into session and under such circumstances the Congress would promptly take affirmative action to provide additional funds in whatever amounts were necessary. But, if the emergency were not a serious one, but only resulted from a breakthrough in some scientific area, the Secretary of Defense under the existing law has a total obligational availability of $30 million plus $135 million plus the flexibility in the various individual accounts. $135 million plus $30 million is a lot of flexibility to meet any foreseeable breakthrough. That is a lot money to obligate for any scientific breakthrough in the first instance.

Now, the committee went further than we did in 1958 because we did wish to cooperate and give even greater flexibility to the President and Secretary of Defense. What have we done? We honored the President's request for the $30 million contingency fund in fiscal 1959. The President asked for $85 million in appropriations for the emergency fund and $50 million for transferability in this fund. We took the appropriation and increased it to $150 million—a $65 million increase. Furthermore, we doubled the amount of transferability from $50 million to $100 million. We gave the President in the emergency fund area, $250 million in contrast to his request for $135 million.

Additionally we changed the language to give the Secretary of Defense greater flexibility in the use these funds. Heretofore, in the emergency fund they could only use this money for research and development. We kept those two words in the language, but added, and I quote "test and evaluation or procurement or production related thereto". In other words, we increased the funds in the emergency category substantially and we broadened the language to permit them, if a breakthrough should come while Congress was not in session, to actually procure. It is my considered opinion, we have given to the Department of Defense all of the flexibility they need for any conceivable breakthrough as a practical matter.

Now, I would like to talk about the Department of the Army and its budget. It is my honest opinion that this budget, as submitted by the President, and this budget for the Army, as implemented by the committee, will give to the Army the necessary funds to make it the best Army the United States has ever had in peacetime, the best Army the United States has ever had in a cold war year, and the best Army in the case of any outbreak of hostilities.

What is required for a first-class army in the atmosphere of today? First, you must have good leadership at the top. I firmly believe Secretary Brucker of the Department of the Army is a top notch Secretary, one of the very best in our Nation's history. He has done a remarkably good job. The Chief of Staff for Army, General Maxwell Taylor, is an outstanding military leader, a man of experience, foresight, and a man who has done a terrifically good job as Chief of Staff.

From General Lemnitzer, on down to the lowliest enlisted man, I think the people in military uniform in the Army are first-class soldiers.

What is the second ingredient of a good army? We must have a trained and experienced personnel from the lowliest private on up.

I think the programs that the Congress has enacted, of which there are many to keep trained personnel in the service has resulted in our enlisted personnel today being the best in the history of the Army.

On the equipment side, a good army must have increased firepower, mobility, and communication. As I will point out later, the President's budget, as implemented by this committee, takes a big step forward in the modernization of our Army in those three crucial categories. As a result, I wholeheartedly and fully endorse the President's budget for the Department of the Army, as implemented by this committee.

What is the funding picture for the Department of the Army for 1959, as represented in this bill? This bill gives to the Army in new obligational authority $9,042,626,000. The program calls for expenditures in fiscal 1959 of $8.6 or $8.7 billion dollars. It will result in an unexpended balance at the end of fiscal 1959 in the area of $4.3 billion. The program will result in unobligated balances at the end of fiscal 1959 of about $400 million, all or most of which will be committed to sound constructive programs for fiscal 1960.

The total expenditures available for the Department of the Army, if this budget is approved as recommended by the committee for fiscal 1959, will total $13 billion.

The one account which I think deserves special attention in the Army this year is that for military personnel. In the bill we have provided new obligational authority to the extent of $3,326 million, which includes transfer of obligational authority to the extent of $425 million from the Army stock and industrial funds. The committee made only one reduction in the President's budget in this account, a reduction totaling $3,800,000. It was a percentage cut for all three services. In the Army it

resulted in $3.8 million, a very insignificant reduction in comparison to the total in the account.

What does the dollar availability mean in the way of troops? Here is what it will provide: 870,000 active duty personnel; 14 divisions; one armored combat command; 11 brigades, battle groups and regiments; 4 missile commands; 36 surface to surface missile units; 74 surface to air missile battalions, and 30 aviation companies.

It does provide that there should be 30,000 reduction in active duty personnel, comparing end strength 1959 to end strength 1958. But as I indicated a minute ago, there are certain increases in the surface to surface missile units; seven. There are increases in surface to air missile battalions; nine. There are increases in aviation companies; five. There is a reduction of one division, comparing fiscal 1959 to fiscal 1958.

I want to make this point especially clear, however: You do not measure the quality of an army necessarily by the number of people on active duty; you measure, to a substantial degree, the quality of the army by the people who are in it, whether they are experienced, whether they have capability of assimilating the complicated jobs to which they are assigned, and whether or not the ratio of combat forces to overall strength is good.

In this area it seems to me that in fiscal 1959 the Army will be immeasurably improved, it will be substantially improved in fiscal 1959 compared with fiscal 1958 for several reasons:

1. Our enlistment rates are going up, which means that more people who have had experience in the service are reenlisting. This is the result of legislation enacted by the Congress over the last 4 or 5 years, such as reenlistment bonuses, dislocation allowances, social security coverage, dependent medical care, and more housing for the military than ever in the history of the Army, Navy, or Air Force. In addition there are other fringe benefits which have been approved by the Congress which make the military a more attractive career.

In addition, it should be pointed out, you cannot always compare reenlistment rates of last year with reenlistment rates of this year. The reason for that is that within the last 12 months the Army has severely restricted the eligibility of people who can reenlist. They have raised the requirements of those people who want to reenlist. As a consequence, many people who have the desire have not been eligible to continue service in the Department of the Army. But despite these higher criteria the reenlistment for the Department of the Army has gone up, and I am ready to believe that with the pay bill it will improve further in fiscal 1959.

Another aspect of this problem is the weeding out of those who for one reason or another have not been able to qualify on the various mental tests that have been given by the Department of the Army. People in category 4 have always been a problem to the Department of the Army. We find that they are the ones who tend to go a. w. o. l. more frequently; they are the ones who seem to get in more trouble than the others.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. We have had some testimony that there are persons who fall into still another category than category 4, and that is the so-called gold-brickers.

Mr. FORD. That is correct. That is another group that has been involuntarily released from the Department of the Army. The Army in fiscal 1958 has involuntarily released 65,800 of these people they felt did not live up to or meet the requirements for further service in the Army. For example, on January 31, 1957, the Army had 244,300 people in category 4. One year later, January 31, 1958, that number had been reduced to 181,900. In other words, the Army has gotten rid of those they felt could not assimilate the requirements of handling new equipment, this complicated equipment that we are making available.

They have raised the criteria for reenlistment, but despite the increase in this criteria the reenlistment rate has gone up. So overall in fiscal 1958 and again in fiscal 1959 you are going to have a larger percentage of people qualified to do a better job in the Army than they had in the past.

How are some of these things reflected in your overall program? For example, the Army forecasts that in fiscal 1959 they will take in 150,000 selectees or those who come to the service by the draft method. If the reenlistment rate continues as it is on the upward side, despite the fact they are raising their standards, it is fair to assume that instead of drafting 150,000 it might be 140,000 or maybe even less.

What does that mean to your overall Army effectiveness? It simply means that you require less instructors for the reduced number of trainees; it means more instructors can be with combat units. The ratio in the Army of instructors to trainees is about 4 to 1 overall. When you have a decrease in your number of new enlistees, it means your training load goes down, it frees people who are skilled and trained to return to combat duty.

It is my honest and considered judgment that with the money made available and with the programs the Army has underway and intends to have underway that we have an adequate number. We will have an adequate number on active duty in fiscal 1959 to give the Army the best cold war Army in the history of the United States.

Let us turn to the next account, operations and maintenance. That covers a large miscellaneous area. The committee has recommended $3,215,000,000. This is the money that provides the Army with funds to purchase everything they use on a day-to-day basis. It provides for procurement of some equipment. It provides for some travel. It is kind of a catchall. It is an area where I think in the past the Congress has been a bit too restrictive. In this bill we reduced the operations and maintenance account for the Army by $30 million. This percentage reduction is applicable to the three services. It is a small reduction percentagewise and small dollarwise.

However, here I conscientiously disagree with the committee's recommendations. I do not deny that the Army through improved management can do a better job, but I would have preferred if the additional funds in this particular and specific case had not been deleted from the budget.

We made a reduction of $2.6 million in the dependent medical care portion of the operations and maintenance account.

We did provide some increases in the operations and maintenance account. We added $5 million to continue the mapping program at the level at which it has proceeded for the last few years. About 5 years ago the Army started a 10-year mapping program which required funding on an annual basis of about $40 million. This year the budget reduced that to approximately thirty-four or thirty-five million dollars. The committee felt, and I wholeheartedly agree with them, that that reduction by the executive branch was wrong.

We have added $5 million, and I hope that the Department of the Army, the Department of Defense, spends it the way the committee recommends.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I will be happy to.

Mr. MILLER of Maryland. I think it is worthy of comment, because perhaps it is not fully understood by all the Members, that while this is in the Army budget, it is a Defense Department activity and involves all the services and is of the utmost importance for that reason.

Mr. FORD. I thank the gentleman from Maryland, who has been a valuable member of this committee for the last 6 years.

In the operations and maintenance account we also added $37 million for the National Guard and the Reserve; $24 million of the $37 million was for the Guard and $13 million for the Army Reserve. This money is needed to permit the Guard and the Reserve to conduct their program to the extent of 400,000 personnel for the National Guard and 300,000 for the Army Reserve.

Under the President's budget, the strength ceiling for the Army Reserve was to be 270,000. The committee felt that the limitation was unsound. As a consequence we have recommended that the ceiling on the Army Reserve be lifted from 270,000 to 300,000. We have provided $202,499,000 for the implementation of the Army Reserve program to a 300,000 ceiling.

Now the Army Reserve is on the buildup. With this program and with these funds they can reach their ceiling of 300,000. The committee, in order to finance the additional 30,000 for the Army Reserve, added $17,499,000 in this account. When you add that to the operation and maintenance increase, the total for the Army Reserve is $30,499,000.

I must point out that the Army Reserve and the Army National Guard are

an integral part of our overall defense team.

I would like to read the testimony of General Palladino of the Army Reserve, which points out the improvement that has been made in the Army Reserve. On page 155 of the hearings, General Palladino had this to say:

In 1948 we had no units. Today we have more than 5,500 units organized and active throughout the country.

As recently as 1950 we had no training centers we could call our own. As of December 31 we had 155 constructed facilities and another 79 under construction. Also we have 1,746 leased or donated facilities.

Then, on page 156, General Palladino had this to say:

The truly remarkable growth is in our enlisted strength. As recently as June 1953 we had only 71,000 enlisted men in drill-pay status. By the end of February 1958 we had over 200,000. Of these, the large part have received basic training or have served 2 or more years in the Active Army. Many are combat veterans.

In other words, the Army Reserve is a good outfit, and with the additional funds we have made available they will be even better and will constitute a real backup to the active Armed Forces.

The National Guard program as submitted by the President called for a strength limitation of 360,000. The committee has recommended funds at a strength level which would take them up to a ceiling of 400,000. The committee has recommended for this program $333.8 million. In this account there is an increase of $27,419,000. When you add that to the money for the Army National Guard in the operations and maintenance account, it indicates a total increase over the President's budget for the Department of Defense to the extent of $51,419,000.

Again I would like to quote from a responsible officer of the Department of the Army, on this occasion General McGowan, who is the head of the Army National Guard. On page 219 of the committee hearings General McGowan had this to say:

Contrast this with June 30, 1956, as shown on the left of this chart. Using the same criteria, 66 percent of the guard were then trained individuals, including 24 percent who had prior service or active duty training. By the end of fiscal 1959, practically 100 percent will be basically trained.

In other words, in 1956 only 66 percent of the Army National Guard were adequately trained. By the end of the fiscal year 1959 the Army National Guard will be 100 percent trained, a substantial increase in their effectiveness in case of any outbreak.

Again, General McGowan had this to say at page 219 of the committee hearings:

We have been splendidly equipped by the active Army was a vast quantity of modern equipment.

Then I would like to turn to page 222 of the hearings where General McGowan summarizes the status of the National Guard and here is what he said in that regard:

That the National Guard today is well equipped; that its members are trained and possess more and better facilities than ever before in its long history; that it is truly a Ready Reserve;

In other words, the Army National Guard in fiscal 1959 will be well equipped, well trained, and in General McGowan's opinion, in the best combat status it has ever been in the history of the National Guard.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield at that point?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The same may be said of the Air National Guard. We were all impressed with General Wilson's presentation on the Air National Guard and we share with him confidence in his ability to do the job.

Mr. FORD. Speaking for myself, I was tremendously impressed with General Wilson's testimony. It was my first opportunity to hear him, and I certainly concur in the observation of the gentleman from Kansas [Mr. SCRIVNER].

In the Army account for research and development the President originally asked for $471 million. Contrast that, if you will, with the funds for fiscal 1958 of some $400 million in the first instance. An amendment to the President's budget in this account raised the figure from $471 million to $498.7 million.

In my judgment, the Army's research and development program is sound. It will be adequately financed by the budget as submitted and amended. I am certain, I am positive that they can proceed expeditiously and effectively on the many programs which are so vital to the future of the Army and to the security of the United States.

In the final account, that of procurement of equipment and missiles, the committee has recomended $1,644,600,000. Most of the increases over and above the original budget submission of $1.4 billion are for the modernization of the Army, the modernization of its equipment. The committee accepted the President's amendment to this account which called for an increase of $218 million but added to that $37 million of our own to accentuate the modernization program. So that in fiscal 1959, the Army will have for its modernization program almost $800 million, modernization in these three broad categories—mobility, communications, and firepower.

It seems to me that with the funds which we have made available the Army is going to take more rapid steps forward in its modernization program than at any time in recent history.

In conclusion may I just summarize by saying this: The budget as submitted and as amended by this committee for the Department of the Army is the best Army budget I have ever had the opportunity of working with in the 6 years I have been on this subcommittee. I think it will provide an excellent peacetime, cold-war Army and will be the sound foundation for any active war if this country should become so engaged.

I feel that with the fine leadership from the Secretary of the Army and the Chief of Staff, General Taylor, this program in dollars will bring about a first topnotch fighting outfit.

I think we have provided sufficient funds for active-duty personnel. We are going to have people in the ranks of higher quality and more experience than at any time in the past.

We have bolstered over and above the President's budget the Army Reserves and the National Guard to the extent of 70,000. We have found that the Guard and the Reserves from the point of view of combat effectiveness are in the best shape they have ever been.

As I pointed out a minute ago, there is over $800 million in the Army procurement account for equipment and missiles for an expanded modernization program.

When you look at the whole picture within the Army plus other factors, such as the increase in the strength of our NATO allies and our Free World allies, the increased strength of the Marine Corps, and the other programs which this committee has funded, it is my considered opinion that we should stick with the budget as this subcommittee has recommended it, which includes an Army strength on active duty of 870,000.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Indiana.

Mr. BEAMER. I want to compliment my colleague from Michigan on an excellent statement. I should like to ask this question: I realize that we cannot legislate on an appropriation bill, but since the armed services are going to be spending these billions of the taxpayers' dollars, should not some consideration be given to their contracts being placed in distressed areas in this country? I am referring to many instances, and they are happening all around us, where the money is being spent overseas. Only recently I was advised by the Air Force that they were buying some particular products from Canada because there was an unemployment situation in that area. We have unemployment situations in this country, too. I wonder, when they are spending this large amount of money, whether they cannot give consideration to our own manufacturers, to our own consumers, to our own employees, to our own taxpayers. Has the gentleman any comment on this particular subject?

Mr. FORD. It is my belief that the vast majority of funds included in this overall program will be spent in the United States with American producers.

Mr. BEAMER. I am asking the question because I was advised by the Armed Forces that the State Department is asking them to spend money with our friends and allies, because they seem to be more interested in making foreign friends than in bolstering our domestic economy. If this condition exists, I think that this information should be passed on to the Members of the House.

Mr. FORD. I am not personally familiar with such situations. If there is any such overall program, I think an investigation to determine the why and wherefore is appropriate.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. KEATING. I want to say a word of commendation about the gentleman's presentation and for his unusual grasp of the issues presented to us in this legislation. I always feel very comfortable about the activities of the gentleman regarding matters of national defense because I always know that he is going to look at both sides of every problem and give us the very best answer we can possibly have.

I want to ask the gentleman a question with reference to the size of the Army. In the Committee on Appropriations, do you endeavor to establish what the size of the Army should be? There apparently is an issue here over whether there should be 30,000 more in the standing Army. Is that entirely a matter of appropriations? I do not exactly understand how that becomes an issue here.

Mr. FORD. The President submitted a budget calling for an end strength in fiscal 1959 of 870,000. He recommended certain funds which would finance such an active duty Army. I understand there is to be an amendment offered which would increase the funds in the military pay account to the extent, I believe of $99 million, which would finance the additional 30,000 to keep the end strength at 900,000. Our committee and, in fact, the Congress can only provide funds for such a program. We cannot affirmatively and mandatorily direct the funds to be spent. That has been a long standing argument between the executive branch and the Congress. But, this committee in its wisdom, if it so desires, may add sufficient funds so that a 900,000 man Army could be financed.

Mr. KEATING. But that would not necessarily mean that the military authorities would decide that a 900,000 Army was desirable.

Mr. FORD. I think the ultimate decision in that case would rest on the Commander in Chief, the President.

Mr. KEATING. And his recommendation is for 870,000?

Mr. FORD. That is what he submitted in the budget for funding in fiscal 1959.

Mr. WIGGLESWORTH. Mr. Chairman, if the gentleman will yield, might I say at this point that that is his position as of today.

Mr. FLOOD. Mr. Chairman, if the gentleman will yield, of course, that is true in the case of any other appropriation in the entire budget; is that not correct?

Mr. FORD. That is right. I mean we are simply making funds available, and then it is within the discretion of the executive branch to obligate it.

Mr. FLOOD. And that would apply to the Polaris submarine or the Marines or anything else. It is not peculiar to the Army.

Mr. HOFFMAN. As the gentleman very well knows, it is impossible for some of us, and certainly for me, to know about these things and to get accurate information. So it is that now I want to express my very deep appreciation to the gentleman upon whose testimony and statement I can rely. I am sure I speak for the majority of Michigan Republicans, at least, to the same effect.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. CRAMER. I, too, want to congratulate the gentleman for his very fine statement concerning this Department of Defense appropriation bill. I was interested in the gentleman's remarks with regard to the Army National Guard. Of course, we know that there has been a great deal of discussion and concern about this proposed cut, and I am happy to see that the committee has retained the strength at 400,000, which I understand is the intention of the committee; is that not correct?

Mr. FORD. The committee provides funds in both the Army National Guard account and in the operations and maintenance account to maintain the Army National Guard at an active-duty strength of 400,000.

Mr. CHAMER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Chairman, one of the most essential and accepted traditions of the United States is the maintenance of the National Guard of each State. In World War I they served nobly beside regular Army troops—in the Second World War the Guard, 300,000 strong, were on hand to quickly react following the attack at Pearl Harbor—and in the Korean conflict the National Guard units of this Nation served to stop the invasion of the Communists.

It may easily be said that the National Guard has played a vital role in the organization of our Army both in the past and as it is constituted today. They have maintained a brilliant record both in peacetime and in war. Survival today depends upon trained men in organized combat units largely in ready status and it is my sincere opinion that the National Guard is a proven and most efficient vehicle for providing an immediately ready group of trained and equipped soldiers to back up the regular defense units of the Nation. There will be no warning and no opportunity for extended training should, God forbid, the aggressive nations of this earth force us again into the position of defending our homeland. The National Guard is vital to our very existence today.

I take this opportunity to clearly express my strong feeling against any cut in the National Guard below its present strength of 400,000 men.

Sufficient funds as contained in this bill must be appropriated by this Congress and the use of this grant by the Executive follows to maintain this minimum Guard strength, fully equipped and properly trained.

The Guard should continue an organizational pattern, within the concept of the modern Pentomic army, of a balanced tactical structure.

In making my suggestions I am prompted particularly by a pride in the National Guard units located in the First District of Florida, which is an outstanding example of the effectiveness of this guard arm of the Army. The 51st Division, located both in Florida and South Carolina, is one of the outstanding divisions in the entire Nation. For 4 years this unit has been either in first or second place in strength of all National Guard divisions; for 2 of the last 3 years the 51st has won the Third United States Army trophy for best trained and most efficient division; during field training for 1957 the Florida National Guard attained a higher rating than any other State or Territory; for 3 years the 51st has been a "ready" unit considered to be the most advanced in training and readiness with "M" day assignments of immediate mobilization.

There is a wealth of evidence as to the validity of the request that the National Guard remain at a base strength of 400,000. The Honorable Wilber M. Brucker, Secretary of the Army, has stated in an address made at Phoenix, Ariz., on the 15th of April this year:

> My position last year and my position this year is that there should be a floor of 400,000 in the Army National Guard.

He had earlier stated:

> I am determined that the guard shall not be reduced below the 400,000 level at which it is set.

The ability of the guard to sustain itself results in tremendous dollar savings and leaves the Army free to conduct its own training or assist in planning and conducting field training for its other reserve component. The National Guard serves in two capacities—vital to the proper defense of the Nation and important in the functioning of the State body—as both a service of the States in time of peace and a basic unit of our military strength in time of conflict.

The place of the National Guard in the modern Pentomic army is one of importance and a responsibility that the guard is more than willing to accept. I quote the reasons for this reorganization from the remarks of Gen. Maxwell D. Taylor, Chief of Staff of the United States Army, made before the Governors Conference and recently held in Miami Beach:

> After several years of study of the effects of modern atomic weapons and their impact upon the tactics of future warfare, the active Army decided in the autumn of 1956 to initiate the reorganization of its divisions in line with the Pentomic concept. This concept derived from the need to equip our divisions with atomic weapons, while at the same time giving them a pentagonal structure by increasing the basic combat units within the divisions from 3 to 5. Hence this artificial word, Pentomic; to describe the new structure.
>
> The new organization of these divisions was based upon four considerations. The first was to give the division commander atomic weapons within the organic structure of his division. The second was to organize the division so that it could disperse readily in the case of atomic attack into semi-independent battle groups replacing the present infantry regiments. Third, the new organization was to take full advantage of the progress in signal communications which permits a division commander to control more subordinate units than formerly. Finally, it was considered important to reduce

the organic equipment in a division to that which is habitually needed in any theater of operations.

Two significant actions have recently been taken to retain the 37 present number and identity of National Guard units as combat units and to maintain their effective strength. First, any consideration of plans that would remove certain units of the Guard from a tactical classification were eliminated by a decision of the Department of the Army and, again, as reported by General Taylor, saying:

This morning Secretary Brucker and I are happy to announce that there has been a relaxation of the original guidance upon which our plans thus far have been based. The Army has been authorized to develop a plan looking toward the retention of the present 37 divisions in the Reserve forces structure, that is, 27 National Guard divisions and 10 U. S. A. R. divisions, provided that this troop structure is maintained with no increase of cost or personnel beyond currently programed levels. As a result, the Army will make a complete review of its present plans in order to bring them in line with the revised guidance. We are indebted to the Secretary of Defense, Mr. McElroy, for giving us the authority to take another look at the problem under less restrictive guidelines.

The second, and perhaps the most effective action, is the report of the committee made to the House with the bill we consider today. I refer to the discourse on the Army National Guard on page 36, of Committee Report 1830, and to which statements I heartily concur. I think the committee has fully recognized the problem and faced up to the fact that the guard is an organization of primary concern to proper defense organization in the Nation as well as in the States. The appropriation of additional funds beyond the request of the Bureau of the Budget has clearly been established as a necessary action by the House. I am fully convinced that only by maintaining full strength of the guard at 400,000 will this Nation both in times of peace as well as in times of war be properly protected.

I have indicated my concern in this matter because of my deep conviction that the guard is essential to our defense nationally and in proper service to the States and because of the vital interest I have in the excellent guard organization in the State of Florida. It was my pleasure to invite to Washington the commanding officers of this division and to personally join them in conferences with Assistant Secretary of the Army, Hugh H. Milton preceding General Taylor's announcement of the new plan of organization. I believe these conferences were of importance to the Department of Army in reaching their decisions as to guard organization and to the future of such outstanding divisions. Mr. Milton demonstrated a complete understanding of the problem and well represented the Secretary of the Army who's position has been clearly set out.

I shall certainly support the recommendations of the committee, as presented in the bill, maintaining a strong, relative economical, guard as well as reserve support to the Regular Army. The National Guard of the United States has earned its place in history as a real fighting outfit—in time of peace our States need the function of these prepared units—today we must display the type of military statesmanship required to give America a strong yet balanced defense.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, today for the second time the gentleman from Missouri [Mr. CANNON] expressed his approval of the President's plan for the reorganization of the Department of Defense. On previous occasions, under special orders, several Members of the House have expressed their endorsement and support of the President's plan for reorganization of the Department of Defense as submitted. However, and this I say advisedly, until this good minute not one word has been said on the floor of this House with reference to the issues which are involved in the reorganization bill which has been reported by the Committee on Armed Services. I call your attention to the fact that on two occasions rollcall votes were taken in the Committee on Armed Services, and with two members of the minority side stating that they were voting with reservations, the votes resulted in the first instance 33 votes to none for reporting the bill, and in the second instance 37 votes to none for reporting the bill.

I point out that only the Committeee on Armed Services has heard the issues involved in the plan for the reorganization of the Department of Defense. The bill will be before the House for consideration one day next week. I have a special order tomorrow for 1 hour, which I propose to devote to an analytical, objective, dispassionate discussion of the issues involved in the proposal for the reorganization of the Department of Defense. I will be highly complimented if my colleagues would be present and participate in that discussion. May I respectfully recommend that Members not be too quick to abandon the very definite constitutional responsibility placed upon the Congress of the United States in this particular area. There are very serious issues involved in this proposal. They involve at least two very fundamental issues. The struggle between the executive branch of the Government and the legislative branch of the Government for control of the organization of the military existed in England for approximately 200 years before the American Revolution. That issue was settled in our own Constitution at the time it was written. The other very fundamental issue involved is the necessity for civilian control of the military if you are to safeguard democracy. I say to you, whether it should have happened or not, those who have lived through the last 2 or 3 weeks have seen what an army can do when it is able to get rid of civilian control. It is not a question of whether you are going to support on a party division or whether it is sustaining the President or sustaining the Congress. It is not merely that. You have here to face it, and you cannot avoid it. You must face these issues here next week. It is your duty under the Constitution.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, in a few minutes we will take up the reading of the bill. I wish to make a very brief statement and insert a few things in the RECORD.

AIR SAFETY

One of the things that has troubled the American people and Members of Congress in recent days has been the matter of air safety. The Congress, through various committees and otherwise, has been seeking to achieve as much air safety as possible within the Defense Department and in civilian aviation. The Committee on Appropriations has recently called upon the Secretary of Defense and the Secretaries of the Army, Navy and Air Force to reexamine this whole problem and undertake immediately, within the framework of existing authority, to do something to make military and civilian air traffic less hazardous.

In 1938, Congress passed the Civil Aeronautics Act to provide a firm basis for civil aviation in the United States. This act established two independent agencies, the Civil Aeronautics Administration and the Civil Aeronautics Board, which were charged with the responsibility for administering the several elements of a civil aviation program. Since 1938, America has literally taken to the air. In 1938, the airlines carried 1,300,000 passengers. In 1958, it is expected they will carry nearly 50 million passengers, and by 1965 or 1970, it is likely that the number will rise to possibly 70 million.

Civil aviation has increased not only in its size, but as well in its complexity; in the number of cities served; in the amount of cargo carried; and in the types of planes and the speed of those planes. Lindbergh's historic flight across the Atlantic in 1938 has been duplicated thousands upon thousands of times with much greater safety, speed, and comfort, and by planes that carry as many as 140 passengers. Today every major city in the world is linked by scheduled airlines. The modern jet or turboprop jets of today can cross the Atlantic in a little more than 4 hours. The safety record of modern scheduled aircraft is better today than it was in 1938 on a relative basis.

However, the increased speed of modern jets and the increased passenger-carrying capacity of these planes presents a very real safety problem.

The problem requires the considered judgment and the best scientific consideration to provide means of controlling aircraft, both military and civilian, if the accident rate and the number of fatalities from such accidents are to be held to a minimum.

Mr. Chairman, I would like to place in the RECORD at this point a letter of June 2, 1958, from Mr. MacIntyre, the Under Secretary of the Air Force.

The letter follows:

DEPARTMENT OF THE AIR FORCE,
Washington, June 2, 1958.

Hon. GEORGE MAHON,
House of Representatives.

DEAR MR. MAHON: The Air Force, in consonance with the thoughts expressed in your

letter to Secretary Douglas, is taking immediate steps to assist in minimizing the risk of air collisions. The Air Force recognizes its responsibility to protect the public to the maximum possible extent during air operations. We are striving to find solutions which will provide the safety desired by all of us, without reducing the ability of this Nation to have an Air Force so well located and so well trained that it cannot be surprised and destroyed.

The immediate steps taken are basically voluntary restrictions on Air Force jet nontactical flights, affecting operations on airways and at civil airports. It is hoped that the longer range programs under way will soon provide solutions through increased air traffic control system capability rather than by traffic restrictions.

Unfortunately there have been widespread misconceptions which must be clarified, I think, to provide public confidence in this Nation's air traffic control system and planned system improvements. The 158,000 miles of airways covering the United States, although referred to as civil airways, are Federal airways. On these airways the Civil Aeronautics Administration provides navigation and air traffic control service for all users. There is no separate military air route traffic control system in this country. Likewise, the flying rules governing Air Force operations are the same rules as those governing civil operations except where the Air Force has voluntarily supplemented Civil Air Regulations with additional and more stringent requirements for its operations.

It is the belief of the Air Force, and it is reflected in Air Force policies and efforts, that the desired attainment of an improved air traffic control system can only be achieved through:

1. Recognition of the national and international requirements of all users of the airspace, civil and military and

2. A coordinated and cooperative effort on the part of all users for improvement.

With an understanding of the varied requirements of the different users and joint effort to meet such requirements, immediate and continued improvement in the control of this Nation's traffic should then be possible through action in the following areas:

1. Regulatory changes.
2. Segregation of incompatible operations.
3. Accelerated research and development.
4. Accelerated implementation programs.

The Air Force has continually endeavored through its representation on the President's Air Coordinating Committee, in direct liaison with other Government agencies and civil interests, to present current Air Force requirements and participate in joint efforts to achieve the best possible air traffic control system.

Attached for your reference is a copy of our letter to the Chairman of the Air Coordinating Committee on this same subject, and copies of the Air Force directives issued for immediate remedial actions, as well as other background material concerning Air Force recognition of the need for, and efforts to assist in providing improvement of our air traffic control system.

Sincerely yours,

MALCOLM A. MACINTYRE,
Under Secretary.

Members of the House are familiar with the recent efforts of the Appropriations Committee, acting through the gentleman from Georgia [Mr. PRESTON] chairman of the Commerce Subcommittee, to encourage greater efforts to assure air safety. I have no doubt but that our military and civilian authorities will cooperate in an effort to find the best possible solution to our air safety problems.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. SCRIVNER. May I ask the gentleman if that will include the statement made by Mr. Durfee of CAB and Mr. Pyle, Director of the CAA who recently spoke on the air?

Mr. MAHON. I do not have that.

Mr. SCRIVNER. I have it and would like the privilege of inserting it after the material inserted by the gentleman.

Mr. MAHON. I would be glad to cooperate with the gentleman in placing it in the RECORD.

Another matter: As indicated in previous debate on the bill, the expenditures proposed for next year for the Department of Defense will be approximately the same, when we discount certain factors, as expenditures this year; and they will not be vastly greater than expenditures last year when all factors are considered.

Certain statements have been made with respect to the significance of the shifts of emphasis in our expenditures. The Comptroller of the Department of Defense, Mr. McNeil, is a very able and experienced member of the Defense Department. I have requested him to prepare a statement which I will insert in the RECORD at this point with respect to the change of emphasis in defense spending. I think this statement will be of interest to the Members of the House.

(The matter referred to follows:)

Since the appropriation bill for 1959 calls for an increase in appropriations of almost $4 billion compared with 1958, the question may well be asked why total expenditures are expected to increase by less than $1.5 billion. This results from a number of factors:

(1) A major portion of the increase in the 1959 budget represents long lead time developmental programs in which only a portion of the funds are spent in the first year. For example, only about one-third of the $1.5 billion requested in the budget amendments of April 2 are expected to be spent during fiscal year 1959.

(2) Appropriations for fiscal year 1958 were comparatively low because greater unprogramed unobligated balances were available for use in lieu of new appropriations. This did not, however, reduce the scope of the defense program. Thus, Department of Defense direct obligations this year will total over $41 billion and expenditures will total about $39 billion, while appropriations amounted to only $36.7 billion. Since unobligated balances have been drawn down to close to minimum levels—with only some $900 million available for application to the 1959 budget programs—it has been necessary for appropriations to be more in line with the planned level of obligations and expenditures.

(3) A good part of the cost increases affecting the military program has been offset by force adjustments and a military personnel decrease of about one-quarter million men between the beginning of the current fiscal year and the end of fiscal year 1959. Personnel reductions tend to generate savings quickly and directly, while, as has already been observed, there is an initial lag in expenditures for offsetting developmental and major procurement programs.

The use of overall figures tends to obscure the fact that the impact of technological progress is continually changing the pattern of defense expenditures, particularly in the major procurement area.

(a) Major procurement expenditures in fiscal year 1959 are estimated at $14 billion—$1 billion more than fiscal year 1955, the first full fiscal year after the Korean war.

(1) Aircraft will take 50 cents of each procurement dollar in 1959 compared with almost 62 cents in 1955, but missiles will take 24½ cents in 1959 compared with 5½ cents in 1955. Reflects the tremendous impact of technology on defense spending.

(2) Ships—9½ cents in 1959 compared with 7.8 cents in 1955.

(3) Electronics—6½ cents in 1959 compared with less than 5 cents in 1955.

(4) Ammunition procurement has fallen from about 10 cents, in the last 4 or 5 years, to about 1½ cents.

(5) Production equipment declined from about 5 cents in 1955 to about 2½ cents.

(6) Because of the changing character of modern warfare, amounts spent for industrial mobilization and mobilization reserves, as such, are sharply reduced.

(b) Even within these categories, major changes are taking place in the kinds of things we are buying.

(1) About three-quarters of the procurement funds requested in the fiscal year 1959 budget and the 1958 supplemental are programed for types of equipment which had not been developed or were not being bought in production quantities as late as 1955.

(2) About 90 percent of the dollars programed for missile procurement are for items which were not in production in operational quantities in 1955. Of thirty-odd different models planned for 1959, only 4 were being bought in operational quantities in 1955.

(3) About $160 million was programed for ballistic missiles in 1955 compared with almost $3 billion included for these weapons in the 1959 regular and 1958 supplemental budgets.

(4) Most of the ships in the 1959 program are entirely new types not to be found in the 1955 shipbuilding lists. The application of nuclear power to ship propulsion is being broadened each year—including the 1959 budget, 32 nuclear-powered warships have been programed. Guided missile capabilities of one sort or another are being included in most of the new warships under construction or programed for construction. Similar capabilities have ben installed or are being installed in many existing warships.

Mr. MAHON. Now I should like to refer briefly to the matter of expenditure limitation. As you know, last year, many expenditure limitations were placed into effect by the Bureau of the Budget and by the Defense Department and other agencies. That was done in order to keep spending within certain limits. Last year we were in the black; Government receipts were greater than expenditures by about $1.6 billion, I believe. That was in fiscal 1957. It is now being estimated by the Director of the Budget that we are going in the red during this fiscal year which ends this month, June 30, by approximately $3 billion, and it is estimated that we may go in the red for the fiscal year which begins on July 1 of this year to the extent of $8 billion or $10 billion. An estimate has been made by the Joint Congressional Committee on Taxation, I believe that we are going into the red this year by about $4 billion and next year by probably as much as $11 billion.

These figures, of course, are all estimates, but they point out a very troublesome matter which must give concern to every thoughtful American, because the security and the defense of our country are somewhat wrapped up in

this business of fiscal responsibility; we cannot escape it.

Bearing in mind that situation I wrote a letter as the agent of the Committee on Appropriations to the Secretary of Defense, and I asked him whether or not he would find it necessary perhaps to impose expenditure limitations on the three services as had been done last year by his predecessor. I should like to place in the RECORD at this point his statement with respect to that matter. In brief the statement was generally that he felt that it would not be necessary to impose serious expenditure limitations.

(The statement referred to follows:)

THE SECRETARY OF DEFENSE,
Washington, June 2, 1958.

Hon. GEORGE MAHON,
Chairman, Department of Defense Subcommittee, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: This is in reply to your letter of May 23, in which you requested me to provide the committee with a statement covering the outlook for the imposition of expenditure ceilings on the defense program for fiscal year 1959.

As you know, the detailed expenditure estimates presented to your committee in connection with the Department of Defense budget program for fiscal year 1959 totaled $40,335,000,000. During the hearings, the committee was also advised by Assistant Secretary McNeil:

"In view of the technological and other problems involved in the defense program, the expenditure estimates for 1959 are necessarily subject to continuing review and reevaluation. We think this estimate is pretty good at $40,335,000,000, but it could run a little higher than that."

If the funds requested for fiscal year 1959 are made available by the Congress, it is the intention of the Department of Defense to carry out the program presented to the Congress in an orderly manner. There is no intention within the Department of Defense of imposing rigid expenditure ceilings during fiscal year 1959.

Although every effort has been made to provide the best possible estimates of the expenditures expected to be incurred in accomplishing the various programs during fiscal year 1959, some relatively minor revisions are to be expected in the estimates for individual appropriations, as well as in the overall totals. This does not, however, alter our determination to accomplish the programs on a basis consistent with the estimates presented to the Congress.

In presenting the Department of Defense policy with regard to possible imposition of expenditure ceilings during fiscal year 1959, it has been assumed that there will not be any overall governmental problem during the fiscal year in relation to the statutory debt ceiling which might preclude the Department of Defense from carrying out its policy.

Sincerely yours,

NEIL MCELROY.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. I would like to make this observation, if the gentleman will permit, with reference to air safety and the flying of military aircraft in that connection, that in all reports that we have of air traffic between the military piloted aircraft and civil aircraft, at no time—at no time—were military pilots violating any law or violating any regulation of the system under which the flying had been planned, and was going on. That it should be changed we all agree.

But these men flying military aircraft were not a lot of hot rod, silly children flying jet aircraft and violating laws and regulations. That was not true in any case.

Mr. MAHON. That is my understanding also. I believe I have mentioned the efforts made by a subcommittee headed by the gentleman from Georgia [Mr. PRESTON] having to do with appropriations for the Department of Commerce and the Civil Aeronautics Authority.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I just want to make one comment relating to the limitation on spending, and that is to call attention to language which the committee used on page 14 showing that we recognize the very important relation of the financial condition of our Nation to our defense situation.

Mr. MAHON. We have to do that. The effort is to buy within a certain framework of dollars the best defense we can get. If amendments are offered I hope we will bear in mind that we are faced next year with a deficit of probably $11 billion or more. It is a factor that cannot be taken out of consideration when we consider the defense of the Nation.

Mr. Chairman, there is another matter I would like to mention. I would like to restate what I undertook to say yesterday with respect to funds added in excess of the budget for the Polaris submarine and the Minuteman intercontinental ballistic missile. The funds which were added in excess of the budget request were added in the hope that they would prove helpful in expediting production and acquiring a better degree of defense readiness at an earlier date. It may very well be that difficulties will be encountered by the armed services which are not now anticipated, that plans of the services may go awry, and that it will not be feasible and desirable that funds which are appropriated for the purposes mentioned be obligated during the period which we presently expect. The defense picture is rapidly changing and there are many unpredictable elements which must be taken into account with respect to many programs. It is not the will of Congress that funds be uselessly or unwisely expended if future developments call for a modification of plans.

Mr. SCRIVNER. Mr. Chairman, in my colloquy with the gentleman from Texas [Mr. MAHON] I referred to a speech made by Mr. Durfee, Chairman, Civil Aeronautics Board. That speech follows:

THE ADVANCE IN AIR SAFETY

(An address by the Honorable James R. Durfee, Chairman, Civil Aeronautics Board, before the Wisconsin River Valley safety conference, Antigo, Wis., June 3, 1958)

I want to report to you tonight on safety in the air.

It is a great privilege—and all too rare a privilege—to make a report on air safety to a group like yours, with your special and devoted interest in improving safety in every phase of life. I am especially honored to be able to come back to my hometown to talk on this subject.

Too often those of us in aviation spend our time talking to each other about our safety situation without telling the public what we are up to—and without even telling our story to people like yourselves who have a special interest in our methods, our efforts and our accomplishments.

We are trying to remedy that in the knowledge that air safety is no longer the private preserve of the expert or the technician. The public has increasingly demanded to know what is going on—to know what is being done to protect its safety in the air. We are trying to meet that demand.

Two weeks ago we at the CAB submitted a special report to Congress and the public entitled "The Advance in Air Safety"—as part of our effort to tell the public what is going on. The important feature of the story was in the opening words of its last chapter: "Flying is safe. It is becoming safer."

Tonight I want to bring you that story—as much of it as I can.

It is a timely and an important story: Timely, because air safety has become a headline topic, with hourly news flashes on the latest developments—timely, because as your convention meets here today a committee of Congress is listening to the same story to consider legislation to help improve air safety. The story is important, because we need the support of an informed public to help us solve the problems that still lie ahead.

Before I go on, though, I want to give you a little perspective on the story by telling you about the main characters, the Civil Aeronautics Board and the Civil Aeronautics Administration—and what their jobs are.

Air safety work is essentially no different from the safety work that many of you are involved in. For example, we do work like the industrial safety expert—establishing design standards for the machines we work with to assure a safer machine. We do work like the traffic safety expert—improving the highways of the air, or what we call skyways that planes travel over. Like the traffic safety expert, we are constantly trying to improve the traffic rules, trying to figure out ways of handling more traffic every day without traffic congestion that is as uneconomic as it is unsafe. Like those of you working in all safety fields, we investigate accidents when they occur to figure out why they occurred and to eliminate their causes.

The difference in aviation is that the Federal Government has assumed complete responsibility for safety—complete responsibility over regulation, licensing, inspection, enforcement, and investigation—in addition to operating the Nation's skyways.

Twenty years ago this month—in June of 1938—after several painful years of rapid development in aviation, marred by numerous accidents, Congress passed the Civil Aeronautics Act assuming complete responsibility for aviation safety. It assigned what are now known as the Civil Aeronautics Board—the CAB—and the Civil Aeronautics Administration—the CAA—to do the job.

This act created a comprehensive safety framework that covered every aspect of safety—literally, from the ground up—in all its social, economic, political, and national defense implications.

The act works like this:

First, a regulatory authority was set up—which is now the CAB—with the job of prescribing safety standards—standards for everything—from the construction of the planes in the first instance, to the qualifications of the people who could fly, maintain,

and repair them, to the traffic rules that pilots must observe in the air.

Second, an operating authority was set up—which is now the CAA—with the job of making those regulations work—by licensing, inspecting, and when necessary, by enforcement action. It was given the job of setting up and operating the traffic facilities necessary to an aerial highway system—our system of skyways.

Finally, the CAB was given the job of investigating accidents—to see why, whenever there is an accident, this scheme has broken down—to find the reasons and to make sure that the causes are eliminated.

I like to describe these complementary agencies like this:

The CAB is the legislature of aviation safety—and its job is to make the rules, the laws of safety.

It is designed especially to do this job. It is a bipartisan, multimember agency like the Congress whose delegated powers it exercises and to which it reports.

It has extensive responsibilities to balance the various, conflicting interests that are involved in every legislative program and in any safety problem—interests which have vast economic as well as safety implications and in many instances, national defense implications as well. It is the Board's responsibility to come up with the kind of laws or rules that best resolve conflicts in order to benefit the overall public interest.

The CAA, on the other hand, is the executive branch of aviation safety. Like the executive branch of which it is a part, it is a single-headed agency which implements the rules prescribed by the legislative branch, operates the safety programs and brings enforcement actions against violators.

These are the main characters in today's safety story. There are others, of course—others that are playing a big part. But it is primarily what these two—the CAB and CAA—have done that makes up the safety story today.

What kind of a job have they done in the past 20 years under the Civil Aeronautics Act?

The simplest answer is that flying today is safe. Notwithstanding the black banners you see spread across page 1 when there is an accident—flying is safer by far for intercity travel than driving your car—and it has been getting safer right along. I think a few statistics will illustrate this.

In 1938 the airlines flew 1.4 million passengers a total of one-half billion passenger-miles. Thirty-five persons—passengers and crew—died in accidents.

In calendar 1957, the airlines flew 45 million passengers over 26 billion passenger-miles. Yet while the number of passengers increased over 30 times—the number of passenger-miles increased about 50 times—33 passengers and crew members died in accidents in 1957.

In other words—in the 20 years of the act, the passenger fatality rate measured in passenger-miles dropped to one forty-fifth of the 1938 rate.

Another way to look at the record is to compare the relative safety of air and ground travel with statistics that show passenger fatalities per 100 million passenger-miles.

The railroad rate for 1956, the last year for which I have figures from the National Safety Council, was 0.20 (per hundred million passenger miles). The bus rate uas 0.16.

The rate of the airlines for 1957 was less than 0.12.

The 1956 rate for passenger cars and taxis was 2.70—more than 20 times greater than the air rate.

These figures explain what stewardesses mean when they so often announce to their passengers before they get off the plane that "The safest part of your journey has now been completed. Please drive carefully going home."

These figures make a magnificent record for air safety. The record will be good for 1958 too—despite the fact that the statistics will not show quite the same improvement as 1957.

Our report to Congress, which I spoke of earlier, outlined the major problems we face in making the record better.

The report points up the fact that we face a tough job. It is tough because aviation has consistently grown faster than even its prophets have envisioned.

The number of planes in the air has increased by leaps and bounds. Their normal speed levels have jumped even faster.

Aviation has developed so fast that traffic congestion has rapidly become the major safety problem—as well as a serious economic problem.

The increase in air traffic means less airspace per plane. The increase in their speeds means that each plane needs more airspace to live in. Both together mean that the available airspace—one of our most valuable natural resources—is being exhausted.

Before World War II it would have been difficult to imagine the exhaustion of our airspace. In the past few years, that impossible prospect has become a real threat.

What is the CAB doing about it—what are we doing to meet that threat?

The two recent midair collisions have put this question on everyone's tongue—it is being asked in Congress, on the editorial pages, and, I am sure, by everyone who flies. The answer to that question is the real story of aviation safety today.

Here is what the CAB has been doing.

First, we are imposing greater control on air traffic.

Until recent years our whole air traffic system relied basically on the see and be seen principle—on the ability of each pilot to see and avoid other planes.

That principle becomes less and less reliable as we get more congestion and higher speeds. With very high speed jet planes, the principle is not satisfactory.

The objective we are after is complete control of all traffic that needs it—what we call positive control—control that will give each plane complete protection from all other traffic in the air.

The idea of positive control is to give the CAA traffic cop on the ground—the air traffic controller—an electronic finger on every plane in the air.

Secondly, we are trying to organize the use of the airspace. The airspace problem, simply stated, is who gets to use what airspace when—to arrange it so that the military has what it needs to defend the country and to train for that defense—so that the airlines have what they need to keep our magnificent air transportation system going—so that private and corporate aviation has what it needs for all the multiple, important purposes served by the 65,000 planes that fall in this broad category.

The objective we are after in organizing the airspace is to get the best use out of the airspace we have for all the needs of the Nation.

By these two means—greater control and organizing the use of the airspace—we are meeting and will solve the problem of congestion.

These are not simple solutions—not so simple as they may sound. Let me point out some of the problems—first, with regard to traffic control.

For the CAB to order positive control throughout the skies immediately would take facilities—men, money, and machines—that the CAA simply does not have. If the CAB were to insist on positive control today—85 percent of our air traffic would be grounded.

That would be like stopping highway accidents by closing the highways, or putting a 15 mile per hour speed limit on all cars and trucks. It could be done—but only by sacrificing our air transportation system and probably our air defense system as well.

The problems in organizing the airspace are just as real—just as difficult.

Before airspace fell into short supply—especially before World War II—it was feasible to let planes go wherever their pilots wanted to go whenever they wanted to, subject only to altitude minimums, and certain en route and airport traffic rules.

During this period the Armed Forces were freely permitted to use the airspace pretty much as they saw fit—because there was plenty of space for all. The Armed Forces properly appropriated airspace as they needed it. They properly set up their own navigation and control systems, suited to their own special needs, in addition to the CAA system.

Since World War II the conflicts between the military system and the rest of aviation began to increase as traffic increased. The Air Coordinating Committee—a panel of interested Government agencies—was set up to iron out these conflicts and to bring the two systems together.

With traffic increasing so fast—with such a great demand for airspace—the conflicts have become more and more serious. Trying to iron them out by coordination—by unanimous agreement—obviously becomes less and less fruitful as the conflicts become more and more acute.

These are the kinds of problems we face today—and tomorrow—in our effort to solve the overall congestion problem. The problems haven't stopped us. The CAB has gone ahead to meet them and solve them with every means at its command. We have made real progress and we expect it to continue.

On the traffic control front—just last week, the Board authorized CAA to set up aerial superhighways—or what we call superskyways of positive control—skyways 40 miles wide and stretching more than 3 miles up from 17,000 feet.

CAA will begin operating the first superskyways about June 15—three 40-mile-wide transcontinental swaths between 17,000 and 22,000 feet.

These superskyways are the culmination of long months of preparation. As long as last fall—the Board had promoted a superskyway experiment. On April 21, at the very moment of the tragic midair collision over Las Vegas, the Board was considering the announcement of a specific proposal—which it made to the public that day. Last week the proposal was made final.

Now the CAA is ready to make the superskyways a reality—a reality that will not only give every plane in that 5,000-foot high tunnel positive protection—but will also give us the information we need to add new superskyways as fast as possible—to ultimately push the boundaries of positive control out to cover every plane in the air—every flight in the air that needs it.

This will take time—as much as 5 years to spread the superskyway system across the country over our present airways network.

We will move as fast as we can. CAA, I know, is concentrating every effort to get the facilities ready. Congress has given both the CAB and CAA the kind of support we need—the money to buy the millions of dollars worth of machines and to hire the thousands of people needed to operate the system.

Finally, we have the promise, from the Airways Modernization Board, of a greatly improved, automated traffic-control system within a few years. This Board, a temporary research and development agency, set up last year by Congress at the President's recommendation, has the responsibility to give us a system that will put us ahead of the increase in traffic and keep us ahead during the coming years.

We aren't going to sit back and wait for the facilities in the meantime. The CAB is going ahead to take every possible step to meet the traffic problem in the meantime.

In recent months we have improved traffic separation at high altitude—up in the high-speed jet-plane airspace above 24,000 feet—by setting up special rules for what we call the continental control area. We have set up special rules for CAA to apply near major airports—our high-density zone rules.

We have excluded flight testing from the air over populated areas and directed CAA to designate special areas for testing. We have set up special rules to accommodate the supersonic scrambles of the Air Defense Command in intercepting and identifying unknown aircraft.

On the airspace front, we have gone ahead in the same fashion. On April 1 of this year, after almost a year of negotiating with the military to iron out difficulties, CAB terminated the broad exception to its rules that had permitted the military to deviate from the Board's traffic rules.

We carved out a new exception to permit the military to take care of real, immediate national-defense needs—and turned over to CAA the responsibility for parcelling out airspace for special uses—subject, always, to an appeal to the Board.

A new set of procedures is being set up—carefully coordinated with the Armed Forces—to guarantee fair consideration of the needs of all users—military, airline, and general aviation.

The new airspace rules will enable CAA to readjust many of the special reservations—to open up restricted parcels of airspace in congested areas to relieve the pressure and thereby increase the safety margin.

This gives you a brief sketch of what the CAB has been doing and what its objectives have been. The Board has, of course, taken the leadership in these safety steps—that is the Board's job.

It has not done the job alone. Air safety takes the combined efforts of thousands and hundreds of thousands of individuals—and a host of different groups.

The CAB's regulatory process makes all of them participants in the formulation of CAB's rules along every step of the way—the CAA, the Armed Forces, the airlines, the unions of pilots and other employees, all of general aviation, the aircraft manufacturers, and many others.

We owe a tribute to these groups for their work and cooperation. With all of them, safety is always first—always preeminent in their thinking. Their efforts are as much a part of the advance in air safety under the Civil Aeronautics Act as are the CAB's.

The advance in air safety is far from ended—and the job is far from done. For example, even before we get much farther with positive control, it may be necessary to take further steps to protect traffic on the present airways during good weather—traffic that still moves on the "see and be seen" principle.

The President has announced that he will give a strong helping hand by having the military restrict its use of the airways. The airlines and airline pilots have helped by voluntarily following instrument rules on the more congested airways even in good weather. Work will continue on a collision warning device—what we call a proximity warning indicator—to give the pilot another safety tool to help him in the air.

Another example: With the new airspace rule, we have made substantial progress towards integrating civil and military aviation operations. The remainder of that job—to integrate the now separate navigation and communication facilities and airport systems under a single roof—must still be done. This is a job for the Congress—a job the CAB can do little or nothing about. While much progress has been made in the Air Coordinating Committee in the past 10 to 12 years, only by establishing a common, unified responsibility for the operation of these facilities can all the problems be ironed out.

The Senate is right now reviewing the air safety picture—going into the very things I have been talking about here tonight—under the able leadership of Senator MONRONEY of Oklahoma. His committee is also considering new legislation to iron out any kinks in the present safety structure. In the course of his hearings on the new legislative proposals there will be as many "physicians" diagnosing the ills of the present safety structure as there are people interested in it. The medicine that some are offering far beyond the ailments they are trying to cure—and may well make the patient really sick.

The existing safety machinery has worked well as far as that machinery goes. I can understand that in their concern over accidents, many will think that something drastic must be done—to abandon what we have, good or bad, and replace it with a shiny new agency that will somehow, magically, produce absolute safety in the air.

We do not think that is the solution.

Some remedial legislation is needed and I am confident that it will be enacted. It is certain to bring all military and civil aviation facilities under one roof, probably in a new CAA which will be known as the Federal Aviation Agency. It will also have this new agency take over all research and development on new facilities. Some other changes may be needed.

We are hopeful, and confident, that the existing safety machinery that has been this country's main line of defense in air safety for 20 years—and a very effective defense—will not be swept away in a futile hope that magic solutions will result.

As every one of you knows so well, there is no magic in safety. In this imperfect world we live in, there will always be accidents—on the highways, in our factories, in the home, and in the air. What we in safety are trying to do is to minimize the chances—take every conceivable precaution to avoid dangerous situations and minimize possible injury from accidents.

This is a never-ending job.

Like the eternal quest for peace, it is one that will always be with us. As has been true of the quest for peace, there may be failures, breakdowns, mistakes. As with the quest for peace, there is no magic solution—no nostrum that will solve all problems. As with the quest for peace, the work must go forward despite the occasional breakdowns.

The one central fact that stands out through what I have said here tonight—through all that you may have read in the papers in the past 2 weeks about safety in the air—and all you will read in the coming weeks—that one central fact that I have tried to emphasize to you tonight is that flying is safe.

The purpose of all this concern is to make it still safer. It will be a tragedy for all if the preoccupation with making it safer were to destroy our confidence in what we already have—a sound, safe, and reliable air transportation system to serve us.

Mr. Chairman, I also referred to remarks by Mr. James T. Pyle, Administrator, Civil Aeronautics Administration. Those remarks, portions of his testimony before Congressional committees, follows:

Civil Aeronautics Administrator James T. Pyle, has reaffirmed his previous stand that positive control of all aircraft at certain altitudes is the ultimate goal of the CAA and the only effective method of protecting all aircraft against the collision threat. He added, however, that positive control cannot be implemented for another 3 years, at least.

"I want it clearly understood," Pyle told members of the Senate Aviation Subcommittee, "we will not solve this problem overnight." Any such optimistic impression would create a sense of false security, he has warned.

The CAA explained that the key to positive control is a long-range radar and that lead time involved in procuring and installing equipment and in training personnel precludes any possibilities of accelerating the agency's present airways program to any great degree. CAA's fiscal 1959 budget contains $34.8 million for long-range radar in addition to $21.6 million for terminal area radar. As approved by a House Appropriations Committee, the agency's budget is an increase of $75.5 million over fiscal 1958.

Pyle later told Senate Members that, while the CAA would welcome a supplemental appropriation, "money is not the complete answer to the immediate problem. Just because we have a lot more money, the problem is not necessarily nailed down."

The Administrator explained that additional funds would have the effect of expanding Federal navigation facilities but would do little to shorten the timetable for positive control.

Pyle said procurement and installation problems are a larger stumbling block than financing. CAA, wherever possible, attempts to use its own technicians in most projects involving conversion of existing facilities while contracting with private industry for the installation of new units. * * *

The lack of adequate manpower alone precludes any possibility of a greatly accelerated positive control program, Pyle said.

He added that the increasing complexity of equipment and volume of traffic requires a training period of almost 2 years for traffic controllers.

Compounding the problem, Pyle explained, is the annual loss of nearly 1,000 controllers and the transfers of experienced men from high-density traffic areas to smaller terminals. He said the mental strain on controllers, which would be intensified with an expanded system, is already so great that CAA is conducting studies of stress and strain upon personnel at the major terminals.

The CHAIRMAN. All time having expired, the Clerk will read the bill for amendment.

Mr. SIKES. Mr. Chairman, this is the most important bill of the year from a monetary and other standpoints, therefore I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-four Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 86]

Adair	Diggs	Jones, Ala.
Andersen, H. Carl	Dooley	Kearney
	Dowdy	Kilburn
Auchincloss	Doyle	Lankford
Barden	Durham	LeCompte
Baumhart	Elliott	Madden
Belcher	Farbstein	Marshall
Bentley	Fascell	Miller, Calif.
Boggs	Garmatz	Morris
Brownson	Gregory	Philbin
Buckley	Gubser	Pillion
Burdick	Hale	Powell
Byrd	Halleck	Prouty
Canfield	Harden	Radwan
Celler	Hillings	Reece, Tenn.
Chelf	Holifield	Rivers
Christopher	Hosmer	Robeson, Va.
Clark	Hull	Saund
Dawson, Ill.	Jackson	Scott, N. C.
Devereux	James	Shelley
Dies	Jenkins	Sheppard

Shuford	Taylor	Willis
Smith, Kans.	Tollefson	Wilson, Calif.
Spence	Tuck	Wolverton
Springer	Utt	Zelenko
Sullivan	Williams, N. Y.	

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. McCORMACK] having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, and finding itself without a quorum, he had directed the roll to be called, when 343 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE III

DEPARTMENT OF THE ARMY

Military personnel

For pay, allowances, individual clothing, interest on deposits, and permanent change of station travel, for members of the Army on active duty (except those undergoing reserve training); expenses incident to movement of troop detachments, including rental of campsites and procurement of utility and other services; expenses of apprehension and delivery of deserters, prisoners, and soldiers absent without leave, including payment of rewards (not to exceed $25 in any one case), and costs of confinement of military prisoners in nonmilitary facilities; donations of not to exceed $25 to each prisoner upon each release from confinement in an Army or contract prison (other than a disciplinary barracks) and to each person discharged for fraudulent enlistment; authorized issues of articles to prisoners, other than those in disciplinary barracks; subsistence of enlisted personnel, selective service registrants called for induction and applicants for enlistment while held under observation, and prisoners (except those as disciplinary barracks), or reimbursement therefor while such personnel are sick in hospitals; and subsistence of supernumeraries necessitated by emergent military circumstances; $2,901,400,000, and in addition, $425 million, to be derived by transfer from the Army Stock Fund: *Provided*, That section 212 of the act of June 30, 1932 (5 U. S. C. 59a), shall not apply to retired military personnel on duty at the United States Soldiers' Home: *Provided further*, That the duties of the librarian at the United States Military Academy may be performed by a retired officer detailed on active duty.

The CHAIRMAN. For what purpose does the gentleman from Florida [Mr. SIKES] rise?

Mr. SIKES. Mr. Chairman, I have three amendments at the Clerk's desk. One of the amendments applies to this section, the other two apply to the Department of the Army. The three of them could well be considered jointly, and in order to expedite the work of the Committee, I ask unanimous consent that the three amendments may be reported and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. SIKES]?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments offered by the gentleman from Florida.

The Clerk read as follows:

Amendments offered by Mr. SIKES: On page 6, line 15, strike out "$2,901,400,000" and insert "$2,946,400,000".

On page 8, line 24, strike out "$3,039,208,000" and insert "$3,078,208,000".

On page 11, line 15, strike out "$1,644,600,000" and insert "$1,659,600,000".

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. SIKES. Mr. Chairman, I ask unanimous consent to revise and extend my remarks, and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MASON. Mr. Chairman, reserving the right to object, in view of the fact that the gentleman is speaking on three amendments at one time and saving 5 minutes, I will not object to this request.

There was no objection.

The CHAIRMAN. The gentleman from Florida is recognized for 10 minutes.

Mr. SIKES. Mr. Chairman, I have offered amendments totaling $99 million for the purpose of maintaining the strength of the Army at 900,000 through fiscal 1959. The strength of the Army at this time is a little above 900,000. It is about 907,000 or 908,000. It is scheduled to go down to 900,000 by June 30; and then, if the recommendation of the Bureau of the Budget and the Department of Defense is followed, would continue to drop to 870,000 during fiscal 1959. I propose that we maintain the strength of the Army at 900,000 through fiscal 1959, and the $99 million I have suggested in amendments would allow $45 million for military personnel pay and allowance; $39 million for operation and maintenance; in other words, training, and housing; and $15 million for procurement of modern equipment and missiles for weapons in keeping with the best and most modern weapons that are now available, that 30,000 additional troops would need.

Mr. Chairman, by way of preface, let me say I am much more concerned about the gravity of our defense situation in the world today than a casual reading of the report which has been submitted to you by the committee would indicate. We live in dangerous times. I think each of us recognizes that fact. I do note, however, that the emphasis on new weapons in the bill before you, and the appropriation of funds for new weapons shows there is concern and determination on the part of the committee and of Congress that our Nation shall move ahead on defense.

Therefore I state freely this is a good bill. It is one of the best defense bills that I have seen come to the floor. The committee has struck out boldly in an effort to assure, within as short a time as possible, the strongest defense that can be secured by the appropriation of money. However, I see one serious weakness in this bill. That is the weakness that I seek to cure by the amendments I have offered.

The Department of Defense has proposed to weaken further the fighting strength of the Army. This continues a program of reduction which was begun shortly after the Korean war.

Mr. Chairman, I subscribe fully to the theory that we must always seek to maintain one deliverable big punch, at least one big punch which is capable of knocking out an enemy if an all-out war should develop, and I would not reduce one dollar of the funds carried in this bill for the purpose of seeking to maintain at least one deliverable big punch for the final all-out emergency. But we may be approaching a stalemate in superweapons. We must consider that fact. We did reach a stalemate in gas warfare after World War I, and no nation since that time has used gas warfare. Who can say that any nation in this modern age will actually undertake a nuclear war? If we are concentrating primarily on preparation for a nuclear war that no one will dare to risk, then what will be our defense position?

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. I want to express the belief that what the gentleman said is exactly true, and express my support for his amendment.

Mr. SIKES. I appreciate the support of the distinguished gentleman from Texas.

What would happen if the Russians were to say to the capitals of the world that they do not intend to use nuclear weapons other than the smaller battlefield weapons? Much pressure would immediately be brought upon us by other world powers to forego the use of superweapons. A somewhat similar situation developed in Korea, where at the insistance of our allies we did not bomb beyond the Yalu. Then with their far greater troop strength the Russians might easily sweep across the continent of Europe, or elsewhere. What would happen if they began a series of small wars—brush fire wars—or encouraged other people to begin them, as they did in Korea? Of what value would our arsenal of superweapons be under those circumstances? I recall that we had the equivalent of superweapons in our air superiority and our A-bombs at the time of Korea, but the ground forces were necessary to keep us from being driven completely off the peninsula. And let me make it plain that I think we need all the services and that all are equally important.

But how shall we resist conventional ground warfare if our capability is primarily and essentially for massive warfare?

Do we think for a moment that the Russians are bound by our thinking and by our planning for warfare? I propose this addition of $99 million to permit the strength of the Army to continue through the fiscal year 1959 as it is today. I know that we have to save money wherever we can. In the matter of needing additional troops, 30,000 men is not a large number and would not make a major change in the size of the present

establishment. But I would like to point this out to you: The reduction which has been in progress for several years in the size of our conventional forces was programed in connection with NATO forces projected a number of years ago, and we anticipated at the time these reductions were programed there would be NATO strength increases to more than offset them. We anticipated that in 1958 there would be 30 NATO divisions in the line across Europe. How many do we have? Fifteen, just half as many as we thought we would have. We expected at that time that our allies would contribute the greater number of men required for the purpose of protecting the free world and that we would provide primarily the weapons. Actually, as it has developed, we are the principal source of both manpower and of weapons.

What happened to the NATO forces we expected to be in existence at this time? Britain has consistently cut back her armed forces and now is cutting back further on her army and navy. Significantly Britain has failed to re-equip her fighting forces with new and modern weapons and in the main her forces in Europe are equipped with World War II or modernized World War II armament. The result is that our left flank is left dangerously exposed in Europe today, and a determined attack by the Russians might sweep through the British positions and around our flank.

What about the French forces? They are in Africa trying to hold on to what is left of the French colonial empire. But they have not been built up as the French agreed to do.

What about the German forces? The Germans are 3 years behind in their schedule of making available the 12 divisions they promised. They are far below strength.

Out in the Far East there is Korea, where a magnificent fighting force was developed. These troops have been our principal dependence in that area. But our State Department says Korea has more forces than can be justified, and the recommendation has been made that the Korean forces be cut. They could be very valuable troops indeed should we become involved in the Far East.

What about the Japanese forces? We can expect but little help from them. The Japanese army military forces are little more than a police force of 150,000 men without modern equipment.

Our troops are spread thin; our commitments are worldwide. We are in a dangerous situation. I want to be sure we give them a fighting chance to do the job America has assigned to them in the protection of the Free World.

We have been told about Russia's superiority in guided missiles, about her superiority in numbers of submarines and her capabilities in submarine warfare. Let me remind you that the Russian Army is several times as big as ours and that the Russian Army has been completely reequipped since World War II with new weapons designed and built since World War II. We on the other hand have only a limited number of completely new and completely modern weapons. Most of the weapons with which our Army is equipped today are weapons which have been modernized, but are weapons that have been redesigned and built new since World War II.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Alabama.

Mr. ANDREWS. I would like to call attention to the fact that both Secretary Brucker and General Taylor told our committee that the absolute minimum was 900,000.

Mr. SIKES. The gentleman from Alabama is exactly right. Secretary Brucker, who is one of the best men in that position I have known, and the Army Staff, begged and pleaded with the Secretary of Defense that they be allowed to maintain a 900,000-man army as a minimum. The proposed cut in the army to 870,000 was not concurred in by the Joint Chiefs of Staff, it was not even considered by them other than to accept the directive handed them. This action is something that was dictated purely by budget considerations, just a matter of finding a place to cut down the amount of money that is to be spent for defense. The 870,000-man Army would permit only 14 understrength divisions. Several of them would be tied up with troop training. The proposed strength of 870,000 represents a reduction from the beginning of fiscal 1955 from 1,400,000 and from 20 full-strength divisions to 14 divisions that are less than full strength and therefore not fully effective.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent (at the request of Mr. SIKES) he was allowed to proceed for 5 additional minutes.)

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I would like to ask the gentleman from Florida if there is a reconciliation between the statements which the gentleman has been making here today with respect to the assistance we can count on from our foreign allies and the sort of statements that we heard during the debate on the foreign military aid bill. When that bill was up for consideration we were told it is imperative that we vote more money for military aid because we buy defense cheaper in that fashion. If I understand the gentleman correctly, he is saying that that defense has not materialized and that aid is not too much to be relied on.

Mr. SIKES. May I say to the gentleman I can document every statement I have made. The support from our allies we had anticipated is not there. Our NATO forces on which we had counted so strongly are at approximately half the strength our respective allied nations had promised to provide by the year 1958.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Louisiana.

Mr. HÉBERT. The gentleman has stated that General Taylor and Secretary Brucker fought against this cut in the Army. The gentleman has stated it is a budgetary cut. Who has overridden the military decision in this instance?

Mr. SIKES. We have here a recommendation from the Department of Defense which has been concurred in by the Bureau of the Budget. However, it is very clear that this is not a recommendation which has been concurred in by the Secretary of the Army or the Army Staff. They are the men who must fight the war on the ground if there is one. They are the men who know best what is required as an absolute minimum and they have stated that 900,000 is the safe minimum with the commitments our forces now have. Our treaty commitments have not been reduced. As a matter of fact, they are greater because of the failure of our allies to build up their own forces.

Mr. HÉBERT. Then the Bureau of the Budget has made the decision?

Mr. SIKES. I would assume that the Bureau of the Budget has made the decision as they have made so many others when the decision properly should belong to Congress.

Mr. BROOKS of Louisiana. Fortifying the statement the gentleman has already made, General Taylor and Secretary Brucker both appeared before our subcommittees and made similar statements that they had opposed these cuts and were supporting a minimum of 900,000 men.

Mr. HÉBERT. Is the gentleman aware of any military expert who made this decision or any expert military knowledge which the Bureau of the Budget possesses?

Mr. SIKES. The actions of the Bureau of the Budget are cloaked behind a considerable wall of secrecy, but I have seen no published recommendations by that august body which would attribute the responsibility to some one man who will stand up and answer for them.

Mr. TRIMBLE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Arkansas.

Mr. TRIMBLE. I want to compliment the gentleman from Florida. He has made a wonderful statement, and I hope his amendment will be adopted.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. I want to compliment the gentleman from Florida for his wonderful presentation of this case. As I understand, this cut means the loss of one division for each strategic force; an air transportable missile command for Europe will be cut, and the logistical support troops and training for the National Guard and the Army Reserve Corps will be cut.

Mr. SIKES. The gentleman is right, and he has made a valuable contribution.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to compliment the gentleman on his statement and join in every word of it. It just seems to me that this is a highly inappropriate time to reduce the key forces in the United States Army.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Georgia, the chairman of the Committee on Armed Services.

Mr. VINSON. I want to compliment the gentleman from Florida for offering this amendment. I think the facts justify favorable action on the part of the House. The Committee on Armed Services, who have investigated this matter, under the chairmanship of the distinguished gentleman from Louisiana [Mr. BROOKS], urged that the forces be set at 900,000 and a sufficient amount of money to care for them be appropriated.

Mr. SIKES. I thank the distinguished gentleman from Georgia.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Indiana.

Mr. BRAY. I wish to congratulate the gentleman for the stand he has taken. There have been three wars within my lifetime where the United States frantically tried to make up for lack of preparation. It has certainly been uneconomical and it has cost the United States billions of dollars not to have been ready, aside from the loss in lives. One of the things we must do, in my opinion, is to keep and maintain a stable, well-organized defense force, and not one that changes in strength continually. This amendment merely keeps the Army exactly where it is today. This will in the end save money and maintain a greater strength than will a constantly changing vacillating policy. I believe that in the interest of economy and for a sound defense we should try to keep the forces at the strength that we now have.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan be permitted to speak for an additional 5 minutes, equal time with the gentleman from Florida.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. FORD. Mr. Chairman, opposing the amendment offered by my good friend, the gentleman from Florida [Mr. SIKES] is not an easy job, purely on the basis that I have the highest regard and the greatest respect for him as a colleague. Furthermore, I know well of his knowledge and experience concerning the Department of the Army and the defense program. Neither is it easy for me to oppose the amendment because I happen to be a personal friend of the Secretary of the Army. He comes from my State. He and I have been good friends for some time. It is likewise difficult for me to oppose this amendment because I probably have more friends on active duty in the Army than in any one of the other services. Furthermore, I do not have to look back and feel that over the past years I have failed to be cognizant of the Army's needs. I think the record is very clear that in those instances where I thought the Army was right they had no more energetic and helpful spokesman on their behalf in the House than myself.

However, it seems to me we have to look at it from this point of view. On the one hand we have the Secretary of the Army feeling strongly that 870,000 men is not adequate. I know that General Taylor, as Chief of Staff of the Army, feels that way. Many people in the Department of the Army join him in this regard.

On the other hand, we must recognize the fact that the President of the United States has a long record of accomplishment in the Army and if there is any area in our Government where he is an authority it is here. He personally feels that 870,000 is the right figure for the Department of the Army in fiscal 1959.

The Bureau of the Budget did not set that figure. As a matter of fact, guidelines were drawn setting the Army active duty strength at 850,000. The Joint Chiefs of Staff had some reservations about that strength figure for the Department of the Army. Those were communicated to the President. As a result of those reservations by the Joint Chiefs of Staff, the President himself increased the strength figure for fiscal year 1959 from 850,000 to 870,000.

It seems to me that if you are going to weigh one judgment against another, in this instance it is sound for us to take the decision of the President of the United States and the overall recommendations of the Joint Chiefs of Staff who did endorse this budget as a whole, against the recommendations of the Secretary of the Army and the recommendations of General Taylor.

Mr. Chairman, it might be interesting to know that the subcommittee of 17 Members which heard all of the testimony, had a vote on this amendment, if my recollection is correct, voted two to one against the proposal submitted by my good friend, the gentleman from Florida [Mr. SIKES]. It is not a partisan issue because the vote could not have been two to one with the composition of the subcommittee.

But turning from the broad views of individuals in authority to my own analysis of why the 30,000 increase is not necessary for the Department of the Army in the fiscal year 1959, I would first like to discuss the problem of the quality of the Army active duty strength in fiscal year 1959. Mere numbers in and of themselves, do not make a strong fighting organization, whether it is the Army, the Navy or the Air Force. It is the quality of the personnel involved. As I indicated during general debate, the Army in fiscal 1958 inaugurated certain manpower programs which will result in a considerably improved personnel program for the Army in fiscal 1959.

Our reenlistment rates are going up. They are going up despite the fact that the eligibility rules for reenlistments have been increased considerably. This means that you are getting better people than you would have gotten and have gotten in the past. It means despite these higher eligibility requirements that we are keeping more trained people on active duty, so that the people in the divisions and in the units throughout will be the best soldiers the Department of the Army has ever had on active duty in peace time or in a cold-war era.

Because of the legislation which has been passed under the leadership of the gentleman from Georgia [Mr. VINSON], which has been costly, we are seeking and approaching a career Army. Our dependence on the draft is being reduced, which means that our training burden is less, which means that our ratio of combat forces to overall strength will be higher.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. TEAGUE of Texas. The gentleman, of course, is well aware of the missions that have been assigned the Army around the world. If he were Secretary of the Army, would he feel that the Congress had given him sufficient men to carry out these missions?

Mr. FORD. As I tried to indicate earlier, whether I were Secretary of the Army or a Representative from the State of Michigan, it is my considered opinion that for fiscal 1959 the strength of the Army should be 870,000.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The gentleman has been making a very comprehensive and sound statement. Knowing his, may I say, affection for the Army, inasmuch as he has served on the Army panel for so many years, I know that if there is any branch of the service closer to his heart than the other two it is the Army. For that reason I know he is speaking from his heart and based on sound judgment.

I would also point out that I trust the gentleman will go into the matter of equipment, because if we have not wasted many, many millions of dollars, a better equipped Army with a smaller number of men should be able to do much better than the larger sized Army we have had in previous years.

Mr. FORD. I was just about to turn to the question of equipment, because that is the second important ingredient in a good army. There are three elements that are highly essential for a modern army: One, firepower; two, mobility; and three, communications.

I think a year or two ago it was pointed out in our hearings that the firepower of the Army in the last 10 years has gone up 84 or 85 percent, and the forecast was that it would go up even greater in the next decade.

We have missiles units in the field today, such as SETAF in Italy. They have the Honest John, they have the Corporal. Just today I read that a combat trained unit fired a Redstone missile. This is an operational unit ready for deployment. The firepower of the Army is going to increase tremendously. In this budget, through the recommendations of the President and through its implementation by this committee, the Army will have about $800 million for the modernization of its equipment across the board, which is the biggest program the Army has had for modernization of firepower, communications, and mobility in my recollection.

I should like to turn to another problem. This committee, in order to insure that the ground forces would have adequate personnel, added funds to the extent of approximately $80 million to beef up the National Guard and the Army Reserves. We went above the President's recommendations to the extent of 70,000 people for the Reserves and the National Guard. We must remember the National Guard and the Army Reserve are well equipped and well trained. Since the Guard and the Reserves are an integral part of our defense team their larger size and improved capability, in part, justifies the strength figure of 870,000.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. ANDERSON of Montana. The gentleman refers to beefing up the National Guard and the Army Reserves. The gentleman, of course, means only to beef it up in the President's budget and not to beef it up from the actual numbers which have previously been authorized or which were previously in existence.

Mr. FORD. The gentleman is half right. In the National Guard, it means keeping it at a 400,000 level, but in the case of the Army Reserve it means going from about 235,000 up to 297,000.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. BROOKS of Louisiana. The National Guard had reached the point where it had 437,000 persons. Now they come in with the recommendation to reduce this down to 360,000 persons. This was such a reduction that it shocked the conscience of your committee. I am glad to say that your committee did not accept those recommendations. And the same recommendations that we are debating here today regarding reducing the size of the Army come from the same sources, and it shocks the conscience of many of use who are in the Congress.

Mr. FORD. As I said, when you combine the National Guard or the Army Reserve increases with the 870,000, in my judgment, the Armed Forces, the Department of the Army will have adequate troops on hand and in the reserve to do the job.

In addition, it should be pointed out that this committee provided funds to increase the size of the Marine Corps from 188,000, which is the end strength for fiscal 1958, to 200,000. I personally felt the Marines should have been kept at 188,000. The President wanted them to go down to 175,000. This committee to be certain and positive that we have on hand additional combat-ready outfits of three combat divisions with their accompanying air groups provided sufficient funds so that a larger Marine contingent will be ready to go at an instant's notice. So in two instances this committee has provided additional funds for increased ground forces, National Guard, Army Reserve and for the Marine Corps.

In addition to that, I think it is fair to point out that despite the comments of my friend, the gentleman from Florida, the NATO forces are stronger than they have been in the past and the forces of our allies elsewhere are stronger than they have been heretofore. They, through the mutual security program, are being beefed up with new weapons and better training to the extent of almost $2 billion annually.

Mr. Chairman, when you look at the overall I hope the amendment is defeated.

Mr. FLOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as you can well imagine, I rise in support of the amendment offered by the gentleman from Florida. I have been introducing an amendment of this same kind every year since the Korean War. This Congress saw fit to cut the Army about 500,000 since the Korean war. I have begged you and pleaded with you not to do that, but in your wisdom you proceeded, and you have consistently cut the Army. I thought you were wrong every time you did it. If you persist you will be wrong again. I have served on this panel of the committee with my friend from Michigan. Just examine this a minute. My friends say, "You take your word from the President on this. He knows. He is the one. If he ever knew about anything he knows about this." May I point out, Mr. Chairman, it was the same President who recommended that you cut the National Guard this year, and you said, "No. The President is wrong. He does not know about this. This is one thing he does not know about." The same President in the same budget in the same bill said, "Let us cut the Reserves." You said, "No. The President is wrong. The President does not know about this. This is one thing he does not know about."

The President said, "Let us cut the Marines 50,000." You said, "Never. Do not touch the Marines. That is one thing the President does not know anything about."

Well now, that is 3 to 1. That is pretty good odds.

Now, I will not try to gild the lily. I submit to you as a jury, the finders of the facts, you who are lawyers, and there are many of you here, you do not take the facts from me. You hear the evidence. You decide. This is important. It is important to the Congress, just as it is important to the Executive.

How many times did you hear the judge charge: "Oh, this is important to the State. It is important to the defendant. You decide."

But there is no margin for error here. Not today. No margin for error. There are two schools of thought. There are the big missile boys. Everybody is going to have missiles, and that is right. Two years from today everybody will have missiles, IRBM's and ICBM's. Everybody will be loaded with missiles, up to here. And nobody will object. But nobody. How do I know? Do I have a crystal ball? No. Do you? Certainly I do not. I do not know any more about it than you do. You decide. Your feeling is that you agree with me that 2 years from today nobody is going to push a button and start thermo-nuclear warfare. That means what? There will be by the Bible, there will be by history, "wars and rumors of war unto the end of time." In those wars, as always, you will need the Queen of Battle—Infantry.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. FLOOD] has expired.

Mr. MILLER of Maryland. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the question before the Committee at the moment is perhaps more of a moot question in some ways than some of us would like to see it. The Secretary of Defense, Mr. McElroy, in a press conference last Thursday was asked about this bill, and his comment was as follows:

> Our view about that is that in each instance the force levels proposed in the present budget message are adequate; and we think that the increases that are provided in the Appropriations Committee's determination of their proposal of our budget go beyond what is required.

Then on further inquiry by a member of the press as to what would be done about that if it became law, Mr. McElroy said:

> I am sure I am right in what I say and that is that this is an authorization to do, but not a command to do. So any of these items on which there have been increases provided by the Appropriations Committee will have to be considered along with all the items in the budget as a whole; so I do not think I would like to say what we will do about any individual item without knowing what the budget is as it finally comes out of the Congress.

Of course, I fully agree with much that has been said by both the advocates and the opponents of this amendment. I fully agree that our very competent Defense Department and our great President are going to have the last word on this anyway. One thing that we can do in this committee and in this Congress is to air the issues, make our personal views known to the country and to the executive department. Then we will probably sit by and watch nature take its course.

One item in this bill that to me is more important than the question of how big an Army we might have at any particular time or in any fiscal year is the welfare of our civilian components, which I believe are the most economical form of defense even in these days of so-called split-second reaction.

While it is true that our National Guard and our Organized Reserve Forces

are not yet all we would like them to be and probably never will be, they have shown such vast improvement when given the implementation to go forward that I am confident that in the predictable future we will have a National Guard and Reserve Forces with an almost immediate high combat capability. I think perhaps the experts in the Pentagon do not fully realize as some of us do who work in the field and in the small communities and have served in these civilian components the detrimental effect the swing of the pendulum, first up and then down, has on those organizations. It is difficult for outsiders to realize the impact in small communities of sudden changes in the force levels and unit structure and what it does to morale, efficiency, and the long-term capability of the program. I feel, therefore, very sincerely that our committee was correct in attempting to provide the money for a stabilized program for the Army National Guard and the Army Reserves. Whether it is needed at this particular moment or not, history has taught us how important it is to have available manpower throughout the land in time of emergency; and I am confident that it is a good investment, reluctant though I am to put my judgment against that of the military experts of the Pentagon.

We have heard much of the importance of flexibility. As I understand, if we support the committee in that regard, we give flexibility so far as ability to maintain necessary manpower is concerned. I share the concern of my distinguished colleague from Florida about whether we are overloading the Regular Army in view of all its responsibilities and the commitments we have worldwide. I am told that it will require 6,700 Regulars to take care of the added training load if we add the Reserve and National Guard components as provided in this bill.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. MILLER of Maryland. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. GAVIN. Mr. Chairman, reserving the right to object, and I will not object, I do think that the Members should be given an opportunity to be heard in between the committee members. We have been here now for several hours waiting to be recognized, but committee members only are being recognized. Therefore, I bring it to the attention of the committee that Members ought to be given an opportunity to be heard likewise.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Florida.

Mr. SIKES. I have the highest regard and respect for the distinguished gentleman who is now speaking. I would like to ask him, however, to comment on section 8 of the Constitution of the United States which I quote:

> The Congress shall have power to lay and collect taxes, duties, imports and excises, to pay debts, and provide for the common defense and general welfare of the United States.

I submit that the Congress has the responsibility to decide in its own judgment what constitutes a proper defense and that we should be supported in our decisions on defense, not frustrated.

Mr. MILLER of Maryland. I would not attempt at this point to discuss constitutional law with my eminent friend from Florida but I will say that the country and the Executive are certainly entitled to know the will of Congress, whether or not that is the controlling factor. I sincerely hope that this Congress will support the committee insofar as the National Guard and Reserve levels are concerned.

When it comes to the pending amendments, I will be frank and say that I went along with the majority of the committee feeling that the Executive ought to know about the Regular Army if anybody did. If there is any question about it being too little, particularly as I hear from people at the Pentagon, it is going to take 6,700 more regulars from other functions to support the committee's proposals. I would rather see us err on the side of liberality than to reduce the levels of the civilian components.

Mr. FLOOD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. As a good old Army colonel, you will come along with us if it is that close?

Mr. MILLER of Maryland. Of course, expediency sometimes enters into these things and compromise is important, but down in my heart I feel very much the way most of those in the Army feel. I am confident they are unhappy to see the numbers getting so small. In any case, Mr. Chairman, this matter should be weighed with great care.

In regard to the present amendments, although I have supported the committee in its position, I frankly have difficulty with my conscience to see why we should cut down to what the administration recommends for the Regular Army and not do likewise with the Marines, highly as I regard Marines. However, we should all bear in mind that no matter how many weapons we develop there will never be a time when in order to maintain the peace of the world it does not require bodies of men, no matter who they are. I view with alarm the reduction in our forces; however, as I say, it is a matter of compromise.

Mr. Chairman, with some misgivings, I will go along with the committee on this amendment hoping that the Defense Department will go along with the committee in its desire to establish and maintain force levels of at least 400,000 in the Army National Guard and 300,000 in the pay-status Army Reserves.

Mr. RILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the distinguished gentleman from Florida [Mr. SIKES].

Let me call your attention to some very vital facts. The first fact is that the Army has been cut more than one-third in the last 4 years; the second is that if the Army is to be cut further, it is certainly premature at this time.

A great deal has been said here today about the increased firepower of the Army, about the new weapons in use. But, I tell you, according to the testimony before our committee, that we are in the process of making these weapons operational; we are in the process of training troops to use them. We are not yet fully equipped and not yet fully trained and experienced in the use of these new weapons. Further than that, the potential enemy has increased his firepower relatively, and we are in the same position, in my opinion, that we were some years ago when we had more men and less firepower.

Now, in this troubled and confused world we cannot afford to take a chance. We are the main defense bulwark of the peace-loving world. It is better to err on the side of having too many soldiers than it is to have too few.

Now I want to call your attention to another fact. My friend has asked for an increase of $99 million to keep 30,000 men in the Army for 1 year. According to the Army's own figures, it will cost $96 million to give that many men basic training. As some of my distinguished colleagues on the left have brought out, we are trying to improve the quality of the Army personnel so they can learn to use these modern complicated weapons. Here you have a reservoir of trained men that will cost you almost exactly the same number of dollars to keep in the Army as it would to train that many new ones. Certainly, out of those 30,000 trained personnel you will find some of the quality and the experience and the technical knowhow that is required to improve the Army. It may be feasible, in the judgment of some of the higher officials, to cut the Army sometime in the future, but certainly it is premature at this time, when you can keep in the Army the same number of men for the same price that it would cost you to train recruits.

Now I want to call your attention to this. You know, of this psychological war through which we are moving—and I have the highest regard for the Air Force and the greatest confidence in the Strategic Air Command—but I tell you the psychological effect of the American soldier walking up and down in the European countries increases the morale of the people of those countries, increases their willingness for resistance, and increases their desire to be on the side of the Free World. Just as a policeman walking up and down the street is a deterrent to the would-be criminal, so is the American soldier in uniform a deterrent to those who would attack the Free World. That is a psychological reaction, and those of you who have studied human nature will agree with me that this is true. Our Strategic Air Command planes are largely stationed miles away.

The American soldier, in the American uniform, being near at hand, is a symbol of might, a symbol of success, a symbol of friendliness, and is a great deterrent to the aggressive minded.

This, Mr. Chairman, is not the time to cut down on our troops. Certainly we can wait another year to decide whether they should be cut at all.

I hope the motion of the gentleman from Florida prevails.

Mr. GAVIN. Mr. Chairman, I rise in support of the Sikes amendment. I think this amendment should receive the very careful consideration and attention of the membership of this House.

The amount of money involved here is approximately $99 million. The amount in the mutual security bill for fiscal 1959 is $3,900,000,000 or $3,900 million. Here is an item involving approximately $99 million in an overall budget of $38 billion or $38,000 million. Somehow or other there seems to be a concentrated effort to move in on the Department of the Army, cut them down, skeletonize them to the point where in the event we find ourselves in difficulty, we will be hard put to meet the demands that may be made upon us.

In 1955 we had 1,400,000 men in our Department of the Army. It was cut back to 997,000 men in 1957. It was cut back to 900,000 men in 1958. Now the talk is to cut it back, according to the Bureau of the Budget, to 870,000 men.

I do not know why the Bureau of the Budget should determine the capabilities of our military, or what the size of our Army should be. I do not know why they should assume such an important role to determine the size of the Army. I do believe that a decision as to the size of the Army should be left to the military instead of the Bureau of the Budget. For myself, I shall take the word of the military.

So now they say the figure shall be 870,000 by June 30 of 1959. That will mean that we will be dropping from 1,400,000 in 1955 to 870,000, in about 4 years. That is too severe and drastic a cut.

We cannot seem to learn the practical, hard lessons of war. After World War I, we destroyed our fortifications, cut back our defense setup, and put our trust in treaties with people who we thought were as right-minded as ourselves. We went down the pathway of pacifistic peace. And out of it, what did we get? We got the Lenins, the Trotskys, the Stalins, the Hitlers, the Himmlers, the Goerings, the Mussolinis, the Cianos, and dictatorships took over in Europe. We sat complacently by and did nothing about it. And suddenly, on December 7, 1941, they dropped tons of dynamite on our battleships, wiped out 50 percent of our fleet, took 3,300 lives. We were in a major war and again we were totally unprepared. So what did we do? We went all out again. In June 1949 we had 50,000 troops in Korea, then we pulled the last 6,000 of these troops out in December of 1949 with the result that Chinese Reds moved in. Then in 1950 we again changed our minds and tended to move back into Korea. But we had nothing to move with. We called back the Reserves from World War II, who had done the fighting in World War II, and pushed them into Korea. We were totally unprepared.

What did we have? We had a few obsolete tanks and bazookas in Japan. Results: we were very nearly pushed back into the sea at Pusan, the most humiliating incident that ever occurred in the history of this Nation.

What do you want to do again? You know we are living in a critical and a chaotic world where anything can happen. Overnight we may be plunged into another emergency. If you cut back again, skeletonize our Army, our Navy, our Air Force, our Marines; that is a responsibility you will have to assume.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. COLLIER. I have listened to this debate and I submit in all humility, with all the respect in the world for the knowledge and the work the committee has done on this bill, that there is something else to be considered. We are talking about superior forces. At the present time in this Nation we have 2.5 million young men between the ages of 20 and 28 years who have had 2 full years of military training. While they are not in the Armed Forces, they are available. Incidentally, that is 80 percent more training than any of our troops had when we went into World War II. I think certainly when we take into consideration the fact that Russia has a professional army, we should consider the fact that we have available some 2.5 million men who have had 2 years of training.

Mr. GAVIN. I am certainly pleased we have 2.5 million men in reserve to meet the demands if any should be made upon us.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes, and to revise and extend my remarks.

Mr. SCRIVNER. Reserving the right to object, Mr. Chairman, as the gentleman from Pennsylvania did, and as he said, I shall not object, I should like to call attention to an observation the gentleman from Pennsylvania made a few minutes ago about the members of the Military Appropriations Committee doing all the talking on this bill. I trust he will remember those remarks when we get onto some bill that is being brought up by the Committee on Armed Services.

Mr. GAVIN. I would be glad to; in fact, I certainly have.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. When it comes to appropriations and the way we have spent money, nobody seemingly gets concerned about the $3,900,000,000 for mutual security.

There are a few of us who do, I admit, but on the whole nobody is particularly alarmed. However, you are debating here about $99 million that is going to affect a 900,000-man Army. Suddenly we get economy-minded. I do not think it is a sensible, practical thing to do to cut back on the ground forces at this time. These are the boys that do the hard fighting. These are the boys who go through the cold and heat, the filth, the misery, and muck of mechanized warfare. We expect them to move in any time, any place in the world, to meet an emergency. We must have a well-trained alert Army. I trust that nobody will get so economy-minded here in this House that we would fail to restore this cut after the way money is spent particularly on mutual security. Let us not cut back the ground forces to such an extent that it may cause us difficulty if troubles break out anywhere in the world. So I hope this amendment will be voted on favorably.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to my good friend from Allegheny County, Pa.

Mr. HOLLAND. I join my colleague from Pennsylvania. May I state that, speaking about armies, the Soviet Union has a standing army at this day of 2.5 million men. Red China and North Korea have 2.5 million men in their standing army. Yet we are here debating about 2.5 million boys who spent 6 months in the Army, and we expect them to go against 5 million professional soldiers. The Red bloc is never going to risk a total war, but with the large army they have they can have peaceful aggression all over the world. That is what is breaking the morale of the people of the world, when we do not have the Army to back up our statements.

Mr. GAVIN. I cannot imagine why, out of an amount of $38 billion such as you have in this defense budget, you suddenly pick on the Army to cut it. This is a very serious matter. I think, really, with all the sincerity I can put into words, that to cut back our ground forces at this time is a very grave and serious mistake. With the critical and chaotic conditions existing in the world today, we must maintain the size of the ground forces to at least 900,000 men.

Mr. Chairman, I hope this amendment will be overwhelmingly passed.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

SIZE OF THE ARMY

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, what I shall say will not be exciting or spectacular, but I hope it will appeal to your good judgment. I believe at the peak of World War II we had about 12 million men under arms. It would seem to me that probably for the long pull in a cold war, about one-fifth of that amount in peacetime, if properly equipped, would be reasonably adequate. We have at this

time funds for an armed force in uniform next year of 2,500,000 men. I am using a round figure. The figure is actually a little higher. Those 2,500,000 men possess the destructive power at this moment to destroy every major concentration of military power and population on the planet, perhaps. I do not think at all that we should be thinking of maintaining a uniformed force at this time for the long pull of more than 2,500,000 people. It is the view of the President, so I understand, that we should move downward on the number of men in the Armed Forces and move upward in modern equipment and readiness capability. I think, frankly, we are moving down toward a lower level. It might go to 2 million. So this increase, which is being proposed today, is not as significant as it might be made to appear. Thirty thousand additional bodies in the Army is not what this country needs.

The Army appeared before the committee and said, as a result of our Pentomic divisions, we have to spread out for the purposes of preparing to resist atomic war, "We need more money for communications. We found in maneuvers in Germany that we could not keep in sufficient contact with each other." And officials asked for $200 million which has been included in appropriations this year for communications equipment. We exceeded the budget by $37 million for the Army for modernized equipment. We need not fear, insofar as manpower can make us safe, for the security of the country as long as we have 2,500,000 men under arms—and we have 2,500,000 plus at this time. But, that is not the factor that gives us the great concern. After all, if we have about one-fifth of the manpower we had when we were fighting on several continents and in both oceans in World War II, it would seem that we have rather adequate manpower for this period. We are not in a state of mobilization now.

I wondered if this decision as to the reduction of the size of the Army was the decision of President Eisenhower. I took steps to find out. I found that it was the recommendation of President Eisenhower that the Army be reduced below the figure submitted by the committee to a figure of 850,000 and, frankly, I think that would not have been too low a figure. But, after consultation with the Joint Chiefs of Staff and in order to more nearly satisfy some of the people in the Army, he raised that by 20,000 men. That is what the President did and it was his firm and fully considered decision. As a matter of compromise he agreed to a figure for the Army of 870,000 people. That was not the decision of Mr. McElroy although he has supported the President's position. That decision was hammered out after numerous conferences, referred to on page 32 of the committee report. The Joint Chiefs, the National Security Council and others were in on these determinations. This was a well-considered decision. It was the decision not of the Bureau of the Budget which the gentleman from Pennsylvania speaks of with contempt, but it was made personally by his President and my President for whom I have tremendous respect and in whom I have very much confidence.

So I support a military uniformed force of 2½ million men, plus the trained reservists which we have, plus 900,000 regular Reserves. If we are in this international contest for a long pull, if we provide $15 billion, as we do in this bill, for modern equipment and weapons, then it seems to me if we provide for a force of 2½ million we are within the ball park on that issue. So I sincerely trust that the committee will keep this problem in focus so that about one-fifth of what we had in the peak of the war will be enough in peacetime for the long pull. Of course we have a deterrent situation with respect to the U. S. S. R.

We will provide additional money, $700 million for increased pay. Do we not expect to get anything in value and efficiency for this additional $700 million? We will provide for the reorganization of the Defense Department. Do we think that action will be ineffective? What do you think 2½ million young Americans, well trained, with the finest weapons that can be created—what kind of force do you think that is? I think it is a pretty terrific force. Those who would indicate that to make them effective you have to have 30,000 more people seem to misunderstand the situation.

This $99 million contained in the amendment is not the picture. The amendment is $99 million, but officials of the Department of the Army said when they first proposed this to the committee it would be three-quarters of a billion dollars. This is like buying an automobile on the installment plan. The biggest part is yet to come. If you provide for this additional 30,000 men, you have got to come up next year with a vastly greater number of dollars in order to support this kind of proposition.

We have not made the Army the whipping boy of the services. The men of the Army have our respect and confidence. They have a great fighting organization in which we all take pride. The Army asked originally in seeking funds for the 1959 budget $2 billion more than it got. The Navy asked for $2 billion more than it got. The Air Force asked for $2½ billion more than it got. All of the services have been pruned down by the Secretary of Defense or by the Budget Bureau and the President. This has been worked out as a unified effort for the defense of the country. Let us not be so partisan as to consider only one of the services. They are a team and they all have an important part to play. Along with the Army we have to consider the Air Force, the Navy, and the Marines. When you add to the Army about 200,000 Marines, you have a substantial force if you can move them to the areas of danger. I would think seriously of providing $99 million for mobility of forces but not for more men.

The committee worked out a compromise. We said in addition to the trained Reserves, and otherwise, we will provide more for the National Guard and more for the Army Reserves. We will even provide more for the Marines, because the cost per man for Marines including all factors is considerably less according to information supplied to the committee.

So I trust that the House will go along with the position of the committee in supporting a balanced force of 2½ million men, especially since we are providing them with $15 billion worth of procurement, weapons, missiles, and so forth in this bill, and especially since the firepower of this armed force is so very tremendous. As I view the situation I cannot help but believe we have done a good job in providing uniformed personnel for the Army, Air Force, and a Navy. They all asked for increases; they got reductions in some areas. We applied the $1½ billion saved in this way to other purposes, for purposes of modernization and increased firepower. This in my opinion is the way to meet this problem.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed for 5 additional minutes.

Mr. HIESTAND. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Louisiana is recognized for 5 minutes.

Mr. BROOKS of Louisiana. Mr. Chairman, the reason I asked for the additional 5 minutes was that I am a member of the House Committee on the Armed Services and our chairman, the gentleman from Georgia [Mr. VINSON], appointed me as chairman of a subcommittee to especially study this subject of "a stabilized Army." We have been studying the subject and we have heard many, many witnesses on this point, adduced a lot of testimony, and I believe the House would wish to have the benefit of that testimony and of the efforts of the subcommittee especially set up for that purpose. Let me say this in addition, this is the only subcommittee that has been especially set up to work out a stabilized force for the defense of these United States. I think, therefore, we do know something about this particular problem, and in making this statement, I pay a tribute to the learning and the work of Chairman MAHON and his subcommittee who have handled this bill.

I heard the eloquent speech of my friend from Texas, the chairman of the Subcommittee on Appropriations. He makes a very convincing speech. On the other hand, however, let me ask if you Members who are present know what it means to reduce the Army down to 870,000 people? It means simply this, that you reduce your Army down to 14 divisions.

Russia has 175 divisions. When we reduce ours to 14 divisions, where do we find our 14 divisions? Two of them are in the faraway Orient; they are in Korea. Those two divisions over there have no divisions to back them up in any way if trouble develops in the Orient through the Chinese or through the Russians or through other sources. We have no divisions and no troops to back them up; as a matter of fact, to put our two divisions in Korea into action we will need the services of 15,000 native Korean troops. They are good troops, of course;

we trained them, we built them up; but they are not American troops and they are not—and I say this advisedly—of the caliber of our troops over there; and yet we have only two divisions over there.

Go over to Germany and what do we have? We have 5 divisions of American troops from the Army.

What does Russia have? Russia has 2½ million ground troops under arms. The satellites have, roughly 1½ million troops, making, roughly 4 million troops: 175 Russian divisions against 5 American Army divisions there in Europe.

We have the support of our allies there, of course; but make no mistake, we have only 5 American divisions over there in Europe, and that is all of our troops we can depend on. With those two divisions in the Orient and 5 in Europe, we have consumed half of the divisions of the United States Army—there are only 14 divisions—50 percent of it is distributed in that way.

Back here in the Zone of the Interior, as they refer to the United States, we have our strategic Army corps. That is the fighting force that we can depend upon in time of emergency to move quickly. What do we find in reference to this strategic corps of the Army? We find that in every division there are 6,000 men being trained in those divisions which we depend upon in an immediate emergency. Why do you train men in the strategic Army corps divisions? You should not do that. They are the elite troops we should depend on immediately when trouble breaks out in any portion of the world. My answer is this: We train them in the strategic bombing corps units because we have no other place to train them. Those divisions back home that are not in the strategic bombing corps are filled even more fully with men being trained than are the units of the strategic Army corps, the rate of turnover has been so heavy. In cutting down our Army to 870,000 people we are stripping it; and, as the Chief of Staff and the Secretary of the Army have told our committee, we are taking a chance, we are hazarding the security of the United States of America.

That is how important this thing is to us. It is important that we secure our Nation. This may mean the difference between security and nonsecurity.

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the members of this Committee know that I have opposed, particularly in the last year, reductions put into effect by this House because I believed they were not justified and that we were running an undue risk.

I yield to no man in this House in my appreciation of the vital importance of military power adequate to destroy any aggressor. We have that power today and we are going to maintain that power at all costs.

Mr. Chairman, I do not, however, go along with the thinking of my good friend from Florida [Mr. SIKES] in this amendment.

Reference has been made to the cost involved in a 900,000-man Army by the chairman of the subcommittee. I want to call your attention to page 272 of volume 1 of the hearings on the Defense Department appropriation bill, where I asked General Taylor specifically how much a 900,000-man Army would cost. General Taylor replied:

> For a 900,000-man Army, the figure would be $10.1 billion in direct obligations. That compares to an 870,000-man Army with a $9.3 billion direct obligation, which is the present bill.
>
> Mr. WIGGLESWORTH. Ten billion, one hundred million dollars—you mean that would call for an increase of about $800 million?
>
> General TAYLOR. That is correct, $800 million.
>
> Mr. WIGGLESWORTH. Eight hundred million dollars for a 900,000-man Army.
>
> General TAYLOR. To make that clear, that is not simply the increase in pay and maintenance and operation of those people, but also the modern equipment to go with them.
>
> Mr. WIGGLESWORTH. Eight hundred million dollars increase for a 900,000-man Army.
>
> General TAYLOR. That is correct.

In other words, the $99 million suggested by these amendments is just about one-eighth of the total cost of this increase.

While I do not think we should determine our military defense on the basis of dollars and cents exclusively, it is certainly an element, particularly in a bill which contains $4 billion more than was provided for the current fiscal year and which includes something like $1,021,000,000 of increases in military items over and above the budget requests.

I think we have done enough.

We have provided for an 870,000-man Army, 20,000 above the original figure fixed by the President, supplemented by 15 new guided missile battalions.

On top of that we have provided for an increase in the Marine Corps of 25,000, in the National Guard of 40,000, and in the Army Reserve Corps of 30,000.

As against the 30,000, 3⅓ percent reduction suggested in the Regular Forces, we provide an increase of 95,000 men.

We have also provided for an increase in the amount for modernization for the Army of $37 million above the budget.

Mr. Chairman, I want to emphasize in closing that this is the President's figure. He recommended it some time ago. It is his figure today. And, it is perfectly clear from the hearings that the Secretary of Defense believes that the years to come will carry with them not an increase in our ground forces in the Army, but a further increase in firepower offset by a corresponding further decrease in manpower.

Mr. Chairman, I hope the amendment will be defeated and that the Committee will stand by the recommendations of the President of the United States.

Mr. MAHON. Mr. Chairman, I rise for the purpose of undertaking to fix debate on the present amendments. Mr. Chairman, I ask unanimous consent that all debate on these amendments close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, can a Member not on the committee have 2 minutes of that time?

Mr. MAHON. I believe that would be possible.

Mr. SCRIVNER. Mr. Chairman, will the gentleman make that 25 minutes? I have not spoken on it yet.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, I would not take the time of the Committee at this late hour, but that I feel so strongly that we should support this amendment. As a member of the Committee on Armed Services, I have heard discussion on this subject, and I am persuaded that cutting 30,000 from our regular Army would be a most unfortunate proceeding at this time.

A great deal has been made of the fact that the President of the United States has advised in his budget message to the Congress that such a cut should be made. I would like to point out, though, Mr. Chairman, that when the President made that recommendation he also recommended cuts in the Army Reserve and in the National Guard as well as the Marine Corps, all of which the committee in its wisdom has changed.

Now, it seems to me that we are rather straining at a gnat and swallowing a camel; in other words, we are using the President as an argument for doing something, frankly, that the committee did not want to do, but when it comes to something that the committee did want to do, the President and his argument are laid very comfortably to one side. This is a time—and it has been well said by the able gentleman from Michigan [Mr. FORD]—when we need an Army that can use modern weapons, that is thoroughly trained, small in comparison to the army of our enemies. Now, what we are doing under the present bill—it is not as though we were keeping the Army where it is, oh, no—we are cutting this Army of ours, this professional Army, if you will, this Army that we must depend on in the most critical time, down by 30,000 individuals.

In other words, we are cutting it back to 14 divisions, which is a very small Army indeed, when we look at our opposition; 2½ million in the army of the U. S. S. R., and that is a regular army, an army that continues to function year in and year out; 2½ million in the Chinese and North Korean armies, and those armies will continue to function year in and year out. In opposition to that we take our highly specialized Army—and it is, I am sure, the greatest Army in the world—and for the sake of some economy, a very small economy, Mr. Chairman, when you consider the money that we are spending on our defenses, and quite properly so—we are cutting that Army down 30,000. What must these people think of us all over the world? We must have a well-balanced defense. We cannot afford to cut any branches of the services.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. ST. GEORGE] has expired.

The Chair recognizes the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I rise in support of the amendments offered by the distinguished gentleman from Florida [Mr. SIKES], the senior member of the Army Appropriations Subcommittee. Mr. SIKES has conducted the lengthy hearings on the Army part of this appropriation bill. I am sure there is no man in this Chamber better informed on the needs of our Army if it is to play its role in our national defense, and Mr. SIKES is unequivocal in saying that we do need at least a 900,000-man army. In taking this position I am also alining myself with the distinguished senior Congressman from Georgia, the chairman of the House Armed Services Committee, Mr. VINSON, whose remarks in support of the amendments you have already heard. Mr. BROOKS, whose subcommittee held extended hearings on this matter has presented the most telling arguments in favor of the Sikes amendments. I am sure many of my colleagues will be disposed to follow the lead of those distinguished and capable men and heed their persuasive reasoning rather than accept the advice of a previous speaker who wanted us to vote down the amendment on the advice of Mr. McElroy who was a soap salesman a few short months ago, with no particular claim of which I am aware to omnipotence in the military field.

I am alined in this argument with most of the top Army reservists in the country. I have here a resolution passed a couple of weeks ago by the Senior Reserve Commanders Association of the United States Army at their annual convention. This group includes generals from all the Reserve Army divisions in the United States, leaders whose organizations form the training nucleus for most of the Nation's third of a million reservists. They are leaders in economic and political life from every State in the Union. I ask that their resolution on the subject we are now discussing be included in the RECORD at the conclusion of my remarks.

Somebody is always looking for an easy way to win the struggle of wills which seems to be the unending lot of mankind. How many times has someone said, "This is the ultimate weapon"? First there was the club and the granite hammer of the stone age. There was the sling that slew Goliath and the bow and arrow with which small mercenary armies subjugated whole countries. With the advent of gunpowder and musket men must have said, "War is too terrible and will surely become obsolete." When tanks were developed in World War I men said that the infantry could no longer live on the battlefield, and poison gas confirmed their beliefs. Airplanes have been touted as the ultimate weapon for over a quarter of a century now, and yet throughout history man has fought and died on the battlefield, and always the key weapon was man himself, the final argument settled by soldiers on the ground. Just a few years ago our experience in Korea confirmed this fact.

Today we are told man is less important because we have atomic fission and fusion bombs, IRBM's, ICBM's, and antimissile missiles. Sure, we can lose this war if we get behind in these fields, but we can't guarantee victory by being ahead. The Free World can lose its battle with communism through subversion, in the political field, in the economic world, in the diplomatic world, in many other ways. The most likely way for us to lose an armed conflict is in a limited war.

If we are strong in the weapons of Buck Rogers warfare there is little likelihood that a worldwide nuclear conflagration will engulf the globe. It is much more likely that if the Free World loses territory through overt action that action is most likely to be in a limited area for limited objectives. Such action cannot be disposed of by massive retaliation. It can only be met by forces capable of waging a limited war. This capability absolutely requires strong ground forces. Although we have been told today that the President personally favors the reduction in the strength of the armed services, there is in today's New York Times an article which would make us think that the President is changing his mind. This article is headlined, "President Begins Review of Policy on Crises Abroad—Meets With National Safety Council on Defense Plans and Foreign Relations." The second item on his agenda is this question:

Is the Nation's capacity to wage limited wars to be stepped up, and if so, how?

I submit to you, Mr. Chairman, that unless these amendments are approved, we will have taken a step in the opposite direction from that apparently projected by the current review of the President.

The cut proposed is to an Army only 60 percent of that which we had in the Korean police action. The cut proposed endangers our national security. If war comes only a limited war offers hope for survival of civilization. Without a strong Army we will lose any limited war. I hope my colleagues will support the amendments of the distinguished gentleman from Florida [Mr. SIKES].

RESOLUTION OF SENIOR RESERVE COMMANDERS ASSOCIATION, ARMY OF THE UNITED STATES

To the Honorable Members of the Senate and the House of Representatives of the United States and to the Appropriations and Armed Services Committees of the Congress:

Whereas the authorized strengths of the Army Reserve will have to be reduced from 300,000 to 270,000, of the Army National Guard from 400,000 to 360,000, and the Active Army from 925,000 to 870,000 unless more money is appropriated to the Department of the Army than was requested in the President's budget for fiscal year 1959; and

Whereas strong ground forces are essential to an adequate posture of defense as a deterrent to war and a strong Army is vital to the Nation's capability of successfully fighting either a limited war or a general war; and

Whereas reductions in the strengths of the Army and of its civilian components will seriously threaten the success of the Army in performing these defense missions; and

Whereas the paid drill strength of the Army Reserve on June 30, 1957, was 299,377 in units and on 6-month training, was 280,000 on April 30, 1958, (after eliminating 22,000 officer mobilization designees and reservists attending USAR schools to make room for enlisted reservists required to bring units to desired strength), and at present rates of growth will again be at 300,000 in July 1958; and

Whereas the Congress has authorized Army strength to be maintained at 300,000 for the Reserve, 400,000 for the National Guard, and 925,000 for the Active Army; and

Whereas the Army Reserve can maintain any figure the Congress and the Pentagon is willing to support; and

Whereas there is concern that even though Congress appropriates adequate funds to maintain present strengths the Department of Defense and the Bureau of the Budget will not utilize the funds provided and will reduce the strength of the Army in violation of the expressed will of Congress: Now, therefore, be it

Resolved by the Senior Reserve Commanders Association of the United States Army in annual convention assembled at Fort Leavenworth, Kans., on May 15, 1958, That the Congress be urged to appropriate funds sufficient to support the Army Reserve at a strength of 300,000, the National Guard at 400,000, and the Active Army at 925,000; and be it further

Resolved, That language be included in the bill appropriating the above funds that will assure expenditure of the funds and maintenance of the present authorized strengths; and be it further

Resolved, That legislation such as the Hébert (Louisiana) bill be enacted into law which will prevent administrative agencies such as the Bureau of the Budget from reversing the expressed will of Congress by impounding or holding up funds appropriated by Congress for such expressed purposes as the construction of armories or the maintenance of Army strengths at authorized levels.

The CHAIRMAN. The time of the gentleman from Montana [Mr. ANDERSON] has expired.

The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to proceed out of order for an additional 10 minutes, and to revise and extend my remarks; and that if the vote on the bill comes today my remarks may be printed immediately following the vote, and if it does not, then following the close of the debate today.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, it is not my purpose in arising here today to discuss the pending amendment. Rather my purpose is to compliment the committee on ignoring the budget recommendation of the President's budget with reference to the National Guard.

It will be recalled that the budget recommendations called for a reduction in strength of the National Guard from 400,000 to 360,000. When it is realized that the guard strength had already been cut from 435,000 last year to 400,000 this year, it is obvious that a program of attrition for the guard is in progress.

Therefore, Mr. Chairman, it is most comforting to the friends of the National Guard to know that the committee has seen fit to override the President's budget recommendation and maintain the guard at its present strength of 400,000. This is as it should be.

Many of the Members of this House who realize the benefit of a strong, virile National Guard, including myself, spoke to various members of the committee in behalf of upping the budget recommendations so as to achieve at least the status quo of the guard.

Mr. Chairman, historically the National Guard has been the backbone of the reserve strength of the Nation's defense. As a matter of fact, the old State Militia was conceived by the Founding Fathers of this Republic. The greatest general in the history of the Republic and the country's first President, George Washington himself, believed in and advocated the concept of the State Militia or citizen-soldiers. And ever since Washington's time that concept of national defense has been followed in this country.

Mr. Chairman, for more than a decade now I have repeatedly pointed out on the floor, as I did again only yesterday in the debate, that it is economically impossible for this country to maintain an ever-alert and all-out, wartime defense effort without bankrupting the economy of the country. Yes, for 10 years I have repeatedly asserted on this floor that Russia wants neither war nor peace, but expects to destroy this country's economy and then take over in the ensuing confusion and chaos. The cold war has been going on for more than a decade now and has every evidence of continuing as long as the present regime is in power in Russia. Therefore, is it not apparent that the prudent and sensible thing to do is to maintain a minimum of highly trained professional soldiers and to keep a strong, trained force of Reserve? The National Guard as a part of that Reserve should be augmented and not decreased.

Mr. Chairman, I repeat, the committee is to be commended for its stand in maintaining the present status of the guard. I am confident that the House will approve on final vote and that the Senate will go along with the House version. However, the thing that concerns me most now is that the Secretary of Defense and those responsible under him will in some manner attempt to circumvent the will of the Congress in this matter. This should not be permitted and if such action is attempted, this Congress, the representatives of the people, should in no uncertain terms by appropriate resolutions or otherwise call upon the President of the United States to see that the will of the Congress is carried out in this particular. As one Member of this body, I should like to respectfully sound the warning now that such action be taken.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida [Mr. SIKES].

It seems to me we have to recognize that the Russian forces are of such a nature that we have to be prepared against the possibility of an all-out atomic war and also against the possibility of small individual actions during which atomic weapons may not be used.

If we ever get to the point where we can only meet the challenge of an all-out atomic war, we may well be playing directly into the hands of the Russians by allowing them to move freely in smaller actions, possibly through their own troops or possibly with not a single Russian engaged but through some satellite group or some neutral group that would be working toward their objectives and against our interests.

This is a critical time in the world's history. I believe if we have to take a position our position should be in favor of strength rather than in favor of any reduction in the Army at this time.

We have had a situation in the last several weeks in Europe in one of the NATO nations which indicates that there may be occasions on which we cannot count on the divisions which are theoretically attached to NATO. If something happens and those divisions are not available to us because of a change in government or because of those troops being tied up internally, it is going to mean even more that we shall have to rely on our own troops, and our own troops are certainly not too numerous.

For these reasons, Mr. Chairman, I support wholeheartedly the amendment offered by the gentleman from Florida [Mr. SIKES].

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, these amendments to maintain the strength of our Army at 900,000 men on active duty deserves the support of each of us. The proposed reduction to 870,000 is not just unwise, it is foolhardy.

Many people seem sold on the idea that future wars will be characterized by the pushbutton and by mass destruction waged at great distance by atomic missiles and antimissiles. Certainly in these days we must be prepared for such warfare, because to be unprepared for it would be to invite war and destruction by Soviet imperialists, who are busy effectively developing these weapons. And, if the Soviets bring about such a war, we would have owed it to America to see to it that we could effectively wage such a war in our own defense.

If such a war were possible right now and we now had adequate quantities of all the horrible weapons we are developing, would our Army then be outmoded and unneeded? To answer this yes would be to deny the lessons of history. Mere awful destruction from afar does not win wars alone. Someone has to take and hold the important pieces of geography and this is usually quite a bloody combat despite heavy previous destruction.

The dropping of atomic bombs on Japan did not win that war in the sense that the years of war in the Pacific which preceded those bombs were futile. If the bombs had been dropped on Japan at the beginning of the war, that probably would not have ended the war, certainly not if Japan also had such weapons. The Army's taking and holding of important pieces of geography in the Pacific was important in that war as it was waged and as it would have been waged if bombs had been dropped earlier.

But even if my reasoning on that is wrong, we are not now prepared to carry on such a war, so it is very important to us at this time not to abandon our traditional defenses merely because some day a different type of massive warfare might be possible.

Indications are that there will be but a very few years before both the United States and Russia will have futuristic weapons in quantities sufficient to wage an all-out war, providing the maximum destruction available from such weapons. When that time arrives it is reasonable to assume that the knowledge of the penalty of counterattack in such a war might be sufficient to keep an aggressor from starting the war. So, we may not actually be headed for that type of war at all. We may in fact be headed for a long period of so-called brush fire or limited wars, in which the Army will play the chief role, as in Korea.

Another factor, international politics and the necessity of retaining allies, may also be a reason why we may never fight an all-out atomic war. The Korean war teaches that lesson.

Finally, even if we be destined for the all-out atomic and missile war envisioned by so many, this is no justification for abandoning the type of defenses solely available to us now for our adequate defense.

So I plead with each of you, my colleagues, to approve these amendments and retain the present strength of the Army at 900,000. To pursue any other course would be folly.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. SCRIVNER] for 3 minutes to close debate on the pending amendments.

Mr. SCRIVNER. Mr. Chairman, my father was a preacher. Many times he said that he was not trying to convert his listeners in the pews, but merely to keep them strong in the faith. That is all I am attempting to do now. I cannot escape the feeling that had it not been for the fact that our committee chairman, the gentleman from Missouri [Mr. CANNON], had made some remarks about the President's reorganization bill that some of this debate would not have taken place. Perhaps I am wrong.

The gentleman from Louisiana [Mr. BROOKS] would seem to indicate that only the armed services legislative committee holds hearings. Our committee also holds hearings.

The gentleman from Pennsylvania [Mr. FLOOD] referred to the jury. The jury listens to the facts and decides. Here the subcommittee was the jury. It heard the facts and it has decided, as you have been told it decided, that an 870,000-man Army was proper at this time.

The gentleman from South Carolina [Mr. RILEY] pointed out that American soldiers overseas in uniform are a great psychological factor. Certainly that is

true, but it is not always good, because they go over there spending big money, ride around in big cars, and it creates a feeling of resentment rather than making friends and creating support for us.

The gentleman from Florida [Mr. SIKES] pointed out the constitutional provisions. Yes; the Constitution does provide that we shall provide for the common defense, but that, as I read it, does not mean the defense of the entire world.

The gentleman from Texas [Mr. MAHON] pointed out that we now have 2,500,000 men which is one-fifth of the strength we had in World War II. I would point out, as I did yesterday, that with 870,000 men in the Army, you have more than half as many in the Army as we had at the peak of the war in Korea. Of course, we have heard about the 175 Russian divisions ever since the end of World War II. What can you do with 900,000 men in the Army that you cannot do with 870,000 against that size force. We are trying some day to get down to the point where we will have an entirely volunteer United States Army. We are getting pretty close to it, perhaps 870,000 is it. An entirely volunteer career army is much better than an army where we must depend on selectees to do the job who stay in only a few months at a time, or 2 years at the most.

Mr. Chairman, to hear the debate today, it should demonstrate to you the situation that exists undoubtedly in many places elsewhere in this Capitol and in the Pentagon. You would think to hear the talk today that we have no military force except the United States Army. Of course, that is not true. We have three branches of the service. They are, and should be, a part of the defense team. The 870,000 men in the Army, well trained and well equipped, are part of the team right along with the 200,000 magnificent Marines and with the Navy and with the 850,000 men in the Air Force that has served as a deterrent force to aggression all these years and will continue to do so as long as we keep it strong.

Mr. Chairman, there is no world-shaking decision to be made here. If our committee's decision stands, and it should—all well and good. If the amendment does not carry, the Army could continue work in the other body just as they have been doing during the course of the day with Members of the House. The Army has no business or right lobbying for the adoption of this amendment as they have done. If the amendment is defeated they can make their reclama before the other body. Of course, the President and the executive branch will have the final say as to what the strength is to be.

The amendment should be defeated.

The CHAIRMAN. The question recurs on the three amendments offered by the gentleman from Florida [Mr. SIKES].

Mr. MAHON. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. MAHON and Mr. SIKES as tellers.

The Committee divided, and the tellers reported that there were—ayes 108, noes 79.

So the amendments were agreed to.

The Clerk read as follows:

PROCUREMENT OF EQUIPMENT AND MISSILES

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, equipment, vehicles, vessels, and aircraft for the Army and the Reserve Officers' Training Corps; purchase of not to exceed 28 passenger motor vehicles for replacement only; expenses which in the discretion of the Secretary of the Army are necessary in providing facilities for production of equipment and supplies for national defense purposes, including construction, and the furnishing of Government-owned facilities and equipment at privately owned plants; and ammunition for military salutes at institutions to which issue of weapons for salutes is authorized; $1,644,600,000, to remain available until expended.

Mr. NORRELL. Mr. Chairman, I move to strike out the last word to ask the chairman of the Defense Subcommittee a question. I am quite sure about this but I want it to be official, that there is included in the budget estimate $1,004,500 for the operation of the Army and Navy Hospital at Hot Springs, Ark.

Mr. MAHON. The gentleman from Arkansas asks whether or not the budget provided funds for the operation of the Army and Navy Hospital at Hot Springs, Ark. I believe from the Department of the Army hearings for fiscal 1959 at page 570 there is a statement showing that these funds are included in the budget.

Mr. NORRELL. Mr. Chairman, included in the Defense Department appropriation bill for the next fiscal year are funds for the operation of the Army-Navy Hospital at Hot Springs National Park, Ark.

By act of Congress approved June 30, 1882, the establishment of that hospital was authorized as the first military hospital in the Nation, at a time when our Armed Forces totaled approximately 35,000. The present plant, opened in 1933, representing a Federal investment of considerably in excess of $30 million, has been admitted by a Surgeon General to be the finest military hospital in the Nation, excelled only by that in Honolulu. Centrally located in the world-famed health resort, Hot Springs National Park, a perfect climate is provided for the care, treatment and convalescense of our military men and their dependents, and retired military personnel. This 400-bed hospital of modern design and construction, capable of great expansion in emergency, has a long and distinguished record of service in the treatment and care of military personnel. During World War II, with the acquisition of a hotel across the street, the patient load ranged up to 1,800 persons.

Nevertheless the Department of the Army has been insisting upon closing this hospital due to a low patient load. This low patient load has been arranged by the Department as a basis for its action in requesting the close of this splendid institution.

Last fall a case was brought to my attention where an Army sergeant, living in the city of Hot Springs, was assigned to Brooke Army Hospital in San Antonio, Tex., for examination. The serviceman protested to me the necessity of a trip to San Antonio for an examination which could be made in Hot Springs. On calling the matter to the attention of the Surgeon General I was successful in securing a change in his assignment, and to report to Army-Navy Hospital for the examination. Doubtless there have been many similar cases of military personnel residing in Hot Springs, or within a relatively few miles, being shifted, at Federal cost for transportation, to other military hospitals over the Nation in the Department's desire to maintain a low patient load.

Only this spring, when the patient load at Army-Navy Hospital exceeded 75 the Department dispatched an officer to Hot Springs to remedy that situation to the satisfaction of the Department. The report of that invesigating officer, which is included in the hearings on this bill, indicated that all patients were eligible for the treatments being received.

In spite of the urgings of the Congress that the Department make an effort to operate the Army-Navy Hospital in an efficient manner, it simply has not done so, no effort having been made to operate it as much more than a dispensary.

Nor is the overall Department of Defense without blame in this matter. Patients from the large Little Rock Air Force Base, within 40 air miles of Hot Springs, and perhaps an hour and one-half ambulance drive, are assigned to various hospitals all over the Nation, to Washington, Denver, San Antonio and elsewhere. During the past calendar year 44 military patients were transferred to Army-Navy Hospital. At the same time 126 military patients were either transferred or admitted directly to the Veterans' Administration hospital at Little Rock. Others were sent to Walter Reed, Brooke Army, and to Sheppard, Lackland, Keesler, Maxwell, Parks, Eglin, Wright-Patterson, Altus, and Scott Air Force Bases. Military dependents of Little Rock Air Force Base personnel to a total of 1,716 were hospitalized by the Department in private hospitals in the Little Rock area, under Public Law 569 during the calendar year, at Government cost, with a federally maintained splendid hospital with low patient load within 40 air miles. And, at the same time Little Rock Air Force military personnel were being assigned to the Little Rock veterans hospital, the record shows that eligible veterans in large numbers were being forced to await a bed in the Veterans' Administration hospital.

I submit that the Department of Defense has deliberately evaded the express orders of Congress that the Army-Navy Hospital be operated in a proper manner.

The gentleman from Michigan served notice in the committee that he would make a point of order, which would of course be sustained, against inclusion in the bill now under consideration, of any language providing for continued operation of Army-Navy Hospital, or for the nullification of the existing Executive order which prohibits the hos-

pitalization of veteran patients at Army-Navy Hospital. However, the bill carries funds for the operation of the hospital in the next fiscal year and I am hopeful that when it reaches the other body it may be amended to include such language, as well as the funds therefor. Only if it does so, and the amendment is retained in the conference committee, will the hospital be continued in operation. In this connection I wish to pay tribute to our distinguished senior Senator from Arkansas, who has done a magnificent work in preventing to this time the ill-advised, willful, wasteful action and desire of the Department to close the Army-Navy Hospital, and in our joint efforts, which have met with no success, to prevent the flouting by the Department of the express request of Congress that the hospital be operated properly.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as the Members know, a year ago the House included money for the Murphy Army Hospital at Framingham, Mass. The Senators from Massachusetts, however, did not agree to that, saying publicly that the hospital was not necessary. I hope very much that the Senate will include the necessary authorization and money in the bill to keep this Army hospital open. When you see, as I have, service men and women, and not only mothers and other dependents, but little babies not getting proper care because the hospital is not open, and the existence of great suffering you would realize how strongly in Massachusetts we feel about the importance of keeping the hospital open. How thoroughly indignant we are.

I am asking that when the bill comes over from the Senate that the Members will agree to the money for this Murphy Army Hospital.

It is an outrageous thing, in my mind, not to give our service personnel—give the dependents, wives, mothers, and children of servicemen—the right to be well and the right to be strong. It is the least we can do for the men who served us, to see that their children and theirs grow up strong and well cared for. It makes a great difference to the service men and women, especially when they are in far-off parts of the country, or are in foreign countries when we are at war or even peace especially during the present cold war.

The Clerk read as follows:

SHIPBUILDING AND CONVERSION

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament therefor, plant equipment, appliances, and machine tools, and installation thereof in public or private plants; procurement, production, and modernization of electronic equipment and material for ships; procurement of critical long-lead-time components and designs for vessels to be constructed or converted in the future; expansion of public and private plants, including land necessary therefor, without regard to section 3734, Revised Statutes, as amended, and such land, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; and departmental salaries necessary for the purposes of this appropriation; $2,016,400,000, to remain available until expended.

Mr. DORN of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORN of New York. On page 17, line 17, strike out "$2,016,400,000" and insert "$2,051,400,000."

Mr. DORN of New York. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DORN of New York. Mr. Chairman, this amendment increases the allotment for new construction by $35 million. I offer it because on page 54 of the report of the committee it is stated:

Funds in the amount of $35 million requested for advanced procurement of a second nuclear supercarrier for the fiscal year 1960 procurement are denied.

This $35 million was authorized by the executive budget, it was brought to the President by the Chief of Naval Operations, it was spoken for at long length in various hearings of this committee by numerous admirals. And even after the committee denied these funds, Secretary McElroy last Saturday at a press conference said that he needed this $35 million.

Just a few moments ago the gentleman from Michigan [Mr. FORD] said:

It is important to take the recommendation of the President and the Joint Chiefs of Staff.

The recommendation of the President and the Joint Chiefs of Staff was that $35 million should be put in this budget and would be a part of the appropriations, so that we would save 6 months time in building the supernuclear carrier which will be in next year's budget.

The sole point of the amendment is to save 6 months of valuable time in the construction of this carrier. Even if this supercarrier was not included in the next year's appropriations, this money would not be wasted, most of the turbines and nuclear reactors purchased with the $35 million would be used for other ships and for other purposes.

But what you are doing by passing this amendment is buying 6-months time. Do not take my word for it. I want to read for the record the testimony of various admirals who testified before the committee pleading for this $35 million.

Vice Admiral Combs, Deputy Chief of Naval Operations, testified:

Our ships are aging faster than they are being replaced. We are now at the point where large numbers of our ships are close to their 20th birthday—and unless we intensify our efforts now, by the middle 1960's our forces will be grossly inadequate to meet the challenge of a fully modern Russian Navy on the high seas. We just cannot meet this challenge with tools of that sort.

Later he said:

The second category is that of the striking forces. Here we must consider two kinds whose mission is that of hitting the enemy, using the oceans as a base for bringing our power against the enemy's resources, his forces, and his people. One of these forces is optimized for the all-out war—to take its place with our other deterrent forces so that the enemy knows he must suffer catastrophic damage if he attacks our country—while the other force is optimized for the limited war, to give us the ability to respond effectively to the lesser threats which the enemy can pose for us.

Our carrier striking forces can be deployed in troubled areas of the world, free of foreign jurisdiction—ready to apply the proper degree of pressure required by a particular situation—whether this be merely showing the flag or delivering atomic bombs of devastating destruction.

For this versatile striking function—one which gives us a powerful weapon throughout the full range of warfare intensities from the most limited to the all-out—we see a need for about six carrier striking forces. By 1970 none of our World War II carriers can be deemed to be fully effective. One of the major tasks of the carrier striking force will therefore be to attack the enemy's submarine bases and building facilities.

We must also destroy his dispersed, tender-supported, submarine forces wherever found. Reconnaissance aircraft flying from our attack carriers will seek out these forces so that their destruction can be accomplished by the carrier's attack aircraft or our missile submarines.

Admiral Mumma testified:

The very high priority of the Polaris and the antisubmarine warfare programs has made it necessary to defer for 1 year the construction of the second nuclear-powered aircraft carrier.

That is the carrier I am talking about. But let me continue with Admiral Mumma's statement:

This does not mean that this ship has lessened in importance to the Navy's needs. On the contrary, its delay was accepted with the greatest reluctance and in this budget provision has been made for advance procurement for its inclusion in the fiscal year 1960 program. The $35 million requested for this purpose, by enabling us to cover a greater range and depth of long-lead-time items, will greatly reduce the delay that would otherwise result and minimize the disruption of the Navy's long-range objectives.

Admiral Mumma continues:

Experience indicates that up to a point for ships of this size an advance in completion date of about 2 months can be gained for every $8 million invested in advance funding. The $35 million, I estimate, will reduce the gap in delivery between the first and the second CVA (N) from 24 months to not more than 18 months.

And then he goes on:

The nuclear-powered carrier—

There is one now under construction in Newport News.

The nuclear-powered carrier included in the 1958 program is proceeding well. Out at Arco, Idaho, a land-based prototype of a portion of the powerplant is being built which is an operating duplicate of the machinery for propelling one shaft of the ship. The machinery is being installed and it is expected to begin operation this summer.

Then in answer to a question by Mr. SIKES Admiral Mumma said:

In this list, Mr. Chairman, we would contemplate buying the reactor vessels and heads, coolant pumps and pressurizers, main propulsion turbines, reduction gears, condensers, steam generators and so forth. In

other words, we are buying a little deeper into the ship with advanced lead-time items than we ordinarily do.

That is what you will get for your $35 million.

The CHAIRMAN. The time of the gentleman from New York [Mr. DORN] has expired.

Mr. DORN of New York. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes, in order to complete my statement, to read what is definitely here in the record in support of this program that is so important to the defense of our country and which will save 6 months of time in the construction of this supercarrier.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DORN of New York. Mr. Chairman, I was quoting from Admiral Mumma in response to a question from the gentleman from Florida [Mr. SIKES]. To continue:

For the first carrier, as you will probably recall, we asked for $22 million for long-lead-time items because that carrier was the first one. For the second one we probably would have asked for about 10 to 12 million dollars under ordinary circumstances. But in view of the delay we felt that we could use the longer period to get the long-lead-time items and shorten the interval.

Mr. SIKES. How much time are you buying with $35 million?

Admiral MUMMA. We are buying with the additional $24 million about 6 months' time, sir.

Then Admiral Combs was asked a question in reply to which he said:

As we see the future—and I will speak from now until about 1970—we feel that we will have 2 kinds of warfare to consider; 1 is the all-out general war in which the 2 opposing forces plaster each other with high-yield nuclear bombs and stand a great chance of annihilation on both sides. That is, we do not feel either side in such a war could win. We feel in the all-out war capability we must have a sufficient deterrent force to create in the minds of our adversaries the belief that, should they start such a war, they will then be immediately plastered with atomic bombs and will be faced with annihilation. When that comes to pass it appears to us that under those circumstances the chance of all-out war will become less and less and in that phase of warfare we will have a stalemate, at least we sincerely hope so.

Now, with our side having advertised its capability to wage all-out nuclear warfare by various means, we feel that all of our eggs should not be in one basket. We feel that we should have various means of supplying this deterrent. We then have the smaller wars of limited objectives to face. I might say a word here historically.

The Russians in 1950 faced us, and we had a capability of annihilating them. They knew that. That did not stop them in any manner from starting the Korean war. I use that to illustrate the fact that although a stalemate with regard to all-out war may be present, the smaller, less encompassing war will always face us. We must have a capability of meeting that war of limited objectives any place on the surface of the earth.

He goes on to say that it is a nuclear carrier that will help do it, and that this appropriation is essential.

We foresee now that those wars will happen in parts of the globe where it will be very hard to get forces in to combat them. Forces must be available to go to these places, get there quickly, contain the warfare, keep it within limits, and win it by all means. We feel that, in addition to the fast carrier striking forces being able to contribute their share to the all-out war, this carrier task force is so versatile that it also can make great and vital contributions to a smaller war of limited objectives. That has been done. It will be done many times in the future.

We will find fires breaking out in many places. Those places will have been supplied, probably by the Russians, with modern aircraft and modern weapons of war. We must go to those places. We must get there quickly. We must have airpower. We must have landing forces. We must have the proper kind of armament and trained personnel to operate successfully in those areas. We feel that the best and quickest way to get airpower into any of these farflung places of the world is to carry our airfield there on the decks of ships. These are the main things we foresee the carrier task forces contributing in limited war.

Admiral Mumma in reply to a question said:

In other words, the carrier, we are convinced, is going to be a necessary part of the installation of airfields at any part of the globe or surface on the ocean for over 25 years to come. We cannot possibly visualize that necessity as evaporating now suddenly with the appearance of missiles.

Admiral Mumma further testified with reference to the use of the equipment purchased with the $35 million, if this carrier was not authorized next year:

To give you an example, the reactors are very, very similar between the cruiser and the carrier in the 1957 and in the 1958 programs, so to that extent we try to standardize on large ship reactor designs. Therefore, we would expect that most of this equipment would be useful.

Mr. Chairman, I join with the President, with the Chief of Naval Operations, Admiral Burke, with Admiral Combs, and with Admiral Mumma in requesting that this $35 million be added to the appropriation.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 12 minutes, and that I have the concluding minute.

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Chairman, I am enormously interested in this carrier program. It is a very vital matter to the defense of our country, I think. Will the gentleman make it 20 minutes? I shall not object if I may have 5 minutes.

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I think the senior Members' minds will go back into past history, perhaps, as a result of what is happening today. I think they remember the time when the House refused to vote for 500 airplanes. Later, they regretted it. The continuation of the draft only passed by one vote. We were attacked just a very short time afterward. Many Members on the floor regretted that vote. We know that in many ways we have been unprepared always. As I said yesterday, seven-tenths of the earth's surface is water. You can see how vital the carriers are to our national defense. You have listened to speech after speech in this debate regarding the importance of nuclear power. You can see how important it is to have not one but several nuclear-powered carriers. I cannot follow the reasoning behind the refusal of the committee to allow the $35 million for this nuclear-powered carrier. The committee has gone beyond and above the amount requested for various components of the armed services, but they have cut this appropriation out entirely. I would like to ask what reason is given for cutting this out. Certainly, we want to be prepared. We must have plans and drawings in order to be ready to build and be prepared to strike. You must have men ready to go ahead with this work. Why has the amount been cut? Can anyone tell me why this amount was cut from this appropriation bill?

Mr. HOFFMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Can anyone on the committee tell me? I would like to ask some member of the committee to tell me why.

Mr. HOFFMAN. I was going to suggest that you ask the gentleman from Michigan because he knows about this bill.

Mrs. ROGERS of Massachusetts. I see the gentleman from Wisconsin [Mr. LAIRD] on his feet. I yield to the gentleman.

Mr. LAIRD. I will be very glad to discuss the matter with the gentlewoman from Massachusetts. I think she will recall last year the subcommittee approved funds for the first nuclear powered carrier and at that time it was stated in the Appropriations Committee's report, and I quote:

In approving the funds requested, the committee wants it clearly understood it is not approving the entire program of the Navy for five additional nuclear powered carriers in future years. Rather it is the desire of the committee that requests for funds for these carriers be withheld until such time, as the ability of the Navy and the shipbuilding industry to produce an acceptable ship in an efficient and in an economical manner has been more clearly demonstrated.

Congress made available approximately $300 million for the first atomic powered carrier in the 1958 appropriation act. Of this amount, only $25 million has been used as of this date. At the end of the current fiscal year only $25 million will have been used. None of the nuclear reactors required for this first atomic powered carrier had been built—not even in prototype. It seems the committee thought after further study of the entire question of the nuclear powered carrier that the committee feels the entire role and the need for a large supercarrier, atomic powered

carriers, should be very thoroughly reviewed by the Navy and by the Department of Defense.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I think since the Department asked for it, it should be granted to them and time is so precious in these dangerous days. I feel that if the Members do not accept the amendment of the gentleman from New York, they will very deeply regret it as they did in the situations which I mentioned before where Members refused to vote for preparedness measures and war hit us.

The CHAIRMAN. The gentleman from Wisconsin [Mr. LAIRD] is recognized for 4 minutes.

Mr. LAIRD. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. DORN].

I think it should be pointed out to the House at this time that presently the Navy has in being or under construction six attack aircraft carriers. In addition we have one nuclear-powered carrier under construction for which funds were appropriated last year. Three of these carriers are in being; three attack carriers are being constructed at the present time, and one nuclear-powered carrier which was approved last year is presently being constructed by the Navy. It is important for the Members to realize that the nuclear reactors required for the carrier which was authorized through the appropriation act last year have not been built. In other words, the Navy has hardly started on the major revision in their shipbuilding program planned for this additional nuclear-powered carrier. The Congress took the position last year that the cost of the program should be proven before additional funds were appropriated.

The approval of the budget request for $35 million for the second carrier would commit the Congress to the approval of an additional costly carrier in the fiscal year 1960 program over $300 million, and the nuclear reactors for the first one probably will not be available even then.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. Not at this time. I have only 4 minutes.

The delivery date of the first nuclear-powered carrier is presently programed during the fiscal year 1962. Certainly there is much controversy over the role of these super-carriers in nuclear warfare. Many believe they have little or no value in modern warfare. Others advocate a smaller, faster carrier, with the emphasis on antisubmarine warfare. Ballistic missiles, more powerful catapults, advances in plane designs, coupled with the Russian submarine threat raises serious doubts in many minds as to the value of an investment of over a half billion dollars in a single ship.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield.

Mr. DORN of New York. I would like to point out first two different mistakes in the gentleman's statement. First, he said no prototype was made. Admiral Mumma said on page 397——

Mr. LAIRD. It is not in operation at the present time.

Mr. DORN of New York. He said:

> The nuclear-powered carrier included in the 1958 program is proceeding well. Out at Arco, Idaho, a land-based prototype of a portion of the powerplant is being built which is an operating duplicate of the machinery for propelling one shaft of the ship.

Then I think this amendment I offered this afternoon to find out how far the present nuclear carrier is under way——

Mr. LAIRD. I yielded only to the gentleman for a question. I cannot yield further because of the limited time which is available to me.

I hope the Congress will give real consideration to the whole carrier program before going ahead in approving this $35 million which will commit us to a second atomic-powered nuclear carrier. Any other action certainly would commit us to a vast expenditure of funds.

Last year the Congress was very generous in providing funds for the first nuclear-powered carrier. We have 6 regular carriers in being or under construction, and we have 1 nuclear-powered carrier under construction. Let us take another look at the carrier program before appropriating funds for a second nuclear-powered carrier.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. LAIRD] has expired.

The gentleman from New York [Mr. RAY] is recognized.

Mr. RAY. Mr. Chairman, I rise in support of this amendment. The things which have been said in opposition seem to be arguments for it, in my book. I must take as my experts as to what we should build for the future the President and the Secretary of Defense and the Chief of the Bureau of Ships. They think we ought to make provision now for these long-lead-time items which will perhaps take 18 months or 2 years to produce.

They think, at least Admiral Mumma has so said, that if we order these things now and find that because of changes in design or other reasons we cannot use them in the kind of carrier now in prospect, they can be used elsewhere.

I ask support for this amendment.

Mr. DORN of New York. Mr. Chairman, will the gentleman yield?

Mr. RAY. I yield.

Mr. DORN of New York. I would like to direct the gentleman's attention to the status of the present nuclear carrier being built at Newport News. It is estimated that obligations in connection with this carrier will amount to approximately $192 million on the 30th of June, 1958. $160 million will be directly obligated against Shipbuilding and Conversion, Navy Procurement. The difference of $32 million is for associated research and development and other costs chargeable to other Navy appropriations.

The present carrier being built is well underway. The keel has been laid and the ship is being built. It is progressing, according to all the testimony, very rapidly, even more rapidly than originally planned.

Mr. RAY. I thank the gentleman from New York for his contribution.

The CHAIRMAN. The gentleman from Texas is recognized for 4 minutes to close the debate on the pending amendment.

Mr. MAHON. Mr. Chairman, last year we appropriated in excess of $300 million for a nuclear powered supercarrier. It was a matter of some controversy.

It is estimated that the supercarrier will be ready for action in the fleet about 1962, I believe. Between now and 1962 will be a period of vast change in the technological elements of warfare. We are entering the space age. Many of the aspects of this picture will be much clearer then than now.

Of the $300 million plus that we gave the Navy last year for the supercarrier, the Navy estimates that it will spend by the end of this fiscal year $25 million. It will obligate more, but it will only expend that amount.

It seems to me to be most unwise to provide for an additional supercarrier at this time. The whole matter needs to be resurveyed and restudied.

I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. DORN].

The amendment was rejected.

Mr. VAN ZANDT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Chairman, I take this opportunity not only to commend the subcommittee for the bill they have before the House but especially the action they took to expand our Navy's submarine capability.

Many Members will recall that last January I introduced H. R. 10253 to authorize the Secretary of the Navy to construct 100 nuclear powered submarines at the rate of 20 per fiscal year beginning July 1, 1958.

The bill was introduced because I am convinced that the most serious threat to our national safety is the large Soviet fleet already in being.

A very few of these Soviet submarines equipped to fire missiles can place most of our seaboard cities and other large cities not too far from the coast in danger of being completely destroyed in the event of war.

In this regard I quote from the recent Rockefeller report:

> The Soviet Union now has the second largest navy in the world and since World War II has produced more vessels of every type, except aircraft carriers, than the United States. The Soviet Union has long concentrated on submarines. A fleet of well over 400 is already in operation. This number is greatly in excess of the German force which severely menaced allied surface shipping during the early years of World War II. There is no doubt about the capacity of the U. S. S. R. to develop naval atomic powerplants, or to adapt ships and submarines to launch short and medium-range missiles; in fact, Soviet leaders have pointedly discussed the vulnerability of the United States to such attacks.

The magnitude of the threat becomes clear when it is realized that 43 of our 50 largest cities and 85 percent of our industry are located within 500 miles of our coasts. Missile-launching submarines are the Soviet equivalent of our overseas airbases.

Mr. Chairman, no longer is the ocean our protector. In fact, the ocean now becomes the hiding place for the most serious threat to our safety. The task of combating the Soviet submarine menace in the event of war would be a difficult one. This is our Navy's most vital and important defensive mission.

At the outbreak of World War II Germany had 57 submarines, of which 22 were oceangoing. Before the war was over, 40,000 men lost their lives and 14 million tons of allied shipping went to the bottom of the sea. It took us 4 years to combat the German submarine menace. In this age of advanced missiles the submarine is even a more powerful weapon. Not only does it threaten our ability to control the seas, but it now has the ability to destroy our cities and our industrial might. The knowledge that the Russian submarine fleet is nearly 10 times as large as was the German submarine force at the outbreak of World War II should stir us to action now, rather than waiting for destruction.

For survival we not only must be able to control the surface of the sea but the waters beneath. Disaster could be the only result from our failure to do so.

Fortunately we have in our arsenal a weapon which if produced in sufficient numbers could deter the large Soviet subfleet and what I have in mind is the nuclear powered submarine of the *Nautilus* type.

Frankly, the nuclear powered submarine has no peer and is the best weapon we as a Nation can employ to destroy another submarine.

As Admiral Rickover stated last January, if the Soviets were to start building nuclear-powered submarines at a fraction of the rate they have been building conventional submarines, we could lose our present lead in submarine nuclear propulsion by 1961.

As mentioned earlier in my remarks, the Soviets have well over 400 submarines in operation. While not all of the 400 are modern or the snorkel type, yet at least 300 of the Soviet fleet have capabilities to inflict damage on our coastal cities and interrupt our supply lines.

At this minute, to meet this Soviet threat, our Navy has 118 snorkel-type submarines on active duty with another 50 in the reserve fleet.

Augmenting these conventional type submarines, the Navy has the following nuclear submarines in being, under construction, or authorized: 14 attack, 6 regular, 3 fleet ballistic missiles, 1 radar picket, and 11 additional ones contained in this bill, making a total of 35 nuclear-powered submarines.

By adding the 35—of which only 3 are in active service, with a few more being put in service annually—to the 168 you can readily see that we will have a total of 203 submarines in a few years and still be behind the Soviets in submarine strength.

Mr. Chairman, again I want to commend the subcommittee in its decision to provide sufficient funds to build 11 nuclear-powered submarines during fiscal year 1959. This action is a step in the right direction of protecting the lead we now have in the nuclear submarine field and at the same time answering the Soviet submarine threat.

The Clerk read as follows:

TITLE V

DEPARTMENT OF THE AIR FORCE

Aircraft, missiles and related procurement

For construction, procurement, and modification of aircraft, missiles, and equipment, including armor and armament, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land without regard to section 9774 of title 10, United States Code, for the foregoing and other purposes, and such land, and interests therein may be acquired and construction prosecuted thereon prior to the approval of title by the Attorney General as required by section 355, Revised Statutes, as amended; reserve plant and equipment layaway; and other expenses necessary for the foregoing purposes, including rents and transportation of things; $6,308,400,000, to remain available until expended.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are not at the Navy appropriations now. We are on aircraft matters. I deeply deplore the fact that the nuclear carrier amendment was defeated.

I am firmly of the conviction that the Senate will do as it did some years ago when I introduced an amendment for the building of a carrier. The House refused to accept the amendment but the Senate did accept it, then the House agreed. I believe with all my heart that that will happen at this time. As we read Russian successes with nuclear and other weapons and as we hear the debates on nuclear weapons and all other defense matters the time is of the essence. If the Navy has $35 million to spend on the nuclear carrier the Navy can go full speed ahead and it may well help save our lives and it may save our country and the world.

Mr. CURTIS of Missouri. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do this to try to get information, if possible, and to call attention to a particular item which is referred to on page 66 of the committee report. It is headed "Decreases."

Jet executive aircraft: The committee could see no valid justification for the development and procurement of 10 jet executive-type aircraft for the limited purpose of transporting Government officials and documents. It has not been made clear whether these aircraft will have other essential uses. Therefore the total request of $21,800,000 for this purpose is not recommended for appropriation.

Incidentally, I checked the committee hearings to see what information there was on it and I found that the information was very scanty. Because of that I am not going to offer an amendment to put this item back in.

I had this matter called to my attention several days ago and I find that this item has been presented in a very unfortunate light. The original request of the Air Force when it requested companies to bid was for a trainer and utility type plane. This was only incidental; that is, that they could be used as an executive-type transport plane.

If that is the fact, when this matter goes to the other body, if this information is developed I trust the item will be put back in. If the Air Force has no adequate trainers for bomber, radar, and electronic crewmen of the B–52, and these planes are essential for this purpose, then the item should be put back. If that is so I want to call the attention of the House to this matter at this time. Although there does seem to be inadequate justification at this time in the event that information is supplied, and it is put back in the bill, the House will then be aware of what it is. This would be a misnomer as it stands in the report, that is referring to these planes as jet executive aircraft.

May I ask the chairman of the subcommittee if what I have stated is essentially true?

Mr. MAHON. I would say that we have so many hearings with respect to these matters, only part of which gets into the printed hearings, that it is difficult to answer the question. The services insist that so much information with respect to new airplanes and so forth is classified. The hearings are not really complete in that regard. However, it was my feeling that the executive-type plane could be used for many purposes. I realize that Lockheed and McDonnell, who manufacture them, are interested, and I realize they are acting in good faith. And, it may be that this type of aircraft will be needed in the future, but certainly it has no important part to play for the present in emergency plans. It seems to me that this is the sort of thing that can wait, especially since we are facing a budget deficit next year of probably $10 billion. I realize it would be pleasing for our friends in the services to have these planes, to use them for training and all other purposes. You can understand how they would like to have them. We are providing jet-type for the President and the Secretary of State and people like that in order to uphold the prestige of our country. I think we can defer for a time these executive-type aircraft, which I agree could be used for many important purposes.

Mr. CURTIS of Missouri. Well, I appreciate the gentleman's remarks. I saw the actual letter that the Air Force sent out requesting bids, and it had as the primary purpose training and utility, although it did have this other aspect.

I would like to ask one question, if I may. Is the procedure for the Armed Services Committee to authorize a program like this first, or does the committee not authorize specific weapons or items like aircraft?

Mr. MAHON. That is not a matter of authorization. There is ample authority for the production of any type of aircraft required, and we just deleted the money for this aircraft.

Mr. CURTIS of Missouri. I thank the gentleman.

The Clerk read as follows:

SEC. 633. No part of the funds contained in this act may be used to incur obligations in excess of $60 million for the medical care of the dependents of military personnel in civilian hospitals and by civilian physicians and surgeons as authorized by the act of June 7, 1956 (Public Law 569, 84th Cong.).

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am interested in section 633 on page 45, which relates to Public Law 569 of the 84th Congress, which was known as the medicare program.

We all remember the purpose of that bill. The purpose was to improve the morale of the uniformed services by providing adequate medical care to their dependents, both those within the Army or Navy installation and those outside. It was certainly brought out that that had been inadequate, that there were unintentional discriminatory provisions relating to medical care of dependents of those in our services. Now I notice there is a limitation of $60 million in this bill. I am wondering what effect that will have on the operation of Public Law 569.

Mr. SIKES. Mr. Chairman, I think the gentleman from Texas [Mr. MAHON] may want to add to what I am going to say. But let me say to the distinguished majority leader that there is certainly no disposition on the part of this committee to limit medical care for dependents of personnel of the armed services, by this language. There is, however, a desire on the part of the committee to hold down what appears to be a rapidly mounting cost of medical care. Already it has exceeded the amount anticipated and stated at the time the medical care bill was passed by the Congress.

What is sought, may I say to the distinguished gentleman, is to utilize the facilities that are available, the medical facilities, at the base hospitals, and to utilize the services of the medical personnel, the doctors at the base hospitals, before the dependents go out and secure private care.

It has been found that the cost of medical care for dependents of military personnel is much less if it can be provided in service facilities. If those facilities are available, then it is the feeling of the committee they should be utilized by the nearby personnel before they contract for private medical care. I believe that summarizes the situation.

Mr. McCORMACK. May I ask this question? Suppose the dependent lives some distance away from a service hospital?

Mr. SIKES. Then, of course, the dependent will not be expected to go to a service hospital. It would not be practical. What we have in mind is the case where the dependent is on a base or very near to a service hospital.

Mr. McCORMACK. In other words, it is the intention of the committee that the Department of Defense and the services carry out efficiently but effectively the provisions of Public Law 569 of the 84th Congress, that they are to use good commonsense in doing that, and that if there are dependents of those who are serving in our Armed Forces who live a considerable distance away, they may receive medical attention from their own doctor or at a nearby hospital.

Mr. SIKES. The gentleman has stated the situation very well. That is the intent of the committee. And may I reiterate that it is not the desire or the intent of the committee to deny medical care to dependents of service personnel, by this language.

Mr. McCORMACK. In other words, directly or indirectly, it is not the intention to repeal the provisions of Public Law 569?

Mr. SIKES. That is correct.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to the gentleman.

Mr. MILLER of Maryland. The gentleman from Florida [Mr. SIKES] has, I think, clearly expressed the wishes of the committee. It is not the thought that where military facilities are not available a dependent thereby would be in any way hurt. But there are many cases where the Armed Forces must maintain more space for emergencies, et cetera, than is utilized. The overhead goes on just the same. The costs are quite striking. It is estimated that the average cost per day for hospitalization in a civilian institution is $46.58.

In the Air Force hospitals the operation and maintenance part of the cost is only $10.04 a day. Even if you add in the proportionate part of the military pay it runs to only $26.

The thought of the committee is that this thing is pyramiding almost beyond what is sound. In Europe our dependents are required to get the permission of the military before they can go to any other than a military hospital. In this country a little encouragement should be given for them to make use of the excellent military facilities whenever they are available when it will save so much for the taxpayers. That is the only thought the committee had.

Mr. McCORMACK. My purpose in taking the floor was to obtain the views of the members of the subcommittee and to clarify any doubts that might exist. It is not the intention of the members of the subcommittee that medical care not be given to a dependent of anyone in the service where, first, the military hospitals are filled at the time or, second, the dependents live a considerable distance away from the hospitals, so that they ought to receive private treatment.

Mr. MILLER of Maryland. Or even when for good reason, because of the familiarity of the doctor with the case, we feel some effort should be made to guide them to capable military facilities where they are existing and available, and it will save some money.

Mr. McCORMACK. The rule of reason should apply.

Mr. MILLER of Maryland. Yes.

Mr. DIXON. Mr. Chairman, I move to strike out the last word, in order to ask the chairman 1 or 2 questions.

The statement was made here that it was the intent to use our capacities, our physical facilities, to the fullest extent. Would that require the drafting of many more doctors, who would do these services for nothing for the Government, and then run our private doctors out of their practices?

Mr. MAHON. There is nothing like that in the picture. I am sure no one has intended to say we would use our service hospitals to the maximum capacity. We do not have the doctors available and there is no such plan. We have to have certain hospital capacity as insurance against the requirements of emergencies. There is no desire to have the armed services employ more doctors or nurses or build more hospitals to meet this situation. It is merely a matter of using the hospitals, and the nurses and the doctors who are at the facilities, to the optimum extent, for nearby patients who can be reasonably accommodated. That is the plan, which I believe is nothing but good sense.

Mr. DIXON. I thank the gentleman. Now, a further question. If this $60 million is not sufficient to give our military people a choice of whether they shall have a military doctor or a private doctor, what can be done?

Mr. MAHON. That would be a situation for the military services to present. Of course, this has been the action of the committee. The military services have not had an opportunity since we reported this bill last week to make a representation to this committee with respect to the adequacy of the funds, so they would of necessity, I assume, go to the other body for the consideration of any further requirement of funds. I am of the opinion that the Armed Forces will now begin to do what I believe Congress meant for them to do all the time, take steps reasonably designed to cause people living nearby these installations to be served by the installations wherever it is convenient and practicable.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. SIKES. I am sure my distinguished friend recalls that there have been many instances where Congress has approved a program and specified what that program is intended to include. When an appropriation has not been adequate for the purposes set forth and the department, with the concurrence of the Bureau of the Budget, has then submitted supplemental requests for funds with which to carry out the program as set forth by the Congress. That could also be followed in this case.

Mr. DIXON. May I ask our honored chairman one more question, that if that were the situation, then the committee would be disposed to go along to provide more funds to give these folks a choice of their medical attention.

Mr. MAHON. Of course, I could not speak for what the committee might do in the future, but I am sure the Congress and the committee wish to carry out the objectives of the dependent medical care act that dependents be provided under reasonable rules and regulations with adequate medical care.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. BROWN of Missouri. Mr. Chairman, I move to strike out the last word.

Was it the intention of the original act, Public Law 569, that the dependents of military personnel should have a free choice of physician or hospital?

Mr. MAHON. I am not prepared to speak specifically as to the intentions of the Congress, but I believe the author of this bill, the gentleman from Texas [Mr. KILDAY], made the following statement at the time the bill was passed in 1956:

> Therefore, all that this provides is that the Secretary may require them—
>
> That is, the dependents—
>
> to go into a military hospital, if at that particular time and for that particular dependent there is available space and facilities to treat the patient.
>
> The point is, we have hospitals in existence in the military service—I should say in the uniformed service—which are in operation and staffed. I think it entirely proper that we should see to it that they are utilized.

There is, of course, an element of choice here, but I think a rule of reason and commonsense would have to be applied. I have before me title II of the Dependents and Medical Care Act, from which I quote as follows:

> (c) The dependents covered under this section may elect to receive medical care under the terms of this act in either the facilities of a uniformed service under the conditions specified in title I of this act or in facilities provided for under such insurance, medical service, or health plan or plans as may be provided by the authority contained in this section, except that the rights to such election may be limited under regulations prescribed by the Secretary of Defense, after consultation with the Secretary of Health, Education, and Welfare, for such dependents residing in areas where the member concerned is assigned and where adequate medical facilities of a uniformed service are available for such dependents.

The committee last year in its report on this bill, and I am sure with your approval, asked the Department of Defense to promulgate rules and regulations that would bring about a rule of reason in this matter; but the Department of Defense declined to do so. Under the spur of the action of the committee this year, the Department has already begun to take steps to bring about some sort of reasonable regulation which would require the reasonable utilization by service personnel of medical facilities on the post where they reside or in the area where they reside.

Mr. BROWN of Missouri. I thank the gentleman very much. I would like now to yield to the author of the original act, the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, I would like to explain this, but I doubt if the gentleman has sufficient time remaining; and, if I may be recognized for 5 minutes on a pro forma amendment, I think I could explain it in that time.

Mr. BROWN of Missouri. Mr. Chairman, I yield back the balance of my time.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the chairman of the subcommittee, my colleague the gentleman from Texas [Mr. MAHON], was kind enough to show me the report before it was printed, because he was quoting language which I had used on the floor. I appreciate his consideration in doing it. I am correctly quoted in the statement contained in the report.

The situation is this: When we came to writing this bill it was based on the free choice of the individual dependent as to whether he would enter a civilian facility or a governmental facility. This was not the easiest bill in the world to write. We found that the civilians in the medical service were fearful that all the dependents would go to military hospitals and that the officers in the military hospitals were fearful they would all go to civilian hospitals. I believe you will find that in the discussion of the bill at the time it was passed I stated that I felt neither was correct, that after the matter had been in effect for a little while it would probably shake itself down to about normal. However, because of this apprehension you have noticed from the language read by my colleague from Texas that there was full free choice given, and then the language: "Except the Secretary of Defense may by regulation adopt" and as I hinted at the time, that was in the nature of a safety valve in the event that they would abandon the service hospitals and leave unused facilities that could be used.

I believe that the colloquy that took place yesterday between the gentleman from Wisconsin [Mr. LAIRD], and the gentleman from Texas, and today between the majority leader and the gentleman from Texas has made the matter quite clear as to what is the intention of the provision here.

There was some apprehension on the part of the Department of Defense that the carryover from 1958 would be taken out of the $60 million, but I think that has been made clear, and that what is now intended would be within the language of the exception which the gentleman read, and I wish you would read the same again, because it makes it clear.

I might point out to the majority leader that the Secretary of Defense may direct an individual into a service hospital only in the instance in which medical care is available in that hospital for that dependent. Thus, not only would there be the necessity for space, but there would be the necessity for the hospital with the facility to treat the ailment that afflicted the individual.

The regulation is very limited to requiring them to go into a service hospital available to him and in which medical care is available to that individual.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. MAHON. I think that our service personnel have no need for alarm or undue concern about the action of the committee. I have no doubt but that this will be worked out in the next few weeks in such way that everybody will be reasonably well satisfied. There is no desire to do any injustice to anyone or to negate the law of the country.

Mr. KILDAY. I appreciate the gentleman's statement of yesterday as to that, and I agree that if this amount of money is to be increased it should be increased on a showing that will justify it.

In case it should be construed that because I did not mention it that I thought the contrary, it is my opinion that under this law a dependent would not be deprived of medical care simply because Congress had not appropriated the money. I believe we have given here the absloute legal right to medical care for a dependent; and where the dependent secures that medical care that he would have the same right to have that monetary obligation discharged as a person would have to secure his pay or his travel expenses, or anything of that kind, that it does not depend upon the absence of funds; it is an absolute legally vested right under existing law.

Mr. BROWN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. BROWN of Missouri. I thank the gentleman very much for this clear exposition of the original intent. Just to hear it repeated by the gentleman from Texas, a member of the Committee on Appropriations, is most satisfying, that there is no intent on the committee's part whatsoever to infringe upon or amend in any way the intent of this act. Is that correct?

Mr. MAHON. I think the position has been stated and restated very well.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I understand that the committee is going to have a resurvey of this whole medical hospital program. During this last year there were many things that have been entirely unsatisfactory. The naval hospitals have been overcrowded, they have not had the personnel, and there have been many abuses, not intentional, as a result. I am delighted that they are going to have a complete resurvey of the whole problem.

The Clerk completed the reading of the bill.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. MCCORMACK, having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12738) making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. MAHON. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

Mr. SCRIVNER. Mr. Speaker, I ask for a separate vote on the Sikes amendment.

The SPEAKER pro tempore. There is only one amendment.

Mr. SCRIVNER. Mr. Speaker, there were actually three amendments.

The SPEAKER pro tempore. It is one amendment.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that further proceedings on this bill be put over until tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 23, 1958:

H. R. 358. An act to increase the monthly rates of pension payable to widows of deceased veterans of the Spanish-American War, Civil War, Indian War, and Mexican War, and provide pensions to widows of veterans who served in the military or naval forces of the Confederate States of America during the Civil War.

On May 27, 1958:

H. R. 5836. An act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes.

On May 29, 1958:

H. R. 1342. An act for the relief of Mrs. Helen Harvey;

H. R. 4445. An act for the relief of the estate of Mr. Shirley B. Stebbins;

H. R. 6765. An act to provide for reports on the acreage planted to cotton, to repeal the prohibitions against cotton acreage reports based on farmers' planting intentions, and for other purposes;

H. R. 6940. An act to authorize the Secretary of the Interior to reimburse owners of lands acquired for developments under his jurisdiction for their moving expenses, and for other purposes;

H. R. 7645. An act to provide for the release of restrictions and reservations contained in instrument conveying certain land by the United States to the State of Wisconsin;

H. R. 7930. An act to correct certain inequities with respect to automatic step-increase anniversary dates and longevity step-increases of postal field service employees;

H. R. 8547. An act to authorize the disposal of certain uncompleted vessels;

H. R. 9012. An act for the relief of Alexander Grossman;

H. R. 9514. An act for the relief of Valleydale Packers, Inc.;

H. R. 9991. An act for the relief of Felix Garcia;

H. R. 9992. An act for the relief of James R. Martin and others; and

H. R. 11519. An act to authorize the use of naval vessels to determine the effect of newly developed weapons upon such vessels.

On June 4, 1958:

H. R. 1466. An act for the relief of Doctor Thomas B. Meade;

H. R. 4215. An act amending sections 22 and 24 of the Organic Act of Guam;

H. R. 6176. An act for the relief of Fouad George Baroody;

H. R. 6528. An act for the relief of Mrs. Lyman C. Murphey;

H. R. 6731. An act for the relief of Harry Slatkin;

H. R. 7203. An act for the relief of Dwight J. Brohard;

H. R. 8039. An act for the relief of Edward L. Munroe;

H. R. 8071. An act to authorize the Secretary of the Army to convey an easement over certain property of the United States located in Princess Anne County, Virginia, known as the Fort Story Military Reservation, to the Norfolk Southern Railway Co. in exchange for other lands and easements of said company;

H. R. 8433. An act for the relief of Capt. Laurence D. Talbot (retired);

H. R. 8448. An act for the relief of Willie C. Williams;

H. R. 8490. An act to amend the Agricultural Adjustment Act of 1938, as amended, with respect to rice acreage allotments;

H. R. 9109. An act for the relief of John A. Tierney;

H. R. 9362. An act to provide for the conveyance of certain real property of the United States to Post 924, Veterans of Foreign Wars of the United States;

H. R. 9395. An act for the relief of Cornelia V. Lane;

H. R. 9490. An act for the relief of Sidney A. Coven;

H. R. 9738. An act to authorize the Secretary of the Navy to convey to the city of Macon, Ga., a parcel of land in the said city of Macon containing five and thirty-nine one-hundredths acres, more or less;

H. R. 9775. An act for the relief of William J. McGarry;

H. R. 10746. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1959, and for other purposes;

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes;

H. R. 12356. An act to amend the act entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes, approved August 30, 1954;

H. J. Res. 378. Joint resolution to authorize the President to proclaim annually the week which includes July 4 as "National Safe Boating Week"; and

H. J. Res. 586. Joint resolution to authorize the designation of the week beginning on October 13, 1958, as National Olympic Week.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to the bill, S. 734, an act entitled "An act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes," with amendments.

FOR THE RELIEF OF HONG-TO DEW—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 393)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 2763 "for the relief of Hong-to Dew."

This measure would require the Attorney General to pay to Hong-to Dew, a resident of Formosa, the sum of $2,820.32, representing the proceeds of certain property vested as a consequence of World War II pursuant to the Trading With the Enemy Act.

Mr. Dew was born on Formosa in 1892 when it was Chinese territory. In 1895 Formosa was ceded to Japan by China and remained Japanese territory until the end of World War II. Because of his wartime residence on Formosa which was within the territory of a nation with which the United States was at war, the Office of Alien Property in 1950 and 1951 vested 102 shares of Socony-Vacuum Oil Co. stock which Mr. Dew had acquired during the course of his more than 30 years' employment by that company. The sum of $2,820.32 represents the proceeds realized from the sale of these 102 shares by the United States.

Mr. Dew filed a claim for the administrative return of the vested stock in 1951. Under the Trading With the Enemy Act, Mr. Dew could receive a return only if after Pearl Harbor he had been substantially deprived of liberty pursuant to a Japanese law, decree, or regulation discriminating against political, racial, or religious groups. The evidence submitted by Mr. Dew, although showing some mistreatment at the hands of Japanese officials, failed to meet the requirements of the law. Accordingly, Mr. Dew's claim was denied.

Both the House and Senate reports on the bill recognize that Mr. Dew is not entitled to a return of the vested property under existing law. Relief is recommended notwithstanding this state of the law because of the action taken against Mr. Dew by the Japanese authorities.

In general, the vesting of alien-owned property under the Trading With the Enemy Act resulted from the owner's residence in enemy territory as distinguished from friendly or neutral territory, and not from his citizenship. Accordingly, there were many cases of vesting action, both before and after the cessation of hostilities in World War II, with respect to the property of individuals having nonenemy citizenship who were resident within enemy territory.

As deserving of sympathy as Mr. Dew's case may be, I nevertheless do not find adequate reason or justification for approving H. R. 2763, for to do so would be to grant preferential treatment to Mr. Dew by according to him a benefit which is denied by a statute of general application to others whose circumstances may be equally appealing.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 4, 1958.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal, and, without

objection, the bill and message will be referred to the Committee on the Judiciary and ordered printed.

There was no objection.

WOULD WALTER P. REUTHER STEAL OUR HERITAGE?

Mr. HOFFMAN. Mr. Speaker, are the priceless gifts of freedom and opportunity, won and bequeathed by our forefathers, being stolen by a would-be political and economic dictator, Walter P. Reuther, hereinafter referred to as Reuther?

In the early thirties, after a somewhat turbulent labor experience in Detroit, Reuther, with his brother, Victor, visited and for a time worked in a Russian factory. They were so enamored of the Russian communistic views and methods that they wrote to "comrades" in Detroit to "carry on the fight for a Soviet America," apparently advising accepting communistic political and economic philosophy and methods. Early in 1936, when speaking at the Young People's Socialist League, where he was introduced as Comrade Walter Reuther, he was asked "Do you believe in religion and God or in science as a religion?" He answered "We do not believe in God but that man is God."

Reuther's subsequent and today's views (other than his views on religion) are practically the same as when that letter was written, that advice given. He is now a church member.

That Reuther has never abandoned the convictions then accepted is evident from his subsequent statements made to two Presidents, to the public, and his methods in connection with labor disputes.

He has consistently advocated the giving away of our national resources to other nations, suggesting at one time that it was our duty to send $13 billion of the taxpayers' money to other nations each year for 100 years.

He has insisted, and still insists, that labor be given a part in management, sharing in profits—but not participating in losses.

He would force those who work, earn, who do without, save, to share their earnings and savings with the indolent and the spenders.

Reuther was before the McClellan committee but, either because he was not put on the spot or was coddled or was praised because he possessed some of the virtues of the average citizen, those who reported those hearings failed to point out, to make clear, the threatened danger inherent in his thinking and objectives.

The committee spent many days, and the press carried many columns, proving that James R. Hoffa was an advocate of violence, defied legal authority, had stolen and used for his own purposes thousands of dollars of welfare funds collected from members of his union. A laudable public service by the committee. Hoffa, twice standing before the bar of justice in Michigan had twice admitted that he was an extortionist and a racketeer. Today, though branded as a public enemy and so considered by a majority of the informed, he goes unwhipped of justice.

But Reuther—in reality public enemy No. 1—though far more dangerous to the security of the Republic, to the freedom of the individual emerged from similar public hearings uncondemned, except by the Chicago Tribune and a few other papers.

For his adherence to standards of good conduct which are common to practically all Americans he was lauded.

Reuther has used the dues of workers, obtained by extortion—not to buy yachts, summer homes, the favor of chorus girls, or the satisfaction of owning a winning race horse, but to advance his own personal ambition to become and be a political dictator—which he now is. He has used the workers' dues to destroy individual business; in its place, give us socialism.

For several years, Reuther has, to all intents and purposes, owned the Democratic Party in Michigan. Unless his more recent demands have impaired his political power, he will be in control of and able to name the candidates, write the platform of the party, at the next National Democratic Convention.

Reuther's power, his ability to escape prosecution for his lawlessness, is due primarily to two things. First, his shrewdness, his ability and the ability and unscrupulousness of those whose talents he is able to buy through the improper use of union dues.

He has established a system under which, in theory, a worker is free to or not to contribute to a political war chest, funds from which will be used to elect a Reuther stooge. But, in practice, while permitting the employee to refuse to contribute to Reuther's political war chest, by writing a letter to union officials, to all practical intents and purposes the system compels a Democratic or Republican employee to furnish campaign funds designed to elect a candidate to whose political views he does not subscribe, whose election he personally opposes.

The second feature which has enabled Reuther to attain almost unlimited power, which makes him the boss of the Democratic Party in Michigan and, to a lesser extent, in other States, has been his immunity from prosecution for offenses which would have, time and again, landed other less guilty, less politically powerful figures in the penitentiary.

From 1936, when the Communist-inspired sitdown strikes came to Michigan, Reuther has been an active, though sometimes behind the scenes, associate of and coworker with Communists, an advocate of violence and lawlessness.

An abortive attempt was made to give the McClellan committee the facts which would have established on their records the indisputable conclusion that Reuther long, long ago should have been prosecuted and convicted of the malicious destruction of property, of vicious, aggravated assaults, of a conspiracy to obstruct justice.

Groups in whose activities Reuther and his brothers actively participated more than 20 years ago in Michigan were so far outside the law that vigilantes in Monroe and Bay City, Mich., were forced to take the law into their own hands and drive the goons and mobsters from the scene of their rioting.

Reuther gathered around him, as a part of his organization, Communists, advocates of lawlessness, whose brawn and muscle were for hire, and has sent them from one city to another where they, in some cases, defied the officers of the law, the orders of the courts; in others, not only destroyed property but maliciously, cruelly, viciously, beat innocent individuals whose only desire was to work.

For such conduct, Walter P. Reuther and his associates are morally and legally responsible.

In city after city throughout the United States, the CIO and its affiliates have carried out Reuther policies. If proof is needed, just read the hearing of the strike activities, which covered 22 States, in the meatpacking industry. Read the hearings which were held in Michigan, in Ohio. Read the newspaper accounts of other strikes which were carried on throughout this land.

To the well-substantiated charges of organized lawlessness and unprovoked violence, Reuther's answer has always been that the other fellow provoked the fight.

When Reuther was before the McClellan committee, he met the charge of lawlessness by the countercharge of violence by the company and its officers and employees—an absurdity when the facts are considered.

Little was heard about the violence that occurred during strikes at Perfect Circle in Indiana. Practically nothing was heard about the strikes in the South where violence and lawlessness were the watchwords. Why? Let someone conversant with the facts answer.

It has always been the policy and the practice of union officials when charged with violence to point the finger at the opposition; to say that the opposition instigated the violence, was at fault.

But one thing is crystal clear: At Kohler, at Perfect Circle, and in more than 200 other situations, where violence has existed, it has occurred at the plant of the company which was struck or at or near the factory where the workers were employed.

Neither Kohler officials, their agents, nor their employees, traveled from Sheboygan, Wis., to the CIO's headquarters in Michigan to instigate violence. No employer or employer's agents came from Indiana to Detroit to participate in rioting.

The significant fact is that Reuther's agents, his goons, have, under his direction, gone from one city, from one State, to another to commit their crimes.

It is not only commonsense but it is the well-established law that the master is responsible for the acts of his servant; the principal for the doings of his agent—when they act within the scope of their authority.

In my possession are photographs, exhibits in the Federal court, which show that in 1941, Jess Ferrazza, a goon employed by the UAW–CIO, with the assistance of four others, viciously beat an

innocent citizen, a common strike practice. Seventeen years later, at the Kohler strike in Sheboygan, Wis., the same Jess Ferrazza was guilty of similar conduct. For 17 years this man—and his associates—has been one of Reuther's hired men, carrying out his orders under the direction of his lieutenant, Emil Mazey.

Is there any way to escape the logical and the legal conclusion that Reuther is guilty, whether he was present or not, of the lawlessness carried on by his goons under his orders? Altogether too long, the lady who, blindfolded, holds the scales of justice, has failed to get Reuther on one side of the balance bar to weigh his conduct.

Reuther demands a share in management. With and in the motor industry, he took part in fixing hours, wages, and, as a result, prices. Result—motors and Reuther priced their products out of the market. Hence fewer purchasers—less sales—a surplus of cars—unemployment.

The Saturday Evening Post of June 7, 1958, calls attention to the fact that our heritage is being stolen by an individual thoroughly saturated with communistic ideas—who has too long sold politicians, both Democrats and Republicans, a bill of goods on the idea that, to be elected and to hold office, they must either cover up for him or, at least, not publicly criticize him. The House records have shown that at least 167 Members of the House, 25 of the Senate, have received financial aid from the CIO or its affiliates.

Does the record show that Reuther is a crook? That he is a betrayer of the union employees—and should be so characterized, instead of being lauded and praised because he does not drink, steal for his own personal pleasure, does not beat up his wife or family?

Until the opportunity of Hoffa, Reuther, and a few other union officials to misuse and embezzle union funds and purchase political support is destroyed, the kind of shocking incidents of corruption and violence exposed by the McClellan and other Congressional committees will continue.

Both Hoffa and Reuther should be kicked out of the political arena.

The editorial to which reference was made reads as follows:

IT LOOKS AS IF THE DEMOCRATS HAD HANDED THE GOP A REAL LIVE CAMPAIGN ISSUE

Despite the shocking revelations from the McClellan committee's hearings on the corrupt and tyrannical practices of some of the Nation's top labor leaders, too many Members of Congress would like to avoid trouble by merely passing a statute making it harder for labor goons to steal from their members.

This would be disappointing indeed. The abuse of welfare funds calls for correction by law, since the intimidated rank and file appear unable to correct it themselves. But what is more desperately needed is legislation to end evils which hurt us all, including union members. Among these could be named the use of union dues for political purposes, intimidation and violence in strikes, even to the point of murder, as was brought out in the Kohler hearings; the handcuffing of business through "secondary boycotts," etc. Despite the efforts of Senator KNOWLAND and the White House, these evils were not dealt with.

The best hope is that the voters will take charge and put the heat on Senators and Representatives who seem more concerned with appeasing the union lobbyists than with the welfare of the country. Democratic Senators and their timid Republican allies seemed to recognize this possibility when they accused Senator KNOWLAND and his GOP colleagues of "trying to make a campaign issue." Indeed, it looks as if Senator KNOWLAND and the Republican stalwarts—plus stalwart Democrat FRANK LAUSCHE—have been handed an issue free for nothing. Many politicians are belatedly remembering that the late Senator Taft won his greatest victory in Ohio by championing labor's rank and file against its so-called leaders.

Even the Democrats, many of whom think they owe the AFL–CIO for the right to live, are beginning to wonder whether the welfare-fund measure will suffice to convince people that slamming the door against any future Dave Becks is enough. Conservative Democrats, who regard bypassing a committee as a cardinal sin, and reluctantly went along, are even more nervous.

The public understands by now that the real news from the McClellan committee did not concern corruption so much as attempted political and economic dictatorship. People have known for years something of the viciousness of the union operations against Kohler, Perfect Circle, and other industrial plants. Union domination of the Democratic Party in Michigan—with the help of dues paid by Republican union members—has been revealed. This is real campaign material, and the recent more tolerant attitude of CIO–AFL officials toward possible legislative action suggests that the news is beginning to "trickle down." Smart politicians will get the word.

ELIZABETH BIRO

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2060) for the relief of Elizabeth Biro.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BASS of New Hampshire. Mr. Speaker, reserving the right to object, may I ask the gentleman to explain the purpose of this bill?

Mr. WALTER. This bill will enable an Army officer to bring to the United States a child that he adopted in England. His tour of duty is up this week, and unless we act on the bill today or tomorrow, then this officer will not be able to bring back with him the child that he has adopted.

Mr. BASS of New Hampshire. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Elizabeth Biro, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Mancill E. Clayton, citizens of the United States.

With the following committee amendment:

Page 1, line 7, after "United States", insert "*Provided*, That the natural father of Elizabeth Biro shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the defense appropriation bill may have the privilege of revising and extending their remarks and include necessary excerpts and that all Members may have 5 legislative days in which to extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPOSAL OF CERTAIN FEDERAL PROPERTY IN THE BOULDER CITY AREA

Mr. BARING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9147) to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That it is the purpose of this act to authorize the disposal of certain Federal property in that area in Clark County in the State of Nevada commonly known as Boulder City, now a part of the Boulder Canyon project, in order that the people of that area may enjoy local self-government and to facilitate the establishment by them of a municipal corporation under the laws of the State of Nevada.

SEC. 2. Wherever the following terms are used in this act, they shall be interpreted as follows:

(a) "Adjustment act" shall mean the Boulder Canyon Project Adjustment Act (54 Stat. 774);

(b) "Appraised value" shall be current fair market value;

(c) "Boulder City municipal area" shall consist of and include the tract of land particularly described as follows:

Lots 9, 10, 11, 12, south half north half, south half section 1; lots 8, 9, 10, 16, that portion of lot 21 lying south of the right-of-way of United States Highway 93–466 and east of the right-of-way of United States Highway 95, both as hereinafter specifically defined, southeast quarter northeast quarter, east half southeast quarter section 2; that part of lot 1 lying east of the right-of-way of United States Highway 95 and south of right-of-way of United States Highway 93–466, those parts of lots 4, 5, 8, lying east of the right-of-way of United States Highway 95, east half east half section 11; all sections 12 and 13; those parts of lots 1, 4, 5, 8, lying east of the right-of-way of United States Highway 95, east half east half section 14; lots 1, 4, 5 northeast quarter northeast quarter section 23; lots 1, 2, 3, 4, north half north half section 24; township 23 south, range 63

east; lots 8, 9, 10, section 1; all fractional sections 12, 13, 24, township 23 south, range 63½ east; south half south half section 28; south half south half section 29; lot 12, southeast quarter southwest quarter, south half southeast quarter section 30; lots 5, 8, 9, 12, east half west half, east half section 31; all sections 32 and 33; south half section 34, south half section 35, township 22 south, range 64 east; all sections 2, 3, 4, 5; lots 8, 9, 10, 11, 14, 15, 17, south half northeast quarter, southeast quarter northwest quarter, east half southwest quarter, southeast quarter section 6; all sections 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, township 23 south, range 64 east Mount Diablo base and meridian, State of Nevada, containing 21,674.23 acres, more or less.

That portion of the east boundary of the right-of-way of United States Highway 95, together with a portion of the south boundary of the right-of-way of United States Highway 93–466 lying within the west half east half of sections 2, 11, and 14, township 23 south, range 63 east, Mount Diablo base and meridian, with which it is required that the proposed west boundary of Boulder City shall conform, and to which reference was made in the foregoing description, is more specifically described as follows:

Beginning at the point of intersection of the east side of the right-of-way of Highway 95 with the original west boundary of the Boulder Canyon Project Reservation, this beginning point being located 2,315 feet north of corner numbered 2, the southwest corner of the said reservation.

Thence with the east side of the right-of-way of Highway 95, as defined by State highway map, project numbered 006–1, (1), north 9 degrees 40 minutes east, 2,156 feet to a point of curve bearing toward the west.

Thence with the curve, with a central angle of 13 degrees 06 minutes, and a radius of 5,200 feet, for a curve distance of 1,188.92 feet to a point of tangency.

Thence north 3 degrees 26 minutes west for a tangent distance of 4,979.48 feet to a point of curve bearing toward the east.

Thence with the curve, with a central angle of 19 degrees and a radius of 1,800 feet for a curve distance of 596.96 feet to a point of tangency.

Thence north 15 degrees 34 minutes east for a tangent distance of 563.22 feet to a point of curve bearing toward the west.

Thence with the curve, with a central angle of 21 degrees 22 minutes 20 seconds and a radius of 2,200 feet for a curve distance of 820.63 feet to a highway monument marking the intersection of the east side of the right-of-way of Highway 95 with the south side of the right-of-way of Highway 93–466 leading to Boulder City.

Thence with the south side of the right-of-way of Highway 93–466 as it curves in a southeasterly direction with a central angle of 4 degrees 11 minutes 10 seconds and a radius of 3,700 feet with a chord bearing of south 54 degrees 08 minutes 40 seconds east for a curve distance of 270.32 feet to a point on a north and south sixteenth section line dividing the east half of section 2, township 23 south, range 63 east, Mount Diablo meridian, said point being south 00 degrees 05 minutes west 66.73 feet from the one-sixteenth section corner, marking the southeast corner of lot 21, section 2, township 23 south, range 63 east, Mount Diablo meridian, and a corner to the proposed Boulder City boundary, as first described hereinabove.

(d) "Boulder City Municipal Fund" shall mean the funds in the Treasury created by section 6 of this act;

(e) "City" shall mean Boulder City, Nev., prior to its incorporation as a municipality under the laws of the State of Nevada;

(f) "Colorado River Dam Fund" shall mean the special fund in the Treasury created by section 2 of the project act;

(g) "Department" shall mean the Department of the Interior;

(h) "Municipal operations" shall mean the financing, operation, maintenance, replacement, and expansion of municipal facilities and utilities and other operations of a municipal character;

(i) "Municipality" shall mean Boulder City, Nev., after its incorporation as a municipality under the laws of the State of Nevada;

(j) "Persons employed by the United States for purposes other than the construction, operation, and maintenance of the project" shall mean all persons who are so employed and who are resident in the municipality;

(k) "Persons employed in the construction, operation, and maintenance of the project" shall mean all persons who are so employed, whether by a Federal agency or by an agent designated pursuant to section 9 of the adjustment act, and who are resident in the municipality. This term shall not include persons employed in municipal operations of the municipality;

(l) "Project" shall mean the works authorized by the project act to be constructed and owned by the United States, exclusive of the diversion dam, main canal, and appurtenances mentioned therein, now known as the All-American Canal system;

(m) "Project act" shall mean the Boulder Canyon Project Act (45 Stat. 1057);

(n) "Secretary" shall mean the Secretary of the Interior.

SEC. 3. (a) The Secretary is authorized to sell such dwelling houses, duplex houses or units thereof, and garages, with furniture, fixtures, and appurtenances, as are owned by the United States within the Boulder City municipal area and are not needed in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area.

(b) Except in the case of property determined to be substandard under subsection (c) of this section, the following system of priority shall be established with respect to property authorized to be sold under subsection (a) of this section:

(1) Persons employed by the Federal Government within or near the Boulder City municipal area (and surviving spouses of such persons who have not remarried) who are tenants in Federal housing in Boulder City shall be offered the opportunity to purchase the property in which they are tenants at the appraised value as established under subsection (d) of this section. This right of priority shall expire unless notice of intent to purchase has been received by the Secretary before the expiration of 60 days after the date on which the property has been offered for sale, and shall be deemed abandoned unless before the expiration of 60 days after the Secretary's tender of the instrument of transfer the prospective purchaser concludes the sale;

(2) Persons employed by the Federal Government within or near the Boulder City municipal area may apply to purchase housing not purchased under subsection (b) (1) of this section. Applicants to purchase shall be placed in order of opportunity to choose pursuant to a public drawing, but spouses of such applicants shall not be entitled to apply. Sales shall be made at the appraised value as established under subsection (d) of this section, and selections and purchases by successful applicants shall be concluded within limits of time to be established by the Secretary. A purchase under subsection (b) (1) or (b) (2) of this section shall render the purchaser and any spouse of such purchaser ineligible thereafter to purchase under subsection (b) (1) or (b) (2); and

(3) Property subject to disposal under this section and not sold pursuant to subsections (b) (1) and (b) (2) of this section shall be opened to bids from the general public, and shall be sold to the highest responsible bidder.

In the event that incorporation of the municipality shall be effected within 4 years after the date of this act, persons purchasing housing under this subsection or their successors, assigns, or legal representatives, shall be entitled to a reduction in the purchase price (or rebate as appropriate) of 10 percent: *Provided*, That no person who has purchased a house under the act of May 25, 1948 (62 Stat. 268), shall be eligible for such reduction.

(c) Where the Secretary determines that property authorized to be sold under subsection (a) of this section is substandard, he shall sell such property only for off-site use, such property to be opened to bids from the general public for sale to the highest responsible bidder.

(d) The appraised value of all property to be sold under subsections (b) (1) and (b) (2) of this section, and of all lots leased or to be leased by the United States for the purpose of maintaining, locating, or erecting permanent structures thereon, shall be determined by an appraiser or appraisers to be designated by the Administrator of Housing and Home Finance Agency at the request of the Secretary. Said appraisals shall be made promptly after the date of this act, or immediately prior to the granting of any lease of lands not previously appraised, as the case may be. The representatives of the Boulder City community, as determined by the Secretary, shall be granted an opportunity to offer advice in connection with such appraisals.

(e) (1) Except as otherwise provided in this subsection, the Secretary is authorized to dispose of such multiple-unit garages, and such apartment houses together with furniture, fixtures, and appurtenances, including, without being limited to, any appurtenant garages, as are owned by the United States within the Boulder City municipal area. Such property shall be offered to the general public and sold to the highest responsible bidder.

(2) Of the property subject to disposal under this section, the Secretary is authorized to lease to the corporation owning and operating the Boulder City hospital, for the purpose of providing living accommodations for employees of the hospital, not more than two dwelling houses, or not more than one dwelling house and one apartment-houre building containing not more than six apartment units, together with furniture and appurtenances, including, without being limited to, any appurtenant garage or garages. Upon incorporation of the municipality, the Secretary may transfer said property together with the land on which it is situated, to the municipality without cost, subject to existing leases.

(f) (1) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary shall, pursuant to the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), lease to the purchasers thereof the lots on which structures sold under this section are situated. Any such lease shall be executed prior to transfer of title to the purchaser and shall incorporate the conditions enumerated in the proviso of subsection 4 (a) of this act.

(2) At the expiration of fiscal year 1963, unless incorporation of the municipality shall previously have been achieved, the Secretary may (A) negotiate the sale to the lessees thereof of all leased lands within the Boulder City municipal area, and (B) sell to the highest responsible bidder at not less than the appraised value as determined by the Secretary any other lands within the Boulder City municipal area not needed for Federal purposes, including the purposes of this act.

(g) Except in the case of property determined to be substandard under subsection (c) of this section, the Secretary may sell any structure authorized to be sold under this section which is unsold at the time of incorporation of the municipality, together with the land on which it is situated. Such sales shall be made, as near as may be, in accordance with the procedures and the system of priority established under subsections (b) (1), (b) (2), (b) (3), and (e) of this section; and, where applicable, the appraised value shall be the combined appraised value of structure and land.

(h) In the event that the Secretary finds that financing on reasonable terms is not available from other sources, he may, in order to facilitate the sale of property to be sold under subsections (b) (1) and (b) (2) of this section, accept, in partial payment of the purchase price of the property, notes secured by first mortgages on such terms and conditions as he deems appropriate. The maturity and percentage of appraised value in connection with such notes and mortgages shall not exceed those prescribed under section 223 (a) of the National Housing Act, as herein further amended, and the interest rate shall equal the interest rate plus the premium being charged (and any periodic service charge being authorized by the Federal Housing Commissioner for properties of similar character) under section 223 (a) of the National Housing Act, as herein further amended, at the effective date of such notes and mortgages. The Secretary may sell any such notes and mortgages on such terms as he deems appropriate.

(i) In establishing rules and regulations governing sales of property under this section and in determining the terms and conditions of such sales the Secretary shall consult with representatives of the Boulder City community, as determined by him.

SEC. 4. (a) Upon incorporation of the municipality, the Secretary shall be authorized to transfer to the municipality without cost, subject to any existing leases granted by the United States, all improved lands within the Boulder City municipal area the improvements to which are privately owned and such unimproved lands within that area as the Secretary determines are not required in connection with the administration, operation, and maintenance of Federal activities located within or near the Boulder City municipal area, and to assign to the municipality without cost any leases granted by the United States on such lands: *Provided*, That any such lease shall provide, or, at the request of the holder of an existing lease, shall be amended to provide, (1) that, in the event the leased property shall be transferred to the municipality pursuant to this section, the holder of any such lease shall, for a period of two years after the date of incorporation of the municipality, be entitled to exercise an option to purchase the leased property at the original appraised value as determined pursuant to subsection 3 (d) of this act, and shall, after the end of the aforesaid two-year period and until the expiration of the lease, be entitled to exercise an option to purchase the leased property at its appraised value as determined by a qualified appraiser or appraisers to be appointed by the governing authority of the municipality; (2) that all determinations of appraised value with respect to the aforesaid property shall be made without reference to improvements on the leased property made or acquired at the expense of the current or any former lessee thereof; and (3) that, in the event that incorporation of the municipality shall be effected within 4 years after the date of this act, the holder of the lease shall be entitled to a reduction in the price of any purchase under the aforesaid option of 10 per centum of the purchase price.

(b) In that part of Boulder City where federally owned lands not under lease are occupied by privately owned structures and which is commonly referred to as Lakeview Addition, the Secretary shall determine, by such method as may be appropriate, lot lines to conform, as nearly as is reasonable and feasible in his judgment, to the existing pattern of land occupancy. On submission of satisfactory proof of ownership, the Secretary shall offer to the owner a lease, in accordance with the terms of the first proviso under the heading "Boulder Canyon Project" in the Interior Department Appropriation Act, 1941 (54 Stat. 406, 437), of the lot his structure is occupying, as determined and defined by the Secretary. Or, on request of any such owner, the Secretary may, in his discretion, lease to such owner, in lieu of the lot his structure is occupying, another lot in the Boulder City municipal area, to be approved by the Secretary, on condition that such owner agree to clear and vacate the former lot and to relocate or build on the lieu lot a habitable structure. Where the removal of any structure becomes necessary in order to accomplish the subdivision, the Secretary may acquire or relocate such structure. The continuing validity of any lease granted under this subsection shall be conditioned on the lessee's making proper connections to water, electric, and sewerage systems, and may be conditioned on the lessee's rehabilitation, replacement, or relocation of any or all structures occupying the land in order to bring about closer conformance with general standards prevailing in the community. Unless incorporation of the municipality shall previously have been achieved, the Secretary, at the expiration of fiscal year 1963, may terminate and may renegotiate, on such terms and conditions as he may prescribe, any lease of a lot granted under this subsection, except a lease of a lieu lot. The Secretary's determinations under this subsection shall be final and conclusive.

SEC. 5. (a) Subject to the provisions of subsection 9 (a) and section 11 of this act, the Secretary shall transfer all activities and functions of a municipal character to the municipality upon its incorporation.

(b) The Secretary is authorized to transfer to the appropriate school district all right, title, and interest of the United States to all the school buildings and related equipment and facilities, and to lands upon which they are situated, owned by the United States in the Boulder City municipal area.

(c) Upon its incorporation, the Secretary shall transfer to the municipality, subject to the limitation contained in subsection (d) of this section, all real and personal property, including, but not limited to, buildings, lands, equipment, facilities, works, and utilities, owned by the United States, and used primarily in the performance of activities and functions to be transferred under subsection (a) of this section.

(d) The Secretary shall determine which contracts to which the United States is now a party concern activities and functions to be transferred under subsection (a) of this section and are properly assignable to the municipality. The Secretary shall assign such contracts to the municipality upon its incorporation, and the acceptance of such assignment by the municipality shall be a condition precedent to the transfer of property under subsection (c) of this section.

SEC. 6. (a) There is hereby established in the Treasury a special fund to be known as the Boulder City Municipal Fund. All proceeds from the disposal under this act of Federal property lying within the Boulder City municipal area shall be deposited in such fund.

(b) (1) Moneys in the Boulder City Municipal Fund are hereby appropriated for expenditure at the direction of the Secretary for payment of the expenses of the disposal of property under sections 3, 4, and 5 of this act, including the cost of subdividing land and affecting the necessary acquisition or relocation of structures under subsection 4 (b) of this act and the payment of rebates, where appropriate, to vendees of the United States entitled to the special benefit provided under section 3 of this act for attainment of early incorporation of the municipality.

(2) There are hereby authorized to be appropriated from moneys in the Boulder City Municipal Fund, or from general funds, (A) an amount not to exceed $75,000 for payment to the municipality for replacement and rehabilitation of municipal facilities and utilities, such payment to be diminished by an amount, as estimated by the Secretary, equal to the revenues which would otherwise probably have accrued to the United States from municipal operations of the city between the date of incorporation of the municipality and the end of the fiscal year in which such date falls; and (B) an amount not to exceed $150,000 for expenditure by the Secretary for such initial construction or improvement of, or additions to, street, water, electric, and sewerage systems for that part of Boulder City referred to in subsection 4 (b) of this act as Lakeview Addition as the Secretary may deem necessary toward conformance with general standards for such utilities and facilities prevailing in the community.

(c) Except for such sums as may be required for expenditures under subsection (b) (1) of this section, all moneys remaining in and accruing to the Boulder City Municipal Fund either (1) after the date of incorporation of the municipality, or (2) after the expiration of fiscal year 1963, if such incorporation shall not then have been achieved, shall be divided into two parts, as determined by the Secretary, representing project and nonproject investments in the property yielding the moneys deposited in the Boulder City Municipal Fund. Said parts shall be covered into the general fund of the Treasury, but the first part shall constitute a payment to the Treasury diminishing the obligation under section 2 of the Adjustment Act to repay advances and readvances to the Colorado River Dam Fund, and the rates computed pursuant to section 1 of said act shall reflect such diminution: *Provided*, That solely for the purpose of effecting the aforesaid division, the principal of all mortgage obligations held by the United States pursuant to section 3 of this act shall then be deemed to have been paid in full into the Boulder City Muncipal Fund; and all moneys thereafter received by the United States in payment of principal, interest, or other charges under such mortgage obligations shall be covered into the general fund of the Treasury, except as such moneys may initially be required to repay the outstanding portion of any loan under subsection (d) of this section.

(d) The Secretary, if he deems it necessary, may arrange for the loan of moneys from the Colorado River Dam Fund to the Boulder City Municipal Fund in order that he may make expenditures pursuant to subsections (b) (1) and (b) (2) of this section prior to the receipt of sufficient revenue from the disposal of property under this act, the loans to be repaid out of such revenues.

(e) Upon its incorporation, the Secretary shall cause to be paid over to the municipality all unobligated balances from appropriations available for municipal operations of the city, less the estimated cost for the remainder of the fiscal year after incorporation of furnishing water to the municipality pursuant to section 9 of this act.

SEC. 7. Nothing in this act shall affect any component of the rates and charges for electrical energy generated at Hoover Dam for amortization of the cost of works and improvements on land, including the school buildings and related facilities and equipment, within the Boulder City municipal area, transferred to non-Federal ownership

pursuant to this act less that part of such cost allocated by the Secretary to nonproject purposes pursuant to those portions of the Interior Department Appropriations Acts, 1949 and 1950 (62 Stat. 1112, 1130; 63 Stat. 765, 784), under the headings "Colorado River Dam Fund" which, in the case of each statute, follow the first sentence thereof. Effective at the beginning of the first full fiscal year after the date of incorporation of the municipality, if achieved before the expiration of fiscal year 1963, the aforesaid provisions of law are hereby repealed.

SEC. 8. From the electrical energy reserved to the United States under article 4 of the "General Regulations for Generation and Sale of Power in Accordance With the Boulder Canyon Project Adjustment Act," promulgated by the Secretary on May 20, 1941, the Secretary is authorized to deliver, at Boulder City substation, at rates determined on the basis of (a) the Adjustment Act and (b) any other costs incurred in connection with such delivery, up to a maximum demand of 17,000 kilowatts to the municipality for its own use or for resale for use within the Boulder City municipal area less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act: *Provided*, That should the present electrical energy requirements of the Bureau of Mines in Boulder City be substantially curtailed or discontinued, the maximum demand for the use of the municipality may be increased at the discretion of the Secretary up to 19,500 kilowatts less such capacity as is required by the United States for pumping water delivered to the municipality pursuant to section 9 of this act.

SEC. 9. (a) Because of its climate and its location with respect to the only source of water, Boulder City faces extraordinary difficulties in connection with a domestic water supply. In recognition of this fact, the existing water supply system from Hoover Dam to, but not including, the Boulder City storage tanks shall be retained by the United States and shall be operated and maintained by the Secretary in order to supply water to the municipality at said storage tanks, for domestic, industrial, and municipal purposes, at a maximum rate of delivery of 3,650 gallons a minute: *Provided*, That the cost of supplying such water, to be borne as provided in subsection (c) of this section, shall in no event exceed $100,000 annually: *Provided further*, That the cost of filtration and treatment of such water shall be assumed by the municipality. Such water shall be supplied to the municipality without charge, but nothing herein shall be construed to affect the charge established for water under the contract for delivery of water between the United States and the State of Nevada, dated March 30, 1942, as amended. Such delivery shall be subject to the availability of water for use in the State of Nevada under the provisions of the Colorado River compact and the project act and, shall be in accordance with the terms of the aforesaid contract.

(b) As of the end of each year of project operation, or fraction thereof, after incorporation of the municipality, the Secretary shall determine the number of all persons employed in the construction, operation, and maintenance of the project and the number of all persons employed by the United States for purposes other than the construction, operation, and maintenance of the project.

(c) The Secretary shall divide the cost for year of project operation, or fraction thereof, after the incorporation of the municipality, of supplying water under subsection (a) of this section into two parts. The first such part shall bear the same ratio to the second such part as the number of all persons employed in the construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section, bears to the number of all persons employed by the United States for purposes other than construction, operation, and maintenance of the project, as determined by the Secretary under subsection (b) of this section. Notwithstanding the provisions of this subsection, the first part as aforesaid shall in no instance exceed 65 percent of the total cost of furnishing water under subsection (a) of this section. Such total cost, less a sum equal to part 1 as aforesaid, shall constitute an amount whereby the obligation under section 2 of the Adjustment Act to repay to the Treasury advances and readvances to the Colorado River Dam Fund shall be diminished annually; and the rates computed pursuant to section 1 of said act shall reflect such diminution.

(d) If the requirements of the municipality shall at any time exceed 3,650 gallons a minute, the Secretary may furnish whatever additional water and whatever additional carrying capacity may be needed. The municipality shall bear the full cost of furnishing such additional water; and before the commencement of any construction to provide additional carrying capacity, the municipality shall enter into a repayment contract for the return to the United States of the full cost of furnishing such additional carrying capacity over a period of not more than 40 years from the date when the facilities providing such additional carrying capacity are placed in service. Interest not exceeding the rate of 3 percent per annum of the unamortized construction costs shall be paid.

(e) At the end of such period of 5 years after the date of incorporation of the municipality, the Secretary shall investigate the need for continuation of all or part of the assistance to the municipality provided under this section and shall report his findings and recommendations to the Congress as soon thereafter as practicable.

SEC. 10. In all sales, transfers, and grants of Federal property situated within the Boulder city municipal area the Secretary shall attach conditions involving such use restrictions as he may deem reasonable and necessary to preserve those community standards consistent with the national use and enjoyment of the project. Such restrictions shall include, without being limited to, restrictions against use of the property for the manufacture, sale, storage, or distribution of intoxicating liquors, or narcotics, or habit-forming drugs, or for gambling, prostitution, lewd or immoral conduct, or for the conduct of any unlawful purpose or undertaking. Upon the breach of any such condition by the grantee, his successors, assigns, or legal representatives, the instrument of transfer shall become null and void, and all right, title, and interest in and to the premises conveyed shall revert to the United States. All conditions attached pursuant to this section shall expire upon incorporation of Boulder City as a municipality.

SEC. 11. The Secretary is authorized to enter into contracts with the municipality whereby either party might undertake to render to the other such services in aid of the performance of activities and functions of the municipality and of the Department within or near Boulder City as will in the Secretary's judgment contribute substantially to the efficiency or economy of the operations of the Department.

SEC. 12. Paragraph (3) of subsection 223 (a) of the National Housing Act, as amended, is hereby amended by changing the final semicolon in the paragraph to a comma and adding at the end of the paragraph the following: "of any permanent housing under the jurisdiction of the Department of the Interior constructed under the Boulder Canyon Project Act of December 21, 1928, as amended and supplemented, located within the Boulder City municipal area: *Provided*, That for purposes of the application of this title to sales by the Secretary of the Interior pursuant to subsections 3 (b) (1) and 3 (b) (2) of the Boulder City Act of 1957, the selling price of the property involved shall be deemed to be appraised value; or."

SEC. 13. The provisions of this act for the disposal of federally owned property are to be carried out notwithstanding any other provisions of law: *Provided*, That nothing in this act shall be deemed to affect any existing right-of-way heretofore granted under the provisions of the Project Act or otherwise, or any rights reserved to the United States in connection with grants of such rights-of-way.

SEC. 14. This act shall be a supplement to the Project Act and the Adjustment Act, and said acts shall govern the administration of this act, except as is otherwise herein provided.

SEC. 15. The Secretary is hereby authorized, subject only to the provisions of this act, to perform such acts, to delegate such authority, and to prescribe such rules and regulations and establish such terms and conditions as he may deem necessary and proper for the purpose of carrying the provisions of this act into full force and effect.

SEC. 16. Except as provided in this section and in subsection (f) (2) of section 3, subsection (b) of section 4, and subsection (c) of section 6 of this act, all authority of the Secretary under this act shall terminate at the expiration of fiscal year 1963, unless incorporation of the municipality shall previously have been achieved.

SEC. 17. The second and third provisos of the penultimate paragraph under the heading "Office of Education" in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1954 (67 Stat. 245, 250), are hereby repealed.

SEC. 18. This act may be cited as the "Boulder City Act of 1957."

With the following committee amendments:

Page 5, line 20, strike out "project" and insert "Project."

Page 20, line 23, after the colon, insert "*Provided, further*, That the electrical energy delivered hereunder to the municipality in any 1 year shall not exceed in amount the maximum demand of this use at an annual load factor of 50 percent, and that the amount of such electrical energy shall be reduced in any year in which there is a deficiency in electrical energy available from the Boulder Canyon project in the same proportion as firm energy delivered to allottees is reduced in such year below firm energy as defined in said general regulations."

Page 21, line 17, after the word "minute" strike out down to and including the word "amended" on line 1, page 22, and insert "*Provided*, That the cost of supplying such water, to the extent of not more than $100,000 in any 1 year, shall be borne as provided in subsection (c) of this section: *Provided further*, That all other costs of supplying water and all costs of filtration and treatment shall be assumed by the municipality. There shall be no charge under the contract between the United States and the State of Nevada dated March 30, 1952, as amended, for water delivered in accordance with this section."

Page 22, line 12, after the word "and" insert "except as hereinbefore provided."

Page 24, line 7, strike out "such" and insert "each."

Page 24, line 13, after the word "sales" insert "leases."

Page 24, line 24, after the period strike out down to and including the words "United States", on page 25, line 3, and insert "Suit to enjoin breach of any such condition by a grantee, his successors, assigns, or legal representatives, or for other appropriate relief, may be brought in any court of compe-

tent jurisdiction by the Secretary or by any person living in the vicinity of the premises involved. Upon findings by such a court that there has been such a breach, the Secretary may (if, in his judgment, the same is called for in the circumstances) declare all right, title, and interest in and to the premises forfeited to the United States. Nothing contained herein shall prejudice the cancellation of leases for breach of similar conditions or covenants contained therein or the enforcement by other appropriate means of such conditions or covenants."

Page 25, line 15, strike out "All conditions attached pursuant to this section shall expire upon incorporation of Boulder City as a municipality" and insert "All conditions attached pursuant to this section shall continue in full force and effect until, by election or referendum called especially for this purpose not less than 3 years after incorporation of the municipality, a majority of the qualified voters of the city participating herein shall have voted to dispense with them."

Page 26, line 17, strike out "1957" and insert "1958."

Page 27, line 15, strike out "in this section."

Page 28, line 5, strike out "1957" and insert "1958."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

J. PERCY PRIEST DAM AND RESERVOIR

Mr. LOSER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 12052) to designate the dam and reservoir to be constructed at Stewarts Ferry, Tenn., as the J. Percy Priest Dam and Reservoir.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

Mr. BASS of New Hampshire. Mr. Speaker, reserving the right to object, I should like to ask the gentleman what this bill is all about.

Mr. LOSER. I would say to the distinguished gentleman that the Committee on Public Works some years ago authorized the construction of a dam at Stewarts Ferry, near Nashville, Tenn., in the Stones River. That dam has not been begun. It was authorized during the time that a very distinguished Member of this body was alive. He served as a Member of the House of Representatives from the district I am honored to represent, for more than 16 years. He died in 1956 and the people in my area would feel greatly honored should this dam and reservoir, to be constructed some time in the future, be named in the memory of this distinguished Tennessean, J. Percy Priest.

Mr. BASS of New Hampshire. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill as follows:

Be it enacted, etc., That the dam and reservoir authorized to be constructed at Stewarts Ferry, Tenn., by the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved June 28, 1938 (52 Stat. 1215), as amended, and subsequent acts of Congress, shall be known as the J. Percy Priest Dam and Reservoir, in honor of the late Representative J. Percy Priest. Any law, regulation, map, document, record, or other paper of the United States in which such projected dam and reservoir are referred to shall be held to refer to such dam and reservoir by the name of the J. Percy Priest Dam and Reservoir.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

COMPENSATION POLICIES IN FEDERAL LAND ACQUISITIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TELLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. TELLER. Mr. Speaker, I have today introduced two bills for the purpose of lending further needed financial assistance to residents and businessmen displaced by urban renewal projects.

On January 15 of this year, I introduced a bill, H. R. 9994, for the purpose of establishing a commission to study the adequacy and fairness of compensation policies generally in Federal land acquisitions. This bill is pending before our Committee on Public Works.

At the time I introduced this general study bill, I pointed out to the Congress that it would be appropriate for us to abandon our piecemeal, patchwork approach to the problem of granting fair compensation and financial assistance to persons displaced by national public works projects. However, since that time the Congress has passed a bill extending to projects of the Department of the Interior the principle of permitting reimbursement for moving expenses. In addition, several of my colleagues have introduced bills for one purpose or another to relieve specific situations where individuals are not receiving adequate compensation.

In order to provide the Committee on Banking and Currency during its consideration of housing amendments with my specific proposals insofar as urban renewal projects are concerned, I have introduced today the two bills that would grant additional needed financial assistance to persons displaced by projects under title I of the National Housing Act of 1949.

I still believe that it is most important for us to review the entire field of compensation; I continue to urge the establishment of a commission for that purpose. However, until a commission is established, I urge favorable consideration of the two bills I have today introduced, which would provide for reimbursement by the Federal Government to such displaced persons as follows:

First. They authorize payment for indirect as well as direct expenses and losses.

Second. The bills also permit payments to tenants for the difference in rental for 1 year between the old rental and the higher rental which they might be obliged to pay for new homes or businesses.

Third. The bills also allow payment to businessmen of a fair and reasonable value of their business if they cannot find a new location and if they are not offered a preference in the redevelopment project itself.

Fourth. The bills also increase the maximum payments to $500 in the case of an individual or family and $10,000 in the case of a businessman. Existing law authorizes payments for "reasonable and necessary moving expenses and any actual direct losses of property except good will or profit" limited to $100 in the case of an individual or family or $2,500 in the case of a business concern.

Fifth. Finally, the bill empower the Administrator of the Small Business Administration to make low-cost loans to those displaced by urban renewal projects.

PREVENT TRAFFIC ACCIDENTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Monday, May 26, a little over a week ago, I introduced into the House Concurrent Resolution 337. The purpose of this resolution was, and still is, to assist in the preventing of motor vehicle accidents and deaths on the Nation's highways over holiday weekends.

This Concurrent Resolution 337 states that it is the sense of the Congress that, with the exception of emergency vehicles, all other motor vehicles should be limited to a speed of 50 miles an hour over holiday weekends. With both the 4th of July and Labor Day making long holiday weekends still to come, this resolution is very important for the saving of many lives and injuries.

It is a matter of record that speed is the great cause of automobile accidents on the highways. With highways crowded with traffic as they are over holiday weekends and the long summer weekends, many operators of motor vehicles travel at speeds of 70 to 100 miles an hour and dart to and fro from one lane of traffic to another. Here is the source and the cause of the accidents that take place. Somehow this speed must be controlled.

It was my hope that this Concurrent Resolution 337 might have passed the

Congress prior to Memorial Day weekend. Due to the pressure of other business, however, this resolution was not brought before the Congress. If it had been, it is very possible many of the 300 highway deaths might not have occurred.

Monday evening and Tuesday morning following Memorial Day weekend we again read the traffic news in the newspapers of the Nation. The Associated Press reported that almost 320 persons in the United States were killed as a result of motor vehicular accidents over this last weekend. How terrible. How shocking. What tragedy.

Mr. Speaker, that number of people represents a number equal to three-fourths of the membership of this House of Representatives. Over 300 people are dead, when but for a little care and caution they might still be alive. I say this is inexcusable, shocking tragedy. I say it is the duty of our Government to do something about it. It is the duty of the Congress to do something about this human slaughter on the highways.

Mr. Speaker, I request that Concurrent Resolution 337 be brought to the House for immediate action.

NONPARTISAN DISCUSSIONS ON FOREIGN POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. CEDERBERG] is recognized for 60 minutes.

Mr. CEDERBERG. Mr. Speaker, it appears that we will no longer be able to confine the discussions on foreign policy to a nonpartisan basis. It is my opinion that if there is any place where nonpartisanship should be at its best, it is in the field of foreign affairs. Nevertheless from some of the comments that have been made by our former Secretary of State, Mr. Dean Acheson, and others in the hierarchy of the Democratic Party, it appears that they are trying to inject this issue in the coming political campaign. We as Republicans invite a comparison of our record in the field of foreign affairs with that of the Democrats.

It is my opinion that in this area we should expect constructive criticism. There is room for honest differences of opinion in this field. Nevertheless recent comments lead me to believe that we will receive no constructive criticism from the opposition party, but merely criticism designed for political advantage.

A classic example of the injection of politics in foreign affairs came May 3 in Detroit when Mr. Dean Acheson accused this administration, and by indirection those Democrats who place country above party, of, and I quote, "feelmindedness, incompetence, lassitude, and failure in dealings with foreign governments."

No one can deny that such language is not typical of the diplomatic corps, in which Dean Acheson spent so many years of his life. Rather, these are the statements of a man attempting to conceal his own errors.

Behind such vitriolic statements is the rather obvious attempt to detract from the blunders to which Mr. Acheson subscribed so wholeheartedly—the lack of ability, indifference to fact and inadequacy which allowed, even helped, communism spread to nearly every corner of the earth and made Russia the most dangerous military power in world history.

This, then, is the man who accuses the party which ended bloodshed in Korea, the party which has brought communistic territorial expansion almost to a halt, of feeble-mindedness, incompetence, lassitude, and failure.

It is because these public utterances by Acheson reflect on many Members of this body, Mr. Speaker, that I take this time today. Most Members on the other side of the aisle have worked hard with the minority in an effort to give this Nation the best possible program for dealing with its neighbors overseas and checking the menace of Marxism.

There have been, and will be, honest differences of opinion concerning some phases of our foreign policy within both parties.

For the sake of all Members of this body and the one on the other side of the Capitol who have worked so diligently toward sound foreign policy, Mr. Speaker, I wish to point out that the ridiculous absurdities voiced in recent weeks by Mr. Acheson only recall his failures as Secretary of State.

I doubt that anyone, in or out of Congress, can forget that the New Deal-Fair Deal era, in which Mr. Acheson served, was far from tranquil. The policies to which he subscribed produced 7 years of depression, two major wars, and the global growth of Soviet might.

Today, he is following the course set by his party's propagandists. As they have done with our domestic situation, Dean Acheson is doing with our foreign policy—forecasting chaos and destruction. He is attempting to build fires beneath the volatile emotions of the hysterical and chooses to forget that it was the Republican Party, back in 1953, which rescued him and the Truman administration from the flames of international conflict.

The implications of Mr. Acheson's remarks are to the effect that this administration is leading us into a dead-end foreign policy from which it cannot emerge, even with a full-scale war such as saved the New Deal from our longest depression.

Mr. Acheson should know, more than anyone else, that he and other "liberals" within his party brought about the most calamitous foreign affairs mess in our history. He must realize, too, that critical comments about this administration cannot change the record of incompetence, lassitude, and failure compiled under his, Roosevelt's, and Truman's leadership.

In view of this knowledge, there can remain but one purpose for his irresponsible charges—politics.

He almost allowed that reason to slip out in his Detroit address. He said:

> So it would be pleasant at this time, when the anguish and sweat of the campaign is still a little distance away, to sit and enjoy the prospect of victory—

Almost as an afterthought, he added—

> or, at most, to recount lovingly the more luminous follies of the present administration.

He should know what luminous follies are. He was responsible for enough of them. The results of the luminous follies of the Acheson-Truman policies are still being felt.

Let us examine some of his better statements.

As I mentioned earlier, he has charged that the "feeble and absentminded" manner in which this administration is handling its foreign policy could leave us, and I quote, "practically disarmed in the nuclear world."

This assertion, I should remind this body, came from the spokesman for the branch of the Democratic Party which reduced us to such a sad state of unpreparedness that many of our soldiers were without weapons when we were propelled into the Korean police action.

It was this same branch of the Democratic Party that spent more money on peanuts than on our missile program and killed research and development of our ICBM. It also slashed from the military budget during the first session of this Congress funds for 7,500 additional missiles.

If Mr. Acheson does not want the term "feeble and absentminded" applied to his own little group for these actions, then we are left with the only alternative conclusion—that they were strong and deliberate.

I am sure that even he would not want to admit the latter.

Mr. Acheson has asserted that we are facing our problems at home and abroad as a series of isolated pains, when, he adds, they actually are, if I may use his own words, "all evidence of a state of health, or lack of health, of the great community of free and non-Communist peoples."

And this is the foreign policy spokesman under whose administration we saw Poland, China, Rumania, Yugoslavia, and other formerly free peoples fall under Communist rule.

It would be well for this gentleman to tell the American people truthfully whether he would reinstitute the policy which extended slavery to so many independent countries and thus throw other millions into Soviet bondage.

He also has complained, somewhat bitterly, that we must do something, and again I quote, "to make this free non-Communist society a desirable one to live within."

I believe the American people and everyone here feels the free, non-Communist societies are desirable.

This self-styled spokesman on foreign relations for the Democratic Party also has observed that non-Communist nations could fall apart from "lack of leadership, strength, or confidence in themselves," and that they thus could come under Soviet domination.

Mr. Acheson has not commented, however, on whether his policies produced such leadership, strength, and self-confi-

dence in the many nations which did fall under the Soviet steamroller.

Another of the charges made by Dean Acheson is that we are headed for hell and perdition because of inaction in the State Department.

The distinguished minority leader of the other body, more than a year ago, inserted in the CONGRESSIONAL RECORD a list showing that the Secretary of State, this same Mr. Dulles that Dean Acheson says is inactive, had met with or appeared before bipartisan Congressional groups 160 times; that he, the Under Secretary, and Acting Secretary of State held at least 50 sessions on foreign affairs with responsible leaders of the House and Senate during that period, and that State Department officers and members of the House and Senate committees and subcommittees concerned with foreign affairs met more than 160 times.

This list, Mr. Speaker, was compiled more than a year ago. Today, it undoubtedly is much longer. I would have requested the listing of the additional meetings except that I feel the insertion made in the RECORD by the Senator from California proves Mr. Acheson is rather lacking in veracity.

I should add that in this case the proof was retroactive.

Mr. Acheson decries the inability of Democrats to obtain or control foreign affairs legislation "without Executive help" or over "Executive opposition."

A little more than a year ago, however, on January 6, 1957, Mr. Acheson said in an article written for the New York Times magazine, that Congress had just that power.

Perhaps he has forgotten. Perhaps he, like Mr. Truman, had a lapse of memory.

Just what Mr. Acheson would have this administration do is to meet the Soviet economic aid threat, a point made, oddly, by the man he denounces so vehemently, John Foster Dulles.

In fact, Drew Pearson, the official chronicler of the Truman-Acheson views, reported on May 9 that other members of the Democrat Advisory Council feel Mr. Acheson's recommendations about what should be done in Europe are pretty similar to those of Mr. Dulles.

Of course, there are many major differences, despite Mr. Pearson and the council. Mr. Acheson has recommended greater use of Government funds in our aid programs, whereas the Secretary of State has repeatedly emphasized the importance of private capital investment.

Similarly, Mr. Acheson would make gifts of capital to foreign countries or greatly expand the capitalization of present agencies, such as the International Monetary Fund. Mr. Dulles has insisted that funds be made available to the countries in question, but is emphatic in the need for extending credit through sound banking procedures.

There is no question that these differences between Mr. Dulles' policies and those of Dean Acheson will continue. Mr. Dulles and the Republican Party believe in sound economic principles, free enterprise, and a strong capitalistic system.

The reasons Acheson cannot be expected to share such views are many. In his background are statements which may explain some of them.

Speaking at a rally sponsored by the Council on American-Soviet Friendship in honor of the Red dean of Canterbury November 14, 1945, Acheson said:

> There is the fact, for example, that never in the past has there been any place on the globe where the vital interests of the American and Russian people have clashed or even been antagonistic * * * and there is no objective reason to suppose that there should be now or in the future ever such a place. * * *
>
> We understand and agree with them (the Soviet Government) to have friendly governments along her borders is essential, both for the security of the Soviet Union and for the peace of the world.

On the speaker's platform with Mr. Acheson were such fellow liberals as Paul Robeson and Corliss Lamount.

The sponsoring group—the Council on American-Soviet Friendship—as everyone in this body knows, had been cited almost 2 years earlier by the House Un-American Activities Committee as subversive.

On June 28, 1946, Mr. Acheson said:

> Too much stress cannot be laid on the hope of this Government that our economic assistance be carried out in China through a medium of a government fully and fairly representative of all important Chinese political elements, including the Chinese Communists.

In view of Yalta and Potsdam and statements such as these I have mentioned, it is not surprising that Dean Acheson and his followers will never find the recommendations of Mr. Dulles or the Republican administration acceptable.

Nor is it surprising that he and those of his political leanings must stoop to distortion and lopsided semantics in their effort to sell their ideology to the American people.

The policies of Acheson and this group gave China to the Communists and placed nearly all of Eastern Europe under the thumb of the Kremlin. Such accomplishments could be considered successful only by the lords of the Russian masses.

Today, the furtherance of such views depends upon the Goebels propaganda technique of saying a thing often enough and people will believe it—whether or not it is true.

In the last few days, followers of the Acheson theories have revealed that they again are hard at their old antics.

This time, they have taken an event so glaringly obvious as to need no explanation whatsoever and are attempting to twist it into another shape.

The story being circulated is to the effect that the Communists who attacked Vice President and Mrs. NIXON in Latin America really were not Communists, but sweet and decent people who were displeased with Republican foreign policy.

It is similar to the argument, so revoltingly reminiscent, that the Chinese Communists were just peaceful farmers, or agrarian reformers.

If these hawkers of the untrue run according to form, this argument will pick up momentum in the days ahead.

If successful, this propaganda program could result in an endorsement of all Communist groups in Latin America, as it did in China.

It would be a repetition of the Acheson-Truman policy that gave us the Yalta Agreement. About the latter, William C. Bullitt, Ambassador to Moscow under the New Deal, said:

> No more unnecessary, disgraceful, and potentially disastrous documents has ever been signed by the President of the United States.

It is inconceivable to me, as it is to most of my colleagues, that the American people will heed the shoutings of anyone so intimately associated with Yalta and the Chinese giveaway to the Communists as Dean Acheson.

It is interesting to note that at the recent convention of Americans for Democratic Action held here in Washington a few weeks ago, a resolution was adopted favoring negotiations leading to establishment of diplomatic relations between Communist China and the United States.

Many members of this organization have been active in the past in deliberations on foreign policy under Democratic administrations. Even Mr. Acheson, when he was Secretary of State wired the 1949 convention of the ADA sending regrets he could not attend and expressing his "warm appreciation for your support of our foreign policy."

Twice in this House we have by resolution expressed our opposition to the admission of Red China to the United Nations.

It is strange that none of the liberal Members of this body who have been closely allied with the ADA has seen fit to publicly take issue with that organization on this matter.

Are we to assume that if the Democrats should again be charged with administration of our foreign policy they will be sympathetic to this resolution of Americans for Democratic Action?

The American people have a right to know.

Mr. Acheson's record in dealing with these matters speaks for itself and it is written so indelibly that it ill behooves him—or the Democratic Party, to carry on the type of attack he has made against the foreign policy of the present administration.

SOCIALISM OR FREE ENTERPRISE IN MEDICINE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 30 minutes.

Mr. BRAY. Mr. Speaker, as the summer heat progresses, millions of American fathers and mothers will rest easier than they have for many years. No longer will they dread for their children to play with other children in the parks, streets, and the swimming pools—their fear of the dread scourge of polio has been relieved. This near miracle has been accomplished by American science, led by Dr. Jonas Salk, and millions of dollars given by Americans—young and

old, rich and poor, giving dimes and dollars—by the great American free enterprise system, and by taxpayers' money so that all could benefit.

Many of us were shocked by the recent announcement that the drug manufacturing concerns which have produced this Salk vaccine have been indicted. These are the companies and manufacturers who achieved in 1 short year the almost fantastic acomplishment of producing enough Salk vaccine to care for all. They raised the availability of this vaccine from a product rare as rubies to a point where it is available to all.

I am a lawyer by profession, and I do not intend to prejudge the litigation, that is, the indictment. I do feel that it is my duty to bring to the attention of Congress certain facts surrounding this rather unusual situation. In 1955, when it was apparent that a great breakthrough had been made by Dr. Salk in this discovery of a preventative for polio, there was a demand that this vaccine be distributed in adequate quantities, and that no one, regardless of how poor, should be denied access to it. Congress appropriated funds to the end that no one should be deprived of this vaccine for lack of money. So, this matter is of direct interest to Congress.

All of America was justifiably proud of the great scientific achievement of the Salk vaccine, and there was an overwhelming demand that this polio serum should be available for all American youths. To accomplish this required millions of dollars, great organization, and know-how in order to build and expand laboratories and other facilities to meet this demand. Our great drug manufacturers, a part of our free-enterprise system which has blazed paths of achievement around the globe, came forward and met this challenge. Five drug manufacturers succeeded beyond our wildest dreams in producing sufficient vaccine for America—even enough to share with the world. They are the ones who are now under indictment. Two of these companies are located in Indianapolis. Pitman-Moore Co. has an outstanding record in the research and manufacture of drugs; but at present I shall confine my remarks to the Eli Lilly Co., which is the largest polio-vaccine producer, having produced approximately 60 percent of all polio vaccine made in the United States. Although the Eli Lilly Co. is not located in my district and I am in no way connected with the company, I do have a rather thorough knowledge of its background, its reputation, and its accomplishments.

Its founder, Eli Lilly, owned a small drugstore at Greencastle, Ind. After the Civil War, he and his son began to manufacture drugs in Indianapolis. It is still an independent corporation and the majority of the stock is owned by Hoosiers. Its labor relations have been remarkably beneficial to all. I have never known a corporation where a stronger spirit of loyalty existed between the employer and the employee, each toward the other. During the severe depression of the thirties, not one employee was discharged or suffered a pay cut. Today 9,000 Eli Lilly employees are working in the research, manufacture, and distribution of more than a thousand pharmaceutical and biological products for use in virtually every field of medicine in 140 countries. I remember while in the Pacific in World War II I was pleasantly surprised when I noticed the inoculation against typhus which I received was manufactured by Eli Lilly. Eli Lilly was the first to mass produce insulin; today insulin costs about one-twentieth of what it did 30 years ago.

Lilly cancer researchers are currently embarked on a program to test between 5,000 and 8,000 chemicals per year in a search for anticancer activity. They have long experience in heart research. Early in 1957, Lilly introduced a chemically different tranquilizing drug. Typical of Lilly's concern for humanity is the fact that a full-scale research program is underway to develop a vaccine for B-virus encephalitis, which is a fatal disease. This program is being undertaken without hope of monetary return, because probably fewer than a dozen cases have ever been reported in medical literature. When the United States Public Health Service sought help to avert an Asiatic flu epidemic, more than $3 million was invested in facilities and inventory and over 5 million c. c. of vaccine was produced, which was an increase of 70 fold in output. More than $13 million was spent by Eli Lilly Co. in 1957 for scientific research, more than any other drug manufacturing concern. Lilly products in excess of one-half million dollars in value were donated last year for the use of foreign missionary groups. Three hundred and eighty thousand dollars was contributed to the National Fund for Medical Education and American Foundation for Pharmaceutical Education. Hundreds of thousands of dollars are also given by the Lilly Co. to other charitable, welfare, and social betterment groups. Four hundred thousand dollars was recently contributed for the construction of a hospital in Indianapolis, and more than $200,000 additional funds were contributed by Lilly employees.

I could go on and on about the accomplishments of the Ely Lilly Co., but I want to discuss the manufacture of Salk vaccine. As I mentioned earlier, America became aware in 1955 that a victory in the battle against polio was ahead. But to realize that victory, it was necessary to expand the small amount of vaccine in Dr. Salk's laboratory to an amount large enough to supply all America. This required great productive genius, and millions of dollars, together with a maximum of expert "know-how". Lilly was one of the companies that without profit produced for the Infantile Paralysis Foundation its Salk vaccine for mass immunization tests.

It was only natural that a great wave of emotion engulfed the American people, who demanded that the vaccine be put within the reach of all who might need it. Those people in our country who favor statism, those who either sincerely or maliciously oppose the American free enterprise system, saw in this emotion-charged situation an opportunity for the Government to take over a field where the free enterprise system had heretofore existed. This was to be a real wedge for socialized medicine. Those who believed in statism said that only the Government could produce, control, and distribute Salk vaccine properly and in sufficient quantities; that this great job was too much for free enterprise to accomplish. The pages of the CONGRESSIONAL RECORD for that period reflect the high emotion that surrounded this subject. I wish everyone could read those speeches made on the floor of Congress and those news articles and editorials placed in the CONGRESSIONAL RECORD attacking America's free enterprise system. This pressure to abandon our free enterprise system to governmental production and controls was resisted. Aside from the Congressional appropriation and regulations previously mentioned, our Government left the manufacture and distribution of the polio vaccine to the drug manufacturers, normal wholesale channels, druggists, doctors, hospitals, nurses and technicians. In fact, the Salk vaccine was handled in the American way. The drug business is highly competitive and we have thousands of capable drug manufacturers, but only the larger ones could afford to erect immediately the facilities and gather the necessary equipment and furnish the trained personnel for this big job. Five manufacturers succeeded beyond the greatest dreams of the social planners. Within a year Salk vaccine was, to use a colloquialism, "running out of our ears." The dreaded polio practically had been whipped. Not only was sufficient polio vaccine manufactured but there is an enormous stockpile in storage. Twenty-six million units, to be exact, are being held in storage—24 million of these units are being held by Eli Lilly. Much of this vaccine will have to be destroyed because of age, but the loss will not be to the taxpayers but to the manufacturers, principally Eli Lilly.

Climaxing this great achievement, on May 12 of this year a Federal grand jury in New Jersey indicted these five drug manufacturers, alleging that they "have engaged in an unlawful combination and conspiracy in restraint of the hereinabove described trade and commerce among the several States in sales of poliomyelitis vaccine." This is only a charge which the Government must later prove, and as I stated earlier, I do not intend to prejudge this litigation. I do, however, want to point out certain salient facts, for these charges should not overshadow in the public mind the great contribution to the health of our Nation which the Lilly Co. has made.

Five times since those tumultuous days in 1955, these five drug manufacturers cut the price of Salk vaccine on their own initiative, until the price is now one-half of the original price, now $1.20 per unit. Lilly's profit per unit has been 6½ cents. The Government receives a 52½ percent discount on its purchases. In

1955 no one would have known what would have been a proper price for this vaccine. Our Government and our people wanted it immediately and in enormous quantities. They received it from these five drug manufacturers. There was no time to argue over costs. Apparently our free enterprise system worked even more efficiently than anticipated for this vaccine was reduced in price five times by each of these manufacturers, which, to say the least, is a rather unusual conspiracy. It would seem that if each of these five companies had raised the price of the polio vaccine in different amounts instead of lowering it for the Government and general public in the same amounts, then perhaps they would not now face these charges. This hardly seems the record of a monopoly or of a company attempting to gouge the public.

I do not pretend to know whether the present price of $1.20 per unit for polio vaccine is too high or not. I doubt whether anyone could determine that of a certainty even today, for one would not know how much, for instance, that Lilly will lose of the 24 million units that they have in storage. I do know, however, that when these five drug manufacturers demonstrated that our free enterprise system could produce and distribute this vaccine faster, better, and cheaper than any socialized plan could have ever approached doing, just then they gained the bitter enmity of all those who have no confidence in our system and would substitute statism in the place of our free enterprise system. They became the victims of attacks and charges.

Yes, the Eli Lilly Co. has been very successful in the manufacture of drugs and it has shown substantial profits. If it had not been successful, it could not have accomplished the great good that it has. It could not have given many millions to medical research. It would not be able to absorb the loss from millions of units of Salk vaccine which are not needed. If it had not been successful, it could not pay the wages of its 9,000 employees; and it could not be paying some $34 million in taxes to the Federal Government.

Dr. R. Carlyle Buley, in The Story Behind the Wonder Drugs, said:

> In the minds of many people Eli Lilly & Co. is more than a business; it is an institution—a social, scientific, and economic entity.

Mr. BEAMER. Mr. Speaker, will the gentleman yield?

Mr. BRAY. I yield.

Mr. BEAMER. Mr. Speaker, I have waited this long because I wanted to commend our colleague from the Seventh District of Indiana on the presentation he has made and to add my comments to what he has said.

I think the wrong committee has been handling this particular investigation. The original Salk polio vaccine program originated in the House Interstate and Foreign Commerce Committee. It was with a great deal of pride that I joined the members of our committee and visited the operations of the Eli Lilly Co. and saw how they made Salk polio vaccine. It is a remarkable discovery and a remarkable process, and it is an achievement of which all of us are justly proud.

Now another committee of the House seems to be investigating and, as my colleague has pointed out, they seem to be more concerned with socialized medicine than they do with the free enterprise system.

I hope that somehow, and in some manner, this charge can be removed from that committee, that another study can be made, and a different report, likewise.

I have read the report of the Committee on Government Operations. I feel that the House Government Operations Committee should have studied the hearings and report of the Committee on Interstate and Foreign Commerce and read the testimony of the Members who came before that committee and gave their story as our colleague from the Seventh District has given his.

Just one further comment, and this is the fact that many of us here have been in business, some of us in the manufacturing business. I had the fortune at one time to be a small manufacturer. We found that we were in competition with large manufacturers, and it was not possible at all times to compete with them. Yes, many times large manufacturers reduced their prices. We reduced our prices. If a large competitor cuts his price it is necessary for others in the same business to cut their prices if they are to stay in business.

Eli Lilly and these other companies are no different. If one cut the price others had to cut their price to keep in line. Whether a competitor is small or large, if one in the business reduces prices, others must follow suit.

So I am very hopeful of what the outcome will be. I hope that the Department of Justice will do justice to these people. I am quite sure when they have their hearing that Eli Lilly and these other pharmaceutical manufacturers will be absolved of this charge which undoubtedly has reflected on their good reputation.

I want to commend my colleague for his forceful presentation of this matter.

THE RECIPROCAL TRADE AGREEMENTS PROGRAM WITH RELATION TO LEAD AND ZINC MINING IN IDAHO

The SPEAKER pro tempore. Under the previous order of the House, the gentlewoman from Idaho [Mrs. PFOST] is recognized for 90 minutes.

Mrs. PFOST. Mr. Speaker, next week a bill to extend the Reciprocal Trade Agreements Act will be before this body. I have asked for this time today to explain to my colleagues that although I have supported the reciprocal trade agreements program ever since I have been in the Congress, I may not do so this year. The bill now pending on the House Calendar does not recognize nor does it alleviate in any way the critical conditions which exist in the north Idaho lead-zinc mining area.

Let me tell you just how desperate that situation is. I shall have to content myself, however, with a mere statement of hard, cold facts, because it is impossible to portray with words the hopelessness, the hunger, and the heartache which stretch out across the area because nothing has been done to meet the lead-zinc crisis.

I can best summarize the situation by reading a telegram I received this morning from the chamber of commerce at Wallace, Idaho, in the heart of the lead-zinc producing area, and I quote:

WALLACE, IDAHO.

GRACIE PFOST,
House Office Building,
Washington, D. C.:

Economic conditions in north Idaho mining areas are rapidly deteriorating to a point that will soon be much worse than those experienced in the 1930's. It has been announced that if there is no price improvement by fall all the lead-zinc producers will probably be closed. These are not just the little mines but the big ones, too. Since these announcements the price of lead has dropped again. Action must be taken during this session of Congress to stabilize mineral prices to a point that will permit a profit. If that is not done the industry will cease to exist. Your urgent attention to the fate of this industry is urgently requested.

WALLACE CHAMBER OF COMMERCE,
PIATT HULL,
Chairman, National Affairs Committee.

The immediate motivation for the telegram came when the largest lead-zinc operator in the area, the Bunker Hill Co., sent a letter to all their employees alerting them to: "a possible necessary shutdown of the Bunker Hill Mine, Star Mine, and lead smelter during the period covering August and/or September."

The letter stated as the reason:

> The importation of foreign lead and zinc into the United States in amounts far beyond our country's needs still continues. This foreign metal is being sold at prices below domestic quotations and as a result has captured an increasingly larger share of the domestic market for lead and zinc.
>
> As a result, Bunker Hill has large unsold stocks of both lead and zinc metal. These unsold stocks of metal continue to increase month by month. Obviously Bunker Hill cannot continue indefinitely at its present rate of production unless there is some relief from these adverse conditions.

The letter further states that if no relief is forthcoming during the month of June, the shutdown program will go into effect. Some 1,500 workers could be laid off unless the Federal Government takes immediate steps to aid the ailing lead-zinc industry.

I am receiving many communications which tell what the shutdown will mean to the workers involved, and their families.

Let me read a letter I received yesterday from Mrs. Harvey Box of Smelterville, which is not far from Wallace:

MAY 30, 1958.

DEAR MRS. PFOST: I am writing this letter as a homemaker and mother. I know nothing of large industrial operations and certainly not much about politics but if someone like yourself can help the people of our community I would be ever grateful to you.

I am sending a clipping from the daily paper—Kellogg Evening News. If this shutdown happens, hundreds of men are jobless. Speaking for ourselves we could possibly lose our home. I know there must be hundreds

of others like us who have bought homes and planned to raise our families here. Now what do we do when our source of income is completely closing down?

We have children to start back to school this fall. Certainly they must have books and proper clothing. Well, this cannot be if we have no work.

I am afraid, Mrs. PROST, in reading my letter I have not expressed in words what I really feel. Hope you can understand the plight of all of us families here in the mining community.

Sincerely,

Mrs. HARVEY BOX.

SMELTERVILLE, IDAHO.

Here is a quotation from another letter I received yesterday from a woman in Kellogg, another important town in the lead-zinc producing area of north Idaho:

It seems to us that nobody is taking any interest or paying any attention to what is happening to us in Kellogg. If we are going to give everything to the foreigners, I think it would be a good idea to give them the White House, bring the people home that we have elected (to all the States) they don't seem to have backbone enough to protect us, then we can all be one big, unhappy, hungry family together. Maybe this would wake our political leaders up and let them know what the laboring people are going through, wondering if they will have a job, or enough for their families to eat.

I think you will agree with me that this letter sounds as though it might have been written in the great depression of the early thirties. It should give us all pause.

Mr. Speaker, this is not the first time I have called the attention of Members of the House to the critical conditions in north Idaho's mining towns. In March I asked the House Ways and Means Committee to take no action on the bill to extend the Reciprocal Trade Agreements Act until after the Tariff Commission had announced its recommendations on lead-zinc under the escape clause and the President had decided whether he would act on them. I suggested that if the Tariff Commission did not recommend adequate tariffs and quotas, and the President did not act upon them, that the Reciprocal Trade Agreements Act be amended to give the domestic lead-zinc industry the protection it must have from cheaply mined foreign ores if the industry is to survive.

At that time I outlined what has happened to the lead-zinc industry in Idaho in the last 5 years:

Back in early 1953, when excessive foreign imports broke the United States price of lead and zinc, 3,200 people were employed by lead-zinc mines in Idaho. By the end of 1953 employment had dropped to 2,100.

You will remember that late in 1953 the lead-zinc industry applied for, and in 1954 won from the Tariff Commission, a recommendation for the maximum permissible tariff increase but, instead of accepting the recommendation, the President initiated stockpiling and subsequently the barter program.

Employment climbed moderately from late 1954 to mid-1957, when the barter program was suspended, and the Office of Defense Mobilization announced that defense stockpiling criteria had almost been met.

In general, the defense stockpile had taken United States lead and zinc off the market, and thereby imports took over a larger and larger share of United States consumption. When stockpiling was suspended, big importers drastically cut prices, and imports rose to new highs, exceeding anything in our past experience.

Employment began to drop again, and today only about 1,700 men are employed in the lead-zinc industry in Idaho. Most of those men who have jobs working underground are on a 4-day week—which considerably decreases their pay envelopes.

It is obvious that such a drop in payrolls would have a disastrous effect on the communities in the lead-zinc areas. Shoshone County is a one-industry county—a lead-zinc county. Its businesses and services are all dependent upon the dollars of the mining companies, and the men who work for them, for most of their trade. Many of them are having hard sledding to keep their doors open; quite a number of those doors have gone dark.

Since I prepared that Ways and Means Committee statement what has happened?

The Tariff Commission came out with a split decision, and with unrealistic quota recommendations. I was not happy with the recommendations—but I felt that at long last the lead-zinc industry would be given some relief. I sent the President a telegram giving him a picture of the acute distress in north Idaho, in the hope it would stimulate a speedy decision.

Within a few days I received a brief note from one of the President's assistants which indicated that the President was not going to act upon any of the Tariff Commission recommendations, but had decided instead that a stabilization program, based on subsidies, was the answer to the lead-zinc crisis. The subsidy program was announced by Secretary of the Interior Seaton before the Senate Interior and Insular Affairs Committee less than 5 short days after the Tariff Commission recommendations had reached the White House.

Mr. Speaker, this gives rise to a question that badly needs answering. If the President had decided that a subsidy program was the answer to lead-zinc ills why did he and his Cabinet wait so long to say so? Why did the administration allow the lead-zinc industry to go to all of the trouble and expense—for the third time in 8 years—of presenting their case to the Tariff Commission to ask for relief under the escape clause if the President did not believe, as he stated last summer, that this was the proper channel through which to seek such relief?

Why did the administration let more lead-zinc companies go into the red—and some of the small ones go under entirely—during the more than 6 long months the Tariff Commission was pondering lead-zinc tariffs and quotas—if the administration believed that a subsidy plan was the way to meet the crisis? Why did it allow thousands more men to lose their jobs, with the resulting hardship on their families, and the loss of business to the communities in which they live, while the Tariff Commission worked on a solution to their problems which the administration did not intend to consider?

If ever there was an example of an industry being sold down the river—this is it!

The idea for a subsidy plan for lead-zinc is not new. In 1953, when I first came to the Congress, I introduced a subsidy bill in cooperation with Senator MURRAY of Montana. My bill provided for an incentive payment program for strategic and critical ores, metals, and minerals, including lead and zinc. It was a much better plan than the one now offered by this administration—some 5 years later—because the level of subsidy payments was governed by the nonferrous metals index of the Bureau of Labor Statistics.

Do you know that this Republican administration did not even bother to prepare a report of its views on the bill Senator MURRAY and I sponsored when such a report was requested by the Senate and House Interior and Insular Affairs Committees?

I cannot help wondering, therefore, whether this new Republican subsidy proposal is simply a dodge to block tariffs and quotas.

In any event, we know that the subsidy program now suggested by the administration is not acceptable to the lead-zinc industry. The stabilization price of 14.75 cents for lead and 12.75 for zinc would not be adequate to sustain the industry. Everybody is wondering how Secretary Seaton arrived at these prices when only last year the administration proposed peril-point prices of 17 cents for lead and 14½ cents for zinc.

Many of our mines, which by no stretch of the imagination could be called marginal, could exist at the 14- and 12-cent prices only by liquidating their present ore assets. They could not finance exploration for new ore bodies. Other mines could only break even with the subsidy prices. This simply means that in a short time there would be no lead-zinc industry in this country.

Mr. Speaker, if Shoshone County and the Coeur d'Alenes in north Idaho are not to become ghost-town areas, this Congress must take some action to give substantial relief to the lead-zinc industry.

I am deeply disappointed that the bill to extend the reciprocal trade agreements program as reported by the House Ways and Means Committee does not recognize the pressing need to do something about domestic industries and programs which are about to be put out of business by cheap foreign imports.

I am even more disappointed that the House Rules Committee—knowing that injured domestic industries had been given no help in the bill—granted a closed rule so that those of us who want to try to protect our domestic industries do not have the privilege of offering an amendment to the bill. We have only the privilege of voting for the committee bill, or for the substitute bill sponsored by the gentleman from Pennsylvania [Mr. SIMPSON] which extends the reciprocal-trade agreements program for only 2 years instead of 5, and makes some other minor but inadequate concessions to American industries.

Mr. Speaker, it is hard for people at home to understand these parliamentary maneuvers. They cannot see

why their Congressman cannot stand up and vote for what he believes in.

As I stated earlier, I have in the past supported the reciprocal-trade agreements program. The bill reported by the Ways and Means Committee this year to extend this program is a bill Idaho should not have to live with. If it is not amended to protect one of the most important industries in the State I represent, I may, much as I regret having to do so, have to support the Simpson bill, and if it is defeated, I may vote against extending the reciprocal trade agreements program.

Mr. DAWSON of Utah. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. I want to commend the gentlewoman for a very fine statement. In order to emphasize to the Members of the House just how we all feel about this situation, I can say I find myself in the same position as the gentlewoman from Idaho. I have supported the reciprocal trade program each year that it has come up for a vote, but this year I find myself in a position where I simply cannot support it with provisions as it now has been reported by the House Committee on Ways and Means, and I must part company. The situation in the State of Utah is similar to that in Idaho. The lead and zinc industry is practically closed down and, as the gentlewoman has suggested, the price of zinc dropped another half cent just this past week. It is now down to 11 cents. And it is simply impossible for this industry to survive under the present prices. In my opinion, there is only one solution to it, and that is some protection against the low-cost foreign imports which are pouring into this country. A subsidy program has been talked about by the administration. However, the prices suggested are so low that it will simply keep the patient alive for a temporary period but by no means restore him to health. So, something must be done. I realize that we must support foreign trade, it is essential to the survival of this country, but at the same time if we are going to permit essential industries, such as lead and zinc, to pass by the boards, we will find that there is something more important than our foreign friends that are involved. I hear my friends say—and one of them mentioned it today—that it might be good conservation policy to rely on these foreign sources of supply and keep our own metals in the ground, and then when we need them and war comes on, then we will turn the faucet on, as it were, and bring our mines back to production. But, the difficulty with that argument is that the people who make those statements do not realize that a mine is not to be compared with a faucet; you cannot turn it on and off. Once these mines close, they become flooded, the timbers rot away, and we find that when we do need the metals you cannot turn them off and on like you do a faucet. Not only that, but the miners leave the mining communities, go elsewhere to find jobs, and you cannot call them back; it is simply impossible. And, we must remember, too, that if war comes—and we hope it will not—but if it does come and the enemy has the seas filled with submarines blowing our ships off the seas while they are attempting to bring these metals in from foreign lands, we are going to find ourselves in a most precarious situation, and we simply cannot afford to see these domestic industries go by the boards. I hope those who are not here tonight to hear what we have to say, those who have supported the reciprocal trade program, realize there are many of us who are not going to vote for it at this time unless something is done to give protection to this vital industry which means so much to our communities. Letters that the gentlewoman has read can be duplicated in every mining community in the West. I receive them every day. They are not isolated instances. It has happened. And, the people in the East and other sections must realize that this situation just cannot be permitted to exist and we must unite if we are going to protect the vital industries in this country.

Mr. EDMONDSON. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Speaker, I would like to join my friend from Utah in expressing appreciation to the gentlewoman from Idaho for her forthright statement on this important question. In Oklahoma the relief lines today are swelled by thousands because of the failure of this Congress and of this administration to meet the problem of the domestic minerals industry. The testimony given last fall before the Tariff Commission was that more than 10,000 Oklahomans had been adversely and seriously affected by the shutdowns that have taken place in the lead and zinc industry. And that, of course, includes not only the mines but the mills and the smelters throughout the tri-State area. Just this last weekend we received news that a big smelter in a major city in our State had shut down, throwing between 500 and 600 more workmen out of work. It is true there was a labor dispute also involved in that picture. But I do not think anyone in the industry is doubtful of the fact that the present market situation and the present flood of imports into this country are definite factors in that shutdown and in the unemployment that today confronts the people of Oklahoma, because of our failure to deal with this situation.

The Committee on Ways and Means has not met this problem in the bill which they have sent to the floor of this House. The Committee on Rules, in the rule which they submitted to the House, has made it impossible for us at the present time to have freedom of action on the floor on this important question. Our only hope is that the Committee on Ways and Means will adopt an additional amendment which will deal with this problem or that this House will directly attack the problem itself by action on the floor. I think probably it is going to be necessary to adopt some other amendment made possible under the rule, or to send this bill back to the committee. I think that would be a great pity, but I think that we who represent these unemployed miners, millworkers, smelter workers and unemployed oil workers across the country who are confronted with this uncontrolled flood of imports under the present law, will have to face up to our duty and responsibility in this regard.

This was never intended with regard to the Reciprocal Trade Agreements Act. The President's message, which was sent to the Congress back in 1934 by President Roosevelt, on March 2, said this:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign trade relations must rest on the premise of undertaking to benefit and not to injure such interests.

There is no question about the injury to our minerals industry, to lead and zinc, to copper and oil and the other important segments of our economy. We have a situation in which the Members of the House must face up to their responsibility and take action to protect our American people in this maladministration of what was a good program at one time, but is being improperly administered, to the detriment of the people.

Mrs. PFOST. Mr. Speaker, I thank the gentleman from Oklahoma. I could not agree with him more.

Mr. DAWSON of Utah. Mr. Speaker, will the gentlewoman yield so that I may ask the gentleman from Oklahoma [Mr. EDMONDSON] a question?

Mrs. PFOST. I yield to the gentleman from Utah.

Mr. DAWSON of Utah. Mr. Speaker, in connection with the statement just made by the gentleman from Oklahoma, I would like to ask him if he does not also feel that when the peril point provision was written into the Reciprocal Trade Act along with the escape clause provision, they were written in there for a purpose?

Mr. EDMONDSON. If the gentlewoman will yield to me so that I may answer, I would definitely agree that they were written in there for a purpose. That purpose was to provide an escape from these commitments when they injuriously affected American industry. The plain fact of the matter is that President Truman, in his administration, followed the unanimous recommendation of the Tariff Commission in only 50 percent of the cases. In 50 percent of the cases he completely neglected the American industry that was injuriously disturbed. And the record of the Eisenhower administration has been even worse. They have followed the unanimous recommendation of the Tariff Commission in only one-third of the cases in which it recommended relief.

Mr. DAWSON of Utah. Which simply means that Congress is abrogating the responsibility imposed upon it by the Constitution; and also, if we are not going to invoke the provisions of the escape clause and the peril point provision, we

might just as well wipe them off the books and say, Let us leave it up to the President and the State Department; that is, if that is what we intend to do.

Mr. EDMONDSON. I think the gentleman is exactly correct on that point.

Mr. BREEDING. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Kansas.

Mr. BREEDING. Mr. Speaker, I want to join my colleagues in complimenting the gentlewoman from Idaho on her speech here today. I certainly concur in the remarks which she has made.

I hope that when legislation is considered in the future in this great body, that it may be concerned primarily with the interests of our oil and mineral industry, which is so important to the economic welfare of many areas of our land. Kansas has much oil and mineral land, and being a Kansan I find myself in a bad predicament here so far as future legislation on reciprocal trade is concerned.

Mr. Speaker, I have many letters here and several telegrams from oil people and mineral people in my State.

At this time I ask unanimous consent to insert in the RECORD a letter from the Governor of my State in behalf of the oil and mineral industry and also a letter from the Kansas Independent Oil and Gas Association, as well as a resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

(The matter referred to is as follows:)

STATE OF KANSAS,
Topeka, March 5, 1958.

Hon. J. FLOYD BREEDING,
House of Representatives,
Washington, D. C.

DEAR MR. BREEDING: I would like to call to your attention and stress the serious effect excessive imports of crude oil and its by-products, particularly jet fuel, are having on the economy of the State of Kansas and its people, the domestic oil industry, and the security of our Nation.

Next to agriculture, the oil industry is the biggest industry in our State and because of excessive imports we are experiencing excessive inventories, decreased revenue because of shutin production capacity, many jobless due to drilling activity and other industry layoffs, and many other businesses are suffering because of their dependence on the State's oil industry. Due to excessive oil imports supplanting rather than supplementing the domestic oil supply our domestic oil drilling activity in the United States of America has steadily decreased with the eventual resulting effect of decreasing our crude oil reserves which we have to depend on in case of emergency when foreign oil is choked off.

The effect of imported crude oil on product prices and in turn their effect on the operating economics of inland refineries which operate on domestic crude oil is becoming more and more serious. If the practice of importing disproportionate amounts of foreign crude oil should continue, the ultimate outcome could well mean the disappearance of a large segment of the domestic refining industry.

In consideration of the foregoing I urgently endorse the adoption of curtailment through mandatory controls on imports of crude oil and its byproducts in order to preserve a strong domestic oil industry which is so vital to the security of our Nation.

Sincerely,

GEORGE DOCKING,
Governor.

KANSAS INDEPENDENT OIL & GAS ASSOCIATION,
Wichita, Kans., February 24, 1958.

Hon. J. FLOYD BREEDING,
The House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BREEDING: Enclosed herewith is a copy of a resolution unanimously adopted by the board of directors of this association on February 21, 1958. The independent oil producers in Kansas are deeply concerned over the failure of the President's voluntary oil import program. The major oil producing States in the mid-continent area have had to make deep cuts in domestic production of crude oil in order to make way for an ever-increasing flood of foreign imports.

This situation is weakening our capacity to explore, find, and produce new reserves of American petroleum resources. It has created economic hardship by idling over 50 percent of the drilling rigs in Kansas alone. Unemployment in Kansas oilfields is higher today than it has been at any time during the last 15 years.

Oil companies, both large and small, have pulled out of Kansas in recent months, taking with them an estimated annual investment of risk capital amounting to $60 million.

The recession in the Kansas oil industry has been felt in 82 of the State's 105 counties. This condition is almost entirely attributable to excessive foreign oil arriving daily in the United States. It can be corrected only by enforcing some method of control upon those companies that are responsible for ignoring the recommendations of the President's Advisory Committee on Fuels Policy.

Sincerely,

TOM ORR,
Executive Secretary.

RESOLUTION

Whereas due to decreased domestic consumption and continued excessive and unjustified imports of foreign oil, the supply of domestic oil substantially exceeds domestic demand, which has resulted in pipeline proration and sporadic price cuts, which will spread unless supply and demand are brought into balance; and

Whereas a general cut in the price of crude oil, coming at a time when the industry is weakened by constantly mounting costs which have not been offset by any increase in the price of crude oil, would necessarily result in drastic curtailment of exploratory activities, with accompanying widespread unemployment within the industry and damage to the economy of the State as a whole: Now, therefore, be it

Resolved by the board of directors of Kansas Independent Oil & Gas Association:

1. That this association recommends to the State corporation commission, conservation division, that the daily allowable production for the month of March 1958, be reduced 10 percent below the daily allowable for the month of February 1958.

2. That this association deplores the continued excessive imports of foreign oil and urges the Federal authorities to take such action forthwith as is necessary to enforce a like reduction in the amount of imports.

3. That a copy of this resolution be sent to each Senator and Representative from Kansas.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield.

Mr. THOMSON of Wyoming. Mr. Speaker, I commend the gentlewoman from Idaho on the very fine statement she has made. As usual, she is very alert in looking after the interests of her District. That is the obligation of every person who serves in this House, and I think each one of us tries to do that. In addition, we recognize our obligation as far as being Representatives of the Nation as a whole and our national responsibility.

I join with the gentlewoman in wanting to promote foreign trade on a sound basis. I am sure that is the point she was making. At the same time, it has to be on a sound basis.

In the State of Wyoming, which it is my honor to represent, we are also interested in minerals. Our interests go further, to what the gentleman from Oklahoma has said is true in his case, to oil and gas and wool and other commodities which have been threatened or harmed by the administration of this program. Further, we can see threats to other very important industries such as the livestock industry, and meat products.

I am also impressed by what other Members of the House tell me, from the Northwest clear to the Southeast and from the Southwest to the Northeast, with regard to similar commodities in their Districts that are in trouble.

I think that, as has been stated here, it is time that Congress assumed its obligation. We cannot continue to abrogate our duties as provided in the Constitution.

It seems to me that the Simpson substitute which has been proposed is a well considered bit of legislation and that it will promote a sound foreign-trade policy. It seems to me it is very closely akin to the Sugar Act, which has worked so well since 1934. It is my intention to support that at the time the extension of the Trade Agreements Act is considered.

Again, I certainly commend the gentlewoman on her very fine statement made this afternoon.

Mrs. PFOST. I thank my colleague from Wyoming.

Mr. STEED. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentleman from Oklahoma.

Mr. STEED. I, too, commend the gentlewoman from Idaho on the fine presentation she is making, and also to point out how very timely it is to have it made at this time.

I want to make some comment about petroleum, because I probably represent more independent producers of oil than any Member of this House. I have lived and worked with this problem for many years. I feel that the domestic industry is facing such a serious problem that we cannot emphasize this problem too much to the rest of the country. The domestic oil industry is a sick industry today and it is getting sicker every month. In fact, research proves beyond any question to anyone who wants to know that a large part of this illness has been brought on by excessive imports of oil and oil products. All efforts made to voluntarily, so to speak, curb imports to help the situation have made very little contribution so far. To give you a clear

idea of the situation, I received a telegram today which I would like to read. It says:

We have surveyed the recent oil import developments and reached an emphatic conclusion that so-called "concessions" so far written into the Trade Agreements Act are grossly inadequate to assure the defense objective cited by both the Congress and administration.

It is regretful that the administration has declined so far to accept more meaningful language in the law. We have concluded that there is no alternative but to continue the fight to see that any extension of the Trade Agreements Act includes appropriate Congressional determination of standards for realistic and adequate limitations on imports of both crude oil and resources.

Oil men have earnestly sought to be fair and reasonable. To overcome objections urged against the original Ikard bill because of its commodity amendment approach, we readily demonstrated our willingness to support its fundamental objectives through meaningful amendments to the national security clause. Instead the administration chose to advance only token compromise language, offering no real assurance of effective import restraints so necessary to a revitalized domestic industry.

Until the bill is amended to assure this recognized national security objective, we can only urge you who are familiar with the problem to support procedures which will make certain of necessary changes before it becomes law.

Without this minimum of protection the Trade Agreements Extension Act is unacceptable to us.

It is signed by Paul R. Schultz, president, Oklahoma Independent Petroleum Association.

In regard to the national defense phase of this problem, the House presently is in process of passing one of the largest defense military appropriation bills in history. Anyone who knows anything about that at all knows that it would not make any difference how powerful a military machine we build, it would be useless unless we had the oil to energize it and to operate it. We also know from experience, common knowledge and logic that if we do get into another national emergency, our only hope of having adequate oil supplies to defend ourselves will have to come from the domestic fields.

The trend in the domestic oil industry is accelerating steadily and that trend is that it is slowing down and failing in its mission of making sure this Nation always has adequate oil reserves and as long as the impact of these foreign imports are permitted to go along the course that they have in the last few years that situation is going to grow much worse. It is true that these oilmen are motivated, as everybody else is, by selfish self-interests, but I think the national defense phase of this far exceeds any selfish interest that anyone can possibly have in this problem. I think it is going to be an unhappy hour when the Kremlin can know that this country has foolishly permitted itself to become dependent upon foreign oil because the moment that that happens they know they can shut us off from that oil anytime they see fit. They can do it today and they will be able to do it in the future. I think nothing more dangerous and more foolish could be done than to permit that to happen.

Now we have a practical matter here of trying to get some amendments written into this legislation. Of course, the sponsors of the act, as it has been reported by the committee, are going to try to make it as difficult as possible. If they are successful and if this trend continues, this Nation someday will find itself in an almost untenable position because it does not have enough domestic oil to provide for its needs during a national emergency. Then this failure to recognize this problem in this legislation in this session of the Congress, I think can be dated as the time the blueprint for American failure started. I hope that does not happen.

Mrs. PFOST. I thank the gentleman.

Mr. BARING. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I am happy to yield to my distinguished colleague, the gentleman from Nevada [Mr. BARING].

Mr. BARING. Mr. Speaker, I, too, would like to congratulate the gentlewoman from Idaho for her stand here today. Nevada is so badly affected by the same conditions that the gentlewoman has been talking about as well as my other colleagues that I have to join in assuring them that I will follow through along the same line. Nevada now nearly one hundred years old has always kept its head high with its production of minerals. I want to repeat a statement that one of my other colleagues said. This bill is on the eve of following a very important national defense bill and on the eve of another important bill, the extension of the reciprocal trade agreements, and we must be careful what we are doing.

The only real national defense, the most healthy national defense we can have is a healthy domestic mining industry.

We have suffered so tremendously in the last few years in tungsten, manganese, fluorspar, copper, lead, and zinc, that every mine in my State is now closed with the exception of an old pit mine copper operation, and the layoff there now is over 80 percent. So we have not much to look forward to unless Congress acts.

Last August the Ways and Means Committee said they could not turn out another bill, that the President of the United States already had the power. The President did direct a letter to the Tariff Commission, and since August we have been waiting for them to respond. We had a little success in April when we found out that the Tariff Commission had split on their ideas, half of them believing we should have a tariff and quotas, and the other half saying that we should have a tariff but no quotas. So we were making gains when the administration bill was put before us for a premium price on minerals.

I am highly critical of the Department, of course, because of the position of the mines in my State. The bill that was put to us on this program is nothing more than a Brannan farm plan for minerals. It offers us nothing. The amounts offered are not adequate. You cannot produce tungsten at 35 dollars, zinc at 10, lead at 13, or copper at 24 any more. The prices are absolutely inadequate and unsuitable. It is the coup de grace, if I may say so, the cup of poison to our domestic minerals program.

I wish to read into the RECORD a paragraph from a letter I sent to the President on January 13 of this year which explains my viewpoint.

DEAR MR. PRESIDENT: I am enclosing for your perusal some 200 letters sent to me by my constituents in which they show the greatest concern regarding the affairs of our Government. They state that they are depending on me as their only Representative from Nevada to do everything within my power to trim the budget and cut unnecessary spending. They point out in particular that they want foreign aid stopped entirely and special mention is made that they would like to see Government operated business terminated so that private industry can have a chance.

I listened intently to your joint message to Congress last Thursday and I noted that you emphasized foreign aid and reciprocal trades in a speech which otherwise pointed out our position in the world today with regard to national defense. Let me state, Mr. President, that I have just completed 5,500 miles within the boundary of my own State and there are unemployed miners everywhere and talking to my colleagues from other Western States where mining has always been the chief industry, I find the same conditions prevailing throughout this region.

The reciprocal trades, the free-trade policy, and the point 4 program of our foreign aid has completely demoralized a very important segment of our national economy. It was the mines of America that built this country and now with our American tax dollars developing "undeveloped" countries where cheap or slave labor is being used, the minerals from such transactions are pouring back into this country, duty free, and are completely making it impossible for our American miners to compete against this kind of competition. The tungsten mines are all closed. The lead and zinc mines are all closed and copper is on its last legs.

The refusal of this administration to have a free market on gold has ended this great industry and it is impossible to mine gold at its present $35 an ounce.

I will not read any more of my letter. I have an answer from President Eisenhower which actually contained 2 paragraphs. From 1 of them I got the impression that if I did not go along with his way of thinking we were going to help the enemy.

The second paragraph states he hoped that in the near future business conditions all over the country would be better and that would naturally help the mining industry.

I made the remark on the floor of the House 3 weeks ago that that kind of an inadequate answer baffled me. The press of the United States took that up immediately and they said that was not an answer. Of course it was not. My remark was sarcasm. It is not an answer. We out in the West maintain we have had months and months of this even if business conditions will pick up.

These men want to eat today. Their breadbaskets are empty.

I come here and humbly say that we must take the handle in our hands and bring back the tariff provisions to the Congress so that we can regulate them

and protect ourselves from cheap foreign labor actually produced with our own tax dollars.

I thank the gentlewoman from Idaho for allotting me this time and I want to thank her for her statement.

Mrs. PFOST. I thank the gentleman from Nevada. Let me say, as I stated earlier, I have in the past supported reciprocal trade agreements programs, but the bill reported by the Ways and Means Committee this year to extend the program is a bill I know I cannot live with. If it is not amended to protect one of the most important industries in the State in which I live, much as I regret having to do so, I will probably have to support the Simpson bill and if that is defeated I shall vote against extending the reciprocal trade agreements program at all.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentlewoman yield?

Mrs. PFOST. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the gentlewoman from Idaho has always made a very fine presentation of her case. I sympathize very deeply with her and the other people of the West and with their problems. I too in Massachusetts have a great problem in connection with textiles and other things.

I shall vote for the Simpson bill, hoping that perhaps it can be amended so that it will be better than it is.

Good luck to all of my colleagues from the West.

Mrs. PFOST. I thank the gentlewoman very much.

EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I planned on speaking in reference to the reciprocal agreements act, but the hour is very late, so I will confine myself to only a few remarks.

I would like to remind the House that if perhaps one-quarter of the money that is being spent on propaganda of all kinds, sorts, and descriptions, very unfair propaganda, was used for a different purpose and if the Reciprocal Trade Agreements Act could be used to protect our industries and bring the plight of the people of the country out in the open, we would have no difficulty at all and our industries would be saved.

MORE EVIDENCE THAT THE RECESSION IS PLANNED

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the evidence keeps piling up that the target of this big-business administration is to keep the recession about the way it is, with a level of about 6 million unemployed. To many of us, this conclusion has been inescapable for some time, if from no other facts than the following:

First, neither the administration nor the Federal Reserve authorities has been willing to do anything substantial toward correcting the recession.

The Federal Reserve has loosened credit slightly, but this has been very slight, and it has been accomplished in ways which give the banks more reserves with which to buy Government bonds, and without causing any substantial reduction in the loan rates which the banks charge, or in corporate, State and municipal bond rates. The credit easing would be translated into an increased demand for credit only, of course, if these loans and bond rates were reduced.

The administration's stand has been, of course, to do something about the business slump, if and when it worsens, as they say. The administration has been willing to have construction go forward on public works which has already been approved, but it has not been willing to have either a stepped-up works program or a tax cut. The President has signed 2 or 3 quite modest antirecession measures which originated with the Democrats in Congress, but even these he signed with what he called reluctance.

Second, the statements of the President, the other administration officials and the Federal Reserve officials have all indicated a concern only with what they call bottoming out—or stopping the decline at about the level reached in February and March. These statements have shown no concern for reversing the downtrend and putting the unemployed to work.

New evidence of what the administration's target is, would not, I think, be of particular interest.

What does become of interest, however, are expressions of the attitudes and the reasoning of the heads of some of the Nation's top business concerns whose thinking decides the administration's target. For an extremely interesting insight into this thinking, I call the Members' attention to the expressions of 14 top business leaders which are incorporated in a news story appearing in the Washington Post and Times Herald of Tuesday, June 3. This story, which was written by Mr. Bernard D. Nossiter, a staff reporter for the Post, reviews a collection of letters from these business leaders to the Senate Finance Committee, in response to that committee's request for advice.

As you read through the quoted statements of these big-business leaders, you will find a few dissenting voices, but on the whole they agree on this point: nothing should be done to help ease the recession.

There should be no tax cuts; and there should be no increased public works, although it is all right for those public works which have already been approved to go forward.

There is no suggestion that they oppose these actions because they think the recession will correct itself. On the contrary, the general tone of these executives' remarks suggests that things are just about right as they are, although there is also some suggestion that they would not wish things to get much worse, and would be willing to have action taken if things did get worse.

There are some exceptions with reference to increased Federal spending. Mr. Nossiter says that paradoxically some of the stanchest foes of increased Federal spending lay the business slump to last summer's cutback in military buying. This diagnosis comes, of course, from the heads of some of the big manufacturing corporations that are the beneficiaries of military buying. Such corporations have, of course, long borne up valiantly under the necessity of increased spending by the military.

Some of the others of these business heads blame the recession on the labor unions, and their idea of how to cure the recession is, of course, to break up the labor unions.

Interestingly enough, however, one railroad president and one bank president blamed the recession on administered prices and management policies of raising prices in the administered-price industries, even in the face of falling demand.

I believe that the Members will find Mr. Nossiter's story extremely enlightening and, in any case, when we are fortunate enough to have expressions from such distinguished business leaders as these, I feel that we should all take special note of them. The news story is as follows:

BUSINESS CHIEFS OPPOSE TAX CUT

(By Bernard D. Nossiter)

A blue-ribboned group of corporate executives endorsed in advance the decision of administration and Congressional leaders to pass up tax cuts now as a slump cure.

Of 14 business leaders polled by the Senate Finance Committee, only 1 came out flatly for tax reduction. President Harlow Curtice of General Motors Corp., wrote that an across-the-board cut would "generate renewed confidence" without boosting prices. His opposite number at the Chrysler Corp., L. L. Colbert, urged wiping out or at least cutting sharply the 10-percent excise rate on autos to reverse "depressed conditions" in that industry.

But others warned that lower taxes would stimulate inflationary price rises. Several, including Eugene Holman, chairman of Standard Oil (New Jersey), backed tax reduction if the slump worsens. However, they surrounded such a recommendation with so many qualifications that the net effect was to oppose cuts now.

The executives' views on this and other economic problems were solicited last February by Finance Committee Chairman HARRY F. BYRD, Democrat, Virginia. The replies, written all through the spring months, were released yesterday. Another set of 14, part of the committee's running inquiry into the Nation's financial conditions, are still to be made public.

A substantial number of the first 14 backed the administration's speedup of already approved public works. But all who commented opposed new ones to counter the slump. However, Edmund Fitzgerald, president of Northwestern Mutual Life Insurance Co., said new spending programs should be undertaken if present measures followed by tax cutting don't reverse the tide.

There was general approval of Federal Reserve steps to make credit easier and a few who thought this had not gone far enough.

Paradoxically, some of the stanchest foes of increased Federal spending, like J. W. Keener, president of B. F. Goodrich Co., laid the slump in part to last summer's cutback in military buying.

In general, the executives are much more worried about inflation than recession. President Henry J. Kaiser of Kaiser Aluminum and Chemical Corp., is an exception. Without offering specific proposals, he said "the beast of deflation can be worse than the beast of inflation in the consequences inflicted on people."

But Porter M. Jarvis, president of Swift & Co., called the slump a "healthy correction" and Frederick W. Ecker, president of Metropolitan Life Insurance Co., concluded that it is a "natural readjustment" from an "extended boom."

Typically, the slump's start was identified with the cutback in business capital spending. This led Holman, among others, to urge better planning by business to even out its outlays for new capacity.

At the same time, labor unions were blamed by several for creating the recession. This argument went along these lines: Strong unions imposed ever-increasing wage demands that spread to nonunion sectors. These pushed up costs and forced price increases. The increases finally met a consumer resistance that reduced demand and led to production cutbacks. This reasoning brought a suggestion from Ecker for a recession cure through price cuts by lower wages, salaries, and profits.

More characteristically, it produced calls for reducing labor's bargaining power by applying antitrust laws to unions. The president of General Electric Co., Ralph J. Cordiner, said, "curbing the monopoly power of unions is a necessary first step if the economy is to be protected against the cycle of inflationary spirals and business recessions."

D. B. Jenks, president of the Chicago, Rock Island & Pacific Railroad, complained of other companies that "can raise prices as high as the traffic will bear." And Frank E. Jerome, president of the Seattle-First National Bank, observed "management policies in the large industries such as steel and autos are directed at maintaining prices even with decreasing demand."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. WILLIAMS of Mississippi, for June 5 and 6, on account of official business.

To Mr. WOLVERTON of New Jersey (at the request of Mr. MARTIN), for May 5, 6, and 7, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. PFOST, for 90 minutes, today.

Mr. FLOOD, for 60 minutes, on Monday, June 9.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. O'BRIEN of New York and to include extraneous matter.

Mr. ANFUSO and to include extraneous matter.

Mr. THOMPSON of Texas and to include extraneous matter.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. MILLER of Nebraska and to include the results of a questionnaire.

Mr. SANTANGELO in three instances and to include extraneous matter.

Mr. ROBISON of New York (at the request of Mr. BASS of New Hampshire) and to include a speech by Congressman KEATING.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3506. An act to authorize the transfer of naval vessels to friendly foreign countries; to the Committee on Armed Services.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker pro tempore:

H. R. 7454. An act to amend the Tariff Act of 1930 to provide for the free importation under certain conditions of sound recordings, film, and slides and transparencies.

SENATE ENROLLED BILLS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills of the Senate of the following titles:

S. 59. An act directing the Secretary of the Interior to convey certain property in the State of Colorado to William M. Proper;

S. 1657. An act for the relief of Lloyd C. King; and

S. 1979. An act for the relief of Barbara Hollinger.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 7454. An act to amend the Tariff Act of 1930 to provide for the free importation under certain conditions of sound recordings, film, and slides and transparencies;

H. J. Res. 527. Joint resolution to facilitate the admission into the United States of certain aliens;

H. J. Res. 529. Joint resolution for the relief of certain aliens;

H. J. Res. 552. Joint resolution to facilitate the admission into the United States of certain aliens; and

H. J. Res. 553. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens.

ADJOURNMENT

Mr. HALEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at (6 o'clock and 54 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, June 5, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1983. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal years 1958 and 1959 in the amount of $665,700,000 for the Department of Labor (H. Doc. No. 392); to the Committee on Appropriations and ordered to be printed.

1984. A letter from the Acting Secretary of Agriculture, relative to recommending certain amendments to an original proposal submitted on January 16, 1958, in the form of proposed legislation entitled "A bill to extend the authorities under title I and title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), as amended"; to the Committee on Agriculture.

1985. A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting a report concerning agreements concluded during April 1958 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1986. A letter from the Administrator, General Services Administration, transmitting a report on the progress of the liquidation of the national defense, war and reconversion activities of Reconstruction Finance Corporation, pursuant to Public Law 163, 83d Congress, as amended, and Reorganization Plan No. 1 of 1957 (22 F. R. 4633); to the Committee on Banking and Currency.

1987. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the making, amendment, and modification of contracts to facilitate the national defense"; to the Committee on the Judiciary.

1988. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1989. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order suspending deportation in the case of Peter Carlson, A-2794618, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1990. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H. R. 12790. A bill to restore to Cheyenne River Sioux tribal ownership certain land located in Dewey County, S. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. BURNS of Hawaii:

H. R. 12791. A bill to authorize the Commissioner of Public Lands with the concurrence of the Governor of the Territory of Hawaii to amend a special sale agreement to

Kiyoshi Kimata; to the Committee on Interior and Insular Affairs.

H. R. 12792. A bill to authorize and direct the Commissioner of Public Lands of the Territory of Hawaii to exchange lands for claimants' rights in and to Mokuea Fishery, Honolulu, T. H.; to the Committee on Interior and Insular Affairs.

By Mr. COLLIER:

H. R. 12793. A bill to provide for the preservation of audio recordings of historical importance; to the Committee on House Administration.

By Mr. DELLAY:

H. R. 12794. A bill to amend the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. DOLLINGER:

H. R. 12795. A bill to amend the Federal Trade Commission Act, as amended, and to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, for the purpose of prohibiting loss leader sales; to the Committee on Interstate and Foreign Commerce.

By Mr. FORAND:

H. R. 12796. A bill to authorize the issuance of 1,000 special nonquota immigrant visas to certain aliens who were residing in the Azores Islands on January 1, 1958; to the Committee on the Judiciary.

By Mr. GRIFFIN (by request):

H. R. 12797. A bill to amend the Bankhead-Jones Farm Tenant Act to provide that an individual commencing the operation of a fruit-tree farm shall be eligible for operating loans thereunder, notwithstanding any off-farm employment, during such initial period as may be necessary for his trees to come into production; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 12798. A bill to provide a moratorium on mortgage payments for certain mortgagors who are unemployed and unable to make such payments through no fault of their own, and for other purposes; to the Committee on Banking and Currency.

By Mr. McVEY:

H. R. 12799. A bill appropriating moneys for the survey of the Little Calumet River, Ill., and Ind.; to the Committee on Appropriations.

By Mr. MACK of Illinois:

H. R. 12800. A bill to amend the Packers and Stockyards Act, 1921, and the Federal Trade Commission Act, and for other purposes; to the Committee on Agriculture.

By Mr. MARTIN:

H. R. 12801. A bill to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. NIMTZ:

H. R. 12802. A bill to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy; to the Committee on the Judiciary.

By Mr. RAY (by request):

H. R. 12803. A bill to amend section 382 of the Communications Act of 1934 to provide an exemption from the requirements of part III of title III of such act in the case of certain ferries; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS:

H. R. 12804. A bill to promote safety in transportation by motor vehicle in interstate commerce by assisting the States to conduct research into and maintain facilities for driver training programs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Texas:

H. R. 12805. A bill to repeal subsection (c) of the Mineral Leasing Act of February 25, 1920 (30 U. S. C. 202); to the Committee on Interior and Insular Affairs.

By Mr. TELLER:

H. R. 12806. A bill to amend title I of the Housing Act of 1949 to increase relocation payments and assistance to those displaced by urban renewal projects; to the Committee on Banking and Currency.

H. R. 12807. A bill to amend the Small Business Act of 1953 to provide low-cost loans for those engaged in a business dislocated by a project under title I of the Housing Act of 1949; to the Committee on Banking and Currency.

By Mr. FALLON:

H. R. 12808. A bill to amend the Federal-Aid Highway Act of 1958 to extend for an additional 2 years the estimate of cost of completing the Interstate System; to the Committee on Public Works.

By Mr. HOLIFIELD:

H. R. 12809. A bill to amend the Packers and Stockyards Act, 1921, and the Federal Trade Commission Act, and for other purposes; to the Committee on Agriculture.

By Mr. REUSS:

H. R. 12810. A bill to amend the Internal Revenue Code of 1954 to provide that wages paid by States and political subdivisions to individuals employed on relief projects shall not be subject to the withholding tax; to the Committee on Ways and Means.

By Mr. ZABLOCKI:

H. R. 12811. A bill to amend the Internal Revenue Code of 1954 to provide that wages paid by States and political subdivisions to individuals employed on relief projects shall not be subject to the withholding tax; to the Committee on Ways and Means.

By Mr. FORRESTER:

H. J. Res. 623. Joint resolution authorizing the President of the United States of America to proclaim February 8–14, 1959, as National Children's Dental Health Week; to the Committee on the Judiciary.

By Mr. GRIFFIN (by request):

H. Con. Res. 339. Concurrent resolution authorizing and requesting the President to proclaim a Good Neighbor Day during 1958; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H. R. 12812. A bill for the relief of Mario Malandruccolo; to the Committee on the Judiciary.

By Mr. COLLIER:

H. R. 12813. A bill for the relief of Anna Prelec and Frank Prelec; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H. R. 12814. A bill for the relief of Arthur E. Collins; to the Committee on the Judiciary.

By Mr. MORGAN:

H. R. 12815. A bill for the relief of Dr. Kie Pin Teng; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 12816. A bill for the relief of William Zao; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H. R. 12817. A bill for the relief of Michael Garyfalidakis; to the Committee on the Judiciary.

By Mr. STAGGERS:

H. R. 12818. A bill for the relief of Chin-Yung Wen; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Community Cooperation

EXTENSION OF REMARKS
OF
HON. ALFRED E. SANTANGELO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 4, 1958

Mr. SANTANGELO. Mr. Speaker, as a Congressman, I believe that a Representative should remain close to his people and should know the needs of his community. A legislative forum is one of the best means for a Representative and his constituents to exchange their ideas for mutual benefit. I have worked closely with parent-teacher associations, trade union groups, fraternal orders, athletic clubs, churches and synagogues, tenant organizations, civic groups, and have received the benefit of their views.

On May 22, 1958, I cosponsored a legislative forum. A summary of the discussion and results will prove interesting reading.

The first annual legislative forum sponsored by the East Harlem Council for Community Planning and the Yorkville Civic Council with Congressman ALFRED E. SANTANGELO was held on May 22, 1958, at the Ruppert Brewery at 1639 Third Avenue, New York, N. Y.

The purpose of the forum was to explore areas of particular concern to the Yorkville and East Harlem communities and areas where the various agencies and community groups might be able to make a contribution by working together. The nonpartisan forum was mainly directed toward suggesting legislation to assist these goals with the idea of making the various city, State and Federal legislators aware of the proposals adopted by the forum.

After the opening address by Rev. George Todd, chairman of the East Harlem Council of Community Planning, indicating the purpose of the conference and welcoming the participants, the conference was divided into four separate panel discussion groups as follows:

Housing in East Harlem: The chairman of this panel was Hortense Gabel, deputy State rent administrator. The panel speaker was Herman Cohen, executive director of the legislative committee on housing and multiple dwellings.

Housing in Yorkville: Victor Remer, assistant director of the Lenox Hill Neighborhood Association, chaired this panel and Robert I. Randall, treasurer of the Citizens' Housing and Planning Council, was the speaker.

Youth and schools: Hugh K. Johnson, acting chief of street club work for the New York City Youth Board, was the chairman, and Jean Rubin, staff associate for public affairs at the Community Service Society, was the speaker.

Economics and the consumer: Commissioner Edward Corsi, executive director of LaGuardia House, chaired this panel. Murray Kempton, labor columnist at the New York Post, was the speaker.

PANEL SUMMATIONS

Housing in East Harlem

Mrs. Gabel eloquently described the East Harlem community—the dilapidated tenements, the overcrowded rooming houses, the thousands of families displaced to make room for the gigantic housing projects which will soon house 25 percent of the population. She made a plea for more intensive and imaginative planning, for the utilization of underoccupied, underused or badly used land, and lastly, for the construction of scattered smaller housing projects better related to the community.

She was joined by Mr. Cohen in outlining the various legal tools which can help relieve and correct our inadequate housing conditions. The rent control laws still necessary in the face of the continuing housing shortage, the Sharkey-Brown-Isaacs bill which can be the key in promoting the racial and economic integration of our neighborhoods, the State neighborhood slum prevention plan which would make it possible to preserve the character of a neighborhood through rehabilitation or construction of various kinds, and the Mitchell Lama law which would fulfill what may now be our greatest need—middle income housing.

Public interest, participation and pressure were held, both by the speakers and the audience, to be the keys to the enforcement of existing laws, to the promotion of new ones as needed, to the proper functioning of the various city agencies, and even to securing vacant land for future building.

Housing in Yorkville

Both Mr. Remer and Mr. Randall described the serious and growing housing situation in Yorkville. It was noted that thousands of Yorkville families have already been evicted and many thousand others face eviction for the erection of high rent luxury apartment houses in New York's new garden spot. The problems facing elderly people and others on fixed incomes were explored as well as the difficulty in securing adequate new apartments at moderate and low rentals. Accordingly, the seven proposals adopted by the panel follow:

1. The establishment of a central city relocation in which private real estate interests could participate. This group would set fair standards, list potential relocation sites, synchronize demolition and building schedules, etc.

2. Compel builders to relocate as part of the requirements of procuring certificates of eviction. (Lack of free housing market.) This would mitigate tenant hardship and facilitate repossession of properties by reputable builders.

3. Persuade the comptroller to utilize more frequently the tax abatement powers he possesses to stimulate new low and middle income development and the rehabilitation of existing structures.

4. Persuade private, nonprofit agencies, to sponsor Mitchell Lama construction for the desperately needed low and middle income families.

5. Develop some small, scatter site, public housing units in Yorkville.

6. Develop a master plan like the one being developed in the West Side project area by the planning commission to insure upgrading and to sustain balance. (This might be done by a total regional zoning code plan which would be set up to insure the building and/or rehabilitation of diverse kinds of housing.)

7. Start to build immediately on vacant areas all over New York, under existing Federal legislation, temporary, but good basic housing, to shelter families in transition because of either public or private construction or rehabilitation.

Youth and the schools

Mrs. Rubin presented to the panel a comprehensive view of existing services and the obvious gaps in service available to the youth in the community. Both the speaker and the chairman made reference to inadequate budgets for casework services, shelter care, out-patient mental health care, and welfare assistance. The unmet educational needs of the community were explored with suggestions that existing remedial reading classes be increased, that the bureau of child guidance secure additional financial contribution, and that preemployment continuation facilities be expanded. The recreational needs of the area have not been satisfied. A recent request for ten new summer community centers was rejected without even one such center authorized. A communitywide program with various agencies lobbying most actively for increased expenditures for the youth was advocated. It was felt that legislation currently pending in the Congress could be of real assistance in providing tools for the youngsters in the area. Federal aid to education, federally endorsed scholarship grants, and Federal funds for child welfare services were cited as examples.

Economics and the consumer

Mr. Kempton discussed the lack of productivity involved in many industries today and compared the desire of the automobile industry to produce larger and more chrome-spangled cars with the need for more small and simple cars. He suggested a broad hospital-construction and roadbuilding program, stating that hospitals and roads were needed regardless of the salutary effect that such programs might have on the sagging economy. Mr. Corsi, drawing upon his vast experience in labor matters in New York, participated in the discussion of the problems of the present recession. Congressman SANTANGELO, who was present for this panel discussion, reported on the antirecession bill he had introduced and called for increased and extended unemployment-insurance benefits.

PLENARY SESSION

Following the panels, a report was made to the entire assembly of the progress in each of the areas. Reverend Todd then introduced the keynote speaker, Congressman SANTANGELO.

Congressman SANTANGELO emphasized the changing nature of the community of East Harlem and Yorkville and the related problems created by the economic and social transition there. He pointed out that the objective of our housing and social program is not only to eliminate slums, but also to develop a balanced community where families of different economic levels may live side by side and asserted that while public housing is popular in New York, its faulty administration has uprooted and dislocated families who have lived in the community for decades and brought about economic ghettos. In order to achieve the goal of balanced communities, he has introduced legislation which would prohibit local housing authorities from considering the income of minors for the purpose of admittance to public housing and continued occupancy there, but would include such income when fixing rentals. While Federal regulations do not restrict the permissible income of minors, local authorities have adopted restrictive eligibility requirements. In recognition of the paradoxical situation which exists in Yorkville where low-cost housing projects with rentals at $10 per room per month are being constructed within a few blocks of luxury apartments renting at $75 per room per month, he recommended that the Government or a citizens housing group should seek to build spot projects within the income limits of the community's residents. Stressing that the upheaval of present structures has also adversely affected senior citizens who are widowed or single, he recommended that the eligibility age for single persons should be reduced to 60 years and that more apartments for single persons should be provided, with high priority given to such dislocated single persons.

On the problems of our youth and juvenile delinquency, Congressman SANTANGELO affirmed that responsibility for the welfare and morality of our young people must be restored to parents and schoolteachers. He also called for greater understanding and courage on the part of public officials in regard to children who have been in trouble and wish to rehabilitate themselves by obtaining gainful employment in governmental agencies. Civil-service positions, postal employment, licenses and responsible positions are denied to these delinquents who have transgressed instead of being made available to them in a spirit of constructive cooperation. Congressman SANTANGELO deplored the lack of Federal aid for school construction which is so desperately needed in our community.

In regard to the problems of economics and the consumer, Congressman SANTANGELO commended the chairman of the panel, Edward Corsi, who, as industrial commissioner, has been a vocal spokesman for higher minimum wages and broader coverage for unemployment insurance. He also noted with approval that Congress, to combat the recession, has adopted many work programs. He suggested further that the Federal Government establish a fund to make Federal grants available to localities in need of schools and hospitals.

Congressman SANTANGELO pointed out that while the housewife is complaining of the high levels to which consumer prices have risen for food supplies, farmers have received less of the consumer dollar. At present the farmer receives only 40 percent of the consumer dollar and the remainder is going to the food chains and distributors.

Congressman SANTANGELO promised to continue his advisory council meetings and expressed his hope that other legislators would follow his lead in establishing community forums in order that greater cooperation take place between representatives and their constituents.

Industry Can Help

EXTENSION OF REMARKS

OF

HON. LEO W. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1958

Mr. O'BRIEN of New York. Mr. Speaker, the House recently passed the bill creating a new agency to deal with the awesome and fascinating problems of outer space. Before Congress adjourns, I am sure, we will have a law on the statute books establishing such an agency.

Desirable and urgent as is this action, it is only the beginning. The main task still lies ahead. The question now is how rapidly we, the leaders of the free world, will move into this great new future whose limit is the stars themselves.

Massive public support, possible only through public understanding of the urgency and rewards of space exploration, is needed if we are to attain our minimum goals.

Congress and the President can play important roles in this public education program, but that is not enough.

Our educators must help and industrial leaders can play an important part.

An example of such enlightened business leadership crossed my desk a few days ago.

It was a brochure on outer space prepared by the American Oil Co. The material was factual, of course, but so written and diagramed as to capture the interest and imagination of young and old alike. The company is to be congratulated for this venture and its willingness to make copies available to educational institutions.

Much of our future lies in the conquest of outer space. Those who help unlock the doors of knowledge in that field perform a service both to themselves and to the public.

Questionnaire Report to Constituents

EXTENSION OF REMARKS
OF
HON. A. L. MILLER
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 4, 1958

Mr. MILLER of Nebraska. Mr. Speaker, during the 16 years I have been a Member of Congress it has been my practice to send out from year to year a questionnaire to the people of the Fourth Nebraska District asking for their views on a number of matters in the public eye. This year we asked 19 questions.

Mr. Speaker, it is a long distance from Nebraska to Washington. I spend the months when Congress is out of session in the District, but it is not often when Congress is in session that I make the trip back home. I have always solicited letters and opinions from those I represent. That is one reason for the questionnaire. I believe I am one of the first Members of Congress to initiate the questionnaire. Now many Members follow the practice of seeking advice from those they represent in this way.

When the people in the Fourth District receive the questionnaire they can sit down in their own homes, far away from the pressures of Washington, and talk thinks over and then answer the questions.

I try not to send out loaded questions. The questions are down to earth and usually require a simple "yes" or "no" answer. The people in the District understand quite well many of the national and international problems.

TOO MUCH PROPAGANDA HERE

Here in Washington there is so much propaganda that is not prevalent in Nebraska. It comes about because newspapers and radio reports and interested Government agencies are always pouring it out at the fountainhead. The propaganda is not always dishonest, but sometimes clever publicity men fail to tell all the truth or cover information that is often vitally needed.

Nebraska is not affected by the heat of the propaganda so close to the source of supply. The so-called recession is a good example. When I was home at Easter time, Washington and the East were buzzing with do something to cut taxes, do something for unemployment, stop inflation, spend more money and balance the budget. Nebraska was not too much affected. Many folks in the District just grinned at you when you asked them about recession or unemployment. Our people asked, "What recession?" Folks in Nebraska were not affected by the constant stream of propaganda from the CIO, the ADA and other groups not always interested in the welfare of the country.

The returns from the 80,000 questionnaires that went to everyone of the boxholders in the Fourth District have been quite good. Many people took the time and trouble not only to answer the questions but write long and detailed letters explaining why they arrived at their conclusions. These letters are always helpful.

ANSWERS TABULATED

The answers to the questionnaire are carefully tabulated and the letters studied and answered. I have always taken the position that the folks I represent are entitled to know how I voted and how I feel upon public questions. We may not agree. They may be right and I may be wrong, but certainly all are entitled to my thinking on these controversial questions facing the Congress. I have never dodged a vote. During the 16 years I have been in Congress I have been in the upper 10 percent of those answering the most roll calls.

When Congress is not in session I travel in the District holding government clinics of 2 hours duration for the high-school students and adults. These are question-and-answer periods. For instance, last year I traveled more than 9,000 miles in the District holding the clinics, speaking to service clubs, farm groups and many other organizations. I do this to help stimulate the thinking not only of the adults but of the young people who will be our political, economic and spiritual leaders of tomorrow. I recommend to Members of Congress that they use the questionnaire method of sampling opinion at home. The questionnaire and results follow:

QUESTIONS AND ANSWERS

1. Do you favor a summit meeting of major powers? Yes, 50.1 percent; no, 49.9 percent.

2. Do you favor a tax cut? Yes, 48.8 perment; no, 51.2 percent. If it means an unbalanced budget? Yes, 25.6 percent; no, 74.4 percent.

3. Do you favor the Benson farm policies? Yes, 43.7 percent; no, 56.3 percent.

4. Do you favor flexible supports? Yes, 54.9 percent; no, 45.1 percent. No supports? Yes, 57.8 percent; no, 42.2 percent.

5. Do you want any kind of Federal farm program? Yes, 48.4 percent; no, 51.6 percent.

6. Do you believe in continued foreign aid? Yes, 25.7 percent; no, 74.3 percent.

7. Should nuclear tests continue? Yes, 77.1 percent; no, 22.9 percent.

8. Should we extend and increase social security benefits? Yes, 49.5 percent; no, 50.5 percent.

9. Do you favor any kind of Federal aid to education? Yes, 26.5 percent; no, 73.5 percent.

10. Should 18-year-olds be allowed to vote for President, Vice President, and Members of Congress? Yes, 33.7 percent; no, 66.3 percent.

11. Do you favor Federal control over the finances and elections of labor unions? Yes, 84.5 percent; no, 15.5 percent.

12. Are you for statehood for Alaska? Yes, 82.3 percent; no, 17.7 percent. Hawaii? Yes, 75.6 percent; no, 24.4 percent.

13. Do you favor extension of the Reciprocal Trade Act? Yes, 87.7 percent; no, 12.3 percent.

14. Should postal rates be increased? Yes, 55.7 percent; no, 44.3 percent.

15. Should postal pay be increased? Yes, 33.7 percent; no, 66.3 percent.

16. Should the President resign in favor of Mr. NIXON? Yes, 11.1 percent; no, 88.9 percent.

17. Do you feel the Eisenhower administration is taking the proper steps to end the business recession in this country? Yes, 60 percent; no, 40 percent.

18. Do you favor legislation outlawing pay TV? Yes, 74.7 percent; no, 25.3 percent.

19. Would you favor amending our tax laws to permit parents of college students to deduct the cost of educating their children? Yes, 57.3 percent; no, 42.7 percent.

The percentage of no-opinion votes was not tabulated.

Address of Hon. Clark W. Thompson at Commissioning of U. S. S. "Galveston," Philadelphia, Pa., May 28, 1958

EXTENSION OF REMARKS
OF
HON. CLARK W. THOMPSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 4, 1958

Mr. THOMPSON of Texas. Mr. Speaker, on Wednesday, May 28, the cruiser U. S. S. *Galveston*, designated as CLG–3, was placed in commission at the Philadelphia naval shipyard. It had been intended that the distinguished Speaker of the House would make the address for the occasion. Press of business prevented him from attending, however, and I, as the Representative from the Galveston district, was called upon to fill his place on the program.

Some who were and are particularly interested in the cruiser *Galveston* and in her present mission as a missile-launching ship, have suggested that my remarks should be placed in the RECORD. This I am pleased to do, but I feel that certain additional remarks are appropriate.

My speech was prepared with a Texas flavor for reasons which I trust are obvious. Among other things, I made reference to the fact that the Talos missile, which is the primary armament of the *Galveston*, had been developed to a considerable extent in the University of Texas and in the Ordnance Aero-Physics Laboratory at Daingerfield, Tex. It is appropriate to add at this time that the major responsibility for the development of the Talos and the chief credit for so doing lie with the Applied Physics Laboratory of the Johns Hopkins University. I am sure that all Texans who had any part in the missile or in the ship itself will be delighted to note this appropriate credit to the scientists of Johns Hopkins University.

The remarks which I prepared for the commissioning follow:

ADDRESS OF HON. CLARK W. THOMPSON AT COMMISSIONING OF U. S. S. "GALVESTON," PHILADELPHIA, PA., MAY 28, 1958

Coming to Philadelphia for this auspicious occasion sets the clock back for Mrs. Thompson and me. We are by no means strangers to the naval service, and to be associated with you who are active in it, brings us many very happy memories.

We recall with particular pleasure our days at the Naval War College just before the beginning of World War II when we rubbed elbows with some who were shortly to go out into the Pacific to become outstanding heroes of the war. And then, of course, we have indelibly stamped in our memories the day this great ship was launched right here in Philadelphia.

Coming back to mind, also, are recollections of the days when I was active in the Navy League back in the 1920's. In those days the future of the Navy was very much in doubt, and we fought a bitter and sometimes frustrating fight to keep the pacifistic element from destroying the Navy altogether. It is appalling to think how close these so-called righteous people came to accomplishing their purposes, and it is even more appalling to think what would have happened had not just a few of us been able to hang on and prepare the pitifully small beginning of the fleet which was to prove so necessary in the Second World War.

When I knew that I was to be honored with this place in today's ceremonies, it seemed to me that perhaps this would be a good time to publicly announce that with the completion of this job, I am going to retire, not only from naval service, but also from activities of this kind.

However, to some of you who are here today, what happened to me just a couple of hours ago will bring up some recollections of similar experiences of your own. The old man took me in and fed me shipping-over chow. He did not say so quite as the first sergeant used to hand it out to us back in my own enlisted days, but the idea was the same. Where are you going to get chow like this on the outside? How can you ever be around as fine a bunch of guys as this on the outside? Where are they going to give you as good a place to live and where are they going to take care of you like this on the outside?

So now, I think that rather than announce my retirement as of today, I am shipping over and I shall be subject to call for such duties as the naval service may require.

Still more important, I want you to know that Mrs. Thompson is joining me in this shipping-over business, and now that it is far too late to stay for 30, I think we will stay for 50 or maybe 60.

Now, let's get serious again for a few moments. It may very well be that we must again fight some Navy battles which don't deal with guns and ammunition and with the kind of fights that we know best how to handle. The structure of the naval service may be threatened by those who do not understand it and who would relegate it to a comparatively unimportant role in our national defense. We shall fight this effort with all the strength at our command, and we shall continue the fight as long as there is any threat to the dignity and the power of this branch of our Armed Forces.

The pacifists once told us, and they quoted the Bible to us to prove it, that we should give up our arms and in our righteousness we should show the world a beautiful example of our peace-loving characteristics. Even though many who preached this doctrine were perfectly innocent and well meaning, behind the whole idea was the determination on the part of our enemies to render us so thoroughly impotent that we could be attacked and defeated without undue effort.

We fought this phony idealism and we quoted some Bible references of our own. One was that we could be righteous in this Nation without being weak. There was nothing weak about the founder of the Christian religion. Quite the contrary.

Those days have passed, but it is well to remind ourselves of them, especially on such an occasion as this.

Now, let's get down to the present and touch just briefly on the significance of this occasion. This ship was waterborne and christened *Galveston* some years ago. Until today, however, she has never really taken on life. Now, with the completion of today's ceremonies, she becomes a living part of the United States fleet. From now on, she will take on her own personality, similar to others, of course, but still distinct as one individual is distinct from another.

The *Galveston* will now go to sea, the first ship to be armed with the missile known as Talos. I have been briefed on the awe-inspiring characteristics of this new weapon. I still don't understand it, but for the purposes of those of us who are l ymen in this scientific business of war, it is sufficient to say that this weapon, which you will inspect in just a little while, will be fired far up into the upper atmosphere, where it can seek out and destroy aircraft and other missiles.

Some who are here present may have lived through the famous suicide attacks of Japanese fliers, who deliberately crashed their planes into our vessels. This Talos missile could have been used at close range to destroy the oncoming enemy and thus save countless lives and probably many ships.

It is of particular significance to note today that Texas has been involved in the development of this missile. Dr. C. P. Boner, director of the defense research laboratory of the University of Texas, has worked on it, together with his people, as have also the scientists at the ordnance aerophysics laboratory at Daingerfield, in east Texas.

Now, just a word to the captain and the officers and men who will shortly take this great ship to sea. In spite of all the modern weapons and the talk of push-button war (which I personally think is the bunk), and in spite of the efforts on the part of some people to turn the Navy into a ferry command for other branches of the service, you may always be confident that the United States, now and for the foreseeable future, must be a maritime nation.

The great bulk of that portion of our production which seeks a market overseas must go by surface craft, and without a Navy to defend our freedom of the seas, we shall sooner or later be challenged by force.

In this country of ours, there must always be a fleet in being, ready to go at a moment's notice, to do the job which only the Navy can do. Where you go, bearing the name of *Galveston*, the hearts of the people of the city of Galveston will go with you.

Galveston is a small city, but Galveston is a very brave one. You who man this ship will always be an inspiration to us, but I think you will find in the history of the people of Galveston some characteristics which will be somewhat inspirational to you.

Back in 1900, the people of the city were visited by a tropical hurricane. When daylight came, a fourth of the population—something between 6,000 and 10,000 people, had lost their lives overnight. Less stout-hearted citizens would have pulled up and moved away. But the people of Galveston went to work, almost immediately, to plan and construct a seawall, which on many similar occasions has given complete protection to lives and property. We weather our hurricanes as you will weather yours, understanding them and fully protected against them.

As you claim the honor of being the first ship to carry the Talos missile, we lay claim to some firsts of our own.

In Galveston, the first national bank in Texas was established. The old Galveston News, still published, was the first daily paper. Galveston was the first deepwater port. The first telephone exchange to be established in Texas was also there, and the first telegraph—the first cotton exchange, the first customhouse, where Gale Borden was the first collector. He later found fame through the invention of condensed milk. We had the first post office in the State and the first of the famous old military companies. It is still in existence, operating now as the Galveston Artillery Club. We lit the first incandescent light in the State of Texas. It was here that the commission form of government got its start, and ours was the first public library.

We, like you, are accustomed to leadership, no longer in size perhaps, but certainly in courage and resourcefulness.

Next fall, when you come to visit us, we will truly get acquainted. There are many peculiarities about the city which you will then learn, just as I did when I came there as a young man in 1917. Once you get the sand of Galveston Beach between your toes, you will never be fully satisfied anywhere else. You will find a warmhearted group of people, just as I did. Maybe as I did, you will find a girl who—when your service days are over—will attract you back to live among us. She and I will be waiting for you on the dock when you come. I have a hunch that maybe she might throw a party for you.

In the meantime, we shall watch with pride as you shake down, and we shall wait anxiously for news of the exact time of your visit. Wherever you go, on into the distant future, our hearts and our prayers will be with you.

In Memory of Our Honored Dead

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1958

Mr. SANTANGELO. Mr. Speaker, on Memorial Day of this year, I was privileged to be invited to speak at the Memorial Day exercises at Hero Park, Staten Island, N. Y. The following is the address which I delivered on this serious occasion which we annually set aside for the memory of our honored dead:

Members of the American Legion, Veterans of Foreign Wars, Disabled War Veterans, Lieutenant Colonel DiGiacomo, my old schoolmate, members of my family whom I have not seen for years, ladies and gentlemen, I am proud to participate in this Memorial Day service. When I received the invitation to speak, I wondered why I was selected for this high honor.

Perhaps it is because I have been your neighbor for many years and treasure the association of your fellow townsmen.

Perhaps it is because I grew up in this garden spot of America, climbing its seven rolling hills and walking in its friendly valleys.

Perhaps it is because your chairman, Mr. Watman, knew that my first public speech was made right here in Hero Park on Memorial Day 35 years ago when I was a schoolboy attending Public School 16 in Tompkinsville.

However, I believe it is more logical to think that you chose me because I am a Congressman who still remembers Staten Island as his original home. Whatever reason your commitee had, let me say that I am privileged to be here.

We gather here in memory of our honored dead. We remember that they had a rendesvous with death so that we could have a rendesvous with life. We recognize that life is a struggle for enduring peace with justice and liberty under God.

To achieve this peace, we pay a terrible price. We pay in lives lost, in bodies broken, in morals shattered, in government debauched, and in our economy dislocated. We pay this terrible cost because we realize that liberty is priceless.

Thirty-five years ago today, I thrilled to recite in this very park the poem written by Col. John McCrae. I repeat the command which our war dead gave to us, the living, when they said:

"We are the dead.
Take up our quarrel with the foe:
To you from falling hands we throw
The torch; be yours to hold it high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields."

Forty years have passed since they gave us that command. Two terrible wars have scourged our Nation. The veterans of World War II and the veterans of Korea in answering the dead of World War I, promised them in these words:

"Sleep on ye brave
Your flaming torch aloft we bear.
With burning heart an oath we swear
To keep the faith, to fight it through
To crush the foe or sleep with you
In Flanders fields."

Our veterans have held high the torch of liberty. They struck down the swastika and planted high our flag over the city of Berlin. They struck down the rising sun and planted our flag on the craggy hills of Mount Suribachi. Whenever our boys have been called upon to strike down the symbol of despotism, they have done so and lifted our flag above the clear horizon.

We are proud of our flag, the red, white, and blue. We are proud of the red, which represents the blood we shed for peace and justice. We are proud of the white, which represents the purity of our motives and that right is might. We are proud of the blue, which represents the peace that we bring and the good that we do. In this age of Russian sputniks and South American spitniks, we shall not tolerate nor shall we accept insults to our flag, whether it be in Lima, Peru, or Caracas, Venezuela.

We are the leaders of the free world. We seek not war, but peace. We have enjoyed the monopoly of atomic bombs and technological inventions, and we did not abuse our power. We have shared our scientific advances and our atomic resources with the nations of this world. We have given generously our economic aid to more than 60 countries to fight poverty. Because we were the strongest nation in the world, we became satisfied and smugly complacent. While we dawdled, and enjoyed our televisions and automobiles, another nation, with less noble purposes, has advanced with great strides. Today, the Russians have surpassed us in rockets and missiles. Today, the Russian submarines, more than 600 strong, present the greatest potential danger to our security. Today, we are no longer the scientific leaders of the world. Despite our great strength, we are, perhaps, not even the masters of our fate.

Since October of 1957 when sputnik electrified the world, we have entered into a space age. Today, the world stands in a confused position. It stands either on the brink of oblivion or on the threshold of a more abundant life. Man has made rockets, ballistic missiles, and little moons. Man has smashed the powerful atom and developed the hydrogen bomb. Man's ingenuity has made instruments with tremendous power. Ironically, these instruments bear the names of pagan gods, such as Jupiter, Thor, and Atlas. These instruments have thrust man-made moons into the universe, the sacred domain of the Almighty God.

As these satellites emit their beeps, while circling around the world, we pause to wonder and ask ourselves soul-searching questions: Are these beeps the warnings of destruction and doom, or are they the harbingers of a more abundant life?

We cannot take refuge upon an island. Even the Narrows Bridge must connect Staten Island with Brooklyn. We cannot build a fortress America and hide within it. Because of inventions, the world has become exceedingly small. The airplanes, the jets, the atomic submarines have reduced distances and time. The breakthrough of hydrogen energies and thermonuclear power has opened the universe to us. Nuclear bombs and radioactive fallout can destroy the world. We have but one choice. We must either live in peace with our neighbor or not live at all. Despite the awesome possibilities of annihilation, we must strengthen our economy, we must keep our ports open and busy, and we must reaffirm our principles of government to maintain our way of life.

Our task is a task which shall search us through and through—whether we be able to understand our time and the needs of the people of the world, whether we have the pure heart to comprehend and the rectified will to incur the high financial cost to build a community of nations.

We must never forget that governments are made for men and not men for governments. We must remember that our system of checks and balances were designed to prevent dictatorship and were for the benefit of all of the people here, Jew and gentile, black and white, citizen and immigrant.

We Americans can write and think freely. We have the right to assemble, although some people would make it criminal. We worship God as we please. We are protected from unlawful searches and seizures, although there is a tendency in our Government to invade our privacy through wiretaps. We have the right to speak and also the right to refuse to speak. We enjoy the freedom to elect those who administer and legislate for us. We fix conditions and limitations on their authority. We are secure in our property and we can live our life as we wish. These blessings we call the Bill of Rights. These great privileges and blessings were never enjoyed by any nation until 171 years ago. Are the fortunate conditions in which we live entirely of our own making? They are not. They are gifts from the dead, our war heroes and citizen soldiers. They are not the conquests of the living, nor do we, the living, have the right to dissipate them by intolerance and bigotry.

Remember, my friends, that our Nation has remained free because civil authority has always been superior to military authority. Place too much military authority in one man and we pave the way for a man on horseback, like De Gaulle. Deny a man equal rights before the law or deny him the protection of the Bill of Rights and you whittle away at your own freedom. Liberty does not die from direct attack. If liberty ever dies in America, and I hope we shall never see the day, it will die from decay of the principle that gave it life; that is, truth and justice. But we are determined to be free and we shall not be stampeded by fear, prejudice, or threats.

Will we hand to our children the same torch of freedom that we received from our forefathers? The answer rests in your hands. Presently before the Congress are a number of bills which propose to subordinate Federal law to State law, and propose to reverse the decisions of the Supreme Court which have protected the individual liberties of the Negroes and the citizens of the United States. I call upon all honest men, all patriotic men, all forward-looking men, all you veterans, to join together to resist the attempts to undermine the Supreme Court. Also, let us prepare to combat our enemies at home and abroad. Let us support our gigantic defense program in the air, on the land, and under the sea. Without preparedness, there can be no security. With God's grace and your support, our democracy will live and continue to flourish.

Address by the Secretary of Agriculture Before the United Republican Fund of Illinois

EXTENSION OF REMARKS
OF
Hon. EVERETT McKINLEY DIRKSEN
OF ILLINOIS
IN THE SENATE OF THE UNITED STATES
Wednesday, June 4, 1958

Mr. DIRKSEN. Mr. President, I submit, for printing in the CONGRESSIONAL RECORD, a very stirring and spirited address delivered by Hon. EZRA TAFT BENSON, the Secretary of Agriculture, in Chicago on June 2 before the United Republican Fund of Illinois. I commend the address to my colleagues and others as very scholarly and inspiring.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE UNITED REPUBLICAN FUND OF ILLINOIS, CHICAGO, ILL., JUNE 2, 1958

I am truly delighted to be here today. It is always a great source of inspiration for me to be part of a gathering of enthusiastic Republicans—of Republicans who are not afraid of a political fight, and who fight to win.

I salute you for your dedication. Your presence here is testimony of your willingness to give your time and energy to the cause to which we all are dedicated—the time-tested principles of the Republican Party.

And I well appreciate what this gathering represents. For each one here today there are unseen scores of others like you—Republicans organized to do your utmost for what you believe throughout every county, district, and precinct of this great State of Illinois.

I congratulate you for what you have achieved. I wish you success in reaching the goal toward which you are striving in this important election year of 1958—a year in which we must and will, in the best interests of the country—return to Capitol Hill in Washington a Congress controlled by Republicans.

You have done a tremendous job in Illinois through the years in providing outstanding leadership for the Nation and the Republican Party, as evidenced by Senator EVERETT DIRKSEN, Gov. Bill Stratton, and

your effective Republican Members in the House of Representatives.

I bring you greetings and warm regards from another dedicated American—our fellow Republican and great President, Dwight D. Eisenhower. He sends his appreciation for your accomplishments on behalf of the Republican Party and our Nation. As Republicans and Americans, we can be rightfully proud of this great leader who in times of international stress is loved and respected, not only by we Americans but also by the peoples of the world.

And, just as surely as though he were with us tonight, the President is with us in this cause. Only last month President Eisenhower said:

"I am convinced that Republican prospects this year are bright. If we will but try—if we will never forget the value of good, hard work—we are certain, with our record, to win next November. This is the sure road to a Republican 86th Congress."

Those are the words of President Eisenhower. And in his next breath he pledged to stand beside every member of our Grand Old Party who carries forward this never-ending fight.

I share the President's optimism about the campaign ahead. I agree, too, that to win will require good, hard work. We must approach every election campaign prepared to do battle. We must never be complacent. We must remember, too, what an American election means.

To some people an election is a grand carnival, complete with sideshow and merry-go-round. To others, it is simply a tug of war, with no greater issue than to see who wins.

But to most of us in this hall an election is a time when basic issues are hammered out. It is a time when the people speak clearly to their public servants. It is a time when our hard-won civil liberties can be used to advance mankind a few steps further along the path of freedom.

What shall we say of the election of 1958? What are the issues?

An adequate national defense? We have amply and almost unanimously demonstrated our willingness to provide whatever is needful for the security of our country.

Foreign policy? We are overwhelmingly agreed, as a Nation, to associate ourselves with those countries of the Free World which stand united against the power and the threat of the Soviet Union.

No, I believe the major issue of 1958 is the same issue which has confronted the United States for some time past:

Shall we manage our own affairs or shall the Government manage them for us? Shall we be free or shall we be made tragic captives of the Government which we, in freedom, created?

There is no other nation on the face of the earth so richly blessed as ours. There is no other span of time so bountifully endowed as the years of our generation. We occupy a very special spot of the world's surface at a very special time in history.

In large measure, these abundant blessings have come to us through an economic system which rests on three pillars:

Free enterprise—the right to venture, to choose.

Private property—the right to own.

A market economy—the right to exchange.

Make no mistake, the pillars of our economic system are being threatened today. They are being threatened by a strange and unlike coalition of do-gooders, self-servers, and subversives.

Let me illustrate. Let me speak from my own experience in the field of agriculture. Let me point out the types for you. In 5 years I have had some experience in recognizing them.

The do-gooder. This is a fellow who professes to have the highest possible motives. He is ready to solve all human problems with legislation. Now, much can be accomplished by people with good motives. But good motives are not enough. The do-gooder professes to have a soft heart. Often he has a soft head. This is the fellow who lost our cotton markets by pricing cotton out of the markets. This is the man who denied our farmers the opportunity for greater efficiency; he rationed the right to produce. He thinks the farms of America can be run from Washington. Beware of this fellow. He thinks he knows more than the other 173 million people of these United States. He would like to impose his own version of the millennium on you and me. The chances are that he wears the opposition label. He might be called the paving contractor. He paves the road to hell with his good intentions, and he sends you the bill.

The self-server. This is another termite who eats away at the foundations of free America. The self-server has his own special attitude toward government. He thinks government is a means of gaining an advantage or restraining his competition. Or, he thinks, government is a kind of Santa Claus. His game is to get special favors out of government. "It's a good old American custom," he says, with a broad wink. No government, no people can last on so shallow an idea. Yet this was an idea that ran rampant for a good many years before President Eisenhower took office.

Watch out for the self-server. He brings about a kind of moral erosion, a leaching action which so robs the American soil of its spiritual fertility that the flower of freedom can never flourish.

The subversive. There is, in this country, a small hard core of confirmed Communists who hate the free-enterprise system and are dedicated to its overthrow. They owe their allegiance to other lands, other governments, other philosophies. They profess no allegiance to any God, nor to any moral code. They make unwitting allies of the do-goodern. They rationalize the worst motives of the self-servers. They thrive in direct proportion to the amount of class hatred they can create. They are wolves in sheep's clothing.

They have left their mark on this land. They march under a variety of political banners. Let's make certain they never march under the Republican standard.

They work 24 hours a day. They speak glibly of ultimate victory.

Their leader, Khrushchev, said this to an American television audience: "And your grandchildren will live under socialism in America. This, I predict."

Well, you and I have a prediction of our own. We will remain strong and free. This Nation was founded on freedom, it has grown and flourished under our free-enterprise system and it will remain strong and free. But just saying so, won't make it so. Mere lip-service is obviously not enough. We must work and work and work.

The big issue of 1958, therefore, is whether we accept the pattern of life laid out for us by the do-gooders, the self-servers and the subversives—or whether we build on the principles of freedom laid down by the inspired Founding Fathers. It is just that simple—and that serious.

I feel I can speak for an important segment of our population in this regard—our farmers. Farmers want more freedom. They have had about all the political panaceas they can stand.

If the voices of 22 million farm people in the United States could be united in one voice, that voice would, I feel certain, demand more freedom for farmers.

That voice would say:

Give us more freedom to plant so that we can run our farms efficiently.

Give us more freedom to market so that we can increase our incomes.

Give us more freedom to meet our competition so that we can expand our markets.

Give us more freedom from Government interference so that we may again be independent and self-reliant.

This Nation will never reach its full strength until our farmers have more freedom to plant, to market, to compete, and to make their own decisions.

Farmers want to produce for markets and not for Government bounty.

Farmers want Government at their side, not on their backs.

Here in Illinois the record shows that the farmers have chosen freedom.

Last year 9 out of 10 Illinois acres were planted outside of acreage allotments. Farmers had the choice, and they chose overwhelmingly to make their own decision on what to plant and how much to plant. They chose overwhelmingly to do their own planning.

The facts of recent history bear this out in three distinct actions.

First, when Illinois corn farmers had a chance to reflect their feelings with ballots in 1956, 80 percent of those who voted chose freedom from controls and acreage allotments.

Second, in 1957 farmers chose by their planting not to participate in the corn acreage allotment program. Only 1 acre in 7 was planted within the allotment.

Third, in 1957 4 out of every 9 acres of wheat were planted in excess of the allotment. This involved 53 percent of the wheat producers.

Thus, for these two allotment crops—wheat and corn—about 4 out of 5 acres were planted outside of the allotments. In order to operate their farms at maximum efficiency, farmers chose to pay little attention to acreage allotments. Thus they were not eligible for full price support.

Farmers know these allotments are too low. I know these allotments are too low. That is why we are trying to get the law changed. Also, that is why in 1956 and again in 1957 we made supports available for corn grown outside the allotments.

Let me make this point clear.

Contrary to myths being peddled by some of our opponents, the level of acreage allotments for basic crops is determined by statistical formulas spelled out in the old, outmoded Agricultural Adjustment Act of 1938. It is not a choice we have, it is the law. May I emphasize that modern agriculture cannot be run by an obsolete statistical formula. Agriculture is undergoing a technological revolution which is irreversible. It is a dynamic, changing industry and must not be hampered by statistical formula.

We have been talking about two of the so-called basic crops. The propaganda mills grind out tales about the importance to Illinois of the so-called basic crops. Actually only 20 percent of the cash receipts of this State come from the basic crops.

Now what are the sources of cash income here in Illinois? About $3 out of every $5 come from livestock, dairy and poultry. Illinois is the most important soybean producing State. Soybeans provide about three times the income that is realized from wheat. These commodities are not subject to the control paraphernalia.

These facts show how little the farmers of this State rely on the production control apparatus. The overwhelming majority of farmers here are those who believe in and practice freedom to plant, freedom to market, freedom to compete.

There was great pressure on us some months ago to impose price supports on hogs and cattle which would have meant a new series of controls. We resisted it successfully. The results are plain to see. Today these products are bringing very satisfactory prices in a free market.

Total cash receipts for Illinois farmers in 1957 were $2,056 million. This was the highest on record. This may be surprising to you in view of what our opponents have

been saying about the administration's farm program.

Contrast their myths with the facts—Illinois farmers have chosen freedom, and out of this freedom have come the highest cash receipts on record.

Tell that story. And tell it again. It is worth repeating.

We have, in the White House, a strong defender of freedom. During the 5½ years that President Eisenhower has held office, the steady erosion of our freedoms has been halted. The enterprise system has been strengthened. Visionary schemes have been put to the test of practicality. Special privilege has been curbed. Infiltration by Reds and pinks has been checked. The tidal drift to socialism, which has proceeded for 20 years, was slowed, halted, and reversed.

I know of no matter on which the issue between the Republican and the opposition party is more clearly and more consistently drawn than this: That the opposition party has been willing to sacrifice freedom while the Republican Party has been vigilant in defending it.

Let me cite some examples:

With acreage allotments and marketing quotas, the opposition took management decisions out of farmers' hands. The Republican Party is endeavoring to put these decisions back into the hands of farm people.

By steadily increasing the size of the Federal Government, our opponents chipped away the power of the States and local communities. The Republican Party is redressing this imbalance.

By adopting inflation as a way of life, the opposition eroded away the purchasing power of individual savings, the basis of self-reliance and independence. The Republican Party reestablished the integrity of our currency.

Three times within our own generation we have had war, that greatest of all threats to freedom and human liberty. The Eisenhower administration has been able, consistently, to achieve a peacetime climate within which freedom can more readily flower.

The opposition party has consistently sought to establish the idea that freedom means chaos. It has worked to take decisions away from the people and the States and concentrate them in the Federal Government.

But is there indeed, any characteristic of the American people which is more abiding than a distaste for being run from Washington? We know from experience that you can't run the farms of America from a desk in Washington, nor do we want to.

The typical American is inherently a States' Righter by inclination and by sentiment. Deep in their hearts, the American people instinctively know that great concentration of power in the Federal Government is an evil and dangerous thing. They do not need to have it proved.

Speaking before the conference of governors at Williamsburg last year, President Eisenhower urged the return of certain functions and responsibilities from Washington to the States and, along with this, relinquishment of Federal taxation in some fields. The administration is continuing its efforts to implement this program.

As a matter of fact, less than 3 weeks ago an administration bill was introduced in the Congress which would give to the States an important source of tax revenue. The bill provides for the present Federal excise tax on local telephone services to be collected by the States and used by them for vocational education and construction of waste treatment facilities.

Sometimes we need to be reminded that the Federal Government has no funds which it does not first, in some manner, get from the people. A dollar cannot make the round trip from Chicago to Washington and back without shrinking in the process.

As President Eisenhower has so well said: "The Federal Government did not create the States of this Republic. The States created the Federal Government. The creation should not supersede the creator. For if the States lose their meaning, our entire system of government loses its meaning and the next step is the rise of the centralized national state in which the seeds of autocracy can take root and grow."

We have an example close to us in agriculture of how important it is that the States should retrieve some rights and responsibilities which in the past have been assumed by the Federal Government.

This is the vital and dramatic area of providing relief to farmers and ranchers stricken by drought, flood, and other natural disasters.

As matters now stand, practically all of the cost of this disaster relief is borne by the Federal Government, with a limited amount of help from the States. Inevitably, the money is not so wisely spent as if the States participated financially.

The administration is strongly backing a bill now half way through Congress which provides for specific contribution by State governments to the cost of feed or seed furnished in disaster areas.

This administration has also moved consistently to get Government out of private-type business enterprises, rather than into more and more competition with the American people. It is basically wrong for Government to be in competition with its own taxpaying citizens. Scores of such businesses, carried over from the previous administration, have been liquidated and more than $1 billion invested in them has been returned to the United States Treasury.

We Republicans are strong believers in the free-enterprise system and take strong issue with those who would concentrate control of our economy in the hands of a few. Let me again cite agriculture as a prime example of the results we can achieve by moving toward a free economy.

Our opponents told us that if we put decisions back into the hands of farm people, farmers would go broke. They told us that—if we left Government price fixing—if we adjusted price supports, farm markets would skid downward. They told us that farmers didn't want to make their own decisions in the first place, that farmers were happy with all this bureaucracy. They said we couldn't change things if we tried.

Well, what happened? They didn't scare us off. We did make changes, with the help of the Republican 83d Congress. We held these gains despite high rigid support bills and freeze bills passed by Democrat Congresses. Twice the Democrat-controlled Congress passed Christmas-tree farm bills, with more supports and more controls; supposedly something for everyone at the taxpayers' expense. Twice our opponents deliberately maneuvered the President into what they thought was the impossible political position of having to veto a farm bill, in an election year, with a built-in Santa Claus. Twice in a statesmanlike manner, the President met the issue head-on with a firm veto of these unsound, uneconomic, and unrealistic bills.

What happened, as we took these steps toward freedom?

Did prices collapse?

No; farm prices are now 9 percent above last year and 10 percent above 2 years ago.

Did farm income fall?

No; income per person on farms in 1957 was at an all-time high. A new record will undoubtedly be set in 1958.

These steps toward freedom paid off. And other such steps will pay off, if we have the resolution to take them—if we demonstrate our faith in freedom—the free-enterprise system.

We have made outstanding progress but we're not out of the woods yet. The cost-price squeeze is still a basic problem for some farmers and ranchers. We hope for even further improvement.

A most important and immediate step forward is the President's 1958 agricultural program for which we are so vigorously pressing in the remaining weeks of the 85th Congress.

The adoption of this program will mean progress in three general areas:

First. The program will develop bigger markets. We have asked that the surplus disposal program be extended and expanded and that research into new uses for farm products be increased.

Second. The recommended program will allow more freedom for farmers. We are seeking revision of the acreage control and price support programs to permit farmers more freedom to plant and to widen markets.

The program would eliminate the so-called escalator clauses on basic commodities.

These are obsolete formulas which provide that the level of price support shall rise as the surpluses decline. So long as this basic law is unchanged farm people can expect to be kept continually under the shadow of price and income depressing surpluses.

Third. We must help the forgotten segment of agriculture—those people on small, low-income farms—through our nationwide rural-development program.

The adoption of the President's program for agriculture will be another long stride along the road toward an expanding, prosperous, and free agriculture.

We must keep moving forward in all phases of life. We must keep our eyes focused on our goal. If we falter, we invite failure. We must go forward as good Republicans.

To continue to move forward, the Republican Party needs three things: sound ideas, good candidates, and good party organization.

We have the sound ideas. Republican ideas have been sound ever since Abraham Lincoln expressed them a hundred years ago to hold this Nation together.

We have good men. We need more good men. Good ideas attract good men. We need to put forward for public office more of the good men from the rank and file of our party membership.

We need good party organization. The Grand Old Party needs our time, our gifts, our loyal support.

Edmund Burke said that the only thing necessary for evil to triumph is for good men to do nothing.

What can we do?

We can work for a Republican Congress. We can support our Republican candidates for Congress. We can participate in the work of the party organization. We can make a financial contribution to our party. We can counsel with our representatives in Congress.

And very important: We can help build a strong party organization at the local level. We can help put Republicans in important posts in the township, the city, the county, and the State offices. This is where a party has its real strength. This is where it gets close to people, where leadership is developed, where ideas are born, where loyalties are forged, where the continued existence of our party is assured. As we gain strength at the State and local levels, we transmit that strength throughout the entire party.

I appeal to your citizenship and to your party loyalty. And I appeal to your commonsense and good judgment. How long can private business compete with the kind of giant Government our opponents would build?

How long can farmers make meaningful decisions if price and quantity are determined for them by their Government?

How long can free enterprise be preserved for the rest of the business world if it should be lost for agriculture?

How long can a Republican President hold the gates against the cure-alls and quack remedies of our opponents? JOHN BYRNES, Wisconsin Republican, searched the record and found that Senator PROXMIRE, of Wisconsin, has offered legislation which would take from the United States Treasury, annually, a sum totaling $23 billion, equal to the entire assessed valuation of the State of California.

We must not allow demagogs to get away with political promises and proposals requiring fantastic—yes, unbelievable Federal expenditures.

We have built, in this country, on the foundation laid by our forefathers, an economy of freedom and material wealth unmatched anywhere else in the world. To abandon these great gains and embrace again the alien philosophy of an all-powerful central government—a philosophy from which our forefathers fled—this would have our generation writing a shameful page in the book of history.

Instead we can write a glorious page. We can write a page of more freedom, not less. We can write a page which shows a resurgence of moral and spiritual advancement as well as greater material well-being. With your help and with the help of other groups like this one, it can be done.

I fully realize that you must fight to put more Illinois Republicans in Congress. But no true Republican worth his salt ever ran away from a fight—least of all a Republican of the Illinois breed.

So I urge you to put your courage to the test.

Be firm in your conviction that your cause is just.

Reaffirm your faith in all things for which we Republicans stand.

Thus armed, all that is necessary is to go into action. Stand up and be counted as a fighting Republican. Press your cause vigorously and without fear.

Victory is within our reach through a hard-hitting campaign.

The United States and Inter-American Relations

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 4, 1958

Mr. ANFUSO. Mr. Speaker, on May 15 Vice President RICHARD M. NIXON returned from a so-called good will tour of South America a much spattered man. Whatever insults he received were not directed against him personally, but rather in his capacity as second-in-command of the great Republic of the United States. No doubt these insults were Communist inspired, but being successfully carried out they demonstrated clearly that somewhere along the line we had failed in our public relations with our sister states of the Western Hemisphere.

On May 26, 1958, I introduced in the Congress of the United States House Congressional Resolution 335 calling attention to this miserable episode in our history and urging the establishment of a Pan-American Parliamentary Association—PAPA—devoted to the following:

First. Create better understanding among the people of the Western Hemisphere.

Second. Expand educational and scientific exchange programs.

Third. Develop closer cultural relations.

Fourth. Improve trade relations.

Fifth. Encourage large-scale tourism between North and South America.

Sixth. Help to provide relief in times of disaster or other emergencies.

Seventh. Seek means to dispose of surplus commodities in the various countries of the Western Hemisphere to aid their economies.

Three days later, on May 29, 1958, the new Ambassador of our sister-state Cuba, His Excellency Nicolas Arroyo, spoke at a luncheon of the Pan-American Society and the Cuban Chamber of Commerce held at the Waldorf-Astoria in New York. In the course of his address he made this observation:

If the leaders of both Houses of the Congress of the United States would today issue a call to their opposite numbers in the Congresses of their sister republics to the south for a mighty gathering of the leaders of the Western Hemisphere, I am convinced they would be greeted with instant and eager cooperation.

Mr. Speaker, on the very same day I received a letter from the Honorable Roy R. Rubottom, Jr., Assistant Secretary of State for Inter-American Affairs, commenting on my resolution and endorsing its proposal with these words:

I should think that Members of the Congresses of the American Republics would enjoy periodic meetings to exchange views, and I hope that an improved understanding of each other's problems would result.

Fortunately, also, today we were visited by the Honorable Rafael L. Diaz-Balart, a Member of the Congress of Cuba and leader of the Democratic Party of that country. He expressed great satisfaction with what he saw here, our parliamentary system, our governmental setup, and our democratic institutions. He said he would carry this impression back to Cuba as a message to his colleagues in the Cuban Congress and will urge them to take favorable action on the proposal to establish a Pan-American Parliamentary Association.

Thus both the legislative and the administrative branches of our Government, together with one of our most dependable sister states, Cuba, viewed the precarious Latin American situation in the same light and reached the same conclusion.

I sincerely hope and trust that the proposed Pan-American Parliamentary Association will soon become a reality and the way will be paved for the greatest and most direct people-to-people approach to inter-American relations yet devised.

For the benefit of my colleagues, I am herewith inserting the full contexts of my resolution, House Concurrent Resolution 335, the address of Ambassador Arroyo, and the letter of Assistant Secretary of State Rubottom:

HOUSE CONCURRENT RESOLUTION 335

Whereas the stoning and jeering of the Vice President of the United States in several Latin American countries during his recent good will tour were directed against him as a symbol of the United States by known Communists; and

Whereas the Kremlin has two objectives in Latin America: First, to engender hostility toward the United States, and second, to create chaotic conditions among our neighbors south of the border which might pave the way for a Communist takeover, such as was done for a time in Guatemala; and

Whereas Russia is exerting all-out efforts to expand its diplomatic economic, and cultural relations with the countries of Latin America; and

Whereas in comparison with what the United States has spent in other parts of the world, Latin America is being all but ignored by the United States; and

Whereas if the representatives of the people of the 21 American Republics could meet to discuss pressing problems of common concern there would result not only more and better understanding, but also greater cooperation and definite achievements from which all the countries concerned would benefit: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that a Pan American Parliamentary Association should be established which would meet annually (or more frequently) in the different capitals of the Western Hemisphere, and be attended by parliamentary representatives of the peoples of the countries of the Western Hemisphere. Such association would be devoted to (1) creating better understanding among the people of the Western Hemisphere, (2) expanding educational and scientific exchange programs, (3) developing closer cultural relations and improving trade relations between countries in the Western Hemisphere, (4) encouraging large-scale tourism between North and South America, (5) helping to provide relief in times of disaster, (6) seeking means to dispose of surplus commodities in the various countries of the Western Hemisphere to help their economies, and (7) other problems of common concern.

TEXT OF AN ADDRESS DELIVERED BY THE NEW CUBAN AMBASSADOR TO THE UNITED STATES, NICOLAS ARROYO, BEFORE THE PAN AMERICAN SOCIETY, AT A LUNCHEON IN HIS HONOR, AT THE WALDORF ASTORIA HOTEL, NEW YORK CITY, ON MAY 29, 1958

Mr. President and members of the Pan American Society and the Cuban American Chamber of Commerce, distinguished guests, we meet here today in the New World against a backdrop of distracting, compelling headlines exploding out of the passions of the Old World. Briefly and belatedly 2 weeks ago, our front page headlines were concentrated upon the problems of our own hemisphere when alien ideologies from the Kremlin triggered small and desperate groups who tried to poison the wellsprings of good will between the Americas by doing violence to Vice President NIXON. His courage and patience, his statement that he came as a friend and he left as a friend set a model for all of us and both exposed and repelled the efforts of Communists in the Western Hemisphere.

All of us applaud this lesson. In these times of peril, with a world divided—in fact in the words of Lincoln, "half slave and half free," we must be more than good neighbors—we must be allies.

There was an earlier vision of this need in a time of mutual danger.

Some 135 years ago, Simón Bolivar, the great liberator, had a vision of a united America; a confederation of American States cooperating with one another for mutual defense and for the peaceful solution of possible conflicts that might arise between them.

Later, in 1868, the Congress of the United States invited the other American States to meet in Washington to discuss plans of closer commercial relations. On the following year, the First International Conference

of American States was held, establishing the Union of American Republics, which today is called the Organization of American States.

In those initial years, many important Pan American conferences were held. During the 1930's, as a natural consequence of those first inter-American meetings, inspired by the need and the desire of all nations in the Western Hemisphere to bring about closer understanding and friendship, the good neighbor policy was initiated by the United States, under President Roosevelt, with the reciprocal support and cooperation of all the other American Republics.

The good neighbor policy brought about innumerable benefits regarding mutual defense and cultural, economic and political cooperation. It was an indication of a new golden age in the part of the world which we here today share.

With the establishment of this great and vigorous example of peace and understanding between nations, the entire hemisphere began to recognize that it was in a position of decisive leadership governing the progress of our nations and one of responsibility for their safe guidance toward the world of tomorrow.

But then came World War II; Korea came in its wake. Two tyrannies were crushed by the Allies, but since even another has arisen who, like a cunning fighter, punches first with one hand and then the other, diverting attention first to the blockade of Berlin, then to the rape of China, then to the Middle East, then to Korea, then to southeast Asia, then to the Middle East again, then to Indonesia, and then with brilliant timing they lit the fuse to a fury in South America, and now—you can depend upon it—they will exploit the convulsions in France, a sturdy ally of America and a proud member of the big three of the Western World.

Ten times in 10 years the Communists have struck at widely scattered targets, in Asia and Europe, and so it is no wonder that the statesmen of the Western Hemisphere have found it difficult to implement the dreams of Bolivar and that of the Congress of the United States in 1888.

At a time when we should have been strengthening our ties as allies, our common enemy had begun to gnaw away even the ties of good neighbors, and neglect was an aid to our enemy.

But now the enemy has been stupid—the violence to Mr. NIXON has served to sound the alarm, as the sputnik did on another front. They tried to weaken ties in our Western Hemisphere. We would be foolish to let slip this chance to profit from the lessons of history. Now is certainly the time to issue another call like that of the Congress of 1888.

If the leaders of both Houses of the Congress of the United States would today issue a call to their opposite numbers in the Congresses of their sister republics to the south for a mighty gathering of the leaders of the Western Hemisphere, I am convinced they would be greeted with instant and eager cooperation.

Perhaps it is because I am new to diplomacy—or it may be because I am an architect—that I dare dream up such a blueprint. Perhaps it would be more realistic to suggest that the Organization of American States, proceeding through the normal channels of its Economic and Social Council, should invite the hemisphere nations to such a meeting.

But I venture to suggest that—however the meeting is called—we rise to the challenge and find a summit of our own for the solution of our common problems, in the face of our common enemy.

I am sure that my own country, Cuba—which I have the honor to represent in this great Nation as Ambassador, would be most willing to participate in any way so as to contribute to the reinforcement of relations among all of the American Republics.

As to our own economic situation, our standard of living and our commercial relations, it is very possible that many Americans—and some Cubans, for that matter—do not realize that Cuba is not only a changing nation, but also a growing one. No one can fail to be impressed by the enormous forward strides which Cuba has made in recent years. Communism had counted on the economy of capitalism to crumble. They counted wrong in Cuba. The economy of Cuba is as strong as the rock of our islands.

In September 1956, the Banco Nacional issued a progress report covering the preceding 4 years of Cuba's economic development program. It stated that new investment programs by both foreign and domestic capital during that 4-year period totaled $612 million in 211 industries, which had been created, expanded, or projected beyond the initial planning stage. Among the most important investment programs reported by the Banco Nacional were roughly $221 million to be invested by the Cuban Electric Co., $50 million by the Freeport Sulphur Co., $43 million by the Nickel Processing Corp., and approximately $100 million by the petroleum industry. In addition, an outlay in excess of $40 million is contemplated by the Cuban Telephone Co. By March of 1957 these investments were increased by another $142 million.

Why have Americans invested so heavily in Cuba and in its future?

There are, of course, many reasons, among which are a high level of United States savings; facilities, or products, that Cuba is in a position to provide; certain tax exemptions which are offered by our country—and, probably, because you really liked what you saw and found in your closest island neighbor and republic.

Throughout this address you may have noticed that I have tried to avoid the common term which generally is applied to all the American republics south of the United States: Latin America. It is a too general—or a totally comprehensive—term. It implies that if one nation has a particular problem, the solution of that problem is undoubtedly applicable to every one of the other so-called Latin American republics.

Nothing could be further from the truth.

For example, Cuba has no major economic problems at the present time, nor any really vital social maladjustments. However, throughout its entire history, Cuba has had its peculiar, and sometimes serious, political growing pains.

Although it is difficult for any nation to really understand the internal political problems of any other country, let me illustrate our dilemma. Recently certain foreign elements have tried to interfere with, and confuse, our own normal political evolution. Perhaps I should clarify this internal political problem.

Recently Communist-assisted elements attempted to exploit the responsible political opposition—which, of course, exists in Cuba as it does in most other countries. And, following instructions from their headquarters in Moscow, the main objectives were to destroy Cuba's sugar crop, launch the country into a complete chaos, let crime, envy and vengeance reign, and then proceed to turn Cuba, the Pearl of the Antilles, into an instrument of international communism—only 90 miles off the shores of the United States.

In spite of all those organized plans, the self-reliant and intelligent people of Cuba did not take the bait.

The sugar crop of Cuba was successfully brought in without disorder—5,000,500 tons of it. And more, we have just recently added another 100,000 tons for the American consumer to make up the sugar deficit in the Puerto Rican and Hawaiian quotas. And when I left home, there were still fields of cane standing.

The much publicized general strike was also a failure because it lacked the support of Cuban organized labor, of the strong Cuban middle class—and because the Cuban Government acted with swift courage and patriotism under firm and constitutionally elected leadership.

It is our firm objective to proceed to an orderly exercise of that most precious instrument of democracy—the use of the secret ballot to elect a new President and Congress. Already a new date has been set as proposed by the superior electoral court and this date will be met. We are ready to invite observers from the United Nations and we now invite the press of the free world to come to us during our elections this November and report what they see.

In the past few months, violence, terror, and rebellion have compelled Cuba to take the special measures prescribed in our Constitution to limit certain liberties guaranteed in normal times by said Constitution, as they are by yours. These liberties will be immediately restored as they were before, as soon as these abnormal conditions end.

Yes, the Cuban people form a changing and maturing nation with a considerable amount of social experience behind them; they would like to be known at home and abroad for the sanity of their politics and the progress of their social and economic development; to live in an atmosphere of political stability and mutual confidence, eliminating recurrent revenge and relentless personal ambitions—ambitions which can only produce fatal consequences to an organized society.

In the past, when the means of communication were much less extensive than they are today, the internal political problems of each sovereign nation were strictly her own. Nowadays each sovereign nation relinquishes at least that portion which is locked into her own friends' and neighbors' interest in their own mutual concerns. So perhaps this portion of our Cuba political affairs should be placed in your open view, and on an international level.

I have taken this liberty in the brief time I have been before you.

Mr. President and members of the Pan American Society and the Cuban Chamber of Commerce, upon closing this address—and thanking each and every one of you for the cordial hospitality which you have extended to Senora Arroyo and myself—I would like to leave you with this thought which I feel is in accord with the high ideals of your organization: The democracies of this hemisphere and of the entire world have too much to lose in these days of Communist attack for us to remain peacefully indifferent to assaults upon our institutions.

I thank you.

MAY 18, 1958.

The Honorable VICTOR L. ANFUSO,
House of Representatives.

DEAR MR. ANFUSO: I have read with interest your letter of May 15, 1958, and the remarks which you made in the House the previous day regarding a plan for a Pan American Parliamentary Association. I strongly favor moves which will bring together representative citizens of the different American nations on a plane of mutual interest.

I should think that Members of the Congresses of the American Republics would enjoy periodic meetings to exchange views, and I hope that an improved understanding of each other's problems would result. I would expect better results from informal discussions than from formalized debates, where oratory and rules of procedure might stand in the way of a genuine exchange of views. Differences in language might, of course, also prove something of a handicap.

In order to be genuinely successful, it would seem preferable that the association be the spontaneous creation of members of the legislative bodies of two or more of the American Republics. Any appearance of executive initiative in this matter would, I think, probably detract from the acceptability of the proposal. Perhaps you and other Members of the House and Senate might correspond with congressmen and senators of your acquaintance in the other American Republics and obtain their views regarding the desirability of creating an Inter-American Parliamentary Association. The meeting of the Interparliamentary Union at Rio de Janeiro in July of this year should also provide a forum for exchanging views with Latin American congressmen.

Many thanks for your initiative. New ideas are always welcome.

Sincerely yours,

R. R. RUBOTTOM, Jr.,
Assistant Secretary.

We Shall Be Free

EXTENSION OF REMARKS
OF

HON. W. J. BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1958

Mr. DORN of South Carolina. Mr. Speaker, our colleague, ROBERT W. HEMPHILL, has impressed all of us since becoming a Member of this great body. We in the Congress admire his forthright and courageous statesmanship. He is beloved and respected by his constituents. BOB HEMPHILL is in constant demand as a public speaker. I commend to the House the following address by Congressman HEMPHILL to the graduating class of Winthrop College, one of the greatest colleges for women in the world today:

WE SHALL BE FREE

(Address delivered by Hon. ROBERT W. HEMPHILL, Member of Congress, Fifth South Carolina Congressional District, on the occasion of graduation exercises at Winthrop College, Rock Hill, S. C., on June 1, 1958)

President Sims, honored members of the board of trustees, honored and distinguished guests, distinguished visitors, and, particularly, accomplished members of the Winthrop College graduating class of 1958, I believe that the class of 1958, and their generation, will be equal to whatever problems the future may hold for the men and women of this Nation and of this globe.

I suppose every graduating class has had hurled at them the oratorical challenge of their time. I remember my own graduation from high school so clearly, when the valedictory address reminded us again and again that we were children of the depression. The depression, at that time, was just another problem of our day. In fact, a high school student who had an automobile was very, very rare, and not the subject of any real or appreciable envy. We had good health, youth, a world that had plenty of sunshine and lots of fun.

You have a better world, and for all that they may say about it, you are equal to it as you will be equal to whatever befalls you—and I for one have no doubt about it. I implore you to have confidence without conceit, determination without dogmatism, and a love for your country and all that it stands for. Patriotism is a virtue, a must in our present and future thinking.

Now, as the politicians say, "let's look at the record."

Somehow, despite the warnings that your generation was going to the devil, each of you here has accomplished completion of a high school education. At that point, because of the physical changes affecting all human beings in their teens, you were probably a little confused, sure but unsure, happy but concerned over your next course. Some wise parent, loved one, or friend directed you to this great institution. Whatever the difficulties have been here, personal, scholastic, or otherwise, you have overcome them. You have, therefore, two significant accomplishments to your credit, not to mention the honors which you have received while a student here.

I welcome you as a partner in responsibility—you now have your part to perform in the present and future of this Nation. Until this day you were dependent on your parents, your teachers, your Nation. As of this proud moment they become dependent on you. For—

If there be any hope, it lives in you and what your generation can do with the problems of the Nation.

If there be any future for this Nation, this people, you are that future, and will either sacrifice sufficiently, perhaps die productively, or this Nation will fade and take its place in past history with others whose people, aside from their natural resources and opportunities, were not sufficient for their time.

If there be any Government, it is you, for ours is now, and must continue to be, a Government of and by the people. Now you must earn a living. You must support yourself. You must pay taxes. You must support the community. Your contribution must support the church. You must lead in good things.

Why?

First. You are a college graduate, and everybody knows it.

I expect more of you, so do your friends, and your parents, and the world.

Second. You are a graduate of Winthrop College. In the past this great institution has been a bulwark, of great and sufficient education, and of training and character, and in every walk of life graduates of this institution have contributed to the betterment of the community, State, and Nation. In the present, Winthrop is a great institution, known and recognized throughout the educational world. In the future, I am sure its destiny has a far and even greater place in the sun, because of the growing emphasis on the need for education in America, and the fact that your lives must and will reflect and perpetuate the great good that this institution can inspire, and the education it has entrenched in your minds.

Not long ago I picked up a city newspaper, and, to my great distress, read where a young man whom I had known had committed a terrible, heinous crime. The headlines stood out: "Former ——— College Star Commits Burglary."

Think of what he did to his institution.

Think of what he did to his friends.

Think of what he did to the State from which he came.

Think of what he did to his family name.

Little as you may think, as you make application for any position, or your engagement is announced, or your name appears anywhere in the public eye, the fact that you are a graduate of Winthrop College is recounted over and over. Winthrop College graduates are the cream of the crop.

I have a very personal feeling about Winthrop College. Not only was my mother a graduate of this institution, but no less than 15 members of my family, either of my generation, or of previous ones, have come here. I salute the wonderful impact this had on their lives, and I predict the same to you.

There are certain significant symbols on the national and international scene of which I hope you are aware. I say aware, and I mean just that.

Perhaps you have studied government or the theory of government, in one or more of your courses. If so, I congratulate you.

If you have not, then your application, or mental attention to the affairs of your day and Nation, should begin as of this moment. Reflect only briefly, and you will find that the activities of the Government of the United States effect and affect your daily lives more than any other one thing, except, I hope, your religion.

We have accepted as elementary the supposed balance of powers between the three branches of our Government, the legislative, judicial, and executive. If you read the daily papers, and I hope that is a part, a considered part, of your continuing education, you cannot escape the realization that on every side is criticism of this voluminous, top-heavy, United States Government. We have too much Government, and one of the reasons that we have too much Government is that fact that the powers of the various branches are out of balance.

Recently the Judiciary Committee of the Senate of the United States approved the Jenner bill, introduced by Senator JENNER, of Iowa, and approved by a vote of 10 to 5. The fact that this legislation is so popular, and considered so strongly by these great men, is significant. The Supreme Court, instead of interpreting the laws of the Congress, has attempted to legislate by decree. Their dictates, in the form of decisions, have had paralyzing influence upon the social life of this Nation, the ability of this country, and the various States to deal with subversives or with Communists, the power of law-enforcement officials to enforce the law and give us a safe, free land. The Supreme Court is under criticism from not only the most prominent members of the bar, but by a Congress which is appalled by the departure of this branch of the Government from its traditional practices, and its historic place. It is with great reluctance, as a lawyer, that I make this statement, but it is my sincere belief that the powers of the Supreme Court of the United States must be curbed by appropriate legislation, unless the Court will return to its constitutional place in the framework of our Government.

The executive department of our Government has strayed from its traditional and historical place, and has become nothing but an immense, bungling bureaucracy of itself. In the 10 years between 1949 and 1959 the White House top staff has doubled. The pay for fiscal 1949 was $6.55 million in the executive branch of the Government, as compared to $11.7 million for 1959, and during the same period, we have seen an unnatural and unhealthy decline in the leadership normally expected of the executive branch of the Government. Despite the surrender of many powers to that branch, including a premeditated policy of allowing Executive orders to be issued from the White House, the potential power of the White House has been, unfortunately, in other hands. Redtape, or palace guard, overadministration, instead of simplification, has been detrimental to the best interests of the country.

Congress, on the other hand, has surrendered far too many of its powers. Many years ago a great and good man from the hills of Tennessee was called to the post of Secretary of State of his country. Perceiving the need of his country for certain strategic materials, and the possibility of developing trade and at the same time stockpiling those materials, he advocated and promulgated what is now become to be known as the reciprocal-trade program. We were supposed to buy from foreign countries, either of this or other hemispheres,

strategic materials which we did not have as raw materials of our own, or manufactured goods not in competition with those of the United States. These other countries in turn were to buy from us either manufactured goods, which we are so capable of producing, or strategic materials of which we had an abundance of which the other countries desire to possess.

Over the years a group of internationalists, self-styled internationalists of this country, and others whose greed was covered by a thin veneer of pseudodiplomacy have misused the reciprocal-trade program to develop unfair and unwarranted competition in foreign lands. The textile industry today suffers from textile imports produced by former enemies, or those who daily criticize our standard of living and our American way of life; the plywood manufacturer needs help in the form of corrective legislation, as his investments have been endangered, his employees overshadowed with part-time potentials caused by the import of plywood from other countries. On the west coast the tunafish industry is gradually slowing down to a standstill because of the imports of tunafish from foreign countries. It would not be so bad if all of these were not encouraged by those who would make us a secondary Nation by destroying not only certain parts of our industry, but our confidence.

You might ask why the Congress of the United States has done no more about it. The Congress long ago surrendered to the executive its potential for quick remedy in the field of reciprocal trade. We are faced this very day with the possibility of a reciprocal trade program which will continue to ruin us by practices which are affecting your country and mine. The President will not give us relief, the Congress must.

Such is the picture, today. It is, in part, discouraging. I believe, however, that your generation will demand a return to the type and kind of Government which made this country great. I am mindful of the fact that the taxpayer in this State and his forebearers, spent heartbreaking and backbreaking years trying to make this country great for two centuries before the internationalists got in the position of leading us on the road to destruction.

I am in no sense an isolationist. I just believe we should put America first.

Tuesday morning I go back to the halls of Congress. If you have never visited the Capitol of the United States, I hope you will do so. I hope you will come in the House Chamber and thrill with me at the inspirations I see pictured or portrayed there.

As I sit in my seat, above me is the American eagle symbolizing freedom and power. Around this great symbol in glass, are in plastic, the seals of the 48 great States of the Union, including the magnificent seal of our own State. Up around the walls are the busts of the great law givers of this and other nations. Standing in front, to the west of the Speaker's chair, is a magnificent portrait of George Washington, the Father of our country. Opposite, and to the right, a portrait of Lafayette, who symbolizes the kind of friendship we want with our foreign brothers and the people of our foreign lands. Above the chair of the Speaker, forever enshrined in a magnificent marble tablet, is a reminder to you, and to me, of our duty to this land and to its people. It reads as follows:

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered."—DANIEL WEBSTER.

This then is the only challenge I give you. Again, I am sure you will make the grade. Tomorrow, and forever, America must be free, sure and secure, fine and defined, one Nation indivisible, under God, with liberty and justice for all. To this, and this alone, we, and each of us, pledge our hearts, our lives, our trust.

We shall be sufficient.

We shall be free.

Thank you.

Memorial Day Address by Representative Keating

EXTENSION OF REMARKS

OF

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1958

Mr. ROBISON of New York. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by my distinguished colleague, the Honorable KENNETH B. KEATING of New York, during the Memorial Day program at the Bath, N. Y., Veterans' Administration Center, in my Congressional District. His words are timely and important, and I am proud that he was able to speak in my district on such an important occasion.

SPEECH OF REPRESENTATIVE KENNETH B. KEATING, OF NEW YORK, DURING THE MEMORIAL DAY PROGRAM, VETERANS' ADMINISTRATION CENTER, BATH, N. Y., MAY 30, 1958

Memorial Day is an occasion of particularly deep significance to all Americans. This is the day when we pause to look back with reverence and awe to those who sacrificed that we might remain free. We meet to rededicate ourselves to the timeless principle that those patriots shall not have died in vain. We gather to resolve anew that we will conduct ourselves in a manner which will insure the continuance of those things for which they fought and died.

But much as our thoughts must and should linger on those who have gone before, and who gave their lives to preserve our way of life, we cannot ignore the present and the future. Those we honor today would not want us to do so.

They would want us to steel ourselves in the ideals upon which our Nation was built so that we can better withstand the threats to our existence. They would want us to maintain our national defenses so that no thoughtless enemy will be tempted to attack us. They would want us to be alert to all who would infiltrate into our midst and destroy us from within. And they would want us to pursue the pathways to peace with vigor and persistence, yet with caution.

Those whose memory we honor today would first warn us to be well aware of the military threat posed to this country by the international Communist conspiracy. I believe they would be satisfied that this Nation is fully alerted to the dangers inherent in the technological, scientific, and material progress made by the Soviet Union. They would be satisfied that the American people realize what could happen if we were to allow our Nation's defenses to falter.

Hydrogen bombs and masses of armed men, hundreds of long-range submarines and high flying missiles—these are the easily-recognized tools of a conspiracy dedicated to the destruction of every vestige of democracy. The ruthless rule of Communist overlords behind the Iron Curtain is clear proof of the fate which awaits us should we fail to provide the tanks and planes, the missiles and bombs to meet this threat.

Congress, backed by the will of the American people, is responding adequately to this military challenge. Significant steps are being taken to insure the presence of sufficient military muscle to prevent the further expansion of the Soviet sphere of terror through overt aggression.

But we shall not be able to maintain our national defenses at the proper level unless we continue our willingness to make the sacrifices necessary to do just that. For example, because the cost of keeping our guard up is so costly, we cannot look for any immediate, sweeping cuts in taxes. For to cut taxes and still continue the necessary high level of spending for defense would be to tamper with the fiscal sanity upon which our whole economy must balance. And unless we retain a strong and sound economy, no amount of military might can keep us from tumbling into the hands of the enemy.

However, it is the second part of the threat posed by the Communist conspiracy which would primarily concern those whom we honor today. That is the threat posed by the subversive activities of the Communists. For those who fought and died in their Nation's defense would know that America cannot survive if it is not alert, ready and able, to combat those who would destroy us from within.

It is amazing to me to hear the talk of those who have come to the conclusion that the threat of Communist subversion in America has been met and destroyed. In the face of the constantly reiterated objective of the Communist conspiracy to dominate the world, it is like playing with fire to be complacent about its conduit in this country, the Communist Party of America.

The diminished membership lists of the party in this country and its lessened activities in the realm of readily identifiable propaganda have led some to the specious conclusion that domestic communism no longer constitutes a threat to this country. This rose-tinted thinking flies in the face of reality. It fails to comprehend the vicious nature of communism, its philosophy and its tactics.

To bring reason into the picture, one must begin with the objective of communism. Even at a cursory glance, it is clear that the comrades intend to conquer the world. And it is equally clear that the major obstacle to that end is the United States of America. This Nation, in short, is target No. 1.

As a result, this country is the sounding board for all kinds of Red ruses designed to make us easier prey for the inroads of those who would destroy us. The Communist Party in this country is just one manifestation of this effort. But the reaction of many people to it and its activities is most revealing.

Those who say we should allow these people free rein are being criminally naive. Such a position presupposes the Communist Party is just another political movement expressing its views and striving through democratic methods to gain control. History gives the lie to such colossal ignorance.

We must never lose sight of the incontrovertible fact that communism is dedicated to the systematic and total destruction of our free way of life. Their only problem lies in determining how they are going to do it—there is no question that is what they want to do.

With changing times and changing circumstances, the tactics of the Communist vary. For example, the times may call for the exercise of brutal force to put down bids for freedom, as witnessed by Poland and Hungary.

Or, circumstances may call for a soft approach on the surface. This soft approach promotes campaigns of smiles and promises

of friendship. It seeks to lull us into a sense of relaxation and trust. And its end purpose, of course, is to bring about a deterioration of the Free World's capacity to defend itself. It is this approach which is presently being employed against us.

How effective this approach has been is becoming all the more apparent each day. A growing body of persons in public life in nations allied with us are saying there is no longer any point in building the defense of freedom against Communist aggression. These pessimists, ignoring all moral principle, appear to advocate acceptance of Communist domination as the lesser of two evils—such domination as opposed to the risks involved in developing an adequate nuclear defense potential.

The complacency of those who would have us lower our guard against communism indicates they have lost all self-respect, all love of God, of country, and of home, if, as they indicate, they are willing to accept surrender to communism rather than chance the dangers involved in standing firm against that evil. These pessimists promote the theme that we must put our trust in the word of the Communists, accept at face value without proof that they will do what they say they will do—and hope for the best. Should such thinking ever gain ascendancy in America, then God help us all.

Unfortunately, those who minimize the present danger by dismissing the Soviet fifth column in America as a feeble and dissident group are, in fact, advocating the type of complacency which is dangerous in the utmost. This complacency, in small but growing circles, would have us forget entirely that the Communist Party of America is an integral part of the international conspiracy. It ignores the fact that the party is a termite burrowing its way into the vitals of our system.

These proponents of complacency would have us forget the United States is the bulwark of the Free World and that other countries look to us for guidance. If we ignore the Trojan horse in our midst, it is hard to see how we can expect vigilance in our sister nations.

The lesson to be learned is plain. We must maintain a constant alert against the domestic threat of communism so that we can protect not only ourselves, but can also set an example for our allies.

Certainly it is true that the Communist Party in this country is smaller than it was a dozen years ago. This is simply a part of the overall world decline in formal membership of Communist organizations.

Khrushchev's attack on Stalin in February 1956, and the Russian intervention in Hungary in November of that year resulted in world Communist parties splitting into factions. What has generally been overlooked is the fact that as a result the Communist parties have now been stripped to the dedicated, disciplined, hard-core members ready to do Moscow's bidding.

Generally speaking, old leaders who were critical of Soviet actions or who favored the nationalist or independent brand of communism have been ousted. The result is that most Communist movements—including that in the United States—have come under the control of rigid followers of the Kremlin. This means that the outwardly weakened parties, ridding themselves of all doubters, now are tied closer than ever to the Soviet Union.

In the United States, party membership is down to an estimated 7,000 or 8,000 from its reported 17,000 some 2 years ago. Fourteen years ago, at its peak, the party had 80,000 members enrolled.

In addition, recent battles within the party have led to the folding of the Daily Worker—the official newspaper in this country—and the defection from the party of some of its luminaries. All of this culminated in the pro-Moscow faction taking complete control and approving the Moscow resolution drafted by 12 Communist parties which explicitly asserts the Kremlin's authority over all parties.

One must take all this talk of resignations and defections from the party in this country with a big grain of salt. There are grave doubts that those who have broken away were motivated by the conviction the ideology they once espoused is wrong. Few of those who have ostensibly broken with the party have come forward and offered their services to their country. They have yet to prove a clean break with a Communist past and their right to wholehearted acceptance as Americans worthy of the word. It is downright discouraging to study how few of the thousands who have ostensibly broken with communism have actually taken a strong stand on the side of freedom.

Complacency in this one area alone may enable the development of a more deadly underground than any previously witnessed. Thus, although we may look upon the shrinking membership lists of the Communist Party as a hopeful sign, we must be ever mindful of the fact that what remains is the dedicated core of real zealots. And we must also be mindful of the fact that many of those who claim they have renounced communism may have done so simply as a ruse to lull us into complacency. The only answer is continual alertness and an awareness of the dangers involved.

The Communist conspiracy may well be compared with an iceberg. It is not the part you can see that is dangerous. It is the part you don't see.

The official Communist organization, the public propagandists who write and speak and direct the aboveboard tactics of the party are not our prime concern. Their distortions and lies are so obvious that few Americans can be duped by them. With these people, it is pretty plain that they are simply puppets of the Kremlin who dance while Moscow calls the tune.

It is the underground portion of the Communist iceberg, the fronts and the pinks who profess belief in America, who represent the real threat. There are, for example, many vigorous movements afoot to promote mergers of united fronts with non-Communist Socialist and leftwing groups. Other Kremlin-tied traitors are busily working themselves into positions near the vitals of our lines of communication and in key industries. They want to be in positions of importance if and when the moment to strike arrives.

Perhaps most discouraging of all is to witness the clever use made by the Communists of various high-sounding and allegedly good front organizations. By means of such groups, the Communists have succeeded in enlisting literally thousands of well-meaning people to work, at least indirectly, for their cause. For example, strong efforts are made to gather opposition to American efforts to help arm our allies. Often such opposition is spearheaded by Communist front groups. In a word, psychological warfare has been tempered to a fine point and now constitutes a major weapon in the Communist arsenal of subversion.

The work of these front organizations is typical of the new line adopted by the Communists to meet the demands of their present situation. The leaders of the party have obviously decided they must adopt a program psychologically acceptable in order for their representatives to achieve influence in the market place of ideas.

That they are achieving their aim to a considerable degree is all too apparent. There are many indications that persons in positions of influence have accepted at face value the Communists' own portrayal of their party as a weak and ineffectual body which constitutes neither a present nor a potential threat to America.

These people utterly fail to comprehend that the Communists of America are totally obedient to Moscow. They take their clue from the Kremlin. They adapt their work to the Kremlin line. And party leaders in the United States who fail to follow that line slavishly are being forced out of positions of leadership.

Clearly, the present situation dictates that the Communists will continue their soft line. In view of their advances thus far by means of propaganda, the use of belligerent tactics would be unwise. More progress can be made by a defensive posture. Therefore, it is to their advantage to promote a climate of complacency and to lull Americans into an apathy which will enable the party to work its will.

It would be well for all of us to be alerted to the ends and objectives the party intends to achieve. In that way we can better combat them.

First, the Communist Party is bent on getting across the idea that it is feeble in strength and numbers, without reference to the underground. It seeks to repair its tattered cloak and regain a semblance of respectability. It desperately desires to quiet voices which expose its real objectives, such as investigating groups and the Federal Bureau of Investigation, and attempts to render them ineffective. It seeks to dull the moral teachings of the great religions. It strives to promote confusion and create continuous alarms concerning the danger of immediate war. It seeks to create disunity and promote civil disorder. It works to besmirch American traditions and American ideals.

At the same time, the Communists utilize every trick in supporting legislation which they believe will lead toward the achievement of their major objectives. The party seeks to promote phony friendship meetings between members of the free and slave governments for propaganda purposes. It seeks to promote still more fronts which serve as transmission belts for the current Communist line of peace and friendship.

The party strives to push its own concealed members into higher positions in unions and labor organizations in order to extend their power and create a potential for future sabotage. It strives to infiltrate news mediums, civic, religious, and educational organizations. It promotes dissension between races and religions.

It seeks to decrease resistance to the Communist philosophy by promoting the specious idea that its advance is inevitable. It strives with amazing success to dispose of its effective enemies by every form of character assassination known. Perhaps its greatest achievement is its success in inducing, on the part of many Americans, an unwillingness to believe the facts concerning the Communist conspiracy, no matter how incontrovertibly they are presented.

I pose these tactics to you not as something which might be going on, or could some day be carried out. They are stratagems which are being employed daily in our country by those who would have us ground under the heel of Moscow. They are very real threats to our way of life and to the things for which the men whose memory we honor today fought and died.

I pose these tactics to you so that perhaps you may be better able to spot them and thus be better prepared to play your part in combating them. In this connection, I would urge all of you read a book entitled "Masters of Deceit," by J. Edgar Hoover, the magnificent Director of the Federal Bureau of Investigation. This books embodies the findings of Mr. Hoover's 40 years of study of communism. He tells how to spot their tactics, what they are trying to do, and what

we can do to stop them. I hope all of you here today will make an effort to read it. It is the best antidote to a sense of complacency about the Communist threat and it is also the best way to learn how to fight this atheistic menace.

Just as this Nation must remain fully armed to meet the threat of Communist military aggression, so must we be fully armed at home to fight the ideological and subversive threat in our midst. We must make more vigorous efforts to teach positive Americanism. All of us must do a little more thinking and talking about our freedoms and what they mean to us. And we must be ever alert to the dangers of those who would subvert the American system.

We can have no complacency among those who man the ramparts of our Nation's defenses. We must have no complacency on the homefront, either.

A complacent people, unaware of the techniques of infiltration and subversion used by the Communists, can have its morale broken in a crisis. It can become the victim of the psychology of defeat.

Complacency enables communism to conceal its cruelly repressive nature. Complacency enables it to utilize the weapons of lies, deception, exploitation, and amorality to scheme and jockey its way to power.

Complacency invites us to forget the brave freedom fighters of Hungary, to ignore the tons of propaganda pouring in a flood from behind the Iron Curtain to nationality groups, and to see the hard core of the enemy's fifth column as a small, dissident element.

In the face of the absolute evil of communism, this is a dangerous illusion. When a person knows he has a cancer, he doesn't shrug it off with a comment about not worrying about a little cancer. Nor does one permit a rattlesnake the run of his house because it's just a little rattlesnake.

As the reins of Communist power are gathered tighter in the hands of a dictator, as the comrades spew forth their campaign of smiles and friendship, as the nefarious fronts work their insidious designs, let us never let down our guard. Let us not fall into their trap of complacency.

Those to whom we pay homage today would, I am sure, be the first to warn us of the trap of complacency and lassitude. They would want us to keep our Nation's defenses strong. They would want us to make the sacrifices necessary to stay free. They would want us to work and fight for the American way of life and to work and fight against the cancer of communism.

For they would know that if this Nation can remain spiritually, morally, ideologically, and militarily strong, the hopes for world peace will be immeasurably improved. They would know that in a climate of forewarned and forearmed, America can do its part to insure there will be no more wars and no more heroes to honor on Memorial Days. They would pray that we be equal to this task.

To be an American imposes great obligations. We must be tried and true not only to ourselves and our families, but also to those who have gone before. Each and every one of us owes a solemn and deep debt of gratitude and reverent thanks to those who sacrificed that we might remain free.

As we mark this Memorial Day, 1959, let us be ever mindful of what it is these heroes fought and died for. And let us reaffirm our dedication to those ideals which have made America great.

It is a great challenge. It is a challenge which confronts every American. If we are to be true to our noble heritage, if we are to be worthy of the trust left to us by those who died to keep us free, we can and must meet that challenge. I have every confidence we are equal to the test.

Tips and Cash Gratuities To Be Included for Social-Security Benefits

EXTENSION OF REMARKS

OF

HON. ALFRED E. SANTANGELO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 30, 1958

Mr. SANTANGELO. Mr. Speaker, millions of service workers are denied the social-security benefits based on their tips and cash gratuities. To correct this inequity and to make social security more realistic, I introduced H. R. 6032. The following is a statement which I personally made to the Committee on Ways and Means in support of this very important legislation:

STATEMENT OF HON. ALFRED E. SANTANGELO, CONGRESSMAN FROM THE 18TH DISTRICT OF NEW YORK, IN SUPPORT OF H. R. 6032

Mr. Chairman and members of the committee, I thank you for the opportunity to present a statement in support of my bill, H. R. 6032, which provides that tips and gratuities be included as wages under the old-age, survivors, and disability insurance program. My bill will correct an injustice, increase revenues, and will make realistic the social-security benefits for service workers.

You gentlemen are certainly aware that tips and cash gratuities are considered as wages for income-tax purposes. At the same time, tips and cash gratuities are disregarded for the purposes of social-security benefits. Such a situation is obviously unfair and unrealistic. The only reason that tips were excluded originally in computing social-security benefits was that it was thought that to include them would be impracticable, and there was a desire not to encumber the social-security system with difficult administrative problems. Experience and time have demonstrated that those deficiencies and difficulties no longer obtain. Experience shows that a workable plan of computing tips is not only possible, but also administratively practicable.

Eight States and the District of Columbia require that tips and gratuities be treated as wages received from the employing unit. Unemployment compensation regulations in 14 other States under certain conditions recognize tips as wages, such as where an employee gives an accounting to his employer of his tips or where tips contribute more than 50 percent of the employee's base earnings. In the State of New York, in an analogous situation, namely, the computation of taxes on board and lodging, tips and gratuities for unemployment insurance purposes, the New York State Industrial Commission has issued rules which solve the problem inherent in the situation.

I believe that my bill offers a satisfactory and workable solution to the difficulties of computing tips and cash gratuities. Under its provisions, the employee will inform his employer of the amount of tips received during a given month within 10 days after the close of the month and turn over to the employer the amount necessary to pay the employee's share of the social security tax on the tips.

An alternative method of determining the amount of tips received by certain types of employees is provided in the bill. If the employee chooses, he may use this method of reporting tips rather than be compelled to keep a strict account of every cent received.

My bill is divided into four sections. Section 1 of the bill adds a new paragraph to section 209 of the social security law and provides that tips and other cash gratuities received by an employee in the course of employment from persons other than his employer shall be considered remuneration for purposes of payment of social security taxes as provided for under chapter 21 of the Internal Revenue Code of 1954.

Section 2 of the bill adds another paragraph to section 3121 of the Internal Revenue Code of 1954 and provides that tips and cash gratuities customarily received by an employee in the course of employment from other than the employer shall be considered remuneration for purposes of social security.

Section 3 of the bill adds a subsection (p) to section 3121 of the Internal Revenue Code of 1954 and this subsection (p) is divided into 4 parts. Each part sets forth a method for the computation of tips and cash gratuities for purposes of social security. The amount of tips received is the actual amount received, or in the alternative, an estimated amount based on experience and set forth in a schedule.

Subsection (p) subdivision (1) on page 2 of the bill provides that where an employee within 10 days after close of any month reports to his employer the amount of tips which he received during the month and pays to his employer the required rate of social security taxes, then the total amount which the employee reported shall be considered remuneration paid to him by the employer and the sum so paid shall be treated by the employer as though it had been deducted from wages.

Subsection (p) (2) provides an alternative method for computing tips as wages for nine designated groups of employees. It sets forth a schedule of tips. This part of the bill provides that in lieu of actual tips received by the employee, he shall report an amount which experience shows service groups on the average receive. The nine service groups and the amount which they are deemed to have received in lieu of reporting actual tips and cash gratuities are as follows:

(A) Beauty parlor operators: 10 percent of basic wages.

(B) Service employees in restaurants: 7½ percent of amount charged for food served by employee, however, if employed at counter or drugstore, 5 percent of amount of food served by employee during month.

(C) Dining room employees in American plan hotels and in eating clubs: $2 per day for fulltime employees for waiters and waitresses and $1 per day for fulltime busboys.

(D) Hotel service employees (such as bellhops, porters, baggage porters, or doormen): $2 per day for fulltime employees.

(E) Taxicab drivers: 12½ percent of total bookings if cab operated in city of 100,000 or more, or $9 per week in any other case.

(F) Barbershop employees: 15 percent of base wage for barbers, 25 percent of base monthly wage for manicurists, 5 cents for each customer for shining shoes or brushing.

(G) Baggage porters in bus and airline terminals: $2 per day where employees worked at least 7 hours. Thirty cents per hour if worked less than 7 hours.

(H) Pinboys at bowling alleys: 2 cents for each game boy sets up.

(I) Maritime service employees: Full time: bartender, $1.70 per day; bellboy, $1.80 per day; deck steward, $2 per day; headwaiter, $3.35 per day; night steward, $1 per day; room steward, $2.90 per day; salon steward, $1.75 per day; stewardess, $1.65 per day; waiter, $2.50 per day.

Subsection (p) (3) on page 6 of the bill provides that under certain conditions, no tips shall be included as remuneration for social-security purposes. Tips or cash gratuities shall not be included where—

(A) Acceptance of tips or gratuities is not allowed.

(B) Notice is displayed that tips are not allowed.

(C) Employer adopts reasonable means to insure that tips or cash gratuities are not received.

(D) Employer submits to the Secretary a statement setting forth that tips are not allowed and methods to obtain compliance by customers and employees.

Subsection (p) (4) on page 7 of the bill provides that an employer, upon his election or at the request of the employee, may withhold from the base wage the social-security taxes on the amount of tips which he estimates the employee will receive.

Section 4 of the bill deals with the effective date of law and provides that the amendments shall apply only to tips received on and after the first day of the second month which begins more than 10 days after the enactment into law.

The custom of rewarding a person for satisfactory services rendered is an ancient one. This custom has become highly formalized with the development of our social habits. Considerable discussion is devoted to it in our best etiquette books. It has also become a fixed part of our economic system and, as a result, millions of our workers today depend upon the receipt of gratuities or tips in order to earn a living.

We are all aware of this. Each time we eat in a restaurant, get a shoeshine, have our luggage handled, we know that the person serving us must depend upon our tipping him for a substantial portion of his or her daily wages. It is now part of the system governing the relations of these persons with their employers.

As I understand, a great many of these personal service personnel would like to see the system changed. They would prefer to have an assured weekly wage and have the cost of their services taken up in the bill presented by the employer to the customer. This, of course, is a subject which is beyond the power of a legislature to handle.

These people, however, have another problem—one for which the Congress, and this committee in particular, should take responsibility. They are denied the benefit of social security coverage of that portion of their income which comes directly from the customers they serve. Only the low basic wage, which they receive from their employer, may be credited as wages under the present law, except in a small percentage of cases where the employer requires the employee to account to him the amount of tips. The injustice of this treatment is manifest. When these people become eligible to receive their social security benefits, they find themselves entitled to payments which fail to reflect their true earnings histories. This is because the wages which have been credited to them in many cases make up as little as one-half or one-third of their total earnings, counting their tips.

Proposals similar to mine have been offered before. Senator Herbert Lehman submitted bills in the 83d and the 84th Congress to include tips and gratuities within social security coverage. H. R. 8883, introduced by Congressman KEAN of this committee, contains such a provision.

These proposals have met with opposition from only one quarter—the associations of employers of personal service personnel, the restaurant and hotel operators. The reason they have advanced for their position is difficulty of administration—although, one cannot help but recognize that if the proposal were adopted their employer's taxes would be increased. The difficulty, they claim, arises in ascertaining the sums involved in the tips received by their employees.

If difficulty of administration were allowed to prevent the adoption of worthwhile legislation, most of the activities of the Federal Government would never have been undertaken. In this instance, the administration of the bill, while intricate, is not impracticable. The people affected by my bill are entitled to consistent treatment by the Government. We have found ways to collect income taxes based upon their tips. There is no reason why we should deny them social security protection on an equal basis. Simple justice requires that Congress treat service employees fairly and grant these worthy citizens the protection intended for all workers by the Social Security Act.

SENATE

THURSDAY, JUNE 5, 1958

(Legislative day of Wednesday, June 4, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Father of lights, in a world that lieth in darkness swept by fitful winds of despair and tensions, daily we pause at this sheltered sanctuary of Thy grace to make sure that the light within is not dimmed. We lift our anxious and shadowed faces to the one true Light, knowing that if we keep our hearts with Thee, no darkness from without can quench the light that is within.

In this desperate hour, when the world's hope of a brighter tomorrow seems by Thy providence to be committed to our America, freedom's torch for the whole world, join us, we pray, to the great company of unconquered spirits who in evil times have stood their ground, preserving the heritage of man's best, and whose radiant faith has made their lives as lighted windows amid the encircling gloom. We ask it in the ever blessed name of the One who is the light of the world. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 4, 1958, was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

On request of Mr. THURMOND, and by unanimous consent, the Reorganization Subcommittee of the Committee on Government Operations was authorized to meet during the session of the Senate today.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that following the completion of action on the unfinished business, House bill 12181, the mutual security authorization bill, I wish to have Senators know that it is possible that the Senate will proceed to the consideration of the following measures:

Calendar 1659, House bill 7953, to facilitate and simplify the work of the Forest Service, and for other purposes;

Calendar 1660, House bill 5497, to amend the Watershed Protection and Flood Prevention Act;

Calendar 1670, Senate bill 2419, to amend the District of Columbia Unemployment Compensation Act, and for other purposes;

Calendar 1671, Senate bill 3058, to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933;

Calendar 1683, Senate bill 3651, to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes.

I do not expect that the Senate will today reach Calendar 1683, Senate bill 3651, and perhaps it will not be reached until Monday of next week. However, I should like to have all Senators be on notice that it is possible that the Senate will consider that bill soon.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDENT pro tempore. The Senator from Texas.

ORDER FOR RECESS AT 12:20 TODAY

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement or order which was entered yesterday, the Senate will stand in recess at 12:15 today, subject to the call of the Chair, will it not?

The PRESIDENT pro tempore. The recess will be taken at 12:20, under the order.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). If there be no reports of committees, the nominations on the calendar will be stated.

SECURITIES AND EXCHANGE COMMISSION

The Chief Clerk read the nomination of Edward N. Gadsby, of Massachusetts,

to be a member of the Securities and Exchange Commission for the term expiring June 5, 1963.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, during which Senators may introduce bills and transact other routine business, subject to a 3-minute limitation on statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

AWARD OF HONORARY DEGREE OF DOCTOR OF LAWS TO SENATOR BEALL

Mr. BUTLER. Mr. President, on Sunday, June 1, 1958, Mount St. Mary's College, of Emmitsburg, Md., conferred upon the distinguished junior Senator from Maryland [Mr. BEALL] the honorary degree of doctor of laws.

This recognition marks another milestone in GLENN'S long and faithful service in behalf of his constituency. I join with his many friends in Maryland and throughout the Nation in extending him heartfelt congratulations.

Because I believe that his colleagues in the Senate will wish to share this memorable occasion with him, Mr. President, I ask unanimous consent to have printed in the body of the RECORD the citation which accompanied Senator BEALL'S degree of doctor of laws, honoris causa.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

CITATION OF HONORABLE JAMES GLENN BEALL

JAMES GLENN BEALL, United States Senator from our beloved Free State of Maryland, your life-long record of public service displays a devotion to principle so deep and uncompromising that the honesty and sincerity of your career stand as models for all who would enter the activities of government. Your progress to the exalted position you now hold has been the reward of energetic service to the citizens of our great State, first as a member of the Maryland Senate, then as an able servant of the people in the Congress of the United States.

Your open friendliness with great and small reflects your keen desire to understand the problems of your constituents that you might better give them true representation in the legislative halls of our Nation. With easy grace and modest reserve you bear the distinctions that have rightly been laid upon you.

Your notable career stands as pleasant proof of the respect and affection in which you are so widely held among the rank and file of our citizens because of your manifold talents and sincere devotion to the problems of government, and the faculty of Mount Saint Mary's College feels a source of pride in presenting to you, Right Reverend Monsignor, one so worthy of our highest honor.

ADMISSION TO THE DEGREE

Senator J. GLENN BEALL, expert in the art and science of self-government, you have served the people well. You have always demonstrated a patient wisdom and reasoned judgment defying both extravagance of thought and special pleaders who ignore the common good. In recognition of your signal achievements, we are pleased to confer upon you the highest honor within our power to grant, the degree of doctor of laws, admitting you to all its rights and privileges.

ASSUMPTION OF LEGISLATIVE POWER BY THE SUPREME COURT

Mr. BUTLER. Mr. President, opponents of the so-called Jenner-Butler bill, which relates to decisions of the Supreme Court of the United States, have coined a catch phrase, in a frenzied endeavor to create public opinion in favor of their position. "Don't kill the umpire," they shout from every rostrum, and include in their press releases, and even in Senate Report 1586 which accompanies Senate bill 2646.

The analogy to a baseball umpire seems admissible, particularly in the season of the great American game. However, the umpire is governed by rules adopted by the American and National leagues. He does not call 2 strikes an out, or 3 balls a walk, or a foul hit into the grandstand fair. He makes no rules; he merely interprets them.

That the Supreme Court has, in the opinion of many of our citizens, been making and changing the rules, has prompted most of the present criticism of the highest court in the land. The rationale of certain recent decisions offers more than a suggestion that the Court has usurped the function of the Congress. This assumption of legislative power has resulted in split decisions inimical to the best interests of the Nation. With a curious play on words, Communists and fellow travelers have been given license to preach and plot the overthrow of our Government by force and violence. On legal technicalities, which to the layman seem shallow, murderers and rapists have been turned loose. In effect, the high tribunal has diluted safeguards which have been erected to maintain, strengthen, and preserve our way of life.

Yet, when the Congress takes cognizance of this obvious erosion, and seeks to exercise its constitutional responsibility, these critics cry "Don't kill the umpire." The Washington Evening Star said editorially on May 26:

> This is not an approach which reflects much credit on the maturity of those who adopt it. * * * The kill-the-umpire outcry seems to be based on the fallacious notion that the Court is aloof from politics and should be immune to attack or criticism.

Raymond Moley, a noted national columnist, chides these purveyors of the kill-the-umpire idea in these words:

> It comes with poor grace for northern liberals, many of whom were solidly behind the 1937 attack, to prate now about this invasion of the Court's prerogatives. For now, as then, the Supreme Court has simply invaded the legislative sphere and annulled considered policies of Congress. Under the great mandate of the Constitution, this can be permitted only at the cost of national security and representative institutions.

Developing this thought even further, the Saturday Evening Post, in its June 7, 1958, issue, has published a superb editorial entitled "The Object Is To Defend Congress, Not Destroy the Court." Mr. President, I ask unanimous consent to have the editorial printed in the RECORD at this point, as a means of enlightening those who shout "Kill the umpire."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of June 7, 1958]

THE OBJECT IS TO DEFEND CONGRESS, NOT DESTROY THE COURT

Many people who ought to know better regard the Jenner-Butler bill to limit the jurisdiction of the Supreme Court as a gratuitous assault on that body and on the integrity of the Federal system itself. What the bill actually attempts to do is to reassert the authority of Congress over matters which have long been regarded as its indisputable prerogative.

Conservatives who are alarmed over the Supreme Court's invasion of the legislative field are frequently twitted about the supposed inconsistency between their present attitude and their stanch defense of the Court 20 years ago, when the late President Roosevelt attempted to pack it. The inconsistency is more apparent than real. During the New Deal era, Congress, under the lash of the New Deal bureaucrats, rushed through legislation some of which delegated to the executive certain powers which Congress had no right to give away. The Supreme Court of that day intervened to defend the rights of the States and of individuals against a depression-happy Congress.

Today Congress and the Executive are being pushed around by the Supreme Court. The Court dictates the kind of questions which an investigator may ask of a witness; it frees a confessed rapist because the police held him for 7½ hours before bringing him before a magistrate; it declares that Congress in passing the Smith act intended to exclude the States from legislating in the security field, although the actual intent of Congress appears to have been just the opposite. In short, the present purpose is not to hamstring the Court, but to protect the constitutional status of the other branches of the Government.

If there is any inconsistency in attitudes, some of it belongs to the liberals who are

now declaring that any limitation of the Court's jurisdiction—even as provided in the Constitution itself—would be a gross assault on the bastion of our liberties. Liberals who are old enough, in 1937 defended every excess of the legislature and the executive against all attempts at judicial restraint.

In the 1930's a Congressional committee headed by Senator Hugo L. Black, of Alabama, investigated public-utility holding companies. One hapless utility executive was asked by the Senator: "You are an anti-New Dealer, aren't you?" The witness' reply is buried in the files. However, suppose he had refused to answer, and suppose the "reactionary" Supreme Court of that day had ruled that he need not answer because it was not clear what "legislative purpose" was indicated by the question. The most atrophied imagination can reconstruct the howls that would have gone up from the liberal columnists and politicians. And yet to a man they and their ideological heirs defend the recent Watkins decision, in which the Court limited the right of a Congressional committee to interrogate an individual who admitted long cooperation with the Communists.

In the good old days when Congressional investigators were really rough, Felix Frankfurter wrote in the New Republic that "the question is not whether people's feelings here and there may be hurt, or names 'dragged through the mud,' as it is called. The real issue is whether the danger of actual abuses and the actual harm done are so clear and substantial that the grave risks of fettering free Congressional inquiry are to be incurred by artifical and technical limitations upon inquiry." As an Associate Justice of the Supreme Court, however, Felix Frankfurter, after a little squirming with his past views, went along with the majority in the Watkins case.

So also did Associate Justice Hugo Black, who, in the days when utility barons were parlaying thousands into millions, wrote in Harper's magazine: "This power of the probe is one of the most powerful weapons in the hands of the people to restrain the activities of powerful groups who can defy every other power." Now that "powerful groups" threaten not the money of optimistic utility investors, but the very existence of the Nation, Justice Black goes along with the Watkins decision which was, in the dissenting words of Justice Clark, "a mischievous curbing of the informing function of the Congress."

Well, there are various remedies. One might be to sit it out and hope that death and a little better judgment in the appointment of new justices might redress the tottering balance. Another would be fervent prayer that the mere threat of the Jenner-Butler bill may cause a little consternation among the present justices. A third remedy is to limit the jurisdiction of the Court in areas where it has plainly edged into the legislative field.

If Congress should go along with this third remedy, the court would not have been damaged in any function which legitimately belongs to it. Indeed, on the matter of Congressional investigations, it is difficult to see how Congress can fail to legislate if it takes a serious view of its place in the Federal scheme.

ORDER OF BUSINESS—THE MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, I desire to point out to my colleagues that, although I desire to be as accommodating as possible, it is necessary that the Senate take a recess at 12:20, to proceed to the Hall of the House of Representatives. Before that happens, there will be a quorum call.

Following our return from the joint meeting of the two Houses, there will be the regular morning hour.

THE ADMINISTRATION'S ATTITUDE TOWARD THE RECESSION

Mr. CLARK. Mr. President, yesterday I rose to deplore briefly what appears to me to be a lack of a sense of urgency on the part of the administration toward the grave deficiencies in our national security posture, in view of the massive and increasing Soviet threat.

Today, I desire to suggest that the same complacency, the same attitude of drift and indecision, prevails in relation to our domestic economy and the current tragic recession.

I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, certain excerpts from the pamphlet entitled "Area Labor Market Trends," published by the United States Department of Labor, which describes in considerable detail the downtrend in the economy from March to May.

The PRESIDING OFFICER (Mr. CHURCH in the chair). Without objection, it is so ordered.

(See exhibit A.)

Mr. CLARK. Mr. President, the publication Area Labor Market Trends describes in considerable detail, as I have said, the recent downward trend in the economy; and the picture painted by the pamphlet is, I regret to say, one of almost unremitting gloom. I do not comprehend how the same administration which assembles and distributes the information contained in this publication can take a "wait and see, while doing nothing" attitude toward the recession.

Between March and May, no less than 40 major labor market areas of the country had to be reclassified to a bracket showing a higher rate of unemployment, while in only one area did the situation show enough improvement to warrant a reclassification for the better. Furthermore, 40 smaller areas have been added to the labor-surplus area list.

The 40 major areas are as follows:

Reclassified from C less than 6 percent, to D, 6 to 9 percent: Mobile, Ala.; New Haven, Conn.; Columbus, Ga.; Chicago, Ill.; Albany-Schenectady-Troy, N. Y.; New York, N. Y.; Greensboro-High Point, N. C.; Akron, Ohio; Cleveland, Ohio; Dayton, Ohio; Hamilton-Middleton, Ohio; Allentown-Bethlehem, Pa.; Memphis, Tenn.; Houston, Tex.; Roanoke, Va.; Tacoma, Wash.

Reclassified from D, 6 to 9 percent, to E, 9 to 12 percent: Bridgeport, Conn.; New Britain, Conn.; Waterbury, Conn.; Peoria, Ill.; Lawrence, Mass.; New Bedford, Mass.; Lansing, Mich.; Saginaw, Mich.; Duluth, Minn.-Superior, Wis.; Paterson, N. J.; Perth Amboy, N. J.; Trenton, N. J.; Canton, Ohio; Pittsburgh, Pa.; Reading, Pa.

Reclassified from E, 9 to 12 percent, to F, over 12 percent: South Bend, Ind.; Fall River, Mass.; Flint, Mich.; Lorain-Elyria, Ohio; Erie, Pa.; Johnstown, Pa.; Huntington, W. Va.-Ashland, Ky.; Wheeling, W. Va.-Steubenville, Ohio.

The one area which showed improvement was Atlantic City, which, because of seasonal factors, rose from E to D.

The excerpts I am inserting in the RECORD, include the description given by the Labor Department of the reasons for the decline, plus an analysis of the employment outlook to July, for each of the 40 major and 40 smaller areas. One can read the forecast for all 80 of these areas, and can find very little information on the bright side to relieve the generally gloomy picture that is presented.

Mr. President, it seems to me that in the present situation the Congress will have to take even greater pains than hitherto in respect to making the Employment Act of 1946 function effectively. The leaders of the House of Representatives and the Senate and the President have agreed tentatively that there should be no tax cut, and for the time being I am inclined to go along with that position. But let us proceed with the housing program and the program for the construction of schools and other needed public projects, so as to put people back to work. We must make the Employment Act of 1946 something more than merely a pious platitude, which in my opinion is what the administration is making of it today.

A brief summary of the factors prompting area classification changes between March and May follows:

EXHIBIT A

AREAS RECLASSIFIED FROM GROUP C TO D

Labor market area	Industries primarily responsible for employment declines	Employment outlook to July
Mobile, Ala.	Shipbuilding, construction	Shipyard payrolls to remain at low level. Small gains expected in construction, Government (Air Force base).
New Haven, Conn.	Aircraft, ordnance, metals	Unemployment likely to continue high despite some seasonal gains.
Columbus, Ga.	Long-term downtrend in textiles, decline in construction (completion of military housing project).	Some further losses expected to July.
Chicago, Ill.	Virtually all industries down since year ago; heaviest losses in durable goods manufacturing (metals, machinery, aircraft).	Some indication sharp downswing bottoming out, with seasonal pickup scheduled in nondurables, most manufacturing industries; unemployment likely to remain high, however.
Albany-Schenectady-Troy, N. Y.	Electrical machinery, ordnance, primary metals	Further decline in electrical machinery likely.
New York, N. Y.	Nearly all factory industries down since year ago; dominant apparel industry, aircraft experienced largest reduction.	Unemployment expected to remain near the present level through summer months despite some recalls in aircraft.

EXHIBIT A—Continued

AREAS RECLASSIFIED FROM GROUP C TO D—Continued

Labor market area	Industries primarily responsible for employment declines	Employment outlook to July
Greensboro-High Point, N. C.	Losses in textiles, electrical machinery, furniture	No significant improvement expected in textiles (hosiery), furniture.
Akron, Ohio	Tires, fabricated metals, aircraft	Some seasonal expansion in nonmanufacturing activities in prospect, but factory outlook uncertain.
Cleveland, Ohio	Durable goods layoffs (primary and fabricated metals, machinery, autos, aircraft).	Prospective changes are primarily seasonal.
Dayton, Ohio	Auto parts and components, rubber products, household appliances, office machinery.	Construction to gain seasonally, but little change expected in factory payrolls.
Hamilton-Middletown, Ohio	Primary and fabricated metals, nonelectrical machinery	No significant changes anticipated.
Allentown-Bethlehem, Pa.	Steel leads decline since last year. Electrical machinery, stone-clay-glass, transportation equipment, textiles-apparel also down.	Factory payrolls not expected to change significantly.
Memphis, Tenn.	Tires, transportation equipment (autos and trailers), farm machinery	Farm machinery may dip further, but seasonal upturns expected in food processing, nonmanufacturing.
Houston, Tex.	Oilfield machinery, primary metals (pipeline items), construction, petroleum extraction.	Outlook for petroleum, natural gas, and related industries uncertain.
Roanoke, Va.	Layoffs in transportation (railroad shops), chemicals (rayon), electrical equipment.	No significant changes in prospect.
Tacoma, Wash.	Lumber and wood products, primary metals (aluminum, copper), Government installations.	Primary metals to remain at low level (plant closing). Some seasonal gains expected in lumber, food processing, nonmanufacturing.

AREAS RECLASSIFIED FROM GROUP D TO E

Bridgeport, Conn.	Aircraft, metals; factory employment at 3-year low in early spring	Little improvement in prospect apart from construction, other seasonal gains.
New Britain, Conn.	Machinery, electrical equipment, fabricated metals	No significant changes in factory employment in prospect.
Waterbury, Conn.	Primary and fabricated metals (brass mills), rubber footwear, clocks and watches.	Seasonal construction gains, modest factory pickup in prospect, but unemployment likely to continue at relatively high level.
Peoria, Ill.	Nonelectrical machinery (agricultural and construction machinery), primary fabricated metals.	Some seasonal gains anticipated in food processing, construction, but unemployment not likely to decline significantly.
Lawrence, Mass.	Small scattered losses, heaviest in textiles, apparel, leather, nonelectrical machinery; out-of-area layoffs of local residents.	Unemployment to remain near present levels.
New Bedford, Mass.	Textiles, apparel, electrical machinery. Rubber, metals also down slightly.	Further layoffs in textiles (mills closing), apparel (seasonal), expected.
Duluth, Minn.-Superior, Wis.	Transportation sharply below year ago (delayed opening ore-shipping season); primary metals, electrical machinery also declined.	Ore-shipping activity likely to remain low this season.
Lansing, Mich.	Autos, metal auto components	Auto employment expected to continue at relatively low levels.
Saginaw, Mich.	Auto parts and accessories, auto foundries	Few changes anticipated in local auto situation.
Paterson, N. J.	Durable goods cutbacks (aircraft, autos, metals, and machinery), plus losses in textiles, rubber.	Unemployment likely to remain high, but no further large-scale layoffs scheduled.
Perth Amboy, N. J.	Autos, electrical machinery, apparel, chemicals	Mild seasonal expansion expected in nonfactory activities; manufacturing employment likely to continue near present levels.
Trenton, N. J.	Auto-related fabricated metals, electrical machinery, primary metals, clay products.	Plant vacation shutdowns, plus summer labor force entrants to keep joblessness at high level.
Canton, Ohio	Steel, nonelectrical machinery	Recalls in steel not expected before late July or early autumn.
Pittsburgh, Pa.	Steel. Glass, electrical, nonelectrical machinery also down	No significant improvement expected in steel, other factory industries.
Reading, Pa.	Textiles, transportation equipment, primary metals, nonelectrical machinery.	Some recovery in textiles, slight gains in other factory industries expected, but labor surplus not likely to decline significantly.

AREAS RECLASSIFIED FROM GROUP E TO F

South Bend, Ind.	Autos, aircraft, rubber	Small farm equipment plant closing; locally important autos, aircraft may hold steady.
Fall River, Mass.	Textiles, apparel, rubber products; some textile mills on alternate workweek schedule.	Heavy unemployment expected to continue.
Flint, Mich.	Autos, auto components	No improvement in autos likely before start of new model year.
Lorain-Elyria, Ohio	Steel. Losses in other durable goods, out-of-area layoffs of local residents contribute.	Hiring at new auto plant not expected to improve situation significantly.
Erie, Pa.	Nonelectrical, electrical machinery, primary metals, railroad equipment.	Only seasonal gains, centered in food processing, toys, construction anticipated.
Johnstown, Pa.	Large cutback in dominant steel, decline in apparel; long-term downtrend in coal mining.	No improvement foreseen in steel, bituminous coal mining.
Huntington, W. Va., and Ashland, Ky.	Primary metals, stone-clay-glass, transportation equipment. Transportation-utilities, most other nonmanufacturing industries down over past year.	No change in factory payrolls.
Wheeling, W. Va.-Steubenville, Ohio.	Primary metals (steel) layoffs; smaller declines in fabricated metals, stone-clay-glass; machinery.	Little change expected in primary, fabricated metals; toys construction may pick up seasonally.

AREA RECLASSIFIED FROM GROUP E TO D

Atlantic City, N. J.	Seasonal upswing in resort activities	Further employment advances expected in resort-connected trade and service activities in midsummer.

SMALLER AREAS OF SUBSTANTIAL LABOR SURPLUS CLASSIFIED IN MAY

Centralia, Ill.	Railroads, shoes, nonferrous metals	No significant improvement anticipated.
Decatur, Ill.	Nonelectrical (farm) machinery, primary metals	Some additional cutbacks scheduled in ordnance, electrical machinery.
Woodstock, Ill.	Electrical machinery, primary metals	Little prospect or significant improvement in factory employment.
Anderson, Ind.	Heaviest losses in auto-related electrical machinery, fabricated metals; aircraft also down.	No significant improvement in prospect.
New Castle, Ind.	Autos and auto components; auto cutbacks in adjacent areas contribute to unemployment rise.	Some recalls in autos scheduled, but unemployment likely to remain high.
Haverhill, Mass.	Cutbacks centered in dominant shoe industry; electrical machinery, paper also down.	Long-term downtrend in shoes expected to continue.
Great Falls, Mont.	Copper smelting	Some seasonal improvements expected, but copper employment likely to continue near present levels.
Oneonta, N. Y.	Long-term decline in railroad shops; small scattered manufacturing losses.	Only slight seasonal improvement expected.
Morganton, N. C.	Furniture, apparel, electrical machinery	Labor force entrants, as schools close for summer, to keep unemployment high.
Kenton, Ohio	Electrical, nonelectrical machinery, stone-clay-glass	Further factory layoffs expected to June.
Lima, Ohio	Durable goods cutbacks (machinery, metals, autos); Government (Federal), railroads also down.	Little change in factory employment expected; Government may dip further.
Marietta, Ohio	Chemicals, primary metals, furniture	Summer labor force entrants may boost unemployment.
Marion, Ohio	Nearly all factory industries down over past year; nonelectrical, electrical machinery, primary metals show largest losses.	Only minor changes expected to midsummer.
St. Marys, Ohio	Rubber, nonelectrical machinery	Unemployment likely to remain high despite some recalls in machinery.
Okmulgee-Henryetta, Okla.	Glass, lead and zinc smelting, mining (coal and oil-gas drilling)	Some pickup anticipated in glass, but unemployment likely to continue at substantial levels.

EXHIBIT A—Continued

SMALLER AREAS CLASSIFIED LABOR SURPLUS IN MAY—Continued

Labor market area	Industries primarily responsible for employment declines	Employment outlook to July
New Castle, Pa.	Heavy cutbacks in primary metals, smaller losses in machinery, pottery.	No significant change anticipated.
Bremerton, Wash.	Layoffs at naval shipyard, other Federal installations	Do.
Clarksburg, W. Va.	Glass products, coal mining, and electrical equipment	Slight further dip in mining may offset scheduled small rise in glass.
Martinsburg, W. Va.	Stone-clay-glass products, textiles	Few significant changes expected.
Morgantown, W. Va.	Coal mining, chemicals	Further dip in factory payrolls as local chemical plant closes, to offset pickup in construction.
Lake Geneva-Whitewater, Wis.	Auto components, primary metals	Resort activities to pick up seasonally, but no significant improvement anticipated in factory employment.

SMALLER AREAS CLASSIFIED LABOR SURPLUS IN APRIL

Anniston, Ala.	Textiles, electrical equipment, primary metals	Unemployment likely to remain high despite seasonal gains in construction.
Toccoa, Ga.	Nonelectrical (construction) machinery	Small further decline scheduled in nonelectrical machinery.
Connersville, Ind.	Furniture and fixtures, fabricated metals	No significant improvement expected.
Ottumwa, Iowa	Food processing (meatpacking)	Seasonal construction gains, pickup in meatpacking may reduce unemployment slightly.
Ann Arbor-Ypsilanti, Mich.	Auto-related electrical equipment, auto parts	Auto employment to continue at low levels.
Owosso, Mich.	Electrical equipment, auto-related textiles (upholstery)	Little significant change in prospect.
Butte, Mont.	Copper mining	Pickup contingent on improvement in copper market.
Kalispell, Mont.	Logging, lumbering	Only seasonal improvement in prospect.
Auburn, N. Y.	Electrical machinery, shoes, plastics	Factory payrolls to show little change.
Elmira, N. Y.	Nonelectrical machinery, electrical equipment	Only limited factory recalls expected.
Gloversville, N. Y.	Gloves (knitted, fabric, and leather)	Seasonal pickup in dominant glove industry expected to be below normal.
Jamestown-Dunkirk, N. Y.	Primary metals, furniture, machinery, trade	Food processing, most nonmanufacturing industries may rise seasonally.
Watertown, N. Y.	Nonelectrical machinery, paper	Only seasonal gains expected to midsummer.
Athens-Logan-Nelsonville, Ohio.	Declines in mining; scattered factory reductions—stone-clay-glass, printing-publishing. Shoe plants on reduced workweek.	Little overall change anticipated.
East Liverpool-Salem, Ohio.	Clay products, nonelectrical machinery, fabricated metals, furniture	Only minor changes in prospect.
Mansfield, Ohio.	Most durables (household appliances, electrical equipment, primary metals, autos) down; cutbacks at local military installation.	Further losses scheduled in factory, Government employment.
Roseburg, Oreg.	Lumber and wood products	Unemployment expected to remain at substantial level despite some seasonal pickup.
Bristol-Johnson City-Kingsport, Tenn.-Va.	Chemicals, furniture, textiles; return of workers laid off in out-of-area auto cutbacks.	Scheduled small increases at new defense plants not likely to reduce unemployment significantly.
Provo, Utah	Cutbacks in dominant iron and steel industry	Little change expected in steel, other factory industries.

PROGRAM FOR TODAY

Mr. JOHNSON of Texas. Mr. President, I wish to inform all Senators that as soon as the Senate returns from the joint meeting of the two Houses, there will be a continuation of the morning hour.

I expect the session today to last until late this evening. I would not say that I expect it to continue all night, but I expect it to continue until a late hour this evening. If it meets with the approval of the minority leader—and I should like to have his opinion on this point—I anticipate that the session today will continue until as late as 10:30 or 11 p. m. There are at the desk approximately 25 amendments to the unfinished business, the mutual security authorization bill; and we are anxious to have the Senate complete action on the bill this week.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS—JOINT MEETING OF THE TWO HOUSES TO HEAR ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF WEST GERMANY

The PRESIDENT pro tempore. The hour of 12:20 p. m. having arrived, the Senate, under its order previously agreed to, will now stand in recess, subject to the call of the Chair, and the Members will proceed to the hall of the House, pursuant to the announcement heretofore made.

At 12 o'clock and 20 minutes p. m., pursuant to the order previously entered, the Senate took a recess, subject to the call of the Chair.

Thereupon, the Senate, preceded by the Secretary (Felton M. Johnston), the Sergeant at Arms (Joseph C. Duke), and the President pro tempore, proceeded to the hall of the House of Representatives for the purpose of attending the joint meeting of the two Houses to hear the address to be delivered by His Excellency, Theodor Heuss, President of the Republic of West Germany.

(For the address delivered by the President of the Republic of West Germany, see pages 10311–10313 of the House proceedings in today's CONGRESSIONAL RECORD.)

RESUMPTION OF LEGISLATIVE SESSION

The Senate returned to its Chamber at 1 o'clock and 12 minutes p. m., and reassembled when called to order by the President pro tempore.

MORNING BUSINESS

The PRESIDENT pro tempore. Morning business is now in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Assistant Secretary of Agriculture reporting, pursuant to law, on overobligations of appropriations in the Department of Agriculture; to the Committee on Appropriations.

REPORT ON PROPERTY ACQUISITIONS, FEDERAL CIVIL DEFENSE ADMINISTRATION

A letter from the Administrator, Federal Civil Defense Administration, Battle Creek, Mich., reporting, pursuant to law, on property acquisitions by that administration, for the quarter ended March 31, 1958; to the Committee on Armed Services.

REPORT ON EXAMINATION OF SUBCONTRACTS AWARDED TO LAMBERT ENGINEERING CO.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of subcontracts awarded to Lambert Engineering Co., St. Louis, Mo., by various Air Force and Navy prime contractors, dated June 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D. C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of April 30, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

ADMISSION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications of certain aliens found to be admissible into the United States (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two resolutions (bills Nos. 695 and 724) of the Legislature of the Virgin Islands; to

the Committee on Interior and Insular Affairs:

"Bill No. 695

"Resolution petitioning the President and Congress of the United States to transfer certain federally owned lands in the Virgin Islands to the Government of the Virgin Islands for resale in plots to war veterans under the insular home development program

"Whereas it is very difficult for resident war veterans of the Virgin Islands to obtain land for home development; and

"Whereas every effort should be made by the Federal and Virgin Islands Governments to assist war veterans to obtain economic security; and

"Whereas there are certain federally owned lands in the Virgin Islands which are not being used for any public purpose; and

"Whereas such lands can be distributed to resident war veterans for home development purposes: Now, therefore, be it

"Resolved by the Legislature of the Virgin Islands, That the President and the Congress of the United States are hereby petitioned to transfer that portion of Estate John Brewers Bay, in St. Thomas, V. I., owned by the United States Government, and an area not less than 75 acres at Estate Negro Bay, St. Croix, V. I., also owned by the United States Government, to the Government of the Virgin Islands on such terms as may be determined by act of Congress for the sole purpose of distributing said lands by resale in convenient plots to resident war veterans of the Virgin Islands for home development in accordance with provisions of existing law; and be it

"Resolved further, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, the Interior and Insular Affairs Committees of the Senate and the House, the Secretary of the Interior, and the Governor of the Virgin Islands.

"Thus passed by the Legislature of the Virgin Islands on May 22, 1958.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 23d day of May A. D. 1958.

"AUBREY A. ANDUZE,
"President.
"ANN E. ABRAMSON,
"Legislative Secretary."

"Bill No. 724

"Resolution petitioning the Congress and the President of the United States to amend the Organic Act of the Virgin Islands to provide for a direct representative of the Virgin Islands in the Congress of the United States

"Whereas since 1945 the legislative bodies of the Virgin Islands have unanimously urged the President and the Congress for direct representation of the Virgin Islands in the Congress; and

"Whereas the providing of such representation would not only permit the people of the Virgin Islands a more responsive and representative presentation of their views on matters which affect them, but would also be a concrete demonstration of this Nation's determination to promote democratic principles and practices in areas under its jurisdiction; and

"Whereas the United States has traditionally accorded such recognition to its Territories and other non-State areas as is presently accorded to Alaska, Hawaii, and the Commonwealth of Puerto Rico, and was accorded to the Philippine Islands prior to its independence; and

"Whereas the number and diversity of problems affecting the Virgin Islands which come before the Congress and the various executive departments amply justify a representative of these islands in Washington; and

"Whereas the experience of other Territories, including those many which later became States, has manifestly demonstrated that there exists no adequate substitute for a full-time person with the status and access which direct representatives in the Congress have, to present the needs and requirements of a Territory on a continuing and informed basis: Now, therefore, be it

"Resolved by the Legislature of the Virgin Islands:

"SECTION 1. That the Congress and the President of the United States are hereby petitioned and urged that the Virgin Islands be provided with a direct representative in the Congress of the United States, by appropriate amendment of the Revised Organic Act of the Virgin Islands.

"SEC. 2. That copies of this resolution be sent to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives, to the chairmen and members of the respective Committees on Interior and Insular Affairs of the Congress, and to the Secretary of the Interior.

"Thus passed by the Legislature of the Virgin Islands on May 27, 1958.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 28th day of May, A. D. 1958.

"AUBREY A. ANDUZE,
"President.
"ANN E. ABRAMSON,
"Legislative Secretary."

A resolution adopted by the Minnesota Highway Laws Commission, St. Paul, Minn., favoring the enactment of legislation to authorize the construction of a highway in the Province of Manitoba; to the Committee on Foreign Relations.

A resolution adopted by the American Association of Railroad Superintendents, at Chicago, Ill., on June 3, 1958, favoring the enactment of Senate bill 3778, to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

A letter in the nature of a memorial from the Nebraska State Railway Commission, Lincoln, Nebr., signed by Richard H. Larson, chairman, remonstrating against the enactment of Senate bill 3778, to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

Petitions signed by W. DeGrove Padgett, Mary L. Renthro, and Lucille M. and John Sheckells, all citizens of Baldwin Park, Calif., relating to the Presidential veto of the omnibus rivers and harbors bill; to the Committee on Public Works.

CHICAGO WATER DIVERSION—RESOLUTION OF CITY COUNCIL OF SHEBOYGAN, WIS.

Mr. WILEY. Mr. President, I was pleased to receive today from Melvin Mohr, city clerk of Sheboygan, Wis., a resolution which had been introduced by Alderman Browne rightly opposing any additional water diversion for the benefit of the Chicago Sanitary District.

Such diversion, as I have frequently stated, is illegal, unconstitutional, and unfair to all the Lake States.

Such diversion, moreover, would set an exceedingly harmful precedent in terms of Canadian-American relations.

Recently the Committee on Foreign Relations heard impressive testimony on the many problems which, frankly, do exist between the United States and Canada. Let us not aggravate those problems by arbitrarily and unilaterally diverting water. We may find, as I have frequently pointed out, that any such activity on our part will badly boomerang to our own regret. In international relations, as in personal relations, the Golden Rule should still apply.

I hope, therefore, that the Chicago water diversion bill will not come up in these closing months of the session, as it has had a tendency to do in years past.

I ask unanimous consent that the resolution of the Sheboygan City Council be printed in the RECORD, and be thereafter appropriately referred to the Committee on Public Works.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

Resolution 78–58–59

Resolution memorializing the Senate of the United States expressing opposition to H. R. 2, Chicago water diversion bill.

Whereas H. R. 2 concerning the diversion of water from Lake Michigan to the Chicago Canal has recently passed the House of Representatives; and

Whereas the Senate of the United States is expected to consider said water diversion bill in the near future; and

Whereas previous bills have passed the Senate and House of Representatives of the United States, but in each case such bills have been vetoed by the President; and

Whereas with the lowering water tables in the State of Wisconsin and the growing dependency upon the entire State, and particularly the lake shore areas, for the water resources of Lake Michigan; and

Whereas it appears that the diversion of said Lake Michigan water to the Chicago Canal would substantially impair commerce, agriculture, industry and health of lake shore communities situated at Sheboygan; Now, therefore, be it

Resolved by the mayor and Common Council of the City of Sheboygan, That by this resolution it go on record as opposing said diversion of water from Lake Michigan as contemplated in H. R. 2, and request that the Senators of the State of Wisconsin, to wit: the Honorable WILLIAM PROXMIRE and the Honorable ALEXANDER WILEY vote in opposition to said measure and do all that is possible to secure the defeat of said legislation; be it further

Resolved, That by this resolution the clerk be, and he is hereby, directed to send copies of this resolution to the Senators from the State of Wisconsin, the Honorable ROBERT KERR, chairman of the Subcommittee on Rivers and Harbors of the United States Senate, and that a copy of this resolution be sent to the executive secretary of the Great Lakes Harbors Association.

MUTUAL AID AND RECIPROCAL TRADE PROGRAMS—RESOLUTION

Mr. CARLSON. Mr. President, I call the attention of the Senate to a resolution adopted by the Commission on Christian Social Action of the Evangelical Brethren Church in its annual session on March 20 of this year, in Dayton, Ohio, in regard to our mutual aid and reciprocal trade programs. I ask unanimous consent that the resolution be printed in the RECORD, and referred to the Committee on Foreign Relations.

There being no objection, the resolution was referred to the Committee on

Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas our national administration has expressed its readiness to grant mutual aid to the needy peoples of the world; and

Whereas this Commission on Christian Social Action recognizes the caring for our neighbors throughout the world to be our Christian responsibility; Therefore

Resolved, (1) That the Commission on Christian Social Action of the Evangelical United Brethren Church meeting in annual session, Dayton, Ohio, on March 20, 1958, strongly supports an expanded nonmilitary program of mutual aid and programs for reciprocal foreign trade; and (2) that we instruct and hereby authorize our secretary to convey this action to our President, the Secretary of State, the members of both party policy committees, and to other responsible congressional leaders.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 3912. A bill to amend the Atomic Energy Act of 1954, as amended (Rept. No. 1654).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H. R. 10589. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1655); and

H. R. 11574. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1656).

SUMMARY OF MONTHLY PERSONNEL REPORTS ON CIVILIAN EMPLOYMENT IN EXECUTIVE BRANCH

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a summary of monthly personnel reports on civilian employment in the executive branch of the Federal Government for the period February 1958 to April 1958, inclusive.

In accordance with the practice of several years' standing, I request that the summary be printed in the RECORD as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Personnel and pay summary, February 1958 through April 1958

Total and major categories	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In April numbered—	In February numbered—	Increase (+) or decrease (−)	In March was—	In January was—	Increase (+) or decrease (−)
Total [1]	2,333,202	2,321,777	+11,425	$889,287	$962,563	+903,276
Agencies exclusive of Department of Defense	1,245,588	1,237,821	+7,767	463,163	526,092	+62,929
Department of Defense	1,087,614	1,083,956	+3,658	426,124	456,471	+30,347
Inside continental United States	2,135,444	2,125,224	+10,220			
Outside continental United States	197,758	196,553	+1,205			
Industrial employment	570,261	566,002	+4,259			
Foreign nationals	222,424	226,894	−4,470	24,496	[2] 24,508	−12

[1] Exclusive of foreign nationals shown in the last line of this summary.

[2] Revised on basis of later information.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1958, and comparison with February 1958, and pay for March 1958, and comparison with January 1958*

Department or agency	Personnel				Pay (in thousands)			
	April	February	Increase	Decrease	March	January	Increase	Decrease
Executive departments (except Department of Defense):								
Agriculture	87,687	84,466	3,221		$29,032	$31,817		$2,785
Commerce [1]	53,878	52,587	1,291		23,979	25,117		1,138
Health, Education, and Welfare	54,206	53,620	586		22,823	[2] 22,499	$324	
Interior	51,021	48,899	2,122		20,841	22,464		1,623
Justice	30,598	30,578	20		14,621	16,020		1,399
Labor	5,836	5,822	14		2,642	2,831		189
Post Office	533,105	535,363		2,258	188,248	230,226		41,978
State [3]	34,782	34,497	285		13,449	13,726		277
Treasury	82,465	80,103	2,362		33,099	36,089		2,990
Executive Office of the President:								
White House Office	390	408		18	220	240		20
Bureau of the Budget	432	438		6	290	315		25
Council of Economic Advisers	28	29		1	22	27		5
Executive Mansion and Grounds	70	71		1	25	29		4
National Security Council [4]	64	64			39	43		4
Office of Defense Mobilization	238	247		9	145	164		19
President's Advisory Committee on Government Organization	6	6			3	3		
Independent agencies:								
Airways Modernization Board	90	56	34		42	35	7	
Alaska Rail and International Highway Commission [5]	4	[5] 0 4			3	[5] 0 3		
Alexander Hamilton Bicentennial Commission	3		3					
American Battle Monuments Commission	550	530	20		87	91		4
Atomic Energy Commission	6,905	6,831	74		3,677	4,020		343
Board of Governors of the Federal Reserve System	584	582	2		298	348		50
Boston National Historic Sites Commission	3	4		1	1	1		
Civil Aeronautics Board	694	676	18		376	398		22
Civil Service Commission	3,971	4,102		131	1,813	2,020		207
Civil War Centennial Commission [7]	3		3					
Commission of Fine Arts	4	4			2	2		
Commission on Civil Rights [8]	12	[9] 6	6		1	[9] 1		
Corregidor Bataan Memorial Commission	2	2			1	1		
Export Import Bank of Washington	208	207	1		120	134		14
Farm Credit Administration	862	873		11	450	527		77
Federal Civil Defense Administration	1,346	1,295	51		700	752		52
Federal Coal Mine Safety Board of Review	7	7			3	5		2
Federal Communications Commission	1,182	1,201		19	620	682		62
Federal Deposit Insurance Corporation	1,196	1,194	2		604	780		176
Federal Home Loan Bank Board	856	816	40		382	401		19
Federal Mediation and Conciliation Service	335	324	11		223	255		32
Federal Power Commission	698	706		8	388	416		28
Federal Trade Commission	729	734		5	408	446		38

[1] April figure includes 380 seamen on the rolls of the Maritime Administration and their pay.

[2] April figure includes 12,423 employees of the International Cooperation Administration as compared with 12,261 in February and their pay. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The April figure includes 2,300 of these trust fund employees and the February figure includes 2,276.

[3] Revised on basis of later information.

[4] Includes personnel and pay of the Central Intelligence Agency.

[5] New agency, created pursuant to Public Law 884, 84th Cong.

[6] The January employment figure was 4.

[7] New agency, created pursuant to Public Law 305, 85th Cong.

[8] New agency, created pursuant to Public Law 315, 85th Cong.

[9] The January employment figure was 6.

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during April 1958, and comparison with February 1958, and pay for March 1958, and comparison with January 1958*—Continued

Department or agency	Personnel				Pay (in thousands)			
	April	February	Increase	Decrease	March	January	Increase	Decrease
Independent agencies—Continued								
Foreign Claims Settlement Commission	87	89		2	$50	$57		$7
General Accounting Office	5,340	5,391		51	2,452	2,875		423
General Services Administration [10]	27,594	27,522	72		10,196	11,156		960
Government Contract Committee	26	25	1		13	12	$1	
Government Printing Office	6,392	6,370	22		2,935	3,068		133
Housing and Home Finance Agency	9,897	9,700	197		4,775	5,097		322
Indian Claims Commission	17	17			12	13		1
Interstate Commerce Commission	2,259	2,261		2	1,120	1,211		91
Jamestown-Williamsburg-Yorktown Celebration Commission	2	3		1	2	3		1
National Advisory Committee for Aeronautics	7,739	7,698	41		4,046	4,359		313
National Capital Housing Authority	271	269	2		109	117		8
National Capital Planning Commission	34	32	2		19	19		
National Gallery of Art	329	331		2	102	115		13
National Labor Relations Board	1,114	1,123		9	658	719		61
National Mediation Board	112	113		1	74	71	3	
National Science Foundation	331	339		8	168	173		5
Panama Canal	15,002	14,857	145		2,934	3,820		886
Railroad Retirement Board	2,547	2,546	1		970	1,043		73
Renegotiation Board	330	333		3	209	226		17
St. Lawrence Seaway Development Corporation	73	39	34		29	25	4	
Securities and Exchange Commission	858	845	13		452	489		37
Selective Service System	6,314	6,291	23		1,513	1,618		105
Small Business Administration	1,408	1,329	79		675	724		49
Smithsonian Institution	909	875	34		342	370		28
Soldiers' Home	1,011	998	13		253	281		28
Subversive Activities Control Board	33	33			23	25		2
Tariff Commission	215	217		2	124	132		8
Tax Court of the United States	149	147	2		97	101		4
Tennessee Valley Authority	15,432	14,649	783		7,069	7,579		510
Theodore Roosevelt Centennial Commission	9	9			3	3		
United States Information Agency	10,953	10,975		22	3,204	3,506		302
Veterans' Administration	172,806	174,438		1,632	58,138	64,078		5,940
Virgin Islands Corporation	945	605	340		120	79	41	
Total, excluding Department of Defense	1,245,588	1,237,821	11,970	4,203	463,163	526,092	380	63,309
Net change, excluding Department of Defense			7,767				62,929	
Department of Defense:								
Office of the Secretary of Defense	1,604	1,609		5	1,011	1,058		47
Department of the Army	409,233	405,652	3,581		155,592	164,180		8,588
Department of the Navy	362,331	363,662		1,331	150,315	162,626		12,311
Department of the Air Force	314,446	313,033	1,413		119,206	128,607		9,401
Total, Department of Defense	1,087,614	1,083,956	4,994	1,336	426,124	456,471		30,347
Net change, Department of Defense			3,658				30,347	
Grand total, including Department of Defense	2,333,202	2,321,777	16,964	5,539	889,287	982,563	380	93,656
Net change, including Department of Defense			11,425				93,276	

[10] Includes 6 employees of the Federal Facilities Corporation.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during April 1958, and comparison with February 1958*

Department or agency	April	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	86,285	83,045	3,240	
Commerce [1]	49,701	48,487	1,214	
Health, Education, and Welfare	52,436	51,858	578	
Interior	47,915	45,884	2,031	
Justice	30,066	30,049	17	
Labor	5,686	5,662	24	
Post Office	530,534	532,827		2,293
State [2]	8,573	8,547	26	
Treasury	81,438	79,088	2,350	
Executive Office of the President:				
White House Office	390	408		18
Bureau of the Budget	432	438		6
Council of Economic Advisers	28	29		1
Executive Mansion and Grounds	70	71		1
National Security Council [3]	64	64		
Office of Defense Mobilization	238	247		9
President's Advisory Committee on Government Organization	6	6		
Independent agencies:				
Airways Modernization Board	90	56	34	
Alaska Rail and International Highway Commission [4]	4	[5] 4		
Alexander Hamilton Bicentennial Commission	3		3	
American Battle Monuments Commission	20	21		1
Atomic Energy Commission	6,877	6,803	74	
Board of Governors of the Federal Reserve System	584	582	2	
Boston National Historic Sites Commission	3	4		1
Independent agencies—Continued				
Civil Aeronautics Board	690	672	18	
Civil Service Commission	3,954	4,084		130
Civil War Centennial Commission [7]	3		3	
Commission of Fine Arts	4	4		
Commission on Civil Rights [8]	12	[5] 6	6	
Corregidor Bataan Memorial Commission	2	2		
Export-Import Bank of Washington	208	207	1	
Farm Credit Administration	852	863		11
Federal Civil Defense Administration	1,346	1,295	51	
Federal Coal Mine Safety Board of Review	7	7		
Federal Communications Commission	1,158	1,177		19
Federal Deposit Insurance Corporation	1,195	1,193	2	
Federal Home Loan Bank Board	856	816	40	
Federal Mediation and Conciliation Service	335	324	11	
Federal Power Commission	698	706		8
Federal Trade Commission	729	734		5
Foreign Claims Settlement Commission	87	89		2
General Accounting Office	5,265	5,317		52
General Services Administration [10]	27,539	27,463	76	
Government Contract Committee	26	25	1	
Government Printing Office	6,392	6,370	22	
Housing and Home Finance Agency	9,715	9,524	191	
Indian Claims Commission	17	17		
Interstate Commerce Commission	2,259	2,261		2
Jamestown-Williamsburg-Yorktown Celebration Commission	2	3		1
National Advisory Committee for Aeronautics	7,739	7,698	41	
National Capital Housing Authority	271	269	2	
National Capital Planning Commission	34	32	2	

[1] April figure includes 380 seamen on the rolls of the Maritime Administration.
[2] April figure includes 1,783 employees of the International Cooperation Administration as compared with 1,758 in February.
[3] Includes personnel of the Central Intelligence Agency.
[4] New agency, created pursuant to Public Law 884, 84th Cong.
[5] Revised on basis of later information.
[6] The January employment figure was 4.
[7] New agency, created pursuant to Public Law 305, 85th Cong.
[8] New agency, created pursuant to Public Law 315, 85th Cong.
[9] The January employment figure was 6.
[10] Includes 6 employees of the Federal Facilities Corporation.

TABLE II.—*Federal personnel inside continental United States employed by the executive agencies during April 1958, and comparison with February 1958*—Continued

Department or agency	April	February	Increase	Decrease
Independent agencies—Continued				
National Gallery of Art	329	331		2
National Labor Relations Board	1,096	1,105		9
National Mediation Board	112	113		1
National Science Foundation	331	339		8
Panama Canal	409	404	5	
Railroad Retirement Board	2,547	2,546	1	
Renegotiation Board	330	333		3
St. Lawrence Seaway Development Corporation	73	39	34	
Securities and Exchange Commission	858	845	13	
Selective Service System	6,127	6,104	23	
Small Business Administration	1,387	1,309	78	
Smithsonian Institution	901	869	32	
Soldiers' Home	1,011	998	13	
Subversive Activities Control Board	33	33		
Tariff Commission	215	217		2
Tax Court of the United States	149	147	2	
Tennessee Valley Authority	15,432	14,649	783	
Theodore Roosevelt Centennial Commission	9	9		
United States Information Agency	2,630	2,621	9	
Veterans' Administration	171,605	173,228		1,623
Total, excluding Department of Defense	1,178,422	1,171,577	11,053	4,208
Net increase, excluding Department of Defense			6,845	
Department of Defense:				
Office of the Secretary of Defense	1,561	1,566		5
Department of the Army	349,245	345,601	3,644	
Department of the Navy	330,394	331,980		1,586
Department of the Air Force	275,822	274,500	1,322	
Total, Department of Defense	957,022	953,647	4,966	1,591
Net increase, Department of Defense			3,375	
Grand total, including Department of Defense		2,125,224	16,019	5,799
Net increase, including Department of Defense	2,135,444		10,220	

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during April 1958, and comparison with February 1958*

Department or agency	April	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	1,402	1,421		19
Commerce	4,177	4,100	77	
Health, Education, and Welfare	1,770	1,762	8	
Interior	3,106	3,015	91	
Justice	532	529	3	
Labor	150	160		10
Post Office	2,571	2,536	35	
State [1]	26,209	25,950	259	
Treasury	1,027	1,015	12	
Independent agencies:				
American Battle Monuments Commission	530	509	21	
Atomic Energy Commission	28	28		
Civil Aeronautics Board	4	4		
Civil Service Commission	17	18		1
Farm Credit Administration	10	10		
Federal Communications Commission	24	24		
Federal Deposit Insurance Corporation	1	1		
General Accounting Office	75	74	1	
General Services Administration	85	89		4
Housing and Home Finance Agency	182	176	6	
National Labor Relations Board	18	18		
Panama Canal	14,593	14,453	140	
Selective Service System	187	187		
Small Business Administration	21	20	1	
Smithsonian Institution	8	6	2	
United States Information Agency	8,323	8,354		31
Veterans' Administration	1,201	1,210		9
Virgin Islands Corporation	945	605	340	
Total, excluding Department of Defense	67,166	66,244	906	74
Net increase, excluding Department of Defense			922	
Department of Defense:				
Office of the Secretary of Defense	43	43		
Department of the Army	59,988	60,051		63
Department of the Navy	31,937	31,682	255	
Department of the Air Force	38,624	38,533	91	
Total, Department of Defense	130,592	130,309	346	63
Net increase, Department of Defense			283	
Grand total, including Department of Defense	197,758	196,553	1,342	137
Net increase, including Department of Defense			1,205	

[1] April figure includes 10,640 employees of the International Cooperation Administration as compared with 10,503 in February. These ICA figures include employees who are paid from foreign currencies deposited by foreign governments in a trust fund for this purpose. The April figure includes 2,300 of these trust fund employees and the February figure includes 2,270.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by the executive agencies during April 1958, and comparison with February 1958*

Department or agency	April	February	Increase	Decrease
Executive departments (except Department of Defense):				
Agriculture	3,171	3,151	20	
Commerce	2,731	2,525	206	
Interior	6,980	7,045		65
Treasury	5,778	5,725	53	
Independent agencies:				
Atomic Energy Commission	152	148	4	
Federal Communications Commission	13	14		1
General Services Administration	1,119	1,084	35	
Government Printing Office	6,392	6,370	22	
National Advisory Committee for Aeronautics	7,730	7,698	41	
Panama Canal	7,847	7,845	2	
Tennessee Valley Authority	12,630	11,847	783	
Virgin Islands Corporation	945	605	340	
Total, excluding Department of Defense	55,497	54,057	1,506	66
Net increase, excluding Department of Defense			1,440	
Department of Defense:				
Department of the Army:				
Inside continental United States	[1] 134,000	[2] 131,819	2,181	
Outside continental United States	[1] 10,475	[2] 10,286	189	
Department of the Navy:				
Inside continental United States	202,856	203,578		722
Outside continental United States	5,208	5,219		11
Department of the Air Force:				
Inside continental United States	156,694	155,407	1,287	
Outside continental United States	5,531	5,636		105
Total, Department of Defense	514,764	511,945	3,657	838
Net increase, Department of Defense			2,819	
Grand total, including Department of Defense	570,261	566,002	5,163	904
Net increase, including Department of Defense			4,259	

[1] Subject to revision.

[2] Revised on basis of later information.

TABLE V.—*Foreign nationals working under United States agencies overseas, excluded from tables I through IV of this report, whose services are provided by contractual agreement between the United States and foreign governments, or because of the nature of their work or the source of funds from which they are paid, as of April 1958 and comparison with February 1958*

Country	Total		Army		Navy		Air Force	
	April	February	April	February	April	February	April	February
Belgium	9	9					9	9
Denmark	1	1					1	1
England	5,256	5,447			35	36	5,221	5,411
France	22,879	22,905	16,319	16,265			6,560	6,640
French Morocco	5,192	5,212	73	70	843	865	4,276	4,277
Germany	88,239	87,626	74,991	74,486	189	215	13,059	12,925
Japan	94,375	100,270	47,136	[1] 50,196	16,417	17,609	30,822	32,465
Korea	5,796	4,731	5,796	[1] 4,731				
Malta	81	93			81	93		
Netherlands	41	39					41	39
Norway	26	25					26	25
Trinidad	529	536			529	536		
Total	222,424	226,894	144,315	145,748	18,094	19,354	60,015	61,792

[1] Revised on basis of later information.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER:

S. 3943. A bill for the relief of Donald O. Olin; to the Committee on the Judiciary.

By Mr. THYE:

S. 3944. A bill to authorize the negotiation of a compact between the State of Minnesota and the Province of Manitoba, Canada, for the development of a highway to provide access to the northwest angle in such State; to the Committee on Foreign Relations.

(See the remarks of Mr. THYE when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 3945. A bill for the relief of Clarinda Veiga; to the Committee on the Judiciary.

By Mr. YARBOROUGH (for himself and Mr. PROXMIRE):

S. 3946. A bill to amend the provisions of the Public Health Service Act which relate to grants for hospital construction to include institutions for the care and treatment of the mentally retarded; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 3947. A bill to amend the Civil Rights Act of 1957 to provide that the Civil Rights Commission shall have until June 30, 1960, to submit its report, findings, and recommendations; and

S. 3948. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit organized crime offenses against any of the several States; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bills, which appear under separate headings.)

By Mr. MALONE:

S. 3949. A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation; to the Committee on Interior and Insular Affairs.

By Mr. POTTER:

S. 3950. A bill for the relief of Maria Miceli; to the Committee on the Judiciary.

EXTENSION OF HIGHWAY TO THE NORTHWEST ANGLE

Mr. THYE. Mr. President, I have received from Gerald H. Swanson, executive secretary of the Highway Laws Commission of the State of Minnesota, a letter in which he enclosed a resolution which relates to the extension of the highway system into the Northwest Angle. I am in full accord with the resolution, and I therefore introduce, for appropriate reference, a bill which will embody such an authorization.

I present the letter and resolution, and ask unanimous consent that they be printed in the RECORD and appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter and resolution will be printed in the RECORD and appropriately referred.

The bill (S. 3944) to authorize the negotiation of a compact between the State of Minnesota and the Province of Manitoba, Canada, for the development of a highway to provide access to the Northwest Angle in such State, introduced by Mr. THYE, was received, read twice by its title, and referred to the Committee on Foreign Relations.

The letter and resolution were referred to the Committee on Foreign Relations, as follows:

STATE OF MINNESOTA,
HIGHWAY LAWS COMMISSION,
St. Paul, Minn., June 3, 1958.

The Honorable EDWARD J. THYE,
United States Senator,
Washington, D. C.

DEAR SENATOR THYE: The Minnesota Highway Laws Commission respectfully transmits the enclosed resolution for your consideration and appropriate action.

As indicated in the resolution, the public officials of Manitoba have already offered to participate in the development and construction of the proposed highway. In fact, highway engineers from the Province have made preliminary surveys of the feasibility of construction, and have prepared maps indicating tentative locations for the proposed route. Information received in this office indicates that the Province is free to act on this joint venture without further sanction from the Canadian Parliament.

In acknowledging this offer of assistance and cooperation, this commission feels that it represents the State of Minnesota in requesting the most expeditious pursuance of the necessary Federal action.

If we can be of any assistance to you, please direct your requests to the undersigned. All information available in this office will be mailed to you on request.

Very truly yours,

GERALD H. SWANSON,
Executive Secretary.

Resolution of the Minnesota Highway Laws Commission memorializing the Members of the United States Senate and House of Representatives from the State of Minnesota to introduce and support legislation to authorize the construction of a highway in the Province of Manitoba

Whereas the State of Minnesota is continually engaged in the construction and maintenance of highways connecting the principal cities, villages, and recreational areas of the State with each other, and connecting similar transportation networks of bordering States and Provinces; and

Whereas the northernmost land area in the State of Minnesota and in the United States lies entirely surrounded by water, except as it may be accessible through the Province of Manitoba, Canada; and

Whereas this northernmost point known as the Northwest Angle could be developed into a magnificent public resort and recreational area, and it presently attracts thousands of tourists from the United States because of its geographic significance and natural recreational attractions; and

Whereas one of the great objectives of the creation and improvement of the highway systems is to provide for the trade and travel between the several States and foreign countries, and the Federal Government has extended aid to the several States for the construction of good roads therein for the purpose of promoting such travel and commerce; and

Whereas the public officials of the Province of Manitoba have indicated during preliminary conferences their desire and approval of the joint development of a highway in the southeast corner of the Province of Manitoba to provide access between the main portion of the State of Minnesota and the Northwest Angle; and

Whereas it is desirable and necessary that Federal participation and approval be granted the State of Minnesota in the development and construction of the proposed highway: Now, therefore, be it

Resolved by the Minnesota Legislative Highway Laws Commission, That we respectively memorialize the Members of the United States Senate and House of Representatives from the State of Minnesota to introduce and support legislation to permit the State of Minnesota to enter into an agreement with the Province of Manitoba, Canada, for the joint and equal development of a highway to provide access to Northwest Angle, and to introduce and support legislation to permit the use of additional Federal highway funds in the development and construction of said highway; be it further

Resolved, That the executive secretary transmit copies of this resolution to United States Senator EDWARD J. THYE, United States

Senator HUBERT H. HUMPHREY, Representative ALBERT H. QUIE, Representative JOSEPH P. O'HARA, Representative ROY W. WIER, Representative EUGENE J. MCCARTHY, Representative WALTER H. JUDD, Representative FRED MARSHALL, Representative H. CARL ANDERSEN, Representative JOHN A. BLATNIK, Representative COYA KNUTSON, Vice President RICHARD NIXON, and Speaker SAM RAYBURN.

Approved by the Minnesota Legislative Highways Laws Commission, May 23, 1958.

Representative CHARLES L. HALSTEAD, *Chairman.*

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO GRANTS FOR HOSPITAL CONSTRUCTION

Mr. YARBOROUGH. Mr. President, the Department of Health, Education, and Welfare has announced the conclusion that a portion of the Hill-Burton Act providing for grants for hospital construction does not include hospitals for the care and treatment of the mentally retarded. Many mentally retarded children who would benefit from such help are denied hospitalization because of such interpretation of the act.

Mr. President, on behalf of myself, and the Senator from Wisconsin [Mr. PROXMIRE], I introduce for appropriate reference a bill to amend the provisions of the Public Health Service Act which relate to grants for hospital construction, in order to include institutions for the care and assistance of the mentally retarded. I ask that the bill be appropriately referred; and I ask unanimous consent that the bill be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3946) to amend the provisions of the Public Health Service Act which relate to grants for hospital construction to include institutions for the care and treatment of the mentally retarded, introduced by Mr. YARBOROUGH (for himself and Mr. PROXMIRE), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 631 (c) of the Public Health Service Act is amended by inserting immediately before the semicolon at the end thereof the following: ": *Provided*, That institutions providing care and treatment for the mentally retarded shall not be considered as furnishing domiciliary care."

Mr. YARBOROUGH. Mr. President, I ask further unanimous consent that the bill lie on the table until the close of business Friday, June 6, in order that other interested Senators may join as cosponsors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED LEGISLATION RELATING TO CIVIL RIGHTS

Mr. JAVITS. Mr. President, I am today introducing two bills, both of which are the result of the racially inspired bombings in Florida, Tennessee, and Alabama.

It gives me great pride to state that the Senators from those very States have sought to interest the Justice Department and the FBI to take jurisdiction and to participate in finding the criminals. The purpose of these bills is to aid in that most desirable objective, in the interest of all Americans.

The first measure extends the term of the Civil Rights Commission through June 30, 1960, some 9 months beyond its original expiration date. The second bill makes a Federal crime of conspiracies crossing State lines, with particular reference to outbreaks of violence such as have already occurred in houses of worship, community buildings, and homes in several Southern States. The objectives sought by both bills are the same as the objectives sought by similar bills introduced by Representative KEATING in the House of Representatives.

The failure of Congress to consider the civil rights bills already before it should not obscure the need to enact necessary civil rights legislation which basically should be considered noncontroversial and to protect the rights of all Americans, and certainly the interest of the Senators from the affected States is needed.

Mr. President, I now introduce the bills for appropriate reference.

The PRESIDENT pro tempore. The bills will be received and appropriately referred.

The bills, introduced by Mr. JAVITS, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 3947. A bill to amend the Civil Rights Act of 1957 to provide that the Civil Rights Commission shall have until June 30, 1960, to submit its report, findings, and recommendations; and

S. 3948. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit organized crime offenses against any of the several States.

Mr. JAVITS. Mr. President, the first bill would lengthen the life of the Civil Rights Commission, so regrettably delayed in getting started, allowing it more time to pursue its primary duties to investigate charges of deprivation of the right to vote and to study attempts to deny equal protection of the law guaranteed under the Constitution.

The need for the second bill I am introducing stems from the recent bombings in Florida, Tennessee, and Alabama, and will directly implement the requests of the Senators from these States to the Justice Department for FBI jurisdiction and participation in such cases.

Following the first news of these bombings, I also wrote the Justice Department, requesting that the FBI investigate the threats to the lives and homes of people arising apparently because of their attitude of compliance with the Supreme Court's decision requiring integration of the public schools. In response, the Department of Justice's Deputy Attorney General Lawrence E. Walsh, on June 2, 1958, wrote me as follows, and I now have authority to read from the letter:

I understand your sense of outrage and I am sure you realize how deeply it is shared by the Attorney General and the others in this Department. • • •

First, as to what the Department can do. Ordinarily, crimes of violence, including the bombings of religious buildings are subject to exclusive State jurisdiction, even if they are the result of a conspiracy and even if the conspiracy is operative in several States. The Federal Bureau of Investigation may undertake the investigation only as authorized by Federal statute or if there is reason to believe that certain Federal statutes have been violated. You suggest the possible violation of Federal statutes which forbid the transportation of explosives by common carrier, threats by interstate communication and conspiracy to obstruct justice. Each of these statutes, along with others which you do not mention, were considered as possible bases of jurisdiction and preliminary investigation made with respect to those in which there was any likelihood that jurisdiction could be established. In each case it was found that the facts clearly indicated a substantial lack of some element necessary for jurisdiction.

The second bill I have introduced would repair the lack of jurisdiction which currently exists, as outlined in the letter of the Justice Department. If enacted, the bill would provide that in specified organized crimes resulting from an interstate conspiracy, the Justice Department would have jurisdiction to prosecute and, consequently, the FBI would have authority to investigate in such cases. The bill particularly defines organized interstate crimes as follows:

As used in this section, the term "organized crime offense" means any offense proscribed by the laws of, or the common law as recognized in, any State relating to the willful destruction or damaging of any building or structure, gambling, narcotics, intoxicating liquor, prostitution, criminal fraud, or false pretenses, or murder, maiming, or assault with intent to inflict great bodily harm, and punishable by imprisonment in a penitentiary or by death.

This provision specifically covers personal assault and willful destruction of structures by bombing or otherwise.

In conclusion, I may point out that the B'nai B'rith, that great organization of Jewish men, meeting in my home State, at Kiamesha Lake, only yesterday adopted a resolution asking the Congress to remove all doubt of any Federal jurisdiction in cases of bombing and dynamite violence. My bill would do that.

It would be a tragic mistake, at this crucial period of international unrest, for us to forget that Communist propagandists from Moscow to Peiping eat up news reports of any violence against minority groups in our country. Their radio and newspaper audience among the nearly 1 billion people whose skins are yellow and black now living in the less developed and uncommitted areas of the world pays close, but not always critical, attention to the Communist charges of bigotry and hatred leveled with such gross unfairness against the people of the United States throughout these supersensitive areas of the world. Our best answer is the good faith of the

action we take, and we have evidence that this is appreciated in these very countries.

It is for these reasons, Mr. President, I have introduced these bills.

CONSTRUCTION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mr. GOLDWATER submitted an amendment, intended to be proposed by him to the bill (S. 3686) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. DOUGLAS submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MANSFIELD:

Commencement address delivered by him at the Eastern Montana College of Education, Billings, Mont., on June 1, 1958.

By Mr. BUTLER:

Address entitled "A Challenge for Engineers and Scientists," delivered by him before a joint technical meeting of the Standard Oil Co. of Indiana and affiliated companies, at Old Point Comfort, Va., on May 6, 1958.

By Mr. WILEY:

Statement regarding United States, Western European, and Russian scientific cooperation for peace and health.

By Mr. BEALL:

Commencement Day address delivered by President Eisenhower at Mount St. Mary's College, Emmitsburg, Md., on June 2.

By Mr. CAPEHART:

Testimony by him before the Senate Committee on Agriculture and Forestry regarding research and development programs to discover and perfect new industrial uses for products of the American farm.

NOTICE OF HEARINGS ON DEFENSE PRODUCTION ACT

Mr. DOUGLAS. Mr. President, on behalf of the Subcommittee on Production and Stabilization of the Committee on Banking and Currency, I desire to give notice that a public hearing will be held on Thursday, June 12, 1958, at 10 a. m., in room 301, Senate Office Building, on proposed amendments to the Defense Production Act, S. 1963, S. 2652, and S. 3323.

All persons who wish to appear and testify at this hearing are requested to notify Mr. J. H. Yingling, chief clerk, Committee on Banking and Currency, room 303, Senate Office Building, telephone Capitol 4-3121, extension 3921, as soon as possible.

TORNADOES IN WISCONSIN

Mr. PROXMIRE. Mr. President, Members of this body, and, indeed, all the American people, are, I am sure, deeply shocked and disturbed by the tragic news from Wisconsin. Last night tornadoes swept through the northwestern part of the State, leaving at least a score of persons dead and putting another hundred in the hospitals, some of them critically injured. It is not possible to obtain complete information yet, because communications have been disrupted, but the picture in even its barest outline is dark enough. Wisconsin has been sorely hit and sadly hurt.

At a time like this it is frustrating and disappointing to be so far away and able to do so little. I commend those who are at the scene of destruction for the work they have done and are doing to help the people of that region to carry on. National Guard men are there to aid the hurt and homeless and to prevent the heartless from looting. The Civil Air Patrol and units of civil defense are probing the dimensions of the tragedy and helping those who need help. I am sure that units of national agencies, like the Red Cross, are doing their part, too. Our appreciation goes out to them; they are doing fine and sacrificial work.

I have called upon agencies of the National Government—the Federal Housing Administration, the Small Business Administration, and the Federal Civil Defense Administration—to give all assistance they can under the law, and they have promised their full cooperation.

I extend my deepest sympathy to the people of Wisconsin who suffered injury from last night's storms, to the bereaved, to the injured in the hospitals, to the many whose homes and other property have been destroyed or damaged. I want them to know that if there is any assistance I can give them, personally or through the office I hold, I will count it a great privilege to be allowed to give it.

SENATOR WILEY URGES THAT UNITED STATES IMMEDIATELY APPROPRIATE MORE FUNDS FOR UNITED STATES WEATHER BUREAU AND AIR FORCE RESEARCH AS FORM OF LIVING MEMORIAL TO VICTIMS OF WISCONSIN TORNADO

Mr. WILEY. Mr. President, I am sure you are aware of the disaster which befell my home State of Wisconsin late yesterday. Thus far it has been impossible to get even an estimate of the deaths, injuries, and property damage. But initial indications are that they will unfortunately be tremendous.

Throughout history, storms of the nature of that of yesterday have plagued the earth, striking without warning, leaving misery, suffering and destruction in their wake. There has always been a dream in the hearts of men that some time a means might be discovered by which these terrifying so-called acts of God could be terminated.

In recent years, meteorological science has made great strides in discovering new information about the factors which control the weather. Scientists have now brought us to the brink of an era when storms such as the one which ravaged my own home town yesterday can not only be predicted well in advance, but may perhaps be successfull brought under control before they unleash their destructive force.

Mr. President, for many years I have been urging that our Governmnt give additional attention to this vital science. More than 4 years ago, on February 18, 1954, I called attention to the fact that German scientists had done brilliant work in weather control research during World War II. On February 4 of this year I again spoke on this subject, pointing out that Russia was believed to be making astounding advances in her research on the subject of weather.

Now once again I speak on this subject, with the heartfelt hope that the recent disaster in Wisconsin can serve at least the worthwhile purpose of awakening our Nation to the need for immediate intensified research in the science of meteorology.

Mr. President, if Russia should be first to discover the secret of weather control she might have within her power the most devastating weapon the world has known. By a simple flick of a switch, a Russian meteorologist could conceivably create a drought over our Nation which might serve to bring us to our knees without a single shot being fired. She could create a series of windstorms such as the one which hit Wisconsin, which could make the destruction of thermonuclear weapons look like a damage done by a stick of dynamite in comparison.

Mr. President, once again I urge that we push forward a program of weather research. It is not too late in this session of Congress for us to appropriate additional funds for the United States Weather Bureau and the United States Air Force in order that they may get a broadened program under way without further delay.

It is imperative that we intensify our efforts along these lines, from the standpoint of military security, as well as in the hope that in the very near future the horrors of tornados and other vicious weather phenomena may be erased from the list of scourges of mankind. Let us not allow the more than 25 Wisconsin citizens who lost their lives in yesterday's storm be forgotten without at least making some constructive effort to ascertain that it will not happen again.

Last year the United States Weather Bureau recorded 924 separate twisters. These storms killed 191 people; they injured 2,343 people; they caused more than $75 million in damage to industrial and personal property.

These, and other facts, were cited in an excellent summary article published

in the June 2 issue of the Wall Street Journal. The article quotes a St. Louis university professor as saying:

An atom bomb is puny compared with the power of nature.

And it cites a Weather Bureau meteorologist as saying:

Our ultimate aim is to learn enough about tornadoes and storms so that eventually we can find a way to stop them.

Meanwhile, the important point is that there be adequate advance warning. I am glad to note that the Air Force and the Weather Bureau have been cooperating in forecasting experiments. They are, for example, using an electronic computer to assemble widely scattered data on the bursts of electricity within a thunderstorm. They are using jumbo-size radar units for improved forecasting.

This work must go on. We cannot pinch pennies and overeconomize, and thereby lose millions of dollars.

I ask unanimous consent that the text of the Wall Street Journal article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TORNADO ALLEY"—MIDCONTINENT BRACES FOR TWISTER SEASON WITH NEW DETECTION WEAPON—VAST RADAR NETWORK HELPS SPOT STORMS; MAIN AIM: ALERT DANGER AREAS FASTER—UNPREDICTABLE AS A WOMAN

(By Jack R. Hanicke)

Technicians in Wichita, Kans., today are manning a potent new weapon in man's long, often-losing battle against nature's most violently destructive storm—the tornado.

Over the weekend they began operating Doppler radar equipment at the United States Weather Bureau's airport station. This device, latest in a number of new tornado detection tools and techniques, is expected to enable weather watchers to spot twisters more efficiently as far as 70 miles away and thus be able to alert areas in their path.

The radar, says Weather Bureau Chief Dr. F. W. Reichelderfer, could prove to be a most valuable instrument in locating and tracking tornadoes, particularly at night and in heavy rain when ground observers cannot spot them.

PREPARING FOR THE ONSLAUGHT

Weather men put the new equipment into use as a vast part of the midcontinent braces for the peak of the tornado season this month. Here in "Tornado Alley"—a broad strip of the United States stretching from the Gulf Coast of Texas and Louisiana northward to Michigan—90 percent of all tornadoes in this country develop. Weather crews in this area now are operating around the clock to guard against sneak attacks.

Tornadoes take a fearsome human and economic toll each year in this country. Last year, the United States Weather Bureau recorded 924 separate twisters. These storms killed 191 people, injured 2,343 and caused more than $75 million in damage to industrial and personal property. Thirteen of these tornadoes, including two that ripped through populous Kansas City and Dallas, did more than $500,000 in damage each.

Although this midsection of the United States feels the fury of most tornadoes, other parts of the country are not entirely exempt. A twister tore through Massachusetts in 1953, for instance, and caused a record $52 million in property damage.

Meteorologists say the concentrated winds of tornadoes have been estimated as high as 500 miles per hour. Unlike hurricanes, which may cover hundreds of miles with much less severe winds, funnel-shaped tornadoes have been observed with tracks as narrow as 9 feet. Seldom are they more than a mile in diameter.

An atom bomb is puny compared with the power of nature, observes Dr. Edward M. Brooks, St. Louis University professor of geophysics.

The main effort of weather scientists today is directed not toward controlling tornadoes but at detecting them early and flashing warning alerts to danger areas. Hundreds of weather men, armed with new scientific tools and techniques, are manning vast warning and tracking systems in a stepped-up effort to reduce tornado destruction.

DOW'S RADAR

Industry has a large stake in the tornado program. Some companies, in fact, have augmented Government warning systems with private networks. Dow Chemical Co.'s sprawling $200 million Freeport, Tex., plant, for example, is protected by its own radar scanner and a direct wire to the United States Weather Bureau at Houston. Texas Power & Light Co. has a weather disaster plan coordinated with civil defense organizations.

On a broader scale, United States weather men have set up a complex detection network with the brain center at its severe weather warning center in Kansas City. They plot moving air masses and try to forecast where tornadoes are likely to develop. They get reports of visual sightings of tornadoes from local police and other ground observers. And they use radar and other instruments to spot tornadoes. The radar used to date, however, has been much less precise and informative than the equipment put into operation this past weekend. When any of these detection methods indicates tornado danger, the weather men alert communities in the affected area so residents can take shelter.

For the first time this year, the Conelrad civil defense radio warning system, which can clear the air waves of all broadcasting for short vital announcements by key stations, is being used for sending out tornado warnings.

VIOLENT MEETINGS

Tornado-tracking scientists keep eyes cocked generally for a warm, moist mass of air moving up from the Gulf of Mexico, and a cool, dry mass higher up rolling eastward from the Rockies. Forecasters disagree on exactly what conditions create a tornado, but relying on past experience and new techniques meteorologists say they can predict areas where these air masses will meet and tornadoes are likely. Nature's quirk in putting the Rocky Mountains and the Gulf of Mexico fairly close together explains why the United States suffers around 95 percent of the tornadoes reported in the world, they say.

Scientists say they've perfected detection and warning techniques to a point where it's highly unlikely a twister could sneak up on a town today and wipe it out as one did at tiny Udall, Kans., only 3 years ago. Often a few minutes' warning means the difference, literally, between life and death.

As recently as last April 2, for instance, a sudden shifting of air masses around Wichita Falls in northern Texas was spotted by weather observers. About 20 minutes before 6 p. m., a visual sighting confirmed fears that a thunderstorm only 8 miles east of the town contained a tornado.

The weather bureau phoned the police dispatcher, who put out warnings to radio and television stations. Air raid sirens were sounded. At about 6 o'clock, the tornado smashed through, damaging 175 houses and leaving one person dead and several injured. "Without an advance warning," says C. C. Daniel, police chief "casualties could have been much worse."

Like Wichita Falls, many other towns in "Tornado Alley" have local warning systems. In many places, such as Athens, Tex., tornado drills are held at schools as regularly as fire drills. Instead of filing outside however, students move to hallways and face walls for protection against flying glass.

Meteorologists liken tornadoes to women—they say they're unpredictable in their actions and no two are alike. Some twisters are thick and solid resembling an elephant's trunk, others are thin and twisted, like a piece of rope. They are fickle, too; they always accompany thunderstorms—but pick only a few storms as companions. They may last only a few minutes—or they may go on for hours. Many disdain to touch earth at all. All make a terrific racket.

The regular forecasting of severe storms goes back about a decade. In 1947 a twister roared across Tinker Air Force Base, near Oklahoma City, severely damaging buildings and planes on the ground. One week later, meterologists at the field noticed weather conditions were about the same as the day of the tornado. They issued tornado warnings. The second tornado followed a path almost identical with the first, but the warning held down greater casualties.

MOVE TO KANSAS CITY

As a result of this experience, the Air Force began issuing severe weather warnings to its bases regularly. Some of these reached nearby towns. This created a demand for a civilian system, and the United States Weather Bureau began issuing its own forecasts from Washington in 1950. With the growth of the radar network, the center was moved to Kansas City in 1954.

Radar information is now fed into Kansas City by three teletype networks. In the hurricane season, a fourth, tying together stations along the gulf coast, is added. These networks are separate from the weather bureau teletype that carries routine weather, temperature and rainfall reports.

The Air Force also maintains its own severe weather warning center in Kansas City. It often covers towns not near weather bureaus and radar sets. Perrin Air Force Base, for example, covers nearby Denison, Tex., a town just out of effective range of the Forth Worth radar.

The Air Force and the Weather Bureau are experimenting with a promising new forecasting tool called "sferics" in which electronic brains are used to count the bursts of electricity within a thunderstorm. With this method, observers can determine the likelihood and possible location of a tornado. Stations at Abilene, Tex., Fort Smith, Ark., and Salina, Kans., pick up the static from these bursts—there are often several in one lightning flash—and feed the information into Tinker Air Force Base, where it is relayed to Kansas City. The location of the storm can be plotted by triangulation.

Basis of the system for determining the likelihood of a tornado being present is an apparent sudden dropoff, or a shift in frequency, of the bursts of electricity given off by a thunderstorm. This usually occurs about an hour before a tornado forms.

Another forecasting device being tested is called the "pressure jump system." This records the sudden increases in barometric pressure that often precede severe storms.

The "pressure jump system" is based on the theory that tornadoes often form on lines of sharp increases of pressure. The increase usually occurs several hours before the twister actually forms. So far, these jumps have occurred over such wide areas that the information has proven of little use in the pinpointing needed to forecast tornadoes. But if and when the system is perfected, it will alert observers to areas of possible tornado formations.

The United States Weather Bureau is currently installing new jumbo-size radar units it hopes will further improve forecasting. These longer range radars, specially built by Raytheon Manufacturing Co., and costing

$150,000 installed, will have a useful range of 200 miles compared with 70 miles for present sets. The first one will be installed at Miami and others will be placed in key cities along the hurricane coast and in the Plains States.

The improved efficiency of the radar installed here this weekend is due to an auxiliary system to measure wind speeds. Engineers expect it will enable them to determine accurately the speed of the winds in a storm and how fast the storm itself is moving. The Doppler principle works this way: The audio frequency of the tone which comes from any object moving through the radar beam indicates the speed of the object. The higher the speed, the greater the frequency or pitch of the sound. Conventional radar shows the distance and range of a storm; the Doppler radar measures speeds. With the Doppler system, of course, observers would be able to determine whether a storm packs tornado dangers without actually seeing it. This is not possible on normal radar.

TOO POWERFUL TO CONTROL?

Although some scientists believe tornadoes are too powerful to actually control, this is one goal of United States Weather Bureau men.

"Our ultimate aim," says C. F. Van Thullenar, chief district meteorologist at Kansas City, "is to learn enough about tornadoes and storms so that eventually we can find a way to stop them."

At this point, there's little hope this aim will be fulfilled anytime soon. Suggestions that atom bombs might be used to break up tornadoes are quickly dismissed. "That would be like dropping a match into a roaring fire," comments Dr. Brooks.

The emphasis is on early detection and warning—and practical methods of protecting lives and property. There are many studies underway.

Dr. Brooks and his associates at St. Louis University, for example, have found that by placing vents in buildings, pressure caused by tornadoes can be dissipated and damage reduced.

Along this same line, the Southern Pine Association, a trade group, made a study of wind damage at Cameron, Tex., following the hurricane there last year, and issued a booklet of 15 cardinal points of construction. While even the association doubts any wooden structure can withstand the direct onslaught of a tornado, it claims damage to a building standing near a funnel can be cut substantially.

TORNADO-BRED BUSINESS

Tornado-bred businesses thrive in the Southwest, especially during the spring. Joe Doresey, president of Tornado, Inc., an Oklahoma City company making storm warning devices, says he has sold 10,000 of the gadgets since they went on the market last September. This battery-powered horn, small enough to fit in an automobile glove compartment, sounds whenever barometric pressure drops to 29.1 inches. Air pressure drops in advance of an actual tornado.

The once nearly-extinct storm cellar is making a comeback, too. Notes Boude Storey, Sr., president of Atlas Metal Workers: Every time a storm blows up somewhere, we get more inquiries.

Stormaster Tornado Shelter, Inc., of Durant, Okla., has built 2,500 of its 1-piece poured concrete shelters since 1954, says Lee Harris, president. The underground shelter, notes Mr. Harris, can be adapted as an atomic shelter simply by adding lead doors and air filters.

THE RECORD OF ACHIEVEMENTS OF SENATOR LANGER OF NORTH DAKOTA

Mr. WILEY. Mr. President, an outstanding American, the late Alfred E. Smith, used to say "Let's look at the record."

From time to time it is appropriate, in the career of public servants, that a look be taken at the record which they have compiled. Those of us who have had the privilege of serving for a goodly number of years in the Congress know that a periodic, factual review is helpful both to us and to our constituents.

A great deal has occurred since I first became a Member of the Senate on January 3, 1939. At that time the fortunes of my party were at low ebb. Two years later, on January 3, 1941, additional Republican Senators added to our ranks. Among them was my colleague, the distinguished senior Senator from North Dakota [Mr. LANGER].

During the years which have followed, it has been my pleasure to know BILL LANGER and his fine family. I have known BILL, not only as a legislator representing a neighbor State of the upper Midwest in the Senate Chamber, but I have known him in committee. I have worked side by side with him on the Senate Judiciary Committee, where both he and I have served as chairmen. And I have known him on the Senate Committee on Foreign Relations.

Frankly, we have disagreed at times, and we may disagree in the future. But one always knows exactly where BILL LANGER stands. He is a rugged, outspoken battler. I respect him for his courage. He does not shrink from battle.

We of Wisconsin know him as a determined champion of the St. Lawrence Seaway—a great project—which will mean much to North Dakota and Wisconsin farmers and city people.

We who know how important REA and co-ops are for our farmers, and they do not forget BILL LANGER'S many battles for rural electrification and cooperatives.

We, his neighbors, do not purport to know all about North Dakota. But we do know that he has been tireless here in Washington in fighting for his convictions.

These are facts. They speak from the record of 1941 to date, here in the Nation's Capitol.

My colleague now is third highest in seniority in the Senate on the Republican side. It is my privilege to serve as second in seniority, with our colleague the senior Senator from New Hampshire [Mr. BRIDGES] as first in seniority.

It may be asked, What has been achieved by my colleague from North Dakota during these 17½ years of service in the Senate?

I have in my hands a memorandum of his work and legislative activities. It was prepared on the basis of facts compiled by researchers, none of whom were on my own or on Senator LANGER'S staff. This is the record. As Al Smith would say, "Let's look at this record."

I ask unanimous consent that the memorandum, outlining my colleague's record, be printed at this point in the body of the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

A RESEARCH REPORT ON BILL LANGER'S RECORD

Since Senator LANGER has been in the Senate, 49 major bills that he has sponsored have become the law of the land.

Forty-eight additional bills which he has sponsored have passed the United States Senate, but were not enacted into law because of failure to pass the House of Representatives, of which he is, of course, not a Member.

Thus, 97 Langer bills have passed, with success, through the Halls of Congress.

WIDE VARIETY OF LANGER-SPONSORED LAWS

The Legislative Reference Service of the Library of Congress has compiled a complete list of the many major bills bearing Senator LANGER'S name which have either become law or have passed the United States Senate.

These Langer bills not only affect the interests of the entire country, but are understandably, of great significance to the people of North Dakota. The bills deal with veterans' rights, post office and civil service employees, farmers, REA and RTA, irrigation and reclamation, Indians, judges and judicial districts, Federal public works, roads, bridges, rivers and harbors, small business, tax benefits, encouraging industry for the State of North Dakota, railroad retirement, schools and school districts, cattle, sheep and wool industry, mining, airports, and military construction.

PAST CHAIRMAN OF TWO KEY COMMITTEES

It should be further borne in mind that Senator LANGER, in his 18 years as United States Senator, not only has attained seniority, but because of his seniority became chairman of the Post Office and Civil Service Employees Committee during the 83d Congress.

An examination of his record as chairman of the Post Office and Civil Service Committee reveals there were 15 public laws passed bearing his name and 5 bills bearing his name which passed the United States Senate. As an example, one of these bills provided for the complete overhauling of the entire post office and civil service retirement system.

This record reveals the importance of seniority. A chairman of a key committee is in a highly advantageous position to get major bills enacted into law.

ACCOMPLISHMENTS IN 83D CONGRESS

In the 83d Congress when he was chairman of the Judiciary Committee, eight bills bearing Senator LANGER'S name became public law. Five additional bills bearing his name passed the United States Senate. Further, during his chairmanship of the Judiciary Committee, one of the finest records of number of bills clearing the committee was achieved.

ACHIEVEMENTS IN THE 84TH AND 85TH CONGRESS

In the 84th Congress, a 2-year period under Democratic leadership, he succeeded in getting nine laws bearing his name enacted into law. At that time, 16 bills bearing his name passed the Senate.

In the present 85th Congress which has yet to be completed, seven bills bearing his name have been enacted into law.

Moreover, four bills bearing his name have passed the Senate and they may be enacted into law before the second session is over.

Also, several important bills bearing his name dealing with antitrust and monopoly matters are pending before the Judiciary Committee, and these bills also have a chance of being enacted into law before this session closes.

Thus, even though the 85th Congress is under Democratic administration, his high-ranking seniority in the Senate and in three key committees has enabled him to maintain a high record of passage of important legislation bearing his name.

What are these three key committees? Judiciary, Post Office and Civil Service, and Foreign Relations.

TRIBUTES FROM OTHER SENATORS

Now, let us see what some other Senators themselves have said of Senator LANGER's effectiveness:

Senator JOHNSTON of South Carolina: "Senator LANGER has been excellent as a chairman and ranking minority member of the Committee on Post Office and Civil Service and has been most active in almost every major legislation aiding post office and civil service employees."

Senator HENNINGS of Missouri: "Senator LANGER has always acted with great zeal in bills affecting youth and his work among the American Indians is well reflected in the progress of the Rolla Jewel Bearing Plant."

Senator CLEMENTS of Kentucky: "I desire to commend my friend from North Dakota [Senator LANGER] for his success in having a new judicial district created in his State. Some of us have tried very hard to do likewise in our States, but have not been so successful as has my friend from North Dakota. My hat is off to him."

Senator WAYNE MORSE of Oregon: "Senator LANGER is one of the greatest friends of the American farmer, REA, and public power interests."

Senator COOPER of Kentucky: "Senator WILLIAM LANGER is one of the grandest of them all."

Senator MARGARET CHASE SMITH: "Senator WILLIAM LANGER is one of the greatest fighters in the United States Senate for the cause of the small-business man, the worker, and the farmer."

These are not token testimonials but actual statements from the heart made by these Senators.

Additional comments could be listed if space permitted.

WORK ON BEHALF OF CONSTITUENTS

Nor does space permit a detailed discussion of Senator LANGER's effective work in committee and on the floor of the Senate on legislation which does not bear his own sponsorship. But the statements of other Senators herein does illustrate Senator LANGER's fine work in these other respects.

Also, North Dakotans know of Senator LANGER's excellent work on behalf of North Dakota and her citizens before Federal agencies. An example is his work in connection with the Uranium Processing Plant.

FOUR CONCLUSIONS

In conclusion, what does the record show?

1. BILL LANGER has vital seniority.

2. Seniority is extremely advantageous for a State and its chosen legislators.

3. He has utilized his seniority for what he feels is in the best interest of the people of North Dakota and the Nation.

4. He gets results. Specific laws now in effect attest to the strength of his record.

COMMENDATION OF CHAIRMAN LEWIS STRAUSS, ATOMIC ENERGY COMMISSION

Mr. SMITH of New Jersey. Mr. President, it has been reported recently that Chairman Lewis Strauss may soon resign from the Atomic Energy Commission, which he has directed with such ability, energy, and high devotion for the past 5 years. It has also been said that a major factor in his decision not to accept another 5-year term, which the President has offered him, is his patriotic recognition that the unjust and personal criticisms which have been increasingly leveled against him might seriously impede the work and policies of the Commission.

This is indeed a regrettable situation for, as Mr. Arthur Krock pointed out in a recent column, the American people stand deeply in debt to Admiral Strauss. The production of the H-bomb was largely the result of his successful fight against formidable scientific opposition. He played a major part in establishing our system for detecting Russia's atomic tests.

He has also been a chief architect of our policy of insistence that any disarmament plan must be based on a truly sound inspection system. It is precisely for his strong convictions on this subject that he has been subjected to increasingly bitter criticism from some of my colleagues on the other side of the aisle. Yet Admiral Strauss' insistence on an adequate inspection system is, as the New York Times pointed out editorially this morning, a virtue rather than a fault.

The Times continues:

An inspection system which looked good on paper, but which failed in reality to assure complete access to on-the-spot information, could create a false sense of security that might well have disastrous results. And the worth of a Soviet pledge has been tested often enough to demonstrate its lightness.

This Nation can be thankful that the leadership of President Eisenhower has been courageous enough and wise enough to ignore the carping critics and insist that adequate inspection must be the basis of any disarmament plan. I ask unanimous consent to have printed in the RECORD at this point in my remarks the editorial from this morning's New York Times, which is entitled "Looking Before Leaping."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LOOKING BEFORE LEAPING

Our Washington dispatches reported yesterday that there is Democratc criticism of Chairman Strauss of the Atomic Energy Commission because the chairman is skeptical of the feasibility of an inspection system (for bomb tests) and the reliability of a Soviet pledge.

This is a case, it seems to us, when skepticism is a virtue rather than a fault. An inspection system which looked good on paper, but which failed in reality to assure complete access to on-the-spot information, could create a false sense of security that might well have disastrous results. And the worth of a Soviet pledge has been tested often enough to demonstrate its lightness.

On the initiative of President Eisenhower, discussions are now about to be held with the Soviets and other governments concerning the technical problems of establishing an adequate system of inspection. There is every reason to begin these discussions, to work hard at them and to hope that they will get somewhere. But from the point of view of our national security it must be clear that no system of inspection will be adequate unless it is genuinely self-enforcing.

Mr. SMITH of New Jersey. Mr. President, I wish to add a word about my own high regard for Admiral Strauss. During my long friendship with him, dating back to 1920, I have come to believe profoundly in his great ability. He has compiled a truly distinguished record in the affairs of this country.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 2060) for the relief of Elizabeth Biro, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the amendment of the House to the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MURRAY, Mr. MORRISON, Mr. DAVIS, of Georgia, Mr. REES, of Kansas, and Mr. CORBETT were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 9147. An act to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; and

H. R. 12052. An act to designate the dam and reservoir to be constructed at Stewarts Ferry, Tenn., as the J. Percy Priest Dam and Reservoir.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 9147. An act to provide for the disposal of certain Federal property in the Boulder City area, to provide assistance in the establishment of a municipality incorporated under the laws of Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 12052. An act to designate the dam and reservoir to be constructed at Stewarts Ferry, Tenn., as the J. Percy Priest Dam and Reservoir; to the Committee on Public Works.

REVISION OF BASIC COMPENSATION SCHEDULES OF CLASSIFICATION ACT OF 1949

The PRESIDING OFFICER (Mr. MORTON in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the amendment of the House to the bill (S. 734) to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JOHNSTON of South Carolina. I move that the Senate insist upon its

amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSTON of South Carolina, Mr. MONRONEY, Mr. NEUBERGER, Mr. CARLSON, and Mr. JENNER conferees on the part of the Senate.

TECHNICAL ASSISTANCE BY UNIVERSITY OF OREGON TO EDUCATION IN NEPAL UNDER POINT 4

Mr. NEUBERGER. Mr. President, today the Senate will vote on mutual-security authorizations for the fiscal year commencing July 1, 1958. I desire to invite to the attention of my colleagues some of the most convincing reasons I have ever heard for the continuation and maintenance of mutual security, as recommended by the President and supported by the Senate Committee on Foreign Relations.

On June 4, my guests at breakfast in the Senate dining room were Dr. Paul B. Jacobson, dean of the School of Education at the University of Oregon; Prof. Hugh B. Wood, professor of education at the University of Oregon; and Mr. W. N. McLaughlin, assistant business manager of the University of Oregon. They are in Washington to negotiate a new contract with the International Cooperation Administration for further operation of the very outstanding project which the University of Oregon has undertaken to educate teachers in Nepal, that fabled kingdom on the frontier between the Free World and the Soviet world.

When this project began, Nepal had a rate of illiteracy of over 97 percent. Nepal is a nation of approximately 10 million population in a mountainous realm of 54,000 square miles. This is the realm where Mount Everest is located. Both Dean Jacobson and Dr. Wood have been in Nepal—the latter for over 2 years in developing a method of training some 2,000 teachers so that the people of Nepal can learn to read and write.

Furthermore, Dr. Charles D. Byrne, former chancellor of the Oregon system of higher education, helped to establish this entire project during his own residency in Nepal of over 2 years.

I have been informed by Dean Jacobson, by Chancellor Byrne and by Dr. Wood that, without such an educational program as is being instituted in Nepal under the point 4 phase of our mutual-security program, the perils of Communist infiltration and dominance of that country would be greatly increased. In the words of Dean Jacobson, "Ignorance and illiteracy are the soil in which the seed of communism flourishes the most readily."

In addition to this educational program under the sponsorship of the University of Oregon School of Education in Nepal, a number of outstanding Nepalese students are presently studying education on the campus of the University of Oregon in Eugene, Oreg. Each one of these visitors to our shores has signed an agreement that he will serve as a teacher in his own country of Nepal for at least 5 years, following his graduation as a qualified teacher from the University of Oregon.

Mr. President, along with these remarks, I shall make available to the Senate a special report on this project which reviews the impressive progress of the educational program conducted in Nepal with the assistance of the University of Oregon. I only want to say briefly, however, that I am particularly pleased that the role of the institutions of my own particular State, in our United States technical assistance program in this case, should be in the field of education. I consider this especially gratifying, first, because education is one aspect of life and of community responsibility which has stood extremely high in the scale of values of the people of Oregon. Not only does my State rank near the very top in the United States, with respect to the literacy and educational levels of its citizens, but by and large educational expenditures have also received a measure of support in the communities of Oregon which compares very favorably with the national averages. Because they, themselves, place such a high value on their schools, I am sure that the men and women of Oregon share my satisfaction that it is the field of education in which the University of Oregon is assisting the people of Nepal, and that they will gladly support the technical assistance program under which this is done.

Secondly, I am glad that this should be the particular role assigned to Oregon's State University, because, of all the various social functions, education and enlightenment are at the very core of our theory of democratic self-government. It is the premise of our political faith that, to the extent that men and women are given the basic tools of literacy and of knowledge with which to judge the facts, they will be best equipped to determine their own individual and social best interests. It is in this spirit that technical assistance is offered to the kind of educational program which is being developed in Nepal with the assistance of the University of Oregon.

Contrary to what would be the case if Nepal, and other countries in its situation, were to get assistance for its necessary educational programs from Communist sources, I am sure that no all-pervasive political and social ideology is included in the program we have in Nepal—unless it be the basic philosophy of free inquiry. That philosophy, and no specific economic or political doctrine, will be all that the Nepalese teachers will have received from their collaboration with the able educators of the University of Oregon—and that philosophy among Nepal's teachers, I am sure, can make the greatest contribution toward a deep-rooted tradition of a free and democratic society in Nepal. It will be a society devoted to human liberty.

In conclusion, Mr. President, I ask unanimous consent to have printed in the RECORD the Special Report on Teacher Training and Higher Education Activities, published on January 15, 1958, by Messrs. A. P. Pradhan, manager for the Government of Nepal, and Hugh B. Wood, of the University of Oregon, manager for the United States mission.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

SPECIAL REPORT—TEACHER TRAINING AND HIGHER EDUCATION ACTIVITIES (JANUARY 15, 1958)

(The following report has been prepared to summarize the major achievements of the teacher training and higher education project, conducted under the joint auspices of the Ministry of Education, GON, and the University of Oregon, division of Education, USOM, since June 26, 1954. The agreement, under which these activities have been carried out, assigned to this project the following major responsibilities.)

I. The training of 1,500 primary school teachers within a 3-year period and the establishment of normal school facilities to train up to 1,000 teachers per year.

II. The training in the United States of staff members for a College of Education.

III. The establishment of a College of Education.

IV. The establishment of a program and facilities for printing school textbooks and other educational materials.

V. The improvement of higher education and the development of a national university.

It is gratifying to be able to report that all of these targets have been attained and even more. Specifically, the following achievements may be noted:

1. In 1954–55, a 46-man National Education Planning Commission surveyed educational conditions in Nepal and mapped out a master scheme for education for the next 25–50 years. Their report, Education in Nepal, published last year, is a monumental landmark in education.

2. More than 1,500 primary schoolteachers have been trained in the normal school in Kathmandu and 6 mobile training centers scattered throughout the land (Birgunj, Nepalgunj, Dharan, Ilam, Tansen, Pokhara). Mobile centers will extend training services in 1958 to Patan (Baitadi), Silguri (Doti), Dhang, and Chainpur, and will continue at Birgunj. Several hundred teachers have also received refresher courses. After the winter vacation period, nearly 90 percent of these teachers will have found teaching positions in the schools of Nepal. The current annual operating cost of this program is approximately N. C. Rs.140,000.

3. Twenty-nine Nepalese educators have received, or are now receiving, training in the United States. Sixteen of these are in teacher training, 5 are in arts and sciences, 3 are in university administration, and 5 are in special subjects.

4. A degree-granting College of Education has been in operation about a year and a half. By the beginning of the new term in March, its enrollment will be about 155; ultimate enrollment of 200 students is planned. Its curriculum, staff, library, demonstration school, and other facilities are among the finest in this part of the world. Central Institute of Education of Delhi University has recognized the high standards of the college by indicating a willingness to accept its board of education graduates for postgraduate work in the medical education degree. Recently, an evaluation of the college was undertaken by a committee of 55 local and foreign educators. (This is probably the most comprehensive evaluation that has ever been made of any of the GON/USOM joint projects.) Although the detailed work and report of this group will not be completed for several weeks, members of the committee have given high praise to the work being done at the college. The current annual operating cost of this 4-year degree

college, including administrative and business accounting costs for the entire project, is approximately N. C. Rs.130,000.

5. More than 2,000 young Nepalese men and women have been given or will receive in 1958, small stipends or scholarships which have attracted promising candidates to the teaching and other professions, and enabled them to take training for important careers. Although most of these stipends previously have been given to prospective teachers, they are now open on a competitive basis to students from all of the government-recognized colleges in Nepal. The annual cost of this program for 750 students is approximately N. C. Rs.350,000.

6. A model demonstration school has been established at the college of education as a laboratory for demonstration teaching and research essential to training teachers. Enrollment will be 175 at the opening of the new term in March. The annual operating cost of this activity is N. C. Rs.20,000.

7. A bureau of adult education has been established at the college of education in cooperation with the educational activities division of the cooperative service in education. Under this program, materials for teaching literacy have been prepared, 300 literacy classes for 6,000 adults have been opened, and 300 more classes for 6,000 adults will be in operation within 2 months. Radio education will be provided through special broadcasts from Radio Nepal and the distribution of radios to 125 villages immediately, and to more later. The cost of this program is borne partly by the college of education, but mostly by an annual budget of N. C. Rs.150,000.

8. Two activities have been developed to provide textbooks and other instructional materials for our schools, colleges, and adults. (a) The Bureau of Publications of the college of education has prepared and published more than 150,000 books and pamphlets under 35 titles during the last 15 months. It will soon be self-supporting. (b) Equipment for a modern education press (ultimately to become the university press) has been ordered, and personnel are being trained for its operation. The cost of the equipment is approximately N. C. Rs.350,000. The press will be housed temporarily at the college of education, and will be self-supporting. It is expected to be in operation by June of this year.

9. The university commission, the ministry of education, the committee on higher education, and other agencies have all worked toward the development of the climate and facilities for the immediate establishment of a national university. The University of Oregon contract technicians have provided assistance to each of these agencies in accordance with GON/USOM agreements. Among the major achievements of these several agencies may be noted the following: (a) a charter for the university has been drafted, (b) a site has been acquired, (c) blueprints and models for a university campus and its buildings have been completed, (d) more than N. C. Rs.-700,000 worth of equipment has been purchased to upgrade the facilities of the existing colleges which will become part of the university, (e) more than N. C. Rs.250,000 worth of new books have been purchased for the fine professional library at the College of Education and the new centralized general library at Tri-Chandra College, which will be used by students from all of the colleges, (f) additional professors have been employed to extend the present services of some of the colleges, (g) a centralized audio-visual aids service has been established to serve all the colleges, and many other steps have been taken to bring about a closer coordination and unification of the existing colleges into a national university.

This brief summary has covered only the major achievements of this project. Many others, and the details of the ones mentioned above, will be found in the following documents:

(a) Chapter 20 of Education in Nepal, the report of the National Education Planning Commission, pp. 237–254.

(b) The 5-year plan for education in Nepal, based on the report mentioned above.

(c) Catalog of the College of Education.

(d) Certain articles in the Education Quarterly.

(e) Monthly and quarterly financial and narrative reports.

(f) News release of January 10, 1958.

(g) Memo or estimated expenditures, 1957–58.

A. P. PRADHAN,
GON Co-Manager.
HUGH B. WOOD,
USOM Co-Manager.

SOME RESULTS OF FOREIGN-AID PROGRAM

Mr. JOHNSTON of South Carolina. Mr. President, after 13 years and the expenditure of $70 billion our foreign-aid program has "come a cropper."

On several continents anti-Americanism has been manifest in various forms of violence.

Our lavish gifts have been literally thrown back in our face; our aid program, instead of winning friends, has earned us contempt.

I have in my hand three newspaper articles which vividly bear out my statements. I ask unanimous consent to have them printed at this point in the RECORD.

The first, entitled "Loss of Prestige Long Under Way," was written by Drew Pearson, and was published in the Washington Post and Times Herald of May 23, 1958.

The second is entitled "Nepalese Critical of American Aid," and was published in the Richmond Times-Dispatch of May 11, 1958.

The third is entitled, "Trouble on Three Continents: United States Pays for Lack of Firm Policies," and was published in the Anderson Independent of May 19, 1958.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LOSS OF PRESTIGE LONG UNDER WAY

(By Drew Pearson)

EN ROUTE.—Traveling through Europe right now, an American gets the impression that the entire roof of American foreign policy has come tumbling down about our ears. Our stanch friend and ally of 175 years, France, is in the throes of a mortal political struggle. Our Vice President was almost killed by our alleged good neighbors in Latin America. And one of the friendliest pro-Western nations in the Near East, Lebanon, is in danger of going over to the Nasser-Soviet bloc.

On top of all this, Russia launches a sputnik 100 times larger than anything we have put in the air.

European friends who want to support, and still do support, the United States ask you a bit reproachfully: "How come?"

The answer is that foreign policy does not collapse suddenly; it erodes.

Take, for instance, the shocking indignities suffered by Vice President NIXON in Latin America. Anyone who has been following Latin American affairs could see it coming.

ASIA-FIRST ADVOCATE

Latin-American editorials first chided NIXON when he barnstormed through Asia in 1953 and advocated an Asia-first foreign policy for the United States. Latins know, what NIXON apparently didn't know, that Asian-African tropical products compete with Latin America's tropical products. The more coffee, cocoa, tin, etc., we buy from Asia and Africa the less we buy from Latin America.

MEANY ACCLAIMED

On the other hand, George Meany, head of the AFL–CIO, visiting the same countries which booed and almost murdered NIXON, was acclaimed a hero. In Montevideo, where NIXON was hissed because of our tariff on wool, Meany got a rousing reception from the Uraguayan Trade Union Council. He, Dave Dubinsky of the Ladies Garment Workers, and O. A. Knight of the Oil Workers, who accompanied him, joined the Uraguayans in a solemn pledge against dictatorships.

In Peru, where NIXON had such an unpleasant time with university students, Meany got an ovation.

In Washington last month, I sat with the new Ambassador from Venezuela, Hector Santella, an hour after he presented his credentials to President Eisenhower. The Ambassador was educated at Texas A. & M. University and Harvard; likes the United States. He was strong in his praise for Ike and the cordial reception given him by the President.

Two days later, Mr. Eisenhower, despite previous smiles, slapped a new restriction on Venezuelan oil.

Venezuelans remember this. More important, they remember the acclaim we gave their former President, Dictator Perez Jiminez, and his brutal secret police chief, Pedro Estrada, both charged with the wholesale murder of political opponents.

Vice President NIXON now advocates a new United States policy of keeping aloof from dictators. This is important. But the change will have to be made in some very high places and will have to be executed vigorously to wipe out memories of the past. Here is part of the record of American coziness with dictators that will have to be wiped out:

Col. Gordon Moore, Mrs. Eisenhower's brother-in-law, has been closely associated in business deals with Dictator Trujillo of the Dominican Republic.

John Foster Dulles' son-in-law, Robert Hinshaw, took his family to Trujillo City in Trujillo's private plane and remained there 3 months at the dictator's expense.

Henry Holland, ex-Assistant Secretary of State for Latin-American Affairs, got on the payroll of Dictator Trujillo's mining consultant, also worked with Dictator Perez Jiminez in handling various oil problems for American companies.

John Roosevelt (Republican), Charlie Willis, former White House aid, and Wesley Roberts with Douglas Whitlock, both formerly of the GOP National Committee, became public relations representatives of the new dictatorship in Haiti.

NEPALESE CRITICAL OF AMERICAN AID

KATMANDU, NEPAL, May 10.—The United States foreign-aid program has become a political football in this mountain kingdom 11,000 miles from Washington.

Some Nepalese politicians have little good to say for a program that already has pumped more than $10 million into the Illinois-size realm and this year will spend $10 million more.

The most extreme critic, former Prime Minister K. I. Singh, contends the aid program is actually hurting America's prestige here.

"Why do you buy discredit instead of credit?" Singh asked an American visitor.

He has charged that United States officials used buying tactics to insure that United States aid was used as the United States saw fit. He asserted United States and British missions sought to help elements fighting Red rule in neighboring Tibet. This, he

contended, would drag Nepal into the vortex of international conflict and could result in another Korea.

United States Ambassador Ellsworth Bunker this week denied the United States has interfered in Nepalese affairs. His statement said the United States considers Nepal a sovereign and independent nation. He emphasized that all projects here involving United States funds were chosen and approved by the Nepalese Government.

Some observers say Singh denounces American aid for lack of a better political issue to work on. But other political leaders also criticize the way the dollars are being spent. As a result, the 44 United States technicians now in Nepal find themselves often on the defensive.

Nepal did not really enter the 20th century until 1950, when the Rana dynasty of hereditary prime ministers was overthrown. The Ranas had rigidly kept out foreign influences for more than 100 years.

Approaching democracy for the first time, Nepal had no telephones, no railroads, and no highways. Less than 3 percent of the people could read and write.

In the first 6 years after the Ranas were overthrown, Nepal had nearly a dozen governments. They changed so fast that the program hardly got off the ground until 1956, during the administration of Prime Minister Tanku Prasad, which lasted nearly 18 months.

When Singh took over he wanted a different set of projects. The aid program again halted practically dead in its tracks.

But after 110 days Singh was himself fired. King Mahendra took over the Government through a secretariat reporting to the palace. The aid program resumed as before.

Along the way, the ideas of many political leaders have been thwarted. One of the big arguments is the level which the aid program should take.

Should United States technicians build a multi-million-dollar airport and a 200-bed hospital as some political leaders suggested? Or should they concentrate on training teachers, improving rural health and agriculture, and building roads and a communication system to join a country which has virtually no links but footpaths?

"We want to give them what they want," one United States official said. "The only thing we try to insure is that the projects are worth while and practicable."

Joint boards are currently operating in agriculture, minerals, industry, health, education, village development, public works, and for the Rapti Valley of central Nepal where a multipurpose development scheme is opening up 30,000 acres of virgin land to agriculture and industry.

Other major projects agreed upon this year include a road system covering 900 miles and a ropeway to connect the developing Rapti Valley with Katmandu, thereby allowing commerce to move over the mountains in between.

United States representatives express hope that recognition of their work will come when roads connect different parts of the country, and when ropeways bring the expanded produce of the Rapti Valley over the mountains to Katmandu.

The ropeways, with footbridges, are important to the country because so much of its landscape is almost vertical. Roads are out of the question in some areas.

TROUBLE ON THREE CONTINENTS; UNITED STATES PAYS FOR LACK OF FIRM POLICIES

The anti-NIXON riots in Venezuela, the French Army seizure of Algeria, the anti-Western revolt in Lebanon are all part of a calculated pattern.

They are tragic evidence that the hatemongers are at work on three continents, their disruptive work all aimed at the ultimate objective of bringing the United States to heel.

The fury that seized Caracas was fomented by Communists, who played on latent anti-American feeling to whip up mob frenzy.

If the pattern is confused in Algeria, it is because it is obscured by 43 months of armed revolt. Nationalist aspirations were seized upon by Communist agents to destroy all chances of peaceful agreement safeguarding the interests of the 1,200,000 French settlers and the 9 million natives.

The settlers have been hounded by terror, spirited away from their homes and killed.

A vast number of natives, perhaps a majority, have been cowed into acquiescence and complicity.

The French Army in desperation has taken matters into its own hands to hold Algeria, an integral part of France, in the Republic.

Loss of Algeria, it fears, would be the beginning of the disintegration of France itself. There the largest Communist Party outside the Iron Curtain is ready to take control, or to precipitate civil war.

The revolt in Lebanon is a direct interference in the internal affairs of a small, peaceful country. Encouraged by radio voices from Cairo and Damascus, seats of the Communist-supported United Arab Republic, mobs arose in the capital city of Beirut and the second city of Tripoli.

They sacked and burned American information libraries, cut the oil pipelines carrying oil from American refineries for Western Europe, and attacked homes of pro-American Government officials. That the insurrection was led from Egypt and Syria and supplied with arms procured from the Soviet was beyond question.

What do these incidents on three different continents mean?

Others could be coupled with them to prove they are worldwide.

They indicate that international communism is on the offensive that the Moscow-Peiping axis is stepping up sabotage and subversion to destroy and ravage and foment rebellion and revolt.

Their object is to discredit the United States by striking at friends, institutions, dignity, and honor.

Marines and paratroopers were sent to the Caribbean in jittery action to protect the Vice President.

The United States Sixth Fleet in the Mediterranean does not stop sabotage.

Shows of power do not strike at the heart of the problem.

That is in Moscow, where world revolution is still the overriding aim and confusion to the United States the chosen process to soften her for the kill.

Lack of firm leadership in the White House during the past 5 years is proving costly.

Mr. JOHNSTON of South Carolina. Mr. President, perhaps the most singular aspect of bungling in our foreign-aid program has been the shoveling out of billions of dollars' worth of aid to countries in faraway places while we have neglected our neighbors in Latin, Central, and South America.

The natural resentment of those neighboring people to the south was made visible upon the recent ill-starred tour of our Vice President to those countries. It was most regrettable that Vice President NIXON and his lovely wife had this resentment visited upon them personally. The indignities they suffered were not meant for them as individuals but as representatives of our country. This knowledge should give us pause.

I have pointed out before that it is a matter of mutual advantage that the United States constructively assist the nations of Latin, Central and South America to develop their resources and economy. Those countries are blessed with an abundance of raw materials; they need our assistance to improve techniques, to purchase machinery, to develop methods of manufacturing, and to find markets for their natural products. In aiding them, we help ourselves.

Apart from the considerations of trade, and dollars and cents, the plain fact is that the mutuality of our interests are nowhere more marked than in the vital area of defense. The successful defense of North America requires the friendly cooperation and collaboration of the peoples to the south of the border. This is a primary requirement. Self-interest demands that we cultivate the best possible relations with those people. We must see to it that they have the economic tools with which to work so they can achieve national strength and economic stability. We must enjoin the issue and present a united front on the whole American Continent to the hostile powers which might contemplate any overt move against the Americans.

In the application of the Monroe Doctrine we would certainly move against any power which would make a military move against any of the American nations. In like manner we must be prepared to make what I call a modern application of the Monroe Doctrine by assisting such states so they will not be overcome by economic penetration, by fifth column movements, or by subversion.

To this end, I contend we must, in enlightened self-interest, pay greater and closer attention to our neighbors south of the border, be more considerate and zealous of their welfare, and take bigger steps in their economic behalf. The lack of wisdom of the policy of scattering our national funds across the face of the earth I hope is manifest, and it should require no further elaboration.

YOU AND SPACE—ADDRESS DELIVERED AT GERMAN-AMERICAN FOLK FESTIVAL OF MINNESOTA

Mr. THYE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address entitled "You and Space," delivered by Friedrich Graf von Saurma, Special Assistant, Development Operations Division of the Army Ballistic Missile Agency, at the German-American folk festival, held in Minnesota on May 25, 1958. Dr. von Saurma made a very informative and impressive speech, of particular interest to the people of the Northwest. It was my honor to introduce Dr. von Saurma at the festival. One paragraph of his speech stood out most prominently, and I quote it, as follows:

> The exploration of the universe will be an adventure continually opening new doors and allowing men to recognize and analyze the beauty and order of the laws which govern the universe.
>
> Mankind may come to realize that war will result in nothing but catastrophe. Men may grasp the truth that there is something much bigger than his little world. Before the mystery of what he will find out there, he

must stand in reverential awe. Let us strive for and attain that understanding which is an essential predicate to human happiness that human government must conform to God's will.

Mr. President, I ask unanimous consent that Dr. Saurma's entire speech be printed in the body of the RECORD. I have had many requests for copies of the speech from the German people of my State. A very large percentage of the population of Minnesota is comprised of descendants of Germans.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

YOU AND SPACE

(Address by Friedrich Graf von Saurma, Special Assistant, Development Operations Division, Army Ballistic Missile Agency, May 25, 1958, German-American folk festival, Minnehaha Park, Minneapolis, Minn.)

It is a genuine honor and my pleasure to be your guest speaker here at the German-American folk festival of Minnesota, and to discuss the subject of You and Space.

The questions of technical feasibility of manned and unmanned space flight have made the headlines in all the numerous discussions held on space travel and the conquest of space. The spectacular success of the sputniks and Explorers is convincing to every citizen in this country that we stand on the doorstep of a new age.

Today the public knows that technical problems connected with future space flights can be solved, but so far only few realize the tremendous political, economic, and scientific changes and the progress in this field that are certain to result from the conquest of space.

To prove this, we can name three reasons:

1. The military and political aspects of rocket engineering and space travel decisively influence our political thinking.

2. The scientific exploration of space will rapidly change our economy.

3. The theoretical aspects will sooner or later change our scientific knowledge of the world in which we live.

Let us consider first:

1. The military aspects of rocket engineering and space travel, which influence our political thinking.

The great technical progress achieved within the last 150 years has caused a complete change of our aspects of the world. This change took place and is taking place with such speed that it is difficult for us to keep pace with it.

More than anything else has the invention of newer and faster means of transportation radically changed our concepts of distance and time.

Considering this fact, our question is:

How will the results of this revolution, the conquest of space, affect us?

To answer this question, let us compare the consequences of earlier revolutionary changes, since it is not the first time that human concepts of distance were suddenly changed.

Let me mention one example: The invention of seagoing schooners by the Portuguese in the 15th century.

In the political field each change in the mode of conveyance caused the liquidation of the existing form of government and the formation of a new system on a higher basis that would correspond to the new demands.

Until the end of the 15th century municipal states like Venice, Genova, Florence, Nuremberg, and Ghent represented the prevailing form of government.

With the invention of seagoing vessels this form of government completely lost its importance and was replaced by the national governments, which ruled world politics and economy from the 16th century until today.

Right now we have to face the fact that the national governments of our time are in the same position as Venice or Florence in the 16th century.

Today, perfection in aviation, rocketry and in the atomic field after World War II dethroned the European national governments and raised the United States and the Soviet Union to their present domineering status.

Considering the fast progress made in all areas of technical warfare, the question arises, if these two giants, Russia on one side and the Free World on the other side, will be strong enough to hold out to the end of this race.

This question confronts us with the problem to analyze our national position over against international communism.

The objectives of international communism have been stated so often and have remained so consistent, that there is little difficulty in restating them in simplified terms.

The basic permanent objective of international communism is to bring the entire world under the influence, if not the actual domination, of the Communist system and thus eliminate all competition. Any means toward that end are acceptable. The recipe is simple. Preparation of revolution in those areas, not ruled by communism, and terrorism as the natural policy in those areas, dominated by communism.

Facing international communism as a fact, a clear examination of our military situation is necessary.

In the fall of 1944 the first V–2 was launched. In August 1945, the atomic bomb appeared in history. The atomic bomb and the long-range rocket, cataclysmic in itself, have now been combined to a world frightening weapon.

The United States possesses nuclear weapons as a deterrent. The Soviet bloc also builds new weapon systems which it dare not use, not for reasons of humanity, but for reasons of self-preservation. Thus, at the moment peace is more or less the inability of the Soviet bloc to start an all-out war.

All-out war would pave the way for the dominance of the world by states, whose social structure and forces have remained more or less intact during the death struggle of the superstates. Thus, we may conclude, both sides face the same dilemma, that the power of nuclear weapons may have made all-out war useless as an instrument of policy except for acts of desperation.

But we have to assume that Russia is not at all in a desperate position and knows its political possibilities and limitations very well. Its efforts in the scientific and technical era prove its awareness of the world situation. Russia knows that even the short time advantage in the area of long-range ballistic missiles would not avoid the possibility of massive retaliation of United States forces from airbases around the Russian mainland.

Adding all these facts, I believe that Russia, considering the implications of using hydrogen weapons and the danger of becoming engaged in an all-out war, has made a complete change in her policies and approaches to world domination. This fact might find its proof also in the decision to discontinue their nuclear tests.

Russia may have learned that the idea of atomic warfare and rockets, as carriers of complete devastation and destruction, is an obsolete approach to world domination, that rocketry could be developed to a much stronger weapon, namely to transfer Communist domination into space.

I am convinced that Wernher von Braun is right in his opinion that the Russian Dictator Khrushchev considers control of space around the earth in much the same manner as the great maritime powers considered the control of the seas from the 16th to the 18th centuries.

Russia realizes that a large number of skilled engineers and scientists are needed to conquer space and even more important to them is the mass production of scientists and engineers, creating an army of Russian technicians, available to be sent to Asia, Africa, Latin America, countries hungry for the knowledge and know-how these men command. Thus, the Russians will not only transplant technical skill, but also spread communism into those underdeveloped and undereducated countries.

What are the military consequences in controlling space? What possibilities and advantages has the control of space for a world power? Is the statement true that, who conrols space, will definitely control the earth? Let me discuss the technical facts in the light of military aspects.

One man, even if he is the first to circle the earth at a speed never before experienced by human beings, cannot by himself constitute much of a threat. But it is also quite feasible to equip that pioneer with modern electronic devices, which would afford him superhuman capabilities for many purposes. The military importance in the field of space flight is based on the following major premises:

1. A satellite of the weight of Sputnik III could carry a combination of optical and television equipment to serve as a most efficient reconnaissance instrument. It could retain pictures taken over enemy territory and play them back over friendly territory. This can be accomplished in such fashion that nobody could jam its signals, because there would be no radio contact with the satellite, over enemy territory.

The nation or the group of nations that is first to achieve this goal will definitely disturb the existing balance and increase its own military and political strength tremendously.

There are many examples of military utilization of earth satellites which may explain the importance of satellites in the military field of our future.

2. I mentioned before that the scientific exploration of space will rapidly change our economy. Unfortunately in this grim contest between Russia and the Free World, a great deal of information must remain hidden in the interest of national security.

The practical solution of the problem of space travel demands technical efforts far exceeding those of the biggest projects men ever completed before.

Of course, this raises the question:

Why shall we promote space flight?

Which are the expedient and practical demands of men that can only be satisfied by space travel?

This question has not found sufficient attention before.

Let us assume that all technical problems of space travel were solved and that we have developed rockets equipped for scientific studies and technical exploration.

How could we make use of those technical possibilities? For what purposes would we use our space ships?

What would be the financial reward and the value of our investments?

The American taxpayer is interested in this question.

Space travel definitely will open numerous fields of tremendous economic possibilities.

The technical progress of our century so far has been based on the fact that we made use of all chemical deposits found on the earth. There is no chemical element which does not find its application in the technical field.

To obtain these products, we can exploit the small regions of the upper layer of the earth. In this upper layer, we only find traces of certain heavy and precious metals, much needed for our industry, while large

quantities can only be found at a depth below 60,000 feet, forever inaccessible to us. For example, iron, chrome, copper, cobalt, gold, and platinum.

From outer space, the meteorites that fell on our earth, we learned that other planets have a great amount of some of these important raw materials, easily exploitable. Precious metals in the form of powder or dust may be easily available on the surface of the moon.

Furthermore, we can assume that our space ship can head for a small planetoid consisting of meteoric iron, change the orbit of this planetoid, and direct it to a desert part of the earth. This would provide us with sufficient precious raw materials now unobtainable on the earth for generations to come.

There are about 24,400 planetoids observed and registered in different sizes, as remainders of larger planets consisting of pure nickel, iron, and platinum.

A satellite can become the most efficient communication carrier ever invented. By combining modern techniques of high speed coding as used in electronic digital computers, with modern broad band tape recorders, you may print an entire book upon a tape in 2 or 3 seconds.

Providing a multichannel tape recorder in a satellite, and by radio to ground stations, messages can be flashed up to the satellites, as it passes a big town, let us say Chicago, and 5 minutes later as it passes Washington it plays back the messages for Washington and takes on new messages for Capetown.

The storage capacity of this equipment is so astronomical, that the entire mail volume of the earth could be handled with about six orbiters operating as a unit.

Satellites can furnish the most reliable weather forecasting service. One of the greatest difficulties in weather forecasting is that no one knows exactly how much cloud cover exists over the earth at each instant. But a second rate camera could provide us with the entire story, if installed in an orbital vehicle. Storms and hurricanes could be predicted with very great accuracy.

The combination of satellites with earth-bound weather influencing methods, like rain seeding, could provide a combination of forecasting and weather making.

There is no doubt that the great efforts and expenses now involved in the exploration of space will bring tremendous economic rewards, changes and progress. History shows that each new field of human activities has contributed to economic progress to an extent beyond expectation.

3. The theoretical aspects of space travel will change our knowledge of the world in which we live.

We should remember that it will be the new scientific knowledge to be gained by space travel that will be the basis for the economic progress.

In striving for scientific knowledge the objective has always been to find the common law in a variety of phenomena. Only when comparing different phenomena men will be able to find and establish such a common law.

To name an example: Right now we feel pretty sure about our knowledge of life and the laws governing it, as if we would know the secrets of its creation. We should realize, however, that our observations are limited to the observations made on our planet, the earth.

Undoubtedly we will gain tremendous and surprising knowledge as well as develop completely new theoretical aspects, if we can study and compare the development of life on a different planet.

It is highly probable that we can expect to find some kind of life on the planet Mars. The first logical proof for it derived from geochemical studies by Victor Moritz Goldschmidt in Goettingen, already in 1930. So far his concepts have always been confirmed.

Mars with the yellow color, visible by the naked eye shows the presence of rust colored iron oxide; which is proof that at least in former times organic life existed.

If organic life exists or has existed on the Mars, we should find fossils just as we do on earth which will show the historic development of life.

Searching for new discoveries, the study of neighboring planets will increase our knowledge in the field of geophysics and geochemistry.

Based on geophysical and geochemical facts we established our concepts of the creation of the planetary system. Two strictly opposed theories exist and at the present time we cannot decide which is the correct one.

One theory states: "The celestial bodies of our planetary system were formed at the same time or almost at the same time."

The other theory states: "The celestial bodies of our planetary system have developed one after another so that older ones are found at a greater distance from the sun and the younger ones closer to the sun."

This question could definitely be answered if we could set our feet on some of these celestial bodies.

Of practical value will be the scientific discoveries comparing geophysical studies of different objects in the solar system. Our knowledge of the causes of earth magnetism is limited, we know little of the forces or reasons causing a change of earth magnetic constants.

These changes require a constant correction of our magnetic maps, so important for navigation on the sea and in the air. We cannot make any forecasts how the variation will change in the future. By collecting magnetic data from the two bodies closest to us, Mars and Moon, and registering the slow changes we shall be able to draw conclusions showing the reasons for the variations of earth magnetism.

For the astronomy, direct observations from bases on the moon avoiding the disturbances of the atmosphere will bring valuable advantages. Only then will it be possible to make complete use of the advanced status in the manufacture of telescopes, with their high degree of magnification power, now available.

From the surface of the moon the astronomers will be able to see without interference all light waves and corpuscular rays otherwise absorbed by the atmosphere.

Continuous measuring of ultraviolet radiation, without atmospheric absorption will help to establish long term weather forecast, only possible from a moon base.

In all civilized countries the costs for mapping and geodetic surveys present a considerable factor in the fiscal budget.

Accurate maps are basic necessities for cultivation projects, highway and railroad construction. In spite of the facts that all civilized countries have been working on modern surveying for almost 1½ centuries, the results still are unsatisfactory.

Exact mapping exists of only 7 percent of the total earth surface. For the remainder exact mapping and surveying have not yet been done.

The public generally has no idea how much money and time goes into accurate surveying work.

How valuable would it be to take pictures of the earth surface from a base on the moon?

We can assume that supplying exact photographic maps of the earth surface in a scale of 1 to 300,000 would already pay for all the expenses for technical development necessary for a trip to the moon.

There are immeasurable possibilities beyond the greatest stretch of human imagination, in these new horizons.

Economists and politicians certainly will study the problems involved in space exploration from all points of view, and must assure that the military field, the scientific and economical aspects retain their prime importance.

They will find out that the exploration of space will be a rewarding task, contributing to scientific and economic progress.

But more than this. The exploration of the universe will be an adventure, continually opening new doors and allowing men to recognize and analyze the beauty and order of the laws which govern the universe.

Mankind may come to realize that war will result in nothing but catastrophe. Men may grasp the truth that there is something much bigger than his little world. Before the mystery of what he will find out there, he must stand in reverential awe. Let us strive for and attain that understanding which is an essential predicate to human happiness the understanding that human government must conform to God's will.

MUTUAL SECURITY ACT OF 1958

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and I suggest to the Chair that morning business be closed.

The PRESIDING OFFICER. Without objection, the order for the quorum call is rescinded. Is there further morning business? If not, morning business is closed.

The Chair lays before the Senate the unfinished business, which is H. R. 12181.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

Mr. THURMOND. Mr. President, last January 9, the President of the United States appeared before the Congress and delivered his state of the Union message. In the course of that address, he made this statement:

> The threat to our safety, and to the hope of a peaceful world, can be simply stated. It is Communist imperialism.

This is a clear statement. I believe I am safe in saying that every Member of this body recognizes it as a true statement. The great threat to world security today is contained in the expansionist ambitions of the Communist empire, as directed from its headquarters in the Kremlin. Yet, even though we all recognize this to be true, we are considering a measure today which will have the effect of giving financial aid to the Communist empire.

The bill, in its present form, makes a distinction between the head and trunk of the Communist empire and its arms and legs. It adopts the philosophy that we can, by giving aid to the limbs, encourage them to detach themselves from the body. It is based on the rash assumption that the Communist imperialists will permit the limbs to amputate themselves whenever they desire to do so.

I submit that we cannot nourish a part of the Communist animal without nourishing all of it. I contend that aid to a Communist nation is aid to communism. It is as simple as that.

I wish to read from a section of the report of the Committee on Foreign Relations, in which the committee presents its rationalization of this program to amend the Mutual Defense Assistance Control Act of 1951 and authorize assistance to all Communist nations with the exceptions of the Soviet Union, Communist China, and North Korea. I quote now from the report:

> A number of important developments within the Communist bloc have taken place since 1951. Communist China has become a significant power within the Communist movement. The apparent monolithic solidarity of the satellite countries has proved in some cases to be synthetic. A series of cracks has appeared in the Iron Curtain. There is conclusive evidence that the subject peoples in Eastern Europe have never fully accepted communism. * * *
>
> Thus it is now apparent that, in addition to nations dominated completely by the Soviet Union and nations free of such domination, there is a third category of nations in the process of moving away from Communist control and establishing some measure of independence. * * * Some have already achieved an important measure of independence, and some have obtained a full measure of political independence but continue to be economically dependent upon the Soviet Union or Communist China.

As a justification of a program for aiding Communist nations, this rationalization fails to satisfy me, in several important respects:

First, and perhaps most importantly, it makes the error of confusing the ambitions for freedom held by the people of the satellite nations with the ambitions of the governments of those countries. The great masses of people, I agree, would like to strike off the shackles of communism. If we could find a way effectively to aid these people, in a direct fashion, we might be able to make a contribution to the peace of the world. The plain and simple fact of the matter, however, is that aid to Communist states must be administered in close cooperation with the Communist governments of those states. Is it reasonable to suppose that these Communist governments will collaborate in a program designed to bring about their dissolution? I think not. Communists are not deficient in the instinct for self-preservation. No matter whence the source, Communist governments will use the assistance given them to strengthen their regimes.

Second, there is no evidence to indicate that masters of the Communist empire are willing to permit the disintegration of their domain. I need only mention the Hungarian revolt of 1956 to illustrate the point that the Soviet Union will deal ruthlessly and implacably with a member of the empire that attempts to pull away. It is true that there has been an increasing amount of political independence in the so-called satellite states. It appears, however, that this political independence is limited to the amount that the Kremlin feels to be desirable for administrative purposes.

Third, we must recognize the existence of well established trade channels between the individual states of the Communist empire, particularly between the satellites and the Soviet Union. Following World War II, the Soviet Union dismantled many industrial plants in the areas it had occupied and moved equipment and finished goods into Russia to replace Soviet installations and inventories which had been destroyed during the war. The principle was well established that critical shortages in the Soviet Union could be filled by imports from the satellite states. If we commit ourselves to a program of aiding Communist states, we must expect that some of this assistance will be used, in undercover fashion, to bolster the economy of the Soviet Union or of Communist China.

The fourth point is a corollary of the third. To the extent the Soviet Union may be required, in the pursuit of its own interests, to provide supplies to satellite nations for the relief of famine, disaster, or other emergency, any American program which undertakes to provide the same supplies is a program for the relief of the Soviet Union. As men of good will, we have a natural humanitarian desire to alleviate suffering, wherever it may occur and without reference to geopolitical considerations. However, when we attempt to come to the rescue of Communist governments and invite them to use our resources to alleviate hardships within their borders, we are merely taking unto ourselves a burden which would normally fall on the Soviet Union or another member of the Communist empire.

Fifth, the program of aid to Communist countries which may appear to be on the verge of defecting from the Communist empire is based on a misguided concept of strategy. Our mutual-security program is designed as an obstacle to Communist expansion. Therefore, some have reasoned, the greatest effort in foreign aid should be made in those countries where the threat of communism is the greatest. This line of reasoning leads to the concept of aid to Communist countries. The Honorable Chester Bowles, formerly our Ambassador to India, stated the fallacy of this reasoning succinctly when he pointed out that we have appeared to offer a premium to those countries which have the most Communists. Mr. Bowles observed:

> A nation that could produce a sufficiently frightening array of local Communist agitators was often flooded with more assistance than it could properly use, while other nations which were less well endowed with such troublemakers received little or nothing.

In view of this state of affairs, we should not be surprised when countries in Asia, Africa, and Latin America develop Communist movements. I do not believe that such movements develop as a deliberate, calculated step in obtaining liberal American aid, but it must be obvious to every foreign political leader that a judicious amount of communism in the body politic is an important requisite for obtaining assistance from the United States.

Sixth, aid to Communist nations is aid to countries which might well be fighting against us in the event of war. Every Senator is well aware of the difficulty of drawing the line between military aid and economic aid. In modern warfare, every step which is taken to make a nation self-sufficient in the economic sense is a step which improves that country's mobilization base and makes it better able to wage war. A step to improve the warmaking potential of a Communist state is like playing with dynamite.

Mr. President, in the 10 years since Congress first embarked on a foreign-aid program through its approval of the Marshall plan, we have seen many changes in the concept and form of the program.

We originally contemplated a comparatively modest plan for the restoration of Western Europe. The Marshall plan worked well. It gave some Americans the confidence to launch into a global program with multiple objectives. The global program has not worked well.

Military assistance, which most directly strengthens our defenses by building up the armed strength of our allies, has been sadly mismanaged, and at times it is even given to nations which are not true friends of this country.

I quote from House Report No. 1281 of the House Government Operations Committee:

> The conclusions of the Comptroller General mean that the United States has given military end items to some countries to equip a total force which is either beyond (1) the manpower capabilities of the country to raise, (2) the technical capability to maintain, (3) the economic capability of the country to sustain even if such a force could be raised, or (4) the desire or willingness of the recipient country to fulfill or comply with the military objectives assigned to it. It means further that the maximum military effectiveness of the countries involved could have been developed with less United States aid than that which has been furnished, or which will be furnished in the future so long as such an unrealistic basis is used for programing military assistance.

This House report was based largely on the findings of the Honorable Joseph Campbell, the Comptroller General, who deserves the thanks of every citizen for his able work as the watchdog of the Treasury.

Mr. Campbell made a number of disclosures, among them the fact that there has never been an internal audit of the military-aid program, and that no estimates have ever been developed of the long-range cost of the program.

Indiscriminate economic assistance has failed to contribute to the security of the United States in proportion to its cost to the American taxpayer.

We have assumed that economic development can pave the way for the growth of democracies patterned after our own in the underdeveloped areas of the world. However, this program of force-feeding industry and agriculture, through heavy governmental expenditures, is basically opposed to the American system of free enterprise. It is more closely akin to the principles of state

socialism. In the cases where our economic aid results in a sudden increase in the wealth and productivity of a nation—and these cases are rare—we are likely to find that the government which develops is a government which relies heavily on continued governmental control of production. Dictatorship is a more likely product than democracy.

We have made the mistake of trying to buy friends. We cannot simply go forth and buy love of representative democracy and love of freedom like we can buy a ton of coal or a bushel of wheat. Love and friendship must first exist in the hearts of the people themselves, and if it does not exist there, no number of our dollars will put it there.

Who is to say that we did not have just as many friends, if not more, at the end of the World War II than we have right now? Is it not possible that, instead of curing the ills of the world with our dollars, we have added to them—by aiding communism in many instances, by subsidizing socialism in even more instances, by destroying the independence and self-reliance of many nations, by upsetting the way of life of peoples who do not want it upset?

A striking example can be pointed out by reference to a quotation from a Ceylon newspaper, which said:

> If the United States withdrew its offer of aid, that would be the price Ceylon would cheerfully pay to maintain her independence * * * If any country in the world offers Ceylon aid without strings she will gladly and gratefully accept as Nehru's India has done, but she cannot be bought, sold or bartered. After all, we have survived without American aid all these years and our self respect cannot be bought with dollars.

More and more we find that nations are responding to American aid in the way that Ceylon newspaper does, namely, that when a country accepts foreign aid from the United States, it feels that it is doing this country a favor. If some of the countries which receive American aid are so blinded with pride that they do not know the difference between Communist oppression and American generosity, then the time has come to stop injuring their pride with gifts of American dollars.

In addition to making the mistake of trying to buy friends, we have also made ourselves appear to be rich and arrogant, in our relations with the poorer nations of the world. The recent riots in Formosa should be evidence enough of the envious feeling we have generated among the countries which have small resources.

Through the foreign-aid program we have imposed a heavy burden on the taxpayers of today and the taxpayers of tomorrow, for this burden will persist for generations to come. Recently the Congress voted to raise the debt limit to $280 billion. By the end of this fiscal year, we shall have authorized, or spent, approximately one-fourth of our national debt, by means of this and other giveaway programs. The interest alone on the foreign-aid portion of the national debt is costing us between two billion dollars and three billion dollars annually. At the same time, some of this assistance has been used by foreign countries to reduce their own taxes and pay off their own national debts.

I am alarmed at this program. It is wrong in its conception, and it has been bungled in its execution. In the past 10 years, many mistakes have been made, and many instances of wastefulness, extravagance, graft, and inefficiency have been brought to light. I wish to recall for a few moments several of these projects, to illustrate some of the follies of our foreign-aid program.

Our foreign-aiders have poured millions of dollars into overseas reclamation projects which will make it possible for foreign countries to reclaim thousands of acres of farmland, and thus to enable their farmers to compete with our own farmers here at home who, for the past several years, have been in an agricultural recession.

They have also helped set up textile and other industries in foreign countries where low-wage competition can have further adverse effects on our domestic employment. Of the foreign-aid money used by recipient countries to purchase textile products in 1957, only 7.5 percent was purchased from United States mills. The rest, which amounted to $89 million, was bought from Japan and other competitors.

Our country, which plants very little rice, has sent technicians to Korea to teach Korean ricegrowers how to grow more and better rice. At the same time, shrewd Korean and Vietnam merchants have made large windfall profits and have maneuvered kickbacks while trading foreign-aid items.

The report of the House of Representatives Government Operations Committee says that a quarter of a billion dollars in assistance to Iran from 1951 to 1956 was administered in a "loose, slipshod, and unbusinesslike manner," and adds that amounts requested for aid to Iran "seem to have been picked out of the air."

In Laos, where we have been spending more money per capita than in any other country, the Communist Party is gaining more and more political power. In addition, the country's Minister of Planning and Reconstruction, who is the leader of the Communist political movement, has a voice in the spending of some of this American aid.

In Saudi Arabia, we have been giving millions of dollars to billionaire King Saud, who has more than 100 wives and gold-plated Cadillacs.

If all this were not enough, this program has also provided wage boosts to Iranian Government workers; public baths for Egyptian camel drivers; airplane rides for thousands of Moslems, to enable them to visit their religious shrine in Mecca; a sugar-beet refinery where there were insufficient beets; and we have even given some countries so much that we have contributed to their inflationary spirals.

If I had to single out one error as the most dangerous of all, I would find the choice a difficult one. There are too many from which to choose.

As of this moment, I am inclined to rank the mistake of offering aid to Communist countries above all the rest. I see no justification whatever for a program to combat communism by extending aid to communism. I think it is important, therefore, that we eliminate from House bill 12181 any provision which would authorize any assistance to Communist countries.

This week, the Senate is being asked to authorize, under the provisions of this bill, the appropriation of $3,068,900,000. This is $229 million less than the $3,297,900,000 requested by the administration. These figures show that the administration is committed to continue this foreign-aid program at a high level of spending.

Certainly, with a national debt of $280 billion, with a possible deficit of $9 billion facing us during fiscal year 1959, with greater expenditures required for missile and satellite development and research, with other economic and social needs staring us in the face at home, and with our people paying almost one-third of their income in taxes, the time has now come for the United States to take steps toward shackling this foreign-aid monster and bringing its spending spree to an end. No one can argue with the principle that the best assurance we have for the preservation of freedom in this world is the maintenance of a strong America, and if this strength is to be sustained and maintained, then we must reduce our foreign-aid program lest we spend ourselves to death and ruin our country economically, in accordance with the prophesies and hopes of Marx and Lenin.

Furthermore, if given the chance, private investment could replace foreign aid in many nations.

Some feel that the greatest hindrance to foreign investment is fear of confiscation. I do not agree. I think the greatest hindrance is foreign aid. Private capital does not go to a country whose economy is choked with sterile capital that yields no profit.

The largest receiver of Federal handouts since World War II has been Western Europe, and it has been the smallest receiver of new investment funds from private sources. As of 1956, Western Europe had received almost 70 percent of the money spent under the foreign-aid program. But the ratio of private investment in that area by the United States runs only about 14 percent. On the other hand, Latin America received 2.4 percent of the foreign-aid expenditures through 1956, but it received 35 percent of our foreign private investment. Only an invisible amount of aid went to Canada, but 34 percent of our foreign investment has gone there.

If investment capital is to be stimulated, foreign aid must be cut off. Private investment has been encouraged everywhere through the faith that we may have a lasting peace.

The changeover from the charity dollar to the investment dollar would have a stimulating effect, and it would inspire the nations we have been trying to help with confidence and new hope. Moreover, it would demonstrate to the world the virtues of our free enterprise system.

Aside from these points, however, it would release thousands of foreign aid-

ers and bureaucrats, which, in itself, would be a worthwhile accomplishment toward reducing the size of our Federal Government.

In summary of my comments on foreign aid, let me say that I favor a reduction in the size of this program now, not tomorrow, next year, or in 1960—but now.

America should continue to help faithful and loyal allies in Europe and Asia with a program of reasonable military assistance in order to keep American boys at home and strengthen the Free World. As to economic aid—or whatever modern term it has been given in recent years in order to deceive the public—I believe that if we are going to give such assistance it should be on a loan basis so that the recipients will know and feel their obligation and so that we can stand some chance of recovering some of these funds.

In accordance with the views set forth in this speech, Mr. President, I shall vote to reduce the authorization recommendations of the committee. If the bill is not properly amended, then it is my intention to vote against final passage of the bill, as I have done in previous years.

SEVENTY-FIVE BILLION DOLLARS TO EUROPE AND ASIA IN 10 YEARS TO BUILD COMPETITIVE PLANTS AND MINES TO BUILD DOLLAR BALANCES TO DEMAND OUR GOLD—NAMED MARSHALL PLAN, ECA, AND MUTUAL SECURITY

Mr. MALONE. Mr. President, with respect to the bill under consideration and which provides for spending more additional billions of American taxpayers' money in Europe and Asia to build competitive industries; we only need to read the current newspaper reports to note the effect the money given them to this date has had on our economy and the attitude of the people of the recipient countries, in order to judge the future fate of the people of the United States under such an unnecessary drain on their tax resources.

WORLDWIDE GIVEAWAY PROGRAM INHERITED FROM PREVIOUS ADMINISTRATIONS

Mr. President, let us take a look at the start of all this foreign-aid business. Let us look at the record. This program did not start yesterday, and it did not start under this administration. The only criticism which can be directed toward the current administration is the fact that it has carried on the inflation—billions to Europe and Asia—and the free trade programs which were started years before it took office.

MARSHALL PLAN CALLED FOR DIVISION OF UNITED STATES TAXPAYERS' WEALTH WITH FOREIGN COUNTRIES

The gigantic tax assessments against the American people, in order to send their money abroad, became evident with the Marshall plan. The program did not start with the Marshall plan—and I will review that later—but the Marshall plan was the first bold attempt, which was successful, to force the taxpayers of this Nation to embark upon a principle of division of wealth with the nations of the world. America, under these programs, was to supply the money to advance their standard of living to which they would like to become accustomed.

NATION'S ECONOMY SUBORDINATED TO WILD STATE DEPARTMENT FOREIGN POLICIES

In 1949, to pinpoint a direct recommendation from a State Department gone wild, Mr. Acheson and Mr. Thorp were Secretary of State and Assistant Secretary of State, respectively. Mr. Acheson said:

> It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. * * * Each complements and supplements the other. They must be combined in a single unified and rounded policy.

THE ORIGINAL GLOBAL GIVEAWAY BASED ON ERRONEOUS PREMISE

Mr. Thorp further blueprinted the procedure when he appeared before a committee in 1949 and specifically stated three things. He said:

> 1. The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet. * * *
>
> 2. The trade agreements (act) program is an integral part of our overall program for world economic recovery. * * *
>
> 3. The International Trade Organization upon which Congress will soon be asked to take favorable action provides a long-term mechanism—each part of this program is important. Each contributes to an effective and consistent whole.

The first professed that the Marshall plan, or the money in direct cash to be given to Europe and Asia, was to be used to assist foreign nations temporarily to develop their industry, with an indication there should be a recovery to prewar standards.

At that time and during the debate on the Marshall plan in 1947, the senior Senator from Nevada presented figures to this body which showed that at that moment only two nations in Europe were below their prewar development and production levels. Those nations were Austria and Germany, which we had just destroyed in the war. We had utterly destroyed Germany and had seriously damaged Austria, so that those two countries were unable to develop industry.

The remainder of the European nations were, at the time the Marshall plan was adopted, in a normal condition, in relation to prewar production. However, over the determined opposition of a handful of Senators, the Marshall plan was put into effect.

The Marshall plan was changed almost every year, since the change of the name made it impossible for the public to follow. And of course Senators are unable to follow what is done with the money, because that is apparently secret all the way around, and the testimony in the committees never reveals what is done.

FOREIGN AID AND FREE TRADE TIED TOGETHER BY STATE DEPARTMENT

Mr. Thorp said, in 1949, subsequent to the passage of the Marshall plan and its renewal the following year, in his testimony before the committee, that the Marshall plan was a temporary method employed to help certain European countries in their recovery. Mr. Thorp said that the 1934 Trade Agreements Act, which he called the Reciprocal Trade Agreements Act—the phrase "reciprocal trade," does not occur in the act at all, and never has, from the beginning, since our agreements are not reciprocal and were never so intended—was point No. 2 toward a permanent recovery.

ITO LINKED TO FREE IMPORTS: FOREIGN AID IN INTERNATIONAL SOCIALISTIC PLAN

Then Mr. Thorp said that the ITO, the International Trade Organization, the program which the Department was then getting ready to present to Congress, was the third point. He stated the three were inseparable, each being dependent upon the others. That was a bold attempt. It was the next step beyond the Marshall plan and was designed to make permanent the division of the markets of this Nation with the other nations of the world, and the division of the cash, assessed against the taxpayers of this Nation, on the basis of a clearly permanent international Socialistic plan.

PERMANENT GIVEAWAY OF UNITED STATES TAXPAYERS' CASH PROJECTED

Mr. Dulles, the Secretary of State, last year, when the act was before Congress for renewal, said that the Marshall plan, whatever it might be called, the program involving giving away the money of American taxpayers must become permanent. There is no question that was the idea in mind in the beginning, and the senior Senator from Nevada so stated on this floor in 1947. The senior Senator from Nevada stated that once we started this plan of the division of cash it would become permanent.

Secretary Dulles now testifies—I suppose he has so testified this time before the Ways and Means Committee of the House, since he did last year—that the program must become permanent, which means that the division of the wealth of the United States must be continued in future years among the nations of Europe and Asia.

NATIONAL ECONOMY AND FOREIGN POLICY KEPT SEPARATE IN CONSTITUTION

The Constitution of the United States, which has become largely a back number in Washington, New York, and other places in the United States where these giveaway programs are so heartily supported, specifically and pointedly separates the regulation of the national economy of the United States from the fixing of foreign policy.

That document, in article I, section 8, specifically provides that the legislative branch of a three-branch Government created under the Constitution shall regulate foreign trade, shall fix and adjust the duties, imposts, and excises which we call tariffs, in the regulation of the national economy. The national economy is regulated by the adjustment of the duties, imposts, and excises, or tariffs and whoever regulates foreign trade. The legislative branch of the Government is directed by the Constitution to regulate foreign trade. The executive was to conduct our foreign policy with the advice and consent of Senate.

In 1934, at the urging of a powerful President, Congress enacted a law, to combine the two functions to which I

have referred; and from that time—1934—until this date the executive department has both determined the foreign policy and regulated the economy of the United States.

Acheson and Thorp's statement has borne fruit.

TRAGIC EXPERIENCE UNDER KINGS AND AUTOCRATS PROMPTED FOREFATHERS TO SEPARATE FOREIGN AND DOMESTIC POWERS

Why were the two functions separated in the beginning. The debates in the Constitutional Convention show that Washington, Madison, Ben Franklin, and others who put into writing that immortal document, had been pushed around by kings, queens, and autocrats for many years. That was the experience of the Thirteen Colonies. What did the kings, queens, and autocrats have in their hands? It was the fixing of foreign policy and the regulation of the economy of the American Colonies by executive order.

The framers of our Constitution, having been subjected to such regulation, both in one branch, determined that such a thing should never happen to the United States of America, so they pointedly separated the two functions. One was placed in the legislative branch. The regulation of the economy of the United States was placed in the legislative branch by article I, section 8.

The other—fixing of foreign policy—function was placed in the executive department by article II, section 2. The executive department is the second branch mentioned in the Constitution. The judicial branch is described as the third branch of the three-part Government.

EXECUTIVE DOMINATION OF CONGRESS BEGAN IN 1934 TRADE ACT

By the 1934 Trade Agreements Act the two functions are combined. As can be seen, progressively, starting in 1933 and 1934, the executive department—the Secretary of State and the President of the United States—have slowly encroached upon and dominated the legislative branch.

Today the State Department has the audacity to recommend that all these programs become permanent, and that the Congress appropriate the money of the taxpayers and assign it to the Department.

I submit that we have come a long way since Ben Franklin, George Washington, and other distinguished patriots sat down and arranged the separation of powers under the Constitution of the United States.

AMENDMENT OF CONSTITUTION ONLY PROPER WAY TO CHANGE DIVISION OF ITS POWERS

I am heartily in accord with what George Washington had to say in his Farewell Address about usurping powers under the Constitution, and about the separation of powers. George Washington said in his farewell address:

> If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation: for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

If, then, the American people want the executive department, the President of the United States, to exercise this economic power, we should amend the Constitution. If any Member of Congress decides that the regulation of the economic structure of the country, the fixing of duties, imposts, and excises, in the regulation of foreign trade, should be in the President of the United States instead of the legislative branch, let him propose an amendment to the Constitution.

AMENDMENT PROCEDURE STATED

Such a proposal could be considered by the proper committees of both Houses of Congress and voted upon by the two Houses. If it were approved and submitted to the States, and three-fourths of the States should ratify it, that would be in accordance with the Constitution of the United States.

It may be complained that such a course of action would require time. But the process to which I have referred has continued for nearly a quarter of a century. Some of the things about which I am complaining today, including the transfer of the legislative powers to the executive in violation of the separation of powers under the Constitution, have been going on for nearly a quarter of a century. The Constitution of the United States could be amended in a couple of years if the people of the United States believed that it should be amended.

PEOPLE'S RIGHT TO KNOW—SAFEGUARDED BY CONSTITUTIONAL SEPARATION OF POWERS

However, if any Member of this body had the audacity to introduce a proposed amendment to the Constitution which would place in the executive department the power of the legislative branch to regulate the national economy and to fix duties, imposts, and excises, and to regulate foreign trade, he would never be returned to this body by his constituents; and such objection would be raised all over the country that other Members of Congress would be too frightened even to attempt to bring about such a result.

Under the separation of powers, the people had an opportunity to know what is being done. Now most of the people do not know, or did not know until the effect of the program begins to be felt.

FOREIGN ALUMINUM PLANTS FINANCED BY UNITED STATES TAXPAYERS THREATEN ALUMINUM INDUSTRY HERE

During World War II, as a part of the program of distribution of the money of the taxpayers to foreign countries, $68 million was given to a corporation in Canada to build an aluminum plant, for example. Other millions of our taxpayers' money has gone to build other foreign aluminum plants. Let us see the effect these aluminum plants are having on the United States. In the New York Times of today, June 5, reference is made to Mr. Donovan Wilmot, who is the vice president of the Aluminum Company of America. The article states:

> The Nation's primary aluminum industry will find it increasingly difficult to remain strong "unless the Government provides adequate protection for it against the competition of subsidized or state-owned foreign producers."

> This view was expressed yesterday by Donovan Wilmot, vice president of the Aluminum Company of America, at the spring meeting of the Aluminum Extruders' Council at Williamsburg, Va.
>
> Wage rates in competing foreign operations are only a fraction of those paid in this country, Mr. Wilmot said. While factory wages in the United States averaged $2.07 an hour, and domestic aluminum industry hourly earnings, $2.50 to $2.75—not including fringe benefits—the aluminum industry in such countries as Japan, Italy, France and West Germany pays 24 to 48 cents an hour, he said.
>
> Mr. Wilmot said the United States tariff on aluminum pig and ingot was presently 1.3 cents a pound and would be reduced to 1.25 cents on July 1. By contrast, he said, Americans shipping into France and Italy must pay tariffs of about 6 to 10 cents a pound.

UNITED STATES ONLY NATION THAT REFUSES TO PROTECT ITS WAGE EARNERS AND INVESTORS

Mr. President, we are the only free-trade Nation in the world; every other nation protects its commercial enterprises within its own borders. If a person wishes to ship an automobile to England, for example—and England screams the loudest for the free trade for the United States—it will cost him 55 percent of the cost of the automobile. And so it goes around the world. The foreign countries have import permits, exchange permits, tariffs, and everything it requires to regulate imports. We are the only Nation in the world that does not protect its workingmen and investors, once the investment is made on a commercial basis.

I note also the headline in the Wall Street Journal of yesterday—and the Wall Street Journal is a very conservative newspaper—"Sterling Area's Dollar Reserves Increased in May—Surplus of $125 Million in Month Boosts Its Total Reserve Above $3 Billion."

UNITED STATES GOLD SUPPLY BEING SIPHONED OFF TO KINGS AND DICTATORS

Mr. President, speaking of gold, we are losing our gold by leaps and bounds to foreign nations. With the more than $3 billion which will be authorized by the pending bill, the total sum will amount to approximately $75 billion since World War II, without going back of that date at the moment. That money is divided in about 3 different ways in most countries. In a good many cases the current dictator or king gets his cut, so that if he loses his job, he has some money on deposit in Switzerland or some other neutral country, and can then live quite well without any job.

The remainder is cut at least two different ways. One is used to build up the foreign country's reserves of foreign dollar balances which can be used to demand of this country payment in gold. We have made such gold payments for many years.

EXPORTED GOLD BEING USED TO PUT UNITED STATES WAGE EARNERS OUT OF WORK

The remainder can be used to build processing plants and operate mines and to employ cheap labor to produce the goods, and the goods so produced are sent to this country under the practically free trade setup we have now, and in that way put our own workingmen and investors out of business.

Mr. President, I should like to say a word about the gold standard. I do not believe it is generally known among the people of the United States that the folding money we give to the foreign countries through direct appropriations by Congress can be used to buy gold in this country.

FOREIGNERS MAY EXCHANGE UNITED STATES PAPER MONEY FOR UNITED STATES GOLD; AMERICANS CANNOT

The American citizen earns his folding money, but he cannot buy gold with it. Foreigners, on the other hand, can build up their dollar balances in European countries and in other foreign countries, and then can demand gold for it in this country. If all the balances were presented within a reasonable time, of the $22,400,000,000 in gold—according to the regular reports we get from the Federal Reserve Board—which is stored in the various depositories throughout the country there would be less than $5,700,000,000 left. That is not generally known, but it is a fact, and was so testified to by Mr. William McChesney Martin, the Chairman of the Federal Reserve Board. He went on to say, hurriedly, that we could refuse to make such payment.

Under my questioning, however, he said that if we did so refuse, it would have a severe affect on the value of our money on the world markets. Moreover, still under my questioning, he said that it would probably cause a severe depression in the United States if we so refused, and we would have to choose between giving practically all our gold to foreign nations or refusing such payment and thereby destroying the value of the dollar on the international markets, and causing a depression here.

RUSSIAN GOLD A THREAT TO MONEY MARTS OF WESTERN WORLD

Mr. President, I have only one other word to say on the matter of gold production and possession in the world today. I spent 2½ months behind the Iron Curtain in 1955, and I visited many of the mines in Russia, and some even in Siberia. I went into all the 16 Socialist Republics. I am here to tell the Senate that in my earnest opinion the real Russian threat to this country may be putting the ruble on the gold standard. When I was there they charged me—and I suppose they charged everyone else the same—$1 for 4 rubles. One dollar could buy four rubles. It was actually worth $1 to 16 rubles. That made a considerable overcharge. It cost me about $40 a day to stay at the National Hotel, in a rather fair apartment. Sometimes even the plumbing worked. Forty dollars a day was too much money for it. If the exchange had been 16 rubles to the dollar, the proper exchange, it would have been about right. However, they were their rubles; not mine. The Russians regulated them.

I really believe that within a year or two the Russians will put the ruble on the gold standard. When they do that, all the dollar balances will be demanded, and we will have very little gold left, that would mean a panic here.

FOREIGN AID GIVES FOREIGN COUNTRIES POWER TO TAP OUR GOLD SUPPLY

Someone may ask, "What has that to do with the bill before the Senate today?" The money will go to buy gold, and we will give it to the foreign countries. They can build up their dollar balances and also build factories, with which to compete with the working men and investors of the United States, just as Mr. Donovan Wilmot, vice president of the Aluminum Company of America said, according to today's New York Times. He is as right as rain about it.

I believe some attention should be paid to the leaders of industry in America. Such action as I have indicated concerns our own employees and our own people, and it will mean our own people being put out of work.

CANADIANS DEMANDING TARIFF PROTECTION TO BAR CHEAP IMPORTS

I note also in this morning's New York Times another article under the headline, "New Tariff Plea Voiced in Canada—Chief of Big Industrial Group Urges 'Adequate' Tariff To Bar Cheap Imports."

The article reads:

MONTREAL, June 4.—Canadian manufacturers heard a new call today for an adequate tariff to protect the Canadian economy.

This from a nation that screams to high heaven when we seek to protect American markets—giving equal access to American markets for Americans.

H. V. Lush, retiring president of the Canadian Manufacturers' Association, said in his report to the group's annual meeting at the Queen Elizabeth Hotel, that the tariff also would guard "our Canadian wage standards from the devastating effects of cheap labor and mass-produced products."

Mr. Lush made the following point, also:

The proposed diversion of trade from the United States to Britain—as called for by the Government some months ago—has already resulted in reduced purchases from American-owned subsidiary companies in Canada. England still practices empire professional rates which holds her ex-colonies loyalty.

AMERICAN BUSINESS, MANUFACTURING COSTS HIGHEST IN THE WORLD

That is simply further evidence of what I said a few moments ago, namely, that the United States is the only free trade Nation in the world. Higher wages are paid in the United States than are in Canada. Our cost of doing business, including our taxes, is the highest cost in the world. Therefore, under our policy of having a tariff only to make up the difference between the cost of doing business in this Nation and in the chief competing nations, including wages and taxes on each product, our living standard is higher. Other nations do not need to impose tariffs against America for that purpose. Their purposes are different. They want to keep our products out—not to equalize the cost.

WHAT $100 TAX PAYMENTS BY 6,000 TAXPAYERS BOUGHT FOR SANTA DOMINGO

Mr. President, all one has to do is to read the current newspaper reports. In any day's newspaper, one can see exactly what is happening. An editorial entitled "Taxpayer's Lament," published in the Wall Street Journal of June 4, 1958, might seem facetious.

But in that ordinarily conservative newspaper we find a statement concerning what the Government is doing today in the way of milking the taxpayers in order to support foreign nations. The editorial reads as follows:

TAXPAYER'S LAMENT

Aside from an increase in the rate, probably nothing riles a taxpayer more than see his money wasted or unwisely spent. If, for instance, your annual contribution to the United States Treasury is $100, the salt is rubbed harshly in the wound when you learn that some bureaucrat laid out $100 for an item that wasn't needed. You can get particularly rankled by looking upon the misspent money as your $100.

The same attitude can be applied to foreign aid. During the last fiscal year the United States doled out $600,000 to Dictator Trujillo's Dominican Republic. Apparently somebody in Washington thinks that the little country needs money. But it appears that the Dominican Republic was solvent enough to enable Trujillo to hire an American press agent for $600,000, and two lawyers for $100,000, to investigate reports that the dictator engineered the disappearance 2 years ago of Jesus de Galindez, an outspoken critic of the Trujillo regime. The lawyers reported, incidentally, that their investigation showed their client had nothing to do with the Galindez mystery.

The feeling that the Dominican Republic must be far from destitute is strengthened further when we consider that Trujillo's son, who is chief of his father's air force, draws a tidy $600,000 a year—or six times as much as the President of the United States, or the exact equivalent of what the United States gives daddy in foreign aid.

This one item in the Government's huge foreign aid program requires the $100 tax payments of 6,000 Americans.

FOREIGN AID AN OPEN DOOR TO GRAFT AND WASTE OF HARD-EARNED AMERICAN DOLLARS

Mr. President, without any doubt, that the same thing is happening in about 90 percent of the cases of outlays for foreign aid. The opportunities for graft, crookedness, and all kinds of shenanigans in expending $5 billion or $6 billion a year outside America by persons—probably 98 percent of them inexperienced in the work they have undertaken—who are simply trying to get rid of the money for any kind of purpose in a foreign country, are innumerable.

The editorial I have read relates the effort of the Government to enable a dictator to hold his job. But there is no question that if the American people could learn the details of exactly what has happened during the 10 years the program has been in effect, they would move on Washington without even waiting for an election.

NOTED WASHINGTON COLUMNIST WARNS FOREIGN AID SCANDALS COMING

Mr. Fulton Lewis, Jr., who has become one of the leading newspaper reporters in Washington over the years, had something to say on the subject. I read this dispatch on the plane from Las Vegas to Washington Tuesday night. Under a King Features Syndicate copyright, Mr. Lewis said:

Behind the daily routines and debates in Congress, a megaton explosive force is building up rapidly under the foreign aid program, and it may be triggered at any time.

When it is, the public will be treated to one of the most farreaching, fantastic, and elaborate scandals of administrative waste in the Nation's history. The mystery is how it has been kept under cover so long.

I do not think there is any mystery about how it can be kept under cover when no details are ever given to Congress. Apparently, no Congressional committee has quite had the fortitude to try to go to the bottom of the question. But most of us have seen what happens abroad.

TRACTOR GIFTS TO SIAMESE RECALLED

I was in Siam in 1948. The Siamese weigh about 110 pounds wringing wet. From our standpoint, their methods of harvesting crops and doing business are very old fashioned. They use a hooked knife to cut rice. They stand in water which is perhaps a foot deep, more or less. They bend over and cut the rice with the knife in one hand, and grab the rice with the other hand.

The Department of State thought the Siamese ought to have some tractors, so they arranged to send some tractors there. But what happened to the tractors? They were all pulled up on the banks. They had run out of gas and could not be used any more. That is about all that any of the Siamese knew about tractors.

I suggested that the Siamese be taught how to use a scythe. Instead of using a small hooked knife, they could be taught to use a scythe and to increase their production so as to provide enough rice for 8 or 10 families, instead of for the 2 or 3 families for whom they produce at present. They might be ready to use a tractor in a few generations hence.

But that is an example of how our money is spent for useless things. It could be that the people who sell tractors and many hundreds of other gimmicks are strong enough to continue to support this aid in order to enable them to sell their machinery in nations where it may or may not be used.

MACHINERY SHIPMENTS TO INDIA WASTED

The same is true of India. Much of our heavy machinery has been sent to India away ahead of its time. I shall refer to this in some detail further on in my remarks.

Mr. President, I have been in the engineering business for a good many years. I know that when we try to teach the people of a country to use certain types of material ahead of their times the people must have the ambition to learn.

We did not learn how to use tractors overnight. It took us 150 years to reach our present status. But we are attempting to teach the people of the so-called backward nations overnight to do things just as we do them, and that simply does not work. Ninety-eight percent of the machinery we send to such countries is wasted, as can be seen by anyone who visits them. Mr. Lewis continues:

The chief trick in this connection—

That is, to sell all this material—

seems to have been a process of negative resistance on the part of the State Department, combined with procrastination and lackadaisical indulgence on the part of Congress.

Mr. President, I believe Mr. Lewis is exactly correct when he uses the words "lackadaisical indulgence on the part of Congress." When the blow falls, I believe Congress must take its responsibility in this connection.

EVASIVENESS OF ICA SPOKESMEN SCORED

Mr. President, I read further from the release by Fulton Lewis, Jr.:

Foreign aid (International Cooperation Administration) spokesmen—

The title International Cooperation Administration is but the latest of several names which have been used by this particular agency—

appearing before Congressional committees, refuse, systematically, to produce any specifics about the yearly programs they propose; and the financial watchdog of Congress, the General Accounting Office, is unable to make any satisfactory postaudit of expenditures after they are made.

I can understand that, because the ICA has in these foreign countries great numbers of employees who do not even understand the programs themselves. So how can they describe them?

BIG DAMS FAVORED FOR FOREIGN COUNTRIES BUT NOT FOR UNITED STATES

Mr. President, there are those who object to the construction of dams for flood-control purposes on rivers in the United States, whereas the 75-year-old policy of the Congress is that when the Army Engineers report, at the request of Congress, to the appropriate committee, that such a project is feasible on the basis that its benefits are estimated to exceed its cost, then, when the people of the area purchase the rights-of-way, the project can be authorized and constructed.

However, there are those who, although they favor the ICA program, object strenuously to carrying out the program for the construction of dams for flood-control purposes on rivers in this country. Who are they? They are not the Members of the House of Representatives or the Senate; they are employees of an agency of the executive branch of the Government; namely, the State Department. On the other hand, the ICA builds similar projects abroad; but Congress does not have any information at all about them.

COSTS OF AMERICAN PROJECTS REPAID TO TAXPAYERS—ICA-FINANCED FOREIGN PROJECTS TOTAL LOSS

There is also the 56-year-old policy of building dams and reclamation projects in the United States; and under that policy, the money used for that purpose is returned to the Government, without interest; or when power or a commercial product is produced as a result, the cost of the project is paid back to the Government during a definite amortization period, with interest, namely, not less than the amount of interest the Government pays for money. But the State Department and many other departments of the executive branch of the Government oppose that program. They say, "It is not needed in this country. Such programs should not be carried on in the United States."

On the other hand, the State Department favors the ICA program, under which between $4 billion and $5 billion a year is spent in foreign countries; and since the end of World War II, those expenditures have totaled in excess of $70 billion.

ICA GIFTS TO DICTATORS STRENGTHEN DICTATORIAL POWER OVER SUBJECT PEOPLES

I should point out that no one seems to know what is being built under the ICA program; in fact, even the ICA employees themselves do not understand about 98 percent of their program. I am not surprised, therefore, that they do not try to explain it to Congress. How could they, when they do not understand it. However, they do understand that by giving such aid to countries headed by dictators, our support is given to those dictators and to their regimes. On the other hand, this program does not aid the people of those countries. Instead, it supports, in such country, a government which is not supported by large numbers of the people, and perhaps by three-fourths of the people of the country.

BALLYHOO, NOT FACTS, USED TO PLUG FOREIGN AID

I read further from the release of Mr. Fulton Lewis, Jr.:

There are no records in the field or in Washington, to show what projects are planned, which ones are underway, or which ones have been completed. Where there are fragmentary vouchers, they are unchecked and unendorsed, thus worthless.

Ironically enough, the immediate irritant that threatens to do the triggering is the propaganda project of the President's Hollywood movie czar pal, Eric Johnston, a glamor impressed counterpart of Paul G. Hoffman, whom the President was conned into taking on to sell the aid program to the public.

JOHNSTON LOBBY TREK RECALLED

Mr. President, Eric Johnston has not been in Washington for some time. I remember when he began his trek to Washington with reams of propaganda and 600 or 700 business people who wanted to continue to sell to foreign nations the products of their plants, regardless of whether those nations wished to purchase them.

The day after Eric Johnston began his trek to Washington, I submitted a Senate resolution which provided that he be required to register as a lobbyist and to state the source of the funds he received.

Of course, Mr. President, various of the committees of Congress have been treating the motion-picture industry fairly well; and Eric Johnston is the movie czar. The Congress voted in order to save the small motion-picture theaters—to remove the excise tax from theater tickets which cost 90 cents or less.

I read further from the release by Fulton Lewis:

The public didn't buy very well, so Johnston switched his operations to straightaway lobbying and political thumb screwing of key members of the House Appropriations Committee, where the aid funds have to originate.

Mr. President, I shall skip over a considerable part of the release, which I assume has been read by a number of Senators.

The last paragraph of page 2 of the release reads as follows:

Representative WINFIELD K. DENTON, of Indiana, says he has never experienced more ruthless or concentrated pressure. The others, no less beleaguered, are J. VAUGHAN GARY, of Virginia, WILLIAM H. NATCHER, of Kentucky, GEORGE W. ANDREWS, of Alabama, and HUGH Q. ALEXANDER, of North Carolina. The sixth Passman supporter they didn't dare tackle. He is the grizzly Appropriations chairman, CLARENCE CANNON, of Missouri, who is just too tough.

THREE BILLION ASKED FOR 73 FOREIGN COUNTRIES WHILE 243 AMERICAN AREAS AND CITIES DISTRESSED

Mr. President, I have submitted that outline to show what goes on according to the reports of the day, and that to indicate anyone who will simply keep up with the newspapers, will find that there is very little that can be said in favor of this program.

Mr. President, the pending bill would authorize the appropriation of over $3 billion, to be poured into 73 foreign countries, whereas the May report of the Bureau of Employment Security, which reached my desk today, lists 243 distressed areas in the United States. These distressed areas are in 33 American States. But the pending bill is not directed toward helping the people of those areas in this country. The pending bill will not increase their security. Instead, it will augment their insecurity, by draining all those billions of dollars out of the United States—their dollars among them—to be used to build up more foreign competition against American workers in distress.

COLONIALISM ABROAD BEING MAINTAINED WITH UNITED STATES MILITARY AND MONETARY AID

Mr. President, all we need to do is stop and think for a moment about this matter. Every one of the countries in Europe is today producing more goods than its people can consume. Most of them either have been colonial nations, or have been on the verge of a colonial status. Britain, France, Belgium, and the Netherlands, the toughest colonial powers for more than 300 years, simply controlled the markets of weaker countries. Of course, when the airplane dominated the British fleet, that should have ended colonialism; but it continues in some parts of the world, partly on its own momentum, partly because of our monetary and military help.

NATO, LIKE FOREIGN AID, DEVISED TO MAINTAIN EUROPEAN COLONIAL SYSTEMS

Mr. President, in 1947, in the course of a debate with the late Senator Vandenberg of Michigan, who favored the Marshall plan and the compact with foreign nations, I stated on this floor that if the United States signed the compact with the other foreign nations—it was called NATO—our country would be guaranteeing the integrity of the colonial system throughout the world. But I stated then that all our strength would not be sufficient to enable us to do so.

"Oh, no," he said.

I said, "I will explain it. If they go to war, they will have to defend their colonial possessions." We know that.

AMERICA BROKE AWAY FROM EUROPE'S TRADE WARS IN 1776, NOW BACK IN EUROPE'S TRAP

We have dropped into the net. In 1776 we declared our independence from old Europe and her trade wars. We were a colonial country and were not allowed to manufacture anything. We shipped our raw materials to England; England manufactured goods, sent them back to the American Colonies, and took what the traffic would bear.

For 150 years we have developed our own economy to the highest standard of living the world has ever known.

In 1934 we dropped back into the trap. We turned around and reversed the process by reducing tariffs below the difference between the cost of doing business and the standard of living wages in our country, and those in the competitive countries. Those countries again became the suppliers of the United States of America.

AMERICA AGAIN BECOMING AN ECONOMIC COLONY OF EUROPE

Under the Foreign Aid Act, we help countries in Europe and Asia by sending them billions of dollars to construct plants and build up their dollar balances. We are today a greater economic colonial of the capitals of Europe than we were in 1776, when we wrote the Declaration of Independence. The foreign countries now have our markets without any responsibilities.

When we were a colonial nation, as we were up to that date, and as many other nations have been until recently, the European capitals controlled the markets, but they also had a certain responsibility for the welfare of the colonies. There is no such responsibility now.

Those countries have become the suppliers of the United States markets without any responsibility whatsoever.

WASHINGTON, NEW YORK, ISOLATED FROM PUBLIC SENTIMENT OF PEOPLE ACROSS THE NATION

This must end, of course. What the Senate will do to the bill now before it, I am unable to say; but I venture the assertion that before the next election is over, there will be an end to this business. Members of Congress are going back to the taxpayers and talk to them before they return to Congress. The taxpayers do not like what Congress has been doing.

There seems to be some kind of a sound barrier on the Potomac River and on the Hudson River. No public sentiment ever gets across those rivers. Public sentiment never reaches Washington, D. C., or New York City.

PUBLIC BECOMING ALERT TO SCHEME OF ONE-WORLD SOCIALISM

The public today is 10 years ahead of Congress. It knows there is something wrong, and it has known it for a long time; but it could not believe that the Congress of the United States would do to them what it has done. The Congress is supposed to represent every precinct in the United States and every taxpayer. The people have begun to learn that there is a socialistic scheme for a division of the wealth and a division of the markets and a division of their own cash, so that the American people will be on the streets. Many of them are now out on the streets.

On my desk also are several handsome brochures issued jointly by the Department of State, the Department of Defense, and the Economic Cooperation Administration, plugging foreign aid. The brochures are on fine paper, and are illustrated with fancy maps, charts, and graphs. The State Department, the ICA, and the Department of Defense weep for the less developed nations.

BUREAUCRATIC TEARS SHED FOR FOREIGN UNDERDEVELOPED COUNTRIES WHILE MANY UNITED STATES AREAS DESOLATED BY FREE TRADE AND FOREIGN AID

Let me say, Mr. President, that I have news for those outfits. If they really want to see some undeveloped country, I shall be happy, when Congress adjourns, to have them go home with me on a trip. Not only will I show them some undeveloped country, I will show them areas which were once developed but now lie devastated because of the foreign-aid policy of the United States Congress, and they will see people walking the streets. That is no news to the Senate, either, if Senators can read. That news is in the newspapers every day.

I wish some of those advocating foreign aid could visit some of the areas I visited last weekend, where nobody was working, where there were abandoned mills and abandoned mines.

Now, with cattle starting to come in from New Zealand by the shipload, and canned and all kinds of processed meat coming into this country from the Argentine and other nations, the situation will get even worse.

NEWEST, BEST MACHINERY GOING TO LOW-WAGE FOREIGN PLANTS UNDER UNITED STATES AID PROGRAM

Mr. President, we could not make even monkey wrenches in this country, paying our wages and taxes and costs, and compete with those made with American machinery and with American know-how in countries where labor is paid $2 a day. For 20 years we have had the spectacle of professors in our universities, who ought to know better, and other persons, saying we can compete with any nation, no matter what labor is paid in those countries, because of our superior machinery and know-how.

What kind of machinery, Mr. President, do you think those nations have? I will tell you. I have been in every nation in the world, and I know machinery when I see it.

As an example, I spent 2 weeks at a mining camp in northern Chile. Where do you suppose, Mr. President, the best copper mill in the world is located today? It is located in northern Chile, because it was the last one made.

FOREIGN PAY SCALES FRACTION OF AMERICAN WAGE FOR SIMILAR WORK

I am not only talking about copper, but I am talking about sending 2, 3, or 5, 6, or 7 percent of our well-trained American engineers and technicians to foreign countries to train workers in those countries. Within 30 days, the workers in those countries can do as well as the trained worker in America.

Instead of $17 or $18 a day paid in the United States, the workers in North

Africa get $2 a day, or $1 a day or even as low as 50 cents a day. How can we be that crazy? Naturally, the professors to whom I have alluded are finding out now they have been wrong, but they have been preaching this policy for 20 years. I hope they are finding out they are wrong. I have no direct proof. I quoted statements of men like the vice president of the aluminum company who says his company cannot stay in the aluminum business in this country against competition even from Canada, when we build plants in that area. Of course, he also mentioned Japan, where 20 cents an hour is considered to be a very good wage. And a Japanese worker will work as hard as an American worker, and produce as much material.

FREE IMPORTS CAUSE JOB CUTBACK IN VITAL NEW NEVADA INDUSTRY

To come home for an example in my own State of Nevada, a new metal was developed a few years ago. The Committee on Interior and Insular Affairs held hearings to determine what the metal could do. The weight and strength ratio was the greatest of any metal on earth. I refer to the metal titanium. We have enough of the raw material in this country and in southern Canada to make all of the titanium we will need for the next several hundred years, so of course we are importing the material from Australia and some other places.

In Henderson, Nev., there was produced about half of the titanium material needed in the United States, and the other half was being produced in New Jersey by the du Ponts. Last year we imported titanium from Japan. The American-financed companies with Japanese workers at 20 cents an hour were glad to bring in the imports. Five hundred workers at Henderson were laid off. Our men, by the way, were getting about $18 a day, plus social security, industrial insurance, and so on. The industrial insurance and social security amounted to more than the wages paid in most of the countries to which I refer.

Unless there is a change in the situation of titanium manufacture, Henderson, Nev., and New Jersey will not have a titanium operation of very long duration, and there will be other men out on the streets.

ECONOMY OF UNITED STATES SAGS WHILE UNITED STATES DOLLARS BUILD UP ECONOMIES OF FOREIGN COUNTRIES

No Government publications have reached my desk about the plight or the problems of our own less developed areas, which I have just described, or the fine Americans whose economy is going or has gone down the drain. Nothing concrete has been done for the past 11 years to advance our own economy, which has been and is steadily deteriorating. Everything has been done that $70 billion of our taxpayers' money could do to advance the economies of our foreign competitors. We even boast about it.

Mr. President, the April 1958 issue of the Survey of Current Business, published by the Department of Commerce, begins a leading article by stating:

Foreign countries received approximately $5.1 billion of goods, services, and cash in 1957 under the several United States Government foreign assistance programs. This amount was about $160 million more than in 1956. Military supplies and services furnished declined to $2.5 billion in 1957. Other assistance rose by one-eighth to $2.6 billion.

"Economic aid tops arms grants" was a headline in the New York Journal of Commerce.

AID GOES TO REDS AND NEUTRALS WHILE DISTRESSED AREAS IN UNITED STATES MULTIPLY

Meanwhile the number of distressed areas in the United States grows. In March of this year there were 187 distressed areas. In January of this year there were 113. Four years ago there were 77. Two years before that the number was 37. Today there are more than 6 times as many, or 243 depressed areas.

Mr. President, the bill we are considering is not a bill to help distressed areas; it is a bill to help Communist Yugoslavia, to help countries bending toward communism, such as Indonesia, to help the so-called neutral nations such as India, which cuddles closer and closer always to Russia. This is a bill to help absolute monarchies and dictatorships and to help the empire-minded nations exploit their colonial peoples and possessions.

ICA FINANCING INDIA IRON OUTPUT TO REPLACE UNITED STATES IRON IN JAPANESE MARKET

Mr. President, I might mention something which is a little ironic. Japan has been buying iron ore from the Western States, and from my State of Nevada. Recently there was a proposal to give to India $50 million, or some such amount —a few million dollars more or less does not seem to matter to the State Department—to develop iron mines so as to furnish iron to Japan, and thereby cut out of the picture the Western States which sell iron to Japan. That is only one out of 5,000 things being done, but it is a concrete thing one can look at.

I have no objection, if India desires to develop its iron mines and to undersell the iron mines of the State of Nevada or the State of California, if India does so with its own money. Such action would represent progress in the world, and be a matter of competition. However, when the money is taken from the taxpayers of the State of Nevada to be used to finance production in India, and thereby injuriously affect the workers and taxpayers of the United States. I have a logical objection to file in the United States Senate, and I shall continue to file it so long as I serve in this body.

I have never voted for this aid program. I intend never to vote for it. I intend never to vote for inflation. In my committee I think I cast the only vote—though there may have been two—against the last increase in the debt limit. There will be another bill for another increase in the debt limit before we leave this year, or early next spring, if the present situation continues.

Mr. President, today, June 5, the Wall Street Journal has a page 1, column 1 story on our aid to India. It is headed: "Industrializing India; Socialist Program Runs Into Barriers Despite Growing Aid From United States; Big Budget Deficits Spur Inflation, Hiking Costs and Bringing Cuts in Plan; Idle United States Tractors, Grain Bins."

Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from this informative and timely article from today's Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDUSTRIALIZING INDIA; SOCIALIST PROGRAM RUNS INTO BARRIERS DESPITE GROWING AID FROM UNITED STATES—BIG BUDGET DEFICITS SPUR INFLATION, HIKING COSTS AND BRINGING CUTS IN PLAN—IDLE UNITED STATES TRACTORS, GRAIN BINS

(By Igor Oganesoff)

NEW DELHI, INDIA.—Here in the luxurious palace of the Maharajah of Faridkot, which now serves as the home office of the United States mission to India, one book merits a special place on all the functionaries' desks.

It is a pale blue, bulky volume entitled "The Second Five Year Plan." This is India's blueprint for an industrialized Socialist state. American officials thumb through it as though it were a catalog, picking out projects for which the United States will grant assistance.

So far, more than $1.2 billion of American money has been provided for India's self-improvement schemes, and it seems likely that there will be more—much more. This year the United States approved a long-term loan of $225 million. Even before the terms were worked out, Senators KENNEDY, Democrat, of Massachusetts, and COOPER, Republican, Kentucky, were proposing another $500 million, Senator KENNEDY going so far as to urge a Free World Marshall plan to provide India with whatever outside help it needs to complete its economic program.

MANY SEQUELS

The authors of India's present plan, which expires in 1961, envision many sequels. "In working out the plan, a wider perspective extending over a period of 3 or 4 plans has to be kept in mind," they say in the current volume.

Unfortunately, at a point just 2 years deep into the current 5-year program, the plot of the big blue master book is diverging farther and farther from the way things actually are working out.

Inflation, possibly induced by the deficit financing called for in the plans themselves, has wrecked cost estimates of the many projects. National savings have failed to rise as they were supposed to, and exports have shown no improvement. Last month, as a result, the Indians were forced to cut $640 million worth of projects out of the master plan and more surgery is indicated unless more money is discovered somewhere or the Indian economy takes a sudden turn for the better.

Some additional money undoubtedly will go to India under the fiscal 1959 foreign aid program now being debated in Congress. When the Senate Foreign Relations Committee approved the foreign aid bill and sent it to the floor, it took the unusual step of attaching a declaration of policy supporting continued help to India.

* * * * *

DAREDEVIL COURSE

Furthermore, in budgeting where the money was to come from, India seems to have mapped out a rather dare-devil fiscal

course. It blocked out 50 percent to come from increased taxation and internal borrowing, 17 percent from foreign aid and left blank a huge gap of about 33 percent. No source at all was indicated for $840 million of this gap and the balance of $2.5 billion was to be obtained from "deficit financing."

* * * * *

The American contributions have vanished into India's capital-starved economy like stones dropped into the sea. Spread thinly over hundreds of projects—$7.5 million for cement, $1.4 million for grain elevators, $3 million for wooden powerline poles, $2.3 million for management consulting services—the United States contributions are almost completely invisible to a traveler in this poverty-stricken land.

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AN ADMINISTRATIVE CONTRAST

The Soviets also are unencumbered with any large administrative setup for aid; of the 300 Communist bloc advisors on the scene in India at the moment, all but a couple of dozen interpreters are technicians or engineers. Of the American ICA staff of 217, only half are in the field giving technical advice, the rest are office-bound, administering the programs.

The United States emphasis on managers and expediters has not eliminated all the rough spots in the meshing of our aid with Indian programs. Farm tractors have stood unclaimed in Bombay for half a year. Although Calcutta stevedores are notoriously slow in unloading vessels, six big Vacu-Vator pneumatic grain unloaders, provided with United States funds, have lain idle at the docks there for 2 years. More than $1 million worth of grain storage bins have never been used for the simple reason that there hasn't been enough surplus grain in India to store.

In doling out massive hunks of assistance in Asia, the United States aidsters sometimes work at cross purposes. It takes the average Indian official only a minute or two in conversation with an American to bring up the 10-year-old feud between his country and Pakistan over the disputed area of Kashmir. Suddenly this has become the outstanding issue in Indo-American relations—all because the United States is supplying arms aid to Pakistan.

BOOSTING ITS BUDGET

To meet the real or imagined threat caused by these arms shipments to the Pakistani, India has increased its military budget from $445 million to $641 million in the last 2 years and is now expending precious foreign exchange for additional modern aircraft from Britain, as well as arms from other countries.

It's hard to find opposition in India to foreign aid, but there is some vocal opposition to the way the aid is being used. M. R. Masani, formerly an official of the mammoth, privately-owned Tata Industries, Ltd., and now a Member of Parliament, warns that India's socialistic policies are a "danger to the democratic way of life." Like others, he also deplores the heavy foreign debt India is piling up—already well over $1.8 billion in all.

Nearly two-thirds of the $1.2 billion in total American assistance furnished India is in the form of loans. And from now on, say ICA officials, further aid (except technical assistance) will be entirely in the form of loans.

A HOARD OF RUPEES?

Yet this may raise still more problems. Most of the loans stipulate that India may repay interest and principal in dollars or rupees (official rate 21 cents) over the 40-year term of each loan. In case India's development plans aren't successful in saving foreign currency through reduced imports and the New Delhi Government is unable to make dollar payments, the United States would find itself with a growing hoard of Indian rupees.

In this eventuality, the United States may have a much larger stake in the Indian economy than it probably wants. Merely juggling the rate at which the money would be loaned to Indian borrowers, or specifying how it would be invested, could greatly influence the whole course of the economy.

"What's more," says an ICA official, "we might not be so anxious to have India pay us back in dollars. After all, this probably would cut heavily into her ability to buy from us—and this is a $200-million market annually for United States business."

The United States program for fiscal 1958 consists of $225 million in long-term loans, $150 million from the Export-Import Bank and $75 million from the Development Loan Fund, the two principal dispensing agencies of our foreign-aid program. In addition, $65 million worth of wheat is being shipped to India this year. India will pay for the wheat in rupees and then will get 80 percent of the rupees right back in further United States aid. There is also a $6.3-million outright grant for technical cooperation, covering such things as geological surveys and soil studies, training of civil servants, and setting up technical schools.

In addition to the funds from United States Government agencies, the International Bank for Reconstruction and Development (the World Bank for which the United States has provided nearly a third of the $9.4 billion capitalization) has approved loans totaling $415.6 million for India, mostly for railway, power, and heavy industry projects.

TAXING POWER BEING USED TO DESTROY PURCHASING POWER OF THE PEOPLE

Mr. MALONE. Mr. President, if there is a desire to cut taxes—and argument to that end is being heard—we must consider the facts. During the past 25 years we have had some kind of idea, east of the Potomac—as I say, no real information ever reaches this place, so far as public opinion is concerned—that the way to regulate purchasing power and the way to regulate inflation is to regulate taxes by taking money away from the people so that they do not have the money to spend. Someone sitting in a bureau can always judge exactly how much money we should leave in the hands of the people. I think it is an outrage; it is a policy which never should have been adopted and never should have been even discussed.

For 150 years this Government encouraged the people on the farms and in industry, who worked with their hands, to save a couple of dollars for a rainy day. Sometimes that was pretty hard to do, but we encouraged it. Then, as the family grew, the family would have to send the children to high school or college, and had a few dollars to pay for the schooling.

PREDATORY TAX POLICY INAUGURATED 24 YEARS AGO

Then what did we do? Twenty-four years ago we adopted an entirely new policy. We had a President—a very powerful President—who said, "Spend all your money. That is the way to get out of a depression. Depend upon social security and unemployment insurance. Do not save any money. Saving is what brings on depression."

So we have pretty much adopted that policy. We went from a policy enabling people to save money and to get a few dollars together, so as to build a business or take care of sickness or other contingency to a policy of urging them to spend all their money.

PEOPLE DESPERATELY TRYING TO SAVE FOR FUTURE OF THEIR FAMILIES

We suddenly found, a few months ago, that the people themselves were taking a hand. It does not seem to mean anything to Congress. It does not seem to mean anything east of the Potomac River. That "sound barrier" stops all the public sentiment from getting to the Capitol. But the people of the United States have suddenly taken the bit in their teeth, and they are saving a couple of dollars. Personally I think they should be encouraged to do so. They may want to buy a business or buy a ranch or send their girls and boys to school for a little more schooling beyond the grade school, or even beyond the high school. If they have the money, pretty nearly all of them will do that.

Now they are saving it and laughing at those who are saying, "Let us spend it all, to get out of the depression or recession." I was severely criticized 5 or 6 months ago when I said that we had a recession. I suppose everyone knows it now. The people of the country have taken the bit in their teeth and are saving a couple of dollars, and we do not like that.

SENATOR RECALLS OWN TOUR OF INDIA AND OTHER ASIATIC COUNTRIES

With respect to the bill before us, this is a bill to help absolute monarchies, dictatorships, and empire-minded nations to exploit their colonial peoples and possessions. I have been in India. I visited in Mr. Nehru's office for 4½ hours. He is a very fine, soft-spoken man. He is a Communist, and does not even know it. All the principles of India are communistic. I was in New Delhi, Calcutta, at the Taj Mahal, and I traveled in southern India. I have been to Karáchi, the capital of Pakistan. As a matter of fact, I have been in all the countries. I thought that during the first 8 years I was a Member of this body I should visit all our star boarders. I did so. I saw the industries. I did not go for social purposes.

For 2½ months I was behind the Iron Curtain. I have a pretty good idea what I am talking about behind the Iron Curtain. In 1954 I came back from a trip to Russia. I was in Russia, a thousand miles east of the Urals in Novosibirsk. I traveled down through the lake region to Tashkent, over in Asia, where there are a couple of million acres of land, mostly in long staple cotton. That is close to India, again. It is just across a mountain range.

We talk about Afghanistan; we talk about India; we talk about Syria. They are all on the edge of Russia. To try to control those countries would be like Russia trying to control Cuba or Santo Domingo. What would we do if the Russians started to do something like that? I am not sure, but when I had an interview with Mr. Bulganin—and I saw him 5 or 6 times after that at cocktail parties and visited with him—in answer to a direct question from him, "What would

you do if we started building a base in Cuba?" I replied, "We would bomb the hell out of you." I am not sure that we would, with a State Department such as we have.

BILL ASKS $3 BILLION FOR FOREIGNERS, NOTHING FOR AMERICANS' DISTRESSED AREAS, OR UNEMPLOYED

This is a bill professedly to give the the beneficiaries security, while in reality it undermines our security at home. A foreign-aid bill with a $3-billion-plus tag on it. It is not a bill to help the 21 distressed areas in Ohio, the 19 in Michigan, or 18 in Massachusetts. It is not a bill to help the 19 distressed areas in Pennsylvania, or the 14 each in Connecticut, Illinois, and West Virginia. It is not a bill to help the 13 distressed areas in New York, or the 12 each in Indiana and North Carolina, or any of their unemployed. This is a bill to help foreigners, not Americans.

What do we think we are doing? We are selling the people—the women's organizations, such as the League of Women Voters, the University Women, and others, on the theory that we must divide our wealth, our tax money, and our markets to preserve peace on earth. What we are doing is getting ready for a war which we cannot win. If we go down economically—and that is where we are headed, because we are living on a war economy—the American workingmen and investors will take a look; and if they are competing for the American market on an even basis with the foreigners, with a tariff or duty which compensates for the difference in costs, they will accept the situation, in my opinion. But if we give that market away, as we are doing, leaving for the American workingman and investor nothing but national-defense material when the economic slump comes, we may wake up with the kind of government which we think we are fighting.

BILL WOULD HELP COUNTRIES WHERE MOBS INSULTED VICE PRESIDENT ON RECENT TOUR

This is not a bill to help the 10 distressed areas in Kentucky, or the 9 in the State of Washington, or the 8 in New Jersey, or the 6 each in Wisconsin, Texas, and Alabama; the 5 each in Tennessee and Oregon, or the 4 in Missouri. This is a bill to help states overseas in Europe, Africa, Asia, and South America, including countries in which mobs spit at our Vice President and desecrate our flag.

I have been in Peru. I have been in all the South American countries. In 1954, Senate Report 1627 of the 83d Congress, was presented to the President of the United States. In that report it was stated specifically, after full investigation, that the Western Hemisphere could be made self-sufficient with respect to everything it needed for peace or war.

That report also stated that we could defend the Western Hemisphere from North America. Within a year or two we shall be chased out of Europe. Those nations will insist that we leave and take our bases with us, because their own security at home will be threatened so long as we are there. We can hear rumblings to that effect now.

MORE STATES WITH DISTRESSED AREAS CITED

I find on the list of distressed areas which the Bureau of Employment Security has just issued that there are three such areas each in Montana, Virginia, and Maine. This is not a bill to help those areas. Nor is it a bill to help the distressed areas in California, Georgia, Kansas, Maryland, Minnesota, Oklahoma, Rhode Island, or Vermont, with two each; nor the single distressed area in each of the States of Iowa, Mississippi, and Utah.

THE DISTRESSED CITIZENS IN POVERTY-STRICKEN PUERTO RICO GET NO SHARE OF FOREIGN AID

The distressed areas I have listed are in American States. In addition, there is a distressed area in the Territory of Alaska. There are three in Puerto Rico, which I did not include in the total. This is not a bill to extend aid to them. In Puerto Rico there are Americans as poverty stricken, destitute, and undernourished as any of the people in British Guiana, Ethiopia, Cambodia, or the Sudan. This bill is not to help the Puerto Ricans, but to shower millions on distant areas which I have named.

AMERICANS SHOULD HAVE RIGHT TO COMPETE FOR AMERICAN MARKET ON EQUAL BASIS WITH FOREIGN NATIONS

Coming back to the Constitution of the United States, the regulation of foreign trade and the national economy contemplates that Americans shall be permitted to compete for the American market on an even basis with foreign nations. When the American market is satisfied, Americans should compete in foreign nations in accordance with their efficiency and ability to sell in a competitive market. At the present time Americans are not able to compete in that market.

FOREIGN AID BILLIONS WOULD SPEED RECOVERY IF CHANGED TO AMERICAN AID BILLIONS

Mr. President, if $3 billion were expended in a proper manner in the United States, it would do much to relieve the stress in our own 243 distressed areas and bring some security and comfort to the American citizens making their homes and raising their families in those areas. Three billion dollars would build schools, create new industries, construct public works, give employment, and build vast reclamation and irrigation projects to give them new homes and new security.

The State Department has had a bill in Congress for the past 20 years or so, knowing that the economic situation we have today would be coming along. We have been living in two wars and in preparation for war for a quarter of a century. The State Department has had a bill in Congress knowing what this remaking of the industrial map and the financing of production abroad was going to do to the working people and investors of this country—this combination that Mr. Thorp, Assistant Secretary of State at the time, voiced specifically. What was it? It was that the taxpayers' money would be used to retain workers in various areas—workers who had been thrown out of work by free trade and foreign aid—and the money would be used to send the people to other areas in order to compensate to some extent for the loss to the stockholders and, to a certain extent, for the industries that had been destroyed.

RUSSIAN PROGRAM OF MASS MIGRATIONS STATE DEPARTMENT'S REMEDY FOR UNEMPLOYMENT

That bill has not been passed, but it will have to be passed one of these days, if this is to be continued. That is the Russian method. The only difference is that the Russians do not need legislation with which to do the job; they merely take the workingmen from one place to any other place in Russia, or wherever they dominate other nations. If the workers survive, it is all right; if they do not survive, they do not miss them. Now we are starting that principle here. The bill before us is a bill to subsidize foreigners, including foreigners in Soviet satellites. We have had some discussion already and we are going to continue it. The question is whether we will continue to finance Yugoslavia and whether we are going to send money behind the Iron Curtain.

How can we reach such a low level in a short space of 24 years? That is a mystery to me, Mr. President. Thirty years ago, if anyone had said that the people of the United States would tax themselves to send money abroad to build plants to compete with American workingmen, they would have put him in the insane asylum, without much question. Regardless of the change in sentiment east of the Potomac, where no public sentiment ever arrives, due to the sound barrier, it is still a good place.

WARNING BY REPUBLICAN POLICY COMMITTEE CHAIRMAN RECALLED

On March 9 of this year the distinguished chairman of the Republican policy committee voiced his alarm at some aspects of our foreign-aid program in a release to the press. It read in part:

When the taxpayer reads that we have just granted $225 million worth of economic aid to neutralist India—practically on the heels of giving $98 million worth of foreign aid credits to Communist Poland, and $62.5 million in farm surpluses to Communist Yugoslavia—he will certainly question what is being done with his tax dollars.

I agree with the Senator from New Hampshire and compliment him on his observation. He refers to the taxpayer. How much more will the unemployed citizen of the 243 present distressed areas in the United States question what is being done with the taxpayers' dollar?

DOLLARS FOR FOREIGN COUNTRIES HAVE FAILED TO PURCHASE EVEN THEIR GOOD WILL—HELP DICTATORS TO HOLD WAGES DOWN

As long as he had a job, he paid his taxes—involuntarily, it is true—and the taxes were deducted from his paycheck. He is not now getting the dollar. Some resident of Laos, Yugoslavia, Venezuela, Peru, or India may be getting it. We know the good will we have gained from it in the last two places.

I was in Peru in 1954. I do not believe there are any more Communists in Peru than there are in New York City. A great many people down there do not like the concessions our own people get in those nations under dictators or forced presidents. They are paying off to the dictators and the government and hold-

ing their wages down; then taking what the traffic will bear for the product, and that is the profit.

We say that we want to raise the standard of living. What do we actually do? As long as we spend this money in these nations to build the plants and then bring the products to this country and thereby throw our own people out of work, but hold their wages down, we are not raising the standard of living. However, if we changed that policy, and if we did not give them the cash, but treated them as good neighbors, it would be a different story. The United States is their only protector.

PROTECTION, NOT DOLLARS, LATIN AMERICA'S NEED

The United States is the only protector of the Western Hemisphere. We are the only ones who can protect the countries of the Western Hemisphere. It is not necessary to give them taxpayers' money. If any nation, as President Monroe said in 1823, 135 years ago, moves into that area, we should and could destroy her warmaking capacity at home. We should be the judge of our own security. Any nation that moves into the Western Hemisphere knows what it can expect from us. That policy has not changed one iota since it was issued by President Monroe. We certainly might have to extend it somewhere in the Pacific and in the Atlantic areas, and to whatever area or along whatever line or boundary wherever our security is threatened; and we could move against any nation coming inside that area, economically and militarily.

Then we would be in a position to destroy that nation's warmaking capacity at home, and not create a small war. The next time we do that, someone should be impeached.

FOREIGN TRADE BOOKLET REVEALS SCHEME TO PROMOTE INTERNATIONAL SOCIALISM

Mr. President, what is the real reason for this desperation in the executive branch for a perpetual foreign-aid program with more billions of taxpayers money squandered every year in distant foreign lands. I think I know.

In the propaganda booklet put out jointly by the Department of State, Department of Defense, and the International Cooperation Administration titled "Background for Mutual Security," we have the tipoff.

It is this, and I quote it from the handsome booklet:

> We have tried to encourage trade among the nations of the free world by reducing restrictions, by reciprocal trade legislation, revision of customs procedures, and participation in the General Agreement on Tariffs and Trade (GATT).
>
> We have helped to make needed capital available by contributing to the International Bank for Reconstruction and Development, by increasing the lending authority of the Export-Import Bank, and by establishing the Development Loan Fund.
>
> • • • • •
>
> We have attempted with success to mesh the resources of the United States and friendly nations—resources of populations, skills, raw materials and productive capacities and defense capabilities—to produce results far greater than could be obtained by this Nation or any other nation trying to protect its interests or promote its welfare in isolation.

THE MESH PLAN

I repeat that: "To mesh the resources of the United States and friendly nations." What does that mean? It means to average and to mesh and to mix up and to level off. So that our 170 million people, according to the last census, and the 2½ billion other people in the world will mesh or average the resources. Where does that put us? That is just about like pouring a glass of water into the city reservoir and meshing and averaging the level of that reservoir with the glass of water. The result is that whoever does that is merely out of water and the level of the reservoir has not been changed very much.

AGENCIES WOULD MESH NATION'S RESOURCES WITH THOSE OF WORLD

What is to happen to our resources? We will "mesh the resources of the United States and friendly nations—resources of populations, skills, raw materials and productive capacities and defense capabilities—to produce results far greater than could be obtained by this Nation or any other nation trying to protect its interests or promote its welfare in isolation."

Mr. President, that one paragraph is very clear. We are meshing and averaging and leveling the standards of the nations of the world, which some call the Free World.

That one paragraph alone should scare every Senator and Representative to death, if he is interested in the welfare of his country. That is a fairly honest statement of purpose. The purpose is international socialism; but it still is a fairly honest statement.

OUT ACHESONING ACHESON

The State Department is getting bolder in its economic plans. Even Mr. Acheson did not suggest that part of it; he merely suggested that we could not separate the two any longer; that the State Department had to handle the economics of the country—that is, regulate its economy—together with the foreign policy. Assistant Secretary Thorpe followed with his free trade principle statement, which, if implemented, would have taken away almost every authority which the Senate and House ever had under the Constitution of the United States.

STATE DEPARTMENT'S MESH PLAN ANALYZED

Let us analyze this. First, the Department of State says it has tried to encourage trade among the nations of the Free World. They do not say that they have done so, but they say they have tried. They do not say they have tried to encourage trade which would be beneficial to the United States and thus enhance our commerce and economy, but that they have tried to encourage it generally, so to speak, among all the nations of the Free World.

Apparently they include Yugoslavia and Poland in the Free World, which it is not, but we will let that pass. There is also a considerable question in my mind if any colony or dependency of the empire-minded powers can be considered a part of the Free World. At least, they are not free from their old European masters. But we will let that pass also.

What is the Free World? If one looks at a map and draws a dividing line at central Germany, Austria, Hungary, Yugoslavia, and Rumania, he can throw a baseball across the rest of Europe. This is the part of Europe which will be neutral if a war starts. It will have to be neutral; otherwise, it will be destroyed in 30 minutes. That is the area from which Americans will be invited to depart within a year or two years, because their security will be threatened if they remain there. That has already been indicated.

ECONOMIC UNION OF EUROPE WOULD BE NO BOON TO AMERICA

Another thing which must become evident is the economic union of European states. There is no immediate prospect of the success of such an economic union, because even the nations of Europe will not submit to having free trade among themselves. Because the wages and standards of living in those countries are approximately the same, an economic union could very easily be established. But if they achieve an economic union, they will demand the protection of tariffs, import permits, exchange permits, and all the other things which will protect their workingmen and investors once a commercial investment has been made. So United States material could not enter those countries anyway.

WORLDWIDE PLAN OF STATE DEPARTMENT TO POUR WORLD'S GOODS INTO UNITED STATES MARKETS

The State Department and the other directors of this program have told us how they have tried to encourage worldwide trade by such devices as the reciprocal trade legislation, revision of customs procedures, and participation in the General Agreement on Tariffs and Trade.

Only last year, Congress was asked to consider the establishment of the Office of Trade Cooperation, which the Secretary of State was pushing. That was a replica of the International Trade Organization, which Congress rejected some years earlier. We rejected OTC last year.

All that that legislation would have done, if it had been passed, would have been to approve what is being done in Geneva, where 36 competitive nations are sitting at a table, dividing the remainder of the United States markets among themselves. But even though we did not pass it, the General Agreement on Tariffs and Trade is still continuing to operate under the 1934 Trade Agreements Act, and Mr. Dulles so testified under my questioning.

All these schemes, of course, are devices to encourage the trade of foreign nations by opening American markets to their products. American markets are the only markets in the pot. If the United States withdrew, there would be no game. The game is to divide our markets among themselves, and not to allow any of our products to enter other

nations, unless those nations are subsidized. The plan is to encourage worldwide foreign competition against American workers and investors, for the American dollar.

STATE DEPARTMENT WANTS TO SWEETEN THE BILLION DOLLAR GIVEAWAY POT WITH BILLIONS WE STILL HAVE AT HOME

In addition to the billions of dollars we give away, the State Department wants the foreign countries to have the billions we have retained at home to support our own economy.

The foreign aid dollars which Congress has been voting for the past 11 years, and those for which we are asked to vote today, is merely money to put foreign countries in a position to compete, and compete successfully; to subsidize their industries, develop their resources, and finance their trade and commerce, so that inevitably they can invade, seize, and destroy our markets and create more unemployment and distressed areas in the United States.

We are not buying anything. We are furnishing money with which to buy products which are surplus in the United States from the overproduction of manufactured goods.

BILLIONS IN FOREIGN AID GIVEN EUROPE IN 1920'S BY NATION'S BANKERS

In 1919, after the end of World War I, I returned from France along with a million and a half others who had been sent abroad, out of the 4 or 5 million who were in the Armed Forces, and started to dig into my business again. I watched our foreign affairs as time went on. In the 1920's, the New York bankers lent between $8 billion and $10 billion to foreign nations.

The New York bankers loaned that money with the idea that it would be repaid with interest, and that the European nations would buy our goods. They did buy some of the goods, because the New York bankers controlled the money; but the bankers did not get back any of the money or any interest on it. So in due time the bankers divided the loans among their member banks and hastened the depression. The memories of those bankers would make the memory of an elephant a piker.

BANKERS SHIFT FOREIGN AID PROGRAM TO TAXPAYERS' WORLD WAR II

So at the end of World War II, instead of the bankers lending their own money, the money of their depositors, taxpayers, to the capitals of Europe with which to buy our goods, a propaganda such as had never before been known flooded the country, namely, that the taxpayers should furnish the money to the foreign nations under the Marshall plan and all of its successors for the recovery of the foreign nations.

That was called dollar shortage. There is only one way in which a person can have a dollar shortage. That is when he spends more each month than he makes. But a foreign nation, or any nation, for that matter, can have a dollar shortage in two ways: First, by expending more than it earns each year, which is considerable among all of them. Second, by setting the price on their money, in terms of dollars, higher than the market price which anybody will pay, except a Congress which seems to have gone clear out of its mind. That is what we are doing today.

TRIPLE PROGRAM ESPOUSED IN AGENCY PROPAGANDA IS IN FOREIGN INTEREST; AGAINST AMERICAN INTEREST

The so-called reciprocal trade legislation, which is not reciprocal and was never intended to be; the revision of customs procedures; and participation in GATT are all devices against the interest of the United States and in the interest of foreign nations, and are projected, as the propaganda brochure of the three agencies in the executive department proclaims them to be, "to encourage trade among the nations."

We encourage them to divide among themselves the markets of the United States; that is what we are doing. But not content with the division of our markets among them, we provide them with funds with which to construct plants which will produce various articles which will be sold in competition with the products of American plants. In that way, we make it possible for the low-paid labor of these foreign countries to compete successfully with American workers.

OTHER GIVEAWAY AGENCIES CREATED IN CASE ICA-STATE DEPARTMENT BILL FAILS

In addition to the foreign aid we are asked to vote for now, some other giveaway agencies have been created, just in case some Congress should be sane enough to vote for Americans instead of foreigners. These include, as these Departments state, the International Bank, the Export-Import Bank, and a few others which they do not mention.

The third paragraph quoted from their brochure is the payoff—the admission that they have attempted "to mesh the resources of the United States and friendly nations."

UNITED STATES RESOURCES, JOBS, MARKETS, PUT UP FOR "GRABS"

Mr. President, that means that they have attempted to distribute, on an equal basis, the wealth and the markets of the American people among the peoples of all these foreign countries. In GATT there is a little "gimmick" provision which states specifically that any nation which can show that it has a dollar shortage or a shortage of its dollar balance does not need to pay its share under the agreement until—what, Mr. President? Until the wealth is equally divided. And, Mr. President, we are now on the way to an equal division with these foreign countries of the markets and the cash of the American taxpayers. The dishonest part of the third paragraph quoted from the brochure is that they have also attempted to mesh the resources of unfriendly nations; the resources of nations that are neither friendly nor unfriendly, but just have their hands out; and the resources of dependencies or areas that are not nations at all, but simply are exploited colonies.

INTERNATIONAL BLACKMAIL

Mr. President, history shows that without exception, so far as I know, when a person has begun to engage in blackmail, it has been necessary either to shoot him or to force him to leave the country. Blackmail, once begun, becomes more and more insistent. That is the situation today; the United States is simply being blackmailed and pressured into paying more and more cash to these foreign countries.

Recently, one nation laid down the rules under which it would accept aid from the United States, and was very arrogant about them. I saw, either in one of today's newspapers, or in one of yesterday's newspapers, an article to the effect that Yugoslavia plans to sue Russia—in the International Court, I suppose—because Russia promised Yugoslavia a certain amount of money, but is not now delivering it. It could be that such a court action would constitute a precedent which could be used by other countries. In that event, I suppose the other nations of the world would begin to sue the United States.

Mr. President, I note that a very interesting conversation is being held in the far corner of the Chamber; but at the moment I am not interested in it.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senate will be in order.

INTERNATIONAL SOCIALISM MEANS MORE AMERICAN DISTRESS

Mr. MALONE. So, Mr. President, as I have been pointing out, the attempt has been to mesh the raw materials, productive capacities and resources of all these areas into a sort of a composite whole, or, in other words, mix the wealth, real and potential, of three-fourths of the world in one pot, so no country or dependency will be any richer or poorer than the rest, and so all shall live under a universal international socialism.

Never, Mr. President, was a statement clearer than the one I have just made. It shows what we are buying and are engaged to buy with our foreign aid, whereas 243 distressed or depressed areas now exist in the United States. But the objective seems to be a distressed and depressed United States, on the exact and precise level of, say, Sudan, Surinam, Laos, Libya, Iran, India, British Guiana, or British Honduras. All of them are embraced in the program we are asked to finance.

WAR THREAT HURLED BY ONE-WORLDERS TO SELL THEIR PROGRAM OF ECONOMIC SURRENDER

The program is being sold to the people of the United States on the basis of either divide your markets and cash with the other nations of the world, or you will have war. Thus are the taxpayers of the United States being threatened.

Well, Mr. President, if this program continues a little further, with the result that the United States goes down economically, war against the United States will not be necessary on the part of any country, in order to do what these countries have in mind doing to the United States.

Why we should be asked to finance British, Dutch, or French colonies is beyond me. One would imagine that the nations which have exploited them should be the ones to extend them aid. But perhaps the objective is to bring

American living and wage standards down also to those of those colonial possessions.

FOREIGN AIDERS TO END CAMPAIGN WHEN UNITED STATES ECONOMY BANKRUPTS

When a common level is reached, when the living standards of all the world have been averaged down to bare subsistence for all, when the wage of the American workman is reduced to that of the coolie in Vietnam or the native in Rhodesia, then, and then only, under the premise of the State Department and ICA, will the objective be achieved and the need for foreign aid disappear.

Mr. President, again I call attention to the fact that these agencies of our Government say to the people of these foreign countries, "Our objective is to raise your standard of living." But, Mr. President, how are the people of the United States going to be able to raise the standard of living of the 2,500,000,000 people of the other countries of the world, by dividing with them the wealth of the 170 million people of the United States? Of course, that question answers itself; no argument is needed.

If we are interested in raising the standard of living of the workers of all these other countries, our policy in that connection and the way we go about implementing it defeat our very purpose, because so long as free trade exists, after we make it possible for new plants to be built in these foreign countries, the products of those plants—produced by workingmen who are paid low wages—when imported into the United States on a basis of virtually free trade, will result in the destruction of the jobs and investments of the American people.

FOREIGN AID A VIOLATION OF SPIRIT OF THE CONSTITUTION

So, Mr. President, it is obvious that it is time for the Congress to revert to the provisions of the Constitution. I say to you, Mr. President, that any expenditure of the money of the taxpayers of the United States, for the benefit of foreign nations, is opposed to the spirit of the Constitution.

Furthermore, any attempt to consolidate the legislative branch and the executive branch of our Government, and to transfer the power of the Congress to the executive branch, so as to enable it to regulate the foreign trade and the economy of this country and to divide with other countries the cash and the markets of the people of the United States, all under an alleged policy of advancing the foreign policy of the United States, which may be established, is contrary to the Constitution of the United States.

UNITED STATES FREE IMPORT PLAN KEEPS FOREIGN WAGES AT LOWEST LEVELS WHILE INCREASING THEIR EMPLOYERS' PROFITS

Mr. President, I say to you that if the Congress once again follows the provisions of the Constitution, and if the legislative branch of our Government once again regulates foreign trade and national economy through the adjustment of the duties or tariffs, and stops the distribution of the money of the taxpapers of our country among other nations of the world, and if the Tariff Commission, an agent of the Congress, is permitted to do exactly what the Constitution provides, namely, regulate the duties and imposts or tariffs, or whatever we may wish to call them—or, in other words, to regulate foreign trade—and if the tariff is, as the 1930 Tariff Act provides, fixed at such a point that it will represent the difference between the cost of production in the United States and the cost of production of such an article or a like article in the chief competing foreign nation—that is exactly the language of that act—then the profit will be taken out of cheap labor at the water's edge; and then the importing nations will see that the party is over, and that they might just as well permit the wages paid to the people of their country rise, and thus create a market among their own people.

HOME MARKET RICHEST IN THE WORLD; BROCHURE AUTHORS WOULD DESTROY IT

Mr. President, it is obvious that when 100 American workmen are earning $18 or $20 a day, each, they and their families are in the market for automobiles, washing machines, electrical appliances, including radios and television sets. It is equally obvious that 100 such families will be in the market to buy more materials than 20 times that number of families in a foreign nation who are paid anywhere from 50 cents to $2.50 a day.

So, Mr. President, under the premise of these executive agencies—and I still refer, in that connection to the State Department, the International Cooperation Administration, or ICA, and the Defense Department, who are the ones who joined in issuing the brochure—foreign aid will no longer be necessary from their standpoint, when the entire United States is a continentwide impoverished, distressed area.

Let us revert to the Constitution. Let us again be the free and independent, ever-expanding Nation, prosperous and peaceful, involved in no foreign entanglements or foreign wars, the America we were for 140 years before misguided statesmen plunged us into the free trade, international socialist trap in which we find ourselves today.

PAY BILL FOR CLASSIFIED EMPLOYEES

During the delivery of Mr. MALONE's speech,

Mr. JOHNSTON of South Carolina. Mr. President, I regret that there is going to be a further delay in taking final action on the justified, meritorious increase for the Nation's 1 million classified employees. On learning earlier this afternoon that the House of Representatives would insist on a conference on the Senate amendment adopted yesterday, I immediately notified the House that the Senate conferees would be available to meet this afternoon, tonight, or tomorrow.

I have been informed that the House conferees will not be available to meet this week.

I am hopeful that as soon as I return to the city on Wednesday of next week, the conferees will be able to meet and come to a decision promptly.

The Federal employees of the Government have a right to expect a speedy, final conclusion to this long, drawnout fight. I hope that the final decision will be forthcoming next week.

I also am glad the bill carries a retroactive feature to January 1, so that the employees are protected.

OUR DEFENSE POLICY RECONSIDERED—II—REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. FLANDERS. Mr. President, as I stated yesterday, it is my intention in this brief talk to analyze the administration proposals for reorganizing the Department of Defense.

For the present and for the foreseeable future the need of the Free World—indeed of the whole world—is for an effective holding policy. We need to buy time during which the arduous processes of establishing law in the place of war may play their healing part.

If our military policy is to buy that time, it must be one which is farsighted enough to prevail over decades, perhaps generations, of cold war.

Whatever those policies may be, it is sure that to be effective they will include a radical review of the missions of our armed services. This review is overdue. Competition between the services for the same missions has reached a point where it disturbs morale and piles up the cost of defense. Suggestions as to missions will be made in a later talk. The subject is introduced here as being a valid reason for an overall authority in the Department of Defense, informed on all the problems, and in a position to make objective decisions. Such an authority is set up in the administration reorganization bill, and its purpose must be realized if we are to have an effective defense without wasteful expenditure.

The relative importance of the missions, their assignment to the respective services, and the size of their financial support is now determined by interservice rivalry within the Department and in hearings before House and Senate committees. The final determination is made in appropriation bills on the floors of the two Houses of Congress.

The Congress cannot delegate or otherwise escape its responsibility for final decisions, but it can carry out its responsibility in a more workmanlike fashion. This the reorganization bill seeks to effect.

The process requires that the initial determinations of missions and their support be worked out within the Defense Department and presented by the Secretary to the Congress as an organized program. In agreeing to this process, the Congress does not relinquish its own responsibility. What it does escape is the impossible responsibility of constructing, in committee and on the floor, an organized military program from the miscellaneous raw materials presented to it by unorganized special pleading of services which are honestly convinced of the vital necessity of their demands.

It will be far easier to modify and improve a presented program than to construct one anew, which is in effect what

we now try to do. Let us, therefore, consider an integrated program, coming from an authoritative source. This is the way to effective and unwasteful national defense.

Amid so much in the reorganization bill that represents progress, there is one element to which both the Congress and the administration must give more thought. The construction of an integrated program in the Department of Defense assumes that the various services, through their chiefs of staff, have had full opportunity to present the uses and the expenses of their services as they see them. This further assumes that, in true military tradition, they support the conclusions arrived at.

This assumption has one advantage and one disadvantage. The advantage is that the final decision lies in civilian hands, through the Secretary of Defense, acting under the President's personal authority. Such recourse to final civilian authority is in accordance with the Constitution and the traditions of our history. The disadvantage is that the Congress will be foreclosed by this procedure from the source material on which it can base its independent judgment, which judgment it is bound to exercise, again in accordance with the Constitution and the traditions of our history. Here is a dichotomy. How shall it be resolved?

It would seem that the hearings of our Armed Services Committee and the debate on the floor of the Senate might well be directed toward finding a solution to this problem. Let me suggest one of the possibilities as a basis for discussion.

After the official program of the Department of Defense has been worked out, let the Congress require that each of the services, including the Marine Corps, prepare a brief, analyzing that program from the individual service's standpoint. The committees, and ultimately the Members of the two Houses, will thus have officially before them not only the administration program, but also the pros and cons of the constituent services. Without this information, the Congress would be unable to perform its constitutional function as a coordinate branch of the Government.

To be really useful, these briefs should be prepared as a free exercise of the judgment of the staffs of the separate services. If so prepared, there need be no pressure of necessity for having officers of the services in hearings, except as they are asked to appear by the Secretary. Contrary opinions will be fully and authoritatively expressed. Finally, this result will have been attained without a break in military discipline or a breakdown in morale.

Another new procedure is indicated. The defense program from the Secretary and the separate briefs from the separate services should be presented to the Armed Services Committees of the House and Senate for authorization, in the same way that other activities of the administration are authorized. This action is required if the Congress is to understand, amend, and modify a defense program. The appropriation bill for defense will then follow in due course, and its provisions will be more clearly understood and more intelligently considered than would be possible without preceding authorization.

There may be better ways of meeting the situation just described. If so, let them be brought forth. Whatever the course we take, let it be one which gives us a program to comprehend and accept or revise, after free access to all the pertinent facts and opinions.

Above all, Mr. President, let it be a procedure which recognizes that the defense of America is a unitary problem, into the solution of which all the abilities and experiences of all the services must be directed.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The question is on agreeing to the amendments of the Senator from Wisconsin.

Mr. YARBOROUGH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, my amendment would reduce the authorization for military and defense support by $339 million below the administration request. It would reduce the figure to precisely the same level as the House total overall authorization for mutual-security measures.

This identical amendment was offered in the Foreign Relations Committee by the Senator from Arkansas [Mr. FULBRIGHT].

There is this difference between what my amendment would accomplish and what the House bill would do: The House bill would reduce the mutual security appropriation by $339 million, but it would divide it. It would reduce military assistance and defense support by some $220 million; special assistance by $27 million; and the contingency fund by $100 million.

My amendment would reduce the authorization by $339 million, entirely within military assistance and defense support, and leave it to the discretion of the President as to how to distribute the reduction.

It seems to me that this amendment is eminently justified, on the basis of the hearings, by the question which was asked by the Senator from Montana [Mr. MANSFIELD], and which no one in the administration could answer. The question was as follows:

> Senator MANSFIELD. Altogether the Congress reduced the President's request in the fields of military assistance and defense support by a total of $771 million. Did this reduction have a deleterious effect on the carrying out of our objectives in these two fields?

Neither Secretary McElroy, Secretary Sprague, General Norstad, nor any other member of the administration was able to say that the Congressional reduction last year of three-quarters of a billion dollars in military assistance and defense support had any significant harmful effect on the national security program.

In fairness, it was pointed out that that reduction lessened the amount in the pipeline so that it would last about 18 months, and to a total of about $3 billion; but no member of the administration was able to show that there was any significant reduction in the defense ability of the Free World because of the reduction of three-quarters of a billion dollars last year.

In order to show where and how this reduction takes place, I must rely upon the record. To do so effectively, of course, it would be necessary to rely on classified material. I have no classified material before me, and in order to be sure that I would not disclose anything I should not disclose, I deliberately refrain from taking advantage of access to classified material. I am relying entirely upon the record.

Because we cannot use classified material, we must go back to a period which was declassified. The Senator from Montana [Mr. MANSFIELD] made a suberb analysis of waste in our mutual security program back in 1955. That analysis is even more valid today, because the amount we are now spending in these areas, on the basis of the information available, is greater now than it was then.

The Senator from Montana [Mr. MANSFIELD] pointed out that the cost of United States military aid and economic assistance in Laos in 1955 reached a total of about $50 million. He stated that this sum was more than equal to the annual per capita income of all the inhabitants of Laos, and that it was several times the total of the regular budget of the Laotian Government.

Of course, now, on the basis of the best evidence we can get, our appropriation is even greater for this purpose.

It is true that Laos is located in a most strategic area in southeastern Asia, and is on the historic route of invasion, whether from the north, east, west, or south. However, Laos is sparsely populated and is completely underdeveloped in a Western sense. Its way of life has been virtually unchanged over centuries of time. If there is to be a successful resistance to a major Asian Communist drive into southeast Asia over the Laotian invasion routes, it will not be made by Laos alone, no matter how much material assistance may be poured into that country. It will depend on the concerted willingness of nations with interests in the region to support the independence of Laos.

On the basis of that analysis and in spite of the fact that we have been pouring an incredible amount of money and defense support and military assistance into Laos, an amount totaling, in 1955, $50 million—and it should be remembered that the family allowance for the soldiers we are paying, who are Laotian soldiers, is 10 times the average per capita income of all the inhabitants of

that country—and on the basis of the best judgment of the Senator from Montana, it is obvious that the Laotian nation is in no position to serve as a significant bulwark against attack in support of the Free World.

It seems to me that in the circumstances military-aid policies which seek to do more than bulwark the local security forces to the point where they can cope with armed minorities and stop occasional border sallies are highly unrealistic and wasteful.

Of course, it makes sense to provide some assistance to Laos, Cambodia, and Vietnam. However, to provide such a heavy concentration of assistance to a country which cannot conceivably make adequate use of it seems to me to be wasteful.

There is one other point I should like to make before I conclude my remarks. I should like to stress what seems to be the attitude of the administration with respect to much of our military aid, an attitude which I consider to be indefensible. In the hearings on March 24, 1958, before the Foreign Relations Committee, Secretary Dulles made this statement:

> Countries sort of feel that to be in the swim, so to speak, they have to have jetplanes, etc. Even countries that have no practical, conceivable use for jetplanes, nevertheless, want to have them. They feel that if they do not have jetplanes they are a third- or fourth-class country. There is a psychology in this matter which we can deplore. We cannot ignore it, unhappily.

I believe Secretary Dulles is being completely honest and forthright. It is most unfortunate that, on the basis of the hearings, we are indeed providing jetplanes to countries because they feel if they do not have them they will be considered a third- or fourth-class power. It seems to me that we cannot justify spending American taxpayers' money on that kind of reasoning.

As has been stressed again and again on the floor of the Senate by friends of foreign aid, we must wake up and realize that the effectiveness of the Soviet foreign-aid program has been the result of their heavy concentration on economic assistance.

The outstanding authority in the Senate on South America, the Senator from Florida [Mr. SMATHERS], made a brilliant speech, only 2 days ago, in which he objected very strenuously and specifically to the kind of military aid we were giving to Latin American countries. He pointed out what a misconception it was. He showed what it takes to provide for a strong South America. He pointed out that this kind of assistance can, if it is overdone, badly distort and overload a nation's economy. It can become an "Operation Rathole." It can be building the strength of the Free World on sand. Perhaps more important, it can build up a military clique which does not really have the support of the people of the recipient countries. It can result in the kind of tragic development that occurred in Venezuela. It can result in the kind of assistance we are giving to Cuba and to the Dominican Republic, where we are building up military cliques. It can result in what we are doing in Cuba, giving arms to a dictator, who can destroy the lives of Cuban people who disagree with him.

In my opinion, in view of the fact that the administration was unable to answer the basic question whether the reduction of three-quarters of a billion dollars in military assistance and defense support would have any harmful effects in carrying out our objective last year, what this whole matter boils down to is that it is incumbent upon Congress this year to be very critical in reviewing these requests and that it should be prepared to make a reduction.

Finally, if the Senate should adopt my amendment, it would constitute a clear and clean directive to the Senate conferees to go to conference with the House and agree to the $339 million reduction, but to concentrate the reduction where it should be concentrated, in military assistance and defense support. We should provide as much as possible in the economic fields, where it is so desperately necessary.

I believe mutual assistance is necessary, and I support it, and support it warmly, up to a point. I believe that up to a point it can save us money, and up to a point it can be the best defense money we can spend. However, that is only up to a point. As the Senator from Vermont [Mr. FLANDERS] said only a few minutes ago, we may have decades and generations of cold war. For that kind of struggle it is necessary to have long-range economic support, and not the kind of military support which seems to be so out of proportion and which can destroy the ability of our allies to defend themselves in the long run, rather than protect them.

Mr. CLARK. Mr. President, I cannot support the pending amendment. I have no special access to classified information, but it seems to me to be very clear indeed that the major part of the military assistance and defense support which are called for in the bill will go to Taiwan, Turkey, Korea, Vietnam, Pakistan, and Greece. Each of those countries is confronted with the threat of external aggression, either from Communist China, from Soviet Russia, or from a satellite of one or the other. In each instance, the frontier of freedom runs along the boundaries of those states. In each instance, the preservation of freedom in those states is of vital concern to the United States of America.

It is said that a basic question was asked in the hearings before the Committee on Foreign Relations as to whether the cut made last year in military assistance was of any particular detriment to our defense support or to our military assistance, and that no particular affirmative answer could be made to the question.

Still, we live in a changing world. Who can say what will happen this year on the basis of what happened last year? Have we any particular reason to think that the degree of security along the boundaries of those states to which we are giving assistance is any greater today than it was last year? Is it not entirely likely that it is worse?

We have in support of the bill the testimony of executive officers of the United States: The Secretary of Defense, the Secretary of State, and others who support the administration's policy. They have access to facts which, regrettably, are treated as confidential, secret, or top secret. Those facts are not made available to us on the floor of the Senate. They are available to the Committee on Foreign Relations, whose distinguished chairman I now see in the Chamber. I, for one, am prepared to take the judgment—the mature, careful judgment—of that wise statesman, the senior Senator from Rhode Island, and the majority of his colleagues who support him on this matter, rather than to substitute my own, I believe unqualified, judgment for his.

Moreover, the judgment of the chairman of the Committee on Foreign Relations is backed by the plea of the executive officers of the Government who have the responsibility for conducting our military affairs.

For these reasons, I do not feel free to take a chance with the security of the United States by voting to cut 1 cent from the bill. I shall accordingly vote against the amendment, but with deep regret because of the very warm feeling I have for its sponsor, with whom on practically all occasions I find myself to be in agreement.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Proxmire amendment.

The yeas and nays were ordered.

Mr. GREEN. Mr. President, I oppose the amendment of the junior Senator from Wisconsin. An identical amendment was considered carefully during the markup of the bill in the Committee on Foreign Relations and was rejected. I know of no new information or circumstances which would justify a reappraisal of the committee's judgment.

The committee gave a great deal of attention to the amounts authorized in this bill. After much discussion, the committee decided to reduce the President's request by $235 million. The bill specifies that the cut shall be subtracted from the two military items in the bill, namely, military assistance and defense support. The effect, therefore, of this reduction is to decrease somewhat the bill's emphasis on military assistance.

Mr. President, it is one of the principal functions of the committees of the Senate to undertake detailed scrutiny of authorizations for appropriations. As a general principle, the Senate as a whole

should go along with committee recommendations of this kind unless there is some clear evidence that the committee's judgment is wrong.

The only evidence submitted by the junior Senator from Wisconsin is that he wants to cut the bill by the same amount as it was cut by the House. Why? Does he wish the Senate simply to rubber-stamp what the House has done? Does he wish to reject the months of work done on this bill by the Committee on Foreign Relations and rely instead upon the decision of the other body?

The only magic in the proposed cut is that it coincides to the last cent with the action of the House of Representatives. The proposed cut of $339 million is not based on reason.

Mr. President, I hope that the amendment will be rejected.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The question is on agreeing to the amendment lettered "D" of the Senator from Wisconsin [Mr. PROXMIRE]. On this question the yeas and nays have been ordered.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I believe it is fair to say that the proposal now before the Senate was considered in the Senate Foreign Relations Committee, and was rejected by it.

If I read the amendment correctly, it does not propose a cut in the authorizations provided by the bill. Instead, it proposes only a transfer; it would transfer, from one point in the bill to another, the authorization for $104 million.

Mr. President, the committee already has cut the bill by $235 million and did so after careful scrutiny and long consideration.

The pending amendment proposes to transfer or reduce by $104 million the authorizations for military and defense support, and to add $104 million to the authorizaton for economic aid. The amendment does not propose a cut; it only proposes a transfer.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. Will the Senator from Illinois show me where, in the amendment, a transfer to economic support is proposed? It is my understanding—and let me say that the pending amendment is identical to one submitted by the Senator from Arkansas [Mr. FULBRIGHT] in the committee; and the understanding I am stating is on the basis of my conversation with him—that the amendment would reduce the military assistance and defense support authorization by $339 million below the amount requested by the administration, and that the overall effect of the amendment would be to cut the authorization $104 million below the amount provided by the committee amendment, and to make a cut of $339 million below the amount requested by the administration.

But the entire cut proposed by the amendment—would be concentrated in the items for military assistance and defense support.

Mr. DIRKSEN. I think the Senator from Wisconsin is correct. I was reading the language on page 63, where the pending amendment proposes a cut of $104 million.

Mr. PROXMIRE. That is correct.

Mr. DIRKSEN. Mr. President, that matter was fully considered in the Senate Committee on Foreign Relations.

Mr. PROXMIRE. It was, indeed.

Mr. DIRKSEN. And after such consideration, the amendment was rejected by the committee.

Mr. CURTIS. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. CURTIS. I should like to ask a question in connection with the pending amendment: Would lines 1 and 2 of the amendment cut by $104 million the amount of the proposed authorization for military assistance?

Mr. DIRKSEN. It would.

Mr. CURTIS. What would be the effect of lines 3 and 4 of the amendment?

Mr. DIRKSEN. They provide for transferability. The Senator from Nebraska will notice the following language beginning at the bottom of page 63:

> The President is authorized during the fiscal year 1959 to transfer from funds appropriated pursuant to such section 103 (a) to funds appropriated to such section 131 (b), or vice versa, amounts not to exceed a total of $235 million.

The second part of the pending amendment would strike from that language the figure "$235,000,000," and would insert in lieu thereof "$339,000,000." So that is a transferability provision. But the amendment would reduce by $104 million the amount for military assistance and defense support.

Mr. CURTIS. Would lines 3 and 4 of the amendment affect the total authorization, either up or down?

Mr. DIRKSEN. Yes, down.

Mr. CURTIS. I thank the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "D" of the Senator from Wisconsin [Mr. PROXMIRE].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Tennessee [Mr. GORE], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], and the Senator from Louisiana [Mr. LONG] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senators from New York [Mr. IVES and Mr. JAVITS], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

If present and voting, the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 31, nays 53, as follows:

YEAS—31

Anderson	Frear	Morse
Bible	Fulbright	Murray
Capehart	Jackson	Proxmire
Carroll	Jenner	Robertson
Case, S. Dak.	Johnston, S. C.	Russell
Chavez	Kefauver	Stennis
Church	Langer	Talmadge
Dworshak	Lausche	Thurmond
Eastland	Magnuson	Yarborough
Ellender	Mansfield	
Ervin	McClellan	

NAYS—53

Aiken	Hayden	Neuberger
Allott	Hennings	Pastore
Beall	Hickenlooper	Payne
Bennett	Hill	Potter
Bricker	Hoblitzell	Purtell
Bridges	Holland	Revercomb
Bush	Hruska	Saltonstall
Butler	Humphrey	Smathers
Carlson	Johnson, Tex.	Smith, Maine
Case, N. J.	Kennedy	Smith, N. J.
Clark	Knowland	Sparkman
Cooper	Kuchel	Symington
Curtis	Malone	Thye
Dirksen	Martin, Iowa	Watkins
Douglas	McNamara	Wiley
Flanders	Monroney	Williams
Goldwater	Morton	Young
Green	Mundt	

NOT VOTING—12

Barrett	Ives	Long
Byrd	Javits	Martin, Pa.
Cotton	Jordan	O'Mahoney
Gore	Kerr	Schoeppel

So Mr. PROXMIRE's amendment was rejected.

Mr. MANSFIELD. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 51, line 17, after the word "subsection," it is proposed to insert ", such amendment to take effect 1 year after enactment of this act."

Mr. MANSFIELD. Mr. President, the amendment which I offer was originally proposed by me in the committee.

Mr. PASTORE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order. All Senators desiring to confer please retire to the cloakrooms. All persons not having business on the floor will retire from the floor. The attachés of the Senate will maintain silence.

Mr. MANSFIELD. Mr. President, the amendment would insert on page 51, line 17, after the word "subsection," the words ", such amendment to take effect 1 year after enactment of this act."

This change would amend 1 of 2 amendments on the same subject which I sponsored during the markup of the

bill. I propose to insert in 1 of those 2 amendments on page 51 the identical language which is a part of the corresponding amendment on page 58, line 10.

These amendments aim at eliminating the present situation in Latin America whereby military personnel in the active United States service receive compensation from foreign governments.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order.

The Senator from Montana may proceed.

Mr. MANSFIELD. To repeat, Mr. President, these amendments aim at eliminating the present situation in Latin America whereby military personnel in the active United States service receive compensation from foreign governments. Some of these people perform mutual-security functions and some of them serve as advisers to foreign governments. Many of them perform both functions. My amendments were therefore in two parts in order to take account of both categories of personnel. The existing arrangements with the foreign governments are based upon executive agreements with such governments. It will take considerable time to renegotiate these agreements and to obtain new understandings, which I hope will result in a continuation of the principle of sharing the cost of having United States military personnel in these countries, but eliminate the practice of direct payments from foreign governments to United States military personnel.

The need for a year to change from the present system to the new system applies equally to personnel performing mutual-security program functions as it does to personnel performing other duties. The year's grace period was properly inserted in the amendment on page 58, but it was omitted in the amendment on page 27. The purpose of my amendment now is to insert on page 27 the same language as was adopted during the markup on page 58.

If this additional technical change is not made, I fear that some Latin American countries may get the idea that the United States intends to shoulder the burden of all the cost of having our military personnel in Latin America and they will be reluctant to share such cost with us.

Mr. President, in the committee the amendment referred to, as already announced, was unanimously approved in an attempt to bring an end to an embarrassing situation.

It is my hope the amendment will be accepted by the chairman of the committee.

Mr. GREEN. Mr. President, I accept the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator.

Mr. WILLIAMS. I wonder why the Senator is offering the amendment to carry the principle forward for another year, when certainly the whole committee, as I understand, is against the principle of having foreign governments subsidize the pay of our personnel. Why not stop the practice now?

Mr. MANSFIELD. Speaking for myself, I would approve of such action, but, in view of the fact that there has to be some renegotiation, I think it is only fair and proper to allow the Department of Defense a year's time to make sure the decks are cleared.

Mr. WILLIAMS. I do not see why renegotiation is required to stop a foreign government from making payments to military personnel of the United States Government who are already drawing full pay from the United States Government.

Mr. MANSFIELD. The executive agreements have been in effect since 1926. I would afford the Department of Defense the courtesy of permitting the renegotiation of the executive agreements which are in force and which have to be renegotiated in the interest or bringing an end to this practice, of which I do not approve and which I think is embarrassing to our military personnel.

Mr. WILLIAMS. At the time the agreements were made, in 1926, we were not subsidizing the operations of other governments. In the bill presently under consideration we are proposing to give to each of the respective foreign governments several million dollars in order to pay the cost of operating military establishments, and we find the same governments making supplementary payments to our own military personnel. If these governments can afford to pay our personnel, they can afford to operate their own military establishments. Why should we make a direct gift to a country on the basis that it cannot pay its own way, and then permit it to pay our personnel? This principle is wrong and dangerous.

Mr. MANSFIELD. Mr. President, the Senator has an argument to be considered. I should like to read to the Senate, if I may, the attitude of the Defense Department on this particular proposal, because the Defense Department is directly involved. They have given me some arguments for turnaround time to renegotiate international agreements.

The Defense Department's arguments are as follows:

1. We accept the proposed amendment to section 527. However, we would prefer that some provision be made so that a reasonable time may be allowed for bringing present practices into line with amended statute. The change could be made overnight only if the United States immediately assumes responsibility for making payments to mission members in lieu of those now received directly from the foreign government. Such action by the Department of Defense would undercut any attempt to persuade the foreign government to make payments to the United States—rather than to the individual officer—which is one of the objectives clearly contemplated by the amendment. It is suggested, therefore, that the amendment be phrased so as to take effect, say, 1 year from date of enactment.

2. Our examination of the problem of implementing this change indicates that the only feasible way to make the change immediately would be by reviving temporarily the MAAG's which were reduced to zero strength in 1955. We understand that the proponents of the amendment do not wish to see the MAAG's revived.

3. Immediate implementation prior to renegotiation of the international agreements could only result in immediate additional cost to the United States because the United States would have to pay certain allowances to the officers performing military assistance duties.

4. Immediate implementation, prior to renegotiation of the international agreements, would in some cases work a hardship on individual mission members who would have to be assigned military assistance duties.

Those are the arguments presented by the Department of Defense. I think they are entitled to our serious consideration. I think the Department is entitled to 1 year of leeway. Personally, I should like to see the practice, which has been in effect since 1926, done away with immediately. However, I, for one, am willing to accord this courtesy to the Department of Defense.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. WILLIAMS. Does the Senator not think the Department could correct the situation just as well in 6 months as in a year? After all, all we are seeking to do is to stop the acceptance on the part of military personnel of supplementary pay from a foreign government. The military personnel are all drawing full pay from the United States Government. It seems to me that it is an indefensible practice to have Government officials drawing pay from any foreign government. The military personnel are living in the foreign countries. When they undertake to testify before a committee as to the needs of those countries for military aid from the United States Government, for whom are they working? I think it is essential that American personnel be directly on the payroll of the United States. They are United States citizens. Certainly we can afford to pay our own personnel. If we are not paying them enough, I would be in favor of increasing their compensation.

Mr. MANSFIELD. I am in full accord with what the Senator from Delaware has said. He has mentioned a 6 months' period. I am sure that if the Senator would agree to the 1 year extension the committee would do everything in its power to see that the renegotiations were carried on as quickly as possible. It would be hoped that within 6 months or less this situation could be corrected and the difficulty settled. I think it is disgraceful when members of our military missions in Latin America and elsewhere receive from a foreign government payments or other emoluments. I believe the practice should be eliminated, but I think we should be reasonable and accord the Defense Department a certain consideration. The Defense Department recognizes the difficulty, although we had to call it to their attention.

Mr. WILLIAMS. With respect to the other amendment to which the Senator referred, which was accepted in committee, I had an amendment prepared to make that provision effective immediately. However, I realize that the Senator from Montana has given a great deal of study to this question. If the Senator believes that some time would

be required to renegotiate agreements, I am willing to go along for 6 months. It seems to me that that would be a reasonable time. One reason I am fearful about going along for a full year is that I have seen a great many similar situations in the past. Next year the Defense Department could ask for a further extension. I believe the Department could make all the necessary arrangements in 6 months. It is not as though we were asking foreign governments to increase their payments. I know enough about human nature to understand that when we say we want to make all the payments to our own personnel, the foreign governments will be quite agreeable. I would go along with a period of 6 months, if the Senator feels that this is necessary because I respect his interest in the problem.

Mr. MANSFIELD. In one of the amendments already in the bill, an extension of a year is allowed. The Senator has mentioned a period of 6 months. I have suggested a period of a year. The other provision in the bill to which I have referred carries a 1-year extension. Would the Senator consider the possibility of a 9-months extension?

Mr. WILLIAMS. I should like to make it 6 months, so that if the time should expire while Congress was not in session the Department would know what it had to do. If we cannot do any better, I will go along with the suggestion for a 9-month period. However, I think a period of 6 months, or, say, until January 1, would be very reasonable.

Mr. MANSFIELD. The Senator is correct. However, in view of the fact that a certain amount of renegotiation based upon executive agreements will be necessary, if we can agree upon a 9-months period, I will ask unanimous consent to modify my amendment accordingly, and serve notice on the Defense Department that we expect it to correct the situation in less than 9 months.

Mr. WILLIAMS. Would the Senator be willing to go along with some such a date as February 1?

Mr. MANSFIELD. Let us make it 9 months. It is only a matter of a little time. I hope this amendment will speed up action on the part of the Defense Department. We shall keep a sharp watch on the situation, and try to get the Department to renegotiate these agreements as quickly as possible.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am glad to yield, if I have the floor.

Mr. WILLIAMS. I will yield to the Senator from Mississippi, if I have the floor.

Mr. STENNIS. I wish to commend the Senator from Montana for digging out the facts and presenting the amendment in connection with the pending bill.

We held hearings on the military pay bill for almost a year. This is the first I ever heard of the existence of such a situation as has been described. Frankly, I think it is shocking. If it ever was justified, it seems to me that the justification has long since disappeared. It should have been brought to the attention of the committee which was considering the military pay bill, by the services themselves. Certainly, it was a part of the picture of the common safety.

I commend very highly the Senator from Montana for bringing this question up. I am willing to yield to him on the question of the time element. He has studied the situation, and he has viewed the entire picture and reached a conclusion. I am glad to support him.

Mr. JENNER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JENNER. I should like to know how the Congress can condone such a situation when we know that it is absolutely unconstitutional.

Mr. MANSFIELD. We cannot condone it. It is a result of executive agreement. The situation came to light only this year. We tried to do something about it. We found that the situation was a little more widespread than we had anticipated. Whether or not a foreign government is being subsidized by us is beside the point. The practice in question constitutes a bad precedent.

Mr. JENNER. It is a violation of the Constitution. I read from article I of the Constitution:

> No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

How could the executive department enter into executive agreements in violation of the Constitution? That is my first question.

The Senator says the situation has risen by reason of executive agreements. How can we in Congress condone for a moment an unconstitutional act?

Mr. MANSFIELD. As I understand, the executive agreements were made on the basis of an act passed by the Congress.

Mr. JENNER. I thought the Senator said they were executive agreements.

Mr. MANSFIELD. They are executive agreements based upon an act passed by Congress, and consummated in 1926.

Mr. JENNER. It could be done with the consent of Congress.

Mr. MANSFIELD. Would the Senator consider the possibility of agreeing to the amendment if it is limited to 9 months, with a promise that the committee will do its best to speed up the Defense Department, in an effort to have all agreements renegotiated at a date sooner than that?

Mr. WILLIAMS. I would much prefer a time limit of 6 months, but I respect the work the Senator from Montana has done. I do not question his sincerity as a member of the committee. Therefore, I will go along with the period of 9 months, on the basis suggested, because I believe that all of us working on the problem can see to it that the agreement is carried out.

I should like to have it understood that both dates, that is, the dates in both amendments offered in committee and accepted by the committee, should be the same.

Mr. MANSFIELD. That is correct.

Mr. WILLIAMS. With that understanding, I will go along with the suggestion of the Senator from Montana.

I agree with the Senator that the practice is indefensible. It is one which never should have been started, by executive agreement or otherwise, and it should by all means be stopped. I will go along with that modification.

Mr. MANSFIELD. I thank the Senator for his courtesy and consideration.

Mr. President, I ask unanimous consent that the amendment at the desk and the other amendment accepted by the Committee on Foreign Relations, at page 58, line 12, be amended by striking out "one year" and substituting in lieu thereof "nine months."

The PRESIDING OFFICER. The Senator from Montana modifies his amendment accordingly.

The question is on agreeing to the amendment, as modified, offered by the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORTON. Mr. President, I call up my amendment 6–3–58–H.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 49, line 6, it is proposed to strike out the word "thirty" and insert the word "sixty." On line 11 after the word, "committee", insert the following: "and of each member or employee thereof."

Mr. MORTON. Mr. President, the amendment would do two things. By changing the word "thirty" to "sixty" it would allow another month in which the reports could be rendered. These are the reports dealing with the use of counterpart funds for travel by members of Congressional committees or the staffs of such committees.

I know from my own experience that 60 days is necessary instead of 30 days, for a department to give to the committees of Congress the information which is necessary to file in the reports. If Members of Congress travel abroad and return to this country in late November or December, as many do, it is virtually impossible to have all the accounting from overseas in their hands and through the Treasury Department and the State Department within 30 days after Congress convenes. That is the reason for the 60-day proposal.

Often a man may change his itinerary. He may have an airplane ticket which was bought, let us say, with lira in Rome. He then turns it in at Paris for a ticket which is purchased with counterpart francs. The first ticket must be sent back to Rome for credit. By the time the various accounting procedures are concluded, 60 days have elapsed, or almost that time. If only 30 days are allowed, a man will have to file a tentative report and then make a more accurate report when full information is received as to what he drew, and for what purpose he drew the money. I believe that should be done regardless of the rest of my amendment, in order

to provide orderly procedure in the matter.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. CASE of South Dakota. The amendment appeals to me as being a very practical, and as making the very salutary provision to which it relates, workable. All of us have felt that the regulation with regard to the use of counterpart funds should be tightened, and the provision in the bill as reported by the committee relating to the subject is a step in the right direction. However, to make the provision workable, 60 days, instead of 30 days, should be provided. That extension is desirable.

Mr. MORTON. I thank the Senator from South Dakota. The second part of the amendment would insert, on line 11, after the word "committee" the following words: "and of each member or employee thereof."

The House adopted what is known as the Dawson amendment in the bill. The Dawson amendment cannot be effective under the accounting procedures used in the Senate. I am so informed by the committee, which went into the matter very carefully.

I have a further objection to the present language, in that I believe the Dawson amendment will discourage travel by Members of Congress. I for one favor such travel. I believe that in this day and age it is highly desirable for Members of Congress to travel. I do not want to see anything done which will curtail such travel.

We all know that many rumors spread throughout the country with respect to the use of counterpart funds. If anyone believes their use to be a secret, he is sadly mistaken. Every employee in the Department of State knows what is going on. Rumors are started, and they become progressively worse as they are repeated. There have been a few examples of the misuse of counterpart funds and abuse of them by employees of Congress. However, all we need, as I said the other day when I submitted the amendment, is disclosure. We had before us a bill which dealt with this question. It was the bill relating to union pension and welfare funds. It was very forcefully argued at that time that no regulation was necessary; that all that was necessary was disclosure.

Certainly that is all that is necessary in this case. The committee language does not require much more than is done under the present practice. It requires that the chairman of a committee shall report as a lump sum what was spent by members and employees or staff members of the committee. We know that Representative BURLESON, the chairman of the House Administration Committee, made his report the other day, and we also know that the eminent chairman of our Committee on Appropriations from time to time has reported committee expenses en bloc, as submitted by the committees. What I seek to do is to have the reports broken down by individuals and to have the information made public by being published in the CONGRESSIONAL RECORD. I believe the expenses should be broken down, first as to transportation, and, second, all other expenses. Under the terms of the bill as reported by the committee, each committee prescribes its own regulations as to how detailed the report of expenses shall be. I believe they should be broken down into the categories of transportation and all other expenses. Some members may travel as individuals or in groups of 1 or 2, and may use commercial transportation entirely. Other groups may travel on a plane furnished by the Defense Department, or by some other form of Government transportation. Some unfair comparisons could be made under such circumstances. I therefore believe the cost should be sufficiently broken down as to transportation and as to other expenses. However, the important thing is that there be disclosure as to individuals.

The present situation reflects on every one of us. Rumors are started. When I was in the State Department I had the members of the press on my neck every day. When I came to the Senate about 4 years ago, I persuaded the committee chairmen involved to publish the figures for the whole Congress. The amount turned out to be approximately $420,000. Some people had thought it was probably $15 or $20 million. As soon as the $420,000 figure was published, the whole story died. All of us were under a cloud. We are still under a cloud. None of us are unwilling to file our expense accounts. Those who work in the executive department or in private industry or who practice law must furnish expense accounts for income-tax purposes or for other purposes.

If we adopt the amendment it will clear up this whole question, and will not discourage what I consider to be very important, namely, Congressional travel.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. ALLOTT. I wish to compliment the Senator from Kentucky on his amendment. It seems to me that it is an amendment which has been needed for a long time. No one can travel for Congress in a foreign country without being aware that tongues are wagging in every embassy about the so-called abuse of counterpart funds. We have contributed to that situation by the way we have handled such funds. I am sure that when the facts become known, the figures are disclosed, and it becomes known how the counterpart funds are used, it will remove the cloud of which the Senator speaks. I certainly intend to support the amendment of the Senator from Kentucky.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. BUSH. I wish to join my colleague from Colorado in commending the Senator for bringing up his amendment. It is a matter which should have been taken care of a long time ago. No Member of the Senate who has traveled abroad could fail to be impressed with the looseness of the control that is exercised over the funds which are called counterpart funds and which are put at the disposal of traveling Members of Congress when they arrive in foreign countries. There seems to be some feeling that it is not real money and therefore should not be handled like real money. Actually it is real money. If we did not have those funds, we would have to spend dollars. The funds should be accounted for, since they are the property of the United States and are under the control of the United States, just as the expenditure of dollars should be. So I heartily endorse the amendment.

Mr. GREEN. Mr. President, I ask that there be order in the Chamber, and that Senators raise their voices, so that we on this side of the aisle may hear them.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUSH. Mr. President, what was it the Senator from Rhode Island asked?

The PRESIDING OFFICER. The Senator from Rhode Island asked for order in the Chamber, and also that the Senators who are speaking raise their voices.

Mr. BUSH. This is the first time I have been asked to raise my voice, but I appreciate the invitation.

In connection with travel within our country on business of the Government, it has been frequently the practice to provide a per-diem allowance for living in addition to the travel expense. I wondered whether the Senator, in thinking of the problem, had considered that as a possibility, and if so, why he had rejected it.

Mr. MORTON. The bill I propose to amend contains a section which provides that each committee shall prescribe its own rules and regulations. I leave the question of remuneration to the committees. All I am seeking to do is to have publication of the expenses by the individuals. How much is spent is not my concern. That is not what I am trying to ascertain at all. I think that is perhaps a part of overall policy, and could not very well be covered by an amendment to the mutual-security bill.

Mr. BUSH. I wondered whether the Senator had thought about that as being a solution to the problem, and was simplifying the efforts of the committees to make satisfactory reports of expenses.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. GREEN. I accept the amendment.

The PRESIDING OFFICER. Although the Senator from Rhode Island has accepted the amendment, it will still have to be agreed to by the Senate.

Mr. WATKINS. Mr. President, I commend the Senator from Kentucky for offering the amendment, and the chairman of the committee for accepting it.

As one who has traveled in Europe only once, I was very happy to render to the State Department and to my committee a full statement of all the money I had expended. I would have had no objection at that time to the publication of the report, if that had been the rule.

I feel that there have been times when some persons who have traveled have not, probably, acted as they should have

acted with the funds allotted. That has cast a cloud on all Members of Congress who travel abroad.

I associate myself with the remarks of the Senator from Kentucky with respect to itemizing and reporting the individual expenditures of the various Members of Congress.

I also commend my colleague, Representative DAWSON, of the Second District of Utah, for his persistence in presenting a similar amendment. It originated in the House, and I am glad it was finally adopted by the House and is now, apparently, to be agreed to by the Senate as a part of the mutual-security bill.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. POTTER. I join with the Senator from Utah in commending the Senator from Kentucky for offering the amendment. We in Congress have made long speeches about secrecy in Government. We have criticized the executive branch—and rightly so—concerning their excessive secrecy and classification of records, when such secrecy and classification are not necessary.

But for many years we have followed the practice of hiding accounts of our use of counterpart funds. I think the amendment offered by the Senator from Kentucky is certainly one which is long overdue. It will throw light on what has long been hidden, and will let the press and the public know how these funds are being used.

The present practice has been in effect since I have been in Congress, but an amendment such as that offered by the Senator from Kentucky has never been presented heretofore. I think the amendment will remove a cloud which might darken the integrity and reputation of every Member of Congress. I do not believe there has been a great misuse of the funds, but merely because of secrecy concerning the use of the funds, many rumors have developed which probably are untrue. If there is nothing to hide, let us open up the accounts for everyone to see.

The junior Senator from Kentucky has performed a real service in offering the amendment.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SALTONSTALL. I think the Committee on Foreign Relations and the Senator from Kentucky are to be commended. The Senator from Kentucky has simplified and improved the amendment recommended by the Committee on Foreign Relations. As one who has traveled in Europe and used counterpart funds and has worried about his accounts, I think the amendment provides a desirable addition to the method of handling such funds, whether we travel as committees or as individuals.

Mr. WATKINS. When I traveled, I was not aware at the time that the reports would not be made public. I had expected that my expenditures would be considered in the same way as any other expenditure which was made in the interest of the United States when we traveled for a committee. But I found later, very much to my surprise, that that was not the case.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. WILLIAMS. I joint with my colleagues in complimenting the Senator from Kentucky for offering the amendment, and the committee for accepting it. I think it is a long-overdue correction of a condition which should have been changed, as the Senator from Michigan said, years ago.

The publication of these expenditures will remove the cloud of suspicion surrounding these expenditures by giving the public the right to examine the accounts.

Congressional travel can be justified, and I am sure that committees and individual Members of Congress who make bona fide trips will have no objection to the publication of their accounts.

I support the amendment, and hope it will be maintained in conference.

The PRESIDING OFFICER. Without objection, the two amendments will be considered en bloc.

Without objection, the two amendments considered en bloc are agreed to.

The bill is open to further amendment.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I shall offer my remaining amendments together and ask that they be considered en bloc. I have made a slight modification in each amendment as it is printed. I ask unanimous consent that my four amendments, as modified, designated 5-26-58-L, 6-2-58-C, 6-2-58-E, and 6-2-58-A, be considered en bloc, that they not be read, but that they be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendments, as modified, will be considered en bloc; and, without objection, the amendments will be printed in the RECORD.

The amendments, as modified, proposed by Mr. PROXMIRE are as follows:

On page 35, line 3, immediately after "SEC. 5." insert "(a)."

On page 35, between lines 12 and 13, insert the following new subsection:

"(b) Section 143 of the Mutual Security Act of 1954, as amended, which relates to assistance to Yugoslavia, is amended to read as follows:

"'SEC. 143. Prohibition against assistance to Yugoslavia: Notwithstanding any other provision of law, no military assistance or defense support under this title or any other title of this act shall be furnished to Yugoslavia, after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958.'"

On page 35, line 3, immediately after "SEC. 5." insert "(a)."

On page 35, between lines 12 and 13, insert the following new subsection:

"(b) Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which relates to general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"'SEC. 145. Prohibition against aid to Cuba: Notwithstanding any other provision of law, no military assistance or defense support under this title or any other title of this act shall be furnished to Cuba after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958.'"

On page 35, line 3, immediately after "SEC. 5." insert "(a)."

On page 35, between lines 12 and 13, insert the following new subsection:

"(b) Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which relates to general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"'SEC. 145. Prohibition against aid to the Dominican Republic: Notwithstanding any other provision of law, no military assistance or defense support under this title or any other title of this act shall be furnished to the Dominican Republic after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958.'"

On page 35, line 3, immediately after "SEC. 5." insert "(a)."

On page 35, between lines 12 and 13, insert the following new subsection:

"(b) Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which relates to general provisions relating to mutual defense assistance, is amended by adding at the end thereof the following new section:

"'SEC. 145. Prohibition against aid to Saudi Arabia: Notwithstanding any other provision of law, no military assistance or defense support under this title or any other title of this act shall be furnished to Saudi Arabia after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958.'"

Mr. PROXMIRE. Mr. President, the amendments, as modified, prohibit military assistance or defense support to Yugoslavia, Cuba, the Dominican Republic, and Saudi Arabia. The reason I have offered the amendments can best be stated in two short paragraphs of a speech delivered only last Saturday night by a man for whom I have the greatest admiration, the majority leader of the Senate, Senator LYNDON JOHNSON, of Texas.

This is what the Senator from Texas said:

> We have placed reliance upon dollars alone to buy what cannot be bought. Aid to other nations has never bought for us what we once got free by the exercise of inspiration and leadership. Without such inspiration and leadership, aid itself becomes a cynical and corroding gesture, which diminishes the self-respect of both the giver and the receiver.

Then the Senator from Texas said:

> We have preached freedom but patted the foes of freedom on the back. We have accorded our friendship to leaders of other governments who stood in those lands for what we oppose at home. We have trafficked in expediency and sold ourselves down the river for doing so.

Mr. President, I believe those words are supported enthusiastically by a majority of the American people.

I am not one of those who say that we would lose nothing by giving up aid to Tito or to the Dominican Republic or to Cuba or to Saudi Arabia. I recognize

that possibly certain military advantages—although I believe they are limited—are to be obtained by giving military assistance to these countries. But in comparison with the enormous loss of moral prestige for our country, and when we consider the fact that this is expediency in its rawest form, I believe that my duty to the people of Wisconsin and my position as a Senator require me to oppose assistance of this kind.

I should like to state briefly that in the case of aid to each of these countries, I have developed 4 criteria which I believe are very generous; all I ask is that any of these countries qualify for aid on the basis of the following 4 criteria which I am proposing:

First, does aid to any of them really bulwark the Free World substantially?

Second, does aid to any of them encourage individual freedom?

Third, does aid to any of them really, in the long run, promote peace?

Fourth, in the case of aid to any of these countries, can it be said that it does not entrench tyranny?

Mr. President, briefly, let me say that in the case of Yugoslavia, I think even an American who is most friendly to that country must admit that Yugoslavia is a monolithic Communist dictatorship; and in that connection, I stress the word "monolithic," because I think there is a distinction between the dictatorship in Yugoslavia and the dictatorship in Poland. It is true that Poland is a communistic dictatorship; but in Poland there is a breath of freedom, because in Poland there is a very important power which has strength and has made it possible to encourage and preserve—to a limited extent, it is true—individual freedoms. Of course, I am talking about the great Catholic Church. The spokesmen of the Catholic Church, which is a foe of communism—and is a foe to the death, I am sure—have seemed to indicate that they favor the giving of assistance to Poland; and I go along with them, because I think their judgment and their position to judge are excellent.

It has been argued that the United States should give aid to Tito because he may become an important, significant enemy of Soviet Russia, and that he can become an ally of the Free World.

Mr. President, despite the fact that when our Secretary of State testified on this bill before the Foreign Relations Committee, he stated that recently the representative of Yugoslavia has often voted with the representative of our country in the United Nations, I believe that if we consider the whole sweep of the record of Yugoslavia in the United Nations, we find that it has not been very often that Yugoslavia has supported the United States on the very important measures there. The last truly important, or the most important one in recent months and years, was that in regard to the Hungarian revolution. At first, Tito was hesitant in that connection; but soon after the Soviet intervention, Tito condemned the revolution as being reactionary and anti-Communist. It is true that at first Yugoslavia abstained from voting when, in the United Nations, the vote was taken on the Western resolution which condemned the Soviet intervention in Hungary. But when the final vote was taken on the report which laid bare to the world the Soviet brutality and oppression, the Yugoslav representative in the United Nations voted against acceptance of the report; and he was the only representative, other than those of the countries in the Soviet bloc, to do so.

Mr. President, I do not think any Member of the Senate will disagree when I say that not only is Tito a dictator, but he also is one who, unlike Gomulka, of Poland, brooks absolutely no opposition, has secret police, and has his political enemies imprisoned. There is no question that Tito is a suppressor of freedom.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Wisconsin yield to the Senator from Pennsylvania?

Mr. PROXMIRE. I yield for a question.

Mr. CLARK. Mr. President, I have great sympathy, on ideological grounds, with the amendment submitted by the Senator from Wisconsin. I assume—and I state this in the form of a question—that the Senator from Wisconsin knows that the inevitable effect of the adoption of his amendment would be the giving up of the existing American bases in Saudi Arabia, Cuba, the Dominican Republic, and perhaps elsewhere. I wonder whether the Senator from Wisconsin is prepared to tell the Senate that he is willing to pay that price.

Mr. PROXMIRE. Mr. President, I think the Senator from Pennsylvania is entirely correct. As I understand, we have missile bases in the Dominican Republic; and we have a naval base at Guantanamo Bay, Cuba; and undoubtedly we have an airbase, as I understand, in Saudi Arabia; and we also have oil advantages there.

Mr. President, it seems to me that the price of principle has to be paid; and I say it is a price. Indeed, it is; I recognize that. But I believe it is time that we agreed to pay that kind of price.

Mr. President, if the words used by our distinguished majority leader, namely, "We have preached freedom, but patted the foes of freedom on the back," mean anything, then it seems to me that those excellent words mean that we should be willing, when there is a price to pay, to pay it. Obviously, if there were no price to pay, no conviction would be required to give up such assistance.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. PROXMIRE. I yield.

Mr. CLARK. Mr. President, I honor the Senator from Wisconsin for his high principle. I regret that, being somewhat of a pragmatist, I am not willing to take the same chances with the security of America that he is willing to take. I respect him for his position, but I regret that I shall not be able to support his amendment.

Mr. PROXMIRE. Mr. President, I do not wish my position to be misunderstood. I, too, recognize that we must be expedient under some circumstances. For example, there is no doubt that, in Spain, Franco suppresses freedom, and that he, too, has his political enemies imprisoned. However, in view of the position which Spain occupies behind the Pyrenees Mountains, and with Gibraltar commanding the Mediterranean, it seems to me we almost have to go along with aid to Spain.

But I do not believe that a military argument of the kind which can be made for aid to Spain can also be made in behalf of the missile base in the Dominican Republic or the advantage we obtain by maintaining an assistance and defense program in Cuba.

Mr. CLARK. Mr. President, the Senator from Wisconsin may be correct with respect to aid to Cuba. However, I believe it would be rather dangerous for us to give up the military bases in Saudi Arabia.

Although I have as much distaste for Tito as my friend, the Senator from Wisconsin, has, I am not willing to say that the United States should not make it possible for Tito to defend himself in the event he were attacked by Russia. I am sorry that I cannot agree with my friend, the Senator from Wisconsin.

Mr. CHAVEZ. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield to my friend.

Mr. CHAVEZ. Mr. President, I am willing to agree with my friend, the Senator from Wisconsin, that principle should be the controlling basis in connection with the enactment of legislation in regard to the making of international determinations by our country.

Let me say that, as I understand, the purpose of our military aid is to make it possible for our country to give aid to these countries when they are in trouble or to make it possible for them to aid us when we are in trouble.

Let me ask how much aid the distinguished Senator from Wisconsin thinks Cuba could give to the United States if the United States were in trouble.

Mr. PROXMIRE. I agree that Cuba could give us very little aid if we were in trouble; and I also agree that much of the assistance we give to Cuba is being used—I say this on the basis of testimony which has not been successfully challenged—to kill Cubans.

Mr. CHAVEZ. Very well.

Then I should like to ask the same question with respect to what I shall refer to as Santo Domingo, although others refer to it as the Dominican Republic. In case the United States were in serious trouble, how much aid could our country obtain from Santo Domingo?

Mr. PROXMIRE. I believe the answer is "None."

Mr. CHAVEZ. How much aid would we get from Saudi Arabia?

Mr. PROXMIRE. I think virtually none.

Mr. CHAVEZ. How much aid would we get from Mr. Tito?

Mr. PROXMIRE. Absolutely none.

Mr. CHAVEZ. That being the case, why should not principle prevail in making a determinaiton as to what manner of people we would like to help—those

who would take care of citizens worldwide, or those who would take care of only a few within the country, whether that country be Santo Domingo, Cuba, Saudi Arabia, or Tito's country?

Mr. PROXMIRE. I agree with the Senator. I deeply appreciate his contribution in emphasizing that we cannot expect any quid pro quo, in any substantial amount, in any of these cases.

Mr. CHAVEZ. We sermonize to the world that we are for the free people, that we are against dictators. Nevertheless, when the people rise in their might and chase a dictator out of their country, as they did in Colombia, who gives them asylum? The sermonizer gives the dictator asylum. I do not think that is right.

Mr. PROXMIRE. I thank the Senator.

I have one concluding point to make with respect to aid to Yugoslavia. The fact is that I am simply against giving military assistance and defense support to Yugoslavia.

Only 5 months ago Tito told Ambassador Riddleberger that he did not want American military defense support—after we had sent him more than $1 billion of military equipment between 1950 and 1956.

On December 6, 1957, Tito informed James W. Riddleberger, American Ambassador to Yugoslavia, that he wanted no more American military aid. I think that the reason he gave is very significant. According to the New York Times account:

> Marshal Tito was said to have replied (to Ambassador Riddleberger) that if the program were a constant nuisance to the State Department before Congress, the administration's reappraisals and public justifications for the program also were a constant irritant to his relations with the Soviet bloc.

That statement is significant for two reasons. First, it shows Tito's impatience with the processes of a democratic society, which are necessarily open and subject to review. Second, it shows his concern about his relations with the Soviet bloc, which I submit were more important to him than a billion dollars' worth of military aid or the opinion of the freedom bloc in the world.

When Tito told the Ambassador in December that he did not want our aid, why should not Congress write into the Mutual Security Act a prohibition against military assistance to Tito?

In the case of Cuba, I think the stirring words of the majority leader are extremely apropros. Again, I think Cuba does not qualify on any of the grounds which have been advanced.

I should like to read, as quickly as I can, a quotation from members of the Cuban Congress, including the former president of the House of Representatives, Dr. Lincoln Rodon, and 15 or 20 Congressmen. The statement is contained in the hearings. The administration had an opportunity to reply to it. While the administration maintained it had been acting within the law, it did not dispute this statement on the basis of any fact. I should like to point this out, in connection with Batista:

> On March 10, 1952, 82 days before the scheduled presidential elections in which he himself was a candidate supported by a small minority, Fulgencio Batista led a military coup, making himself chief of state in charge of organizing and directing the executive and legislative branches of government and assuming all their functions. Following the coup, Batista suspended the constitution, prevented Congress from meeting, actually shooting the capital building when Congress tried to meet, prevailed over the courts, reorganized the army, navy, and police forces, dissolved the political parties, and canceled the presidential elections scheduled for June 1, 1952.
>
> Two and a half years after the coup, on November 1, 1954, Batista held rigged elections in which he was elected president. The elections were not only rigged but unilateral, Batista being the only candidate.
>
> All the opposition parties but one abstained, and the one that did not abstain withdrew a few days before the election, owing to the violence and fraud used against it. Even members of the parties supporting Batista admitted publicly that there had been frauds and violence in the November 1954 elections.
>
> Batista continues in power and his regime continues to have the same dictatorial nature that it has had from its inception. The Constitution was nominally reestablished after the 1954 elections, but its basic rights are continually being suspended and martial law declared. Furthermore, with or without martial law, Batista has violated all political freedoms and human rights, imprisoning, torturing, and assassinating his political enemies with utter ignorance of the courts.

I should like to add certain established facts, which have not been questioned. I am reading from a memorandum to the Members of the United States Congress from the Cuban congressman-in-exile.

> There is at present a widespread belief in Cuba that the United States is supporting Batista's ruthless dictatorship in contradiction to the repeatedly declared American policy in favor of world freedom and democracy. This belief is buttressing Batista's dictatorship, prolonging the terrible civil war now ravaging the country and seriously impairing the prestige and good will of the United States in Cuba.
>
> The generalized Cuban belief in the United States support to Batista is based on the following facts:
>
> (a) The great zeal in the application of the Neutrality Act against anti-Batista exiles and the unnecessarily rude treatment applied to them as shown by the recent (February 14, 1958) handcuffing of Dr. Carlos Prio Socarras, former constitutional president of Cuba deposed by Batista;
>
> (b) The public demonstrations of friendship from the United States Army to the Cuban Army, as shown by the bestowal of one of the highest United States military decorations to the Chief of the Cuban Air Force (November 1957) shortly after Colonel (now General) Tabernilla had ordered and led the bombardment and strafing of the open city of Cienfuegos (September 1957) and the widely publicized praise lavished upon Batista by General Shepherd, Chairman of the Inter-American Defense Board (December 1957).
>
> (c) The continuous shipments of arms to Batista—

That is what this bill is all about—

> supplied freely or almost freely under the mutual defense assistance agreement of March 7, 1952, in spite of the openly known fact that Batista was using these arms to crush, and not defend, democracy in the Western Hemisphere, contradicting the purpose of the agreement and of the United States acts which authorized it and which supply the funds with which these shipments are financed; and—

The latter point was disputed, and I think properly so, by the administration. The administration said it was within the law. I think it was within the law. The administration did not dispute, however, the fact that the arms were sent.

Finally, from the same memorandum, I read:

> (d) The maintenance of a United States Army mission in Cuba that is giving the Cuban Army technical advice on the strategy and tactics of the current warfare against the Cuban people, in spite of the fact that article 5 of the Army mission agreement of August 28, 1951, clearly stipulates that the agreement "will be subject to cancellation at the initiative of Government of the United States or of the Government of Cuba, at any time, when any one of the two Governments finds itself involved in internal or external hostilities.

It is true, as the distinguished Senator from Pennsylvania has pointed out, that there is located in Cuba our naval base at Guantanamo Bay. It seems to me, more important than that naval base—and it may be of some significance—is the fact that we are yielding to expediency—the rawest kind of expediency—in providing military assistance to Batista so he can use the military assistance to crush the Cuban rebellion.

The American people were shocked and disheartened and sickened when the Vice President was treated so rudely in Venezuela. Why? For exactly the same reasons that a few years from now, when Batista is deposed and the top representative of the Government goes to Cuba, he is going to get the same kind of greeting from the Cubans, because the people of Cuba, like the people of Venezuela, recognize we are helping a dictator who is opposing their freedom.

I turn, as briefly as I can—and this will be very brief—to the Dominican Republic.

I think every Member of this body is familiar with the fact that the son of the dictator, Trujillo, has had a notorious visit in this country during which he has squandered money on beautiful Hollywood ladies. He has squandered an amount of money about equal to that we are spending in the Dominican Republic. I think in all fairness it should be said it is not the same money. The money we are contributing to the Dominican Republic is money we are using to build up our own forces there, by and large. There is no possible way that money can be transferred to the pocket of the dictator's son.

Nevertheless, that is an excellent demonstration of the enormous dictatorial power possessed by Trujillo whose people, in the main, are very poor. Their education is deficient. They need to improve their standard of living very greatly. The dictator of the Dominican Republic has a son in America squandering the funds which the Republic happens to have.

We have there a long-range missile proving ground. That is of some value; there can be no question about that. We cannot get something for nothing. If we refuse to give military assistance to the Dominican Republic, we may compromise the long-range missile proving ground. I happen to think that would be well worth while. I believe our position in the world would be very greatly strengthened by this approach and we would be strengthened much more than could be measured by any sacrifice we would make.

I should like to point out that the outstanding expert in the United States Senate on South American affairs, the Senator from Florida [Mr. SMATHERS], who is very familiar with the problem, has repeatedly stated we are greatly overemphasizing military assistance to South America. The Senator from Florida has pointed out eloquently that one of the great evils in this procedure is that we strengthen the position of military cliques.

Mr. President, I turn to my last, most unfortunate example, and that is Saudi Arabia. I quote from a splendid speech made February 25, of last year, by the distinguished Senator from Georgia [Mr. TALMADGE]. The words of the Senator from Georgia are as true now as they were then, when the Senator stated:

> To take Saudi Arabia * * * during 1955 that nation received from the Arabian-American Oil Co. a total of $280 million in royalties. It was disbursed by the Saudi Arabian Monetary Agency and Finance Minister appointed by and responsible solely to King Ibn Saud.
>
> Of that income, $36 million was spent on defense, $24 million to buy the loyalty of savage Arabian tribesmen—apparently a sort of intramural "foreign aid" program patterned after the American example—and $10.7 million for health education and social services. While the percentage of illiteracy in Arabia is 99.5 percent, King Saud and his handpicked governing officials have seen fit to establish only two high schools and ten elementary schools.
>
> The remainder of this fabulous Arabian income went into the royal bank account and to pay for the upkeep of King Saud's personal establishment of 10,000 wives, concubines, slaves, royal retainers, and bodyguards, and his personal fleet of 250 air-conditioned Cadillacs, some of which are gold plated.
>
> The King's approximately 4½ million subjects—the exact number being unknown since no formal census of them ever has been taken—eked out a minimum existence on a per capita income of $42 for the same 12-month period.
>
> With a little simple arithmetic, it can be shown from these statistics that with a single grant King Saud could have doubled the per capita income of his people, paid for the defense, tribal loyalty, and health, education, and welfare budgetary items, and still have had $20 million for his personal pleasure.

Mr. President, only 2 days ago the New York Times carried an article on the new Saudi Arabia. I am sure many Members of the Senate read the article. The headline was, "Saudi Rule Seen In Drastic Shift."

If Senators read the story, which had a subhead, "Constitutional Monarchy Is Forecast in Anticorruption Move To Preserve Economy," they found there was very little substance to the statement that there was going to be a constitutional monarchy. There is not one word in the article to indicate that the people of Saudi Arabia are going to have personal freedom, political freedom, or economic freedom. There is no indication that there is going to be religious freedom, or that there will be an abolition of slavery, which prevails in that country.

Mr. President, Saudi Arabia has one of the most ruthless dictatorships on the face of the earth. It is a weak government. That kind of government is bound to be weak, when the overwhelming majority of the people are poor, sick, and illiterate. That kind of government simply is not going to last.

It is true that we have an airbase in Saudi Arabia, but it seems to me we can greatly strengthen our military position in that area of the world, by emphasizing aid to other countries such as Turkey, Greece, and nations which are stronger and which provide at least a modicum of personal freedom, and in the cases of Turkey and Greece certainly a substantial amount. We should aid countries which believe in the same principles we approve and which will be strong allies.

Mr. President, I close by referring to the stirring words with which I opened, of the great man who is the majority leader of the Senate, when he said, Saturday night:

> We have preached freedom but patted the foes of freedom on the back. We have accorded our friendship to leaders of other governments who stood in those lands for what we oppose at home. We have trafficked in expediency and sold ourselves down the river for doing so.

Mr. President, I suggest that it is time the Senate of the United States act on the basis of principle rather than expediency. That is why I offer these amendments en bloc, and I hope they will be adopted.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, if I searched in my imagination for a title for this sheaf of amendments, with the utmost deference to my distinguished friend from Wisconsin, I would style them, "How to lose friends and be unable to influence people."

To me it is an amazing technique that anyone should propose to recite in the organic law of United States that a given country named specifically should have no aid from the United States under this program 90 days after the bill becomes law.

One should never, never "finger" an individual or "finger" a country without expecting to develop hostility and a feeling on the part of the people of that country, under this kind of proposal, that what we are actually trying to do is to dominate them, to put pressure upon them, and to modify their form of government into the kind of image we would like. It would be the best weapon we could give to a country like Russia, in my considered judgment.

It should be pointed out in the first instance that the aid these countries have received has not been large. That certainly is true with respect to Cuba, insofar as I can tell. The report which came from the Committee on Foreign Relations, which showed a breakdown of the countries, indicated a modest amount of military aid for Cuba. Under the economic heading there was only technical assistance, with no cooperative aid, no loan, and nothing under Public Law 480.

The situation with respect to the Dominican Republic is about the same.

With respect to Saudi Arabia, we do make some military aid available for training and for technical assistance, but there is no loan and nothing provided under Public Law 480 that I could find.

Mr. President, we ought to be a little practical. We ought to consider carefully what is proposed. Suppose such a provision became law on the 1st of July. Ninety days later would be the 1st of October. Suppose a controversy arose which would require the furnishing of arms to Saudi Arabia for defense against some neighbor or some invading force. Then what would happen? We would complicate the defense picture of a country with whom we are trying to develop the best of good grace and friendship. We would leave that country high and dry, unless there were some other provision in law under which action could be taken. We could not do a thing without violating the law, unless the President undertook, in his capacity as Commander in Chief, to do something.

I say such a proposal is ill-advised. It is shortsighted. Along with everything else, the proposal will be an affront to people with whom we have some relationship.

If anybody wanted to know what our interest is in this area, he should have sat through the long hearings of the Committee on the Judiciary with respect to the petroleum interests of the American companies, in which the American Navy has a terrific stake. He should have been there to learn what our investments are. He should have gone through some of the difficulties involved in renegotiating a contract for the air facilities in Saudi Arabia. It took quite some doing to consummate that agreement. The suggestion that we write a certain provision into the solemn law of our country would affront the people and the leaders of other countries. Instead of aiding the survival and the security of the United States and expanding her influence abroad, it would in some areas, perhaps, be a death blow.

I hold no brief for Trujillo, and I do not condone any of the peccadillos in which members of his family may be engaged. However, I know that the Dominican Republic is a part of the Organization of American States. I know that Cuba is a part of the Organization of American States. After the rather lamentable adventure there of our very distinguished Vice President, we hope, of course, that we can cure this malady of the spirit and set it right again. This is not the way to do it. We do not make a Christian by hitting him over the head with a baseball bat. That is the type

of approach which is involved in these amendments.

I do not believe it is necessary to say anything further to show how completely ill advised this kind of approach is. If we wanted to do so, and if it were a commendable objective, the thing to do would be to delegate to the President of the United States authority to withhold aid in certain cases, and then recite the reasons and the foundation for withholding aid. We have done that on other occasions. That course certainly would not affront the people of other nations. The question could be carefully surveyed. But the proposal before us involves locking the door, no matter what the circumstances might be. The language is explicit. Ninety days after the bill became a law there would be no aid. In my judgment that is a terrible approach, indeed.

I trust that these amendments will be voted down; and I am confident that they will be.

Mr. GREEN. Mr. President, I rise in opposition to all four of the amendments which have been submitted by the junior Senator from Wisconsin to eliminate further assistance of any kind to Yugoslavia, Cuba, and Dominican Republic, and Saudi Arabia. I shall address my remarks to all of these amendments because the points which I wish to make apply equally to each of them.

In my opinion, these amendments are based on two misconceptions; first, that the furnishing of aid to a foreign country by the United States means that the United States approves of the government in power in that country. The second misconception appears to be that if we now suddenly cut off aid to certain countries, such action will bring about desirable changes in the governments of such countries.

I think it ought to be clear by now that the furnishing of aid to a country does not mean that our Government approves of its government. We might agree that we would prefer other forms of government in the four countries which he has mentioned. I would point out, however, that there are other countries in the world to which we are giving aid which have governments equally objectionable. We do not give aid because we like the governments concerned. We give aid because we believe that we will relieve distress and misery, and also make friends for our country.

Furthermore I do not believe that the amendments offered would accomplish their purpose. Cutting off all aid to Yugoslavia, Cuba, the Dominican Republic, and Saudi Arabia will probably not change the internal situation in such countries. The fact is that in none of these countries does the proposed assistance for fiscal year 1959 amount to as much as 1 percent of the gross national product of such countries. United States assistance to Cuba, the Dominican Republic, and Saudi Arabia has always been small. Our aid to Yugoslavia used to be large but is quite small now. I doubt very much that cutting off aid to any of these countries will make any substantial change in the political situation within the country.

Although they might do just the opposite, the Senator's amendments would not accomplish their purpose. They might well do great harm in misunderstanding of United States objectives, not only in these four countries but in other countries as well. Amendments of this kind play right into Communist hands. Communist parties everywhere allege that United States assistance has political strings attached to it. Communist agitators urge foreign countries not to count on United States aid for fear it may be jerked away at some untimely moment. Communist agitators assert that acceptance of United States aid means the mortgaging of a country's independence. They charge us with interference in the domestic affairs of the countries which take our aid. The proposed amendments would, unfortunately, tend to give some substance to these Communist charges.

If we should suddenly cut off aid to Saudi Arabia, such an action would be misunderstood by many of our friends and would be misrepresented by the Communists and by other anti-American groups throughout the Middle East. Our enemies would say that United States aid is only given in order to dominate the internal affairs of other countries.

If the amendments to cut off all aid to Cuba and the Dominican Republic should be successful, I would fear a hostile reaction in these and other countries in Latin America because they all are opposed to interference in their domestic political affairs by an outside country.

Mr. President, I say to the junior Senator from Wisconsin that while I share his desire to see more democratic forms of government in the four countries which he has mentioned, I am convinced this is an unwise way to try to accomplish it. So I hope that all four of these amendments will be defeated.

The PRESIDING OFFICER. The question is on agreeing en bloc to the several amendments offered by the junior Senator from Wisconsin [Mr. PROXMIRE].

The amendments were rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WILLIAMS obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MANSFIELD. I suggest the absence of a quorum.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Delaware yield for that purpose?

Mr. MANSFIELD. Mr. President, I withhold the suggestion of the absence of a quorum.

Mr. DOUGLAS. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. DOUGLAS. I wish to have it recorded that I favor the amendment of the Senator from Wisconsin.

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Delaware yield for that purpose?

Mr. WILLIAMS. I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, on behalf of myself and the Senator from Wisconsin [Mr. PROXMIRE] I call up my amendment "6–4–58—O."

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert a new subsection as follows:

PROHIBITION AGAINST ASSISTANCE TO THE DOMINICAN REPUBLIC.—Notwithstanding any other provision of law, no assistance under this title or any other title of this act shall be furnished the Dominican Republic after the expiration of 90 days following the date of the enactment of the Mutual Security Act of 1958.

Mr. WILLIAMS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is the request sufficiently seconded?

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, is the Senator from Delaware asking for the yeas and nays?

Mr. WILLIAMS. Yes.

Mr. JOHNSON of Texas. I hope every Senator will raise his hand, so that we will not have to have another quorum call.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

The yeas and nays were ordered.

Mr. WILLIAMS. Mr. President, the amendment is a part of the previously offered amendment of the Senator from Wisconsin [Mr. PROXMIRE], except that it deals only with the Dominican Republic. It will take very little time for me to explain the purpose of the amendment. It merely strikes out all assistance in this title or any other title so far as aid to the Dominican Republic is concerned.

At page 14 of the committee report we read that $210,000 is allowed to the Dominican Republic under so-called technical cooperation. The extra amount allowed for military aid is a classified figure. It does not seem necessary for the United States Government to support the dictator in the Dominican Republic, especially in view of some recent episodes that we have witnessed on the part of some of the members of his family and his boast that he can provide his son with $50,000 a month in expense allowance. At that rate, the $210,000 would last his son only about 4 months in spending money. Furthermore the morality of this Government is far below the standards of what we should uphold. I call attention to the fact that some time ago, after our Government had extended economic aid to the Dominican Republic, an American company had to bribe its way into doing business in that country. I called the attention of the

Senate to the case of the Lock Joint Pipe Co., of Rutledge Avenue, East Orange, N. J., which had bid on a contract for work in the Dominican Republic. The company was the lowest responsible bidder, and their work was satisfactory. The responsibility of the firm was not questioned, and, in fact, was declared to be satisfactory. The company was told it could have the contract if it would add, in one instance, a half million dollars, which would be paid over in cash to the agent of Trujillo and, in another instance, if it added $200,000 to the contract, also to be paid to Trujillo. Altogether, every time the company got a contract, it had to add a little more to the contract figure, as a kickback for Trujillo and his Government, in order for the company to do the work in that country. I do not know whether those contracts were paid with money our Government had supplied the Dominican Republic in the way of economic aid or not, but we were giving economic aid to the country at the time when this American company had to bribe its way in there in order to do business.

I criticized both the Government of the Dominican Republic for demanding the kickbacks and also the company for agreeing to make the payments.

The principle of bribes is indefensible under any circumstances and cannot be condoned.

Altogether, according to the testimony, which has not been denied, $1,800,000 went to Trujillo and his associates in this way, so that the company could do business in that country.

Certainly no country which will hold up the United States Government or a United States citizen for doing business, and collect blackmail and bribes, is entitled to one dime in aid. I cannot conceive of Congress doing other than accepting my amendment and striking out this amount in the bill entirely.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BUSH. I commend the Senator from Delaware very heartily for bringing up his amendment. I intend to support it. I wish to take the opportunity to say that I certainly commend the Committee on Foreign Relations for the splendid report which it made in connection with the bill. I am in general support of the committee's position all the way through. However I believe the Senator from Delaware has selected one situation which deserves special consideration. The sensibilities of the American people have been rather badly shaken by events which the Senator has mentioned in his remarks, and I join with him in hoping that the amendment may have favorable consideration by the Senate.

Mr. WILLIAMS. I thank the Senator for his support.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CURTIS. With whom were the contracts made?

Mr. WILLIAMS. The contracts were made with the Dominican Republic on behalf of the Lock Joint Pipe Co. of East Orange, N. J. For example after the bids had been submitted and approved, the company was instructed to add $100,000 in one instance and a half million dollars in another instance, altogether the kickbacks or bribes agreed upon amounted to $1,800,000 on three contracts. The understanding was that the money was to be paid to the agent of Trujillo for the benefit of the generalissimo and his associates.

This Government is certainly not entitled to any aid from the American taxpayers. Certainly we are not going to tax American citizens to support the son of this dictator on a $50,000 per month expense allowance.

Let him put his son to work and use the money to support his own people instead of asking the United States Government to underwrite his extravagance.

Mr. CURTIS. Were they contracts with the Government?

Mr. WILLIAMS. Yes; contracts with either the Dominican Government or a subdivision of the Government itself. I shall incorporate in the RECORD the complete statement I made at the time I called the attention of the Senate to this situation.

I may say that we in the committee were somewhat shocked to learn that, under existing law, the Treasury Department had ruled that it would have to allow as legitimate tax deductions, as normal expenses of doing business, the kickbacks or bribes which were being paid.

The Finance Committee has approved an amendment to a bill which provides that these items shall not be recognized as deductible items. I think the loophole will be plugged to that extent. But certainly a government which holds up American businessmen or holds up the United States Government is not entitled to aid.

In one particular case, the Lockjoint Pipe Co. submitted a proposed bid of $11,775,000 for a certain contract. A representative of the Dominican Republic, Mr. William Rogers—a British subject, by the way—who at that time was Chief of the Division of Aqueducts in the Dominican Republic, advised the company that their bid was acceptable provided that they included in the figure an additional $100,000 which was to be paid over to him. Accordingly, the figure was revised to $11,875,000.

Shortly thereafter, Mr. Rogers stated that their bid as revised was acceptable, but instructed the company to add another $600,000 to the bid, bringing the total to $12,475,000, with the understanding that the additional $600,000 was also to be rebated to Mr. Rogers, who said that the additional item was being collected for the benefit of the dictatorship and that $500,000 of this amount was being paid over for the generalissimo. This left Mr. Rogers' take on this contract $200,000.

This is not a case of a legitimate expense for the hiring of attorneys for representation before the government. These are kickbacks which were added to the amount of the contract, with the understanding that those amounts would be paid in cash to the dictatorship or the Generalissimo.

Knowing the record of the generalissimo and of the government of the Dominican Republic, I think this item should be stricken from the bill.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CHAVEZ. If, as the Senator from Delaware has stated, things of the nature he has related can be done to an American business house, imagine what can be done to anyone else who wants to do business in Santo Domingo.

Not only that; I still insist that morality and principle should prevail. I do not think we need the Dominican Republic to assist us one iota in the protection of our security. Even if we did, I would not compromise American freedom, American principle, and American political morality for the sake of whatever help the Dominican Republic can give us.

The son of the President of the Dominican Republic is evidently being trained by American officers in order to prepare himself to be a Dominican officer.

Whom are they going to fight, unless it is the very people of their own country? They are not going into Cuba; they are not going into South America; they could not even go to Puerto Rico. But we are training the son of the man about whom the Senator from Delaware is speaking—in order to do what? To prepare himself militarily to fight anyone who might dare to contest his authority. We should return to the freedom we love and brag about, sermonize about, and tell the world about. I hope the Senator's amendment will prevail.

But I assure him of one thing. Even if it does not, even if the provision in the bill prevails, Trujillo will still have to get the money.

Mr. WILLIAMS. I thank the Senator from New Mexico for his statement. I agree with him fully that if American foreign policy today, so far as our defense is concerned, is so shaky that we must depend upon governments of such low moral standards, then our defense is in far worse shape than any of us recognize or are willing to admit.

Mr. President, I ask unanimous consent that the entire statement concerning the experience of the Lockjoint Pipe Co. be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAMS

On July 23, 1957, I called the attention of the Senate to a Treasury Department ruling wherein American corporations in computing their income-tax returns were being permitted to deduct as legitimate business expenses the payments of bribes or kickbacks to officials or employees of foreign governments when doing business in their countries.

The particular case which was called to my attention to illustrate this practice is as follows:

The Lockjoint Pipe Co., 150 Rutledge Avenue, East Orange, N. J., had bid on several contracts for construction work in the Dominican Republic. Their bids were recognized as satisfactory and the company was approved for the work; however, before being awarded the contracts they were requested

to and acquiesced in the payment of bribes or kickbacks to officials of that government amounting in the aggregate to approximately $1,800,000.

These bribes or kickbacks were added to the original bids submitted, and presumably upon being paid by the Dominican Republic for the work, the company converted this extra payment into cash and turned it over to an agent for distribution to the officials. All of these kickbacks or bribes were turned over to Mr. Rogers in the form of cash with the exception of one check for $100,000 which was paid to him in New York City.

For example, in one instance the Lockjoint Pipe Co. submitted a proposed bid of $11,775,000 for a certain contract. A representative of the Dominican Republic, Mr. William Rogers (a British subject) who at that time was chief of the division of aqueducts in the Dominican Republic, advised the company that their bid was acceptable provided that they include in the figure an additional $100,000 which was to be paid over to him. Accordingly the figure was revised to $11,875,000.

Shortly thereafter Mr. Rogers stated that their bid as revised was acceptable but instructed the company to add another $600,000 to the bid, bringing the total to $12,475,000, with the understanding that the additional $600,000 was also to be rebated to Mr. Rogers, who said that the additional item was being collected for the benefit of the dictatorship and that $500,000 of this amount was being paid over for the generalissimo. This left Mr. Rogers' take on this contract $200,000.

Altogether, during the life of this particular contract a total of $700,000 was distributed in kickbacks and bribes over the 4-year period 1949 to 1952.

In 1951 the company was advised that further installations were contemplated by the Dominican Republic, and this time the company offered to do the work for $5,920,000 but again upon the suggestion of the same Mr. Rogers they revised their contract price to $6,030,000 with the understanding that the additional $110,000 was to be collected and paid over to Mr. Rogers. Presumably after Mr. Rogers took the matter up with the generalissimo he returned to the company and instructed them to add another $250,000 which he described as being for Trujillo.

This brought the revised contract price to $6,280,000, with the bid including $360,000 for kickbacks.

Later additional work on the project was proposed, and the contract was extended. The company's bid on this extension was $7,162,000, and this time they were instructed to include 2 additional amounts: (1) $500,000, and (2) $150,000; bringing the revised bid to $7,812,000, again with the understanding that the $650,000 would be used as kickbacks to officials of the dictatorship. Mr. Rogers told the company that this $650,000 was to be distributed $500,000 for the chief, $100,000 for his own benefit, and $50,000 for special purposes.

The payment of $1,710,000 in kickbacks and bribes was apparently made in the Dominican Republic which added to another $100,000 paid to Mr. Rogers in New York City in 1952 brought the total paid by the company in bribes or kickbacks to officials of the Dominican Republic to $1,810,000.

It is interesting to note that the United States Government allowed all of these kickbacks and bribes as ordinary and necessary business expenses, and thereby deductible for Federal income tax purposes, with the exception of one payment of $100,000 to Mr. Rogers in the State of New York, and disallowance of this item was based on the fact that bribery, even in commercial transactions among private persons, is unlawful in the State of New York.

The United States Government reasoned that the payment of $100,000 to Mr. Rogers in New York in 1952 violated that law and to allow a deduction for that payment would frustrate the policy of that State as evidenced by its laws.

It has always been my understanding that the payment of a bribe or kickback under any circumstances is wrong and that under no circumstances can its recognition as a legitimate expense of doing business be justified.

The actual distribution of the bribes and kickbacks as recognized by the Treasury Department as having been paid by this company to Mr. Rogers for his own personal use and for distribution to the dictatorship is as follows:

1st contract:	
1949	$436,000
1950	136,000
1951	28,000
1952	100,000
Total	700,000
2d contract and extension:	
1951	$275,000
1952	544,000
1953	121,000
1954	148,000
1955	21,000
Total	1,109,000

Unquestionably the overwhelming majority of American corporations doing business abroad would refuse to cooperate in such holdup practices even if the demands were made of them.

Nevertheless, as in the instance outlined here, the situation does exist in which this practice has been followed, and we are advised that as the courts place interpretation upon the existing law such payments, either as kickbacks or bribes, can be deducted for income tax purposes as ordinary and necessary expenses of doing business.

Therefore, the burden now comes back to the Congress and the Treasury Department to support the necessary corrective legislation, thereby definitely both rejecting the principle and correcting the law.

All of the above referred to amounts were allowed by the Treasury Department as "ordinary and necessary" business expenses and thereby deductible for income tax purposes.

In the Treasury Department's letter, as incorporated in the RECORD on July 23, 1957, they stated:

"Where * * * it is the foreign government itself which demands or acquiesces in the payment, so that legal recourse is not available to the taxpayer in the operation of his legal business, the Service would find it difficult to sustain the position that the expenses were not ordinary and necessary to the taxpayer's business."

In subsequent conversations with the Department and with the staff of the Joint Committee on Internal Revenue Taxation it has been agreed that in order to stop this practice additional legislation is required.

I am therefore today introducing an amendment to H. R. 8381, the purpose of which amendment is to prohibit the allowance as legitimate business deductions the payment of any bribe or kickback to officials or employees of foreign governments. There is already a law which prohibits such allowances on bribes or kickbacks paid to anyone within our country.

To recognize these bribes or kickbacks as legitimate business deductions under the guise of "ordinary and necessary" business expenses is in effect to condone the practice.

As a member of the Senate Finance Committee I shall urge the prompt adoption and acceptance of this amendment by the Congress. Certainly our Government cannot afford to be on record as recognizing under any circumstances the legitimacy or the propriety of an American corporation or individual bribing an official or employee of a foreign government when soliciting contracts with that country.

It is my understanding that the Dominican Republic officials referred to as having received the bribes or kickbacks have upon inquiry denied the payments; however, company officials insist that the payments were made and describe them as being for the officials as outlined.

This contradiction further emphasizes my contention that under no circumstances should the United States Government ever recognize or condone the payment of bribes since obviously even if the moral character of the transaction were ignored, no company or individual can certify or prove the payment of cash bribes. No one would be fool enough to give receipts for bribery.

Certainly to say the least the allowance of such cash bribes as legitimate business expenses for income tax purposes is a far cry from the recent Treasury announcement demanding from the average taxpayer a complete itemized breakdown of every expense item.

Mr. DIRKSEN. Mr. President, I can understand the appeal of this amendment, but I ask the Senator from Delaware if it involves any funds in the mill.

Mr. WILLIAMS. Yes.

Mr. DIRKSEN. Other than the incident he was reciting concerning the Lockjoint Pipe Co.

Mr. WILLIAMS. Not that I know of. I could not say "no" and be definite about it, because, as I stated before, I do not know whether these contracts have been fully completed or not, or whether they have all been paid for or not. If not some of these funds could be involved in the payment of these contracts.

As I said in my earlier statement, I could not say that one dime of American money in foreign aid was used to pay for the contracts.

I did say that the Government of the Dominican Republic was getting foreign aid at the time the contracts were in operation. Whether they will be paid for by a part of this money, I do not know. On the other hand I do not know that it will not be so.

Mr. DIRKSEN. Mr. President, the nub of the case is that there is a controversy between a private American firm and the Dominican Republic. There is an allegation of an immoral contract in the form of kickbacks. They involve no public money. They do not involve money authorized in the bill. So one must assume that what is contemplated here is a kind of disciplinary action.

Allegations have been made, but I have seen no documentation of them. My understanding is that there have been no representations of any kind in this matter before the Committee on Foreign Relations. Now we are asked to discipline a country which is a member of the organization of American states by saying to them, in effect, "You have dealt unkindly, it is alleged; you have dealt unfairly, it is alleged; you have dealt immorally, it is alleged, with an American firm. Therefore, the United States Government will deny you any aid under the mutual security program."

That would be an imprudent course. It would be an unwise course. Granting everything which has been said, my understanding is that we have a missile

track base in the Dominican Republic. In this age of infection and fever and contagion, shall we put ourselves in a position, without admitting for one moment that we are right and they are wrong, or vice versa, of having them say to us, "Look. If that is the way you feel, pick up your marbles and go home"?

It may be that the case which the Senator from Delaware makes is exactly correct; but what he proposed is not the way to handle it. There should be conferred upon the President, in his capacity as Commander in Chief, the authority to withhold aid under circumstances of this kind if, after a full investigation and a full disclosure, he feels that aid ought to be denied.

But to select one country out of some 80 and to put the finger on it, either because of the President's son's peccadilloes, or because of a reasonably celebrated lady of fame in Hollywood and elsewhere, this is not the place, this is not the time, and this is not the way to act. All we would get out of this kind of approach would be the bitter fruit of hostility, which could become contagious and spread itself to other countries.

If we had had a similar attitude heretofore, when the expropriation of some of our properties was threatened, we should have rushed in with a bill and, by fiat of law, said, "No aid of any kind. For all practical purposes, we will cut off our economic and military-defense relationships with you." It would not have been long before Congress would have had much of its time preempted in running down cases of that kind and then submitting amendments of a disciplinary nature which could bode no good for the country.

I hope this course will not be pursued, and that the amendment will be rejected.

Mr. GREEN. Mr. President, I wish to say a few words in opposition to the amendment offered by the senior Senator from Delaware.

It is my understanding that this amendment is similar to the amendment on the same subject submitted by the junior Senator from Wisconsin.

Assistance under the mutual-security program to the Dominican Republic is one of several instances in which the United States furnishes assistance to countries which have governments not completely satisfactory to us.

It may be asked: How are United States' interests served by giving military and technical assistance in small amounts to the Dominican Republic? I reply that technical assistance, mainly in the field of education, helps to lay in that country the foundation for evolution toward a more democratic system. Second, the Dominican Republic makes a contribution to the defense of the Western Hemisphere, and, in addition, permits the United States to have on Dominican territory an important guided-missile tracking station. Third, the Dominican Republic has always been strongly anti-Communist, and has given support to United States policies in the United Nations and in other international organizations.

The United States' programs of assistance to the Dominican Republic are small, but the Committee on Foreign Relations believes that the results obtained have been worth while.

Mr. President, I urge that the amendment be rejected.

Mr. WILLIAMS. Mr. President, I wish to take only a few moments.

I appreciate the position of the committee.

The Senator from Illinois [Mr. DIRKSEN] stated that even if this matter had been fully documented, he would take the same position. I am sure he would. However, let me say it has been documented, and has been investigated by an agency of the United States Government, and has been reported to a Congressional committee; and what I have been saying as to the payments of these bribes or the morality of this country has been confirmed by representatives of our own Government.

So I wish to point out that I was not presenting something which was not fully documented.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. I believe that the Senator from Delaware is correct. But the matter did not go to the Foreign Relations Committee, and nothing regarding it was produced there. But the matter did come before the Finance Committee; and I understand that an amendment is being developed there in regard to the so-called technical-assistance program. However, I prefer to have some member of the committee state the facts in that connection.

Mr. WILLIAMS. I have stated that a Congressional committee is taking action.

Mr. DIRKSEN. That is correct.

Mr. WILLIAMS. And it is my understanding that the Senator from Minnesota [Mr. HUMPHREY] has also called this matter to the attention of the Foreign Relations Committee, of which he is a member. I also recall that he made a speech on the matter on the floor of the Senate.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield further to me?

Mr. WILLIAMS. I yield.

Mr. DIRKSEN. I inquired whether the matter had ever been presented to the Foreign Relations Committee, and the information I have received is that it has not been presented there.

Mr. WILLIAMS. I merely stated what I understood and I think that the Senator from Minnesota has discussed this with the Foreign Relations Committee.

At any rate, Mr. President, public funds are involved, because under the Department's ruling, the $1,800,000 was allowed as a legitimate business expense, and thereby it became the subject of a tax deduction. Inasmuch as the company was in the 52 percent tax bracket, half of that amount, or $900,000, was, by indirection subsidized by the Federal Government.

I wished to clear up that point, so there could be no question as to whether I knew what I was speaking about.

My contention is that if the foreign policy of the United States is dependent upon a government of that character, then I believe it time for us to reevaluate the entire situation.

Therefore, Mr. President, I believe the item should be stricken from the bill.

Mr. WILLIAMS subsequently said:

Mr. President, I ask unanimous consent to have printed in the body of the RECORD immediately prior to the vote on my amendment an editorial appearing yesterday in the Journal Every Evening of Wilmington, Del., entitled "Still a Mystery." This editorial emphasizes the low moral standards of the Trujillo dictatorship.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STILL A MYSTERY

The disappearance in December 1956 of Dr. Jesus de Galindez, Basque scholar, remains an unsolved international mystery. It is a fact, however, that he vanished from the streets of New York just after completing a study for Columbia University entitled "The Era of Trujillo," a harsh indictment of the dictatorship in the Dominican Republic. Since then, many scraps of evidence have turned up in support of the theory that Galindez was kidnaped, taken to the Dominican Republic, and there assassinated. The death in Santo Domingo of two persons allegedly associated with these events has done nothing to diminish suspicions.

Ten months ago Trujillo hired a liberal New York attorney, Morris L. Ernst, to investigate the case for him. Despite charges that the report would be a whitewash, Ernst had a good reputation for integrity. His report, now made public, says in effect that it has not been proved beyond a reasonable doubt that the Trujillo regime had any hand in Galindez' disappearance.

We can accept that, while retaining a reasonable doubt that Santo Domingo was not implicated. Mr. Ernst even points out that Galindez may be still alive, which is admittedly one of the possibilities in any unexplained disappearance.

Well, Trujillo has got his money's worth, we guess. But the two-way doubts that remain are not likely to be resolved by anything short of proof of what did happen to Galindez. Maybe Trujillo should have hired himself a private eye and not a lawyer.

Meanwhile, most people in this country have little sympathy for Latin American dictatorships, as Vice President NIXON recently remarked. And it is an interesting sidelight of the sensitivity of the generalissimo's reactions to criticism that the controlled Dominican radio should have commented on the Nixon remark in this absurd fashion:

"We are not certain, though it seems logical, that NIXON was alluding to the pathetic case of Puerto Rico, and to the dictatorship exercised over that unfortunate land by Gov. Luis Muñoz-Marín."

Well, now. Nobody has written a book charging that a brutal dictatorship exists in Puerto Rico, and no author of a book on Puerto Rico has disappeared from the heart of New York. Puerto Rico, though autonomous in domestic matters, is American territory. The president of Puerto Rico was chosen in a free election, wears no uniform, and needs no army or vast security apparatus to keep him in power. It wasn't Puerto Rico that NIXON means, as Trujillo knows perfectly well.

The PRESIDING OFFICER. The question is on agreeing to the amendment lettered "O," submitted by the Senator from Delaware, for himself and the Senator from Wisconsin.

Mr. CARLSON. Mr. President, on the question of agreeing to this amendment, I wish to support the position taken by

the committee headed by the distinguished Senator from Rhode Island [Mr. GREEN].

Although the matter the distinguished Senator from Delaware has presented to the Senate is not one which we condone, and certainly I do not condone it, nevertheless I feel that the action which has been taken and which I trust will be taken by the Senate Finance Committee in regard to this matter will take care of it.

As is well known by Members of the Senate who have looked into the matter, I believe it would be unfortunate for us to single out this one country at this time, even though I certainly do not condone the actions of the rulers of the country or those connected with it.

But I believe that, in connection with the position of the Senate on foreign relations matters, we should leave this matter to our Foreign Relations Committee, and should not single out this one nation at this time; because, as everyone knows, in other nations the same situation prevails.

Mr. WILLIAMS. Mr. President, let me state that all that the Senate Finance Committee can do is stop the charging of this item as a legitimate business expense. The Finance Committee has no authority to go beyond that.

Our committee has no authority to deal with the subject of this amendment now before us. The Senate, itself, must make this decision. By our vote we can stop this aid to the Dominican Republic or we can give it our stamp of approval.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from Wisconsin [Mr. PROXMIRE].

On this question, the yeas and nays have been ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment lettered "O," submitted by the Senator from Delaware [Mr. WILLIAMS] for himself and the Senator from Wisconsin [Mr. PROXMIRE].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from North Carolina [Mr. ERVIN], the Senator from Arizona [Mr. HAYDEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY], are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senators from New York [Mr. IVES and Mr. JAVITS], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senators from North Dakota [Mr. LANGER and Mr. YOUNG] and the Senator from New Jersey [Mr. SMITH] are detained on official business.

If present and voting, the Senators from New York [Mr. IVES and Mr. JAVITS] and the Senator from New Jersey [Mr. SMITH] would each vote "nay."

The Senator from Wyoming [Mr. BARRETT] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Kansas would vote "nay."

The result was announced—33 yeas, 46 nays, as follows:

YEAS—33

Allott	Curtis	Malone
Anderson	Douglas	Morse
Bennett	Dworshak	Pastore
Bible	Frear	Potter
Bush	Goldwater	Proxmire
Butler	Gore	Robertson
Byrd	Hill	Symington
Carroll	Hruska	Talmadge
Chavez	Jackson	Watkins
Church	Jenner	Williams
Clark	Magnuson	Yarborough

NAYS—46

Aiken	Hickenlooper	Mundt
Beall	Hoblitzell	Neuberger
Bricker	Holland	Payne
Bridges	Humphrey	Purtell
Capehart	Johnson, Tex.	Revercomb
Carlson	Johnston, S. C.	Russell
Case, N. J.	Kefauver	Saltonstall
Case, S. Dak.	Kennedy	Smathers
Cooper	Knowland	Smith, Maine
Dirksen	Kuchel	Sparkman
Eastland	Lausche	Stennis
Ellender	Mansfield	Thurmond
Flanders	Martin, Iowa	Thye
Fulbright	McNamara	Wiley
Green	Monroney	
Hennings	Morton	

NOT VOTING—17

Barrett	Jordan	Murray
Cotton	Kerr	O'Mahoney
Ervin	Langer	Schoeppel
Hayden	Long	Smith, N. J.
Ives	Martin, Pa.	Young
Javits	McClellan	

So the amendment offered by Mr. WILLIAMS for himself and Mr. PROXMIRE was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I call up my amendment "5-28-58—B" and ask that it be stated for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 58, beginning with line 21, it is proposed to strike out down through line 24 on page 59.

On page 59, line 25, strike out "(j)" and insert in lieu thereof "(i)."

On page 60, line 4, strike out "(k)" and insert in lieu thereof "(j)."

On page 60, line 16, strike out "(l)" and insert in lieu thereof "(k)."

On page 61, line 16, strike out "(m)" and insert in lieu thereof "(l)."

On page 61, line 23, strike out "(n)" and insert in lieu thereof "(m)."

On page 62, line 11, strike out "(o)" and insert in lieu thereof "(n)."

Mr. KNOWLAND. Mr. President, on this amendment I ask that the yeas and nays be ordered.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. KNOWLAND. Mr. President, my amendment would strike from the bill as reported by the Committee on Foreign Relations the so-called Kennedy amendment.

Mr. President, the Kennedy amendment to the Battle Act is a radical departure from existing law and existing policy regarding the granting of United States aid to Communist-dominated countries.

At present, the Battle Act provides that United States policy is to apply an embargo on shipping certain items to any nation, or group of nations, threatening the security of the United States, including the U. S. S. R. and all countries dominated by the U. S. S. R.

The United States embargo, by law, applies on the shipment of the following items to such countries: arms, ammunition, implements of war, atomic energy materials, petroleum, transportation materials of strategic value, items of primary strategic significance used in the production of arms, ammunition, and implements of war.

Further, present law sets forth the policy that no United States military, economic, or financial assistance shall be supplied to any nation unless that nation—like the United States—applies an embargo on such shipments to nations threatening the security of the United States, including the U. S. S. R. and all countries under its domination. In fact, the law—section 103 (b)—specifically provides for termination of United States aid to any nation which knowingly permits shipment of a United States embargoed item to any nation threatening the security of the United States.

The effect of existing law is to prohibit the giving of military, economic, or financial assistance to any country which ships to the Soviet Union any item on the Administrator's embargo list.

A further effect of existing law is to prohibit the giving of military, economic, or financial assistance to any country shipping to a Soviet-dominated country any item on the Administrator's embargo list.

The only exception allowed under present law would be a case in which the President of the United States makes a determination that it would be detrimental to United States security to terminate aid to a nation shipping an item other than arms, ammunition, implements of war, or atomic energy materials to Russia or to any country under Russia's domination.

In other words, the President can decide whether to continue United States aid to any country shipping other than strictly war material to the Soviet Union or Soviet-dominated country.

The Kennedy amendment, which the Foreign Relations Committee adopted and now proposes to the Senate, drastically revises existing law.

The Kennedy amendment was not recommended by the administration. The Kennedy amendment was not in the bill as it passed the House, nor was it in the proposed legislation submitted to the Congress by the executive branch of the Government.

The effect of subsection (a) of the Kennedy amendment is to authorize United States economic and financial assistance to all Communist countries except the U. S. S. R., Communist China, and North Korea, whenever the President determines that such aid will strengthen the security of the United States.

What is more, the Kennedy amendment would permit such economic and financial assistance even though the Communist country ships to the Soviet Union arms, ammunition, implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war.

In other words, the Kennedy amendment would permit the use of American tax dollars to give aid to countries which are shipping goods to build up the war-making apparatus of the Soviet Union.

I should like to remind the people of the United States that the present dictator of Russia, Nikita Khrushchev, has boasted the Soviets would bury us.

Subsection (a) of the Kennedy amendment also would affect title II of the Battle Act which provides for the negotiation of agreements with nations receiving United States military, economic, or financial aid.

Title II requires nations receiving United States aid to agree to control exports of materials other than war materials to nations threatening the security of the United States. If recipient countries fail to cooperate in controlling such exports or fail to furnish information so that the President can determine whether it is cooperating, United States aid is required to be stopped.

But under subsection (a) of the Kennedy amendment, stoppage of economic or financial assistance would not appear to be mandatory in the case of a country receiving such assistance even though the recipient country—and remember this may be a Communist-ruled country—fails to cooperate in controlling exports of nonwar materials.

Examining the Kennedy amendment further, we find that subsection (b) would allow the administrator of the Battle Act to continue to furnish military, economic, or financial aid to countries which permit shipment of items other than strictly war materials to Communist nations receiving aid under subsection (a).

Mr. President, there can be no doubt that the Kennedy amendment gives to the executive branch the power to make sweeping policy decisions—decision-making power which the Congress should reserve to itself.

In my judgment, the question of whether the United States shall give aid to Communist governments is a fundamental issue of policy which should be retained by the Congress—by the representatives of the American people.

I need not remind the Senate of the long and arduous struggle in the Congress to terminate military aid to Yugoslavia. In 1956 we closed off further new military aid, except for spares and spare parts, although items then in the pipeline were delivered thereafter.

The fact that there is no military aid to Tito in the 1959 mutual security program is not because the administration stopped it. Military aid ended because Tito refused to accept any further gifts of arms from us. Of course, Tito could change his mind—and he very well may, depending on the way the wind blows from the Kremlin. If Tito indicated he wanted grant military aid from the United States to resume, what would be the position of the administration? Congress has not to date closed all the loopholes in existing law under which the administration could find ways to give military assistance to Tito.

Members of the Senate know how difficult it has been to try to stop military aid to one Communist dictator.

Think how much more difficult it would be to try to end economic or financial aid to Communist dictators, once the administration had committed the United States to furnish such aid.

Despite the far-reaching nature of the Kennedy amendment adopted by the Foreign Relations Committee, the published hearings contain less than one page of colloquy devoted to the amendment.

Mr. President, I should like at this point to read in entirety the portion of the committee's published hearings concerning amendment of the Battle Act.

The junior Senator from Massachusetts raised the issue as follows, and I quote from page 183 of the printed hearings:

> The only other question I wanted to ask you is this: Last year this question of the Polish loan came up; and one of the problems, as I understand it, in responding to the Polish loan was not only a political one but the restriction in the Battle Act. Therefore, it was proposed that there might be some change in the Battle Act so that it might be possible for us to give a country such as Poland, which occupies a particular position in the division of power, more direct assistance, instead of having to make the rather elaborate manipulations which you were forced to do because of legislative restrictions.
>
> I do not know whether the situation there is going to be such that we are going to want to continue to give economic assistance.
>
> But assuming that we do, would it be of any assistance to you in your responsibilities if it were somewhat easier for mutual assistance funds to be given directly to a country like Poland if you felt it was in the national interest, rather than having to use these special steps that you used last year? In other words, I have in mind an amendment to the Battle Act.

Secretary Dulles responded:

> Yes; I do believe it would be in the national interest to have the Battle Act amended, and I believe you have made some proposals along those lines.

The colloquy continued:

> Senator KENNEDY. That is correct.
>
> Secretary DULLES. The ability to use these funds to achieve the objectives desired by the Congress sometimes is inhibited by the rigidity of provisions which are imposed by the Congress with one situation in mind, and then actually you get a new situation which the Congress did not foresee, but you find yourself tied up with those provisions that were put in for another purpose and which, at the time it was done, it was quite understandable.
>
> Therefore, more flexibility would, in my opinion, be very desirable.
>
> Senator KENNEDY. I want to thank you.

Mr. President, that is the extent of the testimony I have been able to find in the committee hearings on amending the Battle Act.

There is not a shred of evidence contained in this testimony to justify opening the floodgates to American aid to Communist dictators.

Once the Congress accedes by statute to the principle of giving United States economic and financial aid to all but three Communist countries, it will be very difficult to overturn that principle.

Should the Congress approve the Kennedy amendment, what happens to nations which have withstood the blandishments of the Communist economic offensive, preferring to ally themselves with the West rather than permit the Reds to get a foot in the door?

Would not these countries be tempted in the future to play both sides of the street—getting as much aid as they could from the Communists and as much aid as they could from the United States?

What happens to the will to resist internal and external Communist forces in these countries when the United States declares its willingness to aid all but three Communist governments?

There is another vital aspect of the policy change we are asked to approve in the Kennedy amendment.

By opening the foreign aid program to all but three Communist countries, the United States will be embarking on a course which will cost the American taxpayers additional billions. Let no one deceive himself that this program will not grow and grow.

Obviously, the United States does not have unlimited funds. Even without an extension of our foreign aid program, the United States Government is bumping up against the Federal debt ceiling, is facing a deficit of eight to ten billion dollars in the next year, and is faced with the prospect of greater domestic spending to combat the recession.

It seems to me the problem is to use what funds we do have where we get the maximum increase in our strength vis-a-vis the Communist threat.

Out of our limited resources, which will strengthen the United States more: giving aid to reliable friends or to Communist governments?

Forty years of communism should have taught the world that communism does not change. The goal of world domination remains the same. Only the tactics vary. The leopard does not change its spots.

As Khrushchev warned, "You may as well wait until the shrimp learns to whistle."

The Communists—without exception—insist they will not change, insist they are out to socialize and communize the world, and insist their system is better than the free enterprise system.

Why then should we entertain any hope that our aid will influence the Communists to turn away from their well-known aim of destroying the private capitalist system and individual freedom and liberty wherever they now exist.

Instead, let us look realistically at the situation.

Wherever the Communist system operates, it has great difficulty in producing enough food and goods to meet the basic needs of its own people.

As the United States helps relieve the economic pinch in those countries, here is what happens—

Life becomes more tolerable for the people. They are less rebellious, and the pressures on the Communist rulers decline.

This in turn means less hardship on Soviet Russia itself to keep her empire intact.

Thanks to American dollars, communism then appears to be a workable system.

As long as satellite states remain economically satisfactory, politically stable, and even remotely tolerable, the chances of open rebellion are slim. The strength of the Communist rulers is correspondingly greater.

Without outside help, the Communist rulers could not meet the minimum needs of their people. More stringent measures would be needed to increase production, including longer hours for workers.

Dissatisfaction among the millions who would work harder and get less would increase. This would build up pressures on the rulers. There would be fear of uprisings. Strong-arm tactics would intensify, and this would further arouse the people.

Restless satellites would force greater hardships on Soviet Russia proper and further weaken the economic base of the entire Russian imperialist system.

Moscow might be forced to part with consumer goods—always scarce in Russia—and this would be unpopular with the Russian people.

It would require more direct Russian intervention in the local affairs of the satellites. This in turn would create more friction and unrest.

The propaganda value to the West of such dissatisfaction within the satellites would be immeasurable in our ideological struggle with uncommitted or neutral nations. With the gross failures and inhuman brutalities of the Communist bosses thus exposed, as it was in Hungary, there would be less orientation toward Russia by the neutrals.

Instead of independent Communist states oriented to the West, the result is far more likely to be a powerful commonwealth of Communist nations acting in concert.

Such a prospect poses a greater menace to the United States than restless satellites in a far-flung Russian Empire which can only be kept in line by the might of the Russian Army.

By aiding the satellite countries, we play into the hands of the Soviet:

We enable her to keep many of her own troops at home, thereby lessening possibilities of disillusion and defection in the Russian Army itself—something greatly feared by the men in the Kremlin.

We remove sources of friction in satellite nations.

We lend credibility to Russian propaganda which claims the Communist satellite governments are not directed from Moscow.

In view of these inescapable facts, the United States should not give aid to Communist-dominated countries—except in those rare instances of disaster or faminine resulting in great human suffering.

Any other aid serves to support and further entrench the Communist regimes. This is hardly the way to aid subject peoples.

Now is the time for Congress to reappraise the policy of aid to Communist governments. Those governments are unequivocal in their allegiance to socialism and tyranny—and by their own insistence, they do not intend to change.

Mr. President, I greatly fear that United States aid to Communist governments as proposed under the Kennedy amendment would only serve to further entrench the present dictatorships. It would make it more difficult for captive peoples to throw off the yoke of their Communist masters. To give aid to Communist governments would run the risk of strengthening our enemies against us—and weaken the very security of the United States.

The Kennedy amendment represents an about-face in American policy.

The Kennedy amendment would chart the ship of state in perilous waters.

The Kennedy amendment would permit the executive branch to embark upon various Communist-aid programs without further review by the Congress. About the only opportunity for review by the Congress would be those instances where the administration would have to ask for appropriations.

In such an important area as this, Congress should reserve to itself the policy decision as to which countries should benefit from the expenditure of American tax dollars. Let us require each case to be judged on the individual merits.

Mr. President, when the Battle Act was passed by the Congress in 1951, 900 million people, in 13 Communist nations—36 percent of the world's population—had lost their freedom to the most godless tyranny the world has ever known.

Today, 7 years later, there are still over 900 million people behind the Iron and Bamboo Curtains—in Latvia, Lithuania, Estonia, Yugoslavia, Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Rumania, Korea, China, and Russia.

The hopelessly enslaved in the Communist world look to the United States as the only salvation and the only expectation of the future of a free world of free men.

Communist officials in the Soviet Union and Communist China direct and control the economies of the rest of the Communist nations. These Communist officials, in my judgment, would be greatly relieved by enactment of the Senate Foreign Relations Committee amendment—the so-called Kennedy amendment. It would alleviate for Communist rulers the burdens of providing an acceptable standard of living in these nations, while retaining for themselves the privilege of complete control over the political destinies of the citizens of these nations.

The taxpayers and citizens of the United States already have contributed billions of dollars toward our defense efforts and toward the survival of all free nations.

The Senate is now being asked to approve the principle that American taxpayers should be required to support the economies of the Communist satellite nations.

If the Senate approves this principle, the Senate would, in my judgment, be helping to extinguish the light of eventual freedom for peoples now held in Communist captivity.

Mr. President, the arguments which are set forth in the Senate Foreign Relations Committee's report do not hold up in the face of critical scrutiny.

No third category of nations is in the process of moving away from Communist control and of establishing some measure of independence. In recent years the brutal crushing of the uprisings in Poland and Hungary by the Soviet Union is stark testimony as to what lies ahead for the people of any Communist nation who attempt to assert their natural independence. This also constitutes a clear refutation of the report of the Senate Foreign Relations Committee in this regard.

Mr. President, for the sake of a free world of free men, we must understand that there is no difference between communism in the Soviet Union and communism in Czechoslovakia. There is no difference between communism in Red China and communism in Hungary. There is no difference between communism in North Korea and communism in Poland.

I hope the United States Senate will not place its approval on these provisions of the bill as reported by the Senate Foreign Relations Committee. If approved, this would, in my judgment, have grave consequences to the people in both the Free World and the Communist world.

Mr. President, I strongly urge that the Kennedy amendment be striken from the bill. Those in favor of striking out this Communist-aid proposal should vote for the pending amendment.

Mr. President, we are operating under severe budgetary limitations. The estimates which have been made by the Director of the Budget indicate the deficit for this year will perhaps be as large as $3 billion, and in the next year it will be possibly as high as $8 billion or $10 billion.

There are some very serious problems facing the world. We have a series of

mutual security pacts. I think the Congress of the United States and the American people recognize the responsibility we have to keep up our side of those agreements.

The mutual security pacts were primarily invoked for the purpose of protecting the Free World against the possibilities of Soviet aggression. There are still in the Free World many nations that feel they have not received a sufficient amount of either economic or military assistance, but we have been faced with certain practical limitations. Our coffers are not entirely unlimited.

I suggest that if we open this door by giving economic aid to the Communist countries, including those countries which are members of the Warsaw Pact, we do one of several things.

First, we open up a program which is bound, over the years, to be increasingly expensive. This will add to the national debt. It will add to the expenditures of the Federal Government.

Secondly, in the event that the Congress should decide to limit the size of the mutual aid program, it would mean that the aid we gave to the Communist-dominated countries would be deducted from the amounts which otherwise would go to the free nations of the world, nations which have been prepared to stand up with us and be counted in meeting the threat of Communist aggression.

I think these are all very vital reasons why we should not embark upon such a program.

As to the third phase of the problem, I doubt very much whether this amendment should be a part of the mutual security bill. As I have said, it was not included in the recommendations of the executive branch of the Government to the Congress.

Secondly, it was not included in the bill as it came to the Senate from the House of Representatives. It was added by the Senate Foreign Relations Committee. It seems to me if we embark upon this program under those circumstances, we shall be opening a door to a situation which will plague the country and the Congress in the years ahead.

There are those who may make the argument that there should be some amendments to the Battle Act. While personally I do not approve of the suggested amendments to the Battle Act, I certainly believe that a case could be made for bringing a separate bill before the Congress. As a matter of public policy, let the Senate and House of Representatives determine whether or not they wish to loosen the provisions of the Battle Act, as indicated by the Kennedy amendment. But that question should stand on its own merits. In my judgment, it should not encumber the mutual security bill. We have enough problems in connection with this legislation as it is.

The program was instituted as a mutual security program against the potentials of Soviet aggression. For us now to embark upon a policy which, in effect, would strengthen the Warsaw Pact countries would run counter to the mutual security program as such.

I think no one will deny the fact that when the mutual security program was undertaken, it was felt that, in addition to the military assistance, it was important to strengthen the economic foundation of the so-called Western allies.

Therefore, we embarked upon an economic program as well. We are now proposing to do exactly the opposite, in the so-called Kennedy amendment. Certain nations are contributing to the strength of the Soviet Union. The testimony has been very clear that in the past the Soviet Union has stripped Poland, Czechoslovakia, Rumania, and Bulgaria of machinery, has taken implements of war, ammunition, and other things. It has used those countries for the purpose of building up the Soviet warmaking potential.

For us now to embark on a program of bolstering the economies of the Communist countries, I submit, would be also to bolster their warmaking potential.

As for me, in good conscience, I cannot support any such program, either in connection with the mutual-security program or as a separate piece of legislation. I hope the Senate will reject this very fundamental departure from our past policy.

Mr. BRIDGES obtained the floor.

Mr. KENNEDY. Mr. President, will the Senator yield to me?

Mr. BRIDGES. I yield.

Mr. KENNEDY. In considering this amendment, I think it is important to realize that the amendment does not require any additional appropriation, any earmarking of funds, any increase in authorization limit, or any diversion of funds from friendly nations. It does not contemplate any immediate negotiation for aid to satellite nations.

Second, it does not weaken the barriers with respect to aid, trade, or sale of strategic goods to Russia, China, or North Korea.

Third, it does not weaken the barriers with respect to the shipment of arms, ammunition, implements of war, and atomic energy material by the United States or her allies to any satellite nation; and

Fourth, it does not authorize any United States military assistance to any satellite country.

I think it is important for the Senate to realize that when the Battle Act was written in 1951 we never envisaged the situation which has since arisen. At that time the Soviet Union and the satellites were a great monolithic area. The revolts in East Germany, Hungary, and Poland had not developed.

The Battle Act was written, not to prevent any United States economic assistance to Poland, Finland, or East Germany, but rather was written in an attempt to prevent our allies, notably the British, who were irritating us during the Korean war, from shipping strategic goods to China or the Soviet Union.

The Battle Act was not intended as a limitation on any economic assistance to any satellite, because that was never even contemplated in 1951, in the time of Stalin. It was rather an effort to prevent our allies from shipping such strategic goods.

Now, after 7 years of the Battle Act, we see an entirely new situation behind the Iron Curtain. Personally, I believe that what has happened in Poland in recent months has been somewhat disappointing, but I am not ready to state that the next 5 or 10 years will not see drastic changes in the relationships between the satellite countries and the Soviet Union.

Under the provisions of the Battle Act, and under the provisions of Public Law 480 it was possible for us, when the Poles asked for assistance last year, after the Poznan revolt, to render assistance. Poland asked for $300 million. Because of the restrictions of the Battle Act, we were able to do only two things for Poland. We were able to sell the Poles surplus agricultural commodities under Public Law 480. They had to pay us back in local currency, but we could not, as in the case of other countries, lend them back the economic payments which they had made for such surplus commodities.

Second, we could not give them any assistance under the mutual security program. Therefore it was necessary to take money out of the President's Emergency Fund, which is limited to $30 million for each country. That was given to the Export-Import Bank, which is prohibited by the Battle Act from making loans to satellite countries. The loan was made from the President's Emergency Fund.

In the case of Finland, a nation which all of us admire, I am sure, there were 1 or 2 occasions upon which the President, under the provisions of the Battle Act, made a finding that a loan was in the interest of the United States. A $14 million Export-Import Bank loan has been made. However, that finding applies for only 6 months. If the President follows the law he cannot make the finding again and again. Therefore, it seems to me quite possible that in the next 5 or 10 years such a condition will develop behind the Iron Curtain that it will be in the interest of the United States, if a situation should arise such as that which arose a year ago, for the United States to extend an economic loan to the people of those countries. I do not say that such a situation exists today, but none of us can state with assurance what might happen a decade from now.

Therefore it seems to me that all we are doing is giving the President power, if he deems it to be in the national interest—and the President's powers are vast in many fields in war and peace—and if he reports the situation to the appropriate committees of the House and Senate, to provide economic assistance or Export-Import Bank loans, or, if we have agricultural commodities which could be sold to those countries, to permit the money to be loaned back.

The exchange of students under the Smith-Mundt Act, because it involves an appropriation to the State Department, also suffers from the same restrictions. So, looking at the shape of the world for the next 10 years, it seems to me

that this is a wise amendment. It has the support of the Secretary of State. He indicated that quite clearly when he came before the committee to speak in behalf of the bill. He came out quite clearly for a change in the Battle Act. Let me read from his testimony:

> Secretary DULLES. The ability to use these funds to achieve the objectives desired by the Congress sometimes is inhibited by the rigidity of provisions which are imposed by the Congress with one situation in mind, and then actually you get a new situation which the Congress did not foresee, but you find yourself tied up with those provisions that were put in for another purpose and which, at the time it was done, it was quite understandable.
>
> Therefore, more flexibility would, in my opinion, be very desirable.

He said: "I believe it would be in the national interest to have the Battle Act amended, and I believe you have some proposals along this line."

The State Department reinforced its support of the amendment in a letter to the chairman of the Committee on Foreign Relations when the amendment was before the committee. The confidential print of the amendments furnished to all members of the committee contained the statement: "The Executive has no objection to this amendment."

I believe it is in the national interest to adopt the provision in the committee amendment. The State Department has indicated its support of the amendment. It is tied up with the whole question of mutual security. I am hopeful that the Senate will adopt the committee amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. Did I understand the Senator to say that there are three things the President could do under the committee amendment? As I understand it, the President could recommend a loan, or sell surplus agricultural commodities, or give economic aid. Is that correct?

Mr. KENNEDY. The Senator is correct. He can already——

Mr. PASTORE. Could he give military aid?

Mr. KENNEDY. No; he could not. He can already sell agricultural surplus commodities under Public Law 480. However, he cannot lend back to the country the money that is received, as is the custom.

Mr. PASTORE. Could he do it under the amendment of the Senator from Massachusetts, which is now in the bill?

Mr. KENNEDY. He could.

Mr. PASTORE. What kind of economic aid could he give?

Mr. KENNEDY. It is in the discretion of the President as to what kind of economic aid he should give. It might be textile machinery, which is what Poland wanted. He could give aid in the form of agricultural commodities and some mining machinery.

Mr. PASTORE. Is there any ceiling provided for such economic aid?

Mr. KENNEDY. It would depend on the President's judgment. Of course, the appropriation which Congress made would represent a ceiling. We saw last year that the President had restrictions imposed upon him by the Battle Act in connection with Poland. He was limited to a loan of only $30 million, because that is the limit for each country. No country could get more than that. We do not know what the situation will be in the next few years. A similar request could be granted if the arguments were good. Under the Battle Act the President is denied discretion in that regard. As a matter of fact, the President could take us into war in the Middle East without coming to Congress. He has very broad discretion in many other fields. I do not think we should limit him in this field.

Mr. PASTORE. Does the Senator's amendment have the support of the administration?

Mr. KENNEDY. The committee amendment has the support of the Department of State. It is my understanding that today, the Senator from California said, the President did not favor it on the pending bill. Up until today he had stated quite clearly that he favored the amendment and favored it in this context. What has caused the President to change his mind, I do not know. The fact is that the record clearly indicates his definite support. If it had not had his full support, I would not have attempted to offer it in connection with the Mutual Security bill.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. AIKEN. I am amazed by the statement that the President does not favor the proposal. Why did he let the Secretary of State favor it all this time without interposing any objection? This is certainly mystifying to me. I talked to a representative of the State Department yesterday, and he said the Department had not changed its views. If we cannot understand where the Department of State stands how can a representative of a foreign country credit what the Department of State says? To me, it is a shocking situation. It destroys confidence.

Mr. PASTORE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. The junior Senator from Rhode Island is mystified by this development. We are entitled to know where the administration stands on the amendment. Most of the objections seem to come from the other side of the aisle. I do not mean that in any sense of impertinence. However, I believe the time has come when we should have it stated right on the line exactly how the administration feels about these things.

Mr. AIKEN. What I would like to know is if the White House, at the urging of a few Members of Congress, told the State Department to reverse itself overnight.

Mr. PASTORE. Does not the Senator from Vermont believe that we are entitled to know tonight before we vote?

Mr. AIKEN. Last night I was informed by a representative of the State Department that the Department still favored the provisions of this amendment. Today we understand that the administration does not favor them. I say again, if we cannot be sure of the policies of our State Department, and whether the Department is going to stand on them overnight, how can we expect a representative of a foreign country to believe in them? I am shocked and amazed at the development.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. KNOWLAND. I believe the situation is very clear. So far as the Battle Act is concerned, as a separate piece of legislation, the administration would favor some amendments to the Battle Act. They do not believe such amendments are proper as a part of the Mutual Security bill.

Mr. AIKEN. It is clear to me that the administration is not favoring the amendment, because the administration will never have a better chance to have it adopted than now. I have heard rumors flying around on Capitol Hill and elsewhere to the effect that they are not going to get an adequate appropriation unless they agree to eliminate this proposal from the bill. I did not want to believe this rumor. People asked me about it, and I said that it was not so. I knew it could not be so. I may have been mistaken.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PASTORE. The junior Senator from Rhode Island is waiting with a very attentive ear to find out what the position of the administration is at a quarter to 8 on the evening of June 5.

Mr. KNOWLAND. I have stated the position of the administration. They do not believe that the amendment should be a part of the mutual-security bill.

Mr. PASTORE. Is the Senator saying that the administration is recommending a vote against the amendment?

Mr. KNOWLAND. The administration does not favor this amendment as a part of the pending bill. If it comes up as a separate piece of proposed legislation, the administration would favor modifications of the Battle Act.

Mr. KENNEDY. That is a complete reversal in 24 hours of the position of the Department of State. The Senator from California knows that this was in the confidential print of the amendments which was available to all members of the Committee on Foreign Relations, and the State Department helped to draft the language. The words underneath the amendment when it came before the committee—and the Senator is a member of that committee—quite clearly indicated that the Department was in favor of it. Up to 2 days ago it was my understanding that the administration was in favor of the program. I heard yesterday that, because of the strong feeling against the amendment by some influential Senators, the Department of State would take no position; that the Department favored it but would take no position as to whether it should be in the bill. Today the position has been reversed and it is clearly

against the amendment in the bill. I think that is a great mistake.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. AIKEN. I hope the Senate will think of the harm that could be done to the prestige of the United States by this reversal of a position overnight. I say again, if the Senator from Massachusetts and I cannot tell what the policy of our State Department and of our administration is, how can we expect officials of foreign countries to understand them?

Mr. SMITH of New Jersey. There seems to be a great deal of confusion in connection with this matter. I know a good deal about it, because I have been in touch with the State Department. The State Department and the President are in favor of the approach of the so-called Kennedy amendment. I believe in it, and I voted for it in committee. I shall vote for that position again this evening.

In other words, I oppose the amendment of the Senator from California, much as I respect and love my colleague. I believe there is a misunderstanding about this matter. The administration favors this approach of greater flexibility for the President in dealing with the countries involved. Let us get that clear. However, there was a question whether it was appropriate to bring it up in this bill or to bring it up as an amendment to the Battle Act. The Senator from California is correct in saying there is some question in the President's mind as to whether it should be brought up in connection with the pending bill, or separately as an amendment to the Battle Act. However there is no question about the administration's position in favoring this type of legislation in order to give the President flexibility in dealing with this very difficult problem.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. PASTORE. The junior Senator from Rhode Island is becoming more and more confused. We have been told by the distinguished minority leader that the administration prefers not to have the provision included in the pending bill.

Mr. SMITH of New Jersey. I respectfully do not agree with the Senator from California on that point. My feeling is that the administration is taking a position that it feels it is a legislative matter on which we will have to exercise our judgment, that is, whether it should be handled by an amendment to the Battle Act or as an amendment to the pending bill.

Mr. PASTORE. I hope the distinguished Senator from New Jersey recognizes the fact that, after all, the Secretary of State and the President of the United States are in the best position to tell us exactly what this means to the future peace of the world.

Most of us here consider this kind of amendment rather obnoxious. Most of us agree with the Senator from California and the Senator from New Hampshire that we do not want to do anything to sustain and support the Warsaw Pact. I feel as they do.

But, after all, I like to do what is best for my country, for its security, and for the peace of the world.

Even though this action may look strange, even though it may have certain features which might not be pleasing to the Members of the Senate, if the President of the United States, speaking as the President, says, "I feel that for the welfare of the Nation and the peace of the world, you should support the amendment," do not Senators think that we are entitled to know that position? Should not some Senator on the other side of the aisle stand up and say categorically that President Dwight Eisenhower is either for or against the amendment?

Mr. SMITH of New Jersey. I would not say it was proper for me to say exactly what the President feels.

Mr. PASTORE. I understand there was a meeting at the White House this morning concerning this amendment.

Mr. SMITH of New Jersey. I think the President is in favor of the purpose of the amendment, and he feels he would like to have the flexibility to deal with the other countries, since he thinks in terms of the security of the United States. I think that is a perfectly clear position; I see no difficulty about it.

Mr. PASTORE. Is it fair for the junior Senator from Rhode Island to assume that if he votes for the Kennedy amendment, he will be applauded for that action by the President of the United States?

Mr. SMITH of New Jersey. The senior Senator from New Jersey, who is a staunch supporter of the President, will vote for the committee amendment and against the Knowland amendment.

Mr. PASTORE. I thank the Senator from New Jersey. On his assertion, I shall support the President of the United States.

Mr. SMITH of New Jersey. I thank the Senator from Rhode Island.

Mr. AIKEN. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I had taken my seat.

Mr. AIKEN. Is not the Senator's understanding of the purpose of the amendment that it is to give the President the authority to assist any satellite country which may seek to divorce itself from the Soviet orbit, and that the responsibility for any such action will rest upon the President himself? We either have confidence in the President or we do not have confidence in him.

Mr. SMITH of New Jersey. I agree with the Senator from Vermont absolutely. That is exactly what we who are supporting the committee amendment offered by the Senator from Massachusetts want to do.

Mr. AIKEN. I shall support the amendment which was inserted by the Committee on Foreign Relations after due and lengthy consideration of the circumstances.

Mr. SMITH of New Jersey. All of us considered the amendment very fully. I shall stand by the position taken by the committee.

Mr. AIKEN. I thought we should have the purpose of the amendment set forth in the RECORD. The purpose is to enable the President to assist any country which is now under Communist domination or in the Communist orbit, should that country seek to divorce itself from the Soviet regime.

Mr. SMITH of New Jersey. We want the people of those countries to feel that the United States of America is sympathetic toward their aspirations to get away from Soviet domination. If this course permits it, then the President wants to have the flexibility to carry it through.

Mr. AIKEN. We are not sentencing them to live under Communist domination forever.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. To the contrary, the issue is exactly the opposite to that, in my judgment.

The issue is not whether the people have disassociated themselves from the Communist orbit or the governments of Gomulka in Poland, Kadar in Hungary, and the governments of the other satellite countries, which today are members of the Warsaw Pact and are in a military alliance with the Soviet Union. The issue is whether we shall open the door to economic aid to those Communist-dominated countries. That is the basic issue. There is not one scintilla of evidence that it is necessary for those countries to disassociate themselves from the Warsaw Pact and from their military and economic alliances with the Soviet Union.

Those countries can get aid, as indeed the Gomulka government of Poland received aid while it was still a member of the Warsaw Military Pact.

Perhaps, in the judgment of some persons, that is a wise thing to do. But I say, from a deep sense of conviction, that I think it is detrimental to the future of the United States of America. I think it is detrimental to the future of a free world of free men for us to start to bolster the economic systems of communism; to make slaves happy with their masters; to make them feel that communism is working in those countries by the aid of the dollars of American taxpayers.

If any Senator feels it is wise today to embark upon a program of aiding Communist countries economically, to build them up economically, and thus to strengthen them militarily, he will have a chance to vote that way when the roll is called.

But I have a deep conviction to the contrary. I feel that to provide such aid will be detrimental to the Free World; that it will be a great and devastating blow to millions of people behind the Iron Curtain, because they will think it means the stamp of approval on the part of the free people of the United States of the various Communist regimes. I think it will be detrimental to many of our friends who have stayed outside the Communist orbit, but who will say, "We might just as well have

entered into a Communist alliance, because the Communist satellites will be treated or can be treated just as well as the nations which have stayed outside the Communist orbit."

As for me, I want no part of it.

Mr. BRIDGES. Mr. President, this discussion reminds me a good deal of what transpired prior to World War II, when I, together with other Senators, pressed for an amendment to stop the shipment of scrap iron and steel to Japan. The administration then in power said, "Oh, no; we must not offend that friendly power. We will never have any trouble with Japan." The insistence of the administration prevailed, and the amendment proposed by me and other Senators was rejected. The strategic materials were shipped to Japan, and they came back to us in the bodies of American men.

The issue is not where the administration stands on this matter. I care not where any other Senator stands on it. I can make my own decision. I will not have it said next year, 5 years from today, or 10 years from today, a period the junior Senator from Massachusetts has mentioned, that I had any part in aiding the Communists.

I was right in urging preparedness prior to World War II; I shall do the same today. I am not inquiring where Secretary Dulles or the administration or anyone else stands. Each United States Senator must take his own position on the question. So far as I am concerned, I am willing to take my position, and a year from today I will be proud of it; 5 years from today I will be proud of it; 10 years from today I will be proud of it.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. PASTORE. The distinguished Senator from New Hampshire, for whom I have the greatest admiration, knows that I voted with him on the question of aid for Yugoslavia. But there is no Senator in the Chamber who is more perplexed and confused by this matter than I. I believe exactly as do the Senator from California and the Senator from New Hampshire that if I can with safety vote against the amendment, that is precisely what I want to do, because I am not in favor of giving any aid to Tito, Khrushchev, or anyone else who belongs to that ilk or gang.

But, after all, it must be admitted that the situation is rather perplexing when the distinguished Senator from New Jersey [Mr. SMITH] says, "My administration and my President will applaud you for the action of supporting the amendment."

I ask the Senator from New Jersey: Who is in a better position to know what the future of America and the destiny of the world and the peace of the world might be tomorrow than is the President of the United States or the Secretary of State? Are they in a better position to know this than we are? They have more information at their disposal than we have.

After all, we have to realize that somewhere along the line we must take the word of someone else; and I am willing to take the word of my President, whether he happens to be a Republican or a Democrat. He stands before the people of the country and urges support of the committee amendment through his Secretary of State.

Shall I consider his viewpoint lightly? Shall I say, "No; I will refute you and rebuke you and use my own judgment, because I am afraid that, by chance, 5 years from today you may be wrong"? Or shall I stand up and sustain him in meeting the responsibilities of the moment and the responsibilities of tomorrow? That is the question which faces us today.

Of course it is easy enough for one to say, "I am opposed to communism"; and of course it is easy enough for one to say, "I am opposed to all these programs." Of course it is always easy to be on the popular side; and certainly that is the popular side.

But the question facing us tonight is whether we shall take our position on the right side; and who is in a better position to tell us tonight which side is the right one than the President of the United States?

So I am interested in knowing exactly where the President stands on this matter, in the interest of our national defense.

Mr. BRIDGES. Mr. President, if the Senator from Rhode Island votes for the amendment which will strike that provision from the bill, he will be on the right side. I do not know, however, that it will be the popular side, for I believe the committee amendment probably will carry. Those of us who oppose the committee provision are taking the unpopular side, but if the junior Senator from Rhode Island wishes to be on the right side, there is no question as to how he should vote. Nor is there any question as to how any other Senator who wishes to be on the right side should vote.

I say it makes no difference to us how the administration may stand on this matter. The question now before the Senate must be decided by each Senator for himself, and he must bear the responsibility on his own shoulders and on his own conscience. Then, as the months and the years pass, let us see who is proven to be correct. I am willing to gamble on that.

The distinguished junior Senator from Rhode Island has made a very courageous record here; and I believe he will maintain that record when he votes in the way I have stated.

Mr. PASTORE. Mr. President, will the Senator from New Hampshire yield further to me?

Mr. BRIDGES. I yield.

Mr. PASTORE. If this item related to military aid, I would be unequivocally against it. But this item relates to loans, as I understand, and to sales of surplus agricultural commodities and to economic aid. A very strong plea has been made from time to time, and has emanated from the White House, to the effect that if we do not leave this door open, so as to give some encouragement which might result in weaning these people from the Soviet orbit, we may have lost our chance for all time. That is a serious question, and involves heavy responsibility.

Like the Senator from New Hampshire, I, too, have a heart and a soul and a mind; and I am willing to live up to my responsibility. I believe that the vote which I shall cast on this question may not be a popular one. But I believe that in voting that way I shall be voting to sustain the hand of the President of the United States, who, in connection with these matters, bears the heavy responsibility which is that of the President of our country. Furthermore, in taking that position, I shall be supporting the position taken by a Republican President. Am I wrong about that?

Mr. BRIDGES. No, the Senator from Rhode Island is not wrong—at least, insofar as I am informed.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. The fact is that no recommendation on this item came to the Congress from the White House. If the administration had favored it as a part of the mutual security bill, in my judgment the administration would have proposed it as a part of the measure.

Second, does not the Senator from New Hampshire agree that the military power of a nation is not limited to fighting planes, guns, tanks, and ammunition; but that, instead, the capability of a nation to conduct aggressive warfare also depends on its railroads, the number of locomotives it has, the number of trucks it has, and the number of machine tools at its disposal, which can be used in connection with warfare; and that as the economic conditions of countries which are satellites of the Soviet Union are improved—and in that connection we have had, in the past, ample testimony that the Soviets have taken from Poland large amounts of coal to be used in manufacturing plants in the Soviet Union, and have taken other supplies which can be used to aid the warmaking potential of the Soviet Union—and as we use the dollars of the American taxpayers to strengthen the economies of these countries, we strengthen their warmaking potential just as much as if we were to send them 10,000 rifles or 1,000 machine guns or 100 tanks?

Mr. BRIDGES. I agree with the Senator from California.

Mr. KNOWLAND. Next, is not the Senator from New Hampshire aware that no provision of Public Law 480 prevents the American people from making our surplus agricultural products available to hungry people anywhere in the world? Under our programs, such relief can be sent to hungry peoples anywhere. Certainly the American people have always been generous. During the 1920's, Mr. Hoover, who later became President of the United States, was sent to the Soviet Union itself, to help feed hungry people; and Americans will always do all they can to help those who are hungry. But that is a much different situation

from building up the economies of countries which have Communist governments, and making the people of such countries believe that communism is working successfully, and that, therefore, they will do well to continue to live under it, and that they should be satisfied with it.

Mr. BRIDGES. I agree with the distinguished Senator from California.

Mr. MUNDT. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. MUNDT. Mr. President, I am very much interested in the Senator's recital of our previous experience in connection with sending scrap iron to a potential enemy.

The Senator should have pointed out, also, that in those dark days we were doing what apparently it is proposed that we do now, namely, assist both sides. In those days we were lending money to one side, and were sending scrap iron to the other side; and of course we soon got into war.

I am not aware that we have become so flush, financially, that we should now wish to try that arrangement all over again.

Today, we have a mutual security program; and we plan to use hundreds of millions of American dollars to shore up the forces of freedom. But if we are going to spend large sums of our money to shore up communism, we might better call off the whole show, and spend our money here at home, because before, when we supported both sides, the whole thing got out of balance, and war came.

Certainly I do not believe that any Member of the Senate favors the Communist side. And certainly I do not think the Senate should do anything which would aid and support and abet Communists.

I do not care particularly what position the President has taken in this connection.

I listened with great enjoyment to the clever arguments which were made by my friend, the Senator from Rhode Island. In that connection, let me say that I do not know what kind of President one would expect to say, "I find that I cannot trust my own judgment."

Mr. President, after all, this is only a question of whether the Members of Congress believe, in their own minds, that such aid should be given to the Communists, or whether the Congress should leave that matter to the President. Of course the President does not want to give aid to the Communists.

Let me say that I am not concerned about whether the President or the Secretary of State has requested that this provision be included in the law. After all, Senators, too, have a capacity to think. They know the significance of their votes; and they know the implications of what they do; and they have to accept some responsibility for it.

This is a rather important decision, because not only does it involve the spending of the money of American taxpayers, but it also involves an attempt to strengthen the side of the world in which all of us believe; namely, the free side.

I happen to have been a member of a Congressional committee which investigated the operations of the Battle Act, and held long hearings in that connection and took much testimony. The whole weight of the evidence there was that the Battle Act was not strong enough, and that too much twilight material was creeping into Communist hands. Certainly at that time the United States was not shipping to the Soviets, bombs, bazookas, planes, guns, and other materials of war. But even Solomon himself, if he were living today, could not decide what is really a nonmilitary type of aid in the situation in which we now find ourselves. Militarily, almost any tool, almost any export, can be used to strengthen the side of a potential enemy.

At least so far as I am concerned, I am not going to worry about whether the President or the Secretary of State said "yes" or said "no." I am rather convinced that they cannot be very much "steamed up" about this matter, because they never sent a message on it to the Congress; and they never proposed that the appropriate Congressional committees hold hearings on amendments to the Battle Act; and they never went through the procedure by means of which the Congress passed the act in the first place, namely, public hearings, and the taking of testimony, not only from the Secretary of State, but also from those in the Pentagon who are charged with the defense of our country.

The hearings held then by the appropriate Congressional committees did not amount to a sideshow. The Congress passed that bill after making full use of the normal Congressional procedures; and I do not propose to vote to repeal that act as a part of a sideshow tonight.

Mr. BRIDGES. Mr. President, the effort to "butter up" both sides, as this item would do, reminds me of a situation which existed a number of years ago in the Appropriations Committee.

Mr. President, let me say that I hope I may have the attention of all my colleagues, because I should like to have all of them hear the story I am about to relate.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Senate will be in order.

Mr. BRIDGES. Mr. President, again I say that I should like to have the attention of all my colleagues.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Wisconsin and the Senator from Massachusetts will refrain from conversation.

Mr. WILEY. Mr. President, I wish to inform the Chair that I am in order. Certainly the Chair has not heard my voice. Certainly I have a perfect right to speak to the distinguished Senator from Massachusetts at the same time that I am listening to the distinguished Senator from New Hampshire, who has the floor.

Let me say that I also wish to be heard on this matter.

I desire to say, furthermore, that what I was trying to do was make an arrangement so that I could attend the dinner for President Heuss, of the Republic of West Germany, and then return to the Senate. Can I have an understanding with the minority leader that there will not be a vote until, say, 10 o'clock tonight?

SEVERAL SENATORS. No! No! No!

Mr. KNOWLAND. I remind the Senator that we on this side of the aisle sit in minority. The program of the Senate is determined by the distinguished majority leader. I can give the Senator from Wisconsin no such assurance.

Mr. WILEY. Will the minority leader collaborate?

The PRESIDING OFFICER. The Senator from New Hampshire has the floor. Does the Senator from New Hampshire yield to the Senator from Wisconsin?

Mr. BRIDGES. Does the Senator from Wisconsin desire the floor?

Mr. WILEY. Does the Senator from New Hampshire want to give me the floor? I shall be very happy to express my views, if the Senator will give me the time to do so. I feel there should be some representation of the Senate at the dinner for the President of West Germany. Three Senators have already sent their regrets.

Mr. President, I have expressed my views twice on the floor with respect to the Knowland amendment. I shall state briefly how I feel.

The world in which we now live is a different world from one we have known heretofore. Conditions have greatly changed. That matter was discussed at the White House this morning, and I shall not go into the details. The minority leader spoke, and I spoke. I expressed by views, as I have expressed them before, and other views were expressed.

In a world of pushbutton mechanism, the Executive must have the authority to do that which is necessary.

The bill does not say the President is to help the Communists.

A few days ago, when we heard testimony from an Under Secretary of State, I asked him, "Do you think the Polish people are Communists?" He said, "No." I asked him, "Do you think the people of East Germany are Communists?" He said, "No."

According to former President Adenauer, the evidence shows that if the East Germans had a chance to vote freely, 95 percent of them would vote with the West.

We are living in a world of constant crises. We must have the tools to meet them. The President cannot, in a pushbutton world, consult Congress and say, "Now, I want you to consider this problem." Such a procedure may have been satisfactory in the days before Pearl Harbor; but now if hostilities should break out, there would not be a Washington. One H-bomb would wipe out the Nation's Capital and also New York.

The bill simply provides that the act—

Shall not be deemed to prohibit furnishing economic and financial assistance to any

nation except the Soviet Union, Communist China, and North Korea—

Listen—

whenever the President (the Executive of this country) determines that such assistance will strengthen the security of the United States.

Those are the vital words.

I repeat, in this pushbutton age the President will not be able to sit down and determine a solution in consultation with a lot of people. The President must have the facts and must be able to act quickly.

Who will say that the peoples of the Baltic States—those wonderful people—are Communists? Who will say that the people of Finland are Communists? Fine people have come from Yugoslavia. As was stated the other day, Tito has not gone into the Russian orbit. Because of our assistance, he has stood up against the Russians. If he had gone into the Soviet orbit, what would have happened to Greece and the other countries in that area?

Let us go back to the simple language of the bill:

Whenever the President determines that such assistance will strengthen the security of the United States.

That is the nub of the whole matter.

Senators talk about the President's giving away billions upon billions of dollars to Communist peoples and nations. Nothing like that is suggested, and there is no appropriation authorization covering such expenditures. There is no thought of money going in any specific direction. What is intended is that if and when there arises a certain situation which requires action the President will be able to do what, in his judgment, he thinks is the right thing to do. In my humble opinion, that is the answer to the problem. That is the reason why I was for such a provision in committee. That is the reason why the committee was for it.

Of course, Senators may indulge in long tirades about not having any confidence in the President or in the present Government. Yet the people who elected the President did so for a purpose. Now, will we take away or will we give authority to the President to act in emergency situations, which authority is needed in the interest of the United States? In my humble opinion, we should give the President such authority. That, to me, is the answer to the question.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILEY. Yes.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. MORSE. Will the Senator from New Hampshire permit me to ask the Senator from Wisconsin a few questions?

Mr. BRIDGES. Yes.

Mr. MORSE. I want to say to the Senator from Wisconsin that he has done a fine job on the substance of the Kennedy proposal in respect to the Battle Act now before the Senate. However, I think he was quite mistaken in respect to his observations a few minutes ago when he resisted the ruling of the Chair requesting that he cease talking to the Senator from Massachusetts while the Senator from New Hampshire [Mr. BRIDGES] had the floor. I intend to discuss that parliamentary issue later. At this time I wish to ask the Senator from Wisconsin a few questions about the Kennedy proposal to modify the Battle Act.

Does the Senator from Wisconsin recall the discussion of this matter in the Foreign Relations Committee?

Mr. WILEY. In what particular?

Mr. MORSE. In respect of the point made by some members of the committee to the effect that we spend large sums of money each year trying to get behind the Iron Curtain, in a good many areas, by various indirect devices including underground techniques? Does the Senator recall that discussion in the committee? Does he recall that the point was made that if, in the opinion of the President, it would be helpful to the security of the United States and to the welfare of the people in a Communist satellite country to make loans or provide economic assistance to people behind the Iron Curtain our Government should be empowered to do it? Does the Senator recall the point of view expressed in committee that such economic help directly to the people behind Iron Curtains might be one of the best ways of breaking down Communist influence behind the Iron Curtain? Does the Senator recall that most of us agreed that the question could not be determined until a specific fact situation in each instance was presented to the President for consideration?

Mr. WILEY. Not specifically, but if the Senator says that took place, I will agree with him, because I remember I was in and out of the committee room a great deal. I had to attend meetings of the Committee on the Judiciary. Let us assume that what the Senator has said is a verity.

Mr. MORSE. I make these observations in question form to supplement the Senator's argument. The Senator from Massachusetts will recall the discussions to which I refer, because he and I participated in committee along with the Senator from Vermont in developing such observations and arguments. We thought we ought to have such a policy available for the President. If he decided on the facts of a given fact situation that economic aid to people living behind an Iron Curtain was the best way to spend American money to get behind the Iron Curtain, we ought to give him that discretionary power. We pointed out that each year we spend great sums of money by indirect devices to reach the people behind the Iron Curtain in an attempt to demonstrate to them that our capitalistic economy with its economic and political freedom of choice for the individual is far superior to Communist enslavement.

I have made these comments because I think they should be offered for the record in supplementation of the able remarks of the Senator from Wisconsin.

When we have finished this discussion, Mr. President, I want to ask a few parliamentary questions with respect to the Rules of the Senate of the United States which I believe the Senator from Wisconsin [Mr. WILEY] overlooked in his reactions to the ruling of the Presiding Officer a few minutes ago.

Mr. AIKEN. Mr. President, will the Senator yield for an explanation relating to the point raised by the Senator from Oregon?

Mr. BRIDGES. I yield to the distinguished Senator from Vermont.

Mr. AIKEN. I recall such a discussion did take place in the Committee on Foreign Relations. A point was raised: Why do we constantly complain and lament about Russian infiltration in Latin America while we at the same time guarantee we will not do the same thing over there? That seems to me to be a good question.

I support this proposal because I feel one of the greatest potential assets we have in our fight for democracy is the desire of the people whose countries have been members of the Warsaw Pact over the years to recover a degree of freedom which they have not been permitted to enjoy. The reason I feel keenly about the matter is that I do not want to sentence those countries to remain members of the Warsaw Pact if some economic assistance from us at the right time, to be determined by the President, can be given to help them obtain independence. I admit a great deal depends upon the President, but I think we should give the President the power, so that if the proper time should come he would be free to act and act quickly.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the distinguished Senator from South Dakota.

Mr. MUNDT. I was interested in the arguments advanced by the Senator from Wisconsin, which are so wholeheartedly supported by the distinguished Senator from Oregon, as to the reasons why the Senator felt the Knowland amendment should be defeated. It seems to me the arguments either prove too much or prove too little.

The provision reads that the "act shall not be deemed to prohibit furnishing economic and financial assistance to any nation except—"

I am curious about that exception, on the basis of the argument advanced by the Senator from Wisconsin. The Senator from Wisconsin said that he favors the language of the committee bill, for two reasons.

One reason was that the people of Poland are not Communists and the people of East Germany are not Communists. I accept that reasoning. The Senator must certainly know, however, that the people of Russia are not Communists. Certainly nobody alleges that the people of Communist China are Communists. I suspect that the people of North Korea are not Communists.

That being true, I wonder why there is the exception, because the exception does not gibe with the argument. If we are going to make economic aid available to people who are not Communists, we have to make it available to every country in the world, because there is not a country in the world which has

a majority of people who are Communists.

Vishinsky himself told me one night in the Kremlin, when I asked him the direct question, "How many Communists have you here?" that there were 5 million. I registered surprise. He thought that I registered surprise because there were so many. I was surprised that the ruling party had so few Communists. At that time there was a population of about 175 million in Russia, but there were only 5 million in the ruling party. He said, "There are 5 million, but that is too many. We had to bring in the People's Home Army in Moscow. We had to bring in the defenders of Stalingrad. We had to bring in the defenders of Leningrad. We had to bring in a number of people who have not been thoroughly indoctrinated. We hope to reduce the number."

Russia has grown somewhat since then. I suppose Russia now has 190 million or 200 million people. Perhaps there are 5 million, 6 million, 7 million or 8 million Communists. Certainly no member of the Committee on Foreign Relations will stand on the floor of the Senate and try to tell us that most of the people of Russia are Communists, or that most of the people of Communist China are Communists.

The second argument the Senator advanced was that certainly we can trust the President of the United States not to give aid to a country unless he considers it beneficial to our interest. Certainly we can trust the President of the United States, said the Senator from Wisconsin, not to give aid to a country which is under the control of the Communists.

If we can trust the President of the United States with respect to Poland, why is it the Foreign Relations Committee cannot trust the President with respect to Russia? Does our confidence in the President stop short of Russia? If we can trust the President with respect to East Germany, why not trust the President with respect to China?

A strange line of tortuous reasoning comes from the chambers of the Senate Committee on Foreign Relations. We have every confidence in the President when he is dealing with Poland, but no confidence whatsoever in the President when he is dealing with Russia.

Mr. BRIDGES. This is the Congress in which we serve. The legislative body has the responsibility for making the law.

Mr. MUNDT. Precisely.

Mr. BRIDGES. The Senator is quite correct in his assumptions. We have laws which prohibit certain things but which also authorize certain things. If we are going to waive the laws and say, "You do not need any restrictions or prohibitions" and place all such matters in the trust of some individual, whoever he may be, we should put the entire trust in him. In other words, if we trust him a half-inch, we should not refuse to trust him a full inch.

Mr. MUNDT. It certainly has no appeal to me in the consideration of logic to use arguments which do not separate the kind of folk in whom we have confidence from the kind of folk in whom we do not have confidence. There is nothing in the argument, if we accept its basic theory, which justifies the exception the Committee on Foreign Relations specifically wrote in the bill. If one does not accept the theory which caused the exception to be written, then one should not accept the theory when it deals with Poland and other countries.

The difficulty is that in the good old-fashioned days we thought of the United States Senate as a body, in the making of foreign policy, which gave its advice and consent.

Mr. President, we are going to give some advice tonight. That is what we are called upon to do. That is our constitutional responsibility. It is something we cannot duck. We cannot shed this off on poor old John Foster Dulles, who has plenty of other problems. We cannot say, "I will let the President guide me this time as to what my counsel shall be."

My job and the job of every other Senator is to stand up on his two legs as a Senator and advise. If the concept of counsel is that we should advise in accordance with the advice we get, we might as well be Members of the House of Representatives, since those Members do not even advise. That is our job; it is our responsibility.

I think there are arguments on both sides, but I am not very much impressed by arguments which, when applied to the case, do not justify the exemption of the Soviet Union, Communist China, or North Korea.

If the members of the Committee on Foreign Relations believe in their thesis, they should strike out the exception. if the members do not believe in their thesis, let us keep our guard up and advise the President not to spend the taxpayers' money to help Communist countries.

Mr. BUTLER. Hear! Hear!

Mr. MORSE. Mr. President, will the Senator from New Hampshire yield to me so that I may propound a parliamentary inquiry or two?

Mr. BRIDGES. I yield for that purpose.

Mr. MORSE. Mr. President, I propound these parliamentary inquiries in the most kindly spirit. I propound them because I was in part an offender at the time the particular incident arose on the floor of the Senate a few minutes ago to which I wish to refer.

I point out most respectfully that unless we are always on guard in protecting the procedures of the Senate and the Rules of the Senate we shall lose our rights thereunder.

In referring to the specific instance of a few minutes ago I assure my colleagues that I am not at all personal about the matter. I assured the senior Senator from Wisconsin, before he left the floor, that I was going to make a few comments on this matter but that there would be no personal reflection intended whatsoever.

We are coming to the time of the year when we will be working a good many nights here on the floor of the Senate. We all know that night sessions sometimes bring with them tensions. In order to keep the RECORD straight, so that the particular incident to which I am referring can never be used as a precedent as it now stands in the RECORD, I raise these parliamentary inquiries.

Mr. President, under the rules of the Senate, when a Senator has the floor and the Presiding Officer discovers that there is sufficient conversation on the floor of the Senate, or disorder and confusion on the floor of the Senate, so that in his opinion the Senate is not in order, does not the Presiding Officer, under the rules, have the right and duty to call the Senate to order?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Chair has such authority, if any Senator is in violation of the rules. The Parliamentarian calls the attention of the Chair to page 26 of the Senate Manual. Paragraph 6 of rule XIX reads as follows:

> Whenever confusion arises in the Chamber or the galleries, or demonstrations of approval or disapproval are indulged in by the occupants of the galleries, it shall be the duty of the Chair to enforce order on his own initiative and without any point of order being made by a Senator.

Paragraph 4 reads as follows:

> If any Senator, in speaking or otherwise, transgresses the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down, and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

It is the understanding of the Chair that in this case the Senator from New Hampshire [Mr. BRIDGES] called for order. It was not on the initiative of the Chair that order was called for in that particular instance.

Mr. MORSE. I was coming to that. I point out that the Senator from New Hampshire, the speaker at the moment, was being interrupted by disorder on the floor of the Senate. The Senator from New Hampshire [Mr. BRIDGES] called for order. The senior Senator from Oregon was guilty along with other Senators including the Senator from Wisconsin [Mr. WILEY]. I happened to be seated at the time, but I was engaged in conversation with two other Senators who were seated alongside of me. I apologize to the Senator from New Hampshire for that conversation because it added to the disorder which made it difficult for the Senator to proceed with his speech. Other Senators were conversing, but that did not excuse me. The Senator from Wisconsin was standing up in the middle aisle talking to the Senator from Massachusetts, who was seated. When the Senator from Wisconsin continued to talk after the Presiding Officer called for order the Chair politely asked him to take his seat.

My next parliamentary inquiry is this: In carrying out the duty of the Presiding Officer under the rules just read, if he finds that a Senator is out of his seat and conversing with another Senator on the floor of the Senate, and he has called for order in the Senate, and

the conversation continues, does the Presiding Officer have the right to ask the particular Senator, who is out of his seat and engaging in conversation by way of interrupting the speaker, to desist? Does the Presiding Officer have the right to call upon that Senator specifically, by name, to desist his conversation and take his seat or retire to the cloakroom?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that that is clearly implied by the paragraphs read by the Chair.

Mr. MORSE. My next parliamentary inquiry is this: If the Senator who has been requested to desist then proceeds to speak without having been recognized, and without having the right to the floor at that time, and is thereby interrupting the speaker who has the right to the floor, is the Senator who does the interrupting out of order?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator would be out of order in such a situation, and the Chair would be empowered to call upon the Sergeant at Arms to preserve order in the Senate.

Mr. MORSE. Mr. President, I think I have made the RECORD clear, so that the incident of a few minutes ago involving the Senator from Wisconsin [Mr. WILEY] can never be cited as a precedent justifying the interruption of a speaker when the Senator interrupting has not been recognized by the Presiding Officer.

Mr. BUTLER. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. BRIDGES. I yield.

Mr. BUTLER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUTLER. When a Senator speaks, should he not speak from his own desk?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that there is nothing in the rules covering that question.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from New Hampshire yield to the Senator from Ohio?

Mr. BRIDGES. I yield.

Mr. LAUSCHE. I have listened for the past 2 hours to the discussions about what should be done concerning the amendment offered by the Senator from California [Mr. KNOWLAND].

My belief is that practically everywhere the people themselves are not Communists. It is suggested that greater flexibility be given to the President in determining whether economic aid shall be given to Communist governments.

I like to get the benefit of what the administration thinks; but there are times when, after considering what the administration may think, one reaches the conclusion that he cannot subscribe to its views.

In my belief, giving economic aid to Communist governments perpetuates the existence of such governments. My belief is that the Communist government in Yugoslavia has continued in existence because of the fiscal aid which our country gave to Tito.

My belief also is that the moment we give financial aid to a Communist government we indefensibly mislead the people living under such government. In effect, we say to them, "There is a friendship between the liberty-loving Americans and the Communist government under which you live." That technique has been adopted by the Communists.

I know whereof I speak, because as mayor of Cleveland, and even as Governor of Ohio, I was called upon to make speeches in the Slovenian language to Yugoslav people. In front of me and behind me there were men of ultra-Red leanings. I was speaking between them. The purpose was to say, "Frank Lausche, the mayor of Cleveland, speaks to the Yugoslav people in the Slovenian language." But preceding me and following there were men of ultra-Red color.

I repeat that in my judgment, giving economic aid to Communist governments perpetuates them in office. Economic cracks occur in such nations. Pressure is applied because of the lack of food, clothing, and other things which the ordinary citizen wants. We give those governments money to prevent the cracks from breaking open wider, and we dupe the people by saying, "Believe in your government, because we are giving it financial aid." To the extent that we give such aid, we spare the Soviet people the burden of giving it to them.

One word further, and I shall close. If we are to give the President the latitude which has been suggested, I subscribe to the words of the Senator from South Dakota [Mr. MUNDT]. Let the President decide, with respect to all Communist governments, whether such aid shall or shall not be given. I cannot bring myself to the conclusion that we are justified in giving fiscal aid to governments which openly and avowedly declare that, "When the crucial time arrives we, as believers in communism, will stand together fighting the people of the free nations of the world."

I ask my colleagues, whether in Yugoslavia or in Poland, what has been the word of the men in charge? They have said, "We will take your fiscal aid, but we lift our hands high and swear fidelity to communism."

That is the way it seems to me. On that basis, I shall vote for the amendment offered by the Senator from California.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. REVERCOMB. I have listened with great interest to the persuasive arguments of the able Senator from New Hampshire. If the amendment offered by the Senator from California is adopted, and there is thereby deleted from the bill the committee amendment, where would that leave us with respect to a prohibition upon the expenditure of money for Communist governments? In other words, if we delete the language from the bill, where will we stand? I ask that that be stated in the RECORD at this point, so that we may know the effect of the law as it exists today upon the advancing of funds in any way to Communist governments.

Mr. BRIDGES. It would stand just where it is today, as the Senator knows. I do not have a copy of the Battle Act before me, but we can send for it, and I can then give the precise information to the Senator, if he desires it.

Mr. REVERCOMB. I am asking that the information be placed in the RECORD during the discussion at this time, because I believe it would be a very helpful part of the history of the debate. I believe it ought to be placed in the RECORD at this point because as I understand there is a prohibition against advancing money to Communist governments, and that ought to be the effect of it.

Mr. BRIDGES. I have before me the text of the Control Act of 1951, Public Law 213, of the 82d Congress, approved October 26, 1951. I ask unanimous consent that the text of the whole act, which is lengthy, be placed in the RECORD at this point.

There being no objection, the text of the act was ordered to be printed in the RECORD, as follows:

TEXT OF THE MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951 (H. R. 4550), PUBLIC LAW 213, 82D CONGRESS (65 STAT. 644), APPROVED OCTOBER 26, 1951

An act to provide for the control by the United States and cooperating foreign nations of exports to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, and for other purposes

Be it enacted, etc., That this act may be cited as the "Mutual Defense Assistance Control Act of 1951."

TITLE I—WAR MATERIALS

SEC. 101. The Congress of the United States, recognizing that in a world threatened by aggression the United States can best preserve and maintain peace by developing maximum national strength and by utilizing all of its resources in cooperation with other free nations, hereby declares it to be the policy of the United States to apply an embargo on the shipment of arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to (1) increase the national strength of the United States and of the cooperating nations; (2) impede the ability of nations threatening the security of the United States to conduct military operations; and (3) to assist the people of the nations under the domination of foreign aggressors to reestablish their freedom.

It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

This act shall be administered in such a way as to bring about the fullest support for any resolution of the General Assembly of the United Nations, supported by the United States, to prevent the shipment of certain

commodities to areas under the control of governments engaged in hostilities in defiance of the United Nations.

SEC. 102. Responsibility for giving effect to the purposes of this act shall be vested in the person occupying the senior position authorized by subsection (e) of section 406 of the Mutual Defense Assistance Act of 1949, as amended, or in any person who may hereafter be charged with principal responsibility for the administration of the provisions of the Mutual Defense Assistance Act of 1949. Such person is hereinafter referred to as the "Administrator."

SEC. 103. (a) The Administrator is hereby authorized and directed to determine within 30 days after enactment of this act after full and complete consideration of the views of the Department of State, Defense, and Commerce; the Economic Cooperation Administration; and any other appropriate agencies, and notwithstanding the provisions of any other law, which items are, for the purpose of this act, arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and those items of primary strategic significance used in the production of arms, ammunition, and implements of war which should be embargoed to effectuate the purposes of this act: *Provided*, That such determinations shall be continuously adjusted to current conditions on the basis of investigation and consultation, and that all nations receiving United States military, economic, or financial assistance shall be kept informed of such determinations.

(b) All military, economic, or financial assistance to any nation shall, upon the recommendation of the Administrator, be terminated forthwith if such nation after 60 days from the date of a determination under section 103 (a) knowingly permits the shipment to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, of any such item which he has determined under section 103 (a) after a full and complete investigation to be included in any of the following categories: Arms, ammunition, and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war: *Provided*, That the President after receiving the advice of the Administrator and after taking into account the contribution of such country to the mutual security of the Free World, the importance of such assistance to the security of the United States, the strategic importance of imports received from countries of the Soviet bloc, and the adequacy of such country's controls over the export to the Soviet bloc of items of strategic importance, may direct the continuance of such assistance to a country which permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials when unusual circumstances indicate that the cessation of aid would clearly be detrimental to the security of the United States: *Provided further*, That the President shall immediately report any determination made pursuant to the first proviso of this section with reasons therefor to the Appropriations and Armed Services Committees of the Senate and of the House of Representatives, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives, and the President shall at least once each quarter review all determinations made previously and shall report his conclusions to the foregoing committees of the House and Senate, which reports shall contain an analysis of the trade with the Soviet bloc of countries for which determinations have been made.

SEC. 104. Whenever military, economic, or financial assistance has been terminated as provided in this act, such assistance can be resumed only upon determination by the President that adequate measures have been taken by the nation concerned to assure full compliance with the provisions of this act.

SEC. 105. For the purposes of this act the term "assistance" does not include activities carried on for the purpose of facilitating the procurement of materials in which the United States is deficient.

TITLE II—OTHER MATERIALS

SEC. 201. The Congress of the United States further declares it to be the policy of the United States to regulate the export of commodities other than those specified in title I of this act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination, in order to strengthen the United States and other cooperating nations of the free world and to oppose and offset by nonmilitary action acts which threaten the security of the United States and the peace of the world.

SEC. 202. The United States shall negotiate with any country receiving military, economic, or financial assistance arrangements for the recipient country to undertake a program for controlling exports of items not subject to embargo under title I of this act, but which in the judgment of the Administrator should be controlled to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 203. All military, economic, and financial assistance shall be terminated when the President determines that the recipient country (1) is not effectively cooperating with the United States pursuant to this title, or (2) is failing to furnish to the United States information sufficient for the President to determine that the recipient country is effectively cooperating with the United States.

TITLE III—GENERAL PROVISIONS

SEC. 301. All other nations (those not receiving United States military, economic, or financial assistance) shall be invited by the President to cooperate jointly in a group or groups or on an individual basis in controlling the export of the commodities referred to in title I and title II of this act to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination.

SEC. 302. The Administrator, with regard to all titles of this act, shall—

(a) Coordinate those activities of the various United States departments and agencies which are concerned with security controls over exports from other countries;

(b) Make a continuing study of the administration of export-control measures undertaken by foreign governments in accordance with the provisions of this act, and shall report to the Congress from time to time, but not less than once every 6 months, recommending action where appropriate; and

(c) Make available technical advice and assistance on export-control procedures to any nation desiring such cooperation.

SEC. 303. The provisions of subsection (a) of section 403, of section 404, and of subsections (c) and (d) of section 406 of the Mutual Defense Assistance Act of 1949 (Public Law 329, 81st Cong.), as amended, insofar as they are consistent with this act, shall be applicable to this act. Funds made available for the Mutual Defense Assistance Act of 1949, as amended, shall be available for carrying out this act in such amounts as the President shall direct.

SEC. 304. In every recipient country where local currency is made available for local currency expenses of the United States in connection with assistance furnished by the United States, the local currency administrative and operating expenses incurred in the administration of this act shall be charged to such local currency funds to the extent available.

SEC. 305. Subsection (d) of section 117 of the Foreign Assistance Act of 1948 (Public Law 472, 80th Cong.), as amended, and subsection (a) of section 1302 of the Third Supplemental Appropriation Act, 1951 (Public Law 45, 82d Cong.), are repealed.

Mr. BRIDGES. Mr. President, I conclude my remarks by saying that the Kennedy amendment is in direct conflict with the very purpose of the whole mutual-security program, which is mutual security of the Free World against the continuing threat of Communist domination. I trust that the Senate will realize this and take appropriate action. I wish to say that the senior Senator from New Hampshire, so long as he is a Member of the Senate, will do all in his power to see that such appropriate action is taken, to the end that the Mutual Security Act of 1958 shall not become an instrument of aid to the cause of international communism, which I am fearful it will be if the Kennedy amendment is adopted.

Mr. FLANDERS. Mr. President, this has been a very interesting discussion, and to my mind it has to a considerable extent revolved around a word to which particular attention has not been called. I wish to call attention to the first word in the first line on page 59. Beginning at the bottom of page 58, I read, as follows:

This act shall not be deemed to prohibit furnishing economic and financial assistance to any nation—

That is the word—

except the Soviet Union, Communist China, and North Korea—

And so forth. I cannot vote for this section of the bill when it comes to helping nations, that is, governments. I am assuming that the word "nation" is interpreted as being a government. I cannot, therefore, vote to support this section if the assistance is to governments. If the Knowland amendment, which I shall support, is defeated, and if this section remains in the bill, I shall send to the desk an amendment which will read as follows:

On page 58, line 25, after the word "to" insert the words "people of" and on page 59, line 1, to strike out the words "except the Soviet Union, Communist China, and North Korea."

If we can find any means of helping people, as distinguished from helping governments, I believe that the purposes which those who support the section in the bill have in mind will be served. I believe that the interests of our country will be served. However, I agree with those who feel that to support Communist governments is a very bad thing indeed. I shall therefore vote for the Knowland amendment. If it fails, I shall then propose my simple amendment, which gives assistance to people, rather than to governments.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KENNEDY. The intention is quite clear, if the Senator will look into the text of the provision. The intention is to give assistance to people. Would it change the Senator's position on the committee amendment if the Senator's amendment were accepted to the committee amendment?

Mr. FLANDERS. I do not know how to answer the question until the vote comes on the Knowland amendment.

Mr. KENNEDY. I should like to know whether the Senator would be in support of the committee amendment and opposed to the amendment of the Senator from California if the words "freedom loving people" were used instead of "any nation"? Would that alter the Senator's position on the amendment?

Mr. FLANDERS. No; I am not a parliamentarian. The Senator from Massachusetts has been a Member of the Senate a shorter time than I have been, but he doubtless knows more about these things than I do. Does the proposal which I have made, if it is accepted by the junior Senator from Massachusetts at this point in the proceedings, give it validity?

Mr. CASE of South Dakota and Mr. WATKINS addressed the Chair.

Mr. FLANDERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. FLANDERS. Does the informal acceptance of my amendment by the author of section 306 of the bill have such validity that I can be sure that it will be adopted after a vote on the Knowland amendment?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). In response to the Senator's inquiry the Chair will state that the only way to modify a committee amendment is by the express authority of the committee itself.

Mr. FLANDERS. Of the committee chairman?

The PRESIDING OFFICER. Of a majority of the Committee on Foreign Relations.

Mr. FLANDERS. Then I believe I cannot——

Mr. CASE of South Dakota. Mr. President, will the Senator from Vermont yield for a parliamentary inquiry?

Mr. FLANDERS. I yield.

The PRESIDING OFFICER. The Senator from South Dakota will state the parliamentary inquiry.

Mr. CASE of South Dakota. There are two inquiries. First of all, is the committee amendment being considered as original text?

The PRESIDING OFFICER. It is, for the purpose of amendment only.

Mr. CASE of South Dakota. Then is it not correct to say that an amendment to the text of the committee amendment would be in the nature of a perfecting amendment and would take precedence over a motion to strike?

The PRESIDING OFFICER. The Senator is correct.

Mr. CASE of South Dakota. In other words, the amendment which the Senator from Vermont proposes could be offered at this time and take precedence over a motion to strike the paragraph?

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. KNOWLAND. I should like to suggest this point of view to the Senator from Vermont. Of course, in a very real sense, no activities are conducted in any of the presently satellite controlled countries which can proceed without approval of the government. I cite that as an example, because I have had people come to me and ask me on several occasions in regard to aid to people.

I have pointed out that in the long history of our country, the American people have been very generous and understanding, and that it made no difference to them as to the type of government a country might have.

I pointed out earlier in the debate that during the 1920's even in the Soviet Union itself, when that country was faced with famine, we sent Mr. Hoover and a commisison to feed the people of the Ukraine and of other sections of the Soviet Union. Since then we have done likewise in other areas of the world.

I pointed out to some of those who came to me that under the present laws and statutes of the United States, as, for example, Public Law 480, we can give food and receive in return the currencies of the countries concerned. So the question of feeding hungry people is not involved.

I have pointed out to some of the persons who have come to my office the fact that the CARE agency, the Friends Service, and similar agencies can function. Many of the great church organizations of the Catholic, Protestant, and Jewish faith have operated behind the Iron Curtain.

The answer which was made by many persons was that that was all very true, but the Communist governments do not want their people to know that a religious organization is providing aid, because religion is against the tenets of communism; they do not want the people to know that CARE is giving aid, because what is supplied by CARE is contained in American packages, and the people of the Communist-dominated countries might learn that it was coming from the people of the United States. Therefore, it is said, the only thing which should be done is to turn over the funds to the Communist governments of those countries, and then to permit those countries to improve their economies, so that the people will think that communism is working, rather than that communism is breaking down and is desperately in need of help.

The statement is made also that if the people who live in the Communist satellite countries do not get aid from the United States they will get it from the Soviet Union. But I submit it will be a drain on the Soviet Union and will make the Soviet Union less able to carry on its tremendous defense activities in the building of missiles, tanks, planes, submarines, and the like. A strain will be placed on the Soviet economy. I point out to the Senator from Vermont that when we strengthen the economies of those countries we must do so through their governments; and when we do it through the governments we must, in fact, build up their economic strength, so that they can better supply the Soviet Union with the goods of which the Soviets may be in short supply.

So I do not know how, under a totalitarian system, it is possible to give aid to the people of the satellite countries except through the agencies which already exist, and upon which there is no restriction at all under the Battle Act and the other laws which are in existence, unless we are to open the door to the amendment process to make possible the taking of the money of the American taxpayers in order to give it to the governments of the satellite countries.

Mr. FLANDERS. I find the arguments advanced by the Senator from California to be very impressive. I find that they are almost convincing. But I make this suggestion with regard to them.

The Senator from California is correct when he says we may expect the Communist governments to refuse aid which is offered directly to the people. But that is an asset. If the amendment is amended as I am proposing, then the door will be open to make offerings which will presumably be rejected. To make a proposal to help people, and then to have it rejected, is a successful action in the cold war. I do not want to close the door on such types of action.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. WATKINS. Is it not true that if we attempt to do something in a country with which we are at peace, but without the cooperation of its government, our action becomes an unfriendly act? Is is not also true that if the situation were reversed, and the foreign government tried to do the same thing in this country, we would consider it as an unfriendly act; and if they attempted to proceed with the action, we would undertake to stop them by force?

Mr. FLANDERS. A thousand reasons can be found for not acting successfully in the cold war. As to how we would feel if the Russians did what we are trying to do, that does not worry me very much, because if they made the attempt and if it were publicized, it would not have the same public effect as our making the attempt in Poland, for instance, and having its failure publicized.

Mr. WATKINS. Mr. President, will the Senator further yield?

Mr. FLANDERS. I yield.

Mr. WATKINS. Will the Senator give an example of the kind of proposal we could make to a government which would put that government in bad with its people if the government rejected the proposal?

Mr. FLANDERS. If I am correctly informed, the door was opened to us early in the troubles in Poland to provide some agricultural assistance. That was at a time when the Communist Government of Poland had been pushing the development of the great farms, and was focusing its attention on im-

mense tractors, great gangplows, and similar large-sized farm equipment. The offer to furnish family-sized farm machinery is an example of what I have in mind. Such machinery is not suitable for communal farming; it is suitable for family-sized farms, and was what the people of Poland wanted. It would have made a hit with the Polish people, although it would not have been acceptable to the Polish Government. That is an example of what I am talking about.

Mr. WATKINS. The very objective we have in mind would be to cause the people in those countries to become dissatisfied with their governments. Could not the governments consider that an unfriendly act?

Mr. FLANDERS. Let me ask the Senator, then: Would he care?

Mr. WATKINS. But we are acting on the pretense that we are at peace with those people; yet we would attempt to do for them what we would not permit them to do for us.

Mr. FLANDERS. We would not have to stop them from doing it for us. They would not do it; and if they did, we would take their machinery.

Mr. WATKINS. I am not so sure that we would, because we have an opportunity now to do some trading with Russia, and I have not seen anyone breaking the speed limit to accept the offer.

Mr. FLANDERS. I cannot conceive of this country being in the same vulnerable position in relation to its people that the Government of Poland is in with relation to its people. That is what makes the difference.

Mr. WATKINS. It seems to me that the point which we must accept as absolutely sound is that in each of the countries where we are attempting to do something to help the people, we must do so through the government which we recognize as the existing government. If we are to have comity among nations, we cannot act on the assumption that we will ask a government to do something which will help to place that government in a bad position with its own people. We cannot do that and be friendly.

Mr. FLANDERS. What I propose is not an attempt to be friendly with governments. It is exactly the reverse. A cold war is in progress. This would be an engagement in the cold war.

Mr. WATKINS. Some persons may call it a cold war; but what the Senator from Vermont is actually saying is that it is another form of hot war.

Mr. FLANDERS. No; a hot war is a shooting war. It is a cold war which is in progress all the time.

Mr. President, will Senators who may wish to ask me to yield allow me to speak for 3 or 4 minutes to develop my idea of the difference between peoples and nations. A situation came to light in a most distressing way in connection with our relations with Egypt. In an endeavor to bring Nasser to heel, we punished Egyptian schoolchildren, and we stopped the CARE packages; and when Port Said was bombed by the French and the British, someone said, "No Red Cross aid can go there." We were at odds with the Egyptian Government, so we punished Egyptian schoolchildren and punished the citizens of Port Said.

Question has been raised as to whether we can trust our own Government. I am not sure that I can trust our State Department, when it comes to distinguishing between people and governments. I have reached the conclusion that I cannot; and I have reached that conclusion with very great regret, indeed. But there stands the record. The last I heard, the CARE organization expected that it would get permission to send one-third of the amount of CARE packages it had been sending. I say that is outrageous; and I am not sure that I can trust our State Department to distinguish between people and governments. That is one reason why I should like to have the word "people" used at this point in the bill, instead of the word "governments."

Mr. KNOWLAND. Mr. President, at this point, will the Senator from Vermont yield to me.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Vermont yield to the Senator from California?

Mr. FLANDERS. I am glad to yield.

Mr. KNOWLAND. Of course, as the Senator from Vermont fully understands, and I say this solely for purposes of the record—nothing in the present law or in the law as it will read when my amendment is adopted—for my amendment merely extends the law as it exists today—prevents, or will prevent, the sending of our agricultural products under the provisions of Public Law 480, or prevents, or will prevent, the sending of CARE packages to any of the countries in the world, including those behind the Iron Curtain.

I think there is great merit in what the Senator from Vermont has said about the cold war and about getting through—over the heads of the Communist, totalitarian governments—to the people, and letting them know that the American people favor such aid through private organizations and through their own organizations which they establish, so long as we are certain that such supplies and foodstuffs will reach the people themselves, not merely the card-carrying Communist Party members. And that program can be carried on without the change proposed by the Senator from Massachusetts.

But I think there is much merit in the Senator's suggestion. It involves the same technique that President Woodrow Wilson used when he appealed, over the heads of the Imperial German Government, to the people of Germany, on the question of the armistice, at the conclusion of World War I.

I believe we should always seek to break through the Communist Iron Curtain barrier in order to reach the people. But I believe that can be done without having the American taxpayers help subsidize, and perhaps maintain, the totalitarian regimes which we should be interested in getting rid of.

Mr. FLANDERS. Mr. President, I have sent my perfecting amendment to the desk. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 58, in line 25, after the word "to", it is proposed to insert "the people of."

On page 59, beginning in line 1, it is proposed to strike out the words "except the Soviet Union, Communist China, and North Korea".

The PRESIDING OFFICER. Without objection, the two amendments will be considered together.

Mr. BUSH. Mr. President, will the Senator from Vermont yield to me?

Mr. FLANDERS. I yield.

Mr. BUSH. Would not the Senator from Vermont wish to have the two amendments considered separately? It seems to me that they involve two separate questions.

Mr. FLANDERS. I shall give consideration to the suggestion the Senator from Connecticut has made, if he will allow me a moment of silent meditation, without losing the floor.

Mr. BUSH. I shall be very happy to do so.

Mr. FLANDERS. I mean insofar as the Senator from Connecticut has authority to do.

Mr. BUSH. Yes; insofar as it is within my authority. [Laughter.]

Mr. FLANDERS. Mr. President, if we consider the two amendments separately, rather than together, let me point out that the first amendment will result in having this part of the bill read as follows:

> This act shall not be deemed to prohibit furnishing economic and financial assistance to the people of any nation except the Soviet Union, Communist China, and North Korea,

And so forth.

Mr. BUSH. That is correct, and that is the point.

Mr. FLANDERS. Mr. President, a few minutes ago the Senator from South Dakota [Mr. MUNDT] and other Senators reached the very logical conclusion that if this is what we are talking about, rather than the strengthening of governments, why not make it universal?

I believe perhaps we might well consider my two amendments separately, as the Senator from Connecticut has suggested.

Therefore, Mr. President, I ask that the two amendments be considered separately.

The PRESIDING OFFICER. The two amendments the Senator from Vermont has submitted to the bill will, therefore, be treated accordingly. The question is on agreeing to the first amendment offered by the Senator from Vermont [Mr. FLANDERS].

Mr. HUMPHREY. Mr. President, will the Senator from Vermont yield to me?

Mr. FLANDERS. I yield.

Mr. HUMPHREY. First, I wish to express my thanks to the distinguished Senator from Vermont for his very lucid and informative discussion of this section of the bill, and also for his amendments.

If I correctly understand what he has said, he has been referring to direct aid, which could mean materials of substance or material goods, and also to

financial aid to people, not to governments.

Mr. FLANDERS. That is my purpose. There may be more difficulty in connection with furnishing financial aid than in connection with furnishing goods; but, if it can be done, it should be done on the same level.

Mr. HUMPHREY. Inasmuch as both amendments have been submitted, and inasmuch as there has been a question as to whether the amendments should be considered together or separately, I say most respectfully that the American people, who are essentially a decent and a spiritual people, and most of whom attend the churches of their choice, resent any proposed legislation which would provide that when we deal with people, with God-created human beings, not with governments or ideologies, we shall exclude some people who live in one part of the world.

I happen to be vigorously opposed to the government of the Soviet Union; but I wish to say that the first captives of communism were the Russian people.

I am also opposed to the government of Communist China; but I wish to say that in China there are very few Communists, and there are many fine Chinese.

I am also opposed to the Government of North Korea; but I am not opposed to the North Koreans.

As I understand the amendment of the Senator from Vermont, it relates to humanitarian, economic assistance to hungry people, sick people, people who may wish to produce a little more on their farms or in their shops.

I believe it would be very unfortunate for the Congress, when it is dealing with people, not with ideologies or governments, to say to the people of the Ukraine, for example—many of whom have revolted against the Soviet Government—or to the people of China—where there have been revolutions against the Communist government—"You folks can just starve. We are not interested in you." According to my convictions, that would be both wrong morally and foolish politically.

Mr. FLANDERS. Mr. President, is there any parliamentary method by which I may interrogate a sitting Member?

The PRESIDING OFFICER. That may be done with the permission of the Member and by unanimous consent.

Mr. FLANDERS. Mr. President, I so request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont? The Chair hears none.

Mr. FLANDERS. I should like to ask a question of the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, will the Senator from Vermont yield to me, so that he may ask me a question?

Mr. FLANDERS. Mr. President, if the Senator from Connecticut asks me to yield to him, I shall do so.

Mr. BUSH. Mr. President, I do ask the Senator from Vermont to yield to me.

Mr. FLANDERS. I yield.

Mr. President, I should like to ask the Senator from Connecticut the following question: To what extent is he convinced by the arguments of the Senator from Minnesota?

Mr. BUSH. I am always moved by the arguments of the Senator from Minnesota, for whom I have very great respect. But I am not convinced by them.

I think this question has been before the Senate for many years, off and on. I recall that, at least in 1950, the Senator who preceded me in this very seat—the late Senator McMahon—brought out the same point that the distinguished Senator from Vermont [Mr. FLANDERS] is bringing out at this time.

I am basically sympathetic with the position taken by the Senator from Vermont. What we are saying is that we are interested in helping the people of these countries. I, myself, would exclude, as the bill does, the Soviet Union, Communist China, and North Korea. That is the way I feel, after hearing my distinguished friend from Minnesota speak on this subject.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Kentucky.

Mr. COOPER. Following the same course of action taken by the Senator from Connecticut [Mr. BUSH] I suppose I would have to get unanimous consent that my question may turn into a few remarks.

Mr. FLANDERS. I am sure what the Senator from Kentucky said was good, but I did not quite hear it. I wonder if he will repeat it.

Mr. COOPER. I want to comment on the amendment of the Senator from Vermont, if I may; and that is not exactly a question.

I have the greatest respect for the Senator from Vermont, as he knows. But, the distinguished minority leader, the Senator from California, and the senior Senator from New Hampshire have presented a clear-cut issue, that is, shall aid be available to Communists somewhat—other than Russia, Communist China, and North Korea.

With all deference, I believe the amendment of the Senator from Vermont would cloud the issue. If it were adopted, it would in my judgment, make the committee proposal ineffective, because aid could not be provided the people of these countries unless their governments permitted it. If this country tried to give aid directly to the people, we would immediately be charged with interfering in the internal affairs of their governments.

Second—and I think this is correct—I believe the committee placed the amendment in the bill for the very reason that the Senator from California and the Senator from New Hampshire object, and that it is designed to make aid available to these governments when the President believes it necessary for our security. I would consider that if these countries desire to assert their sovereignty in their relations with Russia, it is to our advantage, as well as theirs, to help them express that independence. Certainly, an example is Yugoslavia.

The third point I make is that if the amendment of the Senator from Vermont should be adopted, providing that aid shall be given to the people of these countries, it may be interpreted that the Government of the United States cannot advance aid to the Government of Yugoslavia, and I certainly believe that has been in our interest.

I object to the amendment because I believe it would not be effective. I know that is not the purpose of the Senator. But the Senate would be saying it is doing something to help people when it could not happen—that aid will be available to the people of certain countries, when Senators know aid cannot be given to the people except through their governments. In truth if we vote for the committee amendment, we shall be voting for it with the knowledge that at some time the President of the United States may determine it is to the interest of this country to advance aid to governments other than Russia or Communist China, even though they are Communist, which demonstrates their independence.

As for myself, that is the only reason why I shall vote for the amendment. I do not want to vote for it upon an incorrect theory.

There is truth in what the senior Senator from California and the senior Senator from New Hampshire have said. There is danger in following the course of giving aid to countries behind the Iron Curtain. If aid is granted to those countries, it may strengthen them, and possibly strengthen them against our country. We are taking a risk. The alternative situation is that if countries show an inclination to be truly independent of Soviet Russia, it is important to our security, to peace, and to their own interest, to help them be independent. If these countries can gradually become independent of Soviet control it is in our interest and that of peace. That is the only reason I shall vote for the amendment.

Mr. BUSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Connecticut?

Mr. FLANDERS. I yield to the Senator from Connecticut.

Mr. BUSH. I do not think the amendment of the Senator from Vermont is impractical at all. The amendment provides that "This act shall not be deemed to prohibit furnishing economic and financial assistance to the people of any nation," and so forth.

My good friend from Kentucky points out that such aid will undoubtedly have to be given through the government of a nation; but I think the emphasis the Senator from Vermont wants to put in the bill is that we are thinking of the people of these countries. I do not think it weakens the effectiveness of the United States in giving aid to nations if the language is changed in this way.

I think, therefore, for psychological reasons, the Senator from Vermont has offered a good amendment, and I hope it will prevail.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from California.

Mr. KNOWLAND. I submit, with the legislative record we have now made, the distinguished Senator from Connecticut feels that merely by changing the word to "people" no change at all is made, because the aid can still be given to the governments. By removing the exceptions, the door will be opened for the American Government and the American taxpayers to make a substantial contribution to the Soviet Union, Communist China, and North Korea, as well as all the other Communist countries that are members of the Warsaw pact.

If that is what the Senate of the United States, and ultimately the other body of the Congress wish to do, so be it. It is the responsibility of the Congress. But it seems to me that it will result in a tremendous drain on the American taxpayers, and will represent a basic, fundamental change of policy, which should be fully debated on its merits, and after full committee hearings.

If what is proposed should be done, we would, in fact, strengthen the war-making potential of the very powers against which we are trying to build up a mutual defense pact with which to guard the Free World.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FLANDERS. Mr. President, I shall insist on straightening myself out for a moment or two, before yielding to the Senator from Connecticut.

In reply to the observations made by the Senator from California, I wish to say that I am loath to accept an affirmative vote for my amendment on the terms proposed by the Senator from Connecticut, because I do not believe in our giving aid to those governments. If the Senator from Connecticut wants to vote for the amendment on the supposition that is the purpose of my amendment, I should like to make it clear that is not the purpose of my amendment; nor do I think that purpose is expressed in my words.

I do not want to give support to governments. I want to do what I can for people. That is the difference between my point of view and that of the Senator from Connecticut.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. BUSH. I am sorry we differ on that one point, but I do not see how we can give aid to the people of these countries unless we give it through the nation. I very much sympathize with the desire of the Senator to emphasize the consideration with respect to people.

In reference to the remarks of my good friend from California [Mr. KNOWLAND], I wish to say I do not favor the second part of the amendment of the Senator from Vermont. I think the committee language should stand respecting the Soviet Union, Communist China, and North Korea. It is the Iron Curtain countries other than those to which I think the Senator from Vermont chiefly addresses himself. It was on that assumption I wanted to support the Senator's first amendment.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Utah.

Mr. WATKINS. I am very curious to know how, for instance, if we wanted to give food to the people of Poland, the Senator would expect to get the food to them without using the offices of the Polish Government?

Mr. FLANDERS. With respect to that suggestion I tried to make my position clear in the beginning of my remarks. If the Polish Government puts obstacles in the way of gifts of food, if food is in question, from this country to the people of Poland, or if it falsifies the source of the gifts, so that it is impractical for us to give them, then we would not give them but let the Polish people know what happened.

It is a question of good will and honesty of purpose, the purpose being to help people. If we are prevented from taking such action it would be a telling stroke in the cold war. We have to forego that possibility under the wording of the amendment as it is written.

Mr. WATKINS. I think the Senator would agree with what I wanted to point out. If we are going to send packages of food and if we are going to use the mail to do so we would have to use the facilities of the Polish Government.

Mr. FLANDERS. The Senator is correct.

Mr. WATKINS. If we were to send the food by boat, we would have to use the facilities of the Polish Government to have it landed in the country, or face the possibility of being arrested for smuggling or for having made a direct attack on the Government.

Mr. FLANDERS. If they refuse to accept the gifts or put obstacles in the way, it would be a telling stroke.

Mr. BUSH. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER (Mr. CHURCH in the chair). The Senate will be in order.

Mr. FLANDERS. Mr. President, I hope a vote can be taken on the first of the two amendments. I am not going to ask for a yea-and-nay vote. If the position which I have sought to explain is clear enough to the Senators who are present, I should like to ask that the Senate now vote.

Mr. CASE of South Dakota. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. FLANDERS. I yield to the Senator.

Mr. CASE of South Dakota. Mr. President, I desire to be recognized.

Mr. WATKINS. If the Senator does not mind, will the Senator yield to me for an observation?

Mr. FLANDERS. I yield.

Mr. WATKINS. In making these observations, I was not trying to be critical of the Senator. I wanted to get information. The Senator might have had in mind some way of getting the food in I did not know about. I respect the sincerity of the Senator and his humanitarian desire to help the people of such countries.

We have to recognize the world as it is, in my judgment, and the only way we can get food and other help into these countries is through the governments, which we recognize are in existence. Otherwise, we cannot do so, for we would be doing the very thing we would treat almost as an act of war if it were tried in respect to this country. We will not even allow a good deal of literature to come into our country. We take such material out of the mail, when it constitutes an effort to propagandize in this country.

Mr. FLANDERS. I can only repeat to the Senator from Utah what I tried to say before. A refusal to accept or the placing of obstacles in the way of the gift will make the situation very clear to the Free World, and the information can be made known to the satellites of the Soviet Government.

Mr. WATKINS. The people of Poland would probably never find it out.

Mr. CASE of South Dakota. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I desire to speak first very briefly with respect to the point raised by the Senator from Utah and then with respect to the entire section and its relationship to the issue raised by the amendment offered by the Senator from Vermont.

First, with respect to whether it is possible to give assistance to people without giving assistance to governments, the bill, if the amendment of the Senator from Vermont were added, would read:

> This act shall not be deemed to prohibit furnishing economic and financial assistance to the people of any nation—

And so forth.

It seems to me, Mr. President, that it might be possible for assistance to be given to the people of a country without its being given to the government. I have in mind that there have been instances in world history of aid having been given across battlelines, and of aid which has been given under the supervision of the Red Cross. Under the normal operation of mutual security, when assistance is given another country, the country buys the assistance by putting up counterpart funds. That may not be true in all instances.

If the assistance were to be given to the government itself, obviously the assistance would not merely be given to the people of the country but it would be given to the government and the government would control it.

I can conceive, however, of situations when the government of a country might say, "We will let this material come in and go to a certain organization," such as the Red Cross within that country or some other organization, thereby permitting it to reach the people.

In that case it would be a direct gift to the people, not necessarily a gift or a sale for currency to the country.

Mr. President, all the discussion with respect to the amendment and the issues involved with respect to it must be considered in the light of the later language in this section, to which the amendment refers. In most of the discussion we have been overlooking the fact that the assistance would be conditional upon the

President determining that such assistance would strengthen the security of the United States. I refer particularly to the language which appears at line 2 on page 59 and following, which reads: "Whenever the President determines that such assistance will strengthen the security of the United States by enabling the freedom-loving peoples of such nation (a) to achieve a measure of political, economic, and social freedom from Sino-Soviet domination or control, or (b) to strengthen their capacity to maintain a national government increasingly independent of Sino-Soviet domination or control, or (c) to reduce their economic dependence on the Sino-Soviet bloc in keeping with their already established political independence."

The language of the amendment in the bill itself, if we should adopt the committee amendment, would not open the door to giving the assistance without a definite determination by the President that the giving of such assistance would be in the interest of the security of the United States by enabling the freedom-loving peoples of the other nations to achieve some "measure of political, economic, and social freedom from the Sino-Soviet domination, or (b) to strengthen their capacity to maintain a national government increasingly independent of Sino-Soviet domination, or (c) to reduce their economic dependence on the Sino-Soviet bloc."

That is not an idle determination. It is not merely saying "If the President believes." It is not merely saying "If the President thinks." It says—

> Whenever the President shall make a determination—

It does not stop there, for later in the paragraph are these words:

> The President shall immediately report any determination made pursuant to this section, with reasons therefor, to the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate, and to the Committee on Foreign Affairs, the Committee on Armed Services, and the Committee on Appropriations of the House of Representatives.

So, Mr. President, this is not an opening of the door for giving assistance to some nation which may be one of the satellite nations somewhat under the control of the Soviet bloc, but it is a limited opening of the door for assistance whenever the President shall make a determination that such assistance would strengthen the security of the United States, and that it would aid us by increasing the political, economic, and social freedom of the freedom-loving countries receiving the assistance.

That comes about only when the President makes a formal determination and reports it to the several committees of the Senate and House of Representatives. I understand that the distinguished senior Senator from New Hampshire [Mr. BRIDGES] has an amendment by which he would provide that the proposal to give such assistance should not be effective until 60 days after the determination had been reported to the committees, with the Congress in session. Personally I see no objection to that amendment. I hope he will offer it. That would insure an opportunity for the committees of the Congress, if they felt strongly that the President was wrong in making the determination, to have an opportunity to express themselves to the contrary. But even as the language stands, it is not an idle determination. It is a determination which would be reported to the three committees of both the House and Senate; and any one who knows anything at all about the relationship between the executive branch and the committees of the Congress must know that if such determination were once made and the Congress felt that it was not a good determination, the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate, and the corresponding committees in the other House, would make themselves heard in no uncertain manner; and future determinations would have a difficult time if adverse action were taken.

I support the amendment reported by the committee. I will support the amendment offered by the Senator from Vermont, but I do so because I believe the day has come when we must use some new method, so to speak, in the so-called cold war.

The other day I received a publication issued at the Holloman Air Force Base in New Mexico. It was issued by a group engaged in research on rockets. I was interested in the fact that in the lead editorial, so to speak, which was borrowed from the Journal of the American Historical Society, the scientists and engineers there were concerned with the problem that merely to pile up more rockets would never win the cold war.

I am impressed by the logic of those from the Defense Department downtown who come before our committee and say that the way to win the next war is to avoid it; the way to win the next war is to make it unnecessary to have it; the way to win the next war is to be so strong that it will not be started. And while we gain that respite from bloodletting, we should seek other methods for the peoples of the world to live together.

I am convinced that the time for decision is here. If we are to win the hearts of the people behind the Iron Curtain, this country must adopt some method of reaching them. We must speak some language they can understand. If we wish to carry out the aspirations and the hopes all of us felt in our hearts the other day when the Unknown Soldiers were entombed, we must adopt some new method. All of us made resolves on that day. All of us felt something when we saw the two caskets in the Rotunda of the Capitol. If we are to carry out those resolves we must adopt some method. We must do something new.

I like the idea of trying to win the hearts and minds of the freedom-loving people behind the Iron Curtain, and give them some reason for hope.

I was interested in the fact that the distinguished minority leader [Mr. KNOWLAND] referred to Woodrow Wilson's appeal to the German people over the heads of the German Government. I remember when President Wilson voiced his 14 points.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. Not at this time.

I remember when President Wilson made his appeal to the peoples of the world. He said, "Our quarrel is not with the German people, but with those who seek to speak for the German people." When Woodrow Wilson drove that wedge between the German people and those in power who sought to speak for them, the war was over, because he ranged the peoples of the world on the side of peace, on the side of understanding, and on the side of free government. We must do likewise in this day if we are to win the cold war. That is why I support the idea expressed in the amendment to modify the Battle Act, so that it may be possible to reach those people. If the process needs further safeguarding by requiring the approval of Congress, or a waiting period before the aid becomes effective, I shall be willing to vote for such a provision. But in the light of the obligations and the feeling I have on this question, I think the time has come when we must seek to divorce the freedom-loving people of the world behind the Iron Curtain from the domination of the Sino-Soviet bloc, and from the idea that we are not interested in them as a people. It may be difficult to do. It may require some imagination. It may require some new techniques in getting this assistance past the Iron Curtain; but let us try to do it.

Mr. FLANDERS. Mr. President, I ask that the pending amendment be stated, and that a vote be now taken on my first amendment.

The PRESIDING OFFICER. The first amendment offered by the Senator from Vermont will be stated.

The CHIEF CLERK. On page 58, line 25, after the word "to" it is proposed to insert the words "the people of."

Mr. KENNEDY and Mr. FULBRIGHT addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I shall be glad to yield to the Senator from Arkansas in a moment.

An examination of the dictionary discloses that there is no difference between a nation and a people. We are not talking about aid to a government. We are talking about aid to a nation.

The word "nation" is defined as:

> A people connected by supposed ties of blood generally manifested by community of language, religion, and customs, and by a sense of common interest and interrelation.

In my opinion this amendment deals with nothing of substance. We are talking about aid, not to a Communist government, but to a nation. This means a people. If it is supposed to mean something else, the amendment might be mischievous. We do not know how to deal with a people unless we deal with an organized structure. We are talking about dealing with governments. I be-

lieve that the word "nation" suggests what the Senator from Vermont wants.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. FLANDERS. I should like to ask the Senator from Massachusetts whether, before he looked in the dictionary, he did not feel that there was a little distinction between "people" and "nation."

Mr. KENNEDY. The trouble with the word "people" is that it suggests an uncertain geographical area. The dictionary definition deals with people in a plural sense. The word "people" is defined as:

A body of persons united by a common character, culture, or sentiment; the individuals collectively of any characteristic group, taken as distinct from, or concealed apart from, the unity of the group as subject to a common government.

I believe that if the amendment of the Senator really has substance, it presents a difference which suggests that we could not operate through any organized government in giving assistance. If the Senator wishes to emphasize assistance to the people, the Senator from South Dakota [Mr. CASE] clearly emphasized that later language in the bill deals with freedom-loving peoples. So I think it would be a mistake to accept the amendment under the assumption that it would change the basic nature of the aid, because "nation" means "people."

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. FLANDERS. The Senator from Massachusetts would not accept the idea that the word "people," to those who have not looked in the dictionary, may convey a different meaning from the word "nation."

In other words, we are possibly dealing with important semantics.

Mr. KENNEDY. In my opinion, to change the language might mislead the Senate into thinking that we would not be able to deal with an organized government in a country in giving assistance. We would still have to deal with the organized government of a country, but for the purpose of helping the freedom-loving people of that country.

Mr. FLANDERS. I should like to make the observation that in my belief and in my judgment, as the basis of all my decisions and all my judgments on the floor of the Senate, I have followed the principle in my own mind that the object of all political action is the well-being of individuals, even though the relations be between nation and nation. The individual is the ultimate beneficiary of what we do here on the floor, if we do it well.

Mr. FULBRIGHT. I do not wish to delay consideration of the bill, but I should like to support what the Senator from Massachusetts has said. If the amendment means that negotiations with governments would be prohibited, then I believe it is a very impractical and a very dangerous amendment. If it is designed to mean that we are concerned with the welfare of the people, and have the welfare of the people at heart, then it is a meaningless amendment. Obviously that is what we have in mind. A nation includes its people.

I do not see how we can operate without doing business with the governments of the various nations. I realize, in view of the shortcomings of many governments—and I shall not mention which ones—many of us are becoming impatient with those governments. However, it is necessary to deal with them anyway. We must still do business with governments.

I do not believe the amendment of the Senator from Vermont would make any contribution to the bill at all. I believe it would cause confusion. Some people have to look in a dictionary, and some do not. A great many people know what "nation" means without looking in a dictionary. I do not see how the fact that a Senator looks up a word in the dictionary has any bearing on whether the language should be changed. I hope the Senate will not accept the Flanders amendment.

A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FULBRIGHT. What is the relation of the amendment to the Knowland amendment? I wish to say something about the Knowland amendment, but I do not know whether it is the proper time to do so.

The PRESIDING OFFICER. The amendment affects and modifies the language of the Knowland amendment.

Mr. FULBRIGHT. Of the Knowland amendment?

The PRESIDING OFFICER. The language of the amendment which the Knowland amendment proposes to strike out.

Mr. FULBRIGHT. I understand. Then when the Flanders amendment is disposed of, the question will recur on the Knowland amendment. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. Then I shall refrain from discussing the Knowland amendment until the Flanders amendment is disposed of.

The PRESIDING OFFICER. The Senator from Vermont has two amendments.

Mr. FULBRIGHT. I hope the Senate will not accept the amendment. It will cause confusion, and certainly will not make any contribution.

The PRESIDING OFFICER. The question is on agreeing to the first amendment offered by the Senator from Vermont [Mr. FLANDERS], which has been read by the clerk.

The amendment was rejected.

The PRESIDING OFFICER. The second amendment offered by the Senator from Vermont will be stated for the information of the Senate.

Mr. FLANDERS. Mr. President, I ask unanimous consent to withdraw the second amendment, now that the first amendment has been defeated.

The PRESIDING OFFICER. The Senator from Vermont has the right to withdraw his second amendment.

Mr. FLANDERS. On my own?

The PRESIDING OFFICER. That is correct.

Mr. FLANDERS. Then I do so. I withdraw the second amendment.

The PRESIDING OFFICER. The Senator from Vermont withdraws his amendment. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. HUMPHREY. Mr. President, I wish to say only a few words with reference to the amendment offered by the Senator from California. This is a replay of other situations which have occurred in the Senate relating to the conduct of our foreign policy. Many of us have been critical of certain aspects of the administration of American foreign policy. Some of us have been critical of the policies which constitute the framework of American foreign policy. However, I have always been of the opinion—and I believe constitutional history bears me out—that the conduct of American foreign policy rests in the President of the United States; indeed, even though the conduct of our foreign policy may be consummated in part through the offices of the Secretary of State, our diplomats, our ambassadors, and other members of the Foreign Service, nevertheless the responsibility for American foreign policy is essentially in the hands of the President of the United States.

Public Law 480 was before the Senate about a year ago. During its consideration there was involved the issue of Poland, particularly with regard to the sale of agricultural products to Poland. At that time there was an attempt made to strike out certain language the Committee on Agriculture and Forestry had placed in Public Law 480. That language gave to the President discretionary authority to deal with countries behind the Iron Curtain. In other words, all the Committee on Agriculture and Forestry did in that instance was to place reliance on the patriotism, the judgment, and the integrity of the President of the United States as the chief spokesman of our Nation in the area of foreign affairs

Interestingly enough, the very same Senators who are tonight proposing to strike the so-called Kennedy amendment from the pending bill, the leaders on the other side of the aisle, who are supposedly the supporters of the administration, fought against the amendment of Public Law 480. Fortunately, the majority judgment of the Senate prevailed in supporting the work of the committee.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. In a moment I shall be happy to yield. Fortunately the majority of the Senate insisted on upholding the hand and the judgment of the Committee on Agriculture and Forestry with relation to Public Law 480.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. The Senator says that that was fortunate. I assume that is the Senator's judgment, and that he is making that statement as an expression of his own opinion.

Mr. HUMPHREY. It is my own observation. I am speaking only for the junior Senator from Minnesota.

Mr. BRIDGES. The Senator from Minnesota said that the foreign policy is placed solely in the Executive. Why do we have a Committee on Foreign Relations?

Mr. HUMPHREY. I said the responsibility for foreign policy is essentially in the hands of the President of the United States. He is our chief spokesman. That is not to say that Congress cannot lay down policies or programs or guidelines.

Mr. BRIDGES. Is that not what we are doing with the amendment?

Mr. HUMPHREY. Once that is done, then the responsibility rests with the President. Let me answer my good friend from New Hampshire, for whom I have the highest respect and regard, by saying that, although I have differed with him on certain issues on occasion, I notice that not long ago, on February 6, the distinguished Senator from New Hampshire took the floor to praise the Secretary of State for his wisdom, his judgment, and his good works as Secretary of State. The same Secretary of State is the one who recommended the Kennedy amendment. He is the very one who was being praised so profusely and so magnanimously and so generously by the distinguished Senator from New Hampshire.

It is interesting for me to note tonight that we are talking not about a Republican President or a Democratic President, but about the President at any time in American history. It is interesting to note that on the other side of the aisle—and I suppose there are some on this side of the aisle, but in this instance the leadership for the amendment to strike the Kennedy amendment from the bill comes from the other side of the aisle—there is an unwillingness to place trust and confidence in the Chief Executive.

Why do I say that? It is because the Kennedy amendment does not direct the President to do business with countries behind the Iron Curtain. The Kennedy proposal does not say: "Mr. President, the Senate of the United States says you must do business with Rumania or Bulgaria or Hungary or Poland or Yugoslavia." What does the Kennedy amendment say?

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. The Kennedy amendment provides: "whenever the President determines that such assistance will strengthen the security of the United States by enabling the freedom-loving peoples of such nation (a) to achieve a measure of political, economic, and social freedom from Sino-Soviet domination or control, or (b) to strengthen their capacity to maintain a national government increasingly independent of Sino-Soviet domination or control, or (c) to reduce their economic dependence on the Sino-Soviet bloc in keeping with their already established political independence"—whenever those circumstances prevail—that is, whenever the President feels that some kind of economic or financial assistance to governments presently excluded from such assistance by the Battle Act will be helpful to us, he is empowered, authorized, and given the discretionary authority to extend assistance.

That is all we are saying. I am sure that throughout the length and breadth of the land there are people who are literally ready to believe that there are in the Senate those who, out of the goodness of their hearts or the foolishness of their judgment, want to give aid to Communist-controlled countries.

No; that is not what we are talking about at all. We are simply saying that it does not take a great deal of political judgment or statesmanship to give help to one's friends.

The distinguished minority leader is insisting that we want to help only those who are presently our friends. He is not applying the principle of how to influence people and win friends. What the minority leader is saying in his amendment is that we will not help peoples or governments which are presently behind the Iron Curtain and which indicate a desire for some measure of independence.

I grant that whatever we do is a risk; but life, itself, today is a great risk. The defense program is a risk. Bombers in the air which are carrying the H-bombs are surely a risk. Every investment and loan we make is a risk.

I submit that we ought not to tie the President's hands and to say to him, "We want you to win the cold war, but we want you to win it in a particular way. We want you to do it only by loving our friends. Make love to our friends. Do not ever try, in any way, to win over those who perhaps are not now our friends."

That is what is really intended by the Knowland amendment. The Knowland amendment is pure. I will say that. It says that we will do business with those with whom we are accustomed to doing business: We will do business with them—period.

The Kennedy amendment simply says that if the President finds it to be in the national interest, if he has reason to believe that by the expansion of economic and financial assistance to nations, except the Soviet Union, Communist China, and North Korea, we can strengthen the security of the United States, then the President is empowered to do just that. I am willing to trust the President.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. During the course of the discussion this evening, the Senator has made certain remarks relative to the debate on Public Law 480.

Mr. HUMPHREY. Yes.

Mr. KNOWLAND. The Senator is quite correct in saying that that law was under debate in the Senate on April 1, 1957. While we are discussing a particular amendment to that measure, if the Senator will permit me to do so at this point, I wish to call to his attention, to the attention of the Senator from New Hampshire [Mr. BRIDGES], and other Senators, what I had to say at that time:

Mr. KNOWLAND. If this is done—and today the Senate may well vote to do it—I hope the Senator from North Dakota is correct and I am incorrect. However, I have lived long enough to see what happens when the camel gets his nose under the tent. I do not claim to have a crystal ball or to have any ability to foretell the future. However, I predict here and now that the step now proposed will, if taken, be only the opening operation leading later to the giving of economic aid to Poland, not in the form of surplus commodities, but in the form of dollars added to the foreign-aid program, or subtracted from the aid which otherwise would go to some of the countries friendly to us. If once we extend such a program to Poland, I predict that within 1 or 2 years thereafter we shall not have a valid reason for denying aid to Hungary, Czechoslovakia, Romania, and Bulgaria, because once they see that Poland has been successful in this endeavor, they will say, "Well, we are a little independent, too. Consequently, we want to came in under a plan"—consequent Marshall-type plan, let us say, to support the Communist regimes of those countries. I may be mistaken about it, but I think this is only the opening wedge of a program which, if undertaken, will plague us in the future.

I shall not be in this Chamber when another year has passed, but I predict that if Congress continues to extend aid to the Communist satellite nations, within a year, at the most, a proposal will be made to extend economic aid to the Soviet Union, to Communist China, and to North Korea, which at present are excluded under the act. That will be done as surely as night follows day, because, for the reasons stated by the Senator from South Dakota, once we embark upon such a program, we cannot say that in aiding the people of the satellite nations, we should not extend the same aid to the people of the Soviet Union and of other Communist powers.

If that is to be the policy of the United States, that is, of course, a matter for Congress to determine. But it seems to me that it will have very far-reaching consequences. Not only will we have embarked upon a program which I believe will ultimately involve billions of dollars of the people of the United States, but those billions must either be taken from aid to our friends or from aid to neutrals who are already being spread pretty thin, according to their viewpoint, at least, and perhaps according to the viewpoints of some of us in this Chamber, or else we must add to a deficit which will probably be, at the end of this fiscal year, $3 billion, and in the next fiscal year maybe as much as $8 billion or $10 billion.

With all those facts before them, perhaps Congress and the American people will want to embark upon this type of economic assistance to the Soviet bloc of nations.

But I believe that some of us, at least, who are equally as sincere as those who may have another point of view, feel that when that is done, we shall be strengthening the economic power of international communism, and the economic power of the governments of the Soviet satellite nations. If we do that, we shall be increasing their military ca-

pacity and their military power. We shall be making the slaves more contented with their masters.

I do not believe that to do such a thing will be, ultimately, in the best interests of the Free World and of the people of those nations themselves who are presently enslaved, or of the people and the Government of the United States.

Mr. HUMPHREY. First, never once in my life have I had any doubts about the integrity and the sincerity of the Senator from California. I know he believes what he has said, and I respect him for his courage and his willingness to state categorically and clearly his convictions. This is a very refreshing experience in American politics.

But there is another point of view, and it is simply this: There are those who have felt that the Soviet Union could be brought to her knees by, first, ignoring her; and second, waging a war of economic attrition. I am not a prophet, nor do I claim to be a historian. But 40 years of history is on my side. The Soviet Union is not on her knees. The Soviet Union is increasing her economic capacity without American aid and is challenging us in many areas of the world; in fact, the Soviet Union is running us out of the ball park in some areas of the world.

The Soviet Union is able to exercise its tyranny all the more brutally and ruthlessly over the peoples whom she dominates, because they have no place to turn except to the Soviet Union.

I submit that what has happened in Poland has caused the Soviet Union grave concern. Khrushchev has made more visits to Warsaw in the past year and a half than the Communist leaders made in the previous 10 years.

The Gomulka government, an acknowledged Communist government, with all its problems, with all its statements which are anti-American, and with all the collaboration with the Communists throughout the world, is a worrisome government to Khrushchev and the men in the Kremlin.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at present; I shall in a moment.

There were Senators who were very doubtful about our aid to Yugoslavia.

I have had very grave doubts about it. But I am willing to vote to let the President—who has the benefit of information from all the sources of the Government—extend what aid he could, without doing harm to the security of our country, so long as that aid would enhance the interests of the United States.

Mr. President, tonight Yugoslavia is causing the Kremlin as much trouble as any other nation in the world is causing it. There is no doubt of that. In fact, the Kremlin is holding meeting after meeting in an effort to decide what to do about Marshal Tito. Today, in Communist China, the common topic of conversation is the deviationist course of action of Marshal Tito and his deviationist tactics. So I believe the investment may be a reasonably good one which may pay off in the long run.

From time to time our defense agencies purchase airplanes, which may never fly and construct ships which may never sail, but the Congress does not decide to abolish our defense agencies. Similarly, from time to time the Congress passes laws which may do no good; but the people do not decide to abolish the Congress.

I merely say that the Congress should not say to the Commander in Chief that, in fighting the cold war, the only people to whom he can talk or the only people he can try to influence in any way or to work with in any way, in an effort to bring them to our side, are our friends.

Of course I know that the way to be considered a real patriot is to stand up and condemn every living Communist; and certainly our Government and its spokesmen and the Members of Congress have proven unmistakably that they are anti-Communist. Whether we have proven that we are able and shrewd statesmen is another question; but certainly we have convinced everyone that we do not like Communists. In fact, we have succeded in that so well that some people believe that we do not like people.

Recently I have read that some of our citizens have visited in Rumania; and I have noted with interest that it is said that in Rumania, Americans are more popular than any other people in the world. Nevertheless, the Rumanian Government is Communist. But the Rumanian people are more friendly to Americans than are some of the people in the countries of Western Europe.

Mr. President, it will be recalled that some persons in this country helped the Hungarians believe that the United States would come to their rescue if they would fight for their freedom; but we did not. And some persons have said that the United States would help to liberate the satellite countries; I have heard such statements over the television and the radio, and it is common knowledge that our Government has talked about the liberation of the eastern countries. But how is that proposed to be done, Mr. President? Our own President and Secretary of State have said we will not do it by force of arms.

Of course, I believe in the power of prayer, and I am willing to work on that basis. But there also needs to be some help in addition.

Some of the help might be through diplomacy, economic assistance, the utilization of our resources, if our leaders saw an opportunity to utilize properly, for that purpose, our financial assistance, our economic assistance, and our diplomatic skill. That is all we are talking about now. We are not saying that the money of the taxpayers of this country should be spent in these Iron Curtain countries, or that the money of the people of the United States must be poured into these areas which are controlled by dictatorships.

Instead, we are saying that if we can win one square foot of land for freedom, if we can win another 100 people or another square mile or another nation for the cause of freedom, by giving economic and financial assistance, and if the President thinks we can succeed in that effort, we are prepared to authorize it.

After all, under the Constitution the President is Commander in Chief of all the Armed Forces of the Nation. But the attempted restrictions in this case are similar to an attempt to say to the President, "You can fight a war, provided you use only the infantry, and provided you fight against only certain folks."

Mr. President, I would say to the President of the United States, "Mr. President, a cold war is going on. We want to provide you with everything you can possibly use to win this struggle. You already have the power to use weapons and modern science and technology."

By the way, Mr. President, I gather that much of modern science and technology is to be utilized by our country against an enemy, if our country is attacked. The Congress has already authorized that. The Congress also has already authorized the President to exercise his sole judgment in regard to the dropping of a hydrogen bomb. That authority exists at this very minute. And the President is the one to whom the Congress has entrusted the peace of the entire world, insofar as we have control over it.

We say to the President, "Mr. President, the lives of our families and the wealth and fortunes of the people of our country and the businesses of our country are in your hands. You are in charge of the Armed Forces, and you are in charge of the use of nuclear weapons. You—not the Congress—have charge of all of them. If you believe that in order to protect the security of the country, a 15-megaton hydrogen bomb must be used, you are authorized to have it used." Every Member of the Senate, by his vote, gave that authority to the President.

After having done that, are we now going to say to the President, "Mr. President, you are authorized to use the most horrible weapons that modern science can concoct or that we can conceive of; but you will not be allowed to use $1 of the money of the American taxpayers if it seems that by doing so you can upset the international Communist movement. We do not trust you to that extent. We are willing to take the chance of having you use your judgment about the dropping of bombs, but we are not willing to take the chance of letting you use your judgment in regard to sending a tractor or a ton of wheat or a stack of clothing behind the Iron Curtain." That is what we would be saying to the President.

On the other hand, I am willing to give the President the tools needed to do the job.

If I have a right to criticize the President, as a citizen and as a Member of the Senate, I believe I also have a right to vote, as a Senator, to give the President what he has requested; and he has requested this.

I realize that, somehow or other—although I do not know how it happened so quickly—a change occurred. Certainly the Senate Committee on Foreign Relations is a responsible committee of this body, and its chairman is one of our

most distinguished and respected Members. I hold in my hand the committee print of the bill, the copy of the bill upon which our Foreign Relations Committee worked; and it worked hard, and long hearings were held.

On page 113 of the booklet which has to do with Senate bill 3318, we find that the Senator from Massachusetts [Mr. KENNEDY] proposed an amendment to the Battle Act. The language of the amendment appears there, and subsequently it is to be found in connection with House bill 12181, as reported by the Senate Foreign Relations Committee.

Following the printed amendment, we find, as in the case of every amendment listed in this volume, a statement of the position of the executive branch of the Government. It is as follows:

The executive branch favors the foregoing Kennedy amendment.

Mr. President, let me point out how much the executive branch favored it. It favored the amendment right up until the 29th day of May. The amendment was supported by the administration. It was supported by the Secretary of State; and I gather that the Secretary of State speaks for the President. He is the President's No. 1 minister, the top Cabinet officer. Until the 29th day of May, until the Assistant Secretary of State in charge of Congressional relations, Mr. Macomber—who is an able man—came to the Senate Foreign Relations Committee and reported to the chairman of the committee and to the staff, the White House and the State Department were in favor of the amendment of the Senator from Massachusetts.

At the hearings, the Secretary of State testified. The Senator from Massachusetts [Mr. KENNEDY] diligently, intelligently, and constructively questioned the Secretary of State. The Senator from Massachusetts did not adopt picyaunish attitudes; he did not attempt to needle the Secretary of State. Instead, his questions were asked for a constructive purpose.

What did the Senator from Massachusetts ask at that time? In that connection, I read the following question which was asked by the Senator from Massachusetts, as it appears on page 183 of the hearings held by the Senate Foreign Relations Committee:

POSSIBLE REVISION OF BATTLE ACT

The only other question I wanted to ask you is this: Last year this question of the Polish loan came up; and one of the problems, as I understand it, in responding to the Polish loan was not only a political one but the restriction in the Battle Act. Therefore, it was proposed that there might be some change in the Battle Act so that it might be possible for us to give a country such as Poland, which occupies a particular position in the division of power, more direct assistance, instead of having to make the rather elaborate manipulations which you were forced to do because of legislative restrictions.

I do not know whether the situation there is going to be such that we are going to want to continue to give economic assistance.

But assuming that we do, would it be of any assistance to you in your responsibilities if it were somewhat easier for mutual-assistance funds to be given directly to a country like Poland if you felt it was in the national interest, rather than having to use these special steps that you used last year? In other words, I have in mind an amendment to the Battle Act.

Secretary DULLES. Yes; I do believe it would be in the national interest to have the Battle Act amended, and I believe you have made some proposals along those lines.

Senator KENNEDY. That is correct.

Secretary DULLES. The ability to use these funds to achieve the objectives desired by the Congress sometimes is inhibited by the rigidity of provisions which are imposed by the Congress with one situation in mind, and then actually you get a new situation which the Congress did not foresee, but you find yourself tied up with those provisions that were put in for another purpose and which, at the time it was done, it was quite understandable.

Therefore, more flexibility would, in my opinion, be very desirable.

Senator KENNEDY. I want to thank you.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I merely want to say this was the general expression of the Secretary, and that general expression——

Mr. BRIDGES. That is what I wanted to bring out.

Mr. HUMPHREY. And that general expression was followed through by the specific proposals of the Senator from Massachusetts, with the specific review and judgment of the Department of State. We were all told, as Senators—those not on the committee and those on the committee—if we had any amendments to the mutual-security bill we should get them in, so they would appear in the committee print, and so every amendment would receive careful attention. The amendment of the Senator from Massachusetts was printed, was brought before the attention of the State Department, and was recommended and approved by the Secretary of State.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BRIDGES. Is there any place in the record from which the Senator has read which indicates that the amendment proposed by the Senator from Massachusetts was read to the Secretary of State, and that the Secretary of State said, "Yes, I am for it"?

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Massachusetts.

Mr. KENNEDY. In the first place, I point out that this amendment was written by the Department of State. I made a proposal dealing with this subject a year ago. It was sent to the Department of State. The Department made the suggested changes in the language, and thought the language would be satisfactory.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Does the Senator from New Hampshire have any doubt that this amendment when it was proposed had the complete approval of the Secretary of State? I ask that question of the Senator from New Hampshire, who is candid and frank.

Mr. BRIDGES. Yes.

Mr. JOHNSON of Texas. I will say, on my responsibility as a Senator, it had the support of the State Department when it was offered in committee, and that support has been withdrawn.

Mr. HUMPHREY. As indicated in the letter submitted to the chairman of the committee, the Senator from Rhode Island [Mr. GREEN], under date of April 14, 1958, the State Department rewrote the Kennedy amendment and presented its own amendment to be incorporated in the Mutual Security Act, which the Senator from Massachusetts accepted and presented on his behalf. The letter says: "The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report, and that the enactment of the draft proposed herein would be in accord with the program of the President."

Mr. BRIDGES. Who said that?

Mr. HUMPHREY. Assistant Secretary of State William Macomber, who acts for the Secretary of State in dealing with the Senate in foreign relations.

I have in my hand a copy of the chronological report I asked the staff to prepare for me on this particular amendment, and I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
June 5, 1958.

MEMORANDUM

Senator KENNEDY's amendment to the Battle Act.

You asked me to explain why it was that the staff of the committee, in preparing the special print of the Mutual Security Act of 1958 for the aid of the committee during the markup, included the following statement regarding the amendment of Senator KENNEDY to the Battle Act: "Executive branch position: The executive branch favors the foregoing Kennedy amendment."

Soon after the chairman introduced the administration's mutual security bill by request, Senator KENNEDY asked the staff to consider whether it would be feasible to put in the form of an amendment to the mutual security bill the Senator's amendment to the Battle Act contained in his bill S. 2828. The Department of State commented favorably to the Committee on Foreign Relations on S. 2828. The Department recommended, however, that instead of attempting to amend Public Law 480 and the Mutual Security Act, as well as the Battle Act, Senator KENNEDY should confine his amendment to the Battle Act. The Department sent to the committee a suggested draft amendment to accomplish this purpose.

The staff of the committee worked with lawyers and other officials in the Department of State to prepare the Department's suggested language in the form of an amendment to the pending mutual security bill. The same text was used in Senator KENNEDY's amendment. During this consultation with the Department of State it was understood by all parties that the Department continued to favor attempting to amend the Battle Act using the pending mutual security bill as the vehicle.

In aid of the committee's consideration of the mutual security bill, the special

markup print referred to above showed how the existing law would be changed by the executive branch bill, by the House bill, and by amendments proposed by various Senators. In the last column of the print, amendments proposed by various Senators were printed together with executive branch comments on each amendment.

Senator KENNEDY asked that his amendment on the Battle Act be printed in the special markup print, although he had not had an opportunity to introduce it on the floor. The staff inserted the favorable executive branch comments on the Kennedy amendment quoted above because this was the oral undertaking with representatives of the executive branch. Representatives of the executive branch were given copies of the galley proofs of the markup print prior to the actual markup. These representatives went over the markup print in detail and assisted the staff by pointing out several errors in the print. No objection was made, however, to the inclusion of the favorable comments on the Kennedy amendment.

The markup print was used throughout the several days occupied by the committee's markup. No objection to the favorable comment on the Kennedy amendment was received from the executive branch. The files of the Committee on Foreign Relations show nothing to indicate other than complete support by the executive branch of the proposed change by Senator KENNEDY in the Battle Act.

The committee's consideration of the mutual security bill was completed on May 23. The first indication that the staff had that the executive branch might change its mind as to its support of Senator KENNEDY's amendment on the Battle Act was when Assistant Secretary of State for Congressional Relations Macomber called the chairman on May 29.

Mr. HUMPHREY. Mr. President, as some of my colleagues may know, yesterday I was rather disturbed, as was the Senator from Vermont [Mr. AIKEN], when I had heard and when I read in yesterday morning's newspapers that the administration was weakening on the Kennedy amendment. I know the Kennedy amendment is controversial. I know those of us who support it are going to be accused of all sorts of crimes and misdemeanors. But I thought at least we had the support of the Department of State, I thought we had the support of the Bureau of the Budget, I thought we had the support of the President; because the Bureau of the Budget and the State Department said it was a part of the President's program.

Our friends throughout the world must wonder whether they can depend on the word of the United States Government. If the Senate cannot rely on the word of the State Department, if the Senate cannot rely on the April 14 statement that the proposal therein would be in accord with the program of the President, how can we expect the British and the West Germans and other Europeans and Asians to rely upon the Government?

Mr. BUSH. Is the Senator inferring that the Department has withdrawn from the position the Senator has so clearly outlined?

Mr. HUMPHREY. I hope it has not.

Mr. BUSH. Will the Senator give us some evidence of the fact that the Department has withdrawn from the position he has so clearly outlined?

Mr. HUMPHREY. The State Department has said it would like to see the Battle Act amended along the line of the Kennedy proposal, but not in this bill. It would like to have amended an act which is not before us, and which the State Department knows will not be before us. So the State Department says it is for the proposal in theory, but not in reality. We are grownup boys. Let us quit kidding. We know how to duck and bob and weave. We have had to handle ourselves in the case of hot issues. We have had to be able to handle ourselves. The State Department should not try to fool elected officials of the United States Senate, who have had to bob and duck and weave.

Mr. JOHNSON of Texas. The Senator does not imply that the Department fools anybody, does he?

Mr. HUMPHREY. No; they only fool themselves.

Mr. BUSH. I think the Senator should give us evidence of the fact that the Department of State has withdrawn from its position. He has given a very excellent address——

Mr. HUMPHREY. I thank the Senator from Connecticut.

Mr. BUSH. In support of the committee report, which I intend to support. I wish to compliment him on the very excellent statement he has made in that connection.

Mr. HUMPHREY. I thank the Senator.

Mr. BUSH. But his statement that the Department of State has backed up is a serious charge to make, and no evidence has been presented to support it. At least, it is not clear to me.

Mr. HUMPHREY. I am glad the Senator from Minnesota and the Senator from Connecticut see eye to eye on this provision of the mutual security bill. I do not want to drive away any votes. If it will satisfy him to say that I shall produce evidence that the State Department would like the change made, but in another act——

Mr. BUSH. I think the Senator is making a very serious charge. I think he ought to support it with incontrovertible evidence.

Mr. HUMPHREY. I think so, too. I am about to give the evidence.

It is not incontrovertible evidence, but it is evidence. On June 5, 1958, a statement was made by the United Press. The Senator from Massachusetts [Mr. KENNEDY] just handed it to me. In fact, the Senator has been the main spokesman of the amendment, which I happen to think it took a lot of courage on his part to offer, and it required a sense of vision and statesmanship to have offered it and advocated it. The United Press stated as follows:

President Eisenhower said today he wants discretionary authority to give economic aid to Iron Curtain satellites but opposes putting such a provision in the Foreign Aid Authorization bill pending in the Senate. Mr. Eisenhower believes it should be handled as separate legislation and not as an amendment to the foreign-aid measure. KNOWLAND noted that the controversial amendment was not part of the administration's original foreign-aid request. It was offered by Senator JOHN F. KENNEDY, who said it was supported in principle by the State Department. KNOWLAND has said he does not "buy, and will not support" the idea that economic aid should be advanced to nations bound to Russia under the terms of the Warsaw Pact.

If the staff member will give me the statement made by Mr. Macomber, I will give the incontrovertible evidence. I have just given some evidence.

The State Department position, as presented by the Assistant Secretary of State, Mr. Macomber, was:

The Department of State has endorsed the principle of the Kennedy amendment. The Department considers that it is a legislative decision as to whether it should be a part of the Mutual Security Act or other legislation.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. BUSH. I say to my good friend I think he has defeated his own position by reading that statement.

Mr. HUMPHREY. This is the position which Mr. Macomber has been passing around.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment.

Mr. Macomber wants to have the Senate function as the legislative branch. He says it is a legislative matter, to determine whether he will pass a law.

Mr. BUSH. Is it not up to the Senate to make that legislative decision now?

Mr. HUMPHREY. Exactly.

Mr. BUSH. That is why we are here?

Mr. HUMPHREY. Exactly.

Mr. BUSH. That is what Mr. Macomber asks us to do.

Mr. HUMPHREY. What I am saying is that the Department of State did approve the amendment. At the present time, according to the press dispatches and according to the representative of the State Department, the Department of State indicates that while it supports the amendment in principle, it might be better to adopt it in respect to another piece of legislation.

Mr. BUSH. I will say respectfully to the Senator that the last thing he read is from the Assistant Secretary, whom the Senator has been building up as an authority who speaks for the Secretary of State.

Mr. HUMPHREY. The Senator is correct.

Mr. BUSH. And that statement leaves it entirely to the Senate to support the proposition which he recommends.

Mr. HUMPHREY. I agree. Let us support the proposition.

Mr. BUSH. Very well.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I understood the Senator to say that the Department felt this amendment should be attached to another piece of legislation.

Mr. HUMPHREY. The Senator is correct.

Mr. JOHNSON of Texas. My information is that the Department is agreeable to having the language attached to this bill.

Mr. HUMPHREY. That is correct—originally.

Mr. JOHNSON of Texas. In order to avoid certain conflicts which have developed in this Chamber, it was felt that the Department did not want to pay the price it feels it would have to pay if the amendment stays in the bill. Therefore the Department has retreated somewhat from its position.

Mr. HUMPHREY. The Senator has not only given the incontrovertible evidence, but he took what I was going to call the convincing evidence, because that is the convincing evidence.

The truth is that the Department of State knows this is a highly controversial matter. The Department prefers not to encumber the bill with this kind of controversy because of the necessity for going to the Committee on Appropriations in addition to getting the authorization. I say, however, what we are asking the Senate to do is to confirm the action. We are asking the Senate to vote upon a stated position on foreign policy by the President.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORTON. All I can say is, "Welcome, stranger. I am happy to see you on this side." I was the one who preceded Mr. Macomber, who has been "kicked around" all night. I can remember that in 1955, when we went before the Senator's committee, we got "kicked around" because we were trying to relax in some way the Battle Act through executive agreement. The Senator from Minnesota and the distinguished Senator from Missouri gave us a hard time.

Mr. HUMPHREY. May I say, most respectfully——

Mr. MORTON. All the Cabinet members concerned with it were beating us over the head. I am happy to say, and I say again, "Welcome, stranger."

Mr. HUMPHREY. I want to say most respectfully and kindly to my good friend from Kentucky that I have not moved a foot toward the other side of the aisle, and I am not exactly quite sure what allegiance I would have to follow if I went over there, in the light of the controversy which seems to exist. I do not think this is necessarily a partisan matter.

Mr. MORTON. It is not. Will the Senator yield further?

Mr. HUMPHREY. It surely ought not be a partisan matter. We are talking about the welfare of the Nation.

I respectfully say to the Senator that the junior Senator from Minnesota was not the one who resisted the efforts of the State Department to modify the Battle Act. As a matter of fact, the junior Senator from Minnesota was one who wrote to the President of the United States in the interest of the nation of Ceylon, when Mr. Nelson Rockefeller was assistant to the President of the United States, urging that economic aid be given to Ceylon, despite the fact that the Ceylonese Government had been required, because of a great economic emergency, to do some business with Red China.

The Senator knows better than to accuse me of trying in any way to hamstring the President's powers in the field of foreign policy. My criticism of the President in the field of foreign policy is not that he does too much, but instead that he does too little. My criticism of the President is not that he leads us too vigorously, but rather that he vacillates.

All I am requesting is a firm approach. I am asking for a sense of direction, and not the wandering in and out, the indecisiveness which we see reported in the press and which Members on this side of the aisle cannot understand.

I do not speak only of myself. I was not the first to speak of this matter. I submit that the very able and distinguished Senator from Vermont [Mr. AIKEN] made it quite clear he was distressed with respect to what he thought was the wobbling of our Government on this issue. If everyone agrees that the Government is not wobbling, if everyone agrees that the Government is in favor of the Kennedy amendment, and if everyone agrees the State Department is in favor of the Kennedy amendment, I say, "Hallelujah."

Mr. MORTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I will ask the Senator from Kentucky: Does he support the Kennedy amendment?

Mr. MORTON. The Kennedy amendment?

Mr. HUMPHREY. Yes.

Mr. MORTON. Certainly. I supported it when I was downtown.

Mr. HUMPHREY. May I reciprocate and say, "Welcome, stranger." [Laughter.]

Mr. MORTON. I was welcoming you, stranger.

Mr. HUMPHREY. Welcome.

Mr. MORTON. And I was downtown getting my head beaten by the leadership on the Senator's side of the aisle, because we had done things they thought gave too much latitude to the Battle Act.

Mr. HUMPHREY. The Senator has a very good head. It was not hurt.

Mr. MORTON. I was getting my head beaten by the Senator from Missouri and others. The Senator from Minnesota was a member of the committee. The Senator was very busy and did not have time to come to the hearings, but he did not file minority views.

Mr. HUMPHREY. May I respectfully suggest to the Senator that it might be better if he would refresh his memory, rather than exercise his rhetoric.

Mr. HOLLAND. Mr. President, will the Senator speak a little louder, please?

Mr. HUMPHREY. I respectfully suggest to the Senator it would be better if he would refresh his memory as to what happened in the Senate Committee on Foreign Relations, rather than exercise his rhetoric.

Mr. MORTON. I am speaking of the Committee on Government Operations, of which I think the Senator was a member.

Mr. HUMPHREY. Yes. In 1955 the Senator from Minnesota was a member of the Committee on Government Operations, on the Reorganization Subcommittee. Am I to understand the Senator appeared before the Subcommittee on Reorganization?

Mr. MORTON. I appeared before the Committee on Government Operations.

Mr. HUMPHREY. Before the Investigations Subcommittee?

Mr. MORTON. The Investigations Subcommittee.

Mr. HUMPHREY. Of which subcommittee I am not a member, I regret to say. I would like to be a member, but I am not.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I would be happy to give the Senator the full list of the membership of the subcommittee. I have not been a member of that subcommittee since 1952.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPRHEY. I yield.

Mr. SYMINGTON. I do not desire to enter into a colloquy with my good friend from Kentucky, but I will say his memory is as erroneous with respect to my activities in this matter as is his memory with respect to the distinguished Senator from Minnesota being a member of the subcommittee.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HUMPHREY. I want to yield to the Senator from South Dakota, but in the meantime I desire to invite my friend from Kentucky to this side of the aisle, because we really do appreciate his point of view.

Mr. CASE of South Dakota. Mr. President, I was going to express the hope that we might have a vote on the pending question tonight. I should like to make the observation, with the indulgence of the Senator from Minnesota, that a long time ago I was taught a bird in the hand is worth two in the bush. If it is a desirable objective to modify the Battle Act, this is a good time to do it.

Mr. HUMPHREY. The Senator is correct.

Mr. CASE of South Dakota. I happen to believe that a bird in the hand is worth two in the bush. I supported the Knowland amendments to the Kennedy labor bill. Now it happens I am supporting the Kennedy amendment to the mutual security bill, even though it is opposed by the Senator from California.

Let us take this opportunity to do something to reach the people behind the Iron Curtain.

Mr. HUMPHREY. I salute the Senator. I am ready to yield the floor.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am happy to yield.

Mr. DWORSHAK. The Senator from Minnesota is an astute observer of foreign affairs.

Mr. HUMPHREY. I thank the Senator for his compliment.

Mr. DWORSHAK. Surely the Senator is aware of the trend, whereby we observe the hatred and the hostility in Europe, in the Near East, and in South America toward the United States and our foreign policy.

Does the Senator from Minnesota wish to spend additional billions to create more hostility and to lose friends everywhere in the world? Let us forget about the Iron Curtain and try to retain friends on this side of the Iron Curtain.

Mr. HUMPHREY. I appreciate the sincerity of the Senator's remarks and the deep emotion with which he states

his views. All I am trying to do in this instance is to follow the President for whom the Senator voted. I am trying to help him with his program. If the Senator can get an appointment at the White House, he ought to say to the President, with the same conviction and emotion he has displayed here tonight, what he said to the Senator from Minnesota. I am only 1 of 96 Senators, and I have very little influence on foreign policy.

Mr. DWORSHAK. The Senator from Minneosta is a realist.

Mr. HUMPHREY. I thank the Senator.

Mr. DWORSHAK. The Senator is not blind to developments. He knows what happened to the Nixons in South America. Now he is concerned with winning friends behind the Iron Curtain, when we cannot even retain friends on this side of the Iron Curtain. Why does not the Senator concern himself with solidifying the people who have received $70 billion of aid since the end of World War II?

Mr. HUMPHREY. The Senator's argument is the most convincing argument I have heard tonight for the Kennedy amendment.

One of the reasons why we are unpopular in South America, according to Vice President NIXON, is that the Communists have been at work on our friends.

The Communists do not confine their work to Rumania and Czechoslovakia. They work in Mexico, Guatemala, Argentinia, Brazil, Chile, Peru, and Venezeula. Not only do they go down there and work, but the Vice President of the United States comes back to America and reports that they are effective in their work.

Those are non-Communist countries. They are supposedly anti-Communist countries—and I think they are—but the Soviet Union is offering them economic assistance. It desires to make trade pacts with them, and do business with them. Apparently the Soviets are effective.

Why do we not try some of the same treatment? Why do we not utilize some of our economic power to win friends and strike a blow for freedom?

I have stated my case. I am happy to support the amendment of the Senator from Massachusetts.

Mr. JENNER. Mr. President, I dislike to see the bipartisan foreign policy advocates fall out among themselves. I think it might be appropriate to offer an amendment to send spitoons to South America and teach the people there how to spit. That would be about as practical as the Kennedy amendment.

I do not think there is anything new here. I do not know why the United States Senate has to abdicate its authority to the State Department and do what the State Department wants. All we need to do is to look at the record of the State Department and the history of the mess after mess into which it has led us.

For example, consider the case of China. Would Senators tonight wish to follow the State Department's policy which led to the destruction of China and the Korean war? I do not. That was the State Department's work. It was said at that time, "Let Korea fall, but do not let it look as though we pushed her."

Why should we be quoting the State Department? It has guessed right hardly once. I can see why the world cannot understand what our policy is. We vacillate. We change. At one time we are to have massive retaliation. The next time we are talking about peaceful coexistence.

It is a strange thing, but with all the discussion here tonight I have not heard any Senator talk about the solvency of this country. It seems that the answer to every problem which arises on the floor of this great and august body is to spend more money. The debt of this country tonight is $280 billion. The contingent debt of the Federal Government tonight is more than $250 billion. The State and municipal debt is more than $50 billion. The individual debt is more than $113 billion; yet we stand here, like "Uncle Sugar" and say, "We have the answer to the difficulty. We have the answer to the peace and future prosperity of the world. We have the answer to the future security of our country. We are going to spend more money."

I ask, where are we going to get it? We have a $3 billion deficit coming up this year. We face a deficit of between $8 billion and $10 billion next year.

These programs are only the beginning. The Senator from California stated the situation correctly last year. This program is the nose of the camel under the tent. It started a few years ago on this floor. Some beautiful phrases were used. Leading Senators said, "Let us help war-ravaged Europe to its feet. This is only a 4-year program, involving an expenditure of $15 billion to $17 billion. Do not throw a 15-foot rope to a man drowning in 25 feet of water."

We got war-ravaged Europe up on its feet. We rebuilt its facilities. In many instances it has better plants and production facilities today than we have.

That was not the end. Next it was NATO. Next it was SEATO. Next it was something else. Tonight we have a new one.

I am ashamed of the United States Senate when I think that we are spending $40 billion of the taxpayers' money tonight for defense. What for? To build up the defense and security of this Nation against communism. On the other hand, we spend hours debating a proposal to give money to the very people that we are spending $40 billion to defend our country against.

Let us not be naive. We talk about Tito. Tito is defecting again. That happens periodically, just as the sassafras comes up in Indiana. It occurs regularly. Tito always defects when we have under consideration the mutual security bill. Last year he defected, and we sent him jet planes and made him happy. Within 30 days after we passed the bill, when the ink was hardly dry, he was over in the Balkans drinking and having a good time with Khrushchev and other Communists.

What did Khrushchev tell the world? He said, "Communists will never change their objective until shrimps learn to whistle." Shrimps have not yet learned to whistle.

What did Tito say? After the ink was dry, and he got our money, he said, "If it comes to a military conflict, I will march by the side of the Communists." Now Senators want to help him tonight.

I am soon leaving this great and august body. Do Senators wish to start a new program while our country is already hopelessly in debt? The people require a third of all we produce in this country to pay taxes. The costs of Government are going up and up and up, and the value of the dollar is going down, down, down. Where do Senators think we shall end?

We are playing into the hands of the Communists. We do not need to worry about the peace and security of this country. We do not need to worry about the Communists. We do not need to worry about the sputniks and the guided missiles. We shall destroy ourselves before the Communists ever get to us.

How are we going to help communism in satellite countries without helping communism everywhere? Are we so naive, after all the experience we have had with communism? Every department of government has declared communism to be a world conspiracy out to overthrow and destroy not only this country, but the entire world.

Are we so naive as to believe that we can separate Russian communism, Chinese communism, and North Korean communism from Rumanian communism, Hungarian communism, Yugoslavian communism, and Polish communism? No, we cannot.

We constantly refer to the State Department, and what it wants. I usually want just the opposite of what the State Department wants. The State Department says, "We are against international communism, but we are not against national communism." They have national communism in Poland. They have national communism in Yugoslavia; yet they all say they are still Communists. Tito says he is a Communist. Communism is dedicated to the overthrow and destruction of my country and the country of my colleagues.

The Senator from Minnesota [Mr. HUMPHREY] himself said that one of the greatest pro-American countries in the world tonight is Rumania. He said that Rumania is stronger for America than any other country. Yet it is under Communist rule. Let us leave them alone. Let us not send them any money, or they will turn against us, too.

This debate could go on for months, so far as I am concerned. However, when we are starting another new program the question is, what will it cost? God alone knows what it will cost.

The distinguished chairman of the Committee on Foreign Relations, the former Senator from Michigan, Mr. Ferguson, the Senator from Louisiana [Mr. ELLENDER], and I made a trip around the world about 7 years ago.

That was when we started the big boondoggling enterprise. We were messing around with countries in Europe, so to speak, trying to put them on their feet. We did a pretty good job of it. As we went along we were told in one country: "That other country is getting more than we are getting. You will have to give us more." That is what we were told in every country we visited. Every country wanted more. We went around the world. As we went to other countries we were told, "You are giving Western Europe help. You had better give us some, too, or we will go Communist."

I say to the Senate that this has become an international blackmail game. Maybe it is a good game to play, if one can afford it.

I ask the chairman of the Committee on Finance or any other member of that committee: "Do you think this country can go on and on and on with deficit spending, and can go on and on cheapening the dollar, and then stand up against communism or any other kind of ism?"

Oh, we have heard many speeches about what a good thing it is to buy friends. I say we cannot buy friends. We cannot buy the hearts and minds of people. There are enough people in Western Europe, if they want to fight communism, who can fight it today and can stand up against it. If the 350 million people over there cannot do it, they will be a millstone around our neck if trouble should come.

There are enough people in the Middle East and in Africa who, if they want to fight communism, can stand up tonight and fight it. However, we cannot buy the hearts and minds of people. It is possible to buy a few governments or politicians, but it is not possible to buy friends.

Let us consider what we have done during the past 90 days. Some persons act as though there was no limit to the resources of our country. We increased defense spending by more than $4 billion. We increased the lending authority of the Export-Import Bank. We stepped up the highway program by $1,800,000,000. We authorized an increase in public housing by $1,600,000,000. For the Commodity Credit Corporation we authorized $3.5 billion. Are we interested in the peace and security of this country? I wonder. Are we against communism? I really wonder.

When World War II ended, there were only 175 million Russians, and, as the Senator from South Dakota said, only 5 million Communists in all of Russia and in all the world. We followed the policies of the State Department, under both Democratic and Republican leadership. Where do we stand tonight in the fight against communism? A third of the world's surface is controlled by communism, and so are the lives of more than a billion people.

What did we do when we extended the Commodity Credit Corporation authorization? We hear a great many trick slogans. We are told that it is necessary to have trade, not aid. "Trade not aid" was another slogan.

Even in my State people are going around saying what a wonderful thing it is that 4½ million people are working materials for foreign aid. We are told that we are in a recession, and we cannot cut foreign aid, because 4½ million Americans are making goods for sale in the foreign aid program. "Trade not aid."

Do Senators know what was the result of the $3½ billion Commodity Credit Corporation bill? It did more to weaken and destroy the peace and security of this hemisphere than anything we have done in many years. Why? I ask Senators where the trade of this country is. To listen to the internationalists, one would gain the impression that it was all over in Europe. Well, it is not. Twenty-five percent of the total export trade of this great country goes to 1 nation of 17 million people just north of the border, Canada. Fifty percent of our total export trade goes to Latin America. However, with the pending bill we would seek to give something away to the rest of the world, to people who will hate us for it. I remind the Senator from Idaho [Mr. DWORSHAK] the cost of foreign aid is now $72 billion. We give all that money to the people of the world. We are told that they will pay it back. Of course we know that that is only a joke. In the meantime, what happens to Canada, our best customer, which takes 25 percent of all our export business? We will destroy that market.

I could go on all night. I am ashamed and shocked by what I have heard tonight on the floor of the Senate. Are we against communism, or are we not? Have we not had enough proof of the fact that we cannot buy friends? We have spent billions of dollars, and where are our friends? Now we are about to continue the effort to buy people. I predict that within a year we will be doing the same thing for Russia and China.

Mr. President, I am ready to vote.

Mr. DIRKSEN. Mr. President, I intend to support the proposal of the distinguished Senator from California. No apology is required on my part when I say that.

If Senators will examine the RECORD for July 24, 1956, when the proposal for military aid to Yugoslavia was before the Senate, the distinguished Senator from California offered an amendment to end that aid. I opposed him on that occasion. He prevailed at that time, and I supported the position of the administration. It was not a very easy thing to do. The most influential newspaper in the Middle West carried an editorial a few days later under the caption "Tito's Senators." I was listed as one of them. That is not a very happy situation to be in. However, I have no apology to make for supporting the position asserted by the Senator from California this evening.

In order to get this matter into context, we ought to think a little about the original act which is sought to be amended by the Kennedy amendment. I refer to the Battle Act, which was placed on the statute books in October 1951. It has been on the statute books for nearly 8 years. How strange that such an urgent to-do should be made about it tonight. Why did not someone come forward with such a proposal before this hour? There was time to do it last year. Conditions were ripe for it. There was time earlier in the year. Conditions were then ripe for it.

Out of a clear sky, the Battle Act, after having been the unquestioned law of the land for 8 years, now becomes the object of a very passionate and emotional interest on the part of the Senate. That to me is strange indeed. I ask members of the Committee on Foreign Relations, in all conscience: "How much time did you devote to the Kennedy amendment?" I have been unable to find out. If our distinguished friend from Minnesota refers me to the record, I can count words and measure them, if the record is any criterion, and say to him: "You did not spend more than 5 minutes on the revision of the Battle Act." If that statement requires any verification I suggest that we look at pages 183 and 184 of the hearings. There is contained the only allusion to it that I can find in the record before us.

That is not very good consideration of a law which had so much discussion and which has been on the statute books of this Republic for almost 8 years. Do not Senators believe that such a law is entitled to more consideration than that? I do, notwithstanding what the State Department may have to say. I am not certain that I know what the attitude of the State Department is, but I say incontrovertibly tonight that I know what the President's attitude is, because I raised the question at the White House this morning. I have never revealed until now, at any time, anything which has been disclosed in the conferences we have had with the President every week. But I think I can say—and if the President wants to scold me for it, I will graciously accept the scolding—that he is not very happy about amending, after so little consideration, a substantive act which has been on the books for 8 years, and then having the amendment incorporated in the mutual security bill which is before us tonight. I simply raise some questions about such a procedure.

It is well, ofttimes, to go back and refresh our memories about some of these things. What does the Battle Act provide? First, it contains a statement of policy:

> The Congress of the United States, recognizing that in a world threatened by aggression, the United States can best preserve and maintain peace * * * in cooperation with other free nations.

Has any nation been consulted? Have we heard from any of them? What will be the impact of the proposed action on those who may not agree with us? There may be free countries which would not care to extend that kind of aid. But that is what the Battle Act says in its statement of policy. Then the act continues:

> It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it—

That nation—

applies an embargo.

That is what Congress provided in the Battle Act. We said, in substance, that

if we send something to a certain country under the Mutual Defense Act, there is an implied promise that that country will not send it to another country which we do not like, and the act recites the countries or recites the orbit. What shall we do about it?

What do we think Germany will say? What do we think Italy will say? I do not know. I do not share the confidences of those people, I suppose. I do not share the confidence of Tito. I do not share the confidence of Khrushchev. I do not know what is in their minds.

But I do know what Congress wrote on the statute books, and I want to have some regard for it.

Is there such a hurry about this matter? Any Senator, in 5 minutes, can take a pocketknife and cut out the pertinent language of the bill, pin it to a piece of paper, ask that it be printed, and the next morning it will come from the Printing Office as a separate piece of proposed legislation to amend the Battle Act.

I ask the members of the Committee on Foreign Relations, How busy are you? Are you so engaged in work that you cannot give a couple of days' consideration to this question? Perhaps the Battle Act needs a lot more attention than we think it does. Perhaps there are other amendments which should be made. Perhaps there are other considerations which should be taken care of. It may not take so long. The committee has the authority to hold hearings and to get the whole story; and in a week a proposal can be before the Senate to amend the Battle Act, with the assurance to the Senate that it will have had more than 5 minutes of consideration.

I want to nail down one thing. I do not know what Mr. Dulles said about this; I have not talked to him. I do not know what Mr. Macomber said about it, although he was on the Hill tonight. But I do know what the President said this morning, and I think I am entitled to disclose that the President thought the proposal ought to have better consideration than it has received. He thought it was infinitely better legislative technique to have it considered separately than to bring it forward after so sudden consideration and then to make it a part of the mutual security bill.

This is a rather amazing procedure, in my judgment. I do not believe there is any need for such hurry. I would rather take a little time. I know all the fuss and feathers that went with it when the Battle Act was before the Senate for consideration and was amended on a number of occasions before it took its final form. That is the story.

There is another thing to which I invite attention. What does the language provide? This disturbs me a little. This is the language of the Kennedy amendment:

> This act shall not be deemed to prohibit furnishing economic and financial assistance.

Let me ask: How much financial assistance? How much is to be furnished all those countries, with the exception of those which are specified? Is there a limit? I have not been able to find it, and I have worked on this bill and tried to put it together. This is a very difficult bill to refer to section by section, paragraph by paragraph.

How much financial assistance will be given to Tito? What does financial assistance mean? In my book, it means money. It could be a loan; it could be a grant.

How much financial assistance will be given to Rumania? How much financial assistance to Bulgaria? I would like to know a little something about that.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KENNEDY. The bill does not provide for the authorization of an appropriation of any financial economic assistance. What it states is that nothing in this act shall prohibit the giving of economic or financial assistance until certain conditions are met. That is quite different from saying that it provides for an authorization, in any way, of economic or financial assistance to those countries. The bill merely states that the provisions of the Battle Act shall not apply and the prohibitions against giving economic and financial assistance shall not apply unless the President makes a determination that those countries meet three conditions. In that case, financial and economic assistance can be given, if it is according to the acts of Congress and according to the determination of the President.

Mr. DIRKSEN. Indeed, so. The language would not be here if it did not have that provision in it. If I had written the language, I would have written: "This act shall not be deemed to prohibit the furnishing of goods and services," if I had to go even that far.

Then there would have been another requirement. Before goods and services could be actually tendered, a determination would have to be made and the Committees on Appropriations of the House and Senate and the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs would have to be notified, and the matter disclosed to the country. Is that too much to ask? Then, if there should be a feeling of dissidence and protest, the people could say so. But I think they ought to be put on notice.

I would rather dispose of goods and services, if we had to, rather than to put the aid on the ground of economic and financial assistance, because that is where we will get into serious trouble. We have been charged with being niggardly with our own people. I would rather not issue an open-ended, blank check for financial assistance to countries with whom we have no spiritual affinity in the sense that we see eye to eye with them in the political medium.

I can say this without apology, because I defended the administration on the airplane deal with Yugoslavia 2 years ago on the floor of the Senate. I have felt the time has come to take a look at the situation; to be in no great haste about it; to consider for a moment what some of the other countries may have in mind. When all is said and done, the Battle Act states:

> In cooperation with other free nations.

Perhaps we ought to take a little time to ascertain their sentiments before we go entirely overboard. There is no hurry. Hearings can be held on the matter for a week, and the committee can then report an independent bill. We will then know a little more about the situation.

So if I had no other reason for supporting the amendment offered by the distinguished minority leader, this would be enough, indeed. I hope the Senate will not make this mistake tonight, but that it will take a little time to consider the question. If I divine the signs of the times, we shall be here for quite a while. I would not be a bit surprised if we were here until well into August. So there will be abundant opportunity to give attention to the matter and then to write a good provision.

So tonight I suggest to the Senate—and I apologize for detaining Senators at this late hour—that we simply stop, look, and listen, before we amend in such haste an act which has been on the statute books since October 1951. Until this good hour, there has evidently been no diligent effort to modify it. So I believe it deserves better than it has received tonight.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield for a question?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DIRKSEN. Mr. President, I was about to yield the floor. But I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, in the printed hearings, I find that the discussion of possible revision of the Battle Act, on pages 183 and 184, constitutes less than one full page of print.

Mr. DIRKSEN. That is correct.

Mr. LAUSCHE. Has the Senator from Illinois examined the printed hearings, to ascertain whether any other evidence on that subject is included among the total of 798 pages? I have examined the index; and from it I find that the only testimony on the Battle Act appears on pages 183 and 184.

Let me ask the members of the committee whether any other testimony on that subject appears in the printed hearings.

Mr. DIRKSEN. Mr. President, I yield the floor. Now my friend, the Senator from Ohio can assume the floor.

Mr. LAUSCHE. I have stated what I have in mind.

Mr. SALTONSTALL. Mr. President, I do not like to disagree with my leader or with the Senator from New Hampshire [Mr. BRIDGES] or with the Senator from Illinois [Mr. DIRKSEN] or with other Senators who have spoken in favor of the amendment of the Senator from California [Mr. KNOWLAND]. But it seems to me that the question before the Senate is a very simple and very clear one. It is not whether the State Department has wobbled this way or that way. Unquestionably, from what I have learned, the State Department has wobbled.

The question before the Senate is not whether the President wants this amendment of the Battle Act enacted into law

as a part of the Mutual Security Act of 1958 or by means of separate legislation.

We are faced with the problem of determining what is the best we can do for the security of the country, and to make it possible for our country to have the best possible foreign policy, so as to enhance the national security. Our foreign policy has been criticized severely for its lack of flexibility, its lack of imagination, its failure to do new things in new ways, its failure to do things which we hope may increase the security of the country.

Each Senator must decide this question for himself. I agree 100 percent with the statement made by the Senator from New Hampshire [Mr. BRIDGES], who said that the question before us is not what the administration or the President wants, although it is true that we should consider, as a part of the problem facing us, what we can do to help the Chief Executive obtain better security for the country.

Three alternative determinations have been set forth in the committee provision sponsored by my colleague from Massachusetts [Mr. KENNEDY], and one of those determinations must be made by the President as a precondition to suspension of the Battle Act prohibition in granting assistance of this sort. Before the assistance may be granted, the President must find that 1 of the 3 stated conditions will be satisfied. Each of these conditions is calculated to improve the security of the United States. When the President determines that one of those conditions will be met, economic and financial assistance may be furnished; and when he makes that determination, he must report the determination with reasons therefor to the appropriate committees of the Senate and the House of Representatives.

Regardless of whether the President would like to have such authority provided as a separate amendment of the Battle Act or as a part of the pending bill, we must decide whether giving him such authority will be for the greatest security of the country and whether it will provide greater opportunity for flexibility and imagination in the conduct of our foreign policy.

Mr. President, believing that the proposed amendment of the Battle Act contained in the bill will so provide, I shall support the position taken by the committee.

Mr. KENNEDY. Mr. President, will my colleague yield to me?

Mr. SALTONSTALL. I yield.

Mr. KENNEDY. The amendment does not provide funds for the giving of financial or economic assistance to any of these countries. Under the language of the amendment, there are no new funds the President can use to give such assistance to these countries.

We make barter arrangements under the provisions of Public Law 480 and sales for which they pay in their currency. This amendment would permit us to make loans to them of such currency. So the amendment does not provide funds for any economic or financial assistance. It removes the prohibition against the making of such loans if the President in his judgment finds it wise to make the loans.

Mr. DIRKSEN. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I am glad to yield.

Mr. DIRKSEN. Mr. President, if the Senator from Massachusetts is correct, except that the amendment will remove the present interdiction in the case of any funds which will become available under this act or at the discretion of the President. Is that correct?

Mr. KENNEDY. That is true. Under the section 401 contingency fund the President is already able to give assistance to a country such as Poland—as he did by means of the loan of $30 million which is being administered by the Export-Import Bank. In section 401 of the Mutual Security Act there is a limitation of $30 million per country per annum. The fact is that the President was able to do that under the existing provisions of the Battle Act, last year; and this amendment will not affect that provision.

Mr. DIRKSEN. But the question is, Will the President do it; and to what extent?

Mr. KENNEDY. We must stick to the point. The Senator's point was that the amendment provides funds for economic and financial assistance to be given to these countries. But the amendment does not do so. It merely removes the prohibition contained in the Battle Act in the case of economic or financial assistance to these countries.

However, I have already pointed out that under the section 401 contingency fund the President is already able to give such assistance to a foreign country; and last year he did so, to the extent of $30 million, notwithstanding the present provisions of the Battle Act.

Mr. DIRKSEN. That is exactly correct. And under the provisions of the pending bill, without this amendment, that authority will still be available.

Mr. KENNEDY. Yes, if the amendment is agreed to.

Mr. SALTONSTALL. Mr. President, I have the floor, and I wish to proceed.

Let me say that the situation is confused.

However, the question now before us is what will be in the best interests of the security of our country.

I agree with my colleague [Mr. KENNEDY] that the language in question does not itself authorize the furnishing of assistance; it would remove a prohibition on furnishing assistance authorized elsewhere. When the prohibition is removed, the Appropriations Committees will still have to decide how much money to make available for any assistance to be furnished.

We must determine whether we wish to give the executive branch of the government greater flexibility in the conduct of our foreign policy. In my opinion, it is very important that we do so at this time.

Mr. WATKINS. Mr. President, will the Senator from Massachusetts yield to me?

Mr. SALTONSTALL. I yield.

Mr. WATKINS. Mr. President, I am confused as to just what the President can do, if the amendment is agreed to, with respect to giving financial aid or economic aid to these countries. What will he be able to do, and under what laws?

Mr. SALTONSTALL. I am not a member of the committee; but it is my understanding that the amendment will remove a prohibition contained in the Battle Act which prevents the President from giving any aid to certain countries under certain conditions. It is my understanding that when, by means of the adoption of this section of the bill, that prohibition is removed, then, if the President finds that one of the stated conditions is met, he will be able, if he so desires, to extend economic aid. The amount to be appropriated for that purpose must be determined by the Congress.

Mr. WATKINS. Will the President then be able to make such aid available without the taking of further action by the Congress?

Mr. SALTONSTALL. No, not beyond what my colleague [Mr. KENNEDY] has described, and action must be taken by Congress by means of the appropriation bills.

Mr. WATKINS. And in accordance with what the Congress has stated.

Mr. SALTONSTALL. Yes; apart from contingency funds and loans the amount must be in accordance with what Congress decides, following the recommendations made by its Appropriations Committees, as to the proper amount.

My interpretation is that the Appropriations Committees may recommend that no additional money be made available for this purpose, or the Congress may decide not to make any money available for this purpose.

Mr. WATKINS. Then, as I understand, further action by Congress would be required.

Mr. SALTONSTALL. Yes; once the prohibition was removed, the enactment of an appropriation bill would be required.

Mr. WATKINS. Then I cannot understand how the amendment would be effective and why its adoption immediately is necessary.

Mr. KENNEDY. Mr. President, the adoption of the amendment in itself will not mean that additional funds for economic or financial assistance will be provided. But my amendment would make it possible, under the provisions of Public Law 480, for sales proceeds in foreign currency to be loaned back to other countries, or for dollar loans, through the Export-Import Bank to be made. This amendment would be the first step which would have to be taken before certain restrictions on economic or financial assistance could be removed. But in addition to this step, it would also be necessary for the Congress to act to provide funds.

Mr. WATKINS. Mr. President, it now appears that adoption of the amendment would have the effect of making it possible for our country to give such assistance, either by means of the Export-Import Bank or under some other law. So, in effect, this language con-

stitutes an authorization for the President to give relief through those agencies, without any further action by the Congress. Is that correct?

Mr. KENNEDY. The Senator can state it any way he chooses. I am stating there is no money given. It will be possible, when the bill is passed, to provide loans.

Mr. WATKINS. In other words, the countries get assistance, and effective assistance, running into the millions of dollars?

Mr. KENNEDY. They get effective assistance, I believe.

Mr. WATKINS. But no other money can be provided except by appropriation.

Mr. President, I have looked at the record. I have been very much disturbed. I wanted to go along with this program, but it seems to me if that is the effect of the Kennedy amendment, and its only effect, and the matter would still have to be acted on by Congress, we should give further consideration to it. I can find only one page of testimony about it. I voted for the Battle Act. As I remember, it was sponsored by a good Democrat from Alabama. I feel the act has been effective since it has been on the books. I should not like to see legislation of that kind wiped out by an amendment, when the committee did not hold a hearing on that point.

I think there is some merit to what I am saying. I should like to support the administration on the bill, but I am disturbed by the statements I have heard about following the President and having confidence in him.

If the proponents on the other side of the aisle have confidence in the President, why are they not willing to follow the President on a change of his mind? The President has stated now that he would like to have the change in some other legislation. The proponents are willing to trust him in great affairs, in connection with the spending of millions of dollars for foreign nations; but when the President makes a small change in his opinion of the way the law should be amended, the proponents will not accept that. Yet they take his leadership. How much sincerity is there in the claim that we should follow the President? Is not his judgment to be trusted in this case, as in other cases? A case has almost been made that the President should not be trusted. It is said that the President changes his mind too often. Yet the proponents want us to go along with the President, and to trust him in great affairs that affect the destiny of the whole world.

I have respect for the sincerity of the proponents, but it seems to me they are taking an inconsistent position. They say we should follow the President, and then they say the President wobbles in his position, and they ask how we can trust him. If those making the argument are sincere when they say they desire to trust the President, they should be willing to follow him when he says the best way to change the law is to do it by passing another bill.

Mr. NEUBERGER. Mr. President, I should like to ask the distinguished senior Senator from Wisconsin a question, if I may. Will he yield for a question?

Mr. WILEY. Is the Senator talking about me?

Mr. NEUBERGER. Yes. The senior Senator from Wisconsin is distinguished, and I should like to ask him a question.

I believe the Senator from Wisconsin spoke earlier this evening in favor of the Kennedy amendment. If I am not mistaken, the Senator from Wisconsin was at the conference at the White House with the President. May I ask the Senator what his impression is regarding the present position of the President of the United States on this issue?

Mr. WILEY. I doubt very much whether I am at liberty to tell what took place at the White House conference. I can say that the distinguished minority leader and I had a little discussion as to the meaning of this particular provision. I will also say the President and members of his Cabinet expressed themselves. But I shall not undertake to interpret the President's remarks. I understand that in another hearing the Secretary of State very definitely stated he was in favor of it. I may also say I have just come from a meeting where there was talk in that direction.

Mr. NEUBERGER. I should like to explain very briefly why I asked the question. I believe the attitude of the President of the United States on a question like this is very vital, particularly to Members of the Senate, who, like myself, are not experienced in foreign relations, and who do not serve on committees charged with foreign affairs.

We have heard this evening from a number of eminent Senators on the other side of the aisle. Many of those who have expressed themselves on this issue were present at the conference with the President. Some of them have come back to the Senate and have stated they are opposing the Kennedy amendment and feel that in doing so they are carrying out the wishes of the President. Others have said they are supporting the Kennedy amendment after their conference with the President.

It seems to me on an issue like this perhaps the Senate should have the views of the President of the United States in writing.

SEVERAL SENATORS. Vote! Vote!

Mr. MORTON. Mr. President——

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MORTON. In a recent colloquy I was questioned by the Senator from Missouri for implying he had jumped on me and my colleagues, when I was a member of the administration, about our rather loose implementation of the Battle Act. If I said anything wrong, I apologize to my friend, and state that I am sorry.

I refer to the hearings of the Permanent Subcommittee on Investigations of the Committee on Government Operations, 84th Congress, 2d session, for February 15, 16, 17, 20, and March 6. If my colleagues will read those hearings, I think they will be able to form their own conclusions.

Mr. HUMPHREY. Mr. President, does the Senator find any reference to the junior Senator from Minnesota being at the hearings, since the Senator included me?

Mr. MORTON. No. The junior Senator from Minnesota was not on that committee.

Mr. HUMPHREY. I thank the Senator. I was not present on the committee and was not a member of it.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 11 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a statement prepared by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES

I wish to call the Senate's attention to a dangerous departure from the policy and purpose of the mutual security program which has been proposed by the junior Senator from Massachusetts [Mr. KENNEDY] and which is included in the Mutual Security Act of 1958, as reported by the Senate Committee on Foreign Relations.

I refer to the amendment rewriting the Mutual Defense Assistance Control Act of 1951—the so-called Battle Act—to make it easier to provide economic and financial aid to such Communist satellite nations as Czechoslovakia, Hungary, Poland, and Yugoslavia.

Under the Battle Act no military, economic, or financial aid can go to any nation trading in arms, atomic-energy materials, or other strategic materials with the Soviet Union or Soviet-dominated nations. The President can make an exception in the case of shipments to the Soviet bloc of certain strategic materials other than arms and atomic-energy materials. He can continue aid to countries making such shipments if he certifies to the Congress that termination of aid would be detrimental to the security of the United States.

In effect present law says to satellite and other nations: If you want help from us, you cannot send war materials to our potential enemies. If you ship war materials to Russia and the countries it dominates, you cannot expect aid from us. But it even

modifies this restriction under special circumstances in the case of strategic materials other than actual implements of war and atomic-energy materials. Such a restriction is the very least we should impose upon nations receiving United States assistance under the Mutual Security Act.

But what does the Kennedy amendment propose? It proposes to subordinate this mild restriction except as it applies to Soviet Russia, Communist China, and North Korea. As to that exception, I must say: Well, I should hope so.

And what would the Kennedy amendment substitute? What restriction would it put on economic and financial assistance to Communist satellite nations? In brief, the Kennedy amendment would authorize the President to give aid to the satellites whenever he thinks such aid would encourage them to be more independent of Russia and Red China.

The Kennedy amendment would remove the Battle Act's restriction against economic or financial assistance to any nation except Russian, China, and North Korea. It would permit economic and financial assistance to encourage nations to be more independent of Sino-Soviet domination, even though those nations might be shipping arms, atomic energy materials, and other strategic items to the Sino-Soviet bloc.

The Kennedy amendment would go even further. It would permit the Administrator of the Battle Act—the Deputy Under Secretary of State for Economic Affairs—to continue aid to nations shipping certain strategic materials other than arms and atomic energy materials to satellite nations newly eligible for aid under the independence encouragement part of the amendment. Here again, I must say that such authority should be given to no one.

I remind the Senate of the purpose of the mutual security program, as it is clearly stated in the Mutual Security Act, section 2, statement of policy—(a) which says:

"The Congress of the United States recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent and continue to deny the rights of freedom and self-government to peoples and nations once free but now subject to such domination, declares it to be the policy of the United States to continue as long as such danger to the peace of the world and to the security of the United States persists to make available to free nations and peoples upon request assistance of such nature and in such amounts as the United States deems advisable compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom."

This is a long sentence. Essentially it says that the policy of the United States is to aid free nations maintain their freedom from domination by international communism which threatens the peace of the world and the security of the United States.

It does not say the policy and purpose is to aid Communist nations maintain their communism, nor does it say that it is to aid Communist satellite nations maintain their status of allegiance to or acceptance of communism in any degree.

In the same section, paragraph (c), the Mutual Security Act goes on to say: "It is the sense of the Congress that assistance under this act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibilities for self-government or independence." It does not say, under circumstances which will permit them to ship strategic materials to Russia and Red China to help international communism dominate the world.

I regret that the junior Senator from Massachusetts saw fit to offer his amendment.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Have the yeas and nays been ordered on the Knowland amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FREAR (when his name was called). On this vote I have a pair with the senior Senator from Oklahoma [Mr. KERR]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY], are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senators from New York [Mr. IVES and Mr. JAVITS], the Senator from Pennsylvania [Mr. MARTIN] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

The Senator from Wyoming [Mr. BARRETT] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from New York would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 43, nays 42, as follows:

YEAS—43

Allott	Ervin	Martin, Iowa
Anderson	Flanders	McClellan
Beall	Goldwater	Mundt
Bible	Hickenlooper	Potter
Bricker	Hoblitzell	Revercomb
Bridges	Holland	Robertson
Butler	Hruska	Russell
Byrd	Jenner	Smith, Maine
Chavez	Johnston, S. C.	Stennis
Cotton	Jordan	Talmadge
Curtis	Knowland	Thurmond
Dirksen	Kuchel	Watkins
Dworshak	Langer	Williams
Eastland	Lausche	
Ellender	Malone	

NAYS—42

Aiken	Case, N. J.	Douglas
Bennett	Case, S. Dak.	Fulbright
Bush	Church	Gore
Carlson	Clark	Green
Carroll	Cooper	Hayden
Hennings	McNamara	Saltonstall
Hill	Monroney	Smathers
Humphrey	Morse	Smith, N. J.
Jackson	Morton	Sparkman
Johnson, Tex.	Neuberger	Symington
Kefauver	Pastore	Thye
Kennedy	Payne	Wiley
Magnuson	Proxmire	Yarborough
Mansfield	Purtell	Young

NOT VOTING—11

Barrett	Javits	Murray
Capehart	Kerr	O'Mahoney
Frear	Long	Schoeppel
Ives	Martin, Pa.	

So, Mr. KNOWLAND's amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Illinois [Mr. DIRKSEN] to reconsider.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, on this question I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Illinois to reconsider. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORTON (when his name was called). On this vote I have a live pair with the Senator from Kansas [Mr. SCHOEPPEL]. If I were at liberty to vote, I would vote "nay"; if the Senator from Kansas were present and voting, I am informed that he would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senators from New York [Mr. IVES and Mr. JAVITS], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Kansas [Mr. CARLSON] and the Senator from Indiana [Mr. CAPEHART] are detained on official business.

If present and voting, the Senator from New York [Mr. IVES] would vote "nay."

The Senator from Wyoming [Mr. BARRETT] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from New York would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Kentucky [Mr. MORTON] and that pair has been previously announced.

The result was announced—yeas 45, nays 39, as follows:

YEAS—45

Allott	Ellender	Lausche
Anderson	Ervin	Malone
Beall	Flanders	Martin, Iowa
Bennett	Frear	McClellan
Bible	Goldwater	Mundt
Bricker	Hickenlooper	Potter
Bridges	Hoblitzell	Revercomb
Butler	Holland	Robertson
Byrd	Hruska	Russell
Chavez	Jenner	Smith, Maine
Cotton	Johnston, S. C.	Stennis
Curtis	Jordan	Talmadge
Dirksen	Knowland	Thurmond
Dworshak	Kuchel	Watkins
Eastland	Langer	Williams

NAYS—39

Aiken	Hennings	Pastore
Bush	Hill	Payne
Carroll	Humphrey	Proxmire
Case, N. J.	Jackson	Purtell
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Kefauver	Smathers
Clark	Kennedy	Smith, N. J.
Cooper	Magnuson	Sparkman
Douglas	Mansfield	Symington
Fulbright	McNamara	Thye
Gore	Monroney	Wiley
Green	Morse	Yarborough
Hayden	Neuberger	Young

NOT VOTING—12

Barrett	Javits	Morton
Capehart	Kerr	Murray
Carlson	Long	O'Mahoney
Ives	Martin, Pa.	Schoeppel

So the motion of Mr. KNOWLAND to lay on the table Mr. DIRKSEN's motion to reconsider was agreed to.

PROCESSES AND PROCEDURES IN ELECTIONS OF OFFICERS OF LABOR ORGANIZATIONS

Mr. MUNDT. Mr. President, this week the Senate Committee on Labor and Public Welfare is marking up a new piece of labor legislation to bring before the Senate, in conformity with its earlier agreement. I have before that committee Senate bill 3045, in connection with which I appeared as a witness.

As originally introduced S. 3045 provided that labor organizations would be denied the facilities of the National Labor Relations Board unless they showed to the satisfaction of the Board that their constitutions and bylaws contained the provisions for democratic practices in officer elections and strike authorizations which were set forth in my bill.

It was my feeling that the mere filing with the Board of the constitution and bylaws, containing provisions for democratic practices, would be accepted by the Board as a prima facie showing of compliance, and that no investigation would be required until and at such time as there would be a contested election or strike authorization. However, during my testimony before the Senate Labor Committee in behalf of S. 3045, certain members of the committee indicated that they felt mere filing would not suffice. These Senators advanced the argument that the language "show to the satisfaction of the Board" would make it incumbent upon the Board to conduct an investigation to determine if there was actual compliance with my constitutional provisions in every instance in which the Board's services might be requested by a particular labor organization. Although I am not thoroughly convinced that this is a proper interpretation of this language—it is certainly not my intent—I am nevertheless, willing to defer to the thinking of the members of the committee who deal regularly with the National Labor Relations Act and its judicial interpretations. I have, therefore, amended my bill to provide that the facilities of the NLRB will be denied, unless labor organizations file an affidavit with the Board declaring that their constitutions and bylaws contain provisions required by my bill. This language is identical to that contained in the non-Communist affidavit provisions of the National Labor Relations Act, and this affidavit should be accepted by the Board as a prima facie showing of compliance just as is the non-Communist affidavit presently accepted.

My bill as originally introduced provided generally for petitioning the Board in cases of alleged malpractices in elections and strike authorizations. I have now amended the bill by specifically detailing the methods to be followed, and the actions required by the Board in the event the allegations are determined to be true.

I have amended my bill so as to provide labor organizations with a broad opportunity to maintain their position before the Board, and only after a labor organization has completely refused to comply with Board orders in connection with elections and strike authorizations will my bill deny to them the services of the NLRB.

The PRESIDING OFFICER. The amendment will be received and printed and referred to the Committee on Labor and Public Welfare.

ACTIVITIES OF THE INTERNATIONAL COOPERATION ADMINISTRATION

Mr. DOUGLAS. Mr. President, we all recognize that the International Cooperation Administration, like other agencies of Government, has made some mistakes. Any program that reaches into so many areas of the world and faces such a complex variety of problems is bound to run into difficulties and at times to make errors of judgment. Where these are pointed out, we expect them to be remedied by the agency, and in general I believe this has been done.

At the same time the ICA has also been subjected to considerable unfavorable publicity and criticism for things that it has not done. One of my very good friends in Illinois recently sent me word about some of these extravagant charges. I was glad to forward them to the ICA for their comments, and Mr. Guilford Jameson, Deputy Director for Congressional Relations, has sent me a thoughtful reply based upon a careful investigation of all the facts.

In simple justice to the ICA, therefore, and for the information of Members who may have noticed these same charges, I ask unanimous consent that there be printed at this point in the RECORD a copy of my brief inquiry to the ICA and of Mr. Jameson's reply.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., April 21, 1958.

DIRECTOR,
International Cooperation Administration, Washington, D. C.:

One of my constituents has written to me about items testified to by Mr. Eugene W. Castle in the March 27 House hearings on foreign aid. We have written him a reply as to those questions covered in your duplicated answers to 85 questions. The following questions remain and we should appreciate answers that we may forward to our constituent completing our reply to his letter:

1. An underground parking garage in Brussels, Belgium.

2. A gambling casino in Le Havre, France.

3. A luxury hotel in Copenhagen, Denmark costing $23,000 per bedroom.

11. Harmonicas for lonely Yugoslav shepherds.

Your cooperation will be greatly appreciated.

Sincerely,

PAUL H. DOUGLAS,
United States Senator.

INTERNATIONAL
COOPERATION ADMINISTRATION,
Washington, D. C., May 20, 1958.

Hon. PAUL H. DOUGLAS,
United States Senate,
Washington, D. C.

DEAR SENATOR DOUGLAS: I am pleased to reply to your communication of April 21, in which information is requested on four items testified to by Mr. Eugene W. Castle in the March 27 House hearings on foreign aid.

Answers to the statements, as you have listed them, are as follows:

1. An underground parking garage in Brussels, Belgium.

This statement is incorrect, according to our information.

We know of only one garage which Mr. Castle could have had in mind in making this charge. It is an underground garage which was built as part of a pre-World War II project to connect the north and south rail stations in Brussels. Although the project for connecting the two stations, and permitting through rail traffic, was not completed until after the initiation of our aid program, the garage itself, according to the Belgian Foreign Ministry and the Ministry of Communications, was built in 1940. This was 8 years before we had a foreign-aid program for Belgium.

2. A gambling casino in Le Havre, France.

The charge is not true.

In a circular issued by the office of the special representative in Paris on June 3, 1950, all the ECA missions were instructed that even though casinos in Europe are important tourist attractions these projects are not to be financed with counterpart funds.

In connection with the specific French proposal to reconstruct the Le Havre casino the OSR circular referred to the following statement made to Congress by ECA:

"When ECA received recently the breakdown of the proposed expenditures from the French Government for tourism, it was noted that a contribution for the reconstruction of casinos in France was included. Casinos in France are leading civic centers including restaurants, auditoriums, etc., and are important producers of foreign exchange since they are frequented by foreign tourists. It is for this reason that the French Government submitted these projects. However, French casinos generally have facilities for gambling under French Government license as a side actiivty. Therefore, the French

proposal for reconstruction of the Le Havre casino was rejected by the ECA on the grounds that this would not be an appropriate use of counterpart funds."

3. A luxury hotel in Copenhagen, Denmark, costing $23,000 per bedroom.

Mr. Castle evidently was alluding to the use of counterpart funds, by the Danish Ministry of Commerce, to assist in financing the construction or modernization of a Copenhagen hotel which he does not identify.

Danish Kroner counterpart funds, equivalent to $2,346,000, were loaned by the Danish Government to help finance the construction and/or modernization of hotels in Denmark. These counterpart funds resulted from payments by the Danish Government in Kroner for imports of American surplus agricultural products and other commodities financed with foreign aid dollars provided by the United States. Inasmuch as the encouragement of tourism through this use of Kroner could contribute importantly to Denmark's foreign exchange earnings and shorten the period of dependence on external financial assistance, we concurred in Denmark's use of counterpart for such loans.

The implication in Mr. Castle's statement is that it was foreign aid alone which financed what he refers to as "a luxury hotel." The fact is that the loans from the Kroner counterpart account supplied only a portion of the amounts required for hotel construction or modernization. In the case of Hotel Mercur, for example, the financing is reported to have amounted to the equivalent in Danish Kroner of $1,317,000, representing $857,000 from a mortgage association, Danish savings banks loans of $290,000, and a Danish Ministry of Commerce counterpart loan equivalent of $170,000. The largest of the loans from the counterpart account was for the equivalent of $400,000 in Kroner (Hotel Europe).

We have not been able to find any justification for Mr. Castle's statement regarding the $23,000 cost "per bedroom." The Danish Ministry of Commerce estimates $6,000 as the prevailing construction cost of hotel rooms.

4. Harmonicas for lonely Yugoslav shepherds.

ICA records do not contain any information indicating harmonicas have been provided Yugoslavia under the mutual security program. Nor do published Yugoslav trade statistics, which show musical instrument imports in considerable detail, include any items since 1946 that could represent imports of harmonicas from the United States. In 1956 Yugoslavia imported $13,253 in harmonicas from West Germany and Czechoslovakia. However, ICA records show no imports of harmonicas from third countries financed by the United States.

Please call on us if we can provide you with additional information about our program.

Sincerely yours,

GUILFORD JAMESON,
Deputy Director for Congressional Relations.

UNEMPLOYMENT COMPENSATION

Mr. DOUGLAS. Mr. President, when the so-called unemployment compensation bill was before the Senate, I stated that in my judgment, if it were passed by Congress and signed by the President, there would be a great delay on the part of the States in accepting its provisions and in asking for loans from the Federal Government. I also stated that in my judgment the majority of the States in all probability would not ask for such aid and that, in effect, therefore, the law would be a dead letter in the States.

I ask unanimous consent that there be printed in the RECORD at this point in my remarks an article published in this morning's Wall Street Journal, which states: "Most States will balk at extending benefits through Federal loans."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of June 5, 1958]

MOST STATES WILL BALK AT EXTENDING BENEFITS THROUGH FEDERAL LOANS—SOME WANT NO HELP, OTHERS CITE DEBT LIMITS, BUT SOME INDUSTRIAL STATES ASK AID—IKE SIGNS BILL INTO LAW

The Government's scheme to extend jobless pay benefits, which President Eisenhower signed into law yesterday, probably will not aid long-unemployed workers in most States.

There are many reasons:

Most States are admittedly confused by the Federal program and how their own State regulations can be adjusted to it. Others are unwilling, or unable, to put it into effect any time soon. They have an option to refuse to participate; most will refuse.

Many employers are opposing State participation in the program because it portends higher payroll taxes and, they say, higher prices on their products.

Labor officials, though supporting the idea of lengthier unemployment benefits, plainly consider Washington's program seriously inadequate and unnecessarily involved.

LIGHT IMPACT

These views were gathered in a cross-country check with State, company, and union officials. They indicate the administration-supported measure, widely hailed as an effective antirecession move, is not likely to have much real impact in the months ahead on most States' unemployment compensation programs and those States' citizens most directly affected jobless workers.

There are exceptions, however, including some leading industrial States. Even in these States, the extension of jobless benefits will be delayed in some cases by the necessity of calling special sessions of the legislature to accept the optional Federal program.

Michigan, hard hit by the auto industry slump, is expected to call a special legislative session within the next few weeks to act to get into the Federal program; Governor Williams is for extension, though he has some misgivings about the program.

Minnesota's Governor Freeman this week called a special session of the State legislature for June 23 to act on extending jobless pay benefits to 45 weeks; today, workers exhaust these benefits after 26 weeks. Federal help would apply only to the first 13 additional weeks. State funds would pay for the rest of the extension.

Massachusetts lawmakers, now in session, are weighing the possibility of participating in the Federal program by altering a pending bill that would extend the payment period by a maximum of 13 weeks with State funds.

Wisconsin's Governor Thomson is planning to call a special session of the legislature to prolong jobless pay benefits, either through Federal loans or out of State reserves.

RHODE ISLAND, NEW YORK WILLING

Rhode Island and New York indicate they want to participate; Connecticut, on the other hand, suggests it is not interested.

Today, regional directors of the unemployment compensation system are to report in Washington, D. C., on whether States in their areas can be expected to join the Federal program and how soon. It's quite likely they'll tell the Labor Department a majority of State governments in their areas do not, for various reasons, expect to take part.

To understand why most States are shying away from the new Federal program, it's necessary to take a look at how the unemployment insurance program has traditionally functioned, and what the Federal Government now is offering to do.

Under the 1935 Social Security Act Congress induced States to set up unemployment insurance programs by levying a 3 percent tax on payrolls but permitting the States to substitute their own tax, with a 2.7 percent limit, if they established insuring programs of their own. Revenue from the other 0.3 percent was to be used by the Federal Government to pay for administrative costs of the jobless pay program.

TAXES CUT, BENEFITS UPPED

Over the years, many States reduced the payroll tax. This was done chiefly to make their States more attractive from the tax angle to businessmen looking for new plant sites. Today, few States levy the full 2.7 percent payroll tax. With prosperity, reserves grew, but weekly benefits were boosted as well.

As long as unemployment remained low during the postwar years, the States had little difficulty underwriting the cost of jobless pay outlays which in most places ran to a maximum of 26 weeks. But since the current recession began last year, many States have found their reserves shrinking fast. More serious, from the economic standpoint, many unemployed workers began exhausting their benefits and still were without jobs.

To ease their plight, and in the process pump new money into the Nation's sagging economy, Congress has approved a plan to temporarily lengthen the period of jobless pay benefits by up to 50 percent of the time limit now existing in the various States; in most cases, this would mean an additional 13 weeks, making the totally covered period about 39 weeks.

The measure gives the Government authority to advance funds for these longer payments to States which specifically ask for them. Any Federal money thus advanced would be repayable by the States within 4 years. If the advances had not been repaid by then, the Federal unemployment tax rate would be raised on employees in States that had not paid back the money.

The Government calculates the measure would cost the Treasury about $640 million right now—if all the States chose to participate, which they won't. It's figured the maximum number of currently eligible workers—those who have exhausted their benefits since last June 30 and still are without jobs—is about 1,478,000. Total unemployment now is about 5 million.

After signing the measure yesterday, Mr. Eisenhower asked Congress to appropriate an extra $665,700,000. Of this amount, $640 million would be for benefit payments and $25.7 million for administrative expenses. The new law becomes effective in 15 days and expires next April 1.

Chief complaint of State authorities is that the Federal money for extending benefits amounts to a loan, instead of a grant. This not only causes them financial pain; it immensely complicates the process they must go through to participate. Most State legislatures would have to be called into costly, and possibly politically risky, special sessions to approve their State's participation. Many governors, therefore, are reluctant to resummon the lawmakers.

Some State constitutions, moreover, set specific debt limits; authorities in several such States say these limits would be breached if they took part in the Federal program.

In Nebraska, for instance, a constitutional provision prohibits the State from going into

debt more than $100,000. Thus, says Attorney General Clarence Beck, the State apparently is barred from participating—unless a constitutional change was voted by the populace, which is highly unlikely. Missouri and Kentucky, among others, are in a similar predicament.

Many State officials confess confusion over just how the new Federal program can be adapted to their States. For one thing, many of the details of the plan's workings will not even be spelled out until the Federal Government issues its regulation. Labor Secretary Mitchell has helped to heighten the confusion by claiming the Federal advances would not be debts at all—because the States could merely allow payroll taxes to go up in 1963 to repay the money; many State officials, fearful of legal tangles, shy from this interpretation.

In West Virginia, State Attorney General W. W. Barron is trying to decide whether it will be necessary to call a session of the legislature before his State can participate. How long will it take him to decide? Says Mr. Barron: "It may take 2 days, 2 weeks, or even 2 months."

New York has a peculiar situation. State lawmakers passed legislation enabling the State to get into the Federal program back in April before the Federal measure was passed. But the State's action was based on the assumption Washington would provide grants, rather than loans. Now, the legislature must be called back into session to act again to participate. "We'll undoubtedly request legislative action," says Acting Industrial Commissioner Charles W. Halloran, "but there will be opposition." Prospects for approval, however, seem bright.

STATE VERSUS FEDERAL FINANCING

Some State authorities indicate they may extend jobless pay benefits—but pay for them out of State funds. "I object to the Federal funds," declares Ohio's Governor O'Neill, "because it would open the way to Government interference and possible eventual Federal control of the State's unemployment compensation system." He says he personally favors using the State's $543 million unemployment reserve fund for extending benefits an additional 13 weeks.

Some States just cannot afford to be that independent. Rhode Island, for instance, where employers have been paying the maximum 2.7 percent payroll tax for some time, has watched its reserve fund sink steadily to $26 million on April 30, down from $31 million in early March. "We no doubt will participate in the Federal program," says one State official. "The Governor will move just as quickly as the law allows."

Interest by State officials in the Federal program naturally varies in direct proportion to their appraisals of curent employment in their areas, which do not always jibe with appraisals by labor leaders. Many States, particularly in the less-industrialized areas in the South and West, flatly say they don't need help. Virginia, Texas, Oklahoma, Mississippi, Florida, Alabama, among others, take this stand.

TIME AND MONEY

Time and money considerations are persuading some State officers not to call special legislative sessions to participate in the Federal program.

"Even if I called a special session," says Oregon's Governor Holmes, "I could not limit it to this particular matter. Undoubtedly, the whole unemployment compensation problem would be opened up. By the time we did qualify for Federal aid, it probably would be well on toward the regular session next January."

States Floyd West, assistant director for Idaho's employment security agency in Boise, Idaho: "It isn't worth the chips of spending a couple of hundred thousands dollars on a special legislative session to get benefits for about 2,000 claimants." A spokesman for Governor Smylie notes, however, it may be possible for Idaho to take part in the program without new legislation but nobody yet is quite sure.

Politics clearly is exerting strong pressures in some States. In California, for example, Governor Knight hasn't yet made any official comment on his State's participation in the Federal program. State legislators think he may hesitate to call a special session because all kinds of other controversial subjects might be brought up.

LABOR IS DISSATISFIED

For the most part, labor leaders are hotly dissatisfied with the way the Federal program shapes up but most are reluctantly trying to make the best of it. Their main complaint is that the States are given the option to accept or reject the extension of jobless pay benefits. They claim most States thus far have failed to liberalize benefits and pay periods sufficiently and therefore are not likely to do any better now.

A. F. Hartung, president of the International Woodworkers of America, in Portland, Oreg., pretty well sums up the attitude of most union chiefs:

"I think the Federal bill is a poor one. I had hoped aid would come in the form of a Federal grant. But I certainly believe that it is better than nothing." Mr. Hartung says he believes many States just won't go to the trouble of calling a special legislative session to join the program.

If labor men are not fully satisfied with the new Federal program, neither are businessmen who will be paying the extra costs, if any, involved in extending jobless pay benefits. Their basic objection is that their taxes probably will be raised and these increased costs eventually will be reflected in their prices.

"Levies of this sort constitute hidden taxes, and the consumer ultimately pays them," declares a spokesman for Litton Industries, Inc., an electronics company headquartered in Beverly Hills, Calif. If the California Legislature adopts the necessary enabling legislation, he adds, "the tax would be anticipated in our pricing structure."

In Illinois, 5 employer organizations—the chamber of commerce, Illinois Manufacturers Association, Associated Employers of Illinois, the Retail Merchants Association and the Chicago Association of Commerce and Industry—are jointly opposing extension of jobless benefits as well as a special legislative session. Declares a Retail Merchants Association representative: "The bill is not good legislation. It departs from a basic principle of unemployment insurance—that unemployment is a State matter."

Illinois Governor Stratton hasn't yet decided whether to call the legislators into session. But, says a spokesman, "If there is a special session in Illinios, it will be called to extend only benefits that are supported by State funds."

Businessmen who support extension of jobless pay benefits frequently contend the outlays will add to people's income and, as one Texas oil equipment maker declares, "anything that will maintain consumer buying power is good."

But most industry officials are frankly skeptical the longer pay benefits will be much help. Observes T. S. Hoffman, director of industrial relations for Hoffman Electronics Corp. in Los Angeles:

"The long-range effect this bill will have in bolstering consumer income probably will not be large enough, or widespread enough, to increase general purchasing power or promote spending."

Mr. DOUGLAS. Mr. President, I also ask unanimous consent that an article on the same subject, published in the New York Times of June 1, be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 1, 1958]

FEW STATES WANT UNITED STATES JOBLESS AID—MOST REJECT THE OFFER OF LOANS WHICH THEY WOULD LATER HAVE TO REPAY

(By Richard E. Mooney)

WASHINGTON, May 31.—The pressures of recession and high unemployment were strong enough to jar the Federal-State unemployment insurance system, but not enough to produce even the temporary improvements sought by the administration.

The President's emergency request, filed with Congress 2 months ago, was the outstanding innovation in the administration's antirecession program. He sought temporary authority to use Federal funds for payments to workers who had been unemployed for so long that they had exhausted their rights to collect State-financed benefits.

This week he got what he asked for, with a restricting option. The emergency bill passed by Congress gives States the option of refusing Federal aid for their unemployed and it is expected that most will do just that.

BROAD OUTLINES

The Federal Government has set broad uniform outlines for unemployment insurance coverage from the beginning, in 1935, but the States have always held, and protected, the authority to determine the size of benefits paid and how many weeks an unemployed worker may collect them. The size and duration of benefits varies widely from State to State.

The forces that brought a limitation of the Eisenhower plan for temporary extension of the State benefits were several:

(1) States rights and business groups took their traditional stand in opposition to expansion of Federal activity in this field. The opposition is expressed as a matter of principle, but it is also based on dollars and cents because higher taxes are involved.

(2) Administration officials disagreed among themselves. Some argued that the system had been founded on an insurance principle and should remain so, with the payout to employees based on the payin by the employers. Further, they said, the States reserves for $8,500,000,000 are large enough to finance greater benefits if the legislatures enact them.

(3) Even among the supporters of Federal action, there was divided opinion as to how much. A number of Democrats and Eisenhower Republicans favored more temporary aid than the administration proposed, and still others and organized labor wanted Congress to make permanent improvements in the program while the issue was hot.

FEW OPPOSED

On the final vote, there were only 17 nays in the House and none in the Senate, but until then the Federal-aid forces were divided. The bill that won such overwhelming approval was essentially the administration plan, with the option inserted by a solid States rights business bloc.

As the President requested, the bill provides for the use of Federal funds to continue benefit payments to unemployed workers for half again as long as the payments they are entitled to under their respective State laws.

The Federal Treasury would be repaid for any payments made. Repayments would come through increases in the Federal tax on employers 4 years hence, unless the States volunteered to assume the burden before that. It is acknowledged in official quarters here that Congress might vote to forgive and

forget when the time comes, but only time will tell.

Federal payments would be made to any unemployed person who has exhausted his State-financed benefits since last July 1, if he is still unemployed, or to anyone who exhausts his benefits between now and next April 1. It is estimated that more than 3 million persons might be eligible for some $700 million of extra benefits if all State governments were to accept the Federal aid offered. But there's the rub.

The Labor Department officials who will administer the program predict that, barring a worsening of the unemployment situation, not more than a half dozen States will agree to the distribution of Federal funds within their borders.

Approximately one-quarter of the unemployed workers covered by unemployment insurance live in 6 or 7 States. Those are the States that are expected to accept, because they will be under intense pressure to do so. New York has already indicated that it would.

The primary reason for a State's not accepting the aid is a simple one and directly related to the reasoning behind the insertion of the option clause by both business men and many State governments have a mutual interest in keeping employers' taxes as low as possible. Business is naturally interested in low taxes and States want to attract new plants. Low employment taxes are used by many as a drawing card.

Even if every State were eager to receive the aid from Washington, each must go through the process of making a decision to that effect. A Senator who polled governors on this point found only a few who thought they had the power of decision in their own hands. Most thought it would require legislative action; constitutional amendment in a few States and a popular referendum in one. There are few, if any, State legislatures in session now. Thus, there are hurdles to be cleared before much aid could be extended.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

MUTUAL SECURITY ACT OF 1958—AMENDMENTS

Mr. ELLENDER submitted amendments, intended to be proposed by him, to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. JENNER submitted an amendment, intended to be proposed by him, to House bill 12181, supra, which was ordered to lie on the table, and to be printed.

ADJOURNMENT TO 11 A. M. TOMORROW

Mr. FREAR. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 11 a. m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 44 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, June 6, 1958, at 11 a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 5 (legislative day of June 4), 1958:

SECURITIES AND EXCHANGE COMMISSION

Edward N. Gadsby, of Massachusetts, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1963.

THE COAST AND GEODETIC SURVEY

The following-named persons for permanent appointment to the grades indicated in the Coast and Geodetic Survey, subject to qualifications provided by law:

To be lieutenants (junior grade)

Lawrence L. Seal	Dale V. Bedenkop
Larry H. Clark	Joel P. Porcher
Allen J. Lewis	Richard G. Hajec
Vastine C. Ahlrich	William A. Hughes
G. Thomas Susi	Joseph M. Rodgers
James K. Richards	James R. Schwartz
Jordan S. Baker	Verle B. Miller

Richard H. Garnett, Jr.

To be ensigns

Richard E. Alderman	Ronald L. Newsom
James B. Allen	Harvey A. Peterson
Karl R. Anderson	Edward L. Talbot
Lawrence S. Brown	James A. Ten Eyck
Charles A. Burroughs	Charles K. Townsend
David Cummings	Richard L. Turnbull
Glenn DeGroot	Phillip W. Ward
Wesley V. Hull	Dunston Wingfield, Jr.
Frederick A. Ismond	David I. Wolsk
Arthur C. Korn	

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 5, 1958

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Ephesians 4: 25: *We are members one of another.*

Almighty God, in whose presence there is fullness of joy, help us to appreciate what a sacred blessing it is to worship Thee, who art our salvation, and strength, and the source of the true, the beautiful, and the good.

May we see the elemental and eternal truth that humanity is a family and that there is one heart in the world, having love, sympathy, and understanding as the ways to it.

Grant that, as all the members of the human family have a common nature, a common need, and a common destiny, so may they have that spiritual mindedness which seeks likenesses, not differences, and unites underlying diversities.

We earnestly beseech Thee for the coming of the day when justice and righteousness, mercy and truth, peace and good will, shall have the place of preeminence in the life of all mankind.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1959

The SPEAKER. The unfinished business is the further consideration of the bill (H. R. 12738), making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes, which the Clerk will report by title.

The Clerk read the title of the bill.

The SPEAKER. The question is on the amendment reported from the Committee of the Whole House on the State of the Union which, without objection, the Clerk will report.

There was no objection.

The Clerk read as follows:

On page 6, line 15, strike out "$2,901,400,000" and insert "$2,946,400,000."

On page 8, line 24, strike out "$3,039,208,000" and insert "$3,078,208,000."

On page 11, line 15, strike out "$1,644,600,000" and insert "$1,659,600,000."

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MAHON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 225, nays, 159, not voting, 47, as follows:

[Roll No. 87]

YEAS—225

Abernethy	Dent	Ikard
Adair	Denton	Jarman
Addonizio	Dollinger	Johansen
Albert	Donohue	Johnson
Alexander	Dooley	Jones, Ala.
Anderson, Mont.	Dorn, N. Y.	Judd
	Dorn, S. C.	Karsten
Andrews	Doyle	Kean
Anfuso	Durham	Kee
Ashley	Dwyer	Kelly, N. Y.
Ashmore	Eberharter	Keogh
Aspinall	Edmondson	Kilday
Avery	Elliott	Kilgore
Bailey	Engle	King
Baldwin	Everett	Kitchin
Bass, Tenn.	Evins	Kluczynski
Beckworth	Fallon	Lafore
Bennett, Fla.	Farbstein	Landrum
Bennett, Mich.	Fascell	Lane
Berry	Feighan	Lankford
Blatnik	Fino	Latham
Boland	Flood	Lennon
Bolling	Flynt	Libonati
Bonner	Fogarty	Loser
Bosch	Forand	McCarthy
Boykin	Forrester	McCormack
Boyle	Fountain	McDonough
Bray	Frazier	McFall
Breeding	Friedel	McGovern
Brooks, La.	Fulton	McIntire
Brooks, Tex.	Garmatz	McIntosh
Broomfield	Gathings	McMillan
Brown, Ga.	Gavin	Madden
Brown, Mo.	Gordon	Matthews
Byrd	Granahan	Merrow
Byrne, Pa.	Grant	Metcalf
Canfield	Gray	Mills
Carnahan	Green, Pa.	Mitchell
Carrigg	Gross	Moore
Celler	Hagen	Morgan
Chelf	Haley	Morrison
Chenoweth	Harden	Moss
Church	Hardy	Multer
Clark	Harris	Murray
Coad	Harvey	Natcher
Coffin	Hays, Ark.	Nicholson
Cooley	Hays, Ohio	Nimtz
Cramer	Healey	Nix
Cretella	Hébert	Norrell
Cunningham, Iowa	Hemphill	O'Brien, Ill.
	Holifield	O'Hara, Ill.
Davis, Ga.	Holland	Osmers
Dawson, Ill.	Holtzman	Passman
Delaney	Huddleston	Patman
Dellay	Hull	Patterson

Perkins	Rooney	Thompson, N. J.
Pfost	Roosevelt	Thompson, Tex.
Philbin	Rutherford	Thomson, Wyo.
Pilcher	Sadlak	Thornberry
Poage	St. George	Trimble
Polk	Schenck	Ullman
Porter	Scott, N. C.	Van Zandt
Preston	Seely-Brown	Vinson
Price	Selden	Wainwright
Rains	Shelley	Watts
Reuss	Sieminski	Whitener
Rhodes, Ariz.	Sikes	Widnall
Riley	Simpson, Ill.	Willis
Rivers	Sisk	Wilson, Calif.
Roberts	Smith, Miss.	Winstead
Robsion, Ky.	Spence	Wright
Rodino	Staggers	Yates
Rogers, Colo.	Steed	Young
Rogers, Fla.	Talle	Zablocki
Rogers, Mass.	Teague, Tex.	Zelenko
Rogers, Tex.	Teller	

NAYS—159

Abbitt	Halleck	Neal
Alger	Harrison, Nebr.	Norblad
Allen, Calif.	Harrison, Va.	O'Hara, Minn.
Allen, Ill.	Haskell	O'Konski
Arends	Henderson	Ostertag
Ayres	Heriong	Pelly
Baker	Heselton	Poff
Barden	Hess	Prouty
Bass, N. H.	Hiestand	Quie
Bates	Hill	Rabaut
Baumhart	Hillings	Ray
Beamer	Hoeven	Reece, Tenn.
Becker	Hoffman	Reed
Betts	Holmes	Rees, Kans.
Bolton	Holt	Rhodes, Pa.
Bow	Horan	Riehlman
Brown, Ohio	Hosmer	Robeson, Va.
Brownson	Hyde	Robison, N. Y.
Broyhill	Jennings	Saylor
Budge	Jensen	Scherer
Burdick	Jonas	Schwengel
Burleson	Jones, Mo.	Scott, Pa.
Bush	Kearns	Scrivner
Byrne, Ill.	Keating	Scudder
Byrnes, Wis.	Kilburn	Sheehan
Cannon	Kirwan	Siler
Cederberg	Knox	Simpson, Pa.
Chamberlain	Krueger	Smith, Calif.
Chiperfield	Laird	Smith, Va.
Collier	LeCompte	Springer
Colmer	Lesinski	Stauffer
Corbett	Lipscomb	Taber
Coudert	McCulloch	Teague, Calif.
Cunningham, Nebr.	McGregor	Tewes
	McVey	Tollefson
Curtin	Macdonald	Tuck
Curtis, Mass.	Machrowicz	Udall
Curtis, Mo.	Mack, Ill.	Utt
Dague	Mack, Wash.	Vanik
Dawson, Utah	Magnuson	Van Pelt
Dennison	Mahon	Vursell
Derounian	Mailliard	Walter
Devereux	Mason	Weaver
Dingell	May	Westland
Dixon	Meader	Wharton
Fenton	Michel	Whitten
Ford	Miller, Md.	Wier
Frelinghuysen	Miller, Nebr.	Wigglesworth
Gary	Miller, N. Y.	Williams, N. Y.
George	Minshall	Wilson, Ind.
Glenn	Montoya	Withrow
Green, Oreg.	Morano	Younger
Griffin	Moulder	
Griffiths	Mumma	

NOT VOTING—47

Andersen, H. Carl	Fisher	Pillion
	Gregory	Powell
Auchincloss	Gubser	Radwan
Baring	Gwinn	Santangelo
Barrett	Hale	Saund
Belcher	Jackson	Sheppard
Bentley	James	Shuford
Blitch	Jenkins	Smith, Kans.
Boggs	Kearney	Sullivan
Buckley	Knutson	Taylor
Christopher	Marshall	Thomas
Clevenger	Martin	Thompson, La.
Davis, Tenn.	Miller, Calif.	Tollefson
Dies	Morris	Vorys
Diggs	O'Brien, N. Y.	Williams, Miss.
Dowdy	O'Neill	Wolverton

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Boggs for, with Mr. Vorys against.

Mr. Auchincloss for, with Mr. Jenkins against.

Mr. Thompson of Louisiana for, with Mr. Diggs against.

Mr. Buckley for, with Mr. Clevenger against.

Mr. O'Neil for, with Mr. Smith of Kansas against.

Mr. O'Brien of New York for, with Mr. James against.

Mr. Santangelo for, with Mr. Gwinn against.

Mr. Barrett for, with Mr. Bentley against.

Until further notice:

Mr. Williams of Mississippi with Mr. Pillion.

Mr. Miller of California with Mr. Gubser.

Mrs. Sullivan with Mr. Hale.

Mr. Marshall with Mr. H. Carl Andersen.

Mr. Christopher with Mr. Taylor.

Mr. Morris with Mr. Wolverton.

Mr. Sheppard with Mr. Jackson.

Mr. Shuford with Mr. Belcher.

Mrs. Knutson with Mr. Tollefson.

Mr. Dies with Mr. Radwan.

Mr. Baring with Mr. Kearney.

Messrs. BURDICK, REED, and NEAL changed their vote from "yea" to "nay."

Mr. SEELY-BROWN changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday an amendment to the defense appropriation bill, offered by the gentleman from New York [Mr. DORN], to replace in the bill an item of $35 million for advanced procurement of a second nuclear-powered super aircraft carrier for the fiscal year 1960 was rejected.

In rejecting this amendment, a tragic mistake was made.

From 6 to 8 months and perhaps a year in time has been lost. The purpose of this amendment was to save this time. If there is any sense of direction at all in our national defense program, it is to bring our defenses to a high efficiency level as soon as possible in order that the security of this Nation will not be in jeopardy. The time lost in the construction of this nuclear-powered carrier could well result in very serious tragedy.

Considering all of the factors involved in our national defense, military, and weapons systems, and the political-diplomatic field, the great super carrier of the United States Navy stands today and for the foreseeable years ahead as the most dependable and resourceful instrument in the Nation's defense. To fail to recognize this fact is to be blind to realities. In limited wars or in a great general war, sea-based air power is the greatest military asset of this Nation. In case of conflict we must not only be completely able to keep the sea lanes open but we must control the seas and we must be able to get our air power to any of the far-flung places of the world that is necessary. In many of these areas, the only place an airplane could possibly take off and land is from a great sea-based aircraft carrier.

Think of it, think of how shortsighted and foolish it is to deny this appropriation of $35 million. Think of the billions this Nation has handed out to countries of the world for the benefit of those countries. I am not saying that this should not have been done, but I am calling attention to the fact that this $35 million is for the benefit and security of the United States of America through the investment in the development of a great new nuclear-powered aircraft carrier so necessary at this time.

Sometimes I am led to believe that some of those I have heard speak recently and some who have taken positions against the development of the aircraft carrier possess very little information upon the subject. I do not represent myself to be an authority on such a highly technical matter. Certainly I would not consider myself in a position to disagree with the Joint Chiefs of Staff, the Secretary of Defense, and the President of the United States, all of whom have stated the need and have requested the construction of this nuclear-powered superaircraft carrier.

In order to bring to the attention of the House very precisely and accurately the value of the great aircraft carrier with nuclear power, I shall refer to some questions and answers about aircraft carriers recently published. I think these questions and answers bring considerable fundamental knowledge to the comprehension of the value of the superaircraft carrier at this time and in the foreseeable future:

QUESTIONS AND ANSWERS ABOUT AIRCRAFT CARRIERS

Question. What is an attack aircraft carrier?

Answer. An attack aircraft carrier is the most powerful and versatile warship yet devised by seafaring mankind.

The attack aircraft carrier is the developed expression of the American concept of seapower and of sea-based airpower in this nuclear age.

It is our basic weapons system for the application of sea-based nuclear striking power in global war or as a deterrent against hostile attack on our homeland.

It is likewise our basic weapons system for the flexible and graduated use of sea-based power (both nuclear and conventional) to deter or defeat limited or localized attempts at aggression by any enemy.

Question. What is meant by control of the sea?

Answer. The ability to use the sea for our own purposes, and in war to deny such use to the enemy.

Under modern conditions, control of the sea involves not only control of the use of the sea's surface, but of the airspace above that surface and of the water depths beneath the surface.

Question. Why do these ships have to be so big? Couldn't we build smaller carriers more cheaply?

Answer. We could certainly build smaller carriers for less money, but we would not get the same proportionate results, ton for ton, in offensive and defensive qualities.

The size of capital ships—whose main business is fighting—has always been governed primarily by the size and number of the weapons the ship is designed to carry.

Today, the offensive power of our Navy "is measured by the striking power of our

carrier aircraft. This striking power is ineffective if the carrier cannot operate the aircraft." [1]

The speed, range, and weapons capacity of naval aircraft have been increasing at spectacular rates. Along with these improved military capabilities came very great increases in the weight of the aircraft. This means higher take-off and landing speeds. On land, the answer is 10,000-foot runways—more room to attain take-off speed, more room to slow down after landing. Since a 10,000-foot ship is not practicable, carriers must provide acceleration for take-off and deceleration on landing by mechanical means.

Acceleration is provided by steam catapult.

Deceleration is provided by arresting gear.

In both cases, the limiting factors are (1) the tolerance of the human body; (2) the structural strength of the aircraft and other gear. These factors demand: (1) Catapults not less than 250 feet long; (2) a landing area of not less than 500 feet, and preferably 600 to 650 feet. Tactical requirements demand that the carrier be able to launch and recover aircraft at the same time, and under all weather conditions. Flexible operation and availability of all aircraft are needed. The angled deck and the deck-edge elevator are among the means by which the modern carrier satisfies these operational requirements.

Question. Doesn't the Soviet Navy have any aircraft carriers?

Answer. None whatever, of any type.

Question. Why not?

Answer. Because the Soviet Navy is not designed for the positive purpose of seeking control of the sea, but for the negative purpose of trying to deny the use of the sea to its opponents—especially the United States. Therefore the Soviet Navy does not build sea-control weapons systems, but sea-denial weapons systems such as submarines and raiding cruisers, supplemented by land-based aircraft and minelaying.

The history of sea warfare teaches us that such attempts at denial are always the expedient adopted by a power which is too weak in capital ships to fight for control of the sea. History also teaches us that such attempts have uniformly ended in failure, though the idea continues to have a seemingly irresistible attraction for the statesmen of countries more habituated to land than to sea warfare, such as Russia—or Germany, in World Wars I and II. It is commonplace to hear it said that the German submarine campaigns almost succeeded. But in war, almost is synonymous with defeat.

Question. Can't a submarine sink an aircraft carrier?

Answer. As a practical matter, one Soviet submarine would have very little chance of sinking a large United States attack aircraft carrier unless she was lucky enough to get something like 12 torpedo hits. The hulls of these big carriers are very heavily constructed and divided into many watertight compartments. (There are 1,241 such compartments in the *Forrestal*.) Damage control measures enable the ship's crew to minimize the effect of underwater injuries. A single torpedo hit or even two or three would not only fail to sink the ship but might not even seriously impair her fighting capabilities.

However, it is unrealistic to consider one submarine against one carrier. Attack aircraft carriers do not usually operate alone in wartime; Soviet submarines would have to deal not just with carriers, but with attack carrier striking groups.

[1] Adm. Arleigh A. Burke, Chief of Naval Operations, U. S. Navy—Air Operations in Naval Warfare Reading Supplement, U. S. Naval Institute, 1957.

Question. What is an attack carrier striking group?

Answer. It is a tactical unit for sea warfare with a balanced composition of offensive and defensive elements. A typical group of this kind might consist of two or three attack aircraft carriers, two or more cruisers armed with surface-to-air guided missiles, and eight to twelve destroyers with antiaircraft and antisubmarine weapons. Such a carrier group might be accompanied by an antisubmarine hunter-killer group, consisting of an antisubmarine support carrier and six destroyers. Shore-based patrol planes and blimps might cooperate when within range of their bases. "Killer" submarines might also be present.

Question. Isn't such a huge mass of ships easy for submarines to find and attack?

Answer. By no means. The days when fleets steamed in anything like mass formation are past. An attack carrier task group such as has been described would normally be spread out over 30,000 to 35,000 square miles of ocean—an area about the size of the State of Maine. Yet the whole force, thanks to modern naval communications, can be handled as a unit under the continuous control of the group commander.

Question. Why is a carrier group such a difficult and dangerous submarine target?

Answer. The attacking submarine must first get safely to sea from a base which perhaps is already being watched by our aircraft and killer submarines and may at any moment become a target for carrier-based nuclear weapons. She must locate the carrier group, which means she must either surface to communicate with friendly aircraft (and thus risk detection and destruction) or she must be very lucky. She must get past an outer barrier of antisubmarine aircraft and an inner barrier of destroyers and helicopters, avoiding detection by any of the electronic devices provided for that purpose. She must then locate and identify a carrier, outwitting various means of deception. Finally, she must get into a favorable position and deliver her attack. If the carrier is steaming at 20 knots or more, as will almost invariably be the case when submarine attack is considered feasible, this last business of attaining a favorable attack position is by itself very close to impossible for a submerged submarine with a conventional propulsion system.

Question. Would a nuclear-powered submarine have a better chance?

Answer. In two respects, yes. A nuclear-powered submarine can stay at sea longer than one with conventional machinery, so she can spend more time searching for enemy shipping. Also she is capable of much higher sustained speed under water, so that she has a better chance of avoiding attack and of attaining a favorable position to launch her own attack against a high-speed target. It should not, however, be assumed that there is anything about a nuclear-powered submarine that makes it automatically easier for her to locate and identify an aircraft carrier. In any case, as previously observed, the successful operation of nuclear submarines at sea requires considerable experience; by the time the Soviet Navy has produced operational nuclear submarines in any number, and acquired the necessary experience to use them effectively, much improved United States antisubmarine weapons and devices will be available. Finally, it must be kept in mind that to count on sinking or totally disabling one of our attack aircraft carriers, several submarines (of any type) would have to penetrate all the defenses and deliver attacks on the same carrier.

Question. Then the whole Soviet ballistic missile setup is useless against carriers and other naval targets?

Answer. That's right. In the present and the foreseeable future state of the missile art, a ballistic missile fired at a moving target is a missile wasted. To hit a moving target, the weapon must be guided to the target by a means which can anticipate or follow the target's movements and thus bring the weapon and the target together. That requires either a human eye which can see the target, plus a means of guiding the weapon, or it means an electronic guidance system with some kind of homing device. In practical sea warfare where the destruction of a carrier is the object, the human eye alone can be sufficiently selective to identify the carrier from other ships.

Question. Does that mean that piloted aircraft can attack carriers successfully?

Answer. Piloted aircraft can probably deliver attacks against carriers with a greater chance of success than can submarines. Their margin of advantage, however, is not a very wide one.

This applies particularly to shore-based aircraft, whose radius of action against sea-based targets cannot be extended by moving their base conformably to the movements of the target. As regards the particular problem of United States carriers versus the shore-based aircraft of the Soviet naval air arm, the striking radius of the heavy attack aircraft operated by the carriers is roughly the same (1,500 miles or a little more) as that of the medium bombers which form the principal Soviet attack element. The operational advantage of the moving base is clear. The carrier striking group commander knows where the hostile air bases are. He knows when he is within the strike radius of their aircraft. He will keep moving at high speed while he is within that radius, and he will stay there only long enough to get off his own strikes and recover his aircraft. This restricts the time the shore-based Soviet aircraft have to discover, identify, and attack the carriers, in face of fully alerted defenses—since the carrier group's defensive elements will certainly be on their toes every minute that they are within reach.

What this adds up to is that the carrier group, approaching from sea areas uncontrolled by the Soviets, will enter its operating zone with a measurable possibility of effecting surprise, whereas the Soviet aircraft will have no hope of surprising the carriers.

Question. Then would the Soviet shore-based planes have to keep up a continuous watch over all sea areas from which carrier-based planes might attack Soviet targets?

Answer. That would be the theoretical ideal; in practice it will be well nigh impossible. There are several "fronts" for sea-based attack against the Soviet Union. This will give Soviet air patrols a lot of ocean to keep watch upon.

On all the fronts where the Soviet Union can be struck from the sea, there are complicating geographical factors. Some are favorable to the carriers. Others are not. In the Arctic, the southern limit of the ice pack restricts the area to be searched. On the southern front, the Mediterranean Sea is a lot smaller than the oceans. Carriers striking from the Arabian Sea would be operating at extreme range to reach significant targets unless they ventured into the restricted and shallow waters of the Persian Gulf. In the Pacific, defense of the Soviet Maritime Province would be extremely difficult, and of Soviet air bases on the Chukotski Peninsula at the northeastern tip of Siberia or in Kamchatka still more so. Thus the Soviet search problem has different aspects in all these possible zones of activity.

Question. How would the Soviet shore-based planes go about trying to locate and attack our carrier striking groups?

Answer. In thinking this problem through, we might follow Napoleon's advice about not "making pictures to oneself." The picture of a high-yield nuclear weapon bursting above an aircraft carrier can certainly be captioned "Scratch One Carrier"—except

that there ought to be a second caption asking "But Did That Bomb Ever Get There?" Let's see what it would take to put it there:

The search of open ocean areas with airborne radar equipment is not a difficult matter if one only wants to determine whether any ships are present in the search area. The difficulty for the Soviet search pilot would be first to identify the ships as enemies, then to identify the carrier or carriers, which are the prime targets he is looking for, and finally to remain alive long enough not only to make this identification but to get the word back home.

The very second he opens up his search radar within radar range of a carrier striking force, he announces his presence and his relative location. From that second he becomes the object of attention of the fighter patrols which are constantly in the air around the farther perimeter of the task force, and if he succeeds in penetrating the perimeter he comes within reach of guided missiles from cruisers and destroyers.

He is now sure he has found enemy ships, and the presence of fighters tells him there is at least one carrier down there somewhere. But the carrier group commander knows there is a Soviet plane coming in on him, too. Devices for deceiving the Soviet search radar will therefore be in operation. The capacity and versatility of the electronic countermeasures which can be operated from a carrier, a cruiser, or even a 4,000-ton antiaircraft frigate are greatly superior to anything of the sort than can be lugged around in an airplane. Without going into details, it can be said that to differentiate a carrier from a destroyer or an oiler, say, by means of the shape or size of the "blip" on a radar screen, can be rendered virtually impossible. During the "Strikeback" exercises in the Norwegian Sea in the autumn of 1957, search aircraft had to approach close enough for visual identification to make sure they had located a carrier. Radar can also be deceived as to the number of ships present.

This difficulty as to identification of the target would, of course, be an even more serious problem for the bomber pilot carrying a nuclear weapon which he does not want to waste on an inferior target. Supposing that the search aircraft has survived long enough to report that he has located a carrier task group, and to give its approximate location and course, the bombers must then come out to attack it.

The hazards they must face include detection by early warning aircraft, guided missile attack, and the carrier group's fighter aircraft. All these defenses will of course be on full alert. Electronic countermeasures to deceive and divert the attackers will also be in use. The range of both early warning aircraft and missiles, and the combat capabilities of fighters, are increasing very rapidly. A carrier task group probably has the most versatile and formidable defenses of any bomber target in today's world, taking into account its mobility.

Thus if only 2 hours elapse between the first alert and the arrival of the bombers over the sea area where a carrier has been reported, the carrier (steaming at no more than 20 knots) could be anywhere in an area of 6,000 square miles. The bombers will have to search, too—and stay alive until their search is completed in air dominated by the defensive power of the carrier strike group.

Methods of attack on carriers by shore-based aircraft include the use of nuclear bombs and/or nuclear-armed torpedoes (which can be more safely used by aircraft than by submarines). Air-to-surface missiles can extend the range at which the aircraft can release nuclear weapons provided target identification has first been obtained. The problem of identification remains the central difficulty for the attacking aircraft. This is a problem which is further compounded by conditions in the operating area; thus in the Mediterranean or the North Sea, many ships varying in size from supertankers to fishing boats (and in wartime, minesweepers, patrol craft, net tenders, all the maritime miscellany incident to coastal operations) are likely to be present in the carrier's operating area. Irregular coastlines and offshore islands offer further confusion to the attacking aircraft and opportunities for carrier concealment. On the other hand, they may afford fixed bearings which will aid both in search and attack.

It would be wrong to suppose that carriers cannot be successfully attacked by aircraft with nuclear weapons. However, as between a carrier strike force at sea and shore-based bombers, the iron dice of war are heavily loaded in favor of the carrier force.

It may be added that in case of a near miss with a nuclear weapon, the tremendous strength of the carrier's hull and frame offers great resistance to blast, and the washdown techniques now standard in our Navy can quickly rid the ship of radioactive fallout.

Question. How will the use of improved aircraft and of surface-to-surface missiles by carrier striking groups affect this problem?

Answer. It will increase the radius of carrier attack capabilities, forcing the Soviets to watch ever-widening sea areas. It will also reduce the time that carriers have to remain within reach of the defending Soviet planes. In the design of attack carriers, adaptability to new weapons concepts is a continuing factor; for example, the steam catapult is so designed as to be able to launch guided missiles (Regulus II) with great efficiency. Maximum efficient operation of all weapons systems adaptable to carrier-based use or envisaged as becoming operational within the 20-year life span of the carrier is a basic principle of attack carrier design. Carriers now coming into service will be operating piloted aircraft for many years to come, but they will also be operating missiles of increasing efficiency, and no hard-and-fast prophecies can be made as to exactly how, when, and to what degree the balance between aircraft and missiles will be adjusted to future requirements and to future breakthroughs in weapons developments.

An attack aircraft carrier represents a 20-year investment of a very large sum of money. She must be—and is—so designed as to give a full return on that investment in terms of fighting efficiency. Weapons system now in production, in the experimental stage or still on the drawing board will increase the fighting efficiency not only of future carriers, but of those now in service. The entire design process maintains a careful balance between the ships and the weapons they must be prepared to operate.

Question. Can the Soviets build satellites capable of tracking and reporting the movements of our aircraft carriers?

Answer. As a practical matter, no. The observation system would have to be optical to be of any use—that is, to be able to distinguish a carrier from other shipping. With such a system, the smaller the object to be observed and identified, the smaller the zone of observation. A satellite, to avoid destructive atmospheric friction, must circle the earth at heights of not less than 300 miles. Now imagine trying to see a ship 300 miles away—either with the human eye or with the eye of a camera. It is possible to devise an optical system that will do this, but it must be focussed, so to speak, on a very small area. Satellites circle the earth every 90 to 100 minutes at heights of 300 miles. To maintain continuous watch over the oceans and report the movements of identifiable shipping would require something like 50 satellites in constant operation. Even assuming that the information obtained from these satellites could be coordinated and translated into useful military data, the task of doing so would be of enormous proportions, and the electronic system would be so susceptible to jamming or deception as to make it doubtful whether it would be worthwhile to build it in the first place. Moreover, since the orbits of all satellites can be predicted with considerable accuracy, commanders of carriers will know when they are due to enter a satellite's scanning zone and can take artificial measures for concealment; for instance, artificial colored mists or arrangements of deck lights to make the carrier indistinguishable from the sea around it. These measures do not have to last long, as the scanning period is only a few seconds. This is to say nothing of the effect of weather: clouds, mist, fog, and haze. It may be added that the problems involved in antisatellite procedures, both passive and active, are receiving constant attention.[2]

Question. Will we still need carriers after we have plenty of submarines with Polaris ballistic missiles?

Answer. Certainly. The effective use of all sea-based weapons depends on control of the sea. The Polaris-armed submarine is a one-purpose weapons system; it exists solely for the mission of launching nuclear weapons against fixed land targets, or of exercising a deterrent restraint on the enemy by its ability to do so. In itself it contributes little to the control of the sea, the medium in which it operates. The attack aircraft carrier, as already stated, is the fundamental means for establishing and maintaining control of the sea. Every sea-based weapons system can be used far more freely and effectively by the Navy which has control of the sea than by the opponent which must use evasion in order to operate at sea at all. Moreover the deterrent effect of Polaris and all other forms of sea-based striking power is greatly increased by the factor of uncertainty introduced into enemy calculations by lack of any means of anticipating their movements, which is one of the penalties of inability to control the sea.

Question. Can the Polaris ballistic missile be fired from an aircraft carrier?

Answer. Plans are now under consideration for fitting our new carriers with Polaris systems. This is part of the application of the principle of flexibility in carrier design. Looking still farther ahead, a Polaris battleship—a heavily protected ship designed primarily as a strategic ballistic missile base—might find a useful place in our arsenal of sea-based weapons. The unfinished battleship *Kentucky* is available as a prototype for such a design.

Question. Can the Soviets maintain control of the sea in enclosed waters close to their shores, such as the Baltic and Black Seas and the Sea of Okhotsk?

Answer. No, except on a temporary basis. Short-range aircraft, small coastal submarines and motor torpedo boats, supplemented by short-range guided and ballistic missiles, can, if used in large numbers, make it dangerous for our surface vessels to operate in such waters—but only until the forward fixed bases of these weapons systems have been eliminated by attacks launched from beyond their range.

Question. Couldn't Soviet missile-armed submarines attack our own coastal areas?

Answer. Provided we make full use of our control of the sea, they will have great difficulty in doing so effectively. Attacks on their bases with nuclear carrier-based weapons, detection of and attack on submarines en route (especially in the narrow seas which submarines emerging from the Arctic or the Baltic must use to gain the open Atlantic), and a thorough system of antisubmarine search and defense in our home waters are all made possible—and increasingly effective—by exploiting to the fullest degree the control of the sea, of which the

[2] See as to value of satellies for mapping land areas—a very different problem, of course, from that of identifying and tracking moving objects.

aircraft carrier is the fundamental instrument, giving freedom of action to our use of all other sea weapons. (See further the discussion of this subject in ch. VI, as to conditions likely to prevail in the years 1960–61.)

Another very telling description of the value of our aircraft carriers in modern warfare was described as recently as the week of May 25–31 in the Honolulu Advertiser. This article appearing in the column of Mr. Henry Aurand and undoubtedly written by a person well informed on the subject, makes a dramatic case for the aircraft carrier and sea-based forces. The article follows:

EXPLOIT THE HIGH GROUND

(By a guest of Henry Aurand)

The seas are no longer protective barriers shielding the Americas—they are the high ground of the modern global battlefield. This high ground surrounds and commands the continental islands of the world. The struggle for control of this area of pre-eminent military advantage is going on now.

Hundreds of years ago when warfare came in small packages, towns were taken by siege. The townspeople suffered with the army. With the advent of artillery, the general took his army out of the city onto the high ground which commanded the approaches to it. Here he was free to maneuver and conceal his forces. He could bring the enemy within short range and secure greater accuracy. The townspeople were happy with this move because counterfire aimed at the artillery would not destroy their homes. The general knew that although an aggressor can choose when to fight, a wise defender may choose where the battle will be fought by the way he deploys his forces.

Today with missile-launching submarines, ICBMs, and supersonic bombers, the battlefield can be anywhere on the surface of the globe. The terms line, front, flank and rear no longer have meaning in global tactics. No rocket pad, missile site or bomber base is secure because it is far away from the enemy. Nothing is out of range, there is no security in distance, all targets on earth can be reached. Schilling Air Force Base, Kansas is near the geographic center of the United States—the heart of America. It can be reached by missile-firing submarine, ICBM or supersonic bomber almost as easily as any other place in the United States.

We don't want a big battle to be fought in the heart of the United States, but as surely as we base our main striking power in our own abdomen, the aggressor will strike at our vitals in order to destroy this striking force and in the process might disembowel us completely with fallout. Our friends overseas who are more familiar with war inside their own borders feel likewise about their internal arrangements and have little stomach for basing our firepower inside their vitals.

Why should we put our artillery in our village square or those of our friends when we can choose a battlefield that is much more to our advantage? The artillery belongs on high ground, out on the open sea, close to the enemy, with room to maneuver, plenty of concealment, and the accuracy that short range provides. If the enemy strikes, let not one shot aimed at our artillery destroy a home, or one shot aimed at a factory destroy a gun.

There are few modern weapons that cannot be based at sea and be more effective because of the added mobility. Missile-firing submarines, aircraft flying nuclear weapons from carrier striking forces, and helicopter-borne amphibious forces all can carry the war to the enemy and away from the United States. If the enemy attacks these sea-based striking forces, the destructive power and radioactivity unleashed is spent on the vast ocean wastes and not on our beloved homeland regardless of the outcome of the battle.

With our heavy artillery based at sea, the enemy will never dare strike an all-out blow against the United States. He will be compelled to look for other Koreas and Indochinas. Here again we can use the high ground of the sea to prevent such aggression. Naval forces—attack-carrier forces and amphibious forces have played primary roles in beating back the onslaughts in the Far East and making bluffs out of threats in the Middle East. They have shown their ability to wield the scalpel as well as the meat-ax.

If we are to use this high ground, we must keep the enemy from gaining control of it. We must be able to destroy his submarines and ships off our coasts, in the middle of the oceans and in their home waters. As long as we can do this, the high ground of the sea is there for us to exploit.

In conclusion of my remarks today, Mr. Speaker, again I want to emphasize the importance of time and how tremendously necessary time is to a nation building adequate defenses for the protection of its security and its freedom. This is the position of the United States of America today. It is beyond my comprehension how anyone possessing full information relating to the facts of our defenses and of the world situation could possibly vote to reject the $35 million so necessary for the commencement of certain construction necessary in the building of this nuclear-powered super aircraft carrier.

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 390, nays 0, not voting 41, as follows:

[Roll No. 88]

YEAS—390

Abbitt	Bray	Curtis, Mass.
Abernethy	Breeding	Curtis, Mo.
Adair	Brooks, La.	Dague
Addonizio	Brooks, Tex.	Davis, Ga.
Albert	Broomfield	Dawson, Ill.
Alexander	Brown, Ga.	Dawson, Utah
Alger	Brown, Mo.	Delaney
Allen, Calif.	Brown, Ohio	Delay
Allen, Ill.	Brownson	Dennison
Anderson, Mont.	Broyhill	Dent
Andrews	Budge	Denton
Anfuso	Burdick	Derounian
Arends	Burleson	Devereux
Ashley	Bush	Dingell
Ashmore	Byrd	Dixon
Aspinall	Byrne, Ill.	Dollinger
Avery	Byrne, Pa.	Donohue
Ayres	Byrnes, Wis.	Dooley
Bailey	Canfield	Dorn, N. Y.
Baker	Cannon	Dorn, S. C.
Baldwin	Carnahan	Doyle
Barden	Carrigg	Durham
Barrett	Cederberg	Dwyer
Bass, N. H.	Celler	Eberharter
Bass, Tenn.	Chamberlain	Edmondson
Bates	Chelf	Elliott
Baumhart	Chenoweth	Engle
Beamer	Chiperfield	Everett
Becker	Church	Evins
Beckworth	Clark	Fallon
Bennett, Fla.	Coad	Farbstein
Bennett, Mich.	Coffin	Fascell
Berry	Collier	Feighan
Betts	Colmer	Fenton
Blatnik	Cooley	Fino
Boland	Corbett	Flood
Bolling	Coudert	Flynt
Bolton	Cramer	Fogarty
Bonner	Cretella	Forand
Bosch	Cunningham, Iowa	Ford
Bow	Cunningham, Nebr.	Forrester
Boykin	Curtin	Fountain
Boyle		Frazier
		Frelinghuysen
Friedel	Libonati	Riley
Fulton	Lipscomb	Rivers
Garmatz	Loser	Roberts
Gary	McCarthy	Robeson, Va.
Gathings	McCormack	Robison, N. Y.
Gavin	McCulloch	Robsion, Ky.
George	McDonough	Rodino
Glenn	McFall	Rogers, Colo.
Gordon	McGovern	Rogers, Fla.
Granahan	McGregor	Rogers, Mass.
Grant	McIntire	Rogers, Tex.
Gray	McIntosh	Rooney
Green, Oreg.	McMillan	Roosevelt
Green, Pa.	McVey	Rutherford
Griffin	Macdonald	Sadlak
Griffiths	Machrowicz	St. George
Gross	Mack, Ill.	Saylor
Gwinn	Mack, Wash.	Schenck
Hagen	Madden	Scherer
Haley	Magnuson	Schwengel
Halleck	Mahon	Scott, N. C.
Harden	Mailliard	Scrivner
Hardy	Martin	Scudder
Harris	Mason	Seely-Brown
Harrison, Nebr.	Matthews	Selden
Harrison, Va.	May	Sheehan
Harvey	Meader	Shelley
Haskell	Merrow	Sieminski
Hays, Ark.	Metcalf	Sikes
Hays, Ohio	Michel	Siler
Healey	Miller, Md.	Simpson, Ill.
Hébert	Miller, Nebr.	Simpson, Pa.
Hemphill	Miller, N. Y.	Sisk
Henderson	Mills	Smith, Calif.
Herlong	Minshall	Smith, Miss.
Heselton	Mitchell	Smith, Va.
Hess	Montoya	Spence
Hiestand	Moore	Springer
Hill	Morano	Staggers
Hillings	Morgan	Stauffer
Hoeven	Morrison	Steed
Hoffman	Moss	Taber
Holifield	Moulter	Talle
Holland	Multer	Teague, Calif.
Holmes	Mumma	Teague, Tex.
Holt	Murray	Teller
Holtzman	Natcher	Tewes
Horan	Neal	Thomas
Hosmer	Nicholson	Thompson, La.
Huddleston	Nimtz	Thompson, N. J.
Hull	Nix	Thompson, Tex.
Hyde	Norblad	Thomson, Wyo.
Ikard	Norrell	Thornberry
Jarman	O'Brien, Ill.	Tollefson
Jennings	O'Brien, N. Y.	Trimble
Jensen	O'Hara, Ill.	Tuck
Johansen	O'Hara, Minn.	Udall
Johnson	O'Konski	Ullman
Jonas	O'Neill	Utt
Jones, Ala.	Osmers	Vanik
Jones, Mo.	Ostertag	Van Pelt
Judd	Passman	Van Zandt
Karsten	Patman	Vinson
Kean	Patterson	Vursell
Kearns	Pelly	Wainwright
Keating	Perkins	Walter
Kee	Pfost	Watts
Kelly, N. Y.	Philbin	Weaver
Keogh	Pilcher	Westland
Kilburn	Poage	Wharton
Kilday	Poff	Whitener
Kilgore	Polk	Whitten
King	Porter	Widnall
Kirwan	Preston	Wier
Kitchin	Price	Wigglesworth
Kluczynski	Prouty	Williams, N. Y.
Knox	Quie	Willis
Krueger	Rabaut	Wilson, Calif.
Lafore	Rains	Wilson, Ind.
Laird	Ray	Winstead
Landrum	Reece, Tenn.	Withrow
Lane	Reed	Wright
Lankford	Rees, Kans.	Yates
Latham	Reuss	Young
LeCompte	Rhodes, Ariz.	Younger
Lennon	Rhodes, Pa.	Zablocki
Lesinski	Riehlman	Zelenko

NOT VOTING—41

Andersen, H. Carl	Dowdy	Powell
Auchincloss	Fisher	Radwan
Baring	Gregory	Santangelo
Belcher	Gubser	Saund
Bentley	Hale	Scott, Pa.
Blitch	Jackson	Sheppard
Boggs	James	Shuford
Buckley	Jenkins	Smith, Kans.
Christopher	Kearney	Sullivan
Clevenger	Knutson	Taylor
Davis, Tenn.	Marshall	Tollefson
Dies	Miller, Calif.	Vorys
Diggs	Morris	Williams, Miss.
	Pillion	Wolverton

So the bill was passed.

The Clerk announced the following pairs:

Mr. Boggs with Mr. Auchincloss.
Mr. Christopher with Mr. Jackson.
Mr. Williams of Mississippi with Mr. Jenkins.
Mr. Buckley with Mr. Smith of Kansas.
Mrs. Sullivan with Mr. Radwan.
Mr. Santangelo with Mr. Clevenger.
Mr. Diggs with Mr. Pillion.
Mrs. Knutson with Mr. Scott of Pennsylvania.
Mr. Sheppard with Mr. Taylor.
Mr. Shuford with Mr. Wolverton.
Mr. Marshall with Mr. James.
Mr. Fisher with Mr. Hale.
Mr. Miller of California with Mr. Vorys.
Mr. Dies with Mr. Bentley.
Mr. Davis of Tennessee with Mr. Kearney.
Mr. Morris with Mr. Gubser.
Mr. Baring with Mr. Tollefson.
Mr. Dowdy with Mr. Belcher.
Mr. Gregory with Mr. H. Carl Andersen.

Mr. O'KONSKI changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SCOTT of Pennsylvania. Mr. Speaker, during rollcall No. 88, I was in a conference with the secretary of labor of Pennsylvania concerning area-assistance legislation. Had I been present on the floor at the time of this rollcall I would have voted "aye."

I ask unanimous consent that this statement may be included in the RECORD at the conclusion of the proceedings under rollcall No. 88.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CIVIL SERVICE RETIREMENT ANNUITY INCREASES

Mr. MURRAY submitted a conference report and statement on the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

FEDERAL EMPLOYEES' SALARY ADJUSTMENTS, 1958

Mr. MURRAY of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 734) an act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, disagree to the amendments of the Senate to the House amendment, and request a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. MARTIN. Mr. Speaker, reserving the right to object, just what is the gentleman calling up now?

Mr. MURRAY of Tennessee. I am requesting a conference on the amendments approved by the Senate to the bill S. 734.

Mr. MARTIN. Does the minority Member, the gentleman from Kansas [Mr. REES] agree to it?

Mr. MURRAY of Tennessee. Oh, surely. We discussed it this morning.

Mr. MARTIN. I am advised there is no objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. MURRAY, Mr. MORRISON, Mr. DAVIS of Georgia, Mr. CORBETT, and Mr. REES of Kansas.

RECESS

The SPEAKER. The House will stand in recess subject to call of the Chair.

Thereupon, at 11:57 a. m., the House stood in recess.

JOINT MEETING OF THE TWO HOUSES OF CONGRESS TO HEAR AN ADDRESS BY HIS EXCELLENCY THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY

The SPEAKER of the House of Representatives presided.

At 12 o'clock and 24 minutes p. m. the Doorkeeper announced the President pro tempore and Members of the United States Senate, who entered the Hall of the House of Representatives, the President pro tempore taking the chair at the right of the Speaker, and the Members of the Senate the seats reserved for them.

The SPEAKER. On the part of the House the Chair appoints as members of the committee to escort His Excellency the President of the Federal Republic of Germany into the Chamber the gentleman from Massachusetts, Mr. MCCORMACK, the gentleman from Massachusetts, Mr. MARTIN, the gentleman from Pennsylvania, Mr. MORGAN, and the gentleman from Illinois, Mr. CHIPERFIELD.

The PRESIDENT pro tempore. On the part of the Senate the Chair appoints as members of the committee of escort the Senator from Texas, Mr. JOHNSON, the Senator from California, Mr. KNOWLAND, the Senator from Rhode Island, Mr. GREEN, the Senator from Montana, Mr. MANSFIELD, and the Senator from Illinois, Mr. DIRKSEN.

The Doorkeeper announced the following guests, who entered the Hall of the House of Representatives and took the seats reserved for them:

The Ambassadors, Ministers, and Chargé d'Affaires of foreign governments.

The members of the President's Cabinet.

At 12 o'clock and 32 minutes p. m. the Doorkeeper announced His Excellency the President of the Federal Republic of Germany.

His Excellency the President of the Federal Republic of Germany, escorted by the committee of Senators and Representatives, entered the Hall of the House of Representatives and stood at the Clerk's desk. [Applause, the Members rising.]

The SPEAKER. Members of the Congress, I deem it a high privilege, and certainly it is a great pleasure to me, as I am sure it is to all of you, to welcome into this Chamber a man who represents a great, a proud, and a free people; and, as I said when I presented the Chancellor to this House, a people who are determined to remain free. [Applause.]

I take pleasure in presenting the head of the German Government, the President of the Federal Republic of Germany. [Applause, the Members rising.]

ADDRESS BY HIS EXCELLENCY THEODOR HEUSS, PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY

The PRESIDENT. Mr. Speaker, Mr. President, Members of the Congress of the United States, permit me first to make a personal remark.

I have chosen not without hesitation to address this august assembly in my own language. I would much rather have addressed the Congress of the United States in English—and have established thereby, perhaps, a more immediate communication with Members of both Houses. But I have come reluctantly to the conclusion that my command of your language is not what it used to be—that it has, in fact, become somewhat rusty. I must ask your indulgence, therefore, to allow me to speak to you in German.

I am grateful to President Eisenhower for his invitation because it gives me an opportunity to see for myself the reality of these United States. I think I know a little about this country's history. I know many of its citizens and I have had a great many discussions about the development and mentality of the people of this vast country. But already I feel that I shall not advance on my visit here beyond some very modest elementary lessons; and I, who have written a number of books, promise you that I shall not write a book as an expert on the United States when I return home. Nor do I want to compete with de Tocqueville. The dimensions to be grasped compel humility. But I do appreciate the honor of being able to address this distinguished assembly whose debates and acts today profoundly influence the world's destiny. It is a world responsibility which the American citizen has not sought but which he does not shirk.

I shall speak to you with the utmost candor. After Hitler's recklessness had forced the United States as well into his war, a shadow fell upon the American view of the German people: Every German seemed to be a Nazi. Today there is not much point in complaining about this distortion of the picture. After 1945 I said to many an officer of the occupation forces: You, who have never experienced the meanness and technical perfection of a totalitarian dictatorship, you are in the happy position in which you cannot even imagine the terrible moral pressure to which a people can be subjected. When we attempted, after 1945, to reestablish something like public life on the basis of justice and democracy we, too, suffered much distress resulting from an outlook distorted by the passions of war. After a time, however, we saw how the reality of German life, little by little, was understood and interpreted.

Ten years ago I said that this was something quite new in world history: Up to May 8, 1945, the American citizen had to pay heavy taxes in order to destroy the German State whereas after May 8 he had to pay taxes in order to save the German people. But there was not merely the taxpayer's burden which after a few years was absorbed into the grand design of the Marshall plan which, in turn, had evolved from the Hoover report. In addition there was the aid given by the individual American, by the churches, the charitable organizations, by the countless and uncountable men and women no matter whether they were of German origin or not. The love of one's fellow man dissolved fear and hatred. I do not come to you as a petitioner. I wish simply to express my gratitude for the action which your Government has taken as well as for the help rendered by millions of individual Americans. The material side of this assistance was important but not decisive: It gave us moral uplift and encouragement. Without the help of the United States it would have been inconceivable for 10 million Germans expelled from their homeland to be offered food, work and shelter. The fact that week after week several thousand people flee to the West from intellectual and spiritual slavery in the Soviet-occupied zone continues to weigh heavy on the Federal Republic—their numbers have swelled to many hundreds of thousands. That stream of human beings is at once a lasting grievance and a perpetual reproach.

I do not wish to take up the time at my disposal by discussing, in terms of personalities, the German contribution to the growth of American statehood and the development of the American way of life. But I think I may say this much: The two great Presidents of the United States, who have become legendary figures, come to mind—George Washington knew that he could depend on the solid work of organization done by the German General von Steuben just as Abraham Lincoln could rely on the German champion of freedom, Carl Schurz, the most prominent representative of the many young Germans who came to the United States in quest of those civic and political rights for which they had fought vainly in Germany in 1848. The liberal and idealistic element represented by those groups was easily integrated into the American historical concept. And this concept was expanded and strengthened by the tradition of diligent, skillful labor of the millions of people of German descent who have been absorbed—for which they are grateful, I may say—into the substance of the American Nation.

We in Germany found ourselves in a strange situation after 1945. The people were exhausted and starving; the attitude of many toward the victorious powers was "Do what you like with us." At that time the reproach was heard—also from this country—that the Germans were sorry for themselves. There was something in that. But with the coming of a sound currency and of the Marshall plan, people in Germany saw that there was purpose again in hard work and effort. So the Germans set to work and put life into their economy again. In 1949 and 1950, I told prominent American businessmen frequently that the Marshall plan funds were well invested in Germany. Can you hold this against a people that they have regained economic strength through industriousness and skill, and thanks to the economic commonsense displayed by the United States which was the essential condition for German economic recovery? I find nothing more interesting than to read in some newspapers of the Western World—though not in the United States—that the Germans are once more becoming imperialists because they have more or less recovered their share of the world's market. Surely, there is no imperialism but much useful work in building sturdy cranes and manufacturing medical supplies.

During the past 50 years Germany has had the misfortune to acquire the reputation of being the nation which embodied, so to speak, eternal unrest and overweening ambition. A hundred years earlier—following the French revolution and the first Napoleon—other countries enjoyed this reputation. It would seem to me a good idea to get rid of such clichés encountered here and there in newspapers and schoolbooks.

We, all of us, must shed this habit of thinking, while, at the same time, not abandoning our traditional values. The German people—who here and there are still strangely suspected of exemplifying aggressive nationalism—existed as the Holy Roman Empire, as a European entity, imbued with a sense of responsibility toward Europe as a whole. And that was at a time when Spain, Britain, France, and later Russia, had long embarked upon a very concrete policy of expansion. I do not say this because I want to engage in polemics against historic events of bygone centuries—that is always a senseless thing to do—but in order to make the discussion about our present situation a little easier.

It is remarkable: The Korean crisis—a scene of secondary importance in the traditional European concept of history—has laid open, both materially and psychologically, the fundamental issue—respect for law or for arbitrary power, for violent action or for free self-determination. I cannot here dwell on this. But I can say what the effect has been on us in Germany. National freedom—including that aspect of it which concerns the social order—is a value which must be defended. It must be defended not only by those who are immediately affected but by all those to whom peace is a value per se and democracy a moral value. Believe me, it was not easy in Germany to explain the duty to do military service to the man-in-the-street who had been persuaded by propaganda that his military service had been some sort of crime because the supreme command had been in the hands of criminals. And yet it was possible to establish in people's consciousness the natural feeling—that he who cherishes the security of his native soil and the maintenance of freedom must also help to safeguard them.

You must not expect of me a detailed exposition of our domestic German difficulties. National reunification not only remains the object of German longing but also the prerequisite for Europe's recovery. The slogan of coexistence may imply the coexistence of different ideologies in different national territories but it is absurd to base it on a relationship of total power on the one hand and total impotence on the other, which—look at the situation of 1945—disrupts a nation and denies it democratic self-determination.

The settlement of the Saar question has shown that a patient policy which recognizes democratic rights can lead to a happy result. An onerous burden has been lifted from German-French understanding, the cornerstone for strengthening an all-European consciousness. The German and the French people have equally contributed to this success and thereby have at long last brought about a good neighborly relationship between the two countries.

This much is evident: The Germans know where they belong. Their history, their intellectual and Christian-religious traditions have made them an integral part of what is called the Western World. On this point there can be no neutrality for us. There is something disquieting in the fear sometimes expressed in the Western press: Tomorrow they will reach an understanding with Soviet totalitarianism—that is what we term the "Rapallo complex"—or in the specter sometimes evoked in Germany: Washington and Moscow will come to an agreement and Germany will be the victim. It was very important to us—reassuring in a way—that President Eisenhower repeatedly made it very clear how much he felt Germany's tragic partition to be one of the heaviest mortgages on Europe's future. We shall never, never forget how President Truman by means of the so-called airlift in 1948-49, with the approval of the entire American people, saved Germany's old capital of Berlin—literally saved it—and thus decided the fate of Europe at a crucial point. The Germans, too, have perceived it as their duty to participate as free and active partners in the potentialities of peace and freedom implicit in this concept of the fate of Europe. Hence, the Federal Republic's loyal cooperation in the overall defense planning of NATO. Never again in the future shall German and American soldiers fight each other. And we realize that the sacrifice made by American mothers in having their sons in German garrisons—not, indeed, for the purpose of preparing wars but to prevent them by their presence and thereby to secure the democratic way of life for the future—we realize that this sacrifice corresponds to the great sense of duty which marks your tradition of liberty. And I am pleased to be able to state that, apart from a few unhappy incidents, many good, personal, and even, in some cases, family connections have developed, as well as much fruitful cooperation in the cultural and intellectual spheres.

It is not the case—as simple-minded people sometimes will have it—that it

took two lost wars to force the Germans into the school of democracy. One of my pleasant memories is how a scholarly American officer in 1945 or 1946 explained to me that not only the Americans but also the Germans should know more about Germany's old democratic traditions which were preserved amidst the absolutism of the princes, and he gave me a lecture about the self-government of the old free and imperial cities of Germany. I have never forgotten this conversation, which struck a chord in my own family tradition. That was, indeed, a great German contribution to the evolving burgher civilization. And here, I suppose, is the point of contact and of mutual stimulation between the two sides. Behind us lie the bad times when the exchange of views and of knowledge was stopped. It is among the agreeable experiences of our time that people, through exchange visits, have been able to get to know one another; tens of thousands of Germans were able to absorb in this country the breath of your intellectual and political climate. And we on our part are glad to see the many Americans visiting our country once more—not only to see the romantic Rhine, which 100 or 50 years ago was the main attraction for travelers, but to acquaint themselves with our people, their achievements and their opinions.

I am coming to the end now, grateful that you have listened to me with patience. Believe me that our Germany will never again depart from the path of democracy and freedom. It is our sincere resolve to be good and dependable allies. As an institution the office of the German Federal President cannot be compared to that of the President of the United States. I would ask all those to appreciate this who expect declarations about such technical matters as the conclusion of a European security pact, methods of disarmament, and other problems. What we must aim at is to ease the social, economic, military, and political problems causing tension in the world—problems which have always existed but which have been aggravated since 1914. I have no illusions; I know that the pressing questions of giving substance to European political and economic cooperation, of achieving enduring settlement in the Near East, of safeguarding the Free World against all dangers—that these are not to be minimized. These issues are full of difficulties, but examples have shown us that they are capable of solution; one need only recall the problems of Trieste and the Saar. It is my firm conviction that the peoples of the Free World—deeply rooted as they are in the Christian faith—possess the moral strength to maintain their position and uphold their ideals. All that is required is to set in motion some of the all-pervasive forces inherent in human nature: reason, a sense of proportion, and perhaps a little love.

At 1 o'clock and 3 minutes post meridian, His Excellency the President of the Federal Republic of Germany, accompanield by the committee of escort, retired from the Chamber.

[Applause, the Members rising.]

The Doorkeeper escorted the invited guests from the Chamber in the following order:

The members of the President's Cabinet.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments.

JOINT MEETING DISSOLVED

The SPEAKER. The Chair declares the joint meeting of the two Houses now dissolved.

Thereupon (at 1 o'clock and 5 minutes p. m.) the joint meeting of the two Houses was dissolved.

The Members of the Senate retired to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 30 minutes p. m.

PROCEEDINGS DURING RECESS

Mr. McCORMACK. Mr. Speaker, I move that the proceedings that took place during the recess be printed in the RECORD.

The motion was agreed to.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until Saturday midnight to file a report on the bill S. 3497.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. BARING. Mr. Speaker, for clarification of the RECORD, I would like to state I was called before the Civil Aeronautics Board this morning and, as a result, missed both rollcalls. Had I been present I would have voted "aye" on the Sikes amendment and "aye" on the final passage of the bill.

MENSHIKOV IS PERSONA NON GRATA

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request from the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, the opportunity afforded us to hear Prof. Theodor Heuss, President of the Federal Republic of Germany, is in accordance with long-established and honored custom of hearing directly from a representative of a foreign country, and particularly countries which are our friends and allies. In sharp contrast was the devious and improper attempt by Menshikov, the Ambassador in the United States representing the Russian despots in the Kremlin, who "systematically violated the norms of behavior for diplomatic representatives" by making a direct appeal to individual Members of Congress, over the heads of President Eisenhower and Secretary of State Dulles, in a futile effort to influence them to support the objective of the Russian despots. One of Menshikov's objectives is to prevent the rearming of the free and democratic Government of the Federal Republic of Germany in order to defend itself against further Russian Communist aggression. Menshikov, by his many violations of the norms of behavior for diplomatic representatives, has made himself persona non grata and it is high time that President Eisenhower took immediate steps to declare Ambassador Menshikov persona non grata so that he will be removed from the American scene.

SMALL BUSINESS COMMITTEE

Mr. MULTER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the House Small Business Committee may sit next week while the House is in session on Tuesday, Wednesday, and Thursday during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TAX RATE EXTENSION BILL OF 1958

Mr. THORNBERRY. Mr. Speaker, I call up House Resolution 586 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12695) to provide for a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may require; after which I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

House Resolution 586 makes in order the consideration of H. R. 12695, the Tax Rate Extension Act of 1958. The resolution provides for a closed rule, 2 hours of general debate and waives points of order against the bill.

The bill extends for 1 year, until July 1, 1959, the present 52-percent corporate income tax rate which was due to revert to 47 percent as of July 1, 1958. This would occur through the reduction from 30 percent to 25 percent in the normal tax to which all corporate taxable income is subject. The present corporate income tax rate is also extended for mutual insurance companies and interissuers. The 22-percent surtax which applies only to income over $25,000 remains unchanged.

Provision is made for a 1-year extension of the present excise tax rates, which otherwise would be reduced as of July 1, on distilled spirits, beer, wine, cigarettes, passenger automobiles and auto parts and accessories.

A deficit of approximately $4 billion is anticipated for fiscal 1958 and a deficit of about $11 billion for fiscal 1959. It is estimated that if the corporate and excise tax rates are not continued at the present rates, the deficit for the fiscal year 1959 would be close to $13 billion.

I urge the adoption of House Resolution 586 so the House may proceed to the consideration of this measure.

Mr. ALLEN of Illinois. Mr. Speaker, I know of no one who is opposed to the rule. I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEOGH. Mr. Speaker, it is particularly significant, I think, that on the close of this historic joint meeting which took place today there was being held in the Borough of Churches, sometimes known as Brooklyn, the 129th annual anniversary day parade signifying the founding of the Brooklyn Sunday School Union. On that gala occasion, unique, I think, in the country, hundreds of thousands of men, women, and children are proudly proclaiming their faith and allegiance, their allegiance to their God and to their country. I wish, Mr. Speaker, the world could participate in that happy holiday of holiness.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 12695, with Mr. FLYNT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H. R. 12695 extends for 1 year from June 30, 1958, through June 30, 1959, the existing corporate normal tax rate and certain excise-tax rates. The rates involved are generally referred to as the "Korean tax rates."

I introduced this bill at the request of the administration. The ranking minority member on the Committee on Ways and Means, the gentleman from New York [Mr. REED], introduced an identical bill, H. R. 12696. The full year effect of this bill will be to retain $2.5 billion in revenue which would otherwise be lost should the extension not be made. This consists of $1,710 million in corporation taxes and $794 million in excise taxes.

The effect of this 1-year extension of the corporate normal tax rate is to continue this rate at 30 percent; otherwise, it would be automatically reduced on July 1 of this year to 25 percent. The surtax rate of 22 percent on corporations is not affected by this bill. The excise tax rates which would be continued at their present levels are those on distilled spirits, beer, wine, cigarettes, passenger automobiles, and automobile parts and accessories.

In his appearance before the Committee on Ways and Means, the Director of the Bureau of the Budget stated, and I quote:

> The expected deficit under existing conditions must probably be accepted as inevitable, although we will continue to press for efficient and economical management throughout the Government. If the deficit is to be held within present estimates, we cannot undertake to allow tax rates to be reduced. Considering all of the unfavorable aspects of such reductions—higher deficits, higher interest costs, and higher national debt—I strongly recommend that the Congress extend present tax rates for another year.

The Committee on Ways and Means concurred in these views of the Director.

Mr. Chairman, like all members of the Committee on Ways and Means and, I am sure all Members of the House, I am deeply concerned over present economic conditions, and I have given much thought to the many proposals that have been made to reduce taxes as a means of stimulating the economy. I have had the staff submit monthly reports to me on the latest information relating to the economy. At the present, I am of the opinion that no tax reductions should be made. The Treasury Department estimated in the January budget that there would be a $400 million deficit in fiscal year 1958 which ends this June 30. It is now estimated by the staff of the Joint Committee on Internal Revenue Taxation that the deficit will be $3.9 billion for fiscal year 1958 if expenditures are $73 billion. It was estimated in the January budget that there would be a surplus for fiscal year 1959 of $500 million. The staff now estimates that the deficit for fiscal year 1959 will be $11.1 billion if expenditures are $78 billion. Expenditures in fiscal 1959 may reach $80 billion. The high expenditure levels involved in these estimates in themselves should constitute a considerable stimulant to the economy. In addition, as the committee well knows, other measures have been and will be enacted by the Congress to help bring about economic recovery. It is my hope that these expenditures will bring about the desired result without enlarging our prospective deficits.

Should the corporate and excise tax rates involved in the pending bill not be extended, the deficit for fiscal year 1959 would be close to $13 billion. Such deficits not only have the obvious result of increasing the national debt but bring about heavier and heavier interest charges on the debt with all the other unfortunate consequences of deficit financing.

Mr. Chairman, the Committee on Ways and Means will continue to follow the course of economic conditions very closely. Should it develop that economic conditions worsen and the trend in the critical indicator of economic activity call for actions to bring about economic recovery, we will take the necessary action to accomplish this result.

In view of the fact that the corporate normal tax rate and the excise taxes involved in this bill will automatically be reduced on July 1, by $2.5 billion, I strongly urge that this bill be enacted to continue the present rates for another year to avoid this loss in revenue.

Mr. Chairman, for the information of the House I am including at this point tables which set forth the amount of revenue involved in the pending bill, receipts and expenditures, and the condition of the Federal budget with actual figures for fiscal year 1957 and the latest estimates for fiscal years 1958 and 1959:

TABLE 1.—*Receipts, expenditures, and surplus or deficit of the Federal Government, actual for fiscal year 1957, estimates for fiscal years 1958 and 1959*

[Billions of dollars]

	Actual, 1957	Estimated, 1958		Estimated, 1959	
		January budget estimates	Current staff estimates	January budget estimates	Current staff estimates
Receipts	71.0	72.4	69.1	74.4	[1] 69.9
Expenditures	69.4	72.8	[2] 73.0	73.9	[2] 78.0
Surplus (+) or deficit (−)	+1.6	−.4	−3.9	+.5	−11.1

[1] Assuming continuation of present rates of all taxes.
[2] Expenditure estimates are those recently used by the Secretary of the Treasury.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE 2.—*Receipts of the Federal Government, actual for fiscal year 1957, estimates for fiscal years 1958 and 1959*

[Millions of dollars]

Source	Actual, 1957	Estimated, 1958		Estimated, 1959	
		January budget estimates	Current staff estimates	January budget estimates	Current staff estimates [1]
Individual income taxes	39,030	40,800	39,060	42,300	39,600
Corporation income taxes	21,531	20,800	20,600	20,815	17,716
Excises	10,638	11,192	10,743	11,633	10,506
Estate and gift taxes	1,378	1,500	1,450	1,585	1,550
Employment taxes	7,581	8,725	8,450	8,963	8,640
Customs	754	785	785	800	800
Miscellaneous receipts [2]	2,764	3,330	3,300	3,526	3,500
Total	83,676	87,132	84,388	89,622	82,312
Deduct:					
Transfers to Federal old-age and survivors insurance and disability trust funds	6,634	7,763	7,525	7,988	7,750
Transfer to railroad retirement account	616	620	585	625	550
Transfer to highway trust fund	1,479	2,120	2,088	2,164	2,112
Refund of receipts	3,917	4,229	5,100	4,445	5,000
Net budget receipts	71,029	72,400	69,090	74,400	66,900

[1] Assuming continuation of present rates of all taxes.
[2] Includes taxes not elsewhere classified.

NOTE.—Detail may not add to totals because of rounding.
Source: Staff of the Joint Committee on Internal Revenue Taxation.

TABLE 3.—*Estimated revenue gain from postponing scheduled rate reductions from July 1, 1958, to July 1, 1959*

[Millions of dollars]

	Schedule rate change	Full-year effect	Net effect in fiscal year 1959 [1]
Corporation income tax.	Reduce normal tax 5 percentage points.	1,710	845
Excise taxes:			
Alcohol taxes:			
Distilled spirits	$10.50 to $9 per gallon.	127	227
Beer	$9 to $8 per barrel.	83	91
Wines	Various	10	14
Total alcohol taxes.		220	332
Tobacco taxes: Cigarettes (small).	4 to $3.50 per thousand.	210	229
Passenger automobiles.	10 percent to 7 percent.	300	311
Parts and accessories for automobiles.	8 percent to 5 percent.	64	56
Total excise taxes.		794	928
Total		2,504	[1] 1,773

[1] Postponing the scheduled rate reductions will result in the elimination of floor stocks refunds of $180,000,000 which would otherwise be paid in fiscal year 1959. These have been shown as additional revenue losses in the fiscal year 1959 for the various excise taxes.

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Mr. Chairman, I also include at this point figures which may be of general interest relating to personal income:

Total personal income

[In billions]

	1957	1958
January	$335.9	$343.6
February	337.9	341.7
March	339.5	342.2
April	340.6	342.8
May	342.9	
June	344.8	
July	346.3	
August	347.3	
September	347.2	
October	$346.8	
November	346.2	
December	343.6	

Total personal income—Continued

[In billions]

	Billions
Average, 1st 4 months, 1957	$339.0
Average, 1st 4 months, 1958	342.6

Source: Economic Indicators and Business News Report, Department of Commerce.

NOTE.—The total figures do not show the complete picture, because wages and salaries have been dropping considerably while at the same time the so-called "transfer payments," such as social security, public assistance, etc., have been steadily increasing. For example, in December of 1957 the "transfer payments" amounted to approximately $23 billion, whereas in April of 1958 they amounted to approximately $25.4 billion.

It will be noted from the above tables the excise taxes that are involved are to be found on page 6 of the committee report also. You will observe that the tax on distilled spirits would be reduced from $10.50 to $9 per gallon; that the tax on beer would be reduced from $9 per barrel to $8 per barrel; that the tax on wines would be reduced in varying amounts; that the taxes on cigarettes would be reduced from $4 to $3.50 per thousand; that the manufacturers' excise tax on passenger cars would be reduced from 10 to 7 percent; on automobile parts and accessories from 8 to 5 percent.

Those are the items which are involved in the bill before the Committee. There has been some misunderstanding as to what is involved here. I think it is well for us to repeat that in the bill before us, the tax rates that we are extending with the exception of the corporate tax rate are confined to the excise taxes on distilled spirits, beer, wines, cigarettes, and automobiles in the main.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BAILEY. Are you removing the 4 cents per short ton of coal transportation tax on the transportation of coal?

Mr. MILLS. That tax is not involved. As I recall, that was enacted in the Revenue Act of 1942. It is not in the bill before us.

Mr. BAILEY. Will the gentleman agree with me that in view of the sad plight of the coal industry we cannot justify the continuation of the transportation tax?

Mr. MILLS. I think I can justify to the House all of our present taxes, if the gentleman will just bear with me.

Mr. BAILEY. I will be glad to bear with you, but I do not agree.

Mr. MILLS. I would expect the gentleman to have his own opinion.

The Committee on Ways and Means reported this legislation without amendment, after the committee was apprised of certain facts with respect to our fiscal situation. The Secretary of the Treasury reported to us in his statement, which is also included in the report at page 17, that it is contemplated that our expenditures in fiscal 1959, beginning July 1 next, will be in the neighborhood of $78 or $80 billion. Think of it; $78 or $80 billion. The staff of the Joint Committee on Internal Revenue Taxation at the same time reported to us that its best estimates of revenue within the fiscal year 1959 is $66.9 billion. If our expenditures are no higher than $78 billion, that means a staggering deficit of $11.1 billion in the next fiscal year. That amount would be increased by the amount of revenue that will be brought in under this bill, if the legislation is not passed by the Congress. It is anticipated that the revenue in the bill before us, for fiscal 1959, is in the neighborhood of $1,800 million. It will bring in revenue over a full 12-month period of around $2½ billion, but you understand there is some lag in the collection of revenue, so that some of the revenues which will be derived under this legislation will actually come in during fiscal 1960. So we would have to add onto this $11.1 billion the amount that we would refrain from continuing to raise if we do not pass this legislation. That would mean approximately a $13-billion deficit in 1959. But, thinking in terms of what the deficit might be if our expenditures actually rose to the level of $80 billion, with the estimates of revenue remaining the same, $66.9 billion, we would find ourselves with a deficit of $13.1 billion, plus the amount of revenue involved in this bill, or very close to $15 billion of deficit.

It is argued by many people that we ought to use tax policy in order to stimulate the economy by either providing for a general tax reduction in all taxes at this time or by providing a combination of general tax reductions affecting individuals and excises. It has also been argued that we ought to confine our reductions to excise taxes. Let us look at the situation that we have before us. If we should provide, in the face of the figures I have just given you, in addition thereto, general tax reductions, we would have to anticipate in fiscal year 1959 a deficit in the neighborhood of around $18 billion—maybe more.

If we confine our action, though, to the excise taxes, it is anyone's guess as to

the amount of revenue that would be involved in excise-tax reduction. I do not believe it is possible for us, in answer to the question raised by the gentleman from West Virginia, to satisfy the demand that exists throughout the country with respect to excise taxes without looking at them all.

If we undertook here today to confine our reductions merely to the 3-percent tax on freight, I am satisfied that many of your constituents would contend, and perhaps justifiably so, that we were overlooking a situation which they have which is just as meritorious, just as worthy of our consideration in connection with tax reduction as the particular class of reduction in the field of excise taxes that we might have selected.

My guess is, if we should again hold hearings before our committee on excise taxes, that most of the people who are in businesses affected would be able to make a case before the committee, one probably just about as good as the other. So, in all probability, if we undertook to reduce excise taxes, we might end up with two or three billion dollars in reduction. If we did that, that would have to be added to the amount that we can presently foresee as the deficit for fiscal 1959.

Let me ask how much of a deficit is required in the opinion of those who say that we should create more deficit in order to affect the present downturn in business activity and in the economy generally. How much is required? Does anyone know? Actually whether or not a deficit in Federal spending in the fiscal year 1959 of $11 billion or $15 billion would be sufficient to serve as the stimulus to the economy to get back into a period of growth is anyone's guess. Can we say, under present conditions, that actually we must add more deficit to that through tax reduction in order to create the stimulus that is required within the economy to restore it to growth? I do not know.

I should point out that it is argued by many people that tax reduction as such will not be the answer in the way of a stimulus, that the trouble is with respect to the durable-goods industry as it is with respect to the liquidation of inventories. They think that might not be affected by general tax reduction at all.

It remains, however, for our committee and for the Congress, I think, to keep a close watch on the situation and to take further action with respect to the economic situation if things do not improve as expected. I know that many contend that we have taken action already. Many are contending that we will take more action on the expenditures side that will have its effect on the economy. If we should reduce these and other taxes at the moment and create a larger deficit we may raise the indebtedness of the Federal Government by a dollar amount almost equal the amount of the tax reduction. We can talk all we want to about the stimulus it gives to the economy to reduce this or to reduce that; but those people in the Government who make the estimates of revenue, and who advise us on what the effects of our action are from a technical point of view, do not give much weight to any offsetting increases in revenue to come in as a result of reducing taxes at this time. So we have to proceed on the basis that we will be adding to the public debt a good part of whatever amount of tax reduction we create, and not just in this one fiscal year. Also, are we going to be willing as soon as the situation revives to restore the cuts which we would propose to enact now? If we are not willing to do that, then we are going to have a series of fiscal years in the future wherein we are going to have deficits also as a result of the deficit that we create or the further deficit we create by a tax reduction in the fiscal year 1959. Do we want to undertake that course of action until we know absolutely that a tax reduction is required and is the last effective remaining vehicle that we can use in order to bring us back from the downturn in which we presently find ourselves? Remember that, in addition to higher deficits, we will have higher interest on the public debt as well as the possibility of inflation.

I cannot now reach the conclusion that this economy will not come back short of a tax reduction. When we reach the point that I feel it cannot come back or that it will not level out or come up the hill short of a tax reduction I would be willing under those circumstances to be for a tax reduction. I cannot reach that conclusion today.

I hope my colleagues will recognize the fact that the Committee on Ways and Means will continue to stay abreast of the situation. We will recommend to the House such courses of action as we feel to be in the best interest of all and in the direction of promoting growth.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Minnesota.

Mr. WIER. I want to approach this question from another angle. I presume the gentleman's committee or his staff has kept track of the 5-year tax amortization writeoff which was another Korean war action during the emergency. That has been going on now pretty nearly 8 years. What are the losses that occur through lack of a tax being restored where they were written off under that plan? And, also, while I am on my feet, what are we doing with reference to the depletion allowances? Those are two items that I think would bring in an equal amount that some of these excise taxes now bring in.

Mr. MILLS. The gentleman refers to rapid amortization or to rapid depreciation as being a loss of revenue. Actually, this depreciation does not represent loss of revenue. It represents a postponement of revenue. To the extent that there is postponement you can say that within a particular fiscal year there is a loss to the Treasury. Let me say about rapid amortization that I had a bill pending for a long time to eliminate it. I did not pursue that bill because of action which was taken last year to make limited use of rapid amortization. I think there is still perhaps in this period some necessity or some degree of advisability for use of a program of rapid depreciation. When we are participating or about to participate in this further technological advance in the field of science, we have come up with the need for new facilities that will have no practical value except to the defense effort. It may be necessary in some instances in order to get private enterprise to undertake such construction to give them a degree of rapid amortization. But, at least, in answer to the gentleman's question, rapid amortization under the limitations today is nothing to what it was during the Korean war or in the immediate years following the Korean war. Its application is very, very limited at the moment. We have been keeping up with it, and that is the conclusion that I have reached from my studies of it.

Now, with respect to the question how much money do we lose on depletion allowances, I have forgotten the exact figures of what is involved. I am not sure that all of the depletion allowances that are now in effect or that have been urged are proper or necessary. The committee, however, and the Congress have decided by their affirmative votes—in our committee, at least—over the years not to do anything to reduce depletion allowances. It is not just for oil, but it applies to all the minerals and all the nonmetallics. It has been said that maybe we have included too many items, and perhaps we have.

Does the gentleman from New York [Mr. REED] have in mind what is involved in the way of revenue?

Mr. REED. No.

Mr. MILLS. I remember one proposal made some years ago with respect to reductions of the depletion allowances from the existing levels, and it was reported that there was about $400 million of revenue in so-called excess allowances in that study. I do not know the total figure as of today.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. ROOSEVELT. As the distinguished chairman knows, a great many Members from both sides of the aisle have appeared before his committee urging relief for small business, in particular have asked for consideration of tax relief for small business as well as other relief within the jurisdiction of the gentleman's committee. Can the gentleman tell me whether this will be considered by the committee in the future so that we may have some idea where small business will go from here?

Mr. MILLS. Let me say it is not going to be considered in the future; we are already in the process of considering it in executive session. We will—possibly tomorrow—be able to conclude our consideration and be in a position to have perfected a bill that we can report to the House next week. I have said for the benefit of those interested in small-business legislation of this sort for some time that it was on the calendar before our committee and that

we would report legislation. And, I want to thank the gentleman and the other members of his Committee on Small Business for the very valuable suggestions and recommendations that they have made to the Committee on Ways and Means during the course of the hearings that we conducted on this matter and since that time. You have been very helpful to us.

I hope the bill we will report will be generally acceptable. I want to point out to the gentleman that perhaps it may not go to the full extent with respect to all matters that the gentleman and his subcommittee suggested that we go, but I hope it will be satisfactory to the gentleman and his colleagues.

Mr. ROOSEVELT. I thank the gentleman.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to inquire with respect to the matter brought up by the gentleman from Minnesota [Mr. WIER] regarding depletion allowance. Is it a fact that this depletion allowance applies to the development, for instance, of foreign concessions held by a company like your oil companies operating in Venezuela?

Mr. MILLS. Depletion allowance does apply to the development of oil or minerals, anything to which it would apply domestically, also abroad. Of course, there has to be an American taxpayer involved in order for it to apply abroad. But, it does apply.

Mr. BAILEY. In this case they are American taxpayers.

Mr. MILLS. That is right. They are American taxpayers abroad who do obtain the benefit under depletion allowances.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. YATES. May I ask two questions regarding this subject? First, with respect to oil depletion allowance, when was the last time that the House had an opportunity to vote on this matter? I have been here 10 years, and I do not remember that the question was ever presented to the House during that period. When was the last time we were permitted to vote on this question?

Mr. MILLS. In the Revenue Act of 1954 there were some changes made with reference to depletion. There were some increases and other modifications. There has been one subsequent piece of legislation passed in the last session, which extended depletion allowance on sand and gravel to the operators of licensees on navigable streams.

Mr. YATES. Will the gentleman tell us whether those bills were brought up under closed rules?

Mr. MILLS. Major tax bills are as the gentleman knows.

Mr. YATES. When was the last time the House had an opportunity to vote to change the oil depletion allowance?

Mr. MILLS. I am not certain when the House had such an opportunity on the floor. Of course, closed rules permit a motion to recommit with instructions. I remember that when the depletion allowance for oil initially passed——

Mr. YATES. That was 1926, was it not?

Mr. MILLS. 1926 is the year I believe; the House passed it at 25 percent, the Senate raised it to 30 percent and in conference they agreed on 27½ percent. It has remained at that level ever since. In spite of the fact that some Presidents in the past have recommended that it be reduced, it has never been reduced.

Mr. YATES. The gentleman has not told us when was the last time the House had the opportunity to amend it.

Mr. MILLS. The gentleman said that he has not had that chance in 10 years. I believe this is my 20th year here, and I do not believe that I have ever had a chance on the floor to vote on this matter under an open rule.

Mr. YATES. That is right.

Mr. MILLS. Because it has always been included in a revenue bill under a closed rule.

Mr. YATES. Mr. Chairman, may I ask the gentleman a second question? Does the fact that the Committee on Ways and Means has brought in this bill to extend certain excise taxes mean that the Committee on Ways and Means is likely not to bring in another bill seeking to cut other excise taxes without having first been requested to do so by the administration?

Mr. MILLS. Without having been requested?

Mr. YATES. Yes; requested to do so by the President or his administration.

Mr. MILLS. Mr. Chairman, let me say to the gentleman that as far as I am concerned, as chairman of the committee—and I am being perfectly frank with the gentleman—unless conditions get somewhat worse than they are today, I have no plan for calling the committee together for the purpose of considering excise tax reductions or a tax reduction generally. I am not the boss; I am the servant of the committee. Any time the committee does not agree with the position which I am maintaining, the committee has a way of considering these matters. But I think that the Committee on Ways and Means is as cognizant as any group can be of what will be the consequences to our deficit situation from any general tax reduction. That is not to say that I, and all members of the committee would not like to see tax cuts if we could afford.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Connecticut.

Mr. MORANO. Mr. Chairman, the distinguished gentleman from Arkansas has partially answered the question I had intended to ask. That is: Is the House to conclude from what the gentleman has said, and from the fact that this bill is being considered now, that we may not expect any general tax reduction or any excise tax reduction in this session of Congress?

Mr. MILLS. I cannot tell the gentleman definitely and finally what may happen during this session of Congress. I have tried to indicate to the gentleman my own present feelings with regard to the situation. The gentleman knows the position of the administration with respect to this matter. The President has said, himself, that these matters will continue to be reviewed. We have said in our committee report that these matters will be reviewed continually, but that at the moment, in connection with the proposed legislation to extend these Korean tax rates we did not deem it advisable to come to the House with any tax reduction.

Mr. MORANO. If the gentleman will yield further, then there is a longshot possibility that there may be a general tax reduction bill presented to this Congress before adjournment?

Mr. MILLS. I do not want to lead the gentleman into believing that that is a probability although I think there is a possibility if the economic situation should worsen.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. MULTER. In the report of the gentleman's committee on pages 3 and 4 there are set forth the estimated revenue losses if these reductions which are now called for were not postponed. One of the items is the corporation income tax. Does the gentleman's committee have a breakdown on how much of that corporate income tax comes from small-business corporations?

Mr. MILLS. I do not have that figure before me. It is my recollection that by far the larger part of the corporate tax is paid by the few hundred larger corporations in the United States and that a much smaller part is paid by the several hundred thousand of the smaller corporations and the medium-sized corporations; but I do not remember the exact figure.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I was glad to hear the gentleman say that special attention is being given to the problems of small business, as it should be, but I rather felt the knell of doom was sounded with respect to any tax reduction in this Congress.

I want to ask the gentleman this: There are some of us not as experienced as the gentlemen who do hold the theory that some slight reduction in excise taxes would stimulate buying power. That is particularly true as regards the automobile industry. It is also true that some of us feel very strongly that consideration at least should be given to the removal of the excise tax on passenger and freight transportation. In the light of what the gentleman said, and I realize why he said it because I have such faith in his sincerity as well as his experience, could we not consider these matters on their separate merits and expect to see a tax reduction of that nature?

Mr. MILLS. Let me say this to the gentlewoman from Illinois:

There is over $700 million of revenue involved in the transportation tax on property and persons. There is over $1

billion of revenue involved, as I recall the figure, in the excise tax on automobiles. I doubt very seriously that those are the only excise taxes about which the affected parties could make a good case for some reduction. If we should, however, disregard the pleas of the others who are interested and concerned and confine our action to a reduction of these alone, I do not know what psychological reaction we might get from the people who feel just as entitled to a reduction and who would not be offered any reduction.

I tried to say in my opening statement that I thought if we went into this matter of reducing excise taxes it might take $2 or $3 billion of revenue loss in order to satisfy the demands that would be made for reduction. I do not believe in view of our budget situation that we can now afford to take that step. Perhaps the gentlewoman is correct. The elimination of some excises might stimulate purchasing, to the extent that they affect prices, because there does appear to me to be some resistance at the moment on the part of consumers to present prices.

Let us take the automobile situation. It was proposed in our committee by the gentleman from Michigan, a member of the committee, that we not extend this 10 percent rate on automobiles, that we let that rate revert as of June 30 or July 1 next, to 7 percent. That was the substance of the gentleman's amendment. He offered the amendment because of the very critical situation which exists in his home city of Detroit.

I know that there are a great number of people who believe that that amendment if put into law would materially affect the sale of automobiles, but let me describe to the gentlewoman from Illinois what is involved. If we reduce the automobile tax from 10 to 7 percent we are reducing the tax by 3 percent of the manufacturer's price.

Let use take a car that has a manufacturer's price of $3,000. I do not know what make of automobile that would be, but it might be a medium-priced car, a Buick, let us say. That, perhaps, would mean a reduction in the price of $90 paid to the manufacturer. I cannot believe that the problems of the automobile industry can all be resolved, or to a great extent resolved, by a drop in the price of a Buick car of $90. If that were the case, I am satisfied that the automobile industry would have decreased the price by $90 already. But, it would mean a considerable loss in revenue to the Federal Government. I cannot assure the gentlewoman from Illinois that if we took that course of action, it would result in the good to the industry that she and I hope will come through some course of action to that industry.

Mrs. CHURCH. Would the gentleman feel that the same argument would hold in regard to the removal of the tax on freight and personal transportation so far as helping the railroads in the situation in which they find themselves today?

Mr. MILLS. I have always said I thought the worst tax we had on the books was the one relating to the transportation of property because I have thought that that tax has a pyramiding effect. One individual figures his profit on his total cost including this tax and another individual figures his profit on the basis of the cost and so on. I would suspect that tax is pyramided with respect to many articles bought in the market place 2 or 3 times. For that reason, I have always thought it to be the most undesirable tax and, perhaps, the worse tax that we have. There are other bad features of this tax. I have also given considerable thought to the tax on passengers as well. But, I cannot now reach the conclusion that we are justified in confining our action to the mere elimination or reduction of these taxes without doing something to other excise taxes that may also be onerous and burdensome upon the industries to which they apply.

Mrs. CHURCH. I thank the gentleman. I would hope that the door might be left open for further consideration of these problems.

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. HIESTAND. Mr. Chairman, I know that most of us have heard that we could stimulate business, and at the same time increase the Federal revenue, if we cut the capital gains tax in half. I would appreciate the gentleman's comments on that. Is there anything to it? What do the gentleman's experts say?

Mr. MILLS. I am opposed to a cut in the capital gains tax in half until we at least cut everybody else's tax. To be frank with the gentleman, I do not know that it is the reduction in the rate that an expert would tell us would mean the most to the exchange of capital goods. They tell me it is a question of the holding period that they would like reduced as much as, or, perhaps, more than the rate itself. The reason I say that, and let me be perfectly clear in the RECORD, is that the code, as my friend knows, is rather voluminous and I do not know whether my friend knows that two-thirds of that code is devoted to the subject of converting what would otherwise be ordinary income into capital gains. I have said repeatedly that we have so proliferated the idea of capital assets that we are now to the point where now we have capital gains treatment applying where there is no capital asset involved and where there is no sale or exchange involved. Now until we can make adjustments with respect to the definitions, I would be very reluctant to reduce the rate and certainly not at a time when that would add to the deficit or public debt.

Mr. MACHROWICZ. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Michigan.

Mr. MACHROWICZ. In regard to the inquiries by the gentleman from Illinois and the gentleman from Connecticut as to the possibilities of the committee considering any reduction of taxes, sometime later in this session, the committee leaned very heavily, I believe, on its determination of this matter on the opinion of the Secretary of the Treasury. I would like to ask our distinguished chairman if it is not true that the Secretary of the Treasury told our committee that if this bill is adopted today, there will positively be no recommendations for any reduction in any kind of tax in this session of the Congress.

Mr. MILLS. That is what he indicated, but I was asked the question whether or not the Ways and Means Committee might do something, and I was trying to answer that side of the situation.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Connecticut.

Mr. CRETELLA. Can the gentleman tell us if this tax is being reduced, as far as excise taxes is concerned, on alcohol and other items mentioned in the bill?

Mr. MILLS. This bill is necessary in order to prevent a reduction in the rate of tax on distilled spirits, as well as some other excise taxes. If we do not pass this legislation, the tax would drop from $10 to $9.50 per gallon.

Mr. CRETELLA. How much is involved in the freight transportation tax?

Mr. MILLS. Around $500 million of revenue, but those items are not involved in the bill before the House.

Mr. CRETELLA. At least the committee considers alcohol and cigarettes against other taxes?

Mr. MILLS. No, sir. The situation is this, that we are endeavoring to comply with the requests and the decisions that were made, that at this particular time no taxes should be permitted to be reduced. If we do not pass this legislation certain taxes would be reduced automatically, such as the tax on cigarettes, beer, whisky, wine, and automobiles, and the normal tax on corporation profits.

Mr. CRETELLA. Then this actually cannot be called a tax reduction bill?

Mr. MILLS. Oh, it is not a tax reduction bill. The purpose of it is to freeze rates through the fiscal year 1959 that existed in fiscal year 1958.

Mr. CRETELLA. No tax relief.

Mr. MILLS. No tax relief.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Washington.

Mr. PELLY. I would like to express to the gentleman my feeling that the reasons he advanced as to why these taxes should be extended are certainly very sound, and I commend him for it. I think we have heard some good fiscal responsibility.

There is just one point I would like to make. In this bill it refers to the 52-percent tax as a normal tax. It seems to me that is unfair.

Mr. MILLS. No. It is not. I am sorry. If we do that we are in error. I think the gentleman has misunderstood what we do. The 52-percent rates on corporations include both the normal and the surtax rates. The normal tax rate under the Korean increase is 30 percent. The surtax rate is 22 percent. This bill affects the 30 percent part. Without the bill the 30-percent rate would revert to the pre-Korean rate of 25 percent.

Mr. PELLY. I have paid both, but we should not take this as normal, because when we have 52 percent of the profits of

a corporation taken away we are more than being solicitous, and I hope that treating it as an emergency we get back to at least less than 50 percent.

I have said in the past that a reduction in Federal taxes, as has been clearly demonstrated by tax cuts during the past quarter of a century, can be such as to both relieve overburdened taxpayers and at the same time to produce an actual increase in the total revenue of the United States Treasury. This has come about by giving taxpayers a feeling that it is worth their while to work and produce, that it is worth their while in the case of businesses to expand and risk investment capital, that it is worth their while after figuring net return and profits after taxes to work more, or to invest more money, or to expand and employ more people, and thereby create a situation which results in greater income to the Federal Government.

But I am sure the gentleman from Arkansas [Mr. MILLS], who has so ably discussed this bill and has such a grasp of taxation, will agree that this is not the type of legislation which would have any great effect one way or the other of stimulating work and business expansion. As I indicated to the distinguished gentleman, I think it is unfortunate not to point up more emphatically that this is not a normal tax we are considering when we extend the corporate rate from 47 percent to 52 percent. Only an emergency justifies such a high rate because, as I said, anything over 50 percent is getting closer and closer to socialism. When you get to 100 percent you are there.

Not to extend this corporate rate would mean a reduction in the tax on distilled spirits, beer, wine, and cigarettes and would hardly justify a vote to cut on those items. The cut in the excise tax on passenger automobiles is, I think, desirable but again I do not believe that taken as a whole a cut in the items covered by this legislation would have any effect of stimulating an increase in revenue and, actually, if we fail to pass the bill there would be a serious loss of Federal income which would mean higher Federal deficits and a higher national debt. As it is that debt will go up this year about $4 billion and next year, as the Chairman pointed out, the deficit could be $13 billion to $15 billion.

Let me say at this time, however, I hope the time is not far off when I can have the opportunity of supporting a tax cut bill and here I have in mind one similar to H. R. 6452 which is the so-called Sadlak bill. I think a measure such as the Sadlak bill would indeed result in increased incentive to work and produce and employ, and thus stimulate more Federal income. As Members know, the Sadlak bill provides for both personal and corporate income-tax reductions. In the case of individuals, these reductions would run over a 5-year period, changing the rates of a range from 20 percent to 91 percent as they are at present to a range from 19 percent up to 82 percent maximum. At the end of the 5-year period the tax would level off to 15 percent of income over $2,000 and on $200,000 to a tax of $67,880 plus 42 percent of the excess over $200,000.

The Sadlak bill changes the present normal tax for corporations of 30 percent and reduces it over 5 years to 22 percent of taxable income. And finally, of course, there is a provision so that tax reductions can be postponed in periods of emergency by the President or Congress.

This, as I said, is the type of legislation that I believe would be an incentive to give relief to the taxpayer and not result in a serious way on our overall fiscal picture. But until such time as such tax reduction is before this House, I would agree with the Chairman and members of the Ways and Means Committee that we should extend for 1-year the various taxes included in this bill.

Mr. MILLS. Well, that is my hope that we can reduce all taxes as soon as possible.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. SCUDDER. I had a letter last week from a friend who lives in Colorado. He asked me if I thought the tax on automobiles would be reduced. He needs an automobile. He would put off buying his automobile until after July 1 if the tax was to be reduced. I wrote him and told him I did not think the tax would be taken off. It is my opinion, and I think your committee has been giving very serious consideration to tax matters, but I believe the propaganda we have been receiving from the automobile dealers and other people has killed thousands upon thousands of sales and at least broken down the salesmanship of their salesmen in their effort to get out and sell automobiles. I believe if the committee could definitely come out with some statement to the effect that there was not going to be a reduction in taxes on certain items we would immediately get a stepup in the sales, and the salesmen would be able to assure their people that they are buying at the best price now.

Mr. MILLS. As far as your Committee on Ways and Means is concerned, we have come out with the statement here in the report on this bill.

Mr. MILLER of California. It has been given wide publicity because I think the uncertainty has been killing a lot of sales. I think we will have a pickup of sales of automobiles after this bill passes.

Mr. MILLS. I hope the gentleman is right. I think it has affected the sales of automobiles.

Mr. Chairman, I reserve the balance of my time.

Mr. REED. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, first of all I want to congratulate the Chairman of the Committee on Ways and Means. I have watched him very carefully through the years. I commend him for the able manner in which he has presented this situation that he has presented here, important legislative consideration. I am glad to support him in every possible way that I can. I believe he knows that, and I want to commend him in the highest terms for the attitude he has taken on this tax question and on many other questions that have come before our committee.

Mr. Chairman, I regret that I am constrained to call upon my colleagues in the House of Representatives to again support legislation providing for an extension of certain tax rates that have in the past been termed "Korean war taxes." As my good friend and distinguished chairman, the gentleman from Arkansas, has explained to you, the rates that would be affected by this legislation, H. R. 12695, are the existing 52 percent corporate rate and the existing excise tax rates applicable to certain alcoholic beverages, tobacco, and automobiles.

A good deal has been said here about the repeal of certain excise taxes.

I have studied rather extensively the tax systems of other countries. Great Britain places a great deal of emphasis on excise taxes for this reason: If the income of the country goes down the income tax yield declines, and immediately fiscal trouble, because then reduced revenue results except what they get from excises.

When we had the 1929 depression you will recall what happened; our income taxes went down practically to the vanishing point, and the only stability we had in the tax field was from the excise taxes. I mention that only to show that with the deficit that is in prospect of some $3 billion or $4 billion for this fiscal year, and $11 billion for the following fiscal year, we have to approach this whole tax situation with a courageous view point.

I think the Members know my stand on the question of reduction of taxes. I think I introduced the first tax reduction bill under the present administration. I thought I was right then and I have always thought so. I believe it would have relieved us of a great deal of the difficulty we find ourselves in at the present time. In the matter of tax reduction, however, I think our first duty is to consider its effect on our country and its security. I have thought out this matter of tax reduction as carefully as I could consider it. At the present time the important thing to the welfare of the people is not to plunge them into inflation.

When you get right down to it in the last analysis, the reason we have taxes is because we spend the money. Here in Congress we appropriate the money. There is only one way to reduce taxes, and that is to cut expenditures; and I think I have as clear a record on matters of economy as any other Member of the House. I want to bring this point to you very forcefully, because in the future we have got to cut the corners very considerably or we are going to be in an inflationary situation that is going to be terrible in its effects.

In view of the very able and learned discussion by the chairman of the Committee on Ways and Means, it will not be my purpose to speak at length on this important legislation. I am sure it is not necessary for me to call to the attention of the House that this is the second occasion during this session of the 85th Congress that we have been called upon to

deal with the important legislation affecting the fiscal facts of life as they relate to our Federal Government. The first such occasion was the instance of our being required to provide for a $5 billion temporary increase in the statutory debt limit. The second occasion is before us today. It now seems inevitable that in the not too distant future we will be confronted with a third occasion in which we will be required to deal with important legislation pertaining to the fiscal aspects of governmental affairs on the Federal level. This third occasion will in all probability be the instance of our again having to increase by some amount the statutory debt limit.

It is useless and lacking in good faith to chide an administration or to admonish a Secretary of the Treasury as being exclusively responsible for this duty that we must perform today. It is my view that instead of ascribing fault elsewhere the membership of the United States Congress could properly spend time in an examination of voting records to determine whether or not we as individuals have properly stood for frugality in Government expenditures. Efficient and effective economy in Government is always essential. When tax rates are as high as they are today and Government spending threatens to exceed Government receipts by as much as $5 billion in the current fiscal year and $10 billion in fiscal year 1959, it makes frugality absolutely incumbent upon both the legislative and the executive branches of our Government.

It is essential to our Nation's economic and military security, as well as necessary to preserve the fiscal integrity of our Government, that this legislation receive the favorable consideration of the House.

Mr. Chairman, I feel very deeply about this matter. If it were possible, I would be the first one in the endeavor to reduce taxes. I have voted against practically all of the appropriations for foreign aid and a lot of this blackmail and tribute we have sent abroad. I have done everything I could, because I realize that the security of this country depends on its financial integrity, its fiscal integrity.

We have got to stop and think now. This is no time to demagog on this question of extending taxes. If we pursue an irresponsible course now, our citizens and our Nation will suffer. Every insurance recipient, every retirement annuitant, and every wage earner in the country is dependent upon the integrity of our Government. The only way we can meet our debts is to pay them with taxes.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Kentucky.

Mr. CHELF. I know of my good friend's sincerity, his ability, his understanding and his long and fruitful service on this great committee. Let me briefly state my position and then ask the gentleman from New York, and my dear friend, what he thinks about the possibility of a tax cut—especially for our little wage earner—the head of the household—that the gentleman has such genuine sympathy and great understanding for and has had over the years. He has ably served his fine people. I differ with the so-called tax experts on several phases of this situation. To be strong, yes, we must remain: our Army, Navy, Marine Corps, Air Force, and the Coast Guard. We have to protect ourselves. We cannot afford to take a chance. Although I could not understand the speech that the President of West Germany made here awhile ago when he addressed us, I understand by reading the ticker-news of the AP that he said he never wanted again to see his Germans fight our Americans. And, I am for that. But, in order to be sure, I voted awhile ago for the Sikes amendment that would prevent a cut in our Army. Here is the thing that concerns me, Mr. REED. I have just returned from down home. I have just engaged in a primary. My people are in financial trouble they are suffering. In my little hometown of 5,000 there are 500 out of jobs—my farmers are in difficulty—frankly they want a tax cut; they want to know what we are going to do here about it. I have always had the theory, may I say to the gentleman from New York, that if we could cut the income tax of the little fellow, give him, shall I say, a better exemption, he, in the final analysis, would have more take-home pay. Regardless of what the bureaucrats and tax experts downtown tell us—if that little guy had more take-home pay, he would spend more money put more of it in circulation; he would buy more tires, he would buy more car assessories, he would go to more football games, baseball games, wrestling matches, sports events and other things, and in the long run I think that paroled tax dollar would get back into the Treasury till. I am told—and I am like Will Rogers; I only know what I read—that Austria, one of our friends that we supported, that we literally picked up lying on the flat of its financial and economic back—that Austria has cut her taxes. They were threatened with all kinds of dire consequences—unbalanced budget—treasury in the red if they did cut their taxes, but they did have the vision, courage, and wisdom to cut their income taxes, and instead of going into the red, they tell me that the treasury is not only in the green—but that they have a nice surplus—and are doing all right. What do you think of my theory—my ideas on this subject—because I respect and admire my friend from New York. In my opinion you have forgotten more about taxes and our Government than all of the tax experts rolled into one.

Mr. REED. I want to compliment the gentleman.

Mr. CHELF. I mean, I am disturbed; I am worried and my people are worried. I know that it takes money to operate our great Nation—I understand the problem. But, tell me what we must do in order to get some tax relief and to actually help our Treasury.

Mr. REED. I will tell you. First, we must stop spending. We cannot continue wild spending. That responsibility rests right in this Congress, and nowhere else. I want to compliment the gentleman. You have made a speech that would have done credit to Andrew Mellon. You recall Mr. Mellon advised the cutting of taxes, and the people roared that they thought he was crazy at the time. But, taxes were cut at that time. But we did something else at that time, too. We did not endanger every business in this country by rebuilding all of the machinery in Europe so that they could compete with us, and we put on a tariff, as we hope to do pretty soon here, to protect your industries in the South. And, when we do that, then I think we can begin with some degree of logic to cut taxes. I agree with you, and I have always advocated that the way to get more revenue is to have fair rates and lower rates. In the 20's I voted for 4 or 5 tax reductions, and we raised enough revenue so that we paid $1 billion on the national debt every year for 10 years.

Mr. CHELF. My professional men tell me this. Many nearing the sunset trail of life—men that are needed—doctors, dentists, lawyers, and so forth—have told me, I am in the upper bracket now, and I cannot save a cent. If I make $4, I have to give Uncle Sam $3 of it—there is no incentive to work left. This is no reflection on these gentlemen. Do not misunderstand me. But, that is just a segment of my people who have poured their hearts out to me. For instance, businessmen tell me that no longer do they discuss how this, that, or the other investment will advance or promote a certain business or even the country as a whole. The big question is: How can we work this thing out to save taxes—pay as little as possible? How can we keep from giving it all to the tax collector? We will be in a lot better shape financially if we honestly and carefully revise our entire tax structure. When a person is taxed so high he loses heart and interest in carrying on, we have had it, in my opinion.

Mr. REED. There is a cloud hanging over us that we cannot, any of us, dismiss. We have the Russian menace hanging over us, and we do not know at what period of time they will strike. You know, in order to increase our exports, we thought it a wise thing to furnish Italy and Germany with war material. Then a great hue opened up. Here, they said, "Japan wants to fight China." China was our friend then. So, what did we do? We armed them. I have the figures on the amounts we spent over there, and I will be repeating them on the floor of the House here. Here we are sending our materials to all of these countries in Europe by the billions of dollars. The day may come when we may have another incident akin to Pearl Harbor. We have to have security in this country, do we not?

Mr. CHELF. The gentleman is exactly right. I am cognizant of our real problem—that is why I am seeking your sage advice and counsel because I have a bill in—as you do—to cut taxes, bless your heart.

Mr. REED. And we cannot have it unless we have financial integrity in this country, so that our dollar is worth something.

Mr. CHELF. That is one reason, may I say to the gentleman, last year for the first time I voted against foreign aid;

because, when the time comes in America when I cannot get $10,000 for my people for a little preliminary flood control planning project—just $10,000—not $10 million—then I had to vote against giving away billions of dollars. I could not defend such a predicament back home. If West Point, Ky., was in India—I could have gotten several million for them.

Mr. REED. I congratulate the gentleman on that vote and I hope he will continue to vote that way.

Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I lighted in this House 22 years ago. I had been a student of taxation then for over 30 years. I was on the floor of this House and listened to Fred Vinson explain and analyze those technical tax bills, with my mouth open, because Fred Vinson was a master at that work. When he left the House I said, we will never have anyone who can do that job as well as Fred has done it. Then along came Jere Cooper. Jere Cooper had a master mind and an ability not only to grasp and analyze, but to explain these tremendously technical tax bills.

Then Jere Cooper was taken and we have now in his place WILBUR MILLS as chairman of the Committee on Ways and Means. And from the experience of some 40 to 50 years in tax matters I say this to the House, that WILBUR MILLS fills completely the shoes of Jere Cooper as chairman of the Committee on Ways and Means and he is following mighty close to Fred Vinson.

Now I know a little bit about this subject and I feel that I do have the ability to estimate these various people in this tax field. So much for that.

Our chairman has given you a masterly analysis of the situation. He has presented 1 side or 1 picture of the tax situation that faces this Nation and of this bill that is before us. I want to present the other side of the picture so that you will have both sides and weigh one against the other.

I have never voted for the extension of these wartime taxes, never, and I do not intend to this time. Because of the fact, I am going to offer a motion to recommit this bill, and I am doing it for a definite purpose. If we can get substantial support for that motion to recommit we will be making an impression upon the other body and give them the encouragement to do what we could have done, and that is, repeal the transportation tax, for one thing, lower the tax on automobiles for another thing, and a lot of other things that we ought to do but they will do. When you go to your people this fall in your campaign you will be able to say, "I didn't vote to cut your taxes but the Senate did." And what position will that place you in? That is exactly what is going to happen. My name is Noah, and I prophesy that both the transportation tax and the automobile tax will be on the floor of the Senate even after we have passed this bill simply extending these taxes.

I agree entirely with the philosophy that our ranking Member presented, that this House is responsible for these heavy taxes, these impossible taxes. This House is responsible because it has been voting all of these expenditures many of which were not necessary. Five or six billions could be cut on our own domestic things, and 5 billion could be cut on our foreign aid without endangering our national defense at all.

Let me point out why that is so. We have spent since World War II in foreign aid over $60 billions—over $60 billion. And what have we got for it? What is the result? Can you brag anything about Indonesia today, after what we have spent on her? Can you do any bragging about India today, after what we have spent on her? Can we do any bragging about Egypt and the Middle East and the mess they are in after the amount we have spent there? Can you do any bragging about Yugoslavia? Can you do any bragging about France? Over $5 billion has gone to France. Can you do too much bragging about England, the British Isles, the British Empire, after the $7-odd billion we have given to them? And I could go on with Algeria and a lot of them.

But let us come closer to home. What about South America? Do they love us today because we have been so kind to them?

We have spent on an average the last 12 years of over $5 billion a year. Would not that have made a nice tax cut for our people?

So I say, let us balance the budget not by continuing these taxes but by cutting these tremendous expenditures. That is the way to balance the budget. My good ranking Member said that Mellon cut the taxes three different times and every time after the tax rates were cut under Mellon more dollars flowed into the Federal Treasury. More dollars came into the Federal Treasury because of the expansion of business. We had a tax cut under the Democrats about 9 years ago, the Doughton tax bill, and more money flowed into the Treasury after that tax cut. Then, we had a tax cut here, I believe, it was 4 years ago under the Eisenhower administration, a tax cut of $7,400,000,000 and within a year more dollars poured into the Federal Treasury because of the tremendous expansion in business. These things are a matter of history today. This is history. That is the way it works. That is what we should do. So I am offering a motion to recommit this bill which I hope will get substantial backing in this House for the affect it will have in the other body—and we may then get some of the tax cuts that many of us want.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CHAMBERLAIN].

Mr. CHAMBERLAIN. Mr. Chairman, somebody has been telling tall tales about the State of Michigan. This is natural in Paul Bunyan's State, where the lake winds are more healthful, the pine trees taller, and the weather better than anywhere else.

But sometimes a tall tale stretches into a delusion and becomes accepted as fact. This has happened with reference to the automobile industry.

I regret, Mr. Chairman, that many of my colleagues in the House and the other body sincerely believe that the automobile industry is something which belongs exclusively to the State of Michigan.

Our State is willing to let this tall tale go by the board when it does not do any harm to Michigan and to the whole United States—and for that matter to the economy of the whole world.

But when that tall tale becomes a monster gripping the whole economy of the United States by the throat and strangling it, I feel it my duty as a Representative of my State, and as an American, to become vocal in my protest.

The fact is the automobile industry does not belong to the State of Michigan.

It belongs to practically every State in the Union. And what happens to the automobile industry influences the economy of every part of the United States.

Any economist worth his charts and graphs will tell you that he watches the automobile with the same alertness as a weatherman watches his barometer. He well knows that what happens to the automobile industry happens to the rest of the economy.

It is true that the actual putting together of the cars and the management are centered in Michigan, but the assembly and automotive parts of the industry are located in 41 States. More than half of the automotive manufacturing employment and payroll is outside Michigan.

Here are some of the products used in the manufacture of automobiles, and the States where they are predominantly produced. Glass comes principally from Ohio, Illinois, West Virginia, Texas, and California. The top steel States are Pennsylvania, Ohio, Indiana, Maryland, West Virginia, and Alabama. Leather manufacture is concentrated in Massachusetts, New York, Pennsylvania, Illinois, Wisconsin, and Kansas. Synthetic rubber States are chiefly Kentucky, Louisiana, Texas, West Virginia, Ohio, California, Connecticut, and Pennsylvania. And I could go on naming the top six States in the production of other products used in the complete automobile product, such as textiles, paints, plastic, petroleum, and so forth.

Let me show you what I mean in the unemployment picture alone.

Here is what has happened during the past 5 months since January in only a few important American industrial cities as a result of the current dismal condition of the automobile industry.

In Trenton, N. J., Canton and Youngstown, Ohio, and Pittsburgh, unemployment rose on the average of 3 percent, bringing it between 9 to 12 percent.

In Chicago, Indianapolis, Cleveland, Minneapolis and St. Paul, Allentown and Bethlehem, and Joliet, Ill., the unemployment figure also rose 3 percent, bringing it between 6 to 9 percent. Still other cities like Lorain, Ohio, and Huntington, W. Va., and Ashland, Ky., went up to more than 12 percent unemployment.

All of these cities center around auto production industries, such as metals, auto hardware, steel, rubber, nickel, tires,

and other automotive equipment, or accessories.

Is it necessary for me to remind my colleagues that it has been just a few days since this same unemployment was the subject of emergency legislation? Why put a band aid on a cancer? Let us try to get rid of the cancer.

Now I am personally convinced from all the evidence I can find, that this current recession is due in large measure to the slump in the many rooted and tentacled automotive industry, which reaches into the whole economy. Since coming to Congress I have consistently proposed that the remedy for this situation is the shot in the arm which the industry would receive from the repeal of the Federal auto excise tax.

Now what would this removal of this excise tax accomplish?

Simply, more sales, more production, and simply, it follows, more jobs.

And more jobs are desperately needed not only in my State of Michigan but in all these other industrial cities where the unemployment is increasing steadily as the all-American automobile industry slumps further into this recession.

Any businessman knows that a reduced price for a good product stimulates sales.

The American automobile industry produces a good product.

Remove that excise tax of 10 percent and down goes the price of that good product.

Immediately the demand for more passenger automobiles will go up.

Industries all over the country will swing back into full-time output, not only of the finished product but of all the variety of raw materials, parts, and other products which go into the automobile before it gets out onto the highway. This increased auto production will be reflected immediately in the activities of suppliers, subcontractors, transportation mediums, dealers, and businesses throughout the country. The whole network of small businesses which depend so desperately on the auto industry would have a terrific stimulant.

From what I read in the CONGRESSIONAL RECORD and in the newspapers it looks as if a lot of the opposition to the removal of the excise tax is coming from Texans, our President, the Secretary of the Treasury, and Congressional leadership in both Houses.

As I pointed out earlier, these Texans had better realize right now that their cows are in on this too.

The automobile industry consumes 72 percent of all the leather in the United States, and the hides of their cows are riding around in every back and front seat of every tailfinned automobile on the highways of this Nation and a lot of other nations too.

What happens to the automobile industry will get around to happening to their cows.

The cows might like it if they can graze a little longer in the Texan meadows, but the owners of the cows will not.

The owners of the cows have to eat, and the men and women who work for them have to eat.

I am willing to concede that the repeal of this excise tax, which was originally a war measure, would mean some temporary loss in Federal revenues. But it would also produce additional taxable income which would be generated in the automobile and other related industries as well as personal taxable income.

Right now the Treasury has sustained a serious reduction of tax revenues from these industries as the result of the tax itself, simply because production is down about 34 percent from the comparable period in 1957.

There is objection to this repeal on the purported grounds that such a repeal would be a special privilege for the automobile industry.

On the contrary, it is the present automotive excise tax that is discriminating against the automotive industry and the motor vehicle owner. Many of our wartime excise taxes have been either repealed or substantially reduced since the Korean war.

But this tax sits there untouched on the statute books—at exactly the wartime rates. Certainly it is only fair that automotive products manufactured all over the United States should be accorded the same tax relief as lipsticks, Zsa Zsa Gabor chinchilla coats, lotus flower perfumes, golf clubs, and movie cameras.

If this Congress takes no action on this bill, excise taxes on passenger cars and parts and accessories will drop 3 percent on July 1. Yet, the recommendation of the administration-Democratic leadership, in effect, asks us to raise these excise rates above what they would otherwise be under current law on July 1. We are, therefore, actually increasing this tax.

Certainly the premise that the automobile should be taxed because it is a luxury item is as outdated as the model T itself. Last year 75 percent of all families in the United States owned a car; what is more, it is estimated that 65 percent of all passenger-car mileage is directly related to the essential activities of earning a living.

I dislike to disagree with my Republican friends in the executive branch, but my first duty is to my constituents. On the current issue, I cannot help but believe, in all sincerity, that a reduction or repeal of excise taxes on passenger cars and parts and accessories is not only in the interests of my constituents, but also, plainly in the interest of the entire Nation. The "Ayes" of Texas may be loud, but on this issue I shall raise my voice with a countering "No" with all the emphasis at my command, confident that the immediate reduction or repeal of automotive excise taxes is in the interest of the public and the Nation.

It is my intention to vote for the motion to recommit this bill, which I understand will be offered. I wish to make it clear, however, that my vote is in protest of the extension of the automotive excise taxes and that it should not be construed as a vote favoring the reduction of the alcohol, tobacco, or corporate taxes.

I sincerely urge my colleagues in the House to join me in correcting this tax inequity, and, at the same time, converting this legislation into an antirecession measure.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members may extend their remarks at this point in the RECORD if they care to do so.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. EDMONDSON. Mr. Chairman, I am glad to have the opportunity to join the many colleagues who have spoken out for tax revision, and have pointed to the oppressive effect upon small business and the economy that proceeds from continuation of these excise taxes.

I believe a very strong case can be made for the view that reduction of many of these taxes will have a stimulating effect upon business and will lead to greater tax revenue, over the long haul.

Nor can there be any doubt about the fact that these taxes—many of them, at least—are unfair in their distribution of the tax burden, and have rested too long upon small business.

If we are not successful here in eliminating some of these taxes from the extension bill, then I hope the Committee on Ways and Means will proceed speedily to the work of revision promised us by the committee's able chairman.

Mr. DINGELL. Mr. Chairman, I want to join my distinguished and able friend and colleague from Michigan, the Honorable THADDEUS MACHROWICZ in opposing this bill. I will vote to recommit the bill, and I will vote against this bill.

My reasons are simple. Unemployment is running at the rate of 7.5 percent of the work force. My city of Detroit has unemployment exceeding 268,000, our State of Michigan has 465,000 out of work, 16 and 18 percent, respectively.

Experts expect unemployment to increase, to give us 7 million unemployed in the fall. Six million unemployed are expected in June 1958.

Fortune magazine predicts no upswing in employment as late as next spring.

The program and platform of our Democratic Party advocated raising individual exemptions to $700. I have sponsored legislation to raise the individual exemption to $700 and to raise it to $800.

As an antirecession measure, it has approval of almost all our country's top economists. Most economists say it should be used now.

I went before the great Committee on Ways and Means earlier this year to urge this form of relief to our taxpayers in the low- and middle-income brackets. I pointed out that this form of tax relief would cost no revenue if loopholes which permit tremendous losses of tax revenues to the upper bracket taxpayers were closed. I also showed that a reduction of this sort would generate huge purchasing power among the very people who would have to spend the proceeds of such a tax reduction for the necessities of life. This would return to the Government large new sources of revenue from the resulting increased income of business and industry.

Another reason for my opposition to the bill is that the excise tax on passenger autos is extended for another year at 10 percent instead of the auto-

matic reduction to 7 percent programed in past actions of this body.

This was an emergency wartime tax passed to discourage purchase of autos. This tax, aimed at discouraging sales of autos, now does that with a vengeance.

The industry at which this tax is aimed is now badly depressed. Sales are now at least 27 percent below last year. No upswing is expected before next year.

The auto industry consumes more steel, lead, tin, leather, chrome, copper, and plastics than any other. One American wage earner in seven is dependent on this industry for his wages. One dollar in nine spent in America is spent in connection with this industry. The buying power of the auto industry and its employees affects every man, woman, and child in this country. Steel operating at 52 percent of capacity is directly attributable to bad sales in the auto industry.

Elimination or reduction of this tax would be one of the biggest helps in fighting the recession that Congress could take at this time.

I reject the argument that such action would unbalance the budget. A budget deficit of $3.9 billion is anticipated this year. Best hopes at this time are that the 1959 budget will be out of balance by about $10 billion.

This country is losing purchasing power at the rate of $30 billion to $40 billion a year. Personal incomes are down—badly so. The national personal income is kept up largely by the tremendous amount of unemployment compensation pumped into the economy.

Each month we wait we lose $4 billion in purchasing power and 700,000 man-hours of employment. The time for action was yesterday, today may be too late. Tomorrow probably will be too late and certainly will require much more vigorous and costly action. Let us move now, to recommit this bill to the Ways and Means Committee and get a good piece of antirecession legislation for our people, and for our country.

Mr. HEMPHILL. Mr. Chairman, I have asked for this time to bring to the attention of this Congress, and of this Nation, an inequity which exists in our tax structure. I speak specifically of the taxes on telephone communication, known as the excise tax on telephones.

The history of this legislation goes back to 1943, when the 25-percent tax was imposed on long-distance calls and a 15-percent tax on local calls. This was a war measure, not only to raise revenue, but to discourage the use of telephone communications, at a time when all lines were subject to need for defense purposes, and to discourage the tying up of operators, from a manpower utilization standpoint. Originally, it was a war measure, and the telephone people of this country, the citizens of this country, all patriotic, accepted the tax without protest. The telephone people, I know, did their best to give all-out effort during the war, and their services to this country were magnificent.

In 1954, the tax was changed and since that time there has been a tax of 10 percent on all telephone communications. Because of this inequity, and this extra tax on the taxpayer who has a telephone, I asked the Ways and Means Committee for the privilege to come before the committee, and was told that I could come before the committee in the event they had any hearings, but they expected to have no hearings.

We cannot forget that this tax is imposed upon the people. It is the customer who pays—the same customer who is heavily taxed in this country, and who is looking to this Congress for some sort of relief from the high taxes which are imposed. In the year ending June 30, 1957, it is calculated that the customer was taxed $347 million for local calls, and $266 million for long-distance calls.

We now recognize the telephone as a necessity. In 1949, the Government recognized this communication as a necessity because it instituted a loan for rural areas telephone service at 2 percent, declaring that as essential.

I call to the attention of this Committee the editorial of the Chester News, Chester, S. C., of May 22, 1958. This editorial, by the very able editor of that paper, points out that if you are an average telephone user, you pay $9.50 in excise taxes each year. It goes on to point out that this comes out of the pocket of the average American, not out of the pocket of the telephone company.

Not only are we not being given any consideration on this this year, but there is no promise in the future. Here is a war tax, instituted as a war tax as an emergency measure. The war is over, and the emergency is over. Morally, this tax should be taken off, and we owe it to the American people, the telephone user in particular in this instance, to assert the moralities of good government, and do something about this.

One of the reasons for my getting up today is to call this to the attention of the Congress. I publicly here ask the Ways and Means Committee of the House of Representatives, to give their consideration to this matter either before the end of this session, or early in the session for next year. If they feel that we cannot abolish this tax altogether in one piece, then they could give us a graduated scale of reduction, and I am sure that the customers and the telephone people will cooperate.

I have not mentioned the cost of collecting specifically, as I do not know the cost of collecting. I do know, however, that in the event some telephone bill is not paid, nevertheless the tax must be transmitted, whether it is collected or not.

I should like to cite to you six reasons why the excise tax on telephone communication should be repealed:

First. Telephone communication is essential to commerce, industry, and the social life of the Nation. It is not a luxury item. Nevertheless, it is subject to an excise tax which normally applies to such luxuries as furs, cosmetics, alcoholic beverages, et cetera.

Second. The Gallup poll has found that the tax on telephone communications is the most unpopular of all the excise taxes because it adds to the cost of a genuine necessity in the American way of living.

Third. State regulatory authorities condemn the levy as "inimicable to the maintenance of reasonably priced and nondiscriminatory communications service," because it adds unreasonably to the rates and charges which they have carefully established.

Fourth. An excise tax on telephone communications is discriminatory since it singles out the telephone from other essential household utility services like water, gas, and electricity.

Fifth. The telephone excise tax was enacted primarily to assist in conserving critical materials during the war. It was an emergency measure and should not be permitted to become a permanent part of tax revenues.

Sixth. The telephone excise tax is a consumer tax. Its repeal would result in a direct saving for the telephone user. No part of the tax saving could be retained by the telephone companies.

Mr. Chairman, I hope the Congress will take cognizance of the telephone situation, and determine that future legislation will give some relief.

I realize the bill today does not relate to this subject, but since excise taxes are before us, I believe it appropriate to call this to the attention of Congress.

Mr. ROOSEVELT. Mr. Chairman, the consideration today of extension of excise taxes brings up some very important and closely related questions. While I support the proposed extension, I personally regret that the committee has not seen fit to go as far as recommending an income tax cut. If properly drawn this would have the effect of immediately creating consumer purchasing power, and if temporary, would not significantly disrupt the budget.

Anything less than an all-out effort to start an upward economic trend is playing fast and loose with those who have been unemployed for many months, and putting the jobs of many more in jeopardy. This risk is one that is too great to take. Moreover, I firmly believe that the alternative risks involved in reducing Federal revenues, if indeed this happened in the long run, is much less important than the greater risk incurred by human suffering and its consequent encouragement to communism.

I sincerely hope that this bill does not in any way eliminate the strong hope, which many on both sides of the aisle have held, that the committee will produce a small-business bill of significant value. It is important to reemphasize that our so-called free enterprise system is becoming less and less free and less and less competitive. If we fail to give small business relief in this session, we are again running the same kind of unnecessary and unjustified risks.

I was indeed pleased to have the distinguished chairman state that his committee would report such a bill next week. I, of course, do not know what it will contain, but it must be positive and strong if it is to be fully effective.

Mr. BROWN of Missouri. Mr. Chairman, it is becoming increasingly obvious that we are facing a stone wall in securing meaningful tax revision, and this disturbs me.

There are inequities in the present tax structure that do serious injustice to individuals and business, and, even more important, do harm to the economy as a whole.

The Korean war-emergency taxes were not intended as permanent taxes or even as long-term emergency taxes. They should be revised. And do not wait for a proper time. Good times, bad times, inflation, recession—the time to correct a handicap is when it is diagnosed. In this instance, correction is overdue.

Small business is being hampered by the present tax structure. Everybody knows it. I am glad to hear the distinguished chairman of the Ways and Means Committee promise action soon on this matter. However, I am a little uneasy about his warning that it is apt to be less than the revisions recommended by the Small Business Committee.

Our proposals are minimal. Anything less, in my opinion, is apt to be just a token effort or a mere nod in the direction of a problem that demands substantially more than tokens or nods.

Now, as to this bill before us, I feel very strongly that some of these excise taxes should not be renewed.

For example, everybody in Government these days is talking about the plight of the automobile industry. Speakers urge the industry to reduce car prices and change car designs. But let the RECORD show that, as far as this House is concerned, the Government is not willing to take the first step by lowering car prices even 3 percent.

I, for one, want to see the automobile industry on sounder, healthier basis. It is a vital industry in our economic structure—affecting every city and town. I feel that Congress, in the national interest, could lead the way to fairer auto prices by revising the excise tax, cutting it at least 50 percent.

The national interest demands no less. Automobiles are second only to homes as the largest single purchase an American makes.

Lower auto prices would have a profound psychological effect upon the country as well as a very tangible effect upon the cost-of-living index.

I respect profoundly the chairman and members of the Committee on Ways and Means. I know they are completely sincere and it is a grave burden they bear.

No one likes taxes; and there is no such thing as a good tax. But, in my opinion these excise taxes are worse than most taxes. They are built-in inflationary forces. They are pyramided into taxes on taxes on taxes, and lead only to higher prices.

An excise tax on automobiles—a $3,000 to $10,000 purchase—is particularly bad.

Mr. Chairman, if we cannot stop this extension in this body at this time, I sincerely hope that the distinguished chairman of the Ways and Means Committee will take another look at this matter and that he will have a change of heart. There will never be a better time to revise and readjust taxes.

Justice, economic growth, and the national interest would be better served, in my opinion, if we changed the taxes in this bill.

I sincerely hate to see this House extend them.

Mr. RABAUT. Mr. Chairman, the so-called luxury tax on automobiles must be abolished. The failure of the Congress to act quickly in the present economic emergency will have far-reaching effects which may prove disastrous to the national economy.

First, two grave misconceptions must be discarded, and the problem viewed in its true perspective.

The question of the automobile luxury tax is not, as many think, a problem of concern only to one area of the country or to one industry. It will be shown that the production, maintenance, and general servicing of automobiles touches every segment of our national economy and involves persons working in countless interrelated industries and occupations. And, to the same extent, the continued vitality of the automotive industry—a vitality theatened by an unjustifiable tax—is essential to the vitality of the economy as a whole.

A second, common misconception is that the automotive industry is localized in one State. But it will be shown that the manufacture of automobiles is carried on today in all parts of the country and by citizens separated by the mountains and plains, by the rivers and even the traditions which go to make up the vast United States.

No less than 19 States vie with Michigan in the production of motor cars. California, Missouri, New Jersey, Georgia, and Wisconsin had, in 1956, a combined automobile production in excess of that of Michigan. Twelve other States, as far separated as Texas in the Southwest and Massachusetts in New England produced cars which, in number, far outweighed the production of Michigan. Tradition may have invested Detroit with the title "Motor Capital," but the hard fact is that there has been an outward thrust of the automotive industry to all parts of the country. The automobile luxury tax has raised a very real problem for millions of persons in California and for millions in New England.

In short, the problem is no more a local problem than the economic crisis which besets the country is a local problem.

In spite of this, there are those persons who fail to see the way in which a tax which impedes the automobile manufacturers of the country threaten industry in general.

The plain fact, supported by statistics presently on file, with gathering agencies, is that 1 business in 6 in this country is an automotive business.

The United States is a nation of car owners, a nation which, since 1945, has produced 56½ million automobiles. Today 77 percent of individuals, 10 years and older, live in households which own cars.

The automobile is not an item divorced from the mainstream of our economy. The components of an automobile are, percentagewise, the components of our gross national manufacture. Thus, in 1956, 36 percent of the radios produced in this country went into cars. In 1956 the purchase and operation of cars claimed almost 10 percent of all disposable personal income, a vastly significant amount when it is remembered that out of the remaining amount had to come the purchaser's food, rent, light, heat, telephone, medical expenses, and savings. Forty-three million sealed beam lamps were produced in 1 year for cars, as were 85 million passenger car tires, 107 million gallons of antifreeze, 9½ million gallons of brake fluid; $19½ million of woolens and worsteds, 2½ million electrical measuring units, a billion barrels of automotive gasoline. Of one wooden item alone there were more than a billion units produced. For a dollar figure, almost $6 billion in automotive products were produced in industries other than the motor vehicle industry in the single year 1954.

One out of every six patents issued is automotive. Auto factory payrolls in 1956 totaled over $3 billion, dollars spent in turn by those factory workers for food and manufactured goods.

There exist today 264,000 retail automotive establishments, 80,000 car repair establishments, and 8,500 car storage facilities, and a grand total of over 4 million automotive business establishments—that is, 16 percent of all United States business establishments.

Only those who refuse to grasp the significance of those statistics to the yearly economy can ignore the fact that the healthy economy of this Nation, in even normal times, is dependent in the greatest measure upon the production, maintenance and general servicing of automobiles. And it is obvious even to those who have not familiarized themselves with the problem that, today, many persons are deciding against the purchase of a car because of a luxury tax which prices the car beyond their ever more limited reach.

We cannot work at cross purposes. We cannot inhibit the sale, operation, and maintenance of the 6 million cars produced in a normal year and at the same time have a vital economy. We cannot seek the healthy economy necessary to our country when we preserve a tax which impedes that industry on which basic industry, such as steel, plant manufacture, lighter manufacturing, and countless service businesses are dependent.

The impeding luxury tax on automobiles must be speedily repealed. Recognizing, as I do, the tremendous value of the automotive industry to the entire economic structure of America, I am vitally opposed to the legislation before us today. And, I will seek to put the House on record as to the stand of the membership on this very important measure dealing with an industry giving employment to 1 in 7—an industry which creates 1 out of every 6 business enterprises in the country—and which attracts the expenditure of 1 retail dollar out of every 5. The indirect impact is beyond the comprehension of most economists.

Automobile excise taxes are unfair and in my opinion unjust to the lower

income groups who constitute 44 percent of passenger car owners—although these people earn less than $4,000 a year. Excise taxes are reflected in the used car prices. The tax was imposed originally as an emergency measure—long since gone. The automotive industry has a multiplying effect on other industries—rubber, plate glass, upholstery, leather, steel, paints, lacquers, wool, cotton, synthetic fiber, nickel, lead, zinc, and many, many other products.

The automotive output is now 30 percent curtailed and a continuation of the depressed market will further accentuate this percentage with a corresponding reflection in the industries dependent upon it many of which regard the automobile manufacturers as their best customers.

Mr. BROOMFIELD. Mr. Chairman, we in Michigan have been proud of the contribution our great State has made to our Nation in times of war and peace. During the past half century, the automotive products of our State have helped to radically change the mode of living for many of us, giving us the freedom of movement to live and work where we choose. During World War II and the Korean war, Michigan was noted as the arsenal of democracy and was one of the industrial cornerstones upon which the defense of the Free World rested.

The people of Michigan did not complain when wartime taxes were imposed upon them to help pay for our huge war effort and to cut down the use of such strategic materials as metals, rubber, gasoline, and oil. This was necessary to win a war for our very lives. The people of Michigan even went along quietly when these taxes were allowed to remain far after the national emergency was past in an effort to cut down our tremendous national debt.

But now, these excise taxes on automobiles are working a severe hardship upon our State. This 10-percent levy on car sales has priced many potential customers out of the automobile market.

As a consequence, Michigan faces severe and cruel unemployment. It is striking across the board from the factory worker to the vice presidents of corporations. Here are some of the latest labor statistics concerning Michigan I was able to gather from the Department of Labor.

In Michigan, almost a half million—some 460,000—are unemployed. That is 15.7 percent of Michigan's total workforce. Out of 8 cities in our State with populations of more than 50,000 residents, 7 of these have been declared critical labor-surplus areas by the Federal Government. Another 12 smaller communities are in a similar situation.

There is no doubt in my mind that it is more than coincidence that the present employment and business recession is very largely centered in those areas which come under Federal excise taxes. These taxes were designed to cut down customer demand. In this instance, they certainly are doing their job with a vengeance. It is imperative that these excise taxes, particularly on automobiles, be either cut or lowered drastically. They are crippling our durable goods industries and are adding to the burden of unemployment on a large scale.

Mr. REUSS. Mr. Chairman, I believe that H. R. 12695 should be recommitted to the House Committee on Ways and Means, in order to permit presentation to the House of a bill containing a substantial reduction in taxes that will do the most to stimulate lagging consumer purchasing power. It is quite apparent that the 85th Congress is going to have only one last opportunity to vote on an overall tax measure before it adjourns. I believe that the realities of our economic plight require a tax reduction now in order to restore employment.

The Employment Act of 1946 imposes a duty on Congress to maintain "conditions under which there will be afforded useful employment opportunities for those able, willing, and seeking to work." Today more than 5 million Americans, able, willing, and seeking to work, are unable to find work.

According to the best information available to me as a member of the Joint Economic Committee, there is little likelihood of any substantial recovery, in the absence of action by Congress, until at least the middle of 1959. I am not willing to see our economy stagnate for another whole year, even if we could be sure that we would then start moving forward. I am certainly not willing to take the chance that our unemployed will reach 7 million or more, which is a distinct possibility if we continue to do nothing.

An immediate tax cut can promptly affect both consumer buying power and the attitudes of businessmen. Unlike expanded Government expenditures, a tax cut can take hold at once. It is true that a tax reduction does not put money directly into the hands of the unemployed, but by increasing consumer spending in general, it improves business and helps to put the unemployed back to work.

In its report of May 28, 1958, the staff of the Joint Committee on Internal Revenue Taxation estimated a deficit in the Federal administrative budget for fiscal 1958–59 of $15 billion. A tax cut now may increase the deficit for a quarter or two, but thereafter will more than pay for itself through increased revenue from expanding incomes. By incurring a moderate deficit now, we can avoid a staggering deficit in a matter of months.

Nor is a tax cut at the present time inflationary. A year ago, with the economy's resources strained, I opposed a tax cut, because the additional consumer purchasing power could have added to the inflation. Today, with our total manufacturing resources operating at less than 70 percent of capacity, and with more than 7 percent of the working force unemployed, a tax cut would simply put resources and men back to work, not raise prices.

I am fully aware that large numbers of our people, including many of my own constituents, oppose a tax cut on what seem to them patriotic grounds—"We want jobs, and are willing to pay our present taxes to have them." The fallacy in this is that jobs can be restored quickest and best by increasing consumer purchasing power through a prompt tax reduction. Normally, to cut taxes in an election year is popular but unwise. Confronted as we are with a sharp recession this year, a tax cut is assuredly wise, whether popular or not. I hope that we will not delay in enacting one.

Mr. MACK of Illinois. Mr. Chairman, although I appreciate the hard work and conscientious study that members of the Committee on Ways and Means put in on this bill, I must say that I am disappointed by their decision to retain certain excise taxes at their present levels.

These levies were imposed during World War II when the purpose was to curb consumer spending for scarce goods and services. They were quite effective in doing that and they are operating the same way today. The difference is that today we are in a recession and we should encourage consumer spending instead of discouraging it by exorbitant levies which discriminate unfairly in the areas to which they are applied.

Is it not ironical that we still collect the wartime 3 percent tax on transportation of goods and the 10 percent tax on passenger service at a time when we are considering voting a multi-million-dollar subsidy to the railroads? Now I realize that because there is no cutoff date for the transportation taxes they are not included in the extension bill. This would have been a good time, however, for us to have repealed them and taken them off the books once and for all.

The same might be said, I think, for the excises on passenger cars which the committee has recommended we extend at the 10 percent rate for another year. Removal or drastic reduction of this levy, as well as the 8 percent excises on auto parts and accessories, would do a great deal to revitalize the currently depressed automobile industry.

Removal of all the wartime excise taxes would be a major victory in our war against recession.

Mr. DINGELL. Mr. Chairman, the present recession has been going on since last August, or for about 10 months. Historically we are informed that the business cycle generally turns within a year of the initial decline. The administration's gambling with the historical tendencies of recessions may be too dangerous at this time and should be examined carefully, especially in view of the remarks of many distinguished economists, not the least of whom is William McChesney Martin, Chairman of the Federal Reserve Board, in whose opinion it is quite possible that the present recession may not end in the near future. Moreover, it appears that if any end in the recession occurs, the bottoming out will take quite a while and even according to such authorities as the Chairman of the Federal Reserve Board whom I have just quoted, we will probably have 5 or 6 million unemployed next year at this time.

So far, antirecession measures which have been taken have been inadequate, and most of these have been forced upon an administration, which is most reluctant, by a Democratic Congress or have been built into the economy by previous

Democratic Congresses and administrations; for example, the cushioning afforded by unemployment compensation benefits. These benefits, incidentally, have risen tremendously over the past 10 months.

The Chief Finance Officer of the Department of Defense advises us that the administration is spending no more on security in the calendar year 1958 than in the calendar year 1957. Total Federal outlays will not rise over $3 billion this year; and this considers the increase in outlays under the road program, the tremendous surge in unemployment compensation benefits, and the Federal Government acting under the Housing Act and under proposed area redevelopment legislation.

The worst thing that has taken place in this regard has been the vigorous opposition of the administration to an adequate tax-reform program.

I refer specifically to a program which would close many of the enormous tax loopholes and which would increase exemptions in the low- or middle-income brackets very substantially. The most equitable way to handle it would be by raising individual exemptions from $600 to $700 or $800. At the present time the latter is almost essential.

Another gravely needed change in the tax structure is a repeal or a substantial reduction in the automotive excise taxes, which today add from $150 to $500 to the price of an American-made automobile in times of substantially increasing imports of cheap foreign automobiles.

This country is losing income at a present rate of $30 to $50 billion a year. Our gross national product has dropped from about $440 to about $420 billions and it is not unlikely to expect that it could slip further during the last half of this year.

Failure to deal with recessions promptly and lack of adequate Federal programs to meet them at the proper time has often resulted in severe depressions.

On the basis of a loss of income at the rate of $30 to $50 billion a year the failure of the administration to act costs us about $4 billion a month and about 700,000 man-hours of unemployment. At a time when unemployment is about 7.5 percent of the work force and when we have something on the order of 468,000 and 268,000 respectively unemployed in the State of Michigan and city of Detroit it appears that something must be done forthwith.

Mr. Chairman, the Congress of the United States should act if the President refuses. One of the first things we can do is have an adequate tax adjustment. We should plug loopholes and raise the individual exemptions to increase purchasing power in an area where greatest benefit is conferred on the economy. We should eliminate the tax on automobiles to permit the largest single industry in this country to act as a prop to the economy rather than as a ball and chain. We must have this tax reduction at the earliest possible moment.

Mr. MULTER. Mr. Chairman, I am constrained to urge the recommittal of this bill, H. R. 12695, now being considered under a closed rule, permitting no amendments, and which in effect is a tax-increase bill.

If this bill is not enacted, existing law will require that the normal taxes of corporations be reduced by 5 percent and that the excise taxes on passenger automobiles and parts for such automobiles will be reduced by 3 percent. The bill also would prevent an inconsequential tax cut on certain alcohol and tobacco items.

The bill does nothing for small business, it does nothing for the wage earner, it does nothing for personal-income taxpayers, it does nothing about any of the other excise taxes.

In my opinion, the enactment of this bill is a violation of the pledges contained in the party platforms of both parties. It runs counter to the recommendations, the unanimous recommendations, of the Small Business Committees of both Houses of Congress by failing to give any tax relief to small business. If the bill is recommitted the Ways and Means Committee can then bring forth a comprehensive tax bill which could do justice to the American taxpayer and at the same time aid in bringing the current recession to an end.

I do not intend to get into any debate as to whether the recession has come to an end or, as some people say, "bottomed out." The most optimistic dare not say things are getting better. The most they can hold out is that we have reached the bottom. That I personally think that things will get worse before they get better is unimportant. What is important is that I am sure that the American people will never be satisfied with staying at the bottom, assuming, without conceding, that we have reached the bottom. If we have reached the bottom it is time to start climbing to the top. We cannot do that by passing a bill of this kind.

In that connection I am pleased to direct the attention of our colleagues to the following excerpt from The Recession—Cause and Cure, published June 1958 by the Conference on Economic Progress. The excerpt is as follows:

NEEDED IMMEDIATE PROGRAMS FOR RECOVERY AND GROWTH

1. Immediate but permanent Federal assistance should be extended to States in amounts sufficient to provide insured and uninsured unemployed workers with payments equal to at least half their usual wages for so long as they may be unemployed. This could add perhaps $2 billion to the spending stream by 1959. Old-age insurance benefits and assistance should be increased rapidly, and close to doubled by 1964;

2. An immediate tax reduction of six to seven billion mainly for low- and middle-income consumers, should be enacted;

3. The President's original budget for fiscal 1959, proposing $72.8 billion for specific purposes (with $1.1 billion for contingencies), should be raised by $4.6 billion above the $72.8 billion for fiscal 1959, by more than $11 billion by calendar 1960, and by more than $23 billion by calendar 1964. Major national security outlays should be lifted by about $2 billion for fiscal 1959, by about $5 billion for calendar 1960, and by more than $10 billion by calendar 1964. With some allowance for expanded economic programs overseas, the balance of the increased outlays should be apportioned among vitally needed domestic programs to achieve the per capita expansion set forth above. The combination of expanded unemployment benefits, tax reduction, and increased Federal outlays, taking into account direct and indirect effects, would give a lift to the whole economy of twenty or more billion dollars for fiscal 1959, and perhaps thirty or more billion for calendar 1959. This would be on the low side, relative to our needs. The Federal deficit under these programs in fiscal 1959 and in calendar 1960 would be less—and if two or three billion were recouped by closing loopholes, much less—than the deficits now estimated to result from the President's program and the unfavorable economic developments likely to follow it;

4. The tight money policy should be reversed. All Government housing credit and insurance programs should immediately be liberalized as to interest rates and amortization, and combined with expanded Federal outlays for low income housing and urban redevelopment, aiming at total construction of about 2 million new homes a year;

5. The farm program should immediately be revised drastically, with unified goals for ample farm production for domestic needs and exports, for farm production facilities and population adjusted to these needs, and for farm incomes pointed toward parity of income;

6. Some key industries should now make price reductions and wage increases geared to expanded consumption. They will be able to do more when the Government assumes its prime responsibility to combat recession;

7. Full prosperity and full economic growth are less inflationary than stagnation or recession. Since September 1957, both consumer and wholesale prices have risen faster than during the period 1948–53 as a whole, which was marked by very rapid economic growth in a generally full economy.

The Conference on Economic Progress includes the following eminent Americans:

Thurman Arnold, attorney; former Assistant Attorney General of the United States, judge, United States Court of Appeals.

William H. Davis, attorney; former Director, Office of Economic Stabilization.

Abraham Feinberg, chairman, Julius Kayser Co.

A. J. Hayes, president, International Association of Machinists; vice president, AFL–CIO.

Fred V. Heinkel, president, Missouri Farmers Association, Inc.

J. M. Kaplan, industrialist.

Leon H. Keyserling, economist and attorney; former Chairman, President's Council of Economic Advisers.

O. A. Knight, president, Oil, Chemical, and Atomic Workers; vice president, AFL–CIO.

Murray D. Lincoln, president, Nationwide Mutual Insurance Cos.

Armand May, president, American Associated Companies, American Factors Co.

James G. Patton, president, National Farmers Union.

Miles Pennybacker, president, Voltarc Tubes, Inc.

Walter P. Reuther, president, United Automobile Workers; vice president and member, executive committee, AFL–CIO.

Marvin Rosenberg, chairman, Cameo Curtains, Inc.

Glenn J. Talbot, president, North Dakota Farmers Union.

M. W. Thatcher, president, National Federation of Grain Cooperatives.

Mr. NEAL. Mr. Chairman, in being requested to renew the wartime excise tax bill we are experiencing a thunderous reminder of our Nation's predicament resulting largely from former Congressional approval of temporary and ofttimes ill-conceived legislation.

All too often emergency revenue bills passed in haste later become the instruments through which funds may be found available for experimental as well as accepted Government functions. Under normal economic conditions it is an unfair imposition upon all the people to continue wartime taxes to defray the costs of Government operations in peacetime.

We are still paying Korean war excises 6 years after that war ended, and still faced with demands for domestic outlays, foreign aid, and an unprecedented national defense incident to the cold war.

Anticipated revenue from all sources, including excises, promises to fall some billions of dollars short of the budget's proposed appropriations, leaving no alternative to a sizable overdraft to add to an already hopeless national debt.

The position of the Ways and Means Committee, admittedly one of choice between two evils, is one to be unavoidably repeated if the Congress neglects to reverse its former record of approving authorized programs and agencies that add mandatory Treasury obligations year after year. As long as this Congress holds this committee responsible for tax-producing legislation to pay the pyramiding costs of ever-increasing Government functions, there can be no tax relief without deficit spending, inflation, and impaired national credit.

Repeal of excises promises a considerable stimulant toward a restored economy. Regardless of anticipated revenue from extension of this tax measure, the 1959 budget promises to fall short of proposed spending. Since it appears certain that the debt limit will have to be raised in any event, the loss of revenue resulting from repeal of excises at this time could conceivably be balanced by revenue received through expenditures of tax savings by those affected.

I am one who believes tax relief is timely, especially relief from excises. I will, therefore, vote to recommit this bill to the Ways and Means Committee. Our people are not only tax-weary, they are tax-resentful. It is time we in the Congress gave them a break. If they will demand less of their Government, the Congress will do just that.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I voted in the committee against favorably reporting this bill and intend to vote for its recommittal to that committee for such action as is to me quite obviously dictated by the needs of our times. I deeply regret that I must take this position against the decision of the majority of my committee and that of our distinguished chairman for whom I have a very high regard and esteem. Probably the better way to express my position is to say that I deeply regret that the majority of the committee did not see fit to join me in voting against reporting the bill in the form in which it is being presented to the House today.

Mr. Chairman, let us make no mistake about the importance of the vote on this bill. It may well be one of the most important votes in this session and it may well determine for the record what our position is toward an effective program to end the present recession and to restore health to our national economy.

If there be any doubt in anyone's mind as to this, or if anyone thinks that he can vote against a recommittal of this bill to the Committee on Ways and Means, and still tell his constituents that he is for tax reduction in any field, personal tax or other at this time let me assure you that this is probably your last opportunity to vote for tax reduction at this session of Congress, unless of course, the other body in its wisdom will refuse to ratify our decision today and will ask certain tax reductions as amendments to the bill. I hope we do not have to resort to this method of getting relief, constitutionally, the jurisdiction in these matters belongs in the House, and it would be sad indeed if we were to shirk our responsibility and have to assume it only under the pressure and on the initiative of the other body.

I said this will be your last opportunity at this session to vote for tax relief. What is the basis of this statement? It is no secret that the decision for this action urged upon Congress today is that of Secretary of Treasury Anderson, who has managed to convince the President and the leadership of Congress of the necessity for this action. It is also no secret that he has managed to convince the President despite the fact that the President's own advisers on economic affairs, certainly in a better position to judge the overall problem, than the Secretary of the Treasury, that the Vice President, the Secretary of Labor and others close to the administration, have been urging the President for some tax relief, in one form or another, as the best cure for the present recession. And certainly it is no secret that he has also managed to convince the House leadership of the wisdom of this action despite the fact that many distinguished Congressional leaders believe that tax-reductions now are justified and necessary.

This same Secretary of Treasury, who seems to wield such great influence, has categorically stated to our committee in answer to my questions, that if this bill is adopted there will be absolutely no tax reduction recommendation to Congress at this session. And he stated further that the administration has no further plan which it intends to submit to Congress for the ending of this recession.

So the choice is clear today, under the rule adopted, no amendment can be offered to the bill. The entire debate on this vital and important subject will last a mere 2 hours, and the issue will be determined finally and unequivocally. The only hope that exists for deliberate consideration and favorable action, will be to vote to recommit the bill to the committee so as to enable it to come back with a new bill, more realistically treating the important problem before us. Since this is an important issue, I hope that we will have a rollcall vote so that every Member can have an opportunity to show how he or she stood on this issue.

Mr. Chairman, I oppose the Tax Rate Extension Act of 1958, because of my concern for the economic welfare of the people of the United States and because of the fundamental implications for tax policy contained in the bill.

Each and every Member of this House has first-hand knowledge of the inroads that the current business recession or, if you will, depression, is making into the economic stability of the Nation as a whole and of the hardship that is being exacted of the people who have sent us here to represent them. The responsibility which each of us owes to our people behooves us to examine this bill on its merits, with a full appreciation of its implications for our own districts and for the country as a whole. There are many areas in which tax relief has been suggested. They should be carefully considered by the committee. In my opinion, the one area where tax relief is today especially justified and where relief will rebound to each and every part of the country receives no consideration in this bill. I refer of course to the Federal excise tax on automobiles. If some think that I am overstating my case at the onset, let me remind them that $1 in every $9 spent by the American tapayer and consumer is spent for products or services related to the automotive industry, and further that 1 out of every 6 jobs in the country depends either directly or indirectly on the automotive industry. However, my views and my position to this bill are premised not only on the fact that the temporary Korean excise tax made on automobiles is not being permitted to expire as it should, but also upon the fact that the action being advanced by the bill, which is being undertaken without public hearings in the Committee on Ways and Means, slams the door on any chance for any tax reduction this year, a truly important decision.

A decision not to reduce taxes when the country is experiencing a business recession of the magnitude currently being experienced can only be based upon a finding that the recession is bottoming out and that actual recovery and renewed growth have begun. Diligent efforts on my behalf have not turned up any such evidence, and I have not, nor have my colleagues, had presented to us any such evidence by the administration. As a matter of fact, the overwhelming body of economic and business opinion as expressed by those trained and skilled in the art of evaluating the position of the economy is to the contrary. Virtually every economist of note and every outstanding business group in the country are on record favoring immediate tax reduction as an antirecession device.

Tax reduction should have been advanced as long ago as the first of March,

by which time it had become evident to all that strong action was necessary to reverse the economic decline. The administration did nothing. We are now in the 10th month of the recession, with little done or advocated by the administration to reverse the situation. Its attitude seems wholly negative. It resists both spending programs and tax reduction. It appears hypnotized by the mounting Federal deficit projected for the fiscal year 1958 and 1959, and yet seems unwilling, indeed unable, to advocate or put into effect any action that will prevent these deficits from growing larger. For an illustration of the effects of this inactivity one has but to look at the current position of the automotive industry. Since the beginning of 1958 passenger car production has been 1 million units below the level of the corresponding period of 1957. Despite this drop in production of approximately 33 percent, inventories of automobiles are still at a level of about 800,000, down only slightly from the all-time record of 900,000 units reached in February. For the month of July through September, it is estimated that automobile production will be approximately 700,000 units below production for the same period in 1957, a decline of 54 percent compared to the 33 percent decline experienced to date this year. The consequences of these statistics for the Federal Treasury are apparent. First quarter earnings for automobile producers before Federal income taxes declined from $800 million to $400 million. Thus, in the first quarter of this year the Federal Treasury suffered a loss of $200 million in Federal corporate income tax receipts from the automotive industry alone. Potentially the Treasury will lose $800 million in corporate income taxes from the automotive industry this year. When this figure is compared to the net loss of only $350 million—the staff of the Joint Committee on Internal Revenue Taxation estimate is $300 million—which would result from permitting the Korean excise tax rate of 10 percent on automobiles to decline to 7 percent as scheduled, it should be apparent even to the Treasury Department that an effort to supply an incentive through the use of the tax structure to increase automobile sales would tend to offset this loss and is preferable to the course of action advocated by the administration and carried out in this bill.

The figures just cited refer only to the automobile industry. We are today losing income at the rate of $30 billion to $50 billion a year. This loss of income, as I have stated, automatically reduces receipts and a reduction in receipts automatically leads to increased deficits. Little new money is being made available to the economy as a result of this loss of income.

The paramount consideration in the minds of those in the administration who have been successful in urging the abandonment of tax policy as a weapon with which to fight the current recession is the size of the potential Federal deficit for the fiscal years 1958 and 1959. The fact that there will be a deficit for fiscal years 1958 and 1959 is cause for grave concern. Conservative estimates now appraise the size of these deficits as $3.9 billion for the fiscal year 1958 and $11.1 billion for the fiscal year 1959. However, even more cause for concern is found, in my opinion, in the fact that unless something is done to halt the current business recession, the deficits will increase and run into the fiscal years 1960 and 1961. However, these figures are unimportant in themselves and are meaningful only when examined in the light of what is happening to our national prestige and the toll of deprivation and misery being exacted of our people as a result of the economic decline which brings the figures into existence.

Our Federal tax structure is geared to income and sales. When, as a result of the loss of public confidence, business cuts back and people are thrown out of work, profits and sales fall off. The fall in profits leads inevitably to a decline in the revenues produced from the individual and corporate income taxes; decline in sales leads inevitably to a decline in revenues from the various Federal excise taxes which are measured by sales. As revenues are reduced a deficit will automatically be increased.

This result is intended—a product of the built-in flexibility of our tax structure—and means that the tax structure should take less income from the people of the United States in times of economic decline and more in times of prosperity. The emphasis which the administration places upon the existence of a deficit and the potential deficit which will arise for the fiscal year 1959 in arguing for the abandonment of tax reduction runs counter to all accepted notions concerning tax policy. Indeed, the logic of the administration's position would seem to force it to the point of urging increased taxation. Otherwise the administration is in the position of the farmer who, worried about the falling water level in his cistern, did nothing to plug the leak.

I could go on and quote the yards of statistics which skilled economists and businessmen are today pointing to as evidence of the fact that the recession is not at an end; but these statistics would offer small comfort to the unemployed of the Nation as a whole or to my own State of Michigan, where for the week ending May 31 the statewide unemployment was 460,000, or 15.7 percent of total employment, an increase numerically of 279,000 over the same week in 1957. Instead of quoting statistics, I hope that it will be possible for me to offer a motion to recommit this bill, with instructions to the Committee on Ways and Means to bring us back a proposal which will operate as a counterrecession measure by reducing the Federal excise taxes on automobiles from 10 to 7 percent and by removing the transportation tax on property. In my opinion, such tax reduction is the very least that we can offer to the American people. I realize that the parliamentary situation may prevent me from doing so, as a straight motion to recommit will take preference over mine. In that case, I intend to support such motion as the best means available for getting tax-relief action from the committee.

In conclusion, I would like to refer you to the dissenting views which I have filed in report No. 1839 accompanying this bill. I ask you to read them and compare them with the case put forth by the majority. The views set forth by me are not in issue. They are proved and, I take it, accepted by all. The difference must lie in some notion of policy. I ask you to judge for yourselves and to vote on the bill in accordance with your judgment.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Michigan.

Mr. RABAUT. I would like for my colleague also to include in his remarks the fact that 44 percent of all passenger cars are purchased by people earning less than $4,000 a year.

Mr. MACHROWICZ. I thank the gentleman.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Illinois.

Mr. YATES. I would like to congratulate the gentleman upon the statement, and his dissenting views in the committee report. I thought it was a very competent and thoroughgoing statement. However, I find myself in disagreement with the motion to recommit which the gentleman would offer, because while I consider that this tax bill which is on the floor is quite inadequate in the consideration of the tax problem, I think a mere statement that the gentleman would intend that the tax bill cover only a reduction in the automobile tax and a reduction in the transportation tax would still be only a partial consideration of the tax problem as it affects our total economy. I would have preferred a tax bill which considered all elements of our economy. But, let me ask the gentleman, insofar as the automobile situation is concerned, does not the gentleman believe that in view of what is occurring that the automobile manufacturers should reduce the price of their cars?

Mr. MACHROWICZ. I absolutely agree with the gentleman, and we have the assurance of the automobile industry that if this tax is reduced there will be some action taken also by the manufacturers. However, as far as the question raised by the gentleman from Illinois in regard to my motion is concerned, I would certainly prefer a much broader motion. However, this discussion is academic at the present time, because there will be a straight motion to recommit which undoubtedly will take preference over mine.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Arkansas.

Mr. MILLS. Has the automobile manufacturing industry given the gentleman any assurance that it will reduce prices except as excise taxes are reduced?

Mr. MACHROWICZ. Well, they have given assurance that they will reduce prices as excise taxes are reduced, and I am hoping that there will be further reductions.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from New York.

Mr. MULTER. I intend to support the motion to recommit for all the reasons the gentleman has urged. In addition to that, I will support it for the reason that the Small Business Committee of the House for the last 4 years has been urging, unanimously urging, tax relief for the small-business man. As a matter of fact, the platforms of both parties promised tax relief to the small-business man, and under this extension of the corporate tax, they will get no relief at all. Does not the gentleman agree?

Mr. MACHROWICZ. The gentleman is absolutely correct.

Mr. MACK of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Illinois.

Mr. MACK of Illinois. I wish to commend the gentleman on the very fine statement he has made. I think we all recognize that we have two very sick industries in this country, the automobile industry and the railroad industry. The railroads are presently requesting a subsidy of $700 million from the Congress. We are presently working on a bill to provide borrowing power of $1 billion for the railroads. Now, is it not ridiculous that we continue the 3 percent excise tax on freight and the passenger tax in view of those circumstances? If we are not careful, the automobile industry will be in here, too, asking for a subsidy to take care of them.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, I rise in support of the bill before us today and wish to indicate that I do this consistent with my vote in the Ways and Means Committee. However, like many of my colleagues, I do not want this support to indicate any retreat on my part from my fervent belief that we must, at this session of Congress, enact a thorough program of income tax rate reform.

I should like to remind my colleagues that I have the honor to be the sponsor of H. R. 6453 which, commingled with H. R. 9119, sponsored by my friend and distinguished colleague, Representative A. H. HERLONG, JR., of Florida, is known to the membership as the Sadlak-Herlong bill. Like myself, the gentleman from Florida [Mr. HERLONG] is a member of the Ways and Means Committee.

This legislation was conceived before the current recession arose to compound our economic problems. I believe that conditions today make the urgency of this legislation even more apparent than was the situation when it was first introduced almost 15 months ago. Both from the standpoint of our domestic well-being, as measured by plentiful jobs and an advancing standard of living, and our international strength and prestige in this turbulent period, it is vitally necessary for our Nation to get out of the slump and resume economic growth on a substantial scale. I believe, along with the Saturday Evening Post, which said editorially, on May 17, that enactment of this legislation "might well turn out to be the bold stroke that routed the recession." We have heard a great deal about present and impending deficits, but it is my conviction, shared I know by a great many Members of this body, that the quickest way to strengthen the revenue base and return to balanced budgets would be to enact rate reform legislation.

We heard this afternoon the remarks made by our dear friend and colleague, the gentleman from Kentucky [Mr. CHELF]. He has just come, as he said, back from the grassroots and what he said was a very impressive speech, in my opinion, for enactment of the Sadlak-Herlong bill.

The support for this legislation during the tax revision hearings conducted by the Ways and Means Committee was overwhelming. In addition to this support, there have been hundreds of fine editorials throughout the country and thousands of letters from citizens in all walks of life. The gentleman representing the Fifth District of Florida and I are extremely grateful for the expressions of support that have come from Members of this body on both sides of the aisle and we hope that the chairman of our committee will give this House an opportunity to vote on this measure before we adjourn. I can think of no single action that would be more beneficial to our economy, both in the short range, and for decades to come.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. NIMTZ].

Mr. NIMTZ. Mr. Chairman, on several occasions, Members of the House, particularly from Indiana and Michigan, have taken the floor to advocate repeal, or at least a reduction of the excise tax on passenger automobiles and trucks and the excise tax on parts and accessories. On March 17 last, a number of my colleagues joined me in discussing and debating this subject on the floor for an hour. At that time, I stated that it was regrettable that last year the committee included the extension of the excise tax on passenger automobiles, parts, and accessories with the extension of the tax on distilled spirits and tobacco. Because the bill was reported out under a closed rule, no amendments were permitted from the floor. One had to vote either for the bill, or against it, as it was reported out of the committee.

It is unfortunate that the committee has this year again reported out a similar measure which places the extension of these taxes on passenger automobiles, parts, and accessories with the extension of those taxes on distilled spirits and tobacco in the same bill. Again, no amendments are permitted from the floor.

Because it is my belief, and also, I am sure, the belief of a majority of my constituents, that the tax on passenger automobiles, parts, and accessories should be repealed, or at least reduced, I cannot vote today for this bill which extends these excise taxes.

Mr. Chairman, my vote today against the extension of corporate and excise tax rates at present levels will be a vote of protest against the failure of the Ways and Means Committee to give us an opportunity to consider separately, and on its own merits, repeal of the unjust, discriminatory tax on passenger automobiles and accessories.

The excise tax on autos and trucks was one of several taxes imposed during the Korean war to discourage sales and production in some fields so that manpower and materials thus saved could be diverted to war production. This tax should have been permitted to expire 5 years ago. When the war ended it became unnecessary, and today it is depressing one of our giant industries and promoting unemployment and human misery.

The very argument for its original enactment is now the argument for its repeal or reduction.

There is no reason at this time to be discouraging, through taxation, the buying of automobiles and trucks, parts, and accessories. We have the capacity to supply the materials and manpower for auto production without in any way endangering defense production. As a matter of fact, the pool of trained labor and production facilities in auto manufacturing are among the great resources we want to keep available for immediate use in defense mobilization.

Extension of this tax is adding fuel to the fires of the present business recession. The automobile industry is one of the most vital segments of our economy. One out of every seven jobs in the Nation is dependent upon it. The business that creates these jobs is in a depressed state today.

There is no question that the Federal Government needs revenue. But depending on a tax that is obviously intensifying and expanding the business recession is dangerous.

Sixteen months ago I introduced H. R. 3854, providing for repeal of this unjust tax. Other Members have introduced similar measures. Since that time the need for such action to stimulate automobile sales and benefit the entire economy has become even more apparent.

I am deeply disappointed that Members of the House have not had an opportunity to vote on this proposal, and the only way I know of to express my disappointment is to vote against the extension measure under consideration today.

This excise tax on passenger cars and accessories is not a matter which affects only Indiana and Michigan. It affects the entire country and every segment of our economy.

Mr. Chairman, I urge my colleagues to consider this matter carefully as it affects your district, your constituents, and the country at large. I urge you to support the motion to be made by the gentleman from Illinois [Mr. MASON] to recommit this bill to the committee.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. NIMTZ. I yield to my colleague from Indiana.

Mr. MADDEN. Mr. Chairman, I commend the gentleman from Indiana [Mr. NIMTZ] and also from Michigan [Mr. MACHROWICZ] on their remarks about removing the excise tax on automobiles.

I also am in favor of removing the excise tax on transportation. This tax is one of the main contributing factors to the present plight of the railroad economy.

I have received hundreds of letters from my district since January 1 asking for the repeal of these two wartime excise taxes.

Over 500,000 new 1958 automobiles are in the retail dealers' showrooms today waiting for purchasers. The removal of this tax will be a great impetus toward aiding auto sales. The repeal of transportation tax will help the railroads and give employment to some of the thousands who are unemployed in that industry.

The parliamentary situation on this bill is such that I must vote to recommit with the recommendation that it be returned to the House providing for repeal of the automobile transportation and communications tax.

Mr. NIMTZ. I thank the gentleman.

Mr. REED. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, on the 17th day of March I also spoke on the floor, along with the gentleman from Indiana [Mr. NIMTZ] and other Members of this body, requesting that Congress repeal the excise tax on automobiles and automobile accessories. I along with others introduced bills to accomplish that.

My purpose in supporting such a measure was that the purpose of an excise tax is twofold. It is to raise money. It is also, and perhaps more important, to reduce the manufacture and sale of a specific article, in this case automobiles. Today we certainly are not interested in trying to reduce business and reduce the manufacture and sale of automobiles. I deeply regret that this bill to extend certain excise taxes comes up under a closed rule so that Members either have to vote for it or vote against it. An amendment will not be able to be offered on the floor except by the Ways and Means Committee. For that reason, I am strongly against extending all these excise taxes at this time and I do intend to vote against the bill. If we are able on the floor here to defeat this bill then, perhaps, the Committee on Ways and Means will go into a thorough study of these matters, which it has not done, and bring out legislation that will eliminate or reduce the excise tax on automobiles. If we defeat this extension at this time, possibly when this legislation is again brought up it may not be in a closed rule, but on a rule that will allow Members of Congress to offer amendments to the bill. As it is now we can either take this extension of excise taxes as is or vote against it. I will vote against it.

PROGRAM FOR NEXT WEEK

Mr. REED. Mr. Chairman, I yield 1 minute to the minority leader, the distinguished gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I have asked for this time in order to inquire of the majority leader as to the legislative program for the coming week.

Mr. McCORMACK. The program for next week is as follows:

Monday, the conference report on S. 72, the civil service retirement annuitants bill.

Then general debate will be had on the bill, H. R. 12591, the Trade Agreements Extension Act of 1958. General debate on that bill will continue on Tuesday.

There is a primary in South Carolina on Tuesday and any rollcalls that may come up on Monday or Tuesday will go over until Wednesday.

On Wednesday, the first order of business will be the further consideration of the Trade Agreements Extension Act of 1958 under the 5-minute rule. Of course, as we know, there is the Simpson substitute which is the only amendment in order on that bill. There will be 5 minutes on each side on that. Members will be protected because there will only be general debate on Monday and Tuesday on the extension of the Trade Agreements Act and the Simpson substitute will come up in Committee of the Whole on Wednesday.

After that bill, there is H. R. 12541, the Department of Defense Reorganization Act of 1958.

Upon the completion of that bill there is the public works appropriation bill for 1959.

Might I suggest to my friend that there is one further bill which is not on my program, but I am glad that it has come to my mind at this time. It is a supplemental bill coming out of the Committee on Appropriations in relation to the appropriation for the so-called Unemployment Compensation Act, which passed both branches of the Congress and which was signed by the President the other day.

Mr. MARTIN. That should not take long.

Mr. McCORMACK. I would not think so. I would bring that up as quickly as possible. I am putting it down for next week and it will be in order for consideration some day next week. The gentleman from Rhode Island [Mr. FOGARTY] advised me on this today and I see my friend, the gentleman from New York [Mr. TABER] in the Chamber, and he has had some discussion with the gentleman from Rhode Island about the bill coming up next week.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I yield.

Mr. TABER. That legislation will be reported on Monday noon when the House meets. It is a joint resolution and a request will be made to take it up at any time that the leadership will permit.

Mr. McCORMACK. Can the gentleman advise the House, including the leadership, as to whether it is intended to be brought up by unanimous consent?

Mr. TABER. I believe the gentleman from Rhode Island [Mr. FOGARTY] would like to do that.

Mr. McCORMACK. The leadership, of course, will cooperate because if the bill is going to do any good at all, we want to get the money appropriated as quickly as possible. The leadership on both sides wants to cooperate as much as possible in getting the money into the hands of the executive branch so that whatever good, little as it may be, might be accomplished.

Mr. MARTIN. I thought that bill was rather well padded. I did not think it was a little bill.

Mr. TABER. It is only $640 million.

Mr. MARTIN. Peanuts.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, to those of us who have been concerned for some time about the burden of present Federal taxes, the discussion today has been an interesting and I think an encouraging one. I think all members of the Ways and Means Committee, who have the distasteful responsibility of trying to find the wherewithal to meet the bills that are incurred by this Government, find it refreshing to hear some of the recognition given today by some Members of this Congress to the fact that taxes are unduly burdensome. I would hope that the Members making those speeches recognize the fact that the burden of taxes is directly related to the expenditures of the Federal Government. There is no need to worry about the burden of taxes unless we worry too about the expenditures which we are making and which make those taxes necessary. In fact, it is rather a peculiar situation which I must point out to the membership this afternoon, that it was less than 2 hours ago that this House, by a majority vote, insisted on going beyond the extent to which the Appropriations Committee desired to go by way of expending further sums, went beyond what the President and the administration recommended as necessary expenditures of the Government. A majority of us insisted—I did not join the majority; I happened to be in the minority on that occasion, as I find myself quite often in the spending field—but a majority insisted that we should spend at least somewhere between $100 million and $800 million more than the Appropriations Committee found justified, and much more than the administration recommended in the appropriations for the Department of Defense.

I would recommend, Mr. Chairman, that those who have become concerned—and I hope they stay concerned—about the level and the burden of taxes, that they remember and continue that concern when matters involving increased expenditures are before this Congress. There is not a member of the Ways and Means Committee who will appear before you and say that our taxes today are at a reasonable level. We all admit that they are burdensome and onerous, but we also recognize that the money has got to come from some place. We just cannot spend it and not pay the bills.

Even with these burdensome taxes we are not raising enough revenue to pay our bills today. Let us recognize that when there is talk of tax reduction or refusal to continue certain taxes that

will expire. Let us recognize that in February this year we voted to increase the debt limit by $5 billion because we recognized we would have to borrow in excess of the $275 billion limit that had been set.

Present estimates are that in this fiscal year which ends June 30, this month, we will have operated as a deficit of $4 billion—during this current fiscal year; and the estimate for next year is for a further deficit of $11 billion.

What does that mean? That means without doubt, Mr. Chairman, that before this session of Congress adjourns, there is going to be another increase in the statutory debt limit; and, unless it is a pretty big one we will face another increase when we return next January.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield.

Mr. NICHOLSON. For 10 years we have been sending from $3 billion to $5 billion a year to foreign countries. Had we saved that money—I think it runs up to $60 billion—we never would have had to increase our debt limit.

Mr. BYRNES of Wisconsin. We have plenty of places to save, I might suggest to the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. BYRNES of Wisconsin. Mr. Chairman, we have to be concerned about every authorization and every appropriation bill to see that we do not spend any more money than is absolutely necessary. It is only when we approach expenditures on that basis that we will be creating an environment in which we can consider legitimate and reasonable tax reduction and the elimination of some of these terrific burdens we have put on our people.

Let me suggest to some of the Members that they take the committee report and look at page 4 and find out what taxes they are going to vote not to continue if they vote to recommit the bill or vote against it. Look at the taxes that you are going to say you are going to repeal, and you are going to repeal all of them if you vote against the bill, because let us remember that there is a deadline on these taxes, an absolute deadline of June 30. We must pass this bill through this body and the other body and have it on the President's desk and signed into law by June 30 or you will take off all of those taxes and incur losses estimated at $2.4 billion a year, which will be added to the estimated increase of the national debt. The taxes that we are asking you to extend today are few, but look at the taxes you are going to vote against extending. You are going to vote against extending by 5 percentage points the corporate income tax. You are going to reduce the tax on distilled spirits, the tax on beer, the tax on wine, the tax on tobacco, passenger automobiles, parts and accessories for automobiles. That is all.

We hear all this talk about the transportation tax—may I say to my friends, I think that is an evil tax and I am willing to vote tomorrow to repeal completely the tax on the transportation of property. Tomorrow I am going to present to the committee as part of the tax relief bill for small business the proposition of repealing this tax on transportation. It is a tax that has a special impact on small business, the small man who cannot afford to buy his own fleet of trucks and avoid the tax, but must ship his product by common carrier and pay the transportation tax. I believe very strongly the tax should be repealed, but the repeal of that tax should not be considered as part of the bill now before us.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. ALLEN of Illinois. First of all I want to compliment the gentleman from Wisconsin for recognizing that the Congress of the United States has some financial responsibility. I am sure that all of us are not unmindful of the fact that the executive branch of the Government cannot spend one dime that is not appropriated by the legislative branch, by this Congress. Some people seem to feel that they have relieved themselves of responsibility by saying that it was this administration that put us into the red, that they are the ones that forced us to raise the national debt. I repeat, therefore, that the executive department cannot spend one cent that this Congress does not appropriate. If the Government becomes unstable financially, it is not on the shoulders of the executive department but on the shoulders of the Congress of the United States, the only branch which can appropriate one cent of money.

Mr. BYRNES of Wisconsin. I thank the gentleman.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Tennessee.

Mr. BAKER. The gentleman from Wisconsin answered my question when he pointed out to those who would vote to recommit that it simply applies to alcohol, distilled spirits, beer, wines, tobacco, passenger automobiles, parts and accessories and nothing else.

Mr. BYRNES of Wisconsin. There is one final point I would like to make. Some people are losing sight of the fact that this tax legislation cannot and is not being considered today in the environment that we normally consider tax legislation or any other kind of legislation. Let me emphasize the point that we are considering this particular piece of legislation faced with a deadline. A delaying motion, a motion to recommit for the committee to consider other studies, consider other areas, can do nothing else but delay the matter. This bill must not only be passed by the House, it has to be passed by the Senate, it has to be sent to the President and that has to be done by June 30. Let us just remember that when it is proposed that something be done which will delay enactment of the bill. If this were a matter that involved no deadline and the desire was to send it back to the committee for the committee to rework it, and it did not make any difference whether we passed it in June, July or August, there would be no reason to stress this point; but here you have a deadline and unless you meet the deadline these specific taxes expire; you add to the debt by $2½ billion.

I trust we will not delay this matter but that we will vote to send this bill on its way to the Senate and the President.

Mrs. ROGERS of Massachusetts. Mr. Chairman, under leave to revise and extend my remarks in the RECORD before the passage this afternoon of H. R. 12695 by the gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee, I include in them some material on the recession by Mr. Carrol M. Shanks, the distinguished president of the Prudential Insurance Company of America.

Mr. Chairman, 2 weeks ago I addressed a letter to the President of the United States concerning a reduction in Federal taxes. Having made a careful and accurate study of Federal taxes, giving special attention to their relation not only to Federal income but also to the national economy, I believed my conclusions would be helpful to President Eisenhower regarding the subject of general tax reduction and its immediate effect upon the national economy. My entire purpose in writing to the President was to be helpful.

The contents of my letter to the President expressing my conclusions and recommending a reduction in income taxes, excise taxes, and corporate taxes were printed in the CONGRESSIONAL RECORD of May 27 on page 9622. This conclusion was based upon economic facts. I made the recommendation to the President confidently and accurately believing a reduction in these Federal taxes would have an immediate impact upon the national economy, being a positive step on the part of the Federal Government to end the recession and bring about a recovery. Of course, this would relieve the unemployment situation by the creating of millions of jobs.

Economics, and particularly as they relate to the national economy, in my view should not be considered from the viewpoint of political advantage. There is no room for politics in an ailing economy in this Nation. When the economy is sick, the only thing to do is to take action that can quickly result in a cure. People who are unemployed and who are wanting for certain necessities have no time for a wait-and-see program.

The conclusions I have reached regarding a reduction in income taxes, excise taxes, and corporate taxes appear to be in agreement with those of some very distinguished persons and institutions. Here in the Federal Government this general conclusion appears to be the conviction of Vice President Nixon, Mr. Raymond J. Saulnier, Chairman of the President's Council of Economic Advisors, and the Secretary of Labor, the Honorable James Mitchell. Organizations have reached the same conclusions, such as the Rockefeller Brothers Fund, the United States Chamber of Commerce, and the Committee for Economic Development. The economic advisers for some of our large industries have reached the same conclusions. I refer to the Ford Motor Co., General Motors Corp., and the United States Steel Corp.

Opposing a reduction in Federal taxes is the Secretary of the Treasury, the Honorable Robert Anderson. The Secretary has counseled a wait-and-see policy. I disagree with this policy and do not believe that it can be substantiated or justified by economic facts. There are many who share my view. If this policy can be justified, then I believe the economic facts upon which it is based should be accurately and precisely presented to the Congress.

In the May issue of Think magazine, which is published by the International Business Machines Corp., Mr. Carrol M. Shanks, the distinguished president of the Prudential Insurance Company of America, has written a very clear analysis of the current recession and its cause and cure. Under the subheading "What Government Can Do," Mr. Shanks recommends a reduction in income taxes and clearly states his reasons. I agree with him and believe his conclusions are sound and are based upon economic facts. Following is this very excellent analysis of Mr. Shanks'. I recommend it to the Congress, to the President, and to the Secretary of the Treasury. It is a valuable contribution to our economic thinking at this time:

RECESSION—THE CAUSE AND CURE

(By Carrol M. Shanks)

Despite our present problems—and there are many of them—we can afford to be optimistic about our economic future, both for the short run and for the long run.

Things are seldom as good as they seem, or as bad as they seem. It was our extended prosperity—good as it seemed at the time—that laid the groundwork for our present situation. A great depression like the one in the 1930's is unlikely to occur in the near future—or ever again. But we must expect business activity occasionally to drop and unemployment to rise as the economy adjusts to changes in demand or to maldistribution between the various stages of production.

The record of our economic system in providing a rapidly rising standard of living and an amazing diversity of goods and services, in bringing about high standards of health and education, and in increasing leisure time is convincing evidence of the basic soundness and efficiency of our economic system.

Even so, today's business setback has inspired some to predict the end of rapid growth for our economy. We are told that we have too many factories, too many durable goods—even too many workers. According to the prophets of gloom, the recessions of 1949 and 1954 turned out to be mild adjustments because we still had a large backlog of demand held over from the 1930's and the early forties, which isn't true now; so the current recession, they say, will be prolonged and may drag on for years.

I think these people are dead wrong.

The fact is that our plant and equipment are not excessive by any standard except the temporary measure of currently depressed demand. We have a shortage, not a surplus, of able workers; and this shortage will get worse before it gets better. The expanding economic needs of the American people are far from satiation. And the provisions of an adequate defense on top of our private demands will, in the years ahead, test our productive capacity to the utmost.

It is a fairly safe bet that by the middle of 1959 the economy will be operating at capacity and that our principal economic worry will be the threat of further inflation. Let me tell you why I am confident of an economic upturn in the not-too-distant future, and some of the things that we all can do to expedite it.

RECESSION: THE PAST

First, let us see what has happened so far in the recession:

Gross national product (the value of all goods and services produced in the United States) fell from the peak rate of $440 billion in the third quarter of 1957 to about $426 billion in the first quarter of 1958. The more obvious, or immediate reasons for this decline were the autumn cutback on Federal Government spending and the beginning of the decline in business expenditures on plant and equipment.

The more basic, underlying reason for the recession was, however, a change in the pattern of consumer spending which dates back to the beginning of 1956. Consumer purchases of nondurable goods and services moved ahead strongly in 1956 and 1957; but consumers spent no more on durables in the fall of 1957 than they were spending at the beginning of 1956—and the manufacture, distribution, and sale of durable goods represent a major segment of our economic pattern.

The first thing that happened was that manufacturers' durable goods inventories accumulated. Despite a decline in industrial production beginning as early as January 1957, the ratio of manufacturers' inventories to sales kept climbing month after month during the year. The inevitable inventory adjustment began in October 1957; production was slashed well below current sales in an attempt to use up inventories.

A marked decline in business capital spending as a result of curtailed industrial activities coincided with a sharp reduction in Federal Government spending. All this reduced manufacturers' sales, necessitating still further cuts in production in order to make any headway in reducing inventories.

In the first quarter of this year it is estimated that production has been cut $7 billion below the rate at which goods are being consumed. This cutback in output, along with the decline in business spending on plant and equipment, has resulted in widespread layoffs in the manufacturing and construction industries.

RECESSION: THE PRESENT

With unemployment high, and the average workweek reduced in many industries, one might guess that retail sales would have fared very badly. Yet the remarkable fact is that retail sales in the first quarter of this year were down less than 3 percent from the fourth quarter of last year, and were not down at all when compared to the first quarter of last year. Consumer spending on services is also being well maintained, so that the recession is thus far being confined largely to the manufacturing and mining segment of the economy.

The two most significant aspects of the present recession have been, therefore, (1) the maintenance of final demand, which has remained at near record levels, and (2) the very rapid rate of inventory adjustment, which means that manufacturers will soon have to stop taking orders or else start up their machine again.

RECESSION: THE POSSIBLE FUTURE

Let's look ahead:

Production in most basic industries appears to have stabilized, and advance indicators (such as new orders for paperboard, heavy construction contract awards, machine tool orders, and applications for FHA commitments) are rising.

If retail sales continue to hold up, the rate of inventory liquidation in the second quarter will slow down and the inventory adjustment should be completed by the third quarter. By the fourth quarter, businessmen may well be building inventories again.

With inventories being reduced at a $7 billion annual rate (as has been true of the opening months of this year), $7 billion in production is actually being withheld from the economy—a $7 billion short circuit, so to speak. If we should end the inventory adjustment, and move to a moderate inventory accumulation at a $2 billion rate by the end of 1958, we would thereby add $9 billion ($7 billion plus $2 billion) to the rate of production, even if there were no increase in the rate of consumption of goods. An increase of $9 billion is a very large increase in production and would lift employment and incomes well above current levels.

IT'S UP TO US

The one weak link in this chain of reasoning, however, is the possibility that the final demand for goods—largely consumer buying—might not hold up as well as it has thus far. Consumer buying must not decline in the coming months, or the inventory turn-around cannot be accomplished quickly, and the recession might drag on. Actually, people can well afford to buy now: Prices are not likely to go lower.

Federal, State, and local government expenditures must also continue to expand if we are to recover fast, but there seems to be no doubt on this score. A cutback in Government orders at exactly the wrong time contributed to the current recession. The upturn in Federal Government spending was long delayed, but now it is making itself felt, and Federal purchases, it would appear, will rise about $3 billion over the remainder of the year. State and local spending will also be up, by about $2 billion. This increase of $5 billion will be an important factor in maintaining and expanding final demand in the coming months.

WHAT BUSINESS CAN DO

Business expenditures on plant and equipment have declined from the record levels of the recent past, and surveys indicate a further decline of about $3 billion during the remainder of the year. This decline in business capital spending is distressing for a number of reasons. First, and most obvious, the decline, if it continues, can offset entirely the rise in Federal Government spending, and will thus retard recovery. Second, the decline is in most cases not justified in the long run. Many businesses, faced with booming demand during the next few years, will regret their failure to have seized the opportunity to build plants and secure equipment while supplies were readily available in 1958. And they will regret it in dollars, as they will pay higher prices in the future for what they could have secured under more favorable conditions today. Third, our defense against aggression from without and our strength in providing a higher standard of living at home, rests principally on our stock of plants and equipment. We cannot afford to cut corners on this vital asset. Productive capacity is our best defense.

Businessmen can make an important contribution to recovery generally and to the future of their individual businesses by buying—by enlarging, rather than cutting back, plant and equipment expenditure programs.

WHAT THE CONSUMER CAN DO

As important as Government purchases and business capital expenditures are as forces for recovery, the really strategic element in the current business picture is the consumer. The consumer, by his purchases, will determine whether the inventory adjustment can be completed speedily and whether the turn-around comes quickly.

I believe that the consumer will come through in the present situation just as he has time and again throughout the postwar period. Consumer savings are high, a large portion of consumer's installment indebted-

ness is being paid off this year, and the public has given evidence of real stability and strong resistance to panicky action. The consumer knows the American economy is not on its last legs. He knows we have been through these adjustments before, and the continued buoyancy of the economy in recovering and surging ahead amazes even the experts.

WHAT GOVERNMENT CAN DO

Even though we should soon be out of this difficult period, there are, nevertheless, sound things that I think the Government can and should do to help. One of these things is to reduce income taxes. An across-the-board income-tax cut in the immediate future would, I am convinced, provide a spark to move consumer buying ahead more strongly. It is because of its immediate effect—at the time it is needed—that an income-tax cut is highly preferable to proposals for Government spending on public works.

Some oppose an income tax cut at present on the ground that it would lead to a large Federal deficit which would in turn lead to inflation. Further inflation in the years to come is always a serious threat, but I question this as an objection to an income tax cut at present. If we do not reduce taxes in the near future we are likely to end up running an even larger Federal deficit than that which would occur as the result of the tax cut. If business continues to bump along for another year at far short of capacity output, the loss in tax income will be staggering. The sooner decisive action is taken to end the current recession, the less the resulting Government deficit is likely to be. A tax cut at present might actually increase Government revenues 6 months from now over what they would be without the tax cut, because the tax cut would increase the real output of the economy—on which all revenues, private and Government, are based.

The argument that a tax cut would produce inflation is based on the belief that Congress would not take action, in future years, when the economy is booming and inflationary pressures are strong, to restore higher taxes. This type of argument—that we should refrain from taking appropriate action now because we fear inappropriate action in the future—is a dangerous one. Moreover, there is nothing in the past to indicate that the Government is unduly timid about raising taxes when they are needed.

The major problem at this moment is recession, not inflation. During a recession, a Federal deficit is sound policy, just as a Federal surplus is sound policy during boom and inflation. If we do not take appropriate action now, we are not likely to avert inflationary action in the future. We are instead likely to intensify the demand for, and excuse for, all sorts of long-range projects which will make the problem of inflation much more serious in the future.

IN SUMMARY

If straight-thinking businessmen—as well as consumers—and Government officials will translate into concrete action their realization that our long-range economic future is sound, the recession of 1957–58 may well prove to be less significant than the mild dips of 1949 and 1954. This country was built by men who saw what had to be done—and found ways to do it. There are still a great many men like that around. I think we can depend upon them to see that what ought to be done will be done. Their leadership—and the inherent health of the economy—will soon place us on the threshold of the greatest era we have ever seen.

Mr. REED. Mr. Chairman, I have no further request for time.

Mr. MILLS. I have no further request for time.

The CHAIRMAN. All time has expired. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. There are no committee amendments.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FLYNT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal tax rate and of certain excise-tax rates, pursuant to House Resolution 586, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. Definitely so, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H. R. 12695 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. RABAUT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So the bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendments to the amendment of the House to the bill (S. 734) entitled "An act to revise the basic compensation schedules of the Classification Act of 1949, as amended and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON of South Carolina, Mr. MONRONEY, Mr. NEUBERGER, Mr. CARLSON, and Mr. JENNER to be the conferees on the part of the Senate.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts.

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

UNEMPLOYMENT COMPENSATION BILL

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order for the gentleman from Rhode Island [Mr. FOGARTY], or any member of the subcommittee designated by him, to call up on Monday next the joint resolution providing for additional supplemental appropriations for the Department of Labor relating to the carrying out of the bill passed recently with reference to the unemployed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE NEWSPRINT INDUSTRY

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FRIEDEL. Mr. Speaker, the importance of newsprint to the Nation cannot be overstated. Not too long ago there was a considerable shortage of this vital material, which prompted one of the committees of Congress to investigate this situation and make certain recommendations.

On May 9, 1958, the Attorney General of the United States, pursuant to section 708 (e) of the Defense Production Act of 1950, as amended, issued a report which dealt mainly with the matter of newsprint. I have carefully read this document and was impressed by the apparent thoroughness of its coverage.

The importance of newspapers and periodicals to the defense of a democratic nation has always been clear. The development and impact of propaganda have made the dissemination of truth an even greater necessity of defense. The full and completely free flow of information is essential to a democracy and is largely dependent upon the existence of a widely owned and diversified independent press representing all interests and reaching all citizens.

The adequacy of newsprint supply and the reasonableness of its price have a direct bearing upon the effectiveness of newspapers as instruments for public enlightenment. Therefore, the status of

the newsprint industry is of vital concern to the United States because the press is dependent upon newsprint for its very existence.

While it is true that at present there is an adequate supply of newsprint available, it is a fact that the price tends to remain at unrealistic high levels. The newsprint industry displays many manifestations that seem to indicate the absence of true competition. It appears to be no mere coincidence that the suppliers of this vital product all quote uniform prices. Although the Supreme Court has sometime ago cast doubt as to the legality of uniform delivered prices, rather than quotations on a f. o. b. mill base, the newsprint industry still follows this questionable method.

I noted with considerable interest that the Attorney General's report takes full cognizance of the manner in which the newsprint industry operates, and the fact that there are no true competitive condition prevalent in that industry. It does seem strange, indeed, that in the light of this, no thoroughgoing investigation through the means available to the Department of Justice, and possibly appropriate antitrust litigation have been initiated, despite the obvious necessity for such action.

If these unfavorable conditions shall continue to persist, it might be deemed advisable for the appropriate committees of the Congress of the United States to ask the Attorney General what he proposes to do, and also possibly to have an investigation of the entire matter made in the near future. I shall continue to watch this vital subject with considerable interest.

RAILROADS IN SERIOUS DIFFICULTIES

Mr. RIEHLMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, the problems which confront a majority of the railroads are of deep concern as the plight of this great industry reaches what is most certainly an alarming state. I am thoroughly convinced that our Government must take constructive action.

Assistance is absolutely necessary to alleviate these difficulties which overburden and retard the operations of a highly essential industry. If relief is not forthcoming, I can see only one result, the eventual destruction of this vital artery of the Nation's transportation system.

I know that the respective Committees on Interstate and Foreign Commerce of the House and Senate are giving this problem serious consideration. In addition, the administration, in recognizing these difficulties, recommended to the Congress in April certain proposals to aid the railroads.

It is my understanding that the House Committee on Interstate and Foreign Commerce is holding executive meetings at the present time in which the problems of the rail industry are being given full attention. It is my hope that in the near future the Members of the House will have an opportunity to consider proposals recommended by the committee which will prove to be of benefit to the railroads and to our entire transportation system as well.

Many statements have been made concerning this matter and many articles have been written on this subject. A particularly keen analysis of the situation has been presented in an editorial written by Alexander F. Jones, executive editor of the Syracuse Herald-Journal, an outstanding newspaper published in my district.

I call this editorial to the attention of the Members because I believe it brings this problem into proper focus and outlines the necessity for forceful action by the Congress.

The editorial follows:

THE RAILROAD DILEMMA

(By Alexander F. Jones)

The railroad picture is the grimmest spectacle on the American economic scene.

Faced with staggering losses in passenger traffic and a constantly smaller share of the freight business, United States railroads are rapidly reaching the point where something of a revolutionary nature has got to transpire.

Railroads are the bloodlines of our economic life.

Just let a strike close them down for 48 hours throughout the Nation and the business life all but dies.

We have all watched private automobiles, bus lines, and airplanes take the railroads' passenger business to the point where the rail carriers lost in excess of $750 million in 1957.

This has been the story, in increasing measure, for 20 years or more. Rail statisticians maintain that no phase of passenger business, in general, pays its way.

Freight traffic has paid for passenger losses, in the past, but now huge truck fleets on the highways, barge competition, and pipelines are cutting deeply into that department.

A superficial look at the railroad picture seems to point out that rail transportation is archaic and obsolete—autos are more convenient, planes are faster. Pipelines multiply and now even coal-carrying pipelines are an added challenge.

But the real answer to every contention the railroads are on the way out is answered by what happens when they stop operating.

We cannot even limp along without them in peace or in war.

We cannot afford to allow railroads to operate with inadequate or obsolete equipment. That would be a real threat to security and defense.

The public attitude toward the railroads is a strange survival of a turn of the century conviction—that they were owned and operated by ruthless pirates who stopped at nothing in gaining their ends and conspired against the people they served by every corrupt means.

There was real reason for this conviction at that time.

The result was railroads were regulated by the Federal Government, and by the States, to a degree other business never had to face.

Soaking the railroads became a national sport and taxing them a fine art.

The picture is different today, as everyone knows, but the same stringent regulation continues.

The rail leaders continue to be behind the eight-ball before the Washington regulatory bodies.

The records show they always ask if the truck lines and water transportation can compete under certain rates—not can the railroads live.

Here in Syracuse we have the picture of the New York Central cutting out express service, like the Empire State, and reducing ticket and redcap service to a minimum.

We feel perfectly free to criticize the Central for these steps. They are inconvenient.

But we continue to demand high taxes for the privilege of allowing the railroad to run through the town.

Compare the tax picture with that of the airlines.

And the airlines, and particularly American Air Lines, juggle their schedules to suit their payload without any explanation whatsoever—a flight you can take today is off tomorrow, with no responsibility on the part of the operators. They get away with murder, in comparison with railroad regulation.

From a tax standpoint alone, truck lines, airplane operators, and pipelines do not contribute a fraction of what the railroads turn into the public coffers.

Certainly the attitude of Government toward railroads has got to change or we are all in big trouble.

I have never thought the railroads did a very good job in telling their story before Congress, its committees, or the regulatory commissions.

They have seemed cowed—a strange contrast to the old "public be damned" attitude of Commodore Vanderbilt.

Something dramatic and attention compelling is required to make us aware of the need for action to save this great utility which has done so much to make the United States great.

PROVIDE FOR A MORATORIUM ON PAYMENTS BY UNEMPLOYED MORTGAGORS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, yesterday I had introduced H. R. 12798 to provide a moratorium on payment of unemployed mortgagors.

The business decline which started last summer is the sharpest the country has experienced in the postwar period. The index of industrial production has declined over 13 percent since last July and unemployment has risen to the highest level in 19 years.

According to the latest report of the United States Department of Labor on joblessness in major labor areas, 86 communities have been designated as centers with substantial labor surplus. Family incomes have been shrinking not only because of unemployment, but also because of the great increase in the number of workers on part time.

The current recession is not only the steepest but is also likely to be the longest in duration since the 1930's. By now there is more or less general agreement that the business decline has resulted mainly from the severe drop in the production of consumer durable goods and from the curtailment of plant and equipment expenditures. We know from the long history of business fluctuations that major contractions occur when the durable goods industries

are in the doldrums for an extended period.

One of the dangers facing the country is that the great increase in consumer debt in recent years for housing, automobiles, and other consumer durables, will aggravate and prolong the business recession. Extended unemployment brings on an increase in defaults of payments on homes purchased during more prosperous times. This condition not only means the loss of hard-earned savings by the individual but also contributes to the deepening of the recession.

It is with a view to preventing personal hardships due to no fault of the individual and to promoting economic recovery that I am introducing my bill. This provides for a moratorium on mortgage payments by individuals who are either in default on the loan or who have lost their homes through foreclosure or forced sale because of unemployment.

The main provisions of the bill are as follows:

First. The unemployed mortgagor applies for relief to the Federal Housing Commissioner if the mortgage is insured under the National Housing Act or if it is a conventional mortgage, or to the Administrator of Veterans' Affairs if the mortgage is guaranteed under the VA program.

Second. Upon application by an unemployed mortgagor for the purpose of avoiding foreclosure of the mortgage, the appropriate Federal mortgage agency is authorized to acquire such mortgage upon issuance to the mortgagee of bonds having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and other advances made by the mortgagee under the provisions of the mortgage. The Federal mortgage agency is also authorized to issue bonds to redeem or recover a home lost by an unemployed mortgagor through foreclosure or forced sale within 2 years prior to application for relief.

Third. The Federal mortgage agency may suspend payments for a period of 3 years on the principal or on any interest accruing. Whenever the agency finds that the mortgagor has ceased to be unemployed, he will be required to resume making payments on the mortgage.

Fourth. The bill provides for the establishment of a special revolving fund to be used by the Federal Housing Commissioner in acquiring mortgages other than those insured under the National Housing Act. To obtain funds for such a revolving fund, the Commissioner may issue and have outstanding notes and obligations for purchase by the Secretary of the Treasury, subject to such terms and conditions as may be approved by the Secretary. For acquiring mortgages insured by the FHA or guaranteed by the VA, the Federal mortgage agency may use funds generally available to it under its insurance or guaranty program.

SMALLTOWN BANKS TO BECOME INSURANCE AGENTS AND BROKERS UNDER BILL IN CONGRESS

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the insurance agents and the small insurance companies of this country might just as well kiss their businesses goodby. I say this bluntly, because I think the kindest thing we can do is give these people fair warning that many of them had just as well start looking for other jobs. It is much kinder than giving them much hope that we can get changes in the financial institutions bill, S. 1451. This bill has already passed the Senate without its destructive amendments being detected. The bankers' lobby, the big insurance companies, and all the other Wall Street organizations are working for it and demanding that it be passed just as it is, without changing a single word.

Furthermore, if it passes the House we can be certain that the President will sign it into law, because the head of every agency of the Federal Government who is supposed to know anything about the subject matter of the bill is supporting the bill. These agency heads are now assuring Members of Congress that the bill really contains nothing bad, but is a good bill, needed in the public interest, so we can be sure they will give the President the same advice. The big bankers who write Members of Congress and who really know what is in the bill usually say "yes, it is a long bill and it possibly contains a few things that are objectionable but it has a lot more good than bad so get it passed."

I know that many of the Members of the House would not be for this bill, but would vote against it, if they only knew what it actually does, and who the people are that it hurts.

BANKERS' LOBBY DENIES BOOBYTRAPS

But one of the troubles is that the bill is 252 pages long, and it is filled with so many hidden boobytraps against consumers, against the laboring man, against the small banks, against the Federal credit unions, against legitimate insurance agents and salesmen and against the public interest, that it is impossible to find all of these hidden boobytraps and loopholes. And more than that, it seems impossible to get anyone to pay much attention to those boobytraps which we do find. We keep finding new ones, but each time we find one and point it out, respected members of both the bankers' lobby and the administrative agencies come forward and assure the Members that we don't know what we are talking about, and the boobytrap really is not there at all.

REPEAL USURY LAWS

For example, in a previous speech I showed how the bill puts such a loophole in the Federal usury law that the national banks can charge as much exorbitant interest as they please. This will not only hurt consumers, but it will hurt workers, local dealers, and everyone else whose jobs or businesses will be reduced by the fact that the increased cost of automobiles to consumers will cut down on sales. Yet all of the witnesses who have testified on the bill have brushed this matter off as really not important because, they say, "the State laws will take care of it." The truth is that if the State laws took care of it, the bankers would not be working to get the Federal law repealed.

FINANCIAL INSTITUTIONS BILL PERMITS BANKS TO BECOME INSURANCE AGENTS

Today I want to point out a new development which is just beginning to eliminate insurance agents and brokers, many of whom have spent a lifetime building up their business, and show how the financial institutions bill needs to be amended to correct this.

In a nutshell, the financial institutions bill reenacts a section of the National Bank Act which permits smalltown banks to solicit and sell insurance—life insurance, fire insurance, accident insurance, burial insurance, and any other kinds of insurance. This section also allows these banks to act as agent or broker in soliciting and making loans on real estate located within 100 miles of the bank. As to soliciting and selling insurance, the banks are not limited to 100 miles, or to any distance whatever. These smalltown banks are not only beginning to make insurance salesmen out of their employees, but they will be perfectly free, if they want to, to send these salesmen into the metropolitan areas. In fact many of the suburban banks will be able to do this.

SMALL BANKS NEED HELP TO REMAIN IN THE BANKING BUSINESS

Previously, the small banks have not been much interested in becoming insurance brokers. This is a complicated business, and the small banks have wanted to stay in the banking business where they belong. And I will be the first to admit that this is not because the smalltown banking business has been prosperous. I do not know of any business whose service is more vital to the communities it serves than small banks. I think it is essential that we find some way to help these banks, but putting them into the insurance business is not the right kind of help. The help they need is help which would strengthen them and give them more resources to carry on the banking business, to make loans to other small businesses in the community and to provide their communities with the other essential banking services.

LOOPHOLE IN A LOOPHOLE

S. 1451 contains the loophole that would put national banks in towns under 5,000 population in the insurance business. S. 1451 also contains a loophole in this loophole by making it possible for such a bank to engage in the insurance business without getting a license or other permission from State authorities. S. 1451 overrides States' laws and State regulations. The Federal Comptroller of the Currency can put them into the insurance business contrary to State law.

BIG INSURANCE COMPANIES USING SMALL BANKS TO AVOID ANTITRUST LAWS

The fact is that the small banks are being urged to go into the insurance business by certain of the big insurance companies. The reason is that the Federal antitrust laws have recently caught up with these insurance companies on the matter of their tying their loan business to their insurance business. This

happens when a company forces a borrower to buy insurance from the company. Furthermore, since one or two legal cases under the Sherman Act have recently been successful in stopping this practice, the Department of Justice has now announced that it is making a full-scale investigation of the insurance industry to clean up this practice entirely. One of these investigations is now before a Federal grand jury, because a big insurance company refused to permit the FBI to examine its files.

The point is simply this: It now seems clear that when the insurance company or its legitimate agent carries on these coercive and illegal practices, the insurance company is subject to the Sherman Act and, perhaps, the Federal Trade Commission Act. But the banks, both large and small, are specifically exempt from these antitrust laws; they are clearly not subject to the jurisdiction of the Department of Justice. It seems plain, then, that certain of these big insurance companies hope that by making the small banks their agents or brokers, these small banks can and will carry on practices which would be illegal if carried on by the insurance companies or their agents or brokers.

I certainly do not mean to suggest that the great majority of small banks will wish to engage in unfair practices, or practices which would be illegal for others to engage in. But the simple fact is that when the local bank becomes an active insurance agent, many of the people and the businessmen of the town will quite naturally throw their insurance business to that bank. The businessman who knows that at some time he will need a loan, or an extension of his loan, or who otherwise needs the services and the good will of the bank, is certainly going to favor that bank as against the legitimate insurance agent.

BAD EFFECTS OF ILLEGAL PRACTICES

Now what are the effects of these coercive tie-in agreements between the placing of loans and the placing of insurance? Let me quote from a speech on October 16 last year, by the Assistant Attorney General in charge of the Antitrust Division, made before the National Association of Independent Insurers in Chicago. Here the Assistant Attorney General, the Honorable Victor R. Hansen, is discussing a case known as *United States* v. *Investors Diversified Services* (Civil No. 3713, D. C. Minn., June 30, 1954), which was terminated in a consent judgment in 1954. In this case Investors Diversified Services, which is one of the largest residential mortgage companies in the United States, was charged with entering into agreements with its mortgage loan borrowers which illegally required the borrower to agree that all of the hazard insurance maintained on the property secured by the mortgage would be written, placed and sold by the mortgage holder. The Assistant Attorney General said:

These coercive tie-in agreements had four results: (1) The owner of the residential property who obtained a mortgage loan was prevented from placing his hazard insurance with insurance agents and companies of his own choice; (2) insurance agents and brokers who normally would compete with the mortgagee were prevented from competing for the sale of hazard insurance on property mortgaged to the lender; (3) insurance companies, other than those selected by the lender, were foreclosed from free access to a substantial market for hazard insurance; and (4) borrowers were prevented from obtaining hazard insurance at premium rates which might have been lower than those available through the mortgagee.

The judgment now standing against this company—I. D. S.—prohibits a continuation of the illegal practices. At the same time, however, this judgment, according to the Assistant Attorney General, protects the legitimate interests of I. D. S., in that it permits the company to require that hazard insurance of an acceptable kind be written, and by some reputable and reliable insurance company. It also permits I. D. S. to place or write hazard insurance on property mortgaged by it. The judgment only prohibits the company from forcing the borrower to agree to purchase insurance from I. D. S., or making such an agreement a condition of the loan As to the practical results of this case, the Assistant Attorney General said:

The Antitrust Division has been advised by insurance agents * * * that doors are now open to them which were formerly closed.

FBI NOW INVESTIGATING

That is on the bright side for some of the insurance agents, and for free, unrestricted markets. On the gloomy side, the Assistant Attorney General also told the National Association of Independent Insurers:

We continue, however, to receive considerable correspondence from insurance agents and mortgagors complaining that their selected policies have been rejected or that various obstacles have been raised by lenders. It is noteworthy that relatively few of these complaints charge that the mortgagee has insisted on placing the insurance as a condition to granting the loan.

* * * * *

These complaints become the subject of preliminary inquiries, full investigations by the FBI and by Federal grand juries. In addition to several FBI investigations pending or concluded, additional ones are being planned for other areas of the country. There is currently one grand jury investigation in progress.

This latter investigation, involving a large residential mortgage or trust deed lender, is based upon complaints made to the Division by responsible representatives of insurance organizations as well as by complaints received from individuals and insurance agents. The complaints allege that a preponderant portion of hazard insurance paid for by borrowers of the institution is funneled to an insurance company which is controlled by officers of the lending institutions and that the channeled business constituted the majority of insurance written by the affiliated insurance company.

As a result of these complaints I requested the FBI to conduct a full field investigation. However, in this particular case the institution and its affiliated agency and company refused to permit the FBI to examine their files. When a corporation or individual refuses voluntary access to its files, the Division has but two alternatives: Either to drop the investigation, or to present the matter to a grand jury. Because of the importance which attached to this matter, I chose the latter alternative.

ANTITRUST PROSECUTIONS TO FOLLOW

The grand jury investigation is continuing at the present time. The facts unearthed by the investigation should determine whether the particular institution, its affiliated insurance agency and company and important officers have in fact acted in violation of the Sherman Act.

When one of these investigations indicates that a lender is violating the principle of the I. D. S. case, we will proceed against him. The Supreme Court has said that tying agreements "serve hardly any purpose beyond the suppression of competition" (337 S. C. 293, 305 (1949)). Because of their inherently anticompetitive nature, insurance tie-in contracts falling within the purview of the Sherman Act are, in the view of the Department of Justice, prima facie unreasonable restraints of trade.

These insurance companies that have been engaging in illegal practices are about to be stopped under the Sherman Act. They should not be given the privilege of transferring these practices to the smalltown banks. This section of the law which will allow them to do this should be repealed, and the financial institutions bill should be very carefully considered to make sure that it does not contain additional language against the public interest that has not as yet been discovered. It is doubtful that sufficient time remains during this session of Congress for adequate consideration of this bill.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

The SPEAKER. Under previous order of the House the gentleman from Texas [Mr. KILDAY] is recognized for 60 minutes.

Mr. KILDAY. Mr. Speaker, I have taken this time for the purpose of discussing the pending bill for the reorganization of the Department of Defense. I am sure you all realize that there has been a good deal said with reference to the President's plan, with great agitation to accept it as submitted by the President.

I want to point out, Mr. Speaker, that this is the first occasion upon which anyone has taken the floor of the House to explain the issues which are involved in the reorganization of the Department of Defense or the provisions of the bill which has been reported, or the subsequent objections which have been made to the bill from the White House.

When this matter first came to the House, I was discussing it with one of the prominent newspaper correspondents here on the Hill, and after we had gone over it for a considerable period of time he asked me if I really thought that a serious constitutional question was involved in this proposal. I assured him that I did believe that it involved a very serious constitutional question. We discussed that question. Thereafter he said to me:

Well, do you believe that you are going to be able to get the people to listen to you on a constitutional question which, after all, will probably be rather technical, when you are faced with the all-out proposal by the President?

I was forced to admit to him that he was probably correct, that it would be

very difficult, if not impossible, to attract a great deal of attention, by the public at any rate, to a question involving the construction of our Constitution.

Mr. Speaker, I assure you that it made me feel rather badly to be forced to make that admission, although I am afraid that it is substantially true. I do not believe it will be true in the Congress of the United States when the opportunity has been had to discuss the entire question and those things which are involved.

I realize that in this day and time a great many people want to talk about their rights, their privileges, their powers and their prerogatives. In connection with this bill, I am going to talk about Congressional responsibilities and obligations and the duties which confront us in connection with this matter. I believe I can point out to you that there is a specific duty upon the Congress of the United States which you and I cannot fail to discharge. It is one that we cannot avoid.

When we come to a discussion of constitutional provisions, in order that we may understand them thoroughly, I think it is necessary for us to review again some of those things which were said in the Declaration of Independence. You will recall that in that declaration there were a number of reasons set out why the Continental Congress thought that a separation from the mother country was desirable and necessary. And we all probably remember from our high school civics that "taxation without representation is tyranny" and we have probably gone on thinking, perhaps, that was one of the principal causes of the American Revolution, as set out in the Declaration of Independence. But when we go to the instrument itself we find that taxation was mentioned one time and one time only. And it only said "for imposing taxes on us without our consent." In all there was a total of 27 reasons set out as the causes of the American Revolution—27 in all. And of those 27—note this—11 of the 27 had to do with the interference of George III in the legislative process. Eleven of the 27 major causes are stated in the Declaration itself to be those things having to do with legislation within the colonies, interference with legislation, and interference with legislatures.

Of the remainder, five had to do with the military forces of Great Britain. Five of the causes set out in the Declaration of Independence were with reference to the persecution visited upon the people by the military.

So that out of the 27, 11 had to do with legislation, 1 with taxation, and 5 with reference to the military.

When we come to the Constitution we must remember that it was written by a group of men who had been loyal subjects of Great Britain, men who had been loyal Englishmen, who were very well informed indeed on the English constitutional system, men who knew they were setting up a government in which they intended to establish a new basic concept of government and very specifically to confirm, perhaps, those things which were acceptable and with which they agreed but to change those things with which they did not agree. So we go to the document itself, and we find the very first article, the very first section, to be:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Then we find further in section 8 of article I:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defence and general welfare of the United States.

And then there is a general provision—

> To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

The Constitution of the United States is not a prolix instrument. It contains no unnecessary language. It contains no repetition. Every word placed in that document was placed there deliberately. It was placed there for a real, a true purpose, and for a very proper and a very important reason.

Then, after having vested all this legislative power, the power to pass all laws to carry this Constitution into execution, we find the further provision that Congress shall have the power—

> To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years;
>
> To provide and maintain a navy;
>
> To make rules for the government and regulation of the land and naval forces.

The Congress had already been given power for all legislation, to make all laws necessary to carry the Constitution into execution. Then why do we have a separate provision that Congress shall have power to make rules for the government and regulation of the land and naval forces? Surely the laws would be binding upon all persons in the land and naval forces as well as those not a part of the land and naval forces. So we will have to go back to see what the situation was in England at the time of the American Revolution to determine the reason for the inclusion of that particular language.

We must remember that those members of the Constitutional Convention who were lawyers had learned their law primarily from Blackstone's Commentaries. It is not necessary for me to point out to those of the membership here who are lawyers the standing of Blackstone's Commentaries. But for others may I read to you from the Encyclopedia Britannica, to make unnecessary a technical discussion of the standing of Blackstone:

> But the fame of Blackstone is greater in the United States than it is in his native land, and bids fair to continue to be, and justly so. After the Declaration of Independence and indeed before, the Commentaries were the chief, and in many parts of the country almost the only, source of the knowledge of English law for the great commonwealth of the West. A book which in the old country was and is a textbook became in the new an oracle of law, until as years went on the great students of the law in the United States began those deeper studies which have added such wonderful stores of learning and thought to legal literature.

So that when they met in the Constitutional Convention their concept of the English Constitution was that derived from Blackstone. What had Blackstone said with reference to the powers involving the raising and regulating armies? I am reading from Blackstone's Commentaries, first volume, page 262:

> In this capacity, therefore, of general of the kingdom, the king has the sole power of raising and regulating fleets and armies. Of the manner in which they are raised and regulated I shall speak more when I come to consider the military state. We are now only to consider the prerogative of enlisting and of governing them, which, indeed, was disputed and claimed, contrary to all reason and precedent, by the Long Parliament of King Charles I.; but, upon the restoration of his son, was solemnly declared by statute 13 Car. II., c. 6, to be in the king alone; for that the sole supreme government and command of the militia within all his majesty's realms and dominions, and of all forces by sea and land, and of all forts and places of strength, ever was and is the undoubted right of his majesty, and his royal predecessors, kings and queens of England, and that both or either house of Parliament can not, nor ought to, pretend to the same.

That was the situation which had existed in the mother country, and as history shows, this was the struggle which had gone on for generations and centuries with regard to the power of the king, as the chief executive of the state, to control the military; or whether the Parliament had that power, and in that instance the Parliament lost. It was the law and constitution of England at the time of our Revolution, that that power resided in the king. So when our Founding Fathers came to writing the Constitution they made clear that that power did not reside in the Executive; I repeat, they made positive that that power did not reside in the Executive. By this instrument it was expressly and very deliberately transferred from the executive branch of Government to the legislative branch of Government. This has been the consistent holding of constitutional authorities in the United States.

I would like to discuss that point a little further: In Story's Commentaries on the Constitution—Cooley edition, section 1187—I read this:

> Our notions, indeed, of the dangers of standing armies, in time of peace, are derived in a great measure from the principles and examples of our English ancestors. In England, the king possessed the power of raising armies in the time of peace according to his own good pleasure. And this prerogative was justly esteemed dangerous to the public liberties. Upon the revolution of 1688, Parliament wisely insisted upon a bill of rights, which should furnish an adequate security for the future. But how was this done? Not by prohibiting standing armies altogether in time of peace; but (as has been already seen) by prohibiting them without the consent of Parliament. This is the very proposition contained in the Constitution; for Congress can alone raise armies; and may put them down, whenever they choose.

I suppose that the most carefully annotated work on the Constitution of the United States, and as reliable as any in existence happens to belong to the Congress itself. This is the annotated Constitution of the United States, prepared by the Legislative Reference Service of the Library of Congress. It includes practically every case heard by the Supreme Court construing the Constitution. A footnote annotation, which is not accredited to any case, but is taken from the annotated work, succinctly and properly cites the Constitution:

The clauses of the Constitution which give Congress authority "to raise and support armies, to provide and maintain a navy" and so forth, were not inserted for the purpose of endowing the National Government with power to do these things, but rather to designate the department of government which should exercise such powers. Moreover, they permit Congress to take measures essential to the national defense in time of peace as well as during a period of actual conflict. That these provisions grew out of the conviction that the Executive should be deprived of the sole power of raising and regulating fleets and armies which Blackstone attributed to the King under the British Constitution, was emphasized by Story in his Commentaries.

Who presided over that Constitutional Convention, where the power to raise armies and provide rules for their governing were written? The greatest soldier of his day, George Washington, destined to be the first President of his country. He knew more about the difficulty of handling an army under the parliamentary system, of course, than anyone before or since, because he fought and won the American Revolution under the Continental Congress.

But, still, in that document, which was written by a Convention of which George Washington was President, we find a very positive statement being inserted in the Constitution concerning the obligation and duty of the Congress to raise and support armies and provide for the rules and regulations of the land and naval forces. The Constitution does not say that if perhaps the time shall come when there is one who is thoroughly capable of doing this or may be regarded as more capable than others shall occupy the Presidency, that then he shall have that power. It does not say that. And we are not faced with a proposition as to who may do it better; we have here a positive rule of the Constitution which places this obligation on us. We cannot avoid it no matter how much we might wish we could, no matter how much we might wish the responsibility were not ours. It is ours, it is here, and it must be met. It cannot be avoided.

I would like to give you another little example of why this is true. Take the power of the President in foreign affairs and foreign relations, where he has wide powers, almost exclusive powers, in his power to make treaties by and with the advice and consent of the Senate. What was the situation immediately prior to the American Revolution in the mother country? And again Blackstone has said, and this is the basic law upon which that constitutional proposition was founded:

II. It is also the king's prorogative to make treaties, leagues, and alliances with foreign states and princes; for it is by the law of nations essential to the goodness of a league, that it be made by the sovereign power, and then it is binding upon the whole community; and in England the sovereign power, quoad hoc, is vested in the person of the king. Whatever contracts, therefore, he engages in, no other power in the kingdom can legally delay, resist, or annul; and let, lest this plenitude of authority should be abused to the detriment of the public, the Constitution (as was hinted before) hath here interposed a check, by the means of parliamentary impeachment, for the punishment of such ministers as from criminal motives advise or conclude any treaty which shall afterward be judged to derogate from the honor and interest of the nation. (1 Blackstone's Commentaries 256 (Wendell edition, 1875).)

So that there was that great power existing at that time. But the Constitutional Convention did not want to take all that power away from the President, so they permitted it to reside there. It did not provide anything about who shall negotiate. In fact, in this field only the President can speak, and only the President can listen, because that was the rule that existed in the mother country at the time of the American Revolution. It was not changed by the Constitution except the proposition regarding "delay, resist, or annul", because there it provided "by and with the advice and consent of the Senate, two-thirds concurring, treaties may be ratified."

Let us see what the courts have said more recently on this subject. As a matter of fact in 1936 in the case of the *United States* v. *the Curtiss Wright Export Corporation* (299 U. S. 304-316), Justice Sutherland, speaking for the court, said:

As a result of the separation from Great Britain by the Colonies acting as a unit, the powers of external sovereignty passed from the Crown not to the colonies severally, but to the colonies in their collective and corporate capacity as the United States of America. Even before the Declaration, the colonies were a unit in foreign affairs, acting through a common agency—namely the Continental Congress, composed of delegates from the Thirteen Colonies. That agency exercised the powers of war and peace, raised an army, created a navy, and finally adopted the Declaration of Independence.

After other language, Justice Sutherland proceeds:

It results that the investment of the Federal government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution.

The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality.

That would have been true also of the power to raise and support armies and to provide a navy and to provide rules for the governing of the land and naval forces. So, we have here a matter that, by the Constitution, has been committed to our care and a duty and an obligation which we here must discharge.

Of course, the President is the Commander in Chief, under the very same Constitution of the land and naval forces of the United States. The President has the absolute right to make recommendations to Congress for legislation on any subject and to have those recommendations considered and considered seriously.

The President, in the discharge of the absolute right which he has, sent a message to the Congress asking that we pass legislation for the reorganization of the Department of Defense. Had it not been something committed to our responsibility, it would not have been necessary for the President to send it here in the first place; but in recognition of the fact that we, and we alone, have this duty, the President sent it here. I believe you will probably remember the message from the President, which was read. It was a very fine message. Thereafter the President sent us a bill which had been drafted downtown purportedly for the purpose of carrying out the message which he had sent us. But when you read carefully, as did our Committee on Armed Services, the President's message of what he desired and what he proposed to do and compared it with the bill that their staff had prepared and sent here, they bore no relation to each other.

The bill which came here would have granted absolute power to those in the Department of Defense, not only to the President but to those in the Department of Defense, to organize it as they saw fit. It happens that we have in the United States four separate services that have been established by law and long maintained. I do not take the position that because we have always had these separate services we must retain them for all time in the future, but I certainly do contend that, if they are to be abolished as separate services, it shall be in accordance with the wish, the desire, and the views of the American people as expressed through their Representatives in the Congress of the United States. But under the bill that was sent to us and was heard by our committee, we find this: In answer to a question by me, Secretary McElroy stated that under the proposal they submitted it would be possible to transfer out of or remove from the jurisdiction of the Secretary of the Army, the Navy, or the Air Force and the Chief of Staff and the Chief of Naval Operations of the Navy every single individual within that service, including the aide and orderly of the Chief of Staff himself. That was only an example of how far their bill went.

Your committee held hearings for about 4 weeks on that bill. We then rewrote the bill and we rewrote it totally. When we had finished, we had what was generally regarded as being an excellent bill. When I say "generally regarded" I expect to say by whom in just a moment. We gave the President, in that bill, what he needed to have a combat-ready force with a sharp cutting edge to which reference was made on many occasions, because the testimony was to the effect that the heart and soul of their proposal is the unified command. We

provided for unified commands, giving the absolute right to the President to establish unified combat commands and to fix the military composition of these commands. When that is done, the Secretaries of the three services and the Chief of Staff must assign to that command the forces needed. Once these forces have been assigned they cannot be removed by anyone except under procedures established by the Secretary of Defense, and approved by the President.

And we gave him much stronger authority than the clumsy way in which his staff had sent it to us. True, we did not grant the broad language which would have permitted action never intended to be used and power that was never intended to be exercised. True, we did not permit the Chairman of the Joint Chiefs of Staff to secure a position of elevation so as to make him the superior of the Joint Chiefs of Staff. Our provisions are adequate to keep the Joint Chiefs of Staff as a corporate body. And, as one of the Chiefs said in testimony before our committee, "We are not the subordinates of the Chairman of the Joint Chiefs of Staff." And, that is the true concept of the organization of the Joint Chiefs of Staff, that it should be composed of the Chief of Staff of each of the services, men who have succeeded in attaining the top main rung in their service, and that none of them is to be humiliated by being subordinate to another who for the time being may be acting as Chairman of the Joint Chiefs of Staff.

I am not going to attempt to go into all of the details of that bill. That will be done in the debate on the bill next week when it comes before us.

But, I would like to point out—and in doing this I violate no confidence, because if you will go to the printed record of the hearings and to that part taken in executive session when this bill was reported, you will find printed there, ready for public distribution, how this bill was written. And, it was not written in secret from the President. Those hearings show that a member of his staff participated with some members of the Committee on Armed Services and members of the staff of the Committee on Armed Services; and that a member of the White House staff acted as liaison between the committee and its staff and the President and the Secretary of Defense. This appears in the hearings. I am violating no confidence that this bill had gone through two other printings and that the one that was then before the committee was the third printing, the third confidential committee print through which the proposal had gone. And, when we met in executive session that day, our chairman had a member of the staff read to us a letter from the President of the United States, which I want to read at this time:

THE WHITE HOUSE,
May 16, 1958.

Hon. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I have just been shown your committee's revision of the defense reorganization legislation which I sent to the Congress 2 months ago. From a quick reading I have these impressions:

First, on the whole the bill clearly reflects constructive efforts to correct the main difficulties which have troubled our Defense Establishment in recent years. I congratulate you and your committee colleagues for the progress made toward developing a sound defense structure.

Second, by and large the bill seems to deal positively with every major problem I presented to the Congress.

Third, in certain respects—two quite important—I believe that changes would make the committee's revision clearer in intent and more clear cut in effect within the Defense Department, and therefore would result in greater departmental and operational efficiency. I am requesting a member of my staff to give you my views on such items. I hope this language will be suitably adjusted on the House floor.

With warm regards.

Sincerely,

DWIGHT D. EISENHOWER.

Thereafter the Committee on Armed Services, in a more or less informal way, but by a true rollcall vote, voted 33 to none to report that bill. Thereafter, when the bill had been formally offered, there was another rollcall vote, and it was reported by a vote of 37 to none. Two members, it is true, stated they were voting with reservations.

Notwithstanding the letter that I have read to you and a feeling possessed by most people, I suppose, that all controversy about this matter had been eliminated, a rather intemperate statement was issued by the White House, written by whom I do not know. In that statement three questions were raised and some rather strong language used; far different from the complimentary language and congratulations which had been conveyed to us on May 16.

I have been asked by the press innumerable times what caused the change and I have been forced to reply, very, very truthfully, that I have no idea. I cannot possibly imagine what caused the change.

But here are the questions. In our bill we had provided:

Each military department shall be organized under its own secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective secretaries of such departments.

I call your attention, just incidentally, to some language there which does not seem to be quite legislative language and was probably not written by legislators, but is contained there for reasons which legislators deem to be sufficient:

Each military department shall be separately organized under its own secretary.

Legislative language would be such as appears below—respective secretaries. In legislative language we probably would have said, "organized under the respective secretaries thereof," and not "under its own secretary." But with all deference to the one who wrote it in in lead pencil on the confidential committee print, the language was retained.

This last language the President insists be removed—exercised through the respective secretaries of such departments. That would leave the provision reading as follows:

Each military department shall be separately organized under its own secretary and shall function under the direction, authority and control of the Secretary of Defense.

There has never been any Congressional intent that the three military departments shall be administered by the Secretary of Defense. When the National Security Act was written in 1947 it was made abundantly clear that the Secretary of Defense would not administer directly the three military departments. Again, in 1949, it was made perfectly clear in the law that they shall be separately administered. That was the language of the law. It is the language of the law today, that those departments shall be separately administered. But it was stated that the words "separately administered" were more or less a psychological block and should be removed. As a result this language was accepted.

But should we remove the language "exercised through the respective secretaries of such departments," you will have created a colossus in a Secretary of Defense with no one intervening between himself and almost 3 million military men, because there will be no intervening authority in those departments unless this language is retained.

It has been the policy of the United States from the day this Nation was born that the military shall operate under civilian control. Civilian control is a basic doctrine of the Government of the United States. I ask you, how are you going to maintain civilian control of 3 million men—2,800,000, actually, is the figure I should use—scattered all over the world in 3 separate services and, when you take into consideration the Marine Corps, actually 4—with only one man in the Pentagon attempting to supervise them? How are you going to maintain civilian control?

I submit to you that it is not going to be possible for you to maintain civilian control with no closer liaison with the military forces than one man in the Pentagon.

After all, is it a military question as to how the Department of Defense shall be organized? Is the organization of any of the other Government departments to be controlled by Congress? Why, of course it is. Do we have the power to provide how the Department of Agriculture or the Post Office Department or any other department shall be organized? Why certainly we do.

Remember that at the present time over half of the total budget of the United States, and approaching two-thirds of the total budget of the United States, is for the Military Establishment, so that you are going to have then the power of administration of almost two-thirds of the total budget of the United States in one appointive official in the Pentagon. That is what could result from removing this language. I submit to you that this is a question of the organization of the departments, the maintenance of civilian control over these

departments and over the military. Civilian control of the military is as necessary in this year of 1958 as it has been in any other year in the history of democracies. Just as soon as you permit the military to get from under the control of the civilians then you can be sure your democracy and your Government is in danger.

I am not talking to you as an enemy of the military. I think that my almost 20 years here and the almost innumerable times I have stood in the well of this House to defend the military, to defend their generals, and to insist that they be adequately compensated, that their services be adequately and properly recognized, make it unnecessary for me now to disclaim being an enemy of the military. I appreciate more than most their fine qualities and their tremendous ability, and I think I appreciate more than most their very real limitations.

But I know what has happened elsewhere, and we have seen it happen within the last 2 or 3 weeks. I am not going to get into any argument about the type of government that existed in France and whether it should have been replaced, but I am pointing out to you the danger of permitting military men, who have command and control of your combat forces and have within their possession all the munitions of war, to determine when a government has ceased to function properly or when an administration has ceased to function properly and when a necessity exists to change either the form of government or the administration of that government.

I have lived within 150 miles of the Mexican border all my life. I know what happens in connection with trying to preserve democracy when the Military Establishment is not under a firm and an absolute chain of civilian control. Conceding absolute good faith to everyone involved in this matter—and I do it sincerely—who is in a better position to determine effective civilian control of the military, men who have spent all of their lives in the Military Establishment? Are they in a better position to determine what constitutes effective civilian control and the necessity for effective civilian control? Are they in a better position than 37 men with service in the Congress running from 44 years to 2 years, who deal almost exclusively as civilians with the problems and the organization and the civilian control of the Military Establishment?

We bring you this bill as men who for many, many years have devoted their time and their attention to military matters as civilians, and we tell you this is the maximum authority you can grant and still maintain the doctrine of civilian control within the United States.

Now we have in here another provision.

First of all, may I say that in the National Security Act, there has existed for a long time a provision which deals with the combatant functions of each of the military forces. They are not spelled out in rigid terms, but in rather general terms. But they are sufficient to insure that this is the type of combatant function which shall be the responsibility of the various services. It has been the law for almost 9 years that noncombatant functions could be transferred by the Secretary by notifying the Congress but without any specific period of time. He simply wrote a letter to the chairmen of the committees on armed services saying: "This noncombatant function is transferred or reassigned or abolished," and that was that.

The President requested that we permit combatant and noncombatant functions to be transferred, abolished, consolidated, or reassigned as he might see fit, by giving notice to the chairmen of the two committees on armed services and then waiting for a period of 30 days. We in the committee did not see fit to adopt that provision, but being realistic and knowing that a great deal of flexibility is required, we provided for the transfer of noncombatant functions on a period of 30 days' notice. We brought into the bill an entirely new grant of authority for the President by providing that:

> Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

Thus, upon a finding of the President that hostilities are imminent he could reassign, consolidate, or transfer a combatant function.

Then we added another provision with reference to major combatant functions:

> (3) except as otherwise provided in paragraph (2) hereof, no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished, or consolidated until the first period of 60 calendar days of continuous session of the Congress following the date of report of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff. For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever one or more members of the Joint Chiefs of Staff disagree to the transfer, reassignment, abolition, or consolidation of such combatant function: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

The President objects to this, and this I cannot understand. We suggest a provision of law that combatant functions, which are established by law, shall not be transferred until we have had a chance to look at them. What we say is "no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished," and so on. Those are references to existing provisions of law. The Congress, by solemn law, has provided the language in those sections. It is now demanded, and "demanded" is the proper word—it is now demanded that, notwithstanding those provisions of law, the executive branch of the Government be permitted to do exactly what it is now prohibited from doing, by simply giving us 30 days' notice.

In other words, 30 days from the date hereof, that law that you passed, with respect to section 205 (e) will still be there, but it is nullified because the Executive has seen fit to nullify it.

All in the world that we have asked is that we have a period of 60 days, while Congress is in session, to look at this proposal, and unless during that time a concurrent resolution is passed by Congress then the proposal will go into effect. So a majority of both houses of Congress would have to act. True, the President would not have to sign it because it would be a concurrent resolution, but both houses would have to take affirmative action before the executive branch could be prevented from nullifying the formal law of the land as enacted by Congress and signed by the President.

Under the Reorganization Acts, and we will pass over the question of whether they are constitutional—under the Reorganization Acts, the reorganization plans submitted by the President to the Congress, since the amendment of 1957, can be rejected by the majority vote of either house. Either house, by a majority vote, can reject a Presidential reorganization plan. So how much more difficult it is here to accomplish the defeat of the transfer, reassignment and abolition of a major combat function?

And what is a major combat function? First of all, it is one provided by law: Section 205, section 206, and those other sections to which I referred. In addition to that, if one of the members of the Joint Chiefs of Staff takes the position that it is a major combat function and should not be transferred as is proposed to be done by the executive department, can he prevent it? No. But he can delay it long enough for Congress, which passed the law putting that function where it now exists, to have a chance to look at it and for both Houses to take affirmative action to prevent this action by adopting a concurrent resolution. This avoids the necessity of overriding a veto, for if the President submitted a proposed change of existing law, it would otherwise have to be passed by both Houses with a majority vote, and go to the President where it would be promptly vetoed. Obviously, it would not have been submitted in the first place if the President didn't favor the action, so without our proposal a two-thirds vote of both Houses would be required to prevent the Executive from taking action opposed by the Congress. How ridiculous can we get, that the House of Representatives, in order to maintain on the law books a law which it passed, in order to protect it against an order of the executive branch of the

Government, must muster a two-thirds vote? That is exactly what would be the practical situation with respect to the transfer of major combatant functions assigned by law, and established by law. In other words to maintain what is already the law we would have to pass, by a two-thirds vote, a law to protect our previous action.

I ask again: Just how ridiculous can you get? And I know you are getting a lot of letters from businessmen and others who probably would not recognize either the Constitution or this bill if they should meet it head on, yet they are writing, telling how we should vote on it.

There is another provision I wish to call to your attention:

> No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.

This has been very severely attacked. This is now labeled as being legalized insubordination. It has been said that the committee recommended it. We did not recommend it on May 16. This is now the law, and has been the law since August 10, 1949. It was placed in the National Security Act of 1949 and is now the law, and the evidence before our committee is that so far as anyone in the Defense Department can recall, this privilege has never been exercised.

I asked Secretary McElroy:

> Mr. Secretary, is it not perhaps correct that the very existence of this right renders resort to that right unnecessary.

He said:

> That well may be.

Of course, when the Secretary of the Army, Navy, and Air Force and the Chief of Staff of the Army and Air Force and the Chief of Naval Operations of the Navy are in a position to make recommendations to Congress, they will not be pushed around quite as much as if they are not in that position. But you would think from what you read in the papers and periodicals that this provision authorized the Secretary and the Chief of Staff to just come up bearing tales and rumors. All that this provides is that he shall first notify the Secretary of Defense of his intention to come to Congress.

To do what? To make recommendations to the Congress.

Just what is wrong for the man who by law is held responsible for the military efficiency and organization of our military commands to be making recommendations to the only body which can pass laws for the improvement of those services? Just what can possibly be wrong with that?

There is a greater implication here and we might as well be frank about the whole thing. There is throughout the President's reorganization plan, whether so intended or not, the very positive implication that Congress shall not know what goes on within the Department of Defense and the military services. Let us see why I say that. First of all, a strong effort is being made to secure the repeal of an existing provision of law which permits the Secretary or the Chief of a military department to make recommendations to Congress. Unless we are informed how are we to legislate? In addition to that, orders have already been issued to consolidate the public information offices in the Office of the Secretary of Defense so that when members of the press go to find what is the news in order that the American people might know—I take it they are entitled to know, in fact, I insist they are entitled to know—they go to the central public information office in the Department of Defense which does not have that information.

That office is going to have to go out and get it. Then they will, shall we say, censor it? They will decide if it is timely. They will go over it and decide what part of it they are going to permit to be published, what is going to be issued to the American people who are paying the bills.

In addition to that, the Congressional Liaison Service of the three departments is to be abolished, so that there will be no point of contact between Members of Congress and the three military departments. Again you will not be able to learn, Congress will not be able to know what is going on, what is proposed, or what needs to be done. That is the order already being issued.

So the implication here is clear that in the orders issued and to be issued and the request for the repeal of the provision of law concerning recommendations to Congress, the ability of Congress to know is to be minimized.

And still another fact: The law now provides that semiannually the Secretary of Defense shall submit a report to the Congress and that report shall contain a report by each of the three military departments. The bill as it came to us proposed that that be made an annual report but that the provision that reports be made by the three military departments be eliminated, that only the Secretary of Defense would report to the Congress on the activities of the military departments, again depriving the Congress of the ability to know what is going on within the Department of Defense.

This proposal of the President is in two parts, although it has never been separated in the message of the President nor any of the news releases, between those things which can be done by administrative action and those things which require law. All the publicity and the news releases that have been issued would lead you to believe that the unified commands cannot be set up until such time as the Congress acts. Unified commands are already in existence and have been in existence for a long period of time.

On the question of the removal of the service department Secretary from the chain of command, I am sure that the majority of you, just like the Chiefs who appeared before us, thought that the Congress by law had placed the Secretary of the military department in the chain of command between the President and the unified forces. In 1953 the present President of the United States placed the Secretary of the military department in the chain of command, not by law but by a directive from the President, and in his message to us he said, "I have directed the Secretary of Defense to cease utilizing the military departments as executive agencies." And later in the message: "So that now the chain of command goes directly from the President to the Secretary of Defense to the unified commander." Thirty days after that I learned, to my amazement, that as yet no Secretary had been removed from the chain of command, although it was condemned in very strong language as being cumbersome and unreliable; unreliable in time of peace and intolerable in time of war. As far as I know, each of the military Secretaries is still in the chain of command, although they were placed there by Executive directive and can be removed by Executive directive. But as far as I know, that has not been done yet. But they say, "Yes, to do this we have to have a larger staff than 210." I have never known a time in my experience with the military where they had a ceiling on the personnel that they could not assign officers for duty "with." And, that could have been done. But, of course, the appealing thing is the question of the sharp edge of the unified command. That is accomplished; that is in existence; it does not depend on any legislation.

May I say to you that as much admiration as I have for the military and as many times as I have spoken in their defense, we must constantly see to it that this civilian control is maintained. If you would read these hearings, you would think that the Prussian staff system was the most benign thing in the world. Maybe they think nobody on the committee reads any history or even newspapers from some of the silly claptrap that you read in these hearings with reference to the Prussian staff system. I do not contend that the recommendations of the President would create a Prussian staff system in the United States. Never has that contention been made. But, I do say this, that as their proposal was brought here, the prestige and the power of the Chairman of the Joint Chiefs of Staff was to be enhanced, and enhanced immeasurably; that the Chiefs of Staff of the various services were to be removed from their responsibility for their own services. It was provided that they may delegate their responsibility and authority over their services and the President stated he would issue orders that they shall delegate their responsibility. I know of no official in all Government who has ever been permitted to delegate the responsibility of his office. The authority perhaps, but the responsibility never. The one who fills that office must take full responsibility for all that goes on below or within his organization. That was a very effective means by which, by removing the Chief of Staff of the service from day-to-day operations, you would be able to eliminate them as service chiefs. From the time of Scharnhorst until Von Moltke's retirement there was a period of about 75 years. That is how long it took to build up the power and prestige of the Prussian general staff.

It did not come overnight. It did not come by the passage of law.

But by the constant accretion of power of the general staff and the chief of the general staff they became very powerful.

Mention was made here the other day of what Bismarck did when he heard that the Franco-Prussian War had started. He said, "Just open drawer No. 7." I wish the gentleman had gone a little further and told us what happened to Bismarck, the Iron Chancellor. Just what became of Bismarck the Iron Chancellor? Why did he cease to be chancellor of Germany? When Kaiser Wilhelm II came to power, Von Moltke had retired, and Bismarck was still there. But a man, who few in the United States have heard of, Von Waldersee, became chief of staff of the German Army and served only about 30 months. But in that short period of time he ousted the Iron Chancellor. The chief of staff of the German Army was so powerful, because of the power that had been built up in that office, that the Iron Chancellor of Germany fell when the chief of staff of the German Army decided it was time for him to fall.

Everyone agrees that we ought not to have a monolithic General Staff nor a self-perpetuating General Staff. But let us see what is proposed to be done by Executive order; and I hold in my hand the regulation, if anyone wants to see it, on the appointment of 3- and 4-star generals.

The SPEAKER pro tempore (Mr. DORN of South Carolina). The time of the gentleman from Texas [Mr. KILDAY] has expired.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KILDAY. Mr. Speaker, of course, your Chief of Staff and your Chief of Naval Operations are four-star officers. It is not essential that a man have three or four stars at the time he is designated as Chief, and there are instances in which that has happened. But those are the very rare occasions. But since April 25, 1958, the services are not going to be the sole ones to choose their three- and four-star officers. They are going to be chosen upon nomination, of course, of their own service, but upon recommendation of the Joint Chiefs of Staff. And it must be certified that they have shown an ability to deal with military problems without extreme service loyalties, or words to that effect.

So what do we have? They all condemn a self-perpetuating General Staff. But here is a system already established in which the Joint Chiefs of Staff from now and here on are going to pick, for all practical purposes, their own successors. So, from now on a self-perpetuating Joint Chiefs of Staff, a self-perpetuating top echelon will be provided.

Now how about this being monolithic? The "monolithic" that I am thinking about is not whether it comes from one service or the other services or all the three services. I am thinking about monolithic thinking and about who is going to be the brightest young general coming up the line. Of course, it is going to be that general who agrees with the thinking of the Joint Chiefs of Staff who are passing upon whether or not he is going to progress any farther than two stars. So condemn monolithic and self-perpetuating staffs and look at what you have coming up, and take heed.

Mr. Speaker, let me say to you we have reported from the Committee on Armed Services, after very serious consideration, a bill which provides for a proper reorganization of the Military Establishment so far as it goes.

Additional legislation is pending with reference to the layers of secretaries, under secretaries, assistant secretaries, deputy secretaries, deputy assistant secretaries, and assistant deputy secretaries, which still requires consideration and action by Congress. This is as far as we could go because of the exigencies of the situation. We had to move along with this portion of it.

It is my sincere belief, and I could not be more sincere on any matter I have ever brought before this House, that the bill we have brought is adequate, that it provides for the proper organization of your Military Establishment. It maintains civilian control. It does not permit to happen what has happened in many other places.

Many people have asked me if I thought could happen in the United States what has happened in France. I have told them "No, I do not think so." I do not think so, and I am sincere, I do not think so. But let me tell you what I know. I do not think that will happen, but I know it will not happen so long as you maintain civilian control of your armed services, and effective civilian control of your armed services as decreed and passed by the Congress of the United States. That I know. The other I only think. Maybe it is wishful thinking on my part.

DEFENSE APPROPRIATIONS

The SPEAKER pro tempore (Mr. DORN of South Carolina). Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I tremendously enjoyed the description of the reorganization bill just given by the gentleman from Texas [Mr. KILDAY].

I draw the attention of the House to the fact that I extended my remarks including certain other informative statements just before the passage of the defense appropriation bill today, regarding the appropriation for the starting of the building of a nuclear-propelled carrier. I hope very much the other body will see fit to put the Dorn carrier amendment in the bill.

I should like to express my deep appreciation of the work done by the members of the Committee on Appropriations that handled that defense appropriation bill, and express my appreciation of the fact that the committee refused recommended cuts in our great Marine Corps—that most of them agreed on helping to strengthen the National Guard and the Reserves, and added to the number of soldiers already in the Army. They all are greatly needed—there is no substitute for strength.

RETIRED RAILROADERS, THEIR SPOUSES, OR THEIR WIDOWS ARE URGENTLY IN NEED OF AN INCREASE IN MONTHLY BENEFITS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, there are hundreds of important bills before Congress demanding fast and affirmative action.

Several of these bills will strengthen the Nation's defense; others will bolster our sagging economy and improve the health of our Nation.

Then also there are bills that affect the welfare of a large segment of our citizens which must be enacted before this Congress adjourns late this summer.

The bills I have in mind, Mr. Speaker, are those bills which will aid materially our older citizens now in the twilight of their lives by providing improved benefits under the Railroad Retirement Act.

In this connection, I have pending in Congress the following four bills designed to amend the Railroad Retirement Act: H. R. 3422 would provide a badly needed 25-percent increase in widow's annuities; H. R. 3118 would permit an annuitant to receive his annuity even though he renders compensated service for the outside employer by whom he was last employed before his annuity began to accrue; H. R. 3117 would permit a spouse to draw spouse benefits under the Railroad Retirement Act and, in addition, any benefits earned by the spouse under the Social Security Act.

At the present time, the amount of earned social security benefits is deducted from the spouses's annuity; and finally, H. R. 4530 would amend both the Railroad Retirement Tax Act and the Railroad Unemployment Insurance Act so as to provide increases in benefits under both laws and also liberalize certain provisions of the Railroad Retirement Act.

Those who retired under the Railroad Retirement Act or their surviving widows are forced to get along as best they can with fixed pensions in the face of ever-rising prices and inflation, and they are finding it very difficult to make ends meet.

This is a true fact because the retired railroader or his surviving widow is forced to pay the same prices as his neighbor who is fortunate to be gainfully employed.

Mr. Speaker, there are 691,000 beneficiaries under the railroad retirement system at this time. Of this number, 338,000 are retired employees of the Nation's railroads with an average age of 71.6 years and their average monthly annuity is $114.

In addition there are 229,000 widows, many of whom are elderly and whose average monthly pension is $52.

I ask in all fairness, how many of us in this day and age with high prices and inflation could live on the average of $114 a month payable to the retired railroader or on the average of $52 a month payable to widows? The answer would be none of us.

Mr. Speaker, in my Congressional District located in central Pennsylvania there are hundreds of good, loyal Americans who are living on these meager, fixed monthly pensions. In a few words, they are barely existing.

It is a crime that in this country where we brag of having the highest standard of living in the world, good, loyal Americans who are in the twilight of life and who helped build this Nation to what it is today are living the life of a pauper.

Mr. Speaker, the situation is serious and in behalf of the hundreds of retired railroaders, their spouses or surviving widows, I am urging that this Congress take action on legislation that is now pending before it and which will provide for a 10 percent across-the-board increase in railroad retirement benefits.

While one of my bills is included among the many pending bills, it is my urgent plea that favorable action be taken immediately on any legislative proposal that will provide a much-needed increase to retired railroaders, their spouses, or surviving widows.

TO MODERNIZE FEDERAL CREDIT UNIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Montana [Mr. ANDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDERSON of Montana. Mr. Speaker, today I am introducing a bill amending the Federal Credit Union Act to provide for federally chartered central credit unions and otherwise modernizing the 24-year-old statute.

My bill would offer the first comprehensive revisions of the law governing operation of approximately 9,000 Federal credit unions, with some 5 million members. Federal credit unions are organized in each of the 48 States and in the District of Columbia, Alaska, Hawaii, Cana Zone, Puerto Rico, and the Virgin Islands. Most States also have credit-union laws, and State-chartered credit unions are approximatley equal in number and membership to those chartered under the Federal act. Both Federal and State credit unions would be affected by some provisions of my bill.

A credit union is a cooperative association organized for the purpose of promoting thrift among its members and creating a source of credit for provident or productive purposes. Credit-union membership is limited to groups having a common bond of occupation or association or groups within a well-defined geographical area. Members' savings in Federal credit unions totaled $1,464 million on June 30, 1957, a gain of 18 percent over the previous year. Loans outstanding to members amounted to $1,157 million, a gain of 22 percent.

The Federal credit-union system is administered by the Bureau of Federal Credit Unions in the Department of Health, Education, and Welfare.

This bill would permit the chartering of Federal central credit unions, the membership of which would be composed of Federal credit unions and credit unions organized under the laws of States, Territories, or possessions of the United States, as well as officers and committee members of such credit unions. Federal central credit unions would provide a source of credit to both State and Federal credit unions, which experience has shown is needed, and would provide loan facilities for credit-union officers and committee members, whose borrowing from their own credit unions is now restricted by law.

The bill also would raise the unsecured loan limit of Federal credit unions from the present $400 to $1,000, and would increase the loan maturity limit from 3 to 5 years. It would provide for appointment of a loan officer in a Federal credit union who could approve loans up to the unsecured limit subject to review by the credit committee. It would establish a method by which a State-chartered credit union could be converted to a Federal credit union and vice versa. The bill would create a Federal Credit Union Advisory Council to meet with the Director of the Bureau of Federal Credit Unions, and would make other technical changes in the present statute.

My bill was drafted after review of the provisions affecting credit unions contained in the Senate-passed Financial Institutions Act and various proposals that have been under consideration by the House Banking and Currency Committee. It represents the results of intensive study or what experience has shown to be desirable in improvement of the Federal credit union system to meet the needs and conditions of the present time and the predictable future.

CANOE CREEK, KY., AND WILD RICE CREEK, N. DAK. AND S. DAK.

The SPEAKER pro tempore laid before the House the following communication, which was read by the Clerk and referred to the Committee on Appropriations:

JUNE 4, 1958.

Hon. SAM RAYBURN,
The Speaker, United States House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communication 1963 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Kentucky: Canoe Creek.
North and South Dakota: Wild Rice Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

J. PERCY PRIEST DAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I was very glad yesterday when the gentleman from Tennessee [Mr. LOSER] obtained the unanimous consent of the House to pass a bill naming a dam to be constructed in the future in Tennessee in honor of our beloved late friend J. Percy Priest. As long as time exists, through decades and generations to come, it will carry the name of Percy Priest and be a constant refresher to the people of that area of the great service he rendered as a Member of Congress and of the beautiful character that Percy Priest was; a gentleman in every respect of the word, one of God's true noblemen, and one who inspired everyone he met during his journey through life.

I congratulate the gentleman from Tennessee [Mr. LOSER] in introducing the bill and in having the House pass upon it so quickly. I want the RECORD to note that the House did an unusual thing in showing its appreciation of the memory of our late friend, Percy Priest, by having the bill brought out without being formally reported out to committee, and that the members of the committee to which the bill had been referred, on both sides, Democratic and Republican, were agreeable to its being brought up in the House without formal report of the commitee, and that the leadership on both sides, Democratic and Republican, cooperated.

Percy Priest was one of my dearly beloved friends, whose memory I shall always treasure as long as I live. I was particularly pleased and deeply touched by the action of the House on yesterday.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ANFUSO, on Thursday, June 5, on account of illness in family.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. PATMAN, for 45 minutes on June 9, to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. CRETELLA and to include extraneous matter.

Mr. MILLS, to revise and extend remarks he expects to make in Committee of the Whole on the extension of excise tax bill and include extraneous matter therein.

Mr. PELLY to revise and extend his remarks and include extraneous matter.

Mr. PATTERSON and to include extraneous matter.

Mrs. ROGERS of Massachusetts to extend her remarks in the body of the RECORD on the tax bill and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. SIMPSON of Pennsylvania (at the request of Mr. BASS of New Hampshire) and to include extraneous matter.

Mr. MAY (at the request of Mr. BASS of New Hampshire) and to include extraneous matter.

Mr. JARMAN (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. KEATING.

Mr. LANE.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.), under its previous order, the House adjourned until Monday, June 9, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1991. A letter from the Assistant Secretary of Agriculture, transmitting reports on four violations of section 3679 of the Revised Statutes, as amended, by officers of the Forest Service, Department of Agriculture, pursuant to section 3679 of the Revised Statutes; to the Committee on Appropriations.

1992. A letter from the Deputy Administrator, Federal Civil Defense Administration, transmitting the 29th report on property acquisitions for the quarter ending March 31, 1958, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1993. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of April 30, 1958, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

1994. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

1995. A letter from the Comptroller General of the United States, transmitting a report on the examination of subcontracts for the procurement of photoflash cartridge ejectors from Lambert Engineering Co., St. Louis, Mo., pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), the Accounting and Auditing Act of 1950 (31 U. S. C. 67), and the authority of the Comptroller General to examine contractors' records, as set forth in title 10, United States Code, section 2313 (b); to the Committee on Government Operations.

1996. A letter from the chairman, House Committee on Agriculture, relative to executive communication No. 1963, dated May 27, 1958, relating to plans for works of improvement pertaining to Canoe Creek, Ky., and Wild Rice Creek, N. Dak. and S. Dak., pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURRAY: Committee of conference. S. 72. A bill to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes (Rept. No. 1848). Ordered to be printed.

Mr. DURHAM: Joint Committee on Atomic Energy. H. R. 12716. A bill to amend the Atomic Energy Act of 1954, as amended; without amendment (Rept. No. 1849). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H. R. 6641. A bill to fix the boundary of Everglades National Park, Fla., to authorize the Secretary of the Interior to acquire land therein, and to provide for the transfer of certain land not included within said boundary, and for other purposes; with amendment (Rept. No. 1854). Referred to the Committee of the Whole House on the State of the Union.

Mr. ENGLE: Committee on Interior and Insular Affairs. H. R. 11722. A bill to provide compensation to the Crow Tribe of Indians for certain ceded lands embraced within and otherwise required in connection with the Huntley reclamation project, Montana, and for other purposes; without amendment (Rept. No. 1855). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRIEDEL: Committee on House Administration. H. R. 12601. A bill to authorize each Member of the House of Representatives to employ an administrative assistant; without amendment (Rept. No. 1856). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 9196. A bill to authorize the construction of a nuclear-powered icebreaking vessel for operation by the United States Coast Guard, and for other purposes; with amendment (Rept. No. 1858). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 619. Joint resolution to facilitate the admission into the United States of certain aliens; without amendment (Rept. No. 1850). Referred to the Committee of the Whole House.

Mr. HYDE: Committee on the Judiciary. House Joint Resolution 618. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; with amendment (Rept. No. 1851). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3140. A bill for the relief of Erika Gorenstein; with amendment (Rept. No. 1852). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 7826. A bill for the relief of Israel Baird Poskanzer; without amendment (Rept. No. 1853). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. House Joint Resolution 620. Joint resolution for the relief of certain aliens; without amendment (Rept. No. 1857). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H. R. 12819. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. BONNER:

H. R. 12820. A bill to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROOMFIELD:

H. R. 12821. A bill to require the Surgeon General to undertake a special research program with respect to cystic fibrosis; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H. R. 12822. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. HOLT:

H. R. 12823. A bill to provide in the Department of Health, Education, and Welfare for a loan service of captioned films for the deaf; to the Committee on Education and Labor.

By Mr. MCINTOSH:

H. R. 12824. A bill to provide for the extension of rural mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York:

H. R. 12825. A bill to amend the Revised Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of Texas:

H. R. 12826. A bill to amend section 1502 of the Veterans' Benefits Act of 1957 to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H. R. 12827. A bill to extend the provisions of title III of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

By Mr. DAVIS of Tennessee:

H. R. 12828. A bill to amend the act of May 25, 1926, as amended, to require certain distribution and approval of new public building projects, and for other purposes; to the Committee on Public Works.

By Mr. MACK of Washington:

H. R. 12829. A bill to set aside certain lands in Washington for Indians of the

Quinault Tribe; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H. R. 12830. A bill to authorize the Postmaster General to provide for the transportation of mail, and for services in connection therewith by motor vehicle carriers; to the Committee on Post Office and Civil Service.

By Mr. ROOSEVELT:

H. R. 12831. A bill to amend title 18 of the United States Code so as to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRIS:

H. R. 12832. A bill to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LIPSCOMB:

H. R. 12833. A bill to amend section 501 (c) of the Internal Revenue Code of 1954 to exempt from the Federal income tax certain nonprofit voluntary employees' beneficiary associations where admission is limited to individuals who are officers or employees of State or local governments; to the Committee on Ways and Means.

By Mr. McCARTHY:

H. R. 12834. A bill to increase the amounts authorized to be appropriated for each fiscal year for the programs of maternal and child health services, services for crippled children, and child welfare services provided for by title V of the Social Security Act; to the Committee on Ways and Means.

By Mr. MACDONALD:

H. R. 12835. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States to amend the Organic Act of the Virgin Islands to provide for a direct representative of the Virgin Islands in the Congress of the United States; to the Committee on Interior and Insular Affairs.

Also, a memorial of the Legislature of the Virgin Islands, memorializing the President and the Congress of the United States to transfer certain federally owned lands in the Virgin Islands to the government of the Virgin Islands for resale in plots to war veterans under the insular home development program; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOSCH:

H. R. 12836. A bill for the relief of F. H. Hillel Co., New York, N. Y; to the Committee on the Judiciary.

H. R. 12837. A bill for the relief of F. H. Hillel Co.; to the Committee on the Judiciary

By Mr. WHITENER:

H. R. 12838. A bill for the relief of Arnold K. Dalton; to the Committee on the Judiciary.

By Mr. WITHROW:

H. R. 12839. A bill for the relief of Rosette Sorge Savorgnan; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

662. By Mr. MILLER of New York: Resolution of the Ransomville, N. Y., WCTU submitted by Mrs. W. E. Welton, legislative director, and signed by Mabel P. Bradley, president, and Erma S. Arnold, secretary, representing 76 citizens, urging enactment of S. 582 and H. R. 4835, bills to prohibit the advertising of alcoholic beverages on the radio and TV; to the Committee on Interstate and Foreign Commerce.

663. By the SPEAKER: Petition of the chairman, State Railway Commission, Lincoln, Nebr., relative to being opposed to any extension of section 13 of the Interstate Commerce Act as proposed in pending transportation bill S. 3778; to the Committee on Interstate and Foreign Commerce.

664. Also, petition of the executive secretary, Minnesota Highway Laws Commission, St. Paul, Minn., transmitting a copy of a resolution adopted on May 23, 1958, by the Minnesota Legislature, which requests the introduction and support of legislation to authorize the construction of a highway in the Province of Manitoba; to the Committee on Public Works.

EXTENSIONS OF REMARKS

The Visit of President Heuss

EXTENSION OF REMARKS
OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1958

Mr. KEATING. Mr. Speaker, the United States was honored to welcome last year that great statesman of the Free World and architect of postwar Germany's revival, Chancellor Konrad Adenauer. This week we have been pleased to welcome another leader of our German friends, Mr. Theodor Heuss, the President of the Federal Republic.

It is significant that this is the first time the head of the German state has ever visited our country. This visit is a symbol of the close and friendly relations which have developed between Germany and the United States in recent years. Indeed, it is not too much to say that German-American relations have never been better than they are now since the rise of the modern German state. These close bonds of friendship between the two nations are particularly fitting in view of the many fine citizens of this country of German descent, who have contributed so greatly to the building of our Nation.

It seems fitting on this occasion to consider these changes in our foreign relations and what has brought them about. It is also an appropriate moment at which to review the great developments which have taken place within Germany itself during the past decade.

President Heuss has had an important part in this recent German history. Theodor Heuss has played the vital role of helping to unify the people of West Germany during these truly difficult days. Theirs has been the herculean task of rebuilding their war-shattered economy, finding a new position of respect and responsibility in a changed Europe, and building a new society along democratic lines. As leader of the Free Democratic Party, Mr. Heuss had the confidence of both Mr. Adenauer's Christian Democrats and the Social Democrats under Mr. Ollenhauer. When the federal constitution was being drafted in the summer of 1949 it was Theodor Heuss who became known as the father of the Bonn Constitution, though he wittingly remarked he was, "not the father but the obstetrician." His abilities as a political scientist, man of letters and respected humanitarian are widely renowned. These, plus the mediatory role of the political party which he led, soon made him a natural choice for the presidency of the new Federal Republic. In 1949 he was elected on the second ballot for a 5-year term. But in 1954 when he was again chosen, it was with the unanimous support of all parties in the Bundestag. In his first acceptance speech, President Heuss stated his philosophy for the German future. He said that he believed his task to be that of influencing Germany toward a national political life in which moderation and strong individual liberties would serve to defend the country against a new dictatorship. Now in his 75th year, Mr. Heuss continues to seek this goal.

In the course of the last decade the President has seen his divided nation move from the despair and hopelessness of military defeat and utter social collapse to become a sovereign independent state, the leading industrial power in Western Europe, a member of the NATO alliance, and the seat of a democratic government. Some have called this complex of changes a miracle. It is a tribute to the energy, abilities, and perseverance of the German people and their leadership. But it is also a reflection of the major revolution in international politics on the continent of Europe, and the new involvement of the United States and Europe in each other's destiny.

It is the basic policy of both Britain and the United States to stop any one power from dominating the great industrial continent of Europe. The threat today comes from the Soviet Union. Today, Germany is threatened just as France, Britain, and the other countries of Western Europe. This is a revolution in European politics that has resulted in a variety of movements toward unity in Western Europe and its peacetime alliance with the United States. Germany

is a part of these schemes for presenting a common front to Soviet aggression and building the economic cooperation that will guarantee Europe's economic strength. Germany is a part of these developments because she needs Europe and Europe needs Germany. The United States and Germany are inevitably drawn together today, for the basic goals of United States foreign policy in Europe are to help Europe defend itself and help it build that economic unity which is the essential base for this defense.

Shortly after World War II it became obvious that four-power cooperation was not possible in the occupation and rebuilding of Germany. The Soviet Union made it her primary goal to keep Germany's economy in a permanently helpless condition and forever prevent a unification of the whole German nation. Eventually, as we all know, the three Western occupation powers, the United States, Britain, and France brought their zones of Germany into close economic integration. But this was only after Russia had made it clear that all cooperation was impossible. In April 1946 the United States formally offered the Soviet Union a 4-power treaty designed to keep Germany demilitarized for 25 years. If Russia had really feared some future German aggression in Eastern Europe this treaty would have given her all the security she could have asked. Later the United States was willing to extend the guaranty to 40 years. Still the Soviets refused. This made it crystal clear that Russia was not willing to see Germany united and rebuilt under any circumstances, unless of course, she were added to the group of Soviet satellites. In the Hungarian revolution to throw off Soviet domination she used East Germany as the base for the Red armies sent to quell the freedom fighters. East Germany has emerged as a key Russian base of operations from which she will seek to prevent any further revolts in the satellite empire. The Soviet price for German reunification now seems to be the retention of the Communist system in East Germany and calling a halt to free enterprise in West Germany.

Russia has constantly sought to dislodge the United States, Britain, and France even from those parts of Germany which they were occupying. This would have opened the door to Russian control of Germany. The most blatant example of this, but by no means the only one, was the Berlin blockade of 1948 and 1949. Russia cut off all transit between the 4-power-occupied city of Berlin and the 3 Western Zones of Germany, which were separated from Berlin by the Russian zone. It would seem the Free World had no choice but to evacuate Berlin to the Communists or assume the onus for a major war in Europe. Both were unthinkable. The answer was found in the dramatic Berlin airlift by which the people of that city were supplied with the necessities of life—coal, food, medicines, and clothing—throughout the bitter winter of 1948–49.

That, one might say, was the final straw that demonstrated unmistakably to the world that Russia would refuse to permit the unification of Germany. Unless military occupation was to continue indefinitely it would be necessary for the Western Powers to end their control without the Soviets doing likewise and for the Germans themselves to form an independent government that would at least exercise sovereignty in the three Western Zones. This was done and the German Federal Republic, with its capital at Bonn, began functioning in the fall of 1949.

The Federal Republic could not remain neutral but had to cast her lot with the Free World if she was to attain a sufficient degree of security against the possibilities of Soviet aggression. Soviet obstructionism in Germany was one of the main reasons for the steps toward security which were taken by the Free World beginning with the Marshall plan in 1947, and continuing with the Brussels Pact in 1948, the North Atlantic Treaty in 1949, and the United States program of military assistance. When the Soviet Union exploded the atomic bomb in 1949 and the Korean war began the following year the period of slow European mobilization ended. The American atomic monopoly had ended. The possibility of Soviet aggression in Europe became a distinct reality in the minds of many. It seemed that the tremendous economic might of Germany, and her manpower too, had to be added to the NATO alliance for her own security and to share with the NATO partners the heavy burden of defending Europe. Germany's entrance into NATO in 1955 was a historic occasion. Beyond the mere addition of her admitted great strength, it marked the participation of Germany in a defensive military alliance with her former enemies. But Germany's NATO membership was merely putting on paper the actual situation that existed. That is, it put in writing the fact that Germany needed the Free World and the Free World needed Germany.

Germany has proven herself to be a responsible member of the European Community in other ways as well. She has joined the Organization for European Economic Cooperation set up to administer the Marshall plan but which has continued to facilitate European cooperation. Likewise the German Federal Republic is a member of the Council of Europe, the European Coal and Steel Community, the newly formed European Common Market, and Euratom. Each of these organizations has served the purpose of helping Europe to help itself by eliminating unnecessary economic conflicts, pooling resources, and development of joint research projects.

The 1956 agreement by which the Saar territory was returned to Germany was a big step foward in improving Germany's relations with France. The Saar became a political part of Germany January 1, 1957, and will become economically integrated by 1960. At the same time, France's needs for Saar coal to burn in the steel mills of Lorraine have been provided for. Three years have been allowed for the transition from French to German economic control over the Saar, thus easing the burdens upon France. Finally, Germany showed her willingness to resolve touchy problems between herself and France by agreeing to France's request for the canalization of the Moselle River. This will enable France to effect a great saving in shipping costs.

The German economy has made lengthy strides since the founding of the Federal Republic so that today it is the leading industrial nation in Western Europe. It has far surpassed the production of prewar Germany.

The Federal Republic's prospects for 1958 are for another year of full employment, rising living standards and general prosperity, despite some possible reductions in exports. Germany has concentrated upon the reconstruction of old and the erection of new productive facilities. It has worked hard to expand its foreign trade. Today Germany is the world's fourth greatest industrial producer and in the last half of 1957 surpassed Britain in volume of exports, to become the world's second greatest trading nation. This is all the more impressive when we stop to realize that the Federal Republic is only half the size of prewar Germany and has only two-thirds of its former population. And Germany has been fortunate in possessing sufficient resources that it has been able to make these great strides with the nearest European approach to a free enterprise economy.

Economic ties between the United States and Germany have been increasing in recent years. This is especially true of the heavy industries that undertook intensive collaboration in 1956. This, however, is not a repeat of the prewar cartels. The New York Times reported that the main features of the current resumption of collaboration are participation in construction projects in Asia, South America, and Germany; exchange of technical information and the purchase of German machinery and mechanical products by United States concerns for their foreign contracts. This last is in addition to the maximum use of United States capacity and is the result of the search for additional equipment. The West German machine construction industry is the greatest in Europe today and second in the world only to that of the United States.

There is more besides these signs of economic cooperation, our large trade with Germany and the strategic reasons for United States alliance with Germany in NATO. The growth of democracy in the Federal Republic has greatly increased the warmth of popular feeling toward Germany among Americans of all walks of life.

The Soviet creation of the satellite government of East Germany and the tyranny practiced there under the label of communism has eliminated its appeal for anyone in the Federal Republic. Both the Christian Democrats and the Social Democratic Party, the two leading political parties in Germany today, are thoroughly opposed to communism. And in East Germany, the peoples republic has no popular support. The millions of refugees from Soviet oppression that have streamed into West Germany and the

Free World have increased the German opposition to communism. In addition to this, competent authorities on German affairs seem to feel the chances for the continued growth of real democracy in the German Republic are the best in all German history. This is so despite the deep problems of developing democratic participation in government after more than a decade of Hitlerian totalitarianism.

Today the German Federal Republic is finding its place in a Western Europe that is beginning to build the framework of economic cooperation and unity for mutual strength. Germany is a member of the Free World. It is also a member of the principal defensive alliance, the North Atlantic Treaty and is moving toward the development of its own armed forces that it may exercise its proper role of importance in NATO and the defense of Europe. Today Germans and Americans of all political parties find themselves close allies. The bases of that alliance are firm and will continue. It is therefore a great pleasure for the American people to be host to President Heuss of the Federal Republic. We welcome him in the spirit of friendship and good will.

President Garcia

EXTENSION OF REMARKS
OF
HON. JOHN JARMAN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to remind my colleagues in the House of the visit later this month of the President of the Philippines and Mrs. Garcia. We have been privileged to have the leaders of many governments visit our country, but none should be more warmly received than the Honorable Carlos P. Garcia, fourth President of the Republic of the Philippines, on his forthcoming visit.

The United States has no better friends in the world today than the Filipino people. The free and clean election held in the Philippines last November is certainly a tribute to these fine people and pointedly calls our attention to the maturity and stability of this young Republic. It further emphasizes their loyalty to the democratic ideals and principles in which we so strongly believe. In this election, Carlos P. Garcia was elected, in his own right, to the Presidency for a 4-year term by an overwhelming majority.

President Garcia is not a new friend of the United States. His faith in America was in evidence long before his inheritance of the leadership of the Philippine Government, as a result of the tragic death of the revered Ramon Magsaysay. During his 35 years of public service, Mr. Garcia has served his country as provincial governor, congressman, senator, Foreign Secretary, Vice President, and now President. He has been a strong force in the emergence of the Philippines to a prominent place as a free nation of the world. Like his predecessor, President Garcia is an unyielding champion of democracy and an outspoken foe of communism. He stands for progressive ideas in government, economics, and in world affairs. As Vice President and Foreign Secretary, posts he held concurrently under the late Ramon Magsaysay, President Garcia helped to formulate the Philippine foreign policy of close relationship with the United States. During his tenure as President he has continued to follow this policy, and has governed his country with the same high principles of public service that inspired Magsaysay. President Garcia has diligently strived to improve and cement the close Philippine-American relations and our partnership in democracy.

The President of the Philippines is a man of wisdom, experience, and influence with a great love for his country. He is a religious man who refuses to surrender his convictions, and is endowed with the type of leadership that will lead his people to lasting peace, prosperity, and happiness. The Philippines will continue to stand with other free nations in the fight for freedom, democracy, and justice for all countries and peoples throughout the world. We are indeed honored to have President Garcia, the leader of some 22 million friends and allies, visit our country and I join my colleagues and all Americans in extending to him and Mrs. Garcia a warm and heartfelt welcome to the United States.

People to People Council in Hartford, Conn.

EXTENSION OF REMARKS
OF
HON. EDWIN H. MAY, JR.
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. MAY. Mr. Speaker, in the light of recent unpleasant events in Latin America, it is encouraging to note that a segment of our people have the wisdom and determination to take a positive approach in our dealings with peoples of other lands. It would have been tragic indeed if, in the face of the bitterness displayed toward the Vice President of the United States, we as a people, had reverted to a spirit of isolationism cloaked in the mantle of indignation. Some few have taken this course in retaliation for the insults directed toward our whole Nation.

The positive approach to which I refer is embodied in the philosophy of President Eisenhower's people-to-people program. Its object is better international understanding through the action of the average American citizen in his dealings with people of other countries. Vice President NIXON realized the importance of this approach as he strove to talk personally with the average person in Latin America.

The first community in the Nation to heed the call to individual diplomacy is Hartford, Conn., which is in the heart of the District which it is my privilege to represent in Congress. In this city, the citizens have formed a People-to-People Council dedicated to the proposition of promoting programs aimed at fostering international understanding on a person-to-person basis.

The week of June 8–14 has been designated as People-to-People Week. The city will be honored by the presence of Hon. C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs.

During the week a books-for-Nigeria program will be conducted, during which the public will be asked for contributions of books which will shipped to the Nigerian nation which has formally asked for such books from our United States Information Agency.

Climaxing the week will be a people-to-people conference on Saturday, June 14. The theme for the conference is "Interpreting America Better," and is designed for the ordinary person interested in bettering understanding between all peoples. The questions to be discussed are as follows:

First. Do differences create crisis? Race relations as a national problem and as a world problem.

Second. Misunderstandings of manners and customs of various peoples.

Third. Is the United States living in accord with her spiritual values?

Fourth. Economic protectionism—pro and con.

These questions which strike at the heart of some of our present difficulties in international relations are worthy of thought and discussion by each and every one of us.

The National People to People Foundation see in this grassroots effort a possible model for other communities throughout the Nation who desire to make a contribution in establishing friendly relations with other countries.

Whereas the People-to-People Council of Greater Hartford is designed to be a coordinating group to assist in promoting people-to-people effort. Some of the actual working organizations in the community, which are members of the council, are as follows:

The Greater Hartford Junior Chamber of Commerce.

The Foreign Policy Association.

The Experiment in International Living Alumni.

The Community Ambassador Association.

The Women's Service Bureau.

The Greater Hartford Chamber of Commerce.

The Hartford Seminary.

The Connecticut General Life Insurance People-to-People Club.

The Youth Hostel Group.

I submit to the Members of Congress this evidence of the inherent vitality which lies within the American people which can contribute so much in the field of human relations. This type of activity by the people of Greater Hartford will do much to create a spirit of friendliness and understanding between our people and those of other lands.

Perhaps other communities, similarly inspired, will take up the challenge to help elevate humanity from the stone age of misunderstanding to the dawn of universal respect and cooperation.

ICA Procurement Policy

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1958

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include letters received from members of the administration by Mr. Kenneth W. Marriner, of Marriner & Co., Inc., Lawrence, Mass., concerning the worldwide procurement policy of ICA.

MARRINER & CO., INC.,
Lawrence, Mass., June 3, 1958.

The Honorable THOMAS J. LANE,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. LANE: With further reference to your letter of May 20 in which you kindly replied to my strong feeling that all foreign-aid money should be earmarked for purchasing United States made goods, I am enclosing photostats of two letters I have received from important members of the administration—the Honorable Sherman Adams and the Honorable Sinclair Weeks, Secretary of Commerce—from which it is quite apparent that the administration has no intention of changing the present procedure; namely, to allow foreign-aid money to be spent by the recipients wherever they please.

I hope you will strongly protest this unfair procedure, especially at the present time when so many of our own industries are running on short time.

Yours sincerely,
KENNETH W. MARRINER.

THE WHITE HOUSE,
Washington, May 27, 1958.

Mr. KENNETH W. MARRINER,
Marriner & Co., Inc.
600 Broadway, Lawrence, Mass.

DEAR MR. MARRINER: I appreciate the concern expressed in your letter in respect to the worldwide procurement policy of ICA whereby dollars have been made available to Pakistan for the purchase of wool tops under worldwide competitive bidding.

To require that foreign aid be spent on merchandise purchased in the United States would call for invoking a provision of section 510 of the Mutual Security Act. This matter has received serious consideration within the executive branch. In a recent letter to Senator WATKINS, which I am enclosing for your information, the President stated:

"Now, as I have said many times, I stand willing to take any measures necessary if I am assured that in so doing they will relieve the distress of any segment of our economy. At least for the moment, however, I do not believe that the invoking of section 510 would produce benefits either dramatic or substantial enough to warrant our accepting the attendant disadvantages both in terms of ultimate economic impact here at home and in terms of conflict with our foreign policy objective."

The Governments of Pakistan and the United States have determined that the use of mutual-security funds to finance wool tops furthers the mutual-assistance program between the two countries. The private mills receiving the wool are required to pay for the wool in local currency. To require that these mills buy wool tops from the United States at prices above world levels would place an undue burden on those private enterprises. They would likely be unwilling and unable to pay these prices and remain in a competitive position in the local wool textile market. Wool mills, if competitively supplied with raw material, can contribute to the economic development of Pakistan. Should procurement of wool tops restricted to United States origin under mutual assistance result in the mills not buying this commodity, assistance to Pakistan would have to be in other commodities, possibly to less advantage to both Pakistan and the United States. An alternative would be for the Government of Pakistan to subsidize the wool imports which in turn would reduce the effectiveness of United States aid by creating further budgetary problems.

Accordingly, we believe that any benefits derived in the United States by restricting the source of wool tops would be more than offset by disadvantages to our assistance program.

Sincerely,
SHERMAN ADAMS.

THE WHITE HOUSE,
Washington, March 18, 1958.

The Honorable ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR ARTHUR: I appreciated your February 27 letter proposing that section 510 of the Mutual Security Act be invoked to help stimulate the Nation's economy at this time.

I have talked this possibility over with a number of responsible officials and have considered it seriously. A study of procurement in foreign countries over the last few years indicates rather clearly that even if all procurement financed by the International Cooperation Administration had been limited to the United States, it could scarcely have made any significant increase in the overall levels of United States business activity. In order that you may judge the magnitude of these purchases in relation to the total business of the industries concerned, I have asked Mr. Smith, the Director of ICA, to send you full information on this subject.

There is another point which is frequently overlooked or not wholly understood, but which convinces me that the invoking of restrictions on procurement under the mutual security program at this time would likely have repercussions which would intensify rather than relieve, or at least fail to ease, the very problem it is intended to resolve. It is simply this. United States dollars expended under the program, even when procurement is made abroad, ultimately pour back into the United States economy to purchase other goods and services. If by restricting procurement to the States we cut off or sharply reduce the dollar earnings of foreign suppliers, even for a short period of time, we can anticipate that a corresponding reduction in purchases of all United States products from abroad will certainly follow. Thus, we should soon realize that the step we had taken had merely compounded our problem.

As I have publicly stated time and again, well over three-fourths of our mutual security procurement dollars are spent not abroad but right here in the United States, with only a small fraction of the total spent overseas before it too returns to the United States as foreign purchases of United States products. Hundreds of thousands of our citizens today owe their jobs directly or indirectly to this program, a factor that deserves careful attention in the present economic climate of America.

Now, as I have said many times, I stand willing to take any measures necessary if I am assured that in so doing they will relieve the distress of any segment of our economy. At least for the moment, however, I do not believe that the invoking of section 510 would produce benefits either dramatic or substantial enough to warrant our accepting the attendant disadvantages both in terms of ultimate economic impact here at home and in terms of conflict with our foreign policy objectives.

With warm regard,
Sincerely yours,
DWIGHT D. EISENHOWER.

THE SECRETARY OF COMMERCE,
Washington, May 31, 1958.

Mr. KENNETH W. MARRINER,
Marriner & Co., Inc.,
Lawrence, Mass.

DEAR KEN: Thank you for your letter of May 15 about the ICA-financed procurement of wool tops for Pakistan.

The problem you pose is indeed a difficult one. You are aware that the so-called worldwide procurement policy is set forth in the basic mutual security statute. From the point of view of the purposes of that act, the worldwide procurement policy makes considerable sense in terms of getting the most mileage out of the dollars made available under the program.

The Department of Commerce has been actively involved in assuring that under this policy United States suppliers are given equal opportunity to participate in ICA-financed dollar procurement. A summary of ICA procurement policy issued last September states as follows:

The procurement policy of ICA is generally known as a worldwide procurement policy, meaning that, with certain exceptions, procurement for foreign economic assistance should be the lowest Free World cost. The policy also requires that United States producers and suppliers should have equal opportunity to participate in dollar procurement and should not be excluded by the terms or the specifications for procurement. It also provides that proposals should be measured not on the basis of price alone, but that relevant factors other than price, e. g., quality, delivery dates, etc., should also be considered. It is further provided that no contract over $5,000 shall be made until the Office of Small Business of ICA has had opportunity to make known to interested American suppliers that purchases are being considered.

I realize that in the particular case to which you refer, the wool top makers in Australia or other foreign countries are probably in a position to underbid American producers. I do believe, however, that on an across-the-board basis, and in terms of the purposes of our mutual security program, the worldwide procurement policy is justified.

With all best wishes.
Sincerely yours,
SINCLAIR WEEKS,
Secretary of Commerce.

Reciprocal Trade Agreements Legislation

EXTENSION OF REMARKS
OF
HON. RICHARD M. SIMPSON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, proponents of a 5-year extension of the Trade Agreements Act are attempting to give the impression that they represent the little people of Amer-

ica and are combating a powerful entrenched tariff lobby.

The Washington Post, in an editorial on June 2, referred to the substitute bill which I have introduced as follows:

There is much more that is wrong with the Simpson measure but perhaps nothing quite so wrong as the manner in which it seems to have been written. Its sponsor himself reportedly was surprised at the sweeping changes which showed up in the final draft that he offered to the House. It was, of course, the work of agents for the high tariff lobby who, having failed to dent the determination of the administration to get a useful and meaningful extension of the reciprocal trade agreements program, are now attempting this end run around the legislative process. The bill has had no hearings; it is not the bill the House Ways and Means Committee agreed to have offered as a substitute for its own measure; and, if enacted, it would set American trade policy back 30 years.

Mr. Speaker, this statement impugns the integrity of every member of both the Ways and Means and Rules Committees who examined the substitute embodied in my bill, H. R. 12676. In fact, the chairman of the Committee on Ways and Means appeared with me before the Rules Committee and asked that H. R. 12676 be authorized as the amendment contemplated in the rule.

I would remind my colleagues that the rule which was adopted to consider H. R. 12691—the committee bill—reads as follows:

No amendments shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and inserting in lieu thereof the text of the bill H. R. 12676, and said amendments shall be in order any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment.

Mr. Speaker, the unwarranted and unfair attacks on those who have honest differences over the type of legislation the Congress should adopt follow a familiar pattern. An editorial entitled "'Save Free Trade—Launch a Crusade of the Voiceless" appeared in the New York Herald Tribune on Friday, May 9. In referring to supporters of the administration's bill, it said:

If they could make themselves heard, Congress would not dare attempt it.

But they are voiceless. They can't waylay and buttonhole Congressmen the way the tariff lobby can.

Mr. Speaker, let me remind my colleagues that the "voiceless" group referred to by the New York Herald Tribune included the International Committee for Economic Growth of which Mr. Eric Johnston is the chairman. A conference was held under its auspices at the Statler Hotel here in Washington on February 25. Although there can be little doubt that this conference was concerned with controversial legislative programs, it is significant that American taxpayers helped finance its costs. Mr. Johnston in a letter dated April 22 to the well known commentator, Fulton Lewis, Jr., said:

It is correct that the White House bore certain costs of the Conference on Foreign Aspects of United States National Security which was held at the Statler on February 25.

These costs totaled slightly less than $7,000. In the main they involved the salaries of an executive assistant and two secretaries who were already on the Government payroll and who were placed at my disposal to help organize the conference. The remainder of the amount represented expenditures for printing the invitations, the list of participants and certain other incidentals.

Furthermore, another group, the National Conference of Organizations on International Trade Policy conducted a conference at the Sheraton Park Hotel in Washington on March 27, which was concerned solely with the question of trade legislation. Participants in this conference included prominent industrialists, the Democrat candidate for the Presidency in 1952 and 1956, Members of Congress, members of the President's Cabinet, the Vice President of the United States, and President Eisenhower. One could hardly regard such individuals as being members of a voiceless group lacking in the means of communicating their views to Congress.

Mr. Speaker, in considering this legislation it is important that all interested parties pursue a dispassionate approach. I am heartened in the knowledge that no Member of this body will be swayed by unfounded and irresponsible attacks on either the substitute proposal I have offered or its supporters.

Each Member will make his decision after he has considered the arguments advanced by those who express themselves on this issue.

Commencement Address by Hon. Mike Mansfield at the Eastern Montana College of Education

EXTENSION OF REMARKS
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE SENATE OF THE UNITED STATES
Thursday, June 5, 1958

Mr. MANSFIELD. Mr. President, on Sunday, June 1, I delivered the commencement address at the Eastern Montana College of Education, at Billings, Mont. I ask unanimous consent that the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN AMERICAN INITIATIVE FOR PEACE—V

(Commencement address by Senator MIKE MANSFIELD at the Eastern Montana College of Education, Billings, Mont., June 1, 1958)

It is a tradition on occasions of this kind to congratulate the graduates upon the successful completion of the college phase of their education—the commencement of your lives. In keeping with the tradition and from the bottom of my heart, I extend my sincerest congratulations to you, the men and women of the class of 1958.

In keeping with tradition, I might also ask you to look back with me now, in nostalgia, over the years through which you have just passed. And in keeping with tradition, I might also ask you to look ahead with me to the opportunities which await you in the future.

I shall not hold closely to these other traditions today. Even though we are gathered in a warm and friendly association, I believe that each graduate today is partly alone in his or her thoughts of the years just completed and in his or her thoughts of the years ahead. I shall not intrude upon the privacy of those thoughts. They belong to you and to you alone.

I shall, instead, talk with you of something which we do share. I shall talk to you of a common concern with the significance of your graduation and all graduations this year, to the Nation. I shall talk with you, not of what the Nation promises you in the years ahead but rather of what the Nation needs of you in the years ahead.

For those who seek an easy time of it, I am afraid 1958 is not the best year for graduation. For those of you, however, who have the desire to give of yourselves, for those of you who have a willingness to help meet the Nation's urgent requirements, it is a magnificent year in which to graduate.

You graduate at a time when the Nation is in great need of attributes which, while they may be found at any age, are particularly the attributes of young men and women. The Nation needs fresh and vital viewpoints on the many problems which beset us within our borders and in the world. It needs a new enthusiasm, a new courage to face these problems and to try to meet them.

These problems of which I speak are not unknown to you. They are as familiar and as numerous as the newspaper headlines. One day, it is the state of the Nation's schools. The next, it is the implications of a Russian sputnik for American science. The next, it is a flood on an uncontrolled river, or drought where there need not be drought. The next, it is unemployment in Butte or Detroit and the rising cost of living. The next, it is an outburst of rioting in New York or Little Rock. And the next, it is violence in Latin America or Lebanon or a crisis in France.

The problems which we read about in the press are as extensive as the world and as varied as human beings are themselves. I think that their significance to us, however, can be stated in the form of two great challenges.

In an attempt to get clear what these challenges to the Nation are, let us ask ourselves two questions in the language of that much neglected subject of mathematics. First, let us ask ourselves, what is the common denominator in unemployment, in rising prices, in a race riot, in a dam that is needed and is not built, in inadequate educational facilities, in a lag in scientific development, in high crime rates and so forth? The common denominator in these varied problems is that they are all expressions of the unfinished homework of the Nation. They are all expressions of the first of the two great challenges of our times, the challenge which confronts us at home—the challenge to us to keep this Nation unified, to build its economic, political, and social institutions ever stronger, to keep open in this generation, as in the generations that have gone before, the promise of expanding opportunity and progress in freedom, for all Americans.

Let us ask ourselves, next, what is the common denominator in a crisis in France, trouble in the Lebanon, and the unfortunate demonstrations against the Vice President in Latin America which took place recently? The common denominator in these situations is that they are all expressions of one basic problem, the problem of building a more stable peace in the world. They are reminders that peace, this hope, indeed, this most urgent necessity of mankind is still far from being assured. That, then, is the second great challenge which faces the Nation now and for the years ahead. It is the

challenge to build with other Nations a more stable peace. It is a challenge to get mankind off the precipice of the unspeakable disaster of war in the nuclear age.

These two great challenges—the challenge to keep the Nation strong, unified and progressive at home, and the challenge to build a more stable peace in the world cannot be placed in separate compartments. We cannot deal with one and with the other as though there were no relationship between them. We must deal with both, at the same time, because the two challenges are inseparably tied together.

Let me try to explain why this is so. Peace is not something which comes to the world automatically. If it could be had for the wishing, we would not have been plunged into two world wars and then into the Korean conflict. Peace depends upon what nations do or fail to do in their relations with one another. The larger and more powerful a nation, the more important it is to peace, what that nation does or does not do.

A nation's capacity to contribute to peace, however, depends almost entirely on its inner strength, on its inner unity and its inner progressiveness. If the nation is weak, if there is serious dissension among large groups of its citizens, if it looks backward at the world as it was yesterday, instead of the world as it is today and as it will probably be tomorrow, its voice will count for little even though it may be raised for peace. No matter how great the efforts of the President and the Secretary of State for peace, these efforts cannot carry much more weight than the unity, the strength and vitality of the nation which stands behind them.

By the same token, it will profit us little to build this Nation strong, unified, and vital, if we ignore, at the same time, the responsibilities of building a more stable and peaceful world. This Nation does not live in a vacuum. It is one nation among many and we cannot shut ourselves off, insulate ourselves against what happens elsewhere.

Even if that were possible, could we look with equanimity to the day when a war abroad would leave this Nation standing alone, unscathed, in a world which otherwise lay in smoking ruins at our feet? Grim as it is, that is probably not an accurate picture of what would happen if the plague of war were again to strike the earth. I am afraid that in this day and age of missiles and nuclear bombs, no matter how we tried to avoid it, this Nation could not escape a third and, perhaps, final Armageddon which involved all other nations.

I see no alternative, then, but to face the two great challenges of our times. We must work with patience but with determination within our borders to strengthen the Nation. We must work soberly and unceasingly, beyond our borders, to strengthen the peace of the world.

Let me emphasize, if I may, that the strength of the Nation is a many-sided thing. To be sure the condition of the Nation's economy is a factor in its strength, but national strength is many factors. To be sure, military farces and the advanced weapons at their disposal is a factor but national strength is many factors. When we think, then, of the state of the Nation's strength let us think of more than its armies, navy, and air force, its factories and farms. Let us think, too, of the caliber of the Nation's citizens. For national strength, in a basic sense, is the sum total of their unity, their courage, their intelligence, their alertness, their creativeness and inventiveness, and their industriousness. And it is beyond all else, the vitality of their ideals. Our national strength is, in short, the willingness and capacity of Americans to work to translate our ideals of human freedom, human equality, human compassion, and human progress into a vital living practice. How well we do that will determine how well we meet the first great challenge of our times; the challenge to keep the Nation inwardly strong, unified, and progressive.

It will also have much to do with our capacity to meet the second great challenge of our times, the challenge to build a stable peace in the world. Once before in the memory of most of the older people here we were faced with this challenge. It was shortly before many of you graduates were born. Then, too, the war clouds were gathering about us. Then, too, the Nation's voice was lifted for peace but it went unheeded. We were unable to act for peace because the strength of this land lay wasting in the great depression. We were unable to act because the gap between our ideals and the living practice was vast and it was filled with an idle cynicism and despair. The ideals of freedom were derided by totalitarians abroad because we ourselves and others who believed in freedom, were so uncertain of them ourselves.

We are not now in the same situation that existed before World War II. The reservoirs of national strength are far from exhausted but the warning flags are flying and we shall do well to heed them. I need hardly remind you that we are in an economic recession. This slump weakens the Nation inwardly and, in so doing, tends to dim the hope for a more stable peace. It has been suggested of late that we are hitting the bottom of the recession. If that is so, it is all to the good but it is not enough. It is not enough merely to drift along on the bottom and not to go lower. This country can and must have an economy of continuous growth, a dynamic economy which, as it grows, will unfold endless opportunities to absorb the energies and talents of this graduating class throughout the Nation and of the classes which will follow in the years ahead. It must be able to absorb these energies and talents in constructive work and not in war.

We need that kind of an economy for the inner strength of the Nation. We need it if the Nation is to play a full part in building a stable peace in the world.

In the same fashion, we need to be a Nation which does not accept, complacently, the highest crime rates in the world, low standards of physical fitness and staggering levels of mental illness such as we now have, a Nation which does not accept these evidences of inner social weakness as permanent characteristics of our society. We need, too, a nation which does not neglect the heart and structure of continued progress in freedom, the educational system. We need, finally, a nation which does not accept as permanently inevitable, bars to equal human opportunity, to equal human dignity and equal freedom among its citizens.

What we require, in short, is a nation which faces the inner threats to its unity and strength with honesty and with courage. What we require, in short, is a nation which, while it understands that these weaknesses cannot be eliminated overnight, recognizes nevertheless that they must be dealt with, with consistent determination and with steadfast action.

These are some of the tasks arising from one of the two great challenges of our times; that is, the challenge to strengthen the Nation inwardly. It is a challenge to all of us, including you men and women graduating today. The Nation needs your courage, your honesty, and the boldness of the vision of youth if it is to dispel its inner divisions and weaknesses. You can make your contribution in many ways, regardless of the direction in which your individual fortunes may lead. You can make it best, perhaps, by living as closely as you are able, in accord with the ideals of this Nation, as you have grown to understand them at this college.

With your help, with the help of the young people throughout the land, the Nation will not falter. It will meet this challenge at home to preserve its unity, to build its institutions ever stronger and to keep open the promise of ever-expanding opportunity and progress in freedom. If we do that, I am confident that we shall be able to face and to meet the second great challenge which confronts us and, indeed, all nations. I speak now of the challenge to build a stable peace.

I am not given to raising alarms and that is not my intention today. Nevertheless, any man with a sense of responsibility to the people whom he represents, any man who has some knowledge of modern military weapons, any man who in travels abroad has looked as I have looked into the churning brew of preparation for war in many parts of the world, cannot regard with complacency or unconcern, the state of the world today.

A man who has thought about these problems at all cannot reach any conclusion other than that the world is drifting toward a monumental catastrophe. World War II killed tens of millions of people and laid waste huge segments of the earth. In that war, only so-called ordinary or conventional weapons were used except for the two small atomic bombs dropped on Japan toward the end. The Korean conflict, limited though it was, produced millions of casualties. For us, as for others, it meant deep bereavement for countless families and countless billions of dollars in the waste of war. And in Korea, men fought only with so-called ordinary weapons.

Those conflicts, violent and devastating though they were, were as child's play when compared with the one which awaits us if we fail to stop the present drift toward war. Perhaps I can at least indicate to you the dimensions of a future war by pointing out the problems involved in testing a single hydrogen bomb. To detonate just one of these nuclear explosives of latest model, in reasonable safety, it is necessary to clear about 400,000 square miles of the Pacific Ocean of all shipping. That is an area equal to three times the size of the State of Montana and that is for a single explosion.

These bombs are already in existence. Now, missiles are being rapidly perfected to deliver them over Montana from the United States to Russia or over Montana from Russia into the United States, at speeds reaching 15,000 miles an hour. This is not science fiction. This is scientific fact. It is the basic fact which makes the building of a more stable peace in the world the second great challenge of our times.

As I have already said, I am not given to raising alarms. Yet, I must say to you in all seriousness that the danger of an ultimate war is real and it is immediate. There are some optimists in Washington and elsewhere who believe that because the new weapons are so destructive, neither Russia nor the United States will permit war to descend upon the world. I wish I could share that optimism. Unfortunately, the idea has a familiar and tragic ring. We heard it before World War II, but war came nevertheless. We heard it before World War I, but war came nevertheless. I suspect mankind has been hearing the same thing almost since the beginning of civilized existence. Yet wars have always come.

I speak with the deepest conviction when I say that I believe we can prevent war. With the same conviction, however, I say that we will not prevent it by wishing for peace or by an optimistic assumption that war is too terrible to come. We shall prevent it only by unremitting efforts to keep it from coming.

As I see this problem, there are four principal sources of danger at the present time and it is to these sources which we must direct our efforts if we are to reduce the danger. We are in danger of an accidental war between Russia and the United States. The dangers grow out of the great complex-

ity of modern military technology and the speed with which it can and must be brought into operation in the event of an act of aggression. When two nations are as keyed to instant conflict as are Russia and the United States, the possibility of a human or a mechanical error is always present in their military plans and operations. It will take only one insignificant error in the Military Establishment of either country to set an accidental conflict in motion. And it will matter little to a world reduced largely to ashes whether it was an American or a Russian error which was responsible for the catastrophe.

This, then, is the first problem of greater stability in the world. If there is going to be an American initiative for peace in this realm, more will be needed than the idea of instant and massive retaliation in the event of an attack. We need that, it is true, but we need something more. We need action which will make instant retaliation unnecessary. In short, we need action to make instant attack on us or on any nation unlikely. In short, we need a lessening of the tensions between the nations and, at the same time, a practical approach to disarmament, an approach which will, step by step, provide increasing assurance to all nations against aggression. We need an approach which will, step by step, begin to restore a degree of mutual confidence among nations. I believe we have begun to move in this fashion but there is still a long way, a very long way to go.

If there is a danger of accidental war, at this time, there is also a danger of war beginning in Europe, the Middle East, and in the Far East. In each of these great regions of the world there are numerous unsolved political problems. They may not be apparent to us here in Montana, except when they burst upon our conscience in a Hungarian uprising, in a Suez crisis, in violence in Lebanon, or a revolt in Indonesia. The basic unsolved problems are there, nevertheless, whether we are aware of them or not. They go on building pressures for conflict beneath the surface. As these pressures accumulate, they push the world ever closer to a great conflict, not a conflict tomorrow or the day after, perhaps, but an almost certain conflict. They do so because it has become almost impossible to isolate war to a particular region as was the case, perhaps for the last time, in Korea. The world has become so integrated in time and space, that a conflict anywhere could be the trigger which will fire conflict everywhere.

If we are to avoid involvement in a trigger-type war which may begin in Europe or the Middle East or the Far East, then action is required to reduce the likelihood of a local conflict in any of these regions, action which gets at the roots of the unsolved problems in these regions.

I have just recently completed a series of talks in the Senate in which I discussed these problems and possible ways of dealing with them. I offered those thoughts as the beginnings of an American initiative for peace. I believe we must take that initiative. I believe we must try to build, not a peace of domination, not a peace of appeasement or surrender, but a rational peace which deals justly with the realities of the world, a peace with which decent people everywhere, in Russia, no less than in the United States, can live.

The process of building a durable peace, as I see it and as I have already said, is a step-by-step process. I do not think that we shall achieve peace by means of a summit conference about which you have been hearing so much lately. I doubt that there can be a successful summit peace decreed by a handful of the world's leaders. There will be a time, perhaps, for a summit conference on peace, but only when the groundwork for peace has been carefully laid. What I believe we must have, first, however, is a series of what might be called subsummit or half-way-up conferences. It is in meetings such as these that the spadework for peace, if there is a will to peace, can be done. This spadework is the labor, not of the world's leaders at a ceremonial meeting, but of men who work day and night, week in and week out with the intricate complexities of the world's problems.

An American initiative for peace at this time requires that we call for quiet meetings, meetings without fanfare or big names between Russia and the United States at this time to consider the very real danger of accidental war. We must work to make the doctrine of instant and massive retaliation obsolete by making unlikely the danger of instant and massive attack by any nation on any other.

An American initiative for peace requires us, too, to encourage a conference of European nations—east and west—to consider Europe's inner problems of stability, a conference with the United States and Russia, for once, sitting on the sidelines instead of in front. An American initiative for peace requires us, further, to seek conferences of Middle Eastern nations, a conference of those in that region who may resort to arms to settle their difficulties and of the nations outside the region which supply them with the arms. An American initiative for peace requires us, finally, to call for discussions in the Far East, to determine whether a step back from the danger of war in Korea, Vietnam, Formosa, and elsewhere in Asia is possible.

In short, an American initiative for peace requires the pursuit of not one but several conferences—subsummit, half-way-up conferences—before a full-dress ceremonial summit conference. It requires an American determination and willingness to act for peace on many fronts, as persistently as we waged war on many fronts, when circumstances required, in the defense of the nation.

This second great challenge to Americans, the challenge to build a more stable peace in the world will be with us for a long time. In meeting this challenge as in meeting the other—the building of the inner strength of the nation—we need the contribution of you men and women of the class of 1958. I ask you to make that contribution by pouring your faith, your energy, and your creative initiative into the continuing stream of American life. I ask you to join with other living Americans, in reaffirming as every generation must, the vitality of freedom in our country.

A Challenge to Engineers and Scientists

EXTENSION OF REMARKS

OF

HON. JOHN MARSHALL BUTLER

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Thursday, June 5, 1958

Mr. BUTLER. Mr. President, man's efforts to explore outer space have dramatized the important role which engineers and scientists must play. Russia's recent scientific achievements clearly indicate that we can no longer be complacent. We must reevaluate our programs to educate and train scientists to meet the great challenge which lies ahead.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech entitled "A Challenge to Engineers and Scientists," which I had the pleasure of delivering before a distinguished gathering of technical and professional people in the oil industry, on May 6 at Old Point Comfort, Va.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A CHALLENGE TO ENGINEERS AND SCIENTISTS

(Speech by Senator BUTLER, before joint technical meeting, Standard Oil Co. (Indiana), and affiliated companies, at Old Point Comfort, Va., May 6, 1958)

It is a privilege for me to participate in this technical meeting before such a distinguished gathering.

Man's efforts to explore outer space have dramatized the important role engineers and scientists must play. Russia's recent scientific achievements clearly indicate that we can no longer be complacent. We must reevaluate our programs to educate and train scientists and engineers to meet the great challenge which lies ahead.

In meeting this challenge let me first emphasize that the time is approaching when our scientific community must learn to understand the Russian language. The U. S. S. R. Academy of Sciences supervises the activities of more than 35,000 research personnel in 136 major research institutes. It also operates the Institute of Scientific and Technical Information. Among its services, this institute publishes 475,000 abstracts a year in 13 journals. They come from new books, patents, and dissertations, but primarily from articles appearing in 1,800 scientific journals published annually in Russia as well as from articles appearing in more than 12,000 journals originating in 85 countries.

We cannot afford in our own self-interest to be ignorant of these developments. I have been told that the radio frequencies for the transmitters used in the first sputnik were announced in Russian publications many months ago. But, and this is important, such information is only useful to us if we have trained people with a full knowledge of the Russian language.

I am frankly disturbed that so many of our citizens believe we can correct scientific deficiencies by merely spending more money for educational purposes.

In my schooldays every incentive was given the exceptional student to forge ahead of his fellows. My parents regularly received a report card showing the grades I had attained in the courses which constituted a basic education. They were also apprised of my performance in competition with my classmates. In more recent years our educational system has been greatly influenced by those who profess a belief in so-called progressive education. They regard marks and competitive grades as undemocratic.

However, at this late date, the American people have awakened to the fact that Russian students are not only well trained, but contrary to Communist tenets, are provided with every incentive for individual performance. In an address before the United Engineering Societies in New York on November 21, 1957, Herbert Hoover, himself a distinguished engineer, clearly showed where corrective action must be taken. He said:

"Tonight I am going to state bluntly my own views as to one of the major causes of our predicament. One of the roots of our problem is in our high schools. * * *

"Our higher institutions of learning have the capacity to train the recruits we need. The harsh fact is that the high schools are not preparing youngsters for the entrance requirements which must be maintained by our institutions training scientists and engineers.

"The origin of this deficiency is well indicated by a careful sampling taken not too long ago, which showed that under 12 percent of the high-school students were being

taught the elements of algebra and geometry; something under 9 percent were being taught elementary chemistry, and under 5 percent were being taught elementary physics.

"And this wretched record has further implications than simply the failure to produce the professional skills. We live in an age where every side of our daily life touches on physics, chemistry, and mathematics. No youngster stepping into maturity can enjoy or, in fact, adequately live in our civilization today without some training in these sciences.

"But beyond this essential education of our youngsters is the pressing question of more scientists and engineers. In my view there is a fundamental weakness from the too prevalent high-school system of allowing a 13- or 14-year-old kid to choose most of his studies. Academic freedom seems now to begin at 14. A youngster's first reaction in school is to seek soft classes, not the hard work of science and mathematics. Also, he has a multitude of extracurricular activities which he considers more beguiling than hard work. You simply cannot expect kids of those ages to determine the sort of education they need, either for daily living or for the professions, unless they have some guidance."

While I would be the last to suggest that we should stress the physical sciences at the expense of the other subjects which constitute our cultural heritage, it is my firm conviction that a basic knowledge of science contributes toward the solution to all the other problems which confront every citizen.

If a man has no understanding of the general viewpoints and methods of scientific thought, he cannot say that he is adequately educated in history, in the social sciences, or in human affairs, nor can he say that he is equipped to aid or support the development of national policies.

Engineers know that there are no perpetual-motion machines and that their theories must conform to the laws of the conservation of energy and mass.

If everyone were acquainted with these physical laws, there would be less disposition to seek impossible political solutions to the basic problems with which we are confronted.

Many also believe that the living standards of the world's people can be improved if the Congress of the United States appropriates sufficient funds. They fail to realize that higher living standards can only result from the more effective use of materials and energy.

The advancement of a people's welfare requires an increase in their productivity. Our high productivity and standard of living are closely related to a high per capita consumption of energy. In the United States we have substituted inanimate energy, chiefly mineral energy, for the muscular power of humans and animals. In many parts of the globe much of the world's work is still dependent on muscular power.

In the past 100 years our per capita use of energy to provide motive power in economic production has increased sixfold. As late as 1850, 65 percent of all energy consumed in the United States was contributed by animals and humans. By 1950, more than 98 percent of all energy employed was inanimate, and the petroleum industry accounts for more than two-thirds of such energy. Parenthetically, I do not have to tell this audience that in petroleum technology the United States far excells the Soviet Union.

United Nations statistics show the per capita product measured in United States dollars for the period 1952 through 1954 of 55 countries. These data indicate that our economy produced wealth at the annual rate of $1,870 for every American. A comparison with the per capita output in some other countries is revealing—$60 in India; $70 in Pakistan; $190 in Japan; $510 in Western Germany; and $780 in the United Kingdom. These facts provide some indication of the challenge which confronts us in our efforts to foster economic development throughout the world.

We take pride in the knowledge that with only 7 percent of the world's population and 6 percent of its area, we are responsible for 50 percent of its total production. We generate 46 percent of its electrical power, have 55 percent of all the telephones in use, and 70 percent of all the automobiles in the world. The corollary to these facts is that the rest of the world with 93 percent of its population has much lower living standards than our own.

The extent of a country's industrial development can be measured in terms of its per capita consumption of steel. Again, according to the United Nations, in 1954 the per capita consumption in the United States was 1,052 pounds. In Egypt it was 23; in Peru, 22; in India, 13; and in Indonesia, less than 7. If these countries industrialize, this per capita consumption must be raised, and again I need not tell engineers that this process cannot occur in a short space of time. A balanced economic development requires a concurrent expansion in the usage of nonferrous metals and energy sources.

The economic advancement of underdeveloped countries presents one of the greatest tasks which will confront industry's technical personnel for years to come. Some idea of the magnitude of this problem is again available from a United Nations' study where it has been calculated that to supply all Asians with $2,000 worth of machinery and tools per worker would cost three times the United States national income, or to express the problem in another way, to give all Asians the same capital per worker as the Japanese were using prior to World War II, would require 150 percent of our national income.

The industrialization of underdeveloped countries will produce tremendous demands upon the world's resources. While today we are concerned with apparent surpluses of many commodities, including petroleum, in the long run, there can be no question that we shall have to use all of our ingenuity to utilize more effectively the resources available to us.

While the United States is the major single consumer of industrial raw materials, our own reserves are dwindling. In the years ahead, we must continue good conservation practices. Limited resources can be extended through imaginative engineering and product design.

I commend you for the contributions which you have made. In reading your 1957 annual report, I was greatly impressed with the report that you were able to improve the ultraforming process by developing a more efficient catalyst. By achieving the same result with half as much platinum as was previously required, you are making a substantial contribution to the more efficient use of scarce materials.

On the other hand, Russia is endeavoring to exploit the desires of the underdeveloped countries to improve their living standards by offering them technical assistance and economic aid. It must be apparent to everyone that Russian technicians will be used to spread communism throughout these countries.

We have attempted to assist our friends and would-be friends in other parts of the world by direct Government loans and grants and through our contributions to United Nations' agencies. In view of the magnitude of the task, I am convinced that economic development can only be accomplished by the creation of a climate favorable to the development of competitive capitalism in other countries.

One reason I feel so strongly about the virtues of competitive enterprise is that it is the only economic system which is compatible with human dignity and individual initiative. It is the only system which offers a complete freedom of choice for the consumer and maximum reward to producers who best satisfy the consumer.

But, there are no shortcuts to economic development. Dr. Neil Jacoby, formerly a member of President Eisenhower's Council of Economic Advisers, who last summer was the United States representative to the United Nations Economic and Social Council, portrayed the problem of economic development in a statement to the council in these words:

"First, economic growth is a complex process involving people, as well as bricks, mortar, and machinery. Standards of living which have for centuries stagnated at low levels cannot be substantially raised simply by improving and multiplying the physical instruments of production. There must be accompanying changes in the institutions, the attitudes, the habits, and customs of people which remove impediments to economic progress. By far the most valuable capital of any advanced country is the knowledge and skills of its citizens. * * *

"Secondly, the primary responsibility for achieving economic development inescapably rests with the developing countries themselves. The policies of their governments, and the energies and abilities of their peoples, are the factors upon which progress mainly depend.

"Thirdly, economic progress can be accelerated if self-help is supplemented by outside help.. * * * Failure to appreciate the human and social aspects of the development process, however, often leads to exaggerated expectations of the rate at which such countries can absorb foreign capital and put it to constructive use. As economic development proceeds, however, both potential domestic savings and the capacity to use imported capital increase. Capital from abroad has hastened the development of many countries, including my own, which not so long ago were relatively undeveloped. This capital was almost entirely private in character."

Obviously, Dr. Jacoby was aware of the American petroleum industry's great contribution to world economic development. He said:

"I wish to refer briefly to private financing of economic development. The net direct investment by American business enterprises in other countries during 1956 was $2.6 billion—twice as large as during 1955. My delegation regards this as a major contribution to world economic development, and something more than a trickle. We dissent from views expressed during this debate, to the effect that this figure means little because much of the investment was made in one country—Canada—or in one industry—petroleum. The correct inference to be drawn from these facts is that United States private investment flows rapidly to industries experiencing a rising world demand for their products, and to countries which provide a hospitable climate for risk-taking enterprises. There is little that the government of a free economy can properly do to induce its nationals to invest abroad or to channel investment along particular lines. This is largely a matter within the control of the people and the government of the capital-importing country."

It would be very difficult for anyone to provide a better prescription to promote advanced living standards.

Many underdeveloped countries are largely dependent on a relatively few products for their foreign exchange receipts. This is the case in many of the countries of the Middle East and Latin America with petroleum, in Chile with copper, in Bolivia and Indonesia with tin, in Brazil with coffee, and in Ghana with cocoa.

For many years, these countries have endeavored to devise intergovernmental com-

modity agreements to stabilize the price and production of these commodities. In the complex world in which we live, I believe it is impossible to operate such international controls while maintaining a competitive economy.

As other countries are industrialized, the present price relationships between raw materials and manufactured products will shift in favor of the producers of raw materials through free markets. In the meantime, it is to no one's advantage to destroy the market mechanism.

In 1954 the United Nations established a Commission on International Commodity Trade. The United States has not participated in the work of this Commission. In fact, to my knowledge, it is the only United Nations agency in which we have not taken an active part.

Our Government abstained because it realized that the objectives of this Commission would retard economic development. They would lead to worldwide surplus disposal problems for many commodities similar to the problems we have experienced here in the United States with some of our agricultural products. Let me state the terms of reference of this Commission from the United Nations resolution which established it. It said:

"The main task of the Commission shall be to examine measures designed to avoid excessive fluctuations in the prices of and the volume of trade in primary commodities, including measures aiming at the maintenance of a just and equitable relationship between the prices of primary commodities and the prices of manufactured goods in international trade. * * *"

Actually these objectives would attempt to establish parity prices for all commodities on a worldwide basis. Such economic manipulation would be contrary and foreign to the free competitive system which has made this country strong and great.

The United States Government has taken a forthright position against such attempts to establish noncompetitive price relationships. However, I am concerned that the current difficulties in Latin America may weaken our resistance to these unsound schemes. For example, we cannot support Brazil's coffee without doing something for every other distressed country. Proposals have been advanced to stabilize nonferrous metals and agricultural products. There are new proposals almost every day. Still another illustration, the new Republic of Ghana has recently proposed world controls for cocoa. Since Brazil is also a cocoa producer, her output of this commodity would also be affected.

Mr. James Reston, of the New York Times, on April 14 last stated that experts in the State Department are now discussing the feasibility of an international coffee agreement to avoid financial distress and political trouble in Brazil and Colombia. I cannot help but feel that the financial predicament in Brazil would be relieved if American oil companies were given the opportunity to develop Brazil's petroleum resources. The present Government monopoly there has been unable to exploit them and vast quantities of foreign exchange are used to import oil products.

The countries in the Middle East have received more revenue from the development of their vast oil reserves by private American interests than could have been obtained through grants or loans from foreign governments. We must make sure that the Russians do not sow the seeds of dissension in this critical area to the detriment of the citizens of the Middle East. In this context, I am deeply concerned by the advice given only last week by the leaders of the Kremlin on the occasion of Nasser's visit in Moscow, in which the Arabs were offered Soviet assistance with their oil problems. This audience knows that Russia could not supply a ready market for Middle East oil. And, the hard currencies the Arab nations are receiving would be lost to them if this obvious effort to further divide the Western world should succeed.

You might further be interested in Secretary of State Dulles' observations from an address at Pan American Day ceremonies on April 14 pertaining to the problems of petroleum producers. He said:

"Certain of the factors bearing on the economic difficulties are beyond the power of governments to change. Consumer habits cannot be coerced—at least in our Republics—and artificial stimulants often make the patient sicker.

"However, the United States Government realizes the potential consequences of violent fluctuations in the prices of Latin America's exports, and is daily searching for ways and means to contribute toward a solution of economic problems.

"One such problem involves petroleum, a commodity of greatest importance in the economies of all our countries, whether as producers or as consumers. The world is faced with a readjustment of marketing relationships, distorted at the time of the Suez crisis and complicated by a decline in demand. In view of this situation, the United States Government, with the cooperation of the importing companies, is carrying out a program of voluntary limitations on the amount of crude petroleum to be imported into the United States. I would like to make two points in this connection: We have consulted regarding this program with our friends in Venezuela, who are our principal foreign suppliers, and we have also kept the Canadian Government informed of these developments. My second point is this: Despite drastic cutbacks in our domestic production, we endeavor to insure to foreign petroleum the same percentage of our domestic market it normally occupies.

"This is the spirit in which we try to meet the difficult problems of the present economic situation. When consumption declines, we strive not to shift all of the burden on to weaker nations. We seek to share it fairly, believing that this is in our enlightened self-interest."

This statement is indicative of our current difficulties. Yet, in spite of our immediate problems of surpluses, as we look into the future, we know that world demand for all raw materials will increase greatly. It is important that we do nothing through political intervention that will hamper your efforts as scientists and engineers and businessmen to use all of the world's resources in their most effective way for the betterment of mankind. It is equally essential that all of us, as conscientious citizens firmly dedicated to freedom and the American way of life, must chart the course in education, as in all other endeavors, to insure that manpower and energy are dynamically combined to meet the challenge which faces us.

If we can maintain free markets and free competitive forces throughout the world, I am confident American industry will use its ingenuity to see that all raw materials and energy sources make their maximum contribution to human welfare.

Small Boat Mishaps Toll Is 1,200 Lives a Year

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. PELLY. Mr. Speaker, according to a recent article in the New York Times programs to promote boating safety have achieved a considerable measure of success in recent years, but water transportation accidents still take 1,500 lives each year in this country.

The House Merchant Marine and Fisheries Committee's study of small boat safety indicated an absence of statistics as to accidents. However, an analysis of factors involved in death from boating accidents among industrial policyholders of the Metropolitan Life according to the New York Times, indicates where additional emphasis on safety is needed in view of the ever growing popularity of boating.

It should be of interest, in view of consideration by the House this week of H. R. 11078 to promote small boat safety that 4 out of 5 of all the lives lost in water transportation in the United States were in small boat mishaps. Drownings in such accidents accounted for the loss of 1,200 lives and the majority of these fatalities were in motor driven boats. The insurance records indicated that nearly three-fifths of these deaths occurred among people who were fishing.

H. R. 11078 would be effective on motor-driven boats 16-foot or less, and as amended in committee those small boats with 7½ horsepower engines or less would not come under the bill's provisions.

The main purpose of this small boat safety bill is to stimulate the individual States to pass and enforce minimum standard laws and only if they fail to do so will the Federal Government step in and require numbering and registration of small motor propelled boats operated in navigable waters coming under jurisdiction of the United States Coast Guard.

Program To Perfect Uses for Products of the American Farm

EXTENSION OF REMARKS
OF
HON. HOMER E. CAPEHART
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Thursday, June 5, 1958

Mr. CAPEHART. Mr. President, on Wednesday, June 4, I was privileged to testify before the Senate Committee on Agriculture and Forestry on legislation proposing a vast research program, to develop and perfect new uses in industry for products of the American farm. I ask unanimous consent that a copy of my testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

To you, Mr. Chairman, and to all of the members of the committee, I want to express my deep appreciation for the opportunity to appear here today in support of legislation which is and has for a long time been very close to my heart.

That proposed legislation would provide for a research and development program

under the sponsorship of the Federal Government to discover and perfect new industrial uses for the everyday products of the American farm.

Mr. Chairman, with the assistance of many top experts in the field, I first proposed such a program in the 84th Congress when I, together with more than 30 cosponsors, introduced a bill on March 21, 1956. Senate bill 724, which now is before this Committee, is a duplicate of the original bill and it likewise is supported by more than 30 Senators who have joined as cosponsors.

The committee has before it also Senate bill 3697 introduced by Senator OLIN D. JOHNSTON and Senate bill 2306 introduced by Senator CARL T. CURTIS, implementing the recommendations of the Commission on Increased Industrial Use of Agricultural Products.

GOOD FOR EVERYBODY

The principle involved in all three bills is exactly the same and that principle has my wholehearted support despite some variance as to administrative details. I have been very happy and appreciative of the opportunity to join with Senator CURTIS as a cosponsor of his bill and certainly I lend my support to the principles incorporated in the bill introduced by Senator JOHNSTON.

When I proposed the first bill in the 84th Congress, I told the Senate that I considered this bill the most important program I ever have sponsored in my tenure in the Senate.

I am now more convinced than ever that this is true. It is a program which is all pluses and no minuses. It is good for everybody.

It is a matter of very great satisfaction to me that my belief in the program and in the benefits which all of our people would derive from it was confirmed by the findings of the Commission on Increased Industrial Use of Agricultural Products created, with the approval of this committee and of the Senate, in the 84th Congress.

The able men who gave of their time, effort, and resources to compile their findings in Senate Document 45 of the first session of this Congress have my heartiest congratulations. They performed a real public service.

As I have said, bills implementing the findings and recommendations of that Commission now are pending before this committee. They have my wholehearted support.

I have no pride of authorship in this matter. My concern is to get the job done and get it done now, because what here is proposed is of vital importance to every man, woman, and child in the United States.

HUNDREDS OF THOUSANDS OF NEW JOBS

It would produce hundreds of thousands of new jobs. It would substitute a positive approach for a negative effort to solve our farm problem.

It would, in fact, solve our farm problem for all time to come because it would assure that a farmer would have a demand for everything he could grow on his acreage and thus receive a fair price for his products.

It would end, once and for all, too, our costly farm-surplus problem.

Now, let's see what this alone would mean—the end of surplus accumulation.

For purposes of discussing this point, let us assume that the Congress should follow the recommendation in Senate bill 724 and appropriate $100 million to get the program underway.

Gentlemen, $100 million is less than one-third of the amount the Government has been spending just to store the vast surpluses for the last few years.

But, important as that financial saving would be, such a saving would be as a drop in the bucket when contracted with the overall benefits accruing from such a program.

DOUBLE FARM MARKET

For I am convinced that a properly directed research and development program would, within a few years, create a demand for farm products in industry at least equal in amount to that now consumed for human consumption and other purposes in the United States.

In other words, I believe it is safe to assume that such a program would double the farm market.

No longer would it be necessary to expend billions of dollars a year of taxpayers' money to acquire surpluses to sustain the farm economy.

No longer would it be necessary to pay our farmers not to produce their maximum. The demand would be there for everything a farmer could grow. It is obvious that such a situation would insure the farmer a good price for his maximum production. That is what I mean by the positive as opposed to the negative approach to the farm problem.

For the farmer, this would mean a whole new era of prosperity.

But, this again is only a part of the benefit accruing from such a program.

Research would develop new products. New products would create demands for new production facilities. New production facilities would create new jobs. New jobs would create new wealth, a more stable economy and a better life for our people.

New production facilities, new factories, would create demands for more of everything—transportation, machinery, wholesale and retail outlets to meet the new demands for everything business has to sell.

There is no question that the job can be done. We know enough now about the results of research in this field that the possibilities—at least to those who have studied them intensely—are almost limitless.

Simply to develop to their ultimate possibilities the new uses we already know about would produce new activity almost staggering the imagination. And, it has been fairly well established that the surface of such possibilities has barely been scratched.

What we must do is take the blinkers off, as it were, of our agricultural research program. We must throw the full white light of technical research and development, experimentation, test facilities, pilot-plant operations and American technical know-how into an all-out effort to discover and perfect new industrial uses for just the everyday products of our land.

Now, I don't want to be misunderstood about existing research. The Department of Agriculture has been doing some. Our fine agricultural and technical schools are working at it constantly. We have some very limited utilization research plants under Government management. Within their limited facilities, all of these agencies have been doing a good job.

TOP PRIORITY JOB

But, what I am talking about here is a much more comprehensive effort, a job with top priority under the direction of an administrator or administrative board with ample funds and the authority to knock heads together, if necessary, to get the job done.

A good example of the type of operation I am talking about is the research program which brought us synthetic rubber during the war. The Government brought in Mr. William R. Jeffers of railroad fame and said to him: "Here's the money. Here's the authority. Get the job done."

As you all know, he did get the job done. And, with the enactment of legislation such as that pending before this committee, we can get this job done, too. Now is the time to start.

It is my best judgment that we would begin to see tangible results of such a program within a reasonably short time. I believe that the Department of Agriculture and our research people have enough technical knowledge right now that, given a real opportunity to carry through, they can find industrial uses for 5 billion additional bushels of grain—corn, wheat, rye, barley, oats, rice, sorghum grains, and others—each year.

Remember that we produce only about 6½ billion bushels now and that in some years as much as one-third of that amount has been surplus. It takes about 180 million acres to produce our present output. Add another 5 billion bushels to a real and continuing demand for grains and you begin to see the almost fantastic possibilities of this program we are talking about.

Then, we must face realistically another agricultural problem growing, ironically enough, from discoveries of our vast private industrial research programs. They are developing substitutes, particularly in the fabrics field—substitutes which can in the end only aggravate our surplus problems unless we create new markets to offset the substitute uses.

The great chemical and petroleum industries have developed, through research programs, ways to make everything from rubber to clothing materials from substitutes.

These research programs have developed in substantially the same proportion to the amount of money industries have plowed back into research from their profits. Our most successful industries are those which have devoted and are devoting more and more attention to research.

SIX MILLION FARMERS

Now, some have said that our 6 million farmers ought to do this for themselves. I wish they could. But, I believe there is general agreement among those who have studied the problem that here is a job the farmers simply cannot do for themselves.

Gentlemen, Government spends a great amount of money for agricultural research every year. But, what we are doing is teaching the farmer how to grow more and more without giving the proper attention to finding new markets for his ever-increasing production.

It is simply a must that we spend at least as much money for research to develop new markets as we do for the development of new production methods.

At the same time, it is essential that we continue to find new ways to increase production. The money we put into that program is well spent by the Department of Agriculture and our great agricultural schools. But, we must, at the same time, be realistic enough to recognize that there must be markets for every ounce of our production if we are to maintain a stable, healthy, prosperous farm industry.

Let me give you one very simple, understandable example of what I am talking about.

Most of us remember not too many years ago when the production power on the farm was restricted to animal power, horses and mules. It has been estimated that this animal power consumed the production equivalent of some 80 million acres of feed grains.

Now, the animal power is obsolete and there has been little or no research to develop new markets for the production of that 80 million acres. It's just as simple as that. Add to that the increased production from better seeds, fertilizers, improved insecticides and you begin to see why, in the best fed nation in the world, we continue to have farm surpluses.

These are some of the reasons we have found it necessary to pass laws curtailing

production, the negative approach, instead of providing the government leadership which would create the markets to encourage every farmer in the land to grow everything it is possible to get from his land.

FEDERAL RESPONSIBILITY

Since Congress long ago established as public policy the Federal Government's responsibility to nurture our vast agricultural industry, it seems crystal clear now that this responsibility extends to the development of new markets for what we grow. It is the only way I know or have heard of to end our farm problem and insure a sound, stable farm economy for the years ahead.

There just can't be any question that this is the answer to the farm problem. It has to be the answer.

In addition to solving the problem of surpluses, it would save billions of dollars in support programs, vastly increase farm income, boost tax revenues, stimulate business through increased purchasing power and create millions of new jobs.

I believe you all are familiar with what research did for the citrus industry at a time when it admittedly was in bad shape. The quick-freezing process, perfected in part through research conducted by our own Department of Agriculture, reversed that economic trend. Not only was the industry stabilized, but new demands brought vast expansion, and every man, woman, and child in the United States enjoyed a potential benefit because of the greater accessibility of the healthful benefits of fresh citrus-fruit juices.

SOYBEAN RESEARCH

Then have a look at what once was called the lowly soybean. The earliest records show that a Chinese Emperor, in 2838 B. C., wrote of the highly valued nutritional qualities of the soybean. Yet it was not until about 1930 that research spearheaded by the late Henry Ford—research for industrial uses of the soybean—that this crop started the upward trend that has made it one of the great money crops of today.

Those are examples we all know about and none can deny. Examples of what? Examples of just what we are here talking about—research.

Some work has been done on the development of powdered whole milk. It would be difficult to estimate what perfection of that process to commercial practicability would mean to the dairy industry and, again, with humane benefits to every man, woman, and child in the Nation.

I believe the perfection of the process would double the demand for milk. That means twice as many cows, twice as many dairy facilities, twice as much business. That means more jobs. There is example after example just as startling.

Now, of course, to develop most products to the state of commercial practicability would require pilot plants, new machinery types, field tests.

Then, with the perfection of a new process, private industry would begin, under license, to produce the new product, bringing demands for new advertising, merchandising, and sales organizations.

HOW IT WOULD WORK

Now, gentlemen, let us for the purposes of this statement, discuss just exactly how S. 724 would work:

There is created in the executive branch of the Government an Industrial Agricultural Products Administration under the administrative direction of an administrator, to be appointed by the President by and with the consent of the Senate.

The administration shall conduct research, both scientific and chemical, make field studies, conduct both laboratory and field experiments, test production procedures on a commerical basis, maintain and expand pilot plants whenever necessary, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and otherwise promote the finding, development, and commercial use of new, increased, extended, and perfected processes, techniques, and programs for industrial uses of greater quantities of agricultural products.

The administration would be empowered to utilize existing facilities of the Government to carry out the program. It could build, purchase or lease plant facilities, necessary equipment, pilot plant, manufacturing or other needs to carry out the program.

In addition to this, however, the Commission might employ private industry— individuals, firms, institutions and organizations—and the services of land grant colleges and universities to conduct research. Incentive awards are provided for. Industry advisory committees would cooperate. Consultants might be employed with only per diem pay. Grants to accredited schools, colleges and universities for fellowships and scholarships in research are authorized. The administrator would be required to report semiannually to the Congress.

PRIVATE ENTERPRISE

Now, Mr. Chairman, at this point the bill makes additional provisions for the participation of private enterprise. It is provided that the Industrial Agricultural Products Agency of the Department of Agriculture may license, at a fair and reasonable royalty, any person, firm, or corporation to use any process developed by the Agency or to make and sell under any patent, or application for patent of the Agency. Such royalties shall be based upon fair compensation to the Government for its investment and shall be nondiscriminatory. Whenever the administrator finds it in the public interest to do so, he may grant royalty-free licenses for processes developed under this act, including the right to make and sell under any patent or application for patent of the Agency.

The members of this committee or Senators other than members of this committee, I am certain, may have additional constructive worthwhile ideas on the subject. Certainly, I am amenable to and will welcome such suggestions.

Yes; gentleman, the possibilities are limitless, the potentiality so great as to require every bit of the imagination which has made America the great Nation it is.

Let me list a few more possibilities:

1. A high-protein cattle food that could consume an additional 150 to 160 millions of bushels of wheat a year, the production equivalent of 7½ million acres.

2. Metallurgical oils from grain.

3. Oil, as a grain derivative, for use in the manufacture of paint.

4. Ethyl alcohol, for use in producing synthetic rubber, from grain. One ton of rubber would consume 350 bushels of grain. Multiply that by the 900,000 tons of synthetic rubber we produce a year and it comes up 315 million bushels of grain, the production equivalent of about 7 million acres.

5. Microba rubber, a natural product, from the gluten in grain.

6. Ethyl alcohol from grain to be blended with gasoline. If just 10 percent of the blend was ethyl alcohol made from grain, it would require more than 2 billions of bushels of grain a year. That alone would absorb the grain surplus.

Now, there are many more potential uses we already know about. Some say, and correctly so, that the cost of some of these uses would be so great as not to be practicable or competitive. Who knows? Finding ways to reduce the cost, make the uses practicable and the products competitive is just exactly what research programs—programs such as the one we here propose—are for.

Mr. Chairman, I have listed a few of the better-known possibilities for new industrial uses which we all know about, but I believe it might be helpful if I should record here, in order, the list of known uses given to me by the Department of Agriculture. The Department has estimated that these 11 uses would consume 2.6 to 2.7 billion bushels a year if fully developed by the program here proposed. They are as follows:

1. High-protein food by fermentation, 150 million bushels a year.

2. Paint from vegetable oil, if 5 to 10 percent of the potential market is reached, 15 to 60 million bushels a year.

3. Synthetic rubber, 365 million bushels a year.

4. Microba rubber, if 10 percent of the potential market is reached, 25 to 30 million bushels a year.

5. Increased use of starch in paper, 40 to 100 million bushels a year.

6. Industrial exploitation of oxystarch, 10 million bushels a year.

7. Raising disease-free poultry for export, 13 million bushels a year.

8. New drug plants, 4½ million bushels a year.

9. Hardboard, boxboard, and building board from wheat, 20 to 40 million bushels a year.

10. Development of high amylose corn, 10 million bushels a year.

11. Blending 10 percent grain alcohol with gasoline, 2 billion bushels a year.

There are a great many other possible uses which have been called to my attention. These include smokeless powder, plastics, medicinals, toilet preparations, soaps, cleaners, anesthetics, antifreeze, dyes, varnishes, power, and fuel.

Who knows, Mr. Chairman, but that a program such as this may some day solve the problem of our paper supply, now almost together limited to the pulpwood industry? I can foresee the day that we may raise our entire paper supply right on our farms.

I could go on and on with possibilities. New ones are reported from time to time. But, they are going to remain just possibilities unless we do something about it and do it now.

ONE HUNDRED AND SIX FIELDS OF RESEARCH

The Commission on Increased Industrial Use of Agricultural Products, to which I referred previously, outlined 106 broad fields of research and development. They include cereal grains, cotton, oilseeds, meat and animal byproducts, sugar, fruit, vegetables, edible tree nuts, white potatoes, poultry and eggs, crop residues, forest products and new crops.

A program such as we here are discussing is gaining recognition in many circles and in some high places, including the office of the President of the United States. Let me quote briefly from President Eisenhower's message on agriculture:

"The scientific revolution in agriculture is irreversible and is continuing. It cannot be avoided and it need not be feared. In recognition of this basic fact, we must find ways of utilizing more completely the abundance that our farm people are now able to produce; we must find ways of further expanding markets for this increased production, not only among our own citizens but among people all over the world who need the food and clothing we produce in such abundance."

Then, the President proceeded to include as 1 of his 9 recommendations for agriculture this quotation:

"Research efforts aimed at increasing industrial uses of farm products should be expanded. * * * To a greater degree than at present, these raw materials can be used in industry, thereby broadening markets for our abundant farm products. New uses and new markets can be developed for our surplus crops."

I am sure that most of you are familiar with and admire, as I do, the work of Mr. Wheeler McMillen, vice president of the Farm Journal and a recognized authority in this field. Called upon to comment in 1956 on the first bill of which I was the principal author, Mr. McMillen said, in part:

"If the Congress will adopt the principles of this bill and will provide adequate funds through the years, it will have taken the longest and soundest possible step toward making agriculture a permanently prosperous, expanding industry.

"It will add new products for the American standard of living. It will build new factories and create new jobs for years ahead.

"It will provide for American industry unfailing sources of raw materials, materials which will ever be renewable, annually reproductive as long as soil and water are conserved.

"It can in time remove, probably forever, the urgency of agricultural subsidies.

"It will work toward making American agriculture the growth industry that farmers want it to be. It will provide expanding opportunity for the family farm. It will make it possible for our fine farm boys and girls to live and prosper on the land they love.

"This proposal offers, in short, an infallible plan toward a richer rural civilization and, therefore, toward a better America."

Mr. Chairman, I cannot conceive of a finer tribute from a more qualified spokesman than this statement by Wheeler McMillen.

WIDELY SUPPORTED

In this position, he is joined by very distinguished company, including the heads of our farm organizations, deans of schools of agriculture, farm publication policymakers, newspaper editorial writers, scientists, economists, and many others.

The principle involved here has been supported by the American Farm Bureau, the National Grange, National Council of Farmer Co-ops, National Farmers Union, Reed Research, Inc., National Cotton Council, Corn Industry Research Foundation, National Farm Chemurgic Council, various leaders of organized labor, leading research scientists, experts from agricultural colleges, the Farm Journal, the Chemurgic Digest, the Oil and Gas Journal, the Indiana Farmers Guide, the Washington (D. C.) Star, Chicago Tribune, Cleveland Plain Dealer, Indianapolis News, Indianapolis Times, Indianapolis Star, South Bend Tribune, Hammond Times, Plymouth (Ind.) Pilot-News, Philadelphia Inquirer, Omaha World-Herald, Syracuse (N. Y.) Standard, LaPorte (Ind.) Herald-Argus, Kokomo Tribune, Lafayette Courier-Journal, and other farm magazines and newspapers.

AGRICULTURAL SCHOOLS

Mr. Chairman, I have the greatest admiration for our great schools of agriculture, one of the finest of which, Purdue University, is in my home State of Indiana. They have been and are doing an outstanding job. They are doing a great job for our agricultural industry.

So are our county agents, our extension schools and our 4-H Clubs. They have helped immeasurably to make ours the best fed Nation in the world. Every cent spent on their activities has been well spent. We should continue their programs and make them ever-expanding. The part they could play in the research program here suggested would be just as immeasurable—just as valuable.

But, again I want to say that we are faced with the practical necessity of finding markets for the products of our agricultural industry. No industry can long thrive when it continues to produce more than it has a market for. The only way I know to solve that problem for agriculture is to find new uses for farm products in industry. We need to spend just as much money on that kind of program as we now spend to improve our production.

SOLVE FARM PROBLEM PERMANENTLY

As a businessman and a farmer, I know of only two ways to increase business. One is to sell more goods to existing customers. The other is to find new customers. We are selling all we can of our farm produce to existing customers. So, we must find new uses and new customers if we are going to solve permanently the farm problem.

Again I want to say, Mr. Chairman, that I have no pride of authorship in this matter. I have been very happy for the opportunity to join with Senator CURTIS as a cosponsor of his bill implementing the recommendations of the Commission on Increased Industrial Use of Agricultural Products.

Thus, the administrative procedures, if they are sufficient, and the amount of appropriation, if it is adequate, are not of primary concern to me. What is of concern to me, and I believe to most professional men in the field, is the necessity of getting this program under way at once.

If at any time I can be of assistance to the committee in any way in this matter I stand ready to do so.

Again, thank you for the opportunity to appear.

The Country Newspaper—A Tribute to the Country Courier

EXTENSION OF REMARKS
OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 5, 1958

Mr. PHILBIN. Mr. Speaker, the press of America, the greatest free press in the world, plays a vital role in keeping our country great. It encourages and maintains an alerted and informed citizenry through the printed word. It is the voice of the community and often its conscience. It shapes the growth of America. It helps to chart the Nation's destiny.

Truly, the press of America, large and small, fights the battle for freedom every day, every week, every year. Appropriate recognition of the great role of the press in our everyday affairs is given through such awards as the Pulitzer prizes. It is all too seldom, however, that the efforts and hard work of the average country editor in promoting community growth and enterprise see the light of day.

In this respect, I would like to bring to the attention of the House the one-man campaign of a country newspaper editor in my District to generate a grassroots campaign to curb what he describes as the recession state of mind. He is young, energetic Douglas C. Morse, editor of the esteemed Country Courier, a weekly newspaper in my District published at West Brookfield, Mass. Not long ago, Mr. Morse issued a special, antirecession edition of his newspaper which attracted wide support from the business and civic leaders of the communities where his paper circulates. The edition was devoted to news stories and special messages promoting a better understanding of our current economic problems.

The following week, Mr. Morse obtained the support of 101 business leaders in the area in a telegram to the President, endorsing the Country Courier proposal for a National Business Confidence Month, bringing into play local groups and news mediums to combat the recession.

Editor Morse thought enough of his idea that he made a special trip to Washington at his own expense to discuss his proposal with interested Federal officials. In fact, he managed to discuss the Country Courier campaign with busy Dr. Gabriel Hauge, the President's special economic aid, who told him that the White House had received many suggestions like Buy Now Week, but none as broad or so fully supported at the local level in such a small community.

The antirecession edition of the Country Courier was an outgrowth of what Editor Morse describes as his Page Three Feature, a unique public service feature page which appears each week on page 3 of his newspaper. Mr. Morse originated this special series of public messages last year in what he describes as an experiment in advancing patriotic ideals and local community causes through a publishing program which is locally sponsored and which draws on materials readily available to any editor or publisher. The series were so well received that beginning with the January 9, 1958, edition of the Country Courier, the messages were sponsored by local business firms and civic leaders.

According to Mr. Morse, a team approach has been developed for choosing subjects and preparing the special message. Thus far, the Country Courier has publicized in full-page format enhanced by attractive artwork such events as Brotherhood Month, Heart Month, an appeal of the American Heart Association and commendation for the association's work in education, research and community service, Red Cross and Salvation Army appeals, Fire Prevention Week, American Education Week with details of local open house programs in the schools, and an appeal for parent participation in school activities.

The Country Courier feature page since its inception has covered a wide range of appeals and activities. Children's Book Week was publicized with a special outline of library facilities in the area. The Ground Observer Corps was the subject of another special message. The Boy Scouts were paid deserving tribute in a full page message which listed local citizens taking a responsible and active role in Scouting leadership. The 4-H and the Future Farmers of America were publicized for their activities in the area.

The Courier in another series of messages called for increased voter participation in town meetings, stressed the importance of voter registration by listing the dates, hours, and places for new voters to register, and paid tribute to New England's democratic town meetings. One Courier message noted that—

There is little party politics at town meetings * * * people quarrel and compromise over purely local issues. And despite differences, everybody (well, maybe not everybody) remains friends and keeps faith with American government * * * by the people.

It can be readily seen that the Courier's series of public messages cover a wide variety of themes and matters of special and local interest which are designed to hit home on vital, local community problems and issues. Editor Morse has sounded the keynote of his public service project in one of these messages with the slogan: "The American way begins here in hometown, United States of America"—a most fitting description of American democracy in action.

The Courier's page 3 feature represents country journalism at its best. Newspaper support of community causes is nothing new, but the Courier's approach to public service appeals is unique in that the page 3 feature is locally designed, locally sponsored, and locally oriented.

I extend my congratulations to Editor Morse for his creative public service page 3 feature, which has aroused much favorable comment in the newspaper trade press. Publishers' Auxiliary, a nationally circulated weekly trade paper covering the weekly newspaper publishing field, has said of the Country Courier feature page:

This idea certainly ought to be circulated nationally.

In the age of the atom, the battle of ideas and ideals begins in the towns and extends to the ends of the earth—

Thus Editor Morse has described his feature page.

The real possibility exists of a relatively small rural newspaper thus contributing to the whole national effort of meeting the challenge leveled at the American way of life by the Soviets—

Editor Morse has stated further.

Editor Morse is to be commended for his journalistic enterprise and community spirit which reflect the best traditions of a free press.

A Tribute to Lewis L. Strauss

EXTENSION OF REMARKS
OF
HON. JAMES T. PATTERSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. PATTERSON. Mr. Speaker, many of us knew it might happen, but I doubt that we quite grasped the full impact of the meaning of the retirement of Lewis L. Strauss from the chairmanship of the Atomic Energy Commission until the Free World was actually confronted with the reality. There is a magnitude to the personality, the achievement, the sheer and mountainous patriotism of this man, which puts a tribute in his honor on the level of the tributes we pay to the more revered Presidents of the United States. It is impossible to read the record of his service to his country from its beginning date, as long ago as 1917, and fail to recognize that we are dealing here with one of the foremost statesmen in the galaxy of American greatness, and probably a name that will rank throughout history as among the first five of the most distinguished administrators this country has ever produced.

There is a kind of providential good fortune that follows the destiny of this country in its crises. For nothing less than the finger of omnipotence itself could have provided a patriot of the unique abilities of Lewis L. Strauss to fit so ideally the post of command in the atomic field for this country that fell to the lot of this Virginian and this gentleman when the infinite possibilities of the new scientific age burst upon our time. I wish it were given me to devote the necessary minutes to refute by fact and documentation the charge that this superbly talented American was by some quality of his nature essentially controversial. For it is not he, but the infinite complexity of his task and the nature of atomic energy itself and its development in a controversial and a dangerous world—teetering at times on the very edge of total doom—that contained the inevitable seeds of controversy. Were the scientists who disagreed with each other controversial? What even the best intentioned of the benevolent critics of this most useful citizen of the 20th century mean is not that Lewis L. Strauss was controversial but that he was decisive. And mankind, especially free mankind, will thank God to the end of history that his decisiveness played so compelling a role in the defense of America, in our security, in the intactness of our institutions, in the forward march of free men everywhere. The President, who should certainly know, credits Admiral Strauss with initiating construction of a system that detected the first Soviet atomic explosion in 1949. The President, who should certainly know, credits Admiral Strauss for his leadership role in our mighty advances for the peaceful uses of the atom. On some of the very issues about which there are those who say he was most controversial, the evidence in my judgment proves him to have been superbly and selflessly judicial and objective. Even his retirement is predicated on nothing so much as his intensely patriotic motivation to permit, if possible, greater elements of harmony between the Commission and the Congress, which his critics have made difficult were his incumbency to continue. The President, who would certainly know, says that, largely due to the Strauss awareness of the broadest military implications of nuclear science, and largely through the Strauss contribution, the "United States and other free nations are more secure against the threat of attack." And the President says this "added security," as he put it, is playing its part in achieving what the President calls "an effective disarmament agreement" to strengthen the world's chances of a lasting peace. It is my conviction that Atomic Energy Commission Chairman Lewis L. Strauss may very well have influenced vitally the course of history when over the opposition in 1949 of 4 of his colleagues on the Commission and a unanimous 8 physicists of the General Advisory Committee he literally forced through—shall we say controversially—production of the hydrogen bomb. We can imagine the tragedy to the Free World had he been too weak to give dynamic thrust to this world-shaking judgment. Nor can his influence behind private enterprise in the atomic program be minimized. Even more may be said of his vigorous insistence on nuclear tests up to the point where the Soviet Union must submit to infallible inspection systems. If the word total applies at all in the personality of this distinguished citizen it applies in the sense that he is pricelessly and invaluably the total American.

It is good to know that Adm. Lewis L. Strauss will remain as special assistant to President Eisenhower in the President's Atoms-for-Peace Program. For in my judgment, neither this administration nor any other, neither this country, nor for that matter, the world, can afford to dispense lightly with the continued usefulness of one of the ablest and most patriotic Americans of the current century.

Auto Imports

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. DORN of South Carolina. Mr. Speaker, the following news items tell a shocking story:

UNITED STATES WILL GET GERMAN FORDS

COLOGNE, GERMANY.—The German Ford automobile works has announced plans to export the first 500 of its small cars to the United States this year.

Now, Mr. Speaker, this is from the Washington Post of March 22:

FOREIGN CAR SALES ATTAIN 5 PERCENT OF MARKET

DETROIT, March 21.—The Volkswagen became the 12th best selling car in America in January and foreign cars pushed their way to record high penetration of 5.1 percent of the market.

Mr. Speaker, the following appeared recently in leading American newspapers:

FOREIGN CAR IMPACT SEEN GOOD ON AMERICAN MART

(By Keith Ayling and Elliseva Sayers)

Conservative estimates forecast that foreign-car sales will pass the 300,000 mark during 1958. How swift has been the increase in the sales of these economy vehicles is seen by the fact that from a modest 45,000 in 1955 sales grew to exceed 180,000 in 1957.

Mr. Speaker, now we are getting to the effect of these foreign imports on American labor, parts and accessories, gasoline, and lubrication people:

AUTO OUTPUT OFF SHARPLY

DETROIT, June 3.—The auto industry built 349,674 cars last month to give a 5-month total this year of 1,894,687 cars.

The month's output compared with 531,433 units in May last year, which provided a January-May volume of 2,839,831 cars.

General Motors accounted for 1,045,245 of this year's car total to date; Ford built 508,914; Chrysler 249,967; American Motors 74,531; and Studebaker-Packard 16,030. In

the same 1957 period the count was General Motors 1,319,405 cars; Ford 867,452; Chrysler 607,393; American Motors 45,581; Studebaker-Packard 30,841.

Mr. Speaker, this one is from U. S. News & World Report, page 44, March 14, 1958:

Ford and General Motors are bidding for the small-car market. But they are doing it with cars made in plants they own abroad. Chrysler may go into the import business, too.

This one, sir, is from the Sunday Star on May 4:

In the first quarter of 1958, British auto makers alone sold to Americans more than three times the number of cars produced in the same period by Studebaker-Packard. Foreign cars accounted for 3.9 percent of the American market last year, and so far this year, they have grabbed 6 percent of the market.

Mr. Speaker, here is another article:

INDUSTRIAL JOB DIP PUT AT 271,000

Manufacturing employment in April declined by 271,000 from March, and most of the slump was in the durable goods industries.

Now, Mr. Speaker, U. S. News & World Report, page 46, February 14:

WHY DETROIT IS IN TROUBLE: AUTO PRODUCTION OFF 24 PERCENT

Number of cars produced

	January 1957	January 1958
General Motors Corp.	308,189	274,000
Ford Motor Co.	196,576	135,000
Chrysler Corp.	124,256	60,000
American Motors Corp.	6,217	16,000
Studebaker-Packard Corp.	6,351	2,700
Total production	641,591	487,700

Now, page 44, U. S. News & World Report, a headline: "The Detroit Story—How a City Gets Along With 1 in 8 Out of Work."

This one is from U. S. News & World Report, page 58, April 25:

Total foreign production of autos, 5,675,000.
Total United States production, 5,300,000.

The House will note that this is the first time in the history of the world that foreign production of autos has exceeded American production. This means fewer jobs for Americans.

Mr. Speaker, in a recent issue of the same great publication it was stated that 57 percent of all cars imported into Brazil in 1957 were from the United States.

Ford, General Motors, and others are expanding their plants in Brazil and it is estimated that in 4 years Brazil will import no cars from America.

Our businessmen are simply taking advantage of the low-wage foreign labor, low taxes, guaranteed profits, and favorable import duties in the United States.

The only answer to this tragic blow at American labor is to reject the 5-year extension of the Trade Agreements Act and vote for the Simpson-Davis-Bailey substitute. The Simpson bill will extend the Trade Agreements Act for 2 years rather than 5. The Simpson bill affords labor and industry the opportunity to be heard by the Tariff Commission before trade agreements are negotiated.

If American labor and business are seriously injured by foreign imports, they can seek relief through the Tariff Commission. The findings of the Tariff Commission cannot be overruled by the President and the foreign sympathizers in the State Department. Under the Simpson bill only Congress can overrule a finding of injury by the Tariff Commission. This by a majority vote of both Houses rather than a two-thirds majority provided for in committee bill.

The Late Samuel Cardinal Stritch

EXTENSION OF REMARKS
OF
HON. ALBERT W. CRETELLA
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 5, 1958

Mr. CRETELLA. Mr. Speaker, under leave to extend my remarks, I wish to pay tribute to an outstanding American and churchman, the late Samuel Cardinal Stritch, whose passing will be mourned by Americans of all religious faiths. In March of this year Pope Pius XII, in recognition of his outstanding abilities and his lifelong record of distinguished service to his church, called Cardinal Stritch to Rome to serve as proprefect of the congregation of the propagation of the faith, 1 of 12 departments in the central administrative organization of the Roman Catholic Church. At the same time he became a member of the Roman Curia, the governing body of the church. With his appointment, Cardinal Stritch became the second non-Italian to serve in such a capacity and the first American to be so honored.

When one considers the career of Samuel Cardinal Stritch it is not surprising that he was selected for this most important assignment. One of eight children of an Irish immigrant who died when the cardinal was but a boy, throughout his life he repeatedly displayed the brilliance and the admirable qualities which were to achieve recognition in his rapid advance in the church, culminating in his call to Rome.

Cardinal Stritch exhibited his unusual intellectual capacity early in life, graduating from grammer school when only 10 years old, from high school at 14, and receiving his bachelor of arts degree at the age of 16. Following receipt of the latter degree he went to Rome where because of his unusual promise and record of achievement he was ordained as a priest by special dispensation more than a year before he reached the canonical age of 24.

When at 34 Samuel Stritch became bishop of Toledo, Ohio, he was the youngest member of the hierarchy of the Roman Catholic Church in the United States. Nine years later he became archbishop of Milwaukee and 9 years after that, following the death of George Cardinal Mundelein in 1936, he became archbishop of the archdiocese of Chicago, the largest archdiocese in the world. In 1946 he was made a cardinal.

Throughout his career, his leadership and guidance contributed significantly to the spiritual welfare of millions of Americans. His constant concern for the unfortunate and his many efforts to alleviate suffering are reflected in his becoming known as the "bishop of the poor" and the "cardinal of charity." Admired, respected, heeded, and beloved by Americans of all religious faiths he exercised an influence which far transcended the boundaries of his archdiocese.

Forthright, outspoken, and courageous at times when others might have elected to have remained silent Samuel Cardinal Stritch did not hesitate to express his impatience with, and disdain for tyranny in all its manifestations, racial discrimination, and neglect of minorities and the underprivileged, and the increased emphasis on the materialistic in everyday life.

Renowned as a brilliant scholar, a great humanitarian, an effective administrator with a marked capacity for leadership, and an humble servant of God, Samuel Cardinal Stritch will live forever in the memory of those whose lives were made better as a result of his activities.

United States-Western European, and Russian Scientific Cooperation for Peace and Health Welcomed

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, June 5, 1958

Mr. WILEY. Mr. President, yesterday I noted with interest the helpful observations on the mutual security bill, as made by my colleague on the Foreign Relations Committee, the able Senator from Minnesota [Mr. HUMPHREY].

I commend particularly his comments on the vital World Health Assembly, now at work in Minneapolis, with 88 nations striving for man's well-being. I share my colleague's gratification, in particular, at United States-Russian and other scientific cooperation for peace and health in WHO, and elsewhere, such as is rightly urged in our Senate Report No. 1627 on the pending bill, H. R. 12181.

I earnestly hope that such cooperation will be increasingly fruitful for man's betterment. And further, may it prove to be a bridge between peoples, a bridge of understanding, a bridge toward an enduring peace.

Today, I send to the desk a statement on one very promising field for increased medical cooperation among the scientists of the world.

I refer to cooperation in the healing arts for the benefit of man's greatest physical asset—his God-given brain, itself.

Here indeed is a subject to challenge the mind of man—how best to heal the mind, itself, not simply physically, but spiritually.

How best can the genius of man help to banish the various illnesses of the brain and central nervous system?

For the answers, I point out scientific progress within the material realm within the Western World, yes, progress in Russia, as well. But I point out, too, one observer's report. It concerns one of the overtones to Russian research—political interference, resulting in possible utter misuse of research for the grim purpose of what has come to be known as brainwashing.

I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

RUSSIAN BRAINWASHING VERSUS UNITED STATES RESEARCH FOR MAN'S NEUROLOGICAL WELL-BEING

A philosopher once said, "On earth, the greatest of things is man. In man, the greatest of things is mind."

From the human brain can come miracles of creativity or terrible instruments of destruction.

The study of the human mind involves more, of course, than the study of the physical brain.

It involves the study of the essence of man, which is spirit, for man is infinitely more than a collection of cells—of nerves and muscles and bone and blood.

The scientist, however, at home and abroad, continues to add impressively to our knowledge of the physical side of mind, the 10 billion cells in the human brain.

OUR CONSTRUCTIVE WORK IN BETHESDA AND ELSEWHERE

For purposes of understanding and healing, many of the mysteries of the human brain are now being unlocked and at a faster pace than ever before in history.

In Bethesda, at the National Institute of Mental Health, and at the National Institute of Neurological Diseases and Blindness, invaluable medical advances are being made in the study of the biochemistry of the brain as well as on other phases of the central nervous system.

Naturally, as a layman, I do not purport to be able to evaluate these advances from a technical standpoint.

But individuals, far more expert than I, who do report to me, have the highest of praise for the American and western European work on which I am now conveying this data.

I am informed, for example, of vital discoveries which are unfolding at the Mayo Clinic. Features of this work are described in a new booklet, Mental Health, issued by the Ford Foundation with an impressive section on brain physiology. In particular, the booklet reports on progress in what is known as deep electography inside the brain. This involves picking up brain waves from deep within the brain, instead of just from the surface of the brain, as in electroencephalography.

Such deeper research may prove of incalculable value in a host of pioneering studies for man's well-being.

DR. STEINCROHN'S COLUMN ON DISEASES

Answers are eagerly awaited for possible cures, relief and/or preventatives for a whole host of disorders of the nervous system which afflict man.

How serious are they? How many people do they affect? For the answers, here are excerpts from a recent column by Dr. Peter J. Steincrohn entitled "The Fight Against the Nerve Killers":

"There isn't a week goes by that I don't receive heart-rending letters from people all over the United States and from Canada that end with this plaintive plea: 'Why isn't something being done about Parkinson's?' Or multiple sclerosis? Or epilepsy? Or muscular dystrophy?

"Until lately these have been the forgotten human curses. At last we are on the move.

"In this modern age of sputniks, Explorers, and other scientific marvels, it's time we got around to spending at least a 'million for cure against every billion for kill.'

"Diseases not so rare

"These neurological disorders I have mentioned are not as rare as you may believe: Parkinson's syndrome, about 1.5 million cases; cerebral palsy, about 500,000–750,000—one-third of them under 21; multiple sclerosis, 250,000—and similar conditions, 500,000; muscular dystrophy, 200,000—half of them in children between the ages of 3 and 13.

* * * * * *

"Only because these neurological disorders are so stubborn to treatment do I believe it is high time that we met their onslaught head on. We can only do that effectively by knowing their weaknesses and strengths. And that will only be possible by intensive research."

FINE RESEARCH AT MAYO CLINIC

Research on the brain—and certain nervous systems, like other scientific research is, of course, worldwide. For example, Dr. Carl M. Sem-Jacobson, pioneer in deep electrography at the Rochester State Hospital (affiliated with the Mayo Clinic) has moved to the Gaustad Mental Hospital in Oslo, Norway. There a 5-year Ford Foundation grant will enable his associates and him to establish a new center for deep electrography.

I understand, likewise, that excellent work has been done at the Montreal Neurological Institute by Dr. Wilder Penfield, its director, and by others.

Recently, I secured a brief summary report on other encouraging examples of progress by Western scientists.

NATIONAL INSTITUTE MEMO SHOWS FOREIGN CONTRIBUTIONS

There follow now excerpts from a memorandum prepared at my request by the National Institute, listing but a few out of the great many medical contributions by European neurological leaders:

"Italy: In Pisa, Moruzzi is one of the leading world neurophysiologists. His laboratory has permanent support from the Rockefeller Foundation and an average of 10 fellows a year come from abroad (2–3 from United States) to work under his supervision. Research deals with cerebellum and brain stem physiology and the contributions from his school are outstanding and original.

"In Milan, Margaria works on effects of acceleration upon the central nervous system. He is a regular consultant for the United States Air Force, and his important results were recently presented here in Washington.

"Bairati (electron microscopy) analyzes structural-chemical relationship in the central nervous system.

"In Padua, Cardin works on deafferentation and spinal cord physiology.

"France: Research on artificial membranes and their behavior is carried out by Monnier.

"Fessard and his school work on membrane potential and very basic neurophysiological problems in general.

"Gastaut carries on original investigation on the mechanisms of conditioning.

"England: At England's largest neurological hospital, the Queens' Square National Hospital, Dr. J. N. Cummings has contributed original research in the heavy metals in Wilson's disease. More recently, he made discoveries in study of gangliosides in reference to lipid abnormalities in the brain.

"New Zealand scientists as well as English laid the groundwork of message transmission by nerves. The dean of nerve cell studies is a New Zealander, Dr. Eccles.

* * * * * *

"The world's leading neuropathologist was the late Dr. G. Godwin Greenfield, a British scientist who worked out the pathology of the central nervous system. He spent 6 months of each of the last 3 years of his life as a visiting scientist at the National Institute of Neurological Diseases and Blindness.

"As publication of international papers, scientific meetings, and scientific visitors provoke thoughtful interest in the United States, investigators at the National Institute of Neurological Diseases and Blindness are carrying out research in these subjects which engage foreign researchers."

But now let us look toward the Iron Curtain.

DR. CARMICHAEL'S RECENT OBSERVATIONS ON RUSSIA

Recently, Dr. Leonard Carmichael, Secretary of the Smithsonian Institution pointed out a somber phase of which only a few Americans may be aware. He cited some of the grim possible implications of scientific study of the brain behind the Iron Curtain. He observed that, based on the long history of Communist brainwashing, the Soviets may be interested in the human mind as a part of their overall strategy of remaking man, himself, as a new Communist robot.

As cited in Science Newsletter of April 26, 1958, published by Science Service, Dr. Carmichael said, it was conceivable that modern research in brain study could lead to novel techniques for altering individual behaviour. "Russia, not the United States, leads the world in many aspects of brain research," Dr. Carmichael warned.

He urged the Free World to do more than it has in the recent past to support comprehensive programs of scientific study in this complex and often tantalizing field of brain research.

Dr. Carmichael told the Borden Centennial Symposium meeting in New York that Russia has an elaborate and intricately formulated program of research in the higher nervous functions and in the physiology of behaviour.

WELCOME SIGNS OF CONSTRUCTIVE RUSSIAN EFFORT

Naturally, we hope that program will be of service for the welfare of man, not for his enslavement.

Fortunately, there are welcome evidences of Russian neurological research for man's healing, in fulfillment of the principles of the great medical profession everywhere. I am sure that separate from the political bosses, Russian physicians are as eager to be of true service to man as are the dedicated members of the profession anywhere.

DR. BAILEY'S DIGEST OF RUSSIAN 5-YEAR PROGRAM

I cite, now, a helpful report, Soviet Neurology Under the Sixth 5-Year Plan, as presented by a Prof. N. I. Grashchenkov. This program was factually and objectively digested by one of America's great scientific leaders, Dr. Pearce Bailey, Director of our National Institute of Neurological Diseases.

Dr. Bailey writes:

"Highlighted among the resolutions of the 20th Congress of the KPSS (Kommunisticheskaya Partiya Sovetskogo Soyuva—Communist Party of the Soviet Union) was a call for the greatest possible development of medical research, and for the concentration of the forces of Soviet scientists on the discovery of new methods of diagnosis,

treatment, and prevention in the various divisions of Soviet public health and medical sciences. This resolution is part of the sixth 5-year plan (1956–60) for the development of the national economy in the U. S. S. R.

" 'Among the divisions of Soviet public health and medical science, clinical neurology occupies a significant place in the sixth 5-year plan; its concrete problem is the improvement of diagnosis, treatment, and prevention of diseases of the nervous system.' This statement was made by Academic Prof. N. I. Grashchenkov of Moscow, on February 5, 1956, in a presentation entitled, 'Problems of Clinical Neurology in the Sixth 5-Year Plan.'

"While colored by philosophical and political overtones, Grashchenkov's documentation of the Soviet program in clinical neurology under the sixth 5-year plan is positive, fast-moving, and provocative and should be of interest to neurologists in the United States and other countries.

"Clinical neurology is described as being essential to the development of Soviet public health and medical science in the current Soviet 5-year plan. It occupies a central position in Soviet medical hierarchy and it represents the dynamo of the entire organism. Therefore, progress made in neurology contributes to progress in all divisions of clinical medicine and biology. The development of clinical neurology, which studies the disease processes occurring and proceeding in the nervous system, contributes to advances made in all divisions of clinical medicine.

"Further, clinical neurology occupies a significant place in Soviet medicine, because the problems it faces are concrete. These problems permit solution through advances being made in the basic neurological sciences. These include, in particular, neurophysiology and neurochemistry, tissue culture, neuroanatomy, biophysics, and the physical chemistry of nervous processes, as well as studies on the fine structure of nervous activity by phase contrast and electromicroscopy. 'Indeed, it may be said,' writes Grashchenkov, 'that we are living in a century of great speeds, small magnitudes, and objective recordings of the finest microscopic and even ultramicroscopic phenomena in the structure and function of the nervous system. Our technical armament, and the theoretical level of clinical neurology are thus defined.' "

I earnestly hope, as I'm sure Dr. Bailey and all his associates hope, that the genuine talent available in Russian medical science will be dedicated to help human beings everywhere enjoy their full birthright of health.

That is the purpose of WHO. It is a purpose in which all mankind joins in a heartfelt "Amen," as witnessed by the general concord at the WHO assembly. Let therefore, widened interchange of ideas, reports, and experts take place.

Man's unfulfilled needs are enormous.

HELPING BRAIN-INJURED VETERANS

I cite now just one need—that of helping those veterans of many nations who sustained injuries to the brain during military conflict. Here is the beginning of an article in the current issue of World Veteran:

"Finland—Brain injured help themselves

"A group of international experts in the treatment and rehabilitation of brain injuries will meet in Helsinki in June, under the sponsorship of the World Veterans Federation, the University of Helsinki, the Disabled Ex-Servicemen's Association, and the International Society for the Cripples, in cooperation with the United Nations, the International Labor Organization, and the World Health Organization. While discussing the experience gained in this field in different countries since World War II, they will be working in close conjunction with members of the Institute for the Rehabilitation of Brain Injured Veterans which, in its present form, was inaugurated only about 1 year ago.

"The windows of the institute open on a superb forest and yet it is only 2 miles from metropolitan Helsinki. The white, 4-story building, accommodating 90 patients, was recently bought by the Finnish Disabled Ex-Servicemen's Association, FDEA, which operates the institute."

We earnestly hope that our own brain-injury veterans in America will be helped manifold.

PIONEERING WORK IN WISCONSIN

Far from Helsinki, geographically, and yet near in spirit is Wisconsin. Here, in Milwaukee, some months ago, 200 members and guests of the Wisconsin Society for the Brain-Injured Child met. The meeting was addressed by Dr. N. C. Kephart, professor of psychology at Purdue University.

In addition to persons from many parts of Wisconsin, the meeting was attended by representatives of the famed Cove School, at Racine, Wis., founded by Dr. A. A. Strauss, international authority and coauthor with Dr. L. E. Lehtinen and Kephart, of works on the psychopathology and education of the brain-injured child.

Here, then, is another vital need—helping brain-injured children; that is, children whose brains were injured before birth, at the time of birth, or after birth. Statisticians estimate that from 4 to 6 or 7 cases of brain injury occur at birth, for every 1,000 youngsters.

Look, now, at another phase of the need.

FINE REPORT FROM WISCONSIN DEPARTMENT ON VOCATIONAL EDUCATION

In my own State, I cite still another example of pioneering and progress. It is a report on one problem of the brain—the illness known as epilepsy, with its abnormal brain waves and convulsive seizures. From the rehabilitation division of Wisconsin's State Board of Vocational and Adult Education, has come the splendid report entitled "Society and Seizures," showing the legal and vocational problems, yes, the opportunities, in this connection. The report's 19 pages are an impressive proof of man's interest in his fellow human beings.

I commend all those in my own State who have helped perfect Wisconsin's laws to provide for fair play to the epileptic.

WHAT IS RELATION BETWEEN BRAIN INJURY AND JUVENILE DELINQUENCY?

In another area, 2 weeks ago, at the meeting of the American Psychiatric Association in San Francisco, there were reported some extremely interesting scientific studies in the field of the brain.

One such study, as described by Earl Ubell, science editor of the New York Herald Tribune, indicated that the brains of juvenile delinquents may be more involved in their misbehavior than their minds.

Mr. Ubell went on to state: "In many cases—many more than the public has been led to believe—some malfunctioning of the nerve cells and pathways of the brain may lead to a kind of personality that gets into trouble. One of the papers on damaged brains reported on 100 cases of children and youths who had suffered from brain inflammation. As a result they were hyperexcitable, impulsive, distractable, and extremely emotional."

Who is to know how many youngsters who get into trouble may do so, at least in part, because of biochemical factors which we do not even begin to fully understand?

Let us therefore spur our research.

CONCLUSION

Fortunately, a great many other instances could be cited by observers far more qualified than I in all parts of our Nation where doctors and lawyers, scientists and technicians, and others are at work, step by step, in advancing men's horizons, men's understanding, men's record of humanitarianism.

I feel confident that this, too, is what Russian doctors and what the Russian people want, and what all peoples want. Let man's brain be dedicated to man's good. Let the soul of man be uplifted, not debased.

Let not the brain be misused, be washed by evil commissars, so as to make of man but a robot of the state, an unthinking brute, manipulated by drugs or other means, as but a tool of other men.

There is so much good to be done by science; let not its efforts be wrongly channeled.

We Americans believe in man created in the image of God. We are interested in man—whole and happy. We have respect for man's privacy, for his dignity, for his inviolability. We believe in cooperating with all legitimate Russian or any other scientific effort for man's good, but certainly not for evil purposes.

Science for peace is a matter close to our hearts, as President Eisenhower so well indicated in January in his historic state of the Union message.

Graduation Day Address by the President

EXTENSION OF REMARKS
OF
HON. J. GLENN BEALL
OF MARYLAND
IN THE SENATE OF THE UNITED STATES

Thursday, June 5, 1958

Mr. BEALL. Mr. President, on Monday of this week Mount St. Mary's College, at Emmitsburg, Md., celebrated its 150th anniversary. On that occasion the President of the United States delivered the commencement day address, and I ask unanimous consent that the text of that address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 3, 1958]

TEXT OF GRADUATION ADDRESS BY PRESIDENT

Archbishop [Francis] Keough, Gov. [Theodore R.] McKeldin, Senator [J. Glenn] Beall, Msgr. [John L.] Sheridan, faculty, students, and guests of Mount St. Mary's College, today I fulfill a long-held ambition. Since 1918 when I was assigned command of a camp in Gettysburg, Pa., I have been traveling this road just beyond the front of this college, and never before have I had the opportunity to come in and meet its personnel, to see inside—what you feel, the spirit of the people here.

And before I proceed further, may I take the opportunity to congratulate you men of this graduating class. I want to make special mention of the young Marine officers now just entering their commissions. I am very proud of that chorus and I am grateful for their courtesy in singing two of the songs which have been part of West Point for lo these many years.

I am interested in this college for a number of reasons. One of them is some of the things that have been told me about its founding.

I hear that Father [John] DuBois [founder of the college] came to this country with an introduction from Lafayette. It seems to me there was a certain symbolism that a great champion of freedom collaborated with a great educator as Father DuBois came to this country.

This was carried on, this symbolism, in a further adventure in Father DuBois' life

when he was taught English by Patrick Henry. Again friendship, traditions of learning and freedom were symbolized in their union.

THERE IS A SYMBOLISM

Then in the year 1808 when Father DuBois opened the doors of this college, the United States had just closed the doors to the importation of slaves in this country. And again it would seem to me there is a symbolism if not merely a fortunate coincidence between these two events.

Now the most significant of all of these facts of Mount St. Mary's early history was the fact that it was a frontier institute. I am told that Father DuBois built a log cabin. And from that day it has grown and prospered. He exemplified, and certainly his students exemplified those qualities that have meant so much to America. Indeed, they have seemed to be characteristic of America—courage, creativity, self-reliance. He was indeed a frontiersman.

Now, today, let me say a word to the graduating class. I have no advice to give you but had I felt like doing so I would have immediately changed my mind because I think your young valedictorian has given you all in the way of advice coupled with determination, courage, and spirit and the will to do that is needed to be spoken from this platform.

By the way, I congratulate you, young man, by saying it's the best college valedictory I ever heard.

Now, not long ago I read a little document where a college junior asked a question. "First," he said, "there are no more frontiers, so what is there to crusade about?"

This question almost baffles me, the spirit of that youngster as he uttered it. Personally, I think there are more frontiers to explore, more crusades that need to be waged, than ever before in our history. Merely because we have conquered the rivers and mountains of our country, that we have expanded until there is no more unclaimed land in this great continent, where indeed in all the world only the Arctic and Antarctic zones seem to offer any great remaining adventure—adventure that is sought and fulfilled only in exploring.

PROBLEMS BEFORE NATION

Yet think of the things there are to do within the United States. Slum clearance, elimination of substandard living conditions, bringing up the education of those where education has been halted along the way. Combating juvenile delinquency, bringing up our children so we do not have to correct crime but to prevent it, to give them the spirit and the belief in the faith of our fathers so that they will not get into miserable juvenile courts because of gangster-like activity.

Then the racial problems that each of us must take to his heart. If we believe in the Constitution, if we believe the words of our founding documents, where they say that men are created equal, meaning equal before the law, meaning their equality in every political, legal, and economic aspect of their lives.

But beyond the crusades that will have to be waged for many long years before all these problems are solved is the global struggle. This of course has at its core the struggle between atheistic communism and every kind of free government which has its true roots in a deeply felt religious faith.

Since, if we believe in human dignity, the value of the individual's soul, if we believe in every right which our founders said was given to us by our Creator, then we must hold fast to the conviction that this struggle of ours is truly a combat between this atheistic doctrine.

But more than just the statement of this world struggle, think of this: think of the mass awakening of peoples throughout the globe, newly founded nations. Nations whose people who have been denied all the opportunities of you young gentlemen in every kind of economic activity and opportunity, everything in the way of education, spiritual development. They are trying to catch up with the twentieth century overnight. For 5,000 years many of them have made no progress.

And so—since the United States that realizes that freedom and liberty are one and indivisible—we cannot ourselves enjoy them if we deny them to someone else. Then we understand what our responsibility is to all this great awakening mass of people: To make certain that they do not fall into immense dislocations and strange misunderstandings.

NEED TO DO MORE

America recognizes its need to help these people. We have tried to do so. Much has been done, not always wisely, but always with a good heart. And every person in this room has contributed to that help.

We need to do more.

Today I think it is a truism, that most of us recognize and clearly appreciate, to say: America can no longer be isolated. It is a part of the world. It must behave as it carries onward its part, in the beliefs, in the convictions, in the faiths that are America.

If we don't do that, then we will be failures in the world and this glorious civilization of ours will indeed decline.

Now let me read to you a short extract from a newspaper account that illustrates the depths of the misunderstandings in some of these countries.

This is an article written by a man who had been traveling in Nepal, a little kingdom on the northern border of India.

He said: "The motives of the United States seem obscure even to the better informed Nepalese. To the more than 90 percent of the population who can neither read nor write, the American efforts defy all understanding. The unfamiliarity with western ways reflects Nepalese isolation. Before 1950 only 24 Europeans of any nationality had ever penetrated into Katmandu, the capital city, located in the sacred valley, in the heart of the country.

Most of these 8,500,000 Nepalese, many of whom are shepherds or grow rice or jute, have never traveled in a wheeled vehicle of any sort.

And although there are believed to be at least 20 million cows in Nepal, more than twice as many as in Texas, they are all sacred and thus of no economic value to the population, most of which lives in extreme poverty.

My friends, there are such tremendous pioneering tasks to undertake today that I believe it is almost safe to say that anyone of your elders here today, if he could have one wish, would be to be joining this class, starting out to see what he could do about it. We must help to get the world forward. We must not get twisted into hatred and violence and destruction of the freedoms that the world seeks.

Indeed, this problem is so hazy in its outlines and so difficult that we are going to teach many people what freedom means, before there is any hope that they, themselves, will want it. This seems difficult to us. We like to live as we live. We like to live as we choose, to speak as we choose, to think as we choose, and earn as we choose—subject to taxes.

They know nothing of what that means. These freedoms that are so precious to us, more precious—Patrick Henry said, at least—than life itself, are not going to be won for them until they understand what freedom is.

So the two great things I should think to crusade for, to simplify the whole matter is: Justice at home and abroad, and world peace for all of us.

CORE OF THE STRUGGLE

One more word, I personally think that the traditions of the religiously oriented colleges become more and more important. As I pointed out, I believe that the core of the struggle between the free and the despotic world today is that between a religious faith and an atheistic dictatorship.

If that is true, then I can see no limits to the possibilities of this type of college, where faith in our God is put at the very cornerstone of all that we hope to achieve—all America, or any one of us individually.

And so I salute the faculty, the administration, the students, and the alumni of Mount St. Mary's College, on their 150th anniversary. It has been a very great honor and privilege to be here. I am particularly touched by the thoughtfulness of the authorities in making me an honorary doctor in this institution. So I shall hope that the future will give me the chance, now and then, to see one of my fellow graduates.

Thank you.

SENATE

FRIDAY, JUNE 6, 1958

The Senate met at 11 o'clock a. m.

Rev. Robert W. Olewiler, minister, Grace Reformed Church, Washington, D. C., offered the following prayer:

O God, we remember with grateful hearts the sacrificial service of outstanding men, to whom justice, mercy, and reverence are fundamental qualities of good citizenship.

We pray for our beloved Nation, which today is set amid the perplexities of a changing order and face to face with a great new task. Bless our land with honorable industry, sound learning, and pure living, and in all time of trouble let not our trust in Thee fail.

Give courage and wisdom to Thy servants on whom Thou hast laid the burden of legislative authority, that they may always love justice more than power, and lead us in the ways of righteousness and peace.

Grant, our Father, that none shall neglect opportunities of good, which Thou givest unto us, nor yield to temptations from which Thou art ready to guard us. May the vision of what we might be convict us of what we are, so that we may achieve the grace of true humility and willing obedience to Thy holy purpose. This we ask for Thy name's sake. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 5, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTIONS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one

of his secretaries, and he announced that the President had approved and signed the following acts and joint resolutions:

On June 4, 1958:

S. 2498. An act for the relief of Matthew M. Epstein;

S. J. Res. 166. Joint resolution authorizing an appropriation to enable the United States to extend an invitation to the International Civil Aviation Organization to hold the 12th session of its assembly in the United States in 1959; and

S. J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

On June 6, 1958:

S. 2448. An act to authorize a payment to the Government of Denmark.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 12695. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; and

H. R. 12738. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 12695. An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; to the Committee on Finance.

H. R. 12738. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1959, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees or subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Investigations of the Committee on Government Operations;

The Committee on Foreign Relations;

The Committee on Labor and Public Welfare; and

The Subcommittee on Governmental Reorganization of the Committee on Government Operations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

GENERAL BOX CO.

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate the message of the House of Representatives amending S. 118, for the relief of the General Box Co.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 118) for the relief of the General Box Co., which was, on page 1, line 6, strike out "$13,143.10" and insert "$10,801."

Mr. JOHNSON of Texas. Mr. President, as passed by the Senate, this bill provided for an award of $13,143.10 for certain timber owned by the claimant, which was destroyed by the United States Army engineers during the course of the construction of a levee. The House of Representatives has reduced the award in the amount of $2,342.10, which represents certain costs of litigation incurred by the claimant.

Mr. President, the parties interested in the claim are not disposed to object to the amendment. I have had this matter cleared with the distinguished minority representation.

Therefore, I move that the Senate concur in the amendment of the House of Representatives.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 1955 (S. DOC. NO. 103)

A communication from the President of the United States, transmitting, for the consideration of the Congress, amendments to the budget for the fiscal year 1959, involving a net increase of $590,023,000 for the Department of Defense—Military functions (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Acting Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

RESOLUTION OF FEDERATION OF AMERICAN CITIZENS OF GERMAN DESCENT

Mr. CARLSON. Mr. President, last year I had the privilege of speaking at the annual German-American celebration in North Bergen, N. J., and at that time had the opportunity to meet thousands of very fine German-American citizens.

This year, on May 26, the Federation of American Citizens of German Descent held another meeting and adopted a resolution in regard to the reunification of Germany.

I ask unanimous consent that the resolution be printed in the RECORD, and referred to the Committee on Foreign Relations.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas the Iron Curtain still cuts off millions of Germans from their fellow countrymen in a cruel and unwarranted separation; and

Whereas this deplorable division is in the opinion of most qualified observers detrimental to stable and orderly conditions in central Europe; and

Whereas this oppressive segregation of a common people into separate parts is entirely incompatible with the principles of the Atlantic Charter; and

Whereas this tragic condition has continued for 13 long years accompanied by untold human suffering and degradation: Therefore

Thousands of German-American citizens, assembled at the Sixth Annual German-American Day, North Bergen, N. J., under the auspices of the Federation of American Citizens of German Descent in the United States of America, Inc., urgently appeal to the Government of the United States that our State Department shall insist that discussions on German reunification be placed upon the agenda of any summit meeting or similar conference and that specific steps to effect the reunion of all of the German people be adopted; and therefore

They urge that the following words of the eminent American educator and former Ambassador to the Federal Republic of Germany, James B. Conant, be heeded: "The last thing that anyone in the Free World should say is that we are content to see Germany divided."

PLIGHT OF RAILROAD INDUSTRY—RESOLUTIONS

Mr. JAVITS. Mr. President, I present for appropriate reference three resolutions adopted by organizations in the State of New York, relating to the plight of the railroad industry. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Interstate and Foreign Commerce, and

ordered to be printed in the RECORD, as follows:

VILLAGE OF BLASDELL,
Blasdell, N. Y.

At the regular meeting of the village board of Blasdell, N. Y., held May 26, 1958, the following resolution was adopted:

"Whereas the railroads are a vital factor in the economy of our community, as well as that of State and Nation, and to our national defense; and

"Whereas if the village of Blasdell and township of Hamburg are to continue to reap the benefits of this essential, free enterprise transportation system, relief from some of the legislative restrictions of the railroads is imperative: Now, therefore, be it

"*Resolved*, That the village board of Blasdell requests prompt affirmative action be taken by the Congress of the United States to make the necessary practical changes that will permit the Nation's railroads to improve their financial condition."

I certify this to be a true copy of the above resolution.

JOHN S. PRUSAK,
Village Clerk.

Resolution of the Town Board of the Town of Cuba, N. Y.

Whereas this board recognizes the vital importance of the Pennsylvania and Erie Railroad Cos. to the overall economy of this community, not only from the standpoint of furnishing transportation of products and raw materials to and from its agricultural and industrial producers and consumers, and transportation of passengers (Erie), but also because of the large amount of tax income paid by said railroads into all branches of local government in this township; and

Whereas this board is cognizant of the severe threat to the continued successful operation of these railroads posed by the rules, regulations, and statutes under which they presently operate, and understands that Senate bill No. 3778 introduced by Senator SMATHERS is designed to alleviate such conditions and to permit the railroads to operate on a more economical and profitable basis which it is believed will be in the overall public interest: Now, therefore, upon motion duly made, seconded, and unanimously carried, it is

Resolved, That it is the sense of this board that the railroads are in real need of remedial legislation to permit more economical and profitable operation necessary for their very survival, and that the Smathers bill above mentioned is designed to accomplish those ends and is deserving of the most careful review and consideration by the Congress, and if found by our representatives to be otherwise reasonable and valid, would seem to justify their support; and be it further

Resolved, That copies of this resolution be forwarded by the clerk of this board to our New York State Senators, Hon. IRVING M. IVES and Hon. JACOB K. JAVITS, and to our Congressman, Hon. DANIEL A. REED.

LOCAL 15-182, OIL, CHEMICAL, AND ATOMIC WORKERS UNION,
Niagara Falls, N. Y., June 2, 1958.

Hon. JACOB N. JAVITS,
United States Senate,
Washington, D. C.

DEAR SENATOR: Please consider the following:

"Whereas the welfare of our country and its people, in times of peace and of national emergency, depends on an efficient, economical, and prosperous common carrier transport system, of which the railroads are a major segment; and

"Whereas the welfare of this community, as reflected in employment and industrial payrolls, depends in large part on the volume of materials, supplies, and services purchased annually by the railroads; and

"Whereas the railroads today are faced with a dire emergency from wholly inadequate earnings brought about largely by overregulation and inequitable competitive conditions; and emergency which seriously threatens their continued existence under private ownership and operation; and

"Whereas it is the considered opinion of most experts that a series of railroad bankruptcies now might well trigger both Government operation of railroads and a general economic debacle: Therefore be it

"*Resolved*, That Local 15-182, Oil, Chemical, and Atomic Workers International Union, petitions the Congress of the United States to take immediate action to:

"(a) Assure competitive equality in the field of transportation;

"(b) Relieve the railroads of as much as possible of the monopoly regulation under which they are now forced to operate; and

"(c) Provide self-liquidating financial relief to the railroads to tide them over this emergency."

Local 15-182, Oil, Chemical, and Atomic Workers International Union, further recommends that these remedial measures be taken simultaneously, by the Congress since they are inseparable parts of a program designed, in the public interest, to restore fair competition in the field of transport; reduce unemployment of work on production of the huge volume of material, supplies, and services which the railroads could purchase if they were assured of a fighting chance to operate profitably; assure adequate transportation facilities for the growth of our economy and for the national defense; and, avoid Government operation of our railroads.

Respectfully submitted.

CONSTANTINO D. MATARAZZO,
Secretary.

PRESERVATION OF WILDERNESS AREAS—RESOLUTIONS

Mr. HUMPHREY. Mr. President, I have recently received a resolution adopted by the Izaak Walton League of America at its 36th annual convention in Colorado Springs, Colo., urging legislative action to preserve our wilderness areas, as embodied in Senate bill 1176, introduced by me.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 5—WILDERNESS PRESERVATION

Whereas the protection and perpetuation of wilderness was one of the major conservation principles upon which the Izaak Walton League was founded; and

Whereas the League from its earliest days has steadfastly supported programs at national, State, and local levels for the protection and perpetuation of wilderness; and

Whereas the wilderness system developed within our national forests, national parks, wildlife refugees, Indian reservations, and public domain lands has demonstrated its great public value in land management programs of the Federal Government; and

Whereas the pressures being multiplied on wilderness by population expansion, swiftly growing urbanization, industrialization, and increasingly intensive development of all resources, may mean detriment and loss unless wilderness preservation is recognized as an important component of sound land management policy: Therefore be it

Resolved by the Izaak Walton League of America, Inc., in its 36th annual convention assembled this 15th day of May 1958 in Colorado Springs, Colo., That the League reaffirms its traditional policy of support of wilderness preservation and respectfully urge the Congress to take such legislative actions as will establish wilderness preservation as national policy in the management of the Federal public lands for the total welfare of present and future generations and commends to the Congress, the wilderness preservation principles embodied in revisions of S. 1176.

Mr. HUMPHREY. Mr. President, I was pleased to receive a copy of resolutions adopted on May 23 by the board of trustees of the National Parks Association at the association's annual meeting here in Washington. Among the resolutions adopted by the association was a strong endorsement of Senate bill 1176, the wilderness bill, which I had the honor to sponsor.

I ask unanimous consent that the resolution of endorsement be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

RESOLUTION ON NATIONAL WILDERNESS PRESERVATION SYSTEM

The board of trustees of the National Parks Association, at its annual meeting on May 23, 1958, reaffirms its support of legislation now before Congress to provide Congressional recognition of the concept of wilderness preservation by the establishment of a National Wilderness Preservation System. The association has studied this proposal through its formulative stages for more than 10 years, and has contributed to its definition in the form of legislation. The present revision of S. 1176, now being considered by the Departments and the Congress, represents, in the opinion of the board, a sound, efficient, and equitable proposal which meets all important questions that have been raised. The board strongly recommends enactment of this legislation at the earliest possible time.

RESOLUTION OF NATIONAL COUNCIL, NATIONAL JEWISH WELFARE BOARD

Mr. HUMPHREY. Mr. President, I have just received a copy of a resolution adopted by the National Council of the National Jewish Welfare Board urging continued support of the State of Israel and a speedy, peaceful settlement of the Arab-Israel dispute.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

ISRAEL—RESOLUTION ADOPTED BY THE NATIONAL COUNCIL OF THE NATIONAL JEWISH WELFARE BOARD AT ITS BIENNIAL CONVENTION, APRIL 18-20, 1958, WASHINGTON, D. C.

The National Jewish Welfare Board in convention assembled in Washington, D. C., on April 20, 1958, extends warm greetings and hearty congratulations to the people of Israel on the occasion of the celebration of the tenth anniversary of their state. It proudly acclaims the heroic accomplishments in the State of Israel achieved through the indomitable spirit of its people and the assistance of Jews and non-Jews throughout the world. Today the ancient Jewish homeland stands

as a great bastion of democracy in the Middle East.

The National Jewish Welfare Board has had a continuing interest in and concern for the people of the State of Israel since its founding. As the national association of Jewish Community Community Centers and YMHA's in the United States, it has given its active aid in the development of parallel institutions in Israel. It has encouraged the Jewish Community Centers of America to support the Jerusalem YM and YWHA (Beth Hanoar Haivri). It notes with gratification the widespread participation of American center members in the recent Maccabiah held in Israel. These and other programs embraced in the Jewish Community Center World Fellowship are helping to forge a strong spiritual bond between American Jewry and the citizenry of the State of Israel: Therefore be it

Resolved, That—

(1) The National Jewish Welfare Board recommends to its constituent membership ongoing support in every way possible for the people of Israel.

(2) We ask our Government to continue its economic aid to the State of Israel.

(3) We request our Government to develop a program of economic aid for the entire area of the Near East and Middle East which shall become the basis of a lasting peace between Arabs and Israelis.

(4) We request our Department of State to make every effort through the United Nations to push aggressively for a peaceful solution of the Arab-Israel dispute.

(5) We request our Government to extend to Israel the necessary guarantees to insure her against aggression from any source; be it further

Resolved, That copies of this resolution be sent to the President, Secretary of State, chairman and members of the Senate Foreign Relations Committee, and chairman and members of the House Foreign Affairs Committee.

PROHIBITION OF ALCOHOLIC BEVERAGE ADVERTISING IN INTERSTATE COMMERCE—PETITIONS

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD sundry petitions of citizens of the United States, praying for the enactment of Senate bill 582, to prohibit alcoholic beverage advertising in interstate commerce.

There being no objection, the petitions were ordered to be printed in the RECORD, as follows:

FEBRUARY 21, 1958.

The Honorable WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: I hope that you will support the Senate bill No. S. 582, to prohibit the transportation in interstate commerce or advertisement of alcoholic beverages.

I am in favor of this bill and look forward to learning that it has been passed.

Yours truly,

SALLIE H. BLACK.
Mrs. J. G. Black.

BOTTINEAU, N. DAK.,
February 21, 1958.

Senator LANGER,
Washington, D. C.

DEAR SENATOR: I am writing you in regard to bill S. 582, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages. Would you do what you can in regard to this above bill. Thank you.

Sincerely,

DOROTHY J. MCLOCKLAN,
WCTU Member.

BOTTINEAU, N. DAK.,
February 21, 1958.

Senator LANGER,
Washington, D. C.

DEAR SIR: I sincerely hope you will do all you can in regard to S. 582, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages.

Thank you for your nice reply in regard to my social security.

Mrs. EWEN MCLOCKLAN.

WEST CAPE MAY, N. J.,
March 24, 1958.

Mr. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: As we are known as a Christian Nation it surely is fitting that we acknowledge our Lord and Redeemer in our United States Constitution. I am trusting that you will work for the hearing and vote for the passage of the Christian amendment.

Thank you.

I also wish to thank you for your speech concerning the alcoholic beverage advertising. I do hope it goes through (the bill) this time.

Respectfully,

PEARLA S. SAYRE.

GRACE REFORMED CHURCH,
Waterloo, Iowa, March 4, 1958.

DEAR SIR: For some time I have been studying the bill, S. 582, now introduced by Senator LANGER. I wrote to you concerning a similar bill some time ago. I would like to follow that letter with this one expressing my convictions again. As a minister I constantly come up against all sorts of vital evidence that something must be done by voters and the Congressmen together.

There are many in our church who are becoming more and more alarmed about this threat to much that is precious in Christianity and America. The terrible cost of liquor can hardly be spelled out in dollars and cents; from where I stand it must be written in terms of moral, social, and spiritual prices as well.

I hope this bill will not die a quiet death in committee. And I trust that you will seek the voters' interest as well as the public welfare when you are confronted by it. I hope that this year will see the passage of S. 582 and go far to not only ban all alcoholic beverage advertising, but also strike a blow which will uproot a constantly growing but terribly sinister threat to much that we hold dear as both Christians and Americans.

Sincerely yours,

PAUL L. LUPKES.

WATFORD CITY, N. DAK., *March 5, 1958.*

Hon. WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR LANGER: Below is a copy of letter that our Watford City Woman's Christion Union is sending tomorrow to Senator YOUNG and to Representatives BURDICK and KRUEGER. We appreciate more than we can say the fact that you introduced this bill, and our sincere thanks go out to you and also to Representative SILER, of Kentucky, for the bill he introduced.

Sincerely,

Mrs. DORA B. ERICKSON,
Legislative Chairman.

Copy:

"DEAR SIR: We, the Watford City WCTU, are very happy to note the introduction into the Senate by our Senator, WILLIAM LANGER, Senate bill 582, to prohibit the transportation in interstate commerce of advertisements of alcoholic beverages.

"Also the bill introduced into the House by Representative SILER, of Kentucky, House bill 4835, to prohibit transportation of alcoholic beverage advertising in interstate commerce and over the air.

"We feel strongly that both of these bills should receive a majority vote in both the Senate and the House, and strongly urge that you do all in your power to help bring about the passing of these bills. We shall greatly appreciate your efforts in behalf of same.

"Sincerely,

"The MEMBERS OF THE WATFORD CITY, N. DAK., WCTU."

At our monthly meeting yesterday the members present signed their names. The only thing that was too bad was that the roads were so bad that not quite half of our members were present. They would, of course, have signed it 100 percent.

Mrs. ERICKSON.

ALEXANDRIA, MINN., *February 28, 1958.*

North Dakota Senator WILLIAM LANGER,
Washington, D. C.

DEAR SENATOR: First, I want to express my sincere wish that you have fully recovered in health.

Next, I want to express my hopes that the bill against the advertising of alcoholic beverages which you have been battling for will receive the attention it deserves and be passed, and then the name of WILLIAM LANGER will live long in American history—like the good achieved by George Washington and Abraham Lincoln.

Juvenile delinquency, one of our great American problems, can be laid at the door of the promotion of alcoholic drinks (I don't accept the name beverage). Some time ago Governor Freeman with some of his associates from the capital, including the liquor control administrator, were in Alexandria promoting their party, I presume. I attended the meeting and talked with the liquor control agent asking him if it is within the law for juveniles to bowl or roller skate in places that have their entrances labeled with beer signs. His reply, in the hearing of our Representative Julian Newhouse, was "Absolutely not." While Alexandria has received national recognition for their juvenile program, it is a fact that the youth have no other place to bowl or roller skate, except beer joints. There are three entrances to the bowling alley, all of which have a beer sign over them. I mentioned this fact to the manager and told him I had taken a picture to prove this fact and he threatened me by saying, "If you use that picture, I'll make it hot for you." The liquor control agent asked my name and said he would make an investigation. I have heard nothing further, except I was told that the liquor control agent went to a restaurant and ate alone rather than be with the balance of the party, and be embarrassed, who were having their meal at the American Legion club rooms—where I understand liquor is featured.

I would like to call your attention to the American Weekly of February 23, in which Dr. Kenneth McFarland, consultant for General Motors Corp., in the article, How To Be a Failure, writes: "Intemperance is one of the great and growing causes of failure in the United States today." I know personally that it is the cause of failure in Europe also. One of my relatives, an official in Spain, told me the soldiers of the United States wore civilian suits (except at a private party) and my nephew, when he came to see me in Frankfort, Germany, where he was stationed, came in a civilian suit. I commented on it and his reply was, "Aunty Esther, we get no consideration whatever in the city if we appear in a uniform."

One of our local editors handed me a copy of the January issue of Annals where, on page 8, in Forward I find: "Therefore, not only is alcohol the cause of alcoholism, but the proper attack on alcoholism is an attack on the use of alcohol, especially on persons who are involved in the production, distribution, promotion, and sale of the product."

On page 20 I find: "Shortly after World War I, Richard Peabody returned from military service seriously disorganized as a result of drinking." He made a recovery and is now using his influence for good, but I say shame on the United States for the promotion of many evils while our boys were in service.

Even before we had entered into war, I was a guest at officers' quarters in Fort Snelling and the place resembled an oldtime saloon—white aprons, bars, and rum from the Virgin Islands. The women said it was quite certain we were about to enter into war, which came to pass soon afterward.

Recently, in our town a man came out from Veterans of Foreign Wars quarters, got into his car and backed across into another lane where a woman was driving, smashed her car; she was hospitalized and the veteran jailed for drunken driving.

In the February 13 National Voice, I find a statement from the American Brewers magazine which states, "The 1940 baby crop will reach the legal (in some States) drinking age in 1958. Thus the long anticipated per capita consumption increase will begin to take shape during the coming year." What devilish greed.

We can't get the news over the radio in our town unless we listed to a beer commercial, because the station feels they can't get along without that revenue. The man at the head of KXRA is from Grand Forks, N. Dak., attended school with my relative (a cousin of Bishop Malloy), and he said he neither smokes nor drinks because he learned earlier in life what it did to others. Still, he can't be his brother's keeper because of the money involved.

I wrote a letter to President Eisenhower of an experience a stewardess (a former neighbor) had on a plane. Her experience as she had related it was signed by her father. President Eisenhower turned it over to the Aeronautics Board and I received a reply, but I am sure they never made any investigation. The copilot on her plane had to leave his station to battle a man and strap him down. She said she was never so frightened and never wanted to have a like experience. The question of serving liquor in the air should be quickly answered by "Is it right?" I don't want to be a passenger on any plane where liquor is served. I had one experience, and certainly it was awful.

I have written a letter which is much too long. We are told to make our letters to our Senators short and to the point, but I hope you will appreciate my interest in what you are trying to do. We sent in petitions from Alexandria last year, which I assume are still on record.

The past 10 days I have been hospitalized from a fall. Fortunately, my injury is not as serious as it might have been, but a broken bone takes time to heal. My Weimeraner dog came from behind and swept me off my feet, causing a back injury in a fall on the ice.

The Great Northern Red River diner now sells the canned beer and at times looks like a saloon instead of a diner—certainly not a place to take youth in to eat.

For 2 days now we have no Great Northern service. Forty-eight freight cars were derailed a short distance south of Alexandria coming from Fargo with potatoes and grain. Fortunately, it wasn't a passenger train and no one was hurt. All trains rerouted until tomorrow.

With wishes for your continued success,

Sincerely,

MRS. CARL V. ANDERSON
Esther Bergquist.

P. S.—Believe I mentioned before that my cousin Doris Bergquist was who married to Clark Madsen (a former tentmate of Vice President NIXON) was a sorority sister of your artist daughter. I met your daughter in Grand Forks, N. Dak.

THE MAINE CONFERENCE OF THE METHODIST CHURCH,
Augusta, Maine, February 7, 1958.

Senator WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: I have learned that you are in a position to be of service in the matter of S. 582 relative to alcoholic advertising.

Not being a young man, I have been familiar with the old saloon days, prohibition, repeal and that current situation. The liquor traffic is an evil in that it brings upon people detrimental effects for themselves and danger for other people. The old argument that people want it and will get it has some truth, but the real situation is that appealing and persuasive advertising enters our home in spite of our desires. The current appeal is to make people, especially youth, feel that they ought to use alcoholic beverages.

Anything which you can do to aid legislation to prevent or curb this invasion of the home by vendors of alcohol will be much appreciated.

Very truly yours,

ALFRED G. HEMPSTEAD.

KALAMAZOO, MICH.

DEAR CONGRESSMAN: I am writing in support of your bill, S. 582. It's time something was done. I hope we succeed.

Sincerely,

WILLIAM DE WOLFF.

PLANT CITY, FLA., *March 15, 1958.*

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: I feel as a "voice crying in the wilderness," yet my voice along with others will help I'm sure. We do appreciate your stand on the question of alcoholic beverages. The situation is most appalling. Our Nation is inwardly decaying from this evil. Do fight.

Most sincerely,

MRS. CECIL TILLERY.

GRAFTON, N. DAK., *February 18, 1958.*

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SIR: I will greatly appreciate your support of the Langer bill.

Yours truly,

MARY LAMARRE.

GRAFTON, N. DAK.

Hon. W. LANGER,
Senate Building,
Washington, D. C.

DEAR SIR: I would appreciate your support of Langer bill, S. 582.

Sincerely,

MRS. CHAS. ADAMSEN.

GRAFTON, N. DAK., *February 18, 1958.*

Senator LANGER,
Washington, D. C.

DEAR SIR: I would appreciate your support of Langer bill, S. 582.

Sincerely yours,

Mrs. A. G. TVERBERG.

GRAFTON, N. DAK., *February 18, 1958.*

Hon. WM. LANGER,
Senate Office Building,
Washington, D. C.:

We would appreciate your support on the Langer bill, S. 582. Would be gratefully appreciated.

Sincerely,

Mrs. JENNIE SCORE.

FEDERAL FAIR TRADE BILL—PETITION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Fred B. Scheel, of Fargo, N. Dak., favoring the enactment of the Federal fair trade bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SCHEEL'S HARDWARE,
Fargo, N. Dak., May 26, 1958.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR LANGER: I am writing for support of the proposed Harris Federal fair trade bill, because lack of fair trade in the last few months has proved the following in our case:

1. We have had to discontinue those products which are being sold almost at cost because our salesmen work on commission, and we can't pay a commission on those items which have no gross margin.

2. The selling at a variety of prices, instead of increasing sales, decreases sales in actual practice. Why, I don't know, unless it could be good products lose their prestige as gift items and, consequently, their sales. I didn't realize that this would be the situation before the large-price scale breakdowns came early this year. But this has been the actual result, and fair trade, on which I was lukewarm before, now seems to be a necessity for a certain substantial portion of good products at retail level.

Respectfully,

FRED B. SCHEEL.

MANDATORY CONTROL OF OIL IMPORTS—PETITION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram in the nature of a petition from the Governor of North Dakota, relating to mandatory control over oil imports.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

BISMARCK, N. DAK., *May 15, 1958.*

Hon. WM. LANGER,
Senate Office Building,
Washington, D. C.:

I urge your support of principles of mandatory control over oil imports as set forth in Ikard bill.

JOHN E. DAVIS,
Governor of North Dakota.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLAND, from the Committee on Appropriations, with amendments:

H. R. 12540. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes (Rept. No. 1657).

PROTECTION OF PRODUCERS AND CONSUMERS AGAINST CERTAIN MISBRANDING AND FALSE ADVERTISING—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably with amendments the bill (H. R. 469) to protect producers and consumers against

misbranding and false advertising of the fiber content of textile fiber products, and for other purposes, and I submit a report (No. 1658) thereon.

I ask unanimous consent that the individual views of the Senator from Michigan [Mr. POTTER] be printed with the report.

The PRESIDENT pro tempore. The report will be received and printed, as requested by the Senator from Washington; and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON (by request):

S. 3951. A bill to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 3952. A bill to amend section 1073 of title 18 of the United States Code to provide for the punishment of any individual who travels in interstate or foreign commerce to avoid prosecution or punishment for indecent molestation of a minor; to the Committee on the Judiciary.

S. 3953. A bill to revise, codify, and enact into law, title 23 of the United States Code, entitled "Highways"; to the Committee on Public Works.

By Mr. GOLDWATER:

S. 3954. A bill to provide for the registration and regulation of labor unions, to insure their financial regularity and the maintenance of democratic processes and procedures by the members thereof, to amend the Labor-Management Relations Act, 1947, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. KUCHEL:

S. 3955. A bill to authorize the Secretary of Agriculture to exchange land and improvements with the city of Redding, Shasta County, Calif., and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BRICKER:

S. 3956. A bill for the relief of Justin W. Hardin; to the Committee on Armed Services.

By Mr. BIBLE (by request):

S. 3957. A bill to amend the District of Columbia Teachers' Salary Act of 1955; to the Committee on the District of Columbia.

By Mr. CHURCH:

S. 3958. A bill for the relief of Asae Nishimoto; and

S. 3959. A bill for the relief of certain aliens; to the Committee on the Judiciary.

S. 3960. A bill to authorize the Postmaster General to provide for the transportation of mail, and for services in connection therewith by motor vehicle carriers; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. CHURCH when he introduced the last above-mentioned bill, which appear under a separate heading.)

DAY SIGNALS FOR CERTAIN VESSELS

Mr. MAGNUSON. Mr. President, by request of the Secretary of the Treasury, I introduce, for appropriate reference, a bill to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes. I ask unanimous consent to have printed in the RECORD a memorandum explaining the purposes of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the memorandum will be printed in the RECORD.

The bill (S. 3951) to amend the act of June 7, 1897, as amended, and section 4233A of the Revised Statutes, so as to authorize the Secretary of the Treasury to prescribe day signals for certain vessels, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The memorandum presented by Mr. MAGNUSON is as follows:

MEMORANDUM RE DRAFT BILL TO AMEND THE ACT OF JUNE 7, 1897, AS AMENDED, AND SECTION 4233A OF THE REVISED STATUTES, SO AS TO AUTHORIZE THE SECRETARY OF THE TREASURY TO PRESCRIBE DAY SIGNALS FOR CERTAIN VESSELS, AND FOR OTHER PURPOSES

In the Federal Register of January 10, 1948, there were published certain regulations of the Corps of Engineers, Department of the Army (13 F. R. 150), and the Coast Guard (13 F. R. 152). The Coast Guard regulations are substantially identical to the Corps of Engineers' regulations. These regulations, now in effect, prescribe lights and day signals for dredges and vessels working on obstructions and signals to be used by vessels in passing floating plants in navigable channels. The Corps of Engineers' regulations, now codified in 33 C. F. R. 201.1–201.16, are applicable to the Great Lakes and the western rivers. The Coast Guard regulations, 33 C. F. R. 80.18–80.31a, are applicable on certain inland waters, that is, the same waters on which the inland rules of the road are applicable.

The statutory authority for the issuance of the Corps of Engineers' regulations is section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U. S. C. 1), which provides in pertinent part as follows:

"It shall be the duty of the Secretary of War to prescribe such regulations for the use, administration, and navigation of the navigable waters of the United States as in his judgment the public necessity may require for the protection of life and property, or of operations of the United States in channel improvement, covering all matters not specifically delegated by law to some other executive agency."

The statutory authority for the issuance of the Coast Guard regulations referred to above was section 2 of the act of June 7, 1897 (30 Stat. 102), as amended to date of issuance (33 U. S. C. 157 (1946 ed.), which provided in pertinent part as follows:

"The Commandant of the Coast Guard shall establish such rules to be observed, on the waters mentioned in the preceding section [all harbors, rivers, and inland waters of the United States, except the Great Lakes and their connecting and tributary waters as far east as Montreal and the Red River of the north and rivers emptying into the Gulf of Mexico and their tributaries] by steam vessels in passing each other and as to the lights to be carried by ferryboats and by barges and canal boats when in tow of steam vessels, and as to the lights and day signals to be carried by vessels, dredges of all types, and vessels working on wrecks or other obstruction to navigation or moored for submarine operations, or made fast to a sunken object which may drift with the tide or be towed, not inconsistent with the provisions of this act, as he may from time to time deem necessary for safety."

A few months after the promulgation of the regulations described above Congress enacted Public Law 544, 80th Congress, act of May 21, 1948, 62 Statute 249, which affected the authority for issuing the regulations described above. Public Law 544 amended, inter alia, section 2 of the act of June 7, 1897, 33 United States Code 157, supra, to read in pertinent part as follows:

"SEC. 2 (a). That the Commandant of the United States Coast Guard shall establish such rules to be observed on the waters mentioned in the preceding section by steam vessels in passing each other and as to the lights to be carried on such waters by ferryboats and by vessels and craft of all types when in tow of steam vessels, or operating by handpower or horsepower or drifting with the current, and any other vessels not provided for, not inconsistent with the provisions of this act, as he from time to time may deem necessary for safety."

It appears that the phrase, "and day signals" was inadvertently omitted from the amended section 2. Report No. 406, 80th Congress, of the Committee on Merchant Marine and Fisheries on H. R. 3350, which later became Public Law 544, does not include any statement of intention to delete the authority to prescribe day signals, although the report does include a letter from the Secretary of the Treasury setting forth, among other things, the specific amendments to the inland rules intended to be made by the bill. The omission of the authority to prescribe day signals raises a doubt as to the validity of the present Coast Guard regulations relating to day signals for certain vessels on inland waters. To resolve this doubt it is recommended that the words "and day signals" be inserted following the words "as to the lights" in section 2 (a).

It is also recommended that section 2 (a) be amended by deleting the words "the Commandant of the United States Coast Guard" and substituting therefor the words "the Secretary of the department in which the Coast Guard is operating." The purpose of this amendment is to follow the policy stated by Congress in Reorganization Plan No. 26 of 1950 that all functions of the Treasury Department be vested in the Secretary. Similar amendments are proposed for section 2 (b) of the act of June 7, 1897, as amended. It is also recommended that the words, "as provided for in article 30 of chapter 802 of the laws of 1890" be deleted for the reason that the statute cited has been repealed and superseded by the act of October 11, 1951, 65 Statute 406.

The bill would also amend section 2 (a) of the act of June 7, 1897, as amended, and section 4233A (a) of the Revised Statutes by deleting from each the requirement that "two printed copies of such rules shall be furnished to all vessels and craft mentioned in this subsection, which rules shall, where practicable, be kept posted up in conspicuous places thereon," and substituting the provision that "a pamphlet containing such act and regulations shall be furnished to all vessels and craft subject to this act. On vessels and craft over 65 feet in length the pamphlet shall, where practicable, be kept on board and available for ready reference." The existing provision requires that only the rules be kept on board (i. e., posted). It is essential that the statutory rules also be kept on board. The Coast Guard now publishes the statutory and regulatory rules together in a pamphlet. The requirement that the rules be posted is not necessary. It is only necessary that the rules be handy in pamphlet form for ready reference, where practicable. Moreover, the existing require-

ment applies only to vessels and craft mentioned in the subsection. There are many other vessels that should be required to carry the rules pamphlet, where practicable. The proposed amending language reflects the foregoing considerations.

It is proposed in the draft bill to amend section 3 of the act of June 7, 1897, as amended, 33 U. S. C. 159, by changing the language to provide that an unlicensed pilot, engineer, mate, or master, as well as one who is licensed may be cited for a violation of the rules. It is also proposed that the word "steam" be deleted so that persons in sailing ships and other vessels not propelled by machinery will be subject to penalty for violation of the rules. It is further proposed that the amount of the penalty be increased from $100 to an amount not exceeding $500. This increase in penalty would make it equal to the amount now provided for in the Western Rivers rules, section 4233B of the Revised Statutes, and as proposed for the Great Lakes rules in H. R. 7226 and S. 1976, 85th Congress. Certain other clarifying changes in phraseology are proposed in section 3. The draft bill would amend section 4 of the act of June 7, 1897, as amended, 33 U. S. C. 159, by increasing the penalty from $200 to $500 and by adding a provision that the vessel would be liable to a penalty for a violation of the regulations established pursuant to the act. Certain clarifying changes in phraseology are also proposed to section 4.

Section 4233A of the Revised Statutes was also enacted by Public Law 544. Section 4233A is worded exactly the same as amended section 2 of the act of June 7, 1897, supra. Section 4233A is the authority for the Secretary of the Treasury to prescribe regulations to supplement the Western Rivers rules to prevent collisions. The enactment of section 4233A has raised a doubt as to the validity of the Corps of Engineers regulations, 33 CFR 201.1–201.16, supra, insofar as they purport to prescribe lights for certain vessels on the Western Rivers. The authority to prescribe such lights has been specifically delegated to the Commandant (Secretary of the Treasury) by section 4233A. Apparently, then, the Corps of Engineers has no authority to prescribe such lights under section 7 of the Rivers and Harbors Act of 1917, 40 Stat. 266, 33 U. S. C. 1, supra, since section 7 authorizes the Corps of Engineers to issue regulations only with respect to matters not specifically delegated by law to some other executive department.

It is proposed that section 4233A be amended in the same way as proposed above for section 2 of the act of June 7, 1897, 33 U. S. C. 157. If so amended, section 4233A would authorize the Secretary of the Treasury to prescribe day signals for certain vessels on the Western Rivers, as well as for lights, as at present. Then it is planned that the present Corps of Engineers regulations for the Western Rivers be cancelled and reissued by the Secretary of the Treasury under the authority of the amended section 4233A. There would then be no doubt of their validity.

LABOR UNION DEMOCRACY ACT OF 1958

Mr. GOLDWATER. Mr. President, I introduce, for appropriate reference, a bill to provide for the registration and regulation of labor unions, to insure their financial regularity and the maintenance of democratic processes and procedures by the members thereof, to amend the Labor-Management Relations Act, 1947, and for other purposes. I ask unanimous consent to have printed in the RECORD a summary of the bill, which explains the measure, and which I intend to call up when the debate on the proposed labor legislation begins, to be followed by the text of the bill.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the summary and bill will be printed in the RECORD.

The bill (S. 3954) to provide for the registration and regulation of labor unions, to insure their financial regularity and the maintenance of democratic processes and procedures by the members thereof, to amend the Labor-Management Relations Act, 1947, and for other purposes, introduced by Mr. GOLDWATER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The summary presented by Mr. GOLDWATER is as follows:

SUMMARY OF SENATOR GOLDWATER'S PROPOSED LABOR BILL SUBSTITUTE TO BE CALLED THE LABOR UNION DEMOCRACY ACT OF 1958

1. Title I is substantially identical with the report and disclosure provisions in the subcommittee-Kennedy bill (which in turn are based on the McClellan bill). There are some minor differences but the one important difference is that the Goldwater substitute requires labor unions to remove officers and employees from such office or employment if these officers or employees willfully refuse to file the information required by the bill or have been convicted of failing to do so. Unions which do not remove such noncomplying officers and employees are denied access to the processes of the National Labor Relations Board and are denied tax immunity.

2. Title II dealing with trusteeships of local unions is identical with the trusteeships provisions of the subcommittee-Kennedy bill.

3. Title III deals with the democratic rights of union members and the recall of union officers (this is based on provisions in the Knowland bill). It provides for an NLRB referendum among union employees where such referendum is petitioned for by 20 percent of the union members. Such referendum may be for the purpose of recalling union officers or amending, modifying, revising or repealing any provisions of their union's constitution, bylaws or other governing rules or regulations.

The procedure for implementing these initiative and referendum provisions is substantially the same as the unfair labor practice procedure now utilized by the NLRB with all of the customary rights of hearing, judicial review, and appeal.

The Goldwater substitute proposal requires the union to secure ratification by a majority vote among its members of a provision in any collective bargaining agreement by which the union waives or surrenders the right of its members to strike.

Makes it a misdemeanor for any union officer who in any way willfully fails to carry out the wishes of the union members as expressed through the referendum procedures set forth above.

Makes it a felony for anyone to restrain or coerce any member of a labor union who seeks to invoke or participate in any of the voting or referendum procedures described in this title.

4. Title IV amends various provisions of the Taft-Hartley Act.

(a) This deals with the question of voting rights of replaced economic strikers. The Goldwater substitute uses the language of the administration proposals of 1954 which prohibit the holding of an NLRB election at the request of an employer during the first year of a strike and at the request of any other person during the first 6 months of a strike.

(b) Repeals the non-Communist affidavit and financial reporting requirements of the Taft-Hartley Act.

(c) Solves the "no man's land" problem by authorizing the States to assert jurisdiction in those classes of labor cases in which the NLRB would refuse to assert jurisdiction. This is substantially the present administration proposal introduced by Senator SMITH.

(d) This closes the "middleman" loophole in the present law in accordance with the current administration proposal of Senator SMITH.

(e) The substitute permits the payment of moneys into a trust fund established for apprenticeship or training programs which are now illegal. This is in accordance with the administration proposal of Senator SMITH.

(f) This closes several of the loopholes in the present prohibitions on secondary boycotts but makes pressure on secondary employers lawful where the secondary employer is handling the farmed-out struck work of the primary employer. This language is taken from the administration proposal of Senator SMITH. Supplementing this change the Taft-Hartley Act is amended to permit suits for damages for all illegal secondary boycotts and jurdisdictional strikes.

(g) The Goldwater substitute adds a new provision to the Taft-Hartley Act which permits the NLRB to conduct certification or decertification elections during the life of a collective bargaining agreement with a condition that regardless of the outcome of such NLRB election, the contract will remain in effect if otherwise lawful until its termination date.

(h) The substitute regulates organizational and recognition picketing. It makes it unlawful for a minority union to picket an employer for the object of forcing him to commit the unfair labor practice of recognizing or bargaining exclusively with such minority union. It also makes it an unfair labor practice by a union to picket an employer where an object of the picketing is to cause employees to join the labor union.

The bill (S. 3954), introduced by Mr. GOLDWATER, is as follows:

Be it enacted, etc., That this act may be cited as the "Labor Union Democracy Act of 1958."

Declaration of findings, purposes, and policy

SEC. 2. (a) The Congress finds that, in the public interest, it continues to be the responsibility of the Federal Government to provide laws protecting employees' rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual benefit; that incentives to this end, such as Federal laws granting tax exemptions, should be continued with appropriate limitations; that labor unions and the millions of workers they represent have a substantial impact on the commerce of the Nation, and on the national economy and revenues; that in order to accomplish the objective of a free flow of commerce and the protection of the national revenue it is essential that labor unions and their officials adhere to the highest standards of responsibility to the rank and file members who rely on them for honest representation and protection of their interests.

(b) The Congress further finds from recent investigations in the labor and management fields many instances of breach of trust, corruption, violence, disregard of the rights of individual workers, and other failures to observe high standards of responsibility and trust, which require further and supplementary legislation that will afford necessary protection of the rights and interests of workers and the public generally as they

relate to the activities of labor unions and of their officers, agents, and representatives.

The Congress, therefore, further finds and declares that the enactment of this act is necessary to aid, protect, and further commerce, protect the revenue of the United States, and benefit the public welfare.

(c) It is declared to be the policy of the United States to advance the objectives, protect the national interests, and correct the evils referred to in subsection (a), and to deter and penalize those acts and omissions of labor unions and their officers, agents, and representatives which are detrimental to the rights and interests of individual employees whom they represent and the public, as well as acts of employers and their agents which contribute thereto, by appropriate means as provided in this act, and the imposition of criminal penalties for willful wrongdoing.

Definitions

SEC. 3. When used in this act—

(1) The term "person" includes one or more individuals, labor unions, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.

(2) The term "employer" includes any person acting as an agent of an employer, directly or indirectly, but shall not include the United States or any wholly owned Government corporation, or any Federal Reserve bank, or any State or political subdivision thereof, or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual, or any person subject to the Railway Labor Act, as amended from time to time, or any labor union (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor union.

(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicity states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual having the status of an independent contractor, or any individual employed as a supervisor, or any individual employed by an employer subject to the Railway Labor Act, as amended from time to time, or by any other person who is not an employer as herein defined.

(4) The term "labor union" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and which (A) is the representative for or has as one of its purposes or exists for the purpose of representing employees in collective bargaining in any industry affecting commerce or is seeking to become such a representative or (B) has an affiliate or constituent unit in a State, Territory, or foreign country other than that in which it has its principal office or place of business.

(5) The term "officer" includes a member of any board, council, committee, or other body established by the constitution or charter of a labor union which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor union.

(6) The term "Secretary" means the Secretary of Labor.

(7) Any term used in this act and not defined herein shall have the same meaning as in the Labor-Management Relations Act, 1947.

TITLE I—REPORTING AND DISCLOSURE

SEC. 101. Every labor union engaged in an industry affecting commerce shall file with the Secretary:

(a) A copy of its constitution and bylaws and a report, signed by its president and secretary or other principal officers, containing the following information:

(1) the name of such labor union and address of its principal place of business;

(2) the names and titles of its principal officers (including its principal financial officer);

(3) the initiation fee or fees which new members are required to pay on becoming members of such labor union;

(4) the regular dues or fees which members are required to pay in order to remain members in good standing of such labor union; and

(5) through means of a detailed statement, or by reference to provisions of its constitution and bylaws or other governing documents, procedures followed with respect to (i) qualifications for or restrictions on membership, (ii) election of officers and stewards, (iii) calling of regular and special meetings, (iv) levying of assessments, (v) imposition of fines, (vi) authorization for bargaining demands, (vii) ratification of contract terms, (viii) authorization for strikes, (ix) authorization for disbursements of union funds, (x) audit of union financial transactions, (xi) participation in insurance or other benefit plans, and (xii) expulsion of members and the grounds therefor; and

(b) A financial report signed by its chief financial officer and two other principal officers containing the following information and related data in such detail as may be necessary accurately to disclose its financial condition and operations during the preceding fiscal year:

(1) assets and liabilities at the beginning and end of the fiscal year;

(2) receipts of any kind and the sources thereof;

(3) salary and allowances and other disbursements to each officer and each employee;

(4) direct or indirect loans to any officer, employee, or member together with a statement of the arrangements for repayment and the purposes thereof;

(5) direct or indirect loans to any business enterprise together with a statement of the arrangements for repayment and the purposes thereof;

(6) other disbursements of any kind and the purposes thereof.

(c) Labor unions having gross annual receipts of less than $25,000 (excluding payments received by trustees under section 302 (c) (5) or (6) of the Labor Management Relations Act of 1947, as amended) shall be exempt from the provisions of this section: *Provided*, That the Secretary may revoke the exemption of any labor union with respect to which he determines, after such investigation as he deems proper, that the purposes of this section would be served thereby.

SEC. 102. (a) Every officer of a labor union engaged in an industry affecting commerce and every employee, other than a clerical employee, who received wages, salary, or other allowances from labor unions shall file with the Secretary a signed report listing and describing for the preceding fiscal year—

(1) any stock, bond, security, or other interest, legal or equitable, which he or his spouse, directly or indirectly, held in, and any income which he or his spouse derived directly or indirectly from an employer whose employees such labor union represents or is actively seeking to represent, except payments and other benefits received as a regular employee of such employer;

(2) any transaction in which he or his spouse engaged, directly or indirectly, involving any stock, bond, security, or loan to or from, or other legal or equitable interest in the business of an employer whose employees such labor union represents or is actively seeking to represent;

(3) any stock, bond, security, or other interest, legal or equitable, which he or his spouse, directly or indirectly, held in, and any income which he or his spouse, directly or indirectly, derived from, any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor union represents or is actively seeking to represent;

(4) any stock, bond, security, or other interest, legal or equitable, which he or his spouse, directly or indirectly, held in, and any income which he or his spouse, directly or indirectly, derived from, a business any part of which consists of buying from, selling or leasing to, or otherwise dealing with such labor union;

(5) any direct or indirect business transaction or arrangement between him or his spouse and any employer whose employees his labor union represents or is actively seeking to represent for purposes of collective bargaining, except purchases and sale of goods in the regular course of business at prices generally available to any employee of such employer; and

(6) any payment received directly or indirectly from any employer or any person who acts as a labor relations expert, adviser, or consultant to an employer pursuant to any agreement or arrangement by which he is to influence or affect employees in the exercise of rights guaranteed by section 7 of the National Labor Relations Act, as amended.

(b) The provisions of subparagraphs 1, 2, 3, 4, and 5 of this section shall not apply to securities traded on a national securities exchange or to shares in an investment company registered under the Investment Company Act of 1940, or to securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935, or to any income derived therefrom.

(c) Nothing contained in this section shall be construed to require an officer or employee of a labor union to file a report under subsection (a) unless he holds an interest, has received income or a loan or has engaged in a transaction described therein.

SEC. 103. (a) Every employer engaged in an industry affecting commerce who is a party to any agreement or arrangement with any person by which such person undertakes—

(A) to influence or affect employees in the exercise of the rights guaranteed by section 7 of the National Labor Relations Act, as amended, or

(B) to provide an employer involved in a labor dispute with the services of paid informants or investigators or any agency or instrumentality engaged in the business of interfering with, restraining or coercing employees in the exercise of rights guaranteed by section 7 of the National Labor Relations Act, as amended,

shall file annually a report with the Secretary signed by its President and Treasurer or corresponding principal officers containing the following information:

(1) the name under which such employer is engaged in doing business, the nature of the business, and the address of the employer's principal place of business;

(2) the name of each labor union with which the employer has a collective bargaining agreement or which has served notice upon such employer that such labor union represents a majority of the employer's employees and seeks to negotiate a collective bargaining agreement on behalf of such employees;

(3) a detailed statement of any agreement or arrangement to which such employer is a party of a type described in paragraph (A) or (B) of this subsection; and

(4) a financial statement in sufficient detail accurately to disclose for the preceding fiscal year—

(i) any payment made pursuant to any agreement or arrangement of the types referred to in paragraphs (A) and (B) of this subsection to which such employer is a party; and

(ii) any payment, directly or indirectly, of any money or thing of value, or any promise or agreement therefor, to any labor union or any officer or employee of any labor union engaged in any industry affecting commerce.

(b) Every person engaged in providing labor relations consultant service to an employer engaged in an industry affecting commerce pursuant to any agreement or arrangement under which such consultant undertakes—

(A) to influence or affect employees in the exercise of their rights to engage or refrain from engaging in concerted activities and the other rights guaranteed by section 7 of the National Labor Relations Act, as amended, or

(B) to provide an employer involved in a labor dispute with the services of paid informants or investigators, or any agency or instrumentality engaged in the business of interfering with, restraining, or coercing employees in the exercise of rights guaranteed by section 7 of the National Labor Relations Act, as amended,

shall file annually a report with the Secretary containing the following information:

(1) the name under which the labor relations consultant is engaged in doing business and the address of his principal place of business;

(2) receipts of any kind from employers on account of labor relations advice or services, designating the sources thereof;

(3) disbursements of any kind, in connection with such services and the purposes thereof;

(4) a detailed statement of such agreement or arrangement. *Provided*, That nothing in this section shall be construed to require a report from a labor relations consultant retained by an employer by reason of his giving advice to such employer or representing such employer in any court or administrative agency or engaging in collective bargaining on behalf of such employer with respect to wages, hours, or other terms or conditions of employment or the negotiation of an agreement or any question arising thereunder.

SEC. 104. (a) The contents of the reports and documents filed with the Secretary pursuant to sections 101, 102, and 103 shall be public information, and the Secretary may publish any information and data concerning labor unions, employers, and labor relations consultants which he obtains pursuant to the provisions of this title, use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

(b) The Secretary shall by regulation make provision for the inspection and examination, on the request of any person, of the information and data contained in any report or other document filed with him pursuant to the provisions of sections 101, 102, and 103.

(c) The Secretary may by regulation provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Department pursuant to sections 101, 102, and 103, upon payment of a charge based upon the cost of the service. All moneys received in payment of such charges shall be deposited to the credit of the appropriation of the agency of the Department of Labor rendering such service and may be used, in the discretion of the Secretary and, notwithstanding any other provision of law, for the ordinary expenses of such agency.

SEC. 105. Every person shall make, keep, and preserve for such periods and under such conditions as the Secretary shall prescribe, such records and accounts of financial transactions as may be necessary to prepare and verify the financial reports required by sections 101 and 103.

SEC. 106. (a) Reports required to be filed under sections 101, 102, and 103 of this title shall be filed within 180 days after the date of enactment of this title, or within 60 days after the date when any person is first required to file any such report pursuant to such sections, whichever is the later date, and annually thereafter as the Secretary shall prescribe.

(b) The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form, content, and publication of reports to be filed under this act and such other reasonable rules and regulations (including rules prescribing reports concerning building funds, trusts, or enterprises financed by a labor union) as he may find necessary to prevent the circumvention or evasion of such reporting requirements. Such reports shall provide space for any natural person to state that he refuses to furnish information required by the report on the ground that the information would tend to incriminate him under a law of the United States, or any State or Territory thereof. In exercising his power under this section the Secretary may prescribe simplified forms of reports for small labor unions and small employers for whom he finds that a detailed report would be unduly burdensome.

(c) The Secretary shall have the power, when he has probable cause to believe that any person has violated this title, to make an investigation and in connection therewith he may enter such places and inspect such records and accounts as may be necessary to enable him to determine the facts relative thereto.

SEC. 107. (a) Any person who willfully violates or fails to comply with any provision of this title or the rules or regulations issued thereunder shall be fined not more than $10,000, or imprisoned for not more than 1 year, or both.

(b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report, or other information required under the provisions of this title or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

(c) Any person who willfully destroys any books, records, reports, or statements required to be kept by any provision of this title shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

(d) Each individual required to sign reports under sections 101 and 103 shall be personally responsible for the filing of such reports or for any statement contained therein.

SEC. 108. Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or the use of another any of the moneys, funds, securities, property, or other assets of an organization which is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 of which he is an officer or by whom he is employed directly or indirectly shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both.

SEC. 109. (a) Chapter 101 of title 18, United States Code, is amended by adding a new section, as follows:

"SEC. 2077. (a) False entry and destruction of records of labor unions.

"Whoever, being an officer, employee, agent, or representative of a labor union engaged in an industry affecting commerce, or an officer, employee, agent, representative, or trustee of a trust in which such a labor union is interested, makes any false entry in or willfully destroys any book or record, kept or made for such labor union or trust, with intent to injure or defraud such labor union or trust or any beneficiary thereunder, or to mislead any person authorized by law to examine or inspect such book or record, shall be fined not more than $10,000 or imprisoned for not more than 5 years, or both."

(b) The analysis preceding chapter 101 of title 18, United States Code, is amended by adding at the end thereof the following:

"2077. False entry and destruction of records of labor unions."

SEC. 110. (a) No labor union engaged in an industry affecting commerce shall—

(1) be certified or recognized as the representative of any employees by the National Labor Relations Board, or

(2) be eligible to file an unfair labor practice charge under section 10 (b) of the National Labor Relations Act, or

(3) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, if such labor union retains in office or in its employ any person (A) who, being required to sign, prepare or file reports under section 101 or 102, willfully refuses to comply with any of the provisions of such section, or (B) who has been tried and finally convicted of a crime under any of the provisions of this act.

(b) The provisions of subsection (a) shall not be applicable to any labor union until the termination of 60 days from the date of such refusal to file or such final conviction. Any labor union to which the provisions of this section become applicable is empowered to remove from office or employment, any officer or employee referred to in subsection (a) notwithstanding any provision in its constitution, bylaws, or governing rules or regulations to the contrary.

TITLE II—TRUSTEESHIPS

SEC. 201. (a) Every national or international labor union which has or assumes trusteeship over any subordinate body shall file with the Secretary within 30 days after date of the enactment of this title or the imposition of any such trusteeship and semiannually thereafter a report, signed by its president and secretary or other principal officers, containing the following information: (A) the name and address of the subordinate body; (B) the date of establishing the trusteeship; (C) a detailed statement of the reason or reasons for establishing or continuing the trusteeship; (D) the nature and extent of participation by the membership of the subordinate body in the selection of delegates to represent such body in regular or special conventions or other policy-determining bodies and in the election of officers of such national or international labor unions.

(b) The provisions of section 109 of title I shall be applicable to reports filed under this title.

(c) Any person who willfully violates or fails to comply with any provision of this section or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

SEC. 202. Trusteeships shall be established and administered by a national or international labor union over a subordinate body only in accordance with the constitution of such labor union and for the purposes of correcting corruption or financial malpractice, assuring the performance of the duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objectives thereof.

SEC. 203. (a) During a period when a subordinate body of a labor union is in trusteeship, it shall be unlawful (1) to count the vote of delegates from such body in any convention or election of officers of the labor union unless the delegates have been chosen by secret ballot in which all the members in good standing of such subordinate body were eligible to participate or (2) to transfer to such labor union any current receipts or other funds of the subordinate body or the trustee except the normal per capita tax and assessments payable by subordinate bodies not in trusteeship: *Provided*, That nothing herein contained shall prevent the distribution of the assets of a labor union in accordance with its charter or constitution and bylaws upon the bona fide dissolution thereof.

(b) Any person who shall violate the provisions of this section shall be fined not more than $10,000 or imprisoned not more than 1 year or both.

SEC. 204. (a) Upon the written complaint of any member or subordinate body of a labor union alleging that such organization has violated the provisions of sections 201, 202, or 203, the Secretary shall investigate the complaint and if the Secretary finds probable cause to believe that such violation has occurred and has not been remedied he shall, without disclosing the identity of the complainant, bring civil action in any district court of the United States having jurisdiction of the labor union to prevent and restrain such violation and for such other relief as may be appropriate.

(b) For the purpose of actions under this section district courts of the United States shall be deemed to have jurisdiction of a labor union, (1) in the district in which such union maintains its principal office, or (2) in any district in which its duly authorized officers or agents are engaged in conducting the affairs of the trusteeship. Such union may be sued as an entity. The service of summons, subpena, or other legal process of any court of the United States upon an officer or agent of a labor union, in his capacity as such, shall constitute service upon the labor union.

(c) In any proceeding pursuant to this section a trusteeship established by a labor union in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified by the executive board of the labor union after a fair hearing shall be presumed valid for a period of 18 months from the date of its establishment and shall not be subject to attack during such period except upon proof that the trusteeship was not established in good faith for a purpose allowable under section 202. After the expiration of 18 months the trusteeship shall be presumed invalid unless the labor union shall show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 202.

SEC. 205. The Secretary shall submit to the Congress at the expiration of 3 years from the date of enactment of this act a report upon the operation of this title.

SEC. 206. Nothing contained in this title shall be deemed to authorize any suit in any court of the United States except upon complaint of the Secretary. The rights and remedies provided by this title shall be in addition to any and all other rights and remedies at law or in equity: *Provided*, That upon the filing of a complaint by the Secretary the jurisdiction of the district court over such trusteeship shall be exclusive and the final judgment shall be res judicata.

TITLE III—DEMOCRATIC RIGHTS OF UNION MEMBERS AND EMPLOYEES RECALL OF OFFICERS

SEC. 301. (a) Upon the filing with the Board of a petition therefor signed by at least 20 percent of the members of a labor union, the Board shall conduct an election at which the members of such labor union shall be entitled to vote by secret ballot on the question of recalling any elected officer or officers of such labor union named in such petition. If a majority of the members voting in such election vote to recall any officer named in the petition, the Board shall declare the office held by such officer to be vacant. Not more than one election for the recall of the holder of any one office shall be held under this section in any 12-month period.

(b) Upon the filing with the Board of a charge alleging that an individual who has been recalled under subsection (a) as an officer of a labor union is serving as such officer (other than pursuant to a subsequent election to such office), the Board shall proceed in accordance with section 303 to consider the matter and if it determines such allegation to be true it shall enter an order directing the labor union to remove such individual from such office.

Initiative and referendum on internal affairs

SEC. 302. (a) Upon the filing with the Board of a petition therefor signed by at least 20 percent of the members of a labor union, the Board shall conduct a referendum at which the members of such labor union shall be entitled to vote on the question of whether they favor any proposal specified in such petition to amend, modify, revise, or repeal any provision of the constitution, bylaws, or other governing rules or regulations of such labor union.

(b) Upon the filing with the Board of a charge alleging that a labor union or its officers have failed to carry out any proposal favored by a majority of the members voting in a referendum conducted under this section, or are carrying out any proposal disapproved by a majority of the members voting in such referendum, or are otherwise disregarding, or failing to comply with or give effect to, the wishes of the majority as disclosed by the results of the vote in such referendum, the Board shall proceed in accordance with section 303 to consider the matter and if it determines such allegations to be true it shall enter an appropriate order directing the labor union and its officers to carry out any proposal favored by such majority, to refrain from carrying out any proposal disapproved by such majority, or otherwise to comply with or give effect to the wishes of such majority as disclosed by the results of the vote. The order of the Board may include provisions directing the labor union or its officers to make such restitution of rights or property as may be necessary to effectuate the objectives of any proposal favored by such majority.

(c) Not more than one referendum shall be conducted under subsection (a) during any 18-month period.

Procedure

SEC. 303. (a) A charge under section 301 (b) or 302 (b) may be filed by a member or group of members of a labor union, or by any individual or organization acting in behalf of such labor union, except that no such petition may be filed by any employer of such employees or by an organization with which any such employer is affiliated. Upon the filing of such a charge, the Board shall conduct an investigation and if it finds evidence to support the allegations in the charge it shall proceed in the same manner as in the case of an unfair-labor-practice charge under the National Labor Relations Act, as amended, and the appropriate provisions of subsections (b) to (j), inclusive, of section 10 of such act shall apply to such proceeding.

(b) Elections and referendums provided for in sections 301 (a) and 302 (a) shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such elections or referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such elections or referendums.

Protection of members

SEC. 304. (a) Upon the filing with the Board by any member of a labor union of a charge alleging that such member has been deprived, in violation of the provisions of the constitution, charter, bylaws, or other governing rules or regulations of the labor union, of his right to vote in any election conducted by such labor union or in any referendum conducted under sections 301 or 302, the Board shall conduct an investigation and if it finds prima facie evidence of the truth of such allegations it shall proceed in the same manner as in the case of an unfair labor practice charge under the National Labor Relations Act, as amended, and the provisions of subsections (b) to (j), inclusive, of section 10 of such act shall apply to such proceeding. If, after hearing, the Board finds that the voting rights of such member have been denied in violation of the provisions of such constitution, charter, bylaws, rules, or regulations, it shall order the labor union to cease and desist from such wrongful action, and, if the election was conducted by the labor union and the wrongful action could affect the results of the election, shall invalidate such election or, in the case of a referendum conducted by the Board under sections 301 or 302, shall set aside such referendum if the result thereof was unfavorable to the charging party.

(b) Nothing contained in this section shall be construed to supersede or modify in any way the provisions of any law of any State or Territory, or to prevent any person from exercising any right which he may have under any such law.

Collective-bargaining-agreement provision waiving right to strike

SEC. 305. No provision or provisions in a collective-bargaining agreement waiving or canceling the union members' right to strike shall be valid or effective unless such provision or provisions shall have been approved by a majority of the members of the labor union in the unit covered by the contract, voting by secret ballot in a referendum held for such purpose by the labor union.

Sanctions and penalties

SEC. 306. (a) Whenever the Board shall determine that any individual—

(1) knowingly serves as an officer of a labor union after having been recalled from service as such officer under section 301 (other than an individual who subsequent to such recall is duly reelected to the office from which he was recalled);

(2) who, being an officer of a labor union and having responsibility with respect to any proposal voted on at a referendum conducted under section 302, willfully fails to carry out or to participate in carrying out a proposal favored by a majority of those voting in such referendum, willfully carries out, or participates in carrying out, a proposal disapproved by a majority of those voting in such referendum, or otherwise willfully disregards or fails to comply with or give effect to the wishes of such majority as disclosed by the vote in such referendum, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not exceeding $1,000 or by imprisonment for not exceeding 1 year, or both.

(b) Any individual, group, or organization which willfully restrains or coerces any employee or member of a labor union seeking to initiate or participate in any of the procedures or activities set forth in the foregoing provisions of this title shall be guilty of a felony and upon conviction thereof shall be punished by a fine not to exceed $10,000 or by imprisonment for not to exceed 5 years or both.

TITLE IV—AMENDMENTS TO THE LABOR MANAGEMENT RELATIONS ACT, 1947, AS AMENDED

SEC. 401. Section 9 (c) (3) of the National Labor Relations Act, as amended, is amended by inserting before the period at the end of the second sentence thereof a colon and the following: "*Provided*, That, in any lawful strike in which recognition was not the issue when the strike began, no petition for an election filed by an employer pursuant to subsection (c) (1) (B) shall be entertained prior to the termination of such strike as determined by the Board or the expiration of 1 year from the commencement of such strike, whichever occurs sooner, nor shall any petition for an election filed pursuant to subsection (c) (1) (A) by a person other than the bargaining representative which called the strike be entertained prior to the termination of such strike as determined by the Board or prior to the expiration of 6 months from the commencement of such strike, whichever occurs sooner.

SEC. 402. Sections 9 (f), (g), and (h) of such act are hereby repealed.

SEC. 403. Section 14 of such act is amended by adding a new subsection "(c)" as follows:

"(c) Nothing in this act shall be deemed to prevent or bar any agency or the courts of any State or Territory from assuming and asserting jurisdiction over labor disputes or classes of labor disputes over which the Board, by rule or otherwise, has declined to assert jurisdiction."

SEC. 404. (a) Section 302 of the Labor-Management Relations Act, 1947, as amended, is hereby amended by striking out all of subsections (a) and (b) and substituting in lieu thereof the following:

"(a) It shall be unlawful for any employer, or any agent or representative of such employer, directly or indirectly—

"(1) to pay or deliver or agree to pay or deliver, any money or other thing of value to any person who is a representative of any employees who are employed in an industry affecting commerce in his capacity as such representative; or

"(2) to pay or deliver, or agree to pay or deliver, any money or other thing of value (except money or other thing of value payable by an employer to an employee as compensation for, or by reason of, his regular services as an employee of such employer) to any of his employees who are employed in any industry affecting commerce or any group or committee of such employees for the purpose of causing or enabling such employee or group or committee of employees to influence any other employee of such employer in the exercise of any right secured to employees by section 7 of this act.

"(b) It shall be unlawful for any person to receive or accept, or to agree to receive or accept, any payment or delivery of money or other thing of value prohibited by paragraph (1) of subsection (a)."

(b) Subsection (c) of such section is amended by striking out the word "or" preceding clause (5), by striking out the period at the end thereof and inserting a semicolon in lieu thereof, and by adding thereto the following: "or (6) with respect to money or other thing of value paid to a trust fund established for the purpose of defraying the costs of an apprenticeship or other training program for employees: *Provided*, That the requirements of clause (B) of the proviso to clause (5) of this subsection shall apply to such trust funds."

SEC. 405. Section 8 (b) (4) of the National Labor Relations Act, as amended, is amended to read as follows:

"(4) (i) to engage in, or to induce or encourage any individual employed by any person engaged in commerce or in an industry affecting commerce to engage in, a strike or a refusal in the course of his employment to use, manufacture, process, transport, or otherwise handle or work on any goods, articles, materials, or commodities, or to perform any services; or

"(ii) To threaten, coerce, or restrain any person engaged in commerce or in an industry affecting commerce, where an object thereof is (A) forcing or requiring any employer or self-employed person to join any labor organization or employer organization; (B) forcing or requiring any person to cease, or to agree to cease, using, selling, handling, transporting, or otherwise dealing in the products of any other producer, processor, or manufacturer, or to cease, or to agree to cease doing business with any other person, or forcing or requiring any other employer to recognize or bargain with a labor organization as the representative of his employees, unless such labor organization has been certified as the representative of such employees under the provisions of section 9; (C) forcing or requiring any employer to recognize or bargain with a particular labor organization as the representative of his employees if another labor organization has been certified as the representative of such employees under the provisions of section 9; (D) forcing or requiring any employer to assign particular work to employees in a particular labor organization or in a particular trade, craft, or class rather than to employees in another labor organization or in another trade, craft, or class, unless such employer is failing to conform to an order or certification of the Board determining the bargaining representative for employees performing such work: *Provided*, That nothing contained in this subsection (b) shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under this act: *Provided further*, That nothing contained in clause (B) of this paragraph (4) shall be construed to make unlawful where not otherwise unlawful any strike against, or refusal to perform services for, any person who has contracted or agreed with an employer to perform for such employer work which he is unable to perform because his employees are engaged in a strike not unlawful under this act."

SEC. 406. Section 9 (c) of such act is amended—by adding at the end of paragraph (2) a new sentence as follows: "Whenever a petition shall have been filed pursuant to the provisions of paragraph (1) (A) of this section the Board, in determining whether a question of representation affecting commerce exists, shall ignore the existence of any collective bargaining agreement covering the bargaining unit for which the petition was filed, and such agreement shall not constitute a bar to the processing of such petition, or to the holding of an election, or to any certification or decertification resulting from such election, except that regardless of the results of such election, the terms and conditions of such existing collective bargaining agreement shall continue in full force and effect so far as practicable until the expiration date of such agreement unless modified or terminated by mutual consent of all who remain affected by the agreement."

SEC. 407. Section 8 (b) of such act is amended by adding the following new paragraph preceding the period at the end thereof:

"(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed any employer, where an object thereof is—

"(A) causing or attempting to cause any employer to interfere with his employees' right to select or refrain from selecting a collective bargaining representative as set forth in sections 7 and 9;

"(B) causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3)."

SEC. 408. Section 303 (a) of the Labor-Management Relations Act, 1947, is amended to read as follows:

"(a) It shall be unlawful, for the purpose of this section only, in an industry or activity affecting commerce, for any labor organization to engage in any activity or conduct defined as an unfair labor practice in section 8 (b) (4) of the National Labor Relations Act, as amended. Nothing contained in this subsection shall be construed to make unlawful a refusal by any person to enter upon the premises of any employer (other than his own employer), if the employees of such employer are engaged in a strike ratified or approved by a representative of such employees whom such employer is required to recognize under the National Labor Relations Act, as amended."

SEC. 409. No provision of this title shall be deemed to make an unfair labor practice of any act which was performed prior to the date of the enactment of this title which did not constitute an unfair labor practice prior thereto.

SEC. 410. The provisions of this act shall take effect 60 days after the date of their enactment.

TRANSPORTATION OF MAIL BY MOTOR VEHICLE CARRIERS

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, a bill to authorize the Postmaster General to provide for the transportation of mail, and for services in connection therewith by motor vehicle carriers. I realize it is late in the session for proposed legislation, but I hope this particular measure can be the subject of hearings some time during the remainder of this session.

Passenger train service, which is used for mail transportation, is rapidly declining. The day is not too far off when it will become necessary to provide a substitute service for the declining passenger train schedules. This bill would, if enacted, require common carriers, other than rail, upon request by the Postmaster General, to perform mail transportation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3960) to authorize the Postmaster General to provide for the transportation of mail, and for services in connection therewith by motor vehicle carriers, introduced by Mr. CHURCH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

PROCESSES AND PROCEDURES IN ELECTIONS OF OFFICERS OF LABOR ORGANIZATIONS

Mr. MUNDT. Mr. President, late last night I submitted an amendment to the bill (S. 3045) to strengthen democratic processes and procedures in elections of officers of labor organizations, and for other purposes, which is now before the Senate Committee on Labor and Public Welfare. Since then a number of my colleagues have suggested that perhaps the proposed amendment should be printed in the RECORD, inasmuch as the Senate will be dealing with proposed labor legislation next week. I therefore

ask unanimous consent to have the proposed amendment printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 9 of the National Labor Relations Act, as amended, is amended, by adding at the end thereof new subsections as follows:

"(i) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless there is on file with the Board an affidavit executed contemporaneously or within the preceding 12-month period by such labor organization and any national or international labor organization of which it is an affiliate or constituent unit declaring that the constitution or bylaws of such labor organization and of any national or international labor organization of which it is an affiliate or constituent unit—

"(1) provide for the election of their respective officers by the members under a system or systems which include (A) procedures for nominating opposing candidates for each office under a party or other system which will afford members of the labor organization an opportunity to participate in the selection of candidates, (B) use of the secret ballot for all voting in any such election, and (C) the supervision of such elections, the counting and tabulation of the votes in such election and the certification of the results thereof by a membership election board which represents all factions in contest in such election and which is composed of individuals none of whom are, at the time they are serving on such board, candidates for office in such election or officers or employees of the labor organization conducting the officer election or of any national or international labor organization of which it is an affiliate or constituent unit;

"(2) provide for the self-government of any constituent unit including control over internal management, financial affairs, elections, strike votes, handling of employee grievances and collective bargaining and provide, in any cases in which provision is made for the suspension or modification of the rights of self-government of any constituent unit for disciplinary or other reasons, for the restitution of such rights, including the handling of employee grievances and collective bargaining, within 90 days following a request therefor by such constituent unit authorized by majority vote of the members thereof taken by secret ballot;

"(3) provide, that no authorized strike shall be called except upon approval of a majority of the employees in the affected unit voting by a secret ballot in accordance with the following:

"(A) No strike ballot shall be taken until there shall have elapsed (i) a period of 20 days during which the labor organization shall have made all reasonable efforts to settle the dispute by means of collective bargaining, and (ii) an additional period of 20 days to enable the parties to the dispute to explain fully their respective positions to the employees involved in the dispute and to the public;

"(B) Any such strike ballot shall be conducted by an election committee consisting of 1 member selected by the labor organization, 1 member selected by the employer, and a 3d member selected by such members. a third member selected by such members, within 5 days after having been requested by the labor organization in writing to do so, such member shall be selected by the National Labor Relations Board. If the member selected by the employer or the Board and the member selected by the labor organization are unable to agree within 5 days upon the selection of the third member, such third member shall be selected by the National Labor Relations Board;

"(C) The election committee shall promptly prepare and distribute ballots by first-class mail to all employes in the bargaining unit involved in the labor dispute with appropriate instructions and envelopes to enable such employees to execute and return the ballots, addressed to a designated post office box accessible only to the elections committee as a body, in such manner that the signature of the voter will appear on the outer envelope for the purpose of determining his eligibility in case of dispute;

"(D) The election committee shall process and count the ballots in such manner that the identity of the individual casting a particular ballot will be unknown to the committee or to any other person, and after the votes have been tabulated shall certify the results of the election to the parties to the dispute; and

"(E) If a majority of the employees voting in such election vote to authorize a strike, such strike may be ordered or authorized by the labor organization, but only after the expiration of a period of 20 days during which such labor organization shall have again made all reasonable efforts to settle the dispute by collective bargaining and not later than 80 days following the date upon which such strike was authorized, without further compliance with the requirements of this paragraph (3).

"(j) Upon the filing of a petition in writing signed by not less than 10 percent of the members of a labor organization or a petition signed by any member of the election board described in subsection (i) (1) (C) of this section alleging that an election of officers of the labor organization, of which the petitioners are members, was conducted in contravention of the provisions contained in subsection (i) (1) of this section, the Board shall then proceed under the investigatory powers granted in this act to consider the matter, and if the Board determines the allegations to be true, the Board shall order vacated any and all offices filed by such election which the Board determines might reasonably have been affected by the contravention of such provisions. Following any order by the Board to vacate any office in accordance with the provisions of this section, the Board shall, within 60 days following the issuance of such an order to vacate, conduct and supervise an election to fill the vacancy in accordance with subsection (i) (1) (A) and (B) of this section and certify the results thereof. Any labor organization which, within 20 days, fails to comply with an order of the Board to vacate an office in accordance with the provisions of this section or with a certification of election results by the Board in accordance with the provisions of this subsection shall, during the period of noncompliance, be ineligible for certification by the Board as the exclusive representative of any group of employees for collective bargaining purposes, and no investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by such labor organization under subsection (c) of this section during the period of noncompliance, nor shall any complaint be issued pursuant to a charge made by such labor organization under subsection (b) of section 10 during the period of noncompliance.

"(k) Upon the filing of a petition in writing signed by not less than 10 percent of all of the employees of a bargaining unit or a petition signed by not less than two of the members of the election committee described in subsection (i) (3) (B) of this section, alleging that a strike has been called in contravention of the provisions of subsection (i) (3) of this section, the Board shall then proceed under the investigatory powers granted in this act to consider this matter, and if the Board determines the allegations to be true, the Board will issue an order declaring that such strike was called without proper authority and instructing the bargaining unit involved to immediately comply with the provisions contained in subsection (i) (3) of this section. Any labor organization which, within 5 days, fails to comply with any order issued by the Board in accordance with the provisions of this subsection shall, during the period of noncompliance, be ineligible for certification by the Board as the exclusive representative of any group of employees, for collective-bargaining purposes, and no investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by such labor organization under subsection (c) of this section during the period of noncompliance, nor shall any complaint be issued pursuant to a charge made by such labor organization under subsection (b) of section 10 during the period of noncompliance."

SEC. 2. (a) No labor organization which, during any taxable year which begins after the date of enactment of this act, fails to comply with any order of the National Labor Relations Board issued under subsection (j) or (k) of section 9 of the National Labor Relations Act, within the time limits prescribed by such subsection (j) or (k), as the case may be, shall be entitled to exemption from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954 for such taxable year.

(b) The tax payable under the Federal income-tax laws for any taxable year by a labor organization which has lost its Federal income-tax exemption under paragraph (a) for such year shall be reduced by an amount which bears the same ratio to the amount otherwise payable as the number of days in such taxable year for which there was not any failure by such labor organization to comply with any order issued by the National Labor Relations Board under subsection (j) or (k) of section 9 of the National Labor Relations Act bears to the total number of days in such taxable year.

Mr. MUNDT. Briefly, what the amendment does is to apply the secret ballot to 3 of the big problem areas of labor, especially the 3 elements brought out in the first of the long hearings before the McClellan committee, which are still underway.

The first deals with the election of union officials. On that point, I understand that the legislative committee, the Senate Committee on Labor and Public Welfare, is rapidly reaching a meeting of minds.

The second deals with the difficult problem of administratorships or trusteeships. How is a union to be brought out of trusteeships once it has been put in? My amendment provides for utilization of the secret ballot, so that union members will have something to say about how unions shall be placed in trusteeship, and under what terms they shall come out.

The third problem is one which the newspapers report the Senate Committee on Labor and Public Welfare has not yet handled. I refer to the problem of giving the members the right to a secret ballot to determine whether or not to put their livelihood on the block by a strike.

This amendment provides a workable mechanism, I believe, modeled somewhat after the Railroad Labor Act, whereby the workingmen will not have to be the tools and pawns of bargaining agents and labor leaders, but will themselves have the right to determine when to strike.

The amendment provides for a cooling-off period before the strike is called and, incidentally, provides for a 20-day period after the strike has been called, before the strike can be implemented, so that the bargaining agents and labor leaders, with that weapon in their arsenal, can approach the employer with full knowledge that, by secret ballot, the union members have voted to strike.

It provides, finally, that if a strike has been ordered, it must be either called off or implemented within 80 days. Once it has been ordered, it cannot be held as a sword hanging indefinitely over the economy of this counrty.

Mr. President, I hope that all Members of the Senate will take the time to read the proposed legislation, which has evolved out of the hearings, and about which there has been a great deal of consultation among labor leaders and labor experts and technicians.

It seems to me, as we face our responsibility to deal with these problems in a week or two, we should try to be sure that the job we do is enduring, constructive, and comprehensive enough to achieve the purposes for which it is intended.

EQUITY CAPITAL AND LONG-TERM CREDIT FOR SMALL-BUSINESS CONCERNS—AMENDMENTS

Mr. CAPEHART. Mr. President, I submit a series of amendments to Senate bill 3651, to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes. I ask that the amendments and statements explaining the amendments be printed in the body of the RECORD so that each Member will know exactly what the amendments are.

The PRESIDENT pro tempore. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and explanatory statements will be printed in the RECORD.

The amendments and explanatory statements presented by Mr. CAPEHART are as follows:

On page 38, delete line 19, and insert in lieu thereof the word "Administrator."

On page 39, delete from lines 3 and 5 the words "in him"; insert in line 4 after "Administrator" the words "and the Administration"; delete from line 6 the words and numbers "sections 205 and 206 of"; and, in line 7 replace the period with a comma and add, "and the provisions of sections 209 and 219 of that act, insofar as applicable, are extended to apply to the functions of the Administrator and the Administration under this act."

The statement accompanying amendment No. 1 is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENT 1

(a) This amendment would authorize the Administrator to appoint the additional Deputy Administrator, just as the other deputy administrators are appointed; in lieu of an appointment by the President with the consent of the Senate, as required by the captioned bill. Such amendment is recommended in the interest of good administration and to give such deputy a status equal to that of the existing three deputy administrators, who are not Presidential appointees.

(b) This amendment would make clear the intention to grant to and impose upon the Administrator and the Administration, in connection with the administration and performance of the functions, powers, and duties vested by the captioned bill; all the functions, powers, and duties necessary and appropriate to such administration and performance, and which are granted and imposed in connection with the administration and performance of the functions, powers, and duties vested by the Small Business Act of 1953. For instance, in addition to the functions, powers, and duties set forth in sections 205 and 206 of the Small Business Act of 1953, it should be clear that in the performance of functions under the captioned bill, the Administration and borrowers are subject to the limitations, criminal penalties, and other procedural requirements of the Small Business Act without repeating such provisions in this act. For instance, this amendment applies the provisions of sections 209 and 219 of the Small Business Act of 1953 (dealing with false statements, embezzlement, loan expediters, and employment by borrowers of Administration personnel) to the functions under the captioned bill.

On pages 39, 40, and 41, delete subsections 202 (a) and (b) and Sec. 203; and identify subsection 202 (c) as subsection "(b)"; and insert the following substitutional heading (for Sec. 202) and subsection 202 (a):

"PROVISION AND PURPOSES OF FUNDS

"SEC. 202. (a) Subsection (b) of section 204 of the Small Business Act of 1953 is hereby amended as follows:

"(1) The figure '$530,000,000' shall be deleted wherever it appears in such subsection and in lieu thereof there shall be substituted the figure '$750,000,000.'

"(2) The word and reference 'and (b) (3)' at the end of the fourth sentence in such subsection shall be deleted and in lieu thereof there shall be substituted the following references, words and punctuation: '(b) (3), and in the exercise of functions of the Administration under the Small Business Investment Act of 1958.'

"(3) The figure '$305,000,000' appearing in the fifth sentence in such subsection shall be deleted and in lieu thereof there shall be substituted the figure '$525,000,000.' Further, the period at the end of such sentence shall be deleted and there shall be inserted the following additional reference: 'and in the exercise of functions of the Administration under the Small Business Investment Act of 1958'."

The statement accompanying amendment No. 2 presented by Mr. CAPEHART is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENT 2

This amendment would provide funds for the program authorized under the bill, by appropriations to the existing revolving fund established under the Small Business Act of 1953; and thus would maintain uniformity in Administration financing.

On page 37, delete subsection 103 (a) (3) and insert in lieu thereof, the following:

"(3) The terms 'small business investment companies'; 'company'; 'small business investment company'; 'company organized under this act'; mean a small business investment company or companies, chartered under State laws for the purpose of operating under this act and authorized by the administration, as provided in title III, to operate under this act";

On page 38, delete subsection 103 (a) (6).

On page 41, delete the word "Organization" from the subtitle to section 301, and insert in lieu thereof, the word "Qualification."

On page 41, delete subsection 301 (a), and insert in lieu thereof, the following:

"SEC. 301. (a) Small business investment companies formed by any number of persons, not less than 10, chartered under State laws for the purpose of operating under this act, may be authorized by the Administration to operate under this act."

On page 42, delete the last sentence of subsection 301 (b).

On pages 42 and 43, delete all of subsection 301 (c) and the initial portion of subsection 301 (d) to and including subparagraph "(2)" thereof; and insert in lieu thereof the following:

"(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration. In determining whether to authorize such a company to operate under this act, the Administration shall give due regard, among other things, to the need for the financing of small-business concerns in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Administration may in its discretion grant authority to such a company to operate under this act.

"(d) Prior to the grant of such authority, the company must have power—

"(1) to adopt and use a corporate seal;

"(2) to have succession for a period of 30 years."

On page 44, delete subsection 301 (e).

On page 54, delete from lines 12 and 13, in the second sentence of subsection 309 (d), the following words and punctuation: "company shall be declared dissolved, or its rights, privileges, and franchises forfeited,"; and insert in lieu thereof, the following word and punctuation: "forfeiture,".

On page 55, delete subsection 309 (f).

On page 56, delete section 310, including its subtitle.

On pages 56, 57, and 58, delete all of title IV.

The statement accompanying amendment No. 3 presented by Mr. CAPEHART, is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENT 3

This amendment provides all the modifications of the bill, which are necessary and appropriate in order to eliminate any authority in the administration to charter small-business investment companies; and thus require all such companies operating under the subject act to be incorporated under State laws. The chartering of such companies by the Administration is not recommended, and further, requiring State incorporation should stimulate action by the States to provide laws which facilitate and encourage use of the benefits provided by the captioned bill.

On page 44, delete subsection 302 (a), and insert in lieu thereof, the following:

"SEC. 302. (a) Each company organized under this act shall have a paid-in capital and surplus equal to at least $150,000 before it shall commence business. In order to facilitate the formation of small-business investment companies, the Administration is hereby authorized, notwithstanding any other provisions of law, to purchase the debentures

of any such company, with maturities of not more than 20 years, in an amount equal to not more than the paid-in capital and surplus of the company. Any debentures purchased by the Administration under this subsection shall be subordinate to any other debenture bonds, promissory notes, or other obligations of such company to its creditors, to the extent prescribed by the Administrator."

On page 45, line 23, in the first sentence of subsection 3030 (b), insert after the word "obligations", the following words and punctuation: ", with maturities of not more than 10 years but extendible or renewable by the Administration for additional periods not exceeding 10 years,"; and on page 46, line 2, insert after the word "subsection", the following words and reference: "and subsection 302 (a)", and, insert after the word "exceed", the words: "two times", and, in both lines 2 and 3, delete the figure and words; "50 percent of."

The statement accompanying amendment No. 4, presented by Mr. CAPEHART is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENT 4

This amendment provides the following modifications of the captioned bill:

(a) reduces the stated minimum paid-in capital and surplus from $300,000 to $150,000, without any reduction in the required private capital investment in a qualified small-business investment company, and provides an inducement for additional private capital, by virtue of a matching with Government subordinated loans.

(b) the term of administration subordinated debenture loans is limited to 20 years; thus providing a maturity for such loans, sufficient in time to allow ultimate replacement thereof with private funds or earnings.

(c) The captioned bill requires an indefinite subordination of the Government's loan and no provision for administrative control for repayment of funds is provided in the bill. Under the proposed amendments, the extent to which Government loans will be subordinated will be determined by the Administrator.

(d) subordinated loans are not identified as "capital and surplus."

(e) a specific limitation upon the maturities of unsubordinated loans is provided, and the extent of financial assistance by the Government is based upon the amount of subordinated as well as the amount of unsubordinated loans, up to twice the paid-in capital and surplus of the company.

On page 46, line 6, delete from subsection 304 (a) the words "a primary", and insert in lieu thereof, the words: "the sole."

On page 47, insert the following as subsection 304 (e):

"(e) The amount of investment of a company in the stock of small-business concerns, acquired by conversion of debentures, shall not exceed the total paid-in capital and surplus of the company, except with the approval of the Administrator."

On pages 47 and 48, delete section 305, including its subtitle.

The statement accompanying amendment No. 5, presented by Mr. CAPEHART is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENTS

This amendment eliminates the authority of investment companies to make long-term loans to small-business concerns and thus confines the activities of such companies to the business of providing equity capital for small-business concerns through the purchase of convertible debenture bonds issued by such concerns. Further, without approval from the Administrator, the amount of stock of a small-business concern acquired and held by an investment company, is limited to the capital and surplus of the company.

A lending authority for investment companies is neither necessary nor appropriate to the functions of such companies, and, in fact, tends to weaken their basic purpose of providing equity capital for small business concerns.

Controlling the stock holdings of investment companies furthers the desirable principle of confining the use of Government funds to debt obligations.

On page 58, delete all of section 501, and insert in lieu thereof, the following:

"SEC. 501. The Administration is empowered to make loans to State development corporations, which shall be evidenced by debentures, promissory notes, or other obligations containing such conditions and in such form as may be approved by the Administration, subject to the following limitations:

"(1) Any funds loaned to a development corporation under this subsection must be used solely for the purpose of assisting small-business concerns and in accordance with regulations promulgated by the Administration.

"(2) No loans including extensions or renewals thereof may be made by the Administration for a period or periods exceeding 10 years except that any loan made for the purposes of constructing facilities may have a maturity of 10 years plus such additional period as is estimated may be required to complete such construction: *Provided*, That the Administration may extend the maturity of or renew any loan made pursuant to this subsection beyond the period stated for additional periods not to exceed 10 years.

"(3) Loans made by the Administration under this subsection to each State development corporation shall not exceed the total amount borrowed by it from all other sources.

"(4) The Administration shall require, to the extent feasible, that the funds borrowed under this subsection shall be treated pari passu with those funds borrowed by the State development corporations, regardless of source, having the highest priority."

On page 60, lines 4 and 5, delete from the end of the first sentence of paragraph (5) of section 502, the following punctuation and words: ", if such extension or renewal will aid in the orderly liquidation of such loan."

The statement accompanying amendment No. 6, presented by Mr. CAPEHART is as follows:

PURPOSE OF AND COMMENTS UPON AMENDMENT 6

This amendment eliminates authority for the Administration to make unsecured loans to local development companies; establishes a maximum maturity for unsecured Administration loans to State development companies; and, provides that, to the extent feasible, Administration loans to State development companies must be given the highest priority given any other funds borrowed by the development company. Further, extensions or renewals of secured loans to State or local development companies can be made, regardless of whether such extension or renewal aids the orderly liquidation of the loan.

Such provisions supply protection for Government funds employed in unsecured loans; but allow greater flexibility in dealing with the term of secured loans.

STABILIZATION PAYMENTS TO PRODUCERS OF CERTAIN ORES—AMENDMENTS

Mr. MURRAY submitted amendments, intended to be proposed by him, to the bill (S. 3892) to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines by providing for stabilization payments to producers of ores or concentrates of these commodities, which were referred to the Committee on Interior and Insular Affairs, and ordered to be printed.

AUTHORIZATION FOR CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mrs. SMITH of Maine submitted an amendment, intended to be proposed by her, to the bill (S. 3910) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENT OF COMMERCE APPROPRIATION BILL

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely: Page 5, line 14, insert the following: "*Provided further*, That the Administrator is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place 10 general schedule positions in the following grades: 1 in grade GS–18, 2 in grade GS–17, and 7 in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said act."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 12540, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. HOLLAND submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, the following amendment; namely, page 27, line 25, insert the following: "*Provided*, That the Chairman is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place 10 general schedule positions in the following grades: 1 in grade GS–18, 2 in grade GS–17, and 7 in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said act."

Mr. HOLLAND also submitted an amendment, intended to be proposed by him, to House bill 12540, making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

COMMISSION TO INVESTIGATE GOLD MINING INDUSTRY—AMENDMENTS

Mr. MURRAY submitted amendments, intended to be proposed by him, to the concurrent resolution (S. Con. Res. 91) to establish a commission to investigate the gold mining industry, which were referred to the Committee on Rules and Administration, and ordered to be printed.

PRINTING AS A SENATE DOCUMENT SECTION 12, AN EXTRACT OF SENATE REPORT 1477 (S. DOC. NO. 104)

Mr. BUTLER. Mr. President, I ask unanimous consent that section 12, an extract from Senate Report No. 1477 of the 85th Congress, being a report on legislative problems from the Subcommittee To Investigate the Administration of the Internal Security Act and Other Security Laws, of the Committee on the Judiciary, be printed as a Senate document.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

Address delivered by Senator SMATHERS on June 4, 1958, to the annual convention of the National Association of Retired Civilian Employees, in Washington, D. C.

By Mr. KEFAUVER:

Address delivered by him before Rotary Club of Memphis, Tenn.

By Mr. WILEY:

Statement by him and article written by James P. Reston and published in the New York Times of June 5, 1958, relating to the mutual security program.

By Mr. MARTIN of Iowa:

Statement made by Secretary of Agriculture Benson on June 5, 1958, before the Subcommittee on Reorganization of the Senate Committee on Government Operations.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been received and are now pending before the Committee on the Judiciary:

Kenner Wilburn Greer, of Oklahoma, to be United States marshal for the western district of Oklahoma, for a term of 4 years.

Harry Richards, of Missouri, to be United States attorney, for the eastern district of Missouri, for a term of 4 years.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, June 13, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

OUR DEFENSE POLICIES RECONSIDERED—III—ORGANIZING THE ATOMIC STALEMATE

Mr. FLANDERS. Mr. President, I ask unanimous consent to address the Senate for not more than 10 minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, in the first of this series of talks I admitted that since the first of them was delivered, 3 years ago, changing conditions have led to some revision of the positions originally taken. There have also been some changes resulting from a broadening of outlook which comes as the scroll of history year after year is unrolled before our view.

A particular and most important example of change from this cause is to be found in our attitude toward the atomic stalemate, wherein the Western nations and the Soviet Government, both provided with the means of atomic destruction, refrain from letting it loose, since it would, if loosed, destroy both protagonists and most of the rest of the world besides. In view of this terrible prospect, both sides withhold the hand from the igniting mechanism.

With the eye fixed on the final objective of a world in which war is replaced by law, and national disarmament has become controlled, complete and universal, this atomic stalemate has seemed to be an ugly thing. The phrase "balance of terror" aptly describes it and, on the face of it, damns it as well. But, after all, should we condemn it? Does it not have its uses? Let us examine this stalemate from the viewpoint, firstly, of interim as against eventual purposes, and, secondly, of limited as against full-scale warfare.

We require an interim means of preserving the peace. As was set forth in my talks of May 7 to 14 inclusive, the attainment of world law and of effective disarmament of the nations will require years of intelligent effort. The outbreak of global war at any time during the years of that effort would end everything. There would be nothing left to work for. The atomic stalemate fends off the global catastrophe, and to that extent buys time for achieving the great purpose. Should we not then openly accept the overall balance of power or stalemate in terms of avoiding total global war? At the moment are we not emphasizing the horrors of its possible failure and failing to recognize the relative blessings of its current success?

Success in this stalemate has been achieved. Precious time is being bought. Let us not waste our time in bewailing the horrors of a break in the balance of power. Let us rather maintain it with all the resolution we can muster and concern ourselves rather with the constructive use of the time which the stalemate has brought us.

Our position in this balance of power is strong and must be maintained. An English military authority and personal friend, to whom I will make later reference, sums up our present situation in these words:

> Now I believe it to be an unquestionable military fact that, despite Russia's recent successes with her rockets and sputniks, America has at the moment—not a balance—but a great superiority over Russia in total global war capability. This is because, as yet, she possesses many more nuclear weapons, better techniques in delivering air attacks, and above all, a tremendous geographical advantage. Even though Russia may well catch up in weapons and techniques, this inherent factor of geography will always enable America to deliver weapons from bases three times as close to Russian vitals, as Russian bases can, in general, be to American vitals.
>
> Moreover, quite apart from these relative considerations, the power of these weapons is now becoming so great that the saturation point will soon be reached, at which relative factors no longer have much significance. The mere existence of a certain number of these weapons on each side—suitably concealed or dispersed as they soon can be—will be sufficient to make total war utterly repugnant to both.
>
> The final conclusion, therefore, which I hope you will come to, is that the second course of action which the West in general, and the Americans in particular, should take is to state openly that we are no longer interested in a neck-and-neck race in total war weapons, but only intend maintaining sufficient of these weapons, and keeping sufficiently up to date in them, to insure that any potential opponent will always do his utmost to avoid such a war. In other words, we should openly accept the stalemate or balance of power in terms of total war weapons, although still determined to maintain that stalemate.

From the words of my English friend, two considerations emerge. Of these the first is that the stalemate can be preserved by limited supplies of and expenditures for atomic armament. The limit is a fantastic one, but still it is a limit. All of this armament that is needed is enough to destroy anyone who attacks us. If we have this much, and the means of delivering it, what more do we need? A supply large enough to destroy an attacker, if delivered, would probably destroy our friends as well, and sweeping around the earth on the wings of the upper air currents would doubtless drop on us enough fatal fallout to end our own civilization as well. If we have enough for this, what more do we need?

What is our supply? Do we have enough to destroy enemies, friends, and ourselves? Mr. President, I suspect that we have. Then why not cut down on the tremendous expenses of preparing for a war which is more than global? Why should we arm on a planetary or astral scale?

There is an obscure passage in Proverbs which, in the King James version of the Bible reads: "The horseleech hath two daughters, crying, 'Give, give'." Apparently the veterinary sire was plagued by the limitless demands of his offspring. He would have been justified in exercising discrimination. Shall we not exercise discrimination in meeting military demands?

The first consideration is then that enough is enough and that more is too much. The second consideration is that our "enough" must be guarded and our freedom of action in relation to it must be preserved.

Mr. President, I have a deep fear that we are in danger of losing that freedom of action which the stalemate has given us. Unskillful, shortsighted, and emotional bargaining at a summit conference may lose us that balance of power on which present peace and future disarmament depend. Against this danger the State Department must be alert. The Congress of the United States must be alert. The people of the United States must be alert. All the governments and all the people of the Free World must be alert. "Eternal vigilance is the price of safety."

The atomic stalemate is then the means by which any purposeful atomic attack may be warded off. We now need not fear any such attack. The practical danger which we face is something quite different. We have been presented with a series of emergencies, leading to, or resulting in, small wars. We will have more of these emergencies in the future. They are a part of the cold war. They are not the whole of it, for economic and political action by the Soviet government is paying off very well indeed. Yet the probability of more small wars remains and must be guarded against.

A kiloton-hydrogen bomb is not the weapon to use in a limited conflict. Its use would initiate the global holocaust. We must by some other means establish a balance of power in limited as well as global conflict. To the solution of this problem I plan to address myself our next day in session.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, during the past few weeks, our colleague, the distinguished Senator from Vermont, has made several statements on the floor of the Senate in regard to our international problems, and I have been privileged to hear a number of them. I commend the Senator for his statement this morning, which he entitled "Organizing the Atomic Stalemate." This stalemate gives us some time to prepare and place ourselves in a position to live in what seems to be a most troubled world.

I commend the Senator for all his statements. I hope when he has completed this series of talks there will be some way we can have them combined into a volume, a book, or a brochure of some type, because I think the statements are something the country needs at this time. I personally thank the Senator for bringing them to my attention.

Mr. FLANDERS. I thank the Senator from Kansas. Let me say that I have available the first series, "not published at Government expense," and that the second series will be similarly available. I will make sure that the Senator receives copies.

Mr. SPARKMAN. Mr. President, will the Senator yield to me?

Mr. FLANDERS. I yield.

Mr. SPARKMAN. I wish to join my good friend the distinguished Senator from Kansas in expressing a word of appreciation and commendation to the Senator from Vermont for his very able presentation of these short messages dealing with some of the most important phases of our foreign policy.

I recall the series of addresses which the Senator from Vermont delivered at a previous session. They were very able, thoughtful, and helpful. I have found his current series to be likewise. I know of no one whose views on foreign policy, questions of disarmament, and questions of that kind, I admire more than I do the views of the distinguished Senator from Vermont. It has been my pleasure to be associated with him closely in connection with consideration of some of these subjects. I have found him always able in his thinking and eager in his desire to do something for the good of our country and for the good of the world. I wish to commend him, and say that I have greatly enjoyed his several presentations. I, too, wish to be included in the list of those to receive copies.

Mr. FLANDERS. I was about to inquire of the Senator from Alabama, whom I thank from the bottom of my heart, whether he was also susceptible to receipt of the printed documents when they are ready?

Mr. SPARKMAN. I certainly am; and I shall be delighted to receive any of the other rich thoughts which come from the mind of the Senator from Vermont at any time.

Mr. FLANDERS. That is spoken with true southern courtesy and grace.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. BRICKER. I remember very well the contribution which the Senator made during the deliberations of the Disarmament Subcommittee, which we all hope will finally result in something very constructive, not only in our Nation, but worldwide.

I, likewise, have followed the present series of addresses by the Senator from Vermont. I have talked with him during the consideration of them, and I wish also to thank him for the contribution he has made in this field.

I ask the Senator from Vermont if he does not believe that our research and development program in the field of armament at the present time pretty well complies with his concept of what can best be done to preserve peace in the world through what he calls in his address the atomic stalemate.

Mr. FLANDERS. That is true, particularly with relation to the global aspects.

In my next talk I shall have something more to say about the "gray" area which lies between peace and total warfare. It is the most difficult thing to organize for and to control.

Mr. BRICKER. I think the Senator will agree with me that the Atomic Energy Commission and the Defense Department are striving diligently to meet that problem.

Mr. FLANDERS. They are. This is not a criticism, because I do not feel that at this stage I know enough about the situation to criticize. My only thought is that there may be a chance for simplification of our approach to the area of small wars and local wars, with respect to which I think our preparation must be better than it is now. Perhaps it can be simplified a bit.

Mr. BRICKER. I think I can assure the Senator that we are striving toward that end in the testing program which is in progress.

Mr. FLANDERS. I assure the Senator from Ohio, who is a member of the Joint Committee on Atomic Energy, that I am strongly in favor of the maintenance of the atomic stalemate. It is our only hope for preservation and for ultimate disarmament.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. FLANDERS. I yield.

Mr. JOHNSON of Texas. I was called from the Chamber as the Senator proceeded with his address. He has discussed with me his plans, and I have had the opportunity on other occasions to follow his remarks with a great deal of interest.

I say most sincerely that I deeply regret the Senator has decided to end his career of public service in this body. I know of no more sincere, better informed, or more dedicated public servant than the Senator from Vermont. I have had the privilege of serving with him on the Preparedness Subcommittee. I have worked with him very closely and intimately. He has been a devoted member of his party, but he has been an American, first.

Moreover, he has always grasped the problems with which our Preparedness Subcommittee was confronted, and with which it had to wrestle. He has given us learning and wisdom and good, sound American thought on each occasion when he has been called upon for a contribution.

I shall follow his addresses to this body in the days to come with a great deal of pleasure, and I shall miss him in the years ahead.

Mr. FLANDERS. I thank the Senator.

After hearing from Senators who have spoken, I cannot quite express the sense of loss which I already begin to feel at parting company with my colleagues who have spoken, and many others who are not present. I feel it already.

ELIZABETH BIRO

The PRESIDING OFFICER (Mr. JORDAN in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 2060) for the relief of Elizabeth Biro, which was, in line 7, after "States" insert ": *Provided*, That the natural father of Elizabeth Biro shall not, by virtue of such parent-

age, be accorded any right, privilege, or status under the Immigration and Nationality Act."

Mr. JOHNSON of Texas. Mr. President, on February 6, 1958, the Senate passed S. 2060, to grant to the minor child to be adopted by United States citizens the status of a nonquota immigrant, which is the status normally enjoyed by the alien minor children of United States citizens. On June 4, 1958, the House of Representatives passed S. 2060, with an amendment to provide that the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

This language is acceptable, and I move that the Senate concur in the House amendment to S. 2060. The matter has been cleared with the minority.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

POLITICAL ADVERTISING BY MINNEAPOLIS STAR AND TRIBUNE CO.

Mr. GORE. Mr. President, on May 21, 1958, during the course of remarks I made in the Senate, I raised certain questions concerning an advertisement of the Minneapolis Star and Tribune Co. which was published in a number of metropolitan newspapers on or about October 22, 1956. The advertisement called for the election of candidates favored by the Minneapolis Star and Tribune Co., or by officers of that company, for President and Vice President in the 1956 general election.

At page 9209 of the CONGRESSIONAL RECORD for May 21, 1958, I inserted certain correspondence relative to the matter, including a letter from the Department of Justice which set forth the decision of the Department that no action would be taken on this matter under the provisions of section 610, title 18, of the United States Code.

On May 22, 1958, I wrote to the Secretary of the Treasury to inquire whether the expenditure for the cost of this advertisement had been allowed or claimed by the Minneapolis Star and Tribune Co. as a business deduction on the corporation's income tax return for the year in question. The text of that letter may be found on page 9440 of the CONGRESSIONAL RECORD for May 26, 1958.

I also inquired of the corporation concerning the tax treatment of this expenditure in a letter dated May 27, 1958, the text of which is printed on page 10102 of the CONGRESSIONAL RECORD for June 4, 1958.

Today I received a letter from Mr. Otto A. Silha, vice president and business manager for the Minneapolis Star and Tribune Co., in reply to my letter of May 27. In his letter, Mr. Silha states that the Minneapolis Star and Tribune Co. claimed the entire expenditure for this advertisement as a business expense on its income tax return for the year 1956.

Mr. President, I ask unanimous consent that Mr. Silha's letter to me, dated June 4, 1958, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD.

THE MINNEAPOLIS STAR AND TRIBUNE,
June 4, 1958.

The Honorable ALBERT GORE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR GORE: I'm glad to answer your letter of May 27, regarding the Minneapolis Star and Tribune promotion advertisement which was published on or about October 22, 1956, in the New York Times, New York Herald Tribune, Washington Post and Times Herald, Chicago Daily News, Detroit Free Press, and the Philadelphia Bulletin.

The Minneapolis Star and Tribune Co. reported the full cost of this promotion advertising ($9,192.93) as a business expense in its Federal income-tax return for the year 1956. It is our understanding that the internal revenue agent was instructed by Washington to examine this particular deduction. After a review of the return, the agent allowed only one-half of the expense as deductible although the Minneapolis Star and Tribune still feels strongly that the advertisement was a completely proper business expense.

The advertisement in question was inserted by our regular advertising agency in newspapers we have used over the years in our continuing promotion program to secure more national advertising for our newspapers. We have on quite a few occasions used editorial type or reader copy on subjects of current interest in this promotion program.

Sincerely,

OTTO A. SILHA.

Mr. GORE. Mr. President, I call special attention to the second paragraph of Mr. Silha's letter, as follows:

> The Minneapolis Star and Tribune Co. reported the full cost of this promotion advertising ($9,192.23) as a business expense in its Federal income-tax return for the year 1956.

I digress from reading to say that the purpose of the advertisement, which was published in several newspapers just prior to the election of 1956, was to urge the election of candidates preferred by the officers of this corporation. Yet the corporation in this letter acknowledges that it claimed the expenditure as a business expense. I continue to read:

> It is our understanding that the internal-revenue agent was instructed by Washington to examine this particular deduction. After a review of the return, the agent allowed only one-half of the expense as deductible although the Minneapolis Star and Tribune still feels strongly that the advertisement was a completely proper business expense.

Mr. President, I fail to understand upon what basis the Internal Revenue Service could determine that one-half of this expenditure is deductible as an ordinary business expense, while the other half is not. To me, it appears unusual that a given expenditure could be classified as one-half business and one-half political. Yet the Department of Justice takes the position that it cannot or will not prosecute the corporation in this case, when there is a prima facie violation of statutory law. The Department of the Treasury has held that one-half of the cost of the advertisement was not an ordinary business expense.

The text of this advertisement was, in my opinion, clearly designed to influence an election for President and Vice President of the United States. The issue would be exactly the same whether the advertisement had urged the election of candidates of the Democratic Party or candidates of the Republican Party, or whether the advertisement paid for by this corporation urged and undertook to cause the election of candidates for the Senate or the House of Representatives.

Since the expenditure was made by a corporation, it would appear to be in violation of section 610 of title 18. I fail to understand upon what basis any portion of such an expenditure could be allowed as a deductible item under the provisions of the Internal Revenue Code and appropriate regulations.

I further fail to understand how the Department of Justice could decline to prosecute when the Department of the Treasury, Internal Revenue Service, had declined to allow one-half of the expenditure as a deductible item—that is, as an ordinary expense of doing business.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD additional correspondence with the Department of the Treasury; specifically, a letter I have received this day from Mr. Fred C. Scribner, Jr., Under Secretary of the Treasury, and a letter which I have this day addressed to him.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNDER SECRETARY OF THE TREASURY,
Washington, June 5, 1958.

Hon. ALBERT GORE,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Secretary Anderson has asked me to reply to your letter to him of May 22, in which you call his attention to certain material having to do with the Mineapolis Star and Tribune. I have asked for a report on the matter and will be able to write you further at a later date.

Thank you for calling this matter to our attention and giving us an opportunity to comment on it.

Sincerely yours,

FRED C. SCRIBNER, Jr.,
Under Secretary of the Treasury.

JUNE 6, 1958.

Hon. FRED C. SCRIBNER, Jr.,
Under Secretary of the Treasury,
Washington, D. C.

DEAR MR. SCRIBNER: I have your letter of June 5, 1958, acknowledging my letter to Secretary Anderson in which I inquired about the tax treatment of an expenditure by the Minneapolis Star and Tribune Co., on its tax return for the year 1956.

I also wrote to the vice president and business manager of the company about this matter. A copy of my letter to Mr. Otto A. Silha, dated May 27, 1958, and a copy of his reply thereto under date of June 4, 1958, are attached hereto.

You will note that Mr. Silha advises that upon review, the Internal Revenue Service

allowed one-half of the expenditure in question as a deductible expense. In your forthcoming report on this matter, I would appreciate your advising me upon what basis one-half of the expenditure in question could be determined to be an allowable business expense, while the other one-half was not so allowed.

It would appear to me that an expenditure for a single advertisement should be determined to be either deductible or not deductible upon consideration of the nature of the disbursement and the purposes for which it was made.

Sincerely yours,

ALBERT GORE.

OPPOSITION TO THE RECIPROCAL TRADE ACT OF 1958

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that at this time I may speak for about 5 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none; and the Senator from South Carolina is recognized for 5 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, the American economy is riddled with sore spots caused by unfair dumping of products of low-wage industries from abroad.

What passes in the name of reciprocal trade is in reality unfair competition pouring into the American market through our crumbling tariff walls.

The history of reciprocal trade is replete with presidential vetoes of decisions by the Tariff Commission as it has vainly tried to protect United States industries from subsidized, ruinous competition.

In the last 6 years, President Eisenhower has vetoed practically every ruling the Tariff Commission has made to give American industry needed protection. As a result, a volume of goods of all varieties and descriptions has flooded our country, wreaking economic havoc in many regions, causing business and industrial failures, and adding to our already too large army of jobless persons.

The textile and plywood industries of the Middle Atlantic States, the South, and New England; the pottery industry in Ohio and West Virginia; the petroleum industry in the West and the Southwest; and the metals industry in the West and Northwest are but a few of the industries which have suffered from so-called reciprocal trade.

Mr. President, I am fully aware that America cannot exist apart from the rest of the world. I know that a great nation must have flourishing trade, that we must buy as well as sell. But certainly it is only commonsense and good business that we trade under terms that do not put American business and industry and labor at a gross disadvantage.

Today America stands as the shield of the Free World against the ever-expanding menace of Soviet imperialism. The strength and vigor of our national economy constitute a prime weapon in the struggle which finds the free people of the world pitted against the Communist bloc of nations. Our productive capacity, the state of our national economy, our rate of employment, and our American standards, are all important factors in this world contest. We are dangerously undermining the props of our strength when we countenance trade agreements which are loaded against our national interests.

We are destroying the capital, the labor, and the industries which in the past have been capable of attaining victory over all of our foes.

The American people never gave their Government a mandate to commit economic suicide. An intelligent, realistic trade policy makes no requirements that are disadvantageous to us. Trade flourishes best when mutual interests are served and when both parties to the transaction can extract profit. The people have every right to expect and demand that their Government trade prudently, with due regard for the national interest, and conduct its trade policies in such ways as to promote prosperity and economic stability. So-called reciprocal trade, as it stands, does not meet these specifications.

Mr. President, it is interesting to note how the gifts we have been distributing with an open hand by means of our giveaway program have helped finance industries in countries which now are dumping into America the products of their subminimum labor.

Under the program that I call the twin economic terrors—foreign aid and so-called reciprocal trade—we have been bolstering the economies of countries which are natural opponents of democracies, and simultaneously we have been destroying our own economy.

Let us look at what we have been doing with United States public funds. Among the handouts from Uncle Sam are recorded the following grants and credits, up to June 30, 1957:

Yugoslavia, a Communist dictatorship, $802 million; Czechoslovakia, another Communist dictatorship, $191 million; Poland, still another Communist dictatorship, $418 million; to Communist-ruled East Germany, $17 million; to Communist-ruled Hungary, $11,540,000; to Egypt, under the rule of the pro-Soviet Nasser dictatorship, $72 million.

Giving aid to these governments is like arming a burglar to rob one's home.

Let us make a comparison of the industrial wages in some foreign countries and in the United States.

In Austria the hourly industrial wage rate is 29 cents; in Belgium, 52 cents; England, 54 cents; France, 35 cents; Germany, 52 cents; Italy, 32 cents; Norway, 78 cents; Netherlands, 45 cents; Sweden, 89 cents; Yugoslavia, 16 cents. In all of those countries the workweek is 48 hours. Compare those figures with the American workweek of 40 hours and hourly average industrial wage of $2.10. These statistics in themselves are a strong argument against giveaways, on the one hand, and the so-called Reciprocal Trade Act, on the other.

Another interesting aspect of the effort to get this lopsided trade bill enacted this year is the outside promotional group the White House has recruited to "soften up" the Congress on the trade-aid legislation. The sloganeers are working overtime. An effort has been made to raise a slush fund of half a million dollars to insure enactment of the trade-aid bills.

Hollywood-type promotions are being put on to "sell" the Congress on the urgency of so-called reciprocal trade. Apparently the sponsors of these high-pressure sales deals are aware that their case will not hold water on its merits, and that, like any soap salesmen, they must glamorize and bluster if they are to carry the issue. I am reminded of the saying in the legal profession: When you have the facts with you, talk about the facts; when you have the law with you, talk about the law; but when you have neither the facts nor the law, then just bellow like a bull.

The American people, in their wisdom and understanding, I am certain, are able to distinguish the real and the true from the false. The unemployed who have lost their jobs because of unfair competition from foreign goods made in foreign countries in plants which, in many instances, have been constructed by means of American tax dollars, will require more than a slogan before they are convinced that the Reciprocal Trade Act is, in fact, reciprocal. Slogans are poor nourishment at the dinner table when the head of the family is out of work.

During my entire 13 years in the United States Senate, I have consistently opposed foreign aid and one-sided reciprocal trade. I have supported genuine, mutual military assistance programs and genuine fair-trade programs.

But I have seen billions of dollars poured out of our Treasury into endless foreign holes. In exchange for these dollars, we have received ridicule, scorn, and a great big monkey wrench thrown into our Nation's economy.

In 13 years, I have seen our money build up in foreign countries industries and agriculture programs that are now, through the Reciprocal Trade Agreements Act, eating away at our markets, putting our people out of work, and causing our mills to close.

Today, the world is in worse shape than it was those 13 years ago, and so are we. We have dropped 70 billions of dollars into foreign aid, and we have nothing to show for it but the unpaid bill and the heaviest taxation in the history of the world.

Every taxpayer in America should rise up against this monstrous drain on our Treasury. We cannot afford this international WPA project for foreigners, while millions of our people are unemployed as a result of this aid-trade tie-in.

Promotion of internationalism is the popular thing today. Somehow there seems to have crept into our thinking the notion that it is indecent to champion the sovereign interests of the United States. Time was when patriotism was a great virtue; today, it seems to be almost unpopular to make a statement tinged with patriotic fervor. Thus have the spokesmen for internationalism monopolized the forums and the big press columns.

Conveniently overlooked in all of this is the sad fact that today thousands upon thousands of American workers are idle because more than a score of United States industries are depressed, as a re-

sult of the flooding of our markets with the products of cheap foreign labor. One has only to consider the status of the plywood industry or the automobile and bicycle industries, to realize the truth and force of this observation. Or, as I said before, consider the status of the textiles and ceramics industry, or the chemical industry or the machine tool industry. In industry after industry, the products of well-paid American labor are being pushed out of the market by cheap-labor imports. Our vital American interests are being undermined every day in the name of reciprocal trade.

Mr. President, America must remain strong if she is to keep her position as a leading world power. We must be strong not only spiritually and morally, but also economically, if we are to be strong militarily. We serve best the cause of freedom and global security by husbanding our prime industries and by keeping our people working. A depressed America, with millions unemployed and depending upon foreign industry for survival, is a boon to the Kremlin. We have need to be vigilant regarding the health of our business and industrial systems, if we are to safeguard our agricultural interests.

It was Stalin, himself, who said, "America would be destroyed from within."

The textile industry is an outstanding example of the injury being done America by so-called reciprocal trade. Since 1950, employment in textile concerns in the United States has declined by 344,000 jobs. When we consider the loss of jobs in affiliated and service industries, the total loss is much greater. For instance, the cotton industry alone purchased $2 billion worth of materials annually from the chemical industry. Let one basic industry get hard hit, and the adverse effects spread throughout the whole economy.

Under existing trade policies, the Japanese cotton industry is able to buy American cotton for 20 percent less than the price the American textile manufacturer must pay. In addition, the Japanese manufacturer has the benefits of modern machinery which our country helped pay for and set up, and the Japanese industrialist has the big advantage of labor that works for one-tenth of the wages paid in the textile industry in the United States.

Armed with these advantages, the Japanese then flood the American market with low-priced products which swamp American-made goods. When confronted with this kind of inequitable competition, the American textile firms naturally feel the pinch. Sales drop off, production is curtailed, and layoffs are effected, from the farm to the sales counters. It is a whole vicious cycle, and all of it adds up to mass unemployment for America. Despite all the fancy claims for it, this is an example of how foreign trade works under the Eisenhower administration; and what is happening in the textile industry is also happening in many other basic industries.

We are the victims of a tremendous plot designed to destroy American industrial and economic might.

While we are discussing this subject, it is a matter of pertinent interest to note that on September 10, 1955, the administration reduced the tariff rates on many cotton products by varying amounts, in some instances up to 50 percent. This action inflicted further injury on an industry already battling for its economic life.

Advocates of reciprocal trade talk glibly of peril points and protective devices in the legislation; but what meaning do they have when the White House repeatedly and consistently overrules the decisions of the Tariff Commission, decisions soundly made for the protection of American industry?

We would do well to keep in mind that when the late Cordell Hull sponsored the Reciprocal Trade Act in 1934, his basic aim was to better America's export position, not to destroy her industries and jobs. Again I say that, unfortunately, over the years the fine goal of this great American has been lost through maladministration.

Every time we implement policies that give advantage to foreign products over American-made goods, not only are we drying up jobs and curtailing purchasing power at home, but we are also seriously undercutting the base of our military strength.

It is worthy of serious thought that during World War II the United States Armed Forces required more than 10,000 different types of textile items. What happens if the firms that supplied those items lapse into oblivion because they cannot compete with cheap foreign labor? Where are our Armed Forces to turn, in an emergency, if the facilities at home have gone into the discard? I say we cannot afford to let our basic industries lag in the doldrums or languish unattended. The national interest demands that we repair the damage at the earliest possible moment.

The PRESIDING OFFICER. The Chair regrets to inform the Senator from South Carolina that the time allowed him has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from South Carolina may proceed.

Mr. JOHNSTON of South Carolina. Mr. President, we have our heads in the sand if we go along thinking the oceans are going to be free for commerce and supplies in the event of an emergency. We saw what the U-boats did to Allied shipping in World Wars I and II, and we have a general idea as to the maritime threat the enemy could mount in the event of another major war.

Prudence dictates that we have at hand, in America, productive facilities and trained working forces for the items that are indispensable to a healthy national economy which will be adequate to emergency demands. So-called reciprocal trade, that has virtually bankrupted a score of American prime industries, is certainly not promoting the national welfare. On the contrary, it is highly injurious to our Nation and the time has come to call a halt.

Mr. President, the best interests of our country require official changes in our trade policy and development of a program to revive and protect American industry and the jobs of American workers, and to secure the national interest.

The so-called Reciprocal Trade Act does not do this. To the contrary, it does the opposite.

Therefore, Mr. President, when the bill to extend the so-called Reciprocal Trade Act comes before the Senate, I hope the Senate will kill it.

SCIENCE AND GOVERNMENT

Mr. HUMPHREY. Mr. President, on May 5, 1958, I had the honor to appear before the colloquium of the faculty of students of the Massachusetts Institute of Technology. I ask unanimous consent that my address on that occasion be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SCIENCE AND GOVERNMENT

Chairman Padelford, and his distinguished friends of the colloquium, your sessions are dealing with one of the major problems of our times—the close and vital relationship of science and government. This is a complicated relationship—it is really a set of relationships. There are many things I might discuss and I had to choose among them. I have decided to divide my remarks in half so that I may devote my time to two major areas, each of them geared to my own recent experiences as chairman of two Senate subcommittees—the Subcommittee on Reorganization and the Subcommittee on Disarmament. Let me approach the problem in that sequence—the issues of coordination first and, second, a more intensive glimpse of the problem of government and science in operation in the field of government.

Let me briefly review a few of the problems facing our Government in the vital fields of science and technology. I would like to come straight to the point.

Although we are reported to be the best organized Nation in the world, enjoying the highest standards of living and education, our governmental organization for nonmilitary scientific activities is a mixed up, uncoordinated maze. It is also true that the small amount of money which is devoted to the development of science and technology, when considered in relation to the billions of dollars expended annually by the Government, is positively disgraceful.

As you may know, Government organization for scientific activities is extensive and very complex. Of the approximately 80 departments, agencies, and other bodies which comprise our executive branch, some 38 are engaged, to some extent, in scientific activities. For the most part, these activities result from their efforts to carry out congressionally assigned functions which may be specifically scientific in nature or may require scientific activity incidental to their performance.

Many of these 38 agencies have established elaborate organizational structures for the conduct of their scientific activities. They may have extremely varied research programs encompassing numerous fields and disciplines of science and dealing with fundamental science, basic and/or applied research and technology. Other activities involve the administration and planning of research, expansion of research facilities, dissemination of scientific information, training of scientific manpower, and the collection of general

purpose statistics in both the natural and social sciences.

Thus, at the present time, there is no single executive branch agency which is responsible for the planning, coordination, and centralization of all of the civilian, or nonmilitary, scientific and technological activities of the Federal Government. Independent agencies, such as the Atomic Energy Commission, the National Advisory Committee for Aeronautics, and the National Science Foundation, are carrying on their own programs; and numerous components of other departments, such as the National Bureau of Standards, the Office of Technical Services, and the Patent Office are carrying on their work within the Department of Commerce. In addition, the Departments of Agriculture, Health, Education, and Welfare, and Interior maintain their own programs, and departments and agencies have varying programs and responsibilities.

Although efforts at coordination have been made, from time to time, through the creation of science advisory groups and interdepartmental committees, such as the President's Advisory Committee on Science and Technology and the Interdepartmental Committee on Scientific Research and Development, there continues to be an urgent need for better coordination of activities among these agencies and the more than 30 other components of the executive departments and independent agencies which are engaged to some extent in scientific activities.

I submit that there is something which can be done to correct this situation. One such proposal now under consideration provides, among other things, for the creation of a Department of Science and Technology. This approach is incorporated in a bill, S. 3126, which I introduced together with Senators McCLELLAN and YARBOROUGH, early in the present session of the Congress as a proposed Science and Technology Act of 1958. The establishment of such a department would permit a civilian official of Cabinet rank to bring together all of the major nonmilitary, governmental science functions into a single agency. This would enable each service to be fully utilized in the development of a concerted effort in the formulation of scientific programs, including a new component for the development of astronautics and outer space exploration and research, which should be created for that purpose within the proposed department, and not just as another independent agency. It also proposes to coordinate within the department, the functions of other Federal agencies engaged in the promotion of scientific programs, and certain fundamental science functions of other departments.

Now, how is the Congress itself organized to meet its obligations in the scientific and technological fields?

I am sorry to have to report to you that the same lack of coordinated effort and the same diversity of responsibility which is found in the executive branch in the scientific and technological fields also exists in the legislative branch.

Thus, according to a recent study by the staff of the Committee on Government Operations of the Senate, there are at least six standing, legislative committees which deal with these matters in the Senate, in addition to the Appropriations Committee. Thus, the Joint Committee on Atomic Energy and the Committee on Agriculture deal with research and development programs relative to the Atomic Energy Commission and the science programs of the Department of Agriculture. The research and development programs of the armed services are handled by the Armed Services Committee. Some of the programs of the National Science Foundation and the National Advisory Committee on Aeronautics, as well as those of the Patent Office and other components of the Department of Commerce, are handled by various committees, such as Interstate and Foreign Commerce and Labor and Public Welfare. There is, however, no single standing, special or joint committee which coordinates and evaluates the programs, work and needs of all of the Federal executive agencies and departments which are carrying on scientific activities, or the relationship of one such program to others in the same general field. All of this results in much lost motion, duplication, overlapping, and the other ills which usually accompany lack of coordinated effort.

Although there is some evidence of considerable opposition to certain of the proposals set forth in the proposed Science and Technology Act, I believe that careful consideration should be given to the recommendations of the staff of the Committee on Government Operations.

These recommendations which resulted from more than 6 months of careful and conscientious study also propose to establish in each House of the Congress standing committees on Science and Technology, adequately staffed by competent specialists, vested with the authority to procure the services of consultants in specialized fields as required. These committees would be authorized to exercise legislative oversight with respect to all matters pertaining to nonmilitary governmental scientific and technological activities. This specific recommendation was not incorporated in the bill as introduced for the following reasons: (1) It was felt that consideration should first be given to whether or not a Department of Science and Technology is to be created; (2) leadership determination should be ascertained in both Houses before definite proposals should be considered, in order to effect the necessary rules changes governing majority and minority assignments relative to the number of committees to which a Member may be assigned, and the transfer of the function of the Joint Committee on Atomic Energy to the standing committee; and (3) a determination should be made as to whether such committees should be created to insure coordination of civilian science functions at the legislative level, regardless of whether a new department is established.

We are living in the fastest-moving world mankind has ever had to live in. If we are to survive, we must streamline governmental organization of Federal science activities and establish the necessary governmental machinery, both executive and legislative, to meet the challenge for existence.

The Subcommittee on Reorganization of the Senate Committee on Government Operations, of which I am chairman, began hearings last week on certain provisions of the Science and Technology Act of 1958, and these hearings will continue tomorrow and Wednesday.

These hearings will be the first phase of the committee's study of necessary reorganization of science activities in the Federal Government. The hearings will be limited to consideration of a program for coordination of scientific and technical information. The committee has received various proposals dealing with the important problem of improving the assembling, translating, abstracting, collating, storage, retrieval, and dissemination of technical information from both private and governmental sources, and will endeavor to formulate a coordinated program in which all qualified agencies, both inside and outside of Government, may participate.

While the first objective of these hearings will be to develop information as to the need for further legislation to enable the Federal Government to establish a program to insure the adequate dissemination of scientific and technical information, the immediate need is to provide the Committee on Appropriations with the necessary data as to the fiscal requirements of the Federal Government to properly coordinate its activities, and to effect a cooperative program with private activities in this field.

The bill also contains a number of other vital provisions dealing with science activities, but in view of the fact that most of these relate to matters which are under consideration by the Committee on Astronautics and Space, established by the Senate for this purpose, these matters will be first considered by that committee, and by the Committee on Labor and Public Welfare. Hearings on these aspects of the bill will, therefore, be deferred until a coordinated program can be worked out between these committees and the Committee on Government Operations relative to the development of essential information required for Congressional action.

Now, involved in all this is the issue of adequate financing for our scientific and technological programs.

During fiscal year 1957, our Government devoted slightly more than $3 billion for all research and development activities; the estimate for 1958 is $3,427 million; and the President has requested only $3,722 million for such programs for fiscal year 1959.

I submit that when our national survival is at stake, certainly the richest nation in the world can afford to devote a little more of its great wealth to the basic and applied research which is not only necessary to our own national survival, but may well enable us to benefit all mankind. The history of science demonstrates that, except for purely military or defense research and development, scientific discoveries, and subsequent technological developments have contributed vast wealth to this Nation and enabled us to aid the Free World. If we are to avoid the same lag in our national economy, and thus our ability to aid the Free World, as happened in the astronautical and missile field, we must provide the necessary funds to permit our scientists and technologists to retain or regain the world lead in science.

So much for my general view of the organizational and financing problems of the Federal Government in relation to scientific activities. Let me now turn to a few comments on a specific area of relations between science and government in which I have lately been continually and directly involved.

II

Through my work as chairman of the Subcommittee on Disarmament, I have had occasion to experience some interesting relationships of science and government. One of the most significant of these is the detection of nuclear-weapons testing and whether the United States should seek an international agreement to suspend such tests with an inspection system.

Science and scientists enter the nuclear-weapons-test issue because it is science that must give us most of the information on the capabilities of any detection and inspection system. Through no fault of the scientists, the Disarmament Subcommittee had a great deal of difficulty in obtaining information on the nature of an inspection system. We were first told by some of our political leaders that such material was highly classified. Mr. Stassen, when he was the President's disarmament adviser, would give the subcommittee absolutely no information on what his inspection task forces had concluded about the requirements of an inspection system for a suspension of nuclear tests or the inspection system for any other disarmament proposal.

When administration spokesmen, as well as some highly placed scientists associated with the Atomic Energy Commission, began asserting quite definitely that nuclear tests would be conducted secretly, then it became necessary to pursue the detection problem with great diligence.

First, the subcommittee needed to find out what, if anything, the executive branch had developed in the way of an inspection system for the detection of tests. And then the

subcommittee had to seek to have the information on detection released to the public. One of the most frustrating experiences a Member of Congress can have is to receive information which is essential to discussion of a public issue, but, at the same time, be bound not to reveal the information to anyone outside of a few individuals who have been cleared to receive such information. So we had two problems facing us—to get the information and then to work for the release of it.

The subcommittee, after several weeks of preliminary investigation, learned that some information regarding an inspection system had been developed. Upon the decision of the appropriate political leaders, the scientists were permitted to come before the subcommittee and present testimony. The testimony was excellent. The scientists had done a lot of homework and their preparation showed it.

In general, the testimony revealed that the detection of tests was not so simple a problem that we could suspend tests and rely on our present detection system to assure us that nobody was trying to cheat. On the other hand, the testimony also revealed that our scientific instruments were sufficiently developed that with an inspection system inside the Soviet Union the possibility of the Soviets cheating on a test suspension and getting away with it would be highly unlikely.

With the completion of this testimony by reputable scientists the first phase of our problem had been completed. We had some concept of the requirements of an inspection system. The next step was to get the information made public. As a result of holding the executive hearings we had some basis for judging the testimony of other witnesses, particularly those who testified in public session. In addition, from the information available to us the subcommittee was able to circulate a questionnaire to some 37 seismologists around the country to obtain further data on the problem of the detection of underground nuclear explosions. The answers to this questionnaire are almost all in and it is my expectation that the subcommittee will soon have them analyzed, summarized, and published.

I do not mean to suggest by my comments that the subcommittee has finished its examination of the issue of the suspension of nuclear weapons tests. But I do wish to suggest some significant aspects of the work of science on this issue.

Science plays the essential role in developing the techniques by which we could inspect for a suspension of nuclear weapons tests. This is a key function and a necessary role. But once the scientists have submitted their various proposals and have pointed out their advantages as well as their weak points, then it is the responsibility of the political leaders to decide whether to propose that a suspension of nuclear weapons tests should take place, whether it should be unilaterally or multilaterally agreed upon, under an international agreement.

Scientists have a right and obligation to give their opinions on these matters just as any citizen has a right and a responsibility to give his opinions, and these opinions should be based on as much information as can be put into their hands. But it is wrong for the political leaders of government to leave to scientists political decisions.

Scientists cannot decide by themselves whether the United States should propose to the Soviet Union that we should seek an agreement to suspend nuclear weapons tests. They cannot decide because this is not their responsibility or even their capability. They also cannot decide because even on a matter as technical as the detection of nuclear weapons tests there are no absolutes. I believe that when the evidence is in and weighed carefully, it will reveal that the question of whether we should seek to end bomb tests comes down to a choice of risks. In its unanimous report of last September, the Disarmament Subcommittee stated that "it would be deceiving to the American people and the people of the world to advertise any plan as perfect. Examination of numerous disarmament proposals reveals none that can be said to be absolutely foolproof against evasion." The subcommittee went on to state that "Every proposal entails risks; risks as to the possibility of clandestine evasion and as to military security. The question is not one of finding an ironclad inspection formula but of adopting arrangements that will satisfy the defense needs of the country. In essence, the subcommittee believes that the basic question is to decide whether the risks of doing something to curtail the threat of war by reducing armaments are less than the risks of doing nothing and allowing the armaments race to continue indefinitely."

This conclusion of the subcommittee is especially pertinent to the issue of nuclear test suspension. My position is based on weighing the risks as stated in the subcommittee's report. It is my contention that if we do not take some action soon to slow down the armaments race, the world will eventually become embroiled either in a catastrophic nuclear war or it will become bankrupt trying to keep up with the vastly increasing costs of creating and building new and more modern weapons of attack and defense.

I would like to see the United States propose a suspension of nuclear weapons tests with inspection because I want to know whether the Soviets are really as concerned about the possibility of nuclear war as we are. I would like to know if their slogans about peace really mean peace or whether they are merely a guise to force us to let down our guard and become complacent. I would like to see whether the Soviet Union is sufficiently interested in making a first step toward halting this terrible arms race by paying the price of allowing its closed territory to be opened up just a little to include an inspection system.

I know that if we did eventually obtain a suspension of nuclear weapons tests we would be sacrificing some important aspects of our own weapons development. I think that when we make a decision to suspend tests or when we as individual citizens, or as Members of Congress advocate a test suspension we must do so with full knowledge of the possible consequences. But I submit that the Soviets would also pay a price in weapons development if they stopped. The situation would be, as one of our scientific witnesses stated, symmetrical. Both sides would be similarly affected.

I think a test suspension would need to allow provision for some testing under international supervision or under international auspices to see whether the inspection system is working. It should also allow development and some testing of nuclear explosives for peaceful purposes.

Since there are risks involved, and since there are military, scientific, and political factors that must be weighed, it is the President and his principal political advisers who must decide whether a test suspension is in the national interest. And it may also be the responsibility of the Congress, and particularly the Senate, to decide at some time whether a test suspension agreement should be tried. It is my opinion that a test suspension agreement is in the national interest, if the Soviet Union will agree to the necessary inspection system. I do not understand why the President needs to delay, because the longer he delays the more difficult it will be to reach agreement. We have listened to the scientists and now it is time for the political leaders to make up their own minds.

It is unfortunate that the President and his executive department could not be candid with the public and issue the necessary reports and facts concerning the detection problem. But, I am thankful that our Government provides for a separation of powers so that the legislative branch can attempt to pry the facts loose.

It is unfortunate that the agencies which are most against a test suspension proposal are the ones which have made important errors of fact or omission regarding our ability to detect tests. Such errors, although they probably were made inadvertently, or at most as a result of negligence or unconcern, raise a large shadow of doubt regarding their reliability as transmitters and reflectors of the truth.

RADIOACTIVE FALLOUT AND NUCLEAR TESTS

Another aspect of the test issue concerns the matter of radioactive fallout. Many of our citizens want nuclear tests stopped out of concern for their health and the health of their progeny. I share this concern. I am the father of four children and I want to be as sure as I can be that their health and their children's health will not be jeopardized as a result of nuclear weapons tests.

At the same time, I do not wish to act foolishly and call for the cessation of tests on grounds of health if the health issue is not really an issue. In other words, if the radioactive fallout resulting from nuclear weapons tests is not today and will not in the future cause appreciable damage to the world's populations, then I do not think that the fear of fallout should be used as an argument to end nuclear weapons tests. The arms race and the threat of nuclear war are the main reasons why tests should be suspended. The danger of fallout may be another reason for ending tests but I am not yet convinced that it is. And if it is not, then I do not think that responsible people should cry wolf and scare the American people into thinking that radioactive fallout from tests is threatening and destroying lives.

On the other hand there is a great deal that apparently is still not known about the problem of radioactive fallout. Information regarding the matter has not always been promptly and thoroughly given to us by the executive agencies most knowledgeable on the question. So I would also argue that in the absence of complete information responsible officials should not try to belittle the problem and say the problem of fallout is comparable to wearing a wrist watch. I would only note here that I can decide for myself whether or not to wear a wrist watch. I do not have the power to decide whether the fallout from tests will affect my health and the health of my children. This decision is out of my hands and the hands of millions of people throughout the world. The wrist watch analogy, therefore, is highly misleading.

One principal problem regarding the fallout issue is that the agency which is conducting the tests is the same agency which is reporting on the nature of the fallout hazard. This is making the judge and the defendant the same person. The Atomic Energy Commission apparently is deeply committed to a continuation of testing. The Commission evidently cannot even conceive that a time may arrive when tests will no longer be necessary. If that is the case, then the Atomic Energy Commission should not be the agency which is responsible for reporting on the degree of fallout which results from tests. This is a case where the scientists of the AEC should not be put in the position of defending as well as judging the merits of a continuation of tests and the nature of the fallout hazard. A new group of scientists should have responsibility to study and report on the amount of radioactivity being thrown into the world's atmosphere. This group might originate in the Weather Bureau, the Public Health Service, or the Food and Drug Administration. But wherever it is, it should be independent of the Atomic

Energy Commission. I say this not only because I believe that then we shall be more assured that the information given us is reliable and accurate. I also say it because I think that in all fairness to the scientists who are working for Government, that they should not have to be subjected to conflicting loyalties. In this way science is protected and so are the interests of the American people.

ANNIVERSARY OF THE ADOPTION OF THE CONSTITUTION OF SWEDEN

Mr. HUMPHREY. Mr. President, today the people of Sweden mark the anniversary of the adoption of their liberal constitution in 1809. I think it is entirely fitting and proper that we in the United States send our greetings and congratulations to the liberty-loving people of Sweden on this occasion.

The constitution of 1809 gave Sweden its first formal parliamentary authority to balance the rights of the people against the powers of the king. Respect for constitutional government is deeply held in Sweden. This is a solid basis for democracy there, just as it is in our own country.

We can take great pride in the contributions by Swedes and their descendants to agriculture, business, labor, art, and literature in the United States. I am especially proud that the State of Minnesota has been blessed so generously with the presence of citizens of Swedish origin.

The cultural achievement of August Strindberg in the foundation of modern drama in Europe is matched in our own country by the American poet of the people, Carl Sandburg, a second generation Swede. And we cannot forget the great humanitarian work in the cause of peace by such devoted men as Count Folke Bernadotte and Dag Hammarskjold, the Secretary-General of the United Nations.

Mr. President, I think all Americans will welcome this occasion to honor and to greet the free and independent people of Sweden on this anniversary of the adoption of the first Swedish Constitution.

ANNIVERSARY OF THE ADOPTION OF THE CONSTITUTION OF DENMARK

Mr. HUMPHREY. Mr. President, it gives me great pleasure to greet the people of Denmark who celebrate today the anniversary of their first constitution, adopted in 1849.

Inspired by the liberal European spirit of 1848, the people of Denmark asked their King for a liberal constitution. King Frederik VII then voluntarily renounced royal absolutism and promised his people a constitution.

A national assembly, elected by the people, drafted a constitution and it was adopted, with the King's approval, on June 5 of the following year. This peaceful evolution from unchecked royal power to liberal constitutionalism is a landmark in the progress of democratic political institutions.

The advanced social legislation which marks the recent history of Denmark has strengthened freedom and democratic institutions. In this spirit of freedom, Denmark is a strong and reliable partner in the North Atlantic Treaty Organization.

Mr. President, the historic friendship between Denmark and the United States is based on a mutual belief in freedom and opportunity for each individual. The presence of many Danish people and their descendants in this country has been a valuable contribution in maintaining the way of life we cherish in the United States. I am sure that all of us join in saluting the heroic people of Denmark on this important anniversary.

THE ADMINISTRATION'S MANAGEMENT OF THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared concerning Senate bill 2990, which would amend Reorganization Plan No. 2 of 1953, as it affects the Rural Electrification Administration; and also an editorial entitled "Doesn't Help REA Cause," published in the Ohio Farmer magazine for April 5, 1958. I commend this editorial to the reading of my colleagues.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

On last Wednesday the junior Senator from Minnesota [Mr. HUMPHREY] made a lengthy speech with insertions in the CONGRESSIONAL RECORD, the purpose of which was to cast discredit on this administration in its management of the Rural Electrification Administration. He took this method in announcing that public hearings would be held starting on June 5 on a bill, S. 2990, which would amend Reorganization Plan No. 2 of 1953 as it affects the REA. This bill was introduced on January 13, 1958. Now hearings are scheduled in the closing days of this session. It is evident that the party of the junior Senator from Minnesota has found they can no longer frighten the farmers of this country with financial disaster. They are, therefore, seeking new issues that they hope will be helpful to them in the coming campaign.

It is regrettable that in this effort, they are making a political football of such a fine institution as the REA.

The Secretary of Agriculture has been responsible under a reorganization plan passed by this Congress in 1953 for the service this agency has provided rural America. Let me quote the Senator's own words concerning the way this splendid institution is meeting its allegations:

"The rural electric systems have a most enviable repayment record. I submit that no other lending agency of the Federal Government can claim as good a repayment record; and this repayment record was made despite the fact that many of the loans were made at a time when the economic conditions were very bad and when the number of customers in the particular areas was limited. Overall, the program is one of the most successful social and economic programs ever initiated by the Federal Government.

"In two decades this program has succeeded in bringing rural America out of darkness. Not only has the farmer benefited from REA, but his improved standard of living brought about by REA has been the foundation of increased prosperity for the entire business community of the Nation. The electrified farm is a consumer farm. It uses not only electricity but also electrical appliances, steel, petroleum, and rubber products, as well as the many consumer items the prosperous farm family buys.

"Thus the Nation is receiving tremendous dividends, social and economic, on a modest investment."

Why then will the junior Senator from Minnesota in the same speech make such statements as these:

"Meanwhile, his (the Administrator) superiors back in Washington are hatching new schemes for crippling the REA program.

"To put it bluntly, the Eisenhower-Benson drive aims to emasculate REA—one of the most successful social and economic programs ever initiated by the Federal Government.

"Today we can see that Mr. Benson's action in taking over REA was no haphazard by-product of the 1953 reorganization. Instead it is part of a deliberate plan to restrict and to destroy once and for all this thorn in the side of the Power Trust."

I would remind my listeners that the REA has been under the guidance of the Secretary of Agriculture, Mr. Benson, since 1953. We can wholeheartedly concur in the junior Senator's glowing description of this agency. It is regrettable that in the same speech he had to make the derogatory remarks that I have quoted.

The junior Senator makes three charges—to quote from his statement:

"First, is, as I have said, to dominate the actual workings of REA as an efficient Government agency.

"Second, is to raise the cost of financing so that REA borrowers will no longer be a serious factor in the utility business in rural areas.

"Third, is to cut off Federal loans and give private lenders an opportunity to get their hands on the best of the REA business."

In view of the seriousness of the charges that have been made as to the administration of the REA program it is important that we should know the true facts.

REA was created as an independent agency of the Government by the Rural Electrification Act of 1936 (7 U. S. C. 901, 914). Section 1 of the act provided that all of the Administration's powers would be exercised by an Administrator. However, that section was substantially modified by section 5 of President Roosevelt's Reorganization Plan No. 2 of 1939 (5 U. S. C., p. 125), which transferred REA and its functions and activities to the Department of Agriculture and provided that such functions and activities "shall be administered in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture."

I call attention to the fact that it was President Roosevelt's Reorganization Plan No. 2 of 1939 that provided that such functions and activities of the REA shall be administered "under the general direction and supervision of the Secretary of Agriculture."

In 1944 a question arose about the making of allotments as required by the act. The Department took the position, with the full legal approval of its Solicitor, that the Secretary's duty to supervise and direct the activities of REA not only permitted him to approve the allotments but made it his duty to do so if desirable for the proper operation of the program.

This conclusion was based on decisions of the courts, notably *Knight* v. *United States Land Association* (142 U. S. 161), and the decision of the Comptroller General (19 C. G. 400). In the Knight case the Supreme Court concluded that the words "direction and supervision" are synonymous with the word "control" and import broad powers including the power to initiate, guide, superintend, manage, rule, review, notify, and overrule.

In that case the court was construing words directing the Commissioner of the General

Land Office to perform certain functions "under the direction of the Secretary of the Interior." The court said that the words under discussion are an expression of the power of the Secretary to supervise and control the extensive operations of the land department and then quoted with approval the statement of the Secretary of Interior as follows:

"The statute in placing the whole business of the Department under the supervision of the Secretary invests him with authority to review, reverse, amend, annul, or affirm all proceedings in the Department * * *."

See also *Orchard* v. *Alexander* (157 U. S. 372 (1895)); *Cameron* v. *United States* (252 U. S. 450, 460 (1920)); and *West* v. *Standard Oil Co.* (278 U. S. 200, 220 (1929)).

"State court decisions also follow this rule. They have held that the terms connote a power to superintend generally together with the incidental authority to regulate and control. *Vantongeren* v. *Heffernan et al.*, (5 Dak. 180, 38 N. W. 52 (1888)); *State ex rel. Board of Transportation* v. *Fremont* (E. & M. V. R. Co. 22 Neb. 313, 35 N. W. 118 (1887)).

In accordance with actions of Congress and interpretation of the law by the courts and Solicitor, Mr. Benson, soon after taking office as Secretary of Agriculture, alined the agencies of the Department into major groups, each group to report to him through designated officials of the Department. During the Senate hearings on Reorganization Plan No. 2, be furnished and there was included in the hearings two charts showing the organization of the Department effective January 21, 1953, and as amended March 10, 1953. The January 21 chart shows the Farm Credit Administration, the Farmers Home Administration, and the Rural Electrification Administration grouped under agricultural credit and that these agencies are to report through the head of that group. The March 10 chart shows substantially the same arrangement. Under date of January 21, 1953, the Secretary issued a memorandum 1320 under which all employees of the Department were advised that "agency and office heads within each group will report to their respective group head. * * * The Secretary and the Under Secretary meeting jointly with the major group heads and the Solicitor will consider matters of policy determination and long-range planning. * * * This organizational arrangement will make closer coordination of related activities and will centralize responsibility for consideration and determination of operating problems and other matters requiring departmental attention within each group."

The assignment of functions to the agencies under the reorganization plan was published in the Federal Register for January 6, 1954.

I submit that under Reorganization Plan No. 2, approved by Congress, that it is the responsibility and duty of the Secretary to exercise administrative review over the policies and actions of the REA.

The rural electric systems have made significant financial progress over the last 5 years under the administration of Mr. Benson. Their aggregate gross revenues increased 53 percent between 1952 and 1956—from $321 million to $491 million. Their net margins, that is excess of revenues over operating costs including interest, increased from $24.5 million in 1952 to $69.4 million in 1956. Their aggregate net worth climbed from $169.9 million to $378.3 million—from 8 percent of their assets in 1952 to 13.5 percent in 1956. Their repayment record is good. On the nearly $3½ billion loaned—approximately $930 million in principal and interest has been repaid. The borrower's payments against loan maturities were 99.985 percent of the total amount which had become due by December 31, 1957. In addition, the borrowers had at that time a balance of payments in advance of due date amounting to about $117 million. Actual loan losses during the life of the program have been less than $50,000. Only a very small number of borrowers now are delinquent in loan repayments. These accomplishments reflect great credit to the rural men and women who are largely responsible for making this outstanding record.

I ask: Does that sound as if the REA had been emasculated under the direction of Mr. Benson? I ask you if his domination of the actual workings of REA over the last 5 years does not give every indication as being an efficient governmental agency?

Let us turn now to the second two charges of the Senator from Minnesota. The President in his budget message to the Congress said: "It would be in the public interest to broaden the sources of capital from which REA systems may obtain the financing necessary for continued growth and adequate services to consumers." He made these recommendations because of changing characteristics of rural areas; the large amounts of new capital that will be needed by the system to meet the future electric and telephone requirements; the growing internal soundness of borrower operations; and the demands on the Federal Treasury for national security and defense requirements. The REA cooperatives have grown until they are now in their strongest financial and service position in their history.

The carrying out of the plans of the President for future financing will not disturb the outstanding loans made at the statutory rate of 2 percent interest. Neither will it disturb the 2 percent interest rate for the presently undisbursed loan commitments to electric borrowers amounting to about $600 million. In other words, the $3 billion presently loaned to REA associations plus the $600 million committed to electrical borrowers under the President's plan would continue to draw interest under their contracts at the present rate of 2 percent.

This nondisturbance of the present financial structure of the rural electrification associations is ignored by the junior Senator from Minnesota and by others who attacked the President's proposals.

The President recognizes these systems will continue to need substantial amounts of capital and he called attention to the need of their obtaining financing necessary for their continued growth and adequate service to consumers. His proposal is based on the belief that in the aggregate the systems have accumulated sufficient financial strength to permit them to start using some private loan funds.

This proposal is in keeping with similar actions taken by the executive branch of the Government and by the Congress at different times in the past when a system which was wholly financed or capitalized by Federal funds had developed to the place where it could continue to grow and carry out its purposes with a gradual reduction in the amount of Federal support. It is contemplated that there would continue to be appropriation of Federal funds to take care of the needs of systems that require the more favorable rate specified in the Rural Electrification Act. It is not proposed that this rate be changed. It is contemplated that there be a gradual development, carried out in a manner that will enable these fine rural systems to continue to grow and serve their intended purposes fully, yet at the same time relieve the Treasury of any unnecessary financing.

Initial sponsorship of REA programs by the Federal Government was in keeping with the historical practice of helping to provide needed services that could not be had through private initiative and resources alone. Historically the Government has progressively stepped aside when such projects have reached a state of maturity sufficient to enable them to move ahead soundly with their own ownership, management and financing. It is the belief of the administration that the REA system has arrived at a state of maturity that will permit the development of a permanent financing plan which would adequately provide for future capital requirements and effect an orderly transition from Government to private financing.

Estimates of capital funds needed to finance the growing demand for electric power in rural areas indicate that dollar requirements during the next generation will far exceed the $3½ billion loaned by the Federal Government through REA during its first 22 years of operation. The magnitude of these capital requirements and the urgency of meeting national security and defense budgets emphasize the need to find an adequate source of funds other than primary dependence on the Federal Treasury.

I submit that the administration's plan for financing REA instead of placing REA borrowers where they will no longer be a serious factor in the utility business in the rural areas, provides a way for these splendid systems to grow and serve the social and economic needs of the areas in which they operate.

Residences, industries, commerce, and other nonfarm developments and activities are expanding in rural areas which were formerly wholly agricultural. REA-financed electric systems are adding over 100,000 new consumers annually. Among the new consumers nonfarm users outnumber farmers nearly 3 to 1.

I ask: Is there any good reason why the Treasury should continue to subsidize the low interest rate to these new nonfarm users? The economic development taking place in rural areas, with such a large proportion of service going to nonfarm users requires a broader authority and additional sources of funds.

This is not a proposal to cut off Federal loan funds and give private lenders an opportunity to get their hands on the best of the REA business. On the contrary, it is a proposal under which the REA system will continue to grow and expand, at a time when the demands on the Treasury are enormous. An estimate has been made that the deficiency when this Congress adjourns will be from $8 billion to $10 billion. Here is an opportunity for a sound and well-managed branch of the Federal Government to meet its growing needs in a manner that will ease this load.

Members of the REA associations are loyal citizens of this country and I submit that they will want to carefully review proposals of the President, not emotionally or politically, but by giving thoughtful consideration to what is best for the future of these associations in the light of the defense needs of our country.

[From the Ohio Farmer of April 5, 1958]

DOESN'T HELP REA CAUSE

For many years we've lent our full editorial support to rural electric cooperatives. During the years of their organization, the Ohio Farmer carried many articles about them. In more recent years, we've continued to tell of the valuable services they perform for Ohio members.

A rural electric cooperative provided the first power service to our home farm in Guernsey County. We number many REA directors and members as friends. Even so, we can't accept some statements of Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association.

Ellis is against the proposal to increase the interest rate the Government charges when lending money to rural electric cooperatives. Naturally, everyone likes to borrow money as

cheaply as possible. And Ellis has every right to express his opposition to the move. But there's little excuse for building a case upon emotion and sly innuendo.

For instance, Ellis charged recently that the bill to raise the interest rate was designed to kill rural electrification. In a letter to Secretary of Agriculture Benson he declared: "Your decision to give Wall Street the REA loan business obviously is not a fiscal decision. It's a decision to sacrifice rural America upon the golden altar of Wall Street money changers."

The plain fact is that money is a commodity, like anything else. Interest is the rent you pay for the use of money. The Government gets the money it loans to REA cooperatives and many other groups by selling bonds on the open market. During recent months the Government has been paying more to get the money than the 2 percent interest it charges the REA cooperatives. It has been picking up the check for the loss, and to that extent subsidizing REA loans.

Whether that subsidy should continue is the question. If so, the facts justifying the subsidy should be stated clearly and honestly. It's hard to believe that the future of REA will be decided by the fine point of whether the interest rate is raised.

If you're a member of a rural electric cooperative you have every reason to be proud of your organization. You'd like to see interest rates low—as who wouldn't? But that doesn't mean you expect all the people in the country to help you pay part of the cost in the form of an interest subsidy, does it?

Certainly, when you have right and reason on your side, you don't need to engage in emotional ranting. An emotional approach often implies a weakness of facts. Don't you agree that the interest question can be considered squarely upon facts?

We have not seen a scrap of evidence to prove that the proposal in question would sacrifice rural America upon the golden altar of Wall Street money changers. These emotional charges do not reflect the calm, careful thinking we've always associated with our friends in the Ohio rural electric cooperatives.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MUTUAL SECURITY ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. BRICKER. Mr. President, I call up my amendment which is identified as "6-4-58-Q," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 61, line 19, after the word "sums" and before the word "as", it is proposed to insert ", not to exceed $2 million per annum."

Mr. BRICKER. Mr. President, the amendment is very simple. Its purpose has twice been confirmed by the Senate—last year, by a bill which was reported by the Foreign Relations Committee; and, 4 years ago, such a limitation was placed on the expenditures for the International Labor Organization, after the Russians had both employer and employee representatives in that Organization. By means of that limitation, the Senate expressed as its opinion, that the Organization no longer afforded true representation of labor and management, because Russia controlled both sides in any international negotiations which might be conducted.

We are one of many members. Most of the other members pay minor amounts to this international Organization. So that a 25-percent limitation is no real restriction. The smaller nations, contributing a few thousand dollars, could, by their votes, increase the amount of our contribution tremendously, under a 25-percent limitation.

The amendment which I submit would provide that there should not be contributed by the United States in excess of $2 million per annum, which is the amount that will be appropriated this year for that purpose, anyway. It would hold the limitation to that amount, and would put a curb on the other nations which control the Organization from inordinately increasing the amount of the United States contribution.

Mr. SPARKMAN. Mr. President, has the Senator from Ohio completed his statement?

Mr. BRICKER. I thought the Senator wanted me to yield to him.

Mr. SPARKMAN. No. I was going to make a short statement in opposition to the amendment.

Mr. BRICKER. I yield the floor, then.

Mr. SPARKMAN. Mr. President, this amendment would limit the United States annual contribution to the International Labor Organization to $2 million or 25 percent of the total ILO budget.

Existing law provides a ceiling of $1,750,000, without a percentage limitation.

The committee bill provides a percentage limitation of 25 percent, without a dollar ceiling.

The committee bill conforms to the practice of Congress in regard to other specialized agencies of the United Nations, contributions to which are generally authorized in terms of a percentage of the total budgets. Thus, the laws relating to our participation in the World Health Organization and the Food and Agriculture Organization authorize a contribution of 33.33 percent of the total budgets of each of those agencies.

Note that this percentage is substantially higher than that which the committee bill authorizes for the ILO. Indeed, the ILO receives the smallest percentage contribution from the United States of any of the U. N. specialized agencies.

The committee does not propose to increase that percentage. The committee does, however, propose to make it possible to increase the dollar amount. In this connection, it should be recalled that the Senate has twice previously—once in 1956 and again in 1957—passed separate legislation to increase the United States contribution to the ILO; so this is not a new issue so far as the Senate is concerned.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BRICKER. But the Senate did, in both those instances, limit the amount to that suggested in this amendment, did it not?

Mr. SPARKMAN. I have the bills before me. I shall check them. My recollection is that one of them set the amount at $3 million.

Mr. BRICKER. That was the one in 1956.

Mr. SPARKMAN. That was in 1956.

Mr. BRICKER. That amount was restricted, by action of this body, to $1¾ million, according to my recollection. The action was taken on an amendment which I suggested, on the ground that the Russian representatives of labor and management were subject to government control and were not free to negotiate. This body limited the amount this country should contribute to the sum it was then contributing, and limited it to even less than I suggested. The vote in the Senate was 43 to 40.

Mr. SPARKMAN. Generally speaking, the statement of the Senator from Ohio is correct. However, a proviso was inserted reading as follows:

Provided, however, That no sums in excess of $1,750,000 shall be appropriated to defray the expenses of the International Labor Organization for any calendar year after calendar 1956, if during the preceding calendar year delegates allegedly representing employers and employees in the Union of Soviet Socialist Republics or in any nation dominated by the foreign government controlling the world Communist movement are found by the State Department to have been permitted to vote in the International Labor Conference or in other meetings held under the auspices of the International Labor Organization.

Mr. BRICKER. That is correct, and the limitation was held to what the contribution was at that time. There has been no change in the Russian representation up to this date. Both the employer and employee representatives of Russia are under the direct control of the Soviet government, and are not free to negotiate on labor matters.

Mr. SPARKMAN. I certainly agree with that statement.

Mr. BRICKER. The committee has provided that the limitation of the United States contribution shall be 25 percent of the total amount, thereby making us subject to minor nations which make small contributions, of which there are many. I do not know the exact number, but I think it is in excess of 60. Because of their small contributions, the contribution of the United States could be raised tremendously.

The very fact that there is a request for $2 million or more indicates the enormous growth of this international Organization. Unless a curb is placed in the authorization at this time, there will be no curb at all, because the amounts contributed by the other nations are not sufficient to hold down the overall expansion.

When we multiply the ILO by the number of other organizations to which the United States has contributed, and add them together, the amount resulting is tremendous. The Treasury is running pretty low at the present time. Here is one place in which I am confident we can express the will of American employers and employees alike. Everyone knows Russia exercises influence on her

own government delegates, including the delegates of labor and management.

The limitation I have suggested in my amendment is a perfectly reasonable one, and it was put into the appropriation bill by this body either by separate resolution or bill.

Mr. SPARKMAN. I call the Senator's attention to the fact that in 1956 and in 1957, just as is here proposed, the dollar amount did equal 25 percent. That is all we propose—continuing the 25 percent.

Mr. BRICKER. The amount may equal 25 percent, but management and labor, and certainly the taxpayer, who nowadays seems to be the last one to be considered in our country, ought to have the benefit of a reduction of the contribution of the United States. That is why I am proposing a limitation of $2 million, which is consistent with past legislation. I think it would be assurance that the Organization is not going to run completely hog wild, and that we are not going to be subject to the whims of the small countries, whose contributions may increase the contribution of the United States unreasonably.

Mr. SPARKMAN. My opinion is that the Organization will not run hog wild. As a matter of fact, we are following the same pattern we have followed in the case of other similar organizations, such as the WHO and FAO. We actually pay a higher percentage in our contributions to such organizations. We contribute one-third rather than one-fourth.

Anyway, it seems to me the provision which was considered by the committee and was written into the bill is reasonable. I hope the decision of the committee will be sustained.

Mr. President, this amendment would allow only a very modest increase of $250,000 a year in the United States contribution to the ILO. This will not be sufficient to meet our obligations to that Organization or to permit the ILO to expand its activities significantly.

The committee bill will allow a sound expansion of ILO activities while at the same time providing an adequate control over that expansion.

The basic issue here is United States participation in the ILO. After hearings and extensive consideration of this issue last year, the Foreign Relations Committee concluded that such participation "cannot be harmful to American interests and can be helpful." If the United States is not going to participate in ILO, it ought to withdraw from the Organization. If it is going to participate, it ought to do so fully and effectively.

This amendment would cripple United States participation and should, therefore, be rejected.

Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of my remarks an extract from the committee report of 1957 dealing with this subject matter.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

4. UNITED STATES PARTICIPATION IN INTERNATIONAL LABOR ORGANIZATION

The committee has given serious consideration to the question of United States participation in the International Labor Organization. This question has been raised in an acute form by certain employer groups in the United States, particularly the chamber of commerce and the National Association of Manufacturers, in the light of renewed participation by Soviet bloc countries.

The International Labor Organization is unique among international organizations in that it has a tripartite structure. Each member country has 4 delegates, of whom 2 represent the government, 1 represents employers, and 1 represents employees. In the United States, the employer delegate is nominated by the chamber of commerce and the National Association of Manufacturers; and the employee delegate is nominated by the AFL–CIO.

When the Soviet Union rejoined the International Labor Organization in 1954 after an absence of 15 years or more, the question at once arose as to whether employer and employee delegates from Soviet bloc countries in fact represented employers and employees or whether they were merely additional government delegates. In view of the nature of Communist society, it seems obvious that Communist delegates in fact represent their governments regardless of whether they may be labeled employer or employee representatives. It seems equally obvious that this violates the tripartite structure of the International Labor Organization.

The committee is not persuaded, however, that this in itself affords ground for American half-hearted participation in, or withdrawal from the International Labor Organization. The problem posed by Soviet bloc employer and employee delegates is one of degree; and although it exists in its most extreme form in connection with such delegates from the Soviet bloc, it is by no means confined to Communist countries. In some other countries, labor organizations or business groups, or both, are to some degree controlled or dominated by the government.

This is a problem, or rather a series of problems, which can best be dealt with on a case-by-case basis rather than through attempts to write general rules for universal application.

A further criticism of the International Labor Organization has been directed at its procedure for the adoption of any convention or recommendation as well as at the content of many of them. A principal point is that the International Labor Organization convention is a device for violating Federal-State relationships in the United States and possibly also the Federal Constitution. Another point is that many International Labor Organization conventions deal with subjects inappropriate for international action (such as standards for social welfare and labor legislation). Still another point is that International Labor Organization conventions reflect a statist or socialistic concept at variance with American traditions.

The committee agrees that the International Labor Organization convention has been overworked. This is why it seeks to encourage the shift in emphasis away from conventions. But at the same time, the committee believes that the criticism of International Labor Organization conventions has also been overworked, particularly from the point of view of any danger which they might present to the national interest of the United States.

The International Labor Organization has adopted 104 conventions, of which 7 have been ratified by the United States. Six of these seven relate to maritime labor, and the other one has to do with a procedural matter. There is no provision in the International Labor Organization constitution by which the International Labor Organization can legislate for the United States or any other country. There is no way in which an International Labor Organization convention can become effective, so far as the United States is concerned, unless it goes through the constitutional processes of the United States.

The basic policy question involved in Senate Joint Resolution 73 is whether the United States should continue to participate in the International Labor Organization. If that question is answered in the affirmative—as the committee believes it should be—then there is no logical alternative to favorable action on Senate Joint Resolution 73.

In considering United States participation in the International Labor Organization, the following points seem to the committee to be controlling:

International Labor Organization influence on American domestic affairs is entirely in the control of the United States. In this respect, therefore, participation in the Organization presents no threat to American interests.

On the other hand, the International Labor Organization is in a position to influence to some degree the development of labor-management relations and labor legislation in countries in the early stages of industrialization. In these countries, it is in the American national interest that these developments be in the direction of free trade unions and free collective-bargaining processes. It is further in the American national interest that labor standards in these countries be as high as is feasible so as to reduce the differential in labor costs between other countries and the United States.

To the extent that these trends can be induced at all, they are more likely to be induced if the United States is a full participating member of the International Labor Organization than if it is not.

Further, if the United States withdraws from the International Labor Organization, or is handicapped in its participation by falling in arrears in its contribution, the consequence will certainly be an increase in Communist influence in the Organization.

In short, it seems perfectly clear that United States participation in the International Labor Organization cannot be harmful to American interests and can be helpful. The amount of money involved is disproportionately small in relation to the larger policy issues.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SMITH of New Jersey. I wish to add a word to what the distinguished Senator from Alabama, my colleague on the Committee on Foreign Relations, has said.

I have known of the ILO since shortly after World War I. This organization is not a new United Nations organization, but has been in operation for a great many years. It has done outstanding work.

I share the feelings of the Senator from Ohio in every criticism he has expressed, because we are troubled by the Communist phase of the matter.

The United States has always been one of the strongest supporters of the ILO. Of course, that Organization does not legislate but simply recommends. The organization represents employers and employees.

I think we must consider the importance of the organization and how we can deal most effectively with it, in order to cooperate with other nations which are helping to maintain it.

Did the Senator from Alabama ask to have printed in the RECORD the report submitted by the committee this year?

Mr. SPARKMAN. The matter I asked to have printed in the RECORD was from the report made last year.

Mr. SMITH of New Jersey. I thought that was the case. I wish to read from the report of the committee on the pending bill. We considered this matter in the committee at some length.

A question arose whether we should have a dollar limitation or a percentage limitation in dealing with these matters. We have started a new system of percentage limitations on our contributions to the United Nations. With respect to the ILO, however, we at present have a different situation.

I shall read from page 32 of the committee report for this year with respect to the bill now before the Senate, the title of the section being "International Labor Organization":

The bill retains a provision of the House bill which amends the authorization for United States contributions to the International Labor Organization by removing the dollar ceiling and inserting a limitation of 25 percent.

In other words, it is made a percentage rather than a dollar limitation.

Existing law provides a dollar ceiling of $1,750,000, with no percentage limitation. The Senate passed a bill in 1956 increasing this ceiling to $3 million with a 25-percent limitation and a proviso regarding participation by Communist delegates in the International Labor Organization.

Again in 1957, the Senate passed a bill increasing the authorization to $2 million, this time without percentage or other limitation.

Under the agreement we have with other countries, we are left very much behind in our payments for those 2 years because of the dollar limitation.

The committee is inclined to the view that a percentage limitation is preferable to a dollar ceiling on United States contributions to international agencies.

This applies particularly to the ILO. Our percentage with respect to the United Nations is much higher, being 33⅓ percent.

A percentage limitation enables the budgets of these organizations to be expanded on a sound basis provided the other members are willing to meet their share of the cost. In view of this fact and the further fact that the Senate has twice before approved some sort of increase in the United States contribution to ILO, the committee deems it appropriate to agree with the House action in this instance.

I have read that into the RECORD because it seems to me we should keep in mind the long and distinguished history of the organization, and the fact that we have been participating in its work.

I do not think there is any danger that the ILO may run hog wild and put us on the spot.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. BRICKER. The Senator has mentioned the long history of the organization. I think the ILO has done good in many fields, but in other fields it has been a detriment to the cause of labor. That is, however, neither here nor there. During all that time the contributions from the United States to the ILO have been under a dollar limitation. Especially did we restrict the appropriation of the United States in a dollar way when Russia came forward with her employer, so-called, and employee, so-called, representatives of agencies of the Soviet Government.

Mr. SMITH of New Jersey. That is true.

Mr. BRICKER. They are still sitting in the International Conference.

Mr. SMITH of New Jersey. That is true.

Mr. BRICKER. All I ask is that we continue the program fixed by the Senate last year with a $2 million limitation, so as to prevent the constant pressure which will be brought by the small nations to increase the Secretariat, to increase the travel expenses, to increase the headquarters expenses, and to increase every other expense, simply because Uncle Sam will be carrying 25 percent of the load, and it will not cost the others very much. That is the only purpose of the amendment. I am not trying to destroy the organization or its effectiveness.

Mr. SMITH of New Jersey. The amount involved is relatively small. It is a fact that because of last year's limitation we are behind in our legitimate payments to the organization. I talked to Dr. Wilcox about this matter before he left for Geneva to attend the conference. He thought it would be unfortunate if we did not try to move toward clearing up our indebtedness.

Mr. BRICKER. A number of small amounts make up large amounts, and we are involved in a great number of these international organizations.

Mr. SMITH of New Jersey. That is true. I have assisted in the movement to reduce the percentages of contributions to UN organizations year by year, until they were all brought down to 33⅓ percent. We used to pay up to 60 percent, or thereabouts.

Mr. BRICKER. Of course, this is an international organization which predates the United Nations.

Mr. SMITH of New Jersey. The Senator is correct. It was organized before the United Nations, away back during World War I, at the time we were discussing the old League of Nations.

Mr. GOLDWATER. Mr. President, I desire to speak briefly on behalf of the amendment offered by the distinguished Senator from Ohio.

Mr. President, I was interested in the remarks of my good friend from New Jersey [Mr. SMITH] when he spoke, as most persons who are in favor of these international organizations usually speak, of "a relatively small amount." It is true we are not discussing a great deal of money, as we ordinarily consider money in these days, but let us look at some of the other organizations involved.

The United States contributes approximately 52 percent of the total support for the United Nations Children's Fund. The United States contributes 31 percent of the United Nations Refugee Fund, and contributes 63 percent of the amount which goes toward the support of the Palestine refugees.

Mr. President, if we could feel relatively certain that 25 percent would never equal more than the amount of $2 million we might feel differently about the matter, but the history which is being made constantly shows that once the United States begins paying into these international funds it never stops. If we start paying 25 percent, my prophecy is it will not be long until we are paying 52 percent and then 63 percent. The first thing we know we alone shall be supporting these international organizations.

Mr. President, a very close friend in Arizona who is connected with the American Mining Congress, attended the ILO conference on mining in Geneva last year. When he returned home, he was a very disgusted, frustrated, and disappointed American. His name is Mr. Denison Kitchel.

Mr. Kitchel is an outstanding labor lawyer in Arizona. In the course of remarks made by him he has made several references to the ILO conference on mining in Geneva. I ask the indulgence of the Senate for a few minutes to read the remarks which I had printed in the CONGRESSIONAL RECORD on April 15, in respect to the report of Mr. Kitchel. The title is "The ILO Conference on Mining." I read from the RECORD:

Having attended an International Labor Organization conference at Geneva, Switzerland, we are convinced that Alice's Adventures in Wonderland were dull in comparison. We are also convinced that continued participation in the ILO by the United States is not in the best national interest.

The conference to which we were accredited as United States employer delegates was officially entitled the "Tripartite Technical Meeting on Mines Other Than Coal Mines." Convened by the governing body of the ILO, the 2 weeks' meeting (November 25–December 7, 1957) was ostensibly called for the purpose of discussing problems of labor-management relations common to the mining industries of the 25 nations which participated. Each delegation consisted of 2 employer delegates, 2 worker delegates and 2 government delegates. Of the Communist nations, Russia and Yugoslavia were represented.

There were four items on the agenda for the meeting:

1. Social problems arising in mines other that coal mines.

2. Accident prevention in mines other than coal mines.

3. Machinery for wage fixing and wage protection in mines other than coal mines.

4. Industrial relations in mines other than coal mines.

In advance of the meeting, the permanent staff of the ILO had prepared reports on each of these items and sent them to the prospective delegates.

The first item, social problems, obviously opened the door to every conceivable and irrelevant topic from childbirth to cemetery accommodations. These social problems were discussed by means of prepared speeches delivered by almost every delegate to the conference at plenary sessions held throughout the 2-weeks' period. Captives of the permanent staff of the ILO, we heard speech after speech condemning employers as a class for their ruthless exploitation of the workingman. We heard speech after speech extolling the virtues of governmental regulation and intervention in all phases of labor-management relations. We heard speech after speech describing the wonderful freedoms vouchsafed to the workers in Communist countries. And, of course, we

heard speech after speech praising the great work of the ILO.

The other three items on the agenda were referred to subcommittees. In this subcommittee framework lay the possibility that we would actually have the opportunity to exchange ideas and discuss mutual problems with the delegates from other nations. But here, again, under the rigid direction of the ILO permanent staff, discussion was reduced to a minimum and the production of embryonic international legislation quickly became the major activity of the subcommittees. Almost at the very outset and as if from out of the blue, there appeared on the desk of each subcommittee member a complete draft of a resolution prescribing in detail the principles, rules, and regulations which should govern all phases of the subject matter under discussion. From then on the discussion consisted of voting on these specific proposals, obviously prepared well in advance of the conference by the permanent staff, acting as the handmaiden of the leftwing international trade unions.

The final day of the conference found us unwittingly convened as an international parliament. For 7 consecutive hours we were maneuvered through the labyrinths of legislative chicanery to produce the end products conceived by the permanent staff long before we arrived in Geneva. In 7 short hours and after 2 short weeks of discussion, we resolved most of the grave issues of labor-management relations with which the mining industry has been wrestling for centuries.

We can report that the United States employer delegates to the conference were unique, conspicuous and outspoken in their unwillingness to conform and in their opposition to the socialistic and legislative aspects of the meeting. Taking the position that the conference had not been convened for the purpose of legislating on the internal affairs of their country, their performance might best be described as that of skunks at an international lawn party. We can also report that their independent attitude was the envy of most of the employer delegates from the other free nations, who, because of the ascendancy of labor socialism at home, could not afford to oppose the activities of the ILO no matter how unpalatable they might be.

This is the sinister aspect of this and other ILO conferences. With the exception of the United States and Canada, and possibly Australia, the employers and governments of the world fear the ILO. It is our conclusion that the ILO is the vehicle of the international socialists and the tool of the leftwing international trade unionists.

The United States pays 25 percent of the cost of maintaining and operating the International Labor Organization. We question whether such a contribution, or, in fact, any contribution to national suicide, is in the best interests of our country.

As for the Tripartite Technical Meeting on Mines Other Than Coal Mines, suffice it to say that it was the most interesting, most frustrating, most disturbing, most diabolical and most useless conference we ever attended.

I read those remarks made by Mr. Denison Kitchel, of Phoenix, Ariz., because they point out the shock to and the concern of an American citizen who has been exposed for the first time to an ILO conference.

This is not the first expression along these lines that I have heard from individual American businessmen, lawyers, and even some labor members who have attended ILO conferences, only to find them prearranged, and conducted according to philosophies which are to those Americans obviously socialistic in nature.

I have heretofore supported contributions to the ILO, because I feel that it is a good place for us to keep an eye on Russia, and on what the Communists are doing. That is as far as I will go in recognizing any good which comes from this organization. I think we can provide this system of espionage for ourselves for much less than $2 million. There is much greater danger involved in saying we will pay 25 percent of the cost of maintaining this organization than in establishing a dollar limitation. Citizen after citizen comes home from those meetings frightened by what the United States has gotten itself into by being a part of this organization.

I intend to support the amendment of the Senator from Ohio.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. BRICKER. Russia, of course, is a member of the International Labor Organization.

Mr. GOLDWATER. Yes. Russia was represented at the last meeting.

Mr. BRICKER. And other satellite countries are members.

Mr. GOLDWATER. Yes. Yugoslavia was represented.

Mr. BRICKER. Their representatives are not free to bargain in any way. They are subject to the direction of the state.

Mr. GOLDWATER. The Senator is correct.

Mr. BRICKER. They represent neither labor nor management. They have no voice in their own judgment or decisions. So the organization is largely controlled by the Socialist countries, as the Senator from Arizona has pointed out.

Mr. GOLDWATER. The Senator is correct. I assure the Senator, from what Mr. Kitchel told me, and also what I have been told by a man who was with him, Mr. Kenneth C. Keller, another outstanding mining man from the Southwest, that control of this organization is practically entirely in the hands of Socialists. I will not go so far as to say Communists.

Mr. BRICKER. Of course, the Russian delegates are Communists.

Mr. GOLDWATER. That is true.

Mr. BRICKER. And the Yugoslav delegates are Communists.

Mr. GOLDWATER. That is true.

From what these men and others have told me in years past, I conclude that the organization is obviously under the control of socialistic minded people.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER].

Mr. BRICKER. Mr. President, I desire to discuss the amendment a little further with the distinguished Senator from Arizona.

The report of his friend from Arizona is practically the same as the report which came back through Will McGrath, who for many years was an employer representative at the ILO conferences. They are not subcommittee meetings at all. Mr. McGrath confirms the report of the techniques which were used, as mentioned in the presentation of the distinguished Senator from Arizona. He also reports that the ILO is largely subject to the control of the International Socialist Organization. Everything is cut and dried. The proceedings are used for propaganda purposes, and to promote the Socialist scheme in the free countries of the world.

Mr. GOLDWATER. The Senator is correct.

Let me say for the information of the Senator that I have received a letter from Mr. Kitchel bearing further on the subject, in which he expresses great concern over the action we are being asked to take here today. His letter reads in part as follows:

> Recently it appears that those who are planning the strategy of increasing United States financial participation in the ILO decided to abandon Senate Joint Resolution 73 and, accordingly, the matter was tacked on to H. R. 12181, which, if enacted, will be known as the Mutual Security Act of 1958. This bill passed the House on May 14 and in the Senate was referred to the Committee on Foreign Affairs. Section 502 (f) of that bill would eliminate entirely the dollar ceiling on the United States contribution to ILO and in its stead set the limit at 25 percent of the ILO budget, regardless of how much that budget might increase from year to year. Obviously, this will be manna from heaven to the international labor Socialists who heretofore have had to limit the ILO budget to approximately $7 million, knowing that the United States could not, because of the dollar ceiling set by Congress, pick up more than $1,750,000 of the tab. Henceforth they will know in advance that, no matter what size the budget may be, the United States will pick up 25 percent. What better way could there be to encourage the growth of ILO bureaucracy, short of saying that we will pay for everything, just tell us how much you want?

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. SMITH of New Jersey. Do I correctly understand that the distinguished Senator from Arizona, for whom I have a high personal regard, is advocating that the United States withdraw from the ILO? We have been in it ever since World War I. I was wondering whether the Senator from Arizona was thinking in terms of the United States withdrawing from the ILO. Either the Secretary of Labor, one of the Assistant Secretaries of Labor, or a member of the State Department has been present at every one of the ILO conferences. It seems to me that very serious charges are being made against the ILO, charges which, if true, would cause me to consider withdrawing from the Organization.

Mr. GOLDWATER. I assure my distinguished friend the senior Senator from New Jersey, with whom I have served for so many years on the Committee on Labor and Public Welfare, that I have no intention of suggesting today that the United States withdraw from the ILO. I do think, however, that it is high time for the Foreign Relations Committee to institute a thorough investigation of the ILO, to determine whether the charges being made by some outstanding Americans have any substance. At such time I believe it would be wise for us to consider the question of withdrawal or remaining in the Organization.

What the Senator from Arizona is suggesting is that we do not give the ILO a blank check to spend American taxpayers' money in Geneva, Switzerland. I believe that $1,750,000 as the contribution of the United States is adequate, and that we should not go any higher. I am certainly strongly against putting it on the basis of 25 percent, which in effect would mean that the Organization could come into our Treasury and take out whatever money was needed to pay for its expenses. I could never support such a proposal.

Mr. SMITH of New Jersey. I might say, in answer to that point, that I have always understood we have participated in determining the amount which should be used by the Organization. Mr. Wilcox has been close to the subject, and I have always understood from him and from others that we have had full say in determining the amount. I agree that it should not be done loosely.

Mr. GOLDWATER. However we are in the unfortunate position of being 1 nation of 25. When someone is spending my money, I want to have a substantial voice in deciding how it will be spent. I do not want to have the vote stacked against me 24 to 1.

Mr. SMITH of New Jersey. We have the situation of being outvoted in the U. N. and in other international associations. I wish to get it clear in my mind whether the Senator feels that we should look toward winding up our participation in the Organization and our connection with it. I agree that we should take steps to look into these things. I have talked to several persons, including the Secretary of Labor, who have attended the conferences, and I am surprised at what the Senator read from the letter he has received.

Mr. GOLDWATER. Let me assure the Senator from New Jersey that I am not suggesting we withdraw from ILO. I have supported the expenditures in behalf of that organization. I believe we derive some good from it. However, I believe we should look into the matter and determine whether it is a Socialist organization, as has been charged by some outstanding citizens of America. I am merely against a carte blanche giving of money to an international organization about which I have had these criticisms.

Mr. SMITH of New Jersey. In answer to the distinguished Senator from Arizona, I should like to read from a letter which I have received from the Commerce and Industry Association of New York. In it the executive vice president, Mr. Miley, says:

As you will see, it is our considered view that it would be a serious mistake for the United States to pull out of the ILO, or for American employers to cease their participation. We believe, in fact, that American participation should be intensified. As our report states, "You can't beat something with nothing." We feel strongly that we must not abdicate to the Russians this important international forum in the battle for men's minds.

This letter is from an organization which has conducted a thorough investigation into the ILO. It is another aspect which must be considered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio [Mr. BRICKER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

CONDITIONS BEHIND THE IRON CURTAIN

Mr. WILEY. Mr. President, my sister and her husband, who are residents of Formosa, have sent me a copy of an interview with Gen. Chiang Kai-shek and his wife. I wish to read a few sentences from the interview, and then I shall ask that the entire interview be printed in the RECORD.

Speaking about the Soviet Union, Gen. Chiang Kai-shek said:

I think in the first place she is most fearful of internal revolution within her own borders and within the satellite countries. At the same time, she is most concerned about the anti-Communist revolution in Asia because she wants to use Asia as her rear supply base. If you remember rightly, Stalin said that no country would be able to gain victory if her base is not secure. Therefore, if we would be able to attack this vulnerable spot of Soviet Russia, we would have found her Achilles' heel. Then we can surely wrest the initiative from her and not involve the United States in any sort of war, preventive or otherwise.

He was asked the question: "Is it possible for a Hungarian-type revolt today?"

His answer was:

The Hungarian-type of revolt is not only possible in the future—that type of revolt has been happening unceasingly for the past 2 years in Sinkiang, Tibet, Chinghai, and on the borders of Yunnan and Szechuan. In scope, some of them have been even larger and more comprehensive than the Hungarian revolt, the reason being that not only are the intellectuals opposing the Communist regime, but also the farmers and the industrial workers.

Formerly, the Communists in their agrarian reform program gave small plots of land to the farmers, but they taxed them so heavily that all the land had to be returned to their regime and become collectivized. And the industrial workers, day by day, are forced to work longer hours and for less pay. There is, therefore, general hate and resentment of the regime, and I feel sure that once these feelings become crystallized the time will be for the national revolution against communism not only on the mainland but in our efforts to help liberate the people there.

I ask unanimous consent that the entire interview be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

NO UNITED STATES PART IN FIGHTING BACK TO MAINLAND—GIMO

Following is the text of a television interview granted by President and Madame Chiang Kai-shek to James Robinson, NBC Far East correspondent, recently at the Presidential residence in the suburbs of Taipei and released today in New York:

Question 1: "President Chiang, is a military takeover of Communist China possible without a world war—or without direct United States support?"

President: "To answer your question, I must first point out the nature of the military takeover. We have never conceived the struggle with the Communists in the form of a war whereby the armed forces of one country are pitted against the armed forces of another country each backed by its own people. The people on the mainland are no enemy. They are our own people, and we know definitely that they are absolutely opposed to the Communists.

"It is our aim to overthrow the Communist regime because they oppress the people, and it is our aim to liberate our people from slavery. Therefore, this is a revolutionary struggle for their deliverance from Communist tyranny, and we shall use 30 percent military strength and 70 percent political strength to attain our objective. In other words, the strength of our struggle will lie in the strength and desire of the people to be free from Communist persecution. We shall utilize our all to help them to attain their aim, and there is no need for a world war or for America to directly participate. All we hope for is moral encouragement from the Free World.

"I may add that I have never even thought of America's direct participation in our recovery of the mainland. I hope that our American friends will realize that."

Question 2: "Mr. President, your Government has been on this island for 9 long years. Doesn't this isolation give the Communist Chinese the essential advantage of time—time to impose controls, time to sway people's minds, time to achieve international approval?"

President: "Time in this respect is a two-edged sword. It is true that the longer the Communists are in control on the mainland the more they are able to brainwash the people and to put every sort of restriction on their freedom of thought and action. At the same time, we must realize that the longer the Communists are on the mainland the more our people hate them because they are so persecuted and oppressed. The contrast between the progress we have made in Taiwan on the one hand and the sufferings of the workers, farmers, and intellectuals on the mainland on the other, will become all the more glaring."

HOPE OF FREEDOM

"It is precisely for this reason that the Chinese Communists are bent upon an early aggression again Taiwan in order to complete their conquest of China. However, so long as this Government continues to exist in Taiwan and to make progress in freedom, the people on the mainland will oppose all the more the Communist regime and cherish the hope of liberation. On the other hand, to the Free World as a whole, time is working against it. For this reason Soviet Russia will use all sorts of stratagems to prolong the cold war. We know that the Communist policy of world conquest will always remain unchanged. The Communists envisage a world where peace is a continuation of war, where peace offensive and infiltration are employed to achieve their ultimate objective of conquest without bloodshed. Lenin used to say that war should not be Russia's strategic weapon and that the chief method of conquest should be to force the enemy to surrender by peaceful means, since Russia would not want to involve herself in direct warfare. Today Soviet Russia holds the initiative by her effective use of various forms of peaceful offensives. I feel that we must begin to wrest the initiative from Soviet Russia. We cannot afford to lose more time."

Question 3: "You talk about wresting the initiative from the Soviets, Mr. President. In more concrete terms, just how can this be done?"

President: "In order to wrest the initiative from Russia and to defeat her cold-war tactics, we must understand the political nature of the Soviet regime. Internally they have to oppress their people in order to survive. Externally they have to destroy capi-

talism in order to complete their so-called proletarian dictatorship for the cause of world revolution. But in destroying capitalism it does not necessarily mean they go to war or resort to warfare. They use cold-war tactics. And in this case part of the cold-war tactics is holding one conference after another and by separating the various countries who are not in the Soviet bloc. In other words, create contradictions amongst the democracies and play them off one against the other in order to hasten their ruin."

WREST INITIATIVE

Question 4: "Yes; Your Excellency and Madame, but what precise countermeasures might be taken?"

President: "The way for us to wrest this initiative is for us to realize what she is after and to beware, and not to disarm but to unify and to solidify all who hold the same ideals of freedom and independence and act in concerted action."

Question 5: "Might you be suggesting that by taking the initiative the United States should resort to a preventive war?"

President: "No; I do not think the United States should resort to a preventive war. In fact, in my book, Soviet Russia in China, I repeatedly pointed out that it would be most disadvantageous to the Free World as a whole if the United States should become the principal theater of war. In truth, it is the aim of Soviet Russia to isolate the United States."

Question 6: "What should be done, Mr. President?"

President: "We ought to find out what Soviet Russia is most afraid of today and attack those vulnerable spots. I think in the first place she is most fearful of internal revolution within her own borders and within the satellite countries. At the same time, she is most concerned about the anti-Communist revolution in Asia because she wants to use Asia as her rear supply base. If you remember rightly, Stalin said that no country would be able to gain victory if her base is not secure. Therefore, if we would be able to attack this vulnerable spot of Soviet Russia, we would have found her Achilles' heel. Then we can surely wrest the initiative from her and not involve the United States in any sort of war, preventive or otherwise."

Question 7: "Again I'd like to get back to conditions on the mainland, Mr. President. What do your intelligence reports tell you?"

President: "There is no question that the Communists are stepping up their military capabilities and strengthening their military installations in anticipation of attacking Taiwan.

"In 1956, I had, in fact, in several of my public statements, said that the intellectuals on the mainland were disillusioned and eagerly awaiting our help for a change of their lot. But the world did not believe me. Then in May of last year, if you remember, the Communist regime told the intellectuals and the people that they were free to criticize the regime. And the results of the criticisms were so alarming that the Communists had to call off their promise of allowing freedom of speech, and we have what is called the rectification movement and the antirightest movement and all the persecutions and oppression that followed thereafter."

REVOLUTION FERMENTING

Question 8: "Is it possible for a Hungarian-type revolt today?"

President: "The Hungarian type of revolt is not only possible in the future. That type of revolt has been happening unceasingly for the past 2 years in Sinkiang, Tibet, Chinghai, and on the borders of Yunnan and Szechuan. In scope, some of them have been even larger and more comprehensive than the Hungarian revolt, the reason being that not only are the intellectuals opposing the Communist regime, but also the farmers and the industrial workers.

"Formerly, the Communists in their agrarian reform program gave small plots of land to the farmers, but they taxed them so heavily that all the land had to be returned to their regime and become collectivized. And the industrial workers, day by day, are forced to work longer hours and for less pay. There is, therefore, general hate and resentment of the regime. And I feel sure that once these feelings become crystallized the time will be for the national revolution against communism not only on the mainland but in our efforts to help liberate the people there."

Question 9: "What role, then, must the United States take in Asia?"

President: "The United States, as a leader of the Free World, has a particularly important role to play in helping the anti-Communist countres in the Far East in the liberation of their enslaved peoples. Those countries which have for their aim the attainment of national freedom and democracy should be supported both materially and morally by the United States."

Question 10: "The Soviets have reportedly boasted of conquering the world by 1973. Do you think this is possible, Mr. President?"

President: "World domination remains the one unalterable objective of the Russian imperialists. If we allow the cold war to continue and do nothing about it, it is possible that the Russians may succeed in their objective even before the date that you mentioned. But I believe that we of the Free World can defeat the Soviet objective if we would all work together and if we would enhance our own solidarity militarily, politically and psychologically, and resolutely help the enslaved peoples who want to be free. In that way, we would be better able to wrest the initiative from Russia."

Question 11: "In a different vein, Madame, why did your husband become a Christian?"

Madame Chiang: "Well, after we were married, for 3 years my husband and I studied the Bible together every day and be became convinced God is the Creator of the universe and Jesus Christ the Saviour of mankind.

NO CONFLICT

Question 12: "But isn't there a conflict between Christianity and Confucianism?"

President: "There is no conflict between the two. Confucianism is the basis of China's traditional culture which every Chinese has inherited and of which they are ever proud. Nevertheless you should know Confucianism is only a code of ethics, it is not a religion. Chinese traditional culture is rich in ideas concerning relationships between men but it offers no clear definition of the concept of God. This is a void which can best be filled by Christianity. In fact, Confucianism and Christianity supplement each other in bringing about a fuller and richer life."

Question 13: "Madame, please, excuse my curiosity, but I'd like to know something of your duties as the wife of Republic of China's leader. Many of us have the idea that in China a woman's place is in the home. * * *"

Madame Chiang: "Well, mostly my work is alongside of the President, although I have my own work, too. I attend office. I visit orphanages and military hospitals. I have my work with the antitubercular sanitarium and antitubercular movement. I work with the refugees. I work with training young men and women."

Question 14: "Do you seek relaxation in painting?"

Madame Chiang: "Yes, I suppose you can call painting my relaxation, but I tell you it is also hard work."

Question 15: "It's my understanding, Mr. President, that the majority of your troops are, in fact, Formosans. Do these people, whose home is actually this island, have the necessary drive to return to the mainland?"

President: "Taiwan became Chinese territory as early as the seventh century. The so-called Formosans are all descendants of immigrants from the mainland. Their written language, their dialects, their customs, and their habits are the same as those of the inhabitants of the mainland. They are indigenous Chinese in every sense of the word, and not assimilated aliens. You should bear this especially in mind. In all the years when they lived under Japanese occupation, every year large numbers of them would still go back to the mainland to their ancestral homes to sweep the shrines and the graves. And they have so many relatives and friends there that they feel that their real home is on mainland China. Therefore they are just as anxious as the rest of us to fight back to the mainland to help liberate their friends and relatives."

MESSAGE TO AMERICANS

Question 16: "Mr. President, do you have a message for the American people?"

President: "Yes; I would like to give a message. First of all, I would like to thank the American people and the American Government for the help they have given us both in military aid and in our economic reconstruction. I would also like to express our appreciation to our many overseas compatriots in the United States and elsewhere who have given so freely of their substance and their hearts to our people here. I would like also to tell the American people about the danger of the nuclear war. Most people in the United States seem to expect the approach of a nuclear stalemate. Their belief is predicated on the premise that both the United States and Soviet Russia, being fearful of the annihilating power of the nuclear weapon, would not dare or want to initiate an all-out war so costly to humanity. It follows, therefore, that the American people see no likelihood of an all-out war. Local wars, they think, may occur.

"In my opinion, this way of thinking is fraught with danger because communism emphasizes the material rather than the moral. We know for a fact that Russia always cherishes ideas of communism particularly the teachings of Lenin. In short, it believes that communism can never coexist with capitalism, and that world war is unavoidable unless the world has come under the control of the Communists."

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. CASE of South Dakota. The information the Senator has given to us is very encouraging. It seems to me it seconds the efforts some of us have made in trying to do everything we can to reach the people on the other side of the Iron Curtain.

Mr. WILEY. I am happy to have the Senator's comment. That is why I voted against the Knowland amendment. The interview was sent to me by my sister. In sending it, she wrote:

> You may have read this in some American paper. Just in case you haven't, I thought you might be interested.

It indicates that in this troubled world there are many ways of providing deterrents to a third world war, and one is by seeing to it that those who would start a war are taken care of in the appropriate manner. I agree with the distinguished Senator from South Dakota.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JAVITS. Mr. President, I call up my amendment identified as "5–28–58–C."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, between lines 10 and 11, it is proposed to insert the following new subsection:

(1) Amend section 413, which relates to encouragement of free enterprise and private participation, as follows.

On page 47, line 11, after "(1)" insert "(1)."

On page 47, line 22, strike out the period and insert in lieu thereof a semicolon.

On page 47, between lines 22 and 23, insert the following:

(2) Insert the following new subsection:

"(c) Under the direction of the President, the Departments of State and Commerce and such other agencies of the Government as the President shall deem appropriate, in cooperation to the fullest extent practicable with private enterprise concerned with international trade, foreign investment and business operations in foreign countries, shall conduct a study of the ways and means in which the role of the private sector of the national economy can be more effectively utilized in foreign technical assistance, coordination with United States and other foreign aid programs and otherwise in the foreign policy efforts of the United States. Such study shall include specific recommendations for such legislative and administrative action as may be necessary to expand the role of private enterprise in advancing the foreign policy objectives of the United States."

Mr. JAVITS. Mr. President, the purpose of my amendment is to direct, under Congressional mandate, the agencies of the United States, coordinated under the direction of the President, to ascertain how the private sector of the national economy, meaning business, labor, and voluntary organizations, and the efforts which they are now making in the foreign operations field—which are very considerable—may be best coordinated with the efforts of United States foreign policy.

In offering this amendment I have the honor to be joined by the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], who is now presiding, and by the distinguished senior Senator from North Dakota [Mr. LANGER].

The only reason why the State Department took exception to the amendment when it was originally before the committee was that as I then had it drafted, it seemed to give an emphasis to investigating barriers to private investment. The Department said, quite properly, that this question had been studied on a number of occasions and therefore they did not think the subject needed to be studied again in this fashion.

Since then, I have redrafted the amendment in order to emphasize very clearly the point I had in mind, namely, the point of coordination, which is the subject to which we urgently need to devote our attention. Following the redrafting, I am authorized, by reason of a conversation I had with Under Secretary of State Dillon, to make the following statement concerning the attitude of the Department. I shall quote it, because I read it to him, and he approved what I am about to read:

Upon close study of the amendment of Senator JAVITS, as redrafted following the marking up of the bill, the State Department has no objection to its adoption and considers that such a study will be helpful to United States foreign policy.

In my talk with Mr. Dillon, it was suggested that the words "foreign technical assistance," on line 10, page 2, of my amendment, might be eliminated. If the committee so desires, I can make the deletion here, or it can easily be done in conference.

We did exactly what I am suggesting today last year in respect to international travel, with great success. We now have before us a report, House Document No. 381, prepared under the direction of the President by Hon. Clarence Randall, which is now universally acknowledged to be a handbook or guidebook for the great effort which is now taking place in our Government to increase and improve international travel. The report brings the information up to date and gives authoritative recommendations as to what needs to be done. A series of bills is in preparation for the purpose of implementing the travel report. Altogether, it is a remarkably satisfactory report for all concerned. It was prepared in accordance with an amendment to the Mutual Security Act, exactly the same kind of amendment I am offering today. Last year the committee was kind enough to accept an amendment similar to this one and take it to conference. My amendment today calls for the same treatment of United States overseas private enterprise and its coordination with United States foreign policy.

I strongly feel that the example which has been set by this very successful report within the Congressional framework in respect to international travel should be availed of in this instance.

As to the substantive reasons, Khrushchev has said, in so many words, that he has declared war upon us in foreign-economic policy. It is universally acknowledged by every authority, including the Secretary of State, that if we try to fight the struggle in the economic field strictly with what we spend in Government, we shall be fighting with our right hand tied behind our back, because in our country the private sector of the economy produces the most, spends the most money, and operates on the largest scale in almost every nonmilitary way.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. Regarding the amendment offered by the junior Senator from New York for himself, the present occupant of the Chair, the junior Senator from Wisconsin [Mr. PROXMIRE], and the Senator from North Dakota [Mr. LANGER], that it is true, I may say, that the Committee on Foreign Relations considered a proposal which was advanced to the committee somewhat along the lines of the amendment. At that time the committee did not look with favor upon the proposal. There was no particular opposition to it, except that it called for studies which largely would have duplicated studies which had recently been made.

The Senator from New York has stated that the amendment has been redrafted. I suggest to the Senator that if he would amend it in the manner in which he suggested, the committee would interpose no objection to it and would be glad to take the amendment to conference. I believe that some good can come from it, because, certainly, all phases of the program can profit by a continuing study. I believe that is what the amendment proposes.

I may say, speaking not only for myself, but also for the chairman of the committee, that the committee has no objection.

Mr. JAVITS. I am grateful to my colleague from Alabama. I modify my amendment by striking out, on line 10, page 2, the words "foreign technical assistance."

The PRESIDING OFFICER. The amendment will be so modified.

Mr. JAVITS. Mr. President, I shall take only a half minute more, because the amendment will go to conference. I shall complete the presentation of my position, so that it will be before the committee of conference. I refer particularly to the analysis of American private investment, its size, and how deeply involved in overseas operations are a great many American companies which have an estimated $60 billion worth of goods and services which is involved in foreign operations, which includes American companies shipping from the United States, as well as a large group of companies which manufacture overseas.

I point out the tremendous amount of technical assistance estimated at twice that of the United States Government rendered not only by American corporations, but also by voluntary organizations, colleges, universities, foundations, missions, trade unions, business associations, and technical associations such as those for lawyers, doctors, engineers, and others. All of these operations should be effectively coordinated with United States foreign policy.

At a time when we are searching for ways and means to supplement the nonmilitary aspects of our mutual security program, a study of the tremendously expanding economic and technical assistance activities of private United States groups will reveal new ways in which the great resources they are using in foreign operations can be utilized. I am aware of other studies already made on the role of private investment abroad, but none so far have dealt directly with our pressing need to coordinate the extensive operations of private enterprise with our publicly sponsored foreign aid and technical assistance programs.

Many businessmen often do not know where to turn in Washington in order to ascertain whether the United States regards it as being in its interest or not

in its interest for private organizations to engage in certain overseas operations.

For these reasons, I sincerely hope that a program for a report will be developed along these lines. I think it will be extremely important in assuring a successful future for our country's role in world affairs.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from New York [Mr. JAVITS] for himself and other Senators.

The amendment, as modified, was agreed to.

LATIN AMERICA AND THE MUTUAL SECURITY ACT

Mr. SMATHERS. Mr. President, on February 17, and again as recently as May 14, I spoke at length on the floor of the Senate about our relations with the 20 Latin American Republics. On these occasions, I called attention to the serious Soviet trade offensive in Latin America and the urgent need for a reexamination of our foreign policy as it applies to this area of the world.

Since 1956, Communist bloc efforts to stimulate trade with the Latin American countries have risen sharply. Almost every republic there was visited by the Communist bloc commercial missions last year. The delegations offered a great variety of goods on attractive terms, and offered to buy Latin American surpluses.

For example, Brazil received Hungarian and Polish offers to take $60 million worth of surplus cotton off her hands. In the first half of 1957, the Soviet Union bought close to $40 million worth of Cuban sugar. Moscow has offered to buy Bolivian minerals, and to supply smelter equipment. Soviet delegates to Colombia reportedly offered materials and equipment for development, including electricity production and telephone service, with credit on 10 to 15 years' terms and low interest rates. Colombia will initiate the sale of coffee this year, the basis of the project to be the establishment of vast coffee deposits in one of the Eastern European countries.

The U. S. S. R. is offering oil production equipment to oil-hungry Argentina and Brazil. These are only a few of the deals consummated or under consideration since Eastern European, Balkan, and Russian missions began their concentrated drive to win an economic foothold south of the Rio Grande.

In 1956, the latest year for which complete data is available, Soviet bloc trade with the Latin American countries amounted to $234 million. Measured against the whopping $7.5 billion United States-Latin American trade, there is a temptation to dismiss the Kremlin's meager record as being of no consequence. To do so, however, would be to ignore Communist aims and to underestimate Communist tactics, as well as to overlook increasing Soviet economic resources.

As part of its design for world domination, Moscow's principal objective in Latin America is to drive a wedge between the United States and its Western Hemisphere allies. Outright military invasion is, of course, out of the picture. But subversion goes forward on a 24-hour schedule, and every opportunity to create hostility toward the United States is seized upon. The new economic offensive is calculated to soften Latin American attitudes toward the Communists.

In a story which appeared in the June 1 issue of the Washington Post and Times Herald, it was pointed out that the Russian bloc countries increased their trade with Latin America 609 percent from 1952 to 1956, a greater increase than with any other part of the world. These facts were the results of a study prepared for the Committee for Economic Development.

The facts reported should dispel any doubts which may exist as to the progress being made by the economic offensive launched in this area by the Soviet. The warning signals have been flying for some time. Either we heed them by assisting Latin America in the solution of the problems with which she is confronted, or else we must be prepared to suffer the consequences. Time now is of the essence, for the security and future economic well-being of this hemisphere is at stake.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED TRADE GAIN CITED IN STUDY

(By Carroll Kilpatrick)

Russian bloc countries increased their trade with Latin America 609 percent from 1952 to 1956—a greater increase than with any other part of the world, a study prepared for the Committee for Economic Development reported yesterday.

"The Communists have made trade expansion a full partner with assistance in their economic offensive outside their own area," the study, by Michael Sapir, said. The aid program, he wrote, has a different emphasis in three distinct areas of the underdeveloped world.

In Asia and Africa, the Communists are concentrating on economic development aid; in the Middle East, on aid and trade; but in Latin America the emphasis is on increasing trade, Sapir said.

"In Latin America, the increase has taken place primarily because of vigorous efforts by Eastern European countries," he reported. "A network of direct agreements has been established, with liberal credit provisions featured."

Latin America's principal imports from the Communist countries have been coal, machine tools, railway rolling stock and agricultural machinery. Principal exports have been meat, leather goods, and animal hides, sugar, coffee, and wool.

FOUR COUNTRIES INVOLVED

Sapir said the Soviet bloc, including Communist China, has concentrated on increasing trade with a relatively few underdeveloped countries. Four countries in Latin America are chiefly involved: Argentina, Brazil, Cuba, and Uruguay.

"They account for practically all of Latin American-Soviet trade at present," he said. Sapir is a student of international economics who has specialized in affairs of underdeveloped areas.

"The Communists are attempting to create, in the eyes and minds of the underdeveloped nations, the image of a widespread, richly varied but unified Communist world, similar in scope, variety, and resources to the Free World, available and capable no matter what the problem," Sapir wrote.

While the Communists have expanded their relations with the non-Communist world in general, "they have concentrated increasingly on a 'trade-and-aid' program with the underdeveloped areas, and within the underdeveloped areas to uncommitted nations," the report said.

Sapir noted that only a very small amount of Soviet aid has been sent to countries receiving arms aid from the United States. But the uncommitted countries are receiving a substantial amount of Communist-bloc aid.

Afghanistan, Egypt, Indonesia, Nepal, Syria, and Yemen have received far more economic aid from the Soviet bloc than from the Free World. Thirty-two percent of India's aid and 40 percent of Ceylon's has been from the Soviet bloc.

CONTRAST WITH UNITED STATES AID

In an introduction to the study, Herbert Stein, CED's director of research, said that of America's total foreign aid in the 11 years from 1945 to 1956 some $10.6 billion, or less than a fifth went to underdeveloped countries, and some $3.5 billion of that was for relief work.

Sapir said his study showed that the Soviet bloc "is capable not only of sustaining the economic drive currently underway but has the capacity to increase the effort several times over."

He said the Soviets are "constantly * * * probing for weak spots in the Free World which can be exploited by a variety of means and to a myriad of costumes and poses * * *.

"Probably the greatest and clearest type of danger to the Free World is the success of the Soviets in winning major influence in the Arab world, notably Egypt and Syria. * * *

"The Communists are moving more slowly and less directly in Afghanistan, close to the border of sensitively neutral India." He said Russia also is concentrating on Indonesia's troubled waters with apparent success.

Sapir held out the possibility that Communist bureaucratic methods and poor quality goods may cause the Soviet bloc trouble in the underdeveloped countries.

"It would seem reasonable to expect that the longer the bloc programs are in existence, and the wider their efforts, the greater the likelihood that the Soviet and its satellites will stub their toes, making many of the errors we have made, and others of their own invention," Sapir said.

"There is evidence that such countries as India, Pakistan, Turkey or Burma and Ceylon are increasingly concerned about the political intent of the Soviet bloc, but concern alone, often, is not enough to frustrate Soviet ambitions."

Mr. SMATHERS. Mr. President, it is apparent that the economic realities south of the Rio Grande lend themselves to Communist designs. All of us know how the American Republics depend to a large extent upon one, or at best a few, exports for their livelihood.

A dip in coffee prices can be a major catastrophe in a dozen countries to the south of us. It is estimated that for each 1-cent drop in the retail or wholesale price of coffee, Latin America would lose $25.5 million.

Consider the reaction to the announcement that the United States administration intends to raise tariffs on copper, lead, and zinc imports. In a stream of protests, Chilean journalists demanded that the markets behind the Iron Curtain be accepted for Chile's major export commodity.

Members of the Chilean Copper Producers Association are demanding that they be left free to negotiate with the Reds.

If Chile snaps up purchase offers from the Soviet bloc, the Communists will have achieved a coveted economic toehold.

On the other hand, what would be the case if the Chilean Government refused the alluring Soviet offers to purchase Chile's piled-up copper stocks? Should the perilous economic crisis in Chile worsen, certainly the Communists would heap blame and abuse upon both the Chilean Government and the United States, and would do their vicious utmost to encourage chaos and anarchy.

As Latin American economies sag further and as the trade picture darkens, we can expect the Soviet siren-call to sound more attractive by the minute. The specter of bankruptcy for Brazil, our largest and most populous Latin neighbor, already has prompted a number of her leading figures to come out in favor of trade with the Communists.

Osvaldo Aranha, longtime friend of the West, and head of Brazil's delegation to the United Nations, expressed the view that Brazil should renew trade and diplomatic relations with the Communist countries, severed since 1947. Foreign Minister Macedo Soares felt that Brazil should advance her economic interest by doing business wherever she can find customers. Finance Minister Jose Alkmin voiced agreement with this view.

Of and by itself, peaceful trading between East and West might be a desirable thing. The trouble is that trade, for the Soviets, is a calculated instrument of Communist penetration. Latin American officials who are hopeful that legitimate trade with the Communists will help avert economic deterioration in their countries may be inclined to take their chances on their ability to separate Communist political maneuvers from purely commercial transactions.

Latin American leaders are indeed caught in the middle. Their peoples are impatiently demanding higher living standards which lie beyond immediate capital capacity. When the price and/or demand for their chief export commodities decline, economic development hopes dim. It is little wonder that some will be willing to take international political risks, rather than hazard an outburst of frustration at home.

In the two speeches made on the floor of the Senate this year, I discussed the broad picture of our relations with Latin America—our political, spiritual, strategic, and economic interdependence. This intricate interdependence is very much a part of our mutual security—that is, the security of both the United States and the Latin American republics.

At that time I proposed a four-point program for Latin America. It embodied the following main points:

First, adoption of a long-range, stable trade policy with all the Latin American countries.

Second, insurance that Latin America will receive a fair share of the Development Loan Fund, one proportionate to the needs of the Latin American countries.

Third, the necessity of restoring the Latin American special economic development assistance fund to promote health, education, and sanitation projects in the area.

Fourth, the institution of an adequate and effective Latin American student-exchange program.

The implementation of this four-point program will, in my opinion, contribute immeasurably toward strengthening our foreign policy for the area.

Mr. NEUBERGER. Mr. President, inasmuch as the able Senator from Florida has finished stating the compilation of his proposed program for Latin America, I wonder whether I may ask him a question.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Florida yield to the Senator from Oregon?

Mr. SMATHERS. Mr. President, I am delighted to yield for that purpose to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, since coming to the Senate, I have had an opportunity to hear the junior Senator from Florida [Mr. SMATHERS] deliver a number of speeches about our relationships with Latin America and how they can be improved and strengthened. Unfortunately, I never have had an opportunity to visit Latin America. That is one reason why I have listened attentively to the speeches the Senator from Florida has made, because I feel that I have been learning something and have been acquiring new information.

Mr. SMATHERS. The Senator from Oregon is overgenerous when he makes the latter statement. I only hope it is somewhat true.

Mr. NEUBERGER. I am certain that it is very accurate.

Before I ask the question, let me say that within the past 24 or 48 hours, the Senate has voted on a number of amendments which have sought to eliminate from the mutual-security or foreign-aid program certain Latin American countries which were described as dictatorships. I noted how the Senator from Florida voted on those amendments. If I am not mistaken, I believe he voted in opposition to most of those amendments.

Mr. SMATHERS. The Senator from Oregon is correct.

Mr. NEUBERGER. I also voted in opposition to those amendments.

I realize that my reasons for doing so were not so well grounded in information and facts and on-the-scene studies of Latin America, as were the reasons of the Senator from Florida in voting against the amendments.

Will he discuss that matter briefly? I should like to have him do so, because I know it troubles many of the people of the United States, and I know that many of my constituents will ask me, when I return to Oregon at the end of this session, God willing, why I voted as I did on this particular issue.

I should like to have the Senator from Florida, who is one of our most thoughtful and best-informed students of Latin America, state why he voted in opposition to those amendments which sought to distinguish, in our aid program, between Latin American countries which are said to be dictatorships and Latin American countries which are described as being more democratic in their governmental processes.

Mr. SMATHERS. I shall be glad to try to answer the question of the Senator from Oregon.

Preliminarily I should like to say that I, like every other Senator, including the able Senators who offered the amendments, believe in democracy. Obviously, I am in favor of a democratic government in every country, and I believe all countries can realize their greatest potential, from their people and their resources, under the democratic system. However, I do not believe I would be realistic if I did not recognize that our position in the world is such that from time to time in our own interest we must cooperate with governments which are not democratic. If we were to say that we would write off every government that did not have a government exactly like our own, then, of course, we could have no hope that we would receive the support and the cooperation of, let us say, Franco, in Spain; and we would not have an opportunity to try to induce such a man, for example, as Tito, to leave the Soviet orbit and perhaps aline himself with the Free World; we would have no opportunity to have Mr. Salazar, in Portugal, cooperate with us; and we would not have an opportunity to keep on our side some of the Latin American countries which do not now have democratic governments, yet which obviously would be—and in fact are—very beneficial to us in fighting the common enemy.

In our own interest I believe we have to get support from whatever sources we can in opposing a common enemy. Oh, yes, we all like democracy; but during World War II I was delighted, as a member of the Armed Forces, to have the Soviet Union fighting on our side. The Soviet Union had the worst kind of dictatorship under Joseph Stalin. Did we say we did not want aid from the Soviets because they had a dictatorship? No; we had a common enemy, the Nazis, and we democracies gladly welcomed the help of the Communist dictatorship. We have a common enemy today—Soviet communism. Wherever there are countries in the world who want to be friendly with us, although we do not necessarily approve of the type of government they have, and are willing to help to achieve the greater goal of combating world communism, then I say, in our own interest, we must cooperate with them.

For example, I voted in opposition to the amendment which would have stopped aid to the Dominican Republic. I do not offer any brief for the type of government in existence there, as compared to democracy. However, what would happen if that particular country were run by a dictator who was friendly to the Soviet Union rather than friendly to the United States? What would happen to our tracking station for guided missiles now located there? What would happen to the feeling of security we now have in that whole Caribbean

area if the Dominican Republic fell under a Communist-influenced government? What would happen to us? That country is only 1 hour and 15 minutes away from the State of Florida.

We would be so greatly alarmed by such Communist penetration that undoubtedly we could not permit it to continue. We would possibly have to send Marines or the Air Force to stop the un-American penetration into our own backyard. Of course, if we did that, we would lose the rest of South America.

Such a situation occurred in Guatemala. General Arbenz was the dictator there. He was under Communist influence. That country thereafter became a threat to our own security. Happily there was a revolution. Castillo Aramas came into power. We tried to prop him up. We helped him. It cost us $10 million the first year. We appropriated that amount here on the floor of the Senate. Thereafter we gave him another $5 million. The next year we gave him another $10 million. Both governments there were dictatorships. Politically we did not like either of those governments, but we wanted leadership friendly to us in the common fight which we have against the Communists. And we got it, to the betterment of all concerned. I voted the way I did last night because of what I believe to be the overall interest of our country, even though, personally, I do like, as certainly the Senator from Oregon does not like, the specific types of government in the countries affected by the amendment.

Unfortunately, throughout the world, all people do not think democracy is the best form of government. We hope some day they will think so, but, until they do, we must make common cause with those who fight the same things we fight. Those who will help us, stop and defeat those who would destroy us, must not be turned away. The important objective at the moment is to stop further Communist penetration, and certainly stop it in the Western Hemisphere.

Mr. NEUBERGER. I thank the Senator from Florida for clarifying the issue. I raised the question because I think many persons may form a rigid judgment and say our Government should extend aid only to a country that has a type of government which is exactly like our own, or at least one we can approve of thoroughly.

I especially asked the Senator from Florida my question because his own State is probably the State closest, geographically, to Latin America, and he himself has studied Latin America so diligently.

I could not help but think, during the votes taken last night, when I followed the leadership of the junior Senator from Florida, with respect to decisions affecting certain Latin America countries, that if we had invoked this criterion all through our history, it would have been quite perplexing, indeed. For example, the founders of this great Nation were struggling for democracy in the late part of the 18th century. Yet they were delighted to receive very valiant and unselfish aid from France, which was not then a democracy. Without that aid, they may not have won their heroic fight for democracy from the British crown.

I am glad the Senator from Florida, who like myself, was in the Armed Forces during World War II, mentioned the fact that the two great leaders of the Free World at that time, the late Franklin Delano Roosevelt and Prime Minister Winston S. Churchill, made a very careful and calculated decision that aid should be sent to the Soviet Union after the Nazi armies invaded that nation.

Undoubtedy, the aid we sent to the Soviet Union helped spare the lives of American and Allied soldiers, because such aid undoubtedly resulted in the destruction of many Nazi armies which otherwise would have been thrown against the American, British, and French armies.

If in our mutual defense program we examine each nation to which we furnish aid with a magnifying glass, I think that we may not furnish aid to any country. For example, with respect to the shameful and shabby personal conduct engaged in by General Trujillo's son, I concur in everything which was said in criticism of his conduct; but if we are to examine the peccadilloes of the families of ruling dictators or royal families of countries with which we are allied, and subject those nations to scrutiny of this kind, and deny aid to them, then the program would be reduced to a reductio ad absurdum.

Mr. SMATHERS. I think it was in 1944 that the then President, the great Franklin Delano Roosevelt, wrote a letter to General Trujillo and commended him for the cooperation which he and his country were then giving the United States in our battle against what was then our common enemy. President Roosevelt did not ignore or turn his back on Trujillo's dictatorship. He accepted it and used it, for it was on our side against the enemy—just as it is today. Consider the dictatorship that existed during World War II, to some extent, in Cuba. Cuba agreed to sell to us, at lower than the world price, her complete production of sugar, at a time when we could not get sugar elsewhere. If President Roosevelt had said that we would not take sugar or any other help from that country or any other country unless it had a government just like ours, it would have cost a great deal more in terms of money and undoubtedly in terms of human life. I agree with the Senator that it does not make sense to say we will not join with a particular country, nor cooperate with it, simply because it does not have the same form of government we have. So long as a country shows evidence that it is against the common enemy and is willing to stand with us, then I say it is only commonsense that we make friends with that country and appreciate what it does.

Mr. NEUBERGER. I thank the Senator from Florida for his very cogent and effective explanation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to my distinguished senior colleague.

Mr. HOLLAND. I thank my colleague. First, I wish to express my own very great appreciation for his remarks. I think the junior Senator from Florida, who now has the floor, has done a splendid job of explaining our friendly and cordial relationships with Latin America, not only in the able speech he has delivered but also in the matter which has been mentioned by the Senator from Oregon. I hope the Senator will have great success in his long and continued efforts to bring about a finer understanding between us and our neighbors, because they are our neighbors.

Mr. President, in further discussion of the point brought up by the distinguished Senator from Oregon, I should like to contribute, if I may, a little information based upon my own observations. I think the Senator from Oregon knows I have had considerable interest for some years in the Inter-American Highway. We have a very definite interest in that highway because, when completed, it will provide for the first time overland access to the Panama Canal, which is one of the very great evidences of the success of our engineering, our diplomacy, and our ability to live with other people.

I invite attention to the fact that if we had decided we were perfectly willing to help the rather small nations which were clear-cut democracies, which happen to be on that route, but had not been willing to be helpful to those countries which for the moment were operating under dictatorships, we would have been making ourselves supremely ridiculous. That highway of some 3,200 miles runs through nations of almost every point of view as to the form of government which has been adopted.

Let me relate to the Senate an observation with respect to what I saw happen. At a dedication of a strip of the highway on the border between Costa Rica and Nicaragua, a very interesting incident occurred. Both of those countries are warm friends of ours. One is a very real democracy. The other at the time of the incident was a dictatorship. There had been fighting on the border. There had been unpleasantness for months. The border had been closed. Yet so efficient was the completion of that highway in establishing better relations that, on the day of the dedication, there were lined up some 200 cars on one side of the border headed the other way, and on the other side of the border there were lined up some 400 cars headed into the other nation. That incident is a clear indication of the fact that the mere completion of a good road gave an opportunity for those people to know each other better and to mingle much more freely than had been possible theretofore. The border was opened for the first time in months at the moment of the completion of the dedication.

I also invite attention to the fact that many of the projects we undertake, while they are helpful to our friends and neighbors, are also of great utility to us. For instance, the Mediterranean fruitfly unfortunately has invaded Costa Rica. I am hopeful we may be able to work out some joint arrangement with Costa Rica

to meet that problem. We worked out an arrangement with Mexico for the elimination of foot-and-mouth disease in cattle. That campaign in Mexico was as much for our own protection as for the protection of Mexico's interests. I hope we may be able to work out something to help Costa Rica with respect to the Mediterranean fruitfly, because we have acquired considerable skill and ability in stamping out that destructive pest, as has been made quite apparent in the State represented by my distinguished junior colleague and myself.

I think a venture of that kind would be helpful to Costa Rica. It certainly would be neighborly. However, it would be helpful to them regardless of the kind of government Costa Rica had. There might be some special situation which might break out in a nation, regardless of the type of government in control of the nation.

I know that with respect to the control of human disease many problems arise. It is to our interest, because these countries are our neighbors and because there is very free ingress and egress to and from our country, to help those countries, for our own sake as well as for theirs, to conquer disease and epidemics as the occasion arises. I think we would be very blind to our own self interest if we said we would not help nation A simply because it happened to operate under a form of government of which we did not approve.

With respect to the Dominican Republic, the Senator will recall that Haiti is the oldest of the republics to have relationships with us. Haiti is currently in a very weak and difficult position. We are doing our best to help that country. Haiti occupies the west end of the same island the Dominican Republic occupies on the eastern end. I think we would be very blind indeed if we shut our eyes to the fact that when we help the Dominican Republic we are certainly assuring somewhat better conditions and a better chance to resume a healthy national life to Haiti.

We cannot divorce nations which border upon each other from each other. My feeling is that these ventures are frequently as important, or even more important, to our own interest than they are to the interest of the neighboring peoples. These ventures could not possibly be based upon the question of whether we approve of the form of government under which the country is operating at the moment.

My own feeling is that my distinguished colleague is exactly right in the position which he is taking on this matter, and that the Senator from Oregon [Mr. NEUBERGER] was exactly right in voting as he did last night with respect to this matter. Incidentally, I voted the same way. I think all of us were right. After all, we believe in recognizing the freedom of other peoples to live as they see fit.

Incidentally, if we declined to recognize countries which are for the moment dictatorships, we would be declining to recognize those which have been the firmest in their opposition to communism. At this time I think our particular interest on the earth is linked with that objective. So I cannot too strongly approve the position taken by my distinguished colleague. I wish him Godspeed in his continued effort to bring about better and ever better relationships between our country and our neighbors. I think our fate on this earth is much more interlocked with the fate, the future, the progress, and the helpful existence of neighboring nations in Latin America than it is with the existence of any other nations anywhere. These countries are our best customers. We are their best customers. They are our best friends. We are their best friends.

I think we should not permit temporary differences of opinion toward government to interefere with our cordial relations and our willingness to help these countries out of our strength, as I know they are willing to help us out of their strength, exactly as Brazil and Colombia, for instance, helped in such a real fashion during World War II, and as Colombia helped in Korea.

I express my firm approval of the position taken by the Senator from Florida and the Senator from Oregon.

Mr. SMATHERS. I am grateful for the comments of my senior colleague. I believed that was the way he felt. I congratulate the senior Senator from Florida for his great and demonstrated interest in trying to bring about better relationships between our neighbors to the south and ourselves. I think my colleague expressed what I was trying to express much better than I. I concur in everything he has said with respect to the reasons why we must, in our own interest, cooperate with some governments which do not have the same type government as we.

As the able Senator from Oregon said, at first blush it appears as though we are being extremely hypocritical or inconsistent, but upon analysis we find it is the only sensible and practical thing to do, not only with respect to these nations, but with respect to our own country.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. NEUBERGER. I am reassured on my stand by the position of the able senior Senator from Florida, in addition to the position taken by the distinguished junior Senator from Florida.

During the Senator's remarks, I recalled that at the time of World War II pro-Communist elements in our own country insisted we should send no aid to Finland, because they assailed Marshal Mannerheim as a dictator, when it would certainly have been in our interest to have sent more aid to Finland at the time of its cruel invasion by the Soviet Union. Today there are groups in America who denounce President Syngman Rhee of South Korea as a dictator, yet we have certainly no sound reason to abandon South Korea to the ravages of the Communists of North Korea.

So I thank both Senators from Florida for their corroboration of the stand which the 3 of us took on the yea-and-nay vote last night.

Mr. SMATHERS. I thank the able Senator from Oregon for his contribution, and I assure him that so far as we are concerned, we think his stand is eminently correct, as we think most of his stands are.

Mr. NEUBERGER. The Senator is always very kind.

Mr. SMATHERS. Mr. President, I had just finished mentioning the 4-point program which I think we should adopt. I have also given consideration to the idea of adding another point to the 4-point program. This point has been previously discussed by me several times during the past few years. I refer to the possibility of establishing a separate Latin American Loan Corporation, or a Latin American Development Fund, which would devote exclusive attention to the problems of Latin America, as contrasted with the situation which exists today, in which the Latin American countries must stand in line; and usually, because they must stand in line, and because the urgency seems to be so much directed toward what is happening in France, Yugoslavia, Poland, India, or somewhere else, our Latin American friends come last.

Today we are again considering mutual security legislation. Under the pending bill, Latin America would receive $54 million for military assistance, $36.5 million for technical assistance, $23 million for special assistance, most of which will go to specific countries—namely, Bolivia and Haiti, and $3 million would go to the Pan American Sanitary Bureau to eradicate malaria in the area.

Further, I am informed that Latin America will receive an additional $14 million under the United Nations Technical Assistance and the United Nations Children's Fund program. This brings the total for Latin America to approximately $131 million or 4 percent of the total authorized appropriation of $3.1 billion.

Generally speaking, Latin America is not sharing any more under this authorization bill than it has in the past.

However, I am encouraged by the fact that the authorization has not been reduced. I am encouraged by the fact that there is considerable evidence that our Latin American friends will receive more attention in the future than they have received in the past.

Senators will remember that in 1956 I introduced, and Congress passed, an appropriation aimed especially at helping our sister Republics to develop in such basic fields as health, education, and sanitation. Much progress must be made in these fields if the area is to be able to attract private capital.

The appropriation was in a relatively small amount, namely $15 million, 75 percent of which was on a loan basis. The State Department did not approve of the idea at the time, and was slow about administering it. Finally, with some persuasion from my able colleague, the Senator from Montana [Mr. MANSFIELD], ICA got around to assigning the loans. Subsequently, official reports from the field have been glowing regarding the value to the recipients of the loans and

the harvest of good will reaped by the United States.

Last year the Senate desired to continue this program on a separate basis. Under section 400 (b) of the Mutual Security Act, $25 million was authorized for the same type of vital basic projects, with at least 90 percent to go on a loan basis.

Unfortunately, when the foreign-aid appropriations bill went to conference, the program designed especially for Latin America got lost in the shuffle. It was my understanding, however, that many of the conferees thought there was no necessity to have a separate program for this area alone, believing that in the creation of the Development Loan Fund and the general special assistance fund, Latin America would receive the same benefits except on a larger scale in implementing the type of assistance contemplated by the amendment which I proposed in 1956.

The administration contended that Latin America's further needs can be met adequately from the general Development Loan Fund. I hope this will turn out to be true. But frankly, based on the record, there is no reason to be optimistic. What I fear, if past performance is any guide, is that we can expect ICA and the State Department to be so engrossed in other continents that our Latin American friends will have to stand last in line for attention.

In 5 months since the fund has been in operating condition, it has received proposals from 4 continents, involving 285 development activities, and amounting to $1.963 billion, or over 6 times the money it now has to lend. Proposals totaling $1.734 billion are actively under consideration. Twelve of the Latin American Republics have applied. The type of projects for which they desire loans include resettlement projects, ports, power generation, road construction, manufacturing facilities of various sorts, and local small loan development banks. Their applications total $200 million or 11 percent of the total applications under consideration.

Almost a year has passed since Congress created the Development Loan Fund. Only 1 loan thus far has been made to Latin America, and that was in the amount of $5 million to Honduras for its part in the development of a highway program, which has now become a part of the Pan-American Highway.

I cannot urge too strongly that Latin American countries receive a fair proportionate amount of these funds for development projects.

Although the language contained in the development loan provisions of the Mutual Security Act is broad enough to encompass the type of assistance set forth in section 400 (b) to which I have already referred, it is unlikely that loans will be made for this purpose because there are numerous other projects in the area which have a priority over the basic necessities of health, education, and sanitation projects. However, even though they have this priority, in my judgment they should not have it.

It is for this reason that I believe it essential that when the foreign aid appropriation bill is considered by the Appropriations Committee, every effort be expended to appropriate $25 million for the purposes outlined in section 400, subparagraph (b). The authorization is still outstanding under section 400 (b).

In this way Latin American countries will know that they can count on some special consideration in our foreign-aid picture.

When the foreign aid appropriation bill is before the Congress, I am hopeful that it will contain adequate funds to carry out this program which has demonstrated its effectiveness in generating good will among our Latin American friends.

While the program for Latin America, in my opinion, is still far from adequate, I will support it in the hope that the investigation to be conducted by a subcommittee of the Foreign Relations Committee, headed by the very able and distinguished senior Senator from Oregon [Mr. MORSE] will come up with some specific recommendations along the lines I have indicated. A thorough reexamination of our foreign policy with respect to this area will reveal that such a program is essential from a minimum standpoint if we are to recapture our lost prestige among our neighbors to the south.

Of course, economic assistance through loans is only a part of the total picture of our efforts on behalf of Latin America. Technical assistance, trade, educational exchange, and private investments all play important roles. But it is essential that we not neglect any avenue in the search for means to facilitate Latin America's progress. As the 20 Latin American Republics advance, the Western Hemisphere and the Western World is correspondingly strengthened.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the able Senator from Montana.

Mr. MANSFIELD. I wish to commend the distinguished Senator from Florida, not only for the speech he has made on the floor of the Senate this afternoon, not only for the outstanding speech he delivered several weeks ago following the trip of the Vice President to Latin America, but, most important of all, for his consistent attitude of sympathetic consideration, and the degree of understanding he has manifested down through the years toward all our neighbors to the south.

If there is one voice in the Congress which has been raised consistently in behalf of a better and more understanding policy toward Latin America, it is the voice of the distinguished junior Senator from Florida, who has addressed the Senate this afternoon. I know that on occasion he has been, in effect, and in fact, a voice crying in the wilderness; but I point out to the Senate that many of the things which have come to pass have been called to the attention of the Congress on many occasions by the Senator from Florida during the years he has been a Member of this body.

I hope that what he has said today, and what he said on the floor 3 weeks ago, will receive careful consideration, because I believe that if the administration were to follow the lead and the example set by the Senator from Florida, our relations with our neighbors to the south would be much better today than they have been during past decades.

Mr. SMATHERS. I thank the very able Senator from Montana for his generous expression with respect to me and my efforts. What we have been able to accomplish would not have been accomplished had it not been for the cooperation and willingness on the part of the Senator from Montana to help in connection with these particular projects.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. SMATHERS. I am very happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I wish to commend the Senator from Florida for adding today's speech to other speeches and other efforts he has made from time to time in behalf of Latin American countries. It has been my pleasure to support amendments he has offered in committee and on the floor. I believe a great deal of good has resulted. I wish to ask the Senator this question:

Does he not believe that some of the recent troubles and outbreaks which we observed in some South American countries resulted from the thinking on the part of those countries that in the past we have largely taken them for granted? Has not that really been our trouble down through the years?

Mr. SMATHERS. First I should like to say to the Senator from Alabama that I appreciate the kindly way in which he spoke about me. Some of the things which have been accomplished could not have been accomplished without his very able cooperation. I know he has a thorough understanding of the need for better relations with South America. He has always stood up in behalf of projects designed to bring about better relations.

In answer to his question I would say, absolutely there is no doubt that the people of that area feel that we only call upon them and are interested in them only when we need them. We used them very greatly during World War II. As soon as the war was over, and when we no longer had any real requirement for their bases or for their resources and, in some instances, for their manpower, we turned our backs on them, and no longer paid any attention to them.

As late as 3 years ago, for example, even in connection with the student-exchange program, which we conduct with other countries all over the world, there were only 11 students from Latin American countries studying in the United States.

That number has now been increased to 155. When we consider that there are 185 million people in Latin America, that it is rapidly burgeoning in every direction, and that it has the fastest-growing population in the world, it is apparent that we should have far more Latin American students taking part in the exchange program in this country. It is particularly important because students in Latin America have a great interest in political life, as we have seen

demonstrated in recent outbreaks, particularly with respect to the Vice President's visit in Latin America.

Mr. SPARKMAN. I am sure the Senator recalls with approval the very fine program which was initiated under Cordell Hull as Secretary of State, which is referred to as the good-neighbor policy, when we really started getting things done. Does not the Senator from Florida agree that we need to reevaluate and rededicate ourselves to the good-neighbor policy?

Mr. SMATHERS. I could not agree with the Senator more completely; he is absolutely correct. I thank him for his observations.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. I wish to commend the distinguished Senator from Florida for putting emphasis on the importance of Latin America in our consideration of world affairs. Latin America is the most rapidly growing part of the world, populationwise, and is also growing rapidly economically. It is growing in importance year by year.

Politically, they are people who for the most part, and with the exception of a very small minority, see things as we do, and they want to cooperate with us. It is essential that we attach greater importance to the programs which we can carry on cooperatively with Latin American countries. It is a good investment, for one thing. I have not visited many of those countries, but in those I have visited I found that the people regard themselves generally as members of our team, and they have proved themselves to be so in the past. It is unfortunate that there have been instances which might be used to give a contrary impression. I am very sorry they have occurred. I am sure the responsible people in those countries feel as bad about it as anyone else.

I wish to say again that the Senator from Florida is performing a service in making the point he does. With respect to his amendment, I have not studied it. It was not placed in the bill, as the Senator knows, because the Committee on Foreign Relations has a subcommittee already in being to make a study of the situation, and it would seem to be a little premature to consider the amendment at this time.

Mr. SMATHERS. I have withdrawn the amendment.

Mr. AIKEN. I was going to add that the fact that the amendment was not put in the bill should not be interpreted as meaning that the members of the committee did not consider it favorably or that we oppose it in any way, but merely because to do so would be to render a premature finding in this case.

Mr. SMATHERS. I am very grateful to the able Senator from Vermont for his statement and expression. We have found that Members of the Senate, particularly the members of the Committee on Foreign Relations, are very alert and very aware of the importance of Central and South America. However, we have the problem of getting the State Department to give to the affairs of Latin America the importance which we in the Senate seem to think that area of the world deserves.

Furthermore, we must urge very strongly the Committee on Appropriations to make sufficient appropriations so that the programs which are authorized in a bill such as the one now before the Senate can be effectively carried out.

I yield the floor.

Mr. BRIDGES. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 34 beginning with line 1, it is proposed to strike out all matter through line 11.

On page 34, line 12, to strike out "SEC. 3" and insert in lieu thereof "SEC. 2."

On page 43, line 22, to strike out "SEC. 4" and insert in lieu thereof "SEC. 3."

On page 35, line 3, to strike out "SEC. 5" and insert in lieu thereof "SEC. 4."

On page 35, line 13, to strike out "SEC. 6" and insert in lieu thereof "SEC. 5."

On page 43, line 9, to strike out "SEC. 7" and insert in lieu thereof "SEC. 6."

On page 44, line 7, to strike out "SEC. 8" and insert in lieu thereof "SEC. 7."

On page 48, line 18, to strike out "SEC. 9" and insert in lieu thereof "SEC. 8."

On page 51, line 13, to strike out "SEC. 10" and insert in lieu thereof "SEC. 9."

On page 52, line 13, to strike out "SEC. 11" and insert in lieu thereof "SEC. 10."

On page 63, line 10, to strike out "SEC. 12" and insert in lieu thereof "SEC. 11."

On page 63, line 19, to strike out "SEC. 13" and insert in lieu thereof "SEC. 12."

Mr. KNOWLAND. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without the Senator from New Hampshire losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRIDGES. Mr. President, my amendment proposes to strike from the committee bill section 2, the sense-of-Congress provision regarding India's second 5-year plan.

Section 2 reads in part as follows:

> The Congress recognizes the importance of the economic development of the Republic of India to its people, to democratic values and institutions, and to peace and stability in the world. Consequently, it is the sense of the Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration, adequate to assist India to complete successfully its current program for economic development.

This language would be appended to the statement of policy of the Mutual Security Act of 1954 as amended.

If the committee amendment is adopted, India will be the only nation—of the more than 60 nations the United States is aiding—which will be mentioned in the statement of policy in the entire act.

To me, this would be a mistake on the part of the Congress. I fear it would have adverse international repercussions toward the United States by other nations for whom a more worthy case can be made.

As the committee bill is drafted, for example, the expression of Congressional interest in the Western Hemisphere is relegated to the tail end of the bill. Such discrimination against the nations of the Western Hemisphere, most of whom have been our friendly allies far longer than India, is shocking to me.

In the United Nations the Latin American countries have supported the United States position far more solidly and firmly than has India, which has voted against us or played a coy game of abstaining from voting.

I recall that India accorded Khrushchev and Bulganin a reception where rose petals were strewn in their path. No such warm reception has been accorded our own Secretary of State.

The discriminatory treatment of the Western Hemisphere nations by the Senate Foreign Relations Committee is especially shocking in view of the recent events in South America. One would have thought the unhappy experience of our Vice President and his wife would have awakened us all to the dangers of continuing to take for granted the friendship of our neighbors in the Western Hemisphere.

With all due respect to the committee, Mr. President, I strongly believe the proposed committee amendment to the statement of policy is inappropriate. More than that, it is inadvisable from the standpoint of international relations.

The statement of policy in the present act covers, by its general terms, the situation in India and in the Western Hemisphere. Furthermore, the United States Government, under that general authority, is already extending considerable aid to India. This is indeed proof of our interest in the economic development of the Indian nation and its people.

The committee amendment, therefore, is redundant in singling out any one country or area.

By accepting the committee proposal, we would elevate unduly a single nation—which in this case takes refuge in neutralism—over and above other nations which, although closer to the Communist aggressors, are, nevertheless, willing to ally themselves with the Free World. Shall we thus incur the displeasure of our allies?

In many respects, I think it is unfortunate the committee has confronted the Senate with this issue. The danger of generating ill will is inherent in the proposal.

Mr. President, let us resolve this question by striking out the committee amendment on the grounds that it is redundant, inappropriate, and inadvisable.

Mr. President, this issue is very simple. If the committee amendment shall be adopted, India will be the only nation in the world to be singled out from some 60

nations which are mentioned in the statement of policy in the bill. We have just heard a statement by the distinguished Senator from Florida [Mr. SMATHERS], in which he was joined by other Senators, in which he emphasized the importance to the United States of Latin American and South American countries.

If the provision relating to India is allowed to remain in the bill, it will be a slap at every free country which the United States is aiding; and considering the current interest in Latin America and South America, the provision relating to India will be a direct slap at them. It will be a slap at every good friend we have.

I shall not go into the merits or demerits of the issue of aid to India. I am capable of doing so, and am very willing to do so, if necessary. I am speaking purely on the basis of the question, Why should we single out one nation in the whole world? What of other free nations which are our friends, especially countries in Latin America and South America, who believe they are being slighted anyway?

I think this provision would be poor legislation. I do not know why the sponsors of the bill should not be willing to accept the amendment to strike out the provision.

I could speak at length on this subject, but I do not wish to do so if an agreement can be reached to strike out, as a matter of principle, a provision which I think should not remain in the bill.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. THYE. Unfortunately, I was not in the Chamber when the Senator from New Hampshire called up his amendment and described it. What does the Senator propose by his amendment?

Mr. BRIDGES. The amendment merely strikes out section 2 of the bill, which singles out India from among all the nations of the world for special attention and help.

My position is not concerned with the merits or the demerits of the question of furnishing aid to India. Section 2 is a slap in the face of every other free nation on the face of the globe, some 60 or 65 nations which we are helping. We must not single out one nation and include it in a section relating to policy.

I call attention to the statement which the Senator from Florida [Mr. SMATHERS] has just finished, in which he spoke of the importance to the United States of Latin American and South American countries. He said that they feel slighted already.

I can discuss the merits of our furnishing aid to India, if I have to do so. I can discuss it at some length in rather sharp language. But if I can get an agreement to strike out this provision as a matter of principle, by that action we will not disapprove aid to India; we merely will not, in a statement of policy, single out India.

Mr. THYE. It is a matter of policy within the construction of the bill that if we are to render assistance, it will be on the basis of the good judgment of the administration, wherever in the world it is deemed advisable and to the advantage of the freedom of mankind that it be done.

Mr. BRIDGES. That is correct.

Mr. THYE. We should not single out one specific nation within the construction of the bill.

Mr. BRIDGES. That is correct.

Mr. THYE. The Senator from New Hampshire has made a very valid point. We might find ourselves highly embarrassed among other nations next year if they said, "You will have to include us specifically in the construction of the bill; otherwise we will not believe you to be acting in good faith relative to us." Is not that what the Senator from New Hampshire is contending?

Mr. BRIDGES. Certainly. There is no reason why we should not include in the policy Colombia, Peru, Venezuela, and Brazil, or our closer good neighbors, Mexico and Canada, or any of the European nations and good allies, such as Greece, Turkey, Great Britain, and other countries. I should like to keep this proposal on the high level of principle.

Mr. THYE. India is a great nation. It has vast potentials and vast undeveloped resources. There is no question that in the future it will be one of the most important nations in the world. However, if we specify in the construction of the bill that we will do certain things for India but omit other nations, that action might be misunderstood, and it might not do justice even to India.

Mr. BRIDGES. I thank the Senator from Minnesota.

May I ask the distinguished Senator from Rhode Island, the chairman of the Committee on Foreign Relations, if he will not be willing to accept my amendment?

Mr. GREEN. No, Mr. President; I am sorry to say that I cannot accept the Senator's amendment.

Mr. BRIDGES. Why does the chairman of the Foreign Relations Committee wish to single out one nation, and thereby slap in the face every other good friend we have in the world?

Mr. GREEN. I shall be glad to explain this matter.

Mr. BRIDGES. I should like to have the distinguished Senator from Rhode Island state the explanation.

Mr. GREEN. I consider the policy statement in the bill regarding aid to India one of the most significant provisions in the entire bill.

Due to the size of India, due to its position of leadership in Acia, due to the fact that it is one of the most successful democracies on that continent and due to its competitive relationship to Communist China, the importance to the United States of India's continuing freedom is very great.

There is a need for a clear statement of Congressional attitude regarding assistance to India. Many of us have been disappointed at the size of the assistance now programed for India by the administration. We believe that a larger program might have been requested of the Congress, but for some uncertainty as to the kind of reception such a request would have received in the Congress.

I wish to make it clear that the policy statement on India in the bill does not underwrite the Indian economic development program or guarantee its success. The statement simply expresses the sense of the Congress that it is in the interest of the United States that India's development program succeed.

India needs some additional encouragement, such as this policy statement, at this critical moment, because, although its economic development program has been very successful so far, it is now at the point from which it must either go forward at about the same rate or slip back very disastrously.

I feel confident that another salutary result of the inclusion of this new policy statement on India will be that it will spur other of the industrialized countries to join us in helping India.

For all the reasons which I have given briefly, Mr. President, I urge that the amendment be rejected.

Mr. BRIDGES. Mr. President, I do not agree at all with the Senator from Rhode Island. I believe his argument is unreasonable and unsound. Everything he says in favor of India can, to some degree, be said in favor of Brazil or Mexico or Colombia or Venezuela or any of the other countries of South America or in favor of Greece or Turkey or certain other nations in that part of the world.

The United States is trying to build up friendship in the world. It is now helping approximately 60 or 65 nations. This part of the bill in question would single out only one nation. Can we say that this would be creating good will in our relationships with the others?

Mr. President, even if we had not made any mess of things to date, certainly this portion of the bill would have that effect.

Mr. KENNEDY. Mr. President, will the Senator from New Hampshire yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from New Hampshire yield to the Senator from Massachusetts?

Mr. BRIDGES. I certainly do.

Mr. KENNEDY. At many points there are references to individual countries. For instance, there is a reference to the transfer of military equipment to Japan.

Mr. BRIDGES. But there is no——

Mr. KENNEDY. I should like to complete my statement, if I may.

Mr. BRIDGES. Certainly.

Mr. KENNEDY. In the reference to section 105 (b) (3) we find mention of the Associated States of Cambodia, Laos, and Vietnam.

We also find a specific reference to Korea, and also a reference to Yugoslavia.

So there is no doubt in my mind that there are numerous precedents for the specific mention of this particular country.

The fact of the matter is that India has a population more than twice as large as the combined populations of all the Latin American countries, and the security of India is vitally important to

the security of the United States. India is at a critical time in her development.

I believe that what happens to India will probably have a greater effect on what happens to the United States and to the rest of the Free World during the next several years than what will happen in any other country. Therefore, when India stands at the crossroads, I believe it is vital that we indicate our concern in the success of her second 5-year plan.

Mr. BRIDGES. Will the Senator from Massachusetts state whether there is in the policy section of the bill any mention of any country except India?

Mr. KENNEDY. I have attempted to indicate the references to various individual countries.

Mr. BRIDGES. Perhaps somewhere in the fine print of the bill there may be references to individual countries, but not in the earlier portions. As a matter now stands, India is put in the No. 1 position, in connection with outlining the basic policy of the United States.

Mr. KENNEDY. I do not believe the importance assigned to any particular countries is to be judged by the portions of the bill at which their names appear.

Mr. BRIDGES. But this section outlines the basic policy of the United States. The other references to individual countries, to which the Senator from Massachusetts has referred, are minor references at various points in the subsequent text of the bill.

Mr. KENNEDY. The fact is that we do mention assistance to particular countries, and in this bill we authorize it; that is true in the case of the Associated States of Cambodia, Laos, and Vietnam, for instance.

In the present instance, all we are dealing with is an exhortation to the leadership of the other free countries to come to the assistance of India, at least in connection with her long-range plans. I believe that is important, in view of the present world situation.

Mr. FLANDERS. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. FLANDERS. In order to determine my attitude toward the amendment of the Senator from New Hampshire, I should like to ask whether, in his judgment, if the amendment is agreed to, the elimination or removal of section 2 would have any harmful effect on the assistance we render to India. Does the amendment simply propose to delete this specific recommendation with regard to India, for the reasons the Senator from New Hampshire has explained; or is it expected that the amendment, if agreed to, will in any way reduce or alter our actions in giving assistance to India?

Mr. BRIDGES. The amendment in no way would alter the current position of our country toward India. The amendment merely would strike out the placing of India in an exalted and singular position. By means of my amendment, India would be left in the position she has had before the committee amendment was written.

Mr. FLANDERS. I am glad to hear the Senator from New Hampshire say that, because if in the course of the debate the Senator from New Hampshire were required to express sentiments regarding the assistance to India, I might find myself in some disagreement with him; and I should like to remain in agreement with him on this amendment.

Mr. BRIDGES. Let me say to the distinguished Senator from Vermont that I should like to keep the debate on a high plane. I have some personal opinions about aid to India, but I do not wish to discuss the merits of that matter. I wish to keep this debate on the question of treating India in the same way we treat other countries.

Mr. FLANDERS. Let me say that if I were going to include a paragraph with regard to India, personally I would not include this paragraph as it now stands.

At this time let me say—and for the moment I should like to have the attention of the Senator from Kentucky [Mr. COOPER], that I am in the process of establishing myself as an expert on India, for once I spent 2 weeks there, while the Senator from Kentucky was our Ambassador to India. If I had remained there for a shorter period of time, obviously I could not classify myself as an expert on India; or if I had remained there a longer period of time, again I could not classify myself as an expert on India. I think my 2 weeks' visit to India just about fulfilled the requirement. [Laughter.]

After talking with scores of people in India, my conviction was that the first 5-year plan was well conceived, well carried out, and benefited the country.

I shall not develop my objections to the second 5-year plan, in connection with which we are asked to assist India to complete successfully her current program for economic development. But fundamentally it seeks to install labor-saving processes in a labor-surplus country. That would make for disorganization and for unemployment and for disaster in India. So under no circumstances would I vote for such a proposal.

What India needs is more and better food, better clothing, better shelter, and better education for individuals.

The first 5-year plan was directed toward that objective. The second 5-year plan is directed toward industrial development—to see how many tons of steel can be manufactured there, to see how high production statistics can go. It is based directly on the program of the Soviet Government and the Red Chinese Government.

I think India got off in the wrong direction in the second 5-year plan. I may say to the Senator from New Hampshire, who has graciously yielded to me, that I am strongly in favor of any assistance we can render India which makes for better food, clothing, shelter, and education for the Indian people. I am not sure that objective can be attained through the 5-year plan. In fact, I am sure it cannot be. I have an appreciation of the very great importance of India to the Free World, because if India goes Communist, Asia will go Communist, and if Asia goes Communist, much of the rest of the world will go Communist. So I am very favorable to support for India, but I regret the terms in which the aid is offered.

So I have two reasons for wanting to get rid of the section. One is the reason which has been expressed, the singling out of India, in the face of the feeling of the South American countries, for instance, that they are being neglected. The second reason is that it seems to me the section does not recognize the nature of the support we can give to India which will be most helpful to the Indian people.

FINANCING OUR COMPETITIVE NATIONS

Mr. BRIDGES. I thank the distinguished Senator. I yield now to the distinguished Senator from Nevada.

Mr. MALONE. Mr. President, I read a portion of the provision. I should like to ask the distinguished Senator from New Hampshire just what other nations join the United States in providing support for India or any other nation.

Just what other nations are assisting in furnishing this mutual aid to India?

Mr. BRIDGES. So far as I know, no other nation on earth is furnishing aid to India, certainly on the basis on which we are contributing. Perhaps some nations have made loans to India, but I am not familiar with them.

Mr. MALONE. Are there any other nations furnishing aid to any country?

Mr. BRIDGES. There may be some small instances of it, but no major instances.

Mr. MALONE. That is true only when there are colonials or satellites, is it not?

Mr. BRIDGES. I do not care to say unequivocally, because there may be some instances where other nations are furnishing minute aid.

Mr. MALONE. I have been searching the record since 1947, and I have failed to find that any other nation is furnishing any substantial aid, except they control the markets of such nation.

Mr. BRIDGES. The Senator from Nevada is a very able and thorough Senator, and if he says the record so shows, I accept his findings.

INDIA WOULD BE FORCED TO SIDE WITH RUSSIA IN WAR BETWEEN SOVIET AND THE UNITED STATES

Mr. MALONE. I object to financing our competition. India is a great nation. I, too, visited India for a brief time. This is no reflection on Mr. Nehru, he regulates his own life; but my personal opinion is that he is a Communist and does not even know it. That is the way he operates. Whenever he has to make a statement, he is a neutral as between Russia and the United States. If a fight ever starts between the two countries, he will be on Russia's side, because he will have to be.

For 5,000 years India has had tremendous natural resources. Some of her mineral resources are perhaps greater than the United States has had. The standard of living of the Indian people has not been materially changed in that length of time.

Now, however, we have taken it upon ourselves to aid the whole world, by using our money, the cash of the taxpayers of

America, and by dividing the markets of the workingmen and investors of America. It is our plan to bring the 500 million people of India up to our standard of living in the next few years.

Mr. BRIDGES. That is correct.

INDIA DEVELOPING IRON MINES WITH UNITED STATES AID TO CAPTURE UNITED STATES FOREIGN MARKETS

Mr. MALONE. There are also about 600 million Chinese. However, I wish now to talk about India. For some time iron mines operating in our Western States have been shipping iron ore to Japan. Recently our State Department asked for about $50 million—to help India develop her iron mines, so India could ship iron to Japan and take that market away from the Western States of the United States of America. If India could develop her own iron mines, compete or dominate in markets formerly furnished by us that would be competition; but we are financing the downfall of our own investor's markets in that particular area.

UNITED STATES MANGANESE DEPOSITS NEGLECTED TO BOOST INDIA'S MANGANESE INDUSTRY

We are also furnishing money to develop manganese mines. Through our free-trade operations, about 810 tons of manganese come into this country each year. Large-scale mining of manganese in this country could be easily started, under the new methods of mining. There are in Minnesota 50 million tons of 10 or 15 percent manganese. If there were a fixed tariff—or "duty," as the Constitution calls it—to make up the difference between labor costs here and in India we would be in the manganese business. But instead, under our free-trade operations, we buy foreign manganese instead of producing it ourselves.

We also become dependent upon the foreign markets for a commodity which we cannot live in peace or fight a war without.

FOREIGN COMPETITION SUBSIDIZED BY UNITED STATES BILLIONS TO THROW AMERICAN WAGE-EARNERS OUT OF WORK

Latest reports show there are more than 5 million unemployed in this country. Workers are fast being thrown out of employment in the textile industry in the New England States. No crockery manufacture is left in this country of any magnitude. The machine-tool industry is going down. In fact, we in this country cannot manufacture monkey wrenches in competition with $2 foreign labor. We give $4 billion a year to other nations so they may build plants to compete with our domestic production.

In view of the record, I heartily agree with the Senator from New Hampshire. I think it is fine that he called attention to this paragraph in the bill.

In my own opinion, the Senate and the House have gone a long way in 24 years in dividing the substance of the American people—the cash, the blood money of the American people—with countries such as India, and in also dividing our markets, which provide a living for the people of the United States.

I shall vote for the amendment.

Mr. BRIDGES. I thank the Senator from Nevada. I believe his argument is sound and helpful.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Do I understand correctly that there is nowhere in the bill a provision against extending aid to India under the general funds available to the foreign-aid program?

Mr. BRIDGES. That is correct.

Mr. CASE of South Dakota. What the Senator is objecting to is singling out India for a special program?

Mr. BRIDGES. Yes.

Mr. CASE of South Dakota. Personally, my position on the whole foreign-aid program has been developed through the years, as the Senator from New Hampshire knows. I think I was a member of the Foreign Affairs Committee of the House when the the appropriation for this program was provided.

Mr. BRIDGES. I believe that is correct.

Mr. CASE of South Dakota. My general feeling is that we should be reducing the dollar amount involved. I may differ with other Members of the Senate with respect to specific provisions, but I think the general program should be reduced in dollar amount, rather than expanded. We should work in the direction of a reduction. At the present time, in view of the uncertain state of affairs, I am not in favor of abandoning the program, or anything like that. However, I think that starting a new or special program for a particular country would be a step in the wrong direction. Such a program would be an expansion, or one leading to further complications. Therefore, I shall vote for the Senator's amendment.

Mr. BRIDGES. I thank the distinguished Senator. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. BRIDGES. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

Mr. KENNEDY. Mr. President, I shall speak briefly with respect to the amendment. It seems to me the Senator from Vermont, who interrogated the Senator from New Hampshire as to what would be the effect of striking out this language, should consider, and the Senate should consider, very carefully, what the effect of such action by the Senate would be.

The Senate Committee on Foreign Relations put this section into the bill unanimously, as I recall. The language was cosponsored originally, or at least in part, by the Senator from Kentucky [Mr. COOPER] and myself. For good or for bad, the language is in the bill.

If this section of the bill is stricken, there can be no other interpretation than that the Senate of the United States is opposed to having the United States assist India to complete its second 5-year plan. We are not dealing with an original amendment proposed by the Senator from Kentucky and myself, which would give India such a special position. The language is in the bill. Therefore, I think the fact of striking out the provision, which would be the effect of the Senator's amendment, would be tantamount to a denial of purpose by the Senate, and it would be so interpreted. There could be no other interpretation. If the amendment of the Senator from New Hampshire were agreed to, such action would be interpreted as a denial of the interest of the United States, and as meaning that, in the judgment of the Senate of the United States, instead of it being "the sense of the Congress that it is in the interest of the United States to join with the other nations," it is "in the interest of the United States not to join with other nations in providng support of the type, magnitude, and duration, adequate to assist India." I do not believe there could be any other interpretation of the effect of the Senator's amendment, if it were agreed to.

Mr. BRIDGES. Mr. President, will distinguished Senator yield?

Mr. KENNEDY. I yield.

Mr. BRIDGES. That is not my interpretation. The striking out of this language would mean we were playing no favorites, and that India would be in the same favorable position occupied by every other nation in the Free World which we are helping. In no way would this amendment change our attitude toward India or our aid under the program. The amendment would leave every country on the same footing. I do not interpret the effect of the amendment as the distinguished Senator does.

Mr. KENNEDY. Speaking for myself, in my opinion there can be no other interpretation but the interpretation I have given it. The language is in the bill. Perhaps it was a mistake for the Committee on Foreign Relations to accept the section, but it has been accepted. I believe one must consider the decisive nature of the competition between Communist China, which has adopted the totalitarian road in dealing with many of the problems, and India, which is also dealing with many problems. There is competition for the attention, the support and the loyalty of the people of Asia, the Middle East and Africa. It is vital to the security of the United States that the second 5-year plan of India be successful.

The population of India today is approximately 400 million. That population will increase to nearly 800 million in 25 or 30 years. India faces a serious problem of increasing its productivity. While the national income may increase, a special effort must be made to assure that the per capita income does not fall.

I believe the United States can do more than it has, particularly in the field of loans. I am especially anxious to have the language serve as a stimulation to Mr. Dillon, the State Department, and the administration, to secure the support of other countries—such as Canada, Western Germany, Japan, and others—so that those countries may also join in a concentrated effort to

assist India to succeed in the second 5-year plan.

We have already seen Communist success in certain communities of India. If India should fail and if China should succeed in the next 10 or 15 years, I think there is no doubt that all Asia would regard the totalitarian system as the only means by which the problems of the people could be solved.

I know the Senator from New Hampshire is an ardent patriot. I know he is completely desirous of protecting the security of the United States. I do not have any disagreement with him in that regard. I really believe, however, we stand today much as we stood in the case of China in 1945. We must stand up to be counted. What will happen 5 or 10 years from now, if the provision is not permitted to remain in the bill, and if the word goes out that the Senate of the United States is not interested in the success of the second 5-year plan of India?

Many of us have asked "Why did we not do something about China in 1946, when we had the chance?" Ten or 15 years from now we will be asking, "Why did we not take action in 1958 to indicate the desire of the United States to be associated with India in completing this vital plan?"

Several Senators addressed the Chair.

Mr. KENNEDY. I yield first to the Senator from Kentucky.

Mr. COOPER. Mr. President, if the Senator will permit me to do so for a few moments, I should like to address myself to this subject.

Mr. KENNEDY. Does the Senator desire the floor?

Mr. COOPER. Will the Senator permit me to speak for a few minutes?

Mr. CASE of South Dakota. I desire to ask a couple of questions of the Senator, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts has yielded to the Senator from Kentucky.

Mr. KENNEDY. I shall be glad to yield to the Senator for a question.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor, and he has yielded to the Senator from Kentucky.

Mr. COOPER. I thank the Senator.

The reason why I desire to speak following the remarks of the Senator from Massachusetts is that I sponsored with the Senator, 2 or 3 months ago, the resolution which has now been incorporated in the bill.

The Senator has stated that the Committee on Foreign Relations made a choice and chose to insert the language of the resolution in the bill as a policy statement of the Congress, if the bill should become a law. If Senators will read the language, I think they will find that it does not authorize or permit anything in terms of exact dollars or in terms of appropriations by the Congress of the United States. I will address myself to that point in a few minutes, because I do not want to mislead the Senate.

What the language does is to say, as the Senator from Massachusetts has stated, that the economic development of the Republic of India and the maintenance of democratic values and institutions in India are important to the United States of America and for the peace and stability of the world.

The language further says "it is the sense of the Congress that it is in the interest of the United States to join with other nations in providing support of the type, magnitude, and duration, adequate to assist India to complete successfully its current program for economic development."

I will say to my good friend from Vermont [Mr. FLANDERS] that I do not hold myself out to be an expert on India or upon all its problems, but I did spend a short time there. I was in India 15 months. I think the Senator will agree with me I have not tried to force my views about India upon the Senate. On the other hand, I would be derelict to my responsibility, as one who has spent more time in India than anyone else in this Chamber, if I did not state what I thought were the facts about India and its relationship to Asia.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a direct question?

Mr. COOPER. May I finish, please? It will take only a few minutes.

Mr. CASE of South Dakota. The junior Senator from South Dakota has to attend a committee meeting at 2:30. If the Senator will permit, I should like to ask one question.

Mr. COOPER. I yield for a question.

Mr. CASE of South Dakota. Does the Senator contend that if the provision should not remain in the bill the International Cooperation Administration would be forbidden to continue an aid program in India?

Mr. COOPER. Not at all. There are two additional purposes of the section, which I shall try to make plain, and which I think are important. Before the Senator from South Dakota leaves the Chamber, if he will permit, I will state what I think those purposes are.

First, the Government of the United States, the executive side of the United States, has already undertaken this year a loan program with respect to India. I wish to be very frank with this body. I believe that if this resolution remains in the bill and the bill becomes a law, it will give the people of India some assurance that their policy has been well considered.

Second, it will put the Congress on record as urging the administration to join with other countries in providing support for India. These are two purposes which I think are outside the scope of the question which my good friend from South Dakota asks. If I may proceed for a few minutes, I shall tell the Senate why I believe it is important to keep this statement of policy in the bill.

As the distinguished Senator from Massachusetts [Mr. KENNEDY] has said, there is a real struggle going on in Asia today. I point out that one-third of the people of the world live in that area. We cannot force our views on all those countries. What I hope we can do—peacefully, if possible—is to hold the balance of power in that part of the world. Certainly, if it should turn against us, we would be in a very difficult position. I know, from my observation and experience, that that statement is true.

Whatever we may think about Communist China, Communist China is making great progress. There are 600 million people there. They have received massive support and aid from Soviet Russia. Independent observers who have been there report that they are making great progress.

I doubt if there is any Communist group in the world today that is as dedicated to the principles of communism as are the Communist leaders of China.

As everyone knows, they are an aggressive people. We found that out in the Korean war. They are a strong people. I have been told that they consider themselves superior to any other people on the face of the earth.

All over Southeast Asia we find what are called the overseas Chinese. In many countries such as Indonesia, Thailand, Laos, Cambodia, Vietnam, and even the Philippines, they constitute a large portion of the population. If those people ever believed that their mother country had become supreme in Asia, my own judgment is that national pride and all the other influences which bear upon a person who thinks of his country would turn many of those overseas Chinese to Communist China.

I know the doubts which have been expressed about India. I know the criticisms which are made with respect to India. I have felt many of those things in my mind and heart day after day during my service in India.

I think the Senate knows that I am not foolish. I am not carried away simply because I have been there. On the other hand, I think I have enough sense to recognize a political fact. The only other country in Asia that has any chance to stand up against the Communist country of China is India. I have great respect for Thailand. I have great respect for Laos and Cambodia. But does anyone believe they could stand up against communism?

We can see what is happening in Indonesia. India has the second largest population in the world. She has a population of 400 million. She has good resources. She has chosen voluntarily, even after colonialism, the institution of the mother country of many of us in this Chamber, Great Britain.

India has a parliamentary system, and she follows it. India has free ports. I went into her courts and heard quoted decisions of the Supreme Court of the United States.

I can say to Senators that there is freedom of speech and of the press in India. Can we make the same statement about every country that we help? I am not asking that we deprive any of those countries of help, because we help them in behalf of our own national interest. I believe that the resolution incorporated in the bill is for our own national interest. Following the collapse of China, with its 600 million people, if India, with 400 million people, goes down, what will happen in Asia?

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CARLSON. If the Senator will yield for a moment or two, let me say that, like the distinguished Senator from Vermont [Mr. FLANDERS], I can call myself a specialist on India. I spent 5 days there last fall. I understand the Senator from Vermont was there for 2 weeks.

I believe that if any error has been made in the manner in which this subject is being handled on the floor of the Senate today, it is the fact that the resolution was written into the bill as it came from the Committee on Foreign Relations. But I think it would be a sad mistake if the Senate should now vote to strike it out. As the distinguished Senator from Massachusetts stated, I think such action would be misunderstood everywhere. It would be interpreted as a direct statement on the part of the Senate that we not only wish to discontinue our aid to India, but that we are trying to discourage it. I therefore sincerely hope that this provision will not be stricken from the bill.

As I have said, I had the privilege of visiting in India for 5 days. The statement made by the distinguished Senator from Kentucky, who spent many months there, absolutely represents the situation in India as I found it.

I am convinced that the future of the Far East will be determined by what happens in India. We are greatly interested in other countries, but let us not do anything at this time to discourage the Indian people. Therefore, while I would have liked very much to have the position of the Senator from New Hampshire prevail originally, I hope at this stage we shall not take any action which would discourage those people.

Mr. COOPER. Mr. President, if I may continue for 3 or 4 minutes, I shall then be glad to yield.

As I have said, I am not trying to mislead the Senate. I do not know, and no one else knows, whether India will remain democratic. None of us can make any reliable predictions on that subject. I think I know what would happen if it did not remain a free country. I do know that its opportunity to remain a free and independent country depends in large measure upon its ability to advance the living standard of its people.

Briefly in response to my good friend from New Hampshire [Mr. BRIDGES], he stated a few minutes ago that he did not believe India should undertake an economic development plan. One trouble with the attitude of many countries in the world is that they think we want to hold them in a kind of colonial position, as the producers of raw products, and that no country except the western democracies can become an industrial country.

The great urge of all the free and independent countries in Asia—and it is true of Africa, I assume, and also of Latin America—is to advance the living standards of their people and to achieve some position of equality in the world, which they feel has been denied to them. About the 5-year plan of India I know it is a reasonable plan. Its purpose is, first, to create the basic industries with which to secure the steel and power and other products, whereby subsidiary industries can be built in their own country; second, it is to provide employment, eventually, for a part of the teeming masses of India; and, third, of course, it is the only way in the long run that India can hope to raise the living standards of her people.

Mr. THYE. Mr. President, will the Senator yield?

Mr. COOPER. With one more word, I shall close. I do so on this note. I remember in 1947 and 1948, when I was a Member of the Senate previously, we debated in those 2 years the Marshall plan. When we were debating it there was always a note of sorrow about the fate of China. There are many Members of the Senate today who believe that if the United States had taken stronger measures, China might not have turned toward the Communist world. I do not know whether that is true. I say I wish we had tried, at least. It will always be on our consciences that we perhaps did not try hard enough. Twelve years have passed. In my judgment—and I hope it is not a correct judgment—China may be irrevocably lost, or at least lost for many years. That loss has brought us into the greatest danger with which we have ever been confronted in our history.

Here is a chance to take note of the situation before the worst has happened. Shall we always wait until the worst has happened, until we are in a time of crisis, and then try to save a country; or shall we have the foresight and the imagination and the purpose to look at a critical situation, one which might well affect a great area of the world and the millions of people who live in it, and say that we are going to take note of it, are going to try to do something about it, and that we will try to prevent another tragedy from happening in the world?

I say to the Senate that the only reason I submitted the amendment, with the Senator from Massachusetts, and the only reason I spoke for it on the floor today is the self-interest of the United States.

I liked the people of India when I was there. I think much more highly of them than some other Senators do. I would be dishonest if I did not answer a statement which was made a few minutes ago, when someone whispered that Nehru is a Communist. I say to the Senate, with all the ardor and honesty which I have, that that is not true. He is an Indian. If he will not be dominated by us, I do not believe he will be dominated by Russia. However, I speak here in the interest of my own country. I have not tried to make a fetish of India, or to make it my cause in the Senate. My first duty is to my country. I believe, however, that, having had the opportunity in India for a few months to see some of these problems developing there, if I did not give my opinion, I would not be faithful to my duty and I would not be faithful to my country. I say to the Members of the Senate that that is the sole purpose for which I submitted the amendment in committee and for which I support it now. I hope the Senate will not strike it out.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. FLANDERS. It is a common saying that speeches on the Senate floor change no votes. This is one of those exceptions, so far as I am concerned. I regret that the amendment is in the bill. I regret the apparent commitment, in the wording of the amendment, to some elements of the 5-year plan which I believe will be not helpful, but disastrous. However, after listening to the Senator from Kentucky, I have become convinced that it would be a greater error to delete the amendment than it was to put it in. So I say the Senator has changed one vote.

Mr. COOPER. I thank the Senator.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SMITH of New Jersey. I wish to say merely a word or two to congratulate the Senator from Kentucky on the fine presentation he has made. I should like to ask him a question. Am I correct in believing, based on my travels in the Indian area and throughout the Far East, that what that part of the world is seeking is freedom, independence, and self-determination?

Mr. COOPER. That is correct.

Mr. SMITH of New Jersey. That is the urge of those people?

Mr. COOPER. It is.

Mr. SMITH of New Jersey. Am I correct in asking Senators to look at the world map and see where India is, and in suggesting that India is in a strategically dangerous position because of where she is located? Is that correct?

Mr. COOPER. It is certainly correct. She straddles the communications lines between the East and West. She dominates that part of the world geographically.

Mr. SMITH of New Jersey. Am I correct in suggesting that on her boundaries are, on the one side, Communist China, and, on the other side, Soviet Russia?

Mr. COOPER. Yes.

Mr. SMITH of New Jersey. Am I correct in saying that, considering that situation, the criticism of India for being neutral is unjustified? Am I correct about that?

Mr. COOPER. India calls itself unalined. To our viewpoint, that is being neutral in the cold war between the United States and Russia. India has many reasons for her position. I wish that India were in stronger alinement with the western countries. On the other hand, I do not believe that she is under the domination of Soviet Russia. Many people in our country and some in Congress do not like India because it will not kowtow to us. That may be the rock upon which the Soviet challenge in Asia will break—India's desire to be independent.

Mr. SMITH of New Jersey. Am I correct in pointing out that Red China is in the process of being industrialized as fast

as it can be with the help of Soviet Russia?

Mr. COOPER. That is correct.

Mr. SMITH of New Jersey. And, by means of the totalitarian system. India, however, is also desirous of getting industry so that she can become self-supporting. Is that correct?

Mr. COOPER. That is correct.

Mr. SMITH of New Jersey. We are engaging in testing the democratic process of industrialization as against the Russian totalitarian system, and we are entitled at least to say that we are interested in the experiment India is making at this time.

Mr. COOPER. I think so.

Mr. THYE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THYE. I have voted in full support of technical assistance to any nation to whom we have rendered technical assistance. I have voted at all times for mutual security. I believe it to be the salvation of the Free World to help underprivileged countries. I have been in India. I feel very strongly that India must have assistance, and that if we do not render it she will take technical assistance from Russia, or possibly China in the future. Therefore I shall vote for the technical assistance program and I shall vote for mutual security.

We are not endeavoring to change 1 penny in the bill. The question that disturbs me is that we should write into the bill a specific nation and remain silent with respect to the countries in South America, for example, and remain silent with respect to some of the other important nations of the world. It is that question which disturbs me. I believe it was a mistake to write India into the bill by name.

The colloquy on the floor will be misunderstood and misinterpreted. That will be unfortunate, so far as it may lend itself to being a propaganda instrument for the Russians or the Soviet bloc.

Therefore, I say again that I think the writing of the name of a single nation into this section was a mistake. I shall vote to strike it, so that such mistakes will not be compounded in the future. But I shall vote for every dime which is contained in the authorization for mutual assistance, technical assistance, and such programs as will advance India and India's opportunities in future years.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JAVITS. I rise to answer only one point. Incidentally, I think the Senator from Kentucky is altogether too modest about his willingness to share with us his great experience in India. I, like other Senators, have been to India. I got off the plane with the Senator from Kentucky when he and his wife first arrived there. They were greeted with the greatest of enthusiasm and attention. JOHN COOPER is very highly regarded in India by millions of people who often do not know of the American Ambassador. I think it is all to the good that the Senator from Kentucky was able to be in India, and is now in the Senate, willing to share his experience with us.

I appreciate the comment of the Senator from Kentucky upon the question why India was named in the bill. I think there is a very good reason which has not been discussed yet. The reason is that India has a 5-year plan. The South American countries do not.

One Congress cannot control another Congress; but one Congress can, by expressing its great moral sympathy with another state, give a clear indication of such sympathetic backing of what that other state is trying to do, so as to make a record for the Congresses which will follow.

That was done in the Marshall plan. Any of us who have had experience in these matters are under a duty to share it with others in the body in which we serve. I was a member of the House Committee on Foreign Affairs when the Marshall plan was drafted. We faced exactly the same problem. What should we do in order to guarantee 4 years of support, when one Congress cannot bind another? We cannot do anything. We cannot make a guaranty; we cannot make such a provision in a bill. But we can express a sympathetic understanding of what another nation is facing. We can let that nation feel that the United States, through its Congress, expresses its sympathetic understanding, and that there is every likelihood that if things continue on pretty much an even keel, they will continue to get the backing of this great Nation. The reason we refer to India is because this is right now where we are being asked for the answer due to India's serious financial problem.

Congress wrote exactly that kind of provision into the original Marshall plan legislation, as anyone can see who will read the original appropriation section which, together with Representative VORYS and other Members of the House, I had the honor to help in drafting.

I think the Senator from New Hampshire [Mr. BRIDGES], who is one of our most distinguished Senators and for whom I have great personal affection, has done a great service in asking for the yeas and nays on this amendment. This proposal should have been considered separately as a resolution. But we will vote yea or nay, and we will do a great service if we carry the day for this particular provision as it stands in the bill, because the United States Senate will be saying to the people of India, "We understand you have a 5-year plan. We cannot give you a guaranty that you will be backed up on this plan year by year; the next Congress may not do so. But, at least, you will have the knowledge that we think you are on the right track about it."

Mr. President, we are not living in a vacuum. We are confronted with burning competition by the Soviet Union. The Soviet Union is doing a terrific job in Communist China, not in terms of $225 million, but in terms of 2 and 3 times that. The Soviet Union has much less production than we have, but everyone is watching across that border between India and Communist China. Are we adult enough and wise enough to meet competition when we see it? Or shall we let ourselves be led away by other considerations which are not germane to the burning issue of survival?

I am glad the Senator from Kentucky has taken the time of the Senate to give us the benefit of his experience and to share with us his knowledge. I share with him his substantive reason for including in the bill the provision referring to India.

Mr. ERVIN. Mr. President, the incorporation of this statement in the bill by the Committee on Foreign Relations was a serious mistake. I think it was a serious mistake from the standpoint of foreign policy. It proposes, in substance, that Congress make a pledge to one nation. But when we make a pledge of assistance to one nation, other nations will rise up and ask, "Why does the United States abstain from making a like pledge for our benefit"?

If we are to make a pledge to India, why not make a pledge to Iran, Iraq, Venezuela, Argentina, or others of the multitude of other nations on the face of the earth? The pledge to India will arouse antagonism against the United States by other nations.

We have seen in the reaction to the visit of the Vice President of the United States to South America some of the antagonism which the United States builds up for itself by acting in such a manner as to lead some of the nations outside the Iron Curtain to believe that the United States is partial to other nations rather than to them. So from the standpoint of foreign policy alone, this provision should not have been included in the bill.

Then, I think the provision is unfortunate because, in effect, it is contrary to the spirit, if not the letter, of at least two provisions of the Constitution of the United States. Article I, section 1, of the Constitution provides as follows:

> All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

Regardless of the intent of those proposing it, the pledge is certainly calculated to tie the hands of Congress for at least 5 years in the future. If the pledge is not stricken from the mutual-security bill, it will be asserted in Congress during next year and the following 4 years that we have already made the promise that we will continue to assist one nation at the expense of the American taxpayers, regardless of the condition or wishes of the American taxpayers or their representatives in Congress during those years.

The provision is clearly calculated to tie the hands of Congress for 5 years, in the face of the fact that article I, section 1, of the Constitution contemplates that every Congress shall have free and full legislative powers, and shall not be impeded in their exercise by previous Congresses.

Furthermore, Mr. President, the inclusion of this pledge is, in effect, a violation of the spirit, if not the letter, of section 2 of article II of the Constitution, which provides that the President "shall

have power, by and with the advice and consent of the Senate, to make treaties."

Mr. President, if this pledge to India is incorporated in the Mutual Security Act, it will be construed by the people of India and by the Government of India as an agreement between the United States and India. Actual or apparent agreements between the United States and other countries should not be made by any kind of back-door method.

If it is advisable to make an agreement with India to endure for 5 years or any other period, the agreement should be reduced to the form of a treaty, and be ratified by the Senate, after being negotiated by the President. By so doing, we shall observe both the spirit and the letter of our Constitution.

Let me summarize. First, from the standpoint of our dealings with other nations, this proposed pledge is unwise, in that it goes to only one nation, and ignores all other nations which may stand with the Free World or which may be neutral in the cold war between the Free World and the Soviet bloc. For that reason, this provision should be eliminated.

It should also be eliminated because it is calculated, if not intended, to tie the hands of future Congresses.

It should also be stricken out as a colorable attempt on the part of the legislative branch of the Federal Government to make an agreement with a foreign nation. To be sure, I recognize that, legally, it would not be an agreement with a foreign nation; but it would be construed by that nation as being an agreement with it, and in that way it would be a back-door entrance to an agreement with a foreign nation, in violation of article II, section 2, of the Constitution.

Mr. JENNER. Mr. President, will the Senator from North Carolina yield to me?

Mr. ERVIN. I yield.

Mr. JENNER. I wish to congratulate the Senator from North Carolina on the points he has made in regard to the Constitution. Certainly this provision would be looked upon by the people of India, and certainly it would be represented by our State Department to future Congresses, as a moral commitment.

Why establish a precedent, as was suggested last night in connection with the amendment of the Senator from Massachusetts [Mr. KENNEDY].

Furthermore, I have not heard any Senator mention one of the countries that has proven vitally effective as our friend and has stood with us while the going was rough. While India has taken a position of neutralism, Pakistan has stood with us. Although the circumstances which apply to India are similar to those which apply to Pakistan, this provision refers only to India.

The Senator from New Jersey referred to India as being close to Pakistan and on the "underbelly" of Russia. But I point out that so is Pakistan. The friction between India and Pakistan has been terrific, and those countries are engaged in an international dispute which has been going on for years. That dispute involves Kashmir, and may result at any moment in a declaration of war between those two countries.

What do Senators think our true friends in Pakistan—who have stood with us in the United Nations, while India has taken the other side—would think if the United States were to say that India, Pakistan's neighbor, India, which has murdered great numbers of the people of Pakistan, so many that the valleys ran red with blood, was now to be singled out by the United States for favorable treatment of this sort. Are Senators no longer able to reason? What would be the position of Pakistan if this provision were to remain in the bill?

I am glad the debate has been on a high level. If Senators wish to discuss the facts, we shall discuss them, too.

Mr. President, I thank the Senator from North Carolina for the position he has taken.

Mr. ERVIN. I thank the Senator from Indiana.

Mr. President, Pakistan is one of the nations I have in mind when I say that this provision is more likely to lose us friends, rather than to win us friends. Pakistan might well ask why Congress is not sufficiently interested in her welfare to make such a pledge to her.

Mr. AIKEN. Mr. President, I am sure the Members of the Senate will be interested in what occurs in India as well as in what occurs in other countries that are struggling to establish within their borders a democratic form of government.

We are particularly concerned with India because of the 382 million people who live there, and because, as has been pointed out, of the strategic location of India, which lies between China and Russia. Certainly, if India should go into the Soviet orbit, she would inevitably be followed there by many of the other countries of Asia, many of which also have very large populations.

I would much prefer that this provision not be included in the bill as it is written. As the Senator from North Carolina has pointed out, it would not stand as a firm commitment to India, even though probably it would be interpreted by many of the people of India, as well as by the people of other countries, as being a firm commitment to India.

So I would have preferred not to have had this provision as it is written included in the bill, because conceivably it could give offense to many other countries which are not mentioned; and I do not believe we should mention only one country by name, when we are trying to help all the countries that are undertaking to establish democratic forms of government.

However, the provision has now been included; and I do not believe it should be deleted today. It can be considered in the conference, where it will be wide open to change or modification, inasmuch as the House version of the bill does not contain a comparable provision. When the provision goes to conference, it can be rewritten in such a way as to convey our moral support of India and other countries, without giving offense to others. The provision can also be rewritten in such a way as not to carry an implied commitment to help with the India 5-year plan or any other plan. Such a commitment should not be implied, because we know we cannot commit ourselves for more than 2 years at a time.

But it would be a mistake to delete the provision at this time, for its deletion in itself would be misinterpreted by the people for whom we are, by this means, expressing moral support.

I do not believe we are now in a particularly bad spot in regard to this matter, because when the provision goes to conference—where it will go, and where the field will be wide open—the conferees will be able to develop language to convey our moral support to the people of countries that are seeking to set up democratic governments, without offending others, as I fear the amendment in its present form might do.

FIVE-YEAR UNITED STATES PLAN TO DESTROY OUR ECONOMY AS CONTRASTED WITH INDIA-RUSSIA 5-YEAR PLAN

Mr. MALONE. Mr. President, with further reference to India's 5-year plan I rise to remind the Senate that the United States has a 5-year plan, recommended by the President, which will come before the Senate in due time and be debated on the floor of the Senate.

Our 5-year plan differs somewhat, it is true, from India's 5-year plan, in that the bill which now is in the House of Representatives, and will be debated and voted on there next week, provides that there shall be extended for 5 years an act under which a complete division of the markets of the United States with the nations of Europe and Asia has proceeded for the past 24 years. The purpose of the bill extending this free trade, is not to build or to improve the United States; instead, it is to destroy the United States through division of our markets.

INDIA RUINED BY COLONIAL FREE TRADE—NEW PROTECTIVE SYSTEM WILL STRENGTHEN HER MORE THAN UNITED STATES AID BILLIONS

Mr. President, India's 5-year plan is to build India's economy, and I heartily approve of it. Our 5-year plan is to divide our economy. In fact, India should have had that 5-year plan many years ago. After all, India is 5,000 years old, and has tremendous resources. But, during the century and a half she was the colonial pawn of European powers and forced to accept free trade, these resources lay stagnant and the standard of living of the people of India deteriorated until she is now one of the most poverty stricken nations in the world. She is now trying to regain her economic feet. She has adopted a strongly protective tariff and I am sure that will expedite her recovery more than all the millions or billions we could give her.

As a matter of record we are the only nation in the world bent upon dividing our markets and the taxpayers' cash with the nations of the world. We are the only "free trade" nation. Every other nation is bending every effort to get a

piece of our market while protecting their own with tariffs, quotas, import and exchange permits, and most of them manipulate the value of their money in terms of the dollar for trade advantage to complete the job.

UNITED STATES 5-YEAR PLAN WOULD DIVIDE HOME MARKET WITH WORLD IN CONTRAST TO THAT OF RUSSIA

Russia has a 5-year plan, but it is not a plan for the division of Russian markets. Ours is a plan for the division of our markets with the 36 nations of Asia and Europe, which include India; and the representatives of those nations sit in Geneva with the right to continue to lower the tariffs or duties on our products.

At the same time they lower some of theirs, but the gimmick is that in the General Agreement on Tariffs and Trade there is a provision that no nation has to keep its part of the trade agreement so long as it can prove it is short of dollar balance payments. All the countries will be able to prove that they are short of dollar balances until our wealth and markets are divided equally among them and we are all living alike.

UNCONSTITUTIONAL POWER OF PRESIDENT TO FIX TARIFFS WOULD BE EXTENDED UNDER PENDING UNITED STATES 5-YEAR PLAN

Under the pending 5-year United States plan, there would be an extension of the 1934 transfer to the President of the constitutional responsibility of Congress to fix the duties, imposts, and excises, which we call tariffs, and will allow the President to continue further to lower or reduce tariffs.

For 150 years after the Constitution was adopted, Congress determined the tariffs and these tariffs were imposed to equal the difference between the standards of living in this country and in competing countries. When Congress abdicated its authority over the Nation's economy in 1934 to the President that principle was discontinued and another substituted. Mr. Dulles, Secretary of State, has testified before the Finance Committee, under my questioning, that the President can trade a part or all of any industry to a foreign nation if he believes it will further his foreign policy.

FIVE-YEAR PLANS OF OTHER NATIONS IS TO BUILD THEMSELVES UP—OURS TO TEAR US DOWN

That is the objective of our 5-year plan. The 5-year plans of other nations are to build up those nations. We all have our 5-year plans. Ours is to destroy the United States of America and increase the number on the unemployment rolls.

Mr. President, the form of government practiced in India is a socialistic form of government. In preface, I point out there is absolutely no difference in the final objectives of a Socialist government, a Fascist government, and a Communist government. The common objective is government control of everything and the individual owning nothing. That is true in India.

COMMUNISTS AND SOCIALISTS USE DIFFERENT METHODS TO ACHIEVE SAME OBJECTIVE

I have a definition for the difference between a Communist and a Socialist. A Communist is one who will shoot you to bring about his form of government. A Socialist is one who would have his government spend itself into socialism. That is what we are doing in the United States of America today.

I have the greatest regard for my colleague, Mr. COOPER, from Kentucky. While I was off the floor I understand he made a remark that what I said about the Government of India was untrue—that is, I said that Nehru is a Communist and does not even know it. Nehru's objectives are government control—such is far from our objectives. We talk about a democratic form of government.

WE HAVE A REPUBLICAN FORM OF GOVERNMENT AND IT IS SO STATED IN THE CONSTITUTION, ARTICLE IV, SECTION 4

I want to remind you, Mr. President, we do not have a democratic form of government; according to the Constitution we have a republican representative form of government. Today we evade the Constitution of the United States. Of course, that is an obsolete document, according to most of our liberals. There is no question that what the Senate is about to do today is unconstitutional—that is, take the blood money of the taxpayers of the United States of America and distribute it widely all over the world to build competing processing plants and mines.

CONSTITUTION SPECIFICALLY SEPARATED POWERS BETWEEN LEGISLATIVE AND EXECUTIVE BRANCHES

There is no question that Congress evades the Constitution of the United States when it transfers its responsibility to regulate foreign trade under article I, section 8, to the President of the United States. We might as well transfer to the Congress the President's authority and his responsibility to make treaties, and to fix the foreign policy. The Constitution, in setting up the separation of powers, pointedly reserves the regulation of foreign trade and the adjustment of duties, imposts, and excises to the legislative branch, and states that the executive branch shall make the foreign policy. The Constitution does not say "may be"; it says the Congress "shall" regulate foreign trade, in article I, section 8. Article II, section 2, provides that the executive branch "shall" fix the foreign policy.

What does the Congress do? In 1934 Congress tied the two functions together in the executive branch, when they had been pointedly separated in the Constitution written by George Washington, Benjamin Franklin, and the other Founding Fathers of our country who for 50 years had been pushed around by dictators, queens, and kings. These patriots were adamant in determining to provide that in this country that should never happen to Americans again.

In 1934 the Congress of the United States combined the two functions in the 1934 Trade Agreements Act. If the proposal to extend that act comes to the Senate, the Senate will have to debate it at considerable length.

I hope the proposal will not come before the Senate. I hope that the House returns it to the Ways and Means Committee in the House and it will never come before this body. But if the proposal does come to the Senate, we will have to debate whether or not the authority to regulate foreign trade and the national economy of this country shall or shall not be left to the elected representatives of Congress, or whether the 24-year plan—started in 1934—shall be continued for another 5 years; our 5-year plan to divide the markets of this Nation among the low-wage nations of the world.

STATE DEPARTMENT COMMITS THE UNITED STATES

Mr. President, it seems we always have commitments. We are afraid a certain nation will not like us unless we are willing to divide with them the money of the taxpayers of the United States, and the American markets. We are afraid such a country will think we are opposed to it unless we divide our hard-earned cash and markets with them. It is blackmail.

I remember 1948, 1949, and 1950. It was not the start of the giveaway, but it was the first bold attempt, which was successful, to continue to divide our markets and cash with the nations of the world in peacetime.

NINETY PERCENT OF PEOPLE OPPOSE DIVISION OF THEIR WEALTH WITH FOREIGN NATIONS, SENATOR IS CONVINCED

Mr. President, I believe 90 percent of the American people are opposed to the division of their wealth and markets with the nations of the world, which will put them on the streets and destroy American industry and business; but, there is a sound barrier on the Potomac River. No public sentiment breaks the sound barrier. If anyone stays here 60 or 90 days, he thinks that what is said in Washington represents public sentiment. When this session is over and we go home, I fear that they will be introduced to the real public sentiment.

The worldwide giveaway program which we all are now being asked to continue was first called the Marshall plan. That name was dropped not long after it began its operations and since then it has been carried on under 3 or 4 different names. The name of the plan was changed every year, just to hide from the public what was being done. The public does not know what is being done, and, of course, Congress does not know what is being done with the money, because the officials in charge of spending it will not tell.

Always prior to the appropriation each year the State Department promised $50 million here, $150 million someplace else, and finally the total amounted to about $4 billion per year for 5 years. The argument was made in 1948, 1949, and 1950, that it would show bad faith on the part of the Congress if it did not make the appropriation in accordance with those commitments; that it would be bad faith on the part of the Congress of the United States if it failed to keep those State Department promises and any future promises its one-worlders might choose to make.

SENATOR IN 1947 WARNED GIVEAWAY PLAN ONCE STARTED WOULD BE MADE PERPETUAL

In 1947 I said on the floor of the Senate that if we started a division of the wealth of the taxpayers of the United States, it would become permanent.

INTERNATIONAL SOCIALISM

In 1957 Mr. Dulles testified before the Finance Committee, under my questioning, that the division of our wealth must become permanent. That is what he said. Mr. President, this is international socialism at its worst.

I do not blame India or any other country if it wants a Fascist government or a Socialist government; but we are joining in an international Socialist government whereby there will be a permanent annual division of the wealth and moneys of the United States of America with the nations of the world. The United States has everything in the pot. The foreign nations nothing. The provision in General Argeement on Tariffs and Trade that other countries do not have to keep their part of the agreement as long as they are short of dollar balances, exempts them entirely since they will be short of dollar balance until we have divided our wealth and our markets evenly among them.

WEALTH OF UNITED STATES BEING DIVIDED BY 37-NATION GATT

We are 1 member of the 37 nations belonging to GATT.

When our markets and wealth is divided equally among them, we shall be living as they are, instead of as the do-gooders say, having them live as we do.

There are 2½ billion people in the world, and the division of the wealth of 170 million people is not going to raise the average very much; but it will destroy our workingmen's jobs and our investors' investments.

The wealth we have is hard work. Nations, some of which have more natural resources than we have, have never changed their standard of living in 2,000 years of recorded history.

We sent $70 billion—and this appropriation will make it about $75 billion since World War II—to foreign nations to buy the goods which are in surplus from American factories and to build up dollar balances ahead for which they can demand our gold.

The American system for a century and a half was to equalize the wages and costs of doing business with a duty or tariff—and conduct profitable trade. Under that system Americans competed for American markets on an even basis with foreign countries.

I hear a lot of talk that the 1934 Trade Agreements Act must be extended in some manner, by simply amending it. We cannot satisfactorily amend something that is against the Constitution of the United States. The power at present—an unconstitutional power—under the 1934 Trade Agreements Act still remains in the hands of the Executive and in the hands of the 36 foreign competitive nations in Geneva, if the Trade Act is extended.

EXPIRATION OF TRADE ACT WOULD PUT NATION BACK ON THE ROAD TO INDEPENDENCE AND RECOVERY

What we can do is let the law expire on the 30th of this month. When it expires 2 months' notice to the nations a party to the multilateral trade agreement and 6 months' notice to the nations a party to the bilateral trade agreement, made by the State Department, and all products revert to the Tariff Commission, an agent of Congress. The Tariff Commission will then adjust the duty or tariff on each product in accordance with section 336 of the 1930 tariff law.

That act says in exact language that the Tariff Commission shall investigate the difference in cost of producing an article in this country as compared to the cost of producing that or a like article in the chief competing foreign nation, and recommend the difference as the tariff.

The Tariff Commission could do that every day, every year, or every 5 years—adjust the tariff so that it represents the difference between the effective wages and the costs of doing business here and in the chief competing nation with respect to each product.

When those people had raised their living standard to a height the same as such nations raise their living standards the duty or tariff would be reduced accordingly—and when they are living on our approximate living standard we would automatically have free trade. Everybody is in favor of free trade on that basis.

PURPOSE OF FOREIGN AID IS TO FINANCE CHEAP LABOR FOREIGN COMPETITION

What is it proposed we do by this pending foreign-aid bill? It is proposed that we continue to build competitive plants and mines in foreign countries, using cheap labor to operate them, so that these countries may send their cheap labor products to America under our virtual "free trade." The difference represents the profit.

We have 6 million unemployed, and have not yet realized why. I will venture a commitment now that by election time the Members of the Senate and House will know why we have them.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. I offer an amendment to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES], and I ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 34, line 1, it is proposed to insert the following:

SEC. 2. Section 2 of the Mutual Security Act of 1954 is amended by striking the period at the end of paragraph (c) thereof and adding the following: "and in their efforts to complete their programs of economic development."

Mr. DIRKSEN. Mr. President, I should like to direct my attention very particularly to my distinguished friend from Kentucky [Mr. COOPER].

If any damage ensues from the discussion on the Senate floor this afternoon, and if there are any reverberations in India, that damage has been done already. I can say that some of the debate will be headlined in the latest editions of the newspapers in Calcutta, Bombay, and elsewhere in India.

I recall, when I was in India last, I had introduced a bill in the House of Representatives to give India a quota of 100 under the Immigration Act. Before I reached India, that fact had been headlined, and it was reheadlined during the time I was in India in the various areas conferring with the people.

If there is any disposition to believe some damage has been done—and it may have been done—I think it ought to be repaired.

What we are trying to do is to make a declaration of policy, but not to single out any one country, which might invoke hostility on the part of some other country.

When we wrote the Mutual Security Act of 1954, the introductory statement and declaration of policy were so broad that I thought they were adequate for nearly every purpose I could think of. Section 2, which is proposed to be amended, provides that the Congress of the United States, recognizing certain things, "declares it to be the policy of the United States to continue, as long as such danger to the peace of the world and to the security of the United States persists, to make available to free nations and peoples, upon request, assistance of such nature and in such amounts as the United States deems advisable, compatible with its own stability, strength, and other obligations, and may be needed and effectively used by such free nations and peoples to help them maintain their freedom."

That was sufficient. I know of no reason why the introductory declaration of policy should ever have to be amended, but if there is some disposition to believe there was no accent on economic development, of course that matter can be written into the policy. Therefore, the amendment I have suggested to the Bridges amendment simply strikes out the the reference to India and the language of the Bridges amendment and amends the original policy statement in the Mutual Security Act of 1954 by adding the words, "and in their efforts to complete their programs of economic development."

That language singles out no country. It puts the accent, I think, where it belongs. It preserves the hedge; namely, that our action can be only within the limitations of our resources, and, secondly, that there is not an open commitment.

I think we would be in a distressing position if, sometime between the completion of our work on this bill and before we get around to making appropriations to implement it, we should decide that while we might be asked for a given amount we did not feel we could appropriate that amount. In that situation we would incur some real hostility. The Appropriations Committee, after long hearings, with testimony from military and economic experts, may decide that an amount adequate to implement a program is, in its judgment, much smaller than the estimate of the recipient country. In that event the real headache will begin.

I hope we can in part ameliorate the damage by accepting the Bridges amendment and adding the language suggested by me, which I think is sufficient, in addition to the policy statement under which we have operated since the Mutual Security Act of 1954 was enacted.

I earnestly hope the Senator from New Hampshire will accept the language I have proposed, because in my opinion it is adequate. It includes all countries. It protects our own resources. It brings about a proper gearing between the legislative function and the appropriations function. It puts the emphasis on whatever current economic programs may be underway.

Mr. BRIDGES. I would accept the amendment. I am trying to keep our action on a level which apparently has not penetrated in some places. I want to keep it on a high level.

I do not want to slap the face of any of the 65 free nations of the world which think it is important, even if some people do not think so.

I do not want to slap any South American country in the face, nor do I want any country to feel slighted. We can continue to pour out aid to India, as we have in the past.

I have available about 20 pages of insults which India has offered to our country, which I could recite, but that would simply stir up more trouble and animosity. I have kept still about that.

I have a list of all the financial help which has been given—all the loans and all the grants—which amount to a sum large enough to buy several of the States of the Union. I have been trying to keep all those things to one side, so that there would be no showing of discrimination against any country. I think the Senator from Illinois has made a very notable contribution to the amendment, and I am happy to accept his suggestion. I think he has rendered a great public service.

Mr. DIRKSEN. I am grateful to my friend from New Hampshire.

Let me add that yesterday there were before the Senate five amendments which particularized and pointed out five specific countries. I thought that would be an unwise course. I thought it was entirely imprudent for the Senate to finger a certain country and make it the object of the discipline of this Government. I am glad the Senate subscribed to that view.

To be logical, I think the Senate should accept the amendment as proposed to be amended, because it would preserve the whole area of economic assistance within the limits of our resources, and yet it would not single out one country, with the result of inviting the hostility of neighboring countries.

Mr. MALONE. Mr. President, I think the Senator from Illinois has touched a very vital chord. The Western Hemisphere is our sphere of influence. The Western Hemisphere has one-third of the land area of the world, and 350 million people, with room for one billion, without crowding anyone. But we are reaching out into Asia and Europe, and trying to control the markets of the world, while losing the markets in South America.

There are no more Communists in South America than there are in some of our towns in the United States. I have been there. I believe my distinguished friend from Illinois has been there. They are wonderful people. They are progressing as fast as they can.

It is not necessary to divide our wealth with them. The need is to see that other people let them alone. Let us get back to the Monroe doctrine and spread it out into the Pacific and the Atlantic, if necessary. In the words of General LeMay and General Twining, if any nation comes into that sphere to establish its form of government, politically, economically, or militarily, it will disturb our peace and security. We should simply say that if any nation does so, we will destroy its war-making capacity at home. Then there will not be a war for 50 years. But we cannot run the world. Two nations have tried it, and there are only a few paragraphs in history with regard to them. We are entering the greatest trade war for all time. For 2,000 years there have been trade wars. We had better begin to gage our own strength before 20 million people are thrown out on the street because of the 5-year extension of the 24-year plan.

Mr. DIRKSEN. Mr. President, before I resume my seat I should like to read all of subparagraph (3) of section 2 as it would be amended by my amendment. The last subparagraph of section 2 of the Mutual Security Act of 1954 would read as follows:

> It is the sense of the Congress that assistance under this act shall be administered so as to assist other peoples in their efforts to achieve self-government or independence under circumstances which will enable them to assume an equal station among the free nations of the world and to fulfill their responsibility for self-government and independence, and in their efforts to complete their programs of economic development.

Mr. MORTON. Mr. President, I do not rise to comment upon either the amendment of the Senator from New Hampshire or the suggestion offered by the Senator from Illinois. However, I do feel constrained to comment in some way on this debate. I shall do so in two sentences.

In the 19th century there was a group of poets, artists, and whatnot, called the Pre-Raphaelites. One of them was a man named William Morris. He came forth with a line which I think might be pertinent to the subject we are discussing. It was:

> The idle singer of an empty day.

I think that has something to do with this debate.

The only other thing I wish to say is that I am very proud today to be a Kentuckian.

Mr. COOPER. Mr. President, I should like to thank my old and dear friend and colleague. I should like to ask the distinguished Senator from Illinois what the effect of his amendment would be. As I understand, the amendment of the Senator from New Hampshire is to strike section 2.

The effect, then, of the amendment of the Senator from Illinois would be to substitute his amendment for section 2 (d). I understand that the purpose of the amendment of the Senator from New Hampshire is to strike section 2. The amendment of the Senator from Illinois would be a substitute for section 2 (d), would it not?

Mr. DIRKSEN. No. The Senator from New Hampshire has other provisions in his amendment, striking out certain other sections and subsections. My amendment would do nothing more than add one sentence at the end of section 2 (c) of the Mutual Security Act of 1954.

Mr. COOPER. What would be the effect of the amendment of the Senator from Illinois? Would it be to strike section 2 (d) from the pending bill?

Mr. DIRKSEN. Yes. The language of the committee would be stricken, and the suggested language would be substituted for section 2 of the 1954 act.

Mr. COOPER. Then, as I understand, the effect would be the same as that of the amendment of the distinguished Senator from New Hampshire.

Mr. DIRKSEN. Definitely so. It would strike the committee language.

Mr. COOPER. Mr. President, I am not a member of the Foreign Relations Committee. I wish some member of the committee were present. The Foreign Relations Committee wrote this language into the bill, and some member of the committee ought to be present to take a position upon it.

Inasmuch as no member of the committee is present, because I offered the original resolution together with the distinguished Senator from Massachusetts [Mr. KENNEDY], I shall state my position again.

I recognize the question which has been raised with respect to singling out a certain country, and also the effect such action could have upon the feelings and attitudes of other countries.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BRIDGES. I wonder if the reason why members of the Foreign Relations Committee are not present is, perhaps, that they are somewhat embarrassed by their action in singling out one nation and slapping the face of 65 other free nations of the world. Is not that a possible answer?

Mr. COOPER. Inasmuch as the committee incorporated the resolution in the bill, I hardly think that that would be correct.

The Senator from Massachusetts [Mr. KENNEDY] is chairman of the Labor Subcommittee of the Committee on Labor and Public Welfare. He is now in a meeting in which a bill is being marked up. I myself should be there, because I am a member of the full committee.

Inasmuch as I offered the resolution incorporated in the bill, I think I should address myself to the amendment of the Senator from Illinois.

The effect of the amendment would be to strike section 2 (d) on page 34 of the bill. I have listened to the argu-

ments which have been made since I spoke a few minutes ago. A constitutional argument has been made. I believe the Senator from New Hampshire will agree that a number of bills are passed by Congress which contain obligations that extend over a year. That is true of the Public Roads program. It is true even of the pending bill. If I remember correctly, the authorization for the Mutual Security Act of last year extended certain provisions of the bill for 2 years. I believe the Senator will agree with that. From the standpoint of constitutionality, if the provisions we are considering is unconstitutional, then all the other similar provisions are unconstitutional. It is the sort of thing that was done in connection with the Marshall plan. It was argued then that it was unconstitutional. I suppose it is legally and constitutionally correct to say that by an authorization or resolution we cannot bind a succeeding Congress. However, if we adopt such an authorization or resolution, an obligation attaches to give it some account. I would not deny that.

What effect does this have upon other countries? It is true that, with the exception of certain Communist countries, the Mutual Security Act is available to all countries, providing they make certain obligations. We know what those obligations are. There are certain obligations under the Battle Act to which they must agree. I assume there are some countries which would not like it. They would think that perhaps they, too, should be singled out. I have always had great sympathy for the problems of Latin America. It is one of the large areas of the world which is of particular interest to the United States. I come back to the point I made in my talk previously, that I place value on this provision of the bill because I believe there is a particular situation in the part of the world where India is located to which we can give account now.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BRIDGES. The Senator says he has great regard and respect and love for Latin America. Yet he is, in effect, by his action and by his words, slapping those countries in the face. I cannot understand that situation. We have been in the position of giving aid to India. Why single India out and then take a crack at all the other nations which have been our good friends? As the Senator well knows, they have stood in our corner much more ably and much more thoroughly and much more effectively than has India. I do not want to raise that point again, but I suggest it to the Senator.

Mr. COOPER. I believe the Senator from New Hampshire adds something to his argument which I cannot accept.

He says it is a slap in the face of other countries. I do not believe it is a slap. I should say that there are peculiar factors involved in the situation which make it of great importance. Unlike many other countries, India is now engaged upon an economic program, which is based on certain assumptions and has certain purposes. They believe that if they are able to meet its objectives, they will be placed in such a position that they will be able to provide the base for certain industries, which, in turn, will enable them to pursue further development. That is the plan.

The second point is that the provision in the bill is based upon our own political self-interest, which I discussed a few minutes ago. It favors our own political self-interest.

Comparing, again, the situation of India today and the situation in China after the Second World War, I would say that, after 1947, we did very little for China, but there is much greater possibility that India will be able to maintain its independence, and thereby be a stabilizing force in that area of the world, than was the case with respect to China in 1947.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KENNEDY. I am sure the Senator will agree with me that it would be a great mistake to accept either the amendment of the Senator from Illinois or the amendment of the Senator from New Hampshire. In regard to the amendment of the Senator from Illinois, we might as well accept outright the amendment of the Senator from New Hampshire, so far as the practical effect would be of cutting India out of the program. I do not believe the provision in the bill makes any commitment so far as the United States is concerned, other than to express the interest of Congress that India succeed in its second 5-year plan.

When we consider that 40 percent of all the people who live in the underdeveloped world, which has been the object of a great deal of attention and discussion during the past 5 years, live in India, we realize how important and vital and unusual is the case of India.

Therefore, as I said earlier, we stand in the same position in which we stood in relation to China in 1945, when we could have done things which would have had a great effect on the present position of China. In 1958 India similarly hangs in the balance. It is vitally important that the United States indicate its interest not only to the Indians, but also to other people of other countries of the Free World who are not pulling their weight, that we are willing to make loans—not grants—to help India succeed in its plan.

When we realize that in 25 years the population of India will be 800 million, the effect of the amendment of the Senator from New Hampshire or the amendment of the Senator from Kentucky on India, which is in competition with China in seeing who can best supply necessities to its people, would be to have the word go out to the people of Asia that the United States Senate does not feel it is in the interest of the United States that the second 5-year plan of India shall succeed.

Perhaps the amendment should not have been added in committee, but the fact is that it is in the bill; and the effect of deleting it would be to negate the action of the Committee on Foreign Relations in its expression of interest. It would be a tremendous mistake to strike it out. Perhaps the committee should not have adopted it, and perhaps the committee should have adopted the amendment of the Senator from Illinois. For good or bad, the amendment is now in the bill, and the people of India know about it, and the people of Asia know about it. If we delete it, they will know about it, too, and no explanation we can make will heal the wound.

Mr. COOPER. I join in the expressions of the Senator from Massachusetts. In order to preserve the meaning of this section of the bill, the amendment of the Senator from Illinois should be defeated.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. REVERCOMB. It is always a pleasure to listen to the Senator from Kentucky on any subject, and particularly so when we deal with the question of our relations with India. He served as the Ambassador of our country to India, and served with very high distinction. I understand that if the amendment of the Senator from New Hampshire or the substitute amendment of the Senator from Illinois were adopted, and there were deleted from the bill that part which deals specifically with India and mentions India alone, this country would have the same authority and the same right to be of friendly aid to India as it would to any other friendly country of the world. Is that correct?

Mr. COOPER. Yes, so far as mutual security aid is concerned. I made the point earlier in the day that I believe the provision would have the further effect, first, of saying that it is the sense of Congress that other nations should join with us; second, I believe it would—and I say this honestly—give support to what I believe is a decision—and I want this understood—of the executive branch of the Government in the persons of the President and the Secretary of State.

I interpolate to say that neither of them has said so to me, but I believe that a decision has been made to give all help possible to India in connection with the achievement of its second 5-year plan. I say honestly that I think if this provision is adopted, it will strengthen India in that resolution.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. REVERCOMB. I join with the Senator in his great admiration for India. I admire the progress India has made and is making. But the Senator's own statement makes me feel that we may be singling out one nation over other nations which we may want to help.

Is this not a precedent, and is it not one which will allow Senators who have a particular feeling for countries which they think need help to ask the Senate to include in the mutual-security bill provisions for special help for those countries? Does not this provision establish that kind of precedent? Does it

not set up that very goal toward which others may travel in selecting other countries for special treatment?

Mr. COOPER. I say frankly that it is certainly some kind of precedent. I do not deny that at all. I should like to respond to one statement the Senator made, so that it will not be misunderstood. He said that perhaps Senators who have interests in certain countries might be induced to come forward and plead for those countries.

Mr. REVERCOMB. I mean by "interests" the feeling that a particular country might be in need of special help to the exclusion of other countries, and that the United States Government would be asked to give special help to some other particular countries. That was the interest of which I spoke.

Mr. COOPER. We never know all the reasons which actuate men's actions; but I have been as careful as I could be, at least in my consideration of this question, to base this issue upon what I believe to be the self-interest of the United States, particularly in the future.

I have tried to draw a parallel between the situation in India and the situation in China. In my time in India, I did not like everything I saw there in the relations between India and the United States. Many times when I was there I felt frustrated and angry about various things which happened. But even though I left, I think I could look beyond that and see the influence of that country in the future and its effect upon the well being and security of the United States.

On the other hand, I would not be honest if I did not say that I believe the people of India to be good people, people of real intellectual quality and character, despite all the statements which are made about them.

India is a country which, I believe, is striving better than any other country in Asia, except perhaps our friends in the Philippines, toward democracy—or republicanism; I like that old constitutional phrase.

Mr. REVERCOMB. I join with the Senator from Kentucky in his admiration for the people of India and their magnificent contributions to literature and culture. With him, I applaud their efforts in the movement forward in the modern world.

The question is simply a matter of whether the policy of the United States should be to single out one country, and set a precedent of expressing in our laws a particular interest in one country.

I understand the position taken by the Senator from Kentucky. I have served with him for many years in the Senate, and I have known him longer than these years of service together. He is motivated by what he believes is best for our country, and he is advocating the position he takes because he believes it is the best for the United States.

I differ more upon the basis that, if I do have a difference with him on this subject, we in the Senate may be setting a precedent which would be inviting to others who may feel that some special thought should be given to this, that, or the other country when we are writing bills now or in the future; or which will turn the attention of the United States Government to one country to the exclusion of others, or may be making a preferential selection of one country against others with whom we are on friendly terms.

That seems to me to be the one problem which confronts us in passing upon the amendments which are before the Senate.

Mr. BUSH. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. BUSH. A question has been raised in the Senate today about communism in India, and whether Nehru is a Communist. I do not remember how the question was raised, but I believe the Senator from Kentucky said that he did not think Nehru was a Communist.

Does the Senator recall, after his return from India, making an address in New Haven, Conn., on February 22 of that year? I remember particularly what he said about that subject; namely, that the most difficult domestic political issue which faced Nehru day after day and week after week was the battle with communism in India, and with the Communist Party and Communist supporters in India.

The Senator from Kentucky stated that Nehru took an adamant, vigorous stand against communism and the Communist Party in India, and did so openly.

It seems to me that the Senator's statement at that time, when he was then our Ambassador to India, was the best proof we could possibly have of Nehru's lack of sympathy with the basic political philosophy of communism.

I wish the Senator from Kentucky would comment on what I have just said, if he wishes to do so.

Mr. COOPER. I suppose everyone who has been to India tries to describe Nehru. But the Senator from Connecticut has asked me my opinion as to Nehru's political beliefs.

Nehru's education was a Western education. Certainly it was an education which carried on the traditions of Western liberty, freedom, and democracy.

I know that in India itself the largest minority party is the Communist Party, and Nehru is the head of the Congress Party.

The Congress Party and the Prime Minister in India, have made a tremendous fight internally against the Communist Party, although it is a legal party.

I do not know about all of Nehru's political views. I assume that having been educated in England and having fought for the freedom of India at the time when the encouragement came from the Labour Party, his political views are similar to those of the Labour Party, which are socialist views. But I know this, if I know anything: He is not a Communist. I do not even like to discuss that question here. But if I were asked, I would stake my judgment and belief on that fact.

I shall state several reasons for it. First, the thing that is most repugnant to him is the use of violence or force, which are instruments of the Communist Party.

Second, I know that as the leader of India, he is doing all he can to see to it that India's economic revolution goes forward by voluntary means, not by totalitarian means. There is no element of force or coercion in the economic life or the economic plans of India.

Third, with regard to the political life in India, again I know, as I pointed out earlier, that, for a newly independent country, and one which has only about 80 million literate persons, there is a great appreciation of democratic values there.

For instance, I remember that one day there was introduced in the Indian Parliament a bill which would have seriously restricted freedom of religious worship. It was one of the bills which seemingly were not very important; but the effect of that bill would have been to restrict religious worship. I remember that Mr. Nehru flew back from a city 1,500 or 2,000 miles away, to go on the floor of the Indian Parliament that day and fight that measure, which would have restricted freedom of worship.

One does not always hear about such things, I realize.

I remember that I was there on May Day, when the Communists organized their usual parade and program. Mr. Nehru had his own meeting in a public park, with 200,000 or 300,000 persons in attendance; and at the meeting he denounced the violent and authoritarian means the Communists use.

I believe I have some judgment in regard to these matters. I may say that I come from a small town in the hill section of Kentucky. My ancestors have lived there since 1790; the first one who settled there was a Revolutionary War soldier. The United States has never engaged in a war in which some of the members of my family have not fought for our country. If it is possible to find a person who has less liking for Communists than I have, I do not know where such a person could possibly be found.

It is true that Senators may disagree with regard to the means of meeting or combating communism. Frankly, I think one of the ways is to see whether we can seek to alter peacefully the balance of world power. The means we are considering now might be a means of altering world power in the years to come.

Mr. BUSH. Mr. President, I thank the Senator from Kentucky. I believe he has made a wonderful presentation of his views, and I am very happy to support him on this issue.

Mr. REVERCOMB. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I am glad to yield.

Mr. REVERCOMB. The points raised by the Senator from Connecticut in the course of his debate with the Senator from Kentucky have been interesting, indeed, in bringing out the fact that today the Government of India is a bulwark against communism.

Mr. BUSH. That was the entire point I wished to raise.

Mr. REVERCOMB. I so understood.

At the same time, let me ask the Senator from Connecticut about a point which has given me some concern. Other countries which are friendly to the United States are also standing up against communism. In that case, why should we write into one of our laws a provision for the giving of special consideration to only one of those countries? Why should not we give to the executive branch of the Government the authority—as is done by means of the pending bill—to be helpful to, and to give aid to, all friendly countries and to create a bulwark against the spread of communism? Is it proper to set a precedent by selecting only one of them—India, in this case? I question it. I doubt that it would be proper to select any particular country from all those who stand up in the fight against communism. This is the point just now in this discussion that is giving me concern as it gives others, I gather, from the discussion we have heard today.

I doubt that we should set a precedent which would permit persons to believe that one particular country or another was, in our opinion, doing a great job in standing up against communism, and should be singled out as against the others. That is the point I would make.

Yes, let us help India; let us give India high consideration; let us stand by India as our friend.

But let us also stand with the other friendly countries, to the exclusion of none of them.

Mr. BUSH. Mr. President, I can understand the concern of the Senator from West Virginia about this point; and other Senators have expressed the same concern.

But I believe there are two answers. The first is—as has been stated here this afternoon by the Senator from Kentucky [Mr. COOPER] and the Senator from Massachusetts [Mr. KENNEDY]—that today India is outstanding in the world, both because of her position in the Far East; and also because we recognize that India is the largest untaken prize that exists today in the world, and the Russians are doing their utmost to make India their prize. That is one of the reasons—because India stands out as one of the most important nations in the world. Therefore, in my opinion, the giving of special consideration to India, in connection with this bill, can be justified.

Second, we are going to be judged by the people of the other countries on the basis of our actions with respect to them and our relations with them. I simply do not agree with the position which has been taken here by some of my respected colleagues, namely, that this provision is a slap in the face of any country. I do not think the provision will be so regarded.

In fact, I believe that, as a matter of fact, many of our friends will look upon this provision as a very astute move on the part of the United States. I believe they will thus consider this provision of the bill, which represents a gesture of friendship toward the people of India.

So I do not share the concern of the Senator from West Virginia, although I certainly concede that it is sincerely held, just as I know the concern of other Senators is sincerely held, as has been so well expressed this afternoon.

Mr. President, I yield the floor.

Mr. MORSE. Mr. President, I wish to speak in support of the language of the committee bill and report which deals with this matter, and also to associate myself with the position taken by the Senator from Kentucky [Mr. COOPER], the Senator from Massachusetts [Mr. KENNEDY], and other Senators who have supported the language recommended by the committee.

It is known that the language was, in the first instance, proposed in the committee by the Senator from Massachusetts [Mr. KENNEDY].

The interest of the Senator from Kentucky [Mr. COOPER] in this matter was well-known to the Foreign Relations Committee, and was commented on there during our discussion of this matter.

Mr. President, if I may have the attention of the Senator from Kansas [Mr. CARLSON], I recall that, along with the Senator from Kansas and the Senator from Kentucky [Mr. MORTON], I had the honor of representing the Senate at the British Commonwealth Inter-Parliamentary Conference at New Delhi last December. It was not an Indian conference simply because it was held in New Delhi. It was a conference of the Parliaments of the British Commonwealth, save and except the United States, whose delegation was there as an invited guest.

The delegation has filed with the Senate, in the form of a Senate document, a report we made on our return, setting forth our observations, findings, and recommendations.

I think it would be a most unfortunate mistake if we struck from the bill the language which this amendment proposes to eliminate on page 34, starting with line 4.

I submit that statement, and wish to support it with some observations. One could not witness what we saw at the conference without recognizing the fact that India will be of terrific importance, in the 100 years ahead, in connection with developments in both Asia and Africa. The Senator from Kentucky [Mr. MORTON], and the Senator from Kansas [Mr. CARLSON], will agree with me, I think, when I say although we disagreed with some of the positions and points of view taken by the Prime Minister of India, who participated with us in the 2-day debate on foreign policy and national defense, there was no doubt where the majority of the delegates from Asia and Africa stood. They were following the leadership of Nehru.

We need to recognize the power and influence of his leadership. I quite agree with the Senator from Kentucky: Nehru has evidenced time and time again that he is not a Communist. I sat in both the upper and lower houses of the India Parliament when Mr. Nehru was called upon by those branches of the Government to debate Indian foreign policy. I listened to him, at great length, take on in debate the Communists in both the upper and the lower houses of the Indian Parliament. In those speeches will be found a clear indication that Nehru does not believe in the despotic and police state policies of either the Communists or any other totalitarian form of government.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BRIDGES. The Senator from Oregon is making a very definite statement, but I think he will have to temper that statement somewhat by admitting that at times Mr. Nehru and the Parliament of India have taken a position favorable to communism, will he not?

Mr. MORSE. Nehru has taken a position of so-called neutrality which we often consider to be favorable to Russia, and for which we have criticized him. Nevertheless because he has taken a position that is not in agreement with ours does not make him a Communist. Nor does it put him in such a position that we ought not, as a matter of policy, give India assistance in carrying out the kind of economic program contained in its second 5-year plan.

Let me point out that here is an opportunity for us to export the economic freedom of choice of American capitalism. That is the field in which we are going to beat Russia. We must beat Russia, in the 100 years ahead, on the economic front if freedom is to survive in the world. Russia's enslavement of economic choice of the individual that always is found in a Communist state cannot compete in India or anywhere else with our system of economic freedom of choice for the individual.

There is our opportunity. Why should we throw away the chance to demonstrate to the people of India that we are in favor of helping them in their second 5-year plan and in favor of helping them develop economic freedom of choice?

Mr. BRIDGES. Has not the United States demonstrated its friendship to India time after time, year after year, pouring out the money and the substance of this country, in spite of rebuffs and constant siding with the Communists in their positions? We have overlooked that and have continued to be generous and fair, have we not?

Mr. MORSE. We have made loans, and I am in favor of more loans and fewer grants. If the Senator has scanned my individual views which I have filed with the report, he knows one of the criticisms I have been making is that we have not been lending enough, but granting too much. We have a grant program that is over 85 percent of all foreign aid, as a rough figure, as compared to a program of 15 percent in loans. I would reverse that ratio. I would have a ratio of at least 75 percent loans and 25 percent grants. But that is for the future. It seems to me it is irrelevant to the issue now before us. We have an opportunity to demonstrate, through the policy contained in this bill, that we want to aid and support India in its development of economic freedom through the second 5-year plan. It seems to me we must do so if we are to

win the fight for freedom in India and Asia in the years ahead.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BRIDGES. Does not the Senator feel equally that way about 60 or 70 other countries?

Mr. MORSE. I shall have something to say about those in a moment.

Mr. BRIDGES. Does the Senator not think the provision in the bill I am seeking to have taken out would be a slap in the face of the other countries?

Mr. MORSE. No. Specifically, I think India at the present time is the crux of developments in Asia and Africa. As India goes, I think Asia and Africa will go in the next 10 to 20 years. The other countries to which the Senator referred are likely to go the way India goes. If Russia thinks India is that important, and she does think so, does the Senator suppose she is going to be mute and motionless about India? Does the Senator suppose Russia is going to adopt a policy of silence and inaction toward this great problem of economic growth that faces Asia and Africa? I think this is the time to establish in the bill, as a matter of policy, that we intend to do what we can to help the Indian people and the Indian Government come over to the side of economic freedom so they can have political freedom. The Senator has heard me say before, but I think it needs to be reiterated again and again, that it is nonsense to talk about political freedom unless we provide for economic freedom. Our struggle in Asia and Africa in the decades ahead will be to bring about economic freedom of choice, which makes for the development of the benefits of a capitalistic society. What we are saying, in essence, is, "We are going to help you develop the kind of economic system that we know from glorious experience provides freedom of choice for an individual." That is what the majority of the committee are trying to accomplish.

Before I leave the subject I have been discussing, I yield to the Senator from New Hampshire.

Mr. BRIDGES. I should like to have the Senator explain why he said the United States would join with other countries to do this. What other countries will join in making loans and grants to India?

Mr. MORSE. Let me say one of the very disappointing, negative observations I made in India—and I made quite a few—was that wherever I went I heard about the loans made by West Germany and Russia for the building of two steel mills. Those loans had grasped the attention of the Indian people someway, somehow, and they could see the results in concrete form. The Indian people thought it a magnificent gesture of friendship on the part of West Germany and Russia.

I said to the people in place after place exactly what the Senator from New Hampshire has pointed out, "Are you aware of the millions of dollars which the United States has poured into India for development?" They were not. They were not aware of that.

That is the reason why, in the Committee on Foreign Relations, I have been urging for some time that we make loans for specific projects on the basis of a line of credit approach, so that the money will be drawn upon as the project goes up and we will not just put the money into the pockets of any politician of any foreign country. If we will attach our financial assistance as much as possible to specific projects we will have better success in getting the people in those countries to understand the aid we are really giving them and the exportation of capitalism in which we are engaging.

That is my approach, but it is not at all inconsistent with saying to India, in the language of this bill, that as a matter of policy we intend to do what we can, within the limitation set up—and the language of the bill is very carefully drawn—to assist India in this kind of economic approach.

My next generalization from my observations in India is that the problem is a stomach problem—or an economic problem, if one wants to use a more polite term. We have to deal with the Indian problem in the decades ahead on the economic front, as well as on the political front. We have to help develop the economic productive power of India for Indians, if we are to win the fight for freedom in India. That is the general premise on which I have approached the problem in India, as well as elsewhere in Asia and Africa.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Kentucky.

Mr. MORTON. I thank the Senator. I have gotten in more trouble in the past 48 hours than at any time in my career. I voted with the Senator from Wisconsin yesterday on an amendment, and now I find myself aligned with the Senator from Oregon. I am in very bad shape at home.

Mr. MORSE. I am delighted with the association.

Mr. MORTON. I think Nehru is just about as phony as a $3 bill. I disagree with him entirely on many things, and the Senator from Oregon knows I do. I also disagree with the Senator from Oregon on most things.

One thing is clear, which the Senator from Oregon has pointed out. As India goes, so go the uncommitted one billion people. The Senator from Oregon, the Senator from Kansas, and I visited India. We would rise, the British would rise, the Australians would rise, or somebody else would rise, to start the debate, but not one of the representatives of these countries would say anything until some member of the Indian delegation gave the word. Then they took the lead.

This is important. It is important to us and to our children, whether we like it or not. Whether we like the way Nehru runs the country, whether we think he is a "Commie" or not, the 500 million people there are important.

I observe sitting in the Chamber the former Speaker of the House of Representatives. He will remember when we went to see Nehru the bells rang and he had to rush over to vote. He said, "These guys are getting out of hand. I have to go over to do something." Three times while we were talking to him he had to rush over to quiet the kinds of things any Speaker of the House knows go on. They can handle emergencies better in the House than we handle them in this body. It is rough over here. I have not yet learned the rules.

I do not like Nehru. I do not have any use for him. If I were in the Indian Parliament I would vote against Nehru just as often as I vote against the Senator from Oregon. However, I say that the uncommitted people of this world are following Nehru, whether we like it or not. The fact is we had better smarten up and be somebody in this country.

Mr. MORSE. I completely agree with the remarks of the Senator from Kentucky with respect to India. The Senator made a better speech on the subject than I could possibly make.

I also wish to say I am always gratified whenever I find myself in agreement with the Senator from Kentucky. It convinces me that at least I am both a student and a teacher. I do not know whether at this particular moment I am in the capacity of the pupil or the teacher. But I am delighted to be in agreement with my friend from Kentucky.

Mr. MORTON. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. MORTON. I flunked out of school.

Mr. MORSE. The Senator has been a great success, whether he flunked out of school or not.

Mr. President, I am glad to have the remarks of the Senator from Kentucky, because we need to stress over and over again that India is the keystone of the economic and political structure which is going to develop in Asia and Africa in the years immediately ahead.

I want to make a few comments about a couple of trouble spots in India, which ought to give us concern, and which I think call for support of the language in the bill.

Mr. CARLSON. Mr. President, will Senator yield?

Mr. MORSE. I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to commend the Senator from Oregon for his statement. I think it is a timely statement. I expressed myself earlier with respect to this issue. I stated at that time I thought India was one country in the great Far East which would determine the future of that section and probably of the world.

It is extremely important that the Senate of the United States should take no action which would in any way discourage India in its efforts to improve the economic structure and standing of that area.

I think the Senator has well expressed the case. The Senator from Kentucky [Mr. MORTON], the Senator from Oregon [Mr. MORSE], and I did not hesitate to explain our views while we attended the meeting. We expressed our disagree-

ments with the Indian people. I think they respected us for our views, and at the same time I think we carried on the representation of this country as they would have us do it.

DEMAND RISING IN INDIA FOR ECONOMIC IMPROVEMENT

Mr. MORSE. Mr. President, I want to turn to the second premise of my remarks. There is no doubt about the fact that Russia is trying to win India for communism. Khrushchev has made that clear. There has been no tendency on his part to remain silent with respect to Russia's attitude toward India.

Khrushchev also made clear—and let us remember it—that he intends to carry on an economic war against the United States. He is going to do it in exactly such areas as India, other parts of Asia, and Africa.

What success is Khrushchev having? Well, let us take a look at the Province of Kerala. I ask Senators to remember a vital statistic about Kerala. Kerala has the largest percentage of Christians of any Province in India. And it is the one Province which has gone Communist. That is an interesting paradox, is is not? This is a Province which is noted for its superiority, statistics-wise, on literacy, as compared with other Provinces. It is a Province which has gone Communist.

It is also a Province, Mr. President, in which increased enlightenment and concern for human welfare on the part of the people has caused the focusing of attention upon economic degradation.

If we want to beat communism, here is where we have to do it. We have to show that capitalism can do more to raise living standards than communism can do. What I would like to see, Mr. President, are some lines of credit loans to Kerala, from the United States, for the building of economically sound projects which will help increase the productive power of the people living in the economic shadows of those projects. That is the way to beat Khrushchev in Kerala.

Now, the contest is very close. The Communists, so far as the Parliament of Kerala is concerned, do not have a majority of the delegates. The Communists have a plurality, aided by a small group. The Senator from Kansas will correct me if I am wrong, but as I recall there was a majority of six. The Communists are aided by six so-called nonmembers of the Nehru party in India, and are able to control the government of Kerala.

This is nip and tuck. It would not require much of a change to bring the Congress Party back into control in Kerala. Do Senators think we should give up this opportunity to say to the Indian people, through this bill, that on the basis of the limitations of this language we intend to do what we can to be of assistance to them?

Let us take a look at Bombay. Bombay now has a Communist mayor. The struggle between freedom and totalitarianism in India is a hot one. I happen to think that, not on the basis of grants, not on the basis of blanket loans, but, as the record before the committee will show, on the basis of loans for specific projects connected with the second 5-year plan, we may be of assistance in winning India over clearly to the side of freedom.

It has been argued on the floor of the Senate that this would be a bad precedent, because we specifically name India in the bill. That is no new policy in the Congress. Let us consider the bill itself, before we examine existing legislation on the subject, and see to what extent we have named specific countries. I am not saying that they have been named in the same connection, but I am saying that in this bill we select specific countries for comment, attention, and reference.

In section 105 we mention Cambodia and also Laos and Vietnam. In section 108 we mention Japan; in section 131, Korea; in section 143, Yugoslavia; in section 404, Germany; in section 417, Iran; in section 536, Nationalist China.

It is nothing new for us, in a foreign-aid bill and in other bills in the Senate, to single out and mention specific countries. Our interest in them is specific. I contend that our interest in the future of India is, too, for the reasons I have stated.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MORSE. In a moment, if I may be permitted to complete this comment.

Consider the existing legislation. Section 404 deals with responsibilities in Germany. This is what we have written into the law of the land:

SEC. 404. Responsibilities in Germany: Upon approval by the Secretary of State, a part of the German currency now or hereafter deposited under the bilateral agreement of December 15, 1949, between the United States and the First Republic of Germany (or any supplementary or succeeding agreement) shall be deposited in the GARIOA (Government and Relief in Occupied Areas) special account, under the terms of article V of that agreement.

We set forth specific provisions and state our responsibilities relative thereto. It was a great help to Germany. It was a statement of policy.

Some are arguing that we should not single out India for a special reference. There was a historic debate in the Senate in 1955, in which Formosa was singled out in a resolution. I opposed the resolution, not because Formosa was singled out, but because I did not agree with the alleged merits of the resolution. There is nothing to the argument that we should not retain this language in the bill because it specifically mentions India. The question is, Would this statement of policy be in America's national interest?

I am interested in doing what I can during my period of service here to help pave the way for a victory of freedom in those parts of the world where the contest is now on. India is one of the key spots in the world.

We talk about psychological warfare. We talk about a cold war. This language is a weapon in psychological warfare; yet it is proposed that we spike our guns by eliminating this language from the bill. The fact is that here is one of our great weapons in the cold war and we ought to use it.

I say to my friends in opposition, that if there is some other country which has a plan based upon the potentialities of economic freedom, as is the second 5-year plan in India, we should name that country and propose an amendment to make it perfectly clear that we wish to give our support to that country. Such an amendment would have my support. I intend to support the fight for economic freedom around the world, so that political freedom will take root in all parts of the world where we must win men over to our side, wherever the country is located.

There is a case for India, and I think we should take advantage of the opportunity which is ours to mention India specifically in the bill, and to that extent make it clear to the Indian people that we intend to do what we can to help them in the fight for economic and political freedom in the years ahead.

I now yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Senator from Oregon has made an important statement.

Is it not a fact that in the report of the committee every section deals with specific countries and specific amounts? On page 10 we find the following:

Besides Korea and Vietnam, defense support is programed in fiscal 1959 for 10 other countries: Spain, Greece, Iran, Pakistan, Turkey, Cambodia, China (Taiwan), Laos, Philippines, and Thailand.

If the Senator from New Hampshire is worried for fear that mentioning Iran might adversely affect and offend the feelings of other countries which are not specifically mentioned, I suggest that the Senator read the report, in which we confine defense support to 10 countries, and name them specifically. India is not one.

Anyone reading the report will find specific mention of 40 different countries, showing how much each is to get. We have had aid to Yugoslavia in mutual-security bills for 5 years. There is nothing new about the proposal to devote particular attention to one specified country. As the Senator from Oregon has pointed out, 40 percent of the people in the underdeveloped areas of the world live in Asia. Asia is the key to our security.

We are not considering whether an original amendment should be adopted, but whether we should strike language from the bill, which action might cause repercussions which would be felt not only in India, but all over Asia. We would be taking affirmative action against India. If the Senator from New Hampshire is concerned about the continuity of the relations between this country and that part of the world, I remind him that we have frequently spoken of the mistakes made in our China policy. We should be concerned lest we lose another golden opportunity in another part of the area.

Mr. MORSE. I thank the Senator from Massachusetts for strengthening my case.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BRIDGES. I merely wish to comment on what the Senator from Massachusetts said about other countries being mentioned in the bill. What he says is, of course, accurate. Nevertheless, I come back to the fact that none of them are specifically mentioned in the policy statement of the bill.

Mr. KENNEDY. We go even further when we include in the bill language which, in fact, is the implementation of a policy. In the case of the other countries mentioned, which are provided with specific grants, we are implementing the policy. We are going further than the language with respect to India. We are implementing a policy. All we are saying, in effect, is that we want the Indian people to know that we are going to do what we believe we can do, based upon the facts as they develop, to be of assistance to India's so-called second 5-year plan.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. I wish to commend the senior Senator from Oregon for the fine and well-reasoned argument he has been making in opposition to the pending amendment. I have hitherto publicly committed myself in support of the position taken by the Senator from Massachusetts and the distinguished former Ambassador to India, the Senator from Kentucky [Mr. COOPER]. I should like to do so again, and state my further conviction.

It is very important for the security and for the best interests of the United States that the unsound amendment now before the Senate be defeated.

Mr. MORSE. I thank the Senator very much for his assistance in the debate. I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I apologize for detaining the Senate any further on this matter, but I have a few comments to make which I believe should be in the RECORD, following what the distinguished senior Senator from Oregon has said.

I thought that somewhere in the record there might be an embracing of the amendment by the Department of State. However, I notice at page 304 of the hearings, in connection with the discussion of the matter, the following statement by Mr. Rountree, of the State Department:

> I am not sure that it is desirable to single out a particular country from many nations which do have urgent requirements for aid.

I have gone through the hearings, and Mr. Rountree, representing the Department of State, says, "I am not sure that it is desirable."

I do not know whether we are to determine the foreign policy, or whether it to be directed by the Department of State. It may be that we have 97 Secretaries of State. However, I am always a little timid about venturing into this field. The distinguished Senator from Massachusetts, in effect, said, "Well, when we express the sense of the Senate, it is not a commitment." What is the sense of the Senate? Is it not the opinion of the Senate? Is it not the discernment of the Senate? Is it not the judgment of the Senate? Is it not the conviction of the Senate? What does the Committee on Foreign Relations say in its report? Let us look at page 7. I wish to read only a paragraph from the report:

> The Indian second 5-year plan is now in a critical phase. The purpose of the amendment is to let the Indian people know that the Congress supports the efforts they are making. The amendment will also let the executive branch know that the Congress approves of steps to aid India. And most important, it will serve as a stimulus to American efforts to enlist other free countries in a united assault on India's economic problems.
>
> The amendment is a statement of policy.

Either I can understand the English language or I cannot. This language has only one significance to me. I wish to be sure that it is incorporated in the RECORD.

We now go back to the amendment for a moment. It states that it is the sense of Congress that we provide assistance to India. I regard that as a moral commitment. How are we to provide the assistance? It says we are to provide the type that is necessary, the magnitude that is necessary, and for a duration that is necessary. It says adequate assistance. Someone else's ideas of adequate and mine may be entirely different.

However, I shall have to sit in the Committee on Appropriations when this matter comes along and pass on the question of adequacy. When the testimony comes, I may have one view; the Department of State may have other views. Once this language is written into the bill, they will point an accusing finger and say, "You will have betrayed a commitment of Congress to India if you fail to provide aid of a certain type, of a certain magnitude, for a certain period, and in an amount which is adequate."

For what purpose? To complete—that is what it says—to complete the current program. How far complete it? Successfully. That is what it says. I do not know whether I have ever encountered a moral commitment in my life, but if I have, this is it.

Let us not forget that there are two groups who will be reading the language. We will be reading it. We may say it is only a gesture. They will read it in Bombay, they will read it in New Delhi. They will read it in Calcutta. They will read it up in Kashmir. They will read it in Karachi. It will be for them also to say whether it was a commitment or not. It takes two, because it is a two-way street.

If it is the desire of the Senate to tie our hands now, very well. But I want to be on record this afternoon. While this is the 6th day of June, 1958, this matter will start cooling a little bit, and we will forget about the solemnity and about the importance of the language we write into the bill today. Therefore I wish to be sure that my hands are not completely tied before I make what I think is a proper protest.

I wish to add one thought before I conclude. The State Department and the President direct our foreign policy. I have seen no statement from the President on this point. I have seen no statement from the Secretary of State. He has repeatedly testified as to the importance and the significance of India in the whole world picture. However, here is Mr. Rountree, from the State Department, testifying at page 304 of the hearings:

> I am not sure that it is desirable to single out a particular country from many nations which do have urgent requirements for aid.

That statement makes good sense and seems to me to state a good policy. I intend to support the amendment of the Senator from New Hampshire.

I ask unanimous consent to modify my amendment to the Bridges amendment so that it will be in good technical form. The language is at the desk.

The PRESIDING OFFICER. The amendment as modified will be stated.

The CHIEF CLERK. On page 34, line 1, it is proposed to substitute the following for section 2:

> Section 2 of the Mutual Security Act of 1954 is amended by striking the period at the end of paragraph (c) thereof and adding the following: "and in their efforts to complete their programs of economic development."

Mr. MOSE. Mr. President, I wish to make a brief comment on what my friend the Senator from Illinois has said. The language he stresses, which states that it is the sense of Congress that we shall provide support of a type and magnitude and duration and adequacy that will assist India to complete its plan successfully, should be read in the light of the preceding language, which says that we would join with other nations.

We are not saying that we alone are going to provide the support of a type and magnitude and duration and adequacy to assist India to complete successfully its current program for economic development. We say that we are going to join with other nations. That makes it perfectly clear, it seems to me, by an implication that strikes one immediately that we do not undertake this project alone, but that we are going to cooperate with other nations in providing for the success of the program.

The Senator from Illinois is quite right. He sits on the Committee on Appropriations. Any proposal for any aid to India must run the gamut from an authorization proposal to an appropriation bill. I am in favor of that.

However, I think what we ought to do is to make clear to India that we are willing to join with other nations in doing our share. I believe it is clearly implied that we will do our share, and that it is for us to decide what is our share, in view of our economic conditions at any given time, in view of the world situation at any given time, and in view of the developments in India at any given time. We are not proposing to write a blank check for India today. We are

proposing to say to India that it is our policy—and we are also saying it in effect to the executive branch of the Government—that it is the sense of Congress that the executive branch should try to work out a support program with India in cooperation with other nations which will make its second 5-year plan successful.

It is clearly intended by the Committee on Foreign Relations, or by those of us on the committee who favor the amendment, not that we write a blank check, but that we only say to India: "We, in cooperation with other nations, will help you try to make your program a success."

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DIRKSEN. If the Senator will permit me, I should like to make two observations. The first is that under existing law and under present policy we had no difficulty in helping to rehabilitate the railways of India. There is ample authority to help India without making a policy statement of any kind. That is the first thing. Second, I say to my friend from Oregon that I took full account of the word "join" when the section of the bill speaks of joining with other nations. I see in that the necessity for an auxiliary program to the ICA or MSA program for one particular country. That is when our administrative difficulties will really begin to overwhelm us.

Mr. MORSE. I say most respectfully that I do not think it is the intention of the amendment to set up an auxiliary program, but only that we strike this blow in our country's defense in the cold war with Russia by saying to the people of India, through this language, "We want to be of help to you, and we will join other nations in a program which will help you to effectuate the economic program you have in mind."

Of course, we have not, in this debate laid out the blueprint of the second 5-year program. Perhaps we should. Suffice to say it is an economic program which, if it can be successfully implemented, will go a long way in taking India away from the threat of communism.

Mr. HUMPHREY subsequently said:

Mr. President, I regret exceedingly that I have had to be absent from the Senate floor during the debate on the amendment proposed by the senior Senator from New Hampshire [Mr. BRIDGES]. I have had to preside at important and previously scheduled hearings for the Subcommittee on Reorganization, of the Committee on Government Operations.

However, Mr. President, I believe that my views on United States policy toward India are well known. I summarized them as recently as Wednesday afternoon of this week, on the Senate floor. My remarks may be found on pages 10109–10110 of the CONGRESSIONAL RECORD for June 4, 1958.

I said at that time, Mr. President, that there was no single area of the world where American foreign policy is being more closely watched, or more effectively tested, and in the large, strategic, democratically-oriented subcontinent of India. It is for that reason that I view the pending amendment with such dismay. It would delete from the mutual security bill one of the truly significant and constructive additions made by the Foreign Relations Committee. I can only repeat now, what I said 2 days ago, that:

The bill now before the Senate does add a critically important new statement of national policy toward India, and I welcome that statement enthusiastically. The distinguished junior Senator from Massachusetts [Mr. KENNEDY] and the distinguished senior Senator from Kentucky [Mr. COOPER] deserve the heartfelt thanks of all of us for their initiative in obtaining the inclusion of this new policy statement. I was happy to support it. I earnestly hope that the statement will be included in the bill, and that the administration and Congress will thereafter turn their attention in a meaningful and deliberate way to the implementation of this major new commitment to help India succeed.

Hence, Mr. President, I join others who have spoken in urging the defeat of the Bridges amendment, and support of the position taken by the Senate Foreign Relations Committee.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, it was my understanding that the distinguished Senator from New Hampshire [Mr. BRIDGES] was willing to accept the amendment I offered to his amendment. I think I am free to propound a unanimous consent request in his behalf that the amendment be accepted.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question now is on agreeing to the amendment of the Senator from New Hampshire to strike out section 2, as amended. The yeas and nays have been ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MORTON in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, in view of the uncertainty which has existed in regard to the parliamentary meaning and effect of the few words I have offered as an amendment to the amendment of the Senator from New Hampshire [Mr. BRIDGES], of course I would rather not encumber the amendment of my distinguished friend. Therefore, in order to clarify the parliamentary situation, I ask unanimous consent that I may withdraw my amendment to the amendment of the Senator from New Hampshire.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, let me ask the Senator from Illinois whether, as a result, the pending question will be on agreeing to the amendment of the Senator from New Hampshire.

Mr. DIRKSEN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Hampshire to strike out section 2.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. On this question, the yeas and nays have been ordered, have they not?

The PRESIDING OFFICER. That is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Virginia [Mr. ROBERTSON] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Wyoming [Mr. BARRETT] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from New York would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 35, nays 47, as follows:

YEAS—35

Anderson	Bricker	Case, S. Dak.
Beall	Bridges	Chavez
Bennett	Butler	Curtis
Bible	Capehart	Dirksen

Dworshak	Jordan	Russell
Eastland	Knowland	Stennis
Ervin	Kuchel	Talmadge
Frear	Langer	Thurmond
Goldwater	Lausche	Thye
Hoblitzell	Malone	Watkins
Hruska	Mundt	Williams
Jenner	Potter	

NAYS—47

Aiken	Hennings	Morse
Allott	Hickenlooper	Morton
Bush	Hill	Murray
Carlson	Holland	Neuberger
Carroll	Humphrey	Pastore
Case, N. J.	Jackson	Payne
Church	Javits	Proxmire
Clark	Johnson, Tex.	Purtell
Cooper	Kefauver	Smathers
Douglas	Kennedy	Smith, Maine
Ellender	Magnuson	Smith, N. J.
Flanders	Mansfield	Sparkman
Fulbright	Martin, Iowa	Symington
Gore	McClellan	Wiley
Green	McNamara	Young
Hayden	Monroney	

NOT VOTING—14

Barrett	Kerr	Robertson
Byrd	Long	Saltonstall
Cotton	Martin, Pa.	Schoeppel
Ives	O'Mahoney	Yarborough
Johnston, S. C.	Revercomb	

So Mr. BRIDGES' motion was rejected.

Mr. KNOWLAND obtained the floor.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I move that the vote by which the motion of the Senator from New Hampshire was rejected be reconsidered.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts [Mr. KENNEDY] to lay on the table the motion of the Senator from Kentucky [Mr. COOPER] to reconsider.

The motion to lay on the table was agreed to.

DELAY OF SUBMISSION OF PLAN FOR FUTURE CONTROL OF PROPERTY OF MENOMINEE TRIBE—CONFERENCE REPORT

Mr. NEUBERGER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NEUBERGER. Mr. President, I should like to explain to the distinguished Senator from California that the conference report on House bill 6322, relating to the Menominee Tribe has been pending several days. I have delayed calling up the conference report until now, because both the distinguished Senators of the State of Wisconsin [Mr. WILEY and Mr. PROXMIRE] desired to be on the floor so that they could make brief observations about the conference report. I ask the Senator from California if he will yield to me so that I may present the conference report.

The PRESIDING OFFICER. Does the Senator from California yield for that purpose?

Mr. KNOWLAND. I yield for that purpose.

Mr. NEUBERGER. I thank the Senator from California.

Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6322) to provide that the dates for submission of plan for future control of property and transfer of the property of the Menominee Tribe shall be delayed. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6322) to provide that the dates for submission of plan for future control of property and transfer of the property of the Menominee Tribe shall be delayed, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with a further amendment as follows:

On page 2, line 2, strike out "December 31, 1958," and insert in lieu thereof "February 1, 1959."

On page 2, line 10, strike out "there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, an amount equal to one-half of such expenditures from tribal funds, or the sum of $275,000, whichever is the lesser amount.", and insert in lieu thereof "there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, an amount equal to all of such expenditures incurred prior to the date this sentence becomes effective, plus one-half of such expenditures incurred thereafter, or the sum of $275,000, whichever is the lesser amount."

On page 2, line 17, strike out "December 31, 1958," and insert in lieu thereof "February 1, 1959."

On page 3, lines 10 and 11, strike out "December 31, 1958," and insert in lieu thereof "February 1, 1959."

RICHARD L. NEUBERGER,
FRANK CHURCH,
ARTHUR V. WATKINS,
Managers on the Part of the Senate.
JAMES A. HALEY,
CLAIR ENGLE,
WAYNE N. ASPINALL,
A. L. MILLER,
E. Y. BERRY,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. NEUBERGER. Mr. President——

Mr. DOUGLAS. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NEUBERGER. I thank the Chair, and I thank the Senator from Illinois. This is a matter of great importance to the two Senators from Wisconsin. I think they are entitled to order and silence on the floor.

Mr. President, this proposed legislation has been the subject of extensive consideration in the House and in the Senate. On April 29, the conference committee met to resolve certain differences in the measure as it had been passed by the House and the Senate. After a thorough discussion of all the issues in disagreement, the Senate version of the bill was agreed to, with certain minor changes.

Before submitting the conference report to the Senate, I consulted with the two able Senators from Wisconsin on the language in the bill. Both Wisconsin Senators expressed great concern about the provisions in the bill with respect to the reimbursement of the tribe for the costs of the termination program. I might say that H. R. 6322, as passed by the Senate, provided that the Indians would be reimbursed for only one-half of such costs, or a maximum of $275,000, whichever was the lesser amount.

At the request of the Wisconsin delegation, I agreed to return to conference with our colleagues from the House in an effort to work out language that would treat the Indians more liberally in terms of financial assistance during the time the termination program is in progress.

Yesterday the House and Senate conferees again met to discuss the issue of reimbursement for the Menominees. Language has been agreed to which, in my opinion, is much more favorable to the Indians.

The recommendation is that the Federal Government will pay all of the costs of the Menominee terminal program incurred from 1954 until H. R. 6322 became effective. Thereafter, until the final termination date of December 31, 1960, is reached, the Federal Government will reimburse the Menominees for one-half of any additional expenditures incurred.

The Department of the Interior informs me that it estimates that the Menominees will have incurred expenses through fiscal 1958 to the extent of approximately $130,000. Under H. R. 6322, it is intended that those expenses will be fully reimbursed, if they are approved by the Secretary of the Interior as proper costs of the termination program. I understand further that the overall cost of terminating the reservation may not exceed $200,000. If this is an accurate estimate, the cost to the tribe would be only $35,000, or one-half of the difference between $200,000 and the $130,000 which the Federal Government will pay. Certainly this is more favorable to the Indians than the previous language, under which the tribe would have had to pay one-half of all costs, or $100,000.

I might add that the Klamath Indians in my own State do not enjoy so favorable an arrangement as do the Menominees, since under the present law, the Klamaths must pay one-half of all termination expenses, and those costs are very substantially greater than the Wisconsin group has to bear.

I believe, all things considered, H. R. 6322 is a very reasonable piece of legislation, and I urge that the Senate adopt the conference report.

We have been very fair to the Menominee Tribe. My own Klamath Tribe did not fare so well, although, of course, the Senate has subsequently passed our

Klamath Purchase Act, S. 3051, which will benefit that great tribe if the bill also passes in the other body.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the senior Senator from Wisconsin.

Mr. WILEY. For the record let me say that the Menominee Indian Tribe has asked to have answered the question I am about to propound. The Senator from Oregon has clarified the matter, but I should like to have the answer in the RECORD. Would the Federal Government provide reimbursement for obligations as well as expenditures incurred by the Menominee Indian Tribe prior to enactment of the bill into law?

Mr. NEUBERGER. The Federal Government will do so, provided such expenses are approved by the Secretary of the Interior, according to the understanding I have.

Mr. WILEY. As I understand the provisions of the bill, subject to such condition, there would be full reimbursement of the obligations if they were previously approved by the Secretary of the Interior.

Mr. NEUBERGER. The Senator is correct.

Mr. WILEY. The tribe wanted to have that matter clarified, and the Senator has done so.

Mr. NEUBERGER. I am happy to do so. I have discussed this question not only with the senior Senator from Wisconsin, but also with the junior Senator from Wisconsin, who likewise expressed genuine concern about the matter. It is my understanding the expenses incurred up to the date H. R. 6322 becomes law will be taken care of by the Federal Government, if they have been approved by the Secretary of the Interior.

Mr. WILEY. Mr. President, will the Senator yield further?

Mr. NEUBERGER. I yield.

Mr. WILEY. Mr. President, I am deeply disappointed in the conference report relating to termination of Federal jurisdiction over the Menominee Indian Tribe. Frankly, I had hoped that the legislation would be justifiably revised so as to adhere to the original Federal commitment to provide full reimbursement to the Menominee Tribe for costs of termination—at least through this year.

Regrettably, the conference report provides that the Federal Government adhere to the policy of full reimbursement only until the enactment of the legislation; thereafter, the Menominee Indians must bear one-half of all costs of termination. I point out that thrusting upon the tribe a heavy financial obligation at this time may seriously disrupt termination plans.

Based on previous Menominee-Federal relations, the tribe, in good faith, has gone ahead with formulation of plans for distributing tribal funds on a per capita basis, as well as terminating Federal control over tribal affairs.

Now—in midstream, so to speak—an attempt is being made to partially withdraw Federal support. This, I believe, is extremely unfair.

The proposed legislation—H. R. 6322—also contains a necessary extension of dates for submission of plans for termination of Federal control, as well as for final withdrawal of jurisdiction. While these dates are not as liberal as we might wish, the tribe has stressed that it will definitely try to meet the deadlines.

Now, we are faced with making a decision between two alternatives—neither of which is satisfactory: First, vote against the bill, because of its undesirable reimbursement provision; or, second, accept the bill, rather than run the risk of having the legislation expire at the end of 1958 without a workable plan for distribution of tribal property and withdrawal of Federal jurisdiction over tribal affairs.

Realistically speaking, the outlook for more favorable legislation this session is practically nil. It would appear necessary, therefore, to choose the least undesirable of these alternatives.

Thus, it is with extreme reluctance that I accept—rather than oppose—this bill.

Mr. President, I have just received a telegram from Wisconsin's attorney general, Stewart Honeck, also chairman of the Menominee Indian Study Committee, affirming the position I have just expressed. I request unanimous consent to have the telegram printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

> We are most unhappy with the present recommendation of the conference committee. We cannot risk proceeding without an extension bill and therefore most reluctantly agree to the present proposal.
>
> STEWART G. HONECK,
> *Attorney General.*

Mr. WILEY. Mr. President, I thank the distinguished Senator from Oregon, because I know he did the best that could be done under all the circumstances. After all, we see compromises effected every day on the floor of the Senate and in committee. The Senator has been very gracious and very cooperative, and I thank him.

Mr. NEUBERGER. I express my appreciation for the generous comments of the Senator from Wisconsin. I know both the senior Senator from Wisconsin and his able colleague, the junior Senator from Wisconsin, realize that I have done everything I could for the Menominee Tribe. The Menominee Tribe is cared for very generously under the reimbursement provisions of the Termination Act, more generously than was the Klamath Tribe of my own State, as I have explained. I doubt if any Senator could be more fair than that.

Mr. WILEY. Perhaps we can see that the Senator from Oregon is elected a member of the tribe.

Mr. NEUBERGER. I would be most happy to be elected a member of the Menominee Tribe.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. NEUBERGER. I am happy to yield to the junior Senator from Wisconsin.

Mr. PROXMIRE. I wholeheartedly support the statement of my able senior colleague [Mr. WILEY]. Like him, I had hoped for more, as did the attorney general. I still believe the Menominee Indians deserve more. On the other hand, I believe it is only fair to say that the distinguished Senator from Oregon has been extremely generous and patient in the time and attention he has given to this matter.

He has listened very carefully. He has been under great duress, and he has handled himself admirably. I think he has shown that he is a man of courtesy and consideration, for which I am very grateful.

Mr. NEUBERGER. Mr. President, I thank both Senators from Wisconsin. I should like to say for the RECORD that the fact that we returned to the conference with the House, and extended the amount of funds by which the Government will reimburse the Menominee Tribe, is a tribute to the prestige of the Wisconsin delegation in the Senate.

I thank the Senator from California for his courtesy in permitting the submission of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SPECIAL PROJECTS FUND IN UNITED NATIONS GENERAL ASSEMBLY

Mr. CASE of New Jersey. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. CASE of New Jersey. Mr. President, those like myself who believe that technical assistance has a vital role to play in the economic development of the less developed nations were very glad to see the United States put forward a proposal for a special projects fund in the U. N. General Assembly last year. The resolution embodying the proposal was, with only minor modifications, adopted unanimously. Even the delegates from the Communist bloc joined in supporting it despite the criticism they earlier leveled at it.

The special projects fund was conceived as a way of supplementing the existing United Nations technical assistance program. This in large part consists of fellowships and demonstrations. The purpose of the special projects fund is to carry this process a step further by making it possible to institute the training and gather the economic data within a country—make the surveys, assess resources and their potentialities—needed to put the knowledge thus gained to effective use. It will not in itself provide capital but rather is designed to provide the necessary bridge from technical assistance to actual economic development and the productive employment of capital.

The reaction to the United States proposal was most heartening. Its significance was indicated in a comment of Secretary General Hammarskjold in a press conference following adjournment of the General Assembly last December. He said:

> I would highlight, first of all, the special projects fund decision which opens new possibilities for the development of economic

assistance in forms which are not open to all those various political objections which we know only too well. It may have opened the door to a much more active contribution both of the United Nations itself and of member governments. With the very keen sense of the importance of this problem which you know I have, I, of course, regard this as a major achievement. I may remind you of the fact that the United States representative in commenting upon it, used the word "milestone" which is a very strong word, and I for one would agree with him.

The warm reception thus accorded United States initiative in this area makes many of us particularly sorry to note that the mutual security bill as reported to the Senate floor continues the mandatory reductions in the United States percentage contribution to the United Nations technical assistance program. The provisions approved by the House committee which would stabilize the United States contribution at 40 percent for the next few years seem to me to be far more realistic in terms of real United States interest.

Representative JUDD put the matter well in his testimony on this point before the Committee on Foreign Relations. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the pertinent paragraphs from Mr. JUDD's testimony.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

That brings us to the question of how much the United States share of such a fund should be. Secretary Wilcox has already referred to this. You will recall that in the last session of the Congress, largely on the initiative of this committee of the Senate, a provision was incorporated in the mutual security legislation that the United States contribution to the U. N. technical assistance program must go down from 45 percent in the current year to 38 percent in the coming fiscal year and not more than 33⅓ percent in the following fiscal year and thereafter.

I supported in the House a similar limitation, except at a somewhat slower rate of reduction. All during the years since I was a delegate to the World Health Assembly in 1950, I have been insisting, first, that it is not good for any international agency to be dependent on any one country for more than a third of its budget. And second, that after those years of experience with the United Nations, it ought to be possible now to cut down our American contribution and get others to increase their contributions correspondingly.

I still think those arguments are valid as far as the regular administrative budgets of the United Nations and the various specialized agencies are concerned. But when I realized the desperate need of these countries for the kind of assistance and encouragement that this special projects fund could give, and when I saw their incapacity, in fact, to make the larger contributions in usable currencies that would be necessary, and when I saw how relatively insignificant would be the additional amount of money required of us in comparison with our total expenditures in this field, and when I saw how great its value would be both in actual work accomplished and in favorable psychological reactions, I felt strongly that the United States, in its own intelligent long-term interest, ought to offer to stabilize our contribution to the proposed special projects fund at about 40 percent for the next few years. Otherwise the fund just will not come into being—and, in fact, the existing United Nations technical assistance program will have to be contracted. That is already happening under our reduction this year from 50 to 45 percent.

Our original contribution to United Nations technical assistance was about 60 percent. That has been reduced to 45 percent—a cut of one-fourth—during the last 6 years.

If we follow existing legislation, we have to go down to 38 percent next year and 33⅓ percent the following year. That is a 26 percent further cut in the next 2 years below the year's level.

In cutting our share 25 percent in 6 years, we have taken the fat out, if there was fat there. If we go ahead now and cut 26 percent more, an even larger percentage, in the next 2 years, the actual result will not be to get other countries to increase their share enough to make up the difference. The result will be to start the program downhill instead of uphill. The job just won't get done and we will be defeating our own objectives.

Or, to put it another way, to reduce our share of the program's budget from 50 to 45 percent, which is what we did the current fiscal year, is a 10-percent cut. To go down as existing law requires, from 45 to 38 percent in the coming year is an additional 15-percent cut. Now, if the cut of 10 percent in the current year has produced a two-or-three-million-dollar reduction in the program, despite the fact that most of the other contributing countries increased their contributions, just what will a further cut of 15 percent this coming year do?

There isn't any question, Mr. Chairman, but that if we go through with the reductions required by existing legislation, we will defeat the very purpose we had in starting the technical assistance program, which is to help these less-developed countries get on their feet, give them the capacity to improve the living standards of their people, and give them the will and ability to defend their newly won independence. Unless they become able to do that, we cannot hope to have security and peace for ourselves.

I think we ought to change our position and stabilize our contribution at 40 percent for the present, not as a concession to others, but as a smart move for ourselves.

In the first place, it will enable us to do more for less, as Secretary Wilcox has just pointed out. Our money will go further because, for every dollar we contribute, they will put in a dollar and a half. That means 2½ times as much money available as when we pay the whole cost, as in our bilateral programs. And if the United Nations technical assistance programs falter or fail, our own interests will require that we expand our bilateral programs. Isn't it better to pay 40 percent of the bill than 100 percent?

Again, the United Nations program will have more technicians and experts from other countries, who are just as well qualified as ours, and many of whom are more effective, because they are willing to live more simply and closer to the people among whom they work. Also more of them can speak other languages.

Furthermore, they will often work for lower salaries than you can get equally competent Americans for. In short, under this proposal we can increase by 2½ times the amount of money for technical assistance and development, and can do the job more efficiently.

A second benefit is that we will win more confidence abroad. Giving more of our assistance through such a multilateral fund will decisively refute the propaganda that we are economic imperialists, willing to assist only when we can do it bilaterally so that we can, allegedly, make the recipient countries our economic satellites.

Third, we will get more good will, because it will enable the recipient governments to get out from under the Communist charge that they are prejudicing their real independence in taking aid bilaterally from the United States. The Communists don't want their economies to be strong; they want them to deteriorate until the Communists can take over. We do want them to be strong. To the extent that the countries are able to improve the well-being of their people and strengthen their independence, they achieve their objectives—and ours.

Fourth, by winning more confidence and good will, we will gain more influence. I am convinced that the best way to increase our influence is not to try so hard and so obviously to increase our influence. To help them do what they want most to do—achieve economic development—in ways that win appreciation, confidence, and good will, will give us greater influence than will legalistic strings.

Fifth, we will greatly strengthen those governments.

And sixth, we will get more stability in the world and, therefore, more progress toward the overall political objectives of all of our policies and programs, namely, the peace and security of the world which means our own peace and security.

Mr. CASE of New Jersey. Mr. President, in this connection it should be noted that Mr. JUDD's views are shared by the entire United States delegation to the United Nations. On December 11, 1957, they wired the Secretary of State:

Re percentage of United States contribution to U. N. expanded technical assistance program and proposed special projects fund.

As Department aware, Congressmen JUDD and CARNAHAN plan effort in Congress to get revision in legislation to permit United States contribute 40 percent to UNETAP and proposed special projects fund, rather than reduction to 33⅓ percent now provided in mutual-security legislation.

USGADEL fully in accord this position and urges Department revise United States position on percentage issue to assure executive branch support JUDD and CARNAHAN efforts.

The State Department view was expressed by Mr. Wilcox in the same hearing as follows:

A percentage limitation, Mr. Chairman, can be a good thing. Properly set, I think it does stimulate other contributions, and it does impose a necessary sense of financial responsibility.

There may be times, however, when the battle of a few percentage points can be won at considerable cost to us in good will and cooperation from other countries. I feel that this danger does exist with respect to the present percentage-limitation provisions of this law.

One other point in this connection deserves mention, I believe. The bill as pasesd by the House would permit local cost assessments paid by the recipient countries to be included in reckoning the total amount contributed to the technical assistance program. Since 1954, the local costs have normally been required from countries receiving the services of the U. N. technical assistance experts. So long as they are paid into the central fund and audited as are other contributions, including our own, I see no reason for excluding them in estimating the percentage we will contribute.

For the 1958 technical assistance program they are estimated to amount to $3.1 million or 3 percent of an overall estimated contribution from all countries of $101.9 million.

Mr. President, the inclusion of these costs in figuring the United States contribution can hardly increase the United States contribution by any substantial

amount. The effect, however, on others of thus recognizing the full effort they are making would, I believe, be substantial in stimulating and encouraging even greater endeavors. For these reasons, I hope the House provisions on both these points will prevail.

Mr. JAVITS. Mr. President, I wish to associate myself with the remarks made by the Senator from New Jersey in calling to the attention of the conferees on the part of the Senate the very great contribution which can be made by the United Nations Special Projects Fund as part of the U. N. Expanded Technical Assistance Program as dealt with in section 7 (b) of the bill which, in the version of the bill which is before the Senate, differs from the corresponding provision in the version of the bill which was passed by the House of Representatives.

As my colleague has explained, if the provision which is to be found in the version of the bill before the Senate is retained, then the percentage our country can contribute will decline to 38 percent in 1959 and to 33⅓ percent in 1960, whereas the House has fixed the percentage at 40 percent.

For a number of years we have opposed, in the United Nations, the Special United Nations Fund For Economic Development, which is called SUNFED, because, in substance, the United States felt that it was unwise and would rather hinder the development of underdeveloped areas, because both they and we would be biting off far more than we could chew or digest and because there was no guaranty whatever that the program would be adequately financed.

Nevertheless, Mr. President, the underdeveloped areas have backed SUNFED very strongly; and the only means by which we, in cooperation with other nations, have been able to hold off the establishment of SUNFED which we considered unwise at this time has been by means of the astoundingly able job which has been done by Congressman JUDD in the U. N. General Assembly's last session in getting adopted the resolution for the Special Projects Fund.

Mr. President, this Special Projects Fund will constitute the link between straight technical assistance and more extensive development, by providing for planning for projects and for institutes in which people can be taught how to administer these projects when they are financed. If we fail to go along with the House of Representatives we will be yielding the benefit of an important gain for our point of view made in the U. N.

For these reasons, I think the course of greatest economy and greatest efficiency is for the Senate to join the House of Representatives in favoring the provisions which have been voted by the House of Representatives; and I commend that course very strongly to the conferees on the part of the Senate.

WASHINGTON AREA AIRSPACE PROBLEM

Mr. STENNIS. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. STENNIS. Mr. President, the current and growing critical problem of airspace in the Washington area emphasizes the immediate and urgent need to do something about it now, and not in the distant or indefinite future.

The Subcommitee on Military Construction, of which I am the chairman, has the main responsibility for recommending the authorizations which are essential for the establishment of military installations, including airbases. Currently we are considering S. 3756, the fiscal year 1959 military construction authorization bill. Two items are included in the bill; one for the Navy in the amount of approximately $18 million, and one close to $20 million for the Air Force. These authorizations if approved are to be utilized in the expansion of Andrews Air Force Base and the John Tower Air Facility located at Andrews. The services have indicated that they propose eventually to move their flying operations from Bolling and Anacostia fields.

For some time I have been gravely concerned about the problems arising from the multiple utilization of airspace by military and civilian aircraft. It is obvious that the airspace problem in Washington is becoming more and more acute, even as it is in many other parts of the country. I feel strongly, and I know that other committee members agree with me, that Congress can no longer approve the establishment or expansion of military air facilities in heavily populated centers without covering thoroughly the airspace problem.

A few days ago we took preliminary testimony from Navy and Air Force witnesses concerning their plans to move air operations from Bolling and Anacostia. At that time the witnesses indicated that they proposed to move as soon as the construction of adequate facilities at Andrews were completed. One witness indicated that such a move might be as late as the first quarter of the calendar year 1963 before Bolling and the MATS terminal at National Airport would cease to be used. The earliest possible date mentioned in the testimony was some time late in 1960. I cannot help feeling that this is not early enough.

We all understand that the services have many military requirements constituting the operation of aircraft in the Washington area, but I have come to the conclusion that regardless of these requirements some additional vigorous and prompt action must be taken immediately to ease the situation, even if it means that on a temporary basis we must find substitute solutions to meet the requirements of the military.

In 1957, there were 280,000 flights from National Airport, of which 7,700 were MATS aircraft. At Bolling there were 42,000; at Anacostia, 72,000. Andrews also was a busy airport with 222,000 flights. This makes a total of about 626,000 aircraft operations in the Washington area annually of which, if these figures taken from the testimony are correct, only a litle more than 270,000 were civilian. These figures sound fantastically high; but they are taken directly from testimony given the committee on May 26, so I assume they are correct—at least accurate enough to indicate the magnitude of the problem.

Today, I asked Gen. E. R. Quesada, Special Assistant to the President, Chairman of the Airways Modernization Board, and Chairman of the Air Coordinating Committee, to appear before the subcommittee and discuss the problem. We found General Quesada highly informed on the subject and most cooperative. We indicated to General Quesada that we wanted not only a temporary solution for the interim period, but also a permanent one predicated on long-range planning.

I suggested to General Quesada that he check with the services involved, and review the possibility of immediately moving certain of the proficiency and other military flying operations from the Washington area to outlying areas, even if such required conditions which would not be considered satisfactory to meet all military requirements over a long period of time. General Quesada readily agreed to make such an investigation, and promised to give the Committee a report within the next 10 days.

Mr. President, it becomes increasingly obvious that we must soon find a definite solution to the airspace congestion which in the past few months has resulted in so many tragic fatalities. I cannot help but feel that many of those disasters could have been avoided through long-range planning. It seems clear that we must move as many of these flying activities as possible away from our cities and congested areas, in accordance with a master plan. I make these remarks both to emphasize the problem once more and to indicate that something should be done about it. I call on the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force to give every cooperation to General Quesada in his survey, and to move with all possible dispatch.

I suggest that immediate arrangements be made to lessen the area's air traffic—even if that requires the transportation of pilots to other fields, such as Patuxent or Norfolk, for their proficiency flying. This was one of the main items we asked General Quesada to weigh.

Mr. President, we look forward with great interest to his report in 10 days' time.

PROGRAM OF GRANTS-IN-AID TO REPUBLIC OF THE PHILIPPINES FOR HOSPITALIZATION OF CERTAIN VETERANS

Mr. JOHNSON of Texas. Mr. President, I ask that the Chair lay before the Senate a message from the House in connection with House bill 6908, a bill to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes.

The PRESIDING OFFICER laid before the Senate a message from the

House of Representatives announcing its action on certain amendments of the Senate to House bill 6908, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
May 28, 1958.

Resolved, That the House agree to the amendments of the Senate numbered 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13 to the bill (H. R. 6908) entitled "An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes" and concur therein; and

That the House disagree to the amendment of the Senate numbered 3.

Mr. JOHNSON of Texas. Mr. President, the House has agreed to all Senate amendments to this bill but one. That amendment deals with eligibility standards of veterans.

With the approval of the minority leader, and the chairman and ranking minority member of the Committee on Labor and Public Welfare, I now move that the Senate recede from its amendment numbered 3.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment, and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 48, line 4, before the comma, to insert the words: "furnished to foreign governments by the United States under this act or any other foreign assistance program of the United States."

Mr. KNOWLAND. Mr. President, my amendment is not printed, but it is very brief, and I shall read it in order that Senators may follow it.

On page 48, line 4, before the comma, it is proposed to insert the words: "furnished to foreign governments by the United States under this act or any other foreign assistance program of the United States."

The background of this amendment is that in the House the committee had inserted certain language in the bill. When it reached the floor the so-called Sikes amendment was adopted, reading as follows:

Such regulations shall prohibit the return to the United States (other than for the Armed Forces of the United States and its allies) of any military arms or ammunition furnished to foreign governments by the United States under this act or any other foreign assistance program of the United States.

When the bill came before the Committee on Foreign Relations there was a considerable amount of discussion. The distinguished Senator from Massachusetts [Mr. KENNEDY] offered some language which was finally included, after considerable discussion. It reads as follows:

Such regulations shall prohibit the return to the United States for sale in the United States, other than for the Armed Forces of the United States and its allies, of any military firearms of United States manufacture whether or not advanced in value or improved in condition in foreign countries. This prohibition shall not extend to small arms and ammunition which have been changed and so substantially transformed as to become articles of foreign manufacture.

This amendment comes at the end of section 414 (b), and it relates to munitions control.

I think it is fair to say that most Members of the committee were very much impressed by the arguments of the Senator from Massachusetts in relation to any arms which had been furnished under the Mutual Aid Act or any of its predecessors.

There was considerable sentiment in the committee—though it does not finally reveal itself in the language which was reported to the Senate—to the effect that in dealing with other arms we were dealing with a subject which should come before the Senate Finance Committee or other appropriate committee of the Senate dealing with foreign trade. It was felt that it was not a matter which should be dealt with in connection with the mutual-aid program.

I should like to address an inquiry to the distinguished chairman of the committee, the Senator from Rhode Island [Mr. GREEN], to see whether, under the circumstances, he could accept the amendment and take it to conference.

Mr. GREEN. I shall be glad, on behalf of the committee, to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New Hampshire will be stated.

The CHIEF CLERK. On page 35, line 3, immediately after "SEC. 5." it is proposed to insert "(a)".

On page 35, between lines 12 and 13, it is proposed to insert the following new subsection:

(b) Section 143 of the Mutual Security Act of 1954, as amended (which relates to assistance to Yugoslavia), is amended to read as follows:

"SEC. 143. Prohibition of assistance to Yugoslavia and Poland: Notwithstanding any other provision of law, no assistance shall be furnished under this act to Yugoslavia or Poland after the expiration of 60 days following the date of the enactment of the Mutual Security Act of 1958."

Mr. BRIDGES. Mr. President, this is a very simple amendment. I do not see any reason for a great deal of discussion of it. Members of this body know whether they approve or do not approve rolling out the red carpet and strengthening Communist governments such as Yugoslavia and Poland. I am against communism wherever it exists. It is a menacing international conspiracy. For that reason I propose shutting off any future aid to Yugoslavia and Poland.

Mr. President, I could discuss the amendment for hours; but I have stated the main issue. I think all Senators know the story. I rest my case there.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared on this subject.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES

The Congress of the United States is once again faced with the question of foreign-aid policies and programs.

Since adjournment last August, a number of events directly bearing on this question have occurred. Those relating to Yugoslavia and Poland are the concern of my remarks at this time.

As I understand State Department policy, it is to grant aid to Yugoslavia and Poland as a calculated gamble, hoping those governments will assert independence from the U. S. S. R. The administration contends it is to our best interest to encourage national communism which would thereby crack the solid wall of the Soviet bloc.

Events of the past few months hardly endorse this reasoning. On the contrary only last November Tito called it a "stupidity" to assert either Yugoslavia or Poland was cultivating national communism. He said they are not.

Gomulka has called for greater ties with the Soviet and signed the November Communist communique which reaffirmed the international nature of the Communist movement.

Poland voted more often against the United States position in the session of the UN General Assembly last fall than Russia did.

Poland and Yugoslavia voted against the UN resolution condemning the Soviet Union for its action against the Hungarian people in the freedom revolt.

Poland voted against a resolution urging admission of South Korea to the United Nations. Yugoslavia abstained.

Poland voted against a U. N. resolution urging unification of Korea. Yugoslavia abstained.

Yugoslavia formally recognized Communist East Germany. Poland has had diplomatic relations with East Germany since the latter government was set up.

Poland attended the Russian 40th anniversary celebration in Moscow last November. Tito did not, but he called for full unity of all socialist—meaning Communist—forces.

Nevertheless in less than a year, the United States had extended $193 million in aid to Poland.

And Yugoslavia continues to receive American assistance.

There are some people who sincerely contend that Tito's brand of communism is not the dangerous brand of communism that Khrushchev's is.

There are some people who contend the Gomulka government represents a move for Polish independence from Moscow.

I should like to remind the Members of the Senate and the people of the United States of statements made by both Tito and Gomulka that clearly and firmly show that Tito and Gomulka are dyed-in-the-wool Communists and that they do not consider there is any such thing as national communism.

I have in my hand a pamphlet prepared by the Legislative Reference Service of the

Library of Congress at the direction of the House Un-American Activities Committee.

This pamphlet gives historical data on Tito and on Gomulka. It is dated October 11, 1957, and so is fairly up to date.

The very first sentence regarding Tito quotes the dictator of Yugoslavia as summing up his life in one sentence. Tito declared "I am a Communist and nothing but a Communist."

If Tito says he is a Communist, we should take him at his word; and, I might add, that is one of the few statements Tito has made which I consider reliable.

The House Un-American Activities Committee pamphlet continues:

"Tito is a part of the world Communist movement. The clash with Stalin in 1948, it is true, forced Tito's reorientation in foreign affairs (reconciliation with Greece, acceptance of military and economic aid from the Western Powers, etc.) but in no fundamental way did it alter his political faith. This dispute with Stalin was primarily a personal affair, a power struggle between two dictators, and not a disagreement on the general tenets of Marxism-Leninism.

"Tito never denied the 'validity' and 'truth' of Communist doctrine, but he contested Stalin's right to impinge upon his own domain and Stalin's refusal to tolerate 'little Stalins'."

Referring to a 1957 interview, the pamphlet states that Tito acknowledged there was "some difference" between communism in Yugoslavia and the U. S. S. R. He hastened to add that "there are not big, ideological differences.

He said further, according to the pamphlet, that "we have the same aim—that is to say—the building of socialism and communism."

According to the House Un-American Activities Committee pamphlet, Tito and Gomulka met in 1957 and reaffirmed their ties to Moscow without reservation. Here are the exact words:

"At the end of his recent conferences with Premier Gomulka of Poland, Tito and the Polish dictator again reaffirmed their ties to Moscow without reservation.

"When the United Nations General Assembly voted overwhelmingly to condemn Russia for the bloody reprisals against the Hungarian patriots, both Poland and Yugoslavia dutifully voted against such condemnation."

In conclusion, the pamphlet declares:

"Before, during, and after World War II, Tito has invariably shown himself to be a dedicated Communist. A powerful ideological affinity binds him firmly to his Communist brethren. During the last few years, in fact, he has clearly moved closer to a political alignment with Moscow. Tito's general philosophy of life, the nature of his regime, and his inflexible commitment to communism all militate against a lasting rift with the Kremlin."

Now, I should like to read excerpts from the same pamphlet issued by the House Un-American Activities Committee regarding Premier Gomulka of Poland. I quote:

"Gomulka does not have any intention of abandoning the Communist system; on the contrary, while his 'road to socialism' may differ from the Russian one, it is still a road to socialism. Although he has made a few adjustments to the local situation in Poland, he insists upon carrying out the tenets of Marxism-Leninism, a position which simply means that the problems he faces will never be solved as long as he or any other Communist is in power.

"Gomulka has made his position abundantly clear. He denies being a 'national Communist,' stating that this concept is an American invention.

"To prove this, he emphasizes that his program includes the main aims of every Communist Party, which he describes as:

"(1) the seizure of power by the Communists;

"(2) the establishment of a Communist dictatorship;

"(3) nationalization of industry, collectivization of agriculture, and the establishment of a planned economy; and

"(4) promotion of international communism in foreign affairs."

Let us consult Mr. Gomulka's own words. According to the Un-American Activities pamphlet I have here, Gomulka has said:

"There are only two camps, two roads—the road to socialism represented by the Soviet Union, and the road to capitalism and imperialism represented by the United States.

"I realize very well where the future of the Polish nation and of the Polish working class lies—it is not with the West."

I call the attention of the Members of the Senate to this further statement of Gomulka:

"If there is anyone who thinks that it is possible to kindle anti-Soviet moods in Poland, then he is deeply mistaken. No attempt to sow distrust of the Soviet Union will find a response among the people of Poland."

Mr. President, I take these statements at full face value. I think the American people should take them at full face value.

We made the great mistake of not taking Hitler at his word. Let us not make that mistake again.

Mr. President, I urge adoption of the pending amendment to deny aid to Yugoslavia and Poland.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. I ask for the yeas and nays.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BRIDGES].

Mr. BRIDGES. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. MCCLELLAN (when his name was called). On this vote I have a pair with the distinguished senior Senator from Florida [Mr. HOLLAND]. If he were present and voting, he would vote "nay;" if I were permitted to vote I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD] would vote "yea."

On this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Delaware [Mr. FREAR] would vote "yea" and the Senator from Montana [Mr. MURRAY] would vote "nay."

On this vote the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from South Carolina [Mr. JOHNSTON] would vote "yea" and the Senator from Arizona [Mr. HAYDEN] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Kentucky [Mr. COOPER] is detained on official business.

The Senator from Wyoming [Mr. BARRETT] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Wyoming would vote "yea" and the Senator from Kentucky would vote "nay."

The Senator from New Hampshire [Mr. COTTON] is paired with the Senator from New York [Mr. IVES]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New York would vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Kansas would vote "yea" and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 22, nays 54, as follows:

YEAS—22

Bricker	Ervin	Russell
Bridges	Goldwater	Smith, Maine
Butler	Hruska	Talmadge
Capehart	Jenner	Thurmond
Chaves	Jordan	Williams
Curtis	Knowland	Young
Dworshak	Malone	
Eastland	Potter	

NAYS—54

Aiken	Gore	McNamara
Allott	Green	Monroney
Anderson	Hennings	Morse
Beall	Hickenlooper	Morton
Bennett	Hill	Mundt
Bible	Hoblitzell	Neuberger
Bush	Humphrey	Pastore
Carlson	Jackson	Payne
Carroll	Javits	Proxmire
Case, N. J.	Johnson, Tex.	Purtell
Case, S. Dak.	Kefauver	Smathers
Church	Kennedy	Smith, N. J.
Clark	Kuchel	Sparkman
Dirksen	Langer	Stennis
Douglas	Lausche	Symington
Ellender	Magnuson	Thye
Flanders	Manafield	Watkins
Fulbright	Martin, Iowa	Wiley

NOT VOTING—20

Barrett	Frear	Johnston, S. C.
Byrd	Hayden	Kerr
Cooper	Holland	Long
Cotton	Ives	Martin, Pa.

McClellan	Revercomb	Schoeppel
Murray	Robertson	Yarborough
O'Mahoney	Saltonstall	

So Mr. BRIDGES' amendment was rejected.

Mr. ELLENDER. Mr. President, I call up my amendment designated "6–5–58—D" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 63, between lines 4 and 5, it is proposed to insert the following:

(1) Amend subsection (h) to read as follows:

"(h) The term 'value' means—

"(1) with respect to any excess equipment or materials furnished under chapter 1 of title I, the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

"(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I, which are taken from the mobilization reserve, or which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the average gross cost of each unit of that equipment and materials owned by the furnishing agency, adjusted as the Secretary of Defense may determine to be appropriate for condition and market value, but in no instance shall such adjustment result in a price in excess of the average gross cost of such equipment and materials; and

"(3) with respect to any equipment or materials furnished under chapter 1 of title I, which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

"In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency."

On page 63, line 5, strike out "(1)" and insert "(2)."

On page 63, line 7, strike out "(2)" and insert "(3)."

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, before I discuss the pending amendment, I should like to review, for the benefit of my colleagues, the course of this country's foreign-aid program from its inception.

During and soon after the close of World War II, this Nation began a program of aiding peoples throughout Western Europe, the Middle East and the Far East, who were badly hurt, either financially or otherwise by the war. I assume that I am correct when I say that the United States is the only nation which ever fought a war, defeated its enemy, and then turned around and gave aid and assistance to its former enemies.

Mr. President, at this time I shall not go into the details of how such a course came about. My objective at this time is to describe how an aid program such as was started by this country after World War II could balloon into a being of mammoth expenditures.

It will be recalled that the first actual organization designed to furnish aid to destitute peoples which the United States established, with the assistance of some of our friends across the seas, was UNRRA, although prior to that time, we had given considerable aid on an emergency basis to the French, Italians, and other peoples of Western Europe. This aid, at the beginning, was devoted primarily to the relief of actual hardships. But soon relief grew into rehabilitation; and from rehabilitation we proceeded to reconstruction.

Mr. President, all of that was, in a measure, begun when UNRRA was established. Under that program, although we were acting in association with some countries of Western Europe, Uncle Sam paid 73 percent of the total spent.

In passing, I wish to say that soon after the war I visited many countries which had received aid through UNRRA. In particular, I remember going to Ethiopia. There, I saw more than 2,000 disk plows and many tractors stacked up, and which were never used. Those disk plows and tractors could have been of value to the United States; but we deprived ourselves of them, in order to make them available to our friends who had been hurt by a cruel war. However, the manner and method in which UNRRA was administered remind me a good deal of the way in which later programs have been administered. There was then, and there has been since, decided waste in all these programs, as I have pointed out on many occasions.

Up to the dissolution of UNRRA, United States expenditures amounted to approximately $9 billion in grants and from seven to eight billion dollars in loans. It is my sincere hope some of this will be repaid. This was the cost as the UNRRA program began as a relief program, as I have just stated and then moved into the field of rehabilitation.

When it was found that our friends, who had contributed some funds to UNRRA, would not put up any more for the new field of reconstruction, then it was that big-hearted Uncle Sam was asked to carry the entire load. Soon after was born the well-known Marshall plan.

I wish Senators would listen, and I hope those who are not present will read the RECORD, so they can find out exactly what kind of a program that great general, George Catlett Marshall, asked us to embark upon.

Mr. President, I have no apologies to make for the vote I cast in favor of that original program. If I had it to do over, I would vote for it again, because its original concept made sense.

It was to assist our friends across the seas who had been hurt by a most cruel war.

What did General Marshall say about what was to become known as the Marshall plan?

In discussing the plight in which Europe found itself at that time, General Marshall said:

It is logical that the United States should do whatever it is able to do to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace. Our policy is directed not against any country or doctrine, but against hunger, poverty, desperation, and chaos.

Its purpose should be the revival of a working economy in the world so as to permit the emergence of social and political conditions in which free institutions can exist. Such assistance, I am convinced, must not be on a piecemeal basis as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

General Marshall continued:

It would be neither fitting nor efficacious for this Government to undertake to draw up unilaterally a program designed to place Europe on its feet economically. This is the business of the European. The initiative, I think, must come from Europe.

That is what General Marshall had in mind. That is what I had in mind when I voted for the original Marshall plan.

Let me also quote from General Marshall's statement before the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs. He said:

Loans should be made to cover—

Remember, he said loans.

Loans should be made to cover imports of capital equipment and raw materials which will directly produce the means of repayment and where such repayment can reasonably be expected. At the same time every encouragement should be given to early initiation of private financing so as to eliminate as far as possible the necessity for direct assistance from the United States Government.

That was General Marshall speaking. He said further:

It is obvious that the basic responsibility for European recovery rests on the European countries themselves.

Again, that was General Marshall speaking.

However, this Government must have assurance that the aid it provides is effectively utilized for the achievement of European recovery as rapidly as possible.

Mr. President, there was little difficulty in securing Congressional approval of such a program. Nor was there much objection on the part of the people of the United States in undertaking a program of that character. But it was not long before the principles enunciated by General Marshall were simply neglected. His advice was not followed. We proceeded on a program that has deviated entirely from the proposals I have just read?

Mr. President, what was the objective of the Marshall plan? I repeat:

The objective of the European recovery program submitted for your consideration is to achieve lasting economic recovery for Western Europe; recovery in the sense that after our aid has terminated, the European countries will be able to maintain themselves by their own efforts on a sound economic basis.

Again, that was General Marshall speaking, this time before the Senate Committee on Foreign Relations, January 8, 1948. But, Mr. President, through December of 1957 we have spent more than $50 billion on aid programs. The Marshall plan was to last not over 5 years, and the amount we were to spend was not to exceed from $15.1 billion to $17.8 billion.

Again, I quote the author of that program, reading from page 6 of the hearings before the Committee on Foreign Relations, United States Senate, under date of January 8. What did General Marshall say?

The total estimated cost of the program is now put at somewhere between $15.1 billion and $17.8 billion. But this will depend on developments each year, the progress made, and unforeseeable variations in the weather as it affects crops. The overall cost is not capable of precise determination so far in advance.

Mr. President, let us see what the first administrator of this program, Mr. Paul Hoffman, had to say about it. Appearing before the Senate Committee on Appropriations on June 8, 1949—I was there when he testified—Mr. Hoffman said, as is found on page 35 of the hearings:

I would like to make one final point. It may at first glance seem paradoxical, but I look upon the European recovery program as our best hope for bringing Government spending down to a point where taxes will not be so oppressive, to a level at which our free economy is not endangered.

Now listen to this:

I say this because I see no way in which our tax burden can be reduced substantially unless the threat of war and the consequent necessity for maintaining an abnormal military establishment is reduced. This economy cannot go on indefinitely spending $15 billion or more a year for military defense.

The surest way I know of to reduce the danger of war so that we may reduce our Military Establishment is to carry on the recovery program to the point where a free and self-sustaining and unified Europe is able to play its full role in cooperation with the United States and other free countries in maintaining the peace and prosperity of the world.

That was what Mr. Hoffman said when ECA came before us for their third year's appropriation.

Let me point up what Mr. Hoffman stated was the goal at that time.

Senator Cordon asked:

Now, Mr. Hoffman, let us assume success at the end of 1952. Let us assume that your target, which I believe is 130 percent of prewar production, has been achieved at that time.

And Mr. Hoffman answered:

I think the goal is a little less than that. I think it is about 125 percent, Senator.

In other words, Mr. Hoffman indicated that the moment the industrial capacity of Europe could be increased by 25 percent above prewar levels the goal would be reached and we could move out.

We reached that goal at the end of the third year, yet we have kept the program going until the industrial capacity of Europe today averages in excess of 168 percent of prewar capacity.

Mr. President, with all that aid, with all the prosperity which we have brought to the countries of Western Europe in the hope, as Mr. Hoffman said, that they would assist us in our quest for peace, they have not done so. I say to the Senate that today at the end of the 10th year of the so-called Marshall aid program, conditions are worse insofar as our relations with our ultimate enemy, Russia, are concerned, than at any time in the past 10 years. It looks as though the more money we spend and give away to our friends the worse conditions become.

As I pointed out a moment ago, this program of grants and credits up to December 31, 1957, has cost the United States $62,144,000,000. Of this total net grants amount to $51 billion.

Mr. President, if we had followed the principles which were outlined by General Marshall, and had tried to help people help themselves, we might have gotten somewhere. But this program has simply been administered in such a way that we now can hardly break away from it overnight. The people whom we have helped for the past 10 years now seem to be dependent on us. They will not make the moves they should. What are they doing to help us in an attempt to attain peace in Asia or in the Middle East? Instead of assisting us, they are harming our chances for peace.

Senators will remember that last year, during the Suez Canal crisis, England and France, without notifying us—without saying anything to us—proceeded to attack Egypt and caused a lot of harm and damage. Was it not a sad state of affairs, after we had assisted them to the extent we had, for us to have to side with Russia on the question involved?

What is happening today in North Africa? Troops and materials of war which we sent abroad in order to form that shield against aggression, about which we hear so much, were used and are being used in North Africa to further France's dreams of maintaining a colonial empire.

Mr. President, when NATO was organized, we envisioned 66 divisions at first for Western Europe alone, not including Turkey and Greece. Thirty-six of those were to be in the reserve and 30 were to be active divisions. What is the figure now? It is now down to 12 or 14 divisions, and a few of those are still paper divisions. Almost half the active divisions now in Europe are American. Yet, England is pulling out troops, and is also lowering taxes. Everybody knows what has happened in France in recent days.

With all that, Mr. President, we are still carrying on a program of assistance to those people, notwithstanding the fact that they now are better off economically than they have ever been in the past. Production in Europe is the highest in the history of France, England, or Germany.

As I shall point out later, when I speak to the amendment I intend to offer for a specific cut in military aid, a very great amount of money will be spent among those friends of ours in Western Europe who are supposed to be of assistance to us in carrying the load. Our friends were supposed to do all this on their own, but instead, Mr. President, we are being called upon again to assist. As I have said on many occasions, so long as we let them lean on our shoulder, believe me, they will lean.

Mr. President, all of us love this country of ours, and we know it cannot afford to spend at the rate it is spending.

Mr. Hoffman said in his statement in 1949 that we could not afford to spend $15 billion a year on defense. We are now spending over $40 billion a year, and that may continue indefinitely. As surely as I am speaking today, if we continue to spend at our current rate and spread ourselves as we are now doing, we are going to bring to our own shores the very thing we are fighting against, namely, some kind of "ism."

Mr. President, I do not wish to take the time of the Senate to go into detail on these expenditures, although I have the details before me.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table indicating the expenditures of the United States on foreign-aid programs. This table shows grants and loans and the programs for which they were disbursed.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—*Summary of foreign grants and credits—By program:*[1] *Postwar period, July 1, 1945, through Dec. 31, 1957; calendar year ended Dec. 31, 1956; and calendar year 1957 (by quarter)*

[Millions of dollars]

	Total postwar period	Calendar year 1956	Calendar year 1957				
			Total	January–March	April–June	July–September	October–December
Net grants and credits	62,144	4,358	4,451	1,011	1,232	800	1,407
Net grants (less conversions)	50,948	4,383	4,104	1,017	1,333	810	945
Gross grants	54,905	4,459	4,184	1,037	1,356	826	964
Mutual security	40,329	4,214	3,921	974	1,271	767	908
Military aid:							
Military supplies and services[2]	18,977	2,571	2,396	591	800	449	557
Multilateral-construction program contributions	449	68	64	21	20	13	11

See footnotes at end of table.

TABLE 1.—*Summary of foreign grants and credits—By program:*[1] *Postwar period, July 1, 1945, through Dec. 31, 1957; calendar year ended Dec. 31, 1956; and calendar year 1957 (by quarter)*—Continued

[Millions of dollars]

	Total postwar period	Calendar year 1956	Calendar year 1957				
			Total	January–March	April–June	July–September	October–December
Net grants (less conversions)—Continued							
Gross grants—Continued							
Mutual security—Continued							
Other aid (economic and technical assistance):							
Famine and other urgent and extraordinary relief	371	109	60	16	8	17	18
Other [2] [4]	20,542	1,465	1,400	347	443	288	323
Civilian supplies	5,861	4	2	1	(5)	1	1
UNRRA, post-UNRRA, and interim aid	3,443						
Lend-lease	1,906						
Military M	679						
Postwar pipelines	1,227						
Greek-Turkish aid	653						
Military M	530						
Other	122						
Philippine rehabilitation	635						
Surplus agricultural commodities through private welfare agencies [6]	680	186	166	38	53	33	42
Military equipment loans [7] M	383	23	57	18	22	17	
Chinese military and naval aid M	261						
Inter-American programs	201	10	19	4	6	5	4
Other	603	22	19	2	4	4	9
Less prior grants converted into credits	2,257	1					
Less reverse grants and returns	1,760	75	79	21	23	16	19
Mutual security foreign currency funds	1,009	72	79	21	23	16	19
Military aid collections (for administrative expenses) M	69	16	12	3	2	3	4
Other aid (economic and technical assistance) counterpart funds	940	56	67	17	22	13	15
Reverse lend-lease	133						
Cash war-account settlements for lend-lease and other grants	120	(5)					
Return of lend-lease ships	490						
For military use M	189						
For economic value	301						
Return of, and cash settlements for, civilian supplies	4	3					
Return of military equipment loans [7] M	4						
Net credits (including conversions)	11,196	−25	346	−6	−101	−9	463
New credits	13,763	484	980	120	122	153	585
Export-Import Bank (for own account)	5,446	233	667	61	70	67	469
Direct loans	5,145	223	639	59	70	83	427
Loans through agent banks	301	10	28	2	(5)	Cr 16	42
British loan	3,750						
Mutual security [3]	2,492	229	313	59	52	85	117
Surplus property (including merchant ships)	1,492	6					
Lend-lease (excluding settlement credits)	71						
Other	513	15	1	1	(5)	(5)	(5)
Plus prior grants converted into credits	2,257	1					
Less principal collections	4,824	509	634	125	224	162	123
Export-Import Bank (for own account)	2,675	266	318	85	79	75	80
Direct loans	2,342	220	308	82	75	73	79
Loans through agent banks	333	46	10	3	4	2	1
British loan	280	49					
Mutual security [3]	94	24	34	3	15	7	9
Surplus property (including merchant ships)	641	65	92	21	19	35	17
Grants converted into credits	152	20	13	1	(5)	12	(5)
Lend-lease (excluding settlement credits)	308	71	163	15	109	28	12
Other [8]	675	13	13	(5)	2	5	5

[1] Grants are transfers for which no payment is expected (other than a limited percentage of the foreign currency "counterpart" funds generated by the grant), or which at most involve an obligation on the part of the receiver to extend aid to the United States or other countries to achieve a common objective. Credits are loan disbursements or transfers under other agreements which give rise to specific obligations to repay, over a period of years, usually with interest. In some instances assistance has been given with the understanding that a decision as to repayment will be made at a later date; such assistance is included in grants. At such time as an agreement is reached for repayment over a period of years, a credit is established. Such credits, cannot, as a rule, be deducted from specific grants recorded in previous periods, an adjustment for grants converted into credits is made at the time of agreement. All known returns to the U. S. Government stemming from grants and credits, other than interest, are taken into account in net grants and net credits. The measure of foreign grants and credits generally is in terms of goods delivered or shipped by the U. S. Government, services rendered by the U. S. Government, or cash disbursed by the U. S. Government to or for the account of a foreign government or other foreign entity. The Government's capital investments in the International Bank ($635 million), International Finance Corporation ($35 million), and International Monetary Fund ($2,750 million) are not included in these data although they constitute an additional measure taken by this Government to promote foreign economic recovery and development. Payments to these three institutions do not result in immediate equivalent aid to foreign countries. Use of available dollar funds is largely determined by the managements of the institutions, in some instances subject to certain controls which can be exercised by the U. S. Government.

Further definition and explanation of these data are contained in the Foreign Aid supplement to the Survey of Current Business, published November 1952, and in the explanatory notes to the appendixes of the National Advisory Council on International Monetary and Financial Problems semiannual reports to the President and to the Congress.

[2] Includes foreign currencies which were obtained through sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act (Public Law 83-480, as amended) and which were available under secs. 104 (c), (d), (e), and (g) for expenditure without charge to a dollar appropriation.

[3] Includes mutual security program aid for common use items which are to be used by military forces of nations receiving assistance, and for direct forces support, when such assistance provided under (repealed) secs. 123 and 124 of Public Law 83-665, as amended, was administered in accordance with Chapter 1: Military Assistance, of title I of that act. Cash transfers are included in "Other aid (economic and technical assistance)"; see footnote 4.

[4] Includes mutual security program aid for economic, development, relief, and technical assistance, including aid for these purposes from military aid appropriations. Also includes mutual security program aid from appropriations for common-use items which are to be used by military forces of nations receiving assistance, and for direct forces support, when such assistance under (repealed) secs. 123 and 124 of Public Law 83-665 was administered in accordance with Chapter 3: Defense Support, of title I of that act. Also includes transfers of funds for forces support (for example, in Cambodia, Laos, and Vietnam (and forces of France located in such states)) and in support of production for forces support.

[5] Less than $500,000.

[6] Includes donations through United Nations Children's Fund under authority of sec. 416 of Public Law 81-439, as amended by title III of Public Law 83-480.

[7] "Military equipment loans" are included in this report as part of military grants; these "loans" are essentially transfers on an indeterminate basis, generally requiring only the return of the identical item, if available. In essence this was the requirement pertaining to wartime lend-lease transfers of watercraft, which were included as grant transfers in these data.

[8] Values for deliveries of materials in payment of principal reported as collected by the General Services Administration on deficiency and strategic materials development loans are in some instances estimated when first reported. Reported data have been adjusted to eliminate obvious (negative) bookkeeping adjustments as final values are recorded.

NOTE.—Programs identified by M are included in "Military grants" in table 2.

Mr. ELLENDER. As I have indicated, we made loans to various countries. I hope some of the loans will be repaid. I have high hopes that particularly the Export-Import Bank loans will be repaid.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing the status of the Export-Import Bank from February 1934, the time it was organized, to December 1957, inclusive.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT B

EXPORT-IMPORT BANK

Cumulative statement of loans and authorized credits, February 1934 to December 1957, inclusive

		Area	Amount
Authorization			$8,950,418,211.64
Authorizations taken over by others, without recourse to Export-Import Bank:			
Latin America		$28,376,568.27	
Europe		168,018,795.63	
Asia		14,000,000.00	
			210,395,363.90
Cancellations and expirations			1,377,216,659.80
	Export-Import Bank funds	Disbursed by others at Export-Import Bank risk	Amount
Disbursements	$5,457,166,344.04	$482,910,221.15	$5,940,076,565.19
Repayments	2,520,759,667.38	434,774,427.99	2,955,534,095.37
Outstanding loans	2,936,406,676.66	48,135,793.16	2,984,542,469.82
Authorizations not disbursed			1,431,729,622.75
Total of outstanding loans and balance of authorizations not disbursed			4,416,272,092.57
Lending authority assigned by bank under provisions of Public Law 30, 83d Cong., for cotton insurance			50,000,000.00
Uncommitted lending authority			533,727,907.43

Mr. ELLENDER. We recently increased the borrowing capacity of the Export-Import Bank by $2 billion. As I recall, the bank started with a mere $250 million. The figure is now up to $7 billion of credit.

This corporation is owned entirely by the Federal Government. It has a capital of $1 billion, with $6 billion additional for lending purposes.

Aside from that, we are heavy subscribers to the International Finance Corporation, another institution which was created in order to assist people who were in distress because of war. In that institution, with a capital subscription stock of $92 million, we have $35,168,000, or 38 percent of the stock, which we subscribed in order to assist countries in rehabilitating themselves.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a table showing a statement of subscriptions to capital stock and voting power as of September 10, 1957, in the International Finance Corporation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT C

INTERNATIONAL FINANCE CORPORATION

Statement of subscriptions to capital stock and voting power, Sept. 10, 1957

Member	Subscriptions		Voting power	
	Amount (in thousands of dollars)	Percent of total	Number of votes	Percent of total
Australia	2,215	2.40	2,465	2.34
Austria	554	.60	804	.76
Belgium	2,492	2.70	2,742	2.61

EXHIBIT C—Continued

Statement of subscriptions to capital stock and voting power, Sept. 10, 1957—Con.

Member	Subscriptions		Voting power	
	Amount (in thousands of dollars)	Percent of total	Number of votes	Percent of total
Bolivia	78	.08	328	.31
Brazil	1,163	1.26	1,413	1.34
Burma	166	.18	416	.40
Canada	3,600	3.89	3,850	3.66
Ceylon	166	.18	416	.40
Chile	388	.42	638	.61
Colombia	388	.42	638	.61
Costa Rica	22	.02	272	.26
Cuba	388	.42	638	.61
Denmark	753	.81	1,003	.95
Dominican Republic	22	.02	272	.26
Ecuador	35	.04	285	.27
Egypt [1]	590	.64	840	.80
El Salvador	11	.01	261	.25
Ethiopia	33	.04	283	.27
Finland	421	.46	671	.64
France	5,815	6.29	6,065	5.77
Germany	3,655	3.95	3,905	3.71
Guatemala	22	.02	272	.26
Haiti	22	.02	272	.26
Honduras	11	.01	261	.25
Iceland	11	.01	261	.25
India	4,431	4.79	4,681	4.45
Indonesia	1,218	1.32	1,468	1.39
Iran	372	.40	622	.59
Iraq	67	.07	317	.30
Israel	50	.05	300	.28
Italy	1,994	2.16	2,244	2.13
Japan	2,769	3.00	3,019	2.87
Jordan	33	.04	283	.27
Lebanon	50	.05	300	.28
Luxembourg	111	.12	361	.34
Mexico	720	.78	970	.92
Netherlands	3,046	3.30	3,296	3.13
Nicaragua	9	.01	259	.25
Norway	554	.60	804	.76
Pakistan	1,108	1.20	1,358	1.29
Panama	2	(2)	252	.24
Paraguay	16	.02	266	.25
Peru	194	.21	444	.42
Philippines	166	.18	416	.40
Sweden	1,108	1.20	1,358	1.29
Thailand	139	.15	389	.37

[1] The subscription of Egypt has not been paid, having been due since Aug. 23, 1956.
[2] Less than 0.005 percent.

EXHIBIT C—Continued

Statement of subscriptions to capital stock and voting power, Sept. 10, 1957—Con.

Member	Subscriptions		Voting power	
	Amount (in thousands of dollars)	Percent of total	Number of votes	Percent of total
Turkey	476	.51	726	.69
Union of South Africa	1,108	1.20	1,358	1.29
United Kingdom	14,400	15.58	14,650	13.93
United States	35,168	38.04	35,418	33.67
Venezuela	[1] 116	.13	366	.35
Totals	92,446	100.00	105,196	100.00

Mr. ELLENDER. That is not all. In order further to assist foreign countries, we have Public Law 480, which is the act which gives the Commodity Credit Corporation authority to sell surplus farm commodities abroad. Through that medium Europe will receive $160,500,000 in 1959. Countries which already are prosperous will receive vast sums by way of gifts and loans on a long-term basis. Africa will receive $3,200,000. The Near East and South Asia will receive $433,500,000; the Far East, $93,500,000. There will be retained, for sale and disposal to countries which have no defense program, $360 million. How that will be distributed no one knows as yet.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as part of my remarks an exhibit showing, for the fiscal year 1959, an estimate of the Public Law 480 operations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT D

Public Law 480 estimate fiscal year 1959

Europe	$160,500,000
Africa	3,200,000
Near East and South Asia	433,500,000
Far East	93,500,000
Reserved for countries not proposed for defense support or special assistance in fiscal year 1959	360,000,000
Total	1,050,700,000

Mr. ELLENDER. Mr. President, this aid program has been pyramiding from year to year. The President has asked the Congress to make available $3.9 billion in new funds for foreign aid, through the bill we are now considering.

In addition, as I have just pointed out, we have increased the capital stock of the Export-Import Bank to the tune of $2 billion to make loans to our friends.

What is more, under Public Law 480, there has been an increase of $500 million in the authority for sales for the current fiscal year, for a total of $2 billion during the current year. It is true that the bill is still pending in the House, but that is what the Senate has done. I am sure the House will agree to it.

If we add all these items together, we see that for the coming fiscal year there will be available, by way of grants, loans, gifts, and sales on easy terms of surplus farm commodities, almost $8 billion. And this is what we are confronted with

today: With our heavy tax load remaining as it is to support this program, our friends are reducing theirs.

Anyone with common sense should realize that we cannot afford to continue these huge expenditures without bringing to our own shores some kind of ism. If by maintaining excessively high taxes we destroy initiative in this country, we shall see what will happen.

Mr. President, one of the programs on which we are spending a few million dollars of this tax money is to teach the French, Italians, and others the fine points of salesmanship. They have learned fast. In any city in America today—I care not how small it is—we can see a great many French, Italian, and British cars. Many of the factories in which those cars are being manufactured were financed by taxes paid by the very companies which are now in trouble in Detroit. That is what is happening.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. The Senator is a distinguished lawyer with a long record of service. I should like to have him point out to me the provisions in the Constitution of the United States which authorize us to tax the American people to conduct salesmanship courses in foreign countries.

Mr. ELLENDER. Everything being done is supposed to be for defense; it is supposed to be for our protection and security.

Mr. CURTIS. Including salesmanship?

Mr. ELLENDER. That is the basis on which it was done.

Mr. CURTIS. I am familiar with that. However, calling it something does not make it so.

Mr. ELLENDER. I understand, but that is the basis for it. That would be the answer. I do not suppose a taxpayer would stand a ghost of a chance if he tried to stop it.

Mr. CURTIS. No; I do not believe he would. There would be no way for him to get into court. However, we have a responsibility.

Mr. ELLENDER. Certainly.

Mr. CURTIS. We have a responsibility to do only those things which are in accord with the power delegated to Congress by the Constitution.

Mr. ELLENDER. Yes. I have been arguing for the past 4 or 5 years that these programs should be tapered off. However, it seems that as the years go on, instead of tapering off, they increase. That is what is happening. What I wish to emphasize and reemphasize is that this program was begun with the idea of putting our friends in Western Europe on their feet, so that they could be of assistance to us and help us carry the load for the rest of the world. We were selfish in that regard let us admit it. That is why we did it. But as I have asked on many occasions on the floor of the Senate: Who is carrying the load in the Middle East, in Southeast Asia, on Formosa, and in South Korea?

The United States has two divisions in South Korea, according to the record. I believe two or three countries have representation in the honor guard. Who is footing the logistics bill for those troops? It is the U. N., through contributions that we make. In other words, aside from carrying our own load; paying expenses of feeding our soldiers there and providing defense support for the twenty-odd divisions of ROK troops—we are paying for all of that and receiving no help from anyone—we are paying to maintain the token forces which are there from Britain, Turkey, and from two or three other countries.

We have reached the point where it does not make any sense for us to keep on spending at our present rate. I could go on and on in discussing these programs. I am familiar with them. I have visited all the countries in the world but two. I have seen how these programs operate. I have made reports to the Senate. I made them last year and the year before, and I have been making reports to the Committee on Appropriations for the past 7 or 8 years. The reports of about 2 years ago are merely gathering dust, for aught I know. I made an earnest effort to show to my colleagues how these programs were being administered, and how the money was being spent. Yet with all I have shown, we are still spending at a greater rate than we have in the past; and instead of tapering off, the program is continuing to increase.

I wish now to address myself to the amendment which is pending, the so-called pricing amendment. In 1956 the Committee on Foreign Relations sought to change the method of pricing military hardware which was purchased by ICA for the mutual-security program for distribution throughout the world from Defense Department stocks. After a study, it was found that, instead of the Defense Department charging the actual gross cost of an article to the foreign-aid program, the program was being charged the replacement cost. Prior to the 1956 amendment, if an obsolete airplane, which originally cost $200,000, was sold to MAP by the Defense Department for country X, and it was necessary for the Department of Defense to replace that obsolete plane, the foreign-aid program would be charged the full amount of the cost of the new plane, which may have been four times the cost of the obsolete aircraft. The General Accounting Office found that the price of some equipment charged to the mutual-security program was 170 percent of the original cost. Thus, the Department of Defense was able to obtain funds for the purpose of financing its procurement programs without review by the Congress.

The purpose of my amendment is to accomplish that which the committee desired to do with its amendment in 1956.

Let me read what the chairman of the Committee on Foreign Relations, the distinguished Senator from Rhode Island [Mr. GREEN], said when the matter came up in 1956. I read from the CONGRESSIONAL RECORD of June 27, 1956, volume 102, part 8, page 11102. That was the year an attempt was made to change the law to prohibit the charge of replacement costs to the MAP. He said:

What actually has been happening, however, is that when these mutual-security funds are used to buy, for example, an F-84 jet fighter to be given to country X, the Air Force, which sells the jet fighter for the mutual-security people, uses the funds received to replace the F-84 with a later model aircraft—perhaps an F-104. In effect, then, a substantial part of the funds made available for what some people call foreign aid has been used to modernize the arms in the possession of our own Armed Forces. Indeed, the Armed Forces of this Nation have been charging the mutual-security funds, not for the price of the F-84 in my example, but they have been charging the price required to replace it, namely, the price for the F-104. The present Mutual Security Act, however, will change that situation.

An amendment to that effect was adopted in 1956. The law remained as it was, but there was added a so-called "notwithstanding clause," which reads as follows:

Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the mutual defense assistance program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability, that the term "value" (except in the case of excess equipment or materials) shall mean—

(1) The price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

(2) Where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.

That was to mean, or so we thought, that the actual cost of the hardware in the hands of the armed services would be charged to the foreign-aid program. But pursuant to the "notwithstanding" clause which I have just read, here are the regulations issued by the Department of Defense, which are presently followed:

Standard prices shall be established for each item of material to include:

a. The current purchase or production cost of the item at the time the price is established.

In other words, notwithstanding the fact that the views of Congress on this subject were pointed out to the armed services, the regulations from which I am reading reinstated the old practice of charging replacement costs instead of actual costs. The Department of Defense has not really sought to change its old method of pricing.

I believe that my amendment will bring about the change desired by the 1956 amendment. It will result in an equitable price being charged to the MAP, and consequently an adequate reimbursement to the furnishing agency. For example, let us assume that the Army sells to MAP a quantity of 200 of a certain type of tank. Let us further assume that the Army purchased a total of 1,500 of these tanks over a 3-year period as follows:

	Quantity	Unit cost	Total cost
1953	200	$40,000	$8,000,000
1954	500	60,000	30,000,000
1955	600	80,000	48,000,000
Total	1,300		86,000,000

The average gross cost referred to in my amendment would be obtained by dividing the quantity of 1,300 into the total cost of $86 million, and this would be the price charged to MAP, instead of the replacement cost of $80,000.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CURTIS. As the Senator perhaps knows, I have consistently supported his efforts to reduce the amounts appropriated for mutual security.

Mr. ELLENDER. For that I am deeply appreciative.

Mr. CURTIS. What will be the net effect of the pending amendment upon the United States Treasury? If I understand correctly, it will reduce the amount expended by the administration for mutual security. Will that be to the disadvantage of the budget of the Defense Department? What will be the net effect?

Mr. ELLENDER. I will say that the net effect will be that the Committee on Appropriations will have absolutely no control over the money used to purchase these replacements for the various services. In other words, if the Department of Defense sold tanks or airplanes to the mutual-security program, they would not even have to use the money they obtained from foreign-aid appropriations for replacing tanks or airplanes. They could program it for anything they desire. They would not have to come before the Committee on Appropriations and justify their request, as is the case now when they want to purchase material. This is money they will take out of the foreign-aid program without having to account to the Committee on Appropriations—and the American people—as to how the funds are expended.

My proposal is that if, for instance, new planes are needed, the Department of Defense should come before the Appropriations Committee and justify their request.

If the amendment should be agreed to, it will accomplish the very thing which was intended in 1956, namely, to charge the mutual-security program the average cost of the materials sold it.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an item from the Mutual Security Act of 1956, beginning with section 545(g) and continuing through the paragraph identified as (2).

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

(h) The term "value" means—

(1) with respect to any excess equipment or materials furnished under chapter 1 of title I the gross cost of repairing, rehabilitating, or modifying such equipment or materials prior to being so furnished;

(2) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve (other than equipment or materials referred to in paragraph (3) of this subsection), the actual or the projected (computed as accurately as practicable) cost of procuring for the mobilization reserve an equal quantity of such equipment or materials or an equivalent quantity of equipment or materials of the same general type but deemed to be more desirable for inclusion in the mobilization reserve than the equipment or materials furnished;

(3) with respect to any nonexcess equipment or materials furnished under chapter 1 of title I which are taken from the mobilization reserve but with respect to which the Secretary of Defense has certified that it is not necessary fully to replace such equipment or materials in the mobilization reserve, the gross cost to the United States of such equipment and materials or its replacement cost, whichever the Secretary of Defense may specify; and

(4) with respect to any equipment or materials furnished under chapter 1 of title I which are procured for the purpose of being so furnished, the gross cost to the United States of such equipment and materials.

In determining the gross cost incurred by any agency in repairing, rehabilitating, or modifying any excess equipment furnished under chapter 1 of title I, all parts, accessories, or other materials used in the course of repair, rehabilitation, or modification shall be priced in accordance with the current standard pricing policies of such agency. For the purpose of this subsection, the gross cost of any equipment or materials taken from the mobilization reserve means either the actual gross cost to the United States of that particular equipment or materials or the estimated gross cost to the United States of that particular equipment or materials obtained by multiplying the number of units of such particular equipment or materials by the average gross cost of each unit of that equipment and materials owned by the furnishing agency. Notwithstanding the foregoing provisions of this subsection (h) and for the purpose of establishing a more equitable pricing system for transactions between the military departments and the mutual defense assistance program, the Secretary of Defense shall prescribe at the earliest practicable date, through appropriate pricing regulations of uniform applicability that the term "value" (except in the case of excess equipment or materials) shall mean—

(1) the price of equipment or materials obtaining for similar transactions between the Armed Forces of the United States; or

(2) where there are no similar transactions within the meaning of paragraph (1), the gross cost to the United States adjusted as appropriate for condition and market value.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the Defense Department directive which was issued following passage in 1956 of the amendment designed to end this practice of overcharging. To my mind this directive indicates that no change at all in Defense Department policy has been made. Their action is subject to the interpretation that they have defined standard prices to mean replacement prices.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

2. Standard prices shall be established for each item of materiel to include:

(a) The current purchase or production cost of the item at the time the price is established.

(b) First-destination transportation costs.

The expense of procurement (including inspection), warehousing, redistribution, repacking and handling, or other functions of supply administration shall not be included in the standard prices. There shall be one standard price for each item—price reductions for condition at time of sale shall not affect standard pricing for inventory purposes.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, from the pamphlet entitled "Proper Accountability, Army Pricing Policy," in section 1, entitled "General," on page 11, paragraph (2) (g) which reads as follows:

(g) For the purpose of establishing a standard price, the current purchase or production cost of an item will be based upon evidence such as current contracts, purchase orders, or invoices. Judgment, however, may be required to modify prices to allow for the effect of pending contract price revisions and other factors affecting the most typical replacement cost. Also, since prices may vary considerably for different vendors within a single normal procurement lot, it will be necessary in such cases to average the prices. The objective is to arrive at a price which represents current replacement cost.

Mr. ELLENDER. Mr. President, all of these directives have been issued since the passage of the 1956 amendment.

Mr. President, in the Department of Defense directive of December 31, 1956, No. 7510.1, there is also a paragraph on the question of uniform pricing policy for materials. I ask unanimous consent that the first two paragraphs be printed at this point in the RECORD, so as to indicate—as I have just stated—that, notwithstanding the fact that we tried to change the law, the directive has been written in such a way that the same price structure and methods of pricing which prevailed prior to 1956, still prevail.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE DIRECTIVE No. 7510.1, DECEMBER 31, 1956

Subject: Uniform pricing policy for materials, supplies, and equipment financed by military appropriated funds

I. PURPOSE

The purpose of this directive is to establish the basic policies and criteria to be followed by the military departments in pricing for inventory accounting and issues or sales for any purpose of all materials, supplies, and equipment (materiel) except for plant equipment, aircraft (complete), and ships, and materiel financed under working-capital funds for which pricing policy has been established pursuant to section 405 of the National Security Act of 1947, as amended, and Department of Defense regulations thereunder (Department of Defense Directive No. 7420.1, dated December 19, 1956, and Regulations Covering the Operation of Working-Capital Funds for Industrial- and Commercial-Type Establishments, Industrial Funds, dated July 13, 1950).

This directive also establishes the policy under the 1956 amendments of the Mutual Security Act of 1954, pertaining to pricing of items chargeable to the military-assistance program (MAP) because it is required generally that the same item prices be used for that purpose as would be used for similar transactions between the military departments.

Mr. ELLENDER. Mr. President, I shall not take any more time of the Senate in discussing this amendment. I have several other amendments, and I hope to present them in order.

Since I have made my opening statement on the amendment, I shall confine the remainder of my remarks to more or less a description of its effect.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. ELLENDER. I yield.

Mr. STENNIS. I wish to commend the Senator from Louisiana [Mr. ELLENDER] for the very fine and effective presentation he has made. I believe he has a better on-the-ground knowledge and understanding of the operation of many major phases of this program than does any other Member of the Senate. All of us owe him a great debt of gratitude for the energy and time he has devoted to this work and for the expense to which he has gone in connection with it and in connection with gathering information from all over the world. He has made many trips abroad.

Mr. President, I believe it is a sad day in the history of the Senate when information and facts which a Member of this body has obtained at firsthand are not listened to more generally by Senators. I do not mean that as a personal reflection on any Member of the Senate, for it is true that Senators are too busy to be able to hear everything that is said in this Chamber. But I am sorry that more of us cannot make it a point to hear such presentations.

I believe someday we shall exercise more commonsense in connection with this subject and related subjects. When we do, I believe we shall refer again to the speeches of the Senator from Louisiana and shall hail him again as a Senator of wisdom and vision.

I shall vote for the amendment he has submitted, but I make this expression of thanks to him without regard to the way I shall vote on his amendment.

Mr. ELLENDER. I thank the Senator from Mississippi.

Mr. CARLSON. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CARLSON. I, too, wish to express my thanks to and commendation of the Senator from Louisiana [Mr. ELLENDER] for the information he has brought to the Senate. I share the views of the Senator from Mississippi [Mr. STENNIS] regarding the service the distinguished Senator from Louisiana has rendered the country by making his trips. Those of us who have heard his statements and who also have seen the pictures he took in Russia—which were a revelation to me, and gave me information which otherwise I would not have had—know how beneficial have been his efforts and his expenditures of time and money.

Mr. ELLENDER. I thank the Senator from Kansas.

Mr. STENNIS. Mr. President, let me add that I, too, believe that the pictures the Senator from Louisiana took in the course of his travels, particularly the ones he took in Russia, will lead to a new and better understanding of the Russian problem, and also to a better understanding between the people of the United States and the people of Russia.

Mr. ELLENDER. I thank the Senator from Mississippi.

Mr. HUMPHREY. Mr. President, let me say that although I disagree with the amendment of the Senator from Louisiana—primarily because in the committee we did not have a chance to review it, and because it is a very complicated piece of proposed legislation—yet I believe that every Member of the Senate is certain that the Senator from Louisiana is an extremely conscientious and devoted public servant. He gives a great deal of time and attention to these matters. I agree thoroughly with what the Senator from Mississippi [Mr. STENNIS] has just stated in regard to the untiring efforts of the Senator from Louisiana to promote better understanding between peoples.

Mr. STENNIS. I thank the Senator from Minnesota.

Mr. ELLENDER. Mr. President, I thank my colleagues.

Mr. SPARKMAN. Mr. President, I wish to join my colleagues in expressing my high regard and high esteem for the very able Senator from Louisiana [Mr. ELLENDER]; and I do not use those terms as mere figures of speech. I mean them most sincerely.

The Senator from Louisiana is very able; and he has done an extremely fine job—as has been stated by various of my colleagues—in connection with the many trips he has taken to other countries. We know that, every year, as soon as the session of Congress adjourns, the Senator from Louisiana begins a foreign trip. In making such trips, he works very hard in the course of visiting various countries. As a matter of fact, I suppose he has visited more foreign lands than has any other Member of the Senate.

In this connection, Mr. President, I wish to say that I believe one of the finest things a Member of Congress can do—in fact, I have often said that if I had my way, I would require it of all Members of Congress—is to travel. I believe that in these days of such great problems, the members of the Appropriations Committee and the members of the Armed Services Committee and the members of the Foreign Relations Committee should travel to many other countries, to see what is done there.

Certainly I would not question the accuracy of any of the reports the Senator from Louisiana has made in regard to the things he has seen abroad.

On the other hand, I do question the wisdom of this amendment.

A few minutes ago the Senator from Minnesota [Mr. HUMPHREY] said the amendment deals with a very complex matter. It certainly does; in fact, the matter is so complex that we hardly know yet what effect the change of the law which was made in 1956 has had. We have not had time to ascertain how it works; and certainly we are not able to tell how this particular amendment would work.

Mr. President, I wish very much that the distinguished Senator from Louisiana might have offered the amendment in time for the committee to have given consideration to it and in time for us to have questioned representatives of the Defense Department and representatives of the State Department in regard to what the amendment means and what its impact might be.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. ELLENDER. Would it not be possible to take an amendment of this kind to conference? I think it is important. It may be true that it was not studied by committee, but the committee went into this subject very thoroughly in 1956, and was of the opinion that the defects I have cited would be cured by the short proviso I have read.

Mr. SPARKMAN. I just made that point. In 1956 the committee did study the matter, and did reconstitute or redirect it. As a matter of fact, as recently as January of this year, the Comptroller General stated that the new system, the one established in the fall of 1956—I believe it was in December 1956, that the first directive was issued—has been so recently installed that it is premature to form a judgment as to its effectiveness.

We thought we did a good job in 1956. The Defense Department and the Comptroller General both tell us they have not yet had time to decide how effective a job has been done. Therefore, I submit that the amendment, to use the words of the Comptroller General, may be premature.

I do not question the intent, the sincerity, or the thoroughness with which the Senator from Louisiana has gone into the question. I do not say the amendment is not a good one. I do not know. We simply have not had time to evaluate it.

With reference to the suggestion of the Senator from Louisiana that the amendment be taken to conference, I remind him I am not in control of the bill. It might very well be that if the chairman of the committee were present and that suggestion were made to him, he would express his willingness to take the amendment to conference, and in the meantime try to obtain additional information about it. I am not empowered to speak for the chairman of the committee.

On the ground that the amendment is premature and that at this time we do not know how the 1956 provision is working, I shall have to oppose the amendment.

I suggest to the acting majority leader [Mr. STENNIS], however, that there be a quorum call before the amendment is further considered, so it might be ascertained whether the chairman of the committee would consider taking the amendment to conference.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand the distinguished chairman of the Committee on Foreign Relations is willing to take this amendment to conference. In the event the conferees feel the amendment is workable and should be retained in the bill, the Senator from Rhode Island will do his best to have it accepted. In the event the conferees do not feel it should become a part of the bill, they can reject it, which will be satisfactory to the Senator from Louisiana.

Mr. GREEN. Mr. President, I agree to take the amendment to conference under those circumstances.

Mr. WILEY. Mr. President, after those remarks by the distinguished majority leader, I ask unanimous consent to have printed in the RECORD at this point a statement provided by the executive branch in relation to this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXECUTIVE BRANCH POSITION ON SENATOR ELLENDER'S AMENDMENT (6-5-58-D)

The executive branch is opposed to the revised amendment on pricing proposed by Senator ELLENDER (6-5-58-D). On the basis of an examination by technical experts in the Office of the Secretary of Defense, it is believed that the amendment, even as revised, will have the opposite effect from that intended and will actually result in increased payments by the military assistance program to the military departments. Without going into details of what is a very complicated and involved subject, the following objections are made:

1. The amendment is not consistent with the amendment which was made by the Congress in 1956 after detailed study within the executive branch and careful scrutiny by the Foreign Relations Committee of the executive branch proposals. As was recognized by the Congress in 1956, a pricing system which affects over 3 million stock number items cannot be changed all at once. Time is required to effect a change on so vast a scale. Moreover, it is difficult, indeed nearly impossible, to maintain 2 pricing systems, 1 for military assistance transactions and another for regular Department of Defense transactions. Pursuant to the new pricing legislation of 1956, the Department of Defense has worked out a comprehensive new pricing system which integrates pricing for military assistance, as directed by that legislation, with regular military transactions between the military services. As a result very great savings to the military assistance programs have already been achieved and even greater savings are anticipated as the new system takes full effect. If this amendment were adopted all this progress would be brought to a standstill.

2. The amendment is not consistent with the stock-fund pricing system which has been set up after a great deal of effort during the past several years by the Secretary of Defense and the Assistant Secretary of Defense, Controller pursuant to the authority of the National Security Act (and the 1956 changes in the mutual security pricing formula). Indeed the proposed amendment could not be implemented consistent with the system which has developed pursuant to the National Security Act.

3. The application of the amendment would by and large result in the payment of higher prices by the military assistance program than it now pays pursuant to the 1956 legislative changes.

4. The amendment is technically deficient in that it makes no provision as to the pricing of nonexcess items furnished by the military departments from stock but which they must replace. It will be noted that section 2 deals only with pricing of nonexcess items which do not need to be replaced. Section 1 deals with excess and section 3 deals with new procurement expressly for the military assistance program. There is left a gap as to the pricing of nonexcess items which do need to be replaced, since the present sections of the act which cover this category, are to be deleted by the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I call up my amendment designated "6-4-58—C."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 34, lines 15 and 16, it is proposed to strike out "$1,800,000,000" and insert "$1,300,000,000."

On page 63, beginning with line 19, strike out all of section 13, through line 2 on page 64.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. ELLENDER obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. What is the number of the amendment?

Mr. ELLENDER. 6-4-58—C.

Mr. DIRKSEN. I thank the Senator.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to strike from the bill in the military assistance section the sum of "$1,800,000,000" and to insert in lieu thereof "$1,300,000,000." That represents a cut in the military assistance program of $500 million.

In addition, Mr. President, the amendment would strike from the bill section 13 which authorizes a transfer of as much as $235 million from the defense support portion of the bill to the military assistance program, or from the military assistance to defense support.

The bill as reported to the Senate provides for the full amount recommended by the President in both the military assistance and defense support categories. There is a saving, according to proponents of the bill—and, of course, the bill so provides—of $235 million from the original aggregate amount for military assistance and for defense support. The amount which would be provided for military assistance under the amendment I am offering would be—if appropriated—about $40 million less than was appropriated last year.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. The first part of the Senator's amendment commends itself to me, because, as I have said on this floor many times, while I would not eliminate the program under present world conditions, I think we should be moving in the direction of reducing expenditures rather than increasing them. I can readily support the first part of the amendment offered by the Senator from Louisiana.

However, I do not understand why he should combine that feature with striking out the transfer clause permitting transfer between economic and military aid. I believe that logic would support leaving in the transfer clause, because it provides flexibility with respect to the total program, which would permit the President to adjust the aid as between some immediate need in the economic field and some need in the military field.

Mr. ELLENDER. Let me say to my good friend from South Dakota that his statement may have applied last year; but under the present law, defense support must be directly connected with military aid. As I pointed out last year, defense support was used in identically the same manner as foreign aid or grants were used in prior years. However, the Foreign Relations Committee has seen fit to tighten up the use of defense support funds, and has provided that they should be used more for providing food, clothing, or other things to support those countries to which military assistance is given.

Mr. CASE of South Dakota. Has not the Senator two different issues combined in one amendment? The first issue is clearly a reduction in dollars.

Mr. ELLENDER. What I am proposing is to allow each appropriation to stand on its own feet. I have never seen any provision in a foreign-aid bill allowing the President to increase one category over the other.

Mr. CASE of South Dakota. But the transfer clause would not increase the total dollars.

Mr. ELLENDER. I understand that. But under this act the President already has a 10 percent transferability clause. In other words, under section 501 of the law as it now stands the President can take 10 percent of, let us say, defense support, and put it in military aid, provided that the 10 percent does not increase the item to which it is transferred by more than 20 percent. Thus we already have in the law a provision which would give the President authority to transfer funds from one section of the program to another.

Under terms of the bill, if the Appropriations Committee should allow the full amount of $835 million for defense support, 10 percent of the $835 million could be transferred to another item, and in the same manner 10 percent of the military assistance phase of the program could be transferred to another item. So there is transferability already provided for in the law. I am objecting to having a separate transferability provision. I should like the bill to be specific in providing a certain amount for military aid and a certain amount for defense support. Then the 10-percent clause, under section 501 of the bill, would remain in the bill, to furnish the necessary transferability.

Mr. CASE of South Dakota. I understand the point the Senator is making. However, I see no real objection to the transfer clause as between the two funds, unless the Senator wishes to fix a ceiling on both of them. But it seems to me that even if that were true, he has combined two different issues in one amendment. It is a very simple matter for the Senator from South Dakota to say that he can support a reduction of $500 million in the bill; but I should think that from a practical standpoint the administration of the bill would be easier if the transfer clause were not disturbed. The transfer clause would take care of any pinch which might be created by an overall reduction, and still there would be the economy of eliminating $500 million.

Mr. ELLENDER. I come back to the proposition that what concerns the Senator has already been taken care of—that is, the transferability of funds from one phase of the program to another. That provision is already in the law. Why the committee allowed the full amount in the case of the military assistance portion of the bill, and the full amount for defense support, and then provided for a $235 million transferability as to the two items is something I cannot understand. I cannot go along with their action. I do not believe it should be done that way.

We saw fit, 2 or 3 years ago to allow the 10 percent transferability clause to apply to any item; and that provision will remain in the act. It is not being disturbed. Under this provision, certain amounts may be transferred from one phase of the program to another, provided the amount transferred does not add more than 20 percent to the total of the item to which it is transferred.

As to the reason for the proposed cut, as I pointed out in my opening remarks, there was available for expenditure on July 1, 1957, $5,562,090,000. The estimated expenditures for the year 1958 are $2,200,000,000, thus leaving an unexpended balance as of July 1, 1958, of $3,362,090,000. As I said in my opening statement, I believe that $1.3 billion for military assistance is ample, particularly when the record today shows there is in the pipeline in excess of $3 billion. In the first 9 months of this fiscal year, of the total $1,340,000,000 appropriated last year, ICA, which administers the MSP, was able to contract for only $567 million. In other words, they were able to spend only a little over a third of the amount which was provided for them last year. Now we have in reserve, in the pipeline, a huge amount which can be deobligated at any time it is seen fit to do so, and applied to other, new programs if it is so desired.

In my judgment, one of the most objectionable sections of the military assistance program is the creation of armies in small countries that cannot afford them. It does not make sense to me to saddle small, backward countries with what would be to them large armies.

I am not permitted to give the amounts we have already spent in Iran, as an example, on what we propose to spend there in the next 7 or 8 years. However, it is sufficient to say it is a huge sum of money. I visited Iran last year. It is my opinion that the money we are spending there is more or less wasted. We are burdening the Iranian Government with the expense of trying to maintain an army to fight Russia. Such a situation would be like sending a popgun corps to capture Washington. The Iranian Army could not do a thing against Russia. Yet, a good portion of the money we have appropriated for foreign aid is going to be used to enlarge the army and put even greater burdens on the Iranian Government to maintain that army. I was in Tabriz, Iran, recently and I have never seen such abject poverty. I would much prefer to see the money we appropriate used to help those people economically, if possible, instead of saddling the Government with an army it cannot support. That army, in addition, would not be effective in the event of attack by an aggressor force. Sitting there on the periphery of Russia, a few missiles, fired from well-placed installations around the border, could destroy practically all the big cities of Iran. This is true not only of Iran but of many other areas in southeast Asia.

Let us consider South Vietnam. That country is young. It does not have the capability of maintaining a large army. Neither does Laos. Although Laos is a member of the French Union, the United States is paying for its army's hardware, food, and clothing. The United States even pays the family allowances of the Laotian soldiers. That is how poor Laos is. Yet we are providing more funds to set up even larger armies in countries like that. To my way of thinking, those armies would be of little or no service in the event of any kind of conflict in those areas.

We have been told in the past that these armies are being created to put out brush-fire wars should they start. That was perhaps a good reason at one time. However, I am sure that Senators have read recently that we have made ready four divisions of our troops to take care of situations of that kind. Anyone knows that if an attack were made today on South Vietnam, or on Laos, neither of those countries could hold the invaders for more than a very short time, according to the testimony which was submitted before the Foreign Relations Committee. Let me read from the testimony on the situation in South Vietnam, about which I have been talking:

Senator SMITH. Do you feel satisfied militarily with the situation in South Vietnam, the Saigon area? What do you have in forces as against those in North Vietnam and the Hanoi area?

Admiral STUMP. The North Vietnam or the Viet-Cong, as they have started calling them, they used to be Viet-Minh, are much stronger than the South Vietnam is. They have about twice as many soldiers on active duty and besides that in North Vietnam they have some reserves of about 200,000, whereas the South Vietnam Army, as you know, is about 150,000.

They are much stronger. They have re-equipped themselves from China, and there is no doubt that they could march clear across South Vietnam.

Senator SMITH. You mean from Russia via China perhaps?

Admiral STUMP. That is right; yes. They could undoubtedly win a war if we did not come in to help. But I do think, the terrain being what it is, that the army of South Vietnam could delay them long enough for them to get help from the outside.

Mr. President, as I said a moment ago, when military assistance was first begun, it was to take care of brush-fire wars. But this objective has obviously been forgotten. In this connection, the Washington Post and Times Herald of March 25, 1958, published an article entitled "Pentagon Appears To Shift Emphasis to Planning for Brush-Fire Wars." The article states that four divisions of United States troops are being equipped to be sent anywhere in the world overnight if a brush-fire war should start.

Why should we spend huge sums of money in order to equip small armies in, say, Iran, Vietnam, Laos, of Cambodia—countries which could not under any circumstance effectively defend themselves? I believe we could well reduce this amount of military aid and instead help, if necessary, to provide a local police force which might be needed only to keep peace within the country.

We have assisted France to the point where it hurts. In past years we have made available to France more than $8 billion in military aid and economic aid grants. Notwithstanding that fact, in the past we have provided from 38 percent to 44 percent of the cost of maintaining armies in the area of France.

Mr. CHAVEZ. Mr. President, will the Senator yield on that point?

Mr. ELLENDER. I yield.

Mr. CHAVEZ. The reason for providing military aid to France is that France is a member of NATO. Is not that correct?

Mr. ELLENDER. Yes; that was the reason.

Mr. CHAVEZ. That was the so-called justification. But instead of using the military aid for NATO, France is using it now to kill Algerians and Tunisians in Africa.

Mr. ELLENDER. That was the point I was approaching. I visited France on 2 or 3 occasions. I have visited practically all of the NATO countries in the past 3 or 4 years.

What we have in Western Europe today as a shield is nothing more or less than paper divisions. There are a few active divisions, but very few. Today, almost half of the active divisions in Western Europe are from the United States. Yet as originally planned under NATO only one-fourth or one-fifth of the troops were to be from the United States, while the rest were to be from other NATO members. Instead, reductions have been made to the point where now our soldiers, if an attack were made, would be in serious danger. They are defending Europe almost alone and would have to face the brunt of the attack should the worst come.

As the distinguished Senator from New Mexico pointed out, the ammunition, guns, and some of the airplanes sent to defend Western Europe have

been used in north Africa in recent days to make more trouble for us.

Newspapers have contained many articles recently concerning the withdrawal of troops from Western Europe by the United Kingdom. More than 30,000 soldiers are to be withdrawn from that area, leaving the United States to hold the bag, to a large extent.

Notwithstanding the fact that Western Europe today is in better shape economically than it has ever been, we are providing $519,500,000 in this bill for assistance to Western Europe. I think such a situation is shameful.

The purpose of the Marshall plan has been accomplished, yet the United States continues to provide assistance to these countries.

I think we have reached the point where we should examine our foreign policy, to see if we cannot get those people whom we have helped in the past to assist us in keeping the Free World strong. If they could be convinced to do their share, it would be possible for us to be relieved of a portion of this heavy burden. We cannot possibly continue to spend money at the rate we are now spending and still hope to survive. The amount of money which was appropriated to operate the entire Government when I first came to Congress 22 years ago was just about what is now required to pay the interest on the national debt. Any person with common sense knows that we cannot maintain our spending rate and expect to survive. Unless we call a halt to this program and get other nations to realize that the battle against communism is as much their burden as it is ours, we cannot be successful in bringing about the permanent peace which all of us so desire.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table printed in the hearings of the Senate Foreign Relations Committee on the Mutual Security Act of 1958 showing our contribution to NATO and the European countries aggregates a total of $737.4 million and $519.5 million, respectively, for fiscal year 1959.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT B

NATO area programs, fiscal years 1958 and 1959

[Million dollars]

	Fiscal year 1958 NATO program	Fiscal year 1959 NATO program	Fiscal year 1959 Europe program
Materiel and training:			
Conventional materiel and training (country programs)	334.7	307.8	205.6
Missiles and aircraft modernization	282.1	226.3	131.6
Other materiel (spares, packing, crating, handling, and transportation, repairs, and rehabilitation)	84.3	75.8	53.8
Subtotal	701.1	609.9	392.0
Cost sharing:			
Mutual weapons development	40.0	40.0	----------
Facilities assistance	20.0	20.0	----------
Infrastructure	65.0	60.0	----------
International military headquarters	6.5	7.5	----------
Subtotal	131.5	127.5	----------
Total	832.6	737.4	----------

Mr. ELLENDER. Mr. President, at this point I would like to say a few words about the Development Loan Fund.

Last year we appropriated $300 million for this fund and authorized an additional $625 million for this year.

In my judgment this is nothing more or less than an internation Reconstruction Finance Corporation. However, 10 years later, we are finally getting around to following the advice of General Marshall. In outlining his plan to help Europe to help itself, General Marshall suggested that loans be extended to war-ravaged areas. You notice he said nothing of grants. He spoke of loans.

Now, 10 years after the start of the Marshall plan, the Development Loan Fund is about to go into action and offer loans to help people help themselves.

Mr. President, getting away from the Development Loan Fund, I would now like to discuss one phase of the pipeline. In 1954, money was earmarked for the modernization of the British Air Force. Yet, this money is now being used to defray the cost of installing IRBM squadrons and other missile programs. To my mind, this is something which the British ought, at least, help us do; but we are doing the whole job.

I ask unanimous consent that the statement from the hearings on this subject be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXHIBIT D

Mr. SPRAGUE. * * * There is available today $112 million of prior-year funds which we can use against the cost of the [deleted] IRBM squadrons which will be deployed in England commencing with the first squadron in December of 1958. The total cost to the United States of these [deleted] squadrons is expected to reach approximately [deleted] million dollars, including training missiles and training equipment.

* * * * *

The CHAIRMAN. You do not think too much was appropriated for the purpose then enumerated?

Mr. SHUFF. Mr. Chairman, may I speak to this point? One of the contracts was for the Gloster Javelin airplane. It was firmly programed, and programed in good faith by ourselves and the recipients, and by the producers. However, as the development of the airplane and the production had started and got along, it was found that it was not suitable for the purpose for which it was designed.

The other aircraft concerned in this procurement was the Hawker Hunter, which did come along the way it was designed, and went into production and was satisfactory. Unfortunately the British, in a white paper, cut down the extent of their air force as they had planned it when the airplanes were programed.

Mr. ELLENDER. Mr. President, included in this military assistance item is one for mutual weapons development. It is all very well for us to spend a total of approximately $8 billion for research and development in our own Defense Department. But, in addition, now we are being asked to pay half of the amount for mutual weapons development in Europe. In addition to paying this one-half of the cost of that program, which amounts to $40 million, we are also providing 50 percent of the cost of the facilities assistance program.

In other words, we pay to develop the implements of war. Then we provide 50 percent of the cost for tooling the facilities. As I have said, in view of the fact that we have been so generous with these countries during the past 10 years, and in view of the further fact that their economies now are an average of 168 percent of their prewar level, it seems to me they should be able to handle an item of this kind by themselves. However, our foreign-aid administrators offer them this assistance, and of course they accept it. As I have said before and I will say again, they will continue to lean on us as long as we permit them to do so.

Mr. President, this item also relates to our dealings with the countries of Western Europe. I recall that 2 or 3 years ago, when the boast was made that our economic aid to Europe had ceased, it was replaced with what was called offshore procurement. During the last 3 or 4 years we have provided in the neighborhood of $3 billion for this purpose.

As I recall, there was an understanding that these plants would be placed on a standby basis. But evidently such was not the case, since we are still providing facilities assistance in this bill. I believe it is shameful for the United States to spend money in this way.

Mr. President, at this time I wish to call attention to what we are doing in Laos, a small country of less than two million population, with few assets, and without sufficient money to run their Government. In that connection I shall read from the testimony taken at the hearings of the Senate Foreign Relations Committee, as it appears on page 41:

Question. Are we still providing troop pay and family allowances of the Lao Army? If we are, are we following the same procedure in other areas?

Answer. A portion of United States assistance to Laos is for the purpose of paying troops, including family allowances. In other countries the situation is quite different: In such countries United States assistance is not for the purpose of supporting troop pay and family allowances. Such assistance rather is intended to help the receiving country to import the commodities and services needed by its economy in order

to sustain the desired level of military activity or otherwise to make it possible for the country to make the contribution to the common defense which is the purpose of defense support. In such countries, however, local currencies resulting from the importation of the goods and services are deposited either in an account belonging to such countries or, in the case of surplus agricultural commodities, in an account owned by the United States. A portion of such local currencies is attributed to the support of the defense budget in such countries. Beyond the contribution to the defense budget it is frequently not useful to carry the attribution to the exact uses of such local currency. However, it would not be inaccurate and in some cases, such as Vietnam, it is quite clearly accurate to say that a portion of the contribution to the defense budget may find its way into troop pay and family allowances. Such countries include Cambodia, Vietnam, Korea, Greece, Pakistan, and Turkey.

In addition, a contribution is made to the support of the general budget of Jordan as a result of which it would be reasonable to assume that some of this contribution might find its way into troop pay and family allowances.

Mr. President, I ask unanimous consent that other excerpts from the testimony taken at the hearings be printed at this point in the RECORD, as part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows :

SUPPORT OF LAO MILITARY FORCES

The CHAIRMAN. Very well. Have you any questions, Mr. Fulbright?

Senator FULBRIGHT. Yes. Admiral, I notice that the Presentation Book says that we bear the entire cost of supporting the Lao Army. It says the average annual cost of maintaining military personnel for Laos is $867 per person compared to $719 for Cambodia, $245 for Thailand, and $147 for Taiwan. Why is it that we bear the entire cost of personnel in Laos?

Admiral STUMP. Mainly, sir, because Laos does not produce anything that it can send out. It is a wild country with only 2 million people in it, the most sparsely populated country in southeast Asia; 95 percent of them cannot read or write. They did not even have any banks there. There wasn't a bank there until 3 years ago. Therefore, they have no way of raising money to buy the things that are required by a military force. None is produced in Laos. Therefore, if they are going to have any army—they have an army of [deleted] simply all the money for them has got to come from the United States. They cannot raise it locally.

Senator FULBRIGHT. [Deleted.] What do the French have to do with the Lao Air Force?

Admiral STUMP. The French are still there in Laos. Laos is still a part of the French Union. [Deleted.]

Senator FULBRIGHT. Does the French Government nominally have control of Laos?

Admiral STUMP. No, sir. It is independent, but closely tied to France through the French Union.

Senator FULBRIGHT. Do the French contribute anything to the support of the army?

Admiral STUMP. Yes, they do. Have we got a figure on that?

Captain GREEN. No, sir, I haven't got a figure. They do contribute.

Admiral STUMP. They have a training mission and they pay the expenses of that training mission. I do not think they furnish money for any equipment.

Senator FULBRIGHT. Is it correct that they furnish no money to support the Lao Army itself, but only to their own mission?

Admiral STUMP. That is correct.

* * * * *

Senator WILEY. How much is infrastructure this year?

Mr. JANDREY. Sixty million dollars.

Senator WILEY. What have we spent on infrastructure since the war?

General GUTHRIE. Actual expenditures through fiscal year 1957 were $392 million. The estimated total for fiscal year 1957 is $70 million. That includes airfields, communications, POL storage, naval bases, headquarters, and training installations. They are fixed military facilities and when shared out, the United States percentage of the total is in the neighborhood of 38 percent of whatever the entire project costs.

* * * * *

OFFSHORE PROCUREMENT

Since there has been some discussion about offshore procurement, we thought it might be of interest to the committee to indicate to you gentlemen what our record has been in the offshore procurement field.

In the early days of this program, there were various reasons why we wanted to try and maintain and promote the industry of our various NATO partners, keep the aircraft industry going, for instance, in France and Italy and in the United Kingdom.

A good many offshore procurement contracts were placed in the interest of accomplishing that, and also to expand the mobilization base in case we should need to use it in time of war, in time of emergency.

Since that time, we have leveled out.

Another thing we tried to do in putting these offshore procurement contracts abroad was to try and get these people in a position where they could better help themselves. In other words, in order to get them going in maintaining spare parts and in making these various things that we knew they would need on a continuing basis, our offshore procurement program was designed as a pump-priming operation with the hope that after the pump was primed, they would pick up——

The CHAIRMAN. I should think in all of these agreements you would provide for the eventuality that these machines would become obsolete before the spare parts can be manufactured.

Mr. SHUFF. This was a consideration. However, a good many of them have kept on. As a result of that, our contracts have fallen off until now we are something under $100 million, so we are asking $69 million for 1959 for this program.

It is United States policy that offshore procurement will not be undertaken if it will (1) have serious adverse effects on the United States production base; (2) result in unjustifiable price differentials in comparison with United States supply of similar type items; (3) result in failure to meet United States delivery objectives; or (4) jeopardize security interest of the United States.

Offshore procurement has rapidly declined in recent years due to the changing nature of MAP materiel requirements and the vital need for retaining orders in the United States to sustain the domestic military production base. The result of these changed factors is readily apparent from chart X, where it can be seen that contracts placed have been reduced from a total of $1.6 billion in fiscal year 1953 to an estimated $112 million in fiscal year 1958, while expenditures have decreased from a maximum of $668 million in fiscal year 1956 to an estimated $229 million in fiscal year 1958.

Current offshore procurement is restricted to items which must be of foreign types to support foreign equipment; items no longer produced in the United States; arrangements whereby the producing country contributes a substantial portion of the costs involved, and similar circumstances.

* * * * *

I would like to say a word about the program proposed for Europe for fiscal year 1959. Once more we are requesting funds for what is essentially a military and defense support program. Of the approximately $281 million proposed for Europe, $251 million is related directly to defense, that is, $206.5 million for military assistance shown in European country programs plus $45 million for defense support. These figures do not tell the whole story, however. As in previous years, much of the proposed military assistance can only be planned at this early stage of the programing process on a global basis. Such items as missiles, aircraft modernization, and spare parts (described in the presentation book on "Non-regional Programs" under the heading "Special Materiel Programs") add substantially to the military program when broken down by region and by country. While the country allocations are very tentative at this time, the total thus developed for Europe (shown on p. 7 of the presentation book, "Europe and Africa") amounts to $185 million, bringing the total proposed military aid program for Europe to about $392 million. The great bulk of the $185 million additional increment, in the case of the European countries, is intended missiles in order to carry forward the modernization of NATO forces which has been under way since 1956 and which is so important to General Norstad's defense plans and our own security.

Mr. ELLENDER. Mr. President, included in this amount is money to be used to pay for the support of the U. N. troops in Korea, other than our own. In other words, the United States is not only paying for the maintenance of its own divisions in Korea, but also for the maintenance of the 20-odd divisions of the ROK, and also for the maintenance of a comparatively small number of troops stationed there by Britain, Turkey, Greece, and the Philippines. I believe it is shameful that the United States should provide as much as $12 million to support those troops.

Concerning this item, I quote the following from the committee hearing:

The CHAIRMAN. Are there any other United Nations forces still in Korea?

Admiral STUMP. Yes, there are, but just token forces.

The CHAIRMAN. Which countries?

Admiral STUMP. I would like to check that. Thailand, Turkey, and the United Kingdom have small forces. The Philippines has representation in the honor guard.

The CHAIRMAN. Is the United Kingdom the only one?

Admiral STUMP. No, sir. Thailand, Turkey, United Kingdom, and the Philippines. Most of those forces have been reduced to such a small number that they are really just token forces to show their continued unity with the United Nations in the job they are doing.

The CHAIRMAN. Then the United States is the only one that has more than token forces?

Admiral STUMP. Yes, sir; we have two divisions there. Turkey has a brigade.

The CHAIRMAN. I won't ask any more questions now. I will defer them until later.

Mr. President, as I have just stated, in order to take care of these token forces, we are providing $12 million in this bill. Of all the ridiculous things, Mr. President. I do not know how our representatives abroad can think of the many ways they find to spend our money.

Another item included in the military assistance appropriation is the nutritional survey. In 1957, we provided $202,000 for this program; for 1958, $210,000; and in this bill there is $275,000 to perpetuate the program. This is something that should be borne by the people of the countries concerned. Even though this amount is small, why should we be burdened with such an expenditure? It strikes me that our administrators are simply looking for ways and means to spend our money.

Mr. President, I ask unanimous consent to have the justification for this item printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

NUTRITION PROGRAM—MILITARY ASSISTANCE

The ultimate objective of this program is to assist friendly countries in the establishment of permanent nutrition services within their armed forces. This will involve the training of local personnel in modern techniques of study and analysis in the field of nutrition technology and subsequently the transfer to them of basic laboratory equipment and supplies used in the surveys.

Since January 1956, nutrition surveys have been completed in Iran, Pakistan, Korea, Philippines, Turkey, and Libya. As a part of the fiscal year 1958 program, full surveys will be made in Spain and Greece, the first stage survey will be conducted in Ethiopia and followup work will be undertaken in Iran and Libya. These projects, together with other plans not yet finalized, will amount to $208,000.

Continuance of the nutrition program for fiscal year 1959 will cost $275,000 for initial survey in two additional countries and followup work in the Philippines, Pakistan, Libya, Spain, Greece, and Ethiopia. This program represents a comparatively small expenditure in order to help insure through technical advice that the users of MAP equipment, which represents an investment many times as great, will be physically qualified to carry out their assigned missions.

Programs

[In thousands of dollars]

Fiscal year 1957	202
Fiscal year 1958	210
Proposed fiscal year 1959	275

[In thousands of dollars]

Military assistance	Programed	Expenditures	Unliquidated
Cumulative June 30, 1957	252	51	201
Estimate fiscal year 1958	210		
Cumulative June 30, 1958	462	51	411

Mr. ELLENDER. Mr. President, there is also in the military assistance program an amount of $10 million for the overseas internal security program. I cannot understand why we should be strapped with this burden.

Reading from page 94 of the hearings:

Many countries lack knowledge, training, or means to defend themselves successfully against Communist pressure and penetration. This amount supplements with military aid an ICA program to assist them in resisting Communist subversion.

You will note on the chart that we have $49 million for programs under negotiation. These programs will be discussed with you by our regional directors.

The remainder was deleted because the information was more or less secret.

Why in the name of commonsense should we be spending money in order to teach people in France, England, or anywhere else in the world, how to deal with Communists? It strikes me that is the business of the people in the countries concerned. They ought to be the ones to do it. Nevertheless, negotiations are presently underway to use a total of $49 million, and $10 million is being provided on account in this bill.

Mr. President, I do not intend to go into any more detail. I simply wish to reiterate that in the amount of $1,800 million, certain programs are included which could and should be undertaken by the local people.

Mr. President, I yield the floor.

Mr. GREEN. Mr. President, the amendment offered by the senior Senator from Louisiana [Mr. ELLENDER] reduces the authorization for military assistance from $1.8 billion to $1.3 billion. This is an overall reduction in the amount authorized by the amount of $500 million.

On behalf of the Committee on Foreign Relations, I wish to oppose this amendment. I suggest to the Senator from Louisiana that if he wishes to reduce the amount of money for military hardware, this is a subject more properly taken up with the Senate Committee on Appropriations.

The Committee on Foreign Relations has already reduced by $235 million the sums authorized for military assistance and defense support. I do not believe these amounts should be reduced further.

The bulk of the military assistance funds which would be affected by the proposed cut would be in the areas of the Far East, the Middle East, and South Asia. If this additional cut of $500 million were accepted by the Senate, it would be necessary for the President to reduce the military assistance we are now giving to countries bordering on the Soviet Union or Communist China, such as the Republic of Korea, the Republic of China, and Turkey. Surely the condition of the world is not such as to warrant any such massive reduction in military assistance to these key countries.

In 1950 we learned the lesson of unpreparedness. There had been such a substantial reduction in the size of the armed forces of the Free World that Communist-controlled North Korea felt our lack of defenses was such as to invite military attack on South Korea. As a consequence more than 100,000 American casualties resulted from the efforts of the Free World to prevent Communist aggression. I feel sure, Mr. President, that if the United States begins now to reduce substantially the military assistance which it gives to the countries on the borders of the iron and bamboo curtains, there is great danger that our action will be construed as a lack of interest in the preservation of the independence of those countries.

I ask, therefore, Mr. President, that the amendment of the Senator from Louisiana reducing military assistance by $500 million be rejected.

Mr. ELLENDER. Mr. President, I simply wish to point out again that if my pending amendment is adopted, and if the amendment I shall propose in a few moments is adopted, the same amount of money which they received last year will be available for Korea and Formosa.

Mr. GREEN. I am commenting on what the Senator has already proposed and said. I have no idea what he has in mind to propose for the future.

The PRESIDING OFFICER (Mr. PASTORE in the chair). The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GOLDWATER (when his name was called). On this vote I have a pair with the senior Senator from California [Mr. KNOWLAND]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withold my vote.

Mr. McCLELLAN (when his name was called). On this vote I have a pair with the senior Senator from Florida [Mr. HOLLAND]. If he were present and voting, I understand that he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

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On this vote the Senator from Delaware [Mr. FREAR] has a pair with the Senator from Missouri [Mr. SYMINGTON]. If present and voting the Senator from Delaware [Mr. FREAR] would vote "yea" and the Senator from Missouri [Mr. SYMINGTON] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. MARTIN], and the Senator from Michigan [Mr. POTTER] are detained on official business.

If present and voting, the Senator from Wyoming [Mr. BARRETT], the Senator from Iowa [Mr. MARTIN], the Senator from New York [Mr. IVES], the Senator from Michigan [Mr. POTTER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The Senator from California [Mr. KNOWLAND] is detained on official business and his pair has been previously announced by the Senator from Arizona [Mr. GOLDWATER].

The result was announced—yeas 24, nays 46, as follows:

YEAS—24

Anderson	Ellender	Morse
Bible	Ervin	Proxmire
Butler	Fulbright	Russell
Case, S. Dak.	Hruska	Stennis
Chavez	Jenner	Talmadge
Curtis	Jordan	Thurmond
Dworshak	Langer	Williams
Eastland	Malone	Young

NAYS—46

Aiken	Green	Monroney
Allott	Hayden	Morton
Beall	Hennings	Mundt
Bennett	Hickenlooper	Neuberger
Bridges	Hill	Pastore
Bush	Hoblitzell	Payne
Capehart	Humphrey	Purtell
Carlson	Jackson	Smathers
Carroll	Javits	Smith, Maine
Case, N. J.	Johnson, Tex.	Smith, N. J.
Church	Kefauver	Sparkman
Clark	Kennedy	Thye
Cooper	Kuchel	Watkins
Dirksen	Lausche	Wiley
Douglas	Magnuson	
Gore	McNamara	

NOT VOTING—26

Barrett	Johnston, S. C.	O'Mahoney
Bricker	Kerr	Potter
Byrd	Knowland	Revercomb
Cotton	Long	Robertson
Flanders	Mansfield	Saltonstall
Frear	Martin, Iowa	Schoeppel
Goldwater	Martin, Pa.	Symington
Holland	McClellan	Yarborough
Ives	Murray	

So Mr. ELLENDER's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The question is on agreeing to the motion of the Senator from Alabama.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 34, lines 15 and 16, it is proposed to strike out "$1,800,000,000," and insert in lieu thereof "$1,600,000,000."

Mr. ELLENDER. Mr. President, I am not going to detain the Senate very long in discussing this amendment except to say that it would cut military aid by $200 million. I sought to reduce this authorization by $500 million a moment ago.

The transferability clause appearing on page 63—section 13 of the bill—will remain in the bill, unchanged.

Therefore the maximum authorization provided for military aid would be the same as that of last year.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SPARKMAN. Could the Senator tell us briefly what effect his amendment would have on the overall amount? May I put it this way? As I understand, the only effect of the Senator's amendment would be to limit the military expenditures to $1,600 million. Is that correct?

Mr. ELLENDER. That is exactly correct. That is the same amount that was authorized last year.

Mr. SPARKMAN. What effect would it have on the overall amount?

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. SPARKMAN. What effect would it have as compared with the bill reported by the committee?

Mr. ELLENDER. It would reduce the maximum amount authorized for military assistance by $200 million. The transferability would remain at $235 million, as would the combined $2.4 billion ceiling for military aid and defense support.

Mr. SPARKMAN. Does it affect economic aid in any way?

Mr. ELLENDER. It does not affect defense support.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order so that the colloquy between the Senator from Alabama and the Senator from Louisiana may be heard. The Senate will be in order. No further proceedings will occur until the Senate is in order, so that the colloquy may be heard. Attachés of the Senate will please refrain from conversation; and in failure to do so, they will please leave the Chamber.

Mr. ELLENDER. As I have indicated, the amendment now pending is in language similar to that which the Senate rejected, except that the pending amendment would reduce the maximum military aid authorization from $1,800 million to $1,600 million. The effect of the amendment would be to place a ceiling of $1,600 million on military assistance.

In addition, it would leave section 13 unchanged. My previous amendment would have deleted that section.

Mr. SPARKMAN. What it does is it places a ceiling on military expenditures at the same level as last year. Is that correct?

Mr. ELLENDER. That is correct.

Mr. HUMPHREY. I believe the Senator's amendment is a sound amendment, and is one that some of us wished to support in the committee.

Mr. ELLENDER. I thank the Senator.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. GOLDWATER (when his name was called). On this vote I have a pair with the senior Senator from California [Mr. KNOWLAND]. If he were present and voting, he would vote "nay"; if I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. MCCLELLAN (when his name was called). On this vote I have a pair with the senior Senator from Florida [Mr. HOLLAND]. If he were present, I understand he would vote "nay"; if I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Delaware [Mr. FREAR], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL], are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], the Senator from Iowa [Mr. MARTIN], and the Senator from Michigan

[Mr. POTTER] are detained on official business.

If present and voting, the Senator from Iowa [Mr. MARTIN], the Senator from New York [Mr. IVES], the Senator from Michigan [Mr. POTTER], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

The Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Wyoming [Mr. BARRETT]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Wyoming would vote "nay."

The Senator from California [Mr. KNOWLAND] is detained on official business, and his pair has been previously announced by the Senator from Arizona [Mr. GOLDWATER].

The result was announced—yeas 43, nays 28, as follows:

YEAS—43

Anderson	Hennings	Mundt
Bible	Hill	Pastore
Butler	Hruska	Proxmire
Carroll	Humphrey	Russell
Case, S. Dak.	Jackson	Smathers
Chavez	Jenner	Sparkman
Church	Johnson, Tex.	Stennis
Curtis	Jordan	Symington
Douglas	Kefauver	Talmadge
Dworshak	Kennedy	Thurmond
Eastland	Langer	Watkins
Ellender	Magnuson	Williams
Ervin	Malone	Young
Fulbright	Monroney	
Gore	Morse	

NAYS—28

Aiken	Cooper	Morton
Allott	Dirksen	Neuberger
Beall	Green	Payne
Bennett	Hayden	Purtell
Bridges	Hickenlooper	Smith, Maine
Bush	Hoblitzell	Smith, N. J.
Capehart	Javits	Thye
Carlson	Kuchel	Wiley
Case, N. J.	Lausche	
Clark	McNamara	

NOT VOTING—25

Barrett	Johnston, S. C.	O'Mahoney
Bricker	Kerr	Potter
Byrd	Knowland	Revercomb
Cotton	Long	Robertson
Flanders	Mansfield	Saltonstall
Frear	Martin, Iowa	Schoeppel
Goldwater	Martin, Pa.	Yarborough
Holland	McClellan	
Ives	Murray	

So Mr. ELLENDER's amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Minnesota to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I had intended to submit an amendment which would reduce the amount for defense support; but in view of the fact that the Senate has agreed to the last amendment, and since I know that an amendment to reduce defense support would fail, I shall not present my defense support amendment.

I now call up my amendment designated 6-4-58-E and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 44, beginning with line 15, it is proposed to strike out down through line 15 on page 45.

Renumber subsections of section 8 accordingly.

Mr. ELLENDER. Mr. President, the effect of this amendment is to strike from the bill the $200 million contingency fund. My reason for doing so is very simple.

Last year, a special Presidential fund was provided, aggregating $225 million. It included functions for which two funds are sought this year—that is, the $212 million special assistance fund and the $200 million contingency fund, which my amendment would strike.

Under the bill, as I understand it—and if any Senator differs with me, I wish he would say so—the President has the authority to transfer, and for any purpose he might desire—$1,283 million. That figure is derived in this way:

Money now in the pipeline and not obligated, but reserved for spending.

In regard to that amount of money, the President has authority, under section 501 of the act, to transfer as much as 10 percent for any purpose he may desire. Since $3,742 million has not actually been obligated, the President would have authority under section 501 to transfer $374 million.

Applying the 10 percent transfer authority to the amount authorized in the present bill, less the development loan fund authority, less the special fund and contingency fund—both of which are 100 percent transferable—the total amount which could be transferred totals $262 million.

Also, under section 13, there is authority to transfer from military aid to defense support, or vice versa, $235 million.

There is also the contingency fund, which I am seeking to strike out, of $200 million, which the President can spend 100 percent as he sees fit.

Of course, the special assistance fund of $212 million falls in the same category.

If we add these figures together, it is obvious that the President has authority to transfer as much as $1,283 million from one item to another—the only limitation is that the amount transferred must not exceed 20 percent of the item to which it is transferred.

I believe the contingency fund should be stricken out, because the President already has ample authority to transfer funds from one category to another.

So I hope the Senate will agree to the amendment.

The PRESIDING OFFICER (Mr. CHURCH in the chair). The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. DIRKSEN. Mr. President, I thought perhaps a member of the Foreign Relations Committee would oppose the amendment. But certainly I wish to oppose it.

Mr. FULBRIGHT. Mr. President, if the Senator from Illinois will yield, let me say that I, too, shall oppose the amendment.

Mr. DIRKSEN. I am glad to hear the Senator say so.

Mr. FULBRIGHT. So I do not think the Senator from Illinois should jump to the conclusion that no member of the committee will oppose the amendment.

Mr. DIRKSEN. I am sorry I was in error. But the Chair had put the question, and I did not see any member of the committee on his feet.

Mr. FULBRIGHT. If the Senator from Illinois wishes me to do so now, I shall be glad to state that I opposed the amendment in the committee, and I shall oppose it here. I voted for the cut in military aid that I have voted for heretofore.

Mr. DIRKSEN. Mr. President, I shall most willingly defer in favor of the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I think other members of the committee will take the same position that I do in regard to the amendment.

I did not mean to take the Senator from Illinois off his feet; I merely wished to point out that he was jumping to an erroneous conclusion.

Mr. DIRKSEN. I realize that that is so, Mr. President.

Let me say that in view of the situation existing today in Lebanon, in Africa, and elsewhere, I believe it would be folly to tie the hands of the President, who is the Commander in Chief of our Armed Forces, in such a way as to prevent him from taking action in situations which relate to or involve or affect our national security.

So I earnestly hope the amendment will be overwhelmingly defeated.

Mr. CAPEHART. Mr. President, let me call attention to the fact that, as a result of the vote on the last amendment, whereby a reduction was made, supposedly, in the amount of $200 million, the Senate actually did no such thing, insofar as the overall authorizations provided by the bill are concerned, for the ceiling remains at $2,400 million. What the Senate did, by means of the vote taken a moment ago, was to delete the $200 million from the $1,600 million. But the committee deleted $235 million from the total of $2,635 million, and thus set the ceiling at $2,400 million. And even after the last vote, the ceiling is still $2,400 million.

Mr. ELLENDER. The maximum military assistance ceiling has been cut by $200 million. That is what I was trying to achieve.

Mr. CAPEHART. But my point is that the sum total is exactly what it was before. So let us not fool anyone into believing that, by means of the last vote, the overall amount has been reduced, because it has not been reduced.

Mr. AIKEN. Would not this amendment, if agreed to, strike out the $200 million of so-called emergency funds the President has?

Mr. CAPEHART. I was speaking of the previous amendment.

In the case of the pending amendment, if the amendment is agreed to it will eliminate the $200 million in the so-called emergency fund we have provided for the President. But if there is anything that is worth while, in view of the present world conditions, it is the $200 million emergency fund we have provided for the President. If cuts are

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to be made, let them be made elsewhere. I believe we have seen enough during the last few years to know that this fund is not a proper place in which to make a reduction.

Furthermore, as I have stated, following the last vote, we still have exactly the same total amount as we had before. We have made a shift from the military, rather than to make a change in the total amount, whereas the committee took the $235 million from the total.

So, Mr. President, in view of present world conditions, if we really wish to fight communism and fight Russia, we should retain the $200 million. If cuts are to be made, let them be made in the amounts for military aid or economic aid, but not in the President's emergency fund, because the money in that fund is needed.

Mr. AIKEN. Mr. President, I deplore as much as does anyone else the sudden shift in the position of the administration in regard to the Kennedy amendment; and I realize the great temptation—which has affected me somewhat today—to vote to make a reduction in, or eliminate entirely, the President's $200 million emergency fund.

It is true that if the President does not have an opportunity to spend any of the money in the satellite countries, he possibly may not need as much of the money as he otherwise would. Nevertheless, we cannot know when or where it may be necessary for him to spend some of this money very quickly.

Inasmuch as the security of the country is involved it is possible that we would regret any hasty action in this connection.

Therefore, despite my regret—as stated yesterday—about the reported change of position by the administration, I shall vote to give the President the emergency money which I think he ought to have in the interest of the country.

Therefore, I shall vote against the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

Mr. FULBRIGHT. Mr. President, as I said a moment ago, I believe this particular item is one of the most important in the bill, and I believe that certainly the President should be allowed flexibility in the use of these funds.

I believe that other items, such as the one for military aid, could stand a cut; and I voted to make such a cut. But I do not think this item can stand a cut.

Therefore, I hope the amendment will be rejected by the Senate.

Mr. SMITH of New Jersey. Mr. President, I agree 100 percent with what the Senator from Arkansas has stated.

In the committee we have studied this matter very fully.

Last year, when the Congress substantially cut special assistance, part of which was to be for contingencies, the President found himself, in March, with only $5 million left, in special assistance funds, before some of the crises in the Middle East occurred.

So it would be foolish for us to make a cut in this $200 million fund. If I were to take the time, I could relate many details in this connection. However, I shall not take time to do so.

Certainly, the President must have this fund, in order to take care of emergency situations as they arise; and the $200 million is the minimum amount needed for this purpose.

Mr. ELLENDER. Mr. President, let me point out that I am not referring to the amount which was provided last year. Instead, my amendment relates only to the additional amount proposed this year.

Mr. SMITH of New Jersey. But the amount last year was insufficient and has been used before the end of this fiscal year; thus, the additional amount now proposed for the coming fiscal year is required.

Mr. ELLENDER. Last year it was called a special assistance fund, and $225 million was provided for the same purposes for which this year it is proposed that we create two funds, with a total authority of $412 million.

As I pointed out, in addition to the provision for $212 million of special assistance funds which would still remain in the bill even if my amendment should be adopted, the President has the right of transferability over $374 million of unobligated balances which are in the pipeline. He can do what he wants to with that amount. Under section 501 of the Mutual Security Act of 1954, as amended, he would have transferability over $235 million, based on the amount to which that section is applicable in this bill. He can transfer those funds from one category to another, as he may see fit. He can do as he wishes with those funds.

Mr. SMITH of New Jersey. I regret very much that the distinguished Senator was not with us at the hearing when it was demonstrated that is not the fact. The President does not have that leeway.

Mr. ELLENDER. Does the Senator mean to say the President does not have the 10-percent transferability over this bill?

Mr. SMITH of New Jersey. Certainly he has, but there are situations existing all over the world today, and which experience tells us will exist, which will require more than can be transferred by law from other programs without harming those programs.

Mr. ELLENDER. Hostilities could break out again. I would not be surprised if they should, the way things are going in north Africa, Lebanon, and other areas. I presume that is the reason why the provision was put in the bill. But I point out to the Senator we are retaining in the bill the same special assistance fund with about the same amount as provided last year, a fund that can be used by the President as he desires. That provision would stay in the bill even if my amendment were adopted. In addition, the President has transferability in excess of $1 billion, as I pointed out earlier.

Mr. GREEN. Mr. President, I think all the differences of opinion which have been expressed about the proposed change show how dangerous it is to try to legislate on matters of this kind on the floor of the Senate. The Foreign Relations Committee is one of the best committees of the Senate. It has spent a great deal of time in adjusting these figures in committee. A great many proposals back and forth were made. The effect of all the different phraseology was discussed. The conclusions arrived at by the committee are now before the Senate. To begin now to "monkey" with the figures and transfer money from one fund to another would be unwise.

There are differences of opinion as to what the proposal does. Some Senators say it would take $200 million from one place and put it in another place. Some Senators say we have made a great change. Others say no change at all has been made. Others say we have changed it in some other place. No one knows what the amendment does. Each one thinks he knows, but there is no agreement. I think the safest thing to do is for the Senate to adopt the results of the careful consideration of the committee whose duty it was to make these recommendations.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

Mr. ELLENDER. Mr. President, I call up my amendment identified as 6–4–58–F.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana will be stated.

The CHIEF CLERK. It is proposed, on page 35, beginning with line 3, to strike out all of section 5, down through line 12.

It is proposed to renumber the succeeding sections accordingly.

Mr. ELLENDER. Mr. President, over the years there have been accumulating in many countries huge sums in so-called special counterpart fund accounts. In that category there is a total of $710,956,774 in such countries as Bolivia, Burma, Cambodia, China, Germany, Greece, Haiti, and so forth.

These counterpart funds have been accumulating over the years, and can be spent only by agreement between the country in which such funds are located, and our country.

The Foreign Relations Committee, which studies matters so carefully, as my good friend the Senator from Rhode Island [Mr. GREEN] has just stated, has put a provision in this bill that would permit the Austrian Government to use part of the funds in the counterpart account then vest them in an institution in Austria to pay damages sustained by certain Austrians at the hands of the Nazis during World War II.

The provision in this bill is the foot in the door, so to speak. There will no doubt soon be a cry to permit other countries in which counterpart funds are located to utilize such funds for purposes other than those now authorized by law.

I have gone to Austria in 3 of the past 5 years.

The first year I went there—it was 1953 as I recall—the counterpart account had some 5 billion schillings in it, about $200 million in terms of our money to spend. Our planners were having a hard time trying to spend that money.

Today there is a balance of $42 million in counterpart in the fund and ways and means are being sought to spend that money. The latest seems to be a scheme to pay reparations, or damages, to Austrians who do not live there now but who were in some way injured or oppressed during World War II.

This is a purpose for which counterpart has never before been used. It is, as I said, the foot in the door. If we authorize this for Austria, Mr. President, other countries will ask for similar treatment.

France today has a balance of $402 million in such funds.

Korea has $188 million worth of counterpart funds.

All over the world, we have a total of over $700 million in special counterpart accounts. If the committee language is permitted to stand, we shall, in effect, be turning over to a band of bureaucrats in the State Department, absolute authority to use that $700 million as they may decide, subject to no Congressional control, to be used for unknown and unspecified purposes.

Mr. President, because of the secrecy surrounding the military assistance we are giving to Austria I am not able to go into detail, but in the bill there is a huge sum for military assistance to Austria. Instead of permitting Austria to use this money to pay for damages done to some of her people during World War II we should, I believe, insist that the money be used to help in the military establishment, thus reducing the burden on our own taxpayers.

Mr. President, I hope this amendment will be adopted. Let us not set a precedent whereby counterpart funds in all countries where special counterpart accounts are found can be used for purposes other than those originally intended.

Mr. GREEN. Mr. President, I am very sorry to have to differ again with my good friend, the Senator from Louisiana, but I think the criticism of the provision in the bill is unfounded. The amendment would strike from the bill a section which is designed to make it possible to use 100 million counterpart Austrian schillings, which is about $4 million, to compensate certain former Austrian nationals who have legally verified claims against the Austrian Government for persecutions under the last regime, which was the Nazi regime.

This provision of the bill was presented to the committee by the distinguished junior Senator from New York [Mr. JAVITS], and was agreed to by the committee. It is fully explained on page 11 of the committee report.

I shall emphasize two points now, to make my statement brief.

First, the counterpart funds involved are not owned by the United States. The use of the funds, therefore, does not cost the United States anything. Legislative authority to use the funds in the manner proposed is necessary because the United States, though it does not own the funds, does have a veto with respect to their use.

Second, the counterpart funds will be loaned to the Austrian Government to satisfy the claims, and will be repaid into the counterpart account. Thus, there would be no net loss of counterpart funds.

That is a summary of what the provision in the bill, as recommended by the committee, would do.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GREEN. I yield.

Mr. ELLENDER. Is this language not broad enough to permit any other country to use counterpart funds for new purposes, the same as is sought to be done for Austria?

Mr. GREEN. Similarly.

Mr. ELLENDER. Exactly. In other words, the language in the bill is not limited to Austria. The bill would make it possible for any country which has counterpart funds to utilize them for purposes other than those now provided in the law.

The report states:

> Section 142 (b) of the act, which deals with the generation of foreign currency counterpart funds, provides that a portion of these funds, generally up to 10 percent, shall be made available to the United States for its uses and that the remainder will be used for programs agreed on by the United States and the country concerned to carry out the purposes for which new funds authorized by the act would themselves be available.

Mr. GREEN. I think there is another provision in the bill which has been overlooked by my distinguished friend, the Senator from Louisiana, which reads as follows:

> *Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States.

Mr. ELLENDER. That is the language which was added by the committee—the language which would make it possible for the money to be spent for purposes other than those the law now provides.

Mr. JAVITS and Mr. CASE of South Dakota addressed the Chair.

Mr. GREEN. It is obvious the language is to be considered in connection with the other language.

Mr. ELLENDER. Of course. The language modifies the present law.

Mr. GREEN. This is another case of an attempt to rewrite the committee report and recommendation.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. GREEN. I think my answer has been quite sufficient to prove to my colleagues on the floor that there is no harm in the provision as recommended by the committee, and I trust that the recommendation of the committee will be adopted by our colleagues on the Senate floor.

Mr. ELLENDER. Am I to understand the Senator to say that the Committee on Foreign Relations is in such a position that the Senate cannot amend anything it does? Is that the position taken by the Senator?

Mr. GREEN. Not at all. It should be perfectly clear that when there is some mistake made by the committee it can be corrected. No mistake has been shown to have been made by the committee. The conclusion must logically follow, unless some mistake is shown.

Mr. ELLENDER. Mr. President, the mistake I have tried to show here is that the committee is attempting to amend the present law so that counterpart funds in the special accounts can be used for purposes other than those now provided by law. Austria is going to be in need of economic aid, probably, in the next 2 years. What is going to happen? The Austrians may come to us, and the Committee on Foreign Relations may find it necessary to recommend the appropriation of more dollars so as to generate counterpart funds. Why not, then, let these funds remain available for such purposes instead of whittling away at them?

Mr. President, as I pointed out a while ago, I have visited Austria on 3 or 4 occasions. I commented to the Appropriations Committee in a report I filed several years ago that I thought it was shameful for the administration to permit the accumulation of so many schillings from counterpart funds. Austria could not spend them. It took 4 or 5 years to dispose of some of that surplus, and there are still $42 million in counterpart funds which could be used, if desired, to help on military plans.

I repeat that the bill authorizes for Austria a huge sum—I am not permitted, because of secrecy, to tell the amount—for military aid, to assist Austria in its military effort. I say that some of these counterpart funds could be used for that purpose.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I have been referred to as the Member who testified on this item before the Committee on Foreign Relations; so, if I may, I should like to give the Senate the basic facts which are involved, to show how this matter came to my attention and what it means. I shall try to do so very briefly.

In Austria a law was passed a few years ago——

Mr. BUSH. Mr. President, will the Senator speak a little louder, please?

The PRESIDING OFFICER. The Senate will be in order so that the Senator from New York may be plainly heard.

Mr. JAVITS. Mr. President, a few years ago in Austria there was passed a law to establish a fund called the Hilfsfand, for the purpose of looking after the interests of superannuated people, those over 60 years of age, who had suffered at the hands of the Nazis in Austria.

These are people who have since left the country and have not returned. I do not believe that any Senator would need to look into his own mind too deeply to determine why they have not returned.

Their claims are somewhere between $1,000 and $2,000 each. There are 30,000 of them. The right to receive any compensation is based upon need. Every

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standard in that respect has been fully met.

The Austrian Government allocated 555 million Austrian schillings, roughly, the equivalent of about $20 million, for the purpose of making these payments, and it provided that the payments should be made over a period of 10 years, roughly, at the rate of 55 million schillings a year.

It appeared that those in the most urgent need and facing a really dire situation represented a required expenditure at this time, if they are to be rendered any assistance—because they are very old—of 200 million schillings. The Austrian Government provided for payment of 10 percent every year. It would borrow from the counterpart funds another 100 million schillings in order to meet the urgent need of the old people, which amount, to be borrowed from the counterpart funds, it would subsequently repay.

First, this is strictly a loan transaction.

Second, it is for a highly humanitarian purpose.

Third, no commitment of any kind or character is involved. The State Department suggested this language. I originally went before the committee with a request for a special provision for this specific purpose. The State Department suggested this general language for one purpose, in order to give itself the authority to negotiate the transaction or not, as it thought wise under all the circumstances.

Mr. BRIDGES. Mr. President, will the Senator from New York yield for a question?

Mr. JAVITS. I yield.

Mr. BRIDGES. Who determines the basis for the payment? Is it our State Department?

Mr. JAVITS. The individual claims are determined under Austrian law by a board designated under the law. But if our State Department has the necessary authority, before it permits any counterpart funds to be applied it will pass upon the fairness of the procedures by which the claims are adjudicated. There are some 30,000 claims. Considering the number of claims and the amount involved, a ceiling is placed on the entire operation of between $1,000 and $2,000 per person.

Mr. BRIDGES. Do these claims involve property damages, or personal injuries?

Mr. JAVITS. The claims involve personal injuries. The requirement of the Austrian law is that the money shall go only to people over 60, who have suffered as a result of permanent injuries received in concentration camps.

I do not think there is much question about the humanitarian aspect involved. The 100 million schillings coming out of counterpart funds is a loan, which will be made on account of a commitment to repay by the Austrian Government.

As the provision is drafted, it contains one further safeguard. It permits this transaction to take place only after agreement between the United States and the Austrian Government—I emphasize that—and only out of what are really surplus counterpart funds. In other words, after the counterpart funds have been utilized and apportioned for every other purpose, including the military purposes, if any there be, for which counterpart funds are needed, they may be devoted to the purpose to which my friend and colleague from Louisiana has alluded. In short, this is strictly a transaction involving surplus Austrian schillings piled up and doing nothing—funds which could be made available to the Austrian Government itself by a loan transaction. This is not money which the United States could use. It is not money for which the United States bargains, or which it could use for any beneficial interest for its own purposes. These are funds over and above everything which I have mentioned.

This is a case in which, by a loan transaction in the particular situation which I have described, some people who are among the most deserving on earth, who can find no other help, will be helped now, when the help will do them some good, instead of later, when they are dead.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CASE of South Dakota. If I may have the attention of the Senator from Louisiana, I should like to ask a few questions about the table which he handed me a few minutes ago. It is labeled "International Cooperation Administration Balance of Special Counterpart Accounts as of December 31, 1957." Apparently the table was prepared by the Office of the Comptroller General.

Mr. ELLENDER. That is correct.

Mr. CASE of South Dakota. Is this list of funds the total amount of funds which have not been utilized for authorized purposes?

Mr. ELLENDER. That is my information.

Mr. CASE of South Dakota. This list shows that there is involved not $4 million, but $710 million.

Mr. ELLENDER. That is what I thought I stated to the Senator. The figure in the last column——

Mr. CASE of South Dakota. This is a proposal to give to some clerks in the State Department the authority to appropriate money and to determine the purposes for which $710 million worth of counterpart funds shall be used. There ought not to be any mistake about the broad scope of this language. The report of the committee itself says:

> Although of general application, this amendment is designed in particular to make it possible for the Austrian Government to lend 100 million counterpart Austrian schillings (approximately $4 million) to the Austrian Hilsfand for use in compensating former Austrian nationals who were persecuted under the Nazi regime and are now residing outside Austria.
>
> It is intended to take care of a $4 million situation, but according to the committee report, the provision is of general application. "General application" means that some $710 million worth of counterpart funds will be available for expenditure for some purpose which some clerk in the State Department may determine to be desirable or consistent with the foreign policy of the United States.

This provision will not be permitted to remain in the bill even if I am required to expend some time to advise the Senate what it is all about.

The junior Senator from South Dakota was a member of the Appropriations Committee of the House of Representatives at the time the first appropriation was made for the foreign aid program. In the deliberations of the deficiency subcommittee in the House which handled this subject, I proposed that we should require that a portion of the counterpart funds should be made available for expenditure by the United States, on the theory that when we had domestic aid programs, when we had the WPA and the PWA, we always required that the recipient community, town, or public agency put up a sponsor's contribution.

So I suggested at that time that we require that 10 percent of the counterpart funds be made available for expenditure for the purposes of the United States. There was some objection to it at the time. I think I first suggested 20 percent. When the bill was reported to the House, the figure was 10 percent. The result of the conference was a figure of 5 percent. I recall that in those days we were jealous as to the purposes for which counterpart funds were to be used. We regarded them as an asset of the United States, purchased by tax dollars spent for assistance given to other countries.

Have we become so callous and so indifferent to the use of assets of the United States that we are now going to say that $710 million worth of counterpart funds may be used by the recipient nations for other purposes, agreed to by the United States, which are consistent with the foreign policy of the United States, without spelling out the standards or providing some guide lines to indicate the purpose for which those funds are to be used? I wonder if Members of the Senate really realize just what is involved.

It is not merely $400 million. In Austria they have a billion units of shillings, worth $41 million. I will leave off the odd dollars. In Belgium and Luxembourg, $405,000 worth of francs. In France, $402,000 worth of francs. In Ireland, $10,082,000 worth of pounds. In Italy, $82,295,000 worth of lira. In the Netherlands, $2,350,000 worth of guilders. In Norway, $97,000 worth. In Portugal, $665,000 worth. In the United Kingdom, $552,000 worth. Those are countries not currently receiving economic assistance. The total is $138 million worth of counterpart funds, which under the language in the bill would be available for purposes other than those spelled out in mutual-aid legislation to this date. The money will be available for other purposes—agreed to by the United States, to be sure—consistent with the foreign policy of the United States.

If Members of the Senate have any imagination at all, they will realize that the other purposes agreed to by the

United States will be some purposes that some clerk in the State Department or in the mutual-security office suggests or finds are consistent with the general foreign policy of the United States.

The $138 million is not the total story. There is $572 worth of counterpart funds in other countries. Let me review that list.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CASE of South Dakota. Here are some of the other countries in which the idea of someone in the State Department or someone in the MSA will determine the expenditure of funds created by taxpayer dollars. In Greece——

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. ERVIN. I should like to ask the Senator if I am correct in my understanding that these counterpart funds originate from shipments of surplus farm crops which the Government of the United States originally purchased.

Mr. CASE of South Dakota. In some instances, but not wholly. These counterpart funds would not be limited to funds obtained by the sale of surplus agricultural commodities. These counterpart funds would be funds obtained by giving economic assistance or military assistance to some country which put up counterpart funds in its own currency.

Mr. ERVIN. In other words, they are, in effect, a gift obtained from the American people, from the United States, given to those nations, primarily for the purpose of enabling them to develop economic improvements. Is that correct?

Mr. CASE of South Dakota. This would be the second gift. In the first place, we made available assistance in terms of dollars or materials. Then again, under this language, we would be able to give them back to the countries for whatever purpose might be agreed upon by the representative of the United States if found consistent with our general foreign policy.

Mr. ERVIN. Am I to understand that the excuse which was made for the inclusion of the language in the bill, which would permit what is really a diversion of counterpart funds from the original purposes, is that it would be desirable to authorize the State Department to enter into agreements with Austria whereby the present Austrian Government would pay claims against the defunct Nazi Austrian government filed by persons who had been placed in concentration camps in Austria while it was under Nazi rule?

Mr. CASE of South Dakota. Apparently that would be possible.

Mr. ERVIN. In other words, in the long run it would mean that we would ask to release these counterpart funds from their original purpose upon the pretext that the money would be used to pay claims, aggregating $4 million, to victims of the previous Nazi Government of Austria; in other words, that the sins of the Nazis would now be saddled upon the American taxpayers indirectly?

Mr. CASE of South Dakota. Yes. The case for that is made upon the $4 million item. However, I ask Senators to listen to some of the other places where this money might be used. Through the years we have developed specific uses for counterpart funds. They have been used for building and the maintenance of embassies, the purchase of strategic materials, and so forth; but if the funds have not been spent for that purpose, under the language of the bill they could be used for other purposes. Let me read the proviso in the bill:

Provided, That if amounts in such remainder exceed the requirements of such programs—

That is, if the amount exceeds the requirements of authorized programs such as the use of the counterpart funds for the payment of State Department expenses, in connection with embassies, for example, or for the procurement of raw materials—

the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States.

What purposes? Purposes agreed to by the United States. Which means that some representative or clerk could make the determination. Purposes which are "consistent with the foreign policy of the United States."

Let me read some of these figures. Yugoslavia, $13,680,000 worth of dinars, to be used for such purposes as some clerk in MSA or the State Department might determine was consistent with the foreign policy of the United States. In Vietnam, $38 million worth. In Turkey, $21 million worth. In Thailand, $19 million worth. In Spain, $25 million worth.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. In the Philippines, $4 million worth. In Pakistan, $64 million worth. In Laos, $611,000 worth. In Korea, $108,770,000 worth. In Jordan, $1,849 worth. In Iran, $5,200,000 worth. In Indonesia, $13,347,000 worth. In Iceland, $11,811,000 worth. In Haiti, $250,000 worth. In Greece, $122,678,000 worth.

What reason is there for giving some employee of the MSA or the State Department the right to determine the purposes for which $122 million worth of Greek money shall be spent if it is found to be consistent with the foreign policy of the United States, and taking the determination away from Congress and its Appropriations Committees?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. ANDERSON. Does the Senator know of any similar situation where the employees of this agency have the right to spend $100 million without reference to Congress?

Mr. CASE of South Dakota. No.

Mr. ANDERSON. Does the Senator know of any other group that can spend over $100 million under such general language as is contained in the bill, without reference to Congress?

Mr. CASE of South Dakota. No. When we have had emergency funds to expend, we have at least put them in the hands of the President, and we have asked that the President make the determination or finding.

Mr. ANDERSON. This money is not being placed in the hands of the President?

Mr. CASE of South Dakota. No. It is to be spent for purposes agreed to by the United States, consistent with the foreign policy of the United States.

Mr. ANDERSON. Would it have to be referred to Congress?

Mr. CASE of South Dakota. Nothing in the provision says that.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I shall yield as soon as I have read the remaining figures.

Mr. JAVITS. Will the Senator yield to me, inasmuch as the whole picture has been distorted? Why does not the Senator yield to me?

Mr. CASE of South Dakota. I shall be glad to yield after I have read four more lines.

In Germany, $18 million worth. In China, $21 million worth. In Cambodia, $2,488,000 worth.

Now I yield to the Senator from New York.

Mr. JAVITS. Mr. President, will the Senator please tell us—I know he is astute in international matters—what difference he believes exactly and precisely will be created by the amendment over the existing situation in the law today as to the counterpart funds, as he understands it?

Mr. CASE of South Dakota. My understanding is that today the purposes for which counterpart funds may be used in some instances are spelled out. They are for authorized purposes. In this instance it would be for other purposes. They could be used with the sky as the limit, provided the use was consistent with the foreign policy of the United States.

Mr. JAVITS. May I go over that point with the Senator? First, I believe we agree that counterpart funds are not our money; such funds are money which can be spent for certain purposes only with the consent of the benefited country. Is that not correct?

Mr. CASE of South Dakota. Not wholly. The 5 percent of the counterpart funds which were made available for expenditures by the United States can be expended by us without consultation.

I think there has been some amendment to the law since the original provision was enacted. I have not served on the Committee on Foreign Relations or on the Committee on Appropriations for some time. I have not tried to keep informed about all the amendments throughout the years with respect to this matter.

Mr. JAVITS. The amendment does not affect the 5 percent or the 10 percent, does it? It very clearly says after all other purposes for which counterpart funds can be used have been served. So it does not affect the 5 percent or the 10 percent.

Mr. CASE of South Dakota. That is correct.

Mr. JAVITS. Moreover, the amendment does not affect the use of counterpart funds for any other purposes for which the funds can be used under the bill, whether for technical assistance, economic aid, or military assistance. It says so in express terms. So it does not affect whatever may be required or agreed upon to deal with other provisions of the bill. Are we agreed upon that?

Mr. CASE of South Dakota. We are agreed on that.

Mr. JAVITS. So the only thing the amendment affects is some indeterminate sum over and above all other requirements which do not belong to us anyway.

Mr. CASE of South Dakota. I do not agree to that.

Mr. JAVITS. Will the Senator say why?

Mr. CASE of South Dakota. Because in the basic provision with respect to the counterpart funds there was a clause, if my memory is correct, to the effect that Congress was to agree upon the purposes for which the funds might be spent. Here, in one blank check, we are turning over to an employee somewhere in the Government the determination of what those other purposes may be. There is no definition or delineation.

If there is $710 million worth of counterpart funds which cannot be expended for the purposes which have been agreed upon, then I say that Congress should take those funds into consideration, and have hearings held, and determine appropriate purposes for the expenditure of those funds. The determination of the purposes should not be left to some employee in the executive branch of the Government, about whom we do not know anything or at what level the determination may be made.

Mr. JAVITS. The Senator from South Dakota has been referring to a figure of $700 million. The $710 million is the whole counterpart package, and it is necessary to deduct from that at 10 percent, plus the funds for counterpart use and other purposes under the act. So the amount is not $710 million, is it? It must be some very much smaller sum.

Mr. CASE of South Dakota. I sought to identify the sheet and the character of it by the Senator from Louisiana when he handed it to me. This is the balance as of December 31, 1957. At least, that is what it says. It says how much of the $710 million may be in the 10-percent fund or how much may be expended for some purposes within the authorized purposes. In any event, it was the balance as of December 31, 1957, in the special counterpart account.

Mr. JAVITS. Will the Senator then say that we have $8 billion, as I understand it, in the pipeline for mutual security, and we are appropriating another $3 billion now, or we will under this particular authorization? That is around $11 billion. That is not counterpart money; that is hard American money.

Does the Senator from South Dakota say that when we used the words "the United States" in this particular revision, the expenditures will be made irresponsibly by some eighth-grade clerk; but that the $11 billion can be safely entrusted to the President himself, or to some very high official of the Government with the President's approval? Is that the Senator's argument?

Mr. CASE of South Dakota. No. My argument is that the Senator has made the case a little worse. The Senator has pointed out that there will be $11 billion more to generate counterpart funds. If there is already this much of a balance left, and we are going to generate additional counterpart funds, then I say that if there is already a surplus of counterpart funds, there will be a greater surplus when the new authorization has been expended. That is all the more reason why Congress should address itself to this balance and determine the purposes for which it shall be used.

Mr. JAVITS. The Senator made a statement about the sum of $11 billion. It is a fact that military aid money does not generate any counterpart funds, and that today very little of what is expended under the whole foreign aid program generates counterpart funds. This is all a heritage of other days, when counterpart was generated in very large part.

Mr. CASE of South Dakota. If the Senator from New York wants to break down the $11 billion, to determine how much it will generate in counterpart funds, let us take that figure. But the Senator from New York pointed out that there is $11 billion more in the pipeline or about to be authorized, and out of that grant there will be $11 billion of counterpart funds generated. Out of that, there will be some surplus.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. YOUNG. Under the average arrangement made with foreign countries with respect to Public Law 480, the United States reserves from 20 to 30 percent for United States use. We are authorizing more and more Public Law 480 funds, so more and more counterpart funds will be generated.

I think it is absurd to leave to some Government official the discretion of spending hundreds of millions of dollars. We are continuing to build up these funds more and more.

Mr. CASE of South Dakota. I think that is a good point. We are getting more counterpart funds all the time. We ought to look upon them as an asset. When we had under consideration an extension of Public Law 480, I proposed an amendment to create a special trust fund in the Treasury into which the counterpart funds would be placed, to make them subject to direct appropriation, so that Congress could review the purposes. But here it is proposed that Congress will not review them, but will let some clerks review them and determine the purposes for which they shall be spent.

Mr. YOUNG. We are finding more and more uses for counterpart funds in lieu of United States dollars in almost every country. Are we going to use them or spend them willy nilly in the future or are we going to try and find more uses in lieu of United States dollars in the future? This open-door provision is one of the reasons why I stopped voting for the foreign-aid program. It is getting wilder and crazier every day.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. CAPEHART. I think that what the able Senators are objecting to is a matter which has already been settled and handled by Congress by virtue of existing laws. Of the counterpart funds, the United States reserves 10 percent. The balance of such funds belongs to the countries in which they are generated. Those countries have the right to spend the funds in any way they see fit. But the United States Government reserves the right to veto the way in which the foreign countries spend those funds.

If we are to do what the able Senators are talking about, we should have made such a provision in the act many years ago. This particular amendment does not change anything at all, except that this is a case in which Congress is asked to pass upon a specific expenditure which is not an expenditure. It is a loan. We will loan the money to the Austrian Government. The Austrian Government will pay it back.

In this case, what is objected to is something which the committee covered by writing it into the law.

At this time, of all the funds the Senator named in the respective countries, the United States owns 10 percent of the total amount. Nevertheless, under the existing law the unseen clerks whom the Senator is talking about have the right to say for what purpose the money shall be spent. If the Senator wants to change that provision, he will have to change the existing law.

In this case the committee specifically said that there is X amount of counterpart funds in Austria which is not needed by the Austrian Government. They have no need for it; they have no way to spend it. They have asked that it be spent for a specific purpose at the present time, and they will repay the fund at a later specified date.

So what the Senator is complaining about is covered in the law.

Mr. CASE of South Dakota. Perhaps the Senator from Indiana can point out to me where that has been limited in the report. Can the Senator point out where the $4 million for the Austrians is limited?

Mr. CAPEHART. What does the Senator mean by "limited"?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. ANDERSON. Does the Senator find any language in the bill which either limits the fund to Austria, limits it to $4 million, or limits it to repayment?

Mr. CASE of South Dakota. No; but I think perhaps the Senator from Indiana might be able to point out where it is limited.

Mr. ANDERSON. I shall be happy to hear him say so.

Mr. CAPEHART. Page 11 of the report covers it.

Mr. CASE of South Dakota. Yes. Will the Senator read it carefully? Read the first clause of the third paragraph. Do not overlook that.

Mr. CAPEHART. It provides:

Section 142 (b) of the act, which deals with the generation of foreign currency counterpart funds, provides that a portion of these funds, generally up to 10 percent, shall be made available to the United States for its uses and that the remainder will be used for programs agreed upon by the United States and the country concerned to carry out the purposes for which new funds authorized by the act would themselves be available.

Next, I read the following from the report:

Section 5 of the bill adds a proviso to this requirement permitting the use of counterpart for other purposes agreed to by the United States and consistent with United States foreign policy, if the amount of counterpart exceeds the requirements for purposes for which new funds would be available.

The amendment covers that. We are specifically designating that they have the right to use this amount.

Mr. CASE of South Dakota. That is the clause which I wanted the Senator from Indiana to emphasize.

Mr. CAPEHART. I read further from page 11 of the report.

Although of general application, this amendment is designed in particular to make it possible for the Austrian Government to lend 100 million counterpart Austrian schillings (approximately $4 million) to the Austrian Hilsfand for use in compensating former Austrian nationals who were persecuted under the Nazi regime and are now residing outside Austria.

The Hilsfand was established for this precise purpose by the Austrian Government. So far, about 30,000 claims have been filed, and certified by the Austrian Government for payment, mostly in amounts equivalent to $1,000 or $2,000 and largely by persons over 60 years of age. The Austrian Government feels its budgetary situation permits payment of only about one-fourth of the claims this year. Although Austrian law now requires all of the claims to be paid eventually, it is desirable that the process be hastened in view of the advanced age of the claimants.

The Austrian counterpart fund exceeds the requirements for purposes for which new mutual security funds would be available, and therefore qualifies under the proviso written into the act by the committee. Without the proviso, however, counterpart could not be used for the Hilsfand, because new mutual security funds would not themselves be available for this purpose.

It is intended that the counterpart be furnished the Hilsfand on a loan basis, so that eventually the counterpart account will be replenished.

Mr. CASE of South Dakota. The Senator from Indiana has read from the committee report the portion which says that counterpart funds today can be used—and in that connection I call attention to the first paragraph—

For programs agreed on by the United States and the country concerned to carry out the purposes for which new funds authorized by the act would themselves be available.

That is what counterpart funds can be used for today. Ten percent of them is set aside for the use of the United States. The balance of the counterpart funds today can be used for the purposes authorized by the act for the money we appropriate.

However, now section 5 adds a proviso which would permit the use of counterpart funds for other purposes—that is, purposes other than the purposes set forth in the mutual aid acts; in other words, for purposes other than military assistance and other than defense support and other than economic assistance.

What are those purposes? Who can tell? Only one purpose has been set forth here tonight, namely, in the case of $4 million for Austria.

A little while ago the Senator from Indiana was suggesting that there was some limitation in this case, and that all the bill did was take care of the Austrian situation. But he has read paragraph 3 on page 11 of the report, which begins as follows:

Although of general application, this amendment is designed in particular to make it possible for the Austrian government—

And so forth. But that paragraph begins with the words "Although of general application"—in other words, for any purpose.

What Member of this body can imagine the uses for these funds that might be conceived of or imagined by some person in the executive branch. Over a course of years the mutual aid program has been expanded, and there have been new purposes and new countries and new areas, all in connection with expanding the program. All those new ones have been brought in; but they do not cover all the purposes for which these excess funds may be used. They may also be used for other purposes, purposes for which the new funds authorized by this act would not be available. In other words, they may be used for some unimagined purpose, some purpose the committee has never considered, other than in the one instance of the $4 million, of a possible total of $41 million, for Austria, and of a possible $710 million for other countries throughout the world.

Mr. CAPEHART. But the report states, in part:

Section 5 of the bill adds a proviso to this requirement permitting the use of counterpart for other purposes agreed to by the United States and consistent with United States foreign policy—

And so forth. That is the way we are now spending counterpart funds, under existing law.

Mr. CASE of South Dakota. No; we are not, because the purposes for which counterpart funds today may be used are those for which direct appropriations can be made.

In the paragraph just ahead of that one—I refer to the first paragraph the Senator from Indiana read—on page 11—it is pointed out that the remainder of the counterpart funds, other than the 10 percent, is available for use for programs agreed on by our country and by the country concerned to carry out the purposes for which new funds authorized by the act would themselves be available.

Mr. CAPEHART. The Senator from South Dakota is correct, except here we are talking about funds the Austrian Government owns and controls, but cannot spend, except with the approval of the United States. We are not talking about the 10 percent the United States reserves.

Mr. CASE of South Dakota. But we are talking about not merely the $4 million out of the $41 million Austria has; we are also talking about $710 million worth of funds scattered among all the other countries I have mentioned.

Mr. WILLIAMS. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. WILLIAMS. The Senator from Indiana has stated that this is limited to Austria alone. But I point out that section 705 has no such limitation. Therefore, when we vote, we shall vote on the provisions of the bill, not on the report.

Mr. CASE of South Dakota. But even the report does not say it is limited to Austria.

Mr. WILLIAMS. That is correct. Austria is, in this case, only one of the many.

Mr. CASE of South Dakota. Furthermore, the third paragraph to which I have referred begins with the words "Although of general application."

Mr. WILLIAMS. That is correct. Therefore, there is no limit.

Mr. ANDERSON. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. ANDERSON. Let me point out that not long ago we passed a piece of proposed legislation that the Finance Committee had considered very carefully, and the Senator from Delaware had worked on it. We adopted language which was agreed to by everyone as being proper to accomplish the specific purpose; and the bill was passed. But then the agency administering it said, "We do not believe this should have been the purpose of the legislation."

So even though the report may contain limiting language—although I do not believe the report limits this in any way—I do not believe we can depend on it to limit the way in which this provision will be carried out.

Mr. CASE of South Dakota. Yes.

The report says, in effect, "The Austrians can be taken care of by means of the $4 million which has been earmarked for that purpose; to that extent, and to that extent only, the Austrians can be taken care of."

Mr. CAPEHART. But the funds involved here are not the 10-percent owned by the United States. Instead, they are the counterpart funds which are owned by the respective countries—funds over which the United States has absolutely no control, except it can veto the purpose for which the other countries may wish to spend the money.

The Austrian Government wishes to spend $4 million for the purpose set forth in this instance; but those are

counterpart funds of the Austrian Government, over which we have no control.

Mr. CASE of South Dakota. If it were limited to the Austrian Government's counterpart funds, I would not say another word about this matter.

Mr. HUMPHREY. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. HUMPHREY. I believe the Senator from South Dakota has been of very great assistance to the Senate. I, too, am very much disturbed about this provision. I have said this before publicly, and also privately to some of my colleagues.

I wonder whether there could be included a proviso to the effect that whenever there is an agreement as to the use of these funds, other than in the case of the funds which have been the subject of recent agreements, there will be a period of time in which a report must be made to the respective Congressional committees, in the same way that similar reports are made in regard to atomic-energy projects and in regard to water projects in connection with agriculture.

I believe the Senator from South Dakota is concerned lest someone in the State Department proceed, without paying any attention to the expressed wishes and stated plans of the Congress, to designate the use of these funds without any control whatever by Congress or without any review by Congress, or without any opportunity on the part of Congress to evaluate the purpose and to decide whether it is a constructive one.

So, if we add a proviso which will require that before any such agreement is consummated, a period of time of, let us say, 30 days must elapse, during which the State Department must report to the Appropriations Committees of the Senate and the House of Representatives, for their review, that will give us an opportunity even further to tighten up this provision in the conference committee, if there is any need to do so.

Mr. CASE of South Dakota. Personally, I think that would be a great improvement. I do not know whether the Senator wants to say 30 days, or perhaps 60 days, but, in any event, a reasonable time so the committee—and I would suggest the Committee on Foreign Relations as well as the Committee on Appropriations—can receive a report as to the purposes for which the money is to be spent, so that there will be some opportunity for Congress to express itself.

Mr. HUMPHREY. I think 60 days would be desirable, and would give plenty of time to have a proper study and review, and would not hold up the paperwork which would be involved. I think the suggestion of the Senator from South Dakota that there be a review by both the authorization committee as well as the Appropriations Committee is a desirable one.

I have suggested to the staff member, in consultation with the distinguished Senator from New Hampshire and the distinguished Senator from New York, that we ought to try to draft a provision which would accomplish the purpose which the Senator from South Dakota has outlined. As I see it, what the Senator wants to do is not to prevent the use of the funds, but so to provide for their use that we shall know what they are going to be used for and that they will be used sensibly.

Mr. CASE of South Dakota. That is right, and so we shall be assured that the funds will not be squandered or used for a purpose which Congress has not approved.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. BUSH. Would not this amendment to the pending amendment meet the situation? It would be as follows:

On page 35, line 10, after the word "amounts" insert the words "not in excess of $4,000,000."

In view of the way the report reads, these funds are pinpointed for a special situation, which has been outlined by the distinguished Senator from New York [Mr. JAVITS]. Inasmuch as the committee has pinpointed the situation, it is perfectly proper for the bill to limit the amount. If the Senator will permit me, I should like to send to the desk this amendment, provided he has completed his statement.

Mr. CASE of South Dakota. I think the amendment would improve the proviso in the bill substantially. It would take care of the immediate situation. However, I think there is merit in the suggestion of the Senator from Minnesota that it be possible to use the funds for other purposes, provided they have the approval of the appropriate committees.

The PRESIDING OFFICER. The Chair should like to inquire whether the Senator from Connecticut has offered the amendment or desires to offer the amendment?

Mr. BUSH. Mr. President, I do not have the floor. I send the amendment to the desk. I shall call it up after the Senator has completed his remarks.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. DWORSHAK. I think the Senator from South Dakota and the Senator from Louisiana have rendered outstanding service in calling this rather dubious and questionable procedure to the attention of the Senate. However, I do not think we ought to proceed to remedy the apparent ambiguity, because a few moments ago the chairman of the committee chided Members of this body, who were not members of the Foreign Relations Committee, for trying to write legislation on the floor of the Senate. If in the wisdom—and I do not question the wisdom—of the great Committee on Foreign Relations, it reported the bill in good faith and as a result of its sound judgment, as it viewed the bill, I question whether we should make an effort to correct it on the floor.

Does the Senator from South Dakota agree with me that there has been a glaring deficiency, if not perhaps unintentional deception, in the presentation of the report explaining this particular procedure in the handling of counterpart funds? The only wise procedure is to reject this particular provision, send it back to committee, and let the committee give it further consideration, instead of jeopardizing the enactment of this legislation. Does the Senator from South Dakota agree with that conclusion?

Mr. CASE of South Dakota. Not quite, because I do not think there was any intended deception. There may have been a failure to point out all the implications of the proviso given in section 5, but I do not think there was deception. In fact the committee report did use the words "although of general application," and that should put us on guard that the possible use of the counterpart funds under the proviso was not limited to the Austrian case.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. ANDERSON. The Senator from South Dakota is a very fine parliamentarian. I wonder how he would apply the amendment which has been suggested by the distinguished Senator from Connecticut to an amendment which strikes the whole section. Does the Senator mean the amendment should be offered as a substitute?

Mr. CASE of South Dakota. No. It would be a perfecting amendment, in my judgment, and would be entitled to be voted on before the vote on the amendment which would strike the section.

Mr. ANDERSON. That would be a perfecting amendment to an amendment.

Mr. CASE of South Dakota. The Senator from South Dakota was advised that the original amendment was being considered as original text for the purpose of amendment. Therefore, a motion to perfect an amendment to a paragraph it is proposed to strike out would take precedence.

Mr. ANDERSON. Does not the limitation suggested by the distinguished Senator from Connecticut allow $4 million to be available to every nation and any nation, rather than a specific amount?

Mr. CASE of South Dakota. I think it would. But in the light of the committee report, it would be so earmarked that it would be followed by the MSA.

Mr. ANDERSON. It could very easily be taken care of by inserting a comma after the language in the quotation marks, and putting in a proviso limiting the total amount to all nations to $4 million.

Mr. BUSH. I did have it that way, but either way accomplishes the purpose. I shall be glad to change it if the Senator from New Mexico wants it that way. In either case it is a limitation, in view of what the report says that the money is pinpointed for a specific purpose. That is what the committee put in the bill. Let us limit it and pinpoint it and go ahead and vote on it.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. CURTIS. To whom do these counterpart funds belong?

Mr. CASE of South Dakota. A portion of them belongs to the United States.

The balance of the funds remains in the possession of the recipient country, but may be expended only with the approval of the United States.

Mr. CURTIS. How much belongs to the United States?

Mr. CASE of South Dakota. Ten percent, at least.

Mr. CURTIS. How much does that amount to?

Mr. CASE of South Dakota. I do not know whether the particular balance sheet we have represents the portion after the 10 percent has been taken into consideration. I suppose we would have to go back to the original amount.

Mr. CURTIS. Approximately how much belongs to the Government?

Mr. CASE of South Dakota. If we could assume that the $710 million is the amount of the counterpart funds, without the subtraction of 10 percent, which would be $71 million, it would be $710 million less $71 million.

Mr. CURTIS. But the $71 million or thereabouts belongs to the United States?

Mr. CASE of South Dakota. Yes.

Mr. CURTIS. Is that a part of the assets of the Treasury?

Mr. CASE of South Dakota. I think it is, but, in effect, it has been appropriated by prior acts, in that the 10 percent has been made available for expenditure by our embassies.

Mr. CURTIS. But it is part of the assets of the Treasury?

Mr. CASE of South Dakota. It certainly is. It can be expended only by the Treasury of the United States.

Mr. CURTIS. According to the bill as written, assuming it is passed, can the money be spent without an appropriation?

Mr. CASE of South Dakota. I think it can, but that opinion is based on the recollection that the authorization of the expenditure of 10 percent of the counterpart funds is carried in prior MSA acts.

Mr. CURTIS. The Constitution is quite specific on that point. It provides that no money shall be drawn from the Treasury except in consequence of appropriations made by law. Because of the fact that away back in some previous year an appropriation was made, and by reason of that appropriation certain other transactions took place and money again flows to the Treasury, certainly the distinguished Senator from South Dakota does not take the position that the earlier appropriation grants authority to continue to spend that money without appropriation.

Mr. CASE of South Dakota. The Senator from South Dakota perhaps would like to take the position which the Senator from Nebraska suggests, but he does not believe he could, for this reason: The basic foreign-aid acts authorize appropriations to be made for certain purposes, and within that authorization there was the proviso for the 10-percent counterpart funds which would be expendable for certain purposes. Such action, in itself constituted an appropriation resolution.

Mr. CURTIS. That is an authorization.

Mr. CASE of South Dakota. No. I think that action under the interpretations of the House of Representatives, at least, would constitute a continuing appropriation of the 10 percent.

Mr. CURTIS. I would seriously question, it if is an asset of the Treasury, that it can be spent without being appropriated.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. YOUNG. The usual arrangement in respect to Public Law 480 funds is that 20 or 30 percent is set aside for United States use, with the rest of the funds loaned to the respective countries. The funds are not given to the other country, but remain an asset of the United States Government.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I think it is very important that we do not misguide the RECORD about counterpart funds, about who owns them, and about how much in foreign currencies is owned by the United States.

Public Law 480 funds are foreign currencies generated from the sale of surplus commodities, and those currencies are owned specifically and entirely by the United States.

Mr. CASE of South Dakota. The Senator is correct.

Mr. HUMPHREY. Those currencies may be loaned under agreements. However, the counterpart funds are funds 10 percent of which are owned by the United States and 90 percent of which are owned by the other country; that is, the partner country or the recipient country.

Mr. CASE of South Dakota. The funds are owned subject to an expenditure by agreement.

Mr. HUMPHREY. The funds are owned subject to our agreement as to their expenditure.

In the instance of Austria, we are talking about funds which are Austrian funds, to the expenditure of which we must agree.

We are not talking about American funds, but we are talking about Austrian funds. Under the nature of our agreements with Austria, because of former economic assistance, we have some control over expenditures.

I am not saying that the Senator from South Dakota is not making a very valid argument in terms of programing funds over which we have control, but the Senator is not talking about money owned by the United States.

Mr. CASE of South Dakota. Mr. President, I yield the floor.

Mr. BUSH. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota has yielded the floor. The Chair recognizes the Senator from Connecticut.

Mr. BUSH. Mr. President, I call up the amendment I previously sent to the desk.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 35, line 10, after the word "amounts" it is proposed to insert "not in excess of $4,000,000."

Mr. BUSH. Mr. President, the whole purpose of the amendment is to do what the committee intended to do, namely, to provide a limitation of $4 million. The committee report states the purpose for which the money is to be used. There is nothing more to say about it, so far as I am concerned.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. BUSH. I hope the Senate will adopt the limitation and agree to the amendment.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I should like to express my gratitude to all of my colleagues for helping clarify this matter for the people who really deserve this help. My purpose is very limited, as I stated quite clearly.

Mr. DWORSHAK. Mr. President, I certainly hope that we shall have some assurance from the chairman of the committee or members of the Committee on Foreign Relations as to whether this amendment receives their approbation. I would not want the Senate to adopt an amendment unless the amendment has such approval.

Does the Senator from Connecticut have such assurance?

Mr. BUSH. I have no assurance, but I think the vote will tell the story. With the amendment in the bill I have no doubt that the bill will go to conference and be straightened out in a manner satisfactory to all concerned.

Mr. GREEN. Mr. President, I think this debate has been very profitable. We are considering an exception to the general rule that we ought not write legislation on the floor of the Senate. I think this is a good exception. The limitation of $4 million is a good limitation. We can postpone action on other aspects of the matter to some other time and some other place.

I accept the amendment to limit the amount to $4 million, and provide for its disposition.

The PRESIDING OFFICER. The Chair is advised that the perfecting amendment offered by the Senator from Connecticut [Mr. BUSH] must be voted on prior to the vote on the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ELLENDER. My amendment is pending, Mr. President. What right does the Senator from Rhode Island have to accept an amendment, when there is pending an amendment I offered?

The PRESIDING OFFICER. The Chair is advised that the amendment offered by the Senator from Connecticut [Mr. BUSH] is intended to perfect the language which the amendment offered by the Senator from Louisiana proposes to strike. Therefore, it is proper

to proceed first to the consideration of the perfecting amendment.

Mr. ELLENDER. Certainly.

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. I think it should be said for the RECORD that the Senator from Connecticut is carrying out what was the original intention and desire of the Committee on Foreign Relations. I think I have heard no one say it, and there should be a statement as to why we did not write such language into the bill. My recollection is that the reason the committee did not write the language in the bill was a recommendation of the State Department itself. The Department preferred the more general language, because it was thought if it were specified, it might establish an undesirable precendent and might invite in the future other specific instances of this type.

I think we have learned a good lesson. Some of us thought we should have kept the limitation in the bill in the first place. The amendment now offered by the Senator from Connecticut will put the Committee on Foreign Relations in the position where at least most of us thought we ought to be in the beginning.

The PRESIDING OFFICER. The Senator will suspend for a moment.

At this time the Chair wishes to advise the Senate, apropos of the inquiry made by the Senator from Louisiana, that the last paragraph on page 28 of Senate Procedure reads as follows:

> Pending a motion to strike out, an amendment perfecting the part proposed to be stricken out, or an amendment inserting other language in lieu of that proposed to be stricken out, is in order and has precedence over the motion to strike out.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Mr. President, I hope my colleagues will consider the significance of the implication contained in the statement made by the Senator from Oregon. The committee, when it wrote the bill, chose general language because it feared, if it pinpointed the $4 million payment authorized, a precedent would be established, bringing a deluge of similar claims. The purpose in using general language—which procedure was suggested, as has been said, by the State Department—was to conceal the fact that $4 million of the money was to be used to pay persons who were injured by the Nazi government in the Second World War.

When the State Department made that proposal, it undoubtedly had in mind that if it became generally known this were to be done many demands would be made of a similar character. What the committee feared to do we proceed now to announce to the world. We are to pay claims which justly existed against the Nazis for damages inflicted upon citizens within some other country.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. LAUSCHE. My question is: What will the deluge be?

I yield to the Senator from Connecticut.

Mr. BUSH. Does not the Senator think the amendment which would limit the whole amount to $4 million answers the question the Senator is propounding?

Mr. LAUSCHE. The point I am trying to make is that according to the Senator from Oregon the State Department said, "Do not mention the $4 million; write this in as general language in the bill."

Mr. BUSH. If the Senator will yield further, I should like to point out that in the report, which is already a public document, the whole purpose is spelled out in great detail.

Mr. LAUSCHE. Then I ask the Senator from Connecticut: Why was it not originally written into the bill, if the reason is not in accordance with what the Senator from Oregon has said?

Mr. CASE of South Dakota. Mr. President, will the Senator permit me to answer that question?

Mr. LAUSCHE. I yield.

Mr. CASE of South Dakota. In my opinion, it would give the State Department a blank check to spend it all.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. ANDERSON. Is not the present situation a good illustration of the old quotation—

> Oh, what a tangled web we weave
> When first we practice to deceive.

Mr. LAUSCHE. One further thought and I shall be through. This is the first revelation of the problems which confront the Congress as these counterpart funds accumulate. Eyes will be directed toward those funds. Means will be adopted to reach them. The committee, recognizing that fact, used general language instead of specific language.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. ERVIN. I should like to ask the distinguished Senator from Ohio if he can think of any reason why counterpart funds should be used to compensate the victims of the Nazis in the Second World War, and not used to compensate the victims of the Japanese in the Second World War.

Mr. LAUSCHE. I think the question answers itself.

Mr. President, I believe that this question is of such significance that it ought not to be legislated upon on the floor of the Senate tonight.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I do not believe the committee intended to practice any deceit. If Senators will refer to page 11 of the report of the committee, it will be seen that the report fully sets forth just what was intended.

I invite attention to the fact that this provision relates only to that portion of counterpart funds over and above other purposes for which the funds could be available. That, too, is set out in the committee report.

Mr. LAUSCHE. Let me correct the Senator from Alabama. I made no statement on this subject until a member of the committee stated that, at the suggestion of the State Department, it was deemed advisable not to mention the $4 million in the bill. That is the basis upon which I say that there was a fear to reveal what was happening.

Mr. SPARKMAN. The only thing I am trying to say is that the report of the committee, on page 11, states the situation clearly. If the Senator will take time to read it, he will certainly see that a full explanation was given.

The distinguished Senator from Ohio served as Governor of his State for a good many years. He knows that often legislation affecting only 1 county, 1 city, or 1 particular subject, is enacted as general legislation. That happens to be what was done in this instance. The provision was written in the form of general legislation, but it had specific application, and that specific application was set forth fully, clearly, and I believe distinctly, on page 11 of the committee report. Therefore, I say that the committee is not trying to conceal anything. It is not trying to deceive. I believe it has made a full and open disclosure. The only question is whether or not we wish to apply this form of compensation.

Mr. SPARKMAN subsequently said: Mr. President, I ask unanimous consent that, in connection with the remarks I made a few moments ago relating to this subject, there be printed as a part of those remarks the entire section 8, found on page 11 of the committee report; also that there be printed a paragraph beginning on page 15 of what was at the time confidential information before the committee in the form of a report which the committee had before it, and continuing to page 17, setting forth the position of the executive branch on the so-called Javits amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

Mr. CASE of South Dakota. Mr. President, reserving the right to object—and I do not intend to object—I merely wish to observe that when the question of deception was raised earlier on the floor I specifically denied that there was any attempt on the part of anyone to deceive. Also section 8 was placed in the RECORD by the Senator from Alabama.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> 8. USE OF COUNTERPART SPECIAL ACCOUNT (SEC. 5)
>
> Section 142 (b) of the act, which deals with the generation of foreign currency counterpart funds, provides that a portion of these funds, generally up to 10 percent, shall be made available to the United States for its uses and that the remainder will be used for programs agreed on by the United States and the country concerned to carry out the purposes for which new funds authorized by the act would themselves be available.

Section 5 of the bill adds a proviso to this requirement permitting the use of counterpart for other purposes agreed to by the United States and consistent with United States foreign policy, if the amount of counterpart exceeds the requirements for purposes for which new funds would be available.

Although of general application, this amendment is designed in particular to make it possible for the Austrian Government to lend 100 million counterpart Austrian schillings (approximately $4 million) to the Austrian Hilsfand for use in compensating former Austrian nationals who were persecuted under the Nazi regime and are now residing outside Austria.

The Hilsfand was established for this precise purpose by the Austrian Government. So far, about 30,000 claims have been filed, and certified by the Austrian Government for payment, mostly in amounts equivalent to one or two thousand dollars and largely by persons over 60 years of age. The Austrian Government feels its budgetary situation permits payment of only about one-fourth of the claims this year. Although Austrian law now requires all of the claims to be paid eventually, it is desirable that the process be hastened in view of the advanced age of the claimants.

The Austrian counterpart fund exceeds the requirements for purposes for which new mutual security funds would be available, and therefore qualifies under the proviso written into the act by the committee. Without the proviso, however, counterpart could not be used for the Hilsfand, because new mutual security funds would not themselves be available for this purpose.

It is intended that the counterpart be furnished the Hilsfand on a loan basis, so that eventually the counterpart account will be replenished.

EXECUTIVE BRANCH POSITION ON THE FOREGOING JAVITS AMENDMENT

The executive branch favors the use of Austrian counterpart for this purpose. It will, of course, be necessary to obtain the approval of the Austrian Government for this use of counterpart. It is believed, however, that it is undesirable to enact special provisions for special groups of persons, and that it would be preferable to provide more generally that excess counterpart may be used for other purposes which are consistent with the foreign policy of the United States. The executive branch, therefore, recommends the adoption of the proviso at the end of section 142 (b) (iii), indicated by black brackets as follows:

"(iii) utilize the remainder of the Special Account for programs agreed to by the United States to carry out the purposes for which new funds authorized by this act would themselves be available [: *Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which are consistent with the foreign policy of the United States]."

Mr. MORSE. Mr. President, I wish to supplement the remarks I made a few moments ago so that the RECORD may be perfectly clear.

I think we need to bear in mind the procedure followed by the Foreign Relations Committee, which I think is common practice among other committees of the Senate, when it comes to consideration of amendments proposed by colleagues in the Senate.

When the Javits amendment came to the Foreign Relations Committee it was sent to the State Department for comment. That is done in the case of all amendments.

The State Department sent back its report. My recollection is that it had no serious objection to the objectives of the Javits proposal, but it made its suggestion with regard to the use of general language. My recollection is that it was brought out, either in the memorandum or by a staff report, that the State Department thought the general language was preferable, for the reasons which I have heretofore stated.

Then the Senator from New York [Mr. JAVITS] was called before the committee, as I recall. He made a statement in explanation of his amendment. The suggestion was made that the proposal be modified in accordance with the suggestions of the State Department memorandum. I think I am correct when I report that the Senator from New York had no serious objection to the adoption of the language proposed, because he recognized that the objective of his proposal would be met thereby.

One further comment. It was brought out by the Senator from Indiana [Mr. CAPEHART] and 1 or 2 other Senators in this debate, but it ought to be pinpointed now, as we approach a vote, that we reserved the right to exercise what we might describe as a veto power.

The purposes for which counterpart funds can be spent, under the original agreement, are exceedingly broad. We usually think of them in relation to paying for military expenses, defense support expenses, and the like, but they are not limited to those purposes. They cover highways, buildings, and a great many facilities in the country of origin.

What the Austrians are saying is, "We have these old people. They are not going to live much longer. We think we have some money coming. Our fiscal position this year enables us to pay them 25 percent this year out of our own budget; but if you will authorize us to use our own schillings in the counterpart fund, so that we can pay them 100 percent this year, we will repay that loan into the counterpart fund in 4 years."

This amounts, in fact, to our authorizing the Austrians to borrow their own money for a period of 4 years, so that they can pay the entire amount this year. This money is coming back into the fund. We are not giving away the money. This is Austrian money, in the first place. Under those circumstances, I think we ought to say, under our veto power, "Very well; we will approve your proposal, with the understanding that you will pay the money back, and that you are going to use it for this specific purpose. We think the objective is a laudable one, and we will not exercise our veto power in this instance."

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MORSE. I am ready to yield the floor, but I yield to the Senator from Alabama.

Mr. SPARKMAN. Is it not true that all the facts which the Senator has pointed out are set forth in the committee report?

Mr. MORSE. The Senator is correct.

Mr. SPARKMAN. In a very understandable manner.

Mr. MORSE. We tried to make that clear on page 11. My colleagues on the Foreign Relations Committee, for whom I have the most affectionate regard, did not try to deceive the Senate. Perhaps we did not use the King's English as clearly as we should have, but there is nothing in the language that indicates deceit. What we tried to do was to carry out the recommendation of the State Department. In this particular case we thought it made good sense. The Senator from New York made no serious objection to it, so far as I know. That is the story.

Mr. JAVITS. Mr. President, I should like to introduce some material and have it made a part of the RECORD.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the original amendment which was printed as I had proposed it to the committee, and which had application and specifically said it related only to the $100 million in Austrian schillings deposited in the special account.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

On page 2, between lines 3 and 4, it is proposed to insert the following:

"SEC. 4. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, is amended by inserting at the end of section 141 (b) a new sentence as follows: 'In addition to the purposes referred to in clause (iii), an amount equal to 100,000,000 Austrian schillings deposited in the Special Account established by the Government of Austria shall be available, pursuant to agreement between such Government and the Government of the United States, for loans to the Austrian Hilsfand for its use in making payments to former Austrian nationals who were persecuted and are now residing outside Austria.'"

Renumber sections 4 to 9, inclusive, as 5 to 10, respectively.

Mr. CAPEHART. Mr. President, I think we had better take another look at the Bush amendment, because as it is worded now, I believe the $4 million will apply to every country which has counterpart funds.

Mr. ELLENDER. That is what I pointed out.

Mr. ANDERSON. Yes; it does apply. It opens the gates.

Mr. CAPEHART. Therefore I believe we would be much better off to leave the amendment as it was reported by the committee, because otherwise it will apply to every country.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that section 5 of the bill, found at page 35, be printed in the RECORD at this point. I call particular attention to the fact that at no point in the bill or in this section is there any reference to the repayment of these funds.

There being no objection, the section of the bill was ordered to be printed in the RECORD, as follows:

SEC. 5. Title I, chapter 4, of the Mutual Security Act of 1954, as amended, which contains general provisions relating to mutual defense assistance, is amended by inserting before the period at the end of section 142 (b) (iii), relating to the special foreign currency account, a colon and the following: "*Provided*, That if amounts in such remainder exceed the requirements of such programs, the recipient nation may utilize such excess amounts for other purposes agreed to by the United States which

are consistent with the foreign policy of the United States."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Connecticut, as a perfecting amendment. [Putting the question.] The "noes" appear to have it.

Several Senators requested a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The question now recurs on agreeing to the amendment proposed by the Senator from Louisiana [Mr. ELLENDER] to strike out section 5 of the bill, on page 35, line 3, down to and including line 12.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. CASE of South Dakota. Mr. President, I offer an amendment, on page 35, line 12 of the bill, to strike out the period and insert a semicolon, and add the following words:

Provided further, That any such proposed utilization of such excess amounts shall be reported to the Committee on Appropriations and the Committee on Foreign Relations of the Senate, and to the Committee on Appropriations and the Committee on Foreign Affairs of the House of Representatives, and that such utilization shall not be effective until 60 days after such reporting.

That is intended to carry out the suggestion of the Senator from Minnesota, to give the committees an opportunity to know what is being done.

Mr. GREEN. I shall be glad to accept the amendment.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I call up my amendment 6–4–58–G.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 52, beginning with "$26,000,000" in line 6, it is proposed to strike out down through line 12 and insert in lieu thereof "$18,000,000."

Mr. JOHNSON of Texas. Mr. President, may we have the yeas and nays ordered on the final passage of the bill, so that Senators may be informed?

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, the purpose of the amendment is to leave the amount which can be used out of the allegedly vital amounts provided for aid to Korea for so-called essential living quarters and office space and supporting facilities at the present figure of $18 million. The bill would increase this figure to $26 million.

I have in the past opposed the use of any of these funds to build houses, to build office space, and the like, for our officials, or the administrators of these funds in the various countries where we operate aid programs.

This Korean housing scheme started out at a level of $12 million 2 years ago. Last year it was increased to $18 million. Now our planners want $26 million.

It will be recalled that we had a great deal of difficulty in Taiwan because many of our workers live in comparative luxury, in much better homes than the native officials. Yet now it is proposed that we use aid money to build offices and homes for those who administer this program throughout the world.

My amendment also strikes from the bill the sum of $2,750,000 to build office space and homes in Libya, Nigeria, Sudan, Yemen, Taiwan, Laos, and Indonesia as well.

We are going too far. Such proposals as this tend to make the program permanent. Here we are establishing offices for the people who administer the program. All of us hope that the program will be ended in the next 2 or 3 years. However, the taxpayers' money is to be used to build offices and to build swanky homes, I presume, far beyond the kind of houses that are built in the countries where our people work. It strikes me that as long as our employees abroad get extra allowances for hardship they ought to be willing to live in those countries as the other people there live.

As I said, we started out with $12 million for Korea in 1950. It was increased to $18 million last year, and now we are being asked to make it $26 million. Not only that, but we are adding money to build houses and offices in other countries also.

This, again, is a foot in the door. We will be called upon to spend taxpayers' cash to build offices and homes in the hope that the program can be made permanent.

I hope that my amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER].

Mr. GREEN. Mr. President, this amendment would strike out authority to use an additional $8 million of Korean program funds and $2,750,000 in other program funds for the construction or acquisition of essential living quarters, office space, and supporting facilities in the countries in question.

Existing law authorizes use of up to $18 million in Korean program funds for this purpose in Korea. The committee bill raises this limit to $26 million. The amendment would strike out the increase.

The committee bill, in fact, is designed to do nothing more than to complete a 3-year program which was clearly planned 2 years ago when this authority was first granted. In the meantime, there has been no change in the situation in Korea to warrant a change in the program, and it ought to be completed.

The committee bill also authorizes the use of $2,750,000 of program funds in other countries for the same kind of facilities. The countries in question are Libya, Nigeria, Sudan, Yemen, Taiwan, Laos, and Indonesia. In many of these countries, programs are just getting underway. In all of them, there is a great shortage of housing, office space, and other facilities such as warehouses. The amendment would also strike out this authority.

The programs planned are not elaborate and are badly needed. The authority in the committee bill does not result in any increase in total costs. The amendment should be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. (Putting the question.)

The Chair is in doubt.

Mr. ELLENDER. I ask for a division.

The PRESIDING OFFICER. A division is requested.

On a division, the amendment was rejected.

Mr. ELLENDER. Mr. President, I call up my amendments designated "6–5–58–C," "6–5–58–E," "6–5–58–F," and "6–5–58–G." I ask unanimous consent that the amendments not be read, but that they be printed and considered en bloc, because they deal with the same subject.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc; and, without objection, they will be printed in the RECORD.

The amendments of Mr. ELLENDER, considered en bloc, are as follows:

On page 64, line 2, strike out the period and insert the following:", except that none of the funds authorized to be so transferred may be used in or for assistance to any nation of Western Europe."

On page 44, line 14, before the period insert the following: "and the following: 'None of the funds authorized by this subsection shall be used in or for assistance to any nation of Western Europe.'"

On page 45, at the end of line 2, strike out the period and insert "; and".

On page 45, between lines 2 and 3 insert the following:

"(iii) At the end of the subsection add the following new sentence: 'None of the funds authorized by this subsection shall be used in or for assistance to any nation of Western Europe.'"

On page 48, between lines 20 and 21, insert the following:

"(a) Section 501, which relates to transferability of funds, is amended by inserting before the period at the end thereof a comma and the following: 'and except that no such funds shall be transferred for use in or for assistance to any nation of Western Europe.'"

Redesignate subsections (a) to (d), inclusive, as (b) to (e), respectively.

Mr. ELLENDER. Mr. President, these four amendments deal solely with the amounts which the President has the right to transfer under section 501, and under the bill's authority for the special fund and the contingency fund.

The purpose of the amendments is to specify that, notwithstanding the right of the President to transfer funds from one phase of the program to another, none of those transferable funds can be used in Western Europe.

As I pointed out earlier today, the United States has spent billions of dollars in Western Europe in order to put the European countries on their feet. Today the economy of Western Europe is better than it has ever been in the past. The industrial production of Western Europe has been increased to 168 percent of prewar levels.

The purpose of these amendments is to make Western Europe stand on its own feet; to prevent the President from using any of the special funds for Western Europe.

The bill already provides large amounts of funds for Western Europe. I have tried to strike out those funds, but I have failed. Now I want to say to the President, "You have the right to make these transfers, but do not give any part of the money to any country in Western Europe."

Mr. President, I ask unanimous consent that the four amendments may be considered en bloc.

The PRESIDING OFFICER. Is there objection to the request that the four amendments be considered en bloc? The Chair hears none, and it is so ordered.

The question now is on agreeing en bloc to the amendments offered by the Senator from Louisiana [Mr. ELLENDER].

The amendments were rejected.

Mr. MORSE. Mr. President, I call up my amendment designated "5–27–58–F" and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 57, it is proposed to strike out lines 12 through 25, and on page 58, strike out lines 1 through 9, all relating to the creation of a new position of Under Secretary of State for Economic Affairs.

Mr. MORSE. Mr. President, I have called up the amendment because I considered myself obligated to do so in view of the fact that in the course of the discussion in the Committee on Foreign Relations I said I would press for action on my amendment on the floor of the Senate, after the amendment was rejected by the committee.

When the matter was first presented in the Committee on Foreign Relations, there was considerable support for the position I took in the committee, and I felt that if the facts were as I sincerely believed them to be at that time, I should press for my amendment on the floor of the Senate. I shall make a brief statement about the amendment, and then I propose to withdraw it.

When this question first arose in the Committee on Foreign Relations, it was reported to us that the proposal for a second Under Secretary of State position was, in part, for the purpose of keeping a very able man, now Deputy Secretary of State, Mr. Dillon, one of our finest public servants, in a position of responsibility; and there seemed to be reason to believe that that could be accomplished with greater certainty if he were promoted to a position of Under Secretary of State.

I did not want to lose Mr. Dillon's public service, but I took the position in the committee that neither would I favor the creation of any special position in order to keep a man in public service if I felt the position itself created administrative difficulty. At that time I believed and understood that we would have two Under Secretaries of State on a par, in equal positions, and with equal rank. I pointed out in committee that I feared that would lead to jurisdictional problems, it would lead to inefficiency, and it would lead to a lack of a direct line of command in the Department of State.

I pointed out that it had always been my understanding that the Under Secretary of State served in behalf of the Secretary of State whenever the Secretary was out of the country or for some reason was incapacitated temporarily; and I thought it would be very undesirable to create dual positions of Under Secretary of State.

My views were made known to the Department of State; and the committee has received a memorandum from the Department which convinces me that the recommendation of the Department should be sustained, and that my amendment should be withdrawn. I think the RECORD should contain the explanation of the Department of State in respect to the proposal to create a second or new position of Under Secretary of State for Economic Affairs. The Department says in its memorandum:

> The creation of the position of Under Secretary of State for Economic Affairs will have no effect whatsoever on the role of the Under Secretary of State. The Under Secretary will continue, as heretofore, to serve as principal assistant to the Secretary of State for all aspects of the conduct of United States foreign relations. The Under Secretary of State for Economic Affairs is scheduled to receive a salary of $22,000 per annum, while the salary of the Under Secretary of State is fixed at $22,500.

This shows that the present Under Secretary of State will continue to hold the top position under the Secretary of State. The Department of State memorandum continues:

> This differentiation in salary clearly indicates the subordinate position of the Under Secretary for Economic Affairs.
>
> On the positive side, the creation of the office of Under Secretary of State for Economic Affairs at a level senior to that of the Director of the International Cooperation Administration will facilitate the administration of the mutual security program within the Department of State as an integral part of the foreign policy of the United States. It will also serve to facilitate the operations of the Department of State in the entire field of foreign economic policy, both in its day-to-day relations with other governments and with other agencies of the United States Government. The Departments of Treasury and Commerce, both of which are active in foreign economic matters, each have two officials serving at the Under Secretary level. It will improve coordination of foreign economic policy within the United States Government, if the officer in the Department of State directly concerned with these matters holds the rank of Under Secretary. Finally the creation of the position of Under Secretary of State for Economic Affairs will serve as an indication both to foreign governments and to domestic interests of the growing importance which the United States Government attaches to problems of foreign economic policy.

That is the entire explanation of the Department of State.

Mr. FULBRIGHT. Mr. President——

Mr. MORSE. Mr. President, I wish to say in conclusion, before I yield, that my original understanding of this new position of Under Secretary of State for Economic Affairs—namely, that it would be on an equality level with the present position of Under Secretary of State—proves not to be the case. I accept the explanation on that point given by the State Department; the State Department's memorandum now convinces me that my original objection had no basis in fact.

Therefore, I am very glad to withdraw my amendment, and to accede to the position taken by the State Department.

I yield now to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I should like to commend the Senator from Oregon, first, for having raised this question, because it has led to a clarification of just what this position means. I myself was not at all clear, during the committee discussion and consideration, as to what would result from this particular amendment or provision. But I believe it is proper, and I think the Senator from Oregon was quite right in raising the question.

I also commend him for withdrawing the amendment, because I believe the memorandum he has read does clarify the matter. So I think he has made an entirely proper move.

Of course, there is a precedent for this proposal. As the Senator from Oregon will recall, Will Clayton served quite satisfactorily in this way, without the development of any clash between himself and the Under Secretary of State.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Oregon yield to the Senator from Montana?

Mr. MORSE. I yield.

Mr. MANSFIELD. I, too, wish to commend the Senator from Oregon. He raised the question in the committee; and now, because of his active interest in the matter, it has been clarified.

I am glad the memorandum has been read into the RECORD; and I am very happy that the person who has been designated for this new position is Mr. Douglas Dillon, who has done such an excellent job, following his return from service as our Ambassador to France.

I commend the Senator from Oregon for his usual thoroughness and helpfulness.

Mr. MORSE. I thank the Senator very much.

Mr. AIKEN. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. AIKEN. Mr. President, although I have no desire to have this provision of the bill thrown out at this stage, I, too, like the Senator from Oregon, was somewhat apprehensive in regard to creating, in the Department of State, a high officer to deal with economics and trade. It seemed to me that we were relying too much on the Department of State to run the economy of the country, and that it would be better for us to strengthen the Department of Commerce, instead of establishing in the State Department an agency which conceivably could become more important in the economic field than the Department of Commerce itself.

I agreed that Mr. Dillon is undoubtedly a good man, and that we have little to worry about in this instance; and I

agree that the State Department cannot ignore commerce, but must necessarily play an important part.

But I want the record to show that I am somewhat apprehensive over this provision, and I am not quite sure that we are doing the right thing by accepting it. In fact, in the committee I voted—with the Senator from Oregon and with one or two other members of the committee—not to accept it.

Mr. MORSE. Mr. President, I want the Senator from Vermont to know that I shared his apprehension; but I believe the explanation which has been made by the State Department entitles it to the benefit of the doubt.

Therefore, I now request unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. The Chair will advise the Senator from Oregon that unanimous consent is not required if he wishes to withdraw his amendment.

Mr. MORSE. Then, Mr. President, I advise the Senate that I have now withdrawn my amendment.

Mr. FULBRIGHT. Mr. President, last night, during debate on the Knowland amendment, it was so late when the vote was taken that I did not have an opportunity to make a brief statement pertaining to that amendment. At this time I should like to take a few minutes to do so.

According to the press, the Soviet Union has recently unilaterally postponed for 5 years two credits to Yugoslavia, in the amount of the equivalent of $285 million. It is very interesting, in view of the propaganda of the Soviet Union that American credits have strings, and that theirs are without strings, that this extreme form of coercion should be used by the Soviets upon their fellow Communists in Yugoslavia.

This action by the Soviets demonstrates more plainly and forcefully than anything that I can say the determined and ruthless policy of domination which the Russians exercise over their satellites, and even over countries which are not considered satellites, but only friends. The Russians may not attach what are euphemistically called strings. They simply demand complete subservience to their policy; and if the borrower refuses to knuckle under, they simply cancel or postpone the entire credit. That is far more than a string; it is a club.

It is true that, in a sense, good business demands that certain conditions should be imposed upon countries borrowing money for specific developmental purposes. In private practices, the lender is entitled to require that the procedures to be followed by the borrower should be reasonably designed to accomplish the agreed purpose of the loan. That is all that our program has ever required; and I think it is entirely justifiable, and should be required in the future. This does not at all entail the subservience of the borrower to the will of the lender, so far as major governmental policies are concerned.

For the information of the Senate and of the country, I wish to give some further details about the status of credits purportedly extended by the Soviet bloc to Yugoslavia. I think this information is pertinent to the consideration of our policy, not only toward Yugoslavia, but toward other nations of the Soviet bloc, particularly those affected by the amendment proposed by the Senator from Massachusetts [Mr. KENNEDY]. I refer to the amendment which was defeated, last night, by a majority of one vote, as I recall.

First. According to the newspapers, the Soviet Union has unilaterally postponed, for 5 years, two investment credits to Yugoslavia:

(a) One hundred and seventy-five million dollars equivalent, 2 percent 1956–84, in conjunction with East Germany, for the construction of an aluminum complex in Montenegro. This was to have been repaid in aluminum deliveries from the output of the project, beginning of 1962. None of this credit is believed to have been disbursed as yet.

(b) One hundred and ten million dollars equivalent, 2 percent 1956–75, allocated for the construction of two fertilizer plants, three mines, and one power station. About $7 million of this is believed to have been disbursed, largely for planning.

Second. Since the aluminum project was being developed as a kind of Soviet economic enclave in Montenegro, postponement of it should hurt the rest of the Yugoslav economy very little. But it will present a major problem, in that it was the major project in Montenegro, and the Government will have difficulty in finding something else to do there. The Government also is supposed to have begun work on a new port at Bar, Montenegro; and the aluminum project was probably the main justification for it.

Third. The postponement of the $110 million credit will hurt the rest of the economy more. Some of the projects have been started, but not all. So far as we know, the projects were of sufficiently high priority that if the Government cannot get other financing for them, it will have to review its whole plan, to decide what can be cut. The investment in these projects is only 2 to 3 percent of the total investment, but the credit amounts to one-fifth of the total foreign exchange financing that the Yugoslavs need for their current 5-year plan.

Fourth. We do not know whether the other Soviet and Soviet satellite credits and the remaining Hungarian reparations payments will also be postponed. These total $181 million equivalent, and are as follows:

Amount undisbursed as of December 31, 1957

[In millions of dollars]

Soviet raw materials credit, 2 percent, 1956–68	31
Czech investment credit, 2 percent, 1956–70	45
Czech commodity credit, 2 percent, 1956–68	25
Polish investment credit, 2 percent, 1956–64	20
Hungarian reparations	60
Total	181

If these also are postponed, and if no other credits are received to make up for them, then Yugoslavia will have to make a major revision of her economic plans. With the loss of all of the Soviet bloc credits, she will have lost over half of the foreign-exchange credits she needs to carry out her 5-year plan.

Fifth. We also do not know whether trade with the Soviet bloc is going to be affected. One-fourth of Yugoslav trade is with the Soviet bloc. While it would be quite possible for Yugoslavia to shift her trade away from the bloc, that would take time. With the small Yugoslav foreign-exchange reserves, any interruption in trade is a serious matter.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a further compilation of credits from other countries in the Soviet bloc, except Russia, to Yugoslavia.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

SOVIET BLOC CREDITS TO YUGOSLAVIA

COMPLETELY DISBURSED

Gold loan from U. S. S. R., 2 percent interest payable annually, principal to be repaid in 1966, $16 million in United States dollars, and $14 million in sterling: $30 million.

POSTPONED

Aluminum credit, half from U. S. S. R. and half from East Germany, 2 percent, to cover both foreign exchange and local currency expenditures in constructing an aluminum combine: smelter, powerplant, bauxite mine, soda plant, etc. The local currency costs were to be met by the provision of $100 million of wheat deliveries. Repayments originally were to have begun in 1962 through delivery of aluminum and to have lasted to 1984. Apparently no interest was to have been paid prior to this: $175 million.

Investment credit from U. S. S. R., 2 percent, to be allocated to projects in Yugoslavia. Interest payments beginning 1959, varying principal payments, last payment 1975. Payable through clearing arrangements: $110 million.

STILL IN FORCE

Commodity credit from U. S. S. R., 2 percent, to finance wheat, crude oil and other commodity purchases. Interest and principal payments beginning 1959, last payment 1968. Payable through clearing arrangements. As of December 31, 1957, $23 million had been disbursed: $54 million.

Investment credit from Czechoslovakia, 2 percent, to finance purchase of equipment. Interest and principal payments beginning 1961, final payment 1970. Payable through clearing arrangements. As of December 31, 1957, $5 million had been disbursed: $50 million.

Commodity credit from Czechoslovakia. Same terms as Soviet commodity credit. No disbursement by end of 1957: $25 million.

Investment credit from Poland, 2 percent, to finance purchase of equipment. Repayments of interest and principal to begin 1959. Final payment, 1964. Payable through clearing arrangements. No disbursement by end of 1957: $20 million.

Mr. FULBRIGHT. Mr. President, I place this in the RECORD because I think there is a great misunderstanding of the significance of the Kennedy amendment, and I know there is misunderstanding of the significance of the action taken by the Soviets in postponing these loans.

During the debate last night it was said that, of course, every year at about this time the Yugoslavs pursue a particular course of action which is designed to induce the United States to

extend credit to Yugoslavia. That may or may not be so, although I do not believe it to be true. But, regardless of that, the fact that the Russians have in this instance postponed for 5 years the two loans totaling $285 million, at 2 percent, completely negatives, in my opinion, in the minds of the people of the other countries of the world the proposition of the Russians that the United States places strings on the loans it it makes, but that Russia does not.

Now it is clear that the Russians do not merely put strings on the loans they make; they cancel the entire loans.

So I think there is no greater assistance to a correct understanding by the rest of the world of the position we take than the assistance given in that connection by the action taken by Russia in the case of the two loans which Russia had agreed to make to Yugoslavia.

I think the significance of that matter has been overlooked by our press; I think our press does not realize its true significance. Certainly I believe the Senate should not overlook it. Senators should realize that such things as this, which has occurred in the case of Yugoslavia, have great significance in connection with this matter and this situation.

I do not think this action was taken by Yugoslavia in an attempt to influence either one way or another the action taken by this Congress.

Mr. MALONE. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I am very glad to yield.

Mr. MALONE. Does the Senator from Arkansas have reference to the press reports which came a few days ago in regard to the plan of Yugoslavia to sue Russia because Russia broke the promise she had made?

Mr. FULBRIGHT. That is a part of it. The major part in particular refers to the fact that the Russians, because they are having an ideological difference with the Yugsolavs, have postponed for 5 years, which in effect is a withdrawal—the $285 million credit which they had, with great acclaim, extended.

Mr. MALONE. Where would Yugoslavia file the suit against Russia for not extending the loan it had previously promised to extend? In the World Court?

Mr. FULBRIGHT. Yugoslavia would have to submit a claim to Russia, as any nation submits such a claim for damages.

Mr. MALONE. I had understood Yugsolavia was going to sue Russia in some court.

Mr. FULBRIGHT. I do not know about that. The account I referred to was that Yugoslavia would present a claim for damages because Yugoslavia had expended some $7½ million in planning for fertilizer plants. Now the credit to complete the plants is not forthcoming. The extending of the loan has been postponed. I think that would constitute a legitimate claim for damages, in ordinary circumstances, if the credit were withdrawn.

Mr. MALONE. If Yugsolavia were to sue Russia for canceling a promised loan and tried to secure damages in the World Court, does the Senator from Arkansas believe that might set a precedent which might apply to us?

Mr. FULBRIGHT. Is it the Senator's belief that Russia has subjected herself to the World Court? Is she a member of the World Court?

Mr. MALONE. If Russia were to be sued by Yugoslavia and the World Court took jurisdiction and assessed damages—stranger things have happened——

Mr. FULBRIGHT. That would be very strange. Of course, I hope Yugoslavia will sue Russia, because that would advertise to the world just how Russia treats her satellites or friends.

That is the purpose of my making the statement. I would hope Yugoslavia would sue Russia, but I do not think Yugoslavia would be able to collect unless Russia wanted to pay. There is no binding agreement in this field, as the Senator knows.

Mr. MALONE. The point I want to make is that it might set a bad precedent for the United States, and there might be many nations suing us for implied promises made by the State Department.

Mr. FULBRIGHT. The Senator is going pretty far afield. I do not think this country does that sort of thing. When this country promises to extend credit, it carries out its promises. That is the big difference between us and Russia. I think that has very great significance to the rest of the world. We do business on the basis of carrying out promises, and Russia does not.

Mr. MALONE. I point out to the Senator that we promised to build the Aswan Dam on the Nile River, and then changed our minds.

Mr. FULBRIGHT. That agreement was never reduced to the point where credit was extended. Before it got to the point of agreement, we changed our minds. The discussion was in the preliminary stages. I do not want to take the time of the Senate to discuss it, but I should like to point out that what happened was that the Secretary of State made a proposal. Mr. Nasser did not accept the proposal. He made a counterproposal, in a sense. Negotiations took place. Before there was a complete meeting of the minds, the Secretary of State withdrew our offer. It never reached the point of agreement.

Mr. MALONE. The Senator from Arkansas believes, does he, that the matter could never have been subject to a suit, under those circumstances?

Mr. FULBRIGHT. No; I do not think so. Generally speaking, in this field, those circumstances would not warrant a suit. That does not mean the country could not make a legitimate claim that we had injured it. In this general field, there is no law in the sense that we have domestic law in the United States, under which an aggrieved party can go into a court and enforce a contract. These are diplomatic relations, which rely upon consent and agreement.

Mr. MALONE. In 1947, 1948, and 1949, the chief argument on the floor was that the State Department had committed this country, and that it would be a breach of faith if the Senate did not appropriate the money.

Mr. FULBRIGHT. I do not recall that argument. I do not think I made such an argument.

Mr. MALONE. The logical conclusion would be that such countries would have a case against us.

Mr. FULBRIGHT. I do not recall such an argument being made in the sense that there was any legal obligation on our part.

I think we and the Free World should take notice of what the Russians have done in connection with the loan to Yugoslavia. It is very significant as to what this country might have done in the future if the Kennedy amendment had not been defeated. I think that was a great mistake. We were defeated in a fair argument. I only hope the incident with regard to Yugoslavia is merely one example of what we may be able to develop in the course of time if this country uses its resources intelligently in this field.

I regret that this administration was deprived of an opportunity to engage in further activities in that direction.

Mr. MANSFIELD. Mr. President, I desire to join the distinguished Senator from Minnesota [Mr. HUMPHREY] and the distinguished Senator from Wisconsin [Mr. WILEY] and to particularly call attention to two sections in the bill dealing with health. One of these will carry forward the malaria eradication program. This section authorizes the use of any funds in the act, other than those for military assistance and the Development Loan Fund, for this purpose. The administration intends to use $25.6 million in special assistance funds for this program, but it has authority to use more—or less—if necessary.

The other section invites the World Health Organization "to initiate studies looking toward the strengthening of research and related programs against diseases common to mankind or unique to individual regions of the globe." This particular provision is really nothing more than an exhortation, but it is one which I hope will be heeded, because health strikes me as an activity especially suited to the multilateral approach. One of the virtues of the malaria eradication program is that it is an international endeavor carried on in cooperation with WHO and the Pan American Sanitary Organization.

Disease transcends political boundaries and economic doctrines. There is no ideology in a germ. Certainly this should be a field in which human beings can work together simply as human beings.

Another factor pointing to the multilateral approach in health is the international flavor of much of the work that has already been done. This, I think, could be capitalized on as international health work if pushed forward on a more organized basis. Would it not be a splendid thing, Mr. President, if every vial of penicillin used in these multilateral health programs abroad bore the label, "Discovered in the United Kingdom and manufactured in the United States"? Or if every X-ray machine bore the label, "Invented in Germany

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and manufactured in the United States"? Or if every carton of milk supplied by the U. N. Children's Fund was labeled, "Purified according to a process developed in France, with machinery manufactured in the United States"?

This would indeed be symbolic of international cooperation and would, I think, have advantageous psychological results among the people being aided. I hope, therefore, Mr. President, that in these and other health programs, the administration will consider and take into account by appropriate regulation or other procedures the psychological value of emphasizing the origin of effective medicines.

Mr. THURMOND. Mr. President, I am in sympathy with the principle embodied in the amendment dealing with offshore procurement which the Committee on Foreign Relations has offered as one of its proposals for improving the mutual security bill.

This principle is that commodities purchased for the foreign aid program should be purchased, whenever practicable, in the United States. This is a laudable principle. By aiding American industry and agriculture, the purchases contribute to the American economy and reduce the heavy burden of expense borne by the American taxpayer in supporting the mutual security program. The alternative is to subsidize industries overseas which will compete with American industry.

In applying this buy American principle, the committee has been quite lenient. It would authorize the President to permit up to 50 percent of the nonmilitary assistance funds (other than the Development Loan Fund) to be used for offshore procurement. I am inclined to believe that this ceiling on foreign purchases is set too high. However, in view of the fact that the mutual security program is primarily a security program, and not a program to regulate or restrict trade, I am willing to accept the judgment of the committee as to the percentage of procurement that can reasonably be conducted overseas without undue damage to American industry.

Mr. President, I ask unanimous consent that there be printed in the RECORD, at this point in my remarks, a table prepared by the Office of Statistics and Reports of the International Cooperation Administration, showing the percentage of commodity expenditures which have been made, under its programs in the United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ICA commodity expenditures, total and principal commodities

[In millions of dollars]

	Total ICA commodity expenditures				Percent of total procured in United States			
	1949–55	1956	1957	1958 [1]	1949–55	1956	1957	1958 [1]
Total, all commodities	$14,479	$1,040	$1,236	$1,033	69.9	67.6	57.3	55.1
Total, principal commodities	10,261	779	927	806	74.4	68.9	56.4	55.6
Machinery and equipment	1,805	151	168	142	95.1	96.2	57.8	51.1
Iron and steel	549	71	81	103	76.9	96.2	28.3	37.5
Bread grains	2,084	109	113	94	76.4	100.0	100.0	100.0
Cotton	2,149	113	116	84	100.0	100.0	100.0	100.0
Fabricated basic textiles	179	46	96	70	51.4	24.4	7.5	13.6
Chemicals	384	54	73	63	90.4	51.2	42.3	41.2
Petroleum	1,635	38	80	59	25.8	65.1	44.3	60.7
Sugar	335	9	47	64	8.4	1.5	31.1	
Fertilizers	201	66	63	39	35.1	48.8	47.0	44.3
Air and rail transportation equipment	183	42	18	37	95.4	75.2	38.6	78.2
Motor vehicles	300	45	41	35	98.1	65.8	60.5	58.6
Coal	466	35	31	26	74.1	87.7	71.3	84.1
Total principal commodities excluding bread grains and cotton	6,037	557	698	628	64.7	56.4	42.1	43.0

[1] Annual rate, based on 1st 6 months.

Mr. THURMOND. Mr. President, it is apparent from the table that some American industries have been gaining a larger share of the ICA's procurement dollar, while others, which did a substantial business in the foreign-aid procurement program a few years ago, have been losing ground.

The most distressing example is that of the textile industry. In the years 1949–55, a little more than half of the ICA commodity expenditures for textiles went to American textile mills. This was very close to the 50–50 arrangement proposed by the Foreign Relations Committee as the ultimate in offshore procurement. However, the American percentage declined to 24.4 percent in 1956 and 7.5 percent in 1957. In 1957, the ICA spent $96,000,000 for textile products, of which only $7 million went to American suppliers.

The picture improved somewhat during the first 6 months of fiscal 1958, when the American share of textile sales for the foreign assistance program was 13.6 percent of the total. Still, this leaves almost seven-eighths of the business for foreign mills.

Foreign producers also supply the greater share of the iron and steel, chemicals and fertilizers purchased for the foreign-aid program.

Mr. President, these are industries which are vital to the security of the United States. In case of wartime mobilization, these are industries which must expand rapidly to supply the needs of the Armed Forces, and to supply urgent needs at home. Any security program which works to the detriment of these industries is a dangerous security program.

The amendment of the distinguished Senator from Maine [Mr. PAYNE], who is himself a member of the Foreign Relations Committee, permits a maximum of 50 percent of any class of commodity to be procured overseas when, in the judgment of the President, such procurement will not unduly damage the domestic industry.

As I have pointed out, the immediate beneficiaries of this amendment will be the textile industry, the iron and steel industry, the chemical industry and the fertilizer industry. Judging by the trend in procurement, it will soon be helpful to the machinery and equipment industry and to the motor vehicle industry. These industries now get slightly more than half of the procurement dollar for their classes of commodities, but have been losing ground.

In the long run, the beneficiaries will include every American.

Mr. HUMPHREY. Mr. President, I call up my amendment, identified as 6–3–58–F.

The PRESIDING OFFICER. The amendment of the Senator from Minnesota will be stated.

The CHIEF CLERK. It is proposed, on page 63, after line 9, to insert:

(d) Add the following new section to the act:

"SEC. 550. It is the sense of the Congress that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations and related international organizations for the purpose of acquiring and storing in appropriate countries raw or processed farm products and other raw materials, exclusive of minerals, with a view to their use in—

"(1) preventing extreme price fluctuations in the international market in these commodities;

"(2) preventing famine and starvation;

"(3) helping absorb temporary market surpluses of farm products and other raw materials (exclusive of minerals);

"(4) economic and social development programs formulated in cooperation with other appropriate international agencies.

"Participation by the United States in such an International Food and Raw Materials Reserve shall be contingent upon statutory authorization or treaty approval, as may be appropriate. The President shall include in each of the semiannual reports required by section 534 an account of action taken under this section."

Mr. HUMPHREY. Mr. President, the hour is very late. I shall take about 30 seconds.

This amendment was offered last year to the mutual-security bill then pending and was adopted by the Senate. It is a direction to the President of the United States in our negotiations as a member of the United Nations.

The purpose of this amendment has received considerable international support. I cite for the RECORD that the present Prime Minister of Canada, Mr. Diefenbaker, has recently supported an international food and fiber reserve.

I also note that the Japanese Government, the Italian Government, the Costa Rican Government, and other governments have indicated interest in the discussion of such a policy.

Finally, whatever may be decided, if anything should be accomplished in line with the purpose of the amendment it would have to be submitted to the Senate in accordance with the language, which says "statutory authorization or treaty approval, as may be appropriate."

Mr. HICKENLOOPER. Mr. President, the amendment was offered in the Senate Committee on Foreign Relations. The amendment was rejected as impractical at this time.

The administration opposes the amendment for various reasons. I shall not take the time to state the reasons this evening, because of the lateness of the hour. The fact is the amendment has been considered and rejected by the committee, which leads me to urge that the amendment be rejected at this time.

The principle involved is being pursued now mainly on the basis of the individual nation's capability of such stockpile. This amendment would establish another international agency, and we know what that would mean.

Mr. President, I ask unanimous consent to have a statement printed in the RECORD at this point, in connection with this matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL FOOD AND RAW MATERIALS RESERVE

Senator HUMPHREY has proposed an amendment which would add a new section 550 to the act expressing the sense of the Congress that the President should explore with other nations the establishment of an international food and raw materials reserve.

EXECUTIVE BRANCH POSITION

The executive branch opposes the Senate amendment for these reasons:

1. The possibility of establishment of an international food reserve has already been explored with other nations. Such exploration has taken place in the Food and Agriculture Organization of the United Nations the Economic and Social Council of the United Nations, and the General Assembly of the United Nations. At the 11th session of the General Assembly in November 1956, the United States pointed out that there were slight prospects of action on world reserves, but much better prospects for national food reserves, in the creation of which the United States was willing to assist. The General Assembly then adopted Resolution 1025, based largely on a United States draft, which requested the Secretary General, in preparation of a report requested by an ECOSOC resolution, to include an analysis of the desirability and possibility of promoting national reserves which might meet emergency situations, prevent excessive price increases resulting from failure of local food supplies, and prevent excessive price increases resulting from increased demand due to economic development programs. The FAO secretariat is currently preparing, by agreement with the staff of the U. N., the report for presentation to this coming summer session of the ECOSOC.

2. The substance of the United States position, which is understood by other members of the United Nations and of the Food and Agriculture Organization, is as follows:

(a) The creation of international food reserves at the present time is not feasible. It would create many problems with regard to location, establishment of storage facilities, administration, and financing.

(b) The creation of national food reserves to serve any of a number of different purposes appears to be both desirable and feasible.

(c) The United States Government is consulting with governments of both importing and exporting countries through FAO's Consultative Subcommittee on Surplus Disposal and its Working Party on National Reserves with a view to facilitating realization of programs of this kind. However, no concrete proposals have been developed yet.

(d) The United States is prepared to make available within the limits of existing legislation and authorization (Public Law 480) surplus agricultural commodities for the establishment of reserve stocks to meet extraordinary needs due to crop failure or other emergencies, to mitigate excessive local fluctuations of prices, or to meet unforeseen increases in demand.

(e) Such assistance in the establishment of reserve stocks is contingent upon adequate steps being taken to assure that commercial imports will not be reduced, that adequate storage facilities are available, and that a number of other reasonable conditions are met.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. [Putting the question.]

Mr. DOUGLAS. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. PAYNE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared with respect to the extension of the mutual-security program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PAYNE ON EXTENSION OF MUTUAL SECURITY PROGRAM

Once again the Senate of the United States has before it a bill to extend the Mutual Security Act and to authorize the necessary appropriations. Few measures which come before the Congress of the United States each year are of greater significance to the destiny of our own Nation and all the peoples of the Free World. Few bills call for more responsible action on the part of those of us who have been honored by our electorate to sit here as their representatives in this great Chamber. The Mutual Security Act is indeed a cornerstone upon which the structure of Free World cooperation and defense is based. More than that, it is a practical and applied symbol of those most noble qualities and characteristics of the American people—social responsibility, generosity, cooperative endeavor, and unqualified devotion to peace and the elevation of human dignity and well-being.

The vital significance of the foreign aid program has been duly recognized by all Americans. The Nation as a whole has contributed billions of dollars and thousands of its administrative specialists and technicians to make the program succeed and enjoy constructive results. The Congress has year after year undertaken bipartisan efforts to achieve sound legislation affecting foreign aid and guiding the program according to the best interests of the Nation. And the administration has actively supported foreign aid and given it the leadership which it deserves. Following the chaos of World War II the program was born from the realistic recognition of all Americans that it was their responsibility and moral obligation to assist the suffering peoples of war-torn nations. It is my personal conviction that this act of unselfish and genuine good will shall forever be recorded in the annals of history as a glowing tribute to the American people and as irrefutable evidence of our sincere devotion to the cause of peace and human well-being.

Today the foreign aid program has been diverted from its original task of helping a sick and war-weary world regain its strength. It is now lending its resources to the elevation of peoples throughout the world who for centuries have lived under conditions of poverty, disease, and malnutrition. It is also contributing to the defense of these nations, many of which have only recently joined the World Community as independent and sovereign states. In so doing, the foreign aid program is rendering a service of inestimable value to underdeveloped and new-born nations throughout the world. But we must not for a moment forget that it is also contributing untold benefits to our own interests. There is no doubt in my own mind that all Americans want to help the less fortunate peoples of the world. We are a prosperous Nation. We enjoy the highest standard of living ever achieved by a society. We are also naturally motivated by an unselfish response to assist those in need. For this reason, we genuinely desire to share our prosperity with those who are now making every effort to emerge from want, illiteracy, and disease, and who desire to take their rightful places among the more developed nations of the world. On the other hand, no nation can be expected to give of itself tirelessly without reward. To expect this of a nation is not only unrealistic but also unwise. Any program such as foreign aid must, therefore, be in tune with the principles of enlightened self-interest. For this reason, we must never underestimate the contributions the program makes to the United States itself as well as to our many foreign friends.

In a world divided into two conflicting ideological camps, each finding it necessary for its own self-preservation that its way of life be understood and acknowledged by all, it is imperative that the United States demonstrate its traditional motivations toward peace and human welfare. It is vital that we make known to all our heritage of social responsibility and cooperative endeavor. Even in an era of international harmony we would seek to aid the unfortunate peoples of the world. In a period of cold war, however, when our very basic political, social, and economic institutions are challenged, such assistance becomes ever more necessary as a means of establishing stability in nations which might otherwise succumb to the false promises of communism, and as a means of making clear and evident our peaceful intentions and the advantages of our way of life. This the foreign-aid program provides.

In addition it contributes to the cooperative defense efforts of the Free World. It permits less prosperous nations to have the arms necessary for their own protection against the constant menaces of the Kremlin. These nations provide the men and the bases. We help them clothe and equip their armies and we supply their bases. Without these men and bases the world over, our future would indeed be jeopardized. They are an indispensable part of our own defense and, in turn, the defense of the entire Free World.

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Thus the foreign-aid program, in addition to the valuable assistance it renders to the underdeveloped nations of the world, also contributes immeasurably to our own ideological and military defense. For this reason I speak today in its support and hope that it will be allowed to continue its valuable services.

Before concluding, however, I wish to make a few brief remarks concerning an amendment to the Mutual Security Act which I introduced and which has been adopted with modifications by the distinguished members of the Committee on Foreign Relations. This amendment would modify the procurement policies of the foreign-aid program by requiring that at least 50 percent of each commodity purchased under chapter 3 of title I, and also under title III and title IV of the Mutual Security Act be bought here in the United States and that the other 50 percent of each commodity also be purchased domestically if the President determines that such procurement will be of advantage to the United States economy with special reference to areas of labor surplus. I wish to emphasize, Mr. President, that it is the intention of the author of this amendment that 50 or more percent of each commodity be purchased in the United States. Recent interpretations of this amendment by officials of the Department of State have suggested that the executive branch construes it to mean that 50 percent of the total of procurement funds be spent here at home. This is not at all what was intended by the author of the amendment, nor is it consistent with the language of the amendment. For this reason I wish to again repeat that the amendment as introduced is intended to require that at least 50 percent of each commodity purchased under the designated titles of the Mutual Security Act be bought domestically and that even more than 50 percent of a commodity be purchased in the United States unless the President can show that off-shore purchases would not adversely effect the economy of the United States with special reference to areas of labor surplus or upon the industrial mobilization base. So far the Department of State interpretations have not been correct and I emphasize the intention of my amendment in order that the Department not be permitted to write legislative history on this amendment by executive fiat.

It is my sincere conviction that this amendment is vitally needed in order to make the application of the Mutual Security Act more reasonable and in line with our national self interest. I first became aware of the unwise procurement policies of the International Cooperation Agency, which presently administers the foreign aid program, and of its predecessor agencies in a recent study I made of the textile industry. I learned, for example, that since 1949 American tax dollars have purchased over $356 million worth of textiles under the foreign aid program. Of that amount $240,820,000 worth were purchased overseas and $115,190,000 worth were bought here at home. Yet, as we all know, the domestic textile industry is in a very serious plight and has been since the war. Mills have been closing by the score and there are now several hundred thousand fewer textile jobs than there were in 1947. Yet, ICA has been buying the lions share of its textiles overseas. In fiscal 1957 alone, of the $96,322,000 worth of textiles purchased with foreign aid funds $89,111,000 worth were bought overseas and only $7,211,000 worth were purchased here at home. Had this purchasing policy been reversed, I am certain that several textile mills which closed during the year might still be open and that the jobs of several thousand textile workers might have been saved.

And this unwise procurement policy has affected other industries suffering from unemployment. In textile machinery, for example, ICA in fiscal 1957 purchased $5,433,000 worth. Of that total $4,264,000 worth were bought overseas and only $1,169,000 worth came from American industry. Yet in Biddeford-Saco, Maine, the Saco-Lowell Shops, probably the world's largest producer of textile machinery, were working at 50 percent capacity with additional layoffs forecast. I understand that in the procurement of motor vehicles, footware, and many other commodities the policy has been the same, with foreign competitors obtaining the lions share of American foreign aid contracts. This, in my estimation, is a detrimental policy especially at a time of economic slump here at home. It represents the use of American tax dollars to help put Americans out of work.

The supporters of this policy tell us that they are saving American tax dollars by buying commodities overseas where they are cheaper and where the dollar, therefore, can be stretched. I am quite certain that were this situation thoroughly analyzed, we would find that the unemployment and industrial inactivity resulting from the loss of these foreign aid contracts are much more costly to the American people than would be the case if our tax dollars were spent here at home where admittedly they could not buy quite as much as they can in countries with low standards of living and where labor enjoys none of the benefits provided to American workers. Unemployment and industrial inactivity mean great losses in personal and corporate income taxes. Furthermore, the money paid in unemployment compensation also represents a considerable drain on tax dollars. The loss of jobs here at home resulting from the loss of millions of dollars worth of foreign aid contracts is certainly not a saving to the American taxpayer whose dollars, as I say, are helping to put him out of work.

For these reasons I did introduce this amendment which modifies our present foreign aid procurement policies and prohibits this unwise purchase of foreign commodities when our own industries are suffering from unemployment. The amendment was adopted by the Committee on Foreign Relations and is included in the bill we are now considering. A more reasonable procurement policy will not only be beneficial to the American taxpayer, the American worker, and numerous American industries, but it should also strengthen the foreign aid program itself by blunting the edge of criticism aimed against it and by cementing public opinion in support of it.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McClellan
Allott	Goldwater	McNamara
Anderson	Gore	Monroney
Beall	Green	Morse
Bennett	Hayden	Morton
Bible	Hennings	Mundt
Bridges	Hickenlooper	Neuberger
Bush	Hill	Payne
Capehart	Humphrey	Proxmire
Carlson	Jackson	Purtell
Carroll	Javits	Russell
Case, N. J.	Jenner	Smathers
Case, S. Dak.	Johnson, Tex.	Smith, Maine
Chavez	Jordan	Smith, N. J.
Church	Kefauver	Sparkman
Clark	Kennedy	Stennis
Cooper	Knowland	Symington
Curtis	Kuchel	Talmadge
Dirksen	Langer	Thurmond
Douglas	Lausche	Thye
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Young

Mr. MANSFIELD. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Michigan [Mr. POTTER], are detained on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from Nebraska [Mr. HRUSKA] are also absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. EASTLAND (when his name was called). On this vote I have a pair with the junior Senator from Rhode Island [Mr. PASTORE]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

Mr. MAGNUSON (when his name was called). On this vote I have a pair with the senior Senator from Oklahoma [Mr. KERR]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the Senator from Louisiana [Mr. LONG]. If he were present and voting he would vote "nay." If I were at liberty to vote I would vote "yea." I therefore withhold my vote.

Mr. McCLELLAN (when his name was called). On this vote I have a pair with the senior Senator from Florida [Mr. HOLLAND]. I understand that if he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Delaware [Mr. FREAR], the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY],

the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that if present and voting, the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from South Carolina [Mr. JOHNSTON], and the Senator from Wyoming [Mr. O'MAHONEY], would each vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Delaware would vote "nay" and the Senator from Montana would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Wyoming [Mr. BARRETT], the Senator from New York [Mr. IVES], the Senator from Pennsylvania [Mr. MARTIN], and the Senator from Kansas [Mr. SCHOEPPEL], are absent on official business.

The Senator from New Hampshire [Mr. COTTON], the Senator from West Virginia [Mr. REVERCOMB], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

The Senator from Ohio [Mr. BRICKER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Michigan [Mr. POTTER], are detained on official business.

The Senator from Maryland [Mr. BUTLER], the Senator from West Virginia [Mr. HOBLITZELL], and the Senator from Nebraska [Mr. HRUSKA], are also absent on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from West Virginia [Mr. HOBLITZELL], the Senator from New York [Mr. IVES], and the Senator from Massachusetts [Mr. SALTONSTALL], would each vote "yea."

The Senator from Wyoming [Mr. BARRETT], is paired with the Senator from New Hampshire [Mr. COTTON]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from New Hampshire would vote "yea."

The Senator from Michigan [Mr. POTTER], is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Kansas would vote "nay."

The Senator from West Virginia [Mr. REVERCOMB], is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 51, nays 17, as follows:

YEAS—51

Aiken	Fulbright	McNamara
Allott	Gore	Monroney
Anderson	Green	Morse
Beall	Hayden	Morton
Bennett	Hennings	Mundt
Bridges	Hickenlooper	Neuberger
Bush	Hill	Payne
Capehart	Humphrey	Proxmire
Carlson	Jackson	Purtell
Carroll	Javits	Smathers
Case, N. J.	Johnson, Tex.	Smith, Maine
Case, S. Dak.	Kefauver	Smith, N. J.
Church	Kennedy	Sparkman
Clark	Knowland	Symington
Cooper	Kuchel	Thye
Dirksen	Lausche	Watkins
Douglas	Martin, Iowa	Wiley

NAYS—17

Bible	Goldwater	Stennis
Chavez	Jenner	Talmadge
Curtis	Jordan	Thurmond
Dworshak	Langer	Williams
Ellender	Malone	Young
Ervin	Russell	

NOT VOTING—28

Barrett	Hruska	O'Mahoney
Bricker	Ives	Pastore
Butler	Johnston, S. C.	Potter
Byrd	Kerr	Revercomb
Cotton	Long	Robertson
Eastland	Magnuson	Saltonstall
Flanders	Mansfield	Schoeppel
Frear	Martin, Pa.	Yarborough
Hoblitzell	McClellan	
Holland	Murray	

So the bill (H. R. 12181) was passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. GREEN. Mr. President, I move that the Senate insist on its amendments to House bill 12181, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GREEN, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, and Mr. KNOWLAND conferees on the part of the Senate.

Mr. GREEN. Mr. President, I ask that the bill, as amended and passed by the Senate, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TILL 11 A. M. MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until 11 o'clock a. m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO SENATOR GREEN

Mr. JOHNSON of Texas. Mr. President, I wish to pay high tribute to the distinguished chairman of the Foreign Relations Committee, who has been the floor manager for the bill just passed, and who has handled the measure with his usual skill and efficiency.

This is a very difficult piece of legislation, as we all know. It is time consuming. We spent days and nights working on the bill. It has now been passed, after most careful attention, by an overwhelming vote. I believe that vote is a tribute to the industry of the distinguished chairman of the committee, Senator THEODORE GREEN, and an indication of the confidence we have in him. [Applause.]

BASIC PHILOSOPHY AND RATIONALE UNDERLYING AMERICAN FOREIGN POLICY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a statement by Hon. John Foster Dulles, Secretary of State, before the Senate Foreign Relations Committee today, on the subject of the basic goals of United States foreign policy.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY THE HONORABLE JOHN FOSTER DULLES, SECRETARY OF STATE, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

Mr. Chairman, my associates in charge of regional and economic affairs have made detailed expositions of United States foreign policy in relation to particular subjects. I shall present the basic philosophy, the rationale, which underlies those policies.

I. OUR BASIC GOALS

United States foreign policy is designed to protect and promote the interests of the United States in the international field. It is based upon certain facts and convictions:

(a) That the peoples of the world universally desire the elimination of war and the establishment of a just peace;

(b) That the designs of aggressive Communist imperialism pose a continuous threat to every nation of the Free World, including our own;

(c) That the security of this Nation can be maintained only by the spiritual, economic, and military strength of the Free World, with this Nation a powerful partner committed to this purpose;

(d) That change is the law of life, for nations as well as for men, and that no political, economic, or social system survives unless it proves its continuing worth in the face of everchanging circumstances;

(e) That the effectiveness of our collective security measures depends upon the economic advancement of the less developed parts of the Free World, which strengthens their purpose and ability to sustain their independence;

(f) That in all international associations and combinations within the Free World, of which the United States is a member, it considers all nations, including itself, as equals. The sovereignty of no nation will ever be limited or diminished by any act of the United States.

The interests of the United States, which our foreign policy would safeguard and promote, include:

The lives and homes of our people; their confidence and peace of mind; their economic well-being; and their ideals.

These interests are not mutually exclusive; rather they are overlapping and interdependent. Yet, of them, ideals rank first.

Our people have never hesitated to sacrifice life, property, and economic well-being in order that our ideals should not perish from the earth.

So we often have a narrow path to tread. We must avoid war and still stand both firm and affirmative for what we deem to be just and right.

Success in our purposes requires that we have vision to see, hearts to understand, and minds to resolve, the problems of the world in which we live.

II. THE CHALLENGE OF CHANGE

We face the challenge of change. Long-established political relationships are evaporating; massive fresh human aspirations demand new responses; physical limitations within and without this globe are being swept away by the advances of science.

1. We are witnessing a political revolution that is drastic and worldwide in its repercussions. For 500 years Europe was predominant in the world through a political system known as colonialism, backed by preponderant industrial and military power.

That political system is now in process of rapid transformation. Within the last 15 years 700 million people of 20 countries have won political independence. This trend will continue.

But stability is not achieved and a new order comfortably established merely by the grant of political independence. That is but the beginning of a two-phased struggle.

To preserve political independence requires a people who themselves exercise self-restraint and who acquire education. Without these qualities, political independence may mean but a brief transition from benevolent colonialism to ruthless dictatorship.

The second front is the economic front. The grant of independence has generated mass aspirations, which have spread contagiously to all who, having been bogged down for centuries in a morass of abject poverty, demand a prospect for rising in the economic scale.

Thus, we face a world new both in terms of its political structure and its economic demands.

2. We face another new world in terms of physical power. The splitting of the atom revealed sources of power, so vast, so omnipresent, as to imply a new industrial revolution. Also it changes the very nature of war, in that general war now would menace the very existence of human life upon this planet.

3. A third new world opens in terms of outer space. Throughout history, until now, man has assumed that the atmosphere put a limit on man's reach. Now his satellites and missiles go far beyond. Soon they will be carrying human beings far beyond. Just what this means we do not know. We sense but dimly what we realize must be new possibilities of infinite purport.

4. Even on this globe, old areas take on new aspects. What were barriers of forbidding cold and ice now, in the North, offer the routes whereby many can most quickly establish contact with each other. And in the South, Antarctica, probed by the Geophysical Year, reveals a new and exciting possibility of service to mankind.

5. And peace must be better assured within the society of nations.

Today no international wars are being fought. For that we can be thankful. But our peace is a precarious peace. It depends too much on individual and national restraints, upon accurate calculations, and upon avoidance of miscalculations and mischances. It is not sufficiently rooted in a system of law, order and justice.

Unless we build a better international order, all of the new prospects which beckon mankind forward and upward will come to the naught of a blackout that has no ending.

III. THE GOALS OF INTERNATIONAL COMMUNISM

These challenges of a changing world are the more demanding of us because International communism seeks to dominate the change and thereby itself ride to world rule.

It professes a creed which, it claims, shows the way to assured peace and great productivity. According to it, human beings are animated particles of matter; order and maximum productivity require that they be directed in accordance with a master plan which will assure conformity of thought and act, and eliminate the discords inherent in a society which gives freedom of thought and choice to the individual human being. The Soviet Communist Party, as the general staff of the world proletariat would devise and administer the worldwide master plan.

International communism emphasizes science and scientific applications. It seeks to dominate the world with a military establishment so powerful that its will will not be challenged. It strives for superiority in all material ways, including economic productivity. It makes intensive efforts in the new fields of nuclear energy, and in the exploration of outer space.

Thus, the challenge of change that confronts us offers not a choice between freedom and stagnation, or even between freedom and chaos. The choice is between freedom and a world in which great power, strong discipline, and a materialistic creed are combined to end everywhere the exercise of human freedom.

IV. OUR RESPONSE TO THE CHALLENGE OF CHANGE

The United States responds to the challenge of change. As an equal among equals, and in willing partnership with others, we play a positive and creative part. We do so not merely as a counter to Communist imperialism. We do so because to play such a part is natural to us and comports with our great tradition. We do so in no partisan mood, but with policies that reflect solid bipartisan cooperation.

The independence movement

1. On September 8, 1954, at Manila, acting under the inspiration of President Maysay-say, the United States and other Western powers joined with free Asian nations to proclaim the Pacific Charter. The signatories declared:

"They uphold the principle of equal rights and self-determination of peoples and they will earnestly strive by every peaceful means to promote self-government and to secure the independence of all countries whose peoples desire it and are able to undertake its responsibilities."

We realize full well that the solid establishment of independence is a hard task. We take every appropriate occasion to assist it.

We encourage educational exchanges and "leader" visits.

We provide technical assistance, both bilaterally and through the United Nations.

We provide funds for economic development. Private capital plays the primary role. But the Export-Import Bank and the Development Loan Fund are essential supplements.

The leaders of the new countries are not blind to the danger to independence that stems from international communism. They seek to find, in freedom, the way to solve their countries' problems. They look to the United States as the nation from which they can most dependably obtain assistance which will add to, not subtract from, their lasting independence.

Atoms for peace

2. The United States pioneers in the world of the atom. Our first concern is that this incredibly great force shall not be used for human destruction.

In 1946, when atomic power was still our monopoly, we sought, through the Baruch plan, such international control as would assure that atomic power would never be an instrument of war. The Soviet Union rejected that proposal. We nevertheless continue our efforts. President Eisenhower's "atoms for peace" proposal, made to the United Nations in 1953, finally led to positive results, which should grow with time.

The International Atomic Energy Agency was established in 1957 with a present membership of 66 nations, including the U. S. S. R. But that Government still fails to join to implement that vital part of the President's proposal which would have drawn down nuclear war stocks for peace stocks under international control.

We continue to press the Soviet Union in that respect.

We continue to develop and to spread the peaceful uses of atomic energy.

We have made bilateral arrangements with 39 nations and have supplied research reactors to 16 nations. Negotiations are under way with others.

We are developing close and constructive relations with Euratom the atomic agency of six Western European nations.

President Eisenhower expressed, in 1953, to the United Nations our determination "to find the way by which the miraculous inventiveness of man shall not be dedicated to his death, but consecrated to his life."

We are doing much to assure that the new world of power which is developing will, in fact, serve that noble purpose.

Outer space for peace

3. We also give leadership in planning for the use of the new world of outer space. I recall President Eisenhower's letter of January 13, 1958, to Mr. Bulganin, where he said:

"I now make, Mr. Chairman, a proposal to solve what I consider to be the most important problem which faces the world today.

"I propose that we agree that outer space should be used only for peaceful purposes. We face a decisive moment in history in relation to this matter."

So far the Soviet reply has been evasive. But we feel confident that our viewpoint will prevail, if for no other reason than that the Soviet Union will finally see its own welfare in that result.

Meanwhile we plan our civilian space agency, legislation for which is now before the Congress. It will help us devise and implement programs for the peaceful use of outer space.

The polar areas

4. In Antarctica, we have actively participated in the scientific studies of the Geophysical Year. We have become deeply impressed with the danger if that unfolding continent should become a scene of international rivalry and if its physical possibilities were to be used to threaten world peace and security. So, the United States has proposed that a conference be held to negotiate a treaty guaranteeing peaceful use of Antarctica and continued international scientific cooperation there. We invited 11 countries which had heretofore shown particular interest in Antarctica, including the Soviet Union. All of them have replied favorably.

We look upon the north polar region as another changing area which should be organized for peace.

Mr. Khrushchev has pointed out to us that "the air route over the northern polar regions is the shortest distance between the U. S. S. R. and United States of America and is therefore an important strategic area which has special significance in connection with the availability of rocket weapons."

That fact makes it the more imperative that these new routes of rapid communication shall be only peaceful and not carry threats leading to new fears, new armaments, and more preparedness.

We recently proposed to the United Nations Security Council to initiate in this area President Eisenhower's open skies proposal. We were supported by all of the members of the Council except the Soviet Union. We shall persist to assure that the new world of the Arctic shall be impressed into the service of peace, not of war. Our concept is so sound and just, and so much in the interest of all mankind, that we expect the Soviets to come to accept it, as they already accept the principle of reserving Antarctica for peace.

The organization of peace

5. Our most intensive efforts are those designed to create a world where peace is stably ensconced.

(a) The United Nations is, of course, a primary reliance, and it has well served the cause of peace. Through the collective action of its members, aggression in Korea was repelled. Through the United Nations, peace was restored in the Middle East.

We strive in all possible ways to invigorate the processes of the United Nations and have, under difficult circumstances, shown our loyalty to its principles. There are, however, built-in limitations.

The Soviet Union does not share the concepts of justice and of law which are enjoined upon the organization. It has "veto" power in the Security Council. Invoking a so-called "principle of parity," it boycotts the General Assembly's Disarmament Commission because it cannot count upon enough votes on the Commission to control, at least negatively, its proceedings. Where the Soviet Union cannot legally block United Nations action, it flouts such actions as cross its will, as, for example, in the case of armed attack on Korea and on Hungary.

(b) Since the United Nations cannot dependably safeguard the peace, freedom and independence of the nations, we must, and do build elsewhere.

The United States has its own Military Establishment. This has two principal components. One is the Strategic Air Forces, so organized as to be able to wreak great destruction upon the Soviet Union should it initiate armed aggression against the United States or its allies. This is an effective deterrent to general war.

It is essential that we should have this capacity to deter war. But we are not tempted into military build-ups merely out of a competitive desire to be superior at every point to those who glory in military grandeur. We seek what George Washington called a respectable posture, that is, a Military Establishment that others will treat with respect.

A second component is those forces, land, sea, and air, which, of course, have indispensable roles in case of general war and could, if need be, participate in limited hostilities.

Our Military Establishment is, however, more than national. The time for military isolation has passed, as we live in a new world of national interdependence. Our Military Establishment is charged with a trust for the benefit of many other nations.

The United States has made cooperative defense treaties with 42 other nations. Further commitals of United States power are authorized by the Formosa and Middle East resolutions.

The deterrent power of the United States thus acts as a shield to protect all nations with which we have or may make such arrangements. Senator Vandenberg, speaking in 1949 of the North Atlantic Treaty, said, "It spells out the conclusive warning that independent freedom is not an orphan in this Western World, and that no armed aggression will have a chance to win." That warning has now been extended all around the globe, so as to eliminate the risk of miscalculations which have often tempted military despots to take a chance—a chance which, in fact, often meant war.

The system of collective defense that the free nations have built is not one-sided. It is not just a United States gift to the world. Other nations contribute importantly. They provide bases which greatly increase the effectiveness of our deterrent power. They contribute the bulk of the ground forces. They provide, what is most important of all, a courageous will to resist powerful forces which often knock threateningly at their very doorstep.

This collective security system we are helping to build is no mere temporary expedient. It is a constructive evolution which should persist, until it becomes possible to make the United Nations security processes both universal and dependable.

Originally our collective defense arrangements were conceived of primarily as purely military alliances. However, the latest NATO communique has this to say:

"NATO, a defensive organization, is now much more than merely a military alliance. It is becoming a true community of free nations. Within this community, to a degree unprecedented in history, countries are carrying out a policy of close cooperation in peacetime without abandoning their independence. This development is one of the most significant and promising events of our time."

(c) Our collective security arrangements are buttressed and made viable by our mutual security program. It supplies our allies with a certain amount of military equipment. In some cases it helps them financially to maintain military establishments which are needed but which their economies are too poor to support without some outside help.

The Free World collective defense arrangements now cover virtually all the areas which are liable to direct military attack by the forces of Communist imperialism. They effectively deter such attacks.

Economic well-being

6. We see that the world of today requires better economic health than was tolerable in past times.

International trade is more than ever important. Our own foreign trade is now approximately $32.4 billion a year and provides employment to 4½ million of our farmers and workers. International trade is even more vital to the economic life of many other Free World countries.

A principal instrumentality and the outstanding symbol of our attitude to international trade is our Trade Agreements Act. The principle of the act was first adopted in 1934 and 10 times the Congress acted to renew it. Any failure now to renew it would be a grave blow to the world's economy, including our own, and it could be fatal to security.

Public Law 480

7. Our great agricultural productivity now serves the humanitarian needs of a changing world. The time was when starvation was chronic in many densely populated areas. Now, the productivity of our farmers produces surpluses which provide other free nations with the wherewithal to prevent vast starvation no longer tolerable by the standards to which the Free World now adheres. Under Public Law 480, we have, since 1954, provided other nations with an aggregate of nearly $3 billion worth of our agricultural products. To a small extent this is provided on a grant basis to meet special emergencies. For the most part it is provided against payment in local currency. The local currency is put to work to help develop the local economies so that they will in the future be better able to meet their own requirements. All this is done with care to avoid disturbing the normal pattern of commercial trade.

The economic problem

8. We do much to solve the economic problems of this changing world. I have referred to the promotion of international trade; the Export-Import Bank; the Development Loan Fund; economic aspects of mutual security; Public Law 480, etc. But economic problems still confront us.

If the Soviet Union decides to use its increasing industrial productivity primarily to serve the goals of international communism, we may face acute problems.

It now stands to gain too much from the adverse impact on certain countries, as of Latin America, of rapidly shifting Free World prices and fluctuating Free World markets.

There is another type of danger if the Soviet state engages in ruthless competition with private Free World concerns which, to survive, must make a profit.

Over a range of economic relations among the countries of the Free World we shall need to seek out new initiatives to bring greater economic strength and unity. We shall be looking for the means to create a larger flow of private capital to the less developed countries, to make development assistance more effective, to bring about increased financial stability and to cope with the serious problems which sometimes arise in commodity trade.

Disarmament

9. We are not content with a world where the potentials of destruction not only absorb vast economic effort but would, if unleased, endanger all human life. So we strive for "disarmament", meaning measures of international inspection to diminish the danger of massive surprise attack and actual limitations or reductions of various types of armament. President Eisenhower's "open skies" proposal of 1955 brought worldwide hope. But the Soviet Union has persistently evaded concrete inspection proposals.

With equal persistence, it rejects or evades all proposals, such as our comprehensive proposal of last August, which would effectively limit or reduce Soviet military power. It tries to cover its tracks by noisily calling on others to practice pacifism and nonresistance; and by advocating the general cessation of nuclear weapons tests—which of course involves no armament reduction whatsoever.

A principal obstacle to agreements in the field of disarmament has been the reluctance of the Soviet Union to accept any internal controls. It has, however, now at long last agreed that there should be a study of the techniques required to control an agreement to suspend nuclear testing. This may provide a vital clue and pave the way to arrangements which will make surprise attack less likely and make it possible to reduce armaments equitably and dependably.

Agreements with the Soviet Union

10. The United States does not exclude the possibility of achieving significant agreements with the Soviet Union in certain areas of mutual interest. Within the past 5 years we have made several agreements with the Communists, notably the agreement that ended the Korean hostilities, and the agreement that liberated Austria. But we do not believe that the cold war can be ended by a formula of words, so long as the basic creed of international communism requires world rule; we do not believe that we should alter our position merely in reliance of Soviet promises. These have too often proved undependable and have entrapped and even proved fatal to those who have relied thereon.

We do believe that the Soviet Union, like the United States, would like to reduce the economic burden of modern armaments. We also believe that the Soviet Union, under present conditions, does not want war. Therefore, some common ground exists.

We have been encouraged by the Soviet Government's acceptance of our proposal to study what would be required to supervise at least one aspect of a possible disarmament agreement. We have also been encouraged by their acceptance of our proposal with reference to Antarctica. We believe that, if we patiently persist along sound lines, some significant agreements may emerge.

Whether or not a summit conference would be productive of such agreements remains

to be seen. That matter is being intensively explored at Moscow at the present time.

V. THE FREE WORLD BALANCE SHEET

I have outlined some of the more important and constructive measures being taken by the United States, usually in cooperation with our allies, to assure that the challenge of change will be met by those who believe in a spiritual world, a world where nations are independent and where individuals are free.

I see a prospect that provides good ground for hope. We are not being tossed about rudderless on a sea of change. We are guiding and influencing the character of change, so that it shall be constructive.

I realize full well that our record is not perfect. We have no doubt done some things we should not have done, and not done all that we should have done. But we have moved positively and creatively to bring to the new worlds about us the basic values which this Nation was founded to preserve.

I am not unmindful of occurrences which induce a mood of discouragement.

The Free World seems dominated more by differences than by harmony.

Almost constantly, its foreign policies become open political issues, and afforded our enemies the opportunity to sow discord.

Freedom almost recklessly gives it mortal enemies freedom to seek to destroy freedom.

All this is infinitely perplexing and exhausting. It is easy to feel a sense of frustration.

But we need constantly to remember that the hallmark of freedom is diversity. The United States does not seek the kind of unity that has to be bought and paid for, or that would flow from our using our power to coerce other free nations and to impose our will. The United States associates itself with those who, as a matter of conviction, want to share in common effort on behalf of independence and freedom.

But we would rather stand alone than be accompanied by those who were with us only under the influence of a carrot or a stick.

The essential is, not that diversity be wiped out, but that it be seen in the perspective of a world where, if differences disrupt cooperation, freedom and independence also go.

We should go on developing organs and practices of consultation. Much of the irritation that shows itself is due to misunderstanding.

Materialistic despotisms, with their iron discipline, their mechanistic performances, their hard and shiny exterior, have always seemed to have the advantage over democracies which visibly stumble and falter, which advertise their differences to all the world, and which seem to survive only by good luck.

The fact is that the despotisms are always weaker than they appear, and the democracies are usually stronger than they seem.

VI. THE COMMUNIST BALANCE SHEET

International Communism not only has assets; it also has liabilities. The Communist rulers are faced by grave and, in the long run, insoluble problems.

(1) One dilemma is found in the main citadel—Moscow. The Soviet Union has increased education, particularly in terms of scientific theory and of applications. But minds which can find the ways to penetrate outer space can also penetrate the fallacies of Marxism.

(2) A second dilemma is economic. There is an increasing demand on the part of the ruled peoples for more consumers goods, for more of the fruits of their labor. The time will come when the Soviet rulers will have to do more for the welfare of their own people.

(3) There is within the Soviet Union a growing demand for greater personal security. Already there has been some relaxation of Stalin's brutal police-state methods. And in that less frightening atmosphere, individualism tends to grow.

(4) In the satellite countries of Eastern Europe outbreaks such as have occurred in East Berlin and East Germany, in Poland, and in Hungary, show that nationalism and individualism are not extinguished even by massive and sustained pressures.

The Soviet rulers must either grant more independence, and thus liberate forces which oppose the existing regimes, or else they must revert to the Stalinist tactics of oppression with increased likelihood of violent revolt.

The vacillating policy of International communism toward Yugoslavia illustrates the dilemma. In 1955 International communism, reversing its position, acquiesced in Yugoslav independence. But that shift had such disturbing repercussions on other Eastern Europe states that now International communism again reverses itself and seeks, by threats and economic pressures, again to subject Yugoslavia to Moscow's rule.

(5) The basic weakness of International communism is strikingly demonstrated by the fact that whenever an opportunity is given for peoples to move into, or away from, a Communist area, the movement is always away.

During the Hungarian rebellion, 200,000 escaped to freedom.

In Germany over 3 million have gone from East to West.

In Korea over 3 million have gone from the North to the South.

In Vietnam nearly 1 million went from the North to the South.

Of the Chinese Communist prisoners taken in Korea, two-thirds rejected repatriation, and from Communist China they flee to Hong Kong and Macao.

Such movements, at so many different times and places, show that there is something basically repellent in the Communist rule.

The Communist rulers have shown an immense capacity to extend their rule. But nowhere have they developed a capacity to make their rule genuinely and freely acceptable to the ruled.

(6) Soviet policy faces a grave dilemma in terms of its foreign policy. Brute force no longer brings results in the face of Free World collective defenses. The Soviet rulers have therefore switched to policies which, overtly, are policies of friendliness and not obviously designed to be predatory. By so doing they develop a vested interest in respectability.

That is a trend which we welcome and encourage. It may bring nearer the day when Soviet leaders will be primarily interested in improving the welfare of their own people and there will be an end to the unnatural exploitation of the ruled peoples by international communism. Then our relations may be happily dominated by the natural good will and friendship that has always prevailed between the American and Russian people.

VII. THE STRATEGY OF VICTORY

President Eisenhower, speaking at Paris last December, said, "There is a noble strategy of victory—not victory over any peoples but victory for all peoples."

We find that strategy of victory in the manifold opportunities that open up before us—in the new world of political independence; in the new world of atomic power; in the new world of outer space; in the new polar areas; and, above all, in the organized cooperation of free peoples whereby they preserve peace and promote welfare.

An essential part in this strategy of victory must be played by the American people as individuals.

In a struggle where freedom is the issue government cannot carry all of the responsibility. Governments of the free can do much, and we do not shirk our task. But the best exponents of freedom are free people. Our pride is not in what government does, but in what government does not do. Religion, the greatest single force, is divorced from state control or influence. Our system of education is local and free from Federal Government influence. Labor organizes itself for its own protection. Our business is privately conducted. Our most potent ambassadors are not those who have that official title but the millions of individual Americans who each year travel about the world giving and receiving impressions, establishing contacts and exchanging ideas.

Last month, I was in Berlin. At the Town Hall, we stood in silence while the Freedom Bell was tolled. The bell bears this inscription, "That this world under God shall have a new birth of freedom." The bell was donated by individual subscriptions, largely by schoolchildren of America.

If, indeed, there is to be a new birth of freedom in the world, and if everywhere bells of freedom are triumphantly to ring, then it will have to be through the efforts of the individuals who, having freedom, cherish it, ennoble it, and make it a dynamic force throughout the world.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. SPARKMAN (for himself and Mr. HILL), by unanimous consent, introduced a bill (S. 3961) to provide credit under title II of the Social Security Act for certain employees in the State of Alabama, which was read twice by its title, and referred to the Committee on Finance.

ADJOURNMENT TO 11 O'CLOCK A. M. MONDAY

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate stand in adjournment until 11 o'clock on Monday next.

The motion was agreed to; and (at 11 o'clock and 36 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, June 9, 1958, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 6, 1958:

ATOMIC ENERGY COMMISSION

John A. McCone, of California, to be a member of the Atomic Energy Commission for the term of 5 years expiring June 30, 1963, vice Lewis L. Strauss, term expiring.

CIVIL AERONAUTICS BOARD

Chan Gurney, of South Dakota, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1964. (Reappointment.)

EXTENSIONS OF REMARKS

Problems of Federal Retired Civilian Employees

EXTENSION OF REMARKS

OF

HON. RALPH W. YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, June 6, 1958

Mr. YARBOROUGH. Mr. President, on Wednesday, June 4, the distinguished junior Senator from Florida [Mr. SMATHERS] made a most informative address on the problems of retired Federal civilian employees to the annual convention of the National Association of Retired Civilian Employees in Washington. Believing the facts contained in this address deserve wide dissemination, I ask unanimous consent that this address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. GEORGE A. SMATHERS, OF FLORIDA, AT NARCE CONVENTION, JUNE 4, 1958, WASHINGTON, D. C.

I

Mrs. Zimmer, guests of the association, delegates to the fifth biennial convention, at most conventions it's customary for the speaker—if he resides even part time, as I do, in the host city—to say a few words of welcome to the visitors.

In this case the welcome is superfluous.

For most of you, Washington has been the focus of life-long service to the Nation. It is a great city, made so largely because of the devotion and the creative energy of those, like you, who have done its work here and in a thousand outposts across the land.

II

The career civil service is one of our democracy's most dependable instruments. It was built by you and your predecessors, and its traditions are being carried on by those who succeeded you. The rest of us are in your debt.

This evening I want to speak in part about that debt, as it concerns the legislative program of your organization, and also about the debt America owes to all its senior citizens.

As you know, I have long been interested in the legislative problems on the NARCE. Partly, this interest is prompted by the requirements of simple justice.

Of the 250,000 former Federal employees now on the retirement lists, two-thirds receive less than $150 a month. Practically none get more than $250, and the overall average is approximately $133 a month.

Survivors are even worse off. Half receive less than $50 a month, and only 10 percent get more than $100 a month.

These annuities were earned 20 and 30 years ago—when the dollar was worth more than twice what it is today. But they are being paid in 50-cent dollars—which the butcher and the grocer somehow refuse to value at their original worth.

This is one of the gravest penalties of inflation.

A man labors all his life, and, month by month, year by year, puts aside something for his retirement. Only, when the day comes, he discovers that his nest egg has shrunk to half its value, and the golden years become instead a nightmare struggle to stay alive.

I am one of those who believes that this must not be allowed to happen. Within the capacity of the Federal Government and second only to the defense of our democracy, there is no higher responsibility than to assure that those who have served our country so well shall not later become its victims.

For this reason, since the period of my own service on the Post Office and Civil Service Committee in the Senate, I have been a consistent advocate of legislation designed to strengthen and extend our civil service retirement plan, within the limits of fiscal responsibility.

I shall always be proud of the part I was able to play, as chairman of Retirement Subcommittee, in putting through a bill which gave to the retirees the last substantial increase in their annuities.

More now needs to be done.

I know you are vitally interested in what is happening to S. 72, and I am happy to report this evening that the House and Senate conferees met this afternoon and agreed to a 10-percent across-the-board increase, with a maximum increase of $500, and removal of the unjust and discriminatory limitations that were in the House passed bill. I predict that the House will act on the conference report tomorrow, and the Senate will approve, I believe, the following day. The measure should be on its way to the White House for signature by the end of the week.

Though the increase is not all I had hoped for, nevertheless, considerable progress was made and I know that it is good news for you this evening. This increase will help ease some of the pressures which you have been experiencing due to the rising costs of living.

The civil service annuity should adequately provide for our retired civil servants who have spent the best years of their lives in positions of heavy responsibility for their Government. From the beginning, it was intended that those who served longest and best should be paid the most in retirement—as a material token of the Nation's gratitude.

Surely, it would be tragic irony if we should permit inflation to ravage the annuities of our most devoted servants and their survivors.

III

You will recall that earlier I said my interest in the legislative objectives of the NARCE stemmed only partly from this matter of elementary justice.

There is a second—and no less important—consideration.

It is my conviction that the stature of our civil service system and the caliber of the employees attracted to Federal service depend in large part on the treatment accorded former employees.

Annuities aren't the only factor, probably not even the most important factor.

What counts most is the respect—and the self-respect—which accrues to the man who makes his career in Federal service.

It is a plain fact that civil service recruiting suffered very badly during the era of suspicion which now, happily, seems to be past.

It is a plain fact also that the war cries against bureaucracy, which occasionally arise in American politics, make honorable employment seem somehow less honorable and, therefore, less desirable.

Quite clearly, when the civil service itself is under attack, both the number and the caliber of civil service applicants decline.

The reason is obvious.

It's a matter of career prestige, of status, in the community.

How, then, do you suppose it affects the status of civil servants generally if civil service retirees are required to grovel in public for elementary justice?

Can you rob a man of his self-respect and expect him to function as a recruiting poster for Federal service?

I think not.

And that is another basic reason why I believe that the civil service retirement benefits system must continue to have our attention.

IV

Let me turn now briefly to a more inclusive problem.

As you well know, the age level of the American population is rising steadily. A century ago more than half of our citizens were under 20 years of age. Today the dividing line is very near 31.

Approximately 15 million Americans are past 65 years of age. That's nearly 9 percent of the population. And very soon the proportion will be even higher.

In my own State of Florida, in a sense, the future is already with us. As long ago as 1955, 11 percent of Florida's population was aged 65 or over.

Florida is hospitable to senior citizens as 16,000 NARCE members can testify.

We're proud of former United States Senator Jim Mead, our friend, who is now a member of your executive committee and is an enthusiastic addition to the Sunshine State. In the Senate he was a tireless worker in behalf of civil service retirees. I invite the rest of you to join him.

But let me say this in deadly seriousness: I wish the solution to the problems of an aging population were as easy as that. I wish I could tell you that all we have to do is to see that, every man and woman on their 65th birthday is given a map of the United States with directions on how to get to Florida.

But it isn't that simple. Much more has to be done than is being done about the whole problem.

We need more research into the diseases of the aged and better medical training in geriatrics.

We need better information about the social and the psychological needs of our senior citizens.

We need to devise methods for using the undiminished energies of our older citizens.

You know, sometimes I wonder what our country would be like if everyone were required to retire at 65.

Senator THEODORE GREEN, the chairman of the Senate Foreign Relations Committee, was already 65 years old when he was elected governor of Rhode Island in 1932. That was his first public office. If retirement had been mandatory at 65, he would never have reached the State House, let alone the Senate.

CARL HAYDEN, of Arizona, the distinguished President pro tempore of the Senate, is now 80 years of age.

SAM RAYBURN, Speaker of the House, is 76.

President Eisenhower was 62 at the time of his first election and he is now 68.

Winston Churchill—greatest statesman of this age.

Active up until 80. Bernard Baruch.

Surely, everyone realizes how foolish it would be to have denied the Nation and the world of the services and experiences of these great leaders.

Isn't it also foolish to discourage, by every means at our command, the continued activity of other senior citizens?

I am not suggesting that we abolish retirement. That's the furthest thing from my mind. I'm only suggesting that 65 ought not to be a deadend street.

There should be ways of absorbing these energies, benefiting from this experience—ways of channeling them to the constructive purposes of our society.

Research into problems of this nature is now going forward at the University of Florida and at several other academic centers.

However, it is a matter which has not yet received the wide attention it deserves.

May I suggest, with some deference, that this is a proper subject for your consideration? I think it fits in with your legislative program.

Altogether, the problems of our senior citizens are the problems of our society. For the hallmark of American democracy is its concern with the individual—not as producer or consumer—not as a worker or annuitant—but merely as a human being.

It's a principle we ought never to forget.

Thank you. And may God bless your gathering.

Rural Electrification Administration

EXTENSION OF REMARKS

OF

HON. THOS. E. MARTIN

OF IOWA

IN THE SENATE OF THE UNITED STATES

Friday, June 6, 1958

Mr. MARTIN of Iowa. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the statement of Secretary of Agriculture, Ezra Taft Benson, before the Subcommittee on Reorganization of the Senate Committee on Government Operations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY OF AGRICULTURE EZRA TAFT BENSON BEFORE THE SUBCOMMITTEE ON REORGANIZATION OF THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS, JUNE 5, 1958

Mr. Chairman and members of the committee, thank you for arranging your schedule so that I could appear this morning to discuss S. 2990. I hope also for a full discussion of the operations of the Rural Electrification Administration during my service as Secretary and of the recommendations we have made for legislation to broaden the sources from which REA systems may obtain the capital necessary for their continued growth and adequate service to consumers.

The rural electrification and telephone programs are two of the outstanding programs in the Department of Agriculture of which we are most proud. I can think of no agricultural programs in history which have received more unanimity of support and praise from the farmers, from all of the farm organizations, and from representatives of both political parties.

The great contributions of these programs to our farmers, and their potential for future contribution, warrant the most careful and earnest consideration of any proposed change in the status, organization, or authority of REA.

S. 2990 would make section 1 of Reorganization Plan No. 2 of 1953 inapplicable to REA. It would transfer to the Administrator of REA all functions which by that plan were transferred by it from the Administrator to the Secretary. Mr. Hamil, the Administrator of REA, and I have given you in writing our recommendations that this bill should not be enacted.

Mr. Hamil is here and can speak for himself.

My reasons, as stated in my letter of March 27, 1958, to you, Mr. Chairman, related to the basic purposes for the adoption of Reorganization Plan No. 2 of 1953. Those reasons were to centralize in the Secretary responsibility for effective administration of all programs within the Department, and to make explicit and uniform the authority for carrying out his responsibilities.

This coordination of responsibility and authority is in line with the sound Congressional policy of vesting functions directly in the department heads so that they can be held accountable for the performance of their agencies.

These basic objectives and considerations are as sound and applicable today as they were in May 1939, when President Roosevelt issued his Reorganization Plan No. 2. That plan changed the status of REA from an independent agency to an agency of the Department of Agriculture. The plan provided that REA be administered "in that Department by the Administrator of the Rural Electrification Administration under the general direction and supervision of the Secretary of Agriculture."

It will be noted from the above quotation that in the 1939 Reorganization Plan, REA is mentioned specifically. In the 1953 plan it is covered only in general terms. Our lawyers take the position that while the language of the 1953 plan is broad enough to transfer functions from the REA Administrator to the Secretary, all such functions had in fact been transferred by the 1939 plan.

Under the 1939 plan the REA Administrator, in the exercise of his functions, was placed under "the general direction and supervision of the Secretary of Agriculture."

The Supreme Court of the United States held in 1891 (*Knight* v. *United Land Association* (142 U. S. 161)) that the effect of vesting general supervision and direction in a department head over the exercise of certain functions was to authorize the exercise of those functions directly by the department head. In 1944, this basic principle, as approved by the United States Supreme Court, was applied specifically to REA. The Secretary of Agriculture was authorized to make REA loans without reference to any action by the REA Administrator himself.

The legal effect of Reorganization Plan No. 2 of 1953 was thus merely to confirm rather than to alter the relationship of the REA Administrator to the Secretary as it had existed since Reorganization Plan No. 2 of 1939.

These points were discussed in more detail in my letter of August 30, 1957, to you, Mr. Chairman. I would like to offer at this time, for inclusion in the record, a copy of that letter.

At the hearings on Reorganization Plan No. 2 of 1953 I assured you that I would make no major changes in the REA organization without consulting with the Congress and making known such proposals to the public prior to their becoming effective. This assurance is in accord with section 4 of Reorganization Plan No. 2 of 1953. This plan provides that, in connection with the transfer of functions, pursuant to the reorganization plan, the Secretary shall give appropriate advance notice to interested persons where there is involved the reassignment of major functions within the Department.

I have made no major change in the REA organization or policies.

I have transferred no functions or powers from REA.

I have adhered to my assurances and the provisions of Reorganization Plan No. 2 of 1953.

I have asked Mr. Hamil to refer to the Director of Agricultural Credit Services, for his information and for possible discussion, contemplated loans exceeding a half-million dollars and loans to new borrowers. This request in no way curtailed the Administrator's authority for final approval of loans. Administrator Hamil says that this has not interfered with his authority to make loans.

Mr. Scott, as Director of Agricultural Credit Services and as a member of my staff, is in a position to provide valuable assistance to the Administrator and to REA and to furnish coordination with the other agricultural activities of the Government. The need for such coordination was a basic reason for the Reorganization Plan No. 2 of 1939, as stated in President Roosevelt's message submitting that plan to the Congress.

This consultation with the Director of Agricultural Credit Services does not constitute a major change in REA policy, organization, or functioning. Most of these loan applications flow through Mr. Scott's office without any discussion being suggested either by Mr. Hamil or Mr. Scott.

Where I have made major changes in the organization and functioning of the Department, the notice to the Congress and the public contemplated by section 4 of Reorganization Plan No. 2 of 1953 has been given. For example, on October 13, 1953, my office, after discussion with Members of Congress, issued a press release outlining a proposed reorganization of the Department. In addition, the assignment of functions to the agencies involved in the reorganization (the detailed provisions of which are referred to in my letter of August 30, 1957) was published in the Federal Register for January 6, 1954.

We would not initiate any changes contrary to the intent of the Congress. I adhere faithfully to my undertaking to discuss with the Congress any major changes that might be contemplated.

The charge has been made that this administration wants to raise the cost of financing so REA borrowers will no longer be a factor in the utility business in the rural areas.

Mr. Chairman, that charge is erroneous. Here are the facts:

Present legislation in several instances sets maximum interest rates for Government credit programs that do not permit the Treasury or the lending agencies to cover present costs. One of these instances is the Rural Electrification Act, which sets 2 percent as the maximum interest rate at which the agency may borrow from the Treasury and reloan to borrowers.

The administration has proposed that the Congress review such legislation for all Federal lending agencies with a view of recovering at least the cost to the Federal Treasury.

The administration's bill (S. 2427) contains two proposals:

"(1) The interest rate on any loans hereafter made by the Treasury to any department or agency of the Federal Government to finance loans made by such department or agency shall be fixed by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the loans made by the department or agency; and

"(2) The interest rate on any loan hereafter made by any department or agency shall not be less than the rate the department or agency making the loan would pay if it borrowed from the Treasury at the time the interest rate on the loan is fixed, plus an additional amount deemed adequate to cover administrative expenses and probable losses to the extent consistent with the purposes of the loan program."

I have insisted, and expect to continue to do so, that REA shall not be singled out on this interest rate question.

It seems to me it is a sound policy for the Federal Treasury to recover its cost of obtaining funds for any type of lending program when this is consistent with attainment of the objectives of that program.

Should the Congress adopt this proposed legislation I am going to insist that no cost be added to the REA interest rate to borrowers which would be inconsistent with the purposes of this lending service.

It has been said that an attempt is being made to cut off Federal loans and give private lenders the opportunity to get their hands on the best REA business.

This administration has no such intention. We have no desire to cripple or stifle the REA-financed rural electric or telephone systems. We are proud that these systems have made outstanding progress during the term of this administration. We are going to continue to support policies and take actions which will enable them to accomplish the purposes of the Rural Electrification Act.

The REA is an example of the Federal Government providing needed services which its rural citizens could not alone provide. It is traditional for the Federal Government to withdraw gradually from control and complete financing of such programs when such Federal support is no longer required. The Farm Credit System is a recent example.

It was in keeping with these precedents that the President in his last budget message to the Congress referred to the great contribution the REA programs are making to enrich the lives of rural families and to advance the economy or rural America and our country's welfare generally.

He referred to the increasing use of power which requires additional generating capacity and heavier transmission and distribution facilities to meet the growing needs for electricity in rural areas.

Approximately one-half of the rural electric power, he pointed out, now goes to rural industrial and nonfarm residential consumers.

In the future these nonfarm users are expected to require even a larger share of the increasing demands.

The President referred to the great changes which have occurred in the rural areas of this country since the Rural Electrification Administration was authorized more than 22 years ago. At that time less than 11 percent of the farms of our Nation had central station electric service. Now more than 95 percent of our farms have such service. During intervening years residences, industries, commerce, recreation, and other nonfarm developments and activities have moved from urban centers into these rural areas which formerly were wholly agricultural.

REA-financed electric systems are adding more than 100,000 new consumers annually. Nonfarm users outnumber farmers nearly 3 to 1 among these new consumers.

Estimates of capital funds needed to finance the growing demands for electric power in rural areas indicate that dollar requirements during the next generation will exceed the $3½ billion loaned by the Federal Government through REA during its first 22 years of operation.

The magnitude of these capital requirements and the urgency of meeting national security and defense requirements emphasize the need to find an adequate source of funds other than primary dependence on the Federal Treasury.

In his budget message the President recommended new authorizations of $206 million of Federal loan funds for electric and telephone borrowers. He said that legislation would be proposed to make it possible to obtain private capital to assist in meeting the loan requirements of these rural systems.

Such legislation was submitted to the Congress February 14, 1958, providing three alternative proposals. This was an action to expand the authority of REA in keeping with the changing conditions and the growth and progress of the systems.

It is important to emphasize that no recommendations were made for curtailing existing authority.

The extent to which the proposed new authority would be used would be for the decision of the Congress through the usual process of loan appropriations and authorizations.

The rate at which loanable funds could be obtained under the three alternative plans set forth in the proposed legislation would depend upon investment money rates as they might vary from time to time.

The proposal termed "title III" is a method of obtaining additional loan funds through the issuance of bonds and debentures. These issues would not be Government guaranteed. They would be supported by all of the first mortgage loans on these rural systems.

Of the three methods in the proposed legislation, title III should obtain large sums of additional loan funds at the most favorable rates and loan terms. Under Secretary Baird of the Treasury Department has stated that under such a method borrowings might well be in the neighborhood of one-half of 1 percent above rates which the Treasury would have to pay for comparable maturities. We are informed that as of June 1958, the Treasury rate on 20-year bonds was 3 percent.

The question of meeting the future capital requirements of these rural systems continues under study. It is our intention to do everything possible to get a sound and practical long-range financing plan, advantageous to these rural systems and the consumers they serve, by utilizing a combination of Federal and private funds. The constructive suggestions of all who are interested in the welfare of these rural systems are always welcomed.

Some fears have been expressed that in the event an REA system should default on its loan payment, under the proposed use of private loan funds, it would be taken over by the private lenders.

We do not foresee a situation of that kind.

We do not contemplate that REA mortgages will be sold to anyone, and we doubt that either the Congress or any future administration would so contemplate.

Under the title III proposal the first mortgage loans on the rural systems would be held by the Secretary as security for debentures or bonds issued to obtain private funds. This is a common and proven method of financing.

Bondholders would have no rights of foreclosure of the systems.

They could proceed only against the Secretary.

I am certain that the administration and the Congress undoubtedly would stand back of the REA systems with all the financing authority that is available.

REA PROGRESS IN THE PAST 5 YEARS

It has been a pleasure to work with such able administrators as the incumbent, David A. Hamil, and his predecessor, Ancher Nelsen. Both are men of the soil; they know the needs, the problems, and the opportunities of the men and women of rural America. Both have put their hearts, as well as their abilities, into the fulfillment of their responsibilities toward attainment of the objectives of the Rural Electrification Act.

The record of the past 5 years attests to the excellence of their administration. It is a record that brings pride to the whole Department of Agriculture. A record that reflects high credit on the boards of directors and the managers of nearly a thousand rural electric and 600 rural telephone systems.

This administration, and the Congress, have met every legitimate capital need of these REA borrowers—and with record dispatch.

Budget estimates submitted to the Congress for electrification loans for the fiscal years 1954 through 1958, together with funds carried over into 1954, totaled $1,030 million. Through May of this year loans approved during the 5-year period totaled $997 million.

Sometimes the budget estimates of loan requirements, prepared a year or more in advance of Congressional action, are at variance with actual needs as they develop. One such instance occurred during fiscal 1957; an upsurge of loan applications forecast the exhaustion of available loan funds. The Rural Electrification Administration, the Department of Agriculture, the Bureau of the Budget, President Eisenhower, and the Congress all acted promptly and a supplemental loan authorization of $200 million was provided. In this and many other ways this administration has evidenced its strong support of the REA programs.

We know of no instance where uncertainty over loan funds has led to a slowdown in new construction. During calendar years 1953 through April 30, 1958, REA has advanced $959 million to its electric system borrowers. Unadvanced funds totaling $576 million are available now under approved loans.

Procedures inaugurated by REA under this administration have expedited substantially the processing of loan applications, and have made it possible to hold the backlog of applications to a minimum.

Electrification loans for the past 5 full calendar years and for calendar 1958 through April 30 total of $1,072 million. The annual dollar total of loans climbed steadily from $145 million in 1953 to $296 million in 1957. That portion of the loan funds going for generation and transmission showed a sharp percentage climb. In 1953 some 16.5 percent of the total loans went for generation and transmission, and this percentage advanced steadily to 40.6 percent in 1957. So far this calendar year the percentage of dollars going for generation and transmission is at 28.4 percent, and the average since January 1, 1953, stands at 30.3 percent. What this means is that REA is paying more attention to the power supply needs of the rural electric cooperatives than ever before in the history of the program.

In the face of rising costs in almost every field of business and industry, the cost of wholesale power to REA-financed electric systems is down from 0.78 cent per kilowatt-hour in fiscal 1953 to 0.71 cent in fiscal 1957. This is a reduction of nearly 10 percent in wholesale cost.

Consumers on rural lines paid an average of 2.51 cents per kilowatt-hour in calendar 1957, an alltime low, and a reduction of about 14 percent from the 2.92 cents of 1953.

In 1953 the average monthly use of electric power by consumers on the lines of REA-financed rural electric systems was 250 kilowatt-hours; in 1957 usage had climbed to an average of 364 kilowatt-hours. The kilowatt is in fact the farmers' most inexpensive hired hand.

The increased use of electric power by individual consumers has brought a tremendous advance in the revenues of the rural electric systems. In calendar 1953 they sold 11.8 billion kilowatt-hours, and had revenues of $363 million; in calendar 1957 their sales aggregated 19.6 billion kilowatt-hours and their revenues were $529 million. This growth in sales was accompanied by an increase in the number of consumers served from 3,858,396 to 4,466,709. Miles of line energized increased from 1,244,645, to 1,405,089.

During the past 5 years REA has worked closely with these rural systems to improve their economic well-being and their ability to serve their communities. On January 1, 1953, the systems had a net worth of $161 million; on January 1 of this year $436 million.

On January 1, 1953, 45 electrification borrowers were delinquent in the amount of $718,000. The first of this year only six

borrowers were delinquent, and the total in arrears was only $123,000.

Surely such facts from the record stand as a tribute to the excellent direction and management of these systems by the farmers and rural area businessmen all across the country. I doubt that any other Government lending program in this Nation's history can show so proud a record of accomplishment.

During this 5-year period of financial and service advancement, the electrification borrowers have faced—and taken in stride—an increasing level of loan payments. Their interest payments in 1953 were $23 million, in 1957 $41 million. Repayment of principal required $43 million in 1953, $74 million in 1957. In addition to meeting these payments promptly the borrowers have paid ahead of schedule, as of March 31 of this year, a total of nearly $127 million. This is a record of which these borrowers can be justly proud—a pride we share with them.

During the past 5 years the rural telephone program has been swung into high gear. In calendar 1953 loans totaled $50 million; in 1957 the total reached $76 million, and we anticipate a total of nearly $100 million this current year. It is REA policy to give equal treatment to all telephone applications regardless of type of organization, whether cooperative, mutual, or commercial.

We have worked closely with these systems to improve their economic position and their ability to serve their communities. REA loans to date are making possible modern, dependable, dial telephone service to 1 million subscribers, and linking rural America with the whole world.

The benefits of rural electrification and rural telephones have, through the years since REA's inception a quarter century ago, been extended to the people of rural America without regard to creed, color, or politics. From these grassroots people comes the strength and soundness of these programs. The programs have had consistent nonpartisan support in the Congress and from successive national administrations. We hope to keep it that way.

My staff and I will be pleased to answer any questions you or the members of the committee may have. I request that Mr. Hamil be heard at this time particularly in respect to some specific critical allegations made in recent weeks.

Thank you, Mr. Chairman.

Toward Better Relations With Latin America

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, June 6, 1958

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address I made to the Memphis, Tenn., Rotary Club, discussing our relations with Latin America and how they might be improved.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is always a pleasure for me to come to Memphis and the Rotary Club. I am a firm believer in organizations such as this, particularly when like Rotary they are international organizations, and draw together men of like interests, willing to abide by certain principles, and therefore improve understanding on an international basis.

I am sure that you members of the Memphis Rotary, and your guests who are present today, were as shocked as most of us were by recent events which occurred in South America. The Vice President and his wife have been attacked by mobs, who hurled such epithets as "Yankee dog, go home," while abusing their persons with stones and other missiles. These were not attacks upon them as individuals—but upon the dignity of the people and Government of the United States.

OUR REACTION

We cannot, of course, let these attacks go by unnoticed. I note that the governments of the states in which these deeds were perpetrated have given their formal apologies. There is always the danger, however, that we in this country might take retaliatory actions which we might later come to regret. One Member of Congress, speaking on the floor of the House of Representatives, stated the other day in opposing the foreign-aid bill:

"You have read what happened in Caracas. Is there anyone in this House who still thinks that any one of the nations * * * which has been receiving our money * * * would come to our aid or go along with us?" Others demand retribution of various sorts or punishments by ignoring the interests of the people of the Latin American countries.

It saddens me to see such a reaction, for that is not the thoughtful way to reach our problems. I hope that attitude will not gain much currency. Fortunately the Congress has so far shown real statesmanship in this crisis. I want to discuss with you today something of what I believe would be a better approach.

ASK SOME QUESTIONS

We must ask ourselves, among others, the following questions. Why is it that a goodwill trip was turned into an occasion for these eruptions against the United States? Why is it that the United States and its representatives are made the objects of violent abuse? What is it that gives instigators the opportunity to incite mobs to do violence to the symbols of the United States Government?

Some would have us believe that the violence can be attributed solely to the Communists and their fellow travelers. I do not discount their activity in such occurrences but I believe this is the kind of answer which tends to deceive us and give us a false sense of well-being. The Communists are able to make trouble in the world where unrest exists, but are singularly incapable of doing so when the people have no grievances. The Communists were able to create these disturbances because there is a resentment against the United States among the people in Latin America. Anyone who has been there will testify to this fact in spite of the assurances to the contrary given by our own State Department. It is part of a wishful thinking that has characterized much of our policy. As recently as March 3 of this year, the Assistant Secretary of State for Inter-American Affairs replied to a question inquiring whether he believed there was widespread discontent with American policies in Latin America. He said: "No, sir; I do not."

OUR RECORD

We might well ask ourselves, What has happened during the past few years to cause deterioration in our relations with our friends in Latin America? We know that our record is not entirely clean, particularly during the early years of this century when we had a propensity for sending marines into their countries to restore order and for using our dollar power to exploit their resources. But we thought we had put all that behind us. Beginning with the good-neighbor policy inaugurated under Secretary of State Cordell Hull we saw a tremendous improvement in our relations. Americans were welcomed and trade relations on a mutually satisfactory basis expanded greatly. When Mr. Hull and Vice President Wallace visited South America, they were given warm receptions. When Dr. Milton Eisenhower, the President's brother, visited South America in 1953 the welcome was very cordial. And yet when Mr. NIXON visited there this year, he is stoned and humiliated. Our relations must have indeed suffered a grievous setback to elicit these recent occurrences.

Parenthetically, I must add that these events, coupled with those occurring in France and Lebanon where American overseas information agencies have been burned, come at a particularly unfortunate time. The House of Representatives has just completed consideration and passage of the foreign-aid bill and that legislation is now before the Senate. The House will consider shortly the bill to extend the Reciprocal Trade Agreements Act, a bill which faces very heavy opposition in that Chamber. There is some danger that the immediacy of these events may cause some who are otherwise disposed to favor these programs to vote against them in a spirit of pique or dissatisfaction that we have not won more friends through our trade and assistance programs. I sincerely hope that such will not be the case.

ALLIES ARE IMPORTANT

I think no one will seriously challenge my belief that it is of critical importance that we retain strong allies throughout the world. It is inconceivable that we adopt a policy of "going it alone" in our struggle with international communism. Without our allies, we would have to exhaust ourselves in military preparedness and we would see the Communist world expand by enveloping all of those nations who formerly stood with us. These nations who are favorably disposed toward Western democracy would no longer be able to withstand the pressures and enticements of the Soviet Union and we would find ourselves isolated and dependent only on our own resources. And the simple fact is, we do not have all of the necessary resources by which we can stand alone.

Among our stanchest supporters in the past have been the countries of Latin America. In the United Nations, in World War II, in Korea they have given us their support against the forces of despotism. They have given us their resources which have helped to sustain our domestic economy and our military efforts. With slow but steady progress they have developed democratic political institutions which tend to put them in our camp. Although we know that some of the countries of Latin America have lagged behind, we are hopeful that all will soon be able to throw off their dictators and govern themselves.

ECONOMIC IMPORTANCE

Economically, we know how much the resources of South America mean to us. Here in Memphis you are perhaps more aware of the economic importance of these countries than anywhere else in the country since many of the products imported from and exported to Latin America come through Memphis. In the year 1957 American exports to Latin America soared to a record of $4.7 billion. We received goods having a value of $3.9 billion in the same year. Our exports to Latin America comprised 24.7 percent of all our exports for 1957. One-third of all the machinery exported in 1957 went to Latin America. Two-fifths of the total United States exports in transportation equipment went to Latin America. Thirty-two percent of our exported chemical and related products and 26 percent of our textiles went to Latin America. One can

readily see that the Latin American countries constitute one of our most important markets for finished products.

On the other hand the countries south of the border provide us with many of the vital commodities for our economic machine. In 1957 they provided us with the following: 54 percent of the petroleum imported; 59 percent of the copper; 41 percent of the lead; 62 percent of the zinc ore; 45 percent of the manganese; 71 percent of the nickel oxide; and 54 percent of the tungsten ore. These metals are of vital importance to our economy and some of them are not readily available and in some instances not available at all in this country. Other less vital but nonetheless useful commodities are coffee, of which 88 percent comes from Latin America and bananas all of which are imported from that region.

In the field of private investment, the United States has found a very favorable reception in Latin America. In 1957 the book value of these investments totaled around $8 billion, a growth of $5 billion since 1946. These private investments have provided jobs, income for the countries in which the investments occurred, and provided needed products for the countries' economies.

REASONS FOR POOR RELATIONS

In view of our economic interdependence, how is it that our relations have declined in such a precipitous fashion? The reasons are varied and complex but nonetheless understandable. There is the natural envy of a people less well off toward their richer and more powerful neighbors. And the Communists of course play their part to the hilt. But the fundamental reason lies in the prevailing sentiment in Latin America that the United States has failed to do all it should to assist them in their striving to improve their economic status. They watch us give billions of dollars to Western Europe and to the Far East, feeling that whatever is given them comes mostly as an afterthought and as a gratuity rather than as assistance to a worthy partner in a common cause.

Consider the statistics on loans and grants since World War II and you will see some of the basis for the discontent in South America. From 1945 to 1957 the United States has provided all countries receiving aid, either in the form of grants or loans, almost $60 billion. $20 billion of this sum has been in the form of military aid. In the same period of time we have given to Latin America alone only $1.5 billion of which $334 million was in military aid. In other words, we have given only 2½ percent of our total aid to Latin America. We have given only a pittance to those nations that have the longest record of support for the goals sought by the United States.

These nations south of us have a desperate need for investment capital which is simply not forthcoming. They have hydroelectric capacity to be developed, transportation systems to construct, mines to be exploited, cities to be made centers for industry. Their potentiality for growth is tremendous and yet they languish for lack of friendly assistance. Is there any wonder that there is resentment there?

LIMITED ASSISTANCE

What is our assistance program like in these areas? Our economic assistance is limited almost entirely to technical assistance. I do not deprecate this form of aid—in fact it is the best form—but it is obvious that not much in the way of capital development can take place without capital, which could be made available through the Export-Import Bank. Private capital is naturally somewhat hesitant because of the unstable political situation—which I sometimes think we haven't helped with our military aid. Too frequently, we find that these weapons are used by dictators to repress popular revolutions.

We need, then, an imaginative and enlightened program of loans, and where necessary, grants by the United States Government to these underdeveloped countries of our own hemisphere. Such loans and grants cannot and must not be thought of as mere largess to our poor relations but as sound investments in the future. It is good for business. The rewards will be manifold, both politically and economically.

For example, while some protest that it is unwise to build up countries industrially because they will compete for markets, the actual fact is that our best markets are in the industrialized nations. Our single best customer is Canada and our best market area is Western Europe. No one would consider either of those areas underdeveloped. By enlarging the capacity of these underdeveloped nations of Latin America to produce manufactured goods and capital goods, we will find that our markets will expand and that our own standard of living will be improved.

POLITICAL RESULTS

Politically the results will be beneficial also. Economic insecurity breeds political turbulence and disorder. Latin America has had a history of revolution after revolution, in part owing to the depressed economic conditions in which many of their people live. By helping them provide a strong and expanding economy we help insure a steady and enlightened political growth.

Such aid will of course be of material help in preventing the further growth of communism in these countries. As I pointed out before, the Communists thrive on dissatisfaction and, if the source is removed, the Communists will be removed as a threat.

Another area of our trade policy has created considerable concern both in the United States and in the Latin American countries. In the metals fields particularly, domestic producers and Latin American producers are in competition. In recent years the world price of these metals has gone down in an alarming fashion, causing serious unemployment in all countries concerned. In some of the Latin American countries these lowered prices are disastrous because of the importance of the extractive industries to their whole economy. The United States is better able to bear the shock as a whole, although there is no lack of suffering to those who actually have to endure unemployment or plant shutdowns.

In this situation it is difficult to blame anyone. We have consistently lowered our tariffs on metals and have only informally imposed quotas on imports of petroleum from Venezuela. It is not our tariffs that have hurt foreign producers but the overexpansion of production which has depressed world prices. But the problem is no less difficult merely because there is no one culprit to blame.

REMEDY THAT NEVER WORKS

Many have suggested the establishment of import quotas or raising the tariffs as means of protecting our domestic producers. This is a favorite patent remedy that never works for anyone concerned. What would happen to our exports if we reimposed high tariffs or established quotas? Who would buy the commodities which we produce? Where would the people who work in industries exporting their products find jobs? There are 4½ million people in the United States who depend on foreign trade for their livelihood.

We have tried stockpiling as a means of supporting these industries at home and abroad for the purpose of improving our preparedness. This method may still have some applicability but other means must be discovered also. One suggestion has been to provide a system of subsidy for domestic producers who are injured by foreign competition. I admit that this raises objections, but I suggest that a freer flow of trade is a fundamental principle which may allow us to provide subsidies in this field. We might remember also that we provide subsidies to other enterprises for defense reasons, notably the airlines and the shipping industries. Subsidies to producers in the metals industries would seem to be no less in the cause of defense than those subsidies to transportation. We might consider assisting these domestic industries by higher depletion allowances, similar to those granted oil. They certainly are as important as oil.

If we fail to assist our most faithful allies to the south of us we leave the field wide open to the Communist bloc. In recent months the Soviet Union has had trade delegations in several of the nations of Latin America, including Colombia, Argentina, and Brazil. These delegations have been making agreements to purchase commodities at a loss to the Soviet Union in the hope that they can destroy the established trade channels and markets. There is no indication that such activity will abate in the near future. In fact, in a report made recently to the Senate Foreign Relations Committee it was stated that "there appears to be no doubt that the pace of the Soviet economic offensive can be sustained and even increased." Our policies must be designed to frustrate this Soviet economic offensive rather than facilitate it.

FRIENDS AND NEIGHBORS

Recently, the Governor of Puerto Rico, Luis Muñoz-Marín, stated before the Senate Foreign Relations Committee that too often our thinking about Latin America took the following lines: "Yes, Latin America is of great importance in peace or war, but we can count on it anyway. They are our friends and neighbors. They are as much against Communist despotism as we are. We can take them for granted. Of course, we should and do help them, but the situation in other parts of the world is more urgent." This attitude is the fundamental cause of unrest among our friends of Latin America. We would do well to eradicate it from our thinking.

In a time of economic recession, there is always a tendency to adopt policies of economic nationalism with the sole object of increasing the number of jobs at home without regard to what happens elsewhere. We have tried such palliatives before and found them wanting. I hope we do not try them again. We should recognize not only our responsibility but our opportunity to stimulate economic activity abroad, especially in Latin America, in order that we might insure prosperity for ourselves and our friends as well.

We must always remember also that the lot of the leader of the world is not always a popular one. When Britannia ruled the waves and was the leader of the world, a popular pastime consisted in twisting the lion's tail. Nevertheless, Britain had the respect of the world and it is that for which we must strive. We can never attain that respect or retain our leadership if our policies vacillate or if we blow hot and cold in such vital matters, for example, as reciprocal trade. We must expect and prepare for a long, hard pull and we will as a result neither be overelated or overenthusiastic by temporary successes or discouraged by temporary setbacks.

The Significance of the Mutual Security Program

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, June 6, 1958

Mr. WILEY. Mr. President, in not too many hours the Senate will be completing action, for the present, on our revised version of the Mutual Security Act of 1958, H. R. 12181. The bill may not incorporate everything which we, as individuals, might like to have in it. Nevertheless, I believe it will be a good bill, a helpful bill, a bill which will serve as another landmark for the Free World.

I send to the desk a statement and an appended article with regard to the historical background of this bill. The article was a column in yesterday's, June 5, New York Times, written by its skilled observer, Mr. James P. Reston.

The article pointed out that yesterday marked the 10th anniversary of the great speech delivered at Harvard University by Gen. George C. Marshall. That historic address, in which he launched the Marshall plan, signalized a constructive response to the world of 1947. Today we are responding to the world of 1958 and the world, as we envision it, of 1959.

I ask unanimous consent that my statement and Mr. Reston's profound article be printed in the RECORD.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

The needs of mankind change with each passing year.

Today, as Mr. Reston points out, we are confronted with new needs.

Today, the principal challenge is in the underdeveloped world.

It is there that the Soviet Union is making its principal play for penetration and subversion.

The mutual security bill, as reported from our Senate Foreign Relations Committee and which is now pending before us, is by no means the only answer to the needs of the underdeveloped world.

OTHER COMMITTEES WILL REVIEW PERTINENT LEGISLATION

On the contrary, other committees of the Congress will have to review important elements of legislation which can also help us help our friends in the Asian-African-Middle Eastern part of the globe.

For example, the Senate Banking Committee will be reappraising our international credit policy, including the new proposals for the International Development Association.

The Senate Finance Committee will be appraising the Reciprocal Trade Agreements Act which is so significant, especially in terms of the raw materials and commodities produced by the underdeveloped countries.

The Senate Agriculture Committee will also be looking at the agricultural phases of our overseas programs.

But we, on the Senate Foreign Relations Committee, so far as our own vital jurisdiction is concerned, have taken an important step in meeting the challenges of the present time, by our report on the mutual security bill.

A BEACON OF DEMOCRACY FOR THE WORLD

But dollars alone are not what the underdeveloped world needs. Of course, it needs capital; of course, it needs more credit; it needs more foreign investment; it needs more trade.

But most of all, it needs the spiritual leadership of the land of Jefferson and Lincoln. It needs the guidance which can come from ours, the greatest single success of a people who was once under foreign colonial rule.

There is no part of the world which does not recognize that the Declaration of Independence and the American Constitution were destined for more than Americans alone.

UNDERDEVELOPED WORLD NEEDS UNITED STATES HEALTH LEADERSHIP

But the world needs more than dollars. It needs more than spiritual guidance. It needs American technical assistance as well.

One of the phases of our assistance is in the form of health aid.

In this connection, I commend to my colleagues' attention the very constructive comments made by my associate, the Senior Senator from Minnesota, Mr. HUMPHREY, on June 4.

I point out now specifically what he said on page 10109 of the CONGRESSIONAL RECORD.

At that time, my Minnesota neighbor said that in Asia, Africa, and the Mid-East, in the eyes of millions of people, the United States is responsible for what is considered almost magical cures of man's ills, thanks to the medicines which we are making available to them.

We are literally saving lives in the millions, saving them from killing, crippling, disabling diseases.

There is no good reason under the sun why we should not get fair credit for this humanitarian act on our part.

Of course, we are not doing it to get credit, but there is no reason why we should fail to get reasonable recognition in the process.

IDENTIFY AMERICAN ORIGIN OF MEDICINES

That is why my Minnesota associate stated that the conference report which we will write on the mutual-security bill should make unmistakably certain this fact: In the utilization of American funds for health programs overseas—through unilateral, bilateral, or multilateral organizations, it is essential that the American origin of medicinal supplies be absolutely clearly identified as such.

This phase was written up in Senate Report 1627 on page 24.

However, in my judgment, the language therein should be strengthened and made far more specific. And I would suggest the following language:

"In these and other health programs, the administration shall consider and take into account by appropriate regulation the psychological value of emphasizing the American origin of effective medicines."

I shall, therefore, be in contact with the Department of State, the International Cooperation Administration, and the United States Public Health Service, to make very certain, indeed, that this intent of the Senate Foreign Relations Committee is fully realized by effective regulation and administration.

Let us not in any way underestimate the tremendous significance of this point.

AMERICAN AID IN THE ANTIMALARIA PROGRAM IS ALREADY WORLDWIDE

Within the past few days, a cholera epidemic has been raging in Thailand—the bulwark of our SEATO Alliance. So, we have been rushing cholera serum there.

No one can now foretell what the ravages of nature, of insects, of bacteria may do in the future. Therefore, let us see to it that we not only fully discharge our humanitarian responsibilities, but that we discharge our responsibilities to ourselves as the donor nation, as well.

We have been far ahead of the Soviet Union in aiding the underdeveloped world from health and other standpoints.

We have not given this aid merely because we are in competition with Russia. We have given it because we are genuinely moved by the ideals of the Judeo-Christian heritage which remind us that we are, indeed, our brother's keeper.

TOMORROW'S NEEDS OF THE WORLD

In conclusion, as Mr. Reston indicated, despite 11 years of generous giving, the best laid plans "have often tended to go a'glae."

We have not wrought a complete cure for mankind's ills.

But, after all, how could we possibly expect to do so?

The weaknesses of mankind, the maldistribution of wealth, the widespread poverty, disease, malnutrition—the lack of education—these, and other assorted handicaps have been centuries in the making.

As great as we are, we cannot transform the world overnight. As great as are our resources, we cannot carry all of the world's burdens.

But we can do our part. We are doing our part. There will be more to do and, to the extent that we can and should do it, we will.

We welcome constructive criticism of our present programs by the great leaders of both major political parties, including by former public servants who are experienced in administering aid programs.

We hope to be as adequate in 1958 and 1959 as George Marshall, a great American, proved to be in 1947.

[From the New York Times of June 5, 1958]

THE BEST LAID PLANS—FREE WORLD'S ECONOMY STILL IN DISARRAY 11 YEARS AFTER MARSHALL'S SPEECH

(By James Reston)

WASHINGTON, June 4.—The 11th anniversary of the launching of the European recovery program will take place tomorrow amidst new complaints and fears about the economic derangement of the Free World.

Political crises come and go in France, Britain, Egypt, Lebanon, Algeria, India, and a lot of other places, but economic crises are always with us, particularly when the United States economy wavers.

When Secretary of State George C. Marshall launched the Marshall plan at Harvard on June 5, 1947, he announced its purpose as "the revival of a working economy in the world." And he added that United States assistance toward this end "should provide a cure rather than a mere palliative."

In terms of solving the European balance-of-payments problem created by the destruction of the war and the disorder of the prewar trading system, the Marshall plan succeeded more dramatically than its sponsors hoped at the time.

Nevertheless, here is Secretary of State Dulles, who is more interested and experienced in economic affairs than he was then, and Under Secretary of State C. Douglas Dillon still worrying about "the revival of a working economy" in the Free World.

The differences between the specific problems of 1947 and 1958 are greater than the similarities. Eleven years ago, Europe did not have the dollars or other hard currencies to rebuild her industries and her prewar standard of living.

Today, the main problem lies, not in Western Europe, which is now operating well beyond the prewar industrial standard, but in the underdeveloped nations of the world.

But the fear is similar: namely, that economic troubles in areas coveted by Moscow are creating social and political problems, which, if unsolved, may tip the power balance against the West.

Even some of the public statements of today are similar to the cry issued by General Marshall at Harvard 11 years ago.

"I need not tell you, gentlemen," Secretary Marshall told the Harvard graduates, "that the world situation is very serious * * *. In many countries, confidence in the local currency has been severely shaken. * * * Long-standing commercial ties, private institutions, banks, insurance companies, and shipping companies have disappeared, through loss of capital, absorption through nationalization, or by simple destruction."

He emphasized that the prewar commercial system that had nourished Europe had broken down, and he called for United States aid and international cooperation to produce a new system.

"Our policy," he said, "is directed not against any country or doctrine but against hunger, poverty, desperation, and chaos. Its purpose should be the revival of a working economy in the world so as to permit the emergence of political and social institutions in which free institutions can exist."

Such assistance, I am convinced, must not be on a piecemeal basis, as various crises develop. Any assistance that this Government may render in the future should provide a cure rather than a mere palliative.

This, of course, is precisely what Under Secretary Dillon is still trying to do: He is trying to get away from palliatives and find long-term cures; he is seeking to avoid piecemeal solutions; he is looking for the revival of a working economy in the world.

Adlai E. Stevenson, in a remarkable and largely ignored speech at the University of Louisville the other day, struck a similar note.

"We are witnessing," he said, "the last stages of the old worldwide, self-regulating, international trade and investment system, which we in America have largely taken for granted.

"At the same time, as it recedes, we see, expanding, eager to take its place, the new Communist techniques of grants, gifts, loans, trade, aid, barter, technical assistance, raw materials at cost, or plain dumping, all bent to the same purpose—the reinforcement of Communist power."

He noted that all this was taking place just at the time when the United States need for secure trade abroad and for steady access to foreign materials was growing in proportion to its soaring population and diminishing resources.

"We are headed for a new crisis," he proclaimed, "one no less dire than the crisis of 1947, and no less certain to lead to catastrophe unless we act in time."

Accordingly, he called for the creation of a committee of experts, similar to the one that laid the groundwork for the Marshall plan 11 years ago. This, he proposed, should work out, not a European economic recovery plan, but a long-range economic recovery plan, to secure in the whole Free World sustained economic growth, joint negotiations for a low-tariff or free trade area, joint undertakings of a long-range aid and investment program, and joint agreement on adequate working capital for world trade and convertibility.

Under Secretary Dillon shares some, but not all, of Mr. Stevenson's concern. It is becoming plain, as Edwin L. Dale, Jr., of this newspaper has pointed out, that development programs in the underdeveloped areas cannot proceed as fast as political stability requires, without further help.

Mr. Dillon accepts this view. He agrees that the help must come mainly from the United States. This can be provided by more straight foreign aid through such devices as the Development Loan Fund, Export-Import Bank loans, or balance-of-payment loans through the International Monetary Fund.

Mr. Stevenson and former Secretary of State Dean G. Acheson are pointing out that if the United States were exporting capital today to the extent that Britain did prior to the First World War, we would be exporting the equivalent of about two full Marshall plans each year.

They are obviously more ambitious in their plans than is Mr. Dillon, who has to fit his ideas to the Treasury, but the main point is that he, no less than they, is concerned about the need for new initiatives and new resourceful ideas.

In short, he is saying that we have not yet found the cure. Secretary Marshall talked about 11 years ago, and that, unless we do—again as Mr. Marshall said—the consequences for the Free World in its struggle against communism will be grave indeed.

SENATE

MONDAY, JUNE 9, 1958

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, our Father, facing the waiting tasks of another week, make us gratefully mindful that upon the free soil of this continent our fathers with holy toil reared a house of faith hallowed by Thy name. In this violent hour of human destiny, save us from surrendering to cynicism because of human evil and because of being made men of little faith by human folly.

Open our eyes to see a glory in our common life, even with all its sordid failures; and in the heart of the whole cosmic scheme help us to feel the pull of a resistless power that makes for love and righteousness more constant than the stars. With the combined hopes of those who are free and who yearn to be free, turning in terror from a future without good will, we would offer our Nation, not as a chalice of privilege and of pride, but as a channel of mercy, help, and healing, that all the ends of the earth may be blest: In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 6, 1958, was dispensed with.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Reorganization of the Committee on Government Operations was authorized to meet during the session of the Senate today.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONSTRUCTION AND SALE OF SUPERLINER PASSENGER VESSELS

Mr. JOHNSON of Texas. Mr. President, I announce that it is our intention to have the Senate proceed at the conclusion of the morning hour, with the consideration of Calendar 1673, House bill 11451, to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

Therefore, Mr. President, at this time I move that the Senate proceed to the consideration of Calendar 1673, House bill 11451.

The motion was agreed to; and the Senate proceeded to consider the bill to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I wish to announce that, following consideration of Calendar 1673, House bill 11451, we expect to have the Senate consider Calendar 1683, Senate bill 3651, to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes. In the event the Senate is able to complete its action on Calendar 1673, House bill 11451, at a reasonably early hour, we expect to have the Senate proceed then to the consideration of Senate bill 3651.

I am attempting to work out some conflicts with the Senator from Indiana [Mr. CAPEHART]. If we can do that, we may pass over Calendar 1673, House bill 11451, if it appears that its consideration will take some time, and proceed to the consideration of Calendar 1683, Senate bill 3651.

Thereafter, we expect to have the Senate proceed to the consideration of Calendar 1659, House bill 7953, to facilitate and simplify the work of the Forest Service, and for other purposes; Calendar 1660, House bill 5497, to amend the Watershed Protection and Flood Prevention Act; Calendar 1670, Senate bill 2419, to amend the District of Columbia Unemployment Compensation Act, and for other purposes; and Calendar 1671,

Senate bill 3058, to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933. These measures previously have been listed for consideration.

In addition, there are several appropriation bills which we expect to have the Senate consider as soon as we can obtain clearance, or as soon as they have met the requirements of the rule.

JAMES M. BARNES

Mr. JOHNSON of Texas. Mr. President, it was with deep sorrow that I learned this morning of the death of former Representative James M. Barnes, of Illinois. I knew him well, both when he was a Member of the House and when he was an assistant to the late President Roosevelt. He was a generous, warmhearted man, who devoted his efforts to his country.

My thoughts and my prayers are with his grieving survivors. He was a good man and a dedicated public servant.

EXECUTIVE COMMUNICATIONS ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF THE ARMY

A letter from the Engineer Comptroller, Corps of Engineers, Department of the Army, transmitting, pursuant to law, a report prior to restoration of balances, of that Department, as of May 1, 1958 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON PANAMA CANAL COMPANY AND CANAL ZONE GOVERNMENT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Panama Canal Company and Canal Zone Government, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Government Operations.

PETITION

The PRESIDENT pro tempore laid before the Senate the petition of Harold L. Johnson, of Baldwin Park, Calif., relating to the Presidential veto of the omnibus rivers and harbors bill, which was referred to the Committee on Public Works.

RESOLUTION OF BERNER FARMERS UNION LOCAL, CLEARWATER COUNTY, MINN.

Mr. HUMPHREY. Mr. President, I have recently received a copy of a resolution adopted by the Berner Farmers Union Local of Clearwater County, Minn., urging all wheat producers to take an interest in the wheat election to be held on June 20.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas wheat is produced by some farmers in the county and the crop is important to this community and county; and

Whereas the price of wheat in 1959 will be directly affected by the results of the June 20 wheat election; and

Whereas a vote in favor of wheat supports and marketing quotas for 1959 will make a difference of about 80 cents a bushel in the price of wheat for the farmer; and

Whereas this means that with expected 1959 production, some $60,896 will be at stake in the outcome of the wheat vote in this county alone; and

Whereas a lowering of farm prices on wheat or other commodities can only result in loss of purchasing power, a slump in business and employment in our rural trade centers; and

Whereas a large volume of necessary farm purchases for repairs, replacements, and improvements is being delayed by the lack of farm buying power; and

Whereas nothing would be solved by ending firm supports and marketing quotas on wheat, since surpluses cannot be cured by expanding production, and farm income cannot be raised by lowering prices: Now therefore, be it

Resolved, That we, the members of the Berner Farmers Union Local of Clearwater County, State of Minnesota, urge all wheat producers to take an interest in the election to be held on June 20 and that they vote in favor of price supports and marketing quotas on the 1959 crop; and be it further

Resolved, That we urge farmers, businessmen, workers, and all other persons interested in the prosperity of this community, unite in seeking an improved farm program, seeking to achieve parity prices for wheat and other farm commodities; and be it finally

Resolved, That copies of this resolution be given to newspapers in this area, and be sent to Members of the House and Senate in Congress from Minnesota and to other interested officials.

CONCURRENT RESOLUTION OF NEW JERSEY LEGISLATURE

Mr. CASE of New Jersey. Mr. President, I present a concurrent resolution adopted by the Legislature of the State of New Jersey, favoring the creation of two additional standard metropolitan areas for New Jersey. I ask unanimous consent that the concurrent resolution be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 19

Concurrent resolution memorializing the Federal Committee on Standard Metropolitan Areas and New Jersey Members of Congress to create two additional standard metropolitan areas for New Jersey

Whereas the Federal Bureau of the Budget, with the advice of the Federal Committee on Standard Metropolitan Areas, is presently revising the list of standard metropolitan areas as heretofore designated and is adding such new metropolitan areas as may be found consistent with changed conditions, in preparation for the 1960 Federal census; and

Whereas the State of New Jersey, the most urbanized in the Nation, is presently enjoying only 2 such ratings, to wit: Trenton, our State capital, and Atlantic City, our nationally-known seashore resort; and

Whereas the cities of Newark, the largest in northern New Jersey, with a population of over 450,000, and Camden, the largest in southern New Jersey, with a population of over 125,000, qualify in their own right, but, because of their proximity respectively to the cities of New York and Philadelphia, have, for the past 27 years, been without the many benefits accruing from such a rating, and have, in fact, been blacked out by being treated as parts of these 2 giant metropolitan areas having as their central core, cities located outside the boundaries of this State; and

Whereas the cities of Newark and Camden have both greatly expanded their areas of economic influence and have long since met and surpassed all the usual Federal requirements of qualification as independent metropolitan areas; and

Whereas these cities are in fact experiencing today tremendous urban renewal undertakings in their downtown districts, thus making them more important than ever to their constantly expanding suburban environment; and

Whereas these two New Jersey cities, if they were presently rated independently of their geographical proximity to New York and Philadelphia, respectively, would be well up on the list of over 150 cities enjoying the economic, planning, and many other benefits deriving from a metropolitan area rating: Now, therefore, be it

Resolved by the Senate of the State of New Jersey (the general assembly concurring), That the New Jersey Legislature assembled in Trenton, at its 1958 session, hereby urges the Federal Bureau of the Budget and the Federal Committee on Standard Metropolitan Areas to establish forthwith, for the cities of Newark and Camden, independent standard metropolitan area ratings separately and apart from their giant neighbors; and be it further

Resolved, That our New Jersey delegation in Congress be asked to lend such aid and support to this request as will bring about as quickly as possible this vitally important objective.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 2262. A bill for the relief of Hasan Muhammad Tiro (Rept. No. 1661);

S. 2860. A bill for the relief of Miss Susana Clara Magalona (Rept. No. 1662);

S. 2941. A bill for the relief of John Favia (John J. Curry) (Rept. No. 1663);

S. 2943. A bill for the relief of Letitia Olteanu (Rept. No. 1664);

S. 3021. A bill for the relief of Stanislawa Wojczul (Rept. No. 1665);

S. 3131. A bill for the relief of Amile Hatem and Linda Hatem (Rept. No. 1666);

S. 3276. A bill for the relief of Carl Ebert and his wife, Gertrude Ebert (Rept. No. 1667);

S. 3354. A bill for the relief of Fuad E. Kattuah (Rept. No. 1668);

H. R. 7917. An act for the relief of Ernst Haeusserman (Rept. No. 1669);

H. R. 10035. An act for the relief of Federico Luss (Rept. No. 1670); and

H. J. Res. 577. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens (Rept. No. 1659).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 3010. A bill for the relief of Jose Mararac (Rept. No. 1671);

S. 3192. A bill for the relief of Edeltraud Maria Theresia Collom (Rept. No. 1672);

S. 3300. A bill for the relief of Jean Andre Paris (Rept. No. 1673); and

S. 3421. A bill for the relief of Alexander Nagy (Rept. No. 1674).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 13. A bill for the relief of Kuo Cheng Wu and his wife, Edith Wu, and their two sons, Hsiu-Kwang Wu and Hsiu-Huang Wu (Rept. No. 1678);

H. J. Res. 551. Joint resolution for the relief of certain aliens (Rept. No. 1675);

H. J. Res. 576. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 1676); and

H. J. Res. 580. Joint resolution for the relief of certain aliens (Rept. No. 1677).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 3141. A bill to authorize acquisition by the Administrator of General Services of certain land and improvements thereon located within the area of New York Avenue and F Street and 17th and 18th Streets NW., in the District of Columbia (Rept. No. 1679);

S. 3677. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments (Rept. No. 1680); and

S. 3873. A bill to amend section 201 of the Federal property and Administrative Services Act of 1949, as amended, to authorize the interchange of inspection services between executive agencies, and the furnishing of such services by one executive agency to another, without reimbursement or transfer of funds (Rept. No. 1681).

By Mr. McCLELLAN, from the Committee on Government Operations, with an amendment:

S. 3142. A bill to amend the Federal Property and Administrative Services Act of 1949 to extend the authority to lease out Federal building sites until needed for construction purposes and the act of June 24, 1948 (62 Stat. 644), and for other purposes (Rept. No. 1682).

WITHDRAWAL OF SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN—REPORT OF A COMMITTEE

Mr. EASTLAND. Mr. President, from the Committee on the Judiciary, I report an original concurrent resolution, withdrawing suspension of deportation in the case of Jesus Angel-Moreno, and I submit a report (No. 1660) thereon.

The PRESIDENT pro tempore. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 92) was placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246 (a) of the Immigration and Nationality Act (8 U. S. C. A. 1256 (a)), withdraws the suspension of deportation in the case of Jesus Angel-Moreno (A-8065711) which was previously granted by the Attorney General and approved by the Congress.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FREAR:

S. 3962. A bill to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Finance.

(See the remarks of Mr. FREAR when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 3963. A bill to provide a new farm program for basic agricultural commodities under which excessive and burdensome Federal controls on agriculture will be eliminated, and under which American agriculture will be restored to a free enterprise basis; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. TALMADGE when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD (by request):

S. 3964. A bill for the relief of Page A. Wilson; to the Committee on the Judiciary.

By Mr. IVES:

S. 3965. A bill for the relief of Edward G. Worosila; to the Committee on the Judiciary.

By Mr. BRICKER:

S. 3966. A bill to amend Public Law 85-422; to the Committee on Armed Services.

By Mr. HUMPHREY:

S. 3967. A bill authorizing the enlargement of the harbor on the Mississippi River at Redwing, Minn.; to the Committee on Public Works.

S. 3968. A bill to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under separate headings.)

CONCURRENT RESOLUTION

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 92) withdrawing suspension of deportation in the case of Jesus Angel-Moreno, which was placed on the calendar.

(See the above concurrent resolution printed in full where it appears under a separate heading.)

TAX TREATMENT OF STOCK RECEIVED THROUGH INVOLUNTARY DISTRIBUTIONS REQUIRED BY ANTITRUST PROCEEDINGS

Mr. FREAR. Mr. President, I desire to introduce a bill, and, in that connection, to speak for not longer than 8 minutes. I ask unanimous consent that I may do so at this time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FREAR. Mr. President, I introduce a bill to amend the Internal Revenue Code of 1954, so as to provide for nonrecognition of gain or loss upon certain distributions of stock made pursuant to orders enforcing the antitrust laws.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, preceding my statement.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3962) to amend the Internal Revenue Code of 1954 so as to provide for nonrecognition of gain or loss upon certain distribution of stock make pursuant to orders enforcing the antitrust laws, introduced by Mr. FREAR, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That subchapter O of chapter 1 of the Internal Revenue Code of 1954 (relating to gain or loss on disposition of property) is amended by adding at the end thereof the following new part:

"PART IX—DISTRIBUTIONS PURSUANT TO ORDERS ENFORCING THE ANTITRUST LAWS

"Sec. 1111. Distribution of stock pursuant to order enforcing the antitrust laws.

"SEC. 1111. Distribution of stock pursuant to order enforcing the antitrust laws.

"(a) Effect on distributees:

"(1) General rule: If a corporation (referred to in this section as the 'distributing corporation') distributes to a shareholder, with respect to its stock held by such shareholder, stock which, when distributed to the distributee, is divested stock (as defined in subsection (d)) then no gain or loss shall be recognized to (and no amount shall be includible in the income of) such shareholder on the receipt of such divested stock.

"(2) Non pro rata distribution, etc.: Paragraph (1) shall be applied without regard to the following:

"(A) whether or not the distribution is pro rata with respect to all of the shareholders of the distributing corporation, and

"(B) whether or not the shareholder surrenders stock in the distributing corporation.

"(3) Distributions to avoid Federal income tax: Paragraph (1) shall not apply to any transaction one of the principal purposes of which is the distribution of the earnings and profits of the distributing corporation or of the corporation whose stock is distributed, or both (but the mere fact that either corporation has accumulated earnings and profits shall not be construed to mean that one of the principal purposes of the transaction is the distribution of the earnings and profits of either corporation, or both).

"(4) Distributions involving gift or compensation: In the case of a distribution to which paragraph (1) applies, but which—

"(A) Results in a gift, see section 2501, and following, or

"(B) Has the effect of the payment of compensation, see section 61 (a) (1).

"(b) Basis of property acquired in distributions: If, by reason of subsection (a), gain or loss is not recognized with respect to the receipt of divested stock, then, under regulations prescribed by the Secretary or his delegate—

"(1) if the divested stock is received by a shareholder without the surrender by such shareholder of stock in the distributing corporation, the basis of such divested stock and of the stock with respect to which it is distributed shall, in the distributee's hands, be determined by allocating the adjusted basis of the stock with respect to which the distribution was received between such stock and the divested stock received; or

"(2) if the divested stock is received by a shareholder in exchange for stock in the distributing corporation, the basis of the divested stock shall, in the distributee's hands, be the same as the adjusted basis of the stock exchanged therefor.

"(c) Allocation of earnings and profits:

"(1) Allocation in certain corporate separations.—In the case of a distribution or exchange under subsection (a) of stock in a controlled corporation, proper allocation with respect to the earnings and profits of the distributing corporation and the controlled corporation shall be made under regulations prescribed by the Secretary or his delegate.

"(2) Definition of controlled corporation: For purposes of paragraph (1), the

term 'controlled corporation' means a corporation with respect to which at least 80 percent of the total combined voting power of all classes of stock entitled to vote and at least 80 percent of the total number of shares of all other classes of stock is owned by the distributing corporation.

"(d) Definition of divested stock: For purposes of this section, the term 'divested stock' means stock which is—

"(1) The subject of a judgment, decree, or other order of a court or of a commission or board authorized to enforce compliance in a suit or other proceeding brought by the United States or such a commission or board under the Sherman Act (26 Stat. 209, 15 U. S. C. sec. 1–7, as amended) and the Clayton Act (38 Stat. 730, 15 U. S. C. sec. 12–27, as amended), and

"(2) Distributed by the distributing corporation pursuant to a judgment, decree, or order entered after June 1, 1958, in such suit or proceeding, if such judgment, decree, or order—

"(A) Directs the distributing corporation to divest itself of such stock.

"(B) Specifies and itemizes the stock to be divested.

"(C) Recites that such divestment is necessary or appropriate to effectuate the policies of the Sherman Act or the Clayton Act, or both, and

"(D) Recites that nonrecognition of gain pursuant to section 1111 of the Internal Revenue Code of 1954 is required to reach an equitable judgment, decree, or order in such suit or proceeding.

"(e) Cross-reference:

"For determination of the period for which the taxpayer has held divested stock received in a distribution to which subsection (a) applies, see section 1223 (1)".

SEC. 2. (a) Section 1223 (1) (B) of such code (relating to holding period of property) is amended by adding immediately before the word "applies" the following: "or section 1111."

(b) The table of parts for subchapter O of chapter 1 of such code is amended by adding at the end thereof the following:

"Part IX—Distributions pursuant to orders enforcing the antitrust laws."

SEC. 3. The amendments made by this act shall apply only with respect to distributions of divested stock (as defined in section 1111 (d) of the Internal Revenue Code of 1954, as added by the first section of this act) made after June 1, 1958.

Mr. FREAR. Mr. President, the bill I have just introduced would correct what I believe to be a serious inequity in our tax laws. This bill would make it possible to carry out the Government's antitrust policy without doing a grave injustice to millions of Americans who are shareholders in business corporations.

Under the bill's provisions, stock received through involuntary distributions required by antitrust proceedings would be given the same tax treatment that Congress has provided by law with respect to involuntary distributions to stockholders in public utilities and bank holding companies. There would be no exemptions from capital-gains tax upon the subsequent sale of the stock, but its receipt would not be subject to tax as ordinary income.

There is ample precedent for this proposed legislation, and the need for it has been clearly demonstrated by developments in the Du Pont-General Motors antitrust suit. In a new interpretation of section 7 of the Clayton Act, the Supreme Court held, some 40 years after the fact, that the Du Pont Co.'s acquisition of 23 percent of General Motors constitutes a reasonable probability that Du Pont is likely to obtain a monopoly of General Motors' purchases of fabrics and finishes.

To carry out the Supreme Court decree, the Department of Justice has asked the Court to order the sale, on behalf of certain shareholders, of one-third of Du Pont's General Motors stock, and distribution of the remainder to other shareholders on a pro rata basis, over a 10-year period. A ruling by the Internal Revenue Service shows that this would inflict a harsh, unjustified tax penalty of more than $680 million on the more than 185,000 common stockholders of Du Pont.

Economic consequences even more drastic would be felt, directly or indirectly, by millions of Americans in every walk of life. The Court has been told that independent financial analysts estimate that sales of Du Pont and General Motors stock, resulting from adoption of the Department of Justice proposal, could result in a market value loss of $5 billion to the 900,000 stockholders of the 2 companies, including banks, insurance companies, colleges and universities, labor unions, pension trusts, and charitable institutions. Both companies, I believe, would be seriously handicapped in raising new capital for business expansion, and the entire stock market could be adversely affected.

Under existing law, as the Internal Revenue Service ruling shows, there even is a built-in discrimination as between Du Pont stockholders. While corporate stockholders would pay a tax of about 16 cents a share for General Motors stock distributed to them, individual stockholders would pay from $6 to $30 a share, depending upon their top tax bracket, and assuming a market price of $35 for General Motors stock. This unequal treatment emphasizes the fact that our tax laws were not designed to deal with situations arising from recent interpretation and administration of the antitrust laws.

I am deeply concerned over this situation, for nearly 15,000 Du Pont stockholders are citizens of Delaware and, therefore, my constituents. I may say some stockholders reside in Michigan, the State of the present Presiding Officer [Mr. MCNAMARA]. The vast majority, Mr. President, are employees who work in the company's three Delaware plants, the home offices, and in the great research laboratories at Wilmington. Certainly they can ill afford to have their savings stripped away, especially when they have committed no wrong under any law.

The other 170,000 stockholders of the Du Pont Co. are found in each of our 48 States, as well as the District of Columbia. There are more than 3,000 in Florida, over 7,000 in Illinois; nearly 18,000 in Pennsylvania; more than 3,000 in Tennessee; and well over 6,000 in Virginia. These are the people who would be penalized in carrying out the antitrust policy under present tax laws.

While its headquarters are in Delaware, Du Pont is a national company. The 73 plants in which this company manufacturers its chemical products are located in 28 States. There are 5 in Tennessee, 10 in New Jersey, 5 in Virginia, 4 in Texas.

The ramifications of this situation go far beyond the Du Pont case. Thus, Mr. President, this bill is needed for the protection of other American investors. Hundreds of our corporations have acquired stock in other companies, and the time may come when the same interpretation of the Clayton Act will be applied to them. If it is in the public interest to have Du Pont and other companies get rid of such investments, Congress has a duty to provide the same means of doing this without injury to innocent citizens that it has acknowledged in comparable situations in the past.

As recently as 1956 Congress passed, and the President signed, the Bank Holding Company Act, which provides tax treatment similar to the provisions in my bill for distributions required by that act.

As long ago as 1938, and with the support of Justice William O. Douglas, then Chairman of the Securities and Exchange Commission, Congress provided similar treatment for sales or distributions made in obedience to orders of the SEC under the Public Utility Holding Company Act.

Similarly, there is no tax on sales or exchanges involving radio and television stations, made to effect the policies of the Federal Communications Commission.

Thus, where Congress has enacted new law in the public interest, it has taken steps to protect our citizens from unjustified taxation. In the antitrust field, however, Congress has written statutes so broad as to virtually delegate its lawmaking powers to the judiciary. Only Congress, however, has the power to remedy tax injustices.

My bill would extend to antitrust proceedings the protection for citizens which Congress has insisted upon in the precedents mentioned. I urge its enactment, not only in justice to the individuals who would be affected, but to eliminate fears and uncertainty which could contribute to the worsening of the business recession.

AGRICULTURAL INCOME EQUALIZATION ACT OF 1958

Mr. TALMADGE. Mr. President, I introduce for appropriate reference a bill embodying the new national farm plan which I proposed in a speech before the Senate on April 23, and ask unanimous consent that it may lay on the table for 5 days in order that any Senator desiring to join in sponsoring it may have the opportunity to do so.

The PRESIDENT pro tempore. The bill will be received and appropriately referred and, without objection, the bill will lie on the table as requested by the Senator from Georgia.

Mr. TALMADGE. Mr. President, my bill, entitled the "Agricultural Income Equalization Act of 1958," proposes to free the Nation's economy of abortive farm laws which have brought about the present disastrous agricultural depression, and to restore American agriculture to a free-enterprise basis, bolstered by a system of compensatory payments.

Its objectives are to let the farmer farm, to guarantee the farmer his proportionate share of the national income, and to place American agricultural commodities back on the world market at competitive prices.

Under the Talmadge farm plan, the farmer would be permitted to grow as much of any basic commodity as he desires and to sell it as he pleases. It would provide for the payment by the Federal Government to the farmer of the difference between the price he receives and 100 percent of parity on that portion of his crop which would be consumed in this country.

The reaction of farmers and the general public to my proposal has been overwhelmingly favorable, and I am convinced, after careful study of the matter, that it offers the only ultimate means by which the farm economy of the Nation can be restored.

It is my hope that this bill will prove to be the basis for a new farm program on which all Senators—both those from farm and those from urban States—can agree, in order that desperately needed new farm legislation may be enacted at the earliest possible time.

I ask unanimous consent, Mr. President, that the text of my bill be printed herewith in the RECORD as a portion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Agricultural Income Equalization Act of 1958."

DECLARATION OF POLICY AND PURPOSE

SEC. 2. It is hereby declared to be the policy of Congress to afford to the farmers of the United States legislative protection and assistance equivalent to that received by other segments of the national economy. It is recognized that previous farm legislation has failed to achieve that end, and that a policy of reduced acreage and reduced prices leads only to reducing farm income to a disastrous level. Therefore, it is the purpose of Congress in enacting the program provided for in this act to free the Nation's economy of the burdens of abortive farm laws and to restore American agriculture to a free-enterprise basis bolstered by a system of compensatory payments. The objectives of Congress in so doing are (1) to let the farmer farm, (2) guarantee the farmer his proportionate share of the national income, and (3) place American agricultural commodities back on the world market at competitive prices.

DOMESTIC CONSUMPTION QUOTA

SEC. 3. The Secretary shall proclaim each year a domestic consumption quota for each basic agricultural commodity. Such quota shall be proclaimed in terms of pounds, in the case of tobacco, rice, and peanuts; bushels, in the case of corn and wheat; and bales, in the case of cotton. The domestic consumption quota for any year for any such commodity shall be the amount of such commodity consumed domestically during the immediate preceding year. Proclamations made by the Secretary pursuant to this section shall be made at such times as he deems appropriate.

ASSIGNMENT AND DETERMINATION OF FARM DOMESTIC PRODUCTION QUOTAS

SEC. 4. (a) The Secretary shall assign each year, after the effective date of this act, to every eligible farm on which is produced a basic agricultural commodity, a domestic production quota for such commodity. The domestic production quota for any such farm with respect to any such commodity shall be determined by the Secretary in terms of pounds, in the case of tobacco, rice, and peanuts; bushels, in the case of corn and wheat; and bales, in the case of cotton.

(b) Any farm in order to be eligible to receive a domestic production quota for any basic agricultural commodity pursuant to this section must have received an acreage allotment under the Agricultural Adjustment Act of 1938, as amended, for such commodity during the 12 calendar months prior to the enactment of this act.

(c) The domestic production quota for any farm in any year for any basic agricultural commodity shall be an amount of such commodity which bears the same ratio to the domestic consumption quota (less any portion withheld pursuant to subsection (d)) for such commodity for such year (as proclaimed by the Secretary) as the average production from the acreage allotment for such farm for the 5-year period 1953 to 1958 bears to the average annual production from the national acreage allotment (in the case of tobacco, from the total of all State acreage allotments) for such commodity for such period.

(d) The Secretary shall withhold from the domestic consumption quota, proclaimed pursuant to section 3, in any year for any basic agricultural commodity an amount of such quota not to exceed 2 percent for use in making domestic consumption quotas available to new farms. From any such amount withheld, the Secretary shall make available farm domestic production quotas to farms ineligible for quotas under subsection (b) of this section. The Secretary shall prescribe requirements of eligibility for new farms and shall assign farm domestic production quotas on as equitable a basis as possible.

COMPENSATORY PAYMENTS

SEC. 5. (a) Any producer whose farm has been assigned a domestic production quota pursuant to section 4 for any basic agricultural commodity shall receive compensatory payments for such quota as provided in this section.

(b) The Secretary shall pay to any such producer, with respect to any such commodity produced on his farm within such quota, the amount, if any, by which the parity price for such commodity (at the time such commodity is sold by him) exceeds the market price for such commodity (at the time such commodity is sold by him).

(c) No producer shall be paid a compensatory payment except upon presentation by him of a receipt of sale of the commodity produced by him. He may receive compensatory payment upon any portion of his quota for which a receipt of sale is submitted. In no event shall any producer be paid an amount in excess of $25,000 in compensatory payments for any 1 year.

(d) Compensatory payments shall be made in such manner and at such times as the Secretary shall prescribe, and receipts of sale required under this section shall be in such form and contain such information as he shall prescribe.

(e) No compensatory payment shall be made to any producer for any basic agricultural commodity sold by him more than 6 months after the end of the marketing year (as defined by the Secretary) for such commodity.

APPLICABILITY

SEC. 6. The provisions of this act shall apply to farms in the several States and Territories, and in the District of Columbia and Puerto Rico.

PUBLICATION AND NOTICE OF FARM DOMESTIC PRODUCTION QUOTAS

SEC. 7. All domestic production quotas assigned to farms in a county or other local administrative area shall, in accordance with regulations of the Secretary, be made and kept freely available for public inspection in such county or other local administrative area. Notice of the farm domestic production quota assigned to a farm shall be mailed to the owner or operator of such farm.

REVIEW OF ASSIGNED QUOTAS

SEC. 8. (a) Any farmer who is dissatisfied with the farm production quota established for his farm may, within 15 days after mailing to him of notice as provided in section 7, have such quota reviewed by a local review committee of three farmers from the same or nearby counties appointed by the Secretary. Unless application for review is made within such period, the original determination of the farm domestic production quota shall be final.

(b) The members of the review committee shall receive as compensation for their services the same per diem as that received by the members of the committee utilized for the purposes of the Soil Conservation and Domestic Allotment Act, as amended. The members of the review committee shall not be entitled to receive compensation for more than 30 days in any 1 year.

INSTITUTION OF PROCEEDINGS

SEC. 9. If the producer is dissatisfied with the determination of the review committee, he may, within 15 days after a notice of such determination is mailed to him by registered mail, file suit against the review board as defendants in the United States district court, or institute proceedings for review in any court of record of the State having general jurisdiction, sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfaction to the court to secure the United States for the cost of the proceeding. The bill of complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact.

COURT REVIEW

SEC. 10. The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by the evidence, shall be conclusive. If application is made to the court for leave to adduce additional evidence, and it is shown to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the review committee, the court may direct such additional evidence to be taken before the review committee in such manner and upon such terms and conditions as to the court may seem proper. The review committee may modify its findings of fact or its determination by reason of the additional evidence so taken, and it shall file with the court such modified findings or determination, which findings of fact shall be conclusive. At the earliest convenient time, the court, in term time or vacation, shall hear and determine the case upon the original record of the hearing before the review committee, and upon such record as supplemented, if supplemented, by further hearing before the review committee pursuant to direction of the court. The court shall affirm the review committee's determination, or modified determination, if the court determines that the same is in accordance with the law. If the court determines that such determination or modified determination is not in accordance with law, the court shall remand the proceeding to the review committee with direction either to make such determination as the court shall determine to be in accordance with law or to take such

further proceedings as, in the court's opinion, the law requires.

STAY OF PROCEEDINGS AND EXCLUSIVE JURISDICTION

SEC. 11. The commencement of judicial proceedings under this act shall not, unless specifically ordered by the court, operate as a stay of the review committee's determination. Notwithstanding any other provision of law, the jurisdiction conferred by this act to review the legal validity of a determination made by a review committee pursuant to this act shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this act.

NO EFFECT ON OTHER QUOTAS

SEC. 12. Notwithstanding any increase of any farm as a result of review of the determination thereof under this act, the domestic production quota for other farms shall not be affected.

REPEALS, EFFECT ON SOIL BANK ACT

SEC. 13. (a) The Agricultural Adjustment Act of 1938, as amended, and title I of the Agricultural Act of 1949, as amended, are repealed as of the effective date of this act.

(b) The Secretary shall not after the date of the enactment of this act enter into any contract under the provisions of subtitle A of the Soil Bank Act. The provisions of section 114 of such act, relating to compliance with acreage allotments, shall be ineffective after the effective date of this act. Except with respect to compliance with acreage allotment requirements, nothing in this act shall be construed as altering the terms of any contract entered into under the provisions of this Soil Bank Act.

RULES AND REGULATIONS

SEC. 14. The Secretary is authorized and directed to issue such rules and regulations as may be necessary to carry out the provisions of this act.

UTILIZATION OF LOCAL AND COUNTY COMMITTEES

SEC. 15. In carrying out the provisions of this act, the Secretary may utilize the local and county committees established pursuant to section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 16. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE

SEC. 17. The provisions of this act shall become effective on December 31, 1958, except that the Secretary may by proclamation make such provisions effective with respect to any basic agricultural commodity prior to December 31, 1958, if he finds that such action will effectuate the policy and purpose of this act as declared in section 2. In the event the provisions of this act are made effective with respect to any basic agricultural commodity prior to December 31, 1958, the repeal of the Agricultural Adjustment Act of 1938, as amended, and the repeal of title I of the Agricultural Act of 1949, as amended, under section 13 (a), shall become effective with respect to any such commodity as of the date the Secretary proclaims the provisions of this act effective with respect to such commodity.

DEFINITIONS

SEC. 18. As used in this act—

(1) The term "Secretary" shall mean the Secretary of Agriculture.

(2) The term "basic agricultural commodity" shall mean tobacco, corn, cotton, wheat, rice, and peanuts, respectively;

(3) The term "parity price" shall mean parity price as such term was defined in section 301 (a) (1) of the Agricultural Adjustment Act of 1938, as amended, prior to the effective date of this act; and

(4) The term "producer" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, or estate.

ENLARGEMENT OF HARBOR AT RED WING, MINN.

Mr. HUMPHREY. Mr. President, on April 29 of this year, the Board of Engineers for Rivers and Harbors forwarded to the Chief of Engineers a report pursuant to the resolution of the Senate Committee on Public Works on March 24 of 1956, concerning a proposed expansion of the industrial harbor at Red Wing, Minn.

This report has been submitted to the State of Minnesota for comments, and it is anticipated that a report will be transmitted to Congress in the very near future.

The project would provide for the dredging of a basin some 300 feet by 1,200 feet, 9 feet in depth, designed to relieve the current congestion in the movement of barges and the lack of storage place for coal. The Engineers estimate the benefit-cost ratio of 1.37, and estimate the total Federal cost at $170,000.

Local interests have already indicated their willingness to contribute the necessary right-of-way facilities, lands and dollar amounts.

In the interest of speeding action upon this bill, in the event that the engineer's report on the Red Wing Harbor is sent to the Congress before the omnibus rivers and harbors bill is again sent to the President, I am introducing today a bill to authorize the enlargement of the Red Wing Harbor and I now send to the desk such a bill, for appropriate reference

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3967) authorizing the enlargement of the harbor on the Mississippi River, at Red Wing, Minn., introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Public Works.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to provide for the conferring of a Medal for Distinguished Civilian Achievement. I think it is high time that we had an established and recognized procedure by which the whole American people, through their Government, could bestow their recognition and gratitude on worthy citizens.

Ever since our earliest days we have thought it desirable to award medals to personnel of the Armed Forces who have served their Nation above and beyond the call of duty. Civilians who have performed special services in connection with the military effort are eligible for a military Distinguished Service Medal. From time to time special exploits have been commemorated by special acts of Congress. Those who participated in the Byrd expeditions, a heroic priest who faced a crazed gunman, a little boy who saved his playmates from drowning, and persons who participated in the Berlin airlift have been given medals in token of their country's appreciation.

But never have we recognized outstanding accomplishments in public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, or other fields.

While I admit that the greatest reward to a creative, dedicated man or woman is the private satisfaction of doing something worth while, the Nation has a need of its own to satisfy. I refer to the desirability of showing by a definite act where our values lie. Americans have often been said to be frivolous or, worse, materialistic. We are anti-intellectual, our critics say. Well, we have never done anything specific to show that we value the results of intellectual or artistic abilities in our national life.

Mr. President, I propose that we now take action to correct this neglect. Earlier in this Congress I introduced S. 930, which would establish a Federal Advisory Council on the Arts. This 24-member group of famed private citizens would recommend ways to maintain and increase the cultural resources of the United States. I hope that Senate action will soon be forthcoming on this measure.

The measure I introduce today supplements S. 930 in helping to provide national recognition of achievement in even broader fields of intellectual and creative effort. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That it is the purpose of the Congress, by providing public recognition for outstanding accomplishments in public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, and other fields to foster those cultural qualities essential to the development of a high civilization and conducive to the maintenance of peace and the national sovereignty of the United States, which are of paramount importance to humanity at all times.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT

SEC. 2. There is hereby established the Medal for Distinguished Civilian Achievement, with accompanying appurtenances and devices, which the President may award to persons recommended to him as provided herein as having distinguished themselves by outstanding accomplishments in the fields listed in section 1.

MEDAL FOR DISTINGUISHED CIVILIAN ACHIEVEMENT BOARD

SEC. 3. (a) There is hereby established a Medal for Distinguished Civilian Achievement Board (hereinafter referred to as the Board) to be composed of five members to be appointed by the President from among persons of recognized competence in the fields listed in section 1. Each member shall hold office for a term of 5 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of the members first taking office shall expire as follows: 1 shall expire with the close of the first calendar year which

begins after the enactment of this act, 1 with the close of the second such calendar year, 1 with the close of the third such calendar year, 1 with the close of the fourth such calendar year, and 1 with the close of the fifth such calendar year, as designated by the President at the time of appointment. The President shall from time to time designate a member of the Board to serve as its Chairman.

(b) The members of the Board, while attending meetings of the Board, shall be paid travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U. S. C. 73b–2) for persons in the Government service employed intermittently.

DUTIES OF THE BOARD

SEC. 4. (a) The Board is authorized to recommend each year to the President not more than five citizens of the United States who shall in the judgment of the Board have made the most notable contributions (not necessarily in the year any such recommendation is made) in any of the various fields such as public affairs, social betterment, science, health and medicine, education, letters, arts, law, engineering, agriculture, labor, industry, and other fields, to receive the Medal for Distinguished Civilian Achievement. In considering potential candidates for awards, the Board shall weigh carefully the relative merit of contributions in the public interest of great potential effect but not yet widely acclaimed, as well as contributions already well known and appreciated.

(b) The Board is also authorized to make recommendations to the President for the conferring of the Medal for Distinguished Civilian Achievement posthumously upon citizens of the United States in belated recognition of outstanding accomplishments during their lives. Persons so honored posthumously shall include only those deceased during the previous 25 years.

(c) The Board shall select the design of the Medal for Distinguished Civilian Achievement and of accompanying appurtenances and devices, and the design of a parchment testimonial to accompany the medal and may contract for the designing and making of the medal and the testimonial in such manner as it deems advisable.

ORGANIZING THE BOARD

SEC. 5. (a) The chief administrative officer of the Board shall be the Secretary of Health, Education, and Welfare, or anyone he may designate from within the Department; in addition, the Secretary shall assign such other personnel as may be necessary to perform such duties as may be directed by the Board.

(b) The principal office of the Board shall be in the District of Columbia. Whenever the Board deems that the convenience of the public or of the parties may be promoted, or delay or expense may be minimized, it may hold hearings or conduct other proceedings at any other place within the continental limits of the United States.

(c) There are authorized to be appropriated such sums as may be necessary to carry out this act.

CONFERRING OF HONORS

SEC. 6. The President personally, or through a representative designated by him, shall confer the Medal for Distinguished Civilian Achievement in a suitable ceremony, and shall present to each person so honored an engrossed parchment testimonial recording the conferring of the award and the accomplishment or contributions for which the award is made. In the case of a posthumous award, the medal and testimonial shall be presented to a representative of the deceased person so honored, to be designated by the Board.

Mr. HUMPHREY. Mr. President, this bill would set up a 5-man board selected by the President from among persons of recognized competence in the fields of public affairs, social betterment, science, health, and medicine, education, letters, arts, law, engineering, agriculture, labor, industry and other fields. Each year this board would recommend to the President not more than five citizens of the United States who in their judgment have made the most notable contributions—not necessarily in the preceding year—to receive the Medal for Distinguished Civilian Achievement.

The President or his representative would publicly present the medal and scroll to the recipient when living, or to his descendants. The latter provision is to make eligible noteworthy persons of the previous generation, that is, those who were alive within the last 25 years.

Mr. President, my bill is a companion to H. R. 488, by Mr. THOMPSON of New Jersey, which has been reported to the other body by its Committee on Education and Labor and is awaiting floor action there. I hope that introduction of my bill in the Senate will expedite action here, so that this measure may be enacted into law during the 85th Congress.

The idea of a Medal for Distinguished Civilian Achievement is not new this session. I should like to review briefly some previous recommendations and actions leading up to the present bill.

In his state of the Union address in 1955, the President of the United States recommended that "awards of merit be established whereby we can honor our fellow citizens who make great contributions to the advancement of our civilization and to this country." In 1956, the President repeated his request.

The impetus for that action arose from the momentous advance in medicine made by Dr. Jonas Salk in developing a successful polio vaccine. The President was reported to be planning to award Dr. Salk the first Medal for Distinguished Civilian Achievement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article from the New York Herald Tribune of April 19, 1955, on this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EISENHOWER PLANS HIGH SALK AWARD—IT WOULD EQUAL MEDAL OF HONOR

(By Robert J. Donovan)

AUGUSTA, GA., April 18.—President Eisenhower announced today his intention of recommending Dr. Jonas Salk, discoverer of the polio vaccine, as the first recipient of a proposed new honor to be the highest this country can confer for civilian achievement.

As suggested by the President in his state of the Union message in January, legislation is being introduced with bipartisan backing in both Houses of Congress for a standing Award for Distinguished Civilian Achievement.

It would be a counterpart of the Medal of Honor and of other high awards for military achievement. It would be for a distinguished contribution to the United States and to civilization.

MAY MAKE AWARD FRIDAY

If by that time Congress has passed the bill creating the award, as the President hopes it will, he will present it—or recommend it, whatever the procedure may be—at the ceremony. If not, he will do so later.

In any case, according to White House press secretary James C. Hagerty, the President will express to Dr. Salk and to Mr. O'Conner "his personal congratulations and those of the Nation."

In making the announcement, Mr. Hagerty recalled that in his state of the Union message the President recommended that Congress authorize a high award to honor civilians for distinguished contribution to culture and civilization.

"The President was glad to learn today," Mr. Hagerty continued, "that legislation to this end will be introduced in both Houses of Congress by many on both sides of the aisles.

"The President feels that the achievement of Dr. Salk is one that should merit consideration as the person to receive the first Award for Distinguished Civilian Achievement, which will be provided for under the legislation to be introduced."

Mr. HUMPHREY. Mr. President, a bill to authorize such a medal, H. R. 11923, was passed unanimously by the other body on July 2, 1956. A similar measure, even though it had the bipartisan sponsorship of 18 Senators, died in committee here in the 84th Congress. Dr. Salk thus has gone without any official testimonial for his great achievement other than the verbal commendation of the President.

But, Mr. President, we have a much more recent demonstration of our national failure to have a procedure to recognize and reward our foremost citizens in artistic and creative fields. I refer to the Van Cliburn episode. Here was a front-rank young American pianist who was the winner of numerous American prizes from private groups, and the recipient of unanimous praise from music critics over the Nation. Yet he was virtually unknown to the American people. It took a Soviet prize to call the attention of the American people to this brilliant young American artist. When he won the Tchaikovsky competition in Moscow, the American public began to give him due recognition at home.

Mr. President, Abram Chasins in an article entitled "Van Cliburn in the U. S. S. R.," in the May 29, 1958, issue of the Reporter, points out the tragic consignment of many of our cultural artists to oblivion by failure to provide for their recognition. Chasins urges a cultural council—perhaps similar to that provided in S. 930—to convince our people that our artists are worthy of our highest respect. Mr. President, I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VAN CLIBURN IN THE U. S. S. R.

(By Abram Chasins)

Not 1 American in 10,000 had ever heard of Van Cliburn until he won the first prize of the Tchaikovsky Piano Competition in Moscow—despite the fact that in his own country and at the age of 19 he had already won an artistic recognition at least comparable with the Soviet award that catapulted him to world fame. And before that recognition, he had come through the fire and brimstone of five other exacting competitions. After it, for two seasons, he played many engagements, major and minor,

always with distinction and to critical approval. Then his career began to lose momentum. To put it bluntly, it was almost at a standstill.

It is this one fact that lends at least a shred of validity to Shostakovich's shocking statement that this outstanding young American artist earned his first wide and entirely deserved recognition among us here in Moscow. That's not true, but it contains enough truth to hurt, and the joy one felt over Cliburn's victory is beginning to turn into smoldering resentment as the Russians claim still another discovery and Americans bolster those pretensions with wide-eyed questions: "Is this boy really good? What has he done? Where has he been? How is it we never heard about him?"

Listen, friends, the Russians didn't discover Van Cliburn. They merely embraced enthusiastically what we as a Nation regard listlessly and relinquish casually, what their people value and our people ignore. Until a few weeks ago, Van Cliburn's career had followed a pattern all too familiar to the very best American artistic talent. In short, his great gift (a gift that had already been fully acknowledged in this country by those in the music world) was on the point of becoming just another casualty of our publicity-enslaved cultural callousness. Then, in the nick of time, came the venturous trek to Moscow. The rest we all know. But let me tell it from my personal experience, from the beginning.

THE MODEST TEXAN

The Van Cliburn story began to unfold for me over 10 years ago when my wife, Pianist Constance Keene, returned from a concert tour and spoke of a remarkable boy whose talent was being splendidly developed by his mother, a piano teacher in Kilgore, Tex. Two years later, backstage after a Dallas concert, my wife again saw the Cliburn family, who reported happily that Van had already won appearances with the Houston and Dallas orchestras.

In 1952, we both served on the jury for the Chopin prize, a $1,000-for-study award offered by the Kosciuszko Foundation of New York. When a blond, curly-haired 6-footer went to the piano, my wife whispered. "That's the boy from Kilgore." Van played. We listened. He conquered, so completely that the third member of the jury, an eminently relentless judge, said:

"What does he want money to study for? He's already an artist." Indeed he was, although his forte was exciting virtuosity rather than profundity or expressivity; but this, after all, was entirely natural and healthy in a boy of 17. What was less characteristic in a youngster of our day and age was Van's interest in his art as well as in his career—his genuine realization that he had much to learn, precisely those things which are learned only through study and reflection and practice rather than through public performance. This attitude was undoubtedly inculcated by his wise mother, whose artistic ideals had been selflessly demonstrated a few months previously when she had sent Van to study with Rosina Lhevinne at the Juilliard School.

The modesty of that move was evident. Its wisdom was musically substantiated when Van appeared as a contestant for the 1954 award of the Leventritt International Competition. It was my honor to be chairman of that jury, which included Rudolf Serkin, Dimitri Mitropoulos, George Szen, Leonard Bernstein, Eugene Istomin, Leopold Mannes, Nadia Reisenberg, and Arthur Judson—as implacable a jury as one could find anywhere to judge a pianist.

During the week of auditions, we had heard several impressive talents, many outstanding performances. But when Van finished playing, no one had any doubts about who the winner would be. And along with the headlong virtuosity had come a more poetic temperament, a richer and more integrated personality. The significance of his victory, certainly no less an artistic victory than the one he has just won in Moscow, is underlined by the fact that the Leventritt jury had met year after year to hear many gifted young musicians from many nations but had not awarded a prize since 1949, when Gary Graffman received the hard-won reward.

The press announcement of this competition, like all those in its 19-year history, was pruned down to a sentence or two, tucked away in the musical miscellany columns of 1 or 2 of the best New York papers. Back in 1954 Van Cliburn's newsworthy capture of America's top performance award was acknowledged by a few paragraphs in a few papers without so much as a picture, the casual treatment accorded those before and after who have won similar distinction. The 1957 winner, Anton Kuerti (who's he?), was dismissed in one paragraph by the foremost New York daily, without even mention of a jury whose names would have informed its readers of the stringency of the test and the magnitude of the accomplishment. When Van won, to be sure, the jury was mentioned, but the award was said to entitle him to appear as soloist with the Philharmonic Symphony during the 1954–55 season. The paper did not reveal (nor ever has, to my knowledge) the pertinent fact that the Leventritt award also carries appearances with the orchestras of Cleveland, Pittsburgh, Buffalo, and Denver.

Furthermore, nearly everyone, including the press, has generally assumed that the auditions are private. The preliminaries are, but the finals are held in the ostentatious privacy of either Carnegie or Town Hall. It rather amuses to me to recall the day Van played on and on—and free for nothing—before some 30 people in the hall, including all the eliminated contestants, and now to hear the anguished cries of the thousands who can't buy seats for love or money.

PIANISTS ARE LIKE PROPHETS

Ah well, that's always the way. But maybe it will be less so from now on. Maybe we needed something like this to wake us up. It also gives me a chuckle to recall the concert managers who cross the ocean each year to scout talent but who have rarely had the time or interest to cross 57th Street. Only Arthur Judson was there, more in the role of the Philharmonic's manager than as a talent scout. But it can be chalked up to his sagacity that the best of the Leventritt winners have landed in his stable.

That's how Van won not only the 1954 Leventritt award and the orchestral engagements it provided but also a managerial contract from Judson, O'Neill, and Judd. A recording contract? Oh no. "One great company," said Van, "banged the door in my face." So did all the others he approached except one, which said, "Let's wait and see."

After his Philharmonic debut in a concert that was broadcast coast to coast, he toured widely until 1956. His level of performance was high, he received excellent notices, and he was growing in his art. But that's not enough to create a big-time career in our country. The prospects for the following year, 1957, began to look less promising. Besides, his draft board was beckoning.

At about this time, I invited him to appear in a series of radio recitals over WQXR. Unable to accept because of his uncertain military status and yet hating to decline the opportunity to play, Van seemed disheartened about everything. Shortly thereafter the Army rejected him. But then his mother fell ill, and Van returned to Kilgore to take over her teaching class.

Several months ago, Mme. Lhevinne called me on the telephone to ask, "What would you think of Van going to Moscow for the Tschaikovsky competition?" I knew what that meant. In our musical world, perennial competitors acquire the stigma of nonprofessionalism. No one whose future was assured would ever dream of entering a competition. And yet more and more critics were beginning to scorn the outrageous indifference of our musical institutions and merchants, who compel some of our finest talents to go abroad in search of the foothold that is denied them at home. With this in mind, I answered Mme. Lhevinne, "Why not? What has Van got to lose?"—which will forever remain the understatement of my entire musical life. "Now," she said, "we have to find the money to get him over."

That night I found myself at a dinner near a member of the White House palace guard. "When you find the time," I whispered, "I have an idea you might want to pass on to the President. I think it could write his name large in our cultural history." The gentleman's eyebrows exhibited interest. Actually, I had several ideas. I still have, though one of them is a bit late—the suggestion that the President find a few dollars of the taxpayers' money with which to invite 5 or 6 young soloists (including Van) who were available and brilliantly able to represent us at competitions abroad. It seemed to me that none of them could fail to win at least esteem and affection. The time seemed propitious to reply to the political propaganda that portrays us as money-grubbing illiterates, to say nothing of the bolstering effect on the morale of these youngsters. I have not yet submitted my ideas. I have, however, acquired a collection of gracious notes on handsome White House stationery which has gained me a new respect from my secretary. Their contents are a set of variations on the theme, "I'm looking forward to our chat. We must get together when both of us have an hour."

It was not Cliburn's government that made it possible for him to go to Moscow. Nor was it his management. It was the foundation named for Martha Baird Rockefeller, herself a professional pianist at one time, which enabled Van Cliburn to win unprecedented honor for himself and his country. Fortunately for us, there are a few organizations and many enlightened individuals who bestow concern upon those talented by nature, and who believe that the finest artistic expressions of the human spirit can contribute both to mankind's concord and to its security.

This concept lives within many of our citizens. It has been waiting to be discovered by our leaders. Now they have discovered Van Cliburn, and we are about to test the responsive power of our people exposed for the first time to the spectacle of an artist greeted with all the fanfare of a conquering hero, hailed by a ticker-tape reception, and invited by the President to the White House.

AFTER THE APPLAUSE

Although it remained for the Soviet press, its Ministry of Culture (what's that?), and its politicians to teach us that an artistic achievement is a mighty achievement, the resultant response from our highest echelons of government may be a heartening sign of the American capacity to learn. It is to be hoped that Van Cliburn is being honored here not because Khrushchev and company so honored him, not because Deputy Premier Mikoyan said he had "done better than the politicians," but because of his musical mastery and personal integrity, which have won a new respect for Americans everywhere.

His is a great accomplishment. And now his is a great opportunity and responsibility. He is in an ideal position, as a symbol of our cultural maturity, to impress upon the official representatives of the mightiest democracy on earth the vital need for a long-de-

layed recognition and representation of our cultural life within government itself. We have a Department of Agriculture. How about a Department of Culture? We have a Secretary of Commerce. Who's attending to our commerce in ideas?

All of this and more, it seems to me, suddenly looms as entirely possible, if only because as a nation we are so absurdly ambivalent, so resilient, and so stubborn, so brilliant and so naive, so materialistic and so sentimental. With us it is always everything or nothing. Here we are again in the ceremony of winner take all, the American spirit that puts a man on top or no place at all.

It will not lessen Cliburn's stature for us to realize that the day before his great victory, he was, in professional terms, exactly where most of the best American talent is today—struggling to gain or to hold what he had rightfully earned, hoping for the simple opportunity to do his work, to make a living at it, and to develop both in his art and in his career. Artistically, he was a supreme representative of the American standards that have produced musicians of the first caliber year after year, musicians who could make us proud anywhere, who deserve and could make full use of the finest opportunities.

Is it not reasonable that a climate which can produce such artists should also be able to appreciate them? And not only to appreciate them but also anxious to recognize them as vital and precious resources that must not be squandered recklessly? Besides winning an artistic and political triumph, Van Cliburn has ignited a new consciousness that arouses my hope and optimism.

When a country shows the incredible elasticity of spirit that overnight moves us to treat one music idol as though he were a movie idol, I believe it could also convert the rest of its intellectual expendables into heroes and heroines. I think a Cultural Council or Secretary of the Arts or what have you would help to convince our people that those artists who are currently living a pretty rough existence in the pursuit of the true and the beautiful are worthy of our highest respect. In the long run, after all, it is what a people respect that determines their attitudes and actions.

Perhaps some annual Congressional scrolls and Presidential awards wouldn't hurt either, to glamorize our artists and thinkers, our creators and interpreters, our poets and historians. The international good will that Cliburn's playing aroused, the sheer human quality of his success, the ensuing hoopla he has kindled—all should go far to fire our imaginations, to stir our pride, to strengthen our confidence in our own judgment, and to eradicate once and for all the provincial view of art as a peculiar phenomenon unrelated to our everyday life.

RESPONSIBILITIES OF THE PRESS

Until quite recently, and except for a few distinguished figures on a few distinguished papers and periodicals, the Nation's press has shared this provinciality about art. Its primary function is always to inform, and adequately, whether a newsworthy event or personality emerges in Moscow, or New York, or Timbuktu. But an alert and cognizant press, unsusceptible to fashion and press-agentry, can do more than report and comment; it can also discover artistic merit and provide the unpurchasable publicity that narrows the gap between inflated promotion and intrinsic value. It not only can inform the art lover but also help the artist to feel that what he does is not being done in a vacuum, that outstanding cultural achievement is of interest and concern and significance to us all.

The dramatic return of Van Cliburn to an applauding Nation can portend, it seems to me, the birth of a new social and artistic order. The papers tell us that Van Cliburn has been enjoying standing ovations in the U. S. S. R., while the Moiseyev Dance Co. is being cheered in the United States of America. A further item states that the ticket demand for the Moscow dancers at Madison Square Garden is the largest in that athletic arena's entire history. This is no news to the Russians. But it is news to us that admission to the concerts of one Van Cliburn from Texas was taken as a sign of social prestige and influence in Moscow. And it is the biggest news yet in our artistic history that neither social prestige nor any speculator can pry loose a seat for the concerts of an American concert pianist in his own country.

Folks, I think we're going places at last.

Mr. HUMPHREY. Mr. President, as a result of the Van Cliburn incident, the board of directors of the National Association of Concert Managers on May 24 wired the President to urge him to lead a movement for official recognition of young American artists. I ask unanimous consent that this telegram be printed at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *May 24, 1958.*

THE PRESIDENT,
The White House,
Washington, D. C.

DEAR MR. PRESIDENT: Inspired by the ovation given Texas pianist Van Cliburn in Constitution Hall, we respectfully urge you to lead a movement for official recognition by the United States of young American artists. We believe there should be provision for public honors to be given our young musical artists who win nationally established prizes, and suggest this be done by awarding special governmental medals and citations. We the undersigned members of the board of directors of the National Association of Concert Managers at our semi-annual meeting today voted to pledge our support to such a movement. We believe that the United States should make provision for such official recognition,, thereby encouraging and enhancing the careers of many, repeat many, qualified and accomplished young American artists. With cordial greetings and best wishes,

Ralph Frost, Tennessee, President; Aaron Richmond, Massachusetts, First Vice President; Archie N. Jones, Texas, Second Vice President; F. S. Olmsted, Pennsylvania, Secretary; Mrs. S. B. Everts, New York, Treasurer; Charles A. Sink, Michigan; Mrs. Edna W. Saunders, Texas; Jack Trevithick, Vermont; Patrick Hayes, Washington, D. C.; Roland E. Chesley, New York; Mrs. Lillian Bonney, Maryland; Thomas Iannaccone, New York; A. K. Gee, Winnipeg, Canada.

Mr. HUMPHREY. Mr. President, I am grateful to the National Association of Concert Managers for once more raising this issue to the forefront of national attention.

Only last summer, the President of the United States, apparently still desiring action on some national honor to be awarded to distinguished civilians, appointed a committee of noted Americans to recommend an appropriate procedure. Mr. President, I ask unanimous consent that two articles, dealing with the appointment of the committee and its report, be printed at this point in the RECORD. The first is from the New York Times, August 10, 1956.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMITTEE TO PLAN HONOR FOR CIVILIANS

WASHINGTON, August 8.—President Eisenhower today named a committee to prepare legislation for establishment of a system of national civilian honors.

The committee is expected to recommend creation of a medal for distinguished civilian achievement, roughly similar to awards for military achievement.

President Eisenhower recommended in his 1955 state of the Union message that some such system of awards be set up for civilians for contributions to the advancement of our civilization and of this country.

The chairman of the committee is Dr. Harold W. Dodds, president of Princeton University. The secretary is Dr. Leonard Carmichael, Secretary of the Smithsonian Institution.

Other members include: Homer L. Brinkley, executive vice president, National Council of Farmer Cooperatives, Detlev Bronk, president, Rockefeller Institute for Medical Research, John Nicholas Brown, president, Counting House Corp., Providence, R. I., and Arthur H. Compton, professor, Washington University, St. Louis, Mo.

Also, Walter S. Gifford, former president, American Telephone & Telegraph Co., Mrs. Oveta Culp Hobby, former Secretary of Health, Education, and Welfare, and Dr. Ernest M. Hopkins, former president, Dartmouth College.

Also, George Meany, president, AFL–CIO, Dr. James L. Morrill, president, University of Minnesota, Ralph E. McGill, editor, the Atlanta Constitution, and Whitelaw Reid, chairman of the board, New York Herald Tribune.

Also Robert G. Sproul, president, University of California, and Dr. Charles A. Thomas, president, Monsanto, Chemical Co., St. Louis, Mo.

Mr. HUMPHREY. Mr. President, the second is from the Washington Evening Star of June 25, 1957.

The article was ordered to be printed in the RECORD, as follows:

PLAN FOR CIVILIAN MEDAL REVEALED BY WHITE HOUSE

The White House announced today the details of a plan to establish a Presidential Medal for Civilian Achievement.

It made public a report filed by a committee of 14 citizens appointed last year by President Eisenhower to recommend a way to recognize especially meritorious contributions in the public interest.

At the same time, the report and a draft of proposed legislation establishing the awards were submitted to Congress.

The committee, headed by Dr. Harold W. Dodds, retiring president of Princeton University, proposed the creation of a nonpartisan board of nine members, appointed by the President, for 9-year, overlapping terms.

The board would nominate recipients of the medal, but the President would have discretion to decline to approve a recommendation. The awards are not restricted in number. They need not be made over a certain length of time.

The committee said that there should be only one degree or level of awards and that they should be confined to a relatively small number of persons who fully meet the qualifications to be prescribed in the legislation.

Noncitizens, as well as citizens, would be eligible if they had conspicuously forwarded the public welfare through contributions of international value.

It was recommended that a provision be made for posthumous awards within 3 years of the death of the person nominated.

PRESIDENT MAY CONFER AWARDS

The committee urged that, for added prestige, the President should personally confer the medal, if possible.

President Eisenhower recommended in 1955 that merit awards be established so the country can honor our fellow citizens who make great contributions to the advancement of our civilization and of this country. The House, in 1956, passed a bill providing for a medal for distinguished civilian achievement, but no action was taken by the Senate.

The committee's report pointed out that there was no general authority or precedence to give suitable recognition to civilians in this category.

"This deficiency," it stated, "came to the fore in connection with public demands that Dr. Jonas Salk receive recognition for the discovery and development of the polio vaccine. In this case, as in the case of earlier medals conferred on Charles A. Lindbergh, Thomas A. Edison, and Francis A. Quinn, special legislation was required to authorize an award."

The Rev. Francis A. Quinn of the Church of the Guardian Angel in New York received a merit award from President Franklin D. Roosevelt in 1940 because he helped police prevent a crazed and armed young bandit from making a suicide leap.

Mr. HUMPHREY. Mr. President, Prof. Louis M. Hacker, of Columbia University, has written an article entitled "Why Not Oscars for Creative Minds, Too?" which appeared in the New York Times magazine of April 20, 1958. Professor Hacker says that the problem is not that we do not honor our intellectuals—through Pulitzer prizes or annual awards—but that we do not do it as an appropriate act of official national recognition. He proposes, among other things, Government awards for letters, including literary historians and critics; painting and architecture; music; social sciences, overlooked by Nobel; human rights, also not recognized by Nobel; physics and biological science; and pure speculation and scientific method. Mr. President, I ask unanimous consent that this article be reprinted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY NOT OSCARS FOR CREATIVE MINDS, TOO?

(By Louis M. Hacker)

Many are the names we Americans celebrate. There are the winners of Hollywood's Oscars; baseball's most valued player of the year; the United States Chamber of Commerce's outstanding young executives; the members of the insurance industry's million-dollar club; the automobile dealer who has sold the most Chevrolets or Fords; the Miss Americas of past and present, and scores of champion skaters, bowlers, skeet shooters, and fancy divers. But where is the homage for the intellectual, the scientist, the thinker?

One summer, 5 or 6 years ago, my wife and I went to Honolulu. There we were able to watch a typical American ceremony of adulation. As every boat and plane unloaded its quota of celebrities, they were met at dock and airport with the fanfare Americans love. A representative of the mayor's office was present to extend the hospitality of the city; the chamber of commerce offered its greetings; reporters for the local newspapers and radio stations were on hand to record the immortal prose of the visiting heroes and heroines; and the television cameras caught every trick of personality for the later pleasure of those—on the island and the mainland—who could not be there in person to join in the welcome.

That same summer, Herman J. Muller, distinguished biologist and Nobel Prize laureate in 1946 for his study of the hereditary effects of X-ray on the genes, also came to Honolulu, but the notice was tucked away in the back pages of the newspaper, along with the shipping news. Needless to say, he had not been met at the dock and, to my knowledge, was never interviewed.

I am not saying this proves anything. A good deal about anti-intellectualism in America has been written by Americans and by both Europeans and Asians (after they got home) and I must admit I am of two minds. Perhaps we prize material success more than most people; and that is probably because so many of us—unlike the Europeans and Asians—enjoy the products of such striving and want to pay homage to those who have contributed to our comfort and leisure. (I confess I grow tired occasionally of hearing solemn Europeans and Asians lecture us on our want of spirituality. One suspects that the cultivation of the things of the spirit is a luxury only a few really can enjoy; the great masses of the people in underprivileged countries—and this goes for Europe as well as Asia—simply live uncomplainingly brief lives of misery and boredom.)

At the same time, the intellectual in America is not without honor in his own country. My only complaint is that the honors bestowed upon him are too modest and not frequent enough. I am aware of the fact that we have our ups and downs. In our history we have had outrageous demagogs and they have filled the land with a mass hysteria. As early as the 1830's, Samuel F. B. Morse—none other than the inventor of the telegraph and a very good portrait painter—whipped New York and other communities into a frenzy with his inflammatory attacks on foreigners who, he said, were agents of a European conspiracy against the United States.

And then there was Tom Watson, of Georgia, a Vice Presidential and a Presidential candidate of the egalitarian Populist Party, the author of biographies of Napoleon, Jefferson, and Jackson, who, in the early 1900's, suddenly turned viciously on Negroes and Catholics and preached white Protestant supremacy so persistently that many southerners came to believe him. McCarthy and McCarthyism are too close to us and too painful for me to dilate on this unpleasant subject.

Demagoguery and anti-intellectualism are not necessarily two sides of the same coin. Nor are the asseverations of intelligent foreigners about our want of taste and spirituality to be taken at their face value. Sometimes, in their arduous travels—and they have tried to see too much in too little time—they have suffered physical discomforts, or not had their favorite dishes readily available, or have been rendered nasty by a personal experience.

Charles Dickens is a case in point. He came to America in the early 1840's determined to be displeased. America then had no international copyright law and his highly successful novels were being pirated in the United States without any reward to himself; also, he had invested in American securities and the depression setting in in 1837 had seriously affected their values, if it had not wiped them out altogether. Dickens returned to England and proceeded to write his American Notes for General Circulation in 1842, as mean and puling a book as ever appeared.

The United States was harsh and noisy in the 1840's; and at the same time that Dickens was complaining petulantly about its want of cultivation, the American lyceum movement was flourishing mightily and on its platforms were appearing professors and men of letters to lecture before large audiences on, as the sponsors of the movement proudly boasted, history, art, science, and public questions.

Indeed, adult education had its origins in America—in the lyceum, in Major Pond's celebrated American Lecture Bureau (Ralph Waldo Emerson, Henry Ward Beecher, Mark Twain appeared regularly for Pond), in the Chautauqua and its Literary and Scientific Circle (when correspondence courses in self-improvement first began) and in the extraordinary proliferation of extension and residential courses under the auspices of many of our great universities.

The Chautauqua and its imitators served all the muses and the liberal arts (we must not forget that rhetoric in its popular form of oratory was one of them); and, along with serious discourses and readings on money, foreign policy, poetry, and the sciences, Americans were able to hear orations like Robert G. Ingersoll's Mistakes of Moses and William Jennings Bryan's The Cross of Gold. The fact is, for 3 years before he appeared on that famous night at the Democratic convention in Chicago, Bryan had been practicing his address before enthralled and aroused audiences up and down the Mississippi Valley. It was no wonder he was letter-perfect on July 9, 1896.

I confess puzzlement about all this talk of anti-intellectualism when I consider our reading habits and more particularly the sensational success of the paperbacks in America—a success far transcending those of paperbacks in Britain and on the continent. True, we came to the serious paperbacks late. But look at them now: The American Century series, Anchor books, Anvil books, Beacon books, Canterbury books, Compass books, Evergreen books, Meridian books, New Directions, St. Martin's, the Universal Library, and many, many more, containing thousands of volumes in history, the social and physical sciences, literature, and the arts, and selling tens of thousands of copies every day in drugstores, supermarkets, department stores, gift shops, newsstands, as well as in the traditional bookstores.

The point of complaint here is not that we do not blow the trumpet and beat the drum for our intellectuals, but we do not do it in the grand manner. We have our Pulitizer prizes (with inflation, the individual awards have dwindled almost to token payments) and the New York film critics and the New York drama critics hand out scrolls annually. But how can we compare these with the whopping and whacking shows the British, the French, and the Swedes put on regularly?

Twice a year, in the Birthday List and on New Year's, England's Queen honors the Commonwealth's greats—politicians and brewers, of course, and football players, cricketeers, and jockeys, too, but also historians, poets, painters, novelists, and scientists. And the whole land swells with pride and rings with praises as the new knights and dames and the freshly created O. B. E.'s, C. B. E.'s, G. B. E.'s, K. C. B.'s, and O. M.'s are acclaimed.

We have our American Academy of Arts and Letters, it is true, but how can its prosaic and almost secret elections compare with the big show put on by the French when the newly chosen immortals appear in their gold embroidered empire suits, cocked hat under arm to deliver their orations before a whole applauding nation? The annual Nobel ceremony is a gala Swedish turnout; and if the laureates wear only full evening clothes and white tie, their wives are in their glittering best; they are personally received by the King, and the cash awards are still large enough, if not to retire on, certainly to send all the children through college.

We ought to do better. I think it was Thomas Jefferson, that consummate aristo-

crat and lover of the common man (if the common man remained a farmer), who got us off on the wrong foot. Certainly, George Washington and his Federalist friends tried to start the young republic off with the right kind of pomp and circumstance.

When George Washington crossed from the New Jersey shore to New York (it was the first capital of the new republic and here he was to be inaugurated), he did so in a magnificent barge rowed by thirteen master pilots in white uniform. The whole harbor was filled with boats, hung out with flags, and they formed in a procession, behind the Presidential barge, while guns boomed and bands played. As the day lengthened, there were illuminations and fireworks and a chorus sang, to the tune of "God Save the King," this verse, among others:

"Thrice welcome to this shore,
Our leader now no more,
But ruler thou;
Oh truly good and great!
Long live to glad our state,
Where countless honors wait
to deck thy brow."

Washington deported himself in line with these elegant sentiments, setting up what his political opponents called a court, where his magnificently turned out supporters and friends met regularly in levees.

But Jefferson, fresh from a French court where the queen wanted to be honored for her triumphs in the dairy and the king was a skilled locksmith—this plus the cry of sans-culottism that the Jacobins raised—was hostile to the "aristocratic and monarchical" Federalists. He dressed plainly and even carelessly, wore his own hair and did not powder it. When he came to be inaugurated President in 1801, he disdained a carriage and walked from his boarding house to the still half-built Capitol—to start a cult of ceremonial simplicity that we overlook only when it comes to celebrating our heroes in the entertainment and sports worlds.

We should start over again, taking a leaf from the British, French, and Swedish experiences. Let us celebrate our truly creative men and women every year with a national fete and with awards of such impressive size that every man, woman and child in the United States will know that they are titans worthy of salute. If nothing else, the amount of the cash handed out will prove it.

I therefore propose the following:

(1) That Congress vote annually a set of prizes for creative accomplishment in the arts, letters and the natural and social sciences, each one to be of the order of $25,000 to $50,000. There should be at least 10 and even as many as 20 such prizes a year. A half million to a million dollars expended in this fashion annually will impress even the most obtuse with the fact that the things of the mind are really important.

(2) That with each prize go a decoration (to be hung around the neck) and an appropriate ribbon or rosette for the buttonhole.

(3) That proper committees be set up for the following fields (among others) to pick in each several men or women each year who have been truly creative:

Letters: We should, when we honor poets, novelists, and dramatists, not overlook literary historians and literary critics.

Painting and architecture: Let us not slight the graphic arts (where we are very good) and abstract painting (where we are leading the world).

Music.

Social sciences: Nobel overlooked this category. The statistical analysis of business and social behavior had its pioneering work done here in America; so did the study of group and community moves and conduct.

Human rights: Nobel was interested in peace only; but what of all those brave spirits who continue to fight against intolerance, injustice, and just plain common meanness? Our American annals have been filled, and still are, with the names of courageous men and women who want to see human dignity and privacy preserved.

Physical and biological sciences: Nobel, of course, anticipated us here, but there are many, many more distinguished persons whom the Nobel committees pass by.

Pure speculation and the scientific method: We should not leave the philosophers out; indeed, these are our wholly unknown heroes.

(4) That these be called the Presidential prizes and they be awarded annually in Washington by the President himself in a ceremony and appropriate festivities matching anything the Europeans can do in this line.

(5) That there be erected in Washington a proper building, called the Presidential Academy, for permanent exhibits of the works of these American laureates. Here their pictures shown, their plays acted, and their accomplishments displayed in working models, dioramas, charts, and graphs.

This is the proper way to salute those who have devoted long, fruitful, and usually austere lives to the cultivation of the good, the true and the beautiful. We have creative spirits, both old and young, who merit regularly our recognition, homage—and a really thumping award. This last—and an elegant show, including illuminations and transparencies—will go far to convince the American people that our intellectual heroes and heroines are worth making a fuss over.

Mr. HUMPHREY. Mr. President, the New York Times magazine of April 24, 1955, printed an article by Rene Sedillot entitled "Now Medals for Civilians, Too." I ask unanimous consent that this article also be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOW MEDALS FOR CIVILIANS, TOO

(President Eisenhower has proposed that Dr. Jonas E. Salk, developer of a successful polio vaccine, be awarded the first Congressional Medal for Distinguished Civilian Achievement and that a Federal Advisory Commission be set up to help select future recipients. Here a Frenchman, whose country has long been decorating its citizens for distinguished service, offers some advice on the subject.)

(By Rene Sedillot)

PARIS.—As a citizen of one of those nations of old Europe where the hunt for honorary distinctions is a popular pastime, I would like to offer the benefit of our experience in the delicate matter of handing out awards to deserving citizens.

I should like to begin by relating a family anecdote. In the days of good King Henry IV, one of my ancestors, who had a farm somewhere near Orleans, was received at the palace of Fontainebleau, probably with some deputation of peasants. The King showed his admiring visitors the royal flower beds.

"Have you ever seen anything lovelier?" he asked.

"Yes, sire," spoke up my ancestor boldly. "Come to my place; I'll let you see something still finer."

The following summer, the King went to visit the old man's farm and the latter showed his sovereign the rolling fields of ripening corn. "In truth," exclaimed the King, "your grain is finer than my flowers, my good fellow."

Thereupon, the King presented my forebear with an ear of corn in gold and authorized him to add to the family name the title, "of the Golden Ear." Neither the name nor the jewel has come down to me; they must have strayed into some other branch of the family. But the story of our ancestor has been carefully handed down from generation to generation.

This tale shows how kings (and republics) can honor their humblest servants.

The American Government rewards brilliant deeds on the field of battle; why should it not also recognize, to a greater extent than it does, other outstanding achievements—those of citizens who bring glory to their country and serve civilization by the moral qualities, or their work in the cause of peace?

This would encourage virtue and high endeavor. Men have a keener relish for privileges and honors than for equality, and are not insensible to rewards and their exterior signs. Their inherent vanity is thereby satisfied.

The French Revolution, in the name of equality, imagined it could do away with decorations, just as it had abolished titles of nobility. The convention, by a decree of Brumaire (October 22-November 20) of the year II (1793), ordered the surrender of all crosses and medals within a week; those who defied the order were to be jailed. But only 6 years later, we find the government deciding to reestablish national rewards for soldiers who had rendered brilliant service to the republic. Swords of honor were substituted for decorations.

Then soon afterward, Bonaparte created the Legion of Honor. "I challenge anyone," he said, "to show me a republic, ancient or modern, in which there have not been decorations. Some people call them baubles. Well, it is by means of baubles that one leads men." He had learned the lesson from Machiavelli with his dictum that well-conducted republics establish rewards for their citizens.

What kind of rewards, then, should be given? Well, they can assume an infinite variety of forms, ranging from the most material to the most abstract

The most commonplace is the gift. Thus the states of antiquity used to offer their best servants, slaves or money. After Augusta, the Roman Empire, which had a sense of the practical, gave gold. In France, the same convention which had suppressed the old class distinctions promised a billion francs for distribution among the defenders of the fatherland.

These gifts were often granted in the form of pensions; you handed out a comfortable pension to your veterans or your disabled soldiers or to men of outstanding achievement. Our King Francis I attached Leonardo da Vinci to his service by granting his an annuity of 700 crowns, and the Empress Catherine II, in order to pension Diderot without hurting his feelings, had the happy idea of buying his library, then of leaving him in charge of it with the title of curator, at a yearly salary of 1,200 livres.

For a long time, one of the classic rewards was a grant of land. Roman citizens who had deserved well of the city received as much land as could be plowed in a day. Horatius Cocles was even allotted the total acreage that could be encircled by a day's plowing. Napoleon, who has a partiality for imitating Rome, endowed his faithful followers with majorats, large hereditary estates.

I hardly imagine, however, that the proposed American commission would encourage gifts of this kind. After all, men are more responsive to honors which, though abstract, are durable and visible, than to concrete presents, not obvious to the public and soon forgotten. The whole point of an honor is that it should hit the eye.

Nor are mere words of praise enough. To proclaim that such and such a citizen has "deserved well of his country," to flatter him with a public oration or a solemn vote of thanks, even with three cheers or a flourish

of trumpets, are the usual methods. But once the speeches or the cheers have died away, what remains? The wind.

Neither would I advise, by way of recompense, other transient honors. Rome used to offer a curule chair in the Colosseum to the citizen she wished to honor, or gave him the privilege of riding in the general's chariot at a triumph. Louis XIV welcomed Molière to his table. Such rewards were too fleeting.

What about erecting statues to great men during their lifetime? Certain sculptors of Argos put up their own statues alongside their other works, while Alexander the Great had statues made of certain of his soldiers. But in our day this kind of homage is reserved for the defunct. For someone still alive it suggests a kind of premature burial.

One should think especially of spectacular rewards. In the Middle Ages valiant warriers were dubbed knights. Napoleon transformed his ministers, as well as his marshals, into counts, dukes, or princes. England still turns out sirs and lords in series.

America has decided, quite rightly, to pin decorations on the breasts of those worthy of honors—just as badges of rank or gold braid are handed out in armies the world over. No one so far has thought up any better scheme. Ribbon or rosette—a decoration always looks impressive. A string of them on the lapel gives tone to a drawing room.

In France we have had the Cross of St. Louis and now we have the Legion of Honor. England has the Garter. One may smile, but these are baubles to which no one turns a blind eye.

Dr. Salk has already received medals, plaques, and cups sent to him by clubs, medical associations, hospitals, and insurance companies. Will every American send him a dollar, as has been suggested? It is not enough. Napoleon would have made him a Prince of Health. He is now about to become, in a sense, the first dignitary of a new American Order.

There is no doubt that in every country the military are handed out more distinctions of this sort than civilians. Courage and warlike exploits have more dramatic appeal than the obscure tasks of peace. Likewise, uniforms offer a more generous hospitality to medals than the sack suit.

And yet, civil virtues are not to be ignored. I fail to see why they should not have their share of rewards. My daughter, Isabel, age 6, is very proud when she comes back from school sporting a cross of merit on her apron; my son Philip, age 7, is proud as Punch at the thought that he will soon win the right to wear a Boy Scout's kerchief, and he'll work hard to have the stars which will stand on his sleeves for the badges he can earn. In this respect, adults are just big children. Offer them Olympic medals, Nobel prizes, Swords of Honor, or decorations, and you'll be able to do what you like with them.

Am I right in imagining that the proposed awards would be specially intended to encourage literature and the fine arts? Others have had the same idea. Virgil got 10,000 sestertiae (that's about $900) for each verse of the story of Marcellus. Rabelais was pensioned by Francis I and Ronsard by Charles IX. Richelieu drew up a list of favors which the state ought to grant its great writers.

Artists have also received their full measure of awards. Athens provided the most gifted in each branch of art with free lodgings in the Prytaneum. Florence gave the freedom of the city and a large annuity to Giotto. The kings of France conferred the title of "Painter to the King" on Leonardo da Vinci, Lebrun, Mignard, Vanloo, and Boucher, among others. And we must not forget the scholars. Louis XIV gave a pension to Huygens and Cassini, foreigners though they were.

Civilians perhaps have had greater need of recompenses than the military. Booty never comes the way of civilians. It must have been of this that the French Constituent Assembly was thinking in 1791 when, on abolishing the former royal orders, it reserved the right to institute a unique decoration appropriate to the reward of virtue, talent, and services rendered to the state.

Napoleon had a similar intention when he created the Legion of Honor. His idea was to combine in it soldiers, whom in general he distrusted, and civilians. Authorities of the French Republic have had the same thought in multiplying decorations earmarked for meritorious services and talents of all sorts and kinds; the Life-Saving Medal, the Order of Agriculture (familiarly known as "the Leek"), the Order of Palms of the University and a variety of others. A Post Office Distinguished Service Order has just been created. Why not a Treasury Order, reserved for the most valiant among the taxpayers? Such medals afford a lot of simple pleasure to their recipients and cost little to the state donating them.

I foresee some objections to the plan. First of all, who will designate the deserving citizens, who will determine the distributions of rewards? The government, of course, on the recommendation of the services concerned; the colonel asks for the Croix de Guerre for the most gallant of his soldiers; the director of the Fine Arts Ministry asks for a distinction for a certain deserving artist.

But choice is always a difficult thing. How could arbitrary decisions be avoided? Wouldn't pressures and passions warp the choices? Each time a new list of those decorated is published there is jealousy and criticism. Sometimes they are justified. Awards have provoked scandals in many countries. But scandals are quickly forgotten.

There is another objection. Awards, just as much as paper currency, are depreciated by inflation. Also, small sovereign states traffic in them. Gaverini, the caricaturist, joking with someone who had recently been decorated, remarked: "The Legion of Honor? What the devil have you done to have that?" "I applied for it," replied the other.

Then one of Sacha Guitry's characters, who had succeeded in getting the red ribbon, says: "Anyway, it always proves something; either you deserve it, or you know the right people."

Nevertheless, I should like to end by quoting Machiavelli, to whom the art of government was no mystery: "It is needful if you wish that there be a dread of chastisement for evil nations, that the righteous ones may be duly requited. And though the Republic be poor and powerless to make great gifts, yet it must ever give what it can, for, little though may be the presents one makes to a citizen for rendering the most considerable service, yet he receives them as something great and redounding to his honor."

Mr. HUMPHREY. Mr. President, I hope that we will be able to vote this session on a bill to establish a Medal for Distinguished Civilian Achievement. As I have indicated, a bill similar to the one I am introducing today, has cleared the committee in the other body. The bill should not take a great deal of time to handle here. It is a simple proposal, easily understood. It should be easy to resolve our views. Yet the establishment of this type of recognition of those who are contributing most to America in peaceful pursuits would, I am sure, be a highly significant step toward enriching our way of life.

There are, of course, many other ways the Congress can assist in enriching our culture. One of the most articulate and effective exponents of further Congressional attention to the whole field of art and culture is the distinguished Representative from New Jersey, FRANK THOMPSON.

In the current issue of the Progressive magazine he has contributed an article entitled "Our Cultural Crisis." In it he examines the challenge facing our country in cultural affairs, and in doing so he discusses several proposals for Congressional action. Many of these proposals are ones which I have joined, and all of them are ones which I support.

In conclusion, Mr. President, I ask unanimous consent that the text of Representative THOMPSON'S article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR CULTURAL CRISIS

(By Hon. FRANK THOMPSON, JR., of New Jersey)

America today is confronted by a many-sided challenge. The danger is not that we will fail to respond to the challenge symbolized by the Soviet sputniks and economic offensives in Asia and Africa. The danger is rather that we will respond only to certain facts of the challenge and neglect others.

The challenge to our military security is great; it must be met with more courage and imagination than we have yet demonstrated. But in meeting this challenge and the related challenge of scientific education, we may overlook the broader crisis confronting not only the United States but Western civilization itself. That broader crisis is a cultural crisis—one involving economics, art, and religion, as well as military security.

There are ominous signs that the present crisis is forcing America to become a Rome rather than an Athens. There are many Americans who see clearly the need of legions of armed men, but who fail to see the need of a broad general education in the humanities. There are many Americans who see the need of missiles, but who fail to see that the ultimate validity of national defense depends upon the values we defend rather than the technology of defense. There are many people who see the need of military and political allies, but who fail to see the significance of cultural exchange in art, music, and drama.

The administration is cutting back its education program while giving us bigger and better missiles, highways, and post offices. Now it is talking about trips to the moon. Recently 13 members of the House Education and Labor Committee wrote the President asking, "Which is more important, Mr. President, adequate classrooms or chrome-trimmed letter chutes?" Highways, moon trips, missiles, and post offices are undoubtedly needed but it is time we put first things first. If we fail to keep ahead in education, to provide both quality in education and adequate facilities for study, we will be disastrously endangering our Nation's future. These things are more important than shiny new post offices and multilane highways.

I find myself in agreement with Dr. Henry Heald, president of the Ford Foundation, who said recently that education and exercise of the mind are not luxuries but necessities. The race today is a race for political economic, scientific, and cultural supremacy. We must understand this before time runs out for us.

The United States has become a military, economic, and political leader of the Free World. The success of our leadership depends largely upon a proper balance between material and nonmaterial values in our daily lives, in our education, in the use of

leisure time. We must not depend upon material wealth to maintain world prestige; rather, our leadership must be firmly based upon an understanding of the people of the world and freedom of exchange of ideas. A mature, stable, and enlightened government must have wisdom which is infused with a deep humanism to command the respect of our allies, the allegiance of the uncommitted peoples, and the loyalty of our citizens.

Many view the Russian sputniks as a direct challenge to our leadership. Although many recognize the man-made moons of the Soviet Union as a technical challenge to our Nation, I consider the real challenge to come from the rapid progress of the U. S. S. R. in education and its tradition in the promotion of the arts. European countries today continue the tradition of court patronage of the fine arts, making available art galleries and museums, opera and theater and extensive programs in the arts as a part of everyday life. These programs are considered to be a part of the education of every citizen.

During the first 6 of the 10 grades in their primary-secondary schools, Soviet students take 1 hour of drawing and 1 hour of singing each week. Considerable time is also devoted to the handicrafts, and special training and study opportunities are afforded artistically gifted youth. In some of the larger cities of the U. S. S. R. there are special 11-year schools of music, art, and ballet. Children are selected each year to attend these schools which provide the academic education of the primary-secondary schools plus rigorous education in the arts. Tuition at these schools is free and so is board when necessary.

The United States Office of Education reports that the Soviet semiprofessional schools, which occupy a position on the U. S. S. R. educational ladder between the primary-secondary school and the institution of higher learning, provide extensive and thorough art education. The report shows that of 3,425 such schools, 197 are arts schools, 109 are music schools, 48 are creative and applied arts schools, 14 theatrical schools, 15 choreographic schools, and 11 are movie industry and screen acting schools. The report also shows that there are more than 50 institutions of higher education which offered art as a major course.

As with everything else in the U. S. S. R., the fine arts are intended to serve the aims of the Communist Party and have become a highly effective instrument in the achievement of the party's approved objectives and policy. We know that any of the disciplines can become important in terms of the uses to which it is put. The arts can either serve the cause of democracy or only wait upon our call. If we do not seek to develop an appreciation of the beauty of the arts, this phase of culture can become as useless as able-bodied men on the unemployed list. The potential is there but the call to use is absent.

How can we develop greater interest in the arts among our citizens? There are many approaches, and to me one of the most important moves we must make is to reach an agreement on a positive program of activities. This program should accomplish certain objectives such as the development of international relations, the expansion of our knowledge and appreciation of the many different patterns of culture throughout the world, and the extension to more of our citizens of an opportunity to participate in widespread cultural activity.

The Humphrey-Thompson Act of 1956 represents such a developing plan, and provides for the promotion and strengthening of international relations through cultural exchanges and participation in international fairs and festivals.

Among other things this act establishes a top-level Federal committee concerned with the arts both abroad and at home. The new art committee serves in an advisory capacity to the Secretary of State, the President of the United States, the Director of the United States Information Agency, and other leading officials. It also works with the Operations Coordinating Board which is headed by Under Secretary of State Christian A. Herter, and with an interagency committee of top Government officials, including the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Director of the National Gallery of Art.

The overwhelming evidence that our art and our artists are having great success abroad as this Nation's good-will ambassadors is a source of deep gratification. This success is having a lasting effect in changing the picture held by the peoples of other countries of the dominant character of the United States and its citizens. Such evidence may be found, for instance, in a Manila newspaper report that "Asians by the thousands have modified their concept of America as an originally materialistic country after going through the beautiful experience of listening to an American symphony orchestra or hearing wise words from the mouth of so native an American as William Faulkner."

The See It Now report of the Columbia Broadcasting System on the triumphant Far Eastern tour of Marian Anderson showed many millions of Americans for the first time how this type of art program promotes cultural understanding. The recent triumph of the 23-year-old Texas pianist, Van Cliburn, who won the first prize in the Soviet Union's international Tchaikovsky piano competition, is also an outstanding example of the international language of the arts and their tremendous potential for promoting international cultural understanding.

The Federal Government, particularly the administration, must wake up immediately to the significance and importance of cultural exchanges. Unfortunately, until recently Washington officials considered that brains, science, the humanities, and the arts were expendable.

Keen observers in and out of Government, Federal officials, and the Congress are alarmed over Russian propaganda that depicts the U. S. S. R. as the cradle of culture and the fine arts, and the United States Government as unconcerned with the rich heritage of art and culture of Western civilization. In many areas of the world a place of honor is given to leaders in the arts and intellectual fields. In those countries the artist is not called a longhair, and the intellectual is not dismissed as an egghead. I am convinced the Federal Government must grasp this nettle because in many areas of the world we are considered anti-intellectual and deficient in culture. I do not need to document the low esteem in which artists and intellectuals have long been held in this country.

When Queen Elizabeth recently visited our country, both President Eisenhower and the Queen called for a pool of the best technological, scientific, and cultural brains in the Western World to out-match the Russians. However, the columnist, Inez Robb, reported that the lists of those attending the four glittering dinners attended by the Queen during her stay in Washington did not contain the name of one person distinguished in the arts and sciences. According to Miss Robb, "military brass in enough fruit salad and gold braid to equip the whole Albanian Army turned up at the state dinner at the White House and that given in Her Majesty's honor at the Pan American Union by John Foster Dulles, Secretary of State, and Mrs. Dulles, and the luncheon given by Vice President RICHARD M. NIXON."

But this is only one side of Washington, the political side. Although the administration swings between the two extremes of campaigning against all "eggheads" and forming such groups as CASE—the Committee of the Arts and Sciences for Eisenhower—to help reelect the President, there are many in Washington who are charting a sounder course—a course consistent with our deepest and truest traditions of respect for learning and the arts.

The American Council on Education, which represents 140 educational organizations and more than 1,000 educational institutions, recently issued a statement declaring that "continued progress in the humanities, the arts, and the social sciences, as well as in science and technology, is highly essential to our national survival and well-being."

The AFL–CIO has advised the Congress it is appalled by the President's failure to mention the classroom shortage in his plans for meeting the recession, and lists the educational needs of the country in this order: (1) school construction; (2) teacher salary increases; (3) inclusion of the humanities as well as science in any Federal scholarship program. At its recent national convention the AFL–CIO adopted a major policy declaration warning that "our national and international needs call for trained people in the arts and humanities as well as the sciences. We need trained diplomats and economists and political scientists and language experts as well as physicists and engineers."

Concurrent with action to meet the new scientific threat of the U. S. S. R. the Congress has taken the following steps to meet the Russian cultural challenge:

Appropriated more than $14 million for United States participation in the Brussels World's Fair.

Enacted legislation sponsored by Senators CLINTON ANDERSON and HUBERT HUMPHREY and myself, transferring the historic Patent Office Building to the Smithsonian Institution to provide a permanent home of the century-old National Collection of Fine Arts, a National Portrait Gallery, and an important program of contemporary art.

The Commission of Fine Arts, adopting a suggestion of mine, has established an Advisory Panel on the Performing Arts.

Legislation sponsored by Senator J. W. FULBRIGHT, Senator HUMPHREY, and myself to appoint an assistant to the Secretary of State for International Cultural Relations to coordinate the Fulbright, Smith-Mundt, Humphrey-Thompson, and mutual security programs, to avoid duplication and save money, has been approved by the Department of State and the Bureau of the Budget. The legislation was developed following studies by the Congress and the Hoover Commission and will probably be enacted into law before the end of this session.

The Senate Public Works Subcommittee on Public Buildings and Grounds has concluded hearings on a measure Senator FULBRIGHT and I have sponsored to establish a National Capital Center of the Performing Arts as a branch of the Smithsonian Institution, and there is every likelihood it will pass in the Congress. This measure would provide a building which would be erected on Government-donated land.

Senator HUMPHREY and I are developing plans to make the Humphrey-Thompson Act provide for a true cultural exchange program in the same way the Fulbright and Smith-Mundt Acts provide for true educational exchange.

These are some of the steps that are being taken in Washington to advance the arts and make the National Capital the cultural center of the Free World in the same degree that it is already a political, economic, and military center.

I believe that an increasing number of Americans are coming to realize that the art of understanding other people, which lies at the heart of genuine international leadership, is learned by the study of literature, language, philosophy, the arts, and other cultural disciplines. They are coming

to realize, too, I think, that the Federal Government has a vital function to perform in providing emphasis to the enduring values of our civilization.

The arts enrich and ennoble our lives; they give us vision. As Walter Lippmann, one of the most competent critics of our times, noted recently, there is "an ominous tendency in American education to teach more and more students less and less of the great disciplines which form an educated man. It is in this, more than in the ups and downs in the military balance of power, that there lies the deepest danger to our American society. We can most surely defend ourselves against conquest or domination. What we have to worry about is that with the declining level of education, with the vulgarization of the cultural standards in our mass society, we shall become a big but second-rate people, fat, Philistine, and self-indulgent."

As the city of Athens so long ago became known as the home of all learning, so must America be known not only for her great strength and high levels of production but also for her humane world leadership, her enduring democratic traditions, and her rich heritage of the arts of many cultures.

It is the cultivation of this cultural heritage which should be one of our primary objectives for development in the immediate future if we wish to gain the respect of peoples throughout the world.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3968) to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

IMPROVEMENT OF NATIONAL TRANSPORTATION SYSTEM — AMENDMENT

Mr. BEALL submitted an amendment, intended to be proposed by him, to the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system and for other purposes, which was ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. BIBLE submitted amendments, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which were referred to the Committee on Finance, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. CASE of New Jersey:

Address delivered by Senator COOPER at commencement exercises of Howard University, June 6, 1958.

OUR DEFENSE POLICIES RECONSIDERED—IV—MASS RETALIATION VERSUS GRADUATED DETERRENCE

Mr. FLANDERS. Mr. President, I ask unanimous consent to address the Senate for 12 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, our country has found itself committed historically to the "all-or-nothing" principle in seeking victory in war. Our demand has been for "unconditional surrender." Except in the Korean war, this objective has been reached.

In this century we and our allies obtained the unconditional surrender of Germany in the First World War. In the Second World War, again Germany, and finally Japan, surrendered unconditionally. In the case of Japan we assured the unconditionality of its surrender by dropping A-bombs on Hiroshima and Nagasaki after it had become clear that the civilian government of Japan was ready to sue for peace.

Unconditional surrender is a term which is grateful to the ear, but in practice it brings with it problems which might have been avoided. In the case of Hiroshima and Nagasaki, it opened the Pandora's box of atomic warfare. In the case of both Germany and Japan, it gave the victor an onerous responsibility for insuring the economic recovery of the vanquished. In Korea we forwent unconditional surrender. While I am one of those who believe that the Free World missed in that war an opportunity for greatly improving its position, yet at least the war ended. Unconditional surrender would have been purchased at a price we should have been unwilling to pay. Total defeat of an enemy is not by definition an absolute good. It may be a calamity. Somewhere short of that objective there is usually to be found a compromised position which is best for the combatants and best for the world.

In this age of atomic warfare the spirit of unconditional surrender inevitably is expressed in the phrase and policy of "massive retaliation," when it is applied to anything short of atomic attack. The powers of retaliation are so stupendously massive, and would bring in return such countermassive retaliation, that the term is very properly sinking into disuse except as an underlying assumption of the atomic stalemate.

Now there is a wide range of offensive actions not to be met by massive retaliation, but which must be met somehow. Having arrived at a balance of power in global armament, we must seek a balance in more restricted conflict. Where shall it be formed?

Mr. President, it is my belief that a balance in more restricted warfare is available to complement the atomic stalemate of global warfare. That needed balance is to be found in "graduated deterrence." To the best of my knowledge that phrase was first used and that policy first described by an officer in the Air Force Reserve, Col. Richard Leghorn, in an article which he published in the United States News and World Report of January 28, 1955. That article was entitled "No Need To Bomb Cities To Win War." He recommended that we make it known to the world that we are prepared to meet minor invasions and military aggression by means strong enough to stop them. This means included the use of atomic weapons, and is particularly inclusive of the wide range of tactical weapons then under development and now in supply.

Recognizing its importance, I called the attention of the Senate to Colonel Leghorn's proposal in the CONGRESSIONAL RECORD, volume 101, part 8, page 10138. Furthermore, I took pains to make his personal acquaintance. Discovering that he was European manager for the Eastman Kodak Co., I took advantage of a trip to London the following spring to meet him there. The net result of that acquaintance was a meeting at the Athenaeum Club in which a number of others interested in the same subject gathered for lunch and discussion. Among those present besides Colonel Leghorn and myself were Liddel Hart, the well-known military strategist and commentator in two World Wars; Dennis Healy, the brilliant young Labor member of the British Parliament; and Adm. Anthony Buzzard, formerly in charge of information for the British Navy. Admiral Buzzard, as well as Colonel Leghorn, has continued to give constructive thought to graduated deterrence. To him I am indebted for much of the following presentation. The case he makes is this:

The Western Governments have for a long time been offering their people—or at least been appearing to offer them—an "all or nothing" defense policy; that is, one which seems to say: "If there is to be any fighting at all beyond a minor incident, we are all going to commit suicide and genocide."

The natural and inevitable public reaction, which has been evident in Germany, and some other continental countries, for some time, and is now gaining a considerable hold in Great Britain, is to say: "Thank you very much, we will choose nothing"; and as a result, we are now being faced with widespread demands for unilateral nuclear disarmament, and varying degrees of nonviolent resistance and pacifism.

This situation arises, of course, from our dilemma of not being able to deal with Communist conventional forces, without using at least some nuclear weapons. The dilemma would not occur in the case of a minor incident, which could be dealt with by conventional forces only, or in the unlikely event of an all-out Communist aggression, which would be all too likely to lead to total global war, whatever our policy.

The dilemma lies in the large "grey area" in between these two fairly clear-cut situations, where arguments and conflicts may well arise, either due to limited Communist aggression, or to Communist miscalculation, following perhaps the action of some third party like Egypt or Korea.

He makes three suggestions regarding our dilemma in this "grey area." First,

that the basic aim of Western defense policy should be to escape from the dilemma, and to get into a position in which we are able to deal with limited threats by limited means.

And then he suggests that in order to achieve this aim, we have to take two simultaneous and interdependent courses of action. The first is openly to establish a distinction between local tactical atomic war and total global war, which at the moment most people think is impossible. The second is openly to accept the overall balance of power or stalemate in terms of total global war, as I have already suggested.

These two courses of action should be pursued as well as—not instead of—disarmament, for it is no good waiting for disarmament alone to release us from our dilemma. Only when the Communists see that we are going to get out of our dilemma by our own exertions, will they, in my view, strive for effective disarmament, genuinely.

But what is urgently required as a first step toward restoring the local balance of power, is to convince the world that tactical atomic war can be strictly limited, and that it need not spread to total global war. This, Mr. Dulles has made one or two halfhearted attempts to do, and he has been later supported by Mr. Lester Pearson and others. But, as yet, NATO policy does not seem to have moved any appreciable distance in this direction, and in England the last defense white paper and subsequent Government statements have left that country in considerable disunity and confusion on this point.

So the third conclusion to be drawn is that the first course of action required is an open declaration establishing, in general terms, a distinction between local tactical atomic and total global war. Either we must do that, or stop spending such vast sums on tactical atomic weapons.

Now although this will do much to help restore the local balance of power, it will not in itself complete it. For this, considerably greater resources and priority are required to be devoted to the provision of stronger and more mobile tactical forces of all sorts, both conventional and atomic.

Now, Mr. President, what is the nature of a local tactical war—atomic if need be? How shall it be waged and how limited? These questions I propose to discuss in my talk tomorrow.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Is there further morning business?

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is concluded.

CONSTRUCTION AND SALE OF TWO SUPERLINER PASSENGER VESSELS

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States* and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

Mr. MAGNUSON. Mr. President, House bill 11451 authorizes the construction of two superliner passenger vessels to be built by United States ship operators, one in the Atlantic and one in the Pacific. Although the Maritime Act of 1936 provides a construction differential, the real reason for the bill is that the construction of these two vessels for defense purposes will require much more speed than the construction of the ordinary passenger vessel.

Mr. KNOWLAND. Mr. President, I wonder if the Senator will yield to me in order that I may suggest the absence of a quorum. The Senator from Delaware [Mr. WILLIAMS] desires to be present.

Mr. MAGNUSON. I am aware of that.

Mr. KNOWLAND. I understand that he did not expect the order for the quorum call to be rescinded. Under the circumstances, I wonder if the Senator from Washington will yield to me in order that I may suggest the absence of a quorum.

Mr. MAGNUSON. I yield.

Mr. JOHNSON of Texas. I am not trying to obtain a "live" quorum.

Mr. KNOWLAND. I should like to have the Senator from Delaware present.

Mr. MAGNUSON. I understand that the Senator from Delaware has an amendment, with which the Senator from Maryland [Mr. BUTLER] and I are familiar. We shall be glad to accept it.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KNOWLAND. Mr. President——

Mr. JOHNSON of Texas. Mr. President, we have had two quorum calls while waiting for the Senator from Delaware. There is a bill on which the Senator from Kansas [Mr. CARLSON] and the Senator from Washington [Mr. MAGNUSON] have agreed, and to which, I believe, there is no objection. We could profitably use the time of the Senate in disposing of that bill while waiting for the Senator from Delaware to arrive.

Mr. KNOWLAND. If the Senator would wait for just another minute, I would appreciate it. For the moment, I object to the request of the Senator from Texas.

The PRESIDING OFFICER. The clerk will continue the call of the roll. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF MIGRATORY BIRD HUNTING STAMP ACT OF 1934

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1455, S. 2617.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 2617) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment to strike out all after the enacting clause and insert:

That section 2 of the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended (48 Stat. 451; 16 U. S. C. 718b), is amended by striking out "$2" and inserting in lieu thereof "$3."

SEC. 2. Subsections (a) and (b) of section 4 of such act (16 U. S. C. 718d) are amended to read as follows:

"(a) So much as may be necessary shall be used by the Secretary of the Interior to make advance allotments to the Post Office Department at such times and in such amounts as may be mutually agreed upon by the Secretary of the Interior and the Postmaster General for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof.

"(b) Except as authorized in subsection (c) of this section, the remainder shall be available for the location, ascertainment, and acquisition of suitable areas for migratory bird refuges under the provisions of the Migratory Bird Conservation Act and for the administrative costs incurred in the acquisition of such areas: *Provided*, That not to exceed 40 per centum at any one time of any area which heretofore has been or which hereafter may be acquired, reserved, or set apart for the use of the Department of the Interior as an inviolate sanctuary for migratory birds under any law, proclamation, or Executive order may be administered by the Secretary of the Interior, in his discretion, as a wildlife management area within which the taking of migratory game birds may be permitted under such regulations as he may prescribe: *Provided further*, That, notwithstanding the fact that such lands constitute public property, the Secretary of the Interior shall comply with the requirements of section 4 of the Administrative Procedure Act (60 Stat. 238) in issuing regulations pursuant to the preceding proviso."

SEC. 3. Section 4 of such Act is further amended by adding at the end theerof a new subsection as follows:

"(c) The Secretary of the Interior is authorized to utilize funds made available under subsection (b) of this section for the purposes of such subsection, and such other funds as may be appropriated for the

purposes of such subsection, or of this subsection, to acquire, or defray the expense incident to the acquisition by gift, devise, lease, purchase, or exchange of, small wetland and pothole areas, interests therein, and rights-of-way to provide access thereto. Such small areas, to be designed as 'waterfowl production areas,' may be acquired without regard to the limitations and requirements of the Migratory Bird Conservation Act, but all of the provisions of such act which govern the administration and protection of lands acquired thereunder, except the inviolate sanctuary provisions of such act, shall be applicable to areas acquired pursuant to this subsection."

SEC. 4. The amendment made by the first section of this act shall become effective on July 1, 1959. The amendment made by section 2 of this act making available the net proceeds of all moneys received in the migratory bird conservation fund for the location, ascertainment, and acquisition of waterfowl production areas and suitable areas for migratory bird refuges shall become effective on July 1, 1960. The remaining amendments made by this act shall become effective on the date of the enactment of this act. Any unobligated balance remaining in the migratory bird conservation fund on June 30, 1960, shall thereafter be available for expenditure only for the purposes specified in the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended by this act.

Mr. MAGNUSON. Mr. President, by way of a brief explanation of the bill, I should like to say that for many years the Government has been issuing duck stamps. If there are any duck hunters among Senators, they know that they apply for a duck hunting stamp and pay $2 for it. It is good for 1 year. The purpose of the duck stamp is to accumulate funds with which to acquire wetlands, so-called, along the flyways of the United States. They are the Middle, the Atlantic, and the Pacific Coast flyways. The purpose is to preserve the habitat and the wildlife refuges of the ducks.

From the sale of these stamps the Government has collected $54,029,540, and the Department of the Interior has been using over 83 percent of that money for administrative purposes. The result is that this year out of $4,500,000 received from duck stamp sales there is left only about $1,600,000 which is available for the acquisition of wetlands. The program calls for the acquisition of approximately 4 million acres of wetlands. With only $1,600,000 available of the $4,500,000 which is being collected from the sale of duck stamps, we have not been making very much progress in the acquisition of the wetlands. It is estimated that at the present rate it will take 60 or 70 years to carry out the program.

About a year ago I introduced a bill which made it mandatory that at least 75 percent of the money collected from the sale of duck stamps be used for the acquisition of wetlands. The Department of the Interior not only endorsed the bill but gave testimony to the effect that they believed 100 percent of the money should be designated for the acquisition of wetlands which it is necessary to acquire under the program.

The result is the bill before the Senate, which has the endorsement of the Department of the Interior—the Fish and Wildlife Service particularly—and of all the wildlife associations, as well as hunters. The hunters, incidentally, will have to pay a dollar more than last year for the stamp. Every bit of the money, with the exception of the small amount which is needed for the printing of the stamps by the Post Office Department, will be used for carrying out the program of acquisition of wetlands in the United States. The present distinguished occupant of the chair, the Senator from Georgia [Mr. TALMADGE], knows that a great many ducks fly through Georgia and through North Carolina and South Carolina. The program for the next 4 years calls for the acquisition of more than 20,000 acres in Georgia and a great deal more in North Carolina and South Carolina, and throughout the flyways of the United States.

So far as I know, the bill has been endorsed by every organization in the United States which is concerned with wildlife. The Audubon Society and the Fish and Wildlife Service of the Department of the Interior are in favor of it. As I have said, the charge for the duck stamp will be a dollar more than previously. If the bill is passed, we hope to be able to complete the whole program in about 19 years, by acquiring all the lands needed to preserve the wildlife flyways, particularly for ducks and game birds.

Mr. FULBRIGHT rose.

Mr. MAGNUSON. The flyway goes through Arkansas, too.

Mr. FULBRIGHT. I wish to commend the Senator for his interest in wildlife, especially in the preservaition of our duck-hunting activities in this country. My State, as the Senator knows, is extremely interested in this matter, and has some excellent duck hunting.

Mr. MAGNUSON. The program contemplates in the middle flyway——

Mr. FULBRIGHT. The Mississippi Valley flyway.

Mr. MAGNUSON. Yes. It contemplates the acquisition of a great area of wetlands. I believe we will save a great deal of money if the bill is enacted promptly, because when we started the program the average cost of the land was $3 an acre. The cost has now gone up to $40 an acre. The quicker we get the bill passed, the better off we will be from that standpoint. I was especially pleased with the interest of the people in the wildlife organizations—the Audubon Society, and others. The Audubon Society said they thought they would be able to sell a great many duck stamps, not necessarily to people who want to shoot ducks, but who want to preserve the natural habitat of wildlife, much of which extends along the major flyways of the United States. So far as I know, the bill has had the unanimous support of such organizations. The bill will go a long way toward doing what we had planned to do for many years.

I will say to the Senator from Delaware, the Senator from Arkansas, and the Senator from Texas, that we have sometimes been plagued to know how to handle the appropriations in connection with this matter. The Department of the Interior will now come to Congress and ask for direct appropriations for the administration of the wildlife refuges of the United States.

Mr. AIKEN. Mr. President, the fish and wildlife devotees in my State generally are strongly in favor of the bill. To the best of my recollection, I have read of only one person who is opposed to the bill, in contrast with the large number who have asked that it be passed. That person thought the extra dollar was too much to charge.

Mr. MAGNUSON. Actually, the basis and the initiative for the bill originated at an international conference regarding the wildlife flyways of the United States which was held in Vermont.

Mr. AIKEN. Our people feel very well disposed toward the bill, and are hopeful that it will be passed without delay.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CARLSON. I am very much in favor of the bill. I commend the Senator from Washington for reporting it to the Senate for action. Last October I had the privilege of attending the dedication of the Cheyenne Wildlife and Fowl Breeding Reservation in a section of Kansas. It constitutes a considerable area in Kansas.

Mr. MAGNUSON. Yes. I will place in the RECORD the program regarding waterfowl refuge acquisition plans in the southern portion of the Atlantic flyway.

I ask unanimous consent that a letter setting forth the program be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, D. C., June 4, 1958.

HON. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.

DEAR SENATOR MAGNUSON: This is in response to your inquiry to Assistant Secretary Laffer's office regarding waterfowl refuge acquisition plans in the southern portion of the Atlantic Flyway.

There appears to be an impression in some quarters that the southeastern States may be neglected in the accelerated wetlands acquisition program which will result if the Duck Stamp Act is amended. This impression is definitely erroneous.

For the past 2 years the Fish and Wildlife Service and the Atlantic Flyway Council (on which every State in the flyway is represented) have been working in close cooperation on a proposed flyway management plan which includes the preparation of a list of essential waterfowl areas that should be preserved through State or Federal acquisition. The Land Acquisition Committee of the Atlantic Flyway Council recently completed its recommendations, and at the Burlington, Vt., meeting on May 21 the council voted to accept the list of areas and the priorities assigned by the committee. This list of projects definitely favors the acquisition of wintering areas in the Southern States.

Out of 69 areas recommended, seventeen were given No. 1 priority for either State or Federal acquisition. Of these No. 1 priority projects, ten were located in five southernmost States leaving only seven No. 1 priority projects for the twelve States to the north. For example, in the State of Georgia there are listed one No. 1 priority project for Fed-

eral acquisition, two No. 2 priorities for Federal and State acquisition, and one No. 3 priority for State and Federal acquisition.

Another example is in the State of North Carolina where there have been recommended two No. 1 priority and two No. 2 priority projects. In South Carolina there were recommended two No. 1 and one No. 2 priority projects. These are typical of the present allocations in the Southern States to which will be added additional projects as they are recommended and determined to be worthy of consideration.

In other words, an appraisal of the proposed plan which the service will use as a guide in its recommendations to the Migatory Bird Conservation Commission most definitely gives special consideration to the wintering problems of the Southern States, and I can draw no other conclusion but that a major part of the increased funds resulting from amendment of the Duck Stamp Act will be obligated in these States as far as the Atlantic Flyway is concerned.

I might add that we are working on similar plans for determining projects to be purchased in each of the flyways to the west and we believe that through this cooperative approach between the States and the Fish and Wildlife Service we should come up with a sound plan which can be recommended without reservation to the Migratory Bird Conservation Commission. It is recognized that from time to time these lists of projects will generally have to be revised, and there also may be times that exceptions will be in order. We have agreed that when such exceptions are made by the service, the States will be notified with a complete explanation therefor. In this manner I feel that all States will be given full representation in determining how the money from the earmarked duck stamp sales should be expended.

Attached for your information is a list of specific projects contemplated for the State of Georgia.

Sincerely yours,

ARNIE J. SUOMELA, *Commissioner.*

Acquisition priority for the State of Georgia

Lower Satilla River (Federal): Glynn, Camden Counties	1
Ossibaw Island: Chatham County (State and Federal)	3
Lower Ogeechee River: Bryan County (State and Federal)	2
Middle Savannah River: Effingham-Chatham Counties (State and Federal)	2

Each project will run from 10,000 to 20,000 acres depending on acquisitional opportunities.

Mr. MAGNUSON. I think there is a great deal of so-called wet land in the State of Kansas which will be acquired.

Mr. CARLSON. Some land for the project has already been acquired and is in use, and other areas also are contemplated. They are on one of the flyways for ducks from Canada to the South. Hundreds of thousands of ducks are using the flyway.

I have received from the Postmaster General a letter dated May 5, 1958, in which he proposes an amendment to protect the Post Office Department with respect to expenditures which it makes for the handling of the duck stamps.

The bill before the Senate, in section 2, provides:

for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof.

The Postmaster General recommends these additional words:

in addition to expenses for personal services in the District of Columbia and elsewhere, and such other expenses as may be necessary in executing the duties and functions required of the Postal Service by section 718–718 (h) of this title.

Under this proposal, the Postmaster General would be reimbursed for direct expenditures by the Post Office for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof.

Would the Senator from Washington accept that amendment?

Mr. MAGNUSON. I think I understand what the Post Office is trying to do. They propose to place the original law in this bill.

The RECORD should show that the Government is getting the use of all this money with the exception of the necessary expenses which are required to be paid by the Post Office Department.

I am glad to accept the amendment of the Senator from Kansas. I think it is a worthwhile addition to the bill, and makes very clear what we are proposing to do.

Mr. CARLSON. Mr. President, I offer an amendment on line 3, page 4, to strike out the period and insert a comma and the words "in addition to expenses for personal services in the District of Columbia and elsewhere, and such other expenses as may be necessary in executing the duties and functions required of the postal service."

The PRESIDING OFFICER. The Clerk will state the amendment offered by the Senator from Kansas.

The CHIEF CLERK. On page 4, line 3, it is proposed to strike out the period and insert a comma and the words "in addition to expenses for personal services in the District of Columbia and elsewhere, and such other expenses as may be necessary in executing the duties and functions required of the postal service."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas to the committee amendment.

The amendment to the amendment was agreed to.

Mr. CARLSON. Mr. President, I ask unanimous consent that a letter dated May 5, 1958, addressed to me by the Postmaster General, and a letter dated May 5, 1958, addressed to the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Washington [Mr. MAGNUSON] by the Postmaster General be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 5, 1958.

Hon. WARREN G. MAGUNSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate.

DEAR MR. CHAIRMAN: The attention of this Department has been called to S. 2617, a bill to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended, as amended and reported by your committee on March 26, 1958.

Apparently the primary purpose of this measure, as amended and reported, is to expedite the acquisition of sanctuaries for migratory birds. However, one of the significant changes, from the standpoint of this Department, which would be made by this bill is the revision of the provisions of the present law which relates to reimbursement of the Post Office Department for services which it is required to perform.

Under the present law (subsection (b) of section 718d, title 16, United States Code) the Secretary of the Interior reimburses the Postmaster General for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof, personal services in the District of Columbia and elsewhere, and for such other expenses as may be necessary in executing the duties and functions required of the Postal Service by section 718–718h of this title.

Under the proposed measure, however, the Postmaster General would be reimbursed for direct expenditure by the Post Office Department for engraving, printing, issuing, selling, and accounting for migratory bird hunting stamps and moneys received from the sale thereof.

This limitation on the reimbursement for services performed by the Department is objectionable. In addition to reimbursement for the services listed in the proposed new section 4 (a) of the Migratory Bird Hunting Stamp Act, the Department also should be reimbursed for administrative costs involved when performing services as now required by the Fish and Wildlife Service, such as mailing, distribution and collection of card questionnaires from prospective purchasers of the migratory bird hunting stamps. This could be accomplished by striking out the period at the end of line 3 on page 4 of the measure and by inserting in lieu thereof a comma, and "in addition to expenses for personal services in the District of Columbia and elsewhere, and such other expenses as may be necessary in executing the duties and functions required of the Postal Service."

If the measure is amended as suggested above, this Department will interpose no objections to its enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to the Committee.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 5, 1958.

Hon. FRANK CARLSON,
United States Senate.

DEAR SENATOR CARLSON: My attention has been called to the fact that the Senate Committee on Interstate and Foreign Commerce amended and reported out S. 2617 on March 26, 1958. The bill, as reported, is on the Senate Calendar as No. 1455.

This Department was not requested to report on S. 2617, as it was proposed to be amended by the chairman of the Senate Committee on Interstate and Foreign Commerce.

As amended, the measure makes a significant change in the present law which relates to reimbursement to the Post Office Department for services which it is required to perform under the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended.

For your information there is attached a copy of the Department's report to Chairman Magnuson on S. 2617, as reported by the committee. This report explains why the Department is opposed to the measure as amended and reported. The report also contains a suggested amendment to the bill

which would make the measure acceptable to this Department.

The Bureau of the Budget has advised that there would be no objection to the submission of this letter and copy of proposed report to you.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 2617) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

THE BRUSSELS FAIR

Mr. WILEY. Mr. President, the other day I was talking with a Senator who sits not very far from me in the Chamber. Someone said to him, "I notice you are not getting very much publicity." Someone standing by, calling him by name said, "Well, he is not a squawker."

Then came this comment: "If you want publicity, call someone a name, jump on Dulles or claim our foreign policy does not get results, and so forth."

What brought this to my mind was that I heard the other day considerable criticism about the United States exhibit at the World's Fair at Brussels, Belgium. I desire to read what a very fine citizen wrote to me upon her return to Milwaukee. She is a very understanding woman, one who knows that I can properly value what she writes.

She said:

My husband and I were anxious to tell you, too, how proud and pleased we were when we visited the World's Fair in Brussels the week before last, by the beauty of our American pavilion. We knew that you would know to whom to pass on this opinion, but we feel so strongly that our Commission deserves the highest praise, that we are anxious to express our gratitude and pride. So much has been said pro and con, always comparing the expenditures allotted versus what Russia spent. In our minds there is no comparison.

We have achieved something which says in essence "Everyone knows we are the richest and most powerful country. Why show you our automobiles and washing machines and canned goods? We have reached the stage in our development when we can emphasize beauty in our lives, simple outdoor pleasures and rewarding leisure as well as the artistic things which are accessible to all."

And the crowds which enjoy the fashion displays and the American ice cream, speak for themselves.

Edward Stone's building inside and out makes the shivers run up and down your spine—it is so graceful and so inspired.

Mr. President, this part of the letter is very significant:

And outside around the fountain children and older people are laughing and playing. It is a thrilling contrast to the glum faces and forbidding atmosphere of the expensive "pile" next door.

DEALING WITH THE ANTARCTIC

Mr. SMITH of New Jersey. Mr. President, last month the United States proposed that Antarctica be opened to all nations for the conduct of scientific and other peaceful purposes. The 11 nations taking part with us in International Geophysical Year activities in Antarctica were invited to join in a treaty for this purpose.

The American proposal was an imaginative and dramatic effort to promote peace by reducing areas of possible serious international misunderstanding. All 11 nations, including Russia, have now responded favorably to it.

As the New York Times pointed out in an editorial published yesterday, June 8, there is a real opportunity for progress in this area: An Antarctic treaty, by laying the groundwork for international cooperation, might possibly prove to be an important step in the building of a durable peace.

I ask unanimous consent that the editorial, entitled "Dealing With the Antarctic," be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 8, 1958]

DEALING WITH THE ANTARCTIC

Whatever may have been in the minds of the original proponents of an International Geophysical Year, the concept and its studies have brought about a new political development that may be valuable. President Eisenhower has urged an international treaty that would minimize territorial claims in the Antarctic—or at least freeze them at their present status—and permit further peaceful research in the area to the advantage of all. Eleven nations have now responded favorably to support the negotiation of such a treaty.

This acceptance of the proposal is heartening. There are many conflicting sovereignty claims in this region. They have proved, in the past, to be a stumbling block to agreement to proposals for any sort of joint operations or mutual understandings. Some of the air of hostility and misunderstanding seems to have been cleared. There is an opportunity for progress.

Various expeditions that have been part of the work of the Geophysical Year have made contributions to a better knowledge of the significance of this largely unexplored area. Further gains can be made in this field only if there is a climate of international confidence. Territorial rivalries will not promote scientific knowledge. Nor can or should the data collected and proved by any one group be obliged to stand alone. Cooperation is absolutely imperative.

It has been suggested that this may, indeed, prove to be something of a laboratory for peaceful development to the benefit of all. At this stage, this seems to be more than a little optimistic. Some of the rivalries and suspicions will die hard. Moreover, some machinery must be devised to make any agreement that is reached self-enforcing.

Nevertheless, a sound proposal has been made by President Eisenhower. It has been received with wide acclaim. It has now been officially endorsed by 11 states. A conference to explore its possibilities is clearly in the making. The Antarctic could, just possibly, be a pilot plant in the construction of a durable peace.

RESIGNATION OF LEWIS STRAUSS

Mr. SMITH of New Jersey. Mr. President, last Thursday I expressed my own high personal regard for Adm. Lewis Strauss and my deep regret over his resignation as Chairman of the Atomic Energy Commission.

In its lead editorial of June 7, the New York Times appreciatively saluted Admiral Strauss for his distinguished service to the Commission and his great contributions to the security of this country. I ask unanimous consent to have this fine editorial printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WELL DONE

After long and distinguished public service Lewis L. Strauss has resigned as Chairman of the Atomic Energy Commission, effective at the end of this month. Thanks largely to what President Eisenhower, in a particularly warm letter of appreciation, calls Mr. Strauss' "leadership, judgment and vision," this country, and for that matter the Free World, has passed safely through the initial perils and confusions of the atomic age and remains strong enough to check Soviet aggression and preserve peace.

The resignation results from the political party feud launched against Mr. Strauss by Democrats on the Joint Congressional Committee on Atomic Energy. They have accused him of too much independence in what they characterized as a "one-man rule" of the Commission and have criticized him because, in the development of atomic power, he championed private rather than public power plants. This feud assumed proportions which began to affect the morale of the Commission's staff, and rather than have it continue Mr. Strauss declined the President's offer to reappoint him for another 5 years.

No doubt Mr. Strauss was an independent and at times a "difficult" man. But it is thanks to these qualities that, starting single-handed, he could make a decisive contribution to those achievements on which rest today the safety and the hope of the Free World. He was the first, as a member of the Atomic Energy Commission under appointment by President Truman, to press for the creation of the atomic detection system which enabled the United States to announce the first Soviet atomic explosion and thereby put the West on guard. Even more important, he was the first, and in the beginning the only, member of the Commission to call for the development of the hydrogen bomb and to urge a crash program on it after the Soviets had acquired the atomic bomb. It is terrifying to think what the Soviets might have done with the hydrogen bomb if they had been the first to develop it.

Finally, Mr. Strauss helped to draft President Eisenhower's atoms-for-peace program, presented to the United Nations, and he represented the United States in the Geneva Conference that produced the International Atomic Energy Agency to harness atomic power for the benefit, not for the destruction, of mankind. On that enterprise Mr. Strauss will continue to serve, as special assistant to the President.

On the issue of this record we are confident that the American people will join us in a hearty Navy salute of "Well done, Admiral Strauss."

COMMENCEMENT ADDRESS BY PRIME MINISTER MACMILLAN AT DE PAUW UNIVERSITY

Mr. SMITH of New Jersey. Mr. President, America once more extends a warm welcome to one of its close friends from abroad, Prime Minister Macmillan, of Great Britain, currently here for a series of meetings with President Eisenhower.

Yesterday at De Pauw University in Indiana, Prime Minister Macmillan delivered an outstanding address. The keynote of his remarks was the need of the Free World to develop an interdependent economic system and closer political cooperation, to the end that ties will be created of such strength that "the threats to our way of life will decline over the years."

In his fine address, he pointed out that this is not a visionary scheme, but is a practical advance to bring the Free World alliance system up to date in order to meet the new challenges from the Soviet.

Mr. President, I ask unanimous consent that the text of Prime Minister Macmillan's address, as reprinted in the New York Times of June 9, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, members of the faculty, members of the university, ladies, and gentlemen:

I am very grateful for your kind words of welcome. For a Prime Minister of Great Britain to be invited to your great university is an unusual occasion. But I feel sure that my present office was not the only, or indeed, perhaps the main reason for your invitation. My real claim to be here is on account of my birth, or at least on one side of it. For I am half Scots and half American. The first you may or may not think an advantage.

I remember reading in one of Lord Chesterfield's letter the following passage about another Prime Minister—not a very popular one—who also came from my country, Lord Bute. He said the great cry against Lord Bute was on account of his being a Scotsman, the only one of his many faults that he could not possibly correct. But whatever you may feel about my father's origin, I feel sure you will have no hesitations about my mother's.

SIR WINSTON, TOO

Like my great predecessor in office, the greatest of living and perhaps of all Englishmen, Sir Winston Churchill, I took the precaution on entering life to make sure that I was born of an American mother; and not only American, but Hoosier. For my mother's father, Joshua Belles, as you know, was one of the first graduates of Da Pauw's Medical School. My mother was born in the State of Indiana—I think in Indianapolis. I was able to visit Spencer where she lived all her life until she left America 2 years ago and to attend service in the Methodist Church in whose choir she used to sing.

In those early days, of course, when my grandfather first came to Indiana, life was very different. Indiana was still a pioneer state; and your university was only just beginning the fine tradition which it has followed ever since. I can assure that I am proud to be associated with De Pauw University and so renew an old family connection.

I have chosen today as the theme of my address to you who are about to graduate into the world, "Interdependence." For it is my belief this word must be the keynote of the second half of the 20th century if the progress of humanity is to continue. But before I come to its wider applications I would like to say a word about its meaning in the life of scholarship and learning.

RELATIONSHIP OF NATIONS

There could be no better example of interdependence than the relationship which exists between the universities of the United States and of Great Britain. It was from British stock that the first teachers of your universities came. It was upon our tradition that you built. For all our history belongs to you. It is yours. The English Bible; the deep religious conviction of our ancestors; Shakespeare, the English Common Law, all these are yours by right of inheritance, brought to this continent by your ancestors. Thus in the early years the learning, the science and knowledge of the Old World flowed across the Atlantic to enrich your scholarship. And now for a long time, there has been a double flow. Today scholars in our two countries in the arts, in science, in medicine, and all other branches work together to their mutual benefit. Here at least there are no barriers.

Of course in the last 100 years the world has shrunk. When your first teacher, Mr. Nutt, came to Greencastle from Pennsylvania, it took him 16 days. It would not take him now as many hours. But if the world has shrunk, are we sure that human mentality and outlook have widened in due proportion? It is, of course, a trite observation to say that we live in a period of transition. Many people have said this at many times. Adam may well have made the remark to Eve on leaving the Garden of Eden. But there can never have been a time in our history when it has been so true—when all the material forms of progress have advanced with such startling and breathtaking rapidity.

Are we sure that we have made sufficient adaptations in our outlook on political and economic questions to keep pace; in a word, are the statesmen running behind the scientists?

Of course in a sense the statesmen have the more difficult task. For science, whether pure or applied, is of its nature international. It has no boundaries and, except to truth, no responsibilities.

The scientist and the technician devise new methods of locomotion, new sources of power and new methods of destruction on an ever-increasing scale. It is no part of their duty to say what use mankind will make of these novel and often terrifying instruments. They proceed along their chosen path making one deduction from another, adding discovery to discovery, and leave it there.

MAY REVOLUTIONIZE LIFE

Nevertheless, all these processes may revolutionize the whole life of man on earth. After the First World War a sense of shock at the appalling destruction and misery caused by that conflict made many statesmen and people begin to think in terms outside the old pattern of national states, and to make a move along the path to a world unity. But the first League of Nations broke down and for two reasons. First, it was not comprehensive; and, secondly, it was armed with no sufficient cohesion or power. It was a noble and bold effort to produce in Pascal's words: "A world in which force is just and justice has force at its disposal." But, alas, the dream could not be realized, and when the test came the league broke under the strain.

After the Second World War, which had inflicted sorrow and destruction upon an even greater scale and over an even wider field throughout Europe and Asia alike, a new attempt was made. And in the first flush of enthusiasm the founders of the United Nations organization believed that they had found the answer.

In the Security Council, mainly dominated by the great powers, was to be found the germ of a world administration or cabinet and in the assembly the beginning of a world congress or parliament. But once again, events have proved too strong for us. To make anything like a world community all at once has been too big a step; and this time the attempt has foundered on the deep division in the world between two different concepts of society, of government, of man himself, and of man's relation to his creator.

So there has grown between two great blocs of nations the division which we roughly call the division between the Free World and the Communist world. There are some who feel that this struggle is necessarily fated to end either in war or in the triumph of revolutionary communism. I believe that to be too pessimistic a judgment.

Of course the Free World must be firm as well as fair. We must not lower our guard. We must not fall victim to propaganda or to mere exhaustion. Nor must we delude ourselves by wishful thinking. We must not conceive of peace as a state of inactivity, something that can just be enjoyed; it is rather something that has to be won by struggle and effort.

THE LONG VIEW

Nevertheless in the long view I cannot believe that a country like Soviet Russia, developing so rapidly in all the technical, scientific, and material improvements of life, will not in due course be subjected to the normal development of all civilized people. As the revolution sinks further and further into the background, as the period of mass murder and torture and revolutionary methods becomes more and more remote, as the standard of the people rises, surely these very intelligent people will not be content forever with what is called the materialist doctrine?

Sooner or later, however, strong or coercive the central government, these men and women will begin to ask themselves the questions that man has always posed since first he came into the world. These questions may now be illegal or suppressed or believed not worth the asking.

Yet sooner or later they will ask themselves the old questions and search for the answers. Who made us; why are we here; what is the purpose of life; is there right and wrong; is there sin; is there God?

This will not come about if we in the Free World lose our own faith; but if we hold on to our faith, I am persuaded that this day will come. These two great forces do not always face themselves directly across an empty arena. On the contrary, the so-called uncommitted countries neither for us nor against, comprise enormous numbers. And their role may be vital.

Naturally, in the countries of Asia and Africa new forces are at work. At first these are apt to take crude and dangerous shapes. But nationalism and national pride is in itself a healthy thing. It is only wrong when it is twisted into aggression.

Certainly we in Britain have considerable experience on these changes and we have not been unresponsive to this new challenge. For over 100 years it has been the policy of Great Britain to develop her colonies and dependencies into free and independent nations. Since the end of the war this process has been extended to peoples not of British stock. And thus we have transformed empire into commonwealth.

Of our own will and design we have set up in freedom great countries like India, Pakistan, and Ceylon, and recently Ghana and the Malay States. Other new nations like the West Indies Federation will shortly join these

ranks. I call them ranks; but it is no military discipline which keeps the Commonwealth together. It is not now even in all cases, even the tie of the crown. It is certainly not unity of creed or color, or race.

Nevertheless, it is a real unity, the Commonwealth based upon old traditions common to our country and to yours. It is the tradition of government by debate and discussion, of committees and parliaments; it is the principle of the independence of the judiciary, the freedom of the individual, the universality of law. The ultimate success of the Free World will perhaps depend on the degree to which we can spread these ideals to the hesitating and uncommitted countries.

When I last had the privilege of meeting with President Eisenhower in Washington 2 months ago we drew up together a declaration of common purpose, you might almost call it a blueprint for interdependence. This was not a visionary project, but a practical advance to bring the reality of our alliance up to date. It was not meant to establish a kind of exclusive club, but to set the pattern for a wider group, to show why it is that the Soviet Union has satellites while we in the Free World have allies.

Interdependence is already a reality. In the field of defense it is becoming more and more effective. I believe that if we can develop it further on the political field, and in economic matters as well, then the cohesion of the Free World will be so strong, and its attractions so great, that the threat to our way of life will decline as the years pass by.

No one who has studied the Marxist writers can fail to be impressed by the emphasis placed on destructive criticism of the capitalist system. Our world, which we see as prosperous and free, and happy, is represented by the Marxists as a jungle filled with ravening beasts seeking to devour each other; a jungle in which there is bound to be starvation for the many and plenty only for the few. Violent trade cycles and war are said to be inevitable products of our system. Of course, we know that this is an utterly false view. Nevertheless, two things are true, which we have not yet all learned.

TWO THINGS TO LEARN

First, prosperity, like peace, is indivisible; and, secondly, there are still too many artificial barriers to the free flow of money and trade in the Free World. These barriers, of course, have grown up historically when modern civilization and material progress were in their infancy. Indeed, when the political aims of the different countries of the Free World were different, when the great alliances had not been forged, why, then, it was natural that governments should pursue separate and conflicting economic policies. But now all our political aims are the same; we differ, if at all, on tactics and not on strategy. We all face a common danger. Just as the economies of the States of the Union on this continent grew together 200 years ago, so, in some measure at least, must the economies of the Free World today.

Since the war the United States has with unexampled generosity poured out its treasure all over the world, first to help its allies who were impoverished in the joint defense of freedom and then to foster and protect the young economies of the newly independent states. All too little credit has been given for this; indeed often you have found ingratitude. We in Britain, with our far smaller resources, have played our full part in this work—and of course by now we have learned not to expect gratitude.

You would not expect me today to try to go into any detail as to how all this is to be done. It would indeed be impertinent of me on my part even if I had sufficient knowledge. It is in a sense a job for the experts; but it is also the job of the statesmen to inspire and command the experts.

I have no doubt that over here you like we suffer from a plethora of economic advisers and statisticians. I remember somebody in my country once describing a statistician as a man who was dead on time.

But we have to live and build, while we have the time, a fuller and freer life for ourselves. We have got to see that not only our military alliances but our political thought and economic policies match up to the level of the great scientific and technical advances which the world has made. Whether it be in a great commonwealth like ours or a great continent like yours we can no longer afford to think parochially.

What is it then that the United States and Britain stand for? We stand to defend and to spread by all legitimate means what we call the free way of life. This seems to us the right way both morally and materially.

Sometimes we wonder why any countries outside the Soviet control can hesitate. In fact there is perhaps less doubt and hesitation than sometimes we think. All the same, these people want to be sure that our claims are justified. But how are we to convince them as well as to fortify ourselves?

The Free World cannot defend itself or win allies to itself only by rockets and bombers and all the rest. These are necessary but they are not enough.

In the long run the Free World will defend itself and win adherence to itself because our way of life gives a better way of living, a fuller life to the individual, security, and hope.

COMMENCEMENT ADDRESS BY GENERAL SCHRIEVER AT CREIGHTON UNIVERSITY

Mr. BARRETT. Mr. President, on June 4, 1958, I had the great pleasure to attend the Creighton University commencement exercises. I graduated from the Creighton College of Arts and Sciences in 1913, and from the school of law in 1916. I was very happy indeed when my alma mater honored my good friend, the senior Senator from Nebraska [Mr. HRUSKA] and myself by bestowing upon us the honorary degree of doctor of laws. Senator HRUSKA also proudly calls Creighton his alma mater, since he is a graduate of Creighton University with a bachelor of laws degree in 1929. I was delighted to be on hand also because of the fact that Creighton was honoring Maj. Gen. Bernard A. Schriever, the Commander of the Ballistic Missile Division of the United States Air Force, by conferring upon him the honorary degree of doctor of science. In conferring the degree on General Schriever, Rev. Carl M. Reinert, president of Creighton University, read the following citation:

In a world made uneasy by the realization of the danger of unprincipled and uncontrolled power, it is the lot of one we honor today to instill confidence and understanding into the people of our Nation. General Schriever holds a key position in the complex process of seeking a means by which our country can be assured of peace by proper control of power. He has immediate supervision of all aspects of the Air Force ballistic missile program.

General Schriever has a varied scientific and practical background eminently suiting him for his present position. In the field of scholastic endeavor he graduated from the Agricultural and Mechanical College of Texas, and later received his master of science degree from Stanford University. He is a graduate of the Air Corps Engineering School, and the National War College. In the comprehensive scope of his work, the following offer special interest. He has had test pilot duty and has flown 63 combat missions. He has been Chief of the Maintenance and Engineering Division, Fifth Air Force Service Command; Chief of Staff, Fifth Air Force Service Command; and Commander of the Advanced Headquarters, Far East Air Service Command. Schooled in the accomplishments of evaluation and development planning, General Schriever has held the posts of Assistant for Evaluation, Office of the Deputy Chief of Staff for Development; Assistant for Development Planning; Assistant to the Commander, Air Research and Development Command; and Commander of the Western Development Division.

His decorations include the Distinguished Service Medal, Legion of Merit, Air Medal, and the Purple Heart. Truly there rests on the capable shoulders of General Schriever a great responsibility. With all our fellow citizens, we acclaim his record of achievement and are proud today to honor the man and the work to which he is dedicated from love of God and country.

Mr. President, General Schriever delivered the address at the commencement exercises. Because of the importance of his remarks, I ask unanimous consent that a copy of his speech be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE COLD WAR AND THE SPACE AGE: PERIL AND PROMISE

(Address by Maj. Gen. Bernard A. Schriever, commander, Air Force Ballistic Missile Division, ARDC, at the graduation exercises, Creighton University, Omaha, Nebr., June 4, 1958)

Graduating classes are often told that they are entering a new world. That has always been true, to a greater or less extent. But in your case—and in the case of your opposite numbers throughout the country—this idea of the new world has a particularly direct and vital and urgent meaning. For the new world you are entering this day differs from any other in all of human history—it differs not just in degree but even in kind from the world which faced the graduating class at Creighton University a year ago in June of 1957.

I say this because the world into which you now are about to venture forth is marked by two related and reciprocal challenges which are the great, the central facts of our time: They are the challenge of the cold war and the challenge of the space age. From now on, it will be impossible to consider the one without the other.

To be sure, one of these challenges—the cold war—has been with us ever since 1946, when the Communist drive for world domination, temporarily obscured by World War II, was again revealed in all of its idolatry of the inhuman—in all of its godless coercions.

The other challenge, namely, the advent of the space age, typified by ballistic missiles and satellites, was first and spectacularly made manifest to most people only a few short months ago—just after you had begun your senior year.

Now, it is the interconnection between the cold war and the space age—it is the juncture of these forces—which together are adding a new dimension to all our lives. As these forces act and react upon each other, they will ever increasingly influence our jobs, our careers, our families—our very ability to survive and thrive in freedom.

You and your classmates will be prominent among the first generation to encounter the results of this interplay between the cold war and the space age. The way in which you meet this double challenge, whether you act as an individual or in concert with others,

will determine in no small measure the future of freedom at home and abroad.

That is why, in my judgment, our own time combines such high peril with such high promise. It is a time of peril because out of some 3 billion people in the world today, nearly a billion are already under Communist control, and inroads are being made in the Middle East, Africa, and South America. Moreover, this spread of Communist imperialism is backed up by a Russia which has emerged as an industrial, military, scientific, and technological power of the first order.

Only by thinking and acting with ever greater courage and patience can we develop the democratic dynamism which will enable us to halt and turn back the diabolic dynamism of the Communist movement. Otherwise, we face some terrifying alternatives. We may find ourselves involved in a thermonuclear holocaust, or we may find ourselves technologically dominated, militarily subdued, economically outpaced, and politically enslaved.

It is a time of promise because we Americans and other free peoples are beginning to recognize to an ever-increasing extent that the cold war is being waged concurrently on the political, the economic, the scientific, the psychological, the military, and educational fronts. We must therefore wage the peace, in our own democratic way, along the same fronts. It is a time of promise because the science and technology of the space age is providing us with new theories, new techniques and new tools which, if used wisely, can advance the material well-being and strengthen the spiritual resources of mankind.

Pervading our Department of Defense, Air Force, Army, and Navy missile-space programs is the effort to understand the perils and promises of our cold-war, space-age environment. We have been directing our skills and energies to the task of applying the most advanced science and technology to equip our Nation with weapons which will deter the Communists from initiating world war III.

I feel that perhaps within our Air Force missile-space program as well as within the Army and Navy program we have done some pioneering in the space age, and we have learned some lessons which may be useful in solving the problems of the cold war.

We are, as you know, developing the two 5,000-mile-range intercontinental ballistic missiles, Atlas and Titan, and the 1,500-mile intermediate range ballistic missile, Thor. Recently we have been entrusted with the Air Force satellite program, and other space projects such as moon probes.

Working directly on these programs are more than 80,000 people, including some 18,000 scientists and engineers, along with around 60,000 executives and workers in 22 industries spread across the country. They are backed by more than 2,000 civilian and military specialists in research and administration. They represent a cross section of our resources, human and material. They comprise our science-industry-Government team.

The work in which this team has been engaged during the past 4 years, the facilities built, the proficiencies developed in exploiting the new science and technology, are helping to make it possible for this country not only to overtake, but to surpass the U. S. S. R. in space science and technology.

In this connection, we should remember that ballistic missiles such as the Atlas, Titan, and Thor are, in fact, space vehicles. They travel most of their distance in outer space. They provide a proven and expansible base for our country's further space ventures.

The advances which ballistic missiles and other space projects symbolize require, in both our civilian and military establishments, a whole new catalog of highly specialized skills and abilities in modern communications and electronics systems, and the new devices of automation and the like.

In building such an enormously complex weapon system as the ballistic missile, for example, every one of which contains more than 300,000 separate parts, we had to bring into being a host of new skills in order to utilize the most up-to-date apparatus in electronics and automation—apparatus which ranges from a room-size computer to a diode tube as small as the head on a match.

At our data collecting and analyzing centers for evaluating the results of our missile tests, we have personnel in charge of intricate instruments which can solve in 3 seconds a problem which would otherwise take 300 mathematicians a month to do.

Just as the atomic-energy program has led to new occupations and to new opportunities in old vocations, whether in medicine, in laboratory research, or in engineering, or shipbuilding, so, too, does the work that we are doing continue to provide an ever-greater number of new occupations and new opportunities in old vocations for your generation.

In using the new science and technology, with all their complicated devices, instruments, and procedures, we never forget for a moment a very crucial fact:

You can't get the right answer from a machine unless you know how to feed the right question into it. Machines can extend man's senses and can speed the process of judgment. But the finest computer now made is infinitely less capable than the full potential of a man's brain. Despite all our pushbutton technology, it is still the man that counts, and not the button.

You can't design a circuit to take the place of courage. You can't enclose dedication to freedom in a magic black box. No matrix of tubes and wires can give us leadership in any walk of life. However, today's leadership, if it is to make wise decisions, must be familiar with the machines of the new science and technology, and with what all these signify in human affairs.

This is one reason why we must improve and extend our education in the realm of science, mathematics, and related subjects. However, if we were to concentrate only upon the training of the narrow specialist in the physical sciences and neglect the social sciences and the humanities, we would be warping the mind power upon which our power for peace fundamentally depends.

It is to the civilizing and life-affirming influences of the social sciences and the humanities that we must look if we are to use science and technology for creative purposes rather than for destructive purposes.

We must always keep in mind that the insights into political economy and human psychology—and the inspirations of art, religion, and philosophy—are quite as important as the mastery of astronautics and metallurgy.

You have seen here at Creighton that the learning process is a total process. You have seen that there is no way of separating the principles of physics from the principles of ethics. As you go out to take up your careers, you will see more clearly than ever before that there is no way of dividing the human mind and spirit into compartments, hermetically sealed against each other. Whatever your business or profession, what you do will remain inseparable from what you are.

As you prepare yourselves for leadership roles in your vocation and in your community, you will find that you will need the perspective that can be obtained only by a fusion of the social and physical sciences with the humanities. Largeness of vision, the ability to see the parts in relation to the whole, will increasingly be the hallmarks of the leader, who was defined by Woodrow Wilson as the thinking man in action. I urge you to use fully your education to become thinking men and women in action—men and women who can cope with the interplay between the cold war and the space age. To do this, you must keep striving for balance in education—an education which is a continuous process. It is a process which extends beyond your years at the university.

I stress this point because in dealing with social, political, and economic issues, whether at home or abroad, we must have an educated and informed public that can make intelligent choices among many alternatives. For if these choices are not sound, they can have an adverse effect upon both our foreign and domestic policies and programs. The same principle applies in dealing with the impact and implications of the new science and technology. The choices we have to make, for example, as to what new steps our country should take in the conquest of space, should at all times reflect the knowledge that ventures of this kind often require substantial investment of our resources, both human and material. These resources are not unlimited.

It thus becomes doubly imperative for us to be in the position to choose intelligently what course we should pursue. We must distinguish what is needed from what is possible.

Only when we have, as a people, prepared ourselves and our children thus to make intelligent choices in this new kind of a world, can we be in the position to build the kind of a world we want—a world in which man can have the right to choose the ways of freedom, where he can walk in dignity and work in concert and live in comity with his fellows.

In our Air Force missile-space program, we are trying to help build that kind of a world—to help make the ways of freedom prevail by achieving two aims: first, to augment our Strategic Air Command deterrent and retaliatory force in being—to prevent aggression by convincing our adversary that any attempt to destroy us now or at some future date would insure his complete annihilation; second, to gain the time and the opportunity for our national leaders to wage the peace by means of diplomatic, economic, cultural, and educational methods—by spreading more widely the ideas of freedom, at home and abroad.

These ideas are as vital and valid today as when they were first set forth in the Declaration of Independence 180 years ago. In our time of troubles and testing, in our time of peril and promise, our transcendent task is to reaffirm and energize and strengthen those ideas of freedom with the same kind of wisdom and daring displayed by the men who wrote the Declaration of Independence.

You have heard missiles described as ultimate weapons. Even though we are in the missile business, we are the first to point out that there has never been an ultimate weapon in the sense of military hardware. But in another sense we Americans have the only ultimate weapon we have ever wanted—an ultimate weapon which has been the real source of our strength ever since our Founding Fathers first proclaimed their faith in freedom. Today, as in the past, that faith remains our only ultimate weapon.

Only when we match our faith in freedom with the works of freedom can we conquer the perils of our time—and fulfill its promises. Only by this means can we transcend the threats and tensions of the cold war and shape the contours of the space age into a new age of man.

CONSTRUCTION AND SALE OF SUPERLINER PASSENGER VESSELS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of Calendar No. 1673, House bill 11451.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that excerpts from the report, of the Senate Committee on Interstate and Foreign Commerce, on the bill be printed at this point in the RECORD. There was a Senate bill which was almost identical to the House bill; but the committee reported the House bill, the reason being that the House passed the bill overwhelmingly, probably 2 or 3 weeks prior to the making of the report of the Senate committee. However, the Senate committee report explains the bill in full.

There being no objection, the excerpts from the report (No. 1643) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The bill would authorize the Federal Maritime Board to construct two superliner passenger vessels, one to replace the steamship *America* on the North Atlantic route, the other for use between the west coast of the United States and the Far East, replacing the steamship *President Hoover*, now in service on that route on an interim basis. Both of the vessels to be replaced will have exceeded their normal 20-year useful life before construction of their replacements can be completed.

Concurrently with entering into contracts with the shipyards for the construction of these vessels, the Board would be authorized under the bill to enter into contracts for the sale of the vessels, completely outfitted and equipped, to the United States Lines Co. in the case of the steamship *America* replacement, for $47 million and to the American President Lines, Ltd., with respect to the steamship *President Hoover* replacement, for $34 million, or 45 percent of the domestic construction cost of the vessel fully outfitted and equipped (excluding national defense features and escalation) whichever is the greater.

The bill provides that the fixed prices quoted shall include the cost of stabilizers, all outfitting and equipment not covered by the shipbuilders' bids, customary architects' and interior decorators' fees for design, inspection during construction, and all escalation provided for in the shipbuilders' bids. It is further provided, however, that the fixed prices set in the bill shall be increased by any amount equal to 45 percent of any net increase in the cost of the vessels (other than national defense features) resulting from any changes in the usual outfitting and equipping of these vessels requested by the purchaser and approved by the Board after the enactment of this legislation.

To facilitate prompt initiation of construction in the case of the replacement of the steamship *America* the Federal Maritime Board would be authorized, in its discretion, to have the vessel constructed without further bidding, under outstanding bids.

Except as otherwise provided in the bill, the construction and sale of the vessels shall be in accordance with the provisions of the Merchant Marine Act, 1936, as amended; and for the purposes of the bill it is provided that the words "construction differential subsidy" used in the Merchant Marine Act, 1936, as amended, shall mean the difference between the sales price paid by the purchaser and the cost of the vessel (less national-defense features) including the cost of stabilizers, etc.

Section 57 of the bill provides that the provisions of title VI of the Merchant Marine Act, 1936, as amended, shall apply to any contract for an operating differential subsidy on the operation of the vessels authorized, provided that at the end of any recapture period, the percentage of recapture of any profit on either vessel in excess of 10 percent on a cumulative basis, computed without regard to profits or losses on other vessels operated by the contractor, shall be at the rate of 75 percent of such excess profits based upon the contractor's capital necessarily employed in the operation of the vessel.

URGENT NEED FOR THE SUPERLINERS

The steamship *America* will be 20 years old by 1960. Its subsidy agreement is due to expire on December 31, 1959. It and the steamship *United States* offer the only passenger service under the United States flag on the highly essential North Atlantic route to the United Kingdom and France, and they don't begin to offer adequate United States-flag service to our citizens who desire such transportation.

With its approximately 2,000 passenger capacity—1,000 more than that of the steamship *America*—and its 30.7-knot speed the replacement vessel will permit regular weekly sailings on this route, against a total of 39 sailings by the 2 present vessels from New York in 1957. Passenger vessels of 7 foreign nations dominate the passenger service on this route, providing about 6 times as many sailings as can be provided by the United States Lines vessels.

The unexcelled service and cuisine furnished by the steamship *United States* in its 5½ years of service have won many foreigners as well as citizens of this country to its passenger ranks. The prestige thus gained would be greatly enhanced by similar service on this new vessel.

Even with 2 vessels of steamship *United States* excellence, competition for leadership on this important route will be vigorous, with the French Line now building a 2,000-passenger, 31-knot vessel, and both Sweden and Holland readying additional superliners to supplement new vessels placed in the service of their respective countries during 1957.

On the Pacific the American President Lines, Ltd., now operate three services on essential trade routes in addition to the transpacific passenger service in which the new superliner will engage. The 18-year-old steamship *President Hoover*, which is to be replaced, was purchased recently from the Government-owned Panama Line, to supplement the steamship *President Cleveland* and the steamship *President Wilson* in caring for the increased demands for passenger service on this route pending construction of the new superliner provided for in this bill.

Trans-Pacific passenger traffic has surged upward in the years following World War II, and can be expected to increase even more sharply if and when trade relations are resumed with the Chinese mainland. From a total of 46,090 passengers by sea and air in 1951 the number has burgeoned to 110,768 in 1956, of which 31,111 went by sea. The waiting lists for passage in the steamship *President Cleveland* and the steamship *President Wilson* give evidence that more passengers would travel across the Pacific by sea if accommodations were available. Estimates of 1961 passenger totals put the number at 150,000, of which 60,000 are expected to go by sea.

The Orient & Pacific Lines (British) used a full-page ad in the Washington Post and Times Herald of Sunday, May 25, to announce "A Great New British Fleet Brings Big-Ship Luxury to the Pacific," with an impressive picture of its new 27,955-ton *Himalaya*, which is paying a visit to San Francisco on her maiden trip to the United States.

* * * * *

Japan likewise has shown great interest in the possibilities of increased passenger service on the Pacific. Bills are reported in the Diet now calling for the construction of two superliner passenger vessels.

It need hardly be stressed that the new Pacific superliner would enhance United States prestige in the Far East, where improvement in public and official attitude toward this country is of prime importance.

When President Eisenhower was asked at his May 14 press conference about the administration attitude regarding the proposed two superliners he is quoted by the New York Times as saying, in part:

"Now, for my part, let's make no mistake, I believe in private financing; but if we have got to have this, these ships, because of defense purposes, which, and I just have a letter, I think, last evening on a—a very persuasive letter on it—if we have to do that, well, of course, the Government has to pick up some more of the tab.

"But to my mind, it is really—when we go beyond the ratio and the formula set down by the Maritime Act, then we ought to have a very clear, definite need, and that is the thing that has to be decided."

The "very clear, definite need" required by the Chief Executive would seem to be clearly evidenced by the following views as expressed to the committee at the public hearing on the bill, in official letters and in reports from various Government departments.

Testifying for the Department of Defense and the Department of the Navy at the hearing on May 13, Vice Adm. Ralph E. Wilson, Deputy Chief of Naval Operations for Logistics, stated:

"As a witness for both the Navy Department and the Department of Defense * * *. My purpose is to point out the importance of the proposed passenger ship construction in relation to our national defense needs.

"The great bulk of supplies, equipment, and people must move in merchant-type shipping. Maximum teamwork between the merchant marine and the Navy will be required.

"Movements of essential shipping will require not only protection, but close control, as long as the submarine threat remains a serious menace.

"During the initial phase of antisubmarine warfare operations, antisubmarine forces will be fully employed in offensive combat missions. Only a few antisubmarine units will be available for the defensive role of protecting merchant shipping. Great reliance must be placed on fast ships proceeding independently until slower convoys can be effectively protected. In such a setting the value of speed in merchant ships, especially passenger types, cannot be overemphasized.

"Speed is the best defense that merchant ships can employ against an enemy. The faster the target, the more difficult it is for a submarine to get into position for launching a torpedo attack. Moreover, a swift target is very difficult to hit. These are simple derivations from the laws of probability.

"Fast ships can be operated independently over more devious routes than is possible in convoy operations. This complicates the search and attack problems of enemy aircraft. Also, flexibility in routing and reserve speed permit ships to avoid known concentrations of submarines without undue loss of voyage time.

"High-speed design is expensive, but it will prove of great value in time of war. The importance of speed will continue to increase as submarine development advances.

"Emphasis on added speed should not obscure the significance of other national de-

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fense features which can be built into a merchant ship. High standards of compartmentation reduce vulnerability to enemy hazards by localising damage. Various preventive measures increase a ship's resistance to the spread of fire. Special mountings minimize breakdowns of essential machinery under shock.

"National-defense features are improvements in design above normal commercial standards. They improve a mechant ship's wartime utility and ability to evade attack; they also enhance the ship's capacity to absorb an enemy attack and survive. Many of these same features assure safer, more versatile and reliable performance in peacetime commercial operations.

"Department of Defense interest in passenger ship construction is based on the need for modern, high-speed ships capable of being employed as troop transports. In the event of war, or other critical national emergency, there will be an immediate demand for a sizable and swift trooplift capacity. Depending on time factors and the gravity of the situation, this requirement may not be met by ships now available to us.

"The lessons of history have taught us that our primary reliance must be placed in ships under our direct control.

"It is easy to visualize emergencies, even short of general war, where demands for the rapid mass movement of people would exceed our ready transport capability. A crisis of such nature could well become a race against time to evacuate nationals, to redeploy troops, or to augment existing forces overseas. This possibility highlights the need for a significant increase in our limited inventory of high-speed passenger ships under the American flag.

"Only three ships—the *Constitution, Independence,* and *United States*—are capable of sustained speeds of 25 knots or more. Without conversion they have a combined emergency capacity for 10,700 troops. They represent a combined potential capacity for 26,000 troops after conversion to troopships.

"Our active passenger-type ships represent a combined emergency capacity for lifting about 110,000 troops. On an average day these ships will be spread far and wide; some will be undergoing shipyard overhaul. Only a portion will be readily available to one selected geographical area, or for a specific type of mission. The advantages of adding two high-speed, high-capacity passenger ships to our United States-flag fleet are obvious.

"Bills S. 3519 and H. R. 11451 authorize the construction of a superliner passenger vessel equivalent to the steamship *United States* and a superliner passenger vessel for operation in the Pacific Ocean. These ships will significantly improve our qualitative deficiency in trooplift potential and make an important contribution to improving our national-defense posture.

"They will incorporate the maximum in safety and reflect the most modern national-defense features. Both ships are expected to include speed above commercial requirements built in for defense purposes. Their passenger spaces will be quickly convertible to accommodations for 14,000 and 11,000 troops, respectively. Even without conversion, they could respond swiftly and effectively to an urgent demand. They will have the combined immediate capability to evacuate 7,000 nationals or to redeploy 9,500 troops. Construction of these 2 ships will almost double our capacity in that highly valuable speed range of 25 knots and above.

"The announced design speed of the new ship for the United States Lines is 33 knots, with reserve power above that figure. The design speed of the new ship for the American President Lines will be somewhat less, but at the same time highly acceptable.

"The Department of Defense has consistently urged that all new merchant-type shipbuilding incorporate the maximum speed that is commercially practicable.

"To meet the urgent need for readily available trooplift potential, we must rely primarily on a modern merchant marine. It is important that the proposed new passenger ships be commercially successful. To be of immediate use to the Department of Defense in an emergency, they must be operating commercially at the time they are first needed.

"In summary, the Department of Defense wishes to emphasize that our Nation has an urgent need for a number of large, modern, high-speed passenger ships suitable for immediate conversion to troopships on the outbreak of a national emergency. Considerations of competitive commerce and national prestige are also important factors.

"The two superior ships proposed have been under discussion for about 2 years. Their early construction will constitute a significant step forward in improving the overall quality of our trooplift potential.

"The Department of Defense fully endorses the construction of these modern passenger ships."

The Deputy Secretary of Defense, Donald A. Quarles, in a letter to Secretary of Commerce Sinclair Weeks, which was inserted in the record at the request of the Maritime Administrator, expressed complete concurrence with the views of Admiral Wilson as to the urgent need for construction of the superliners. In part, his letter, dated April 28, 1958, stated:

"I wish to assure you that I concur in the testimony presented by Vice Adm. Ralph E. Wilson, United States Navy, on behalf of the Department of Defense, before the House Committee on Merchant Marine and Fisheries in regard to the urgent need for the early construction of modern high-speed passenger vessels.

"The passenger-type ships that now comprise America's trooplift potential range in age from 5 to 30 years. These ships average 15 years in age and 17 knots in speed. Only 12 of them are capable of speeds of 20 knots or more and, of these, only 6 possess the requisite degree of protective features, which are of extreme importance in minimizing the hazards of moving troops by sea.

"A minimum sustained speed of at least 20 knots is required for independent movements through areas in which modern submarines may be operating. At this minimum speed a considerable risk still exists, which is significantly and progressively reduced as sustained speeds in excess of 25 knots are attained.

"Today we are faced with a grave submarine menace. The need for more high-speed passenger ships capable of immediate conversion to troopships increases in urgency with advances in submarine technology and the size of the enemy threat.

"It is also important that new passenger ships be commercially successful. To be of immediate use to the Department of Defense in an emergency the ships must be operating commercially at the time they are first needed.

"I feel that our emergency needs for more large, modern, high-speed passenger ships are sufficiently urgent to warrant proceeding with their construction now under the sponsorship of your Department.

"Sincerely yours,

"DONALD A. QUARLES,
"Deputy."

The Department of the Navy, in its formal report on the bill, and on behalf of the Department of Defense, over the signature of Rear Adm. H. C. Stephan, United States Navy, Chief of Legislative Liaison, dated May 15, 1958, placed the Department of Defense squarely behind the bill.

The Office of Defense Mobilization also expressed its interest in the construction of the two vessels, in a letter dated May 14, 1958, signed by Gordon Gray, Director.

OVERALL AND SPECIAL FEATURES OF THE TWO VESSELS

When completed and put into service, the two superliner passenger vessels authorized by the bill would greatly enhance the prestige of the United States, and practically double the present fast trooplift potential available in the event of emergency.

Combined with the steamship *United States*, now firmly established as the fastest luxury liner on the high seas, and supplemented by the nuclear ship *Savannah*, the nuclear-powered passenger-cargo vessel scheduled for launching in 1959, these two superliner passenger vessels would establish beyond any challenge the leadership of our country upon the oceans.

The replacement for the steamship *America* would be a sister ship of the steamship *United States* which, since its entry into service on the North Atlantic route in July 1952, has carried approximately 390,000 passengers, and has set a transatlantic speed record in excess of 35 knots while its maximum speed is still classified.

Like the steamship *United States*, it would be air conditioned, have the most modern facilities for 2,000 passengers, and would be designed for speedy conversion to carry approximately 14,000 troops. Further, it could transport these troops 10,000 miles at 33 knots without stopping for fuel or water. Its evaporators would have a capacity of 1,000 tons of fresh water a day, and it would have built in all necessary facilities for 14,000 troops plus reinforcement for 10 dual purpose 5-inch guns.

Its speed would make possible, in combination with the steamship *United States*, a weekly service on the North Atlantic route. As a replacement for the slower, smaller steamship *America* it would provide facilities for 25,000 additional passengers in each direction per year. As the steamship *United States* and the steamship *America* are the only two American passenger vessels operating between the Atlantic coast and the United Kingdom this increased capacity would help appreciably to take care of the increasing demand for vessel reservations on this most important route.

The superliner passenger vessel which the bill would authorize for service in the Pacific would be the fastest, largest vessel ever built for service between our west coast and the Far East. It would be 908 feet in length, have a designed speed of 26 knots with additional speed available under military conditions, and would carry 1,450 passengers.

The steamship *Washington*, as it is tentatively named, would be speedily convertible to a troop transport, to carry 10,000 troops. Its itinerary would include the San Francisco, Honolulu, Japan, Hong Kong, and Manila, with permissive calls at Los Angeles and Shanghai. It would be a worthy symbol of United States leadership in an area where improved American prestige is of the utmost significance.

Vice Admiral Wilson rated the proposed speedy superliner vessels as particularly needed because of the threat posed by Soviet submarines to United States shipping in any new conflict.

Availability of the proposed vessels to the needs of national defense in time of war or emergency is of the utmost importance. In the event of a nuclear attack, there is no telling where the most urgent needs will develop. And these vessels literally will be on call "at a moment's notice." As the president of the United States Lines Co., John M. Franklin, expressed it to the committee:

"All they would have to do is to send us a telegram to deliver the ship at a certain place. We would deliver it, and they would pay for it at the depreciated price."

With these two vessels on hand and readily available in event of nuclear attack, the Defense Establishment would be far better prepared to take care of its immediate strategic logistics or troop deployment task than is the case now. Defense officials are keenly aware of this. They are on record as urging enactment of the bill and construction of the vessels as promptly as can be achieved.

WHY SPECIAL LEGISLATION IS NECESSARY

Legislation such as S. 3519 and its House counterpart, H. R. 11451, is considered necessary because construction and operation of the proposed superliners under present statutes, with private financing, is not economically feasible, in the considered—and well documented—opinion of the vessel owners concerned.

An official check by the General Accounting Office of the companies' operating estimates substantiated the operators' contentions in this respect.

Under section 501 (b) of the Merchant Marine Act, 1936, as amended, a construction-differential subsidy up to 50 percent of the actual cost of the vessel (less national defense features) is authorized on vessels constructed in United States shipyards, to establish parity with the lower costs of construction in foreign shipyards. This subsidy is payable to the shipyard, not to the vessel owner.

Likewise, under section 502 (c) of the 1936 act, financing by the United States Government of 75 percent of the cost of the vessel to the owner is authorized, over a 20-year period, at an interest rate of 3½ percent per annum. Parenthetically, it should be stated that this has always proved profitable to the Government in that the overall cost of Government financing consistenly has been below the interest rate charged the vessel operator.

However, the present national administration, unwilling to increase the annual budget requests by including therein funds for vessel financing, has required vessel financing to be arranged from private sources, as provided in section 504 of the 1936 act.

The present bills would authorize an increase of approximately 5 percent in the amount of construction subsidy and would permit financing by the Government on a 20-year basis at 3½ percent per annum.

The Chairman of the Federal Maritime Board, charged with final responsibility in such matters, expressed himself in no uncertain terms as to the need for special legislation under questioning before our Senate committee. Asked if he was in favor of construction of these vessels under existing statutes, he declared:

"Speaking for myself, as a member of the Board, I think that is unrealistic and we will not get the ships."

Later in the hearing he said:

"I think it is unrealistic to ask the operators to build these ships and get a low return—1, 2, or 3 percent."

One of the points made by the Administration spokesman in favor of construction under present statutes was that authorization of a higher percentage of construction subsidy in this particular case would establish a precedent that would come back to haunt them. Officials of the shipping lines cite their huge replacement programs of cargo ships, already underway, as indicative of their readiness to rebuild their fleets without special legislation.

The replacement program of the United States Lines Co., it is pointed out, includes in addition to the superliner, a total of 44 C–2 cargo vessels, to be put into service between 1963 and 1966, and estimated to cost the company $371,040,000. Also, they recently have purchased from the Government nine Mariner-class cargo vessels, at a cost of $44,980,862. All of the 44 C–2's are expected to be built with construction subsidies of less than 50 percent, as now provided in the 1936 act.

The replacement program of the American President Lines, Ltd., includes $83 million for 13 vessels already purchased or contracted for, while the total program covers 24 vessels, with a cost to the company of well over $150 million. This figure does not include the superliner. All the remaining vessels are expected to be built under existing statutes, with normal construction subsidies.

The financial statement for the steamship *United States* for the 5½ year period of operation shows an average annual profit of $1,314,000 per year, or 3.76 percent of the cost of the vessel ($34,967,520) to the United States Lines Co. However, the basis used by the Maritime Administration in computing profits for recapture purposes is "capital necessarily employed" in the operation of the vessel. On this basis the Comptroller General found the average net profit of the vessel over the 5½-year period to be approximately 7.26 percent, which return he said was "not unreasonable."

As the new vessel at the price of $47 million (and assuming sale of the steamship *America* at the desired $10 million) would represent a net increase in investment of $2 million, as compared to the steamship *United States*, the projected average net profit was figured by the company at 1.77 percent, with a figure of 2.62 percent covering the operation of the 2 vessels.

By any standard of computation this is a low return, particularly in an industry as subject to ups and downs as the shipping business. Likewise, it assumes as favorable an atmosphere as that enjoyed by the steamship *United States*, which is by no means a certainty.

Likewise, it is based on attainment of the 2 special benefits sought in the bill—namely, a fixed price of $47 million instead of a $54,500,000 price under the 50 percent subsidy limitation, and an interest rate of 3½ percent instead of the higher costs of private financing at going commercial rates (approximately 4¼ to 4½ percent, plus three-fourths of 1 percent for Government mortgage insurance, plus $2,500,000 (estimated by the Federal Maritime Administrator as the cost of securing the private financing). The total cost of private financing would far exceed $5 million, a further heavy burden for an operation that, at best, can look for a very modest profit return. The steamship *America*, it might be noted here, showed a net loss of $1,137,101 in its operation over the last 5 years.

While in the case of the American President Line's proposed superliner there is no comparable experience with a vessel of this class in the Pacific, estimated figures submitted and reviewed by the General Accounting Office would indicate that there would be little likelihood of an economically feasible operation under the statute requiring a 50-percent maximum construction subsidy, and under private financing, with the high additional costs cited above.

In discussing the estimated financial aspects of this vessel's operation before the committee, George Killion, president of the company, said:

"The Comptroller General computed the return on capital necessarily employed, at the specified price of $34 million, and with a 3½ percent Government mortgage. His report to the (House) committee gave 8.01 percent as the rate of return on capital necessarily employed over the 20-year life of the vessel. This is a figure well below the 10 percent which the Merchant Marine Act of 1936 allows before Government recapture of profits sets in."

In the case of superliners such as these, it must be accepted that costs of construction go beyond any limits of shipping economies. Additionally, too, it must be recognized that benefits to the commerce of the country, and to its standing among the nations, as well as the unquestioned and highly essential advantages to the military in time of war or emergency, all combine to place the question of their need and essentiality in the sphere of national interest, and deserving of consideration by the Congress on a basis entirely apart from and beyond normal economic consideration.

It must be recognized that, at best, superliners such as these are a marginal operation, exceedingly sensitive to economic conditions and to changes in the political situation elsewhere. One voyage with only 50 percent occupancy could make the difference between a profit or loss on the entire year's operation of either vessel.

PROMPT EMPLOYMENT POTENTIAL

Of utmost significance in this period of economic recession is the employment that would be generated, promptly and over a wide area, almost coincidental with the signing of the contracts for the two superliners authorized by the bill.

Shipyard labor, direct and indirect, represents about 40 percent of the cost of passenger-vessel construction. On this basis, and using the latest (April 1958 Bureau of Labor Statistics Report) average hourly earning rate of $2.51, the total shipyard labor cost of the 2 vessels would be equivalent to approximately 30 million man-hours, or 15,000 man-years, spread over a construction period of some 32 months.

In addition, the committee was advised, labor costs of subcontractors and suppliers in various fields would be equivalent to 22,700,000 man-hours, or 11,350 man-years, making a grand total of about 26,350 man-years for the total estimated labor costs involved in the construction of the 2 vessels.

Unlike some other types of heavy construction projects, work can be initiated almost immediately upon the enactment of the bill and the appropriation of funds. With the bid for the steamship *America* replacement outstanding, purchase orders would be issued as speedily as the manpower is available to prepare and issue them. For instance, it was stated that purchase orders covering 20,000 tons of steel for the 1 vessel already under a firm bid can be issued in 10 days to 2 weeks after signing of the contract, and that $30 million in contracts can be committed within 45 days.

With regard to the trans-Pacific liner, bids have been asked, returnable July 23. Assuming that an award could be made by September 1, there could be a similar prompt call for labor and issuance of contracts for steel, machinery, etc., running into the millions.

In the shipyards, signing of the contracts will necessitate immediate calls for office personnel, technical, procurement, and clerical, as well as in the mold loft, and planning and production groups. Outside and ship construction personnel will be required as soon as the first steel reaches the shipyard, and employment builds up steadily from then on.

The vast employment radiating from the shipyards to suppliers and subcontractors reaches many States—in fact, hardly a single 1 of the 48 States but is affected to some degree. An analysis of purchase orders placed by three different shipyards at widely varying locations, made at the request of the committee, disclosed that the major orders for steel, machinery, equipment, and furnishings of every type are placed in those States which have highly industrial areas.

When the distribution of these purchases was analyzed by vendor's plants, the same general pattern was revealed, with the addition of a group of Southern States and some additional Middle Western States. The State of Washington, for instance, was found to have received substantial orders from eastern shipyards.

However, the main highly industrialized States in which shipyard purchase orders are placed, and in which the machinery and equipment mostly are manufactured are listed herewith—and it just so happens that these are the States that have been hit hardest in the recession, and where unemployment is a most serious problem: Connecticut, Illinois, Maryland, Massachusetts, New York, New Jersey, Ohio, Pennsylvania, and Wisconsin.

Thus the award of contracts for these two vessels—totaling more than $200 million in overall costs—will tend promptly to increase employment over a wide area to a greater or less degree.

It is obvious that a byproduct of the award of these contracts is increased Federal taxes, both corporate and individual, as well as increased income to many States. But the really important fact is that the economic and other benefits will come to pass in the near future, when they can help to relieve unemployment and the distress that always accompanies lack of steady income to individuals.

The construction of vessels under title V of the Merchant Marine Act, 1936, as amended, for sale subject to a construction-differential subsidy is subject to section 505 (a) which includes the following provision:

"In all such construction the shipbuilder, subcontractors, material men, or suppliers shall use, so far as practicable, only articles, materials, and supplies of the growth, production, or manufacture of the United States as defined in paragraph K of section 401 of the Tariff Act of 1930."

When the liner *United States* was under construction, an order for approximately $400,000 worth of tablecloths and napkins was placed with foreign mills to be made of linen (flax). The specifications were written "linen," thus ruling out a thoroughly acceptable American product made of American cotton.

It is the hope of your committee that in writing specifications, the companies involved will give serious and sincere consideration to the intent of Congress, as set out in section 505 (a) of the Merchant Marine Act of 1936.

Randolph Sevier, president, Matson Navigation Co., placed his company on record as favoring enactment of the bill, but cited recent losses in operation of the company and said:

"We believe the Board and Administrator should and will limit the permission granted to American President Lines for domestic service between California and Hawaii by its transpacific passenger service, so as to avoid unfair competition to us."

Under questioning on this point the Maritime Board Chairman, Clarence G. Morse, declared:

"Section 805 (a) of the act was inserted for the purpose of protecting the domestic operators against competition by ships built with subsidy. And it provides unless the operator has grandfather rights, the subsidized operator has grandfather rights; if he has grandfather rights he may continue to exercise those grandfather rights even with ships built with subsidy.

"But if he does not have grandfather rights then before he is permitted to operate in the domestic trade with a subsidized vessel he has to get what we call an 805 (a) waiver which is granted only after hearing, a public hearing, giving all interested persons an opportunity to appear and be heard.

"This is a problem which has existed for several years between Matson and APL as to the extent, if any, of the grandfather rights which APL may have in serving the Hawaiian trade.

"Before this matter will be resolved it will require a hearing, and Mr. Plowman (of the Hawaiian Textron Co., whose telegram on this point is included in the record) and his company will, of course, have an opportunity to appear and be heard."

CONCLUSIONS

On the basis of testimony adduced at the hearing and of other facts and information at hand, your committee is firmly of the belief that the reasons in support of enactment meet the standards of "urgency and national interest" set forth in the Commerce Department's report of May 28, in that—

(a) The two superliners authorized by the bill will go far to help remedy an existing deplorable deficiency in United States-flag passenger accommodations on the respective essential trade routes to be served;

(b) The superliners will bolster United States prestige in both oceans, but particularly in the Far East where such enhancement is most desirable and where Great Britain has entered upon a vigorous campaign for domination of the Pacific sea routes;

(c) The troop-carrying potential of these two vessels, equal to the combined high-speed troop-transport facilities presently available under the United States flag, will prove of tremendous significance in any future emergency need; and

(d) The special provisions of the bill, namely, an additional 5 percent of construction-differential subsidy beyond that now authorized by statute, and authority for Government financing at 3½ percent, as provided in the Merchant Marine Act, 1936, as amended, are essential if the 2 superliners are to become a reality.

We therefore wholeheartedly recommend that the bill be enacted, and we express the hope that necessary funds will be requested and appropriated promptly so that no further time may be lost toward the addition of these two highly strategic vessels, which will add so much to our commercial and security potential on the high seas.

The reports of Government departments and agencies are printed herewith.

THE SECRETARY OF COMMERCE,
Washington, D. C., May 28, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in reply to your recent request for the views of this Department with respect to H. R. 11451 and S. 3519, bills to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operations in the Pacific Ocean, and for other purposes.

The bills declare the necessity for the construction of a superliner passenger vessel equivalent to the steamship *United States* to replace the steamship *America*, which will be 20 years old by 1960, for operation on an essential trade route in the North Atlantic and a superliner passenger vessel for operation on an essential trade route in the Pacific Ocean. They authorize the appropriation to the Department of Commerce of the necessary sums for the construction of such superliner passenger vessels. They also authorize the Federal Maritime Board to enter into a contract for the sale of the Atlantic superliner upon completion to the United States Lines Co., the present owner and operator of the steamship *United States* and the steamship *America*, for a price of $47 million, subject to certain increases for changes allowed. They authorize the Board to enter into a contract for the sale of the Pacific superliner to the American President Lines, Ltd., for a price of $34 million, subject to certain increases for changes allowed. Payment of the purchase price in each case shall be as provided in the 1936 act (25 percent down and payment of the balance within a 20-year period).

A number of cogent reasons have been advanced for and against the passage of these bills in their present form. Decision to support or oppose the bills must rest on a careful evaluation and weighing of the reasons.

The principal reasons advanced for enactment of the bills are as follows:

(1) National defense considerations justify the special benefits provided in the bills for the construction of the two superliner passenger vessels.

(2) The steamship companies which would purchase the two ships and operate them on essential trade routes of the United States would not be financially able to undertake their construction unless the special financial considerations provided by the bills are made available.

These stringent recapture provisions of the bills would preclude any possibility of abnormal profits from the operations of these vessels accruing to the operators.

The principal reasons cited in opposition include the following:

(1) Satisfactory progress is being made by the Department of Commerce in negotiations for the construction under the Merchant Marine Act of 1936 of the superliner proposed for operation in the Pacific Ocean. In the case of the superliner proposed as replacement for the *America*, further negotiation under provisions of that act should result in equally satisfactory progress. This applies to considerations of subsidy as well as national defense features.

(2) Enactment of the bills would set a precedent for the establishment of construction subsidy on a basis other than parity with competing foreign-vessel operators as provided in the 1936 act. The basic principle upon which the 1936 act rests, therefore, would be violated.

(3) Government financing of these two vessels as proposed in the bills would create a budgetary requirement beyond the limitation deemed advisable by the President at a time when private financing should be available at reasonable rates.

In weighing the respective merits of these arguments pro and con in regard to the bills, the Department leans toward the latter.

The Department of Commerce is in accord with the objectives of the legislation and believes that the construction of such superliner passenger vessels with the contemplated characteristics and features would be desirable. However, it believes they should be constructed under the provisions of the Merchant Marine Act of 1936, as amended, and in accord with the policy of the administration to rely on private financing of ship mortgages.

As indicated previously, the Department recognizes the sharp differences of opinion that exist in regard to the provisions of the bills. Therefore, full consideration of the issues is necessary to determine whether the steamship companies would be able to build these vessels under the Merchant Marine Act of 1936 and, if not, whether the departures from the clearly defined principles of existing maritime statutes and administration financing policies are warranted by the urgency and national requirements for these two superliners.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this report to your committee.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D. C., May 13, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your request for comment on S. 3519 and H. R. 11451, similar

bills, to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, has been referred to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

These bills would authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States* and a superliner passenger vessel for operation in the Pacific Ocean. The Board would be authorized to sell the first vessel to the United States Lines and to sell the second vessel to the American President Lines under pricing arrangements set out in the bills.

The early construction of these two ships would constitute an important and necessary step forward in the replacement of obsolescent passenger vessels and would contribute significantly to the orderly upgrading of quality in our overall national trooplift potential. Both ships would be most suitable for speedy and economical conversion into naval or military auxiliaries. They would make important contributions to improving our national defense posture.

The financial and contractual details of subject bills fall outside the purview of the Department of Defense. While deferring to the Federal Maritime Board and the Department of Commerce in regard to such business aspects, the Department of the Navy on behalf of the Department of Defense fully endorses the enactment of legislation which will authorize the prompt construction of these two modern passenger ships.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Department of the Navy has been advised by the Bureau of the Budget that there is no objection to the submission of this report on S. 3519 and H. R. 11451 to the Congress.

For the Secretary of the Navy.

Sincerely yours,

E. C. STEPHAN,
Rear Admiral, United States Navy,
Chief of Legislative Liaison.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., May 14, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: This is in reply to your letters of March 20 and May 1, 1958, requesting the comments of this agency concerning S. 3519 and H. R. 11451, repectively, bills to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

Because the availability of modern and efficient superliner passenger vessels would be of some benefit to the national defense we are in accord with the objectives of the bills. However, on the provisions relating to the procedures for construction and sale of the proposed vessels we must defer to the views of the Department of Commerce.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

GORDON GRAY,
Director.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, May 7, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate.

DEAR MR. CHAIRMAN: Further reference is made to your letter of May 1, 1958, acknowledged on May 2, requesting the comments of the General Accounting Office concerning H. R. 11451, 85th Congress, 2d session, entitled "An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes."

The proposed bill would authorize the Federal Maritime Board to concurrently contract for the construction and sale of the vessels in accordance with the provisions of the Merchant Marine Act, 1936, as amended, except as otherwise provided in the bill. The vessel equivalent to the steamship *United States* would be sold to the United States Lines Co. for the fixed price of $47 million and the vessel for operation in the Pacific Ocean, to the American President Lines, Ltd., for the fixed price of $34 million. These prices are for vessels fully outfitted and equipped and include certain specified items, such as stabilizers; however, the prices may be increased in an amount equal to 45 percent of the cost of certain changes requested by the purchasers and approved by the Federal Maritime Board. The Board may accept, in its discretion, an outstanding bid from a United States shipbuilder for the construction of the vessel equivalent to the steamship *United States*. The difference between the construction cost of each vessel, excluding national-defense features, and the sales price paid by the purchaser would be "construction-differential subsidy" for the purposes of the 1936 act. However, for the purpose of recapture under any contract for operating-differential subsidy on the vessels, the net profits for a recapture period, computed without regard to profits or losses on other vessels, shall inure to the United States to the extent of 75 percent of net profits in excess of 10 percent per annum on a cumulative basis upon the contractor's capital necessarily employed in the operation of such vessel, as determined by the Federal Maritime Board.

This bill, which passed the House of Representatives on April 29, 1958, was the so-called clean bill resulting from hearings held in February and March 1958 before the Committee on Merchant Marine and Fisheries, House of Representatives, on H. R. 9342, H. R. 9473, H. R. 9654, and H. R. 9432, 85th Congress, and, in essence, is a combined and revised version of H. R. 9342 and H. R. 9432. We had previously reported for consideration by that committee several suggestions to clarify these bills, all of which were adopted in H. R. 11451. In view thereof, we have no further recommendation to offer. We might add, however, that on April 15, 1958, we made a report to your committee concerning S. 3519, which, for the most part, is identical to H. R. 11451.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., May 13, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: It is understood that the committee has scheduled hearings for May 13, 1958, on the bills, S. 3519 and H. R. 11451, which relate to superliner passenger vessels for operation in the Atlantic and Pacific Oceans.

This Department was not requested to report on H. R. 11451 when it was under consideration by the House Committee on Merchant Marine and Fisheries. Nor has the Department been requested to report on S. 3519.

The purpose of the legislation is to increase the speed and service in the Atlantic and Pacific Oceans by authorizing the construction of a superliner passenger vessel equivalent to the steamship *United States* for service in the Atlantic and Pacific Oceans. The vessel placed in service in the North Atlantic would replace the steamship *America*.

Legislation of this nature would have a direct effect on the mail service by providing more expeditious transportation of oceanic mail. Hence, this Department looks with favor on the purposes of the proposed legislation. We make no comment upon the proposed method of financing contained in the bills.

The Bureau of the Budget has advised that there would be no objection to the submission of this report to the committee.

Sincerely yours,

ARTHUR E. SUMMERFIELD,
Postmaster General.

GENERAL COUNSEL OF THE TREASURY,
Washington, D. C., May 12, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on H. R. 11451, to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

The proposed legislation would authorize the construction of a superliner passenger vessel equivalent to the steamship *United States*, to replace the steamship *America* for operation on an essential trade route in the North Atlantic. It would also authorize the construction of a superliner passenger vessel with a capacity of approximately 1,400 passengers for operation on an essential trade route in the Pacific Ocean. In addition, the bill would authorize the Federal Maritime Board to contract for the sale of one vessel to the United States Lines Co., for a fixed price of $47 million, and the other vessel to the American President Lines, Ltd., for the fixed price of $34 million.

The subject matter of the proposed legislation is not of concern primarily to the Treasury Department, and the Department has no comments to make as to its general merits.

Very truly yours,

NELSON P. ROSE,
General Counsel.

DEPARTMENT OF COMMERCE,
MARITIME ADMINISTRATION,
Washington, D. C., May 15, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Interstate and Foreign Commerce, United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: I testified on May 13, 1958, on H. R. 11451 and S. 3519, to authorize construction and sale by the United States of two superliners.

Although Vice Adm. Ralph E. Wilson, USN, fully stated the Department of Defense position in his testimony on the above legislation, I would also like to include in the record the enclosed letter addressed to the Sec-

retary of Commerce, expressing the views of the Department of Defense concerning large, modern, high-speed passenger ships.

Sincerely yours,

WALTER C. FORD,
(For Clarence G. Morse,
Maritime Administrator).

THE SECRETARY OF DEFENSE,
Washington, April 28, 1958.

Hon. SINCLAIR WEEKS,
Secretary of Commerce,
Washington, D. C.

MY DEAR MR. SECRETARY: In reply to your letter of April 24, 1958, I wish to assure you that I concur in the testimony presented by Vice Adm. Ralph E. Wilson, USN, on behalf of the Department of Defense, before the House Committee on Merchant Marine and Fisheries in regard to the urgent need for the early construction of modern, high-speed passenger vessels.

The passenger-type ships that now comprise America's trooplift potential range in age from 5 to 30 years. These ships average 15 years in age and 17 knots in speed. Only 12 of them are capable of speeds of 20 knots or more; and, of these, only 6 possess the requisite degree of protective features, which are of extreme importance in minimizing the hazards of moving troops by sea.

A minimum sustained speed of at least 20 knots is required for independent movements through areas in which modern submarines may be operating. At this minimum speed a considerable risk still exists, which is significantly and progressively reduced as sustained speeds in excess of 25 knots are attained.

Today we are faced with a grave submarine menace. The need for more high-speed passenger ships capable of immediate conversion to troopships increases in urgency with advances in submarine technology and the size of the enemy threat.

It is also important that new passenger ships be commercially successful. To be of immediate use to the Department of Defense in an emergency the ships must be operating commercially at the time they are first needed.

I feel that our emergency needs for more large, modern, high-speed passenger ships are sufficiently urgent to warrant proceeding with their construction now under the sponsorship of your Department.

Sincerely yours,

DONALD A. QUARLES,
Deputy.

There is no change in existing law.

Mr. MAGNUSON. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a statement by the committee and by myself regarding the bill, the nature of the superliners involved, and what they will mean to the entire maritime industry; a statement by the Department of Defense regarding the necessity for the construction of these two vessels; and also a statement, which I believe is a fair one, pro and con, regarding the necessity for this proposed legislation. I wish to have all of them printed in the RECORD, so it will show clearly why the enactment of special legislation for the construction of these two vessels is needed.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

WHY SPECIAL LEGISLATION IS NECESSARY

Construction costs on vessels, particularly passenger vessels, have risen fantastically.

A Cunard Line statement was quoted recently in the Commerce Department's Foreign Maritime Digest to the effect that passenger ships that cost $2.8 million in 1939, now cost $14 million. Another shipping line reports that the $35 million cost of its new liner is 50 percent more than the cost of its entire prewar fleet.

Total cost of the steamship *United States* 6 years ago was $79.4 million, including national defense features. Today's price for an exact duplicate of the steamship *United States* is $111 million, without national defense features, and $130 million-plus including those extras of speed, troop-lift facilities, special compartmentation, etc., which the Department of Defense has required.

In other words, today's construction costs are so high as to make the vessels commercially non-feasible. At the proposed sale price of $47 million to the United States Lines Co., the new steamship *America* would represent a net investment to the United States Lines of $2 million more than the cost of the steamship *United States*. The net return on that fine vessel, in 5½ years of near-capacity operation, under the most favorable world conditions, and without even a single day of labor trouble, was only 3.76 percent of the vessel's cost. The present steamship *America*, during that same 5-year period, showed a net loss of $1,137,101.

As the Chairman of the Federal Maritime Board, Mr. Morse, stated at the Senate hearing on the bill, it is unrealistic to expect these companies to take all the financial risks involved in the construction and operation of the vessels for a possible 1, 2, or 3 percent return.

The extra cost of private financing, he said—5½ percent or more as against the 3½ percent rate provided in the 1936 act for Government financing—would make the difference between a profitable operation and a losing operation.

Likewise, 1 or 2 trips of either vessel at only 50 percent occupancy could wipe out the profit on the entire year's operation.

The Merchant Marine Act of 1936, authorizes the Government to compensate the United States shipyards for the difference in construction costs here as compared to costs of building abroad—up to 50 percent of the domestic cost.

This bill would provide an extra 5 percent of construction subsidy—and for that 5 percent the country would benefit not only in better ocean transportation service to its people, and in increased national prestige, but particularly we would benefit by having available to our military in time of world emergency or outright war the two newest, fastest, finest troopships in the world, capable of lifting 25,000 troops over 10,000 miles distance, at speeds that would come as close to assuring safety against enemy submarines as any present-day security procedure could do.

PROMPT EMPLOYMENT POSSIBILITIES

Purchase orders for 20,000 tons of steel can be issued in 10 days to 2 weeks after signing of the contract for the new steamship *America*, already under a firm bid.

Immediately, the contract signing will necessitate calls for office personnel, technical and procurement as well as clerical; and planning and production groups.

Within 45 days of signing contract, $30 million in contracts can be committed.

Bids have been asked on APL superliner, returnable July 23. Assuming an award by September 1, there could be a similar prompt call for labor, and issuance of contracts for steel, machinery, etc., running into the millions.

Practically every State will feel the effects of purchasing for the vessels. An analysis of purchases by three shipyards on construction project in the past show a wide dispersion of primary and subcontracts, but concentration of such contracts in the highly industrialized States which have been hit hardest by the recession: Connecticut, Illinois, Maryland, Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Wisconsin.

Based on Bureau of Labor wage statistics, it is estimated that there will be generated 15,000 man-years of labor in the shipyards involved, plus 11,350 man-years in the supplier industries, or a total of 26,500 man-years of labor in all. This would be spread over a 32-month period, but would build up rapidly to a peak at about 18 months after signing of contracts.

GOVERNMENT FINANCING VERSUS PRIVATE FINANCING

United States Lines found that commercial financing rates averaged 4¼ to 4½ percent. In addition there would be an insurance fee to the Government of three-fourths of 1 percent, and a commitment fee of one-half of 1 percent to the bank while the ship was being built.

Under title 5 Government financing, the entire cost would be 3½ percent—no insurance fee, no commitment fee. And the Government would make money on the deal, with its average coupon interest rate of long-term bonds of 2.6 percent.

The difference in cost to the United States Lines over 20 years, between 3½ percent and 5 percent, on a balance of $35,250,000, would be $5,551,000.

The additional cost of private financing to the American President Lines, Ltd., at the rate offered the United States Lines, plus insurance and commitment fees, would be proportionate to the lower amount to be financed.

In discussing the matter of financing at the Senate hearing, Federal Maritime Board Chairman stated:

"We are getting private financing today, but the borrowers are having to pay 5 percent interest.

"In addition, we are charging for the mortgage insurance premium one-half to three-fourths of a percent. So that spread between 3½ percent of Government financing and 5½ percent or more of private financing make a difference between a profitable operation and a losing operation."

HIGH SPEED IS COSTLY

The steamship *United States* has maintained an average speed between lightships of 30.7 knots over the 5½-year period of her service. Federal authorities have insisted that the steamship *America* replacement be built to maintain that speed, plus. Extra cost for the higher speed is placed at $9 million.

United States Lines officials contended that they do not need this speed—that a 28½-knot speed would still enable them to maintain their present schedule.

The steamship *United States* has 2 complete engine rooms, each with a complement of 30 men. With one engine room, the new vessel could, according to the designer, maintain the same schedule of biweekly sailings, except that there would be a shorter, but ample, turnaround time in New York.

The reduction of 30 crewmen would save $12,000 per month in operating costs.

While admitting that the extra 2-knot speed is convenient upon occasions, the company, of its own volition, would not pay $9 million for it. At the 28½-knot speed, the new vessel could reach a maximum of 30 knots.

Defense authorities welcome the demonstrated 35.59-knot potential of the steamship *United States* and think it important enough for the Government to pay the higher cost.

Similarly, APL originally asked for a 23-knot vessel, but they were told by maritime officials that 25 knots would be the minimum acceptable speed. Further study on this point brought a recommendation for

26-knot speed, on which bid specifications were based.

NEED FOR THE SUPERLINERS

COMMERCIALLY

The United States has only two passenger vessels serving the highly important New York-United Kingdom/France route. They carry less than 20 percent of the North Atlantic passengers, 80 to 90 percent of whom are United States citizens. And, despite the great rise in air traffic on the route, demand for passenger service is mounting.

If a resident of this country wants to travel to Britain or France on a United States-flag vessel, he or she must make reservations months in advance. That is why some 29 vessels of 7 foreign countries carry most of our American people to and from England and France.

The new superliner, which would replace the 18-year old steamship *America*, would be large enough to provide accommodations for 25,000 additional passengers in each direction annually.

Its 31-knot speed would make possible weekly sailings from New York. In 1957 the *United States* and the *America*, between them, made 39 sailings from New York. On a regularly weekly basis, with the new *America*, they could make 46 to 48 sailings.

In the Pacific, American President Lines was forced to buy one of the Panama Line vessels to help take care of its increasing passenger service to and from the Far East. That vessel, the steamship *President Hoover*, is admittedly a makeshift, intended for service only until the new superliner is ready. The *President Hoover* is too small, too slow to provide adequate service on this expanding route, but it affords some relief, and takes care of some of the overflow from the more modern *President Cleveland* and *President Wilson*.

FOR DEFENSE PURPOSES

It need only be cited that the following have come out strongly for construction of the two superliners:

Deputy Secretary of Defense Donald A. Quarles.

Vice Adm. Ralph E. Wilson, USN, Deputy Chief of Naval Operations for Logistics, testifying for both the Department of Defense and the Department of the Navy.

Rear Adm. E. C. Stephan, USN., reporting for the Secretary of the Navy.

Gordon Gray, Director, Office of Defense Mobilization, reporting on the bill, cites the benefit to the national defense.

The Secretary of Commerce reported that construction of such superliner passenger vessels with the contemplated characteristics and features would be desirable.

The Postmaster General in his official report looked with favor on the bill, because it would have a direct effect on the mail service by providing more expeditious transportation of oceanic mail.

SUPERLINERS

The trans-Pacific vessel would be fastest, largest vessel ever built for use in Pacific. Its overall length would be 908½ feet, its speed, 26 knots. Its passenger capacity would be 1,490—first class, 568; cabin class, 319; tourist, 603. After speedy conversion it could transport 11,000 troops.

It will operate in trans-Pacific passenger service to Japan, Philippines, Hong Kong, with steamship *President Cleveland* and steamship *President Wilson*, replacing the steamship *President Hoover*, now 18 years old. These 3 ships carried about 18,500 passengers in 1957.

APL's chief competition with be Britain's new Orient and Pacific Lines, which has put one new 28,000-ton vessel in Pacific service and announced a 40,000-ton and 45,000-ton vessel under construction for Pacific service.

In addition to this trans-Pacific passenger service, APL operates three other services on essential trade routes—a round-the-world service, a trans-Pacific freight service from California, and an Atlantic/Straits service, with 8 cargo vessels sailing every 2 weeks from New York via Panama Canal to Malaya and Indonesia. A subsidiary, American Mail, operates on a fifth essential trade route from the Pacific Northwest, operating 9 cargo vessels.

APL's vessel replacement program will total more than $150 million, with $83 million for 13 vessels already purchased or contracted for, in addition to the superliner.

The vessels' gross tonnage is about 45,000 tons, and its designed speed 26 knots, with an extra reserve for use under military conditions.

REPLACEMENT FOR STEAMSHIP "AMERICA"

The vessel for the North Atlantic route will be a sister-ship to the steamship *United States*, replacing the steamship *America*, which will be 20 years old in 1960. It will be air conditioned throughout, with a designed speed of 33 knots, which could be maintained for 10,000 miles without stopping for fuel. Its actual speed potential will be well above 33 knots.

The steamship *United States* has done better than 35 knots on Atlantic crossing, and has averaged 30.7 knots during 5½ years of service. The proposed vessel will have a capacity of approximately 2,000 passengers—900 first-class, 550 cabin, and 540 tourist. One outstanding national defense feature is that it would be speedily convertible to carry 14,000 troops. Its evaporators can make 1,000 tons of fresh water daily. Nine hundred and ninety feet long, its tonnage will be 53,000 tons.

The present steamship *America* carries 1,000 passengers. Its replacement would carry 25,000 additional passengers a year in each direction. A comparison of costs between the steamship *United States* and the proposed sister-ship is as follows:

Actual cost to United States Lines of steamship *America*, $12 million.

Actual cost to United States Lines of steamship *United States*, $34,967,520.

At $47 million cost (less $10 million through sale of steamship *America*) new vessel net cost will be $37 million, or $2 million more than net investment in steamship *United States*.

Total cost of steamship *United States* (including national defense features), $79,424,800.

Total cost of new vessel (including national defense features), approximately $131 million.

Without national defense features, low bid approximately $111 million.

The following operating data on the steamship *United States* gives some idea of what it, and the proposed new vessel, mean to our economy.

Average number of employees per voyage in 1957,[1] 1047.

Average compensation per employee (including overtime) 1957,[1] $7601.54.

All expenses for the steamship *United States*, 1957, $18,945,000.

Food for the passengers and crew, 1957, $2,534,000.

Supplies and equipment purchased in United States, 1957, $740,000.

Fuel purchased in United States, 1957, $3,224,000.

Repairs in the United States, 1957, $1,065,000.

The steamship *United States* has two complete enginerooms for safety in any emergency service—so would replacement for steamship *America*.

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[1] 1,047 employees with average compensation of $7,601.54 equals $7,985,247 per year.

United States Lines' vessel-replacement program, now underway, calls for construction of 44 cargo vessels, for delivery between 1963–66, to cost $371 million. Recently the line purchased from the United States Government 9 mariner vessels at a cost of $45 million.

Mr. MAGNUSON. Mr. President, at this time I yield to the Senator from Maryland [Mr. BUTLER], who is a member of the committee. He has been vitally interested in this matter, and has done a very fine job, as he always does, for the American merchant marine.

Mr. BUTLER. I thank the Senator from Washington.

Mr. President, like many another bill that comes before the Senate for consideration, the bill now before us, H. R. 11451, contains some hidden values that are of extreme importance to the Nation on several counts, but require some explanation.

On its face, House bill 11451 authorizes the Federal Maritime Board to construct and sell to two shipping lines, the United States Lines Co., and the American President Lines, Ltd., two ultramodern superliner passenger vessels, at about 45 percent of the commercial cost of construction of the vessels. By that, I mean the total cost, excluding the portion of the costs directly attributable to certain national defense features, notably the high speed and extensive standby troop transport facilities that will distinguish both vessels.

The bill also authorizes the Government to finance the vessels, on a 20-year basis, at 3.5 percent per annum, as is provided for in the Merchant Marine Act, 1936, as amended.

These two provisions; namely, the larger-than-usual construction-differential subsidy, and the Government financing, need a word of preliminary explanation here, before I proceed to the general question of need for the vessels and for the special type of legislation represented by House bill 11451.

When the Congress, back in the early thirties, came to the conclusion that the Nation's shipping needs demanded far more attention than had been accorded them previously, a Congressional committee was established, studies were conducted and, in due course, the Merchant Marine Act, 1936, now the Nation's basic shipping statute, was developed and enacted.

One of the problems facing that special Congressional committee was the difficulty of establishing and maintaining a shipbuilding industry in this country, where costs of construction, then as now, were considerably above costs in foreign yards. To resolve this difficulty the committee developed, and Congress gave approval to, title V of the 1936 act, which granted to the United States Maritime Commission, established under the act, authority to pay to the constructing United States shipyards, on vessels built for United States registry, a construction differential subsidy that could equal, but not exceed, the excess cost of building in an American shipyard, as against building in a foreign yard. The Maritime Commission, whose duties now have been taken over by the Federal Maritime Board and Maritime

Administration, was authorized to approve an allowance for this purpose, not to exceed 50 percent of the domestic construction cost.

At the time the 1936 act was being considered and drafted, attention was focused almost entirely upon the question of cargo vessels. Nevertheless, with an eye to possible future needs in the field of passenger transportation, there were set forth in section 212 of the act certain duties which the Maritime Commission was directed to undertake in that field, to wit:

The Commission was directed to study all maritime problems arising in the carrying out of the national maritime policy set forth in title I of the act; directed to study and to cooperate with vessel owners in devising means by which, quoting from the act:

> There may be constructed by or with the aid of the United States express-liner or superliner vessels comparable with those of other nations, especially with a view to their use in national emergency.

Here it might be well also to quote the words of the distinguished chairman of the Senate Interstate and Foreign Commerce Committee [Mr. MAGNUSON] at the hearing on the bill, when, in commenting upon this directive of the 1936 act, he said:

> It seems to me that the language I have just quoted from the 1936 act could not have been more on point if it had been written with regard to the bills before us at present.

Now let me discuss briefly the proposed Government financing, at 3½ percent, over a 20-year period. This was the accepted method of financing until the present administration decided that it would prefer to have all vessel construction financed from private sources. In line with the administration position we undertook, while I was chairman of the Water Transportation Subcommittee, in 1954, to develop Public Law 781 of the 83d Congress, under which, as later amended, the Government now can insure 100 percent of the financed balance of vessel mortgages and loans.

The mortgages and loans, of course, are made at commercial rates, which have run consistently higher than the 3½ percent provided for Government financing in the 1936 act.

In approaching a decision on the bill now before the Senate, it would seem reasonable to ask of proponents of the bill several pertinent questions:

First. Are these proposed vessels absolutely necessary to the commerce of the country?

Second. If so, do they likewise meet the purposes set out in section 212 of the 1936 act, in that they are desirable from the standpoint of "their use in national emergency"?

Third. Why is this special legislation necessary? Why can the vessels not be financed under the provisions of the 1936 act, the same as the many other passenger-cargo vessels now under construction or contract, or programed by the two shipping lines directly involved here, as well as by the many other shipping lines participating in the Maritime Administration's vessel-replacement program?

Taking these questions in order, I think it can be said with the utmost truth and sincerity that the two proposed superliners are absolutely essential to the commerce of the country. At this time, the United States has only two passenger vessels servicing the highly important North Atlantic route between New York and the United Kingdom. These two vessels are the steamship *United States* and the steamship *America*. One of the two superliners proposed in the bill would replace the steamship *America*, which will be 20 years old in 1960, and, therefore, have to be replaced and retired from service.

The steamship *United States* is a magnificent vessel, the largest, fastest luxury liner in the world. Together with the steamship *America*, however, it does not begin to take care adequately of our people's need for transportation to and from the United Kingdom. While our country provides more than four-fifths of the passengers on this route, these two ships, operating at near capacity, can accommodate only one-fifth of the passengers seeking transportation.

Last year, for instance, the 2 American vessels made only 39 sailings from New York to Britain, while foreign-flag passenger vessels made 265 sailings from New York to northern Europe. Foreign nations have 29 ships operating in this area, 2 new vessels were added during 1957, and at least 2 more are building now, 1 of which, the new steamship *France*, is in the class of the proposed new steamship *America*, and the other one, the 1,300-passenger steamship *Rotterdam*, is considerably larger than the present steamship *America*.

The new superliner for this run would be a sister ship to the steamship *United States*—air conditioned, luxurious, with a capacity of 2,000 passengers, and a designed speed of 31 knots that will permit a weekly service by these two superliners. With its additional capacity, the new steamship *America* would provide accommodations for 25,000 additional passengers a year in each direction.

Like the steamship *United States*, it will be engineered to permit rapid conversion to a troop-transport capable of carrying 14,000 troops a distance of 10,000 miles at 33 knots without stopping for fuel or water. Its evaporators would have a capacity of 1,000 tons of fresh water a day. It would appreciably increase the present limited high-speed troop-lift potential available to the military in an emergency.

The proposed superliner for use by the American President Lines, Ltd., on the west coast-Far East route would be the largest, fastest vessel ever built for Pacific service. Designed by the designer of the steamship *United States*, it would carry 1,490 passengers, and convert speedily to a troop-lift capacity of 10,000. Its speed would be 26 knots, with additional speed available under military conditions, which the defense authorities consider thoroughly acceptable for emergency needs. It would replace the aging steamship *President Hoover*, recently purchased from the Government-owned Panama Line to supplement the company's steamship *President Cleveland* and the steamship *President Wilson* on the trans-Pacific passenger service.

Here it will compete with Britain's largest passenger service, the new Orient and Pacific Lines, which advertised several weeks ago, with full-page advertisements here and elsewhere, the initial voyage of its new 28,000-ton steamship *Himalaya* to the Pacific, and has announced new 40,000-ton and 45,000-ton vessels now building for use in the Pacific. The new vessel, tentatively named the steamship *President Washington*, would be a worthy representative of the United States in an area where America's prestige has become slightly tarnished and could well stand some refurbishing.

Despite the troubled conditions in the Far East, trans-Pacific passenger traffic by sea and by air has increased greatly, more than doubling since 1951. Waiting lists are the usual thing for passage on the three vessels of the American President Line.

By 1961 it is projected that passenger demands will be more than 3 times the 1951 volume, with an expected passenger potential of 60,000 by sea. Without this proposed new addition to its fleet the American President Lines capacity for service to United States travelers will be as inadequate as are the present United States facilities on the North Atlantic.

When President Eisenhower was asked, at his May 14 press conference, what the administration position was with reference to the superliner legislation, he was quoted as replying:

> If we have got to have * * * these ships, because of defense purposes * * * well, of course, the Government has to pick up some more of the tab. * * * But * * * we ought to have a very clear, definite need, and that is the thing that has to be decided.

From the testimony of the Defense Department official representatives, there is little doubt as to the "very clear, definite need" of which the President spoke.

The Deputy Secretary of Defense, Donald A. Quarles, was most emphatic on this point in a letter to Secretary of Commerce Weeks, dated April 28 last. He declared:

> I wish to assure you that I concur in the testimony presented by Vice Adm. Ralph E. Wilson, USN, on behalf of the Department of Defense * * * in regard to the urgent need for the early construction of modern, high-speed passenger vessels.

Citing the present deficiency in high-speed troop-lift potential, the Deputy Secretary added:

> Today we are faced with a grave submarine menace. The need for more high-speed passenger ships capable of immediate conversion to troopships increases in urgency with advances in submarine technology and the size of the enemy threat. * * * I feel that our emergency needs for more large, modern, high-speed passenger ships are sufficiently urgent to warrant proceeding with their construction now under the sponsorship of your Department.

Vice Admiral Wilson, speaking officially for the Navy and the Department

of Defense, left not the slightest doubt as to the need for these new superliners when he testified before our subcommittee on May 13. He pointed out at length the need of fast cargo and passenger vessels for logistics purposes during war, as well as to meet any other emergency short of war, and stressed the dearth of fast passenger vessels capable of conversion to troopships. He made a particular point of speed, in which regard the two new ships would add tremendously to the slim, presently available potential.

Only 3 ships, he pointed out, are now capable of sustained speeds of 25 knots or more—the *United States*, the *Constitution*, and the *Independence*. Their combined troop-lift capacity of 26,000 after conversion, would be doubled by the addition of the two superliners proposed. He ended his testimony by declaring:

> The Department of Defense fully endorses the construction of these modern passenger ships.

The written report of the Navy Department on the bill, dated May 13, placed the Department of Defense squarely behind the bill. Likewise, the Office of Defense Mobilization, in a letter dated May 14, signed by Gordon Gray, Director, stated:

> Because the availability of modern and efficient superliner passenger vessels would be of some benefit to the national defense we are in accord with the objectives of the bills.

The Department of Commerce, which has insisted officially that the vessels could and should be built under present statutory authority, later modified its views somewhat. In its official report, delivered to the committee on May 28, the Department states:

> The Department is in accord with the objectives of the legislation * * * (and) recognizes the sharp differences of opinion that exist in regard to the provisions of the bill. Therefore, full consideration of the issues is necessary to determine whether the steamship companies would be able to build these vessels under the Merchant Marine Act of 1936, and, if not, whether the departures from the clearly defined principles of existing maritime statutes and administration financing policies are warranted by the urgency and national requirements for these two superliners.

The answer to the question raised by the Secretary of Commerce in his report, as to whether the steamship companies would be able to build these vessels under present statutes, has been answered to the satisfaction of our Senate committee, of the House of Representatives, and, I believe, of the Comptroller General of the United States.

I believe the considered opinion of all those mentioned could be summed up in the statement made at our committee hearing by the Chairman of the Federal Maritime Board, the agency most directly involved in matters of this nature.

When asked by a member of the committee if he were in favor of construction of the vessels under existing statutes, he declared:

> I think that (view) is unrealistic and we will not get the ships.

Later in the hearing he added:

> I think it is unrealistic to ask the operators to build these ships and get a low return, 1, 2, or 3 percent.

Fundamentally, the reason why the shipping companies asked for special legislation, authorizing more than usual Government financial assistance, was that they were convinced they could not take the risks involved under the limits of existing law.

Financial estimates were submitted to the House Committee on Merchant Marine and Fisheries and checked by the General Accounting Office. They indicated that even with the added 5 percent of construction subsidy asked for in the bill, and the $5 to $7.5 million indicated saving over a 20-year period from 3½-percent Government financing as against commercial financing rates, operation of the two vessels would still be marginal. One voyage of either vessel with only a 50-percent occupancy could well make the difference between profit and loss on the entire year's operation.

Following its check of company estimates on the operation of the vessels the General Accounting Office figured that the 5½-year record of operation of the steamship *United States* had resulted in an average net profit of 7.26 percent on capital necessarily employed. The replacement for the steamship *America*, based on an investment of $2 million more than that of the steamship *United States* would be expected to earn proportionately less.

Likewise, on the operation of the Pacific superliner, the General Accounting Office review of company estimates resulted in an estimated rate of return of 8.01 percent on capital necessarily employed over the 20-year life of the vessel, a figure well below the 10-percent profit which the 1936 act permits before Government recapture of profits sets in.

On the foregoing, the committee, wisely, I think, concluded that the two proposed superliners met both President Eisenhower's standard of "a very clear, definite need," because of defense purposes, and Secretary Weeks' criteria of "urgency and national requirements of the two superliners."

We were not concerned with the fear expressed by Government sources that the bill would set a pattern for greater Government aid on other vessel construction of the future. We felt it to be entirely pertinent that the two lines directly involved are in process now of replacing their large fleets, under the provisions of the 1936 act, in programs totaling, in the case of the United States Lines, approximately $400 million, and in the case of the American President Lines, Ltd., well above $150 million.

It must be recognized that construction costs, in the case of luxury vessels like these two superliners, have mounted so fantastically that they no longer can be encompassed within the bounds of a strictly businesslike operation. The operation, however, offers such benefits of national prestige and defense availability in times of national need, that it is only reasonable that Government, if it feels that the vessels are necessary to its security and well-being, should bear any expense beyond that which the vessel operators can justify to their stockholders.

I earnestly hope that Senators will see the bill in what we of the committee consider its proper perspective.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. KNOWLAND. I commend both the distinguished chairman of the committee and also the Senator from Maryland for the very fine job they did in the Interstate and Foreign Commerce Committee. Their work has been constructive. I think both in the interest of the national defense of the country, as well as keeping the American flag on the high seas in the great Pacific area, as well as in other areas of the world, this is an essential piece of legislation.

I merely wished to say to both the chairman of the committee and to the distinguished Senator from Maryland, who has played such an important part in this field, together with their colleagues on the committee, that I believe they are entitled to both the confidence and the support of the Senate, and I think generally of the country, for this constructive step toward maintaining the American merchant marine.

Mr. BUTLER. I thank the Senator from California. As usual, he displays a keen perception of the needs of the Nation. This measure was designed to meet the needs of the Nation, both in peace and war.

Mr. SALTONSTALL. Mr. President, I wish to speak briefly in support of H. R. 11451, the bill to provide for construction of two superliners, one for the Atlantic and one for the Pacific.

The Atlantic superliner would replace the aging steamship *America* and would be a sister ship of the record-setting Atlantic superliner, steamship *United States*. It would carry 2,008 passengers and be quickly convertible in time of national emergency into a transport for 13,864 troops. The Pacific superliner would replace the aging steamship *President Hoover* and would be the fastest and largest ship ever built for that ocean. It would carry 1,500 passengers and also be quickly convertible into a transport for 10,000 troops.

Under the provisions of H. R. 11451, these two ships would be built by the Federal Government and sold to the companies now serving the Atlantic and Pacific at prices of 45 percent of the cost of building the commercial vessels. Under the Merchant Marine Act of 1936, the Government is authorized to pay the difference in cost of building a ship with American labor and materials in this country as compared to the cost with foreign labor and materials abroad up to 50 percent of the American cost. The special feature of this bill is a 5 percent cost concession.

A careful study has been made by the Departments of Defense and Commerce, and naval architects and shipping executives to determine the need for these vessels and the most practicable method of financing their construction and operation. It has been determined that

the ships are urgently needed for national defense and to maintain our world merchant marine leadership. Careful financial studies, checked by the General Accounting Office, show that the two companies which will operate these ships would barely break even or would lose money if the ships are built under existing law and policy. These two companies are in the shipping business and have undertaken the obligations of building and operating ships under Federal law and regulations, and the roughly 5 percent cost concession plus Government financing will allow them to project annual earnings on the capital necessarily employed in the ships of not more than 8 percent, which I believe are modest earnings considering the risk involved in ocean shipping, and are within the 10 percent earnings permitted by existing law. The bill does provide, however, that if the profits of these companies should exceed 10 percent on the capital employed in these ships, the Government would recapture 75 percent of the excess profit and the other 25 percent would be sequestered in a fund for replacement of the ship when it is 20 years old.

One other very important feature of this bill is that the construction of these two ships would create 56 million man-hours of employment, half of which would be at the shipyards and the other half would be spread throughout the country in States which have reported unemployment in serious proportions. In view of President Eisenhower's anti-recession program, this proposed legislation is very appropriate at this time, since construction orders to suppliers could proceed at once.

Mr. President, I hope the bill will pass.

Mr. WILLIAMS. Mr. President, I offer an amendment to the bill and ask that the clerk state the amendment for the information of the Senate.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert a new section, as follows:

No common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions; except that this restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons, and persons rescued at sea. Nothing contained in this section shall prohibit any common carrier by water, under such terms and conditions as the Board may prescribe, from interchanging with any other common carrier by water free tickets, free passes, or free or reduced-rate transportation for their directors, officers, and employees and their immediate families, unless such individuals are also employees of the United States Government.

Mr. WILLIAMS. Mr. President, on previous occasions I have offered similar proposals, but I thought I would offer this language as an amendment to the bill because it is very appropriate to be considered in regard to this bill. It is being proposed that the ships, if authorized, be constructed with a 55-percent construction subsidy paid by the United States Government. After the ships are put on the high seas the ships will be operated with a further subsidy paid by the United States Government. In addition to this, very much of our merchant marine today has been and is being subsidized. Therefore, I feel it is only proper that the carriers should be prohibited from offering any reduced transportation rates or any free transportation to any public official or employee of the United States Government.

It should be taken into consideration that we, as Members of Congress, must vote on such proposed legislation. While I do not say the votes would be influenced by such considerations, but they could be. At the same time, the statement as to possible influence could be made in connection with any public official downtown, such as those serving in the Maritime Administration or other agencies.

The principle is wrong and is no more to be condoned than other type of gifts or subsidies to public officials.

I feel that any public official or member of his family who travels should pay the full fare. Under the law, all public officials must pay the full fare on American railroads. The same thing is true of the airlines. Both types of carriers are prohibited under the law from offering any reduced transportation rates to any public official. This amendment would merely extend to the merchant marine the same ground rules which are now applicable to the other two modes of transportation.

I hope very much that the committee will accept the amendment as an important part of the bill.

I am not endorsing the new formula change in the subsidy of the bill because I am convinced that we have already gone too far toward subsidizing this industry but surely whether we are for the bill or not this amendment should be accepted.

Mr. MAGNUSON. Mr. President, I think the amendment of the Senator from Delaware adds a great deal to the bill. As the Senator from Delaware and other Members of the Senate know, I have long been an advocate of applying to other forms of transportation section 22 of the Interstate Commerce Act, which requires Government officials who travel to pay exactly what a private person would pay.

I think the amendment adds a great deal to the bill.

Of course, we are dealing with the House bill. I do not know whether this subject was discussed in the House, but I assure the Senator from Delaware that the Senator from Maryland and I will do everything possible to keep this amendment in the bill when it goes to conference.

Mr. WILLIAMS. I appreciate that statement on the part of the chairman of the committee. In the light of the existing legislation relating to other agencies, I feel confident that the House will accept it.

Mr. MAGNUSON. I do not know whether the subject was considered in the House. Perhaps it did not occur to Members of the House that the amendment which the Senator from Delaware has offered should be in the bill. However, the Senator from Maryland and I agree with the principle stated in the amendment.

Mr. BUTLER. That is entirely true. I hope the House will accept the amendment and make a conference unnecessary. If it does not, I assure the Senator from Delaware that I will do all I can in conference to hold the amendment in the bill.

Mr. WILLIAMS. I thank the Senator for his support.

Mr. KUCHEL. Mr. President, the wide expanse of the Pacific Ocean sees almost every month a great increase in transportation between all the far-flung areas which border it.

All Americans want a vigorous and healthy American merchant marine, and they are prepared to encourage our Government to make it possible. We take great pride in vessels which fly the American flag.

I speak now particularly as a Californian, whose interest is in great part in the Pacific area. A healthy American merchant marine will permit us to be in a competitive situation with respect to the expanding merchant marine of our sister countries, Great Britain and Japan. Today the Senate has before it proposed legislation, ably sponsored in committee by the distinguished chairman of the committee [Mr. MAGNUSON] and the distinguished senior Senator from Maryland [Mr. BUTLER], to speed on its way a measure authorizing the construction of 2 superliners, 1 for the Pacific area and 1 for the Atlantic area.

Under date of May 12, in a letter which I wrote to the committee, I said:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
May 12, 1958.

Hon. WARREN G. MAGNUSON,
Chairman, Interstate and Foreign Commerce Committee, United States Senate, Washington, D. C.

DEAR SENATOR: Your committee will have before it this week legislation to authorize the construction of superliner passenger vessels for the American maritime trade and for the defense of the United States of America in the event of war or national emergency. The bills which would accomplish this objective are H. R. 11451, favorably acted upon by the House of Representatives on April 29, or S. 3619.

I support this legislation, and favor the earliest possible start of construction upon the proposed two superliners which it will authorize. I believe it is in the interests of national defense that it will contribute to maintaining the position of the United States as a first-class maritime nation, and that it will provide sound employment opportunities for those who would construct these great vessels and for those who would man them on the high seas and service them in their American ports of call.

The need for fast ships of large capacity which could be converted to military use in the event of war or national emergency is incontrovertible. I do not know of a single American who disagrees with that objective. Certainly the need is one which has been demonstrated at a cost of lives and dollars

in our past history. At the start of World War II, the United States did not have the vessels it needed, either in number or in size, to cope with that crisis. We were unable to evacuate our nationals from lands across the sea where the bombs were falling—lands across the Atlantic, and lands across the Pacific. We did not have the capacity to move our soldiers to their battle stations in Europe and Africa and the Pacific and Alaska, indeed all around the world.

We would have been totally unable to do so had there not been made available to us the great "Queen" liners of Great Britain. We hired those ships. We were overjoyed to be able to do this. The "Queens" were vessels of the type contemplated by the legislation now before you—except, of course, that the two American superliners will have the advantage of any improvements which the intervening years have taught to the builders of ships. I do not have the figures to show how far the amount of money expended upon the "Queens" as rental would pay the cost of our new superliners, but I have no doubt but what your committee and its able staff could readily calculate it.

While I am glad we spent what was necessary to employ the "Queens" in our time of greatest need, I suggest that there is provided in the reference to the amount so disbursed, a dramatic argument on behalf of investing whatever may be necessary now to build the ships which America must have in readiness for any possible future emergency. If necessary, I would vote for appropriations which would pay the entire cost of their construction, solely as an item of national-defense budgeting. But I am glad that it is not necessary. I am glad that these ships can be operated in time of peace, producing revenues which will return a substantial part of their cost to the Treasury of the United States. I am glad that we have a merchant marine industry which can accept this responsibility. Nonetheless, the importance of building the ships, of having them in readiness, makes any return at all a net gain to the American Government and the American taxpayer.

I do not need to call your attention to the many reasons and arguments presented by others on behalf of the immediate start of construction of these ships, but I wish to state my complete agreement with 1 or 2 for the purposes of emphasis. I am impressed by the very convincing statements of Admiral Radford and of General Twining as to the need for high-speed ocean transport. Certainly any American would be willing to accept the opinion that the merchant marine "might very well be the one source of strength of the Free World which would pluck victory from chaos" when those words are spoken by so great a leader and so great an airman as General Twining, the Chairman of the Joint Chiefs of Staff. You will recall that he has written to Senator BUTLER of your committee that "With land transport damaged beyond easy repair, only merchant ships, capable of plying the great highway of the seas, would be able to carry essential raw materials and foodstuffs required for survival of the major population centers of the world as well as our Armed Forces overseas." In our responsibility for establishing the defense policies of the Nation, we as legislators cannot do less than to give the utmost importance to this view of the military.

In considering the defense basis for constructing these great vessels, we should also bear in mind not only that they will have a capability for moving great numbers of men, but also with the added safety which their high speed will afford. I believe it is a formula of the Navy that a vessel which can steam at 25 knots has a fairly good degree of safety from submarine attack, and that every knot above 25 increases the safety factor. Inasmuch as the proposed 2 superliners—1 for operation in the Atlantic Ocean and 1 in the Pacific Ocean—will have a speed of 26 knots; they have a high value in terms of giving any American boys who must sail in them under war conditions a better break than if we try to move troops in slower vessels. We ought never to lose sight of that.

I hope that as modern Americans we have learned well the bitter lesson of not being ready for trouble before it comes. I hope that we may now realize sufficiently well to use the knowledge as a basis for action, that in being ready for trouble we may avert trouble itself. I hope the legislation before you may be reported favorably without undue delay and that it may be similarly treated by the entire Senate.

Beyond the obvious need for defending our land and its people, these superliners will have tremendous value in continuing the United States as a major maritime nation. And in the construction and operation of the vessels, employment will be provided in our shipyards and for Americans who follow the sea as a means of livelihood. It is the highest interests of the United States of America, I am convinced, to have our shipyards operating regularly in order that the skills of the experienced hands in the trade may be fresh at all times, and that a steady supply of younger workers may be under constant training. And surely it is of equal importance to support a high rate of employment for our merchant mariners, not only that the United States of American may be represented honorably in the commerce of the world, but in order that these men, too, may be fully ready to cope with any crisis which may befall.

Very sincerely ours,

THOMAS H. KUCHEL,
United States Senator.

Here is a worthy American project, which, with respect to construction alone, envisages 56 million man-hours of employment not alone in the shipyards but all across the Nation where requisite material will be fabricated for these vessels.

Moreover, the able secretary-treasurer of the Sailors' Union of the Pacific in California, Morris Weisberger, suggests, in his endorsement of this legislation, that 1,000 American seamen will be required annually to man these vessels.

The proposed legislation is endorsed by those connected with American shipping, management and labor alike, by people interested in transportation, by those interested in the unemployment situation which we face, and, not the least, by those whose responsibility it is to care for the needs of America's defense.

Admiral Wilson, Deputy Chief of Naval Operations, testified before the Committee on Interstate and Foreign Commerce as follows:

Both of these new ships will significantly reduce our qualitative deficiency in troop-transport potential. Their earliest completion will, therefore, make an important contribution to improving our national-defense posture. * * * In summary, for the reasons set forth above, the Department of Defense desires to emphasize the urgent need for the construction of modern passenger ships.

For all these reasons I am delighted, as one who comes here from the State of California, to join my colleagues on both sides of the aisle, in enthusiastic approval of this bill to authorize the construction of two great superliners, to add dignity to the merchant marine of the United States, to provide employment, so necessary at the moment in various parts of the Nation, and, beyond that, to add to the strength of the Defense Department in caring for the security needs of the American people.

Mr. LAUSCHE. Mr. President, I desire to speak on House bill 11451, which is now being considered by the Senate.

I am a member of the committee which heard the testimony on the bill, the Senate version of which was pending before the committee.

It is thoroughly obvious that a strong argument can be made in support of the bill. I suggest, however, that an examination of the testimony and the various documents submitted pertaining to the bill by the various departments establishes that an equally strong case be made against it. I will not vote for the bill for several reasons, which I shall enumerate.

It is true that the Department of Defense says that it would be desirable to have in the possession of the United States Goverment two passenger transport ships such as are contemplated by the bill. It is also true that the Maritime Administration advocates the building of the ships. I wish to point out that the initiation of the building of these 2 ships was not with the President, but with the Maritime Administration, which expressed the view that it would be desirable and necessary to have 1 ship in the Atlantic and 1 in the Pacific to carry passengers, and which would be capable of being converted for war purposes in an emergency. I wish to read what was said by the Secretary of Commerce on May 28 in a letter addressed to the Senator from Washington, the chairman of the Committee on Interstate and Foreign Commerce. The Secretary of Commerce wrote:

The principal reasons cited in opposition include the following:

(1) Satisfactory progress is being made by the Department of Commerce in negotiations for the construction under the Merchant Marine Act of 1936 of the superliner proposed for operation in the Pacific Ocean. In the case of the superliner proposed as replacement for the *America*, further negotiation under provisions of that act should result in equally satisfactory progress. This applies to considerations of subsidy as well as national-defense features.

(2) Enactment of the bills would set a precedent for the establishment of construction subsidy on a basis other than parity with competing foreign-vessel operators as provided in the 1936 act. The basic principle upon which the 1936 act rests, therefore, would be violated.

(3) Government financing of these two vessels as proposed in the bills would create a budgetary requirement beyond the limitation deemed advisable by the President at a time when private financing should be available at reasonable rates.

Mr. President, I wish to invite the attention of my colleagues particularly to the statement of the Secretary of Commerce that satisfactory progress in getting a ship built for the Pacific and one for the Atlantic was being made under the negotiations carried on pursuant to the act of 1936.

It might be asked why it is desirable to amend the 1936 act. The answer is that the subsidy under the 1936 act could in no event be more than 50 percent of the cost of building a ship for passenger service, and that a 50-percent subsidy is

not deemed to be acceptable by the 2 private ship lines which wish these ships to be built. They have stated that 50 percent is not enough; that the Government should pay 55 percent of the cost of building the ships.

What is the fiscal situation which is produced? The 2 ships will cost $221 million; the 1 for the Atlantic $130 million and the 1 for the Pacific $91 million; $22,500,000 will be expended to equip the Atlantic ship, so that it can be converted for wartime purposes for carrying troops. For the Pacific ship, $3 million will be expended to make it convertible to war purposes. Hence, the cost of the 2 ships, on the basis of commercial use, will be $198,500,000. Fifty percent of that amount, under the 1936 act, would have to be paid by the private ship companies to whom these vessels would be available.

The pending bill will grant them an additional gratuity, by allowing them to have one ship built for $122,500,000 and other for $80 million, at 45 percent of the cost, instead of 50 percent.

The Secretary of Commerce said that if the bill were passed, it would create a precedent under which future subsidies would be at 55 percent, instead of 50 percent. He further states that reasonable progress is being made in the negotiations carried on under the 1936 act, and that he foresaw the possibility of coming to an agreement under the 1936 act.

In conclusion, I should like to say that in every instance we find that subsidies are being expanded. The Federal Government begins with what is called a modest subsidy, and in the course of time it is expanded. In the case of ship construction, in 1936, it was said "Subsidize us up to 50 percent, and we will build the merchant marine." In 1958, we are told that 50 percent is not enough; that the figure should be increased to 55 percent. The reason is that the cost has now become prohibitive. It is true that the cost has risen; but, likewise, the income of the companies has increased, on the basis of the deflated dollar.

One further argument is made. In committee it was testified:

> The foreign governments are subsidizing their ship lines. Why should not our Government subsidise its lines also? We cannot compete with foreign operators because of the money the foreign governments throw in, to compete with our private enterprise.

In answer to that argument, I should like to ask, Are we to follow the course established by foreign governments in taking ownership and management control of things we believe should remain in private enterprise in our own country? If the foreign governments subsidize to a greater extent, does that mean that our Government should follow the same course? My answer to that question is, "Definitely no."

To summarize, I say to the Senator from Washington that a strong argument can be made in support of the pending bill. However, I cannot eliminate from my mind the fact that the administration did not initiate the bill. The Secretary of Commerce, Mr. Weeks, gives his reasons why the bill should not be passed. The bill was initiated by the Maritime Administration. Furthermore, I will not continue to support in Congress the constant tide which week after week is putting the Government deeper and deeper into the subsidization of private enterprise. There is no end to it. Practically each week, new requests are being made of Congress for subsidies to be paid by the Government. Only one class is not getting the subsidy, and that is the working class, including the white-collared man. He has to stand on his own feet. Except for that group, everywhere business is saying, "Subsidize us, either through tax relief or through direct financing."

The United States has a debt of $280 billion. The dollar is worth 48 cents. For 1958 the deficit will be $3 billion. For 1959, contemplating it with fondest hopes, the deficit, in my opinion, will not be less than $10 billion. If Congress shall pass a tax-reduction bill, the deficit will rise to $16 billion or $17 billion. What does that forebode? It means that the dollar will become cheaper and cheaper, year by year. If we are indifferent to these forebodings, it would be well to read the experiences of those nations which suffered the full grief and impact of wild inflation.

I will not vote for the bill. Again, I admit that strong arguments can be made on the basis of the importance of our being ready for whatever emergency might arise. Strong arguments can be made that we should not permit Great Britain and France to have ships which excel ours. But even on that score, do we want to be on the top of the totem pole in everything? Do we want our allies always to occupy positions below us? Are we, by such conduct, inducing other nations to have a magnanimous, affectionate attitude toward us? Or are we saying that we shall be at the top of the pole in everything which is done?

We have more money, more airplanes, more of everything. I do not know where the tendency will lead, but I believe that a part of our trouble in South America is our boasting and proclaiming that in everything no one shall come close to us.

Those are my arguments in opposition to the bill.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. POTTER. I am sorry I was not in the Chamber when the distinguished Senator from Ohio began his speech. When I served in the House, it was my privilege to be a Member of the Committee on Merchant Marine and Fisheries. Coming from an inland State, as does the Senator from Ohio, I learned a good deal about the merchant marine. During World War II the United States paid, I believe, $100 million for the use of the *Queen Mary*.

Mr. LAUSCHE. That is correct.

Mr. POTTER. If we should ever become involved in another national emergency, there may not be a *Queen Mary* available. Yet, I say to the Senator from Ohio that $100 million will build a number of ships.

Moreover, such ships serve the purpose of international good will. I cannot think of greater ambassadors which the United States can have than merchant ships moving into and out of foreign ports.

I commend the Senator from Ohio upon his eloquent address, in which he pointed out the serious problems of balancing the budget through deficit financing. I believe there are other areas in which this type of argument will fit much better than in opposition to the construction of superliners. But I commend the Senator for his eloquence and his diligence in the committee, and for pointing these things out to the Senate. I respectfully disagree with his views.

Mr. LAUSCHE. I understand the views of the Senator from Michigan. He and I are members of the same committee. I know that he sincerely believes in the justification for the passage of the bill.

It is true that in World War II the United States Government had to charter a ship, the *Queen Mary*, and I believe approximately $100 million was spent by us for the use of that ship, not including the cost of fuel and other such material.

However, the Secretary of Commerce has made the statement that satisfactory progress is being made by the Department under the 1936 act. Therefore, I feel that we should place some reliance on the statement proposition that satisfactory progress is being made.

Mr. POTTER. I thank the Senator from Ohio.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

Mr. LAUSCHE. Mr. President, I should like to ask one question of the chairman of the committee. I think I understood correctly what is proposed. As I understand, the bill as reported by the committee conforms with the bill as passed by the House. It provides that the ship which is sold to company A shall be sold for $47 million, and the ship which is sold to company B shall be sold for $34 million, or 45 percent of the cost of constructing it, whichever is the higher.

Mr. MAGNUSON. That is correct.

Mr. LAUSCHE. The Senate committee agreed to the House provision.

Mr. MAGNUSON. That is correct.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 11451) was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of

the Senator from Washington to lay on the table the motion of the Senator from Texas to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT OF THE DISTRICT OF COLUMBIA COMPENSATION ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1670, S. 2419.

I announce that after the Senate has completed action on this bill, and also on Calendar 1671, S. 3058, both of which are noncontroversial bills, we expect to take up the independent offices and general operations appropriations bills, as to which I understand there is no controversy.

The PRESIDING OFFICER. The clerk will state the bill, S. 2419, by title.

The LEGISLATIVE CLERK. A bill (S. 2419) to amend the District of Columbia Compensation Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with amendments on page 1, line 7, after the numeral "(5)", to strike out "(F) is amended to read as follows" and insert "is amended by adding the following"; at the beginning of line 9, to strike out "(F)" and insert "(S)"; on page 2, line 1, after the word "such", to strike out "services are in connection with legislative or" and insert "service is in connection with"; in line 18, after the word "quarter" to insert "for which they are due"; at the top of page 3, to strike out:

Section 4 (d) is amended to read as follows:

"(d) In the event of the death, dissolution, insolvency, receivership, bankruptcy, composition, or assignment for benefit of creditors of any employer, contributions then or thereafter due from such employer under this section shall have a priority over all other claims, except that such contributions shall be on a parity with taxes due the United States and subservient to wages (not exceeding $600 with respect to any individual) due for services performed within the 3 months preceding such event."

And, in line 19, after the word "benefits," to insert "otherwise properly," so as to make the bill read:

Be it enacted, etc., That the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946), as amended (title 46, ch. 3, D. C. Code, 1951 edition), is further amended as follows:

Section 1 (b) (5) is amended by adding the following:

"(S) service performed in the employ of a Senator, Representative, Delegate, Resident Commissioner or any organization composed solely of a group of the foregoing, insofar as such service is in connection with political matters;".

Section 4 (b) is amended by adding at the end of the first sentence the following: "Wages unpaid solely because of a court order appointing a fiduciary shall be deemed constructively paid when due."

Section 4 (c) is amended to read as follows:

"(c) (1) If contributions are not paid when due, there shall be added, as part of the contributions, interest at the rate of one-half of 1 percent per month or fraction thereof from the date the contributions became due until paid: *Provided*, That interest shall not run against a court appointed fiduciary when the contributions are not paid timely because of a court order.

"(2) If contributions or wage reports are not filed on or before the 15th day of the second month following the close of the calendar quarter for which they are due or contributions are not paid by that time, there shall be added as part of the contributions a penalty of 10 percent of the contributions but such penalty shall not be less than $5 nor more than $25 and for good cause such penalty may be waived by the Board with the approval of the Commissioners of the District of Columbia."

Section 19 (e) is amended to read as follows:

"(e) Any person who the Board finds has made a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact to obtain or increase any benefit under this act may be disqualified for benefits for all or part of the remainder of such benefit year and for a period of not more than 1 year commencing with the end of such benefit year. Such disqualification shall not affect benefits otherwise properly paid after the date of such fraud and prior to the date of the ruling of disqualification.

"All findings under this subsection shall be made by a claims deputy of the Board and such findings shall be subject to review in the same manner as all other disqualifications made by a claim deputy of the Board."

SEC. 2. This act shall take effect on the first day of the next succeeding calendar quarter following the enactment of this act except that the amendment to section 1 (b) (5) (S) shall be retroactive to January 1, 1936. No refund may be made because of any retroactive provision in this act.

Mr. MORSE. Mr. President, the pending bill, S. 2419, was reported unanimously from the committee with a favorable recommendation. It is designed to make possible a variety of administrative changes in the application and operation of the District of Columbia Unemployment Compensation Act.

A full explanation of each change is contained in the report which accompanied the bill to the floor. Because of this, Mr. President, I shall content myself with giving but brief mention to the major changes; however, I shall be delighted to provide such additional information as any Senator may desire. Upon enactment of the pending measure the following would occur:

Section 1 (b) (5) of existing law would be amended to add an additional category to those exempt from the operation of the act. This exemption would apply to those who are employed in political duties for a Member of Congress, or an organization composed solely of Congressmen.

Section 4 (b) of the act would be clarified by language specifying that wages unpaid solely because of a court order appointing a fiduciary would be deemed constructively paid when due.

Section 4 (c) (1) of the act would be modified to stop the running of interest upon unpaid contributions, when such nonpayment results from bankruptcy, receivership, or probate court proceedings.

Section 4 (c) (2) of the act would add language permitting a 15-day grace period before the invocation of penalty provisions for late filing of reports or payment of contributions.

Section 19 (e) of the act, which refers to proceedings in cases of fraud, would be amended to clarify language, and make administrative changes which should permit more effective administration at no sacrifice of the rights of claimants.

Section 2 of S. 2419 contains effective dates for the various amendments to the act.

The committee was advised that the cost of the bill, if enacted, would be negligible.

The most important phase of the bill is that it was prepared, in the first instance, at the request of the senior Senator from Kansas [Mr. SCHOEPPEL], who is chairman of the National Republican Senatorial Committee.

The Committee on the District of Columbia received a letter dated June 25, 1957, from the District of Columbia Unemployment Compensation Board, addressed to the counsel of the committee, in which it was stated:

At your request, I am submitting an analysis of a bill to amend the District of Columbia Unemployment Compensation Act which was drafted by this office at the request of Senator SCHOEPPEL.

In essence, for many years it has been the understanding that employees of Senators, in connection with political activities, and in particular, in this instance, employees of the National Republican Senatorial Committee, were not covered by the Unemployment Compensation Act. It has been discovered that technically they were, but have never taken advantage of the act.

The bill in effect exempts them from any past payment, and puts them in a position in which in the future they can elect to come under the act if they wish.

The employees of the Democratic Senatorial Campaign Committee are presently covered under the act. The pending bill really is for the benefit of the group which serves Senators on the other side of the aisle; but, in fairness, the bill should have the unanimous approval of the Senate.

So I submit the bill.

Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, the committee amendments will be considered en bloc.

The question is on agreeing en bloc to the amendments.

The amendments were agreed to.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2419) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MORSE. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

ACTIONS FOR DAMAGES AGAINST THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1671, Senate bill 3058, to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3058) to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933, which had been reported from the Committee on District of Columbia, with amendments, on page 2, line 3, after the word "the", to strike out "exact date" and insert "approximate time"; in line 4, after the word "circumstances", to strike out "and the approximate hour"; at the beginning of line 8, to strike out "That the giving of notice in any other manner or to any other officer or employee of the District of Columbia shall not be deemed compliance with the requirements of this act" and insert "That if by reason of physical or mental incapacity the person injured fails to give such notice within such 10-day period, the claimant may give such notice within 10 days after such incapacity has been removed."; in line 15, after "Sec. 2.", to strike out "The provisions of this" and insert "This", and in line 18, after the word "its", to strike out "approval" and insert "enactment", so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to regulate the bringing of actions for damages against the District of Columbia, and for other purposes", approved February 28, 1933 (47 Stat. 1370, ch. 138; sec. 12-208; D. C. Code, 1951 edition), is amended to read as follows:

"No action shall be maintained against the District of Columbia for unliquidated damages to person or property unless, within 60 days after the injury or damage was sustained, the claimant, his agent, or attorney gave notice in writing to the Commissioners of the District of Columbia of the approximate time, place, cause, and circumstances of such injury or damage: *Provided*, That if the injury or damage was caused by snow or ice, or both, such notice shall be given within 10 days after the injury or damage was sustained: *Provided further*, That if by reason of physical or mental incapacity the person injured fails to give such notice within such 10-day period, the claimant may give such notice within 10 days after such incapacity has been removed."

SEC. 2. This act shall apply to all actions for unliquidated damages to persons or property brought against the District of Columbia from and after the date of its enactment.

Mr. MORSE. Mr. President, this is another bill which comes before the Senate from the District of Columbia Committee, by unanimous vote of the committee.

I wish to give a brief explanation of the bill, on behalf of the committee:

Existing law in the District of Columbia provides that no action shall be maintained against the District for unliquidated damages to persons or property unless the claimant within 6 months after the injury or damage was sustained gives notice in writing to the Commissioners of the District of the approximate time, place, cause, and circumstances of such injury or damage, with a proviso that a report in writing by the Metropolitan Police Department shall be regarded as a sufficient notice under the above provision.

This bill would amend existing law as follows:

First. Change the time for giving notice of unliquidated damages to persons or property from 6 months to 60 days.

Second. In the event injury or damage is caused by snow or ice, or both, the notice must be given within 10 days after the injury or damage was sustained, with a proviso that if by reason of physical or mental incapacity the person injured fails to give such notice within such 10-day period, the claimant may give such notice within 10 days after such incapacity has been removed.

Third. The proviso in existing law, namely, that a report in writing by the Metropolitan Police Department in regular course of duty shall be regarded as sufficient notice, would be eliminated from the act. Testimony before the subcommittee indicated that the police department is not organized to investigate such accidents, and on occasion must accept inaccurate statements from injured persons or their representatives.

Fourth. Provision is made that the act shall apply to all actions for unliquidated damages to persons or property brought against the District from and after the date of its enactment. This section is inserted to make it clear that the provisions of the bill are not retroactive.

It is believed that this bill will protect the District against unreasonable claims for damages and at the same time offer adequate protection to the rights of individuals.

The bill bears in no way on the time within which suit should be filed, but does, however, require notice in writing within the aforementioned periods. Further, it is not intended to alter any existing judicial opinion concerning to whom the notice should be transmitted, except to the extent of the amendments included in the bill.

This measure was requested by, and has the recommendation of, the District Commissioners.

Enactment of this bill will involve no additional expenditure to the District.

Mr. President, I submit the bill; and I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc.

The question now is on agreeing en bloc to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MAGNUSON. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I thank my friend, the Senator from Oregon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 118. An act for the relief of the General Box Co.;

S. 2060. An act for the relief of Elizabeth Biro; and

H. R. 6908. An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

APPROPRIATIONS FOR THE EXECUTIVE OFFICE AND SUNDRY GENERAL GOVERNMENT AGENCIES

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1686 House bill 10589, making appropriations

for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 10589) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments, which were under the heading "Title I—Executive Office of the President—Office of Defense Mobilization—Salaries and Expenses," on page 5, line 2, after the word "appropriation", to strike out $2,214,000" and insert "$2,285,000"; under the heading "Funds Appropriated to the President—Emergency Fund for the President, National Defense," on page 6, line 12, after the word "year", to strike out "$1,000,000" and insert "$275,000, together with the unobligated balance in such fund on June 30, 1958"; and under the heading "Foreign Claims Settlement Commission—Salaries and Expenses," on page 8, line 18, after the word "aliens", to strike out "$600,000" and insert "$650,000".

Mr. MAGNUSON. Mr. President, this bill provides funds for the various functions under the Executive Offices of the President, including the White House, and also for the American Battle Monuments Commission, the Commission on Civil Rights, the Foreign Claims Settlement Commission, and the Subversive Activities Control Board.

The bill as reported to the Senate, totals $14,954,870, which is a reduction of $604,000 from the House allowance and $860,000 below the budget estimates.

Three amendments are recommended:

The committee was unanimously in favor of restoration of $71,000 to the Office of Defense Mobilization, and the restoration of $50,000 to the Foreign Claims Settlement Commission; and the committee was also in favor of an amendment to appropriate $275,000, together with the unobligated balance, estimated at $725,000, in order to continue the amount of $1 million available to the Emergency Fund for the President, without appropriating the full amount. In other words, the amendment would keep the Fund at the $1 million level.

In regard to the remainder of the bill, the Senate committee agreed generally with the amounts voted by the House for most of the commissions and independent offices.

Other than the differences I have stated, the two versions of the bill, as passed by the House of Representatives and the Senate, respectively, are about the same.

Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing en bloc to the committee amendments, which have been stated.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 10589) was read the third time, and passed.

Mr. MAGNUSON. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. DIRKSEN, Mr. SALTONSTALL, and Mr. MUNDT conferees on the part of the Senate.

INDEPENDENT OFFICES APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. I move that the Senate proceed to the consideration of Calendar No. 1687, House bill 11574, making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1959, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 11574) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments, which were:

Under the heading "Title I—Independent Offices—Civil Service Commission", on page 4, after line 5, to strike out:

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the liability of the United States, created by the act approved May 22, 1920, and the acts amendatory thereof (5 U. S. C., ch. 30), $589 million, which amount shall be placed to the credit of the civil service retirement and disability fund: *Provided*, That no part of the appropriations herein made and no part of the moneys now or hereafter contained in the civil service retirement and disability fund shall be applied toward the payment of any increase in annuity benefits or any new annuity benefits under the act approved May 22, 1920, and the acts amendatory thereof (5 U. S. C., ch. 30) which may be authorized by amendment to said acts after the enactment of this act until and unless an appropriation is made to such fund in an amount estimated by the Civil Service Commission to be sufficient to prevent an immediate increase in the unfunded accrued liability of said fund.

Under the heading "Federal Civil Defense Administration—Operations", on page 6, line 3, after the word "exceed", to strike out "$6,000" and insert "$10,000"; in line 5, after the word "exceed", to strike out "$815,000" and insert "$1,050,000"; in line 10, after the word "conclusive", to strike out "$18,250,000" and insert "$21,915,000", and at the beginning of line 11, to strike out "$250,000" and insert "$2,915,000".

Under the subhead "Research and Development," on page 7, line 2, after "(5 U. S. C. 55a)", to strike out "$2,000,000" and insert "$3,000,000."

Under the heading "Federal Power Commission—Salaries and Expenses," on page 7, line 23, after the word "exceed," to strike out "$350,000" and insert "$400,000"; on page 8, at the beginning of line 1, to strike out $6,000,000" and insert "$6,385,000", and in line 5, after the word "individuals", to strike out the colon and insert "*Provided*, That not to exceed $307,400 shall be available for investigations relating to Federal river development projects."

Under the heading "Federal Trade Commission—Salaries and Expenses", on page 8, at the beginning of line 15, to strike out "$251,250" and insert "$259,250", and in the same line, after the word "travel", to strike out "$5,950,000" and insert "$6,000,000."

Under the heading "General Services Administration—Operating Expenses, Public Buildings Service," on page 9, line 18, after the word "exceed," to strike out "$222,000" and insert "$272,000", and at the beginning of line 19, to strike out "$133,039,000" and insert "$138,089,000".

Under the subhead "Sites and Expenses, Public Buildings Projects," on page 10, line 20 after the word "tests", to insert "rental, alteration, and repair of temporary space required for activities displaced from buildings located on sites to be utilized for construction; restoration of such space; moving Government agencies to such space or completed buildings; furnishings and equipment;"; on page 11, line 2, after the word "projects", to strike out "$38,000,000" and insert "$39,915,000", and in line 12, after the word "appropriation" to strike out the colon and "*Provided further*, That no part of such funds shall be used during the current fiscal year for preparation of drawings and specifications, acquisition of sites, design, planning, construction, or in any other manner for or in connection with proposed Federal office building No. 7 on square 167 in the District of Columbia (project No. 3–DC–05, General Services Administration prospectus submitted July 13, 1956)" and insert "*Provided further*, That not to exceed $130,000 of such funds may be deposited to the Administrative Operations Fund in addition to the amount included in the budget estimates for that purpose."

Under the subhead "Construction, Public Buildings Projects," on page 12, at the beginning of line 2, to strike out "$177,255,000" and insert "$196,566,000", and in line 3, after the word "expended", to strike out "of which amount not to exceed $700,000 shall be available for site and construction costs for the project at Milledgeville, Georgia".

Under the subhead "Payments, Public Buildings Purchase Contracts," on page 12, line 10, after the figures "$310,900", to strike out "*Provided*, That hereafter

no part of any funds in this or any other act shall be used for payment for sites, planning or construction of any buildings by lease-purchase contracts except buildings used solely for post office purposes" and insert "*Provided*, That hereafter, except for projects located at Atlanta, Ga.; Rock Island, Ill.; Council Bluffs, Iowa; Kansas City, Kans.; Burlington, Iowa; Albuquerque, N. Mex.; and Sacramento, Calif., no part of any funds in this or any other act shall be used for payment for sites, planning, or construction of any buildings by lease-purchase contracts: *Provided further*, That the Administrator of General Services may enter into a 10-year contract for the project at Sacramento, Calif., during the fiscal year 1959, for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,000."

At the top of page 13, to insert:

CONSTRUCTION, UNITED STATES COURT OF CLAIMS AND FEDERAL OFFICE BUILDING, WASHINGTON, D. C.

For expenses necessary for preparation of plans and specifications for a building in Washington, D. C., for use of the United States Court of Claims, and agencies of the executive branch of the Government, pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $1,200,000, to remain available until expended.

On page 13, after line 10, to insert:

CONSTRUCTION, UNITED STATES MISSION BUILDING, NEW YORK, N. Y.

For construction of a building in New York, N. Y., for use as the headquarters of the United States Mission to the United Nations, pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $3,975,000, to remain available until expended.

Under the subhead "Operating Expenses, Federal Supply Service", on page 13, line 24, after the word "travel", to strike out "$3,360,000" and insert "$3,560,000", and on page 14, line 1, after the word "That", to insert "not".

Under the subhead "Expenses, Supply Distribution", on page 14, line 17, after the word "exceed", to strike out "$120,000" and insert "$145,000", and in the same line, after the word "travel", to strike out "$18,165,000" and insert "$19,365,000".

On page 14, after line 18, to insert:

GENERAL SUPPLY FUND

To increase the general supply fund established by the Federal Property and Administrative Services Act of 1949, as amended (5 U. S. C. 630g), $12,500,000, to be immediately available.

Under the subhead "Operating Expenses, National Archives and Records Service", on page 15, line 5, after the word "exceed", to strike out "$50,000" and insert "$59,000", and in line 6, after the word "travel", to strike out "$7,293,000" and insert "$7,615,000".

Under the subhead "Operating Expenses, Transportation and Public Utilities Service," on page 15, line 11, after the word "exceed", to strike out "$60,000" and insert "$65,500", and in line 14, after the word "individuals", to strike out "$1,800,000" and insert "$1,900,000".

Under the subhead "Strategic and Critical Materials," on page 15, after line 15, to strike out:

Funds available for carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946, during the current fiscal year shall be available for

And insert:

For necessary expenses in carrying out the provisions of the Strategic and Critical Materials Stock Piling Act of July 23, 1946, including.

In line 23, after the word "exceed", to strike out "$3,324,000" and insert "$3,400,000"; on page 16, line 1, after the word "exceed", to strike out "$86,000" and insert "$106,000", and in line 8, after "(7 U. S. C. 1704 (b))", to insert "$80,500,000, to remain available until expended".

Under the subhead "Administrative Operations Fund," on page 17, line 11, after the word "exceed" to strike out "$10,700,000" and insert "$11,386,000", and in line 12, after the word "exceed", to strike out "$170,000" and insert "$198,000".

Under the heading "Housing and Home Finance Agency—Office of the Administrator—Salaries and Expenses", on page 19, line 9, after the word "exceed", to strike out "$400,000" and insert "$450,000"; at the beginning of line 12, to strike out "$8,000,000" and insert "$8,750,000", and in the same line, after the word "Provided", to strike out "That of the foregoing amount $6,000,000 shall be available for administrative expenses of urban renewal programs: *Provided further*."

Under the subhead "Urban Planning Grants", on page 20, line 10, after the word "amended", to strike out "$3,000,000" and insert "$3,500,000".

On page 20, after line 11, to insert:

FARM HOUSING RESEARCH

To carry out the provisions of section 603 of the Housing Act of 1957 for farm housing research to be conducted by land-grant colleges through grants for research, study, and analysis, $100,000.

Under the heading "Interstate Commerce Commission—Salaries and Expenses", on page 21, line 18, after the word "exceed", where it appears the first time, to strike out "$200" and insert "$400", and in the same line, after the word "exceed", where it appears the second time, to strike out "twenty-seven" and insert "thirty-seven"; in line 20, after the word "exceed", to strike out "$1,200,000" and insert "$1,250,000"; in line 21, after the word "travel", to strike out "$16,750,000" and insert "$17,250,000"; in line 22, after the word "which", to insert "(a)", and at the top of page 22, to insert "(b) $225,000 shall be available for expenses necessary to carry out such defense mobilization functions as may be delegated pursuant to law".

Under the heading "National Advisory Committee for Aeronautics—Salaries and Expenses", on page 22, line 12, after the word "exceed", to strike out "$500,000" and insert "$1,500,000"; in line 13, after the word "exceed", to strike out "$402,500" and insert "$422,500"; in line 15, after the word "aircraft", to strike out "purchase of fourteen passenger motor vehicles for replacement only" and insert "purchase of sixteen passenger motor vehicles, of which fourteen shall be for replacement only", and in line 22, after "5 U. S. C. 55a)", to strike out "$78,100,000" and insert "$80,100,000".

Under the subhead "Construction and Equipment", on page 22, line 25, after the word "Committee", to strike out "$23,000,000" and insert "$26,220,000".

At the top of page 23, to strike out:

NATIONAL CAPITAL HOUSING AUTHORITY

OPERATION AND MAINTENANCE OF PROPERTIES

For the operation and maintenance of properties under title I of the District of Columbia Alley Dwelling Act, $38,000: *Provided*, That all receipts derived from sales, leases, or other sources shall be covered into the Treasury of the United States monthly: *Provided further*, That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475 81st Cong.), shall not be effective.

Under the heading "National Science Foundation—Salaries and Expenses", on page 23, line 20, after the word "exceed", to strike out "$275,000" and insert "$325,000"; in line 23, after the word "services", to strike out "$115,000,000" and insert "$140,000,000"; in line 24, after the word "expended", to insert "of which $1,890,000 shall be transferred to the Bureau of Public Roads, Department of Commerce, for construction of a secondary road to the Optical Astronomy Observatory on Kitt Peak in Arizona"; and on page 24, line 3, after the amendment just stated, to strike out the colon and "*Provided*, That of the foregoing amount not less than $30,250,000 shall be available for tuition, grants, and allowances in connection with a program of supplementary training for high-school science and mathematics teachers".

Under the heading "Securities and Exchange Commission—Salaries and Expenses", on page 24, line 20, after the word "exceed", to strike out "$230,000" and insert "$260,000", and in line 24, after "(5 U. S. C. 55a)", to strike out "$6,800,000" and insert "$7,100,000".

Under the heading "Selective Service System—Salaries and Expenses", on page 25, line 13, after the word "Provided", to strike out "That of the foregoing amount $20,196,000 shall be available for registration, classification, and induction activities of local boards: *Provided further*."

Under the heading "Veterans Administration—General Operating Expenses", on page 26, line 11, after the word "law", to strike out "purchase of one passenger motor vehicle for replacement only at not to exceed $4,000;", and in line 19, after the word "employees", to strike out "$147,500,000" and insert "$149,582,000".

Under the subhead "Medical Administration and Miscellaneous Operating Expenses", on page 27, line 11, after the word "periodicals", to strike out "$21,000,000" and insert "$28,281,000", and in line 12, after the word "which", to strike out "$10,344,000" and insert "$17,144,000".

Under the subhead "Inpatient Care", on page 28, at the beginning of line 11, to strike out "$715,465,000" and insert

"$717,267,000"; in line 20, after the word "of", to strike out "140,800" and insert "139,630", and in line 25, after the word "treatment", to insert a colon and *"Provided further,* That reimbursements received from non-Federal sources for care and treatment of patients provided by this appropriation shall be credited to miscellaneous receipts of the Treasury, and payments from the departments and agencies of the Government for such care and treatment may be made in advance, or by way of reimbursement, to this appropriation, as may be agreed upon by the Administrator and the head of the department or agency concerned."

Under the subhead "Outpatient Care", on page 29, line 14, after the word "employees", to strike out "$75,000,000" and insert "$75,798,000".

Under the subhead "Maintenance and Operation of Supply Depots", on page 29, line 20, after the word "employees", to strike out "$2,000,000" and insert "$2,110,000".

Under the subhead "Grants to the Republic of the Philippines", on page 31, line 21, after "(50 U. S. C. App. 1991–1996)," to insert "or, upon enactment into law of H. R. 6908, Eighty-fifth Congress, in accordance with part D of title V of the Veterans' Benefits Acts of 1957,", and on page 32, at the beginning of line 2, to strike out "$1,000,000" and insert "$1,250,000".

Under the subhead "Constitution of Hospital and Domiciliary Facilities", on page 32, line 10, after "(71 Stat. 141)", to strike out $19,145,000" and insert "$19,445,000".

Under the subhead "Administrative Provisions", on page 33, line 19, after the word "unless" to insert "advance payment or", and in line 20, after the word "appropriation" to insert "or to miscellaneous receipts, as may be required by law".

Under the heading "Title II—Corporations—Limitation on Administrative Expenses, Federal Facilities Corporation", on page 40, line 8, after the word "exceed" to strike out "$25,000" and insert "$40,000".

Under the subhead "Limitation on Administrative Expenses, Reconstruction Finance Corporation Liquidation Fund," on page 40, line 23, after the word "exceed", to strike out "$42,500" and insert "$54,000".

Under the heading "Housing and Home Finance Agency—Limitation on Administrative Expenses, Office of the Administrator, Public Facility Loans", on page 42, line 9, after the word "exceed", to strike out "$400,000" and insert "$525,000".

Under the subhead "Limitation on Administrative Expenses, Office of the Administrator, Revolving Fund (Liquidating Programs)", on page 43, line 1, after the word "of", where it appears the first time, to strike out "costs of services performed on a contract or fee basis in connection with termination of contracts" and insert "expenses necessary in the case of defaulted obligations to protect the interests of the Government".

Under the subhead "Limitation on Administrative Expenses, Federal National Mortgage Association", on page 44, line 14, after the word "exceed", to strike out "$125,000" and insert "$150,000".

Under the subhead "Limitation on Administrative and Nonadministrative Expenses, Public Housing Administration", on page 46, line 14, after the word "exceed", to strike out "$1,800,000" and insert "$2,122,000".

Mr. MAGNUSON. Mr. President, in the independent offices appropriation bill for 1959, funds are included for 17 independent agencies.

The amount of the bill as reported to the Senate is $6,137,248,900, which is a decrease of $412,672,000 from the House version of the bill, and an increase of $210,188,400 over the estimates.

The net decrease from the House bill results from increases totaling $176,366,000 and decreases totaling $589,038,000.

In recommending the deletion of the payment to the civil service retirement and disability fund of $589 million, the committee has requested definite recommendations from the administration for keeping the fund current and for providing on a sound basis for the future liabilities of the Government to the beneficiaries. The committee also recommended the deletion of the language which would require an appropriation to cover the increased costs of annuity benefits before such increased benefits could be paid.

The committee has agreed with other increases over the estimates, for repair and improvement, sites and expenses and construction of public buildings, for inpatient care and construction of Veterans hospitals. The committee has added further amounts over the estimates in those same fields, and has recommended funds for starting an up-grading program of stockpile materials, for expanding medical research in the Veterans' Administration, and for continuation of farm housing research.

On the issue of lease-purchase contracts, the committee recommends direct appropriations for 68 projects which can be put under construction during 1959, and recommends discontinuance of purchase contracts except for those now under construction and authorization for a 10-year contract at Sacramento, Calif. That was a very unusual case. The city of Sacramento had already sold its bonds and obligated itself in large amount.

Construction is also recommended of the United States Mission Building in New York and Federal Office Building No. 6 in the District of Columbia, as well as planning funds for Federal Office Building No. 7 in the District of Columbia.

Building No. 6 is the general office building to be constructed in southwest Washington. Building No. 7 is the so-called Jackson Square project, to be located near the White House.

Consolidation of delegated functions for civil defense activities is included for the first time under the Federal Civil Defense Administration. Similar consolidation of delegated functions for mobilization activities is to be considered next year under the general Government matters bill.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Mr. President, during the course of the hearings on the independent offices appropriation bill I appeared before the Senate Appropriations Subcommittee headed by the distinguished senior Senator from Washington [Mr. MAGNUSON] and discussed the need for the expansion and modernization of the veterans hospital center at Fort Harrison, Mont.

Fort Harrison is an excellent hospital and has one of the finest records in serving the veterans of this country. However, the hospital is sorely in need of modernization and new facilities. For the past 25 years Montana's Congressional delegations have been working closely with the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans in attempting to get these facilities improved. Until our efforts were joined with those of the distinguished chairman of the House Veterans' Affairs Committee, Mr. TEAGUE, we were unable to convince the Veterans' Administration that they should schedule a survey of Fort Harrison's needs prior to 1962. With Mr. TEAGUE's able assistance we have now been advised that the survey has been rescheduled for fiscal year 1959.

My purpose in appearing before the Senate Appropriations Committee was to ask for modernization funds at this time because of the tremendous backlog of construction funds, $105 million. I had hoped that the report on H. R. 11574 would have included language expressing the committee's approval of this earlier date for the survey; in fact, I had hoped that the report would recommend that the survey team be sent out to Fort Harrison this fall or very early in the new fiscal year.

My Montana colleagues, the senior Senator, Mr. MURRAY, and Representatives LEE METCALF and LEROY ANDERSON, felt that Congressional recognition of this need at Fort Harrison would be an additional assurance that the modernization of this VA center would be undertaken at an early date.

Mr. President, I should like to take this opportunity to ask the chairman of the Independent Office Appropriations Subcommittee if he would be so kind as to express the views of the committee on this matter.

Mr. MAGNUSON. I appreciate the interest of the junior Senator from Montana, and, of course, that of the senior Senator from Montana [Mr. MURRAY], who has had a great interest in this project. I should like to read into the RECORD, so it will be clear, the statements appearing on page 440 of the hearings on the independent offices appropriations bill. The Senator from Illinois [Mr. DIRKSEN] was acting as chairman at the time.

Senator DIRKSEN. Mr. Whittier, Senator MANSFIELD appeared before the committee earlier today with respect to renovation of the hospital at Fort Harrison, Mont. Is there something you or one of your associates would want to say for the record on that?

Mr. WHITTIER. Well, in general, let me suggest that we do have a rather large hospital modernization and construction program. I think this fiscal year we will expend some $65 million in construction and moderniza-

tion, and next year at least $50 million and probably more. This is more than has been spent in any recent year.

Fort Harrison is a very old hospital, I think about 1885, an old cantonment type.

Dr. MIDDLETON. A cavalry post at one time.

Mr. WHITTIER. I do know we have made some repairs, but no total modernization is immediately in the offing. Am I correct?

Dr. MIDDLETON. There is an onsite review scheduled for September of this year.

I may point out to the Senators from Montana that September is not the correct date. As I understand from the Veterans' Administration, a review is being made now. The Veterans' Administration is going to prepare and submit a report which will include this matter in the modernization plan. Funds could be included for the work in a supplemental appropriation bill, but, if not, they surely would be included in the Veterans' Administration hospital appropriation.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. We were told the administration was pushing the matter forward a whole year.

Mr. MAGNUSON. The Senator from Massachusetts is correct. Although Mr. Whittier said a review was scheduled for September, it was moved up ahead of schedule. I understand that is being done now.

Mr. MANSFIELD. So the possibility is that a site survey will be made at Fort Harrison at least by September of this year?

Mr. MAGNUSON. Yes, that is my understanding.

Mr. MANSFIELD. I wish to thank the Senator from Washington, and to say to him, on behalf of myself and my senior colleague [Mr. MURRAY], who has been the leader in the fight ever since he has been in the Senate to get something done about Fort Harrison, that this is the first encouraging sign we have had.

I think that the recognition of the importance of the project has been due to the personal interest taken by the gentleman from Texas, Representative TEAGUE, as well as the personal interest taken by the Senator from Washington [Mr. MAGNUSON], and the Senator from Illinois [Mr. DIRKSEN], who showed himself to be very reasonable in this matter and took it up with Mr. Whittier during the course of the hearings. I am glad to know that the survey at Fort Harrison is being undertaken at the present time, or that it will be at most a few weeks before it is undertaken, according to Mr. Whittier.

Mr. MAGNUSON. Yes. I hope he will come forward with something before Congress adjourns.

Mr. MANSFIELD. I hope he will read the RECORD and act accordingly, because I should like to see something done with reference to this worthwhile veterans' facility.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. POTTER. I wish to commend the chairman for the vision he has shown in providing additional funds for the research program of the Veterans' Administration, which has been in progress for 2 or 3 years. The results from the research which has already taken place are very worthwhile. I think it is well to point out that this is probably the only program in the world in connection with which records of men in hospitals in every section of the country are kept for purposes of research. Such records serve as a laboratory for all types of research. The research conducted by the Veterans' Administration is coordinated very closely with the research of the Public Health Service.

I hope that in conference the House will see fit to go along with the recommendations made by the committee.

Mr. MAGNUSON. Mr. President, the Senator from Michigan has been very active for many reasons with respect to the Veterans' Administration medical research. He has been active for personal reasons, in addition to humanitarian reasons. I know of no one who has done more for the unfortunate veterans who have suffered wounds similar to those of the Senator from Michigan, than the Senator from Michigan. The Senator is to be commended for his actions.

We started the program a couple of years ago. In a previous year the Senator from Illinois, the Senator from North Dakota, and all of us on the subcommittee joined in the effort to have $10 million added to the appropriation bill then pending on the floor of the Senate. The House accepted that action, and a great research program was started. I think it will pay off in dollars and cents.

Mr. POTTER. I am sure it will.

Mr. MAGNUSON. I do not think it can be said we were taking action haphazardly. Our action will result in the saving of money, while the program will relieve misery and save lives in the long run.

Mr. POTTER. I know the Senator will concur in the statement that when the Veterans' Administration testified before the committee as to the program now underway we were all greatly encouraged by the type of leadership evidenced in the research projects the Senator mentions. These projects will pay great dividends in dollars and cents, to say nothing of the humanitarian aspects.

Mr. MAGNUSON. They will reduce misery and alleviate human suffering.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendments are agreed to en bloc.

The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, as chairman, I have two amendments to offer. I have discussed the amendments with the Senator from Illinois [Mr. DIRKSEN] and the Senator from Massachusetts [Mr. SALTONSTALL]. The amendments will carry out the intention of the committee stated in the report.

The committee recommended $14,750,000 for the construction of Federal Office Building No. 6 in the District of Columbia. Inadvertently the amount was included in the item for construction of public buildings projects outside the District of Columbia. We do not want that to happen, so I am offering the amendment to remove the item from that section of the bill and to make it a separate item.

The change can be accomplished on page 12, line 2, by striking out "$196,566,000" and inserting in lieu thereof "$181,816,000."

I offer the amendment, Mr. President, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 12, line 2, it is proposed to strike out "$196,566,000" and insert in lieu thereof "$181,816,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I offer a second amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 12, after line 24, it is proposed to insert a new paragraph, as follows:

CONSTRUCTION, FEDERAL OFFICE BUILDING NO. 6 WASHINGTON, D. C.

For construction of Federal Office Building No. 6 in Washington, D. C., pursuant to the provisions of the Public Buildings Act of May 25, 1926, as amended (40 U. S. C. 341), $14,750,000, to remain available until expended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 12, line 14, it is proposed to strike out after the word "purposes" down to and including line 24, and insert the following:

Provided, That hereafter, except for projects located at Atlanta, Ga.; Rock Island, Ill.; Council Bluffs, Iowa; Kansas City, Kans.; Burlington, Iowa; Albuquerque, N. Mex.; Sacramento, Calif.; Brunswick, Ga.; Sedan, Kans.; Jonesboro, La.; Lake Charles, La.; Redwood Falls, Minn.; Biloxi, Miss.; Greenville, Miss.; Laurel, Miss.; Omaha, Nebr.; Durham, N. H.; Manning, S. C.; Sisseton, S. Dak.; Kingsport, Tenn.; Gainesville, Tex.; McKinney, Tex.; Huntington, W. Va.; Green Bay, Wis.; Marshfield, Mo.; Terrell, Tex.; Mount Hope, W. Va.; Benton, Ill.; Burlington, Vt.; no part of any funds in this or any other act shall be used for payment for sites, planning, or construction of any buildings by lease-purchase contracts: *Provided, further*, That the Administrator of General Services may enter into a 10-year contract for the project at Sacramento, Calif., during the fiscal year 1959, for which the annual payment for amortization of principal and interest thereon shall not exceed $1,250,600.

Mr. DIRKSEN. Mr. President, one of the most difficult things in the consideration of the bill was to effect a transition

from the lease-purchase program to direct appropriation of funds for Federal buildings. The General Services Administration had previously entered into contracts for a very substantial number of buildings, and had legal authority to do so. The Lease-Purchase Contract Act, however, has expired.

The House of Representatives made a special point and rather insisted, as indicated in the hearings, that House Members much preferred the direct appropriation procedure for the public buildings program.

In trying to work out the transition, the Senate committee finally recommended, although my views were contrary, that we concur with the House so far as direct appropriations for this program were concerned. We were presented with a difficulty, however. We forgot to emphasize that the General Services Administration had entered into contracts with financial institutions, such as insurance companies, for 22 projects.

As the bill now stands, we have made exception for only 7 projects, rather than 29 projects. This would mean the Federal Government would be in the position, by the fiat of the legislative branch, of breaching the contracts and subjecting the Government to possible damage suits, including a possible potential claim for the entire profit in the deal, which might run over a period of 10 or 20 years. I have some doubt whether the President would find himself in a position to sign a bill of that kind, if by his signature he were definitely to be projecting the Government into a posture of breaching existing contracts made in good faith by an executive agency with legal authority to do so.

The amendment, therefore, proposes language which was submitted by the subcommittee, to expand the 7 projects and include in the entirety 29 projects. The difference would be a little more than $29 million in the overall amount for direct appropriation, and that amount can be deducted from the gross amount for direct appropriation in the bill.

The amendment will make the program workable. The amendment will save the Government whole and harmless against any possible suits under the contracts, and at the same time will make it possible to proceed forthwith with the construction contracts which have already been entered into by the General Services Administration.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I was one of the members of the subcommittee who joined with the Senator from Illinois in opposing the ending of the lease-purchase formula. However, we were defeated. It was obviously the desire of the full committee to go ahead under the new formula of direct appropriations.

The amendment offered by the Senator from Illinois will make such a program possible by continuing the lease-purchase arrangement in respect to contracts already made for projects the construction of which has been started. With that exception, the number of buildings which have been authorized will proceed by direct appropriation.

As stated, I was opposed to the change in principle, but it was adopted. I think the amendment represents a very reasonable compromise under all the circumstances.

Mr. DIRKSEN. Mr. President, we have discussed this matter with the very affable chairman of the committee. The chairman is quite agreeable to the amendment.

Incidentally, I wish to say the chairman has always been very fair and entirely impartial in the consideration of the bill by the subcommittee. I feel, as ranking member, I should express our gratitude and appreciation for his attitude. I also wish to throw a special bouquet to our very capable and able clerk, Mr. Earl W. Cooper.

Mr. KUCHEL. Mr. President, both Senators from California are grateful for the fact that the members of the committee, apparently unanimously, saw fit to permit the city of Sacramento to proceed with its lease-purchase contract, for a number of reasons, one of which, as the Senator well knows, that the city, with Federal Government approval, had gone forward with the sale of bonds to accumulate the moneys by which the lease-purchase project might come into being. We are both most grateful for the action of the committee, by reason of those unique circumstances.

I should like to ask a question merely for the RECORD. As I understand, the amendment which the able Senator from Illinois has now offered in no sense touches the special situation with respect to the city of Sacramento.

Mr. DIRKSEN. That is correct.

Mr. KUCHEL. I thank the Senator.

Mr. President, the members of the committee have dealt generously, and, in my judgment, honorably, with the city of Sacramento. As a part of the RECORD, I ask unanimous consent that a copy of my letter of April 25, 1958, addressed to the distinguished senior Senator from Washington [Mr. MAGNUSON] be inserted in the RECORD at this point, together with a telegram which I have received from the chairman of the Redevelopment Agency of the city of Sacramento under date of June 6.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
April 25, 1958.

The Honorable WARREN G. MAGNUSON,
Chairman, Independent Offices Appropriation Subcommittee, Appropriations Committee, United States Senate, Washington, D. C.

DEAR SENATOR MAGNUSON: During your consideration of the Independent Offices Appropriation bill for 1959, I direct your attention to a problem involving the city and county of Sacramento, Calif.

The Redevelopment Agency of the city of Sacramento has been developing as a unit, project area No. 2-A, which they plan to complete by 1962. In large part, the financing of the urban renewal and redevelopment portion of the project is covered by a loan and grant contract from the Housing and Home Finance Agency.

Included in the project is a Federal office building, which has been approved by the Federal Government under the terms of the Public Building Purchase Contract Act of 1954, for a 25-year contract. To finance this Federal office building, the Redevelopment Agency of the city of Sacramento, beginning in 1956, sold bonds in the amount of $2 million, and pledged exclusively to the payment of interest and principal on these bonds all taxes hereafter collected in the project area by the county of Sacramento, the city of Sacramento, and every other taxing agency, on any increase in the assessed valuation in the area over that shown by the assessment rolls for the base year of 1955-56. I understand the statutory procedure under which this is done is unique to the State of California, and thus far has been exercised only by the city of Sacramento.

The problem to which I refer arises in connection with the Independent Offices Appropriation bill for 1959 (H. R. 11574). As the bill comes to the Senate from the House, a direct appropriation of $117,255,000 is added for the construction of 66 of the public buildings projects which have been approved by the Public Works Committees, and a proviso prohibits payment on lease purchase contracts except for buildings used solely for post office purposes. The Federal office building for Sacramento is included in this item at a cost of $10,026,000 in direct appropriations.

I realize that is a matter for decision by your committee, whether, in each instance to construct Federal buildings by direct appropriation as opposed to lease-purchase contracts. But should you decide to concur in the direct-appropriation method, then the bonds sold by the redevelopment agency of the city of Sacramento would be without the proposed tax revenue, estimated at $122,000 annually, with which to make the payments on principal and interest. On this equitable basis, I believe an exception in the case of the city of Sacramento ought to be considered, and that that community be permitted the lease-purchase procedure which it undertook in good faith to carry out.

The General Services Administration has informed me that this is the only instance in which procurement of a site from a local, public redevelopment agency was proposed. This is the only instance where the local redevelopment agency has actually sold bonds to the public under the circumstances outlined in this letter.

In view of the commitments which have been made by the redevelopment agency of the city of Sacramento, in reliance on the approval of the project by the General Services Administration, and the approval of the House and Senate Committees on Public Works, it is urgently requested that your committee permit this project to continue under the purchase contract arrangements contemplated under the Public Buildings Purchase Contract Act of 1954.

Sincerely,

THOMAS H. KUCHEL,
United States Senator.

SACRAMENTO, CALIF., *June 6, 1958.*

HON. THOMAS H. KUCHEL,
United States Senate, Washington, D. C.:

As you know from our previous expressions of concern with respect to this matter, it had been our hope that the Sacramento Federal Office Building and Courthouse could have proceeded under the 25-year lease-purchase method as contemplated by the Federal Government during the past 2 years. It was in anticipation of such a method of construction and purchase that the Sacramento redevelopment bond issue was floated and sold to the public in 1956. Your consist-

ent support for the lease-purchase construction of this important Sacramento building and the earnest support of your colleagues therefore is deeply appreciated by all of us. I understand now that Congressional approval for the full 25-year period of lease-purchase acquisition is highly improbable but that through the representations and through the pursuit of our interests by you and your colleagues it may now be possible to obtain a 10-year lease-purchase program for the Sacramento building. This possible alternative procedure has been discussed with the members of this redevelopment agency, with other concerned public officials in Sacramento, and with our financial consultants. While we would of course have to serve the 25-year arrangement, nevertheless, it is our studied conclusion that we unequivocally endorse and support this alternative arrangements of the Senate Committee and urge that you in turn express your support and endorsement to the various Members of the Senate concerned. Thank you for your continued diligent support of our public objectives in this important field.

FRED W. READ,
Chairman, Redevelopment Agency of the City of Sacramento.

Mr. DIRKSEN. Mr. President, what the distinguished Senator from California says underscores how difficult it is for the Congress to try to effectuate transition from one type of program to another without knowing in every instance what the effects and implications are to be.

In this particular case the city of Sacramento had already issued its bonds. They cannot be returned. Interest continues on the bonds. The city of Sacramento would have found itself in a very hopeless position if this situation had not been cured; but it will be taken care of by the language of the amendment which has been offered by the Senator from Illinois.

Mr. MAGNUSON. Mr. President, I thank the Senator from Illinois for his very kind remarks. I wish to add my tribute to our very efficient clerk, Mr. Cooper, for his work on a very complicated and involved bill, which requires a great deal of time and effort.

At the appropriate point I shall offer an amendment on page 12, line 2, to strike out $181,816,000 and insert in lieu thereof $152,810,000, which would take care of the purposes of the amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, the purpose of the amendment to be offered by the distinguished chairman is merely to compensate the direct appropriation by reducing it in the amount which will be provided by lease-purchase funds.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Washington is offering a substitute amendment?

Mr. DIRKSEN. No. It will be considered separately, after the disposition of the amendment now pending. It is necessary to reduce the direct appropriation by roughly $29.1 million.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I offer an amendment, on page 12, line 2, to strike out "$181,816,000" and insert in lieu thereof "$152,810,000."

The PRESIDING OFFICER. Without objection, the vote by which the previous amendment on page 12, line 2, was agreed to, will be reconsidered.

Mr. MAGNUSON. Mr. President, I now offer my amendment, on page 12, line 2, to strike out "$181,816,000" and insert in lieu thereof "$152,810,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I address these remarks particularly to the Senator from Illinois [Mr. DIRKSEN], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from North Dakota [Mr. YOUNG], who are all members of the committee.

As shown by the report, the committee was impressed by the fact that there are large quantities of chrome ore stockpiled in various places in the West, in Kentucky, and in New York. There is an opportunity to convert these ores into a material usable by industry.

To begin the program the committee recommended an appropriation of $10.5 million. The time to convert such ores is when the plant capacity, manpower, and electric power are available.

In the report, on page 8, under the heading "Strategical and Critical Materials," the committee said:

> The committee is also advised that there are materials in the stockpile of subspecification grade which should be upgraded for use as specification grade material, and furthermore, that there are materials of specification grade which perhaps should be upgraded to another form.

When we speak of "specification grade" in the committee report, we are speaking of commercial specification grade. There might be room for some misinterpretation. The committee refers to usability in the commercial market. I wish to make that clear. In that particular case the committee means commercial specification grades which are usable in regular industry.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I had known about this part of the Independent Offices Appropriation bill, but I invite the Senator's attention to the fact that the Montana manganese plant, at Butte, Mont., has on hand in the stockpile something on the order of a $9 million investment by the Government. Unfortunately, one of the attributes of manganese is that if it remains in the stockpile, exposed to the open air, it deteriorates.

I tried to get Mr. Gordon Gray's agency, the Office of Defense Mobilization, to spend the necessary funds to beneficiate this manganese. So far I have achieved no success. Would it be possible, in view of the statement in the report, for the Office of Defense Mobilization, under Mr. Gordon Gray, to become seriously interested in upgrading or beneficiating the domestic stockpile of the Montana manganese plant, in Butte, Mont.?

Mr. MAGNUSON. Not only would it be possible, but, as the Senator from Illinois has stated, that is exactly what we intended. There are also stockpiles of ferrochrome in Montana.

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. There are stockpiles of manganese, and other metals. It makes commonsense to upgrade this material, which we own, and put it in a condition in which it can be stored almost indefinitely. We shall have to do so anyway, if we intend to use the material. We should do it at a time when plant capacity, manpower, and electric power are available.

The Senator from Montana has stated exactly what we intended. We started modestly. We cannot do everything at once, but the Office of Defense Mobilization, under Mr. Gordon Gray, has stated that, under the directive in the law, he could not go further than actual stockpiling. I believe Mr. Gray will welcome this provision. It makes good commonsense.

Mr. MANSFIELD. But it does apply to the Montana manganese stockpile in Butte, Mont., does it not?

Mr. MAGNUSON. It applies to Montana.

The first work under the program will probably be in connection with ferrochrome, because that deteriorates more rapidly. Next in order should be manganese, which would apply to the Montana situation.

Mr. MANSFIELD. I am delighted to have this assurance. I will take the matter up with Mr. Gray at the earliest opportunity, to see if he will not beneficiate the manganese stockpile in Butte, Mont.

Mr. MAGNUSON. It makes good commonsense.

Mr. DIRKSEN. Mr. President, as I recall, the President's Cabinet committee made an affirmative recommendation with respect to the beneficiation of critical and strategic materials in the stockpile. As the chairman points out, they can be more expeditiously used when they are beneficiated; and I believe there will be a substantial reduction in the storage cost. So, with everyone agreed as to what should be done, it was only a question of money. It is our understanding that this program will cost, roughly $21 million. So we have included half the amount in the pending bill. If, early next year, it becomes necessary to provide more, the agency can always submit a supplemental request through the Budget Bureau, so that the work can be carried to completion.

Mr. MANSFIELD. Mr. President, I am very much pleased with the unanimous action of the committee and the Senate in this respect. I certainly hope something will be done to bring about beneficiation of these ores.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. MAGNUSON. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. RUSSELL, Mr. MCCLELLAN, Mr. DIRKSEN, Mr. SALTONSTALL, Mr. MUNDT, Mr. POTTER, and Mr. YOUNG conferees on the part of the Senate.

SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1683, S. 3651.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3651) to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

TITLE I—SHORT TITLE, STATEMENT OF PURPOSE, AND DEFINITIONS

Short title

SEC. 101. This act, divided into titles and sections according to the following table of contents, may be cited as the "Small Business Investment Act of 1958."

Table of contents

Title I—Short Title, Statement of Policy, and Definitions

Sec. 101. Short title.
Sec. 102. Statement of policy.
Sec. 103. Definitions.

Title II—Small Business Investment Division of the Small Business Administration

Sec. 201. Establishment of Small Business Investment Division.
Sec. 202. Provision of funds.
Sec. 203. Purposes of revolving fund.

Title III—Small Business Investment Companies

Sec. 301. Organization of small business investment companies.
Sec. 302. Capital stock and subordinated debentures.
Sec. 303. Borrowing power.
Sec. 304. Provision of equity capital for small-business concerns.
Sec. 305. Long-term loans to small-business concerns.
Sec. 306. Aggregate limitations.
Sec. 307. Exemptions.
Sec. 308. Tax provisions.
Sec. 309. Miscellaneous.
Sec. 310. Approving State chartered companies for operations under this act.

Title IV—Conversion of State Chartered Investment Companies and State Development Companies

Title V—Loans to State and Local Development Companies

Title VI—Changes in Federal Reserve Authority

Sec. 601. Repeal of section 13b of Federal Reserve Act.
Sec. 602. Fund for management counseling.

Title VII—Criminal Penalties

Statement of policy

SEC. 102. It is declared to be the policy of the Congress and the purpose of this act to improve and stimulate the national economy in general and the small-business segment thereof in particular by establishing a program to stimulate and supplement the flow of private equity capital and long-term loan funds which small-business concerns need for the sound financing of their business operations and for their growth, expansion, and modernization, and which are not available in adequate supply: *Provided, however,* That this policy shall be carried out in such manner as to insure the maximum participation of private financing sources.

It is the intention of the Congress that the provisions of this act shall be so administered that any financial assistance provided hereunder shall not result in a substantial increase of unemployment in any area of the country.

Definitions

SEC. 103. (a) As used in this act—

(1) the term "Administration" means the Small Business Administration;

(2) the term "Administrator" means the Administrator of the Small Business Administration;

(3) the term "company" means a small-business investment company organized as provided in title III;

(4) the term "United States" means the several States, the Territories of Alaska and Hawaii, the District of Columbia, and the Commonwealth of Puerto Rico;

(5) The term "small-business concern" shall have the same meaning as in the Small Business Act of 1953.

(6) the term "investment companies" means investment companies as defined in section 3 of the Investment Company Act of 1940 which are subject to the provisions of that Act; and

(7) the term "State and local development companies" means enterprises incorporated under State law with the authority to promote and assist the growth and development of small-business concerns in the areas covered by their operations.

TITLE II—SMALL BUSINESS INVESTMENT DIVISION OF THE SMALL BUSINESS ADMINISTRATION

Establishment of Small Business Investment Division

SEC. 201. There is hereby established in the Small Business Administration a division to be known as the Small Business Investment Division. The Division shall be headed by a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate provided by law for other Deputy Administrators of the Small Business Administration. The powers conferred by this Act upon the Administration shall be exercised by the Administration through the Small Business Investment Division, and the powers herein conferred upon the Administrator shall be exercised by him through the Deputy Administrator appointed hereunder. In the performance of, and with respect to the functions, powers, and duties vested in him by this Act, the Administrator shall (in addition to any authority otherwise vested in him by this Act) have the functions, powers, and duties set forth in sections 205 and 206 of the Small Business Act of 1953.

Provision of funds

SEC. 202. (a) In order to finance activities as provided in section 203, the Administration is authorized and empowered to issue to the Secretary of the Treasury notes and other obligations in an amount not exceeding $250,000,000 outstanding at any one time: *Provided,* That the total amount of such notes and other obligations which may be outstanding during the first year after enactment shall not exceed $50,000,000, and during the second year after enactment shall not exceed $150,000,000. Such notes and other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administration, with the approval of the Secretary of the Treasury. Such notes and other obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the issuance of such notes and other obligations. The Secretary of the Treasury is authorized to purchase any notes and other obligations of the Administration issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes and other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes and other obligations shall be treated as public debt transactions of the United States.

(b) Funds borrowed under this section and any proceeds therefrom shall constitute a revolving fund which may be used by the Administration in the exercise of its functions under this Act.

(c) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the administrative expenses of the Administration.

Purposes of revolving fund

SEC. 203. The Administration is authorized to use its revolving fund—

(1) to purchase the subordinated debentures of small business investment companies as provided in section 302;

(2) to make loans to small business investment companies as provided in section 303; and

(3) to make loans to State and local development companies as provided in sections 501 and 502.

TITLE III—SMALL BUSINESS INVESTMENT COMPANIES

Organization of small business investment companies

SEC. 301. (a) Small business investment companies may be formed for the purpose of operating under this act by any number of persons, not less than 10, who shall subscribe to the articles of incorporation of any such company: *Provided,* That no such company shall be chartered under this section after June 30, 1961.

(b) The articles of incorporation of any small business investment company shall specify in general terms the objects for which the company is formed, the name assumed by such company, the area or areas

in which its operations are to be carried on, the place where its principal office is to be located, and the amount and classes of its shares of capital stock. Such articles may contain any other provisions not inconsistent with this act that the company may see fit to adopt for the regulation of its business and the conduct of its affairs. Such articles and any amendments thereto adopted from time to time shall be subject to the approval of the Administration.

(c) The articles of incorporation and amendments thereto shall be forwarded to the Administration for consideration and approval or disapproval. In determining whether to approve the establishment of such a company and its proposed articles of incorporation, the Administration shall give due regard, among other things, to the need for the financing of small-business concerns in the area in which the proposed company is to commence business, the general character of the proposed management of the company, the number of such companies previously organized in the United States, and the volume of their operations. After consideration of all relevant factors, the Administration may in its discretion approve the articles of incorporation and issue a permit to begin business.

(d) Upon issuance of such permit, the company shall become and be a body corporate, and as such, and in the name designated in its articles shall have power—

(1) to adopt and use a corporate seal;

(2) to have succession for a period of 30 years, unless extended as provided in section 309 (f), or unless sooner dissolved by the act of the shareholders owning two-thirds of the stock or by an act of Congress, or unless its franchise become forfeited by some violation of law or regulation issued hereunder;

(3) to make contracts;

(4) to sue and be sued, complain, and defend in any court of law or equity;

(5) by its board of directors, to appoint such officers and employees as may be deemed proper, define their authority and duties, fix their compensation, require bonds of such of them as it deems advisable and fix the penalty thereof, dismiss such officers or employees, or any thereof, at pleasure, and appoint others to fill their places;

(6) to adopt bylaws regulating the manner in which its stock shall be transferred, its officers and employees appointed, its property transferred, and the privileges granted to it by law exercised and enjoyed;

(7) to establish branch offices or agencies subject to the approval of the Administration;

(8) to acquire, hold, operate, and dispose of any property (real, personal, or mixed) whenever necessary or appropriate to the carrying out of its lawful functions;

(9) to act as depository or fiscal agent of the United States when so designated by the Secretary of the Treasury;

(10) to operate in such area or areas as may be specified in its articles of incorporation and approved by the Administration; and

(11) to exercise the other powers set forth in this act and such incidental powers as may reasonably be necessary to carry on the business for which the company is established.

(e) The board of directors of each small business investment company shall consist of nine members who shall be elected annually by the holders of the shares of stocks of the company.

Capital stock and subordinated debentures

SEC 302. (a) Each company organized under this act shall have a paid-in capital and surplus equal to at least $300,000 before it shall commence business. In order to facilitate the formation of small business investment companies, the Administration is hereby authorized, notwithstanding any other provisions of law, to purchase the debentures of any such company in an amount equal to not more than $150,000. Any debentures purchased by the Administration under this subsection shall be subordinate to any other debenture bonds, promissory notes, or other obligations which may be issued by such companies, and shall be deemed a part of the capital and surplus of such companies for purposes of this section and sections 303 (b) and 306 of this act.

(b) The shares of stock in any small business investment company shall be eligible for purchase by member banks of the Federal Reserve System, nonmember insured banks, financial institutions, insurance companies, corporations, partnerships, or other persons. In no event shall any member bank of the Federal Reserve System or any nonmember insured bank hold such shares in small business investment companies in an amount aggregating more than 1 percent of the capital and surplus of such bank.

(c) The aggregate amount of shares in any such company or companies which may be owned or controlled by any stockholder, or by any group or class of stockholders, may be limited by the Administration.

Borrowing power

SEC. 303. (a) Each small business investment company shall have authority to borrow money and to issue its debenture bonds, promissory notes, or other obligations under such general conditions and subject to such limitations and regulations as the Administration may prescribe.

(b) To encourage the formation and growth of small business investment companies, the Administration is authorized to lend funds to such companies through the purchase of their obligations which shall bear interest at such rate, and contain such other terms, as the Administration may fix. The total amount of obligations purchased and outstanding at any one time by the Administration under this subsection in any one company shall not exceed 50 percent of the paid-in capital and surplus of such company.

Provision of equity capital for small-business concerns

SEC. 304. (a) It shall be a primary function of each small business investment company to provide a source of needed equity capital for small-business concerns in the manner and subject to the condition described in this section.

(b) Capital shall be provided by a company to a small-business concern under this section only through the purchase of debenture bonds (of such concern) which shall—

(1) bear interest at such rate, and contain such other terms, as the company may fix with the approval of the Administration;

(2) be callable on any interest payment date, upon 3 months' notice, at par plus accrued interest; and

(3) be convertible at the option of the company, or a holder in due course, up to and including the effective date of any call by the issuer, into stock of the small-business concern at the sound book value of such stock determined at the time of the issuance of the debentures.

(c) Before any capital is provided to a small-business concern under this section—

(1) the company may require such concern to refinance any or all of its outstanding indebtedness so that the company is the only holder of any evidence of indebtedness of such concern; and

(2) except as provided in regulations issued by the Administration, such concern shall agree that it will not thereafter incur any indebtedness without first securing the approval of the company and giving the company the first opportunity to finance such indebtedness.

(d) Whenever a company provides capital to a small-business concern under this section, such concern shall be required to become a stockholder-proprietor of the company by investing in the capital stock of the company, in an amount equal to not less than 2 percent nor more than 5 percent of the amount of the capital so provided, in accordance with regulations prescribed by the Administrator; except that the Administrator may by regulation permit any such concern to defer the purchase of such stock for a period of not to exceed three years.

Long-term loans to small-business concerns

SEC. 305. (a) Each company is authorized to make loans, in the manner and subject to the conditions described in this section, to incorporated and unincorporated small-business concerns in order to provide such concerns with funds needed for sound financing, growth, modernization and expansion.

(b) Loans made under this section may be made directly or in cooperation with other lending institutions through agreements to participate on an immediate or deferred basis.

(c) The maximum rate of interest for the company's share of any loan made under this section shall be determined by the Administration.

(d) Any loan made under this section shall have a maturity not exceeding 30 years.

(e) Any loan made under this section shall be of such sound value, or so secured, as reasonably to assure repayment.

(f) Any company which has made a loan to a small-business concern under this section is authorized to extend the maturity of or renew such loan for additional periods, not exceeding 10 years, if the company finds that such extension or renewal will aid in the orderly liquidation of such loan.

Aggregate limitations

SEC. 306. Without the approval of the Administration, the aggregate amount of obligations and securities acquired and for which commitments may be issued by any small business investment company under the provisions of this act for any single enterprise shall not exceed 20 percent of the combined capital and surplus of such small business investment company authorized by this act.

Exemptions

SEC. 307. (a) Section 3 of the Securities Act of 1933, as amended (15 U. S. C. 77c), is hereby amended by inserting at the end thereof the following new subsection (c):

"(c) The Commission may from time to time by its rules and regulations and subject to such terms and conditions as may be prescribed therein, add to the securities exempted as provided in this section any class of securities issued by a small business investment company under the Small Business Investment Act of 1958 if it finds, having regard to the purposes of that act, that the enforcement of this act with respect to such securities is not necessary in the public interest and for the protection of investors."

(b) Section 304 of the Trust Indenture Act of 1939 (15 U. S. C. 77ddd) is hereby amended by adding the following subsection (e):

"(e) The Commission may from time to time by its rules and regulations, and subject to such terms and conditions as may be prescribed herein, add to the securities exempted as provided in this section any class of securities issued by a small business investment company under the Small Business Investment Act of 1958 if it finds, having regard to the purposes of that act, that the enforcement of this act with respect to such securities is not necessary in the public interest and for the protection of investors."

(c) Section 18 of the Investment Company Act of 1940 (15 U. S. C. 80a) is amended by adding at the end thereof the following:

"(k) The provisions of subparagraphs (A) and (B) of paragraph (1) of subsection (a) of this section shall not apply to investment companies operating under the Small Business Investment Act of 1958."

Tax provisions

SEC. 308. (a) Section 165 of the Internal Revenue Code of 1954 (relating to deduction for losses) is amended by adding at the end of subsection (h) the following new paragraphs:

"(3) For special rule for losses on stock in a small business investment company, see section 1242.

"(4) For special rule for losses of a small business investment company, see section 1243."

(b) Subchapter P of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sections:

"SEC. 1242. Losses on small business investment company stock.

"In the case of a taxpayer if—

"(1) A loss is on stock in a small business investment company operating under the Small Business Investment Act of 1958, and

"(2) Such loss would (but for this section) be treated as a loss from the sale or exchange of a capital asset,

then such loss shall be treated as a loss from the sale or exchange of an asset which is not a capital asset.

"SEC. 1243. Loss of small business investment company.

"In the case of a small business investment company, if—

"(1) A loss is on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to section 304 of the Small Business Investment Act of 1958, and

"(2) Such loss would (but for this section) be treated as a loss from the sale or exchange of a capital asset,

then such loss shall be treated as a loss from the sale or exchange of an asset which is not a capital asset."

(c) Section 243 of the Internal Revenue Code of 1954 (relating to dividends received by corporations) is amended as follows:

(1) by striking from subsection (a) the following language "In the case of a corporation" and inserting in lieu thereof the following language "In the case of a corporation (other than a small business investment company operating under the Small Business Investment Act of 1958)".

(2) By adding at the end thereof the following new subsection:

"(c) Small business investment company. In the case of a small business investment company, there shall be allowed as a deduction an amount equal to 100 percent of the amount received as dividends (other than dividends described in paragraph (1) of section 244, relating to dividends on preferred stock of a public utility) from a domestic corporation which is subject to taxation under this chapter."

(d) Section 246 (b) (1) of the Internal Revenue Code of 1954 (relating to limitation on aggregate amount of deductions for dividends received) is amended by striking "243" wherever appearing and inserting in lieu thereof "243 (a) and (b)".

Miscellaneous

SEC. 309. (a) Wherever practicable the operations of a small business investment company, including the generation of business, may be undertaken in cooperation with banks or other financial institutions, and any servicing or initial investigation required for loans or acquisitions of securities by the company under the provisions of this Act may be handled through such banks or other financial institutions on a fee basis. Any small business investment company may receive fees for services rendered to banks or other financial institutions.

(b) Each small business investment company may make use, wherever practicable, of the advisory services of the Federal Reserve System and of the Department of Commerce which are available for and useful to industrial and commercial businesses, and may provide consulting and advisory services on a fee basis and have on its staff persons competent to provide such services. Any Federal Reserve bank is authorized to act as a depository or fiscal agent for any company organized under this act. Such companies may invest funds not reasonably needed for their current operations in direct obligations of, or obligations guaranteed as to principal and interest by, the United States.

(c) The Administration is authorized to prescribe regulations governing the operations of small business investment companies, and to carry out the provisions of this act, in accordance with the purposes of this act. Each small business investment company shall be subject to examinations made by direction by the Administration by examiners selected or approved by the Administration, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Administration be assessed against the company examined and when so assessed shall be paid by such company. Every such company shall make such reports to the Administration at such times and in such form as the Administration may require; except that the Administration is authorized to exempt from making such reports any such company which is registered under the Investment Company Act of 1940 to the extent necessary to avoid duplication in reporting requirements.

(d) Should any small business investment company violate or fail to comply with any of the provisions of this act or of regulations prescribed hereunder, all of its rights, privileges, and franchises derived therefrom may thereby be forfeited. Before any such company shall be declared dissolved, or its rights, privileges, and franchises forfeited, any noncompliance with or violation of this act shall be determined and adjudged by a court of the United States of competent jurisdiction in a suit brought for that purpose in the district, Territory, or other place subject to the jurisdiction of the United States, in which the principal office of such company is located. Any such suit shall be brought by the United States at the insistence of the Administration or the Attorney General.

(e) Whenever in the judgment of the Administration any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this act or of any regulation thereunder, the Administration may make application to the proper district court of the United States, or a United States court of any Territory or other place subject to the jurisdiction of the United States, for an order enjoining such acts or practices, or for an order enforcing compliance with such provision or regulation, and such courts shall have jurisdiction of such actions and, upon a showing by the Administration that such person has engaged or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

(f) Any small business investment company may at any time within the 2 years next previous to the date of the expiration of its corporate existence, by a vote of the shareholders owning two-thirds of its stock, apply to the Administration for approval to extend the period of its corporate existence for a term of not more than 30 years, and upon approval by the Administration, as provided in section 301 hereof, such company shall have its corporate existence extended for such approved period unless sooner dissolved by the act of the shareholders owning two-thirds of its stock, or by an act of Congress, or unless its franchise becomes forfeited as herein provided.

(g) Nothing in this act or in any other provision of law shall be deemed to impose any liability on the United States with respect to any obligations entered into, or stocks issued, or commitments made, by any company organized under this act.

Approving State chartered companies for operations under this act

SEC. 310. Any investment company chartered under the laws of any State expressly for the purpose of operating under this act may with the approval of the administrator be permitted to operate under the provisions of this act. Upon such approval, which shall be given with due regard to the factors specified in section 301 (c) with respect to organization of small business investment companies, such State investment company shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as are prescribed by this act for companies organized under section 301 as small business investment companies.

TITLE IV—CONVERSION OF STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES

SEC. 401. (a) Prior to July 1, 1961, any investment company or any State development company may, by the vote of the shareholders owning not less than 51 percent of the capital stock of such company, with the approval of the Administration, be converted into a small business investment company under this act; except that nothing contained herein shall be construed to supersede the laws of any State.

(b) In such case the articles of association and organization certificate may be executed by a majority of the directors of the corporation, and the certificate shall declare that the owners of 51 percent of the capital stock have authorized the directors to make such certificate and to change or convert the corporation into a small business investment company. A majority of the directors, after executing the articles of association and the organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a small business investment company. The shares of any such company may continue to be for the same amount each as they were before the conversion, and the directors, regardless of number, may continue to be directors of the corporation until the election of the board of directors is held in accordance with regulations of the Administration.

(c) When the Administration has given to such company a certificate that the provisions of this act have been complied with, such company shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as are prescribed by this act for companies originally organized as small business investment companies.

TITLE V—LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

SEC. 501. (a) The Administration is authorized to make loans to State and local development companies to assist in carrying out the purposes of this act; except that no such loan shall be made to any local development company after June 30, 1961. Any funds advanced under this subsection shall be in exchange for obligations of the development company which bear interest at such rate, and contain such other terms, as the Admin-

istration may fix, and funds may be so advanced without regard to the use and investment by the development company of funds secured by it from other sources.

(b) The total amount of obligations purchased and outstanding at any one time by the Administration under this section from any one State or local development company shall not exceed the total amount borrowed by it from all other sources.

SEC. 502. The Administration may, in addition to its authority under section 501, make loans for plant construction, conversion or expansion, including the acquisition of land, to State and local development companies, and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis: *Provided, however,* That the foregoing powers shall be subject to the following restrictions and limitations:

(1) All loans made shall be so secured as reasonably to assure repayment. In agreements to participate in loans on a deferred basis under this subsection, such participation by the Administration shall not be in excess of 90 percent of the balance of the loan outstanding at the time of disbursement.

(2) The proceeds of any such loan shall be used solely by such borrower to assist an identifiable small-business concern and for a sound business purpose approved by the Administration.

(3) Loans made by the Administration under this section shall be limited to $250,000 for each such identifiable small-business concern.

(4) Any development company assisted under this section must meet criteria established by the Administration, including the extent of participation to be required or amount of paid-in capital to be used in each instance as is determined to be reasonable by the Administration.

(5) No loans, including extensions or renewals thereof, shall be made by the Administration for a period or periods exceeding 10 years plus such additional period as is estimated may be required to complete construction, conversion, or expansion, but the Administration may extend the maturity of or renew any loan made pursuant to this section beyond the period stated for additional periods, not to exceed 10 years, if such extension or renewal will aid in the orderly liquidation of such loan. Any such loan shall bear interest at a rate fixed by the Administration.

(6) No loan shall be made under this section to any local development company after June 30, 1961.

TITLE VI—CHANGES IN FEDERAL RESERVE AUTHORITY

Repeal of section 13b of the Federal Reserve Act

SEC. 601. Effective 1 year after the date of enactment of this act, section 13b of the Federal Reserve Act (12 U. S. C. 352a) is hereby repealed; but such repeal shall not affect the power of any Federal Reserve bank to carry out, or protect its interest under, any agreement theretofore made or transaction entered into in carrying on operations under that section.

Fund for management counseling

SEC. 602. (a) Within 60 days after the enactment of this act, each Federal Reserve bank shall pay to the United States the aggregate amount which the Secretary of the Treasury has heretofore paid to such bank under the provisions of section 13b of the Federal Reserve Act; and such payment shall constitute a full discharge of any obligation or liability of the Federal Reserve bank to the United States or to the Secretary of the Treasury arising out of subsection (e) of said section 13b or out of any agreement thereunder.

(b) The amounts repaid to the United States pursuant to subsection (a) of this section shall be covered into a special fund in the Treasury which shall be available for grants under section 207 (c) of the Small Business Act of 1953. Any remaining balance of funds set aside in the Treasury for payments under section 13b of the Federal Reserve Act shall be covered into the Treasury as miscellaneous receipts.

(c) Section 207 of the Small Business Act of 1953 is amended by adding at the end thereof a new subsection as follows:

"(c) The Administration also is empowered to make grants to any State government or any agency thereof, State-chartered development credit or finance corporations, land-grant colleges and universities, and colleges and schools of business, engineering, commerce, or agricultural studies, research, and counseling concerning the managing, financing, and operation of small-business enterprises and technical and statistical information necessary thereto in order to carry out the purposes of subsection (b) (4) of this section by coordinating such information with existing information facilities within the State and by making such information available to State and local agencies. Only one such grant shall be made within any one State in any one year, and no such grant shall exceed an aggregate amount of $40,000. Such grants shall be made from the fund established in the Treasury by section 602 (b) of the Small Business Investment Act of 1958."

TITLE VII—CRIMINAL PENALTIES

SEC. 701 (a) The first paragraph of section 217 of title 18, United States Code, is amended by inserting after "farm credit examiner," the following: "or of any small business investment company,".

(b) Section 218 of such title is amended by inserting after "National Agricultural Credit Corporations," the following: "or an examiner of small business investment companies,".

SEC. 702. (a) The first paragraph of section 221 of title 18, United States Code, is amended by inserting after "United States," the following: "or a small business investment company,".

(b) The second paragraph of such section 221 is amended by inserting after "Congress," the following: "or any small business investment company,".

(c) The heading of such section 221 is amended by striking out "farm loan or land bank" and inserting in lieu thereof "farm loan, land bank, or small business."

(d) The table of sections for chapter 11 of such title 18 is amended by striking out "farm loan or land bank" in the reference to section 221 and inserting in lieu thereof "farm loan, land bank, or small business."

SEC. 703. Section 657 of title 18, United States Code, is amended by inserting after "Federal Savings and Loan Insurance Corporation," the following: "or any small business investment company,".

SEC. 704. Section 1006 of title 18, United States Code, is amended by inserting after "Federal Savings and Loan Insurance Corporation," the following: "or any small business investment company,".

SEC. 705. Section 1014 of title 18, United States Code, is amended by inserting after "a Federal Reserve bank," the following: "or of a small business investment company,".

Mr. JOHNSON of Texas. Mr. President, I wish to make a brief statement on the pending business, because I must be present at the marking up of the State-Justice-Judiciary appropriation bill at 2 o'clock this afternoon.

At the conclusion of my statement, I shall suggest the absence of a quorum. Then the distinguished chairman of the committee will make an explanatory statement. We expect to have some amendments offered to the bill.

Mr. President, I wish to express my appreciation for the perseverance, the intelligence, and the dedication to American free enterprise displayed by the chairman of the Small Business Subcommittee in the consideration of S. 3651. The Senator from Pennsylvania [Mr. CLARK], his colleagues on the subcommittee, and his very able staff have done a remarkable and vitally important job for the American people.

I want to take a moment, too, to remark on the efforts of other Senators in the field of small-business financing.

As Senators know, this problem has faced several Congresses. There has been, I think, general recognition of the nature of the problem. Businessmen and bankers, Members of Congress, and executive agencies have recognized that although short-term credit is often available to small business, long-term credit and equity financing is not. The question is not "What is the problem?" It is "How can the Government best help to answer the problem?"

The problem was outlined thoroughly and exhaustively in the hearings held last year by the House Small Business Committee under the able leadership of WRIGHT PATMAN who has devoted so much of his talents to small business.

A number of bills have been introduced in both Houses during this Congress, proposing various solutions to the problem. Among the Senate bills were S. 2160, sponsored by Senator SPARKMAN and Senators FULBRIGHT, CLARK, HILL, O'MAHONEY, and KEFAUVER; S. 2185, sponsored by Senator HUMPHREY; S. 2286, by Senator FULBRIGHT; S. 3191, by myself; and S. 3651, the bill before us today, which I sponsored together with Senators FULBRIGHT, SPARKMAN, CLARK, PROXMIRE, HILL, O'MAHONEY, HUMPHREY, BEALL, and CASE of New Jersey.

While these bills took different roads, they had the same destination: aid to small business and the protection of competitive enterprise.

With the reporting of S. 3651 to the Senate, we have an opportunity to approve a significant program of aid to small business. And it is a program, Mr. President, that does no violence to free enterprise, that does not raise the specter of Federal control of, and competition with, private business.

S. 3651 is a progressive and necessary bill. Its purpose is to provide assistance in an area where today neither Government nor private institutions can offer that assistance. As every Senator knows from his study of small-business needs, commercial banks are not in the business of providing equity capital to small businesses. Neither are they prepared in most instances to offer long-term credit to such businesses. And while the Small Business Administration is authorized to make loans of a maximum 10-year duration, with a possible further 10-year extension, it cannot under law go further toward meeting the real long-term requirements of small businesses, and it cannot provide equity capital in any case.

As amended by the committee, S. 3651 would establish in the Small Business

Administration an Investment Division. The Division's functions would be three:

First. To charter, regulate, and examine small business investment companies.

Second. To lend funds to those companies.

Third. To lend funds to State and local development companies.

The Division would be separated, as far as possible, from the SBA's other operations, because its function is distinct from those operations. From the nature of its job, it will not develop a staff of great size, for it will not be in contact with thousands of small businesses as is the present SBA. Its contacts will be, instead, with investment companies.

The idea of the investment companies is an old one, and it has many parallels on the statute books today. The national farm loan associations, under the land bank system; the savings and loan associations, under the home-loan bank system; the farm cooperatives, and so on—these institutions, like the investment companies proposed under S. 3651, were in the beginning financed in part by the Federal Government. Some of them are now wholly owned by the private citizens they were intended to benefit. The others are in the process of liquidating Federal ownership.

Eventual private ownership is what is proposed here for the small-business investment companies. It has worked before, to the general satisfaction of those concerned with the programs I have mentioned. And I may say that it has resulted in neither the socialization of our farms, of our homes, nor in any disastrous raids on the Treasury.

The investment companies will be organized by 10 or more persons, under charters granted by either the States or the SBA. They must have, as capital and surplus, $300,000 before they commence business; half of that may be invested by the SBA. The SBA may also loan these companies funds up to one-half of their capital and surplus, as an encouragement to their speedy and effective growth.

The companies will then be in a position, Mr. President, to provide equity capital through the purchase of convertible debenture bonds, to small businesses, and to make 30-year loans.

The small businesses receiving equity capital from investment companies will be required to purchase stock in the companies, in an amount equaling from 2 to 5 percent of the capital received. In this way, private ownership of the companies will be realized.

This is the basic structure of the program spelled out in S. 3651.

Mr. President, there is no doubt about the need for the kind of assistance provided by this bill. The Rockefeller brothers' report on America at midcentury, discussing the needs of small business, had this to say:

> The need is primarily for long-term equity or loan funds. As a result of the inability to obtain capital funds, the opportunity for establishing a new firm, or for expanding an established firm, is often lost. Often the established firm merges with a larger enterprise that can command the necessary resources. The past few years have seen a wave of such mergers. Such a condition is neither conducive to vigorous competition nor to economic growth.

The Government cannot today answer to this need, Mr. President; neither can private lending institutions. Given the authority we propose in this bill, the need can, in part, be met. I believe my colleagues will be ready and willing to meet it, and thereby to strengthen free competitive enterprise in America.

Mr. President, I have talked with the distinguished senior Senator from Indiana [Mr. CAPEHART]. It is my understanding that the pending bill provides loans for a period of 30 years, with a 10-year liquidating period.

The Treasury feels it would be better if the 40-year period could be reduced. The distinguished Senator from Indiana proposes to reduce the loan period to 20 years and the liquidating period to 10 years. I have discussed this question with the members of the staff of the committee; and if and when the Senator from Indiana offers such an amendment, it will be acceptable.

Mr. CAPEHART. Mr. President, will the Senator yield? If he will, I will offer the amendment now.

Mr. JOHNSON of Texas. Very well.

Mr. CAPEHART. Mr. President, I offer an amendment reducing the loan term from 30 years to 20 years and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 48, it is proposed to delete from line 11 the word "thirty" and insert in lieu thereof the word "twenty."

Mr. CAPEHART. Mr. President, is the Senator from Arkansas willing to accept the amendment?

Mr. FULBRIGHT. I reluctantly accept it. I do not approve it. I think it is unfortunate that we are asked to accept it.

Mr. JOHNSON of Texas. We have attempted in the committee to meet every objection raised by the Treasury Department—at least, every objection as to which there was testimony.

I appreciate the patience and the understanding of the distinguished chairman of the committee and the members of the committee staff.

After the bill was reported, the Senator from Indiana spoke to me and made several suggestions which he felt were constructive. I have had the staff analyze those suggestions. While we prefer the provisions of the bill, nevertheless, in an attempt to obtain bipartisan support, in the hope that our actions can be made as unanimous as possible, we have agreed to accept this amendment and another amendment, which concerns the administration of the bill.

I hope the amendment just offered will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I think my colleagues are ready and willing to meet the situation facing the small business concerns and thereby to strengthen every competitive enterprise in the United States.

I understand the Senator from Indiana desires to offer another amendment on the subject of administration.

The PRESIDING OFFICER. The committee amendment is being considered as the text of the bill and will be so considered for the purpose of amendment.

Mr. JOHNSON of Texas. Mr. President, before any action is taken on the bill, I shall suggest the absence of a quorum. I simply wanted to give the Senator from Indiana an opportunity to submit his other amendment.

Mr. CAPEHART. Mr. President, I offer my amendment, designated as 6-6-58—G, and ask that it be stated.

Mr. SPARKMAN. Mr. President, would it not be well to defer that action until some of the preliminary statements on the bill are made? Frankly, I wish to speak about the amendment before it is agreed to.

Mr. JOHNSON of Texas. Does the Senator from Alabama have any objection to making the amendment the pending amendment?

Mr. SPARKMAN. No; but I believe that the general statements on the bill should be made first.

Mr. JOHNSON of Texas. The Senator from Indiana having offered his amendment, the Senator from Alabama can make a statement about it.

Mr. SPARKMAN. Very well. I did not want it called up with the idea that it would be agreed to immediately. I shall not oppose the amendment, but I wish to say something about it.

The PRESIDING OFFICER. The amendment, proposed by the Senator from Indiana [Mr. CAPEHART], will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 38, it is proposed to delete line 19, and insert in lieu thereof the word "Administrator."

On page 39, to delete from lines 3 and 5, the words "in him"; in line 4 after "Administrator" the words "and the Administration"; delete from line 6 the words and numbers "sections 205 and 206 of"; and in line 7 replace the period with a comma and add, "and the provisions of sections 209 and 219 of that act, insofar as applicable, are extended to apply to the functions of the Administrator and the Administration under this act."

Mr. FULBRIGHT. Mr. President, I wish to speak in support of S. 3651 and to request its approval by the Senate.

First, I should like to inquire of the majority leader, who announced that he intended to hold hearings on the State Department appropriations bill, when he intends to hold hearings, because I am very much interested in that bill.

Mr. JOHNSON of Texas. We are not going to hold hearings. We plan to mark up the bill. I hope the Senator from Arkansas will proceed with his statement.

Mr. FULBRIGHT. There are certain items in that bill in which the Senator from Texas knows I am interested. Can he reserve action on them until I can be present? I wish to offer an amendment.

Mr. JOHNSON of Texas. Yes. We have that in mind, and have already done some work in the Senator's behalf.

Mr. FULBRIGHT. I thank the Senator from Texas.

Mr. President, I wish to speak in support of S. 3651 and to request its approval by the Senate. I believe the bill to be potentially one of the most significant measures presented to the Senate in the 85th Congress. I congratulate our Majority Leader, Senator Johnson of Texas—the principal sponsor of this bill—and the junior Senator from Pennsylvania [Mr. CLARK], the chairman of the Subcommittee on Small Business, which subcommittee has worked diligently upon this proposal during both sessions of the 85th Congress. I also wish the Senate to recognize the contributions of Senator O'MAHONEY, and Senators SPARKMAN, PROXMIRE, BEALL, PAYNE, and CASE, of the Committee on Banking and Currency—and other Senators from both sides of the aisle who have advocated the establishment of a Federal program similar to the provisions of S. 3651.

It should be made clear that S. 3651 is a product of the 85th Congress only to the extent that recognition of the need and proposed solutions have crystallized in the last 2 years. This is due in large part to studies and recommendations by the Board of Governors of the Federal Reserve System. I can say quite frankly that this bill would not be on the Senate floor today if it were not for the work and thoughtful consideration of small business financing problems undertaken by Federal Reserve Board Chairman Martin, his colleagues on the Board, and the very competent staffs of the Federal Reserve System.

The committee report explains in some detail the background of events leading up to the introduction and modification of S. 3651. I will not repeat these portions of the report, but I desire to emphasize some impressive testimony received by the Banking and Currency Committee in 1950. At that time the committee was considering S. 3625, entitled the "Small Business Act of 1950," sponsored by Senators O'MAHONEY, SPARKMAN, LUCAS, and MAYBANK. On June 22, 1950, Mr. Thomas B. McCabe, then Chairman of the Board of Governors of the Federal Reserve System, testified in favor of S. 3625, and stated quite clearly the need for a new type of financial institution. Mr. McCabe summarized his views, as follows:

1. There are pockets in which, for one reason or another, existing financing facilities do not fully meet the needs of small business.

2. Short- and medium-term financing generally presents no great problem, except perhaps in some localities and for very small, and often new, concerns. Commercial banks generally have demonstrated their willingness to provide such credit for the latter group. However, many banks, particularly the smaller banks, have not developed the necessary facilities to assure adequate coverage.

3. Easy availability of short- or medium-term credit may encourage businessmen to rely on it too heavily, even using it to finance long-term needs. Should profits decline or credit conditions become tighter, they may then find themselves in serious financial difficulties. What these small businesses really need is financing that will not be too burdensome when the going gets temporarily rough—in other words, equity capital and long-term credit. Moreover, they often need more equity capital in order to qualify for short- and intermediate-term loans from banks.

4. Small-business concerns do not have access to equity and long-term borrowed capital in the way that large companies do. For one thing, the costs of preparing and marketing a small equity or long-term debt issue are prohibitive. For another, there is frequently neither a new issue market nor a secondary market for the equity or long-term debt instruments of small businesses, either in the community where they are known or on the outside.

5. Neither stock nor bond financing in the forms generally available is what the small-business man is looking for. The sale of bonds and preferred stock is generally impractical, except to relatives and close friends. Frequently, the small-business man does not want to sell common stock. The sale of common stock to outsiders, unless to institutions especially authorized to participate on a limited basis, means that the small-business man will have to share the control of his business with others, or perhaps relinquish control. Most small-business men value their independence highly—that is one of the primary reasons why they go into business for themselves. Debt may prove to be a financial straitjacket in times of economic adversity.

6. The traditional suppliers of equity and long-term credit funds to small business—the friend of the family or the local financier—are becoming less and less important in the local financial picture. The growing difficulty of finding a partner, silent or otherwise, is due in part to tax considerations. Also, it is due in part to a change in investment preferences of individuals. There have been indications in recent years of a trend away from equity investment to life insurance, tax-exempt securities, and other highly liquid assets.

7. There are very few institutions in existence equipped to supply small business with both long-term credit and equity capital. There are, undoubtedly, many cases in which some combination of equity capital and long-term credit would prove more suitable than either one by itself. To meet such needs, financing must be tailored to the requirements of each individual business, and not offered in exactly the same form on a take-it-or-leave-it basis to all comers.

I subscribe wholeheartedly to the views expressed by Mr. McCabe. Nothing has happened in the intervening years to alter the situation. In fact, these considerations probably are more pertinent and serious today than they were in 1950. The overwhelming majority of witnesses before Banking and Currency, in hearings last year and this year, agree, first, that a genuine need exists for a new source of long-term debt and equity financing for small businesses; second, that this need must be met; and third, that it is proper for the Federal Government to assist in launching private institutions to meet the need. S. 3651 is designed to satisfy these three general areas of agreement.

The Banking and Currency Committee has made a genuine effort to accept all reasonable and sincerely helpful suggestions. Any suggestions which were rejected were rejected for 1 of 2 principal reasons, first, the proposals were either incompatible with the basic conception of the purposes of the bills, or second, they were obviously camouflaged attempts to defeat the spirit of the bill while pretending to perfect it. The six amendments submitted last Friday, presumably prepared by the administration, can be so characterized. These proposals were all considered by the committee and were rejected for one of the principal reasons which I have mentioned.

The provisions contained in S. 3651, as reported, are in many ways drastic compromises with bills referred to the committee for consideration. Personally, I would have preferred to reject many of the compromises which were accepted. The majority of the committee, including myself, worked in a spirit of cooperation and in a conviction that we could acceed to certain objections and still report a good bill. I believe that S. 3651 is a good bill, and I hope that it can be passed without any crippling amendments.

The Federal program contemplated by S. 3651 is conceived to carry out or to be based upon the following principles:

First. To supplement, rather than supplant, existing private facilities.

Second. To operate under a simple and flexible organizational structure.

Third. To operate and be accounted for in complete separation from other Federal small-business programs.

Fourth. To utilize to the maximum possible extent the facilities of State and local development credit corporations.

Fifth. To concentrate upon meeting the equity and long-term credit needs of small-business concerns.

This Federal program attempts to carry out the philosophy that a new financial institution must be established, that this type of institution can be launched with Federal assistance, and that these institutions can be made profitable, and can eventually continue without Federal support.

Mr. President, the principal features of Senate bill 3651 contemplate Federal loans to private small business investment companies and to State and local development companies. The program will be administered by a new Division in the Small Business Administration, which Division will be headed by a Deputy Administrator appointed by the President and confirmed by the Senate. This new Division will have no direct creditor-borrower relationships with small-business concerns, as such.

A revolving fund will be created for the use of the new Division, by authorizing borrowings from the Treasury. During the first year of operations, these borrowings may not exceed $50 million. During the second year of operations, these borrowings may be increased to a total of $150 million. Thereafter, the revolving fund may not exceed $250 million. The rate of interest paid to the Treasury may not exceed the current average yield on outstanding marketable obligations of the United States of comparable maturities as of the last day of the month preceding the borrowing. Funds required for administrative expenses will be appropriated in the usual way.

This revolving fund may be used for four purposes, as follows:

First. To assist in the formation of private small business investment companies by purchasing up to $150,000 in the subordinated debentures of any such company, which amount shall be considered to be a part of the capital and surplus of the company for the purpose of compliance with any capital-to-debt ratio to which the company may be subject.

Second. To make loans to small business investment companies in aggregate amounts not to exceed 50 percent of the capital and surplus of any such company.

Third. To make loans to State and local development companies in aggregate amounts not to exceed the amounts which such companies borrow from other sources.

Fourth. To make additional loans to State and local development companies not to exceed $250,000 for any one loan, where the loan is adequately secured and where the proceeds are specifically directed to an identifiable small-business concern.

Small-business investment companies, the new financial institutions to be formed as authorized in the bill, may be chartered by the Small Business Administration, or may be chartered under State law and approved for operation under the act by the Small Business Administration. The bill provides that authority for the Small Business Administration to charter small-business investment companies will terminate on June 30, 1961. It is believed that within the next 3 years all States will have had an opportunity to enable the formation of such companies and that a chartering function in the Small Business Administration will be unnecessary. These companies will be regulated and supervised by the Small Business Administration and will have two primary purposes; that is, first, to provide equity-type capital to small-business concerns through the purchase of the convertible debentures of such concerns, and, second, to provide long-term debt capital through loans with maximum maturities of 30 years.

Another primary function of the Small Business Investment Division of the Small Business Administration will be to encourage the growth and development of State and local development companies. These companies have been performing an increasingly important and useful role in providing credit for small-business concerns. The proceeds of any loans made to these State and local development companies must be used for purposes consistent with the act. The Small Business Administration will have authority to carry out this intention of the law.

I have not attempted to explain the bill in great detail, but I invite the attention of the Senate to Senate Report No. 1652, wherein the bill is thoroughly discussed. In order that the record of this debate may be more complete, however, I ask unanimous consent that a sectional analysis of the bill be inserted at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTIONAL ANALYSIS

TITLE I—SHORT TITLE, STATEMENT OF PURPOSE AND DEFINITIONS

Section 101. Short title: Cited as Small Business Investment Act of 1958.

Section 102. Statement of policy: States Congressional policy to (1) stimulate and supplement flow of private capital to small business, (2) recognize that such funds are not available in adequate supply, (3) insure maximum participation of private financing sources, and (4) deny financial assistance which would substantially increase unemployment in any area of the country.

Section 103. Definitions: (Self-explanatory.)

TITLE II—SMALL BUSINESS INVESTMENT DIVISION OF SMALL BUSINESS ADMINISTRATION

Section 201. Establishment of Small Business Investment Division: Creates the Small Business Investment Division within the Small Business Administration. Division to be headed by a Deputy Administrator appointed by President and confirmed by Senate.

Section 202. Provision of funds: Creates revolving fund of $250 million for Investment Division of SBA—funds to be borrowed from the Treasury at the current average yields on United States obligations of comparable maturities. Maximum borrowing of $50 million during the first year of operations, and maximum of $150 million during first 2 years of operations.

Section 203. Purpose of revolving fund: Revolving fund may be used—(1) to purchase subordinated debentures of small business investment companies, (2) to make loans to small business investment companies, and (3) to make loans to State and local development companies.

TITLE III—SMALL BUSINESS INVESTMENT COMPANIES

Section 301. Organization of small business investment companies: Small business investment companies may be formed by 10 or more persons subject to the approval of the SBA. SBA chartering authority terminates June 30, 1961. Enumerated are such powers as are necessary to carry on the business for which a company is established.

Section 302. Capital stock and subordinated debentures: A small business investment company must have $300,000 paid-in capital and surplus before it may commence business. The SBA is authorized to advance a maximum of $150,000 to any such company by purchasing subordinated debentures, and such subordinated debentures are to be considered a part of capital and surplus. Shares of stock in such companies may be purchased by member banks of the Federal Reserve System, nonmember banks, insurance companies, financial institutions, corporations, partnerships, and other persons. A member bank or an insured nonmember bank may hold stock in such companies only in an aggregate amount of 1 percent of such bank's capital and surplus. The aggregate amount of stock in such companies which may be held by any stockholder may be limited by the SBA.

Section 303. Borrowing power: Small-business investment companies may borrow money and issue obligations subject to limitations and regulations of the SBA. The SBA is authorized to lend to such companies upon such terms and at such interest rates as determined by the SBA. The SBA may not have loans outstanding under this section at any one time to any one company in an amount exceeding 50 percent of the paid-in capital and surplus of such company.

Section 304. Provision of equity capital for small-business concerns: Small-business investment companies are authorized to provide equity capital to small-business concerns through the purchase of convertible debenture bonds. Such bonds shall bear interest and contain other such terms as the company may fix with the approval of the SBA. Before any capital is provided to a small-business concern under this section, the investment company may require such concern to (1) refinance any or all of its outstanding debt so the investment company is the only holder of evidence of indebtedness of such concern, and (2) agree not to thereafter incur any debts without the approval of the investment company. When a small-business concern obtains capital under this section, it is required to purchase stock in the investment company in an amount ranging from 2 to 5 percent of the funds it obtains, the amount of such stock purchase to be set by the SBA and the SBA can authorize a 3-year deferment of stock purchase.

Section 305. Long-term loans to small business concerns: Small business investment companies are authorized to make long-term loans to small-business concerns. The maximum rate of interest on such loans is to be determined by the SBA, and maximum maturity is set at 30 years with the investment company having the right to extend the maturity of any loan another 10 years if it deems such extension advisable to orderly liquidation of the loan. Such loans may be made directly or in cooperation with other lending institutions through agreements to participate on an immediate or deferred basis.

Section 306. Aggregate limitations: Without the approval of the SBA, no small business investment company can have more than 20 percent of its combined capital and surplus in loans and investments of a single small-business concern at one time.

Section 307. Exemptions: Securities issued by small business investment companies may be exempt by the SEC from the Securities Act of 1933 and the Trust Indenture Act of 1939, or issued under special regulations, if the SEC finds that complete application of these two acts is not necessary in the public interest and for the protection of investors. Investment companies chartered by SBA are exempt from the equity-debt ratio requirements of the Investment Company Act of 1940.

Section 308. Tax provisions: Any individual or corporation is allowed an ordinary (rather than capital) loss derived from a sale or exchange of stock in a small business investment company. Also, a small business investment company may treat as an ordinary loss any loss on convertible debentures (including stock received pursuant to the conversion privilege) acquired pursuant to section 304 above. Further, a dividend received deduction equal to 100 percent (rather than 85 percent) of dividends received by a small business investment company is allowed.

Section 309. Miscellaneous: Contains miscellaneous provisions concerning the operations of small business investment companies and the regulation of them by the SBA.

Section 310. Approving State-chartered companies for operations under this act: State-chartered companies formed expressly for the purpose of operating under this act may be approved for such operations by the SBA. Upon approval such companies shall have the same powers and privileges and shall be subject to the same duties, liabilities, and regulations, in all respects, as are prescribed for small business investment companies chartered by the SBA.

TITLE IV—CONVERSION OF STATE CHARTERED INVESTMENT COMPANIES AND STATE DEVELOPMENT COMPANIES

Section 401: State chartered investment companies and State development companies may, upon the vote of the majority of stockholders, be converted into a small business investment company with the ap-

proval of the SBA. SBA conversion authority terminates June 30, 1961. Nothing in this section shall be construed to supersede any State law.

TITLE V—LOANS TO STATE AND LOCAL DEVELOPMENT COMPANIES

Section 501: The SBA is authorized to make loans to State and local development companies with the stipulation that such funds are to be used by such companies to assist in carrying out the purposes of this act. Such loans by the SBA are to be in exchange for obligations of the development companies on such terms and at an interest rate set by the SBA. The SBA loans outstanding at any one time to any one development company under this section cannot exceed the total amount borrowed by the company from all other sources. Loans to local development companies may be made only through June 30, 1961.

Section 502: The SBA is also authorized to make secured loans to State and local development companies, up to $250,000 each if such loans are to assist an identifiable small-business concern. Loans to local development companies may be made only through June 30, 1961.

TITLE VI—CHANGES IN FEDERAL RESERVE AUTHORITY

Section 601. Repeal of section 13b of the Federal Reserve Act: Section 13b of the Federal Reserve Act (which provides that Federal Reserve banks may make working capital loans to business concerns) is repealed 1 year after enactment of this act. A savings provision protects transactions being carried out.

Section 602. Fund for management counseling: Section 13b funds ($27.5 million) are to be returned by the Federal Reserve banks to the Treasury which shall create a special fund to be used by SBA in making grants to States, State agencies, State development companies, colleges and universities for studies, research, and counseling relating to managing, financing, and operating small-business concerns. Only one grant can be made in any one State in any one year and no grant may exceed $40,000.

TITLE VII—CRIMINAL PENALTIES

Sections 701–705: Makes it a crime for an officer, director, agent, or employee of a small business investment company to (a) make any loans to an examiner of such company, (b) receive a fee, gift or commission for any transaction by the company which is not authorized in this act, (c) embezzle or willfully misapply any funds or securities belonging to such company, and (d) make a false entry or report or to make an unauthorized transaction.

Makes it a crime for an examiner of a small business investment company to accept a loan or gratuity from such a company or from anyone connected with such company. Makes it a crime for anyone to knowingly make any false statement or report or to willfully overvalue any property or securities for the purpose of influencing the action of a small business investment company. Makes it a crime for anyone to cause or procure a small business investment company to charge or receive a fee or gift not specifically authorized by law.

Mr. FULBRIGHT. Mr. President, in conclusion, I call the attention of the Senate to one example of what Senate bill 3651 is intended to do. Last year, the Committee on Banking and Currency heard testimony from a small manufacturer in my State. This witness related the success of his business, and the problems involved in obtaining long-term funds for expansion and growth. At that time he needed $200,000 in long-term funds. I am advised that this successful and growing small independent business has since been bought by a very large corporation with diversified activities. I am told that this former small-business man is now working for the large corporation which bought his business. I believe that if funds had been available through a small-business investment company or through a State development corporation, this small business could have maintained its independence.

Transactions of this kind occur somewhere in this country practically every day in the year. Mergers, consolidations, and other methods of business concentration are a real threat to the free economy which we wish so desperately to preserve. An economic dictatorship through increasing concentration of business activity is no less an evil than political dictatorship, and both must be resisted with equal vigor.

Senate bill 3651 offers a way to help small-business concerns to remain independent and to maintain the free economy so essential to our democratic Nation.

Mr. President, I wish to say another word regarding the pending amendment of the Senator from Indiana, which deals with the administration of this program.

I believe the agency should be an independent one, in order to have maximum efficiency. There was great objection to that point of view because of the multiplication of independent Federal agencies, and I anticipated considerable resistance to that proposal. In reaching a compromise, we struck upon this device of creating a semiautonomous division within the Small Business Administration.

I regret very much that the Senator from Indiana desires to press for adoption of his amendment, because I believe our proposal would have given the organization an opportunity to develop in an independent way, separate from the ordinary activities of the Small Business Administration.

However, that amendment is now pending. I regret that its adoption is being urged. I hoped I might persuade the Senator from Indiana not to press for its adoption; but apparently I have not done so.

However, even if the amendment is adopted, I still think there is great merit to the bill. Although it is experimental to a large extent, we have had sufficient experience in the field of agricultural financing, which is quite similar to this, to insure success, I believe, given a reasonably wise administration. So, despite the amendment, I still urge the Senate to pass the bill.

Mr. President, before I conclude, I wish to pay tribute to the Senator from Alabama [Mr. SPARKMAN]. He and the Senator from Wyoming [Mr. O'MAHONEY] many years ago were really the pioneers in the development of this idea; and the Senate owes to both of them a great debt of gratitude for the work they have done in regard to this legislative proposal.

Mr. SPARKMAN. Mr. President, let me say that I am very grateful to the distinguished chairman of the committee for what he has said about me in connection with his measure.

I rise to speak in support of Senate bill 3651, the Small Business Investment Act of 1958. Let me say, first of all, that in my opinion this is one of the most important pieces of proposed legislation to come before the Senate this year. It was an honor for me to join our majority leader [Mr. JOHNSON] in sponsoring this bill. The senior Senator from Texas, in introducing this bill, and in placing it high on the list of vital proposed legislation, has given further evidence of his keen insight as to the needs of the country.

I want also take this opportunity to commend the distinguished chairman of the full Banking and Currency Committee, the junior Senator from Arkansas [Mr. FULBRIGHT], who has shown a great deal of interest in this measure from the beginning, and to whose effective leadership much credit is due for now having before the Senate a bill as good as this one.

I also wish to pay my compliments to the distinguished junior Senator from Pennsylvania [Mr. CLARK], who, as chairman of the Small Business Subcommittee of the Banking and Currency Committee which considered the bill, did a most thorough and most conscientious job. As a member of the subcommittee, I know of the hard and careful work that went into this measure; and the Senator from Pennsylvania, as subcommittee chairman, certainly deserves our praise and appreciation for his arduous labor.

As chairman of the Senate Small Business Committee, this bill is of special interest to me. Through the past several years, I have been in contact with small-business men from all parts of the country. Also as a result of my service on the Small Business Committee, I have studied carefully the writings on small-business financing problems. I am convinced that this is one of the crucial areas which must be considered if we are to retain our competitive free-enterprise economy.

It is my considered opinion that, along with adequate antitrust legislation and enforcement and more equitable tax laws, the most pressing need of small business is more adequate means of financing.

I may say that this is not a new problem. It is one that has been with us for a good many years. Due to a number of reasons, however, such as the increased costs of doing business and the high tax rates which came about as a result of World War II and the cold war that has followed, the financing needs of small business have become more acute.

In the past several years a number of studies on small-business financing have been made. I should like briefly to call attention to some of the major ones.

The first official study of which I am aware was made in 1935 by the Department of Commerce, which surveyed 6,158 manufacturers, in all parts of the country, which employed between 21 and 250 employees. By far the most striking conclusion of the 1935 study was that

47.2 percent of all the manufacturers replied that they could not obtain long-term funds from any source whatever. By digging into individual financial statements, competent Commerce Department personnel estimated that almost two-thirds of these firms could be considered sound credit risks. Nonetheless, they were unable to find any long-term capital or credit at all.

Four years later, the Business Advisory Council of the Department of Commerce made a similar study and came to the same conclusion, with their findings almost identical with the earlier survey.

In 1943, Roy Foulke, of Dun & Bradstreet, told the Select Committee on Small Business of the Senate that "under the existing setup of our economic structure we find no organized source or sources to provide long-term money or permanent capital to intermediate-sized firms."

One of the first projects of the Committee for Economic Development in its series of studies of postwar economic problems dealt with small business. At the end of an intensive study, the business leaders of the United States who constituted the membership of the CED concluded that:

> One of the fundamental needs of small- and medium-size business is more adequate financing. More long-term credit is needed relative to short term. * * * More ownership funds are needed relative to borrowed funds. * * * Present banking facilities should be supplemented to open up, for the small enterprise, channels for capital loans and equity capital. The CED suggests the formation of new capital banks for this purpose.

In making its recommendation for the establishment of capital banks, the CED acknowledged that such an idea had been proposed several years earlier, in 1945, by the Investment Bankers Association.

The Congress first began to give serious attention to the problems of adequate long-term small-business financing in 1949, when it authorized the Joint Committee on the Economic Report to make a study of the volume and stability of private investment and the role of the Federal Government in promoting the investment of capital.

This study was made by the Subcommittee on Investment, under the chairmanship of Senator O'MAHONEY. Among the conclusions reached by this subcommittee was that small-business concerns, as a group, cannot obtain adequate financing on reasonable terms. The subcommittee in its report dated March 23, 1950, stated:

> From the evidence submitted to the subcommittee, it seems clear that one of the important questions facing the American people today is to determine what steps can and should be taken to preserve an open door for investment in little and local business in terms of ownership as well as in terms of debt. That problem is paramount to the development of a steadily expanding economy.

Based upon this subcommittee's study and recommendations, Senator O'Mahoney, with Senators Sparkman, Lucas, and Maybank, introduced S. 3625, entitled the "Small Business Act of 1950." This bill provided for the establishment of private national investment companies which would provide long-term debt and equity capital to small-business concerns, with the original capital for such investment companies to be supplied by the Federal Reserve banks.

The Federal Reserve Board of Governors and the administration joined in supporting this legislation.

I should like to pay due respect to the pioneer work in this field done by the Senator from Wyoming [Mr. O'MAHONEY]. Throughout the years the Senator has been one of the most diligent and able students of business financing, and he deserves recognition for being among the first to attempt to find a concrete solution to the financing needs of small- and medium-sized business.

If there is any single man who can claim credit as being the originator of the legislation we are now considering, I would say that honor goes to the distinguished and learned Senator from Wyoming.

In the same year, 1950, when the first small-business investment company bill was introduced, the Small Business Committee was established in the Senate. As chairman of the committee, I felt that additional attention should be given to this question of financing, and I requested the Federal Reserve Board to make a study as to the costs and availability of credit and capital to small business. In this report which the Board submitted to our committee in 1952, it stated:

> On balance, it is probably fair to say that the availability of long-term debt and equity capital to small business has tended to diminish somewhat over the past 2 or 3 decades. * * *
>
> A small business, if it is to develop successfully, needs to be able to supplement its own resources at times with credit and capital supplied by other investors; that is, other business concerns, banks, and other financing institutions, and individuals.

More recently, the Department of Commerce has made a further study of small-business financing. During 1955, the Department's field offices queried some 15,000 firms, half of them less than 5 years old, the other half older. The Commerce Department concluded that only one-third of the desired equity funds were actually obtained, with both younger and older firms receiving less than half the total they sought.

During all this time the Senate Small Business Committee continued regularly to urge legislation to set up an adequate capital credit system for small business. In each Congress I introduced legislation, with several Senators joining in sponsorship.

During June 1957, the Senate Banking and Currency Committee held 9 days of public hearings on credit needs of small business. Once again there was a unanimity of opinion that a serious credit gap did exist and that small- and medium-sized businesses particularly were unable to meet their urgent needs for long-term credit or equity capital. Even the American Bankers Association spokesman supported the principle behind the establishment of capital banks, and acknowledged the serious lack of private sources in this area.

As a result of the hearings last year of the Banking and Currency Committee, at my insistence in which I had the full backing of the chairman of the Banking and Currency Committee [Mr. FULBRIGHT], the Federal Reserve Board took on the assignment of making a full-scale study of small-business financing. Parts I and II of this three-part study have now been completed, and they confirm the opinion that a financing gap does exist. As Chairman William McChesney Martin told the Banking and Currency Committee this year:

> These general findings from the study confirm the impression that we conveyed to this committee in our testimony last June, namely, that there is a gap in the existing structure of financing institutions which lies in the longer term debt and equity capital areas.

And Chairman Martin went on to tell the committee "that there is room for a Government program to foster the flow of investment funds to small business."

I was impressed during the 10 days of hearings this spring by the virtual unanimity of opinion on the part of experts in the field of finance as to the financial gap which exists and the need for some type of program being instituted to fill this gap.

As I have already stated, Mr. President, I have for a good many years studied this problem and urged that we take action to make it possible for small business to obtain the necessary long-term debt and equity capital which it so desperately needs. I joined in sponsoring the original O'Mahoney bill to set up small investment companies back in 1950. And I have introduced similar bills in the 82d, 83d, 84th, and the present 85th Congresses. While the bill before the Senate today, S. 3651, is somewhat different in its organizational structure from the bills I have previously introduced, it has the same purpose and objective, namely, to establish privately owned and operated investment companies which would provide long-term loans and equity capital to small-business concerns. This is a good bill, which has been most carefully considered. As one who has urged passage of such legislation for a good many years, I hope and pray that S. 3651 will be passed and signed into law. The time is long overdue for such legislation, and the needs of small business have never been more pressing.

I wish to conclude by repeating the words of the Eighth Annual Report of the Small Business Committee which was submitted to the Senate on February 10 of this year:

> In summation, your committee reiterates its concern as to the inability of many well-managed small-business firms to maintain the necessary financing, without which they cannot develop. This is a matter which should be of concern not only to small businesses, but to the Nation as a whole, for, if small business cannot obtain necessary funds, our free-enterprise system as we know it cannot survive. Prompt Congressional action is imperative.

Mr. President, that is only one of several such urgings which the Senate Committee on Small Business has made. The recommendations in every instance were made by a unanimous vote of the full committee, Members of both sides of the aisle joining in making the recommendations.

Mr. President, I wish to pay my compliments to the membership of the Select Committee on Small Business for standing behind the program ever since 1950, when the present committee was established, and standing behind it unanimously. I am sure that today the unanimous sentiment of the committee is in favor of enactment of the pending legislation, even though it does not measure up to our full expectations.

Mr. President, as I stated a few minutes ago, the distinguished Senator from Wyoming [Mr. O'MAHONEY] first introduced the bill. It grew out of both the CED report and the results of his own studies as chairman of the subcommittee of the Joint Committee on the Economic Report. The Senator remained an active sponsor of that bill, of which I had the honor of being a co-sponsor, until he left the Senate for a short while. While the Senator from Wyoming was absent from the Senate in the next session of Congress, I simply picked up the bill the Senator had pioneered and introduced it. I have continued to introduce the bill, with changes, as time has gone on, in each Congress since that time.

The Select Committee on Small Business has continued to press for such legislation. At least a couple of times hearings were held in the Committee on Banking and Currency. As I stated, we had rather full hearings last year. We reached the point where we might have reported a bill, except that a decision was made that it would be a matter of wisdom and good judgment to ask the Federal Reserve Board to make an intensive study and report to us by March of this year. The Federal Reserve Board agreed to do so, and did a very good job. In the early part of this year the Federal Reserve Board submitted the first 2 parts of a 3-part study. Those two parts were sufficient to cause them to make a very definite recommendation to our committee that such a plan be enacted into law.

The bill I originally sponsored, which I continued to sponsor up through the present Congress, provided for the operation to be within the framework of, under the jurisdiction of, and within the supervision of the Federal Reserve Board. I think that is the place it should be. I think that is the place in which we could expect the finest results. However, the Federal Reserve Board felt this was not the kind of business the organization was set up to handle, and stated very strongly an objection to having the program placed under its jurisdiction. I think undoubtedly the Federal Reserve Board would have taken the program up and would have administered it had we insisted on it being under their jurisdiction, but we felt the Board was earnest and sincere in its opposition. We therefore started to work out some kind of compromise.

The staff of the Committee on Banking and Currency, 1 staff member from the Select Committee on Small Business who was detailed for 2 or 3 months to the Committee on Banking and Currency—Mr. Jack Flynn—staff members of the Federal Reserve Board, staff members of the Small Business Administration, and staff members of other interested and concerned executive departments worked at different times trying to develop some kind of proper program to be enacted into law. We finally prepared a compromise bill, which was introduced.

In the meantime, the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], introduced a bill which provided a little different plan but had the same general objective. We had all the bills under consideration and all the recommendations which had been made to us in trying to work out a compromise bill.

Finally, when we worked the matter out, the distinguished majority leader introduced a bill, which several of us joined in sponsoring. In that bill we took the program away from the jurisdiction of the Federal Reserve Board and provided for an independent agency, the Small Business Investment Administration. After that was done, the administration came to us and objected rather seriously to having a separate agency. The administration asked that the program be made a part of the work of the Small Business Administration.

As has been explained by the distinguished chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT], there was strong objection to having the program a part of the work of the Small Business Administration. As I pointed out, the Small Business Administration was created to handle a different type of lending program. The Small Business Administration was established for the purpose of handling relatively small loans for operational purposes and handling disaster loans in distress cases. This program has a very different purpose. It calls for what are supposed to be long-term capital loans.

I feel very strongly, Mr. President, that there should be provided a separate agency. This program should not be a part of the Small Business Administration. I say that without any desire to reflect upon the Small Business Administration. As a matter of fact, I think the Small Business Administration, by and large, has done a good job in the handling of the types of loans it is supposed to handle.

I have felt this program should be handled by a separate agency, because it involves a separate type of financing.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield to the distinguished Senator from Illinois.

Mr. DOUGLAS. Do I correctly understand the Senator from Alabama acceded to the request of the administration and changed the bill so that this program would be under the Small Business Administration?

Mr. SPARKMAN. It will be under the supervision of the Small Business Administration. I will not say I did that. The committee did it, as the Senator remembers.

Mr. DOUGLAS. It was made a separate division?

Mr. SPARKMAN. It was made a separate division of the Small Business Administration. We tried to provide a safeguard, as the Senator knows, by requiring the Deputy Director in charge to be appointed by the President subject to confirmation by the Senate.

Mr. DOUGLAS. This was done to gain the support of the administration, was it not?

Mr. SPARKMAN. Let me state my understanding. My understanding is that it was done to comply with the wishes of the administration, and that it represented a meeting of the minds on both sides.

Mr. DOUGLAS. Now that it has been done, is the administration supporting this measure?

Mr. SPARKMAN. The administration desires some amendments. The pending amendment—by the way, I wish now to discuss that amendment—is the amendment offered by the distinguished Senator from Indiana [Mr. CAPEHART], which would eliminate the provision requiring the Deputy Administrator to be appointed by the President and confirmed by the Senate, and would allow the Administrator of the Small Business Administration to appoint another Deputy Administrator, who would have the responsibility of handling this part of the program.

Mr. DOUGLAS. This general pattern has occurred so often that I think perhaps the parliamentary history should be clarified a little further.

Am I to understand that it was the impression of the Senator from Alabama that the proposal which he is making was satisfactory to the administration?

Mr. SPARKMAN. That was my impression at the time the bill came up in the Senate—and, as a matter of fact, at the time the bill was introduced.

Mr. DOUGLAS. Were assurances given to the Senator?

Mr. SPARKMAN. I cannot say that assurances were given to me. I am not sure the Senator was in the Chamber at the time, but, as I explained, a great deal of work went into this bill which I introduced, the bill introduced by the distinguished majority leader, Mr. JOHNSON of Texas, and the recommendations made to us in the course of the hearings, as well as other bills which were introduced. As chairman of the Small Business Committee, I detailed Mr. Jack Flynn, a staff member of our committee, to work with the Banking and Currency Committee for some 3 months.

Mr. DOUGLAS. But it was the Senator's impression that his proposal was satisfactory to the administration.

Mr. SPARKMAN. Yes.

Mr. DOUGLAS. Now we find that is not so.

Mr. SPARKMAN. That is correct; and the pending amendment relates to that subject.

Mr. DOUGLAS. We have found the same pattern present over and over again. The administration leads us to believe that it supports a given measure, and when it comes to the floor the administration welshes on the assurances it has given, and tries to gut the measure.

We have just had that experience in connection with the mutual security bill. Last year we had the same experience in connection with title III of the civil rights bill. We have had it again and again, and I, for one, am becoming tired of it.

Mr. SPARKMAN. Let me say to the Senator from Illinois that I learned, long since, that it was difficult to determine at any particular time just where the administration stood. I could go back to the beginning, in 1953. I could go back to the Formosa resolution, which the Senator recalls. I could go back to many measures which have been before us in the course of the years.

Mr. DOUGLAS. How is it going to be possible for those of us on this side of the aisle to negotiate in the future with an administration which allows us to believe one thing, and, when it comes to the test, goes in the other direction?

Mr. SPARKMAN. I suppose each Senator will simply have to stand for the things in which he believes, and will have to defend the things which he himself thinks are right, and quit asking where the administration stands.

Let me say to the Senator from Illinois that I, for one, felt very keenly over the sorry spectacle the other night in the Senate during the consideration of the mutual security bill. I am a member of the Foreign Relations Committee. Certainly, I have no truck with the Communist-dominated countries; and yet I was willing, in the committee, to go along with the President of the United States and the administration and trust the President to handle the program correctly, in behalf of our own national security. The majority of the committee felt the same way. I do not recall any particular opposition in the committee. But when the bill reached the floor of the Senate, the rug was pulled from under us. There is no question about it.

Mr. DOUGLAS. The form of the resolution which the Senator had supported in committee was put into final shape in the State Department, was it not?

Mr. SPARKMAN. Last Friday Secretary Dulles appeared before the Senate Foreign Relations Committee. I read to the Senate the letter signed by the Assistant Secretary of State for Legislative Matters, in which he submitted the exact language to us. The exact language was submitted to us by the State Department.

Mr. DOUGLAS. I make the prophecy that this fall, on the hustings, the Republican National Committee will attack Members who voted for the committee proposal and against the Knowland amendment. Those men will be attacked by the Republican National Committee for being "soft" on communism, when they simply followed the line which had been laid down by the administration.

Mr. SPARKMAN. They were reposing faith and confidence in the President of the United States to carry out that kind of program. We had a good formula written into the law.

Mr. DOUGLAS. That is correct.

Mr. SPARKMAN. If it were carried out, it would be all right. We were acting at the request of the administration. The Senator is exactly right.

Mr. DOUGLAS. Have we not something of the same sort in this instance?

Mr. SPARKMAN. I certainly felt let down when this amendment was proposed. The distinguished Senator from Illinois may recall that this amendment was proposed in the committee, and I stated my opposition to it then. I stated that we had, in effect, bargained in good faith and had worked out a compromise bill on the basis of that bargaining. I certainly was opposed to the suggested change.

Mr. DOUGLAS. Will it be sensible in the future to make any agreement with people who treat their pledged word in this fashion?

Mr. SPARKMAN. In the future I shall govern my vote on such questions according to my own belief as to what is right.

Speaking to the pending amendment, which would permit the new Deputy Administrator to be appointed by the Administrator rather than appointed by the President and confirmed by the Senate, I wish to state briefly four arguments against it.

First. The new function is completely different from the existing SBA programs—long-term funds to promising small businesses as distinguished from short-term funds and welfare assistance to small businesses in distress—investment banking versus commercial banking.

Second. S. 3651, as reported, represents a significant compromise with opponents of the plan. Proponents would prefer that the new program be administered by the Federal Reserve System or by an independent agency. The first attempt to compromise was contained in the original Johnson bill (S. 3651) which established a new agency, the SBIA, to function in close cooperation with the SBA under a Loan Policy Board. The second attempt to compromise resulted in the provisions of S. 3651 as reported, which places the new function within the SBA but which insures some measure of independence for the Deputy Administrator, by requiring his appointment by the President and confirmation by the Senate.

Third. There are many precedents for the appointment of subordinate officials by the President.

I want my good friend, the distinguished Senator from Indiana [Mr. CAPEHART] to listen to these examples, because they are examples which he himself has supported.

The heads of the constituent agencies of the Housing and Home Finance Agency, Deputy Administrator of the Federal Civil Defense Agency, Deputy Administrator of the St. Lawrence Seaway Development Corporation, Deputy Director of USIA, Under Secretaries, Assistant Secretaries, Deputy Attorney General, Assistant Attorneys General, Deputy Postmaster General, Assistant Postmasters General, and others offer example after example of this practice.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. CAPEHART. The Senator is 100 percent right in what he has said. However, the problem is that there are already two Deputy Administrators in SBA, neither of which under the law, is appointed by the President and confirmed by the Senate. Therefore, if we provide in the pending bill that the Deputy Administrator in charge of the program must be appointed by the President and confirmed by the Senate, it will result in having two Deputy Administrators appointed by the Administrator, and one by the President. Someday perhaps all three ought to be appointed by the President, with Senate confirmation provided. I rather believe that should be the practice. However, until that happens, I believe we would be better off to accept the amendment temporarily. I feel the Senator will agree with me under the circumstances.

Mr. SPARKMAN. I appreciate the presentation of the Senator from Indiana, and I recognize the fact that there is an argument in it. Yet we have shown our desire many times before to have these functions administered in a semi-independent manner by requiring this kind of arrangement, namely, appointment by the President and confirmation by the Senate. The SBA comes to Congress for legislative consideration ever so often. I certainly agree with the Senator, as I said in the beginning, that, while I am opposed to the amendment, I am privy to the little agreement which has been worked out—it is only an informal agreement—whereby we have agreed to accept the amendment if the other amendments of the Senator from Indiana would be withdrawn. I am certainly going along with that. But I did wish to show what the basic objections to the arrangement are. In the future, as SBA comes up for consideration before Congress, I certainly think that we ought to keep this in mind. In the event the new function is not administered in the way in which our committee intended it to be administered, and in the way in which I believe Congress wants it to be administered, we should do something about it.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. I certainly agree with that; that is certainly a fair statement.

Mr. SPARKMAN. I appreciate the Senator's statement very much.

The fourth objection is that the majority of the committee will not concede that this is just one more activity for the Small Business Administration. S. 3651 hopes to create new private financial institutions and to stimulate the activity of State and local development companies. The new function should have

separate and distinct status within the SBA, and the amendment would weaken this feature of S. 3651.

There is one other thing I wish to mention, and I believe the Senator from Indiana will agree with me about it. I wish it to be noted in the RECORD that the acceptance of the amendment is to take care of an organizational situation, and in no way affects the wishes of the committee considering the proposed legislation that this function of SBA shall be separate and distinct and semi-independent, as I have said. I feel that the Senator from Indiana will agree with me.

Mr. CAPEHART. Will the Senator repeat that statement?

Mr. SPARKMAN. What I said was that the RECORD should show that the acceptance of the amendment is to take care of an organizational situation, and does not in any way affect the intention of the committee that this should be a new, separate, and distinct function of the SBA of a semi-independent nature.

Mr. CAPEHART. The Senator is correct on that point.

Mr. SPARKMAN. I appreciate the Senator's statement. There is just one other thing I wish to discuss. I do not recall that the Senators who have spoken before me have had much to say about this point. It refers to State and local development companies. Of course, anyone listening to the discussion and anyone reading the discussion or reading the act would realize that one of the principal objectives of the bill is to have organizations on the State or local level. I may say that during the past several years that objective has been vividly called to our attention. For instance, New England has had an excellent small-businessman's organization for a great number of years. Several States in New England started 3 or 4 or 5 years ago a kind of State investment organization set up for the purpose of encouraging and helping small business.

At one of our hearings, held a few years ago, we learned of 15 States in the country which had such setups. One of the best, which was called to our attention on two different occasions, is the one in the State of Arkansas. There are others throughout the country, reference to which can be found in the hearings on the pending bill. There has been sufficient experience to demonstrate to us that the State and regional organizations can be used most effectively in this type of work. By referring to page 27 of the hearings on the pending bill, I find that there are approximately 10 different groups which have not only organized, but have actually sold stock to private investors, and which are carrying on a good, strong program in their respective States. It is to be hoped that such companies may be established throughout the country on a State or regional level.

In this way it can be made a grass-roots operation, very much on the same basis as the other program, on which the pending bill is patterned; namely, the farm credit system. I believe it can render a great deal of good to small businesses throughout the country. I am therefore glad to support the bill and to go along, even, with the agreement relating to the amendment, after stating my objections to it, and also with the statement as to what the real purposes of the committee are with reference to the nature of the operation of the program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

Mr. ROBERTSON. Mr. President, I am very much interested—I hope as much as is the distinguished Senator from Alabama—in the future of small business. Small business in the business field is comparable to the farmer. It is the independent operator who constitutes the backbone of our private enterprise system and of our democracy. Naturally I wish to see small business enterprises prosper and survive. It frequently happens that men in partnership in small companies start out without adequate capital or without adequate training and know-how in what they are undertaking to do, and soon fold up.

I was glad to support the proposal to give them financial aid through the Small Business Administration. In committee, during the consideration of the pending bill, I thought we should continue the precedent set when we passed the Small Business Administration Act, and authorized an appropriation of $250 million, instead of opening a pipeline directly into the Treasury and creating a perpetual revolving fund for what was admittedly an experiment.

It is proposed that we furnish equity capital to small business. To do that, the Government will create new corporations, will charter corporations. Then the Government will contribute one-half of the capital of those investment corporations and will take in return what are called subordinate debentures. The word "debenture" seems to be a cute litle term which investors cooked up, to make the obligation sound better than a secured note. But that is all it does. They tried to make it very formal by calling it a bond, but it is not secured. A subordinate debenture is worse than that. A subordinate debenture is about at the bottom of the list of any corporation securities.

Anyway, that was the way the Government planned to finance $250 million of aid to small business. I thought it preferable to have that provided for by an authorization. Then each year the Committees on Appropriations could have a report showing how the program was working. It was said that the program was experimental. If it were not working properly, it could be discontinued.

So in the committee I made the point of order against section 202 (b) of the bill. The point of order was overruled. Then I offered an amendment to substitute the authorization for the pipeline in section 202 (b), and the amendment was rejected.

So I gave notice, as those who have read the record will see, that when the bill was before the Senate, I would make a point of order against section 202 (b), on the ground that it violates Senate rule XXV.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. Am I to understand that it is the opinion of the Senator from Virginia that the Committee on Banking and Currency in this year, by indirection, has in effect appropriated approximately $9 billion without having the particular appropriations submitted to the Committee on Appropriations for consideration?

Mr. ROBERTSON. The Senator is correct. We have already reported $5 billion. The amount provided in this bill is $2,500,000,000. The so-called big housing bill, which is before the committee, provides a total of $4,400,000,000. So those figures add up to more than $9 billion, assuming that the big bill is reported in its intended form.

Amendments are pending to reduce the amount for public housing and to cut something from the funds for urban redevelopment. But that amount has been proposed and is pending.

If all the amounts are approved, the total will be more than $9 billion.

Mr. LAUSCHE. The bill recommended by the Committee on Banking and Currency provided $2 billion for the Export-Import Bank. Was that merely an authorization, or was it an appropriation, in effect?

Mr. ROBERTSON. That was the continuation of a precedent which had previously been set. Not knowing how much the bank would need for its operation in a given time, we authorized it to obtain its needs from the Treasury. But the bank is supposed to get good bonds and good security, and the amount will come back into the assets of the Treasury at some future time.

But the bill provides a revolving fund of $250 million, with no provision for that amount ever to be returned to the Treasury.

Mr. LAUSCHE. About $1,800,000,000 is provided for emergency housing. Was the Committee on Finance bypassed on that subject?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. A billion dollars is provided for community facilities.

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. Was the Committee on Finance bypassed on that amount?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. What about the $300 million for area redevelopment?

Mr. ROBERTSON. That is the correct amount.

Mr. LAUSCHE. Is an effort being made to bypass the Committee on Finance in that instance?

Mr. ROBERTSON. That is correct, again.

Mr. LAUSCHE. Is $4 billion proposed for expanded housing, which is contemplated to be authorized?

Mr. ROBERTSON. It is $4,400,000,000.

Mr. LAUSCHE. That makes a total of about $9 billion.

Mr. ROBERTSON. It is closer to $10 billion.

Mr. LAUSCHE. Why is the Committee on Finance being bypassed?

Mr. CAPEHART. It is the Committee on Appropriations.

Mr. LAUSCHE. Yes; the Committee on Appropriations.

Mr. ROBERTSON. Various reasons are given. One is that it has been done before. Another reason is that we who are handling the program know enough about it not to want to be bothered with the Committee on Appropriations. We will handle the funds ourselves.

Mr. LAUSCHE. Am I correct in understanding that the purpose in having the Committee on Appropriations is to make certain that there will be one centralized agency of the Senate which will make overall observations of what is going on and will, on a total basis, know what the expenditures for the year are?

Mr. ROBERTSON. That is indubitably correct. The Senator from Ohio will recall that there was never any national debt, to speak of, until the Nation became involved in a most unfortunate fratricidal war. Then the debt pyramided all of a sudden. Prior to that time each committee handled its own appropriations. But when the national debt became so large, in 1865, Congress said that some agency was needed that was not committed to a proposition, as soon as it was started, to take a second look. Some agency was needed which would consider the overall picture and help the Government to manage the national debt. So the Appropriations Committees were created in the House and the Senate, and the jurisdiction of the other committees to handle their own appropriation bills was taken from them.

Mr. LAUSCHE. What would the situation be if each of the committees of the Senate, in their authorization bills, proceeded to circumvent the authority of the Committee on Appropriations and made moneys available for expenditures in accordance with their wishes?

Mr. ROBERTSON. We could only hazard a guess. Ten percent of the present debt, or $28 billion in money which has been financed by committees which were not authorized to report appropriation bills.

Since the first departure was made, in 1932, creating the RFC, appropriations in excess of $143 billion have been made from the Treasury—although the Constitution provides that no money shall be taken from the Treasury except by an appropriation—by pipelines to the Treasury, bypassing the Committees on Appropriations. If that practice should be continued indefinitely, the national debt, which now is $280 billion, may eventually go to $400 billion. If every committee is to say, "What we are doing is the most important thing; we will finance this and get a majority of the House and Senate to approve it"—of course, that would have to be done—then we would be removing the restraint which is imposed upon Congress.

Ordinarily, there is one vote to authorize an expenditure. Then we stop, look, and listen. We then have another vote to appropriate, and the appropriation is for 1 year only. Then we get a report, which is evaluated, to see whether we should have acted differently in the first place, or whether we should go ahead.

Then we take another look at the national debt, to see how much more the country can afford.

That is the reason why the junior Senator from Virginia thought the time had come to bring this issue before the Senate. It has never been ruled on in the Senate.

Mr. LAUSCHE. Am I grossly wrong if I state that some persons might interpret this action as an attitude residing in the members of the Committee on Banking and Currency that they do not have faith in the Committee on Appropriations to act properly in the overall picture?

Mr. ROBERTSON. Mr. President, I happen to be a member of both the Banking and Currency Committee—and I have the highest regard for its distinguished chairman—and the Appropriations Committee; and I believe the time has come for the jurisdiction of the Appropriations Committee to be sustained.

Mr. LAUSCHE. Mr. President, the Senator from Virginia has not answered my question, and probably he prefers not to do so. Therefore, I shall not press him for an answer.

Mr. ROBERTSON. I thank the Senator from Ohio.

Mr. CASE of South Dakota. Mr. President, will the Senator from Virginia yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Virginia yield to the Senator from South Dakota?

Mr. ROBERTSON. I yield.

Mr. CASE of South Dakota. I wish to express my personal appreciation to the distinguished Senator from Virginia for raising the point of order. It is one which has concerned me over many years.

I first raised the point of order in the House of Representatives, in connection with the Housing Act of June 28, 1949. I raised it again in the Senate, more recently in connection with the Community Facilities Act, in special reference to the so-called revolving fund which would be established under the provisions of that measure. However, I did not ask for a ruling on the point of order in connection with the Community Facilities Act, because the matter came up rather suddenly, and I felt that we had an inadequate amount of material to make clear the issues involved.

The distinguished Senator from Virginia, however, has gone into the matter at great length; and I understand he has some figures which he will submit to the Senate on this point.

Following his remarks, I hope also to make some observations on it, and to submit some additional material for the consideration of the Parliamentarian.

There is one point, in particular, which I should like to mention at this time. I noted that the distinguished Senator from Ohio [Mr. LAUSCHE] raised the question of the purpose of having the Appropriations Committee serve as a central agency for the consideration of all appropriations. That clearly was the intent of the Congress, I believe, when the Budget and Accounting Act was passed and when, subsequently, rules were adopted for both bodies.

The distinguished Representative from the State of Missouri, Representative CANNON, who presently is chairman of the House of Representatives Appropriation Committee, was chairman of the committee during the many years when I served on that committee in the House of Representatives. He had a favorite phrase, which I think is quite apropos the trend to which the Senator from Ohio has referred; Representative CANNON used to say that the Appropriations Committee was the saucer in which the hot cup of legislative tea was poured to cool—in other words, that frequently, under the stress of some important circumstance and under the general desire to do something about a particular matter, a legislative act was passed, but the legislative committees very rarely have the information with respect to the status of the public Treasury the Appropriations Committee has or the Finance Committee or the Ways and Means Committee might have.

So Congress in its wisdom over a period of years adopted the device the Senator from Virginia has mentioned, namely, that of having the Appropriations Committee consider these legislative acts. In addition to the original consideration of such a measure, in order to determine the relationship between the particular demand on the Treasury under consideration and other demands on it, when the proposed legislation is such that it necessitates consideration by the Appropriations Committee, there is an annual review of the progress of the program, the demands upon it, the results that are obtained from it, and the way the program is being administered; and thus there is retained in Congress the control of the purse which the Founding Fathers intended to have rest with the Congress.

In the committee amendment there is one paragraph, under section 202, on page 40, which I believe illustrates the looseness of this manner of obtaining money from the Treasury. I have reference to the subparagraph of section 202 which is marked "(b)," which appears beginning in line 15, on page 40, and reads as follows:

> (b) Funds borrowed under this section and any proceeds therefrom shall constitute a revolving fund which may be used by the Administration in the exercise of its functions under this act.

Mr. President, that sentence is worthy of rereading:

> (b) Funds borrowed under this section and any proceeds therefrom shall constitute a revolving fund which may be used by the Administration in the exercise of its functions under this act.

Mr. President, under that language, the money would be taken from the Treasury of the United States when the Secretary of the Treasury purchased any notes or obligations of the Small Business Administration, and would go into a revolving fund; and from that day forward the money could be used, and any repayments to it could be used, by the Small Business Administration, in the exercise of its functions under the law.

Nothing in the paragraph I have read would suggest that the Appropriations Committee or the revenue committees of the Congress would ever again have a single word to say about the dollars invested in that way. They would be gone;

and the Small Business Administration could proceed to administer them under the terms of the law or under the terms of subsequent amendments thereto. But the annual review of the disbursements by an agency created by the Federal Government would be lost.

It seems to me, in view of these facts, that the able Senator from Virginia [Mr. ROBERTSON] is well warranted in bringing this matter to the attention of the Senate.

I apologize for speaking at such length at this point. Following the remarks of the Senator from Virginia, I shall endeavor to obtain recognition, in order to make further observations.

Mr. ROBERTSON. Mr. President, I thank the Senator from South Dakota for his remarks. I am sorry that subsection (b) of section 202 creates a revolving fund. Subsection (a) of section 202 authorizes the sale of the bonds to the Secretary of the Treasury. Once the administration obtains the money, there is no plan, as I have previously stated, to have the money ever returned to the Treasury or to have the Appropriations Committee take an annual look at what is being done, as is done in connection with other appropriations which pass through the regular channels.

Mr. President, during the years that I have been a member of the Congress, there have been in both Houses many debates and discussions concerning the question of legislation contained in an appropriation bill. But I cannot recall a Senate discussion of the question of an appropriation in a legislative bill. Today, I shall discuss that question, with particular reference to the pending Small Business Investment Act.

The Constitution of the United States provides, in article I, section 9, that: "No money shall be drawn from the Treasury, but in consequence of appropriations made by law." This constitutional mandate has been implemented in both Houses of the Congress by the adoption of rules establishing the Standing Committees on Appropriations. Rule XXV of the Standing Rules of the Senate sets forth explicitly the jurisdiction of the Appropriations Committee. Under the rule, all proposed legislation dealing with the "appropriation of the revenue for the support of the Government must be referred to that Committee. Identical language is contained in rule XI of the Rules of the House of Representatives, which states the jurisdiction of the House Appropriations Committee.

As all of us know, proposed legislation creating a new governmental activity is considered by some other committee than the Committee on Appropriations. In order to provide for the financing of such new activities, the basic legislation generally provides authority to obtain an appropriation, by the use of language such as "There is hereby authorized to be appropriated for" and so forth.

In January 1932, in order to meet the emergency situation caused by the depression, the Committees on Banking and Currency adopted a new procedure to finance the activities of the Reconstruction Finance Corporation. The Reconstruction Finance Corporation Act authorized the RFC to sell its obligations directly to the Secretary of the Treasury, with the purchase of these obligations to be treated as a public-debt transaction. By borrowing directly from the Treasury in this manner, there was no necessity to secure the approval of the Committee on Appropriations for the expenditure of these funds.

This unique method of appropriating funds from the Treasury in a legislative bill set a precedent and was used from time to time during the depression years and World War II. Perhaps this procedure can be justified in emergency situations, but its use in recent years has become increasingly commonplace. The latest figures available show that on June 30, 1957, the cumulative total of direct borrowing from the Treasury amounted to $143 billion. As of the same date, over $28 billion in such funds were still outstanding. This amounted to about 10 percent of the total national debt.

There appears to be no letup in the ever-increasing use of this method of bypassing the Appropriations Committee. For example, the bills reported this year by the Senate Banking and Currency Committee and passed by the Senate have authorized over $5 billion in direct borrowing from the Treasury. These bills covered a wide range of activities—$2 billion for the Export-Import Bank; $1.8 billion for emergency housing; $1 billion for community facilities; and $300 million for area redevelopment. In addition to these bills that already have passed the Senate, the Banking and Currency Committee is currently considering an omnibus housing bill authorizing over $4 billion in direct borrowing from the Treasury. When one legislative committee alone can direct the expenditure of over $9 billion, the effectiveness of our entire budget and appropriation procedure is placed in jeopardy.

The latest use of this device is found in section 202 (a) of S. 3651, the proposed Small Business Investment Act. This section authorizes the Small Business Administration to borrow a total of $250 million from the Treasury. Thus, although this is supposed to be an experimental program, there will be no required review by the Appropriations Committees to determine whether the experiment is a success or a failure. The proponents of this program apparently are unwilling to let this legislation stand on its own merits and to have the expenditure of these funds justified.

It is surprising that over the years this procedure for authorizing direct borrowing from the Treasury in the legislative bill has not been tested by a point of order in the Senate. On many occasions the reverse situation, legislation in an appropriation bill, has been ruled out of order. It is obvious that any language in a bill that orders the payment of money from the Treasury without the necessity of further action by the Congress is an appropriation, and the Senate rules require such legislation to be referred to the Committee on Appropriations.

Those who defend the right of committees other than the Appropriations Committee to include an appropriation in a legislative bill claim exemption from rule 25 of the Senate because of the language in that rule "for the support of the Government." According to that claim, the Government, for which appropriations must be handled exclusively by the Appropriations Committee, consists of the three branches of the Government—Executive, Judicial, and Legislative—and nothing more. But that interpretation would exclude the biggest appropriation bill this year, providing some $38 billion for defense. On the other hand, if we admit that the Armed Services Committees of the House and Senate could not bypass the Appropriations Committees and report appropriation bills for the Defense Department, we are forced to admit that the words "support of the Government" mean any duly authorized operation of the Government, and that covers everything that the Congress is authorized by the Constitution to do.

Frankly, it was a sad day for those of us who believe in economy as well as in States' Rights when the Congress claimed that the general welfare clause was a general grant of power instead of a limitation upon the taxing power and that claim was upheld by the Supreme Court of the United States, because, Mr. President, if you place no constitutional limitation upon what Congress can do, confusion arises concerning terms used when the Government was exercising no powers except those granted by the Constitution, expressly or by necessary implication. The Government is now engaged in a multiplicity of actions never dreamed of when rule 25 was originally adopted. Clearly, therefore, it would be an improper construction of rule 25 to say that it included some functions of the Government, and not all functions.

Again, it has been claimed that a legal right to bypass the Appropriations Committee has been established by precedent. Under the English common law, and I assume under the laws of all States, it is possible to gain possession of real estate by adverse possession, but there is nothing in the rules of the Senate or in the history of those rules to indicate that any rule of the Senate can be legally changed simply by frequent violations of it.

While admitting that members of the Senate Appropriations Committee have been very negligent through the years in the protection of their exclusive jurisdiction in the handling of appropriation bills, I respectfully submit that when we find just one committee of the Senate bypassing the Appropriations Committee with appropriations totaling over $9 billion in one session of the Congress, when we realize that over $28 billion or about 10 percent of the present national debt was created in that manner, and when we are told that we face a large deficit in this fiscal year and an unprecedented deficit in the next fiscal year, it should be apparent to all that the time has come when Members of the Senate must make a definite decision on how they prefer to make appropriations and manage the national debt.

If the Banking and Currency Committee can use this procedure to finance any new program its members desire,

there is no reason why all the other committees cannot do the same. I would not be at all surprised if an attempt is made in the near future to finance the entire foreign aid program by direct borrowing from the Treasury, thus avoiding the risk of having these funds cut by the Appropriations Committee. In fact, there already is precedent for such action. The $3.7 billion loan to England in 1946 and the $60 million loan to Spain in 1950 were financed by direct borrowing from the Treasury. If the violation of rule XXV is permitted to continue, an endless number of Government programs could be financed in this manner.

I realize that there may be emergency situations in the future necessitating the use of the direct borrowing procedure. In such situations, the orderly legislative procedure would be to waive the rule by unanimous consent. In this manner the jurisdiction of the Appropriations Committee would be recognized and the entire process would be open and aboveboard.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. BENNETT. Is it the Senator's intention today to ask for the yeas and nays on a motion to overrule an adverse ruling of the Chair?

Mr. ROBERTSON. No. The Senator from Virginia recognizes we do not have a sufficient number of Senators present on the floor, and he feels that on a matter as important as this, instead of submitting the question to an inadequate group for a vote which might bind the Senate absolutely, it would be preferable to submit the matter to our distinguished Parliamentarian and risk his judgment on what the decision should be.

Mr. BENNETT. The Senator from Utah, by the way, is in complete accord with the position taken by his colleague from Virginia. He respectfully suggests that in this situation an adverse ruling from the Chair might create a precedent, particularly if no action is taken by the Senate and no attempt is made to overrule it.

I wonder if I might suggest to my colleague that, having raised the question, he wait until there is a full complement of the Senate available to discuss this very serious situation and withdraw his request for a ruling by the Chair.

Mr. ROBERTSON. Mr. President, the distinguished Senator from Utah has been very helpful to the junior Senator from Virginia in the consideration of this problem, in committee and on the floor. The Senator from Virginia recognizes that we do not have a sufficient number of Members of the Senate present on the floor to register such a vote as we would like to have this afternoon. That is clear.

We do not know what the Chair will rule, based upon the recommendation of the Parliamentarian. We can only make an assumption.

Under those circumstances, considering the magnitude of the question, since the membership perhaps should have a little more notice of what is involved, the Senator from Virginia is going to yield to the request of his distinguished colleague from Utah and merely say this is an important issue. It is presented now, but at a more propitious time it will be presented again, when we hope to have a vote of the entire membership. The point of order will not be made.

Mr. FULBRIGHT subsequently said:

Mr. President, I ask unanimous consent that immediately following the remarks of the Senator from Virginia [Mr. ROBERTSON] on the point of order which was raised, there be printed in the RECORD two statements on the same subject. I should like to have these statements appear in the RECORD at this point in order to present my views with regard to the question raised in connection with the point of order.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATOR FULBRIGHT

The Senator from Virginia, Mr. ROBERTSON raised the point of order that section 202 (a) of the proposed Small Business Investment Company Act constitutes an appropriation within the meaning of rule XXV of the Standing Rules of the Senate and that, therefore the Committee on Banking and Currency does not have jurisdiction to report such legislation.

Section 202 (a) authorizes the Small Business Administration to borrow up to $250 million directly from the Treasury and the Treasury is authorized to borrow funds in order to make this money available to the Small Business Administration.

Although the Senator from Virginia, in his individual views attached to the committee report, cites the constitutional mandate of article 1, section 9, that "No money shall be drawn from the Treasury, but in consequence of Appropriations made by Law." I take it he does not argue that this procedure is unconstitutional. When it is recalled that the Senate Appropriations Committee was first established in 1867, it is readily seen that the establishment of, or the consideration of legislation by, the Senate Committee on Appropriations has nothing to do with the constitutional requirement. The constitutional requirement is that there shall be an appropriation by law, before money is drawn from the Treasury. It has nothing whatever to do with the internal parliamentary procedure in the Senate before a bill containing an appropriation becomes law.

Money was lawfully drawn from the Treasury for more than 75 years before there was a Committee on Appropriations. And for more than 90 years since the Committee on Appropriations was first established, money has lawfully been drawn from the Treasury, on the basis of appropriations handled by the Committee on Claims or the Committee on the Judiciary, and other committees, without reference to the Senate Committee on Appropriations.

The constitutional requirement is not relevant to the point of order made by the junior Senator from Virginia and should be kept entirely out of the discussion.

Within the meaning of the constitutional mandate, this provision in the bill does constitute an appropriation. There are many precedents for such authorizations which consistently have been held to comply with the constitutional mandate.

If there were any constitutional question, there are many essential Government programs that would be vulnerable because they did not originate in the Committee on Appropriations. I shall name some of them now:

Private claims bills originating in the Judiciary Committee;

Public Law 480, the Agricultural Trade Development Assistance Act of 1954 and the various increases in the borrowing authority of the Commodity Credit Corporation originating in the Agriculture Committee;

Acts affecting the Tennessee Valley Authority originating in the Public Works Committee;

The increases in the authority of the Export-Import Bank and the Defense Production Act originating in the Committee on Banking and Currency;

The Civil Defense Act originating in the Committee on Armed Services.

This list is by no means complete but is intended to give some idea of the implications of the argument which the Senator from Virginia makes.

Thus, I think it is clear that so far as the requirement of the Constitution is concerned, the argument of the Senator from Virginia is without merit. The language of the bill does meet the constitutional requirement that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

II

This, however, does not mean that it is an "appropriation of the revenue for the support of the Government." This is the language of the XXV which gives the Committee on Appropriations its basic jurisdiction. If we analyze this language, we find that this provision of the bill does not meet the standard. It is not "for the support of the Government." Rather, the provision comes within that part of rule XXV assigning jurisdiction to the Committee on Banking and Currency, giving it authority to report matters including "financial aid to commerce and industry." This measure constitutes financial aid to small business, and it is clearly within the jurisdiction of the Committee on Banking and Currency.

Rule XXV follows the practice of the Senate for many years before the adoption of the current provisions of the rule, and even if the provisions of the rule were not so clear, they should be interpreted in accordance with the previous practice.

Rule XXV of the Standing Rules of the Senate was amended by the Legislative Reorganization Act of 1946, which was approved on August 2, 1946, and became effective as a rule of the Senate on January 2, 1947. Before that date, rule XXV listed the Senate committees, but did not specify what the jurisdiction of each committee was. (Rule XVI then as now provided that all general appropriation bills should be referred to the Committee on Appropriations.)

At the date of the enactment of the Legislative Reorganization Act of 1946, there were many programs under which payments were made by the Treasury to governmental agencies to finance public lending programs through public debt transactions. These programs included advances to the following agencies: Commodity Credit Corporation, Federal Farm Mortgage Corporation, Federal Public Housing Authority, Home Owners' Loan Corporation, Reconstruction Finance Corporation, Tennessee Valley Authority, Export-Import Bank, International Bank for Reconstruction and Development.

Clearly the practice of financing governmental lending programs through public debt transactions of the sort proposed in section 202 (a) was widespread and well known at the time the present rule XXV was adopted.

It was also a widespread and well known practice at the time of the enactment of the Legislative Reorganization Act of 1946 to handle private claims bills though committees other than the Committee on Appropriations. The Legislative Reorganization Act of 1946 specifically gave to the Senate Committee on the Judiciary jurisdiction over all measures relating to claims against the United States, including those private claims bills.

The Senate report on the Legislative Reorganization Act of 1946 (S. Rept. No. 1400;

79th Cong., 2d sess.) does not indicate any intention to confer on the Committee on Appropriations any additional jurisdiction. At pages 12 through 17 of that report appears a table showing the jurisdiction of the then present and proposed committees. This table sets forth the jurisdiction of the Committee on Appropriations as "appropriation of the revenue for the support of the Government," and gives the Committee on Appropriations as the present committee and the proposed committee having jurisdiction over this subject. There is no indication in the bill or the report that it was the intention of rule XXV or any other rule to prohibit this practice.

The adoption of Senate rule XXV as part of the Legislative Reorganization Act of 1946, with the understanding that it continued the previous jurisdictions of the Committee on Appropriations and the Committee on Banking and Currency in these respects, amounted to an adoption, or ratification, of the previous interpretation of and practices under the previous jurisdictional arrangements. This is analogous to the widely known rule of construction that reenactment of a statute reaffirms previous judicial construction and previous administrative interpretations of the statute.

If rule XXV were interpreted to give to the Committee on Appropriations jurisdiction over all legislation providing for the disbursement of money, and not just appropriations for the support of the Government, this would subject to a point of order the annual extensions of Public Law 480, 83d Congress, the Agricultural Trade Development Assistance Act of 1954. Under this act foreign currencies equivalent to $1.9 billion has already been collected. Some of these foreign currencies are available for sale to United States agencies for programs for which funds have been appropriated. Most of these funds are, however, authorized to be spent or lent for purposes specified in Public Law 480 without reference to the Committee on Appropriations.

If this bill is subject to this point of order, so are the almost annual increases in the borrowing authority of the Commodity Credit Corporation, originating in the Agriculture Committee. So are all the private claims bills, originating in the Judiciary Committee. So would be the Civil Defense Act, originating in the Armed Services Committee.

The Senator from Virginia last year himself sponsored the Financial Institutions Act. That act carried borrowing authority, without reference to appropriations by the Appropriations Committee, of not less than $4,750,000,000 for the FDIC, the Federal Home Loan Bank Board, and the Federal Savings and Loan Insurance Corporation.

The Senator from Virginia, as vice chairman of the Joint Committee on Defense Production, has been pressing for an extension of the Defense Production Act. He recently wrote me urging committee action on it, without hearings. That act carries borrowing authority of $2,100,000,000.

If this point of order is applicable here, it is applicable to the Defense Production Act.

There is another important aspect of this question, having to do with the relations between the Senate and the House of Representatives.

It is the practice that appropriations originate in the other body. If this bill carries an appropriation of the type required to be referred to the Appropriations Committee, then, by the same token, it must originate in the House. I don't believe the Senate wants to establish a precedent which will require all such legislation as I have mentioned to originate in the House.

Senate rule XXV does not by its own terms give jurisdiction to the Committee on Appropriations over appropriations other than appropriations for the support of the Government. Senate rule XXV was adopted by the Senate with full knowledge and apparent ratification of the practice of using public debt transactions to finance lending programs and private claims through committees other than the Committee on Appropriations. Financing lending programs through borrowings from the Treasury under public debt transactions, like authorizations for disbursement of money under private claims bills and payments under Public Law 480, is not within the jurisdiction of the Committee on Appropriations under rule XXV and a bill containing such a provision is not subject to a point of order.

III

The authority conferred in section 202 (a) to borrow money from the Treasury through a public debt transaction in order to obtain the funds for this small-business credit program should be adopted as a matter of sound policy.

Public debt transactions have ordinarily been used for lending programs where it is expected that the amounts advanced will be lent out on interest. In some cases the advance represents a capital contribution, such as the contributions to the stock of the Export-Import Bank or the subscription to the International Bank for reconstruction and development. In most cases, however, the amount is expected to be repaid. The total advances of $26.6 billion to the RFC, after deducting cancellations of $12.8 billion representing national defense, war and reconversion activities and similar items, and transfers to liquidating agencies, have ended up, according to Assistant Secretary of the Treasury Robbins' letter of May 7, 1957, with a net income of June 30, 1957, of $333 million, after charging off interest for the Treasury equivalent to the amount paid by the Treasury on its borrowings.

It makes better sense to treat the financing of a lending program as a borrowing of capital through a public debt transaction rather than an expenditure of income through the ordinary type of appropriation.

The enactment of a bill establishing a program through a public debt transaction does not deprive the Committee on Appproriations of all its authority. The Federal Flood Insurance Act of 1956 authorized a substantial program using an open-ended public debt transaction. The legislation came to naught, because appropriations for the administration of the Act were denied in 1957.

The Committee on Appropriations is kept fully advised of all activities carried on under public debt transactions, which are set forth clearly in the annual budget document. (See, for example, pp. 134, 173, 276–277, and 338–339 of the 1959 budget document.) Public debt transactions affect the public debt of the United States, which is a matter of concern to the Committee on Finance. That committee can exercise restraint over the use of public debt transactions through the debt ceiling legislation.

There are special reasons why this program should be financed as provided in the bill. It is a program which will depend upon private people going to the trouble and expense of organizing development corporations and investment companies and committing their own funds for a long period of time. (The program is to provide long-term financing for small business.) They can hardly be expected to do so, if the Federal commitment is dependent upon annual appropriations which might be cut off at any time.

In his individual views Senator ROBERTSON suggests that in 1932 the Committee on Banking and Currency for the first time in the history of the United States provided funds for a program without having the program reviewed by the Committee on Appropriations.

The specific procedure of financing a lending program through a public-debt transaction was, as far as I know, first used in the case of the RFC in 1932. However, 1932 was not the first time funds were provided for a substantial lending program without review by the Committee on Appropriations.

The Federal Farm Loan Act, approved July 17, 1916, provided for the establishment of Federal land banks. The public was allowed 30 days to subscribe to the stock of these banks. If, when this 30-day period had elapsed, the minimum capital was not subscribed, the statute provided as follows:

"It shall be the duty of the Secretary of the Treasury to subscribe the balance thereof on behalf of the United States * * * and the Secretary of the Treasury is hereby authorized and directed to take out shares corresponding to the unsubscribed balance as called, and to pay for the same out of any moneys in the Treasury not otherwise appropriated."

This bill was reported out of the Senate Committee on Banking and Currency.

Section 6 of the Federal Railroad Control Act of 1918, approved May 21, 1918, authorized the President to lend money to carriers out of the revolving fund created by the act. Section 6 of the act provided in part as follows:

"SEC. 6. That the sum of $500 million is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, which, together with any funds available from any operating income of said carriers, may be used by the President as a revolving fund for the purpose of paying the expenses of Federal control."

This bill was reported out of the Committee on Interstate Commerce

The War Finance Corporation Act, approved April 15, 1918, in addition to authorizing the borrowing of several billions from the public, provided that the capital stock of the corporation should be subscribed by the United States and provided funds as follows:

"And there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500 million, or so much thereof as may be necessary for the purpose of making payment upon such subscription when and as called."

This bill was reported out of the Senate Committee on Finance.

The Merchant Marine Act of 1920, approved June 5, 1920, authorized loans to encourage construction of vessels by citizens of the United States in American shipyards. Section 11 of the act provided in part:

"SEC. 11. That during a period of 5 years from enactment of this act, the board may annually set aside out of the revenues from the sales and operations a sum not exceeding $25 million to be known as the construction-loan fund, to be used in aid of the construction of vessels."

This bill was reported by the Senate Committee on Commerce.

Mr. FULBRIGHT. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table designated as "Table 4," entitled "Receipts, Expenditures, and Balances, 1957: Public Debt Transactions." This table is found on pages 500 and 501 of a book entitled "Combined Statement of Receipts, Expenditures, and Balances of the United States Government for the Fiscal Year Ended June 30, 1957."

The table gives a cumulative listing of the various operations employed in public debt transactions, showing the history of what the various Congressional committees have handled in the past. In the margin the staff member has indicated the committee which handled the various subjects.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Expenditures handled under Congressional authorizations as public debt transactions cumulative to June 30, 1957*

Senate Committee	Purpose of expenditure and agency	Citation	Expenditures, advances by Treasury [1]	Notes acquired as a result of cancellations	Cash repayments [1]	Cancellations of securities acquired (see table 5)	Transfers between agencies	Balance of securities acquired June 30, 1957
	Advances in exchange for bonds or notes:							
	Commodity Credit Corporation.	15 U. S. C. 713 a-4.	$87,338,000,000.00		$70,664,435,346.25	$3,290,564,653.75		$13,383,000,000.00
Banking and Currency.	Export-Import Bank of Washington:							
	Regular activities	12 U. S. C. 635d.	3,727,200,000.00		2,549,200,000.00			1,178,000,000.00
	Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954.			15,464,440.21		[3] $42,000,000.00	26,535,559.79
Banking and Currency/Agriculture.	Federal Farm Mortgage Corporation.	12 U. S. C. 1020c-1.	988,800,000.00		988,800,000.00			
Banking and Currency.	Federal National Mortgage Association:							
	Regular activites	12 U. S. C. 1716 et seq.	5,429,450,468.73		[3] 3,779,919,457.65			1,649,531,011.08
	Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954.					[3] 91,708,172.45	91,708,172.45
Do	Home Owners' Loan Corporation.	12 U. S. C. 1463 (c).	2,446,000,000.00		2,317,827,891.09	128,172,108.91		
Do	Housing and Home Finance Administrator:							
	College housing loans.	12 U. S. C. 1749 (b).	248,244,872.73		20,388,323.29			227,856,549.44
	Prefabricated housing loans program.	12 U. S. C. 1701 g; 1701 g-1.	36,170,296.71		27,785,815.89	8,384,480.82		
	Public facility loans.	Act, Aug. 11, 1955.	1,400,000.00					1,400,000.00
	Urban renewal fund.	42 U. S. C. 1452 (e).	67,000,000.00		14,000,000.00			53,000,000.00
Foreign Relations.	International Cooperation Administration:							
	Mutual Defense assistance program.	22 U. S. C. 1933 (f)	1,121,995,402.12		4,868,362.48			1,117,127,039.64
	Assistance to Spain.	Act, Sept. 6, 1950	60,862,041.71		5,361,871.72			55,500,169.99
	India emergency food aid.	50 U. S. C. App. 2312	27,254,316.00		1,824,004.48			25,430,311.52
	Foreign investment guaranty fund.	22 U. S. C. 1933 (F)	9,242,389.33		12,389.33		[3,4] 9,230,000.00	
Banking and Currency.	Public Housing Administration.	42 U. S. C. 1420	2,708,817,701.61		2,661,996,329.43	5,821,372.18		41,000,000.00
Do	Reconstruction Finance Corporation.	15 U. S. C. 606.	26,613,539,956.71		13,615,743,333.78	12,848,664,310.48	[3,4] 149,132,303.45	
Agriculture	Rural Electrification Administration.	7 U. S. C. 903	2,424,300,000.00	[4] $510,848,903.98	416,196,021.05			2,518,950,882.93
Foreign Relations.	Saint Lawrence Seaway Development Corporation.	33 U. S. C. 985	48,300,000.00					48,300,000.00
Agriculture	Secretary of Agriculture: Farmers Home Administration:							
	Loan programs.	7 U. S. C. 1005; 1032	1,303,742,000.00	[4] 40,367,816.15	1,132,160,857.97			211,948,958.18
	Farm housing program.	42 U. S. C. 1481	80,000,000.00		38,744,248.59			41,255,751.41
	Farm tenant mortgage insurance fund.	7 U. S. C. 1005c	7,725,000.00					7,725,000.00
Do	Secretary of the Army (Natural fibers revolving fund) (62 Stat. 1098).	5 U. S. C. 234	100,000,000.00		100,000,000.00			
Armed Services	Secretary of the Treasury (Federal Civil Defense Act of 1950).	15 U. S. C. 606;50 U.S.C App. 2061	2,305,000.00		3,053,970.61		[1] 1,813,970.61	1,065,000.00
Banking and Currency.	Small Business Administration: Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954			6,400,160.39		[3] 13,550,160.39	7,150,000.00
Agriculture-Public Works.	Tennessee Valley Authority.	16 U. S. C. 831 n-3.	56,772,500.00		56,772,500.00			
Foreign Relations.	United States Information Agency: Informational media guarantee fund.	22 U. S. C. 1442 (b)	3,745,000.00				[4] 9,230,000.00	12,975,000.00
Banking and Currency.	Veterans' Administration (Veterans' direct loan program).	38 U. S. C. 694 m	733,484,309.00					733,484,309.00
Do	Defense Production Act of 1950, as amended:							
	Defense Materials Procurement Agency.	50 U. S. C. App. 2094	125,000,000.00		125,000,000.00			
	Export-Import Bank of Washington.	50 U. S. C. App. 2094	44,973,314.64		10,469,173.19			34,504,141.45
	General Services Administration.	50 U. S. C. App. 2094	1,018,700,000.00					1,018,700,000.00
	Reconstruction Finance Corporation.	50 U. S. C. App. 2094	178,800,000.00		47,100,000.00		[3,5] 131,700,000.00	
	Secretary of Agriculture.	50 U. S. C. App. 2094	47,336,000.00					47,336,000.00

See footnotes at end of table.

TABLE 4.—*Expenditures handled under Congressional authorizations as public debt transactions cumulative to June 30, 1957*—Continued

Senate Committee	Purpose of expenditure and agency	Citation	Expenditures, advances by Treasury [1]	Notes acquired as a result of cancellations	Cash repayments [1]	Cancellations of securities acquired (see table 5)	Transfers between agencies	Balance of securities acquired June 30, 1957
Banking and Currency.	Advances in exchange for bonds or notes—Con. Defense Production Act of 1950, as amended—Continued							
	Secretary of the Interior: (Defense Minerals Exploration Administration).	50 U. S. C. App. 2094	$26,000,000.00					$26,000,000.00
	Secretary of the Treasury.	50 U. S. C. App. 2094	91,130,000.00		$54,940,000.00		[5] $131,700,000.00	167,890,000.00
	Total advances in exchange for bonds or notes.		137,116,290,659.29	$551,216,720.13	98,658,466,497.40	$16,281,606,935.14		22,727,433,946.88
Do	Advances to Export-Import Bank of Washington for payment of subscription to capital stock.	12 U. S. C. 635 b	999,000,000.00					999,000,000.00
	Subscription to preferred stock of Federal National Mortgage Association (secondary market operations).	12 U. S. C. 1718	[3] 71,000,000.00					71,000,000.00
	Payment of subscription to the International Bank for Reconstruction and Development.	22 U. S. C. 286 e	635,000,000.00					635,000,000.00
	Payment of subscription to the International Finance Corporation.	22 U. S. C. 282 e	35,168,000.00					35,168,000.00
	Payment of subscription to the International Monetary Fund.	22 U. S. C. 286 e	[4] 950,000,000.00					950,000,000.00
	Credit to the United Kingdom.	Act, July 15, 1946.	3,750,000,000.00		[10] 279,678,428.06			3,470,321,571.94
	Grand total		143,556,458,659.29	551,216,720.13	98,938,144,925.46	16,281,606,935.14		28,887,923,518.82

SUMMARY

Expenditures made and bonds and notes acquired	$144,107,675,379.42	
Cash repayments	[6] 98,938,144,925.46	
Cash recoveries against securities acquired through cancellations (table 5, pt. II)	[6] [11] 2,050,888,196.95	
Net expenditure outlay		$43,118,642,257.00
Cancellations of securities acquired and recoveries:		
Securities canceled (table 5, pt. I)	$16,281,606,935.14	
Recoveries—cash (table 5, pt. II)	[6] [11] 2,050,888,196.95	
Recoveries—capital stock acquired against cancellations and still held (table 5, pt. III)	[6] [12] 137,981,000.00	
Expenditures for which no recovery may be made		$14,092,737,738.19
Balance to be accounted for		29,025,904,518.82
Securities held:		
Securities acquired against expenditures		28,793,272,635.89
Notes acquired against cancellations		94,650,882.93
Capital stock acquired against cancellations		[13] 137,981,000.00
Total held		29,025,904,518.82

[6] Deduct.
[1] Excludes exchanges of notes. Includes refundings that were handled as public debt transactions.
[2] Transferred from the Reconstruction Finance Corporation pursuant to Reorganization Plan No. 2 of 1954, effective at the close of business June 30, 1954.
[3] Includes $71,000,000 representing exchange of notes for preferred capital stock.
[4] Represents obligation on notes transferred from International Cooperation Administration to the United States Information Agency in accordance with sec. II of the act approved July 18, 1956 (70 Stat. 563).
[5] Includes $147,318,332.84 transferred to the Export-Import Bank of Washington, the Federal National Mortgage Association, and the Small Business Administration in accordance with Reorganization Plan No. 2 of 1954 (see footnote 2); and $1,813,970.61 transferred to the Secretary of the Treasury (Federal Civil Defense Act of 1950), pursuant to the act approved July 30, 1953 (67 Stat. 230).
[6] Advances for these securities originally were made by the Reconstruction Finance Corporation. Pursuant to the act approved July 30, 1947 (61 Stat. 545, 547) the securities were transferred to the U. S. Treasury and Reconstruction Finance Corporation notes cancelled in like amount. (See table 5.)
[7] Transferred from the Reconstruction Finance Corporation pursuant to the act approved July 30, 1953, (67 Stat. 230).
[8] Transferred from the Reconstruction Finance Corporation to the Secretary of the Treasury pursuant to the act approved July 30, 1953 (67 Stat. 230), and Executive Order No. 10480 to Sept. 28, 1953.
[9] Additional subscriptions to the International Monetary Fund in the amount of $1,800,000,000 were paid from the stabilization fund, which was created pursuant to the Gold Reserve Act of 1934 as amended.
[10] Includes $96,941,786.06 deposited in miscellaneous receipts of the U. S. Treasury.
[11] Excludes $416,108,021.05 repayments of loans shown in table 5, pt. II, because this amount is included in cash repayments above.
[12] Excludes other assets amounting to $58,498,624.11 shown in table 5, pt. III.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter dated June 6, 1958, from the Comptroller General, addressed to me, dealing with this subject. Accompanying the letter is a table entitled "Statement of Transactions Relating to Authorizations To Expend From Public Debt Receipts, as of May 31, 1953." I believe that the table refers to balances of the same fund to which the Senator from Arkansas [Mr. FULBRIGHT] referred, because the letter refers to certain statements for June 30, 1957. This table carries the information forward to May 31, 1958.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, June 6, 1958.

HON. FRANCIS CASE,
United States Senate.

DEAR SENATOR CASE: Reference is made to your request of June 2, 1958, for information regarding the extent to which Government agencies have been authorized to obtain funds from the Secretary of the Treasury in exchange for their notes, or other evidences of indebtedness, under transactions authorized by Congress to be treated as public-debt transactions. It is understood that your interest arises as a result of the provisions of S. 3651, entitled "Small Business Investment Act of 1958."

We are enclosing a copy of Statement of Transactions Relating to Authorizations To Expend From Public Debt Receipts as of May 31, 1958, which was prepared and issued by the Treasury Department. The statement shows that various Government corporations and agencies have obtained $21,611,645,673 in the foregoing manner from the Secretary of the Treasury which was still outstanding as of May 31, 1958. The amount outstanding does not include balances, the repayment of which has been canceled by various acts

of Congress. In addition, the statement shows that the corporations and agencies are authorized to obtain $25,573,324,414 additional from the Secretary of the Treasury, which had not been drawn as of May 31, 1958. Cumulative tables relating to expenditures handled as public-debt transactions may be found in section II, beginning at page 500, of the Treasury Department's Combined Statement of Receipts, Expenditures, and Balances of the United States Government for the fiscal year ended June 30, 1957.

The General Accounting Office has for many years taken the position that funds to finance Government activities should be made available to the corporations and agencies responsible for administering the programs through the normal appropriation processes rather than through authorizations to finance through public-debt transactions. In a letter dated April 22, 1958, to the chairman of the Senate Committee on Banking and Currency, submitted at the committee's request for our comments on a committee print dated April 11, 1958, which, like S. 3651, proposed to create a Small Business Investment Administration whose activities would be financed with funds to be obtained from the Secretary of the Treasury as public-debt transactions, we gave the following reasons for opposing this method of financing:

"Authorizations to finance through public-debt transactions result in moneys being expended without the initial review by the Appropriations Committees and are usually stated in terms of a continuing maximum amount of obligations to the Treasury which can be outstanding at any time, thus avoiding the annual reviews by the Appropriation Committees. We believe that the financing of loan programs through public-debt transactions, by combining program authority with funding, tends to perpetuate programs that might not otherwise stand the test of continued Congressional scrutiny."

Similar comments with respect to other bills introduced in the 85th Congress that would authorize financing through public-debt transactions are contained in reports to the appropriate legislative committees expressing our views on S. 964, the proposed Area Redevelopment Act; S. 3114, which would establish a corporation to be known as the Columbia River Development Corporation; and H. R. 12058, the proposed School Construction Assistance Act of 1958.

We trust that the information furnished will serve the purpose of your inquiry.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

[Enclosure.]

Statement of transactions relating to authorizations to expend from public debt receipts as of May 31, 1958

Accounts	Balance of authorizations at beginning of fiscal year 1958	Net additional public debt authorizations granted by Congress through May 31, 1958	Total advances made from July 1, 1957, through May 31, 1958	Repayments made during fiscal year 1958 which affected borrowing authorizations	Repayments made during fiscal year 1958 which do not affect borrowing authorizations	Net change (cols. (4)−(5))	Unused authorizations, May 31, 1958 (cols. (2)+(3)−(7))	Net amount due Treasury, May 31, 1958
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Commodity Credit Corporation	$1,117,000,000.00	0	$3,087,000,000.00	$5,372,000,000.00	0	$2,285,000,000.00	$3,402,000,000.00	$11,098,000,000.00
Export-Import Bank of Washington:								
Regular	2,822,000,000.00	$2,000,000,000.00	591,500,000.00	279,300,000.00	0	−312,200,000.00	4,509,800,000.00	1,490,200,000.00
Transferred from RFC [1]	0	0	0	0	$6,134,744.81	0	0	20,400,814.98
Federal Deposit Insurance Corporation	3,000,000,000.00	0	0	0	0	0	3,000,000,000.00	0
Federal Farm Mortgage Corporation	500,000,000.00	−500,000,000.00	0	0	0	0	0	0
Federal Home Loan Banks	1,000,000,000.00	0	0	0	0	0	1,000,000,000.00	0
Federal National Mortgage Association:								
Management and liquidating functions	274,400.00	−1,177,274,400.00	70,700,000.00	1,247,700,000.00	0	1,177,000,000.00	0	539,188,477.42
Secondary market operations	1,346,766,185.67	900,000,000.00	703,444,012.55	529,796,533.68	0	−173,647,478.87	2,073,118,706.80	176,881,293.20
Special assistance functions	[2] 575,374,282.87	2,050,000,000.00	128,126,143.92	2,482,796.34	0	−125,643,347.58	2,499,730,935.29	147,520,339.26
Preferred stock	0	65,000,000.00	0	0	0	0	65,000,000.00	71,000,000.00
Federal Savings and Loan Insurance Corporation	750,000,000.00	0	0	0	0	0	750,000,000.00	0
Housing and Home Finance Agency:								
College housing	522,143,450.56	175,000,000.00	150,000,000.00	0	0	−150,000,000.00	547,143,450.56	377,856,549.44
Flood insurance	500,000,000.00	0	0	0	0	0	500,000,000.00	0
Public facility loans	98,600,000.00	0	11,700,000.00	0	0	−11,700,000.00	86,900,000.00	13,100,000.00
Urban renewal program	947,000,000.00	0	20,000,000.00	0	0	−20,000,000.00	927,000,000.00	73,000,000.00
International Cooperation Administration:								
Loan to Spain	1,637,958.29	0	1,052,652.07	0	3,397,864.69	−1,052,652.07	585,306.22	53,154,937.37
Mutual defense assistance program	310,335.28	0	0	0	4,590,924.06	0	310,335.28	1,113,536,115.55
India emergency food aid	0	0	0	0	1,211,375.83	0	0	24,218,935.09
Industrial media guaranty	199,071,521.50	0	0	0	0	0	199,071,521.50	
Public Housing Administration	1,459,000,000.00	0	96,000,000.00	92,000,000.00	0	−4,000,000.00	1,455,000,000.00	45,000,000.00
Rural Electrification Administration	929,236,718.00	239,000,000.00	300,236,718.00	0	44,217,747.46	−300,236,718.00	868,000,000.00	2,774,909,853.47
St. Lawrence Seaway Development Corporation	56,700,000.00	35,000,000.00	44,600,000.00	0	0	−44,600,000.00	47,100,000.00	92,900,000.00
Secretary of Agriculture:								
Farmers' Home Administration	0	209,500,000.00	209,500,000.00	0	[3] 112,459,470.77	−209,500,000.00	0	308,960,487.81
Farm tenant-mortgage insurance loans	12,275,000.00	10,000,000.00	12,100,000.00	17,465,000.00	0	5,365,000.00	27,640,000.00	2,360,000.00
Farm housing loans	400,000,000.00	0	0	0	4,196,249.75	0	400,000,000.00	37,059,501.66
Secretary of the Treasury:								
Federal Civil Defense	248,935,000.00	0	0	170,000.00	0	170,000.00	249,105,000.00	895,000.00
Small Business Administration [4]	0	0	0	0	7,150,000.00	0	0	0
United States Information Agency: Informational media guaranty	15,012,610.67	0	3,640,000.00	0	0	−3,640,000.00	11,362,610.67	16,615,000.00
Veterans' Administration: Veterans direct loan program	0	49,571,200.00	49,571,200.00	0	[5] 2,977,603.00	−49,571,200.00	0	780,077,996.00
Defense Production Act of 1950, as amended:								
Export-Import Bank of Washington	15,495,858.55	0	670,586.93	3,464,277.04	0	2,793,690.11	18,289,548.66	31,710,451.34
General Services Administration	501,300,000.00	145,000,000.00	380,000,000.00	0	0	−380,000,000.00	266,300,000.00	1,398,700,000.00
Secretary of Agriculture	18,489,000.00	0	11,297,000.00	0	0	−11,297,000.00	7,192,000.00	58,633,000.00
Secretary of the Interior	8,000,000.00	4,800,000.00	4,000,000.00	0	0	−4,000,000.00	8,800,000.00	30,000,000.00
Secretary of the Treasury	89,710,000.00	0	6,425,000.00	7,805,000.00	0	1,380,000.00	91,000,000.00	166,510,000.00
Unallocated	172,575,000.00	−149,800,000.00	0	0	0	0	22,775,000.00	0
International Bank for Reconstruction and Development [6]	2,540,000,000.00	0	0	0	0	0	2,540,000,000.00	635,000,000.00
International Finance Corporation	0	0	0	0	0	0	0	35,168,000.00
Total	19,846,907,321.39	4,055,796,800.00	5,881,563,313.47	7,552,183,607.06	186,335,980.39	1,670,620,293.59	25,573,324,414.98	21,611,645,673.00

[1] Transferred from Reconstruction Finance Corporation pursuant to Reorganization Plan No. 2 of 1954.

[2] Reductions of $180,813.94 and $2,568,011.41 not reflected in the June 30, 1957 (final) statement, representing adjustments in authorizations as reported by the Federal National Mortgage Association for the fiscal years 1956 and 1957 based on the portion of mortgage portfolio financed by earnings, working capital, and purchase discounts.

[3] Includes $1,020,000 return of uncommitted funds.

[4] To adjust net amount due Treasury account deposits made to miscellaneous receipts No. 3324 pursuant to law.

Mr. CASE of South Dakota. I hope later to have the opportunity to make some comment on these tables.

Mr. THYE. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. THYE. Mr. President, the reason why I asked to be recognized for a few minutes, if the Senator from Virginia will yield, is that unfortunately I am committed to attend a 3:30 appointment. There is a markup in the Appropriations Committee. Both the distinguished Senator from Virginia and I are members of the committee.

Mr. ROBERTSON. The Senator from Virginia has to attend the markup, and has a special meeting at 3 o'clock, for which he is already 20 minutes late, but he will yield.

Mr. THYE. I appreciate the Senator's courtesy. The Senator from Virginia is as gracious today as always. I deeply appreciate his courtesy.

Mr. President, if I may be recognized for a few minutes, I should like to make a statement, which relates to S. 3651, the bill presently before the Senate for consideration.

Mr. ROBERTSON. The Senator from Virginia yields for the statement.

Mr. THYE. I thank the Senator from Virginia for yielding.

Mr. President, I should like to take up the matter of S. 3651, which has been referred to the Committee on Banking and Currency, and which is before the Senate for our consideration. The bill, which is certainly a very worthy one, is designed to make equity capital more readily available to small-business concerns. As I understand the bill, the administration of the program is to be carried out through the existing Small Business Administration.

Five years ago I had the privilege of introducing the bill which established the Small Business Administration. There was a provision in the bill for establishing the Small Business Administration as a permanent agency. My question today, which I have been asking for quite some time, is: Why has not Congress enacted into law my bill, or other similar bills which would make the Small Business Administration a permanent agency?

We have a very interesting situation: S. 3651 calls for certain programs to be carried out by the Small Business Administration, yet that agency has less than a month of life remaining. Earlier this year, I appeared before the committee and strongly urged that action be taken to guarantee the future of the Small Business Administration. The Congress was assured that proper action would be taken. Since that time, up to the present moment, I have received no information which would indicate that there is any particular plan underway to extend the life of the Small Business Administration or to make it a permanent agency.

Four times in the past 5 years the Senate has taken temporary action to extend the life of the Small Business Administration.

As I have stated before, such a procedure does not encourage banks to participate in a vast lending program. Local financial concerns in communities throughout our Nation cannot be expected to participate in making loans with an agency whose continued existence is constantly in doubt.

Because of Congressional delay last year the life of the Small Business Administration lapsed for a time after midnight, June 30. Once again we are faced with the same situation. The point I have made earlier is still valid. The working efficiency of the agency is constantly placed in jeopardy when the job security of its competent personnel is periodically subject to doubt, when experienced people do not know what the next month will bring. Along this line, the Small Business Administration cannot be expected to carry out effective programs of procurement assistance when the job security of its competent people is periodically in question and when other Government agencies know they are not dealing with a permanent agency of government.

So I say, Mr. President, that I believe S. 3651 is a good bill. But it cannot be implemented because of the situation existing with respect to the SBA. In order to be effective, the Small Business Administration must be a permanent agency. We must take action. And we must take action now.

Mr. President, in the report of the committee hearings, a copy of which is on the desk of each Senator, Senators will find on page 361 that I submitted a report to the committee and asked the committee to give consideration to S. 3643, the Small Business Capital Act of 1958, which I had introduced, which would make the Small Business Administration a permanent agency of the Goverment.

Mr. President, I again invite the attention of members of the Committee on Banking and Currency to the fact that we should act with respect to the extension of the life of the Small Business Administration as covered in bills presently before the committee. We should make the Small Business Administration permanent, rather than having the permanency of the Administration constantly in question and having a doubt as to whether the life of the Administration will be extended from one year to the next.

Mr. FULBRIGHT rose.

Mr. THYE. I see my distinguished friend from Arkansas is on his feet.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. THYE. The Senator from Arkansas is one of the senior members of the Committee on Banking and Currency. In fact, the Senator from Arkansas is the chairman of the committee. I appeal to the Senator to help obtain the reporting of the bill relating to the Small Business Administration from the committee, so that we may consider the matter on the floor.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. FULBRIGHT. We shall give that matter consideration at the earliest possible moment. I assure the Senator the Small Business Administration will not be permitted to lapse, but the life of the Administration will be extended. We have had preliminary discussions as to the matter. I think the committee is in agreement that the SBA will be extended.

I regret that I cannot agree with the Senator from Minnesota as to making the Administration permanent. The Small Business Administration has never been made permanent, but it's life has been extended from time to time. I personally shall favor that procedure.

Certainly the life of the Administration will be extended for a reasonable time. Such a process requires the committee to review the matter periodically. I assure the Senator he need not be concerned about the Small Business Administration going out of business, for the life of that agency will be continued.

Mr. THYE. Mr. President, it is most encouraging to have that statement from the distinguished chairman of the committee, but I frankly appeal again for the making of the Small Business Administration a permanent agency of government, so that the personnel may have more security. The Senator from Arkansas and I are concerned about our tenure. The Senator and I serve for a period of 6 years, when once elected to the Senate, yet the Senator and I do not feel too secure and comfortable with a 6-year term. Certainly an employee of the Small Business Administration, who has security only from 1 year to the next, is going to look around for another job if he can find one. I would not blame him for doing so. Therefore, the agency is constantly in jeopardy.

Mr. FULBRIGHT. If the Senator will yield further, I think the Senator overstates the case. I do not believe the agency feels it is constantly in jeopardy. The assumption is that the Administration will be extended continuously, so long as there is a need for it.

Personally I think the proposed legislation, which is presently under consideration, if it operates as well as I hope it will, will gradually make the need for some of the operations of the Small Business Administration less critical, and very likely the Government may be able to work itself out of this field. I should like to see the Government out of the short-term business lending field eventually, in which it is involved due to the Small Business Administration's operations. If we can make this program succeed as well as the lending operations in the field of agricultural credit are succeeding, perhaps the Government will really be out of the entire field soon.

Mr. THYE. At the time I introduced a Small Business Administration bill, I envisioned that we would provide for the young businessmen on the main streets of America the same opportunity we have afforded young farm families under the Farm Home Administration Act. If a young couple has had a history of responsibility and is deserving, and if it is considered that they would be good managers if given an opportunity, we have made it possible for them to obtain a loan, either to become farm operators on a rental basis, or even buy a piece of property for a farm home. That program has assured the continuation of individual ownership and individual

management in the rural communities and areas of America.

Because of the type of society in which we live, the young man is, of course, confronted with the necessity for an automobile, in order to travel in a normal course of activity in society. Neither the Senator nor I would be exactly happy to have some young man coming to call on his daughter if he were to arrive on a bicycle, or if he were coming on foot, when all the other young people in the community travel in automobiles. Consequently, the youth of today spend most of their early earnings in acquiring an automobile, in order to travel in a normal way in society. When they assume the responsibility of a family, and then try to go into business, they find they have not the necessary capital. Yet they may be most deserving.

The young family man should be assisted to get into business, where he will have the responsibility of business management. That is what I envisioned when I introduced the small-business bill originally. That is what I still envision.

I still believe that we are failing the young businessmen of America by not aiding them to become managers of small businesses.

If we do not have individual ownership and management of small businesses, we shall lose something which has made the United States a great Nation. It is for that reason that I have held fast to the idea that the Small Business Administration has a place in our Nation's economy. I shall always endeavor to promote this type of legislation, in order to take care of the small-business man in the same way in which we take care of young farm families throughout rural America.

This program is not embodied in Senate bill 3651. While I shall support the pending bill I hope we can perfect it and extend the life of the Small Business Administration, making it a permanent agency. If the proposed legislation is not in the desired form, let us amend it, so as to make the legislation broader and more effective.

Again I appeal to the distinguished Senator from Arkansas, who is very influential within this legislative Chamber, to use his influence to have the Small Business Administration bill reported from his committee. It would provide for a permanent agency. If the bill is not what is desired, let us amend it and broaden it, so as to do what is necessary for the young businessmen of America, and to make certain that they have an opportunity to become managers or owners of small businesses. If we do that for the young business people of America, we need not worry about what our streets are going to be like 20 or 30 years from now.

Mr. WILLIAMS. Mr. President, I should like to have the attention of the chairman of the committee. The text of the bill, beginning on page 50, line 10, and extending to page 52, through line 17, embraces a proposed amendment to the Internal Revenue Code. I am wondering if the committee did not make a mistake when it placed this provision in the bill, because, in the first place, measures of such nature should be considered by the Senate Finance Committee. Secondly, revenue measures should originate in the House.

I am wondering if the chairman of the committee would agree to strike this language without prejudice. I am not discussing the merits of the proposal. I have not examined it, and neither has the committee. I think it would be much better to offer this language in the form of an amendment to a bill which is now pending before the Finance Committee, in connection with which this subject could be considered.

I also understand that at this time the House Ways and Means Committee is studying some similar legislation and will bring forward a recommendation. I oppose adopting the precedent of amending the Internal Revenue Code in a bill reported from the Committee on Banking and Currency.

Mr. FULBRIGHT. Mr. President, this provision is strictly incidental to the main purpose of the proposed legislation. I invite attention to the fact that about a year ago, on June 24, 1957, this proposal was first called to the attention of the Committee on Finance in a letter addressed to the chairman. These provisions were submitted to that committee for its consideration at that time, and several times thereafter.

I hold in my hands a file, which I believe the Senator from Delaware has seen, containing considerable correspondence between the chairman of the committee [Mr. BYRD] and myself, and between Mr. Colin F. Stam, chief of staff of the committee, and the chairman of the Finance Committee.

The Treasury has considered these provisions, and the Treasury, in fact, recommended the provisions and is thoroughly in accord with them.

The fact that the Committee on Finance did not choose to consider these provisions formally is not my responsibility. I have no power to make the Finance Committee do anything. I have submitted to it an opportunity, over a period of a year or more, to take any action it chose to take on the subject. I certainly would not agree to delete these provisions. I believe them to be very sensible and proper provisions in the proposed legislation. Of course, the Senator is free to move to strike them from the bill, if he chooses to do so. However, there is jurisdiction in our committee because the subject is incidental to the main purpose of the proposed legislation, and that main purpose is thoroughly and completely within the jurisdiction of the Committee on Banking and Currency.

Mr. WILLIAMS. The chairman of the committee is correct to a certain point in that he did submit to the chairman of the Committee on Finance about a year and a half ago the recommendation for tax changes which were studied by the Committee on Finance at that time, and then the Committee on Finance passed its recommendations on to the chairman of the Committee on Banking and Currency.

I point out, however, that the provision incorporated in the pending bill, S. 3651, embracing section 308 is not the language sent to the Committee on Finance; nor does it accomplish the same purpose. It may be substantially the same, but there is a big difference in the word substantially, and there has been no review of the subject by the Committee on Finance. The last correspondence which the Senator from Arkansas had with the chairman of the Committee on Finance was in the form of a letter from the Chairman of that committee under date of April 21, 1958. That is this year, not last year. In that correspondence the chairman of the Committee on Finance enclosed for the information of the chairman of the Committee on Banking and Currency, a copy of the memorandum dated April 18, 1958, which had been prepared at the request of the chairman of the Committee on Finance by Mr. Stam, the chief of staff.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment I shall be glad to yield. I shall read Mr. Stam's letter. It reads as follows:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION,
Washington, April 18, 1958.

Hon. HARRY F. BYRD,
United States Senate,
Washington, D. C.

DEAR SENATOR BYRD: Enclosed with this letter are two copies of a memorandum entitled "Explanation of Tax Provisions of S. 2160 and S. 3191." You will recall that Senator FULBRIGHT, in letters to you dated February 6 and March 13 and 27, 1958, requested an explanation of the tax provisions of these bills prior to the hearings to be held on these bills by the Committee on Banking and Currency.

S. 2160 and S. 3191 provide for the creation of a special class of corporations authorized to make loans to and to buy stock in small-business concerns and to provide consulting and advisory services to small businesses on a fee basis. The tax provisions of both bills are substantially the same. In general, they would amend the Internal Revenue Code of 1954 to permit such corporations to be treated as regulated investment companies. However, the existing provisions of the code relating to the tax treatment of regulated investment companies would be modified substantially in the case of the corporations described in these bills. In general, these modifications would permit such corporations to accumulate substantial reserves with the payment of little or no corporate tax. Accordingly, the tax provisions of both bills do raise important questions of tax policy which the tax committees of Congress may wish to consider. The enclosed memorandum explains generally the effect of these tax provisions.

In addition to the considerations of tax policy raised by the tax provisions of these bills, I would also like to point out that it would be desirable to have the tax provisions of these bills studied further on a technical basis. These tax provisions are very complex and our preliminary review indicates that a number of technical problems may arise under them.

In my letter to you of June 24, 1957, relating to S. 2160, I discussed the legislative background of the Bank Holding Company Act of 1956. It was considered and reported by the Committee on Banking and Currency. In view of the fact that the legislation contained tax provisions, the Committee on Banking and Currency recommended that the Finance Committee of the Senate and the Ways and Means Committee of the House consider the tax aspects of the legislation,

and this was done. Certain amendments were worked out by the staffs of the Joint Committee on Internal Revenue Taxation and the Treasury Department and the Committee on Banking and Currency which were approved by both the Committee on Finance and the Committee on Banking and Currency and made a part of the legislation. It might be desirable to adopt a similar approach with respect to these bills.

It may also be desirable to consider whether the tax provisions in these bills are such that the legislation of which they are a part should originate in the House of Representatives.

Sincerely yours,

COLIN F. STAM,
Chief of Staff.

That memorandum is addressed to the chairman of the Committee on Finance under date of April 18, 1958. It takes precedence over any correspondence of a year ago.

I also wish to call particular attention to the fact that the chief of staff of the Joint Committee on Internal Revenue Taxation recommended that the Committee on Finance study the proposal further and that it also take into consideration the question of whether the proposed legislation should originate in the House of Representatives. This was passed on to the chairman of the Committee on Banking and Currency, the Senator from Arkansas [Mr. FULBRIGHT], under date of April 21, together with the covering letter of the chairman of the Committee on Finance. In his letter the chairman of the Committee on Finance did not say he was giving up jurisdiction in the matter to the Committee on Banking and Currency.

I now refer to rule XXV of the Standing Rules of the Senate. I ask unanimous consent to have printed in the RECORD at this point that portion of the rule as it relates to the jurisdiction of the Committee on Banking and Currency, which is covered in paragraph (d); also the portion of the rule relating to the jurisdiction of the Committee on Finance, as it appears in paragraph (h).

There being no objection, the excerpts from the rules were ordered to be printed in the RECORD, as follows:

(d) Committee on Banking and Currency, to consist of 15 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Banking and currency generally.
2. Financial aid to commerce and industry, other than matters relating to such aid which are specifically assigned to other committees under this rule.
3. Deposit insurance.
4. Public and private housing.
5. Federal Reserve System.
6. Gold and silver, including the coinage thereof.
7. Issuance of notes and redemption thereof.
8. Valuation and revaluation of the dollar.
9. Control of prices of commodities, rents, or services.

(h) Committee on Finance, to consist of 15 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Revenue measures generally.
2. The bonded debt of the United States.
3. The deposit of public moneys.
4. Customs, collection districts, and ports of entry and delivery.
5. Reciprocal trade agreements.
6. Transportation of dutiable goods.
7. Revenue measures relating to the insular possessions.
8. Tariffs and import quotas, and matters related thereto.
9. National social security.
10. Veterans' measures generally.
11. Pensions of all the wars of the United States, general and special.
12. Life insurance issued by the Government on account of service in the Armed Forces.
13. Compensation of veterans.

Mr. WILLIAMS. Mr. President, I call attention to the fact that, under paragraph (d) of rule XXV, the Committee on Banking and Currency may not deal with any revenue-producing measure.

I also call attention to the new document which has recently been distributed to all Senators, entitled "Senate Procedure." I call attention to page 541 of that document. I read the first two paragraphs on that page, as follows:

"All bills for raising revenue shall originate in the House; but the Senate may propose or concur with amendments as on other bills."

The House on various occasions has returned to the Senate bills which the Senate had passed which the House held violated its prerogatives to originate revenue measures.

I next invite the attention of the Senate to the fact that in this bill the attempt is not made to amend an ordinary House bill; nor even a bill which deals with a revenue-raising provision; nor a bill which had been reported by the Committee on Finance; nor one which had been considered by the Committee on Ways and Means of the House. What is attempted is an amendment of the Revenue Code on a Senate bill which has been considered only by the Banking and Currency Committee. I shall make the point of order that the Committee on Banking and Currency has exceeded its jurisdiction, and this section of the bill should be stricken.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall yield in a moment.

I point out, in support of the point of order, what the alternative would be. If the point of order is overruled and if it is held that the Committee on Banking and Currency has jurisdiction to consider such proposed legislation, then, by the same token, it would mean that the Senate would be ruling that the Senate has the right to originate revenue measures provided they have been reported by the Committee on Banking and Currency. We have never even recognized the right of the Committee on Finance to report such measures.

I also call attention to the fact that, if the point of order is overruled and if it is held that the Committee on Banking and Currency can report measures amending the Revenue Code, then it would open the door for that committee to consider and report and for the Senate to consider any kind of revenue measure. We would as a consequence find ourselves not in the midst of the consideration of a small-business bill but rather in the midst of modifying or passing major tax legislation which had not been considered either by the Committee on Finance or by the Ways and Means Committee. Under the circumstances we have no alternative but to strike the provision from the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CASE of South Dakota. Mr. President, the distinguished Senator from Delaware has raised a very important question. He has raised two questions, in fact. He has raised the question of a possible violation of the rule of the Senate with respect to the jurisdiction of the Committee on Banking and Currency in reporting the pending bill. He has also raised the constitutional question as to whether a bill carrying tax provisions must originate in the House of Representatives.

I should like to have the attention of the Parliamentarian while I am speaking on this point. The question first came up in 1955, when the Committee on Public Works was considering the interstate highway bill.

At that time I consulted the Parliamentarian as to whether the Committee on Public Works could report a bill which would raise revenue for the purpose of defraying the cost of the highway program, particularly the standard interstate program. The Parliamentarian called my attention to a decision by the Supreme Court in 1915 in the so-called Cotton Futures Act, which held that a bill which had originated in the Senate, but which had a revenue item added to it in the House of Representatives.

The Supreme Court held that that act was not valid, because they could not go behind the number on the bill. Even though in that instance the revenue feature was added by the House of Representatives, the Supreme Court held that the origin of the bill was determined by the number it carried. That bill carried a Senate number. So the Supreme Court invalidated the Cotton Futures Act because section 7 of the Constitution provides that all bills for raising revenue shall originate in the House of Representatives.

On the basis of that Supreme Court ruling, which the Parliamentarian called to my attention, the Committee on Public Works decided that it should not risk the validity of the highway bill by reporting revenue features. In fact, in 1956, when the question of a highway act again was before the Senate, because the House had failed to pass a highway bill in 1955, the Committee on Public Works decided it would defer to the action of the House, and wait until a bill could come over from the House carrying revenue features or carrying a House bill number, so that we would not run into danger. The Committee on Public Works did not want to risk invalidating the proposed legislation by placing a Senate number on a bill which included revenue features.

Under that decision of the Supreme Court, cited to me by the Parliamentarian, I cannot understand why members of the Committee on Banking and Currency would want to risk the fate of this bill by having it continue to carry

tax provisions. The Senator from Delaware [Mr. WILLIAMS] has already pointed them out. For emphasis, I invite the committee's attention to the fact that section 308 specifically refers to the Internal Revenue Code of 1954 and then, in parentheses, reads: "relating to deduction of losses." It amends section 165 of the Internal Revenue Code relating to the deduction of losses.

Further, in section 308, subparagraph (c), there is an amendment of section 243 of the Internal Revenue Code, "relating to dividends received by corporations."

In other words, the language of the bill before us very clearly changes the Revenue Code, by changing the provisions which raise revenue and the provisions relating to deductions. Certainly it must be considered a bill to raise revenue or a bill to change the code relating to revenue. Based on the opinions which the Parliamentarian gave in 1955 and 1956, I do not see how this bill, S. 3651, could carry those provisions and still be considered a valid bill.

I further invite the attention of the Chair and of the members of the committee to the fact that I believe, under the precedents of the Senate, when a constitutional question is involved, the question must be referred to the membership of the Senate for decision. It may be that because some Senators are not here today it would be unfortunate to raise what is in the nature of a constitutional question and to call for a vote by the membership of the Senate on it. It seems to me that the discreet thing to do would be for the committee to decide not to risk the constitutionality or the validity of the bill, but to withdraw this section, in order that the bill itself might not be sacrificed and found to be a nullity by the Supreme Court at a later date.

The PRESIDING OFFICER. The Chair feels that he has no other alternative than to hold that the Senator from South Dakota is correct in his statement that the Presiding Officer of the Senate, under the precedents of the Senate, instead of ruling upon the question of constitutionality is required to submit the question to the Senate. Therefore, the Chair cannot rule since, as the Chair understands it, the Senator is raising at least some question of constitutionality.

Mr. WILLIAMS. Mr. President, before I raise the question of constitutionality, my first point of order is that the committee exceeded its jurisdiction. It had no authority at all to report a bill dealing with the Revenue Code. Therefore, I make the point of order against that section of the bill on that basis.

The question is, Does the Senate Committee on Banking and Currency have jurisdiction to report measures relating to the Revenue Code? If they have such jurisdiction, other committees likewise have the jurisdiction to report similar bills.

I confine my point of order, first, to that phase of the question.

Mr. FULBRIGHT. Mr. President, before I respond to the point of order, and in order to make the RECORD complete, I ask unanimous consent that a letter dated April 29, 1958, from me to the Senator from Virginia be printed at this point in the RECORD. In that letter, I accept the idea of consultation, and I suggest that we follow the same procedure that was followed in the Bank Holding Act, to which Mr. Stam referred in the previous letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
April 29, 1958.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance, United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Thank you for your letter of April 21, 1958, containing a very thorough explanation of the tax provisions in S. 2160 and S. 3191, two bills now being considered by the Committee on Banking and Currency. As you will recall, we have exchanged correspondence on these and similar bills several times since June of 1957.

The bills upon which the committee is now holding hearings are all concerned with providing long-term credit and equity financing to small-business concerns. At the present time, it would seem that S. 3643, an administration bill introduced by Senator THYE, and S. 3651, introduced by Senator JOHNSON, propose programs which have the best chance of favorable consideration by the committee. Both of these bills contain amendments to the Internal Revenue Code of 1954, and the amendments are identical. On April 24, 1958, Mr. Dan Throop Smith, deputy to the Secretary of the Treasury, endorsed the identical tax provisions of S. 3643 and S. 3651. It is my feeling, therefore, that any bill reported by the committee will embody the amendments recommended by the Treasury Department. For your further information, I am enclosing a copy of the statement made by Mr. Smith.

Although the tax features of these bills are incidental to the principal purposes of the legislation, they are, nevertheless, essential to fulfillment of these purposes. For this reason, I believe it is proper for this incidental revenue change to originate in the Senate. As suggested in the letters of June 24, 1957, and April 18, 1958, addressed to you by Mr. Colin F. Stam, these tax features could be considered in the same manner as were the tax features contained in the Bank Holding Company Act of 1956.

There is considerable interest in the programs contemplated by S. 3643 and S. 3651, and it is likely that the Committee on Banking and Currency will act upon these bills during the first week in May. I await your further suggestion for any cooperative action which you believe necessary. Your early reply will be appreciated.

Sincerely yours,
J. W. FULBRIGHT, *Chairman.*

Mr. FULBRIGHT. Mr. President, I have offered this letter to show that the Committee on Banking and Currency did everything it reasonably could to cooperate with the Committee on Finance and to obtain their prior approval. The fact that the Committee on Finance did not deem it proper to reply to the letter is beyond my control.

I ask unanimous consent also to have printed at this point in the RECORD a memorandum concerning the attitude of the Treasury Department, and an excerpt from the testimony of Dan Throop Smith, Deputy to the Secretary of the Treasury, in which he endorses the principle substantially.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

TAX PROVISIONS OF S. 3651

The Treasury Department has advised that tax laws do not now provide for stock or debenture losses to be treated as ordinary loss deductions, rather than as capital loss deductions, as is proposed in S. 3651.

Such provisions, however, are consistent with recommendations the administration has made in its small-business tax proposals. In specific legislation, to carry out the administration's proposals (H. R. 12084 and H. R. 12085 as introduced by Messrs. MILLS and REED on April 22, 1958), it is provided in section 1 that loss realized on a stock investment by an original investor in a small business shall be treated as an ordinary loss rather than as a capital loss.

The administration feels that such favorable tax treatment is in order because of the importance of new and small businesses in our economy.

In testimony before the Small Business Subcommittee on April 24, Mr. Dan Throop Smith, Deputy to the Secretary of the Treasury, stated:

"These tax provisions contained both in S. 3651 and in S. 3643 are consistent with recommendations which the administration has made in connection with its small-business tax proposals and elsewhere. We endorse this tax approach. The provisions should be helpful in increasing the amount of funds available to the proposed investment companies and they are consistent with other tax recommendations and the general corporate tax law." (Hearings, p. 170.)

Mr. FULBRIGHT. Mr. President, in regard to the point of order, it is my position and that of the committee that the revenue provision of the bill is strictly of a subsidiary and incidental nature to the main purpose of the bill itself; that this is a very common practice; and that the point of order is invalid.

The PRESIDING OFFICER. The Chair has been informed by the Parliamentarian that in the case of *Millard* v. *Roberts* (202 U. S. 429) decided in 1906, the Supreme Court of the United States made a decision which has a bearing on the present situation.

In that case, a bill which had originated in the Senate provided for the construction of a Union Station in the District of Columbia, and contained a small incidental tax provision. The constitutionality of the bill was attacked on the ground that revenue bills must originate in the House.

The Court, after citing the case of *Twin City Bank* v. *Nebeker* (167 U. S. 203), which quoted Mr. Justice Story as holding that "revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes, which may incidentally create revenue," said, "There was no purpose, by the act or any of its provisions, to raise revenue to be applied in meeting the expenses or obligations of the Government."

That situation applies to the bill in question. The Committee on Banking and Currency has jurisdiction over the pending bill and may report some provisions incidental to carrying out the main purposes of the bill.

There are numerous precedents for the establishment of the Small Business Administration and the method of its

financing, against which no point of order was made when bills establishing those corporations or administrations similar in their financing were under consideration in the Senate.

This is the opinion of the Parliamentarian as given to the Chair. The Chair makes it his own opinion and, therefore, the Chair overrules the point of order.

Mr. WILLIAMS. I now make the point of order on the ground that it is not constitutional for the Senate to originate revenue measures. Certainly this point of order should be sustained. I suggest the absence of a quorum.

The clerk proceeded to call the roll.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is a motion to recess in order?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that a motion to recess is not in order. A motion to adjourn is in order.

The Secretary will proceed with the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Gore	Morse
Anderson	Green	Mundt
Barrett	Hayden	Murray
Beall	Hennings	Neuberger
Bennett	Hickenlooper	Pastore
Bible	Hill	Payne
Bricker	Hruska	Potter
Butler	Humphrey	Proxmire
Byrd	Ives	Revercomb
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Jenner	Saltonstall
Case, N. J.	Johnson, Tex.	Schoeppel
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Knowland	Sparkman
Cotton	Kuchel	Stennis
Curtis	Langer	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Thye
Eastland	Malone	Watkins
Ellender	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Flanders	Martin, Pa.	Young
Frear	McClellan	
Fulbright	McNamara	

Mr. MANSFIELD. I announce that the Senator from Florida [Mr. HOLLAND], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Oklahoma [Mr. KERR], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senators from Connecticut [Mr. BUSH and Mr. PURTELL], and the Senator from West Virginia [Mr. HOBLITZELL] are necessarily absent.

The Senators from Kentucky [Mr. COOPER and Mr. MORTON] are absent on official business.

The PRESIDING OFFICER. A quorum is present. The Senator from Delaware has raised a point of order that the bill is not constitutional in its tax provision at page 50.

Mr. CHAVEZ. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Delaware has raised a point of order. Does the Senator from Delaware wish to make an observation?

Mr. WILLIAMS. I understand the Committee on Banking and Currency has decided that it will withdraw the disputed section of the bill, and strike it out. With that understanding I withdraw my point of order.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. CAPEHART. As I understand, the Senator from Delaware is withdrawing his point of order, with the understanding that the complete section will be taken out.

Mr. WILLIAMS. That is correct.

Mr. CAPEHART. That it will be taken out of the bill. I understand that an effort will be made to attach that section of the bill to a tax bill which is now before the Committee on Finance. I believe the chairman of the Committee on Finance has agreed to give consideration to it.

Mr. BYRD. At the first appropriate meeting of the Committee on Finance we will give consideration to such an amendment.

Mr. WILLIAMS. Mr. President, I withdraw the point of order.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a paragraph from the Constitution of the United States, annotated, page 102, "The Legislative Process," and excerpts from cases cited in that paragraph.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM ANNOTATION TO ARTICLE I, SECTION 7, CLAUSE 1 OF THE CONSTITUTION OF THE UNITED STATES OF AMERICA

THE LEGISLATIVE PROCESS

Revenue bills

Only bills to levy taxes in the strict sense of the word are comprehended by the phrase "all bills for raising revenue"; bills for other purposes, which incidentally create revenue, are not included.[1] An act providing a national currency secured by a pledge of bonds of the United States, which, "in the furtherance of that object, and also to meet the expenses attending the execution of the act," imposed a tax on the circulating notes of national banks was held not to be a revenue measure which must originate in the House of Representatives.[2] Neither was a bill which provided that the District of Columbia should raise by taxation and pay to designated railroad companies a specified sum for the elimination of grade crossings and the construction of a union railway station.[3] The substitution of a corporation tax for an inheritance tax,[4] and the addition of a section imposing an excise tax upon the use of foreign built pleasure yachts,[5] have been held to be within the Senate's constitutional power to propose amendments.

[1] I Story, Constitution, sec. 880.

[2] *Twin City National Bank* v. *Nebeker* (167 U. S. 196 (1897)).

[3] *Millard* v. *Roberts* (202 U. S. 429 (1906)).

[4] *Flint* v. *Stone Tracy Co.* (220 U. S. 107, 143 (1911)).

[5] *Rainey* v. *United States* (232 U. S. 310 (1914)).

EXCERPT FROM THE OPINION OF THE COURT IN THE CASE OF TWIN CITY BANK V. NEBEKER ((1897) 167 U. S. 196, 202–3).

The case is not one that requires either an extended examination of precedents, or a full discussion as to the meaning of the words in the Constitution, "bills for raising revenue." What bills belong to that class is a question of such magnitude and importance that it is the part of wisdom not to attempt, by any general statement, to cover every possible phase of the subject. It is sufficient in the present case to say that an act of Congress providing a national currency secured by a pledge of bonds of the United States, and which, in the furtherance of that object, and also to meet the expenses attending the execution of the act, imposed a tax on the notes in circulation of the banking associations organized under the statute, is clearly not a revenue bill which the Constitution declares must originate in the House of Representatives. Mr. Justice Story has well said that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes which may incidentally create revenue. (1 Story on Const. sec. 880). The main purpose that Congress had in view was to provide a national currency based upon United States bonds, and to that end it was deemed wise to impose the tax in question. The tax was a means for effectually accomplishing the great object of giving to the people a currency that would rest, primarily, upon the honor of the United States, and be available in every part of the country. There was no purpose by the act or by any of its provisions to raise revenue to be applied in meeting the expenses or obligations of the Government.

EXCERPT FROM THE OPINION OF THE COURT, IN THE CASE OF MILLARD V. ROBERTS (1906) 202 U. S. 429, 436–7

The first contention of appellant is that the acts of Congress are revenue measures, and therefore should have originated in the House of Representatives and not in the Senate, and to sustain the contention appellant submits an elaborate argument. In answer to the contention the case of *Twin City Bank* v. *Nebeker* (167 U. S. 196), need only be cited. It was observed there that it was a part of wisdom not to attempt to cover by a general statement what bills shall be said to be "bills for raising revenue" within the meaning of those words in the Constitution, but it was said, quoting Mr. Justice Story, "that the practical construction of the Constitution and the history of the origin of the constitutional provision in question proves that revenue bills are those that levy taxes in the strict sense of the word, and are not bills for other purposes, which may incidentally create revenue." (1 Story on Const. sec. 880.) And the act of Congress which was there passed on illustrates the meaning of the language used. The act involved was one providing a national currency, and imposed a tax upon the average amount of the notes of a national banking association in circulation. The provision was assailed for unconstitutionality because it originated in the Senate. The provision was sustained, this court saying:

"The tax was a means for effectually accomplishing the great object of giving to the people a currency that would rest, primarily, upon the honor of the United States and be available in every part of the country. There was no purpose, by the act or by any of its provisions, to raise revenue to be applied in meeting the expenses or obligations of the Government."

This language is applicable to the acts of Congress in the case at bar. Whatever taxes are imposed are but means to the purposes provided by the act.

Mr. FULBRIGHT. Mr. President, I regret that this action had to be taken. I do not see how the Committee on Finance can consider the tax provision relating to the investment companies before the bill itself has become law.

I think what is suggested is the only practical way to proceed, and I recommend it to the author of the bill and to the other body: that in the House itself this provision be reinstated.

The only answer I can see is that the House itself be requested to insert the provision in the bill when it gets to the House, so as to take care of the constitutional question.

I myself think the Parliamentarian was quite right in his ruling that this provision is perfectly proper in the bill. I do not wish for a moment to accept the proposition that this is a revenue provision within the meaning of the Constitution. It is strictly incidental to a bill which the Senate can originate.

The present action is taken, from my point of view, not because of any defect in the bill or any disagreement with the views of the Parliamentarian; it is done strictly because of expediency, in the interest of trying to get action on the proposed legislation at the moment.

The PRESIDING OFFICER. The Chair informs the Senator from Arkansas that if the House should reinsert this provision in an identical bill, that would not resolve the constitutional problem.

Mr. FULBRIGHT. The House could take the Senate bill and include the provision, or the House could originate the bill. A bill comparable to this is already before the House. It is a House bill. But what I meant was that the provision would originate in the House.

However, I do not think the provision is in violation of the Constitution as it appears in the bill now before the Senate. I do not admit that it is. It is for entirely different reasons that I do not object at this time to the withdrawal of this provision from the bill.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CLARK. I associate myself with the remarks of the Senator from Arkansas, with whom I am in complete agreement.

The PRESIDING OFFICER. Will the Senator from Arkansas inform the Chair how much of the language he wishes to have stricken?

Mr. FULBRIGHT. All the provisions relating to taxes.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Indiana will state it.

Mr. CAPEHART. Has the motion been made to strike section 308?

The PRESIDING OFFICER. That matter is under consideration at the present time.

Mr. CAPEHART. I move that section 308 be stricken.

Mr. MORSE. Mr. President, a point of order. The Senator from Indiana does not have the floor.

Mr. FULBRIGHT. All the tax provisions which are involved in this matter are included in section 308, beginning at page 50, and continuing to section 309. That is the part which, as the manager of the bill, I ask to have stricken.

Mr. CLARK. And that the subsequent sections be renumbered.

Mr. FULBRIGHT. Yes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. I wish to ask the Senator from Arkansas two or three questions. I think we should make a very clear record of this matter, so that it cannot be used as a precedent in the future. Sooner or later we shall have to face up to a test of these constitutional questions.

My first question is, from what committee does the bill come?

Mr. FULBRIGHT. The bill comes from the Committee on Banking and Currency.

Mr. MORSE. Do I correctly understand that it is proposed to transfer this particular section to the Committee on Finance?

Mr. FULBRIGHT. It has been suggested that this section be considered by the Committee on Finance. Two questions were raised. The first question was as to the jurisdiction of the committee: whether under the rules of the Senate the provision should have come from the Committee on Finance. That point of order was overruled by the Chair. The Committee on Banking and Currency has jurisdiction to consider the matter.

A further question was raised as to the constitutionality of the provision: whether under the Constitution such a provision must originate in the House. It is my view, and also, I think, the view of the Parliamentarian, based on the precedents I have before me, that this tax feature is strictly incidental to the main purpose of the bill, which is clearly within the jurisdiction of the Senate and of the Committee on Banking and Currency.

This is not a revenue-raising bill within the meaning of the language of the Constitution. I have before me two cases in the Supreme Court: One, Millard against Roberts; the other, Twin City Bank against Nebeker, and also a digest of the problem. All of the cases, I think, clearly support the view that the tax provision is incidental to the principal purpose of the bill, which is the creation of the credit institutions.

But I go further. I have been informed that if the Senate passes the bill with this provision in it, it is likely that the Speaker of the House of Representatives will refuse to accept the bill. That is not a constitutional matter; it is not a legal matter. That is a power, I presume, which the Speaker of the House possesses as the Speaker of the House. I have no comment on that. I have no way to override him. Even though the precedents are in our favor, of what avail will it be to do a completely futile thing?

So I have said I will agree to the motion to strike, or that I will take out that provision, and will rely on the House to reinsert the provision in the House. That is the situation, as I understand it.

Mr. MORSE. Undoubtedly the debate of this afternoon will be referred to many times in the years ahead. Therefore, for the purpose of the legislative record, I wish to review the matter by asking two questions:

First, is my understanding correct that the Senator from Arkansas, chairman of the Committee on Banking and Currency, is not making his motion to strike from the bill the language in question because of any question in his mind about the jurisdiction of the Committee on Banking and Currency over the subject matter?

Mr. FULBRIGHT. That is correct.

Mr. MORSE. Second, is my understanding correct that the Senator from Arkansas, chairman of the Committee on Banking and Currency, is not making his motion to strike because of any doubt in his mind about the authority of the Committee on Banking and Currency to include this so-called tax matter in the bill, because the tax matter is only incidental to the purpose and the objective of the bill, but that he is making his motion to strike because he has been advised that if the provision is added to a tax bill now before the Committee on Finance, and which has already come over from the House, the matter will then be in a position for legislative action both by the House and Senate?

Mr. FULBRIGHT. I would modify the last point to this extent. I am a little doubtful about including this provision in a bill before the Committee on Finance before the bill or the instrumentality to which it applies has ever been passed. We would be in a most peculiar position then.

What I have in mind to meet the objection which was made is that this provision could be inserted in a House bill which accomplishes the same thing the Senate bill proposes. I hope that the bill, comparable to the Senate bill, which was introduced in the House, can come through the House Committee on Banking and Currency with this provision in it.

I wrote to the chairman of the Committee on Finance with regard to this matter almost a year ago. I wrote four different times, bringing the matter to the attention of the chairman of that committee. The last time I wrote was on April 29, 1958. I submitted to him the precise language that is carried in the pending bill and asked him if he had any suggestions whatever as to consultation or any objections to our including it in the bill. In other words, I invited his cooperation on the bill. I have not yet received an answer to that letter. That is the way the matter stands.

I do not approved of this procedure, but I am bowing to what I consider to be the necessities of the case with respect to having the bill passed at all.

Mr. MORSE. I thank the Senator from Arkansas for making the RECORD so clear in regard to these items of precedent, to which he referred: first, the jurisdiction of the Committee on Banking and Currency; second, the

question on constitutionality, setting forth the authorities which the Senator from Arkansas has inserted in the RECORD, to the effect that it was within the constitutional prerogative of the Senate Committee on Banking and Currency to have included this language in a Banking and Currency Committee bill.

That is as far as the Senator from Arkansas can go, but it is not as far as the Senate can go. Sooner or later we must come to grips with the real issue which has been raised this afternoon. I am ready to do it now or at any other time. I am opposed to one-man rule, wherever I find it.

We are faced with the question of whether the Speaker of the House of Representatives will determine what action will be taken by the Senate, or whether the Senate will determine that for itself. The question of whether this matter falls within the prerogatives of the Senate must be determined sooner or later, and I am perfectly willing to have it determined right now. If it is constitutional for the Senate to take such action, then I, for one, do not intend to accept the dictates of the Speaker of the House; but, rather, I intend to fight out that question with him until we protect and preserve the rights of the Senate in this matter.

Mr. WILLIAMS. Mr. President, before the vote is taken, I wish the RECORD to show clearly, so that there will be no misunderstanding, that my point of order was withdrawn only on the basis that the chairman of the committee would move to strike out this section of the bill; and I withdrew my point of order only when he agreed to make such a motion.

I emphasize that my point of order was not withdrawn on the basis that I had changed my opinion that the Banking and Currency Committee had no right to report a measure dealing with the Internal Revenue Code. I believe that should be clear. It is true that the House of Representatives is studying this proposal, as I stated previously; and I believe that a House bill in this field will soon be considered. If so, when it comes to the Senate, it will be referred to and considered by the Senate Finance Committee.

This matter can be considered by the Senate Finance Committee as an amendment to any House bill and the committee has promised to give the matter careful consideration.

But I wish it clearly understood that my point of order was not withdrawn on the basis that I had changed my opinion as to the validity of the point of order. I have not changed it, because in my opinion the Banking and Currency Committee had no authority to report a Senate bill which would amend the Internal Revenue Code.

Mr. KNOWLAND. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. KNOWLAND. I wish to say, for the information of the Senate, and to confirm what the Senator from Delaware has said, that he withdrew his point of order at my request and at the request of the distinguished majority leader and other Senators, with the understanding that a motion to strike this section from the bill would be made.

Mr. WILLIAMS. That is correct.

Mr. KNOWLAND. So I believe that record should be clear.

I also understand that a motion to strike the section from the bill has now been made.

Mr. WILLIAMS. That is correct; and I want it to be clearly understood that this section is being stricken from the bill, and will be considered separately by the appropriate committee.

Mr. KNOWLAND. Do I correctly understand that the matter will then be considered by the Finance Committee, and can properly be considered by it as an amendment to a revenue bill which already has come to the Senate from the House of Representatives?

Mr. WILLIAMS. That is correct. It can be offered as an amendment to any House bill which deals with amendments to the Revenue Code.

Mr. CLARK. As chairman of the subcommittee of the Banking and Currency Committee, I should like to associate myself with the remarks which have been made by the Senator from Arkansas [Mr. FULBRIGHT], with which I am in full agreement.

I have sympathy for the point of view of the Senator from Oregon; but in my opinion it is more important to enact legislation which will be of help to small business than it is to precipitate a dispute between the House of Representatives and the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to strike section 308 from the bill.

Mr. JOHNSON of Texas. Mr. President, I should like to confirm what the distinguished minority leader has said. I had hoped that the Senate could pass this measure with section 308 in it. I believe section 308 is essential to the successful operation of this proposed law. I am not unaware of the constitutional provision that all bills for raising revenue shall originate in the House of Representatives. I am of the further opinion that the authorities in the House of Representatives would hold that section 308 would come within that constitutional provision.

I have no desire to circumvent or shortcut any standing committee of this body. I felt that the Banking and Currency Committee had given sufficient notice, and had requested suggestions a sufficient number of times, so that if the question of jurisdiction was to be invoked, the committee would have been so informed.

That question has been raised here. The distinguished chairman of the committee and other responsible Members on both sides of the aisle assure me that they feel deeply that they should give consideration to this section before it is acted on by the Senate. Therefore, I believe they should have an opportunity to do so.

Mr. President, in line with that thought, I join the minority leader in asking the distinguished chairman of the Banking and Currency Committee and the distinguished chairman of the subcommittee to raise no serious objection to the striking out of section 308, with the clear and definite understanding that the Finance Committee will promptly consider that section. We have been informed that the committee can properly consider it, and can report it favorably, even though this bill has not yet become law; and we hope to be able to receive the committee's recommendations within a week or 10 days, at the most.

Therefore, Mr. President, reluctant as I am to see this section stricken from the bill, I am much more interested in seeing that orderly procedures are followed, that jurisdictions are protected and that committees which desire to give prompt attention to a matter shall have the opportunity.

So I hope the section will be stricken from the bill, and that the bill then will be promptly passed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas [Mr. FULBRIGHT] to strike out section 308, beginning in line 10, on page 50, and down to and including line 17, on page 52.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HUMPHREY. Mr. President, I rise to state that the bill represents a long-term need for American small business in the private-enterprise field. For more than 15 years it has been recognized that there has been a desperate need of equity capital for small-business enterprises.

As has been stated during the debate, the present tax laws have, because of the Government's revenue needs, made it almost impossible for substantial numbers of small-business enterprises to accumulate from their earned profits the necessary capital in order to be able to expand and to develop their business enterprises.

A similar proposal was advanced in 1950. I remember that at that time I was privileged to be a cosponsor of that bill.

Each year there have been a number of proposals, before both Houses of the Congress, directed toward the objective of providing adequate equity capital for independent business enterprises.

This is the first time we have been able to reach the point where I hope favorable action is about to be taken by the Senate on a proposal of this type.

I look forward to the same kind of speedy action in the other House.

During the debate it was stated that the bill does not provide all that we would like to have it provide. I agree. But this bill is a respectable and responsible beginning. I believe that before we really shall protect the legitimate interests of small business in the American economy there will have to be two further developments, as follows:

First. Very effective and rigid enforcement of the antitrust laws, together with the protections for independent business that are afforded by the Robinson-Patman Act and the Federal Trade Commission as an enforcement agency. Surely

the Robinson-Patman Act and the Federal Trade Commission need to be energized and made as fully effective as possible.

Second. We definitely need some tax adjustments relative to the small-business aspects of our economy. Bills along these lines have been introduced, and I hope they will be acted upon.

I support the pending bill; and I desire to commend the chairman of the Banking and Currency Committee, the chairman of the subcommittee, and also the majority leader, who introduced the bill and permitted me to be a cosponsor of it.

Mr. JAVITS. Mr. President, as a member of the Select Committee on Small Business, I am in part responsible for the pending measure, and I am very pleased to see it brought before the Senate.

Following the statement the Senator from Minnesota has made, I wish to state that the four problems of small business are as follows:

First, financing.

Next, the need for tax consideration—which I urgently hope will be received. It has been recommended by the administration, and I think such consideration is one of the real contributions which can be made to the problems which confront activities in the small-business field.

I should like to add two other points which should be considered in connection with the problems of small business:

The need for research and development in the most cooperative way, which is absolutely essential if small business is to hold its own in modern technology.

Last, but by no means least, the antitrust problems of small business not only need enforcement of the antitrust laws in the same way that they are enforced in the United States against monopoly and big business, but they also need a termination of the enforcement which thus far has prevailed in the case of small business, so that small businesses may have some of the benefits which large businesses enjoy in this particular field.

I think we need a positive and affirmative approach to the antitrust laws for the benefit of small business, if we really want to cope with their problems and recognize small business as the vertebrae of the American free-enterprise system.

Finally, I think it is important to note that small business is badly hurt right now, and the recession is having a very adverse impact on it.

Therefore, I should like to join my colleagues who have urged expeditious action on this very urgent and needed legislation. I join in the expectation that the bill will have speedy consideration and will be approved in the other body.

Mr. CAPEHART. Mr. President, I ask unanimous consent that there may be printed in the RECORD the individual views of myself, the Senator from Ohio [Mr. BRICKER], and the Senator from Utah [Mr. BENNETT], which were printed in the report accompanying the bill.

I do not think this is a good bill. I would have much preferred that the lending capacity of the Small Business Administration be increased, rather than give it the right to acquire equity. I made that statement in committee. I make it again now.

There being no objection, the individual views were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF MR. CAPEHART, MR. BRICKER, AND MR. BENNETT

The proposed Small Business Investment Act would commit the Federal Government to a new policy of attempting to satisfy the capital needs of the more than 4 million small-business concerns in our country. To accomplish this impossible task, primary reliance would be placed on a new national banking system consisting of federally chartered small-business investment companies. The responsibility for promoting the establishment of these unique companies would rest with the Small Business Administration.

Under the bill, any 10 persons could form an investment company with the Government supplying one-half of the required $300,000 capital. In addition, these companies would be eligible for long-term loans amounting to 50 percent of their capital and surplus, that is, $150,000. Thus, the Government would provide $2 for every $1 of private funds invested. To make the inducement even more attractive, these companies would be granted certain income-tax concessions under the Internal Revenue Code.

There is no justification for using the taxpayers' money to finance this venture by the Federal Government into private business. The testimony received by the committee suggests that there is a gap in the long-term financing needs of small business. But there is no agreement as to the extent of the gap—no one really knows, or whether the gap can be filled by private lenders without resort, to Federal funds. Furthermore, no cogent reason has been advanced for the Federal Government to suddenly rush in to try to fill this gap.

The Board of Governors of the Federal Reserve System is currently making a study of the financing needs of small business, and the first two parts of the study have been completed. It is unfortunate that the majority of the committee could not wait until the third part of the study has been concluded before approving this legislation. As William McChesney Martin, Chairman of the Federal Reserve Board, has stated, the third part of the study would be a direct survey of the financial structure and experience of smaller businesses, developed through a national sampling approach.

The completed study will be available next year and would provide valuable additional information. We should have all the facts before starting a new program which could well be the first step toward the socialization of an important segment of our free enterprise system.

The bill is not only wrong in principle, but it fails to provide any real help to small-business concerns. The fact that there has been very little, if any, correspondence from small-business men in support of this program would seem to bear this out. The volume of mail and personal contacts indicate that the small-business concerns are far more interested in extending the present loan programs of the Small Business Administration which have already proven their value. This bill appears to be a case where Government officials in Washington have determined what is best for small business and now will try to convince the small-business concerns that the new program is needed.

The bill authorizes the subsidized federally chartered investment companies to provide capital through the purchase of debentures issued by the small-business concerns. To be eligible for purchase, these debentures must be convertible into the stock of the issuing concern at a price determined at the time the debentures are issued. The thought being that if the business is successful, the bonds will be converted into stock, thus giving the investment companies a share in the profits of the business. The Small Business Administration would fix the interest rate and other terms of the convertible debentures purchased by the investment companies. In order to sell its debentures, the small-business concern would be required to purchase stock in the investment company in an amount equal to not less than 2 percent, nor more than 5 percent of the amount of capital advanced, as may be specified by the SBA. The small-business concern may also be required to refinance all of its outstanding indebtedness with the investment company and to agree that it will not thereafter incur any indebtedness without the approval of the company.

The reason most small-business men do not issue common stocks to obtain additional equity capital is the reluctance on their part to share the control of the business with outsiders. This would be particularly true where a semigovernmental company or the Government itself would be a possible shareholder.

In addition to this basic reluctance to seek outside equity capital, another obstacle to small-business participation would be the necessity for the business concern to deal with both the investment company on the local level and the Small Business Administration in Washington in order to sell its debentures. The inevitable delays that would result from this cumbersome organizational setup would be so time-consuming as to discourage most applicants for assistance. Therefore, it appears extremely likely that only a very few small-business concerns would desire to take advantage of this feature of the program.

The bill would also authorize the investment companies to make 30-year loans to small businesses. This provision ignores the existence of the present SBA program authorizing 10-year loans for the same purpose. Certainly, a small business that is not eligible for the present 10-year loans would not be eligible for the new 30-year loans. It makes no economic sense for the Government to subsidize a new loan program to compete with an existing loan program.

There are a number of other provisions of the bill that should be examined carefully. The statement of policy contains weak language to the effect that the act shall be so administered that financial assistance rendered shall not result in a substantial increase in unemployment in any area of the country. The purpose of this language is purported to be to guard against pirating of industry, but the statement is so vague as to be almost meaningless. The bill should clearly state that financial aid shall not be given to assist an industry in moving from one part of the country to another.

In this connection, it should also be noted that there is no prohibition against providing Government funds even though financial assistance can be secured from private sources on reasonable terms. Government funds should not be used to compete with private lenders. It seems strange that the proponents of this new program would object to such a restriction if, as they say, private funds are not available to fill the gap in long-term financing.

A total of $250 million would be authorized to finance the new program. This appears to be an excessive amount of money to inaugurate a new program that the Chairman of the Federal Reserve Board suggested "should be approached experimentally and on a small scale." But, even worse, the proponents of the bill apparently are not confident that the program will stand on its own merits, for the $250 million is authorized to be borrowed directly from the

Treasury Department, bypassing the usual appropriations' procedures. Thus, the Committees on Appropriations would not have an opportunity to review the program and obtain a justification by the agency for the expenditure of these funds. This experimental nature of the program would seem to make a periodic Congressional review imperative. This procedure is, of course, at variance with the other SBA-loan programs which are financed by regular appropriations. This bill should be defeated. In sum, it would place the Federal Government in the position of undertaking an impossible assignment with unworkable tools. It would be a disservice to the small-business concerns of our country to present this program as an effective means to meet their long-term financing problems. It would be more realistic and practical for the Congress to strengthen the existing programs of the Small Business Administration rather than to perpetrate this new intrusion by the Federal Government into private business.

HOMER E. CAPEHART.
JOHN W. BRICKER.
WALLACE F. BENNETT.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article from the American Banker of May 29, 1958, entitled "Small Business Aid Measure Seen Clearing Senate; Meets ABA Specifications."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS CAPITAL AID MEASURE SEEN CLEARING SENATE; MEETS ABA SPECIFICATIONS

WASHINGTON, May 28.—The small business capital aid bill, as reported by the Senate Banking Committee, generally meets the specifications of the American Bankers Association and is expected to clear the Senate with little opposition.

Meanwhile, the House Banking Committee is preparing to begin executive sessions next week to consider a series of bills taken up during the unemployment hearings. One of these is the Patman-Johnson Small Business Investment bill, slated for consideration after the Community Facilities measure.

The Senate bill cleared yesterday by the committee follows the two cardinal points made in testimony in April by Carl M. Flora, vice president of the First Wisconsin National Bank of Milwaukee, and chairman of the ABA Small Business Credit Commission. These are:

1. Avoid setting up a new agency to administer the new investment program, entrusting the job to the Federal Reserve System, or alternatively to the Small Business Administration. The committee chose the latter.

2. The committee also complied with the recommendation for flexible interest rates. The bill provides that the Small Business Administration shall set the rates, which leaves them not entirely free as the ABA would have preferred, but avoids fixing them by law as the original Fulbright bill would have done.

TREASURY TO SUPPLY REVOLVING FUND

The Treasury is directed by the bill to furnish up to $250 million in a revolving fund to make loans to newly chartered small-business investment companies and to State development companies.

To start business, the investment companies would need $300,000 of paid-in capital and surplus. Up to half of this would be provided permissively by the Small Business Administration, but the concept is that most of the companies' funds would come from private sources. The stock would be available for purchase by individuals, partnerships, corporations, and financial institutions such as insurance companies and banks which are members of the Federal Reserve or FDIC.

The committee varied from the course set by the ABA in one significant respect.

The ABA design would make this a 3-year program, the investment companies to be rechartered on a permanent basis by the States. The committee, however, altered this to limit the chartering of new investment companies to 3 years, but did not require conversion to State charters.

TREND TOWARD FEDERAL CHARTERS

Actually, under the tax-benefit provisions of the bill, the trend would be toward rather than from Federal charters, and the bill provides that the State development companies may convert to Federal charters in order to obtain the tax privileges.

The Senate bill has little resemblance to the Patman-Johnson measure, by which the starting source of funds would be a drain on the surplus of the Federal Reserve System, amounting to the unused allotment of $27.5 million in the section 13 (b) reserve and levies on the regional banks totaling $100 million.

The Senate bill repeals section 13 (b) entirely, and directs that the $27.5 million be established by the Treasury as a special fund from which the Small Business Administrator can make grants to colleges, States and other organizaitons for research into business problems and counseling of small-business firms.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the third reading and engrossment of the bill.

The bill (S. 3651) was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CLARK. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. CLARK subsequently said: Mr. President, there are times, even on the floor of the Senate, when silence is golden. I had intended to make a major speech today in support of S. 3651, which has been passed by the Senate. It became clear, as the day passed, that the parliamentary situation was such that the speech might delay passage of the bill and would, therefore, be unwise. So I refrained from making the speech, but I should like the RECORD to show that S. 3651 was supported by me and that I voted in favor of it in the voice vote which was taken.

Mr. President, I ask unanimous consent that S. 3651, as amended, may be printed, so that it may be distributed to the many people who I am sure will want to have it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. NEUBERGER subsequently said: Mr. President, I should like to have the RECORD show that I, too, was among the Members of the Senate who supported S. 3651, to make more readily available capital and long-term credit to small-business concerns.

Like the junior Senator from Pennsylvania [Mr. CLARK], who spoke briefly earlier on this subject, I also refrained from any discussion during the consideration of the bill, so that the bill might be passed more expeditiously. However, I want the RECORD to show that I am one of the Senators from a State which is extremely hard hit by the recession in the lumber industry. This has been caused by the tight-money program, which has had so adverse an impact in the past 4 years on residential construction.

Because 75 percent of the output of our Oregon sawmills and lumber yards goes into the construction of homes, any great reduction or diminution in residential home construction has an adverse and unfavorable impact on the Oregon business climate. This unfortunately has resulted in a distressingly large number of small-business failures in the State of Oregon, my native State.

I was privileged to be among those who supported S. 3651, which we hope at least to some degree will ameliorate the difficulty which so many small-business concerns face in the retaining of funds for legitimate expansion and improvement of their business establishments.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of H. R. 12540, Order No. 1688.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I do not expect to have this bill discussed today. The Senator from Florida [Mr. HOLLAND] will present it tomorrow, but I did want the bill before the Senate.

LIMITATION OF APPELLATE JURISDICTION OF THE SUPREME COURT

Mr. BUTLER. Mr. President, the president of the North Carolina Bar Association, Mr. William W. Taylor, Jr., who is of course one of the outstanding lawyers of the State of North Carolina, has written me enclosing a copy of a letter expressing his views with regard to the bill S. 2646. Because of the imminence of consideration of this bill by the Senate, and the great interest which many of my colleagues have expressed in it, I ask unanimous consent that Mr. Taylor's letter to me, together with the

text of the letter which he enclosed, may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NORTH CAROLINA BAR ASSOCIATION,
Warrenton, N. C., May 20, 1958.

Hon. JOHN MARSHALL BUTLER,
United States Senate,
Washington, D. C.

DEAR SENATOR BUTLER: I enclose herewith a copy of a letter which I have written to Senator JAVITS in reply to a letter from him in which he requested a statement of my views on the Jenner-Butler bill. You are free to use this letter in any way you see fit, if you feel that it will contribute anything to the successful passage of the above bill.

Sincerely yours,

WM. W. TAYLOR, Jr.

MAY 26, 1958.

WILLIAM W. TAYLOR, Jr., Esq.,
President, North Carolina Bar Association, Warrenton, N. C.

DEAR MR. TAYLOR: It was thoughtful of you to share with me a copy of your comments to Senator JAVITS in regard to the Jenner-Butler bill. Your support of the objective of this bill is most encouraging, and I hope that the Congress during the present session will take action in this important respect.

With best wishes and warmest personal regards, I am,

Cordially,

JOHN MARSHALL BUTLER,
United States Senator.

NORTH CAROLINA BAR ASSOCIATION,
May 15, 1958.

Hon. JACOB K. JAVITS,
United States Senate,
Washington, D. C.

DEAR SENATOR JAVITS: This is in reply to your letter of May 9, addressed to me as president of the North Carolina Bar Association. In replying to your letter I do not propose to speak for the North Carolina Bar Association, and am expressing only my individual views. However, I am of the opinion that they are concurred in by an overwhelming majority of the lawyers in North Carolina.

I disagree most heartily with the views expressed by you. In view of the Supreme Court's apparent determination to set itself up as a third legislative chamber, I feel very strongly that, unless some measures are enacted which will curb the Court, our system of constitutional government under law as we have known it in this country will LOT continue long. It has always been my understanding of the Constitution of the United States that legislative changes were the function of Congress and that the Supreme Court's duty was to pass on legal questions, not to attempt to impress the individual philosophies of the several members of the Court upon the laws of this country.

I am happy to refer you to the addresses recently delivered at Harvard Law School by the Honorable Learned Hand of your State, whom I consider the outstanding jurist living today. These addresses have been published by the Harvard University Press in book form under the title of "The Bill of Rights." The following quotation from this book, appearing on pages 70 and 71, is, in my opinion, an excellent comment on the present problems arising from judicial usurpation of power.

"Another supposed advantage of the wider power of review seems to be that by 'the moral radiation of its decisions' a court may point the way to a resolution of the social conflicts involved better than any likely to emerge from a legislature. In other words, courts may light the way to a saner world and ought to be encouraged to do so. I should indeed be glad to believe it, and it may be that my failure hitherto to observe it is owing to some personal defect of vision; but at any rate judges have large areas left unoccupied by legislation within which to exercise this benign function. Besides, for a judge to serve as communal mentor appears to me a very dubious addition to his duties and one apt to interfere with their proper discharge."

The Honorable SAM J. ERVIN, a member of the North Carolina Bar Association and formerly an outstanding member of the Supreme Court of this State, is a member of the Senate Judiciary Committee which reported out the Jenner-Butler bill. I am satisfied that Senator ERVIN'S stand on this bill is heartily endorsed by the people of this State, both lawyers and laymen.

I do not think that the Jenner-Butler bill is perfect. However, in view of the fact that it is apparently the best antidote yet proposed for judicial usurpation, I hope most sincerely that it will pass. My chief regret is that it is not stronger and does not cover more areas in which the Court has invaded the province of the legislature and the rights reserved to the States.

Any comment on Senate Joint Resolution 169 is probably superfluous. However, I am at a loss to understand how any lawyer could seriously propose a constitutional amendment to enlarge the powers of the Supreme Court, in the light of the numerous highly questionable decisions handed down by that Court in the past few years—decisions which have been openly criticized by many of the ablest lawyers in the United States.

I appreciate your writing me on this subject and giving me an opportunity to express my personal views. I have been very much concerned for some years with the trend of Supreme Court decisions, especially as they have dealt with the rights reserved to the States by the Constitution, with the Communist menace in this country, and with matters traditionally within the legislative and not the judicial field. While I have the highest respect for the Supreme Court of this country, I do not consider that its individual members are above criticism, and since they do not apparently intend to correct their own decisions which are generally considered to be erroneous, there is no alternative but to enact legislation that will correct them or that will, at least, prevent their repetition.

Sincerely yours,

W. W. TAYLOR, Jr.

RETIREMENT OF PENNSYLVANIA SCHOOL LEADERS

Mr. MARTIN of Pennsylvania. Mr. President, Dr. John M. Lumley, executive assistant, division of legislation and Federal relations of the National Education Association, has handed me a copy of the Rural Education News for May. In it I find that a large number of very able Pennsylvania school leaders have retired during 1958. These men have been of inestimable value to hundreds of thousands of Pennsylvania school children.

Mr. President, I feel that we should take recognition of this fine service, and I ask unanimous consent that the article containing the names of those 17 men be printed at this point in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENNSYLVANIA SCHOOL LEADERS RETIRE

Four hundred and seventy-three years is a long time in a country superintendent's office, but that is the combined record of 17 Pennsylvania county superintendents and 2 assistants who are retiring this year. These 17 men have spent a total of 673 years in public education, 276 of those years as county superintendents, and 190 years as assistant county superintendents.

All of these men are retiring at the end of this term, leaving education in Pennsylvania much better organized as to its education program than they found it. The inestimable value of their efforts in behalf of hundreds of thousands of Pennsylvania children is noteworthy. Space does not permit the deserved recognition to which each is entitled, but following are their names, counties, years of service in the county office, as county superintendent, or assistant:

D. A. Yingling, Clearfield, 43 years (16–27); John T. Connell, Butler, 40 years (38–2); Fred Diehl, Montour, 40 years (40–0); James Hughes, Westmoreland, 37 years (8–29); Ray M. Cole, Columbia, 37 years (20–17); Frank Magill, Huntington, 33 years (12–21); D. C. Longenecker, Greene, 32 years (20–12); Hobart Farber, Lehigh, 32 years (16–16); N. W. Geiss, Berks, 32 years (12–20); John H. Hughes, Jefferson, 27 years (27–0); Homer B. Ammerman, Wayne, 26 years (12–14); Frank L. Watson, Forest, 24 years (24–0); R. F. Conway, Lawrence, 21 years (8–13); William Mowry, Bedford, 20 years (16–4); A. J. McMullen, Fayette, 20 years (6–14); Earl K. Stock, Centre, 12 years (0–12); Jacob Wetzel, Centre, 6 years (0–6).

PROGRESS REPORT ON UNITED STATES - SOVIET EXCHANGE AGREEMENTS PROGRAM

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed as a part of my remarks in the body of the RECORD the latest progress report on the 4-month-old cultural, technical, and educational exchange program between the United States and the U. S. S. R. prepared for me by the East-West Contacts Staff of the Department of State.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Listed below is a summary of progress made so far under the United States-U. S. S. R. exchange agreements announced January 27, 1958, as reported by the State Department's East-West Contact Staff. The subdivisions refer to the sections of the original agreement:

SECTION II. EXCHANGES OF RADIO AND TELEVISION BROADCASTS

The American industry has been invited to submit lists of programs to the Department of State which interested companies may wish to offer to the Soviet Government for sale or for exchange. The Department has submitted some documentary programs to the Soviet Government for consideration. A meeting is to be held this summer at Moscow to discuss implementation of this section.

SECTION III. EXCHANGE OF GROUPS OF SPECIALISTS IN INDUSTRY, AGRICULTURE, AND MEDICINE

(1) Nineteen American iron and steel delegates (industry experts) are now visiting the Soviet Union. An American plastics delegation arrived in the U. S. S. R. on June 2. Corresponding Soviet delegations will

come to the United States in the fall of 1958. Other exchanges of industrial delegations are in prospect.

(2) Six American agricultural delegations and six Soviet agricultural delegations will be exchanged between now and the end of 1958. The first Soviet delegation will arrive in June. Secretary of Agriculture Benson will also visit the Soviet Union on the invitation of the Soviet Minister of Agriculture.

(3) An American delegation in radiobiology may shortly visit the Soviet Union. The Soviets have proposed three delegations in the medical field to visit the United States in the fall.

(4) There has been no progress with regard to a fisheries exchange. Such an exchange may take place in 1959.

SECTION IV. VISITS BY REPRESENTATIVES OF CULTURAL, CIVIC, YOUTH, AND STUDENT GROUPS

(1) An exchange of delegations of composers is to take place in the fall of 1958. The Soviet delegation will include Shostakovich and Khachaturian, and the American composers will include Norman Dello Joio, Howard Hanson, Roger Sessions, and others. Sculptors and painters will also be exchanged in September and October 1958. An exchange of writers is anticipated within 4 or 5 months.

(2) An American delegation of women doctors is now in the Soviet Union, as reciprocity for a visit by Soviet women doctors in 1957. There will be an exchange this summer of 40 American young people of college age and 20 Soviet youths.

(3) An exchange has just been completed of visits by six Soviet youth and student editors and a similiar delegation of Americans.

(4) An exchange of visits by the mayors of Boston and Leningrad has been suggested by the Soviets.

SECTION V. EXCHANGE OF VISITS OF DELEGATIONS OF DEPUTIES OF THE SUPREME SOVIET OF THE U. S. S. R. AND MEMBERS OF THE UNITED STATES CONGRESS

The Senate Foreign Relations Committee has considered this matter and decided for the present to take no further action.

SECTION VII. JOINT CONFERENCES ON U. S. S. R. AND UNITED STATES OF AMERICA ORGANIZATION

Nothing as yet concluded.

SECTION VII. COOPERATION IN THE FIELD OF CINEMATOGRAPHY

Discussions with Soviet representatives were held during April, the American delegation consisting of Eric Johnston, president, Motion Picture Association of America, and Turner B. Shelton, director, Motion Picture Service, United States Information Agency. It is expected that these discussions will be resumed in the not too distant future.

SECTION VIII. EXCHANGE OF THEATRICAL, CHORAL, AND CHOREOGRAPHIC GROUPS, SYMPHONY ORCHESTRAS, AND ARTISTIC PERFORMERS

(1) The Philadelphia Symphony began a 2-week tour in the Soviet Union in May 1958, with glowing press reports of success. The ballet troupe of the Bolshoi Theater is to come to the United States in February 1959.

(2) E. Gilels, pianist, and L. Kogan, violinist, mentioned in this section of the Agreement, have already visited the United States; Blanche Thebom, vocalist, has visited the Soviet Union, and L. Warren, vocalist, is there now.

(3) Leopold Stokowski is now in the Soviet Union to conduct four or five times. Various Soviet artists have been booked commercially for tours in the United States during the coming fall and winter.

(4) The Moiseyev Folk Dance Ensemble is now touring in the United States. It is to be in Washington June 16.

(5) Plans are being made for an exchange of choreographic groups.

SECTION IX. VISITS BY SCIENTISTS

(1)–(3) The presidents of the American and Soviet academies of sciences are to meet in July to lay the groundwork for exchanges of scientific personnel under these sections. Meanwhile scientists have been going back and forth to scientific conferences.

(4) Exchanges of medical scientists are to take place in the fall of 1958.

(5) No progress has been made on exchanges of scientists in the agricultural field provided for in this section.

SECTION X. EXCHANGE OF UNIVERSITY DELEGATIONS

(1) American delegations in sciences and liberal arts will visit the Soviet Union in June 1958, and Soviet delegations will come to the United States in the latter part of 1958 and 1959. An American delegation in higher education, including eight college presidents, will go to the Soviet Union late in June, and a Soviet delegation will reciprocate during the coming winter.

(2) Universities are now arranging exchanges of professors and instructors provided for in this section.

(3) Exchanges of graduate students are to take place for the academic year 1958–59, commencing this fall.

(4) An American delegation sponsored by the Department of Health, Education, and Welfare and headed by the Commissioner of Education has now returned from the Soviet Union. A Soviet delegation will visit the United States later.

SECTION XI. EXCHANGE OF INDIVIDUAL ATHLETES AND ATHLETIC TEAMS

(1) (2) American basketball teams recently competed in the Soviet Union; Soviet teams are to come to the United States next year.

(3) (4) A Soviet wrestling team competed in the United States in April. An American team is to go to the Soviet Union next year.

(5) (6) An American track team is to compete in the Soviet Union this summer; a Soviet team is to come to the United States next year.

(7) Soviet weightlifters competed in the United States in May 1958.

(8) An American hockey team played in the Soviet Union recently. A reciprocal visit is anticipated.

(9) Soviet-American chess competition is being arranged.

(10) American oarsmen are to race at Moscow in July 1958.

SECTION XII. DEVELOPMENT OF TOURISM

Four or five thousand American tourists are expected to visit the Soviet Union this year. It is possible that several hundred Soviet tourists may visit the United States.

The United States has asked that the Soviet Union ease its curbs on travel by Americans and has stated its willingness to ease restrictions on Soviet travel in the United States on a reciprocal basis.

SECTION XIII. EXCHANGE OF EXHIBITS AND PUBLICATIONS

Plans are underway for an American exhibit on the peaceful uses of atomic energy at Moscow and Leningrad in late 1958 or early 1959. The Soviets may present reciprocal exhibits at New York and Washington late in 1958 or early in 1959.

Exchanges of publications, etc., under this section are being developed.

SECTION XIV. ESTABLISHMENT OF DIRECT AIR FLIGHTS

Preparatory studies are in progress.

Mr. JAVITS. Mr. President, there is no doubt that progress is being made. I believe, however, that Congress can help to step-up the pace at which we will offer to implement our cultural exchange agreement with the Soviet Union. Congress should make available upon recommendation by the Executive Branch the necessary money and authority to accomplish this end. Special consideration should be given to student exchanges which should be planned on a much larger scale than is presently envisioned.

The East-West Contacts Staff reports that some graduate student exchanges will start this fall, and that one exchange trip of six Soviet youths and student editors with a similar United States group has already been completed. Interviews with these young Americans who visited Russia reveal that the average Soviet citizen was enormously curious about each of them individually and very interested if badly informed on current American attitudes and issues.

In turn, these students returned home to the United States much better acquainted with the rigid functioning of a Communist society and the average Russian's lack of choice regarding education, career and future—his total subservience to the ends of the state. Such knowledge should prove indispensable to them and those they speak to in assessing the real motives behind future cold war propaganda by the Russian leaders.

The agreements negotiated by Ambassador William Lucy for the United States and Ambassador Georgi Zaroubin for Russia could be a key factor in helping to ease East-West tensions. As long as true American aims and aspirations are blacked out to those living behind the Iron Curtain deep inside the Soviet Union, there is much less hope for fruitful negotiations at high level or even summit conferences. However, if the actual arguments and viewpoints on both sides are exposed to the Russian as they are being exposed daily to the American people, then there may be created a climate in which fruitful negotiations may be had.

The programs under the Lacy-Zaroubin agreements include exchange of students and teachers, visits by specialists in agriculture and medicine, industrial experts, athletic teams, and, most important, exchange of radio and TV broadcasts plus motion-picture films. They offer, to my mind, one of the best opportunities we now have to build up some favorable climate of opinion in Russia which must be created if summit negotiations on disarmament are to have a real chance of substantial successes.

The State Department's east-west contacts staff reports that plans have already been concluded for a cultural exchange which will bring Russian composers Shostakovich and Khachaturan to the United States, while Norman Dello Joio, Howard Hanson, and Roger Sessions are among the Americans who will visit the Soviet Union; six agricultural delegations will be exchanged with the first Russian group arriving here this month and United States Secretary of Agriculture Benson going to Russia later

on at the invitation of the Soviet Minister of Agriculture.

The exchange of scientific personnel will be discussed by heads of the American and Soviet academies of science next month. Also under discussion is a Soviet proposal that the mayors of Boston and Leningrad make exchange visits, and later this year or in early 1959 there may be an exchange of exhibits on the peaceful uses of atomic energy with the American display in Moscow and Leningrad and the Russian display in New York and Washington. The contacts staff said that while several Russian tourists are expected to visit the United States this year, between four and five thousand Americans will go to Russia.

Mr. President, the main thing which I think needs to be done, aside from all the matters now under negotiation, is a very broad-scale exchange of students and professors. We are talking now about 20 postgraduate students for each country, which does not begin to rate, considering the size of the problem. We ought to be talking at least in terms of hundreds. This would require financing, and Congress at that point comes into the program actively.

The whole question of tourism as between the respective countries is again a proper field for Congressional action. I shall offer later in the week bills implementing Clarence Randall's report, the Presidential report on the question of tourism, which was produced by virtue of an amendment to the Mutual Security Act which I had the honor of offering last year.

Mr. President, though progress is being made, the problem is very urgent with respect to the East-West exchanges, in order to provide a climate in which negotiations for disarmament and other things may have effect. These negotiations do not seem to have much effect at this moment. We should do all we can, as well as ask the executive departments to do their part, in forwarding the program more actively and quickly.

GROWTH AND HARVESTING OF TIMBER IN THE UNITED STATES

Mr. NEUBERGER. Mr. President, in the April 4, 1958, issue of U. S. News & World Report is a special report warning of a future timber shortage which will surprise many of my colleagues who have seen studies indicating that the annual growth of timber is in balance with the annual cut. However true this may be at the present time, due to the leadership of such able men as Dr. Richard E. McArdle, Chief of the United States Forest Service, U. S. News & World Report aptly points out that by 1975 loggers will be cutting down 14 percent more sawtimber than is being grown, and by the year 2000 growth will be behind logging operations by 76 percent. One of every four trees being cut will be replaced. These predictions, Mr. President, are based on an extensive forest survey which was begun by the United States Forest Service in 1955. In summing up the extensive 700-page study, Dr. McArdle stated:

To meet future timber demands will take earnest effort. There are no grounds for complacency. What we do in the next 10 or 20 years will determine whether we shall enable our children and their children to enjoy the timber abundance that we ourselves know.

So that my fellow Members of the Senate will have the opportunity of studying this vital warning of the possible loss of a resource so much a part of our lives that we often overlook its value, I ask unanimous consent that U. S. News & World Report's farsighted article entitled "Official Warning: Timber Shortage Ahead," be printed in the CONGRESSIONAL RECORD.

In fairness, Mr. President, to another point of view which is held by prominent members of the timber industry, I ask that a later article from the May 16, 1958, issue of U. S. News & World Report entitled "Timber Industry Says: No Shortage Ahead" be printed in the RECORD. The importance of the policy decisions to the American people, which will result from the acceptance or rejection of one of these two divergent points of view, demands that they receive the close attention of Members of Congress.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From U. S. News & World Report of April 4, 1958]

OFFICIAL WARNING: TIMBER SHORTAGE AHEAD

Unless this Nation gets busy, it stands to lose a priceless natural resource—the vast forests and woodlands that provide it with timber.

That's the gist of a new inventory of trees just made public by the United States Forest Service. In this report, officials warn that, without startling changes in forestry practices, the United States faces this prospect:

By 1975, loggers will be cutting down about about 14 percent more saw timber than is being grown each year. The annual loss will be about 9.6 billion board-feet a year.

By the year 2000, the annual loss will be up to 80.2 billion board-feet, with growth lagging behind logging operations by 76 percent. To put it another way, the United States will be replacing only about one tree for every four it chops down and processes into lumber, pulp, firewood, and other products.

If things keep going the way they are now, the United States will be using up its trees far faster than it is growing them by 1975. by the turn of the century—42 years from now—much of the vast forest land now so much a part of the American scene will be replaced by stump-filled expanses.

GOOD BALANCE NOW

These findings will surprise many people. They have seen reports that the annual growth of timber in this country now is pretty well in balance with the amount cut each year. The survey bears this out, stating that in 1952, the last year in which a complete growth survey was run, annual growth amounted to 47.3 billion board-feet, compared to an annual use of 48.8 billion board-feet. Partial surveys since 1952 indicated that growth and use still remain in good balance.

Actually, annual timber growth today is up over a decade ago by nearly 10 percent. Much of the credit for this, officials state, is due to the wise practices of today's lumbering men who have replaced the lumber barons of the past whose practice was to "cut out and git out."

On the commercial forest land owned by the forest industries—lumbering firms, pulpwood companies, and others—the survey finds things in good shape. Eighty percent of the recently cut land owned by the forest industries is rated in good condition to produce for the future. The same finding is reported for 80 percent of the forest land owned by Federal, State and local governments.

TROUBLE AHEAD

The problem America faces is this: There is only so much forest land available—489 million acres, according to the survey. There is no prospect of any more.

Of this 489 million acres, 55 percent is held in relatively small acreages by 4.5 million private owners. These are the farm wood lots and small private forests. Only 40 percent of this land, most of which lies east of the Mississippi River, is rated by the survey as being in good condition to produce for the future.

"Improving these millions of small forests is America's most important forestry job," the report states. And the main thing that needs to be done is to plant more trees to take the place of those that have been logged out of the farm wood lots and private forests.

JOB: PUT LAND TO WORK

Despite the fact that tree planting in the United States has been increasing rapidly, the job that remains to be done is enormous. In 1957, a record 1 billion trees were planted on a million acres. Yet, according to the survey, there are still 52 million acres of potential forest land standing idle.

Thus, unless the present rate of planting is stepped up, it will take more than 50 years to put these idle acres back to work.

In addition to speeding up the planting of trees, it will be necessary to cut down annual losses from fire, insects, and disease.

All told, 12.7 billion board-feet were lost to these and other minor causes in 1952. That was about one-fourth of the total cut of saw timber in that year.

The biggest problem caused by these destructive agents each year, however, is the amount of growth that is lost. In 1952, the growth loss was 31.1 billion board-feet, close to two-thirds of the year's total growth. Disease was found to be the worst enemy of the trees, accounting for more than half the damage. Fire ranked second and insects third.

BASIS FOR PREDICTIONS

The blueprint of United States timber resources and future needs is based on an extensive survey, which was begun in 1955. It is the first such inventory taken since 1945. Results of the survey are found in a 700-page report just published by the Forest Service. The estimates reported here are based on medium level projections, which assume a population of 215 million and a gross national product of $630 billion in 1975. For the year 2000, population is set at 275 million and gross national product at $1,200 billion.

The implications of the report are very much on the minds of those whose job it is to plan for future needs. Says Richard E. McArdle, Chief of the Forest Service, in pointing up the importance of wood to the country's economy:

"From cradle to coffin, wood is more a part of our lives than most Americans realize. We use it in so many ways that, like bread, we take it for granted."

The basic strong demand for wood is revealed in the report, which states that "wood is not losing out in the market place." Demand for some wood products has not grown as fast as the Nation's economy, but other things made from wood have come along to more than take up the slack.

Per capita consumption of lumber, for example, has dropped more than 50 percent since 1900. As a result, total use of lumber still is about the same as in 1900. On the other hand, there has been a phenomenal increase in recent years in both the total and per capita consumption of pulpwood.

Pulpwood now accounts for more than one-fourth of all industrial wood used. In the early 1900's it made up only 2 percent of industrial wood usage. One reason, of course, for the big increase in pulpwood use is the ever-increasing amount of paper that goes into newspapers and magazines. Then, too, pulpwood is used for a wide variety of products that have become a part of the American way of living in recent years—cereal boxes, facial tissues, paper hand towels, rayon clothing, and a number of chemicals.

Plywood and veneer wood are products that have enjoyed a sharp increase in use over recent years. Since 1906, the amount of timber going into these items has increased tenfold.

Summing up the Forest Service report, Mr. McArdle states: "To meet future timber demands will take earnest effort. Meeting those needs will require not only early action but an intensity of forestry practices that will startle many of us. There are no grounds for complacency. What we do in the next 10 or 20 years will determine whether we shall grow enough timber to enable our children and their children to enjoy the timber abundance that we ourselves know."

WHAT THE FIGURES SHOW ABOUT THE LUMBER SUPPLY—ESTIMATES FROM AN EXTENSIVE NEW SURVEY BY THE UNITED STATES FOREST SERVICE [1]

ANNUAL GROWTH OF SAW TIMBER

In 1975, United States will need 68.2 billion board feet.

In 1975, United States will have, if current forestry practices are continued, 58.6 billion board feet.

Shortage by 1975, 9.6 billion board feet.

In 2000, United States will need 105.4 billion board feet.

In 2000, United States will have, if current forestry practices are continued, 25.2 billion board feet.

Shortage by 2000, 80.2 billion board feet.

[From U. S. News & World Report of May 16, 1958]

TIMBER INDUSTRY SAYS: NO SHORTAGE AHEAD

The men who log the Nation's forests are convinced that the United States is not heading into a timber shortage in the years ahead.

Recently the United States Forest Service said that the day could come when American forests would be unable to keep up with the demand for timber unless startling changes were made in forestry practices. Officials of the forestry industry insist, however, that there is no real danger of this.

As it is, timber production now is running ahead of use. The chart on these pages, based on projections published by the Forest Industries Council, shows timber growth being maintained at a safe level above timber cut to the end of the century.

The annual growth of timber in the United States, by latest estimates of the Forest Service, is running ahead of demand by 3.5 billion cubic feet, a margin of about 32 percent. By 1975, according to the industry projections, the annual growth will be ahead of demand by 6.1 billion cubic feet, a margin of 49 percent. By the year 2000, the industry figures show, the margin still will be 33 percent.

Actually, there is no sharp disagreement between officials of the Government's Forest Service and those of the American forest industry.

Forest Service officials state that their report is intended to give a picture of what could happen in the future—not necessarily what will happen. Industry officials say they are confident the timber industry can make the startling changes needed in forestry practices to obtain from United States forests the growth that will supply a rising demand for wood and the products made from it.

HOW PICTURE CHANGED

Industry officials point to the progress that has been made in the last 40 years. In 1918, lumbermen were logging off trees more than four times as fast as they were being grown. In 1936, trees still were being cut faster than total growth each year, by about 19 percent. But now the picture has changed.

You get an idea of just how much timber is being grown in American forests from these statistics: There is enough saw timber grown each day to load a train of boxcars 630 miles long or to build 15,500 one-family frame houses.

Foresters look for the annual amount of forest growth to keep on rising. A big reason: Experience shows growth in reforested areas to be much more rapid than it was in the old, virgin-timber stands. An industry report states: "In every section of the Nation where the virgin forests have been cut and replaced by young forests, annual growth is well ahead of removal."

Today, in the South, where much of the timber is cut from reforested areas, growth of softwood-timber is 24 percent greater than the cut. In the North, growth of this kind of timber is 4 percent ahead of cut. Out West, softwood-timber growth is about half the cut. The Western forests are old, mature stands that suffer heavy losses from disease and insects. The industry holds that, as these old forests are harvested and replanted, growth will increase sharply.

MORE WOOD PER TREE

In addition to getting more growth from the Nation's forest lands, industry experts expect to get more finished products from each tree cut down in the years ahead.

Not too many years ago, only about a third of the wood from each tree was used. Today some of the modern mills are using up to around three-fourths of each tree. Thinner blades on saws make less sawdust. Waste pieces from sawmills are tossed into machines that chip them up to be used for pulpwood. New gluing processes make former waste pieces usable for "glued up" products of many kinds.

In addition, the new processes make it possible to use trees that a logger wouldn't have touched in years past. Chemical processes recently developed now make former "weed" trees a source of supply for pulp mills.

All these trends, say industry experts, will be accelerated in the future. Also helping to meet the future demand for wood is the prospect that loses from insects, disease and forest fires will be reduced.

Foresters both inside and outside of Government agree that meeting tomorrow's timber needs requires prompt action today. This is especially true for the supply of sawtimber—that is, trees of commercial species providing usable saw logs.

To be of sawtimber size, a tree must have a diameter of at least 9 inches. It takes a long time to grow such trees. Foresters give these figures for "minimum" stands of three important kinds:

For Douglas-fir, one of the best lumber trees in the Northwest, it takes 50 years. For loblolly pines, which are widely grown in the South, it takes 45 years. For the ponderosa pines of the West, the minimum is 80 to 90 years.

A minimum stand is described as one that would be just barely profitable for logging operations. To produce the kind of stands that lumbermen like to log from takes an additional 20 to 30 years for loblolly pines and 50 years more for Douglas-fir and ponderosa pines.

The importance of saw timber is seen in the fact that it now produces about 80 to 85 percent of the wood supply for all purposes, and is expected to be the basic source of wood in the future.

Many of the trees that will furnish sawtimber 20, 30, or 50 years hence are growing now in forest areas that have been logged and then replanted for new growth many years ago. Officials of the Forest Service credit the forest industry with an excellent job of reforestation.

Research by lumbering firms has determined the best methods of logging to promote natural reforestation. In the Douglas-fir forests of the Northwest, for example, an area is "clear cut" because the new seedlings must have sunshine to grow. A block of trees is left in the proper location so that the prevailing winds will scatter seed over the area logged off. Many companies speed up reforestation by scattering seed from helicopters.

EMPHASIS ON WOOD LOTS

A big problem facing the Forest Service and the forest industry is that there is just so much land available for growing trees—489 million acres. Fifty-five percent of this land is held in woodlots on farms and in small private forests. Most of these small holdings are east of the Mississippi River.

It is from these small tracts that much of the increased growth to meet future timber needs must come. As one way to step up the harvest from these holdings, the forest industry is offering help to their owners through the tree-farm plan. Through this plan, farmers and others who have woodlots and small forests can get forestry advice, tree seedlings and help in marketing "crops."

In the South, many sawmills and pulp plants lean heavily on the small forest tracts and have a small army of foresters lending assistance to their owners.

The Forest Service and the State forestry agencies cooperate in the tree-farm plan and in other industry aid of this nature. In addition, the Federal and State foresters have programs of their own in operation. This autumn, the Forest Service will hold meetings all across the country to get additional suggestions on how to step up the output from woodlots and small forests.

WHERE EXPERTS AGREE

Although experts differ somewhat on ways and means of meeting future forest needs, there is broad agreement that these needs can be met. Says Richard E. McArdle, Chief of the Forest Service:

"Tomorrow the Nation's needs for timber will be strikingly greater than today or at any time in the past. We have the potential to meet that need if we fully apply our forestry knowledge and skills promptly, with vigor and determination. There are no grounds for complacency."

With this view, experts of the forest industry agree.

Why lumbermen are not worried about the timber supply

[In billion cubic feet, estimated]

	Industry estimates show—		
	Timber grown per year	Timber used per year	Timber surplus per year
In the 1950's—United States is growing more timber than it uses	14.3	10.8	3.5
By 1975—Timber growth is to be still further ahead of United States demand	18.5	12.4	6.1
In 2000—There will still be far more timber grown than is cut each year	20.9	15.7	5.2

Source: Projections by Dr. John A. Zivnuska, for Forest Industries Council.

[1] Based on a medium level projection of demand for timber.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that today, June 9, 1958, he presented to the President of the United States the following enrolled bills:

S. 118. An act for the relief of the General Box Co.; and

S. 2060. An act for the relief of Elizabeth Biro.

RECESS

Mr. NEUBERGER. Mr. President, if there is no further business to come before the Senate, I move that the Senate take a recess until tomorrow, Tuesday, at noon.

The motion was agreed to; and (at 5 o'clock and 29 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 10, 1958, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 9, 1958

The House met at 12 o'clock noon.

Rev. Carlton K. Gamble, St. Mark's Episcopal Church, Dayton, Ohio, offered the following prayer:

Almighty God, Thou art the power in the tremendousness of all creation and yet Thou dost concern Thyself with the very thoughts of our hearts. In this, Thy light, we confess that we have erred in thought, word, and deed. We have left undone those things which we ought to have done and we have done those things which we ought not to have done. Grant us therefore true repentance, amendment of life, and the consciousness of Thy forgiving grace.

Accepting this, Thy forgiveness, we raise thankful hearts to Thee for the many blessings and liberties of our land, and for Thy mighty protection over us.

Wilt Thou continue to bless us, saving us from violence, discord, and confusion.

Be mindful of us this day so that we may be instrumental in promoting honorable industry, sound learning, and pure manners.

Guide, we beseech Thee, all in authority over this land and be the constant companion of those dedicated to keeping justice and peace, both at home and in distant lands. May they all be mindful of their calling to serve Thee in Thy fear.

And now, Lord, be present in this chamber this day with these, Thy servants, that Thy wisdom and strength may enable them to fulfill the tasks which Thou has given them to Thy honor and glory. Amen.

The Journal of the proceedings of Thursday, June 5, 1958, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following titles:

H. R. 12181. An act to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GREEN, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. WILEY, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, and Mr. KNOWLAND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 118. An act for the relief of the General Box Co., and

S. 2060. An act for the relief of Elizabeth Biro.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6322) entitled "An act to provide that the dates for submission of plan for future control of property and transfer of the property of the Menominee Tribe shall be delayed.

The message also announced that the Senate recedes from its amendment No. 3 to the bill (H. R. 6908) entitled, "An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes."

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States Numbered 58–15.

PUBLIC WORKS APPROPRIATION BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the public works appropriation bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JENSEN reserved all points of order.

THE LATE JAMES M. BARNES

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SIMPSON of Illinois. Mr. Speaker, it is with regret that I announce the death of James M. Barnes, former Member of Congress from the old 20th Illinois District. His death occurred yesterday in Georgetown Hospital where he was confined for about the last 30 days.

James M. Barnes represented the old 20th Illinois District for two terms, from 1939 to 1943. He was assistant to President Roosevelt after his term in Congress. Later he formed the Washington law firm of Barnes & Hill.

He served in the Marine Corps in World War I and also served as a county judge in his home county.

Mr. Barnes was a perfect gentleman at every place wherever he might happen to be. I am sure all here who knew and served with Jim Barnes extend sincere sympathy to Mrs. Barnes.

The following is an excerpt from the Washington Post and Times Herald of Monday, June 9, 1958:

JAMES M. BARNES

James Martin Barnes, 59, former Democratic Congressman from Illinois, and one-time assistant to President Franklin D. Roosevelt, died yesterday at Georgetown University Hospital. Death was attributed to a liver ailment.

Mr. Barnes served as a United States Representative from 1939 to 1943 and was a member of the House Judiciary Committee. He then became one of the six administrative assistants to President Roosevelt.

In 1945 he resigned his White House position to open a law office here with Thurman Hill, former general counsel of the Treasury Department's surplus property division.

He was a member of the Metropolitan Club, the Burning Tree Club, and the National Press Club and was affiliated with the Masons and the Elks.

He is survived by his wife, Betty Grove Barnes, of the home address, 2548 Massachusetts Avenue NW.

Mr. RAYBURN. Mr. Speaker, in the passing of James Barnes, former Member of the House of Representatives from Illinois, the country has lost one of its outstanding, patriotic citizens. James Barnes was a man of exceptional ability, fine personality, and a gentleman of the highest type. He served well and faithfully his day and generation and will be missed by all who knew him. I have never met a man who knew Jim Barnes who was not his friend and who did not have high regard for him.

To his dear wife, Betty, and to all of his loved ones, I send my deepest and sincerest sympathy in their great loss.

Mr. McCORMACK. Mr. Speaker, it was a shock to me to learn today of the death yesterday at Georgetown Hospital of my long-time treasured friend, the Honorable James M. Barnes, who served in the House of Representatives through the 76th and 77th Congresses as a Representative from the State of Illinois. During his 4 years in Congress, from 1939 through 1942, Jim Barnes acquired a circle of warm friends among the membership of the House. James Barnes was a devoted public servant. He served his district and his country with distinction and with honor. He made a great record as a member of the Committee on the Judiciary.

After the close of his second term in the House, James Barnes was appointed

administrative assistant to President Roosevelt and served with distinction on the White House staff for more than 2 years, until July 15, 1945, when he resigned to open a law office here in Washington with the Honorable Thurman Hill, former general counsel of the Surplus Property Division of the Treasury Department.

We who have served with Jim Barnes are enriched by having known him. He was a model of intelligent, faithful, useful, and outstanding service. In the practice of the law, as in the legislative and executive branches of the Government, Jim Barnes made an admirable record of professional excellence, devotion to duty, and loyal friendship.

His loss is deeply felt by all who have known him, and our hearts go out to his wife, Betty Grove Barnes, in her great loss and sorrow.

Mr. MILLS. Mr. Speaker, it was with a feeling of profound sadness that I learned of the death of my good friend and our former esteemed colleague in this House, Jim Barnes. Many Members of this body will recall Jim Barnes and his outstanding service to his district, State, and Nation. He was one of the most highly respected and admired Members of Congress.

I had the privilege and great pleasure of becoming a friend, a very close friend I might say, of Jim Barnes when he came to Congress at the same time when I was honored to become a Member of this body, and I have known him continuously since that time.

After completing a tour of duty serving his district and his Nation as a Member of this body, he engaged in the practice of law with honor and distinction and, as further evidence of the high trust and confidence imposed in his integrity and ability he was on the staff of a former President. I say without any reservation or hesitancy whatsoever that Jim Barnes was one of the most honorable men I have ever known. You could always confide completely in him, and always rely on him. He would never mislead you.

He will be sorely missed, but his dear wife, whom I have also known through the years, and his family can look with pride to the contribution which Jim Barnes has made in the public interest of our Nation and to the period of service which he rendered to his fellow men, his State, and his Nation in offices of high distinction.

I extend my deepest and most sincere sympathy and condolences to his family and loved ones.

GENERAL LEAVE TO EXTEND REMARKS

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the life and character of the late James M. Barnes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CIVIL SERVICE RETIREMENT ANNUITY INCREASES

Mr. MURRAY. Mr. Speaker, I call up the conference report on the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1848)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 72) entitled "An act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That (a) the annuity of each retired employee or Member of Congress who, on August 1, 1958, is receiving or entitled to receive an annuity from the civil service retirement and disability fund based on service which terminated prior to October 1, 1956, shall be increased by 10 per centum, but no such increase shall exceed $500 per annum.

"(b) The annuity otherwise payable from the civil service retirement and disability fund to—

"(1) each survivor who on August 1, 1958, is receiving or entitled to receive an annuity based on service which terminated prior to October 1, 1956, and

"(2) each survivor of a retired employee or Member of Congress described in subsection (a) of this section,

shall be increased by 10 per centum. No increase provided by this subsection shall exceed $250 per annum.

"(c) No increase provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"SEC. 2. The unremarried widow or widower of an employee—

"(1) who had completed at least ten years of service creditable for civil service retirement purposes,

"(2) who died before February 29, 1948, and

"(3) who was at the time of his death (A) subject to an Act under which annuities granted before February 29, 1948, were or are now payable from the civil service retirement and disability fund or (B) retired under such an Act,

shall be entitled to receive an annuity. In order to qualify for such annuity, the widow or widower shall have been married to the employee for at least five years immediately prior to his death and must be not entitled to any other annuity from the civil service retirement and disability fund based on the service of such employee. Such annuity shall be equal to one-half of the annuity which the employee was receiving on the date of his death if retired, or would have been receiving if he had been retired for disability on the date of his death, but shall not exceed $750 per annum and shall not be increased by the provisions of this or any other prior law. Any annuity granted under this section shall cease upon the death or remarriage of the widow or widower.

"SEC. 3 (a) An increase in annuity provided by subsection (a), or clause (1) of subsection (b), of the first section of this Act shall take effect on August 1, 1958. An increase in annuity provided by clause (2) of such subsection (b) shall take effect on the commencing date of the survivor annuity.

"(b) An annuity provided by section 2 of this Act shall commence on August 1, 1958, or on the first day of the month in which application for such annuity is received in the Civil Service Commission, whichever occurs later.

"(c) The monthly installment of each annuity increased or provided by this Act shall be fixed at the nearest dollar.

"SEC. 4. The annuities and increases in annuities provided by the preceding sections of this Act shall be paid from the civil service retirement and disability fund. Such annuities and increases in annuities shall terminate for each fiscal year beginning on or after July 1, 1960, for which an appropriation shall not have been made by the Congress to compensate such fund for the cost, as determined by the Civil Service Commission, of such annuities and increases in annuities for such fiscal year. For any fiscal year for which such appropriation shall not have been made, the preceding sections of this Act shall not be in effect and annuities and increases in annuities shall be determined and paid as though such sections had not been enacted. Nothing contained in this section shall be held or considered to prevent the payment of annuities and increases in annuities provided by the preceding sections of this Act for any fiscal year for which the Congress shall have made such appropriation.

"SEC. 5. (a) The amendments made by section 401 of the Civil Service Retirement Act Amendments of 1956 (70 Stat. 742–760; 5 U. S. C. 2251–2267) may apply at the option of any employee who, prior to July 31, 1956, was separated from the service under the automatic separation provisions of the Civil Service Retirement Act but whose separation would not have taken effect until after July 30, 1956, if he had been permitted to remain in the service until the expiration of any accumulated or current accrued annual leave to his credit at the time of his separation from the service. Such option shall be exercised by a writing received in the Civil Service Commission before January 1, 1959.

"(b) No increase in annuity provided by this Act or any prior provision of law shall apply in the case of any retired employee who exercises the option permitted by subsection (a) of this section."

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same.

TOM MURRAY,
JAMES H. MORRISON,
JAMES C. DAVIS,
EDWARD H. REES,
ROBERT J. CORBETT,
Managers on the Part of the House.
OLIN D. JOHNSTON,
RALPH YARBOROUGH,
DICK NEUBERGER,
FRANK CARLSON,
THRUSTON MORTON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 72) entitled "An act to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes,"

submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendments struck out all of the Senate bill after the enacting clause and inserted a substitute text and provided a new title for the Senate bill.

With respect to the amendment of the House to the text of the Senate bill, the committee of conference recommends that the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment which is a substitute for both the text of the Senate bill and the text provided by the House amendment, and that the House agree to the same.

Except for technical and clerical changes in language, the differences between the text of the House amendment and the text of the conference substitute are discussed below.

Subsection (a) of the first section of the House amendment provided an increase of 10 percent in the annuity of each employee who retired with an annuity, or entitlement thereto, beginning on or before October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956. Such subsection provided no increase in the annuity of any employee who has retired or retires with annuity or entitlement to annuity on or after such effective date.

Subsection (a) of the first section of the conference substitute, with respect to the identification of the class of annuitants who will receive annuity increases, is to the same effect as subsection (a) of the first section of the House amendment with technical changes to clarify the purpose and intent of such subsection that such increases be paid to annuitants who are receiving annuities on August 1, 1958—the effective date of the annuity increases provided by section 3 of the conference substitute—based on service which terminated prior to October 1, 1956. Subsection (a) of the first section of the conference substitute also contains a provision (not contained in the House amendment) to the effect that no such annuity increase under such subsection (a) shall exceed $500 per annum.

Subsection (b) of the first section of the House amendment provided an increase of 10 percent to survivor annuitants whose annuities commenced on or before October 1, 1956 (the effective date of the Civil Service Retirement Act Amendments of 1956), and to survivors of those employees who were receiving or entitled to receive annuities on or before such effective date. Such subsection further provided that no such increase in a survivor annuity shall exceed $200 per annum.

Subsection (b) of the first section of the conference substitute, with respect to the identification of the class of survivors who will receive annuity increases, is to the same effect as subsection (b) of the first section of the House amendment with technical changes (conforming to the technical changes made by subsection (a) of the first section of the conference substitute) to clarify the purpose and intent of such subsection (b) that such increases will be paid to (1) survivors who are receiving annuities on August 1, 1958—the effective date of the annuity increases provided by section 3 of the conference substitute—based on service which terminated prior to October 1, 1956, and (2) survivors of those employees who on August 1, 1958, are receiving or entitled to receive annuities based on service which terminated prior to October 1, 1956.

Subsection (b) of the first section of the conference substitute also contains a provision to the effect that no annuity increase under such subsection (b) shall exceed $250 per annum—in lieu of the provision, contained in subsection (b) of the first section of the House amendment, to the effect that no annuity increase under such subsection (b) shall exceed $200 per annum. It is to be noted, in this respect, that the maximum survivor annuity increase of $250 provided by subsection (b) of the first section of the conference substitute represents one-half of the maximum increase to any retired employee provided by subsection (a) of the first section of the conference substitute. This relationship between the maximum increases in annuities of retired employee and in survivor annuities is consistent with the existing relationship between annuities and surviving widows' and widowers' annuities as provided by the Civil Service Retirement Act. As a practical matter, the maximum increase to a surviving child is $72 a year.

Subsection (d) of the first section of the House amendment provided that no increase in annuity under such section shall exceed the sum necessary to increase such annuity, exclusive of annuity purchased by voluntary contributions, to $4,104. The conference substitute omits this provision.

Section 2 of the House amendment provided annuities for certain unremarried widows and widowers of those employees and retired former employees who died, prior to February 29, 1948, either in the service or after retirement from the service, after having performed at least 10 years of creditable service.

To qualify for annuity under section 2 of the House amendment, the widow or widower must have been married to the employee or retired former employee for at least 10 years immediately prior to the death of such employee or retired former employee. In addition, the widow or widower must not be entitled to any other annuity from the civil service retirement and disability fund based on the service of the employee or retired former employee.

The amount of the annuity under section 2 of the House amendment was to be equal to one-half of the annuity which the employee was receiving on the date of his death, if retired, or would have been receiving, if retired for disability on such date. However, this survivor annuity was not increased by the provisions of the House amendment or of any other law. Such annuity would not have exceeded $750 per annum in any case and would cease on the death or remarriage of the widow or widower.

Section 2 of the conference substitute is identical to section 2 of the House amendment except that the requirement that the survivor be married for at least 10 years to the employee or retired former employee is changed to a marriage requirement of 5 years.

Section 3 of the House amendment related, in part, to the effective dates of the annuity increases and annuity entitlements provided by the first section and section 2 of the House amendment.

Section 3 (a) of the House amendment established the first day of the second month following the date of enactment as the effective date of the annuity increases for both retired former employees and survivors, except that in the cases of the survivors of those retired former employees on the annuity roll on October 1, 1956, but who die after such date, the annuity increase cannot be effective before the commencing date of the survivor annuity.

Section 3 (b) of the House amendment provided that the survivor annuities provided by section 2 of the House amendment to the widows and widowers described in such section 2 would have the commencing date of the first day of the second month following the date of enactment or the first day of the month in which application for the annuity is received in the Civil Service Commission, whichever date shall have occurred later.

Section 3 (a) and section 3 (b) of the conference substitute are identical to section 3 (a) and section 3 (b) of the House amendment, except that the language designating the effective date is simplified to read August 1, 1958, consistently with subsections (a) and (b) of the first section of the conference substitute.

Section 5 of the House amendment provided that the annuity increases under subsection (a) of the first section of the House amendment (that is, the principal annuity increases rather than the survivor annuity increases) shall terminate, in accordance with the provisions of such section 5, on April 30 of any year following a calendar year in which the annuitant earned more than $1,200 from gainful employment. The annuity increases would be resumed under certain conditions if it were demonstrated to the satisfaction of the Civil Service Commission that the $1,200 amount was not exceeded during the appropriate period.

The conference substitute omits the provisions of section 5 of the House amendment.

Section 7 of the House amendment provided that the civil service retirement and disability fund shall be made available for payment of expenses incurred by the Civil Service Commission in the administration of the provisions of the House amendment for the period beginning with the date of enactment and ending with the last day of the sixth month which begins after the date on which the first payment of any benefit (except sec. 6 benefits) provided by the House amendment is made.

The conference substitute omits the provisions of section 7 of the House amendment.

TOM MURRAY,
JAMES H. MORRISON,
JAMES C. DAVIS,
EDWARD H. REES,
ROBERT J. CORBETT,
Managers on the Part of the House.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, as the bill passed the Senate, it provided for increases in annuities of retired Federal employees. That is, those who were retired prior to October 1, 1956, of 20 percent of the first $1,500 of annuity and 10 percent of that portion over $1,500, with a maximum amount of increase of $600. The same formula applied to increases to those drawing survivor annuities.

As the bill passed the House, it provided for 10 percent increases in annuities and had a restriction which provided that there will be no increase in a regular annuity which would carry it over $4,104. This was the same provision or restriction as was contained in the last legislation providing for increases in annuities. There was also a restriction against any of the increases provided in this legislation applying if the individual had income from gainful employment exceeding $1,200 a year.

The conference agreement uses pretty much the formula of the House-passed bill, except that the restriction whereby there will be no increases carrying regular annuities of $4,104 is eliminated, and substituted therefor is a provision whereby no one will receive an increase greater than $500 a year. The provision eliminating the increase from those who have gainful employment incomes exceeding

$1,200 a year is eliminated in the conference agreement.

I believe that this covers the differences between the House and Senate bills. Here is what the conference agreement will do:

First, it provides a 10 percent increase in annuities of retired Federal employees and their survivors who did not receive the benefits of amendments made to the civil service retirement system in 1956. The increases are effective August 1, 1958. No one will receive an increase greater than $500 a year. Survivors of those retired employees who receive increases in their annuities on August 1, 1958, will receive annuities based on such retired employees' increased annuities, but not an additional percentage. The increases will be paid from the retirement fund through the fiscal year 1960, after which appropriations must be made before the increases can be continued.

The conference agreement provides survivor annuities for each unremarried widow or widower of a Federal employee or retired employee who had 10 years or more of service and died before February 29, 1948, if the survivor was married to the deceased employee at least 5 years immediately prior to death. This survivor annuity will be one-half of the annuity earned by the decedent, but not more than $750 per year.

The reason for this particular provision is that under a 1948 amendment surviving widows of employees or retirees who died on or after February 29, 1948, were granted survivor annuities, but widows of employees or retirees who died before that date were excluded from survivor benefits. This provision will eliminate the discrimination against the latter group. Congress has been receiving many requests from these widows saying that because of the misfortune of having their husbands die prior to the 1948 date they suffered a double loss. Not only did they lose their husbands but, also, by the same circumstance, they were denied the annuities granted to those whose husbands lived beyond this cutoff date.

The conference agreement contains the provision of the House amendment whereby individuals who were separated automatically on or before July 30, 1956, but whose separation would not have taken effect until after that date had they been permitted to use their accumulated or accrued annual leave, are given the option of benefits under the 1956 retirement act or under this bill.

Mr. Speaker, recommendation for the enactment of legislation such as this becomes increasingly difficult. In my judgment, raising retirement benefits based upon inadequacy of small annuities to meet increased living costs does not square with the facts. As I pointed out when this legislation was before the House for discussion, and I emphasize again, studies made by our committee show that those receiving the smallest annuities are those who had short terms of service and who, in turn, constitute a good part of the 26 percent of all annuitants who are drawing social security benefits as well as civil service retirement annuities. The average Federal civil service annuitant who has no outside income receives $1,855 a year. With this increase, the average will be over $2,000 a year—an amount in excess of the national minimum wage for which millions of employees in private industry presently are working 40 hours a week.

This conference agreement removes restrictions contained in the House bill whereby increases would not be given to annuitants who have earned incomes of over $1,200 a year. Our committee survey demonstrated that those retired Federal employees with such outside incomes have average total incomes, including their retirement, of $5,254 a year. I mention these things that I believe to be important matters to consider in the future because, as a result of the action we are taking here, we are increasing by $521 million the deficit in the civil service retirement fund. Total potential obligations of the fund already exceed assets of the fund by $19 billion. This is an unfunded liability representing a deficit in the fund.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, this conference agreement provides for a 10-percent increase in annuities for those who retired from Government service prior to October 1, 1956. It also provides for an increase of 10 percent for the survivors of annuitants.

Increases in annuities of former employees are limited to $500 a year, and increases to survivors are limited to $250 a year.

The increase of 10 percent is in line with increases in salaries approved by the House for those presently employed in Government service. Members of the House will recall that effective October 1, 1956, substantial increases in retirement benefits for active employees were approved by Congress.

One of the important benefits of this legislation is an amendment granting annuities to surviving widows of annuitants and employees who died prior to February 29, 1948. Each will receive an annuity equal to one-half of the annuity to which her former spouse was entitled, but not more than $750 a year. Incidentally, this amendment is one I sponsored during several sessions of Congress and which our committee reported in this bill and approved by the House. It is estimated 20,000 widows of deceased Federal employees will benefit by this provision.

Mr. Speaker, this is a fair conference agreement, arrived at by the two Houses of Congress. I believe it can be approved by the President. It will give 330,000 retired Federal employees and their survivors needed increases in their annuities beginning with the month of August, this year.

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BALDWIN. Mr. Speaker, I rise in support of the conference report on S. 72.

This measure will give a much-deserved increase in the annuities of retired Federal Civil Service employees. These retired civilian employees have been squeezed by a steadily increasing cost of living, and this annuity increase is very badly needed.

I am very pleased that this bill also provides that payments shall be made to widows of those Federal civilian employees who retired prior to 1948. These widows should certainly be entitled to receive the same consideration as widows and employees who retired after that date. Our Federal civilian employees have contributed their time and their efforts to conduct the Government of the United States during their many years of service. We should not and must not forget them when they have retired.

Mr. RHODES of Pennsylvania. Mr. Speaker, I favor this legislation to provide increases in the annuities of retired civil service employees and their survivors.

The cost of living has risen by more than 7 percent since enactment of the last annuity increase in the fall of 1956. Rising prices have reduced the purchasing power of those living on fixed incomes and have caused severe economic hardships to many civil service retirees, surviving spouses and dependent children. They are more than entitled to the increases provided for in this bill.

Many of us would have preferred a larger percentage increase. The average age of civil service retirees is 67, making it extremely difficult for them to supplement their annuities by private employment, especially in these times of heavy unemployment. Moreover, it is estimated that 40 percent of the annuitants receive less than $100 a month and the average survivor annuity is only $50 a month. While the 10 percent increase provided for in this bill will cover the increases in the cost of living, it will do little to raise the overall standard of living for these persons.

Mr. Speaker, I am pleased that this measure finally provides for annuities for the so-called "forgotten widows" of government employees who died prior to February 29, 1948 and had 10 years of creditable service. I shall vote for the conference report as the best obtainable increase possible at this time. This measure is an important step forward in meeting our responsibilities to retired civil servants who have devoted a lifetime of service to their fellow citizens.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MURRAY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend

their remarks in the RECORD on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Machinery and Manpower of the House Committee on Agriculture be permitted to sit during general debate on the Reciprocal Trade Agreements Extension Act today and tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

Mr. FOGARTY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 20 minutes, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Rhode Island.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 624, with Mr. THOMPSON of Texas in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. FOGARTY. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this is the appropriation for the Temporary Unemployment Compensation Act of 1958 that we have just enacted into law. The law was signed by the President on last Wednesday. We received the request for funds on Wednesday afternoon. Our subcommittee met on Thursday, held hearings with Department of Labor officials, and approved the request. The full Committee on Appropriations met this morning and approved the full request, as recommended by the subcommittee. Benefits are to be paid under this act, starting on June 19, which is 1 week from next Thursday, and that is why the Committee on Appropriations has tried to expedite this appropriation bill so that we would not interfere in any respect with those who are out of work being paid what they are entitled to, starting a week from next Thursday. If we pass this appropriation, it will then be up to the States to ratify their agreements with the Secretary of Labor.

This resolution calls for an appropriation of $665.7 million, of which $640 million will be for payment of benefits, $25.1 million for State administrative expenses and $600,000 for administrative expenses of the Department of Labor.

Now, all States, we are sure, will accept the extension of the basic agreements with the Department of Labor for payment of unemployment compensation for Federal workers and Korean veterans, because this cost will be borne by the Federal Government. If all States participate in the entire program provided for by the act, the estimate is that 2,650,000 will be eligible to file claims under this program. The Department of Labor estimates they will be eligible for benefits for an average of 8½ weeks. It is not known yet how many States are going to participate; it is too early. But the committee felt, rather than take a chance on not having sufficient funds to pay all of those who are eligible, that we should approve the full amount, especially since, under the law, the expenditure of these funds is to be only for the specific purposes spelled out in the law, and anything else will revert to the Treasury of the United States.

Mr. TABER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I do not believe any such amount as $665 million, which was proposed by the Bureau of the Budget and approved by the committee, is going to be used or is needed for any contribution or advancement by the Federal Government to the States for unemployment insurance.

I have looked over the receipts and disbursements of the Federal Government in this connection, and I find that even in the month of May this year the withholding tax upon income of employees is larger this year than it was last. For the whole 11 months it is $943 million above last year. For the month of May alone, the latest month reported, it is $47 million larger. The receipts on account of social-security tax are $860 million larger. The only smaller item is the tax for the railroad retirement trust fund, which has dropped off to the tune of $36 million. The States' deposits on account of unemployment security taxes have dropped off $8 million.

It is true that the disbursements of all these funds have gone up and the unemployment insurance has gone up $1,263,000,000. The social-security trust funds payments have gone up $1,306,000,000.

I insert herewith a table showing the receipts and the disbursements of the major items. Frankly, these tables show that the unemployment picture is not as great as it has been talked up, and it is also true that the wages paid out must have gone up even in the last quarter of the year to have the receipts on account of taxes and social security holding up as well as they are.

However, I shall not offer any motions. I am just going to present this picture so that the people can see just what the truth is about conditions. These are the tables which I said I would insert:

Receipts

Withholding tax on income:	
1957	$24,126,075,183.99
1958	25,068,990,450.99
Social security tax receipts:	
1958	6,959,193,033.82
1957	6,098,786,453.20
Unemployment insurance from ⅜ of 1 percent tax:	
1958	336,487,984.11
1957	328,721,123.73
Deposits by States in unemployment trust fund:	
1958	1,558,053,673.15
1957	1,566,324,558.02
Railroad retirement tax:	
1958	532,352,605.77
1957	568,138,629.46

Disbursements

Railroad retirement payments:	
1958	$668,887,360.16
1957	625,899,673.98
Federal old age and survivors trust fund:	
1958	7,286,565,171.46
1957	5,980,878,461.40
Unemployment disbursements to States:	
1958	2,776,429,292.21
1957	1,513,530,232.47

Mr. FOGARTY. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Does the gentleman from New York have any further requests for time?

Mr. TABER. No, Mr. Chairman.

The CHAIRMAN. The Clerk will read the joint resolution for amendment.

The Clerk read as follows:

Resolved, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, namely:

DEPARTMENT OF LABOR

Bureau of Employment Security

Temporary Unemployment Compensation

For carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, $665,700,000, of which (a) $640,000,000 shall be for payment of temporary unemployment compensation to claimants as authorized by title I of the Temporary Unemployment Compensation Act of 1958; (b) $25,100,000 shall be for the general administration of the temporary unemployment compensation program by the States, Puerto Rico and the Virgin Islands; and (c) $600,000 shall be for expenses necessary for the general administration by the Department of Labor of the temporary unemployment compensation program, including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a) (not to exceed $10,000), reimbursement to the States for salaries and other expenses of State employees temporarily assigned or detailed to duty with the Bureau of Employment Security, and direct payments for travel expenses, transportation of household goods, and per diem in lieu of subsistence while away from their regular duty stations in the States, at rates authorized by law for Federal employees: *Provided*, That this appropriation shall be available from the date of enactment of the Tem-

porary Unemployment Compensation Act of 1958, and any obligations incurred between such date and the date of enactment of this act are hereby ratified and confirmed if otherwise in accordance with the provisions of this appropriation: *Provided further*, That this appropriation shall remain available until April 30, 1959.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: On page 3, line 5, strike out the period and insert the following: ": *Provided further*, That notwithstanding any provisions of law to the contrary, no part of any funds appropriated by this act and expended for administrative costs in the payment of benefits pursuant to the Temporary Unemployment Compensation Act of 1958 to persons who exhausted their rights to benefits under title XV of the Social Security Act, as amended, or title IV of the Veterans' Readjustment Assistance Act of 1952, as amended, shall be included in any computations required under section 104 (a) of said Temporary Unemployment Compensation Act of 1958."

Mr. LAIRD. Mr. Chairman, this amendment clarifies section 104 (a) of Temporary Unemployment Compensation Act of 1958. It is quite clear from reading this act as enacted by the Congress on May 28, 1958, that the States would be required to repay to the Federal Government the administrative costs for paying benefits to unemployed under the Federal unemployment compensation program for veterans and under the Federal unemployment compensation program for Federal employee exhaustees.

It is my understanding that some lawyers in the Department of Labor have interpreted section 104 (a) of the new Unemployment Compensation Act as meaning that any State not complying with the new Federal law will find themselves paying the administrative costs for Government employees and veterans presently administered through State systems if the State comes up with a plan of its own. This amendment is offered to resolve beyond any doubt the question as to whether it would be necessary to make recovery for administrative costs from any State in connection with these two Federal programs. During the past 3 days I have contacted as many members of the Appropriations Committee and the House Ways and Means Committee as possible. They are in agreement with this amendment.

Mr. Chairman, I yield to the gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, this amendment clears up a technical matter in the basic act that was not recognized as being needed until after the subcommittee acted on this resolution. I commend the gentleman from Wisconsin [Mr. LAIRD] for having discovered this in time to take appropriate action.

Mr. Chairman, this amendment has been discussed with all members of the subcommittee on both sides. It was discussed in the meeting of the full Committee on Appropriations this morning and it was agreed that this would be acceptable to the committee. The committee accepts the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was agreed to.

Mr. FOGARTY. Mr. Chairman, I move that the Committee do now rise and report the joint resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that joint resolution as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. THOMPSON of Texas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes, had directed him to report the joint resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the joint resolution as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

EXTENSION OF TRADE AGREEMENTS

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 12591, with Mr. BOLLING in the Chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. MILLS] will be recognized for 4 hours and the gentleman from New York [Mr. REED] will be recognized for 4 hours.

The Chair recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the debate we are beginning today and the decisions that the House will make after the completion of this debate are of the highest importance. What the House decides with respect to the future of the reciprocal trade agreements program will have the most profound effects for many years to come. Indeed, I am convinced that our decision on this, the 11th extension of the trade agreements legislation, will be the most crucial one ever taken in the 24-year life of that program. On it will hinge, in important degree, the future course of United States foreign trade. Our domestic economy and our own foreign relations are therefore vitally involved.

Because of the importance of what we will do here, I am pleased that the rule under which we are working does not offer a take-it-or-leave-it proposition, but rather gives each Member an opportunity to choose what kind of trade and tariff policy the United States should have in the years ahead. Our choice is between the committee bill, H. R. 12591, which has the complete support of the administration, and the substitute bill, H. R. 12676, offered by the gentleman from Pennsylvania. These two bills are basically different. They represent diametrically opposite points of view with respect to trade policy. The consequences of each would be widely divergent. The committee bill is an effective and important step forward for reciprocal trade. The substitute bill would mean a sharp and abrupt reversal of the trade agreements program that would result in the destruction of the trade agreements system that has been built up over the 24 years of the program. It is far worse than no extension at all.

In view of the importance of the choice the House will make, it is essential that we understand clearly what each bill provides and what results would flow from the enactment of each. We must, therefore, level on this controversy to our maximum abilities in order to avoid a mistake that can be most serious to our future and which can occur through lack of understanding.

As the House knows, on January 30 of this year I introduced H. R. 10368 embodying the recommendations of President Eisenhower, at his request. The committee held 6 weeks of public hearings in February and March. Upon completion of the public hearings, the committee held executive sessions from April 23 to May 21. We examined critically the existing legislation and its administration; we studied carefully all the amendments that had been recommended, both in the public hearings as well as in executive session. I think it is fair to say, and I trust that the members of the Committee on Ways and Means will bear me out, that the consideration that the committee gave to the legislation this year was more exhaustive and intensive than the consideration that it has ever given this legislation since 1934.

As a result of this study, the committee adopted 11 amendments to the bill as introduced and I introduced a clean bill, H. R. 12591. On May 21 the committee ordered this bill reported by a vote of 18 to 7.

As I have pointed out, the committee bill has the complete approval of the administration. We have had the cooperation of the administration and the

leadership of both sides of the aisle in this work. Indeed, one of the principal provisions of the committee bill, that relating to Congressional review of escape clause cases, was worked out with the assistance of the distinguished minority leader.

The committee exercised such care in its study for several reasons. We were acutely aware of the fact that whatever legislation we were to report would have an important bearing on our domestic economy and on the many segments of our economy that are directly and indirectly involved, both beneficially as well as in some instances adversely, by foreign trade. We were also keenly aware of the fact that whatever action this Congress took this year with respect to reciprocal trade would have very profound effects on the world at large, on the ability of the United States to execute successfully a foreign policy that is designed to strengthen the Free World. The reciprocal trade agreements program has become the symbol of our foreign economic policy. It is an area in which the Congress has a direct and substantial influence on the future course of United States foreign relations. We were therefore aware of the gravity of whatever decisions or recommendations our committee made. We approached the subject with an open mind. Indeed, many of us have had serious questions about the manner in which the program has been administered in recent years. We sought, therefore, to accomplish two purposes. First, to have a meaningful and effective extension of the reciprocal trade agreements program that would serve well our country's needs, and secondly, to so perfect the administration of the program as to make it effective, but to do so within the framework of, and consistent with, the principles of the program itself.

It is clear to us that continuation—an effective continuation—of the trade agreements program is widely supported by the public at large. In the testimony that the committee received in public hearings there were substantially more people, representative of all segments of the economy and virtually all walks of life, who supported a 5-year extension of the reciprocal trade agreements program with adequate authority than those who were opposed to such a program. In some respects this was very curious, for when the committee hearings began in February the prevailing appraisal was that there was increased opposition to reciprocal trade. Yet, for the first time within my memory, the proponents of the program outnumbered the opponents in the public hearings before the Committee on Ways and Means.

There are many reasons why this is the case. First, our own economy has in increasing degree become dependent on high and expanding levels of world trade. Our extraordinary productivity is reflected in the phenomenal expansion of our capacity to produce goods and services. Today, more than ever before, we are a surplus economy that requires world markets, and growing world markets.

I know that there are many who have contended that because of the economic recession that we are presently experiencing that this would be a bad time to take any action that would lead to an expansion of world trade, and that rather than to act to expand world trade it would be far better to restrict imports and hence, of course, to restrict exports. I have studied the matter carefully and have come to the conclusion that balanced expansion of our foreign trade clearly adds to our total level of domestic production and employment. We would be poor students of history if we did not recall that in the depth of the great depression in 1930 the United States enacted the most protective tariff ever in our history. The results of that action were to aggravate the economic depression that we were experiencing. This would be the consequence of any similar action today. Enactment of the substitute bill offered by the gentleman from Pennsylvania could be compared accurately in the circumstances of today with enactment of the Smoot-Hawley tariff in 1930. We realize that in the recession of 1953–54 and in the earlier recession of 1949, the maintenance of our exports, and indeed their increase, were important factors in maintaining and stimulating domestic production and employment that was so sorely needed.

With respect to the recession we are experiencing today, its impact has been peculiarly severe in the capital goods and consumers durables industries. These are the industries typically that rely on the export markets to absorb an important portion of their production. To take a retrogressive step today with respect to our foreign trade policy could have only adverse effects on our domestic economy. Thus, for reasons of stimulating demand at home and for reasons of maintaining the progress in expanding world trade to which our domestic growth is to so important a degree geared, we must have an effective continuation of the reciprocal trade agreements program.

Secondly, as I have already suggested, the position of the United States in the world demands extension of the reciprocal trade agreements program in a manner that is consistent with the traditions of that program. We cannot escape the fact that our position in the world economy is such that whatever acts we take will have magnified effects on the economies of many of the Free-World nations. If we note that the United States with only 6 percent of the world's population and 7 percent of its land area, nonetheless accounts for 40 percent of the world's production, we will perceive the dimensions of that to which I am referring. Although we are relatively self-sufficient in a purely economic sense, we are clearly not self-sufficient in a political and military sense. If we are to maintain these alliances and these arrangements in the world that are so essential to our own security, particularly in this new age of thermonuclear warfare, we must give careful regard to the implications of our actions for our friends and allies in the Free World. Trade, for many countries, is the very life blood of their economic system. For them the expansion of trade is essential, and their trade with the United States in particular, is of critical importance. We have heard a lot about dollar shortage, but whether you call it a dollar shortage or not, the simple fact remains that in 1957, the United States exported $19.5 billion worth of commercial, nonmilitary goods, whereas we imported only $13 billion worth of goods. Thus we were still shipping to the rest of the world over $6 billion more worth of merchandise than we were importing from the rest of the world. The margin of financial strength of a great many of the major trading countries of the world is so slim that any retrogressive step by us would certainly prejudice our exports to them, and would thus reduce the prospects for economic growth in their own countries because of their inability to finance purchases from us through sales to us.

Two factors in particular have come to the fore in the last year or two which have special significance for us.

The first is the Communist bloc offensive against the Free World in the field of trade and aid. This economic offensive is no myth. It is not the figment of someone's imagination. It is a harsh reality. At the end of last month, 12 Soviet bloc countries met together in a conference at Moscow, and they agreed to integrate their economies and pursue joint economic policies. And for what purpose? Principally for the purpose of concerting their efforts in making an economic drive, a trade-aid offensive against the Free World. Only a few days ago, Premier Khrushchev wrote a letter to the President encouraging, or attempting to encourage, the expansion of trade between the Soviet Union and the United States. These blandishments seem innocent and attractive on the surface, but they are as innocent as the invitation of the spider to the fly. It is clear that unless the Free World can trade among itself and unless such trade offers the prospect for growth and expansion in keeping with the expansion of the productive capacities of the Free World economies, then the Soviet bloc will come in and take up the slack. Nothing dramatic will happen, but we will see a progressive deterioration in the fabric of the Free World economy, and as this deterioration takes place, you can be sure the Communists will exploit it to the hilt. "What can we do to counter the Soviet offensive?" we ask ourselves. Surely the weapons we have are limited in this field. We do not engage in state trading. We practice and encourage the practice of free enterprise. The established and accepted instrument of our policy in this field is the reciprocal trade agreements program. It may not be sufficient by itself, but surely not to use it to best advantage would be simple abandonment of one of our important weapons. The substitute bill would result in a wanton abandonment of this cold-war weapon.

As we surveyed the situation, we found that one of the critical areas of the world, indeed the most important to us in terms of our structure of alliances and in terms

of our historical attachments, is Western Europe. Europe is highly important to our trade. American trade with Western Europe has been expanding faster than with any other part of the world and accounts for about a quarter of our total exports. The economy of Western Europe, with the help of the Marshall plan, has enjoyed a phenomenal recovery from the destruction of World War II. Our tariff policy is of special significance to Western Europe and, in turn, the tariff policies and trade policies of Western Europe are of special importance to us.

It is vital, therefore, for us to take into consideration the situation of these Western European countries in considering our tariff policy. It is in this area of trade that the trade agreements program and its extension offers especially important prospects that will be as mutually beneficial to Europe as to ourselves. Here I refer particularly to the development and establishment of a common market among six countries of continental Europe, namely, France, Germany, Italy, Belgium, Holland, and Luxembourg. And, in addition, the prospective development of a free trade area, including such countries as Great Britain, the Scandinavian countries, Switzerland, and Austria. The development of this common market, and the prospective development of the free trade area is important for a great many reasons to the United States. For one, it represents a culmination of the efforts begun under the Marshall plan a decade ago to develop a mass market and integrated economy in Western Europe. On January 1 of this year this common market treaty came into effect. Over a period of 12 to 15 years, by progressive elimination of all restrictions on trade and commerce between the six countries, there will come into being a common market similar to that which we have among the 48 States of the Union. These six countries will work out a common tariff on goods coming in from the outside world—there will thus be free trade within the common market, and a single tariff on the outside. For many reasons, both economic and political, it is very much to our interests to see to it that this common market has a liberal orientation toward trade from the United States. For one, we export $3 billion worth of goods to the six countries alone, and if the free trade area were taken into consideration, our total exports to these countries would amount to almost $5 billion, that is almost a quarter of our total export trade. Producers within this free trade area would have a pronounced advantage because they will have no tariffs to face on their trade within the common market. Producers on the outside will have to jump the hurdle of the common tariff, which is the average of the existing tariffs, before they can enter into the market. From a purely economic point of view, given the fact that Western Europe is likely to continue to be our fastest growing market for our exports, it is essential that we be able to enter into a trade agreement with the common market so as to effect a reduction in this average tariff that will be established. From a political point of view also, it is important that the European countries should not become a high tariff protectionist bloc within the Free World. If that were to happen, then the division of NATO would soon follow, and the very core and keystone of our system of alliances would be threatened.

Thus at the very basis of our thinking about the present extension of the trade agreements program, we are faced with the necessity for so extending the program that trade agreements can be made with the common market in Europe, and with the free trade area countries, agreements that will be effective in assuring to our exporters an increasing share of expanding world markets and in maintaining the close relationships that exist between the United States and these vital countries. It is for this reason that the committee has recommended a 5-year extension of the trade-agreements program and the authority to the President that would make it possible to enter into a trade agreement with the common-market countries.

When I first began to study this matter, I had reservations with respect to the 5-year term of the extension. I recognized that at no time in the history of the program has it been extended for a period of more than 3 years. Yet it became clear that to extend it only to 3 years would not permit the President to do the essential job that has to be done with this authority. The timetable of the common market was such that a 3-year extension would render uncertain the future authority of the President just in the middle of the period in which he would be negotiating a trade agreement with the common market. A 4-year extension would be a bare minimum of time necessary to complete such a negotiation. A 5-year period permits just that margin of safety which makes it possible under the present timetable, and allowing for some slack in that timetable, to consummate an effective trade agreement with the common market. In order to do what has to be done, a 5-year extension is absolutely essential.

It was also necessary to give the President sufficient authority so that a trade agreement can be negotiated and placed in effect. Under the committee bill there are three alternatives which the President may use. All of these alternatives would, of course, be subject to the peril point procedure which the committee itself amended. That is, the existing safeguards will remain and will be strengthened in the committee bill. The authority to reduce tariffs, as I have indicated, will involve the use of one of three permitted alternatives. First a reduction by 25 percent; second, a reduction by 2 percentage points; and finally, the third alternative, which is a continuation of the authority contained in the 1955 extension act, namely the authority to reduce to a rate of 50 percent ad valorem any rate in excess of 50 percent ad valorem. Any reductions brought into effect under any of these alternatives will have to be brought into effect in stages, that is, the committee recommends continuation of the provision of the 1955 extension which requires the gradual staging of any reductions brought into effect under a trade agreement made by this authority. The three alternatives are designed to limit the President's authority while at the same time providing adequate authority. The three alternatives make it possible to confine the reduction authority in such a way as to limit each alternative to different ranges of the United States tariff. Thus, for tariffs in excess of 50 percent ad valorem the third alternative would apply. For tariffs between the rate of 8 percent ad valorem and 50 percent ad valorem, the first alternative—that is, to reduce tariffs by 25 percent—would apply. And for rates of duty less than 8 percent ad valorem, the second alternative—that is, reduction by 2 percentage points—would apply. It was felt that such a breakdown into alternatives would be more sensible than giving a blanket authority of a larger amount that could be used with respect to any tariff rates at all.

These are the essential provisions of the committee bill. These are the provisions that make for a realistic and effective continuation of the trade agreements program, consistent with basic principles and objectives of the program. They constitute a minimum required to accomplish that purpose and the needs of this hour.

The substitute bill provides for no actual extension of the program and certainly for no additional authority that can be used. It ostensibly involves a 2-year extension. Let us be clear about that. The 2-year extension is nothing more than a cynical tactic designed to give the outward appearance of extending the program whereas, in actual fact, the program would be converted into a vehicle for extreme protectionism.

As I indicated at the opening of my remarks, the committee was very much concerned, and gave close attention to perfecting the administration of the program by so modifying the provisions of existing law that better assurance would be given that the safeguarding provisions would be effective in those cases in which there was demonstrable evidence that they should be implemented. We sought to make such perfecting amendments in a manner which was consistent with the trade agreements program. We were determined not to pervert the purposes of the trade agreements program from one that sought the expansion of trade to one that would inevitably result in the contraction of trade. The amendments that the committee bill offers to existing legislation I think are of extreme importance, and will be of very substantial benefit in the administration of the program.

The one that has been most prominently discussed is the amendment to the escape clause procedure whereby, if the President rejects in whole or in part the Tariff Commission recommendation, the Congress can, by concurrent resolution requiring two-thirds vote of those voting in each House and within a 60-day period, put into effect the Tariff

Commission's recommendations. The committee bill provides that such a concurrent resolution will enjoy a highly privileged status so that consideration by the House can be brought to bear without delay. This provision of the committee bill was worked out with great care. It recognizes the essentiality of providing for Presidential review of Tariff Commission findings with respect to injury under the escape clause. It provides an effective way in which the Congress can give post-audit to any decisions under the escape clause and take action with respect to such decisions if the Congress agrees that such action is necessary, even though the President has decided to the contrary.

We recognize that there are important legal and constitutional issues involved in such a procedure. In order to remove questions of doubt as to the constitutionality of this procedure it is necessary to provide that the concurrent resolution be acted on by a two-thirds vote in each House.

The advantages that this provision would have are real and tangible. It would provide a regular procedure as part of the escape clause whereby the committees of the Congress and each House of the Congress could review every action taken under the escape clause in which the President has rejected a Tariff Commission finding.

This provision of the committee bill has been compared with a provision of the substitute bill relating to the escape clause. They are entirely different. The provision of the substitute bill would make escape-clause findings of the Tariff Commission final and binding—the President would not be able to review these findings in the light of the total national interest.

The elimination of the President from the program and the enshrining of the Tariff Commission as the supreme authority is the hallmark of the substitute bill; it characterizes every provision of the bill. The President of the United States would become the messenger boy of the Tariff Commission.

I am at a complete loss to understand the philosophy of the substitute. Its proponents say that they want to return the power over tariffs to the elected representatives of the people. But who elected the Tariff Commission? And is not the President of the United States an elected official of all the people? Can we not let him share with the Tariff Commission and the Congress the responsibility in escape-clause cases? If we cannot, we had better take a second look at the responsibilities that the President now has in other areas where literally the life and death of the people of the United States are involved.

The committee bill contains several other improvements in the escape clause. First, the committee bill provides for an increase in the authority to raise rates of duties under the law. Under existing law, the limit to which duties can be raised is 50 percent above the rate in effect on January 1, 1945. The committee bill provides that the limit would be 50 percent above the rates in effect on July 1, 1934. We gave serious attention to this provision. There were many who felt that it was entirely inappropriate to provide authority to raise rates of duty to 50 percent above the rates in effect under the Smoot-Hawley tariff, that is, 50 percent above the rates in existence before the trade agreements program first began to have any effect on the United States tariff. But we were cognizant of the fact that, under existing law, it is possible to impose import quotas if the maximum rate of duty possible was not adequate under the escape clause. In order to avoid the use of import quotas we, therefore, felt that it was desirable on balance to provide this additional authority.

The consideration of avoiding import quotas also was of importance in adopting the provision in the committee bill permitting transfer of articles from the free list to the dutiable list with a limitation of a rate of 50 percent ad valorem as the highest rate that could be applied under this procedure. Here again with respect to items that are on the free list and have been bound on the free list in a trade agreement, if an escape clause action were taken with respect to such an item the only remedy that could be applied has been the imposition of an import quota. It was the feeling of the committee as expressed on page 9 of the committee report that the use of import quotas was entirely inconsistent with the philosophy of the trade agreements program, that they were a most severe and restrictive limitation on import trade, and that, therefore, their use should be avoided whenever possible. In an effort, therefore, to prevent and minimize the use of import quotas under the trade agreements legislation, this additional authority is given to impose rates of duty on duty-free items under the escape clause.

The committee bill contains other amendments to the escape clause procedure. In an effort to expedite and make more certain the administration of the escape clause provision, the Tariff Commission is instructed to complete its investigations in 6 months rather than in 9 months. We do not believe that this shortening of the period of time would be unduly burdensome on the Tariff Commission. In order to compensate, in those instances where it is applicable, for the reduction in time, the Commission is given subpena powers similar to those which it has with respect to its responsibilities under the Tariff Act of 1930 for use in escape-clause investigations and other responsibilities conferred on the Commission. This should permit acquiring the information necessary in order to complete escape-clause investigations without delay and thus to expedite such investigations.

Finally, to make clear that it is not only representatives of producing enterprises who have an interest in the escape clause mechanism, the committee has made explicit that organizations or groups of employees can file an application for an escape-clause investigation.

In addition to the modifications in the escape clause procedure that I have just described, the committee bill also provides for modification of the peril-point procedure. First, the period of time within which the Commission must complete its peril-point investigations is increased from 120 days to 6 months. It was felt that the Tariff Commission's responsibilities under the peril point should be executed as carefully as possible. The addition of 2 months would permit more careful peril-point investigations and therefore better advice to the President under the peril-point provision. This is particularly important with respect to the prospective negotiation of a trade agreement with the Common Market. Given the timetable for such a negotiation this additional 2 months should not hinder that negotiation while it would assist in preparing for it.

Another amendment to the peril-point procedure provides that in those instances where the Tariff Commission finds—with respect to an item listed for possible trade agreement negotiation and on which there has previously been a concession made—that the existing rate of duty is not adequate to prevent or remedy serious injury, it shall immediately institute an investigation under the escape clause without the delay that would presently be involved. This provision makes clear that it is the escape clause that is the principal vehicle for modifying existing concessions and for bringing into effect higher rates of duties where those are indicated after careful study has shown the threat or existence of serious injury due to imports. It would also remove the onerous responsibility of having to employ a trade agreement negotiation, which is designed to effect reductions in duties, as a means of bringing into effect higher rates of duties.

The committee looked very carefully into the national security provisions of existing law. We heard a good deal of testimony during the course of the public hearings on the provisions of section 7 of the 1955 Extension Act, commonly known as the national security amendment. The Committee had considerable doubt as to whether, given the broad delegation of authority involved in that section, the standards and criteria laid down were adequate to guide in the administration of this authority. Moreover, we were concerned with the complete absence of procedures for the implementation of this authority. In order to remedy these very apparent imperfections and to make clear the purpose and the manner of implementation of the national security amendment the committee bill has rewritten completely the national security provisions of existing law. The committee bill sets down in the first instance, a very clear expression of what the considerations are that should be taken account of by the Director of the Office of Defense Mobilization and the President in the administration of this section. It defines what considerations are relevant to making a determination as to the impairment of national security as a result of imports. It gives explicit recognition to the fact that it is not only the quantity of imports

that may have consequences for the national security, but also the circumstances under which they are coming in: their use, their availability, their character. We indicated what matters must be studied as a basis for arriving at a determination: The availability of needed production, the capacity to produce the required goods and services and the requirements of growth of such productive capacity.

This provision of the committee bill also eliminates the present requirement of law for multiple investigations. Now only one investigation, by the Director of the Office of Defense Mobilization in consultation with the other appropriate agencies, will be required. Procedures have also been set down for initiating investigations, and the Director of ODM is called on to publish regulations to guide in the administration of this section. A report on the disposition of each case under this section is required, and, furthermore, a general report by the Director of the Office of Defense Mobilization on the overall administration of this section is to be transmitted to the Congress by February 1 of next year.

Among the other provisions of the committee bill are the following: The President is required to include in his annual report on the operation of the trade agreements program, which report was first called for in the 1955 Extension Act, a discussion and analysis of the progress made in removing restrictions against United States exports, including any discriminatory restrictions, what restrictions remain and what additional actions can be taken to secure the removal of such restrictions.

We have further expressed the sense of the Congress that during the course of negotiating a trade agreement under the authority of the legislation, the President shall seek the information and advice of representatives of American industry, agriculture and labor. This is to assure that the segments of the United States economy that are affected in one way or another by the negotiation of such trade agreements will have an opportunity to participate in formulating the policy that is to guide the President in the use of this atuhority.

And finally the committee bill contains a provision that has been embodied in the last several extension acts, indicating that enactment of the bill should not be construed as either approval or disapproval of the executive agreement known as the General Agreement on Tariffs and Trade.

Mr. Chairman, the committee bill reflects careful and judicious study of the problems and the needs confronting the United States in its foreign-trade policy. This is a constructive bill that will accomplish much that is good for the United States. We have substantially and in important degree improved the existing safeguards. This is a bill which should commend itself to any Member of this House who has any sympathy for the reciprocal trade-agreements program.

Mr. Chairman, the United States is faced with a profound responsibility. No one of us can deny that. We want to assure continued growth in our domestic economy. We want to help develop a working economy in the world that will facilitate economic growth and rising standards of living throughout the world. There is no conflict between these two objectives. The bridge that joins them is trade; and expanding trade helps to advance both of theses desired objectives at one and the same time. Expanding trade is not easily accomplished, yet it is of vital importance. From the nature of things we have to work hard to accomplish these objectives. The committee bill will help us to do that in an effective and realistic way. It will not solve all our problems. Nor even will it solve all the probems in the field of foreign trade that confront the United States. No formulation of the trade-agreements legislation could promise that. But we can be certain that the committee bill will be a constructive and important step in the direction of helping to solve these problems.

The substitute bill would destroy the trade-agreements program. It is a rejection of responsibility. It is proposed to help the few, but if it does, it would do so at the expense of the many; at the expense of our economic wellbeing; at the expense of our national prestige and security in this troubled world.

The committee bill reflects in a responsible way the needs of the United States in this vital area of national policy. I urge its acceptance by the House.

Mr. REED. Mr. Chairman, I yield myself 15 minutes.

Mr. HOFFMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Allen, Calif.	Granahan	Morris
Anfuso	Gregory	Multer
Auchincloss	Griffiths	Nix
Avery	Gubser	Osmers
Barden	Gwinn	Patterson
Barrett	Hale	Philbin
Bass, N. H.	Hays, Ohio	Powell
Beamer	Healey	Preston
Becker	Jackson	Radwan
Breeding	James	Reece, Tenn.
Buckley	Jenkins	Riley
Byrd	Kearney	Rivers
Celler	Keating	Robeson, Va.
Christopher	Kelly, N. Y.	Robison, N. Y.
Coffin	Kilburn	Rodino
Coudert	Kluczynski	Sadlak
Cretella	Landrum	Seely-Brown
Davis, Tenn.	Lennon	Sheehan
Dawson, Ill.	Lesinski	Shelley
Derounian	Loser	Shuford
Dies	McCarthy	Sieminski
Diggs	McGovern	Smith, Miss.
Dollinger	McIntosh	Steed
Edmondson	Macdonald	Taylor
Fallon	Mailliard	Teller
Farbstein	Marshall	Wharton
Fino	Martin	Willis
Fulton	May	Withrow
Garmatz	Miller, Calif.	Zelenko
Gary	Miller, Md.	
Gordon	Morano	

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 12591, and finding itself without a quorum, he had directed the roll to be called, when 326 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. REED. Mr. Chairman, the legislation before the House of Representatives today has a very interesting background that has never appeared in the organized propaganda in support of it. It is doubtful if any proposed legislation ever had such widespread and powerful propaganda in its support as did the reciprocal trade agreement enacted in 1934 by the 74th Congress as an amendment to the Smoot-Hawley Tariff Act. It was a complete abdication by the 74th Congress of its constitutional responsibility under article I of section 8. It was claimed by the propagandists for the trade agreement that it would increase our exports and that it would bring peace and good will among nations. Churches and organizations throughout the Nation joined in the drive in support of the trade-agreement proposal. I opposed the trade agreement in 1934 as I have every proposal for its extension including this one. Much to the surprise of the sponsors of the Trade Agreement Act it did not increase our legitimate exports. But a foreign situation developed that gave an opportunity to increase exports. Hitler and Mussolini needed our material. This opportunity to increase exports by sending war material to Germany and Italy would fulfill the promise of increased exports under the trade agreement. The exports to Italy of war material, including planes and the fuel to run them, expanded exports much to the joy and justification of those who had promised increased exports under the trade agreement. Mussolini needed these exports from the United States to fight the Ethiopians. On a beautiful Sunday morning at churchtime, in a small Ethiopian village, the men, women, and children were on the street. Mussolini's son, driving an American export plane swept low over these church people and slaughtered them wholesale. Those who followed this holocaust saw a mother with her head blown off. A hungry baby was nursing at her breast. Mussolini's son reported to his father, "I made the village blossom like a rose." It was American exports that ravaged this village and made it blossom like a rose.

This increase in war exports opened new vistas to the proponents of the trade agreement. Japan needed war material to fight China, then a friendly nation of ours. The 1934 Trade Agreement Act failing to produce the promised exports, war between Japan and China opened an opportunity to build up exports of war material on a large scale to Japan. I set forth in the CONGRESSIONAL RECORD for July 9, 1942, at page A2869, the death-dealing exports as follows:

Japan launched her murderous assault against China on July 7, 1937. During the period from 1937 through 1940 we exported to Japan 8 million tons of scrap iron, steel,

and scrap steel, and also thousands of tons of other essential war materials. The very year, 1937, that Japan opened war on China our exports of scrap iron and steel amounted to 2,081,037 tons, or enough to build 20 battleships of 45,000 tons each, 200 submarines of 2,400 tons each, 10 aircraft carriers of 30,000 tons each, and 26 cruisers at 15,000 tons each. The next year, 1938, our scrap and steel exports to Japan were 1,463,000 tons; 1939, 2,179,000 tons; and 1940, 1,248,000 tons.

At that point the United States foreign trade statistics, normally published every month by the Department of Commerce, became a military secret. No figures are available as to our metals exports to Japan in the first 11 months of 1941.

While this appeasement program toward Japan exhausted our supply of material with which to make steel for our own defense, it armed her to strike her dastardly blow at Pearl Harbor. More than this, the appeasement policy did not stop with furnishing Japan the material to build her navy, her air force, and her tanks. There was also exported to Japan from the United States during the year 1937, aircraft and parts valued at $2,483,946; and the next year, 1938, $11,062,777; in 1939, a total of $3,306,000 in these items; and in 1940, $933,000.

During these same years we also exported to Japan petroleum valued at $219,856,062, with which to operate her war machine. It is interesting to note that of this vast shipment of petroleum, 555,456 barrels of it was aviation gasoline in 1939, and 776,499 barrels in 1940. The extent to which the appeasers went in arming Japan is disclosed by the official figures relating to the shipment of cotton, aviation gasoline, iron and steel scrap, steel ingots, blooms, tinplate and tin scrap, refined and scrap copper, motor trucks, aircraft parts, ammunition, and machine tools.

Our copper exports to Nippon showed a total of 717,277,918 pounds for the 5 years 1936–41, on a refined basis, beginning at about 5 million pounds for 1936 and swelling to 249 million pounds in 1939 and 233 million pounds in 1940.

Does any responsible person believe that without this vast quantity of war material, furnished by the United States to Japan, she could have held out against China for 5 years? What would have been the history of Pearl Harbor, Midway, Bataan, Corregidor, and the Dutch East Indies, if, instead of arming Japan, the same materials had been used by our Government to build up our own defenses?

This stupid program to increase exports stripped the United States of the necessary metal to build up our own national defense. The Ways and Means Committee was called in secret session to remove tariffs on metal scrap, old sugar mills, and steel rails from abandoned railroads in Central and South America to build up for our own national defense.

Now then, Mr. Chairman, I have listed the exports to Japan, let us see what they achieved. Our exports to Japan having been converted into planes and ships, here is the price paid in lives, blood, plunder, misery, broken hearts, and material loss. Over 100 Jap planes and a number of midget submarines attacked United States Pacific Fleet—86 ships—at Pearl Harbor at Hawaii, December 7, 1941—7:55 a. m., Hawaiian time; 1:25 p. m., eastern standard time. Totally lost: battleship *Arizona;* severely damaged: battleships *Oklahoma, Nevada, California, West Virginia;* 3 destroyers; 1 target ship; 1 minelayer. Damaged and repaired: battleships *Pennsylvania, Maryland, Tennessee;* cruisers *Helena, Honolulu, Raleigh;* 1 seaplane tender; 1 repair vessel; 1 drydock. Airplanes lost: Navy, 86; Army, 97. Japs lost 28 planes to Navy, 20 to the Army, and 3 submarines of 45 tons each. Casualties: Navy, 2,117 officers and men killed, 960 missing, 876 wounded; Army, 226 officers and men killed, 396 wounded.

Thus our exports of war material cost the lives of 2,343 American boys, and 960 boys missing, 867 boys wounded. There would have been no Pearl Harbor had it not been for our exports under the trade agreement.

That is the history of where we get the appeal from the humanitarians of this country to extend this iniquitous legislation.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield.

Mrs. ROGERS of Massachusetts. Up in the port of Boston shipload after shipload of scrap went to Japan, and that scrap iron came back to hurt us at Pearl Harbor and other places during the war. That scrap and cotton—and much cotton was shipped to Japan as another material of war—could have been used in developing our textile mills and other mills and industries in the State of Massachusetts, and in other States of the Union, and in developing our war industries to help our soldiers.

Mr. REED. I protested on the floor of the House as urgently as I could at the time.

Mrs. ROGERS of Massachusetts. Yes; so did I. I constantly warned the Congress and the country of the danger of attack from Japan. I pleaded with the State Department and the President to act to save the United States of America.

Mr. REED. That and the ghastly carnage of our American boys at Pearl Harbor as a result of the unconstitutional delegation of powers under the Trade Agreement Act cannot be successfully defended or justified. The trade-agreement advocates try to justify it on the basis of increased exports.

Much is broadcast to the country about our present huge exports. Just so long as the American taxpayers will tolerate the present tax burden to furnish purchasing power to foreign nations they will, of course, buy our exports.

It is my personal opinion that unless the Congress recognizes the danger to our economy caused by excessive imports now entering our market more and more men and women will be made jobless in the United States. At this very time men and women are losing their jobs because Congress abdicated its constitutional responsibility in 1934. Each time Congress extends the Trade Agreements Act it is constitutional abdication. There are certain duties which Congress cannot delegate. The duty to legislate is one. This duty it cannot shift. It cannot be evaded. The judgment and discretion of the lawmaker Congress cannot delegate, not even to the President. The refusal to exercise that judgment and discretion is abdication and nothing else. This power is so exclusively the power of Congress itself it is incapable of transfer. It was confided to the representatives of the people, by the people of our country, in the creation of the American Republic. It is a part of the fundamental scheme of American constitutional government.

The Founding Fathers of America insisted on a government of laws—not of men. Not even the greatest of their contemporaries—not Washington himself—would they consent to clothe with unchecked personal authority. To the everlasting credit of George Washington, the greatest and most venerated of Americans refused every proffer of power that was personal and arbitrary.

The men who follow the line of battle to bury our dead soldiers tell us that in the dying hour the soldiers unclasped their weapons and reached for their inner pockets to touch some faded letter, some keepsake of mother, wife, or sweetheart, which teaches us that our boys were not fighting because of the abstract rights of man; they were fighting because of the love of God and home and native land. Not so at Pearl Harbor when more than 2,000 of our American boys were killed and sent to the bottom of the ocean to have their shattered remains eaten by the sharks. Then, too, 960 boys were missing, sunk without a trace; 760 wounded. These men had no opportunity in their dying hour to touch some letter or keepsake of loved ones. It was our exports that maimed and destroyed our boys at Pearl Harbor. The ships could be rebuilt and sailed again, but our boys were wiped out by our exports—gone—and gone forever.

Many times I have seen the children and grandchildren of Members on the floor of the House. These, like millions of children in our schools, will soon be citizens of the United States. As we legislate here, and I think of these coming citizens, I recall the words of John Ruskin: "Therefore, when we build, let us think that we build forever. Let it not be for present delight, nor for present use alone; let it be such work as our descendants will thank us for, and let us think, as we lay stone on stone, that a time is to come when men will say as they look upon the labour and wrought substance of them, 'See. This our fathers did for us.'"

Mr. Chairman, is that what our future citizens will say as they look upon our shattered Constitution: "This is what our forebears did—not for us, but to us."

When and if this Congress does extend the so-called Trade Agreement Act to 5 years, the disaster to this Republic is too shocking to contemplate.

The expansion and preservation of our domestic market are essential to the very preservation of our free enterprise system and the only basis upon which our economic system can survive under a representative form of constitutional government.

I was elected to the House of Representatives in November 1918 and was sworn in at a special session in May 1919. Economic conditions at that time posed problems in many respects that exist throughout the United States today. It was at the close of World War I. A low tariff act—the Underwood Tariff Act—was on the books. The war had acted as an embargo on imports. As soon as peace was declared the prow of every foreign ship was turned toward our ports laden with competitive imports. Our industries, except a few war industries, were closed; their furnaces banked—not a shred of smoke from the smoke stacks of our industries. Soup kitchens were organized in every community in the United States. There was no unemployment compensation to relieve labor. The imports flooded the Nation. Our chemistry industries were wiped out. It was only restored when the German chemical formulas which had been taken over by the alien property custodian and which eventually became the property of our chemical industries were put in operation. I recall that immediately following World War I the Germans proposed, as a means of paying off their indemnities, to sell $20 million of dyes per month in the United States. I say to my colleagues in the beautiful southland, beware of failure to protect your thriving chemical industry. History has a way of repeating itself.

I recall that following World War I the deluge of competing imports came as a surprise. At that time billions of our taxpayers dollars had not been furnished to rehabilitate the industries abroad as has been the case following World War II. With modern machinery and a destructive differential in wages here and abroad, the necessity for the protection of our domestic market is far greater than at any time in the past.

WAGE RATES

The average earnings per regular worker in the Japanese chemical industry in 1953 was 26 cents, compared with $1.83 for workers in the United States chemical industry.

The average hourly earnings for workers in the chemical and allied trade industries in Great Britain in April 1954 was 52 cents compared with $1.88 for workers in the United States chemical industry.

The average hourly earnings of industrial workers in the chemical industries in West Germany in May 1954 was 41½ cents compared with $1.90 for workers in the United States chemical industries.

Some typical examples of 1953 quotas will illustrate the effectiveness of quantitative restrictions which many foreign countries place against our exports.

American machine tools are not welcomed in Europe. No European country, except Switzerland, will allow imports of machine tools if domestic manufacturers can supply equivalent machines.

An American manufacturer of power tools had a sizable prewar market in France. Today he is allowed to ship no more than $3,000 worth of tools each year in which a 60 percent tariff is paid—the United States tariff on machine tools is 15 percent.

American manufacturers of heavy electrical power equipment find it virtually impossible to ship such equipment to Austria, Denmark, France, Western Germany, Ireland, Italy, Switzerland, or the United Kingdom. The government will not buy it and they will not permit their private industries to buy it.

Great Britain allows only token imports of certain American consumer products which were imported without restrictions before World War II. For example, under that quota one of the largest American manufacturers of electrical appliances shipped to England, in 1953, 1 dishwasher, 35 electrical ranges, 25 deep freezers, 19 washers and dryers, and 194 refrigerators.

According to the Economist—London—for December 11, 1954, the British quota for the year 1955 allowed only 650 American cars to be imported. The importer will have to pay a 33¼ percent or 22⅔ percent duty—depending on whether they were built in the United States or Canada.

Argentina, Austria, France, Egypt, Japan, Sweden, the Netherlands, and the United Kingdom are examples of the many nations which make extensive use of import licenses.

Our tariffs are the lowest of any major trading nation in the world. They have been the lowest in the world for some years. Yet, in addition to cuts made pursuant to the Trade Agreements Act, we have made over 55,000 concessions under GATT.

We are trying to legislate for small industry in this country. Do you know that more than two-thirds of these 55,000 items are made by small industries in this country? Nothing we are doing is going to help them as long as these imports come in here. I have plants in my District that are today being ruined by imports, and they are the very life blood of these communities. That is going on all over this Nation today. Then talk about the legislation we are proposing to help small industry. It just cannot be done.

I have lived through a period that two-thirds of the Members of this Congress have not lived through. I know what happened when we cut off imports after World War I. Everybody was employed and happy.

Sixty percent of our imports never did pay duties; they were not in competition with our domestic products. The duties on other imports were imposed to reserve our home markets for our home producers.

One of the reasons for their protection was the relatively low pay of workers in other lands. To this has been added a new important factor; low paid foreign workers now are operating the most modern machines paid for by our overburdened taxpayers. We hear so much in the press about the sorry plight of small business but not a word about what competitive imports are doing to the small business groups. Of the 55,000 concessions made under GATT, the great majority of the 55,000 tariff cuts are hitting the very life of small business in this country. Until small business is protected from the foreign products, any other form of relief is futile. I am for relieving small business but I want to be realistic about it. So long as we suffer and permit foreign producers, with high-speed machinery furnished by our taxpayers, to take over our domestic market and destroy our small business concerns, there is little help that will save small business.

What a pity, Mr. Chairman, that the 74th Congress did not heed the advice of that great and wise leader, Thomas Jefferson, when he said:

> In questions of power then let's hear no more of confidence in men, but bind them down from mischief by the chains of the Constitution.

The church men, women, and children in the Ethiopian village would not have blossomed like a rose without our exports. The holocaust at Pearl Harbor would not have slaughtered, without warning, our American boys, destroyed our Navy, our planes, and subjected our Armed Forces to a most humiliating defeat without our exports.

Are you going to ignore the advice of Thomas Jefferson rather than assume your constitutional responsibility under your oath of office?

I hope today you will turn back the pages and stand upon your own feet as Americans and stand by your own market, which is the very basis of prosperity in the life of this country.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, almost a quarter of a century ago when the 74th Congress enacted the executive trade agreements program, its primary purpose was to help relieve the sever economic effects of the great depression. The major issue before that Congress was the lack of American purchasing power to buy the goods we were capable of producing. With more than 12 million unemployed in our country, and our exports abroad averaging less than $2 billion a year, thousands of American factories, mines and businesses were closed for a single reason—a lack of customers at home and abroad.

Congress reasoned that if we could expand trade by developing foreign markets, it would create jobs for Americans. In order to induce other countries to lower their tariff barriers, the United States took the first bold step in passing the first Reciprocal Trade Agreements Act in 1934. This program has provided employment opportunities for millions of American working men and women. It has created expansion opportunities for American business far beyond the possibilities contemplated by the 74th Congress. Our exports today are almost $20 billion annually, and we have become the most important trading Nation on earth.

Aside from the primary economic factor, today there is a secondary consideration equally important. Since the

World War, the political strength of the United States in the Free World has, in a large measure, become dependent upon our trading policies. Trade plays an extremely important economic role in our own country, but it is even more vital to most of our Free-World allies. If we should renounce our trade agreements program this afternoon by adopting the so-called Simpson substitute bill that is to be offered at the conclusion of this debate, it would be a signal to the Free World that we are taking the first step back to economic isolationism. When we reach that point, which is the point of no return, the non-Soviet countries will then be compelled to go elsewhere to sell their goods and services. They, in turn, will retaliate and we will lose our customers abroad.

I can tell you, the Soviet Union is willing and ready to take advantage of such a situation. The proof of this is contained in the Russian trade pronouncement of Josef Stalin which was made shortly before his death. Here is a copy of his 25,000 word statement published in Moscow in 1952. In this book, he laid down his formula for Russia to conquer the world without the firing of a single shot. He predicts that the capitalist countries, particularly the United States, will hamper the foreign trade of the smaller free nations to the point of frustration. The inevitable conclusion is that these free nations can then be easily drawn into the Soviet orbit.

This was the dream of Josef Stalin. It is what he hoped for in his book. The first edition ran over a million copies. The official Communist newspaper, Pravda, described the Stalin thesis as the greatest event in the ideological life of the Communist Party. I might quote a sentence from the Soviet paper:

> Stalin's work will exercise an immensive influence on the development of progressive Soviet science, help our cadres know the laws of social development and play a great role in the ideological arming of foreign Communist and workers' parties.

The Simpson substitute is a dangerous bill. It will hamper our foreign trade. It will hamper the foreign trade of our allies. And, it will divide ourselves from our trading partners in our common struggle against Soviet economic expansion. The Simpson substitute is almost what Mr. Stalin predicted. Vote for it if you will, but for myself, I cannot lend my support to the Russian leaders who are presently trying to carry out the Stalinist trade doctrine. The late dictator's successor, Mr. Nikita Khrushchev, only last year openly challenged the Free World when he said, "We declare war upon you—excuse me for using such an expression—in the peaceful field of trade."

With these thoughts in the minds of the Soviet leaders, the nations of the Free World are today watching the House of Representatives to see if we will extend our trade-agreements program, or whether we will follow the pattern prepared by Josef Stalin. If we should reverse our trade policy in an attempt to keep out foreign goods, no one in this Congress can foretell the economic and political consequences to ourselves and to the Free World.

I believe the majority of the Members of the House are in favor of extending the reciprocal trade agreements program. The question before us today is how shall we accomplish this. The bill proposed by the Committee on Ways and Means is one of the most carefully prepared pieces of legislation ever to come before this House. All members participated in the final drafting of the measure, and it represents the best efforts of the Committee on Ways and Means.

I should now like to call attention to some of the amendments of the existing trade-agreements legislation that would be made by the committee bill and the significance of the differences between the committee bill and the substitute bill in these matters. The features to which I should especially like to call your attention are those to which the distinguished chairman of the Committee on Ways and Means found it possible to give only passing attention in an earlier speech.

Mr. MILLS has already discussed the reasons for the 5-year extension proposed by the committee bill and the reasons why a 2-year extension proposed by the substitute bill would be inadequate at the present time even if in other respects the substitute bill would not cripple the trade-agreements program.

Mr. MILLS has also referred to the provisions of the committee bill regarding the quantitative limitations on the President's authority to reduce duties in pursuance of trade agreements with foreign countries. I should, however, mention some features of the rate-reducing authority provided for by the committee bill that appear not to have been understood in some quarters. At least a good deal of the comments by opponents of the trade-agreements program suggest that if the committee bill is enacted the maximum reductions of duty above referred to will inevitably and generally be made. This is not the case. The committee bill, like the original Trade-Agreements Act, contemplates that reductions in duty would be made in pursuance of trade agreements only on a selective basis when and insofar as duties on particular elements in our import trade could be reduced without serious disturbances to the domestic economy.

There is no ground for the view that the authority of the President to reduce rates of duty in pursuance of trade agreements will be used by the President, any more than it has been in the past, indiscriminately and recklessly to reduce United States duties on particular imports in all cases and to the extent that the quantitative limitations permit. In fact one of the reasons for permitting decreases to the extent provided for, is that it will undoubtedly be determined in peril point proceedings of the Tariff Commission or in the deliberations of the President's advisers that many rates of duty should not be decreased at all. In the light of this consideration I believe that the quantitative limitations on the trade-agreement authority to reduce duties in cases where it is determined that such reductions can be made without damage to domestic industries should be as great as provided for by the committee bill in order that there may be bargaining power sufficient to influence the tariff policies of such entities as the common market and the free trade area.

Let me say a word here about the rate-reducing authority that would be provided by the substitute bill. That bill, on first examination, might seem to provide for continuance of the rate-reducing authority of the 1955 act insofar as that authority has not yet been utilized. Actually, however, it would not be feasible under the provisions of the substitute bill for the President to use even that authority. This is because of a number of features of the bill. The staging provisions of the existing law, which would be continued under the Simpson bill, provide that no reduction in duty in excess of 5 percent of the existing rate of one-third of the total reduction may go into effect in any 12-month period and the substitute bill would provide that no part of any decrease in duty could be made initially effective after July 1, 1960. Thus, if the substitute bill should be enacted, in the first year of its life no more than 2 of the 3 stages could become effective and in the second year no more than 1 of the 3 stages could be brought into effect. These features of the substitute bill are, however, perhaps academic because, as I shall later indicate, the procedural arrangements by which trade agreement negotiations would be circumscribed would effectively prevent any significant trade agreement negotiations in the 2 years for which the trade agreements authority would ostensibly be extended by the bill.

The committee bill would also provide additional authority to the President to increase rates of duty. Under the present legislation the President is authorized to increase the rates of duty on particular commodities to the extent of 50 percent above the rates in effect January 1, 1945. The rate-increasing authority of the President under the trade agreements legislation is, of course, of principal importance in connection with escape-clause proceedings. The committee will provides that the President could increase rates of duty to the extent of 50 percent above the rates in effect July 1, 1934. The significance of this change is, of course, attributable to the fact that most rates of duty in our tariff were reduced in pursuance of trade agreements between July 1, 1934, and January 1, 1945.

The amendments of the escape clause provisions of the existing legislation provided by the committee bill would also authorize the President, in pursuance of escape-clause proceedings, to impose duties not to exceed 50 percent ad valorem on imports that are free of duty under other legislation.

The changes from the 1955 legislation with respect to the President's authority to increase rates of duty and to impose duties on imports that are free of duty under other legislation are designed to

permit the avoidance of import quotas. I might mention that in the minority views set forth in the committee report the feature of the committee bill permitting the imposition of duties on goods otherwise duty-free is criticized on the ground that this provision would raise constitutional questions. There is little basis for that contention. It is difficult to see that the delegation of authority to the President to impose duties on duty-free goods would be more subject to some constitutional infirmity than the delegation of authority to impose quota restrictions on imports of such goods.

The committee bill would leave the preparatory and negotiating procedures as provided for by existing legislation intact, although the bill would declare it to be the intent of the Congress that the President during the course of negotiating trade agreements with foreign countries should seek information and advice thereto from representatives of industry, agriculture, and labor. This is intended to insure that persons familiar with the trade in commodities to which the negotiations relate should be drawn upon at later stages in the negotiations as well as in the preparatory stages.

The committee bill would also amend the peril-point provisions of the existing legislation to direct the Tariff Commission to complete its peril-point investigations in 6 rather than in 4 months. The purpose of this amendment is to permit the Commission to make more thorough and extensive investigations in pursuance of its peril-point responsibilities.

It is in the differences between the committee bill and the substitute bill with respect to the preparatory and negotiating procedures, including the peril-point proceedings of the Tariff Commission, that one of the most conspicuous differences between the two bills appears.

The substitute bill would practically make the decisions of the Tariff Commission as to the rates of duty that might be brought into effect on United States imports by trade agreement action final and decisive. Moreover, the substitute bill would require the Tariff Commission to determine the differences between the prices and costs of production here and abroad of all items which it identified as ones on which the President could make trade agreement commitments. It is no wonder that for the purpose of assembling such information the substitute bill would extend the period within which the Commission would be directed to complete its peril-point investigation. The past experience of the Tariff Commission itself indicates that it would be impossible to obtain such information on even a few commodities in any limited time.

The committee bill contemplates the continuance of a meaningful and fruitful trade agreements program while the substitute bill when closely examined clearly contemplates the termination of any significant trade agreements program. The substitute bill would in fact substitute the Tariff Commission for the President as the controlling authority under the trade agreements program and would require such operations by the Tariff Commission that it would be impossible for the Commission, if it were so inclined, to provide for any considerable tariff bargaining with foreign countries.

The amendments of the escape clause provisions that would be made by the committee bill have already been the subject of extended discussion. I refer here of course to the arrangements provided for Congressional review of the President's rejection of Tariff Commission recommendations in escape clause cases. I shall not undertake to describe these provisions in detail and wish here only to call attention to the differences between the spirit and effect of the arrangements provided for by the committee bill and those proposed by the substitute bill.

The provisions of the committee bill with respect to escape clause proceedings are based on the view that the President should continue to have discretion as to whether the Tariff Commission findings and recommendations are soundly based and that the President should also have authority to give consideration to matters other than those to which the Commission's findings relate. Among such considerations are the effects of the Commission's recommendations on foreign policy matters and the general interest of the United States economy.

The substitute bill would provide that, when the President rejects Tariff Commission recommendations in escape clause cases, the Tariff Commission recommendations would become effective unless the President's decision were upheld by the enactment of legislation by the Congress. This arrangement, along with the provisions of the substitute bill regarding the peril-point functions of the Tariff Commission, would practically eliminate the President from the picture in administering the authority delegated to him by the trade agreements legislation.

I should like here to call your attention to an interpretation of the trade agreements legislation included in the committee report although there did not appear need for amending the legislation in this connection. The statement is as follows:

> The committee recognized that effective relief in the case of some products on which trade agreement concessions have been granted may suggest the advisability of some remedial action on some closely related nonconcession product. In such a case the committee agreed that the Tariff Commission should draw to the attention of the President such other course of action as it might deem appropriate to avoid injury.

The committee had in mind here such cases as the trade in tunafish and products made therefrom, some of which have been made the subject of trade agreement concessions and others have not. The committee recognizes by the statement above referred to that in such cases the Tariff Commission should appropriately make comprehensive investigations covering all sectors of the trade and suggesting appropriate action whether or not particular elements in the trade have been made the subject of trade agreement concessions.

The committee bill also provides for amendment of the national security provisions of the trade agreements legislation which now constitute section 2 of the Trade Agreements Extension Act of 1954 and section 7 of the Trade Agreements Extension Act of 1955. The committee bill would provide for regularization and improvement of the procedures of the Office of Defense Mobilization in arriving at and explaining its findings to the President regarding the need for restrictions on imports that threaten to interfere with the effectiveness of domestic industries in supplying goods essential to national security under emergency conditions.

In the amendment of the national security provision the substitute bill also contains some of the features of the committee bill, but the substitute bill in this matter is less far reaching in that it does not provide for the reporting by the Office of Defense Mobilization and by the President regarding the administration and interpretation of the national security provisions.

In addition to the reporting that would be required by the committee bill regarding the administration of the national security provisions, the committee bill provides that the President should include in his reports on the operation of the trade agreements program reports on its success in securing elimination of restrictions by foreign countries on their imports of United States products particularly where such restrictions are discriminatory against United States exports. Largely such discriminatory restrictions arise from the balance of payments difficulties of foreign countries. These restrictions have been the ground for many complaints by domestic exporting interests and it is believed that Congress and the public should have an explanation of these matters and the progress which is being made in their elimination.

As an advocate of reciprocal trade, I support the committee bill. It provides the only means we have to continue the program. Many of the new provisions will furnish guidance to the President who has the responsibility for its administration. These provisions also afford a greater measure of protection for American industry. If properly used, they will be helpful in placing the program on a more reciprocal basis than in the past. I have confidence that our Chief Executive will use these new powers wisely and in the interest of expanding world trade.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, New Jersey is particularly concerned with foreign trade. Situated as we are with New York Harbor on the north and Delaware Bay on the south, we have a vital stake in continuation of active trade with nations abroad.

Many of the 4½ million Americans who gain their livelihood through foreign trade live in New Jersey. But, at the same time, many New Jersey industries have historically prospered under tariff protection. Thus, while freer trade will

result in more and more employment for New Jersey workers, consideration must also be given to those workers who are employed by those industries which need further protection.

This bill, while providing for continuation of the President's authority to cut tariffs where it can be done without harm to American workers, tightens up the escape clause and the peril point provisions for the benefit of protected industry.

In the past it has been said that the Tariff Commission has had too short a time to study industrial records and to set an effective peril point to guide the President in his negotiations with foreign nations. In order to correct this, the time given to the Tariff Commission to name the peril point has been extended from 3 months to 6 months.

Businessmen have also complained that there has been such a delay under the escape clause provision that they could be bankrupt before any findings were made. The bill, therefore, shortens the period when the Tariff Commission must report from the present 9 months to 6 months.

Also by the change in the basic date from which the President can increase the tariff under hardship conditions real protection may be given to some hard-hit industries.

It has been said that the provision in the bill allowing the Congress to override the President's judgment by a two-thirds vote is meaningless. But this is not so, for if the President and the Tariff Commission disagree as to what action should be taken the question will under this bill be automatically brought to the Congress for a decision and Congress can exercise its will.

True, now if a bill was introduced to raise certain tariffs and the President opposed it, it could be enacted into law by a two-thirds vote. But all of you know the extreme difficulty of bringing out such a bill if almost anyone on the Ways and Means Committee is opposed, and certainly the history of such legislation shows that unless it was a case of a major product nothing would be done. Under this bill it becomes a privileged matter.

Some have said that the Congress has abdicated its constitutional power to write tariffs by our delegation of power to the President. But certainly delegation of power to write tariffs to the Tariff Commission as is, in fact, provided by the Simpson bill and the provision that the Congress could override the President by a simple majority, would, in fact, take away the President's constitutional veto power. Any bill with such a provision would necessarily be vetoed by any President.

Now that we are the most powerful nation on the earth, now that we do 25 percent of the world's trade, every step we take has repercussions all over the world. And it is only the President who has full information with reference to the implications of our actions upon our foreign relations.

Unfortunately we cannot consider merely domestic consequences. We all know that one of the causes of the disgraceful attacks on our Vice President was due to the Communist agitators exploiting our regulation of oil imports from Venezuela. We all know that they whipped up agitation in Peru owing to talk here of limitations on imports of lead and zinc. We all know the effect in our relations with Canada of our wheat program.

It is disturbing that we must somewhat gear our domestic policies to foreign policies. But in this war for survival we are faced with a ruthless enemy, one who owing to her state trading policies will use every effort to use trade as an instrument in the cold war.

I quote from a speech delivered by the Canadian Prime Minister on yesterday.

Mr. Diefenbaker said:

> Each of the free nations will have to deny itself the luxury of doing anything which will detrimentally weaken a partner in freedom's quest for freedom's survival anywhere in the world.

Passage of the Simpson bill will inevitably result in a veto, and the cessation—at least for a period—of our liberal trade policies. It will be hailed throughout the world as a retreat by the United States. It will aid the Soviet in this trade war against us. It will have deep repercussions on Japan and other nations whom it is essential to keep on the side of the Free World. It might help swing uncommitted nations into the Communist orbit.

We here in the Congress have a solemn responsibility. We must not take it lightly. Past history has shown that the American people and the American Congress have risen above local pressures in times of crises. I have confidence that we will do so again.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, the Committee on Ways and Means is to be commended for its very excellent report to the House on the consideration given to the bill to extend the Trade Agreements Act for 5 years. I am of the opinion there are very urgent reasons why passage of this legislation is a prime necessity for the United States at this time. Particularly compelling are the sections of the report dealing with the relationship of this legislation to the national welfare and the welfare of agriculture, commerce, industry, and labor; to the economic strength and the political unity of the Free World; to the Soviet economic threat; to the needs of our position with respect to the European common market; and, finally, what is of vital immediate importance, to the need to meet with a concrete program in the foreign trade field the effects of the present United States economic recession. These sections of the report should be "must" reading for every Congressman in his consideration of this legislation.

Furthermore the chairman, the gentleman from Arkansas [Mr. MILLS], is to be congratulated for his patience and his skill in handling the very difficult questions and problems which arose during the committee's sessions. The committee bill is a good bill, and much of the credit for its general excellence should go to the gentleman from Arkansas.

Referring to this bill as a good bill does not necessarily mean that it is the best bill that could be written, or that, indeed, it fulfills in every respect the requirements of the times in this field of international trade. It is a bill which, rather, is the best that the political realities would permit—a bill which, while less than it ought to be, is nevertheless better than it might have been under the circumstances.

We are faced with a challenge in this year 1958 from three quarters—that historic development called the European Economic Community, the new and rapidly growing Soviet economic penetration all over the world, and the American economic recession with all its dangers and all of the hardships which it is today working and will work on the American people. This bill is intended to meet those challenges to the extent that it is possible for any trade bill to meet them.

No one has claimed that it is reasonable or possible for the United States to fulfill its full and ultimate goals, in the face of these challenges, by trade legislation alone. On the other hand, no one can logically deny that our trade policy, as determined by the kind of trade legislation we pass here, has a very vital effect upon our posture in the world, upon our leadership, and upon the economic welfare of ourselves, our allies and our friends.

The opposition to this committee bill has conceded that the United States faces the challenges just described. Having conceded the challenges, they proceed, however, then to argue that the trade policy pursued by the United States for the last 25 years, of which this bill is the current expression, is of little value in meeting those challenges.

Their arguments are, of course, the purest kind of sophistry. If a United States trade policy such as this bill would authorize, designed, as it is, to promote international trade, to increase our exports and our imports, to make possible the broadest commercial development among all countries with whom we deal, a policy with the central concept of cooperation, of mutual benefit—if such a policy cannot contribute to the solution of the problems of the modern world how then can such a policy as proposed by the opposition, which is the negation of all these objectives, make any contribution at all?

To maintain on the one hand that a positive program to foster economic growth is hopelessly inadequate to meet our problems, and then in the next breath to put forward a program which would guarantee progressive economic stultification and strangulation, and to maintain that this program is a "realistic" and "hardheaded" answer to, for example, the Soviet challenge in underdeveloped areas, or the European Common Market, or the American recession—to seriously contend such a thing, is the ultimate fatuity.

What positive program is proposed by those opposed to the committee bill? Is a 2-year extension with no new tariff-

reducing authority, an extension based upon increased powers for a protection-minded Tariff Commission, an extension which would lead inevitably to a return to Congress of individual tariff rate-making subject to every local and special pressure, to every kind of logrolling, a program which practically guarantees that foreign policy considerations, and, indeed, our own national economic welfare in that process, will be wholly ignored—can that possibly be a practical response, or any response at all, to the challenges which everyone concedes we are facing today? The question needs no answer.

It would, of course, be foolish to maintain that if we pass this bill, 12591, everyone will be prosperous, that the Free World will be unified, or that the Soviets will make no further gains in the propagation of their doctrine. Obviously, a trade bill can be only part of the response which the United States is called upon to make in these times. I maintain, however, that it is an essential and minimum part, and that the bill we have before us provides an adequate instrument to accomplish that part.

I do not deny that in a few isolated instances imports from foreign countries create a more competitive situation. Of course such a situation inevitably redounds to the benefit of the consuming public. However, to alleviate any undue hardship to employers and employees by reason of excessive imports, I have introduced the concept, and urged its incorporation in this measure, of a trade adjustment policy as embodied in my bill H. R. 9505. Rehabilitative programs, instead of protectionist palliatives, to meet the world challenge is desirable; "Trade Adjustment," not Higher and Higher tariffs, is the constructive solution.

A liberal trade policy is part of the central doctrine of the Democratic Party. It has been a basic tenet of that party since its founding, more than 160 years ago. Our party has gone to the people in election years since 1800 espousing this kind of a policy, and prepared to stand upon its conviction that such a policy is in the total interest of the whole Nation and all its parts. Our party fought the progressively higher tariff acts from the Dingley Tariff to the Smoot-Hawley Tariff, and it was not until 1934 that the late great Secretary of State Cordell Hull was able to reverse the trend. I need only indicate the combined import-export figure of $3.7 billion in the year 1934, as compared with the figure of $33 billion for 1957, to show what that new policy has done for the United States in terms of trade expansion.

The Republican administration which entered office in January 1953 was apparently convinced by the evidence of the preceding 20 years that a liberal trade policy was essential to the welfare of the Nation. We are pleased as a party to support a policy which bears what is known as a "Modern Republican" label but which in fact has been our own party policy for over a century, in the face of the heaviest kind of partisan opposition. If the Republican administration has come around that is at least part of the battle. It would be pleasant to see a majority of the Republican Party in Congress take the same view.

This administration has, however, been in no respect bold in its proposals, and in no respect imaginative. The world has developed considerably since 1934 when Mr. Hull initiated the reciprocal trade agreements program. We might have hoped, with administration support, to go forward at a pace more in keeping with this rapid development and with the dramatic progress of the Soviets in this field. Unfortunately, the present administration is not noted for boldness and we must therefore content ourselves, if we are to have administration support, with this bill which is before us. Many of us, or at least some, would have urged a bill materially more liberal than this committee bill, had there been any suggestion that the administration would have gone along.

Nevertheless it is a good bill and it will serve adequately our immediate needs. Anything less than this bill, however, in terms of greater circumscription of Presidential discretion or of retrogressive return to Congress of individual ratemaking authority would be a disaster in 1958. The country knows this and we as the Congress are expected to pass this bill in its present form. Nothing less will serve.

As a Congressman from the State of Pennsylvania I have a particular interest in problems of coal. In spite of exports which in 1957 amounted to over $800 million, the coal industry in this country has been less than enthusiastic about the reciprocal trade agreements program. It has been pointed out many times that there is a very large potential market abroad of United States coal, if countries only had sufficient dollars to pay for it. Furthermore, we know that it was through the GATT machinery, made possible by our Trade Agreements Act, that the United States was successful in raising restrictions against United States coal in Belgium and in Germany a year or two ago.

An example of the potentialities for expanding coal trade is an article which appeared in the Journal of Commerce on May 21, 1958. It is a Reuters dispatch from Buenos Aires:

> Argentina will get some 50,000 tons of Australian coal by the middle of this year, as imports from that country have been resumed after a lapse of many years.
>
> The first 28,000 tons are already in Buenos Aires and the balance is expected in June.
>
> Coal-trade quarters say that Australian coal is about the cheapest available now. The first shipments were quoted around $21.80 a long ton—without insurance. Future shipments however are expected to cost somewhere between $19 and $19.50 a long ton.
>
> American coal is cheaper, between $10 and $11 a long ton plus approximately $5.50 freight, which means that it could be placed in Buenos Aires below $17, but shortage of United States currency makes it imperative to buy elsewhere.
>
> Other supplies come from Poland—which costs $20 and from Germany $22 to $22.50.

The price information in that article speaks for itself. Our exports are limited only by the dollars which foreign countries can earn in their trade with the United States. To me it is perfectly evident that the real interest of the coal industry lies in the expansion of international trade and, thus, in the renewal of the Trade Agreements Act, which is designed to that end.

The coal industry is merely an example of the many great industries in Pennsylvania and in the country which have not only a vital stake in current exports but which have potentialities for greatly expanded future exports if only other countries can earn more dollars.

The committee bill is a bill in the total interest of the United States and the Congress should adopt it.

I am a firm believer in expanding the export of all of our products, particularly our agricultural surpluses and our industrial products. Only by passing the bill as reported by the committee can this result be obtained. I am fearful that any return to a restrictive trade policy would prevent the further growth of our American economy; would prolong the present recession, and would be most detrimental to the best interests of the United States. In fact, the national interest calls for prompt passage of the committee bill now before us.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks on the pending subject in the body of the RECORD today.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Chairman, I yield 18 minutes to the gentleman from Georgia [Mr. DAVIS].

Mr. ALGER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-five Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 90]

Addonizio	Gary	Miller, Md.
Anfuso	Granahan	Morano
Auchincloss	Green, Pa.	Morris
Avery	Gregory	Multer
Barrett	Griffiths	Nix
Bass, N. H.	Gubser	Patterson
Beamer	Gwinn	Philbin
Becker	Hale	Powell
Blitch	Harris	Preston
Breeding	Hays, Ohio	Radwan
Buckley	Healey	Riley
Byrd	Jackson	Rivers
Celler	James	Robeson, Va.
Christopher	Jenkins	Robison, N. Y.
Clark	Kearney	Rodino
Coffin	Keating	Sadlak
Coudert	Kelly, N. Y.	Scott, Pa.
Cretella	Kilburn	Seely-Brown
Dawson, Ill.	Kluczynski	Sheehan
Delray	Landrum	Shelley
Dies	Lennon	Shuford
Diggs	Loser	Sieminski
Dollinger	McGovern	Smith, Miss.
Dorn, N. Y.	McIntire	Spence
Edmondson	McMillan	Springer
Engle	Macdonald	Taylor
Fallon	Mack, Ill.	Teller
Farbstein	Marshall	Wharton
Fino	Martin	Whitten
Fulton	May	Zelenko
Garmatz	Miller, Calif.	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 12591, and finding itself without a quorum, he had directed the roll to be called, when 330 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. DAVIS of Georgia. Mr. Chairman, in recent weeks numerous public statements, editorial comments and so-called surveys made by the Department of Commerce, have sought to convey the idea that the substitute bill that I, together with other Members, have offered to the trade bill, H. R. 12591, reported by the Committee on Ways and Means, is a high-tariff bill and that its adoption would shrink our foreign trade.

The impression sought to be created would be false. I can tell you that the passage of the substitute measure would not raise a single tariff rate, for no tariff rates are included in it. It would not abrogate a single trade agreement. All present trade agreements are self-perpetuating and will remain in effect until advance notice of 6 months is given by the parties to each agreement.

Therefore, passage of the substitute bill would not upset the existing trade agreements; nor would it torpedo the trade-agreements program as is so often said. It would not reduce our foreign trade perceptibly but would look toward greater fairness of import competition.

What the passage of the substitute measure would indeed do is what should have been done before now; and if it had been done the trade agreements program would not now be under the heavy fire that it is experiencing—and this is, first, provision of a remedy against serious injury from import competition; and, second, a more careful examination of the competitive impact that may be expected of any prospective tariff cuts than were made in preparation for international tariff-cutting conferences before.

Also let me point out that the substitute proposal would do no more nor less than three Presidents of the United States have repeatedly vowed as their trade-agreements policy: namely, that no American industry would be jeopardized by the trade program.

Keep in mind that the time for greater caution in entering new agreements and the need for going slower is certainly here. We have already cut our tariffs very deeply. The protective effect of our tariffs has been reduced between 75 and 80 percent. Therefore when we seek to cut any deeper it is only good sense to be more cautious. We have already cut into the quick in many cases and should be more careful in the future. It is also good sense to proceed much more slowly.

It is safe to say that if the State Department had shown better sense in the past rather than slashing tariff rates with reckless abandon, and had, instead, proceeded more cautiously and with better judgment, the trade-agreements program would not be so widely condemned as it is today.

Our substitute bill, in fact, is but a belated effort to pump some good sense into a program where it has been so signally lacking; and also to bring a larger measure of control over our foreign trade back to Congress where it belongs and from which we should never have allowed it to be alienated.

Mr. Chairman, the present proposal to extend the Trade Agreements Act is the 11th of a series. The present occasion, however, differs in one very important respect from the previous extensions. Today we have 2 bills instead of 1.

The principal difference between these two bills, one of which I have joined with Members of both sides of the aisle to introduce, is to be found in the question of which branch of the Government is to regulate our foreign commerce and to shape the tariff of this country.

There should, in fact, be no question about this. It should only be necessary to refer to the Constitution. In that document will be found the enumeration of powers, clearly set forth, whereby these twin functions are settled upon the Congress and not the executive branch. And yet we are faced with this issue in spite of the uncontested wording of our organic law.

Why should this be the case?

I believe that the answer to this question will be found in the nature of the delegation of power made in the Trade Agreements Act itself and in the manner in which that delegation has been carried out by the executive branch.

What I am about to say is not a matter of faultfinding. There is enough fault to go all around. The Congress itself in 1934 did not ask for any report from the executive branch on how the delegated power was being interpreted and carried out. At no time until 3 years ago was such a report called for. Congress had handed the power to the executive, and then for 20 years had all but turned its back on the regulation of our foreign commerce, leaving to the State Department not only the type of trade agreements that it might negotiate but also the far-reaching provisions that were to be contained in them.

For the first 12 years the State Department negotiated only bilateral trade agreements. It made individual agreements with 29 countries.

Then in 1947 it negotiated the General Agreement on Tariffs and Trade, known as GATT, and forsook the bilateral approach for a multilateral system. It was this general agreement that planted the seed of our present troubles. In it the State Department itself introduced and gained acceptance of provisions that overstepped the bounds of the delegated power; and yet did not submit the agreement to Congress for approval.

Probably the clearest departure from its authority lay in the provision that renounced the use of import quotas as a means of regulating imports. It is true that several exceptions were written into this ban on quotas, but these exceptions were principally for the accommodation of other countries; and by the provisions of the agreement itself they were to be purely transitory in character.

Thus, the executive branch had taken upon itself the authority to foreclose any future Congress against exercising its power to regulate our foreign commerce as it might see fit. The State Department had erected a barrier of international commitments against the power of Congress to legislate its will. Should Congress, nevertheless, seek to legislate contrary to the international commitments it would find itself in the position of violating our international obligations.

The Department also bound tariff rates in the general agreement against increases, in spite of the fact that it is the function of Congress to determine what tariff adjustments are to be made.

What theory of delegation of power could possibly have guided the State Department when it undertook in this manner to drive Congress from the very field of authority mapped out for it by the Constitution? If this action of the executive branch does not represent an abuse of delegated authority, it would be difficult indeed to find a more clear-cut example. If Congress itself acquiesced, it was no doubt because the abuse had not yet worked sufficient harm. In any case, no statute of limitations runs against the correction of such abuse. It is only in recent years that the chickens have been coming home to roost in ever increasing numbers.

Three years ago the system, though it had been sharply challenged in the other body before, met heavy opposition in this chamber, which almost succeeded in defeating further extension. In fact, Congress had previously adopted several measures, such as the so-called peril point and escape clause legislation, which were designed to bring the administration of the delegated power within the range of what was tolerable.

The escape clause in particular, adopted by statute in 1951, was designed as a means of mitigating, or remedying, the injury caused by imports that undersold our domestic producers in our own market. Its aim was to make it possible for our producers, our industry, our farmers and our labor to live with a system of trade agreements that offered benefits to our exporters and importers.

But what reception was given to this statutory measure, this expression of concern by Congress over the displacement of our own producers in the home market? The executive, acting under the advice of the State Department and other executive departments, virtually ignored the will of Congress, as well as the plea of our industries, and agricultural and labor groups, that were sorely beset by low-wage import competition.

The law was again amended on two subsequent occasions, to make sure that the intent of Congress would not be misunderstood. Nevertheless, the same stiff-necked attitude of the executive branch continued. Only a few grudging corrections were made, and some of these fell far short of the recommendations of the Tariff Commission. Altogether the President refused to put into effect seven unanimous recommendations of the Commission.

The pretext most commonly advanced by the Executive in justification of overriding the Tariff Commission is that the President must take into account many considerations that do not concern the Commission, such as the "national interest," the effect on other industries of an increase in a duty or an import quota, broad economic interpretation and international relations.

However, the law does not authorize the President to smuggle in these considerations. It sets forth the criteria that the Tariff Commission is to take into account. The President is then to accept or reject the Commission's recommendation within 60 days. The President has on a number of occasions ignored even this time limit set by Congress.

I wish to make it clear that this cavalier manner of carrying out this law of Congress extends back to 1951 when the escape clause was first placed on the statute books. The complaint is therefore wholly nonpartisan.

More and more emphasis has been placed in recent times by those who defend the President's position, upon foreign relations. The Russian sputnik was no sooner in orbit than its implications were seized upon by these supporters of the Congressional bypass as lending force to the Executive domination of our foreign trade policy. Then the speech by Mr. Khrushchev flinging his foreign trade challenge against us was enlisted as a further reason why we must lay open our market yet wider to ruinous import competition. The proposed European common market consisting of 6 European countries that hope in twelve or fifteen years to eliminate the tariff among themselves, was, of course, also inflated as another compelling reason why we should come forward, hands up, and surrender our economic defenses.

None of these quickly assembled reasons will stand the light of economic or international political analysis.

If Russia makes good on her trade challenge we must look to something quite different from the free-trade ministrations of the General Agreement on Tariffs and Trade. GATT is in no way fitted for the type of economic maneuvering that would be necessary if we allowed ourselves to be lured into Mr. Khrushchev's web. We would find it necessary to move into State trading rather than prolonged trade sessions in Geneva, where, in any case, we might not find the anticipated support.

As for the European common market, the member countries would find GATT made to order to outvote us and to exact concessions from us that, if the past is any example, would be but poorly reciprocated.

Sputnik should indeed have opened our eyes, but in a different direction. It should have warned us that our vaunted higher productivity of which so much has been said is also slipping away as did our scientific lead over other countries in the field of rockets and satellites.

It has been argued very unrealistically that our higher productivity in comparison with other countries gives us a lead in cost of production despite our much higher wage rates. That this is not true should be obvious to anyone who can see or read or hear. Thousands of products are coming into this country and offered for sale at retail at prices that are lower than our cost of production. The evidence is all about us. It has been testified to abundantly in public hearings. Newspaper advertisements have been witness to the fact of these low prices. Our stores are stocked with these low-priced goods, and of course they are selling.

Much of the lead in productivity that we enjoyed in the past is gone. It went out with the billions of dollars worth of modern machinery and equipment that we sent overseas to be installed in thousands of factories and mills abroad. It was also helped on its way out by the thousands of productivity teams sent to this country from overseas to study our mass production techniques.

I am not complaining at this point against any of this foreign aid. I am simply pointing to the situation created by our foreign aid, technical assistance, and allied programs. This is a situation that justifies great concern for our own industry, agriculture, and workers.

We have been accustomed to thinking of ourselves as competitively invulnerable and so went ahead undermining our position in our own home market. That the competitive situation has in fact changed greatly and to our disadvantage should be clear to anyone who has noted the ease with which imports during the past 8 or 10 years have encroached on our market at will. In any number of items imports have risen from a 5-percent share of the market or less to the point of absorbing 10 percent of it, then 20 percent, before much longer 30 percent and on up to 40 percent or even 50 percent and more in a matter of 5 or 6 years.

When the affected industries have become alarmed and sought relief from this extreme pressure they went to the Tariff Commission. After all, three Presidents had given solemn assurances that no domestic industry was to be jeopardized by the trade agreements program. Also the State Department had often said that if mistakes were made in reducing duties and serious injury resulted, recourse could be had to the escape clause.

I do not have to tell you of the bitter disappointment experienced by a long succession of industries as a result of escape clause reverses. The Tariff Commission itself has turned down over half the cases but did send about 28 cases to the President under the escape clause since 1951. Of these the President acted favorably in only 8 or 9 cases and most of these involved very small industries.

The President—since 1951—has used numerous and varied pretexts for overriding the Tariff Commission. If one pretext was not good enough he used another. If the reasons used in one case did not fit the next case, a different set of pretexts was used. In recent years more and more has been made of foreign relations as the principal reason for refusing a remedy.

The position in which our industry thus finds itself is one of helplessness in the face of ruinous import competition.

On the one hand we drastically cut our tariffs. With the other hand we loaded a number of cost-raising burdens on our producers as a result of national legislation. We set up minimum wage and maximum hour laws; we established collective bargaining as an obligation; we supported farm prices; we enacted social security legislation, and in general have reduced the competitive capacity of our industry. The high tax rates now burdening our producers, of course, also add to cost of production.

With a third hand, so to speak, while reducing our own competitve capacity we enhanced that of foreign producers in the manner already described.

After thus putting the thumbscrews on our industries we find the freer-trade promoters calling those of our industries that cannot compete with imports inefficient and lacking in the competitive spirit. We find the executive departments showing great sympathy with individual industries but wholly opposed to doing anything for them under the escape clause.

Mr. Chairman, I could go on and relate the experiences of sound American industries that have sought a measure of relief under the present escape clause system; but it is not necessary. The complaints have been heard by the Ways and Means Committee and by many individual Members of the House. There can be no possible question about the reality of the injury that has given rise to these complaints.

Obviously something needs to be done as soon as possible to change the situation about which so many widespread complaints have arisen. I believe, as I stated at the outset, that the difficulty lies with the manner in which the trade agreements program has been carried out. I am firmly convinced that a change in this system is needed, both to provide our import-vulnerable industries with a remedy when they are afflicted with unfair import competition and also as a means of preserving our constitutional system of government.

The most obvious correction of the situation is provided in the bill that I together with other Members have introduced. This bill, which is to be offered as a substitute for the bill sent down by the executive branch of the Government, provides for restoration to Congress of the control over foreign trade contemplated by the Constitution and demanded by simple equity to our domestic producers.

The very fact that the bill reported by the Ways and Means Committee came from the executive departments—State and Commerce—shows how far we have drifted toward the idea that such legislation must be sent to us ready made, even if the field covered is one that belongs to Congress. To be sure the Ways and Means Committee did amend the bill as it came from the executive branch but the amendments have not scratched the surface of executive domination.

There can be no doubt that unless the executive stranglehold on this legislation is broken it will smother the effect of any other legislation that Congress might pass. This follows from the now obvious fact that the executive branch will resolve all questions of tariffs and quotas by reference to foreign relations. Foreign relations will have the right of eminent domain over domestic industry. All that is regarded as standing in the way must step to one side.

The considerations of foreign affairs have been raised to such a preeminent level by the executive branch that the welfare of a domestic industry pitted against such preeminence must crumble and fall before it. Unless Congress intervenes to reestablish a balance—and Congress alone can do it—our constitutional system will have undergone a great change in this field.

In place of a responsive system to which domestic producers may have recourse and obtain relief from import injury under conditions established by Congress, we will witness the rise of foreign policy to totalitarian heights before which all else must bow. This will make a mockery of the regulation of foreign commerce by Congress; and I may say that to such an eventuality I am vehemently opposed.

My bill would not remove from the President the power to recommend to Congress a rejection of a Tariff Commission recommendation. It would, however, place upon the President the burden of convincing Congress that his proposal rather than that of the Tariff Commission should prevail. This is only right since we are dealing here with an original power of Congress. This power was delegated in part to the Executive and surely the Congress is justified in saying how this delegated power is to be treated.

If the President should seek to reject a Tariff Commission recommendation, he could obtain the support of Congress if he really had a good case; while, if he were merely pressed by free-trade considerations, his proposed rejection should not in any case be sustained by Congress.

Obviously the executive branch is not satisfied with this type of an arrangement. They want no restraint laid on their hands when they dispose of a Tariff Commission case. They do not want to have Congress looking over their shoulder. This would cramp their style.

One has but to consider the absurd proposal contained in the State Department-supported bill, H. R. 12591, to appreciate how desperately the executive branch resists restoration of any real power to Congress. They call for a two-thirds vote of both Houses to override a presidential rejection of a Tariff Commission recommendation. This is the same vote required to overturn a presidential veto of an act of Congress. Tariff Commission recommendations are not legislative acts of Congress. They fall into the administrative field and represent steps to carry out legislation that is on the statute books already signed by the President. Since the Tariff Commission is an arm of Congress and not of the executive branch, its decisions should be the concern of Congress rather than of the President.

Mr. Chairman, I trust that this House will uphold the right and power and responsibility of Congress to carry out its obligation to those who elect its Members and that it will not condone further alienation of its authority and its subordination to the diplomacy of this country.

I urge you to vote for the substitute bill offered by myself, the gentleman from Pennsylvania [Mr. SIMPSON], the gentleman from West Virginia [Mr. BAILEY], the gentleman from South Carolina [Mr. DORN], and others.

Mr. REED. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, we have just listened to a very logical, reasonable discussion of the problem before us. I hope to and shall be just as logical and just as reasonable, and avoid emotion in the discussion of this bill and problem before us, as I can.

Mr. Chairman, early in February of 1937 I was one of 13 Members of this House that voted against the first extension of the 1934 Reciprocal Trade Agreements Act. That vote was my first important vote as a Member of Congress. I was told by the then minority leader, Congressman Bert Snell, that in all probability my membership in this House would be a short one; that the only way one could retain membership for any length of time—and thereby pile up coveted seniority—was to follow the leaders, to be guided by the leaders. That warning or prophecy has not come true, and I still vote my own convictions. My people seem to like a Representative with convictions, and the courage to express those convictions.

Mr. Chairman, I voted "No" in 1937 on the first extension of the Reciprocal Trade Agreements Act because I was convinced that the act was an unconstitutional delegation of powers, and to vote for it would be a violation of my oath of office. I have voted "No" on every extension of the act since then, not only because of the constitutional question involved, but also because our experience under the act convinces me that the act has developed into a boon for other nations and a detriment to this Nation; that the act, as administered, has become anything but reciprocal; that the act has become a one-way street, with benefits flowing one way—away from the United States.

Mr. Chairman, it has been encouraging to witness the opposition to the Reciprocal Trade Agreements Act grow and develop in Congress—slowly to be sure, but steadily nevertheless—until those first 13 objectors became 199 objectors in 1955 when H. R. 1 was before the House. A motion to recommit H. R. 1 lost by the small margin of 199 to 206, and that defeat only came about after our leaders persuaded several members who had voted for recommital to change their vote. That is how close the opponents of the Trade Agreements Act came to victory in 1955.

Since then several new developments have occurred. The Japanese Trade Agreement has been consummated by our State Department. Since then our textile industry has suffered further damage. Since then the textile industry of the United States has become a sick industry, well on its way to join the sick coal industry, sick partially because of the heavy importations of fuel oil; the sick jeweled-watch industry, an industry that has lost 80 percent of the American watch market because of the importations of cheap foreign-made Swiss watches; the sick American bicycle industry; the American sewing-machine industry; the American pottery industry; the American glass industry; the American chinaware industry; the American plywood industry; and a score of others—all suffering, all sick, all being strangled by cheap foreign-made imports.

Mr. Chairman, I want to review briefly what has happened since 1934 when Congress passed the original Trade Agreements Act, thereby turning over to the Executive its constitutional responsibility, abdicating its right "to regulate commerce with foreign nations." Congress did this at that time largely because a strong-willed Executive was working with and upon a weak-willed Congress.

First. The Tariff Commission, established as an arm of Congress, responsible to the Congress, was automatically divorced from the legislative branch of our Government and turned over, lock, stock, and barrel, to the executive branch of the Government, subservient to the Executive, reporting to the Executive, dominated by the Executive—and that means that our Tariff Commission today is ruled by, dominated by, and responsible to our internationally minded State Department.

Second. During the past 24 years, under the Trade Agreements Act, we have lowered our tariff rates from an average tariff rate of 16 percent of the total value of all goods imported to an average tariff rate of 5 percent of the total value of all goods imported—a 70-percent reduction in our tariff rates. Today, as a result of these tariff reductions, the United States stands seventh from the bottom of the 38 listed nations of the world engaged in international trade. The 6 nations that rank below us are all have-not nations, such as Japan, that must have imports to exist.

Third. During the past 24 years, while we were lowering our average tariff rate from 16 percent to 5 percent, Great Britain—one of our chief competitors in the world markets—actually increased her average tariff rate from 21 to 25 percent, until today she stands fourth from the top among the 38 listed nations engaged in world trade, with an average tariff rate 5 times as high as our average tariff rate.

Mr. Chairman, while it is true that every time we made concessions to other nations by lowering our tariff rates, the other nations also made tariff reductions in exchange; yet practically without exception when the other nations lowered their tariff rates they raised other trade barriers much more effective and much more restrictive than any tariff rate

could possibly be—import licenses, import quotas, preferential trade arrangements, currency manipulation, state trading, Government export subsidies, embargoes, and so forth—until today, according to Dr. Clair Wilcox, formerly Director of International Trade for the State Department and one of the best-posted men in America on the problems of foreign trade:

> The trade of the world today is more tightly regimented than it ever has been before in history in time of peace.

Is it any wonder I say the Trade Agreements Act has become a one-way street in the hands of the internationalists in our State Department? Is it any wonder I say the Reciprocal Trade Agreements Act has been anything but reciprocal?

Mr. Chairman, four specific objectives were listed by its proponents in 1934 as reasons for the passage of the Reciprocal Trade Agreements Act; namely, first, it would bring about world peace; second, it would bring about world prosperity; third, it would bring about good will and amity among nations; and, fourth, it would remove world trade barriers.

Let us look at the record of the past 24 years and see if we have attained these 4 objectives.

First. Has the Reciprocal Trade Agreements Act brought about world peace? My answer is, not so that anyone can notice it. During the 24 years the act has been in effect we have had World War II. We have had the Korean war. We have had the Spanish civil war. We have had 7 years of war in Indochina; and we are now engaged in a so-called cold war.

Second. Has the act brought about world prosperity? Certainly our own prosperity has not been advanced, because we are in debt today to the tune of $275 billion as compared to our $12 billion Federal debt in 1934—a national debt greater than the combined national debts of all the other nations of the world.

Third. Has good will and amity been established among the nations of the world? Definitely not. What about the present relationship between Pakistan and India? Between Israel, Egypt, and Arabia? Between Italy and Yugoslavia? To say nothing about the strained conditions in the Middle East and in the Far East. And what about our strained relations with Russia? Can anyone say, therefore, that good will and amity have been established or advanced among nations?

Fourth. Have world trade barriers been removed? They have not. Three of the greatest authorities on world trade we have in this Nation today—Dr. Clair Wilcox; Dr. Claudius Murchison, economic adviser to the American Cotton Manufacturers Institute; and Dr. John Lee Coulter, a nationally known consulting economist and one of the best-informed men in America today on foreign trade problems—all agree that today there are greater trade barriers against our exports than there were before the Reciprocal Trade Agreements Act was adopted in 1934.

Mr. Chairman, in the face of these facts—and they are cold, hard facts—can anyone say that our 24 years of experience under the so-called Reciprocal Trade Agreements Act has been a success from the standpoint of its effect upon our economy? Has it been a benefit to American workmen? My answer to both questions is "No."

Mr. Chairman, I shall vote for the substitute that will give back to the Congress its constitutional authority and responsibility in connection with international trade. If that fails, I shall vote "No" on the final passage of the bill before us.

Mr. REED. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I rise in support of this legislation and in opposition to the Simpson substitute which will be offered later. These trade matters, I believe, are today as difficult as any matters that face the Congress. In my judgment, in the area of foreign trade lies the solution to world peace. I do not propose that we have obtained world peace through our previous methods of trading. I simply state that if we can solve those problems, we will have gone a long way to solve world peace, and, indeed, if we ever do solve world peace, it will be because we have solved these problems. It is for these reasons that I have not hestitated to devote all the time at my own personal disposal to try to understand these problems, and for 6 years on the Committee on Ways and Means have sat through what to many people are tedious hearings and engaged in other discussions not only in this country but abroad in the pursuit of understanding these problems.

Mr. Chairman, I do not think we are going to solve these problems here today or in the next year or the next 10 years. All we can hope to do is try to understand them a bit and grapple with them.

I have been impressed with the statements made by the preceding two speakers, my colleague, the gentleman from Illinois [Mr. MASON], and my colleague, the gentleman from Georgia [Mr. DAVIS]. Many of the questions that they raised are questions that I raised myself in my own mind and have over the period of the past few years, and the supplement views that I have expressed on this matter give weight to what I am saying.

Essentially, I say this, that we all in this room, in this country, are interested in and believe that foreign trade, international trade, is good for us and good for the rest of the world. And, what we are arguing about is not the objectives, whether you are a protectionist, or a freetrader, or what. I think we all agree that foreign trade, the greatest part of it, is good for us and for the rest of the world. But, how do we obtain this great bulk of and increase in foreign trade? What procedures do we use? I would suggest that, first of all, the basis upon which trade really increases or decreases is upon the economies of the various countries throughout the world. It does not involve the method of trading between nations but rather whether our economy is a strong economy, whether an economy abroad is a strong economy, and I suggest if these economies are strong, we are going to have considerable trade and increased trade as those economies are strengthened, whatever methods we might employ in negotiating and handling the trade problems. And, therein lies a great deal of the argument for those who are opposing the present bill that the committee has voted out. Therein lie some of the pleas of those who say they are protectionists, who want to protect the economy of the United States and feel that it is necessary to strengthen its economy. I think their argument, if you grant their premise, is perfectly sound. Certainly, the argument that strengthening our economy is the way that you ultimately strengthen world trade is a sound argument, in my judgment.

But, I think there is a great deal more to it. I think that even though foreign trade is essentially based upon the strength of economies, there is no question that how you trade can have something to do with how much you trade. Particularly it can have to do with whether or not this particular nation grows stronger or that particular nation grows stronger. Just as in our own country we have established rules and regulations on interstate commerce, and we have rules within our States on intrastate commerce, because we recognize that the methods of doing business can be important to segments of business. Really all we are talking about and all we ever have been talking about when discussing the issue of reciprocal trade is how we are going to trade. What I want to plead with the Members of the House to understand is that reciprocal trade in itself has nothing to do with protectionism or free trade. It is simply the method by which we do our trading and how we decide to do our negotiating. If we had an Executive that was a protectionist, the reciprocal-trading mechanism could be utilized for those purposes, just as much as if the executive branch happens to be for free trade or to tend along those lines.

And I suggest also that if our legislative branch, which still has a very important part to play in the trade problems, even though a great deal of the power has been delegated to the Executive under the Reciprocal Trade Act—if our Congress is of one complexion more than the other, it is on that basis the question of whether or not we are going to have freer trade or more protection depends, rather than upon the mechanism.

Too much time has been devoted to kicking the chair, if you please, because one has bumped into the chair. That is not going to solve the problems; because the mechanism has not responded in the way in which one would like it to respond. Is no reason to kick the mechanism. I say that is very true whether one is interested in textiles, or whether one is interested in lead and zinc, whether one is interested in chemicals, or whatever. We are not going to

solve the problem of those industries with the Simpson proposal any more than we would solve them by completely abandoning the reciprocal-trade formula. That is not a solution of the problems. That is what I would call kicking the chair.

The thing to which I wish to direct attention is the procedures that we have established. William McKinley, as has been rightly pointed out, was one of the first public leaders to advocate a reciprocal trade formula, or this method of handling our foreign trade. The gentleman from Georgia [Mr. DAVIS] has properly pointed out the constitutional importance that the Congress has to play in the area of handling our foreign trade. Indeed, the Constitution vests that power in the Congress. But I would call attention to the fact that the executive branch of the Government under the Constitution, and under any intelligent workings of the Constitution, perforce must play a very important part in foreign trade because when we deal with foreign nations we have to deal with them through the executive branch of the Government. The Congress cannot deal directly with foreign governments. That is not our responsibility. Our prerogative is to transfer power to the Executive with sufficient guidelines so that it may be properly utilized. And in essence that is all that has been done in the Reciprocal Trade Act.

So what we should be discussing is whether or not the manner in which we have delegated the authority in the past has had sufficient guidelines so that the executive branch of the Government knows how to act, and equally important, and I would say even more important, so the citizens of our country know how trade negotiations are going to be handled, so that they know with whom in the executive branch of the Government to deal if their own problems become involved in trade negotiations.

I say that over a period of years the methods of handling our foreign trade have been improved, and I think that even the opponents of the present bill which is before us will agree that this is the very best of any bill that has yet been proposed, so far as ironing out some of these administrative difficulties and some of the problems that have arisen are concerned, when the Congress has delegated authority in this area of negotiating trade agreements. This is by far the best bill that I have seeen in the short period that I have been in the Congress. Many improvements have been made in the methods of passing this authority to the Executive and retaining certain authorities—and I emphasize that Congress still does retain vast and basic authorities and should retain them in the trade treaty procedures.

So I would say that we do have an improved bill to present to the Congress, a bill that, although it lacks a great deal that I would like to see, and is by no means in my judgment the bill I should like to see, yet is an improvement. I can say here is a report of progress; but what I think is most important, and that most Members of this House should consider, is what is the alternative. If a bill such as the Simpson bill or anything like that were adopted we would find that we had not delegated sufficient authority to the Executive so that the Executive could act, nor had we retained, nor by the very nature of the legislative branch of the Government could we have the power to actually handle the problems that exist in foreign trade. I think what we would have if we passed the Simpson bill or anything like it is exactly the problems that face France today, where there is not sufficient power in the hands of the Executive to meet the problems of the society, which means they will have to reorganize their government because of it if they are going to meet modern problems.

I say, think carefully over this delegation of authority that would be urged under the Simpson bill as to whether or not what happens in that we tie the hands of both the executive and legislative branches of the Government so that our society cannot move anywhere to meet the problems that modern trade constantly present.

It is perfectly true if we did nothing for the next 2 years nothing would show up as far as our trade treaties and our trade relations are concerned substantively, but I suggest what will happen. It will result in no preliminary plannings being made because we will not have the machinery to go ahead to plan for our future trade negotiations. In 2 years it will very clearly show up substantially in our trade even though we do then grant the Executive sufficient power to move. In the interim we would be badly damaging, I suggest, our methods of grappling with these very serious problems that exist.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. SIMPSON of Pennsylvania. The gentleman must recognize that the President has constitutional powers to effect international agreements, and to make examination into the reasons for the said international agreements. He then may secure the authority to enter agreements from the Congress.

Mr. CURTIS of Missouri. I think the gentleman is right as far as that is concerned and as far as he goes.

Mr. SIMPSON of Pennsylvania. So that I may add that we do not need for the specific purpose of the European economic agreement to pass this particular legislation at this time.

Mr. CURTIS of Missouri. I would say this: You do not need to pass this particular piece of legislation or any other particular piece of legislation but what you do have to do is pass similar legislation, some legislation, that provides the guide lines within which the executive branch of the Government is going to proceed. I am saying under the proposed Simpson bill the Executive's hands would be tied and whatever preliminary plannings were made now would be on the basis of a machinery that just could not cope with the problems that are presented to us in international economics.

That is the issue as I see it.

I want to say this: I think an interesting thing to develop, the very power that is the most liberal of all powers in coping with trade matters, is the one that the free traders eschew, and the protectionists are actually espousing: the most liberal power for regulating trade is the tariff. Which is a very strange situation. If we could regulate our trade through the tariff and through the power of the tariff and the writing of tariffs, then I could see how the Congress might maintain control over this area of foreign trade in an effective administrative manner.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman from New York be kind enough to yield me some additional time?

Mr. REED. Mr. Chairman, the time has already been allocated, but I yield 5 additional minutes to the gentleman.

Mr. CURTIS of Missouri. I thank the gentleman very much.

I will conclude my remarks shortly, Mr. Chairman. It is, of course, impossible to present a problem of this magnitude in the space of 15 minutes after the study it has received. I do want to go on to drive home this particular point because I think it is of vast importance, particularly to those people who have industries in their districts that have been affected by our trade policy. The fact is that trade today, as has been pointed out by the gentleman from Illinois [Mr. MASON] has been restricted in a variety of manners through licenses, through quotas, and through monetary manipulations and a variety of very restrictive devices. Really, what we in this country are confronted with through trying to handle trade, as we have in the past, by tariffs is a situation where the rest of the world are using these more restrictive methods and these more effective methods, I might state, of barriers to foreign trade. Really, we are in a situation where the people who claim that they are the protectionists, in my judgment, if they would think the thing through, they would be the greatest advocates of GATT, the General Agreement on Tariffs and Trade, because that is one organizaiton that has been set up in order to get these countries to relinquish their quotas or their licenses and these other barriers to trade that they have imposed barriers which we do not impose. I think we would be very, very shortsighted if we were to take away these powers that the executive now possesses, which we have granted to the executive so he can cope with foreign trade problems. We would take away those powers which permit us to negotiate with these countries abroad to remove these barriers which do badly affect our own economy and our own industries.

My concluding remarks, Mr. Chairman, are these. I believe if we analyze this problem, we will see it is necessary for the Congress to delegate authority to the executive. I think we could put better guidlines on it. I think it could be better administered. But, we have progressed. I think the bill we have before us today is a much superior bill to any that we have had before. The alter-

natives, I suggest to you in all seriousness, would be the situation that France finds itself in today where neither the executive nor the legislative branch of the government is set up to cope with the problems that face that country.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Missouri [Mr. CURTIS] yields back 2 minutes.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, the Congress has been arguing about the tariff since 1789—usually in violent terms. Today we hear some of the same pleas which were used by Members of this body representing infant industries, struggling for survival, in one of the Original 13 Colonies.

But the world moves on, and those who thrust the antique arguments of protectionism before us are as out of date as those who would try to solve the housing shortage by erecting log cabins—noble shelters in their day but hardly what the people of this country are seeking today.

What are the people seeking today in this vital field of foreign trade? Once the smokescreens are cleared away, the mandate on this Congress is clear.

Let us remember that the Congress of the United States has seen these smokescreens and felt these pressures before. We have seen the results of yielding to such pressures, too. This is an old story. Is there a Member here who would disagree with President Woodrow Wilson's statement made 45 years ago almost to the day—on May 26, 1913? Let me read the remarks of the 28th President on this 45th anniversary of their utterance:

> I think that the public ought to know the extraordinary exertions being made by the lobby in Washington to gain recognition for certain alterations of the tariff bill. Washington has seldom seen so numerous, so industrious, or so insidious a lobby. The newspapers are being filled with paid advertisements calculated to mislead the judgment of public men not only, but also the public opinion of the country itself. There is every evidence that money without limit is being spent to sustain this lobby and to create an appearance of a pressure of opinion antagonistic to some of the chief terms of the tariff bill.
>
> It is of serious interest to the country that the people at large should have no lobby and be voiceless in these matters, while great bodies of astute men seek to create an artificial opinion and to overcome the interests of the public for their private profit. It is thoroughly worth the while of the people of this country to take knowledge of this matter. Only public opinion can check and destroy it.

Woodrow Wilson spoke these words in 1913. Public opinion was not adequate to check and destroy these forces when the Smoot-Hawley tariff wall was erected in 1930. But for 24 years since 1934, under the reciprocal trade agreements program, public opinion and the national interest have prevailed. We learned our lesson. It would be tragic to unlearn that lesson today—and to do so by yielding to the intense pressures of the few special interests.

It is illuminating to examine the catastrophe which resulted from the passage of the first Smoot-Hawley bill—on which the substitute Simpson bill is patterned.

The first Smoot-Hawley bill was called—as is H. R. 12676 now—a reasonable bill. Its proponents—as the proponents of H. R. 12676—advertised it as a means of alleviating the difficulties of certain industries suffering from imports.

The Smoot-Hawley isolationists—as do their counterparts today—tried to tell the country that by striking a blow for protectionism, we would be helping the American economy.

The proponents of the Tariff Act of 1930—as with those supporting the Simpson bill today—said not a word about exports. Their argument concerning the millions of Americans dependent on international trade was an eloquent one—silence.

In 1930 the Congress was deluged with petitions from economists, letters and statements pointing out what the sorry result would be of this country's adopting a restrictive trade policy toward a world still suffering from the results of a grisly war and wracked by depression, poverty and despair.

But the Smoot-Hawley tariff was enacted and the fat was in the fire. If the United States, with the highest standard of living of any nation, was turning its back on the world, only one course of action was open to other governments—retaliation.

While the logs were being rolled in the Congress and after the bill became law, 33 foreign nations formally and officially registered their protests to the United States Government, but to no avail. Let those who would consider turning back the clock by the passage of the Simpson bill count up with me the cost of passing another protectionist bill.

Import quotas, exchange controls and administrative sleight of hand were rapidly slammed down on imports from the United States all over the world. Retaliation for America's action became the order of the day.

Canada—today our biggest trading partner—enacted a sky scraper of a tariff against our exports. It was the highest tariff in the history of that country, either before or since.

American farmers who export to Canada and producers of iron, steel, farm implements, electrical machinery, gasoline, shoes, paper, fertilizers, household appliances, automobiles, and chemicals were sent reeling backward as this vast portion of their export market was snatched away from them.

How much would we have to pay today, when our trade with Canada is vastly larger, were we to invite the Canadians to similarly retaliate by our passing the Simpson bill?

And Canada was not alone. Italy started to boycott American goods as the full curse of America's restrictionist trade policy brought about deepening unemployment in that country. United States automobiles were banned by a prohibitive duty; United States radio manufacturers laid off the workers who had produced for the Italian market—now closed by retaliatory high tariffs. The Italian Government switched the source of imports of many items from the United States to other countries. Between 1929 and 1931 United States exports to Italy dropped 66 percent.

Is this what we seek today? Perhaps not, but it is the sort of thing which we may fairly expect other nations to do if the Simpson bill becomes law.

But that is not the end of the list. With the duty against their watches raised as much as 500 percent, the Swiss retaliated with import quotas and a boycott, and United States exports to that country declined 45 percent within 2 years. Similar retaliatory action was taken by Spain—among others.

Let us never forget that the Smoot-Hawley disaster which we are being asked to repeat today was a major factor in Great Britain's decision to adopt the first British general tariff in almost a century. Out of this came the British system of imperial preferences which served to widen the ever-growing retaliation against this country.

These figures cannot be repeated too often—between 1929 and 1932 United States foreign trade declined by two-thirds. Even if half that drop is attributed to the worldwide depression, the price of Smoot-Hawley was too much to pay—and, I firmly believe, the price of the Simpson bill would be far greater.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I will yield when I have finished my statement. I have not much time.

Mr. SIMPSON of Pennsylvania. The gentleman used my name. I think in fairness he should yield.

Mr. MACHROWICZ. I will yield briefly to the gentleman.

Mr. SIMPSON of Pennsylvania. I wanted to ask the gentleman if he could point to any portion of my bill in which there is anything whatever said which would bring about the curtailment or the elimination of any existing reciprocal trade agreement?

Mr. MACHROWICZ. I intend to go into that a little later in my statement.

Mr. SIMPSON of Pennsylvania. Will the gentleman tell me anything in the bill which curtails against existing agreements?

Mr. MACHROWICZ. I will do that in just a moment.

Mr. SIMPSON of Pennsylvania. I make the statement unequivocally that there is nothing in the bill which in any way affects any existing agreement.

Mr. MACHROWICZ. Mr. Chairman, I refuse to yield further to the gentleman.

Mr. Chairman, what are the arguments advanced by the economic isolationists as they struggle to turn the clock back? First, they say the Smoot-Hawley bill raised tariffs while the Simpson bill would just leave them where they are. But even if one does not take the time to explore all of the gimmicks in the bill to raise tariffs in the name of "protecting American industry," it is obvious that the results of the Simpson bill would be even more protectionist than its 1930 version.

The Free World is pushing forward through the General Agreements on Tariffs and Trade, through the European Common Market, and free-trade area, and a variety of similar plans to reduce tariffs. For the United States to stand still is for the United States to fall behind. We either go forward with reciprocal tariff-cutting or we are left shivering in the cold winds of retaliation.

Even if the Russians had not declared a trade war on the United States, even if the Vice President of the United States had not been subjected to indignities in countries deeply troubled by United States trade policies, even if the European Common Market was not about to begin its most crucial 5 years—even if none of these situations faced us—a 5-year extension of the trade act is a must in our selfish interest.

If other nations, shocked and disillusioned by a failure to renew our trade policy, began to take retaliatory action to defend themselves, this action could intensify our recession.

But is this really so important? We are a great and rich country—perhaps we could afford the luxury of economic isolationism—the price of the Simpson bill?

Last year our exports put more dollars in the pockets of Americans than all purchases of all makes of all automobiles—combined.

Last year our exports put more dollars in the pockets of Americans than were spent on all nonfarm homes built all over this country.

Last year our exports put more dollars in the pockets of Americans than were earned by all American farmers in all their sales of either crops or livestock.

The answer suggested is—yes, we can afford the protectionist Simpson policy. We can afford to have our exports cut by a quarter or a third as much as we can afford to have automobile sales drop a quarter or a third; or home construction drop; or farmers' incomes drastically reduced.

At least, "Yes" would seem to be the answer that the proponents of the substitute bill must make.

All public-opinion polls show that the vast majority of the American people do not agree. I hope and am confident that the Members of this House will respond to what the American people want and what is good for the country as a whole. They will reject the Simpson substitute and resoundingly approve the committee bill.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I rise in support of the Simpson-Davis-Dorn-Bailey substitute bill. I am not one of those who say that the committee bill is all bad. I voted in committee to report it favorably, reserving all my rights. It is an improvement over existing law.

The committee bill strengthens and clarifies the national security section, and recognizes that Congress has the ultimate decision in escape-clause and peril-point cases, but provides for a two-thirds vote of both Houses of Congress to exercise that ultimate decision. The substitute provides for a majority vote of both Houses instead of two-thirds, and that is the main reason I am supporting the substitute.

Mr. Chairman, I understand that it is contended by some that Congress cannot constitutionally put into effect by a majority vote the findings of the Tariff Commission, and that such action would require a two-thirds vote of each body of the Congress.

I do not agree with this contention.

Section 1 of article I of the Constitution of the United States is as follows:

All legislative powers herein granted shall be vested in a Congress of the United States which shall consist of a Senate and House of Representatives.

Section 8 of article I:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States.

Clause 3, article I:

The Congress shall have power—to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

The famous case of McCulloch against Maryland, decided by Chief Justice Marshall, is authority for the following: Two important doctrines of constitutional law—that the Federal Government is one of enumerated powers and that legislative power may not be delegated—are derived in part from this section. To use the language of Chief Justice Marshall:

This Government is acknowledged by all to be one of enumerated powers. The principle, that it can exercise only the powers granted to it, would seem too apparent, to have required to be enforced by all those arguments.

The following statement appears in the 1952 edition of Constitution of the United States of America, Revised and Annotated, page 73:

At least three distinct ideas have contributed to the development of the principle that legislative power cannot be delegated. One is the doctrine of separation of powers: Why go to the trouble of separating the three powers of government if they can straightway remerge on their own motion?

In *Hampton Jr. & Co.* v. *United States* (276 U. S. 394), Chief Justice Taft offered the following explanation of the origin and limitations of this idea as a postulate of constitutional law: "The well-known maxim, 'delegata potestas non potest delegari,' applicable to the law of agency in the general and common law, is well understood and has had wider application in the construction of our Federal and State Constitutions than it has in private law. The Federal Constitution and State constitutions of this country divide the governmental power into three branches * * * in carrying out that constitutional division * * * it is a breach of the national fundamental law if Congress gives up its legislative power and transfers it to the President, or to the judicial branch, or if by law it attempts to invest itself or its members with either executive power or judicial power. This is not to say that the three branches are not coordinate parts of one government and that each in the field of its duties may not invoke the action of the two other branches insofar as the action invoked shall not be an assumption of the constitutional field of action of another branch. In determining what it may do in seeking assistance from another branch, the extent and character of that assistance must be fixed according to commonsense and the inherent necessities of the governmental coordination."

FUNCTIONS WHICH MAY BE DELEGATED

Yielding to "commonsense and the inherent necessities of governmental coordination," the Court has sustained numerous statutes granting in the total vast powers to administrative or executive agencies. Two different theories, both enunciated during the chief justiceship of John Marshall, have been utilized to justify these results. First in importance is the theory that another department may be empowered to fill up the details of a statute. The second is that Congress may legislate contingently, leaving to others the task of ascertaining the facts which bring its declared policy into operation.

Mr. Chairman, in effect the Congress has established a number of independent agencies; such as, the Interstate Commerce Commission, the Federal Power Commission, the Federal Communications Commission, and the Tariff Commission to which it has assigned quasi-legislative powers. In the Trade Agreements Act, the Congress has delegated powers to the President within prescribed limits granted by the Constitution to the Congress. These limitations include an examination by the Tariff Commission of proposed concessions before they are made under the peril point procedure. They also provide for an escape clause procedure which again requires findings by the Tariff Commission. The Tariff Commission is an agent of the Congress. The President is only authorized to make trade agreements with foreign countries within these limitations. In effect, the Congress has placed responsibilities upon the Tariff Commission and there should be no question as to the right of the Congress to prescribe the procedures under which it may delegate its powers. Hence, for such delegation to be constitutional there must be prescribed limitations on the exercise of these delegated powers. Mr. Chairman, let me add that a bill enacted by a majority of both Houses of the Congress and approved by the President establishing these procedures is a constitutional act. Again, let me add that in other matters affecting our foreign policy, including the Mid-East Resolution which we adopted at the President's request last year, all presidential powers contained therein may be terminated at any time by a concurrent resolution passed by a simple majority of both Houses without a presidential signature.

Does it not follow as a matter of common sense that Congress may delegate such powers contingently or conditionally reserving to itself the ultimate decision? It seems to me that the answer is self-evident.

In one of the early cases the Supreme Court used the following very pertinent language:

We can see no sufficient reason, why the legislature should not exercise its discretion in reviving the act of March 1, 1809 either expressly or conditionally as their judgment shall direct (7 CR 382–1813).

I quote again from the Constitution of the United States, Revised and Annotated, issue of 1952:

Within recent years the concurrent resolution has been put to a new use—the termination of powers delegated to the Chief Executive, or the disapproval of particular exercises of power by him. Most of the important legislation enacted for the prosecution of World War II provided that the powers granted to the President should come to an end upon adoption of concurrent resolutions to that effect.[1] Similarly, measures authorizing the President to reorganize executive agencies have provided that a reorganization plan promulgated by him should be reported by Congress and should not become effective if one[2] or both[3] Houses adopted a resolution disapproving it. Also, it was settled as early as 1789 that resolutions of Congress proposing amendments to the Constitution need not be submitted to the President, the Bill of Rights having been referred to the States without being laid before President Washington for his approval—a procedure which the Court ratified in due course.[4]

REGULATE

Elucidating this word in his opinion for the Court in *Gibbons* v. *Ogden*, Chief Justice Marshall said: "We are now arrived at the inquiry—What is this power? It is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution."

And now that I have disposed of the constitutional question—at least to my satisfaction—may I present to you my fully considered views on the so-called Simpson-Dorn-Davis-Bailey substitute, for which I shall vote, and which I hope will prevail, in part using aluminum as a case example.

The expansion of world trade is a laudable objective which I support completely; however, it must be truly profitable for all the participants. The bill before us is basically an amendment to the Tariff Act of 1930. Some have forgotten the fact that in many instances the protection which the Congress provided in the 1930 act was based on a specific duty rather than on an ad valorem rate.

Inflation has reduced the effective level of such duties almost to the vanishing point. The Consumers Price Index has increased 73 percent since 1930, and American wage rates have been adjusted accordingly. May I remind the committee that compensation of employees represents more than 70 percent of our national income. Hence, of necessity, the prices of all American producers have reflected these wage increases. Without giving any consideration to tariff reductions negotiated under the trade agreements program, the specific duties provided in the 1930 act provide very little protection for American industry and their millions of employees.

Furthermore, since the start of the trade agreements program, we have reduced our tariff rates on the average by more than 70 percent. It is generally acknowledged that by any standard the United States must today be regarded as a country with a low tariff structure. Additional broad reductions without adequate safeguards can impose great hazards to the American economy.

Since 1930, industrial costs in the United States have been increased as a result of legislation enacted by the Congress. Let me enumerate but a few of the laws which affect America's production costs. They include the Fair Labor Standards Act; the Walsh-Healey Act; the Wagner Act, which was subsequently amended by the Taft-Hartley Act; and, social security legislation. None of these cost factors were reflected either in the basic legislation before us, the Tariff Act of 1930, nor in the agreements which the President has negotiated over the years under the authority of the trade agreements program.

In 1934 the supporters of the doctrine that the President should have the authority to adjust the tariff structure by negotiating agreements with other countries on a reciprocal basis stressed that we had comparative advantages in many industries due to our technological superiority, which should enable us to develop greater markets for our industrial and agricultural products. However, to capitalize on our technical skills, we had to open our markets to other countries so as to permit them to sell their products in the American market—thus earning the necessary dollars to finance United States purchases. Let us examine what has happened.

With very few exceptions, the United States does not employ import quotas. In fact, when the General Agreement on Tariffs and Trade was negotiated in 1947, it was generally agreed by the contracting parties that quantitative controls would be prohibited. Accordingly, we proceeded to lower our tariffs supposedly on a reciprocal basis. Products of interest to American exporters were granted tariff concessions by other countries. But in almost every instance these tariff concessions were nullified by so-called temporary and emergency quantitative controls.

Some of these restrictions were justified to facilitate economic development; others, because of a persistent shortage of dollars, but regardless of the reason, American exports were not stimulated in the manner expected. In fact, American producers of many of these products found it necessary to establish plants abroad in order to secure their share of the world market. As American firms established foreign operations, they carried with them their skills, techniques, and know-how, which have neutralized the comparative advantage that American producers enjoyed; and we, in the Congress granted them tax incentives to do so.

More recently, starting with the Marshall plan, we have provided the plant and equipment as well as the know-how at the taxpayer's expense. Through the taxes they have paid to our Government, American producers in many cases have provided their foreign competitors with new facilities.

Mr. Chairman, under these conditions, it must be quite obvious that differences in basic wage rates will determine the ability of the United States producer to meet foreign competition. I have prepared a table which contrasts the basic wage rates in all manufacturing in the United States with the prevailing wage rate in other important producing countries:

Country:	*Average hourly rate, all manufacturing*
United States	$2.07
Canada	1.625
Mexico	.229
Australia	.649
United Kingdom	.620
Belgium	.536
France	.390
Germany (West Berlin)	.483
Italy	.331
Netherlands	.355
Norway	.760
Switzerland	.611
Japan	.243

Source: International Labor Review, Statistical Supplement No. 3, March 1958. International Financial Statistics, April 1958.

The production of aluminum is one of the important industries in my Congressional District. Today there is severe unemployment in this industry. However, this is not my problem alone. Aluminum happens to be of vital concern to every member of the Congress because of its overriding importance in terms of our national defense. During the Korean emergency both the executive branch of our Government and the Congress rejected entering into long-term contracts for substantial imports of aluminum from Canada on the grounds that we should not be dependent upon any foreign source for this vital material. Private American industry responded to our country's needs by a substantial investment in new facilities. During the hearings before the Senate Committee on Banking and Currency considering the extension of the Defense Production Act of 1952, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] said:

Mr. FULBRIGHT. Although we have invested amounts of money in the domestic industry, if we guarantee the Canadian industry, what happens to the domestic industry? It may have to take the brunt of that and fold up.[1]

Canada is our closest neighbor. Since we are rightfully unwilling to be dependent upon Canada, should we jeopardize the security of our domestic aluminum industry by permitting unlimited imports from producers in distant countries including Yugoslavia, whose loyalty to the Western World is certainly open to question?

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[1] See, e. g., Lend Lease Act of March 11, 1941 (55 Stat. 31); First War Powers Act of December 18, 1941 (55 Stat. 838); Emergency Price Control Act of January 30, 1942 (56 Stat. 23); Stabilization Act of October 2, 1942 (56 Stat. 765); War Labor Disputes Act of June 25, 1943 (57 Stat. 163).

[2] Reorganization Act of June 20, 1949 (63 Stat. 203).

[3] Reorganization Act of April 3, 1939 (53 Stat. 561).

[4] Hollingsworth v. Virginia, 3 Dall. 378 (1798).

[1] Defense Production Act Amendments of 1952, 82d Cong., hearings before the Senate Banking and Currency Committee, Pt. 2, p. 1494.

Mr. Chairman, I am impressed by the fact that our allies in NATO—in spite of our reciprocal trade agreements—have protected their domestic aluminum industry. Under existing law the United States tariff on basic aluminum is 1.30 cents per pound. It will be reduced to 1.25 cents per pound on July 1. Yet in France there is an ad valorem duty on similar products of 20 percent. In addition, a sales tax of 25 percent is imposed on all aluminum items. In Italy the tariff ranges from a 25 percent ad valorem rate on all crude aluminum and a rate from 25 to 31 percent on semi-fabricated products.

While our friends overseas after July 1, can send unlimited amounts of aluminum into the United States by paying a tariff of 1.25 cents per pound, Americans exporting aluminum in to those European countries which have a domestic aluminum industry are confronted with a tariff ranging from 6 to 10 cents per pound. This can hardly be regarded as reciprocal trade. I see no reciprocity there.

A more recent development affects the security of everyone. The Russians have now entered the world aluminum market and are underselling other European producers. This Russian competition, which is, of course, subsidized state trading, produces a serious threat to an American industry vital to our national security. It is impossible for any private corporation to meet the subsidized competition of Russia or any other sizable industrialized country.

These problems were impressed upon me during my first term in Congress. Our colleague, the gentleman from Connecticut [Mr. SADLAK], introduced an amendment to the Defense Production Act in 1952 to remove restrictions which had been imposed upon the American economy by an organization established by the State Department known as the International Materials Conference. We had become so dependent upon foreign sources for many materials that the mobilization demands of the Korean emergency created adverse world price trends which diverted essential material from American consumers. We then found ourselves in the position where an international agency could decree that we were not entitled to maintain our share of the world's basic materials in spite of the sacrifices we were making in connection with the Korean war.

During the course of the debate on this amendment, another distinguished Member of this body, the gentleman from North Carolina [Mr. DURHAM], showed what had happened to the military stockpile because we had neglected to protect our own industry.

Mr. Chairman, it would be difficult for me in the limited time available to review the history of that sorry episode. Let me merely state that it stemmed from proposals developed within the State Department in 1944 which were finally incorporated in the so-called Habana Charter. As the members of the committee know, President Truman submitted this charter to the Congress in 1950. The Committee on Foreign Affairs conducted extensive hearings but failed to report the House Joint Resolution which had been introduced on behalf of the Truman administration to permit United States participation in the proposed International Trade Organization.

While the Habana Charter was never approved, many of its provisions are still influencing world trade. Chapter IV of this charter became the basis for the General Agreement on Tariffs and Trade, known as the GATT. Chapter V provided for the establishment of what might best be characterized as a world federal trade commission with very broad powers to deal with restrictive business practices. Mr. Chairman, let me stress that we all deplore monopoly and restrictive business practices, but the procedures proposed in the Habana Charter would have singled out private enterprise for a completely different treatment than the socialistic and communistic enterprises which operate in other countries of the world. As we are the principal private enterprise economy, this proposal would have been directed against the United States.

Chapter VI of this charter provided for international commodity agreements. Mr. Chairman, the gentleman from North Carolina summarized this provision of the charter in his remarks on June 19, 1952. Let me quote from them:

> In 1944 the State Department issued its proposals to the United Nations for an International Trade Organization. These proposals contained provisions for intergovernmental commodity agreements. Various drafts of the proposals were made from 1944 through 1947.
>
> In 1947 the Senate Finance Committee held hearings on the proposed International Trade Organization. Senator Millikin, the chairman, specifically asked whether any such agreements, if consummated, would be submitted to Congress for approval. The present Secretary of State, who was then Acting Secretary, in a letter to the committee said:
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> "Insofar as such commodity agreements impose any obligations on the United States requiring legislative implementation in any way, it is the intention of the Department that they should be submitted to the Congress."
>
> In 1948 the nations met at Habana and a charter for the International Trade Organization was the result of their deliberation. Chapter 6 of this charter dealt with intergovernmental commodity agreements. The charter was submitted for approval and hearings were held before the Committee on Foreign Affairs, House of Representatives, during the 81st Congress, to approve the charter. The hearings closed on May 12 and the committee never reported any action to the House. In December, the Department announced that no further efforts would be made to secure approval for the ITO. Between May and December Congress passed the Defense Production Act of 1950 which granted allocation and price-control powers. In January of 1951, following Prime Minister Attlee's visit to the United States, the governments of United Kingdom, France, and the United States announced that an International Materials Conference would be formed to deal with the allocation of scarce commodities not just critical materials.
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> This was the birth of the International Materials Conference. There were never any legislative sanctions for its activities, and none exist today.[1]

[1] CONGRESSIONAL RECORD, House, June 19, 1952, vol. 98, pt. 6, p. 7632.

Prior to the meeting at Habana, the preparatory commission to draft the Charter established an organization known as the Interim Coordinating Committee for International Commodity Arrangements to implement chapter VI of the Charter dealing with commodity agreements. The word "interim" in the title of this organization was supposed to cover the period prior to the ratification of the Charter itself. The Charter died in 1950, but the "interim" continues.

When this administration assumed office, it was confronted with two proposals within the United Nations Economic and Social Council, one to implement the restrictive business practices provision of chapter V, and the other a further development of commodity agreements through the establishment of a United Nations Commission on International Commodity Trade. Although these proposals were already far advanced, President Eisenhower and Secretary Dulles turned the tide within the United Nations Economic and Social Council, and the restrictive business practices proposal was finally tabled. The Economic and Social Council established a Commission on International Commodity Trade in 1954, but the United States has refused to participate in the activities of this Commission. It is the only major commission within the United Nations structure in which we have not taken an active part. Our refusal was based on the fact that the terms of reference of this Commission were completely inconsistent with the concepts of a free enterprise economy.

Mr. Chairman, the President's authority to participate in the GATT stems from the Trade Agreements Act. On May 19 President Eisenhower transmitted to the Congress his second annual report on the trade agreements program. It included as an appendix a report to the Secretary of State by the Honorable Thomas C. Mann, Assistant Secretary of State of Economic Affairs and Chairman of the United States delegation to the 12th session of the GATT, which was held at Geneva, Switzerland, on October 17 through November 30, 1957.

In spite of the fact that the Congress refused to accept the Habana Charter, chapters V and VI are now being implemented by the GATT. The report to the Secretary of State included the following statements:

> 4. NOMINATION OF CHAIRMAN OF ICCICA
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> The Interim Coordinating Committee for International Commodity Arrangements, comprised of experts on commodity trade, was established by resolution of the Economic and Social Council of the United Nations in 1947. The Committee keeps informed on intergovernmental consultation and action with respect to commodity problems and advises the Secretary-General of the United Nations on specific problems in the commodity field.
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> A Council resolution provides for the nomination of the Chairman of ICCICA by the contracting parties to the general agreement. At the 12th session the contracting parties renominated for this position the present chairman, Sir Edwin McCarthy, Deputy High Commissioner for Australia in the United Kingdom.

5. RESTRICTIVE BUSINESS PRACTICES

At the 11th session the contracting parties deferred consideration of the question of future action to be taken with respect to the problem of restrictive business practices.

At the 12th session the contracting parties had before them a new proposal submitted by the Norwegian Government in July 1957, comprising a draft agreement on restrictive business practices which is intended to supplement the general agreement. In the course of the session the Norwegian delegation also submitted a draft resolution providing for the establishment of a working party to study the proposed agreement and to report thereon to the contracting parties at a subsequent session. The general question of an international agreement to control restrictive business practices affecting international trade has been before the contracting parties for a number of years. Action to work out such an agreement had also been initiated in the United Nations Economic and Social Council several years ago but had come to a standstill.

The contracting parties at the 12th session instructed the Executive Secretary to collect and analyze documentation on the subject of restrictive business practices and submit it to the next meeting of the Intersessional Committee. The Intersessional Committee would then decide whether to establish a working party or a group of experts to deal with the matter. If after examination of the available material, including that developed in the United Nations Economic and Social Council, the committee should find that further immediate progress was not possible, it could refer the matter to the 13th session with recommendations.

(Second annual report of the President of the United States on the trade agreements program, p. 50.)

Mr. Chairman, let me stress that in referring to restrictive business practices, the chairman of the United States delegation stated:

Action to work out such an agreement had also been initiated in the United Nations Economic and Social Council several years ago but had come to a standstill. (Second annual report of the President of the United States on the trade agreements program, p. 50.)

The reason that the proposed agreement came to a standstill was that the United States delegation to the Economic and Social Council in 1955 exerted every effort to table a resolution which a previous United States delegation under the Truman administration had introduced in 1951 when it proposed that the United Nations proceed with this activity in spite of Congressional disapproval of the Habana Charter.

In discussing the Interim Coordinating Committee for International Commodity Arrangements, I have already alluded to the fact that the interim has been made permanent. Although the name of this organization was never changed, it has now become an accepted organization and its chairman is nominated by the GATT.

These are some of the dangers and pitfalls which should concern all of us when we consider a bill which would permit the continuation of these GATT programs for a period of 5 years without any possibility for Congressional review.

Mr. Chairman, let me remind the members of this committee that on July 3, 1952, in order to terminate the activities of the International Materials Conference, it was necessary for us to recommit the appropriation bill for the State, Justice, Commerce, and Judiciary and instruct our conferees to insist on a Senate amendment which in effect made it impossible for the United States to assume the expenses for the International Materials Conference. It was my good fortune to be able to cast a vote to terminate this unauthorized activity.

If we support the amendment sponsored by the gentleman from Pennsylvania [Mr. SIMPSON] which provides for only a 2-year extension, we will obviate the necessity for so drastic a step at some late date. The Congress should have the opportunity to follow closely the proceedings of the 13th session of the GATT before it is committed to a longtime extension of the President's powers.

I have great confidence in President Eisenhower, but I am disturbed at the prospect of granting these powers to a President who has not yet been nominated by either of our great political parties nor elected by the American people.

In view of the present troubled situation in France, it is apparent that the governments with which we negotiate agreements can fall with little warning. Hence, we should continuously be in a position to review and revise our own trade policies to meet the needs of American industry, particularly those industries concerned with the production of materials essential for our national defense.

The substitute amendment defines the procedures and establishes some criteria to enable the Director of the Office of Defense Mobilization to determine whether imports are threatening national security. It also sets a time limit of 90 days on an investigation by the Office of Defense Mobilization. The substitute further provides for Congressional participation in peril point and escape clause proceedings; to see to it that the intent of Congress is carried out by its designated agent.

Every informed American is aware that the Congress can express its will on any matter in spite of the President's objections if two-thirds of the Members of both Houses so desire. Accordingly, the provisions in the committee bill which permit Congressional repudiation of any action taken by the President under the escape clause are meaningless and have no substantive value.

While I have an intimate knowledge of the conditions in the aluminum, textile, zinc, and coal industries because of the unemployment now prevalent in my own Congressional District, I am keenly aware of the difficulties which confront you in areas responsible for the domestic production of copper, petroleum, tungsten, fluorspar, and other strategic materials.

These are difficult times. I certainly went to support President Eisenhower, as I have since I have been a member of the committee and the Congress, in his efforts to expand world trade and to strengthen the countries of the Free World. However, I am sure that the American people have sufficient faith in the Congress that they believe we should be partners in this enterprise. The substitute amendment will place us in a position to maintain adequate control over this situation. We can then discharge our constitutional responsibilities and see to it that no American industry can be so weakened that our very survival as a nation might be placed in jeopardy.

Mr. MILLS. Mr. Chairman, I yield 20 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I have no false opinion of the seriousness of the task that faces a bipartisan majority of this House to work its will in shaping our international trade policy.

As we set out to substitute the legislation contained in H. R. 12676 for the legislation proposed by the administration and the Committee on Ways and Means in H. R. 12591, I must take note of the lineup of the opposition in favor of the administration's bill.

Top, we will find the President of the United States, with all his power and ability to put the pressure on.

Next we find a Speaker of this Democratic majority in the House here who is not averse to putting on the pressure on occasion.

We find a Democratic floor leader opposed to the Simpson proposal and in favor of the administration's proposal. He will probably be the only Democrat from his State who will cast a vote against the Simpson substitute.

That might well be true now as it was 3 years ago, if you recall. Twelve of the 23 Democrats from the State of Texas voted against their own leadership.

I say to you this is not a party issue at all. If you will recall 3 years ago, when we had our first test vote, there were 103 Democrats and 104 Republicans. It split the parties almost equal, and I assume the feeling among the Members of this body is approximately a 50–50 division on this very important matter.

In addition to our President and our majority floor leadership we have the minority floor leadership. This gentleman would like to be, and when we wrote the escape clause in 1951 he was one of my strongest allies in writing the escape clause into the Reciprocal Trade Agreements Act. I am referring now to Mr. MARTIN, the minority floor leader. He would like to be with us today, but has to be in line with his administration policy.

Then, in addition to that, let us add former President Harry Truman and Eric Johnston and a few more of them.

When I think of the alinement we have to face and the propaganda that they use in selling the people that it is necessary to have a 5-year extension of the Trade Agreements Act, and to give the President authority to reduce import duties 25 percent, I am reminded of the story they tell about the old western Visigoth leader in the closing days of the Roman Republic. The old Visigoth leader came down and laid siege to Rome. He penned the Romans up behind the walls and they were getting mighty hungry. They decided they would send a delegation of 50 Roman

senators in their togas to wait on the Visigoth leader and try to persuade him to take a ransom rather than capture the city and sack it. He listened to them for a while and they were not making any progress. Finally they decided they would say to the old gentleman, "If you don't agree to our proposal to take a ransom and not sack the city the Romans will grow angry and increase in numbers and come out and destroy your army."

Do you know what the old Visigoth leader said to them? "The thicker their grass, the easier to mow them."

My observation is that there are a lot of cockleburs and thistles in the grass proposed in H. R. 12591.

Not being a member of the bar, Mr. Chairman, I shall not devote any time to discussing the constitutional questions that might have been raised about this legislation. I am not in a position to discuss it intelligently, but I have taken the time to clear the substitute proposal so far as any question of its constitutionality is concerned by submitting it for analysis to one of the Nation's leading law firms, the firm of Steptoe and Johnson, with headquarters in New York City and here in Washington and in West Virginia. The senior member of that law firm is Louis A. Johnson, your former Secretary of Defense. Their letter to me is as follows. It gives a clear analysis of the constitutional question that might rise against H. R. 12676.

The letter is as follows:

WASHINGTON, D. C., *June 3, 1958.*

The Honorable CLEVELAND M. BAILEY,
United States House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE BAILEY: In response to your request for our opinion concerning the constitutional aspects of your bill, H. R. 12676, we are pleased to submit the following.

Section 7 of H. R. 12676 would amend section 7 (c) of the Trade Agreements Extension Act of 1951 to provide that the President must either proclaim escape clause recommendations of the Tariff Commission or submit to the Congress a report containing his counter or alternative recommendations. In either event, the President must act within 30 days after receipt of the Tariff Commission's recommendations. The section further provides that in instances where the President has submitted his own recommendations to the Congress he shall, after the expiration of a stated period of time, proclaim the recommendations of the Commission unless the Congress, by law, shall have approved the recommendations made by the President. In that event, the section provides that he shall proclaim the recommendations so approved.

In our opinion section 7 of H. R. 12676 comports with all pertinent requirements of the Constitution of the United States. It is well established that the Congress may authorize either the Tariff Commission or the President to make certain tariff adjustments when a factfinding prescribed by statute is established. *Field* v. *Clark* (143 U. S. 649 (1892)). It is self-evident that where such authority has been provided for by statute it may be revoked, altered or modified by another statute enacted pursuant to law. In our opinion, section 7 of H. R. 12676 is constitutional because it involves a direct application of these two principles.

It is to be noted that, in essence, section 7 of H. R. 12676 provides for the recommendations of the Tariff Commission to become effective unless the Congress, by law, shall have approved different recommendations. In our opinion, the language used insures conformity to the requirements of article I, section 7, of the Constitution which makes action of the President an essential element of the legislative process. By providing that the Congress shall act by law rather than by concurrent resolution a serious constitutional question of proper legislative procedure is avoided. See volume 37, opinions Attorney General, page 56 (1933); volume 39, opinions Attorney General, page 61 (1937); Jackson, A Presidential Legal Opinion; volume 66 Harvard Law Review, page 1353 (1953); Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees, volume 66 Harvard Law Review, page 569 (1953).

Very truly yours,

STEPTOE & JOHNSON.

Mr. Chairman, I wish to devote most of the time allotted to me to a discussion of the faults of the present trade agreements and the shortcoming of the proposals contained in H. R. 12591. The 1934 act, if it was reciprocal at that time, is no longer reciprocal. The American Government has lived up to its agreements strictly, but it is the only government of the 37 signatory nations to the general agreements at Geneva that has lived up to its commitments. It is, as many of my colleagues have referred to it, a one-way street. Let me tell you why. My good friend, the distinguished gentleman from Arkansas of the Commitee on Ways and Means, made some pointed remarks about the free market proposal in Europe. He did not tell you this—that these six nations who are setting up that free-market area over in Europe already are members of the general agreements on trade and tariffs since it was formed in 1947. Did they think anything of their obligations to the United States when they decided to get together? Certainly not. Our Secretary of State was hedgehopping around all over Europe trying to set up a summit conference, if you recall, on disarmament. He let those nations over there steal his thunder. He should have protested immediately that they, as members of the general agreements on trades and tariffs were violating their agreement. He should have asked to dissolve our general agreement on trades and tariffs because those six nations who were signatories did not think anything about leaving the United States out in the cold. What is wrong with Mr. Dulles is that he got his longtailed coat caught in the squeeze. He has found out to his sorrow that about three or four billion dollars of the total of American exports is involved in that free-market area, and there is a possibility that all of our exports would be excluded. A little bit later on I am going to tell you why they are asking for a 5-year extension and why the President wants further authority to reduce our tariffs 25 percent.

The present trade agreements and the proposal contained in H. R. 12591 is a constant threat to our national economy. Let me say this to my friends. In the numerous articles that you have seen proposed by the economists of the United States as the cause of our present economic depression or recession or whatever you want to call it, not a single one of them has used as an excuse for the unemployment situation our international trade policies—not a single one of them. But, let me show to you clearly that they are one of the major factors that have led to the unemployment of over six million people in this country. There are some six million of them still unemployed. Why did that come about? Right now under our present policy, 142 industries in these United States are affected by foreign imports. Some of them may have only 5 plants in the industry, but some of them, like your textile industry would have as many as 5,000 plants.

Why are there no new jobs being created? Because not a single one of these 142 industries know, under our Reciprocal Trade Agreements Act, whether they are a going concern or whether they are going out of business within the next year, due to foreign competition. Not a single one of those industries will build a new factory or build an extension onto existing facilities. No wonder there are no job opportunities. Job opportunities are drying up because 61 percent of your total economy is involved in those industries that are directly or indirectly affected by foreign competition. There is no expansion of job opportunities and there will not be until this Congress decides to assure those industries that they are going to have assigned to them a certain fixed amount of the American market that they can depend upon without interference from foreign imports. Whenever you do that they will then adjust their programs, they will build new plants, and they will build additions to existing facilities. Until that time has come there will not be any additional job opportunities in this country, unless it be a few paltry jobs the exporters might have available.

Let me think of the appalling situation that might exist if we gave authority to cut these import duties an additional 25 percent. I make the prediction there are at least a million American jobs involved, any time you reduce American tariff rates by as much as 25 percent. It is folly that 6 million people unemployed at this time should be increased by another million, sold down the river in their jobs, in order to attempt to buy friendship that you cannot depend upon if their economy is involved. It is a situation that we cannot afford to continue to foster.

Let us look at the mismanagement, on the part of our State Department, of our present reciprocal trade. What was the State Department doing when we let the six-nation group in Europe take advantage of it? Nothing. What have they been doing except putting out false information, false propaganda as to the operation of the trade agreements? I do not have time to go into the details as to just wherein they have fallen short in the administration of your present trade agreements, but as far as I have been able to find, they have never advocated, President Roosevelt, President Truman, or President Eisenhower, since they were given authority in 1934 to raise imports—not in one single instance have those two former Presidents or your present President offered a recommendation to increase import duties. On the con-

trary, they have taken advantage of every opportunity to lower the import duties. Where does the United States stand today among the nations that are signatories to your international agreement at Geneva, GATT—we are fifth from the bottom in the line of import duties imposed. That is a long, long way from the Smoot-Hawley Act, if you will allow me to express myself.

These reciprocal trade agreements, as they are being administered today, are not what they were intended to be in 1934 when you gave the President authority to up import duties or to reduce import duties. The situation has changed considerably since 1934. Neither President Roosevelt nor President Truman or your present President Eisenhower has done anything except interfere with the authority vested with this Congress in the Tariff Commission to take the details of handling our tariff off of the hands of the Congress and fix it in the Tariff Commission.

Let us remember, Mr. Chairman, that the Tariff Commission is a creature of the Congress and not of the executive department. It is there to take care of the administration of the act on behalf of the Congress.

What has happened? Only 87 industries out of all of these thousands in this country affected have gone to the Tariff Commission for a redress of grievances under the escape clause that was put into the act of 1951. Of these, the Commission has heard approximately 38 or 39. What has happened to those wh .e they made a decision? In not a single instance—three I think in which the Tariff Commission has imposed import quotas—in every one of those three instances the President of the United States has turned down the recommendation of the Tariff Commission. He has made it clear that he is opposed to the imposition of any kind of import quota.

What happened in the case of clothespins a few months ago? You probably recall. The Tariff Commission said the only thing that they could do was set an import quota of 650,000 gross on the amount of clothespins being shipped in from Sweden and Denmark.

What did the President do? He set aside the import quota and upped the import duty on a gross of clothespins by 10 cents. He did not tell the American people that the Swedish and Danish manufacturers could undersell the Americans by 40 cents a gross and that even with the added import duty they could still undersell them 30 cents a gross.

In every instance where the Tariff Commission has sought to aid certain American industries it has been set aside.

The State Department, just a few weeks ago in a case involving findings of the Tariff Commission, so modified the Tariff Commission's recommendation that you would not recognize it.

There has been too much interference on the part of the President and the State Department in managing a matter that is the business, constitutionally, of the Congress of the United States. The Constitution states plainly that "Congress shall regulate commerce, shall approve treaties, and shall fix tariffs."

They are not doing it.

You gave that authority away in 1934 heedlessly, thoughtlessly; and today, I fear, we are going to have to pay for our folly unless we take steps, take them now, to recover again the authority of Congress to regulate commerce, to approve treaties, and to fix tariffs.

What is wrong with the reciprocal trade agreements today? Mr. Chairman, they have no legal status whatever. The general agreement on trades and tariffs worked out at Geneva has never received the approval of the Congress of the United States. The State Department is operating illegitimately, and has been since that proposal was turned down by Congress after the Habana Convention in 1948. Every bit of their activity, and every dollar they have spent and that they are spending is being spent illegally. They have no authority to do it.

Why is it necessary that the distinguished chairman of the Committee on Ways and Means, who drafted this bill, write a caveat in the closing section of the legislation—and the same thing in the case of the Simpson bill:

> The passage of this legislation shall in no way bind the Congress in the matter of general agreements on trade and tariffs.

Why has it been necessary that we add that language every time? Because the Congress has never recognized what happened in this Geneva Convention when 37 nations joined in what is known as the General Agreement on Trade and Tariffs. You will remember it was necessary for us to oust Czechoslovakia because of the Otis incident.

Mr. REED. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BAILEY. Mr. Chairman, why is it necessary that we go along with a proposition of that kind that the Congress will not recognize officially? We have been playing along with them, making all the concessions that has caused suffering here in America in order to satisfy them and try to buy their friendship. All of it has been illegal and not in accordance with the proper procedures of the Congress.

What about this new bill, H. R. 12591? I do not like that part of it that is involved in the closed-rule procedure, but I cannot express myself on that since I tentatively agreed in committee I would go along with a modified rule. I would like if time would permit to express my viewpoints on the practice of bringing this legislation or any other legislation of this kind before the Congress of the United States under a gag-rule procedure.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I would like to ask the gentleman if he would give his opinion as to whether in the committee bill there is anything whatever, however slight, which gives even the promise of certainty of relief for any laborer or any industry suffering from the severe injury as the result of too low a tariff protection? Is there anything in that bill to give protection to that individual?

Mr. BAILEY. None; and there is plenty in there to take his job away from him if we give the President authority to cut 25 percent of our existing tariff rates.

Let me say, as I conclude the last 5 minutes of my time, that there are some more questions involved here than have been brought out in the debate at the present time. It just so happens that the bulk of your unemployment presently is in some 8 or 9 States, maybe 10. With the possible exception of the State of Michigan, those States are the ones that are presently losing population. Why are they losing population? They are losing their inhabitants because there are no job opportunities in those States.

What has happened as a result of the operation of our trade agreements up to this present time? What has happened is that you have taken away the job opportunities of great areas of this country. My State of West Virginia, for instance, has been laid waste, or the major part of it, where there were once thriving industrial centers. It has been laid waste by the operation of these trade agreements due to the fact you put no curtailment whatever on the shipments into this country of residual oil, which has taken away States' markets for coal and the jobs of 41,000 miners. Your present trade policies have ruined the pottery industry of the State of West Virginia where the largest pottery plants in the world are located. Eighty-seven percent of the pottery products consumed in this country last year were produced abroad and shipped in. It is shocking that we only have 13 percent of the market for that industry still available here in America. Think of the glass industry. I have 10 plants in my district that produce hand made and blown glassware. Four of those plants are closed completely and five of them are operating only part time. Three of the world's largest window-glass plants are located in my district. Let me say to you that over the last 2 years imports of window glass have increased over 300 percent. One of the largest branches of the Pittsburgh Plate Glass Co. is also located in my district. Plate glass imports have increased 120 percent in the last 2 years.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I represent the Seventh Congressional District of the State of Wisconsin. The legislation now before this House is of vital importance to many people in the district I have the honor of representing.

During this session of Congress my office has been flooded with correspondence from workers in the plywood, handcraft, and knitting goods industries. Dairy farmers represented through the Wisconsin Association of Creameries, Pure Milk Products Cooperative, Badger Consolidated Cooperative, National Milk Producers Federation, and National

Creameries Association have expressed their sincere concern over the future of our trade policies. The Seventh District produces more milk and cheese than any 1 of the other 434 districts in the country. The Seventh Congressional District is 1 of the 3 districts represented in this Congress producing over 50 percent of the mink pelts sold in the United States market.

The above-mentioned facts make my interest in adequate trade legislation quite apparent. Many of these industries are being hurt by the ever-increasing imports of highly competitive products from low-wage foreign countries.

I have nine hardwood plywood producers in my district and the reports I receive from their employees are something less than encouraging. Man-hours of work are being lost, prices are off, and production has fallen. Many workers have suffered from reduced hours resulting from the tremendous growth of plywood imports from low-wage-paying countries, particularly Japan. This same dilemma faces the rest of the hardwood plywood industry in Wisconsin.

What has happened to bring about this unfortunate turn of events? The answer is clearly shown by official United States Government statistics. The United States market for hardwood plywood has burgeoned but the domestic industry has come nowhere close to getting its fair share; in fact, it has gone in the opposite direction. Since 1951 hardwood plywood consumption has risen 89 percent; hardwood plywood imports have shot up 1,200 percent and the Japanese imports skyrocketed to a whopping increase of 6,600 percent. In this same period of prosperity for the importers of hardwood plywood, the American industry's shipments in 1957 were 10 percent less than 1951 and 16 percent less than 1955, and 12.5 percent less than 1956.

To bring the picture into sharper focus, I refer you to this chart. The pie-type graphs clearly show how the domestic industry has lost its markets and to whom. Please note that in the 3 representative years, 1951, 1954, and today, Canada, traditionally our largest foreign supplier of hardwood plywood, primarily birch, went from 5 to 6 percent, then down to 4 percent. And, parenthetically, I might add that the Canadians have lost a substantial part of their plywood market in the United States due to the very low Japanese prices.

The category "other" includes a great many countries and while that category went from 1 percent in 1951 to 6 percent in 1954, it has not increased since. But look at Japan. In 1951 she supplied 1 percent of our domestic market; in 1954, 24 percent; today, she has 42 percent of the domestic market and this in a period when domestic consumption climbed steadily from 869 million square feet in 1951 to 1,630 million square feet in 1957. As any businessman will tell you, this is murder. It is obvious that the position of the domestic industry is untenable.

What is the American industry's condition today as compared to the time before this great influx of Japanese plywood? Studies by Seidman & Seidman, certified public accountants, shows the domestic industry's profit on sales before taxes has declined steadily from 12.26 percent in 1950 to 5.75 percent in 1955, to 3.9 percent in 1956 and 2.4 percent in 1957, with a low of 0.90 percent in the fourth quarter 1957. A survey by the same certified public accountant firm of 25 identical hardwood plywood plants located in 11 States and representing more than 25 percent of total domestic shipments and all classes of manufacturers, for the first half of 1957 compared with the first half of 1956, showed dollar sales down 12.5 percent, dollar value of material consumed down 10 percent; and payroll down 18 percent.

Let us take a look at the BLS Wholesale Price Index—1937 to 1949 equals 100. The index for hardwood plywood has dropped from 110.8 in 1951 to 103.7 in 1957. This is further evidence that low-priced imports have forced the price of the domestically produced hardwood plywood downward. In contrast during this period, the price index on all commodities other than food and agricultural rose from 115.9 in 1951 to 125.6 in 1957.

And what about employment? A recent survey covering 48 plants on man-hours worked and number of employees in 1955 and 1957, the number of employees was down 13 percent and the hours worked down 18 percent. The fourth quarter of 1957 showed a substantial decline from the preceding quarters, and the decline has continued in the first quarter of 1958.

And, to this let me add this thought, that when we are talking about the people in our domestic industry being hurt, we are talking as well about the timber grower, the logger, the trucker, the veneer workers, and the other supplying industries to the hardwood plywood industry.

What has brought about this incongruous situation of growing market, yet a failing domestic industry—the answer is simple—it is price. The American producer just can't meet the competition made possible by the 11½ cents an hour labor paid by the Japanese manufacturers. The American producer pays an American standard of wages. He is subject to the wage-hour law, anti-trust laws, State and Federal taxes, unemployment compensation payments, fringe benefits, and all the myriad obligations which must be reckoned with by an American businessman before he even gets his enterprise off the ground. The average sales price of the Japanese plywood exports to the United States in the last 7 years was $63.83 per 1000 square feet, surface measure. This low sales price is directly attributable to the low-wage scale of highly industrialized Japan which amounts to $4.17 per 1,000 square feet, ¼-inch basis. This compares to the domestic industry average unit labor cost of $38.50 per 1,000 square feet, ¼-inch basis. The result of this low price is the complete destruction of the normal market price structure within the domestic hardwood plywood industry. Producers will tell you that today they have no price lists, but to obtain orders they must price plywood to meet competition of the imported plywood, without regard to the production costs.

What then is the Japanese picture in this thing, and I think it is conceded that imports from Japan are the heart of the problem. And the Japanese have for years recognized that they were and are seriously injuring the American industry. Back in 1955 Japan announced a plywood export quota intended to alleviate the damage to the American hardwood plywood industry. This quota was 400 million square feet per annum. Japan ignored this quota in every subsequent year. Then in January 1958 the Japanese External Trade Recovery Organization—JETRO—announced that Japan was cutting its plywood quota back 20 percent to relieve the hard-pressed American industry. The quota was stated to be 660 million square feet, an increase of 220 million square feet over the 1955 announced quota. In essence, this was 20 percent of nothing. Yet Japan's recognition that a quota was required is a clear admission that they knew their plywood exports were inflicting damage on us.

Between 1951 and 1956 the Japanese plywood industry increased its production capacity over 400 percent and was still increasing it through installation of new equipment in old plants and erection of new plants until 1958 when a halt was called on the installation of new presses of a large size. They have a capacity to produce over 3.6 billion square feet of plywood in 1958. This capacity was built with the purpose of exporting at least 60 percent of the production to world markets. Japan's domestic markets will not absorb more than 40 percent of the capacity of 1.4 billion square feet per year. Markets in other parts of the world will not take the plywood, so Japan unloads its surplus on the United States market. Even so, the Japanese plywood industry could not unload all of its surplus on the United States. In 1957 the Japanese plywood cartel limited production to 70 percent of capacity or 2.6 billion square feet. This became necessary when the Japanese found that the United States and the world market would not absorb the tremendous quantities Japan was set up to produce. The determined fight of the American hardwood plywood producers to obtain relief from this cancerous condition created by imports was a deterrent to Japan's unloading even larger quantities in the United States market in 1957. The Japanese producers have the capacity to produce a billion square feet of hardwood plywood per year more than they produced in 1957. They want to make it and to export it, preferably to the United States. Foreign countries have means of refusing admission to unwanted low-priced imports and they have evidenced no willingness to accept more Japanese plywood, in fact, some countries have practically embargoed Japanese plywood. Unless Congress provides a means for the domestic industry to obtain relief, the floodgates will be open and the deluge of cheap plywood from Japan will drown our industry and seriously injure other industries making building materials.

What has the domestic industry done to help itself in this dilemma? In September of 1954, almost 4 years ago, it was readily apparent what was happening—the handwriting was on the wall. The industry turned to the Tariff Commission in search of relief via the escape clause route. On June 2, 1955, the Tariff Commission denied the industry relief. Shortly thereafter the State Department announced a trade agreement with Japan which was extremely favorable to the Japanese. In their case, the domestic industry proved every element of damage set out in section 7 of the statute. In this light, the decision of the Tariff Commission is very puzzling to me. The timing of the application apparently was unfortunate as a finding in favor of the industry at the time the State Department wanted to announce the Japanese trade agreement could have been embarrassing to the State Department.

Since the adverse decision of the Tariff Commission and the subsequent failure of the Japanese to give more than lipservice to their alleged import quotas, it has been suggested many times and from as many quarters that the industry again go before the Tariff Commission. Such a course would be futile. It is common knowledge both in and out of Washington that the administration is not going to approve a recommendation for quantitative restrictions on any industrial product. The President has so stated publicly many times.

And, now I come to my final point—the American hardwood plywood workers and the hardwood plywood industry, being foreclosed from its administrative remedies by the executive branch now comes to the Congress for clarification of the escape clause so that the relief it needs, quotas, may be available to it. The need for quotas is supplied by simple mathematics, the Japanese labor costs versus those of the United States producer. It is contended by free traders that our high wage rates are the result of our high productivity and that we can, therefore, produce more cheaply than anyone else, this is not true in the hardwood plywood and other industries in my Congressional District. The Japanese plywood plants are the most modern in the world, their profits from the exports to the United States permit them to continue to improve in productivity and reduce costs. The latest figure available on Japanese plywood labor cost is $4.17 per 1,000 square feet for ¼-inch thickness panels. In the domestic industry the average labor cost for 1,000 square feet ¼-inch hardwood plywood is $38.50. The unit difference in cost, 1 to 9. The wage in Japan for plywood workers is approximately one-eighth to one-tenth the wage of plywood workers in the United States so the relative productivity is about equal.

The sales price of Japanese plywood is so low that even with an increase in the duty rate to 100 percent Japanese plywood would remain competitive in the United States market. But such an increase or any substantial increase in duty would virtually eliminate all countries other than Japan from participating in the United States market. Tariffs are clearly not the answer—reasonable quotas in certain cases are clearly the proper answer.

The Simpson substitute clarifies the directive of Congress relating to quotas by providing in substance that if the Tariff Commission, in an escape clause investigation, finds that the maximum permissible duty increase for the article being investigated will not prevent or remedy serious injury to the domestic industry concerned, the Commission shall recommend the establishment of such quotas—either tariff quotas or absolute quotas, including seasonal quotas of either kind, such quotas to be subject to such allocation among countries of origin as the Commission may direct.

And, so I say that the solution of the hardwood plywood industry and the other import-injured individua'ls and industries of the Seventh Wisconsin District is in the legislation now before this House. This comprehensive legislation has in it, as I have described, provisions that will make quotas possible and other features which will make affected American industries able to live equitably with import competition.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Chairman, the gentleman has pointed up to us here as he did before the Committee on Ways and Means during its hearings the situation of an industry that is being injured and seriously injured by our trade policy, by concessions that have been made, and at the same time the absolute refusal of the administrators of this program to do anything to keep their promise, that promise being that under this program no domestic industries would be injured. It seems to me that this is a typical example of the failure of the proponents of this program to keep their word with respect to the consequences of the program.

I want to compliment the gentleman on his statement.

Mr. LAIRD. I thank the gentleman from Wisconsin.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, in rising in support of extension of the reciprocal-trade agreements in unweakened form and for a period of 5 years, I feel that the debate in which I am participating is perhaps in its immediate as well as far-reaching effects, the most important debate at this session of the Congress.

As a member of the Committee on Foreign Affairs and of its subcommittee at present engaged in an intense examination and study of American hemispheric problems, I am keenly conscious of the irreparable injury to us if the reciprocal trade agreements are not extended for the 5-year period and in the form imbodied in the bill drafted by the great Ways and Means Committee, of which the brilliant and dedicated gentleman from Arkansas [Mr. MILLS], is the outstandingly able chairman and of which the dean of the Illinois delegation, the beloved Congressman THOMAS J. O'BRIEN, is an eminent and distinguished member.

TRADE WITH LATIN AMERICA

May I point out, Mr. Chairman, that our trade with Latin America is about on a par with our trade with Europe. It is larger than our trade with any other single area in all the world. This trade is dependent upon the extension of the reciprocal-trade agreements.

Close to one-third of all our imports came from Latin America in 1957 and about one-fourth of all of our exports went to that area in 1957. In 1 year we exported to Latin America products that totaled in value $4.7 billion.

I repeat the figure so that my colleagues will not minimize the disastrous rebound upon our economy if the reciprocal-trade agreements should not be extended in the form set forth in the bill reported by the great Ways and Means Committee. Here again is the figure: $4.7 billion in American products sold to the Latin American market.

Unlike in some other parts of the world, almost all of these exports to Latin America are paid for, only slightly more than 1 percent representing grant aid.

The Latin American countries in turn depend upon us as the major market for their exports. They find in the United States a market for more than three-fourths of their copper, two-thirds of their coffee, one-half of their raw wool and three-fifths of their petroleum.

How anyone familiar with the facts of trade can jeopardize not only losing hemispheric good will forever but as well losing a market for our products of almost $5 billion a year completely is beyond my power of understanding.

RESTORING HEMISPHERIC GOOD WILL

As a member of the Subcommittee on Inter-American Relations of the Committee on Foreign Affairs, I say with complete assurance that the extension of the reciprocal trade agreements for a period of 5 years will do more to restore hemispheric good will and to bring us to a basis of lasting understanding than anything else that we can do.

I put an emphasis on the extension for a period of 5 years. Much of the unrest in Latin America recently exhibited stemmed from the uncertainty as to what this Congress would do in the way of extending the agreements. If the period of extension were for a 1-year period, or a 2-year period, or a 3-year period, there would continue to be uneasiness, the constant circulation of rumors as to our future intent, and hemispheric good will, I am afraid, would continue to be beyond our reach of control.

MIDWEST HAS BIG STAKE

As one having the honor of representing a district on the south side of the city of Chicago, I feel keenly what would be the tragic effect of the defeat of this bill upon the economy of the great Middle West. I can imagine nothing that would be more devastating to industry, labor, and agriculture in the Great Lakes

States. Certainly nothing would be more deadly to our high hopes of the boundless prosperity ahead for the great Middle West with the opening of the St. Lawrence Seaway and the development of the Cal-Sag inland waterway from the Great Lakes to the Gulf of Mexico.

The Federal Reserve Bank of Chicago in the April 1958 issue of its magazine, Business Conditions, well states that the Middle West has a big stake in foreign trade. It points out that is 1957 sales of goods and services to overseas customers increased for the fourth consecutive year and showed a gain of $3 billion over the previous year.

Export sales of merchandise totaled $19 billion, and to this was added $3 billion in United States services bought by foreign customers. Export sales exceeded by a considerable margin consumer outlay on autos and auto parts and expenditures on residential construction.

Little less than 5 million persons in the United States gain their livelihood directly or indirectly from export trade and domestic distribution of imports.

VIEW OF FEDERAL RESERVE BANK

Let me read further from this authoritative article in the publication of the Federal Reserve Bank of Chicago:

The Midwest has a particularly big stake in United States export trade. First, a large share of industrial exports are produced in Midwest factories. Second, much of the agricultural exports are either grown or processed in this region. Third, as a major transportation center, many of the commodities exported are either shipped through the area to coastal ports or transferred directly to overseas carriers operating in the Great Lakes. These direct shipments will doubtless become increasingly important with the completion of the St. Lawrence Seaway.

Exports bulk particularly large in many of the hard goods lines produced in the Midwest. For example, the latest annual figures indicate that one-fifth of all motor truck sales are made to overseas customers. Over a quarter of the tractors produced in the United States are exported, and foreign purchases of other farm machinery represent about 18 percent of overall demand. Shipments abroad of construction equipment aggregate 26 percent of total production, and overseas sales take 11 percent of the output of machine tools.

In each of these industries, Midwest firms predominate. The 5 Seventh District States account for 35 percent of the total payroll of machinery manufacturers in the United States, 35 percent for transportation equipment producers, and 29 percent for metals and metal products firms. During 1957, these industries exported almost half of total United States nonagricultural overseas shipments.

Among the agricultural products, the top spot in value of exports has alternated in recent years between cotton and wheat. While virtually none of the cotton is produced in the Midwest, a good part of the wheat is grown and processed in this area. Corn and fats and oils also provide substantial volumes of exports. Foreign purchases of United States fats and oils totaled $600 million in 1957, largely soybean oil and animal fats. Over 50 percent of United States soybeans are grown in Illinois, Indiana, and Iowa, and Midwest farms and meatpacking plants are important sources of animal fats.

CANNOT BE ONE-WAY STREET

Mr. Chairman, it has been said many times that the thoroughfare that leads to the common advantage of all who travel it cannot be rigged to make the traveling easier for one group at the expense or discomfiture to other groups of travelers. Let me apply this rule to the matter of reciprocal trade and to read again from the article in the magazine of the Federal Reserve Bank of Chicago:

Any form of commercial trade, whether it be between States, regions, or nations, cannot be a one-way street. American exporters generally want to be paid for their merchandise or services in dollars, a currency that can be spent domestically. The major source of dollars to overseas buyers of United States products is, of course, their earnings on goods and services sold to this country. A dollar spent for imported goods will in the normal course of events return as a purchase of United States products by foreign customers.

The preponderant share of imports entering the United States do not compete directly with the output of domestic producers. Three-fifths of total merchandise imports consist of crude and semimanufactured raw materials. A large share of these materials are virtually nonexistent in this country: tin, nickel, natural rubber, jute and flax fiber, raw silk, diamonds, manganese and bauxite, for example. In other cases, such as newsprint, imports supplement inadequate domestic supplies. The continued efficient production of many important industrial commodities is dependent on foreign sources. For instance, all of our manganese—essential to steel output—and three-quarters of the bauxite from which aluminum is produced, are imported.

An additional one-fourth of United States imports represent foodstuffs, a large part of which are commodities that cannot be economically grown domestically. Of the $3 billion in food imports in 1957, coffee accounted for $1.4 billion, and tea, cocoa, bananas, and spices an additional $400 million. The United States is in these instances completely dependent on foreign sources of supply.

FROM STANDPOINT OF AMERICAN

Mr. Chairman, I have spoken from the standpoint of a member of the Committee on Foreign Affairs concerned in a happy relationship of our country with the other nations of the American Hemisphere.

I have spoken as a Representative from one of the States of the Great Lakes region concerned in the continuing prosperity of the Middle West and the welfare of the people of the area from which I come.

I now speak from the standpoint of an American concerned with the manner in which my country best can meet the demands of her destiny in a rebuilding world in which the responsibilities of leadership have fallen to her hands.

I vision in the passage of this bill exactly as reported by the committee the opening of the door to the future. If we extend the agreements for a full 5-year period, that will be notice to the world that ours is a nation that keeps its word and its faith. If we should end the agreements, or if we should extend them for a shorter period and in weakened form, that would be interpreted by the world in which we are seeking friends as notice that we are a nation that reneges when the mood is on us and we seek to take advantage.

What we are seeking now to do in this generation is to lay the foundations of a lasting peace. If in that this generation can succeed, it will be blessed by all the countless generations that will follow, and we who have been a part of this generation can live to the end of our days with a sweet satisfaction that we were part of the generation that accomplished where others failed.

TARIFF WALLS THAT DIVIDE

There can be no amity among nations, no uniting of all peoples into a cooperative brotherhood, until tariff walls have ceased to divide. Tariff walls are walls of discrimination, and discrimination in any form is a poison that destroys individuals and destroys nations. Where you have discrimination you have the source of dissension, and when you have it practiced by one State upon other States you have the cause for wars. That is a simple fact that must be realized by anyone who has read the pages of history and has found his interpretation of those pages in good old commonsense.

Does anyone think for a moment that if all the tariff walls in Europe were torn down that Europe would today be facing her many, many problems?

All that we have to do is to follow our own pattern. That pattern was fixed when our Constitution provided that among the sovereign States of America, entering the sisterhood of the United States, there should be no tariff walls to divide. There were those in that early period who doubted, and when money and know-how first went from the seaboard to build up industries and agriculture in the newer sections of the country there were fears on the seaboard that this would result in a disastrous competition to the existing industries and agriculture from whence was coming the money and the know-how. As everyone now knows, it did not work out that way. The prosperity of one State contributes to the prosperity of the others.

Today all the nations of the world are much closer in travel time than were the regional domains of the United States at the time of the adoption of our Constitution. Extension of the reciprocal trade agreements, leveling tariff walls to the extent seemed reasonable at this time, is in the American pattern and along the line of the best American traditions.

Mr. Chairman, I urge the defeat of the Simpson amendment when offered and the passage of the committee bill. A vote for the committee bill is a step forward into the promise of tomorrow. A vote against the committee bill or for a weakening amendment is a backward step into the yesterdays. The destiny of our country is to lead forward. Our mission is to lead mankind in ascent to the heights, not in retreat back to the bogs and the marshes.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from South Carolina [Mr. ASHMORE].

Mr. ASHMORE. Mr. Chairman, June 15, 1953, was my first day as a Member of this august body. On that date I cast my first record vote, and that vote was for the extension of the Reciprocal Trade Act.

In principle I am still for reciprocal trade, but I am not for it the way it is being practiced today.

The term "reciprocal trade" is a snare and delusion to most American investors and working men.

In 1955 the Reciprocal Trade Act came up for renewal or extension. At that time numerous industrialists complained about the unreasonable and excessive imports to the United States. Proponents of the bill said we'll protect the American industries by strengthening the peril point and escape clauses of the Reciprocal Trade Act.

Here is what happened. Since the act was extended in 1955, 87 American manufacturers have requested relief under the peril point or escape clauses. In 23 of those cases, after hearings were held and due consideration given the evidence, the Tariff Commission recommended that the President grant relief of some type. In each case where the Tariff Commission recommended that the President impose import quotas the President refused to grant such quotas. In nine cases where relief was recommended by the Tariff Commission the President condescended to grant small duty increases. These duty increases were on such articles as clothes pins, a certain brand of clover seed, linen towels, Swiss watches, bicycles, and the like. It is axiomatic that from this list of articles only watches and bicycles would have the slightest effect on any segment of the economy of this country. These facts prove that the administration of the present law has been and is now unfavorable to American industry and American labor.

The Department of Commerce, the Department of State, and the President of the United States are using this law as an instrument of foreign policy. This policy is destroying one American industry after another. For example, I cite you a statement made by Senator FREDERICK G. PAYNE, of the great State of Maine. In discussing the ravages that have been worked on the textile industry by our so-called trade-and-aid programs, Senator PAYNE said in the year 1957 our International Cooperative Association — foreign-aid program — purchased over $89 million worth of fabricated basic textile from foreign suppliers, while buying only $7 million worth from domestic manufacturers, and this at a time when American textile mills are going bankrupt or liquidating every few weeks.

Did you know that since 1946, 717 textile mills have been liquidated in this country? Did you also know that since 1949, 205 mills have closed their doors permanently in the New England States alone? This same drain on the American economy has been felt in southern communities where it is reported that 79 textile mills have closed since 1955.

Why did these mills close? The primary reason was simply because the average pay for an American textile employee is $0.68 per hour; whereas the average pay for a Japanese textile worker is 12 to 15 cents per hour. No American industry can compete with a foreign industry when our wage scale is 10 times more than theirs. This is just plain arithmetic; just simple, ordinary horsesense.

Not only that, but the Japanese textile manufacturer can and does buy American raw cotton for $30 per bale less than the same cotton costs an American textile manufacturer. Furthermore, he has the same machinery, the same know-how, the same mass production methods as our textile manufacturers. He has modern machinery—most of it paid for with American dollars—but this machinery is operated and maintained and goods produced thereon under sweatshop conditions. Do you, my friends, approve of textile goods or merchandise of any kind made in sweatshops at coolie wages being sold to the American consuming public?

I know that Eric Johnston and his 600-employee Ringling Bros., Barnum & Bailey Circus extravaganza, produced to influence the vote of Members of this House, and Charles Taft and his highly paid assistants claim that Japanese textile imports are not hurting our local textile manufacturers.

Any such claim is absolutely false.

Japan exported to the United States an average of 270 million square yards of cloth annually before they voluntarily agreed not to exceed 235 million square yards per year. Amazingly enough, this is the first time in the history of this country where a foreign government took action on its own part to protect an American industry.

Are we as representatives of the people of this Nation fulfilling our duties and responsibilities when we sit idly by and refuse to pass legislation to protect our own investors and laborers for such a long period of time that the government of another nation finds it wise and expedient to take the necessary action to protect the security of any American industry? I say the answer is "No."

The Japanese textile people concentrated on certain types of materials to export to this country and, thereby, they took 70 percent of the American velveteen market, 48 percent of the gingham market, 58 percent of the damask market, and more than 30 percent of the blouse market. I ask you, and I ask Mr. Charles Taft and Mr. Eric Johnston, have imports to that extent hurt the American textile industry? If not, then why have 717 textile plants had to close their doors within the past few years?

Foreign imports under the present law are not only destroying the textile industry, but they are also destroying the American plywood industry, the fishing industry of Alaska and New England and the Pacific coast; the pottery and glass industries of Ohio, West Virginia, and Indiana are also hard hit by imports from foreign countries.

Our zinc, lead, and copper mines in this country are closing down. Miners in our Western States receive from $17 to $30 wages per day. In Peru miners doing the same type of work are paid $6 a day, and in Rhodesia from $20 to $30 per week. Yes, import these metals and put our miners out of work. Today most of them are unemployed. Yet we talk about a recession and five or six million Americans not working, many on relief with children hungry and in need of the necessities of life.

A mine official in Montana recently said:

Our people are existing; they are not living.

This was shortly after the United States had bought 2,000 tons of copper from South Africa. Listen, my friends, you representatives of the mining States, and you from the New England States, are any of you in a position to conscientiously vote for this bill in its present form? If you think you are I suggest that you first talk to some of the unemployed people in the district that you represent. During the past weekend I received numerous letters requesting me to vote for the Simpson-Dorn substitute bill and oppose H. R. 12591 in its present form. I would like to read a portion of one letter that I received.

DEAR MR. ASHMORE: I am an hourly paid employee of Bigelow & Sanford Carpet Mill, Inc., Landrum, S. C. My employer informed me, as well as the rest of the employees, that if something is not done soon we are due for a possible curtailment. He said we have so many imports of carpets that we are not selling our products.

The Americans are buying the imported products because they are cheaper. The reason they are cheaper is because their labor is done for almost nothing.

I am sure you are very much aware of this. It sure is a crucial time here. We used to work 48 hours a week. Now we have 40 hours a week, which cut my take-home pay $15 a week. In a year's time this means a loss of $780. What will our children expect in getting a high school education? I am married and have a child 3 months old.

Mr. ASHMORE, if something *is* not done in the next few weeks we all will be without a job. That's the way the future looks, mighty dark. We can't plan anything for fear of being laid off. I am an ex-GI. I have a clean record with the Government as well as with civilian life with the exception of a speeding ticket once. There are many good people turning bad because of lack of work.

Let's hope you and the Congress and the rest of our leaders can solve our problem on keeping imports out of our land for we need work as well as those people over there, possibly worse than they do. Just last week our mill laid off 50 people and there's going to be more unless something is done.

Well, sir, you know a lot more of what we are facing than I do, so please treat us right.

Yours truly,

JOE SMITH.

INMAN, S. C.

Some foolish people in this country evidently think that foreign workers are more important than American workers. I do not think so. I urge you to stop and analyze this situation. Do not let Charles Taft or Eric Johnston or Sinclair Weeks tell you how to vote. They have an ax to grind. They are not elected representatives of the people like you and I; and President Eisenhower simply does not know, and is poorly advised.

The reciprocal trade law as now written and administered has helped to put us in our present dangerous economic condition. We have reduced tariffs year after year and refused to protect our American manufacturers and laborers from low wage foreign competition. We have encouraged American dollars to go to foreign countries where labor is cheap and no American taxes are levied. We have $30 billion now invested in low wage foreign countries to compete with American industry and labor. This means fewer jobs and, thus, less taxes in the United States Treasury.

By virtue of the Reciprocal Trade Act and GATT we have already made over 55,000 tariff concessions, all of them to freeze or lower American tariffs. Today our tariffs are the lowest of any trading nation in the world. Now, H. R. 12591 calls for more of the same. Yet lower tariffs mean more imports. And more imports mean fewer jobs for Americans. No jobs result in no taxes to support the American Government—no dollars to support the American family—no dollars with which to enjoy the American high standard of living. If that is what you want in America, then vote for H. R. 12591. If it is not what you want, then vote for the Simpson-Dorn substitute.

In conclusion, let me make one thing clear. The substitute is not a return to the high tariff policy of the 1930's as some people would have you believe. I am opposed to any such unreasonably high tariffs. In fact, the Simpson-Dorn substitute does not raise the tariff on one single article. On the contrary, it permits some additional reductions. Primarily the substitute simply attempts to save several vital American industries from liquidation or bankruptcy due to foreign competition. Therefore, I urge you to vote for the Simpson-Dorn substitute.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Maryland [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, on May 25 the New York Times carried on its front page an article describing the results of 4 days of talks in Moscow. Represented at those talks were the Communist governments of the Soviet Union, Bulgaria, Albania, Rumania, Hungary, Czechoslovakia, Poland, East Germany, North Korea Communist China, North Vietnam, and Outer Mongolia.

These 12 Communist-ruled lands occupy a quarter of the earth's surface and included about one-third of the people of the world. At the recent meetings they pledged themselves to tighter economic cooperation and to specialization in production which means for them greater international exchange of more economically produced goods.

For once, the Communists have given fair warning of a move vital to us. It is important for us to recognize this fact as we consider today the future of our Trade Agreements Program, which is an important part of the answer of our free economy to the Communist economic challenge.

The substitute bill puts this issue squarely before us. It is—do we vote in favor of a continuation of the enlightened reciprocal trade policy of the past quarter century? Or do we adopt the substitute bill thus ending meaningful reciprocal tariff-cutting and proclaiming our withdrawal from the field of international economic competition?

The choice is clear—we either embrace the 19th century slogan that the tariff is solely a matter of domestic concern or we accept the fact that we are in the 20th century and rise to meet the Communist challenge.

There are those who would cloud the issue. They belittle the importance to the rest of the world of this 11th extension of the Trade Agreements Act—but they cannot hide the lesson of history from us. The world's reaction to the last protectionist trade bill enacted by the Congress—the Tariff Act of 1930—was a sharp one. And that piece of legislation was advanced as a reasonable bill—a phrase much used at this time to describe the substitute bill.

But today it would not be just a problem of steeling ourselves for a decline in employment as our export industries felt the pinch of retaliation abroad—serious as that alone would be. Today we would have to expect other nations, after gazing ruefully at our abandonment of the reciprocal trade policy, to direct their trade elsewhere. It is clear from the Moscow meeting that the Communists are organizing to cash in on this possibility.

Let me illustrate how this would work with a precise example. The substitute bill is specifically designed to raise the tariff on items competing with domestic producers. It would repeat many times the Swiss watch case of 1954.

Four years ago the administration decided to benefit a domestic industry responsible for one-fiftieth of 1 percent of United States production by raising the tariff on watches by 50 percent. In so doing, we damaged a Swiss industry which employs 10 percent of the Swiss labor force and accounts for half of their exports to the United States. In addition, we performed a great disservice to the many American firms that import and assemble Swiss watch movements.

Switzerland, let us remember, is a country that has never received a nickel of foreign aid. The Swiss have asked only to try and sell products here which it is clear Americans prefer—and our answer was to jack up the tariff.

It is not my purpose at this time to go into all the ramifications of the watch controversy, but I should like to stress the point that actions seemingly affecting only minute segments of our vast economy can often rebound strongly against our best interests as a Nation. When we decided to hit this industry employing 10 percent of Swiss labor to protect an American industry responsible for one-fiftieth of 1 percent of American production, we were really sacrificing our export industries, since many United States exports to Switzerland are paid for by our purchases of their watches.

These exports have recently been at the rate of a quarter of a billion dollars per year and include wheat, cotton, automobiles, machinery, office appliances, pharmaceuticals, and tobacco. I am especially aware of the exports to Switzerland of the latter items, as the Swiss are the largest purchasers of the high-grade Maryland export tobacco that is grown in the Fifth Congressional District of Maryland, which I have the honor to represent. If the Swiss cannot sell their watches in the United States because of unduly high tariff rates, then they are unable to purchase Maryland tobacco—and this simple truth holds for the other products America sells to Switzerland also.

The administration's increase of Swiss watch tariffs in 1954 was a regretable departure from our policy of promoting trade. However, though the confidence which we wish others to place in us was shaken, it was not undermined. But let us understand clearly—the substitute bill is specifically designed to produce these occurrences—without thought of the specter of Communist competition.

The retaliation against the Tariff Act of 1930 which helped cut our exports two-thirds within a few years caused unemployment and suffering throughout the land. Today the question facing us is a far broader one.

If we narrow the trading possibilities of the Free World we force them to become enmeshed in the Soviet state-trading apparatus. In the past few years, the Communist bloc has been working together more and more. Now, as a consequence of the recent talks in Moscow, we may expect even greater efforts.

Let us make no mistake about it. The other countries of the Free World must trade. If we slam the door they must look elsewhere.

This Congress has the issue squarely before it; we either go forward with the Free World, reciprocally cutting tariffs, or we go backward with the substitute bill—enacting the Swiss watch farce over and over again.

Of course, the proponents of the substitute bill are as dedicated as all Americans to fighting international communism. Certainly they do not intend to bring joy to Mr. Khrushchev. They just have not given adequate consideration to the terrible price this country would have to pay for the policy of economic isolationism they advocate.

This country has made mistakes in its foreign-trade policy in the past, but generally our record under the Reciprocal Trade Agreements Act has been good.

When waging the cold war, when tightening our alliances, when influencing neutralist governments, the United States has always been able to say that our commitment to reciprocal tariff cutting is a real one and far outweighs our sporadic protectionist actions.

Is the substitute bill the weapon with which this Congress wishes to arm our statesmen for competition with the Soviet Union? Could we look the representatives of other free countries squarely in the eye and say that the substitute bill is a clear indication of our continuing commitment to increasing mutually beneficial trade—a continuing commitment to the reciprocal tariff-cutting policy this Nation began a quarter of a century ago?

The answer is "No." The substitute bill is a frankly protectionist device—as effective in the economic battles of the cold war as the Polish cavalry charges were against Hitler's tanks in 1939.

I should like to conclude these remarks by summarizing my major points:

I have brought to your attention the announced plans of international communism on the economic front formulated recently in Moscow.

I have reminded you that our protectionist blunders in the past have played into the hands of the Reds, but our overall policy has carried us through.

I have stressed that the substitute bill would make it United States policy to multiply many times over occurrences like the unfortunate Swiss watch case.

I have not tried to show that this 11th extension of the Trade Agreements Act will solve all the world's economic problems, but I believe I have shown that the substitute bill would worsen these problems, would cause further doubts about our economic leadership—and must be rejected.

It was especially significant to note, in this connection, the well-reasoned editorial that appeared in the May 31 issue of Business Week. In a strong indictment of protectionist demands, the editorial stated that "at this point there are no more concessions the administration can make." The article included another noteworthy observation:

> The trade bill is crucial as a defensive measure in a year when some shortsighted groups would like to have the United States follow beggar-thy-neighbor policies—neighbors who will either turn against us with higher tariff walls of their own, or turn to the Soviet Union as a means of saving their economies.

These words ideally present the issue and it is imperative that we measure up to the challenge we face today.

Indeed, my colleagues, the answer to Moscow is not a weak-kneed 2-year extension with vague and minimal authority. Rather, it is the Mills bill—5 years, 25 percent—and a chance for victory in the vital arena of international economic competition.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Chairman, the baker and the widow, apropos to the argument of reciprocal trades, based upon idealistic rather than economic thinking, is the story of the baker and the widow. A widow was left with a large family in a rather small and limited community. The whole town wanted to help and the only real means of help in sight was the bakery shop. The baker was prevailed upon to let the widow use his ovens and facilities to produce a homemade loaf of bread which she sold through the energies of her orphaned children for a few pennies less than the baker could sell his bread.

The widow could do this because the baker was shamed into the charitable position of giving her the flour at cost, while he absorbed handling charges; he also gave her full use of the equipment while he paid the overhead. Being a beneficent soul he also furnished the know-how and the technical advice. I do not have to tell you the ending. The plan worked fine—that is, for the widow. The widow became rather prosperous and generously gave the baker a job.

On a grander scale we, as Americans, are building bakeries all over the world, for our competitors to operate. We first loan money to buy equipment, then subsidize the raw materials, ship our engineers, scientists, chemists, and other technical help out to the job to make sure it is done correctly, then, we buy back the finished material cheaper than we can produce them, because we are paying in part for the competitors' production costs.

It is not wrong and it is not cruel to say that if we build up competitive business with our money and give concessions that make competition onesided against us, we will eventually destroy the competition by destroying ourselves as a producing nation.

We are not now, nor can I see where or when we will ever be a nation that can sustain itself as a market for foreign produced goods by providing the means and materials to that same foreign country.

It is not my understanding of history that Columbus sailed out on a strange, and uncharted sea looking for a place to buy products already at hand. I understand he was looking for a shortcut to the Indies in order that spices, salts and other strange and unobtainable products could be brought back to his country, while opening up a market for the goods his people were producing.

We are trying to do both. We want to buy the salts and spices, but we also want to buy additional products of which we have an oversupply at home. And, of course, if we really want the spices and salts we have to agree to let our friendly Indians supply us in their own ships, and in some cases they are using ships we let them have because they were surplus, and we are raising their standards by giving them our extras.

I am for raising all standards of living, but not at the expense of our own level of living.

When I was a boy the poor housewives in our neighborhood would do their housework, and, together with their children, every spare moment was used to sew covers on tennis balls, the famous Pennsylvania tennis ball used by champions in championship matches. This ball was made with the strain and sweat of undernourished children and weary mothers. We stopped this kind of human drudgery and degradation. We outlawed this practice during the past generation, and I am proud of my part in helping to destroy the child-labor sweatshops and fly-by-night operations in my State and country.

And now after laying down rules of behavior and conduct that added stature to our industry and dignity to our labor, we are forcing both labor and industry to compete with the very conditions of labor and production forbidden by law in this country. There can be no compromise with justice and all the American workman wants is justice for himself and in the main for his employer. The employer has an out, if he is powerful enough. He can put up a factory in some foreign country and ship his products back home. In fact some employers see an opportunity to do this very thing with profit, and in some cases it provides an opportunity to make the union work without a contract and perhaps soon, without a union.

I did not become a Member of Congress to sit in on the liquidation of either industry or labor in America. Have we become so befuddled and confused by slogans and propaganda that we have lost the ability to think clearly upon a single fundamental issue? Have we become so derelict in our duties to our constituents, the American people, that we can actually help promote destructive, competitive conditions inimical to both the economy and the body politic of America?

This past week we read of a great offer of the Soviet Russian Union, wanting to buy millions of dollars' worth of American goods. They want raw materials, machinery, to produce commodities and goods from this machinery; technical men and supervisors to train and educate their own people to operate the machines; and then, last but not least, they want us to lend them the money on a long-term basis, in order to finance this program, which will enable them to lay their world-competitive foundation with our money.

No doubt the debt will be paid off with American dollars while our State Department makes certain that a favorable tariff is set up under our reciprocal trade agreement. This will provide that we can buy the commodities and goods produced with our raw materials, our machinery, our know-how, and our money.

Is there anybody in the House who wants to buy the Brooklyn Bridge; we have a seller in the hall with a blank check.

If any one person was to take the time to really analyze the all-over trades and agreements he would come up with a best seller entitled "We Will All Have Chicken and Dumplings; Wait and See."

I have not gone into the pertinent facts of certain situations for you, but one or two points are outstanding and should be covered. First, I sincerely believe our trouble really started with the organization of GATT. This organization, with 34 original members, established trade relations for all of the countries, including our own. We pay 20 percent of the cost of operation and have only one vote. Time will not permit a full and complete dissertation of this little international gimmick, which plays international policeman with its eyes closed and its mouth wide open.

Second, I believe we should have the trade-agreements legislation go back to committee for amendments that are not allowed under the closed rule adopted by this Congress. If we can get a reasonable set of amendments, looking forward to creating ground rules that help our friendly neighbors and yet do not cause irreparable damage to ourselves, we can vote for this bill unanimously. I believe

we will have to have at least six basic amendments; namely:

First. Change the 5-year clause to dateline January 30, 1960, giving time for a real and comprehensive study of causes and effects.

Second. Remove any right to an automatic reduction of tariff duties with Congressional approval.

Third. No commitments to be made beyond a period of 12 months or January 30, 1960, whichever period is shortest.

Fourth. That the basic import duty on any product produced in the United States shall be not less than the total taxes paid by an American producer on the same goods.

Fifth. Put the same tax rate and risk chances upon American capital invested in foreign enterprise, if such enterprise is competitive, as like investments are assessed in the United States.

Sixth. Last but not least, name a joint committee of the House and Senate to carry on a comprehensive study into all phases of international trade, aid, and reciprocal agreements.

Further, to establish ground rules pertaining to the manufacture of American market goods in foreign countries by American producers who curtail their American operations as they expand in foreign countries and yet import goods to supply their American customers.

I believe this to be a minimum program and one that will not hurt international relations, because most countries know that a bargain is useless unless both sides profit.

At this time, Mr. President, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The fur is flying in the long-awaited debate on foreign trade. The pros and cons are equally sure they are right as they swing haymakers at each other.

The truth of the matter is that the whole program of reciprocal trade has become a matter of slogans, societies, promoters, dinners, luncheons and propaganda.

When one takes time to study the situation it boils down to this. "The original concept of reciprocal trade has been completely forgotten and in its growth has developed a serious and disturbing misunderstanding of the value of our participation in the so-called free trade movement."

Today we have a well-financed program to sell free trade, based upon the illusion that this is the broad highway to peace.

The facts are simple if one wants to read the records of Congress and the balance sheets of the Department of Commerce. Part of the answer is contained in our daily press, with reports such as the following—excerpts from the New York Times, Sunday, May 25, 1958 and other papers and magazines:

Macao sends in to us for July 4: Fireworks are chief export of isle of China—10,000 work in industry—when Americans punctuate Independence Day with the noise and flare of fireworks on July 4, it will be safe to assume that much of the fire crackers and rockets came from this tiny island colony of Macao.

New paths open to Red economy: Integration of Communist Asia into bloc presents complications as well—if the integration effort is successful, there will be in effect a vast Communist market from the middle of Europe to the Pacific ocean. Experience has shown, that Communist countries whose optimal economic role, from a bloc point of view, would be to produce mainly raw materials and food do not wish to do so. Industrialization is such a fetish in Communist thinking that any suggestion that a country should concentrate on producing materials for other more industrialized countries raises resistance on the ground that this means the country in question would be kept in colonial servitude.

America to build new shipyard in China—To use Japanese steel exclusively—Live cattle shipments start to come into the United States from New Zealand—Ford to produce new cars in Germany for American market—Aid to Guatemala is revised by United States—Stress shifted from roads to projects that affect the people directly: Most of this money has gone to the rural development programs, which received $5,300,000 in the present fiscal year. The main purpose of this program is to resettle 25,000 peasant families in 5 years, starting in 1955. They are to receive adequate land, credit, technical assistance, highways, schools, water and health services, among other things.

Housing is next in importance, a total of $3,800,000. Then following, health programs with $2,130,000; education, $1,400,000; public administration, $563,000, and public works, $350,000."

These illustrations are indicative of the importance of the subject of world trade, world aid and its relationship with American economy. Any person would be an utter fool who would blindly close his eyes to the realities of the situation. World trade is of the utmost importance to every citizen of every country and certainly of this country. I believe every member of this Congress wants to see a healthy trade condition; one that is based on the sound economics that surround both export and import trade.

For many years I have been a firm believer of the necessity for reciprocal trade agreements. Having been elected to Congress a little over 4 months ago I can hardly be classified as an expert. Therefore, the observations I make today are from whatever knowledge I have been able to glean from the numerous reports, newspapers resolutions, and speeches that I have been privileged to hear and read since becoming a Member of Congress. I am convinced that a 5-year extension is a very serious mistake, although there are many arguments to the contrary. I doubt if there is any logic that can sustain an extension beyond the time limitation of an absolute guaranty of performance from this or any other nation of the face of the earth. A 5-year extension means that this country will be subject to pressures in every foreign election. We will find ourselves unable to protect our interest in any nation unless we participate financially and otherwise in their internal affairs, to guarantee that friendly rulers remain in power.

This action was never conceived to be the basis of need for the passage of reciprocal trades. In my opinion, trade agreements were based on very logical and hard-headed American thinking. The trade agreements had to be good business, and financially profitable. Certainly during Cordell Hull's early days in this field he believed, as I do, that good trade relationships would be good diplomacy and could result in peace everlasting.

However, in this modern world of automation, nuclear sciences, breaking the sound barrier in aeronautics, and the general upgrading in education and skills of the masses of people all over the world, we can no longer talk about trade items without giving consideration to the economics surrounding the subject. In the United States today we face a problem of overproduction of goods and materials while at the same time we open our borders to materials and goods from other countries without a compensating factor to eliminate the dangers inherent in any given situation where one can buy equal goods at a cheaper price. I want to see, if I can, the passage of a reciprocal-trade program; however, it must have within it some protection for the American investor and the American worker at least equal to the protection given to the American investor who invests his money in competitive industry abroad.

I have not the time nor the complete facts to show this body that a great number of arguments for the 5-year extension of reciprocal-trade agreements are based upon unsound principles and distorted facts. For instance, a group in a recent issue of a protrades magazine shows that United States exports a total of $18,800 million to the world, broken down as follows: $6.7 billion—machinery, vehicles; $3.3 billion—tires, tobacco, fats and oils; $2.6 billion—other products. This article purports to show what a great aid to American industry our export business is. Now let us see another argument contained in a magazine entitled "Economic Review." It has a graph showing the United States employment attributable to foreign trade in 1956 as follows: Nonagricultural workers, 2,516,000; agricultural workers, 602,000; transportation and distribution, 524,000; processing imported materials, 858,000 for a total of 4,500,000. I think that these two illustrations are the most misleading pieces of evidence yet offered in support of this bill. For instance, to say that foreign trade provides more jobs than steel, automobile, and machine industry combined is certainly without foundation. They are talking about employees directly connected with these industries; whereas, when they compute the jobs supplied by foreign trade, they count every conceivable man-hour directly or indirectly connected with foreign trade. They count in this job lot the employees who process raw materials that country imports which will go on regardless of whether or not we pass this bill. Basically, the materials this country can supply and which other countries need will always be available.

Although it would appear that as an individual I am opposed to reciprocal trade as such. I want to make it clear that I do not oppose the reciprocal trades program except in the instances where a continuation of the present policy might add greater injury to certain very important industries in my district and the districts of my colleagues. As evidence of these injuries, I have letters and resolu-

tions from industry unions, municipal governments, and thousands of individuals. I might say, in passing that I find very few who are unalterably opposed to the program. Most of the opponents to the present bill are in favor of reciprocal trade but they ask that this Congress put guaranties into the bill that will act as a compensating factor to establish a reasonably competitive market.

I think David J. McDonald of the steel workers put it very well when he said "I am aware of the fact that from time to time you have heard certain trade unionists speak against this program." Let me hasten to add, however, that I do not question the sincerity of any trade unionist who opposes the reciprocal trade program. In most cases import competition in their own industries is a problem. Moreover, while I oppose the only solution our opponents offer—cutting off trade—I believe Americans must face up realistically to the problems posed by import competition. Our answer must be the enactment of an effective trade adjustment program. Four years ago, I had the good fortune to serve as a public member of the President's committee on foreign economic policy, better known as the Randall Commission. As a member of that Commission, I urged my fellow-members to recommend a trade adjustment program to the President. Some of them thought I had a pretty good idea, but they were unwilling to give the trade adjustment proposal an outright endorsement. After noting the reception that this idea received during the course of public discussion I became even more convinced that continuance of a liberal trade policy might well depend on adoption of the trade adjustment program. It was therefore most gratifying to me when a group of prominent Senators and Congressmen decided to reduce this idea to a positive legislative proposal.

These bills in the present Congress are S. 2907 and H. R. 9505 and H. R. 1105.

Two basic arguments run through the entire portfolio of propaganda from so-called foreign traders.

First, and the least talked about, but the primary consideration of many proponents of the extension of the unrestricted reciprocal trades is best explained by Andrew N. Overby, vice president of the First Boston Corp. Let me quote from Mr. Overby's speech here in Washington on March 27, 1958. "As an investment banker I am firmly convinced that a program of expanding and flourishing world trade and investment is the best program, particularly the relation of foreign investment to foreign trade." In 1914, United States foreign investment totaled about $3.5 billion. By 1929 this had increased to over $15 billion. At present it is about $54 billion, of which over $36 billion represents private investment. In the years 1956 and 1957, United States net private investment abroad reached the unprecedented record of $3 billion in each year. But these statistics do not tell the story if we include the capital expenditures financed out of depreciation and development reserves of our foreign companies, the gross investment by Americans abroad during the years 1956 and 1957 was probably at a rate of over $5 billion in each year. United States private foreign investments bring many other advantages to our friends abroad. A revealing study has been made by the United States Department of Commerce of the operations of United States companies representing 90 per cent of our business investments of over $7 billion in Latin America. This study has shown, among other things, that (1) these companies produced about $5 billion of goods and services in Latin America in 1955—about $3 billion of goods and services for use in Latin America, and about $2 billion of dollar exports from Latin America; (2) these companies produced direct foreign exchange income to Latin America of over $2 billion—$1 billion more than the total exchange required by these companies for their operations and remittances; (3) these companies paid in 1955 in Latin America over $4 billion for wages, salaries, taxes, and local goods and services—over $1 billion for taxes alone; (4) these companies employed over 600,000 persons—of which only about 9,000 were sent from the United States.

The second and the basic argument is used to convince the American worker and the American businessman that an extended trades agreement means more jobs for the worker and more business for the main street and the entire American economy.

Many speakers use this argument, but let's have just a few examples of this logic.

One of my favorite Senators said this recently. Senator HUBERT HUMPHREY:

> The high-tariff lobby is at work. Oh, they are in different clothes these days. They come around now pleading the case for the worker, particularly when they talk to Senators like HUMPHREY. They plead the case for business when they talk to somebody else, or plead the case for the farmer when they talk to somebody else, but the theme is that low-cost foreign labor threatens the jobs of American workers.

Well, first of all, I am one who believes that American workers have great technical competence. Secondly, I think that our industrial capacity and the capital goods that we have in our industrial plant are second to none. I am a born competer. I like competition. I do not want this kind of comfortable sinecure of having no one disrupt our happy little easy life that some people would like to have. Every time we invoke the escape clause, whether it is on clothespins or whatever else it may be, I do not know which on it was on most recently, or the peril point, it hurts somebody. Some of our best friends, the Norwegians, the Swedes, the Swiss, have been among the nations affected. Besides that, reciprocal trade has been a mighty good business proposition for the United States. All the letters that I get tell me about the number of jobs that people are going to lose and the tremendous threat to American industry. When I write back I say, "Listen, do you know last year we had a favorable balance of trade of $7 billion." I can only say to Senator HUMPHREY that we like competition too, but not on a basis where it means the unemployment of thousands of glass workers, rubber workers, yes, even clothespin makers.

I believe that rubber workers, united mine workers, glass and ceramic workers would all be satisfied to see the reenactment of the reciprocal-trade agreements if we would consider legislative action in line with the thinking of men like David McDonald and Tom Kennedy and Charles Scheff and hundreds of others who are unselfish enough to want to see the whole world prosper and yet are American enough to consider every man's wage and every man's job a matter of prime importance. I, for one, cannot believe that the $18 billion of export business produces 4½ million jobs. The American Tariff League, in its summary for February, had the following to say:

> We recall that the Randall Commission set the figure at 4.3 million in terms of 1952 foreign trade. The current 4.5 figure is presumably linked to 1956 foreign-trade volume. But we know that in that period the total volume of our foreign trade increased from $26 billion to $32 billion. Thus a 23-percent rise in foreign trade apparently produced less than a 5-percent rise in jobs.

This bears out what I have been saying all along—that the export trade in this country has shifted from finished goods to raw materials. This means that in many instances the very exports from this country of raw materials and machinery have been the means of depriving this country of foreign export markets for finished goods all over the world. We cannot hope to compete, with our present tax structure, with any other nation, although the American workmen in most instances produce more goods per man-hour than any other worker in the world. Let me give you just an illustration of what this shift has accomplished in American economy. In 1951 the United States produced 11,415 million square yards of woven cotton cloth. We exported 802 million square yards and we imported 46 million. In 1956—the last year of available figures—we produced 17,529 million, exported 512 million, and imported 188 million—150 million of which came from Japan. In 1957 the Japanese Government voluntarily established an export quota. They did this for their own protection because Japanese exports of cotton textiles to the United States on certain products were virtually wiping out United States textiles in this field. It may interest this Congress to know that in many instances the wage difference between Japan and the United States is offset by the low man productivity in Japanese mills which was found to be only two-fifths of that in United States mills.

One of the major factors that made competition impracticable is the question of comparative taxes. I might say that Dr. Seymore Harris, of Harvard University, made the following statement which I believe to be appropriate:

> The most effective help that could be given to Japan would be continued growth in this country, and with this growth a corresponding rise of imports which do not, therefore, have unfortunate effects on our own industries. A rise of imports, however, that results from excessively liberal trade

policies is another matter. In the past the largest rise of imports has come with the increased income.

This admits, as we all do, that you cannot give unfair competitive advantage and still stay in business.

The export bubble that seems to appeal to great numbers of free traders will some day break and we will really be left holding the bag.

For instance, let us take the case of Japan and its so-called trade balance with the United States.

First, I have given some argument that shows the serious flaw in comparing dollars. One needs only to be reminded that we can ship many dollars' worth of finished products to Japan and import less dollars' worth of the same article and yet we will receive many more articles for less money. This means a loss in many man-hours and payroll dollars to Americans who are deprived of the opportunity to produce for their own use because the import product replaces American production.

This is not protectionism; it is commonsense.

Second, the Japanese buy most raw materials, machinery, and electrical equipment for production. The following schedule shows the trend, volume, and categories.

I have before me a booklet put out by the United States-Japan Trades Council showing that the United States exports to Japan $1,220,000,000, while we import from Japan $625 million, resulting in a trade balance of $595 million in our favor. However, the following breakdown shows that most of the items exported to Japan are in the form of industrial raw materials. Food, fibers, other agricultural products, $457 million; industrial raw materials, $376 million; coal, oil, $121 million; machinery and vehicles $162 million; chemicals, $85 million; other, $16 million. I submit an analysis of the growth of the United States export trade to Japan over the past 2 years. From 1955 to 1957 exports of farm commodities increased 17 percent to $457 million; exports of industrial raw materials, 422 percent to $376 million; exports of coal and oil, 128 percent to $121 million; exports of machinery and vehicles, 128 percent to $162 million; and exports of chemicals, 85 percent to $85 million. The vast majority of the items imported from Japan are direct-sales items destined for the consumer—the American housewife. It is instances like this that fail to take into consideration the effect of set imports on American economy as they relate to payrolls and man-hours and industrial income. I can assure you that the man-hours displaced by the imports from Japan are many times the man-hours required to produce the materials we sell Japan.

You can easily see that the main items of Japanese import are raw materials and machinery. Agricultural products are losing ground because of production increases in Japan and the ability of other nations to produce a surplus for export to countries still not able to produce their needs.

Herein lies the explosive issue that will burst the free-trade bubble.

As Japan perfects its production facilities we will find ourselves squeezed by demands of our longtime allies, the United Kingdom, to reduce our exports of raw materials because of the threat to Great Britain and other United Kingdom commonwealth countries.

Let me quote some interesting observations from the Financial Post originating in Toronto, Canada:

The future of Canada's main overseas markets is at stake. It could mean greater demand for metals, wood products, etc.—or we could find ourselves squeezed out as Europe develops new sources of supply. The reason: There are major changes shaping up in pattern and rules of world trade. GATT, now dominated—and flouted—by the United States, may be on the way out. Preferential areas—like the European common market—are gaining ground. There's going to be a new scramble for alinements.

After illuminating visits in Bonn and Paris besides London, it becomes startlingly clear that neither Western Europe nor the United Kingdom seriously intends to be governed by the existing United States-dominated GATT regime.

The picture of the Free World's trading arrangements in my mind, after talks with top people in these capitals, is one of a new scramble for alinements. These people mean to become more fully masters of their own destiny. They hope the United States will help; but the current climate in Washington does not encourage them. And if Washington still has nothing better to offer than GATT rules, from which it itself escapes, then they will do the best they can without Washington or GATT.

Behind the new European attitude lies a vision of unity which is more political than economic. This is most obvious in Germany.

West Germany is the only country with any deep attachment to GATT, because GATT rules favor the deserving who become rich. They also give Bonn an argument it might use against French protectionism.

United Kingdom thoughts about trade are concentrating on raw materials rather than finished goods. If that seems surprising at first, it is really entirely logical.

The sale of raw commodities has always been the sterling area's principal source of dollars. The collapse of commodity prices, or reduction in markets for them, is a crippling blow to the economies of most of the undeveloped commonwealth countries; and you may include Australia (with its vulnerability on wool), New Zealand (dairy products and meat), and even Canada, which is as dependent now as it ever was on export of raw materials, even though the materials have changed in importance.

Where it used to be wheat almost exclusively, now it's metals and wood products and iron ore as well. Consequently, there is a suggestion that, on some of these broad problems where there is interest—notably, say, provision of capital and maintenance of raw-material prices, the commonwealth countries might attempt a united approach to Washington through a single spokesman. The idea is that one of the commonwealth countries most deeply concerned with a particular problem should become the spokesman for all: Canada, for example, would speak for the whole commonwealth about wheat, Australia about wool, perhaps Rhodesia about copper.

Even the grade-school student can see the ultimate end to this kind of pressure. We will be forced to give up our trade in raw materials and the American market will then be a buyer's market only, and whatever good we now derive from exporting, especially to Japan will end up in the loss column.

No longer do we live in the days of 100 years, 50 years, or even 10 years ago. The new era in the production of goods and services has made the whole world competitive. No longer do we have the edge in the world market because of our know-how, our mechanical genius, and our skilled labor. The color of a man's hands has nothing to do with his ability to push a button or push a switch.

Today the hands of all the people of the earth are equally proficient and efficient. The American investors are learning this and are providing the capital for foreign business ventures. They have a good reason to do this: 90 percent insurance against the loss of their investment, whereas they have no insurance against bankruptcy in the United States regardless of what laws are passed by local, State, or Federal Government.

Yesterday we heard about Alaska being too far away to become a sister State. Today we are talking about a shrinking world and how essential it is for us to give our neighbors, neighbors mind you, across all the world's oceans, every consideration because it is such a small world.

I will not say you cannot buy peace but I will say you cannot buy friendship.

If today we give a concession to Belgium or Japan or any nation on a trade item, what proof have we that this will keep them friendly? We have no guaranty that we can keep our friendships intact for more than a few days or months or until they want another concession.

So long as we use reciprocal trade agreements for diplomatic negotiations we will be subjected to international blackmail.

I am not now nor ever expect to be against reciprocal trade agreements which are sound and based upon economics and not the sentimental slogans passed out by well-meaning but illogical persons and organizations.

Let us look at our country and the present war between the States for industrial expansion, new business, and the millions spent by the various States to entice industry into moving into their States.

They offer free taxes, protection against competition by favorable labor laws and the stipulation of certain restrictions in contracts for State public works, and so forth (prevailing wage clauses in most State contracts). We pay tax on trade in one State and then pay an import tariff if you bring it home to use it in your own State—furniture, clothes, automobiles, and so forth. If I buy an automobile in one State with a special tax on the purchase or transaction and then I want to take it home to Pennsylvania I have to pay an additional tax before I can use it.

In Pennsylvania last year, we relieved our Pennsylvania industries of $135 million of capital State tax because the pressure was put on the legislature to give Pennsylvania industry a competitive equality with our neighboring States.

How, then, can we justify talk of free trade with the world with some consideration of basic taxes, operating costs that are fixed, and markets that have

become unfairly competitive because of our trade policies?

We can have free trade but only if we are willing to accept the full responsibility for the displaced worker.

We will have to have a brand new Social Security Act with an expanded unemployment insurance program. We will have to lower the age limit and increase the pension payments. We will be compelled to recognize the rights and requirements of the workers with families that find a whole industry wiped out by either direct imports or by a byproduct of foreign competition, the increased use of automation.

There can be no compromise with this thinking because the only alternative is public assistance.

No self-respecting American workman wants either charity or pity. If we can build competitive walls between the States how then can we tear down the competitive walls between nations.

In my own community the glass and ceramic workers are being put out of work by the hundreds and many of them are over 40 and just can't find new jobs. In fact many industries will not hire a man over 40 and certainly not over 50 years of age.

One industry in my area may lose its very existence, it has already lost its importance. I am speaking about the American windowglass industry; and all of this because in 1948 we imported 15,000 boxes of glass; in 1957, 4,805,000 boxes. This amount of glass will glaze 1 million 6-room houses.

These problems all tie into the economy of our country and in my opinion they tie into the matter of world trade.

The real problem is one that really goes deeper than mere terms, language or provisions of the act itself. It digs deep into the whole problem of social security, wages, living standards, automation, expendible versus necessary industries, foreign political and defense measures, diplomacy and all of the ramifications of the depression, recession, NATO, GATT, Russian cold war and Mideast oil.

Somewhere along the line we are losing our entire concept of the dignity and rights of mere man, the individual formally known as the world's most fortunate person, the American citizen.

When a job in Jeannette or Arnold, in Whitney or Latrobe, can be called expendable because someone, somewhere in this wide, wide, world has to have a concession on glass, oil or ceramics, bicycles, clothes, pins, typewriters and whatever else we produce, in order to have American dollars to buy more machines from America to make more glass, and so forth, to ship into the United States of America to be sold to and used by the American people, then it is time to stop and take a second look.

The largest business group in America recently laid down the basis of sound American economy and its relationship to foreign trade. It stated, in substance:

The only sound economy in America is productive wealth, and, we must produce as much as we need, and then produce a surplus. This surplus to be traded for goods we do not produce to countries that need the goods we do produce.

It sounds very simple, but you should hear the arguments of the people who say it is all right for the American Window Glass Co. to shut down its plants, and the coal mines to close, so long as our American investments in foreign countries earn money and we keep Russia from stealing markets which we are required to subsidize in order to retain them. We have heard it remarked that each time Russia feints we swing wild.

No one person can have the answer, but it goes without saying that reciprocal trades, properly planned and negotiated, are beneficial for all the people, however, there is a line that cannot be crossed. That line is where imports from subsidized countries and subsidized foreign industries take away thousands of American payroll dollars and industry profit.

Many Congressmen are convinced that a 5 year extension with the right given to the State Department—through the President—to reduce any or all tariffs 25 percent is unsound in the face of our present crisis and future prosperity. Many can and will support a program with adequate safeguards.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, before proceeding to my remarks on this legislation I wish to express my appreciation to the distinguished chairman of the Committee on Ways and Means for his generosity and for his complete fairness in yielding time to those of us who disagree with the language of the bill in the form in which it was reported out of the Committee on Ways and Means.

I only wish, Mr. Chairman, that the Committee for a National Trade Policy, which I believe is headed by Mr. Charles P. Taft, had been as fair to those of us who in all sincerity oppose the legislation in the form it is reported out and oppose the position taken by the Committee on the National Trade Policy.

Mr. Chairman, I take this time to voice my opposition to the language of H. R. 12591 and to give my views on and my reasons for supporting H. R. 12676, which, under the rule, will be offered as a substitute for the committee bill.

It is with reluctance that I oppose the committee bill, because I believe so strongly in the necessity for strong United States participation in foreign and international trade and commerce. I remember distinctly the advent and passage of the first Trade Agreements Act in 1934 to the principles of which, first as a private citizen and, during the past 4 years, as a Member of Congress, I subscribed. Not only have I voiced my support of it, but I have diligently sought to make it conform to the original concept of reciprocal trade. However I must oppose legislation which could mean the destruction of industry in my district and cause men and women there to lose their jobs.

Through the years I have believed that this act should be administered to encourage and promote and develop international trade, but I have never believed that it should be appraised or reviewed in the light of an adjunct to foreign policy instead of a necessary part of trade between nations.

In order that my position on this question is not misunderstood, let me begin by saying that I favor the principle of reciprocal trade even though I do not favor the language of the committee bill. It is a historical fact that the original concept of trade contained in the Reciprocal Trade Agreements Act of 1934, which was enacted to stimulate this Nation's badly depressed economy, was put forward by the great Cordell Hull, a Secretary of State from my own section of the country. The philosophy of trade advanced by this act was supported by the people of my section of the Nation, and its legislators have been among the act's strongest advocates. For a time this area long with the whole Nation benefited from the Reciprocal Trade Agreements Act.

However, I believe that if Cordell Hull were alive today, he would look very cautiously at this pending legislation. No one can dispute that in recent years the executive branch of the United States Government has abused the powers delegated to it by Congress in the Reciprocal Trade Agreements Act.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I am glad to yield to the distinguished gentleman from North Carolina.

Mr. WHITENER. I commend the gentleman from Georgia for his excellent presentation. I apologize for interrupting him. Knowing that he, too, comes from a great textile producing area and in view of the fact that he has mentioned some literature or some comment by the Committee for National Trade Policy, which I understand is headed by one Charles P. Taft, I wonder if the gentleman in reading the mimeographed literature which was mailed out to each of us, observed that in one of the arguments on the bill, this so-called Committee for National Trade Policy points out a very fine argument against the bill. They say that in 1951 there was a total production of 11,415 million square yards of broad woven cotton cloth in this country and that in 1956 there were only 11,529 million square yards. The same organization estimates that in 1957 the total production of these textiles dropped to 10,700 million square yards. That in 1951 we exported 802 million square yards, but in 1956 our exports had declined to 512 million square yards. Our imports in 1951 were only 46 million square yards of broad woven cotton cloth, whereas in 1956 our imports were 188 million square yards, 150 million of those yards coming from Japan alone. Then, too, in the same remarkable document we find the following: "Should import competition be added to a catalog of all the things that trouble the textile industry? The answer is 'Yes'—but it is not a problem for the industry as a whole, only for a few small segments of it." I wonder if the gentleman will comment on that?

Mr. FLYNT. I thank the gentleman from North Carolina. I would like to say in reply to the question the gentleman has just asked that this indicates clearly in the textile industry, which

forms such an important part of the economy of his district and mine, that the gap between exports and imports is constantly being narrowed. I think those figures which the gentleman from North Carolina just quoted indicate that the total domestic production has, indeed, fallen during this 6-year period. I thank the gentleman again for his contribution at this point.

Mr. BEAMER. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I gladly yield to the gentleman from Indiana.

Mr. BEAMER. I want to compliment the gentleman on his statement, because it illustrates in the textile industry what happens in thousands of other industries. It does not affect the industry in the district I have the honor to represent, but it affects thousands of other industries all over the country. I compliment the gentleman on bringing it to the attention of the House.

Mr. FLYNT. I thank the gentleman.

The executive branch has used these powers, which were delegated to it in order that it might more effectively assist in elevating the economic level of this country, to advance its own international relations program—regardless of the foreign policy approved by Congress and further regardless of the perilous effect of that policy on major segments of the American economy.

This abuse by the administration of powers delegated to it by Congress has resulted in detriment not only to the industry of my State—but to the entire Nation. I shall refer to the textile industry more frequently than others in giving my views today, because it is that industry that is responsible for feeding, clothing, and housing a large portion of the people of the Fourth District of Georgia.

The recession about which we are all justifiably concerned today is not new to the textile industry, either in the South or New England. We have lived with it for some 4 years.

It is the Executive's abusive use of the powers delegated to it in the Trade Agreements Act, as amended, that has been largely responsible for the depressed condition in America's textile industry.

In the first session of the 84th Congress, I opposed the bill then designated as H. R. 1, because then I had more confidence in the United States Congress than I had in any one man, whether that man was President of the United States or whether he occupied any other position of trust. I still have more confidence in the Congress than I do in any one individual.

I have more confidence in the United States Congress than I do in the Department of State or the Tariff Commission.

I have confidence in the membership of the House of Representatives, because this membership represents a thorough and a complete cross section of the people of the United States more than any other group anywhere in this Nation. It was for that reason that in 1955 I wanted the Congress of the United States to again assume some of the responsibilities and powers delegated to the legislative branch of our Government in the Constitution and to recover some of those powers which had previously been abdicated by the Congress. I think if we are to preserve the position of strength, power, and influence that the United States presently has in the world that we, as Members of the Congress of the United States, must be willing to assume many of the responsibilities delegated to us by the basic instrument of Government of our Nation, the Constitution of the United States.

It is primarily for that reason that I today find myself once again in strong opposition to the stated position of the Eisenhower administration.

Congress may delegate its powers—but it can neither delegate nor shirk its responsibilities.

Mr. Chairman, let it not be said that I, as a Representative from the State of Georgia and as a citizen of the United States, oppose international trade and commerce, for I do not. Do not let it be said that I oppose the principles of reciprocal trade—I do not. On the contrary, I think international trade and commerce is second to none among the various segments of our economy in maintaining our strength economically and our position of leadership in the entire world. Yet, I feel in this matter of international trade and commerce if we are to have a so-called Reciprocal Trade Agreements Act, it should be truly reciprocal and that we, with our allies and friends throughout the world, must realize that reciprocal trade is a two-way street.

If ever any nation has shown utmost good faith in this question of reciprocal trade, the United States of America has shown such utmost good faith. We have not resorted to arbitrary and artificial trade barriers, currency restrictions, import quotas, and other artificial types of barriers to trade designed to circumvent the true intention of the Reciprocal Trade Agreements Act. As I said a few minutes ago, one of the principal reasons why I oppose this proposed extension of the Reciprocal Trade Agreements Act is because I do not believe that it is being administered in accordance with the intent of the Congress.

I wish to lend my full support to the proposal to bring back to Congress its power to regulate foreign commerce. This should be regarded as desirable no matter what one's view might be on the question of protection or liberal trade policy.

I am a firm believer in the proposition that the Congress should carry out its constitutional responsibility of determining policy in the areas set aside for it by our fundamental law. I do not believe in granting to the executive branch such powers as will enable it to crowd the Congress itself out of the field in which it has full constitutional power and responsibility to act according to its wisdom and its judgment.

My observation of the administration of the Trade Agreements Act during the time that I have been a Member of Congress leads me to conclude that it has been a mistake to extend the broad grants of powers to the executive branch which have been contained in the extensions of the Trade Agreements Act; or perhaps I should say that it was a mistake to delegate powers to the executive branch in words that could be interpreted by that branch as they have been and that could be used as they have been by the executive branch, and more particularly by the State Department to replace the Congress itself, in all but name, in the regulation of our foreign commerce.

We have reached the point where the Congress is so hedged in by unwarranted international trade commitments made by the State Department that no matter which way we turn we collide with one or more of these commitments.

No better example could be found than the experience of the textile industry. Here was a clear case where the exercise of its power to regulate foreign commerce confronted the Congress, either through direct legislation or through the normal procedures of agencies created by Congress for the specific purpose or through the application of administrative law.

All these avenues to a remedy were found to be blocked in one way or another. The State Department has been there and had thrown roadblocks across these avenues in the form of international commitments.

Import quotas could not be imposed without violating article XI of the General Agreement on Tariffs and Trade, better known as GATT. In that article, which is entitled "General Elimination of Quantitative Restrictions," the State Department took it into its own hands to agree on the part of the United States neither to establish nor maintain import quotas. A few exceptions were made, most of them to accommodate other countries or to gain their adherence to GATT.

The exceptions, however, are not the point. They, in any case, were to be purely transitory. What is in point and of the utmost seriousness is the fact that the State Department could believe itself to be authorized by the Trade Agreements Act to make such far-reaching commitments in any international agreement.

The State Department in 1947, in negotiating and signing the General Agreement on Tariffs and Trade, presumed to speak, not only for the then sitting Congress, but for all future Congresses, and pledged them not to use import quotas under their constitutional authority to regulate the foreign commerce of this country. A more presumptuous self-arrogation of power by the executive branch cannot possibly be imagined; but let us face this one and answer it.

As matters stand the remedial legislation provided by Congress for the correction of errors made in the reduction of duties by representatives of the State Department is all but paralyzed. The will of Congress has been made clear. Escape clause legislation was passed in 1951. Several amendments were adopted in subsequent legislation to make clear the Congressional intent. In 1955, the last time that trade agreements legislation was before us, additional agree-

ments were adopted, again to establish the intent of Congress.

What is the cause of this intolerable situation? Our committees have held extensive and painstaking hearings each time the Trade Agreements Act was up for extension. The bills have been debated on the floor of the House and in the other body. We conscientiously performed the legislative function. The President signed the bills into law.

But we have seen our action come to naught. Had we not spoken at all, the void, so far as effect is concerned could have been no deeper than it has been.

There can no longer be any question about this. The State Department pays more heed to GATT, which is really its own creation, than it does to the Congress. It is eager to conform to GATT blandishments and ruling but bends itself unwillingly and grudgingly to the will of Congress, and then only when its powers of evasion are baffled.

When the textile industry was beset by ruinous import competition and no relief was in sight, the possibility of the escape clause and of section 22 of the Agricultural Adjustment Act as remedial measures were considered—considered, if you please, by no less than direct legislation. Section 22 action was blocked by the Secretary of Agriculture. Escape clause action was dismissed by the Tariff Comission on the grounds that the action was too broad and should be segmented. This was done, and several cases relating to specific items such as velveteens, pillowcases, cotton blouses, ginghams, and so forth, were brought before the Commission by the industry.

One of these, velveteens, resulted in a unanimous recommendation by the Tariff Commission for an increase in the duty. That unanimous recommendation was overruled.

In the meantime, however, the Departments of State and of Commerce began negotiating behind the scene with Japan for arrangement, not an agreement, by which Japan would impost voluntary quotas on the exports of cotton goods to this country.

This arrangement, which was based on no legal or administrative procedure and which was negotiated in almost complete secrecy, without hearings of any kind and without minutes of the conferences held, pulled the rug out from under the Tariff Commission cases and collapsed them all. Thus was the regular order of the law's application destroyed by the very department of the Government that is supposed to enforce it.

Even the unanimous recommendation of the Tariff Commission on velveteens was unceremoniously set aside. In other words, the Executive will had clearly superseded the will of Congress. This will of Congress, as expressed through its agency, the Tariff Commission, was blown aside as so much chaff when it came into conflict with the appeasement policy of the State Department.

No longer is compromise possible. Every day that Congress lets go by, merely watching the State Department do as it pleases with our trade, making pawns of our industries in its not always so brilliant diplomatic moves, the deeper will that Department become entrenched in the exercise of its usurped power.

The time of further compromise is gone. Already the State Department, now abetted by the Commerce Department, has made such far-reaching international commitments that cut squarely across the field of Congressional responsibility that, as I have already said, Congress is even now being ignored.

Authority that belongs to Congress should be restored to it. This authority was given Congress by the Constitution for a good reason. We should exercise that authority as befits our responsibility.

The recommendations of the Tariff Commission, having been so largely disregarded and lightly respected by the President, should henceforth be routed directly to the Congress as the bill provides. After all, Congress created the Tariff Commission as an agency to assist the Congress in regulating foreign commerce and not as an agency to help the President conduct foreign policy.

Since the escape clause has been in existence, the President has accepted only 9 of the Commission's recommendations out of nearly 30 presented to him.

This is only about a third of the cases sent to him by the Commission. He has rejected seven unanimous recommendations of the Tariff Commission. The cases approved by the President have generally been small ones, in terms of the amount of trade involved; for example, alsike clover seed, linen toweling, spring clothespins, hatters' fur, dried figs, women's fur-felt hats within a limited value range, and safety pins. The only two of much commercial significance have been bicycles and watches. In the case of lightweight bicycles, the President raised the duty only from 7½ percent to 11¼ percent, which was much less than the Commission recommended, whereas the duty had been reduced from 30 percent under the trade agreements program.

The Tariff Commission itself has not been liberal in the finding of injury. Its own record shows a rejection of over half of the cases as not proving sufficient injury. So there is certainly no danger of the Commission's running wild.

Also, it would be noted that while the Tariff Commission has recommended the imposition of import quotas in three cases, on industrial products, the President has refused to impose quotas. Here the President has obviously taken his cue from GATT.

I am apprehensive that one of the most dangerous parts of the committee bill is the provision for a 5-year extension with virtually unlimited authority to the State Department to sacrifice any segment of our own national economy in exchange for concessions which may be transitory in their nature or may even be completely worthless.

In the administration of the present act, the State Department and, recently, the Department of Commerce has ignored the responsibility imposed upon each of them to first safeguard and protect our own national interests, and to enter into either bilateral or multilateral agreements only when our Nation will not be endangered by such agreements.

Mr. Chairman, I wish to discuss the provisions of and the principles embodied in the substitute measure, H. R. 12676. I support it because I believe it is a realistic and practical approach to the entire question. I believe that it is realistic and practical because it is an instrument for the stimulation of both exports and imports. In my opinion, this bill, if enacted, will provide the machinery for accelerated domestic production, exports of American goods and the importation of greater quantities of imports, provided these imports are not of a kind and type of which we in the United States are already in surplus.

The original concept of reciprocal trade proposed and advanced by the Secretary of State, Mr. Cordell Hull, never intended that it should be used as a weapon for the destruction of a single American enterprise or contribute to the loss of employment by a single American. The original Trade Agreements Act proposed that mutually favorable agreements would be entered into between nations whereby each would sell to the other its surplus goods products and commodities, provided no serious hardship was worked upon the receiving nation and provided further that both nations received mutually advantageous benefits.

Let us review the historical background of the substitute proposal: It is bipartisan in origin and deserves the active support of every Member of this House who has within his home district substantial industrial, agricultural, and labor forces engaged in the production of goods that experience injurious import competition and also from those Members whose districts may suffer in the future.

I say this not as one who would restrict competition as such, for I am a strong believer in competition as a force that promotes efficiency and greater effort. I say it rather as one whose recognition of the value of competition at the same time takes into account the destructive aspects of a form of competition that finds its principal advantage in factors that have nothing to do with greater efficiency.

The American producer, be it of textiles, glassware, bicycles, binoculars, fishery products or any of a large number of other products, faces import competition that he can not meet, not because he is less efficient than his foreign competitor but because he bears burdens that raise his costs of production while his rival is not similarly encumbered.

We need only think of the much higher wages that prevail in this country than elsewhere to appreciate at once the foreign competitive advantage that springs from this source alone; for no longer can it be said as so often it has been said in the past, that our higher productivity overcomes the wage handicap. The modernization of mills and factories abroad through the installation of billions of dollars' worth of advanced machinery and equipment since the war has gone far toward closing the gap in

productivity that separated our producers from their foreign counterparts in years gone by.

Beyond the higher wages and shorter hours that our workers enjoy we need only think of our farm price support program, our extremely high taxes and other cost-raising burdens that rest upon our producers, to be impressed with the unfairness of calling upon these producers to compete with imports of goods that do not carry the same burdens. It is essentially an inequitable demand.

It is a shocking thing to find the executive departments of our Government that now virtually regulate our foreign commerce, but whose very sustenance is derived from taxes imposed on our producers, always so unfailingly supporting the interests of the foreign exporters to these shores and at the same time devoting their energies to the defeat of all proposals that would assure fairness of import competition or that would contain or hold within bounds the amount of injury that can be inflicted by import competition.

It is particularly to this aspect of the issue that I wish to address myself.

Mr. Chairman, I think that it has become clear in recent years that placing the welfare of much of our domestic industry in the hands of the executive branch in the matter of regulating import competition represents an error in judgment. It has meant setting up the State Department and a few other executive departments including the international division of the Commerce Department as the arbiters in a field in which bias toward one side of the question may, as it obviously has done, work much inequity upon the other side, in this case domestic interests.

This bias might have been foreseen had it been realized that it is the function of these departments, and especially the Department of State, to resolve conflicts between domestic and foreign interests in the field of trade by looking at them almost exclusively in the light of the pressing demands of immediate diplomatic considerations. As well deliver a mouse to the loving care of a cat and then expect an equitable resolution of any conflicting interests that might divide the two, as to deliver the interests of domestic producers into the hands of the State Department. While this comparison may exaggerate somewhat the results that should be expected from placing the vital interests of domestic producers in the hands of our Foreign Office or State Department in the matter of import competition, it does serve to point up the essential error that has been committed.

In a sense such a bestowal of power places the State Department in the position of operating under a condition of conflict of interests to the disadvantage of domestic producers. While foreign relations are indeed important, our whole system of government is based upon the concept of separation of powers. This concept in turn sprang from the knowledge that too much power cannot safely be entrusted, without proper restraint, upon one branch of the government. Such unrestrained power, it had become known, almost surely leads to abuse and quite certainly to inequity. Power corrupts—absolute power corrupts absolutely.

Our Constitution makers charged Congress with the regulation of foreign commerce and also placed upon Congress the making and adjustment of the tariff. The Congress as we all know delegated some of this power to the executive branch under the Trade Agreements Act in 1934 and this act has been extended from time to time since that date. During the intervening 24 years, but particularly in the past 11 years, that is, since the signing of the General Agreement on Tariffs and Trade in 1947, which now operates as GATT from Geneva, it has become progressively more certain that the interpretation placed by the executive branch, especially the Department of State, upon the nature of this delegated power, has produced the effect of reading Congress itself out of the very field that the Constitution so clearly assigned to it.

This fact might be glossed over if no one were adversely affected by the results of such an interpretation. In fact, for quite a number of years the Congress itself left the administration of the delegated power to the State Department and asked few questions. The chorus of complaints that has come to our ears in recent years was not loud enough to attract much attention. The number of industries that were hurt was relatively small.

Within the past 5 or 6 years, however, the complaints have become more widespread and the faults of the system have undergone intensive study. Now there is no longer any question where the trouble lies. It is to be found precisely in that concentration of power in the executive branch that, under the interpretation given to it by the executive branch itself, violates one of the fundamental precepts of our constitutional system. The numerous complaints that the system has aroused from numerous industries, agricultural producers, mining interests, workers in mills, plants, and mines, give a concrete demonstration of the soundness of the constitutional concept, that, had it been honored, would have avoided the results now so bitterly complained against by so many.

What then, it may be asked, was the offending interpretation placed on the power delegated under the Trade Agreements Act? Here we must be specific if we would remedy the error and restore the regulation of our foreign commerce to an equitable and sensible procedure.

The State Department has made it clear that it regards international political considerations, that is, the needs or fancied needs of diplomacy, as the lodestar by which to judge the complaints of domestic producers. It follows from this that it also believes, as it has indeed made very clear, that the President rather than the Congress should have the last word in disposing of complaints lodged by industries of this country under the escape clause of the Trade Agreements Act. Nor is this all. It further believes, quite consistently with this concept, that the State Department may properly make international agreements, as it has indeed done on several occasions, that freeze the import or tariff treatment of particular designated products against change by Congress.

That this freezing arrangement conflicts with the clear powers of Congress to change the foreign trade policy and the tariff of this country as it sees fit, is a reflection that is lightly brushed aside as if it should be given no weight. Thus the power of Congress has, in fact, been greatly impaired without benefit of a constitutional amendment and without following the orderly processes by which our governmental powers may be changed.

When the State Department agreed in the General Agreement on Tariffs and Trade that this country would not impose import quotas on industrial products it was clearly out of order. It was binding Congress against acting in a manner in which it had the clear right to act if it found facts that convinced it of the wisdom of so acting.

All power delegated by the Congress to the executive branch must be so carried out that Congress may change its policy whenever it is convinced of the necessity of doing so, without violating international agreements entered into by the Executive in the exercise of the delegated power. Otherwise the delegation of administrative power is converted into a delegation of legislative power and the surrender thereof to the executive branch.

This is precisely what is involved in the interpretation placed on the Trade Agreements Act by the State Department. Otherwise the Department could raise no objection to a reassertion of its power by Congress as proposed in the substitute bill, H. R. 12676, that is now before the House.

The State Department strongly opposes any change in the conditions under which it has operated in carrying out the Trade Agreements Act. It wants to be free to make international agreements that will bind this country without bringing such agreements before Congress for approval. It wants no restraining hand laid on its shoulders that would prevent it from continuing to do as it has in the past 10 or 11 years under the General Agreement on Tariffs and Trade.

It obviously wishes to continue to hold the head of domestic industries under water in deference to diplomatic considerations. It wants the President to continue to have the exclusive veto power that he now exercises over the Tariff Commission recommendations.

This is the heart of the present controversy. Repeated experience has shown that when the needs of a domestic industry for a tariff increase or a quota conflict with what is regarded by the executive branch, that is, especially the State Department, as the best interests of diplomacy, the domestic interest must give way.

It matters not that the State Department's judgment may be wrong; that it may be second guessing; that it may be gambling; that it may be trying to correct a previous error, or that it merely

wants to make friends because it does not like to be criticized. The American industry and its workers are simply to be regarded as pawns in this game of diplomacy to be moved at will by the men in Washington whose function it is to keep our foreign friends happy.

A system or a procedure that submits the interests of our producers to such a method of disposal leaves them without a voice. Diplomatic considerations simply overrule all else. It is Congress alone that can assure a proper hearing for our industries.

Indeed, Congress set up the Tariff Commission as far back as 1916 as an arm of the legislative. Today the Tariff Commission does hold hearings under the escape clause, and our industries are given every opportunity to present their case.

This is all as it should be. The system, however, breaks down the minute that a recommendation leaves the Commission and goes on its way to the President. From that point on Congress loses every shred of authority. The President reviews the recommendation and builds a case all his own, assembled by the various executive departments. They bring in new evidence that is never submitted to the hearings process. Moreover, the President uses criteria of judgment that are not in the law at all and renders a decision. The chances, according to the record, are 2 to 1 that he will not place the Commission's recommendation into effect.

As a result of this process the Congress loses its control completely. Yet what is involved here is the regulation of foreign commerce; and this is a function of Congress.

A recommendation by the Tariff Commission to the President under the escape clause is a step in carrying out administratively a policy set forth in a law passed by Congress. It is odd indeed that in carrying out his part of the administrative process the President should be able to escape completely from the law that sets up the policy and the procedure. Yet that is what happens under the present system.

That also is what would be corrected in the substitute bill that is now before this House.

This bill, H. R. 12676, would have Tariff Commission recommendations under the escape clause go to Congress as well as to the President.

This is indeed the central provision of the bill. It keeps the President within the procedure but not as the final arbiter. As it is now, the President's rejection of a Tariff Commission decision is final. There is no appeal from it. Congress has no opening for reentry and the industry must go back to the Commission later if it wants to try again.

In one instance, that is, in the New England fish fillet case, the industry won a unanimous decision after its third case before the Commission in a period of 4 years.

The President nevertheless refused point blank to place the unanimous recommendation into effect. He has in fact failed to put into effect seven unanimous recommendations of the Commission.

Let us keep in mind that a Tariff Commission recommendation is but a part of an administrative procedure set up by Congress by which its delegated power is to be carried out. Congress, therefore, has a legitimate interest in how this procedure works.

The President's position is that of acting under a delegation of administrative power by the Congress. He holds no direct authority from the Constitution. The original power in this field remains with Congress. Therefore, if the President disagrees with the Tariff Commission, which is an arm of Congress, it should be incumbent upon him to persuade the Congress of the Commission's error; and if he wishes to reject the Commission's recommendation he should first obtain the approval of Congress.

That is what the substitute bill provides and it is a wholly logical and sensible proposal.

This provision of the bill would return to Congress a review of the action that is being taken under its constitutional authority.

Clearly that authority as it has been exercised by the executive under a delegation made to it by the Congress has been abused seriously. Congress on several occasions has given vent to its dissatisfaction. It has legislated the escape clause and the peril-point provision and on several occasions has amended the escape clause to make sure that the Congressional intent was clear.

All of this was to no avail. The executive refused to pay heed. Therefore, the time has come, indeed is past due, when Congress must insist that its authority be carried out under the delegation of power granted by it. Otherwise the delegation of this power should be revoked.

I plead with the Members of this House that they take the necessary steps now, in the consideration of this legislation, to set right the administration of the Trade Agreements Act which has been so thoroughly abused by the State Department and the executive branch in general. If this could be done by the language of the committee bill, H. R. 12591, there would be little objection to this bill.

Mr. Chairman, in conclusion let me add that I am no expert on the subject of trade agreements, or on international organizations known as General Agreements on Tariffs and Trade—GATT—and the Organization for Trade Cooperation—OTC; but it is my firm conviction that each of these organizations has as its underlying principle the eventual destruction of the United States of America as a great world power—perhaps as a free nation.

To a concept so inimical to the security and future of our Nation, I must and do express my opposition to the very limits of my ability and my efforts. It is my belief that a 5-year extension of this act with practically unlimited grants of power will most certainly mean eventual ratification of GATT and entry into OTC. To such action, I cannot acquiesce either affirmatively or by silence.

Mr. Chairman, it seems to me that the committee bill, H. R. 12591, gives lipservice only to the nomenclature of reciprocal trade, whereas the substitute bill, H. R. 12676, reaffirms adherence to the broad principles of truly reciprocal trade through which all participating nations shall benefit without detriment or injury to any.

Mr. Chairman, it is for these reasons and in the interest of the continuation of the economic strength of our Nation that I shall support the substitute bill.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. O'KONSKI].

Mr. O'KONSKI. Mr. Chairman, the people who are really going to get hurt by the reenactment of this bill are the people you seldom hear from, because they do not have a large lobby, they do not have any talented lawyers, they cannot afford to send lobbyists to Washington to plead their cause or fight their battles. I am talking about the small industries and the small towns of our Nation. These are the people who are being sold down the river and sacrificed under the guise of world good will.

I would like to give you an illustration of a little town from which I come. Two years ago we raised a little money, and we built a small plant in order to attract a small industry. We erected the plant and entered into a rental agreement with a reputable and skillful small industry. About a hundred people were employed for more than a year. Things looked bright for this small industry and small town. But the town and the industry both misjudged what the Federal Government was up to.

As a result of cheap imports of the same product from Germany the original order was forced to be cut down. The principal customer of this small plant was forced to cut their order, due entirely to the import of cheap German-made meters. So the plant the community built to attract and industry is now idle and almost a hundred families lost their jobs. The loss of an industry in a small town and the loss of jobs in a small town is a sad thing. But when we have a Government in Washington that encourages such a condition, then it is downright sickening. This bill, if reenacted will continue to destroy small-town industry just as it is now doing.

This same industry has been a godsend to an Indian reservation forsaken by the Federal Government. Where Indian families were on relief, this industry trained hundreds and made them good, self-supporting citizens. Now comes the report that our tariff policy will permit the importation this fall of meters from Japan at 20 percent of what it costs to produce them in America. When that happens, this industry can no longer survive, and another 150 families will go on public relief. Where is the heart and conscience of our leaders who are engaging in this sellout of the American workers?

This small industry and small town does not have the money to come here and plead its case or to go before the

Tariff Commission. What chance would they have going to the Tariff Commission or going to the State Department and saying: "150 Indian families are going to lose their jobs and go on relief because our Government permits imports which take away their jobs."

Can you imagine what our Tariff Commission and State Department would tell them? They would be told that we must worry over what other nations think of us if we protect American jobs for American workers. The one-worlders in our State Department have nothing but ridicule for the small towns and small industries in our midst. This, gentlemen, is happening in every small community in the United States.

If you want one good reason why you should vote down this bill, it is this: It makes the State Department the supreme ruler of our Nation. The last agency in the United States that I want to see have any power over the life and death of jobs and industry in our country is the State Department. I do not know of anything in the last 30 years that they have not bungled and bungled badly. I do not know of a single undertaking that they have not been an actual failure at. If you get right down to the whole purpose of this bill it resolves to this: The bungling State Department will have complete power over jobs and industry within our borders.

Oh, yes, we will have a Tariff Commission passing on policy. Oh, yes, there will be a Tariff Commission making recommendations.

But those recommendations go to the President and before the President acts on them he gets the recommendation of the State Department. So, in the final analysis, every decision over the life and death of industry in this country, every decision over the life and death of jobs in America, putting it bluntly, goes into the hands of the State Department. This is the last Department that I would like to see having responsibility over the destiny of our country. If that is not reason enough to cause you gentlemen to kill this bill then there is little hope for America.

Take the ECA, the United States Information Service, no matter what undertaking the State Department enters upon it is the most justly criticized and is the one that is always a dismal failure. No matter what they undertake you can rest assured it will be a failure.

Yet, today under this committee bill you are giving this same Department the power over the life and death over all industry and jobs in the United States of America.

What does any member of the State Department, for instance, know about what is going on in your more than 25,000 various small communities in our Nation? What do they know about a little town, how it is dependent upon one single industry and how if you kill that one little industry you kill the very lifeblood and life stream and the credit of the community? Your so-called experts in the State Department live a sheltered and comfortable life in a world of their own. Conditions outside Washington concern them little and they know less than little about them.

In all good conscience I ask again, What do they know about the conditions and troubles in these 25,000 small communities and small areas within our borders? These small communities and areas are the ones that are going to pay the penalty if this bill is enacted. The people of these areas will pay the penalty because they are unknown and of no concern to the State Department to whom this bill gives the final power over imports into our country. Give the State Department this power and your more than 25,000 small towns will become ghost towns—a lasting memorial to the reciprocal trade agreement. Fellow Members of Congress, let us wake up before it is too late.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in support of the proposed legislation, H. R. 12591, which would implement the administration's foreign-trade policy by extending the period during which the President would be authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended to June 30, 1958, until the close of June 30, 1963.

I speak somewhat reluctantly, not because I lack an iota of faith in the soundness and validity of the President's program, but because I do not like to be at issue with some of the outstanding leaders of my own party for whose character and judgment I have the most profound respect. There is not the slightest doubt in my mind, however, but that in this world as it is, and not as it was—in this world as it will be and not as we want it to be—world trade must, of necessity, be as free as possible from oppressive and hampering tariff restrictions.

To approach the problem in any other way will eventually mean that we will have to pay a high penalty for the luxury of commercial provincialism.

I have not been able to attend the hearings of the Ways and Means Committee, but I have taken the trouble to read the testimony of some of the most important witnesses, and, by the same token, I have read the tremendous literary outpourings of the American Tariff League, Inc., as well as the trenchant document of the United States Council of the International Chambers of Commerce.

A careful analysis of the conflicting viewpoints reveals that even those who oppose reciprocal trade—who oppose GATT—and who oppose OTC are not too far apart in their particular objectives. The American Tariff League, Inc., for example—which by the way, represents an important group of business leaders and trade associations—would have the Tariff Commission prepare a revision of our entire tariff and foreign trade regulatory structure. It (the ATL) recommends that in furtherance of a fair tariff structure, consideration should be given to the institution by the United States of an incentive or sliding scale tariff system which would recognize and reward any foreign country which improves its living standards or wages for its workers. It recommends the Tariff Commission be increased from 6 to 7 members and that the President, as now, appoint the Commissioners with the advice and consent of the Senate.

It recommends that the Commission should keep items under review and make adjustments or modifications necessary to changing situations.

In other words, the American Tariff League, Inc., recommends a substitute approach for our trade policy which would include a forum whereby member countries could air their trade grievances and recommend treaties for ratification to effectuate desirable changes in national laws or broad policy matters.

This does not differ very much from the present situation save in some minor methods of procedure.

Another suggestion of the American Tariff League, Inc., is the creation of an international statistical bureau which would issue data by countries on tariff quotas, average wage rates, fringe benefits, productivity, and so forth.

The differences between the recommendations of this organization and what the President is seeking are academic and inconsequential.

The program the administration seeks to extend began in the trying days of 1934. It was created to expand markets for the products of American farms and factories. Under this program the President—authorized by Congress—obtains reductions in foreign tariffs against our exports, in return for reciprocal lowering of our own tariffs. Through this arrangement, world trade is expanded with many benefits for all cooperating countries.

I do not intend to delineate or enumerate the reasons why this country needs world trade, or to point out the impact our trade has on employment in this country. The Members of this body are all familiar, I am sure, with the succinct, convincing, and, to me, highly irrefutable statement of the distinguished Secretary of Commerce, Sinclair Weeks, which was made in response to a formal interrogation by our distinguished colleague from New Jersey, ROBERT W. KEAN.

Let me emphasize, however, the importance of reciprocal trade to our country by quoting briefly from Mr. Weeks' forceful response.

International trade—

He said—

is vital to the economic health and future growth of many Free World nations. Their economic vigor is most important for both their military strength and their political stability. This is especially true for the underdeveloped countries which comprise a large and important area of the world.

The reduction of trade barriers within the Free World facilitates the development of expanding markets for these countries that are so vitally dependent on trade. Our trade agreements program, by the actions we take and the leadership we exercise, makes a significant contribution to this end.

A more direct threat to our security now makes the trade program even more important. An economic offensive has been hurled against the free nations by the Communist leaders. Through programs of trade and aid, the Soviet Union is making intensive efforts to divide the Free World, to detach free nations one by one and draw

them into the orbit of Communist influence. It is offering to import the surpluses of underdeveloped countries and is thus seeking to exploit the trade difficulties of the Free World and to tie those countries to the Soviet bloc.

The trade agreements program can help the United States to play a decisive role in protecting and strengthening both itself and the Free World against the Communist threat.

If the Congress extends the reciprocal trade program, as the gentleman from New York believes it will, it will simply be enabling the President to lower tariff on a gradual basis in return for equivalent trade benefits from other countries. The principal provision would allow tariff reductions up to 5 percent a year over a 5-year period.

I think it is worthy of note that this would not necessarily mean a wholesale reduction of tariffs. The reductions would be on a highly selective basis without injury to our own producers.

With the protection afforded by the peril-point clause and the escape clause, American industry would be safeguarded adequately and our entire economy would be benefited.

To do anything less than endorse the President's program would be a blow to progress, a step in the direction of making the United States an island in the sea of opposition.

Mr. MILLS. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. McMILLAN].

Mr. McMILLAN. Mr. Chairman, I would certainly not get up here and tell gentlemen like the gentleman from Arkansas [Mr. MILLS] and the gentleman from New York [Mr. REED] the chairman and ranking minority member of the Committee on Ways and Means, how to legislate. I am one of their greatest admirers and if there are any two people in this House I would like to follow, it is the gentleman from Arkansas [Mr. MILLS] and the gentleman from New York [Mr. REED]. I have always considered them the most able Members of this body.

However, I should like to tell you just how we feel so far as the Reciprocal Trade Agreements Act is concerned and how it has affected us in the State of South Carolina. As I stated a moment ago, I have the fullest confidence in the chairman and the ranking minority member of the Committee on Ways and Means.

I do not know of any bill that has ever been reported to the floor of the House that affects as many people in the United States as the bill we are considering today.

I shall only try to give you some information on the types of industries in my own district which are vitally affected by the Reciprocal Trade Act.

I do not believe there has ever been a bill reported to the floor of the House which has aroused as much interest among the American people as the bill which has just been reported from the Ways and Means Committee and is under consideration at the present time.

There have been millions of dollars spent in propaganda for the purpose of arousing support for a 5-year extension of the President's proposed Reciprocal Trade Act.

We people in the Sixth District of South Carolina are vitally interested in the welfare of the carpet industry, plywood industry, and textile manufacturers. I have a number of industries in my district that fall in one of the above-named categories. These industries employ thousands of people and at the present time they are feeling a terrific impact from the importation of textiles, plywood, and wilton carpets, velvet carpets, and rugs manufactured in cheap labor countries.

The original administration proposals were modified in some respects, but in reality, final action on proposals to increase tariffs or to fix import quotas to offset injury from imports rests with the President.

If the Tariff Commission recommends relief under section 7 of the Trade Agreements Extension Act, the so-called escape clause provision, the President can set aside that recommendation, just as he can set aside such recommendations now.

If the Congress, by a two-thirds vote, disapproves the President's action, the Tariff Commission's recommendation will go into effect. But, as a practical matter, it would be extremely difficult to get the two-thirds vote in such instances, just as it is extremely difficult today to muster a two-thirds vote to override a Presidential veto.

By sad experience, we have learned that the President, in the overwhelming majority of instances, will not let Tariff Commission recommendations for the relief of an industry hit by import competition go into effect.

Since the Tariff Commission was authorized in 1951 to investigate an industry's complaints of injury from imports and to make recommendations for relief, the Commission has considered approximately 60 such cases. It has recommended relief in 28 of them but the recommendations have been set aside in all but 9 instances, and only 2 of these, bicycles and jeweled watches, had any commercial significance.

A fundamental question, then, is whether we pass legislation which will enable aid for industries who find their situation more and more precarious because of imports or whether we let them try for help only to find that help is not forthcoming.

On June 10, a hearing will be held before the Tariff Commission on an escape clause action brought by the carpet industry. Specifically, the American Carpet Institute, acting on behalf of the industry, is seeking additional protection against the entry of wilton and velvet carpets and rugs, and similar types.

Wilton carpet takes its name from the town in England where it was first produced. This carpet is a fine and long wearing floor covering with a deep, dense pile. Velvet carpet is the simplest of all carpet weaves and is used mostly for solid colors. Closely woven, it is long wearing and rich looking.

Since 1946, the import of wilton and velvet carpets have risen over 2,000 percent, imports in that year being only 317,000 square yards. Now they approximate 7,500,000 square yards annually.

Furthermore, these types of carpets have been among the most profitable for the industry and the inroads made by imports are particularly injurious because of this fact.

Actually, the trend in wilton and velvet and similar floor coverings parallels to a large extent the trend in the entire carpet industry.

In 1946, imports of all machine made rugs and carpets amounted to only 257,000 square yards. In 1957, the total was 4,860,000 yards, an increase of more than 1,750 percent.

When we look at reductions in carpet duties which followed the enactment of the reciprocal trade act, the answer to what has taken place is not hard to find.

The duty on rugs and carpets has been reduced from 60 percent ad valorem to 22½ percent ad valorem and the duty goes to 21 percent on July 1, 1958. The decrease in duty has coincided with the rise in imports.

The principal import competition for the carpet industry is furnished by Belgium, although Japan is becoming increasingly important. The story is an old one. You have heard it over and over and will hear it again and again during this discussion.

Wages in Belgium carpet industry are less than one-fourth the average paid in this country and wages in Japan are lower still. Costs are less abroad than costs in this country. The competitors overseas have modern plants and machinery, much of which has been bought in this country with funds donated by the United States.

Unless relief is granted in one form or another the competition will grow increasingly severe and the situation of the domestic industry more and more precarious. It is interesting to note that union labor in the carpet industry is strongly supporting the Simpson-Dorn-Davis-Bailey bill in the hope that its passage may result in relief for the industry and the alleviation of widespread unemployment among carpet workers.

As industries go, the carpet industry is not a large one. There are around 70 carpet plants and around 30,000 workers in them. But most of the carpet mills are located in small communities which are dependent upon the plants to a large extent. Among these communities are Framingham, Mass.; Amsterdam, N. Y.; Thompsonville, Conn.; Bloomsburg, Pa.; Freehold, N. J.; Glasgow, Va.; Dalton, Ga., and Aberdeen, N. C.

In all probability more than action to raise tariffs under the escape clause provision will be needed to give the carpet industry the relief it needs from low-wage, low-cost competition. In the opinion of many in the industry, quotas are the answer. Yet, I am afraid there is little hope for any action which will help this industry unless we defeat the bills reported by the Ways and Means Committee and approve the Simpson-Dorn-Davis-Bailey bill.

The same thing could be said for many other industries.

Mr. Chairman, I now would like very much to direct your attention to the

plight the plywood industry is in not only in my home State of South Carolina but in approximately 20 other States of these United States.

The hardwood plywood industry of my State has been seriously injured by the influx of low-priced plywood from low-wage highly-industralized countries such as Japan. The cutback in production and the lower prices of the domestic hardwood plywood has been reflected back to the owners of timber in my State and many other States.

Hardwood plywood requires the top quality log, called a veneer log. The veneer log brings a premium price. The hardwoods used to make plywood came from trees found in the Lake, Central, South Central, Northeast, Delta, Southwestern, and Southern States. In those States the farmer is the principal supplier of veneer logs and earnings of the farm woodlot add a great deal to the farmer's income.

The Forest Service timber resources report shows that the farmers own 50 percent of the commercial timber in the States of Nebraska, Kansas, Iowa, Illinois, Indiana, Ohio, Virginia, North Carolina, South Carolina, and Georgia, and from 25 to 50 percent in the States of North Dakota, South Dakota, Minnesota, Wisconsin, New York, Vermont, New Hampshire, Connecticut, West Virginia, Tennessee, Mississippi, Alabama, Florida, Arkansas, Oklahoma, and Texas. The farmers of all these States have a material stake in their forest products industries. The hardwood plywood industry is an essential segment of the forest products industry, if it is destroyed, the market for the premium logs is gone and the farmers will lose substantial revenue.

The farmers, the loggers, truckers, and others have a very great interest in the Trade Agreements Act. For every worker in the hardwood plywood industry at least one other worker is directly dependent on the hardwood plywood industry for his job. There are untold numbers who are indirectly affected. Under the present policy the jobs of the hardwood plywood workers and others dependent on the hardwood plywood inindustry are up for export. The unrestricted imports of hardwood plywood have already resulted in the export of a substantial number of jobs and the loss of millions in wages. In 1957 domestic hardwood plywood shipments were 16 percent less than 1955. The Bureau of the Census reports that domestic hardwood plywood production in the first quarter 1958 is 16 percent less than the first quarter 1957. On basis of the presently available figures and provided imports of plywood do not increase United States hardwood plywood production in 1958 will be approximately 700 million square feet, 11 percent below 1957 and 23 percent below 1955. A truly distressing picture of the eroding effect of low price imports. This should be sufficient to establish injury even for those who have accepted blindly the propaganda of the importers and foreign producers.

Quotas are required to remedy the injury to the plywood and other industries where the differential is so great between our labor costs and the labor costs of the widely industrialized countries that tariffs alone will not bring the imports into fair competition with the domestic product.

QUOTAS

The administration has just recently sent to Congress a bill to provide subsidy payments to the domestic lead, zinc, and tungsten industries so that these industries will not be destroyed by imports from low-cost countries. The cost: $161 million per year. Congressman BATES, of Massachusetts, has introduced a bill to provide a subsidy on ground fish for the New England fish industry about to be destroyed. The west coast tuna, crab, and salmon industries have an identical complaint and should be attached to the Bates bill. The costs will soar from $41 million to a hundred and forty-one million. If these industries are entitled to subsidies in order to stay in competition with the low-priced imports, why should not Congress provide subsidies for hardwood plywood, stainless steel flatware, clothespins, copper tubing, glassware, pottery, coal, and the hundreds of other products whose producers are fighting a losing battle against an influx of low-priced imports from highly industrialized low-wage countries, such as Japan.

The State Department and the Executive have been most inconsistent in their approach to the problems created by the low-cost imports. When it appeared that the cotton textile industry had generated sufficient pressure to get Congressional relief, the State Department prevailed on the Japanese to put in effect a quota on exports of cotton textiles to the United States. Then came the petroleum industry. After a finding that our national security was threatened by petroleum imports, the President ignoring the provisions of the Trade Agreement Act sets up a voluntary import quota system which operates in somewhat the same manner as a lawful import quota system would operate but lacks the sanctity of the law. This dodging from pillar to post and back to pillar again, will not end unless Congress puts a stop to it. Is the Congress to be asked to take favorable action in favor of some of our industries and deny relief of any kind to others because the favored industries wield a bigger political club? I can only conclude that the administration has no policy. Pressure controls each decision.

The taxpayers including those about to be destroyed by the low-priced imports are to be asked to assume the cost of these new subsidy programs. Our citizens are presently burdened with a $3½ billion foreign-aid program and $43 billion defense program, they are to be told that they must pay billions more in taxes to subsidize the imports from low wage foreign countries. This subsidy program is no more than a new foreign-aid program. It is wholly unnecessary, the means of controlling imports and collecting instead of paying out revenue is available, it is a means already sanctioned by the executive branch for textiles and oil, quotas on imports. Through the combination of judicious quotas and tariffs imports can be regulated so that the American producer can compete fairly with all the foreign producers in a stable domestic market. Everyone will benefit, especially the taxpayer.

The State Department has taken the position that it will not approve quotas on industrial products because it has committed itself under GATT, first not to grant quotas on imports into the United States and second, to work for the repeal or emasculation of section 22 which provides for quotas on agricultural products. The State Department fixes the policy of the President on matters of tariffs and trade. Our tariffs have become a valuable weapon to the State Department's foreign-aid program. American industries are the pawns of the State Department in the game of international politics.

The policy of the State Department on quotas is rapidly destroying domestic industries and alienating many friendly countries. The United States through its foreign aid has industrialized many low wage countries. The productivity of these countries has increased but their wages have not followed the productivity and are very low. As a result the highly industrialized low wage countries such as Japan can undersell the American producer and the other foreign producers in the United States market. The differential between the low price of products from Japan and the price of domestic producers and foreign producers other than Japan is so large that the United States duties are no obstacle to the Japanese but threaten the other foreign producers' competitiveness. The Japanese have taken over many markets to the detriment of producers in other countries and our domestic industries.

For instance, in 1951, Canada had 62 percent of the plywood imports of the United States. In 1957 Japan had 82 percent and Canada 7.5 percent. Canada's dollar earnings from plywood has dropped from $12.5 million in 1955 to $8 million in 1957. The similar situation exists with other plywood exporting countries. In 1957, in order to meet the low price of the Japanese plywood, the average sales price of plywood from other countries dropped from $117 to $101. The value of plywood imports from countries other than Japan was $22.8 million in 1955 and $16.9 million in 1957, whereas Japan increased from $27.6 million in 1955 to $44.4 million in 1957. Obviously the tariff does not affect the Japanese.

The average sales price of plywood from Japan during the period 1951–57 was approximately $63 a 1,000 square foot. The average price for all other countries exporting plywood to the United States was approximately $115. A restoration of the duty provided in the 1930 act would not bring the price of Japanese plywood near the competitive price range of domestic hardwood plywood. Some of the other plywood exporting countries have prices lower but in range of the domestic hardwood plywood prices. An increase to the 1930 rate would materially increase the differential between those countries and Japan and would lower the competitive

position of such countries in the United States market. An increase in duty alone could injure our friends and not remedy the injury caused by the Japanese plywood imports.

On the other hand a quota established on a country or historical basis, would insure to all countries the right to sell in our markets and also protect the domestic industry's position in our market.

Congress must set a positive policy for tariffs and foreign trade. Consideration of legislation which increase the taxpayers' burden should be discarded. A realistic program to limit imports where domestic industry is injured should be inaugurated immediately. The Simpson bill, H. R. 12676, provides that the Tariff Commission shall provide for quotas where a maximum increase in duty will not remedy the injury. This means that tariffs will prevail where they are effective but where tariffs alone will not suffice then the Tariff Commission shall recommend quotas.

Congress, by specifically directing the Tariff Commission to provide for quotas is reasserting its authority over tariffs and trade; the State Department will have to conform to this policy. I believe the Simpson bill will go a long way to remedy the ills tried to be reached by the textile export quota, the voluntary oil quota, and the various bills to subsidize domestic industries against imports.

It is time that Congress stops the makeshift actions which are sacrificing the domestic industries, increasing the tax burdens of our people and making new enemies for us in the world. If we are firm but fair and administrate the Trade Agreements Act honestly and without favor to any one country, we will regain the respect which we have lost. The United States should not continue to act the sniveling coward who cringes and gives in under the threat of displeasure from others. We should stand up for our people against all others; not one American job should be sacrificed.

Mr. MILLS. Mr. Chairman, I yield 7 minutes to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I suspect if the truth were known that I am today in the company of many House Members who are reluctant to support either of the bills before us. That is not a new situation for there have been many prior occasions when we have been limited by the parliamentarian situation to choosing 1 of 2 alternatives, neither of which are wholly desirable. It appears that nearly all of us are in agreement that there should be an extension of the foreign-trade agreements. Yet, I feel that both bills before us now go to extremes which are undesirable. I believe we would be in a far happier position if we could achieve in a single bill some of the objectives which are set forth in both bills. Nor do I think this would be an impossible undertaking. I say this with highest regard and respect for the distinguished members of the Committee on Ways and Means who have brought this bill before us.

I do feel that we in Congress must exercise more authority than we have done in many years over the reciprocal trade program and I am equally convinced that unless the Congress steps into the picture vigorously at this time many American industries will suffer severely and many American workmen will be deprived of employment in the years to come. Since the committee bill is to all intents and purposes a continuation of the present program for the longest period suggested in a goodly number of years, I am forced into the position of voting for the substitute bill.

Out of the goodness of our hearts America has helped to rebuild the industrial plants of many nations ravaged by war and we have helped other nations to build industries new to their economy. Both American money and American know-how have gone into these undertakings. Now, however, the product of these rebuilt and these new industries are pouring into world markets and even into our own markets. Unless the Congress requires more consideration for American industries, at least in our own markets, we will find ourselves producing fewer and fewer commodities for domestic or for foreign trade. One after another of our products will be taken over by foreign producers and put on the market at a much lower cost than we are able to manufacture them simply because of the great difference in the working standards and production costs.

I recognize the fact that tremendous pressure has been brought to bear on both sides of the aisle from many groups who profess to believe that a continuation of the present reciprocal trade program under present law is essential for our welfare. I would like to be sure that we realize just what this means. The Constitution clearly places the responsibility for imposition of tariffs in the hands of the Congress. The Tariff Commission is an agency created by Congress to carry out certain aspects of the tariff administration. Yet, for nearly a quarter of a century, the responsibility of the Congress in this field has been waived through a delegation of authority to the President. During that period the State Department, which is the principal adviser to the President on trade matters, has become more and more involved with world problems and the thinking of its experts are more and more shaped by the commitments associated with world leadership. This is understandable, but when the recommendations of the State Department have a direct bearing upon the livelihood of American citizens we must be certain that they are placed in proper focus. The Congress with its fresher contacts with the American people and closer understanding of our basic economic situation can best insure the balance which is needed in this program.

Foreign Trade Agreements are but one element of the leadership between the United States and other nations. Because of recent world happenings, many of them detrimental to us, the entire foreign policy of the United States will be under careful scrutiny in coming months. Therefore, it appears clear that until the future relations of the United States with respect to the other nations can be determined, at least in principle, it would be a grave error to commit ourselves on this one segment of the nation's foreign policy to the extent of committing it to a continuation of the present course of action. Particularly is this so in the light of the controversial nature of the policy embodied in the proposed legislation.

Furthermore, it appears that this is not a propitious time to grant a 5-year extension of the foreign agreements machinery contemplated by the reciprocal trade agreements legislation in view of the unsettled and rapidly fluctuating state of international conditions. The nature of the international affairs should raise serious doubts in every mind whether the authority proposed to be granted the President by the committee bill should be approved.

We seem to suffer at times from a paralysis of ideas. Not long ago at the very hour of the debate on foreign aid in the House of Representatives the structures of good will and understanding which the foreign aid program supposedly is insuring for us were collapsing all over the world. Yet, the House without major change in the program voted and the Senate has since followed suit in voting for a program which is in disrepute at home and abroad.

The farm program is not in any sense a desirable one with its great surpluses, its gradual elimination of world markets to the American farmer, its deadend policies which are forcing hundreds of thousands of small farmers off the farms and into the crowded slums of the cities, finds no sharp, clear and promising alternatives.

We have blindly followed the reciprocal trade agreements program for nearly 25 years. Yet I am not sure we are following the fundamentals for which it was created. Certainly the conditions under which we adopted it are far different from the conditions of today. Certainly we cannot carry the entire load of world affairs. But I have seen little evidence of a reappraisal to determine whether there is real justification for the program; whether this is blind obedience to custom; or whether it is time for new ideas and new policies.

Somewhere, somehow, from some source, there must be new thinking, new policies and new leadership with which to meet the great unsolved problems which confront us, and which have plagued us for many years. Until they are available, we must go on our plodding overworked ways, and do the best we can. In this instance, we can improve conditions for the people we represent by voting for the substitute bill and that I propose to do.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Chairman, I rise in opposition to the bill and in favor of the substitute bill.

Mr. Chairman, to many Members, the Trade Agreements Extension Act of 1958 offers, at best, a most difficult choice.

If we vote against it, to protect those industries in our districts that have suffered from competing imports produced at substandard wages, we ignore the larger interests of the United States in its dealings with other nations.

If, however, we take the longer view, we shall fail in our immediate obligations to those industries and those constituents that are not protected against the invasion of low-cost foreign goods.

The bill calling for a 5-year extension, is too much for us to support. We are willing to make a reasonable compromise, limiting the extension to 1 or 2 years, and with safeguards whereby our industries may obtain relief from unfair competition.

It is obvious that we must have foreign trade on a 2-way, buy and sell basis, not only for the hundreds of American industries, and the four and one-half million American workers, whose livelihood depends upon our export trade; but for those nations that must find a market for their products in the United States, or else do business with the Communist world under conditions that would subject them to Communist economic pressures.

At the same time, it is our sworn duty to protect the economic security and the standards of those American industries that are endangered by competing imports. How shall we design a fair and equitable balance between these two needs?

In the past, the failure of the executive branch of our Government to heed peril point appeals, or to impose quotas on imports where reasonable tariffs do not protect domestic industries, has caused serious injury to our manufacturers of textiles, and of heavy electrical equipment, as well as many other industries.

The current recession in the United States, emphasizes the need of providing prompt and effective relief for those American industries and American workers whose welfare is clearly threatened by imports. To make certain that this relief is not neglected, or sidetracked, the Congress must have the final voice in determining our tariff and foreign trade policies, as authorized by the Constitution.

There will, as there must be, more reciprocal trade as time goes on, and as other nations approach our fair labor standards. But, in the uncertain present, we cannot delegate arbitrary power to the Executive for as long a period as 5 years, and without any checks on that power.

For the record since the end of World War II, does not inspire complete confidence in the Executive to exercise those powers with due regard for the dislocations caused by excessive imports.

Therefore, while we believe in the basic principles and purposes of the Trade Agreements Extension Act, we must insist, at this time, on those minimum controls that will prevent unfair competion in our domestic markets caused by imports produced at substandard wages and under substandard working conditions.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12591) to extend the authority of the President to enter into trade Agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, had come to no resolution thereon.

GILLOUS M. YOUNG

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1492) for the relief of Gillous M. Young, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "the sum of $3,751.47. Such sum represents" and insert "any sum representing."

Page 2, strike out lines 4 to 20, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

WESTERN INSTRUMENTS ASSOCIATES

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 1700) for the relief of Western Instruments Associates, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, lines 1 and 2, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

E. B. KAISER CO.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3679) for the relief of E. B. Kaiser Co., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert: "That jurisdiction is hereby conferred upon the Court of Claims, notwithstanding any prior determination or dismissal by such court or any other provision or rule of law to the contrary, to hear de novo, determine, and render judgment upon all claims of the E. B. Kaiser Co., of Chicago, Ill., against the United States for compensation for additional work done in connection with the performance of subcontract No. 27-42 under contract W559 eng-5949, and such claims shall be considered as if they had arisen subsequent to the enactment of the act entitled 'An act to permit review of decisions of the heads of departments, or their representatives or boards, involving questions arising under Government contracts,' approved May 11, 1954 (41 U. S. C., secs. 321 and 322): *Provided*, That the enactment of this legislation shall not be construed as an inference of liability on the part of the United States Government.

"SEC. 2. Suit upon such claims may be instituted at any time within 90 days after the date of enactment of this act."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendments were concurred in.

The title was amended so as to read: "An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the E. B. Kaiser Co., of Chicago, Ill."

A motion to reconsider was laid on the table.

UNITED FOUNDATION CORPORATION OF UNION, N. J.

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5355) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corporation of Union, N. J., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 7, after "322" insert: "*Provided*, That the enactment of this legislation shall not be construed as an inference of liability on the part of the United States Government."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THOMAS HELMS AND OTHERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5424) for the relief of Thomas Helms and other employees of the Bureau of Public Roads, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 1, strike out "Kinnman" and insert "Kinnan."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

W. C. YARBROUGH

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6932) for the relief of the estate of W. C. Yarbrough, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 11, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

ARNIE M. SANDERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 7733) for the relief of Arnie M. Sanders, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 11, and page 2, line 1, strike out "in excess of 10 percent thereof."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING TITLE 10, UNITED STATES CODE

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1061) to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the military departments to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. LANE, WILLIS, and POFF.

AMENDING MUTUAL SECURITY ACT OF 1954

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, with an amendment of the Senate thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MORGAN, CARNAHAN, ZABLOCKI, VORYS, and JUDD.

MENSHIKOV MUST GO

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, it is proper that Nikolai Kurochkin, Third Secretary of the Soviet Embassy, be declared persona non grata because he violated the norms of behavior for diplomatic representatives. President Eisenhower should forthwith declare Ambassador Menshikov persona non grata as I urged in my speech here on May 19. I have discussed Menshikov's activities with State Department officials occupying high policy positions and not one has denied the fact that good and sufficient reasons exist to declare Menshikov persona non grata. Russian Ambassador Menshikov has systematically violated the norms of behavior for diplomatic representatives by stating palpable lies, by going over the heads of the President of the United States and the Secretary of State in making a direct appeal to Congress to prevent the rearming of the free and democratic German Federal Republic. In his direct appeal to Congress, Menshikov condemned the North Atlantic Treaty Organization as a threat to the peace and predicted that a military catastrophe was inevitable if the West Germans were allowed to prepare their defenses against Russian Communist aggression.

It is high time that President Eisenhower taught the Russians an object lesson that will make them think twice before taking further actions calculated to reduce American prestige in the world. Every American schoolboy knows who instigated the assault against American prestige in Lebanon and in Latin America. Such an object lesson is long overdue, and failure to take such action only stimulates the Russians to go further with their overall program of discrediting the United States. We can be sure that there will be more degrading incidents of such Russian attempts so long as we maintain a position of passivity in the face of continued Russian insults and intimidations.

The action taken by the Department of State a few days ago in declaring the Third Secretary of the Russian Embassy persona non grata stands as a symbol of uncertainty, timidity, and weakness. The real offender is Menshikov. He is doing damage on the American scene 10 times more terrible than that of an ordinary espionage agent, which is the case in the matter of the Third Secretary who was exposed and is now asked to leave our country. Menshikov, only yesterday, in a nationally televised program, stated boldly that he fully supported the Lenin concept of peaceful coexistence after Mr. Larry Spivak quoted Lenin as defining peaceful coexistence as a means of causing internal strife in the free capitalist countries and a technique leading to the overthrow by force of governments based on law and order.

Only yesterday the president of Yale University, in a commencement address, put his finger on the terrible apathy which is strangling the will of our Nation to survive. He said:

> We have become too much a Nation of lookers and listeners, a Nation of spectators. Amidst the easy artificiality of our life the plethora of substitutes for learning and thinking, the innumerable devices for avoiding or delegating personal responsibility for our opinions, even for having any opinions, the fine edge of our faith has been dulled, our creative powers atrophied.
>
> We have had enough of the pious cant that says the sputniks were a good thing because they will wake us up, or that the reception of the Vice President in South America was a good thing because it showed up the weaknesses in the good neighbor policy. This is worse than making a virtue of necessity. It is making a virtue of disaster.
>
> The worst of the disaster has not happened yet, but it easily might if we do not look these things in the face and recognize them for what they are—the results of a long cumulative process of self-deception.

President Griswold of Yale University stated that—

> We are still potentially, if not actually, the most powerful Nation in the world.

But he added that what was at stake was not our capacity to survive and defend "the perfect law of liberty" but "our will, our determination" to do it.

Let no one be misled into believing that a declaration of Menshikov as persona non grata is tantamount to severance of diplomatic relations. Just remember that United States Ambassador to the Soviet Union George F. Kenna, in September 1952, was declared persona non grata by the Kremlin when, in Western Germany, he told the truth about the absence of freedom in the Soviet Union. The action by the Soviet Union did not cause the severance of diplomatic relations between the two Governments. The United States must demonstrate to the world that it maintains its dignity and will not tolerate in the United States violations by the foreign representatives of the norms of behavior for diplomatic representatives. Any action short of declaring Menshikov persona non grata by President Eisenhower would be taken as a sign of weakness by the Russian despots.

PANAMA CANAL—LATEST DEVELOPMENTS

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, almost 2 years ago a meeting of the Presidents of the American nations at Panama City, Republic of Panama, July 21–22, 1956, attracted world attention on the Isthmus of Panama and the great canal project on which the economic well-being of the Republic of Panama largely depends. While public interest was thus focused toward the West, events of far greater significance were in the making in the Near East.

Four days later, on July 26, what till then had been considered a geopolitical impossibility occurred—the nationalization by Egypt of the Suez Canal. Officially indorsed by the Government of

Panama, this seizure of the Suez Canal started a chain of events affecting the Panama Canal that has never ended, a situation that I have watched closely.

Though I addressed the House at considerable length on March 26 and April 2, 1958, on the vitally important question of sovereignty over the Canal Zone and Panama Canal, subsequent and most tragic events recently occurring on the isthmus together with statements of Panamanian leaders, now dramatized by the bitter experiences of the Vice President of the United States during his visits in Latin America in early May, impel me to address the House further on this key element in our Isthmian Canal policy.

RECENT ISTHMIAN REACTIONS TO THE SOVEREIGNTY QUESTION

What are the events on the isthmus following my April 2 address that first attracted world attention?

The first occurred on April 3, when the Liberal Party of Panama, in order to put President Ernesto de la Guardia, Jr., "on the spot," announced plans for a petition to the Government of Panama asking for rights to explore for oil and minerals in the Canal Zone. When requested to comment on this demand, I stated that such questions were legal and I hoped that constituted Panamanian authorities would know how to deal with them.

A second event was the publication in the Estrella de Panama on April 18, 1958, of a statement by Señor Don H. D. Aleman, Jr., chairman of the foreign relations committee of the National Assembly of Panama. Some of its most significant points are summarized:

First. Revealed that Panama now has in preparation a "White Book" to present to world opinion its views on the sovereignty question.

Second. Stated that Panama would be ready at any time to submit this question to proper international courts for settlement.

Third. Demand a larger share in toll receipts of the Panama Canal.

Fourth. Quoted an April 18, 1906, statement by former Secretary of War William H. Taft out of historical context in justification of Panamanian views on the Canal Zone sovereignty question.

AMBASSADOR ARIAS HIGHLY CRITICAL OF UNITED STATES GOVERNMENT

A third episode occurring in the United States was a major political address by Señor Don Ricardo M. Arias E., Ambassador of Panama to the United States, on April 29, 1958, at the Edmund A. Walsh School of Foreign Service of Georgetown University in this city. A grandnephew of Tomas Arias, one of the founding fathers of the Republic of Panama who, on December 4, 1903, signed the Panamanian certification of the Hay-Bunau-Varilla Treaty, Ambassador Arias should be well acquainted with isthmian history. I have the address of Ambassador Arias, which was placed in the RECORD of May 28 by Representative ADAM CLAYTON POWELL, Jr., of New York. Its text, I assume, is correct.

While Ambassador Arias' Georgetown University address contains much that is historically valid, it also features many statements and interpretations that certainly can be challenged. However, since a detailed analysis would be too lengthy for our purposes today. I must limit myself to key points.

In line with the lead from Señor Aleman at Panama, Ambassador Arias likewise took up the sovereignty question and made this significant revelation:

> The foreign policy of my country during the last 50 years has been to exert every effort in order to obtain at least for Panama conditions similar to those granted by the United States to Colombia in January 1903.

For this objective, he added:

> I am sure that in the end Panama will attain her purposes.

Highly critical of the United States Government to which he attributed bad faith, the address went far beyond an objective historical discussion of the foreign policy of the country to which he is accredited. Thus, I must question the propriety of its delivery in our midst for propaganda purposes. For the present, however, I shall only call attention thereto with this comment: if conditions were reversed and the United States Ambassador to Panama had made a similar public utterance critical of Panama, his recall would have been demanded immediately by the Panamanian Government.

CRISIS AT PANAMA CLEARLY FORESEEN

That events on the isthmus were heading toward some incident affecting the efficient operation of the Panama Canal has long been evident. In early March of this year, I warned proper authority of this possibility, specifically mentioning that radical Panamanians might attempt to raise their flag in the Canal Zone. Also in my address to the House on April 2, I emphasized that we should not wait until some tragic incident occurs to spur us to action.

Now, Mr. Speaker, was I unduly apprehensive of the situation so extensively presented and documented in my two addresses? Far from it. Subsequent developments on the isthmus, which are now revealed in the light of tragic experiences of the Vice President in Lima and Caracas as parts of well-planned campaigns against the United States and for the overthrow of constitutionl government in Panama, have already occured; and the end, I fear, is not yet.

PANAMANIAN FLAG-RAISING INCIDENT IN CANAL ZONE

In a carefully organized raid into Canal Zone on May 2, 1958, called "Operation Sovereignty," Panamanian University students planted 72 Panamanian flags at various locations, including one in front of the canal administration building—an eventuality that I foresaw and had sought to prevent by timely notice.

It is significant to note that the raid of flag planters was accompanied by Panamanian newspaper photographers who took pictures of some of the flag raisings, which were published in Panama with reproductions in other countries. Though it appears that some of these highly provocative incidents were witnessed by Canal Zone police, it is indeed strange that no arrests or detentions were made for these breaches of the peace and the trespassers were allowed to leave the Canal Zone without obstruction.

This flag-planting demonstration, Mr. Speaker, was not a simple matter that can be dismissed as mere student pranks or enthusiasms. Instead, it was a calculated move in worldwide psychological warfare of communistic pattern against the United States. It promptly received extensive coverage in Latin America and also in the Soviet presss. No doubt it will be exploited to the maximum advantage of those seeking to wrest control of the canal enterprise from the United States.

The only action taken by Canal Zone police was to collect the flags and give them to Panamanian officials who returned them to the students. Had the conditions of the flag-raising incident been in reverse order, with North Americans invading the Republic of Panama as participants in such provocations, authorities of Panama would have dealt with them with the utmost vigor.

SIGNIFICANCE OF FLAG-RAISING INCIDENT RECOGNIZED IN UNITED STATES

The significance of the flag-raising incident in the Canal Zone, so well covered in the press, was instantly recognized in the United States. The Panama Canal Society of Washington, D. C., composed of surviving builders and others long associated with the canal enterprise, members of the Armed Forces and Foreign Service who have seen duty on the isthmus and know its problems and dangers at firsthand, took prompt action.

On the occasion of its 23d annual meeting in the Nation's Capital on May 10, 1958, the society in a notable program devoted to a discussion of the administration of the Panama Canal under the Reorganization Act of 1950—Thompson act—adopted resolutions that strongly reinforce the views I have repeatedly stressed as to what should be done by the Congress with respect to the present situation at Panama.

The resolution follows:

RESOLUTIONS OF THE PANAMA CANAL SOCIETY OF WASHINGTON, D. C., RE HOUSE CONCURRENT RESOLUTION 205

Whereas at the 23d annual meeting of the Panama Canal Society of Washington, D. C., held on May 10, 1957, it adopted by unanimous vote, resolutions declaring that the Congress should, by formal action, reaffirm the long established and practiced policy of the United States in holding that it exercises complete and exclusive sovereignty over the Panama Canal and the Canal Zone, in perpetuity, under solemn treaty provisions, for the maintenance and operation of the canal and the government of the zone; and

Whereas there was introduced in the House June 6, 1957, by Congressman DANIEL J. FLOOD, of Pennsylvania, House Concurrent Resolution 205 providing "That (1) it is the sense and judgment of the Congress that the United States should not, in any wise, surrender to any other government or authority its jurisdiction over, and control of, the Canal Zone, and its ownership, control, management, maintenance, operation, and protection of the Panama Canal, in accordance with existing treaty provisions; and that (2) it is to the best interests—not only of the United States—but, as well, of all na-

tions and peoples—that all the powers, duties, authority, and obligations of the United States be continued in accordance with existing treaty provisions"; and

Whereas recent unfortunate and highly provocative incidents occurring in Panama and the Canal Zone, furnish added and imperative reasons for the adoption of the indicated House concurrent resolution: Be it therefore

Resolved by the Panama Canal Society of Washington, D. C., at its 23d annual meeting held in Washington, D. C., May 10, 1958, as follows:

1. That it respectfully urges upon the Congress the wisdom and grave importance of adopting House Concurrent Resolution 205 as early as may be possible.

2. That copies of these resolutions of the Society be furnished to the Congress, the press, and other Panama Canal societies.

DISORDERS SPREAD TO TERMINAL CITIES

The Isthmian disorders, however, did not stop with the flag-raising demonstration in the Canal Zone. On the evening of May 5, university students, emboldened by their flag-raising triumph in the Canal Zone, marched on the presidential palace in Panama City to demand the taking of immediate steps in behalf of Panamanian sovereignty. It was on this occasion that President Ernesto de la Guardia, Jr., yielding to their demands, announced his intention to ask that the Panamanian flag fly over the Canal Zone.

In this connection, it should be noted that of the flags returned from the Canal Zone 59 were carried by the students to the palace. It is indeed unfortunate that the Government of Panama apparently followed the lead of radical and heedless students in the formulation of its foreign policy with respect to the canal.

Encouraged by what appeared to them as a further victory, the radical elements in Panama promptly turned their guns on their own Government. Amidst scenes of wild disorder Panamanian students marched on the palace demanding dismissal of the Minister of Education and improvement of education facilities in public schools. Serious rioting in Panama City broke out on May 20, and spread to Colon the next day.

After 6 days of street fighting and bloodshed, requiring use of the National Guard, President de la Guardia claimed a decisive victory in suppressing the uprising that he considered had aimed at overthrowing his government. He also stated that though not implicated in the beginning of these troubles, Communist leaders and fellow travelers had taken part.

These scenes of political turmoil, in which many were killed and more wounded, Mr. Speaker, took place in the Panamanian terminal cities of the Panama Canal, almost within a stone's throw of the canal itself. That this state of disorder is a continuing process is shown by the fact that at this moment in Panama City there are immured in the National University, which has some strange immunity, some 500 students besieged by the Panamanian National Guard.

These situations justfy and emphasize once again the wisdom of the framers of the Hay-Bunau-Varilla Treaty, which had granted to the United States the right and authority to maintain public order in the cities of Panama and Colon and adjacent areas—a right which, at the instance of Panama, has been subsequently abrogated through treaty provisions.

SECRETARY HAY OUTLINES UNITED STATES POLICY, 1904

Let us now return to the question of sovereignty raised by both Chairman Aleman and Ambassador Arias, which has been so effectively propagandized by the flag raiders in the Canal Zone. It is nothing new. Instead, it is merely the "zombi" of an old issue that has been periodically dragged out of its tomb. However, because these officials have brought it up, I feel that it is incumbent on someone to set the record straight with materials that they ignored or overlooked.

In a note dated May 25, 1904, from Secretary of Government Thomas Arias, one of the revolutionary junta of 1903, addressed to Gov. George W. Davis of the Canal Zone, Secretary Arias made the following statement:

The Government of the Republic of Panama considers that upon the exchange of ratifications of the treaty for opening an interoceanic canal across the Isthmus of Panama its jurisdiction ceased over the zone.

Although the earliest American officials were scrupulous in complying with treaty provisions, the Republic of Panama was only a few months old when its leaders, following the note of Secretary Arias, presented the sovereignty question to United States officials. In a comprehensive reply to the Panamanian Government on October 24, 1904, that is still classic—Foreign Relations, 1904, pages 613–630—Secretary of State Hay asserted that "the great object to be accomplished by the treaty is to enable the United States to construct the canal by the expenditure of public funds of the United States—funds created by the collection of taxes" and that "the position of the United States is that the words 'for the construction, maintenance, operation, sanitation, and protection of the said canal' were not intended as a limitation on the grant, but are a declaration of the inducement prompting the Republic of Panama to make the grant"—of the Canal Zone to the United States in perpetuity.

Though Secretary Hay mentioned the term "titular sovereign of the Canal Zone," he declared that such sovereign is "mediatized by its own acts, solemnly declared and publicly proclaimed by treaty stipulations, induced by a desire to make possible the completion of a great work which will confer inestimable benefit on the people of the isthmus and the nations of the world." He stated that it was difficult to conceive of a country contemplating the abandonment of such a "high and honorable a position, in order to engage in an endeavor to secure what at best is a 'barren scepter.'"

SECRETARY TAFT EMPHASIZES UNITED STATES ISTHMIAN POLICY, 1905–6

Later, on April 18, 1906, when testifying before the Senate Committee on Interoceanic Canals—hearings, volume III, page 2527—Secretary of War Taft, when commenting on article III of the Hay-Bunau-Varilla Treaty, stated:

It is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign. This gives rise to the obvious implication that a mere titular sovereignty is reserved in the Panamanian Government. Now, I agree that to the Anglo-Saxon mind a titular sovereignty is like what Governor Allen, of Ohio, once characterized as a barren ideality, but to the Spanish or Latin mind poetic and sentimental, enjoying the intellectual refinements, and dwelling much on names and forms it is by no means unimportant.

Prior to that, on January 12, 1905, Secretary Taft, when discussing the question of jurisdiction in a report to President Theodore Roosevelt, wrote:

The truth is that while we have all the attributes of sovereignty necessary in the construction, maintenance, and protection of the canal, the very form in which these attributes are conferred in the treaty seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama, and as we have conceded to us complete judicial and police power and control over the zone and the two ports at the end of the canal, I can see no reason for creating a resentment on the part of the people of the isthmus by quarreling over that which is dear to them but which to us is of no real moment whatever (hearings before Senate Committee on Interoceanic Canals, 1907, vol. III, p. 2399).

This was a courteous effort of Secretary Taft to sooth the sensibilities of our Panamanian friends but never with the thought or purpose of surrendering the actual, necessary, and exclusive sovereignty of the United States over the Canal Zone and Panama Canal as clearly provided by the 1903 treaty, and as has been interpreted, asserted, and maintained by the United States through all the years of canal history. Certainly, Mr. Taft, as Secretary of War and President of the United States, never directly or indirectly urged or practiced any departure from the well established policy of the United States with respect to its complete and exclusive sovereignty over the Canal Zone and the Panama Canal.

SECRETARY HUGHES REINFORCES OUR POSITION, 1923

When the subject of sovereignty in the Canal Zone came up again in discussions with Dr. Ricardo J. Altaro, Minister of Panama to the United States, Secretary of State Charles Evans Hughes, on October 15, 1923, stated:

The grant to the United States of all the rights, power, and authority which it would possess if it were sovereign of the territory described, and to the entire exclusion of the exercise by Panama of any such sovereignty, is conclusive upon the question you raise. The position of this Government upon this point was clearly and definitely set forth in the note of Mr. Hay to Mr. de Obaldia of October 24, 1904. (Foreign Relations, 1923, vol. II.)

Secretary Hughes reiterated this stand on December 15, 1923, in a conversation with Dr. Alfaro, declaring with a refreshing degree of candor that the United States Government "would never recede from the position which it had taken in the note of Secretary Hay in 1904. This Government could not and would not enter into any discussion affecting its full right to deal with the Canal Zone under

article III of the Treaty of 1903 as if it were sovereign of the Canal Zone and to the entire exclusion of any sovereign rights or authority on the part of Panama"—Foreign Relations, 1923, volume III, page 684.

Moreover, Secretary Hughes added:

It was an absolute futility for the Panamanian government to expect any American Administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of these rights which the United States had acquired under the Treaty of 1903.

To this I would add the comment that it would be unthinkable that present day responsible authorities of the United States would take a contrary position.

PANAMA: A "RESIDUARY" LEGATEE

In my address to the House on March 26, 1958, I described the Canal Zone as constitutionally acquired territory of the United States, which description was derived from a copious documentation and canal history. It is pertinent here to stress again that the framers of the 1903 canal treaty, both of Panama and the United States, knew what they were doing.

The grant of the Canal Zone for canal purposes was made in perpetuity. Thus it is most significant that the 1903 treaty provided that annuities were to be paid only "during the life of this convention", which could be modified or changed. The treaty also contained provisions for a change in status of the Republic of Panama through its "union or confederation" with other states. Thus, the Panama Canal set up was created for all time and all contingencies.

In the light of the perspective that is now possible what is left for Panama in connection with its claim of "titular sovereignty," which has been variously described by Secretaries of State as an "absolute futility," a "barren ideality," and a "barren scepter"? At best that country is a mere residuary legatee with justifiable claims for the Canal Zone only in the event of the United States ceasing to maintain and operate the Panama Canal. In such case, as I have stated heretofore, the United States would not raise any objection to Panamanian reassumption of the indicated sovereignty.

On this phase of the case I would submit that if the United States should ever abandon the Panama Canal it would indeed be a sad day for all nations, and especially for Panama. In such event the whole world would come tumbling down to envelop and destroy the Panamanian Republic.

Meanwhile, as set forth in my March 26, 1958, address, the Canal Zone remains as part of the constitutionally acquired domain of the United States.

RED PLOTS WELL PLANNED

Mr. Speaker, the international communistic conspiracy does not operate blindfolded. Instead, it thinks and it plans in terms of generations and makes its moves with ruthless calculation. The series of incidents from the flag-raising in the Canal Zone on May 2, on through the assaults on the Vice President at Caracas on May 13, and the serious disorders in Panama, May 19–21, 1958, cannot be viewed as isolated occurrences, for they are alike and have the same common denominator. All were perpetrated by so-called university students, all had trained leaders, and all all were executed with the ruthless skill and precision characteristic of the Red pattern.

Of these disorders, those affecting the operation of the Panama Canal, though less publicized, have the greatest significance. The aim has been to drive the United States from the Isthmus of Panama; and if this should fail then to utilize the canal for the purpose of fanning to flame anti-American feeling throughout Latin America.

The time for our Nation to make its position clear is long overdue. The trend of events over a long period makes our course unmistakable. Every day that passes stresses the urgency for a strong policy declaration by the Congress that there will be no further changes in the basic canal treaty setup and that the United States is not going to stand for further liquidations of its power and authority in and about the Canal Zone. Temporization on the subject helps neither Panama nor the United States.

To protect our interests in the current situation with respect to the Panama Canal, we have adequate legal means under solemn treaty obligations.

TREATYMAKING REQUIRES INFORMED NEGOTIATORS

In view of the attitude evidenced by certain Panamanian officials and provocative actions by radical elements using Panama as a sanctuary for hostile propaganda against the United States, will not searching queries naturally arise in the minds of American taxpayers concerning our relations with Panama? Will they not ask why should our tax money be used to finance such a tropical luxury as a $23 million proposed toll-free bridge at Balboa, replacing adequate free ferry service? Will they not also ask why they should bear the cost of ceding to Panama, without adequate consideration or provision for alternative facilities, of the terminal yards and passenger stations of the Panama Railroad? Will they not inquire into why the Hotel Washington in Colon should be given to Panama without compensation or replacement? Of course, they will ask these embarrassing questions about our conduct of Isthmian affairs, and many more.

Obviously, the present situation is not a sudden development. As shown in my previous addresses it goes back to the Huli-Alfaro Treaty of 1936—a treaty negotiated about the same time that the United States recognized Soviet Russia.

Featured by a serious weakening of United States rights and authority in the isthmian area but without changing the fundamental provisions for the perpetual grant of the Canal Zone for canal purposes, the process of erosion was advanced in the 1955 treaty.

While the explanations of this deteriorating situation are complex, an examination of available records discloses that Panamanian negotiators overmatch United States negotiators. The Panamanians were far better informed and the Americans appear to have been uninformed professional appeasers.

CONGRESS SHOULD ACT PROMPTLY

As shown by extensive records that from time to time I have detailed to the House the Isthmian area is a region that has been long featured by partisan and mercurial politics. It would be utterly futile to attempt to operate the Panama Canal with efficiency and in keeping with treaty obligations should such activities be permitted to invade the Canal Zone, as was clearly foreseen by the authors of the 1903 treaty, both in Panama and in the United States. They drafted the treaty to guard against such intolerable conditions as we have recently witnessed in the Canal Zone and in the terminal cities. Only by freedom from political considerations of any country can stability in the Canal Zone be guaranteed.

To that end, I urge with all the force at my command the prompt passage of House Concurrent Resolution 205 of the present Congress.

In order that the Congress and the people of the United States may have some of the documentation on which my remarks are based, I quote a selection of news stories from Panamanian, Latin American, and United States newspapers, as follows:

[From the Panama American of May 2, 1958]

STUDENTS PLANT 50 REPUBLIC OF PANAMA FLAGS IN CANAL ZONE—RAID DESIGNED TO REAFFIRM SOVEREIGNTY

Panamanian university students, launching Operation Sovereignty, claim to have planted about fifty Panamanian flags on the Canal Zone today.

The Students' Union issued a communique saying the students were instructed not to violate any Canal Zone traffic rules, not to enter military reservations, and to respect the United States flag.

The communique described the raid as a symbolic act aimed at reaffirming Panamanian sovereignty over the Canal Zone, and calling to national and international attention problems between Panama and the United States concerning the canal.

None of the students was picked up by the zone police.

An official spokesman said the Panamanian foreign office was "considering the delicate situation" which the students had created.

Canal Zone officials had no comment.

Canal Zonians in general took the whole affair as a joke.

Places in which the flags were planted included the Canal Zone side of the Fourth of July, the Prado, the Thatcher Ferry, and in front of the Administration Building.

The flag in front of the Administration Building was planted by a group of five students traveling in an automobile.

In full view of the building's astonished white-collar workers they tried to plant one flag firmly in the center of the grass circle by the main door.

The mast of the students' flag broke, but they managed to stick the stump into the turf before taking off at speed.

The Canal Zone cop on duty at the building walked over calmly, respectfully folded the flag, and took it into his police booth.

In other places the students placed the flags so insecurely that they fell to the ground. American observers, mindful of the manner in which the Stars and Stripes are never permitted to touch the ground,

commented that the students did not seem to have much patriotic respect for their own flag.

Students Union President Carlos Arellano Lennox, in a manifesto to the people of Panama, declared that statements by Congressmen and certain organizations in the United States have revealed an intention to establish a United States colony or protectorate in the zone.

The manifesto said that Operation Sovereignty was intended to demonstrate the feeling of Panamanian students in favor of a fundamental revision of the treaties between the United States and Panama. Such a revision would seek to realize Panama's rights and demands.

[From the Panama Star and Herald of May 3, 1958]

REPUBLIC OF PANAMA FLAG PLANTED IN CANAL ZONE BY STUDENTS IN SURPRISE MOVE

The Panamanian flag was planted in the Canal Zone by Panama University students yesterday morning in a well-planned surprise operation that created what the foreign office termed a "delicate situation."

Thirty-nine flags were removed by the Canal Zone police from various spots in Ancon and Balboa. A student spokesman said 72 flags were used in the operation and indicated the same banners were planted in spots not readily visible to police.

The incident brought immediate diplomatic repercussions. Robert Acly, Counsellor of the United States Embassy in Panama, called on Foreign Minister Aquilino Boyd at noon yesterday. There was no announcement if a formal protest was lodged.

An embassy spokesman said: "The embassy is awaiting a full report from the governor's office in the Canal Zone. In the meantime, we are watching the situation with interest. There will be no further comment pending the receipt of the report."

The Panama Foreign Office said, "The Foreign Office is considering the delicate situation which has developed as a result of the symbolic act which took place this morning when a group of youths belonging to the Union of University Students of Panama raised the Panamanian flag in the Canal Zone."

A Panama Canal spokesman said: "The action is ridiculous and not worthy of official notice."

There was official concern that the incident might be followed by new demonstrations within the Canal Zone that could result in violence.

The operation, named Operation Sovereignty in a University Students Union announcement, was carried out at 10:15 a. m.

Groups of students—handpicked for the operation—were posted at the sites which had been chosen for the flag-planting. At 10:15 a. m. (their watches had been synchronized prior to the operation) each group moved to its assigned post, planted the flags and left.

Their instructions were to offer no resistance in the event of arrest, to keep away from military reservations and not to run. (All of the men participating in the operation) (some young women took part also) were required to wear coats, in order not to give the impression that vagrants were involved.

At least two of the groups were accompanied by photographers alerted just before the operation was carried out.

Simultaneously with the planting of the flags, other university student teams were calling at 10:15 a. m. at the Presidential Palace, the Foreign Office, the office of the dean of the university and the office of the Foreign Affairs Committee of the National Assembly to report that the operation was being carried out. Another group of students rode up Central Avenue in cars, carrying the Panamanian flag.

Carlos Arellano Lennox, president of the university union, spoke over a local radio station, announcing that the operation had just been carried out.

The first report of what was happening came from the Administration Building. At 10:15 a. m., four men walked to the center of the grass circle in front of the Administration Building, planted the Panamanian flag which was on a wooden staff 7 feet long (the staff broke on the first try) and then posed by the flag while a fifth man took their picture with the Administration Building in the background.

The group then went back to an unidentified automobile and left via Heights Road. (Zone police said the men ran; a member of the student group said they walked.)

The flag planted in front of the building was of good quality cloth and measured 3 by 5 feet.

The other flags were made of cheesecloth and measured 12 by 18 inches. Under each flag was a blue triangular pennant with the initials UEN (Union de Estudiantes Universitarios) in white.

Zone police reported that other flags were planted as follows: 10 on La Boca Road, 1 in front of the Balboa Service Center, 9 along the Balboa Prado, 3 in the Ancon residential area, 6 on Frangipani Street, 4 near the Tivoli Guest House, 3 on Fourth of July Avenue in front of the district court building, and 1 in front of the Civil Affairs Building.

There were reports of other banners planted at the Chinese garden near Corozal and on the main thoroughfare in Cocoli and near Rodman.

All of the flags were removed and taken to the Balboa police station.

No arrests were made, although in some instances the demonstrators could have been detained. Authorities said the demonstrators, if arrested, could have been charged with disturbing the peace.

Immediately after the incident, zone police set up a reinforced patrol along the Panama City-Canal Zone boundary line.

Student President Arellano Lennox said last night the movement was not anti-American, pro-Communist or connected with any political organization. It was a strictly student move, he emphasized, aimed at bringing to the attention of the people of the United States the juridical situation in the Canal Zone.

Arellano Lennox pointed out that in Spain and Japan—the former a neutral in the last war and the latter an enemy country—the flags of those nations fly at American bases in the two countries; yet Panama, which has been the United States ally, is denied the right to fly its flag in its own territory in the Canal Zone.

Arellano Lennox, who is an instructor in a private Catholic school in Panama, said the operation was aimed to show that while Panama is a weak country, there is a vigilant youth ready to affirm Panama's rights whenever necessary. He reiterated the students' demand that Panama receive a fair share of benefits from the Panama Canal. (In a formal statement earlier, the University Students Union reaffirmed its goal for a fundamental revision of the Panama Canal treaties.)

The student president pointed out that students went into the Canal Zone not to haul down any flags, but to plant the Panamanian flag.

[From the Christian Science Monitor, of May 3, 1958]

PANAMA ADVISER AIRS VIEWS

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—Diogenes de la Rosa, top economic adviser to President de la Guardia of Panama, has frequently been termed, "the leading Marxist intellectual in Latin America.

Apprehension has been expressed here and abroad about the influence of Señor de la Rosa on the President's thinking and resultant decisions.

Asking concerning his Marxists beliefs, Señor de la Rosa answered, "I am a Marxist but not an orthodox Marxist. I don't accept the whole system. I believe it represents a good method to study the social phenomenon but it is not for me a dogma."

One matter on which Señor de la Rosa is especially vehement is that he is not a Communist. Asked if communism as practiced in the Soviet Union would be beneficial for Panama, he replied, "Absolutely not, I do not believe communism meets the basic problem in human needs. It does not do so in Russia and it would not do so in Panama. Technologically and economically, communism accomplishes much. But the Russian man does not live better because of communism."

Señor de la Rosa added that he did not believe that complete acceptance of Marxism would be beneficial to the people of Panama.

POWERS EXCEED POST

Officially, Diogenes de la Rosa is Executive Director of the National Economic Council of Panama, reporting directly to the President. But he is more than this. He assists President de la Guardia in the preparation of major speeches and determination of policy.

He said, "I gather the facts and assemble the information and the President writes the speeches. I also draft laws and executive decrees. I make investigations for the President in everything but political matters. I do not mix in politics at all."

The adviser revealed that the President uses him as go-between and mediator between the executive power and certain groups. For example, he acted as go-between enabling President de la Guardia to make a special, unannounced arrangement with the student federation at Panama University aimed at keeping the students under control.

Those who oppose Señor de la Rosa's important post contend that the President must make decisions based often on facts submitted by his adviser and that these facts may contain some impartation of Señor de la Rosa's saturation for 30 years in certain Marxist philosophies.

ACCUSATIONS RESENTED

President de la Guardia resents the accusations against his adviser and the insinuations that his thinking is guided by Señor de la Rosa.

Nevertheless, it is known that the President is cognizant of the Marxist background of de la Rosa and, privately, does not deny it; that the President considers Señor de la Rosa's value to him as an adviser far outweighs the negative aspects, and that the President considers himself capable of straining out any possible interpolations in de la Rosa-prepared reports and drafts.

It is rumored that within the President's own cabinet and elsewhere, some question the chief executive's ability to distinguish between his own conclusions and those of Señor de la Rosa. Of course, part of this may be attributed to the strong jealousy here of Señor de la Rosa's unquestioned influence with the President.

Señor de la Rosa's official representation of the Panama Government abroad has been protested by groups in Panama. He is presently attending an economic council in Guatemala. Of this he said, "There is a considerable plan for an integration of the economy of the Central American countries, and, in my opinion, Panama must cooperate in this integration."

AFFILIATION DENIED

The presidential adviser said that there is no organization of Marxists in Panama; he

had never been affiliated with the Communist Party; and he has had no political affiliation since 1948 when he left the Socialist Party in which he had been a leader.

For the record, Señor de la Rosa has served as adviser to several Latin-American presidents and has traveled widely in this area. He is a prolific writer.

Señor de la Rosa said he is part of the generation that brought student revolution throughout Latin America in the years 1918 to 1925. He spoke of the Soviet revolution of 1917 as being an instructor for his generation, and added, "Everywhere I go in Latin America today, I find ready contacts with the people of my generation because we all share the same ideas."

The people of the United States do not realize it, but they lack the "simpatía" of the Panama people, according to Señor de la Rosa. He said this was very dangerous because such "simpatía" is essential to the proper defense of the Panama Canal. He repeated that "There is no 'simpatía' for the United States in the Republic of Panama."

DANGER CITED

The presidential adviser was asked if this lack of "simpatía" meant that the Panamanian people might undertake to aid an enemy of the United States in time of war. Señor de la Rosa answered, "That is exactly what I mean and it is very dangerous."

Commenting further on United States-Panama relations, he added, "All the people of Panama feel a great resentment toward the United States. We have the impression that the United States does not wish to comply with its promises made in the 1936 and 1955 Treaties. The Panamanians don't believe that the United States keeps its promises to Panama."

Señor de la Rosa, who considers himself an objective observer of the United States, spoke of United States failure to get close to the people of Latin America. He said the United States is losing the battle for public opinion in Latin America because it lacks a psychological penetration into the consciousness of the Latin-American countries.

Señor de la Rosa is sometimes accused of being pro-Soviet and anti-America. Asked about this, he replied, "That is not so. I am an enemy of the Soviet. I am not unfriendly to the United States. I criticize and oppose certain policies of the United States. I consider certain of these policies detrimental to the interests of my country and to all of Latin America. But I am not a foe of the United States."

He indicated that the policies he opposed were economic. He said he strongly believed that the United States was restraining trade in Latin America.

ECONOMIC AID SOUGHT

Señor de la Rosa says he believes the United States should give more economic aid to Latin America, and less military equipment.

Panama's present problem, he said, is the need to create an economy. He says, "To me, that means we need capitalism and not socialism. Socialism cannot solve the problem now and capital is needed. However, with capital I am seeking far better salaries for laborers and a raising of the standard of living. This adds up to a progressive capitalism."

Getting this capital is not easy. Native Panama investors will not put their money in low-return farming and betterment projects and low-cost housing, he said. Señor de la Rosa stated that the state would have to provide the funds for agricultural aid, educational aid, improved sanitation, and public health, more and better roads, and the like. But the state lacks funds.

A foreign loan is being contemplated at the present time. The sum of $30 million at this time would meet Panama's pressing needs and permit great progress to be made, the financial adviser considers.

The highly publicized demands of certain Panama politicos for 50 percent of the revenues of the Panama Canal, and other such fanciful proposals, do not arouse much interest in Señor de la Rosa.

What he would like to see is a definite program by the United States to aid Panama with a stated sum of money each year for several years. This would enable setting up programs to accomplish some lasting good, Señor de la Rosa told this correspondent, and added that he has a plan for it if the funds are forthcoming.

[From the Washington Evening Star of May 6, 1958]

PANAMA SEEKS TO FLY HER FLAG OVER CANAL

PANAMA, May 6.—President Ernesto De La Guardia, Jr., says he is going to ask the United States at once to let the Panamanian flag fly over the Canal Zone.

The President sent that word out last night to a student demonstration demanding that Panama reassert its sovereignty rights over the Canal Zone. The United States operates the waterway and controls the zone 5 miles wide on each side of it under a perpetual lease.

About 100 students marched on the presidential palace carrying 59 of the Panamanian flags they had planted at various points in the Canal Zone Friday in what they called "Operation Sovereignty." Canal Zone authorities returned the flags to the Panamanian government.

[From the Panama Star and Herald of May 6, 1958]

PANAMA WILL MOVE FOR FLAG TO FLY IN ZONE—PRESIDENT GIVES WORD AT STUDENT DEMONSTRATION — UNIVERSITY STUDENTS PARADE CARRYING FLAGS PLANTED IN ZONE; BANNERS RETURNED YESTERDAY

President Ernesto de la Guardia, Jr., sent word to a student demonstration last night that his administration will undertake immediately the necessary steps to have the Panamanian flag fly in the Canal Zone.

The message was conveyed by Carlos Arellano Lennox, president of the university students union, from the balcony of the Presidential Palace as President de la Guardia stood beside him.

De la Guardia had excused himself from addressing the demonstrators because of a hoarse throat.

A group of about 100 university students had paraded earlier along the entire length of Central Avenue to the Presidential palace, carrying the Panamanian banners which they planted in various spots in the Canal Zone last Friday.

The students said their Operation Sovereignty was aimed at reasserting Panama's rights of sovereignty in the Canal Zone.

Fifty-nine flags were returned Monday by Canal Zone authorities to a Panamanian official and were in turn delivered to the university students. Lt. Col. Raul Arias, aid to President de la Guardia, received the flags at the Balboa Police Station from Captain Gaddis Wall, district commander. The return of the flags was requested on instructions from President de la Guardia.

The banners were delivered by Colonel Arias at the residence of Student President Arellano Lennox.

The university students' parade started at 6 p. m. from the plaza opposite the Foreign Ministry building. Marching without a police escort, the students bucked the heavy Central Avenue traffic at the start of their march, but by the time they reached the downtown section they were at the head of the line of vehicles and the avenue was clear of traffic.

The flag-bearing students were preceded by a caravan of 7 vehicles, including 1 equipped with loudspeakers over which martial airs and typical Panamanian music was played.

There was applause from balconies and from the sidewalks for the marchers.

At Santa Ana Plaza, the students halted and sang the national anthem.

After the demonstrators reached the Presidential palace, a delegation of students headed by Arellano Lennox went upstairs to talk with the President.

The conference lasted about half an hour. On the street, the demonstrators chanted for De la Guardia to come out and an announcer called on the President "to do your duty and salute the flag."

The chief executive came out on the balcony with the student delegation. Arellano Lennox, addressing the demonstrators who had been joined by several hundred citizens, said the delegation had informed the President that the youth of Panama demanded that before any bases are granted for intercontinental missiles the Panamanian flag should fly in the Canal Zone.

This was a reference to a recent request by the United States for a survey of hilltops in Panamanian territory for use as radar sites. The results of the survey have not been disclosed.

Arellano said the President was told also that the youth demanded that before any more concessions are made to the United States, Panama's rights in the Canal Zone be recognized. He added that it was Panama's duty to help hemisphere defenses, but that did not mean submitting to more humiliations.

As Arellano concluded his brief report, the demonstrators took up a chant for President De la Guardia to speak.

Arellano announced that the chief executive excused himself from speaking because of a hoarse throat. There were boos from the crowd. Arellano signaled for silence and added that the President's message was that starting today the Government will undertake the necessary investigations and steps to have the Panamanian flag fly in the Canal Zone. There was applause.

The President immediately withdrew inside, followed by the student delegation. The demonstrators on the street began dispersing.

The demonstration was orderly. There were scattered cries of "Down with the gringos!"

[From the Panama American of May 6, 1958]

UNITED STATES-REPUBLIC OF PANAMA FLAG NEGOTIATIONS EXPECTED IN WASHINGTON SOON

Panama will shortly open negotiations with the authorities in Washington with the aim of authorizing the flying of the Panama flag alongside the Stars and Stripes in the Canal Zone, it was believed in well-informed circles today.

Such negotiations would be the logical next step following President Ernesto de la Guardia, Jr.'s assurance to Panama University students last night that his administration will seek to have the Panama flag flown in the zone.

It was understood that during negotiations leading up to the 1955 Remon-Eisenhower treaty the United States declined a Pamamanian proposal to the same effort and that ships entering Canal Zone ports and transiting the canal should fly the Panamanian flag at the foremast along with the Stars and Stripes. It is customary for ships entering port to display the flag of the country in which that port is situated.

The university students paraded through Panama City to the Presidencia last night proudly bearing the 59 flags which earlier yesterday had been returned from the Canal Zone. They were the flags the students planted in the zone in Operation Sovereignty.

The parade along Central Avenue, ended at the Presidential palace where UEU president, Carlos Arellano Lennox, and a delegation of student leaders were received by President de la Guardia.

Arellano Lennox presented one of the flags to the President as a gift and shortly afterwards, with Mr. de la Guardia standing beside him on the balcony of the Presidencia, the student leader announced to the gathering of students and others below the President's promise to negotiate the flying of the Panama flag on the Canal Zone.

Mr. de la Guardia, who is suffering from hoarseness, excused himself from speaking to the student gathering.

Speaking from the balcony, Arellano Lennox declared that the delegation had informed the President that the students are demanding that the Panama flag fly over the Canal Zone before any bases be granted to the United States for radar stations or missile-launching sites.

The announcement that the President had agreed to negotiate the flying of the flag was greeted by cheers from the group below.

The students were applauded yesterday as they marched along Central Avenue by people who gathered on balconies along the route of the parade.

The demonstrators dispersed at the end of Arellano's speech.

[From the Panama Star and Herald of May 7, 1958]

REPUBLIC OF PANAMA STARTS MACHINERY FOR FLAG NEGOTIATIONS—ADVISORY BODY ASKED TO TELL BEST APPROACH—PRESIDENT INSTRUCTS FOREIGN MINISTER TO SEEK ADVICE FROM NATIONAL COUNCIL OF FOREIGN RELATIONS

The Panama Government yesterday set in motion the official machinery for formal negotiations with the United States to have the Panamanian flag raised in the Canal Zone.

A similar bid by Panama in the 1955 treaty negotiations was unsuccessful.

The official announcement said President Ernesto de la Guardia, Jr., instructed the Foreign Office to consult with the National Council of Foreign Relations over the best way to approach the negotiations. The eight-man council is composed of the country's top legal minds. It includes two former presidents—Drs. Ricardo J. Alfaro and Harmodio Arias—and four former foreign ministers who have been closely connected with past negotiations with the United States.

President de la Guardia on Monday night sent word to a university students' demonstration that his administration would undertake immediately the steps necessary to have the national flag flown in the Canal Zone. Last Friday, university students planted 59 Panamanian flags in the Canal Zone as a symbolic act to reaffirm the country's sovereignty over the 500-square miles of Panamanian territory in which the United States operates the Panama Canal.

The flags were returned to the University Union which paraded them Monday night to the Presidential palace.

The announcement issued by the President's press office following a cabinet meeting yesterday said:

"Complying with instructions from the President of the Republic, Ernesto de la Guardia, Jr., the minister of foreign relations, Aquilino Boyd, this morning addressed the chairman of the National Council of Foreign Relations to advise him of the desires of the National Government to undertake negotiations with the Government of the United States of America looking toward the raising of the Panamanian flag in the Canal Zone and to seek, through the advice of that body, the most convenient approach to those negotiations."

How long the Council of Foreign Relations would take to report back to the Foreign Ministry on the flag question was not known.

Observers recalled that among the proposals submitted by Panama during the 1955 treaty negotiations was one which called for ships transiting the Panama Canal to carry the Panamanian flag and for raising it at the canal terminals. Negotiators for the two countries did not reach agreement on the proposal.

[From the New York Herald Tribune of May 7, 1958]

PANAMA: A MATTER OF FLAG

PANAMA.—The government of President Ernesto de la Guardia, Jr., holds that American rights in the Canal Zone are restricted mainly to operation and defense of the canal, but opposition parties and public clamor are pushing him to take an even stronger stand. The other night about 100 students, joined by citizens, marched on the Presidential palace in a demonstration called Operation Sovereignty. De la Guardia pleaded sore throat, didn't show. But yesterday he moved to swing support behind his position: he said he will ask the United States to let the Panamanian flag fly over the Canal Zone. The situation was brought to a head by a United States request to put radar installations in Panamanian territory.

[From the Americas Daily, Miami Springs, Fla., of May 8, 1958]

LATIN AMERICAN NEWS IN BRIEF—PANAMA WANTS HER FLAG FLYING IN CANAL ZONE

PANAMA.—It is expected that soon the Government of Panama will start negotiations to have its national flag wave at the side of United States flag in the Canal Zone.

These negotiations will follow the statement of President Ernesto de la Guardia, that his government wishes to hoist the Panamanian flag in the Canal Zone.

The students had organized a demonstration to the Presidential Palace carrying 59 Panamanian flags they had hoisted last Friday in the Canal Zone in an act they called Sovereignty Operation.

In this capital it is recalled that in the negotiations of the treaty of 1955 with the United States Panama asked for a similar stipulation, and that the ships crossing the canal should hoist the Panamanian flag, but the United States rejected the proposal.

[From the Panama Star and Herald of May 14, 1958]

COMMUNISM ON THE MARCH

Let's face it. The Reds are undoubtedly on the march to take over our free Americas—both ideologically and by force of arms if we are so supine as to let them get away with it.

Because the United States has won two world wars, fighting for democracy not alone for its own great Nation but for all the American nations of this hemisphere and for our allies overseas, does not mean that the United States of America can buck the growing forces of Red communism single handed.

It took the combined forces of the Western Allies to win two world wars. It may well take more than all of our Americas together to buck Russian communism which is obviously on the march as of today.

And the Russians mean business. They know the power of slanted publicity; also the power of bullying small nations into falling in line with them; also that of infiltration from within.

The Communists of today can command much of the Far East area and no one knows how much of the Near East, plus that sprawling African continent. It is called the dark continent because the majority of its people are dark-skinned. Also because it is still so little civilized save in a comparatively few spots, by the French settlers, a few German groups, some Italian colonists around the Mediterranean.

We also know that there are Communist parties agitating throughout our supposedly free Americas.

We have heard of Communist infiltration in Guatemala. We have seen it in action right here in Panama. The doctrines mouthed by so many young speakers were following the Moscow line. Yet the Moscow line is wholly alien to all of our free Americas. All of our nations have fought for these freedoms and won them by force of arms. By the same token we will fight for them again.

The Moscow intrusion is worldwide. Only yesterday the Star and Herald featured—and well it did in the printing—the fact that rioters had sacked and burned the United States library in Beirut; the Iraqi pipeline was blown up as rioting flared in Lebanon.

And the secondary headline reported that angry mobs are shouting for the downfall of the pro-Western Government. That is what Communist infiltration means.

How much further warning do we of these free Americas need before we stand up and throw out these disloyal citizens who are so basely abusing the boom of honest citizenship in nations whose freedom was bought at the high cost of sweat, blood and tears.

The citizens of our free Americas do not deserve to enjoy the freedom our forefathers bought in blood if they, the descendents of heroes of the independence, do not close ranks in all the countries of our Americas and throw the Communist agitators out.

[From the Panama Star and Herald, May 16, 1958]

PRESIDENT SAYS HE IS CONCERNED OVER ACTIVITIES OF AGITATORS

President Ernesto de la Guardia, Jr., said yesterday he was concerned over the activities of agitators who in reality want none of the nation's problems settled.

He made the statement after referring to "student movements which are developing now in some sections of the country."

The Chief Executive did not elaborate on this reference in his speech which he delivered yesterday in Ocu at the dedication of a government-built rural housing project. Two recent student movements which drew national attention were the planting of Panamanian flags in the Canal Zone by National University students and a parade by high-school students from Aguadulce to demand completion of a new school building.

"I cannot close my remarks," the President said in his prepared address, "without stating, in connection with recent student movements which are developing now in some sections of the country, that I have not cast aside the dreams of national redress and redemption from my formative years in the National Institute. That I still dream of a just, prodigal, rich, noble, and great fatherland. That is my dream as a citizen and my dream as Chief Executive. And if I suffer the agony of fighting realities which tend to destroy that dream—vested interests that operate openly or surreptitiously, that resort to bribery when they cannot disconcert and confuse public opinion through well-known press organs; the deep political decomposition of the country which contaminates from the popular strata to the highest officials; the state of excitement of the popular masses which turns them into victims of maneuvers by agitators who in reality want no problem settled because they would then lose the basis to satisfy their vanity and their lust for the limelight while I suffer the agony of fighting against these realities, which cannot in any way be blamed upon students, yet I do not lose

breath, nor does my will falter, nor my dream diminish for a just, prodigal, rich, noble, and great fatherland."

In his speech the President emphasized that while problems of every nature grow throughout the country, the means for solving them still are inadequate. He stressed that it was necessary to plan for the country overall and not just for particular communities.

"I myself," he added, "feel at times that my capacity for waiting disappears in the face of messages and messages which demand administrative action to solve 1,000 difficulties which embitter the life of the Panamanian family and narrow its horizons and I cannot help but deplore in such cases the lack of means for rendering help. But no one is unaware that ours is a country of scarce and limited economic resources."

He called for a "deep sense of responsibility" on the part of the people in order not to "mortgage the future by acting senselessly in the present."

[From the Washington Evening Star of May 20, 1958]

PANAMA STUDENT CLASH KILLS ONE, INJURES 62

PANAMA, May 20.—A high school youth was killed and 62 persons were injured in demonstrations against Panama's education minister yesterday.

President Ernesto de la Guardia, Jr., blamed the clash between the students and national guardsmen on political opponents who he said used the youths as a shock force against his government. He agreed to meet tomorrow with student leaders to discuss their demand for removal of three guard commanders. The students promised an orderly funeral today for the youth who was killed.

The 62 persons injured in the clash at Panama City's largest high school included 42 students, 18 guardsmen and two bystanders. Four students and five guardsmen were hospitalized.

GUARDS ATTACKED

The students hurled stones at the guardsmen and attacked them with clubs before the troops broke up the mobs with shots fired into the air and tear gas. Mr. De La Guardia said the dead student, Jose Manuel Arauz, died of contusions rather than bullet wounds.

Volunteer firemen patroled the school after guardsmen were withdrawn after the clash. No students were arrested.

Thousands joined the high school in an orderly, 5-mile mourning march on the presidential palace last night. A delegation promised young Arauz' funeral would be orderly. It demanded the officers' removal and repeated the original student demand that Education Minister Victor Juliao be fired.

ASK AID FUND PROBE

The students accuse Mr. Juliao with not properly equipping and staffing all high schools. They also demand an investigation of the use of United States aid funds allocated to improve Panama's schools.

Mr. De La Guardia said in a radio address that 27 percent of the nation's budget is devoted to school needs but because of limited resources not all needs can be met.

[From the Washington Post and Times Herald of May 22, 1958]

PANAMA RIOTS SPREAD TO COLON

PANAMA, May 21.—Panama's student disorders spread last night to the city of Colon, where rioters stormed national guard headquarters with stones and bottles. Six guardsmen and a boy and girl were injured.

The demonstrators, who included nonstudents, rioted after a youth mass meeting. Later a student leader told authorities he had not instigated the attack. Authorities have blamed most of the trouble on political agitators.

A student was killed in a clash with national guardsmen Monday.

President Ernesto de la Guardia Jr., ordered schools closed after the student federation ordered a 48-hour strike.

The students are demanding the removal of Education Minister Victor Juliao and three national guard commanders. They accuse Juliao of failing to equip and staff schools properly.

[From the Washington Post and Times Herald of May 23, 1958]

TROOPS BATTLE SNIPERS IN TWO CITIES—9 KILLED, 61 HURT IN PANAMA RIOTING; GOVERNMENT DECLARES STATE OF SIEGE

(By Luis C. Noli)

PANAMA CITY, May 22.—Panama troops battled destructive rioters and snipers today and bottled up student demonstrators here and in Colon.

Nine persons were killed and at least 61 injured in hours of fighting here between national guardsmen and rioters who went on a rampage of destruction.

The Government claimed snipers killed the victims.

There were no reports of casualties at Colon, second largest city in the country, at the Caribbean entrance to the Panama Canal.

Other sections of the country were reported quiet.

The riots came in the midst of the threat of a general strike at midnight Thursday. The Government met that threat and the accompanying riots with declaration of a state of siege—modified martial law.

There were reports the afternoon opposition newspaper Nacion was forced to close and its editor, Manuel Madia Valdes, was jailed.

National guard headquarters said National University students arranged for a truce to evacuate students massed in the National Institute before the troops moved in to clear out snipers.

At Colon, students concentrated in a high-school building and troops gave them an ultimatum to move out in groups of three to surrender.

The strike was called after several days of student demonstrations demanding the ouster of Education Minister Victor Juliao for alleged failure to correct bad school conditions.

After national guardsmen fired on students Monday, killing one youth, the students expanded their demands to include the firing of three national guard chiefs. President Ernesto de la Guardia, Jr., refused to yield to all the student demands.

The Government charges that political foes of De la Guardia are inciting the students to demonstrtae. The students deny it.

No opposition figure has been named as a leader.

[From the New York Times of May 26, 1958]

PANAMA REGIME CLAIMS A VICTORY—COUNTRY CALM AFTER 6 DAYS OF RIOTS—PRESIDENT SAYS STUDENTS WERE DUPES

(By Paul P. Kennedy)

BALBOA, C. Z., May 25.—President Ernesto de la Guardia, Jr., claimed a decisive victory today in the Panamanian uprising.

He said the victory had been achieved without a resort to excessive force. He conceded however, that negotiations with students who had barricaded themselves in the National University were at a stalemate.

Panama has had 6 days of street rioting and bloodshed. The demonstrations led by students began last Monday.

The President termed the demonstrations "a direct attack to overthrow my government." He said the students had been used "as a catalytic."

"Without knowing it," he said, "they played into the hands of those attacking me."

Señor de la Guardia acknowledged the validity of criticism that his government had been soft.

"I must confess that what I wanted to demonstrate as tolerance was taken by the public as weakness, which had something to do with the show of force by the opposition during the demonstrations," he declared.

He said he doubted that Communists had been implicated in the uprisings at the beginning, but that they had come in later. He singled out two student leaders, Bolivar Davarlos and Andrés E. Cantillo, saying the former was a Communist and the latter a fellow traveler.

The President said a committee of disinterested citizens had presented a list of student demands last night, and he had agreed with the demands as a basis for conferences with student leaders this morning.

Instead of seeking conferences, he charged, the students came up with three new demands. He showed correspondents a letter from the students making the new demands.

They called for the release of all persons jailed during the demonstrations, the end of the state of siege, and reestablishment of the rights of labor and students.

WOULD NOT FREE ALL

The President said he was willing to release all but those charged with crimes of violence. These include persons charged with sniping, he said.

He added that he would agree to restoring the rights of labor and students, but these had to be clarified. For example, he said, two bridges were burned during the rioting and students' rights do not cover that.

He said he had refused early demands that Victor N. Juliao, Minister of Education, and three top officers of the national guard be dismissed. He added that he would retain Col. Bolivar Vallarino, chief of the national guard, whom history will give a prominent place.

[From the Panama American of May 22, 1958]

GUNFIRE CLOSE TO CANAL ZONE—7 DEAD, 60 WOUNDED AS STUDENTS DEFY GUARD

Panama City was a battleground again today.

There were 7 killed and at least 60 wounded by early afternoon.

The Government has suspended civil rights.

Firing was heaviest around Central Avenue and the National Institute, command post of the defiant students.

Whereas in Monday's skirmishing with the students the national guard confined their fire chiefly to tear-gas grenades, today rifles and submachinegun fire could be heard throughout the city.

Canal Zone Policeman Richard D. Meehan, on duty at the head of J Street, was injured when a bullet coming out of Panama ripped across his back about the waist. His condition is not serious. Another Zone policeman was reportedly hit by a rock.

Spent bullets were found in the playground of Ancon School. The school was promptly close for the day. Pupils who lived in Panama are being kept at the school till someone comes to get them.

Cristobal High School, in Panamanian territory in New Cristobal, did not open today. Students were informed of this previously.

Today's fighting is in part a sequel to the expiration at midnight last night of an ultimatum to President Ernesto de la Guardia, Jr., from the students demanding that he fire Education Minister Victor N. Juliao, National Guard Commandant Col. Bolivar Vallarino, second in command Lt. Col. Saturnino Flores, and third in command Lt. Col. Timoteo Melendez.

Long before the shooting started Panama City was locked up tight this morning. Students roamed in bands through an early downpour to enforce their call for a general strike.

Other bands blocked roads coming into the city, and in several cases gave motorists a rough time.

Bomberos manned the ambulance which screamed to and from Santo Tomas Hospital. Lucio Paz, Jr., 15, was shot in the chest while standing in De Lesseps Plaza. He was taken immediately to Gorgas Hospital, where he was pronounced dead on arrival.

A squad of armed motorcycle policemen roamed the city this morning removing improvised barricades set up across several streets. The policemen sporadically fired shots into the air as they moved about the city, but as soon as they moved on, the students replaced the barricades.

One hour later the first clash between students and the national guard since last Monday, when the police were called off, occurred around 9 a. m. today when students started smashing the plate-glass windows of the Caja de Ahorros (savings bank).

Student Miguel A. Batista, reportedly a policeman's son, was critically injured by a bullet in the abdomen during the clash. Another student was hospitalized with severe cuts from broken glass and a third was hit with a rifle butt wielded by a policeman.

Reports from Colon this morning indicated that students stoned the home of Gov. Jose M. Gonzalez during the morning hours and roamed the city forcing business places to close.

In the trouble areas of Panama City, armed national guardsmen restored order after brief skirmishes with the students.

However, they refrained from approaching the area of the National Institute, in accordance with instructions issued by their superiors.

Nevertheless, the National Institute area took on the appearance of a battleground as snipers took potshots at the students both outside of the school building and in the open patio inside.

Students took refuge behind automobiles to escape flying bullets, apparently fired by high-powered rifles from some distance away.

Several of the students in and around the institute were injured by snipers' bullets.

It was reported late last night that anti-student groups armed with blackjacks and iron bars roamed the center of the city itching to clash with the students.

Early today delegations of students departed for the interior of the republic to gather support for a general student strike in support of their demands fo Juliao's ouster.

It was not known whether the strike called for midnight tonight, but already in effect, will also be aimed at the removal of the three police commanders, as had been originally demanded by the students.

In a communique issued this morning, the students' federation accused politicians of offering to sell them arms. The communique said the students are rejecting all efforts to inject politics into the movement.

As a result of the arms offer, all persons entering the National Institute building were being searched for concealed weapons.

At least 1 Panama City newspaper and 1 radio station was closed down this morning following the suspension of civil liberties.

Newsman Manuel Maria Valdes is said to have been arrested by the police.

Following conference with student leaders yesterday afternoon, the President suggested that a commission be formed comprised of 6 students and 6 Panama University professors to consider the demands in the field of education as well as those seeking removal or resignation of public officials. The rector of the university and professors were present.

Minister of Agriculture, Commerce, and Industry Victor Navas transmitted this to the students at the National Institute.

The proposal was rejected. It was understood the students insisted on the removal of the national guard chiefs, or nothing.

While these negotiations were underway, word came that a march of mothers, girl students, and other women would start from the university for the presidencia.

This group gained adherents as it went along; was reported to number about 1,000 by the time it reached Cathedral Plaza. At Banco Nacional corner on Central Avenue, male students formed a cordon to protect marchers.

At the plaza they were addressed by Cleto Manuel Sousa, a long-identified Communist who is also registered as a student at the university. (Sousa made a long trip to Russia a few years ago and had been seen haranging students groups on Tuesday.)

Sousa suggested the men stay behind; heeding his advice, the women went on alone after singing the national anthem.

Six women formed a committee who went inside and spoke with the President. They included Mrs. Clara Lopez de Gonzalez, who said in addressing the institute crowd later that she told the Chief Executive: "If by midnight the commanders are not down, you will go down with them."

Others on the committee were Lesbia Espinosa, Lidia de Gomez, Minerva de Forte, Noemi Castillo, and Griselda Elden.

Mrs. Castillo, who also spoke at the Institute, said she asked the President to come out on the balcony but he did not do so. The President was accompanied at the conference only by a Catholic Priest, Father Gomez.

A presidential spokesman said later the Chief Executive had offered to discuss any aspect of the case on a factual basis with representatives, "but they seem in no mood to discuss anything."

Even before dark some busdrivers had been alerted for a sympathy strike. Members of the Typographers Union met and put themselves on an alert basis.

At the Carcel Modelo (city jail) inmates set up a din of shouting shortly before midnight. They were quieted by hosing down and by tear gas.

A number of bands roamed the streets during the night.

[From the Christian Science Monitor, of May 31, 1958]

STUDENTS HARASS GOVERNMENT—RIOTS NEUTRALIZE PANAMA GAINS

(By Ralph K. Skinner)

PANAMA CITY, PANAMA.—Panama's President de la Guardia is frustrated and saddened by anti-American riots of students he had given credit for being more mature.

If, as appears likely, Ernesto de la Guardia, Jr., remains in the presidential chair after the current period of rioting, pillage, killing, and national disturbance is ended, it will be a hollow victory.

This reform-seeking President has seen all the accumulated good of his 17 months in office dissipate in the mist of stupidity, hate, cupidity, and political treachery which has engulfed this capital city and other sections of Panama since Monday, May 19.

The biggest mistake of this forward-looking President may have been his endeavor to give recognition as adult thinkers to an undisciplined mob of students who took advantage of his good intentions and trusting nature.

For years the students' traditional interference in politics has caused enmity between them and the national guard, Panama's combination army and police.

STUDENTS WON IN 1947

In 1947 violent student coercion, led by adults, forced the national assembly into unanimous rejection of a United States request for military bases in Panama.

Students thought themselves influential until Col. Jose A. Remón became President. He told them to keep out of politics or he would close the schools. He meant it and the students realized it. They withdrew from political activity.

Under President de la Guardia, the students have become noisy and demanding again. This is due to three themes which are being dinned by interested parties into every Panamanian, but especially the student groups.

These are:

1. Every Panamanian has the right to expect great and unending benefits from the Panama Canal, in which Panama is a self-asserted "equal partner."

2. If Egypt could nationalize the Suez Canal, Panama should aspire for nationalization of the Panama Canal.

3. It is patriotic and proper to denounce United States treatment of Panama during the past 55 years.

TREATY CLEAR

This perverted campaign is receiving great support from certain politicians and publishers here. And, when all propaganda tunes run out, there is the domestic equivalent of "Which came first, the chicken or the egg?" Locally, the question is whether the United States or Panama has sovereignty over the Canal Zone. The treaty is plain in saying that the United States exercises the same sovereignty as if it were sovereign. But soapbox orators don't quote the treaty.

When the students recently became too vehement, the national guard took action, but the President stepped in.

Señor de la Guardia told this correspondent several weeks ago that he thought the guard was too rough with the students. He also said that the general public distrust of student politicking was unfair.

The President said the future of the nation was in the hands of these students and they should be helped and guided and given a voice in national affairs to train them for the future.

To accomplish this, he sent negotiators to the student leaders, proposing that he would order the police not to molest the students on condition that the students would be sane and reasonable in their attitude to law and order.

The President reported that he had even proposed special students' courts to handle the trial of students rather than trying them in regular police courts. Carlos Arellano Lennox, president of the University Students Union, confirmed that the President had proposed an arrangement to him but said he had neither accepted nor declined it.

PIQUE SPARKS RIOTS

It is believed that the Presidential order to the national guard to give a free hand to the students and not to restrain nor manhandle them brought about much of the tragedy that has followed. And Señor de la Guardia still has refused to allow arrests of student agitators and decisive though forceful handling of student attacks.

Either the students knew of the Presidential orders and took advantage of them and gained a false courage which led to extremes.

The precise spark which lit the Panama scene in such a bloody light was probably student pique, high-school student pique.

The University Students Union staged a raid into the Canal Zone early in May and planted some 50 Panama flags in various public areas. Led by conniving politicos, the public gave the students such approbation that they considered themselves national heroes.

The flag planters paraded to the Presidential palace and made certain demands on the President and exacted a promise of immediate action from him.

PARADE BROKEN UP

This excited a rival student group, composed mainly of high-school students, but headed by a man nearly 40 years old, considered a radical and very dangerous. The second student group paraded to the Presidencia but the President had gone to the country on an official visit, and was not there to receive them.

This infuriated the students. They said they would return the following Monday, May 19. The President sent them word not to parade but to present their demands in a normal way through usual channels.

When the students tried to parade, they ran into a national guard contingent armed with tear-gas bombs. The students pelted the guard with rocks. Many on both sides were hurt and one student was unintentionally killed by a blow on the chest.

Immediately the students called a strike, demanded the ouster of the three commanders of the national guard and of the minister of education in the cabinet. When the President did not accede to their demand, they cried for his ouster.

Since then there have been days of rioting, store windows broken throughout the shopping district, pillaging, sniping by many individuals, and burning of automobiles and the usual stupidities perpetrated by mobs.

There have been about 9 deaths and some 60 injured, according to official censored reports.

The Government imposed a curfew from 10 at night to 5 in the morning after suspending civil rights for up to 30 days. There is press and radio censorship. Only administration radio stations are broadcasting. For a few days there was no public transportation and every store in the city was closed.

As this is written, there is a continuing state of upset. The Government and national guard hold control of the city, but the students are barricaded on their university campus clamoring for a general strike throughout the country.

JUMBLE OF CAUSES

The causes of all this form a jumble. It appears that the student agitation which started it all was precipitated by headstrong, misled, arrogant students trying to run a national government, which, in turn, thought it was controlling the student tempers through negotiation.

Agitators jumped quickly into the breach in the wall of national calm made by the students. There may have been a handful of Communist leaders, but the majority were not, as seen by capable observers.

The majority were paid agitators, hired snipers, troublemakers, hoodlums, paid by political interests to harrass, at the least, and, at the most, overthrow the administration of President de la Guardia.

Señor de la Guardia has tried to institute reforms; he has endeavored to stop the two-handed dipping into the Government treasury which has been traditional here. Even more, he has attempted to break up the vested interests and special privileges of a few family hierarchies, long established.

ARIAS HAND SEEN

The current fracas has brought to the fore the name of Dr. Harmodio Arias M., brilliant lawyer, ex-President, financial tycoon and publisher, and probably Panama's most adroit behind-the-scenes politician and power manipulator, according to reliable sources.

According to intimates, President de la Guardia considers Dr. Arias responsible for much of the agitation presently upsetting this country.

A city improvement plan proposed by President de la Guardia would run a highway directly through an unauthorized giant shrimp plant in which the Harmodio Arias interests are controlling. The disruption and cost to the shrimp organization, if the highway is built, is so great that some report that the President thinks the shrimp cooperative would not stop short of revolution to block his proposed highway.

There is not seen the slightest likelihood of the President dismissing the three national guard commanders. They have stood by him, and he stands by them.

Because of the prevalent public distrust of the guard and the general belief that Panama is actually a "police state," this going along with the guard is the only really vulnerable point in the President's armor of reform. Some observers consider that the President recognizes the present privileged invincibility of the national guard and is building up his strength to an eventual challenge of their usurpation of the supreme power of the nation.

A STATE BANKER WRITES ABOUT THE BIG BANKERS' BONUS BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 45 minutes.

Mr. PATMAN. Mr. Speaker, a State banker in Minnesota has written me concerning the Financial Institutions bill, S. 1451. He tells me that his State bankers association is urging him to write me; but the urging and advice which he gives me is just the opposite of what his association is urging him to do. The State bankers association, which is in turn being urged by the American Bankers Association, is following a strategy by which it is hoped that this bill will be blasted out of the House Committee on Banking and Currency, onto the floor of the House, and passed in this Congress. This bill is sponsored by the American Bankers Association, dominated by big bankers and the United States Chamber of Commerce, dominated by big business including big bankers.

If Congress were to farm out to the bankers the privilege of collecting the taxes for the Federal Government on the halves such privilege would not be worth as much to the bankers as the passage of S. 1451, a so-called recodification bill.

The bankers' bill is in no shape to be reported to the House. In the first place, the committee as yet has no assurance that it has discovered all of the changes in law which this bill contains. We have discovered 117 changes in the banking laws, and we know that there is one other title of the bill which we have not considered at all and that it repeals at least 200 statutes. As to those changes in law which we have discovered, we have by no means learned what the meaning of each of these changes is. And the committee has not as yet agreed on amendments which would remove or soften the effects of many of those provisions of the bill which we know are especially bad.

In spite of this, a few weeks ago the bankers' lobby began a drive to bulldoze this bill out of the committee. The obstacle in their way, they think, is a small handful of Democrats on the Banking Committee who have been insisting that the committee find out what is in this bill before reporting it to the House. I happen to be one of these few, and the bankers' association has been burning crosses in front of my door for the past several weeks.

It is heartening to have a letter from a banker who says he is not in sympathy with the views of the American Bankers Association. I have received many such letters from bankers who realize I am a friend of the commercial banking system operated by independent, locally owned and controlled banks serving their local communities; that I am against centralization of our banking resources into the hands of a very few. This one is typical.

As in the case of previous letters which I have put into the record from individual bankers, I am withholding the name and other information which would identify this banker. In addition, I have deleted the last two paragraphs of this letter because they consist almost entirely of personal references to me. The letter is as follows:

MAY 27, 1938.

Hon. WRIGHT PATMAN,
Congressman from Texas, House Office Building, Washington, D. C.

DEAR MR. PATMAN: Our State association is urging that we write and ask you to favor getting the Financial Institutions Act out of committee. Well, I want to tell you that we are not in sympathy with the views of the American Bankers Association on this bill and hope that you will do all in your power to kill the bill unless several amendments can be made to stick.

We are in favor of the amendments as proposed by the legislative committee of the National Association of Supervisors of State Banks. The advocates of the bill, however, boast that they will be able to clear it of all such amendments if they can get it out on the floor and then in conference with the Senate.

* * * * * *

Yours very truly,

_____ _____,
President.

NO DEFENDER OF S. 1451 IN HOUSE OF REPRESENTATIVES

It is noticeable that S. 1451 does not have a defender in this great body. The bill has been attacked by a number of members, but not one member—Democrat or Republican—has attempted to defend the bill. It would be rather difficult for a Member to defend a bill that would repeal our Federal and State usury laws as they apply to national banks and as proposed in the difficult-to-detect provisions of S. 1451; or to defend many other destructive-to-the-public-interest amendments that are undisclosed in this so-called recodification bill. The bill is full of booby traps and loopholes.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent that that special order be vacated and that the gentlewoman from Massachusetts may ad-

dress the House tomorrow after other special orders for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

FEDERAL SCHOLARSHIP

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I would like to take this opportunity to call the attention of the House to Assembly Joint Resolution 12, recently adopted by the California State Legislature. It is particularly relevant at this time, in light of the Federal scholarship bill which the Subcommittees on Special Education and on General Education of the House Education and Labor Committee have jointly reported favorably.

Among its worthy aims, title X of the bill authorized by Congressman Elliot proposes to aid vocational schools. The necessity for this provision is amply demonstrated by the resolution, which follows:

Assembly Joint Resolution 12

Joint resolution relative to vocational education

Whereas the spectacular achievements of Russian scientists, engineers, and technicians demand the urgent development of more technical manpower for our Nation's defense program; and

Whereas an emergency need exists for technicians and skilled workers to build, install, maintain, service, and repair the equipment of today and the automations of tomorrow; and

Whereas a southern California research council report shows that in the Los Angeles area the manpower needs for craftsmen and foremen will increase about 166 percent by 1960 and for operatives and kindred workers the increase will be about 139 percent; and

Whereas meeting these needs have been a paramount task of vocational-technical programs in local high schools and technical divisions of the junior colleges; and

Whereas the need is strikingly shown by the enrollment of over 11,000 students at Los Angeles Trade-Technical Junior College which is an increase of 15 percent over last year; and

Whereas a number of the programs at the school are on three shifts a day, there are 2,500 applicants on the waiting lists: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California (jointly), That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation designed to further area vocational education as contained in the Smith-Hughes Act; and be it further

Resolved, That the Chief Clerk of the Assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

RECIPROCAL TRADE AGREEMENTS ACT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, during the last few years the world has watched the destruction of many barriers—barriers of distance, of class, of communication. Many of these barriers have been broken down through the efforts of American scientists, statesmen, and writers. With the initial enactment of the Trade Agreements Act, another restricting barrier was lowered. The President's proposed 5-year extension of this act is a necessary move in keeping the barrier lowered. This will aid economic development both in this country and abroad by stimulating trade and capital investment.

In light of these feelings about the extension of the Reciprocal Trade Act, under unanimous consent, I include in the RECORD the summary of a report prepared by the Commerce Department dealing with the effect of international trade on the State of Oregon; and further to insert certain letters which I have received from constituents in the Third Congressional District of Oregon, urging my support for the 5-year extension of the Trade Agreements Act. May I add I have been pleased that the vast majority of the letters I have received on this subject have strongly favored this necessary extension which would liberalize our trade policy with other nations.

The summary and letters follow:

SUMMARY

The evidence shows that foreign trade contributes very greatly to the welfare of the people of the State of Oregon. They prosper as trade expands and are hurt as trade contracts.

They participate in the benefits of United States exports to foreign countries. Approximately 98,000 Oregon employees—about 72 percent of all persons engaged in manufacturing in the State and over 16 percent of all persons employed in the State—are in firms falling in three major manufacturing classifications: lumber and wood products, food and kindred products, and machinery (except electrical). Oregon's proportionate share in United States exports of these three industry groups amounted to approximately $34 million in 1956.

This is only part of the picture. Oregon establishments in each of these industry groups sell directly in foreign trade; many of their products are known and prized abroad so that the value to them of export markets is direct and great. Many others produce commodities which are on a national export basis and, therefore, they participate indirectly in international trade.

In addition, there is the share in exports in factories not included in the three manufacturing classifications having a $34-million share. They are manufacturers of paper products, transportation equipment, textile-mill products, and primary metal industries—many of whom also have direct export interests.

According to the Department of Agriculture, approximately 110,000 persons in Oregon work on farms, and their need for supporting services creates employment for thousands more. Each of these persons is concerned directly with our annual exports of some $4 billion worth of American farm products each year. Their proportionate share of these exports in the 1956–57 marketing this year was approximately $46.5 million, of which $28.4 million was attributable to wheat.

About 275,000 persons in Oregon are in such industries as construction, public utilities, trade, banking, real estate, insurance, and public administration. Their participation in the benefits of exports derives mainly from the fact that they sell their products or services to the firms producing the movable goods that enter international trade. In addition, they derive an extra benefit to the extent that they handle international economic transactions which pass through the State; telephone traffic, railway traffic, port facilities, financing, and the like.

The people of Oregon also benefit substantially from United States imports. The importance of imported commodities to the industries of the State is great.

Imported flavorings, extracts, and other food products, imported minerals and other raw materials, and imported commodities of a finished and semifinished nature, enable Oregon manufacturers to produce better products at a lower cost and Oregon residents to enjoy better living than might otherwise be obtained. While some segments of Oregon's industry may consider themselves affected adversely by import competition, the net effect of imports on Oregon's economy is overwhelmingly favorable.

PORTLAND, OREG., *May 13, 1958.*

The Honorable EDITH GREEN,
House of Representatives,
Washington, D. C.

DEAR MADAM: There must be no increase in tariff rates.

To increase tariff would prevent our friends from paying their debts, and from trading with us. Thus they would be forced to seek help from the Soviet bloc in order to survive.

The so-called "protection" that would benefit certain sections in industry and labor would be only temporary. High tariff was the immediate cause of the major depression on 1929. Even a small increase in tariff now would mean the death of the Free World.

Tariff rates must not be increased.

I have the honor to remain,

Yours very truly,

GERALDYN W. DANA.
EDWIN M. DANA.

EUGENE, OREG., *April 27, 1958.*

MRS. EDITH GREEN,
Representative from Oregon,

DEAR MRS. GREEN: We follow your record in Congress and nearly always approve your position as to legislation being considered. We think you might appreciate our thinking as to some very important matters now pending.

Although we are Independents—though usually voting Democratic in the main—we strongly favor extension of the Reciprocal Trade Pact as urged by the administration, and think a long-term extension would make for stability of international trade, hence our own prosperity and security. Since we have become such a heavily exporting nation, and full employment so dependent upon international trade, we surely would be making a serious mistake to raise our tariff barriers for the sake of the minor segments of our economy clamoring for preferential treatment. Let's encourage the widest possible

trade area, even as our own national well-being has risen largely because of no interstate trade barriers. And it encourages international friendship, doesn't it?

Along the same line, we believe in strengthening NATO, the U. N. and all other steps tending to modify rigid "national sovereignty". We need the friendly cooperative atmosphere one world spirit striven for by practical christianity. Let's work for a practical and honest "mutual security."

Very sincerely yours,

ALLEN T. OSBORNE.
JESSIE M. OSBORNE.

PORTLAND, OREG., *April 28, 1958.*

The Honorable Mrs. EDITH GREEN,
House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Since it is so urgent that H. R. 10368, the bill on reciprocal trade, be passed, I am writing to let you know that you have our support when voting in its favor.

Our economy would have been in a more precarious position had it not been for our foreign trade. I quote from the National Voter of the League of Women Voters, "1957, sales to foreign countries were nearly 42 percent of total sales. In the last quarter of 1957, 'when a rapid business decline had set in, foreign business exceeded 50 percent of the total. Whereas domestic United States sales fell 13 percent for 1957 as a whole, foreign business increased 9 percent.' "

Thank you for your attention to this important bill.

Sincerely,

PEARL GEVURTZ.

THE LEAGUE OF WOMEN VOTERS OF OREGON,
Eugene, Oreg., February 17, 1958.

Hon. EDITH GREEN,
House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Knowing that you possess an overall picture of world trade, we are sharing with you our concern that the President's request for effective trade legislation be met. To some, the urgency of military power and space conquest overshadow a sound trade policy. The challenge, however, is equally great in the economic sphere if we are to assist in the development of independent and friendly countries. Even more so, the necessary expansion of our economy will depend on such legislation.

May we ask you to give us a statement expressing your support of the renewal of the Trade Agreements Act which expires on June 30, 1958? We also are concerned that the United States be authorized by the Congress to join the organization for trade cooperation.

Throughout the country, the League of Women Voters is engaged in soliciting such statements from enlightened community leaders as part of our compaign.

Thank you so much.

CHARLOTTE LEVY
Mrs. Alexander Levy,
State Chairman, International Relations.

CONGREGATIONAL CONFERENCE OF OREGON,
Portland, Oreg., April 7, 1958.

Mrs. EDITH GREEN,
Old House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Let me write you regarding several matters in which I have particular interest:

1. Reciprocal trade: I hope very much you will support the President in voting for continuation of our reciprocal trade agreements. It is essential for the peace of the world that the trade channels remain open. I can think of no quicker way, for instance, to drive Japan into the hands of the Communists than to cut down on our trade with that country. The same applies to tariffs. It is true that some groups in our country may be hurt by the absence of tariffs but all of our country will be more greatly injured if Japan moves into the Communist camp.

* * * * *

Sincerely yours,

PAUL A. DAVIES.

COLLINS PINE CO.,
Portland, Oreg., April 16, 1958.

The Honorable EDITH GREEN,
House of Representatives,
Washington, D. C.

DEAR MRS. GREEN: I am writing you with respect to the national trade policy and the current controversy in Congress over liberalizing of trade barriers.

I think that our country is rapidly approaching a point where we can use to the fullest extent resources and products that other nations have to offer, at a general overall benefit to our population as a whole. It undoubtedly will make it difficult, for this industry, or that, but our American economy has certainly demonstrated in the past that it is sufficiently flexible to adjust rather rapidly to situations of this kind that may arise.

I am sorry to note from time to time that many businessmen are wholeheartedly in favor of lowering tariff barriers as long as they are not lowered in their particular industry. As a lumberman, I think I am honest in saying that I would be perfectly willing to see what limited barriers there are, in our industry, entirely eliminated. It would make us scratch a little harder, but it would also make available important resources from other countries to our people at slightly lower prices—to say nothing of the more friendly relations it would create with other nations.

Any lessening of trade barriers can do nothing but strengthen the West in its intense competition with the Communist bloc. I fervently hope that you will favor easing of trade barriers.

Respectfully yours,

TRUMAN W. COLLINS,
President.

THE LEAGUE OF WOMEN VOTERS OF CORVALLIS,
Corvallis, Oreg., April 1, 1958.

The Honorable EDITH GREEN,
United States House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Members of the Corvallis League of Women Voters are anxious for your support on renewal of the Trade Agreements Act which expires in June.

League members have conducted a special study program on this issue through research sessions, unit meetings, a public forum, and items in the local newspaper. Members urge support of the Trade Agreements Act renewal with the following provisions:

1. Extension of the act for 5 or more years.
2. Retention in the executive branch of final decisions on escape-clause findings.
3. A narrowing rather than a broadening of the escape clause.
4. Support of GATT and the OTC.

The United States exported $20 billion in 1957 while imports were approximately $12 billion. We must import goods for some of our major food products, and many industrial goods require raw materials from other countries.

On the export side, foreign markets are necessary to the output of nearly 20 million acres of farmland. Industrial exports run as high as one-third to one-fifth civilian aircraft, railroad cars, and construction and mining equipment industries.

Realizing that 4½ million workers, or 7 percent of our labor force, owe their jobs directly to foreign trade, we can see how vital trading is to the United States economy.

Support for renewal of the Trade Agreements Act is vital for all nations of the Free World. The danger now is not only in outer space but also in the growing and shifting economies of the world. The United States must be ready with plans of action if we are to maintain a favorable climate for Free World trade.

Sincerely yours,

MARTHA I. WOLFE
Mrs. John W. Wolfe,
President.

COMMISSION OF PUBLIC DOCKS,
Portland, Oreg., March 5, 1958.

The Honorable EDITH GREEN,
Old House Office Building,
Washington, D. C.

DEAR MRS. GREEN: On March 4 this body adopted a resolution supporting a 5-year renewal of the Trade Agreements Act, which is due to expire on June 30, 1958. An appropriate number of copies of this resolution have been forwarded to Chairman MILLS of the House Ways and Means Committee with the request that our position be considered by his Committee and further that our resolution be made a part of the record of the hearings on this bill (H. R. 10368).

For your information, we are enclosing a copy of the subject resolution and sincerely hope you will feel justified in supporting a renewal of the Reciprocal Trade Agreements program when the matter comes up on the floor for discussion.

Sincerely yours,

R. F. WATTS,
Assistant General Manager.

RESOLUTION ADOPTED BY THE COMMISSION OF PUBLIC DOCKS OF THE CITY OF PORTLAND, OREG., ON MARCH 4, 1958

Whereas the reciprocal trade agreements program, originally enacted into law in 1934, will expire on June 30, 1958; and

Whereas the program initiated by this law has in the past 25 years, through reciprocal tariff reductions, greatly expanded the exchange of goods on a worldwide basis; and

Whereas this expansion of world trade has contributed materially to the prosperity of all nations of the world; and

Whereas by strengthening the economy of the United States and those friendly nations trading with the United States international commerce has been vital to our national security and world peace; and

Whereas under this law United States foreign commerce has grown to over $30 billion annually and provided employment for over 6 million Americans; and

Whereas the volume of import and export cargo through the port of Portland has grown to approximately 4 million tons annually; and

Whereas the citizens of Portland, recognizing the value of foreign commerce to the welfare of the community, have invested over $30 million in marine terminal facilities to efficiently handle waterborne commerce; and

Whereas the Commission of Public Docks of the city of Portland, Oreg., is a municipal corporation charged, among other things, with the development of trade through the port of Portland: be it, therefore

Resolved, That the Commission of Public Docks of the city of Portland, Oreg., hereby requests Congress to authorize a 5-year renewal of the Reciprocal Trade Agreements program beyond June 30, 1958, as proposed in H. R. 10368, thus continuing the President's authority to make suitable adjustments in rates of duties for the purpose of insuring further expansion of world trade.

MEDFORD, OREG., *May 26, 1958.*

The Honorable Mrs. EDITH GREEN,
Old Office Building, Washington, D. C.

DEAR MRS. GREEN: I urge you to put your heart and mind behind passing the reciprocal trade-agreement legislation. Freer trade benefits consumers at home, and consumers abroad; the competition makes businesses more efficient by weeding out the starkly selfish and rigid-minded businessman and producer.

I agree with Acheson that in order to buy from us foreign countries must first sell us something in order to earn dollars. Those dollars then purchase our superior products. In fact, if we buy more, they buy more, and their needs are almost endless when first becoming industrialized and when their aspirations for a full life have been aroused. Their aspirations will not be denied; they will turn to the Sterling bloc or Russia. Then we will be left holding our great bag of dollars, our reserves, having forgotten how a creditor nation acts. Reciprocal trade and a great switch from military aid to development loans through U. N. agencies to all underdeveloped countries in the long run must help peace and prosperity for all. We can't go back to protectionism. It is rumored here that Democrats are turning to protectionism. How can the fearful of heart be helped to see the social needs and challenges of this period?

Very sincerely yours,

MARIE M. BOSWORTH.

NEED FOR PRESIDENTIAL ACTION NOW TO PREVENT AIR COLLISIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the public is alarmed and angered about the frequent and needless loss of life and property occasioned by air collisions. Everyone who has even been remotely interested in this matter for the past several years has been aware of the fact that we have been approaching the disaster state at an alarming speed.

Study after study has been made and layers of coordinating devices have been set up in an effort to control the situation. However, efforts to date have been ineffective as recent events show. It is another case of too little, too late.

On January 24, 1956, almost 2½ years ago—CONGRESSIONAL RECORD, volume 102, part 1, page 1195—I addressed the House after a near collision of two giant airplanes over the city of Cleveland airport. I stated in part:

> It is becoming well known that our control and protective system has not kept up with the accelerated development of the air industry which has become enormous and will become increasingly dangerous with the full advent of jet machines. Split seconds may mean the saving or snuffing out of hundreds of lives. It is said that several collisions per day are narrowly averted at our busy and overcrowded airports.

I also mentioned that experts in the field had indicated that the giant and multi-billion-dollar SAGE detection system had the capacity to serve both the military and civilian air traffic.

One year later, on February 14, 1957, I again referred to the fact that a number of preventable air tragedies had occurred during the past year despite the fact that numerous study groups and individuals had forecast them.

I understand from the recent comments of the Secretary of Commerce that a civilian air traffic setup may be installed during the next few years also at a multi-billion-dollar cost. Are both needed or are we ducking a tough problem?

Obviously there must be unified control if both civilian and military planes are flying in the same areas at the same time. A knotty problem involved is—should all air traffic be under civilian or military control? While that question is being settled by the Congress through appropriate legislation it seems to me that the President must take such steps as are necessary to protect life and property. He is the Chief Executive and has authority over all military and civilian aviation agencies.

There seems to be a difference of opinion as to whether actions taken since the latest air tragedy at Brunswick, Md., are adequate to prevent future disasters.

I urge that the President not be hesitant in exerting his authority over military aviation particularly until the most modern safety devices can be developed and installed for the protection of all who use our airways.

COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may sit during general debate on Wednesday, Thursday, and Friday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, on Monday next.

Mrs. ROGERS of Massachusetts, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FERNÓS-ISERN.

Mr. HEMPHILL and to include related matter.

Mr. LIBONATI in three instances, in each to include extraneous matter.

Mr. BENTLEY and include related matter.

Mr. VAN ZANDT and to include related matter.

Mr. BURDICK.

Mr. ALGER and to include related matter.

Mr. HYDE.

Mr. MILLER of Nebraska.

Mr. TABER, to revise and extend his remarks made in Committee and include figures and tables in tabular form.

Mr. REED in two instances and to include extraneous matter.

Mr. BAILEY, to revise and extend remarks made by him in Committee of the Whole today and include a letter.

Mr. ARENDS (at the request of Mr. CANFIELD).

Mr. BASS of Tennessee (at the request of Mr. McCORMACK).

Mr. ANFUSO (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. PATMAN, tomorrow and Wednesday following the legislative program and to include extraneous matter.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6908. An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 118. An act for the relief of the General Box Co.; and

S. 2060. An act for the relief of Elisabeth Biro.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 38 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 10, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1997. A communication from the President of the United States, transmitting proposed supplemental appropriations in the amount of $8 million for the fiscal year 1956, $16,300,000 for the fiscal year 1958, and $563,726,352 for the fiscal year 1959 for various agencies of the executive branch, and $208,626 for the District of Columbia (H. Doc. No. 394); to the Committee on Appropriations and ordered to be printed.

1998. A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1959 in the amount of $1,730,653,000 for the Department of Defense (H. Doc. No. 395); to the Committee on Appropriations and ordered to be printed.

1999. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1958 in the amount of $25 million for the Small Business Administration (H.

Doc. No. 396); to the Committee on Appropriations and ordered to be printed.

2000. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Panama Canal Company and Canal Zone Government for the fiscal year ended June 30, 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841), the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67) (H. Doc. No. 397); to the Committee on Government Operations and ordered to be printed.

2001. A letter from the Assistant Secretary of the Navy (Material), relative to a proposal by the Department of the Navy to donate *YP–82* to the police department, Baltimore, Md., for use as a security patrol boat; to the Committee on Armed Services.

2002. A letter from the Acting Archivist of the United States, transmitting a report on lists or schedules covering records proposed for disposal by certain Government agencies, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

2003. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to encourage and authorize details and transfers of Federal employees for service with international organizations"; to the Committee on Post Office and Civil Service.

2004. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212 (d) (3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2005. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order relative to the case of Tsy Lao Tong-Lao, A–10782906, his wife, and their children Amy and Peter Tong-Lao, pursuant to section 13 (c) of the act of September 11, 1957; to the Committee on the Judiciary.

2006. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of an order relative to the case of Feng-Ching Tang Lu, A–10782948, pursuant to section 13 (c) of the act of September 11, 1957; to the Committee on the Judiciary.

2007. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 5, 1958, submitting a report, together with accompanying papers and an illustration, on a letter report on Tobacco Run, Md., authorized by the Flood Control Act approved May 17, 1958; to the Committee on Public Works.

2008. A letter from the Deputy Under Secretary of State for Economic Affairs, transmitting a copy of the final report for fiscal year 1957 on major changes in the mutual security program, pursuant to Public Law 665, 83d Congress; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of June 5, 1958, the following bill was reported on June 6, 1958:

Mr. SPENCE: Committee on Banking and Currency. S. 3497. An act to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; with amendment (Rept. No. 1859). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted June 9, 1958*]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FOGARTY: Committee on Appropriations. House Joint Resolution 624. Joint resolution making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958; and for other purposes; without amendment (Rept. No. 1860). Referred to the Committee of the Whole House on the State of the Union.

Mr. ASPINALL: Committee on Interior and Insular Affairs. H. R. 8645. A bill to amend section 9, subsection (d), of the Reclamation Project Act of 1939, and for other related purposes; without amendment (Rept. No. 1861). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. S. 2007. An act to amend the United States Grain Standards Act, 1916, as amended, to permit the Secretary of Agriculture to charge and collect for certain services performed and to deposit such collections to the credit of the appropriation available for administration of the act, and for other purposes; with amendment (Rept. No. 1862). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 10321. A bill to authorize the Secretary of Agriculture to exchange lands comprising a portion of the Estes Park Administrative Site, Roosevelt National Forest, Colo., and for other purposes; without amendment (Rept. No. 1863). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANNON: Committee on Appropriations. H. R. 12858. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1959, and for other purposes; without amendment (Rept. No. 1864). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 1865. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H. R. 12840. A bill to amend the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. ASHLEY:

H. R. 12841. A bill to expand the public facility loan program of the Community Facilities Administration of the Housing and Home Finance Agency, and for other purposes; to the Committee on Banking and Currency.

By Mr. BURLESON:

H. R. 12842. A bill to amend the peanut price-support provisions of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture.

By Mrs. CHURCH:

H. R. 12843. A bill to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 12844. A bill to create an independent Federal Aviation Agency, to provide for the safe and efficient use of the airspace by both civil and military operations, and to provide for the regulation and promotion of civil aviation in such manner as to best foster its development and safety; to the Committee on Interstate and Foreign Commerce.

By Mr. COLMER:

H. R. 12845. A bill to provide a new farm program for basic agricultural commodities under which excessive and burdensome Federal controls on agriculture will be eliminated, and under which American agriculture will be restored to a free enterprise basis; to the Committee on Agriculture.

By Mr. HUDDLESTON:

H. R. 12846. A bill to amend the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HYDE:

H. R. 12847. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 12848. A bill to provide a more equitable system for the settlement of appeals from adverse personnel actions in the classified civil service, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 12849. A bill to authorize the annexation of certain real property of the United States by the city of Wyandotte, Mich.; to the Committee on Interior and Insular Affairs.

By Mr. MACK of Illinois:

H. R. 12850. A bill to prohibit the introduction, or manufacture for introduction, into interstate commerce of switchblade knives, and for other purposes; to the Committee on Interatate and Foreign Commerce.

By Mr. WILLIAMS of Mississippi:

H. R. 12851. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WINSTEAD:

H. R. 12852. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ABERNETHY:

H. R. 12853. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COLMER:

H. R. 12854. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SMITH of Mississippi:

H. R. 12855. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITTEN:

H. R. 12856. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Mississippi, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H. R. 12857. A bill to amend the Revised Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. CANNON:

H. R. 12858. A bill making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1959, and for other purposes.

By Mr. FRIEDEL:

H. R. 12859. A bill to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes; to the Committee on Government Operations.

By Mr. COOLEY:

H. R. 12860. A bill to extend and amend the Agricultural Trade Development and Assistance Act of 1954; to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with respect to acreage allotment and price support programs for rice, cotton, wool, wheat, milk, and feed grains; and for other purposes; to the Committee on Agriculture.

By Mr. FOGARTY:

H. J. Res. 624. Joint resolution making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURNS of Hawaii:

H. R. 12861. A bill for the relief of Eishin Tamanaha; to the Committee on the Judiciary.

H. R. 12862. A bill for the relief of the estate of Sutematsu Kida and estate of Kiichi Kida; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H. R. 12863. A bill for the relief of Mario and Rita Baldino and their children, Filomena, Luigi, Silvana, and Marianna; to the Committee on the Judiciary.

H. R. 12864. A bill for the relief of Androula N. Stephanon; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H. R. 12865. A bill for the relief of Mrs. Hannah Mae Powell; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H. R. 12866. A bill for the relief of the dependents of Irving Stern; to the Committee on the Judiciary.

By Mr. NICHOLSON:

H. R. 12867. A bill for the relief of Clayton T. Wells; to the Committee on the Judiciary.

By Mr. WIDNALL:

H. R. 12868. A bill for the relief of Alice Guy Blache; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

665. By Mr. SADLAK: Memorial of the priests, delegates, and guests of the New England district of the Knights of Lithuania resolving that the United States Government use every means within its power to bring about the cessation of the inhuman treatment of the Lithuanian people and to restore the independence of the Lithuanian nation de facto as well as de jure; to the Committee on Foreign Affairs.

666. By the SPEAKER: Petition of John S. Gleason, Jr., national commander, the American Legion, Washington, D. C., relative to endorsing the President's plan for reorganization of the Defense Department, and requesting that it be enacted into law and urging that support be given to the amendments to H. R. 12541; to the Committee on Armed Services.

667. Also, petition of G. T. Woods, and 108 others, Austin Typographical Union No. 138, Austin, Tex., requesting that Congress take action to protect the 106-year-old International Typographical Union from destruction at the hands of the National Labor Relations Board and its General Counsel; to the Committee on Education and Labor.

668. Also, petition of Herbert C. Holdridge, Washington, D. C., relative to requesting protection for the Hopi Indians; to the Committee on Interior and Insular Affairs.

669. Also, petition of Joseph D. Calhoun, secretary, American Bar Association, Chicago, Ill., transmitting a certified copy of 10 resolutions adopted by the board of governors of the American Bar Association, at its meeting held in Washington, D. C., May 19 and 20, upon recommendation of the association's standing committee on jurisprudence and law reform; to the Committee on the Judiciary.

670. Also, petition of Rev. Walter P. Booth, Ogdensburg, N. Y., relative to a redress of grievance pertaining to an estate, and requesting that action be taken to correct the situation (similar to petition No. 606, dated May 5, 1958); to the Committee on the Judiciary.

671. Also, petition of the chief clerk of the city council, Philadelphia, Pa., requesting enactment of the bill H. R. 12591, which would extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

The Reciprocal Trade Agreements

EXTENSION OF REMARKS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. BURDICK. Mr. Speaker, since 1951 there have been filed 60 complaints under the escape clause of the existing trade agreement contracts, in which small-business men complained that the taking off of tariffs under authority contained in the Trade Agreement Act had crippled their business by reason of articles produced by cheap labor coming into this country with which the American businessmen could not compete. In 30 of these cases the Tariff Commission found that 27 were entitled to relief. That should have settled the matter, but the President ignored the findings of the commission and gave relief in only 10 cases. Thus it will be seen that under the Trade Agreement Act now on the statute books, the President can and does disregard the findings of a commission that is set up to inquire into such matters and recommend relief. This commission makes exhausive searches into the contents of the complaints and comes up with findings, regardless of who it is, based on equity and justice.

To give the President power to override findings of this Commission is a dangerous precedent and replaces the responsibility of the Tariff Commission, and allows the President to ignore its whole authority. Carried out to a logical conclusion it means that the Tariff Commission has been stripped of authority and that its responsibility has been taken over by the President.

A 5-year extension of the trade-agreement authority is too long a time to turn this important duty over to the President, while in the meantime businessmen may suffer dire consequences by reason of conferring this power upon the President. I would like to see a further test of this new adventure, and would not want to confer this authority upon the President for any long period of time. Let us find out first if small-business men can procure justice by appealing to the President. If the complaints in the future are not handled any better than they have been in the past the whole Reciprocal Agreement Act should be voted out. There is no justice in sending our own businessmen to the wall just to please some country where wages are 15 cents per day. It may be a good-neighbor policy, but instances of injury to our own businessmen should be more carefully considered in the future. A 5-year extension may raise havoc with our own business, and I will vote against the extension if it involves too long a period. Reciprocal trade agreements should cover articles which we need and are not producing, and involve exportable surpluses which we have, thus making a market for both countries and not injuring either.

Legislation for the Relief of Our Railroads

EXTENSION OF REMARKS
OF
HON. DeWITT S. HYDE
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. HYDE. Mr. Speaker, I cannot urge too strongly upon the leadership of the House and Senate the necessity for prompt and early consideration of pending legislation to relieve our railroads from the many burdens under which they are laboring which have long outlived their usefulness. In particular, I have in mind S. 3778 and H. R. 12488.

The outmoded, old-fashioned legal regulations on our railroads are one of the major causes for the economic difficulties of this great industry and,

hence, one of the great major causes of unemployment among our railroad workers. Here is one piece of legislation which will not cost the taxpayer 1 cent, but which can result in putting thousands of people back to work.

Our railroads are not only important to our economy, but are a vital part of our national defense. In fact, they are so important that if we did not have them we would have to create them. The railroads can stand on their own feet—let us remove the restrictive brickbats that are knocking them off their feet.

Paul Gallaway Armstrong

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. LIBONATI. Mr. Speaker, no one can possibly realize the amount of effort and work that Paul Armstrong was called upon to render in his capacity as the Illinois Director of Selective Service since 1940 until his death a few months ago.

His very nature exemplified the characteristics necessary to carry on successfully the tremendous responsibility and patriotic importance of his every act. He was gentle and understanding to a fault. His solid honesty of purpose was a credit to his record. His sensitive and delicate appreciation of the problems of others was conducive to the success of his administration. He was a distinguished orator and a loyal adherent to the principles of Americanism. As commander of the Illinois Department of the American Legion he was a careful and cautious leader, guiding the Legion through mazes of controversial issues that could have resulted in the repudiation of the organization as a civic factor for public good. He served with the 8th United States Regular Infantry in France in World War I, was awarded the Legion of Merit and Medaille de la France Liberte for World War II services.

He withstood the pressures of political domination and had but one goal—to serve his country with honor in time of war and with unswerving trust in time of peace. His whole life was an exemplary one both in personal habits and spiritual acceptance. Paul was happiest when at the department convention each year he presented his Americanism trophy to the post that was selected for its outstanding work in the field of Americanism. He beset them with advice and incentives for the realization of this highly competitive honor. He was truly loved by all. His loss is a void in the service so valued by a grateful Republic.

It is sad to lose this great leader of patriotic endeavors and invaluable services to a solid citizenry. We bow our heads in fond appreciation of this talented man. To his widow Blanche and his children we send the heartfelt condolences of the men who knew him best and admired him for his sincerity and honored service in behalf of his State and Nation.

The Department of Illinois by death resolution honored his career as follows:

IN MEMORIAM—PAUL G. ARMSTRONG

Whereas it has pleased Almighty God, the Great Commander of all, to summon to His immortal legions on the 12th day of January 1958, our beloved comrade, Paul A. Armstrong, who served the American Legion as department commander in the year 1935, and whose membership was carried in the Square Post No. 232, Chicago, Ill., to the date of his demise; and

Whereas we humbly bow to the will of divine providence, while ever cherishing in our hearts the memory of his distinguished service to our country and his outstanding service and contributions to the American Legion's comradeship: Now, therefore, be it

Resolved by the executive committee, Department of Illinois, the American Legion, in regular meeting assembled on this 12th day of April 1958, Does mourn the passing of our distinguished Legionnaire, Paul G. Armstrong, and that we commend to all men his works, and to God his spirit; and be it finally

Resolved, That in token of our common grief, an appropriately inscribed copy of this resolution, as finally adopted by the department convention in Chicago, be presented to his bereaved widow.

National Hot Dog Month

EXTENSION OF REMARKS
OF
HON. LESLIE C. ARENDS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. ARENDS. Mr. Speaker, I would like to call attention to a remark I was pleased to note that Secretary of Agriculture Ezra Taft Benson made a few days ago.

The Secretary said that he felt the hot dog was serving as an important international good will ambassador at the Brussels World's Fair. The occasion for his comment was the presentation to him of a golden hot dog desk piece by American meatpackers as a forerunner to the nationwide observance of National Hot Dog Month in July.

Secretary Benson pointed out that hundreds of thousands of hot dogs have been shipped from this country to our pavilion in Brussels to introduce foreign visitors to this unique American delicacy.

I was especially interested in the Secretary's observation because in my district at Danville, Ill., there is a handsome plant which makes the cellulose casings used in making skinless hot dogs. Our taste for hot dogs is so great that this year the per capita consumption in the United States is estimated to be 62, an increase of a dozen per person in just the past 5 years.

In recognition of this wide acceptance, July has been designated as National Hot Dog Month. Actually, the hot dog is a year-round favorite but, as we all know, it is particularly popular during the picnic season.

Prepared in dozens of different and imaginative ways, they are served at the Nation's finest restaurants as well as providing housewives with a nourishing meal for the members of her family. As versatile as it is, the all-time American treat is most often a hot dog nested in a warm roll with some sort of garnishing.

I share with Secretary Benson the desire to pay tribute to this national favorite and its part in making friends for us abroad. It is, therefore, a pleasure for me to add my feeling of regard for the American hot dog and my hope that it continues to grow in popularity, both at home and abroad, as we observe during July the celebration of National Hot Dog Month.

Reciprocal Trade Agreements

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. REED. Mr. Speaker, under leave to extend heretofore granted, I am inserting my remarks on the reciprocal trade agreements bill, H. R. 12591.

Mr. Speaker, the bill H. R. 12591 that is before this distinguished body for consideration is a legal shambles that its proponents would have us believe constitutes an ironclad solution to international tensions and the promise of buoyant economic conditions domestically.

The free-trade advocates would have the membership of this body believe that to oppose this legislation or to seek to improve this legislation is a vote for hot war and economic chaos. No contention, no argument in favor of this legislation could be more erroneously engaged in.

It will not be my purpose today to speak at length on this subject but as the debate develops I reserve for myself the right to again take the floor to denounce this illconceived and inadequately considered legislation and to expose the shortcomings and fallacies of the trade agreement program that it would continue. At this time it will be my purpose merely to point out to the membership certain shortcomings of this legislation that have or can properly be termed sinister implications and prospects of dire consequences for the economic well-being of our constituencies. I characterize the consequences of this legislative proposal in these terms not as an alarmist but as one who has endeavored to objectively and realistically examine the bill, H. R. 12591.

In the first place the bill would appear to grant to the Executive a 5-year delegation of authority to enter into trade agreements with authority to make tariff reductions. The fact is that the implications of this legislation go considerably further into the future than 5 years.

If what the proponents tell us about their intentions in regard to the European Common Market is true, it is entirely possible that the 5-year tariff reduction authority may not be entered into until 1960 or 1961, and if the full tariff reducing authority is put into effect at that time, tariff reductions could extend into the late 1960's. It is conceivable that the tariff reducing authority could be proclaimed in the 1960's to take effect in the 1970's or even a subsequent decade, and such a course of action would be within the purview of the statute that we are asked to support with our vote in this year 1958.

Thus, in point of time the Congress will be delegating trade-agreement authority and tariff-reducing authority to an unknown President and will be committing future Congresses to a course of action that is of dubious effectiveness at best to accomplish anything but the abandonment of our domestic markets to foreign imports.

The bill, H. R. 12591, implies virtually unlimited powers for reductions of duty and provides no understandable limits on the use by the Executive of the delegated authority. For example, the United States has a number of specific or ad valorem duties which have been so frequently reduced under the trade-agreements program that they are now within the range of 5 percent ad valorem or less. The bill would permit the President to reduce these duties by 2 percentage points ad valorem. This new authority coupled with the existing authority to round duties could result in reductions equal to 50 percent or more on these items which now have such low duties that there is little protection remaining. How many times in the past has the Congress been assured by the Executive that tariff rate-reduction authority will not be used to the detriment of domestic producers, and how many times in the past have we seen domestic industries not just damaged by tariff concession but literally destroyed by the flood of imports that resulted from these tariff concessions?

The bill would authorize the Executive to make a reduction of duties to a level determined to be the equivalent of 50 percent ad valorem. The bill states that the ad valorem equivalent shall be that which prevailed during a representative period. The bill does not define a representative period but there is nothing in the bill to prevent the State Department, which will undoubtedly make the final determination as to what a representative period is, from electing a year in which a specific or compound duty would represent a relatively high ad valorem equivalent so that the greatest possible reduction in that duty could be made.

Based on past performance in the administration of trade agreement program the Congress can expect if H. R. 12591 becomes law that those duties which have already been reduced to a point that the remaining protection they provide is meaningless will again become the subject for further tariff reductions. With the assurance of a 5-year extension of the trade agreements authority the State Department and others in the executive branch of the Federal Government will be even less responsive than in the past to the intent of Congress that no American industry shall be injured by tariff-cutting concessions. Congress will in effect be rendering itself ineffectual in dealing with the economic interest and well-being of our American producers. Diplomatic expediencies rather than practical economics will govern and control the administration of our Nation's trade policy.

The Congress will undoubtedly be told during debate on this legislation that the escape clause has been strengthened by the establishment of procedures for implementation by the Congress of Tariff Commission recommendations where such recommendations have been rejected by a President. These procedures that the bill purports to establish are meaningless in substance and give to the Congress nothing that the Congress cannot do under existing law. I would point out, however, that these procedures would ostensibly clothe the Congress with an aura of responsibility without giving to the Congress the authority with which to effectively discharge that responsibility. As a consequence, individual Congressmen will be subject to the criticism of their constituents whose jobs and economic opportunity are destroyed by imports, and these procedures will suggest Congressional concurrence in State Department culpability for the destruction of those jobs and economic opportunity.

In effect H. R. 12591 makes a broad and sweeping delegation of authority to the Executive in period of time and in terms of tariff reducing authority while at the same time timidly and inadequately dealing with the strengthening of safeguards for our domestic producers. This bill constitutes a total capitulation to the free-trade phalanx that has ruled our Nation's tariff policy for the past 25 years.

There will be offered to the membership of the House opportunity to bring to a halt the giveaway of our American markets, the exportation of our job opportunities, and the abandonment of our national economic vitality. This opportunity to bring these trends to a halt will come with the offering of an amendment in the nature of a substitute by my close friend and distinguished committee colleague, the Honorable RICHARD M. SIMPSON. I urge my colleagues in the House to reject the legislation, H. R. 12591, that is before us at this time.

Anniversary of Soviet Invasion of Baltic States

EXTENSION OF REMARKS

OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. ANFUSO. Mr. Speaker, this month marks the anniversary of a tragic event for the people of Lithuania, Latvia, and Estonia, sometimes referred to as the three Baltic States, whose independence had been revived shortly after World War I only to be destroyed again by the Soivet Union. On June 15, 1940, the Soviet Union invaded these three small but peaceful countries, suppressed their freedom, liquidated their national independence, deported many of their nationals to slave-labor camps, and incorporated their territories within the Soviet Union.

On the occasion of this sad anniversary, many people of Baltic ancestry now living in the United States and in other parts of the Free World will solemnly gather to commemorate this brutal seizure of their former homelands, the ruthless suppression of political and human rights, and the genocidal policies practiced against the people of these three small nations.

During all these 18 years under Communist domination the people of Lithuania, Latvia, and Estonia continued to resist communism and to struggle for the liberation of their people and their lands from the oppressors in the Kremlin. This resistance will never be eradicated until the goal of freedom is achieved. Some day the struggle of the Baltic peoples in their homelands and their kinsmen in the Free World will be crowned with success.

Freedom-loving people everywhere condemn such illegal and inhuman deeds. The American people have always declared their friendship and solidarity with the downtrodden and the oppressed. America will always support the aims and desires of the Baltic nations for early liberation of their tormented people and ravaged countries.

On this sad occasion, I send my heartfelt greetings and sincerest wishes for the early realization of your cherished goals.

Address by Senator Strom Thurmond, of South Carolina, at Ground-Breaking Ceremonies for New Steam Generating Plant of Carolina Power & Light Co. at Hartsville, S. C., May 30, 1958

EXTENSION OF REMARKS

OF

HON. ROBERT W. HEMPHILL

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. HEMPHILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I attach a speech made by Senator STROM THURMOND, of South Carolina, on the occasion of the ground-breaking ceremonies for the new steam generating plant of Carolina Power & Light Co. at Hartsville, S. C., May 30, 1958. Along with the distinguished junior Senator from my State, and others gathered there, I join in saluting this new industrial development and welcome it to South Carolina. A brilliant and timely address was made by Senator THURMOND, the main speaker, and I think it will be

of value to all who would read it and I herewith enclose it to be printed in the RECORD:

Mr. Chairman, Mr. Sutton, Mr. Robinson, Congressman McMillan, Congressman Hemphill, Mr. Cooper, Mr. Hunnicutt, distinguished guests, and ladies and gentlemen of the great Pee Dee area, it is a great pleasure to be invited to speak on this auspicious occasion. I feel honored to be introduced by one of the most distinguished citizens of our State and Nation, Lee Wiggins.

It is always a pleasure to come and visit in the great Pee Dee area. The people here have a deep sense of pride in their section, and they all feel a close kinship as residents of this fine area. This sense of pride and kinship, together with abounding initiative and ingenuity, have made it possible for the people here to boast of some of the best farmers and farmlands in the world. In fact, some of the most important discoveries and accomplishments in agricultural research have been made right here in this area by the Coker family and other outstanding farmers. I am of the opinion that if we could get the Agriculture Department transferred from Washington to South Carolina we could cut out the red tape, make progress toward ending the agricultural cost-price squeeze, and show the bureaucrats how to keep in step with true agricultural progress. Since such a move is probably out of the question, at least South Carolina and other southern farming areas should be given more representation in the hierarchy of the Agricultural Department.

During the past decade, the people of this area have put forward a major effort to balance their agricultural economy with industry. When the people of South Carolina elected me Governor in 1946, I determined that I would make this one of the primary goals of my administration. At the conclusion of my service, more than $1 billion had been expended or announced for investment in new industries and expansions. This created 60,000 new jobs, with new annual payrolls of approximately $125 million.

The ground-breaking ceremonies for the erection of this large steam generating plant point up the fact that South Carolina continues to inspire the confidence of the business world and to forge forward industrially. Private enterprise has the initiative, the desire, and the willingness to expand and develop where the atmosphere of State and local government is favorable and where the attitude of the people is conducive and cooperative. These conditions—and more—exist in South Carolina, and I hope it will not be long before we have at least one industry in every community. As a result of the setback which agriculture has suffered in recent years, it is more urgent than ever that we locate more industries in our farming areas.

These ceremonies signify here today the progress—past, present, and future—of the people of the Pee Dee area. Because you have raised your standard of living and have attracted more industries to this area, the demand for domestic and industrial consumption of electric power has increased to such an extent that the Carolina Power & Light Co. has decided to erect on this site, this plant which will house the largest single generating unit of its entire system. This demonstrates the progress of the past and present. The company's confidence in this area gives ample evidence of the bright future which lies ahead.

This was brought to my attention when I asked why a steam generating plant would require a large cooling lake covering 2,550 acres. This is larger than some hydroelectric power lakes. It was explained to me that Carolina Power & Light expects great things from this area—so great, in fact, that in its planning it has provided for eventual expansion of this plant from 250,000 to 1,850,000 horsepower. This is a compliment to the people of this area, and it is also a compliment to the good judgment and wisdom of the leadership of the Carolina Power & Light Co.

This, however, is typical of the type foresight and vision which the company's able president, Louis Sutton, has always displayed in guiding the fortunes of Carolina Power & Light. In directing the activities of the company, as well as the planning of this plant, Mr. Sutton has been ably assisted by a South Carolinian, Mr. H. Burton Robinson, of Columbia, who is vice president and general manager of the company.

Mr. Robinson bears one of the State's most prominent family names. And, the fact that every one of his 5 brothers and sisters has a professional degree—3 of them being lawyers, 1 a medical doctor, and another having a doctorate of theology—attests to the high caliber, ability, and accomplishments of the Robinson family.

I am also proud that we have two other distinguished South Carolinians who are playing an important role with Carolina Power & Light Co. They are Mr. Fulton Creech, of Sumter, and Mr. J. L. Coker, of Hartsville. Their outstanding character and ability contribute greatly to the board of directors.

We appreciate the valuable contributions which Mr. Sutton, these South Carolinians, and the other officials and employees of Carolina Power & Light have rendered to the Carolinas through the years. We are highly pleased that they have made the decision to build this huge plant and lake, which will create 350 construction jobs until the completion date in 1960. After that date, the plant will require 50 employees on a permanent basis. In addition to providing power for numerous new industries which will be attracted here, this fine steam plant itself, will be a great stimulus to the economy of this section of our State.

This plant will be the product of our vast free enterprise system which has made the United States the greatest country in the world. It is a refreshing thing for me to be here on the spot, and to get a glimpse of the free enterprise system in action. This is one of the things that make Hartsville today a more refreshing place than Washington.

The atmosphere in the Nation's Capital is one that reflects an alarming disregard for the virtues of the free-enterprise system. Hardly a day goes by in Congress without some new scheme being proposed to put the Federal Government further into business and deeper into debt. Action of this nature is not new. In this year of general business recession, however, it has been greatly intensified—so much so that we will wind up with a deficit of approximately $9 billion this year and some new socialistic programs that strike at the very foundations of our free-enterprise system and of our Constitution.

These proponents of Government in business have used the recession as an excuse to win approval in the Senate of some wild-eyed programs that would not even be considered by the Congress under normal circumstances.

Even during a slight recession, they bring great pressure on the Government to "do something," and the "something" very often turns out to be a scheme to interject more Government regulation into private business.

In the name of doing something for the American economy, the Senate recently passed one of the most dangerously socialistic bills to come to the floor in a long time. This legislation, known as the area-redevelopment bill, would set up Federal loan and grant funds to be used to aid communities in areas of chronic depression to secure new industry. Essentially, it provides a Federal subsidy to bring industry into areas where, at the present time, industry does not want to go.

I do not believe that the Federal Government should be a party to any such scheme.

In a more indirect way, the Federal Government is already involved in a plan to encourage industrial plants to remain in areas where they cannot compete with other plants in the same industry. The procurement procedure now being followed in the Department of Defense provides for special consideration to plants in areas where labor is surplus. This policy places a premium on inefficiency, and in the long run weakens the economy. I have introduced legislation to prohibit this discriminatory procurement policy, and the bill, S. 5, is now pending on the Senate Calendar.

Recently, the Senate passed another measure, the community facilities bill, authorizing a billion-dollar program of loan assistance to local governments for public works construction.

The bill has a number of flaws. I will mention a few of them to indicate the extent to which the Federal Government is getting into matters which should be left to the free-enterprise system.

The community facilities bill sets forth the terms under which communities may obtain loans from the Federal Government. It also makes it a matter of Federal policy that all communities shall be eligible for these loans if they cannot obtain loans on terms equally as good in the open market. It does not matter whether the terms available on the open market are reasonable terms—they must be equally as good—and the terms in the bill are most liberal. There are three reasons why I classify this as bad legislation: It encourages local communities to go into debt over their heads; it discourages private investors from making loans to local governments; and it puts the Federal Government further into the lending business.

Both the area redevelopment bill and the community facilities bill include the Davis-Bacon wage-fixing procedure, by which the Secretary of Labor, in Washington, sets the wage scales for construction projects undertaken with the Federal loans. This is merely more Federal dictation from Washington. This kind of control and interference in the public works projects of our local communities is completely unwarranted and is contrary to every tradition and concept of the responsibilities of local governments for carrying on local affairs.

I could go on telling you about other instances in which the Federal Government has extended its long arm into the workings of our free economy, with bad effects. The legislation I mentioned was approved by the Senate in recent weeks.

I do not like to be critical without making some affirmative suggestions. I would like to take a few minutes to mention some of the ways that the Government can and should give aid to the economy.

I do not believe that Government should be in business unless two conditions are fully met. First, the project must be something that is vitally needed. Second, it must be something that private enterprise is not willing to do.

If Congress would apply this simple test to every piece of legislation calling for the Federal Government to go into business, we would have much less Government in business, lower taxes, an improved economy, and less chance of turning our Government into a socialistic welfare state.

It is important for us to bear in mind the simple economic fact that the Government does not have any money to spend except the money it takes from the taxpayers. This is a very basic thing. Surely a 10-year-old child can understand it. Nevertheless, it is not understood as well as it should be; otherwise we would not have so many mature and presumably well-informed people

continually asking Congress to appropriate more money for every conceivable project under the sun.

Perhaps they feel like the young housewife who asked her husband for money every day at the breakfast table. Finally, the husband got tired of it. "Money, money," he complained. "Every day you ask for money. You don't need money as much as you need some brains."

"I know," she replied, sweetly, "but you don't have any brains to spare."

It occurs to me that people may think the same of the Federal Government.

Seriously, however, one of the best ways that the Government can aid business is by practicing strict economy in its own affairs. Our public debt has gone from $17 billion to $280 billion in less than 25 years, despite the fact that the Federal Government now takes nearly 70 percent of our tax dollar, leaving only 30 percent for all State and local governments combined. Economy at the Federal level is necessary, in order to leave enough tax sources free to support State and local governments, and to reduce the heavy load of taxation, which is a major item of expense to every individual and business enterprise in the United States. I am proud that my CONGRESSIONAL RECORD showed that I ranked among the top in voting for economy in key Senate votes last year. I believe the people expect their representatives to handle the public's money as wisely as they handle their own.

Business also needs relief from the ever-increasing burden of expense, which accompanies the filling out of the endless series of complex reports required by a multitude of Federal agencies.

Certainly it behooves the Federal Government to encourage the development of new markets for American products, both at home, through research looking toward the development of improved products and broadened markets, and abroad, through the regulation of foreign trade.

The expansion of markets, it seems to me, is one of the most desirable goals we can have in mind in formulating a realistic foreign trade policy. Since the formation of the American Government, the tariff has been used for a variety of purposes. Originally, the tariff was conceived as a means of producing revenue for the Government, and no attempt was made to regulate the flow of imports. Later, as manufacturing developed in this country, it was thought desirable to use the tariff as a barrier to protect domestic industry. Since World War II, we have made the tragic mistake of using foreign trade primarily as an instrument of foreign policy, without sufficient regard to the well-being of the trade itself.

We have subsidized the establishment of textile mills in foreign countries to compete with our own textile industry, and, by lowering tariff barriers, have encouraged these foreign textile interests to compete with our domestic mills on unfair terms. I believe in world trade, and I am convinced that our Government should encourage the expansion of foreign trade to provide new markets for our domestic industry. However, we should not make the grave mistake of sacrificing our domestic industry on the pretense of foreign policy.

Because I believe in the free-enterprise system, and want it to continue, I am a sponsor of legislation to remove tax inequities which put a special burden on the small-business man. Almost every business begins as a small one. Some survive; some fall by the wayside. The path of the small-business man has many pitfalls. I do not believe that the Federal Government can remove those pitfalls, but I am firmly of the opinion that it can restrain itself from adding new ones. It is important to our free-enterprise system that we retain, in our country, the right for a man to go into business for himself and take a chance, with the exception that, through the application of good sense, hard work, and a little bit of luck, he will be able to make a success of his enterprise.

Let me quote a few sentences from a brief talk which a distinguished statesman made last fall:

"If you take a worm's-eye view of the ills of American life and our foreign relations, you may worry that we are entering the decline and fall of the greatest nation in history.

"If you take a bird's-eye view, you will see the increasing skills, growing productivity, and the expansion of education and understanding, with improving health and growing strength of our Nation.

"And from whence comes this strength? It lies in freedom of men's initiative and the rewards of their efforts. It comes from our devotion to liberty and religious faith. We will have no decline and fall of this Nation, provided we stand guard against the evils which weaken these forces."

"Freedom of men's initiative."

Freedom of initiative is not listed in the Bill of Rights, but perhaps it should be. It is there in spirit, if not in letter. The American Revolution was not aimed at setting up a regulatory government. Quite the contrary, it was aimed at establishing a form of government which would keep regulation to a minimum.

It was, in short, a government admirably designed for the development of individualism, and the freedom of men's initiative.

The foundation principle of individualism is that one reaps what and where he sows, and finds happiness according to his competence in the pursuit of happiness. There is a dignity in self-reliance that is sharply in contrast with the degradation of the individual, which is part and parcel of Russian communism.

I am proud to be a citizen of a State that is known for its individualism. South Carolinians have cherished the priceless heritage of individual freedom, through lean times and good. I hope that we will continue in this high tradition in the years that lie ahead.

The State that stands for freedom of initiative is a State that will prosper richly in years to come. It is also the State which will lead in human happiness through its recognition of the dignity of the individual.

Only through protecting freedom of initiative can we, in the words of the Constitution, "secure the blessings of liberty to ourselves and our posterity."

Value of Meat in the Human Diet

EXTENSION OF REMARKS

OF

HON. A. L. MILLER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. MILLER of Nebraska. Mr. Speaker, 12 years ago I addressed the 57th annual convention of the Nebraska Stock Growers' Association. At the time I spoke on the value of meat in the human diet. I made rather an exhaustive survey at the Library of Congress, the Meat Institute, and other sources to get accurate information.

I have in the past 12 years made further study on the question of meat in the human diet, and have tried to bring the report up to date. A number of universities and research institutes have been working on the chemical components of meat and its place in the human diet. It is interesting to note that of the 22 amino acids in food, 12 of them are found in meat.

Meat is important in the diet because the proteins are essential. Amino acids make up a part of every cell, tissue, and organ of the body. It is needed to make blood, supply glands, repair tissue, and produce energy for work.

Nature has endowed no other food with such essential vitamins and minerals as it has meat. Meat is a masterpiece of Nature's laboratories. The muscles, glands, and corpuscles of our bodies are constantly in need of meat, amino acids, and various proteins. Proteins in meat provide the necessary repair work which must be carried on constantly to keep this complex human machine of ours working satisfactorily.

The several cattlemen's associations in the United States have been actively engaged in the last dozen years in promoting meat in the human diet. It has had a good effect. Meat is no longer a luxury. Meat is an essential but there are many people who still feel that a steak is something for a special occasion. It should be recalled that the new methods of cooking meat can make the most humble part of the animal tender and good to eat. The parts near the tail and neck contain the same iron and minerals and amino acids as choice tender cuts.

The earnings of the laboring people in the last 10 years have increased about 46 percent. Beef prices during this time have increased about 14 percent. Actually, the laboring man is getting more today for his meat dollar than he did a dozen years ago.

It is a well-known fact that the people of India eat no meat or animal products. With the population of nearly 500 people per square mile, they have 250 million head of cattle in India yet they eat no meat. The Indian is not a strong physical individual.

In my years of practicing medicine, I had the opportunity of comparing some of the strong, healthy boys and girls from this country where they have plenty of meat available to the children of India, China, the Philippines, and similar countries. Before I came to Congress, I had the privilege of visiting in many of these countries. You need only to look at the children in a dozen ports where meat is not a part of the diet to find spindle-legged, pot-bellied, emaciated children. In Nebraska, the children are rosy-cheeked, well-muscled, and growing.

In Nebraska, we have some 26 million acres of grassland producing cattle in the fall that are often butcher-block fat. As a physician, I know that every cell, every muscle, and every organ of our body needs these proteins and amino acids. They need them to repair tissues. They mean new growth to the child.

I know that meat really plays an important part in keeping not only individuals but the Nation strong and energetic. We need to push hard an education program pointing out the scientific problems and the value of meat in the

human diet. This should be done with the minimum of Government interference. The cattlemen of the country will continue to furnish this good meat to a growing, expanding population.

Mr. Speaker, there is a bill before Congress that provides for a check-off system on meat. A few cents on each head of cattle, hogs or sheep will go into a program of research. It seems to me this is a good approach. I believe in advertising. I know that the people in the cattle industry have been working together in harmony. They are doing a good job of selling their product. The country needs to be educated on the value of good meat in the human diet.

Phil Collins

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. LIBONATI. Mr. Speaker, Memorial Day brings back sad and fond memories to the serviceman. The veterans of World War I are becoming a marching host to the ghost brigade. The toll of life is fast moving to the other shore—taps are in the air—and maybe it's best so, because really their immediate families and their comrades are the ones that really care.

The Republic in some sparing measure has from long time to a longer time, at great delaying intervals, given them a supporting limp hand and bent wrist—mostly applause on marching days.

A few politicians and certain publications bray and bleat about the demands of a special class of citizens—sure, everyone did their duty—only some kicked a pedal with a toe and collected plenty with overtime thrown in—all for the war effort; for Mr. Soldier the war was over. When he returned—it was his only depression—the 1929's were just a continuation of the struggle for life for some to the present day. A pension, yes; a handout, the same that a reliefer gets. Brave men, good soldiers. Fought for his country. Was taken from civilian life around the 39th year. Hard for most of them to catch up on a good job. Even lost his mate or girl to the other fellow who stayed around. Our Government has been sparingly fair to the serviceman in a legislative sense, inadequately for the disabled, widows, orphans, and aged.

These are the men that Phil Collins spent his life in serving. He was the leveling influence that advocated the support of political parties by the servicemen and not form a political group to take over the political destiny of our Government.

But God is good. He alone names the day of the heavy mist that blurs the eyes and numbs the brain. And so it was with Phil Collins—his work was done. His soul no longer seeks its earthly goal. He died a man revered by all who knew that in his passing no one would forget.

His early life—the youthful years prepared him for his great work to guide him through the experiences that he must meet. He evaluated each fellow man as a counterpart of himself. He developed a sense of sagacity in veteran affairs that called him to its leadership. His strength of purpose knew no other rule but toward its accomplishment. The American Legion followed that leadership and grew in popular strength and civic acceptance. His true aim was realized when its influence in governmental affairs and policies of peacetime preparedness was written in the record of Congressional enactment. He supported mandates for the advancement of the veteran's cause which were transcribed into law. The names of men high in the working ranks of the Legion sanctioned and extolled his superb leadership. He fostered the careers and advancement of worthy Legionnaires in the official family of this powerful organization; each one made enviable records of accomplishment. There were those who awaited their turn to serve, and his experienced judgment never denied them advancement—long. He numbered many friends both in the State and national organizations—but it was the proud legionnaires of Illinois that sustained him in his glorious career; to name a few, the fiery leader, Gov. John Stelle; the sagacious national leader, Jim Ringley; the financial genius, Bumps Cross; the sage, Perce Brautigan; the popular business executive, Al Starshak; the insurance tycoon, Stanley Van Dyk; Judges Burke, Sbarbaro, Dougherty, and Hartigan; the active organizer, Bill Cummins; the late popular leaders, Art Canty, Mancel Talcott, Paul Armstrong, Gov. Dwight Green, Judge William Waugh, and Americanism himself, the late Elliodor Libonati; the fighter of subversive activities, Ed Clammage; the popular Russel Root, Larry Fenlon, Gov. Bill Stratton; the Forty and Eight leader, Bill Schlupp; the old standard bearer, Harry Rice; and the blessed Father Lonergan, and many others.

The citizens of our country do not realize the great importance and power that the veteran organizations could generate as a potential force among the populace in a political campaign. And because this power to gain control in politics is kept dormant and unassertive, they cannot realize the degree of political upheavel that would result if such a program were initiated by veteran leaders. It could change the very life of the country both in its kind of government and its ideology.

Phil Collins was a real American, and did not hesitate to assert his fundamental belief that every citizen, regardless of his military duties performed, had only the same rights as any other citizen—that the constitutional document was written for all and not to be interpreted by a few to their preferment. Thus the people of the Nation learned that the veteran would take his place among the ranks of the citizenry and serve his community in time of peace as he did in time of war. Veteran leadership did not strike out to organize veterans to take over political control.

We have but to study the history of other nations to see the havoc resulting from the usurpation of political power, by men who, unprepared for the political science of government; these ambitious men being vaulted into office through popular approval of acts of heroism under arms—later did by violent action enslave populations in thought and action—destroying the very government and countless of its citizens that formerly each had fought to save.

Thus, Phil Collins, as the most powerful leader of the American Legion in his day called the king maker kept the millions of Legionnaires on the true course—love of God, love of country and respect for its institutions.

Yes, a great man died the other day—and men throughout the Nation mourned his passing—for he was truly a great American.

As the taps sounded—we heard a distant echo as though the notes were turned back upon themselves in their own resonance—he lives again in the glory of God, among his war fallen and deceased comrades. The living remembered, and the department of Illinois passed the following resolution in his memory:

IN MEMORIAM—PHILLIP W. COLLINS

Whereas it has pleased Almighty God, the Great Commander of all, to summon to His immortal legions on the 13th day of February 1958, our beloved Comrade Phillip W. Collins, a member of Naval Post 372, Chicago, Ill., to the date of his demise; and

Whereas we humbly bow to the will of divine providence, while ever cherishing in our hearts the memory of his distinguished service to our country and his outstanding service and contributions to the American Legion's comradeship: Now, therefore, be it

Resolved, That the executive committee, Department of Illinois, the American Legion, in regular meeting assembled on this 12th day of April 1958, commend to all men his works, and to God, his spirit; and be it finally

Resolved, That in token of our common grief, an appropriately inscribed copy of this resolution, as finally adopted by the department convention in Chicago, be presented to his bereaved widow.

Commencement Address by Hon. John Sherman Cooper, of Kentucky, at Howard University

EXTENSION OF REMARKS
OF
HON. CLIFFORD P. CASE
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES
Monday, June 9, 1958

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the remarks of Senator JOHN SHERMAN COOPER at the commencement exercises at Howard University on June 6, 1958.

In this address the Senator from Kentucky points out parallels between the international issues of colonialism and racism and that of discrimination in the United States. His message to the Howard University graduates merits thoughtful consideration by us all.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JOHN SHERMAN COOPER AT THE COMMENCEMENT EXERCISES OF HOWARD UNIVERSITY, WASHINGTON, D. C., JUNE 6, 1958

In thinking about what might be appropriate for this occasion, I find my guide in the feeling that lies, I am sure, in your hearts. It is, I know, a feeling of pride in the various achievements—by students, parents, and teachers alike—which receive their recognition in this graduation ceremony. It is a feeling of hope for the future—of looking forward to the part each of you may play in events to come. It is also a feeling of sadness that a stage of life has passed, that farewells must be made to familiar things, and that the ground must now be cleared for new adventures whose outlines are not yet clear.

I am sure that what I shall say today has been said many times. But I place my reliance on one thing. It is the hope that the poignancy of the hour itself may give new meaning to old themes and values of which I shall speak.

Young women and young men have always stood where you stand today. The transition from the role of student to that of full participation in life has been, in all times, difficult. And certainly, the time and circumstances of our day do not make it easier for you.

For ours is a day of both external and internal danger—dangers which at times will cause doubts and questionings about the validity of your education, and the basis of life itself. It may seem at times that forces beyond your control shape your lives—threats of war, the pace of scientific development, and the failure of our Nation to match the pace of science with full social justice for all its people.

These forces may intrude on your plans for a career, and for the enlargement of life itself. Worse, they could induce a will to live from day to day, without purpose, since the future seems uncertain.

I do not believe this graduating class will succumb to any defeatist attitude. I would have it remember that the greatest badge of courage goes to those who are aware of danger, but who nevertheless affirm the continuity of life and experience in the midst of danger.

The common lot of the human race to which you must bring your education, your culture and character, your enthusiasm, has the form of a paradox.

On the one side a radical new technology and scientific advancement is on the march everywhere, with the promise of lifting from mankind the oppressive weight of poverty and disease. On the other side, that same technology has created weapons of violence with no apparent limit to their range of destructiveness.

We know that, for all practical purposes, the United States and the Soviet Union possess the means to destroy each other. This condition of nuclear danger and deterrence has become a central fact with which we must live.

The continuing peril of war stands in opposition to what we, as Americans, had hoped would come into being after every war. The deep longing of our people is for peace and freedom. We have believed that the conduct of nations must be based upon recognized world standards, derived from ethical principles, if there is to be peace and justice for the peoples of the world.

What we believe many millions of men and women in the world also believe. Yet the external difficulty of our time is that the world standards we affirm, the leaders of the world under Communist control reject. The world impasse arises from a difference in ethical values, and in the choice of standards, and so the danger that confronts us on the international scene will likely continue to confront us for many years.

As long as this danger continues, and as the character of war becomes more destructive and horrendous, the responsibility of the United States for finding means of keeping the peace—with justice—and of advancing the cause of freedom, becomes more compelling.

These tasks are not the tasks of our Government alone; they are your tasks—my tasks—a constant challenge to the responsibility of the American people.

Our first duty is to maintain military strength essential to protect our Nation and to prevent aggression. I have no doubt that we will meet this responsibility.

But even when we have done this, our basic disagreements with the Soviet Union—which are disagreements about the nature of freedom—will remain unsolved. Our purposes are a just solution of these differences—true disarmament and a world of sovereign and free nations—dominated neither by the Soviet Union, the United States, nor any other nation.

Standing alone, we have little capacity to affect the beliefs or the action of the Soviet leaders. Therefore it seems to me that in the long run the task of the United States is to do its full part, to hold free and democratic countries together. And certainly a part of this task is to assist the developing and free countries of the world—in Asia, Africa, the Middle East, and, yes, Latin America, who comprise one-third of the population of the world.

We must be aware of the fact that both the United States and the Soviet Union are attempting to alter the balance of world power, and certainly it is the intention of the United States, without resort to force. The ability of the majority of the world's people to remain free and independent, and to be able to exert their influence for disarmament, for a just solution of the world's problems, and for democratic values, will affect our own security for years, and the fate of freedom in the world.

We have been obsessed at times since World War II with the counterdrive of communism, which has been relentless against individual freedom and subversive of the sovereignty of independent nations. There have been times, in fact, when we have seemed to fear that this countermovement might destroy the very spirit, the freedom-loving instinct of man. Yet we have seen in Poland, Hungary, and other dominated countries, a people willing to challenge cruelty and coercion, and the denial of thought and expression. And one of the most significant movements of all history has been the powerful drive for independence which has swept across Asia, Africa, and the Middle East since World War II.

We cannot assume, however, that this trend will continue, or that all of these countries will maintain their independence. Unfortunately, freedom is not inevitable, or its spirit uniformly irresistible. President Eisenhower, in a recent address, recalled the wise observation of Justice Oliver Wendell Holmes. "The irresistible," he said, "comes to pass through effort."

I would like to address myself for a few moments to a problem involving our relations, and our ability to influence democratically the newly independent and developing countries of the world. It is a problem inextricably bound with the issue of freedom in the United States.

It is a happy fact that the great number of the countries which have broken the ties of colonialism or tyranny, have chosen the institutions of Western democracy. Yet, the primary fact of political life in these countries is the compulsion for economic advancement and equality in the world. Man does not live by bread alone we say. We believe deeply and rightly that freedom is primary, but for the impoverished people of the world there must be bread with freedom, if freedom is to last or have real meaning. And the great danger to democracy is, that if the democratic governments of the underdeveloped world fail to secure the economic advancement of their people, they will lose their support.

It is necessary that the United States, the richest and most industrialized country in the world, give its aid, whether by loan or grants or trade, to reduce the unbalance of opportunity and living standards in the world. And our sense of humanity and justice dictate our responsibility as a favored nation to do this. And from the standpoint of our own self-interest, if we withdraw from economic competition with Russia, we will find ourselves isolated at last from a majority of the world's people.

It is an indisputable fact that the United States has given its support to nations seeking independence. It is a fact, that more than any other nation in the world, we have given of our means to help other countries and their peoples.

The deep longing of the people of our country is for peace and freedom. In the past decade of crises we believe that we have given again and again to the world concrete proof of the sincerity of our purposes. Yet it is one of the ironies of this decade that every effort we have made brings with it a host of new difficulties and misunderstandings. It is true that money, aid, and even trade will not buy friends. The recent outburst of anti-Americanism in South America and the Middle East and even in Europe give new proof of this fact that we have known.

There are many reasons which might be accurately ascribed as reasons for the misunderstandings or the dislike of our policies in other countries. Trade restrictions, a debtor-creditor status, the transfer of the resentments of peoples against their own leaders to our rich country may be cited. But today I will speak of a fact which I think is more fundamental, and which will cause our country lasting trouble until it is corrected.

There are two basic points which bear critically upon our association and influence with these countries. They are the issues of colonialism and racial discrimination. For their elimination is a major policy objective in every country in Asia, in Africa, and Latin America.

Gandhi said: "There is no such thing as slow freedom. Freedom is like a birth. Until we are free we are slaves. All birth takes place in a moment."

There is, as I know you will see, a parallel between the international issues of colonialism and racism, and the issue of discrimination in our own country. We must practice freedom at home, if we are to have influence in its growth in other countries.

The United States has given the promise of freedom and equality to every one of its people. We must keep the promise of freedom at home, if we are to influence its growth in other countries.

Today, the face which we turn to the world is blemished by denials of full freedom, because of color and religious belief.

And as we look honestly at ourselves, we are humbled by our failures to make this truly a land of the free for all our people. Not only our standing before the other nations, but our internal strength and unity, the justice of our institutions, and the integrity of our religious faith depend upon how we deal with these human questions here at home in the years ahead.

For students graduating into the fullness of civic responsibility, for public officials with the duty to uphold our laws and promote the best in American life, and for every citizen, this is one of the most important parts of our society's unfinished business.

I take confidence—as I hope you do too—that our country is moving, however slowly, in the right direction on the question of civil rights.

Historic court decisions have ruled that segregation in public schools, in public transportation and in public recreation facilities deny the constitutional guaranty of equal protection of the laws and is illegal.

Many States, cities, and peoples are moving to end racial and religious discrimination in various phases of community life.

And we in Congress are gratified that after long years of effort, in 1957 we finally passed a civil rights measure which, though inadequate, did establish a Commission for basic studies and recommendations, did give new stature to the civil rights work in the Department of Justice, and—most important—helps protect the right to vote.

We recount these gains, however, not to foster complacency, but to renew our faith and confidence that we can move ahead.

There is yet defiance and resistance to the orders of the highest Court in the land. This dilemma demands of us all sober reflection and resolute action. The crisis is first of all a constitutional one: shall the principles of equal justice set forth in our Constitution, as interpreted by the courts, be adhered to even when they fly in the face of long-hallowed, but discriminatory, customs and practices?

To this question there can be only one answer, if we are to maintain the structure of law and order upon which our society is based. Unless and until the Constitution is altered by the procedures within the Constitution itself, it is the duty of all to adhere to it, to honor it, and to defend it. And this is a duty which every citizen, including every public official, must recognize, support, and enforce.

Our crisis, in the second place is one of ethics. At the root of our religious beliefs, is the principle of the dignity and worth of every individual human being. And from this faith and our reliance upon a supreme power we derive our concepts of justice, brotherhood and mercy. Can we in good conscience permit our practices to continue when in so many cases they deny our religious principles? Again, the answer is clear. Our faith without works, to quote the ancient writings, is dead. We must live our beliefs, or see the fundamental moral basis of our life eroded by the failure of our practices.

If the world is looking to us as the prime example of freedom, then let us give it an example that is worthy of that ideal. We should do this not alone because we know that if we fail, the tyranny to which peoples may turn will destroy all that we hold dear. We do this chiefly because we know in our hearts it is right, and that justice, as well as peace in the world, will be advanced if America truly lives up to its promise of freedom, and equality of opportunity.

But finally I have hope. For I do not believe that America, standing at the summit of world power, will lose the faith it had when it was once only a handful of people, dwelling in a wilderness, yet daring to think and act in such great terms, that it gave a new turn to the whole of human history. Our job once again, as George Washington put it, is to raise a standard to which the good and the wise can repair.

It is the duty of the members of this class to seek for themselves and their families in work and education, and play, the best and happiest of life.

But I do remind you there are other satisfying and necessary standards to raise. You can make your sacrifices for peace and freedom. You can put your best thoughts to work in enlarging not only the quantity of the educational resources available in this country, but their quality as well. You can put your best thoughts to work in removing the last vestiges of inequality in this country that are manmade.

In striking out on its own, this graduating class might bear in mind that a famous teacher once said that culture is cultivated in solitude, while character is formed in the struggle of life. It may be argued that the history of mankind bears him out. For our science, our art, our literature, our music, and philosophy—all that enriches our civilization—have required at times the work of lonely people, people who have withdrawn for a while from the crowd, to impress their thoughts on the formless things that later became the truths of the world.

But, while culture may be enriched in solitude, the character of the human person is most fully formed by contact, and sometimes in direct conflict, with the forces that make a community. For one cannot speak in moral terms of a person as being good when he has never known temptation and mastered it. One cannot speak of a person as being just, who has never been asked to disentangle the mixed way in which good and evil often appear, and to judge fairly between them. One cannot speak of a person as being heroic who has never been asked to sacrifice something of his own for his neighbor. The things by which your character will be tested, formed, and judged can only be known when you have lived to the fullest in the community of men and women.

Yet culture and character do not belong to different worlds, or have different purposes, though they are formed in different ways. They belong to the same world where they are joined by a bridge. It is a bridge of enthusiasm—not the enthusiasm which flares for a new fad and then ebbs. It is an enthusiasm for wanting to grow, to learn, to work, to bestow upon others, upon mankind, the highest gifts of which you are capable.

Do not stand back from life but enter it fully and bravely, giving to the hope of better things, your constant growth and deepest faith.

For the fight for peace, for justice, for good, is an eternal one. It has its setbacks, much like the waves that shatter themselves and then recoil from their contest with a rocky shore. But it has also a tidal flow which quietly lifts the water level above the rocks. Do not doubt that this tidal flow of hope for better things is still with you.

This graduating class, like those who have come before it, has been taught at this university true values. It has been taught to respect all that is best in scholarship, in character and religion. It has been taught that from the spirit and from your deepest convictions that you draw faith for life. It will be further strengthened and strengthened again as you return to its source.

"Not by might, nor by power, but by my spirit, saith the Lord of hosts."

All this has been the object of your education. Be faithful to it in the years that lie ahead. And you will be the agents of the good fortune that all of us here—your parents, your teachers, and your guests—wish you with all our hearts.

Remarks of Senator Charles E. Potter, of Michigan, on the Occasion of Rumanian Independence Day

EXTENSION OF REMARKS
OF
HON. ALVIN M. BENTLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. BENTLEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I wish to include the remarks of Senator CHARLES E. POTTER, of Michigan, on the occasion of Rumanian Independence Day, Saturday evening, May 24, 1958, at the International Institute in Detroit, Mich.:

REMARKS OF SENATOR CHARLES E. POTTER, REPUBLICAN, OF MICHIGAN, ON THE OCCASION OF RUMANIAN INDEPENDENCE DAY, SATURDAY EVENING, MAY 24, 1958, INTERNATIONAL INSTITUTE, DETROIT, MICH.

The history of the world contains many moments of which we are not proud.

Man's inhumanity to man is painful to remember and we tend to want to move these unfortunate chapters into the background.

But when episodes shocking to man's reason, intelligence, and better instincts continue to happen, we must cry out against them. We must do so for the sake of those men and women who suffer and for the sake of the entire Free World.

Rumania continues under the heel of the Soviet dictatorship.

I take the occasion of this May 24 of 1958, on which we observe the independence day of a great nation, to note another unsupportable act by the Soviet against the Rumanian people.

This year, Russia with utter callousness and disregard for the feelings of the Rumanians, forced them to observe—not May 10, which they had chosen, but May 9, which was officially called the day of Russia's final victory over Germany.

This is right down the line with the whole policy of the Soviet—to yank out from the body politic of a country all the things which make the life of the people richer, deeper, more rewarding. This artificial changing of a national holiday and the imposition of one of Russia's choosing may seem a small thing in the long history of the human race, but it is not.

It is symbolic of a system of government which believes that man can live by bread alone, and unfortunately for the Rumanians and other captive nations of central Europe, not too much of that.

Of course, the Rumanian people celebrate in their hearts the day which they themselves have chosen. They reflected on May 10 of 1866 when the principalities of Wallachia and Moldavia were united to from the principality of Rumania. They thought of the May 10, 10 years later when the principality of Rumania proclaimed its independence of Turkish rule, and the May 10 of 1881, when the country was proclaimed a kingdom and Prince Charles I King of Rumania.

Now, in the year 1958, the Soviet has taken upon itself to alter a great chapter of history by changing the date. Certainly this does not go unnoticed by the Free World.

I therefore take this occasion to add a personal protest to this treatment of captive peoples. I know I am joined not only by the Members of this body, but by Americans of Rumanian descent, and all Americans who love the tradition of freedom.

Trade Agreement Extension

EXTENSION OF REMARKS
OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. REED. Mr. Speaker, the House of Representatives is presently engaged in consideration of important legislation affecting the tariff and trade policy of our Nation. The debate is essentially concerned with two legislative proposals, viz, H. R. 12591 and H. R. 12676. The latter bill was introduced by my distinguished colleague and close friend, the Honorable RICHARD M. SIMPSON of Pennsylvania. It will be that bill in substance which will constitute the motion that will be made to substitute an amendment for the bill as reported by the Committee on Ways and Means. Several other distinguished Members of the House have joined as cosponsors of this legislation. So that the membership of the House may have the benefit of a comparative analysis of the two legislative proposals that are pending, I will include as a part of my remarks at this point a comparison of H. R. 12591 and H. R. 12676:

COMPARISON OF H. R. 12591 AND H. R. 12676

H. R. 12591	H. R. 12676
EXTENSION OF THE PRESIDENT'S AUTHORITY	
The President's authority to reduce tariffs by entering into trade agreements is extended for 5 years, that is, from June 30, 1958, to June 30, 1963. Previous extensions have never exceeded 3 years. Any agreement concluded before June 30, 1963, can be made effective at any time after that date. Thus the tariff-reducing effectiveness of the bill is unlimited in time.	The President's authority to reduce tariffs by entering into trade agreements is extended for 2 years, that is, from June 30, 1958, to June 30, 1960. Concessions negotiated under this extension must be made initially effective during this period. The effect is to continue the provisions of the Extension Act of 1955 for an additional 2 years.
CHANGES IN THE PRESIDENT'S AUTHORITY TO DECREASE RATES OF DUTY	
The President is authorized to decrease rates of duty in effect July 1, 1958, in whichever of three ways that permits the greatest reduction in duty: 1. By not more than 25 percent. The reduction in any 12-month period is limited to 10 percent of base rate. This feature was in the 1955 extension, but the permissible limit of total reduction was 15 percent, and the annual reduction limit was 5 percent.	The bill does not change the President's 1955 act authority to decrease rates of duty, which is twofold: 1. By 15 percent below the rate existing on January 1, 1955, in annual cuts of no more than 5 percent.
2. By not more than 2 percentage points. The reduction in any 12-month period is limited to one percentage point ad valorem. For present rates of less than 8 percent ad valorem, the effect of this alternative is to permit duty reductions greater than 25 percent. This feature has not been in previous extensions.	2. Down to 50 percent ad valorem for any rate higher than that during a period determined by the President to be representative. Only one-third of any such reduction can be made initially effective, and a year must elapse between such thirds. In effect, the bill would permit reductions during the 2-year life of the extension on any item not reduced to the full extent permitted in the 1955–58 period. It is estimated that nearly 80 percent of United States dutiable items went untouched by agreements negotiated during that period.
3. In the case of existing rates which are higher than 50 percent ad valorem, to not less than 50 percent ad valorem or its equivalent. The reduction in any 12-month period is limited to one-third of the total permissible reduction. This feature was in the 1955 extension. The effect of the bill would be to open all present rates to reduction, whether or not they had been reduced many times before.	
EXTENT OF THE PRESIDENT'S AUTHORITY TO INCREASE RATES OF DUTY	
The base date for the President's authority to increase, up to 50 percent, individual rates of duty through trade agreements is shifted from January 1, 1945, to July 1, 1934. The effect is to permit increases, up to 50 percent, in the actual ad valorem, specific, and compound rates in existence on July 1, 1934. The President is also authorized, in escape-clause cases, to impose duties up to 50 percent on imports currently free of duty. This is a departure from present legislative prohibition of executive transfer of items between the free and dutiable schedules. The purpose of these provisions, according to the committee report, is "to permit domestic industries sustaining serious injury from import competition to be protected by means of increased duties rather than by the imposition of import quotas. * * *"	The base date for the President's authority to increase, up to 50 percent, individual rates of duty through trade agreements is shifted from January 1, 1945, to July 1, 1934. For ad valorem duties, this means applying the increase to the rate existing on the latter date. For specific duties (and the specific portion of compound duties), a special provision is included. Instead of using the rate actually existing on that date, the ad valorem equivalent on that date is used as the base for the increase. The purpose is to permit the increases in specific duties to match the inflated prices of imports. Ad valorem duties, being linked to value, automatically keep step with inflated prices.
THE NEGOTIATING PROCEDURES	
The bill declares it "to be the sense of the Congress" that the President, during preliminaries to trade-agreement negotiations, "should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor." According to the committee report, this	The bill spells out peril-point procedures, replacing the general directive now in the law. Its effect is to change the current practice by transferring the preliminary functions from the interdepartmental committee under the direction of the State Department to the Tariff Commission.

H. R. 12591 H. R. 12676

provision merely records the view of Congress that a present practice "be continued and appropriately broadened."

The President, before starting negotiations, must notify the Commission that he has found as a fact that existing United States or foreign duties or other import restrictions "are unduly burdening or restricting the foreign trade of the United States" and that he intends to negotiate a trade agreement.

The Commission thereupon prepares and publishes a preliminary list of imported articles which the President may consider as subjects of possible concessions. This list must include all articles on which the Commission considers that existing duties or import restrictions are inadequate to prevent injury to American industry. The Commission will then investigate each article on the list to determine peril points, both as to modifications in rates or quotas that can safely be made, and whether increases in duties or additional restrictions are necessary. The Commission may add or delete articles.

During the investigations the Commission must hold public hearings, on 60 days' notice. The Commission must request from the foreign country which is the principal supplier of each listed article "information concerning estimated or approximate cost of production, prices, and other relevant economic data pertaining to competition of imports of such article in the domestic market." If the foreign country does not respond, the Commission must omit the pertinent article from the final list. The final list must be published. The peril-point finding must be sent to the President within a year from the publication of the preliminary list. The President is then free to negotiate concessions on any item on the list. However, if such a concession fails to comply with the peril points set by the Commission it cannot become effective unless Congress enacts approval.

THE PERIL POINT PROVISIONS

The provisions of existing law are amended by extending from 120 days to 6 months the period which the Tariff Commission has to complete its peril-point reports on items being considered for trade agreement negotiations. The bill also requires the Commission automatically to institute an escape clause investigation whenever, in a peril-point investigation, it finds that an increase in duty or additional import restriction is required to avoid serious injury to the domestic industry.

The bill introduces into the law specific peril-point criteria, which the Commission must consider, as follows:

"(1) The estimated or approximate cost of producing such article in the foreign country which is the principal supplier (in imports into the United States) of such article, as compared with the estimated or approximate cost of producing like or directly competitive articles in the United States.

"(2) The estimated or approximate average price, converted into currency of the United States, at which the foreign article is sold at wholesale in the principal supplying country as compared with the estimated or approximate average price of like or directly competitive domestic articles when sold at wholesale in the markets of the United States, during the last calendar year preceding such investigation. In the event that the Commission finds it impracticable to determine such estimated or approximate average foreign price the Commission shall consider the average invoice price of imports of such article during the last calendar year preceding such investigation as the average foreign price for comparison with the domestic price.

"(3) Other economic data which the Commission considers relevant to the relative competitive status of the imported article with the like or directly competitive domestic article in the domestic market, and the effect of such competitive status on the likelihood of serious injury, or threat thereof, to the domestic industry producing like or directly competitive articles."

THE ESCAPE CLAUSE PROVISION

Language is added to the escape-clause provision of existing law making it clear that organizations or groups of employees can file an escape clause application. Another provision clothes the Tariff Commission with power to subpena persons and records in connection with escape-clause applications. The period in which the Commission must investigate and report on escape-clause applications is reduced from 9 to 6 months.

The period in which the Tariff Commission must investigate and report on escape-clause applications is reduced from 9 to 6 months.

The bill specifically directs the Commission to recommend quotas as a means of escape-clause relief whenever a maximum permissible increase in duty will not remedy the injury situation. The Commission may choose among "tariff quotas or absolute quotas, including seasonal quotas of either kind, such quotas to be subject to such allocation among countries of origin as the Commission may direct."

H. R. 12591 H. R. 12676

CONGRESSIONAL ACTION IN ESCAPE CLAUSE CASES

The bill continues the present authority of the President to proclaim or reject escape clause recommendations made by the Tariff Commission. It adds an elaborate method whereby Congress can make effective the Commission's recommendations despite the President's disapproval. The House and Senate, within 60 days, must pass "by the yeas and nays by a two-thirds vote of each House * * * a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary." The rules of the Senate and House are amended, but "with full recognition of the constitutional right of either House to change such rules," so as to permit consideration of the resolution. "Resolution" is defined to mean a concurrent resolution in the exact language spelled out in the bill. Provision is made for such a resolution to be referred to the Committee on Finance of the Senate and the Committee on Ways and Means of the House. If a committee fails to report a resolution in 10 days, it is "in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee." Such a motion may be made only by a person favoring the resolution and "shall be highly privileged." Debate on the motion is limited to 1 hour, equally divided between proponents and opponents of the resolution. No amendment is in order, nor any move to reconsider the vote on the motion. The motion, once voted on, cannot be renewed, nor another motion made on the same resolution.

When a committee has reported a resolution, a motion to proceed to its consideration is in order. It is to be "highly privileged" and not debatable. No amendment is in order, nor any motion to reconsider a vote thereon.

Debate on the resolution is limited to 10 hours, equally divided between proponents and opponents. A motion to further limit debate is not debatable. No amendment, or motion to recommit, or motion to reconsider a vote on the resolution is in order.

Motions to postpone the discharge from committee, or consideration of a resolution, and all motions to proceed to the consideration of other business shall be decided without debate. All appeals from decisions of the Chair on application of these rules shall be decided without debate.

If one House passes a resolution before the other House has referred a similar resolution to its committee, "no other resolution with respect to the same investigation may be reported or * * * be made the subject of a motion to discharge."

If one House passes a resolution while the other House is considering a similar resolution in committee, the procedure shall be the same as if no resolution had been passed, but in any final vote of the second House the passed resolution shall be substituted.

The bill changes the authority under which the President, in his own discretion alone, may proclaim or reject the Tariff Commission's escape-clause recommendations for relief. The Commission report goes to the Congress and to the President. The President can proclaim the recommended relief. If he wishes to do otherwise, then, within 30 days, he advises Congress of his wishes. Congress, within 60 days, may enact a law approving the President's request. If not, at the end of that period, the President must proclaim the recommended relief.

If Congress is not in session for a full 60 days after receiving the President's report, the Commission's recommendations are provisionally proclaimed until Congress has a 60-day period in which to consider the President's request.

THE NATIONAL SECURITY AMENDMENT

The bill changes provisions of present law whereby the Director of the Office of Defense Mobilization and the President share in determining the effects and proposing possible relief in cases where imports may be adversely affecting the national security of the United States. The present objective, to avoid a threat to "domestic production needed for projected national defense requirements," is replaced by an objective to avoid a threat to "impair the national security."

The bill introduces investigatory procedures into the law by requiring that an immediate investigation be made by the Director of ODM on his own motion or on the request of the head of any department or agency or on application of an interested party.

The bill eliminates the double investigation by ODM and the President under present law, and requires only the ODM investigation, with consultation with appropriate departments and agencies. The Director's report is to go promptly to the President, who, if he agrees, shall act "for such time,

The bill changes provisions of present law whereby the Director of the Office of Defense Mobilization and the President share in determining the effects and proposing possible relief in cases where imports may be adversely affecting the national security of the United States. The present objective to avoid a threat to "domestic production needed for projected national defense requirements" remains unchanged.

The bill introduces investigatory procedures into the law by requiring that the Director of the Office of Defense Mobilization shall promptly make an investigation, upon the request of the President, upon resolution of either House of Congress, or either the Senate Finance or the House Ways and Means Committee, upon application of an interested party, or on his own motion.

The bill eliminates the double investigation by ODM and the President under present law, and requires only the ODM investigation, in the course of which he shall hold public hearings. The Director's report is to go to the President, within 3 months. If the President agrees

H. R. 12591

as he deems necessary" to adjust the imports of the offending article so that the national security will not be impaired.

The bill adds criteria for the Director's and the President's determinations. It provides that they "shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national-defense requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements."

The bill requires a published report on the disposition of each case. The Director is to publish procedural regulations implementing the bill's investigatory directives. He also, "with the advice and consultation of other appropriate departments and agencies" and with the President's approval, shall by February 1, 1959, report to Congress on the administration of these provisions. The report is to include an analysis of "the nature of projected national-defense requirements, the character of emergencies that may give rise to such requirements, the manner in which the capacity of the economy to satisfy such requirements can be judged, the alternative means of assuring such capacity, and related matters."

H. R. 12676

that imports of an article are threatening the national security, he shall, within 30 days of the ODM report, do either or both of the following:

A. Increase the duty by 50 percent of the rate (or, in the case of a specific duty, of the ad valorem equivalent of the rate) in effect on July 1, 1934. Such an increase may be reduced for any countries of origin "in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the product may be transported to the United States with relative safety."

B. Impose a quota reducing imports of the offending article to 25 percent or more below the average level of the most recent 3-year period before the quota attaches. The President may allocate such quota among countries of origin to effect the purposes quoted in the previous paragraph A.

The President may proclaim a lesser rate of duty or a larger quota than the above if "he finds and so certifies to Congress" that the requirements of A or B "would impair the availability of materials determined to be essential to the defense of the United States."

The bill adds criteria for the Director's and the President's determinations. It provides that they "shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national-security requirements."

SECTION 22 OF THE AGRICULTURAL ADJUSTMENT ACT

The bill provides for more direct and faster relief procedures under section 22 of the Agricultural Adjustment Act than are provided under present law. Instead of having to obtain preliminary Presidential intercedence, as at present, the bill permits the Secretary of Agriculture, the Senate Finance Committee or the House Ways and Means Committee, or any interested party to initiate a Tariff Commission investigation as to whether "any article or articles are being or are practically certain to be imported" so as to "render ineffective, or materially interfere with or to materially increase the cost of" any Government agricultural program. The Commission is to report in 6 months. If it reports such interference, then the President must impose such fees, up to 50 percent ad valorem, or such quotas as to remedy the condition.

Such a quota cannot limit imports of the article to less than 50 percent of imports of it during a representative period, as determined by the Commission, except that "whenever a condition exists requiring special treatment" the President, on recommendation of the Secretary of Agriculture, may impose such further limitations as he deems necessary. The Commission or the President may describe the imported articles by physical qualities, value or use or other basis, in designations broad enough to prevent evasion.

If the Secretary reports a condition "requiring emergency treatment" the President must act without a Tariff Commission report. The President may suspend, terminate, or modify any proclamation if the Commission so recommends.

In the case of perishable commodities, the bill sharpens procedures by requiring that, when an interested party applies for emergency treatment, and the Secretary of Agriculture fails, within 15 days, to certify to the Commission that the commodity is not perishable, the Commission will make an immediate investigation and a report to the President. The President then must act no later than 60 days following the application.

GATT CAVEAT

The customary statement is included that enactment of the bill is not to be construed as Congressional approval or disapproval of the General Agreement on Tariffs and Trade.

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Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of June 7, 1958:

WASHINGTON REPORT BY CONGRESSMAN BRUCE ALGER, FIFTH DISTRICT OF TEXAS

The peaceful exploration of outer space was the subject of a concurrent resolution of the House and Senate. Though in the nature of wishful thinking and contradictory to military preparations, this resolution expressed our Nation's intention not to lose sight of our eternal goal of peace. Following this resolution was the National Aeronautics and Outer Space Act of 1958 creating a civilian agency to provide research into problems of flight within and outside the earth's atmosphere. The National Aeronautics and Space Administration will be headed by a civilian administrator aided by a 17-member advisory committee for the study of astronautics, space travel outside the earth's atmosphere. There was no opposition to this act implementing the President's April message to Congress.

The Defense appropriation bill for fiscal 1959 bridged the gap between the idealism of the concurrent space resolution for peaceful use of space and the stark realities of necessary military preparedness in being. The military expenditures are embodied in 7 volumes and 5,200 pages of printed hearings, a 45-page bill, and an 81-page report (almost impossible to summarize this briefly). The $38,409 million, over half the Government's total spending, is approximately $3,910 million more than last year's expenditures. The year's total expenditures will be about $40,500 million, while total availability for expenditures will be about $73,000 million (considering carryover money from earlier appropriations). Actual spending, allowing for increased pay and inflation (estimated at approximately 3 percent) will be about the same as last year. The shift of emphasis continues to rocketry and advanced weapons. Ballistics missiles, antimissile missiles, atomic weapons (ground-to-air, air-to-air, air-to-ground) are replacing more conventional weapons. Jet engines, supersonic, nuclear, replace their earlier and outdated counterparts.

A thumbnail sketch of the bill would be: A bill to provide for numerically smaller but more powerful and better equipped military forces, with particular emphasis on the development and production of ballistic missiles, ballistic missile submarines, ballistic missile detection and defense, the further dispersal of the retaliatory forces and the improvement of their alert status, modernization of the early warning system, outer space projects and basic research. As Secretary McElroy said, "We are moving rapidly into a period of increasing danger * * * the inevitable consequence of the explosive progress in science and technology which is making available a succession of weapons of ever-increasing destructiveness and speed of delivery." Since we concede the opponent the privilege of striking the first blow, can our counteroffensive crush the enemy? Yes; we can retaliate devastatingly. But, recognizing the total destructiveness of a nuclear attack, have we reached a point where we can concede the first blow to the enemy and meaningfully win a counterattack? Would our country be totally destroyed by such an initial nuclear attack, even if our counterattack succeeded—like two boxers connecting simultaneously? Obviously, our warning systems must give us advance warning—and our research programs must be ahead of the enemy's. On the selection of the right weapons, replacing the outdated, rests our security. Quality, not quantity, is foremost. God grant that our determination and judgment will result in outdistancing the enemy. War even now with weapons on hand could virtually destroy life on this planet. And the weapon development technology is accelerating (with countermeasures a step behind) as we stand on the verge of space travel. It's enough to shake human comprehension. We'd better not forget our prayers just now. We'd better remember, too, that a strong economy is the basis for a strong defense in a free nation.

The Tax Rate Extension Act of 1958 was a bittersweet legislative potion. This act extends the Korean-imposed taxes (corporate 47 to 52 percent—and certain excise taxes) for another year. The absolute need of assuring Government income in the face of a 1958 deficit of $3 billion and 1959 deficit of $11 billion won out over the desire to cut taxes, dear to the hearts of most Members. The determination to maintain a sound currency, through prevention of inflation, caused many fiscally responsible Members to vote for the extension of these taxes. Some Members still demagog, which is defined here as being for all appropriations and against every tax. We realize again that the way to a tax cut is through first reducing Government spending. It's time the public looked at Congressional voting records to see which Congressmen are running up the taxpayers' bills.

President Eisenhower looks better than ever, which I observed during a lengthy breakfast at the White House. He recognizes the just concern of some of us in granting a 5-year extension of reciprocal trade without more effective escape-clause protection of industry injured by foreign competition.

Congressman Joe L. Evins and Gov. Frank G. Clement of Tennessee Receive Honors

EXTENSION OF REMARKS
OF
HON. ROSS BASS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. BASS of Tennessee. Mr. Speaker, this past Saturday, June 7, one of the South's great educational institutions, Cumberland University at Lebanon, Tenn., bestowed the degree of doctor of laws on one of our esteemed colleagues and friends, the Honorable JOE L. EVINS. The university also thus honored the distinguished Governor of the State of Tennessee, the Honorable Frank G. Clement. On that same occasion our distinguished colleague, JOE EVINS, delivered the commencement address. Under leave granted, I include the text of the address and the citations of the Honorable JOE L. EVINS, and Gov. Frank G. Clement in the CONGRESSIONAL RECORD:

CITATION: JOE L. EVINS

JOE L. EVINS, Cumberland University recognizes the following facts:

That you were born in De Kalb County, Tenn., and received your education in the public schools of De Kalb County, Tenn., and at Vanderbilt University; and that you were graduated from the School of Law of Cumberland University in 1934, receiving the bachelor of laws degree. That you were admitted to the Tennessee bar in 1934 and engaged in the general practice of law in Smithville, Tenn. That you obtained further postgraduate education at George Washington University. That you were attorney and secretary to the Federal Trade Commission. That you served in the Army for 4 years during World War II, 2 years being overseas duty in England, France, and Germany, and that you were discharged from the Army with the rank of major. That after the war you began your distinguished political career as chairman of the De Kalb County Democratic Executive Committee. That in 1946 you were elected to the 80th Congress as a Representative of the Fourth Congressional District of Tennessee, and that you were reelected to serve your District in the 81st, 82d, 83d, and the 84th Congresses. That you are continuing to serve your constituency in that capacity, and that you are now a member of the important Committee on Appropriations. That your record of membership and service in numerous professional, civic, social, fraternal, and religious organizations is impressive.

Your alma mater, with solemn pride, has taken notice of these many accomplishments in your Christian life, of your integrity, of your character, and of the signal service that you have rendered to your fellow man and to the Nation. Now, therefore, in recognition of these distinguished services and by the authority invested in me by the State of Tennessee and the board of trustees of Cumberland University, I confer upon you the degree of doctor of laws, with all the rights and privileges appertaining thereto.

CHARLES B. HAVENS,
President.

CITATION: FRANK G. CLEMENT

Frank G. Clement, Cumberland University recognizes the following facts:

That you were born in Dickson, Tenn., and attended the public schools of Dickson and were graduated with honors from the Dickson City High School at the age of 16. That you spent 2 years in the College of Arts and Science at Cumberland University and transferred to Vanderbilt University School of Law where you were graduated with the bachelor of laws degree in 1942. That you were admitted to the Tennessee bar in 1941, and following graduation from law school you served as a special agent with the Federal Bureau of Investigation until you entered military service in 1943. That during your Army career you rose to the rank of first lieutenant as the youngest company commander in your brigade. That upon being discharged from the Army in 1946 you returned to Dickson to enter the private practice of law. That during the same year you were named general counsel for the Tennessee Railroad and Public Utilities Commission, the youngest man in the history of that office. That, having served with this commission 4 years, you resigned to reenter the private practice of law with your father, and that, until you took office as Governor you maintained joint offices with your father in Dickson and in Nashville. That in 1953 you were elected to the office of Governor of the State of Tennessee, and that you have had a strong voice in the shaping of the legislation of the State since that time. That in addition to your distinguished career as Governor you have received recognition in many areas of civic, social, and religious service such as being named the Outstanding Young Man in Tennessee in 1948 by the junior chamber of commerce and the subsequent honor of

being named one of the Nation's 10 outstanding young men by the United States Chamber of Commerce in 1953.

Your alma mater, with solemn pride, has taken notice of these and the numerous other accomplishments of your exemplary life, and of your remarkable fidelity to this institution and of your willingness to serve and to befriend it, as well as you have served the people of your State and Nation. Now, therefore, in recognition of these distinguished services and by the authority invested in me by the State of Tennessee and the board of trustees of Cumberland University I confer upon you the degree of doctor of laws with all the rights and privileges appertaining thereto.

CHARLES B. HAVENS,
President.

REMARKS AT GRADUATING EXERCISES OF CUMBERLAND UNIVERSITY, BY JOE L. EVINS, MEMBER OF CONGRESS, JUNE 7, 1958

President Havens, President-elect Stockton, Governor Clement, other distinguished guests, members of the faculty, graduating class of 1958, ladies, gentlemen, and friends, certainly I am pleased and delighted to be present on this very significant occasion.

I am greatly honored by the invitation to speak to the members of the graduating class of Cumberland University and to participate in your graduating exercises.

To be invited to deliver the commencement address at one's own alma mater is one of the highest compliments that one can receive.

This year I recognize that it was just 24 years ago that I sat where you are today—as a hopeful graduate of Cumberland Law School. I had no idea that a couple of score years later I would have the privilege of speaking to the graduating class of Cumberland—my own school. So I deem it a special pleasure to come back to Cumberland and to have the privilege of speaking to you today.

This is an especially happy occasion for the 34 graduates—21, I believe, of the law school and 13 academic graduates—those of you who wear the cap and gown this morning—the class of 1958.

Life offers many varieties of happiness and I am sure that you of the graduating class are enjoying one of the most satisfying and enriching of life's experiences—the sense of achievement which comes from knowing that, through years of work and effort, you have arrived at a long-sought goal and realized a noble ambition. Yours is an achievement which sets you apart as outstanding among our citizens.

To each of you I offer my most sincere and hearty congratulations. I salute you. I know that I bespeak the thought, the sentiments, and expressions of everyone present—your parents, the faculty, and friends, and all who share a pride in your success and achievements.

Indeed, I should add the congratulations of all the citizens of our beloved State—the State of Tennessee—who annually take great pride in the educational advancement of her citizens.

Cumberland University today reaches another milestone in its glorious history, now in its second century of service to our State and Nation.

Since its founding 146 years ago, no institution of learning in the South has affected and influenced the history of our region and the Nation more—and the lives of our citizens more—than has Cumberland University. No university has contributed more to preserving the principles of the law upon which our democracy is founded than Cumberland. Few colleges have contributed more distinguished sons to the service of the 48 States than has our alma mater. Among her distinguished alumni have been 2 Justices of the Supreme Court, 16 United States Senators, and more than 100 Members of the House of Representatives. There have been scores of Governors, and judges of State and Federal courts, presidents of colleges, thousands of successful businessmen. As Secretary of State, Judge Cordell Hull served our Nation longer in this top executive post of world influence than any other man in our history. This distinguished alumnus won for our Nation an unprecedented good will and understanding. His influence on the course of history is unmatched.

Every year about this time we have a reunion of alumni of Cumberland University on Capitol Hill in Washington. When we meet this year the group will include 9 men from 6 States serving in both Houses of the Congress.

As graduates of Cumberland you will likewise share a pride in the distinction of being a Cumberland alumnus. You will go into the world with the highest recommendation, because for more than a hundred years the sons of Cumberland have held high the torch of liberty. They have always sought to serve the law and the ends of true justice.

I am sure that the friends of Cumberland are especially pleased that the university is today once more graduating young men and women in the liberal arts college. This junior college class marks the first stage in the reestablishment of the university's position in the field of general education.

Our teachers in all fields always make sacrifices and their rewards are certainly not in money. We owe them something more—our special thanks for their devotion and dedication—to the high ideals of education.

I am sure that all the friends of Cumberland appreciate especially the splendid contributions of Dr. Havens who has been instrumental in reestablishing the academic department—during his services at the university.

Cumberland certainly wishes Dr. Havens well in his new endeavors and undertakings.

To Col. Ernest Stockton, Jr., your fine, young, able and distinguished new president, I am sure we all owe a special expression of appreciation for his willingness to assume the duties as president and to carry on the traditions of Cumberland.

Colonel Stockton's father, the late Dr. Ernest Stockton, was a friend of mine for many years. He was a great educator—a loyal Cumberland man and he gave of himself freely and generously to Cumberland University. He led this university for many years and I know his noble son, following in the traditions of his father, will carry on splendidly the high ideals and purposes of this beloved institution. At Castle Heights Military Academy, Colonel Stockton rendered a real service. As president of Cumberland he will render an even broader and greater service. I am sure that under his direction and leadership Cumberland University can and will move forward with continued progress.

As citizens we are all concerned with the effectiveness of our total educational system. As our civilization grows more and more complex we will need more and more knowledge—in all fields. Our Nation will need more skills to deal effectively with the many problems we have to solve—to make the world a better place in which to live. A sound education is more necessary today than ever before, not only to improve the opportunities of our citizens but also to insure the well-being and security of our Nation.

Today, greater emphasis is being placed upon education at all levels than ever before.

The National Government, our States and counties are emphasising and stressing the needs and importance of education to a greater degree than perhaps at any time in our Nation's history.

Vast sums of money are being appropriated for advancement of all phases of education.

The need for a speedup in science is particularly acute. Our awareness of the importance of science has never been greater.

This is true because of the age in which we live, the age into which you are graduating.

The age of science—and scientific competition, the rocket and missile age of outer space.

Never before has a graduating class entered upon a new day confronted with more opportunities, challenges, and adventures than will be yours tomorrow.

We are all aware, too keenly aware, of the things that have happened about us in the past 6 months.

We, as a Nation, have suffered some humiliating shocks. The sputniks that have been placed into orbit in outer space have caused America to do some sober thinking.

These small objects that are circling the earth's space are too small to cast an actual shadow on the earth, but they have been big enough to throw a very big and dark shadow on our minds.

Since these events we have been reevaluating our methods. This self-examination has been directed largely at our educational system.

This self-analysis and criticism have been wholesome, for we, as a Nation, are beginning to realize that although we have the finest and best educational system in the world, undoubtedly there are many imperfections in our techniques and methods. The quality of our education certainly can be improved.

Improving our educational methods is important because we are witnessing the opening of a whole galaxy of new frontiers, the frontiers of interplanetary space. As a Nation, we are attempting to build to this end, to meet the challenge of a new era and the new age.

Yes, our State and Nation are placing great emphasis on education today because through education our leaders of tomorrow are produced, the lawyers, the judges, the educators, and others who will see to it that the principles and ideals of our country, our liberties and our freedoms, will be preserved and perpetuated.

Tennessee has made great progress in education in the past 25 years. Greater, I am proud to say, than that of any of our neighboring States. A few years ago only 10 percent of our high-school graduates went on to college, as you have done. Today, that percentage has risen to 20½ percent. The States of North Carolina and South Carolina have only 17 percent of their high-school graduates in college; Arkansas, Kentucky, and Georgia, 18 percent; Alabama, 19 percent; and Mississippi, 16½ percent.

This is a record of progress of which we in Tennessee can be proud.

These figures indicate a determination and a desire of our citizens for an ever-increasing advancement in education.

Although we have gone far, the events of recent months clearly indicate that our survival as a free nation is directly dependent on our ability to produce the brains and knowledge needed to put America ahead and keep it ahead. It is obviously folly to spend thirty or forty billion dollars on our Armed Forces and for producing weapons for defense if we do not produce the brains and skill needed to keep those weapons superior to the weapons of those opposed to our freedom and liberty and cherished American way of life. Today's weapons, rockets, missiles, and aircraft that travel at supersonic speeds are dependent upon science; and science, in turn, is dependent upon education. There is, thus, a clear and

distinct connection between the effectiveness of our educational system and our national security and military posture.

Our educational system like our military posture must not be second best but the best in the world.

Although America today is stressing the needs for education in science, it is imperative that all our citizens—whatever their specialty or profession may be—should have a broad general education. Without a thorough background of our history, of the principles of our Government, of our traditions and ideals, the specialist may not be able to make intelligently the decisions which a more and more complex society demands of its citizens.

We in America believe in giving the widest possible education to all our people. We believe also that every citizen should have a broad educational background in addition to professional and technical skills needed to serve our society, our citizens and our country.

We believe in all our citizens participating in Government and our democratic way of life. Here every citizen plays a part in making the decisions that guide our Nation.

We also believe that every boy and girl and each individual should have the opportunity to realize his own special gifts and to make his own special and unique contribution to the welfare of humanity.

We must continue to improve the quality of our education for all. But we must make sure that we produce well-rounded citizens, capable of preserving democracy, and not just trained cogs in a machine. America will continue to need not only well-trained minds but citizens possessed of strong moral fiber and the moral qualities that have sustained our country and made America great.

This is the field in which Cumberland has made a great and significant contribution in its first 100 years.

It is good to know that in its second century Cumberland will continue to provide a general education as well as the professional training of its word-renowned law school.

Some of you who graduate today in the liberal arts, will I am sure, continue your education at other institutions. I certainly want to encourage you to do so if at all possible.

Most of you when you leave this beautiful campus will be entering upon your life's work, as lawyers, and advocates of justice.

You will all be moving from the mock court into the active practice of law, and the real courts.

Much more will be expected of you in the future than in the past.

As lawyers, others will look to you naturally as leaders. Your communities will want each of you to begin sharing in the responsibilities of citizenship.

You will begin more and more to participate in life and less and less merely to observe it.

In short, you are graduating into a world of action, a world of decision and a world of responsibility.

I am sure that you will look back with fond memories of friends and many pleasant associations during your college years here together, but—I am confident that you also look forward with eager anticipation to the challenges and opportunities that tomorrow's world of action will bring.

I have every confidence, too, that you will bring to this new age and to society the boldness, the enterprise, the courage, and the idealism that is so characteristic of youth.

These are the qualities that tomorrow will need. Boldness, courage, enterprise, and idealism.

These qualities will be needed tomorrow for today we are talking of trips to the moon and the frontiers of interplanetary space. These frontiers will not be conquered by the timid and indecisive. They will be conquered by those with ideas and enterprise.

I know that it has been fashionable to talk, in some circles, of limited opportunities in America, to say that there are no new frontiers remaining. There has been a tendency even to say that we will just have to settle down to merely becoming a cog in a complex machine. I decry such a philosophy of pessimism.

It is well to remind ourselves that there have always been pessimists and there have always been those who have said that the country was going to the dogs. But, my friends, if human history has proven anything, it has proven that every generation is offered new opportunities and new challenges.

What is needed is the vision to see these opportunities, the desire to conquer them, and the courage and energy to stick to the job until it is done, whatever the task or challenge may be.

In this connection, I am reminded of what a great Tennessean has recorded in his memoirs. Judge Cordell Hull, probably the most famous alumnus of Cumberland, has left us a message of faith and optimism:

"Our destiny as a nation is still before us, not behind us. We have reached maturity, (yes) but at the same time we are a youthful nation in vigor and resources. The skill, the energy, the strength of purpose, and the natural wealth that made the United States great are still with us, augmented and heightened. If we are willing from time to time to stop and appreciate our past, appraise our present and prepare for our future, I am convinced that the horizons of achievement still stretch before us like the unending plains."

What a message of faith and optimism.

Yes, the future holds many opportunities. Opportunities in outer space, opportunities on this planet, and, yes, many challenges right here at home. The lawyer-attorneys will share these opportunities with the engineers, scientists, and others. The members of the legal profession will have the greatest responsibility of all.

From the founding of the first community on these shores, lawyers have always played a leading and significant part in the history of our country. Much of what is most admirable about our political institutions has been the work of lawyers. And much of the credit for the fact that our political institutions and our rights and privileges as citizens of this great Nation have been preserved over the years—is due to members of the legal profession.

The lawyers of America have made great contributions, they have made freedom a living thing for all our citizens. They have served as guardians of our liberties. If we are to preserve our freedoms for future generations, you as lawyers must continue to provide leadership in guarding and protecting these rights.

In the fast moving age in which we live—and into which you are graduating—the challenge to the lawyers of tomorrow is particularly acute.

Just this year we have swiftly passed from the atomic age into the space age. Such rapid changes require constant readjustments in our society.

Our laws must keep step with these changes. But it is all too easy in making these adjustments to overlook the effects on our traditional liberties, freedoms, and rights. It is the lawyer's job to see to it that the changes that are made do not erode away or destroy these rights, liberties, and freedoms.

This is not only important for us here in this—our own beloved country—it is important for all humanity.

At a time when freedom and democracy are engaged in a cold war—in a life and death struggle with the forces of godless communism—the principles of law and order—of Anglo-Saxon justice, must prevail. One of the basic issues of that struggle is the system of law and justice that will prevail throughout the world. In fact, the differences between our system of law and justice and the Russian system epitomizes the entire struggle between our forces of liberty and justice and the Soviet forces of tyranny and oppression.

The people of the freedom-loving world are looking to America for leadership in this conflict of ideologies and way of life. They look to us to point the way to extend our great American ideals and traditions of justice under law to freedom-loving people throughout the world.

As lawyers, I am sure you will contribute greatly to preserving our own freedoms and to perpetuating democracy and our concepts of liberty and justice.

To the law graduates, I should like to suggest a bit of advice as you go forth to meet these challenges. First of all, do not assume that your education is complete.

I know that Cumberland has done a good job in educating you and in exciting your interest in education, but, as lawyers, I know that you have seen only the top of knowledge.

Life is a continuing process of learning. Welcome that learning. Seek it eagerly. As lawyers you will especially find that you will have to be learning law all your lives. The real depth of the law will come to you with experience.

Another attribute essential for your success as a lawyer is the development of character and integrity. It is the thing which makes others trust you. And without it you will fail as a lawyer no matter how much law you know or how brilliant you may be in analyzing and mobilizing the law. What the lawyer does as an attorney may be a life and death matter for the client—as he acts and speaks for him. Obviously no intelligent man or woman will give such power and influence over his future to a man whom he does not trust. Therefore, you must demonstrate integrity and character if you want to succeed—you must win the trust and confidence of your community and those you wish to serve.

It goes without saying that these same attributes should be cultivated by every man and woman.

Indeed, I would go one step further and say that character and integrity are attributes that every nation should cultivate. No nation has any more integrity or character than its citizens. By cultivating these qualities you will, therefore, not only serve your own best interests and success—you will also serve best the interests of our Nation. These, my friends are the trademarks of honorable and successful lawyers. They are the identifying qualities of graduates of Cumberland.

In conclusion, I should like to repeat the eloquent words written some years ago by one who knows and who appreciates the true worth of our alma mater.

"The real gift of the Cumberland University School of Law," he says, "looking back over the century, is not its graduates who have won fame and renown, but rather the spirit of faith in the lasting tenets of democracy, passed on, like an unfailing torch, to five generations of young men and women."

The world has greater need of faith in democracy today than ever before. May you carry on that faith so that, five generations hence and more, those who follow you may still be able to enjoy the blessings of democracy, undiluted and undiminished.

I have every confidence that you will make your vast contributions to preserving and perpetuating democracy and our cherished American freedoms.

Excise Taxes on Transportation of Persons and Property Should Be Repealed

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. VAN ZANDT. Mr. Speaker, there is increasing evidence of the need for complete repeal of the excise taxes on transportation. In the testimony of numerous witnesses before Congressional committees the complete repeal of this wartime transportation tax will be a great lift to the transportation industry in a period of distress—a real saving to users of for-hire transportation, a most useful factor in reducing the cost of living, and a stimulant to employment in the transportation industry.

In urging the complete repeal of excise taxes on transportation, it is interesting to note the following officials of all forms of transportation are in support of the appeal together with the scores of other organizations listed below:

ORGANIZATIONS SUPPORTING REPEAL OF TAXES ON TRANSPORTATION

Air Transport Association of America, Stuart G. Tipton, president.
American Trucking Associations, Inc., John V. Lawrence, managing director.
The American Waterways Operators, Inc., Braxton B. Carr, president.
Association of American Railroads, Daniel P. Loomis, president.
Committee for Oil Pipe Lines, Gordon C. Locke, general counsel.
National Industrial Traffic League, Lester J. Dorr, executive secretary.
Transportation Association of America, Harold F. Hammond, executive vice president.
Air Conditioning and Refrigeration Institute.
Air Transport Association of America.
Aluminum Wares Association.
American Association of Nurserymen, Inc.
American Farm Bureau Federation.
American Hotel Association.
American Merchant Marine Institute.
American Mining Congress.
American National Cattlemen's Association.
American Retail Coal Association.
American Short Line Railroad Association.
American Society of Travel Agents.
American Transit Association.
American Trucking Associations, Inc.
American Veneer Package Association, Inc.
American Waterways Operators, Inc.
Associated Cooperage Industries of America, Inc.
Associated Equipment Distributors.
Associated Traffic Clubs of America.
Association of American Railroads.
Association of American Ship Owners.
Athletic Goods Manufacturers Association.
Atlanta Freight Bureau.
Brotherhood of Locomotive Engineers.
Brotherhood of Locomotive Firemen and Enginemen.
Brotherhood of Maintenance-of-Way Employees.
Brotherhood of Railroad Signalmen of America.
Brotherhood of Railroad Trainmen.
Brotherhood of Sleeping Car Porters.
California Manufacturers Association.
California State Chamber of Commerce.
Casket Manufacturers Association of America.
Chamber of Commerce of Kankakee, Ill.
Chamber of Commerce of Kansas City.
Chamber of Commerce of the United States.
The Cleveland Chamber of Commerce.
Committee of American Steamship Lines.
Committee for Oil Pipe Lines.
Compressed Gas Association, Inc.
Copper and Brass Research Association.
Corn Industries Research Foundation.
Delta Nu Alpha, Tri Cities chapter.
The Dude Ranchers' Association.
Eastern Industrial Traffic League, Inc.
Florida Boatsmen Association.
Foundry Equipment Manufacturers Association, Inc.
Freight Forwarders Institute.
Greater Detroit Board of Commerce.
Institute of Scrap Iron and Steel, Inc.
International Apple Association, Inc.
Los Angeles Chamber of Commerce.
Michigan Industrial Traffic League.
Millers' National Federation.
Mississippi Valley Association.
Monument Builders of America, Inc.
National Agricultural Limestone Association, Inc.
National American Wholesale Lumber Association, Inc.
National Association of Frozen Food Packers.
National Association of Motor Bus Operators.
National Association of Railroad and Utilities Commission.
National Association of Refrigerated Warehouses.
National Association of Travel Organizations.
National Association of Shippers' Advisory Boards.
National Bus Traffic Association, Inc.
National Coal Association.
National Concrete Masonry Association.
National Cotton Compress & Cotton Warehouse Association.
National Fisheries Institute, Inc.
The National Grange.
National Industrial Traffic League.
National Institutional Wholesale Grocers.
National Live Stock Producers' Association.
National Metal Awning Association.
National Plant Food Institute.
National Retail Furniture Association.
National Sand & Gravel Association, Inc.
National Stationery & Office Equipment Association.
National Tank Truck Carriers, Inc.
National Wholesale Druggists' Association.
New Orleans Traffic and Transportation Bureau.
Ohio State Industrial Traffic League.
Order of Railway Conductors and Brakemen.
Order of Railroad Telegraphers.
Pacific American Steamship Association.
Portland Freight Traffic Association.
Railway Progress Institute.
Savannah Chamber of Commerce.
Seattle Chamber of Commerce.
Sheet Metal Workers International Association.
Society of American Florists.
Steel Kitchen Cabinet Manufacturers' Association.
Stockton Chamber of Commerce.
Switchmen's Union of North America.
Traffic Bureau of Sioux Falls.
Transcontinental Passenger Association.
Transportation Association of America.
West Coast Lumbermen's Association.

The Youth Camp Recreation Act of 1958

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 9, 1958

Mr. LIBONATI. Mr. Speaker, after an extended period of experience in the youth-camp program, I learned that the greatest influence for good was the placement of children in summer camps for at least a 2-week period.

One does not realize how much can be done in the way of morale and spiritual building of a child's life and character by concentrating on a well balanced 2-week program of recreational and instructional activity.

Poor children are ever anxious and ready to participate in any program that will give them a symbol. Crippled, blind, and physically handicapped children are most appreciative for any interest shown in them. It does not cost much money or effort to make a child happy. Youngsters are happiest when they feel that some adult or adult group is interested in them. And, of course, each youngster wants to belong to someone or some movement or club.

To build up a healthy program that will influence this type of activity, I introduced H. R. 12778 which establishes and initiates a program for the subsidizing of youth camp recreation programs and assists those organizations that have for their purpose the providing of healthful outdoor and camp training for indigent children.

The bill sets up a Youth Camp Recreation Commission composed of nine members—a representative from the Department of Health, as Chairman, Navy, Army, Air Force, National Park Service, Bureau of Land Management, Fish and Wildlife Service, Bureau of Indian Affairs, and Soil Conservation Service. The member acts in a liaison capacity between the Commission and the agency he represents—working out agreements for the utilization of the resources, property and services under the jurisdiction

of said agency which would be useful in the operation of camping programs under the act.

The Commission sets the standards to qualify for participation, including the camp facilities and eligibility of the group or organization sponsoring the program; i. e., an organization approved by the Secretary of the Treasury under section 501 (c) of the Internal Revenue Code of 1954, which is exempt from taxation.

The United States Government would give to sponsored camps 50 cents per day per camper and limited to 28 days, and not in excess of $50 per 2-week period in camps maintained and sponsored by the Government, in areas where charitable organizations are not existent or active in this work.

The average level cost of a camper is $2 per day throughout the country. So that in sponsored camps the Government, by its 50-cent contribution, equals a 25-percent subsidy.

The laudable purpose of this act is that it will provide the opportunity for healthful training and recreational advantages for indigent children through programs of spiritual, patriotic, physical, and educational development, planned by the Director of the Youth Camp Recreation Commission with the assistance of the Commission; and second, to provide immediate camping opportunities for indigent children in areas which are congested and in which subnormal housing conditions contribute to the delinquency of the underprivileged.

(b) As a further purpose, this act is intended to stimulate and promote the public interest in establishing camps first for recreational, moral, patriotic, and educational purposes, second, for the training of indigent children, thus creating and activating human factors for the prevention of juvenile delinquency, and third, to create in youth a patriotic sense of devotion to this great Republic by teaching the citizens of tomorrow the true Americanism encompassed by the patriotic principles of freedom, justice, democracy, and love of God.

I realize that some doubters and ultraconservative individuals will question the expenditure of public moneys for these purposes. But the act is very restrictive and absolute in its control of any practices by dubious setups to divert these moneys to their dishonest gain.

All of us, I am certain, realize the terrific need of measures to correct and prevent the growing delinquency of the youth of America. I am sure that a program of this type will reward the citizens tenfold in curbing the present tendency of a boy to join in sinister activities of child gangs.

There are several of these types of camps in operation in the several States. One in Illinois, sponsored by the past commanders of the American Legion of that department, hosts 1,000 poor children—boys and girls in 5 separate periods—each summer.

This program also receives financial support from the State of Illinois, the Chicago American, a popular publication that has always promoted children's programs for the indigent, the Marine Corps League, Cook County Council of the American Legion and its auxiliary, and the Women's Auxiliary of the Department of Illinois, and the Past Presidents Club.

The appropriation of $750,000 as in this bill, will provide—at the average 2-week period—to charity-sponsored organizations, a sum of 50 cents per day per camper for approximately 100,000 children.

It may take time to impress the Congress to favor this type of legislation, but it is the excellent way of combating delinquency.

It costs far more to maintain our delinquents in homes and institutions. A small pittance could at least realine the predelinquent who wants someone to be interested in him, especially the paternalistic interest of an adult. Keeping him happy in a camp results in a cleaner reaction toward life, and a taste of real kindness that he will never forget. Yes, now he believes there is a God and that he was not abandoned. Let us take care of those whom nobody wants, those at the bottom of life's cycle. It will pay real dividends in the end. It is the new generation that must be jealously preserved to insure the future strength of the manpower of the Republic.

It affords the underprivileged and needy children of our Nation, many from teeming tenement and slum districts in metropolitan areas, the opportunity for a training which will instill a sense of devotion and duty toward God and our great Nation.

I feel that a program which appeals to the basic, and often times neglected, emotional desire for recognition of the indigent children, will be a major contributing factor toward the prevention of juvenile delinquency.

It is my sincere belief that the Youth Camp Recreation Act of 1958, through its program of spiritual, moral, patriotic, physical, and educational development, will help bring about responsible and patriotic citizens for the future.

The youth camp project is to be under the jurisdiction of a Commission, composed of nine members, established within the Department of Health, Education, and Welfare, from which Department, that member will sit as chairman. The remaining eight members are to be representatives from the various departments of Government, as listed in the bill; the purpose being to utilize facilities and services of the respective departments for the camp program.

The Commission is to be adviser to the Director, who is appointed by the Secretary of Health, Education, and Welfare, and who shall administer the program and receive therefor compensation in the amount of $18,000 per annum.

It is the duty of the Director to determine the need and sites of camps, select camp operators, determine eligible children, appoint necessary personnel, enter into agreements necessary for operation of the program, and otherwise prescribe rules and regulations consistent with and promoting the purposes of the program.

Eligible children are to be in the 7 to 16 age group, except for those with talents deemed useful to the camps, who may be over 16 years of age. Attendance during any one year is not to exceed 28 days.

The camp operators, whose eligibility is determined by the Secretary of the Treasury, are to receive in addition to other assistance, 50 cents per day for each camper in attendance. Camp operators may be State or local government, or any eligible organization. The camp operators are directly responsible and accountable to the Director.

The Federal Government is to appropriate $750,000 for the first and succeeding 2 fiscal years commencing July 1, 1959, and such amount as Congress deems necessary for each fiscal year thereafter.

Partners in the Western Hemisphere

EXTENSION OF REMARKS

OF

HON. A. FERNÓS-ISERN

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 9, 1958

Mr. FERNÓS-ISERN. Mr. Speaker, on Friday, May 23, 1958, I inserted in the CONGRESSIONAL RECORD an article by Constantine Brown from the Saturday, May 17, issue of the Washington, D. C., Evening Star, entitled "Puerto Rico Does Itself Proud—People of Self-Improved Nation Gave NIXON Sincere Welcome."

Mr. Constantine Brown's article dealt with the Vice President's visit to South American countries and described the enthusiastic welcome which the party received in Puerto Rico on their way back to the United States.

At the time of inserting the article, I indicated my personal feeling that perhaps the same type of sympathetic understanding and treatment of the problems of the Latin American countries that has been given to Puerto Rico might serve to create a warm and effective partnership among the nations which occupy the Western Hemisphere. I have given this topic considerable thought and as a result I have developed an article crystallizing these views, which I should like to offer as a possible contribution toward the solution of the problem which evidently faces us. The article follows:

PARTNERS IN THE WESTERN HEMISPHERE

The United States, with 175 million people and its natural wealth and industrial development can maintain its position in the world by its decisive qualitative superiority. Then we have our allies. But the Free World's reservoirs of strength have not yet been fully called upon. These are not to be neglected, the more so as China's growing strength, added to that of the Soviet world, begins to become a consideration to be reckoned with in the eventual world equilibrium. Where are the untapped reservoirs of the Free World?

The great demographic, economic, and political reserve of the Free World, as yet only scantily developed, is I believe, Latin America. Its potential is enormous. This reserve must be developed in time.

Latin America has about the same population as the United States: roughly 160 million people. By 1999, it will increase to 500 million. Clearly, here will be an enormous

increment of numerical strength, a wealth potential to help offset in an economic struggle the significance of the population masses and resources of Russia and China.

The vast South American continent is well suited economically to complement the United States. Geographically, economically, and politically, it is a natural partner of the United States. The great question is: How valuable will this partner be? Will it be a partner of 500 million prosperous, productive, vigorous citizens representing democratically organized countries, unshakable in its solidarity with the United States in a great Commonwealth of American Nations? Or will it be one of 500 million hopeless, impoverished, impotent souls? The answer may well determine the ultimate decision in the great struggle; whether freedom will survive or be drowned in the torrent of communistic totalitarianism.

Today Latin America could greatly complement the United States, both as a tremendous market and as a source of supplies to the United States. Skills, industrial strength, and productive vigor in Latin America are still in the developing stage. But the great potential there far exceeds present fact. Its political support is already valuable to the Western nations in world councils. But the voice of Latin America would be much stronger were it backed by developed economic and industrial strength which weigh so importantly in the affairs of men and nations, and of which it is evidently capable. Men of vision are aware that this development can be brought about in a relatively short time.

Not many years ago Puerto Rico was called the stricken island. It was generally considered an economic and a political burden on the United States. Its people were impoverished, many illiterate, and existed on meager incomes. As a market, as a ready source of skills, productivity, and manpower, it certainly was insignificant. The situation changed rapidly. Today Puerto Rico is an asset to the United States on all counts. Before World War II, Puerto Rico annually bought slightly more than $100 million in goods from the United States; today it takes over $600 million. Its hundreds of modern, humming factories make it one of the busiest workshops in the Western Hemisphere, with workers of rapidly-developing skills, producing at a high rate of efficiency. Life expectancy has leaped from 46 years in 1940 to 68 years today, a phenomenal and revealing index of improved health. Per capita income has gained from around $100 a year to nearly $500. Literacy has risen from 68 to 83 percent in the same period. Any recent visitor to Puerto Rico can describe the awareness of energy and purpose in the air, of a people confident in newly found abilities and proud of contributions to the United States and the Free World.

Some Members are intimately familiar with Puerto Rico's contributions to the international scene. In the last 7 years, over 5,000 officials, technicians, and students from 107 different countries have come to Puerto Rico to study various phases of its Operation Bootstrap, and to apply the new learnings to problems in their home countries. The former "poorhouse" has become a schoolhouse for underdeveloped countries all over the world. Puerto Rico is aptly termed a "showcase of democracy" and a "laboratory of free enterprise."

Recently the National Planning Association released the results of an important study, undertaken at the request of the International Cooperation Administration, which asserted that most of Puerto Rico's remarkable economic development could be duplicated in other developing areas. These experiences could be applied to Latin America to a much greater degree and at a much more accelerated pace than currently is being attempted. What is the formula? It is a recipe of free, stable, political institutions; the benefits of an economic union with United States and the general cooperation of the United States in joint programs for the development of facilities and resources, both human and material.

I venture to say that in the accomplishments of and in Puerto Rico we may find an objective lesson with regard to Latin America, given the common origin of Puerto Rico and those countries.

What is our starting position in South America? What are the facts today? They are best revealed by the statistics: While 175 million people in the United States live on $400 billion a year, the 180 million people of Latin America live on $50 billion—one-eighth as much. Many Latin American countries have a per capita income of less than $200 a year, and some less than $100 a year. This is translated in terms of poverty, illiteracy, low health standards, low productivity, low purchasing power, inability for many to focus their vision beyond 1 day's essential needs. However, the Latin Americans have an illustrious cultural heritage and have given the world great thinkers, writers, and statesmen.

We should not think alone in terms of keeping Latin America safe from communism. This would merely be a negative goal. We can realistically think in terms of helping these countries lift themselves, with our help, by their own bootstraps, so that a great new area of economic and political strength may be created, and a formidable bulwark of the Free World added to our defenses in this struggle.

Again I draw a parallel with Puerto Rico. The great ferment and upsurge in Puerto Rico was not apparent during the long, sleepy centuries when the island was a part of the Spanish monarchy, subject to the mercantilistic system. It was not much in evidence, either, while Puerto Rico was governed as a possession. A dormant seed was ready to burst into flower, but the rich soil and cultivation which it needed has been democratic self-government, republican in form which Puerto Rico found in the Commonwealth status. This has made us capable and ready and much more willing and enthusiastic to face our own destiny. Under free, stable, political institutions, the people of Puerto Rico have acquired the great urge to go forward, to take advantage of their economic and political union with the United States, and to add economic and social freedom to the political freedom which they had achieved.

I recall the amazement of a recent visitor to Puerto Rico, who expected to find a pleasantly lazy country in the siesta tradition, when he discovered that many government offices are open by 8 a. m. and go full tilt until late afternoon with only an hour break for lunch.

What this reveals is clear. In the same way that crossing two biological breeds can create a new strain with greatly increased vigor, a synthesis of Latin and North American ways of life and concepts of life can produce a remarkable hybrid of energy and productivity, given the necessary economic and political conditions. The only fairly mature example we have of this is in Puerto Rico, a microcosm of 2,250,000 people. But I am convinced that the principle is equally applicable to the rest of Latin America's 180 million. Given comparable circumstances, albeit in no way identical, both political and economic, Latin America will burst with productive energy inside 10 years. Much of the impulse is purely technological and economic, but partly it is psychological as well.

Here one cannot stress too strongly the importance of technical assistance. Every technician, who is able to show and teach in Latin-America—experts in agriculture, engineering, public health, and economics—will contribute importantly. I know of no effort which, for a relatively small investment, can yield such vast returns to both the direct recipient and to the United States. I am proud that Puerto Rico is making important contributions to the United States technical assistance program in Latin America, as well as in many other areas. Hundreds of Latin Americans are among those who come to Puerto Rico each year to study roadbuilding, hydroelectric development, industrial development, sanitary engineering, and dozens of other subjects. The Puerto Rican Government contributes modest sums from its own treasury for this, adding to the funds from the International Cooperation Administration.

But the scale is not great enough, in my opinion, and the pace is too slow. A massive infusion of technical assistance in Latin America could stimulate results in a geometrical progression. Here is the ferment, the seed which brought a harvest so rapidly and dramatically in Puerto Rico, and which can do the same in the rest of Latin America. Scientific, agricultural, and technological attachés, not to forget the cultural attachés, in our embassies in Latin America are far more important today than military attachés. When the seed has been well planted, nothing can stop Latin America from reaching its potential except, perhaps, lack of capital.

Again, when the purpose and energy are present, private capital usually follows quickly. Such has been the case in Puerto Rico. United States investors sensed that the Puerto Ricans intended to succeed, and they found them promising to participate in the ground swell of productivity which followed. They have not been disappointed. The same would doubtless be true in Latin America. Private capital could and would do much of the job.

However, an important area would be needed for government capital, in such fields as agriculture, roads, schools, hospitals, hydroelectric power development, etc., where private capital is loath to venture. Here enlightened self-interest on our part should lead the way for tending essential cooperation. The resulting development would nevertheless be truly indigenous, not an artificial phenomenon to collapse when its outside stimulus was withdrawn, if it found an ample ambient of hemispheric solidarity in trade and commerce, unhampered by outmoded obstacles, limitations and barriers and geared to practical imaginative considerations.

Puerto Rico's 2,250,000 people buy over $600 million in United States products per year, as mentioned above, and will probably be purchasing around 1 billion per year by 1965. This buying power is possible because Puerto Rico now sells $400 million in goods and receives large incomes for services and also because of joint Commonwealth-Federal programs. If this market can be translated in terms of Latin America as a whole, an equally developed Latin America could be a $100 billion market for United States goods in 10 to 20 years. The strength of such a partner in a Hemispheric American Commonwealth of Free Nations would be incalculably valuable.

The consumption of United States goods would be only an index of economic, social and political health. For the important thing is to develop—and develop rapidly—this great Latin American reserve of the Free World. Here is the potential reservoir of strength and productivity which for our children may one day provide insurance against the threat of communism in the years ahead and win for the West the protracted cold war which engages us today.

SENATE

TUESDAY, JUNE 10, 1958

(Legislative day of Monday, June 9, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Truman Y. Felkner, pastor, Trinity Baptist Church, Plymouth, Mich., offered the following prayer:

Holy and most righteous heavenly Father, Thou who art the creator and overseer of all men, unto Thee we come. Fill our hearts with love and understanding in this sacred moment of prayer.

We bow our heads in reverence before Thy throne of grace, asking humbly for Thy divine presence and spiritual guidance. Almighty God, be the invited guest in every heart in this Senate Chamber today.

Holy Father, grant wisdom, knowledge, understanding, insight, and loving concern unto these the selected servants of the people of these United States. May the prayer of every man be, "Not my will, but Thine, be done."

Hear us, O God, today, as we pray for these in positions of authority. Guide by Thy Holy Spirit, the mind and heart of every Senator. May he walk by faith with an insight divine.

Bless our President, his Cabinet, the Congress, and our entire Nation. May we as a nation ever keep our eyes upon the eternal God of heaven.

This is our prayer in our Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 9, 1958, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Pursuant to the order of the Senate of January 16, 1958,

Mr. JOHNSON of Texas, from the Committee on Appropriations, reported favorably, with amendments, on June 9, 1958, the bill (H. R. 12428) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, and submitted a report (No. 1683) thereon.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour for the introduction of bills and the transaction of other routine business, subject to a 3-minute limitation on statements.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments during the month of May, relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with an accompanying report); to the Committee on Armed Services.

PROPOSED DONATION BY NAVY DEPARTMENT OF PATROL BOAT TO BALTIMORE, MD.

A letter from the Assistant Secretary of the Navy (Materiel), reporting, pursuant to law, on the proposed donation by that Department of a security patrol boat to the Police Department, Baltimore, Md.; to the Committee on Armed Services.

REPORT ON REVIEW OF ACTIVITIES OF SUPPLY DEPARTMENT, NAVAL AIR STATION, PENSACOLA, FLA.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a review of activities of the Supply Department, Naval Air Station, Pensacola, Fla., Department of the Navy, dated June 1958 (with an accompanying report); to the Committee on Government Operations.

GRANTING TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the case of certain aliens, relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

SERVICE OF CERTAIN FEDERAL EMPLOYEES

A letter from the Secretary of State, transmitting a draft of proposed legislation to encourage and authorize details and transfers of Federal employees for service with international organizations (with accompanying papers); to the Committee on Post Office and Civil Service.

AMENDMENT OF UNITED STATES CODE, RELATING TO PUBLICATION OF CERTAIN STATISTICS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution adopted by the Council of the City of Philadelphia, Pa., favoring the enactment of legislation to extend the Trade Agreements Act; to the Committee on Finance.

A telegram in the nature of a petition from L. M. Wylie, of Sault Ste. Marie, Mich., relating to the continuation of excise and corporation taxes; to the Committee on Finance.

A letter in the nature of a petition from Salvatore Massina, of New York, N. Y., relating to alleged differences in social security pensions; to the Committee on Finance.

A telegram, in the nature of a petition, from Ethel R. M. Cubovik, of Chicago, Ill., favoring the reduction of excise taxes on transportation and automobiles; to the Committee on Finance.

Resolutions adopted by the New England Annual Conference of the Methodist Church, at Brookline, Mass., relating to cultural relations, and so forth; to the Committee on Foreign Relations.

Resolutions adopted by the Board of Governors of the American Bar Association, at Washington, D. C., relating to pending legislation before the Congress; to the Committee on the Judiciary.

A letter, in the nature of a petition, from Alfred M. Kirschke, of Tucson, Ariz., favoring the white water lily as the official United States flower; to the Committee on the Judiciary.

A resolution adopted by the California Federation of Women's Clubs, relating to qualifications of appointees to the Supreme Court; to the Committee on the Judiciary.

A resolution adopted by the city council of the city of Elizabeth, N. J., relating to unemployment, and so forth; to the Committee on Labor and Public Welfare.

A resolution adopted by the Chamber of Commerce of the City of Torrance, Calif., favoring the enactment of legislation to provide mailing addresses for all residents of the city of Torrance; to the Committee on Post Office and Civil Service.

Petitions signed by sundry citizens of West Covina, and Baldwin Park, both in the State of California, relating to the Presidential veto of the omnibus rivers and harbors bill, and the completion of the comprehensive plan for conservation and control of floodwaters in the county of Los Angeles; to the Committee on Public Works.

EXTENSION OF TRADE AGREEMENTS ACT—RESOLUTION

Mr. CLARK. Mr. President, I present, for appropriate reference, a resolution adopted by the Council of the City of Philadelphia, Pa., favoring the enactment of House bill 12591, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on

Finance, and ordered to be printed in the RECORD, as follows:

Resolution 275

Resolution memorializing the 85th Congress of the United States to enact H. R. 12591, a bill which would "extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes"

Whereas the Port of Philadelphia is second in the Nation in total foreign trade cargo movement, and first in import cargo; and

Whereas over half the cargo moving through the Port of Philadelphia is in foreign trade; and

Whereas the economic life and welfare of the city of Philadelphia and the entire Delaware Valley area is directly connected with the port; and

Whereas two-thirds of all industrial workers in this area are employed by companies which either buy materials or sell products abroad; and

Whereas practically all of our retail merchants, large and small, sell products either grown or manufactured abroad; and

Whereas, the city of Philadelphia is historically and traditionally a leading center for international peace, and that peace is threatened by barriers to international trade, such as high tariffs, import quotas, and similar restrictions; and

Whereas the national leaders of both of our great political parties have urged all American citizens interested in our national welfare to support the bipartisan reciprocal trade program, which for almost a quarter-century has been the keystone of our foreign trade policy: Therefore be it

Resolved by the Council of the City of Philadelphia, That we hereby memorialize the Members of the 85th Congress of the United States to enact H. R. 12591, a bill which would "extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes," which is now before the House of Representatives for consideration; be it further

Resolved, That certified copies of this resolution be forwarded to the Speaker of the House of Representatives, the President pro tempore of the Senate, the Members of Congress representing Philadelphia, and the United States Senators representing Pennsylvania.

THE ECONOMIC SITUATION OF THE AMERICAN RAILROADS—RESOLUTIONS

Mr. JAVITS. Mr. President, there is enormous sentiment for action by Congress on proposals dealing with the troubles of the American railroads, as put before us by the subcommittee which did such a fine job under the chairmanship of the junior Senator from Florida [Mr. SMATHERS]. I hope very much we will be able to get early action in this field. I ask unanimous consent to have printed in the RECORD representative petitions and memorials from various municipal bodies in the State of New York, urging such action be had.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Whereas the welfare of our country and its people in times of peace and of national emergency, depends on an efficient, economical and prosperous common carrier transport system, of which the railroads are a major segment; and

Whereas the railroads today are faced with a dire emergency from wholly inadequate earnings brought about largely by over regulation and inequitable competitive conditions; an emergency which seriously threatens their continued existence under private ownership and operation; and

Whereas it is the considered opinion of most experts that a series of railroad bankruptcies now might well trigger both Government operation of railroads and a general economic debacle: Therefore be it

Resolved, That the village of Albion, Albion, N. Y., petitions the Congress of the United States to take immediate action to—

(a) Assure competitive equality in the field of transportation;

(b) Relieve the railroads of as much as possible of the monopoly regulation under which they are now forced to operate; and

(c) Provide self-liquidating financial relief to the railroads to tide them over this emergency.

The village of Albion, Albion, N. Y., further recommends that these remedial measures be taken simultaneously by the Congress since they are inseparable parts of a program designed, in the public interest, to restore fair competition in the field of transport; reduce unemployment by work on production of the huge volume of material, supplies, and services which the railroads could purchase if they were assured of a fighting chance to operate profitably; assure adequate transportation facilities for the growth of our economy and for the national defense; and, avoid Government operation of our railroads.

Whereas the railroads are an essential element in the economy of the East Bloomfield area, and a vital factor in both our prosperity and our national defense; and

Whereas if the East Bloomfield area and the Nation are to continue to reap the benefits of the essential free enterprise transportation system, relief from some of the legislative restrictions of the railroads is imperative: Now, therefore, be it

Resolved, That the town of East Bloomfield requests that prompt, affirmative action be taken by the Congress of the United States to make necessary practical changes that will permit the Nation's railroads to improve their financial condition.

Resolution 221

Resolution directing Congress to take action in reference to railroads

Whereas we are aware of the vital importance of railroads in the economy of this county and the Nation; and

Whereas the railroads serving this area employ hundreds of local citizens in gainful employment; and

Whereas the railroads are among the community's biggest purchasers of goods and services; and

Whereas they are among the largest taxpayers of the county; and

Whereas some of the railroads, especially those in this eastern section of the country, are in serious financial difficulties; and

Whereas a loss of any of our railroads would have a very injurious effect upon thousands of local residents and the community as a whole, because of the loss of payrolls, taxes and purchasing power; and

Whereas a Senate committee in Washington has recommended that immediate steps be taken to bring relief to the railroads; and

Whereas a report on the findings of this committee has been submitted to the Congress: Now, therefore, be it

Resolved, That this county urge the Congress of the United States to insure the continued operation of this essential industry as a free enterprise by speedily adopting the legislation needed to bring about the changes listed in the Senate report as submitted by the committee; and be it further

Resolved, That copies of this resolution be forwarded immediately to our Senators and our district representative in the House of Representatives.

RESOLUTION OF BROOME COUNTY, N. Y., FEDERATION OF LABOR

Whereas the railroads of the Nation, including those serving this community, are in dire financial straits and are, in fact, threatened with bankruptcy or Government ownership; and

Whereas the railroads are vital to the growth and continued prosperity of this community because they are big taxpayers and furnish employment for thousands of our citizens; and

Whereas thousands of our residents would be thrown out of work in the event the railroads collapsed; and

Whereas they bring into the community hundreds of thousands of dollars through the purchase of goods and services; and

Whereas the railroads are essential to the community and national economy in peacetime and especially in times of national emergency; and

Whereas the Smathers committee which investigated the deteriorating railroad situation, reported that the railroads must have immediate assistance if they are to survive as a free enterprise industry; and

Whereas the Smathers committee has proposed legislation which would help the railroads in their fight for survival: Therefore be it

Resolved, That this organization go on record in favor of immediate action by Congress to approve this legislation recommended by the Senate committee; and be it further

Resolved, That copies of this resolution be sent to the United States Senators from New York, and the Congressman from this district.

RESOLUTION OF CHAMBER OF COMMERCE, HINCKLEY, MINN.

Mr. HUMPHREY. Mr. President, I have recently received a copy of a resolution adopted by the Chamber of Commerce of Hinckley, Minn., urging adoption of S. 3778, as well as urging the Senate Post Office and Civil Service Committee to study and modernize laws governing mail transportation.

I ask unanimous consent to have the resolution printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

HINCKLEY CHAMBER OF COMMERCE,
Hinckley, Minn., June 6, 1958.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: The following resolution was adopted by this group at a meeting held on June 6:

"Be it resolved by the Chamber of Commerce of Hinckley, Minn., That it approves S. 3778, introduced by Senator SMATHERS on May 8, 1958, and urges that the Senate of the United States adopt and enact into law said bill and that the House of Representatives adopt and enact similar legislation; be it further

"Resolved, That it is the view of this organization that the Congress should enact into law those recommendations which the Senate Committee on Interstate and Foreign Commerce has submitted to other appropri-

ate committees of the Senate with recommendations for action as follows:

"1. The Senate Post Office and Civil Service Committee should take action to reexamine and modernize the laws governing mail transportation by all modes of transportation, which legislation should provide equitable treatment for railroads, airlines, and trucks in regard both to opportunity to obtain the mail traffic and payment for services performed; be it further

"*Resolved*, That similar action be taken by the appropriate committees in the House of Representatives; and be it further

"*Resolved*, That a copy of this resolution be sent to each United States Senator and Representative in Congress representing this area."

JOHN LACHNER, *President*.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HAYDEN, from the Committee on Appropriations, with amendments:

H. J. Res. 624. Joint resolution making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes (Rept. No. 1685).

(See the remarks of Mr. HAYDEN when he reported the above joint resolution, which appear under a separate heading.)

By Mr. KENNEDY, from the Committee on Labor and Public Welfare, without amendment:

S. 3974. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes (Rept. No. 1684).

(See the remarks of Mr. KENNEDY when he reported the above bill, which appear under a separate heading.)

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 3969. A bill authorizing the establishment of the Pig War National Monument; to the Committee on Interior and Insular Affairs.

By Mr. CLARK:

S. 3970. A bill to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act; to the Committee on the District of Columbia.

S. 3971. A bill for the relief of Doctor Kie Pin Teng; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 3972. A bill for the relief of Knud Erik Didriksen; to the Committee on the Judiciary.

By Mr. KERR (for himself and Mr. MONRONEY):

S. 3973. A bill to amend the act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma; to the Committee on Public Works.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. IVES, Mr. MORSE, Mr. HILL, and Mr. MURRAY):

S. 3974. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. HAYDEN:

S. 3975. A bill to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes; to the Committee on Public Works.

By Mr. EASTLAND:

S. 3976. A bill for the relief of Salvatore Verderaime; and

S. 3977. A bill for the relief of Eiko Saeno; to the Committee on the Judiciary.

CONSTRUCTION OF MARKHAM FERRY PROJECT, OKLA.

Mr. KERR. Mr. President, on behalf of myself and my colleague, the junior Senator from Oklahoma [Mr. MONRONEY], I introduce, for appropriate reference, a bill to amend the act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma.

I ask unanimous consent to have printed at this point in the RECORD a copy of Public Law 476, 83d Congress, 2d session, together with a letter from the Grand River Dam Authority, at Vinita, Okla., with reference to Public Law 476, and the need for the bill I have just introduced; and also a letter from the Corps of Army Engineers, dated April 25, 1947, with reference to the same matter.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the act and letters will be printed in the RECORD.

The bill (S. 3973) to amend the act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma, introduced by Mr. KERR (for himself and Mr. MONRONEY), was received, read twice by its title, and referred to the Committee on Public Works.

The act and letters presented by Mr. KERR are as follows:

[Public Law 476, 83d Cong., 2d sess., ch. 461]

S. 119

An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma

Be it enacted, etc., That the general comprehensive plan for flood control and other purposes approved by the act of June 28, 1938, for the Arkansas River Basin, as modified by the acts of August 18, 1941, and July 24, 1946, is hereby further modified to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma, in accordance with the terms of the Federal Power Act and in general conformity with the recommendations of the Chief of Engineers in House Document No. 107 of the 76th Congress and House Document No. 758 of the 79th Congress, such project to have the same number of acre-feet of flood storage and the same flood-control and power-pool elevations as recommended by the Chief of Engineers, with provision for emergency operation for surcharge storage 3 feet above the normal flood-control pool, and such project shall be designed for an ultimate installed capacity of not less than 72,000 kilowatts: *Provided*, That the initial installation may have a smaller capacity.

SEC. 2. To the extent that it may be mutually agreed between the Grand River Dam Authority and the Secretary of the Interior, operation for power production of this and other installations of the Grand River Dam Authority on the Grand River in the State of Oklahoma shall be coordinated with the power operations of the Federal projects in the area: *Provided*, That nothing herein stated with regard to any such agreement shall be construed in any way to modify or repeal any existing authority vested in the Federal Power Commission by this or any other act or to modify or repeal any authority of the Secretary of the Army or the Chief of Engineers pursuant to section 7 of Public Law 534, 78th Congress.

SEC. 3. There is hereby authorized to be appropriated not to exceed $6,500,000 as a monetary contribution by the United States for flood-control storage in the Markham Ferry project: *Provided*, That such funds as may be appropriated under the foregoing authorization shall be administered by the Chief of Engineers in a manner which shall assure (1) that the Grand River Dam Authority shall comply with the provisions of this act relating to the construction of the Markham Ferry projects, and (2) that the total payment made by the Chief of Engineers to the Grand River Dam Authority shall be $6,500,000 less the sum of (a) such amount as he shall determine to represent the cost to the Government, including acquisition and conveyance of lands acquired in the Markham Ferry project area by the United States with flood-control appropriations and conveyed to the Grand River Dam Authority pursuant to section 4 of this act, and (b) such amount as he shall determine to represent the fair market value of any other lands acquired by the United States and public-domain lands, or interests therein, lying within the project area, and conveyed to the Grand River Dam Authority pursuant to section 4 of this act: *Provided further*, That the acceptance by the Grand River Dam Authority of the foregoing amount shall constitute the agreement of the Grand River Dam Authority to hold and save the United States free and harmless from all claims heretofore or hereafter asserted of whatever nature, including but not limited to acquisition of land, relocation, construction, operation, and maintenance of the dam and reservoir: *Provided further*, That the foregoing authorization shall be in addition to authorizations heretofore made for appropriations for flood-control projects for the Department of the Army.

SEC. 4. The sale, transfer, assignment, grant, or conveyance to the Grand River Dam Authority of such land, easements, and flowage rights owned by the United States of America as may be necessary for the construction, operation, and maintenance of the Markham Ferry project by the Grand River Dam Authority is hereby authorized and directed. The conveyance of such lands or interests therein shall be made by the Secretary of the Army, notwithstanding the provisions of any other law or requirement to the contrary. Other officials having jurisdiction over such lands are authorized and directed to transfer custody of such land to the Secretary of the Army. Reimbursement for the fair market value of said lands will be made by the Chief of Engineers from funds appropriated pursuant to this act. No such conveyance shall be made until funds have been appropriated pursuant to section 3 of this act and until a license for the Markham Ferry project has been issued by the Federal Power Commission. In addition to the foregoing monetary contribution, the Secretary of the Army is authorized and directed to

transfer engineering data, including maps, survey reports and data, drilling records, and designs, as will be of value to the Grand River Dam Authority in planning, construction, maintenance, and operation of the Markham Ferry project.

GRAND RIVER DAM AUTHORITY,
Vinita, Okla., June 2, 1958.

Hon. ROBERT S. KERR,
United States Senator,
Washington, D.C.

DEAR SENATOR: It is my understanding that there has been introduced a new rivers and harbors bill, which has the blessing of the Bureau of the Budget, and that the new bill has in it the amendment to Public Law 476 which will permit the Authority to increase the pool elevations in Markham Ferry upon agreement with the Chief of Engineers, but it does not contain the second proposed amendment relative to releasing the Government from any damages or claim for damages.

You will recall that the subject act was passed July 6, 1954, which act authorized the Markham Ferry project on Grand River in Oklahoma to be constructed by the Grand River Dam Authority, and thereafter Public Law 163, 84th Congress, appropriated funds in the amount of $6,300,000 as a contribution for the flood-control portion of the project.

Public Law 476, as finally enacted in section 3, contained this provision:

"That the acceptance by the Grand River Dam Authority of the foregoing amount shall constitute the agreement of the Grand River Dam Authority to hold and save the United States free and harmless from all claims heretofore or hereafter asserted of whatever nature, including but not limited to acquisition of land, relocation, construction, operation, and maintenance of the dam and reservoir."

The above quoted provision was inserted in this bill after we had had public hearings before a subcommittee of the Committee on Public Works of the United States Senate on August 20, 1951. This provision might be construed that the Authority waives all claims whatever arising from any source. It was the intention in our discussions with the various governmental agencies that the Authority, by accepting the appropriation, would release the Government from any claims that the Authority may have arising out of or in connection with the Markham Ferry project.

The thing that has brought this to my attention at this time is the case of the *Grand River Dam Authority* v. *United States of America* (No. 226–256) in the United States Court of Claims. The authority has sued the Government for usurping its franchise and water rights to generate electric power at the Fort Gibson project, and the Department of Justice has set up as a defense that Public Law 476, under the provision above quoted, released any claim the authority may have against the Government.

If the contention of the Department of Justice is correct, then the authority could never prosecute any claim of whatever nature against the Government. In other words, the authority has operating agreements with the Government at the Oklahoma Ordnance Works and various other locations and, in addition, the authority operates the Pensacola Reservoir for flood control at the direction of the Corps of Engineers, the top 5 feet of the Pensacola Reservoir being owned by the Government, which operation is absolutely a governmental function and any damages resulting from this operation are an obligation of the Government. We have had several suits arising from this operation, and the Corps of Engineers has considered that any damages resulting from this operation is an obligation of the Federal Government, as shown by a letter from Colonel Chorpening addressed to France Paris, general manager, a copy of which is herewith enclosed. If the construction placed on this provision of Public Law 476 is correct, then the authority could not file a claim against the Government for such operation, and I know that it was never the understanding of the authority, neither did the authority ever agree, for such a provision to be incorporated in Public Law 476.

The consideration between the authority and the Government disproves the contention of the Department of Justice. The authority is spending about $28 million of its money to build the Markham Ferry project and the Government is contributing $6½ million ($6,300,000 in cash and lands valued at $200,000) and engineering plans and data that the Corps of Engineers has which may be of value to the authority, and the Government, for its consideration, is receiving at least 233,000 acre-feet of flood-control storage in the Markham Ferry Reservoir. In addition to the flood-control storage, the authority operates and maintains the flood-control features of the project for the United States, free of cost to the United States, for the entire life of the project, which, I am informed, is a lower cost per acre-foot of storage than any of the flood-control reservoirs constructed by the Corps of Engineers.

In flood-control projects, constructed and owned by the United States, they not only have the capital investment but they have continuing operating expenses. They have nothing in the Markham Ferry project except $6½ million for which they receive 233,000 acre-feet of flood control free of operating cost for, at least, 100 years. No reasonable thinking person would conclude that the authority would release the United States from all claims in perpetuity arising outside of the Markham Ferry project for such small consideration.

I do not know how this provision got in the bill. You will recall that as a member of the Committee of the Senate that held the hearings on Public Law 476, the bill considered by the Committee had no such provision in it, and the Authority was never requested to consent to such a provision and never did consent to such a provision. It is my opinion that the Authority cannot afford to accept the $6½ million from the Government if it is required to release the Government and hold it harmless from all claims heretofore or hereafter asserted.

In all fairness and justice Public Law 476 should be amended to limit the release to only those claims arising out of the construction, maintenance, and operation of the Markham Ferry Dam.

Thanking you for your cooperation in this matter and with kindest personal regards, I am

Yours very truly,

Q. B. BOYDSTUN,
General Counsel.

WAR DEPARTMENT,
CORPS OF ENGINEERS,
Office of the District Engineer,
Tulsa District,
Tulsa, Okla., April 25, 1947.

GRAND RIVER DAM AUTHORITY,
Vinita, Okla.

(Attention of Mr. France Paris, General Manager)

GENTLEMEN: For the purpose of flood control, it is necessary that water be stored in the Pensacola Reservoir between elevations 750 and 755 at the dam.

Flowage rights for operation of the reservoir to elevation 755 at the dam have been acquired by the United States. It is therefore considered by the Corps of Engineers that any possible damage resulting in the operation of the reservoir between elevations 750 and 755, for flood-control purposes as directed by the Corps of Engineers would constitute a claim against the United States and not the Grand River Dam Authority.

As it may become necessary for flood-control purposes to store water between elevations 750 and 755 in the immediate future, it is requested that the reservoir be so operated upon request by this office in accordance with the regulations issued by the Secretary of War for the operation of the reservoir.

Very truly yours,

C. H. CHORPENING, *Colonel.*

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO STATE, JUSTICE, AND JUDICIARY APPROPRIATION BILL

Mr. JOHNSON of Texas submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 12428) making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely:

Page 6, line 11, insert the following: "*: Provided*, That, hereafter, Senate delegates to conferences of the Interparliamentary Union shall be designated by the Presiding Officer of the Senate."

Mr. JOHNSON of Texas also submitted an amendment, intended to be proposed by him, to House bill 12428, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. JOHNSON of Texas submitted the following notice in writing:

In accordance with rule XL, of the standing rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 12428) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, the following amendment, namely:

On page 18, line 21, after "ammunition," insert the following: "attendance at firearms matches."

Mr. JOHNSON of Texas also submitted an amendment, intended to be proposed by him, to House bill 12428, making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which was ordered to lie on the table, and to be printed.

(For text of amendment referred to, see the foregoing notice.)

EXTENSION OF CERTAIN TAX RATES—AMENDMENT

Mr. SMATHERS submitted an amendment, intended to be proposed by him, to the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which was referred to the Committee on Finance, and ordered to be printed.

AMENDMENT OF SOIL BANK ACT, RELATING TO USE OF UNUSED PORTIONS OF CERTAIN FUNDS—ADDITIONAL COSPONSOR OF BILL

Mr. STENNIS. Mr. President, I ask unanimous consent that the name of my colleague, the senior Senator from Mississippi [Mr. EASTLAND] may be added as a cosponsor of the bill (S. 2971) to amend the Soil Bank Act so as to permit unused portions of funds appropriated for carrying out the conservation reserve program to be used for other conservation purposes, introduced by me on January 13, 1958.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CHANGE OF REFERENCE

Mr. MANSFIELD. Mr. President, pursuant to an authorization by the Committee on the Judiciary, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of S. 3889, to amend chapter 47 of title 18 of the United States code to prohibit the receipt of fees in connection with the execution of contracts for the rendition of certai. services connected with the sale of real property in interstate or foreign commerce which have been induced by fradulent misrepresentations, and for other purposes, and that it be referred to the Committee on Government Operations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Statement prepared by him entitled "Funds Approved by House Committee on Appropriations for Connecting Channels Inadequate."

By Mr. KUCHEL:

Article entitled "A Milepost Through the Billboard Jungle," written by Senator NEUBERGER, and published in Outdoor America for June 1958.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

OUR DEFENSE POLICIES RECONSIDERED—V—LIMITED WARS AND LIMITED OBJECTIVES

Mr. FLANDERS. Mr. President, I ask unanimous consent that I may address the Senate for 14 minutes. I may say that I have always been punctilious about the 3-minute rule; and I know exactly how long I shall speak, and therefore have requested that particular length of time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FLANDERS. Mr. President, in my remarks yesterday I used Admiral Buzzard's term "grey area" to describe the situations in which aggression will occur, but which are not of such global size as to warrant or permit full scale atomic warfare. How shall we achieve a balance in this area as against Soviet air power, massive land armament, and overwhelming superiority in manpower? To this question the admiral addresses himself, and this morning I am going to quote verbatim from a speech which he recently delivered.

Dealing with minor conflicts—

Says he—

requires in fact the provision of a balance of power, not only in terms of total global war, but also in the grey area in terms of serious local limited war. The best way to appreciate what has to be done to make this policy of "selective" or "graduated deterrence" work, is to examine the present balance of power which, most people agree, should be the basis of our defense policy, whether it be for preventing or limiting hot war, or for negotiating with the Communists in the cold war.

Let us first take the balance of power in terms of local limited war.

In this the Communists at present enjoy great superiority, on account of their inherent ability to deploy superior conventional forces against us in many areas, that is to say, forces equipped with weapons filled with only conventional high explosive. This is due to a number of factors, particularly that of geography, which in this case blesses the Communists, and which we cannot change.

Consequently, if there is to be a local balance of power, we are in the terrible dilemma of having, in some cases, to initiate the use of tactical atomic weapons in retaliation for serious local aggression by Communist conventional forces—not in all cases, but in some. This is a fundamental factor from which we are unable to escape, at least until disarmament has gone a long way.

Now you may immediately say that if we initiate the use of tactical atomic weapons in the event of a serious local aggression, the Communists will also use such weapons, and the balance of local power will then be no better. This is not so, because, for various reasons (which we might discuss in detail afterward), tactical atomic war generally favors us in our task of defending territory much more than it favors the attacker. We are certainly far more likely to deter and, if necessary, repel the Communists if tactical atomic weapons are liable to be used, than if confined to conventional forces only.

Another query which will immediately arise in your minds is, whether tactical atomic war can be sufficiently limited to be in proportion to the issues likely to be at stake in a local war, whether it can be reasonably controlled and discriminate, and whether it can be sufficiently distinguished from total global war to prevent it spreading to that. Here we move from facts to opinions.

Now at the moment, most people I think—particularly the public—believe that these limitations and distinction between tactical atomic war and total global war will never be practicable, though very few have seriously tried to work them out. If this were true, then clearly what you and I ought to do is to persuade the Western governments to give up their present preparations for fighting tactical atomic war as such, and to spend much more money and manpower on conventional forces—perhaps supported by tactical chemical weapons, inadequate as these would still be to deal with local aggression in some areas. For, make no mistake, the Americans at least are becoming increasingly committed to tactical atomic warfare, though, as we shall see in a moment, they have done and said far too little about it to make it work in practice.

Other people—including apparently the British Government—seem to think that we cannot afford to give the Communists, in advance, any indication of even the sort of limitations which we might adopt in a tactical atomic war. This school of thought implies that it will "all be all right on the night," and that we merely have to use the appropriate weapons against the appropriate targets within the appropriate local area, and the Communists will readily conform to our limitations without any indication beforehand as to what they will be.

Now it seems to some of us that the truth lies between these two extremes. That is to say, that the necessary limitations are not so difficult as to be incapable of being made practicable, and not so easy as to be safe to leave until the 11th hour, for after examining them in some detail we feel that they can be made practicable, but will require much preparation and considerable modifications to present military practice. The geographical area of hostilities would, of course, have to be limited. The atomic weapons used would have to be strictly limited in their size and radio-active fallout, in order that they may be reasonably discriminate. The targets attacked would also have to be strictly limited, particularly as regards keeping off centers of population, otherwise the destruction would be quite out of proportion to the limited issue at stake. And above all, we should have to limit strictly our motive or war aims. In this latter lies the essence of the problem. Never again must we aim at unconditional surrender, or, indeed, at victory as such, but only aim at a "cease-fire" and return to negotiations, on the basis of the minimum condition required to remove the injustice for which we were prepared to go to war. Any idea of winning such wars would be fatal, as well as wrong morally.

Further, we feel that when these limitations have been worked out, they must be publicly ventilated in general terms, so that both sides may be conditioned to them well beforehand. They would then stand a good chance of holding good if a tactical atomic war should break out. Moreover, they will be seen to have a good chance of holding, so that our intermediate tactical atomic deterrent will be credible, and therefore probably effective, and therefore as unlikely as possible ever to be used. Provided—but only provided—this preconditioning process was undertaken, there would be good prospects of these limitations remaining under control, despite the emotional factors which inevitably arise in war. The Communists, in particular, would be desperately anxious to conform to any reasonable limitations we lay down, for the sole reason that it would be entirely in their self-interest to do so, as it would be for us, both sides being disciplined by the overriding mutual terror of the fighting spreading to total global war. And if the fighting should get out of control and the destruction become out of proportion to the issue at stake and to the aim of upholding justice, then, we should come to terms with the enemy. This, after all, we have done many times before in our history.

This last remark of the admiral's sends the cold shivers down the spine, for our instinct is all directed toward demanding and getting unconditional surrender. Yet let us repeat the words

again, "And if the fighting should get out of control and the destruction become out of proportion to the issue at stake, and to the aim of upholding justice, then, we should come to terms with the enemy." After all, would it not be commonsense to negotiate an end to a conflict which has taken that turn?

The admiral ends his plea in these words:

By so accepting the overall balance of power and setting out to restore the local balance, Western defense policy would, I believe, be much more in tune with the real Communist threat, and give us at least the best possible chance of preventing and limiting hot wars.

But it would also help us in our cold war problems as well. For it would ease East-West tension and suspicion which bedevil all negotiations, enable the world to start gaining control of the nuclear arms race, and if not actually abolishing total global war, at least move it more into the background.

It would also block the possibility of Communist exploitation in the "grey area," and, as a result, improve the prospects of them negotiating disarmament, genuinely. It would, too, give us a more realistic and workable balance of power from which to negotiate other outstanding issues, such as Germany, the Middle East, and Korea.

Amongst our own public, and that of our Allies, it might dispel some of the extreme attitudes of pacifism and massive retaliation, and give us a "middle-of-the-road" policy for defense, which we could all see, understand, and perhaps support with more unity.

And above all, it would help the world to take at least one step back toward a new and more Christian attitude toward war, and the only conditions upon which it can be justified.

Mr. President, it is my plan tomorrow to show how, by accepting the overall balance of power (the atomic stalemate) and setting out to restore the local balance (graduated deterrence) we may hope to simplify and to assign definitely the missions of the services and, at diminished cost, improve our defensive strength.

SEVEN-POINT PROGRAM FOR JUNE DAIRY MONTH

Mr. WILEY. Mr. President, as we know, this is June Dairy Month. During this month, a special attempt is being made to focus attention on the dairy industry and the value of dairy foods to American consumers.

Representing, in part, the leading milk-producing State in the Nation—which has an annual output of about 17½ billion pounds of milk—I am naturally deeply concerned with resolving the problems confronting the dairy industry. In addition, I believe it important to assure maximum consumption of this most healthful food by more people—the goal of the June Dairy Month program.

DAIRY INDUSTRY AN IMPORTANT PART OF THE ECONOMY

In these times of economic problems, I should like to point out that milk producing is making an important contribution to our economy, in terms of jobs and business activity, thus benefiting others besides the farmer. For example, in 1957 the processing and delivery of nearly 3 billion quarts of fresh milk required 200,000 workers in the plants of about 11,000 milk companies. The processing of butter, cheese, dried milk and other dairy products, including ice cream, employed more than 100,000 additional people.

This, of course, is in addition to the fact that dairying contributes to the livelihood of millions of farmers, for whom milk producing is either a primary, or supplemental, source of income.

We must, however, attempt to stimulate a better public understanding of the value of dairy foods to our health. This will help to increase consumption and thus brighten the outlook for the industry.

While June Dairy Month highlights dairy activities, the real goal—to give maximum benefit of these health-giving dairy foods to consumers—is to make "every day a dairy day."

This morning, I had an opportunity to discuss the dairy situation with Mr. Pius H. Hostetler, national chairman of June Dairy Month. As a result of the conference, we endorsed seven basic points of action for the June Dairy Month program.

I request unanimous consent to have the planks of this program printed at this point in the RECORD.

There being no objection, the planks were ordered to be printed in the RECORD, as follows:

SEVEN-POINT DAIRY PROGRAM

Among the basic planks of an effective June Dairy Month are the following:

1. Sell the dairy food message to consumers, stressing that—

Dairy products are a "best buy" for the family budget, providing more than one-third of our total food needs for less than one-fourth of the total food budget;

Dairy items are among the most health-giving foods on the market, furnishing over 25 percent of our food needs; and

The wide variety of dairy products—milk, butter, cheese, ice cream, and other items—add zest, color, and myriad flavors to making more exciting menus for daily meals.

2. Scuttle the outmoded idea that there is an age limit on milk consumption. The fact is that milk is a good, healthful food for all age brackets—babies, teen-agers, adults, and folks in their golden years.

3. Refute unfounded attacks on milk or the component parts of milk—that may give a false impression of possible detrimental effects on human health.

4. Encourage the dairy industry in its splendid efforts at stepping up sales and promotion, as well as its outstanding attempts to bring to the public greater variety and better quality in dairy foods.

5. Step up research to improve methods of producing, processing, and distributing so as to improve quality and promote a reasonable return to producers and distributors, as well as lower costs to consumers.

6. Encourage expansion of a program to have milk accessible in more places, including opportunity for refreshing milk breaks during working hours, so that the public has ample opportunity to drink more milk.

7. Pay tribute to the American dairy farmer for his outstanding contribution to the economy and the health of our people.

DISARMAMENT NEGOTIATIONS

Mr. SMITH of New Jersey. Mr. President, this morning the White House released President Eisenhower's latest letter to Chairman Khrushchev on the subject of international disarmament. It shows continued progress toward the establishment of a sound basis for disarmament negotiations.

Russia has accepted President Eisenhower's proposal for a technical conference to study ways of detecting violations of a possible agreement on suspension of nuclear tests. The President now proposes that these discussions begin by July 1.

If the experts for both sides succeed in working out a reliable method of inspection, the way will finally be open for an effective international agreement to halt nuclear testing. The President's letter today marks another step in his determined search for a lasting peace, and I ask unanimous consent to have its text printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 10, 1958.

DEAR MR. CHAIRMAN: I have your letter of May 30 and am glad to note you have accepted my proposal that technical experts meet to study the possibility of detecting violations of a possible agreement on suspension of nuclear tests. These talks would be undertaken without commitment as to the final decision on the relationship of nuclear test suspension to other more important disarmament measures I have proposed.

I propose that these discussions begin on or about July 1 in Geneva. While we appreciate your offer to hold these talks in Moscow, we believe that Geneva would be preferable from our standpoint, and note that it would be acceptable to you. The Swiss Government has agreed to this location.

With respect to participation I suggest that initially at least we adhere to the concept expressed in your letter of May 9, 1958, where you say, "the Soviet Government agrees to having both sides designate experts." As indicated in my letter of May 24, 1958, our side at this discussion will include experts from the United States, United Kingdom, France and possibly from other countries which have specialists with a thorough knowledge in the field of detecting nuclear tests, and we note that you have no objection to this. With regard to the inclusion on your side of experts from Czechoslovakia and Poland, we have no objection to this. With respect to experts of nationalities not identified with either side, we have no objection in principle to their joining later in the discussions if it is agreed during the course of the talks that this is necessary or useful from the point of view of the purposes of the technical talks.

It may be possible for the experts to produce a final report within 3 or 4 weeks as you suggest. However, I believe that there should be enough flexibility in our arrangements to allow a little longer time if it is needed to resolve the complex technical issues involved.

I propose that further arrangements for the meeting be handled through normal diplomatic channels.

Sincerely,

DWIGHT D. EISENHOWER.

THE WHITE HOUSE.

THE LABOR REFORM BILL

Mr. SMITH of New Jersey. Mr. President, this is a date which has particular significance for Members of this body. Today is the deadline for the reporting of a labor-reform bill.

I congratulate the distinguished chairman of the Subcommittee on Labor

[Mr. KENNEDY] for meeting this deadline which was set last April during our debates on the pension and welfare bill. The members of the subcommittee and my colleagues on the full committee are to be commended also for their cooperative efforts in expediting the reporting of the labor-reform bill.

It should be noted, however, that some Republican members of the committee, including myself, voted to report the bill with the reservation that they would seek to remedy the inadequacies of the bill by offering amendments on the floor.

The fact is that the full committee completed its action on the bill last Friday, June 6, 1958. It was most fortunate that the committee was able to meet its deadline by this comfortable margin, as it enabled the Labor Department to give the proposed bill close scrutiny over the weekend. As a result of their analysis, Secretary of Labor Mitchell issued a press release yesterday stating the administration's views on this matter.

Because of the administration's leadership in the area of labor reform, I urge my colleagues to give careful consideration to the views of Secretary Mitchell.

I ask unanimous consent that the text of Secretary of Labor Mitchell's press release and an editorial entitled "The Labor Bill: Shocking Omissions," from the New York Herald Tribune of June 10, 1958, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the press release and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT OF SECRETARY OF LABOR JAMES P. MITCHELL ON LEGISLATIVE PROPOSALS AFFECTING LABOR-MANAGEMENT RELATIONS MADE BY THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, AS RELEASED BY HIS WASHINGTON OFFICE TODAY

I have been following closely the work of the Labor Subcommittee of the Senate Committee on Labor and Public Welfare headed by Senator KENNEDY in its efforts to draft legislation to curb abuses in the labor management field.

After examining and analyzing the proposals that have just been made to the Congress by the committee, I am deeply disappointed to find that these proposals contain deficiencies and weaknesses of such magnitude that were they enacted into law, I am convinced they would provide only illusory protection to trade union members and to the public, as well as being almost impossible to administer.

I was discouraged to find that because of imperfections, omissions, or loopholes in the language of these legislative proposals submitted by the committee, the proposals not only fail to meet the recommendations for labor-management legislation made to the Congress by President Eisenhower last January, but that they also weaken the already pitifully ineffective legal protection presently provided by law to union members and the public.

The legislation submitted to the Senate by the committee would exempt more than 60 percent of labor unions from its provisions, including many unions which now report their financial affairs to the Government. Paper locals, like those controlled by persons such as Johnny Dio, could be permitted concealment. Also, under these proposals the activities of such union organizations as the Western Conference of Teamsters, with their Brewsters and Becks, might never be exposed to public view.

Under present laws, unions seeking NLRB recognition must file financial reports with the Secretary of Labor and make these reports available to their membership. The committee's proposals would relieve unions of this obligation, and would instead force local members to go to Washington to obtain such information.

The legislative proposals reported out by the committee give certain duties and enforcement obligations to the Secretary of Labor, but they provide the Secretary with inadequate powers to properly discharge his responsibilities. For instance, the proposals would require the Secretary to make investigations and inspect books and records of unions when he has probable cause to believe that anyone had violated the law. However, the Secretary is denied the power to compel testimony, hold hearings, or to issue subpenas for persons or records, and he appears further to be subject to injunctive processes which would impair and hinder him from carrying out even the limited authority the bill provides.

Other serious deficiencies in the committee's proposals include the destruction of the present rights of union members to seek State and Federal court relief to enforce their democratic rights; the perpetuation of a no man's land between State and Federal labor laws which denies legal protection to thousands of workers, and the relaxation and in some cases destruction of the present legal protections provided union members.

Although there are several areas where the committee's proposals closely approximate the carefully developed, reasonable proposals submitted by the President, the proposals as a whole would provide completely ineffective legislation, which would delude the workers of this country and the American public into believing they had protection they did not in fact have.

I strongly urge the Congress to adopt more effective legislation as proposed by President Eisenhower last January. We need legislation that will add to, not subtract from, existing protections which the law now provides for union members, individual workers and the public.

NOTE.—Secretary of Labor James P. Mitchell is presently in Geneva leading the United States Government delegation to the 42d annual conference of the ILO.

[From the New York Herald Tribune of June 10, 1958]

THE LABOR BILL: SHOCKING OMISSIONS

Secretary of Labor Mitchell's attack upon the labor reform bill which Senator JOHN KENNEDY wrote and which has now been reported to the Senate raises some very grave charges.

On its face, the bill seems to go some of the way to meet those very needs which critics of labor abuses have so long recommended: elections by secret ballot, detailed financial reports by officers, full disclosures of their use of funds, and stiff penalties for failing to report or violating union trusts.

But according to Secretary Mitchell the bill, as it now stands, is loaded with booby traps which actually, instead of giving union members greater rights, would diminish those which they already possess.

By exempting smaller locals from regulation, the bill, says Mitchell actually would exempt more than 60 percent of labor unions from its provisions—the very type of paper locals which gangster Johnny Dio and his breed particularly favor. It would conceal the very existence of such outfits as the Western Conference of Teamsters, which Dave Beck so abused.

Under present law, unions seeking National Labor Relations Board recognition must file financial reports to the Secretary of Labor and make them available to members. The bill would end this obligation.

The Secretary is charged to enforce the bill, but Mitchell says it gives him inadequate powers to do so. It subjects him to injunctive processes which would impair and hinder him from carrying out the limited authority the bill provides.

The Supreme Court has just affirmed the right of individuals to sue unions for damages when their democratic rights are violated, the bill would, according to Mitchell, end this right. The proposals as a whole would provide completely ineffective legislation, which would delude the workers of this country, and the American public, into believing they had protection they did not in fact have.

These are strong words. If the facts bear them out it means the Democrats tried to meet the rising tide of public opinion for labor reform with a phony bill which actually makes no threat to the power of corrupt union bosses. If so the bill should be rewritten from the floor to make it an honest bill and follow the model outlined by the President. It should include such reforms as requiring a majority vote, by secret ballot, to call a strike.

Unions also should be made subject to the same legal restraints as now apply to corporations and individuals. They should not be immune to damages for abusing the rights of individuals, union or nonunion; and like corporations they should be subject to penalties for actions which are in restraint of trade.

PROPOSED LABOR REFORM LEGISLATION

Mr. GOLDWATER. Mr. President, for nearly a year and a half, there has been disclosed to the American people by the McClellan committee a shocking series of actions on the part of some of the labor leaders of this country—actions which involved the misuse of union funds, the complete denial of democratic process to the membership, association with racketeers, "sweetheart" contracts, collusion with management to the detriment of the worker, and a total lack of leadership responsibility.

The American people have been rightly aroused. The Senate of the United States, after too long a delay, debated the matter on the floor and turned down effective remedies with the excuse that the Labor and Public Welfare Committee should and would meet and consider the entire problem and present its suggestions on the floor in the form of proposed legislation. After quickly held hearings, the Labor and Public Welfare Committee labored and came forth with a measure whose directions have been carefully controlled by certain labor leaders.

My dissatisfaction with this measure has been countered by the charge that I would not be happy unless the proposed legislation intended to destroy labor. Let labor and management and the public, including the working man, examine my proposal to see if it follows the charge leveled at me by those who are more concerned with appeasing labor leaders than providing union members with adequate legislative relief. They will find that my bill contains sections from nearly all proposals made to the committee; all designed to prevent a recurrence of what the McClellan committee has disclosed. It is a bill designed to accomplish what has clearly been

shown needs to be accomplished. It is a bill drawn with the welfare of the working man in mind, and not his leaders.

The bill being reported to the Senate today will not, in my estimation, stop the misdeeds disclosed by the McClellan Committee, nor prevent them from happening in the future.

I am, frankly, surprised and somewhat disappointed that the Senator from Arkansas [Mr. McCLELLAN], who has so valiantly seen this rackets disclosure through, has lent his assistance to the passage of a measure which falls so far short of his own recommendations in the field that one has difficulty recognizing any semblance of them in what remains.

This bill is a feeble sham and it is being recognized as such by Americans who expected better from the Senate. It practically ignores democratic rights. It refuses to make the union responsible for its actions and the actions of its leaders. Its handling of the no man's area is typical of the liberal approach—place everything under the Federal Government.

One would think that liberal Democrats—mostly from the North—who constantly harp on the rights of minorities, would be ashamed of the proposed committee bill after the revelations of the Labor Rackets Committee dealing with lack of democracy in unions. But, they have announced that they are seeking a noncontroversial bill if any is to be passed by the Senate at all. The measure is not only noncontroversial, it is a nonentity, and at its best might be called a wrist slapper. Even so, it is a better bill than was originally offered to the subcommittee by the chairman. But, to help the workingman who is a member of one of these unions, it stumbles out with the feeble steps of a mouse, falters, and falls on its false face. It is a disgrace as an answer to the tales of plunder, of practical enslavement, of the denial of personal rights and the rights of the States, which have been related with sordid regularity before the Rackets Committee for a year and a half. It demonstrates a shortage of courage by certain of the labor leaders of this country in facing up to a situation they know full well should be corrected even though the correction might cost them personal power.

I hope that the Senate will not meekly succumb to the pleas that this is the best bill we can pass this year. I hope there will be more profiles in courage developed as we attempt to make of this weakling, the strong, workable, meaningful legislation the people of the United States are demanding. I hate to believe that the Senate will compromise itself to the extent necessary to accept this "Meany Mouse" sweetheart bill.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD as a part of my remarks the minority views which I have submitted to the Committee on Labor and Public Welfare; and also that the minority views be printed as a part of the committee report.

The PRESIDING OFFICER. Without objection, it is so ordered.

The minority views ordered to be printed in the RECORD are as follows:

INTRODUCTION

I oppose the passage of this bill in its present form because it fails completely to achieve the objectives which the American public demands.

In January of 1957, as a result of a hue and cry raised across the country for investigation into operations of unions, the Senate unanimously authorized creation of the select committee, more commonly known as the McClellan rackets committee.

The committee held extensive hearings during 1957 and issued an interim report on March 24, 1958, covering the first year's activities of the committee. The report constituted shocking indictment of the practices followed and allowed in many labor unions. As a result of the McClellan committee's disclosures, the public has demanded and continues to demand legislation to accomplish basic reforms in labor-union democracies and finances.

During prolonged debate on the floor of the United States Senate from April 23 to April 28, 1958, at the insistence of Republican Senators, promises were extracted from Democrat leaders that a bill correcting labor abuses would be reported to the floor of the Senate by June 10, 1958. The claim is made that the committee bill, effectively prevents the recurrence of future abuses of this nature.

Measured by any reasonable standards, I strongly believe that this objective has not been achieved. Thus, the American Civil Liberties Union, in a report on union democracy issued in March of this year, pointed out the need for a labor union bill of rights which would guarantee the following as a minimum program of union democracy:

1. Freedom of speech, press, and assembly for all union members.

2. Freedom of elections and secret balloting for all union members.

3. Regulation and limitation on the imposition of trusteeships over local unions by the internationals and certain guaranties for local union autonomy.

4. Comprehensive and detailed accounting of union funds and disclosures of the same to union members.

5. Equal treatment by the union of all its members.

6. Due process within the union guaranteeing all members the right to be protected through fair and impartial hearings and before unbiased and independent tribunals with respect to disciplinary proceedings against them.

The committee's bill falls so far short of meeting these minimum standards that it is reasonable to say that it will never accomplish the purported objectives.

I intend to offer as a substitute for the committee bill, legislation which will accomplish what the McClellan committee investigations have demonstrated needs to be done. This legislation will contain provisions not only for financial reporting and disclosures and for the regulation of trusteeships, but it will establish a machinery which will enable the members of unions through their own initiative to take the necessary action to assure the rights and democratic procedures set forth by the American Civil Liberties Union.

The McClellan committee recommendations since they result from months of hearings and investigations must be given great weight by the Senate in its deliberations on any labor legislation. At this point I should like to quote from page 450 of the interim report of the committee in which the committee outlines in general form its legislative recommendations:

"The United States Senate Select Committee on Improper Activities in the Labor or Management Field recommends that the Congress of the United States give attention to the passage of legislation to curb abuses uncovered in five areas during our first year of hearings. These recommendations are—

"1. Legislation to regulate and control pension, health, and welfare funds;

"2. Legislation to regulate and control union funds;

"3. Legislation to insure union democracy;

"4. Legislation to curb activities of middlemen in labor-management disputes;

"5. Legislation to clarify the 'no man's land' in labor-management regulations."

The committee bill fails to carry out the legislative recommendations of the McClellan committee in the following significant respects:

1. The sanctions imposed upon labor unions or their officers or employees are inadequate where they willfully fail to file the required reports or having filed, willfully submit false or misleading information.

2. There is no provision treating union funds as funds administered by fiduciaries. The McClellan committee recommended that restrictions should be placed on the use of these funds such as are now imposed on banks and other institutions which act as repositories for trust funds. The committee bill contains no such provision.

3. The McClellan committee report recommends the use of secret ballots not only in union elections but in connection with other vital union decisions. The committee bill contains no provision for secret ballot elections in connection with vital union decisions.

4. The McClellan committee report recommends that where the Nation Labor Relations Board refuses to assert jurisdiction that "any State or Territory should be authorized to assume and assert jurisdiction over such disputes." The committee bill contains no such provision and leaves the no man's land problem in the same position as it now is, to wit, completely unsolved.

Hereinafter in the report, I will demonstrate further shortcomings of the committee bill but it can be fairly stated that the bill reported out by the Committee on Labor and Public Welfare is, indeed, a mouse which is hailed by the majority as the lion required by the McClellan committee findings.

I. REPORTING AND DISCLOSURE

The committee bill's provisions requiring reporting and disclosure of the financial affairs of labor unions and their officers and employees althought acceptable in many respects, show certain weaknesses which need to be corrected to accomplish the purposes for which these provisions were designed.

Thus, the committee bill requires that unions report all disbursements of more than $7,000 to any officer or employee. I feel that having recognized the necessity for such reporting and disclosing, there should be no limitation with respect to the amount of the disbursement. Union members have a direct concern and interest, in fact, a basic right to know how many officers and employees are on their union's payroll, and just how much each one of these individuals is receiving. Nepotism, favoritism, payroll padding, even when the jobs involved do not carry large salaries, are not unknown in labor unions. From the standpoint of the union member whose money is being used to pay these disbursements, it might well be of more interest to know that his union has 50 people on the payroll, each drawing a few thousand dollars, than to know that it has two or three or four, each of whom are drawing higher salaries.

The substitute that I propose to offer does not prohibit these disbursements, but there can be no justifiable reason for withholding this information from the union members.

The committee bill requires unions to report all loans to any business enterprise and only those in excess of $500 to officers, employees of the union, or union members.

Both of these provisions fail to require the union to report the reasons for these loans even though "other disbursements" not specified in the bill but required to be reported, do compel disclosure of the reasons for such disbursements. No showing was ever made in the committee or in the hearings justifying this distinction. If union members have a legitimate interest and a right to know the reasons for their union's disbursements in general, they have an equal right to know the reasons for any loans being made by the union. It has been contended that many of these loans to union members, to employees, or officers are meritorious. This is not denied, but again union members have a right to know whether even such meritorious loans are going to some members rather than to others, to know whether such loans are going to friends or relatives of the union leaders but are being denied to the ordinary working Joe, and why.

I feel that these uses of the union's money for purposes which are not directly related to the union's business of collective bargaining should be completely disclosed to the membership. In all union financial dealings, anything short of this would fail completely to stem the abuses which have been revealed with respect to the mishandling of union funds.

The most important weakness, however, of the reporting and disclosure provisions of the committee bill is the lack of adequate machinery for compelling labor unions to rid themselves of the criminals, crooks, thieves, betrayers, and misleaders of the membership who are to be found in various segments of the labor movement as was so dramatically shown by the investigations of the McClellan committee.

The committee bill imposes drastic criminal penalties on union officers and employees who fail to register or report accurately the data disclosing their union's financial affairs or any of their own dealings which may involve conflicts of interests. But, strangely enough, under the committee bill, a union officer or employee may deliberately falsify the reports he is required to make under the bill or may completely refuse to file any report at all and his retention in office, or employment by the union, after such conduct involves no sanction or penalty on the union itself.

The McClellan committee hearings are replete with instances where criminals, embezzlers, and racketeers, known to be such, many of them with previous criminal records, have continued to hold union offices or employment. Joe Fay, of the Operating Engineers Union, sentenced to a long prison term in connection with crimes resulting from a betrayal of his union's trust, nevertheless, continued to run and control his union from a prison cell.

This lack of any effective means of inducing the unions to get rid of their corrupt officers and employees renders the entire reporting and disclosure provision of the committee bill largely ineffective.

I hold the fundamental concept that it is the duty of the union members themselves to clean house and that it is not the appropriate function of Government to tell them in detail how this is to be done. Government's proper sphere is to provide the machinery and the means whereby the union members are given the opportunity to do these things for themselves.

In accordance with this basic belief, I favor a provision that would require any labor union, any of whose officers or employees have either willfully failed to disclose the information required or having willfully falsified such reports and been convicted for doing so, to remove or discharge such officers or employees if they wish to continue to enjoy the special privileges granted to them by statute. Two of these privileges are immunity from Federal income taxation and the right to use the processes of the National Labor Relations Board. I would deny these two privileges to any union that failed to rid itself of such corrupt officers and employees, and would authorize the union members to do so even if their own constitution did not provide the means.

If inadequate sanctions are imposed against unions, there is nothing to compel a labor union to file a financial report or to prevent a willful misrepresentation of the financial report. Therefore, a long list of requirements on financial statements means nothing if a labor union does not wish to comply. Imposition of a $10,000 fine against unions for failure to file or willfully filing falsely is a small or probably ineffective sanction against large labor organizations.

A particularly significant weakness in the reporting provisions of the committee bill is to be found in section 101 (c), which exempts from the reporting requirements "labor organizations having fewer than 200 members and gross annual receipts of less than $25,000, including all sums paid as dues, or per capita tax, to a parent or affiliate labor organization."

It has been reliably reported to me that as high as 60 percent of all labor unions in this country would, thus, be exempt from the reporting requirements of the committee bill. Further, the provisions of the committee bill would have no effect whatsoever, on hoodlums such as Johnny Dio who made fortunes by manipulating paper locals which had no members but were represented at international elections.

II. TRUSTEESHIPS

The provisions of the committee bill dealing with the establishment of trusteeships over local unions by the national or international labor unions, with which they are affiliated, are substantially acceptable to the undersigned. These provisions were offered by way of amendment by me in place of the weak and completely ineffective proposals which were first placed before the subcommittee in executive session. I intend in my substitute bill to include the provisions of the committee bill dealing with trusteeships, with only minor changes.

III. ELECTIONS

I believe that union democracy, if it is to be genuine, requires effective procedures permitting union members to control their own affairs and freely to select their own representatives. The provisions in the committee bill fail completely to achieve these objectives. In fact, a comparison of what the committee bill provides in these areas with the minimum standards set forth by the American Civil Liberties Union graphically demonstrates the shortcomings of the committee bill.

I intend to offer an amendment which while adhering to the principle of a minimum of direct Government intervention, will provide union members with the opportunity as well as the machinery for giving effect to their wishes in all the significant aspects of their status as union members.

The amendment I intend to offer relies fundamentally on a well-established and familiar principle of political democracy used in many parts of the United States—the initiative and referendum. It will provide that upon a petition filed with the National Labor Relations Board by 20 percent of the members of a labor union, the Board shall conduct a referendum either for the recall of any union officer or for the amendment, modification, revision, or repeal, of any of the provisions of the union's constitution, bylaws or other governing rules and regulations.

The contention has been made that to permit the initiation of a referendum by a minority of the members would encourage the activities of dissident and mischief-making groups whose sole objective is to harrass and embarass the union leadership in trying to carry out their duties and to operate the affairs of the union efficiently and honestly. This same contention has always been made by dictators, would-be dictators, and those whose political attitudes move in the direction of totalitarianism. Autocrats always speak of unity and those who oppose the leader for whatever reason are always referred to as traitors. As a matter of fact, recent studies have shown that in scores of constitutions of unions representing millions of members, there are provisions which make it possible to discipline members if they make derogatory remarks about, or in any way criticize or oppose the union leadership.

Even the most superficial examination of this contention establishes either its naivete or the sinister quality of the motives behind it. Leaders of organizations which profess to be democratic cannot in all honesty object to a procedure which permits the members whom they allege they are serving from having the final voice in their selection. Nor can anyone who honestly believes in the right of the members of an organization to govern themselves have any valid objection to a procedure which enables those members to establish the rules and regulations by which they are to be governed.

The amendment which I will offer provides the mechanism whereby the membership, if it so wishes, can choose their own leaders, establish their own rules and through these processes give themselves the kind of government which the American Civil Liberties Union has stated constitutes the minimum of a decent, genuinely democratic union.

In further implementation of securing the objectives of assuring union members their democratic rights, the amendments I will offer include a provision which will protect union members against being deprived of the most effective weapon which they possess in their relations to their employers. It has become commonplace among labor union supporters that the right to strike is a right so precious that it should not be limited in any way. Every proposal that has ever been made for legislation to restrict even in some trifling respect the right to strike has been met with a universal chorus of opposition by the professional spokesmen for labor. I, too, feel that the right to strike (although not unlimited and properly subject to regulation in the public interest) is a precious right of working people and I propose to give it a protection which it does not now enjoy. With increasing frequency, some labor union leaders are bartering away this right in collective bargaining agreements. Sweetheart contracts often contain such no-strike provisions. I will propose that when any contract includes a provision surrendering the right to strike, such provision shall not become effective until the members of the union have voted to ratify it.

Among the amendments I propose to offer, is one which will restore to employees and union members a right guaranteed them by statute since 1935, but of which they have been deprived for many years, as a result of decisions by the National Labor Relations Board. I refer here to the contract bar rule of the Board. Although the National Labor Relations Act itself places only a single time limitation upon the holding of NLRB elections to certify or decertify, a bargaining representative, and such limitation is for a period of only 1 year, the Labor Board by its policy has made it possible to deprive employees of their right to select a bargaining representative for a period in excess of 1 year, in some cases, up to 5 years.

This policy of the Board, would be modified to permit employees to vote, to change their bargaining representative, or to decide to be represented by no bargaining agent at all. It should permit the Board to conduct representation elections during the life of a collective bargaining agreement as long as no

prior election was conducted within the preceding year, but give continued effectiveness to the existing collective bargaining agreement for the remainder of its term. Thus, regardless of whether the bargaining representative chosen by the employees, was the same as the one which had originally entered into the agreement, or even if the election resulted in no bargaining agent at all, the terms of the contract would continue in effect, and stability in bargaining relations would be preserved. To deny this right of changing, selecting or repudiating their bargaining agent to employees during the life of a collective bargaining agreement is to deprive them of the fundamental right guaranteed to them by the statute.

I further feel that many union constitutions are notoriously inadequate in the procedures provided for the protection of the rights of union members in their relationships with their union and union officers. Even where such constitutional provisions are satisfactory, their application leaves much to be desired. Under the amendments I propose, the right of the union members to vote becomes exceedingly important because through the initiative and referendum process, members can actually gain control of their union affairs.

Thus, it becomes necessary to protect the right to vote either in the referendum proposed in my amendment or in any other elections conducted by the unions themselves. I, therefore, will propose that any union member who has been denied his right to vote shall have a right to appeal for a review by the National Labor Relations Board. This Board shall be authorized to set aside any election and to nullify any decision resulting from any referendum conducted by it, and any election conducted by the union, if there has been a denial of the right to vote in such referendum, which affects the result of the election.

Coercion and physical violence have frequently been resorted to by union bosses to intimidate union members who have ventured to criticize or oppose the misconduct of such officers. It is obvious that such unions will not hesitate to employ these means to prevent any opposition from effectively utilizing the machinery for elections set up by my proposal. I, therefore, will offer a further amendment imposing the severest criminal penalties on any individual or group which in any way attempts to restrain or coerce or threatens to restrain or coerce union members who seek to invoke or to participate in any of the voting procedures described above.

IV. CODES OF ETHICAL PRACTICES

The committee bill set up an advisory committee to study the effects of the adoption by labor unions of codes of ethical practices. I have no objection to the inclusion of these provisions in any bill which the Senate chooses to enact. I feel, however, that it is appropriate to point out that groups of individuals enjoying substantial power in any organization, even when they are not engaged in any corrupt activity, are necessarily reluctant to surrender or restrict the power they exercise. To hope that they would impose a self-restraint which will accomplish the objections of completely clean, honest, and democratic unionism, is to ask for utopia.

The codes of ethical practices of the AFL–CIO are excellent documents, noble in purpose, but ultimately unenforceable. The limit of power of the AFL–CIO to punish its constituent members for violation of these codes is expulsion; however, the history of the past 10 years has demonstrated that unions expelled from their parent labor federations for corruption or communism have managed to survive and in many cases even to thrive. As a matter of fact, the AFL–CIO itself, despite the fine professions of its ethical practices codes has refrained from completely severing its relations with the teamsters union. Unions like the bakers union and laundry workers union have been expelled and cut off from any local cooperation with affiliates of the AFL–CIO. Dissident members of these two expelled unions have been encouraged and invited to secede and to affiliate with the AFL–CIO. Definite programs are underway for setting up new unions of bakery and laundry workers as rivals to the expelled corrupt organizations. But, despite the fact that the practices of the teamsters union have been just as reprehensible as those of these two small unions, the AFL–CIO has refrained from taking similar action against it. Cooperation at the local level by the affiliates of the AFL–CIO and the teamsters union goes merrily on. Dissident teamster members, or locals, disgusted with the corruption and dishonesty of the leaders, wishing to leave the teamsters and join the AFL–CIO, are not welcome. They have been refused the right to affiliate and have been told to stay in the teamsters.

This demonstrates the unwillingness of the AFL–CIO to apply its codes of ethical practices where such application is injurious to its material interests.

It is interesting to note in the New York Times of Sunday, June 8, 1958, an article entitled "Teamsters Show Profit on Ouster." This article analyzes the progress of the teamsters union since its ouster from the AFL–CIO last December. The teamsters, according to its president, James Hoffa, have reached an all-time high in membership of 1,522,001 members, making it the largest union in the world, and have never been in better shape either financially or influentially. This should illustrate that the pollyanna beliefs of the committee in regard to ethical practices codes should not be relied on by the Senate in its legislative considerations:

"TEAMSTERS SHOW PROFIT ON OUSTER—SAVE $900,000 IN PAYMENTS TO AFL–CIO—EXTENDS AID TO OTHER UNIONS

"(By Joseph A. Loftus)

"WASHINGTON, June 7.—The teamsters' union does not have affiliation. But it fosters 'gotogetherness.' The distinction saves it $900,000 a year.

"This is the amount the International Brotherhood of Teamsters would be paying in per capita tax to the American Federation of Labor and Congress of Industrial Organizations. The federation expelled the teamsters last December for corrupt domination.

"Instead of affiliation, the teamsters have togetherness on a pick-and-choose basis. They have a working or diplomatic relationship with nine unions that are affiliated with the federation. These include some that voted to expel the teamsters.

"Also, they are doing business with a couple of old cronies, the International Longshoremen's Association and the Bakery and Confectionary Workers Union, both expelled by the federation.

"Gaining members

"In fact, they seem to be doing fine. Apparently their union is one of the few in the country that is making significant membership gains.

"One reason for these gains, and avoidance of losses, is the string of mutual-aid pacts with the other unions.

"The June issue of the Teamster is largely a proud display of the effectiveness of the union's cooperative policy. Articles are illustrated with pictures of James R. Hoffa shaking hands with smiling presidents of several of the unions affiliated with the federation.

"The whole issue of the magazine is a commentary of an ostracism that did not work. It displays boldly a trend the federation may have to do something about.

"In a signed message from the general president, Hoffa said: 'We have sent international representatives to aid in strike situations or negotiations, involving ourselves or other unions, whenever possible.

"'SAYS GOAL IS HARMONY

"'This policy shall continue. Our goal is harmony within the trade-union movement, in the best interests of the people we represent. Leave it to others to be vindictive, to bring disruption and conflict to the labor movement. We shall not be a part of it.'

"His message reported a rise in membership. 'Three months ago,' he said, 'we reached our all-time high of 1,552,001. It is the largest union in the country, if not in the world.'

"The lead article is a roundup of mutual aid activities, featuring the joint agreement reached with Montgomery Ward & Co., by the teamsters and the Retail Clerks International Association.

"The retail clerks, with a 5-month strike and the assistance of AFL–CIO unions, could not strike a bargain with Montgomery Ward.

"They did it after joining with the teamsters, their old tormentors, James A. Suffridge, president of the retail clerks, and Hoffa exchange mutual admiration beams and handshakes in a picture with the article.

"MAY END UNION FEUD

"It would be even more embarrassing for the federation if Hoffa made peace with the brewery workers. The federation has fussed with that feud for years.

"'We have met with the International Brewery Workers Union,' he said, 'to see if we can solve, sensible and man to man, the age-old conflict between our two organizations.'

"'We have just signed a straight assistance pact with the Office Employees International Union to help organize the white-collar field,' he reported.

"Other unions the teamsters have working relationships with, include: The International Association of Machinists, whose president, A. J. Hays, is chairman of the federation's ethical practices committee; the Amalgamated Meat Cutters and Butchers Workmen; the Upholsterers' International Union; the United Brotherhood of Carpenters; the International Union of Operating Engineers; and the International Hod Carriers' Building and Common Laborers' Union."

The codes of ethical practices assert that if a trade-union official decides to invoke the fifth amendment for his personal protection and to avoid scrutiny by proper legislative committees, law-enforcement agencies, or other public bodies into alleged corruption on his part, he has no right to continue to hold office in his union. Otherwise, it becomes possible for a union official who may be guilty of corruption to create the impression that the trade-union movement sanctions the use of the fifth amendment, not as a matter of individual conscience, but as a shield against proper scrutiny into corrupt influences in the labor movement.

I wish to point out that during the discussions by the committee of effective sanctions against labor union, those members of the committee who approve such lack of sanctions argued that the fifth amendment should not be impaired by requiring unions to rid themselves of officers or employees who pleaded it even in connection with union affairs. During the proceedings before the McClellan committee, thousands of questions went unanswered on the plea of the fifth amendment. Those who refused to answer number among them union officials who, in many cases, still occupy union offices.

Thus nothing in the codes of ethical practices seems to have corrected this situation, nor does the committee bill. Therefore, I propose to provide a statutory instrument for effectuating a policy which the AFL–CIO itself has stated to be wholly desirable.

TAFT-HARTLEY AMENDMENTS—COMMITTEE BILL

One undesirable aspect of the committee bill is the amendment contained in section 601 which would modify the definition of the term "supervisor" as set forth in section 2 (11) of the National Labor Relations Act. The language of the present act adopted after careful consideration by the Congress 11 years ago was a landmark in solving one of the most vexatious problems which had arisen under the Wagner Act—the problem of drawing a line of demarcation between management personnel, and rank-and-file employees. The language of the present act has been tested in the courts, so that today employers and unions know with certainty just what classes of persons are supervisory personnel. Literally thousands of collective-bargaining agreements contain the language of the present law. Yet, without any testimony being offered at the hearings demonstrating the need for any change in this section of the present act, the committee, in executive session, adopted two changes, the legal effect of which is highly unpredictable. In place of the language which defines a supervisor as one "having authority * * * responsibly to direct them * * * or effectively to recommend such action" the committee has substituted the words "one who does effectively recommend such action or whose principal function is responsibly to direct other employees. * * *" Insertion of the words "does" and "principal," since neither are words of art, is bound to be prolific of litigation. Until this new language is clarified by authoritative judicial decision, we can only expect prolonged contract negotiations, confusion, uncertainty, and strikes. Accordingly, the substitute bill leaves the present law unchanged and thus prevents opening a Pandora's box.

NO-MAN'S LAND

Probably the most flagrant instance of irresponsibility in the committee bill is in the provisions in section 602 dealing with the jurisdicton of the NLRB. The twilight zone between Federal and State jurisdiction in labor disputes culminated finally in the Supreme Court decisions on the Guss and Fairlawn cases, which established a no-man's land in which neither the Board nor the States exercised jurisdiction. The widespread public demand for correction of this situation is reflected not only in the admonition of the Court, but also in resolutions of the American Bar Association. One of the major recommendations of both the administration and the McClellan committee was that the Board should be authorized to set definite jurisdictional standards under which the States are permitted to take jurisdiction. Presumably, in response to this widespread public demand, the committee bill, although taking cognisance of the issue, has not only failed to deal with the problem, but has brushed aside whatever guideposts existed in this murky domain. Thus, the committee bill, far from formulating any Congressional standard, deprives the Board of the right which it has always exercised in its decisions of defining what is deemed to be a case having a substantial effect on policy. The prohibition of the Board from adopting any rules or guiding precedents has limited its jurisdiction. This does not, however, mean that the committee was contemplating that the Board should take jurisdiction in every case affecting commerce—the present statutory standard. The committee amendment goes on to state that the Board has jurisdiction only "when such action is necessary to safeguard the rights of employers or employees * * *." Thus, the new text's possibilities are purely subjective ones of determining when such action is necessary without the slightest explanation or legislative advice as to what constitutes necessity. As a practical matter, this would mean that in every regional office where every case would have to be investigated, hearings would have to be held, complaints issued, and hearings held no matter how small the enterprise nor how insignificant the dispute because only the Board itself, under the proposed committee language, could determine when such action is necessary. But a decision holding that in a particular instance such action was not necessary could not be determined a precedent or guide between General Counsel or any of the regional field staffs, because the preceding language of the committee proviso prevents the Board from adopting even a rule of decision, which would preclude it from taking jurisdiction in particular classes of cases.

When S. 2888, the welfare and pension benefit plan bill, was on the floor, the senior Senator from Utah [Mr. WATKINS], offered an amendment very similar to the one contained in my substitute and in the administration's bill for eliminating the no-man's land. His amendment, conferring authority on the Board to decline jurisdiction where the effect on commerce was not substantial, provided that States and Territorial courts and agencies could exercise jurisdiction over such classes of disputes as the Board declined. In opposing this amendment, the chairman of the Labor Subcommittee and the principal sponsor of the committee bill said:

"I agree with the Senator from Utah that equity should be done in areas where the National Labor Relations Board is without jurisdiction, and where a State attempts to take jurisdiction, particularly in the instance cited by the Senator from Utah. But I should like to give some directions to the National Labor Relations Board as to when they shall have jurisdiction. I do not think we should leave it to the Board to decide where it will take jurisdiction. I think there should be some standard prescribed by Congress." (Mr. KENNEDY, p. 6753, CONGRESSIONAL RECORD, April 28, 1958.)

Certainly those Senators who voted against the Watkins amendment on the subcommittee chairman's assurance that Congress itself should prescribe some jurisdictional standard will be sadly disappointed to discover that the committee is now not only recommending a bill which fails to supply any Congressional standard but even denies the Board the right to set administrative standards and which contains not a single phrase under which the States could conceivably take jurisdiction of cases in the twilight zone.

Subsequent to the assurance given the Members of the Senate by the subcommittee chairman, Mr. George Meany, president of the AFL–CIO, appeared before the committee, adverted to the no-man's-land problem, and agreed that something should be done about it. It is interesting to note that the recommended solution contained in the committee bills faithfully reflects the suggestion offered by Mr. Meany in behalf of the AFL–CIO. In other words, that the present standards should be eliminated, leaving unions, employees, and employers to guess whether or not the Board would ultimately take jurisdiction of the case.

It has long been considered the duty of any legislative body to draw a sharp line of delineation between conduct which is legal and that which is illegal. Thus, on the basis of this principle, Mr. Meany's suggestion that the law be left uncertain would generally be deemed irresponsible advice. Apparently, the majority of the committee felt otherwise. A fundamental objective of American jurisprudence which all legislative bodies, including Congress, has striven to obtain is the objective of making the law certain. In the light of this historic principle, Mr. Meany's suggestion that Congress should deliberately create uncertainty on the basic question of jurisdiction is certainly irresponsible.

I wish to make it clear to the Senate that the so-called no-man's-land provision in the committee bill is in flat contradiction to the recommendations of the McClellan committee, which is: "That any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction."

PREHEARING ELECTIONS

Section 605 of the committee bill reinstitutes a device which was used by the Board during the 2-year period preceding passage of the Taft-Hartley Act. The Taft-Hartley Act directed hearings before an election in a case where any of the parties so desired. Section 605, as drafted, would permit one union to raid an incumbent union by a quick election when the incumbent would not have the time to properly inform the employees as to the advantages which it obtained for them. It would also permit an employer during the course of bargaining in some cases to obtain a quick election without a hearing.

This section is a radical step, and was proposed during the hearing by only one witness, Mr. Meaney, without giving any substantiating facts to support such an amendment. Surely the Senate should not take such a step without an investigation of those cases where prehearing elections were held during the last years of the Wagner Act to determine whether or not any time was really saved. Those cases should also be examined to find out how many resulted in refusal-to-bargain charges, thus delaying bargaining for a greatly extended period.

"Every man is entitled to his day in court" has been a familiar American slogan. But to have your day in court after the facts of your case have already been decided is not the American tradition.

VOTING RIGHTS OF REPLACED ECONOMIC STRIKERS

Although all the members of the committee are agreed that the present language of the Taft-Hartley Act, which flatly prohibits replaced strikers from voting in Board elections is sweeping, the modification of existing laws proposed by the committee bill is couched in the most extreme prounion terms and goes much further than even the Wagner Act. Prior to the Taft-Hartley Act, the Labor Board permitted both the striker and the replacement to vote. In one case, however, which caused concern to Congress (matter of Columbia Pictures) the effect of this rule, in a situation where all of the strikers had been replaced by employees represented by another union, was to oust the majority union in favor of a union which did not represent a single person on the employer's working force. It was this case which led to the existing language which has been criticized.

The administration, from time to time, has suggested changes in this section. The first, a proposal put forth by Secretary Durkin in 1953, was that during the strike no election should be held for a period of 4 months. In 1954, the administration suggested that I view as a more reasonable balancing of the issues involved and which I have included in my bill: Namely, a provision that during a lawful economic strike an employer petition for an election should not be entertained for a period of a year and a petition by employees, or some other labor organization, for a period of not less than 6 months.

During the hearings on the bill, however, Mr. Meany urged a provision which the committee bill has now adopted: Namely, a positive affirmation of the right of replaced strikers to vote. This recommendation,

which the committee has adopted apparently on the sole recommendation of Mr. Meany, goes far beyond the Wagner Act.

PICKETING

Another glaring disregard of public opinion in the record made before the McClellan committee and this subcommittee is the committee's approach to the problem of undesirable picketing. I refer to the provisions of section 603 which would add a new paragraph to subsection 8 (b) of the Labor Relations Act. A basic purpose of our national labor policies embodied in both the Wagner and Taft-Hartley Acts was to free workers from employer interference on the question of what union, if any, they should select. The revelations of the McClellan committee show that this basic objective has been completely frustrated by unions which, unable to convince the workers that they should voluntarily join, have thrown picket lines around their employer's premises for no other purpose than to coerce such employer into signing a union contract wholly irrespective of the wishes of his own employees. Despite the administration's recommendation, and the frequently uttered statements of the members of the McClellan committee for legislation which would stop this kind of picketing unless the employees have approved of the union in a secret ballot election, the committee bill does nothing to stop this abuse. Instead, it recommends an amendment which, although professedly intended to stop picketing for the purpose of extortion by union officials, would really prevent picketing for a purpose ultimately regarded as legitimate. The proposed amendment would make it an unfair labor practice by a certified union representing the majority "(7) to carry on picketing on or about the premises of any employer for the purpose of, or as part of any conspiracy or in furtherance of any plan or purpose for the personal profit or enrichment of any individual by taking or obtaining any money or other thing of value from such employer against his will or with his consent." Obviously, any strike for higher wages has, as one of its objectives, the profit or enrichment of the individual employee.

In such strikes, resort to picketing has long been recognized by the courts and Congress as a lawful tactic. In my opinion, the right of a majority union to engage in peaceful picketing for lawful economic objectives should never be prohibited. I am strongly opposed to this feature of the committee bill.

TAFT-HARTLEY AMENDMENTS—SUBSTITUTE BILL

In contrast to the committee bill, the substitute I intend to offer contains a number of amendments to the Taft-Hartley Act, but it takes into account the testimony and documentation developed in the subcommittee's hearings and the McClellan hearings with regard to the real abuses which exist today in the labor-management relations field as a result of loopholes in the Taft-Hartley Act.

These are the very abuses which have enabled unscrupulous union officials to acquire enormous economic power over employees and their job rights, even though these workers have had no chance to express their real wishes under the safeguard provided by a labor board election.

Perhaps one device which has enabled irresponsible power to assume such formidable proportions is the secondary boycott. It was generally believed that when Congress passed section 8 (b) (4) and section 303 of the Taft-Hartley Act, secondary boycotts of every kind were completely prohibited. Ingenious union leaders, however, repeatedly have demonstrated that this was not the case. It soon became evident that these sections were riddled with loopholes. The provisions of the substitute bill embodied in section 504 proposes to close these loopholes and in accordance with the recommendations made to Congress this year by President Eisenhower the text of section 405 conforms verbatim to the Smith bill, S. 3098, which was drafted to embody the President's recommendations. This section is intended to overrule certain board and court decisions which have revealed that existing law fails to provide protection against certain activities which are as much against the public interest as those which the act is conceded to cover.

Basically, the provisions of the substitute bill are directed at prohibiting coercion of any type against secondary employers or their workers in furtherance of a dispute between the union and wholly unrelated employers. In order to accomplish this objective, the substitute bill has made an extensive revision of section 8 (b) (4) (A) and (B) of the present act. One method which unscrupulous unions have used in order to avoid the impact of the law is to threaten secondary employers directly if they continue to do business with a company with which the union is having a dispute. At present a union threatening an employer with a strike or refusal of his employees to perform services does not commit an unfair labor practice. Threats of strikes are more numerous than actual strikes and they often are as effective in persuading the employer to agree to the union's demands. Permitting such pressures to be exerted against neutral employers, therefore, provides a means of evading the purpose of these provisions. The substitute is designed to correct this by making the provisions applicable to effort to threaten, coerce, or restrain employers.

By attaching great importance to the exemptions contained in the definition of the word "employer" the Board decided that the present provisions of section 8 (b) (4) gave no protection for secondary activity directed against railroads (matter of International Rice Milling Co.) or against agriculture enterprises (matter of Di Giorgio). Thus, unions which have stopped railroad employees, agricultural workers and municipal employees from their normal activities in order to retaliate against some private employer with whom they were doing business, have been immune. The substitute bill proposes to cure this by changing the references in the secondary boycott provision from "employee" and "employer" to "individuals" and "persons". The effect of these changes would afford, as they should, these neutral employers and employees the protection of the act against secondary economic pressures.

It has also been held that where picket lines are established for no other purpose than to cause truckers to cease picking up goods or making deliveries to companies which are picketed, that labor organizations responsible for inducing the truck drivers not to perform their scheduled assignments are not guilty of violating the provisions of the present Act. This undesirable situation stems from a decision of the Supreme Court, (*International Rice Milling Co.* v. *NLRB*), in which it was held that where the pickets were inducing the employees individually to refuse to perform services they were not violating the law. The decision was that the act prohibited only a "concerted refusal to perform services."

Nevertheless, the cumulative effect of such individual refusals has been no less effective than a concerted refusal in stopping the flow of supplies to stores or factories which have been picketed. The substitute would remedy this situation by referring to "any individual" rather than any "employee" and deleting the reference to "concerted refusal to perform services."

Shortly after the passage of the Taft-Hartley Act, unions increased their demands upon employers for the insertion in collective bargaining agreements of hot-cargo clauses. Such clauses provided that if unions put employers on an unfair list, the employees of the contracting employer were excused from handling materials or supplies destined for or coming from the blacklisted company. Much of the monopoly power of the teamsters union over goods transported in interstate commerce stems from these hot-cargo clauses. The Board in the first text case dealing with the legality of hot-cargo clauses decided in a 3-to-2 decision that such clauses were not only lawful but were a defense against secondary boycott charges. This decision was sustained by the Court of Appeals of the Second Circuit in the Rabouin case. (Conway's Express.) Immediately, hundreds of unions began to demand and enforce employer acceptance of hot-cargo clauses. While the Board itself retreated somewhat from this early decision the unions have been challenging its present policy in the courts.

Obviously, if a prohibition against secondary boycotts is in the public interest, hot-cargo contracts are in direct conflict with such interest. The substitute, while not dealing expressly with hot-cargo contracts, as such, sets at rest any doubt that Congress intended to make such devices unlawful by including the phrase "or to agree to cease" in section 8 (b) (4) and also through the provisions prohibiting coercion of employers.

The substitute, however, does take into account situations where an employer who is not truly neutral receives undeserved protection designed for innocent third parties.

It permits a union to exert economic pressure on a secondary boycott employer who is handling farmed out struck work for the primary employer.

RECOGNITION PICKETING

The substitute bill deals in forthright fashion with another major abuse which the committee bill ignores. Namely, the use of picket lines to force upon unwilling employees a union which they have either rejected in a labor board election or have been given no opportunity to vote for. In case after case which came before the McClellan committee, the inability of small employers to resist such union demands, irrespective of the feelings of their own employees was brought to light. Such picket lines have inflicted so much economic damage on small companies that employers to stay in business have been compelled to recognize unions which represented a small minority and in some instances even none of their employees. Such picket lines also have a coercive effect on the employees as well as their employer and forces them, frequently against their will, to sign up with the picketing union if they do not wish their means of livelihood endangered by a declining volume of business.

Section 407 of the substitute makes recognition picketing an unfair labor practice. Another section of the substitute bill provides the same kind of injunctive relief for such picketing as the present act provides for the secondary boycott activity.

NO MAN'S LAND

I have commented at some length upon the fiasco achieved by the committee bill with respect to the no-man's-land problem. In my opinion, the Senate would be derelict in its duties unless it takes definite action to eliminate the no man's land and clarify the boundaries between State and Federal jurisdiction in the handling of labor disputes. The solution which the substitute bill proposes is contained in section 403. It is based upon the recommendations of President Eisenhower and overrules the Guss and Fairlawn cases, supra, by providing explicitly that the agencies and courts of States and Territories may assert jurisdiction over labor disputes or classes of labor disputes over which the Board has declined to assume jurisdiction. The insertion of

the phrase "by rule or otherwise" is designed to make it clear that the Board is not compelled to entertain every case which might have some remote effect on interstate commerce. It would encourage the Board by the rulemaking processes specified in the Administrative Procedure Act to clarify its jurisdiction by setting forth the types of cases which it would decline to hear.

ADDITIONAL PROVISIONS

The substitute bill contains a number of other important provisions. One of them, section 401, deals with the problem of the replaced striker. It conforms to the recommendations contained in the President's 1954 message and avoids the extreme partisanship which permeates the approach the committee bill has adopted with respect to this issue.

Section 404, in language slightly different from the corresponding language in the committee bill, deals with the problem of needed amendments to the prohibitions which make it unlawful for employers to circumvent the present act by making payments to union officials through agents, or paying groups of employees to front for an employer in influencing worker opinion.

THE FREE WORLD ECONOMY

Mr. CLARK. Mr. President, recently the Senator from Missouri [Mr. SYMINGTON], the Senator from Minnesota [Mr. HUMPHREY], and I have had occasion to deplore on the floor the vanishing of the sense of urgency, both in relation to defense and internationally, as well as in reference to the domestic scene, which is characteristic of the present administration. All the urgency which was aroused by the Johnson subcommittee and by the sputniks seems to have evaporated.

The debate has now passed from the Senate into the halls of learning, where speeches of great value and importance have recently been made, raising this same question.

Those speeches have been commented on in two brilliant articles by James Reston, of the New York Times. The first is from the edition of Sunday, June 8, 1958, and the second from the New York Times of June 9, 1958. I ask unanimous consent that both those articles by Mr. Reston be printed in the RECORD at this point as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times of June 8, 1958]

THE CLASS OF 1958 AND CAPITAL

(By James Reston)

WASHINGTON, June 7.—For 51 weeks out of every year the colleges of America deplore the anti-intellectualism of Washington, and on the 52d, they invite the Federal officials to make commencement day addresses.

This is the 52d week, and every Federal official above the rank of assistant secretary is off launching some graduating class into the world of Nikita Khrushchev and Charles de Gaulle.

Taken as a whole, these official commencement addresses are extraordinarily interesting. Some of them bear the stamp of the ghostwriter and the mimeograph machine, but on the whole they tell a lot about the enduring optimism of the American people, and the idealism, resourcefulness, generosity, and essential kindness of American society.

What is most interesting about them, however, is the contrast between the world they describe for the young and the world they plan for in their official duties.

When the officials talk to the young graduates about the world, they see it as a single community; they see the problem of overproduction in the United States and the problem of hunger and degrading poverty in Asia and Latin America; they talk of interdependence of nations and the need for resourceful new approaches to distribution and political unity.

THE UNCERTAIN TRUMPET

When they talk to Washington in their official capacity, they are sometimes equally imaginative and idealistic, but most of the time they are more timid and tied to the days of their own youth.

What are the problems facing the class of 1958?

The commencement speakers from Washington see them clearly, and define them in specific terms:

1. The production of the world was less in 1947 than it was in 1937, but there were 200 million more people in the world in 1947, and the gap between production and population has increased even more in the last decade.

2. The rich nations are getting richer and the poor nations are getting poorer, and the officials, as commencement day speakers, draw the right conclusions from these startling facts. They are not so bold when they are in the National Security Council or on Capitol Hill.

3. Soviet Russia's total production is gaining at a far faster rate than the United States': between 10 and 12 percent industrially, between 6 and 7 percent overall—to our 3 percent.

4. Since 1953, the Soviet Union has put out $1.6 billion in capital export commitments to 19 countries under the supervision of over 2,000 Soviet technicians, and is beginning to challenge us with credit terms, loans and barter agreements we are not matching.

5. In the first quarter of 1958, the Sino-Soviet bloc has for the first time passed the United States in steel production.

6. The Free World is still immensely more powerful than the Communist, if it will combine its resources, but the free countries are not combining but competing one against the other.

The class of 1958 is invariably invited to face up to these problems, but the men who now have the power and the authority are not producing programs equal to the problems they define.

THE FATAL PARADOX

This is the remarkable paradox of Washington today: it sees the world problem in dramatic and radical perspective but cannot move with dramatic and radical programs to meet it.

There is no shortage of facts. The official commencement day speakers know all about the explosion of population in the world; they have seen the effects of it in Latin America; they know the need for more trade and aid; they know that governments cannot stand if they do not respond to the economic needs of their peoples; they see the human and material resources of the Communist world being mobilized against the West; but they cannot translate their facts and fears into effective action.

It is not that some progress is not being made. The Senate did vote yesterday, 47–35, to support India's 5-year economic reconstruction plan. It also defeated, 54–22, an amendment to the foreign-aid bill that would have banned any United States aid to Yugoslavia and Poland after 60 days.

The administration, however, is fighting to hold economic foreign policy about where it is, and it is barely succeeding, but it is still not moving very fast into the startling new world its commencement day speakers are talking about.

[From the New York Times of June 9, 1958]

DOERS OF THE WORLD: GRISWOLD, OF YALE, SHOWS THE GAP BETWEEN ADMINISTRATION AND INFORMED OUTSIDERS

(By James Reston)

NEW HAVEN, CONN., June 8.—President A. Whitney Griswold of Yale University made a speech today to the graduating seniors that illustrates a significant fact in the Nation.

That is that a wide gap is developing between the administration in Washington and well-informed unofficial observers outside the capital on the condition of the United States in the world today. For a considerable period of time, the administration's spokesmen have been criticized by some elements of the press in Washington for being too optimistic about the Nation's relations with its allies and the Communist world, and too complacent about the national mood of indifference toward a whole procession of national disappointments and defeats.

This criticism has been dismissed by most Government spokesmen as the carping of ill-informed or partisan newspaper critics. But now the criticism is being voiced in the sharpest terms by witnesses outside the capital.

President Griswold's baccalaureate address today illustrates the point.

SEES DISILLUSIONING YEAR

"This," he said, "has been a disillusioning year in the history of our country. Humiliating evidence of the low esteem in which our national aims and aspirations are held abroad pours in daily from all over the world. We expect what comes to us from unfriendly nations, but when personal acquaintances in friendly nations regretfully add their contribution, wormwood is mixed with the gall.

"The whole prospect is enough to give us pause. It is a prospect of isolation and insecurity that threatens the very foundations of our country and our civilization."

The tone of recent statements of President Eisenhower and Secretary of State Dulles is quite different from this. They do not ignore the defeats and disappointments nor are they wholly satisfied with the national mood, particularly as it concerns trade policy and foreign aid.

But on the whole, they are using their immense authority to explain away things as they are and to suggest that we are meeting our problems fairly well.

In his last news conference President Eisenhower emphasized the difficulty of competing with a Communist world that was not bound by moral precepts, and the complexity of leading a coalition of free and equal nations. He concluded that we were doing about as well as could be expected, and made no appeals for new exertions by the Government or new attitudes by the people.

DIFFERENT APPROACH

President Griswold took a different approach today.

"We have become," he said, "too much a nation of lookers and listeners, a nation of spectators. Amidst the easy artificiality of our life, the plethora of substitutes for learning and thinking, the innumerable devices for avoiding or delegating personal responsibility for our opinions, even for having any opinions, the fine edge of our faith has been dulled, our creative powers atrophied."

President Griswold was not specifically attacking the administration. He did not mention the President or any of the Cabinet. But he was attacking complacency and all who encourage it, which includes a great many officials in Washington.

"We have had enough," he said, "of the pious cant that says the sputniks were a good thing because they will wake us up, or that the reception of the Vice President in South America was a good thing because it showed

up the weaknesses in the good-neighbor policy. This is worse than making a virtue of necessity. It is making a virtue of disaster.

"The worst of the disaster has not happened yet, but it easily might if we do not look these things in the face and recognize them for what they are; namely, the result of a long, cumulative process of self-deception."

Contrast this emphasis with the tone of John Foster Dulles' estimate of the Nation's position, as presented to the Senate Foreign Relations Committee last Friday. This was written by Mr. Dulles personally and delivered after he had retired for a week to his retreat on Duck Island in Lake Ontario.

GROUND FOR HOPE

"I see a prospect," he said, "that provides good ground for hope. We are not being tossed about rudderless on a sea of change. We are guiding and influencing the character of change, so that it shall be constructive.

"I am not unmindful of occurrences which induce a mood of discouragement. The Free World seems dominated more by differences than by harmony. All this is infinitely perplexing and exhausting. It is easy to feel a sense of frustration. But we need constantly to remember that the hallmark of freedom is diversity."

He then went on to catalog at length the weaknesses of the Communist system and on balance emphasized the need for patience and understanding.

It is worth noting that President Griswold also noted today the weaknesses of the Communist world. He concluded that "Marxism is an exploded theory, disproved by the very empirical forces of history its authors counted on to prove it."

He agreed that "we are still potentially, if not actually, the most powerful nation in the world, but he emphasized that what was at stake was not our capacity to survive and defend the perfect law of liberty, but our will, our determination to do it.

He took his text from the Bible: "Be ye doers of the word, and not hearers only, deceiving your own selves."—James 1: 22.

Here is the essential difference between spokesman of the administration and the spokesman of the reflective, nonattached community of men and women outside Washington:

It is a question not of goals, which President Eisenhower and President Griswold share, but of emphasis. President Griswold is putting his emphasis on the need to do more. He is calling for more action, more determination, more imagination, more participation by the intellectual community, while the Government spokesmen are defending a political record, and in the process, discouraging the very attitude of greater national sacrifice and determination which they know in their hearts have to be encouraged.

Official Washington is not likely to ignore these new crises from the Nation. For this is not a frivolous or irresponsible complaint from the opposition in Washington, but a serious and thoughtful appeal from Yale, which, after all, is not a hotbed of democratic sentiment or radical partisanship.

Mr. CLARK. Mr. Reston points out the great advances being made by Russia in the military, economic, and propaganda fields, and the failure of our administration in Washington to take much action.

He comments favorably upon a brilliant speech at Yale University during the baccalaureate exercises by President A. Whitney Griswold, of Yale University. Excerpts from that speech appear in the two insertions which I have just made in the RECORD.

Yesterday the distinguished Senator from Texas [Mr. JOHNSON] placed in the RECORD one of the finest speeches I have ever read. It was delivered by the Democratic standard bearer in 1952 and 1956, Adlai E. Stevenson. This speech was delivered at the commencement exercises of Michigan State University, at East Lansing, Mich., on June 8. Mr. Stevenson called attention forcibly to the problems involved in bolstering the free world economy, and outlined a specific and detailed platform which, in my judgment, if adopted, would go far toward relieving the present delicate situation.

I was a little amused to read in the New York Times of this morning that my very dear and good friend, Arthur Krock, by implication, took issue with Reston and criticized President Griswold's speech. Also in commenting adversely on Mr. Stevenson's speech, Mr. Krock, for whom I have the greatest admiration, undertook to contrast these talks with two speeches, one delivered by President Pusey, of Harvard University, for whom I have the greatest admiration, and the other by Mr. Sherman Adams, in which they call for a return to old standards of religious values. These talks, I am sure, were both excellent in content but had little to do with the critical problems immediately confronting us. I hope there will be few in this country who will be deterred by Mr. Krock's remarks from reading Mr. Stevenson's address, and the fine and thoughtful speech delivered by President Griswold. There are many of us in this Chamber who agree with President Griswold and Governor Stevenson that it is time for America to wake up.

THE RELATIONS OF CHURCH AND STATE

Mr. HUMPHREY. Mr. President, on Sunday, June 1, 1958, on the NBC television program, "Lawrence Spivak's The Big Issue," an illuminating discussion took place on the relations of church and state. The guest participants were Dean Francis B. Sayre, Jr., Washington Cathedral; Congressman Eugene J. McCarthy, Democrat of Minnesota; Dr. John A. Mackay, president, Princeton Theological Seminary, and Glenn L. Archer, executive director, Protestants and Other Americans, United. The panel of interrogators consisted of James B. Reston, New York Times; Charles L. Bartlett, Chattanooga Times; Glenn D. Everett, Religious News Services; and Lawrence E. Spivak, moderator.

I particularly want to compliment the participants for the reasonableness and constructive nature of their discussion. I also congratulate Mr. Spivak and the panel on the splendid public service which they rendered in bringing this difficult question to public attention in such a dispassionate and helpful way.

I believe that this discussion is worthy of the careful attention and study of every person in public life. I commend it to the reading of all my colleagues in the Senate. Therefore I ask unanimous consent that the text of the transcript of this highly informative and educational program be printed in the body of the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

THE ANNOUNCER. From the Nation's Capital, the National Broadcasting Co. presents The Big Issue.

Here to introduce the participants is the moderator, Lawrence Spivak.

Mr. SPIVAK. Good afternoon and welcome to The Big Issue.

In theory, there are no religious qualifications for the office of President or Vice President. In practice, we have never elected a man to either office who is a Catholic or a Jew.

Is this because of the accident of politics? Is there a good reason for it? Is it because of deep-seated prejudice?

We bring you today from Washington, D. C., a debate on Religion and the Presidency.

On one side of the issue are Francis B. Sayre, Jr., dean of the Washington Cathedral of the Episcopal Church and grandson of the late President Woodrow Wilson; and Congressman EUGENE J. MCCARTHY, Democratic-Farmer-Labor representative from the State of Minnesota, a former college professor.

On the other side, Dr. John A. Mackay, president of the Princeton Theological Seminary; and Glenn L. Archer, former dean of the law school at Washburn University and now executive director of Protestants and Other Americans United for Separation of Church and State.

During the second half of today's program, our guests will be questioned by a panel of noted newsmen: James B. Reston, the Washington correspondent for the New York Times, and winner of two Pulitzer prizes for national reporting; Charles L. Bartlett, Washington correspondent of the Chattanooga Times, also a Pulitzer prize winner for national reporting; and Glenn D. Everett, Washington correspondent of the Religious News Service, winner of the Faith and Freedom Award in Journalism.

And now the first speaker for his side, Dean Francis B. Sayre, Jr., of the Washington Cathedral.

Dean Sayre's mother was an elector in Massachusetts, who voted for Al Smith in 1928.

Dean Sayre, you have 5 minutes for your presentation. At the end of 4 minutes, we will ring a bell to indicate that you have just a minute to go.

Dean SAYRE. Ladies and gentlemen, this is a fascinating issue that we are to discuss today. I wish that my particular church, the Episcopal Church had something to direct me in thinking about it, but it doesn't. It stays silent about a thing like this, and, therefore, I can only speak about this for myself.

The church is concerned and unconcerned, too, by the fact that we live in a world full of barriers, of dividing lines that separate people one from another, one side of the world from the other, north from south, divisions by race, and now perhaps by creed, as is suggested by this subject.

I would hate to think myself that religion was one of these dividing lines, that the way we worship God should be one of the things that should undo the openness of our democratic society.

Actually, this society, as we know it in our country, is something that has taken its root out of religious heritage, and this largely Protestant, historically speaking.

It is out of a Protestant faith in the respect of the individual, in equal opportunity for churches, no less than individuals, in these precious things, which the openness of our democratic society has been born. And it seems to me that this communion

of brothers, which excludes none by virtue of property or race or creed, ought not to be broken by Protestants drawing a line against either Catholic or Jew, because if we do that, it seems to me that we give away the very precious heritage which we ourselves cherish so dearly.

Another thing about this: There are some, I know, who point to the allegiance which Roman Catholics give to the head of their church in Rome. That is an ecclesiastical allegiance, but they point to it as if it were some allegiance to a foreign power.

Although I am not a Roman Catholic myself, I think that this accusation does an injustice to my Roman brethren, especially to the governors, the Senators, and Congressmen, and those members of the Supreme Court who, although Roman Catholics, have served as faithfully and as openly as any other public servants.

I would say that the allegiance given by Roman Catholics is not to a foreign power but to the Lord, and in this they are virtually no different from the rest of us Protestants. We, too, owe an allegiance to the Lord, which is over and above and beyond the allegiance that we owe to the State. So, in this respect our allegiance is divided, too. One can think of the Quakers and the Mennonites, the Jehovah's Witnesses—every church, when you come down to it, must sooner or later recognize that dimension of truth which goes beyond politics.

No Christian can grant to the state an absolute right over its conscience. And, therefore, if our allegiance is divided, too, if non-Romans reserve the right of conscience to themselves, how can they reasonably and properly deny the same to Roman Catholics?

I think of this thing as a two-edged sword. What is fair for one is fair for the other, and this fairness seems to me to be what lies at the very heart of our American system, in which I think there is no place whatever for any religious discrimination at all.

Mr. SPIVAK. Thank you, Dean Sayre.

And now on the other side of the issue, Dr. John A. Mackay, president of the Princeton Theological Seminary, a Presbyterian clergyman.

Dr. MACKAY. Ladies and gentlemen, one of the glories of our American tradition has been the complete separation between church and state. This particular achievement has been, historically speaking, an achievement of Protestants. The question arises, would this separation be affected if a Jew were to become President? I know of nothing in Judaism which would in any way imply that this separation would be affected.

Would the separation be affected if a Roman Catholic were to become President?

Let me state the issue: If a Roman Catholic President were elected in this country, could a situation be created which would radically affect the traditional relationship between church and state?

Many people in our country are concerned over this issue and fear that it might.

Now let this concern be made perfectly clear: It does not affect the religious faith or practice or our Roman Catholic brethren. It has nothing whatever to do with their patriotic loyalty. In peace and in war, Roman Catholics have been among our most eminent citizens and have given themselves with abandon for the interests of the country.

The concern is grounded rather on the particular nature, the unique character of the Roman Catholic Church. In three respects, this great religious communion is unique. First, the Roman Catholic Church is a state as well as a church. It is confessedly a political organization, as well as a religious communion.

Ultimate power and authority are vested in a hierarchy one of whose members, the Roman pontiff, is regarded as infallible in matters of religious faith and human behavior insofar as ethical situations are involved.

Two, the Roman Catholic Church makes for itself unique claims. It claims to be superior to the state in the classical expression of that doctrine.

Let me quote for example from an address by the Pope made 5 years ago to Italian lawyers. He says, "The church cannot approve the complete separation between the powers"; that is, between church and state.

This is regarded officially as being of the essence of the church.

Now I know that a controversy is going on at the present time between Roman Catholic theologians. It is being maintained by American theologians that the traditional doctrine does not belong to the essence of the church but rather was determined by historical circumstances and so is purely empirical. On the other hand, that doctrine has been recently rebutted by the head of the holy office, Cardinal Ottaviani, who makes perfectly clear that in his view, this doctrine does belong to the essence of the church.

Thirdly, the Roman Catholic Church has always followed a unique policy in the expression of this traditional classical essential principle. When the situation is favorable, when the majority of the population of a country are Roman Catholics, then the ideal becomes as expressed in the Spanish Concord Act, that the State in Spain must recognize that the Roman Catholic faith is the sole religion of the Spanish nation.

Now, why should we be concerned in this country, where we have a glorious tradition? Let me say, and without any taint of bigotry or prejudice, that in the last quarter of a century there has appeared in American life, what has been characteristic of Latin countries for centuries, namely, their tremendous reality of clericalism.

Now, what is clericalism? Clericalism, I venture to define as the pursuit of power, especially political power, by a religious hierarchy, carried on by secular methods and for purposes of social domination.

Mr. SPIVAK. Thank you, Dr. Mackay.

Now, Congressman EUGENE J. MCCARTHY, of Minnesota.

Representative MCCARTHY. Ladies and gentlemen, I would like to have had the topic which we are discussing today expanded really beyond the limits of religion in the presidency to raise the whole question of religion and citizenship in the United States, since it seems to me this is the fundamental question we are raising, as to whether people who are Catholics or of other Christian denominations can fulfill the full obligations of citizenship.

As has been stated in the preliminary remarks, of course, there is no constitutional question since it is clearly established that no religious test can be raised with regard to the holding of office in this country.

This, of course, means that the same standard or the same regulations would be extended to the exercise of all rights of citizenship.

There is no constitutional question. There is no question really of belief, or no conflict of belief. In terms of accepting the high office of the presidency, any more than there is accepting a job in the Congress of the United States, in the Senate of the United States, or the House of Representatives, or a judicial office in this great country, a Catholic or Christian of other denominations can freely accept and freely take that oath, because he is bound to no other civil authority, and this, it seems to me, is the essential point.

There is, of course, a relationship between church and state. Or perhaps I should say between religion and secular order, and secular society. No one of us would deny that this is the case. And this is accepted in Christian tradition and Christian political philosophy, today.

We accept the two societies. The two institutions of the church and the state, and we say that both of them are self-sufficient in their own spheres, that each has its proper function and its proper objective.

The State, Government, political organization, has as its objective the good of man in his temporal achievement; and the religious society and religious institutions, the church, have as their objective the good of man in his eternal well-being.

We know in practice, of course, these two cannot be clearly separated. The church must be concerned about the temporal welfare of man insofar as this relates to his eternal welfare, and insofar as what he does in time has bearing upon eternity and upon his spiritual welfare.

And the State, too, as has been accepted in this country from the very beginning of our national existence, has some responsibility and some concern for religion. The problem which faces us is one of distinction and of orientation.

As we proceed to the practical work of politics and the practical work of religion, we must know that in the history of this country the line has not always been clearly drawn. As a matter of fact, we do arrive at an area in which the line cannot be clearly drawn, because the church has obligations which do have a bearing upon civil society, and civil society has obligations and responsibilities which relate to the spiritual and moral well-being of citizens.

If we consider the history of the United States, first with regard to, let us say, the intellectual good of mankind, the intellectual goods have been of concern to both church and state.

We have through political action in this country set certain limitations upon what people can say, upon what they can teach and what they can advertise, but we have been most careful to set those limits within bounds.

When we were concerned with false advertising, things affecting the physical welfare of man, then we have been quite precise.

As we have moved on from that to consideration of philosophy and even to interpretations of history, then we have necessarily been somewhat more lenient.

We have taken action in the field of public morality, and this, of course, is a proper field for both religion and, also, for government, but there, again, we have been most careful.

I suppose the most dramatic and the clearest case has been the outlawing of the practice of bigamy by action of the Government.

And so we must proceed in this discussion to try to draw this distinction. Noting that the Catholic or the Christian denominations do not have a clear and absolute position on these things but accept that there is a proper authority for the state and a proper authority for the church, we have learned from the lessons of history, as well as from reflection, that there is just as much danger in rendering to Caesar the things that are God's as there is in rendering to God the things that are Caesar's.

Mr. SPIVAK. Thank you, Congressman MCCARTHY.

Now, our last speaker before the rebuttal, Mr. Glenn L. Archer.

Mr. ARCHER. Mr. Spivak and ladies and gentlemen: The Constitution of the United States protects the right of the Roman Catholic, of the Protestant, of the Jew, or even of the nonchurchman for running for any political office, but to say that there is no religious test for an office does not mean that one may not make questions regarding the effect of a religion upon the conduct of the office.

It is not bigotry to raise questions of this sort. Rather, it is bigotry to deny the right to raise these questions. For bigotry has ever been expressed in the refusal to question or be questioned.

There are a number of church-related questions that ought to be raised and addressed to all candidates today. The first of these, "How do you stand upon the use of public tax funds for private sectarian institutions and teaching?" "Do you accept the American basic law that no man shall be required to pay a tax to support another man's religion?"

"Would you now or at some future time be inclined to appoint an Ambassador to the Vatican and, thus, tie church-state relations, contrary to our tradition and to our law?"

"Do you believe that the American free public school institution and system is a bulwark of American democracy, or are you a disciple of religiously segregated schools?"

"Do you stand for the principle of the separation of church and state, not as a phrase to be repeated but as a principle to be applied for the benefit of all churches and all creeds?"

"In short, are you a free man? Can you make your decisions, impartially? Can you attend any church that you may wish to attend, and can you enforce any civil law, even when that law conflicts with ecclesiastical law, dogma of the church or other medieval disciplines?"

These and many other such questions are in the minds of millions of tolerant and honest Americans, and such concerns are sharpened by the fact that in many parts of the world and in some parts of our own country today, there are denials of religious liberty.

It is evident that unless our President shares the concern for the protection of all religious freedom, that some of these denials may increase, rather than diminish.

The National Council of Churches, the National Association of Evangelicals, the Baptists, the Presbyterians, the Methodists, the American Jewish Communities, and even the World Council of Churches, has expressed grave concern over denials of liberty in such countries where the concordance with the Vatican deny real religious freedom to non-Catholic citizens.

It behooves any candidate for President to show the people of America that his chief concern will be religious liberty. Certainly, if we cannot demonstrate in the United States how creeds may live together, we shall not make common cause against other tyrannies that threaten our world.

Most Americans are suspicious of censorship. They question a church-inspired boycott against a businessman or a newspaper. They hesitate when a given majority creed within a community imposes its discipline upon all of the others within that community. And any candidate, whether he is of my church or your church, whose church is engaged in these practices, ought to make it crystal clear to the American public that he opposes such practices.

Only 2 weeks ago in the city of Bloomfield, N. J., Roman Catholic priests took children out of the public schools and raised the papal pronunciation saying that their authority transcended the authority of the school board. This was a little insignificant thing, but the pattern might increase unless we have a clear understanding.

I believe it is time and perhaps proper to ask and to answer two questions: When is it time in this country for a man to use the high office of the Presidency for the advantage of his church?

My answer is, Never.

When may a man of any faith be elected to the Presidency of the United States without discriminating against any church?

My answer is, Any time.

I would certainly hope that this country might continue to be a great free democracy in which all of the creeds are given equality before the law.

Mr. SPIVAK. Thank you, Mr. Archer.

There will be 3 minutes for each side to refute the arguments of the other. At the end of 2½ minutes, I will ring a bell to indicate there is half a minute to go.

Now, first in refutation, Dean Sayre.

Dean SAYRE. Dr. Mackay raised the question of the Roman Catholic Church as a state, so to speak, within a state, and then Mr. Archer spoke of the separation of church and state.

I am prepared to agree that in this free, open, and pluralistic society, the Roman Catholic Church with its claim to being the only true church, does at times appear to be a little restless alongside her fellow Christians. And in other societies more monolithic in character she has at times been overbearing, as these gentlemen have pointed out. But yet she is not the only church in that predicament. I can think of at least a couple who make the same claim. I used to live with a Missouri Synod friend who sounded much the same.

But the genius of the American way seems to me not to be to suppress people who make claims like that, but rather, to mediate between them in that larger and more graceful tolerance by which people, regardless of their belief, may learn to live together.

Now, just one little illustration that might be apropos. France has been called a Catholic country, and yet just now at this very moment it seems to me that France is a perfect illustration of a Catholic nation obviously out of the Pope's control.

I don't believe the Pope controls those Governors and Senators who are Roman Catholic any more than the Pope controls France.

Turning for just a minute to this question about the separation of Church and State, Reinhold Niebuhr was recently asked what he thought that meant, and he said this—a rather interesting answer. He said, if religion is a good thing, then the state shouldn't interfere with it; should not try to control its prophetic impulse. But if religion is a bad thing, then religion should not be able to control the state.

And this, of course, is the basis and reason for the separation of church and state.

The separation is basic, but this does not mean a divorce. It does not mean there shall be no discussion of ethics in connection with public affairs. It means there shall be an intimate discussion but not domination.

Mr. SPIVAK. Thank you, Dean Sayre.

Dr. Mackay will speak in rebuttal for his side.

Dr. MACKAY. Ladies and gentlemen. There needs to be made a very basic distinction, the distinction, namely, between a man's religious faith and the way in which he may concede the authority of his faith and the church over the society of the state, and this other thing, whether there exists a religious organization which by its very nature endeavors to bring pressure upon the society, upon society and the state to achieve its ends.

Now, let me make clear my own position. I speak for very many, for millions of fellow Protestants and fellow Americans who will be prepared to die, that a Roman Catholic fellow citizen and fellow Christian should be free to express his faith, and even to hold the idea that the church were superior to the state.

Our concern, however, is this: if, in given circumstances, and the situation being favorable, the Roman Catholic Church in this thing called "clericalism" were to bring pressure upon a President, society or the state, to achieve a position of preeminence, that would be entirely different because the question would be raised, however, to what extent are the foundations of American freedom at stake in the traditional doctrine of church and state.

Now, let me answer just a word to my friend Dean Sayre: in Latin countries we have had this phenomenon. Multitudes of Roman Catholics very sincere in their beliefs and the expression of their faith, who absolutely refuse to accept the pressures brought to bear upon them by the church; and in many instances, the most violent anticlericals, men who have disestablished the church, have been loyal and devout Roman Catholics.

The question I raise simply is this: Would a President of the United States be prepared to follow the French, sometimes the Spanish and Italian model, continue to be a devoted Roman Catholic and at the same time resist the pressures, and would it not be in order that the Roman Catholic Church officially would declare to the American people that it would never be disposed, or be a party to any effort to bring pressure upon American society or the American state in its own interests?

Mr. SPIVAK. Thank you, Dr. Mackay.

The ANNOUNCER. You have just heard a presentation on the subject of Religion and the Presidency.

During the next half hour of our program, three of the Nation's top newspapermen will question our guests about what they have said. James B. Reston, of the New York Times; Charles L. Bartlett, of the Chattanooga Times; and Glenn D. Everett, of the Religious News Service.

Now meet James B. Reston, of the New York Times; Charles L. Bartlett, of the Chattanooga Times; and Glenn D. Everett, of the Religious News Service.

We will start the questioning with Mr. Reston.

Mr. RESTON. Mr. Archer, for clarification, sir, I would like to get one threshold question clear: Are you merely arguing that the issue of a man's religion should be raised in a campaign, or are you arguing the opposite, namely, that if a man is a good Roman Catholic; that is to say, if he is faithful to the precepts of his church, he should be disqualified from holding the Presidency of this country?

Mr. ARCHER. Inasmuch as the Roman Catholic Church has taken some positions in the political field that run contrary to our Constitution and to our tradition, I am merely arguing that that candidate should make clear whether he stands by the position taken by his church or by the Constitution and the principle taken by our tradition.

For example, the Jesuits, the National Catholic Welfare Conference, educational groups, many groups are demanding public taxes for their institutions.

The Constitution as interpreted by the Supreme Court says that is unlawful, and I think the American people have a right to know whether the candidate accepts the position of the church or the position of the Supreme Court.

Mr. RESTON. Then you would ask him to repudiate his church on certain issues where you feel that the church has taken positions inimicable to the State?

Mr. ARCHER. I believe, Mr. Reston, it is not a question of repudiating the church, because I think you have to consider the Roman Catholic Church as a church-plus. He can still be loyal to the graces and to the charities and the fine works of the church, the relationship between himself and his God, but when the church projects itself into the political arena, then and only then, do we have a right to ask that candidate whether he stands with his church or with the tradition of the country.

Mr. RESTON. One other point for clarification, Mr. Archer. If I understand what you are saying now, then—I don't want to go beyond the subject that we are discussing here—but would then not your questions extend to, say, members of the Supreme

Court, Governors, members of the Federal legislature, and so on?

Mr. ARCHER. I think the question would apply to anybody, even a Protestant who is running for office.

If, for example, a Protestant were running for office and he favored the Christian amendment, I think he should be asked, because under our law the Christian amendment does not apply.

Mr. BARTLETT. Congressman MCCARTHY, the essence of the contention would seem to be that a Catholic in public office is subject to conflict in areas involving the jurisdiction of the church and of the state. I was wondering if you as a public official, as a Catholic, had ever been faced with such a conflict in your own political career, or if you have been aware of one in the careers of your Catholic colleagues?

Representative MCCARTHY. I think we have to avow the theoretical possibility that anyone with a conscience may be subject to such conflict. But I would say this: Conflict is no more pressing on Catholics in the day-by-day issues that come before the Congress of the United States than I would expect them to be on anyone else who is somewhat sensitive and who has religious beliefs and who has a rather strict moral code. The conflict that exists is not one between Catholicism and any of the political problems that face the country. Certainly I have not experienced any such conflict, which I would say is distinctively a Catholic versus American democracy conflict, and I think this is true of any other colleagues in the Congress of the United States.

Mr. BARTLETT. I believe there are 76 Catholic Congressmen and 9 Catholic Senators. Have you ever been aware of this group operating as a bloc in matters of government?

Representative MCCARTHY. I would say, insofar as you can determine any concerted action on their part, the record has shown they have been on the side of civil liberties more strongly than the rest of the Congress.

Mr. BARTLETT. Are you aware that in 170 years of history in which this conflict has come to the point of being a dramatic issue we have had 2 Catholic Chief Justices of the Supreme Court and we have had 6 Catholic Judges, Congressmen, Governors, and Senators through the years. I wondered if you were aware of any intolerances that have become a dramatic issue?

Representative MCCARTHY. I am not aware of any, or of any situation in which it appeared as though a Catholic position of this kind or what has been described as a Catholic position is likely to prevail. I suppose the clearest example we do have in this country of what we could define as a moral issue prevailing is that of prohibition. That was not supported by all Catholics, although there were some Catholics who supported it.

Mr. EVERETT. I would like to ask Dr. Mackay a question. Doctor, you have raised the question of the rise of clericalism in the United States—activities of the members of the clergy in the field of politics. I wonder if you could specify any examples of what you mean by this generalized charge?

Dr. MACKAY. What I mean, Mr. Everett, is this: That before the early thirties, of the present century, the Roman Catholic Church in this country functioned purely in a religious sense. It was of a liberal type in the days of the great Cardinal Gibbons, for example, so much so that the Roman Catholic Church in that period was in real disfavor with the Vatican, it being regarded that the Roman Catholic Church in this country was unduly influenced by the American spirit.

There appears evidence, however, that from the early thirties onward there appeared this phenomenon, which I have called clericalism, which for generations and centuries had marked the attitude of the Roman Catholic Church in Latin countries. We can discover from that period onward very decided efforts on the part of the Roman Catholic Church to influence society, the institutions of society directly. From time to time, for example, you will run into the dread reality of the boycott on certain newspapers if they say anything that is not favorable to the Church, and especially I might say, this phenomenon of the public schools and desire for public aid for parochial institutions.

Mr. EVERETT. Are not our Protestant churches likewise taking more of an interest in public affairs today? I might refer specifically to the strongly worded resolution on foreign affairs adopted last week by the Presbyterian Church in the United States of America, at its uniting convention. Does this represent clericalism?

Dr. MACKAY. I would make this distinction: It is the prerogative of any religious body to proclaim prophetically its faith, to make it as luminous as possible and as relevant to the contemporary situation, but to proceed exclusively in terms of persuasion.

What I am thinking of was the aspect of coercion and not merely persuasion, where you get the development of power blocs, whether it be the boycott or something else, in order to achieve ends. That is the distinction I would make, sir.

Mr. EVERETT. I would like to ask this further question on that point. Mr. Bartlett here has referred to the fact that numerous Roman Catholics have held high public office. They have, in fact, held every office except President and Vice President. We have had two Chief Justices, Taney and White, numerous Senators, Governors and Congressmen. Have you seen anything concerning behavior of Roman Catholic men in these positions that would lead you to fear what would happen if a Roman Catholic were elected President?

Dr. MACKAY. They have had an admirable record. My problem is not with the individual Roman Catholic. My problem is with the church, the organization and the pressures that may be brought to bear upon individuals. Now individuals may resist. I read recently that famous statement of Al Smith in the late twenties, when he said that if it came to a showdown, he would follow his conscience rather than his church.

You have had that in many, many Latin countries where a good, devout Catholic has refused to be influenced by the hierarchy.

Mr. SPIVAK. Mr. Archer, I would like to ask you this question: Aren't you really saying, without saying boldly, that no man can be a loyal Catholic and at the same time a loyal American President? If you are not saying that, just what are you saying?

Mr. ARCHER. I think Mr. Reston posed that same question in different words. I am not taking the position that a Roman Catholic cannot be a good President. I am taking the position that there are areas in the political field——

Mr. SPIVAK. That wasn't the question. Can he be a loyal Catholic and a loyal President?

Mr. ARCHER. I think he can be a loyal Roman Catholic and be a loyal President.

Mr. SPIVAK. Then what are we talking about, then?

Mr. ARCHER. We are talking about whether or not he can withstand the pressures that can be exerted upon him by some 100 different organizations.

Mr. SPIVAK. Is he less human than a Protestant or a Jew? Is he less able to withstand pressures?

Mr. ARCHER. I wouldn't say he is less able, but I would say he would have more pressures brought to bear upon him than any Protestant or any Jew.

Mr. SPIVAK. Don't you and Dr. Mackay have confidence in the Constitution, which assumes that men would seek, and groups would seek, undue power, and the Constitution was set up to make sure that this didn't happen. Isn't that protection against Jews and Protestants and Catholics?

Mr. ARCHER. The normal checks and balances in the Government of the United States are inadequate when it comes to the pressure of the Roman Church in this country. Let me give you an example: When they appropriated a million dollars for the Pope's summer home, there wasn't anybody who would stand up against it lest he be called anti-Catholic or antireligious, and that went through by a voice vote.

Mr. SPIVAK. Well, that is politics. And Jews and Protestants have not been able to withstand pressures of this kind, but it has nothing to do with Catholicism and it has nothing to do with religion, Mr. Archer. You must know that. Mr. Reston.

Mr. RESTON. Dean Sayre, could I pose this question to you, sir: I take it we are all here agreed on the maintenance of the principles of freedom and mercy and pity, which all religions in this country support, Protestant, Jew, and Catholic, and all sects.

In the world today, our country is confronted by an enemy which questions the principle of mercy and the principle of pity, and we are trying to defend ourselves in alliance with a great number of other countries, some of them Roman Catholic, such as our neighbors to the south and France and Spain.

If we follow the argument that Mr. Archer has presented, here, do we not find ourselves in the position where we are not only dividing and confusing our own people but also dividing and confusing our allies in the central struggle, in defense of our country?

Dean SAYRE. Perhaps one way of expressing the central problem implied in your question is to use the word "trust."

It seems to me that what we have to do in this country and in the Western World as opposed to the other side is to trust one another. And I think that this bears on the issue we are discussing very directly.

I do not blame another church for advocating things in politics. We do this, also. I do think we have to trust one another, that we do this in conscience and as American fellow citizens. I think if we have that kind of trust within the country and between the allies, that then we are stronger in that world struggle of which you speak.

Mr. RESTON. Could I ask you just one other question, which I think bears on something Mr. Archer said: In your original presentation you talked about the obligation of man to a higher authority than the state. Does this not then deal with the dilemma that Mr. Archer is talking about?

Dean SAYRE. I would say that the Roman Catholics and the Protestants have a common allegiance to that higher authority whom they call God. The problem I think we are talking about today is whether an institution called the church gets in the way to such a degree that it can undermine the democracy in which we live. I don't happen to think that it is that strong or that America is that weak.

Mr. SPIVAK. Gentlemen, before we go on, here is a bulletin from NBC News: The French National Assembly has just invested Gen. Charles DeGaulle as Premier, according to the first count of the vote.

And now Mr. Bartlett——

Mr. BARTLETT. Dr. Mackay, you spoke of the complete separation between church and state as being primarily the achievement of Protestants. Isn't it true that the first amendment to the Constitution which establishes that separation was instigated by James Madison, largely as an effort to prevent established churches in the States—and I think there were nine established churches in the States at that time, and

they were, I believe, almost all Protestant; is that right?

Dr. MACKAY. Yes, sir.

Mr. BARTLETT. When we get into this complete separation of the state, do you object to or fight the fact that Congress has a chaplain in both of its Houses?

Dr. MACKAY. I think a distinction must be made between the authority and power of a church over the state and especially privileged position and the manifestation of religion.

What we have in Congress is merely a prayer raised to Almighty God, and it seems to me that if Congress were to elect a Roman Catholic chaplain there, upon occasion, there would be really little difference. In the Army, I don't think that is the issue at all, Mr. Bartlett. And regarding the other point I pick up, we have got to realize that historically Protestant churches have tried to dominate the secular order, and my own position would be whether they emerged in Protestantism, it would be the same thing, it is something that would have to be rebutted.

I am not happy over the church-state relationship in some European countries where Protestants are in the favorite position.

Mr. BARTLETT. For instance, in the White House now, there is a very able Congregationalist minister, Mr. Frederick Fox. As I understand, he is the first minister to serve our President's staff since the time of Abraham Lincoln. Is this objectionable to you?

Dr. MACKAY. I think that a President ought to have the privilege of having a spiritual adviser, or chaplain. There appears to me to be no particular objection to that—if this individual represented an ecclesiastical pressure, that would be quite different, but as an individual, it would not appear to me to be objectionable.

Mr. BARTLETT. You have no objection to him as a functioning official in the White House? Not just as chaplain, but as a functioning assistant to the President?

Dr. MACKAY. No.

Mr. RESTON. Dr. Mackay, going back to the announcement Mr. Spivak has just made, General de Gaulle has appointed as Foreign Secretary of France a member of one of the great Huguenot families of France, M. Couve de Murville, the former Ambassador here.

Dr. MACKAY. Yes.

Mr. RESTON. If it were on the other side, would you object to that? Would you object, say, to a Roman Catholic Secretary of State in this country?

Dr. MACKAY. No; not in the slightest, sir, because we have the analogy, to go back to France and those Latin countries, of very many Roman Catholic functionaries. That is, men loyally devoted to their church religiously, who refuse to submit to any kind of pressure in the political realm. I have lived myself 16 years in Latin countries and have been rather close to the situation. I have noted this distinction always between a man's religious faith, devotion to God, to be a faithful son of the church and his absolute refusal to allow the hierarchy, for example, to control his thinking or his action in the sector of the political realm. He will just say "Hands off," at that point.

Mr. SPIVAK. Dr. Mackay, aren't you arguing against yourself? Isn't that exactly what we would expect here in the United States?

Dr. MACKAY. We could, if that is the issue. I do not say but that you might have in this country a good Roman Catholic, devout, loyal to God, following the rites of the church, who would be of such caliber as to resist the overtures and the pressures of his own church in its institutional aspect. I don't doubt that. What I would like would be that he would make plain that he would be prepared to do that before there could be a confusion, because many Roman Catholics simply submit. It would depend upon the man.

Mr. SPIVAK. Are you suggesting that a Roman Catholic President should take some special kind of oath or make some special kind of statement that no one of any other religion should make?

Dr. MACKAY. Not necessarily at all, sir.

Mr. SPIVAK. Then what are we saying then?

Dr. MACKAY. Simply this, that knowing and being aware of the concern of very sincere fellow Americans, not in any way bigoted, who as I say would die for him to have the right to be President, as well as to have his faith, that in view of that situation, he would quite calmly and dispassionately say, as Al Smith said at the end of the twenties, that when it came to a matter of public office and political action, he would follow his conscience as a devout and independent Christian and would not allow himself to be controlled even by his church.

Mr. SPIVAK. Wasn't it bigotry in the United States that made that necessary when it was not necessary for his opponent to make a similar statement?

Dr. MACKAY. At that time?

Mr. SPIVAK. Yes.

Dr. MACKAY. I was not in the country at that time. I was in Latin America. I would want to be sure that I knew all the facts.

Mr. SPIVAK. You were in the country then, Mr. Archer. Wasn't it bigotry that made that necessary, rather than anything Al Smith had either said or done in all his public service?

Mr. ARCHER. I think bigotry depends upon the state of mind of the man who commits the act. I would say Mr. Smith did about as well in the Southern States as did Mr. Stevenson. I think careful analysis of the Smith campaign will say that the Catholic issue was not the big issue in that campaign.

Mr. EVERETT. Dean Sayre, what is the difference between asking a man his view on public questions which might be motivated by his membership in a religious organization and asking him his view based on his membership in any other organization, say for example a labor union?

To cite a specific example, sir, if a Christian Scientist were running for public office, would you want to know his view with respect to a public program of immunization through polio shots?

Dean SAYRE. Surely I would. Certainly.

Mr. EVERETT. That would be based upon his religious convictions. That is going over into the political field?

Dean SAYRE. If I were a voter, I don't think it would matter to me on what it was based. It would be the fact of whether he agreed to it or not.

Mr. EVERETT. You would want to know the views of a Seventh Day Adventist with respect to enforcement of the Sunday observance laws?

Dean SAYRE. It seems to me from what has been said by our colleagues on the other side of the desk here that we have almost come to a place of agreement, surprisingly enough, because they seem to me to be saying that they are willing to pick and choose between Roman Catholics, and maybe to accept some.

I would say the same thing about Protestants, too, or Seventh Day Adventists, or anybody else, and it seems to me, that is the democratic way.

Mr. ARCHER. I think we are missing some of the problems. I have traveled to every State of the Union, and we are having what you might call the lower levels of society problems in church-state. In Maine, the Roman Catholic actions threatened to dump 900 students on the public schools until they could have public moneys, and you could pull the map of the United States down and find in two-thirds of those States there have been church-state separation problems.

There are many, many people of the country who wonder whether or not the election of a Roman Catholic President at this time might cause more of those brush fires to start in all parts of the country. I have appeared in court after court where the Supreme Courts have said church-state separations did not exist in these situations, and it is a real problem, much greater than we are giving emphasis to it here, now.

Mr. BARTLETT. Just as the Constitution, Mr. Archer, provides for a separation between the powers of the church and the state, doesn't it also provide for a separation of the powers between the national and the State governments, so if you did elect a Catholic, you wouldn't in effect be giving him the right to rule on these different problems?

Mr. ARCHER. No, but the position of a President ought to be known or of a candidate ought to be known before he is voted on. That is the issue, and that is the question we raise here.

Mr. BARTLETT. On that point, wouldn't it be a mean thing to ask a Catholic candidate to make a special statement? Isn't it a fact an election is the test of a man's integrity and character, and doesn't the electorate decide whether they trust this man? If they trust him, they wouldn't need any special statement from him. It wouldn't seem to have any meaning, would it?

Mr. ARCHER. How can you learn to trust a man without knowing his views on controversial issues?

Mr. BARTLETT. Isn't that the point of a presidential campaign?

Mr. ARCHER. That is why we ask these questions.

Representative MCCARTHY. Mr. Bartlett, I feel if the questions are truly political questions, it is quite in order to ask them. The only thing I would object to is the kind of implied, if not stated, assumption that a Catholic would answer these questions in only one way.

For example, when you raise the question as to whether a Catholic candidate for the presidency is in favor of boycotting the public schools, you attribute to him a position which he may not hold.

I think the better question is to ask him whether he is in favor of public support for school construction; or whether he is in favor of public support at the Federal level for the maintenance of public schools. That is a political question.

You can ask him about an ambassador to the Vatican, but this is not a Catholic-Protestant position; this is a question of national policy.

As you know, it was Harry Truman who recommended that an ambassador be appointed, and if someone thought this was a great political issue, you could ask it along with whether or not you were in favor of the recognition of Red China.

I don't think the two are comparable, but at least they are political questions, and if you limit the question to the political area, as Dean Sayre indicated, from a Christian Scientist, you might want to know his stand on public health. You might want to know the stand of a Quaker, if he was going to be responsible for national defense. Some of us wonder about Mr. Benson in charge of the Department of Agriculture. These are fair questions to ask, I think, as long as they are political.

But the dispute, it seems to me, the debate is on the assumptions that go into these questions, and we ought to argue about the assumptions first before we ask the questions.

Mr. RESTON. Isn't the question here the basic one that Dean Sayre raised of trust? As I understand it, you and Dean Sayre are saying, in effect, "We don't think this is a tremendous problem in our country, with our Constitution, at this moment in history."

Whereas, Mr. Archer and Dr. Mackay are saying, "No, we are not willing to have that amount of trust."

I don't quite understand why you bring it down to the Roman Church. For example, I think the Quakers' position, today, on the use of the atomic or hydrogen bomb, raises a much sharper conflict than anything that has been mentioned here today.

Representative McCARTHY. Much more pertinent to the current problem.

Mr. RESTON. Much more pertinent to the security of the Nation.

Representative McCARTHY. I think you are quite right, Mr. Reston. We should note one point, however, which has been raised by Mr. Archer and by Dr. Mackay, that there is no civil obligation on the part of Catholics to the Pope as head of Vatican City. He has no authority in the way of what kind of civil action we may take, excepting as it is exerted through moral influence and through instruction, as Dean Sayre has said, as is true of other religions.

And the Catholic hierarchy for the most part in recent years—I don't know what they did in the thirties—but certainly the men who are speaking now, the bishops who pronounced in 1948 pronounce in the same way as Cardinal Gibbons and Archbishop Dowling and Archbishop Ireland did back at the beginning of this century, for a clear separation of church and state, which meant that they didn't want political authority to enforce religious decrees or religious direction.

Mr. RESTON. Let me ask this just as a politician, and this is the thing that bothers me about a discussion like this going out all over the country: Does this not indeed raise the question in people's minds, the lack of trust?

Mr. SPIVAK. Gentlemen, I am afraid we will have to interrupt at this point. This is all the time we have this afternoon.

You have given our audience a great deal to think about. I am sure you have made a contribution toward better understanding of this important issue.

INCOME TAX CREDIT FOR TUITION AND FEES

Mr. HUMPHREY. Mr. President, as the sponsor of S. 868, a bill to provide a 30 percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education, I am pleased to bring to the attention of the Senate a petition which I have received from Mrs. Lee M. Geronime, of Henderson, Minn. She and 15 cosigners urge Senate support for such proposed legislation.

I understand that the bill referred to is pending before the Senate Committee on Finance.

I ask unanimous consent that the petition be printed at this point in the body of the RECORD and that it be referred to the Senate Finance Committee, as a further expression of the interest of American citizens in a more equitable tax program, as it relates to the cost of education, either in public or private institutions.

There being no objection, the petition was referred to the Committee on Finance and ordered to be printed in the RECORD, without the signatures attached, as follows:

PETITION

We, the undersigned, members of your constituency, urge you to support Federal legislation providing a tax credit for amounts paid as tuition or fees by an individual to public and private institutions of higher education. Such legislation is proposed in H. R. 1064 and H. R. 765, and in more than a score of other bills. We ask you to support such tax credit legislation for the following reasons:

1. It will effectively help parents and students pay tuition at the school of their choice.

2. It will help to maintain free enterprise in education and in our American economy.

3. It will ensure for the student some measure of freedom of mind and spirit in the choice of school.

4. It is consistent with the American democratic principles of freedom and equality.

MARIE GERONIME.

HENDERSON, MINN.

MUTUAL UNDERSTANDING IN THE WESTERN HEMISPHERE

Mr. JAVITS. Mr. President, the President of the United States recently received a note of historic importance, published in our newspapers on Saturday, June 7, from President Kubitschek, of Brazil, the most populous and, in many ways, the most powerful of our sister republics of the Americas.

One of the things which concerned all of us in connection with the recent most unhappy attacks upon the person and prestige—in terms of his being a representative of the United States—of the Vice President was the fact that South America is often overlooked in our foreign policy deliberations. One almost feels like saying, "Here we go again," and that we are about to overlook it again. So I think it is very important to all of us, especially those who are deeply concerned with foreign economic policy, as I am, to keep abreast of the situation and endeavor to do the things which need to be done.

President Kubitschek makes the following pertinent comments:

The propaganda disseminated by the tools of anti-Americanism is apparently now directed toward presenting such supposed misunderstandings as actual incompatibility and even enmity between the free countries of the American community.

He then goes on to say:

It appears to me, Mr. President, that it would be utterly inconvenient and unfair to allow this false impression to prevail, morally weakening the cause of democracy, to the defense of which we are pledged.

He then makes this suggestion:

I might venture at this juncture, however, that the hour has come for us to undertake jointly a thorough review of the policy of mutual understanding on this hemisphere and to conduct a comprehensive reappraisal of the proceedings already in motion for the furtherance of Pan American ideals in all their aspects and implications.

Mr. President, there is a means already at hand for accepting the invitation of the President of Brazil, which I thoroughly endorse and support. It is a meeting of the foreign ministers of the American States. Such a meeting is called for by the Charter of the Organization of American States, signed at Bogota on August 28, 1948, which took effect December 13, 1951. It is adhered to by the United States and by all the Latin American countries where the unfortunate incidents took place.

Under article 39 of this charter there is provided for the meeting of consultation of ministers of foreign affairs which shall be held in order to consider problems of an urgent nature and of common interest to the American States.

There are grave economic difficulties in terms of raw material prices and our tariff policies which are near the heart of the problems with our sister republics. I would very strongly urge our Government to undertake the initiative suggested by President Kubitschek, in calling together a meeting of the foreign ministers of the American Republics and ourselves.

I might suggest that Canada also be included in such a meeting. We should likewise consider the holding of a summit conference of all the Western Hemisphere nations, if that should be indicated to be of value by what occurs at the meeting of the foreign ministers. We should certainly place in the highest priority the welding of closer relations, not only in terms of the fraternity which is expressed, but also in terms of financial and economic interests among ourselves and the other republics of this hemisphere, as signalized by the suggestion of President Kubitschek.

EDITORIAL COMMENT ON SENATOR MONRONEY'S PROPOSAL FOR AN INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. SYMINGTON. Mr. President, with respect to the interesting, thought-provoking, and constructive idea contained in the International Development Association proposal of the junior Senator from Oklahoma [Mr. MONRONEY], I ask that an editorial published in the Kansas City Times be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Kansas City Times of March 10, 1958]

MONRONEY'S NEW APPROACH TO FOREIGN LOANS

It strikes us that Senator MONRONEY's proposal for a sort of second-echelon world bank deserves serious consideration. It is a rare and refreshing thing these days to hear an imaginative idea in the foreign-policy field. The Oklahoma Democrat may have hit paydirt.

MONRONEY conceives of an International Development Association which would work with the World Bank. He suggests a capital stock of $1 billion, 30 percent to be supplied by the United States, the remainder by the 59 other members of the World Bank. Because it would be unfettered by the conventional banking rules of the existing international agency, the IDA would in a sense be a promotional agency. Its greatest flexibility would lie in its ability to lend without a Government guaranty, something which the World Bank cannot do.

Like the World Bank, the MONRONEY bank would expect repayment. But it would be able to gamble a little bit more than the larger organization. Furthermore, it would deal both in the hard currencies of the member nations and in local currencies. This would move into action some of the large stockpiles of local moneys that this Nation has acquired through sale of agricultural surpluses.

Specifically, MONRONEY points to the projected development of the six rivers that

start in India and Tibet and flow through Pakistan. If India were to develop these rivers, Pakistan would be deprived of water. Engineers of the 2 nations have worked out a joint plan for the area, but the $400 million program would not meet World Bank requirements. IDA could consider the loan, or at least half of it, in conjunction with the World Bank.

Ultimately, the IDA might become the agency that could remove from America much of the burden of its own foreign grant and loan program. It could also stimulate the economies of other nations, thus creating a great demand for American products abroad.

Of course, there are bugs in the program, but those can be worked out. In his presentation to the Senate, MONRONEY may have tripped a little on his own idealism. But at least he was playing a different record. We hope more will be heard of it.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that editorials on the same subject published in the St. Louis Post Dispatch and in the Kansas City Star, be printed in the RECORD at this point.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch of March 12, 1958]

IDEA WORTH A HEARING

A fresh, new idea turns up in Washington so seldom that the appearance of a promising one is cause for public attention if not celebration. Thanks to a resolution introduced by Senator MONRONEY, of Oklahoma, such an idea is before Congress for consideration in connection with the mutual-security program.

What Senator MONRONEY proposes is that a sister institution to the World Bank be created, to extend loans to underdeveloped nations on terms more favorable than the World Bank can now approve. He believes that these nations ought to be permitted to make development plans on a longer basis than is possible when the foreign-aid program is geared to year-to-year appropriations which reflect changing moods in Congress.

To start out the International Development Association bank—this is the name Senator MONRONEY suggests—the United States would provide about $300 million of a billion-dollar hard currency capitalization. The remaining $600 million would be invested by other members of the World Bank, as they chose or not to join in the effort. Those countries participating which have soft currencies would contribute loan funds that could be used to purchase local materials and to pay for local labor on projects approved for financial support by the IDA.

The basic idea would be to have the IDA supplement the World Bank. Insofar as reasonable a worthy mutual-security project would use World Bank loans of hard currency. Then soft currencies would be utilized for their appropriate part. Senator MONRONEY hopes thus to reduce the number of outright grants and to increase those projects which can be established on a self-liquidating basis.

Senator MONRONEY's resolution is not something he has just pulled out of a hat. He has been testing it on economists, Government officials, diplomats, and others for a year and a half. The response, he reports, has been overwhelmingly favorable. Both Congress and the White House ought to give it a warm and sympathetic hearing.

[From the Kansas City Star of May 27, 1958]

THE MONRONEY BANK: A NEW APPROACH TO AID

When mutual security money becomes the topic of the day on the Senate floor, we hope that Senator MIKE MONRONEY will be in there pitching for his proposed International Development Association. It emphasizes two aspects of mutual security which could bear considerably more emphasis—the principle of loans instead of grants, and the philosophy of international effort rather than of an America footing the bills alone.

Actually both Congress and the State Department endorsed the loan approach last year when the Development Loan Fund was first authorized. The fund, admittedly, has been slow swinging into action. This year, however, Mr. Dulles is back for another $600 million to be shelled out in repayable loans. That, to the taxpayer, is certainly a more attractive method of mutual security than the shopworn concept of the handout which has not been too successful in winning friends.

MONRONEY would go a step further and get the loans on a multilateral basis. The feeling toward America in many spots on the globe is, we believe, positive evidence of the desirability of such a plan.

Through IDA, which would be a subsidiary of the World Bank, America and other nations would work together to finance development projects that under World Bank rules are not "bankable." That means IDA would be able to gamble a little bit more than the parent bank; and it would also be able to offer better terms and cheaper interest. This becomes particularly important when you consider the terms offered by the Soviet Union, which is underselling our Development Loan Fund by as much as 2 percent. IDA would be in a more competitive position.

MONRONEY's association would also put to use much of the "soft currency" which America and other nations now hold abroad but which can be used for only limited purposes. That would help end much of the drain on the scarce dollar.

We are under no illusions that the MONRONEY "poor-man's world bank" is, in its present stage of thinking, perfect. For more than a year the Oklahoma Democrat has been consulting with experts on banking and on world affairs. But in a conversation with a member of the Star's staff, MONRONEY freely admitted that his plan is far from full development.

Nor do we imagine that the IDA concept could be substituted for the Development Loan Fund overnight. Obviously there would have to be a period of negotiation with other World Bank members.

MONRONEY has at least been thinking, a process which has not been a favorite avocation of America's foreign policy people in recent times. If his thinking does nothing more than elicit Congressional endorsement of the multilateral principle for world development, he will have performed quite a service.

TAX LEGISLATION—SUGGESTED TAX REDUCTIONS

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to speak for not to exceed 8 minutes.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

Mr. DOUGLAS. Mr. President, the Senate will shortly have before it H. R. 12695, a bill passed by the House of Representatives, extending corporate profits taxes and excise taxes without any amendments. It is highly important that the Senate and the country should know what the parliamentary situation is and what issues are involved.

The bill was passed by the House Ways and Means Committee without any public hearings, as I understand, although I believe certain governmental witnesses were heard in private. It was brought up for action in the House under what is known as a closed rule, which some irreverently call a gag rule. The rule permitted a motion to recommit, but did not permit a motion to amend the bill substantively. The House was therefore confronted with the choice of whether it would or would not continue the present excise taxes and corporation profit taxes, but was not permited to vote on the question of whether there should be any changes made in the corporation taxes, in the income tax, and in the excise taxes. In its original form it was passed by the House last week.

I had hoped that the Senate Committee on Finance would hold public hearings on the measure, because there is a very real question as to whether a general tax cut should be carried into effect. I believe that hearings on the subject would be valuable for the purpose of not only informing public opinion but also helping to inform Senators.

This morning, at an executive meeting of the Committee on Finance, I made a motion that there be 3 days of public hearings, to consider the question of whether there should be a general tax cut. In line with the characteristic courtesy of the distinguished chairman of the committee, the senior Senator from Virginia [Mr. BYRD], the question was put to a vote, and my motion was defeated by a vote of 9 to 2.

I do not think I am betraying any of the secrets of the committee in stating this fact. It is therefore probable that the bill will speedily come before the Senate and will merely provide for an extension of the existing tax rates, without any substantive committee amendments or substitute proposals.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. SYMINGTON. Will the able Senator enlighten his colleague by stating the reasons given for holding no public hearings in the Senate Finance Committee as well as in the Ways and Means Committee of the other body, as the Senator has pointed out?

Mr. DOUGLAS. I think probably those reasons could better be stated by the members of the committee who felt there should not be public hearings. I might not give a correct interpretation of their point of view. I think it is better that they should speak for themselves. So far as I am concerned, I felt that an issue of this importance should be considered in public hearings.

Mr. SYMINGTON. Does that mean to the Senator from Illinois, who is an eminent authority on this subject, that there will be no consideration of the repeal of the excise taxes on transportation, despite the condition of the American railroads today?

Mr. DOUGLAS. It is my intention to offer, in the committee, amendments to H. R. 12695. The amendments will include as one feature, but not the exclusive feature, a very great reduction in the taxes on transportation.

Mr. SYMINGTON. As I understand it then, there will be discussions of amendments to the tax law in the com-

mittee, even though there will not be public hearings.

Mr. DOUGLAS. That is correct. I may say also that I intend to offer these amendments on the floor of the Senate at a later date.

Mr. SYMINGTON. Knowing of the Senator's characteristic determination to go forward with proposals in which he believes deeply, I am not surprised by his last statement.

Mr. DOUGLAS. I am glad to know the Senator from Missouri is not surprised. I am sure he will continue not to be surprised when I press for this much needed action.

AMENDMENT TO H. R. 12695

Mr. President, I therefore submit an amendment, in the nature of a substitute, to H. R. 12695, the bill which provides for a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance.

Mr. DOUGLAS. Mr. President, the effect of my amendment would be to do three things, as follows:

First, to reduce the rate on the first $1,000 of taxable income from 20 percent to 15 percent for the 1-year period July 1, 1958, to June 30, 1959.

Second, to reduce the tax on the first $25,000 of corporate income from the present 30 percent to 22 percent, or by $2,000 on the first $25,000 of corporate profits. This is the so-called small business tax relief measure.

Third, to reduce or repeal certain excises, for which I shall give details in a few minutes.

Except for these changes or modifications in the bill, my amendment does not change the other features of the bill, even though the amendment is in the nature of a substitute, because that was the simplest way in which the amendments could be drafted.

On May 19 of this year I made a lengthy speech in the Senate on the question why a tax cut should not be further postponed. Earlier I had made speeches in February and March. I do not intend to repeat those arguments today. However, our economy is in a very serious recession. I shall not predict the future; but even under the most favorable circumstances, it will be many months before the Nation is again at full employment levels. But the day of recovery can be hastened by a tax cut.

Further, a tax cut which had the effect of turning the economy around would, in my opinion, be less costly in material and personal losses, and would mean incurring fewer risks, than if things were allowed to drift along as at present.

We speak of deficits in the Federal budget. But we do not seem to be paying much attention to the deficits in the production of the Nation and in the enormous value of material commodities which have already been lost because of the recession, and of the tremendous amount which will be lost in the future, unless we take steps to improve conditions.

I turn now to the provisions of my amendment.

PERSONAL INCOME-TAX CUT

The first of the three major provisions in the amendment is to cut the rate on the first $1,000 of taxable personal income from 20 percent to 15 percent for the period July 1, 1958, to June 30, 1959. It would be a temporary tax cut unless extended by Congress. It is a 1-year cut. At the present levels of national income it would mean an initial revenue loss of approximately $3 billion, although its eventual cost would be considerably less than that. It would mean a cut of $50 per person or $100 for those taxpayers who file joint returns.

This tax cut is designed to have the greatest possible stimulating effect on the economy. It is designed to go to those who will spend it rather than to those who will save it. More than 40 percent of the money value of this cut would go to those with incomes below $5,000. Another 50 percent would go to those with incomes between $5,000 and $10,000.

From studies which have been made by the Bureau of Labor Statistics, particularly the 18-volume study in 1950 of family incomes, expenditures, and savings, we know that families having incomes below $5,000, as a group—I emphasize: as a group—have no savings at all, but actually have what are called "dissavings."

We also know that at the present time, those with income below $10,000 do not have savings of great amounts. It is only when incomes exceed $10,000 that savings as a proportion of income become very high.

This personal tax cut provision gives more of the cut to those with incomes below $10,000 than does any other serious proposal which I have seen. It meets, therefore, the argument that a tax cut might be saved rather than spent. This tax cut proposal is designed to go to low- and middle-income groups because the lower the income the greater the amounts spent rather than saved. Conversely, the higher the family income, the greater the actual and relative savings. I estimate that at least 75 percent of this cut would be spent and no more than 25 percent would be saved and not reinvested or go in taxes. The ultimate stimulating effect on the economy, therefore, would be to increase our national product by approximately three times the amount of the tax cut.

This part of the tax cuts which I am proposing amounts to $3 billion. The total amounts to $6 billion. If, of this $6 billion, 75 percent is spent and no more than 25 percent is saved and not invested, the ultimate effect would be to raise the national product by 3 times what it would otherwise be, or by $18 billion. The effective tax rate on this $18 billion would be about 25 percent when Federal, State, and local taxes are all taken into account. Therefore, $4.5 billion of this $6 billion tax cut eventually would be recouped in taxes so that the effective cost would be only $1.5 billion. Further, if the tax cut had the effect of stimulating the economy so that recovery comes sooner than it otherwise would, the losses would be even less, for at the moment our tax revenues are decreasing because of the decline in corporate profits and personal incomes.

I ask unanimous consent that a table prepared by the Joint Committee on Internal Revenue Taxation, giving the estimated distribution of the tax reduction from this proposal, to cut the rate on the first $1,000 of taxable income from 20 to 15 percent, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated distribution of personal tax reduction which would reduce the rate on the first $1,000 of taxable income from 20 to 15 percent

Adjusted gross income	Tax reduction	
	Amount (millions)	Percentage distribution of tax reduction
Under $5,000	$1,400	40.3
$5,000 to $10,000	1,740	50.1
Over $10,000	335	9.6
Total	3,475	100.0

Mr. DOUGLAS. Mr. President, this table was prepared earlier in the year on the basis of 1958 revenue estimates and, therefore, overestimates the loss of revenue. Because of the decline in national income and personal income, my view is that the revenue loss will be about $3 billion rather than $3.4 billion.

DESIRABLE FEATURES OF PERSONAL TAX CUT AMENDMENT

Apart from the fact that this provision would mean a tax reduction for those who would spend it rather than for those who would save it, it has several other desirable features. These are:

First. It would mean a tax savings of $50 per person or $100 for those who file a joint return.

Second. It would provide a benefit for filing a joint return to those who have taxable income of $2,000 or less. Presently, there is no benefit from filing a joint return for those with taxable incomes below $2,000, but for those with taxable incomes above that amount there is a progressive benefit as income increases.

Third. It would mean that no one would leave the tax rolls as a result of this amendment. While the tax paid would be lower for everyone now on the tax rolls, it would not mean that three to four million taxpayers would leave the tax rolls only to return again on July 1, 1959, as a provision which raised the exemption for a temporary period would mean.

Fourth. It would give as great or greater tax benefit than raising the exemption from $600 to $700 for those families with 5 fewer exemptions.

Fifth. It is a fairer tax cut than that which would increase the exemption from $600 to $700. In the latter case, a man and wife with 3 children would receive a tax benefit of $100 if they were paying at the first bracket rate. This would be the same saving which would come by cutting the rate from 20 to 15 percent on the first $1,000 of taxable income. However, raising the exemption would mean that a man and wife with 3 children would receive a tax reduction

of $150 if they were paying at the 30-percent rate, or of $250 if they paid at the 50-percent rate. Therefore, the provision to reduce the rate in the first $1,000 is of greater proportionate benefit to low-income groups than raising the exemption would be, for raising the exemption benefits upper-income groups more than lower-income groups.

For those who read the detailed provisions of tax amendments, I want to make one further point. The purpose of this personal-tax-cut provision is to give a $50-tax reduction per taxpayer in the period July 1, 1958, to June 30, 1959, or $100 to a man and wife. Thus, one-half of the $50, or $25, would be given in each of these half-year periods.

The method of giving this $50 reduction is to reduce the tax on the first $1,000 of taxable income from 20 to 15 percent for a full year, which has the effect of reducing the tax in the year from $200 to $150 on the first $1,000. However, because a taxable year runs from January 1 to December 31, we are dealing here with 2 taxable years, namely, the periods from January 1, 1958, to December 31, 1958; and again from January 1, 1959, to December 31, 1959. The method by which the effective rate of taxation can be lowered from 20 to 15 percent in the 1 year period from July 1, 1958, to June 30, 1959, is to reduce the rate from 20 percent to 17.5 percent in the full 2-year period from January 1, 1958, to December 31, 1959. That would mean a tax reduction of $25 in each of 2 years, or a total of $50. Therefore, my amendment provides for a rate of 17.5 percent on the first $1,000 in each of 2 full years.

However, the withholding provisions of my amendment provide that the entire $50 per taxpayer, or $100 for those who file joint returns, will be given to the taxpayer in the 1-year period from July 1, 1958, to June 30, 1959. I mention this technical problem because someone reading the amendment might think that it actually reduced the rate to only 17.5 percent, instead of 15 percent, because of the language of the amendment.

SMALL BUSINESS TAX CUT

Mr. President, the second major item in my amendment is a tax cut for small business. By reversing the existing normal and surtax rates, the effect of the amendment would be to reduce the corporate tax rate on the first $25,000 of taxable income by $2,000. It has been estimated in the past that the revenue losses from this provision of the amendment would be in the magnitude of $300 million to $400 million.

This proposal has been put forward on several occasions. It received the endorsement of the Republican and Democratic platforms in 1956, and of the administration at that time. Of course, each time it has been offered on the floor, the administration has opposed it for one reason or another when the chips were down and the votes were to be cast.

The amendment actually changes the present rate by establishing a normal corporate-income-tax rate of 22 percent, as opposed to the existing 30 percent; and it establishes a surtax rate of 30 percent, as opposed to the existing 22 percent.

This provision of the amendment provides that this rate shall be in effect until June 30, 1959, or the date to which we are extending corporate-tax rates in the bill which will be before us.

This provision would help small businesses, and especially businesses with incomes below $25,000.

Mr. President, I ask unanimous consent that a table showing the effect of the amendment on taxes of corporations with various incomes be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Effect of a normal tax rate of 22 percent and a surtax rate of 30 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 30 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,500	−2,000	−9.8
$100,000	46,500	44,500	−2,000	−4.3
$225,000	111,500	109,500	−2,000	−1.8
$500,000	254,500	252,500	−2,000	−.8
$1,000,000	514,500	512,500	−2,000	−.4
$10,000,000	5,194,500	5,192,500	−2,000	−.04
$100,000,000	51,994,500	51,992,500	−2,000	−.004

EXCISE TAX CUTS

Mr. DOUGLAS. The third major provision of my amendment is the repeal or reduction of certain excise taxes. These are as follows:

First. Retail excises: These include repeal of the tax on jewelry selling for less than $25; repeal of the tax on the first $100 of the retail price of watches and clocks; repeal of the tax on toilet preparations; and repeal of the tax on luggage, handbags, and wallets.

Second. Manufacturer's excises: These include reducing the tax from 10 to 5 percent on autos and trucks; the repeal of the tax on auto and truck parts; and the repeal of the tax on refrigerators and refrigeration equipment, air conditioners, electric and gas and oil appliances, power lawnmowers, light bulbs, radios, television sets, phonographs, musical instruments, sporting goods—except fishing equipment which is earmarked for conservation purposes, cameras, films, household type motion-picture projectors, business machines, mechanical lighters and pencils, fountain and ballpoint pens, and matches.

Mr. President, I may say that if the automobile industry is willing to reduce its prices by 6 percent between now and the time when the bill comes up for consideration on the floor of the Senate I shall propose to eliminate completely the tax on automobiles, so a total reduction of 16 percent on the price of a car at the manufacturer's level can be achieved. But if the automobile industry continues to be obdurate, I shall have to stick to only halving the tax on automobiles.

Third. Excise taxes on facilities and services: These include the repeal of the admissions taxes, including that on musicians; a reduction from 10 to 5 percent on long-distance telephone calls, leased wires, and so forth; the repeal of the 10-percent tax on local telephone service; a reduction from 8 to 4 percent in the tax on wire and equipment services; a reduction from 10 to 5 percent on the transportation of persons; and repeal of the 3-percent excise tax on the transportation of property and the 4-cent-per-ton tax on the transportation of coal.

The total revenue losses from these excise-tax cuts come to approximately $2.6 billion; and there should be added to that amount the relatively small costs of floor-stock refunds for autos and trucks and durable goods and the cost of the retroactive provision for the reduction of the excise tax on autos and trucks to March 1, 1958. The approximate total cost of these excise reductions would be from $2.6 billion to $2.7 billion.

I ask unanimous consent that a table setting forth the detailed provisions of the excise cuts I am proposing be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Excise provisions of proposed Douglas tax cut

1. RETAILER'S EXCISES

Item	Present rate	How collected at present	New proposed rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	*Millions*
Sec. 4001: Jewelry selling at retail for $25 or less and the first $100 of the retail selling price of watches and clocks.	10 percent of selling price	Paid by consumer to retailer	0	[1] $100.0
Sec. 4021: Toilet preparations	10 percent	Retailer	0	102.0
Sec. 4061: Luggage, handbags, wallets, etc.	do	do	0	60.0

[1] Estimated.

Excise provisions of proposed Douglas tax cut—Continued

2. MANUFACTURER'S EXCISES

Item	Present rate	How collected at present	New proposed rate	Revenue loss as estimated in fiscal year 1959 budget
			Percent	*Million*
Sec. 4061 (a) (2): Passenger automobiles	10 percent (permanent rate 7 percent)	Paid by manufacturer to Government	5	[1] $300.0
Sec. 4061 (a) (1): Truck and bus chassis and bodies	10 percent	do	5	124.0
Sec. 4061 (b): Auto parts and accessories (includes parts for trucks).	8 percent (permanent rate 5 percent)	do	0	113.0
Sec. 4111:				
1. Refrigeration equipment, household type	5 percent	Paid by manufacturer	0	44.0
2. Air conditioners	10 percent	do	0	
Sec. 4121: Electrical, gas, and oil appliances	5 percent	do	0	75.0
Sec. 4131: Light bulbs	10 percent	do	0	28.0
Sec. 4141: Radio and TV, phonographs, etc	do	do	0	179.0
Sec. 4151: Musical instruments	do	do	0	
Sec. 4161: Sporting goods (except fishing equipment)	do	do	0	[1] 10.0
Sec. 4171:				
1. Cameras and films	do	do	0	22.0
2. Projectors, still and motion of household type	5 percent	do	0	
Sec. 4191: Business machines	10 percent	do	0	93.0
Sec. 4201: Mechanical lighters, pencils, fountain and ball-point pens.	do	do	0	10.0
Sec. 4211: Matches:				
1. Plain	2 cents per 1,000 but not more than 10 percent.	do	0	5.0
2. Fancy	5½ cents per 1,000	do	0	

[1] A further cut of 2.5 percent should be conditional on manufacturers reducing prices by approximately 6 percent.

3. FACILITIES AND SERVICES

Sec. 4231 (1-6): Admissions of all kinds including musicians	Various (20 percent musicians)	Paid by person paying admission; collected from proprietors.	0	$100.0
Communications:				
Sec. 4251:				
1. Telephone and telegraph leased wires, etc	10 percent	Imposed on person paying for facility	5	517.5
2. Local telephone	do	do	0	
3. Wire and equipment service	8 percent	do	4	
Transportation:				
Sec. 4261: Persons	10 percent	Paid by person making purchase. Collected by transportation company.	5	107.5
Sec. 4271 (a):				
1. Transportation of property other than coal	3 percent	Paid by person making purchase of transportation.	0	476.0
2. Transportation of coal	4 cents per ton	do	0	
Total revenue loss (exclusive of floor stock refunds and the retroactive rate for autos and trucks).				2,667.0

ESTIMATED REVENUE LOSSES

Mr. DOUGLAS. Mr. President, the estimated revenue losses from the entire amendment on an annual basis would be as follows:

PROPOSED TAX CUT AND ESTIMATED REVENUE LOSSES

1. Cut from 20 to 15 percent on the first $1,000 of taxable income for 1 year: $3 billion.

2. Repeal or reduction of excises (on the basis of 1959 fiscal year budget estimates): $2.667 billion.

3. Reducing rate on first $25,000 of corporate profits from 30 to 22 percent: $300 million to $400 million.

4. Floor stock refunds for autos, trucks, and durable goods, and a retroactive date for autos and trucks to March 1, 1958: $100 million to $200 million.

Total revenue losses: $6.067 billion to $6.267 billion.

Mr. President, from the analysis I have had printed in the RECORD it will be seen that the total cut I am proposing would involve, at existing income levels, a reduction of between $6 billion and $6,300 million. But, on the whole, I believe it would mean a cut—in view of the reduction of the national income—of only $6 billion.

Again, I wish to state that this should lead to an increase of approximately $18 billion in the national income, and that the added revenue of all branches of the Government from an $18 billion increase in the national income should amount to approximately one-fourth of that figure, or about $4,500 million, or an offset of approximately $4,500 million against the apparent loss, at present income levels, of $6 billion, so that the net loss would be only $1,500 million. So I submit that this is a rather cheap way to try to obtain recovery.

Incidentally, Mr. President, when H. R. 8381, the so-called technical amendments bill, comes before the Senate, I intend to propose amendments designed to close some of the gaping loopholes in the existing tax laws which produce injustices as between persons of identical incomes. Those amendments would save at least $1 billion a year. I might even propose some amendments which would save from $1,500 million to $2 billion a year. Therefore, by closing these loopholes we could recoup enough revenue to make up the remaining $1.5 billion revenue loss of my $6 billion tax cut proposal.

So, Mr. President, very soon we shall move into a general consideration of this tax question which involves both the general issue of tax policy in a period of recession or depression and also an attempt to obtain greater justice and fairness within our existing tax structure.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the June 8 issue of the Washington Post which calls for major tax reduction at this time.

There being no objection, the editorial was printed in the RECORD, as follows:

[From the Washington Post of June 8, 1958]

THREE YEARS OF STAGNATION?

The Joint Economic Committee of Congress has sounded a much needed note of realism in its new survey of the business outlook. Without specifically advocating tax reductions, the committee makes an excellent case for a broad if temporary measure of tax relief to help accelerate the revival of production. Without it or other herculean measures such as a real and substantial stepup in Federal spending, the United States will suffer 2 and perhaps 3 years of serious stagnation. In human terms, the committee estimates, unemployment will continue at present levels or even rise as high as 7 million next winter and, not return to acceptable levels (of perhaps around 3 million) for 1 to 2 years.

For all the administration's fuzzy talk about accelerating expenditures (and its seeming horror at the thought of temporary Federal deficits), the committee shows that the real increase in the Government's contribution to the national economic consumption accounts by the end of this year will be relatively trifling. It puts the figure at some $2 billion, at an annual rate, above the level for the first of this year. This, of course, is far from enough to offset the great decline in business investment spending and exports, which could easily ripen into a disastrous, confidence-shattering slump in personal spending if unduly prolonged.

Against this backdrop, the stubborn indifference with which the House Thursday turned aside all efforts to write some measure of tax relief into the administration-backed bill to extend present excise and corporate tax rates was almost incredible. But, since Speaker RAYBURN and Chairman MILLS of the Ways and Means Committee have effectively muzzled their colleagues, it is up to the Senate to end the economic policy paralysis for which the Democratic leadership and the President are equally to blame. There will be no help from Senator BYRD's Finance Committee, and only the most adamant stand against the present obduracy is likely to be effective.

It might not be amiss, as a last resort, for Senators who understand the need for a tax cut to block extension of the present corporate and excise rates, which automatically decline at midnight June 30. A much broader measure of relief is of course needed. But if a determination to hold fast for at least this much did not win some useful concessions on other taxes, the automatic cuts in a few levies might still be better than nothing. At the least, it would dramatize the sterility of thought of the neo-Hooverites who would continue to gamble with the Nation's economic well-being by acting as though the recession were none of the Government's business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had severally agreed to the amendment of the Senate to the following bills of the House:

H. R. 1700. An act for the relief of Western Instruments Associates;

H. R. 5355. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corp. of Union, N. J.;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 6932. An act for the relief of the estate of W. C. Yarbrough; and

H. R. 7733. An act for the relief of Arnie M. Sanders.

The message also announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H. R. 1492. An act for the relief of Gillous M. Young; and

H. R. 3679. An act for the relief of the E. B. Kaiser Co.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1061) to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the military departments to settle certain claims for damage to, or loss of, property or personal injury or death, not cognizable under any other law; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LANE, Mr. WILLIS, and Mr. POFF were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORGAN, Mr. CARNAHAN, Mr. ZABLOCKI, Mr. VORYS, and Mr. JUDD were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 1492. An act for the relief of Gillous M. Young;

H. R. 1700. An act for the relief of Western Instruments Associates;

H. R. 3679. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the E. B. Kaiser Co., of Chicago, Ill.;

H. R. 5355. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corp., of Union, N. J.;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 6932. An act for the relief of the estate of W. C. Yarbrough; and

H. R. 7733. An act for the relief of Arnie M. Sanders.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1959

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

THE MINNESOTA CENTENNIAL

Mr. HUMPHREY. Mr. President, during the first week of May, prior to my return to my home State of Minnesota for the celebration of the Minnesota Centennial, I commented in the Senate on the many nationality groups and cultural groups which comprise the population of Minnesota. At that time I stated that Minnesota is, in fact, a little United Nations, and has approximately 40 different nationality groups represented in the various areas of the State.

May 11, 1958, marked Minnesota's 100th birthday; and the occasion was celebrated in Minnesota in a truly magnificent fashion.

Prior to the date marking the anniversary of statehood, the Minnesota Centennial Committee sponsored what is known as the Minnesota State centennial dinner, on the evening of Thursday, May 8, at the Leamington Hotel. The program at that dinner was prefaced by a very fine, concise, and meaningful message by our Governor, His Excellency Orville L. Freeman.

Mr. President, I ask unanimous consent that the text of the Governor's message be made a part of my remarks at this point in the RECORD.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

GOVERNOR'S MESSAGE

We in Minnesota are proud and happy to welcome those distinguished international guests who have come to share in the observance of our statehood centennial. For our century of progress is one of accomplishment by and for the people of our State, made possible in no small measure by the great heritage which the people of Minnesota share in common with the people of the many lands from which their fathers came.

As we look forward to the years ahead, as we gain courage and inspiration from the struggles and achievements of the past, we know that to an ever increasing degree our future is inevitably linked to that of people in other lands. Our hopes and our faith are directed toward a united effort by the people of Minnesota, the people of the United States, and the people of the Free World, to achieve for ourselves and our posterity a century of progress, prosperity, freedom, and peace.

ORVILLE L. FREEMAN.

Mr. HUMPHREY. Mr. President, I also call to the attention of the Senate the distinguished guests who were in attendance at the Minnesota statehood centennial dinner. There were a number of guests, of honor and distinction, particularly from the Scandinavian countries. This preliminary occasion, prior to the Statehood Day program of May 11, was dedicated to our friends of Scandinavian ancestry and background. Present at the dinner were representatives from Denmark, Finland, Iceland, Norway, and Sweden.

Mr. President, I ask unanimous consent that the list of the honored guests from those great countries be printed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CENTENNIAL INTERNATIONAL GUESTS, SCANDINAVIAN COUNTRIES

Denmark: His Excellency Prime and Foreign Minister H. C. Hansen and Mrs. Hansen; His Excellency Ambassador Henrik Kauffmann; press attaché, Kai Johansen and Mrs. Johansen; Secretary Erik Krog-Mayer, Ministry of Foreign Affairs.

Finland: His Excellency Prime Minister Reino Kuuskoski and Mrs. Kuuskoski; His Excellency Ambassador Johan Nykopp; press attaché Max Jakobson and Mrs. Jakobson.

Iceland: His Excellency Ambassador Thor Thors and Mrs. Thors; First Secretary St. Hilmarsson, Ministry of Foreign Affairs.

Norway: Her Royal Highness Princess Astrid; His Excellency Prime Minister Einar Gerhardsen and Mrs. Gerhardsen; His Excellency Ambassador Paul Koht; Lord Chamberlain to Her Royal Highness Princess Astrid, Odd Gronvold; the honorable lady in waiting to her Royal Highness Princess Astrid, Ellinor Gronvold; Assistant Secretary of State for Public Relations, Tor Myklebost; press and cultural counselor, Fredrik Wulfsberg and Mrs. Wulfsberg; commercial attaché, Kristopher Oddsen, Jr., and Mrs. Oddsen.

Sweden: His Royal Highness Prince Bertil; His Excellency Ambassador Erik Boheman and Mrs. Boheman; the Honorable Ove Borlind, Lord Chamberlain to His Royal Highness Prince Bertil; press counselor, Kjell Oberg and Mrs. Oberg; Mr. Allan Kastrup, Swedish News Exchange.

Mr. HUMPHREY. Mr. President, as I have indicated, Minnesota is made up

of people of many nationalities. They are not all of Scandinavian descent. As a matter of fact, the largest single national origin group in our State is the German population; in other words, those of German descent. During the past week, in many parts of our State, persons of German background and descent have participated widely and enthusiastically.

In order that my colleagues in the Senate and those who read the CONGRESSIONAL RECORD may know of the preparations which went into the Minnesota statehood centennial, I wish to call to the attention of the country the persons who were connected with or who held responsible positions in the Minnesota Statehood Centennial Commission, as well as the statehood centennial committee chairmen and the county centennial committee chairmen. In every county of the State there were centennial committees. Each of the 87 counties will celebrate its own centennial. Many of the communities, towns, cities, and villages will have special celebrations.

I cordially invite all my colleagues in the Senate and in the House of Representatives to visit Minnesota this summer and to participate in the hospitality which will be everywhere abundant and ascertainable.

We are very proud that Minnesota has a great recreation area. We are humbly proud and grateful for our lakes, forests, and streams, and for the wonderful climate we have in the summer. We hope that our fellow citizens from every State in the land will avail themselves of the opportunity to share with us in this our 100th birthday.

Mr. President, I ask unanimous consent that the list of officers of the respective committees I have referred to be printed at this point in the RECORD as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MINNESOTA STATEHOOD CENTENNIAL COMMISSION

Peter S. Popovich, commission chairman.

Senators: W. J. Franz, Mountain Lake; Rudolph Hanson, Albert Lea; Henry Harren, Albany; Harold J. O'Loughlin, St. Paul; Harry L. Wahlstrand, Willmar.

Representatives: Harold J. Anderson, Minneapolis; Alf L. Bergerud, Minneapolis; Carl M. Iverson, Ashby; Peter S. Popovich, St. Paul; William Sorensen, Graceville.

Public members: Mrs. Lawrence Audette, Red Lake Falls; Gerald R. Dillon, Minneapolis; Aaron Litman, White Bear Lake; Julius M. Nolte, Minneapolis; Mrs. Earl Preston, St. Paul.

STATEWIDE CENTENNIAL COMMITTEE CHAIRMEN

Agriculture: Theodore H. Fenske, St. Paul.
Arts: James S. Lombard, Minneapolis.
Education: Dr. Paul H. Giddens, St. Paul.
Floyd Olson: George Lawson, St. Paul.
Historical society: Leonard Lampert, Jr., Minneapolis.
Hospitality: W. J. Madden, Brainerd.
Library: Anita C. Saxine, Winona.
Maria Sanford: Senator Eimer L. Anderson, St. Paul.
Military: Maj. Gen. Joseph Nelson, St. Paul.
Promotion: Ray Mithun, Minneapolis.
Religion: Dr. Henry Allen, Minneapolis.
Speakers information bureau: Dr. J. O. Christianson, St. Paul.
Sports: Clifford C. Sommer, Owatonna.
Stamp: H. W. Hill, Minneapolis.
Train: John Haines, Minneapolis; John Budd, St. Paul.
Women: Mrs. Donald J. Heng, Minneapolis.

COUNTY CENTENNIAL COMMITTEE CHAIRMEN

Aitkin: Brynolf Peterson, Aitkin.
Anoka: Carl Eck, Circle Pines.
Becker: Parnell Sanford, Detroit Lakes.
Beltrami: Robert Kohl, Bemidji.
Benton: H. H. Burry, Sauk Rapids.
Big Stone: James Kaercher, Ortonville.
Blue Earth: J. George Lynch, Mankato; Vern Lundin, Mankato.
Brown: Waldemar Huevelman, New Ulm; Hon. Carl Jensen, Sleepy Eye.
Carlton: Al Probst, Cloquet.
Carver: Mrs. Ralph E. Mueller, Hamburg.
Cass: Louis M. Howser, Pine River.
Chippewa: Wally Austin, Montevideo.
Chisago: George W. Larson, North Branch.
Clay: Glenn E. Johnson, Moorhead.
Clearwater: Eugene M. Beltz, Bagley.
Cook: Miss Olga Soderberg, Grand Marais.
Cottonwood: Vic Faust, Windom.
Crow Wing: C. R. Gorham, Brainerd.
Dakota: I. T. Simley, South St. Paul.
Dodge: Elton Smith, Dodge Center; Al Hughes, Dodge Center.
Douglas: Harold E. Anderson, Alexandria.
Faribault: Rector H. Putnam, Blue Earth.
Fillmore: Hon. Moppy Anderson, Preston.
Freeborn: Dr. Mervin A. Aus, Albert Lea.
Goodhue: J. M. "Jack" Adams, Red Wing.
Grant: H. B. Johnson, Elbow Lake.
Houston: Neal Feuerhelm, Hokah.
Hubbard: Miss Myrtle Hillestad, Park Rapids.
Isanti: B. B. Barker, Cambridge.
Itasca: George A. Rossman, Grand Rapids.
Jackson: Alvin E. F. Glaser, Lakefield.
Kanabec: Gust Roehlke, Mora.
Kandiyohi: Mrs. Oscar Hedin, Willmar.
Kittson: Vic L. Johnson, Lake Bronson.
Koochiching: Grover C. Green, International Falls.
Lac qui Parle: Melvin Wroolie, Madison.
Lake: Torstein Grinager, Two Harbors.
Lake of the Woods: Earl W. Anderson, Baudette.
Le Sueur: Hon. Michael McGuire, Montgomery.
Lincoln: Adrian Little, Ivanhoe.
Lyon: Lyle V. Harris, Marshall.
Mahnomen: Oscar Nelson, Mahnomen.
Marshall: Harold Sorenson, Warren.
Martin: D. N. Spee, Fairmont.
Meeker: Stanley O. Ross, Litchfield.
Mille Lacs: E. R. Ireland, Onamia.
Morrison: Hon. Gordon Gerling, Little Falls.
Mower: Hon. P. J. Holand, Austin.
Murray: Dean S. Nywall, M. D., Slayton.
Nicollet: Fred E. Wetherill, St. Peter.
Nobles: Judge Vincent Hallaren, Worthington.
Norman: Mrs. Joel Johnson, Ada.
Olmsted: Laurel Pennock, Rochester.
Otter Tail: H. E. Swenson, Fergus Falls.
Pine: Lee Guptill, Hinckley.
Pennington: Judge Herman A. Kjos, Thief River Falls.
Pipestone: Hon. Lawrence Cunningham, Pipestone.
Polk: Judge Phil A. Anderson, Crookston.
Pope: Col. J. H. Peterson, Glenwood.
Red Lake: Orlo Melby, Oklee.
Redwood: Wallace Simpson, Redwood Falls.
Renville: Ewald Schmechel, Hector.
Rice: Harry Berg, Faribault.
Rock: Mrs. A. G. Suurmeyer, Luverne.
Roseau: Charles Christianson, Roseau.
North St. Louis: C. R. Raatama, Chisolm.
South St. Louis: Richard Bardon, M. D., Duluth.
Scott: J. M. Daly, Belle Plaine.
Sherburne: Charles F. Dare, Elk River.
Sibley: Hon. August B. Mueller, Arlington.
Stearns: Hon. Henry M. Harren, Albany.
Steele: Lloyd Guthier, Owatonna.
Stevens: Tom Stahler, Morris.
Swift: Hon. A. I. Johnson, Benson.
Todd: Hon. William C. F. Heuer, Bertha.
Traverse: Keith C. Davison, Wheaton.
Wabasha: Robert Johnson, Plainview.
Wadena: Donald Brown, Wadena; Theodore Tofte, Wadena.
Waseca: Donald C. Brown, Waseca.
Washington: E. L. Roney, Stillwater.
Watonwan: Milton S. Wetzel, St. James.
Wilkin: Mrs. Linna V. Gordhamer, Breckenridge.
Winona: Lewis I. Younger, M. D., Winona.
Wright: Robert Bakke, Buffalo.
Yellow Medicine: Clara Thorpe, Granite Falls.

Mr. HUMPHREY. Mr. President, one of the featured events of the centennial celebration was the Minnesota statehood centennial parade. The parade started in the downtown district of St. Paul and concluded at the State fair grounds on Saturday, May 10. The parade consisted of four separate sections, I believe, and lasted for approximately 3 hours. It was a wonderful event, and was attended by officers of the State government, by my senior colleague and myself, by members of the Minnesota delegation in the House of Representatives, and by visitors from foreign lands and dignitaries who were our honored guests. I may add that the parade was witnessed by literally thousands upon thousands of fellow citizens in the State of Minnesota.

We are deeply grateful to the committees and the groups that made the parade possible. Indeed, I pay my respects to each and every person who participated in this gala event.

The concluding ceremony was on Sunday, May 11, at Memorial Stadium, University of Minnesota, when Minnesota Statehood Day was commemorated. The program I hold in my hand describes in detail the magnificent and moving program of that day.

I ask unanimous consent that the foreword of the program, which gives the message of the day, be printed in the RECORD as a part of my remarks, and also the list of international guests, the program, and the names of the participants of National, State, and local governments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINNESOTA STATEHOOD DAY

This is Minnesota's anniversary of her birthdate, the 100th year since America's bright North Star became the 32d State. It is significant that we should hold formal observance this 11th day in May, for it is also Mother's day. As mother is symbolic of hearth and home, so too is our great State of Minnesota. It is home to more than 3 million of us, following in the footpaths of our forefathers who pioneered the way since Radisson, Groseilliers, Father Hennepin, De Lhut, Nicollet, Perrot, and others. From a wilderness, the pioneers carved first a Territory and then a State.

Reflect today on the first century of our statehood, and at the same time perceive a fleeting present. Grasp some of the extraordinary import of accomplishments and changes during that broad expanse of time since those early historic years.

Turning our minds and hearts toward the beginning of Minnesota's next 100 years, we dedicate ourselves this Statehood Day,

1958, to preserving our priceless heritage, consolidating progress so dearly gained, and making full use of accumulated knowledge that will light the way for future generations.

The bright dawn in Minnesota's second century begins tomorrow. The cornerstone of the State's future is laid. With divine guidance, and the same courage, fortitude, and idealism of our forefathers, we confidently face the future.

The citizens of Minnesota are exceedingly pleased that our distinguished international guests today have joined with those from the Nation and the State to participate here in the observance of this historic occasion, the 100th anniversary of Minnesota's statehood:

CENTENNIAL INTERNATIONAL GUESTS

Her Royal Highness Princess Astrid of Norway.

His Royal Highness Prince Bertil of Sweden.

His Excellency Prime Minister of Norway and Mrs. Einar Gerhardsen.

His Excellency Prime and Foreign Minister of Denmark and Mrs. H. C. Hansen.

His Excellency Prime Minister of Finland and Mrs. Reino Kuuskoski.

His Excellency Baron Silvercruys, Ambassador of Belgium.

His Excellency Henrik de Kauffmann, Ambassador of Denmark.

His Excellency Ambassador of Sweden and Mrs. Erik Boheman.

His Excellency Ambassador of Yugoslavia and Mrs. Leo Mates.

His Excellency Johan A. Nykopp, Ambassador of Finland.

His Excellency Ambassador of Iceland and Mrs. Thor Thors.

His Excellency Wilhelm Grewe, Ambassador of Germany.

His Excellency Paul Koht, Ambassador of Norway.

The Honorable Minister of Rumania and Mrs. Silviu Brucan.

The Honorable Odd Gronvold, The Lord Chamberlain to Princess Astrid.

Madame Ellinor Gronvold, Lady in Waiting to Princess Astrid.

The Honorable Chargé d'Affaires ad interim of India and Mrs. H. Dayal.

The Honorable Joseph Kajeckas, Chargé d'Affaires ad interim of Lithuania.

Mr. Tor Myklebost, head of the press section of the Norwegian Foreign Office.

Consul General of Norway and Mrs. Thorgeir Tobias Siqveland.

Consul General of Canada and Mrs. Gerald Anderson Newman.

Mr. Ta Tseng Ling, consul general of China.

Mr. Jean Beliard, consul general of France.

Consul General of Israel and Mrs. David S. Tesher.

Consul General of Italy and Mrs. Giacomo Profili.

Acting Consul General of the Netherlands and Mrs. W. H. Lambooy.

The Honorable Ove Borlind, lord chamberlain to Prince Bertil of Sweden.

Counselor of the Greek Embassy and Mrs. Phedon Annino Cavalierato.

Dr. Anatol Dinbergs, counselor of the Latvian Legation.

Counselor of the Swedish Embassy and Mrs. Kjell Oberg.

Counselor of the Norwegian Embassy and Mrs. Frederik S. Wulfsberg.

Counselor of the British Embassy and Mrs. L. C. Glass.

Mr. Toshiro Shimanouchi, counselor of the Japanese Embassy.

Dr. Karl Wolf, consul of Austria.

Consul of Germany and Mrs. Hans-Joachim Theusner.

Mr. Sean Gerard Ronan, consul of Ireland.

Mr. Enrique Suarez de Puga y Villegas, consul of Spain.

Consul of Sweden and Mrs. Gosta Ludvig Sebastian af Petersens.

Mr. Stefan Hilmarsson, first secretary, Embassy of Iceland.

Mr. Hassib El Abdullah, first secretary, Embassy of Lebanon.

Mr. Erik Krog-Meyer, secretary, Ministry of Foreign Affairs of Denmark.

Press Secretary of the Finnish Embassy and Mrs. Max Jakobson.

Press Attaché of Denmark and Mrs. Kai Johansen.

The Honorable F. L. Jobin, Minister of Industry and Commerce, Province of Manitoba.

The Honorable S. Juba, mayor of the city of Winnipeg.

PROGRAM

Master of ceremonies: Cedric Adams.

Overture to Candide: Leonard Bernstein (Minneapolis Symphony Orchestra, Gerard Samuel, conductor).

Presentation of the colors.

The National Anthem.

Invocation by the Reverend Vincent J. O'Connell, S. M., chaplain, house of representatives.

Introduction of Congressional and State officials by the Hon. Peter S. Popovich.

Greeting from royalty and other international guests.

Greetings by the Honorable Orville L. Freeman, Governor.

They Named It Minnesota (official centennial song), Sid Lippman, Sylvia Dee.

This Is My Country, Raye Jacobs (Apollo Club of Minneapolis, James S. Allen, conductor).

Presentation to Governor Freeman of album, first day issuance of the commemorative stamp, by the Honorable Edson O. Sessions, Deputy Postmaster General.

Minnesota: Giant From the Wooded Earth, Herbert Krause (Mr. Walter Abel, Minneapolis Symphony Orchestra).

Introduction of former Minnesota governors.

Miss Judy Garland: Selection of favorites (Buster Davis, conductor).

Introduction of other distinguished former Minnesotans: Dr. Lloyd V. Berkner, president, Associated Universities, Inc.; Dr. Paul Klopsteg, associate director for research, National Science Foundation; and president-elect, American Association for the Advancement of Science; Mr. Carrol M. Shanks, president, the Prudential Insurance Co. of America; Gen. Lauris Norstad, supreme commander, Allied Powers Europe.

Dance overture: Paul Creston (Minneapolis Symphony Orchestra).

Address by the Honorable John Foster Dulles, Secretary of State.

Hail, Minnesota: Apollo Club.

Benediction by the Reverend Clifford A. Nelson, chaplain of the Senate.

God Bless America: Irving Berlin (Miss Judy Garland, Minneapolis Symphony Orchestra).

Distinguished national personages, former Minnesotans and Minnesotans: The Honorable John Foster Dulles, Secretary of State, and Mrs. Dulles; Walter Abel; Dr. Lloyd V. Berkner; Sylvia Dee; Judy Garland; Dr. Paul E. Klopsteg; Herbert Krause; Sid Lippman; Gen. Lauris Norstad; Edson O. Sessions; Carrol M. Shanks.

Minnesota Supreme Court: Roger L. Dell, chief judge.

Associate judges: Frank T. Gallagher, Thomas Gallagher, Oscar R. Knutson, Leroy E. Matson, William P. Murphy, Martin A. Nelson.

Minnesota Congressional delegation: Senator EDWARD J. THYE, Senator HUBERT H. HUMPHREY.

Representatives: ALBERT H. QUIE, first district; Joseph P. O'Hara, second district; Roy W. Wier, third district; Eugene J. McCarthy, fourth district; Walter H. Judd, fifth district; Fred Marshall, sixth district; H. Carl Andersen, seventh district; John A. Blatnik, eighth district, and Mrs. Coya Knutson, ninth district.

Minnesota elected officials: Orville L. Freeman, Governor; Karl F. Rolvaag, Lieutenant Governor; Joseph L. Donovan, secretary of state; Stafford King, auditor; Val Vjornson, treasurer; Miles Lord, attorney general; Senator Thomas P. Welch, president pro tempore of the Minnesota Senate; Representative A. I. Johnson, speaker of the Minnesota House of Representatives.

Minnesota Railroad and Warehouse Commission: Ewald W. Lund, Paul A. Rasmussen, Hjalmar Petersen.

Former governors of Minnesota (living): J. A. A. Burnquist, J. A. O. Preus, Hjalmar Petersen, Elmer A. Benson, Harold E. Stassen, Edward J. Thye, Luther W. Youngdahl, C. Elmer Anderson.

Minnesota Statehood Centennial Commission:

Senators: W. J. Franz, Rudolph Hanson, Henry Harren, Harold J. O'Loughlin, Harry L. Wahlstrand.

Representatives: Harold J. Anderson; Alf L. Bergerud; Carl M. Iverson; Peter S. Popovitch, chairman; William Sorensen.

Public members: Mrs. Lawrence Audette, Gerald R. Dillon, Aaron Litman, Julius M. Nolte, Mrs. Earl Preston.

Mr. HUMPHREY. Mr. President, as I have stated, May 11 marked Minnesota's 100th birthday. Throughout our 100 years as a State, and before that as a Territory, Minnesota has been noted for her sturdy and self-reliant citizens. Indeed, the pioneers and their descendants erected a high civilization that has contributed much to the formation of a liberal and democratic society.

Our civilization is partly of the frontier and partly a heritage from the varied European societies from which our ancestors came.

I would note, however, that all the people of Minnesota are not of European background. We are very proud of our people who have come to us from areas of Asia, Africa, and Latin America. We have many people of Asian background and ancestry and many American Negroes. We feel they have made valuable contribution to the political, social, and economic institutions of our State.

The history of Minnesota forms an important part in the epic history of the United States. Most history, of course, is initially local history, and in this broad and varied land we inevitably view the national scene from our own locality. Local concerns have often appeared to be as important to our citizens as national events, and, indeed, many of the most celebrated happenings in history have been essentially local in nature.

What was more peculiarly a local event than the massacre of the Viking exploration party in Minnesota in 1362, 130 years before Columbus, or the landing of the original settlers at Jamestown, Va., in 1607, or the Pilgrims at Plymouth, Mass., in 1620. These events are rightly regarded as epochal happenings in our national history; still they were but local incidents. So it was with the settlement of our country, and many of the local incidents are now forgotten, but they were equally important in the formation of our Nation.

The problems faced by the Pilgrim Fathers at Plymouth were not essentially different from those faced by the

pioneers of most other American communities. All the pioneers who helped settle our land went through roughly the same experiences. Forests had to be cleared, crops raised, and Indians fought or conciliated everywhere. The hero of the story was the ordinary individual who had the courage to go into a new environment and to try to make it a suitable place for himself and his family. Men invariably found themselves on intimate terms with their environment, and at times they received cruel and challenging treatment from this environment. Class distinction based on wealth or education were not completely erased; nevertheless, the frontier was a great leveler. It was a potent force that helped make America more nearly a classless society than other nations. Equality before the law and equality of opportunity were ideals readily accepted in the frontier surroundings.

While most of Minnesota's development has occurred in the past 100 years, its history extends back almost 3 centuries. Our State ranks 11th in size among the States, extending 400 miles from north to south, and 240 miles in average breadth. It stands at the center of the North American Continent and at the top of the Republic. Like most States, Minnesota includes many diverse people living in a variety of surroundings. More than 12,000 lakes testify to the fact that during the past ages four great ice-sheets came down from the north. In the northeast are ridges, almost mountains, covered with evergreen forests; to the south along the Mississippi are stands of hardwoods; and west and north the prairie stretches into the Red River Valley.

When the early explorers and fur traders came in the middle of the 17th century, they found 2 very different types of Indian culture. In the northern and eastern forests were the Chippewa—a forest people. In the west, on the prairie, were the Sioux or Dakota—hunters of buffalo.

The area was originally under French rule, then Spanish. In 1763, the British took possession, and for half a century the British fur barons controlled the region. Yankee fur traders, however, soon appeared. By the treaty of 1783, which acknowledged the independence of the United States, northeastern Minnesota became American territory, and in 1803, the United States acquired the western part of the State as a part of the Louisiana Purchase. Fort Snelling, built in 1819, was for many years the northwesternmost post of the United States Army and the center of the fur trade. In 1832 Henry R. Schoolcraft, geologist and explorer of Indian legends, found the source of the Mississippi at Lake Itasca. Schoolcraft's books on Indian folklore later became the basis for Longfellow's Hiawatha.

Economically, the territory's early activities centered about the fur trade. Oxcart trains of 50 to 100 carts brought the furs in wholesale lots from the Red River country and traveled back and forth between Fort Snelling and the Selkirk settlements in Canada.

Many of the traders were remarkable men, equally at home in the woods and in the duties of forming a government and building a civilization. Fur traders helped the missionaries translate the Bible and other books into the Indian languages. The famous trader, Henry H. Sibley, became the first Territorial delegate to Congress and afterward Governor. Martin McLeon, another trader, wrote the first Minnesota law for public education.

Another important influence on the region were the missionaries, both Catholic and Protestant. St. Paul takes its name from a log church established in 1840 by Father Lucian Galtier.

It was not until the late 1840's that the first significant wave of settlers came to Minnesota—lumbermen from Maine, farmers from the mid-Atlantic States, tradesmen, and craftsmen from the cities. Before they numbered 5,000, the settlers began to ask for an independent government. When the State of Wisconsin was created in 1858, the people of Minnesota elected Henry H. Sibley as their Territorial delegate to Congress, claiming that the old Territory of Wisconsin still existed. When Sibley got to Washington, somewhat to his surprise Congress actually seated him. On March 3, 1849, the law creating the Territory of Minnesota was signed.

Meantime, land for settlement had been acquired by treaty from the Sioux and Chippewa. Steamboats had become a regular sight on the Mississippi, bringing settlers and leaving with loads of flour. Merchant milling began in 1854 at the Falls of St. Anthony; other mills sprang up along nearly every river and creek. Streams were choked with logs, the sawmills were taxed to supply lumber for houses. By 1856, there were 253 Minnesota post offices. The boom was on.

This period just before Minnesota acquired statehood was an interesting and picturesque time. Immigrants were recruited from Great Britain, Canada, Ireland, Germany, and Scandinavia by the booster William G. Le Duc, who kept the presses busy printing guidebooks about the Territory. Minnesota, the Lily of the West, was a popular song, and the Minnehaha waltz or polka was the rage in dancehalls of the East.

Sharpers also flocked in, claiming inside information on future railroad routes. Surveying parties set out in the dead of winter staking claims to vacant prairie land. Maps were issued by real estate operators showing totally imaginary towns, complete with nonexistent railroad, town square, churches, schools, and houses. When the would-be settler finally arrived at the "town" he frequently found himself in the midst of open fields. Yet, nothing seemed to discourage those who expected to find a paradise in Minnesota. Every steamboat brought more. When the Territory took its first census in 1857, it disclosed the presence of 150,000 settlers. Statehood was already in the air.

In the nationwide business panic of 1857, the Minnesota boom collapsed. In some ways the disaster was a blessing in disguise, for the people turned immediately to farming the land in earnest; by the following spring of 1858, the cultivated acres in the Territory had more than doubled. Minnesota was admitted to the Union on May 11, 1858.

Rival conventions, Democratic and Republican, met in separate sessions at St. Paul in July 1858, producing two drafts of a State constitution, which turned out to be different in their phrasing. It never was determined which of the two was official. Minnesotans were in too great a hurry to form a State government to let that question hold up their admission to the Union.

Mr. President, the years since 1858 have been important in our national development as well as in the growth of our State. With the admission of Minnesota to the Union, the voting balance between the North and South in the United States Senate, which had been upset by the admission of California in 1850, was further weighted in the favor of the North. Soon Minnesotans, in company with other Americans, were involved in the Civil War. Deprived of its normal military forces, the State became the prey of Indian attacks. Once more Minnesotans were reminded that they were not far from the frontier.

The years following the Civil War were in general years of fairly peaceful development for our country. The frontier was receding farther west each year, until in 1890 it was no longer recognized as a definite line on the map by the United States Census Bureau. The Nation as a whole was becoming increasingly settled and industrialized. Railroads began to span the country and open new markets for its produce. The era after the Civil War was in many ways characterized by great material advances. In these years, untroubled by European wars or industrial depressions, Americans on the whole felt pretty optimistic about the future. There was much talk about the material progress the Nation was making. Progress was regarded as something inevitable and eternal. Nothing much seemed to need to be done about it. It would just happen if the Government would let everyone alone and let things take their course. The heroes of the day were the industrialist and the financier.

At the same time, people in predominantly agricultural States such as Minnesota began to question this version of progress. They did not think the spreading railroad systems, owned by absentee eastern investors, should be allowed to charge whatever the traffic would bear. Mutterings of discontent began to be heard on the American scene and a new political movement began to take shape. Its followers claimed that they were the true believers in progress. The term "progress" took on social connotations.

It is usual, when reviewing history, to talk about progress. We have made a sort of national cult out of progress. Practically everyone, no matter what else he believes, believes in progress. Practically no one believes in standing still. Like the land boomers who helped settle our State a hundred years ago, we inveterately believe that greater things are always ahead.

One way in which to measure progress, of course, and the most obvious way, is by the increase in the material wealth of a community. Impressive figures could be produced to show that our State has, indeed, progressed mightily since 1858. In 1860, for instance, there were 172,000 people in the State; in 1950, there were 2,982,000. In 1858, the State was still on the Indian frontier; today, it is in the modern machine age. In 1858, the railroad had not yet reached Minnesota, and farmers had to depend on horses or oxen to get their crops to river towns for transportation to St. Louis and other centers; today transcontinental railroads and airlines connect the State with the most remote portions of the country. In 1858, the flour milling industry had not yet been revolutionized by the new process of milling: The Washburns and Pillsburys were already on the scene, but they had not yet made Minneapolis the premier flour milling city of the Nation.

Another type of progress, however, cannot be so readily measured by statistics. This type of progress might be termed intellectual and moral progress. If we had to provide statistics, perhaps we might say that there were so many more schools and so many more churches in Minnesota in 1958 than there were in 1858, but that would not necessarily prove anything. We would also have to prove in some way that there had been an equal advance in knowledge and tolerance and appreciation of the other fellow's point of view during these years. We would have to discern a more general dedication to the American principle of liberty under law. We would have to demonstrate that the citizens of our State were still advancing toward the governmental ideal set forth in the Declaration of Independence and in our Constitution.

One of the most important economic influences in the early development of the State was the coming of the railroad. In 1862, the year of the Sioux raids on the Minnesota Valley, the State's first woodburning locomotive, the William Crooks, began operating between St. Anthony and St. Paul. By 1870, there were nearly 1,000 miles of railroad in the State, and the population had leaped to nearly half a million.

One of the great industrial barons of the period—a folk hero to some, a ruthless monopolist to others—was the Minnesota railroad builder, James J. Hill. Hill's association with Minnesota began when he came to St. Paul at the age of 18 from Canada. He had evidently planned to continue westward to the Pacific from St. Paul in a Red River cart-train, with the intention of sailing to China or India. Finding that he had come too late for the last trip of the year, however, he was forced to stay. In St. Paul he found work as a shipping clerk on the wharves, and made the city his home for the rest of his life while he built a mighty transportation system.

Next to the Christian religion and the common schools, no other single work enters into the welfare and the happiness of the people to the same extent as the railroad—

Hill once declared. For a time most Americans agreed with him. Railroads were universally regarded as harbingers of progress and civilization. Every newly settled region eagerly sought to be included on some railroad right-of-way. As the American people turned to the problem of settling the trans-Mississippi West after the Civil War, they naturally saw the problem principally as one of railroad construction. The trans-Mississippi frontier was a railroad frontier, unlike the East, which developed before there were many railroads.

Every area's economy is ultimately based on people, and one of the problems in developing Minnesota was recruiting labor to work in the State's industries, and finding farmers to settle on its land and grow its crops.

As in many of the other Middle Western States, of course, there was a strong New England element represented in the settlement of Minnesota. There is a notable New England flavor to many Minnesota towns. Other settlers came from the Middle States.

The most important source of Minnesota's present population, however, was immigration. Some of the State's earliest immigrants came down from the Selkirk settlements in Canada, for example. Probably we do not always realize how important a role Canadian migration has played in the development of our country. Canadians and Americans have been passing back and forth freely over our common border ever since the country was founded.

Most of the immigrants, however, came from Europe. The period following the Civil War was one of relatively free immigration and many new settlers came from overseas. A concerted campaign to advertise Minnesota abroad was organized. The railroads and the State board of immigration sent agents to Europe and issued pamphlets in many languages attempting to interest immigrants in the opportunities to be found here. By 1870, Europe had sent 50,000 Germans and 60,000 Scandinavians, and this migration continued for many years. According to census figures in 1890 and 1900 Germans were arriving in larger numbers than any other national group. By 1910, however, they were displaced by the Swedes.

These descendants of the Norsemen and these sturdy Teutons who came after the Civil War very largely made the State what it is today. They worked in the woods and mines and on the farms, bringing their songs and legends and a strong tradition of personal independence and social cooperation. The Scandinavians introduced the farmers' cooperative, in which Minnesota leads the Nation.

At one time the people of Minnesota were 71 percent foreign-born. Today the proportion is less than 15 percent, of which almost half are still Scandinavian. The Scandinavians gave the State Governors Johnson, Nelson, and Olson, and Representative Charles A. Lindbergh, Sr., as well remembered in Minnesota in his own right as his son who flew the Atlantic in 1927. A recent mayor of Minneapolis, Eric G. Hoyer, was born in Sweden. Among the Germans was Frederick Weyerhauser, the lumber king.

The people of the Middle West have at times been reputed to be isolationist in their thinking. Certainly, the environment of the early settlers often presented such overwhelming problems that everything else appeared of minor significance. But no commonwealth most of whose original residents have come directly from Europe can be regarded as being culturally isolated. The European cultural impress is notably strong in Minnesota.

Minnesota, like the rest of the country, experienced its 19th century economic ups and downs. The depression of 1873 struck the State particularly hard. Duluth, which had been enjoying a speculative railroad boom, became almost totally bankrupt within a few days, and suffered a drop in population from 5,000 to 1,300. Added to these difficulties was a plague of grasshoppers. By 1876 the grasshoppers had not only devoured every leaf and spear of wheat in the western and southwestern counties, but ate clothing and wood as well.

Railroad building resumed after the panic, and the early lines were formed into great competing systems. By 1885, after the Twin Cities were connected with the Pacific coast by rail, the population passed the 1 million mark. A new racial strain was added. Many of the newcomers came from Ireland, and shelter was found for them in immigrant houses which Archbishop John Ireland, organizer of the Catholic colonization bureau, helped to provide. Whole towns were developed under the auspices of Archbishop Ireland, and the railroads helped develop others.

More than once the State has enjoyed get-rich-quick hopes, only to find that real prosperity lay in another direction. So it was with the mineral resources. An overly optimistic belief that gold could be found in the State delayed development of Minnesota's iron deposits. The first ore found on the Mesabi Range was not thought good enough to warrant mining, but by 1895, 20 mines were producing nearly 3 million tons. By the 1920's Minnesota supplied three-fifths of the Nation's iron ore.

Many of the State's original Finnish settlers were recruited originally to work in the iron mines—most took to farming rather than mining. By this time much of the northwoods had been cut over, and many Finns settled on low-cost homesteads. The going was hard. The ground was difficult to clear, and a language barrier separated them from their neighbors.

Meantime, Minnesota was progressing economically in other ways. Thomas B. Walker, who came to Minnesota in 1862 as a surveyor for the St. Paul & Duluth Railroad, bought great tracts of pine in Cass County and became a leader in the lumber industry. For many years the North Star State was a leading producer of lumber. In Minneapolis the genius of a French immigrant, Edmund La Croix, enabled the flour mills to overcome an obstacle which temporarily threatened the prosperity of the prairie farmers.

As the spring wheat of Minnesota came into competition with the winter

wheat grown elsewhere, the flour made from the spring wheat was found to be darker and inclined to be speckled. La Croix, a member of a French family which had come in the 1860's, developed a process which eliminated the difficulty. Through the use of the middlings purifier, vast stretches of the northwest were opened for the growing of wheat, which could be milled into the whitest of flour.

The opening of the Panama Canal was a severe, if temporary, setback to Minnesota, as traffic from the Orient no longer flowed from the Pacific coast to the Atlantic through Duluth. In later years the development of barge traffic on the Mississippi has checked high freight rates by rail, and St. Paul, Minneapolis, and Duluth have grown steadily as distribution centers. When the St. Lawrence Seaway is completed, Minnesota once more will be able to ship the products of the northwest region direct to European ports.

The growth of the meatpacking industry in the late 19th century was responsible for more labor recruiting. By 1900, the meatpacking houses also needed European labor. Workers were recruited in the Balkans, Poland, Lithuania, and elsewhere, until the whole map of Europe was represented in Minnesota.

One aspect of Minnesota history has been the commercial rivalry of Minneapolis and St. Paul. The idea that the two cities might merge would doubtless still be rejected with a strong show of local pride. St. Paul, the river port, and Minneapolis, the manufacturing center, continue to be rivals today, as they were in 1890, when so many local residents tried to falsify the Federal census in the Twin Cities that it had to be taken over.

In the census of 1950 the State's population reached 2,982,000. In the previous census, the town population of Minnesota had for the first time equaled the rural population. This had come as a result of a remarkable rise in the State's varied and diverse industries, but perhaps more important, as a result of farm mechanization. Minnesota today is noted for manufactured dairy products, malt liquors, pulp and paper, canning, linseed and soybean oil, cake and meal, foundry and machine-shop products, electrical goods, and mining, as well as a vast number of varied agricultural and forest products. There has also been a rapid development in electric light and power.

In the development of Minnesota's economy, organized labor has held an important place. The excellent quality of Minnesota craftsmen and skilled machinists is widely known. Minnesota was fortunate to receive highly skilled immigrants to augment its labor supply.

Blessed by clean leadership, organized labor in Minnesota has succeeded over the years in ameliorating the lot of the worker in mine and forest and factory. It has helped to spread the benefits of industrialization to all classes. But, most important of all, it has succeeded in bringing a new dignity to working people by enabling them to speak with an equal voice in economic, social, and community affairs.

Such labor leaders as E. G. Hall, president of the Minnesota State Federation of Labor from 1911 to 1935, and George Lawson, secretary of the federation from 1914 to 1953, left the stamp of their characters on unionism in the State.

The first organized labor activity recorded in Minnesota was a strike of journeyman tailors of St. Paul in the fall of 1854, although the first actual union was not started until 1856, when the printers organized. The first continuous labor movement in Minnesota began about 1867 with the organization of the Plasterers' Union in St. Paul.

After a hundred years, Minnesota finds herself in a new atomic age. Great changes have come to our State, as they have to the rest of the world. Sometimes perhaps we fear that the changes have come at too rapid a pace. It is sometimes feared that human intelligence, which has made these changes possible, may have created a Frankenstein monster in the form of mass weapons which will destroy our civilization.

Despite these stirrings of doubt concerning the promise of continued progress, we do not doubt the power of human intelligence to find solutions for our problems. We continue to believe in the ultimate power of reason in human affairs. We place the blame for our violent and irrational world on the fact that passion and violence temporarily blind men to the dictates of reason and morality. We are convinced that after passion and violence have subsided, reason will reassume its sway.

At the heart of our faith in progress is our faith in education. Minnesotans, like other Americans, believe that progress can only come through individual enlightenment. Minnesota, with her great public-school system and her great State university, can proudly say that she has helped point the way to a greater and more abundant life.

Those who assess the American story would do well to seek the secret of our amazing development in public and private education.

As in most of the other States formed from the public domain, schools were provided for by Federal land grants at the time the region was settled. The Minnesota public-school system dates, therefore, from the first year of the Territory, 1849. At the time Minnesota was settled our country was experiencing the great common school revival of the 19th century, and Minnesotans, like other Americans, placed unbounded faith in education. Equally great was the enthusiasm of the settlers who poured into the State from Europe during the late 19th century. The early immigrants of Minnesota were, for the most part, literate people. Many had read about the State in guidebooks scattered over Europe, and all were eager for more education for themselves and their children. It is largely in the schools that Minnesota has made what many consider its chief contribution to the country as a whole—progress in the art of learning to live together.

In addition, the parochial and private schools, particularly Roman Catholic and Lutheran, through the high-school level, have made an important educational, financial, and cultural contribution to Minnesota.

When Minnesota became a Territory in 1849, Congress granted two sections in each township for school aid. Some of these grants, in the northern part of the State, later proved to be worth millions in timber and iron.

The first session of the new State Legislature of Minnesota in 1858 provided for establishment of the present public-school system and for three State normal schools—only 20 years after Massachusetts, following the lead of Horace Mann, had established the first normal school in the United States. These teacher-training schools were opened at Winona in 1860, Mankato in 1868, and St. Cloud in 1869.

Three more normal schools were established later, at Moorhead in 1888, Duluth in 1902, and Bemidji in 1919. In 1921 these schools were redesignated as State teachers colleges and in 1957 as State colleges. The Duluth Teachers College has been converted into a branch of the State University.

The oldest college in Minnesota, Hamline University, a Methodist school, was founded at Red Wing in 1854, where it continued until 1869, when it suspended for 11 years. Later the institution was reestablished in St. Paul. St. John's University was founded by Roman Catholics at Collegeville in 1858. Gustavus Adolphus College, founded at Red Wing in 1862, had for its aim the education of Swedish-American Lutheran youth.

The University of Minnesota, like the common schools, had its origin in Territorial days, in a provision for its establishment passed by the second session of the Territorial legislature. It opened in November 1851, in a white two-story frame building near Richard Chute Square in St. Anthony. In 1885, the university was moved to the east bank of the Mississippi River. It suspended operations during the Civil War and it was not until 1868 that a new charter was granted by the legislature and classes were resumed. In the meantime the Morrill Land Grant Act had been passed, providing the university and other American land-grant colleges with an endowed income from Federal land grants. Today the University of Minnesota ranks among the leading American universities both in intellectual attainment and enrollment.

Religion was and continues to be an important influence in the development of Minnesota's colleges. This, however, was but one way in which it has played a vital role in our affairs. Our people continue to place firm reliance, as they did 100 years ago, upon those divinely ordained ethical laws upon which our society is based. We continue to believe that man is endowed at birth with a God-given dignity and inalienable rights. We measure progress by man's increasing willingness to adhere to the Golden Rule. Our people continue to believe that men are subject to a higher will.

The people of Minnesota have a deep and rich religious heritage. Minnesota is known for its churches, cathedrals, and synagogues. Our people today, as yesterday, are churchgoers.

The churches of the State stem from the work of the early missionaries, who had comparatively small success in converting the Indians, but who built a firm foundation for the work of the various denominations. In the cities are fine, large houses of worship; in the countryside, the modest white steeples of the early days still serve the needs of farming people. Religion is a living element in Minnesota's past and present, a source of inspiration for her social progress, and for her faith in the democratic future. Besides ministering to the spiritual needs of our people, the churches of every faith have played an important role in elementary, secondary, and college education and in social welfare services and hospital care.

The past century has been one in which Minnesota's sons and daughters have contributed their share to our cultural history.

In music, for example, Minnesota's renowned Minneapolis Symphony is one of the Nation's finest orchestras, having been conducted by such distinguished masters as Ormandy, Mitropoulis, and Dorati. Long before the Minneapolis Symphony was founded in the 1890's, however, chamber music had been introduced in the 1860's by German musicians in St. Paul, and the Germans in Winona and the Czechs in New Prague each had an orchestra. Pastors everywhere helped develop trained choirs. To the cities came the famous Adelina Patti, Jenny Lind, Ole Bull, and many itinerant opera companies. Lyceums flourished, and many world famous lecturers, such as Ralph W. Emerson, Mark Twain, and Oscar Wilde, visited the State to deliver lectures. Edwin Booth, Joseph Jefferson, Modjeska, Duse, and Bernhardt performed on the local stage. In 1883, the Minneapolis Society of Fine Arts was established, which eventually developed its own art school and galleries. Added to this heritage of music and the fine arts is the splendid contribution of the elementary, secondary schools and colleges.

Minnesota's outstanding medical contribution, the Mayo Clinic, had its beginnings in 1883, when a tornado struck the town of Rochester. The Sisters of St. Francis offered their convent to a local health official, Dr. William W. Mayo, to care for 100 injured. Six years later, this order opened St. Mary's Hospital which they placed under the care of Dr. Mayo and his two famous sons William J. and Charles. Their work brought them national recognition, and for many thousands of Americans, Rochester is the most famous place in Minnesota. The Mayo Clinic now works in close association with the State university.

Even before Minnesota was a State, it had a historical society. Later on, it was the first institution incorporated by the State legislature.

Minnesotans, avid readers of books, have always supported a strong system of public libraries. A former head of the Minneapolis Public Library, Herbert Putnam, served later as Librarian of Congress for many years. Solon J. Buck, a former director of the Minnesota State Historical Society, renowned as a historian, later became Archivist of the United States.

Minnesota folklore is familiar to all Americans. The lumberjacks created the most famous literary character in the history of the State, the fabulous hero, Paul Bunyan, and Babe, the blue ox. Longfellow was led to write Hiawatha after reading Mrs. Mary H. Eastman's Dahcotah; or Life and Legends of the Sioux around Fort Snelling, published in 1849, and the writings of Henry Schoolcraft.

Thorstein Veblen, famous as the author of The Theory of the Leisure Class, was brought by his immigrant parents to a Minnesota farm when he was 8 years old. He studied at Carleton College, in Northfield, before getting his doctorate at Yale. In belles-lettres, F. Scott Fitzgerald, Charles Flandreau, Martha Ostenso, and Margaret Culkin Banning are well known. Ole Edvart Rolvaag, a Norwegian fisherman, came to Minnesota almost penniless. He won a professorship at St. Olaf's College, where he taught until his death in 1931. In Giants in the Earth he wrote a perceptive account of pioneer life which seems assured of permanence in American literature. Today, his son, Karl Rolvaag, serves as Lieutenant Governor of our State.

Local pride was hurt at first when Sinclair Lewis, a native son, published Main Street in 1920, a criticism of the narrowness and materialism which the writer believed were typical of the American small town. Main Street at once became one of the most famous American novels, and Lewis one of the Nation's most discussed writers. One of the interesting things about Lewis' novel was that its heroine belonged to a new generation of American women who did not feel that their activities should necessarily be limited to the home. The novel was also interesting as an example of the social criticism of the times. We have mentioned Minnesota's economic and intellectual progress and the fact that the American version of progress is characterized by concern for the dignity and freedom of the individual. We do not believe that any society is progressive which attains its goals at the expense of its own people.

Minnesota's newspapers, a vital force in the development of public enlightenment and the advancement of the State's economy, got their start with the Minnesota Pioneer, whose first issue appeared in 1849.

Judged by these standards, the past century in Minnesota has witnessed significant political as well as economic and intellectual progress. Our political history has been marked by concern for the welfare of the individual. Minnesota politics, which have often been described as progressive, have been based on the traditional American belief in the dignity of the individual citizen and upon faith in his intellectual and economic capabilities.

The States of our Union, it is sometimes said, constitute a series of testing grounds for new governmental ideas. These programs can be developed to meet each local need. Success begets success, and if an idea is proved good in one State, it is copied in another, and sometimes by the national Government. Minnesota has played an important part in this process, which is a natural consequence of the American Federal governmental system.

Out of our political experience, and that of our neighboring States came demands for the regulations of railroads and for democratic reforms in the American electoral process. Minnesota reformers have demanded justice for the American Indian, woman suffrage, and the direct election of Senators, among others.

Henry Sibley, a Democrat, was elected governor in 1858. In 1860, however, Minnesota went Republican and cast her first electoral votes by a heavy majority for Abraham Lincoln. During the Civil War, Minnesota's famous First Regiment reached the front in time for Bull Run. Two years later, at Gettysburg, the First Minnesota stopped Pickett's charge, the highwater mark of the Confederacy and the turning of the tide. With a population numbering only about 200,000 the State sent more than 22,000 men to the Union armies. At home the farms poured out wheat to feed the Republic and for export. Meanwhile, the ousted Sioux were watching the advancing farms, many of whose defenders were absent in the army.

Rising in the autumn of 1862, the Sioux devastated the Minnesota Valley, killing more than 350 settlers and taking 300 prisoners. A company of soldiers from Fort Ridgely were ambushed and almost wiped out. On the south side of the river the Germans at New Ulm barred the way; 1,500 settlers, refugees and volunteer fighters withstood an Indian attack. But the town was almost a total loss, and was afterward abandoned.

With stronger forces, the Indians were repelled, and nearly 2,000 were captured or surrendered. Of these more than 300 were condemned to death; but after the missionary Bishop Henry Benjamin Whipple of the Protestant Episcopal Church asked Lincoln to show mercy only 38 were executed.

During the Indian troubles, Bishop Whipple published an appeal to his frenzied fellow Minnesotans to be reasonable, pointing out that the Indians had been goaded to fury by fraud and deceit and that they were using the only weapons left to them. His plea infuriated the frontier people, but he stood his ground despite their recriminations and anger. Following the Civil War, Bishop Whipple obtained strong public support, and he was responsible for many reforms in the Indian service.

Among the political leaders of the past century have been such diverse figures as Gov. John S. Pillsbury, long a regent and friend of the State University, Knute Nelson, born in Norway, who became governor and Senator, John Lind, a Swedish immigrant, who became the State's first Democratic governor in 1899 after a long period of Republican dominance, John A. Johnson, another Democratic governor, and Governors Floyd Olson, Harold E. Stassen, and Luther Youngdahl. Of differing political background, it can be said that most of

them reflected in one way or another the progressive attitude which has become characteristic of our State. The present Governor, Orville Freeman, is within that same progressive tradition. His is also of Scandinavian background.

One of Minnesota's sons who left an important political impression on the State as well as on our Nation was Oliver Hudson Kelley. Kelley, a Federal Government employee, started out from the Nation's Capital for his home in 1868, attempting to organize a new fraternal organization for farmers. The name of the society he originated was the Patrons of Husbandry, but it is usually known as the Grange. Kelley had his greatest initial success in 1868 in his home State, where the Grange presented an opportunity for farmers to unite against the monopolistic practices of railroads and grain elevator operators, and to undertake cooperative efforts in marketing their produce. Subsequently, the Grange spread over many other agricultural States. Its members attained political power in many States, passing laws regulating railroad rates.

Since Kelley's time, there have been many farmers' protest movements in Minnesota and in the Middle West; the Anti-Monopoly and Greenback Party of the 1870's, the Farmers' Alliance Party of the 1800's, the Populist Party of the 1890's, the Nonpartisan League of the World War I period, and the Farmer Labor Party of recent years.

The Grange, of course, was started not as a political group, but as an organization to improve the lot of the farmer. Other farm organizations have made valuable contributions toward this goal. Notable among them are the Farmers Union and the Minnesota Farm Bureau Federation.

The farm protest movements which took the form of third parties have had an important influence in helping to establish the Minnesota habit of independent voting. Today many Minnesotans cross party lines in a way their forebears never would have done.

Another Minnesotan who helped set the postwar tone in the middle western politics was Ignatius Donnelly, a former Republican Member of Congress who became successively a Liberal Republican, a Granger, and a Greenbacker. Donnelly served off and on in the Minnesota Legislature and ran unsuccessfully several times for Congress. He served for a time as president of the Farmers' Alliance, and led it almost bodily into the Populist Party, in the formation of which he had an active part. In 1892, he ran for governor on the Populist ticket, but was defeated. Donnelly was also the author of best selling books, such as Atlantis, 1882; Ragnarok, 1883; The Great Cryptogram, 1888, which attempted to prove that Francis Bacon wrote the works commonly ascribed to Shakespeare; and Caesar's Column, 1891, a remarkable novel predicting the destruction of the human race in a might mass war.

To many observers it appeared that the Grangers, the Greenbacks, the Populists, and the adherents of the Nonpartisan League represented radicalism incarnate. They were regarded as wishing to wage class war on the self-reliant, enterprising businessmen who had built our country. Perhaps the mildest criticism applied to them was that they were a bunch of incorrigible cranks who did not want to work but spent most of their time complaining.

Now the farmer criticizes us—

Said James J. Hill.

Now we are just grinding the faces of the poor and taking the last dollar they have got. They are barking curs. We are all honest men and never stole a dollar.

They would do better, he said, to raise more produce and stop blaming the railroad for everything.

The new generation of embattled farmers, on the other hand, felt that it was they who represented the true American tradition. Like an earlier generation, they feared and distrusted native monopolists and absentee bankers. They argued that the American Government had been devised for the people, and that they were the people. Many of their reforms—which are now law—had to do with making the Government more directly responsible to the people. Among them were the Australian ballot, election of United States Senators by direct vote of the people, Senatorial primaries, and the initiative, referendum, and recall.

The farmers, of course, eventually had the best part of the argument. That was perhaps inevitable in a commonwealth made up predominately of farmers determined to take things in their own hands. Today, many of the programs they advocated are an accepted part of the American system. What was regarded as radical in those days is often calmly accepted today as conservative and constructive. As an editor of the Farmers' Alliance said in 1890:

The cranks are always progressive thinkers and always in advance of their time. Called fanatics and fools, at first they are sometimes persecuted and abused. But their reforms are generally righteous and time and reasoned argument bring men to their side.

John A. Johnson, elected governor in 1904, was a highly popular man, both in Minnesota and throughout the Nation. In 1908, his name was presented by the Minnesota delegation to the Democratic convention which nominated William Jennings Bryan for the third time. His untimely death in 1909 plunged the State into sorrow and occasioned much speculation as whether, had he lived, he might not have won the Democratic nomination which went to Woodrow Wilson in 1912.

Another farmers protest movement, the Nonpartisan League, was organized in North Dakota in 1916, by Arthur C. Townley, a Minnesotan, who subsequently established his headquarters in St. Paul in 1918 and organized the Minnesota Nonpartisan League. An alliance with the Minnesota State Federation of Labor was arranged and the name Farmer-Labor was adopted as the designation of a new political party backed by the League and organized labor. The Republicans won the election, but the new Farmer-Labor Party came in second, and in later years it became a dominant force in Minnesota politics, first electing Henrik Shipstead and Magnus Johnson to Congress in 1922 and 1923, electing Floyd B. Olson, 1931–36, and Elmer Benson, 1937–39, as governors in the thirties, and gaining strong representation in Congress.

No survey of Minnesota history could ignore the blighting effects of the great depression which brought about a virtual political revolution. The State consistently voted for President Roosevelt in each election from 1932 to 1944, and for Harry Truman in 1948, breaking a long Minnesota habit of Republican voting in presidential elections.

Actually, Minnesota has mirrored national political trends more accurately, I believe, than has any other State. Since 1896, only once, in 1912 when the plurality voted for Theodore Roosevelt, have Minnesota's presidential electoral votes been cast for a losing candidate.

As we look back upon the last hundred years of Minnesota history, we inevitably recall that our State was for many years a frontier area. A hundred years and more before Minnesota entered the Union, it was already known to fur traders. It was still a frontier when the population began to grow in the 1850's. Minnesotans were reminded of their frontier status during the Civil War, when the Sioux Indians attacked them, and the last important Indian battle in American history, the battle of Wounded Knee, took place in the neighboring State of South Dakota in 1890.

We can look at the Minnesota frontier in photographs. We can see Red River oxcarts passing through the unpaved streets of Minneapolis. In J. E. Whitney's Gems of Minnesota Scenery, we can see how the refugees of 1862 looked sitting at dinner on the prairie amidst their carts and belongings.

So exciting a subject as the American frontier could not have failed to attract the interest of American historians, and from about 1900 to the eve of the Second World War, much of the energy of American historians went into describing and attempting to explain the influence of the frontier. The frontier, it was held, was the greatest influence in our history in the democratization of our land. Nothing was more characteristic of America than the frontier, in fact, the most American part of America was the frontier, where European influences and ways of thinking were weakened as men faced the overwhelming problems posed by a difficult environment.

A rather frightening fact involved in this so-called frontier theory of American history was that after 1890 there was no longer a frontier. In fact, it was this significant development which led the frontier theorists to commence their impressive labors. If the frontier theory was true—that America had acquired its democratic customs and ways of thinking in the woods—what would happen to democracy when there was no more frontier?

Applying the question to Minnesota as it celebrates its hundredth year of statehood, is democratic sentiment dwindling away today because we lack the stimulus of the old frontier environment? Are

we growing complacent and is our democratic faith growing feebler? I do not think it is. I believe that there are always new frontiers—frontiers of the mind, and social frontiers—to be explored after the problems imposed by a physical frontier have been solved. Men are not necessarily the slaves of their environment for while environment plays an important role in human development, men are also the product and the molders of the culture in which they live. They are influenced by their intellectual as well as their physical environment, and they have the power to alter and create their own intellectual and physical environment.

We are the product, as well as the creators, of our own democratic destiny. We are the sons and the grandsons and the great-grandsons of pioneers. But we are also the proud continuers of a great cultural tradition, the God-fearing tradition of the men who first settled our continent, the tradition of those who saw in the New World the promise of a better, a more just, and a more abundant life for all.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the hymn Hail, Minnesota.

There being no objection, the hymn was ordered to be printed in the RECORD, as follows:

HAIL! MINNESOTA

Minnesota, hail to thee!
Hail to thee, our State so dear!
Thy light shall ever be
A beacon bright and clear;
Thy sons and daughters true
Will proclaim thee near and far;
They will guard thy fame
And adore thy name;
Thou shalt be their Northern Star.

Like the stream that bends to sea,
Like the pine that seeks the blue,
Minnesota, still for thee
Thy sons are strong and true.
From their woods and waters fair,
From their prairies waving far,
At they call they throng
With their shout and song,
Hailing thee their Northern Star.

Mr. HUMPHREY. Mr. President, in connection with the celebration of Minnesota's Centennial of Statehood this year, many fine articles have appeared in Minnesota publications. These recount the history of various activities of our people.

One of the most valuable of these is entitled "Some Contributions of the Church in Minnesota's First Century." It was written by the Reverend J. C. K. Preus, D. D., Lit. D., who is executive director of Christian education for the Evangelical Lutheran Church. Dr. Preus' article appeared in the March and April 1958 issues of Minnesota Farmer. As far as can be learned, this is the only compilation of Minnesota church history to be published.

Dr. Preus traces the activities of the faithful—leaders and lay alike—from the earnest prayer inscribed by the Vikings on the Kensington Runestone in A. D. 1362 through their activities today. He recounts the story of earliest missionaries among the Indians, the establishment of the first congregations of the various faiths, early church leaders, and education and welfare work of the churches.

Mr. President, I ask unanimous consent that this fine article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME CONTRIBUTIONS OF THE CHURCH IN MINNESOTA'S FIRST CENTURY

(By the Reverend J. J. K. Preus, D. D., Lit. D., executive director of Christian education, Evangelical Lutheran Church)

(The Vikings, in 1362 A. D., leave their mark of religion inscribed on the Kensington Runestone, indicating white man's first visit to Minnesota. Christian church becomes securely planted in our soil many years before statehood. The church and education move forward from earliest settlers to present day. State's agricultural, educational and industrial progress go hand in hand with missionary and church work throughout the century.)

The Minnesota Centennial Commission had ample reason for making the cross a part of the official centennial emblem. For the Christian church had been securely planted on Minnesota soil many years before the State of Minnesota came into being.

While no particular importance may be attached to the incident in this connection, it is, nevertheless, of interest to note that the Vikings who came to Minnesota in 1362 A. D. were men of religion. Their earnest prayer is inscribed on the Kensington Runestone, the stone tablet which reports the white man's first visit to our State.

Nor is it of great consequence that several of the early explorers in this part of our country were priests. But the names of Marquette and Hennepin are a constant reminder that there never was a time in the white man's history in Minnesota that representatives of the Christian church were not in the picture.

MISSIONS TAKE ROOT

Of every definite significance, however, is the fact that more than a score of years before Minnesota attained to statehood, mission work among the Indians had been undertaken by both Protestants and Catholics, and also among the few scattered settlers. While Fort Snelling was nothing more than a military outpost in a farflung Indian territory, the church was moving forward.

In the mid 1830's the Presbyterians organized a congregation at the fort. Worthy of note in the fact that Gen. Henry H. Sibley was an elder in that church. The Reverend Samuel W. Pond was its pastor. At about the same time he and his brother Gideon established a mission among the Indians on the shores of Lake Calhoun and Lake Harriet.

The Roman Catholics built a log church at Mendota (then called St. Peter) and only a little later another in what became the city of St. Paul. For 10 years the Reverend Augustin Ravoux was the only priest in the territory. First a great missionary among the Indians, then priest to his congregation at Mendota, he reached out to distant points in service to white as well as to Indian people.

His congregation at Mendota was made up largely of half-breeds. Father Ravoux also visited scattered groups of Catholics in Western Minnesota and into South Dakota as far as Fort Pierce. He was the recipient of many honors within his Church, and was greatly admired and beloved as a most distinguished cleric in St. Paul.

The Methodists worked among the Indians at Kaposia (South St. Paul) and served small settlements along the Mississippi. While Minneapolis was still a village of 300, the Methodists organized the first church in St. Anthony, now a part of Minneapolis.

In the history of Minnesota the honor of having the best organized and most fruitful missionary program among the Indians undoubtedly goes to the Episcopal church. Important among their mission stations were Gull Lake, St. Columba, Fort Ripley, Leech Lake, to mention but a few.

For a time the various missionary endeavors among the Indians were farflung and apparently very promising. However, as time went on the resistance to missionary undertakings stiffened. The work became more complicated and less fruitful. Several factors brought about this change: the Indians were constantly being moved and relocated; treaties and promises made by the white man were often broken, causing hostility among the natives; intertribal raids and small wars made difficult the development of permanent settlements; the influence of the white man through the sale of whisky and the promotion of vice had a demoralizing effect.

Finally, the general hostility to the white man led to massacres which tended to cool the missionary zeal of the Christian churches; at the same time creating almost insurmountable hindrances to the acceptance of the Christian message even among the more friendly tribes.

BRINGS LAW AND ORDER

Though the missionary and educational endeavors among the Indians were disappointing, the Christian people and their churches continued to champion the cause of the red man. In so doing the Church contributed toward the establishment of law and order on the frontier. It became watchdog and conscience in a territory where neither justice nor mercy was given much consideration.

In the State of Minnesota there probably never was any person who so consistently and ably defended the Indian against the defrauding practices of unscrupulous Indian agents and others who dealt with them as Bishop Henry B. Whipple. From the time he was elected bishop of the Minnesota Diocese of the Episcopal Church and took up his residence in Faribault, he also took up the cudgels for the Red Man.

In his monumental work, A History of Minnesota, the late William Watts Folwell, first president of the University of Minnesota, speaks of Bishop Whipple's visit to Washington in 1862. In an interview with President Lincoln he "gave an account of the outbreak (the New Ulm massacre), its causes, and the sufferings of the Sioux."

That he did this with the force and the eloquence of which he was so capable may be inferred from a remark made by the President not long after:

"He came here the other day and talked with me about the rascality of this Indian business until I felt it down to my boots."

As for missions to the Indians, they have been continued, especially by the Episcopalians and Catholics. While the fruits of these labors may not seem great, they are nevertheless very precious. The Indians have profited materially and spiritually thereby, while the State has benefited through the advancement of this group of its citizens.

IMMIGRANTS ARRIVE

The picture of the pioneer period of our State would not be complete without an appropriate reference to the coming of the foreign-born immigrants. The earliest arrivals in the territory generally were New Englanders. Those who organized the local government, the townships, villages, and towns, were as a rule born in America. The business of the communities was quite uniformly in their hands. But in the middle 1850's the picture began to change. The great Indian treaties of 1854 and 1855 opened the

floodgates of immigration to the vast territories west of the Mississippi.

According to the census of 1849 the total white population of the territory including mixed-blood inhabitants, but not soldiers, was only 3,814. But a contemporary statistician reported that by the end of 1855 the population had reached 40,000. The official census figure for 1857 shows that this figure had swelled to 150,037. By 1860 the population was 172,023. Of this total about 59,000 were foreign-born: 18,400 came from Germany, 12,831 from Ireland, 8,425 from Norway, and 3,178 from Sweden. Practically all the Irish and a large percentage of the Germans were of the Catholic persuasion. The Norwegians, Swedes, and a goodly number of the Germans were Lutherans.

For obvious reasons the Lutheran immigrants were not in a position to undertake missionary work among the Indians. But they lost no time in setting up a program of preaching and teaching within their own groups. Already in the early fifties clergymen of the respective nationalities began to visit settlements as soon as their location became known. Because transportation by water was available and most convenient, many of the earliest settlements were strung along the rivers, the Mississippi, the St. Croix, the Minnesota.

When ordained clergymen were not available to these settlements, teachers or other reasonably well qualified laymen were frequently asked to accept leadership in the initiation of church work in the communities. Traveling pastors from older settlements in Wisconsin and Illinois established preaching places, organized congregations, and helped plan and build the first churches. Traveling by boat or on foot, occasionally by oxcart, these pastors made their way up the St. Croix and the Minnesota Rivers in the middle fifties. They criscrossed Fillmore, Olmstead, Goodhue, Rice, Carver, Nicollet, Washington, and Chisago counties, investigating conditions as far west as Glenwood and Lac qui Parle. They slept under the starry sky, pillowed on a knapsack. They swam the bridgeless rivers, drying their garments on the farther side.

As for the settlers themselves, regardless of nationality and irrespective of what faith they professed, one thing they had in common: a burning zeal for the transplanting of the church of their fathers to their new homeland. Hence they tried without delay to make provisions for the preaching of the Gospel and the administration of the Holy Sacraments.

ORGANIZED WORK BEGINS 1854

The beginnings of organized churchwork among these immigrant groups dates back to 1854. In that year the Swedish Lutherans founded two churches in Minnesota Territory, one in St. Paul, the other at Chisago Lake. Their work soon included congregations in Stillwater, Red Wing, and other points in Goodhue County.

The congregation at Vasa, some 12 miles west and south of Red Wing, became a key point in the early history of the Swedish Lutherans of Minnesota. For nearly 50 years the well-known pioneer pastor and churchman, Eric Norelius, lived and labored in that community. Not only was he a capable and beloved parish pastor, he was also an outstanding churchman among the Swedes of this State.

He established the Vasa Children's Home, the first of its kind among Lutherans of this State; he was the founder of Gustavus Adolphus College, which opened its doors in 1862 in the City of Red Wing; for many years he served as president of the Minnesota Conference, of which he was one of the founders in 1858. Pastor Norelius served as conference president, and finally as president of the Augustana Lutheran Church, a great churchman indeed.

The Norwegian Lutherans, coming up from Iowa, established their first congregation in Minnesota in Fillmore County in 1854. During the next few years they moved in large numbers into Goodhue and adjacent counties, establishing congregations, building churches wherever a settlement warranted.

The number of pastors available in the 1850's was very limited. One pastor, who did yeoman work as missionary and in providing aggressive leadership was the Reverend Bernt Julius Muus. He came from Norway directly to Goodhue County in 1859. His home parish was in the Kenyon territory. From his parsonage near Holden church, a few miles northeast of Kenyon, he carried on a far-flung missionary endeavor among his countrymen. When the Minnesota District of the Norwegian Synod was organized he became its president. In 1874 he founded St. Olaf College in Northfield. The influence of his zeal and tireless efforts is still in evidence in the territory he served so long and so effectively.

The immigration from Germany into Minnesota began at about the same time as that from the Scandinavian countries, in the early 1850's. It also followed pretty much the same pattern. Coming up the Mississippi River, it branched out along the Minnesota and the St. Croix, St. Paul being the focal point. Unlike the Scandinavians, who were almost 100 percent Lutheran, the Germans were divided between the Lutheran and the Catholic Churches. The latter group found ready affiliation with previously organized nationals of the same persuasion. The German Lutherans began their work in the State with the encouragement and assistance of Lutherans already established in States farther east. Both the Lutheran and Catholic groups which initiated the work in Minnesota had the advantage of the educational institutions, colleges, and theological seminaries already established in Eastern States.

The Norwegians and the Swedes had barely made a beginning in Illinois and Wisconsin when the work was got underway in Iowa and Minnesota. The first German Lutheran congregation in this State was founded in St. Paul in 1855. A year later a second congregation was established in Winona. Various Lutheran synodical groups appointed traveling missionaries who followed the immigrants into every part of the State and ministered to their spiritual needs as far as time and strength permitted.

Today there are very few communities in Minnesota which do not have at least one resident pastor. In most cases several denominations are represented. The Protestant as well as the Catholic Church virtually blanket the State with churches, small and large. No longer is the use of a foreign language limiting the membership of congregations and synods to one national group. On the contrary, most congregations, and this is especially true of the city churches, number within their membership several, often many, nationalities. The use almost exclusively of the English language has also enhanced the prestige and influence of the churches in the typical American community.

A discussion of the part that the churches have played in the development of the State of Minnesota would not be complete without a reference to a significant minority group—the Jews. According to the statistics of the National Council of Churches they number only 2.1 percent of our total church population. However, they have been a part of the State's citizenry from the very beginning. Though there were only eight families to undertake the project, they nevertheless organized their first synagogue in 1856, the same year that several Christian congregations founded their first churches. That first synagogue developed into what is today the imposing Mount Zion Temple on Summit Avenue in St. Paul.

The contribution of the Jews to the development of Minnesota has by no means been limited to affairs of the business world. They have been strong in the professions. Outstanding have been their undertakings in the field of social service and welfare among their own people.

Minneapolis Federation of Jewish Services is a testimony of their high determination to concern themselves with the needs of unfortunate children, of the old, and the sick, and for maintenance of the solidarity of the Jewish families.

CHURCH HAS BIG INFLUENCE

In discussing the importance of the influence of the church on the community or the State, it would be a fallacy to think of institutions, teachers, and the clergy as being the only conveyors of praiseworthy influence. The Christian lay people are of conspicuous importance at this point. Far reaching, indeed, is the influence of Christian men and women engaged in the teaching profession. Their number is impressive in our public grade and high schools, our colleges, and universities. What they have contributed through the century and are contributing today to the high standard of conduct and morality in the State can neither be measured nor estimated.

The influence of Maria L. Sanford of the University of Minnesota and of numerous other outstanding Christian women in home and in school has been the very salt of the earth in our society on farm and in towns and cities. The same hold for men and women in the professions, in business, in the ranks of labor, and among the farmers.

A truly good Christian is always a good citizen. The tremendous benevolence enterprises of the United States at home and abroad are one of the fruits or byproducts of the Christian spirit which has so deeply influenced our civilization. Why otherwise is the spirit of mercy and charity so sadly lacking in the non-Christian world?

It is a matter of record that Mrs. Mary Briggs Aiton, a missionary to the Dakotas from 1852, was emphatic in praising the high and sterling character of the immigrants who forced their way into the Minnesota Valley after the treaties of 1851. Their coming was followed by the immediate openings of churches and schools.

These spiritual interests of a rapidly increasing number of foreign-born immigrants, coupled with the far more extensive and more firmly established Christian endeavors of the older denominations in the State were undoubtedly largely responsible for the moral fiber of the early citizenry of Minnesota. Such considerations we may assume were also in the mind of E. Dudley Parsons, author of The Story of Minnesota, when he wrote, "Missionary effort and church organization in Minnesota has been a great agent in the development of the commonwealth."

FOSTERS EDUCATION

When the propagation of the faith is expected, the most significant contribution of the churches to the development of Minnesota probably lies in the cultural field. This stems from the fact that from the very beginning of their work the church engaged in a substantial program of education. On the elementary level this program had as its first objective the careful instruction in the teachings of the Bible and of the church. In the foreign-language groups the children were as a rule taught to read and write the language of their forebears. This was in itself a cultural asset and at the same time of economic or business value in the days of continuing immigration.

Several of the denominations, specifically the Roman Catholic Church and certain large divisions of the Lutheran Church, have supported and maintained parochial schools with a total program of elementary education. In the church this has made for a deep insight into its history, its tenets, and

its practices. To the State it has represented a very considerable saving, as the parochial schools obviously do not and cannot under our form of government receive financial support from the State.

In assessing the work and the undertakings of the church in education, it seems evident that its major contribution through the century has been in the field of secondary and higher education. The early history of Minnesota is speckled with efforts of the church to establish and maintain secondary schools, academies for boys and seminaries for girls. Some of these were short-lived, while others in time developed into junior or senior liberal arts colleges.

The churchmen from pioneer days and later had a profound conviction that secondary and higher education had to be provided if the church was to meet the challenge of its mission. In taking that position the church at the same time rendered an invaluable service to the State and community. For the people generally seem to have held the attitude that the public schools (grade schools) were all the State needed to provide. Boys to be educated could be sent to church academies and colleges, and girls to female seminaries.

Among the early educators in Minnesota was the Presbyterian minister Edward Duffield Neill, who came to St. Paul in 1849. While Mr. Neill was first of all a pastor and missionary, devoted himself with much energy and very considerable resourcefulness to the promotion of educational enterprises, both private and public. His interests and efforts embraced the field of education from the grammar school through secondary institutions and into the field of college and university work. Historian Folwell sums up his comments on the man in these words: "Edward Duffield Neill, D. D., first superintendent of public instruction of Territory and State, titular chancellor of the University of Minnesota, and founder of Macalester College, may well be named Minnesota's apostle of education."

SCHOOLS AT FARIBAULT

No doubt the most ambitious and also the most fruitful educational project undertaken during the early pioneer period in Minnesota was the establishment of the Faribault schools by the Protestant Episcopal Church. The plan of the institution called for a school or academy for boys, a seminary for girls, and a divinity school to prepare young men for holy orders. The driving force in this enterprise was the Reverend Mr. James Lloyd Breck.

Because of his outstanding missionary work among the Indians, Mr. Breck has been called the Apostle of the Wilderness. However, his chief desire was to serve his church in the field of education. His great opportunity came in 1857 when he was called upon to select and recommend a location and work out and submit a comprehensive plan for the proposed educational institution to be established in the Minnesota Diocese of the Episcopal Church. The school was founded in 1858 and began its work as of that year.

During its first half century Minnesota enjoyed the advantage of many academies and preparatory schools. The major denominations all sponsored some of these secondary schools. As the public high schools increased in number the church-sponsored secondary schools decreased. Some have continued to flourish to the present time. During Minnesota's second half of the century the Roman Catholic Church has multiplied the number of its high schools.

Turning now to the work of the Christian Church in the field of higher education, we cannot fail to be impressed with the boldness and the vision of the earlier generations who founded the various church colleges of this State. None but men and women of faith and a high sense of responsibility for their service both to the church and to their country would have had the courage to launch out and found and operate a college during this formative period of our State. Still that is what each of the several denominations did.

UNIVERSITIES FOUNDED

The Territorial Legislature of Minnesota chartered a university in 1851 for what was to become the State of Minnesota. But it did not begin to function until 18 years later. When it did get underway, it took several years before it was actually doing college and university work.

In the meantime Hamline University was chartered in 1854 and began academic work in the fall of the same year. The first class was graduated in 1859. This university was for 15 years located in Red Wing. When the Minnesota Conference of the Methodist Church decided to relocate it in St. Paul, there was a lapse of 11 years before operation of the college could be resumed.

No less than 10 liberal arts colleges were founded or sponsored by various denominational bodies or groups during the first half century of Minnesota history. The mere listing of these institutions and their founding dates is convincing proof of the very significant contribution made by the Christian church in this State in the field of education. The church is justly proud of this galaxy of colleges in a State barely a hundred years old:

Hamline University, St. Paul, founded by Methodists in 1854.

St. Johns College, Collegeville, Roman Catholic, 1858.

Gustavus Adolphus College, St. Peter, Lutheran, 1862.

Carleton College, Northfield, Congregational, 1866.

Augsburg College, Minneapolis, Lutheran, 1874.

St. Olaf College, Northfield, Lutheran, 1874.

Macalester College, St. Paul, Presbyterian, 1885.

St. Thomas College, St. Paul, Roman Catholic, 1885.

Concordia College, Moorhead, Lutheran, 1891.

St. Catherine College, St. Paul, Roman Catholic, 1905.

In addition to these, there are several other church-sponsored colleges founded in Minnesota's second half-century such as St. Theresa and St. Mary's at Winona. Among several church-operated junior colleges may be mentioned Dr. Martin Luther College at New Ulm, founded in 1884, and Concordia at St. Paul in 1893.

A glance at the operation of these institutions through the years reveals some little known and astonishing facts. For instance, the College Blue Book for 1947 offers the information that the eight which reported the item had through the years graduated 24,287 men and women. No small gift to the citizenry of any State, especially to one with a brief history and with comparatively limited population. The same report showed that the combined operating budgets of these eight institutions for the school year 1946–47 amounted to $7,340,000. That sum provided a college education for 9,593 young men and women in our State. This represents a valuable service and a not so inconsiderable saving to the taxpayers.

The College Blue Book for 1956 contains much significant information about these colleges for the school year ending June 1956. We find that the student capacity of the nine reporting this item was 11,438. That represents almost exactly 30 percent of the total college population of the State of Minnesota for that school year. Furthermore, it may be noted that the total income of the nine reporting institutions was $11,266,000. That again is practically equivalent to the total cost of operating these institutions for 1 year. Again, no mean saving to the State. To complete the picture it may be noted that the endowments of the nine reporting institutions at that time totaled $17,123,000, and the value of the nine plants was listed at $38,384,000.

SUPPLEMENTS STATE'S PROGRESS

The significance of all this to the well-being and progress of Minnesota lies in the fact that these institutions from year to year graduate about 2,000 young men and women educated at colleges whose aim and purpose are to develop the whole man, physically, intellectually, and spiritually. Where this goal is attained the church sponsoring such an educational project is helping substantially to make the community and State a more desirable place in which to live.

Just as the State and the church supplement one another in the sphere of education, so also in welfare and social service. The Social Service Yearbook, 1957, pertinently reminds us that "Christianity may well be called the mother of social work in the Western World." Going back to the early days of the Christian church, it adds, "It was one of the marks of a society of Christians that it took care of its own needy."

The same motivation is present in the church today. Charity must be practiced by the church for its own sake. If it is not, the church will lose its very soul. Though the State and community carry on a tremendous program of welfare and relief, a program to which Christian people contribute substantially, the church as such continues its program very much in the same field; not to duplicate, but to supplement the work of the State and to cooperate with it wherever practicable.

A wide range of activities and projects come within the scope of the welfare program of the Christian churches. Most of these can only be referred to in passing. Child care, whether it be temporary, in institutions, or in placement in foster homes, homes and services for the aged, church-sponsored hospitals: these have quite generally had priority in the organized welfare work of the church. However, the churches have also sought to provide counseling and chaplain services for hospitals, prisons, homes for unwed mothers, schools for delinquents, for the military forces, Boy and Girl Scouts, to mention some of the more important. A great deal of relief and reconstruction work has been done through Church World Service also by the churches of Minnesota.

Special types of social work also engage the active interest of the churches. Among these are settlement community centers; services to the more than 10,000 migrants who come to Minnesota each year; the uprooted Indian who more and more gravitate toward the cities only to find that it is very difficult to make the adjustment to the strange new environment; work among the physically handicapped; youth centers.

The unique feature of the welfare work of the churches lies in the recognition that man is a spiritual being, that he is possessed of an immortal soul, that he was created not only for time but for eternity. Hence the emphasis in its various institutions on Christian instruction, worship services, and pastoral counseling.

SPONSORS HOSPITALS

Among the outstanding services rendered by the churches to the citizens of Minnesota is that centered in the church-operated or sponsored hospital. Significant, indeed, is the fact that of Minnesota's 174 hospitals, 41 are church affiliated, being operated or sponsored by church bodies or groups within certain denominations. The total number of beds in Minnesota hospitals is 13,516, of which 6,081 are in church-related institutions. Of the 494,074 patients admitted last

year, 221,349 or nearly 50 percent, were in the church-related hospitals. The figures on admissions are incomplete, as many hospitals did not report that item.

Another service of more than passing interest is that involving nurse's education and training. The average number of nurses graduated in Minnesota during 1955–56–57 was 1,074. Of these 804 were graduated from church-related hospitals. A person might pertinently ask, "Where would Minnesota get much-needed graduate nurses were it not for the church-related hospitals?"

In the State of Minnesota the Catholics, Lutherans, and Jews handle their welfare work on a statewide basis. Other denominations function more institutionwise. Many large parishes operate special institutions and have a farflung social service program. In trying to be a blessing to others through many agencies and projects in welfare undertakings the churches themselves and individual Christians are being richly blessed.

Some 30 years ago Minnesota's eminent historial wrote:

"The people of Minnesota were Christians, the State protecting impartially all their separate bodies and favoring none. There were (in 1906) 4,000 church edifices, with seating facilities for more than a million people. The value of church property, including parsonages, was $30 million. (These figures have doubled several times since 1906.)

"Here again statistics serve only as a basis upon which the imagination may form some conception of the beneficence of Christianity in Minnesota. Its atmosphere was breathed by every soul and in its Divine Founder was seen a perfect model for human conduct. Above and beyond all its blessings soars the hope that in time a very large proportion of the people who have dwelt in Minnesota will have found an eternal rest in the heavenly Jerusalem promised to the believers."

THE RECESSION

Mr. HUMPHREY. Mr. President, I now address myself to a topic of great interest, the economic conditions which prevail in our country, and which are being commented upon daily by the political officers of our Government and by the columnists and commentators of our public opinion mediuns.

About 2 weeks ago the President at his press conference stated that the worst of the recession was behind us. I earnestly hope that is true, because surely America wishes again to experience full employment and maximum production from our great industrial plant and our splendid agriculture.

As one hopeful sign, the President noted the decline in recent weeks of new unemployment claims.

On that same day the Labor Department reported that unemployment in major industrial areas rose in the period from March to May. As of May, there are 85 areas with substantial unemployment—that is, over 6 percent, as compared to 70 such areas in March and 21 a year ago. The number of areas with unemployment topping 12 percent rose from 7 in March to 15 in May.

In all due respect to the President of the United States, I find it difficult to comprehend how he can say that the recession has "largely spent its force" in view of the spread of unemployment in major industrial areas during the past 2 months.

Mr. President, I am mindful of the fact that this is a peculiar recession; that it is spotty; that its full impact seems to be in some of the major industrial cities of the United States; and that there are vast areas of the country where there is little or no indication of an economic recession. Nevertheless, the statistics indicate that there is a sharp drop in investment and a sharp drop in employment, and a rather serious drop in production, which, when added together amount to a substantial drop, running to a yearly average of more than a billion dollars a year of lost income to the American people.

I ask unanimous consent, Mr. President, that an article from the Washington Daily News of May 29 headed "Employment Picture Gloomy" which reports on this latest Labor Department survey of rising unemployment, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW REPORT ADDS 16 DEPRESSED AREAS—EMPLOYMENT PICTURE GLOOMY

Government officials today foresaw no big decline in unemployment until fall on the basis of a gloomy Labor Department report that 86 major industrial centers were areas of substantial unemployment.

This was an increase of 16 since March and compared with 21 areas tagged with the surplus-labor label a year ago. The distressed areas comprised nearly 60 percent of the major areas surveyed every 2 months.

The report was made after a survey of 149 factory centers across the Nation. It indicated that the recession has hit hardest at Midwest, eastern seaboard, and New England States.

Industrial areas are placed in the substantial unemployment category when 6 to 9 percent of their total work force is unemployed.

IKE OPTIMISTIC

The report was released only a few hours after President Eisenhower told a press conference that the recession had largely spent its force. The President, however, said he awaited improvement in such things as sales of autos and other factory goods before predicting an upturn.

The report said survey of employers' hiring plans showed that:

There will be a slight pickup in jobs in construction and food processing plants.

No improvements are forecast for the depressed auto, steel, machinery, and fabricated-metals centers.

Many employers are still uncertain about their hiring plans because of recession jitters.

Big declines in unemployment which usually occur in the spring just didn't happen this year.

The 16 areas added to this distressed list in May were:

Chicago, New York, Houston, Memphis; Mobile, Ala.; New Haven, Conn.; Columbus, Ga.; Albany, Schenectady, Troy, N. Y.; Greensboro, High Point, N. C.; Akron, Cleveland, Dayton, Hamilton, Middletown, Ohio; Allentown, Bethlehem, Pa.; Roanoke, Va.; and Tacoma, Wash.

Labor Department economists said one of the cheerful aspects of the report was that the unemployment situation doesn't appear to be getting any worse. It's stabilizing, they said.

Only one area, Atlantic City, N. J., was reclassified to a category denoting less unemployment. The improvement was attributed to more summertime jobs in the resort industry there.

Mr. HUMPHREY. Mr. President, I also invite attention to the recently released figures on manufacturing in April, as prepared by the Department of Commerce.

I ask unanimous consent to have printed in the RECORD at this point a statement on manufacturers' sales, as printed in the Journal of Commerce of May 29, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANUFACTURERS' SALES

Manufacturers' sales were unchanged in April, on a seasonally adjusted basis, the Office of Business Economics reported. New orders were down more than seasonally and inventories were down slightly. The backlog of unfilled orders declined by $1.2 billion from March. Here are the details, in billions of dollars:

Sales, orders, and inventories

	1957 Apr.	1958 Mar.	1958 Apr.
UNADJUSTED			
Sales:			
All manufacturing	$29.0	$25.8	$25.0
Durable goods industries	14.8	12.2	11.9
Nondurable goods industries	14.2	13.6	13.2
Inventories:			
All manufacturing	53.8	52.3	51.6
Durable goods industries	31.8	30.2	29.7
Nondurable goods industries	22.0	22.2	21.9
New orders:			
All manufacturing	27.7	25.4	23.9
Durable goods industries	13.3	11.8	10.7
Nondurable goods industries	14.3	13.6	13.2
Unfilled orders:			
All manufacturing	61.9	47.5	46.3
Durable goods industries	58.9	45.1	43.9
Nondurable goods industries	2.9	2.4	2.5
SEASONALLY ADJUSTED			
Sales:			
All manufacturing	------	24.9	24.8
Durable goods industries	------	11.7	11.5
Nondurable goods industries	------	13.3	13.3
Inventories:			
All manufacturing	------	52.0	51.5
Durable goods industries	------	29.9	29.4
Nondurable goods industries	------	22.1	22.1
New orders:			
All manufacturing	------	24.8	24.2
Durable goods industries	------	11.5	10.6
Nondurable goods industries	------	13.3	13.5
Unfilled orders:			
All manufacturing	------	(1)	(1)
Durable goods industries	------	(1)	(1)
Nondurable goods industries	------	(1)	(1)

[1] Not available.

Mr. HUMPHREY. Mr. President, the figures do not, I may say, show any grounds for optimism. The major reason for the current recession is the severe drop in the durable-goods industries, and it is a generally accepted fact that there will not be any pickup in the economy until there is an improvement in such industries.

Yet in April, rather than there being any improvement, the situation actually became worse. Here is what happened in durable goods in April: Sales fell off by $300 million from March, and $2.9 billion from a year ago; new orders declined by $1.1 billion from March and fell off $2.6 billion from a year ago; inventories declined by $500 million from March and were down $2.1 billion from a year ago.

These figures show not only that sales continued to decline, but also that the decline in new orders is far in excess of

the drop in inventories. In the past year, for example, while durable goods inventories have dropped 7 percent, new orders have declined almost 3 times as much—by 20 percent.

That is the danger point. It is not merely a drop in inventory, which should be of concern to all of us, but it shows, also, that the inventory drop is not being replaced; that new orders from the retailers to the wholesalers to the manufacturers have dropped by 20 percent as compared with a year ago; in fact, they have dropped three times as much as the drop in the durable goods inventories.

The relationship of inventories to new orders is one of the most reliable and significant indicators as to what we may expect the economy to do in the months ahead. We know only too well that when a businessman's new orders are falling off faster than his inventories are, he is not going to step up his production. This is simply not good business nor good commonsense.

And the cold, hard, unpleasant facts are that the relationship of inventories to new orders in the all-important durable goods industries is at the most unfavorable level since pre-World War II. March was bad and the Commerce Department figures show that April was even worse. It indicates little evidence that we may expect any significant pickup in durable goods manufacturing in the months ahead.

I invite attention to an excellent letter in the May 29 Washington Post written by the noted Harvard economist, Seymour Harris, which critically appraises the administration's actions in dealing with this prolonged recession.

I ask unanimous consent that Professor Harris' letter be inserted at this point in the RECORD.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

ADMINISTRATION ECONOMICS: A CRITICAL APPRAISAL

We have now had 10 months of a recession, 10 months of a declining economy. Historians of the cycle tell us that a turning point generally comes within a year of the initial decline. Perhaps this command of history explains the reluctance of the administration to take positive measures to reverse business trends. But the administration may be gambling too much on the laws of history.

So far the antirecession measures have been inadequate; and most of those taken have been forced upon the reluctant administration by a Democratic Congress, or have been automatic results of built-in flexibility—e. g., the decline of the tax receipts with reduced income and the rise of unemployment benefits.

Even defense expenditures are not rising substantially. Despite the insecure state of the Nation, and the recession, the administration is not spending more on security in calendar year 1958 than in 1957. We have the word of the chief finance officer of the Defense Department for this.

In fact, the best estimate I can make does not suggest a rise of Federal outlays of more than $2 billion and certainly not more than $3 billion for the calendar year 1958. (I exclude the rise of transfer payments like unemployment compensation.) Even these estimates take account of the probable outlays under the road program, the unemployment compensation, the Housing Act, the Commodity Facilities Act, and proposed legislation on area redevelopment and education.

I do not believe these estimates are ungenerous. If the administration has other estimates, they have never revealed them. Is it not about time that the administration gave the country a monthly estimate of expected help from reduction of taxes, increase of expenditures, etc.—in fact a survey the first of the month of the trends in the economy?

What is the administration afraid of? Indeed, they underestimated revenue for fiscal year 1959 by several billions. Had they shown historical sense at this point, they would not have made this mistake. In addition, expenditures will rise by a few billion beyond their January 1957 estimate for fiscal 1959. They seem to be scared of the rising deficit.

But they should have learned a long time ago, as most economists, and an increasing group of businessmen have learned, that the way to keep a deficit down is to raise income; and the way to increase income is for the Government to reduce taxes and increase spending—in the midst of a recession. A continued economic decline can only further increase the deficit.

We are losing income at the rate of $30 to $50 billion a year. Is inactivity supportable under these conditions? Each month the administration waits, we lose $4 billion and perhaps about 700,000 man-years of employment. We do not deal with a leak in a tank by allowing the water to escape; we plug the hole.

We lose this income despite the fact that there are all kinds of public services that need attention—housing, care of the unemployed, urban redevelopment, school construction, and river development.

The Government should favor especially the expenditures that yield the largest returns in the shortest period both in stimulating the economy and helping those in distress. On this score, aid for unemployment compensation funds, redevelopment and school and college construction stand high. Those who are fearful of large public expenditures can be appeased by selecting outlays that put the smallest burden on the Treasury, namely, loans and guaranties against grants, small subsidies for loans against outright grants.

We expect a greater degree of intervention by the Federal Reserve than we have had so far. Indeed, the Federal Reserve has reversed its policy. For this we give them credit. But the reversal was slow in coming and has not been aggressive enough. It is not enough merely to reduce discount rates or even make possible the reduction of borrowing by member banks. What is needed is a rise of several billion dollars in the reserves of member banks, inclusive of excess reserves.

The open-market operations of the Federal Reserve have been most inadequate. They are excessively concerned over the dangers of inflation.

The present danger is recession. We cannot afford to lose face in the one area where we are still strong—a well-functioning economy. Hence let us be bold in our fiscal and monetary policies.

How silly are these buying campaigns, these appeals to labor and capital to be sacrificial, the attempts of the Federal Government to shift the responsibilities for recovery to the weakened State and local governments, and, to the contrary to their interest, operations, of the private economy.

A saturation of the capital market contributed to the recession; but just as a dear money policy and a changeover from an excess of spending to an excess of receipts by the Federal Reserve aggravated the recession and helped hasten it, so a drastic reversal of these policies will soften the blows of the recession.

SEYMOUR E. HARRIS.

CAMBRIDGE, MASS.

(Professor Harris is chairman of the economics department at Harvard University.)

Mr. HUMPHREY. Mr. President, the staff of the Joint Economic Committee has just prepared a most important analysis of the present economic situation and the prospects in the months to come.

In my opinion this report deserves the careful attention of every Member of the Congress. It is, I may say, a far from optimistic document.

I have long contended that the administration has been working a great disservice to the country by its refusal to meet up to the severity of this recession and its Pollyannish statements to the public.

This carefully documented report by the distinguished and highly qualified staff of the Joint Economic Committee should serve as a sobering influence on those who would have us believe that this economic decline is simply a rolling readjustment and nothing to be concerned about.

Permit me to quote but one paragraph from this report:

On the basis of recent trends, current expectations, and past rates of rise after upturns, it appears that recovery to the long-run potential is unlikely to be completed before mid-1959 at the earliest and might not be achieved until late in 1960. Unemployment, therefore, is likely this year to average at least 7 percent of the civilian labor force or about 5 million persons. On optimistic assumptions, unemployment in the first quarter of 1959 still might be about 5 million to 5.5 million, or 7 to 8 percent. A less rapid recovery could be accompanied by as many as 7 million unemployed, or over 10 percent of the civilian labor force, in the first quarter of next year.

This report gives no room for comfort. It should serve to indicate what a serious situation we face. As I have stated so many times during this recession, we cannot afford to sit idly by and let nature run its course. We must put our energies and our minds to the task of halting this recession and restoring necessary economic growth. It is time for the administration to face up to facts and to take meaningful action.

I am fearful that some persons are willing only to hold the recession, which means leaving the economy at a relatively lower rate of productivity and employment than it was a year ago. So we cannot afford only to have a halt to the recession; we must promote conditions which are conducive to economic growth. The nation needs to grow and expand in terms of its economic productivity and its gross national product. I believe this is vital for our very national security. I do not believe the Nation can continue to assume the heavy responsibilities of international leadership in terms of our military power and in terms of our economic and financial assistance unless we have economic growth, economic progress, and economic development. It is a part of an effective and meaningful foreign policy.

Therefore, it is time for the administration to face up to the facts and to adopt meaningful programs rather than to give us tranquilizers and soothing sirup.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "High Employment Year or Two Away, Congressional Economists Estimate," published in the Washington Post of June 6, 1958. The article relates to a staff memorandum prepared for the Joint Committee on the Economic Report.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEE FEW SIGNS OF EARLY UPTURN—HIGH EMPLOYMENT YEAR OR TWO AWAY, CONGRESSIONAL ECONOMISTS ESTIMATE

(By Bernard D. Nossiter)

Congressional economists yesterday forecast high employment may not be reached again for more than 2 years. And putting on their rosiest glasses, they saw the date a year away at the earliest.

This estimate by the staff of the Congressional Joint Economic Committee concluded that business has continued to decline and there are as yet few signs of an early upturn.

At best, a business recovery isn't expected until the fall, the study said, in contrast to the third quarter target implied in President Eisenhower's January economic report and budget message.

This means, the Capitol Hill experts figured, unemployment will average 5 million this year—the April level—and could be 7 million next winter. Even with an earlier snapback, the first quarter jobless total will be between 5 and 5.5 million, the report said.

Last winter, the committee staff calculated total output or gross national product would be $429 billion this year compared to $434.4 billion in 1957. Now, it said, this estimate looks too high.

Currently, the economists figure output is about 10 percent below a high employment level and more than 30 percent of the Nation's manufacturing capacity is not being used.

The study gave this picture of the economic situation and outlook:

The biggest drag has been the cutback in business spending. Investment in new plant and equipment is almost 14 percent under last summer's record and early surveys estimated a 20-percent cut by this fall. But newer estimates, to be released next week, will show further drops and a reversal of this trend isn't likely for a year. Cause of this slump has been that capacity to produce goods was growing faster than the total demand to buy them during the boom.

At the same time, businessmen have been buying less from each other and running down their inventories. While the pace of this liquidation should slow up in the next 6 to 9 months, a buildup of stocks is farther away.

INCOMES, SPENDING DOWN

All this has pulled down consumer incomes and spending even more than dollar figures show because prices have risen.

The only strong element, the staff report said, was spending by governments.

State and local governments are increasing their demand at a $3-billion-a-year clip. But despite the announced speedup in Federal Government buying and antirecession measures, the yearly pace of Federal goods and services purchases will only be $2 billion higher in the fourth than in the first quarter, the report estimated.

It hinted at possible troubles from the expected pickup in home building. The emergency housing act, which in effect supplied mortgage funds, is boosting building. But if jobs, wages and salaries continue to fall, enough buyers won't come forward to purchase them. So, "housing activity in the second half of the year may depend on the trend of employment and income rather than rising independently as in other postwar recessions," the study said.

NO PRESCRIPTIONS

Here's how the return to high employment or almost full use of resources was figured: If the dope is upset and recovery begins this summer, and if the pace of this recovery is as fast as it was after the 1948-49 slump when the Korean war spurred demand, then high employment will be reached next summer.

But if the upturn comes this fall and recovery matches the pace with which business came out of the 1953-54 slump, high employment will be restored in the fall of 1960.

The report, prepared under the staff's executive director, Roderick H. Riley, gave no prescriptions for speeding a comeback.

But it rejected a popular belief that widespread price cuts would help. They would lead, it said, to expectations of further cuts and cause business and consumers to put off buying.

The study also implied that the Federal Reserve System had not eased credit enough, especially through its open market purchases, because long-term interest rates have come down only a little.

In other developments, several statistical reports indicated business now is on a plateau.

The Federal Reserve Board estimated department store sales rose slightly in May to 133 percent of the 1947-49 average. The April level was 131, the same as in March. For the week ended May 31, however, sales at the big stores were 1 percent under the like week a year ago.

Railroad freight car loadings for the same week were 1.1 percent under the year ago period, the identical gap that showed up last week. The Association of American Railroads reported that the May 31 total was 7.2 percent below the preceding period, but this was due to the Memorial Day holiday.

All building last month was 10 percent above April, a normal seasonal rise. The Commerce and Labor Departments put the total at $4.1 billion. Increases in highway and public housing spending have kept construction for the first 5 months, at last year's level.

Another group of business leaders, replying to a Senate Finance Committee poll, showed more enthusiasm for an anti-recession tax cut than a panel whose views were released earlier this week. Three of 14 favored cuts at once, another 7 leaned toward them under certain conditions and the other 4 were silent on the issue. Only one taxcutter turned up in the first poll and there were several outright opponents.

Mr. HUMPHREY. Mr. President, the severity of this recession—the worst one since World War II—is further attested to by the latest report of the Department of Commerce that business expenditures for plants and equipment this year will be slashed even more drastically than earlier estimates indicated.

Senators have placed in the RECORD from time to time, and, indeed, have done so before committees, estimates of the reduction in capital expenditures by American industry. Those estimates were optimistic. But it now appears that the reductions in expenditures will be much more serious and severe than anyone even including the departments of Government, had anticipated.

Business now plans to invest $30.8 billion in capital expenditures, a drop of 17 percent from the $37 billion spent in 1957.

Moreover, expenditures in the first quarter of 1958 were 5 percent less than were estimated. In the first quarter of 1958, there was a drop in capital spending of 10 percent from the fourth quarter of last year; and the fourth quarter of 1957 was a quarter of economic decline. Nor is any upturn in capital spending anticipated this year by our governmental departments. As a matter of fact, Government economists now figure that capital spending will continue to drop at least through the first half of 1959.

In commenting on the importance to the economy of this type of spending, the Washington Post states:

These are the so-called high velocity dollars that have a multiplying effect on incomes and jobs. Reducing money spent for factories and machinery cuts orders and jobs in other firms whose workers in turn must reduce their buying. A cumulative effect is therefore created stronger than the actual changes in the spending.

I ask unanimous consent that an article from the June 9 Washington Post, reporting on this drop in business spending, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS PLANS SLASH IN CRUCIAL SPENDING

(By Bernard D. Nossiter)

Business plans a deeper slash in its crucial spending for new plants and equipment, the Government reported yesterday.

The Nation's executives now expect to invest only $30.8 billion in capital goods this year, 17 percent less than last year's record $37 billion.

Moreover, the latest survey by the Commerce Department and Securities and Exchange Commission shows outlays will be trimmed by 4 percent from the level executives forecast last winter. Then, they expected to spend $32.1 billion on added capacity this year.

The new report discloses that actual capital spending in the first quarter was well below expectations. The predicted yearly rate was $34.1 billion; the actual level was $32.4 billion.

STRONG DOWNWARD PULL

Some of this may have been due to unusually severe weather. But the net effect, a drop of 10 percent from the pace of the fourth quarter of 1957, was to exert a strong downward pull on economy.

If present plans hold up, the decline will continue every quarter this year but the slide won't be as fast. For the spring quarter, business plans a $31.4 billion yearly rate and for the summer, $30.3 billion. This would mean $29.1 billion in the fall.

However, when these outlays are cut, the predictions generally understate the actual reductions. Economists figure capital spending will go on dropping at least through the first half of 1959.

These are the so-called high velocity dollars that have a multiplying effect on incomes and jobs. Reducing money spent for factories and machinery cuts orders and jobs in other firms whose workers in turn must reduce their buying. A cumulative effect is

therefore created stronger than the actual changes in the spending.

UTILITIES PLAN BOOST

Compared to last year, the biggest reductions are in sight for railroads, down 47 percent; hard goods manufacturing, down 29 percent; mining, down 25 percent; and nondurable manufacturing, down 20 percent.

Only the public utilities still plan to increase their investment over 1957.

Compared to last winter's forecast, nearly every industry expects to spend less than it first planned. Among the biggest downward changes were those made by the oil, chemical, and nonelectrical machinery industries. In manufacturing, only textiles and nonferrous metals are holding to their earlier plans but they figured deep cuts then from 1957.

The new poll was taken in April and May. Economists figure that succeeding ones won't show improvement until profits and sales look stronger. This appears to explode the theory that industry now makes such long-range calculations in its investment programs that they are little shaken by shifts in demand.

Mr. HUMPHREY. Mr. President, recently the Federal Reserve Board announced that the very significant industrial production index declined another 2 points. This is the 8th consecutive month in which industrial production has dropped, and it represents a decline since last August of more than 13 percent. It is the most severe downturn in industrial production which the country has witnessed in the past 20 years.

It represents a tragic and irretrievable loss in production, amounting actually to billions of dollars worth of goods, which could have raised the standard of American families and could have meant jobs for millions of persons who are now unemployed.

I believe a report published in the Journal of Commerce for May 15, 1958, deserves, again, our attention. I shall not place the entire article in the RECORD, but I observe that the Federal Reserve Industrial Production Index reveals a 13 percent decline since August, 1957, which was the end of the third quarter of the peak year of 1957.

I have had a summary made of the major areas of unemployment in 149 major industrial areas of the Nation. It shows that substantial labor surplus areas, as I indicated earlier, rose from 70 in March to 86 in May.

In my home State, unemployment in the Minneapolis-St. Paul area, as of May, remained classified in the category of areas with the jobless amounting to from 6 to 9 percent of the labor force.

The major reason for the rising unemployment in the Duluth-Superior area is the sharp drop in iron-ore shipments. The Department of Labor states:

Ore-shipping activity is likely to remain low this season.

Communities in the iron range area have indeed been hard hit by this recession. An article published in the Wall Street Journal for June 4, 1958, shows the extent to which they have been affected. The headline of the article is: Lake Iron Ore Shipments Move at 20-Year Low.

Mr. President, if you would read the letters I am receiving from the mayors of villages and cities and from county commissioners, from members of the steelworkers union, and from the average, plain citizens who live in the area of northeastern Minnesota, you would appreciate the seriousness of my message today.

Thousands of those people are without jobs. They have been without work for more than 9 months. They have exhausted their unemployment compensation benefits. Indeed, the administration's unemployment compensation bill, passed by Congress, is of very little use to the unemployed people of Minnesota. The Governor of Minnesota has called a special session of the legislature, in a serious effort to be of some help to alleviate the severe economic problems which affect a substantial area in the northeastern section of Minnesota.

It is reported that the Great Lakes shipments of iron ore this year will total from 50 million to 55 million tons, as compared with more than 84 million tons last year. The recent slight upturns in steel production have not made the shipping men any more optimistic. They point to the excessive inventories of ore on hand at furnaces and docks, an amount almost twice that of a year ago and sufficient to supply the furnaces at present rates of consumption for 7 months.

Mr. President, I ask unanimous consent that the article, entitled "Lakes Iron Ore Shipments Move at 20-Year Low," published in the Wall Street Journal of June 4, 1958, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAKES IRON ORE SHIPMENTS MOVE AT 20-YEAR LOW—RATE THROUGH MAY 31 SHARPLY BELOW 1957; ABOUT ONE-HALF FLEET NOW IN SERVICE—STEEL UPTURN BRINGS NO CHEER

CLEVELAND.—Iron ore shipments down the Great Lakes are moving at the slowest pace in 20 years, according to the initial report of the American Iron Ore Association for the 1958 navigating season.

At the same time, an official of M. A. Hanna Co. estimated that probably no more than 125 United States registry ore vessels, or roughly one-half of the lakes fleet, is in service. And a check with individual fleet operators indicates only about a dozen or more additional vessels are due to get up steam for the 1958 season.

This, too, marks the fewest number of ore vessels operating on the Great Lakes in the past two decades, shipping men say. By mid-May last year the entire ore fleet of 250 vessels was in operation.

LOWEST RATE SINCE 1939

The American Iron Ore Association reported that through May 31, shipments of iron ore from northern lake ports, both United States and Canada, totaled 4,123,171 gross tons. That was the lowest total since 1939 when 3,658,251 tons were loaded through May. It compared with shipments of 16,714,273 tons through May last year.

For the month of May only, the association reported shipments were 4,060,611 tons, compared with 12,727,659 tons a year ago. The May figure was the lowest since 1946 when only 3,616,115 tons were moved for the month. But in that year lakes fleets were hit by a strike after getting off to a fairly active start. Considering strike-free years only, the May 1958, figure was the lowest for the month since 1939.

The cumulative total through May 31 this year includes 62,500 tons shipped late in April. In sharp contrast, the fleet last year moved nearly 4 million tons in April.

LATER START THIS YEAR

The sharp dropoff thus reflects not only the fact far fewer boats are running this year, but also that most of the vessels moved out of winter quarters 4 to 6 weeks later than last year.

There was an earlier-than-usual rush by some fleets a year ago to replenish ore stockpiles thinned down by strikes in the summer of 1956 and the high rate of operations in the steel industry during late 1956 and early months of 1957. This year the situation is quite different. The steel industry has been running at about half-capacity this year and stockpiles of ore are at a record high. Iron ore is the principal raw material for steel. Each ton of steel roughly requires a ton of iron ore.

According to the association, there were more than 47 million tons of ore on hand at United States furnaces and docks at the end of April, or nearly twice as much as the 23.7 million tons a year earlier. At present rates of consumption, there is roughly a 7 months supply of ore on hand. A year ago the supply represented a little more than 2 months of usage, with steel operations close to capacity.

YEAR EXPECTED TO TRAIL 1957

As a result, shipping men have been figuring they will bring down little more than 50 million to 55 million tons of iron ore this year, compared with more than 84 million last year. The recent slight upturn in steel production has in no way altered their views, due to the excessive inventories of ore. It would take an unexpected sharp boost in steel output for the lakes vessel operators to bring additional vessels out of winter mothballs, they say. Iron ore moved down the lakes accounts for 60 percent or more of all iron ore consumed in the United States.

Northbound shipments of coal on the Great Lakes also are off sharply this year, a report of the Ore & Coal Exchange of Cleveland shows. Through May 26 this year, movement of coal into vessels at Lake Erie ports totals 5,873,765 net tons, compared with 12,342,889 a year ago.

Mr. HUMPHREY. Mr. President, I ask unanimous consent also to have printed at this point in the RECORD an editorial entitled "It Has Just Begun," published in the Chisholm, Minn., Free Press. The editorial is in the nature of an open letter to the President of the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT HAS JUST BEGUN

DEAR MR. PRESIDENT: It was rather disconcerting to pick up the daily papers of Wednesday and read in some detail that at a press conference you informed that you believe the recession has largely spent itself.

And you stated further that the current economic situation does not warrant any reductions that could create further deficit spending. This latter is just so much doubletalk, for it requires the legal masterminds to really analyze and interpret your statement.

No one expects you to know what is transpiring all over the Nation, but you are surrounded by a corps of informants, and the least they could do is give you the correct information. A trip into Cleveland, Pittsburgh, Detroit, and Chicago would quickly convince you that the recession has not spent itself, but rather, that we are in a very serious depression.

Men are out of work, and have been for a long time. If the recession were spending

itself, then at least industry would be holding its own and anticipating an upturn in production and consumer demand within the next 30 days. It takes that long to get the wheels and equipment rolling and personnel geared to a program of work.

It is almost ironical that on the eve of your announcement, the Iron Range of Minnesota received another blow. For your information, the Douglas and Godfrey mines have either closed or are curtailing production, and the Oliver, the biggest producer of iron ore, is laying off another 60 men next Monday. There is nothing more disheartening for a miner than to be told there isn't any more work for him when he picks up his dinner pail to go home.

This economic setback was not created by these people. They are a productive and energetic amalgamation of nationalities and creeds. They ask quarter of no one * * * only the opportunity to work and earn a decent living. There is a fear in our people because far too many of them remember the early thirties and the miserable existence many of them encountered. They know, too, that this is a very wealthy and productive Nation, and that with leadership and action, this economic decline could well have been avoided. The Nation elected you by a majority, and the minority accepted the mandate. As citizens of the greatest commonwealth on earth, we turn to you for guidance and decision. There will always be selfish interests who will play the gamut for all they can take for themselves, but there are millions of men and women who make up this Nation who ask for nothing more than a chance to work and earn, and to them you owe your allegiance.

This Nation needs schools and colleges, hospitals and institutions for the less fortunate. We need highways, dams and harbors, and granaries that are full to feed us and those who are starving in the world. All of these things could be accomplished. Not in a year, or 5 or even 10. But in the meantime, people would be gainfully employed. Government is not expected to support a nation, but in a democracy, it does have certain obligations.

We do not expect or demand that you solve all of the Nation's burdensome problems. However, those who are informing you about the economic conditions are not giving it to you straight. From Washington, you can urge the people to buy to bolster the buying power. But when men don't have jobs, they can't buy cars, appliances, and homes.

From where we sit, and calculate, faced by facts, the recession has not spent itself. It has just begun.

Mr. HUMPHREY. Mr. President, the editor of the Chisholm, Minn., Free Press is Miss Veda F. Ponikvar, one of our most able journalists and public-spirited citizens. She has done much for our community. She calls upon the Government to take at least minimum action to relieve the problem or to relieve the economic situation in the northeastern section of Minnesota. She says, speaking to the President:

We do not expect or demand that you solve all of the Nation's burdensome problems. However, those who are informing you about the economic conditions are not giving it to you straight. From Washington, you can urge the people to buy to bolster the buying power, but when men don't have jobs, they can't buy cars, appliances, and homes.

From where we sit, and calculate, faced by facts, the recession has not spent itself. It has just begun.

Mr. President, I ask unanimous consent also to have printed at this point in the RECORD a compilation of what I call recession data, including quotations from leading newspapers and economic journals, citing important statistical material.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RECESSION DATA

"This decline (in the gross national product) definitely stamps this recession as the most serious since World War II. What's more, the Government's own economists predict a further dip in the current quarter."—New York Times, May 18, 1958.

"Administration officials have been contending that the recession is at or near bottom, but admit they have no definite signs yet to prove their point."—Wall Street Journal, May 28, 1958.

Unemployment: Unemployment as of mid-April was at the highest level since pre-World War II—7.5 percent of labor force. Secretary of Labor Mitchell forecasts over 6 million jobless by June.

Labor Department reports unemployment in major labor areas rose in period from March to May. Of 149 major areas surveyed, 86 now have substantial labor surplus of over 6 percent unemployed—compares with 70 such areas in March and 45 in January. There are now 15 major labor areas with over 12 percent unemployed—compared to 7 in March and only 2 in January.

In April 230,000 unemployed workers exhausted unemployment insurance payments. Government experts say number will top 300,000 a month by summer. Secretary of Labor Mitchell now boosts his estimate of jobless who will exhaust benefit payments this year to 2,600,000.

Production drop: Since August industrial production has fallen by 13 percent.

In 1957, industrial production in the United States fell 10 percent while industrial production in Soviet Union rose 10 percent.

This is most severe drop in production in 20 years.

Car production off 30 percent from last year. Total car output this year estimated at little over 4 million compared to over 6 million last year (Wall Street Journal, May 23).

Steel production in April down 43 percent from April 1957. Steel production to date in May is up somewhat, but still around 36 percent below year ago. In first quarter of 1958, for first time in history, the Soviet-Sino bloc produced more steel than United States.

Gross national product down: The gross national product (expenditures) has fallen $18 billion (annual rate) since third quarter of last year and is still going down.

Gross private domestic investment declined $9.5 billion (annual rate) in first quarter of this year—a drop of over 15 percent.

Wages down: Total wages and salaries in April fell $0.5 billion from March (annual rate) to make total drop since August of $8.7 billion (annual rate).

Profits off: Corporate profits in first quarter down 35 percent from year ago (Wall Street Journal survey).

Business activity down: Business activity down 16 percent from year ago (latest New York Herald Tribune index).

Business failures up: Business failures last year rose to postwar high, and this year they are running 17 percent higher than year ago. (Dun & Bradstreet reports.) Business bankruptcies are at all-time high. Government officials predict they will total 85,000 this year and even more in 1959.

Cost of living soars: Prices up 3.5 percent in past year, and 7 percent in past 2 years.

Retail food prices up 6.7 percent from year ago, and wholesale food prices up 9.3 percent from year ago. Rise not due to farmers, their share of the food dollar has dropped from 47 cents in 1952 to only 41 cents now. Profits of food processors have soared.

No improvement in immediate future is indicated: Expenditures for plants and equipment in 1958 estimated to be 13 percent below last year (President's Council of Economic Advisors).

New orders for machine tools down in April by 56 percent from year ago.

In the hard-hit durable goods industries the situation worsened in April. Sales down 20 percent from year ago, new orders dropped 30 percent from year ago, but inventories declined only 7 percent.

New orders fell in April $1.1 billion (9 percent) from March while inventories only dropped $500 million (less than 2 percent). This means the ratio of inventories to new orders is at the worst position in the postwar period. This is one of the most important and reliable indicators of what we can expect the economy to do in months to come.

Mr. HUMPHREY. Mr. President, if the automobile dealers want to know why they are not selling cars, I can give them a suggestion. It is because there has been a total loss of $8,700,000,000 in wage income since August 1957. This is bound to cut into what are called consumer goods purchases. With the gross national product running at a rate of $18 billion less than last year, is it any wonder that people are complaining about the burden of taxes and the high cost of living?

In citing these statistics, it is not my purpose to be a prophet of gloom and doom; but I wish to say that we had better get a prescription to correct this economic illness, which presently is acute, before it becomes chronic.

I realize that we cannot change doctors, because the doctor is in the White House until 1961. All I ask is that the doctor call in a few new consultants, because the patient, the American economy, although not incapacitated—indeed, anything but that—is showing some signs of economic sickness.

Mr. President, it is not a disservice to the country to state the facts. It is not a disservice to say that we need to do better. Of course we have the greatest industrial system in the world; and of course our people are saving money in terms of aggregate savings; and of course we have the greatest transportation system and the greatest financial system in the world. We have everything except one thing, namely, the will in high places to do better, and the will to do the things that need to be done, just as earlier today the Presiding Officer [Mr. CLARK in the chair] pointed out the urgency of doing certain things for our defense program and for our foreign policy, and the fact that our leadership does not seem to sense that urgency. I commend the Senator from Pennsylvania for his repeated warnings to the Government and to the people of the United States. He is performing a great, patriotic service.

Mr. President, if we are to fulfill our responsibilities of world leadership and if we are to provide for the defense of our country and do all that we are required to do in this competitive, coexistence period of the cold war, we need an economy that is moving ahead, not retreating. No Member of the Senate

can really justify permitting a continuation—without the taking of some remedial action—of the conditions which have permitted the occurrence of a loss of almost $8 billion in wage income in a few months, and a drop of almost $18 billion in the gross national product. I hope I shall not hear any speeches about economy, when the Congress and the administration do very little, indeed, to stop the greatest waste we have known since the days of the depression, namely, a drop of almost $18 billion down the economic sewer. Yet some say the worst is over. Well, Mr. President, if it is over, it has been a costly hangover. What a lost weekend.

But the trouble is that some persons are getting used to the headache, and are beginning to think that this is the way a part of the economy can live. Instead, I submit that we need a much more vital and growing and prosperous economy than the one we have now.

RECESSION INCREASES AGE DISCRIMINATION IN HIRING

Mr. NEUBERGER. Mr. President, in times of recession and high unemployment, increased numbers of workers in the over-40 age bracket become the victims of tragic and wasteful discrimination. Extensive layoffs hit hardest at those against whom many employers have unjustly and unwisely developed prejudices because of age.

In my opinion, every person, regardless of his or her age, should have the right to equal opportunity in employment. The accelerated rate of unemployment among older workers, during this time of recession, is especially wasteful of our Nation's manpower resources. Many workers in the over-40 brackets are experienced, skilled, and stable employees. They have extensive obligations to home and family. Yet, discriminatory employment practices virtually assign many of these worthy individuals to a sort of human scrap pile.

Early in this session, nine colleagues joined with me in the introduction of S. 3188, a bill to amend regulations governing terms of contracts with agencies of the Federal Government so as to forbid contractors from imposing any requirement of maximum age when hiring workers. This is a necessary first step in a broad educational program to convince employers of the waste involved in age discrimination. It is necessary to check the spread of a practice which is costing our Nation the loss of millions of man-hours of labor every year. Rich as our Nation is, we cannot afford this wasting of human resources. The Fraternal Order of Eagles has taken the lead in advocating a Jobs After 40 program.

The Eagles deserve great credit for this undertaking.

The distinguished junior Senator from Minnesota [Mr. HUMPHREY], who so kindly yielded to me so that I could make these brief remarks to the Senate, is a cosponsor of the bill to prevent discrimination because of age with respect to Government contracts. The Senator's cosponsorship of the bill is characteristic of his interest in social and economic progress in our Nation.

Mr. President, evidence that age discrimination in hiring of workers is spreading under the impetus of recession economic conditions was reported recently in the nationally syndicated column by Sylvia Porter. Miss Porter confirmed the fact that age prejudice appears in many areas to be worse than ever. I ask unanimous consent to have printed in the RECORD Miss Porter's column from the Washington Star of June 2, 1958, and an editorial from the St. Louis Post-Dispatch of June 6, 1958, entitled "The People Grow Older." These thoughtful and revealing analyses indicate need for immediate action to curb the growing trend toward age prejudice in hiring.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

AGE BARRIERS SPREAD

Corporation employment barriers are going up again against the jobless man who is over 40 and the jobless woman who is over 35.

The age prejudice—senseless, cruel, wasteful, almost incredibly ironic though it is—appears in many areas to be worse than ever.

For the first time, resistance to hiring women, due solely to age, actually is showing up below 30.

For a brief period during the boom-boom days, the discrimination against the older worker appeared to be lessening a bit. Or anyway, it went underground and companies which had rigid bars against the over-40 worker didn't advertise the limits so blatantly.

But whatever feeble progress was made has been lost and now, the direction is backward.

"Our most recent survey of corporations employing almost 30,000 workers reveals that a man or woman over 30 is finding it increasingly difficult to get work—entirely due to age—and at 45, the resistance is very heavy," said George H. Gutekunst, Jr., spokesman for the Office Executives Association of New York, when I interviewed him.

PATTERN NATIONWIDE

"What we have found in New York reflects the national pattern. Prejudice in New York may even be less than in major manufacturing centers."

"Our inquiries across the country show that discrimination is much worse than it was a year ago—and it was bad enough then," added David D. Kiviat, president of the Forty Plus Club of New York, a nonprofit organization operated by unemployed executives to help find jobs for each other.

"Of the last 13 jobs that we unearthed, only 1 permitted a man over 45. The moment we mention a man is 45, the interest wanes."

"The unemployed who come in here blame us for the age barriers, but it's not our fault," remarked the head of one of the largest employment agencies in New York City.

"The age restrictions are imposed by 2 out of every 3 companies which give us openings. We can't budge them by a year."

And I confirmed the whole discouraging tale this past weekend when I plowed through thousands of want ads in the newspapers. In column after column I found the words "25 to 32 years * * * not over 35 * * * not over 40 * * * to age 42."

The facts, as uncovered by the New York Office Executives' Association's survey this spring are brutal. Read on and wince:

By the time a man reaches 50, a full 42.3 percent of the companies won't hire him because of his age.

When he hits 55, he'll be excluded from possible hiring by nearly 68 percent of the companies. "Finding employment at 55 is almost impossible."

By the time a woman is 35, an astounding 10 percent of the companies think she is too old to hire, more than double the percentage which reported this age as their upper limit for hiring in 1957.

DOORS SLAMMED

By the time she is 50, she'll find the doors will be slammed in her face by 56 percent of the companies.

Yet the same companies which have these arbitrary hiring rules admit that the absenteeism and turnover record of the older worker is no worse than that of the younger worker. They say frankly that older workers are just as reliable and productive, that they present no special problems of supervision, do not hurt morale. They just contend—wrongly—that training of older workers poses a problem.

And the supreme irony is that these same companies place the most productive years for men between 25 and 55 and for women between 25 and 50.

There were some faintly heartening reports last fall that Congress might do something concrete to prod industry into curbing this discrimination. But since sputnik, there has been a deafening silence about this in Washington. What, then, can be done?

"Keep pounding at the stupidity of it," says Gutekunst. "Keep emphasizing it's a never-ending campaign," says Kiviat.

This is policy among industrialists who know they'll have to pay soaring taxes to support the older jobless—if the workers continue jobless. This is fact in a country in which the over 45 will constitute half our adult population by 1975. It doesn't seem credible.

THE PEOPLE GROW OLDER

Mrs. Alice K. Leopold, Director of the Women's Division of the United States Department of Labor, took up one of the most serious of domestic employment situations in her address to the 3,000 senior citizens who are assembled in St. Louis this weekend from over the country. This is the tendency on the part of many employers to find workers too old at 45 and even younger ages.

The notion that workers, once they are past their thirties, are too old to be employed in new positions in part at least grows out of pension considerations and notions about illness and lost time. Mrs. Leopold cited careful studies which show that older workers respond well to retraining for new skills, that they create a stabilizing influence on the job, and that their maturity brings a fuller appreciation of the importance of the work to be done.

The problems that arise with an aging population cannot be dismissed. They require serious and understanding attention. In a bare half century (1900–1955), the life expectancy of men has gone up from 46 years to 67, while that of women has increased from 48 to 72. When that is the situation and the trend is continuing, we all can only agree with Mrs. Leopold—"aging is everybody's future—and everybody's responsibility."

TRANSPORTATION FACILITIES

Mr. GORE. Mr. President, our economy can be no stronger than our facilities for the transportation of goods and commodities. Since the early days of the Republic, our Government has recognized its responsibility to promote the development of efficient interconnected transportation systems spanning the Nation. The establishment of locks on navigable streams and land grants for the building of intercontinental railroads contributed in large measure to

the growth of the Nation. So has the building of highways and the grant of financial assistance to a fledgling airline industry.

Each of these modes of transportation, while competing with the others for traffic, complements the others, providing American shippers with an opportunity to choose that method best suited to the particular task required.

Our great transportation systems have been built within the framework of our private enterprise system, with Government assistance where necessary and where justified and with Government regulation to protect the interests of the public. The role of Government in the field of transportation, as in all other areas of its operations, is that of protecting and promoting the public interest. Government assistance to common carriers, financial or otherwise, cannot be justified on any grounds other than that of fostering safe and efficient transportation at reasonable rates, nor can regulation of the carrier's operations be supported except to meet the same objectives.

The Subcommittee on Surface Transportation of the Interstate and Foreign Commerce Committee, under the chairmanship of the distinguished junior Senator from Florida [Mr. SMATHERS], has conducted an exhaustive survey of the railroad industry and its ability to fulfill its role in meeting the Nation's needs in time of peace and in time of war. The subcommittee's findings deserve the close attention of the Senate and of the Nation. The subcommittee has concluded that the financial condition of the Nation's railroads is such as to imperil their continued operations unless corrective action is taken. The major role which the railroads play in our economy requires that within the sphere of proper Government action steps be taken to bring about conditions which will enable the railroads to restore their economic position.

The subcommittee has recommended certain financial assistance to the railroads and has in addition recommended revisions of the Interstate Commerce Act which it believes will permit each form of surface transportation better to serve the Nation and to insure that each preserves and offers to American shippers its inherent advantages. These recommendations, as modified and approved by the full committee, are now before the Senate for action.

While some of the detailed provisions of S. 3778 may require clarification or amendment, I believe they are generally sound. The situation which faces the railroad industry is of an emergency nature, and the provisions of S. 3778 constitute the views of the committee, after exhaustive study, as to the most appropriate means of assistance insofar as legislation is concerned. I hope that the Senate and the House of Representatives will proceed to act upon the bill without delay.

The Nation's railroads are threatened with economic disaster. Railroads are vital to the national interest. The Smathers bill deserves and requires early and favorable action.

Mr. HUMPHREY. Mr. President, at this time I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FOREST SERVICE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 1659, House bill 7953, to facilitate and simplify the work of the Forest Service.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7953) to facilitate and simplify the work of the Forest Service, and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the bill be printed at this point in the RECORD.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H. R. 7953

This bill contains a number of "housekeeping" provisions relating to the work of the Forest Service.

First, it would raise the limitation on reimbursement to owners of equipment rented under verbal agreement for damages occurring while in use by the Forest Service. The limit is now $50, and it would be raised to $2,500.

Second, it would authorize contracts with private parties to train, work, and care for Government-owned pack stock held in reserve for fire emergency purposes.

Third, it would permit reimbursement to employees for casualty damages to personal effects occurring at places of temporary storage while the employees are engaged in connection with such casualties.

Fourth, it would authorize the Government to pay for transporting employees' automobiles between points in Alaska in connection with transfer of official stations. In many cases there are not connecting roads between official stations, so that the employee cannot drive his car to his new station. Consequently, it is frequently necessary to move cars by Government-owned boat or in other manner similar to that in which the Government moves employees' household effects. This provision is designed to cover cases of this sort.

Fifth, it would permit the Government to pay the cost of notifying employees in isolated locations of serious illness or death of close relatives, and the cost of transporting such employees to the nearest public transportation.

Sixth, it would permit the transfer to States of fire-lookout towers and other improvements for fire control no longer needed by the Forest Service.

Seventh, it would broaden existing authority to pay for telephone calls for official use in private residences. The existing authority to pay for such use is limited to residences of seasonal employees and certain other persons. For fire emergencies and other protective duties, the official use of telephones is often needed in residences of other persons who have little personal need for telephone service. This authority would also be extended to apply to all lands administered by the Forest Service, whereas, at present it does not cover Bankhead-Jones title III lands.

Eighth, it would permit moneys received from forfeitures, judgments, or settlements to be used to carry out the work made necessary by the action which led to the forfeiture, judgment, or settlement.

Ninth, it would permit payment of costs of publishing technical articles in scientific publications.

Tenth, it would increase the amount available for purchase of administrative sites from $25,000 to $50,000 per year.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 7953) was ordered to a third reading, read the third time, and passed.

AMENDMENT OF FEDERAL PROBATION ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 1639, House bill 7261, to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 7261) to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, the purpose of the bill is to make the Federal Probation Act applicable to the United States District Court for the District of Columbia.

I ask unanimous consent that a statement in explanation of the purposes of the bill be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The proposed legislation has been recommended by the Judicial Conference of the United States.

As is set forth in a letter, printed in full below, from the Administrative Office of the United States Courts, the present Federal Probation Act (18 U. S. C. 3651), applies to all the district courts of the United States except the District Court for the District of Columbia. The reason for the exception is that in 1910, 15 years before the general probation act was enacted in 1925, provision was made by section 103 of title 24 of the District of Columbia Code in regard to probation in the District Court for the District of Columbia. When the Federal Probation Act was enacted the District of Columbia was accordingly excepted from its application. The Administrative Office of the United States Courts advises that there is no longer any sound reason for the exception, and that it is desirable that the probation law be uniform throughout the United States. The proposed legislation would accomplish this purpose.

The committee believes that the proposed legislation is meritorious and recommends it favorably.

Attached and made a part of this report is a letter, dated July 12, 1956, from the Administrative Office of the United States Courts in regard to H. R. 6870, a similar bill in the 84th Congress.

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURT,
SUPREME COURT BUILDING,
Washington, D. C., July 12, 1956.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.

DEAR SENATOR EASTLAND: I write in reference to a bill pending before your Committee on the Judiciary to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia (H. R. 6870).

This is a measure which was first recommended by the Judicial Conference of the District of Columbia circuit on June 24, 1954. It was submitted to the Judicial Conference of the United States at a meeting in September 1954 by the late Judge Harold M. Stephens who was then chief judge of the District of Columbia circuit. The Judicial Conference of the United States then approved the enactment of legislation in the nature of the pending bill.

The present probation act (18 U. S. C. 3651), applies in all the district courts of the United States except in the District of Columbia. The reason for this is that in 1910, 15 years before the general probation act was passed in 1925, provision was made by section 102 of title 24 of the District of Columbia Code for the placing on probation of defendants convicted in the District Court for the District of Columbia. When the national act was passed the District of Columbia was excepted from its application. There is no longer any sound reason for that exception. It is desirable that the probation law be uniform throughout the United States. This end would be accomplished by the pending bill and the Judicial Conference of the United States recommends the bill for that reason. I trust that it may be enacted.

With kind regards, I am,

Sincerely yours,

HENRY P. CHANDLER.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H. R. 7261) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

VISIT TO THE SENATE BY THE RIGHT HONOURABLE HAROLD MACMILLAN, PRIME MINISTER OF GREAT BRITAIN

Mr. JOHNSON of Texas. Mr. President, it is a great pleasure to welcome the Prime Minister of Great Britain to this historic Chamber. We feel a close kinship to the people he represents. I know that each Member of this body would be pleased to have a few words from the Prime Minister. Therefore I move that the Senate stand in recess subject to the call of the Chair, and that the Vice President appoint an appropriate committee to escort the Prime Minister to the rostrum.

The motion was agreed to; and the Vice President appointed Mr. GREEN, Mr. FULBRIGHT, Mr. WILEY, and Mr. SMITH of New Jersey members of the committee, and the committee escorted the Prime Minister of Great Britain to the rostrum.

The VICE PRESIDENT. The Senate will stand in recess subject to the call of the Chair.

Thereupon, at 2 o'clock and 34 minutes p. m., the Senate took a recess, subject to the call of the Chair.

During the recess,

The VICE PRESIDENT. Members of the Senate and guests in the gallery, it is my great pleasure to present to the Senate and to our guests the Prime Minister of Great Britain, the Right Honourable Harold Macmillan.

In introducing him, let me say that we in the Senate often refer to our legislative body as being one of the great parliamentary bodies of the world. We are particularly proud of the fact that the traditions which we preserve today are ones which we inherited from the nation which is represented by the man who will address us at this time.

It is my privilege to present the Right Honourable Harold Macmillan, Prime Minister of Great Britain.

[Prolonged applause, Members rising.]

Prime Minister MACMILLAN. Mr. President, it is a very high honor that you have done me today, and one which I will treasure all the rest of my life.

Like the greatest of my predecessors, Sir Winston Churchill, I took the precaution which one must take if one is determined to have a successful life in any country, to arrange to make a good start in it by having an American mother. [Applause.]

Indeed, it would be a proud day if she were still alive, to feel that I was allowed to enter this historic building and speak to this great body.

Do not be alarmed. Since I was given no warning that this honor was to be conferred upon me, I have not the well-prepared oration, the studied witticisms, or the carefully arranged improvisations with which we all become familiar in a long political life. [Laughter.] But there is this advantage, perhaps, that I can speak from the heart.

Twice in my lifetime our countries have stood together and stood the test of the fierce and brutal travail of war. Today we are allies and partners in the even nobler task of trying to preserve the world for peace and for freedom. I would like, if I may, when I go home, to bring this message to my people.

There are, of course, differences of emphasis, differences of point of view, and sometimes differences of method as to how these problems can best be solved. I have no doubt that there are sometimes differences over here. [Laughter.] You seem to have a very balanced position, if I may call it that, in the Senate, that represents the very balanced point of view in your country. But the differences are of minor import. The major purposes we have unite us all. They are to preserve the peace, to preserve our standard and way of life, and to spread what we believe to be a good way of life to as many peoples of the world as we can.

At the beginning of this year it was my good fortune to make a short journey to as many as five countries of the Commonwealth. The older countries, of course—Australia, New Zealand, and Canada—have with us the ties of the same birth, the same loyalty to our Queen, and the same institutions. But what struck me most—and it is a most important consideration in our common task—is how the same principles for which you stand and for which the people of Great Britain stand can be developed and have been developed in Asiatic and African peoples.

I went to India, to Pakistan, to China, to Malaya, and Ghana, and very soon I will go to the West Indies. All have become or will become free and independent nations.

What, then, is it that makes the ties between us? I think it is simply this: It is something that we learned and you learned and have practiced, hardly understanding what we did. It is the principle of government by debate and discussion, the principle of free elections, of committee consideration, of the separate functioning of the executive and the judiciary, the universality of law, the right of a man to say what he likes and to think what he likes, and, under the law, to do what he likes; perhaps, above all, the tradition that the state is the servant and not the master of the people, and that all our institutions exist not that we should exercise authority and power for ourselves, but only as trustees for the people. [Applause.]

If we can spread that faith by what we do, by the liberties we create, by the influence we can exercise—all of us—among what I call the uncommitted nations of the world, the new nations springing now to independence, that perhaps is the greatest task that lies before us, and one which, I am persuaded, can be achieved only by the close partnership and cooperation of the peoples and governments of the United States and of Great Britain.

Sir, gentlemen, I thank you for this high privilege, which I will always remember. I hope that I may be able to give some picture to my people, when I return, of your courtesy and thoughtfulness in inviting me to speak to you. It is very moving for me, and I would like you to feel how deeply I appreciate the compliment you have done me.

[Applause, Senators rising.]

RESUMPTION OF LEGISLATIVE BUSINESS

At 2 o'clock and 47 minutes p. m. the Senate reassembled, when called to order by the Vice President.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting

nominations was communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

ADDITIONAL SUPPLEMENTAL APPROPRIATIONS, DEPARTMENT OF LABOR—REPORT OF A COMMITTEE

The VICE PRESIDENT. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, by direction of the Committee on Appropriations, I report favorably, with amendments, the joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes, and I submit a report (No. 1685) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. JOHNSON of Texas. Mr. President, may I ask the Senator from Arizona what measure he has reported?

Mr. HAYDEN. I have reported the supplemental appropriation bill making supplemental appropriations for the Department of Labor and the Small Business Administration.

Mr. JOHNSON of Texas. Was the bill reported unanimously?

Mr. HAYDEN. Yes.

Mr. JOHNSON of Texas. When does the Senator expect the report and hearings will be available? In other words, does the Senator believe that we can take up the bill tomorrow or the next day?

Mr. HAYDEN. Yes; it is an urgent deficiency bill.

Mr. JOHNSON of Texas. Can the Senator explain the nature of the bill, and the amount of money involved, briefly?

Mr. HAYDEN. The total amount is $685,700,000.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. HAYDEN. For the Small Business Administration there is $20 million, which is $5 million less than the budget estimate. For the Department of Labor, for temporary unemployment compensation, there is $665,700,000, the budget estimate. The committee has reported the bill in that form, and the report justifies those figures.

Mr. JOHNSON of Texas. I thank the Senator very much. I call to the attention of the Senate the fact that on last evening there was filed the report on Order No. 1714, H. R. 12428, making appropriations for the State, Justice, and Judiciary Departments, for the fiscal year ending June 30. We expect to call up these bills at the earliest possible date. I shall confer with the minority leader and the chairman and the ranking minority member of the Committee on Appropriations, and inform the Senate of our plans later.

However, I call to the attention of all Senators that appropriation bills take the highest priority and that we expect to take action on those two bills sometime during this week.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. Will the Senator give us an outline of the schedule he contemplates following?

Mr. JOHNSON of Texas. I shall do so, as soon as I am able to confer with the minority leader. I have some definite plans. If they are agreeable to him, I may make a public announcement of them and an announcement to the Senate later in the day.

DEVELOPMENT OF FOREST RESOURCES

Mr. JACKSON. Mr. President, on April 30, 1958, I placed in the RECORD a bipartisan letter to Secretary of Agriculture Benson from eight northwest Senators regarding our forest resources. Today I wish to place in the RECORD the response from Assistant Secretary of Agriculture Peterson, who has immediate responsibility for the forest service.

It is a gratifying response. It sets forth information that is of interest to the entire Nation.

There are several key statements which I wish to discuss briefly.

By the year 2000 the present national forest system could produce 21 billion board-feet of timber. Today our Nation uses about 40 billion board-feet and the national forests provide only 7 billion board-feet. We can expect a threefold increase in production if—and I emphasize the word "if"—we start now to do the things we must do in order to grow this timber.

I note with interest that the major substantive and appropriation authorizations are deemed adequate except that for national forest roads and trails.

This is perhaps true. On the national forests there are some 4 million acres of national forest land in need of reforestation. There are several million acres of range in need of reseeding, rodent control, removal of noxious plants, soil and water control, and similar work. About $700 million will be needed to do these jobs, according to information presented to the Appropriations Committee. Yet over the last 5 years the executive branch has not even requested the funds authorized under the Anderson-Mansfield Act, and the level of general budget requests in this area has been well below the funds needed to complete the work necessary to meet demands in the year 2000.

I hope this letter signals a changed attitude, and I am proud of the fact that our Senate Appropriations Committee just showed the way with a budget more closely geared to the requirements of the times than that presented by the administration.

It is also encouraging to see that the administration is finally beginning to recognize the crying need for timber access roads. For the last two sessions of Congress several of us from the Northwest have sponsored a modest timber access road bill. We proposed stepping the program up from the previous $27 million level to a $50 million annual program.

In the 84th Congress the Bureau of the Budget said that the legislation was not needed. Just recently, but after the 1958 Highway Act was passed, the Bureau of the Budget reported on this bill as introduced in the 85th Congress. It recommended against any authorization, but endorsed the substantive provisions of the bill. In other words, it sought the administrative improvements, but not the funds. Now we are told that the administration is considering developing comprehensive recommendations to the Congress. I venture to suggest that $50 million a year will be far less than is needed to complete the work in a reasonable period. We will await with interest the unveiling of this plan. It is a source of pride to me that we who represent the area containing such great national forests have long recognized this need. I am inclined to believe that the recent action by the Public Works Committee increasing the forest development road and trail authorization by $11 million for 1959–61 has had an effect.

Secretary Peterson noted with good reason that there is more to the operation of our national forests than timber. He cited Operation Outdoors, which is designed to take care of the expected 66 million recreation users by 1962.

This program has an interesting history in the 2 short years since it was announced with much fanfare by the Department of Agriculture. The administration did come forward the first year and ask for the $11,500,000 needed, and the Congress reduced the program to $8,770,000. The administration then impounded $750,000 of these funds, and later released them to other programs.

On top of this the 1959 budget asked for only $8 million. The Congress increased the budget request by about $1,500,000. While it is true that the Congress reduced the program the first year it is also a fact that the funds provided were an increase of $5 million over 1957. As has so often been the case, the administration launches a program and then quietly abandons it. It is a source of real concern to me, but I am gratified that the Congress has kept a watchful eye on this needed work.

Turning to forest research, the Congress has before it proposed bipartisan legislation which will help the Department cooperate more fully with our forestry schools. This legislation, welcomed by the Department in their letter, will help mobilize our forestry schools for greater service.

The Department is to be warmly congratulated for its decision to hold a

series of regional meetings on the critical problem in our small forest holdings. I can assure the Secretary that we in the Northwest look with great favor on this idea, and we will follow subsequent developments with interest.

The dimensions of the small woodland problem are large, and it has been a source of regret to me that in this year's budget the administration recommended virtual elimination of the Clarke-McNary tree planting program. While the Senate restored the full program the conference did not agree to full restoration. It is indeed perplexing to me how we can solve the small woodland problem by creating a vacuum. I am afraid that the administration has placed a cloud over the scheduled conferences by its action on the tree planting program.

Surely it is to be hoped that the scheduled conferences will assure the restoration of the great cooperative concept advanced in the Clarke-McNary Act and pushed with such vigor by Colonel Bill Greeley, both when he was with the Forest Service and with the West Coast Lumbermen's Association.

The promise for the future is in this letter. The records of the recent past provide much room for improvement.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter of May 20, 1958, from Acting Secretary of Agriculture E. L. Peterson to me, and also the reply, dated June 3, 1958, sent by Senator MAGNUSON and me to the Secretary of Agriculture.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 20, 1958.

Hon. HENRY M. JACKSON,
United States Senate.

DEAR SENATOR JACKSON: This will acknowledge the letter of April 24 from you and the seven other Senators from the Pacific Northwest and Inland Empire States regarding a forestry program.

Your commendatory remarks regarding the recent report Timber Resources for America's Future, are appreciated. We are happy to pass them on to the Forest Service where the report was prepared. We in the Secretary's office believe that this report is another significant contribution by the Forest Service to the advancement of forest conservation, development, and use.

You inquire as to needed legislation and authorizations by the Congress and the several States to assure meeting national wood needs by the year 2000. This Department has responsibility for: (a) Administering 148 national forests and most of the title III Bankhead-Jones lands occurring in 41 States, Puerto Rico, and Alaska; (b) forest research conducted in all 48 States by 9 regional forest and range experiment stations, a national Forest Products Laboratory, and field programs in Alaska, Puerto Rico, and Hawaii; and (c) the Federal share of cooperative private-State-Federal programs in forest management, tree planting, and forest protection.

Much progress has been made in recent years toward more intensive management of timber and other national forest resources. A sustained growth of 21 billion board-feet by 2000 has been established as a national forest timber-production goal. This is the level of national forest timber harvesting that will be needed if the national forests are to produce their proportionate share of the Nation's future timber needs. Our timber management programs are being directed toward that objective.

Other resources of the national forests must likewise be managed more intensively to meet requirements of our growing population. Operation Outdoors, with which you are familiar, is a short-term recreation program designed to accommodate 66 million recreation visits to the national forests by 1962. A longer range study of recreation needs will soon be undertaken by this department either independently or in collaboration with an Outdoor Recreation Resources Review Commission such as may be created by the Congress. Part 2 of Operation Outdoors dealing with wildlife habitat needs is nearing completion. Major adjustments in policies for management of national-forest watersheds to increase water yield have been adopted in the Southwest and in California and may be extended more broadly.

In general for the national forests, major substantive and appropriation authorizations are adequate with the exception of forest development roads. Consideration is now being given to developing comprehensive recommendations to the Congress on national-forest roads. But before any decision can be reached, these national-forest road needs must be weighed in relation to overall needs and resources of the Federal Government.

Much progress has also been made in forest research in recent years; and more is needed. Research is recognized as an essential forerunner of progress and the department welcomes the recent resurgence of interest in forest research by a number of the Nation's leading forestry schools. As in the case of the national forests, legislative and appropriation authorizations are for the most part adequate with respect to forest research.

Timber Resources for America's Future points out that the greatest problem of future timber supplies lies with 4½ million owners of small woodlands. Over 3 million of these are farmers. Fifty-five percent of the Nation's commercial timberlands is in the hands of the small owner. Eighty-six percent of these ownerships are less than 100 acres. Fifty percent are less than 30 acres. They are generally in poor condition, yet potentially are among the most productive timberlands in the Nation. Our wood needs cannot be met unless these 4½ million small tracts are placed in much better condition than they are today.

These lands are mainly in the East. In the South alone, where present conditions are poorest, there are more small woodlands than forest industry owns in the whole country; more than the total acreage of commercial timberland in the national forests; more than the acreage of all timberland in all ownerships in the West.

There are already in effect a variety of private, State, and State-Federal programs designed to help the small owner help himself. They include extension forestry, forest research, education, cost-sharing under the agricultural conservation program, industrial forestry programs, and cooperative State-Federal programs in forest protection, tree planting, and technical forestry assistance.

These are all good programs, but in the aggregate the condition of these small woodlands shows that the job is not getting done. No one knows at the moment just why this is so, or what is needed to bring these lands to levels of productivity sufficient to assure the Nation's wood needs by the end of the century.

In recognition of these facts, the Department of Agriculture on March 24 announced that the Forest Service, in collaboration with State foresters, would call a series of regional meetings this fall to consider the problem of forestry on small forest ownerships, and possible methods and procedures for achieving better management on these lands. At these meetings the Forest Service wants to mutually consider what needs to be done by joint effort to improve conditions on small forest holdings as fast as possible. The meetings will explore whether the framework of existing programs is adequate, whether they need to be modified, whether new approaches are needed, and how responsibilities can best be shared.

Following these meetings the Forest Service will develop proposals for general discussion and for consideration of the Secretary's office. It is possible that, from these meetings and subsequent consideration, there may develop a year or more hence some recommendations for Congressional action. However, before making any recommendations to the Congress, these proposals, as is true with all other proposals, will have to be evaluated in relation to overall needs and resources of the Federal Government and the several States.

We appreciate your interest and hope this letter adequately explains the steps now being taken to assure the Nation having adequate wood supplies by the year 2000.

Sincerely yours,

E. L. PETERSON,
Acting Secretary.

JUNE 3, 1958.

Hon. EZRA TAFT BENSON,
Secretary, Department of Agriculture, Washington, D. C.

DEAR SECRETARY BENSON: We appreciate your detailed letter of May 20 in reply to one of April 24 signed by eight Northwest Senators. It is a most encouraging letter.

The prime importance of national forest timber to the economy of our State, coupled with the fact that the actual cut in 1957 was only about 70 percent of the allowable cut clearly indicates the magnitude of the task before us.

It is our understanding that the President has recently enunciated a policy which would permit pushing forward now on programs which must be carried out anyway and which by their nature are helpful to the economy.

The timber access program most certainly will accomplish these goals. While it is true that substantial quantities of uncut timber are now under contract, information available to us indicates that there is still a good demand for national forest timber sales and that spirited bidding persists. This leads us to conclude that making timber available to smaller concerns which cannot afford to own or contract for large quantities of timber will be helpful to the economy now. Adequate roads are needed to assist in reaching this goal.

We are encouraged that the Department has agreed to the positions of the Public Works and the Appropriations Committees that contract authority granted by law shall be used. We are also pleased to hear that the entire 1958–1959 authorization in section 23 of the Highway Act is to be used. We now hope that you will also utilize the provision of the Federal Highway Act which permits the use of contract authority in advance of the commencement of the fiscal year.

In 1958 there was about $35 million available from appropriated fund sources for the forest development road and trail program. Region 6 of the Forest Service, which covers Washington and Oregon, received approximately $8.6 million or about 25 percent of the funds. This money had to be allocated to maintenance, engineering and general purpose roads as well as timber access roads. Approximately $5.5 million was due these States because of the earnings from the 10 percent fund. Thus, these States received only about 10 percent of the money provided by section 23 of the Federal Highway Act.

However, in 1957, region 6 contributed $56,600,000 or over 50 percent of the total income from the sale of timber for the entire national forest system.

In addition to the funds provided by Congress, timber purchasers build roads under timber contracts. Seventy-five percent of the timber-purchaser construction is concentrated in the Pacific Northwest. The cost per mile for these roads is more than double the cost in the other regions. Timber purchasers build 96 percent of the national forest timber access roads in the Northwest, and their total expenditures for construction alone now totals more than $25 million annually.

We are disturbed by reports that again the Pacific Northwest will receive a very small part of the section 23 funds and that the Forest Service will continue to rely on timber purchasers to build more than 90 percent of the roads. We are of the opinion that the timber access road program in the Pacific Northwest is badly out of balance. The heavy reliance placed on timber-purchaser construction in an area where road construction costs are so high places an undue burden on the industry. The smaller firms are heavily penalized.

The Northwest has constantly been the heaviest contributors of revenue in the national forest system. There is an active demand for timber well beyond the present allowable cut. There is a gap between the present allowable cut and sales. If the forest inventories were complete the gap would be even wider.

We are in complete accord that the historic distribution of section 23 funds on the basis of need is sound in principle. In actual practice the Northwest has not received the funds it needs. We urge you to consider the need on an overall basis and to take into account the desirability of relieving the forest industry of the Northwest of the necessity to construct most of the access roads.

We desire to be advised, prior to your final action of the appropriation allocations to be made to the various components of the road program for the Northwest and the relation these figures have to the national total. We also desire to be advised of the requirements planned for timber purchasers. Will you also advise us on the extent to which utilization of a portion of the 1960 contract authority would enable you to provide a better balanced program during 1959.

We want to assure you of our desire to cooperate with you in implementing a realistic road authorization. When the study mentioned in your May 20 letter is complete and your legislative suggestions are ready, we would appreciate being advised.

Sincerely,

WARREN G. MAGNUSON,
United States Senator.
HENRY M. JACKSON,
United States Senator.

Mr. JACKSON. Mr. President, the challenge is before us if we are going to not only grow the wood for the year 2000, but also assure all of the benefits that the well-managed forest can produce. This much is now clear. Any administration dedicated to developing our resources can be assured of strong bipartisan support in the Congress. With this opportunity we can meet the challenge, but it will take deeds and action—and the time to act is now.

We welcome the opportunity to work cooperatively to assure for our children the abundance and the good life that has been ours. The wise use of our material resources is the key to our future well-being. We simply cannot afford to fail to meet the challenge.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—REPORT OF A COMMITTEE—MINORITY, SUPPLEMENTAL, AND INDIVIDUAL VIEWS

Mr. KENNEDY. Mr. President, from the Committee on Labor and Public Welfare I report favorably, without amendment, Senate bill 3974, the Labor-Management Reporting and Disclosure Act of 1958, and I submit a report (No. 1684) thereon.

I ask unanimous consent that the minority supplemental and individual views may be printed with the report, and that the committee report and the minority, supplemental, and individual views may be filed before midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a detailed explanation of the bill; a joint press release issued by the distinguished senior Senator from New York [Mr. IVES] and myself with respect to the proposed legislation; and also another analysis of the bill and a comparison of it with the bill recommended by the administration.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Following its investigations of improper activities in the labor and management field, the select committee made 5 legislative recommendations to the Congress in April 1958, as part of its first interim report. These recommendations were as follows: (1) to regulate and control pension, health and welfare funds; (2) to regulate and control union funds; (3) to insure union democracy; (4) to curb activities of middlemen in labor-management disputes; (5) to clarify the no-man's land between State and Federal authority.

The Senate has already passed the Pension and Welfare Fund Disclosure bill of 1958, which covers the first recommendation of the select committee. The bill discussed in this report effectively reaches and in some cases goes beyond the other legislative recommendations made by the select committee. Briefly, the bill accomplishes the following:

1. Full reporting and public disclosure of union internal processes.

2. Full reporting and public disclosure of union financial operations.

3. Criminal penalties for failure to make such reports and for false reports.

4. Criminal penalties for false entries in and destruction of union records.

5. Full reporting and public disclosure of financial transactions and holdings, if any, by union officials which might give rise to conflicts of interest, including payments by labor relations consultants.

6. Full reporting and public disclosure by employers of expenditures of $5,000 or more to influence or affect employees in the exercise of rights guaranteed by the National Labor Relations Act.

7. Full reporting and public disclosure of any arrangement by an employer under which another person undertakes to influence or affect or to provide services which interfere, restrain or coerce employees in the exercise of rights guaranteed by the National Labor Relations Act.

8. Full reporting and public disclosure by labor relations consultants of their arrangements to influence or affect employees or to provide services to interfere with, restrain, or coerce employees in the rights guaranteed by the National Labor Relations Act.

9. Criminal penalties for the failing to file or falsification of reports required by employers and labor relations consultants.

10. Criminal penalties for payments by middlemen to union officials.

11. Full reporting and public disclosure of trusteeships over subordinate unions.

12. Criminal penalties for failure to file or falsification of required reports relating to trusteeships over subordinate unions.

13. Limitations upon procedure for establishment, purposes, and length of trusteeships over subordinate unions.

14. Federal court proceedings to dissolve trusteeships over subordinate unions when not in accordance with limitations of the bill.

15. Elections of constitutional officers of international unions at least every 5 years by secret ballot or by delegates elected by secret ballot.

16. Election of constitutional officers of local unions at least every 4 years by secret ballot.

17. Protection of union members' right to nominate and vote for union officers without restraint or coercion.

18. Prohibition of use of union funds to promote individual candidacy.

19. Federal court proceedings, with safeguards for internal union procedures, to set aside elections in violation of bills standards.

20. A Congressional declaration of policy favoring codes of ethical practices for labor organizations and employers.

21. Establishment of an Advisory Committee on Ethical Practices composed of representatives of the public, labor organizations, and employers.

22. Directing the National Labor Relations Board not to permit continuation of the no man's land in which employees, unions, and employers, covered by Federal law, are left without remedies.

23. A start on speeding up NLRB procedures by clarifying the definition of "supervisors" and permitting prehearing representation elections.

24. Banning shakedown picketing and making it subject to mandatory injunction procedures.

25. Banning demand and acceptance by unions or union representatives of payments from interstate truckers of improper unloading fees.

26. Permitting, with appropriate safeguards, prehire and 7-day union shop agreements in the building and construction industry.

27. Clarification of the propriety of employer contributions to joint union-management apprenticeship funds.

28. Restoration of voting rights to economic strikers engaged in lawful strikes.

29. Criminal penalties for embezzlement, conversion, etc., of the funds of nonprofit organizations which are tax exempt under section 501 (a) of the Internal Revenue Code; and

30. Prohibitions upon holding union office by individuals convicted of crimes involving the taking of money or violations of the reporting provisions of the bill.

These major provisions constitute a full and considered response to the five recommendations for legislative action by the Select Committee on Improper Activities in the Labor or Management Field (the McClellan committee). Indeed, the bill goes beyond those recommendations in several respects by providing for reports, limitations, and penalties not covered by the select committee's interim report. Examples are the prohibition upon union office holding by persons convicted of embezzlement or other crimes involving the conversion of union funds and violations of the reporting provisions of the bill.

The bill is not a punitive bill. It is designed to prevent or discourage conduct on

the part of union officials, employers, and labor relations consultants by requiring reporting of arrangements, actions, and interests which are illegal or questionable. In some instances, the matters to be reported are not illegal and may not be improper. But only full disclosure will enable the persons whose rights are affected and the public to determine whether the arrangements or activities are justifiable and ethical.

The committee held intensive hearings on all of the relevant bills before it. The Subcommittee on Labor considered all of the proposals made, and drafted and redrafted a bill embodying those proposals which recommended themselves for effectiveness and fairness. The Committee on Labor and Public Welfare considered every line and word of the bill reported by the subcommittee and made further substantial changes.

The committee reports this bill favorably, feeling that it has performed its task of hearing, consideration, and recommendation conscientiously.

The bill is carefully drawn to promote a healthy labor movement and fair and open dealing between management and labor befitting a democratic society and a vigorous free enterprise system.

JOINT STATEMENT OF SENATORS JOHN F. KENNEDY, DEMOCRAT, OF MASSACHUSETTS, AND IRVING M. IVES, REPUBLICAN, OF NEW YORK, CONCERNING SECRETARY MITCHELL'S STATEMENT ON THE PENDING LABOR BILL—DELIVERED AT A JOINT NEWS CONFERENCE IN ROOM 362, SENATE OFFICE BUILDING, JUNE 10, 1958

Several facts should be kept in mind in order to maintain a balanced perspective about this bill and the administration statement:

1. The bill was approved by the Senate Labor Committee and all of its members on both sides except Senator GOLDWATER. The vote was 12 to 1.

2. This bill was developed by Senators KENNEDY and IVES working in close cooperation with Senator MCCLELLAN, who last Friday strongly endorsed the bill in its present form for the reason that it "will give important protection to the rights of workers, of management, and the public."

3. This bill carries out the recommendations of the McClellan committee on which we both serve. It implements, in addition to other proposals, the conclusions of the report which we both approved.

4. This bill was discussed from its inception with responsible spokesmen in the Labor Department, in the absence of Secretary Mitchell in Geneva. As late as last Friday, the revised bill was discussed with the Department. No indication of any objection whatsoever was indicated.

5. This bill has heretofore been considered entirely nonpartisan in nature. We have tried to avoid all partisan implications in working with Members of both parties on its presentation.

6. This bill has heretofore represented the best chance to avoid a bitterly repressive antilabor bill or no bill at all. These prospects are now endangered.

Senator JOHN F. KENNEDY, Democrat, of Massachusetts, today pointed out 11 reasons why the Kennedy-Ives bill is stronger than the administration bill:

1. The administration bill contains no provisions regulating the imposition of trusteeships by unions.

The Kennedy-Ives bill contains a comprehensive title dealing with this subject to protect the rights of union members and local unions against unfair and arbitrary imposition of trusteeships by the national unions. It authorizes the Secretary of Labor to bring proceedings in the courts upon the complaint of members against trusteeships and termination of trusteeships in the event they are arbitrarily imposed or continued beyond 18 months.

2. The administration bill contains a weak and ineffective provision concerning election procedures of unions. It merely requires a report by a union that it complies with its own rules for secret elections.

The Kennedy-Ives bill, on the other hand, contains a comprehensive title dealing with union elections. It mandates secret elections both on the national and local level and overrides union constitutions and by-laws which do not provide for secret elections. It requires written notice of elections to be given to the members and reasonable opportunity to nominate candidates.

The Kennedy-Ives bill authorizes the Secretary of Labor to bring court action to set aside elections not held in secret and not in compliance with the union's constitution.

3. The administration bill on financial reporting in effect merely reenacted the present reporting requirements of the Taft-Hartley Act, except for a limited additional requirement for reporting any bribe received from an employer. The committee bill contains a comprehensive reporting requirement including specific and extensive provisions for reporting any conflict-of-interest situation embracing within its scope not only every officer and employee of a union but also spouses and minor children.

4. The administration bill contained a very limited provision requiring employers to report only payments to any union officer or employee. This is already covered by section 302 of Taft-Hartley. The Kennedy-Ives bill, on the other hand, contains a strong, detailed provision requiring employers and middlemen to report transactions and arrangements as well as payments and expenditures for activities intended to influence or affect employees in the exercise of rights guaranteed by the Labor Act.

5. The Kennedy-Ives bill contains a strong specific provision against shakedown picketing in general and against unlawful exaction of interstate truckers. These safeguards are not specifically covered in the administration bill.

6. The Kennedy-Ives bill specifically prevents convicted criminals from holding union office. This subject is not covered by the administration bill.

7. The Kennedy-Ives bill contains a specific prohibition against using union funds to influence union elections. The administration bill is silent on this subject.

8. The Kennedy-Ives bill contains specific provisions making it a criminal offense to refuse to submit to the Secretary of Labor records, and to refuse to permit the Secretary of Labor to enter and inspect books and accounts. The administration bill would require the Secretary to resort to protracted court proceedings for this purpose.

9. The Kennedy-Ives bill contains strong criminal penalties against false entries in union books and against destruction of records. The administration bill is either silent or contains much weaker provisions dealing with this subject.

10. The Kennedy-Ives bill contains provisions designed to encourage unions to enforce strict codes of ethical practices binding upon affiliates and members. The administration bill is silent on the subject.

11. The Kennedy-Ives bill contains a strong provision directing the Labor Board to exercise its jurisdiction in situations warranting such action and presently not covered by reason of the Board's refusal to exercise its statutory jurisdiction.

The administration bill would perpetuate the present Board's created "no man's land" by ceding jurisdiction to States, 36 of whom have no State labor relations laws which apply.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] with regard to the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MCCLELLAN

My prime objective is to get legislation that will correct glaring abuses in labor-management relations that have been brought to light by the Senate Select Committee. For this reason, I have followed rather closely the work of the Senate Labor Committee in processing this bill. I have held conferences with Senator KENNEDY, chairman of the subcommittee, and, upon his invitation, I have submitted recommendations regarding its provisions, which the subcommittee carefully considered. At my suggestion, certain important amendments have been added which have greatly strengthened the measure. I can now support it.

The bill, of course, does not cover all areas in which legislation is needed. But an effort to enact everything needed at this session of Congress, in my judgment, would result in the enactment of nothing.

In its present form this measure will give important protection to the rights of workers, of management, and the public. If enacted, and properly administered and enforced, it will drive many unreformed ex-convicts, racketeers, gangsters, and crooked officials out of the union movement and strengthen the position of honest, decent unionism and its leaders.

According to my analysis of the bill, it would among other things:

1. Provide and guarantee union members the right of secret ballot in selecting their officials.

2. Provide workable machinery for contesting in the Federal courts crooked, or rigged, union elections.

3. Set fair standards to govern union trusteeships and place a time limit thereon.

4. Put the spotlight of publicity on anti-worker middleman deals.

5. Require effective reporting of union operations.

6. Require union leaders and officials to reveal any personal financial transactions that have a bearing on the manner in which they conduct their responsibilities and disclose any conflict of interest.

7. Erect strong barriers against the control of union by unreformed, convicted thieves, embezzlers, and extortionists.

8. Protect union treasuries and trust funds against misappropriation and embezzlement.

9. Impose criminal penalties against the giver and the taker of a bribe in labor-management relations; thus, removing the cause for many "sweetheart" contracts.

10. Prevent union officials from using union funds to perpetuate themselves in office.

11. Require the preservation of all important financial records and election ballots.

12. Make ineligible for office convicted criminals and union officials who wilfully falsify or destroy union records.

There is nothing in these provisions that does harm to legitimate unions; there is much to serve the interest and welfare of the workers and the public.

I believe the measure we passed a few weeks ago and the proposals in this bill are largely the result of the work of the Senate Select Committee on Improper Activities in the Labor or Management Field. This committee is still functioning. We have not closed shop. With the approval of the Senate, it will continue to investigate and expose that which Congress needs to know to guide it in further legislation.

I hope this bill will be enacted into law. If it is, I shall be gratified and feel that the labors of the Senate select committee are being rewarded and the country constructively served.

CONSTRUCTION OF DEMONSTRATION PLANT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1623, Senate Joint Resolution 135.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the the Senate.

The CHIEF CLERK. A joint resolution (S. J. Res. 135) providing for the construction by the Department of the Interior of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interior and Insular Affairs with amendments to strike out all after the resolving clause and insert:

That (a) the Secretary of the Interior shall, pursuant to the provisions of the act of July 3, 1952, as amended (42 U. S. C. 1951–1958), and in accordance with this joint resolution, provide for the construction, operation, and maintenance of not less than five demonstration plants for the production, from sea water or brackish water, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses. Such plants shall be designed to demonstrate the reliability, engineering, operating, and economic potentials of the sea or brackish water conversion processes which the Secretary shall select from among the most promising of the presently known processes. A decision with respect to the processes to be utilized in such plants shall be made by the Secretary within 6 months after the date of approval of this joint resolution, and the construction of such plants shall proceed as rapidly thereafter as is practicable.

(b) The construction of the demonstration plants referred to above shall be subject to the following conditions:

(1) Not less than 3 plants shall be designed for the conversion of sea water, and each of 2 plants so designed shall have a capacity of not less than 1 million gallons per day;

(2) Not less than 2 plants shall be designed for the treatment of brackish water, and at least 1 of the plants so designed shall have a capacity of not less than 250,000 gallons per day; and

(3) Such plants shall be located in the following geographical areas with a view to demonstrating optimum utility from the standpoint of reliable operation, maintenance, and economic potential—

(A) At least 1 plant which is designed for the conversion of sea water shall be located on the west coast of the United States, and at least 1 plant so designed shall be located on the east coast or gulf coast of the United States;

(B) at least 1 plant which is designed for the treatment of brackish water shall be located in the area generally described as the Northern Great Plains, and at least 1 plant so designed shall be located in the arid areas of the Southwest; and

(C) one plant which is designed for the conversion of sea water shall be located in the Virgin Islands or some other territorial possession of the United States, as determined by the Secretary of the Interior, with a view to providing potable water and/or additional electric power.

(c) As used in this joint resolution, the term "demonstration plant" means a plant of sufficient size and capacity to establish on a day-to-day operating basis the optimum attainable reliability, engineering, operating, and economic potential of the particular sea water conversion process or the brackish water treatment process selected by the Secretary of the Interior for utilization in such plant.

SEC. 2. The Secretary of the Interior shall enter into a contract or contracts for the construction of the demonstration plants referred to in the preceding section, and the Secretary shall enter into a separate contract or contracts for the operation and maintenance of such plants. Any such operation and maintenance contract shall provide for the compilation by the contractor of complete records with respect to the operation, maintenance, and engineering of the plant or plants specified in the contract. The records so compiled shall be made available to the public by the Secretary at periodic and reasonable intervals with a view to demonstrating the most feasible existing processes for desalting sea water and treating brackish water. Access by the public to the demonstration plants herein provided for shall be assured during all phases of construction and operation subject to such reasonable restrictions as to time and place as the Secretary of the Interior may require or approve.

SEC. 3. The authority of the Secretary of the Interior under this joint resolution to construct, operate, and maintain demonstration plants shall terminate upon the expiration of 5 years after the date on which this joint resolution is approved. Upon the expiration of such 5-year period the Secretary shall proceed as promptly as practicable to dispose of any plants so constructed by sale to the highest bidder, or as may otherwise be directed by act of Congress.

SEC. 4. The powers conferred on the Secretary of the Interior by this joint resolution shall be in addition to and not in derogation of the authority conferred on the Secretary by the act of July 3, 1952, as amended (42 U. S. C. 1951–58). The provisions of such act, except as otherwise provided in this joint resolution, shall be applicable in the administration of this joint resolution.

SEC. 5. There are hereby authorized to be appropriated such sums, not in excess of $10 million, as may be necessary to provide for the construction of the demonstration plants referred to in this joint resolution, together with such additional sums as may be necessary for the operation and maintenance of such plants, and the administration of the program authorized by this resolution.

And to insert a preamble, as follows:

Whereas official Government reports show unmistakably that the United States population is multiplying at a rate which by 1980 will triple the demand for supplies of fresh water, which if not available will adversely affect the national defense by jeopardizing the economic welfare and general well-being of vast segments of the population of the United States, as well as the population of some of our Territorial possessions; and

Whereas many cities, towns, and rural areas are already confronted by shortages of potable water that imperil health; and

Whereas the expanding population, industry, and agriculture of the United States are becoming increasingly dependent upon an assured augmented supply of fresh water while the future welfare and national defense of the United States rest upon increased sources of fresh water; and

Whereas research by governmental agencies, educational institutions, and private industry has brought about the evolution, on a limited scale, of methods of desalting sea water and the treatment of brackish water which give promise of ultimate economical results; and

Whereas the United States Government has the responsibility, along with safeguarding the national defense, and protecting the health, welfare, and economic stability of the country, to transform these experiments into production tests on a scale not possible of achievement otherwise; and

Whereas the Congress recognized its responsibility in this field by the enactment in 1952 of the Saline Water Act (66 Stat. 328), reaffirmed its position by the amendments to such act in 1955 (69 Stat. 198); and the legislative history of such acts reveals that the Congress recognized even then that the time had arrived for tackling the problem more realistically and effectively, but unfortunately the program was limited to such an extent that concrete results are not possible of attainment under the provisions of existing legislation; and

Whereas the Congress now finds it is in the national interest to demonstrate, with the least possible delay, in actual production tests the several optimum aspects of the construction, operation, and maintenance of sea water conversion and brackish water treatment plants: Now, therefore, be it.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the distinguished senior Senator from Texas [Mr. JOHNSON], the majority leader, be added as a cosponsor of Senate Joint Resolution 135, to provide for the construction by the Department of the Interior of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ANDERSON. Mr. President, Senate Joint Resolution 135, providing for saline and brackish water demonstration plants, comes to the Senate with the unanimous recommendation of the Senate Committee on Interior and Insular Affairs that it do pass.

The Senate will recall that three distinguished Senators from widely separated areas of the country, who are not members of the committee, have joined as cosponsors of the measure. Their action illustrates the broad interest and concern of the country at large in reaching for a solution of the water problem with which the Nation will be confronted within a few short years.

I refer to the Senator from South Dakota [Mr. CASE], the Senator from California [Mr. KUCHEL], and the Senator from Wisconsin [Mr. WILEY].

In fact, Government experts forecast that by 1980, the demand and use of water in the United States will treble. Not only rapidly expanding coastal cities will face shortages, but inland centers of population, large and small, will be confronted with shortages. Already many areas are already faced by the problem.

Our position, as reflected in Senate Joint Resolution 135, is that the Federal Government must take the leadership in solving the problem of converting sea water to potable uses in the coastal areas and for the treatment of brackish waters in the interior. While there is something of the spectacular about the desalting of ocean water, we must bear in mind that interior areas will require

additional supplies of fresh or sweet water for domestic, industrial, and agricultural uses.

The United States of America can ill afford to wait until other nations outstrip us in reaching a solution of the fresh-water problem or until we are confronted with water shortages that threaten the health, welfare, and safety, as well as the industrial and agricultural stability of the Nation. Therefore, we urge the Senate to act favorably on this resolution and express the hope the House of Representatives will concur.

As is well known, there is no trick about desalting sea water or making brackish water potable. The problem is to find processes by which the ends can be achieved at economical cost. We have confidence that American ingenuity, backed wholeheartedly by the Government, can achieve the desired results within a reasonable time.

What scientists and industry need is encouragement, assistance and leadership.

Senate Joint Resolution 135 places responsibility for execution of the program on the Secretary of the Interior, who already has responsibility for major conservation programs. The Department of the Interior, by the Saline Water Act of 1952, was charged with research and development in the saline water field.

While limited research progress has been made, the feeling generally is that the Department has failed to come to grips with the urgency of demonstrating economic processes. The Appropriations Committees have withheld authorized funds, doubtless due to a feeling that the program should be accelerated by action, rather than confining it to research or limited pilot plant operation.

As I have stated previously on the floor of the Senate, we have every confidence that the present Secretary of the Interior has the imagination, administrative and leadership qualities to direct an action program, as is contemplated by the resolution. We propose to give him the funds and authority to do the job. In brief, the authorization in Senate Joint Resolution 135, as reported, sets forth these objectives with an appropriation of $10 million, with additional funds for operation and maintenance.

First. Construction and operation of:

One. Not less than 3 plants which shall be designed for the conversion of sea water, and each of 2 plants so designed to have a capacity of not less than 1 million gallons per day;

Two. Not less than 2 plants, designed for the treatment of brackish water, and at least 1 of the plants so designed to have a capacity of not less than 250,000 gallons per day; and

Three. Such plants shall be located in the following geographical areas with a view to demonstrating optimum utility from the standpoint of reliable operation, maintenance, and economic potential—

(A) At least 1 plant which is designed for the conversion of sea water shall be located on the west coast of the United States, and at least 1 plant so designed shall be located on the east coast or gulf coast of the United States;

(B) At least 1 plant which is designed for the treatment of brackish water shall be located in the area generally described as the Northern Great Plains, and at least 1 plant so designed shall be located in the arid areas of the Southwest; and

(C) One plant which is designed for the conversion of sea water shall be located in the Virgin Islands or some other Territorial possession of the United States, as determined by the Secretary of the Interior, with a view to providing potable water and/or additional electric power.

The committee has avoided any indication as to the precise locations of any of the plants in the general geographical areas indicated. The decisions on the precise locations are the responsibility of the Secretary.

Presumably, the Secretary will take into consideration the critical water problems of local areas and the market for the potable water produced at the plants. Cooperation of States and local communities will undoubtedly be a factor in the Secretary's consideration of the locations.

I hope the Senate will pass the joint resolution, because I think it provides for something which the country urgently needs.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. ELLENDER. I am wondering what is proposed by the joint resolution which will differ from what the Government has been doing for the past 7 or 8 years. We have been spending from $450,000 to $500,000 a year, trying to find ways and means of extracting salt from water. Is this to be an additional plan?

Mr. ANDERSON. This is the result of work which has been in progress. The committee heard extensive testimony that there were several plans whose feasibility had been demonstrated by the small pilot plants which had been constructed and operated by the Government.

We feel—and I myself feel—that there are probably five processes, each of which is capable of producing 1 million gallons a day. Later, if the plants are to be completely economical, they will have to operate at a production rate of as much as from 17 million to 20 million gallons a day.

Mr. ELLENDER. Have the experiments so far demonstrated that salt can be extracted by an economical method?

Mr. ANDERSON. Yes; I think so. We cannot tell for certain, of course, until a large plant has been built. But the reaction to the work which has been done thus far indicates that with a plant having a capacity of 1 million gallons a day, it will be possible to prove the feasibility of the work. Rather than to begin to build a plant with a capacity of 20 million gallons a day, it is thought desirable to try three different types of plants having a capacity of about 1 million gallons each.

Mr. ELLENDER. Will those plants be so constructed that they will use the same process?

Mr. ANDERSON. Each of the plants will use a different process for testing. I am certain that much money will be saved by proceeding in this manner rather than to build a large plant at an extremely high cost.

The proposal includes two plants for the purifying of brackish water. Each of those plants would cost about $200,000, which is a relatively cheap way to operate. A plant having almost that capacity was constructed and operated for a while at Miller, South Dakota. It was then moved to Wyoming, and then to Denver, Colorado. The process which was tested in those three areas certainly ought to work in a large scale plant.

Mr. ELLENDER. I notice that the authorization is for $10 million. If the two plants which are proposed for purifying brackish water will cost $500,000——

Mr. ANDERSON. The two brackish-water plants cost about half a million dollars apiece. The two large plants for the conversion of sea water will cost in the neighborhood of $3 million apiece. The third plant, which probably would be built in the Virgin Islands, to solve a problem which exists there, would cost, I judge, from $1,500,000 to $1,750,000. That totals approximately the $10 million that is provided for in this measure.

Mr. ELLENDER. It is the purpose of the Senator from New Mexico to have the joint resolution placed on the calendar?

Mr. ANDERSON. It has been on the calendar for some time.

Mr. ELLENDER. Has the committee held hearings on the joint resolution?

Mr. ANDERSON. Yes.

Mr. ELLENDER. Perhaps I misunderstood. I thought the Senator was introducing another joint resolution.

Mr. ANDERSON. No; I stated that the Senator from Texas [Mr. JOHNSON] had joined in sponsoring the joint resolution.

Mr. WILEY. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from New Mexico yield to the Senator from Wisconsin?

Mr. ANDERSON. I yield.

Mr. WILEY. Mr. President, I wish to compliment the distinguished Senator from New Mexico. In this age of exploration, he is demonstrating, as an explorer, his Viking ancestry.

Today our explorers, not only extend our knowledge of the skies and not only go to the North Pole and to the South Pole, but they also discover ways and means to make life more pleasant.

In the case of the particular subject the Senator from New Mexico has pursued so diligently and so enlighteningly, he is certainly an explorer; and I am very happy to join in sponsoring the joint resolution.

Mr. President, I am glad to reiterate my support of Senate Joint Resolution 135, which provides for the construction, under contract with the Department of the Interior, of full-scale demonstration

plants for the production, from sea or saline water, of water suitable for agricultural, industrial, municipal and other beneficial uses.

I urge my colleagues to support this measure.

WATER ABUNDANCE MAY NOT LAST FOREVER

It is my belief that the future of America and of the rest of the world depends, more than most persons realize, on adequate supplies of water. As the committee report on Senate Joint Resolution 135 states:

The day is not far off—some persons say it will arrive in 1980—when the United States must have available an adequate, economic, and proven new source of fresh water, or face an unrelenting and crippling shortage.

We have assumed that water would always be as abundant as ever. However, increasing water uses in homes, in industries and in agriculture, and the cutting down of many of our forests, are going to make water a scarce commodity unless we take steps to prevent it. The findings of the Senate committee include the following very important conclusions:

That there is a rapidly developing acute shortage of water in the United States, in addition to many current localized deficiencies;

• • • • •

That there is a desperate need for potable water in many areas of the world where United States prestige would be materially enhanced by supplying new technology and equipment for conversion of brackish or sea water;

• • • • •

That the demonstration phase envisaged by Senate Joint Resolution 135, as amended, must be executed with boldness, imagination, and urgency—attributes not normally associated with the methodical painstaking, careful approach required for fundamental research and development.

WILL PUSH BACK FRONTIERS OF KNOWLEDGE

Mr. President, if we can quickly pass this measure, it will, I hope, stimulate immediate hearings on this subject in the House, where there are many supporters of such legislation. And if the joint resolution is enacted into law, a real step forward will have been taken toward extending the frontier of science in another direction—that of making sure that future generations will be free from fear of lack of water. Plenty of water in arid areas would release the tensions which, in the international controversy raging in the Middle East, make so difficult agreement on practical steps to improve the living conditions of the inhabitants.

EFFECT ON A PEACEFUL WORLD

It is my great hope that this and other measures will go far first, toward making more plentiful supplies of water available wherever they are needed; second, toward improving the lives of many peoples; and, third, toward the resulting relaxation of tensions. Consequently, a vote for this joint resolution will, in a real sense, be for a more peaceful world, as well as for the benefit of the western farmer and others in arid areas of the United States who suffer from lack of fresh water.

WISCONSIN COMPANY HELPS

Mr. President, since cosponsoring this measure, I have learned of the very worthwhile activity in this field of a Wisconsin concern, the Cleaver-Brooks Co. As a matter of general interest, I ask unanimous consent to have printed in the RECORD, as part of my remarks, an article entitled "Milwaukee Firm Boosts Supplies of Fresh Water."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILWAUKEE FIRM BOOSTS SUPPLIES OF FRESH WATER—NEW CLEAVER-BROOKS UNITS DISTILL SEA WATER FOR SHIPS, OTHERS AROUND WORLD

(By Harry Watson)

The plight of the ancient mariner is as old as the world, but a comparatively young Milwaukee firm has gained a worldwide reputation in the growing field of producing fresh water from the sea.

Cleaver-Brooks Co., through its special products division, is building fresh-water manufacturing plants for water-short areas of South America, Asia, and Africa, for offshore oil rigs, and for nuclear-powered United States ships.

The importance of its work was highlighted last week with announcement of the keel laying of the first nuclear-powered passenger-cargo vessel, the *Savannah*, for which Cleaver-Brooks has the contract for fresh-water evaporators.

And in Washington, Senator WILEY, Republican, of Wisconsin, announced that he was joining in sponsoring legislation for demonstration plants to produce fresh water from salty and brackish water.

STILL NOT CHEAP

Federally sponsored demonstration plants were urged by Fred A. Loebel, vice president for engineering of Cleaver-Brooks and father of its evaporator business, in testimony before a House subcommittee last month.

Costs, he explained, are one of the principal stumbling blocks. Cleaver-Brooks' new flash-type evaporator units can produce fresh, potable water from the sea or deep wells for about $1 a thousand gallons.

This cost isn't cheap compared with Milwaukee water rates, for instance, but Loebel pointed out that it wasn't unreasonable for domestic and industrial use where there simply isn't any fresh water.

[City water department officials give figures ranging from about 9 cents to about 21 cents a thousand gallons for Milwaukee water, depending on volume of usage.]

Further research and development might bring the cost of producing fresh water from the sea down to a minimum of 50 cents a thousand gallons, Loebel said.

WHIP SCALE PROBLEM

Another big problem is scaling. When you make fresh water by boiling sea water and collecting the steam, you also make scale—a deposit of unwanted solids which forces continual shutdowns for scale removal. If scale isn't removed regularly, it soon builds up so that there's no room for distillation—and hence no way to make fresh water.

Flash evaporators have largely eliminated this vexing problem. Such Cleaver-Brooks units have logged the equivalent of 6 months of continuous operation without a servicing shutdown.

"For all practical purposes, our flash units are scale free," said Gordon Leitner, manager of the special products division.

Before the company started work on the flash-type evaporators, however, the water distillation business almost died, John C. Cleaver, president, said.

Founded in 1931 by Cleaver and R. E. Brooks, now board chairman, the company was largely a sales engineering organization. Starting with a tank car heater, the firm added steam generating plants, oil burners, and during the war, portable distillation rigs, shower bath units, and food dehydrators for troops overseas.

DIVISION AT WAUKESHA

In 1951, Cleaver-Brooks purchased a bottling plant in Waukesha and moved its water evaporator work there as the special products division. Today some 150 are employed in the division.

The distillation units were vapor compression types, a heat pump operation, in which a compressor raises both the steam pressure and temperature. It is efficient and compact, but requires its own independent power source and must be shut down regularly for scale removal. It is particularly useful when soft water must be treated, or where the supply of raw material is limited, since it produces 1 gallon of fresh water for every 2 gallons of untreated water.

Cleaver-Brooks still produces these units for the Army, Navy, and industrial use, in capacities from 1,000 to 50,000 gallons a day.

Several years ago, Cleaver-Brooks turned to the flashtype evaporator. The idea dates back to the early 1900's, but its application to purifying sea water has come within the last 5 years, according to Leitner.

GOES THROUGH STAGES

In this process, sea water is heated to 170° and flows into the first stage of the evaporator under vacuum, where some of it flashes into vapor.

The remaining sea water passes into the second stage under a greater vacuum and still more water flashes into vapor and is condensed as fresh water.

Salts remain in solution and the excess brine is pumped back into the ocean.

Where vapor compression units require electrical or internal combustion powerplants, the flash evaporators can use waste steam, hot water, or exhaust gases from ship boilers, drilling rigs, or electrical generating plants.

As a result, fresh water can be made available for the price of the evaporating units, plus a relatively small additional cost for enlarging the steam boilers or power units.

Because of its design and operation, the scaling problem is far less than with vapor compression units, and the flash evaporator has fewer moving parts. It does require large amounts of sea water, however, since about 20 gallons go through the unit for each gallon of fresh water produced.

USED AT GIBRALTAR

Since 1951, Cleaver-Brooks has supplied evaporators for Gibraltar city, and just recently received a contract for a flashtype unit for the NATO base there. Two of the units are on radar platforms in the Atlantic; 20 are in use on offshore oil rigs in the gulf coast (fresh water is needed for drilling mud as well as human use), and others have gone into Navy guided missile destroyers, missile frigates, and other warships.

Since Cleaver-Brooks started the work 12 years ago, it has turned out some 4,000 units of all sizes and types with a total fresh water capacity of 16 million gallons a day.

The special products division, for 1957, had $2 million in sales and is expecting $3,100,000 this year. The backlog currently stands at $4 million. Cleaver-Brooks' boiler and burner sales last year were about $10 million and the 1958 volume should be slightly more than this figure, Cleaver said.

Mr. JOHNSON of Texas. Mr. President, let me inquire whether the Senator from New Mexico has concluded his remarks.

Mr. ANDERSON. Yes; I have.

Mr. JOHNSON of Texas. Mr. President, I wish to express to the distinguished Senator from New Mexico my appreciation for the very fine work he has done in this field, and for bringing before the Senate, for action, Senate Joint Resolution 135, which provides for the construction and maintenance of demonstration plants to produce usable water from sea water or brackish water.

Representing in part, as I do, a State that often in the past has suffered from water shortages, and that may be expected to suffer from water shortages in the future. I have a very intimate knowledge of the great need for pressing forward with the saline-water-conversion program.

Until rains came to Texas last year, to relieve a long-continued drought, some of the cities in my State were alarmingly short of water. In the large and flourishing city of Dallas, for example, people were going to stores to buy water to drink, and the municipal government sought desperately for any new source of water to keep up pressure in the water mains for fire protection.

This problem is not confined to my own State of Texas. We are at a point in the United States where water demand is beginning to equal water supply. And the consumption of water continues to grow at a rapid rate.

The tremendous supplies of sea and brackish waters have scarcely been tapped. Our problem is to convert the water of the seas to beneficial use at a price we can afford to pay, and to find economically feasible ways of treating brackish water in the interior areas.

Fortunately, as the committee notes in its report on this measure, the time when we can begin to take these necessary steps appears to be at hand.

The joint resolution before us offers an opportunity to make a real beginning. I hope, Mr. President, that we shall take advantage of this opportunity.

The pending joint resolution provides for the construction of 3 plants for the conversion of sea water and 2 plants for the treatment of brackish water, at a total cost of not more than $10 million.

This seems to me little enough to do at this time about a matter that literally has to do with our survival. Civilization has changed in many ways, but there has been no change in the fact that man is utterly dependent upon water for his survival.

We must go forward with a well-defined and integrated program to get the water we must all from all sources available to us.

Mr. President, I congratulate the distinguished Senator from New Mexico [Mr. ANDERSON] and the distinguished Senator from South Dakota [Mr. CASE] for the pioneering work they have done in this very important field. I am pleased that the Committee on Interior and Insular Affairs has favorably reported the joint resolution; and I hope the Senate will pass it by unanimous vote.

Mr. CASE of South Dakota. Mr. President, next to the air we breathe, the water we drink and the water which makes it possible for plants to grow is the most important thing to human life on this planet.

Senate Joint Resolution 135 would authorize the Department of the Interior to go to the demonstration phase of treating saline waters. It is one of the more important measures considered by Congress at this session. Probably few measures of such far-reaching importance come to the Senate with as little advance publicity as accompanied this particular measure.

I well recall that in 1952, a simple bill to authorize a small research program in the desalination of water attracted very little attention. The distinguished Senator from New Mexico [Mr. ANDERSON], the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], and the distinguished minority leader, the Senator from California [Mr. KNOWLAND] have given it their important help from the outset. Their interest and help must be credited to a great extent for the progress which has been made.

Two other persons should be mentioned in this connection. One is no longer a Member of this body. I refer to the distinguished former Senator from Oregon, Guy Cordon, who, with the Senator from Arizona [Mr. HAYDEN], chairman of the Appropriations Committee, President pro tempore of the Senate, and senior Member of the Senate, gave the necessary help when we went before the Appropriations Committee for appropriations after getting the initial legislation to authorize the desalination research program.

I recall one hearing before the Appropriations Committee, conducted by former Senator Cordon, in which the question was asked the witness, "What are you going to do with this research money?"

The man who was testifying was a professor from Boston. He said, "Mr. Chairman, if we knew what we were going to find out, we would not need to have the research."

The result was that the committee recommended the funds which were desired, and the research which followed made it possible for the Department of the Interior to develop processes which now offer the promise which this program offers.

I should also mention the interest of the Secretary of the Interior, Fred Seaton, a former Member of this body, the interest of Fred Aandahl, Assistant Secretary of the Interior, who was formerly a Member of Congress, and who has given his active interest to the program, and the good work of Mr. David Jenkins, who has been the head of the particular division to which the work was assigned. His official title is Director, Office of Saline Water, within the Department of the Interior. From time to time all of us have been encouraged by reports of progress. But even those of us who have been active in the program since its inception had our eyes opened, when the hearings were held in March this year on the resolutions which Senator ANDERSON and I had introduced to authorize demonstration plants to get from laboratories into actual field operations.

Although I was relatively conversant with the work which was being done in the Office of Saline Water, I was surprised at the testimony, developed by men representing industry, by men representing research organizations, and by scientists who appeared before the subcommittee of the Committee on Interior and Insular Affairs when they testified on the progress which was being made.

The Senator from New Mexico [Mr. ANDERSON], who is chairman of the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs, would say the same thing, I believe; namely, that the testimony adduced at the hearings exceeded our expectations. It was my privilege, although not a member of the Committee on Interior and Insular Affairs, to attend all the hearings and to participate actively in them through the courtesy of the Senator from New Mexico.

Mr. President, no history of this proposed legislation would be complete without a statement saying that the consistent and persistent interest of the Senator from New Mexico had much to do with the progress which has been made. Our interests have proceeded from perhaps somewhat different motivations, although they have been partly the same. The Senator from New Mexico was born in the State of South Dakota and is personally familiar with some of the problems which I have seen in the northern Great Plains during my lifetime.

However, the original resolution of the Senator from New Mexico, proposing a plant for the treatment of sea water, was prompted, I believe, by his knowledge of the great importance of water to the cities on the Pacific coast, and also by the fact that he knows what might happen in an atomic war if water supplies should become contaminated.

Because my interest was motivated by wishing to do something for the areas where there is heavy mineralization in some prairie streams and in many wells, the bill which I introduced, S. 3770, sought not merely to utilize the sea water, but also to authorize a plant for the treatment of brackish water.

As a result of the hearings and the testimony there adduced, the Senator from New Mexico proposed that we authorize not merely one plant to treat sea water and one plant to deal with brackish water, but that the bill be extended to authorize 5 plants, 3 plants to deal with sea water, and 2 plants to deal with brackish water. In that form, the joint resolution was reported favorably by the subcommittee to the full committee, and in that form it came to the Senate.

Mr. President, it is not my desire at this time to speak at length upon the subject. It has been pretty well discussed; and the remarks by the Senator from New Mexico and other remarks by the Senator from Texas [Mr. JOHNSON] and the Senator from California [Mr. KUCHEL] have and will portray many of the benefits to be derived.

However, I should like to mention briefly the particular types of processes which are suitable for different purposes. The osmionic process is a new method which has been developed un-

der the sponsorship of the saline water program. It is somewhat similar to electrodialysis, except that it requires no outside electrical current and no electrodes. The driving force is obtained from the differences in concentration between a brine and the water to be demineralized. This feature makes the process very attractive in areas where electrical power is not available, but where supplies of concentrated brine can be obtained easily, possibly by open-pond evaporation and concentration of sea water. Costs have not been determined, but appear to be competitive with other processes under development.

The reverse osmosis process involves the passage of water through a membrane from a dilute solution to a more concentrated one, or from the fresh-water side into the salt water. If enough pressure is applied to the salt solution, the osmotic flow can be reversed and pure water from the salt solution will be forced through the membranes into the more dilute solution. Hence the term "reverse osmosis."

At the University of Florida, a laboratory unit capable of producing 8 gallons of fresh water per day has been constructed. This, of course, is a laboratory process at the present time, and the testimony before the subcommittee indicated that it was a process which might have commercial application.

At the Texas Agricultural and Mechanical Research Foundation a process was developed which would absorb large quantities of water. However, at the same time the compound must be practically insoluble in water. A solvent is used which extracts the fresh water from the salt water and then releases the fresh water when the system undergoes a slight change in temperature.

There are two processes now in commercial use which seem to me to have the most immediate promise. One of them is the multiple effect distillation, and the other is electrodialysis.

The Westinghouse Co. has recently constructed a distillation plant in Arabia, which consists of 4 units, each handling about 600,000 gallons a day. Others are in use for special purposes. The cost of water is about $2 or more a thousand gallons. The fact that in Arabia this process is being used for practical production suggests the potential in this method. A number of competent American industrial firms are capable of designing and producing these various distillation plants.

Electrodialysis is adaptable for water where the hard parts per million do not run above 2,000. It is that type of water which is found in a great many of the communities on the northern Great Plains. Many towns have water supplies in which the hard parts per million run from 1,400 or 1,500 to 2,200 or 2,400 parts per million.

With the average of these brackish inland waters, the electrodialysis process seems to be particularly effective. It is not necessary to take out of the water all the salt in it, as distillation does. Distillation takes all the salts out of the water, with the result that there is left a rather flat and tasteless water. Most water carries a certain amount of minerals. Water which has in the vicinity of 1,500 or 1,600 parts per million of solids and salts is not only not good tasting, but it also creates problems in laundering and plumbing. The minerals depending upon the kind of salts and the quality of the salts, may damage pipes and plumbing fixtures. Such water may even have a bad effect on ceramic and porcelain plumbing fixtures. Sometimes it results only in a stain, but many times it can have a corrosive effect also.

Therefore, the electrodialysis process, which has the quality of reducing a portion of the mineral content, may be the one most useful for some of these communities.

There have been some pilot-plant test runs of equipment provided by 1 American manufacturer, where the cost has been $1.10 per 1,000 gallons for a plant of 25,000 gallons daily capacity, and an indicated cost as low as 60 cents per 1,000 gallons for a plant which can handle 1½ million gallons a day.

It is that type of plant which I believe would be particularly useful in meeting the problems in the Great Plains area. Recently a process has been developed in Europe, which offers some promise. I understand that the Office of Saline Water is proposing to purchase a pilot plant from those people.

However, whatever the particular process used, I anticipate that if this program is authorized and implemented with appropriations, 1 of the plants for the treatment of brackish waters would be in the Southwest and 1 of them would be in the northern Great Plains area. I believe that no program is of greater importance to the well-being and progress of our people.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a statement which has been prepared by a member of my staff who has been interested in following this program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

In all of America there is hardly a city, town, or farm that does not have a water problem. Continued expansion of our industries, our growing population, and expanded agricultural needs have greatly increased the demand for fresh water. Our per capita consumption of 1,500 gallons per day for industrial and domestic use is double what it was 50 years ago. When to that is added our increasing population, our water needs have quadrupled.

Research into this development, as provided for under the Saline Water Act of July 3, 1952, has produced encouraging results in the desalination of water.

Now we have reached the point where it is time to replace laboratory and pilot plant operations with full scale plants using the most promising process.

When the first desalination bill came over from the House of Representatives, it attracted my interest because in South Dakota we have much hard water. I offered an amendment to expand the scope of the bill. The amendment was accepted by the Senate and concurred in by the House and became Public Law 448—the enabling legislation for the saline water program. It was the concept of Congressman ENGLE of California that the Government be authorized to contract for research with private companies and research institutions to study the process of converting hard to soft water. That approach appealed to me. It has proved to be a sound approach. After getting the authorizing legislation, we were successful in obtaining a supplemental appropriation for $125,000 to get the program started in 1952. In 1955 I introduced S. 516 the Senate bill to extend the program beyond the original 3 years because of the good results obtained.

The people of South Dakota have taken a great deal of interest in the saline water research. Henry J. Schmitt, publisher of the Aberdeen American News, was named to the 9-member advisory group to the saline water program.

Several small research contracts were sought in my State. The School of Mines in Rapid City, S. Dak., made a study of brackish waters in South Dakota in 1953. In Miller, S. Dak., a field test of an electrical membrane water demineralizing apparatus was successfully made. This unit was able to treat about 1,500 gallons of water per hour, reducing the salt content from 2,500 to 350 parts per million.

I saw this plant in operation at Miller and tasted some of the water which went through the plant. Two-thirds of the water put into it came out salt-free water. One-third of it carried away the sludge. The water that came out was palatable and easy and safe to drink.

The reason for this interest is the hope given to the rancher and farmer living in an area where water is often alkaline and brackish, and is poor water for his stock to drink or for his wife to use in her laundry. This program offers advantages for the small towns that have iron, magnesium, or sulfur in their water supplies; it offers a way for them to get good water, so that the use of water softeners will be unnecessary, and so that better living will be possible.

This program offers the small city a chance to develop industrially, but does not have an adequate water supply. Large seacoast cities that are wondering how to supply the water needs of their expanding industrialization would have to look no farther than the sea for their water supplies.

Hearings this spring demonstrated we have now reached the point where it is time to replace exploratory research in the laboratory with pilot plants and actual field operations in the more promising processes.

Mr. KUCHEL subsequently said:

Mr. President, a little earlier today, I was called from the Chamber at the time when the Senate had before it the joint resolution dealing with saline water.

I am a coauthor of that joint resolution. I ask unanimous consent that the few remarks which I propose to make at this time be printed in the RECORD at the point where the saline water joint resolution was under consideration.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. KUCHEL. Mr. President, I come from a magnificent State, California. I was born there. My father was born there. My grandfather was an immigrant to California, back in the gold-rush days, over 100 years ago. Often I listened to my late father talk about the artesian wells which were in evidence over the countryside, in his day, particularly in the southern part of California. They are all gone now. In the early days

of this rapidly expanding semiarid area, water was no problem. But today it is a problem. It is a deadly serious problem for the 14 million people who now make California their home. Beyond that, it is a serious problem for the people of the entire country, indeed, for all the globe.

During the testimony of the proposed saline water legislation, sponsored by the junior Senator from New Mexico [Mr. ANDERSON], the junior Senator from South Dakota [Mr. CASE], and myself, it was most interesting to me to hear testimony of the type of saline water research and development which has taken place and is taking place, in far-flung areas of the world. Some of the smaller European countries which have interests in Africa are today, for example, underwriting the cost for demonstration plants in this whole field of making sea water potable, because of the problem of water shortage which plagues the people of such areas.

I may also observe, in passing, that the people of my State are eternally grateful for that which the Congress of the country has done in years gone by in authorizing the construction of great reclamation and multipurpose projects in California, which have meant literally the difference between economic life and economic death to citizens and property in various parts of our 1,100-mile-long State.

For all those reasons, I think what the Senate does today in adopting proposed legislation to authorize the construction of a half dozen demonstration plants in the field of conversion of water, both sea water and brackish water, represents a great milestone in coping with a continuing and an enlarging problem.

The proposed legislation, Mr. President, authorizes the appropriation of a relatively small amount of money, so far as American Government costs are concerned. If it will be possible, for the few million dollars that are authorized under the proposed legislation to be expended by the Department of the Interior in various parts of the country, to bring the cost of sea water and brackish water conversion down to an economical base, then we shall have done a magnificent thing, not only for the people of my State or my Nation, but, beyond that, and in a very real sense, for all humanity.

I know of one city in California which is required to import its water in tank cars, because the water in the ground beneath that community is not fit for human consumption. I say to Senators, what a wonderful thing to think that, on an economical basis, that small community, as an example, can look forward to the time when it can have its own conversion plant and utilize the techniques authorized and developed by Federal legislation which the Senate passed today.

I wish to say, in addition, although such legislation will not appear on the front pages of American newspapers, the passage of the proposed legislation is one of the great acts that the Senate is accomplishing.

I look forward to speedy approval of the bill in the House of Representatives, and then approval by the executive branch of the Government.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. MANSFIELD. I want to commend the distinguished Senator from California for the great work, the great interest, and the behind-the-scenes activities performed by him in getting through the Senate this most meritorious proposed legislation.

I think that he, with the Senator from New Mexico [Mr. ANDERSON], the Senator from Texas, the majority leader [Mr. JOHNSON], and the Senator from South Dakota [Mr. CASE] have been responsible for the milestone in this particular field. While the Senator from California has rightly noted this proposed legislation will not make the headlines, nevertheless, in the semiarid parts of our country, including my own State, and especially in California, such legislation may well be the answer to the future of a State. This is a way in which the Government, representing all the people, is undertaking, through such authorization, to bring about a more economical way of condensing or transforming sea water to fresh water, so the welfare of the people can be further advanced.

I wish to commend the Senator from California for the very great interest and the real efforts he has put forth in behalf of this particular type of legislation, which means so much to his own State.

Mr. KUCHEL. I thank my able friend, the Senator from Montana, the assistant majority leader; and I wish to state that on a number of occasions he and I have discussed, in our own offices, the veritable romance of what this type of legislation could eventually bring to our people. Montana is one of the great States of the American Union. Montana has a problem with respect to the shortage of water, exactly as does the State of the present Presiding Officer [Mr. MCNAMARA], the great State of Michigan, and exactly as my State of California has.

Surely such legislation represents a constructive type of legislation, about which all of us, no matter from what part of the country we come, can take real pride in knowing that we are facing up to the necessity of an early and expeditious means of providing sufficient water to care for the future growth of our country.

I appreciate very much the generous comment which my friend the able Senator from Montana has made.

The PRESIDING OFFICER. The committee amendment is open to amendment. If there be no amendment to be proposed, the question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution (S. J. Res. 135) was ordered to be engrossed for a third reading, read the third time, and passed.

The committee amendment setting forth a preamble was agreed to.

The title was amended, so as to read: "Joint resolution providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses."

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the joint resolution was passed be reconsidered.

Mr. ANDERSON. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE APPROPRIATIONS, 1959

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1688, House bill 12540, the Department of Commerce appropriation bill.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. HOLLAND obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Florida yield to me, so that I may suggest the absence of a quorum?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. The Senator from Florida.

Mr. HOLLAND. I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill as thus amended be then considered for the purpose of amendment as original text, provided that any point of order against any amendment shall not be deemed to have been waived by the adoption of the agreement.

The PRESIDING OFFICER. Is there objection. The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

Under the heading "Title I—Department of Commerce—Salaries and Expenses, on page 2, line 5, after the word "Commerce", to strike out "$2,690,000" and insert "$2,730,000."

Under the subhead "Bureau of the Census—Salaries and Expenses", on page 2, line 21, after the word "amended", to strike out "$7,900,000" and insert "$8,200,000."

Under the subhead "1958 Censuses of Business, Manufactures, and Mineral Industries", on page 3, line 6, after the word "including", to strike out "enumerators" and insert "personal services."

Under the subhead "Eighteenth Decennial Census", on page 3, line 18, after the word "including", to strike out "enumerators" and insert "personal services."

Under the subhead "Civil Aeronautics Administration—Operation and Regulation," on page 5, line 14, after the word "facilities", to insert a colon and *"Provided further,* That the Administrator is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place ten General Schedule positions in the following grades: one in grade GS–18, two in grade GS–17, and seven in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said act."

Under the subhead "Establishment of Air Navigation Facilities," on page 6, line 11, after the word "appropriation", to strike out "$158,500,000" and insert "$175,000,000."

Under the subhead "Coast and Geodetic Survey—Salaries and Expenses," on page 8, line 3, after the word "law", to strike out "$11,650,000" and insert "$11,685,000."

Under the subhead "Business and Defense Services Administration—Salaries and Expenses," on page 8, line 16, after the word "business," to strike out "$6,650,000" and insert "$7,040,000."

Under the subhead "Office of Area Development—Salaries and Expenses," on page 8, line 20, after the word "Development," to strike out "$395,000" and insert "$200,000."

Under the subhead "Maritime Activities—Ship Construction," on page 9, line 15, after the word "and", to strike out "(not to exceed $3,500,000)"; in line 18, after the word "equipment", to strike out "$122,950,000" and insert "$160,000,000", and in line 22, after the word "exceed", to strike out "$2,000,000" and insert "$2,300,000."

Under the subhead "Operating-Differential Subsidies," on page 10, at the beginning of line 11, to strike out "two thousand three hundred" and insert "two thousand one hundred and twenty-five", and in line 12, after the word "year", to strike out the comma and "including voyages covered by contracts in effect at the beginning of the current fiscal year, of which two hundred shall be for companies which have not held contracts prior to July 1, 1958, and seventy-five shall be for companies operating into or out of the Great Lakes."

Under the subhead "Salaries and Expenses," on page 10, line 22, after the word "Administration", to strike out "$14,200,000" and insert "$14,850,000."

On page 11, at the beginning of line 2, to insert "and not to exceed $500 for reimbursement of representation expenditures by each of five Maritime representatives in foreign countries", and in line 4, after the amendment just above stated, to strike out "$6,900,000" and insert "$7,050,000."

On page 11, line 6, after the word "warehouses", to strike out "$1,300,000" and insert "$1,500,000."

On page 11, line 7, after the word "expenses," to strike out "$6,000,000" and insert "$6,300,000."

Under the subhead "Patent Office—Salaries and Expenses," on page 15, line 14, after the word "Patents," to strike out "$19,000,000" and insert "$21,000,000."

Under the subhead "Bureau of Public Roads," on page 15, at the beginning of line 23, to strike out "available to the Bureau of Public Roads" and insert "made available by this act to the Bureau of Public Roads and from advances and reimbursements received by the Bureau of Public Roads."

Under the subhead "Forest Highways," on page 17, line 20, after the word "of," to strike out "$22,250,000" and insert "$21,250,000," and in line 22, after the word "and," to strike out "$7,750,000" and insert "$8,750,000."

Under the subhead "National Bureau of Standards—Plant and Equipment," on page 20, line 21, after the word "facilities," to strike out "$550,000" and insert "$600,000."

Under the subhead "Weather Bureau—Salaries and Expanses," on page 21, line 8, after the word "law," to strike out "$39,060,000" and insert "$39,868,000."

Under the heading "Title II—The Panama Canal—Canal Zone Government—Operating Expenses," on page 23, line 21, after the word "transfusions," to strike out "$16,666,000" and insert "$17,417,000."

Under the subhead "Capital Outlay," on page 24, line 5, after the word "assets", to strike out "$3 million" and insert "$3,200,000."

Under the subhead "Panama Canal Company," on page 24, line 22, after the word "exceed", to strike out "$7,900,000" and insert "$7,976,000."

Under the heading "Title III—Independent Agencies—Airways Modernization Board—Expenses," on page 27, line 7, after the word "including", to insert "purchase (not to exceed six) and"; in line 8, after the word "vehicles", to strike out "and aircraft," and insert a semicolon and "acquisition by purchase or transfer of aircraft (not to exceed 14) and hire, maintenance, and operation of aircraft;", and in line 12, after the word "Board", to strike out "$30 million" and insert "$34,315,000."

Under the subhead "Civil Aeronautics Board—Salaries and Expenses," on page 28, line 2, after the words "per diem", to strike out "$6,000,000" and insert "$6,100,000: *Provided,* That the Chairman is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place 10 General Schedule positions in the following grades: 1 in grade GS–18, 2 in grade GS–17, and 7 in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said act."

Under the subhead "Saint Lawrence Seaway Development Corporation," on page 29, line 5, after the word "exceed", to strike out "$400,000" and insert "$440,000"; in line 7, after the word "exceed", to strike out "$1,000" and insert "$2,000"; in line 12, after the word "exceed", to strike out "$50" and insert "$100", and in the same line, after the word "day", to insert a colon and *"Provided further,* That not to exceed $5,000 may be expended for services of individuals employed at rates in excess of $50 per day."

Mr. HOLLAND. Mr. President, the total amount carried by this bill, which is H. R. 12540, as reported by the committee, is $3,362,886,000.

By far the largest part is represented by the appropriation from the Federal-aid highway trust fund so that the Federal aid highway construction program and the Interstate System of Highways, which has now become the most important feature of that program, may go forward.

The total amount allowed from the special trust fund created for the Federal-aid highway program is $2,350 million. That amount, provided in the bill, was recommended by the Budget Bureau, has been approved by the House, and is supported by the collections in the trust fund. In other words, the money on hand in the trust fund plus the current collections will be more than ample to cover the appropriation in the bill.

Like other trust fund transactions, this amount is not included in the $73.9 billion expenditure total in the January budget estimates.

The total amount contained in H. R. 12540, as reported to the Senate by the committee, excluding the trust fund item, is $1,012,886,000.

On a comparable basis, adjusting the budget estimate total of $982,721,000 so that it would include the $32,692,000 for forest highways and public land highways, making a revised estimate total of $1,015,413,000, the amount recommended is $2,527,000 under the estimates.

The reason for that adjustment is that the committee, following the action by the House, following the action by the Senate Committee on Public Works and by the Senate itself, has decided it is not wise to include in the projects which are supported from the trust fund these two items, construction of forest highways and public land highways, but, instead, we feel it is wiser to provide for them out of general fund appropriations.

The amount recommended in the bill is a net $295,157,375 above the 1958 appropriation at this time.

Two hundred and twenty-two million dollars of this increase is due to special circumstances, which the Senate will remember in connection with last year's appropriation. The first of those circumstances was that the bill last year required the utilization of $65 million which was then in the War Shipping Administration liquidation fund. We required that that be done, instead of appropriating additional funds for operating differential subsidies to the Maritime

Commission. Second, there was a withholding of the appropriation of additional funds for ship construction until the funds which were on hand and uncommitted, amounting to $161 million, had been utilized and a lagging program made current.

I want to make it clear that the committee appreciated the fact that that particular agency went ahead, followed the directions of the Congress, which originated in this committee last year, adopted a good program, using up the funds which had been carried by it from year to year and were on hand, and using up also the $65 million which was in another pocket so to speak, that is, in the fund for the liquidation of the War Shipping Administration obligations.

Mr. President, there are a good many items in the bill, any one of which I am willing to attempt to discuss if Senators wish to ask questions concerning it. However, unless there are such questions, I yield the floor.

Mrs. SMITH of Maine. Mr. President, as the ranking member of the Appropriations Subcommittee on the Department of Commerce and Related Agencies, I commend the chairman of the subcommittee for his splendid leadership and work on the pending bill. It is indeed an education to sit on the committee with him and witness his great depth of knowledge, his intelligent approach, and his incisive interrogation. I wish that more Members of this body had the opportunity to sit in on the subcommittee hearings to see for themselves how well he conducts the hearings.

I also want to recognize the splendid work of the staff of the subcommittee. Summed up, the best way of stating the character of the work of William Kennedy and John Witeck is to state the simple truth—that without them, their devotion to their work and their great ability, we could never have performed our assignment.

The subcommittee conducted hearings on the items in the bill commencing on April 29, and with interruptions due to pressures of other meetings and activities, finally concluded on May 28, after approximately 20 hours, involving six hearing dates. The testimony taken appears in the 682-page volume of the hearings.

The total budget request in the amount of $982,721,000 is comprised of 35 money items.

In the case of 20, the committee approved without change the items as allowed in the House version of the bill. This is a 57 percent concurrence on a number-of-items basis; 54 percent on the basis of funds involved, using the committee recommendations as a base.

There are readily apparent, and the chairman, the Senator from Florida [Mr. HOLLAND], has already adverted to the substantial increases over the 1958 appropriations for maritime activities. With respect to the maritime items, involving ship construction and operating-differential subsidies, the increases are statistical rather than operational. Funds in excess of the War Shipping Administration liquidation needs were provided in the current year in lieu of appropriating new moneys for operating-differential subsidies, and a ship-construction program was brought more nearly current by utilization of prior year funds. This situation has been thoroughly discussed by the chairman of the subcommittee [Mr. HOLLAND]. A similar full explanation was presented in the other body by Mr. PRESTON, of the House Committee on Appropriations, in the floor consideration of this bill on May 20.

The necessity for operational and facilities funds for aviation was very readily recognized by the committee, and it might be appropriate to quote at this point the statement appearing on page 6 of the committee report:

> In its recommendations on the aviation items in this bill relating to air navigation and safety, the committee has consistently recommended the full budget estimate. * * * Realizing that the legislative committees concerned with aviation matters is moving with all speed in this area, the committee has no recommendation of a legislative character but feels that it is meeting its full responsibility in the matter by providing the funds that the technical experts are requesting.

The $16.5 million difference for air navigation facilities between the House version of the bill and the Senate committee recommendation refers to split versus full financing and does not in any sense involve program reduction or adjustment of the establishment of air navigation facilities program.

I am most hopeful that the aviation agencies of the Government—now that they are being provided with the funds they have requested to do their job—will more speedily and effectively achieve a goal of real air safety than they have done in the past.

It is easy to criticize, and we should be understanding in the practical problems of administration that any agency has. But I am impatient with what I consider to be too slow a rate of action on the part of the aviation agencies of the Government in effecting air safety.

Unfortunately, it seems that it takes air crashes and tragedies to spur action—action which seems to die down as soon as the memories of each crash dim. For example, our subcommittee has been pressing for the diversion of military aircraft from Bolling Air Force Base and the Anacostia Naval Air Station to Andrews Air Force Base in order to reduce the air congestion in the space over the Washington National Airport.

Lip service is given by the aviation agencies of the Government in agreeing with the subcommittee on this. Yet there is little action to match the words. I only hope that it will not take another air tragedy or a series of air tragedies in the air space over Washington to get some real action on this, but rather that the action will come soon, and prevent air tragedies.

Items where Senate committee recommendations are identical with House version of bill

Bureau of the Census:	
1958 Census of Business, Manufactures, and Mineral Industries	$7,000,000
Eighteenth Decennial Census	7,000,000
Census of governments	350,000
Civil Aeronautics Administration:	
Operation and regulation	230,000,000
Grants-in-aid for airports	30,000,000
Operation and maintenance, Washington National Airport	2,400,000
Operation and maintenance, Alaskan airports	1,050,000
Bureau of Foreign Commerce: Salaries and expenses	2,400,000
Office of Business Economics: Salaries and expenses	1,150,000
Maritime Activities:	
Operating - differential subsidies	120,000,000
Maritime training	2,394,000
State marine schools	660,000
Bureau of Public Roads:	
Federal - aid highways (trust fund)	(2,350,000,000)
Forest highways	30,000,000
Public lands highways	2,692,000
National Bureau of Standards: Expenses	11,500,000
Weather Bureau: Establishment of meteorological facilities	275,000
Canal Zone Government:	
Panama Canal Bridge	19,250,000
Civil Aeronautics Board:	
Payments to air carriers	40,750,000
Tariff Commission: Salaries and expenses	1,810,000
Total	510,681,000

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HOLLAND. Mr. President, I certainly appreciate the gracious remarks of my distinguished colleague, the ranking minority member of the subcommittee [Mrs. SMITH of Maine], who was most faithful in attendance at subcommittee meetings, and most diligent in the study of matters involving the funding of a variety of technical and specialized programs. Her contributions were a material factor in the hearing result, the recommendations presented to the Senate today. I also echo her sentiments with reference to the professional staff members of the subcommittee.

Mr. President, I should like to supplement the remarks of the Senator from Maine with reference to the support which the subcommittee has given to all the agencies having to do with improvement of safety in aviation.

If Senators will examine the bill, they will find, with reference to the Civil Aeronautics Administration, that the funds requested for operation and regulation were $230 million. Both the House of Representatives and the Senate committee have granted that amount.

It is not necessary to discuss in detail, because I think all Senators are aware

of it, the fact that we are now in the midst of a very large program of improvement of flight control facilities. We are supporting that program in the exact measure which is requested by the agency which handles the program, the CAA, and by the Bureau of the Budget.

In relation to the establishment of air-navigation facilities, the amount requested in the budget estimates was $175 million, and the Senate is asked to approve the full amount. The House does not appear to have recommended the full amount, in that the item included in the bill by the House is only $158.5 million. I think in fairness to the House of Representatives it should be stated that the rest of the requested item is shown in the Defense Department bill. It is the view of our subcommittee, however, that the whole item should be included in one place and made available to the Civil Aeronautics Administration.

Mr. President, with reference to grants-in-aid for airports, the committees in both Houses of Congress have recommended the granting of the full amount requested, which is $30 million.

I should like to make one other point, in respect to the Airways Modernization Board. The committee recommends the full amount requested, which is $34,315,000, although the House granted only $30 million. We feel, Mr. President, although the difference is very small, it is highly important that the Congress give full support to these agencies in providing those items which are necessary in their work to promote greater safety in air travel. The recommendation of the committee so provides.

I am very glad indeed that my distinguished colleague from Maine brought up that particular point, because I think it is well for the record to show the recommendations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to join in the very appropriate and well-deserved commendation of the Senator from Florida for his diligent and very effective work on this particular appropriation bill.

Mr. HOLLAND. I certainly appreciate the kindness of the Senator from Minnesota.

Mr. HUMPHREY. The Senator has been in the forefront of those attempting to promote modern aeronautical transportation and modern aeronautical guidance systems for the protection which is needed on the airways.

I desire very briefly to invite the attention of the Senator to one matter. I am interested in the reports of the Coast and Geodetic Survey and the work of that particular agency. Does the Coast and Geodetic Survey have responsibility for what is commonly known as oceanography?

Mr. HOLLAND. The Coast and Geodetic Survey does have certain responsibilities in that field.

Mr. HUMPHREY. Not long ago it was brought to my attention that the Soviet Union was doing a tremendous amount of work, with the most modern facilities, in the field of charting the currents and the tides, as well as the contour and formation of the ocean floor. I believe the New York Times Sunday magazine section carried a feature article written by one of our eminent professional men in the field of coast and geodetic work, which related that the Soviets had 2 or 3 floating laboratories, major ships fully equipped with the most modern systems of instrumentation and the most modern means for measurement of tides and currents in the ocean, as well as elevations of the ocean floor, depths of the water and so on.

What I wish to ask the Senator is this: Did the witnesses who appeared before the committee furnish any information as to what the United States is doing and what the United States contemplates doing in this field? I ask the question because I believe I read that no navigation charts have been printed for about 50 years and that we are far behind, not even having one single ship which is a working floating laboratory in the field of oceanography.

I believe I am correct in that statement, judging from the information I have read. I regret that I do not have the article before me. I have it in my office. Can the Senator give me some information on that subject?

Mr. HOLLAND. I can give the Senator some information.

A modern and very fine ship, which we believe is the last word in this type of vessel, was requested by the Coast and Geodetic Survey a couple of years ago. It is now under construction, and we have fully supplied the funds for the construction and equipment of that ship. The ship will be added to the several ships which the agency already has.

The Senator from Florida has no means of comparison between that ship and other ships belonging to and operated by the Coast and Geodetic Survey, with the Soviet ships which the Senator has mentioned. However, there was no complaint by the witnesses, who were very able in that field of activity. I refer particularly to Admiral Karo. I believe we have allowed, in full, what was requested.

The Senate committee has recommended one small item which was not approved by the House, namely, $35,000 to supply prints of charts usable by small-boat operators. It seems that the need for charts of appropriate size and coverage to be used by operators of small boats is particularly critical at this time. For an experimental program this year in that field, we have added $35,000 to the House amount.

This is a self-sustaining program, in a way, because the law requires that these charts be sold, as the Senator knows.

Mr. HUMPHREY. Yes.

Mr. HOLLAND. We wanted the printing of charts to be so adjusted, as to size, that the masters of small boats now operating by tens of thousands from our shores would have the opportunity to buy charts of the appropriate size.

That, I believe, is the only addition to the program which the committee has made in its present recommendations.

I invite the attention of the distinguished Senator to the fact that only yesterday we received a supplemental budget request in the nature of a communication from the President of the United States, which is House Document No. 394, and which includes items for the Coast and Geodetic Survey. We have not had an opportunity to analyze those items. If the distinguished Senator has in mind items which he thinks should be considered by the committee, I will say to him that the committee should soon be considering the suplemental request, and will be very glad to hear him or to receive any information which he can supply us on the subject which he has mentioned. The committee is very enthusiastic about supporting this nonpolitical, highly professional, and highly skillful agency, the Coast and Geodetic Survey, in every legitimate enterprise it should be undertaking.

Mr. HUMPHREY. I feel as the Senator does about the fine work of the Coast and Geodetic Survey. They have been very helpful in the field of seismology, for example, and have done outstanding work. They are to be commended.

I shall not take any more of the Senator's very valuable time on this subject. I may be unduly concerned about the article which I read, but it seemed to have very good sponsorship. I shall bring the article to the personal attention of the Senator from Florida, and we shall discuss it privately. It may be found worthy of the attention of the subcommittee.

My concern was further emphasized because I understand that the Soviet, with its large submarine fleet, has been deeply concerned about underwater navigation routes, as well as a study of the depths, the currents, and the tides, and also the formation of the ocean floor, for the purpose of being able to dispose of vast quantities of radioactive waste material from the reactors of atomic energy plants.

One of the serious problems which may face the nation, and to which the country should look forward, is what happens to the large capsules or cases of highly radioactive material, which has a long life, when the cases are dropped deep down into the sea. If there happens to be a break in the ocean floor which permits the radioactive material to flow within channels of water tables, it is possible to have radioactive water supplies. This is something about which scientists in the field of atomic energy are beginning to be concerned. According to the information I have, I have the feeling that the Soviet Union has taken a somewhat long look at the program. There have been recent news items about large numbers of Soviet ships which look like fishing boats, having been seen off certain coasts.

My colleagues may recall that the response of the Soviet to the complaint about such ships was that they were engaged in research work. It is evident that they are engaged in a study of the ocean floor. Much of the study may very well be due to their so-called submarine activities, and, secondly, the problem of disposal of atomic waste materials.

I shall bring two of the articles to which I have referred to the attention of the Senator and the subcommittee, to see whether they are worthy of any real investigation on the part of the subcommittee and its experts. I am not an expert. I thought the place to express my concern was on the floor of the Senate, when this item was before the Senate for consideration. When we previously expressed concern relative to the Civil Aeronautics Administration or the Civil Aeronautics Board, the Senator from Florida has acted decisively and promptly, with effective results. I commend him.

Mr. HOLLAND. I thank my distinguished friend. I will see that he is supplied with a copy of Document 394, to which I have referred, showing the items requested by way of supplemental estimates on the part of the Coast and Geodetic Survey. From a quick reading of them, I do not believe they cover the subject to which the Senator refers, but we should be very happy to have called to our attention any information on that subject, and we shall see that it is fully explored.

Mr. HUMPHREY. I thank the Senator.

Mr. WILLIAMS. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Delaware will be stated.

The LEGISLATIVE CLERK. On page 12, line 17, it is proposed to strike "during the current fiscal year" and insert "until December 31, 1958."

On page 12, line 20, it is proposed to insert the following:

Provided, That, effective December 31, 1958, the unexpended balance remaining in this account is hereby rescinded and carried to the surplus fund in the Treasury.

Mr. WILLIAMS. Mr. President, the purpose of this amendment is to make it definitely certain that the War Shipping Administration will be abolished on December 31 of this year.

This agency was a World War II agency. It was carried over for a few years after World War II, in order to permit it to liquidate its business. For the past 8 or 10 years it has been continued, with a statement by the Appropriations Committee comparable to that included in this year's report. I quote:

War Shipping Administration (liquidation): The committee has approved language for fiscal year 1959 which will continue available the unexpended balance of the War Shipping Administration working fund. It is expected that obligations of this program will be liquidated by the end of the coming year.

I notice from the hearings that the chairman of the subcommittee and several members of the subcommittee expressed concern over the fact that this agency is coming back each year and asking for a continuation. I talked with the chairman of the subcommittee and other members of the subcommittee. I think there seems to be general agreement that the only way to abolish this agency and consolidate it with the Department where it belongs is to take the funds away from the agency, effective at the end of this calendar year. That would give the agency 6 more months in which to make the transfer of whatever functions are left in the agency. Very few functions are left in it which cannot readily be absorbed by some of the other bureaus in the Department of Commerce.

There are certain functions of the agency which will continue for an indefinite period of time. I notice that 86 seamen will be collecting disability benefits during the remainder of their lives. They are being paid through this agency. The abolition of the agency would in no way affect the payment of those benefits. They could be paid by another agency. Certainly we are not going to continue the agency in effect during the lifetime of those men, when the agency has no other purpose. I think it is long past the time when this agency should have been put to rest.

I believe the Senator from Florida will accept the amendment to the bill.

Mr. HOLLAND. I am willing to accept the amendment. I speak only for myself. The amendment was not discussed in committee, but there was discussion in committee of the tendency of these liquidation processes to prolong themselves indefinitely and expensively. Perhaps the suggestion made by the distinguished Senator from Delaware will work out—and I hope it will—and I will accept the amendment.

Mr. WILLIAMS. I thank the Senator from Florida.

Mr. HOLLAND. I have discussed the matter also with the distinguished senior Senator from Maine [Mrs. SMITH], and the course suggested is acceptable to her. I also discussed the matter with the chairman of the full committee, the Senator from Arizona [Mr. HAYDEN], and I understand it is acceptable to him, too.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. CARLSON. Mr. President, I should like to call the attention of the Senator from Florida to page 5 of the bill, which, beginning at line 14, reads:

Provided further, That the Administrator is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place 10 General Schedule positions in the following grades: one in grade GS–18, two in grade GS–17, and seven in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said act.

Mr. President, I believe I understand the purpose of the amendment, namely, to provide supergrade positions to an agency of Government. I believe it is the Civil Aeronautics Administration. However, I should like to call the Senator's attention to the fact that the Senate recently passed the Pay Classification Act, and that that bill was also passed by the House of Representatives. It is now in conference.

In that bill we increased the number of supergrades under the Classification Act of 1949 from 1225 to 1790 in one instance; from 329 to 472 in another, and from 130 as in the existing law to 188.

I notice by the report of the committee on that bill that included in that number are 50 supergrade positions for the Department of Commerce. I should like to ask the distinguished Senator from Florida if the bill, which was passed by both the Senate and the House and is now in conference should become law, whether the 50 supergrades provided in that bill for the Department of Commerce would not be sufficient?

Mr. HOLLAND. I am sorry that I am not able to give a categorical answer. However, I will say that if the 50 supergrades in the bill to which the Senator has referred are intended to cover this activity, the Senator from Florida will want to have the number diminished appropriately.

I should like to state very clearly for the record that this involves another of those needs for the improvement of our aviation facilities which the committee felt should not wait, but should receive immediate attention.

The distinguished Senator from Kansas will note at the bottom of page 2 and at the top of page 3 of the committee report the following statement:

The committee recommends a language amendment which would authorize 10 supergrades for this extremely important activity. The organization will have nearly 30,000 people in fiscal year 1959 and it is felt necessary to provide these positions to recruit and retain personnel possessing qualifications to meet increasingly greater responsibilities.

That does not go into the specifics of the matter. However, if the distinguished Senator will look at the table in the report, he will note the huge increase in appropriations for the Civil Aeronautics Administration. It has to do with the improvement of air facilities and the operation of such facilities. The need for some higher grades has been so acute, we are told by the Administrator, that he is not only understaffed, but he has been unable to keep many of his best employees, even when they have become qualified for advancement and are given positions of high responsibility. Our committee felt that this need was so acute that it would not be consistent for us to move ahead so quickly in the way of providing money for the facilities and money for their operations, without at the same time recognizing this acute problem.

The Senator from Kansas knows that the Senator from Florida is not generally in favor of an amendment of this kind on an appropriation bill. However, it seems to me, and it seemed to the committee—unanimously, I may say—that the need was so great and that the desirability of providing some of these higher grades was so completely allied with the expansion program which we were accomplishing by other parts of the

bill, that we would in effect be wholly inconsistent with the other action if we did not provide this action as well.

We know this is legislation on an appropriation bill, and we filed notice of our intention to move to waive the rule, if that should become necessary. We did not like to adopt this procedure. We did not do it in any sense as a matter of setting a precedent. I not only wish to cooperate with the distinguished Senator from Kansas, but also with his able colleague on the Committee on Post Office and Civil Service, my neighbor in the Senate, the distinguished Senator from South Carolina [Mr. JOHNSTON], who is chairman of the Committee on Post Office and Civil Service. We will cooperate with them if this action anticipates something that is being done in the other and larger bill, and the Senator from Florida will certainly want that to be taken into account and reflected in the larger bill.

We believe it is necessary to act now. We feel we would be handicapping the very agency we are trying to strengthen if we did not let them improve their personnel situation by the inclusion of this amendment.

Mr. CARLSON. Mr. President, I am not only sympathetic with the position of the Senator from Florida, but I am enthusiastically in support of it. What I regret is that there should come to the Senate an appropriation bill authorizing a certain number of supergrades for a particular agency in Government, when, as a matter of fact, supergrades are needed throughout the Government at the present time.

We have 2 million Federal employees, with fewer than 1,300 supergrade positions. I do not believe any business could operate on that basis. Therefore, the Committee on Post Office and Civil Service recommended 564 additional supergrade positions, and included in that figure are the 50 supergrades for the Department of Commerce. The other agencies of Government also received many increases in supergrade positions. They are needed, of course.

I dislike to be placed in this position—and I know that the chairman of the Committee on Post Office and Civil Service, were he here, would support me in this case, because he has made this point many times—and I rather hesitate to make a point of order on this amendment. I know of the need, but I also know that a conference between the House and the Senate has been arranged for Thursday afternoon on the pay bill, and that bill includes 564 additional supergrade positions. If we should at that time—and I sincerely hope we will—agree on the bill and agree to provide the supergrades which are needed in the Government service, I, at least, as a Member of the Senate, should then dislike to be in the position of having participated, being on the floor of the Senate, in legislating on an appropriation bill, when in reality such proposed legislation was already pending in conference.

Mr. HOLLAND. I hope the Senator will consider this course of action, which I now suggest. I suggest that he not make his point of order, but that the Senate be allowed to adopt the amendment, with this clear understanding. Both bills will be in conference at the same time. The conferees on the part of the Senate will include, among others, the Senator from Florida. The Senator from Florida will cooperate completely with the Senator from Kansas and with the Senator from South Carolina in making sure there is no duplication; and also in making sure that, through one bill or the other, the proposed action with respect to the supergrades may be speedily taken, so as to accomplish the desired purpose.

Before I resume my seat, if the distinguished Senator from Kansas will indulge me, I wish to remind him that in a field closely accompanying this same effort, we in Congress felt so keenly about the matter that when we created the Airways Modernization Board, we not only provided it with a sizable number of higher ranking employees, but we also allowed the employees to be chosen without respect to civil-service regulations, and gave them the freest possible action. That was in the same field with which we are concerned now in this part of the bill.

Speaking now, I feel certain, not only for myself, but also for the other members of the subcommittee, including, especially, the distinguished Senator from Maine [Mrs. SMITH], the ranking minority member of the subcommittee, who is in agreement with me on this course of action, if the Senator from Kansas will cooperate with the committee to the extent I have suggested, we will cooperate by seeing to it that appropriate action will be taken at the first opportunity possible and that the provision will not be duplicated.

Mr. CARLSON. The Senator from Florida makes a persuasive argument. Because I fully appreciate the need for what he proposes, I am about to accept his proposal. But when I do, I want it to be definitely understood that it will not set a precedent for Government agencies to get supergrade positions by going through the Committee on Appropriations. I think that is a poor way to legislate. I do not think it is in keeping with the legislative process that should obtain in Congress.

I see present my colleague on the committee from the majority side. If he wishes to speak to the matter I will yield to him.

Mr. NEUBERGER. Mr. President, I do not desire to detain the Senate longer than to say that I corroborate what the able Senator from Kansas has said. As one of the members of the committee from the majority side, I shall abide by his judgment. If the Senator from Kansas desires to accept the offer made by the Senator from Florida, that is quite agreeable to me.

I add one thought to what the Senator from Kansas has so effectively said. I am the chairman of the Subcommittee on Federal Pay. The subcommittee has had this issue presented to it continually. We always have taken the position that it seemed best that the whole question of Federal personnel and their ratings and salaries should be handled substantively by the Committee on Post Office and Civil Service, which considers the entire merit system and the whole salary scale. I think that is a better and more advisable way to proceed.

However, I shall be guided by the decision of the Senator from Kansas in this respect. He has had far more experience and longer tenure on the Committee on Post Office and Civil Service than I have had.

So far as I am concerned, what the Senator from Kansas has decided upon is agreeable to me. He has decided not to object to the language in the appropriation bill now under consideration. But I support the substantive nature of the objection raised by the Senator from Kansas, because I believe that if the proposal were made a policy for application to all appropriations bills, the Committee on Post Office and Civil Service would gradually lose its jurisdiction over the salary, tenure, and rank structure of the civil service employees of the Federal Government.

Mr. HOLLAND. I appreciate the graciousness of the Senator from Oregon and of the Senator from Kansas. I reiterate, for myself and for the distinguished Senator from Maine [Mrs. SMITH], our willingness to cooperate completely in this matter, so that the quickest possible action may be taken, and so that there will be no duplication.

Mr. CARLSON. I could make the point of order on this amendment that it is legislation on an appropriation bill. I shall not make the point of order. The Senator from Florida, the Senator from Maine, the Senator from Oregon, who has just spoken, and the Senator from Kansas, understand one another. I am accepting the provision with the understanding that it will not set a precedent; and if future appropriation bills contain subject matter of this nature, I doubt that I shall be as lenient as I am now.

Mr. HOLLAND. I appreciate the Senator's statement and the position he has taken. I do not want the Senator from Kansas to overlook the fact, however, that a similar provision for another aviation agency is in the bill, and I put them on terms of equality. It is the provision relating to the Civil Aeronautics Board. I am sure the Senator from Kansas knows that already, but I would not want him to overlook that fact.

The PRESIDING OFFICER. The bill is open to further amendment. If there are no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 12540) was read the third time and passed.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MCNAMARA in the chair) appointed Mr. HOLLAND, Mr. ELLENDER, Mr. MAGNUSON, Mr. STENNIS, Mr.

JOHNSON of Texas, Mr. PASTORE, Mrs. SMITH of Maine, Mr. BRIDGES, Mr. KNOWLAND, Mr. THYE, and Mr. POTTER conferees on the part of the Senate.

ORDER FOR ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock tomorrow morning.

The PRESIDING OFFICER (Mr. JORDAN in the chair). Without objection, it is so ordered.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

Mr. CHURCH. Mr. President, yesterday, the Secretary of Labor, James P. Mitchell, issued a statement declaring that the bill recommended by the Senate Labor Committee is weak and deficient.

Normally, I would not comment on such a statement by a Cabinet officer except that there are some unusual features to Mr. Mitchell's remarks which deserve more than passing attention.

In the first place, the Secretary of Labor presumed to comment upon a bill which has not yet been printed. Mr. Mitchell is in Geneva, Switzerland, 3,350 miles away, where his only connection with Washington is by telephone and cable. Even the Members of the Senate have not yet had an opportunity to review or appraise the particulars of the bill in question.

When we have the bill in printed form and have had time enough to study it, we can pass upon the particular criticisms Secretary Mitchell has raised. What concerns me about the Secretary's statement is not its particulars, but rather the premeditated, deliberate political character of the statement, which so plainly carries the brand of this administration. The statement is fully consistent with that now familiar pattern of political strategy which has come to characterize this administration—divide and conquer. The technique of the division is to appeal to the many by urging the punishment of the few.

When I read the newspaper accounts of the statement made by the Secretary of Labor, it had the same old familiar ring. It gave me the feeling: "This is where I came in."

It recalled the days when the tactics of the administration were to urge city folks to punish farmers. During that period, all the ills of the economy were blamed upon the men who earned their living at the plow.

It recalled the days, scarcely a year ago, when the Senate, striving to find a way to enact the first civil rights bill in almost a century, had to overcome the same cynical tactics of the administration. Every effort that was then made to resolve the dilemma was blasted as too weak and inadequate, and as not going far enough.

Now the Senate will soon deal with the problem of correcting abuses and improper practices in the labor field. Even before the bill is printed, before the first skirmish concerning it occurs on the floor of the Senate, the same familiar tactics are in use again. We are being told that the proposals are too weak; that more of a crackdown is needed, as though the villain were organized labor as properly practiced by the many, rather than the abusive and improper practices of the few.

Mr. President, the objective of the forthcoming debate on the Senate floor ought not to be that of making a scapegoat of organized labor. We must not be stampeded into a wild race to punish somebody. We must, rather, seek constructive legislation which is designed to correct the abuses of a racketeering element within the labor movement, rather than to weaken or undermine legitimate unionism in America.

I believe the Senate will once again refuse to be stampeded, just as it refused to be stampeded in the civil rights debate a year ago. The bill before us may be adequate or may be inadequate. We can determine that, as we listen to the debate, and hear the views of Senators who have studied this issue through many days of testimony.

But the test of adequacy is not whether the bill punishes labor unions. The test is whether it protects American working men and working women without destroying the effectiveness of labor unions. It is time that we put an end to the tactics of punishment politics. It is time that we stood up and rebuked the blatant misuse of public office to create issues for a forthcoming election.

If these tactics continue, we will have to revise the names of our Cabinet positions. The Secretary of Labor will have to become the Secretary against Labor; the Secretary of Agriculture, the Secretary against Agriculture; and we may even see the day in this businessman's administration, when the Secretary of Commerce becomes the Secretary against Commerce.

When will this end? When will this administration start uniting our people instead of dividing them?

Mr. President, it seems to me that there is only one course that can be taken. It is to examine the bill which will soon be before us coolly and dispassionately, resisting any drive to make it a tom-tom for the coming election, for only in such a spirit will it be possible to legislate constructively for the good of all the country.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. NEUBERGER. It seems to me that the Senator from Idaho has made a very fair and reasonable statement. I, too, was impressed unfavorably by the fact that the Secretary of Labor commented so speedily and hastily on this very detailed bill, and from across the width of an ocean and a part of the European Continent. He was so far away from the bill that he could not even have communicated with it by smoke signals. Yet he has made a peremptory criticism, a very sweeping and reckless condemnation of a bill which represents the studied views of a large majority of the Committee on Labor and Public Welfare. I felt that this, in and of itself, was enough to indict the validity of the Secretary's viewpoint.

I have the impression that the bill, which has been reported to the Senate, to deal with certain abuses that have been revealed in the trade-union movement, represents a very careful effort, on the part of many Senators of different political parties, different backgrounds, and different views, to reach a reasonable compromise.

For example, our good friend, the Senator from Michigan [Mr. MCNAMARA], who presently occupies the chair, voted for the bill; yet I have no doubt that the Senator from Michigan regards the bill as too strong in certain respects. On the other hand, the able Senator from Arkansas [Mr. MCCLELLAN], who during the past year or year and one-half conducted the investigation of the trade-union movement—and on whose committee the junior Senator from Idaho [Mr. CHURCH] serves—has, as I have understood, endorsed the bill. Yet I have no doubt that the Senator from Arkansas would like to have the bill somewhat stronger in some respects. Yet men of different attitudes and different perspectives on the whole trade-union movement, such as the Senator from Michigan and the Senator from Arkansas, have been able to unite on the bill, which soon will come before the Senate.

In my opinion, the fact that they have been able to do so is a tribute to the statesmanship of the Senator from Alabama [Mr. HILL], the chairman of the full Committee on Labor and Public Welfare, and to the Senator from Massachusetts [Mr. KENNEDY], who has so adroitly and so wisely synthesized all these different ideas and different recommendations into a reasonable bill.

But the ink on the bill was scarcely dry before the Secretary of Labor, from nearly 4,000 miles away, fired a great, sweeping fusillade from his retreat in the Alps. It seems to me that he could at least have waited until he left his mountain chalet, and returned across the ocean, and had an opportunity to study the hearings and to know what was said to the committee and to know the information and data and records on which the committee based its study, before he so sweepingly attacked this measure.

Therefore, I desire to commend the Senator from Idaho for bringing this matter to the attention of the Senate.

Mr. CHURCH. Mr. President, I thank the Senator from Oregon for his very constructive contribution. I appreciate it very much.

Mr. MANSFIELD. Mr. President, will the Senator from Idaho yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Idaho yield to the Senator from Montana?

Mr. CHURCH. I am pleased to yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished Senator from Idaho for the candid speech he has made this afternoon.

Yesterday, I was impressed when the senior Senator from New Jersey [Mr. SMITH] rose on the floor of the Senate

and commended the Senator from Massachusetts [Mr. KENNEDY] and the Committee on Labor and Public Welfare for keeping the word which the Democratic leadership gave; namely, that by the 10th of June such a bill would be reported from the Committee on Labor and Public Welfare, and would be placed before the Senate for its consideration.

I have been somewhat amused, as well as disturbed, by the reaction of the Secretary of Labor—who is supposed to be the Secretary for Labor—who, from a distance of 3,000 or more miles and without seeing a copy of the bill as finally reported, was able to make minute and definite statements regarding the weaknesses of the bill.

How is the bill weak? Is it weak for labor, or is it weak against labor? Has the Secretary of Labor actually seen the bill which was reported by the committee; or has he seen one of the earlier versions?

I am afraid that the answer is that the Republican administration, in the person of the Secretary of Labor, is disappointed and disturbed that the Democratic leadership kept its word that a labor bill would be on the floor of the Senate, for consideration, by June 10. I believe it is to the credit of the Committee on Labor and Public Welfare that it was able, within the time limit, to report a bill of this nature, which is not yet on our desks, and which we have not yet had a chance to discuss, even though the Secretary of Labor knows all about it.

Certainly I agree with the Senator from Idaho that we should judge the bill calmly and dispassionately, and should do what we believe is in the best interests of organized labor and is in the interest of preventing the abuses by the few who have caused so much trouble.

So I thank the Senator from Idaho for the speech he has made this afternoon.

Mr. CHURCH. I thank the Senator from Montana for his remarks.

Mr. President, it seems to me to be plain that too much partisan, political flavor is to be found in connection with the fusillade of the Secretary of Labor, particularly when we consider the fact that the bill he has criticized from afar is considerably stronger than any proposal the administration has heretofore made in the field of labor-management relations.

So it seems to me that the Senate should not be influenced unduly by such political bombardments, but should pursue the task before it, namely, that of passing a constructive piece of labor legislation, in an objective frame of mind, as the evidence is brought before it in this Chamber by those who are most closely connected with the problem, have participated in the hearings held by the Committee on Labor and Public Welfare, have sat in the McClellan committee for the last year and have judged the evidence there presented all of which is the basis underlying the labor bill which now has been reported.

TRANSPORTATION ACT OF 1958

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1678, S. 3778, the national transportation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, we do not expect any votes on the pending measure today. We do expect it to be thoroughly discussed tomorrow; and we hope a final vote can be taken on the measure tomorrow. The managers of the bill feel it will require 1 day's time. I have discussed the subject with the minority leader. As Senators know, an order has been entered for the Senate to assemble at 10 o'clock tomorrow morning.

Following the morning hour the Senate will resume the consideration of the unfinished business.

We expect to follow this measure with Senate bill 3974, the labor bill.

It is planned for the Senate to hold meetings the rest of the week, including a Saturday session, and including evening sessions. If consideration of the bill is not concluded this week, we shall consider it next week until it is disposed of.

We expect to follow the labor bill with the atomic energy information and material exchange bill, Calendar No. 1685, Senate bill 3912. I do not know how long that bill will require, but perhaps we can dispose of it in 1 or 2 days.

When action is concluded upon that bill, we shall proceed to the consideration of the Alaska statehood bill, Calendar No. 1197, Senate bill 49.

We expect that to be the order which will be followed. I assume that some private bills may be considered in between; and, of course, appropriation bills will have the highest priority. There are at least two appropriation bills ready, and others may be reported to the Senate. If it is agreeable to Senators to take them up, we shall do so, certainly no later than 3 days after they are reported.

I want all Senators to be on notice that it is possible that the Senate will consider the State-Justice Departments appropriation bill tomorrow or next day, if it can be cleared.

The unemployment compensation appropriation deficiency bill will be taken up when it can be cleared. I shall confer with the minority leader, the ranking members, and the chairman of the Appropriations Committee before those bills are taken up.

I should like the Senate and the country to be on notice, however, that appropriation bills will be taken up, if necessary, before consideration of any of the other bills is completed, because they must go to conference, and we wish to dispose of as many of them as possible before the end of the fiscal year.

We have cleared Calendar No. 1153, House bill 7168, relating to policy and procedure in connection with construction contracts made by executive agencies. We expect to take that bill up, but I think it will follow the Alaska statehood bill.

We have cleared Calendar No. 192, Senate bill 495, a bill to acquire lots for parking facilities for the United States Senate. I am informed by the chairman of the Public Works Committee [Mr. CHAVEZ] and the chairman of the Appropriations Committee [Mr. HAYDEN] that certain amendments will be offered to that bill.

We have cleared Calendar No. 780, House bill 6282, a private relief bill, to which objection was made upon the call of the calendar. That bill will be taken up on motion, as will Calendar No. 1184, House bill 1804, a private relief bill; Calendar No. 1464, Senate bill 3195, to authorize certain retired personnel to receive foreign decorations; Calendar No. 1661, House bill 376, a bill to prohibit trading in onion futures in commodity exchanges.

Summarizing, we expect to take up the national transportation bill tomorrow; and as soon as we shall have concluded action on it—which we expect will be tomorrow evening—we shall take up the labor bill. If the Senate does not conclude action upon the national transportation bill tomorrow, it may be laid aside temporarily for the consideration of the labor bill anyway, because certain Members who cannot be present next Monday hope to have the labor bill acted upon this week.

We shall follow the labor bill with the atomic energy information and material exchange bill, Calendar No. 1685, Senate bill 3912.

That bill will be followed by the Alaska statehood bill, with the reservation that consideration of bills on the calendar to which there is no objection, conference reports, and appropriation bills may intervene at any time it is considered desirable, after due notice to the appropriate chairmen, minority Members, and the minority leader.

ADJOURNMENT TO 10 A. M. TOMORROW

Mr. McNAMARA. Mr. President, in compliance with the order previously entered, I move that the Senate adjourn until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 51 minutes p. m.) the

Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, June 11, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 10 (legislative day of June 9) 1958:

IN THE ARMY

Maj. Gen. Robert Vernon Lee, O28882, Army of the United States (brigadier general, U. S. Army), for appointment as The Adjutant General, United States Army and as major general in the Regular Army of the United States, under the provisions of title 10, United States Code, section 3036.

Chaplain (Brig. Gen.) Frank Alden Tobey, O41698, United States Army, for appointment as Chief of Chaplains, United States Army, as major general in the Regular Army of the United States and as major general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3442, and 3447.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 10, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Galatians 6: 10: *As we have therefore opportunity, let us do good unto all men.*

Almighty God, we are coming unto Thee in this moment of sacred communication, recognizing our divine and human relationships and our dependence upon Thee and upon one another.

We thank Thee for the many opportunities which Thou art daily giving unto us to be coworkers with Thee in building a better world.

Help us to be faithful partners in this divine ministry and may we have a deeper understanding of human brotherhood.

Grant that in the hours of each new day we may resolve and seek to do something that will make life less difficult for suffering and struggling humanity.

Hear us, in the name of our beloved Lord, who went about doing good. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11451. An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10589. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. DIRKSEN, Mr. SALTONSTALL, and Mr. MUNDT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11574. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. RUSSELL, Mr. MCCLELLAN, Mr. DIRKSEN, Mr. SALTONSTALL, Mr. MUNDT, Mr. POTTER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2419. An act to amend the District of Columbia Unemployment Compensation Act, and for other purposes;

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended;

S. 3058. An act to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933; and

S. 3651. An act to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes.

MENOMINEE TRIBE OF INDIANS

Mr. HALEY submitted a conference report and statement on the bill (H. R. 6322) to provide that the dates for submission of plan for future control of property and transfer of the property of the Menominee Tribe shall be delayed.

EXTENSION OF TRADE AGREEMENTS

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12591, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. HERLONG].

Mr. ALLEN of California. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-eight Members are present; not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 91]

Ashmore	Durham	Metcalf
Auchincloss	Garmatz	Morris
Avery	Granahan	Powell
Barrett	Gregory	Preston
Blitch	Griffiths	Radwan
Breeding	Gwinn	Riley
Brownson	Hale	Rivers
Buckley	Hays, Ohio	Robeson, Va.
Cannon	Healey	Sadlak
Christopher	Hemphill	Shelley
Clark	Holifield	Shuford
Coffin	Jenkins	Sieminski
Coudert	Kearney	Taylor
Dawson, Ill.	Lafore	Vursell
Dies	Landrum	Wharton
Diggs	Loser	Willis
Dorn, N. Y.	McMillan	
Dorn, S. C.	Marshall	

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 12951, and finding itself without a quorum, he had directed the roll to be called, when 372 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Florida [Mr. HERLONG] is recognized for 10 minutes.

Mr. HERLONG. Mr. Chairman, I rise in support of the committee bill—and I do so firm in the belief that not one single legitimate American industry is expendable. I can do this because I am convinced that there are ample safeguards in the committee bill to protect our industries against serious danger from imports. Certainly there is more protection in it than in the bill that passed the House 3 years ago. The trouble is that while competition is what has made American business and industry great, there are always certain segments who would prefer to operate without any competition—and the moment they see the possibility of some on the horizon they start crying "wolf." They want the Government to step in and help them rather than attempt to meet the challenge head on. The best proof that there is no wolf is that some of those who are crying loudest for relief and want to change the present law have never even been able to make a case before the Tariff Commission. What good would it do those people if the recommendations of the Tariff Commission were in effect final?

I would not for one instant contend that no segment of any American industry had ever been hurt by imports. Some have, and some relief has been granted,

but the Tariff Commission and the President does not have to act every time some American business wants a cushion put around it. Sometimes there are overriding considerations and we have to look at the whole picture.

If the cry of wolf comes to our Government from an American industry and there is a wolf, I submit there is enough protection in the committee bill to drive him away. There is not enough protection in the committee bill, however, to build a wall around the United States—be it a tariff wall or otherwise. If such a wall were built it is true that no one could get in—but it is equally true that we could not get out. And we have to get out or we die. It is just that important. I am speaking to you now as one who has a record of being conservative in legislative matters—and believe me I know of no greater opportunity we have had in the time I have been here for us to conserve the free enterprise system than by continuing with the principles of reciprocal trade.

I have heard the constitutional arguments that have been made—that only Congress can lay and collect taxes—and that therefore we have no constitutional right to delegate this authority to the Tariff Commission and to the President. But does the substitute bill correct that when it delegates final authority in such matters to an appointive Tariff Commission? I do not presume to advise the opposition. I do wonder if they have given thought to the fact that there is absolutely no guaranty that the future personnel makeup of the Tariff Commission will remain as it is now. Where would they be if the substitute were adopted giving the Tariff Commission final authority, if when changes were made in the personnel of the Commission, it suddenly found itself made up of extremely liberal free traders?

Another word on the constitutional angle—believe me there is more to this business of reciprocal trade than levying and collecting of taxes, customs, duties, etc. When the Congress acts in the field of tariffs and, more important, when the Tariff Commission, a non-elected administrative body, acts in the field of tariffs there are inevitable and direct consequences of any such action for the foreign relations of the United States. Yet those same people who protest on constitutional grounds, our delegating the authority to lay and collect duties would, by the substitute bill, completely bypass the President in the foreign relations field—and my friends, if we are concerned with constitutionality, and we are, the Constitution of the United States reserves to the President the conduct of our foreign relations. It is absolutely essential, therefore, to my mind, that the President continue to have the responsibility and authority to approve or disapprove Tariff Commission recommendations if we are to abide by the Constitution. The burden of responsibility should be put on the Congress to override the President in such instances, after having been made aware of all the implications of such an act. The provision of the committee bill is consistent with this constitutional principle.

Mr. Chairman, the decision we shall make on this bill is one of extreme importance. We hear a lot of complaint about money spent on foreign aid. If you fail to pass the committee bill after having already passed the foreign-aid bill you are saying in effect to your constituents that you would rather give money to the other nations of the world than you would trade with them. It is just that simple—because, brother, you have not seen anything in requests for foreign aid to what you will see if we do not continue our trade program. It has been said that the substitute bill continues the trade program—but that is not the way I read it. Under the guise of extending the reciprocal trade program, the substitute bill provides for a gradual destruction of that program and a return to restrictions on trade that would be more burdensome than those enacted in the Smoot-Hawley Tariff Act of 1930.

The committee bill on the other hand would continue the program in an honest way and in an effective manner. It would at one and the same time provide for expansion of foreign trade while providing effective remedies for domestic industries against serious injuries from import competition—when such serious injury has been definitely established to exist.

I am sure that if you give serious thought to everything that is involved in this issue, you will support the committee bill and reject the substitute.

Mr. FORAND. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Chairman, the bill now before us, H. R. 12591, is as important to world peace as it is controversial.

This was made very clear during the public hearings on the bill and during its consideration in the executive sessions of our committee.

I want to pause at this time to pay tribute to our distinguished chairman, the gentleman from Arkansas [Mr. MILLS] for the able and efficient manner in which he directed the very careful and comprehensive study of the existing Reciprocal Trade Agreements Act, which this bill will extend, as well as the changes in the law that will result from the adoption of the amendments contained in H. R. 12591.

He was at all times very patient with, and courteous to, every member of the committee, the witnesses and members of the staff. He insisted on a thorough discussion of each amendment proposed and encouraged every effort made to perfect a bill that had a chance of being enacted into law. I am not fully satisfied with H. R. 12591 but I am supporting it because I feel that with world conditions such as they are today we cannot afford to permit this law to expire.

Failure on our part to extend the life of the Reciprocal Trade Agreements Act would be tantamount to telling our friends in the Free World that we no longer care what happens to other countries and we have decided to go it alone.

Such a move would not only result in the severe crippling of our great export trade, which would affect the jobs of some 3 or 4 million American workers, but it might well result in other countries raising barriers that would prevent us from securing the many strategic items which we must import to assure our National security.

I am one of those who believe in the basic principles of the Reciprocal Trade Agreements Act.

This program was intended to provide for the expansion of international trade conducted by free private enterprises, but it did not contemplate that domestic industries, important to the economies of particular sectors of the country, should be subjected to severe distress and sharp curtailment from unrestricted import competition. My own State of Rhode Island is one of the areas of the country whose industries are particularly vulnerable to import competition, such as lace, textiles, jewelry, rubber footwear, and so forth.

I share the deep concern of the people whose livelihood depends on these industries of my State, where 51,000 workers today are out of jobs, and for the people of other areas that are in a similar situation.

I have been critical for a number of years of the way the program has been administered. I am satisfied in my own mind that the United States representatives who have to do with the administration of the program have, on many occasions, disregarded the intent of the Congress or have shown utter ignorance of it.

To me, the word "reciprocal" in the title of the act means reciprocity and not diplomatic giveaways.

From the time this law was enacted, escape clause and quota provisions were implicit in the trade-agreements legislation, and since 1951, these provisions are explicitly stated in the law.

Yet, while the administration has repeatedly declared its fidelity to the policy represented by the peril point and escape clause provisions, it has avoided its implementation.

It is for that reason that I offered the amendment to strengthen the escape clause provision. This amendment provides that if, after an investigation, the Tariff Commission finds that an industry is threatened or has been injured by imports and recommends that escape-clause action should be taken, the President fails to act favorably on the recommendation, he would have to advise Congress as to why he did not accept the recommendations of the Commission.

Any Member of Congress would then be free to introduce a resolution putting the recommendations into effect and if within 60 days the Committee on Ways and Means did not report the resolution the Member could, under the privilege status of the resolution, call it up for a vote.

With a two-thirds vote of the Members present in the House and the Senate voting in favor of the resolution the recommendations of the Tariff Commission would be put into effect.

Some of us felt that a majority vote should be sufficient but the Department of Justice questioned the constitutionality of such a vote and for that reason we adopted the two-thirds rule.

The record shows that the administration has, in many instances, disregarded the hardships of many groups of workers resulting from increased import competition.

The Tariff Commission Report, dated May 1958, shows that of 30 escape clause actions it recommended to the President, the President declined to follow the Commission's recommendations in 17 cases, deferred action on 2 cases and had not yet acted on 1 case. That is the official record, ladies and gentlemen.

I am particularly concerned about groups of workers and sectors of the economy that are dependent upon manufacturing industries which do not have the advantages of the mass production techniques that make some American industries largely immune from foreign competition.

In the light of the attitude of the administration toward the industries above referred to I note with some bewilderment the development of its programs for oil and certain other minerals. Here the administration seems to be leaning toward programs of price support, either by flexible tariffs or other import controls or subsidies.

And, in connection with the oil program, I should like to call attention to the fact that in the executive sessions of our committee officials concerned with the administration of the so-called voluntary oil import program said that that program was not one of price control. I believe this is the case, but nevertheless, the import controls seem to me to be closely related to the price-controlling measures which the big oil companies and the controls of production of some of the States also tie into. I do not see anything in the explanation of the voluntary import control program to indicate why the maintenance of these prices is essential to the national security. It is for this reason that I welcome the amendment of the national security provisions contained in the bill. Particularly do I welcome the requirement of an accounting by the administration which would explain the relation of the programs to national security considerations.

I have cited only a few of the reasons why I feel it is necessary that this bill, although far from what I should like it to be, should be enacted into law. Despite its shortcomings I shall support it because of the present world situation and I ask you, my colleagues, to do likewise.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the RECORD on the issue now being debated.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, I think any fairminded person who wants to see the Creator's children living at peace with one another recognizes the importance of trade among the peoples of the world. It is the number one way by which individuals of different customs and mores learn to understand each other, acquire mutual interests and interdependence that leads to peace.

Surely, all of us look forward to the day, albeit scores or a century distant, when businessmen, workmen, and farmers around the world will attain a parity in standards of living that will enable goods to flow from one end of the world to another in free, unbridled competition. Certainly, it is everybody's dream that someday we can worry no more with tariffs, quotas, and manmade barriers that complicate or obstruct the flow of trade.

The road to realization of that dream is a slow evolutionary process that cannot be forced or rushed. We can only proceed toward the goal methodically and wisely.

The best mechanism yet devised, in my opinion, to proceed methodically and in an orderly manner toward freer trade is the reciprocal trade program. It is the means by which we can, a step at a time, make improvements here and there in the trade obstructions that, by force of necessity, have been built by peoples through the centuries to protect themselves against unfair foreign competition.

The reciprocal trade program was not intended as a trade revolution. It is evolutionary in every respect.

The reciprocal trade program was not intended as an excuse or a device for harming American industry and agriculture. It was intended as a means of helping American industry and agriculture.

But in a government of laws and men, the best of programs are occasionally abused by men—mortals subject to mortal error. And, in my opinion, some of the men who have advised Government officials and some of the officials themselves have played fast and loose with the reciprocal trade program in recent years and have dealt it almost irreparable damage.

Some policymakers, utterly sincere, have compromised with expediency on occasions and have used the reciprocal trade program as a quick means of placating a complaint or of demonstrating concern for a certain international situation. In plain terms, it appears that some of our foreign policymakers sometimes substitute a temporary trade deal for hard bargaining and diplomacy.

A case in point has been the excessive importation of pork and beef when American livestock prices were at bankrupting levels. I thought then, and I think now, that somebody sold out the American farmer for expediency. Excessive imports of pork from Communist Poland are not a sound application of reciprocal trade that can last or grow. Somebody made a mistake; and it has not yet been corrected. This sort of thing can only hurt, not help, the cause of freer trade among nations. Administrative officials should—and must—be more sensible and weigh all effects of decisions of this kind and not too eager to placate temporarily a discontented nation or to curry favor with a foe at the expense of some of our own people.

And Government officials are not the only ones who have stretched and strained the reciprocal trade program to the point of abuse.

In the postwar era, many of our American business leaders have expanded foreign operations to a point where they are constantly beseeching our Government to let them sell more and more of their foreign production in the continental United States, to "help the poor people of such-and-such a country who are leaning toward communism."

When these companies built these plants in foreign lands, most of them did so with the intent of selling their output in that foreign area or some other foreign area.

But, being human, when they see how profitable it is to produce commodities with 7-cent-an-hour labor, with American executives living in accommodations built with American foreign-aid money, they quite naturally lick their chops at the thought of selling just a little bit of their foreign output in the fabulous American market.

The little bit becomes more and more, and first thing you know—thousands of Americans are out of work because American producers got too greedy and sold too much of their foreign production on the domestic market at the expense of their American operations.

Excesive imports of lead and zinc are currently ruining the American lead and zinc industry. Domestic oil producers have been hurt by excessive imports. American cotton mills have been hurt by excessive imports. The glass industry has been hurt, too.

All this started innocuously enough—just a little change in policy here and another one there, supported by loud clamors and plausible reasons.

But a temporary expedient can often become a permanent headache.

We have had too many trade troubles in recent years, and, in my opinion, most of them could have been avoided.

The lead and zinc problem is an excellent example. Seventy-four percent of the domestic market has been taken over by imports. That is too much. The officials who let these imports get so far out of hand now are confronted with a man-sized problem: If they let imports continue at this excessive rate, we have unemployed American miners by the thousands. If imports are placed under quota and rolled back to more sensible levels, Mexico and Peru and Canada raise a howl about American protectionism.

It is a box we should never have been in—a result, not of the reciprocal trade law, but of administrative decisions.

Adequate relief is available for the lead and zinc industry under the defense clause (7A) of the Trade Agreements Act. Many of us have pleaded with the President to grant such relief. But it has not been granted.

Is it any wonder that the unemployed in the lead and zinc industry are weary and suspicious of reciprocal trade? Can anyone blame them for searching diligently for some assurances, safeguards, and procedural guaranties in this legislation to correct their problem and prevent its recurrence?

I talked to the members of the Ways and Means Committee about the Ikard amendment. It could have included lead and zinc. I thought—and still think—the Ikard amendment would improve this bill, would give some safeguard against some of these inexplicable administrative decisions. I hope that the new language of the national security section will make it imperative that action be taken.

Our choice is now between the Mills bill or the Simpson substitute. No chance to amend or perfect. We either extend the basic Reciprocal Trade Act, with a few slight changes, or turn back the clock to a Congressional log-rolling tariff procedure or turn it all over to an independent nonelected commission.

Much as I hate the abuses of reciprocal trade, I cannot bring myself to scrap the one mechanism by which we can slowly evolve freer trade among peoples of the world. I think the abuses can be corrected within the framework of reciprocal trade.

In my opinion, the Simpson substitute is a poor substitute. It deals with everything, but, I fear, solves nothing permanently.

So, with genuine reluctance—because it is not the bill I wanted—I shall cast my vote for the committee bill, hoping that it will be a better bill when it has finished the legislative process.

Mr. ALEXANDER. Mr. Chairman, during the course of debate on H. R. 12591 I have attempted to keep an open mind. I realize the far-reaching effect that the legislation we have under discussion will have on the future economic life of this Nation. The living standard and security of all our people is bound up in the bill we have before us and it is mandatory, therefore, that we give it our best judgment and in so doing fashion a trade policy for the United States that will provide adequate protection for American industry and at the same time enable this country to fulfill its mission as the bulwark of the Free World.

Mr. Chairman, I realize that the United States cannot build a wall around itself and yet survive. As the most powerful nation on earth it is essential that we buy and likewise sell in world markets. We cannot escape our heavy world responsibilities. The problem before us today is to fashion a bill that will insure the maximum amount of protection for American industry while at the same time affording, as far as possible, markets for an expanding world trade.

There is nothing so certain in the affairs of men as change. Nothing remains static for long. And thus it is in the affairs of nations.

The first Reciprocal Trade Agreements Act, as passed in 1934, was a sound piece of legislation, designed to help the United States and the rest of the world recover from the staggering effects of a great economic depression.

The act of 1934 was intended to be temporary in time and truly reciprocal in nature. It was to carry into effect the great liberal trade philosophy of the late Secretary of State Cordell Hull. The United States was to enter into trade agreements with other nations whereby we could dispose of articles in surplus supply for foreign goods not readily available in the United States. As such it was to be reciprocal in fact, as well as in name.

The Congress, realizing the complexities of the problems to arise through the passage of the legislation, delegated, temporarily, its constitutional power over foreign commerce to the President. But times change. Since 1934 the United States has emerged from the great depression; World War II and the Korean conflict have been fought; the United Nations has come into existence; new countries have been created; and economic and social changes have taken place all over the world. The trade philosophy adapted to the emergency of 1934 of necessity has undergone many changes. What was workable and good in 1934 has not necessarily stood up to the complexities of the changing times. Thus it is that we find ourselves today attempting to extend an idea conceived in 1934 to present conditions.

Mr. Chairman, it is my opinion that the framers of the bill before us, H. R. 12591, failed to take into consideration the economic changes wrought in the world since 1934. As such, I believe the bill is rigid, unrealistic, and will be a grave threat, if enacted, to the security of American industry and its employees.

Since the passage of the original Trade Agreements Act in 1934 the measure has been amended and extended on 10 separate occasions. Although Cordell Hull stated, in speaking of the original trade-agreements measure, "the bill frankly proposes an emergency remedy for emergency conditions," reciprocal-trade legislation has come to be accepted by many as a permanent trade policy for the United States.

Through the years provision has been made in reciprocal-trade agreements legislation for safeguards for American industry, the most notorious of the safeguards provided have been the so-called escape clause and the Antidumping Act.

I will not burden the House with a technical discussion of these remedies for American industry as they have been mentioned on numerous occasions during the course of this debate. It would be well to remember, however, that while the President has reduced nearly 3,000 individual tariff rates since 1934, often several times, only 9 tariff increases had been granted by the end of 1957 on 84 applications under the escape clause and only 8 increases on 198 applications under the Antidumping Act.

To secure adequate protection through the remedies provided in the past has been a hopeless task for some American industries. I regret that the present bill, H. R. 12591, does little to improve the situation.

Mr. Chairman, most tariff rates on manufacturing goods have been lowered to the point that today the United States ranks 8th lowest among the 36 principal trading nations of the world.

On the other hand, many nations that have been granted trade concessions by the United States have responded by imposing severe import restrictions on American products. England, France, Switzerland, and Italy have been guilty of this practice.

Mr. Chairman, the unwise extensions in the past of the 1934 act, without workable safeguards, have had the effect of compounding our foreign-trade difficulties. We are found today with many industries in virtual bankruptcy and thousands of Americans unemployed, and yet we are in a period of unprecedented prosperity.

The difficulties prevailing in the textile, plywood, glass, tile, leather, and watch industries need no elaboration, and unless the bill before us is amended to provide adequate protection for these industries, they and many more will be forced out of existence.

Mr. Chairman, our Founding Fathers wisely placed the control of foreign commerce under the exclusive jurisdiction of the Congress. Likewise, they made the President solely responsible for negotiating the foreign relations of the United States. By no stretch of the imagination was it ever intended for the President of the United States to exercise both the foreign-commerce and foreign-relations functions. Yet, the bill before us continues to delegate to the President the Congress' prerogative of foreign trade.

It is my considered opinion, Mr. Speaker, that it is impossible at the present time for the President to exercise both the foreign relations of the United States and the control of foreign commerce.

It is inevitable for the President's agent, the State Department, to merge the two in the overall political considerations of international politics. And under such a condition there can be only one result for American industry—continued business failures and unemployment.

The Congress must reassert its constitutional authority over the foreign commerce of this country. The President and his agent, the State Department, have demonstrated the failure of the present program in many respects. The elected representatives of the American people should determine the foreign trade policy of this Nation as was intended by the framers of our Constitution.

Mr. Chairman, it is vital to the economic health and general welfare of the State and District I am privileged to represent that H. R. 12591 be amended to return to Congress the control of foreign trade.

My District has three basic industries other than farming—textiles, furniture, and aluminum—which are suffering under the present trade program.

My State of North Carolina has over a quarter of a million people employed in textile plants alone. They comprise 55 percent of the total laboring force engaged in manufacturing in the entire State, and threatening their existence is the continued importation of cheap foreign textiles, principally from Japan.

The people of the Ninth Congressional District of North Carolina need protection and for that reason I intend to support amendments that will be offered to rewrite H. R. 12591 in such a manner that our American workmen and businessmen will secure adequate relief and

yet promote adequate trade with our allies and friends.

I firmly believe that the Davis-Dorn-Simpson substitute bill is not the complete answer but I believe it is a step in the right direction and, therefore, I intend to support it.

Mrs. GREEN of Oregon. Mr. Chairman, we are confronted here with a clear choice. Shall we reaffirm our liberal national trade policy or shall we retreat back down the road toward economic isolationism?

I have heard a great many protectionist arguments in recent days about the hardships suffered by some businesses and some communities. We have our share of hardships in Oregon and I think I know and appreciate these problems as much as anyone here. But I know, too, that there is no easy way out—that this is a difficult choice either way.

Inevitably, an expanding foreign trade will mean that some Americans will have to change jobs, or adapt their businesses to new lines of opportunity. And this will often involve hardship. But the fact is, the number of workers who will have to change jobs, at the most, is only a fraction of the number who change jobs voluntarily every year. And the fact is, the business American firms will lose, at the most, is only a fraction of the new growth of the American market every year. The American economy can provide the new jobs and new markets for every one of the workers and businesses displaced by imports from just a part of the new economic growth of only 1 year. Even so, of course, there will be real human hardship and inconvenience involved in making adjustments. But these facts at least help put the problem in perspective.

What about the other side of the case—what about the problems and the sacrifices for the American people if we repudiate our foreign trade policy? I have not heard the protectionists answer—or even face—these problems, and I would like to hear them do so.

The Soviet threat today is even more an economic than a military problem. Yet Members of Congress who willingly vote billions for bombs and missiles are here today telling us we cannot afford even a limited sacrifice to meet the Soviet economic challenge.

The threat is real; the Soviet leaders have told us as plainly as language can that they are out to defeat us in world trade. Only this past week, Khrushchev has been making a spectacular bid for greater East-West trade, at the very time we are close to telling our trade-hungry allies that we, the richest country in the world, cannot afford to trade with them.

We watched the Soviets use trade as a weapon to invade the Middle East all too successfully. Are we prepared to sit passively and accept a similar defeat, say in Latin America? No one can doubt the real discontent in South America—and even the administration admits that economic problems lie behind it. We know that the Communists are aiming a trade offensive at Latin America—that the Soviet bloc's trade there, though still small, multiplied 6 times just in the past year. Are we going to help the Soviets succeed by building a wall of tariffs and quotas against the lead, the zinc, the wool, copper and oil South America must sell in order to live?

Is that the way we fight communism—billions of taxpayers money for armaments, years out of the lives of our young men for military service—yet no sacrifice, however small, to meet the equally dangerous economic threat? We hear a lot of brave anti-Communist talk on occasions when it costs nothing to talk bravely. It will be interesting to see who are the real anti-Communists, when it comes to fighting the Soviet threat by supporting a strong reciprocal trade program.

Our national security and the security of the Free World are at stake in our trade policy but the protectionists offer no solution to this problem. They are no more successful in explaining why and how we should meet the economic loss that protectionism would cost the American people. We have heard myths and slogans—but they won't stand inspection.

The protectionists say that foreign trade costs the loss of American jobs and American business. Yet far more jobs and far more business depend on foreign trade than are threatened by it. United States exports last year were half again as great as our imports. Clearly, we have more to lose than to gain by a restriction of foreign trade.

But the protectionists tell us we can restrict imports without jeopardizing our exports. There are a good many objections to this but the best one is simply that it isn't so. If we want to sell abroad, we must buy abroad. Already, many of our trading partners have difficulty earning the dollars they need to buy our goods.

Then again, the protectionists tell us American industry cannot compete in the world market because of cheap foreign labor. Yet American businesses successfully sold almost $20 billion worth of goods abroad last year in competition with cheap foreign labor. And, of our imports, no more than a third are actually competing with American goods.

In other words, we have been able to sell five times as much competing in foreign markets as foreign companies have been able to sell competing in the American market. That seems to me pretty successful competition.

What are we to think when the protectionists tell us with a straight face that the chemical industry, for example, needs protecting—an industry that sold $1.5 billion worth of its products abroad last year, while losing less than half a billion of its domestic market to imports? What kind of competition are the protectionists complaining about, that gains three times as much as it loses from foreign trade?

I cannot support a protectionism that would take from American workers and the American economy more jobs and more dollars than it would protect. I cannot support a protectionism that would make our huge sacrifices for national defense worthless by refusing to pay the much smaller prices of security against the economic threat. I do not thing such a protectionism is the answer to the problems of our industries that are hurt by import competition.

We have safeguards in the present law—escape clause and peril point—and they should be used whenever it is in the national interest to do so.

That decision, under the present law, rests where it ultimately must: with the President, who must weigh limited and local interests against the national interest. Experience has shown that the national interest does not always allow us to protect injured businesses. But the answer to that is not to scrap our foreign trade policy and the national interest with it, in order to protect limited local interests, however much our sympathies may be involved. The answer, I think, is to supplement these protections with further provisions that offer some realistic alternative to the inadequacies of the present law.

A policy of trade adjustment—helping workers, industries, and communities to adapt to economic change—will do just that. Trade adjustment legislation is before this Congress and many of us who seriously want to reconcile the overriding needs of our country with the just claims of injured industries will support this legislation as a means of doing so.

Economic adjustment, in the face of economic change, is no new experience for Americans. We have been doing it since the days of wooden ships and stagecoaches and are still doing it in the age of the atom—and it has given us a dynamic and expanding economy. The principle of trade adjustment simply recognizes that when economic dislocation results from a national policy, there is a national obligation to help those who are injured. We helped businesses adjust to the demands of war and again to reconvert to peacetime economy. We help our veterans readjust after the dislocation of military service. We should be willing now to offer our workers and communities the real help that we can give in adjusting to dislocations caused by national trade policy.

Until the protectionists can show that the retreat toward economic isolationism which they advocate will better serve our national security and better contribute to our economic welfare, I am compelled, in the interest of the people I represent, to continue to support our foreign trade policy, which has been tried and proven over the course of a quarter of a century.

And I will work to have it improved by supplementing it with a practical and realistic program of adjustment for those injured by foreign trade.

Because this is the course that best serves the security and welfare of all Americans—and therefore of my constituents—I would support it, even if the narrower interests of my district did not benefit.

The Department of Commerce has compiled data for the delegations of the various States. I have studied carefully data compiled by this Commerce Department to measure the value of foreign trade to the people of Oregon, and, although it is necessarily limited, it shows clearly that stake that we, as Oregonians, have in foreign trade.

For Portland, as a major seaport, foreign trade is a vital necessity. But the value of foreign trade reaches into every part of Oregon's economic life. The great aluminum industry of the Columbia River runs on imported bauxite and exports aluminum. Our farmers, our lumber mills, and our manufacturing industries export a substantial part of their output. Flour from Astoria and canned foods from Portland and Salem are sold in the markets of Latin America. Iron Fireman furnaces from Portland fire the industries of our Free World allies; Mosler safes go around the world. These are only a few of the obvious, direct economic benefits of foreign trade for Oregon. They are multiplied by indirect, unmeasurable benefits—the jobs and the businesses that are created to supply and service firms directly engaged in export trade.

One person in every six in Oregon is employed in three major industry classifications—lumber and wood products, food, and kindred products, nonelectrical machinery. Every one of these industries depends heavily on an export market for its products. In these three industry groups alone, Oregon's share of the Nation's export benefits, by Commerce Department calculations, amounts to nearly $34 million. Wheat is one of the most important of Oregon's products and last year exports moved over half the United States wheat crop—Oregon wheat farmers' share of that export benefit was more than $28 million.

I know that such examples cannot completely measure the value of foreign trade. I know, too, that some of our industries have been hit by import competition. Oregon's fruit and nut growers' proportionate share of the loss of domestic markets to imports last year was $4.1 million; but their proportionate share of gain from export markets was $8.3 million. Others were not so fortunate—some of our lumber producers, some textile producers have been hurt by imports. I think they are entitled to every help and protection we can give them. But we don't help them or the economy of Oregon by taking jobs and markets away from other, equally important industries.

Oregon, like all of the United States, has too much at stake in our foreign trade policy to sacrifice it to protectionism. That is what the facts tell me. The protectionist arguments I have heard do not answer these facts. Until and unless they do, I must support the reciprocal trade program in the interests of my own State and of all Americans.

Mr. PORTER. Mr. Chairman, yesterday my distinguished colleague from the great State of Wisconsin [Mr. LAIRD], presented the Congress with various statistics showing a decrease in production of the United States hardwood plywood industry in 1957. He stated that the reason for this decline in production was because of the great increase in the imports of hardwood plywood, particularly from Japan. Now there is no doubt but that Mr. Laird is right in stating that the hardwood plywood industry in the United States produced less hardwood in 1957 than in 1956, and it is also quite true that imports of hardwood plywood have increased during the past few years. However, to place the blame for the decrease of United States production entirely on the doorstep of imports of hardwood plywood is far from the truth.

The domestic hardwood plywood industry suffered a decrease in production for a variety of reasons, the most important being the fact that we have been going through what my Republican friends call a recession, and all United States industry suffered a loss in production and earnings in 1957. One of the hardest hit industries in the United States was the home-building industry, held down by the tight-money policy of the present administration. The domestic hardwood plywood industry naturally suffered when its prime market went into a decline. However, we must remember that the domestic hardwood plywood industry even in a bad year like 1957 is still a great United States industry. The United States Tariff Commission in its report of June 2, 1955, in its investigation of injury to the hardwood plywood industry by imports stated, and I quote:

> There has been a marked and continuous expansion of United States consumption of ordinary hardwood plywood since World War II. In 1954, consumption was some 50 percent greater than it was in 1947 and was more than two times what it was in 1937.

The Tariff Commission continued as follows:

> As will subsequently be shown, this remarkable increase in the consumption of ordinary hardwood plywood during the past decade was sustained by an increase in both domestic production and imports. To a significant extent, therefore, imports have been supplemental to the domestic supply of hardwood plywood. Indeed, the availability of imports has helped to develop new markets for the product. The great expansion in consumption of hardwood plywood in the production of flush doors would not have been possible if producers had been dependent entirely on domestic plywood. Domestic supplies either would not have been adequate or would have been available only at prices that would have retarded their use. If imported panels had not been available, there would have been greater utilization of substitute materials or of other types of doors.

In connection with the Tariff Commission report I was struck by Mr. LAIRD's interpretation of this report. The Tariff Commission unanimously found, and I again quote:

> In view of the foregoing facts and considerations, the Commission is of the opinion that the domestic industry producing ordinary hardwood plywood is not being seriously injured or threatened with serious injury as a consequence of increased imports.

This, as I said before, was a unanimous decision by the Tariff Commission, and yet Mr. LAIRD stated:

> The domestic industry proved every element of damage set out in section 7 of the statute. In this light, the decision of the Tariff Commission is very puzzling to me.

It may be very puzzling to the gentleman from Wisconsin [Mr. LAIRD] but it is certainly clear to me that the Tariff Commission meant exactly what it said, and that was that imports of hardwood plywood were not hurting the domestic industry.

At that time, starting in late 1954, when the Tariff Commission made its escape clause investigation of possible injury from imports to the hardwood plywood industry, this country was experiencing a recession similar to what we are going through at the present time. It was interesting to see what the Tariff Commission had to say about that recession—again I quote from the Commission's report:

> In the Commission's view the deterioration that the industry experienced in 1954 from the exceptionally high level reached in 1953, after two decades of marked and virtually continuous expansion, covers too short a period to justify a finding of serious injury—this quite irrespective of the importance that might be attributed to increased imports as a cause of the foregoing deterioration as compared with other causes. For purposes of action under section 7, the industry under review must not be judged on the basis of a few months of regression from the best years of its history, any more than on the basis of a short period of unusual expansion. Despite recent reversals, the domestic industry is currently operating on a greatly expanded basis as compared with any period of World War II or with most of the postwar decade; moreover, current trends in the national economy indicate an expansion in production by the industries that constitute the principal markets for hardwood plywood.

The gentleman from Wisconsin [Mr. LAIRD] has attempted on a previous action to put the blame for trouble in the hardwood industry on imports, particularly from Japan. On Thursday, April 24, 1958, the gentleman from Wisconsin [Mr. LAIRD] said that the largest hardwood plant in the world "is going to be shut down on Friday. It is going to be shut down primarily because of competition from Japan." The plant he referred to was the Roddis Plywood Corp. plant in Marshfield, Wis. Investigation disclosed that the plant was not going to be shut down the next day but that it had actually shut down after the second shift on the previous Friday. The reasons for the shutdown, which lasted over the weekend, with the plant reopening on the following Monday, thus being open when the gentleman from Wisconsin [Mr. LAIRD] spoke, were given in the press statement issued by Mr. A. C. Baudek, manager of the plant. Mr. Baudek, as quoted in the Marshfield News Herald said, in announcing the 1-day layoff, that it was—

> an adjustment due to a very temporary situation which was caused by poor spring weather generally.

Mr. Baudek continued:

> Generally bad weather in much of the Nation has delayed the start of building operations which use the Roddis products. Orders have held fairly good, and are continuing to come in, and it is principally a problem of scheduling deliveries.

Here we have the words of the manager of the plant. Does he say one word about foreign competition? No. He laid the blame where it belonged—bad weather conditions. I suppose that we shall now hear that the recent frigid winter we all experienced was caused by Japan.

There is one final factor which should be considered in looking at the condition

of the United States hardwood plywood industry, and this again was taken up by the Tariff Commission in its 1955 report. After stating that the 1954 recession, which slowed down home building and the buying of furniture, and so forth, undoubtedly affected the hardwood plywood industry, the Commission said:

Another factor, also unrelated to imports, that probably contributed to the less favorable position of the hardwood plywood industry is that hardboard and related materials have recently captured markets that would otherwise have been supplied by plywood. Hardboard, particle boards, and plastics have been utilized increasingly where they are substitutable for, or are lower priced than, plywood. Hardboard, for example, has recently come into wide use in the manufacture of television cabinets. In the furniture industry it is used for such purposes as chair seats, drawer bottoms, dustproofing, backing panels, and to some extent as tops and exterior panels, all of which have been important outlets for the use of plywood.

I think it high time for the Members of the House to look at the facts of the effect of imports on the economy of the United States and disregard the fancies about imports which have been circulating recently. It is fanciful and easy to blame foreign countries for the woes originating within our own industries. What we should look at are the facts, which are that in 1957 United States businessmen bought $13 billion worth of foreign goods. These businessmen used their own money and employed American labor to process these goods which were transported to wholesalers and retailers by other Americans engaged in the transportation business and sold to the American people at a profit to all concerned by thousands and thousands of stores and shops throughout the country. The American people in turn bought goods which satisfied them, and the foreign government, receiving good, hard American dollars for its product immediately turned around and bought $19 billion worth of goods from the United States giving employment and profit to countless United States organizations and 4½ million workers. Gentlemen, these are the facts and I bring them most respectfully to the attention of Mr. LAIRD and other dealers in fancies.

Mr. VAN PELT. Mr. Chairman, I am a great admirer of the President of the United States. He has restored balance and good sense to Federal expenditures; he has fostered equity in the relationship between business and labor, to mention just two of his remarkable accomplishments.

History, I am sure, will record these accomplishments far better than I can.

The President has proposed legislation intended to encourage trade between the United States and other countries. Certainly no one can argue with the objective of a beneficial exchange of goods between nations, and I wish to commend the President for his active interest in this field.

Congress, however, is vested with major responsibility for the conduct of our foreign commerce, as specified under article I, section 8, of the Constitution of the United States. Congress, not the Executive, is directed to regulate our foreign trade.

Perhaps some will claim that the framers of our Constitution made a mistake in 1787. Perhaps they feel this responsibility for the regulation of foreign commerce should have been placed in the executive branch. Perhaps they can roll out potent arguments to support their case.

Nevertheless, and right or wrong, Congress is pledged to carry out the mandate of the Constitution. Therefore, while I heartily agree with the President's objective to encourage foreign trade, I cannot subscribe to an extensive delegation of Congressional authority to the Executive.

On the other hand, the President's conscientious adherence to constitutional mechanisms and constitutional directives encourages me to favor granting the executive branch a reasonable, carefully limited authority to enter into trade agreements with other countries for the period of his term in office.

In so doing, Congress would avoid binding subsequent Congresses and avoid granting controversial authority to a President or Presidents yet unknown. I am confident that the President would not object to an extension of his delegated authority through the remainder of his term, with the provision that this authority would be subject to further review before it is granted to a new administration.

I might point out there is a sleeper in the bill which the administration has endorsed. This would permit tariff cuts negotiated in 1963, the expiration date of the proposed measure, to take effect over the following 5 years to 1968—in other words, it is possible that the tariff-reducing powers provided by this legislation would continue 8 years beyond the end of the incumbent President's term. Such a provision is patently unwise.

Our distinguished President warmly endorses the ideal of reciprocal trade. It is an excellent ideal. Unfortunately, it is an ideal which has never been translated into practice, at least in foreign commerce.

A few countries—Canada is the most notable example—have worked earnestly to achieve true reciprocity. But the policies and outlook of our Canadian friends are unique in this modern world. The table which I shall now insert into the RECORD testifies eloquently to the extent of restrictions facing American exports and investments abroad:

Major nontariff impediments to the flow of trade and capital imposed by 89 foreign nations (a partial list)

	Number of countries
Advance deposit for imports	13
Exchange licenses	33
Exchange tax	9
Existence of blocked nonresident accounts	10
Export licenses	46
Forced exchange of payments received in foreign currency	47
Import licenses	62
Import quotas (agricultural)	9
Import quotas (nonagricultural)	8
Multiple exchange rates	23
Preferential exchange systems	16
Preferential trading systems	21
Restrictions on incoming capital movement	28
Restrictions on outgoing capital movement	36
Restrictions on payments for invisible imports	45
State trading	13

As the table shows, two-thirds of the trading nations of the world engage in highly restrictive commercial and financial restrictions. In spite of our record of 24 years of generous tariff reductions, the United States today confronts more obstacles of a non-tariff nature than we did in 1934 or 1938 or even 1945.

Hence, while it appears that some nations have responded to our policy by cutting their tariffs on a more or less quid pro quo with us, they have at the same time thrown up other, more effective means of trade control so as to virtually nullify their tariff concessions to us.

In the last analysis, the United States is seen to have reduced its tariffs by approximately two-thirds in 24 years, while other countries have replaced their tariffs with new and formidable barriers. The United States, in short, has given much and received little in return.

This need not have been the case. Congress decided years ago that tariff concessions should be withdrawn from countries which discriminate against our products and investors. Yet, in the interests of international good will, the State Department has all but ignored this statutory provision.

I fail to discern any logic at all in a situation which finds the Congress passing a law and the Executive Branch bypassing that law in the execution of policy. This failure to implement Congressional intent constitutes shocking and intolerable negligence.

The impact of our foreign trade practices, and the practices of other countries, is sharply felt in the State of Wisconsin. Some of our producers find themselves squeezed on several sides by quotas, licenses and other devices to prevent sales abroad, by the State Department's reluctance to recognize these unhappy conditions, and by increased foreign competition at home as a result of our unilateral tariff cutbacks.

Among the Wisconsin industries caught in this squeeze are producers of machine tools, hardwood plywood, and iron ore.

Until recently the United States was unchallenged as the world's most competent and prolific producer of machine tools. At one time we exported 30 percent of our machine tool production. Today, largely as a result of discrimination abroad, our export ratio has dwindled to about 10 percent, according to testimony before the Committee on Ways and Means.

This injury is compounded by the fact that this essential industry, without which we could not produce planes and tanks and missiles and other weapons of defense, is now watching more and more foreign-made machine tools invade the domestic market.

Although our machine tools are shut out of certain foreign markets by discriminatory devices, the State Department has not seen fit to withdraw any concessions to the guilty countries. The law on this point is clear cut; yet no action has been taken.

Meanwhile, machine tools built by labor drawing wages ranging as low as one-sixth of our own wage levels are capturing more and more of our home market.

If the present trend is allowed to continue, we should not be surprised to awake one day to find our machine tools manufactured abroad, within easy range of Soviet guns and missiles, and shipped here for installation in our factories. This might work as long as the Soviet guns were silent. In the event of war, however, our strategic capabilities would be badly weakened.

Hardwood plywood provides another example. The Governor of our State only recently advised the Committee on Ways and Means that 6 of the 18 plywood plants in Wisconsin have been forced out of business in the past 6 years by excessive imports.

In February 1958, Northern Hardwood Veneers closed its plant in Butternut, Wis., laying off 110 workers. The Splicedwood Corp. in Mellen, Wis., while still operating, has seen its work force slip from 185 in 1955 to 100 in March 1958.

This is the record for 6 years—one-third of Wisconsin's hardwood plywood industry eliminated by imports. The remaining two-thirds, again quoting the Governor, now employ 10 percent fewer workers than they did 6 years ago, losing hundreds of thousands of production man-hours and millions of dollars in wages to our workers.

Meanwhile, Japan has captured more than 40 percent of the American market for hardwood plywood. As recently as 1951, Japan's share of our market was only 1 percent.

Americans, I am sure, wish to see the Japanese economy grow and prosper. However, we cannot stand idly by while this prosperity grows out of the distress and hardship our own industries. It is no secret that Japan's manufacturers have concentrated on the American market; they have adopted American methods, utilized American equipment and facilities. The end result has been booming profits for Japanese businessmen, starvation wages for the Japanese workingman, and serious injury to American industries.

Iron ore, the raw material upon which our entire industrial complex is rooted, is also arriving here in ever greater quantities from foreign mines. In 1952, only 6 years ago, our imports of iron ore were less than 10 million tons. In 1957, these imports surpassed 33 million tons.

United States iron ore production, meanwhile, increased only 7 million tons, from 98 million to 105 million, in the same period. In other words, while imports were gaining close to 250 percent, our own output climbed a scant 7 percent.

Mr. Chairman, the examples I have recounted are matters of record, deserving of the serious consideration of this body. Clearly, there is something fundamentally unsound in a policy which tacitly condones a "law of the jungle" in the world marketplace, while permitting excessive competition and serious injury to domestic producers in their home market.

Much as I admire and respect the President, I cannot support the proposals which his Administration has endorsed. I urge, instead, the prompt enactment of H. R. 12676, to replace present haphazard, illogical practices with updated, reasonable, and responsible procedures. I am convinced that H. R. 12676 will better serve the legitimate long-term interests of the United States and its trading allies.

Mr. MACK of Washington. Mr. Chairman, the House today is debating an old issue. The issue is that of free trade versus the protection of American industry and American labor by the employment of tariffs and quotas to slow down too heavy imports of competitive products from low-wage foreign nations. The same issue was debated by the first Congress when it met in New York City in 1789. Most of the 84 Congresses since that time have been forums for similar debates.

Americans now are and always have been divided in their opinions on this issue. Most of these opinions probably were influenced by self-interest. Those who benefit from exports or who make high profits from handling imports from low-wage nations have been free traders. Those, both management and labor, who were injured by too heavy imports from nations where wages were extremely low have been protectionists.

Most Americans, out of this more than a century-and-a-half-long debate of this issue have come to be pretty well agreed on two things.

Most Americans today are agreed that foreign trade is desirable. Most Americans are agreed that exports create jobs and add to the Nation's prosperity.

But, most Americans also are agreed—even many free trade witnesses who appeared before the committee during the hearings on this bill so testified—that imports of certain foreign products which enter our country in floodtide volume are destroying the jobs of American workmen and instead of helping our national economy are imperiling the very life of some long-established American industries.

All of us desire export business for the United States, but none of us should want it at the price of undermining and ruining long-established domestic payroll industries which we already possess. "A bird in the hand is worth two in the bush." The foreign export business we obtain today soon may be lost through the changing tides of international trade. But, the domestic enterprises we have long possessed will remain with us if adequately safeguarded against low-wage foreign competition and freed from unusual harassment.

The Simpson amendment, it seems to me, offers reasonable protection to domestic industries without greatly interfering with the present volume of exports our country now enjoys. I, therefore, am for the Simpson amendment.

Some free-trade advocates who have spoken during this debate have endeavored to make it appear that if the Simpson amendment is adopted every dollar of the $19-billion-a-year export business our Nation now enjoys will be destroyed and lost. Such statements are nonsense and extravagant absurdities.

If the Simpson amendment is adopted, and I hope it will be, Americans still will drink coffee made of foreign coffee beans, and sip tea brewed from foreign tea leaves. If the Simpson amendment is adopted, Americans still will ride on tires made of imported rubber, still will buy silk, tin, copper, brass, oil, and yes, even some plywood and some fish products, and many other commodities from foreign nations.

The Simpson amendment draws down no iron curtain against the importation of foreign goods. It merely provides that when an industry feels it is imperiled, is jeopardized or faces ruination by too heavy imports of competing products from low-wage foreign nations that industry may ask and obtain a hearing before the Tariff Commission. The Tariff Commission then will make a study of all the facts, and based upon the facts obtained, the Tariff Commission will report as to whether the complaining industry shall receive tariff or quota protection against the foreign competing product. If the Tariff Commission decides in favor of tariffs or quotas, these then will go into effect within a reasonable time unless Congress overrides the Tariff Commission's decision.

This does not mean that all foreign imports of competing goods will be cut off. In the case of plywood imports from Japan for example, which I personally think should be curtailed, the Commission reasonably might limit imports to a certain percentage of the total American consumption. This would be fair to Japan and at the same time would save the domestic plywood industry from suffering a long-continued depression and its workers from curtailed employment.

Under present law, there is no limitation whatsoever on the quantities of plywood Japan can ship into the United States except the voluntary quota limits Japan places on her exports of plywood to the United States. These voluntary limitations are meaningless since experience has demonstrated that Japan once she places a voluntary quota limit on herself pays no attention to it.

The Founding Fathers in the Constitution assigned to Congress as its first responsibility the levying all duties and imposts. In short, the number one responsibility assigned to Congress by the Constitution was the making of tariffs. And, another of the first duties and responsibilities assigned to Congress by the Constitution is that of regulating foreign commerce.

The Constitution assigned the duty and responsibility of regulating foreign commerce, not to the executive and not to the judiciary, but gave it to the Congress. For 145 years the levying of duties and imposts, the making of tariffs and the regulation of foreign commerce remained with the Congress where the Founding Fathers said it should repose.

The Congress, in time, wisely, I think, created the Tariff Commission, a nonpartisan, semijudicial body, to advise and assist the Congress, mainly as a fact-finding body, in regulating foreign trade.

The Simpson bill would restore the Tariff Commission as an arm of the Congress where surely the Constitution intended it should be.

Complaints are made that if Congress embarks on making tariffs and establishing quotas that these will be obtained by log-rolling.

Most bills, the tax bills, the river and harbors bills, the agriculture bills, are in a real sense made by logrolling. The term may sound obnoxious, but what logrolling really means is compromise. All of the 435 Members of the House and 96 Senators pool their knowledge and observation on conditions of the country, and out of this mass of experience and information come compromises which usually are salutary.

The alternative to tariff or quota making by the legislative branch is tariff or quota making by the Executive. In a Government as vast and complex as that of the United States when powers are delegated to the Executive these powers, in turn, must be delegated by him to others. Foreign commerce problems in the main are and have been and will continue to be delegated to the State Department.

The State Department is an excellent department ably staffed, but its responsibility is to look after foreign affairs not solving the domestic problems of our economy. It has staffs in every foreign capital and in almost every foreign seaport. It knows foreign affairs. But the State Department has few or any of its members in the 48 State capitals or in our 435 Congressional districts of this country. While the State Department knows most about the things which are happening abroad, it is not equipped by training or in personnel to know what is transpiring here economically at home in our 435 Congressional districts.

The greatest strength of our Nation in peace and in war has been the massive productive capacity of our industrial machine. It is important that domestic productive machine remain strong, efficient, solvent, and unimpaired. As long as our productive capacity is the greatest in the world we will be strong in defense and economically.

The Congress, with its 435 Members representing all areas of the Nation, is better equipped than the State Department and better equipped than anyone else to keep its finger on the pulse of the domestic economy and to prescribe from time to time those things that are best for our domestic national economy. Every Congressman is an expert on the economic needs of his own district. If he is not he does not remain long in Congress. Final decision in foreign trade matters, therefore, in my opinion, should rest with the Congress as was intended by the Constitution.

My own district is comprised of nine of the most westerly counties in the United States and is as large in area as Massachusetts and Rhode Island combined. It has been through the years especially vulnerable to too heavy imports of goods from low-wage nations. Time after time its people and its industries have been sold down the river by trade treaties and agreements.

Our principal industries are lumbering, plywood making, and the manufacture of shingles, fishing, filbert nut raising, and dairying. All of these industries have been adversely affected, from time to time, by trade treaties that lower tariffs.

Last year, for example, Japan, where the wage rate is 11 to 15 cents an hour, shipped into the United States almost 700 million square feet of plywood. These plywood imports had a wholesale value of $60 million and were the equivalent of the output of 12 large plywood plants employing 5,000 people.

There are Members of Congress, importer groups, shipping people who transport the foreign products into the United States who say the imported plywood is mostly hardwood plywood and that these imports do not injure the Pacific Northwest fir plywood industry.

The management groups of the Douglas Fir Plywood Association which is composed of almost all the fir plywood mills of Oregon, Washington, California, and Montana, however, recently passed resolutions deploring the heavy imports of Japanese plywood, stating that these imports were undermining the solvency of their industry and urging upon Congress that quota limits be placed on these imports.

The Northwest Council of Sawmill and Lumber Workers — AFL–CIO — whose members by the thousands work in plywood mills passed similar resolutions protesting the overly large plywood imports and asking quota relief from them.

In short, both labor and management in the industry, those who are most likely to know whether or not they are being hurt by plywood imports, say their prosperity and employment is being injured by these imports.

I append here letters and resolutions sent me by woodworkers unions of the Pacific Northwest, thousands of whose members are employed in the Oregon and Washington plywood industry:

RESOLUTION OF LUMBER AND SAWMILL WORKERS, LOCAL UNION 3009, GRANTS PASS, OREG.

IMPORTATION OF JAPANESE PLYWOOD

Whereas the undersigned workers are actively engaged in the lumber industry; and

Whereas in the area of local 3009 comprising the County of Josephine and part of the County of Jackson, State of Oregon, there are 2,000 men employed in the lumber industry; and

Whereas all of these men are directly concerned with the impact of Japanese plywood imports on the economy of the lumber industry; and

Whereas in 1951 Japanese plywood imports were 1 percent of the domestic consumption of plywood, in 1952 Japanese plywood imports were 2 percent of domestic use, in 1953 Japanese plywood imports were 10 percent of domestic use, in 1954 Japanese plywood imports were 23 percent of domestic use, in 1955 Japanese plywood imports were 28 percent of domestic use, in 1956 Japanese plywood imports were 33 percent of domestic use, and for the first half of 1957, Japanese plywood imports were 42 percent of domestic use for a total of 806 million square feet in the first half of 1957: Therefore, be it

Resolved, That Senator MORSE, Senator NEUBERGER, and Congressman PORTER take such action as to either restrict Japanese plywood imports or advance the tariff rates on Japanese plywood imports to a degree whereby domestic manufactured plywood would have a competitive market.

WESTERN COUNCIL,
LUMBER AND SAWMILL WORKERS,
Portland, Oreg., March 1, 1957.

The Honorable RUSSELL V. MACK,
House Office Building,
Washington, D. C.

DEAR SIR: Enclosed you will find a copy of a resolution dealing with the importation of Japanese plywood, which was unanimously approved by the delegates at the recent 20th Anniversary Convention of the Western Council of Lumber and Sawmill Workers of the United Brotherhood of Carpenters and Joiners of America, held at Seattle, Wash., February 11–14, 1957.

The resolution itself is self-explantory, but we wish to emphasize that the steady increase of importation of Japanese plywood over several years has been of great concern to the members of our union. The plywood industry in the Western States is currently suffering from overproduction and many of our members are unemployed or working part-time, and import increases serve to aggravate this condition.

We respectfully request that you lend your efforts to achieve the objectives set forth in the enclosed resolution.

Very sincerely yours,

EARL HARTLEY,
Executive Secretary.

RESOLUTION OF WESTERN COUNCIL OF LUMBER AND SAWMILL WORKERS

RESOLUTION NO. 6—JAPANESE PLYWOOD

Whereas the importation of Japanese plywood has increased from 70 million feet in 1951 to 700 million feet in 1956; and

Whereas since it would take in excess of 10 250-man plywood plants to produce 700 million feet of plywood per year, there are a great many jobs lost to the economy of the Western States; and

Whereas the Japanese plywood is produced under substandard conditions and at wages no American workers could live on; and

Whereas because of the substandard wages paid Japanese workers, their plywood can and is being imported at prices below what it costs to produce it here: Now, therefore, be it

Resolved, That the Western Council of Lumber and Sawmill Workers here assembled in Seattle, Wash., reaffirm its position that an adequate quota should be established on Japanese and all other imported plywood in order to protect the jobs of workers in the plywood industry; and be it further

Resolved, That copies of this resolution be sent to Congressional delegates of all the Western States.

EARL HARTLEY,
Executive Secretary.

LOCAL NO. 2843,
LUMBER AND SAWMILL WORKERS,
Everett, Wash., May 20, 1957.

Hon. RUSSELL MACK,
House of Representatives,
Washington, D. C.

We of Local 2843, Lumber and Sawmill Workers wish to inform you of our concern about legislation to raise the tariff on plywood and peeled veneer and also to cut the quotas. We voted at our regular meeting May 14, 1957, to urge you to support legislation which calls for higher tariff and quota cuts.

Yours truly,

JAMES SEIM,
Recording Secretary.

PUGET SOUND DISTRICT COUNCIL,
LUMBER AND SAWMILL WORKERS,
Seattle, Wash., April 30, 1957.

Hon. RUSSELL MACK,
United States Congressman,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN MACK: No doubt you are aware of the fact that due to the importation of Japanese plywood manufactured by cheap labor has compelled the operators in the plywood industry on the Pacific coast to reduce their workweek from 5 days per week to 4 days per week, thereby reducing the take-home pay of our members by 20 percent.

Since 1951, there has been an increase of 4,000 percent on Japanese plywood shipped into the United States, the cost of manufacturing this plywood in Japan is $4.17 per 1,000 square feet compared to $30 per square feet in the United States.

The officers of the Puget Sound District Council of Lumber and Sawmill Workers, AFL–CIO, and the affiliated local unions with a membership of approximately 20,000 in the State of Washington, request that you use every means at your command to seek a quota on plywood imports through regulation or legislation to limit consumption of hardwood plywood manufactured for sale. Thanking you for the consideration and support you have given us, I remain,

Very truly yours,
MICHAEL T. COSTELLO,
Secretary.

The Douglas Fir Plywood Association which is comprised of nearly all the plywood manufacturers of Washington, Oregon, California, and Montana says these imports do injure the softwood plywood industry as well as the hardwood plywood industry.

The position of the Douglas Fir Plywood Association mills, which produce 86 percent of all fir manufactured in the United States, is made quite clear in a resolution passed at a meeting of its management board in Eugene, Oreg., on Wednesday May 14, 1958.

The resolution of the Douglas Fir Plywood Association follows:

Whereas the importing of foreign plywood has had a serious effect upon the plywood industry: Now, therefore, be it

Resolved, That the consensus of opinion of the Douglas Fir Plywood Association is that the great volume of imported plywood has had a highly detrimental effect on domestic production and employment. This consensus rests on the following facts:

Import figures of record show that the United States imported 53 percent of all hardwood plywood consumed in the United States during 1957, a total of 847 million square feet during the year.

Seventy-nine and three-tenths percent of all imported plywood came from Japan, where the average rate of wage per hour is 15 cents as compared with an average rate per hour of $2.52 in the plywood industry in the States of Oregon, Washington, and California. Practically all of this imported plywood is hardwood. It is not only replacing hardwood plywood manufactured in the United States, it is replacing our Douglas-fir plywood. It is possible for Japan to sell this better grade of plywood cheaper than we can produce Douglas-fir plywood with hardwood faces.

The 847 million square feet of plywood imported this year will represent a loss of $40 per thousand square feet in employment in the United States or a loss in payrolls amounting to $34 million.

We feel that should foreign countries continue to exploit their economic advantages, such as cheaper timber, cheaper labor, and cheaper transportation and should they be permitted to continue to sell their production in the United States unchecked, the economic effect on our plywood industry, and especially on the States of Washington, Oregon, and California, will be serious.

Douglas-fir plywood was an extremely important critical construction and building material during World War II, and as such was subject to a very high priority, and it is of vital importance that this industry be left in a sound and healthy condition in case another such grave emergency faces this country.

We recognize the need for, and encourage foreign trade. All we ask is that sufficient restraint on the importation of foreign plywood be applied to permit our plywood industry to survive and maintain our wage structure and standard of living and to enjoy prosperity so necessary to the economic welfare of our area.

What has and is happening to the Pacific Northwest plywood industry as a result of too heavy imports of Japanese plywood is told in a letter by E. W. Egge, superintendent of the West Coast Plywood Co., of my hometown, written to W. G. Heller, head of a Tacoma, Wash., firm of importers. Mr. Egge, in his letter, says:

JUNE 3, 1958.

HEIDNER & CO.,
Post Office Box 1628,
Tacoma, Wash.

DEAR MR. HELLER: We have before us your letter of May 15 addressed to Bill Agnew, of the Douglas Fir Plywood Association. It implies that the threat of cheap, foreign imports to our domestic plywood economy is a myth. Also, your letter states that our industry has been taken in by misleading propaganda. We must absolutely disagree with both contentions.

The effect of this foreign invasion of cheap plywood imports may be a myth to those who are profiting from it, but it is certainly very real and foreboding for those who are suffering as a result of it.

Any inference that cheap foreign plywood, with uncontrolled access to our markets, has no adverse effect on both our hardwood and softwood industries, savors of the ridiculous. If Japanese lauan has not affected the plywood market you might explain what happened to the hundreds of millions of feet of door panels formerly supplied by the fir industry. These have been almost completely replaced by cheap lauan door skins from Japan. We would venture to say that if the import of door skins were to be sharply reduced, that this fir door panel business would quickly return—not in the form of door skins, to be sure, but as plywood for stile and rail doors which dominated the door market until the cheap imported plywood forced them out of the picture.

Also, you might explain what happened to the heavy volume of fir plywood formerly supplied to furniture manufacturers, which has now been largely replaced by Japanese lauan. It has been argued that these imports are hardwood and Douglas-fir is a softwood and therefore they have no bearing on each other. This is not the case because whenever hardwood plywood comes anywhere near the range of softwood prices, then the hardwoods naturally take over as they are the superior product. That is exactly what has happened in many cases. Japanese lauan has taken over fir markets.

Also, in the commercial field we find that these lauan imports have undermined many plywood markets. Statistics show that about 50 percent of all Japanese imports have been in other than doorskins. We have run into this competition in many places. Just for example, our mill formerly produced sizable quantities of spruce plywood for use in the manufacture of tabletops, underlayments, etc. Today, that business is all but extinct as far as our spruce is concerned—having been largely supplanted by Japanese lauan. This is just one little example and we know that there are many others that could be cited.

No, Mr. Heller, we cannot ride along with you on the supposition that everything is roseate with our domestic plywood industry in the face of cheap foreign imports. Of course, it is fine and dandy for those who are profiting from them but is anything but comforting to those who are threatened with the loss of their jobs or their businesses due to this unfair competition.

The damage being wrought to our domestic hardwood and softwood economy is very real and is not a myth or a hoax as some would lead one to believe.

The whole thing boils down to one fact, and we believe you will concur with us on this, that whether it is in the manufacture of safety pins, cameras, dry goods, flashlights, plywood, or what have you, our $2.50 per hour labor just cannot compete with the 11½-cents per-hour pay of the Japanese, It simply isn't in the cards. Either protective measures will now be enacted in their proposed mild form or the resentment against the influx of cheap foreign goods will build up to such a degree that much more severe regulations will be legislated later on.

Yours very truly,
WEST COAST PLYWOOD CO.,
E. D. EGGE.

But plywood is not the only industry in the Pacific Northwest adversely affected by too heavy imports of competing commodities from low-wage nations.

The fishing industry in most of its branches is under constant threat of economic damage from foreign imports.

I went into a grocery of a small fishing village in my District whose people are largely dependent on fishermen and cannery workers for its prosperity. I found on the shelves of that grocery store fish packed in cans brilliantly ornamented with labels showing American Indians in colorful Indian feathered headgear. No product could look more American than did this canned fish. Yet on each can, in small type, was printed the words "packed in Japan." The Japanese canned fish was lower in price than American cans of similar size and content on neighboring shelves.

American fishermen and cannery workers simply cannot and should not be expected to compete with the low wages paid Japanese fishermen and cannery workers.

Our American fishing industry, to survive, must be protected by reasonable quotas limiting fish imports to a reasonable share of the American market. Under existing law the fishermen and cannery workers have little chance of protection.

A story is told of an elderly fisherman with knarled hands due to long hours of labor on the open sea handling saltwater fish who asked a free-trade bureaucrat "if foreign imports deprive me of my livelihood what will I do to make a living?" The bureaucrat is reported to have replied, "Why you can learn to make typewriters." The scant and callus consideration some free traders give those workers displaced by cheap, foreign imports makes one believe that story probably is true.

The Japanese fish often are caught by small boats operating far out to sea and then taken to other ships where they are canned. The wages are very low, only a fraction of those paid American fishermen and cannery workers.

How the Japanese operate in the taking of salmon is indicated by a recent Associated Press dispatch quoting the Washington State director of fisheries. This Associated Press dispatch follows:

JAPANESE RUIN SALMON, CLAIM

OLYMPIA.—Japanese fishermen are "ruining" the American red salmon industry, State Fisheries Director Milo Moore charged Tuesday.

By using small mesh nets outlawed to American fishermen, Moore asserted, the Japanese catch the fish while they are still immature.

He said the Japanese are intercepting red salmon runs headed for United States and Canadian waters. They are catching the fish in the Aleutian Islands feeding area before the salmon head south to North American streams, he maintained.

The crabbing industry and the smoked oyster industry also are affected adversely by too heavy imports.

Prior to Pearl Harbor, a fishing port in my home county, Westport, landed never more than 28,000 dozen large Dunganess crab annually. There was little market for American caught and processed crab because Japan, prior to 1942, was selling 85 percent of all the canned crab marketed in the United States.

Japan blew herself out of the American crab market at Pearl Harbor. A great demand developed for American caught and processed crab. Our Government said, "food is a weapon of war" and encouraged fishermen to invest their life savings and to go into debt to buy fishing boats and gear and encouraged others to open canneries. Because the Japanese had blown themselves out of the American market, our crab fishing business expanded until recently the landing at Westport were totaling about 300,000 dozen of these big crabs annually. The American crabbing industry at Westport grew into a million dollar one. Today that industry is under constant threat from too heavy imports of foreign crab. It wants and needs quota limit relief. It will obtain in the Simpson bill the best chance of obtaining that relief.

Another Pacific Northwest industry under constant threat of foreign competition is that of filbert nut raising. Through the years many hundreds of orchardists have gone into this business in Lewis, Cowlitz, and Clark Counties of Washington and many of the counties of Oregon.

It requires 7 years after planting for filbert trees to reach the nut-bearing stage. At times orchardists have worked for years to get their trees into nut production only to find that when their crop was ready for harvest some foreign nation had a surplus of these nuts and was dumping them onto the American market. In the Simpson bill filbert nut raisers will obtain their best chance for reasonable protection against the tragedy of being faced with prices less than their cost of production.

We who are for the Simpson bill do not ask that all imports be shut off. On many types of imports we ask no curtailment of imports at all. In some special cases, however, where long established American industries are imperiled by imports of low-wage produced competing products we ask for the relief and protection the Simpson bill will provide and which present law and the committee does not provide.

Mr. CELLER. Mr. Chairman, nothing short of the economic health of the Free World is at stake. There is a restlessness all over the world which is focusing itself on trade opportunities. A withdrawn, insular trade policy, if embraced by the United States, would fan into flames the disconent which now smoulders not only in Europe and Asia but also in the Western Hemisphere. Latin America is a very good case in point. A shutting off of imports is as well a shutting off of exports. Not only are the principles of free competition thus ravaged, but, in more immediate terms, this will mean increased unemployment among the healthy segment of our population which derives its livelihood from export trade.

The substitute bill is a dangerous bill for, in addition to its other deficiencies, it virtually gives full authority to the Tariff Commission to establish the trade policies of this country. Should the President wish to change any of the Commission's decisions other than increases, he would be required so to recommend to Congress, and Congress must act within 60 days.

The substitute likewise calls for accelerated procedures to increase tariff rates and to impose import quotas.

Unless we can have more certainty in our trade policies, we cannot negotiate reciprocal trade agreements which would best serve our interests. I believe that a 5-year extension of the President's authority to enter into reciprocal tariff-cutting agreements is the only way to bring any stability whatsoever to our trading possibilities. The 2-year extension which is called for in the substitute, in addition to its other deficiencies, will produce more problems than it solves. The myth of our self-sufficiency has long since been exploded. Shortages of critical material increase yearly.

People are always startled to learn that we have to import, for example, 100 percent of our natural rubber, 100 percent of our tin, 100 percent of our industrial diamonds, 100 percent of our graphite, 98 percent of our platinum metals, 80 percent of our cobalt, 68 percent of our mercury, and so forth. No airplane or automobile could be made to work without imports.

Now, let us look at the other side of the ledger.

Our exports far exceed our imports. Both industry and agriculture in the United States must, and do, export to keep our economy alive and growing. Four million five hundred thousand American workers earn their living in export trade. The products of 40 million acres of American farmland are sold abroad. That is one-tenth of all the cropland in the country. The United States sells abroad chemicals, textiles, iron and steel, agricultural machinery, automobiles, trucks, and aircraft.

Suppose, then, we wall in the United States by high protective tariffs. Whom are we protecting? Not American labor, not American industry, not the consumer. Who gains by protective tariffs is a small group who seek to be insulated from competition, a sort of subsidy for which the consumer ultimately pays. Actually, the equation is a simple one. If we do not buy from other countries, they will not buy from us.

But let us suppose that, despite their unwillingness to buy from us when high tariffs are imposed on their own products, these countries, nonetheless, feel they must have our products. If they do not earn the dollars by selling us their goods, where will they find the dollars to use for purchasing ours? Where, then, can they turn? To Red China? To Red Russia? You may be sure the tentacles of these nations are itching to clutch at the advantages offered by foreign trade. It would be a major victory for the Communists, and we shall have handed it over to them in the name of self-protection. Can there be greater irony?

No military pact, no treaty, can serve us if our trade policy evidences our economic isolation. We must ponder well what we do here today. This may be the turning point from which there will be no return.

Mr. ROOSEVELT. Mr. Chairman, an extension of the Trade Agreements Act for the period of 5 years and a further grant of authority to the President for tariff reductions are absolute essentials in this year 1958. One very urgent reason for this extension is the current recession in the United States. Whether it will deepen or it is presently bottoming-out, are questions which no one can answer with certainty. One thing, however, we can be sure of that is that, as has been said so often, 4½ million American jobs depend upon foreign trade. This year our exports have fallen off from the high peaks of early 1957. Should the American recession spread around the world, we may be sure our exports will be further and far more deeply affected. There can be no doubt that that would mean loss of jobs for thousands of Americans.

One of the best prospects we have for avoiding that kind of worldwide recession is by a declaration to the world, through the passage of this Ways and Means Committee bill, that we are prepared to continue a gradual and careful reduction of our tariffs, that we are not retreating to protectionism, that the American market is not closed to those producers among our foreign friends and allies who can present newer and better products to the American consumer. The kind of confidence that such a declaration would instill in businessmen and governments around the world might well be the best antidote that could be prescribed for the incipient recession abroad. Other countries would be encouraged to buy our exports. They would be encouraged to spend what dollars they have if we can give them the assurance that there will be ever-

increasing possibilities for earning more dollars in the future. This 5-year trade bill can have, in that respect, a tremendous psychological effect everywhere.

We are told that in the midst of the recession, with substantial unemployment, we should reserve the jobs we have by restriction of imports. As I have indicated, it seems to me that because we have a recession is a reason of very great force for doing precisely the opposite. Our best jobs, our highest paying jobs are in our exporting industries. Those are our growing industries, industries upon which we must depend for more jobs in the future. Our work force is growing daily. If these men and women are to find jobs, they must find them in expanding industries.

We who favor a valid and adequate trade agreements extension are accused of every kind of softheadedness, of simple-minded idealism and addlepated one-worldism. Actually, the reverse is probably true.

In the face of the strong and sometimes vitriolic attacks of the high-tariff protectionists it takes a hardheaded and realistic person to continue to affirm support of this legislation.

America will not grow without the spur of competition. New jobs will not be created without new products and new markets. This means economic expansion. For that expansion legislation must be in a form and for a duration of time which will meet the urgent demands for economic security.

Therefore I suggest to the Congress that it must turn its back on the narrowness and defeatism of a policy of trade restriction. Such a policy is retrogression and this is an era when we can afford no retrogression. We shall be told, of course, that this substitute bill will not lead to further trade restrictions, that all the trade agreements presently in force will remain in force, that no tariffs will be increased unless the industry concerned is threatened with serious injury.

I submit that this is not true and cannot be true. The provisions of the substitute bill are such as to unquestionably encourage applications to the Tariff Commission for higher rates of duty. Should the Congress pass this kind of a trade bill, inevitably the Tariff Commission would see the protectionist handwriting upon the wall. It would take no great subtlety for the tariff commissioners to understand that in passing this substitute bill the sense of Congress would clearly be that tariffs should be higher. That sense would not be lost upon the Tariff Commission, we may be sure.

In vain the President might try to stem the tide. We know, of course, that under the substitute bill no new trade agreements could, in practice, be negotiated even though they are authorized. A major question would be whether, in view of the very limited carryover authority provided in the bill, the President could make sufficient compensation to our trading partners for the tariffs he would have to raise and the import quotas he would have to impose, to prevent a complete breakdown of our system of trade agreements.

There can be no doubt of the effect that passage of this substitute bill would have upon the peoples of the world. What we would lose in terms of leadership, in terms of a general unraveling of the fabric of world trade, of loosening of the bonds of Free World unity—these questions may go far beyond our present conceptions.

It is proper at this point to state affirmatively that this committee bill does not, of course, solve all of the problems of reciprocal trade.

One of the creative statesmen of our day, whose talents are not being used at the moment for the benefit of the Nation, Adlai E. Stevenson, has made some concrete proposals for a worldwide reexamination of the mechanics of free trade. This proposal, or something very much like it, is long overdue. Certainly, it is a reasonable question whether our present policy sufficiently emphasizes the means of raising wages and standards of living in other countries, or even makes appreciable progress toward that day when all nations, within a limited basis, will be on equal, competitive terms in the production of goods and services. But the raising of these questions does not indicate the abandonment of a program so well proven in past experience and so necessary in light of the competition which totalitarian ideas are giving to the forces of freedom.

In view of the Soviet economic and political offensive which has been so vigorously pressed around the world in the last 2 years how can we conceivably turn our backs on one of the most effective programs we have to counter peacefully this effort? We have recently passed an authorization bill for foreign aid exceeding $3 billion in cost to the United States taxpayers. It was necessary that we do this if only to meet the needs of our own security. We shall probably pass military appropriation bills this session exceeding $40 billion, for the same reason. How then, if it is sound, under the circumstances, to spend such sums to keep our Nation secure, is it unsound to continue a peaceful program which has served us so well for 24 years—so well in fact that our export trade rose from $2.1 billion in 1934 to $19.5 billion in 1957. How is it unsound in the face of the greatest economic, political and military threat our country has ever known? Let there be no mistake about it—the substitute bill is not a substitute, it is a reversal. Let us not delude ourselves that in approving the Simpson bill we would be continuing the trade agreements program. We know we would not and the world knows we would not.

And the world is watching carefully what we do here. The direction in which that great and historic development, the European Economic Community will go, made up as it is of nations which are our closest friends and allies, depends very largely on the direction in which the United States Congress goes in this question of Trade Agreements extension. The Community will either turn inward upon itself, toward regional autarchy and self-sufficiency, or it will turn outward toward us and further strengthen the bonds of mutual interdependence. It can easily become a third, and neutralist force in a world now dominated by the two giants, or it can become increasingly what we have sought to make it over the past 12 years, a Community of nations closely bound to us in mutual security, mutual prosperity and mutual friendship. What we in the Congress do on this issue before us will have a far more critical effect on our future in the world than is pleasant to contemplate under the circumstances.

Equally ominous is the effect of a refusal on our part to continue the trade agreements program, on our relations with the underdeveloped nations of the world. We know, of course, there has been in the last few years a virtual revolution in awareness of the possibilities of material progress, among the peoples of three quarters of the globe. There is a rising consciousness of what can be achieved and a burning ambition—a demand to achieve it. The United States with its vast strength has responsibilities which it cannot shirk, to participate in the rapid development of these peoples—responsibilities which it cannot shirk if only because our very security is at stake. Any retreat now by the United States to protectionism in the field of international trade could only be interpreted in every capital around the world as a withdrawal from the race, as a declaration that the United States was not prepared to participate or to aid in the new economic revolution, that the field was being left to the Soviet.

To make such a declaration or to so act on this trade issue that any nation or any people could believe that this was our implicit intention, is unthinkable. Let us make no mistake then and let us adopt this committee bill, in full recognition of the gravity of its implications for us all.

Mr. SANTANGELO. Mr. Chairman, I rise to support H. R. 12591, a bill to extend the President's authority to enter into trade agreements as proposed by the House Committee on Ways and Means.

I support this bill because I believe it will further and inspire our domestic economy, it will strengthen the economies of the Free World nations, particularly those of the undeveloped countries, and will meet the threat of the economic warfare now being waged against us by the Soviet Union.

Our trade program must prove to our friends in the world that we are alive to the possibilities of aggression by opponents who cannot possibly offer the same concessions as we do. A challenge faces Congress to take a giant step and put our trade policy on the offensive as never before.

A liberal trade policy systematized for a long period of 5 years and buttressed with an additional 25-percent cut in tariffs will create a climate of optimism that can stimulate increased economic activity to satisfy the world's needs for trade and investment. Certainly the world will be better off if its activities can be directed into peaceful channels rather than in preparation for war. In my opinion, the time is ripe and opportune for an injection of hope for the future.

Too many of the neutral and newly created nations have come to believe that the Communist bloc is showing signs of superiority over the Western World and that inevitably there must come a gradual integration with that bloc. Even amongst our allied and friendly nations sentiment is building up to the effect that if the Soviets can prove superior in scientific matters, such as intercontinental and outer-space missiles, sooner or later they themselves will be drawn into the orbit of the Soviet economic power. What finer weapon do we have to bind our friends together in this period of acute missile preparation than our trade act with its premise of enhancing the prosperity of the Free World instead of contracting it?

It is axiomatic that by not continuing our liberal trade policies we run the risk of causing our Free World friends to run into difficulties in their international transactions. Such difficulties will inevitably lead to a slackening of the defense effort of the Free World and thereby cause even greater defense expenditures on our own home front.

Allow me to state for a few moments what I conceive to be the basic concept of our trade agreements program.

When Cordell Hull, who is the father of our reciprocal trade program, became interested in the whole field of foreign economic policy after World War I, he stated in 1919 that "the biggest factor in our domestic prosperity during the coming years will be our foreign trade." Cordell Hull spoke much for an interchange of ideas on trade so as to increase total imports and exports. But it was not until the lessons of the depression were learned, when economic stagnation forced the contraction of trade channels, that he was able to persuade Congress in 1934 to initiate a policy of reciprocity in trade and asked that the United States take the first steps by reducing tariffs and trade barriers.

Our lawmakers felt in 1930 that to combat the initial effects of the depression our tariffs should be raised so as to prohibit excessive imports from other nations and to protect our domestic industries. History proved how this highest tariff in our domestic economic policy contracted our trade. Hull called this tariff an embargo act and stated that his philosophy of tariffs consisted of a competitive tariff. In elaborating on this competitive tariff aspect, Hull stated at the Montevideo Conference in 1933 that an effective marketing and foreign trade policy should be multilateral because nations are systematically interrelated and interdependent in an economic sense with the result that international cooperation is a fundamental necessity. He further stated that "mutually profitable markets could only be obtained by the liberalization of the commercial policies of other countries." These sentiments gave rise to the reciprocal concept of our Trade Agreements Act of 1934 under which Congress delegated authority to the President to cut tariffs so as to stimulate international trade and to make agreements with other nations on a reciprocal basis.

Initially, the express purpose of this action was that the largest trading nation in the world would, by unilateral action, set an example which other nations could follow and it was hoped that this action might result in ever-increasing trade between nations. It can be said that the results of this action initiated in 1934 has been nothing short of spectacular. This act has been renewed and extended 10 times and is the keynote of our foreign economic policy.

Our current debate centers around the fact whether the act should be extended for 5 years and whether any crippling amendments concerning quotas should be allowed. Our Ways and Means Committee has held extended hearings on the President's proposals for extending this Trade Agreements Act and has recommended that the act be extended in the form as asked by the administration with the amendment that whenever the President does not see fit to follow the recommendation of the Tariff Commission in certain instances, we, in Congress, will have the opportunity to override his veto by a two-third majority and institute remedial measures if it is proved to our satisfaction that excessive importations of a certain product tend to hurt a domestic industry producing like or competitive products. This is in opposition to those trade groups who assert that they are being hurt excessively and exerting enormous pressure on us as Members of Congress to hamstring this one program on which much of our foreign economic policy depends. In the light of our leadership, friendship, and assistance being rendered to the world in peaceful measures, I think at this time it would be most inopportune to vitiate our friendly trading program and substitute something which cannot but lead to retaliatory measures by others, even by some of our best allies.

The legislation which we are currently discussing will largely determine the role which our United States industry will play in the expanding world trade and will substantially affect the overall economic, political, and military relations of this country with other nations, not only of the Free World, but also of the state-dominated policies of the Soviet bloc. I am convinced that seldom has any issue so loaded with potential international repercussions come before us and an issue which we will have to settle before the act expires on June 30 of this year.

I say that if we want to take the easy way out we can allow ourselves to be so influenced by a minority of opponents and by the pressure of a limited number of industries. I agree that some industries are hurt by excessive imports, but our President, with the advice of the Tariff Commission, has the procedures to alleviate the injury and to prevent harm to our domestic industries. It is easy to adduce reasons why we should not take a step that may cause some continuing hardship for certain domestic industries but, on the other hand, this step taken in the national interest will enhance our prestige abroad, will make many small nations currently feeling insecure under Soviet pressure know that we are their friends and, at the same time not cause us to cripple international trade by amendments which in the long run cannot redound to our own benefit.

In fact, the hearings before the Boggs subcommittee stressed the demand by certain vociferous minorities as well as by the protectionists bloc in our country that the act should not be renewed at all or if renewed that Presidential authority be so curtailed that his final action in our national interest cannot be on behalf of all citizens but, will be influenced on behalf of certain groups only. Much is said of returning to Congress the power to intervene in tariffs. This power is guaranteed in this act because we, the legislators, will certainly be able to override any Presidential veto if no tariff relief should be granted to specific industries. In fact, this relief is stronger than any relief given during the last 25 years—namely, tariffs may be raised 50 percent above the level existing in 1934. The present law sets January 1, 1954 as the base date. The protectionist bloc, I am sure, cannot ask for more than that.

Finally, may I state my belief that our American economy is a competitive economy and that this is the secret of our enormous success. We are living in a consumer-directed economy which is the reason why it is the richest in the world. The man who buys is the one who calls the tune and the American consumer likes competition. We are also not self-sufficient because many strategic materials must be imported and if we fail to follow the course of expanding trade these very materials needed by our expanding economy may be cut off by retaliatory measures by other nations. We cannot afford to let protectionism strike at the very roots of our own interests in the world and in the peace of the world. In my opinion, our most overriding world interest is peace and peace historically travels the route of trade. If our commercial arteries are choked then the economic causes of war find a ripe breeding ground.

As far as I am concerned, this Trade Agreements Act is one of the best methods we have of achieving prosperity in peace and that to extend this peace we must renew our Trade Agreements Act because under it we increase the chances of the world to achieve better standards of prosperity and levels of living.

Mr. WITHROW. Mr. Chairman, the term "reciprocal trade" has a beautiful sound, and it really is a splendid idea. I favor it strongly. But, when we talk about reciprocal trade we should know what we are talking about. The word "reciprocal" means, according to Webster, "mutual" or something that is "shared, felt, shown, or the like, by both sides."

I submit there is nothing reciprocal in the bill which the House Ways and Means Committee has put before us today. I intend to vote for the substitute bill by Representative SIMPSON and others. I earlier introduced a similar bill. That measure would require some reciprocity in world trade. I urge my colleagues to vote down the committee bill which in my opinion would make possible even greater injury to some of our most important industries. It would add to, rather than lessen, world tensions. It would weaken the power of the Nation

to defend itself against the forces which would destroy us by any means at their command. Let us not contribute to our downfall by enacting measures that would further weaken our power to resist.

There are many arguments that could be made against a continuation of present trade policies, which have brought many industries to the brink of disaster, and threaten loss of business and jobs in many more. I would like to direct your attention particularly to the lead and zinc industry.

We in Wisconsin are justifiably proud of our dairy and other agricultural products, but the State is important also for its mineral resources. In 1956 some 45 million pounds of zinc were mined in Wisconsin, but the sharp drop in price due to low-wage-produced imports, has virtually demoralized the industry Last year all of the domestic mines in the country produced about 425,000 tons of zinc, but imports were 792,000 tons—the highest on record, and almost double the domestic production.

The lead tariff had been reduced 50 percent in 1943. Tariff was removed completely in 1948; reinstated at the 1943 level in 1949; returned to the pre-1943 level in 1951, and later that year to the 1943 level; removed completely in 1952, and now reinstated at the 1943 level.

Zinc tariffs were reduced 20 percent in 1939; 38 percent in 1943; 20 percent in 1951; abolished completely and then reinstated at the 1943 level in 1952.

Now we are asked to provide authority for still further reductions. This, mind you, for vital mineral products without which we could not maintain our national defense. If forced to depend on foreign sources, through the destruction of our domestic industry by ruinous foreign competition, we would be in an alarming position.

The lead and zinc miners of Peru and other countries who are taking our lead and zinc markets work at starvation wages as compared with American miners. Our wage and hour laws, employment compensation, social security, and other measures protect domestic miners from unfair competition among the several producing States. These laws protect against sweatshop conditions within the country, but they have no effect on cheaply produced imports. Employment in lead-zinc mining has been cut in half since 1952. Should we permit it to be cut still further?

Let me quote from the minority report on the committee bill—page 55:

> Our Nation's first line of defense is its production. With political instability characterizing at least half of the Free World, our Nation cannot adopt a policy which would increase our dependence on foreign sources for strategic or defense materials. Present policies encourage the maximum use of overseas production and the Trade Agreements Extension Act of 1958 would accelerate and broaden this policy. It would be folly for the people of the United States to permit any such thing.

The only sane approach to the cheap import problem is a tariff structure that will permit our industries to compete fairly in world markets. Our industries cannot be expected to live and provide their employees with continued high wages, if they are undersold in our markets by a flood of goods produced under the low-wage standards of such countries as Peru, Japan, and others.

With the present legislative situation, the most advantageous step we can take is to vote for the Simpson-Dorn-Davis-Bailey substitute to the committee bill.

The argument is often used that under the reciprocal trade agreements we dispose of huge amounts of agricultural products. This is not true. Those surplus agricultural products are handled under the authority granted under Public Law 480, which has nothing to do with the reciprocal trade agreements.

I shall vote for the bill if the Simpson amendment is adopted.

Mr. DAWSON of Utah. Mr. Chairman, on an issue which has generated as much controversy as reciprocal trade, it is perhaps inevitable that a great many inaccuracies should be circulated, in innocence or in guile. The erroneous implication which I want to nail at this time is that anyone who indulges in reservations about our present trade program—as here represented by the committee bill—is opposed to reciprocal trade.

As one who holds such reservations strongly, I specifically deny that implication. I do so as one who has voted, admittedly with increasing reluctance, for each extension of the Trade Agreements Act which I have been in Congress.

But in past sessions, and again in this session, I have sought to amend the act to correct a glaring weakness. My amendment would have given Congress the final authority when the Tariff Commission, through escape clause investigation, finds that a concession made by the executive branch is crippling a domestic industry.

The point I want to emphasize is that this proposal would not add to the Trade Agreements Act one iota of protection for domestic industry that is not already in the act. Its only objective is to give effect to those safeguards which are in the existing act but which are being completely ignored in 2 cases out of 3. Is it being an opponent of reciprocal trade to try to make the act work as it was intended?

Now a similar provision is offered us in the Simpson-Davis-Bailey-Dorn bill, which I support in the hope that I thus can again vote for extension of the Trade Agreements Act.

As much as I am impressed by the importance, to ourselves and other freedom-loving nations, of an ever-expanding trade program, it is becoming increasingly apparent that our present trade policies are at or past the point of diminishing returns: not only the point where the overall economy of the United States begins to weaken, but where it weakens faster than its trade partners take on strength, to the overall detriment of the Free World in its struggle to remain free.

It is one more case where we must regretfully conclude that we cannot have our cake and eat it, too. Along with all the advantages of liberal foreign trade policies there are disadvantages, and when the disadvantages begin to outweigh the advantages, it is time to adapt those policies to meet the situation.

There are few of us in this House who do not have reason to be acutely aware of what those disadvantages are. Where short years ago only an occasional industry—lead-zinc mining was the major one—was being seriously injured by foreign imports, now there are few corners of our country where one or more industries are not suffering the import miseries. These are not infant industries struggling for a foothold: most of them are long-established industries of the type upon which our country's leadership and greatness was built.

Neither are they so-called "uneconomical industries," unless it is uneconomical to pay an American worker a living wage. We have all heard numerous specific examples of how foreign sources can undersell American manufacturers of equivalent products; let me add one more. Recently, United Park City Mines Co. had occasion to call for bids on 20-pound rail, f. o. b. Keetley, Utah, in 40-ton carload quantities.

Colorado Fuel & Iron Co. could deliver the rail from our neighboring State at $9.02 per hundredweight. A German firm offered to deliver the rail at Keetley for $7.55 a hundred.

Are our American steel plants one of those outmoded, uneconomic industries which, according to some sources, should be weeded out of the American economy? And where in the world, incidentally, are there more efficient, modern mechanized copper mining operations than those in our Western States where thousands of American miners have been laid off or put on a reduced workweek because of a production surplus which had its origins in our present trade policy?

This weakening process of our domestic economy grows deeper as it grows wider. We simply cannot at one and the same time maintain the highest wage and living standards in the world; tax our workers and businesses to the limit, and still compete with the rest of the world on a dog-eat-dog basis.

In theory, the Reciprocal Trade Act does not allow the serious damage to American industries which we have witnessed. When the Tariff Commission, after due investigation, finds that a complaining industry is being so injured by imports, it recommends steps to be taken to modify the trade agreement which has resulted in the injury.

Unfortunately, whether those recommendations are followed is left up to the same persons who made the trade agreements in the first place. The results were inevitable. The escape clause is rarely invoked. The Tariff Commission and the escape clause procedure have been set aside as so much window dressing.

To date, the Tariff Commission has recommended escape action 30 times, and only 10 times has the President then in office invoked any part of the recommendation. One case—lead and zinc, on which the Commission made a unanimous finding of serious injury—is pending, but the most hopeful eyes and ears

have found no hint that favorable action will be taken.

The remedy contained in the Simpson bill can be objected to only on the grounds that the escape clause might be invoked too often, a supposition that either the escape clause is intended to be ignored, or that the Tariff Commission is in fact a High Tariff Commission.

The record does not support the latter assumption. Since provision for the escape clause was made in our trade act, the Tariff Commission has received 87 applications for investigation, 6 of which were dismissed at the applicant's request, and 4 of which are pending. Out of the other 77 cases, the Commission made a majority finding of serious injury in only 25 and in 5 others the Commission divided evenly a situation in which the Chief Executive can take either recommendation. In each of these five cases he decided against remedial action.

Mr. Chairman, I submit that the basic question we are facing here is how far we can go toward a free trade policy without seriously impairing the economy of the United States. I urge adoption of the Simpson bill as the only course available to us for continuing the beneficial aspects of our reciprocal trade program without wrecking our economy in the process.

Mr. SMITH of Mississippi. Mr. Chairman, the merits and demerits of the bill before us and the proposed substitute have been debated at great length. I do not propose to enter into those arguments at the moment other than to say that I believe it would be disastrous to American business if we adopt the policy proposed in the Simpson substitute.

The tariff question is a great historic issue that has divided our country down through the years. I am greatly disappointed today when I see so many of my Southern colleagues turning aside from the leadership of the great statesmen of our section down through the years. For the benefit of my colleagues and anyone else who might be interested, I would like to include in the RECORD some selections from statements on the tariff issue made, first of all, by that greatest spokesman for the South, John C. Calhoun, and then by a series of great Mississippians who have previously served in the Congress—Jefferson Davis, James Z. George, Lucius Q. C. Lamar, John Sharp Williams, and Pat Harrison.

On a great issue like this, I think it is sound and proper to turn to the counsel of these great statesmen of the past who fought for the basic interests of our country, the South, and Mississippi.

Masterpieces on the Tariff, Copeland; quoting John C. Calhoun, pages 37–38:

"The Federal Government has, by an express provision of the Constitution, the right to lay on imposts. The State (South Carolina) has never denied or resisted this right, nor even thought of so doing. The Government has, however, not been contented with exercising this power as she had a right to do, but has gone a step beyond it by laying imposts, not for revenue, but for protection. This the State considers as an unconstitutional exercise of power—highly injurious and oppressive to her and the other staple States—and has, accordingly, met with the most determined resistance. I do not intend to enter, at this time, into argument as to the unconstitutionality of the protective system. It is not necessary. It is sufficient that the power is nowhere granted; and that, from the journals of the convention which formed the Constitution, it would seem that it was refused. In support of the journals I might cite the statement of Luther Martin, which has already been referred to, to show that the convention, so far from conferring the power on the Federal Government, left to the State the right to impose duties on imports with the express view of enabling the several States to protect their own manufactures. Notwithstanding this, Congress has assumed, without any warrant from the Constitution, the right of exercising this most important power, and has so exercised it as to impose a ruinous burden on the labor and capital of the State, by which her resources are exhausted, the enjoyment of her citizens curtailed, the means of education contracted, and all her interests essentially and injuriously affected."

John C. Calhoun in the United States Senate, on the passage of the tariff bill, August 5, 1842:

"No two things, Senators, are more different than duties for revenue and protection. They are as opposite as light and darkness. The one is friendly, and the other hostile, to the importation of the article on which they may be imposed. Revenue seeks not to exclude or diminish the amount imported; on the contrary, if that should be the result, it neither designed nor desired it. While it takes, it patronizes; and patronizes, that it may take more. It is the reverse, in every respect, with protection. It seeks, directly, exclusion or diminution. It is the desired result; and if it fails in that, it fails in its object.

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"I am now, Senators, brought to the important question, why should such a bill pass? Who asks for it, and on what ground? It comes ostensibly from the manufacturing interest. I say ostensibly; for I shall show, in the sequel, that there are other and more powerful interests among its advocates and supporters. And on what grounds do they ask it. It is on that of protection. Protection against what? Against violence, oppression, or fraud? If so, Government is bound to afford it, if it comes within the sphere of its powers, cost what it may. It is the object for which Government is instituted; and if it fails in that, it fails in the highest point of duty. No; it is against neither violence, oppression, nor fraud. There is no complaint of being disturbed in property or pursuits, or of being defrauded out of the proceeds of industry. Against what, then, is protection asked? It is against low prices. The manufacturers complain that they cannot afford to carry on their pursuits at prices as low as at present; and that, unless they can get higher, they must give up manufacturing. The evil, then, is low prices; and what they ask of Government is to give them higher. But how do they ask it to be done? * * * By putting down competition, by the imposition of taxes on the products of others, so as to give them the exclusion of the market, or at least a decided advantage over others, and thereby enable them to sell at higher prices. Stripped of all disguise, this is their request; and this they call protection. Protection, indeed. Call it tribute, levy, exaction, monopoly, plunder; or, if these be too harsh, call it charity, assistance, aid—anything rather than protection, with which it has not a feature in common.

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"There never yet has been devised a scheme * * * however unjust or oppressive, for which plausible reasons could not be found; and few have been so prolific of such as that under consideration. Among them, one of the most plausible is, that the competition, which is asked to be excluded, is that of foreigners. The competition is represented to be between home and foreign industry; and he who opposes what is asked, is held up as a friend to foreign, and the enemy to home industry; and is regarded as very little short of being a traitor to his country. I take issue on the fact. I deny that there is, or can be, any competition between home and foreign industry, but through the latter; and assert that the real competition, in all cases, is, and must be, between one branch of home industry and another. To make good the position taken, I rely on a simple fact, which none will deny—that imports are received in exchange for exports. From that, it follows if there be no export trade, there will be no import trade. It is, then, not the imports, but the exports which are exchanged for them, and without which they would not be introduced at all, that causes, in reality, the competition. It matters not how low the wages of other countries may be, and how cheap their productions, if we have no exports, they cannot compete with ours.

"'The real competition, then, is with that industry which produces the articles for export. * * * It is, in fact, a warfare on the part of the manufacturing industry, and those which are associated with it, against the export industry of the community, and those associated with it.

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"But, it was asked, what is to be done? What course does true policy require, to give the highest possible impulse to the industry and prosperity of the country, including manufactures and all? I answer, the very reverse of that proposed by this bill. Instead of looking to the home market, and shaping all our policy to secure that, we must look to the foreign, and shape it to secure that.

"We have, Senators, reached a remarkable point in the progress of civilization. * * * The result has been a wonderful increased facility of producing all articles of supply. * * * It results, that no people, restricted to the home market, can, in the present advanced state of the useful arts, rise to greatness and wealth by manufacturers. For that purpose, they must compete successfully for the foreign market, in the younger, less advanced, and less civilized countries. This necessity for more enlarged and freer intercourse between the older, more advanced, and more civilized nations, and the younger, less advanced, and less civilized, at a time when the whole globe is laid open to our knowledge * * * is one of the mighty means ordained by Providence to spread population, light, civilization, and prosperity, far and wide over its entire surface.

"The great problem, then, is, how is the foreign market to be commanded? I answer, by the reverse means proposed in order to command the home market—low, instead of high duties; and a sound currency, fixed, stable, and as nearly as possible on the level with the general currency of the world."

Jefferson Davis, July 21, 1846 (Vicksburg Sentinel); Davis, Letters, Papers, and Speeches, volume 1, pages 52–53:

"An analysis of the votes upon the bill to regulate anew the duties upon imports will show that its main support was derived from the agricultural and exporting States. To these in a pecuniary view it was the measure of highest importance. But whilst I rejoice in it for such consideration, because tending to advance the great staple interest of our State, and thus to promote the prosperity of all industry among us, I am not less gratified at it as a measure of political reform. In adopting the ad valorem rule and restricting its operation to the revenue limit, the great principle of taxing in proportion to the benefits conferred is more nearly approximated, and the power to lay duties is directed to the purpose of raising money, for which alone it was conferred in

the constitution of our confederacy. Thus it was exercised by the fathers of our Republic in the first tariff enacted under the Federal Constitution; when for the benefit it would confer upon American producers and manufacturers they chose to raise revenue by imposts rather than direct taxation. Since then, as in the bill of 1842, (to be substituted by that lately passed through the House of Representatives), the collection of revenue has been the subordinate; the benefit to particular classes, the main object of duties. And the extent to which this was pursued was concealed by specific duties and minima valuations—rendering the law unintelligible on its face, and in many cases wholly prohibitory in its operation—destroying revenue but leaving taxation. A tariff "for protection" must discriminate against the necessaries of life to favor manufactures in a rude or infant state; a tariff for revenue may, and generally would, impose its highest duties upon luxuries, for reasons so just and equalizing in their practical effects, that one could have no inducement to conceal the policy or shrink from its avowal.

"Commercial changes and the wants or superfluities of the treasury must require occasional modification in the rate duties upon imports; but a salutary check is held by the people so long as all modifications are made by changing the rate percent on enumerated articles, by which it is seen at once what tax is imposed upon consumption, and whether or not the limit of revenue is passed.

"I trust we shall never again witness the spectacle, so revolting to every idea of self-government, of a law in which, by specific duties and minima valuations, the purpose and effect is as absolutely concealed as in the edicts of the ancient tyrant, which were written in a hand so small and hung so high as to be illegible to those upon whom they were to operate."

James Z. George, United States Senate, February 5, 1883; CONGRESSIONAL RECORD, volume 14, part 3, 47th Congress, 2d session, page 2092:

"That is exactly the way I look upon this protective tariff. I regard the taxing power of the Government as having been given for the equal and common benefit of all the people of this country; that it shall not be used for the purpose of advancing one interest at the expense of another. I say when you do this you usurp power not granted to you by the Constitution. I say, in addition to that, that try however honestly you may to make a fair and equal division of the benefits under the protective system, you cannot do it. Then I insist if I am overruled as I have been in this matter and we sit here for weeks and weeks simply dividing out the benefits of this power among the great interests of this country—I insist when you determine to do that, you shall divide them all around equally; you shall give every man his fair chance, every interest a just share, and if there be an interest in this country, as there is, that cannot receive its due share of the benefits of the taxing power by a protective duty, I insist that you give it a bounty to make your action fair. Give the cotton planter a bounty on his cotton; give the wheatgrower a bounty on his wheat; give the corngrower a bounty on his corn, and you cannot do this work fairly in any other way."

Lucius Q. C. Lamar, United States Senate, February 7, 1883; CONGRESSIONAL RECORD, volume 14, part 3, 47th Congress, 2d session, page 2194:

"Now, sir, the avowed object of the protective system is to counteract the superior attractiveness of agricultural industry and to divert capital and labor from it into manufactures. It is not protection against the competition of foreign pauper labor that the duties are levied, but against the competition of our own home agricultural industry. It is the competition of the industry which produces our exports, and which brings back imports in exchange, against which this tariff system is designed to operate, and hence its effects have never failed to arrest the increase of the production of wealth by means of agriculture, and to cause the profits earned in the field to be paid out to the forge and the mill."

John Sharp Williams, United States Senate, April 24, 1922; CONGRESSIONAL RECORD, volume 62, part 6, page 5901:

"Mr. President, some time ago I said upon the floor that I saw but one way to do what a great many Americans seem to want to do—isolate ourselves—and that was somehow or other to exterminate the populations of the other countries of the world, to get rid of them, and to get rich by swapping jackknives among ourselves. We cannot do that. I do not care about the particular items of taxation under this bill; it is the general principle involved about which I am concerned; the utter stupidity, the utter stultification of attempting to carry on a profitable international commerce without permitting the other nations to sell us much of anything by making it too expensive for our suffering consumers to buy much of anything.

* * * * *

"How are you going to benefit a man who cannot sell his cotton, and his wheat, and his corn, and his other commodities, because the man, who under normal conditions takes the surplus in foreign commerce and buys it cannot now buy because he has neither cash nor credit, by saying to him, 'We close our markets almost hermetically to your products, to the fruits of your labor, to the only thing in the world with which you can either pay or buy'? Must not my cotton, then, year by year sell for less because its price is fixed by the price of the surplus in the world's market? Must not the wheat of the Senator from North Dakota sell for less and less the longer this condition exists for the same reason, although not in the same degree.

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"What does this bill purport to do? It purports to protect manufacturer, agriculturist, everybody in the United States. Mr. President, in the first place, no bill is possible for human ingenuity to draft which can protect everybody without at the same time taxing everybody. If you protect me just as much as you do the Senator from North Dakota, and if you protect the wheat of the Senator from North Dakota and my cotton in no higher measure than you protect the products of the manufacturer of Massachusetts, and if you protect the mining properties of the West and of Pennsylvania to exactly the same extent that you protect the textile products of Massachusetts and the agricultural products of North Dakota and of Mississippi, then you have drawn up a bill which results in what? Merely in swapping dollars, minus the cost of administering the law; that is all."

John Sharp Williams, United States Senate, May 16, 1922; CONGRESSIONAL RECORD, volume 62, part 7, pages 7043–7044:

"There have been various theories of what a protective tariff ought to be. All of them have been wrong, because there ought not to be any protective tariff at all. A man who cannot make his living by the sweat of his brow or the ingenuity of his intellect or the inventiveness of his genius ought not to appeal to the Government to frame its laws so as to give him an advantage over the foreigner who has intellect, who has genius, or who has productive capacity. There is only one excuse ever given that has justified a protective duty upon any article, and that was the excuse given by John C. Calhoun. The things absolutely necessary for self-defense in war ought to be protected to the extent of giving an opportunity to produce them so that the country should not be defenseless in war. That is the only good reason ever given for a protective duty upon any subject matter. The balance of it is bare beggary, a bare confession of pauperism, a bare admission that the man asking it is unable to make his own living in competition with the world.

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"Then there is the old idea of protecting infant industries. The only trouble about that is that the industries got to be older than the idea itself after a while and that some of them never did become of adult age. I do not know of any that ever have from the beginning of time reached adult age, from sugar in Louisiana down to cotton goods up in Massachusetts.

"They start with the idea of being raised on the bottle while they are very young, but they insist upon increasing the size of the bottle and the richness of the milk as they grow older. That is true as to every one of them.

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"With the world owing us $11 billion—a world that has neither cash nor credit wherewith to pay; having nothing but commodities; nothing but the things that it can produce on the farm or in the factory or in the mine—we are confronted with this bill which says to them, in effect: 'It is true you have no cash, and it is true you have but little credit, and what credit you have we must extend, for the balance of the world cannot extend it, because it has not the financial ability, and if we extend it we must extend it on security, and you have no security. It is true that the only way you can pay is from the produce of the farm and the mine and the workshop. We decline to let you pay in that way. We isolate ourselves from your products and your products from us. What we demand is a pound of flesh, and we will not have any blood with it, either; it must be pure, unadulterated flesh—gold flesh. We are standing upon a mountain of gold, and we do not want it to get away from us.

"'We do not want to pay you anything; we want to trade with you in the way of having you buy all that we produce at a good profit, without having to buy anything from you, whether with or without profit. We are going to shut you out of our market to the very fullest extent of our ability.' That is the situation.

"Mr. President, I always did scorn to go into the details of the rates of one tariff bill as compared with another. It was always sufficient for me to know that a rate was high enough to give some citizen of the United States, through the exercise of the taxing power, an unfair advantage over the great body of the American consumers.

* * * * *

"How in the name of commonsense are we going to increase our trade with the world by shutting off their products in our market? How in the name of commonsense are we going to increase the ability of our debtors to pay us their honest debts by declining to take the products which are the fruit of the sweat of their brow and the result of their intellectual ingenuity? Now, how?

"Mr. President, there have been parties in this country, there have been parties in other countries, who in the presence of great emergencies have made asses of themselves, and I do not say this with a particle of bad feeling, because there is nothing personal in it. I merely say that the party in all the history of the world which, faced by a given situation inviting human solution of world-wide, human problems, has made the greatest ass of itself, is the present existing Republican Party. Faced with a deficient Treasury, faced with debtors that cannot pay us, faced with a bankrupt world, faced with restless labor and restless social conditions all over Europe and Asia, and partially in America,

faced with a fluctuating exchange, called upon to solve these problems, they do it how?

"Faced with an unstable exchange growing out of the fact that all trade is one way, called upon to solve that problem, how do they undertake to do it? By saying to the debtor: 'We will not let you pay in anything except cash. We cannot give you credit unless you give security, and you have none, or but litttle,' and by saying to a world where there is immense unemployment of labor: 'Your salvation, it is true, lies in the reemployment of your labor, in making things and growing things and doing things with a profitable result, so that out of the product of your labor you can get cash or credit; we know all that, but we refuse to receive the products of your labor. You are nothing but foreigners.'

"Mr. President, what is the use of entering into details about a thing of this sort. * * * It is world-wide. You cannot get rid of it. There is only one way to solve it, and that is by mutual helpfulness; and if you attempt to isolate yourselves, not only politically but economically and every other way, how can you help the other fellow to meet his obligations."

Pat Harrison, United States Senate, May 17, 1934; CONGRESSIONAL RECORD, volume 78, part 8, pages 8987–8994:

"One should never put himself in the 'I told you so' class, but this Chamber still echoes with the warnings made by some of us when the Smoot-Hawley tariff bill was under discussion here. Not only did we point out with prophetic vision the disastrous effect of increasing tariff duties, but we buttressed our appeals and prophecies with the views of the leading economists of the country.

"The proportion of the total international trade of the world enjoyed by the United States has declined more since 1929 than that of any of the 11 leading commercial countries. In respect to exports, the proportion enjoyed by 8 of the 11 leading countries has, indeed, increased. Thus, Germany in 1929 enjoyed 9.72 percent of the total world exports. In 1932 the figure had increased to 10.7 percent. In France the corresponding figures were 5.95 percent and 6.08 percent. The United States in the meantime had dropped from 15.61 percent in 1929 to 12.39 percent in 1932. If imports and exports are combined, Great Britain, whose export trade suffered a decline, increased relatively from 13.04 percent to 13.38 percent, while the United States declined from 13.83 percent to 10.92 percent. These figures tell a startling story. Had the United States maintained the proportion of world trade which it enjoyed in 1929, its imports and exports in 1932 would have been greater than the actual figures by more than $750 million. That is something to give us concern.

"In 1929 the internationcal trade of the United States amounted to $9,640,000,000; in 1933 it had shrunk to $3,124,000,000.

"Illustrations of this sort might be multiplied. But no matter what they are based on, or from what source they are taken, the result is essentially the same: the United States has led the world in the universal loss of international trade—a loss more complete than what history records to have been the case in any other economic depression.

"These cold facts form a compelling reason for passing the bill (Reciprocal Trade Agreements Act) which is now before the Senate. If ever reason dictated a clear course, this is the time.

"The enactment of the bill into law should mean increased trade; and only by increased trade can the full capacity of our industries which produce a surplus for export be profitably employed. It means freight for our railroads and ships. It means traffic for our ports. It means increased business in all activities which serve trade. All these propositions together mean increased employment, increased business, and a return of industrial and agricultural stability.

"We cannot shut out imports without at the same time shutting in potential exports. And when we do that we are reducing the standard of living of our people, throwing out of use untold acreage of productive soil, requiring the transfer of whole populations from their homes and from the scenes of their present activities to new and presumably less profitable employment in other sections. When you recall that the vast and important industries in this country, both agricultural and manufacturing, would have to curtail their operation and close down in some cases as much as three-fifths of their production if international trade should be cut off, you will appreciate the beneficial effect which must come from the stimulation of international trade this proposal seeks to produce. The cotton farmer; the worker in the automobile, machinery, and electrical-appliance industries; the farmer who raises hogs or wheat or rice or tobacco or numerous other necessities do not have to be reminded of these facts. They must have a market abroad. It concerns vitally the well-being and the economic recovery of our entire country. Unless some constructive program is formulated and affirmative action taken, America will not regain the proportion of world trade which she has been steadily losing since 1929. We shall not regain business prosperity by a policy of drifting or doing nothing. We must act; and in order to meet existing world conditions and the competition of foreign nations equipped with efficient bargaining machinery and now winning the trade of the world away from the United States, the program embodied in the proposed legislation seems the most advantageous, if not the only practicable, program."

Mr. BATES. Mr. Chairman, if there are any areas in the country as widely affected by the influx of foreign imports as my own, I am not aware of them. Down through the years, it has been my constant effort to secure for the industries in my District some remedial action which could be beneficial to them. I must say it has been a difficult, and for the most part, a frustrating assignment.

It would be redundant for me to state that I recognize the importance of world trade. That aspect of the problem and its corresponding arguments have already been well advanced. However, I must emphatically state that there is no need to create a gap so that it must be one alternative or the other.

I have always felt that there is a middle ground where reasonable minds can meet on the subject. Yet, although certain avenues of appeal are presently in the law, and are also contained in the committee proposal, they are roads that are difficult to pursue and inevitably end in a blind and unfruitful alley. I submit that some action must be taken by this body which will impress upon those who participate in making trade policies that it is not quite heresy to grant relief when an industry is fortified by every economic justification for relief under the Reciprocal Trade Act.

The ground fish industry has twice received favorable decisions from the Tariff Commission and yet denied any relief. The last decision was unanimous.

Where is that point that is reached when consideration can be and should be given? How is "substantial injury" defined in terms of a specific case? Today, it is not my purpose to define that point but it does not appear unreasonable to assume that there should be no quarrel in recognizing the extremes. There are many industries which ask for relief when imports amount to only 5 percent of domestic production. I do not plead their case. Yet, there are others where imports have increased 1,400 percent and yet, they are ignored. I want to give you specific cases.

In 1941 the imports of ground fish into this country amounted to only 9.9 million pounds or 9 percent of domestic consumption. In 1957 these imports amounted to 141 million pounds or 60 percent of domestic production. In other words, fish imports have increased 1,400 percent and local production has decreased.

As recently as 1951, United States production amounted to 148 million pounds. In 1957 it amounted to only 95 million pounds in spite of a population increase of over 23 million people.

Is it free trade, and is it truly reciprocal when foreign governments subsidize their fishing industry? In fact, under our own foreign-aid program, we have paid for the building of foreign fishing fleets and provided them with the latest technological equipment. Only recently, Iceland bought from the United States counterpart funds certain fish-cutting equipment. Our own industry would like to have this equipment but unfortunately cannot afford it.

I have introduced in the House H. R. 11342 to establish quantitative restrictions in the importation of women's fur felt hats and hat bodies. In spite of two favorable decisions from the Tariff Commission, the percentage of imports now represents 61 percent of domestic production although they represented only 31 percent at the time the decision was made effective.

While it is true that a principal cause in the decline of domestic production was caused by a style change away from this type of hat, nevertheless, the local industry should not bear the brunt of this change. It would seem only fair that they should be afforded an opportunity to secure a fair portion of the market.

In the shoe industry, and particularly in women's and misses' shoes, in the period 1956–57, imports increased 114.7 percent in number of pairs and 64 percent in dollar value. In the same period, shoe exports decreased by 3 percent. A study of the trend during the first 2 months of 1958, indicates that the increase in the present year will be larger than even the alarming increase of the previous year.

There is no need for me to document the case further. Others will cover the problem relative to textiles and leather. It is not the language of the committee bill that causes me concern except for the extension for 5 years. Certainly it is much preferable than the present law. It is the application of the law, not the law itself, that creates the problem. We can and should have a liberal trade policy based upon a careful scrutiny of all industries and a flexible, not closed road

for relief when the facts and figures indicate substantial injury. That is not the case today.

Mr. BOW. Mr. Chairman, an argument usually advanced as sort of a clincher by advocates of an extension of the Trade Agreements Act is that we need this to be able to negotiate with the European Common Market.

There are not too many of us perhaps who can understand the necessity of extending the act after we have studied all of the provisions of the agreement between France, West Germany, Italy, Belgium, Luxembourg, and the Netherlands. I suspect that some of the administration speakers may be using the argument without knowing themselves what they are talking about.

The bogey of course is that we will be cut out of all trade with these countries because they are going to become a unit, with all trade barriers dropped between them. While this may be the ultimate goal of the treaty, it is not expected that the goal can be reached until the end of 1970 or 1973, a period of 12 to 15 years. The 3-year uncertainty is based on the probable necessity of freezing the tariffs after initial reductions to protect countries that may be suffering.

The Economic Community has only been organized in recent months but inability to agree has already prevented the designation of a headquarters or a common capital, as some like to call it. If the plan is ever to achieve success these are some of the other hurdles these countries must face in addition to an agreement on tariff rates. Wages must be brought to a common level, currencies of all countries must be freely convertible, free movement of workers must be assured, taxes and laws governing business must be reasonably uniform, restrictions may be needed on the right of firms to establish themselves where they choose, means of furnishing capital may be needed, and there must be reasonable assurance of peace.

Considering all these stumbling blocks I am reminded that these same countries have spent several years trying to agree on some modifications of the NATO Status of Forces Treaty that would make it palatable to all to have Germany come under its provisions. When a treaty of peace was signed with Germany that nation automatically became a part of NATO. But some of the countries are still unwilling to subject their troops to each other's laws.

Great Britain refused membership in the Community in order to protect its system of preferences. Instead of joining this Community, Britain suggested that the countries in the Economic Community join with her and five other nations in forming a European free trade area to cut tariffs between themselves on an individual basis. This was to be a gentlemen's agreement. The six nations in the Economic Community got together to consider this proposal and at this conference the representative of France informed the others that France was bankrupt and could not participate at this time in any proposal which involved the cutting of her tariffs, including the proposed Economic Community.

So it would seem that the immediate threat from the European Common Market is not very great, and that if it is to be used as an argument for a 5-year extension of the Trade Agreements Act, it can be used again and again in the future.

It would also appear that if we are to negotiate with these six nations our principal function will be to help them make their agreement work—not to help ourselves. Our first duty will be to bail out France so she can go on. Another duty will be to finance some arrangement for the other countries to stabilize their currencies. And the third will probably be to put the capital into some bank created to finance industry in these countries.

Good old Uncle Sam will be used to make the European Common Market a threat to our own trade.

Mr. ASHLEY. Mr. Chairman, the international security and economic prosperity of the United States will be greatly affected by the outcome of tomorrow's vote on the extension of the Reciprocal Trade Agreements Act.

Looking beyond our own immediate economic interest for the moment, I submit that the outcome of this debate will test the sincerity of United States foreign policy. The resounding vote of approval which this body accorded our mutual security authorization bill only 2 weeks ago indicated clearly the favorable and enthusiastic disposition of the Members of this House toward our policy of strengthening the economies of our friends in the Free World. The interests of the people of the United States and the interests of all the people of the Free World demand with equal urgency that Congress now extend the Reciprocal Trade Agreements Act—and without crippling amendments.

Nothing that this Nation can do will have so devastating an effect on the economy of the Free World as the adoption of, or a reversion to, a policy of protectionism and economic isolationism. Nothing, on the other hand, will contribute more positively and constructively to our good will and prestige abroad than the encouragement and expansion of free international trade. Every American product that goes abroad not only constitutes a powerful advertisement of the effectiveness, ingeniousness and productive capacity of our democratic free-enterprise economy, but demonstrates as well to the community of the world, the sincere interest of America and Americans in the economic and social welfare of all the people of the world.

It is this basic rationale and concept which has motivated my consistent support of reciprocal trade in the past and which shapes my reasoning today with respect to H. R. 12591. I have always held to the fundamental belief that a free flow of trade between our country and the countries of the Free World—a flow of trade unfettered by prohibitive duties and restrictive import quotas—not only enhances our reputation abroad but serves the best interest of the American people by promoting the overall economic prosperity of this country.

The capacity of the United States to produce an abundance of raw materials and manufacture a great variety of goods far exceeds our domestic demand. To see how tremendously important export trade is to this country we have only to look at the $19.5 billion worth of goods which the United States exported in 1957. This export trade not only pipes profitable dollars into the American economy, but also provides an indispensable outlet for our phenomenal farm output, siphoning off over half of our total wheat, cotton, and rice production. Our export trade is equally important to the American manufacturing industry, since we ship out about one-fourth of all our construction and mining equipment, one-fifth of our motortrucks, and one-tenth of our machine-tool production. It follows, then, that full employment in this country is greatly dependent upon our ability to maintain and develop foreign markets for the export of these products.

In contrast to our $19.5-billion export total, our imports for 1957 totaled only $13 billion, or $6.5 billion less than our exports. Among these imports were certain raw materials essential to our manufacturing and fabricating industries, such as nickel, tin, mica, asbestos, and so forth. Still others were food items, such as coffee, tea, spices, cocoa, bananas, and other fruits which we do not produce but without which we would not find life nearly so pleasant. Not only does foreign trade make it possible for us to enjoy these products, but the fact is that unless we import them the countries to whom we export would not have the money to pay for our exports. Thus, by importing these products we make it possible for other countries to buy a very substantial portion of our production and, at the same time, provide a profitable outlet for American industrial and agricultural surpluses.

There is, however, a group of imports which does not enjoy popular esteem. These are the imports which are in direct competition with American manufactured goods and which, it is alleged, deprive Americans of employment opportunity and job security. Much is made of the displacement of workers because of import competition. It has been estimated that approximately 3.1 million people are engaged in varied activities incidental to our export trade. Similarly, 1.3 million workers are necessary to our import activities. As I have said, if we did not import as much as we do, we would soon impoverish our overseas customers so that they would be unable to continue purchasing our products and our domestic exporting industries would inevitably decline. Unemployment would follow as well as a contraction in purchasing power and the American economy as a whole would suffer.

When we consider the enormous total of our export trade, we must conclude that overall employment gains from foreign trade far exceed losses in employment which can be ascribed to competitive imports. Thus, by restricting imports, we not only impair the ability of foreign customers to buy the products of our own industry but we undermine

the American economy. This is neither good economic policy nor sound diplomacy.

Actually, the only moral basis for opposing a liberal trade policy stems from the apprehension that imports will undermine the American wage structure. This apprehension is based upon the knowledge that American wage rates are high and legally enforced by minimum standards, whereas foreign imports are often produced at sweatshop wage rates which gives them a competitive advantage in the American market.

It must be recognized, of course, that American wage standards are high. But with respect to labor as a factor of production cost, there are many factors in addition to wages that enter into production cost and help to determine competitive advantage or disadvantage. The measure of that cost is not the wage rate per hour but the labor cost per unit of production. The distinctive factor of the American productive economy is that we have high wage rates but low labor costs because of the high productivity we have developed in this country.

The importance of the distinction between wage rates and labor costs is emphasized by the fact that the United States, although it has the world's highest wage standards is the world's largest exporter and significantly enough it is the highest wage industries not only in America, but throughout the world, which tend to meet foreign competition most successfully in the world markets. This country could not possibly be the leading export country if high wage rates in themselves constituted a competitive disadvantage, and there is ample evidence that high wage rates are not the deterrent in foreign trade that some industries would have us believe.

We must recognize, however, that as we promote our technological know-how and peddle our industrial efficiency and productivity abroad—as we are doing and as I believe we should continue to do under the economic and technical assistance provisions of our mutual security program—we must anticipate that both the quality and productivity advantage which we now enjoy cannot be sustained and the time may not be far off when we will not be able to so successfully compete for world markets. In fact, some industries maintain that that time—for them at least—is already here.

For those industries which are hard hit by the impact of increased imports resulting from tariff reductions, remedy is provided in the peril point and escape clauses of the existing trade-agreements statute, which require the Tariff Commission upon application of the injured industry to hold public hearings, to investigate the conditions of the industry and the extent of injury. If the claim of injury is justified, the Commission recommends to the President that a tariff adjustment or a quota restriction be imposed and the President may accept or reject the recommendation of the Commission. To date, of 82 applications for relief, the Tariff Commission has recommended 25 for approval but only 7 have been granted by the President.

The bill before us, H. R. 12591, strengthens the safeguards against injury to domestic industries and the existing provisions for remedy to industries threatened by import competition in two ways: by limiting the time and by streamlining the investigative machinery of the Tariff Commission; and by providing that both Houses of Congress may by a two-thirds vote put into effect the recommendation of the Commission, or in other words, reverse the President's rejection of the Commission's recommendation.

But we must still face up to the eventuality that injury from import competition will continue to reflect certain natural advantages, such as capital investment, cost and availability of raw materials and fuel, and productivity. We must come to recognize that such natural advantages cannot be equalized by tariffs and that protectionism can only prove to be a double-edged sword.

But I believe, Mr. Chairman, that all of us must give careful consideration to whether or not low foreign wage rates constitute a natural competitive advantage.

Certainly all of us here in Congress have an implicit obligation to protect the job security of American workers and the economic welfare of American industry. It is for this reason that I believe that the Federal Government has a moral obligation to encourage and assist in the economic readjustment of individuals, businesses, and communities to new fields of production where the natural advantages of domestic or foreign competition result in unemployment and economic distress. This assistance can take many forms in technical assistance to a company to determine what new lines of production would be profitable; rapid amortization benefits for building new plants; loans for capitalizing new equipment. To individual workers who have been displaced we should extend unemployment insurance, reduce social security retirement to age 60 for older workers, retrain younger workers and set up placement programs; for the community we can provide overall technical assistance and information for community and area redevelopment.

But if low foreign wages are to be construed as something other than a natural advantage to the foreign manufacturer, then it will be the responsibility of Congress to see that our American trade policy does not penalize domestic manufacturers whose worst sin may be that they pay high wages and otherwise provide good working conditions and a high standard of living for their employees.

Mr. Chairman, the legislation before us today poses many difficult problems. As I stand here, I am convinced that the committee bill must be passed without crippling amendments if the best interest of our country is to be furthered. At the same time, however, we must be aware of the problems that will continue to plague us and we must have the courage to seek solutions to these problems.

Mr. SAYLOR. Mr. Chairman, here is the opening sentence of a front-page story from the New Kensington (Pa.) Daily Dispatch for last May 27:

> With diplomas in hand, 1,146 graduates of high schools in the Daily Dispatch circulation area will face the world with a dim outlook for immediate employment.

A parallel situation prevails in Johnstown, in Altoona, Uniontown, Pittsburgh, and in just about every other community of western and central Pennsylvania. There are no jobs to be had for boys and girls who had visions of earning enough during the summer months to get them started in college next fall or perhaps in 1959. What is worse, many thousands of these young folks are from families whose sole income is provided by unemployment compensation.

Yes, after 12 years of studious application, many a youngster who finishes high school in our State today is stepping out into a world that seemingly has no place for him. Students with exceptional averages that merit tuition scholarships are unable to accept the awards because there is no way for them to earn their room and board. Oh, there are jobs waiting on tables at dormitories and fraternity houses, and townspeople in college communities provide other opportunities for some who cannot pay their way. But most of our kids graduating from high school this month do not have the wherewithal for transportation, for clothes, or for books. And job pickings are so slim that only a very few will be able to bring home any paychecks in the coming months.

What about the young people who are willing to work a year or two to save enough money to get them off on the road to a university degree? As the weeks and months go by, ambitions will begin to fade away, for there is nothing more discouraging than forced idleness and bare cupboards.

The plight of the 1958 high-school graduating classes completes a dual disturbance that deprives the Nation of needed educated personnel while inflicting personal hardship upon the individuals involved. If it is true that a shortage of trained engineers and scientists is responsible for laxity in the development of an ability to guarantee ironclad security against the threat of outside forces, then we must assume that the deficiency will be aggravated so long as the college campus is outside the reach of aspiring high-school graduates. Whether or not there is validity in the assumption that our research and development programs are lagging, the fact remains that America should and must be able to meet the demands and desires of youth who seek to pursue their chosen vocations, whether in the arts or sciences.

Mr. Chairman, the current economic situation closes the doors of institutions of higher learning to many thousands of our deserving boys and girls. In my part of the country the attitude of the Federal Government on import-export policy is directly responsible for this circumstance. The oceans of foreign residual oil and the mountains of manufactured goods that have converged upon the markets of this country are the unmistakable causatives of much of the unemployment

that haunts our mining, railroad, and manufacturing communities.

I appeal to my colleagues to hear the voices of the men whose jobs have been swept away by unfair import competition, of the wives and mothers who pray to God that their men and their children may be able to enjoy reasonable living standards, of the young boys and girls who yearn to continue their scholastic careers. For 10 years our miners have waited in vain for the better life that lower tariff policies were supposed to bring. Our glassworkers have moved out of their working places into unemployment lines so that foreign-produced material might find an outlet in our markets. The list of victims has climbed steadily, so that the administration of the Reciprocal Trade Agreements Act can no longer be regarded as anything but a dismal failure, a source of economic disease that carries poverty and misery into every area of this country.

For the information of those of my colleagues who may have read the statement on coal exports prepared by the Committee for a National Trade Policy, let me assure you that the amount of American coal purchased by consumers abroad is not reflected by the quantity of residual oil imported into the United States. When a foreign nation needs coal, it comes to this country because our industry has the resources and the manpower and the ability to produce the kind of coal needed at a price competitive with that of any other producer anywhere in the world. Though the wages of our miner are many times higher than those of his counterpart in Europe or Asia, we can lay down coal at dockside far below that at which the foreign operator can get it to his ships.

If foreign residual oil were needed in the absence of a domestic fuel supply in this country, then I would say by all means get it from Venezuela or wherever else it is available. The foreign importer of American coal applies the same philosophy, it would be illogical for him to do otherwise. But do you believe for 1 minute that France or England would stand by and permit their miners to be idle because of an influx of American coal?

Mr. Chairman, the committee for a national trade policy, in attempting to woo the coal area Congressman into the free trade corner, would challenge the evidence presented by every American group and individual involved in the production, transportation, and sale of coal. The following paragraph is from a report made last week by F. F. Estes, executive secretary of the Coal Exporters Association of the United States, Inc., to that organization's annual meeting in Chicago:

> Another issue which I should like to discuss briefly at this time is the charge by advocates of free trade that the coal industry should not expect to enjoy an export market unless we are willing to keep the fuel markets of the United States open to shippers of residual oil from South America and the rest of the world. The question came up during hearings on the reciprocal trade extension bill. The fact is that we appreciate the opportunity to sell our coal in the export market, yet we must of necessity challenge any attempt to imply that the coal industry is being unfair when it objects to the unrestricted importation of a waste product of the refining process to encroach upon our domestic markets. And we must always explain to the uninitiated that reducing residual-oil imports will in no wise conflict with the coal-export program.

This attitude is reflected by the United Mine Workers of America, by coal operators throughout the Appalachian region, and by the coal-carrying railroads. I can assure you that the propaganda of the Committee for a National Trade Policy regarding coal's export-import problems is neither appreciated nor believed in the mining camps of my State or anywhere else that coal is produced.

Today every representative of communities injured by excessive imports must stand firm against the proposal to extend the Trade Agreements Act without proper protection for our distressed areas. We must support the Davis-Simpson-Bailey bill, and we must insist upon further protection for our domestic coal and oil industries through the medium of additional legislation to place a mandatory restriction on imports of crude oil and products.

Mr. LANE. Mr. Chairman, it would be fatal for the United States to withdraw into economic isolationism.

We must do business with other nations, in order to secure those materials and those products that are not available here. Foreign trade supports a number of our own enterprises and provides employment for several million workers in the United States. This two-way trade helps to strengthen the economies of our allies; helps to improve the backward nations; and is effective in offsetting the Communist drive to engineer trade tie-ups with other nations so that they will become economic satellites of the Soviet Union.

To all thinking people who are disturbed by the expansion of the Communist empire, that is being achieved by new and cunning methods, reciprocal trade is one of the most effective methods to halt the spread of communism, and to strengthen the cause of freedom everywhere.

These facts cannot be challenged.

But we do oppose the administration of our reciprocal trade program.

From our own first-hand experience, we know that it has undermined a number of our domestic industries, and has traded away the jobs of hundreds of thousands of people.

Ever since the end of World War II, the executive branch of our Government, in its preoccupation with reciprocal trade, has failed to show sufficient concern for the destructive effects of this program on a number of industries that are engaged in supplying the American market.

We have protested many times, but no protection has been forthcoming.

While we believe in reciprocal trade, we do not believe that it should be promoted at the expense of the chemical, electrical, textile, handicraft, and other industries that are essential to our own economic health.

And we cannot for the life of us understand why foreign goods, produced by workers who are paid substandard wages, are encouraged to invade the American market, when we already have the industries and the workers to supply our own needs. Why are these industries being sacrificed? One cannot escape the conclusion that they are being used as pawns in a game to provide export markets for other American industries. This is having a divisive effect upon our people. The displaced workers in textile and other industries, while sympathetic to the need for more trade with other nations, do not believe that they should be called upon to give up their jobs to achieve this end. Under present conditions in the United States, many of these displaced, middle-aged workers, will never be able to find job opportunities to replace the ones that have been taken from them.

The executive branch cannot say that it does not know of these tragic effects upon some American industries, and a considerable number of American workers. And yet, it has done nothing to compensate for the harm done.

When former textile workers go shopping in clothing and department stores, they are faced with foreign goods that have stolen their jobs away. You can imagine their dismay, and their bitterness, when they see all these foreign labels, including Hong Kong.

To what extent will reciprocal trade go without some check upon its operations that will give our people some voice in these decisions that mean economic life or death to many of them.

This, then, is our dilemma.

How to achieve a fair and reasonable trade policy that will not result in those depressed industries and depressed areas that have become a chronic problem in our economy, even during the overall national prosperity of the United States since the end of World War II.

It was during this period of expanded trade, that these symptoms of local depression first appeared, and have since continued.

In the opinion of many, irresponsible tariff reductions have been the cause, and depressed areas the effect, of too much Presidential authority to adjust duties or tariffs. Without check, or balance, or Congressional control over these powers, arbitrary decisions have been made, with no effective right of appeal provided for the injured parties.

The original Trade Agreements Act was passed in 1934.

There have been revolutionary changes in world conditions since then, as well as the obvious defects revealed in the administration of this program.

When Congress in 1934, under the impact of the depression, authorized the President to enter into trade agreements with other nations, it did so with the clear understanding, and the specific directive, that this power should be used in such a manner that injury to domestic industries would be avoided.

That obligation has not been fulfilled.

Some American industries have been hurt, and seriously.

We would be more inclined to go along with the administration if it had faced

up to these facts and had inserted provisions in the extension bill that would eliminate such hardships in the future.

But the administration insists on a 5-year extension, with no effective procedure for the relief of industries that may be forced to liquidate as a result of its decisions.

Both management and labor believe in the principle of two-way trade. They have a commonsense approach to the problem, recognizing the need for flexible duties or tariffs that shall be reduced in accordance with any rise in living standards of the competing nations.

Could anything be more fair than this?

But the State Department, which advises the President in these matters, is more interested in the international aspects of reciprocal trade, and, as a consequence, is blind to domestic repercussions.

Furthermore, it glosses over the fact that reciprocal trade is supposed to loosen up the exchange of goods among the competing nations.

Concessions by us are intended to encourage concessions by them.

But, as the minority report of the Committee on Ways and Means states:

> Next, it is said that the United States has an export surplus which must be eliminated if the dollar earnings of our trading partners are to be increased, so as to permit nontariff restrictions imposed by these countries on our trade to be eliminated. But the trade agreements program has been in operation for 24 years, during which period we have granted continuous and substantial reductions in our tariffs. Nevertheless, nontariff restrictions against dollar trade are more prevalent now than they were in 1930. It is the consensus of a number of experts that world trade today is more tightly regimented than it ever has been before in peacetime.

H. R. 12591 calls for a 5-year extension of the President's authority. This is a far greater extension than has ever been asked before. Because of a provision that would permit full 5-year reductions even just before the proposed 5-year grant of authority expires, would keep these reductions in effect for 10 years.

Congress is opposed to this power-grab. It believes that it has the right and the duty to insist on frequent review of the manner in which his delegated authority is used.

In these times of economic uncertainty and swift technological change, it does not believe that this far-reaching power should be vested in one man.

Accordingly, there is mounting evidence of support for the Simpson bill, which would restrict this authority to a 2-year period. Furthermore, it provides for some measure of control by the Congress over the President's authority to reduce tariffs, where such reductions are plainly injurious to American industries.

This is a compromise measure.

We are prepared to concede a little, if the administration will do likewise.

This is the only way to solve the dilemma.

Mr. JOHANSEN. Mr. Chairman, it is not my purpose to greatly burden the already voluminous record of debate on the reciprocal trade extension. I wish simply to state four principal reasons why I shall vote for the Simpson substitute for the committee bill and why, failing adoption of the substitute, I shall vote for recommittal and against final passage of the committee bill.

First. While the Simpson substitute accepts the principle and assures continuation of reciprocal trade—and, in fact, permits a further 10 percent reduction in tariffs during the next 2 years—it underscores the goal of genuine reciprocity and puts the brakes on the present one-sidedness of these agreements.

As has already been pointed out in this debate, since 1934 the United States has cut tariffs by approximately 85 percent and the committee bill proposes to authorize a further maximum reduction of 25 percent during the next 5 to 10 years. During the same period Canada has reduced her tariffs by only 13 percent; Italy, 24 percent; Switzerland, 34 percent; Japan, 39 percent, while England and France have raised their tariff levels by 43 percent and 37 percent, respectively. In addition, these and other countries have employed such devices as import licenses, import quotas, preferential trade arrangements, currency manipulation, state trading, government export subsidies, and embargoes to raise trade barriers against American imports. True reciprocity must be a two-way street, as a matter of justice and to truly encourage trade.

Second. I believe there is a basic inconsistency between such domestic devices for protection of employers and employees against low-pay competition as the Federal minimum wage and collective-bargaining laws while denying effective protection for American industry and workers against grossly unfair, low foreign wages. I believe it is particularly deplorable when unreasonably low tariff rates encourage American companies to transfer operations to foreign countries enjoying such advantages and then compete with these products in the American market against American industry and labor. Incidentally, the high wage standards imposed by Federal law in this country add to the difficulty of American competition with foreign imports—thus compounding the ironic paradox.

Third. I support the Simpson substitute also because it clearly recognizes and seeks to reestablish the constitutional responsibility and obligation of Congress to regulate commerce with foreign nations and to lay and collect duties and imposts.

Under the Simpson substitute the recommendations and findings of the Tariff Commission—an arm of the Congress—with respect to maintaining or increasing tariff rates on a showing of need by an adversely affected industry, would become effective unless a recommendation of the President to the contrary were sustained by a majority vote of both Houses of Congress.

The committee bill, on the other hand, would require that no decision of the executive in favor of continuation or reduction of a tariff rate could be overridden by Congress except by a two-thirds vote. In other words, this provision, designed to preserve an unconstitutional executive authority, would prevent Congress from legislating on tariff matters except by the identical margin required to pass already enacted legislation over a Presidential veto.

Fourth. Finally, I support the Simpson substitute because by restoring the constitutional authority of Congress it is assured that industries adversely affected by low tariff rates will have a means of more effective petition to their elected representatives for redress of grievances. As it now stands these appeals for such redress—made through the Tariff Commission—are subject to interminable delay and ultimate denial by the executive branch, without further recourse. Since 1951 the Tariff Commission has found serious injury to American industry in 27 cases, yet the executive branch has denied relief in 17 of these cases.

The Congress yields not only its own rights—and obligations—but the basic rights of American citizens when it abdicates its constitutional authority to the executive branch.

Mr. WEAVER. Mr. Chairman, I rise today to speak on the extension of the reciprocal trade agreements program. It is apparent to me that we must continue this worthwhile program and I intend to support it. Since 1934 we have become the predominant nation in world trade. Of course, I do not claim that the reciprocal trade agreements have been the only factor in the rise of our trade, but both imports and exports have been increasing since 1934 at a more rapid rate than the gross national product. Exports in 1956 were 9 times as large as in 1934 while imports were nearly 8 times as large. The gross national product had grown only between 6 and 7 times that of 1934. It is not my purpose to go into a long discussion of the benefits of trade to our economy. They are, or should be, self-evident to everyone. Perhaps the old adage "to export a country must import" best summarizes the reason for a reciprocal trade agreements program.

Countries who buy our exports must pay for them. This they can do by exporting to us, by using gold and dollar reserves, by borrowing, by grants to us, or by favorable balances in the so-called invisibles, that is, tourist expenditures, shipping, insurance, and similar items. For most countries, this means largely by exporting to us or by grants and loans. Of course, nations cannot borrow and continue to borrow indefinitely; soon service charges on debts become an unbearable burden. We, on the other hand, cannot continue indefinitely to give money—without prospects of repayment—to the world at large. Therefore, it seems to me our attention must be placed on the encouragement of imports.

The answer it seems, Mr. Chairman, is for us to make the items we can produce most cheaply and exchange them with other countries for products in which they have a similar advantage. Any other policy would, I believe, slow the growth of our standard of living—and incidentally that of other countries—by reducing the supplies of goods available and ultimately increase the

cost of living. In days, such as the present, when the cost of living is at an all-time high this is a factor to consider.

We must recognize that our import-competing jobs are those that pay the lowest wages. Statistical analyses of 46 leading export industries and 36 leading import-competing industries in manufacturing shows that average hourly earnings in the export industries exceed the national average while those in import-competing industries are below the average. Would it not be wise to shift our workers to the higher-paying export industries? Such a shift would have a twofold effect: First, a rise in imports provides foreigners with more dollars with which they can purchase more of our exports, and, second, the rise in imports and in exports would lead to a shift of resources in the United States from import competing to export industries; thus moving the labor force to higher paying jobs which would also increase our own purchasing power.

In 1956, 4,500,000 people were in employment attributable to foreign trade: 3,118,000 to exports and 1,382,000 to imports. Presumably not all of the jobs attributable to imports would be displaced by import-competing projects. Some of the jobs in transportation, in processing and in noncompetitive items, such as coffee, tea, bananas, and so forth, would still be necessary. Various programs of adjustment have been advocated for industries affected by import competition. I shall not attempt to analyze them, but to say that such industries should receive a reasonable assistance in shifting to some other field of endeavor. Employees should be aided in whatever training is necessary for them in shifting to other work.

Let us look at the rest of the Free World now. Mr. Chairman, it is affected by our trade policy. If we encourage imports we build up other economies, if we discourage imports we tear them down. Other countries are far more dependent on foreign trade than America. Britain exports 16 percent of her total output; Belgium and other western European countries even more. We are the chief market for many items.

I feel, Mr. Chairman, that expanded international trade among the member nations of the Free World strengthens their economies because it increases the amount of goods available to all. As it increases the income—and consequently the money available to spend on goods—international trade provides a greater margin for military production and permits greater military expenditure without such serious reductions in the standard of living.

Why do I, a Congressmen from Nebraska, a State which would seem to have little concern with international trade, favor a reciprocal trade agreement program? In the remainder of my remarks I shall picture my conception of the effect of foreign trade upon Nebraska.

It is, of course, impossible to state with complete accuracy how much of Nebraska's production is exported and how much is imported into the State. Government counts of exports and imports are made only where products enter or leave the country. This computation does not identify the place of origin for exports or the place of destination for imports.

Even if these enumerations were available such statistics would neglect the important indirect effects of imports and exports upon our economy. For instance, Mr. Chairman, many people supply ingredients or component parts, render services or otherwise affect imports and exports.

Such factors as the above indicate that no precise measurement of the impact of foreign trade upon an area is possible, but not necessarily that no worthwhile measure of such impact is not possible. One can, for example, allocate the Nation's exports and imports to an area on the basis of population. Such a procedure has some weaknesses because it does not consider whether or not the State or area has above-the-average concentrations of business nor does it consider whether or not the per capita income is above or below the national figure.

The west-north-central region—Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas—of which Nebraska is a part had, in 1952, 5.9 percent of total United States exports and imported 4.3 percent of competing imports. It was, consequently, in about the center of the geographical groups with respect to exports, but was last in the impact of competing imports on its economy.

Nebraska, Mr. Chairman, benefits from foreign commerce. It is prosperous if trade expands; it is hurt if trade contracts. In 1950, the last official census, Nebraska's population was 1,325,510 which ranked our State 33d in the Nation in terms of population. Her population in 1957 has been estimated at 1,452,000, a 9.5-percent increase.

We are not one of the wealthiest States, but we have 19,801 families with incomes over $10,000. Our effective buying income is somewhat below the national average. Our per capita effective buying income in 1957 was $1,479, compared with the national average of $1,734. This means that we probably had about 15 percent less money to invest in imports than the average person. I realize that this could be construed as a hazardous estimate because the cost of living is different in the various States and our lower income, in actual purchasing power, might be the equivalent or even above the national average.

In Nebraska about 184,000 persons work on farms. Their needs for supporting products create employment for thousands more. They have a direct interest in our exports of about $4 billion in farm products. The proportionate share of Nebraska in 1956 was about $150 million.

Mr. Chairman, Nebraska's proportionate share of total exports of farm products in the 1956–57 growing year was: Wheat, $61,559,000; corn, $19,709,000; soybeans, $4,405,000; grain sorghums, $1,762,000; dairy products, $2,500,000; poultry, $682,000; and other livestock and products, $30,524,000; or a total of $121,181,000 for these agricultural products. Truly, our export of agricultural products spells the difference between a prosperous and a failing agriculture. In addition, Nebraska as its proportionate share imported $27,937,000 worth of livestock and other products. Of course, my State also imports large quantities of coffee, tea, spices, and similar items.

Manufacturing employed 56,996 persons in 1,423 establishments in 1954. Forty-three thousand four hundred and thirty-one of these were classified as production workers.

Food and related products is by far the largest manufacturing industry. It employed 27,730 persons in 434 establishments. Fifty of these firms employed 100 or more persons. The value added by manufacture in this group is slightly higher than all other groups combined. This group, of course, is closely related to agriculture.

Nationally, too, exports of food and related products are significant. They amounted to more than $1 billion or about $640 for every person employed in 1956. Nebraska's proportionate share of these exports was about $17.2 million in 1956.

Largest among this grouping is grain mill products which totaled about $275 million or slightly over one-fourth of the national total. Nebraska's proportionate share in 1956 was $3.3 million.

In Omaha there are several leading producers in this field—some internationally and nationally known—others identifiable only locally. Some of them are the Kellogg Co., Inc., famous for its cereals and breakfast foods; Pillsbury Mills, noted for its flour and meal; and the International Milling Co., noted for its animal feeds. Several other firms are active in this field. Several of these firms participate directly in foreign trade.

About 11,125 persons are employed in meat packing in my State. Armour, Hormel and other well-known names in this industry have plants in Nebraska. Not only are the meat products themselves valuable export items, but many byproducts, such as lard, tallow, and similar products, find increasing acceptance abroad.

Dairy products are not an exceptionally important export product of Nebraska, but even here our proportionate share was approximately $1 million. Exported creamery and butter products help maintain national prices and thus aid Nebraska's dairy industry.

Exports of canned fruits and vegetables in 1956 totaled over $109 million. In Omaha, the H. J. Heinz Co. has a cannery which participates actively and directly in foreign trade. Naturally Heinz employees have a direct interest in foreign trade.

In the processing of dehydrated fruits and vegetables, Nebraska has one internationally known firm, the Archer-Daniels-Midland Co. of Schuyler. Since the exports in this category amounted to over $6,384 per employed worker it would seem that exports are important to this company. It is, of course, impossible to tell what import totals are for Nebraska. These firms I have mentioned require raw materials many of which must be imported. As I have previously stated, Nebraskans consume large quantities of

tropical and semitropical products which must be imported, that is, coffee, tea, bannas, sugar, and so forth.

Chemicals and chemical products accounted in 1954 for 70 establishments employing 1,645 persons in Nebraska; two of these firms employed 100 or more persons. National exports were about $1.6 billion in 1956—$2,230 for every worker engaged; Nebraska's proportionate share was about $5.5 million. Many of our companies are affiliates of national and international companies with direct foreign interests.

Nonelectrical machinery is important to Nebraska. The 1954 Census of Manufactures showed that there were 100 establishments employing 3,142 persons.

National exports of these products were $2.9 billion in 1956; Nebraska's share was more than $5 million.

Tractors and farm machinery exports were $548.9 million in 1956. Since the following Nebraska firms engaged directly in export trade—Sensation Mower, Inc., Farman Equipment Co., Broyhill Co., and Fischer & Schmid Corp.—Nebraska's actual share might well be greater than $1.6 million, her proportionate share of these exports.

Nebraska's share of pumps and compressors was $2.8 million in 1956. The Dempster Mill Manufacturing Co. of Beatrice, ships abroad electric and water system equipment as well as centrifugal pumps. Other Nebraska companies, including the Western Land Roller Co. of Hastings, and the Bruning Co. of Lincoln, export pumps and compressors.

Metal working machinery is exported by the Schum Tool Co., of Omaha.

Practically all of Nebraska's firms in this classification utilize imports in their activity. Most common are the alloys necessary for the metals they use, but other vital imports are balsa, asbestos, and certain hardwoods.

Nebraska's electrical machinery industry employs 2,225 persons. Although there are only 13 firms in this industrial classification, 2 employ more than 500 people and 2 others between 100 and 250.

Nineteen hundred and fifty-six national exports of electrical machinery were more than $921 million. Communications equipment totaled $358,993,000 of this amount or about 39 percent. Nebraska's proportionate share in this field was about $1.6 million.

All but 261 of Nebraska's employees in this field produce communications equipment. Three firms, the Western Electric plant in Lincoln, the Goodall Electric Manufacturing Co., and the Dale Products Co. export directly.

The 1954 census of manufactures revealed that Nebraska has 78 establishments, employing 2,652 people manufacturing fabricated metal products. Exports of these products in 1956 were $443,606,000 of which Nebraska's share was about $870,000. The most important subdivision of this classification is structural metal products; national exports of this grouping were $123.4 million, Nebraska's proportionate share being $465,000.

Several other industries in Nebraska have interests in foreign commerce, chiefly in imports. Printing and publishing, employing 4,800 people in 364 firms, is the second largest segment of Nebraska's manufacturing industry. While it is not concerned vitally with exports it does depend upon imports for much of its newsprint and other supplies.

I shall only mention other industries which are dependent upon exports and imports for successful operation. Transportation and motor vehicles and equipment are both small industries in Nebraska, the automobile equipment industry, from a foreign trade standpoint, being most significant. Two Nebraska firms participate directly in foreign trade: Crown Products Co. exports automobile fan belts, radiator hoses, and other rubber products; the Jubilee Manufacturing Co. exports automobile and marine horns; horn relays and similar equipment.

One firm—the Cushman Motor Works in Lincoln—employs 625 people in the manufacture of motor scooters and related products. Motor scooters are an integral part of the Nation's foreign commerce.

Needless to say these industries rely upon foreign sources for many of their raw materials. Everyone knows of the long list of imported items that is utilized in producing a car or truck, to cite an example.

Goodyear Tire and Rubber Co. has a plant in Lincoln which engages directly in export trade. It must rely on imports for all of its natural rubber.

Instruments and related products are important, but due to the small size of the industry, statistics were not published in the 1954 census. Two Omaha firms are known to participate in foreign commerce—Batson Electronics, Inc., exports scientific and professional instruments and Alco Manufacturing Co. exports geiger counters.

So far, Mr. Chairman, I have talked of the groups which benefit directly from foreign commerce, agriculture and manufacturing industry. Their relationship is easy to determine, even in an inland State such as Nebraska.

Employment groups—other than producers of movable goods—are affected because first, the workers and firms engaged in international trade are patrons for their services and second, the passage of international transactions through their area creates demands for services of all types.

Let me analyze this fact. Anyone who goes into a grocery store sees goods from all over the world. Such goods stimulate sales and make for a better life.

Wholesalers, professional services, transport and communications also receive the same stimulus from foreign commerce.

Consumers are probably most directly affected. Many tropical items, that is, coffee, tea, cocoa, chocolate, bananas, natural rubber, to cite a few, we cannot produce at all; others—sugar, wool, to cite examples—we can produce, but costs would rise tremendously if we were forced to rely on our own resources.

Everyone is familiar with the tremendous demands of our industrial economy for aluminum, chrome, tantalum, mica, and many other resources. Without them we could perhaps find substitutes and exist, but at much greater cost and with serious inconvenience.

In conclusion, Mr. Chairman, I have shown why I think foreign trade is essential to the economy of our country. Necessarily, I have begun from the standpoint of the country at large, but my main purpose has been to show the effect of foreign commerce upon my own State of Nebraska, an inland State.

My general remarks have had to be brief, but I believe that they show the necessity of foreign trade to our economy and to the economies of the Free World.

How does one summarize the effects of foreign trade to the economy of a single State? In the following paragraphs I shall state one method of ascertaining such effects.

Agricultural products of Nebraska exported in 1956 totaled $121,181,000. Conversely imports of livestock products, which appears to be the only Nebraska agricultural product adversely affected, were $27,937,000.

As I have stated our principal agricultural exports are: wheat, soybeans, corn, sorghum, dairy products, poultry products, and other livestock products.

While we do not have complete statistics, Nebraska's exports of manufactured products which can be estimated totaled $30,478,000 in 1956. Man-years of employment attributable to exports were 1,152. This is probably an understatement since we do not have any estimates from many of Nebraska's smaller industries. It is difficult to assess the effects of imports upon these industries, but I believe that the bulk of the imports utilized supply the ingredients for Nebraska's industries plus the food supplies of the consumers.

Mr. Chairman, the effect of foreign trade is difficult to measure for consumers. In 1956 per capita exports were $112.48 and per capita imports were $74.58. Thus it would appear that the per capita gain from foreign trade was $37.90. As a general indicator of the gain from foreign trade to the State of Nebraska one can take the closest population estimate—1,452,000 in 1957—and multiply by the apparent per capita gain—$37.90—which indicates that the gain for Nebraska was $55,030,800. However, as I have pointed out, Nebraska's effective buying income was only about 85 percent of the national average; so the probable gain to Nebraska was $46,776,180.

While the exact accuracy of some of these computations might be questionable, Mr. Chairman, I believe that the general trend indicates why I support the reciprocal trade agreements program.

Mr. DENT. Mr. Chairman, now that the first real skirmish on reciprocal trades is over the question comes up: Is it the end or is it the beginning of real understanding of the international trades, aids, aspirations, frustrations, peace, war, prosperity, or depression?

Somehow, here on the banks of the Potomac a person gets engulfed in the magnitude of the problems of the people here and elsewhere.

As I see it, the underlying resentment against the 5-year extension and further reductions in tariffs has been smoldering for a long time.

We want to help the people of the world. We want to make sacrifices in our search for peace. We want friendship and we want our neighbors to have a better standard of living.

Yes, we, the American people, want all of these things, and more, and we have been willing to pay. We have paid dearly in blood, tears, and in our national wealth.

However, too many of the nations, their rulers, and in some cases their people, have completely ignored our aims and have demonstrated an utter disregard for all our sacrifices and aid.

This country alone cannot save freedom. We have fought and won two major world wars. We have taken no territories nor have we built any empires. The price of victory has been the loss of thousands of our youth, dead and crippled, and the highest personal taxes in all of our history.

We have given to every taker our know-how, our machinery, and our raw materials. We have built up all over the world competitors not alone for the world's market but especially for our own market.

Unselfishly and some say foolishly we have allowed ourselves to become the world's paternal guardian. Our commitments have become astounding not alone in number but also in scope.

Some day, and maybe these debates will hurry the day, we will have to admit we cannot be the policemen for the whole world.

The British have definitely turned in their uniforms and the French have troubles of their own. Turkey and Greece are nullifying each other.

Italy, Sweden, Denmark, and a few other powers can and want to help. However, look over our little handful of dependable allies and you will realize how little we have bought for our money in the years since World War II.

Almost every nation is building up pressures within and without its borders. We are no different. That is where the rub comes in. We think that the mere mention of our country is sufficient to send cheers into the air; that we have the respect of all the people because we have been good to them.

Let us take a look at every hemisphere and see if we can find a majority anywhere that does not take us for what we can give them; in plain words, have we become the world's suckers?

I cannot believe that it is that bad, yet the proof is mounting.

All over the world peoples and governments fail to credit us with our good intentions and deeds. Instead of cheers we get jeers. Instead of plaudits we get bats.

Well-mannered foreigners criticize us and inspired hoodlums tear down our flag and carry banners of hate in mob scenes and street parades.

It is not too late. Money that has been spent is gone and we cannot reclaim our world standing by spending more. There is no use crying over spilt milk. We must start fresh with a new policy. The old one has failed. It is too late in the season to find fault or to lay blame upon one party or another.

I am against the so-called nonpartisan, bipartisan foreign policy. I disagree with those who say foreign affairs, reciprocal trades, mutual security do not belong in partisan politics.

How else, pray, can an American voter in a free nation decide how he wants his representative to vote, or his country to act, in matters of international policy.

If my party—the Democratic—wants to be for free trade, free aid, or any other program, let us stand up and say so. Then within the party each member stands up for or against and when the districts return their vote we will have a policy count of the people within our party and their position on this burning issue.

The Republicans then should do the same. This is the test for a democracy. Shall we let the people discuss and determine this issue or do we hide our heads in the sand?

Every other nation has its pros and cons. Are we so naive as to believe that all our people think alike on a problem that overshadows all other world problems?

We, as elected officials, are only temporary actors in the political scene. The parties are permanent. Responsibilities must be assumed by the political party.

The conscience of a political party is controlled by the elected officials; the policies by historical principle and platforms.

An independent in American politics is usually a Democrat in a Republican district and a Republican in a Democratic district.

If we really believe in the two-party system, with its checks and balances and its history of unparalleled success in the natural, spiritual, and humane fields of endeavor, with its achievements in personal freedom and dignities, we must perforce go along with demanding post-election responsibility from both parties.

My father used to say that independence in politics is too often the backbone of fictitious reform, which, in turn, is the backbone of revolution and revolution is the backbone of destruction, degradation, and despair.

The next few months and years will determine which party can eliminate the economic obstacles of our present dilemma, within or without our borders.

Our policy on foreign affairs and domestic issues must be defined in Congress. Let the people have a choice of honest platforms, and the victorious party will not try ill-disguised attempts to play down the middle after election day.

I have read editorials asking that middle-of-the-road politicians be elected. The most dangerous driver in the world is the middle-of-the-road traveler. He has no consideration for either the driver approaching or passing. For my part, I shall take my chances on a Democrat or Republican.

I do not mean the ordinary questions that are a matter of necessity rather than a matter of policy. I mean such domestic issues as social security, unemployment compensation, education, labor standards, public works, Federal-State-local relations, taxation, public service, and party responsibility.

In foreign affairs, I mean trade relations, missile programs, military-command policy, diplomatic activities, lend-lease, mutual aid, immigration, World Bank, and monetary policies, and credits; in short, our foreign policy in its every phase.

Our party platforms should enunciate our programs, our views on legislation and problems facing the electorate and our general policy on matters concerning the welfare of our people.

These may be controversial because there is always a fundamental difference between our approach to these problems and those of the opposite party.

In practice, political controversies strengthen political freedom and educate the masses.

Personally, I believe we will be more appreciated in our efforts by being better bargainers in foreign relations.

No bargain is of any value unless all parties to the bargain are satisfied and its citizens prosper.

Mr. McGREGOR. Mr. Chairman, for several days I have listened very attentively to the debate on the so-called reciprocal trade agreements legislation. I am sure my record in Congress will justify the statement that I believe in world trade. I favor world trade and all domestic trade possible but I do not believe it is fair to our citizens of this country to create a condition of unemployment in any part of the United States and ship goods to any Member's district to provide employment to some men working in foreign countries and force local citizens to be unemployed.

I do not want unemployment anywhere in the world. I deplore it, but I am going to be honest and say that if there must be unemployment somewhere I would prefer it in some other country rather than in the United States. It is unfair to force our American people out of jobs and to increase our taxes to pay unemployment insurance when the unemployment is caused by bringing in products from foreign countries produced by low-wage-rate labor. Our American farmers, labor, and industry are certainly at least entitled to equal recognition and should not be forced to go on unemployment because of imports of products into this country far below the price at which they can be produced here.

I believe in reciprocal trade, but let us make it reciprocal.

Mr. LIPSCOMB. Mr. Chairman, trade between the United States and other nations is vital to our own continued economic well-being, and for the continued well-being of other countries. A large segment of our economy is dependent for its livelihood on being able to sell its products in farflung areas around the world. It is a simple economic fact of life that in order for other nations to buy from us, this Nation must buy their products. By its nature, trade is a two-way proposition. Healthy trade can also help build up the economies of other countries to make them, as a result, less dependent on outright assistance from the United States to

combat the Communist menace, and less prone to accept economic assistance and trade with the Soviets. It is my feeling that, all things considered, extension of the Reciprocal Trade Agreements Act is important as the most helpful instrument at our disposal at this time to promote and regulate trade to the best advantage of America.

At the same time, I feel that we cannot glibly pass over the instances of severe harm done to many domestic firms because of foreign competition. Many United States firms in the last several years have had to close their doors or severely curtail their activities because they could not compete with imported foreign goods which are often produced at next-to-nothing wages or are of inferior quality. It is anything but fair to let such industries be sacrificed for the common good, as it were. The right of American industries for relief in such cases has been recognized in trade legislation previously when such checks as the peril-point provision, the escape clause, the provision for ODM investigations were made a part of our trade legislation. To me there is nothing startling or novel about expecting the American Government to have the interests of the American industries and people uppermost in mind. Who else will? The American people who are affected are living today. They find little solace in general, long-range economic and technological trends; in claims of a common Free World good; in long-drawn-out investigations and studies. In my opinion what is called for is faster and more decisive action by the Government to extend necessary relief under these provisions than has been displayed in the past.

I also believe that this is the time for the Congress to take a look at the Nation's entire trade program. The Soviet Government has made no pretense but that it intends to wage full-scale economic war against the Free World. It is therefore important for the Congress also to look anew at the operation of such legislation as the Export Control Act and the Mutual Defense Assistance Control Act, the so-called Battle Act. Both of these acts are for the purpose of exercising control over the flow of goods to the Soviets and Soviet dominated countries. How these acts are administered and the policies pursued thereunder are an integral part of and have a direct bearing on our overall trade policies. I believe that it is of importance that these export control programs and their administration be evaluated now in conjunction with the Reciprocal Trade Act so that our Nation may be assured of a consistent, meaningful trade program.

Mr. CRETELLA. Mr. Chairman, I know of few issues which have incited such wrath and vituperation between two sharply divided camps as the matter before us to extend the Reciprocal Trade Agreements Act. We have been buried in a sea of paper in which each side has claimed the final justification for its cause. Because of this overenthusiasm it has become apparent that the facts and figures which we have been asked to regard are, in many cases, inaccurate and the product of wishful thinking. I do not attribute this phenomenon to any particular side. But I do deplore the fact that the issue has been deliberately clouded by unwieldy pressure tactics and that a certain degree of energy has been wasted in attempting to filter fact from varnished opinions.

Likewise, I deplore the name calling which has run rampant and which is inspired simply because there happens to be honest and sincere differences of opinion by Members of this body of what is best for our country and the majority of people we are honored to represent in this Congress.

To clarify my position in no uncertain terms at this time, I am in firm and unequivocal support of the amendments offered to this act, embodied in H. R. 12676, the Simpson bill. I will go into the reasons for my decision in a moment.

The tenor of those who rise in firm support of the bill as reported, has at times reached a pitch most disturbing to me and I am sure to others who share my views on this issue. There seems to have been a question raised concerning the motives of us who do not concur with the wisdom of continuing our trade program for a 5-year period with corresponding indiscriminate decreases in tariffs.

Some speak of this matter in terms of being either a statesman with honor and voting to extend this authority or to take the alternative route of the protectionist, and bow to political expedience by supporting the Simpson amendments. Under these preconceived notions then, it is not possible to endorse, without impunity, the Simpson measure. Such an appraisal is hardly realistic. I am taking the course of supporting H. R. 12676 because I believe with all candor it is the best direction we can take at this time. And no amount of insinuation or innuendo will distract me from these beliefs.

What will the Simpson bill do? First, it will extend the act for 2 instead of 5 years. This act has never been extended for more than 3 years. In a 2-year extension there will be ample time to observe the effects of this legislation on the segments of our American industry.

Second, the bill will allow reductions in duties at the rate of 5 percent per year, the same as the Mills bill does for 5 years. On the authority to raise duties, the Simpson bill wisely makes distinctions between ad valorem duties and specific duties. Sharply rising costs in labor and materials since 1930 have made specific duties, granted by the authority of the Tariff Act of 1930, practically meaningless, since they represent such an insignificantly minute part of the costs of various products which are made today. Ad valorem duties are at least proportionate and reflect the higher prices, whereas specific duties ignore this. It has been cogently pointed out that in the brass mill industry, which is generally subject to specific duties, that the tariffs on an ad valorem basis on these items from abroad in 1956 were less than one-tenth per pound than what they were in 1930. The Simpson bill would give the Tariff Commission the authority to correct this injustice.

The peril point is supposed to be operative when the Tariff Commission finds that the existing duties appear to be inadequate to prevent imports from causing or threatening serious injury to the domestic industry producing like or directly competitive articles. The committee bill allows the Chief Executive to penetrate these peril points if he so chooses; that is to disregard the standards set up by the Commission. The Simpson bill directs that the President must first obtain the approval of Congress before he is authorized to take such action.

The escape clause as written into our present law allegedly affords protection to those industries whose problems can be attributed to excessive importations. Yet the Chief Executive can set aside these findings unless Congress in separate and distinct action by both Houses, by a two-thirds vote, sustains the Tariff Commission. This is, in essence, removing from Congress the direct constitutional authority of Congress to regulate trade with foreign nations. The amendment to this clause will compel the President to proclaim the recommendations of a Commission of the executive branch, unless within 60 days, Congress approves his failure to act or any alternative proposal he makes.

An important and essential section of the bill I support is that which will encourage the use of realistic import quotas when the Commission finds that the maximum duty permissible will not remedy serious harm to our domestic industries.

These are the basic differences of the two bills before us. The advocates of the committee bill say that we already have built-in protection for our industries which have been hard hit by imports of competing products. Yet, to me the peril point and escape clauses of the existing Trade Agreements Act have been injudiciously ignored. They pay only lipservice to those who have applied for relief under these provisions. The point was well taken yesterday that while Presidents have reduced nearly 3,000 individual tariff rates since 1934, and often more than once, a mere 9 tariff increases had been granted by 1957 on the 84 applications for relief under the escape clause.

It is senseless and misleading to compare the dollar volume of our imports and exports. There is no valid argument presented by these figures alone, that our imports totaled $12.8 billion and export sales to other countries were $17.2 billion. The United States is for the most part a self-sufficient nation with a high degree of natural wealth and industrialization. The goods and materials we are able to offer for sale on the world market are needed and demanded. On the other hand, we must recognize that a good many products imported into the United States are done so because of our now existing reasonable tariff rates. And they will continue to be imported in vast numbers, even though the demand for them here often lags behind the supply available. For those who pro-

claim that we have built a high wall of tariffs and quotas, I can only say on tariff rates the United States ranks the 8th lowest of the 36 major trading nations of the world.

The figures on our workers who depend on our foreign trade are unclear. While it is probably true that 4.5 million people in the United States are in jobs which depend on this trade, no one knows how many of them have jobs which are linked to tariffs and other safeguards. We do know, however, that a good number of them would continue to be employed with or without trade agreements. We will still need to buy tin, coffee, bananas, and many other products not directly related to the tariff issue.

What has been the prime consideration in the establishment of our trade programs? Has it been in favor of American industries, many of which have been highly productive and financially successful for generations until they have been forced to cease or curtail operations due to excessive imports? Clearly no. Not when, for example, the United States textile industry has lost 345,000 jobs since World War II. Our program is, at the expense of industries like this, inexcusably interwoven with and dictated by the considerations of our foreign policy. Little else enters into it. The State Department, in trying to outbid and outdo the Kremlin on all fronts, commands this field. The plight of the affected American industries, the workers in them, the findings of the Tariff Commission and Congress are subordinate to this intriguing game of international checkers.

To be specific, which are the industries in Connecticut and the Third Congressional District which I represent suffering from the dumping of excessive imports on our shores. They are stainless steel flatware, clocks, watches, hardware, wire, pins, screws, textiles and others.

The silver industry is now concentrating on the production of popular stainless steel flatware items. In efforts to counter the vast flow of goods from Japan produced for a fraction of the American costs, this industry in America has faced losses of $22 million since 1953 on silver plate sales. The Tariff Commission figures on Japanese imports of stainless steel flatware are staggering. If it were not for the fact that the Commission found this year that these items are being imported in such numbers as to cause serious injury to our own industry, the number imported would have actually exceeded our manufacturers' sales. The ratio of Japanese imports to United States manufacturers' sales for the last year figures are available, 1957, is 97 percent. This represents the influx of more than 11 million dozen pieces from Japan in that year alone. Of course, the root of the problem lies in the tremendous wage and cost differential between Japan and the United States. The average American worker in this industry makes $2.13 an hour, while the corresponding Japanese wage is 22 cents. At this rate, the Japanese can and have easily sold abroad at prices lower than American costs for production alone. Voluntary quotas have been offered this year by the Japanese, but in the meantime we have no assurance, legal or otherwise, that reductions in their exports to the United States will be maintained.

The clock industry. From 1947 to 1951 imports of spring-powered clocks increased reasonably from 537,000 to 694,000. In 1951 our tariffs on this item were reduced 50 percent. The latest figures I have available indicate that imports for the year 1956 reached 4,182,000. The result has spelled disaster for many well-established American companies.

The non-jeweled-watch industry has faced similar circumstances. Imports rose from about 250,000 in 1947 to 1,971,000 in 1954, at which time tariff increases were put into effect. Despite this increase in duties, imports rose steadily to 5,200,000 in 1956. This is a case where the only effective relief could have come from quota controls, which the Simpson bill would allow with less difficulty.

The same problems are faced by the other once efficient industries I have described above, and I shall not go into an exhaustive disclosure of the facts and figures to prove the point.

There need not be a continuing uninterested attitude by our Government to these segments of American industry which are in peril. Similarly, we can maintain an honorable position in the eyes of the world which is, of course, necessary. We can and should work for the expansion of international trade, both as an expression of our goodwill and friendship for other nations and our own self-interest. And these requirements can best be met through the enactment of H. R. 12676, which shall have my support.

Mr. DORN of South Carolina. Mr. Chairman, today Congress will again be voting upon the reciprocal trade program. More specifically, we must choose between the administration's bill and the amendment substitute, the Simpson-Davis-Dorn-Bailey bill.

The reciprocal trade program has developed over the years into a highly controversial subject. The polarization of forces for and against the program did not come about as a result of differences over matters of principle, that is, the original idea of reciprocity, but rather over the administration of the trade agreements, which in practice, has had the effect of negating the very principle itself.

An honest trade program, honestly conducted might have been a blessing to our economy, especially during these trying times of domestic dislocation. However, the maladministration of the Trade Acts under the misguiding hands of social scientists, motivated by a fuzzy free-tradism, has actually compounded our present dilemma by permitting foreign producers to acquire increasingly large segments of the domestic market.

I do not wish at this time to discuss the trade agreements program, but I would like to single out an individual who is thoroughly versed on our foreign trade policy whom I consider to be the country's leading spokesman for fair—not free—world trade.

This dignified and indefatigable personality, who has been a familiar figure to many of my colleagues in the House over the years, has consistently defended the rights of the import-injured businessman, worker, and farmer against a most formidable army of official and unofficial opponents who, incidentally, wield considerable influence over our channels of mass communication.

I am referring, of course, to Oscar R. Strackbein, the founder and national chairman of the Nation-Wide Committee on Import-Export Policy. This singular association, organized in 1953, grew out of a spontaneous appeal from industry, union, and agricultural groups from the tuna waters of the West to the textile industries on the East; from the ore regions of the North to the oilfields on the South.

This grassroots demand for remedial action began as a reaction to the callous abandonment of large segments of American economic interests by official free-traders motivated by the laudable, but factually misleading and economically questionable premise of postwar recovery or trade, not aid, then world peace, then Western rearmament, and the Russian challenge, or whatever slogan happened to be in vogue. We are now breathlessly waiting to be notified that failure to pass the trade agreements bill will signify the loss of the space race.

As 10, 25, 50 percent of various segments of the United States market migrate, with a willing assist from the State Department, toward low-price foreign products, much of American industry finds itself in an untenable competitive position, faced with a problem of mounting magnitude before which they are legislatively helpless.

Realizing that the appeals of individual companies or unions were lost in the almost hysterical clamor for a vague, undefinable free-trade concept, Oscar Strackbein launched upon an intensive organizational campaign to forge a united front composed of industry, agriculture, and labor.

For the last 2 years, he has tirelessly traveled from city to city and meeting to meeting in order to provide a mechanism through which his members might in assembly gathered, express their problems and formulate avenues of action.

As a result of his selfless sacrifice, the Nation-Wide Committee on Import-Export Policy is today organized into seven regional divisions and numbers among its membership approximately 70 associations of industries, unions, and agricultural groups representing hundreds of individual companies which produce over 100 different products.

I know that I speak for many of my colleagues here when I say that the membership of the Nation-Wide Committee have been ably represented here in Washington by their founder, chairman, and spokesman, Mr. Strackbein.

Mr. CANFIELD. Mr. Chairman, the reciprocal trade bill should have been recommitted so that the committee could make 2 revisions, one to cut to 3

years the unprecedented 5-year extension of the act, the other to revise the escape-clause formula, so that the promises of the original sponsors of the act would be implemented by safeguards preventing the ruin of any basic American industry by cheap foreign imports, would be carried out.

Unemployed textile workers, I represent, ask the question: "In America's attempts to help stabilize and advance the economies of other free nations, shall we completely neglect the interests of those domestic industries which are now suffering economic setbacks?"

Management of textile and other mills in my area are at a loss to understand why under existing law a unanimous finding for escape-clause relief by the Tariff Commission can be set aside by an edict of the State Department, there being no further recourse, even to the Congress. They quite properly ask if their interests are held to be expendable and why.

I have supported reciprocal trade and I believe it must be continued on a realistic and sensible basis but I now agree with the American Legion which last month through its national executive committee called for corrective action in reciprocal trade. The Legion declared that certain industries, labor and segments of our agriculture, essential to our defense, are being injured by the provisions and administration of the Reciprocal Trade Act. This great veterans' organization saw extreme danger in that we are becoming more dependent upon industry, agriculture, and raw materials located near Communist dominated countries in easy reach of potential enemy forces.

Mr. McGOVERN. Mr. Chairman, to paraphrase Adlai Stevenson, this debate should not have been necessary at all. Instead of planning for the future, we are still fighting battles we thought had been won in the past.

It has been said that those who do not know history are bound to repeat it. I find it difficult to believe that anyone who studies the high tariff policies of the post-World War I period culminating in the Smoot-Hawley Act of 1930 would want to repeat that sorry chapter of our American story. That shortsighted policy destroyed the markets of the American farmer abroad, thus, glutting domestic markets and wrecking farm prices here at home. The resulting tariff and trade retaliation against the United States undercut American industrial sales overseas, slowed our production and compounded unemployment—all of this at the same time that American consumers were forced to pay for higher tariffs through higher prices.

Worst of all, these rigid barriers against the flow of commerce between nations set off the extreme economic nationalism in Germany, Italy, and Japan which provided the economic setting for the aggressive political dictatorships that brought on World War II. We should not soon forget this painful lesson of history.

One of the most important responsibilities confronting this session of the 85th Congress is the renewal of the Trade Agreements Act—not just any kind of renewal, but one that makes sense in terms of the needs of the American economy and our obligation to the nations of the world.

The kind of trade extension we should seek is a stronger, more confident expression of American strength and the American promise than any of the 10 extensions of the past quarter of a century. We should be removing the crippling amendments of the past—not adding new ones at a time when bold and imaginative leadership is so desperately needed.

The trade agreements extension bill backed by President Eisenhower and so ably presented by the Committee on Ways and Means, is actually a conservative program of modest proportions. Yet, this bill, H. R. 12591, is under dangerous attack by those who would reverse the tide of history, slow economic advancement and hamper responsible leadership in the society of nations.

There is, for example, powerful opposition to the trade-extension bill from the big oil producers. These gigantic interests talk much about preserving free enterprise without Government intervention. Yet, they have been the beneficiaries of more Government aid in the form of tax favors and other preferences than any other industry in the United States. Not content to leave well enough alone, they seem bent upon exhausting every barrel of oil produced by them before one barrel of lower priced oil from abroad is made available to American consumers. Another powerful interest, the chemical industry which enjoys sales abroad a billion dollars a year greater than our chemical imports has joined the chorus of those who clamor for protection from foreign competition.

It is gratifying to me to note that these powerful interests have not been able to weaken the stand of our Speaker who continues to uphold the trade policies that he helped Cordell Hull establish 24 years ago. His steadfastness is an inspiration to younger Members of the House.

Those who talk in fearful terms about the dire results of reciprocal trade seem blind to the splendid benefits of the program. In truth, America and the world have benefited greatly from a liberal trade policy.

During the last 24 years since the reciprocal trade program was first launched, we have become the greatest trading nation in the world. Last year we sold other nations nearly $21 billion of our goods while purchasing $13 billion in goods from other nations. These figures alone disprove the false notion that our markets are being overrun by cheap commodities from abroad. We are, in fact, selling abroad almost $8 billion more in goods than we are buying from others. I have often wondered how those who want to throw up higher tariffs expect other nations to secure the dollars that they must have to buy what we wish to sell.

Included in our export trade are $4½ billion of agricultural commodities, representing the production of 40 million acres. A recent study by the United States Department of Commerce shows that in the eastern half of South Dakota, we are dependent upon foreign markets for the sale of $19.4 million of wheat annually, $10.8 million in livestock, $8.5 million in corn, $1.6 million in dairy and poultry products, and $3.3 million in flaxseed. These items alone enable South Dakota farmers to find an outlet for $43.6 million of produce. It is true that some foreign produced commodities are brought into the United States, but the exchange benefits us far more than it handicaps us. The world buys between 25 and 40 percent of America's wheat, rice, cotton, tobacco, fats and oils, as well as 20 percent of our trucks and 15 percent of our coal output, to name only a few of the scores of commodities that we sell overseas.

Four and a half million Americans are employed because of our foreign trade which means that if each of these workers is the head of a family of 4, 18 million citizens are supported by our foreign commerce.

What do the advocates of trade restriction want us to do? Concede our profitable export business? Concede our rate of economic growth? Concede major elements essential to building economic strength at home and Free-World unity abroad? All of these were the unhappy results of the unwise post-World War I policies which some gentlemen now ask us to repeat. Their arguments are not only refuted by the record of the past; they are challenged by the demands of the present and the new dimensions of the future.

I am in favor of a policy of freer trade and of a meaningful extension of the trade agreements program because that policy and that program have contributed greatly to America's economic growth and to that of our friends abroad. This program has helped bring about the stability in international trade relationships after World War II that was missing after the First World War. It has prevented economic warfare in the community of free nations—a community which is engaged in economic competition with the Soviet Union. Stalin said in 1952: "We can win the world peaceably. It will eventually turn upon West Germany and Japan. But the stupid, greedy West will hamper their foreign trade. Then we shall draw them into our orbit through overwhelming trade agreements."

In 1957, Khrushchev said "We declare war upon you—excuse me for using such an expression—in the peaceful field of trade." He went on to explain that it is not the ICBM that will bring victory to the Soviet Union, but an economic offensive that we would be too dull to counter before it is too late.

But Soviet threat or no Soviet threat, the trade agreements program is good business for American enterprise, American labor and American agriculture. There are admittedly some cases where industries have encountered serious foreign competition, but in these cases import competition is only one of a whole host of problems. There are many ways in which such enterprises can adapt their resources to more efficient production and to new forms of economic activity. They have had to do it in the past, and, indeed, adjustment to

changing economic conditions is the story of American progress. Most of the American firms that have faced import competition have faced up to that competition and have met it successfully, or have adapted their operations to new forms of production that can keep the plant and its workers operating in high gear.

We must face realistically whatever economic problems we have and we must, in our own interest, reject the temptation to use import competition as a whipping boy for the many other problems that require our urgent attention.

I shall vote against the Simpson bill (H. R. 12676). I shall do so because it is unsound commercial policy and involved a realignment of govermental functions which I believe is in conflict not only with the Constitution but also with the tenets of effective democratic government.

I shall vote for the committee bill, the bill backed by the administration, the bill backed by the major organizations who speak for business, labor and agriculture. I support H. R. 12951 without reservation.

Mr. PHILBIN. Mr. Chairman, I am opposed to lopsided reciprocal trade, which is the kind of reciprocity we have been getting under the distressing and dangerous operation of this program since its inception. Insofar as my district is concerned, in furniture and woodworking, in textiles, in plastics, steel and steel fabrication, paper, linens, in certain machinery lines, electronics, and in many others throughout the State, there is a decidedly adverse effect.

The point is made that about 4½ million people are employed in foreign trade industries. I think this includes about 1½ million employed in importing industries. Therefore, about 3.1 million might depend directly or indirectly upon exports.

On the other hand, close to 80 percent of our exports are paid for with dollars which foreign countries earn from tourists, investments, and nondutiable products. That percentage of our exports is unaffected by changes in our import duties. Thus, only about 682,000, and not 4,500,000, as asserted, may be affected by imports of dutiable products.

As against this 682,000, there are over 60 million people employed in the American economy, and, therefore, the balance of them in farming and manufacturing industries vulnerable to import competition are affected in varying degree.

It is easy to recognize why the flood of cheaply produced goods is causing cutthroat competition and producing depressed industries and serious unemployment because these competitive goods are now spreading to almost every field of American industry. How can any American industry possibly compete with the 10-, 12-, and 15-cent an hour wages that apply in other parts of the world?

The high living standards of the American worker and the American people is based on their high wages and other social advantages. Do we want to reduce these standards to the level of the other nations and cancel out or greatly restrict many American industries in the bargain? I do not think this would be a good policy for our country to follow.

We already have tremendous problems in our own country trying to regularize the relation between wages and productivity. The flood of steadily increasing foreign competition is simply widening this gap. Of course, there are some foreign workers who are making competitive goods coming into the United States making 43 cents an hour as against similar workmen in this country who get well over $2 an hour. Is it good policy to encourage the continuance of low foreign wage rates by importing goods that can compete here only because of these lower wages? I do not think so.

The net effect of the reciprocal trade treaties and the high tariffs in most other countries has been to cause some American manufacturers to build plants abroad. It is estimated that one-third of our imports now come from foreign affiliates of United States companies. Is it in the interest of America to thus encourage employment abroad with American capital and cause unemployment and recession at home? I do not think it is.

We hear at lot about the reciprocity features of foreign trade under the Reciprocal Trade Act but really there is no such thing. It is a one-way street. We have our doors open wide as to many products while foreign nations generally have their doors almost wholly closed. All other trade nations of the world with very few exceptions have trade restrictions which stop our goods entirely from being brought into their countries, or have carefully rationed the quantity of imports, not only by tariffs but by import licenses, foreign exchange controls, import quotas, and state trading.

Very few of these restrictions indeed have been eased in exchange for low American tariffs. For example, France and England have imposed rigid import controls on watches to protect their own watch industries, whereas we have permitted foreign watches to come into this country and virtually destroy our once prosperous industry. The Waltham Watch Co., in Massachusetts, a long-established business with a product known throughout the world, and other American watch companies, have suffered and have in some way been adversely affected by almost unrestricted imports.

Even Switzerland, the chief beneficiary of our free trade in watches, recently increased its import duties on nylon stockings by 300 percent to protect its own industries against American imports. Italy, France, and practically every other nation in the Western World have acted in a similar way to check and shut out American goods.

Our tariff policy since 1934 has been in the hands of theoretical international-minded bureaucrats, often more concerned with other nations than with our own.

The Congress inserted peril point and escape clause provisions in the reciprocal trade measures, but they have been more respected in the breach than in the observance.

The reluctance of American industry to seek escape clause relief is understandable in the light of Presidential rejection of unanimous decisions of the Tariff Commission that harm was being done a domestic industry through growing imports. This was done in the case of well documented complaints filed by such industries as tobacco pipes, silk scarves, lead and zinc, ferrocerium, ground fish fillets, and velveteen fabrics—complaints which the Tariff Commission sustained by unanimous vote, only to be turned down at the Presidential level.

I favor wholehearted international cooperation, friendly relations, and trade and cultural relations with all nations of good will. I do not believe in shutting out foreign goods. I believe there is plenty of room for foreign goods to come into this country in order to trade with friendly nations and enable them to strengthen their economies, and to check monopoly and price overreaching in this country.

But there must be a rule of reason and rule of commonsense about foreign trade. We cannot enter into arrangements with foreign nations that will allow them literally to flood our markets with cheap goods and cause depressed industries and throw millions out of work.

That is neither necessary nor desirable in order to promote mutually beneficial foreign trade. This becomes a travesty when under our foreign-aid program we give these nations the money to build factories and turn out goods to steal our foreign markets and undermine our American industries.

Since 1934 nearly 3,000 individual tariff rates have been reduced permitting a truly devastating trade influx. In the same period, only nine tariff increases have been granted as of the end of 1957; this, despite the fact that the Tariff Commission after careful study had recommended relief in many cases, but in only a few instances has the executive approved, as is required under the act, so that relief could be given. What chance has an industry got to get relief under the escape clause or peril point provision when this situation has to be faced? Virtually none.

Of great concern to all of us should be the impact of this trade policy upon the national defense. The Government has already had some almost disastrous experiences with foreign technical equipment necessary in defense activities.

We cannot afford to rely on foreign industries to serve our basic defense needs. If these channels were cut off, as they would be during wartime, it could well be completely disastrous to America.

Many other countries are already trading with Russia and her satellites and there can be no doubt that the entire Soviet system has been strengthened by multilateral trade between nations dealing in American goods, some of them adding to the war-making potential of the Soviet.

I do not believe that international organizations should control tariff rates on American trade. This is the function which the Constitution has vested in the

Congress. We should not permit any international organization to have authority to fix tariff rates or eliminate tariff rates and permit cheap goods to flood the markets of the United States. This whole economy can be and will be destroyed if we continue to permit foreign trade at the present growing rate; yet, it is proposed to increase this rate and open the doors wider. United States tariffs are now among the lowest in the world and almost one-half of our imports come in entirely duty free.

Our concessions under the reciprocal trade treaty policy have not been reciprocated by equivalent concessions from other nations.

As a result, many American workers who receive 3 to 10 times or more as much as foreign workers have lost their jobs. I do not believe that cheap imports based on low wages can do anything but disrupt and undermine the American economy and bring it down to the low levels and standards of its European and Asian counterparts.

Until we have some assurances that reciprocal trade programs will be what a real trade program should be, that is, beneficial to our own country as well as to foreign nations, America would be wise to take measures to preserve its own industry and its own economy against the impact of low standard, foreign competition.

Textile, lumber and its products, stone, clay, and glass products, steel, primary metals, machinery, chemicals, foodstuffs, and so on, ad infinitum, constitute the list of industries affected by rising imports.

Domestic velveteen producers, some in my district and State, for example, have lost 67 percent of their market to imports. Boston's fleet of large offshore fishing vessels has been reduced from 124 in 1938 to 36 in 1955 because of frozen fish imports. Imports of shears, scissors, saws, blades, and cutting instruments and the like, increased from some 11,000 units in 1946 to 4.5 million units in 1953.

Japanese textiles, plastics, and electronics are flooding our markets.

Massachusetts has a vital stake in truly reciprocal foreign trade. But under the present program, many of our basic industries are suffering from the constant rise in imports.

For instance, the metalworking machinery industry in Massachusetts is being hurt by import competition from some types of machine tools and dies.

Japanese Christmas tree lights are in competition with bulbs produced in Massachusetts.

The heavy electrical machinery industry recently initiated action under the National Security Amendment is seeking protection from imports of heavy electrical equipment. There are 74,928 persons employed by the some 324 manufacturers of electrical machinery in Massachusetts. This means that not only are the manufacturers of heavy electrical machinery but the manufacturers of components feel the impact of these imports—such components as building wire and cords, motors and generators, transformers, circuit breakers, and switches, which are made in Massachusetts, are not going into the completed heavy electrical machinery coming into this country from abroad.

The Massachusetts large electrical machinery industry helps to support other industries in the State. For instance, their operations in the Commonwealth include large foundries for making turbine shells and transformer cases. Chemical plants in Massachusetts make such products as transformer paint and industrial oxides.

We all know how our textile mills have suffered from growing imports of textile products which totalled almost $550 million by 1956. Cotton cloth imports have given increasingly vigorous competition to our mills as a result of which application under the escape clause was made by the industry to protect domestic producers.

Linen toweling imports hurt Massachusetts industry and the Tariff Commission found that serious injury was being done. The President agreed and this industry managed to obtain tariff relief.

Some 10 plants in Massachusetts which spin and throw silk yarn and/or weave silk fabrics are concerned over import competition. Producers of woolen and worsted fabrics in Massachusetts are hurt by foreign competition.

The carpet and rug industry is feeling the pinch of increasing imports of wilton and velvet floorcoverings. Cordage and twine manufacturers are affected by foreign competition, especially industrial and farm twine and baler twine.

The bicycle industry in Massachusetts is hurt by foreign competition, so much so that the American industry has filed 3 escape complaints in the last 6 years, only 1 of which resulted in a duty increase on bicycle imports.

The Massachusetts seafood industry has felt the effects of foreign competition, so much so that three escape-clause investigations have been conducted by the Tariff Commission since 1951 at the request of the national industry. Unfortunately, no escape-clause relief has been granted.

Massachusetts producers of wrapping tissue, coated and uncoated paper, and shoe board are concerned about increasing imports of these products.

Rubber footwear and rubber-soled fabric footwear, made in Massachusetts, are feeling import competition. Last year the industry sought escape-clause protection on both rubber footwear and rubber-soled fabric footwear, but the application was dismissed by the Tariff Commission.

Our Massachusetts producers of men's dress shoes are concerned over imports, especially in the medium and low-priced lines. Manufacturers of shoe uppers feel the competition from the growing volume of foreign leather suitable for shoe uppers which is competing with domestic production. There are 65 plants in Massachusetts making shoe uppers. In addition, there is growing concern about imports of grained, embossed, and fancy leathers. The women's and children's leather handbags and pocketbooks industry is faced with increased imports of these products.

Women's cotton blouses and sweaters are growing in import volume, to the detriment of our Massachusetts producers. Low-priced blouses from Japan are in direct competition to the Massachusetts products.

Imports of men's and boys' suits and coats are hurting Massachusetts producers of these goods. Shirts made in Japan totalled more than $6 million in value in 1956. Some of these shirts were bought in Japan for as low as $5.38 per dozen. How can our Massachusetts shirt industry ever expect to meet such competition?

Massachusetts producers of copper and brass mill products such as sheet, rolls, and tubing are faced with growing imports of these products. Producers of plumbers tubing have filed an escape-clause application which is pending before the Tariff Commission. The wire nail industry in Massachusetts is concerned about import competition. Imports and iron and steel wood screws have grown since 1950 and the industry has applied twice for tariff relief under the escape clause without success. A third relief application was denied by the President.

The Massachusetts cutlery industry, including the manufacture of table cutlery, carving sets, kitchen cutlery, slaughtering knives, and pocket knives, is adversely affected by growing imports.

Some 12 plants in Massachusetts which are producers of optical instruments and lenses are concerned over increasing imports of these products, especially microscopes.

Massachusetts producers of clocks and pin-lever watches have growing import competition.

Growing imports of jewelry, including costume jewelry, and silverware, are a threat to Massachusetts producers. The Tariff Commission in January of this year found that imports of stainless steel flatware was hurting our domestic industry. The President has deferred action pending the outcome of a Japanese promise to limit exports.

Increased imports of shotguns and pistols are hurting the Massachusetts firearms industry.

Growing imports are a problem to many Massachusetts industries. These are some of the industries and the number of plants so affected: Machine tools, 23 plants; linen toweling, 1 plant; cotton textile mill products, 166 plants; knit goods, 56 plants; wool textile mill products, 1,679 plants; silkwoven fabrics, 10 plants; wool floor coverings, including yarns, 12 plants; cordage and twine, 2 plants; bicycles and parts, 1 plant; inedible gelatin and glue, 5 plants; ground fish fillets, several plants; wrapping tissue, 1 plant; shoe board, 2 plants; coated and uncoated paper, 4 plants; rubber footwear, 5 plants; rubber soled footwear with fabric uppers, 5 plants; men's dress shoes, 63 plants; shoe uppers, 65 plants; grained embossed and fancy leathers, 26 plants; women's and children's leather handbags and pocketbooks, 11 plants; brass mill products, 10 plants; copper rolls, sheets, rods, 3 plants; wood screws, iron and steel, 4 plants; wire nails, 2 plants; cutlery, 7 plants; shotguns, 4 plants; watch and expansion bracelets,

1 plant; rosaries, 7 plants; clocks, 3 plants; optical instruments and lenses, 12 plants; and stainless steel flatware, 4 plants.

Other industries in Massachusetts faced with growing foreign competition include manufacturers of these products: Athletic goods, brushes, caps, chains, chemicals, cranes, hand tools, hats, gloves, motorcycles, abrasives, band instruments, candy, casein, leather goods and luggage, pens and pencils, photographic equipment, shingles, wall paper, and watches.

I could go on indefinitely quoting figures and statistics to show the way Massachusetts industry and American industry generally, is being undermined, sometimes savagely, and again steadily but surely, by increasing volumes of so-called reciprocity goods and products flooding the land. To my mind, it is a sad story. In the long run, in my opinion, it will be a disastrous one, and so far as I am concerned I desire no part of it. I want my position known so that there will be no mistake about it.

I am conscious of the many sincere, well-motivated people who are genuinely interested in reciprocal trade. I respect their views and assure them that my disagreement is not superficial, but deeply grounded in long years of study of the subject and my own firm convictions that the current administration of the reciprocal trade policy is causing immeasureable damage and holds truly alarming threats for the future.

For the sake of our great free enterprise system and the prosperity of the country, I hope that, regardless of the result of the fight on this issue, some way will be found in the very near future to minimize the continuing damage to our economy from this source.

If long continued, this and other most disturbing conditions now besetting our economy, could prove to be a powerful force in the weakening of free enterprise and the substitution of socialistic patterns and techniques on a worldwide scale. If this should eventuate, I can see nothing ahead but the specter of steady deterioration of our financial, economic, social, and political institutions. I hope and pray that these forebodings may prove illusory.

Mr. ROBISON of New York. Mr. Chairman, I have closely followed the very extensive airing and debate that this measure has been receiving, both in committee and before the House. Here in the House we have been presented with two bills, neither of which represents a compromise of the other, but each instead separately representing diametrically opposed trade policies.

The committee bill would constitute an extension, for five additional years, of our existing world trade program, with, I hope, some improvement of the escape clause procedure by the inclusion of new material which would allow the Congress to review, and, by a two-thirds vote, overrule the President's discretionary power of rejecting the tariff commission's recommendations for relief for domestic industries injured by foreign imports.

The substitute Simpson bill on the other hand would, it seems to me, constitute a sharp reversal of our existing trade policy, with possible serious resultant effects on already troubled world conditions.

A full and detailed comparison of the provisions of each bill has been made today and yesterday by Members from both sides of the aisle, men much more competent than I to make such a comparison. It would, therefore, be presumptuous of me to attempt to enter into any such discussion. However, I was able, and in fact felt it my duty, to attempt to determine the effect of our existing world trade program on the people and industries of the 37th Congressional District of New York. As a new Congressman, I had the good fortune of being able to approach this question with a completely open mind.

As time permitted, I attempted to contact, either in person or by mail, the executive heads of the major industries in my district. With one exception, I was advised by such men that, while here and there almost all of them had at one time or another experienced some injury from foreign competition, their respective industries were either dependent on continued world trade, directly or indirectly, or that it was their considered opinion that the continuance of our world trade program would contribute so greatly to the well-being and prosperity of American agriculture, industry, and labor that their individual injuries could be endured.

There was not sufficient time for me, in view of my recent election to Congress, to send questionnaires to individual small-business men, laboring men and farmers, although many of them were kind enough to volunteer their views to me in person or by letter. Again, an overwhelming majority of people so heard from was in favor of a continuance of the existing program.

My final attempt to become better informed on this subject was to request the Department of Commerce to prepare for my consideration a statistical survey of the influence which world trade has on the economic well-being of my district. That survey indicated that some 46,186 district employees, constituting about 75 percent of all persons engaged in manufacturing in the district and over 30 percent of all persons employed in the district, were employed by industries whose proportionate district share of United States exports for 1956 amounted to over $43.1 million, 1956 being the year for which the most recent full-trade statistics were available. In addition to this direct proportionate share in exports, it was apparent, since many other district products were being exported after being incorporated as component parts of products made or assembled ouside the district, that the actual value of export as an outlet for products of the district would be much greater than the directly apparent $43.1 million figure.

Also, the survey showed some 18,000 people in the district were employed in agriculture and that, based thereon, the district's direct proportionate share in the Nation's farm exports in the 1956–57 marketing year would be nearly $4 million. In addition to all this, of course, many other district people who provide services of one kind or another to the firms and farmers producing the products that directly or indirectly enter world trade received a benefit therefrom which is difficult of valuation, but nonetheless real. Finally, also, the district is dependent to a considerable degree on the importation of certain food products, minerals, and raw materials enabling my constituents to enjoy a better way of life and many district firms to produce better products.

From all of the foregoing, I became convinced that the continuance of our present world trade program as requested by the administration was in the best interests of a great majority of the people of my Congressional district, and this conclusion, coupled with my belief that any change in the trade policy of the United States could not help but have a profound detrimental effect not only upon our foreign relations generally but on the security of the Free World as well, clearly indicated that the committee bill (H. R. 12591) was worthy of my support.

My vote in favor thereof, however, should not be construed as an indication that I am not mindful of the fact that at least one of the major industries in my district has been severely and adversely affected by foreign imports. To that industry and its employees, and to any other industry that may become similarly injured, I pledge that I will use such influence as I may have to assist them in presenting their problems to the Tariff Commission and to the President, and in obtaining appropriate aid or relief as expeditiously as may be possible.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman and members of the Committee, here we are again in what has come to be a recurring controversy ever since the Reciprocal Trade Agreements Act was first passed in 1934. I am sure I do not need to remind my colleagues that this controversy is divisive; it is divisive not only here in the Congress of the United States but all over the country. Good people, good, honest people, have differences of opinion as to just what ought to be done. Those are honest differences, and certainly every one of us should respect them.

I may say in a lighter vein that possibly if we do extend this program for 5 years, we will not have to be contending with it again for that length of time, which would be some advantage, to say the least.

As this program has been in operation I have noted with great interest the geographical shifting of support and opposition to the program. I can recall in the earlier days when the position of the South was all for free trade, and then textiles moved south and today we find a completely different situation in many places. And, I suppose that is the result of a conviction that certainly, within limits, every one of us has a responsibility to do what he thinks is best for the people he represents.

Now, basically I think everybody in the country wants foreign trade. Maybe I should amend that to say that everybody wants foreign markets for our own products, if we can find those markets. I know that is true in the Middle West, the area from which I come, because the Farm Bureau and other people have pointed out to us that one of the things that is causing difficulty on the agricultural front is the loss of foreign markets. So, there we understand it is good to have these foreign markets. Many jobs and much income depend upon the production of goods and commodities, agricultural and industrial, that will go into foreign trade. So we are all, as I say, in favor of foreign trade. But, sometimes, it seems to me, we are all for governmental economy, that is, we are for governmental economy if you take the "me" out of it, and there is where we get into trouble. I have had some men come to see me about this program and about this legislation, and I pointed out to them that in their particular field the exports far exceeded the imports. But they said, "Don't do anything to offset those exports; we just love the exports, but we do not like the imports." It seems to me essentially that if we are going to have exports, then somewhere we are going to have some imports. Certainly, then, the big question is how can we promote desirable foreign trade and not bring about an undue disadvantage at home, and that really is the nub of this whole controversy.

Now, the Reciprocal Trade Agreements Act itself is the machinery by which we undertake to promote foreign trade in the interest of our own people. Back in the 80th Congress—and many of you were here on my side of the aisle—you will recall that the Reciprocal Trade Agreements Act was running out in 1948. I was the House majority leader in that Congress, and believe me, a lot of us were doing a lot of soul searching to determine what we were going to do about the program. We had the matter of extension before us. I would like to point out, particularly to my friends on my side of the aisle, that it was at that time that we developed this philosophy, this machinery of the peril point and the escape clause. That mechanism was developed by two of the greatest men who ever served in the other body, Vandenberg, of Michigan, and Millikin, of Colorado. They developed the program. I have here their statement and, as it will take but a minute, I should like to read what their analysis of the situation was. They said this in a joint statement:

> There is considerable sentiment for procedural improvements leading to more certain assurance that our domestic economy will not be imperiled by tariff reductions and concessions. * * *
>
> That under the Tariff Act of 1930 and the amending Reciprocal Trade Act there is ample authority for establishment of procedures by the President, without further legislation.

And that is what they were calling on the President to do.

> That to the extent such Executive safeguards are provided, claims for legislative actions are obviated.
>
> We believe that the following measures which may be put into effect by the President out of his existing powers would afford improved safeguards and would, without damage to legitimate reciprocal trade negotiations, allay many of the fears that have been mentioned:
>
> (a) The United States Tariff Commission to review all contemplated tariff reductions and concessions in all future trade agreements and to make direct recommendation to the President as to the point beyond which reductions and concessions cannot be made without injury to the domestic economy.

That is the peril point we talk about.

> (b) Inclusion of escape clause in every trade agreement hereafter entered into or renewed whereby the United States, on the initiative of the President, can withdraw or modify any tariff reduction or concession if in practice it develops that such reduction or concession has imperiled any affected domestic interest.

As I say, that plan was developed. Why was it developed? It was felt at that time that we needed not only machinery to promote foreign exports but machinery to be available to protect domestic enterprise, industry, agriculture and labor, from undue disadvantage and serious injury.

Now I should like to read a short statement, only to point out that we are committed to the development of foreign trade and likewise to the protection of domestic industry and agriculture. In 1950 we worked out a Republican declaration of principles and policies. The late Senator Robert Taft was the chairman of the Senate group and I was the chairman of the House group. In that statement we said this:

> We favor the promotion of world trade on the basis of fair and reasonable competition and we assert that this can be done within the Republican principle that foreign products of underpaid foreign labor shall not be admitted to this country on terms which imperil the living standards of the American workman or the American farmer, or threaten serious injury to a domestic industry.

Certainly in the application of the peril point and the escape clause there should be sympathetic consideration to the needs of our people here at home. While I believe that situation has been improving all the time, I would be less than frank if I did not say to you that on occasion I have protested some of the decisions that have been made. I hope that we will see an improvement in the application of the peril point and the escape clause.

There is one industry in my District that is concerned with this legislation. They have been down to my office in recent years; they have made representations to the Tariff Commission as to certain proposed tariff reductions. I have helped them as I could. They have been successful so far in avoiding what might otherwise have been a really serious threat to them. So, as far as I am concerned, while I am supporting this bill, at the same time I shall vigorously insist wherever I can that these provisions that are written into the bill are given very sympathetic consideration. And may I say, having voted for this program before, with other Presidents, as far as I am concerned, now I have my President in the White House and I do not believe that any President would ever feel while he was in that Office that he wanted to preside over the liquidation of any important segment of our economy. So far as this particular committee bill is concerned, it has been improved in numerous ways. These improvements have been pointed out in the report, and I think, certainly, a great advance was made when the provision was put in the bill for Congressional review of Presidential rejections of Tariff Commission recommendations. Certainly, that gives us a chance to further exercise authority if such exercise is deemed desirable.

Mr. Chairman, I have looked over the substitute of my good friend, the gentleman from Pennsylvania [DICK SIMPSON]. When I say he is my friend, I mean I am his friend and there is no one in this body who holds him in any higher respect than I do. Certainly, for me to disagree with him is not a pleasant circumstance for me, to say the least. As far as I am concerned, I am convinced in my own mind that his substitute bill is too restrictive; that it goes too far, that it would do irreparable harm. I do not believe it is geared to the necessities of this day and age either here or at home, and I do not believe it is geared to our necessities abroad. Certainly, there is one feature of it that I cannot go along with. My view is that the provision for final determination by the President, with this added provision for Congressional review, if such is deemed advisable, is the way we should leave this matter. In reaching its findings and recommendations, obviously, the Tariff Commission has a limited responsibility under the escape clause to which I have just referred. The Commissioners are charged solely with ascertaining whether serious injury or threat of serious injury exists. The President, on the other hand, has a much broader responsibility than that. At the outset, may I say the President of the United States is our Chief Executive, he is the Commander in Chief of the Armed Forces, he is the official primarily responsible for the conduct of our foreign affairs, and to say the least, foreign trade is a vital part of the foreign policy of the United States. When the President acts on one of these recommendations, he must consider the Commission's report, of course, but he has other relevant factors that he must take into account. These include the impact of actions as may be recommended by the Commission: first, on our national security arrangement; second, on the needs and requirements of other domestic industries; third, on the export markets of American industry, labor and agriculture; and, fourth, on the needs of the great consuming public of this country. Now it is up to him from his vantage point and from his position of responsibility to judge the effectiveness of the proposed remedy for the industry concerned. Finally, the President must conscientiously bear in mind the effect of escape clause action on the successful carrying out of this country's foreign policy designed to build peace—just and lasting peace in the world. So, to my

mind, these considerations go beyond the considerations of the Tariff Commission. It is the responsibility of every one of us and also of the President, but I think it is one that he should continue to bear.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to our distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the question of reciprocal trade agreements is one that goes back to the days of William McKinley. In a sense, it had its origin in a famous speech that William McKinley made during his administration. It is true that he suggested selective reciprocal trade agreements, but nevertheless the theory of reciprocal trade agreements originated with William McKinley. Our late friend, the former distinguished Secretary of State, Cordell Hull, is the author of the reciprocal trade agreements law that is now upon the statute books.

The bill before us is an extension of the Hull Reciprocal Trade Agreement Act. I was a member of the Ways and Means Committee when the Hull reciprocal trade agreement bill was before that committee. We all know the history of it at that time. The Smoot-Hawley bill had passed only a few years before. We got the results of that not only in our own country but throughout the world—barriers created against American exports abroad and the use of artificial exchanges and many methods that other countries were compelled to resort to as a result of the high tariff barrier that the Smoot-Hawley bill created against imports into the United States. At that time it was an economic question; a question of trying to bring about freer exchange of world trade in a sound and constructive manner, and beneficial results have flown. You and I know that some American industries have suffered as a result of it, but that is no reason why we should fail to pass the bill before the House today. Any result adverse to American industry should be met in some other way. I have repeatedly said that American industry that is adversely affected should receive compensatory considerations in some other way other than defeating the Reciprocal Trade Agreement Act or by the adoption of an amendment or substitute which would be tantamount to a defeat of the bill.

In the 1930's it was addressed, from our own angle and the world angle, to the economic field. Today this bill is the keystone of our foreign policy. If this bill fails to pass or if it is crippled through amendments—and in my opinion the Simpson amendment will be construed as a crippling amendment if adopted—it would have a serious effect on the stand of the United States in the world today. In my opinion, it would have a crippling effect on our foreign policy. Each and every one of us is charged with a duty of first doing those things that are for the national interest of our own country, and in the world today we have got to steel ourselves against influences that are honest, but looking at it from a personal angle rather than from the national interest of the United States.

I have had friends of mine contact me, as have others, and I have frankly told them that if they succeed it would be the worst thing that could happen for the United States, to have this bill fail to pass; or, second, have an amendment adopted of a crippling nature, where the world would know that an ineffective law had been passed by this body. I try to think in the world today, with the few friends we still have, what would be the result if a crippling amendment is adopted to the bill that is before the House. Certainly, in my opinion, the result will be such with the adoption of the Simpson amendment, and it will be crippling. So, recognizing the world situation from an economic angle, in my mind it is of paramount importance from the angle of foreign affairs that we pass the bill that has been reported out of the Committee on Ways and Means, because any other action would have a disastrous effect upon the national interest of our own country.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. McCORMACK] has expired.

Mr. REED. Mr. Chairman, I yield 20 minutes to the distinguished gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I am rather forced to the conclusion that there is opposition to the bill which I shall offer as a substitute by a goodly number of people who have not read the bill; and I respectfully suggest they have accepted the word, possibly from the departments, of those who undertake to explain the bill without having taken the trouble to familiarize themselves with its provisions.

Let me say, first of all, that there is nothing in this bill which I shall offer which in any respect whatever affects existing trade agreements, whether the word "reciprocal" be attached to them or not. Every single agreement under which it is claimed that some 4,500,000 people enjoy employment, every single agreement will remain in effect even as it is today.

I favor all the foreign trade possible just as I favor all the domestic trade possible, but I do not believe it is right to create a condition of unemployment in any part of the United States and ship goods to any Member's district to provide employment to some man working abroad. In other words, I will say this: I am averse to unemployment anywhere in the world, and I do not want it, I deplore it; but I have to add that I prefer that unemployment be somewhere other than in the United States.

The distinguished chairman of our committee, the gentleman from Arkansas [Mr. MILLS] was, as usual, exceedingly honest with us throughout the lengthy hearings. I commend him for permitting all interested parties to testify; recognizing, of course, that in order to conserve time we had to request individuals representing industry to speak rather than let each individual firm come in, as some wanted to do.

Consequently, the gentleman was correct when he said that numerically more people did appear testifying in behalf of the committee bill than in opposition to it.

I want to commend the gentleman associated with me in the preparation of my bill, the gentleman from West Virginia [Mr. BAILEY], the gentleman from Georgia [Mr. DAVIS], the gentleman from South Carolina [Mr. DORN], the gentleman from West Virginia [Mr. MOORE], and many others, who worked together in helping to draft the substitute which I shall be pleased to offer a little later.

I noted as the hearings were going on that every person appearing on behalf of the committee bill had what I call, for want of a better term, a personal interest in the legislation. They were representing one of the departments, they are solidified in their jobs down there, or they were representing some industry which either is a large exporter or one of these companies of ours that has gone abroad, hired cheap labor, and is shipping the products into the United States.

These markets were formerly serviced from the United States, but cannot now be serviced here because the goods are manufactured more cheaply abroad.

And, Mr. Chairman, the witnesses who appeared in opposition to the bill, the ones who are supporting the substitute which I will offer, they, too, have a personal interest in the question of the authority in the executive branch of the Government to make trade agreements. But their personal interest is somewhat different; it is the interest expressed in my Congressional district and in yours by unemployed people who were formerly engaged in businesses, who are being put out of business because of imports of like or similar products from abroad; and you know who those people are.

That personal interest is expressed by industry owners, stockholders, and other business people who see their businesses today being forced to close down or to otherwise meet unreasonable competition from abroad as a result of unwise reductions in existing tariff rates. Representatives of one of the greatest corporations in our country, a corporation making millions and millions of dollars per year, testified before our committee against the 5-year extension proposal. They appeared not on account of their own personal interest, for they have but a "peanut" interest dollarwise in the tariff, but because the national security was involved. That great corporation through its president testified, Mr. Chairman, that the bill should be amended to assure that in the national security, which is paramount to any interest in our country, there should be protection with certainty. I repeat, that is the kind of personal interest which my bill expresses.

I want to make an unqualified, unequivocal, positive, definite, and conclusive statement, and I think I will add the word "challenging," and ask anyone of the opposition, and those who have supported the committee bill, on their own time, or I will yield for that purpose now, and tell me where in the bill there is one point which guarantees with certainty that when an injury has been proven to the satisfaction of the Tariff Commission that relief will be given to

the person who has made complaint, either the worker who has lost his job or the industry. I repeat, there is nothing in the bill which provides the slightest certainty of relief for an American industry where injury has been proven.

Oh, someone may get up and say: "Well, there is Congressional review in this bill"—this is a legal question that was handled so capably by the gentleman from Tennessee [Mr. BAKER] yesterday—"a Congressional review which says that if two-thirds of the Members of this body and the other body pass a bill, then that which the Tariff Commission recommended shall become effective and there will be relief."

Really, that is a clever piece of writing. It was not written by any Member of this body, and, with due respect to our committee, I suggest that the committee did not have time to properly analyze it because it provides a number of means by which the executive branch of the Government can control the bill. The executive branch of the Government, after the Tariff Commission recommends relief, by simply keeping quiet and doing nothing in effect says to Congress: "If you want any relief for an industry which has proven injury—that is, suffering seriously—then two-thirds of both of your bodies have authority to so instruct the President."

The President could in many instances be a little bit careless, and instead of assuming responsibility at the White House level, say: "I am going to send it back to the Hill and let Congress by a two-thirds vote declare by this so-called Congressional review it is going to give relief to that industry."

I do not think it is practical or possible to get a two-thirds vote on any resolution when first introduced. The effect of this provision, instead of helping make more certain relief for the injured industry or employee, would make it still more difficult. If the President controlled one-third of either body, 32 Members of the other body, he could effectively, if he were so inclined, deny relief continually under the two-thirds rule.

To change the approach for the moment, the Ways and Means Committee is interested at all times in tax relief. We would like to provide tax reductions. The administration has asked for a tax reduction in the case of small business. Our committee has been meeting with representatives of the Treasury Department trying to work out a way to aid small business. We finally came up with a figure of $150 million representing the maximum we could do for small business this year. And, with great credit to the gentleman from Arkansas [Mr. MILLS], chairman of our committee, and others, we urged and I believe we are approaching now the figure of about $200 million, which might be in the bill the committee will bring out to help small business all over the United States. How many of you realize that present tariff rates contribute $800 million a year in revenue? This bill, authorizing a 25-percent reduction, if made effective over the next 5 years, would cost the Treasury $200 million annually, not for the benefit of small business here, but for the benefit of people abroad who are presently shipping goods into this country.

And, one thing more, in order to avoid doing what the Tariff Commission recommends to assist the miners of the country who dig out the minerals so essential to our national security, the proponents of the committee bill have come up now with a proposal to pay a subsidy which would amount to $200 million the first year and I do not know how much in later years. This $200 million would not be necessary if we were to follow the Tariff Commission recommendation. The $200 million for this subsidy added to the $200 million in tariff revenue we would obtain by not reducing tariffs further would make possible substantial tax reductions.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from West Virginia.

Mr. BAILEY. Under the Truman administration back in 1951, when the American oil people operating in their foreign possessions in Venezuela and Saudi-Arabia all sought to invade and take over the markets of soft coal, they negotiated a foreign-trade agreement with Venezuela, and President Truman at that time broke a 3–3 tie of the Tariff Commission in favor of that treaty, and it reduced the import duty on oil from 21 cents to 5¼ cents. Talk about revenue. That cost the Government in the way of revenue on residual and crude oil alone $384 million.

Mr. SIMPSON of Pennsylvania. I thank the gentleman. He mentioned Venezuela. I think it might be well to recognize that for a number of years Venezuela has been pointed to as a great example of the friendship created as a result of the operation of the trade agreements program. Recent events require that we do some serious thinking on this score. I suggest that most countries respect the United States because we have carried out policies known as free enterprise and have shown a willingness to work with other people. This is not to say that we must sacrifice the good of this country in favor of any other.

Now, the escape clause was mentioned by the gentleman from Indiana [Mr. HALLECK] as one of the major contributions by Congress to the trade agreements program. It was not written by the Departments. It was written into the bill by the Congress to provide a means of relief for an industry which came to the Tariff Commission and proved serious injury. It was put there for that purpose, and the Tariff Commission was authorized to make recommendations. Members of Congress anticipated, I suggest, that the executive would carry out that policy. Unhappily, that has not been the case. In all but a few instances, where the escape clause has been used, the industry which was presumed to benefit as the result of this procedure did not get the kind of relief which would have permitted that industry to regain its position in this country of ours. Today, instead of doing what is recommended by the Tariff Commission, we seek all kinds of devious devices. I will speak about that after I yield to the gentleman from Connecticut.

Mr. PATTERSON. Mr. Chairman, I just want to say to the gentleman from Pennsylvania that he should be commended for the very hard work he has done in trying to protect American industry and, furthermore, that in protecting American industry, he is making secure the jobs of our working men and women of the country. I happen to represent an industrial area and I have a great many sick industries in my district at the present time; for instance, the brass industry and the watch industry. I could go on and on and name others. Again I want to say to the gentleman that I think he is doing an excellent job and deserves the commendation of the House.

Mr. SIMPSON of Pennsylvania. I thank the gentleman. The Tariff Commission under the escape-clause provision may make recommendations as to what should be done. They could recommend, for example, an increase in the duty. They could recommend the imposition of a quota on imports. They could recommend licensing. They could do various things. But as soon as they do any one of those things, the executive branch, instead of accepting the Tariff Commission recommendations, tries to think up something new. The one they use most often is delay, simply do nothing, let time pass on and on and, in the meantime, the American industry involved becomes more and more depressed. With respect to some industries, for instance, in the petroleum industry, and without Congressional authority, and perhaps, with some question of violation of the antitrust laws involved, they came up with what they call voluntary agreements.

They worked out a method by which the oil companies may get together, and agree among themselves or with the President, as the case may be, that they are going to limit oil imports. But whatever is done voluntarily may be rescinded, may be withdrawn at any time. There is no certainty in such an agreement. And the American producers of petroleum have no certainty whatever that next month they will have even as many as 6 or 7 or 8 days in which they are permitted to produce petroleum from a well in Texas or Oklahoma. That is an agreement voluntarily made by Americans with their own Government.

The next method they have proposed is exemplified in the case involving stainless steel flatware. A recommendation by the Tariff Commission proposed that relief be given to the stainless steel flatware industry because imports from abroad were causing serious injury and causing great unemployment. The executive branch of the Government, instead of following the recommendations and limiting imports into the United States, sat back and said, "Let us wait 7 or 8 months and see whether Japan, the country involved, will not voluntarily agree to limit the quantities of this item which may be shipped into the United States." Again I point out that such an agreement, made voluntarily by the Japanese, can be undone over

night. It gives no certainty, no security to any worker, to any industry, or to any businessman who contemplates investing in that segment of our industry which produces stainless steel flatware.

Mr. CRETELLA. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Connecticut.

Mr. CRETELLA. Speaking of stainless steel, the gentleman is familiar with the fact that the Tariff Commission found that the peril point had been reached, and so recommended. The stainless steel business which is centered in my district in Connecticut, has become a phantom industry because the import figure has gone up from something like half a million dozen in 1948 or 1949 to over 8 million dozen. Those imports are from Japan. The International Silver Co., and other concerns manufacturing stainless steel are now only phantom activities.

Mr. SIMPSON of Pennsylvania. I thank the gentleman for his contribution. I am sure that any relief which might be provided by voluntary agreements on the part of nationals of another nation will not be sufficient to permit his industry to grow and expand as it should.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. Is not the answer to the committee bill the one given a few moments ago by the gentleman from Massachusetts [Mr. McCORMACK], who said in effect, "Adopt the committee bill and then let us pass on to legislation providing compensatory payments from the United States Treasury to those who are injured."

That is the next step.

Mr. SIMPSON of Pennsylvania. Yes, of course.

Mr. GROSS. Why did they not write it into the committee bill?

Mr. SIMPSON of Pennsylvania. We have been told that one of the solutions is to educate and retrain and move people from one section of the country where unemployment results from this bill to another. This solves the problem, even though the individual does not want to give up that which he has been doing all his life; even though the individual is a free American citizen and he wants to be a miner, perhaps, or he wants to blow glass or work in a glass factory or he wants to manufacture plywood. But, we are to tell him that he must give that up and move into some other area of the country. I was told the other day about how, when the automobile industry was booming, and it was booming sometime ago in the Detroit area—that was before so many cars came in from abroad—how a lot of people went up to that area from a section of Ohio. They were accepted and given employment. They got along all right. But, pretty soon they began to lay off people and on the theory of last come, first off, these people were laid off. They went back home, in this instance back to Ohio—that is not the answer to this problem.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. ALGER. I would like to commend my colleague, if I may, for the statement he is making and for the fact that he has brought to the attention of the House for the first time, I believe, and I have been here listening carefully to this matter, the oil import and the way the voluntary controls are supposed to operate and have not operated because I believe that proves part of the fallacy of the present reciprocal trade bill on the face of it. I am wondering and I am still waiting to hear something, and I do not, of how the oil import situation is to work. For example, I call your attention to the minority report in which the gentleman from Texas [Mr. IKARD] points out some of the past statements made by the President's own advisers of what should be done and then, I suppose, has not been done. I am one of those from a State that is interested in this situation who voted for the reciprocal trade bill the last time because I did not think we should scuttle it. But, I am still waiting to hear from the administration and from the committee spokesman as to how we are to take care of that problem. I commend the gentleman for his interest in the oil import situation.

Mr. SIMPSON of Pennsylvania. I thank the gentleman from Texas. I know of his great interest in the problem and I do appreciate his contribution.

Mr. SCUDDER. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. SCUDDER. I wish to compliment the gentleman on the very aggressive work he has done in the field of tariff legislation. You will recall that about 5 years ago, I authored a bill that passed the House and went to the other body which would redefine hard board and hardwood. There are many big manufacturing concerns throughout the United States manufacturing hard board. It is classified as a paper product. Paper products come into this country at 7 percent ad valorem tax while wood products pay 14 percent. We passed a bill in the House and it went to the other body and the committee in the other body chastised the officials from downtown and told them they could change the rule and ask them if they could, and they said that they could not.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REED. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SCUDDER. The outcome is that they have not to this date done anything to reclassify hardboard. I think we should have something to say about the misconstruction of what hardboard is. Hardboard is not a paper product.

Mr. SIMPSON of Pennsylvania. I agree with the gentleman on that point.

Mr. Chairman, the proponents of the committee bill have advanced numerous reasons why it is essential to extend the Trade Agreements Act for another 5 years. They have stressed the number of people who are employed in industries directly affected by imports and exports and they have stressed the profits which our trading partners will receive from the action they propose. It is my purpose to discuss all of the issues which have been advanced but before doing so I believe it would be helpful to the committee to agree on the purpose of foreign trade.

A paper entitled "The Role of Foreign Trade in the United States Economy" was prepared by the Department of Commerce for publication in the compendium of papers collected by the staff for the Subcommittee on Foreign Trade Policy of the Committee on Ways and Means. It contains the best definition I have ever read of the proper role of foreign trade in the United States economy. It said:

> While the foregoing discussion has been focused on exports essentially from the traditional standpoint of the American businessman viewing them as sales outlets for his products, sight should not be lost of another point of view which brings out certain even more fundamental—if somewhat theoretical—aspects of the role of exports in the United States economy. This is the broad, national frame of reference in which the function of exports is to pay, in real terms, for our imports and our foreign investments and also, during and since World War II, for the aid granted to other countries by the United States Government. The fact that individual exports, import, and foreign investment transactions take place independently in a money and credit economy tends to obscure the basic function of exports in this respect, as does the persistent tendency, apparent since the latter part of the 19th century, for the United States to export more goods than it imports. Moreover, much public discussion in recent years has centered on the superficially opposite (but correlative and equally valid) concept of United States imports as a means of payment by foreigners for our exports. Nevertheless, for the Nation as a whole, the most fundamental role of its exports is as a means of payment either for goods and services currently obtained from abroad or for United States investments abroad which are also expected eventually to yield returns in relative as well as monetary, terms.
>
> In other words, the overall national economic gains from foreign trade are centered essentially in the imports for which our exports are exchanged, rather than in the sale proceeds from the latter. The immediate monetary earnings are vitally important to the workers, managers, and owners of the individual firms receiving them, and constitute a key element in the dynamic mechanism of an economy, but what exports contribute to the economic welfare of the whole Nation is an efficient means of obtaining goods which are either not otherwise available here or are producible domestically only at higher total costs, in terms of human, capital, and natural resources, than those of the exports exchanged for them.

Mr. Chairman, we have neglected these important truths in most of the discussions which have taken place with respect to our trade and tariff policies. Certainly, no one can dispute the fact that we have sufficient exports to provide us with the necessary foreign exchange to purchase those goods which are not otherwise available here. I congratulate the Department of Commerce for this excellent statement. It is regrettable that the Department did not use it as the

basis for many of its public pronouncements over the past few months.

The majority contend that the trade agreements program has been an important factor in the expansion of American foreign trade. They cite statistics to show a substantial growth in both dollar and physical volume of exports and imports since 1934. However, our economy has also grown during the past quarter of a century.

Again, I shall refer to the experts in the Commerce Department for a measure of our exports in relation to our total economic activity. The paper to which I have already referred states that in 1929 before the onset of the depression, total United States exports represented 5 percent of the gross national product. In 1956, after 22 years of trade agreements, nonmilitary exports represented only 4.2 percent of the gross national product. Mr. Chairman, remember that these exports include agricultural products sold or bartered under Public Law 480. These statistics show that American exports have not been increased by this program.

During the 1920's, American automobiles produced in Detroit were shipped all over the world. Motor vehicle exports in 1929 totaled 544,000 units and represented 10.1 percent of United States production. By 1956 motor vehicle exports had dropped to only 368,000 units or 5.8 percent of the total United States production. In the meantime, foreign automobiles have started to flow into the United States.

To be sure, under the trade agreements program, tariffs on automobiles were reduced by many of our trading partners, but this action did not stimulate exports of American automobiles. What is so often overlooked is the fact that as tariff barriers were reduced, quantitative controls were imposed which were more restrictive than any tariffs. In Britain, for example, the annual quota for automobiles from both the United States and Canada is only 650 units.

Although the British bicycle industry takes exception to American tariffs, the annual import quota of motorcycles from the United States is 50 units. One of our largest manufacturers of home appliances is permitted an annual import quota of 1 dishwasher, 35 electric ranges, 19 washers and dryers.

With few execptions, we do not use quotas, and we have no restrictions on the conversion of dollars into foreign exchange to purchase goods anywhere and bring them into the United States.

Mr. Chairman, the Second Annual Report of the President on the Trade Agreements Program, which was transmitted to the Congress on May 19, states that by the end of 1957 60 percent of private imports entered Western Europe from the dollar area without requiring an import license. The corollary to this statement is that 40 percent of all items from the dollar area were subject to quantitative controls. Needless to say, the 40 percent is understated, as many items which would have been included in this category were denied import licenses and, hence, did not appear in the trade statistics at all.

An appendix to the majority report includes a review of the accomplishments of the trade agreements program. Mr. Chairman, it is significant that the majority admit that quantitative controls which were supposedly outlawed by the GATT are still restricting American exports. I shall quote from appendix A:

> Progress has not been uniform, of course, and the payments positions of a number of countries still require rather strict import controls. In a few cases, restrictions previously removed have had to be reimposed. * * *
>
> The exception for quantitative restrictions imposed for balance-of-payments reasons was made in response to the realities of international economic relations. Without certain exceptions, it would not have been possible to reach meaningful agreement on a set of trade provisions.

The minority report included a partial list of the major nontariff impediments to the flow of trade and capital imposed by 89 foreign nations. It showed 62 countries require import licenses; 47 force exchange of payments received in foreign currency; 33 exchange licenses; and 13 employ state trading. The list included numerous other impediments imposed by many countries. As long as these persist, our bargaining has little validity. Our negotiators at the GATT can take little satisfaction in the efficacy of their bargaining. The analysis published by the Department of State of the United States GATT negotiations at Geneva, Switzerland, from January through May 1956, show that:

> The United States obtained concessions in these negotiations on exports valued at approximately $400 million.
>
> In return for the concessions given to it by its negotiating partners, the United States granted concessions valued at $677 million in terms of United States imports in 1954 from the country with which the concession was negotiated. Imports of the same items from other participating countries amounted to $134 million, thus bringing the total of benefits to all participants to $811 million.

Mr. Chairman, I cannot see how export concessions valued at approximately $400 million can offset concessions we have granted to other nations in the amount of $811 million. Continued bargaining on this basis will very shortly leave us with nothing to bargain about.

For many months proponents of the majority's program have attempted to give the impression that we were a high-tariff nation and that unless we continued to reduce our tariff rates, the world's foreign trade would dwindle and disappear.

The majority report on page 96 includes table I of the Appendix. It lists the 1957 tariff levels of 42 countries. I find that only eight had a lower tariff level than the 5.9 percent in the United States. However, in each instance the tariff does not control the country's total imports, since it employs either quantitative or monetary controls which are described in table II of the Appendix on pages 97 through 101.

Mr. Chairman, I have developed a table which combines data from tables I and II and includes my analysis with reference to these eight countries:

Pertinent trade data for eight countries with a lower tariff level than the United States

Country	1957 tariff level from table I	Comments from appendix table II	Analysis
Argentina	3.6	Due to dwindling foreign exchange reserves during 1956 and 1957, Argentina took steps to divert imports of many items away from dollar sources of origin. Continuation of this policy in 1958 is foreseen in view of the adverse balance of payments situation with the United States.	Self-explanatory.
Benelux and dependencies	4.3	87 percent of Benelux dollar imports have been liberalized	13 percent are subject to quantitative controls.
Brazil	4.0	In accordance with a waiver granted by the contracting parties to the General Agreement on Tariffs and Trade, all tariff concessions made by Brazil to the other contracting parties were suspended as of Aug. 14, 1957, with the enactment of the new Brazilian tariff law, pending renegotiation of concessions. Quantitative restrictions are not used by Brazil to control imports. Availability of foreign exchange for imports is, however, controlled within the foreign exchange budget which is based on expected foreign exchange earnings. Weekly allocations of exchange are divided into 2 categories: 1 amount for specified essential imports such as petroleum, newsprint, etc., and another amount for nonpreferential imports.	Self-explanatory.
Denmark	2.8	66 percent of the Danish dollar imports have been liberalized	34 percent are subject to quantitative controls.
Japan	3.3	All imports into Japan are subject to license. A complicated system of administration of the import controls makes it difficult to determine whether progress is being made toward liberalization. It seems probable that steps in this direction in 1955 and early 1956 were checked by the severe balance-of-payments deficit which developed in late 1956 and 1957.	Self-explanatory.
Norway	4.8	86 percent of all imports (based on 1953 imports) from the dollar area have been liberalized.	14 percent are subject to quantitative controls.
Sweden	5.8	70 percent of dollar imports enter Sweden without a license	30 percent need licenses.
United Kingdom and dependencies	2.3	Over 50 percent of United Kingdom imports from the dollar area have been liberalized.	Approximately 80 percent are under control.

Mr. Chairman, before leaving the question of the tariff level, it is important to remind the members of the committee that in many instances the Congress established specific rates of duty in 1930 with a reasonably effective level. Without giving any consideration to the reductions which have been made through the trade agreements program, specific duties have lost much of their effectiveness due to inflationary price increases.

The substitute amendment will make it possible for the Tariff Commission to recommend increases in specific duties to the 1934 effective ad valorem level when it finds such relief is necessary to preserve a domestic industry.

Proponents of a 5-year extension of the trade agreements program have stressed the special benefits American agriculture has realized under this program. The Agriculture Committee has not as yet reported legislation which would extend Public Law 480. The administration supports this legislation. It has been adopted by the other body. As far as I know, no one is opposed to it. Prompt renewal of this program will benefit our farmers.

Mr. Chairman, agricultural exports in the fiscal year 1957 totaled $4.7 billion; however, a large part of these exports were made possible by Government assistance programs. In no sense can they be attributed to dollar earnings by foreign buyers through their exports into the United States.

One billion nine hundred million dollars of total agricultural exports were financed directly by either provisions of Public Law 480 or the mutual-security program.

I have prepared a tabulation which shows a breakdown of agricultural exports financed under Public Law 480 and the mutual security programs:

	Million dollars
Public Law 480:	
Title I	902
Title II	88
Title III:	
Barter	401
Donations	162
Mutual security programs	396
Total	1,949

Subtracting these exports from total agricultural exports leaves approximately $2.8 billion of agricultural commodities exported commercially for dollars. However, once again the bare statistics do not tell the whole story.

Of the $2.8 billions exported commercially for dollars, $1.7 billions were exported at prevailing domestic market prices. The remaining $1.1 billions exported for dollars moved at less than domestic market prices and had a domestic market value of about $1.4 billions.

The $300 millions difference represents a subsidy for the additional cost of exporting the $1.1 billions worth of agricultural commodities, primarily wheat and cotton.

Mr. Chairman, I am including a table which is taken from page 740 of Foreign Trade Policy Compendium of Papers on United States Foreign Trade Policy collected by the staff for the Subcommittee on Foreign Trade Policy of the House Committee on Ways and Means. It shows the distribution of the $4.7 billions of agricultural exports under Government programs among the principal agricultural commodity groups.

Agricultural exports, fiscal year 1957

[Millions of dollars]

Commodity	Total exports	Exports under Government programs [1]	Outside of programs	Percentage under Government programs
Grains and feeds	1,600	980	620	61
Cotton	1,115	525	580	47
Livestock products (dairy)	700	240	460	34
Vegetable oil and oil seeds	455	135	320	30
Fruits and vegetables	363	25	338	7
Tobacco	340	30	310	9
Other	151	10	141	7
Total	4,724	1,945	2,779	41

[1] Programs: Public Law 480 all titles, Mutual Security 402, Export-Import Bank loans (only $70,000,000).

Source: USDA estimates.

Grains and feeds, as well as cotton, are largely dependent on these government programs for their export markets. These two commodity categories accounted for $2.7 billions of the $4.7 billions of agricultural exports.

Under GATT each member grants to all other countries the duty rates on agreed tariff items negotiated with any other country. GATT members presumably agreed to prohibit any other form of trade barrier. However, particularly in the case of agricultural commodities, quota controls and other restrictions have been used to deter United States agricultural exports. Exceptions under the GATT to permit such restrictions have been granted to GATT members for a wide variety of reasons.

A publication of the United States Department of Agriculture entitled "Competition Position of United States Farm Products Abroad—1958" includes this revealing statement:

United States agriculture will meet increasingly stiffer competition in maintaining its recent record level of exports because of:

1. The programs of other exporting countries to maintain or expand their own exports of farm products.

2. The attempts of many importing countries to expand their own agricultural production—often uneconomically—to limit imports and save foreign exchange for industrial development.

These factors reassumed significance in world trade soon after World War II ended. They explain in a large measure the universal practice of government intervention in agriculture.

In international trade, this intervention usually takes the form of trade controls or restrictions, often favoring one country over another. These restrictions include bilateral agreements, guaranteed purchase agreements, high import duties, import licenses or exchange controls, and preferential import duties on a regional or other basis (lower duties on imports from some sources than from others).

These restrictions directly affect the competition which farm products of all countries face in the world market. The reasons generally given for their use are a need for maintaining or increasing domestic self-sufficiency or for protecting gold and foreign currency reserves. Many of these restrictions represent efforts to solve foreign exchange difficulties. Others are used to guarantee a given level of trade with a certain country or area, even though the product might be bought cheaper elsewhere.

Some countries use restrictions such as bilateral agreements and preferential import duty arrangements when they are not warranted. The restrictions may be used against one country, or countries, to stimulate trade with some other country or area to achieve certain objectives; and not for balance-of-payments reasons (p. 1).

It is apparent that there has been no reciprocity on the part of countries using these restrictive devices.

A list of unfavorable factors affecting United States grain exports in 1957–58 is shown on page 7 of this same publication:

UNFAVORABLE FACTORS

1. Reduced wheat import requirements in many countries because of a large crop in 1957–58, especially in West Europe, India, Pakistan, and Turkey.

2. More competition in world markets in 1957–58 from Middle East wheat and barley; return of France as an important wheat exporter; prospects for substantial wheat exports from the Danube Basin; and continued large export availabilities of wheat in Canada.

3. Continued efforts of importing countries to become more self-sufficient in grains and their unwillingness or inability to take advantage of lower costs of imported grains, especially wheat.

4. Continued quantitative control over imports either to conserve dollar exchange, thus encouraging imports from nondollar sources, or to assure local market outlets for homegrown grain, especially wheat, produced under high support prices.

5. Use of bilateral, triangular and barter arrangements for grain from nondollar sources, thus sealing off markets which might otherwise have been supplied, at least in part, by the United States.

6. Obligation of flour millers in virtually all importing countries, especially in Europe, to give priority to homegrown wheat.

7. Efforts on the part of competing exporters to expand export outlets through various government programs.

8. Continued balance of trade and payments difficulties and lack of free convertibility of currencies in many grain importing countries.

9. Tendency toward reduced consumption of bread grains in favor of high protein foods in countries where expanding economic activity is accompanied by higher incomes, and tendency of most countries to expand wheat production faster than effective demand.

This statement by the United States Department of Agriculture again clearly shows that other countries have protected their domestic agricultural producers through quantitative controls and other restrictions. Item 6 in the above listing is particularly significant as it automatically excludes foreign wheat from European markets. If the trade agreements program had worked as its proponents claim, the Department of Agriculture would not have been in a position to list these unfavorable factors affecting United States agricultural exports 24 years after the start of the program that was supposed to have secured the elimination of these restrictions on a reciprocal basis.

A list of the favorable factors affecting food and feed grains included in

this same document shows that the Foreign Agricultural Service of the United States Department of Agriculture does not attach any importance to the trade agreements program in terms of fostering United States grain exports. It is not even listed among the favorable factors:

FAVORABLE FACTORS

1. Reduced export supplies of wheat in Australia, Algeria, and Morocco; indications of a lower wheat crop in Russia; and continued low level of corn exports from Argentina.

2. Gradually increasing demand for food grains in less developed regions of the world, especially in the Far East, Latin America, and Africa.

3. Continued large United States expenditures abroad; an upward trend in the gold and dollar assets of some importing countries; and efforts on the part of others to make more of their dollar exchange available for grain imports.

4. Expanding populations; improvements in industrial activity; and rising prosperity in most of the major grain importing countries.

5. High level of demand for feed grains in many foreign countries because of upward trends in livestock numbers and in amount fed per animal unit.

6. Continued opportunities for exporting substantial quantities of grain under various Government programs. These include (a) credit arrangements by the Export-Import Bank and CCC, (b) sales for foreign currencies, (c) barter, (d) donations, and (e) foreign aid programs.

7. Generally improved export outlook for United States feed grains because of smaller oats and barley crops in many competing exporting countries; reduction in the corn, oats and barley crops of West European importing counrties; relatively insignificant supplies of low quality wheat in Europe for feed use in 1957–58; and continued low exports of corn from Argentina because of the small crop harvested in April 1957 (p. 6).

It is apparent that the Department of Agriculture places great emphasis on Government programs to promote United States exports.

SPECIFIC PRODUCTS

Some of the specific restrictions imposed by foreign countries which affect American agricultural exports are listed in this same publication entitled "Competitive Positions of United States Farm Products Abroad."

GRAINS

(Total United States exports, 1957, $1,600 million; outside of Government program, $620 million)

Japan

Japan is a state trading nation for wheat. To encourage expansion in domestic production, the Government each year sets a price at which it purchases home-grown wheat of a specified standard. For the 1957 crop the guaranteed price for standard grade wheat is the equivalent of $2.77 per bushel. Farmers can sell directly to millers and private traders. In that case, the Government's price acts as a floor. The Government also fixes the prices at which it sells home-grown wheat to millers and other processors. To hold down consumer prices for flour and bread, it has been selling domestic wheat for home use at a loss since April 1, 1956.

Under these conditions, wheat imports must be kept under close control. The Government each year announces its planned imports, specifying the quantity of each type to be imported during the first and the second half of the year and the countries of origin. These plans usually have to be adjusted during the year.

Importing is done by registered traders under Government licenses issued for specified quantities and types on the basis of bids. Licenses are issued to trader submitting the lowest bid. The Government then releases the needed foreign exchange. Traders sell the imported wheat to the Government at the bid prices. The Government, in turn, sells it in domestic market at higher prices. Profits are used to cover losses by the Government on its sales of domestic wheat for home consumption at less than the guaranteed price paid to growers (p. 14).

Belgium

Belgium recently took action to reduce feed grain imports and expand domestic production. Reasons include the following: the fact that Belgian agriculture has not benefited from the high economic level enjoyed by the rest of the economy; dissatisfaction of producers because of low prices for feed grains; and belief of farm leaders that the country's producers of feed grains were in an unfair competitive position compared with foreign exporters.

Action taken to remedy this situation includes termination of the open license system for feed grain imports; imposition of an import license tax on those grains; and payment of an acreage subsidy to feed grain producers. The import license tax for feed rye, barley, and oats is equivalent to 25.4, 21.8, and 14.5 cents per bushel respectively, 15.2 cents per bushel for corn, and 14.5 cents per bushel for millet. The acreage subsidy amounts to $8.10 per acre for rye, spelt, meslin and winter barley, and $6.07 per acre for oats and mixed grains (p. 15).

COTTON

(Total United States exports, 1957, $1,115 million; outside of Government program, $580 million.)

Among the traditional cotton producers, Egypt (1) allowed a premium for cotton exporters who repatriated hard currency; (2) permitted 25 percent of cotton exports to the United States to be sold under barter arrangements for imports of other commodities into Egypt; (3) continued guaranteed prices to growers; and (4) increased the export tax.

Pakistan's Legislature enacted the Cotton Act of 1957 which, among other things, provided domestic price regulations and price supports and the establishment of a cotton board for the promotion of exports.

The Government of Iran worked on a program to improve grading and packaging, and, with the assistance of the Food and Agricultur Organization (U. N.), made a study of cotton varieties best suited to its agricultural resources.

The Indian Government worked through the Indian Central Cotton Committee to develop a production program for the longer staples of upland cotton, which India now imports.

The Turkish Government announced 25 percent increases in support prices for cotton for the 1957–58 season. Later, stocks were frozen and all exports put under government licensing in an attempt to halt the devastating effects on prices and supplies brought about by Turkey's short crop of poor quality.

The Spanish Ministry of Agriculture in October 1957 announced a production incentive subsidy of one peseta per kilogram (1.1 cents per pound) for American-type cotton.

The Brazilian Government established new rates of exchange for textile exports amounting to 103 cruzeiros per dollar or an increase of about 50 percent; funds collected will be set aside for buying textile machinery and equipment.

The Government of Argentina expropriated about 10,000 acres of land to be developed for long staple upland cotton production.

The Government of Colombia established new norms for payment of taxes and duties on locally consumed raw cotton and yarn. Beginning January 1, 1958, amounts so levied reverted to Instituto de Fomento Algodonero to be used exclusively to develop and increase local cotton production (p. 23).

Special measures were also taken by the governments of several smaller cotton producing countries in Latin America.

In Ecuador a national commission began working to discover and encourage adoption of improved, higher yielding varieties. For the crop year 1957–58 the Ministry of Economy fixed quotas of imported and national cotton allotted to each textile concern and maintained producer prices and prices charged by ginners. According to the resolution announcing these regulations, these actions were taken because "it is necessary to continue the policy of increasing, protecting, and improving national cotton production."

In Uruguay, a tax of 2.16 cents per pound was placed on cotton imports, the proceeds to be used for a "cotton culture promotion" program to assist growers.

The Nicaraguan Government established flexible exchange rates for cotton in an effort to mitigate losses resulting from price declines on the world market and to protect its rapidly growing cotton production resources.

Thus, for the most part, during 1956–57 new government-sponsored arrangements for the encouragement of cotton production and exports were instituted in so-called minor producing countries (p. 24).

France

France is traditionally the second or third most important market for United States cotton. The United States is usually the most important supplier of raw cotton for its vital textile industry (p. 27).

The outlook for 1957–58 is for a continued high level of consumption which, because of the tightening of import regulations, will be accompanied by a reduction in imports and consequently a reduction in stocks.

According to the French Government plans, cotton imports will total only 1,170,000 bales. This would reduce stocks below a normal working level. It is expected that about 400,000 bales will be imported from the United States, provided a substantial portion can move under some sort of United States Government program. Thus, even though France's total cotton imports for 1957–58 may be reduced by about 25 percent from the 1956–57 level, the United States share may be larger.

Under the protection of the tight licensing and exchange control system that has existed for several years France's manmade fiber industry has shown great progress. Output has expanded from 171 million pounds in 1952 to 267 million pounds in 1956, an increase of 56 percent. It is particularly significant that the greatest actual increase in production has occurred in rayon staple, which can be substituted for cotton in many end uses.

Per capita consumption of cotton, wool and rayon fibers in France rose 18 percent from 1938 to 1955; but cotton's share of the total dropped from 66 percent to 62 percent while rayon's share increased from 7 percent to 19 percent. France plans a further substantial increase in the manmade fiber industry. The curtailment of United States cotton imports for dollars will conserve foreign exchange, but expansion of rayon production will increase foreign exchange expenditures for imported woodpulp. United States cotton, however, will face keen competition from the manmade fiber industry.

The most important problem facing United States cotton in France is the shortage of dollar exchange there. As long as France can obtain cotton from soft currency areas, it is likely that dollar purchases from the United States during the 1957–58 marketing year will be small. French mill operators want to buy more United States cotton but they are forced to buy from other sources, even though prices are frequently higher and quality less desirable (p. 29).

TOBACCO

(Total United States exports, 1957=$340 million; outside of Government programs=$310 million)

The major problems facing United States tobacco exports arise from actions taken by other countries.

Over three-fourths of all foreign tobaccos (excluding United States imports) entering international trade are covered by bilateral agreements, guarantied purchase arrangements, preferential import duties or other controls which virtually exclude United States leaf. The use of these bilateral arrangements to cover tobacco exports of foreign countries, mostly in exchange for manufactured items, has increased greatly since World War II.

In some countries, including Japan, Australia, and the Philippines, prices of domestic leaf are well above those received for comparable qualities of United States tobaccos. Self-sufficiency policies of these areas do not permit greater imports of United States leaf. Other countries limit imports of United States tobacco through foreign exchange controls (p. 30).

DAIRY PRODUCTS

Dry whole milk is the only dairy product exported from the United States which does not substantially depend on Government financial assistance. About 75 percent of United States exports in recent years have gone to Venezuela, a country with ample dollar exchange. Milk production has been increasing in Venezuela, and prices have been unsatisfactory to many producers in relation to rising production costs.

There is growing agitation in Venezuelan dairy circles to more closely control dry whole milk imports. Since such a large proportion of United States exports is taken by Venezuela, this is a serious matter to the United States trade. Prospects for expansion of this trade to other countries are distinctly poor, because of the relative price situation between the United States and other major dairy exporting countries (pp. 43–44).

POULTRY AND EGGS

United States exports of eggs and poultry totaled $43.6 million in 1956, the highest since 1948 when there were large exports of egg solids resulting from domestic surplus removal programs. The upward trend continued in the first half of 1957. However, later development may have reduced the year's total below the 1956 figure.

This possible decline is being brought about by protective actions taken by several countries, particularly Canada, Cuba, and Venezuela. In July 1957, Canada embargoed imports of turkey and fowl in order to carry out a price-support program enacted because of a record turkey crop, record storage holdings of all poultry, and unusually large imports during the first half of 1957. In 1956, Canada imported 13.1 million pounds of turkeys and 8.3 million pounds of fowl from the United States. Up to the time the embargo was put into effect, Canada had imported 6.4 and 3 million pounds of turkeys and fowl, respectively, from the United States.

Cuba imported 1.9 million United States baby chicks in 1956, mostly broiler chicks. In recent years, the production of broiler hatching eggs and chicks in Cuba has been increasing. In September 1957, imports of broiler chicks were stopped because domestic supplies were considered adequate.

Similar action was taken by Venezuela. On July 1, 1957, imports of both broiler and egg-type chicks were stopped because of adequate hatching capacity in Venezuela. However, the production of hatching eggs is inadequate, and imports of United States hatching eggs have increased.

These restrictive actions are typical of those taken by countries which are fostering the development of their poultry industry (pp. 44–45).

LIVESTOCK, MEAT, AND MEAT PRODUCTS

Most foreign importers of meat and meat products use various methods to increase their domestic production and thereby reduce the needs for imports. Some traditional meat importers have increased their domestic production in recent years to the extent of becoming net exporters. High tariffs and import fees handicap United States export trade in meat and meat products. Lack of "hard currency" is another barrier to expansion of United States trade. Multiple exchange rates are maintained through government-controlled internal prices established to restrict imports of certain commodities and to encourage imports of others. Bilateral trade agreements have resulted in reducing market outlets. Furthermore, sanitary regulations of specific countries have prevented the exporting of United States products (pp. 49–50).

FRUITS AND VEGETABLES

(Total United States exports 1957 equal $363 million; outside of Government programs equal $368 million)

The principal barriers to continued increases in exports of United States fresh apples and pears are those imposed on imports by most European countries. The United States Government continues to press for a reduction in these trade barriers (p. 63).

SELECTED FOREIGN MARKETS

There are listed below examples of restrictive practices affecting United States agricultural exports by countries in the principal trading areas of the world. This material again is taken directly from the publication of the United States Department of Agriculture previously referred to, Competitive Position of United States Farm Products Abroad—1958.

LATIN AMERICA

The principal Latin American countries and commodities that compete with United States products in other world markets are Argentina, with its grain, linseed, and meat; Uruguay, with its grain and meat; and Brazil, Mexico, Peru, and Central America, with their cotton.

In Argentina the strict control of trade formerly exercised by the IAPI (Instituto Argentino de Promocion del Intercambio) and a complicated system of multiple exchange rates has been somewhat liberalized. Now a meat board and a national grain board supervise the trade in these products. The Government stimulates exports of its products through a system of "aforos" (official valuations) and retentions. Competition is made easier because the proceeds received from the export sale in excess of the aforo value can be negotiated at the free market rate, which is considerably above the official rate. Trade and payments agreements and barter or supply agreements are still an important means of encouraging exports. In mid-1956, however, Argentina entered into an arrangement (the Paris Club) for multilateral clearing with several countries of west Europe.

Brazil's most effective method of regulating foreign trade is through exchange control over both imports and exports. The principal competitive export crop, cotton, is given a more favorable exchange rate than that on coffee. In addition, the Government also supports the price of cotton to the grower.

Mexico has a system of compensatory exchanges to encourage the export of several products, principally cotton. Under this system the granting of import permits for a list of commodities is subject to the export of an equal value of the commodities the Government wishes to export.

Uruguay also is encouraging the production and export of its farm products, particularly wheat and wool. In recent months the Government increased the guaranteed price for wheat to the grower and adjusted the aforo and exchange rate for wool to stimulate increased sales.

The northern Latin American countries import the most United States agricultural products. Cuba remains the principal market in Latin America, followed by Mexico, and Venezuela. All three are trying to become self-sufficient in many food and raw material items and are restricting imports of certain products. During 1957 Cuba's restrictive measures were largely non-tariff. There is a proposal now, however, to revise the entire tariff schedule. Since Cuba is a member of the General Agreement on Tariffs and Trade it will be necessary to renegotiate existing concessions with the contracting parties.

Mexico has a long list of agricultural products subject to permit and license. Certain basic food commodities are imported exclusively through the Government agency, Compania Exportadora e Importadora Mexicana, S. A. (CEIMSA). From time to time the Government imposes a temporary embargo on the import of certain products and restricts imports of others for sanitary or health reasons. Mexico is continuing its trend toward self-sufficiency and diversification.

The Venezuelan Government is trying to expand production of corn, cotton, sugar, and oilseeds. The result has been increasing self-sufficiency; and surpluses of some of these crops are available, particularly corn.

In southern South America, Brazil is the best United States market. Its foreign exchange shortage has led to severe restrictions on imports. The new tariff bill has raised the rates on imports to high levels. Although this was accompanied by some reform in the exchange control mechanism, it is not yet known what effect the new law will have on agricultural imports. Since Brazil is a member of the General Agreement on Tariffs and Trade it is necessary to renegotiate the concessions granted to the contracting parties (pp. 76–77).

WEST EUROPE (ALL EUROPE EXCEPT THE COMMUNIST COUNTRIES)

Nearly all west European countries protect domestic agriculture. The goal of raising farm living standards, efforts to maintain or increase output for national security and balance-of-payments reasons, the desire for political and social stability, the problem of numerous small farms and underemployment on farms, and the pressure from farm interests are factors which make any considerable modification of this protection unlikely (p. 79).

During 1956–57, several countries made progress in liberalizing dollar farm products. For example, Italy and Austria liberalized cotton; 11 west European countries now admit United States cotton without quantitative restrictions. Sweden liberalized soybeans, bringing the total number of countries which admit them free to eight. No

additional countries have liberalized tobacco, which had previously been liberalized by seven countries.

Relatively few foods have as yet been liberalized to the United States by more than 3 or 4 countries. For oranges and rice, the number of liberalizing countries rose during the year from 3 to 5, for prunes from 4 to 6, and for raisins from 4 to 5. Sweden liberalized wheat during the year, with the proviso that quantitative restrictions may again be applied if the domestic price falls below a fixed minimum level; the United Kingdom is the only other country which does not now have quantitative restrictions on wheat imports.

Despite the progress made in dollar liberalization during the past few years, discrimination against dollar imports continues to handicap American agriculture in its efforts to compete in West European markets. Only the Benelux countries, Switzerland, and Greece have liberalized to the dollar area essentially the same list of agricultural products that are liberalized to OEEC countries and their overseas territories.

Preferential tariffs and bilateral agreements also continue to be a handicap. In the fall of 1956, the United Kingdom and Australia renegotiated the trade agreement they concluded at Ottawa in 1932, when the system of imperial preference was established. On the agricultural side, the outstanding feature of the new agreement is the expression of the "desire and expectation" of the two governments that commercial sales of Australian wheat and wheat flour in the United Kingdom should amount to not less than 28 million bushels of wheat equivalent annually (p. 80).

Before World War II, France was an important customer for United States dried fruit. Almost half of the French raisin imports and over 99 percent of its prune imports were purchased from the United States. In recent years, however, France has virtually imported no raisins from the United States despite an increase in its total imports of raisins. Also, the United States share of France's prune imports—which have greatly decreased in aggregrate—has been substantially reduced.

This reduction in the United States share of the French market is due almost entirely to the severe restrictions imposed by the French Government against importation of dollar fruit products. Only sporadic quotas and exchange allocations have been permitted for United States fruit. There are, furthermore, burdensome import levies imposed on dried prunes.

Yugoslav prunes have been granted access to the French market under a bilateral trade agreement (p. 71).

EAST EUROPE (EXCLUDING THE SOVIET UNION)—POLAND, CZECHOSLOVAKIA, EASTERN GERMANY (THE SOVIET ZONE OF OCCUPATION), HUNGARY, RUMANIA, YUGOSLAVIA, BULGARIA, AND ALBANIA

The United States exports practically all went to Yugoslavia, mostly under United States aid programs and Public Law 480 agreements. They consisted chiefly of wheat and cotton. With a bumper crop in 1957, Yugoslavia will import less wheat in 1957–58 than in 1956–57. But the decline in United States shipments to Yugoslavia will be offset, in large part at least, by shipments to Poland, which is to take about 16 million bushels under a United States-Poland agreement concluded in 1957. Poland is also to take some United States cotton (p. 81).

The Polish shipments again represent Government-supported programs.

THE FAR EAST—PAKISTAN, INDIA, CEYLON, BURMA, MALAYA, THAILAND, LAOS, CAMBODIA, SOUTH VIETNAM, INDONESIA, PHILIPPINES, FORMOSA, JAPAN, AND SOUTH KOREA

The main concern of United States agricultural exports in the Far East is primarily one of competing with products from other areas for this market. Competition is complicated because practically no country of this area has enough foreign exchange to permit complete freedom of imports. All of the countries must manage with frugality both the volume and direction of their scarce foreign exchange.

Imports of United States agricultural commodities into the region under Public Law 480 agreements have been important. Most countries of the area have had Public Law 480 agreements. Foodgrains have been the principal imports under the agreements, but cotton, tobacco, dairy products, and some fats and oils have also been included. Shipments and loans under Public Law 480 have helped these countries materially in their development programs, which should eventually establish better markets for United States farm products in this area (p. 85).

AUSTRALIA

Considerable import relaxations were made in 1957 but little benefit was derived by United States agricultural exporters. Most imports of agricultural commodities of interest to United States suppliers such as cotton, tobacco, hops, hog casings, and resin are imported under an "all countries source" provision permitting importers to secure goods on a sales-replacement basis from the supplier with the cheapest price. Imports of commodities from dollar areas, however, are still subject to considerable Government exchange and licensing control because of certain dollar deficits (p. 90).

NEW ZEALAND

Aside from United States tobacco, our agricultural products generally do not find a ready market in New Zealand unless supplies are unavailable from Commonwealth producers. Some citrus from California has been imported in recent years to supplement short seasonal periods when Commonwealth citrus is not available. Raisins and prunes are also imported from the United States when unavailable from Australia.

New Zealand's import policy is still formulated on the basis of dollar exchange conservation which also tends to limit purchases from the United States (p. 91).

AGRICULTURAL IMPORTS

Total agricultural exports during the last fiscal year outside of Government-support programs totaled only $2.8 billion. Agricultural imports supplied more than the necessary dollars to finance imports by other countries of our agricultural produce.

During the fiscal year which ended June 20, 1957, imports of agricultural products from 130 countries totaled $3.8 billion. More than one-third of all such imports were coffee, which accounted for $1.4 billion. Coffee is, of course, on the free list.

United States agricultural imports from the Western Hemisphere totaled $2.2 billion or 58 percent of all United States agricultural imports. Since more than 70 percent of the imports consisted of commodities not produced commercially in the United States, the tariff was no impediment to their entering our markets. In the case of Brazil we received products valued at $668 million, of which 88 percent represented coffee. Cocoa beans and carnauba wax, which are both on the free list, were other important imports.

Next to Brazil, Cuba was the most important Latin American supplier of agricultural products. Imports totaled $383 million of which 84 percent was cane sugar. Cuba's sugar has a preferred position in our markets with a quota under the Sugar Act. The trade agreements program obviously has no bearing on sugar imports.

Colombia supplied products totaling $323 million, practically all coffee.

Another 20 percent of our agricultural imports originated in Asia. Rubber was the principal import; hence, 60 percent of the imports from Asia consisted of complementary products. Cane sugar was again an important import, controlled by the Sugar Act rather than by the Trade Agreements Act.

Africa supplied $313 million of our agricultural imports. Coffee, cocoa, and vanilla beans were important non-competitive products.

It is quite apparent that our imports of non-competitive agricultural products, most of which are on the free list, generate more than sufficient dollar exchange to finance those American agricultural exports which are actually being sold for dollars without Government assistance.

There are no imports of basic agricultural crops which are covered by Government support programs. Import quotas prevent these products from entering the United States. Under these conditions the producers of these crops are not morally entitled to urge the reduction of tariff barriers to finance exports of their products when they are not subject to import competition themselves.

In 1957 imports of competitive agricultural commodities in many cases attained new all time highs. For example, United States imports of dutiable cattle in 1957 totaled 703,000 head. The total cattle and beef (carcass weight) was 597 million pounds, a record high.

Although, as already indicated, New Zealand is not a favorable market for our agricultural products and her import policy is still formulated on the basis of dollar exchange conservation, we have been importing an increasing amount of meat and meat products from New Zealand. The United States Bureau of the Census has prepared a summary of United States imports of meat and meat products from New Zealand for the years 1956 and 1957. The increase is startling.

While the dollar totals are small in relation to our total foreign trade, the imports of meat and meat products from Iron Curtain countries have grown considerably during the period 1954–57.

Mr. Chairman, I have developed a table which shows the total imports of meat and meat products from Iron Curtain countries.

United States imports of meat and meat products from Iron Curtain countries, 1954–57

	1954		1955		1956		1957 [1]	
	Pounds	Amount	Pounds	Amount	Pounds	Amount	Pounds	Amount
Canned hams:								
Poland	18,496,000	$16,084,000	21,942,000	$17,038,000	23,430,000	$17,870,000	26,049,000	$20,663,000
Czechoslovakia	216,000	175,000	870,000	590,000	1,198,000	758,000	845,000	563,000
Total	18,712,000	16,239,000	22,812,000	17,628,000	24,628,000	18,628,000	26,894,000	21,216,000
Pork, prepared or preserved:								
Poland	1,809,000	1,419,000	2,922,000	2,135,000	2,477,000	1,780,000	2,616,000	1,724,000
Czechoslovakia			65,000	43,000	25,000	13,000	25,000	17,000
Total	1,809,000	1,419,000	2,987,000	2,178,000	2,502,000	1,709,000	2,641,000	1,741,000
Grand total	20,521,000	17,658,030	25,799,000	19,806,000	27,130,000	20,397,000	29,535,000	22,957,000

[1] Provisional.

Mr. Chairman, the majority frequently refer to a magic figure of 4½ million jobs which are attributed to activity created by foreign trade. They imply that these jobs may be affected by our actions on this legislation. Let me remind every member of the committee that regardless of what Congress may decide with respect to this program, our imports will still total many billions of dollars. We will need all the commodities which are on the free list such as coffee, cocoa, tea, bananas, and rubber as well as those we import today under our moderate tariffs. They in turn will supply foreign exchange so that others may purchase our export products.

During the course of the hearings, we endeavored to secure statistical support for the oft repeated statement that there were 4½ million jobs dependent on this program. The Secretary of Labor in his appearance before the committee said:

> Over 500,000 workers in the United States are engaged in jobs in this transportation and distribution process. Then, there are about 850,000 workers who are employed in the "first factory processing" of imported materials. This includes such activities as roasting and grinding coffee or making alumina from imported bauxite.

Mr. Chairman, needless to say, there will still be 500,000 workers transporting and distributing products whether they are imported or made domestically. The 850,000 workers employed in such activities as roasting and grinding coffee or making alumina from imported bauxite are obviously not affected by this legislation, since coffee and bauxite are on the free list.

Now let us examine the other side of the coin, Mr. Chairman. Much of the emotional support for this legislation comes from individuals who sincerely believe that there is a serious dollar gap which prevents other countries from purchasing our goods unless we lower our tariff barriers.

There is undoubtedly much confusion due to the fact that some apparently believe we must have a balanced trade with every country. This concept violates the entire theory of multilateral free trading which is supposed to motivate this program. The difficulties the Free World has experienced for so many years arise from the fact that so few countries permit completely free multilateral trading with the necessary convertibility of foreign exchange. There is ready statistical proof that the United States has not created a dollar gap. The gold and dollar holdings of the rest of the world are continually increasing. The May Federal Reserve Bulletin shows that foreign countries excluding Soviet Russia and its satellites held gold, dollars, and United States Government securities on December 31, 1955, which amounted to $27.2 billion. By December 31, 1957, these holdings had grown to $29.8 billion, an increase of $2.6 billion. This increase in foreign dollar and gold holdings clearly shows that there is no overall dollar gap for the Free World as a whole.

What is so often overlooked is the fact that our international transactions, in addition to imports and exports, include tourist expenditures, private remittances, investments, and payments for freight, insurance, and banking services.

If other countries were dedicated to free enterprise and permitted free private, multilateral trading and unlimited private investment, I would be more sympathetic to the plea that we should sponsor free trade here. As long as other nations insist on public development of their natural resources on an uneconomic basis, there will be dollar shortages. I cannot consider a program that would sacrifice American workers so as not to offend the nationalistic aspirations of other countries.

The purported justification for this unprecedented request for a 5-year extension of the Trade Agreements Act is predicated on the need to negotiate with the European Economic Community. Mr. Chairman, it is vital that we understand the economic implications which will result from the formation of the European Economic Community.

As long as the six countries constituting the Common Market have separate tariff barriers, it is impossible for them to develop the mass production and distribution structure which characterizes the American economy. The European Economic Community and its overseas dependencies will constitute a trading area with more potential customers than our domestic market.

Under these conditions large-scale producing units will be established in Western Europe. They will enjoy all the advantages which have characterized the United States economy.

If, in addition, they have lower labor costs, we can be sure that there will be no possibility of United States exports entering Western Europe. American firms who now share in this market will be forced to build plants abroad to maintain their market position.

In my opinion, the European Economic Community will decrease American exports to Europe. What is more important, it will enable Western European firms to penetrate the United States market and to capture a larger share of the Latin American and Asian markets.

Many believe that the European Economic Community will bring about lower tariff barriers. This is not necessarily the case. In fact, the initial tariff will be computed by averaging the tariff rates in the six countries, product by product. This means that tariffs will be raised by many countries on products of interest to United States exporters. Some of these tariff increases will violate concessions the six countries have already made to the United States. We are entitled to relief under the GATT.

Before we concern ourselves with further negotiations, we must secure some compensation for the concessions which will be withdrawn. The majority report on page 24 includes table which relates the 5-year extension of the trade-agreements authority with the European Economic Community schedule. This table is supposedly based on testimony before the Committee by the Deputy Under Secretary of State for Economic Affairs, the Honorable C. Douglas Dillon. However, the schedule he presented showed that no start would be made on active negotiations prior to January 1961, with a view toward making tariff adjustments effective by January 1, 1962.

Mr. Chairman, no legislation by the Congress is required to conduct negotiations with other countries. The Constitution has already given the President the power to enter into negotiations leading toward international agreements. The authority requested by the Under Secretary of State is only necessary to permit those steps which his schedule states will be taken sometime after June 1960.

Until an agreement is actually made whereby tariff rates are reduced, no legislative authority is necessary. The President can discuss the actions he believes necessary with the members of the European Economic Community at any time.

Proponents of the plea that we grant negotiating authority for a period of 5 years say that this is necessary so that our trading partners will have confidence in the continuity of our trade and tariff policies.

The State Department has repeatedly taken the position that foreign firms which have once achieved a position in the American market should not be subject to the hazards of escape-clause actions or changes in Congressional policies. May I remind the members of the Committee that Britain also levies tariffs

on products made by her so-called key industries, including 33½ percent on organic chemicals. During periods of domestic shortages of these products, when her industry cannot supply her internal demand, consumers may apply to Britain's Board of Trade for licenses to import. Imports under such licenses enter duty free. However, when her domestic capacity is increased and is in balance with the domestic demand, such licenses are not longer granted.

In effect, this Congress is being asked to delegate its authority so as to bind succeeding Congresses, including the 90th Congress which will be elected in 1968. We are being asked to delegate our constitutional powers not to President Eisenhower, in whom I have great confidence, but to the occupant of the White House who wins the elections of 1960, 1964, and 1968. Neither of our great political parties has any idea who its candidates in these future years will be. Should this future President use these delegated powers in such a manner that a future Congress should wish to retrieve them, they could only do so by a two-thirds vote of both Houses.

Surely, the extension of the trade agreements program is no more important to our foreign policy than the Mideast resolution—House Joint Resolution 117, 85th Congress, 1st session—which was adopted on January 30, 1957. This joint resolution was approved by the President and is a law. However, it may be terminated at any time by a simple majority of both Houses of the Congress. The gentleman from Illinois [Mr. GORDON] the distinguished chairman of the Committee on Foreign Affairs, in explaining this resolution, said:

> Our committee also provided that the resolution could be terminated by a concurrent resolution of the Congress. This follows a practice used in previous legislation. Some consideration was given to including a specific date for the expiration of the authority in the resolution. But the Secretary told us that to work out this situation—in the Middle East—may take an appreciable amount of time. If Congress feels that there is any abuse of authority, it can always terminate that authority by its own action.

Mr. Chairman, I see no reason why the Congress should not be in a position to proceed in a similar manner in this instance.

During all previous extensions of the trade-agreements program we have confined the extension to a maximum period of 3 years so that no Congress could tie the hands of succeeding Congresses. No evidence has been presented to justify a departure from this course.

Those who advocate it ignore the fact that a government's life in most other countries can be terminated by an adverse vote on any measure before their legislative body. No other government in the world could make the kind of binding commitment now requested of this Congress. Recent events in France show the utter futility of these proposals. The new finance minister in General de Gaulle's government has already announced that France may not be able to carry out its commitments to participate in the European Economic Community.

It is my considered judgment that the President and the State Department should be in continuous consultation with the members of the European Economic Community. When they are in position to make specific recommendations to the Congress, which Secretary Dillon indicates could not possibly be known prior to June of 1960, we should then consider what additional steps may be justified.

The substitute amendment which I have sponsored extends the President's authority under the trade-agreements program through June 30, 1960. This will enable him to proceed with the negotiations outlined by Secretary Dillon, and will also afford the Congress an opportunity to review our position with respect to the European Economic Community before we proceed further down a road which may present many serious problems to domestic industries and their employees.

Mr. BEAMER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

RECIPROCAL TRADE AGREEMENTS ACT—DO WE HAVE ONE?

Mr. BEAMER. Mr. Chairman, my first statement is that I favor reciprocal trade on one provision—that it be reciprocal in all respects by all parties concerned with making trade agreements. Evidently, that objective was the dream and the desire of those who first wrote the Reciprocal Trade Act. Under it, a foreign nation would sell to us products that they had in abundance, and that we needed, and take its pay in commodities that we had in overabundance which it needed. Now, it is apparent that the actual disillusionment has been recognized because the bill that we now are debating, H. R. 12591, is designated as an extension of the Trade Agreements Act. Neither the proponents nor the opponents refer to these agreements as reciprocal and, if they did, then it would be a sad misnomer because so many factors have entered into the tariff policy of all countries and so many restrictions of various kinds have been imposed by each country that the result is far from any reciprocity on the part of the United States and of any of the other countries.

The definition of tariff may be stated simply but the application and effects of tariffs actually, honestly, and sincerely evolve into hundreds and thousands of applications. It is true that a national tariff policy is essential, and it also is important to remember that we live in a republic which has 435 people representing as many different districts. The first duty of each Representative is to his district and to the people who reside in it, and who elect him to this office. There may be and are various interests in these different districts. Thus, if a majority of the Congress votes for a measure, then the majority rule prevails. This would mean that the policy affecting tariffs or any other similar legislative proposal should reflect the desires of the people back home. If the majority of the districts represented by their respective Congressmen feel that a certain amount of protection is needed then the policy should be made by this majority rule.

It might be well to review briefly the history of the tariff in the United States. It is a recognized economic fact that wealth comes from goods and services that are freely exchanged. Adam Smith emphasized this point in his Wealth of Nations and this philosophy was reflected in the thinking of Jefferson, Hamilton, and James Madison at the beginning of our country. In fact, in the First Congress, the very first act that was passed was one that set up the financing authority of the Government and the second law established tariffs. As early as 1790, Hamilton recognized the change that would take place in this country and he urged a type of protective tariff.

In these early days and for many years thereafter, tariffs provided one of the principal sources of Federal revenue. It also is interesting to note that different individuals found it necessary to change their attitudes on this subject. For example, Daniel Webster, in 1824, was opposed to protection but 4 years later, he favored a certain type of protection.

In fact, during the years between 1812 and 1832, the duties on imports were raised 45 percent; then there followed a series of reductions which continued until the panic or depression of 1857. In 1861 the Morrill Tariff Act restored most of the previous rates.

The importance and increasing complexity of the tariff question was recognized and Members of Congress also realized that they would not have the time, in conjunction with their other legislative work, to fully and carefully consider every tariff problem. It was for this reason that in 1872 Congress approved the Tariff Commission as an arm of Congress to assist in the technical study of tariffs on imports. Actually, from the beginning of our Government until 1913, tariffs provided the principal revenue for our Federal Government, but the revenue presently received is merely a negligible factor.

In the period of history that most of us in the House can remember, there have been many different tariff acts: 1910, Payne-Aldrich Act; 1914, Underwood Act; 1922, Fordney-McCumber Act; 1930, Hawley-Smoot Act; 1934, Trade Agreements Act; 1948, Geneva agreements; 1950, Annecy agreements; 1951, Torquay agreements.

If the consideration of American industry and American labor were charted in accordance with these various tariff acts, we would have an irregular line that descends rather abruptly after 1934. This was the date of the Trade Agreements Act which gave the tariffmaking authority to another branch of the Government and removed this authority from the Congress. The Tariff Commission still is supposed to be an arm of the legislative branch but its recommendations are sent to the executive branch where they must be approved by the State Department instead of being approved by the Congress. Now is the time to return this authority to the Congress

and to the people as specified by the Constitution.

There are some 70 nations in the agreements on the reciprocal trades basis. This is the portion of the picture that should appear good because it would seem that if 70 great nations of the world agreed to reciprocal arrangements on tariffs that there should be a free and equitable interchange of goods and services between these 70 nations. However, it is important to note that there are many other forms of trade restrictions and control of the interchange of these goods and services between nations. The principal restrictions are:

First. Tariffs.
Second. Embargoes.
Third. Import quotas—subsidies.
Fourth. Import licensing programs.
Fifth. Exchange control.
Sixth. Cartel systems.
Seventh. State trading includes dumptime, following World War II, there were ing at multiple exchange rates. At one 67 such official exchange rates.
Eighth. Credit insurance—and the United States is the only country that does not have any credit insurance.

These restrictions and controls imposed by other countries work a greater hardship in most instances on our manufacturers, upon our laboring men, and upon our consumers, than would be brought about by the actual imposition of higher tariffs. One example may be taken from the British token imports. Great Britain only allows token imports of American products imported freely before 1939. In a recent year, this resulted in imports of, (1) appliances: 1 dishwasher, 35 electric ranges, 25 deep freezes, 19 washers and dryers, and 194 refrigerators from 1 American company; (2) automobiles: 650 American automobiles—token against our imports of 63,380 British cars for the first 10 months of 1957.

Numerous illustrations could be given but many Members of Congress have had the opportunity to travel in foreign countries. I wish that time permitted me to tell you about the experience that I had in one country where the Studebaker automobile dealer was unable to sell any of his automobiles because of certain trade restrictions and not because of any tariff. In another country, I seriously asked the question why they did not have some of the good Indiana tomatoes in the cans on their shelves. They told me very frankly that they had a high tariff to protect products coming from their farms and, also, that they were attempting to protect their canning industry by providing a high tariff rate on imported canned vegetables. This same country was asking for a low tariff rate or even a free rate on residual fuel oil to be shipped into the United States.

A careful study will indicate that of the nations supposed to be on a reciprocal trade agreements basis, 45 percent of these countries use quantitative import controls.

Since 1934, our average tariff rates have been reduced more than 70 percent. Of 3,337 dutiable items listed in the Tariff Act of 1930, 2,532 were reduced in the next 22 years; 148 were retained by treaty; and only 657 remained unaffected.

An escape clause in the present act has been the only safeguard that American industry, labor and consumers, have had. Under this escape clause, the United States Tariff Commission can recommend increased tariff rates if a peril point has been found to exist. However, prior to August 1957, of the 73 applications filed with the United States Tariff Commission, only 20 resulted in finding for escape action, and only 7 of these resulted in favorable action by the President.

Thus, there are several questions that immediately arise. First of all, reciprocity must provide the same free trade for our products to their countries that they expect us to give to them.

The Trade Agreements Act of 1934 eventually resulted in the General Agreements on Tariffs and Trade, commonly referred to as GATT. Our representatives to GATT who have served as our negotiators, in their enthusiasm for the expansion of world trade, often have surrendered more than they have gained. It is evident that some of these negotiators are interested chiefly in selling more products rather than in earning a profit. If this idea were carried to a logical conclusion, it would be something like Gimbel's and Macy's of New York City selling more to each other. Coupled with the internationalist GATT is the effort to involve the United States in the Organization for Trade Cooperation. Under OTC, the Congress was being asked to further relinquish its authority and transfer the making of American tariff policies to an international body in which we would be hopelessly outnumbered. The smallest country would have the same vote that a large industrial country like ours would have.

GATT has decreased our foreign sales; in 1921, the United States exported 12.9 percent of its production of movable goods; and 5.1 percent in a recent year.

I would like to suggest that instead of talking about free trade or protection that we consider an equalizing tariff. The formula to be applied in this instance might be a complicated one but the Tariff Commission has both the ability and time to devise a tariff system that would be equitable to our friends and customers abroad and, also, be equitable to our industries and workmen in the United States.

The objective of an equalizing tariff would be to put domestic producers on an equal basis in order that there would be fair competition. It is physically impossible for our labor, which rightfully has a high wage scale of $2 per hour average in most industries, to compete with a foreign industry that has a starvation wage scale. Reliable estimates list the hourly earnings in industrial occupations in United States dollars as follows:

United States	$2.08
Canada	1.59
Sweden	.83
Norway	.72
New Zealand	.70
Switzerland	$0.63
United Kingdom	.61
Belgium	.56
West Germany	.55
France	.54
Italy	.43
Ireland	.39
Japan	.22

It is time that the tariffmaking policy be taken away from the striped-trouser diplomacy of the State Department and placed under the control of the Congress as is designated by the Constitution. H. R. 11462 and similar proposals would be a worthy step in that direction.

If a form of free trade is to be established, there are at least eight minimum conditions that also must be made.

First. Taxes must be comparable.
Second. Single monetary system necessary.
Third. Uniform business laws.
Fourth. Similar business ethics.
Fifth. Uniform wage rates.
Sixth. Maximum labor mobility.
Seventh. Freedom from threat of war.
Eighth. A world government.

If these conditions are not met then free trade eventually will result in the allocation of land and labor, and will be kept on the basis of political factors rather than on the basis of economic productivity.

In addition, we must recognize that our country is too large to depend upon any other country for certain services and products. One example, among many, will serve as an illustration. The United States watchmakers now have less than 18 percent of the United States market. The employment in the watch industry has declined 35 percent since 1948 and some plants have been closed. There seems to be some kind of a strategy on the part of some nations to plan a trade program that will make other nations dependent upon that country. During World War II, our Defense Department needed the precision manufacturing experience of the watchmakers. If we lose our watchmaking industry, we may also lose our precision machine industry which certainly is needed in these times of advancing science.

I have no watchmakers in my district but this same principle applies to the glass and bicycle industries, ceramic tile industry, steel products, and numerous other manufacturing processes that are vital to our economy. I wish you could see the urgent requests that I receive from employees in the glass industry in Indiana. The Flint Glass Workers in a large area of the United States including the 5th District of Indiana are worried about their jobs and their industry. I know many of these people and count them as my friends. I have introduced legislation in their behalf and now they write hundreds of letters urging support of the principles in the Simpson-Dorn bills. The workers in a large plate glass factory in our part of Indiana also realize the depressing effect of imported glass on the American glass workers and on the glass manufacturing companies. These imports have more than doubled since 1954, and this is in direct proportion to the tariff reductions on this type of glass down to 14 percent.

Glass and glassware imports, as a result of GATT, since 1955 have increased 144 percent—from $27.3 million to $66.6 million. The glassware manufacturers as well as the window glass industries, find themselves today in a highly precarious economic position and faced with further jeopardy by additional cut-priced imports under the proposed extension of the Trade Agreements Act.

Imported glassware prices have depressed the domestic price of hand made glassware to the point of no return. Six United States companies already have given up in this lopsided, uncompetitive contest with foreign producers. There is evidence that others will be closing their doors for the same reason.

It is no pleasant sight to see empty buildings and ghost towns. I have talked with many of the workers in these factories and they are worried about their future. These people have spent a lifetime in learning and becoming proficient in their trade, but they know that they cannot live on the 18-cent to 25-cent hourly wages paid to factory workers by these foreign competitors.

In 1956, imported glassware continued to consume a larger share of domestic consumption—approximately one-fourth of the market.

Is the diminishing share of the domestic market remaining to the domestic producer compensated by our exports to foreign countries? Not at all. The same low wage, cut-priced imports which have driven such a wedge into our domestic market similarly prevent our higher-priced export products from being purchased abroad. Glassware exports are decreasing each year and in 1956 totaled only $231,000 or only eight-tenths of 1 percent. Is this reciprocal trade?

We also stand to lose those plants that produce engineered glass articles necessary for wartime defense. Manfacturers of fire-warning lenses, lenses for shipboard lights, electronic tubes, and many other types of scientific and laboratory glassware have felt the squeeze of constant tariff reductions. It is time that we think of all phases of our defense.

There is very little argument for lowering tariffs if quotas and licenses are imposed. Much of the advantage of reducing import restrictions will be multiplied if extensive use of export subsidies and dumping is continued. The foreign trade policy should be one that advances the interests of the citizens. We need foreign trade but, in developing international cooperation, we should not overlook the fact that foreign policy should be one of self-interest and of self-preservation. This policy is not isolationism. It is just good sense and good Americanism. The State Department does not have men who are experts or who are trained in industrial production, but they have men who are far removed from agriculture, industry, and labor. Congressmen are close to their districts. They know whether or not the glass industry, or the bicycle industry, or the scrap iron industry, or any other industry in their district is being adversely affected or helped by a tariff policy or any other legislative program. Congress cannot make secret agreements as was done in GATT, or Teheran, Yalta, and Potsdam. Congress operates in plain view and, also, is subject to public scrutiny. In the executive branch, it is possible for a small group dedicated to a certain philosophy to determine the policy for the entire country. In Congress, all interests and sections are represented and no small faction can impose its will on the majority.

This brings us again to the recommendation that every Member of the Congress study the Constitution and, when this particular subject is being considered, that article I, section 8, should be read and reread. It specifically states—

> That Congress shall have the power to lay and collect taxes, duties, imports and excises; to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imports and excises shall be uniform throughout the United States; to regulate commerce with foreign nations and among the several States, and with the Indian tribes.

This procedure was followed for the first 145 years, from the 1st through the 73d Congresses. Then in 1934, Congress abrogated this authority and it is time that the Congress resume not only this authority but also its obligations to the people back home.

Mr. CEDERBERG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CEDERBERG. Mr. Chairman, the need for adequate world trade is, of course, desirable and necessary. The extent to which the United States can reduce tariffs and still maintain a healthy economy at home is a matter of serious difference of opinion. I find it difficult to see how American labor and industry can compete with cheap foreign labor and at the same time maintain a high level of production and a prosperous economy. I recognize the position of the United States as far as world leadership is concerned, but it seems to me that the increased flow of low-cost foreign-manufactured goods can weaken this position by its effect on our domestic economy.

Let us take Detroit, the hub of the United States automobile industry and one of the areas hardest hit by the economic slump. Unemployed factory workers there now learn from a Department of Commerce compilation of our import trade showing comparative statistics for 1957, 1956 and 1953, that United States imports of foreign automobiles, parts and accessories in 1957 jumped 133 percent over similar imports for the preceding year, and 537 percent over 1953.

Imports in 1957 of foreign passenger cars alone amounted to 259,343 units as compared with 107,675 new cars shipped into this country in 1956, and only 27,121 automobiles in 1953. And Government figures for early 1958 indicate that imports of new cars are now coming in at a new annual record rate of 400,000 units.

The Department of Commerce statistics also reveal that imports of photographic goods and scientific instruments rose 27 percent in 1957 over comparable shipments in 1956 and were 103 percent higher than those for 1953.

Imports of electrical, industrial, office, and printing machinery increased 13 percent last year over 1956 and were 162 percent higher than our imports of these products in 1953.

Leather goods coming into this country last year rose 16 percent over such imports in 1956 and were 113 percent above imports of leather manufacturers in 1953.

Imports of chinaware, earthenware and other finished clay products were up 13 percent over similar shipments entering the United States in 1956 and 69 percent over the figure for the earlier year.

Government statistics tell the same story for imports of finished-steel manufacturers, including tubular steel products. Our imports of these commodities in 1957 were 7 percent higher than our 1956 foreign purchases and were 44 percent above the 1953 figure.

Imports of dolls and toys, athletic and sporting goods entered this country last year at a rate of 13 percent over similar imported goods in 1956. The 1957 dollar value of these imports were 162 percent over that of 1953.

The story is repeated, over and over, in every section of the country. My Congressional District is proud of its chemical industry, and here again we face a situation where the cheaply produced goods from foreign countries are endangering an industry that is absolutely essential in war or in peace.

It is a long story but it is one we must not forget. Briefly, European cartels in chemicals had made our Nation dependent on chemical imports, and World War I revealed what a near-tragic mistake that was. The free traders in the twenties, led by Professor Taussign, tried to give our chemical industry away again, but due to a wise policy of at least partial protection we were able to meet the challenge of World War II. We must be vigilant in maintaining our strength in this field, or another emergency could be fatal.

The noted tariff authority, Dr. Lewis E. Lloyd, economist for the Dow Chemical Co., points out that in the chemical industry most of the labor consists of skilled operators and maintenance men. He gives the following startling comparisons of wage rates in the domestic chemical industry with those of principal countries competing in those markets.

German wage rates are 26.7 percent of those paid to American workmen. In England the percentage is 25.8; in Switzerland, 31.7; in France, 32.5; in Italy, 21.7; and in Japan, 8.1.

Dr. Lloyd firmly believes that there should be no further lowering of our tariff rates, but that we should reaffirm the principle of equalizing tariffs so that rates can sufficiently equalize competition between American producers and low-wage foreign producers.

We should support the Simpson-Dorn-Davis-Bailey substitute for the Ways and Means Committee bill.

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Chairman, I wish to state that I am unequivocally opposed to a renewal of the Trade Agreements Act as proposed under H. R. 12591.

Having studied the compendium of papers submitted to the Boggs Subcommittee on Trade and the two volumes of hearings issued by the House Ways and Means Committee with the testimony for and against this proposed Trade Act, I am greatly impressed by the opposition to the current so-called reciprocal trade agreements program, its inadequacy for these times, the excessive tariff cuts engineered under it, and the lack of reciprocal removal of trade barriers by other nations. Anyone reading the testimony against this Trade Act senses the understandable and justifiable bitterness rampant in those industries, injured by excessive importations, which have not been afforded any relief under the existing procedures for redress against import injury or by a reimposition of a higher level of tariffs so as to offset the price competition.

I need look no further than my own Congressional District in which are concentrated the famous copper and brass industries of the Naugatuck Valley. I see how the copper and brass industry is being undercut by low-cost competitive items. I notice how excessive imports of electrical copper wire and trap tube products are threatening the survival of many of our specialized factories. These excessive imports are injurious not only to the production of the valley's specialties, but to other items as well, such as fabricated rubber products, ball bearings, bicycles, firearms, watches, woodscrews, pins, needles, wire mill products, metal alloy stampings, textiles, and plywoods.

I cannot give my approval to the renewal of this Trade Agreements Act, because under it the economic well-being of thousands of American workers, including many of the people in my district, will be undercut. Any benefits we might derive from this act in an international sense will be offset by the misery dislocation caused by excessive imports in those of our domestic industries producing like or competitive items. I have consistently fought for a decent wage and standard of living for the people in my area. But many workers in my district have been laid off because it is impossible for the products they make to compete pricewise with the low-labor-cost articles from Europe and the Far East.

Certainly, no one in appraising the current unemployment figures will ascribe the cause of the recession to excessive imports only. But in my district such imports have undoubtedly helped to curtail production and in many instances have actually caused unemployment and retrenchment or minimum hours of labor.

I repeat that our industries have to compete against industries overseas which are not under the same compulsions as ours. Our own Fair Labor Standards Act enforces minimum standards of wages. Under the Walsh-Healey Act also any industry working on a Government contract, must pay prevailing wages and cannot beat down prices by taking advantage of low wages. I submit that this new trade act, H. R. 12591, will force our workingmen in scores of industries to compete on a basis that is unfair because even a high tariff—let alone the low tariff current today—is not sufficient to create an adequate margin to offset our own high wage-cost factor. Wage costs comprise an important percentage of the cost of all semi and finished manufactures and our wage costs are higher than those overseas. This trade act will enforce a paradox. We uphold wage standards for all our domestically produced goods, but allow them to be completely repudiated when it comes to goods imported from abroad with which our producers must compete. We set wage standards for our own employees and then gave overseas producers an unequalled competitive advantage by cutting tariffs 50 percent in 1934, another 50 percent in 1945 and another 15 percent in 1955 and now a further 25 percent cut is in the books.

We will have cut tariffs not only by approximately 85 percent, but the intent is now to maintain there low rates for a period of from 5 to 10 years. Yet notice what other countries have done during the same period that we lowered our tariffs so magnanimously. From 1937 through 1955 England and France raised their tariff levels by 43 percent and 37 percent, respectively. Canada reduced hers by only 13 percent; Italy by 24 percent; Switzerland by 34 percent, and Japan by 39 percent. I submit that we have shown our good intentions in attempting to make this a real reciprocal trade program, but our friends in the Free World who should have shown like-minded reciprocity of action, have not acted correspondingly.

This tariff-cutting process has been with us for 25 years, but the time has come for us to face facts realistically. Proponents of the bill will say that cutting tariffs will increase trade totals and result in greater prosperity on the national level; that encouraging international trade is part of our foreign economic policy; that our economic leadership is enhanced by lowering trade barriers; that by increasing trade volume and earnings as a result of tariff negotiations we assist other Free World nations to attain a balance of payments and thus enable the free nations to present a united front to the Soviet bloc. There is no quarrel with these objectives as such. However, many of them can be readily achieved by other means. And it is clearly wrong to pursue these goals by methods which are encouraging our very friends to hurt certain segments of our industries by excessive imports.

We are told that by extending the act we will enable the Free World to compete with the Soviet bloc. May I ask just how our free-enterprise system can possibly compete with a State trading system based entirely on expediency and whose producers are not governed by profit and cost considerations which guide our industries? I submit that this is not a valid reason for cutting our tariffs any further. The competitive basis for trading simply does not exist.

We are told that this act will insure a greater amount of trade on a reciprocal basis. Yet true reciprocity has not been achieved. We know how foreign countries have multiplied their import and export licenses, their exchange restrictions, and their tariff barriers to our imports. Yet, have we not been most lax in withdrawing individual concessions from those countries that discriminate against our exports? The trade-agreements legislation is very specific on that point, yet we have bent over backward to be the good neighbor. But I can assure you that the results have been detrimental to our interests. Restrictions are multiplying not only in the industrialized areas of the world, but also in the underdeveloped nations who are beginning to require that their raw and strategic materials be made available on conditions that preclude the operation of prices according to supply and demand.

A sizable portion of our imports comprise minerals and foodstuffs such as coffee, tea, cocoa, and fibers that we do not produce. Some economies actually depend so much on our purchases of their products that they cannot achieve a viable way of life without our trade. Others again wish us to buy their products, but spent the dollars so earned outside the dollar area. A few state bluntly that, unless we buy at their terms, they might turn elsewhere for their needs. We do not have to bribe foreign nations to buy from or sell to us. I submit that this act gives the impression that we are actually giving easier terms to foreigners for the privilege of trading with them.

Let us not forget that we produce goods which the world needs and only we can supply. Similarly the world needs our markets for their exports. If this act does not pass and we eschew our trade-agreements program, an equal volume of trade may well result, but on a much more selective basis. I submit that foreign nations will buy from us when they need our goods and when our quality, prices, and terms are competitively attractive, even as we will continue to import those goods which we need and which are not available domestically.

Under this bill H. R. 12591 an attempt is made to smooth over the import-injury problem. Whenever the President vetoes the recommendation for relief based on a finding by the Tariff Commission that a specific domestic industry is being hurt by excessive imports, this bill provides that a two-thirds majority of both Houses can override such a veto. Do the proponents of this bill feel that such camouflage of the problem will actually solve the problem? They know that such majorities will rarely if ever be found to override the President's veto. It is a subterfuge which deceives no one. I submit that a Tariff Commission finding of injury and its recommendation for relief should become immediately operative by a majority vote of both Houses.

The tariff and trade experts at the Tariff Commission are men responsible to Congress for a true tariff interpretation. Therefore I say that when they find competitive, vulnerable industries

hurt by excessive imports, we should act on their recommendations and grant immediate relief before an industry is driven to the wall. I would rather subsidize an American industry and American workmen with American money than legislate prosperity elsewhere at the expense of the American taxpayer.

Our Free World trader friends pound our ears daily with their arguments that we must win friends by creating prosperity in foreign areas by means of their exports to the United States. We are told how strong, healthy economies of friendly nations will do more to offset the encroachments of the Communist bloc than extensive armament assistance from us.

Let us not forget the most important fact of all; namely, that nothing in the Free World is as vital as economic well-being of the United States. Our prosperity has automatic repercussions in other countries. Similarly a recession here affects other areas. A contraction of buying by us results in a vicious circle of contraction in world markets. I submit that under this bill we will be forced to import less, because of a lessening of purchasing power resulting from the losses suffered by many of our industries as a consequence of excessive imports. In my judgment this bill will cause a weakening in our economy at a very critical time in our history.

I am charged with the responsibility of safeguarding the economic well-being of my constituents. I am duty bound to protect their interests first. This bill will not create greater prosperity but will bring on greater hardship to many import-competing industries. Hence I must vote against its passage.

Mr. MILLS. Mr. Chairman, I yield 25 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. HARRISON of Virginia. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HARRISON of Virginia. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The gentleman from Louisiana is recognized for 25 minutes.

Mr. BOGGS. Mr. Chairman, I have listened very carefully to my very dear friend and distinguished colleague, the gentleman from Pennsylvania [Mr. SIMPSON]. I give him credit for complete, total consistency, because way back in the very first session of the Congress of the United States, in 1789, Congressman Thomas Fitzsimmons of the State of Pennsylvania advocated a protective tariff. I quote from one of his speeches:

> Not for purposes of raising revenue, but to encourage the productions of our country and to protect our infant manufactures.

Unfortunately, however, it is rather difficult for me to lay such consistencies, historically speaking, to some of my colleagues from my section of the country, particularly some of those who share with Mr. Simpson the authorship of his substitute proposal.

This is a body fraught with history, and I am sure that all of you even today recall the doctrine of nullification. The interesting thing about it is that that doctrine originated in the great State of South Carolina through the power of the great statesman, John C. Calhoun, in opposition to the tariff of the United States of America in the 1820–30 decade. And it was President Andrew Jackson who first asserted the supremacy of the enactments of Congress over the contention of the State of South Carolina involving the enforcement of the tariff and its nullification by the State.

Finally, Senator Calhoun compromised when it was agreed that some progress would be made, towards the principle that a tariff should be for revenue rather than for protection. So today there is much history being reenacted.

I am very happy, too, that this bill comes to us with bipartisan support. To me, that is not very strange. I have had, during the past 2 years, the unique privilege of serving as chairman of the Ways and Means Subcommittee on Foreign Trade Policy. In that capacity, along with some of my colleagues, the gentleman from Virginia [Mr. HARRISON], and the gentleman from Missouri [Mr. CURTIS], the gentleman from Michigan [Mr. MACHROWICZ], to mention some, have had the opportunity of working with and conferring with Americans living abroad; with representatives of our Government living abroad; with American business communities abroad; and with the representatives of the friendly nations in the Free World.

Mr. Chairman, I say without fear of contradiction that there is no program in which our friends abroad are more deeply interested, have more universal concern, than this program of reciprocity in trade matters. There is not an American Embassy abroad, there is not an American chamber of commerce abroad anywhere in this world that has not sent back urgent messages to our Government here in Washington and to our President emphasizing the vital role that this program plays in the leadership of the United States in the Free World community today. I think that is why the President of the United States has been so emphatic in repudiating the Simpson substitute.

If I may, Mr. Chairman, I should like to impose upon the committee at this point to read a letter from President Eisenhower, dated May 29, 1958, addressed to my distinguished chairman, Mr. MILLS, of Arkansas. The President stated:

> Your letter of May 22 asks me two questions concerning the trade agreements legislation which has just been reported by the Committee on Ways and Means: (1) whether an amendment reserving to the Congress the right, acting by concurrent resolution, either by majority vote of those present or by majority vote of the entire membership, to overrule the President in escape clause cases and to put into effect the findings and recommendations of the Tariff Commission, would clearly be regarded by the executive branch as unconstitutional, and (2) whether I regard it as essential in escape clause cases that the findings and recommendations of the Tariff Commission be subject to the approval of the President.

Those are the two essential propositions in the Simpson substitute now being discussed.

Quoting further from the President's letter:

> At the outset, I want to congratulate the Ways and Means Committee for the trade-agreements legislation which it has reported. This legislation will give the American people the kind of trade program I believe they want. Enactment of the legislation can contribute greatly to job making prosperity, and well-being in American agriculture, industry, and labor, and its enactment will help preserve the strength and unity of the Free World.
>
> As to your first question, I have been advised informally by the Attorney General that the inclusion in the trade-agreements legislation of a provision stating in effect that the findings and recommendations of the Tariff Commission would go into effect, notwithstanding their disapproval by the President, whenever the Congress, by concurrent resolution adopted either by a simple majority or by a constitutional majority of both Houses, approved such findings and recommendations, would clearly be unconstitutional. The Attorney General has further advised me that should the legislation retain the provision requiring a two-thirds vote of both Houses, the vote in each to be by the yeas and nays, such a provision could be regarded as a valid substitute for the two-thirds vote necessary to override a Presidential veto.

I interpolate to say that what the President refers to there, of course, is the provision which has been written into the committee bill, insofar as action of the Congress can be taken where the President disregards the recommendation of the Tariff Commission.

Quoting further:

> As to your second question, it seems to me imperative that the Tariff Commission's findings and recommendations be subject to the President's approval. In the world of today the tariff policy of the United States can have profound effects not only on our foreign relations generally, but upon the security of the entire Free World. Some nations of the Free World must either export or die, because they must import to live. Their very existence, as well as their defensive strength as Free World partners, depends upon trade. For the United States to close its doors, either by high tariffs or import quotas, upon exports from these nations could force them into economic dependence on the Communists and to that extent weaken the strength of the Free World.
>
> Moreover, escape-clause actions frequently involve questions affecting the national interest, such as the requirements of the domestic economy and the effect of the findings and recommendations of the Tariff Commission on other producers and consumers in the United States, including their effect upon the jobs of those producing for export. The President, who serves the interests of the whole Nation, is uniquely qualified to make a reasoned judgment as to whether the findings and recommendations of the Commission in such cases are in the national interest. The Tariff Commission, on the other hand, was not appointed to make judgments in such matters, involving, as they do, evaluations of the impact of escape-clause actions on the whole range of the American economy.
>
> These problems, and the effect that one course of action or another would have upon the best interests of the United States, are peculiarly within the knowledge of the President. In fact dealing with such problems constitutes a major constitutional responsibility of the President, both as President and Commander in Chief. The Tariff

Commission, on the other hand, has only a limited responsibility—to find whether or not in its opinion there is injury to a domestic industry as a result of imports and to make recommendations to the President based upon such findings. It is essential that the President have authority to weigh those findings and recommendations along with all of the information the President has in both the domestic and the foreign field, and to arrive at a decision which will be in the best interests of the United States.

To withdraw from the President his power to make decisions in escape clause cases and to grant finality to the Tariff Commission's findings and recommendations would in my opinion be a tragic blunder which could seriously jeopardize the national interest, the foreign relations, as well as the security of the United States.

Sincerely,

DWIGHT D. EISENHOWER.

Now, Mr. Chairman, there is very little that I can add to what the President of the United States has said in his very forceful communication to our distinguished chairman. Let me say this, however, that the Tariff Commission itself well recognizes that it is not equipped to have such power and that it has no business with such power.

It so happens that before our committee on the day of February 20, 1958, all of the members of the Tariff Commission were called to testify, and it so happens that Chairman MILLS and I directed the specific question to each member of the Tariff Commission about what they would do about this power and whether or not they thought that they should have such power. I will read just one answer. All of the rest of them, except for the Chairman, who said he would try to do the best he could with whatever power was given him, agreed with his statement. I asked the question, and Mr. Jones, a member of the Commission, said this:

I would be hesitant to have that responsibility put on me. Knowing a little about government and knowing a little about the complexities of the world, I don't think I could qualify to take over the international aspects on the national defense.

I insert as part of my remarks at this point this segment of the testimony before the committee:

[From p. 195 of hearings on renewal of Trade Agreements Act, the chairman, the committee members, and the Tariff Commission representatives participating; February 20, 1958]

The CHAIRMAN. Let me ask you a final question on the escape clause. Should the Commission be given final discretion to make decisions also on matters other than injury?

Mr. BROSSARD. Such as what?

The CHAIRMAN. Any of the matters that must finally be determined in reaching a final conclusion with respect to whether or not action should be taken to raise the duty under the escape clause or to impose quotas.

Mr. BOGGS. I will be specific, such as section 7 of the 1955 act now administered by ODM.

The CHAIRMAN. I did not mean that. I do not wish to bring that in at this point. I am talking strictly about the escape clause, bearing in mind the fact that the Tariff Commission now has the one responsibility of determining whether or not injury has occurred as a result of certain things.

Should you be given the responsibility of making determinations other than those of injury in connection with the plight that a segment of an industry may face? There may be something other than the importation that has brought about the injury. There may be something other than the injury itself that ought to be taken into consideration, actually, before determination is made as to what should be done.

Should you be given any further responsibility than merely the determination of the question of injury?

Mr. BROSSARD. Personally, I don't think of anything right now, but I want to tell you that, if Congress wants to give us the authority, I think the Tariff Commission has the best staff that there is in all the world. I have been at the international conferences where they have been negotiating trade agreements with countries, with the leading trading nations of the world, and I think our staff could do anything that any leading staff in the world could do and do it well.

The CHAIRMAN. Do you think you are qualified to determine whether or not you should make recommendations with respect to the interests of national security or anything of that sort?

Mr. BROSSARD. I think there are other agencies that ought to be more qualified to do it than the Tariff Commission, and they ought to do that.

The CHAIRMAN. In other words, we should not impose upon you the determination of other factors that go into the President's final decision with respect to actions under the escape clause other than the one point of injury which you now have to consider under the escape clause?

Mr. BROSSARD. I think with the President's authority—he is in a better position to determine a lot of these things.

The CHAIRMAN. I am not injecting the point of whether the President is in a better position to make a final determination than the Tariff Commission. What I am thinking about is this: Whether or not we should ask you, as an arm of the Congress, to make a determination with respect to any other facets that must be considered in the overall other than the one proposition of injury.

Historically, that is what you have been concerned about under this program. Should we give you something else to do?

Mr. BROSSARD. I think, Mr. Chairman, that that involves a decision of public policy which is really outside of the realm of the Tariff Commission.

The CHAIRMAN. I am thinking about your ability to administer these various things. Do you have enough personnel so that you could take into consideration, in making a decision on a tariff matter, these other factors that must go into the final conclusion other than the one thing that you look to now; namely, injury?

Mr. BROSSARD. There is the question of foreign policy, the question of what is necessary for defense, and matters of that kind.

Mr. CHAIRMAN. You do not have access to that information.

Mr. BROSSARD. We do not have access. If we were ordered to do it, we would get the information because the Congress would order these agencies to give it to us. But we do not have it now.

Mr. BOGGS. In connection with this line of examination, would the Chairman and the members of the Commission mind expressing an opinion on a proposal which has been discussed in the press and elsewhere; namely, that your recommendation would be final except when it would be overridden by the Congress?

Mr. BROSSARD. That is entirely a question of policy, I think.

Mr. BOGGS. Would any other member of the Commission like to express himself?

Mr. JONES. I will, Mr. BOGGS. I would be hesitant to have that responsibility put on me. Knowing a little about government and knowing a little about the complexities of the world, I don't think I could qualify to take over the international aspects or the national defense.

Having worked in the Bureau of the Budget so many years, I believe that such matters belong right at the White House. That would be the only agency, I think, which could weigh those kind of factors, personally speaking.

Mr. BOGGS. Is there any other Commissioner who wishes to answer?

Mr. SCHREIBER. I was going to respond to the point made by the Chairman. If any additional duties are put onto us, such as national defense, and so forth, I think you will find, Mr. Chairman, that it is going to take us somewhat longer than the 9 months it now takes in most cases. In other words, I believe it will slow it down rather than to increase the processing of these cases.

The CHAIRMAN. I think all of you would admit very readily that the matter that you consider under the escape clause is not the sole matter that must be taken into consideration before a final determination is reached about whether or not a quota is to be imposed or a duty is to be raised.

Is that the feeling of all of you?

Mr. BROSSARD. Yes, sir.

Mr. JONES. Yes, sir.

Mr. SCHREIBER. Yes, Mr. Chairman.

Mr. DOWLING. That is correct.

(From page 201, Mr. BOGGS' questions)

Mr. BOGGS. I wanted to try to get some expressions from other than Commissioner Jones about this proposed amendment to make you fellows omnipotent, except for the Congress overriding you. I would like to ask Commissioner Sutton if he would like to express an opinion on that.

Mr. SUTTON. Well, sir, Mr. BOGGS, that is certainly a matter of policy, but I am willing to express myself if you ask me to.

Mr. BOGGS. This question of policy that we keep talking about reminds me of a joke. It is about the cat that was about to eat up a mouse, and the mouse yelled over to another friend of his who had gotten up on a ledge and said, "Give me a little help here." The mouse on the ledge wasn't thinking about getting out in the line of fire, but he gave him some good advice. He said "You can turn yourself into a dog and you will scare the heck out of that cat."

Then he said "How do I go about doing that?"

And the other mouse said, "I make policy, I don't administer it."

Mr. SUTTON. Well, sir, I believe that as far as the Tariff Commission is concerned, we pass on these matters of injury and so on, and it seems to me that there should be someone that can see the problem in its entirety and its overall problem rather than a narrow segment of it. I would advocate that that stay with the President of the United States. I believe, sir, that he has far more ability and staff to oversee the problems that confront this country, and as a citizen I would certainly welcome seeing that remain in that position, because I think he is responsible for the foreign-trade policy of the country.

Mr. BOGGS. Mr. Talbot, do you have any opinion on that?

Mr. TALBOT. Do I have an opinion? I agree. I think Commissioner Jones expressed that opinion before, and I agreed with him.

Mr. BOGGS. Mr. Schreiber?

Mr. SCHREIBER. I feel pretty much the same way about it, since we are not going to get into the matter of national defense, apparently, and 4 or 5 other angles, or international relations.

Mr. SUTTON. I would like to say something on that defense business, too, Mr. BOGGS, Since I have been on the Commission, practically every applicant that brings a case in there waves the flag and says that his industry is absolutely essential. Many times I have not been able to see any connection at all, any more than any other industry might be.

I think it is just one argument that is many times advanced which has no validity

whatsoever on the bearings of the case before the Commission.

Mr. BOGGS. Mr. Dowling, would you care to express yourself on the first question?

Mr. DOWLING. Yes, sir; I would. I agree with Commissioner Jones and the other Commissioners. As Commissioner Sutton has said, they all come in and each and every one of them tells us that they are employing the particular business from a patriotic standpoint, pure and simple.

Mr. BOGGS. I would like to comment on the question of giving you complete authority on escape-clause cases.

Mr. DOWLING. On escape-clause cases?

Mr. BOGGS. Yes.

Mr. DOWLING. Yes. What we do in the escape-clause situation, sir, is this: As I say, they come in, and we recognize the Congress has given specific considerations to other agencies to consider what are not within our particular jurisdiction. They were given them before us. I agree with Commissioner Jones that I do not feel that I am capable and competent in a situation to decide whenever a national defense or national security problem is to be considered, as a question of inquiry by the Commission. I think it is purely without our scope. It is a burden which we should not have imposed upon us.

As Comissioner Sutton said, the President of the United States certainly is the most capable one to know what is necessary in those instances.

Mr. BOGGS. Mr. Chairman, everybody has expressed an opinion but you.

Mr. BROSSARD. I don't think it is impossible at all for the Tariff Commission to determine it. If anybody can determine it the Tariff Commission can determine it. If we have access to the records that are available in the Departments of the Army, the Navy, the Air Force, and the rest of them, and they had to furnish it to us, or if we could ask them to testify before us, and give us the information, we could get it. But in my humble opinion, it would not be advisable to put that authority with the Tariff Commission. I would much rather have it where it is. I think it would be an extra burden on the Commission which we are not at the present time set up to take over at all. But it is not one thing that is impossible. The men can do it, the Tariff Commission can do it.

Mr. BOGGS. The second part of my question is whether or not your decision should be final, except for overriding by Congress.

Mr. BROSSARD. Well, I don't like to express an opinion on that, Mr. Boggs.

Mr. BOGGS. The other Commissioners have.

Mr. BROSSARD. Whatever Congress does is all right with us. You determine the policy, not us. If you like it that way we will do it that way. If you like it the way it is, we will do it that way.

Mr. BOGGS. That is all.

(Afternoon session)

The CHAIRMAN. The conclusion that I drew from the questions that I asked and from the questions that Mr. Boggs asked was that you gentlemen are not down here begging us to give you the authority to make the final decision; certainly not on the basis of the staff that you now have. And that, if we should decide to repose in you the final decision, which a number of people want reposed in you, I understand that all of you, other than the chairman, thought it would be very difficult for the Tariff Commission to have such responsibility. But the chairman, as I recall, said that if we wanted you to do it, you thought the Tariff Commission could do it.

Mr. BROSSARD. And that I didn't think it was advisable to do it.

The CHAIRMAN. That is right.

I think that was pretty generally what was discussed this morning in answer to my own questions.

So I wanted you to know that at least I was not confused by your answers.

Mr. TALBOT. Thank you, sir, very much, Mr. Chairman.

Mr. BOGGS. Mr. Chairman, the distinguished gentleman from Pennsylvania said that those of us who are opposed to his substitute have not read it. Well, I plead guilty to having read it. It so happens that for the first time in my life I have been ill for the past 2 weeks, and I have had a lot of time to read. I read Mr. SIMPSON's bill, and I charge without equivocation that in every sense of the word it out-Smoot-Hawley's the Smoot-Hawley bill itself. As a matter of fact, the Smoot-Hawley Tariff Act of 1930 was a Sunday afternoon breeze compared to this Simpson ripper-dipper. Let us take a look at what this bill does. You know, the interesting thing about it is this. I have a letter here addressed to a member of our committee from the gentleman from South Carolina [Mr. DORN], in which he gives his analysis of the bill. They call this the Bailey-Davis-Moore-Simpson bill. This is their analysis of it.

He says, No. 1, it extends the Trade Agreements Act for 2 years. Let us talk about that. What authority does it give for 2 years? First, let us talk about the 2 years. No more persuasive argument could have been made or can be made than was made here on the floor of the House yesterday by the chairman of our committee and by other speakers as to the necessity for a 5-year extension. Why are 5 years needed? Because we are witnessing something happening in Europe that statesmen have talked about for generations, that dictators have sought to achieve by aggression, that Napoleon sought to bring about by force, that the Kaiser sought to bring about by force, that Hitler sought to bring about by force, that Stalin sought to bring about by subversion—namely, the economic unification of Europe. This is a tremendously significant event.

Europe is about to become, for the first time in modern industrial history, an economic unit. This means that the 190 million trained people living in Western Europe will constitute an economic unit such as we have in the United States of America.

Are we going to be in a position to trade with these people on an even basis? Are we Americans going to be able to maintain our markets in Europe? Do you realize that something like one-sixth of all our exports go to Europe; that a tremendous amount of our commerce moves over to Europe? Are we going to be in a position to negotiate with these people in this great new economic unit? Not if you adopt Mr. SIMPSON's 2-year provision. You will not even begin to negotiate. You need a minimum of 5 years.

Let us look a little bit further. They would have the peril-point proceedings last for 1 year. This means that 1 year out of the 2-year extension will be consumed by hearings. In addition to that, let us see how they limit those hearings. As the law is now, the Interdepartmental Committee—not the State Department; you know, apparently in some minds the State Department is something foreign. Apparently to them there is something unpatriotic about our State Department. Maybe there is something wrong with me, but I have had the privilege of traveling a good bit about this world, and I have met a great many people who are with the State Department. Most of them, if not all of them, whom I have met I found to be dedicated Americans. Be that as it may, the State Department has just one say in this matter. The Commerce Department, the Labor Department, the Treasury Department, the Defense Department, ODM, the Agriculture Department, the spokesmen, I dare say, for American workers, for American agriculture, for American industry—they are the ones who submit the list for negotiation, not the State Department by itself. But this bill, this new Simpson-Smoot-Hawley ripper-dipper, would say only the Tariff Commission can submit this list. And then they will talk about them for a year. Then, after the year is over, they will let you do something about tariffs. Well, will they? Let us look at that. They will not let us do anything of the kind. They say, "Oh, we will let you negotiate to the extent of 5 percent per year for 2 years only on those items which have not been negotiated under the extension of 1955." Now, understand that fabulous limitation. The only authority granted is in the case where the President failed since 1955 to utilize the authority granted by Congress in 1955, and, believe me, that is a very limited authority. Even if you can use it—even if you can use it—you have to first negotiate a year. So that gives you 1 year out of the 2 years gone. That takes 5 percent of the 10 percent away. So it leaves you a theoretical negotiation of 5 percent in 2 years. Let us see what else happens.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I cannot yield to the gentleman now.

Mr. SIMPSON of Pennsylvania. Would the gentleman not like to have the RECORD corrected?

Mr. BOGGS. The gentleman will have plenty of time to correct the RECORD as he would like to have it corrected.

Mr. Chairman, let us take a look at what else happens to the escape clause proceedings. Mind you, you have to approach this legislation from the point of view of what it seeks to do. When Secretary Hull in 1934, together with his colleagues, conceived of this great program, it came as a result of the aftermath of 12 years of tariff increases. There was the Fordney-McCumber bill of 1922. Then there was one previous to this, and, finally, the Smoot-Hawley bill of 1930, which gave us the highest tariffs that we ever had in the entire history of our country. So, in 1934, when the Congress enacted the trade agreements program, what we sought to do was to reverse the policy of protectionism and turn to the policy of reciprocity. This does not mean free trade. This means that you negotiate multilaterally. You grant a concession in return for a concession. It meant, however, that the general direction of the trade policy of the United States would be liberal. It meant that

the general trade policy would be toward the elimination of barriers and not toward the creation of barriers. The direction was toward liberalism rather than protectionism; toward low tariffs rather than high tariffs; toward the elimination of quotas and artificial barriers and all of the other multitudinous devices that the mind of man can conceive to interfere with the free flow of trade. Now what does the Simpson bill do? The Simpson bill reverses the philosophical approach of the Cordell Hull program.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. SIMPSON of Pennsylvania. I ask the gentleman this question. Why, if the gentleman is correct about this philosophical approach which he says we have been using for a while, why then is it that there are more barriers against free trade today than there were when we started back in 1932?

Mr. BOGGS. I would be very happy to answer the gentleman's question. The main answer is that the situation in the world since the wars that we have gone through and the situation we have today is that we lack convertibility in currency more or less.

In addition to that, the gentleman referred to Brazil. That would be the best example I could think of. The gentleman talked about Brazil and the fact that Brazil did not buy as much from us as she should, in the gentleman's opinion. It so happens that I was in Brazil a few months ago. Brazil would spend every dollar, every penny of dollar exchange in this country if possible. Why do they not do it? Because the limitation on the number of dollars to be spent is determined entirely by the amount of coffee they can sell in this country. That is their only export. So that despite the fact that they place a price of $15,000 on a Chevrolet automobile, they still sell all the Chevrolets they can at $15,000 in Brazil, and the argument is the best argument I can think of for more liberalism in American trade, because all the evidence we have shows that the minute we loosen up a bit and let them build up reserves in this country, the more they will buy here. What the gentleman advocates would result in less trade with Brazil, not more. And the same thing would happen elsewhere.

I thought the gentleman was going to contradict me when I said this was a change of philosophy. But he did not. He did not dare. That is what it is. This bill changes the whole approach. Rather than being a liberal approach it becomes a protectionist approach, with all the consequences set forth in the President's letter.

Now the gentleman talked about who was speaking for whom. We have groups in this country who claim to speak for various people. Well, I never saw a bill that has the support that this bill has. The President of the United States; all of the members of his Cabinet; I think the leaders of his party; the leaders of my party.

Now let us take a look at those businesses that are supposedly being hurt. Does anybody deny that the United States Chamber of Commerce speaks pretty generally for American business? The United States Chamber of Commerce is actively supporting this program. As a matter of fact, the chamber conducted forums all over the United States, everywhere, in the West, the Midwest, the South, the East; and almost without exception the polls showed overwhelming support of businessmen for this program. Does the Wall Street Journal speak for American business? Does the Journal of Commerce speak for it? They are both supporting this program.

You heard about the American workman who supposedly is not being protected. Let me add here, the best statistics we can get show that something like 4 million wage earners are dependent on the export-import trade of this country.

The best evidence we can get also shows that if you abolish all tariffs, and everyone knows that none of us is advocating that, that something less than half a million people would be affected in employment. So when you are talking about protecting people, who are you talking about protecting? Are those workers, 4 million in number, not entitled to protection? In addition to that——

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. Not at this time.

I think the American Federation of Labor and the CIO are entitled to some consideration when they speak for labor. The AFL–CIO has endorsed this program. I think every Member of Congress has received from their legislative spokesman a letter favoring this program.

Now they talk about the farmer. Does the American Farm Bureau speak for any farmer? Does the National Grange speak for any farmer? Do the associations of cotton and tobacco manufacturers speak for any farmers? Well, presumably they do. They are for this program.

Well, what about the newspapers? I mentioned the Wall Street Journal, a rather conservative paper.

I mentioned the Journal of Commerce. As far as I know, every newspaper of any consequence in the United States is supporting this program, including the Chicago Tribune. As a matter of fact, I have a quotation here from one of the papers which I thought was very significant. It comes from the Des Moines Register. I would say that that was pretty much the heartland of America. That great newspaper put it this way:

> Failure to enact an effective trade agreements program would turn this recession into a real barn-burner of a depression.

In my folder there I have a whole list of American newspapers supporting this program. So there you have it, Mr. Chairman.

The AFL–CIO, the United States Chamber of Commerce, the great farm organizations, the spokesmen for American business everywhere, every newspaper of any consequence in the United States, the President of the United States, the members of the President's Cabinet, the leadership in both parties support this program. To say that these gentlemen have not understood and that these representatives do not understand the implications of this program is utterly ridiculous. To say that those who have examined the substitute bill do not understand it is equally ridiculous. We understand it perfectly; we know what it does. It reverses, it changes the whole concept of the trade agreements program as we have known it.

Let me examine just 1 or 2 other concepts, and I shall not bore you any further. You remember that quotation I gave you from the Des Moines Register about a depression. All of you remember, some of you intimately—I see the great Speaker of the House sitting here; he was here at the time it happened, and there were other Congressmen; VINSON, I see him, and others. Did the Smoot-Hawley tariff bring us the prosperity its supporters said it would bring us? Did it "protect" those industries that were supposed to be protected? Quite the contrary; we went into the worst depression the United States has ever known despite—despite—the enactment of that tariff.

Does that situation prevail today? Let us look for a moment at some of the industries that are crying for this Simpson substitute. Here are the chemical and allied products industries, one of the great, magnificent, growing, progressive industries of America that has brought us all this modern technology, all of the advance that we know in drugs and modern medicine. Do you think they are suffering? If you listened to some of their spokesmen you would think they were flat on their backs. Just take a look at this chart. These are exports; these are imports. Look at the two columns. These are the imports; and I find the same increase in 1953, 1954, 1955, 1956, and 1957, the exports increased every year, and these figures are not in hundreds of dollars; these are in millions and billions of dollars; so that here in the last year for which figures are available the exports exceed the imports by four times, something like, in dollars and cents, a billion dollars.

Let us take a look at some of the other industries: Business machines. Those are the things they bring up and they show you a screwdriver or something. Just take a look at this chart. Here are the imports, here are the exports. One need go no further. This is the old business that you meet import to export. You may recall the cartoon of a patient in bed and the doctor saying: "Well, he has got to inhale in order to exhale." The trouble here, however, is that they simply want to exhale; they do not want to inhale.

Take a look here at iron and steel metal products. The same thing. Let us take a look at cotton manufacturing. That is one they talk so much about. Look at the exports of cotton manufacturers. Granted that there has been an increase in imports, look at the exports constantly exceeding imports, even in the textile business.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I cannot yield.

Continuing with textiles, imports amount to something like 2 percent.

So, Mr. Chairman, I could go on with these charts. But the astonishing thing to me is this: The gentleman from Pennsylvania mentioned free enterprise. If there ever was a program conceived and dedicated to free enterprise, it is the program involved in the committee bill. This is a program which says that the collective judgment of businessmen—not governments—doing business across international boundaries shall control trade between nations. That is what it says. But somehow or other the very people who come before us and beat their breasts time and time again about free enterprise, the moment an article of commerce moves across an international frontier, they come before this body and ask for every protective and restraining device that the mind of man can conceive and bring it forth into the arena of protection.

The business before the House today—the extension of the trade agreements program—is, in my opinion, as important a piece of business as will be before this Congress. The importance of extending the trade agreements program has been and will be emphasized in the course of this debate. I therefore will not dwell on it at this point in my remarks. Rather, I want to talk to the question directly before us. The House is faced with a choice: Shall it enact the committee bill, introduced by the distinguished chairman of the Committee on Ways and Means—a bill that has the complete approval of the administration, or shall it enact the substitute bill offered by the gentleman from Pennsylvania?

In making this choice—this critical decision—we have to ask ourselves whether we want a carefully worked out and thoroughly considered piece of legislation that is responsible to the needs of the country as a whole—whether we want such a bill in preference to a gerrymandered piece of legislation hurriedly patched together and designed to cut the cloth to fit the special interest of the few. Do we want to continue the reciprocal trade agreements program that has been a vital part of our national policy for 24 years and make it a continuing and effective instrument of our policy or do we want to pervert and distort that program so as to make it a tool of high protectionism that would turn the clock back a quarter of a century and make Smoot-Hawley look like a feeble and half-hearted effort by comparison?

This House should only make this eventful decision after taking a careful look at each proposition, seeing what each provides, what each bill will do for the country, what each bill will do for our foreign trade policy, and on the basis of such an analysis and comparison to then make its decision, fully aware of what the implications of such decision would be. I am confident as to what that decision will be; once you understand clearly what is involved, the House will reject overwhelmingly the substitute and approve the committee bill.

The substitute bill, and the committee bill, are both identified as the Trade Agreements Extension Act of 1958. But what a difference between them. The committee bill would be a true, honest, and effective extension of the trade agreements program in the tradition of Cordell Hull. It provides for an effective extension of the program at the same time that it tangibly improves the administration of the program. It has been worked out carefully by the Committee on Ways and Means and each Member of this House can have confidence in the work that its committee has done. The substitute bill, on the other hand, uses the good name of the reciprocal trade agreements program as a cover for a thoroughly protectionist, retrogressive and reactionary piece of legislation.

There are no ifs or buts about it: the Simpson bill would result in the destruction of the trade agreements program.

It should not be called the Trade Agreements Extension Act of 1958 but the Simpson-Smoot-Hawley Tariff Act of 1958. Of course, as befits the space-thermonuclear age in which we live, when we are breaking through the space, sound, and energy barriers, the substitute bill would make the Smoot-Hawley tariff look like a model T relic by comparison.

What does a true and honest extension of the trade agreements program involve? The answer is simple and self-evident. The trade agreements program has had two principal ingredients: The first principal feature of the trade agreements program is that it involves a movement toward freer and less restricted trade. The authority we have given the President has been authority of a prescribed amount to reduce tariffs on a reciprocal basis by making foreign trade agreements. Look at the very title of the trade agreements program. It constitutes part III of the Tariff Act of 1930 and part III is described as the Promotion of Foreign Trade. The very purposes of the program as set forth in the first sentence read as follows:

> For the purpose of expanding foreign markets for the products of the United States.

How were these markets to be expanded? By making foreign trade agreements with foreign countries to reduce tariffs on a reciprocal basis.

The second ingredient is this: The program has conferred authority on the President to make foreign trade agreements. It involves a delegation from the Congress to the Executive recognizing that it is the Executive alone, under our Constitution, who can conduct foreign relations and therefore can make foreign trade agreements. As the House will recall, the Trade Agreements Act was first enacted in 1934—only 4 short years after the enactment of the Smoot-Hawley Act of 1930. Smoot-Hawley was the high-water mark of United States protectionism and irresponsibility in foreign trade policy. The trade agreements program was a reaction to that sorry and sordid experience. The Trade Agreements Act substituted a responsible way of making United States foreign trade policy consistent with the needs of the country.

Now, these are the two essential elements of the trade agreements program. Anything that calls itself a continuation of the trade agreements program must bear some faithful relationship to these two elements. But both these essential ingredients are missing in the substitute bill. Indeed, they have been stricken completely from the substitute bill. No longer would the President play the role that he was assigned in the trade agreements program. No longer can he enter into foreign trade agreements. No longer would the direction of the program be toward liberalization of trade. And no longer could we have, therefore, a meaningingful trade agreements program. The Simpson bill would result in the progressive erosion of the system of trade agreements that has been constructed over the 24 years of the trade agreements program. The substitute bill would convert the trade agreements program into a vehicle for greater and severer restrictions on trade.

The most prominent feature of the Simpson substitute bill is that it would relegate the President to the role of an errand boy for the Tariff Commission. The substitute bill recognizes, of course, that only the President can make foreign trade agreements. So it gives him that role. But in negotiating foreign trade agreements the President would exercise no discretion at all but would simply have to put into effect the changes in United States tariffs—all upward of course—that he would be called upon to make by the Tariff Commission. Now this is a movement backward even by the standards of Smoot-Hawley. The Smoot-Hawley tariff of 1930, as did the Fordney-McCumber tariff of 1922, had a provision—section 336 in Smoot-Hawley and section 315 in Fordney-McCumber—that was designed to provide the basis for modifying rates of duties—both decreases as well as increases. It is the so-called flexible tariff or equalization of cost-of-production provision. Under these provisions the Tariff Commission was charged with the responsibility of investigating and determining rates of duties that would equalize the costs of production at home and abroad. But the Tariff Commission made its recommendations to the President under those sections and the President had complete discretion either to accept or reject the recommendations of the Tariff Commission. Under the Simpson-Smoot-Hawley bill, however, the President's discretion would be completely removed. It would be removed in all areas of the administration of the trade agreements program. He would exercise no discretion under the escape clause, under the peril point, or under section 22 of the Agricultural Adjustment Act. The Tariff Commission would reign supreme. And the President would not even have the discretion that he enjoyed under the Smoot-Hawley tariff and its predecessor the Fordney-McCumber tariff—the two highest tariffs this country has ever seen.

The curious thing about all this is that the responsibilities the Simpson bill wants to confer on the Tariff Commission are ones that the Tariff Commission has clearly indicated it is prepared to forgo with pleasure. In the public hearings held by the Committee on Ways and Means the six members of the United States Tariff Commission appeared on February 20. This was the first time in my memory that the members of the Tariff Commission appeared before the committee in public session on trade agreements legislation. The high point of the testimony that day was the answers that the six members of the Tariff Commission gave both to the chairman and to myself in response to the question that we put to them with respect to this very matter. The question was whether the Tariff Commission would regard it as appropriate to have their findings under the escape clause without the final decision being in the hands of the President such as is provided in the substitute bill. We got an unequivocal answer from 5 of the 6 Tariff Commissioners that this would not be an appropriate procedure, that there were a great many other factors involved in escape clause cases other than the factor of economic injury alone that they have to deal with. And further, that the Tariff Commission was not the appropriate body to make determinations with respect to these other matters and that the President was. The only dissenting voice to that opinion was that raised by the Chairman of the Tariff Commission; Mr. Brossard said, in effect, that the Tariff Commission would try to execute its responsibilities faithfully no matter what the responsibilities were that were imposed on the Commission by the Congress. But he added the following:

> But in my humble opinion it would not be advisable to put that authority with the Tariff Commission. I would much rather have it where it is.

I have said some fairly strong things about the Simpson substitute bill. They are all true. Let us look at it in some detail, with some care, and you will see that they are all true. Take first the question of authority, that is, the period of extension of the trade agreements legislation and the authority granted the President for the purpose of entering into trade agreements. The Simpson bill would extend the authority of the President to enter into trade agreements for a period of 2 years, that is, until June 30, 1960. The authority which the President would have under the Simpson bill would merely be a a continuation of the authority that was given him in 1955 under H. R. 1. That is, there would be no new authority; only a continuation of the 1955 authority to the extent that has not already been used. At the maximum, such authority could mean a reduction by 10 percent, of the January 1, 1955, rate, if there has been no reduction on that rate under the H. R. 1 authority. If the trade agreement was not made in the first year of the 2-year period, that is before June 30, 1959, the 5-percent reduction authority would lapse and the maximum reduction possible would be 5 percent. Alternatively, continuing the authority of H. R. 1, a rate which is in excess of 50 percent ad valorem could be reduced two-thirds of the way to a rate of 50 percent ad valorem. With half that authority lapsing at the end of the first of the 2 years.

Now even this insignificant reduction authority is more theoretical than real. Because if you look at the new and elaborate peril-point provisions of the Simpson bill you will see that it would take a year for the Tariff Commission to make its peril-point findings before any of this authority can be used. Since the year would be consumed in making peril-point findings, one-half of the authority would have automatically lapsed. Thus the Simpson bill provides at the most, and this is a theoretical maximum, for a reduction in rates of duties by 5 percent or alternatively, by one-third of the way to a rate of 50 percent ad valorem. The trade agreement, if there could possibly be a trade agreement on that basis, would have to be made in the second year, and the maximum 5-percent reduction would have to go into effect in that year.

Let us be perfectly candid about it. This is not an extension of the trade agreements program. There is no authority here which the President could use. Why there is not enough authority in the Simpson bill to halfway make the compensatory adjustments in our tariff to take care of the tariff increases and the restrictive quotas that the bill would call for. This bill is a one-way ticket toward higher tariffs and quotas. That simply means a gradual breakdown in the foreign trade agreements that we already have. When the proponents of the substitute bill say that all existing trade agreements would remain in full force and effect, just ask yourself if that possibly could be so if the President would be obliged to continually revise these trade agreements on the instructions of the Tariff Commission. Either these agreements will be eroded away bit by bit or they will collapse in one orgy of retaliation.

The Simpson bill is not so penurious and cautious when it comes to authorizing increases in tariffs and the imposition of quotas. The authority to increase tariffs is opened wide. Aside from increased tariffs, quotas are enshrined as the preferred instrument of our trade policy. This is directly opposite to the committee bill. The purpose of the committee bill provisions permitting higher rates of duties and the imposition of duties on duty-free items under the escape clause is specifically to avoid the use of quotas and to indicate a preference for the use of tariffs. Not so the Simpson bill—it takes both roads. It permits the highest possible rates of duties ever in existence in the United States and it indicates a very strong preference for the use of quotas.

One of the great mysteries of the substitute bill is a very involved and complicated amendment to the peril-point provision and the deletion of the present section of the Trade Agreements Act relating to the procedures for negotiating a trade agreement. Now what is the peril-point provision? The peril-point provision of law affords a procedure whereby the Tariff Commission can advise the President with respect to articles which are listed for possible trade agreement negotiations. The overriding purpose of the peril point is to get the Tariff Commission's advice as to the lower limit below which it would not be advisable to reduce tariffs any further. Under existing law, unchanged by the committee bill, the President can exercise discretion in accepting or rejecting peril-point recommendations of the Tariff Commission. To this day, the President has never cut a tariff below the peril point recommended by the Commission.

Now the Simpson bill makes some really radical and fundamental changes in this whole peril-point procedure. Under that bill no longer would the President decide on what list of articles to negotiate trade agreements and, therefore, with what countries to negotiate trade agreements, but the Tariff Commission would have to do that. Also, in making peril-point findings, the Tariff Commission would have to make a detailed exploration of many complicated facets of an existing tariff, its relative cost of production, and so forth—much more detailed and complex, may I point out, than it would be required to do under the escape-clause provision which is a different type of proposition and which is designed to provide for a careful review of the effects of the program.

The Commission would be in a position to require information from foreign countries and if foreign countries did not want to give that information then no trade-agreement negotiation could be made on that item. Let me just pause at this point in recounting the peril-point provisions, recommended by the substitute bill, to observe that this one feature really typifies the whole attitude of the Simpson bill. It regards tariff reductions by the United States as a special favor to the foreigner. It is as if our exports had nothing to do with our imports. It is as if we were cutting tariffs against imports only as a favor to foreigners and we had nothing as a country to gain from doing that ourselves. This complete disregard of the relationship between imports and exports reminds me of a cartoon that I saw in an Iowa newspaper. It showed a patient lying in bed labeled "United States foreign trade," and behind a screen were a group of doctors labeled "Protectionists" consulting over the patient. The caption of the cartoon was "Let's fix it so he exhales only." The psychology of the Simpson bill is to cut out imports completely, but, of course, they would not want to do anything to exports. They do not realize that you simply cannot exhale without inhaling, too.

The Tariff Commission would thus be put into a position of conducting our foreign relations, because the Tariff Commission would be empowered to determine not only what articles to negotiate—therefore, with what countries to negotiate—it would require foreign countries to supply it with information. Finally, if the President ever disagreed with the peril-point finding of the Tariff

Commission the trade agreement could not go into effect unless the Congress approved such rates.

Now the question comes up why all this elaborate amendment of the peril point procedure and existing law if there is not enough authority in the Simpson bill with which to enter into a foreign trade agreement to begin with? The answer, I think, is fairly clear. It has two parts. One is that the peril point provision would be converted from a device by which limitations are put on further tariff reductions under the trade agreements program, into a device for the increase in tariffs and imposition of quotas.

The Tariff Commission would have to look over every single item in the United States tariff and decide where the existing rate of duty is not adequate to provide protection to any segment of American industry. If the Commission finds such cases then it must identify the rate of duty or the quota that would do the job and then the President, acting as the agent of the Tariff Commission, must in any foreign trade agreement that he makes, negotiate these higher rates of duties and quotas. What a complete reversal of the whole principle of the trade agreements program. The whole concept of negotiating trade agreements would be perverted into the negotiation not of lower rates of duties but of higher rates of duties and quotas to boot. Thus the peril point becomes the second barrel of a double-barreled escape clause procedure. It is one that would fire a shot aimed directly at the heart of the trade agreements system. The second reason why this peril point provision is in the Simpson bill reflects, it seems to me, an alarming and surprising lack of self-confidence on the part of the advocates of the Simpson bill. To be sure, no trade agreements could be undertaken under the 2-year extension provided for in the Simpson bill, but I suppose they feel that the Congress of the United States and the people of the United States might get so fed up with the substitute bill, if it were enacted, that in 2 years or 3 years hence the Congress would turn around and enact a meaningful extension of the trade agreements program. In that eventuality the they wanted to get their peril point standards nailed down in law so as to make those controlling of any future extensions of the trade agreements program.

Let me turn now to the escape-clause provisions of the Simpson bill. They are completely in line with the whole philosophy of the substitute bill. There again the Tariff Commission is high in the saddle and the President is being dragged behind. The Tariff Commission findings on the question of injury alone would become final and the President would have to renegotiate our trade agreements to give effect to Tariff Commission recommendations. No longer would he be concerned with the effect of any escape-clause action on the economy as a whole and on our export industries, on our consumers, on foreign policy as a whole. No, the simple fact of economic injury to the smallest segment of an industry due, however slightly, to the effects of the concessions made in the past under the program, these facts alone would determine what action the President would have to take under the program. The Congress would be brought into the act only through the back door and only insofar as the Congress wanted to act to override the Tariff Commission's recommendations by passing a law supporting the President's action if the President recommended against the Tariff Commission. Such a bill would not even have privileged status as would the concurrent resolution provided for in the committee bill.

Now in this new escape-clause provision of the substitute bill I detected another example of a surprising lack of self-confidence on the part of its proponents. In order to explain what I mean I have to refer to the fact that the substitute bill before the House is H. R. 12676. It is a rather hurriedly modified version of H. R. 12511, that had been introduced a little earlier by the gentleman from Pennsylvania. In an effort to doctor up H. R. 12511 to make it look a little bit more reasonable some of the new escape-clause standards that were provided for in H. R. 12511 were cut out. If you can imagine it, those new standards would have opened up the door about as wide as possible and would have permitted a fully loaded Mack truck to drive through with the greatest of ease. These new standards would have permitted a mosquito bite to be construed, for purposes of the escape clause, as a mortal wound.

The proponents of the substitute bill also lost their self-confidence when they came to the national security amendment of their bill. Apart from all the undesirable features that it presently has which would not permit this provision to be used as a flexible instrument to meet emergency needs and would, in fact, turn it into a super-escape clause, they took out a particularly undesirable feature relating to the standards to guide the Director of the Office of Defense Mobilization and the President in administering the security provisions. Instead they adopted the language of a subsection of the committee bill. Now I know it has been said that "imitation is the sincerest form of flattery" and the sponsors of the committee bill should take some satisfaction from this limitation, but I think half-way imitation shows a lack of confidence. Surely if they found this feature and a few other features of the Committee bill so meritorious the proponents of the substitute bill should have gone all the way and adopted the committee bill in whole. I certainly think they would have served the country better had they done that.

The amendments to section 22 relating to agricultural imports that interfere with domestic agricultural programs carry through to finality the tenor of the substitute bill. Again the President and the Secretary of Agriculture are taken out of play and it is the Tariff Commission that is given final authority. This is indeed peculiar. The purpose of section 22 is to protect the United States Government against imports of agricultural products that tend to materially interfere and upset Government support programs for agricultural products. It is a recognized fact that, when we maintain the prices of agricultural products higher than the world level by virtue of our agricultural programs, this provides an artificial incentive for imports to come in, attracted by these higher prices.

It is to restrict and limit such imports from undermining these programs that section 22 was put into law. Now the substitute bill would completely pervert that purpose. It would make it a straight protectionist vehicle against agricultural imports because the President and the Secretary of Agriculture who are most directly concerned with the administration of these programs would not be in the act at all; they would neither initiate investigations as they presently can under section 22, nor would they make final determinations as they presently can. You might think that American agriculture supports this part of the Simpson bill. The fact is that American agriculture as represented by the great farm organizations are against it. They know all too well how important agricultural exports are to the farm economy of the United States. They know, too, what adverse effects the Smoot-Hawley tariff had on the position of American agricultural exports. But in order to satisfy a few producers, the Simpson bill is prepared to undermine the very foundations of our foreign trade in agriculture. That is typical of the psychology of this bill: Damn the country and full protection ahead."

We have had experience with that psychology before. The famous historian and writer, John Buchan, who as Lord Tweedsmuir was Governor General of Canada, once wrote that: "If we don't learn from the mistakes of history, we are condemned to repeat them." Surely, before we even think of voting for the Simpson-Smoot-Hawley substitute bill we ought to recall the great mistake in history that was involved in the enactment of the Smoot-Hawley tariff of 1930. What would happen today would be even worse. As the Des Moines Register has put it, failure to enact an effective trade agreements program would turn this recession "into a real barn-burner of a depression."

Let us recall what the Democratic platform of 1932 said on the subject. And let us see whether we can advocate any less today. It said:

> We condemn the Hawley-Smoot tariff law, the prohibitive rates of which have resulted in retaliatory action by more than 40 countries, created international hostilities, destroyed international trade, driven our factories into foreign countries, robbed the American farmer of his foreign markets, and increased the cost of production.

But there are some of us who are reluctant to learn from the mistakes of history. The curious idea is being peddled around the country that it is just not smart politics to vote this year for a meaningful extension of the Trade Agreements Act. O. K., let us meet the argument on its own ground. Is it good politics to vote for the committee bill? The committee report contains a section on support of the committee bill. Of

course, it is no surprise to anyone that the President and seven Cabinet members are for the committee bill. But the breadth of support which the people of this Nation have expressed is amazing. Take a glance quickly at the results of the public hearings before the Committee on Ways and Means. We held 6 weeks of hearings and in those 6 weeks anyone who had an interest in appearing before the committee had an opportunity to do so. In spite of the campaign to band together all the proponents of higher tariffs and of destruction of the trade agreements program, only 71 people showed up at these public hearings against an effective program. One hundred and six people favored a meaningful extension of the Trade Agreements Act. Now even if these people could not come to Washington to appear before the Committee on Ways and Means in public session, surely for the price of a 3-cent stamp they could have written to the committee and expressed their point of view on the pending legislation. Yet the printed record of the committee's hearings shows only 60 messages opposing extension of the trade agreements program as recomended by the President while 191 favored this extension. The fact of the matter is that the tide of public opinion has been running in favor of extending the reciprocal trade agreements program for 5 more years. As the Norfolk Virginian-Pilot put it:

> Behind the administration's foreign trade program there is rallying a bipartisan support that is one of the most heartening political signs of the times.

America's great labor organization, the AFL–CIO supports the committee bill, not the Simpson substitute. So does the United States Chamber of Commerce and many, many local chambers of commerce throughout the country. The American Bankers Association supports the bill, as does the American Farm Bureau Federation, the National Grange, the National Farmers Union, and tobacco, cotton, fruit, and poultry associations. Almost every national public-interest group in the country supports this bill, including Catholic, Protestant, and Jewish national organizations. So does the League of Women Voters and almost the entire press. Not a major newspaper opposes the bill. And if you want an evidence of that, let me just quote the editorial carried in the Chicago Tribune. It said:

> The general good of the country, both economically and politically, justifies the extension proposed by the administration.

Now, it may not be good politics to support the President and seven Cabinet members, but let me ask you whether it is good politics to support a bill that has the wholehearted endorsement of the AFL–CIO, the United States Chamber of Commerce, the American Bankers Association, the Farm Bureau Federation, the National Grange, the National Farmers Union, the League of Women Voters, port associations, and hundreds of other national organizations around the country. The newspapers that support the committee bill include those from the Portland, Maine, Press Herald to the Portland, Oreg., Oregonian. From the Chicago Tribune to the New Orleans Times-Picayune, from the Yankee Boston Herald to the Dixie Atlanta Constitution. I doubt if the newspapers—and the farmers—and the labor unions—and the bankers—and the chambers of commerce could all be wrong at the same time on the same issue along with the President of the United States.

Well, some of the Members of this House asked themselves this question, and they went ahead and took polls of their constituents. Let us see what they found. The Honorable FRANCES P. BOLTON, of the 22d District of Ohio, asked her constituents this question: "Are you in favor of extending the Reciprocal Trade Agreements Act?" Sixty-six and three-tenths percent said "Yes." Nine and three-tenths percent said, "No."

Congressman ROBERT J. MCINTOSH polled his Seventh Michigan District and reported that 63 percent of the replies were in favor of extending the act.

Congressman CRAIG HOSMER, of the 18th California District, asked: "Should the Reciprocal Trade Agreements Act be extended another 5 years with authority to lower tariffs another 25 percent?" Forty-three percent of his replies said, "Yes." Thirty-two percent said "No." Twenty-five percent had no knowledge of this issue.

Congressman E. Y. BERRY, of the Second District of South Dakota, asked: "Do you favor extension of the Reciprocal Trade Agreements Act?" The results were these: 59.4 percent said "Yes;" 10 percent said "No," and the rest held no opinion.

Congressman CHARLES E. CHAMBERLAIN, of the Sixth Michigan District, got these answers to the same question: 59 percent said "Yes;" 7 percent said "No," and 34 percent held no opinion.

Congressman JOE HOLT, of California, had better than 50,000 returns, requiring a tabulation by IBM. He asked the question in this way: "Do you favor extension of our policy of reciprocal trade for 5 years even though certain industries might be hurt by foreign competition—that is, textiles, pottery, tuna, and so forth?" The answer he received from the people of the 22d District was 55.5 percent favorable, 32.7 percent opposed.

Congressman ROBERT CORBETT, of the 29th Pennsylvania District, asked "Would you grant the President's request for power to negotiate reciprocal trade agreements over a 5-year period?" Seventy-two percent of his replies were "Yes," and only 28 percent said "No."

Congressman GLENN CUNNINGHAM, of the Second District of Nebraska, asked: "Do you favor an extension of the reciprocal trade program?" Fifty-two percent were in favor, 10 percent opposed, and the rest had no opinion.

Congressman ROBERT GRIFFIN's Ninth Michigan District answered "Yes" 65.8 percent, while only 13 percent were opposed.

In New Jersey, Representative PETER FRELINGHUYSEN, of the Fifth District, conducted a poll on the question: "Do you favor enactment of President Eisenhower's reciprocal trade program?" The answers he received were: "Yes" 67 percent, "No" 10 percent, and the rest "no opinion."

Senator THOMAS E. MARTIN, of Iowa, asked his constituents this question: "Do you approve extending the Trade Agreements Act for 5 years and authorizing a 25-percent reduction in any duty existing July 1, 1952?" Seventy-one percent favored the legislation, while 29 percent were opposed. And so it goes.

Vigorous rejection of the Simpson substitute, rejection of any motion to recommit, and overwhelming support of the committee's bill is the only action that this Congress can take consistent with the national interest. It would also be consistent with the practical political interest of every Member of this House. With the country and the world looking to us to see what choice we make, can we make any other decision other than the one which would be in the best interest of this country and the Free World?

Can we afford the cycle of retaliation and destruction of trade that followed the enactment of the first Smoot-Hawley bill in 1930?

Can we afford the cost to American agriculture, labor, and industry—to $20 billion of exports and to 4½ million jobs—that would result from such an irresponsible act? Obviously we cannot. We cannot afford to pass the substitute bill and to vote to gut the trade-agreements program.

We can only act with responsibility and the responsible thing is to reject the substitute bill and any recommittal motion and vote for the committee bill.

And let us be perfectly clear about it; we have an awesome responsibility. It is no 1-ton sputnik that poses a mortal threat to our security. It is not the elaborate arsenal of thermonuclear weapons, for their use would mean the destruction of our enemies as well as ourselves. It is not the obliteration of civilization that poses the immediate threat to mankind. No; it is not these vast devastations that we need fear today, rather it is the nibbling away in small bites of what we cherish—of the institutions and arrangements that free men in the Free World have constructed at great cost and sacrifice over the years. The real challenge is not a dramatic one. The real challenge is losing by default—because we do not have the tenacity of purpose to work for what we believe in and want. The real challenge today and in the future is in the economic arena and particularly in the field of world trade. This is the Soviet secret weapon that goes off without a bang.

Our real secret weapon is an old, tried, and true one. To support the Simpson substitute bill would be to throw away our most effective weapon that we have to fight with to turn tail and run before the battle is joined. This is a posture that America in self-respect cannot assume. We cannot afford, for our own sake and for the sake of the Free World community, to do anything less than enact the committee bill.

Mr. REED. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Illinois.

Mr. MASON. In connection with cotton imports, the latest official figures are that 354,000 employees lost their jobs in the last 4 years; yet the gentleman says if all trade barriers were released we would only lose maybe 200,000 jobs.

Mr. TABER. Mr. Chairman, I think it is about time that we approach this problem from the facts, that we approach it considering the problems with which America is confronted today.

Over a period of 100 years the United States has built up the best economy in the world by a protective tariff. What is the situation today? As a result of the failure of proper adjustments of duty, we are at the present time in a situation where we have factory after factory running on half time or quarter time. We are in a situation where our people are out of work. That situation is continuing and it is becoming more and more dangerous.

What is the trouble? These people across the water have always failed to pay wages which would properly compensate the people who are working for them. They have failed to do the things that are necessary to raise the standards of living in their own communities. They have sought by terrifically low prices to swamp the United States markets.

What happened? We got along pretty good for the first few years after the war, before the other countries began to pull themselves together and to be in a position where they could face the music and where they could begin to send stuff over here. Now it has come and we are right up against that situation.

Now, what we are going to face as we go along with the approach that we are following at the moment to the tariff question, is a situation where we will get too high a tariff because of the tremendous trouble that we are getting into as a result of the free trade business.

It seems to me that in this consideration of the several measures now before us for the extension of the Trade Agreements Act the basic question in issue is the future foreign trade policy of the United States. I believe that simply stated, while our foreign trade policy has been to negotiate trade agreements with other nations on an alleged reciprocal basis, the Congress never intended that tariff concessions would be made which would result in injury to American industry, agriculture and labor. The intent of Congress in this respect is clearly expressed in the peril point and escape clause provisions of the Trade Agreements Act. Unfortunately, however, in many instances in the administration of the act, this policy has been disregarded. The future of many United States industries is being jeopardized for dubious diplomatic objectives, or to promote the interest of those United States industries exporting products or who have plants abroad from which they import products. Aside from the obvious inequity of these actions I do not believe that it is wise from the standpoint of our national security or economic strength that we sacrifice our diversification and self-sufficiency for such questionable reasons. I think our experience over the last few years demonstrates beyond a shadow of a doubt that the present peril point and escape clause procedures are of no value and that if the Congress really intends to protect our economy against loss of industries and jobs it must recapture its constitutional responsibility for the regulation of foreign trades.

H. R. 12676, the Simpson, Dorn, Davis, Bailey bill, would accomplish this objective. Section 7 of this bill provides for the submission by the Tariff Commission of its recommendations on escape clause cases to the President and to the Congress. If the President believes that a recommendation of the Tariff Commission should be modified he may advise the Congress of his views, and if the Congress, within a prescribed period of time, takes affirmative action agreeing with the President's position the Tariff Commission recommendations will be modified accordingly. Otherwise the Tariff Commission recommendations will stand. It is my belief that this provision is sound. In effect it relieves the Congress of the necessity of considering the details of tariff problems, and the Congress would only have to consider those cases where the President recommended changes to the Congress.

H. R. 12591, as reported by the Ways and Means Committee and supported by the freetraders, contains a provision on this subject which would permit the President to veto or modify a Tariff Commission recommendation, which action could only be overcome by a two-thirds vote in both Houses of Congress. I point out that H. R. 12591 extends the act for a period of 5 years, and I raise the question as to who will be President 3, 4, or 5 years from now. Further, to what extent will the internationalists and freetraders in our bureaucracy control decisions in these matters? It is perfectly obvious that the Departments of State and Commerce have different views on our foreign trade policy than intended by the Congress. It is also obvious that the Congress has not been able to provide language expressing its foreign trade policy in such a way as to make it impossible to nullify its policy in the administration of the act. Therefore it is clear to me that the enactment of this provision would be a complete abandonment by the Congress of its present foreign trade policy and its constitutional responsibility in these matters. The provision offers no protection to domestic industry and labor because it would be ridiculous to assume that small industries injured by imports could obtain the necessary two-thirds vote in both Houses of Congress to overcome a Presidential veto.

As I indicated earlier it seems to me that there is now clearly in issue before the Congress the question of whether or not we desire our foreign trade policy to be a policy of free trade without regard to the certain disastrous effects on many of our industries and hundreds of thousands of jobs, or do we want our foreign trade to be conducted on a basis that will preserve our existing industries and will insure employment and opportunity for the workers. It is my view that we should strive to maintain a growing and diversified industry and a self-sufficiency in all areas of production. It is also my view that we can have a healthy and expanding foreign trade without sacrificing American industry and jobs and jeopardizing our national security and economy. For these reasons I am voting for the Simpson, Dorn, Davis, Bailey bill, and I earnestly urge that you also support this bill. In the event that this substitute is voted down I shall vote to recommit the bill.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. KING].

Mr. KING. Mr. Chairman, much has been said pro and con on the bill sponsored by the gentleman from Pennsylvania [Mr. SIMPSON] and the committee bill and particularly since the distinguished gentleman from Louisiana [Mr. BOGGS] made what in my opinion was a very clear explanation of the dangers involved in the event the substitute bill should be approved, I feel there is not too much else that can be said at this time dealing with the provisions of the substitute bill.

However, when members of the Ways and Means Committee sit for some 5 long weeks, meeting every day, and resolve a most complicated proposal such as the extension of the Trade Agreements Act by a margin of 18 favorable votes out of a total membership of 25, it seems to me significant. Personally, I am generally satisfied when committees of the House come to their conclusions in like fashion.

I daresay there is not a district in the entire country that does not have in it an industry or an enterprise which feels either it is being injured or that it will be injured sometime in the future because of imports. In my own particular district, I find it somewhat embarrassing to find men who are operating an establishment or who are proprietors of an establishment who are convinced that somehow or another their falling off in trade or business is somehow due to importations. It is a very difficult thing to determine. I have talked to proprietors of concerns who have been convinced that it was because of imports. But, in questioning them quite thoroughly, they are not just sure. There are many businesses that have failed and there are many businesses that are suffering depression that have no competition whatever from imported products or commodities. So it is difficult, indeed, in most instances to lay the blame on importations. This proposal has come to the House many times in the last 20 years. I believe in the relatively short time that I have been privileged to serve on the Committee on Ways and Means, it has been before us four times. The arguments for and against extension have been very similar from the first to this present time. In the last effort made by our committee to extend this program, we prevailed in the House by but one vote. That was 3 years ago.

Mr. Chairman, when the House votes tomorrow on the extension of the Trade Agreements Act, the United States during that rollcall will be pausing at a fateful fork in the road. Three years ago the House approved extension and took the right fork by a margin of just one vote. But special drama will attach to this year's decision for many other reasons.

Three years ago the Soviet Union had not fully launched its astounding program of economic penetration through trade and aid. Three years ago this country was not in a serious economic slump, much of the answer to which clearly lies in the resumption of growth in foreign trade. Three years ago Western Europe had not joined in a common market which could erect formidable barriers against American exports, with the most serious consequences, if the world's steady progress toward freer trade were arrested by an American reversion to protectionism. Three years ago American relationships with the other nations of this hemisphere, both to the north and south, had not been so gravely compromised by trade policies made increasingly halting and confused by protectionist inroads.

By approving the Trade Act extension, we will not only maintain this keystone of Free World cooperation under the General Agreement on Tariffs and Trade. It will steady the administration's hand against further dilutions of basic reciprocal trade policy of the kind that have so seriously undercut broader foreign policy goals. And it will serve notice that the United States is in the Free World partnership to stay.

In the Committee on Ways and Means I voted to report out H. R. 12591 and I am speaking here in support of that bill and in opposition to the substitute bill H. R. 12676.

I, with other members of the Committee on Ways and Means, sat through the extensive recent hearings and executive sessions of the committee relating to the extension of the trade agreements legislation. I want to congratulate the distinguished chairman of that committee for the conduct of those proceedings and for the care with which H. R. 12591 has been formulated.

The testimony presented in those hearings emphasized the importance that the trade agreements program has occupied in our foreign policy and the widespread support the program enjoys among our own people. That support comes not only from people who recognize the importance of the program to our position of leadership among the countries of the Free World and who evaluate the program on general and theoretical grounds. It comes also from businessmen, farmers, bankers, and labor—people who have had in mind the relation of the program to their immediate interests as well as to the long-run general interests of the country.

Now it should be clear from what has been said by Members who have previously spoken here in support of either bill that the committee bill would provide for continuance of the trade agreements program while the substitute would provide for its termination.

The substitute bill, while ostensibly providing authority to the President to enter into trade agreements with foreign countries, would practically eliminate any meaningful tariff bargaining with foreign countries. It would do this partly in that the quantitative limitations on the authority to reduce duties would be reduced from those contemplated by the 1955 act. In the first of the 2 years for which the Trade Agreements Act would ostensibly be extended, the rate of duty on no classification of imports could be reduced by more than two-thirds of the amount provided for by the 1955 act and only to that extent in the case of rates that had not already been reduced in agreements negotiated since 1955. In the second year of the act's effectiveness it would permit reductions to the extent of only one-third of those permitted by the general specifications of the 1955 act.

More significant, however, in the bearing on future trade agreement actions are the amendments in the provisions relating to the procedures in negotiating agreements provided for by the substitute bill. These would require the Tariff Commission to collect information on the prices and costs of production here and abroad on all import items with respect to which agreements might be made. I may call to your attention that in the period between 1922 and 1930, in which the principal work of the Tariff Commission consisted of cost of production studies involving comparison of costs of production of particular goods here and abroad, only a handful of such studies were ever completed. According to the information I have obtained from the Tariff Commission, the number of such studies completed in the 8 years between 1922 and 1930 was less than 40. When it is considered that there are thousands of classifications of imports separately provided for in our tariff and that particular trade agreement negotiations conducted in the past have covered hundreds of items, it is clear that the operations of the Tariff Commission that would be required under the substitute bill would effectively prevent any considerable trade agreement negotiations.

The substitute bill would also make the Tariff Commission's decisions practically final as to the decreases or increases in duties or other restrictions on imports that might be brought into effect in pursuance of trade agreements. That is to say, if the Tariff Commission found it possible to assemble the data above referred to on a few import items, the Commission's decisions would be practically final. Determinations by the President as to the trade agreement concessions that might appropriately be made without Tariff Commission approval could be brought into effect only by the enactment of legislation.

The testimony of officials of the executive branch at the committee's hearings indicate that in the 2-year period for which the President's authority to enter into trade agreements with foreign countries would be extended by the substitute bill, no considerable trade agreement negotiations are in contemplation. Thus, the provisions of the bill above referred to are probably not of immediate and direct importance. It appears that the purpose of these provisions is to lay the groundwork against possible later meaningful extensions of the act.

For the immediate future the most important features of the substitute bill, however, lie in its proposed amendment of the provisions relating to escape clause proceedings. And here again, as with respect to the amendment of the peril point procedures, the intention of the bill is to make Tariff Commission findings and recommendations practically final.

Now, what interests me is why the proposed arrangements recommend themselves to supporters of the bill. They surely have had no great enthusiasm for the Tariff Commission's findings and recommendations in the past. In this connection I call your attention to the fact that of the 74 investigations conducted by the Tariff Commission under the escape clause provisions in the past, the Commission found no grounds for recommending the imposition of higher duties or other increased import restrictions in 44 and in 5 other cases the Commission was evenly divided so that in less than one-third of its escape clause investigations did the Tariff Commission by unanimous or by majority vote recommend modification or suspension of concessions. Some of the cases in which the Commission failed to recommend higher duties or increased import restrictions involved domestic industries that have been among the most bitter complainants about the trade agreements program. Moreover some of these cases have been decided since the Commission has been manned by appointees of the present administration. Conspicuous among such cases are those relating to hardwood plywood, one of the investigations involving bicycles and another involving nonwoven wool felts. Why, then, the enthusiasm for making the Tariff Commission's decisions in escape clause cases practically conclusive rather than leaving some discretion with the President to reject or accept the Tariff Commission recommendations on the basis of the information and findings which he can obtain from all departments of the executive branch.

In connection with the recommendations of the Tariff Commission in escape-clause cases and the President's response thereto under the present legislation, attention should be called to another consideration. This is that in some of the cases in which the President has not given effect to the Commission's recommendations arrangements have nevertheless been worked out that promise more relief to the domestic producers than the Tariff Commission's recommendations would have afforded. I refer here especially to the cases of velveteens and stainless steel flatware. In these cases the Tariff Commission recommended modification of the concessions to permit the imposition of higher duties on the imports involved. The President did not act on these recommendations but arrangements were worked out with Japan, the principal source of the imports, under

which the Japanese are restricting their exports to this market and probably to a greater extent than the Tariff Commission's recommendations would have done.

Another escape-clause investigation—relating to imports of gingham fabrics—was withdrawn by the applicant after the Japanese program for the restriction of exports of cotton textiles to this market was announced last year. Another escape-clause case in which the Tariff Commission recommended increased restrictions on imports is that relating to lead and zinc. Here the President has not yet acted or reported upon the Tariff Commission's recommendations. In the light, however, of the President's recommendation to the Congress last year that increased duties be imposed on imports of lead and zinc, it seems likely that some action will be taken to afford relief to the domestic lead and zinc mining industries.

I have recited the preceding facts in order to concentrate attention on the question of why the supporters of the substitute bill are now finding so much virtue in the Tariff Commission's operations—operations that have frequently in the past been the basis for their complaints and why the practical elimination of the President from the picture is so much desired.

Can it be that proponents of the substitute bill hope that members of the Tariff Commission may be more susceptible to pressures from private domestic interests and from individual Members of Congress than the President may be? In other words, is it possible that the proponents of the substitute bill hope that, if the Tariff Commission were given practically final authority as to the implementation of escape clause provisions, the decisions of the Commission might reflect a protectionist orientation to a greater extent than they have in the past. In this connection I should like to raise a very general question. In the light of the recent attention which the operations of independent agencies have received, would Congress wish to increase the authority of such an agency? Still another question that needs to be considered carefully is this: What really is the justification for complaints against the discretion which the President enjoys under existing legislation in accepting or rejecting Tariff Commission recommendations in escape clause cases?

As I see it, the principal amendment of the existing legislation provided for by the committee bill, as by the substitute bill, are in the amendments of escape clause provisions. I believe that the provision of the committee bill providing for systematic and automatic Congressional review of the President's actions in response to Tariff Commission recommendations in these cases may make the executive branch more careful in explaining its actions. Moreover, if the President's actions in these cases should involve a clear disregard of the intent of the Congress as expressed in the legislation there will be an established procedure for Congress overriding the President's decisions and giving effect to the Tariff Commission's recommendations. The arrangements provided for by the committee bill go as far, I believe, as it is appropriate to do in providing for the possible overriding of the President's decisions in escape clause cases.

I should also like to call to the favorable attention of the House the provisions of the committee bill which will provide for improvement in the reporting by the executive branch as regards the administration of the security provisions of the trade agreements legislation and also of the progress being made in securing alleviation of the restrictions on imports of American products into foreign countries that are parties to trade agreements with the United States.

I need not repeat or enlarge upon the statements made by other speakers favoring the committee bill as to the importance of extending the trade agreements program at this time for a substantial period.

Mr. NEAL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Chairman, I regret time was not available for me to speak on this matter personally.

I think if this committee bill passes to extend the trade agreements for a period of 5 years without the remedial language contained in the Simpson substitute, I can see trouble ahead for the national economy and the people of the United States.

Previous speakers have emphasized the extent to which many industries have been seriously endangered by the administration of the existing trade agreements. My colleague, the gentleman from West Virginia [Mr. BAILEY], called special attention to a number of West Virginia industries that are now all but remnants of their original thriving status. Throughout the whole Nation much the same picture will be found, if only the proponents of this bill would admit it.

I do not think that the average Member of Congress is impressed with the argument that the Reciprocal Trade Agreements Act has been instrumental in bringing about the volume of export trade which this Nation now enjoys. During the first 6 years of its administration, foreign trade remained practically unchanged. It was the prewar and war years and the pressure for more material which brought about the rapid increase in foreign trade that we experienced until 1945 when World War II came to a close. This trade undoubtedly would have developed regardless of the Reciprocal Trade Act.

During this whole period, the industrial machine of the United States was strained to its capacity and industrial expansion rose to an unprecedented high which, when peace was declared, left the American industrial potential in position to produce far more than ordinary peacetime demands would justify. Through the big heartedness of the American people who bore the burden of cost under excessive taxation and through the philanthropic policies of the executive and State departments, the American Government took upon itself the obligation to restore the economies of the war-torn nations of Western Europe and Japan. It would be only natural for our foreign trade to expand remarkably during this period. It was equally natural that the defeated countries and the smaller nations of the world were ready recipients of both agricultural and industrial products which we were able to produce in excess.

During these years the Federal Government has involved itself to the extent of some $60 billion in order that our former allies and some of our enemies might be restored to the point where they might be able to produce for themselves.

As it appears now, Germany, Western Europe, and Japan are fully recovered, able to produce consumer goods for their own benefit, and heavy industrial tools and equipment which they can supply to the underprivileged nations now desiring to equip themselves industrially.

I do not believe that extension of the Reciprocal Trade Agreements Act, as proposed by the Committee, will be instrumental in improving our foreign trade in any measure commensurate with conditions which existed previous to this time. The defeated nations, overpopulated, lacking in raw materials, must necessarily buy these products from other sources. The sources from which they buy these products need finished goods, the cost of which they can meet with products of their own. The United States, on the other hand, because of our bounteous production of most of our raw materials and our consumer goods, is in no position to accept in trade the things that most countries today have to offer us in return for our export commodities. In addition to this, most of our competing nations in the world today enjoy labor differentials which give them another distinct advantage over the United States in foreign trade. Therefore, I wish to remind the Congress that the opportunity for United States exports in the immediate future—at least as long as we remain at peace with the world—will be greatly lessened because of conditions mentioned above. It follows, therefore, that if we are unable to use imported materials, imported commodities, in exchange for our exports, we must either accept worthless foreign exchange from the many underdeveloped countries or purchase volumes of commodities from the more industrialized countries which we now already produce in abundance in order to give them exchange with which to buy our products.

It must be recognized that during the past 10 years, during the whole period of growth of American exports, that the United States has made it possible for most of the nations of the world to purchase our products through grants, easy loans, or outright gifts. To assume that we are going to continue to expand foreign trade in the same proportion which we have experienced during the past 10

years boils down to the necessity of either furnishing the funds with which to buy our products or building up those funds by accepting volumes of consumer goods which in turn are now replacing and will continue to replace American labor and the capital investment which make employment possible.

I need not remind Members of this House that financial or economic difficulties that might arise in our country will be considered a direct obligation of any foreign country. These nations, nationally inclined as they are, will certainly protect themselves in preference to helping America pull her chestnuts out of the fire.

So, with these things in view, looking upon the difficulty with which we will meet foreign competition in the near future, I want to insist that America's first duty—at least insofar as foreign trade is concerned—is to consider the immediate and long-term interests of the people of our own country.

Export trade heretofore has directly favored those individuals and groups who have been the recipients of the profits to be derived from this policy—the manufacturers of heavy industry, the export-import trade organizations, and the international bankers. Throughout the whole country, smaller industries, largely engaged in the production of consumer goods, have become the victims of present-day trade policies. If these trade policies are continued, more and more small industrial units throughout the country, representing prosperous communities and providing reasonably steady employment for a large portion of our labor component, will be relegated to the category of the unemployed.

Mention has been made that extension of foreign trade is in the interest of national welfare. If concentration of population in large areas, where heavy industrial equipment—the type that is salable to foreign lands—is produced and where crowded, sanitary and health conditions, juvenile delinquency, crime, and racketeering prevail, if this is good for the general welfare, then I am unprepared to accept it.

On the other hand, I maintain that the welfare of the Nation depends upon an increasing number of smaller, growing, prosperous communities, widely spread throughout the Nation, engaged in the production of materials for home consumption, employing trained people who have grown up with their neighborhood, who contribute to the welfare of their community, who are homeowners and supporters of their local schools, are the backbone of the future civilization of the United States and for that reason I believe any foreign trade policy that fails to recognize the injury being done to this class of our citizenry is not only un-American but is not good for the general welfare over the long pull.

While I am convinced that our executive and State Departments must have certain freedom in regulating the policies of foreign trade, I am equally convinced that the administration bill does not provide sufficient checkreins to prevent the administrators of the Reciprocal Trade Act from following policies that are detrimental to small business and small industry and to the general welfare as well.

I shall therefore vote for the substitute bill sponsored by Mr. SIMPSON, Mr. DAVIS, and others, in the belief that its provisions will make it entirely possible for the small industries that have shown themselves to be unduly punished by the import of cheap foreign products to apply for and receive satisfactory treatment from the Tariff Commission.

As I stated earlier, the United States growth has been one, so to speak, of lifting herself by her own bootstraps. We still have an independent, capable, productive capacity which we would like to preserve. To further reduce tariffs and leave ourselves open to competition from our foreign producers will eventually change the entire outlook of the whole economic picture of the United States and leave us and our world trade at the mercy of foreign competitors.

Remember we must stand alone. No other nation will assume that obligation for us.

Mr. REED. Mr. Chairman, I yield 15 minutes to the distinguished gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, I think we all appreciate that the issues and ramifications of this problem are many. In listening to this debate we have heard discussions of many different areas. I am not going to try in any way to cover the waterfront, nor am I going to suggest that I have the capacity to cover the waterfront of this very difficult program.

As I have listened to some of the discussion I wonder whether our Parliamentarian has been paying close attention, because it might appear there has been a mistake made in referring this matter to the Committee on Ways and Means; that it might more properly have been referred to the Committee on Foreign Affairs. This in spite of the fact that tariffs are directly related to commerce and trade.

We also heard a great deal about the maintenance of our markets. Let me suggest this to many of you, I do not think there is anybody at any place in the world that is buying American products today just to say that they are buying American products. Our markets abroad are determined in each case by whether we are offering something to them that they need and at a price they are willing to pay. If they can get the same item someplace else either cheaper or of better quality, they are not going to buy from us. In fact, if they produce it at home, they are going to buy from their own producers.

The gentleman from Louisiana [Mr. BOGGS] went into a discussion about the Brazilian situation. He said Brazil would spend with us every cent, every dollar that it could get based on what we buy from them. In other words, if we would buy from them, anything we paid them in dollars they would spend right here. He just failed to look at the record. In fact, if you will go to the U. N. Yearbook, you will find that as between this country and Brazil we bought from Brazil $630 million worth of goods in 1955. But did they spend those dollars here? Oh, no. They spent $240 million, and they kept the balance, $390 million, American dollars, which they used to trade with other countries, to buy commodities from other than in the United States. Let us not get all worked up about this proposition that if we can get dollars into their hands they will spend those dollars here, because you must remember that the American dollar is used as a medium of exchange not only between this country and other countries but also between second, third, and fourth countries.

As some of these people discuss the American dollar situation, and foreign trade, I would suggest they look a little at what has happened to the American gold situation in the last year or so, and become concerned.

I am not going to worry about many of the details of this legislation that is before us today. I am not going to be concerned about the period of the extension. I am not even going to worry about how much authority we give to the President to negotiate additional agreements and additional reductions. As far as I am concerned, the President can negotiate and enter into all the agreements he wants in order to encourage trade, just as long as in doing so no American industry, no job of an American worker is sacrificed or jeopardized in the process.

I know there are some people who rise up in holy horror when we talk about giving some protection. But when they do so they ignore the law of the land. I think the administration is ignoring the law of the land. I would call your attention to the fact that in the Trade Agreements Act itself, in section 6 of the extension of the act of 1951, we find this language, and mark it well. And let the freetraders mark it well. This is supposed to be the law of the land:

> No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concessions hereinafter proclaimed under section 350, Tariff Act, 1930, as amended—

That is the Trade Agreements Act as amended—

> shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

That, Mr. Chairman, is the law. That is what this Congress declared to be the law as far back as 1951, and it is still the law today.

No reduction in duty shall be permitted to stand if as a result of it there is being imported into this country commodities so as to seriously injure or seriously threaten to injure an industry producing like or directly competitive products. That is what the law states. As far as I am concerned the President can enter into any agreement he likes as long as he follows the law. I support this program and I support this legislation on that basis. But, Mr.

Chairman, the worst enemies, it seems to me, of the program of expanded trade are those who refuse to recognize that section of the law, who refuse to recognize that we have an obligation to our own domestic industry, that we have an obligation to see, as the law declares that we shall, that they are not seriously injured or threatened with serious injury.

I know there has been talk, and other Members have addressed themselves to it, about the escape clause. The gentleman from Indiana [Mr. HALLECK] suggested that we have taken care of this particular problem because in the 80th Congress we wrote an escape clause and peril-point provision into the law.

The gentleman from Florida [Mr. HERLONG] in discussing the subject, said that as long as no industry is injured we should continue this program; and he went on to say, in effect, that no industry in this country is being damaged or injured by the program.

Do not take my word for this, but let us look at the record. But before we do that just let me say that every President we have had during the existence of the trade-agreements program, and every time a President has sent up a proposal for renewal of the program, and in the interim, beginning with President Roosevelt when the program was first sent up, made statements to the effect that under the administration of it no domestic industry is ever going to be injured or hurt. Every President, right down the line, has repeated that promise: President Roosevelt, President Truman, President Eisenhower. But, as I say, let us look at the record, just since the escape clause has been put into the procedure. These figures relate back only to the escape clause, and only to cases where there had been a hearing before the Commission and a determination by the Commission. I am not going to talk about the many cases of industries that are so small they cannot afford the process of going to the Tariff Commission. I am not going to talk either about those who have felt that although they were being injured for some reason or other they were not justified in going to the Tariff Commission. I will just take those actions that went to the Commission. There have been 87 cases.

A decision was made by the Commission finding that the escape clause action was justified; in other words, that serious injury was being incurred, in 25 cases by a majority decision of the Commission. In 5 other cases there was a split decision 3 to 3. There have been 30 cases where there was a determination that injury did exist, that the injury was a result of the imports and remedial action was necessary in order to prevent further injury.

You have 30 cases. In how many of those did the industry actually get relief? In how many cases did the President actually put into effect the recommendation of the Tariff Commission? In 10—10 out of 30. Those are very poor odds. If you ask me, it is expecting an awful lot to ask any industry to go through the expense, and trials and tribulations, of going to the Tariff Commission when their expectation of relief, even if everything goes in their favor, is only 1 chance out of 3. You might assume, I suppose, that out of these 87 cases the balance of 57 were cases in which the Commission found that no injury existed. But that is not true. Those 57 cases—and I will ask you to study them—do not prove that at all, because there are other bases upon which the Tariff Commission does not find favorably.

There is, for instance, the plywood case. In spite of the fact that the law provides if an industry is threatened with serious injury corrective action shall be taken, in the plywood case the Tariff Commission found that "the deterioration which the industry experienced covers too short a period to justify a finding of serious injury." They did not say that serious injury did not exist and that it was not going to continue. All they said was that the period covered by the investigation was too short a period to make any final determination. Yet that was one of the cases that was dismissed.

There is the knit glove case. Those cases were withdrawn. Why? Because it was apparent that the Tariff Commission had no power to make a recommendation which would be effective because of the multitude of other competitive items that the Tariff Commission could not act on due to the fact that they were not before the Commission in the proceeding. The case was withdrawn.

Take the case of the tuna industry, and I am sure the gentleman from California [Mr. KING] who spoke a while ago must be interested in this. They went before the Tariff Commission. I think the gentleman from California will testify, as many witnesses did before the committee, that the tuna industry of the West is seriously damaged. From what? The importation of Japanese tuna. There are various varieties of tuna and the form in which it is imported. The Tariff Commission is without power to act in terms of all of them and without acting on all of them the relief is not satisfactory relief. So in this case escape clause action was not recommended by the Commission. That does not mean the tuna industry is not being injured today because of our tariff trade policies under this particular act.

The State Department could cure the situation in the tuna case. Will they? No. All they have to do in order to cure this situation and give authority to the Tariff Commission to make a recommendation which would be effective would be to freeze in a trade agreements the present duty status on those types of tuna that are not now covered under a trade-agreements act. It is that simple. That would make it possible for the Tariff Commission to make a recommendation. Do you suppose they will do it? Oh, no. In fact, I am not so sure that they didn't purposely leave this item out just so the Tariff Commission could not act. But Mr. Chairman, where the Tariff Commission has found that injury exists, in only 1 out of 3 cases did the President take action to carry out the recommendation of the Commission. Yes, even in those cases where the injury has been of long standing and the Tariff Commission unanimously recommended action, no relief has been forthcoming.

I call your attention to the case of lead and zinc. In 1954 there was a unanimous decision favoring relief, another decision this year found that the lead and zinc industry was being injured and relief was necessary, and still no action has been taken and still mines are being closed.

Look at the ground fish fillets cases which I know is of interest to the Members from Massachusetts. There were 3 investigations: in 1952, in 1954, and in 1956. In 1952 they found, by a split decision, 3 to 2, against relief. In 1954, however, the Tariff Commission, by a 3 to 2 decision, said that escape clause action was necessary. In 1956, by unanimous decision, 6 to 0, they said that the industry was being injured by imports and action should be taken, but still the President has refused to invoke the escape clause and still this industry is being injured.

I repeat, Mr. Chairman, that if we could be assured that our industry would be given adequate protection, I would not worry about length of time, I would not worry about the amount of authority given to the President under this act, but I am very concerned when I know that there has been no demonstrated intention to carry out the terms of the law.

The trouble with the administration of this act, Mr. Chairman, is that we rush in with enthusiasm to grant tariff reductions for the benefit of some foreign manufacturer or exporter, and we apologize to no one for doing so, but when a domestic producer and his workers are being injured and corrective action is needed, we procrastinate, we delay, we refuse to act on the grounds that to act might offend some foreign producer and his government, and then in those few cases where we do act, we act with great apologies; great apologies to the foreign exporter and his government. If we take action at all, we do it very reluctantly. We should make it clear, Mr. Chairman, that we are desirous of sponsoring profitable international trade, but we shall make it equally clear that as a Government we must and we will protect our own people against unfair competition.

Mr. Chairman, the contention will be made that the industries injured by imports are small and relatively unimportant; that we should be concerned only with the overall effect of our trade program. Although they may be small and relatively unimportant, in comparison to some of our huge export industries, they are most important to the areas in which they are located and the men who are employed in them. I assure you that the plywood industry is important to many areas of Wisconsin and the Northwest. The ground fish fillets industry is important to Massachusetts. The tunafish industry is important to the west coast. I think it is important to all of us that the little guy gets a square deal.

If the Government does not protect minorities, if it does not protect the small fellow, it is failing in its responsibility. The fisherman is an American. The plywood worker is an American. They are entitled to fair and just treatment by their Government. The trouble is they are not getting fair treatment. They are not being proteted against injury resulting from our trade program.

This bill as presented by the committee, Mr. Chairman, does not give that protection. They talk about changing the escape clause. They have not changed it one iota. They have offered us a sop. What do they do? They suggest that we can take action in a way which we have always had the authority to act. Congress has always had the right to pass a bill and then, if the President vetoes it, to override it by a two-thirds vote. They tell us that they are giving the Congress more right by all of a sudden telling us that we can override a Presidential veto by a two-thirds vote. Well, when could we not? That is the question I ask.

I must make one reference, and that is to the suggestion, I understand, that came down in a letter from the President that anything less than a two-thirds vote would be unconstitutional. Well, I happened to see the Attorney General's opinion in that regard, and I would put the word "opinion" in quotes, because I would not call it an Attorney General's opinion; I would not call it an opinion of any kind of an attorney. If I was hiring an attorney to give me an opinion on something important and I got an opinion like the President got from a certain Attorney General, Mr. Wilkie, I would get a new attorney mighty quick. There is nothing in the opinion that resembles in any way a legal opinion on the constitutionality or the legality of any proposition. I suggest if a two-thirds vote is constitutional in this matter, a majority vote is constitutional. Mr. Chairman, I think the committee would have been performing a service if they had provided a procedure where we could review the delegation of power made by this law and select between a Tariff Commission recommendation and a Presidential recommendation by a majority vote. But this sop that they offer us in the guise of strengthening the escape clause, Mr. Chairman, is nothing. Until we get something that will assure us that the escape clause is meaningful, until we have assurance that section 6 of the Trade Agreements Extension Act of 1951 is carried out, in spirit and in letter, I shall oppose further extensions of the act.

Mr. KEATING. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of the remarks of the gentleman from Wisconsin [Mr. BYRNES.]

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEATING. Mr. Chairman, in considering extension of the Reciprocal Trade Agreements Act this year, we are presented with a clear black or white proposition. It is a definite "take it or leave it" situation.

Either we are going to continue America's paramount role in promoting the welfare of our domestic industries by means of encouraging the flow of trade among the free nations of the world, or we are going to turn our back on the world and end the policies of cooperation which hold the best hope for keeping peace in the world.

There can be but one choice in this situation. My vote in favor of the bill as reported by the committee will be dictated by a number of vital considerations.

As unquestionably the greatest single producing, selling, and buying Nation, the United States is the nucleus of the interlocking structure of Free World trade. We sell far more abroad than we buy. But it is clear that if we were now to reduce our imports, many countries would necessarily buy less from us.

If the United States were to choose to turn its back on world trade, a worldwide trade contraction would inevitably set in. Country after country would react by erecting further trade walls, as happened in the 1930's as a result of our tariff policies at that time.

If the United States were to curb its participation in world trade, it would be playing directly into the hands of the Communists. It would not only place the greatest of strains on the political alliances which today deter Kremlin aggrandizement. It would also encourage the already vigorous Communist plans for economic penetration abroad. This astounding program—not fully under way 3 years ago when the act was last extended by Congress—poses a very real threat to the freedom of the non-Communist world. We must not bow to it by withdrawing from the field.

Mr. Chairman, there is solid economic logic behind extension of the trade agreements. Obviously, no country can continue to export if it is unwilling to import. No creditor nation such as the United States can hope to maintain healthy and growing overseas relations unless it is willing to receive products as well as ship them out.

It has been reliably estimated that some 4½ million Americans owe their jobs to one phase or another of foreign trade. Failure to pass a reasonable trade-agreements bill would directly hurt these workers. On the other hand, passage of the bill as reported by the committee would directly promote trade and so enlarge opportunities for expansion in this important field of economic activity.

I have studied extensively the impact of the Reciprocal Trade Agreements Act on my own Congressional District. I am convinced that many more people in the 38th Congressional District benefit from foreign trade than may be indirectly adversely affected as a result of it. Impressive figures have been prepared for me which demonstrate the strongly positive effects of foreign trade on Monroe and Wayne Counties, the two counties in my District.

Some 118,000 residents of these two counties are engaged in manufacturing, of whom about 78,000 work in 4 categories of industries with substantial foreign business. The estimated exports of these industries in 1956 was about $75 million.

These figures may be broken down, as follows, into four major categories:

First. Instruments and related products: About 50 establishments in Monroe and Wayne Counties fall within this category. They employ over 45,000 persons, and their estimated exports are $39 million.

Second. Nonelectrical machinery: 157 companies employ nearly 9,000 people in this category in the two counties of my District. Their estimated total exports were $16 million.

Third. Electrical machinery: 28 Wayne and Monroe County establishments employ almost 13,000 people in these industries. Their estimated total exports were nearly $12 million.

Fourth. Food and related products: 249 concerns employ over 11,000 persons. Their estimated exports were about $8 million.

In addition to these categories, firms in my District engaged in printing and publishing, in textile manufacturing, and in clothing and related production, all participate extensively in import and export activities with nations abroad. There is, in fact, in the District, a veritable gamut of types of industries which benefit directly from trade overseas, not to mention those which profit indirectly from foreign trade.

In the field of agriculture, the District's list of commodities which are favorably affected by exports is imposing. The estimated exports of fruits approaches $3 million. The exports in field crops tops $2 million. And, in addition, there are sizable exports of vegetables, poultry, and products, and livestock and products. The 13,000 persons who work on farms in Wayne and Monroe Counties thus have a direct stake in overseas trade. Their estimated exports in the 1956–57 marketing year was $5.7 million.

Mr. Chairman, these figures and others which I have studied demonstrate inescapably how essential it is to our domestic industries that the Reciprocal Trade Agreements Act be extended in reasonable form. The figures for the 38th Congressional District reflect roughly the national picture regarding the beneficial aspects of our vigorous participation in world trade.

We must never overlook the fact that America's part of the Free World's exports last year was about a fifth. That figure represents more than all purchases of automobiles and accessories in our country. It is more than all the furniture and household equipment bought in America. And, also, we should remember that our farmers send the products of 1 out of every 5 acres overseas.

It is significant to remember that under our present trade policies our exports far outweigh our imports. Last year we exported about three times as much as we imported. Impressive figures are furnished by the New York Chamber of Commerce showing that 1 out of 4 wage earners in the New York area is dependent on foreign commerce. The Rochester and Buffalo Chambers of

Commerce, presumably speaking in the interests of the vast majority of their members, have registered their support of this measure advocated by the President. The major labor organizations, likewise, urge support of the bill before us.

Mr. Chairman, the so-called Simpson substitute has been erroneously billed as an alternative plan to extend the Trade Agreements Act. Actually, it is nothing of the kind. It is, actually, directly opposed to the objectives of the Trade Agreements Act. It is supported, in the main, not by the friends of expanded world trade but by those who seek to terminate the Trade Agreements Act.

This so-called alternative proposal would effectively put an end to the trade agreements program. Under its provisions, it appears highly unlikely that any new trade pacts could be made which would result in tariff reductions.

The substitute proposal seeks to change radically the basis on which tariff negotiations are carried out. As a matter of fact, there is serious question as to whether any such negotiations would be possible under its provisions.

The carefully disguised features of this substitute cannot hide the fact that it would reverse entirely the philosophy and procedures of our present trade agreements efforts. It would deliver into the hands of the Tariff Commission—rather than the President—power over trade negotiations. Extensive sabotaging of overall plans would be possible because the President would be unable to prevent abuse of the powers inherent in the escape clause, national security provisions, and special agricultural adjustments and exemptions.

By giving the Tariff Commission the increased authority, a double whammy would be introduced. The Commission, by law, can only consider factors of injury to domestic industry—narrow criteria, despite their clear importance. Other factors of crucial importance to the national welfare, such as the effect of import curbs on our export trade, the effect on our political and economic relations with our allies, and the effect of the denial to American consumers of the benefits of world price and quality compensation—all these would be left out of consideration in formulating policy.

The result could be a myopic, short-sighted foreign trade policy which might shine in the short run, but which could spell disaster over the long haul. In effect, then, this so-called substitute proposal represents an abrupt reversal of all the policies under which this Nation has prospered domestically and under which the economic might of the Free World has been immeasurably increased.

Mr. Chairman, I want to emphasize that I have every sympathy for those domestic industries which have been adversely affected by foreign competition. Their pleas should not be ignored. The law provides that they should have relief upon a proper showing of real injury flowing from this foreign competition. This law should be administered in such a way as to afford relief where a case is made for it.

To the extent that certain specialized industries are actually hurt by increased imports, for example, provision can be made for temporary "adjustment assistance." That is a realistic answer which does not undercut the entire trade-agreements program.

But the protectionists—either through misinformation or misguidance—are attempting to do much more. They are, in this proposed alternative, attempting to penalize American consumers generally rather than trying to provide special aid for the group of workers who may be directly damaged as a result of liberal tariff policies.

Mr. Chairman, this body today is faced with a big decision. It will require big thinking by broad-gaged men of vision if we are to reach the conclusion which will best serve the welfare of our Nation. What we have before us, in effect, is the old, old story of specific short-term interests against the general and long-term interest. The question is whether we will be able to look beyond the end of our economic noses to the broad vistas of the future.

We must decide whether we want higher tariffs to help certain industries and localities, at least in the short run, but which will hurt other more numerous export industries and their workers in the long run.

We must decide whether we are ready to condone the starting of a crack in a foundation pillar of this country's foreign policy.

We must decide whether we are prepared to disavow our postwar efforts to build the power of the Free World and repudiate our country's policy of cooperation with the rest of the world.

By approving this measure, and rejecting the so-called alternative, we will be maintaining a keystone of the Free World. We will be bolstering a vital segment of our foreign policy. We will be serving notice to the world that the United States intends to stick with our allies as partners in the great endeavor for world peace. At the same time we will be saving the jobs of a vastly larger number of workers than the number involved in the relatively few industries adversely affected by increased imports.

An honest weighing of the national interest in chances for the growth of our economy as a whole and in the further cementing of our world-trade bonds of friendship, must compel a vote in favor of extension of the Reciprocal Trade Agreements Act. I shall vote for this measure in the conviction that it will best serve the interests of my constituents, of America, and of the Free World.

Mr. REED. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. PATTERSON. Mr. Chairman, those who favor a continuing, further reduction of our tariff rates, as provided for in the administration's bill, H. R. 12591, would have us believe that unless that bill is passed, our trade agreements will be abrogated, our international pledges will be broken, and our tariff rates will revert to the levels of 1930. In short, we will be returning "to the law of the jungle in trade relations between nations." Nothing could be further from the truth.

If no bill at all were passed at this time, the only matter that would come to an end would be the power of the Executive, acting on behalf of the State Department, to enter into new tariff-cutting agreements. Everyone familiar with the existing legislation knows this to be so. Not a single agreement now on the books would be broken; not a single current tariff rate would change; no legitimate pledge would be broken. Our present rates, already among the lowest of any major trading nation, would remain in that relative position. We would still be the outstanding leader among those who have made tangible reductions in barriers to international trade.

But this is not enough for those among us who would put American jobs and the American standard of living on the bargaining block. The administration, speaking not only for itself but for a future administration as yet unknown to us, would extend the Executive's power to cut our tariff rates a further 25 percent over a 5-year period. It is obvious that they intend to use this authority or they would not press so hard to receive it. This is the essence of administration bill H. R. 12591.

In the light of these facts, the Simpson-Dorn-Davis-Bailey bill in a compromise which is more than fair to those who espouse the doctrine of freer and freer trade. It extends the bargaining powers of the President and the State Department for another 2 years, but at least it limits that tremendous authority, in point of time, to those executive officials whose intent, whose integrity, and whose ability are known to us. It does not extend it to persons yet unknown. The other major features of the Simpson-Dorn-Davis-Bailey bill are merely designed to clarify and to insure the considered intent of Congress in the actual administration of these tariff and trade affairs, to the end that American capital, American management, and American workmen will have a fair day in court when they are prepared to prove injury from the rising competition of cheap foreign labor.

That is what the Congress has said it wants. That is what the Congress will get if the Simpson-Dorn-Davis-Bailey bill is passed. And a rising tide of our citizens want it too.

New let us get down to a few specifics. All sections of the country are being hard hit by cheaply produced imports. You will be hearing of the plight of the textile people, the wool growers, oil producers, machine tool builders, and many, many more. To all of these injured industries and their jobless workers the people of Connecticut extend their sympathy and hope they will join with us in achieving a realistic, fair tariff structure that will keep America strong.

Probably no Congressional District is more deeply affected than mine in the

variety of products which are being undercut in the market by unfair foreign competition. The watch and clock, rubber, woodscrew, pins, bicycle parts are only a few of the industries that are in serious straits.

Let us take the brass-mill industry as an example. Prior to the trade agreements program in the 1930's this very essential industry—vital in both peace and war—exported an average of 49,900,000 pounds, and imported 722,000 pounds each year. Thus exports exceeded imports by over 49 million pounds. What is the picture now? In 1957, exports were a mere 13 million pounds, and imports were 108 million pounds. Imports thus exceeded exports by 95 million pounds. Those figures sound fantastic, but they are true.

Bear in mind that the brass-mill industry is one of the most progressive in the Nation. Its wages are among the highest. Its labor relations are good and its employees in most instances have spent considerable time in training for this highly skilled work. The majority of the businesses are small in that they employ less than 500 workers. Each concern, large or small, is an important factor in the economic health of its community.

Are we going to let these industries go to the wall, their workers be dispersed, and this important segment of our national production be exported to cheap-labor countries What is happening in the brass-mill industry is happening to others. This ruinous trend must be checked.

I urge my colleagues to support the Simpson-Dorn-Davis-Bailey substitute for the committee bill. We must act now or it will be too late.

Mr. MILLS. Mr. Chairman, I yield 17 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I rise in support of H. R. 12591, the trade agreements extension bill, as reported by the Committeee on Ways and Means and in opposition to the substitute—H. R. 12676—to be offered by the gentleman from Pennsylvania [Mr. SIMPSON]. I believe that the committee bill is an infinitely superior piece of legislation. It was carefully worked out in committee. The committee bill would continue in an effective manner and with adequate and improved safeguards the trade agreements program. The substitute bill would in my opinion virtually destroy the trade agreements program and turn the trade clock back a quarter of a century.

I want to address myself to the provision of the committee bill relating to Congressional review of Presidential actions in escape clause cases and to compare it with the provision of the substitute bill that is somewhat similar. My discussion will be directed to an exploration of the legal and constitutional issues involved.

COMMITTEE BILL

The provisions of the committee bill (H. R. 12591) set forth in sections 6 and 7 provide a special method by which the Congress may participate in determining whether or not effect should be given to Tariff Commission recommendations for relief in escape-clause cases. This is a most controversial field. The administration's proposals, introduced by the chairman of the Ways and Means Committee and by the gentlemen from New Jersey [Mr. KEAN and Mr. FRELINGHUYSEN] and the gentleman from Michigan [Mr. CHAMBERLAIN], contained no provisions on this matter. Other proposals, one of which I will discuss later, contain much more far-reaching provisions. Sections 6 and 7 of the committee's bill constitute a provision which will permit a greater degree of Congressional participation in escape-clause cases where the Congress considers it necessary to do so, without destroying the present discretion of the President to take various factors of the national interest into consideration in deciding what action he should take on Tariff Commission recommendations in this sensitive field.

The bill is not complicated in this respect. Under existing law, if the President decides not to give full effect to the recommendations of the Tariff Commission for escape-clause relief, he is required to report to the Ways and Means Committee of this House and to the Finance Committee of the other body his reasons for not doing so. The committee's bill merely provides that in any such case the Congress may, by concurrent resolution, passed by two-thirds majority in each House, give effect to the full recommendations of the Tariff Commission, provided that such resolution is adopted within 60 days after the receipt of such report. Such a concurrent resolution shall be highly privileged in each House, including the right of a Member to move to discharge the Ways and Means Committee or the Finance Committee from further consideration of the resolution after it has been before either for 10 days.

This does not upset the present discretion which now resides in the President to either accept, or to reject in whole or in part, the Tariff Commission's recommendations. He may continue to reject Tariff Commission recommendations because he disagrees with the Commission on the question of injury, because he considers the proposed relief would not materially improve the condition of the industry, because he deems the interest of consumers or of exporters whose markets might be adversely affected by proposed action to outweigh the producer's interest, for important reasons of foreign relations, or for any other reason relating to the broad national interest. The wisdom of the President's continuing to have such discretion was considered and strongly endorsed by your committee in its report on the bill which became the Trade Agreements Extension Act of 1955, and reaffirmed this year. The present bill before you does not change this basic situation.

On the other hand, there are many who believe that the President has too often failed to give full effect to the Tariff Commission's escape clause recommendations. Up to now there has not been an effective and organized way for the Congress to examine these complaints. They may be right or they may be wrong. Of course, it has always been possible for the Congress to enact legislation, over the President's veto if necessary, to give effect to such Tariff Commission recommendations as have been rejected by the President. This has never been done, for various reasons. The committee has received the President's reports of why he has failed to carry out Tariff Commission recommendations, but bills have not been introduced to reverse his decisions. Whether that was because he was right or because the path of a bill too difficult is a matter on which we can only speculate. The committee's proposal, both by providing for the privileged character of the concurrent resolution, and by setting a 60-day time limitation for its passage, has attempted to prepare the way for expeditious action by the Congress in cases in which there is a widely held belief that relief should be provided a domestic industry beyond any that may have been made effective by the President.

This procedure bears a considerable resemblance to other legislation which contain provisions that decisions of the President will become effective unless disapproved by concurrent resolution of the Congress, or in some cases by simple resolution of either House. In both instances the President has been authorized to exercise his discretion; and in both the exercise of such discretion becomes final unless within a specified period—and with privileged character for its deliberations—Congress has positively indicated that it is dissatisfied with the exercise of such discretion in a particular case.

Questions have been raised in some quarters as to the constitutionality for such purposes of a concurrent resolution by the Congress which is not to be submitted to the President. This matter was carefully considered by the committee. Use of concurrent resolutions for similar purposes has become an established practice by the Congress during the past 15 or 20 years. It has been used in numerous instances, including a large number of laws which have provided that they might be terminated, normally prior to a fixed date, by a concurrent resolution of the Congress. There have been no court decisions interpreting the constitutional provision regarding the submission of a bill to the President—article I, section 7 of the Constitution—as forbidding this type of action by concurrent resolution, although serious contentions have been made that the device is unconstitutional.

The use of such resolutions has been defended on the ground that they provide for the effectiveness of Congressional action upon the happening of a particular event. We have provided in legislation that the duty on copper, lead, and zinc should be suspended until the market price dropped to a particular point, and that upon the happening of such event the duty should be reinstated. The present escape clause provisions provide in effect that the recommendations of the Tariff Commission shall become effective in the event that

they are approved by the President. The committee's proposal merely adds to the latter condition an additional alternative event upon which such recommendations shall become effective—that is, upon the adoption of a concurrent resolution by the Congress by a particular vote and within a specified period.

There would be no question of the constitutionality of Congressional action by a two-thirds vote to override a Presidential veto of an earlier bill putting into effect Tariff Commission recommendations which had been disapproved by the President. The committee's proposal provides that by the same majority by which the Congress could override such a veto it may take the same action which it could unquestionably take if the President had rejected the Tariff Commission recommendations twice—first, before the Congress acted, and second, after it had acted and sent the bill to the President. This procedure eliminates the first action by the Congress, passage of a bill, and the veto which would be expected from the President for the same reasons that he had originally rejected the recommendations of the Tariff Commission. It is thus believed that the requirement that the resolution be passed by a two-thirds vote, which is analogous to repassing a bill after a veto, will enhance the position in favor of constitutionality if it is attacked in a court proceeding as it undoubtedly will be.

Thus the bill retains the vitally important Presidential discretion in escape clause cases, but permits the Congress to act in important cases by a method which is based on repeated precedents in practice and which incorporates an element which will certainly assist in meeting constitutionality attacks.

COMPARISON WITH SIMPSON BILL

I would like now to compare the procedure proposed in the committee bill with the provisions in the substitute. This alternative proposal would completely reverse the situation. It would take from the President all his existing discretion, unless you would consider it an exercise of discretion for the President to be able to delay for 60 days the entry into force of recommendations by the Tariff Commission which he considers should be completely rejected for reasons of overriding national interest.

Under the substitute bill the President would have only 30 days, in contrast to his 60 days under the present law and the proposal of the committee, in which to decide whether to accept or reject the Tariff Commission's recommendations and to report to the Congress reasons for rejecting them. The recommendations of the Tariff Commission would become effective, even if rejected by the President, unless within 60 days of the notification to the Congress by the President of his reasons for rejection, a law has been enacted supporting the President. It is highly important in this comparison, to emphasize that the substitute bill would give no privileged position to the enactment of this law. It would be subject to the many and varied delaying tactics with which we are all familiar, including extended debate, in order to delay its passage beyond the requisite 60 days. All of us know the difficulties of securing expeditious action on a bill to which there is no substantial opposition. It would be practically impossible to obtain the passage within 60 days of such a bill, which would be fought by the lobby which had been successful in obtaining the escape clause recommendations from the Tariff Commission and probably by many others. In fact, if not in law, this proposal would completely remove from the President the important discretion which he now has and which the committee has considered to be so important.

Moreover, under the substitute bill, if the recommendations by the Tariff Commission should be made while Congress is not in session, they must be made effective provisionally within 30 days. There would be no opportunity, short of a special session of the Congress and prompt action thereby, for the President to refrain from putting into effect such recommendations on the 30th day. Provision is made that, upon reconvening, the Congress could take action rejecting such recommendations. Not only would such action be unlikely, for the reasons given above, but, even in a case in which there was sufficient agreement in Congress with the Presidential view that effect should not be given to the recommendations, irreparable damage to the foreign relations of the United States or to some other national interest might already have taken place as a result of the requirement that the President give effect to such recommendations provisionally prior to the reconvening of Congress.

The problem for decision between these two measures is a simple one. Should we adopt the substitute which would, for all practical purposes because of the extreme difficulties of prompt legislation by the Congress, substitute the view of the appointed members of the Tariff Commission—with their relatively narrow focusing on the questions of increased imports and injury to an industry—or perhaps to a minor segment of an industry—for the view of the President based on his wide experience and knowledge of all the factors making up the total national interest. With all due respect to the Commissioners of the Tariff Commission, who even indicated to your committee that they did not desire that their recommendations should become final decisions, there is only one answer which we can give. The President is elected by all the people. He represents us all. Through his Cabinet, his mission abroad, and many other sources within the executive, he obtains information which makes him, and him alone, the person best suited to make determinations in matters which affect vitally our national interest.

I cannot take time to enumerate the many laws passed by the Congress which have given discretion of one form or another to the President. They are legion. Among those which have given to him untrammelled discretion in matters relating to foreign relations and other considerations in the national interest are statutes relating to the laying of submarine cables and the approval of international civil aviation routes. In the Curtiss-Wright case, the Supreme Court recognized that the Constitution allows us to delegate, and that we properly have delegated to the President, in matters relating to foreign relations, "a degree of discretion and freedom from statutory restriction which would not be permissible were domestic affairs alone involved."

Let us make no mistake about it. The provision of the substitute bill would give Tariff Commission decision, both under the escape-clause and peril-point provisions, a finality that is unusual and extraordinary. The Tariff Commission, an independent agency, would, in effect, be making final adjudications with respect to complex matters of national policy without the provision for judicial review or Presidential review of such determinations. Unlike the other independent agencies of Government whose procedures and acts are governed by the provisions of the Administrative Procedures Act, the Tariff Commission would be acting under a law to itself. It would be making adjudications based on ex parte investigations. Its adjudications would be final and not subject to judicial review.

What is most novel in terms of constitutional and administrative practice is this: Despite the fact that any actions taken by the Commission and any determinations made would have profound effects on our foreign relations, the President would not have the authority to review such determinations. Contrary to the opinion of the Supreme Court in the Curtiss-Wright case, that I quoted a few minutes ago, the discretion of the President would not be broader than if domestic affairs alone were involved but rather the discretion of the President would in fact be virtually eliminated. This is offensive to anyone who has any sensibility for constitutional practices and arrangements. We would be making a grave and serious error if we enacted the substitute bill.

Precedent and commonsense combine to keep the discretion in the President. The committee bill proposes an adequate safeguard for prompt action by the Congress to protect domestic industries in any cases in which there is general recognition that the Presidential action has been unwise. To go further would be worse than folly, it would actually damage the interest of the United States.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. VAN ZANDT.]

Mr. VAN ZANDT. Mr. Chairman, I rise in opposition to the committee bill, H. R. 12591, and in support of H. R. 12676, the so-called Simpson bill, which will be offered at the proper time as a substitute for the committee bill.

When I first came to Congress in 1939, I opposed unrestricted reciprocal trade agreements on the grounds that they were destroying the jobs of coal miners and railroaders in my Congressional District in Pennsylvania.

At that time imported Russian coal had captured some of the eastern seaboard coal markets from coal producers in central Pennsylvania. Later on the importation of residual oil from Venezuela began to flood the eastern seaboard, thus destroying the principal market for Pennsylvania-mined coal—especially in my Congressional District.

During the 82d Congress, I voted to extend reciprocal trade agreements because there was contained therein the so-called peril point amendment which was designed to provide a checkrein on imports that could destroy the jobs of American wage earners.

During the 83d Congress I joined many of my colleagues in an effort to stop the uncontrolled flow of foreign goods which included residual oil by supporting the so-called Simpson bill, which would have written into law a quota limitation. As many will recall, the Simpson bill was returned to committee by a small margin of votes.

Since the 83d Congress, those of us who oppose uncontrolled imports by insisting on quota limitations have been betrayed by idle promises in the form of worthless recommendations concerning the peril-point amendment, and the window-dressing job performed by the Randall committee under the guise of solving the plight of American industries adversely affected by the importation of cheaply manufactured foreign goods.

More recently it was a suggested voluntary agreement on the part of American oil interests that was employed to soothe the ruffled spirits of those of us who were fighting to curb the unrestricted flood of foreign residual oil.

Mr. Chairman, I predicted in 1939 that uncontrolled cheaply manufactured foreign imports would eventually not only create ghost towns in the coal areas of the Nation, but would also adversely affect the general industrial economy by destroying the jobs of American wage earners in various other industries.

Speaking especially for my Congressional District, my prediction in 1939 has become a reality. For example, practically all of our deep mines in central Pennsylvania are closed and thousands of miners have been unemployed for several years.

In fact, many mining towns have been abandoned and their empty and dilapidated rows of houses stand as a grim reminder of the destructive effects of the shortsighted policy of unrestricted importation of foreign residual oil.

In addition to the prostrated condition of the coal industry and the resultant effect on the railroads and related industries, cheaply manufactured foreign products other than residual oil have vitally affected other industries such as glass and pottery, brass mills, gas and taximeters, machine parts, textiles, fruit and vegetable growers, and many other industries. I repeat again that the uncontrolled importation of cheaply manufactured foreign products has adversely affected all these industries.

Now what is the result? According to the United States Department of Labor, my Congressional District has been classified for years as a critical area and was recently placed in class F because of the fact that nearly 18 percent of the civilian labor force is unemployed. This unemployment is not confined to coal miners and railroaders but includes employees of various other industries that I mentioned.

In my home city of Altoona, Pa., nearly 10,000 people are unemployed—6,000 of whom are railroad employees with several thousands of this number having exhausted their rights to railroad unemployment insurance benefits. A similar condition exists among coal miners and employees of other industries who have exhausted their eligibility for unemployment compensation benefits from the State of Pennsylvania.

Mr. Chairman, let me try to pinpoint the evil effects of foreign imports in the industries I have mentioned by spokesmen for various industries.

First, I should like to quote Mr. R. T. Laing, executive director of the Central Pennsylvania Coal Producers' Association, Altoona, Pa. Mr. Laing says:

> Central Pennsylvania's bituminous coal production in 1957 decreased from nearly 58 million tons in 1948 to 36 million or nearly 40 percent and a further deficit of several million tons is expected for 1958. From the standpoint of employees, in 1948 we had nearly 49,000 persons employed in the coal industry in the central Pennsylvania area as compared to 22,600 as of December 31, 1957, a drop of nearly 45 percent.

Mr. Laing continued by saying:

> The present provision of the Reciprocal Trade Agreements Act is largely responsible for the economic crisis which the coal industry is now encountering and which has closed many mines in this area while others are operating on an average of 3 days a week.

Mr. Laing concluded by saying:

> Unless the Reciprocal Trade Agreements Act restricts the imports of residual oil, the coal industry is headed for more serious trouble.

From the Rockwell Manufacturing Co., Du Bois, Pa., manufacturers of meters, I quote Mr. P. A. Wick, an official of that firm, who stated:

> Tariff reductions have reduced our taximeter business 50 percent and will reduce it further. Import quotas, licenses, and currency restrictions of foreign nations have severely curtailed our export business and result in the obvious fact there is nothing reciprocal about reciprocal trade agreements. Foreign wage rates 30 to 50 percent below ours with ratio ever increasing due to our wage and fringe increases make it obvious we cannot compete now and time will increase the disadvantages if the law is extended.

From the Butcher & Hart Manufacturing Co., Altoona, Pa., manufacturers of parts for the American bicycle industry, let me quote Mr. J. H. Butcher, president of the company, who says:

> Serious inroads have been made by manufacturers of our products in Germany, England, Italy, the Netherlands, Belgium, and Japan through their ability to price imported merchandise at a level which seriously disrupts our market. Their sales policies have been most disruptive to our industry, which have brought about not only a loss of business but created a condition of harassment among our customers. While the current recession has had a part in our level of activities, unrestricted imports of overseas manufacturers have reduced our operations by 50 percent.

From the Jackson Vitrified China Co., Falls Creek, Pa., Mr. H. F. Allen has this to say:

> The pottery industry in America is in a hell of a mess due in part to the reciprocal trade policy.

Mr. Allen's powerful statement is too lengthy to read at this point because of the time so I should like to quote the following excerpts:

> The Sears, Roebuck & Co. and the Montgomery Ward Co. do not list in their catalogs a single piece of American made fine china. The so-called fine china listed in the catalogs of these two companies is imported from Japan, where prices are so low, due to low labor costs, that American manufacturers cannot possibly compete.
>
> The average wage scale paid in our particular plant averages $1.93 an hour. I have been told the average wage scale in Japanese potteries is between 12 cents and 20 cents an hour.
>
> A national policy to give our industry away to foreign countries and thereby create unemployment, idle plants and breadlines here, does not seem to me to be the way to keep America safe and sound.

From the R. S. L. Shuttlecocks Co., Ltd., Altoona, Pa., President G. P. Thompson says:

> The past year or two we have spent considerable money in the installation of injection molding machines and making dies for the production of plastic badminton shuttlecocks, only to find that it is difficult to operate profitably because of foreign competition, mainly from England and Germany.
>
> A large part of the market here is being supplied by an English manufacturer at prices less than half that which he is selling a similar item on the home market. In other words, he is obviously dumping on this market.

Mr. Chairman, Carroll R. Miller, secretary-manager of the Appalachian Apple Service, Inc., Martinsburg, W. Va., speaking for 1,400 fruitgrowers in Maryland, the Virginias, and in Pennsylvania, including in particular my home county of Blair, has the following to say:

> The principle of reciprocal trade agreements is good but some important nations have reneged habitually on their obligations through quotas, time restrictions, etc. Thereby our fruitgrowers have been victims of rank, costly discrimination. After unsuccessful attempts in past several years to correct this through usual channels more positive steps are necessary.

Mr. Miller also says:

> Export markets are highly important to apples; an outlet that can stabilize prices by spreading supplies. We ask no favors; just access to markets that are not rigged against us by governmental ukase, when this has been foresworn by mutual agreement.

Mr. Chairman, located at Bellefonte, Pa., in my Congressional District, is the Titan Metal Manufacturing Co., manufacturers of brass mill products, of which Mr. W. W. Sieg is president.

Four years ago, at the request of the State Department, foreign production teams sponsored by the Economic Cooperation Administration spent several days at the Titan plant during which time they were familiarized with plant

layout, equipment, operation, and management. Fully indoctrinated regarding brass mill operations, the foreign production teams returned to France and having copied Titan's methods of producing brass mill products are now among Titan's chief competitors.

According to President Sieg, of the Titan Metal Manufacturing Co.:

Before 1950 Titan saw little or no indication of business loss due to imports. However, during the first quarter of 1956 Titan's orders started to decrease until today we are booking about 25 percent of the volume we were booking during the first quarter of 1956.

Mr. Sieg further states:

Known brass-rod business lost to imports in 1957 approximates 6 million pounds and so far in 1958 3 million pounds.

He continues by saying:

Not all of the reduction in Titan's labor force can be blamed on imports, but it is significant that the over-all percentage of business lost to importers parallels that of the percentage drop in employment. Using 1955 as a base (100 percent) Titan's payroll has decreased as follows:

	Percent
1956	5.90
1957	6.73
January 1958	14.30
March 1958	15.41
May 1958	21.68

Mr. Chairman, it is pertinent to point out that the brass mill industry as a whole, and of which the Titan Metal Manufacturing Co. is a part, exported in the period 1930 to 1939 an annual average of 50 million pounds as compared to imports of 722,000 pounds.

In 1950, the exports decreased to 33 million with the imports increasing to 31 million pounds. But now let us look at 1957 when the exports dropped to 13 million pounds while the imports skyrocketed to 108 million pounds.

In a few words here is what is happening. The imports are steadily increasing while the import duty is steadily decreasing with the net result that exports have decreased to the point where reciprocity for the brass mill industry is truly a one-way street.

Mr. Chairman there are other industries in my Congressional District that have felt the unfair competition from the importation of cheaply manufactured foreign goods. I want it understood that the industries in my Congressional District can face fair competition from any industry anywhere. However, when the American markets are thrown open to a flood of competitive imports produced with cheap foreign labor, the standard of living of every American wage earner will be sacrificed.

Let me quite some figures concerning average hourly earnings in the United States with other countries. These figures speak for themselves: United States, $2.07, as compared with Belgium, 53 cents; France, 39 cents; Germany, 48 cents; Italy, 33 cents; Japan, 24 cents; Great Britain, 62 cents; Mexico, 22 cents; and the Netherlands, 35 cents. The source of this information is the International Financial Statistics, April 1958.

In concluding my statement, I should like to repeat here today what I said here in 1955 that I believe in the principle of reciprocal trade, but it must be based on a two-way street and thus be mutually beneficial.

As President W. W. Sieg of the Titan Metal Manufacturing Co., Bellefonte, Pa., pointed out, our reciprocal trade program is a one-way street, and the word reciprocity has therefore become meaningless.

Mr. Chairman, as I said earlier in my statement, throughout my Congressional career I have supported the principle of reciprocal trade in the belief that such provisions as the peril-point amendment, escape clause, and so forth, would protect American industry and the jobs of American wage earners.

Today in my Congressional District, with nearly 18 percent of a 99,000 labor market unemployed and a good percentage chargeable to reciprocal-trade agreements, I cannot in good conscience support the committee bill because it will simply continue the same policy that has forced the misery of unemployment upon my constituency.

Thousands of my constituents—all good Americans and victims of this reckless foreign-trade policy—are today dependent for their existence upon public-assistance benefits and surplus-food commodities.

I regret that it is not possible for Members of this body to talk to these unemployed Americans as they stand in line to pick up their surplus-food coupons. If it were possible for you to talk to them, you would hear the pitiful story of their plight as citizens of a nation that boasts of its high standard of living.

In the event that some of you may wonder what the residents of my Congressional District are doing to alleviate the chronic unemployment situation that we have been faced with for years, let me state that every community in my Congressional District has an active committee engaged in trying to attract new industries. To finance their activities, these committees have raised millions of dollars by voluntary subscription.

To date they have had some success in obtaining new industries. But here is what is happening: As new jobs are created, imported cheaply manufactured foreign products more than nullify the effort being made to rehabilitate the economy. In plain words, it is a losing battle.

Mr. Chairman, as the Representative of these deserving Americans who are willing and eager to work and unemployed through no fault of their own, I would betray their trust in me if I failed to vote for the Simpson bill, which will curb the flow of foreign residual oil and cheaply manufactured foreign products that have robbed American wage earners of their right to earn a livelihood for their families.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, I rise in support of the pending bill to extend the Reciprocal Trade Agreements Act. In my judgment, both from a domestic and an international standpoint, this proposed extension of the reciprocal trade program is one of the most important measures to come before us.

Over the years, since 1934 to be exact, the Congress has reviewed and reviewed again every aspect of it. On each and every such review, including that now being made, the Congress has been impressed with the extent to which the program has contributed to our economic progress as a Nation and to our international stature with peoples of the world.

No country in the world has greater productivity than this great country of ours. We can produce almost anything. We can produce in abundance. In fact, our longstanding problem in the field of agriculture has been production in overabundance.

A basic question is: where, to whom and how can we sell the products of this great productive capacity with which we are blessed? To maintain our economy at a high level, to maintain our high standard of living, to provide jobs for all, we must somehow, somewhere, in some way, develop new markets and enlarge existing markets for the products of our soil and industry.

That is the basic purpose of the reciprocal trade agreements program, and it has served that purpose well. One of the reasons we have enjoyed an expanding economy is that we have been able to develop and enlarge markets for our products. And the primary reason we have been able to accomplish this has been the effectiveness of the reciprocal trade program. It has indeed proven its value; to the farmer, to the manufacturer, to the workingman and to our whole economy.

You need only to look at the chart to be found on page 16 of the committee hearings to see at a glance how our foreign trade has grown. The trade agreements program has stimulated a healthy expansion of international trade and has been an important factor in our economic growth here in the United States.

I call your attention to the fact that in 1957 our exports of products reached the all time high of $19.5 billion, and this was approximately $6 billion more than we imported.

The district I am privileged to represent is primarily agricultural. As we all so well know, we have been making a continuing search for a practical solution to the agricultural problem. In this continuing search a fundamental question continues to be: what shall we do with our farm surpluses and, at the same time, maintain a healthy agricultural economy?

A partial answer has been found in the development of foreign markets. For the fiscal year 1957 our exports of farm commodities alone amounted to $4.7 billion in value. Of that total nearly four-fifths went to countries with whom we have trade agreements.

To be sure, some of our farmers are more directly dependent upon exports for their products than others. But all farmers, whatever commodities they may raise, have a stake in foreign outlets whether or not a single item he produces is shipped abroad. Any loss of foreign markets forces the producer of the export crops to switch to production for

the home market. The mere fact that production from 1 acre in 5 moves abroad takes a great deal of pressure off the domestic market and serves to strengthen farm prices generally.

I cannot too strongly emphasize the importance of foreign trade to agriculture. It is important not only to agriculture. It is important to our whole national economy.

In considering this program for the elimination of artificial trade barriers and the promotion of international trade, we might well ask ourselves this very simple question: How can you or I buy anything unless we have the money to pay for it? We cannot. Then let us ask ourselves: How can people abroad buy anything we have to sell unless they have the dollars with which to buy? They cannot. How, then, can they get dollars unless we bankrupt ourselves and them through outright loans and gifts?

The answer is that in order for people abroad to be able to buy from us we must be willing to buy from them. They have many things we do not have, but we need and want. Critical and strategic materials so essential to our industrial production is a notable example. From abroad we import such things as coffee, cocoa, tea, rubber, bananas, and sugar, all of which contribute to a higher standard of living for all of us.

The reciprocal trade program is designed to develop this exchange of goods—to enable others to buy what we have to sell and, at the same time, provide protection to our own manufacturers and farmers from injurious foreign competition.

Mr. Chairman, the Reciprocal Trade Agreements Act has proven its value to us, nationally and internationally, and it must be extended.

Mr. REED. Mr. Chairman, I ask unanimous consent that the gentleman from Connecticut [Mr. SADLAK] may extend his remarks at this point in the RECORD.

Mr. CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SADLAK. Mr. Chairman, the trade agreements program was originated in 1934 by the Secretary of State, Cordell Hull, who supported free-trade proposals from the time he entered the House of Representatives in 1907 through his service as Secretary of State. In fact, he was largely responsible for the imposition of the income tax. He believed that such a tax would enable the Federal Government to operate without the tariff revenues which up to 1913 had met most of our fiscal needs.

Many of the difficulties with our trade agreements arise from the fact that they have been administered by the State Department. This program was conceived as a device to promote our foreign policy objectives rather than in terms of the best interests of the consumers and producers in the United States who in the last analysis must supply all the tax revenues to support our foreign policy, whatever it may be.

The trade agreements program originated as a device for opening new markets to American products by inducing other countries to lower their tariffs and other import restrictions in exchange for our tariff concessions.

While real reciprocity was possible when only tariffs were negotiated, there was no mechanism in the act of 1934 for bargaining to eliminate embargoes, quotas, state purchasing, and other discriminatory devices used to restrict American goods.

Although the United States obtained some concessions in return for its own tariff cuts, American duties were not always the prime inducements. In some cases, foreign nations agreed to negotiate on tariffs in order to become eligible for foreign aid.

The truth of the matter is that only five other countries have reduced tariffs by a higher ratio than the United States. Most major trading nations appear to have raised their tariffs. The United Kingdom, which is next to the United States in magnitude of world trade, shows a 43 percent increase since 1937. France, the third greatest trader, has increased duty levels by 37 percent. Canada, fourth ranked in world trade, has reduced tariffs by a relatively modest 13 percent. This, my colleagues, is hardly reciprocal.

Mr. Chairman, it is my belief that H. R. 12591 does not fulfill the objectives it purports but rather is misleading, and deluding, giving very little or no additional prospect that relief will be granted to domestic industries under escape clause procedures. It falls lamentably short of giving the encouragement that American business is now seeking.

This bill is much more than a tariff bill. It once more deprives Congress of its authority and responsibility to regulate our foreign commerce, lodging this power back into the hands of the Executive. To quote part of the minority report to which I have affixed my signature, "The most firmly established concept which the Congress imparted to the trade agreements legislation in 1934 was the principle that the authority would be used in such a manner that injury to domestic industries would be avoided. Now as the executive department once more appears before Congress seeking renewal of the authority, the President's message for the first time in the 24-year history of the Trade Agreements Act fails even to pay lip service to that principle, and with good reason. The Ways and Means Committee has heard a parade of witnesses testify as to the injurious manner in which the trade agreements authority has been exercised." I would like to add that this record has convinced me that the executive branch has consistently let other considerations dominate the intent the Congress had expressed in enacting the escape clause mechanism. Congress intended that mechanism to be used by the executive branch to grant relief to domestic industries who could convince an expert and impartial Tariff Commission that they had been injured by the excessive importation of competing commodities. A classic example of this is the stainless steel flatware case.

I am particularly interested in the stainless steel flatware industry since 50 percent of the industry is located in my home State of Connecticut. Because stainless steel imports had mushroomed from 883,000 dozen in 1953 to over 11 million dozen in 1958, 97 percent of the imports coming from Japan, the industry appealed to the Tariff Commission for relief under the escape clause provision. The Commission conducted a thorough and comprehensive investigation of the case and as a result of their investigation found that stainless steel flatware is being imported into this country in such increased quantities as to cause serious damage to our domestic industries. These imports have caused some of the stainless steel plants to lay off as many as 50 percent of their workers. To quote part of the Commission's report, "In face of the competitive advantages possessed by foreign producers because of their lower wage rates, United States manufacturers have been unable to turn their operating losses into profits and have suffered sharply increased operating losses due primarily to the great increased imports from Japan." Yet, even though the Commission found substantial injury in this case, their recommendations were not observed by the President.

Executive vetoes of Tariff Commission recommendations have raised the executive judgment above the legislative. As long as this domination, exercised in great part by the Department of State, continues, laws of Congress in the field of tariffs and trade will be ignored or circumvented.

During the Korean War the State Department established the International Materials Conference. This organization operated with no statutory authority. It allocated the strategic and critical materials of the world to each nation on the basis of what it termed their "entitlement for consumption."

The State of Connecticut, as everyone knows, is the center of the copper and brass industry. It also has important aluminum fabricating facilities. There are countless other industries which manufacture finished products from these basic materials. During the spring of 1952 I received numerous complaints from my constituents whose jobs were sacrificed when the Defense Production Act was used to implement the State Department policy of allocating scarce materials by edict to all countries whether or not they were participating in the Korean conflict.

Early in March 1952 the minority leader, the distinguished gentleman from Massachusetts, JOSEPH W. MARTIN, asked me to serve as chairman of a committee to study the effects of the International Materials Conference on the electrical industry. As a result of my study, I introduced an amendment to the Defense Production Act to make it impossible for the State Department to use this legislation to destroy American industry and assist our foreign competitors. Many of the newer members are not familiar with the debate which took place on this floor on this amendment in June of 1952. Although it was sponsored by a member of the minority party and was strongly opposed by the State Department, it was adopted on a teller vote—169–102 with

strong bipartisan support. This experience opened my eyes as nothing else could to some of the problems which confront American industry from certain State Department policies.

We had become so dependent on foreign production for many basic raw materials that we were unable to meet increased mobilization requirements from domestic sources. Furthermore, while we were contributing the major effort both in money and in manpower to fight the Korean War, the State Department was more concerned with preserving civilian production in other countries which were competitive with our own products. Although the International Materials Conference was initially proposed as a means of furthering the war effort, strategic materials were actually taken from our military stockpile to assist in maintaining so-called entitlements for consumption to other countries.

The gentleman from North Carolina [Mr. DURHAM], an acknowledged authority on the strategic stockpile presented conclusive evidence that our security had been imperilled.

My study of the impact of IMC on the electrical industry focused my attention on the difficulties American business was experiencing in obtaining copper. However, I had occasion to see many instances where IMC activities adversely affected other lines of activity. For example, the production of stainless steel flatware contributes to employment in my State. During the Korean emergency no nickel whatsoever could be used for the production of stainless steel for fabrication into such articles. However, the International Materials Conference allocated nickel to other countries which were in a position to sell their products in the American market during a period when American production of these articles was virtually impossible, and they, of course, were able to displace American products in foreign markets.

Private American capital expanded American production to provide adequate raw materials to prevent a repetition of the difficulties experienced during the Korean mobilization. Aluminum for aircraft production is a material of great strategic importance. The Federal Government encouraged the expansion of domestic capacity through agreements with producers whereby aluminum would be purchased by the Federal Government when it could not be absorbed by the domestic market for a period of years.

Since 1956 the United States has had sufficient producing and fabricating capacity to supply all domestic aluminum requirements. With low and continuously declining tariffs, however, and despite poorer market conditions in the United States during 1957, aluminum imports not only continued to come in but actually increased. As a result, since December 1956, domestic producers have been compelled to exercise their "put" rights under the Korean mobilization expansion contracts. As a partial offset to the 222,000 tons of primary imports during 1957, the Government consequently purchased that year 208,000 tons of domestic production under these "put" provisions. Since domestic capacity continues to be substantially in excess of market needs, every ton of imports adds to the necessity of exercising these "put" rights which amount to 345,000 tons in 1958 and 197,000 tons in 1959.

Mr. Chairman, I need not remind the committee that these payments to the domestic producers are an added burden on all American taxpayers.

The Secretary of Commerce in an address delivered in Cleveland on May 16 said:

> I warn that the American people are sitting on a trade-aid time bomb, planted by the Kremlin, which—unless handled promptly and effectively—could result in severe injury to the United States and the Free World.
>
> If we fail to sense the hazard, we are most certainly living in a fool's paradise.
>
> I refer to the Soviet economic drive. This drive is so new and so cleverly planned that few Americans are yet aware of its full significance and its deadly peril.
>
> Yet—and I choose my words carefully—it is more dangerous to this audience of young people and businessmen and to all other Americans than the atomic missile threat.

Mr. Chairman, this statement is all too true, but lowering our tariff barriers does not provide an adequate solution to the problem.

During recent months, the pressure of Canadian and European aluminum on United States markets has become particularly serious as a direct result of Soviet economic warfare tactics in Europe. Until 1955 the Soviet Union was a net importer of primary aluminum. During that year it began to export aluminum to the Free World, and because of shortage conditions charged whatever the tariff would bear, much more than the domestic producers' prices. During 1956 and 1957 Russia increased its Free World exports, especially to Britain, West Germany and Belgium.

The volume of Russia's net exports—13,000 tons in 1955, 26,400 tons in 1956, and 34,800 tons in 1957—is not as significant as the marketing methods it used. Russia offered and sold its aluminum on a market-breaking basis, below regular prices, regardless of how low they might go and regardless of Russia's own costs. To break the Free World price, Russia focused its sales efforts principally on the British market, a major link in Aluminum, Ltd.'s worldwide market network. This producer has in the past accounted for about 70 percent of the primary aluminum moving in Free World markets. By weakening the British price, Russia could thus use Aluminum, Ltd.'s worldwide marketing system to weaken all Free World aluminum markets, including that of the United States.

These Russian tactics so disrupted the British market that Aluminum, Ltd., formally requested antidumping action by the Government; but there has been no response to this request thus far. As of April 1, 1958, Aluminum, Ltd., matched the Soviet price in Britain by cutting its world price, including the United States, 2 cents a pound. Russia is now again cutting below this new low price in accord with its market-breaking policy.

The net effect has been a reduced price without any increased sales in all Free World markets, including the United States. The Canadian, French, and Norwegian aluminum displaced in European markets by Soviet aluminum is now being offered in United States markets at depressed prices, further weakening the market here.

The damaging effect of these developments is strikingly evident, being timed by the Soviet to add impact to the recession. The combined effect of these domestic and foreign developments has been to compel domestic aluminum producers to exercise all of their put rights at considerable expense to the Government and also to shut down almost a third of their productive capacity as well as a substantial part of their fabricating capacity.

The State of Connecticut has felt the impact of these shutdowns. Neither the committee bill nor the antidumping laws offer adequate protection against the added burden being saddled on the domestic aluminum industry by the Soviet Union. Because we have pioneered and advanced the use of aluminum more than any other nation has, foreign producers and fabricators turn first to our market when they have difficulties in their regular market.

If the time were available, I could present data to show that this same pattern has taken place with copper, lead, zinc, tungsten, mercury, and countless other materials upon which our industrial economy depends.

Mr. Chairman, the House has repeatedly authorized special investigations of the shortages of newsprint, nickel, and other materials. In each case, we find that we are almost completely dependent upon foreign sources for these commodities. We were not confronted with newsprint shortages prior to the time that we reduced the tariff on this commodity almost to the vanishing point. Before reducing tariffs any further, we must make sure that we protect every industry which may contribute to the mobilization base and the strength and well-being of the entire Free World.

My investigation of the International Materials Conference clearly showed that State Department career personnel who had been in the Department for many, many years are more concerned with the needs of other countries than with the maintenance of American industry.

Last fall, it was clearly evident that the Congress would not continue any tariff program under the direction and administration of the State Department. The producers and workers of America are no longer willing to have their destinies entrusted to an arm of the Government, whose primary concern is with the economic health and well-being of other countries. It has no domestic constituency. Accordingly, the supporters of the program transferred the responsibility for its administration, at least on paper, to the Department of Commerce.

A Cabinet-level Trade Policy Committee chaired by the Secretary of Commerce, was established in November 1957. Ostensibly, this Committee will advise the President on the administration of the Trade Agreements Act.

When Secretary Weeks, whom I admire greatly, testified before the Committee on Ways and Means on Monday, February 17, he said:

Recently the President strengthened Commerce's role in trade-agreement matters and in foreign economic questions generally by creating a Cabinet-Level Trade Policy Committee, chaired by the Secretary of Commerce.

This Committee, already in operation, directly advises the President in the administration of the trade-agreements program. The recommendations made to the President by this Committee, under Commerce leadership, will include action in escape-clause cases. It will guide the direction of GATT negotiations and it will be consulted on the proposed composition and membership of the delegation to the GATT. The Committee will review and advise the President upon all recommendations of the interdepartmental Trade Agreements Committee, and will be consulted in all other situations that influence this country's posture in world trade. Creation of the Trade Policy Committee reflects the fact that our domestic economic situation is receiving due weight when decisions of international questions are taken.

The very fact that the Secretary of Commerce has been asked by the President to present to the Congress the administration's trade proposals reveals the increasing responsibilities in this field of the Department with wide experience and understanding of the problems of private industry. (Renewal of Trade Agreements Act, hearings before the House Ways and Means Committee, 85th Cong., pt. I, pp. 14–15.)

Mr. Chairman, I only wish that this statement by the Secretary of Commerce represented the whole story. Unfortunately it does not. The State Department will still call the tune on all negotiations involving trade agreements when our representatives go abroad.

The President's announcement of the new Cabinet Committee was made during the 12th session of the GATT held at Geneva, Switzerland, on October 17 to November 30, 1957. The President's second annual report to the Congress on the trade agreements program includes a list of the Members of the United States delegation. It is significant that the chairman and the two vice chairmen of the delegation as well as the permanent representative were all officials of the State Department. The delegation included two Members of the House, one from each side of the aisle; three nongovernmental advisers, one representing labor organizations, one agriculture, and one industry. There were 23 other members of the delegation—all Government employees—who served as advisers. Of these 23, 16 were officials of the State Department. Administrations come and go, but the faceless bureaucrats remain.

The veil of secrecy was lifted during the hearings by the special Subcommittee on Minerals, Materials, and Fuels Economics of the Senate Committee on Interior and Insular Affairs during the 83d Congress. The distinguished chairman of the subcommittee, the senior Senator from Nevada, Senator MALONE, address the following request to the then Assistant Secretary of State for Economic Affairs, Mr. Samuel C. Waugh:

Senator MALONE. Now, we have pointed out that the proposals for world trade prepared by the United States State Department in 1945 was the source for the creation of three organizations: First, the General Agreement on Trade and Tariffs; second, the Interim Coordinating Committee for International Commodity Arrangements; and third, the United Nations Ad Hoc Committee on Restrictive Business Practices.

I therefore request that you have a thorough study made of the basic memorandum and the drafts of these proposals to establish all of the persons who helped prepare these proposals, and that you furnish for insertion at this point in the record a complete list of those who helped to draft these proposals. Is that a reasonable request, Mr. Secretary?

Mr. WAUGH. We will try to comply with it, sir. (Stockpile and Accessibility of Strategic and Critical Materials to the United States in Time of War, Hearings before the Special Subcommittee on Minerals, Materials, and Fuels Economics of the Senate Committee on Interior and Insular Affairs, 83d Cong., pt. 5, p. 35.)

In due course a statement was prepared by the Department and filed with the subcommittee. It appears on pages 37 through 45 of part 5 of the subcommittee hearings. It includes a list of the individuals who had participated in the negotiations for the establishment of the discredited International Trade Organization as well as the General Agreement on Tariffs and Trade.

Mr. Chairman, let me remind the members of the committee that the Foreign Affairs Committee held extensive hearings on the Habana Charter for an International Trade Organization at the request of former President Truman in 1950. The committee refused to take any action to permit United States participation in the ITO. Although GATT was established without Congressional sanction, it is still functioning.

The bill before us once again includes the familiar caveat in section 10 which provides "that the enactment of this bill shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade. Mr. Chairman, how many years must elapse before we stop this farce? Why do we not face up to our responsibility and examine the GATT? If it is found wanting, and I have no doubt that it will be, then we have a sworn duty to disapprove it.

Mr. Chairman, I have carefully studied these Senate hearings which review the State Department's activities during the period from the end of World War II through 1953. This background clearly shows that the same individuals are attempting to continue a program which the Congress refused to accept.

While hostilities were still in progress, a group within the State Department prepared a document entitled "Proposals for Expansion of World Trade and Employment." It was addressed to The Peoples of the World. A suggested Charter for the International Trade Organization was drafted by the State Department to implement these proposals. This draft was considered by a Preparatory Committee which met in London in October 1946.

Following the conference in London, a further meeting was held in New York during January and February, 1947, to develop a revised draft of the charter. A further meeting of the Preparatory Committee took place in Geneva, Switzerland, in April, 1947, and it was at this meeting that the General Agreement on Tariffs and Trade was formally established.

Mr. Chairman, the Habana Charter which was rejected by the Congress of the United States included chapter IV, which is the basis for the General Agreement on Tariffs and Trade. While we have never approved United States participation in the International Trade Organization, we continue to proceed as though the charter had been approved.

Mr. Chairman, it is utterly inconceivable that the State Department bureaucrats in their policymaking positions in this Republican administration can now repudiate all of the work in which they played so prominent a part.

The Congress refused to endorse the proposal for an International Trade Organization. Even though a special Cabinet Committee, chaired by the Secretary of Commerce, has been established, it is my firm belief that if we approve this legislation the State Department will continue to dictate the tariff policies of the United States as it has for so many years. I believe it is essential that the Congress maintain close supervision over any program which past experience shows will fall into the hands of one who is dedicated to a completely free-trade philosophy without any regard to the needs of the American economy.

The substitute amendment, which provides for a 2-year extension of the President's powers, will enable the Congress to maintain a continuous review of the administration of this program. The committee bill would make it impossible for us to take any effective action without mustering a two-thirds majority in both Houses to curb these gentlemen. This is why they are so anxious to be given a free hand to operate without effective Congressional control. In turn, it explains my support of the Simpson substitute amendment, which I hope will have the approval of a majority of my colleagues.

Yes, Mr. Chairman, the gentlemen who have administered the laws we enacted during the years of the New Deal are still calling the tune either in the State Department or in the GATT at Geneva. Because of my experience in studying the IMC, I am unwilling to tie the hands not only of this Congress but of succeeding Congresses. These gentlemen should not be allowed to make policies without assuming any responsibility to the American people for their actions.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman, I arise in opposition to H. R. 12591 and in support of the Simpson amendment.

Mr. Chairman, I further address myself to the subject of the Trade Agreements Act because so many people in the Naugatuck Valley of Connecticut are vitally concerned. Concerned justifiably because their jobs are involved. It has been tragically demonstrated that con-

tinuous and unrestricted imports of a specific commodity will eventually liquidate the American industry manufacturing that product.

A prime example, and one of the most typical, is the clock and watch industry. Under the meaningless Trade Agreements Acts we have had in the past, this industry has been subjected to a constantly increasing flood of imports—imports against which it has no defense.

Americans are noted for their sense of fair play; I think that if every American was aware of the impossible odds faced by these manufacturers and employees, there would be no question in their mind that the domestic industry should receive sufficient protection to at least make it a fair battle.

This protection is necessary, because Germany, the source of approximately 90 percent of all clocks imported into this country, pays an average wage of only 45 cents per hour in that industry. Compare this to the more than $2 per hour paid in the Connecticut clock industry and it is obvious that we must have legislation that will help equalize this situation.

The picture is similar with regard to watches. Switzerland, source of about 95 percent of all watch imports into this country, pays 77 cents per hour in that industry. This is less than one-third of the prevailing wage rate paid in the Connecticut watch industry. These very basic economic facts are the reason so many Connecticut jobs have been sacrificed.

Because of these low-wage, no overtime-pay, government-subsidized foreign clock and watch industries—the American timepiece industry is unable to compete. The cost? Forty percent of the total jobs in the American clock and watch industry. Yes, since 1948, there are now 40 percent fewer production employees in American timepiece manufacturing plants.

And this is why, Mr. Chairman, American workers and American manufactures are anxious—most anxious—that a fair and equitable Trade Agreement Act be enacted.

Mr. MILLS. Mr. Chairman, I yield 7 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Chairman, I rise in support of the substitute bill, H. R. 12676. If the substitute does not prevail, I shall vote to recommit the committee bill, that is, H. R. 12591.

The need for the substitute bill arises from the very aspects of the trade program as it has been administered.

For one thing, to begin at the top, three successive Presidents have given solemn assurances tht no domestic industry would be jeopardized or seriously hurt by the trade-agreements program. Mr. Roosevelt said it, Mr. Truman said it, and Mr. Eisenhower has repeated the assurance more than once.

Moving to a little lower level, the State Department itself has said time and again that if mistakes were made in reducing our tariffs any injured industry would have a remedy in the form of the escape clause. Numerous private supporters of the trade program have also said and are still saying the same thing. One of the things that I have not liked about the trade program is this very inconsistency reflected by the great discrepancy that gapes between the repeated assurances and actual fact. While the President was saying one thing, the State Department was doing something quite different in administering the escape clause. This situation will not be corrected by the committee bill. The substitute, on the other hand, goes to the very heart of the matter. In fact, the effort to deal with this unsavory situation explains most of the Simpson-Davis bill.

Now let us look at the record for a minute. The Tariff Commission itself has given a thorough screening of the cases brought before it by the different industries. It has failed to find the degree of injury regarded as calling for a remedy in over half of the cases filed before it. Obviously, no trivial case has a chance before the Commission.

However, of some 60 cases, the Commission has sent 28 to the President. The President since 1950 has accepted only 10 of these cases. Among those he has failed to put into effect have been seven unanimous recommendations of the Tariff Commission.

This record belies the assurances given by the three Presidents and by the State Department and others. Industry does not in fact have a remedy as intended by Congress and as the executive assurances would have us believe.

But, Mr. Chairman, this wide divergence between assurances and performance has had a disastrous effect.

I say this because on no less than four occasions the Congress has undertaken to make its will known. It adopted the peril point amendment in 1948. In 1951 it adopted the escape clause. In 1953 it tightened the escape clause. In 1955 it again tightened that clause and in addition adopted the national security amendment.

It has for several years now been borne in upon us unmistakably that so long as the power to override the Tariff Commission remains in the hands of the President; so long as this power is only loosely restrained by some minor restriction, just so long will the President as advised by the State Department continue to ignore the Tariff Commission. Considering that the Commission is an arm of the Congress, this means a continuing disregard of Congress.

Here is the very heart of the issue before the House today; and it is the difference between the committee bill and the substitute bill on this point that is of crucial importance.

The committee bill, as distinguished from the substitute, presumes through what must be considered a mock concession to bring Congress into the picture. I am afraid the proposal is really nothing more substantial than a thin and transparent smokescreen. It provides that any proposed rejection of a Tariff Commission recommendation by the President will stand unless it is overridden by a two-thirds vote of both Houses of Congress.

This would place an impossible burden on any industry, especially upon any small industry, that had succeeded in obtaining a favorable decision from the Tariff Commission. The likelihood of obtaining a two-thirds override of the President from both Houses of Congress is not only an impossible burden but is not even justified.

A Tariff Commission recommendation is not an act of Congress. Why then try to put it on a par with such an act? A Tariff Commission recommendation is no more than an effort to carry out an administrative step on behalf of Congress by an agency created by Congress. The President's power to reject such a decision should never in the first place have been given the finality that it has today. That at least is now clear. Had the President shown himself more reasonable and had he paid more heed to the will of Congress as expressed in amendments adopted by Congress in past years the proposal in the substitute bill might not now be necessary.

Now, having lost point by point the previous claims of what the trade agreements program would be, such as pulling us out of the depression of 25 years ago, assuring peace of the world and what not, the supporters of the program have to thank Mr. Khrushchev for his challenge to us in foreign trade and the proposed European common market for giving them a new and different talking point.

In point of fact no one knows what the Russian challenge amounts to; but one thing is sure. The Trade Agreements Program will not help us to meet that challenge. It will in fact tie our hands precisely when we need to act quickly in order to hold foreign markets. We will have to be ready to go into State trading and disregard our commitments under the General Agreement on Tariffs and Trade.

I say extend the act at most for 2 years at this time. This will not tie our hands too tightly. Perhaps a 1-year extension would be better or no extension at all. In any case, the substitute bill would not raise any tariffs. It would not abrogate any trade agreement now in effect. It would, however, slow down the further reduction of tariffs and introduce the degree of care that should have been exercised before now in cutting down our tariffs. It would bring back to Congress the degree of surveillance of the program that has been lacking.

THE BROAD IMPLICATIONS IN FOREIGN ECONOMIC POLICY

Mr. Chairman, I urge the Members of this body to pause a moment and ask themselves this question:

Has our preoccupation with the mechanics of foreign trade legislation, and our rapt attention to the technical details of peril points, the escape clause, and other specifics—important as they are—clouded a view of the broader implications of this debate?

Frankly, I suggest that, in our zealous concentration on each individual tree, so to speak, we may lose sight of the forest.

It is true, of course, that each and every detail merits our meticulous attention. First, however, it is imperative that we establish a framework of reference, growing out of our patient and objective analysis of historical experience and of present and foreseeable conditions both at home and throughout the world.

If we expect the legislation that is ultimately enacted to be honestly realistic, and a testimony to the virtues of our domestic processes, we cannot avoid coming to grips with the large considerations of a world in constant economic and political ferment.

Not that the powerful forces now at work around the globe fall within our control. Far from it. The flow of human events, the emergence of significant trends, the upheavals within traditional patterns of behavior, envelope all of us, like it or not, recognize it or not. We cannot dominate these forces—but neither must we surrender to them nor turn our backs to them.

Neither the Congress nor the executive branch nor anyone else can presume to foretell coming events with surety, nor even to interpret present conditions with unchallenged exactitude. History teaches us, if nothing else, that while man cannot master his environment, he may at least adapt effectively to it and draw the advantages of prudent decisions built upon commonsense assumptions.

This is precisely the position in which we find ourselves today—groping through a smokescreen of contemporary crises to catch some glimpse of tomorrow's problems, reaching out by persistent observation and appraisal for a measure of understanding and insight.

We recognize, for example, that international commerce and, in fact, the sum total of relationships between nations are shaped and reshaped by the ideological tug-of-war between free and totalitarian societies. No other single development has exerted a more profound influence upon our times. No higher stakes could rest upon the ulitimate outcome.

What have we learned through nearly two decades of continuous conflict, of alternating hot wars and cold wars? Perhaps the most significant single lesson is that our highest ideals of human liberty and opportunity have never confronted a more implacable and dangerous foe. Communism is inflexibly dedicated to the ruthless extermination of every principle held dearest by free men everywhere.

This is blunt, harsh, cold reality. It is reality painful to perceive and ponder. Perhaps this explains why so many individuals, and even nations, have thus far failed to grasp the fact that their very existence depends upon their unbending determination to meet force with force, and power with power.

It is deplorable, but true, that our costly global efforts to check the spread of a dreaded ideological pestilence must yet overcome the inertia, indifference and, at times, hostility of the very peoples whose well-being and freedom we are attempting to safeguard.

The Communists, never hesitant when an opportunity presents itself, have seized on the Free World's uncertainty to embark upon a global campaign of economic subversion. Their obvious objective: to slice away, one by one, our friends and allies, until our policy of containment is rendered ineffectual.

At this very moment, with the Kremlin's latest vehicle gathering momentum, the representatives of COCOM—the 15-nation committee which administers the Free World's trade embargo on Communist countries—are reviewing these strategic restrictions with a view toward a further relaxation.

This same topic, we are advised, is likely to be placed on the agenda for discussion by the President and the British Prime Minister this week. It is no secret that many British businessmen are anxious to seek new trade outlets behind the Iron Curtain. Their sentiments are shared by commercial interests elsewhere in the Free World, including France and Japan.

Only a few days ago, the Chancellor of Austria described us as narrow-minded for restricting trade with the Communists. Now Khrushchev himself, in a typically flamboyant propaganda gesture, lets the world believe that he is ready and willing to promote commercial relations between the United States and the Soviet Union—especially if we give him long-term credits.

Hence, our position is uncomfortable, to say the least. On the one hand, the administration vigorously espouses freer trade and continued overgenerous foreign aid. These steps, we are told, will help our own nation and our friends abroad, and in the process enhance our popularity and prestige.

On the other hand, we are learning the hard way that giving, once begun, must be carried ever onward and upward or its value recedes. It is not a matter of our friends asking us, "What have you done for us?" but "What have you done for us lately, and how much more are you going to do?"

So it is disheartening but not surprising to find the Austrian Government, to which we have extended over $1 billion in outright grants since World War II, fuming and fretting and chastising us because it feels that our narrow-minded policy has prevented it from selling a steel mill to the Soviet satellite, Czechoslovakia.

This lesson—that our idealism is not generally shared even by those we call friend and whom we have most helped—is nearly as difficult and painful to digest as the lesson of communism's dedication to our own destruction.

I submit, Mr. Chairman, that the legislation reported by the Committee on Ways and Means, H. R. 12591, fails to furnish the single most essential element still missing from our foreign policy—inspired and inspiring leadership.

By this I mean the kind of dynamic, imaginative leadership which will restore muscle and backbone to the wavering posture of the Free World; which will attract the uncommitted nations to the cause of liberty—and which will bear down hard on the few greedy governments that line their pockets with American dollars while lining their council chambers with fellow travelers and Communist sympathizers.

The alternative to H. R. 12591, of course, is H. R. 12676. Mr. Chairman, H. R. 12676 does not purport to solve the long-range foreign economic problems of the United States. Its sponsors do not claim it would. I think they will agree that H. R. 12676 constitutes, instead, a stopgap measure to extend the trade agreements program for 2 years, while our Nation carefully appraises developments in a world of turmoil and unrest.

There is absolutely no precedent or justification for a 5-year extension. Furthermore, what appears to be a 5-year proposal could actually stretch across 10 years if the administration decided to restrain its bargaining authority until just prior to the expiration date in 1963.

By this device, the administration—headed by a President whose identity is yet unknown—could order yearly tariff reductions from 1963 until 1968, or 5 years after the enabling statute itself had expired.

This is exactly the kind or rigid, dogmatic policy we must avoid at all costs. There are no occult qualities of prescience in the executive branch, no more than there is in the Congress. There is no way of knowing what new problems will confront our Nation, or our highly competitive industries—such as tung oil, hardboard, and fishing—5 years from now or 10 years from now.

The administration's proposals, in my way of thinking, reflect unsound policy. Enactment of such legislation would rank on a par with the foolhardy course we have followed since World War II. In the postwar years we have distributed upward of $60 billion in foreign aid.

At present we are spending $6 billion a year through Mutual Security, the Export-Import Bank, the Development Loan Fund, surplus crop disposal, and other handout activities.

I ask, have we purchased respect? Have we bought popularity? Or loyalty? Or prestige? At least in 1945 we were acknowledged saviors of freedom, having rescued a large part of the world from the clutches of tyranny. But that hard-won glitter has long since worn off. The question asked of us today is, to repeat: "What have you done for us lately?"

The answer, I need not point out to you, is "Plenty!" We have done, are still doing, and will continue to do a great deal for other countries. That seems to be a foregone conclusion. The outstanding problem before this Congress is not how much we are doing, but how effectively it is being done and how well it will serve the security interests of the Free World if a nuclear showdown develops.

Just as I have doubted through the years that our foreign aid would return commensurate dividends, so do I seriously doubt that continuation of free-wheeling foreign trade practices is helping to build up our own economy or the economies of our trading partners abroad.

For 24 years we have persistently sought to encourage the flow of international trade by, as the saying goes, setting a good example. We have reduced our tariff by two-thirds, we have sparked the organization of the international General Agreement on Tariffs and Trade—and all the while we have urged others to play the game under the same set of rules.

At this late stage, it has become evident to many of us that we have been trying to light a candle in a windstorm. Once more, the lesson is a painful one, and slow to be learned.

For, in spite of our ambitious efforts and noble intentions, we have witnessed the simultaneous rebirth of mercantilism on a worldwide scale. Spurred on by the rise of nationalism in new and old nations alike, 20th century mercantilism has emerged in the shape of formidable, sometimes ingenious, trade restricting mechanisms. Almost every conceivable form of direct and indirect regulation has become imbedded in the present structure of international commerce.

I suggest, however, that these obstacles to trade lack singular importance of their own. They are simply the visible symptoms of a commercial malady afflicting nations around the globe—a malady not only high in incidence but amazingly resistant to remedies once the body politic is infected.

Nothing that we have attempted or accomplished through our own trade agreements program, or through the supranational auspices of the General Agreements on Tariffs and Trade, has halted the epidemic. Nor is there any indication that such measures will be any more effective in the future.

This is a rational conclusion, solidly anchored to the facts of record. It is only upon such facts, such realities, that we should strive to rebuild our international relationships, political as well as commercial.

Equally well rooted are the facts behind this conclusion:

It would be folly to adopt a doctrinaire approach to impending problems associated with the European common market, when it remains doubtful that the common market will mature in the way its sponsors first foresaw.

Many issues must be resolved before the common market can ever become operational. Not the least of these issues has risen out of the current crisis in France. Is there any individual in the Federal Government who can, or even claim to, foretell with accuracy what position the De Gaulle regime will assume toward the common market? I am confident there is not.

France has already hinted that she may not be able to honor her commitments to the common market, at least not immediately. There is, in fact, considerable speculation that the French will be forced to curtail their imports for an indefinite period, in order to conserve their financial resources to meet domestic emergencies.

Let me quote a press dispatch from Paris, dated June 1:

> Uncertainty over the future of France has cast a darkening cloud across the bright new plans for European economic unification in which she is scheduled to play a major part.
>
> But it appears doubtful whether France will be in any condition to carry out her commitments as scheduled. Whether this will cause a delay in implementation of the agreement generally, or whether the other community members would proceed without France is highly uncertain.
>
> The unpredictability of what is likely to happen in France is such that abrogation of the agreement under a radically changed regime cannot be ruled out.

Meanwhile, Great Britain is once more generating discussion of a free-trade area far more extensive than the six-nation common market. The British are restive in the hiatus forced upon Western Europe negotiators by the French upheaval. Even before France's political difficulties erupted, she and the British were unable to see eye to eye on the proposed free-trade area.

I could continue speculating for hours about the course of French politics, about the common market and free-trade area, and about the prospects for eventual European federation, based upon the outcome of economic integration. The point is, it would be speculation, nothing more. I would not be so presumptuous as to ask this body to enact far-reaching legislation based upon my speculations.

Yet, is that not exactly what the administration has done in urging approval of H. R. 12591?

I hold other serious doubts about the administration's proposals. It appears to me that the alternate bill, H. R. 12676, is far more realistic legislation, and potentially far more responsive to the shifting currents of world commerce today and in the years ahead.

Perhaps more significant, H. R. 12676 reflects awareness of new thresholds to be crossed in our own national economic progress. For the tempo of the technological revolution so recently launched is certain to quicken. As the miracles of the laboratory multiply, new products will evolve and new industries develop.

Stimulating the technological revolution, both here and abroad, will be the rapid growth of the world's population. Our own Nation is growing at the rate of some 3 million citizens annually. By 1975, a brief generation from now, our population will have expanded to more than 225 million, if the present rate of increase continues.

Birth rates elsewhere in the world parallel, and sometimes surpass, our own. The population boom in underdeveloped countries promises explosive political and economic problems in the years just ahead. Many of these nations are already preparing to meet the crisis by redoubling their efforts to industrialize; for they realize that in no other way will they be able to feed and clothe and shelter and provide employment for millions of new inhabitants.

In this emergency, these nations need assistance. They have come to us for this assistance. We have responded, after a fashion. A recent study by a private research foundation discloses that in 11 years, from 1945 to 1956, less than a fifth of our total foreign aid outlay was channeled to underdeveloped nations, and a third of that went for relief work.

Mr. Chairman, it goes without saying that I cannot exactly qualify as an advocate of foreign aid. But I say this: If we are going to do it, let us do it right. Let us do it effectively. Let us send our tax dollars, if we must send them anywhere, to the people who need them most.

In this same vein, I suggest that we reappraise our trade agreements program to determine just who is collecting the lion's share of benefits. By and large, it is not the underdeveloped nations, whose primary exports are usually raw materials which we import duty-free or under nominal tariffs.

The climbing share of manufactured products bears eloquent witness to the impact of the trade agreements program. Consider these statistics:

In 1953 our imports of crude materials were valued at $2.6 billion; by 1957 these imports had risen to almost $3.2 billion, a gain of less than 25 percent. On the other hand, our imports of finished manufactures rose a staggering 60 percent, from $2.2 billion to more than $3.5 billion.

Clearly, the biggest beneficiaries of our open-handed trade policy are other industrialized nations. The anomaly in this situation shows a double edge. First, our own import-vulnerable industries are buffeted by intensified foreign competition; second, even our exporting industries must cope with increased competition in third markets.

Mr. Chairman, if our long-range objective is to gradually but relentlessly replace our import-vulnerable industries with other industries holding a monopolistic competitive advantage, then I can think of no better way to accomplish it than to continue our present course and extend the trade agreements program. And why limit it to 5 years? Why not 25 years? Or 50 years? That should be more than enough time to see us through the total transition.

But if we come to our senses, and realize in time that many industries now distressed by imports are indispensable to our economy and to our national security, then we will discard the controversial legislation to which we have clung so stubbornly for 24 years and replace it with equitable legislation balancing the well-being of our own industries and jobholders with the interests of our trading partners.

I cannot emphasize too strongly, Mr. Chairman, that I consider the Congress responsible for making this important decision. Not the President; not the State Department; not the giant corporations with subsidiaries scattered throughout the world; and not the industries which seek safeguards against more import damage, either. Congress, and Congress alone, bears the responsibility.

Time and time again it has been called to the attention of the Congress that article I, section 8, of the Constitution of the United States set forth in unequivocal terms that:

> The Congress shall have power to lay and collect taxes, duties, imports, and excises—

And furthermore—

to regulate commerce with foreign nations.

This, in my way of thinking, is clear-cut language. I discern no area of possible doubt or misinterpretation. The language authored by our illustrious forefathers, the patriots who fought and bled and died for a new nation and a new way of life, constitute a mandate to each succeeding Congress, and the 85th is no exception.

No, our responsibility is undeniable. No amount of wishful thinking and fence-straddling polemics will permit us, in sound conscience, to avoid this constitutional injunction.

In this context, I urge all Members to join in ridding this body of the shackles of unsound and unjustified legislation, in restoring to the Congress its rightful and ordained responsibility and prerogatives, and in offering the American people and the friends of America a judicious law manifesting our fidelity to cherished principles of economic progress.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mrs. CHURCH. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-two Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 92]

Ashmore	Fisher	Morris
Auchincloss	Garmatz	Morrison
Baker	Granahan	Philbin
Barden	Gregory	Powell
Barrett	Griffiths	Radwan
Blatnik	Gwinn	Riley
Blitch	Hale	Rivers
Breeding	Healey	Robeson, Va.
Buckley	Jenkins	Sadlak
Burdick	Kearney	Shelley
Celler	Kilburn	Shuford
Christopher	Kluczynski	Sieminski
Clark	Knutson	Smith, Miss.
Coudert	Lafore	Spence
Denton	Lankford	Steed
Dies	LeCompte	Taylor
Diggs	Loser	Thompson, La.
Dorn, N. Y.	Machrowicz	Willis
Engle	Magnuson	Zelenko
Farbstein	Marshall	

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H. R. 12591, and finding itself without a quorum, he had directed the roll to be called, when 362 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. KNOX].

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to our distinguished Speaker.

Mr. RAYBURN. I desire to announce, after consultation with the leaders on both sides, it has been decided that the House will meet at 10 o'clock tomorrow.

Mr. KNOX. Mr. Chairman, I share with the vast majority of the American people a sincere and abiding admiration of the President of the United States, Dwight D. Eisenhower. His responsible leadership has enhanced the dignity and prestige of the Nation's highest office.

It would constitute a serious breach of policy and error of judgment if the Congress were to deny to the President the authority to negotiate any trade agreements. This authority should, however, be extended to coincide approximately with the remainder of the President's term in office.

That is why I urge prompt enactment of the substitute, H. R. 12676, introduced by our colleague from Pennsylvania [Mr. SIMPSON]. This measure grants the President reasonable authority to enter into trade agreements. At the same time, this legislation corrects certain basic administrative defects produced over the years by State Department's domination of our foreign trade policy.

My recommendations are predicted upon a series of compelling considerations.

First, no Congress should consider itself justified to bind several future Congresses to controversial statutes. As originally proposed, this 11th extension of the Trade Agreements Act of 1934 would not expire until 1963, in the 1st session of the 88th Congress.

There is absolutely no precedent for such a step. In 10 extensions covering 21 years, the act has never been renewed for more than 3 years, and 5 of the last 6 extensions have covered 1 or 2 years, indicating not only awareness of the controversial nature of the act itself but of the fast-changing conditions of world commerce.

Mr. Chairman, I make no secret of my vast confidence in the incumbent President. I cannot, in good conscience, express such confidence in a future President whose identity is unknown. Yet we are asked to grant this unknown individual far-reaching powers in areas of vital concern to countless American industries and jobholders.

Congress, in exercising its constitutional responsibility to regulate the Nation's foreign commerce, should guarantee the opportunity for further critical review of our foreign-trade law when the leadership of the executive branch passes into other hands.

Neither this Congress, nor any Congress, nor anyone else, can presume to foretell the prevailing attitudes and policies of a future, still unidentified administration.

This point, in fact, seems so indisputable that we must look elsewhere for the reasons behind the proposed 5-year extension. In this connection we frequently hear mentioned the European economic community, or common market.

But here, again, the emphasis in our policy should be directed toward flexibility. Recent events in Europe have underscored the fluctuating nature of conditions there. France already has served notice that it may not be able to meet its commitments to the common market.

Furthermore, how does our insistence on German reunification correlate with the State Department's support of a rigid, 5-year policy geared to the formation and workability of the common market? It seems clear that if Germany is reunified, the common-market mechanism probably would require wholesale revision.

Still in a state of flux are negotiations for a European free-trade area, tentatively embracing the 17 members of the Organization for European Economic Cooperation. The boundaries of the free-trade area, if it develops, would overlap the common market. So here is another potential problem to be considered.

Great Britain will almost surely hold national elections by 1960. The results are unknown today. West Germany, too, faces a national election in 1960. Again, there may be a change in national leadership.

As we draw these international considerations into focus, it becomes evident that the world of 1963 will be far different from the world of 1958 or even the world of 1960.

What is more, our own ability to predict accurately the trend of national and international conditions in years to come remains in serious doubt. For example, the State Department actively promotes a 5-year extension of the Trade Agreements Act. But the State Department, if we can accept the findings of C. L. Sulzberger, distinguished international analyst for the New York Times, has missed the boat more than once on shorter range developments, including the ascension of General de Gaulle.

Mr. Sulzberger, in a dispatch from Paris on June 2, tells how only the Soviet, Polish, Italian, and Turkish ambassadors correctly called the turn on General de Gaulle's return to power. Until the beginning of May 1958, American diplomats, to quote Mr. Sulzberger, "were selling de Gaulle short."

To make matters worse, this wayward guesswork followed on the heels of a similar error by the State Department, which had assumed up to the final minutes that the European Defense Community would be ratified by the French Assembly. Instead, the French Assembly killed EDC.

So, as Mr. Sulzberger points out, the State Department guessed wrong on the two most significant occurrences in France since World War II.

It is no less than pertinent to point out that the State Department, in advocating 5 more years for the Trade Agreements Act of 1934, is guessing again. Rightly or wrongly, no one can say at this moment.

However, it would seem to be a gamble of dangerous dimensions to commit ourselves to a rigid course of action for 5 years. In my opinion, a 2-year extension would better serve our interests by providing a later reassessment of conditions here and abroad in the light of changes that are certain to take place.

There will be many changes right here at home. Our population in 1960 probably will have reached 180 million.

New industries will have sprung up, keeping pace with technological innovations. Significantly, in that year the Nation will elect a new administration, as President Eisenhower will be unable to succeed himself.

There will be challenges in 1960, as well. Millions of new jobs will have to be found. First, however, our economy must recover from serious setbacks, gather fresh momentum, and tackle new problems as they arrive. And there will be no shortage of problems.

Mr. Chairman, H. R. 11676 offers the Nation a positive, forthright policy consistent with foreseeable conditions, while avoiding the dangers of long-term guesswork. As human beings, the policymakers in the State Department are fallible, just as Members of Congress are. We owe it to ourselves, and to the Nation, to avoid costly and embarrassing errors of judgment whenever possible.

Admittedly, foreign policy in all its aspects is a calculated risk. So opportunities to minimize the risk, at no danger to ourselves or our friends, should not be overlooked. H. R. 12676 represents such an opportunity and I urge its adoption.

Mr. Chairman, I should like to read into the RECORD a letter from the United Brotherhood of Carpenters and Joiners of America, AFL–CIO, Veneer Workers Local 3168, Escanaba, Mich. The letter follows:

DEAR SIR: I am writing this letter in behalf of the membership of Veneer Workers' Local 3168, but at the same time I feel that I could well be speaking for the entire laboring force of the veneer and plywood industry.

For a period of time now, perhaps 2 to 3 years, we the hourly workers have noticed a gradual decline in the number of our membership who are able to hold steady employment. This gradual decline in employment in the vener and plywood industry has now reached such proportions that it has become acute. The membership of our brotherhood in its search to secure employment for our fellow members have been constantly confronted with the same situation in our meetings with management. That situation being that the domestic manufacturer is fast becoming unable to compete on the open market with the cheap imports of foreign plywoods. A number of veneer and plywood plants in our area have closed completely and liquidated their holdings. The tragic result in these cases is self-evident. I believe that a great portion of these plants in the veneer and plywood industry are, for the most part, located in comparatively small communities and the impact of this drastic decline in employment is therefore felt a great deal more. Through our meetings with representatives of our brotherhood we find that layoffs in the industry have reached proportions of 50 percent and more, which have been traced directly to these cheap imports.

The membership of our brotherhood knowing that you are ever interested in the welfare of the voting public would greatly appreciate any consideration that you might have for our plight.

Fraternally yours,

JOSEPH WINTERS,
President, Veneer Workers' Local 3168.
ESCANABA, MICH.

I should like also to include a telegram from the chairman of the Gladstone, Mich., Board of Tax Review and one from the Escanaba, Mich., Chamber of Commerce. They follow:

Congressman VICTOR KNOX,
House Office Building,
Washington, D. C.:

Over 500 skilled veneer and plywood employees in this city rapidly approaching termination of unemployment benefits. Impossible to estimate how many woods workers and pieceworkers are also jobless all due to the flood of veneer imports at prices beneath domestic costs. We cannot tax our producers and collect ad valorum taxes when our key local industry is being sacrificed. We earnestly request that our economy be protected by imposition of requested quotas. We find ourselves unable to levy taxes on this industry on any equitable basis when continued unbridled imports are causing inventories to increase and entire operations to face obsolescence.

Respectfully,

B. H. SKELLENGER,
Chairman, Gladstone Board of Tax Review.

Hon. VICTOR KNOX,
House Office Building,
Washington, D. C.:

The increase of veneer imports at prices beneath domestic costs has resulted in over 250 skilled veneer and plywood employees in Delta County losing employment. Many woods workers and pieceworkers also affected by this unemployment. We urgently request our economy be protected by furnishing quotas asked. The increase in veneer imports is causing inventories to increase and the entire operation of our veneer industry to face a shutdown. This is in direct opposition to your efforts to stem the present trend toward unemployment throughout the country. Further we beg you to return control of tariff to Tariff Commission with any overruling at decision of Congress. Thank you for your cooperation.

ESCANABA CHAMBER OF COMMERCE.

These present clear evidence of injury to the great plywood industry of our Nation. These are additional compelling reasons that I support H. R. 12676 introduced by my colleague the gentleman from Pennsylvania [Mr. SIMPSON].

May I once again urge each Member of Congress to take a keen and lasting look at the injury to American industry through the heavy imports of Japanese plywood that is directly responsible for the gradual increase of unemployment in my district and throughout the United States where the plywood industry is located.

I once again urge prompt enactment of H. R. 12676 to bring relief to American industry.

Mr. REED. Mr. Chairman, I yield 7 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I have the highest regard and esteem for the gentleman from Pennsylvania [Mr. SIMPSON], who addressed you earlier this afternoon. He made a splendid argument in sustaining his side of the question now before us. I, therefore, deeply regret that what I am about to say is not entirely in conformity with his views. Our thinking, as a rule, has been very much alike on important legislative matters.

I am satisfied that the extension of the Reciprocal Trade Agreements Act is in the best interests of American agriculture. More and more people, including the thousands of farmers engaged in agriculture, are beginning to realize trade's increasing impact on our economy, its close relationship to the economic power of free nations, and its potential might in providing America with some of the national security strength necessary for survival in a Communist-threatened world.

Iowa is a typical agricultural State—in fact, Iowa is the leading agricultural State in the Nation today. Therefore, I shall take Iowa as an example to show how foreign trade contributes greatly to the welfare of the people in the agricultural areas of this country. Iowa people, like people in other agricultural areas, prosper if trade expands and are hurt if trade contracts. They participate in the benefits of United States exports to foreign countries. Incidentally, we have no unemployment problem in Iowa other than seasonal. Iowa is one of the bright spots in our economy today.

According to the Department of Agriculture, about 340,000 persons in the State of Iowa work on farms. Along with other United States farmers, they have a definite interest in our exports of some $4 billion worth of American farm products each year. Their proportionate share of these exports in the 1956–57 marketing year was some $184 million of which $70 million was attributable to livestock products and $63 million was attributable to soybeans.

Some 105,130 Iowa employees—about 64 percent of all persons engaged in manufacturing in the State and approximately 16 percent of all persons employed in the State—are in firms falling in four major manufacturing classifications: Food and kindred products, machinery—except electrical—printing and publishing, and electrical machinery. Iowa's proportionate share in United States exports of these four industry groups amounted to $103.8 million in 1956.

This is only part of the picture. Establishments in these industry groups sell directly in foreign trade. Their products are known and prized abroad so that the value to them of export markets is direct and great. Many others produce commodities which are on a national export basis and therefore they benefit indirectly from international trade.

In addition, there is the share in exports of factories not included in the four major manufacturing classifications having a $103.8 million share. They are manufacturers of transportation equipment, rubber tires, pens and mechanical pencils, fertilizers, pharmaceuticals, and other products, some of whom also have direct export interests.

About 425,000 persons in the State are in such industries as construction, public utilities, trade, banking, real estate, insurance, and public administration. Their participation in the benefits of exports derives mainly from the fact that among the patrons to whom they sell their products and services are the firms producing the movable goods that enter international trade. In addition, they derive an extra benefit to the extent that they handle international economic transactions which pass through the

district: Telephone traffic, transportation, financing, and the like.

The people of Iowa also benefit substantially from United States imports. Imported flavorings, extracts, and other food products, imported minerals and other raw materials, and imported commodities of a finished and semifinished nature, enable Iowa manufacturers to produce better products at a lower cost and Iowa residents to enjoy better living than might otherwise be obtained. The net effect of imports on the economy of Iowa is overwhelmingly favorable.

Were it not for exports, American agriculture literally would smother in its own production. Sixty million acres of cropland—1 out of every 5—produce for export. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices. Last year we exported agricultural commodities of the value of $4.7 billion, the highest record in our history.

In the 1956–57 marketing year, we exported nearly one-half of our tallow, one-fifth of our lard, more than one-third of our soybeans, about one-seventh of the feed grains sold by farmers, and large amounts of poultry and products and dairy products. Each of these is important to Iowa.

Lard and tallow, as byproducts of our expanding livestock economy, are expected to continue in heavy surplus in the domestic market. Our efficient and expanding soybean production is heavily dependent upon export outlets. A growing livestock industry in foreign countries is expected to provide a good demand for our surplus feed grains. Foreign countries are expected to continue to be a major outlet for the large quantities of dairy products bought under the price-support program.

In terms of the 1956–57 national export total, the proportionate share of exports in the State of Iowa was over $70 million for livestock and products excluding dairy and poultry—the import proportionate share amounted to $65 million—$63 million for soybeans, more than $41 million for corn, $8 million for dairy products, and over $2 million for poultry and products.

Like all parts of America, Iowa also is an importer of agricultural products—but these are largely tropical or semitropical products not grown here, like coffee, tea, spices, bananas, and so forth. In addition, there are some imports of competing specialty livestock products, often of fancy grade and higher in price. In balance, however, exports of such products exceed imports.

This, then, is the importance of this legislation to the State of Iowa. Now a look at the Eighth Congressional District of Iowa, which I have the honor to represent. My District is predominantly agricultural. The product of some 60 million acres of our Nation's farms is exported each year. Loss or serious curtailment of this export market would be extraordinarily serious for Iowa. We cannot expect to have an export market if we do not import. And, as consumers, we benefit from being able to buy some types of goods more cheaply than otherwise, and other types of goods which without imports would not be available at all.

If we look at our total national agricultural exports and consider that the farmers of my Congressional District share proportionately in that export trade, as, in effect, they of course do, then we can say that in the crop year 1956–57 my District exported the following quantities of goods:

Livestock and products	$11,800,000
Soybeans	10,600,000
Corn	6,500,000
Dairy products	800,000
Total	29,700,000

Often it makes more sense to reduce big figures of this nature to a per capita basis. In terms of the total population of my District of about 300,000, this means that $100 came to each man, woman, and child because of export trade in agricultural products. If we consider only the 40,000 people who work on farms, then each farm worker derived $740 of his yearly income from the fact that we could export farm goods. This is an important and significant amount; without this export market our farmers would be in serious trouble. The impact on the economy of my District of the additional $740 which each agricultural worker receives because of foreign trade is widespread.

But it is not only agriculture in my District which is affected by foreign trade. The food industry, notably meat packing plants, are important employers in my district. About 48 percent of our national production of inedible tallow and grease is exported. About 22 percent of our lard goes abroad. Workers in the meatpacking plants obviously have a major interest in seeing that foreigners are able to buy our goods.

I should mention also the commercial livestock feed producers in the district. Employees of these plants benefit not only from direct exports of prepared animal feeds, which in 1956 amounted, nationally, to almost $29 million, but also indirectly from the export of meat products and byproducts.

In addition to exports of soybean cake for feed, soybean oil exports in 1957 came to 330 million pounds, worth $53 million, a substantial portion of total domestic production. It is estimated that a fifth of the income to workers processing soybeans comes from exports. As the reverse side of the coin, other food industries in the district are dependent on imports.

The machinery industry is also important in the district. They benefit from an improved domestic market resulting from exports. Other Eighth District manufacturers export directly. Still others produce types of machinery which, for the Nation as a whole, are exported and they thus derive benefits from improved competitive conditions. Concrete pipe machines, greasing apparatus, hydraulic valves, wind electric powerplants, machine tools, and power mowers are some examples.

Again, the other side of this picture is that almost all these companies are dependent upon imports of certain materials not available in this country. Steel alloys are made from imported manganese, chrome, nickel, and cobalt. Industrial diamonds, natural rubber, and asbestos come from abroad.

But it is to agriculture that I return as the most important single field of economic activity in my District—agriculture and the reciprocal trade program. I could site to you statistics on the enormous increases which have been registered in our agricultural exports in recent years. Let me also say that all the farm organizations, the Farm Bureau, the Grange and Farmers Union all are in support of the reciprocal trade program.

I grant that many of the agricultural exports were made by the Government. But, I ask you, where would we be if we had not had the trade program to enable foreigners to increase their sales to us, earn more dollars, and pay for at least a part of the agricultural exports? Would we have had to give it all away?

I should like to stress that I consider export assistance of any kind as a temporary measure; that, in contrast, the reciprocal trade program is a fundamental, long-range, sense-making approach to effecting economic readjustments. The American farmer wants to stand on his own feet. I am firmly convinced that in many areas American agricultural production is the most efficient in the world and that in the long run American farm products can effectively compete on world markets. They cannot compete if foreign countries, in retaliation against retreat on our part, raise tariffs or otherwise restrict trade. It is absolutely essential that we push ahead with our entire program looking toward trade liberalization to enable our farm products to find sound export markets.

Considerable progress has been made under the trade agreements program in making it easier for our farmers to export. Some 90 percent of soybean exports, 80 percent of cotton exports, and 75 percent of unmanufactured tobacco move abroad under trade agreement concessions. But more progress can and must be made.

I might note that there is a very close relationship between agricultural commodities. Cotton and tobacco are not produced in my District. Yet loss of export markets for cotton and tobacco would release land that might produce products competitive with those produced in my District. Thus it is a matter of very genuine interest to me that cotton and tobacco, as well as soybeans, maintain their export markets.

There seems to be no slightest question but that those with an interest in American agriculture must support the reciprocal trade program. And, for my part, I cannot see but how the program, carefully administered to avoid injury, must aid industry. Certainly and clearly it aids the consumer.

The administration's bill as reported by the committee is well constructed legislation which should enable the program to be carried forward in a positive

and successful manner. The alternative bill, H. R. 12676, is so drawn that it would effectively stop all progress on the program.

For instance, the provision relating to section 22 of the Agricultural Adjustment Act is rather serious. It would permit any interested party to apply to the Tariff Commission—which would make an immediate investigation—whenever he decides that an article or articles were being imported into the United States in such quantities as to interfere with any program or operation under the Soil Conservation Act, Public Law 320, or any other program administered by the Department of Agriculture, with respect to any agricultural commodity or product thereof. The Tariff Commission would report to the President the results of its investigation and the President shall impose the duties or quotas prescribed by the bill. The articles may be described "by physical qualities, value, or use, or upon such other basis as it shall determine. Such designations shall be sufficiently broad to prevent evasion and may include any form, combination, mixture, or source in which the article or articles may appear." This language presumably would include as subject to import control any product which contained in any quantity or in any form a commodity covered by section 22. Thus, the compass of this section would be vastly expanded, even though it would not afford any greater assistance to the farming community, which is already protected by the present provisions of section 22. It would instead extend aid to food or other agricultural product processors and, to an unknown degree, other manufacturers who use some agricultural product in some form, and whose proper avenue, when they are injured by imports, is the escape clause.

In summary, this provision means that any private party may undertake to initiate action to protect the Treasury of the United States from the consequences of imports under article 22 of the AAA. The procedures outlined eliminate for all practical purposes any Presidential discretion either in the determination of the facts or of the action necessary to be taken.

Mr. REED. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

H. R. 12591 VITAL TO NATION

Mr. RIEHLMAN. Mr. Chairman, the legislation we have been debating for the past 2 days is of vital concern to all of us. I am certain every Member of Congress wants to support a bill which is in the best interests of our Nation in the field of world trade.

This has been a subject to which I have given considerable attention because of my keen feeling toward the many industrial concerns in my own District which are affected both by imports and exports.

I have supported the extension of Reciprocal Trade Agreements since coming to Congress. But it has not been a pleasant, nor simple task for me to cast my vote in favor of this legislation each time it has been brought before the House.

There has been concerted opposition to this legislation through the years from groups in my District—fine, upstanding organizations I might point out—and it is not easy to continually oppose what these people believe to be right.

Although I may appear to these people—many of whom are close friends—to have a closed mind on this subject, I want to make this assurance, that my decision has been reached only after very thorough consideration of all the issues.

I believe the new provisions, particularly those that strengthen the peril point and the escape clause, will certainly give additional protection for our local industries.

We all are concerned with the welfare of the industries of our country and we have a deep interest in those that are affected by our trade programs. At the same time we must take into consideration the effect of this legislation on our Nation as a whole and its future relationship with those nations which are our friendly allies and in whom there is mutual trade dependence.

Protection of both our home industries and our extensive trade program is a worthy goal. It is a goal which we will more nearly fulfill through passage of this legislation.

There is no question in my mind that the new provisions concerning the peril point and escape clause offer the protection our home industries need. I would like to refer to the House Committee on Ways and Means report—House Report No. 1761—on the changes which I think will be helpful.

The committee report reads as follows concerning these points:

> The peril-point provisions of the existing legislation are amended by the bill by extending from 120 days to 6 months the period which the Tariff Commission has, after its receipt of the lists of possible negotiating items, to complete its peril-point reports.
>
> The purpose of this amendment of the peril-point provisions is to permit the Commission to make more extensive investigations in connection with its peril-point responsibilities.
>
> The bill also amends the peril-point provisions to direct the Tariff Commission, as the present legislation does not, to institute an escape-clause investigation automatically whenever it finds in a peril-point investigation that more restrictive customs treatment is required to avoid serious injury to the domestic industry producing like or directly competitive products. The purpose of this amendment is to provide for a more expeditious determination of whether escape-clause action is needed. Since in peril-point investigations, including hearings, attention is focused principally on the effect of possible decreases in rates of duty, it is appropriate to have a separate expeditious investigation based on the escape-clause criteria, before escape-clause action is taken increasing rates of duty.
>
> Under this new provision, whenever a majority of Tariff Commissioners, or half the Tariff Commissioners and the President, agree on a peril point calling for increased tariff restrictions, an escape-clause investigation shall be instituted automatically. This assures that there may be no loss of time in proceeding toward a determination on a basis which will, if necessary, permit action by the United States. Although the President may still negotiate the indicated increases, together with compensatory adjustments, the possibility of escape-clause action, which international agreements permit without prior concurrence, will thus be assured, if needed, in the event agreement with another country on the increase proves impracticable. * * *
>
> In keeping with its report on H. R. 1 in 1955, the committee has kept the matter of administration of the escape clause under close study and as a result has decided to propose additional amendments to existing legislation with a view to making the escape-clause procedure more effective.
>
> First, your committee recommends in sections 6 and 7 of this bill that machinery be provided whereby Congress may review recommendations of the Tariff Commission which are disapproved by the President in whole or in part. Under the bill, if the Congress decides as a result of such review that action recommended by the Tariff Commission should be put into effect, such action takes effect in the event that Congress adopts a concurrent resolution by a two-thirds vote in both Houses, approving the action recommended by the Tariff Commission. * * * The bill contains a committee amendment to section 7 (a) of the Trade Agreements Extension Act of 1951, which makes it clear that organizations or groups of employees can file an application for an escape-clause investigation. This amendment is aimed at removing any doubt that employee organizations or groups of workers who are or have been employed in a particular industry are qualified to make application for escape-clause investigations even though management does not join in the application. * * *
>
> In order to assure the Tariff Commission access to all necessary and pertinent information and to expedite escape-clause and peril-point investigations by the Commission, the bill provides, under another new provision, that the Tariff Commission be given the power of subpena, in connection with its responsibilities under the trade agreements and other legislation, similar to that which it has with respect to its responsibilities under the Tariff Act of 1930. * * *
>
> Whereas under existing legislation the Tariff Commission is allowed 9 months to complete an escape-clause investigation and report to the President, the committee has included in this bill a reduction of that time limit to 6 months with a view to expediting any relief which might be found necessary and appropriate as a result of the investigation. * * *
>
> In an escape-clause application involving a product bound on the free list, the President's authority to grant relief is now limited to establishment of an import quota, because the existing law forbids transfer by the President of articles from the free list to the dutiable list, and vice versa. Recognizing the inflexibility and the other disadvantages inherent in the use of quotas in international trade, your committee's bill expands relief measures for industry by granting the President authority in escape-clause cases to impose a rate of duty up to 50 percent ad valorem upon a free-list item which has been bound in a trade agreement. Accordingly, it will be appropriate for the Tariff Commission to recommend such action if it finds it necessary to prevent or remedy serious injury.
>
> The committee bill also permits duty increases on dutiable items up to 50 percent above the July 1, 1934, level—a change from the present base date of January 1, 1945. This measure also will help avoid use of quotas.

I am convinced H. R. 12591 will give us the protection we desire, and yet will not hamper our trade program. My interests are in people, in their jobs, and in their continuing to work at their jobs. But I do not want to place myself in a position of supporting a measure providing immediate but only temporary relief. This type of action most certainly would lead to the dissolution of many other industries through the loss of opportunities to export.

If we move to protect our industry here, but fail to view the overall picture and swing over to the protectionist side, we will destroy many more industries than we can help. Raising our tariffs can only be a temporary expedient. In bringing special advantage to a few, we could wreck many more exporting industries and create chaotic conditions in our entire economy.

The Simpson bill does not provide the answer to the trade problems of the future. If I thought so, I would give it my wholehearted support. But I believe the Simpson bill in truth is retrogressive. It could well lead to the erection of trade barriers, which in turn could mark not only the end of our great trade program, but could have a disastrous effect on the family of free nations which today stands together to meet the onslaughts of communism. Our actions in considering extension of the trade agreements must be viewed in the light of future events.

I know of nothing that would be more effective in forcing into the Communist bloc the nations upon which we now depend for trade than to pass legislation which would have the effect of destroying our trade agreements with them.

We are at the crossroads of decision again. We must determine whether to extend this vital program or to substitute a program which, to my mind, will isolate this Nation from the rest of the world. Our economic world leadership will falter if we begin to follow a defensive trade policy in opposition to the broader trade principles outlined by the President in his request for a renewal of this program.

The President has posed a challenge to Congress to take a giant step and put our trade policy on the offensive as never before. Shall we bury our heads in the sand, and ignore the realities of a world that demands forthrightness and leadership as never before?

Or shall we meet this new challenge and continue a liberal trade policy which will create a climate of optimism that can stimulate increased economic activity to satisfy the world's needs for trade and investment?

As the committee report stated: "If the United States is to continue to lead the free nations to a more secure peace and a better world, it cannot afford to take economic measures in disregard of its own interest and of the interest of nations associated with it."

I do not believe we solve anything by putting up the protectionist curtain other than to abdicate our position of leadership in the Free World.

I cannot follow any course other than support of this vital program. Without this program, we will lay open a new avenue to the Soviet Union in which it can carry on its intensive campaign against the Free World. Continuation of the trade program through passage of H. R. 12591 will be a forceful reiteration to the nations of the world that we are not only interested in the welfare of all mankind, but that we are backing up that interest with effective action.

Mr. REED. Mr. Chairman, I yield 7 minutes to the distinguished minority leader [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I rise in support of the bill reported out of the Ways and Means Committee. In this period when we have tense relations with a large part of the world it would, in my opinion, bring economic disaster to fail to continue our trade relations through this pending measure.

The bill reported provides a larger degree of protection for American industries than the expiring bill, and I believe it can be passed with our own economic interests protected. Indeed, in this legislation the President could, if he believed advisable, boost tariffs 50 percent higher than the Hawley-Smoot rates.

The bill continues the President's power to reject a Tariff Commission report, but it also provides the right of Congress, through a two-thirds vote, to override the President. That change has been derided as valueless; but, if there is any denial of relief which hurts an industry, it can be effective to appeal to the Congress.

May I at this time read a letter I have received today from the President of the United States:

THE WHITE HOUSE,
Washington, June 10, 1958.

The Honorable JOSEPH W. MARTIN, Jr.,
House of Representatives,
Washington, D. C.

DEAR JOE: In response to your inquiry as to my attitude concerning H. R. 12676, it is my opinion that if this substitute should prevail, the reciprocal trade program would be irreparably damaged. It contains provisions which would nullify for all practical purposes the operation of the act. I could enumerate these provisions, but I understand that an analysis of them has been made available to the Members of the House, who can readily comprehend their disastrous effect on this program.

It is my earnest wish that the House adopts without change (either by motion to recommit or otherwise) the bill reported to the Ways and Means Committee. That bill will best serve the interest of American industry and the well-being of the Free World.

With warm regard,
Sincerely,

DWIGHT D. EISENHOWER.

I do not believe the industries which are suffering today will be materially affected through this measure. In the first place it will have no effect on treaties already entered into. They stand as they have been agreed upon. In the second place, no further treaties are contemplated until the European common market is set up. That is at least 2 or 3 years away; and the legislation does give more opportunity for relief to affected industries than the present law.

Any real remedy, or any real help to industry must come either from legislation not before us today or not contemplated at this time to be brought before us, or from the executive department.

The views expressed in the amendments suggested cannot become law, as that would require a two-thirds vote in both Houses to overcome a Presidential veto, which I am sure would be the result. No one believed that could be accomplished. We have in the committee bill the same opportunity of relief for specific cases.

In these days tariff rates do not provide protection, generally speaking, no matter how high they are placed. Quota agreements are the only real remedy for an industry seriously affected; and I have confidence that the Secretary of Commerce, upon whose advice the President will largely lean, can be counted upon to support vigorously any industry, seriously affected.

We must, of course, give our full thought to the industries that have been affected adversely in the last few years. This must be a major concern of the Government and certainly we should have sufficient intelligence to shield those workers from harm. It is a problem that requires study and action.

Finally, there is our position in world trade to maintain. Over four million jobs in the United States are threatened if our foreign-trade opportunities vanish. And the purchasing power of these people cannot be underestimated by the industries who may feel they suffer harm from the legislation, because the purchasing power of four million families is very helpful to any industry, no matter where it is located. Then we have the question of the Free World. It is a problem that requires the most careful consideration. Unless we have cooperation in this world, unless we can give and take we will eventually find ourselves outcasts in world trade.

For these reasons, I believe, as does the President, that it would be undesirable to adopt the proposed amendment, and that, for the best interest of every industry in this country and certainly for the best interest of 170 million people that we pass this bill as reported out of the Ways and Means Committee.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. DORN].

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. DORN].

The CHAIRMAN. The gentleman from South Carolina is recognized for 15 minutes.

Mr. DORN of South Carolina. Mr. Chairman, first I would like to say that I appreciate the courtesy in every single instance that has been extended to me by the distinguished chairman of the Committee on Ways and Means. I do not know of a person in this House or anywhere in the country whom I admire more than I do the distinguished gentleman from Arkansas [Mr. MILLS].

Likewise, I have the highest regard for my distinguished friend, the gentleman from New York [Mr. REED], and my distinguished friend from Pennsylvania [Mr. SIMPSON], both of whom have been very courteous, fair, and nonpartisan in this debate.

Mr. Chairman, I get tired of hearing people all over this great country of ours and particularly here in this House talk about communism as an excuse to circumvent the Constitution of the United States. I honestly believe this: During the 10 years I have been here Communist Russia in those 10 years has made a good start toward dictating the domestic economic policy of this great country of ours. I know they already largely dictate the international policy of these United States. I took an oath here in this well to uphold, support, and defend the Constitution of the United States, not a constitution of the so-called Free World but the Constitution of your country and my country. My only obligation in addition to that Constitution is to the sovereign people, 325,000, whom I represent.

Adam Smith in the year 1776, while he was professor of moral philosophy at the University of Glasgow in Scotland, advanced a limited—and I say limited advisedly—free-trade theory in his book The Wealth of Nations. Alexander Hamilton, Thomas Jefferson, James Madison, Monroe, and many of the Founding Fathers of this country obtained a copy of that book in the early history of our country. They were influenced by the free-trade theory of Dr. Smith, professor of moral philosophy at the University of Glasgow. They also recognized that Smith was not an absolute free trader. Alexander Hamilton and the great founder of our party, Thomas Jefferson, modified the so-called general theories of Adam Smith about free trade and heeded his warnings concerning agriculture and defense. They saw the necessity of creating some industry in this country as a means of national defense.

John C. Calhoun was mentioned here on the floor a few moments ago. Yes; I was born not far from where John C. Calhoun was born and I am happy to represent his old District in the Congress of the United States. Need I remind you today that John C. Calhoun introduced one of the first bills in this Congress to offer relief to growing American industry in the form of a realistic tariff. I am thankful that he did because it helped this country to start on the road to becoming an industrial giant.

It is true that John C. Calhoun later on adopted a free-trade theory since he envisioned an agricultural economy for the South. But today the South is not solely agricultural. I have talked with many military strategists and they attribute that to the defeat of the Confederate States during the great War of Secession. John C. Calhoun in following his free-trade theory to the extreme, buying manufactured goods from England and western Europe and selling agricultural products to western Europe, condemned the Confederacy from a military standpoint of defeat. The Confederacy had simply become a victim of free trade. We stuck to agriculture and bought all our manufactured goods in Europe. We therefore did not develop any industry. It was easy for the North to blockade the South, cut us off from Europe and wait for the inevitable result. America under this 5-year extension could become too dependent on foreign sources of supply. I honestly believe today that under this free-trade theory, under this one-world philosophy America can be cut off from essential industry by the overwhelming Russian submarine force. Member after Member gets up in this well and talks about the Free World instead of the people whom he or she represents, and the Constitution of our country. Listen. America has been in three world wars; America, the heart and core of the Free World. Now, if anything happens to the heart and core of the Free World, all of the Free World will collapse, and it seems to me that all the Communists have to do today is to start a riot in South America, is to make a move in Syria, or to invite Nasser to Moscow, and then somebody will get up in the United States of America and say "Oh, we have to have freer trade; we have to represent the people of the world and not the people of the United States." Members of the Committee, that is the surest way that I know of for the defeat of this great palladium of liberty. Our domestic foreign policy is predicated on what Russia thinks and does. We should act here in this body for America, Russia notwithstanding.

The American Legion this year—and I am proud to say that I am a Legionnaire—adopted a resolution at Indianapolis, Ind., unanimously, during its executive committee meeting April 30 to May 2, in which a resolution for the first time in the 39-year history of the American Legion was adopted advocating some relief for the defense industries of this country and unanimously opposed a 5-year extension of the present agreements. Why? Because as men who served overseas they know the conditions in Southeast Asia where they fought, and in Europe where they fought, and they know that if we move the defense industries of this country and sources of our defense capacity, as is being done today, close to the periphery of Russia, in easy reach of the Red army, in easy reach of guided missiles and the Red air force, that when the Red army moves out to grab these industries the Free World will fall like a stack of cards. I say to you today that America is in great danger.

What about this free-trade philosophy? You know, the American people at the grassroots are beginning to wake up. Just the other day, in the great State of Pennsylvania, they repudiated the one-world, free-trade philosophy advanced by Harold Stassen. And I say this, too, that one of the greatest men it has been my privilege to know, in addition to our distinguished Speaker sitting here, the gentleman from Texas [Mr. RAYBURN], and our former distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN], since coming to Washington in 1947 straight from the Air Force in Western Europe, has been the late great immortal Robert A. Taft, of Ohio. Bob Taft repudiated the one-world, free-trade theory of Charles Taft, his own brother, and, I am reliably informed, voted the Democratic ticket for Governor of Ohio. Mr. Charles Taft is out over this country today attacking me and others because we happen to believe in the Constitution of this country, and I happen to represent the people of the great State of South Carolina, who still believe we should stand by the Constitution and represent America first. Oh, yes, my friends, that is the committee that jumped on the great Senator RUSSELL, from Georgia. I am glad to see the Georgia Members on the floor standing by the Constitution, as always. This Committee, headed by this motion-picture executive, Eric Johnston, jumped on Senator RUSSELL for a speech he made in Hollywood, Fla. Oh, my friends, they want us to legislate here for the Free World. Senator RUSSELL really needs no defense. He is an American and knows how to defend America; a fine constitutional lawyer who realizes that all battles do not take place on bloody fields, but many occur in legislative halls. Senator RUSSELL is well aware that a strong America is the best way to defend the Free World—and in the cold war of today America's strength is in its fully employed labor, in its better than break-even farms, and in its diverse industries. The free traders and theorists want us to legislate here at every whim of the dictatorship in Moscow. All Russia has to do to get legislation passed here is to criticize America, to criticize the tariff, to criticize this Congress, and we will have men rushing into this well trying to change the Constitution of your country and my country. The Constitution plainly states that the power to regulate trade and tariffs is in the hands of Congress.

Oh, they talk about the farmers. I am one of the few dirt farmers in this House. I have never had any occupation other than public office and the time I served in the Armed Forces, except between the plow handles. I am a member of the Grange and the Farm Bureau. How can I conscientiously tell the farmer on one side of the road, at Route 1, Greenwood, S. C., where I live, that I am going to vote for him the most absolute quota known to man, you cannot ship any wheat into America to amount to anything, you cannot ship any cotton into this country—they have the most absolute protection that I know of—and then how am I going to tell the textile worker on the other side, my neighbor, that his job is expendable, that his job is open to the low-wage countries of Southeast Asia? What kind of a Congressman would they think their Congressman is from the Third South Carolina District?

I am going to be fair to the farmer and I am going to offer him some relief. But likewise, I am going to stand by that textile man who uses 80 percent of the cotton grown in the United States of America. The best friend of the cotton and wheat farmers of the United States is the American working man and American industry who purchase his agricultural products.

Mr. Chairman, they talk about low-wage imports. I want to say to my friends over here from the great city of Detroit that in 5 years time under a 5-year extension of reciprocal trade, when Ford and General Motors and Chrysler and all the rest of them com-

plete their plants in Brazil, when they finish their great expansion program overseas and start bringing these cars back into America, they will be following me into this well, if it is not too late, advocating some relief. There will be mass unemployment in Detroit if we extend the administration bill for 5 years.

I saw in the U. S. News & World Report not long ago where last year 57 percent of the automobiles imported into Brazil in 1957 were from the United States of America. In 4 years they will not import a single car from America because of the expansion program of Ford, Chrysler and General Motors. Oh, my friends, it is easy for capital to move overseas, but it is difficult for the working man to sacrifice his independence which is unrestrictably tied to his job. It is gone to the man, woman, or child, mark you, child, in foreign countries—perhaps forever.

Let me say to our Speaker that this is really an attack on the great program that he and some of his colleagues passed in 1936. Why was the wage and hour law passed? So as to equalize the situation in America, so that interstate commerce, going from one State to another in this great country, would be under the same minimum wage and maximum hours provisions. Social security; unemployment insurance; laws against child labor—Mr. Chairman, this is an attack on this great progressive legislation that took 100 years to put on the statute books of this country.

Oh, my friends, they are going overseas to circumvent our labor laws. Let me tell you this. If I were to go down to the State Department today to get an appointment for a man in the textile business in my State who wanted to fire 5,000 or 10,000 employees, they would help him go to India, a doubtful country, a neutral country, or he would be in Indonesia, in 48 hours.

I have seen this happen. I know what I am talking about. In 48 hours they would get his passport and he would be met in India or Indonesia? He would be met by the point-4 people with bushel baskets of American dollars. There is free electricity, free water, and the Government guaranteeing him a profit. There are no taxes to be paid and cheap labor for as low as 9 cents an hour. Oh, my friends, where is this great country of ours going?

What about tobacco? I have heard a lot about tobacco. Let us take the tobacco-growing industry, as we find it in Rhodesia. The average Rhodesian farmer can grow 65 acres of tobacco. The government offers him the incentive of no taxes whatsoever on the land, if he will just grow more tobacco. But, in America where tobacco originated and where we used to sell all of it abroad in the colonial days, the average tobacco acreage is 4½ acres, and it is getting less all the time.

Turkey offers its tobacco farmers the incentive of not having to pay any income tax. There are no income taxes whatsoever if they will just grow more tobacco. The Philippines have a duty on American tobacco of 60c per pound.

Where are we going? We are condemning the farmers of our country to a state of servitude from this time forth. Price supports will not save our American farmers. You can give them a dollar a pound for cotton and you can give them a dollar a pound for tobacco, but if you do not let the American farmer grow more than 1 or 2 acres of tobacco, how is he going to send his children to college and how is he going to buy the automobiles from Detroit? They cannot even buy them today. But, let me tell you gentlemen from Michigan—I see the gentleman from Michigan [Mr. RABAUT]—let me tell you I am not going to buy one of those foreign cars. I am going to buy a car made in America. Maybe I am wrong. Maybe I am too American. But, I want to stand up for the people of Michigan because I know how the boys from Michigan stood by me on the western front in World War II. They are Americans and their jobs are not expendable. If we are going to defend and protect the Free World, let us continue to be the arsenal of democracy. Detroit is more essential than a plant in Germany or India even for their protection. Do you know what Mussolini is reported as having said about this body? He said:

> The American Congress is a bunch of parliamentary charlatans.

Hitler agreed with him. But, I do not have to tell you that I do not agree with either one of them. This is the greatest body that has ever been created by man and it is my privilege to serve in this body. But if we are to continue in the great tradition of our creators we must not continue to turn our power over to the Executive. If we do we may become an American Reichstag—a pawn in the hands of the Executive. Do we not have confidence in ourselves? I think you know more about your Districts and I think you know more about foreign affairs than the theorists in the State Department. Most of the Members of this Congress served abroad in World War I and World War II or the Korean war. I think you know more about foreign affairs than any so-called expert in the Department of State, and you certainly know more about the Constitution and about your own Congressional Districts and about this great country. Let us stand up today for America. Vote for what you think is right and not for the interest of some dictator abroad who could, and if expediency suggests, nationalize these industries and these plants that Ford and General Motors and all the rest of them are going to build over there. Let us protect independent oil, it is essential to national defense. May I say to my colleague, the gentleman from Oklahoma [Mr. EDMONDSON], whom I admire, let us save this oil industry because oil could be nationalized in the Near East overnight. All of the heads of these governments are would-be dictators. I honestly and sincerely believe that all of the strings are being pulled by some sinister forces across the seas in the hope that America would react in a certain way—and knowing that we are going to react as we have—not for America—not to keep America strong and not to keep America the arsenal of democracy, but to scatter our strength and our goods all over the world.

Mr. Chairman, of course I am going to vote for the Simpson substitute. It is the same as the bills that many of us have introduced. It is a reciprocal-trade bill. It is a bill for mutually advantageous, reciprocal trade for the other country and also for America. I have heard very little about America here. I have heard a lot about communism and our so-called allies. Let me remind you that this is a crucial hour. If anything happens to the economy of America heaven help the Free World. They will be at the mercy of Soviet Russia. The only way for me to save the Free World is to vote to make America strong by saving American labor and American industry.

In the next 5 years America will take the road to freedom, to real world leadership, or we will become weak and impotent. Our domestic economy should not be leveled downward. If it is, the healthy economy of our country will be destroyed. The Simpson bill is the only answer.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. DORN] has expired.

Mr. JONAS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. JONAS. Mr. Chairman, a certain amount of exaggeration and misrepresentation, I suppose, is inevitable in every heated debate. But it does seem to me that some of the proponents of the committee bill have gone beyond permissible limits in misrepresenting those of us who are seeking reasonable modification of the sweeping delegation of authority in the pending legislation.

I feel that some of these misrepresentations should be corrected before the record is closed. Following are some of the erroneous allegations that have been made in the course of the debate and my own answer to them:

First. It has been alleged that this is a fight between those who believe in international trade and those who believe we can live unto ourselves alone and wish to cut our country off from the rest of the world.

The answer to this allegation is simply that it is not so. There may be some Members of this body who advocate that but if so I do not know who they are. I am satisfied that the overwhelming majority of those who support the substitute bill favor and advocate an expanding volume of international trade. This is certainly my own position. I favor trading with the world on a sound and fair reciprocal basis.

Second. Then it has been alleged that this is a fight between those who urge the elimination of trade barriers and restrictions and those who would erect a high tariff wall around our country in an effort to prevent imports from entering.

This is another erroneous or false allegation that cannot be supported by the facts. Both bills—the committee bill and the proposed substitute—do provide authority to increase duties; but neither bill proposes any raises in current tariff levels. There is not a single suggestion in the substitute proposal which can fairly be construed as contemplating increases in tariff rates.

Third. It has been alleged that the proposed substitute bill would scuttle the trade agreements program and cause a drying up of international trade.

This allegation is specifically denied. There is not even the slightest suggestion in the substitute bill that trade agreements should be discontinued or curtailed. And there is absolutely nothing in it that would affect in the slightest degree any existing trade agreement. On the contrary, the substitute proposal contemplates a continuation of that program.

Fourth. It has been alleged that if the committee bill is not enacted foreign countries will not have the dollars they need to buy American-made goods.

That allegation is also untrue and is denied. Foreign countries acquire dollars from a variety of sources: United States foreign aid, GI and tourist spending, private investments, and by receipts from exports.

In 1957, for example, dollars obtained from exports to the United States paid for only 67 percent of our exports. Therefore, one-third of all of our exports last year were paid for by dollars from sources other than exports to this country.

Moreover, more than 50 percent of our imports—the exact percentage being variously estimated from 50 to 66⅔ percent—enter this country duty-free and are not affected in the slightest degree by existing tariffs. Therefore, less than one-third of our imports have anything whatsoever to do with the problem of acquiring dollar balances by foreign countries from exports to this country.

In addition, the record shows that foreign-made goods have no difficulty penetrating our country over current tariffs which are, in fact, extremely low in comparison with existing tariffs in other countries of the world. The only proof required to support this statement is to cite the fact that we are currently importing about $10 billion worth of foreign-made products each year and existing tariffs would seem therefore to present little difficulty for foreign producers who wish to sell their goods in the markets of the United States.

Fifth. It has been alleged that the textile industry cannot be as hard hit from imports as contended because textile imports amount to only 3 percent of domestic production.

This allegation is unsound for the very simple reason that textile mills do not produce just one single type of cloth. The textile industry is actually a group of many different industries producing hundreds of different types of fabrics.

The allegation can be disposed of simply by citing the fact that in recent years foreign-made goods have taken over 70 percent of the domestic velveteen market—not just 3 percent of it but 70 percent of it. And foreign producers have taken over 48 percent of the gingham business in the United States—not 3 percent of it but 48 percent of it.

But, it is alleged, the domestic mills that have been producing velveteens and ginghams should diversify and shift over to some other textile product. Now, that is a bright suggestion. In effect it proposes that we surrender the domestic market for velveteens and ginghams and leave these fields to foreign producers. That suggestion does not appeal to the people who have been engaged for years in the production of velveteens and ginghams in my District. They feel that they should have a reasonable chance to continue in the fields where their experience lies and that they should have a reasonable chance to compete with foreign-made velveteens and ginghams in our own market, and I might add that I agree with them.

Moreover, a shift from velveteens and ginghams is not as easy as it sounds in theory. Such action would have a disturbing influence on the market for other textile products and many of these fields are already overcrowded as it is. The industry is highly competitive and extremely sensitive. What incentive is there for a long-established gingham or velveteen firm to incur the heavy expense that would be required to shift over to some other textile product which tomorrow may become as vulnerable a target for foreign producers as velveteens and ginghams have been in the past?

Sixth. But it is alleged that since we export more textiles than we import, the balance is in favor of the domestic industry and it should be satisfied.

That, too, is a fallacious argument. The United States textile industry is the largest and most diversified producer of textiles in the world. Some of the other countries of the world are also large producers of textiles; but some of the other countries produce only limited quantities of textiles or none at all. The United States textile industry does not expect to export textiles in substantial amounts to major producing textile countries abroad; but it does feel that it should have the right to compete in the textile markets of those countries that are not heavy producers of textiles.

It is just as logical for the United States to be a major exporter of textiles as it is for Cuba to be a major exporter of sugar. Other sugar-producing countries do not expect to export sugar to Cuba and no one is suggesting that Cuba import sugar when it produces more sugar than is required for domestic consumption.

Seventh. It has been alleged that those who favor the proposed substitute represent selfish interests who are indifferent to the welfare of the whole country.

This allegation I also deny categorically. The substitute bill does not seek to impose higher tariffs. It simply recognizes the fact that, after 25 years of persistent slashing of tariffs—which has progressed to the point where we are one of the lowest tariff countries of the world and approximately two-thirds of all imports into this country enter duty-free—the opportunities for further tariff cutting are exceedingly limited. The committee bill would authorize additional tariff cuts amounting to 25 percent whereas the substitute bill would limit the additional cuts to 10 percent.

These are just a few of the fallacious arguments that have been advanced by proponents of the committee bill. Others might be cited if time permitted, but I believe the foregoing answers should at least dispose of some of the most glaring allegations that are not supported by facts.

According to information compiled from official sources, nearly 50,000 persons in my District are employed in manufacturing and mining enterprises. More than 50 percent of this number are employed in mills producing textile products. One velveteen plant recently closed its doors, liquidated its machinery, and the buildings are now used for dead storage.

The entire economy of two of the counties in my District is based upon mining. About 75 percent of all of the mica produced in the United States comes from North Carolina, and most of it from my District. Our State also supplies almost all of the china clay produced in the United States and about 65 percent of all the feldspar. Two counties in my District are large producers of china clay and feldspar. These products are major components of dinnerware. The cost of labor in the manufacture of dinnerware runs from 60 percent to 69 percent of the total cost. The average wage earned by an American potter is $1.80 per hour, as compared with the average of 22 cents per hour in the countries from whence the competition comes.

Faced with this kind of competition, it is no wonder that the dinnerware industry in the United States is faced with extinction and that the mines in my District are barely able to keep operating.

In addition to the dinnerware competition, the domestic producers of feldspar are faced with heavy competition from foreign-produced nepheline syenite. Nepheline syenite is used as a substitute for feldspar and it enters this country duty-free. In 1957 alone, imported nepheline syenite replaced 200,000 tons of feldspar, most of which was produced in my District.

I do not concede that I am being selfish if I fight to prevent the destruction of the mining industry in my District or to prevent the destruction of the textile industry. These two industries constitute the backbone of the economy of my District. They do not seek a captive market. They are willing to compete on a fair basis with anyone. But I submit that when tariff rates today are low enough to enable foreign producers to sell in this country almost at will, there is just not enough room left for further substantial reductions.

Unless we are prepared to preside over the liquidation of important segments of our economy, I think we should reject the committee bill and enact the substitute. Speaking for myself, I do not propose to do that with respect to

the industries in the District I have the honor of representing here in Congress. If that should happen, it will at least be over my protest and objection. The substitute bill offers the only opportunity for me to register that protest and I am supporting it for that purpose.

Mr. SPRINGER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Chairman, H. R. 12591, to extend the Reciprocal Trade Agreements Act, has my support.

I have listened carefully for almost 2 days to both the proponents and the opponents of this legislation. I have heard very little discussion of the effect of this legislation upon American agriculture. For that reason I trust the House will bear with me for a few minutes in order that I may bring you a better understanding of the stake American agriculture has in the extension of the Reciprocal Trade Agreements Act. There is probably no segment of the United States economy that has a greater stake in foreign trade than agriculture and the extension of the Reciprocal Trade Agreements Act makes possible more trade and more export of American agricultural produce. It has been estimated that the annual exports of agricultural commodities from the United States represents the production of some 50 to 60 million American cultivated acres. This is an area equivalent to the combined cultivated land of Mississippi, Tennessee, Louisiana, Kentucky, Alabama, Florida, Georgia, North Carolina, South Carolina, and Virginia. Putting it another way, our agricultural exports provide a market for the produce of 1 out of each 10 acres of cropland in the United States. In 1951, when our agricultural exports ran up to $4 billion, this was the equivalent of $1 out of each $8 in cash farm receipts of the United States.

It will be noted further that in 1953, of our total production we exported 45 percent of our rice, 26 percent of our tobacco, 24 percent of our cotton, 21 percent of our soybeans, corn, and their related products, 19 percent of our wheat and flour, and 18 percent of our total production of some of our major agricultural commodities.

In central Illinois I represent 1 of the 4 or 5 most productive areas in the United States. I trust my colleagues will not consider me selfish if I point out what this means to the eight counties of the 22d Congressional District of Illinois. I am sure that these facts would be just as applicable to almost any other Congressmen who represent a farm District in this Congress. In central Illinois the land, being fertile and level for the most part, is more profitable for raising corn and soybeans than in feeding hogs and cattle. As a result, from the eight counties in my District comes a large share of the corn and soybean surplus that will be made available for export.

I have found from experience that anytime there is a reduction in our exports of agricultural commodities there follows lower prices, increased surplus problems, with acreage restrictions and marketing controls.

One of the most important answers to the problem of our agricultural surpluses is an expanded foreign market. Under the reciprocal trade agreements program, concessions have been obtained for almost every agricultural product customarily exported from the United States in any large amount.

May I also point out the tremendous value of exports in another way. Were it not for exports, American agriculture literally would die for lack of sustenance. The large flow of agricultural products to customers overseas not only provides additional farm income but also eases the pressure of supplies on the domestic market and strengthens prices.

In the 1956–57 marketing year, we exported more than one-third of our soybeans and soybean products, nearly one-seventh of the feed grains marketed by farmers, over one-half of our wheat and large quantities of livestock and dairy products. Each of these is important to Illinois.

Continued heavy exports are particularly important for our efficient and expanding soybean industry. Livestock production is growing rapidly in foreign countries and may be expected to maintain large imports of our surplus feed grains.

A heavy crop of wheat is in prospect for 1958 and every possible export outlet will be needed. Foreign countries are expected to continue to be a major outlet for the large quantities of dairy products bought under the price-support program. Lard and tallow, as byproducts of our expanding livestock economy, will continue to be in heavy surplus in the domestic market.

In terms of the 1956–57 national export total, the proportionate share of exports in the State of Illinois was $95.7 million for soybeans, $53.1 million for corn, $50.2 million for wheat, $36.8 million for livestock and products, excluding dairy and poultry, and $8.4 million for dairy products.

Over 290,000 persons in Illinois work on farms and their need for supporting services creates employment for thousands more. The impact of exports of farm products is broadly reflected throughout the State.

Like all parts of America, Illinois also is an importer of agricultural products, but these are largely tropical or semitropical products not grown here, like coffee, tea, spices, bananas, and the like. In addition, there are some imports of competing specialty livestock products, often of fancy grade and higher in price. In balance, however, exports of our products greatly exceed imports.

My colleagues, my purpose in pointing out to you the situation as it exists in Illinois is because I believe Illinois to be a rather balanced State—with both agriculture and industry looming large in the picture.

Some of my other colleagues have pointed out the importance of exports of industrial products and how much industry has at stake in the entire problem of export. What they have had to say would likewise apply to Illinois, as well as other States of the Union. I have limited my remarks to agriculture because I did not believe in this debate any specific example had been given of the importance of export to agriculture—and the Reciprocal Trade Agreements Act has made possible the tremendous export of agricultural products in the last 20 years.

There has been no piece of legislation before this Congress in this session to which I have given more thorough study or more careful scrutiny. It is my belief that the passage of this bill will continue to further expand the foreign markets of this country for agricultural products. This expansion is urgently needed by American farmers. The entire problem can be summed up in the theme which President Eisenhower used on another occasion:

> If we fail in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the Free World—all are involved.
>
> For our own economic growth we must have continuously expanding world markets; for our security we require that our allies also become economically strong. Expanding trade is the only adequate solution for these two pressing problems confronting our country.

Mr. BALDWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BALDWIN. Mr. Chairman, I rise in support of H. R. 12591, which would extend the reciprocal trade program. I have supported the reciprocal trade program in the past and feel that it is essential that this program be continued. The jobs of 4.5 million American workers depend upon foreign trade. If we were to take action to limit or materially curtail the reciprocal trade program, we would not only restrict imports but would also then necessarily greatly reduce our exports, as the United States can only export to nations that can obtain dollars to pay for the goods they import. The only way these nations can obtain such dollars is by selling goods to the United States.

The great shipping center of the San Francisco Bay, including the ports of San Francisco, Oakland, Richmond, and other cities on the bay and on Carquinez Straits, is dependent upon an exchange of goods and materials with other countries. If we were to build up high tariff barriers and rigid quota barriers around this country, the ports of San Francisco, Oakland, Richmond, and others would be greatly curtailed in activity with the loss of many thousands of jobs to workers in the bay area.

For these reasons I believe it is in the best interests of the people of this country that we pass H. R. 12591 and authorize the continuation of the reciprocal trade program.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, I would like to ask the distinguished chairman of the committee two or three questions.

Is it a fact that the so-called national security section of the committee bill has as its purpose providing the executive department with a means of taking whatever action is necessary to avoid a threat to our national security through imports and to make sure that injury to a particular industry essential to the national security will be avoided?

Mr. MILLS. The answer is "Yes."

Mr. IKARD. Is it a fact that the national security amendment of the present law was amended by the committee as reflected in the committee bill for the purpose of improving and facilitating the operation of this provision by providing specific criteria and guidelines for use in its administration?

Mr. MILLS. The answer to that question is "Yes."

Mr. IKARD. The national security section of the committee bill specifies certain factors which would govern the Director of the Office of Defense Mobilization and the President in determining whether imports are a threat to national security. These are stated in the committee bill substantially as follows:

> The Director and the President shall * * * give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availability * * * products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements.

I am interested in knowing how these criteria would relate to the problem of excessive imports of petroleum and petroleum products. Is it intended that under this provision imports of petroleum and petroleum products be held at levels which would permit the domestic industry to engage in a vigorous program of exploration at a rate consistent with the demands of our economy?

Mr. MILLS. This provision is intended to hold imports at a level which will permit the United States to have sufficient oil, known, discovered, and developed as is required to meet our national security needs.

Mr. IKARD. Does the committee amendment that will be offered to the national security section of the committee bill dealing with investment, exploration, and development necessary to assure the proper growth of an industry have any significance to the petroleum industry and other extractive industries?

Mr. MILLS. Yes. This amendment will be offered to the bill for the purpose of further clarifying the committee's intentions with respect to encouraging free enterprise, exploration for, and the development of our natural resources at a rate sufficient to meet the demands of our national security. If drilling and exploration activities do not reach a satisfactory level, then under this provision the President or his designate would have the responsibility of re-evaluating existing programs for the regulation and control of imports to see that they meet the requirements of the new standards in the committee bill.

Mr. IKARD. In the case of petroleum, is it intended that if the pending committee bill becomes law that a new study and certification would be necessary?

Mr. MILLS. The answer is "No." I refer the gentleman specifically to the language on page 17, lines 15 to 17, which he offered in the committee to guarantee that the answer would be "No."

Mr. IKARD. Is it intended that when the imports of a natural resource are controlled under the provisions of the national security section of the committee bill, and with particular reference to petroleum, that such control should take into consideration the importation of products, derivatives, or residues of petroleum so that these products and derivatives could not be imported in a way that would circumvent the control of the imports of the basic natural resource?

Mr. MILLS. Yes. Clearly, when a decision is taken to restrict imports in the interest of national security, it is our intention that the decision be effective and not rendered ineffective by circumvention.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield.

Mr. SIMPSON of Pennsylvania. I thank the gentleman for yielding and ask him whether there is in the amendments proposed to be offered by the committee, or in the bill, any assurances whatever that there will be relief given to the extractive industries, petroleum, and the minerals, or does the matter continue to remain one for the discretion of the Chief Executive?

Mr. IKARD. I would say to the gentleman from Pennsylvania that in the few minutes I have remaining I will attempt to give my opinion of the differences between the committee bill and the so-called substitute.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Arkansas.

Mr. MILLS. Certainly the national security amendment in the committee bill is to be handled at the discretion of the President when certain situations exist and we are giving him standards for the first time that he must look to in making his decisions. I would say that the extractive industries have more assurance in this respect under the committee bill, in my opinion, than under the substitute bill. Would the gentleman from Texas, who is so interested in the subject, agree with me?

Mr. IKARD. Yes.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield.

Mr. VURSELL. I realize that considerable language has been written into the bill, the language of the bill that comes before us, and there is language to be written into the bill, and other moves have been made recently about holding back the importation of unfinished gasoline. Is it the gentleman's thought that when we get through with this bill and the language is written into it that we understand is to be written into it, that it will go to the very heart of excess imports to the point where it will probably bring us back into a climate financially that will take care pretty well of the bad conditions of the producing oil industry at the present time? Will it be extremely helpful?

Mr. MILLS. We certainly hope that in the light of what we have done, that would be exactly the situation.

Mr. IKARD. I am sorry I cannot yield further; I have limited time. I do want to say that during the time this measure was considered by the Committee on Ways and Means many of the problems that have been discussed here were developed fully in the committee. As is well known here, I have had a series of amendments to this bill which I urged with all the vigor I possessed. I hoped for their adoption, and I believed in them. However, in the few minutes remaining of my time I shall try to bring into focus the real purpose of this debate here today.

There is no real question, as I understand, but what this House is unanimous in its opinion that we must have a trade policy; that is accepted. But one thing that we must decide here, and under the rules of the House and under the rules governing debate on this bill, the only question we can decide is what policy we shall have. Under the rule we cannot offer amendments. Those amendments were offered at the proper time, before the committee, and many of them the committee did not see fit to adopt. Mr. Chairman, the thing we have to do here is to decide one question, and that is whether we want, as a matter of basic policy for this country, the committee bill or the substitute bill.

As far as I am concerned, I intend to support the committee bill. I would like to give you at least two reasons. In the first place, it is said of the substitute that it returns power to Congress. I think I should not belabor that point here because it has been expertly developed by the chairman of our committee, by the gentleman from Louisiana [Mr. BOGGS] and others. I feel that if you would read the report and read the substitute you would be impressed with the fact that it puts the Tariff Commission in a position where it is responsible to no person, to nobody. The Tariff Commission would be the decisive body in all questions of trade.

Mr. Chairman, I have not been happy with the administration of this program at times; I am sure that in the future I will not be happy again, but when I am unhappy I want to talk to some elected, responsible official, and not to some Government bureaucrat downtown who will exercise dictatorial powers over trade matter.

The second question that should be compelling is that the Attorney General of the United States, Mr. Rogers, has said, as was reflected in the President's letter which was read here today, that the provision of the committee bill as it is now drawn is constitutional. The

President emphasized that the provision of the substitute bill is entirely unacceptable and, if enacted, would constitute a tragic blunder.

This matter in the substitute bill was never presented to the Committee on Ways and Means. The committee never had a chance to study it. The House is asked now to adopt a measure that was never acted on in committee and never adopted in the committee, and the Attorney General and the President of the United States say it would be a tragic blunder.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. IKARD. Mr. Chairman, one more point, which deals with the national security amendment, one that is vital and important to those of us who are interested in natural resources and the extractive industries.

In the substitute bill, the policy section, which is the first part of it—read this in the bill—says that the only thing basically that must be considered in the regulation or control of the imports of natural resources that affect or might affect national security is the quantity of those imports. In the committee bill it says in the policy section that those who administer the program must look at the circumstances under which such imports are coming in as well as the quantities involved. Under that language we get the standards in the committee bill put into effect that would require those who administer the program to take into consideration the development, the growth, the necessary exploration, and all of that, of the domestic industry and also to consider imports in terms of their use, character, and so on as part of the national security section.

In view of that it seems that there can be little question about the matter. This is not a debate as to whether or not we will have a trade policy, if I may repeat; it is a debate as to whether we will have a trade policy as defined by the substitute bill or as defined by the committee bill.

Much has been said here about our position in the world today. We all realize, if we think about it, as much as we love our own country and as much as we are dedicated to it, that we simply have to have trade. We have to be and are a part of the economy of the Free World. We are the dynamic portion of it; we are the very heart of the whole economy of every nation outside the Iron Curtain.

All of us are concerned daily about our alleged lag in the scientific field but, Mr. Chairman, in all our zeal to conquer space and to develop all of the programs that go with reaching into the outer world, we might end up, if we defeat this committee bill and adopt the substitute, where we will be in the position of possibly having reached the moon but, in the process, of having lost the Free World.

Mr. BURLESON. Mr. Chairman, my colleague, the gentleman from Texas [Mr. IKARD], member of the Ways and Means Committee, who has just addressed you, is to be commended for his untiring efforts over a period of many months to have inserted in this bill a mandatory provision limiting excessive foreign oil imports.

Many of us from oil producing areas who represent the majority of independent oil operators, have worked closely, not only in the period in which this measure was being prepared for presentation at this time, but months and even years before. As a matter of fact, as far back as 1949 I introduced legislation proposing to relate foreign oil imports to domestic production, and in subsequent years at intervals have introduced legislation to gear imports to domestic consumption.

As cited by my distinguished colleague who has just spoken, the Committee on Ways and Means has not seen fit to adopt a mandatory provision. We have been and continue to be extremely disappointed that the administration has not seen fit to invoke the authority to limit foreign oil imports provided for in section 7 of the law which has been in force since 1955.

Therefore, Mr. Chairman, we find ourselves in what I tell you in all candor, is a rather desperate situation. The rule under which this bill is being debated does not permit our offering amendments from this floor and, therefore, it appears we have just 1 of 3 slender choices. We either accept the committee bill with the amendment, which will shortly be offered by the distinguished chairman of the Ways and Means Committee, or we reject the committee bill and vote for the so-called Simpson substitute. The other choice, regardless of which of these measures may be adopted by the Committee of the Whole, is to support or reject a motion to recommit the bill. Then, of course, comes the final vote of accepting one or the other.

Mr. Chairman, on the surface the substitute bill has a very great attraction for those of us from oil producing areas. It appears on the surface it might offer opportunity for greater relief than we can now expect from the committee bill and from the administration which will administer it.

On the other hand, Mr. Chairman, I doubt if anyone believes that the Simpson substitute will ever become the law. Even should the other body accept it, can anyone seriously expect the President to approve it? It seems that it has been fairly well established that the Tariff Commission has indicated through each of its members that it is not equipped to administer the provisions of the substitute measure.

It also follows, Mr. Chairman, that there is no way to determine what the future makeup of the Tariff Commission may be. It reposes authority in a small body without appeal from their decision, should the Commission not be sympathetic to certain industries which are so greatly in need of relief at this very moment. It is also rather obvious that no immediate relief could possibly come from the substitute, assuming it ever became law, until after a long period of investigation and hearings.

Therefore, Mr. Chairman, it seems the choices are very limited and very narrow in this matter. Personally, I am not happy with these alternatives. Either falls far short of what I believe we have a right to expect. Depending on what the motion to recommit may contain, I reserve judgment to vote to recommit the bill to the committee, should it be a straight motion, in the hope that the committee in its judgment may see fit to grant relief to an industry which is only operating 8 days a month in Texas; an industry which is so vital to the overall economy of the United States, and certainly to its national defense.

Mr. WRIGHT. Mr. Chairman, I have been deeply interested in the remarks just made by my extremely able colleague, the gentleman from Texas [Mr. IKARD]. In my opinion he qualifies as an authority on this subject. Certainly he has devoted many long months of arduous effort to the search for a fair and equitable solution to the morass of complicated and interrelated problems which beset the extractive industries of this Nation. Throughout these long and sometimes frustrating labors, our colleague the gentleman from Texas [Mr. IKARD] has held foremost in his considerations the welfare and best interests of the United States as a whole and of the entire economy of this Nation.

Certainly, Mr. Chairman, the domestic petroleum industry in this Nation is facing problems of a grave and substantive nature. Particularly has the burden of these problems been felt by the independent explorers and producers. In our State they are restricted to only 8 days of drilling each month. The Members of this House may reflect upon the effect which would be felt by any industry permitted by law to engage in its business for only 8 days a month.

As a result of this restriction, exploration has declined. It is a matter of record that exploratory rigs have been shut down throughout our State, and exploration crews laid off. This presents a significant consideration from the standpoint of our national defense and security.

Surely there can be no doubt of the importance, indeed the indispensability, of sufficient petroleum reserves, not only for our immediate needs but for the future. We place ourselves in a vulnerable position, I fear, when we rely to an ever greater extent for our domestic needs upon imports from the Middle East and allow the development of our domestic supplies to constrict rather than expand. In 1955, 16 percent of the domestic market was being filled by imports of petroleum products. Today, it is near 22 percent of the domestic market. If this trend is allowed to continue unabated, I fear that a few more years would see many more of the independent developers driven from the industry, the further intensification of a monopolistic stranglehold by the relatively few big companies which do the bulk of the importing, a consequent increase in consumer prices which inevitably follow in the wake of monopolization, and a steady diminishing of domestic exploration and development.

I have been greatly interested in the colloquy between the gentleman from Texas [Mr. IKARD] and the distinguished chairman of the committee, the gentleman from Arkansas [Mr. MILLS]. It is clear that some definite guidelines need to be provided by the Congress to guide and direct the President in his determination of the point at which the national security has been adversely affected. Obviously, the heretofore prevailing policy of voluntary restrictions has not worked. Our question today is not whether to have a trade policy, but what kind of a trade policy to have. While it leaves many questions unresolved, the committee bill seems to offer the best choice available to us.

Without doubt, the national welfare demands some extension of the trade agreements authorization. We cannot, if we should wish, withdraw into a shell of economic isolation. Our Nation sells abroad some 70 percent more than we buy from abroad. We cannot continue to sell unless we continue to do some buying. This much is elemental.

While we might deplore the rule which gave the House no wider latitude in its individual choices, and while there undoubtedly are specific points in each of the proposals before us with which almost any Member would find some individual disagreement, it is my belief that the wisest course available to us under the circumstances is to adopt the committee amendments and the committee bill.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, the manner in which Congress handles this measure, the extension of the Reciprocal Trade Act, will have a material effect on the jobs for American working men for the next several years. Many of us have been attempting to correct some of the gross inequities that have become apparent in the operation of the Reciprocal Trade Act. Because of this we have been accused of being against friendly trade relations with other countries. The actual truth is just opposite of this. I am strongly in favor of a policy that encourages trade—a trade policy fair to America as well as to other countries.

Our Constitution says that Congress shall fix the tariffs. Some years ago the Tariff Commission was created principally by those who believed in encouraging foreign trade. This Tariff Commission was created by Congress and delegated with it authority. As you know, that Commission is made up of experts who, in a scientific manner, determine what tariffs should be levied to encourage foreign trade, yet protect from ruin American industries that pay a greatly higher wage than their foreign competitors. I favor and always have favored such a Commission. My objection is to the manner in which the present reciprocal trade operates.

The Tariff Commission is prevented from its free operation that was intended at the time of its creation. When the Tariff Commission makes a finding, if that finding is for the protection of American industry, then the President can cancel the decision of the Commission. If the Tariff Commission is right, its decision should be allowed to stand; or if anyone is allowed to reverse the decision of the Commission, it certainly should be the Congress—for the levying of tariffs is a function of the Congress set out by the Constitution. However, I would be satisfied to allow neither the President nor Congress to upset the orders of the Tariff Commission.

In most instances where the Tariff Commission gives relief to American industry the President refuses to approve it. Proponents of the present reciprocal trade policy say the President overrules the decision of the Tariff Commission in order to help and assist certain countries. Trade is as old as civilization and should be mutually advantageous to each country. Otherwise a trade policy is unsound. Today, however, foreign trade in many instances has ceased to be a matter of mutual benefit but has become in many instances a method of assisting other countries to the detriment of American industry and American working men.

It is true that our country likes to have friends, but I doubt that an unsound trade policy to benefit any country will get us those friends. A striking example of this took place a few weeks ago when a mob attempted to murder the Vice President of the United States and his wife in Venezuela. The United States last year purchased almost a billion dollars of products from Venezuela. In fact, there is only one country from which we imported more than we did from Venezuela. Our imports from Venezuela are primarily fuel oil and residual oil which, as we know, has an adverse effect on our American oil and coal industries. Without commenting further on this unfortunate incident in Venezuela, it points up the fact that large imports from countries do not gain us their friendship.

Many industries in the Seventh District are suffering because of our trade policies and many men are out of work. But if this committee measure extending reciprocal trade policies for 5 years becomes law, Seventh District industries will suffer far more than they are suffering at the present time.

While there are many instances I could name, because of limited time I want to give you just one specific example. In 1948, there were about 16,000 boxes of window glass imported from other countries into the United States. In 1950, that number had increased to more than one-half million boxes. In 1951, it had risen to 1½ million boxes. The imports stayed generally at that amount until 1955 when they exceeded 3½ million boxes. In 1957, the imports had increased to almost 5 million boxes.

There is a company in Vincennes making window glass that is one of the most efficiently run factories of its kind. It enjoys fine labor relations, and the men are well paid—several times as much as similar workers in foreign countries. Today, window glass from Japan, Germany, Belgium, and various other countries can be purchased in Vincennes for less than the cost of production there. Normally, this factory produces 70 boxes per man per day. Today, production has been cut down to 40 boxes per man. The men are now rotating work on about a one-half schedule.

This industry has not even as yet appealed to the Tariff Commission, but conditions have become so bad that this will apparently become necessary in the very near future. Even if the Tariff Commission does give this industry relief, the chances are 9 to 1, based on the percentage of denials that has been prevailing for some years, that the President will deny this relief. If this proposed legislation is passed the President can even lower tariffs 25 percent below present levels.

There are those who state that the defeat of this extension or the substitute of the Simpson measure will bring disaster to our foreign trade. I would like to point out that neither the defeat of this trade extension nor the substitute of the Simpson bill would change any existing trade agreement or raise a single tariff. It would, however, curtail the President's authority in the lowering of the tariff to the extent of 25 percent and it would limit his authority to overrule the Tariff Commission's decision that is made in favor of an American industry.

Since World War II the United States has given billions of dollars to rebuild industries in Europe and other places in the world, and to create new industries and equip them with the most modern machines and equipment. The American taxpayer paid for these. Today, those factories employ men for one-third to one-tenth of the wages which similar workers in America are paid, and they are flooding American markets to an increasing degree. Certainly, we want these countries to sell goods to America and to purchase our goods, but after we have constructed modern factories in these foreign countries and since they are paying their laborers only a fraction of the wages which we pay ours, it does not take an accountant to see that unqualified competition with American industry is hardly equitable and this method will wreck our industries unless we give them protection.

Another factor is giving American labor great concern. Many American corporations are now constructing factories abroad, using that cheap labor, importing their products to America and laying off American workingmen. This is happening in scores of instances. I do not intend to criticize American manufacturers for doing this, but I do want to criticize our Government for doing nothing to protect our American workingmen.

I want to briefly mention industries in the Seventh District that are suffering or will suffer soon unless Congress takes some action to protect American labor and business. Aside from the sheet-glass business in Vincennes, which I mentioned, there are two other plants that cut and process glass in Vincennes and one in Bloomington. All of these will be injured to an increasing degree unless something is done.

There is a plant in Loogootee that manufactures excellent doors. Today

doors from Germany of similar quality and made by workmen who are paid approximately a quarter of the salary of workmen in Loogootee are shipped into Indiana at less than the cost of making them in Loogootee. If the President is given authority to lower tariffs still further, as is requested by this measure, these Hoosier workmen may be out of a job.

A similar situation exists in the veneer industry in Johnson County. Various hospital and medical equipment, such as latex catheters, are made in a small plant at Sullivan. They are now receiving strong competition from cheap foreign labor. The manufacture of rubber raincoats and other rubber clothing made in Washington, Ind., is being threatened by foreign competition. Import competition is being felt in our electrical machinery, appliances, and equipment fields. Various component parts of radio and television manufacturing which employs thousands in the Seventh District, are being imported into the United States to an increasing degree. Fabricated iron products are being imported at an accelerated rate. We are importing from Italy in increasing amounts a tile which competes with clay pipe made in Clay County. Structural tile will soon feel the effect of foreign competition. Today many tens of thousands of miners, because of importation of fuel oil and residual oil from South America, are out of work in many States.

I could go on and name industry after industry that is either suffering now or will suffer if we grant authority to lower tariffs 25 percent. I merely want to point out the pitfalls for American labor that lie along the road if we renew the Trade Agreements Act for 5 years, giving the President the right to lower tariffs an additional amount up to 25 percent and denying American labor and industry the remedies necessary to stay in business.

In our free enterprise society we have always accepted competition; competition within our own country and competition from abroad. We know that competition brings new ideas and is a spur to creativity. But we have also learned that certain conditions must exist to make competition truly free and fair.

American workers have fought long and hard to achieve the high standards they enjoy. Unqualified competition between their products and those of poorly-paid foreign workers is hardly fair.

American industry, through technological advances, has met increasing challenges of production, and has also carried a heavy burden of taxation. The foreign firms with which it must compete often have more favorable tax situations, frequently have received American assistance and always have lower labor costs. American industry is rarely at a disadvantage due to any lack of genius or resourcefulness.

I regret that this legislation is brought before this body in a closed rule; that prohibits amendments. The only manner in which we can change this bill is to either defend it or support the Simpson substitute.

So I am going to vote for the Simpson measure as a substitute for this 5-year extension. The Simpson substitute would ease these inequities that are injurying American labor and industry. I deeply believe that our efforts to cure the evils of this measure will benefit foreign trade far more than those who want to take that bill as written.

This is not a political matter. This and the previous administrations have taken exactly the same attitude of lowering tariffs without providing adequate protection to American labor and business. Several American industries such as watchmaking and textile manufacture are becoming nonexistent because of cheap foreign labor. The textile industry in the United States alone has lost 350,000 employees since World War II. If we allow our industries to be destroyed we then are at the mercy of our foreign suppliers. Such action does not in the end benefit our foreign competitors, for they become increasingly dependent on their important exports. This situation is the responsibility of Congress and we cannot dodge that responsibility by passing the buck to the President.

The issue is not whether we want a reciprocal trade policy. Certainly we do, but I for one believe that that word "reciprocal" should be used in its true meaning.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in opposition to H. R. 12591 as reported by the Committee on Ways and Means, and to urge that the Committee adopt the substitute proposal as embodied in H. R. 12676, to be offered by the gentleman from Pennsylvania [Mr. SIMPSON]. I am sure that practically every Member of the House who believes that revision of the Trade Agreements Act is necessary, including the principal sponsors, would change in some respects the provisions of H. R. 12676 if such was entirely up to them. In the form that it is to be presented, though, it is a reasonable bill and should, in my opinion, be supported. On the first day of the 85th Congress, I introduced a similar bill, and am one of the cosponsors of this legislation.

I think we should first and foremost keep in mind that we are legislating the trade policies of the United States. We cannot ignore the effect upon American workingmen, producers, and industry. In the world in which we live today, the effect of our trade policies upon our foreign relations is an important consideration. In my viewpoint, these interests are not diametrically opposed but are in fact in common if we look at the situation from the long-range viewpoint. If the Free World is to remain free and is to prosper, America must remain strong and our standard of living must be maintained and constantly improved. Through a sound trade policy, we can do this and at the same time expand our foreign trade and improve the standard of living among our friends in the Free World. Our objective must be to help the rest of the Free World to help itself, and not to lower our standard of living by flooding our markets with cheap-labor-produced foreign imports, with constant loss of jobs and loss of domestic production.

The economic strength of the United States has been in our widely disseminated wealth and purchasing power moving in a relatively free economy, to create a mass market, expanding national wealth and a constantly higher standard of living. This has been characterized by high wages. Primarily because of our war efforts and foreign aid, we are now confronted with an enormous national debt and high taxes. To me, it simply boils down to this: We have taxed our American citizens or put them in debt to provide foreign economic aid, to build factories, and to teach our technological know-how abroad. We have given favored tax treatment to American investors to encourage them to build factories abroad. We have virtually eliminated any protection to American markets. The effect is to provide the means for foreign producers, including Americans, to exploit cheap foreign labor and lower foreign taxes to put American producers out of business and American workers out of work. This is a vicious circle. Continued indefinitely, it can lead only to total economic collapse. Our American economy, though, is still strong. If we act now, we can correct this situation without harming or taking anything away from friendly foreign nations. As a matter of fact, they can be permitted continually expanding markets in this country. That is what the substitute legislation proposes to do. It is legislation to foster expanding trade on a sound basis.

There is no intention to cut off foreign trade, as some people would attempt to distort the objective. The purpose is merely to place our foreign trade policy on a sound basis and in proper perspective. The chief difference in the proposals is that the substitute would return some control over decisions to the Congress, where it rightfully belongs. We are in fact voting as to whether or not we will assume our constitutional duties.

With this control vested absolutely in the Executive, we have seen the State Department's viewpoint entirely dominate the decisions. This has been true under both Democrat and Republican administrations. It has resulted in one industry after another being denied the relief contemplated by the law.

In our area, we first saw our wool production drop by more than 50 percent in the 10 years immediately following World War II. Most recently, we have been faced with an impossible situation as to domestic oil production. Every responsible investigation has found that adequate domestic production is essential to our security; that imports should not exceed the 1954 ratio; and that the security is endangered by reason of excessive foreign imports. Nevertheless, imports have been permitted to rise far above that. This

has had a serious impact upon the domestic coal industry.

With improved meat prices, the livestock industry finds itself threatened with an alarming increase in imports. Domestic mineral production in the general area is seriously threatened. As I listen to my colleagues and hear from their constituents, I am appreciative of the fact that similar situations in other industries prevail throughout the country. When the textile industries are destroyed, we know that we are destroying our only markets for American-produced raw material. Every indication is that under present procedures, either no action or inadequate action will be taken with regard to these situations and newly developing problems.

This has spread like a cancerous growth. Unless reasonable action is taken, more and more workers and producers will be affected. If we do not adopt the reasonable proposals of this substitute legislation, I am very much concerned that the pendulum will swing entirely too far the other way. Also, as time goes by, we will find ourselves in a position that is much more difficult to adjust on a reasonable basis.

On a narrower base, a very similar situation to that which confronts us now developed with regard to sugar in the early thirties. The proposed substitute in principle is much like the Sugar Act. This has operated well for the consumer, for the foreign supplier and, with one exception, for the domestic producer. In effect, by the substitute we are saying to the foreign supplier that we will only restrict the American market when there is threat of serious injury or serious injury to the American economy. Even then, we will allow you a constantly increasing market in this country, as our consumption increases.

Mr. Chairman, I am convinced that if Congress shares the responsibility for changing any of the recommendations of the Tariff Commission, as proposed by this substitute, then all factors important to the strength of America and of the Free World will be given proper consideration. I think foreign producers, and particularly American foreign producers, that are fighting this are shortsighted, and if they are successful will ultimately be the ones hurt the worst. You cannot destroy your customers without destroying your business.

I am satisfied that the Congress can be counted upon to recognize and meet our responsibilities to the Free World. But at the same time, the jobs of American workers and American production will be given proper consideration. I urge the adoption of the substitute.

Mr. REED. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from South Dakota [Mr. BERRY].

Mr. BERRY. Mr. Chairman, much has been said on the floor during the past few days of the fact that agriculture is in favor of the committee bill.

Mr. Chairman, there have been reports in the press that the Nation's farmers are lined up behind the executive's foreign trade proposals. In view of the Department of Agriculture's latest survey of our imports of livestock, meat and meat products, I am skeptical about these reports.

American cattle producers in 1957 watched their exports rise a slim 4 percent while competitive imports jumped a significant 36 percent.

The Department of Agriculture notes that our imports of cattle last year were the highest since 1952, and our imports of beef more than doubled 1956 levels.

Some of the figures in the Department's report were especially noteworthy. For example, our imports of live animals in 1956 were valued at $15.7 million. In 1957, this soared to $71.6 million. Our imports of lamb and mutton were valued at $324,000 in 1956 and $835,000 in 1957. Our imports of beef and veal were valued at $29.3 million in 1956 and $59.3 million last year.

In 1955 we imported less than 20 million pounds of boneless beef; in 1957, this climbed to almost 90 million pounds. In 1956 we imported 159,359 cattle; and 727,843 in 1957. We imported 3,158 sheep in 1956, and 17,832 in 1957.

Mr. Chairman, the Department of Agriculture's report also indicates that our trading partners, who shed tears profusely at the slightest hint of a change in our trade policies, know a good thing when they see it. Here are a few illuminating figures.

In 1956, Paraguay sent us 1,276,000 pounds of beef and veal; in 1957 this went up to 5,782,000 pounds. Uruguay shipped us 3,730,000 pounds in 1956, and 11,479,000 pounds in 1957. New Zealand sent us 4,215,000 pounds in 1956, and 50 million pounds in 1957. Canada sent us 11,926,000 pounds in 1956, and over 47 million pounds in 1957. Mexico shipped us 6½ million pounds in 1956 and almost 13 million pounds in 1957.

New Zealand shipped us 408,000 pounds of mutton and lamb in 1956, and more than 1.6 million pounds in 1957. Australia's shipments rose from 921,000 pounds in 1956 to 1.4 million pounds in 1957. Canada's shipments climbed from 19,000 pounds in 1956 to 463,000 pounds in 1957.

Our imports of canned and preserved assorted meats show similar gains. Argentina's shipments to this country totaled 4,164,000 pounds in 1956 and over 13 million pounds in 1957. Mexico's shipments increased from 43,000 pounds in 1956 to 170,000 pounds in 1957. Denmark's shipments gained from 402,000 pounds in 1956 to 699,000 pounds.

Mr. Chairman, the Department of Agriculture's study clearly shows that the trend is well established, and that trend is toward greater and greater imports. The list of damaged industries already is a long one; it is certain to grow longer if we extend our present unwise, unreasonable, and unfair trade law.

In addition, Mr. Chairman, to the livestock and meat imports, I want to also call attention to another industry that has been so seriously damaged by imports, and that is the wool industry. Approximately only one-third of the wool that is used in the United States is raised in the United States; the balance of it is imported.

I have made the statement so many times, and I am confident that it cannot be successfully refuted, that if American agriculture were permitted by tariff protection to produce the wool that is used in domestic woolen trade, there would be no farm problem; that if the thousands of acres which are now producing surplus crops were diverted into the production of sufficient wool to supply domestic demands, it would completely solve the surplus farm problem.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. VANIK].

Mr. VANIK. Mr. Chairman, I want to take this opportunity of declaring my support for the Reciprocal Trade Agreements Act as provided in H. R. 12591 with no amendments.

I want to emphasize with no amendments because I hope that the Ways and Means Committee will not make concessions possible under the rule which permits the consideration of only those amendments recommended by committee.

In every community throughout the Nation and in every district there are strong pressures against this legislation. I fear the outcome. The failure of this legislation would drive friendly nations into the economic orbit of our enemies. Trade is the pathway to military and diplomatic relationships, which are essential to world stability and peace. If this pathway becomes overgrown with tariff and trade barriers, new roads will be established to new and more farsighted trading areas.

Like every Member of this House, I have many industries adversely affected by the impact of foreign competition. Almost 1,100 of my constituents, principally in the wood screw and spring steel industries, have been told by their employers that their layoffs and reduced workweek are the result of foreign competition in these items. Of 5 Cleveland area wood screw manufacturers who complain about imports, 3 are also exporters. In checking through the record, I found that the largest employer—while complaining about foreign competition in 1 phase of its production—failed to tell its employees that over 50 percent of its production was for export. Another of the complaining employers failed to tell its laid-off employees that some of their joblessness resulted from foreign competition—generated from transfer of production to three of its own subsidiary plants in foreign lands.

Many industries engaged in foreign trade and beneficiaries of reciprocal trade agreements find themselves in an untenable position of advocating reciprocal trade for the items they successfully produce for export and tariff protection for those items in which they cannot successfully compete.

Unfortunately the Department of Commerce is not in a position to render help in ascertaining the current effect of the reciprocal trade program. The figures used in its foreign trade impact studies are based on 1956 reports, and

fail to provide any clue of recent effects, particularly during the current recession. Nor do these figures indicate the nature and item volume of foreign trade impact on export by industry or company. Therefore, the collection of these statistics by the Department of Commerce after they cease to be vital is service to the historian rather than to the legislator.

Notwithstanding the obvious failure of the Department of Commerce to provide full and complete information my support of this legislation is based upon my profound belief that America cannot and must not further alienate itself in this shrinking world. The integrity and common purpose of the Western Hemisphere is being assailed by the distorted administration of our trade policies. This was made evident in the recent South American fiasco. Our long and esteemed friendship with Canada is only continued through the patient tolerance of the Canadian people. Current American trade policies toward Canada restrict mineral imports to the United States and are bringing this fine and valuable relationship to the breaking point.

The development of the St. Lawrence Seaway is expected to bring large-scale world commerce to the doorstep of Midwest America. Every Great Lakes city is planning and building docks, warehouses, and new port facilities to accommodate this new trade. Recession-distressed communities pray for dynamic new production stimulated by new and greater trade. It is naive for our producers and our citizens to expect that this trade can be a one-way street. Without the agreements that make and stimulate trade, the development of the St. Lawrence would result in a bad dream. If this bill is not enacted into law—the acclaimed St. Lawrence Seaway might as well be filled in as a concrete highway to the sea.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina [Mr. HEMPHILL].

Mr. HEMPHILL. Mr. Chairman, first I want to thank the chairman of the committee for this time.

Mr. Chairman, today I went down to my home to vote. As many of you know, I live in what is known as a textile district. And, as I came back on the plane looking down at those beautiful cities I am proud to represent, I wondered how many more silent smokestacks there would be against the sky in the days to come because, Mr. Chairman, the Congress in the past has sacrificed a part of the textile industry. It has sacrificed the jobs of American people. It has sacrificed the jobs of people, some of whose relatives have made the supreme sacrifice for this country. And if that be American, I am not for it. I speak not only for the textile industry and those people whom I am proud to represent, but I speak for labor and capital all over this America, because what we are doing, Mr. Chairman, is selling the workingman of this Nation down the river. We are depriving him of jobs. We are taking the capital of this Nation and instead of giving it to the people of this Nation, we are giving it to foreign countries, because capital cannot afford to invest here because it cannot get the price, good wages and reasonable profit make necessary.

Mr. Chairman, although I represent a textile area, I want to talk later about something other than textiles. I hold in my hand here 2 caps, 1 of which is American made and which sells in New York for $4.50 per dozen to the jobber and another of which is Japanese-made and sells in New York for $1.50 a dozen to the jobber. Think just a minute of the American workers who are dependent upon this and think of the Japanese workers who get 30 cents an hour. Think if the Japanese have contributed anything to this country and think what the workers of this country have contributed in taxes, in blood and sweat and tears and in citizenship. That is just one item.

Here is another item. I do not know where these binoculars were made, except I know one pair was made in Japan and the other was made in these United States by American workers. The 1 made in Japan can come in for $45.65 and the 1 made in the United States costs $92.50.

Mr. Chairman, it appears that we have done something here in the committee for the oil people, and I am not against that. Let us do something for the American people. Let us do something for the textile people whose mills are closing. Let us do something for the veneer people. Let us do something for other American people instead of for the people in foreign lands. No, I am not against the people of foreign lands, I am just for the American people first, last, and always.

Let me give you one other illustration, Mr. Chairman. Here are 2 baseball mitts, 1 of which sells for $4.94 to the retailer, and was made in a foreign country. The other sells for $18.40, made in America by the very American workman who sent somebody here to this Congress to represent him, by the same American worker who is paying the taxes that pay your salary and mine; by the same American worker who is looking to you and to me as Members of this Congress for some sort of protection and some sort of intelligent relief from unemployment. You can say all you want to about what this bill may do, but you have 5 million unemployed now and tomorrow you are going to have recession, depression, and more of the same if you continue this iniquitous policy.

How can you give relief? You can give relief by voting for the 2-year bill. Frankly, Mr. Chairman, we need the leverage of 2 years, because if we wait 5 years, this country may be gone so far as our trade is concerned.

Do we think for 1 minute that those people who went to Rome to form the European free market, met in Rome for other than their own purposes? Do you think for 1 minute that they are going to come to this country and say, "We want you to sell to us"? No, the very purpose of that organization is to bind themselves together for the purpose of trading among themselves. And yet I saw in this report today a justification, so-called, for this committee bill, on the basis of a European free market.

Trade lines and bread lines—is this the American policy today?

Think of the millions of people, in every affected industry, dependent upon jobs—jobs to produce textiles—jobs to produce veneer—jobs to produce coal—jobs to produce automobiles. Think of the widows and orphans dependent upon investment in American production. Think of the buying power of the Americans destroyed already by iniquitous reciprocal trade policies.

From the majority report of the Ways and Means Committee of the United States House of Representatives, and from the flood of propaganda which has come into my office trying to bolster up reciprocal trade, or seek our votes for the Reciprocal Trade Act of 1958, I cannot but conclude that the hue and cry is and will be that we are doing our Nation a great favor by authorizing a 5-year extension, and retaining in the hands of the Chief Executive tremendous powers of discretion as to the findings of the Tariff Commission. I do not question the sincerity of a part of that material, or the sincerity of the debate here on the floor of the House of Representatives today, but it occurs to me somewhere along the line, we are missing, or avoiding, the real question which this legislation proposes.

We may talk all we wish about saving the Nation, or helping the Nation, and claim that this legislation, if enacted, should have the patriotic support of not only the Members of Congress, but of the country as a whole. Despite this plea, we cannot escape the fact, that if we are saving the Nation, and many, many thinking men will refute that, in the process we are sacrificing the livelihoods and economic welfare of so many of our people.

There is also an element of statism involved, which is wrong in principle, and not in keeping with the constitutional purposes, and high ideals, of such great documents as the Constitution of the United States of America and the Declaration of Independence.

Are we going to sacrifice the citizen's well-being for the proposed, but not proven, well-being of the Nation? Is the citizen, his work, his standard of living, to be put on the altar of international expediency? You and I are charged with helping our people, not hurting them, and I stand here today to raise my voice in protest against extension of the Reciprocal Trade Act, and the iniquitous manner in which reciprocal trade has been butchered and misused by the leaders of this country.

Not long ago, I visited the part of my district where the textile plant was only running 3 days a week. We could trace that cutback directly to Japanese textiles and other foreign textile imports. I knew most of the people there, and most of them are good friends of mine. I am their Representative. I know their problem, and take pride in their friendship.

One of my good friends began to tell me about their trouble. Some years ago, after working about 20 years in a textile plant, he finally was able to buy his home. He made a down payment at a great sacrifice, and since that time has had to make monthly payments. He has been paying income taxes for 20 years. He has been a good citizen of his community, and a pillar in his church. He is getting to the age where he knows no other skill than that of textile employment.

He asked me what this Nation was doing to him, and what he could expect the Nation to do for him. Because of the financial strain he was under, in working only 3 days a week, instead of the normal 5 or 5½, he was behind in the payments on his home. He had had to give up his automobile. He was behind in payments on his life insurance. His family was having difficulty in getting enough food to eat and enough clothing to wear. He asked why his Nation would treat him this way? Where could he move to? His home, in a textile community sorely depressed, would not have a high market value. What else could he do?

We are trustees for that citizen and taxpayer, and others like him. We must preserve jobs, not destroy them. We must help, not hurt, this industry. The same reasoning applies to other industries.

The above is just one example of American citizens being "sold down the river" by this international idea of reciprocal trade. What responsibility has this Government, and what responsibility has this Nation, to these the people who have worked for years, not only to make the Nation great, but to keep it free? What can I tell a man, whose son gave his life in World War II in support of his country? What can I tell his wife, as she looks at me with questioning eyes and asks me what kind of people are here in this Congress that they would be so blind to the needs of this segment of American citizenship? Perhaps you think the textile industry is expendable. I tell you that if we have 1 ounce of patriotism, and any sense of responsibility to these our people whom we represent, and these the people who are American citizens, we owe to them the dedication to a principle that no segment of American industry is expendable, and none of our people should be neglected.

I speak of the textile people as I am closer to them than any other part of American industry. I know how hard they have worked. I know how proud and free they are, and what great Americans they have been and are today. I grieve for them. Reciprocal trade is their nemesis, and this administration has hands stained with guilt, guilty of being unable to protect its people, and to protect its taxpayers.

I would like to know who knows more about the conditions from which they suffer than the textile people themselves. Shall we say that some expert here knows more than these textile people, these people who have spent their lives in this work, and can see the pattern of things present, and the difficulties on the horizon?

I quote here from an article from Newsy Notes, published monthly by the Rock Hill Printing & Finishing Co. from the May 1958 issue:

WASHINGTON OFFICIALS ARE WARNED UNITED STATES TEXTILE INDUSTRY FACES RUIN

If high government officials in Washington, D. C., are intent upon policies which are slowly strangling the American textile industry, it is not because they have received no warning. On the contrary, they have received strong protests from some of the wisest and ablest leaders of the industry.

The editors of America's Textile Reporter, have been privileged to see copies of letters written by Leon Lowenstein, chairman of the board of M. Lowenstein & Sons, Inc., to members of the Cabinet on this subject, and have received permission to publish excerpts from this correspondence.

On March 3, 1958, Mr. Lowenstein addressed the following communication to the Honorable Robert B. Anderson, Secretary of the Treasury:

"I want to thank you for your letter of February 21, together with the enclosures. I read the text which you enclosed being interested in the effect of foreign trade on our textile industry. I was particularly interested in the statement made by Mr. Baird, which you enclosed.

"It would serve no purpose for me to recite the various arguments for protection for American industry. I am sure the present hearings in Washington will develop all of the fine points. However, I do want to comment on two phases:

"One, how much of our increased foreign trade has resulted from our giveaway programs which deal only nominally with matters of trade. I feel that these gifts, as worthy as they are, hardly represent trade as such.

"SOUND ECONOMY NEEDED

"I am mindful of the need for sound economies in the countries of our friends abroad, but unless the American economy remains sound, our foreign friends will have nothing to help them.

"Mr. Baird lists a number of domestic industries that furnished employment resulting from export shipments. I noted that in each of these areas the matters exported represented articles which were needed in the foreign countries and which were not produced there. In short, these countries were interested in American products because they had to have them and, if it was not a matter of buying American products they would have had to buy them elsewhere and more likely at a higher price.

"This is a far cry from our policy of conceding to the other countries a portion of the American market in areas where our own production is in excess of our own needs.

"Finally, I would like to point out that the American textile industry should not be the one to bear the cost of our foreign political policy. Our international political policy is a cost of the entire Nation and its costs should be borne by the Nation rather than by one industry alone.

"In the past many industries have felt that the matter of foreign production would not come home to plague their particular industry. Of late, more and more of these people are beginning to realize that the leak in the boat is a danger to all of the passengers, not only to those in the section where the leak occurs.

"Our administration must be conscious of the need of more proper protective tariffs and quotas. This is rapidly becoming a prime economic issue, and before the next election will become the No. 1 political issue."

On March 6, 1958, in a letter to the Honorable Henry Kearns, Assistant Secretary of Commerce for International Affairs, Mr. Lowenstein said:

"There is no one who wants to keep out of war more than I. Furthermore, there is no one whom you have ever met who is more in favor of holding our partners in the West; but sometimes one gives away and by giving badly you lose a partner.

"In behalf of this great country of ours, I feel we should stay strong, but we are not going to stay strong if we have a recession or depression brought about by unemployment and I am going to stick to this statement. The policy of this Department, in my book, has created unemployment by allowing soft goods, or hard goods, or whatever you want to call it to be imported into this country manufactured at slave-labor rates. An excerpt from your article reads as follows:

" 'He accused the industry of blaming all of its ills on import competition. He charged the industry could not prove that its troubles all stemmed from imports.'

"EXHIBIT A

"Now, I told you that I had evidence and you have this verified. I am sending you a T-shirt which was made in Japan. I don't know whether you wear glasses or not, but I had to read that lettering on the shirt, which reads, 'Imports from Japan,' with a magnifying glass. I have marked this T-shirt 'Exhibit A.'

"I also enclose an ad from a national catalog. Here, I have marked the sheet 'Exhibit B.' They are selling this shirt 3 for $1. You have men in the Department of Commerce who can check these figures.

"I understand that it cost a first-class manufacturer in this country to put out a garment like this T-shirt 42 cents a garment or $5.04 a dozen. They would be selling this garment to a retailer in this country at $5.50 a dozen which would give the manufacturer about 9 percent profit. Here again, you can check my figures.

"Now, let us look at the retailer. It costs him 46 cents a garment. Let us say that the garment sells at 59 cents retail, or a profit of 22 percent. Try to get any manufacturer or retailer to meet these figures.

"Now, bear in mind that the Japanese T-shirt is selling at 33⅓ cents apiece, or 3 for $1, and the American-made garment at 59 cents apiece. The Japanese garment sells for 25⅔ cents less. The American-made T-shirt is 77 percent higher priced than the Japanese article.

"The American manufacturer cannot make these goods at the prices at which the consumer can buy them when produced in foreign countries; in this case, Japan.

"I am going to ask you if any member of your family went into a store and saw a garment such as exhibit A, at 33⅓ cents, and then saw another garment on the next counter of the same quality, etc., for 59 cents, don't you think that person would be confused? I believe many people walk out of the store and don't buy anything because of their confusion.

"I ask you and others in Washington: Do you think the soft-goods industry is complaining unjustly? Have they the proper right to complain as citizens of the United States? I am going to ask you another question. What is happening to the textile industry, or, as a matter of fact, any other industry in this country?

"It won't be long before the same that is happening to the textile industry will occur in other industries."

(This article was reprinted from America's Textile Reporter.)

People from almost every county in my district are employed in the Rock Hill Printing & Finishing Co. plant at Rock Hill, S. C. It is a fine plant. It offers employment to thousands of people, thousands of wonderful, patriotic Americans.

Can we forget for 1 minute that, after all, the producer is the consumer? These textile people that are suffering so are not only the producers of textiles, but they are also consumers. They are consumers for washing machines, automobiles, food, fiber, and a thousand and one things that American people are supposed to enjoy. When we cut back on their production, we cut back their ability to be consumers. We take from them their purchasing power. Previously, we have taken from them their taxes, and they have paid taxes in the faith that this Nation respects them as taxpayers, and will not sell them down the river.

I quote from a letter from a manager of another plant in my district:

We in the textile business are suffering. Mostly because of the manner in which the Trade Agreements Act is being administered. Textiles is by far the most important enterprise in your State. More people depend on it for a living than any other single thing in our State.

Please, I beg of you, do all that is in your power to help us when this opportunity presents itself in June. We must not perish. We are depending on you.

Make no mistake about the fact that these textile people know where the fault lies. They know the Trade Agreements Act is responsible for their difficulty.

I am not just talking about the textile industry in the South. I know what has been done to the textile industry up in the East. I quote:

[From the Daily News Record]

HOOSAC CLOSING AT NEW BEDFORD TO AFFECT 800

NEW BEDFORD, MASS.—Management of Hoosac Mills Corp. announced last night that the New Bedford plant would close in the near future. Eight hundred employees will be affected. The company manufactures fine combed cotton goods and colored warp goods.

"This decision has been reached after a thorough examination of all factors involved," a company statement said. "Present orders will be run out and the assets liquidated."

The company's North Adams division, which manufactures rayon and acetate goods, will continue operations.

[From the Daily News Record]

PEPPERELL CUTS 60–70 EMPLOYEES AT LEWISTON, MAINE

LEWISTON, MAINE.—Pepperell Manufacturing Co., here, is laying off between 60 and 70 workers for an indefinite period of time because of poor market conditions and the division's high inventory. The division will still have a working force of about 400.

The reduction will eliminate a small second shift in the sheet factory and might result in the elimination of a third shift in the finishing plant.

There has been no third shift in the sheet plant, according to Joseph E. Castonguay, general plant manager at the Lewiston division, who also said the bulk of the layoff is in the sheet plant.

Also let me quote from an editorial which was in the Nashville [Tenn.] Banner some time ago:

TEXTILE INDUSTRY IMPERILED BY IMPORTS, SAYS NEWSPAPER

America's textile industry—not just the South's, but the Nation's—is imperiled by increasing inroads of Japanese cotton products. Unless its just complaint is heeded by Congress, it faces disaster.

To state that fact, and condemn a policy so detrimental to basic American interest—as it applies particularly to this field—is not to disavow the Reciprocal Trade Agreements Act. The Banner has upheld the latter and urged its extension as a practical formula for expanding mutually beneficial world trade.

As originally conceived by the late Cordell Hull, who fathered the program, the reciprocal agreement was reciprocal. Under it a foreign nation would sell to us what they had in abundance, and which we needed, and take their pay in commodities that we had in overabundance, and which they needed. Briefly and simply that is its basic theory.

What of Japanese textiles, however? Japan takes United States cotton (which she needs) at a cutrate price, and ships back cotton goods which the United States does not need; products manufactured at wage rates approximately a tenth of those in the United States plants. The cotton is acquired for 7 cents per pound less than American manufacturers have to pay for it. In the American plants, wages, hours of work, minimum age standards, and the cotton prices are all regulated by the Government—and finally, the United States industry is asked to permit this unfair competition.

There are over a thousand cotton mills in the United States, all of them sharply competitive, and they can note proudly that there are no lawsuits pending for antitrust agreements.

The fact is that these Japanese inroads, subsidized by this formidable drain on United States resources—and a basic difference of production costs—are putting the American industry out of business.

No one is suggesting the crippling of Japanese industry. She is free to find her markets where she can. But an ounce of good economic sense would emphasize that first consideration of America, policy wise, is the American interest. That isn't selfishness; it's the natural objection of any industry or people to getting its throat cut.

The United States textile industry does not fear fair competition. It has thrived on that, making millions of jobs. Very properly it opposes unfair competition, created artificially, and subsidized by millions of the tax dollars it has helped supply.

You can talk about all the high-minded theories you want to, but I am mindful of the unemployment which exists in this land today. The automobile industry is sick, and it will be sicker before the drastic effects of this day's legislation has been curtailed and abolished by some farseeing and right-thinking Americans in the future. Organized labor will not heed the reflections in the mirror of time, for if it did, it would be fighting the Trade Agreements Act of 1958 with all its powers.

How can we compete with labor paid only 30 cents an hour? If we are going to allow these imports to come in to compete with us, why do we not demand that the labor in those countries be paid the same as the labor in this country? Who pays the income taxes to this country on the labor it performs? Our people.

Foreign labor does not pay any taxes to these United States, has not sent any sons to do battle for her, and has neither high regard nor any appreciation for our higher purposes of freedom.

I mentioned the automobile industry because that is one of the industries that is in the doldrums now because of reciprocal trade and everyone knows the situation can get worse.

On my desk and in my files are letters from many others affected by this iniquitous trade policy.

The plywood industry is suffering, and suffering badly.

I would like to quote from a letter from one of my constituents. I have previously quoted from this letter before the Ways and Means Committee:

Eight years ago when I went into this business, imports of plywood were a negligible source of trouble and accounted for less than 10 percent of the plywood used in the United States. Today, if you will note by this letter, 46 percent of the plywood used in the United States is imported. We have lost customer after customer on account of price from imports. It is impossible for us, or any other plywood manufacturer, to meet this competition with the prices we have to pay for labor.

One of my constituents is employed by the International Silver Co., of Meriden, Conn. I quote from his letter:

It is the question of the import of Japanese stainless flatware, which has taken a heavy toll on the domestic production of not only stainless steel flatware, but also sterling and silverplate.

My company, which is the largest in the industry, was forced to cut their sales force about 25 percent the first of this year. I feel very fortunate in still having a job with them, but if the Japanese situation remains as serious as it is now, there will perhaps be more cuts in the future.

It is my understanding that the Tariff Commission has recommended some relief in increased duty, but this increase will not alter the situation, because of the great difference in price of the American product, and the Japanese product, due to their 22 cents-an-hour wage advantage. The silverware industry has meant a great deal to this country in the form of excise taxes for a number of years.

In the last few years we have had to move into my State a fine woolen plant at Johnsonville, S. C. May I quote from the letter of the president of that company to me about reciprocal trade:

According to our Constitution, Congress should control trade-tariff policy, and I am against an extension for any length of time unless Congress regains its constitutional authority.

From the inception of the Trade Agreements Act it has not achieved the purposes it was intended to accomplish. Among other things, it has not accomplished world peace or the general economic welfare of our country. In fact, the Trade Agreements Act has contributed to the 50 percent contraction of the wool textile industry since 1946, which in turn has meant loss of jobs and financial insecurity for many of our people.

Our Government has encouraged imports of goods made by low-wage labor by reducing the tariffs to such a low point that it is practically impossible to meet this competition because of our high wage scales.

It seems that we would learn something from the lessons that the British have learned. I quote from the New York Times of Sunday, January 5, 1958:

IMPORTS DISMAY BRITISH MILLS TOO—ARRIVALS OF COTTON GOODS TOPPED EXPORTS FOR FIRST TIME IN JUNE 1957—DIFFICULT ISSUE POSED—COMMONWEALTH RULES BAR TRADE CURBS—EUROPEAN PLAN AROUSES CONCERN

LONDON, January 4.—Britain's cotton textile industry is worried. This is nothing new, for the position of the industry has

been deteriorating steadily. But several new factors have deepened the apprehension.

The immediate source of worry is the rapid increase in imports of cotton cloth. A textile manufacturer noted last week that these imports had exceeded cotton cloth exports for the first time in 200 years.

As it turned out, this excess was recorded in only 2 months last year, June and October. Figures for the first 11 months of 1957 show that exports at 419 million square yards exceeded imports by 35 million square yards.

In the first quarter of 1957, imports of cotton cloth passed the 100 million square-yard mark for the first time.

MUCH IS REEXPORTED

This does not mean that the cotton industry as a whole spent more on imports than it earned on exports. Most of the cloth that poured in from India, Pakistan, Hong Kong, Japan, and of late, from Communist China, was unfinished. After it was finished it was exported at a profit.

The industry's 11 months' exports of nearly $229,171,600 in cotton yarns and woven fabrics were slightly higher than in the same period of 1956, but well below the $252,663,600 of the 1955 period.

Imports jumped from $66,393,600 in the 1956 period to nearly $86,189,600 last year.

The chief sufferers from the flood of imports are the spinners and weavers, and a number have been forced to close their mills. They are constantly importuning the Government to restrict imports. But the Government is unwilling to tamper with the system of Commonwealth preferences which permits Commonwealth members such as India, Pakistan, and Hong Kong to send cotton cloth here duty free.

The industry has sent missions to these three to persuade them to restrict their exports to Britain voluntarily. But these missions have failed.

The merchants and finishers dependent on foreign markets would prefer to use British cloth, but they could not compete successfully in the markets of Asia and Africa if they did not have supplies of cheaper cloth.

India, Pakistan, Japan, and the other countries can sell their cloth more cheaply than Britain because their wages and other costs are considerably lower. In some cases Government support keeps the price of raw cotton low.

The Lancashire manufacturers charge that the prices of Communist Chinese imports are political and unrelated to the actual cost of production. This would be in keeping with the announced Communist intention of waging economic warfare against the West.

The industry also is worried because the nations producing cheaply and competing with it more and more successfully in world markets for finished goods are making inroads in the British market.

It is also concerned about the possible effects of Britain's accession to a European free-trade area. This would throw the home market open to more serious continental competition. The industry is trying to persuade the Government to make sure that such competition is based on fair prices, that it is not subsidized, and that continental competitors do not have access to raw cotton from their colonies at prices below what Britain pays.

I have used all these illustrations to try to emphasize the seriousness of the situation. I have not used a great many more letters of the plywood people, letters from the tuna fish people, and letters from those industries in various areas whose people are suffering because of the manner in which the reciprocal-trade program has been administered.

Which are you most interested in—American industry or some foreign industry? That is the question here, and you cannot escape the responsibility by any high-sounding phrases or any one-world ideas. It is the American people to whom you owe the obligation of protection, and while I may be called a protectionist for saying this, if we of this Congress do not protect these people, who will? Shall we depend upon our enemies of other wars to do anything for us? I have not seen that they have done anything, except take our money, and hate our souls. They are jealous of our freedom. They are jealous of our economic well-being, and they would like to supplant us in what is known as the Free World with anybody else so long as we are made weak. Give many of them a chance to kick us, stab us, or otherwise hurt us, and get by with it and they hurry to the task. We all know that is true, and I have no apology for my strong language, for this is a time where we need not only strong language, but strong men with strong determination.

Attempting to justify this legislation, on page 9 of the committee report, on H. R. 12591, we find the following language:

> If the United States is to continue to lead the free nation to a more secure peace and a better world, it cannot afford to take economic measures in disregard of its own interest and of the interest of nations associated with it.

Are we leading today, or are we following? Despite reciprocal trade over the past few years, we have a recession. Despite the vast sums we have given away, or thrown away, we are in trouble all over the world. Instead of leading, we jump every time Russia lashes her whip.

I think we are led by the nose by a group of internationalists, who want to see us undermined in order to make us a second-rate power. Everybody in the world is prospering today, except the United States. I received just the other day a letter from a friend in Paris, telling of the prosperity everywhere there. He is a taxpayer, and he writes: "No more United States dollars thrown away over here."

Our trade agreements fall in the same category. Actually, we are the laughing stock of the world because of these agreements and our general giveaway program.

The justification, on page 16 of the report, says:

> 1. To promote the national welfare.

The national welfare clause has been abused many times before this fair day. Let us realize that those countries who buy from us, only buy from us because they cannot manufacture themselves. They buy from us because it is advantageous to them to buy from us. They do not purchase from us for the purpose of giving us an advantage, or helping us. Perhaps in some instances they do, but in those instances, they purchase from us with the money we give them.

Who are we trying to fool with this fallacious philosophy that other countries buy from us to help us. True, they buy our cotton—but they buy it cheaper than our own mills, use cheap or slave labor, then send it back to haunt us. If they really want to help, why not buy the cotton at our mill prices, and enter into agreements to pay living wages such as are paid in United States. Then we could see them having their own people rich enough to buy American textiles, American cars, washing machines, and the like, and keep our people working. Perhaps they could appreciate our philosophy, and seek to bring their people up to the high standard of living we insist upon for our people, rather than have them continually abusing our friendship to undermine American industry and American workmen.

I am particularly aware of the supposed justification on the basis of the interest of the trade agreements program and the interest of labor. A few minutes ago I said something about organized labor, and now I want to say something about all labor. All labor, all the organized and unorganized, is suffering because of that reciprocal trade program and the administration of it. To be sure we need to keep our people employed, but it is not working that way at least in many of the industries of these United States. With the facts before us, how can we rely on pretty phrases to justify our own depletion. I note from the report on page 20:

> Critical segments of their economies are dependent on trade with the United States.

What about the critical segments of our economy? Again we come back to the vital issue, which is the most important, these United States, or foreign countries? Whose people need our every effort most? Our own people, of course. The course we are pursuing is not sound—the very ship of state is approaching shoal water.

On page 21 of the report we are told that at the moment the United States is experiencing a business downturn and that this appears to be temporary. This reasoning goes on to say that the Congress is considering measures to foster a speedy and sound recovery. If Congress today could suspend reciprocal trade legislation altogether until we have a valued and realistic reexamination of the departure from the original ideas of Cordell Hull, this country would be benefited more than by any act this Congress can pass, or promote at this or any future session.

Such trade agreements as we now have in effect would continue. If it is necessary to have a trade agreements act of 1959, we have time to consider. If the recession gets worse, and well it may, we can test what effect the agreements already in force are having on that recession, or the possibility of a recovery from it. If business gets better, then we can examine that up-turn in the light of the fact that we do not have damaging and depleting trade agreements.

Too often in this Congress we have hastened into legislation because of Soviet economic threats, or some other Soviet threat. Are we a Nation moved only by fear or are we to be dedicated to reason?

What about the European Common Market? No one here can truthfully say that it was created to be of any benefit to

the United States. Yet, its creation is used as a basis for justifying this legislation. I know and you know that the people of that agreement at Rome would trade among themselves preferable to trading with the United States. That is just commonsense. They hope we will suck in and make some fool agreement in which they can dump goods into these United States, put American workmen out of employment, cripple segments of our industry, and render us incapable of being self-supporting.

We should think of the self-supporting feature of these considerations. As we sacrifice one segment of our economy after another, one industry after another, do we not make ourselves more vulnerable to attack, less able to supply, from within our shores, the needs of our own people? Is that good and sound defense judgment? Should we not always be able to produce enough food and enough fiber for our own people? Should we not have enough technicians, enough skilled and highly skilled workers, to be available for defense production at a moment's notice?

Why do I say this? I take again from the report, from the able statement of the Honorable FRANK IKARD, a member of the committee:

> The domestic petroleum industry in the light of the record surrounding the enactment of the national defense amendment set about to place before the Office of Defense Mobilization the facts and figures which proved conclusively that our national security was being threatened by excessive oil imports. Some 2 years later, during which time oil imports had risen steadily, the President agreed with the findings of his Special Committee To Investigate Crude Oil Imports, which Committee concluded:
>
> "If we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production."
>
> Adoption of the defense amendment (sec. 7 of the Trade Agreements Extension Act of 1955) carried with it assurances from the executive department that all imports would be held to the 1954 ratio, in line with the President's Fuels Committee recommendations. Despite these assurances, oil imports, both crude and products, have increased continuously in relation to domestic production since 1954, at which time such imports amounted to 10.6 percent of domestic production.

Congressman IKARD quotes from the report of the President's Special Committee To Investigate Crude Oil Imports made up of six members of the President's Cabinet:

> If we are to have enough oil to meet our national security needs, there must be a limitation on imports that will insure a proper balance between imports and domestic production.

We notice that Mr. Dulles and others here use the word "limitation." Some of us believe in quotas, but you can call them limitations if you like that language better. The fact that the President's Committee will recognize the necessity of limitations or quotas as to one industry reflects the soundness of thinking of those who think that quotas should be imposed to protect any industry seriously affected, and I speak particularly of our textile industry and our plywood industry.

The minority views of the committee are significant. They criticize the bill for falling short of the two main objectives, and state, first, it will not arm the United States in the war against Soviet economic aggression, and second, does not meet the challenge of the European Common Market. It also goes on to say that this bill offers no solace and no real assistance to those victims of tariff cuts who have been denied relief even when Government agencies have found that their injuries merited remedial tariff or quota action.

One committee member characterized as meaningless the changes in an escape clause procedure. I subscribe to that statement. The present legislation is meaningless insofar as giving any relief to those industries which have been adversely affected by the reciprocal trade program.

It was never intended that trade policy direction should be removed from the Congress of the United States. The creation of the Tariff Commission was to effect an Administrative Board which could carry out the purposes and intent of the Congress. The placing of the veto power or the large discretion in the Chief Executive was a grave mistake. It is being abused by the Executive, and the findings of the Tariff Commission in so many instances have been ignored.

My only purpose in being for the Simpson bill is in the hope of getting some relief. I do not believe this is the complete answer. I know it is better than the administration bill, as any bill would be better than that of the proposed legislation.

Not long ago one of the lobbyists for the Department of Commerce slipped into my office to hand me what was known as a Foreign Trade Impact Study on the State of South Carolina. I do not know how much it costs our Government to get up this propaganda. I do know that it was unnecessary, and that it is inaccurate. I wish those people who wrote that report could come and go down with me and talk to the textile people who are being hurt. I wish they would face up to the facts that these are American citizens, more important to me, and I hope to most of the Members of this Congress, than any other people of the world. I wish the Department of Commerce, the Department of State and the other bureaus up town would rededicate themselves to the American people. I call upon them to do that today.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. HEMPHILL] has expired.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. MAY].

Mr. MAY. Mr. Chairman, the Congress of the United States stands today upon the threshold of a fateful decision. Incumbent upon the Members of this great legislative body is the duty to decide the issue before us in the interests of the Nation as a whole as well as in the interests of their individual constituencies. Extension of the Reciprocal Trade Agreements Act is indeed controversial. The opinions range from the extreme free traders to those who would protect every item of American production; from those who would place the regulation of trade agreements under complete international domination to those who would bury their head in the sand and retreat to the supposed safety of a "fortress America".

The solution to the basic problem is answered by neither of the extremes—the solution is a difficult one never satisfactory to all—it is a solution that must be based upon commonsense. The distinguished Members of the Ways and Means Committee have held extensive public hearings on this issue—they have done so upon the request of the President of the United States who has indicated his deep interest in extension of the Reciprocal Trade Agreements Act.

Personally, I have studied at great length the effect of the act upon our foreign policy, upon our national domestic economic interests and specifically the impact of the foreign trade engendered under this act upon the First Congressional District of Connecticut.

I therefore rise in support of the committee administration bill, H. R. 12951, and I state I cannot vote for passage of the alternative Simpson-Dorn-Davis-Bailey bill, H. R. 12676.

Mr. Chairman, the committee report describes thoroughly the details of this most important legislation and I shall not deal specifically detail by detail with the bill. I prefer rather to discuss several of the most important aspects of strength inherent in the committee bill and then I propose to state my beliefs in the greatest measure of sincerity on why the Simpson-Dorn-Davis-Bailey bill should not become the law of the land.

In considering the question of extension of the Reciprocal Trade Agreements Act, three very basic problems are involved:

First. We must maintain our position as the leading trading nation in the world. To do so is vital to our domestic economy—it's vital to our position as leader of the Free World—it is vital to considerations of foreign policy and waging peace. Let me stress again—it is of the utmost importance to our economic life both domestic and foreign that we maintain our position.

Secondly, as Members of Congress, it is our responsibility to recognize that a most important and inescapable factor in the establishment of a sound foreign trade policy is the creation of a healthy psychological climate. Foreign nations must have reasonable assurances of continuity in our trade policies. To retreat at this time into a shell of protectionism would destroy a favorable trade climate that we have spent years to create.

In the third place, we must afford effective means of protection to domestic industry that can definitely establish injury which is due to unfair foreign competition. Our domestic industries, no matter how small, should not be needlessly sacrificed upon the altar of free trade. There is no question in my mind but that relief has not been given by present and past administrations under

certain circumstances when it was obviously required. I have in my own district, several types of industry which require urgent consideration—the carpet industry—represented by Bigelow-Sanford in Thompsonville, the clock and watch industry in Bristol and the screw industry in Hartford County. These industries are in a position to demonstrate legitimate grief caused by foreign wage scales that cannot possibly be met by domestic competition.

Mr. Chairman, in my estimation, the committee administration bill, H. R. 12951 can accomplish these three major objectives more successfully than the Simpson-Dorn-Davis-Bailey bill, H. R. 12676.

There are three major arguments that the opponents of the reciprocal trade agreements program have concentrated their efforts upon so far. First, from a practical point of view, they insist that relief has not been forthcoming when the factfinding of the Tariff Commission has indicated that such relief is necessary. They attribute lack of understanding of their problems to both the Truman and Eisenhower administrations. Secondly, they claim that the Congress has abdicated its constitutional responsibilities of control on matters of tariff policy.

In the third place, they strongly indicate that the reciprocal trade agreements act is not truly reciprocal—that foreign nations have not responded in a reciprocal manner by the lowering of their tariffs in response to our own gestures.

The committee administration bill deals decisively with the first of these arguments in that it improves the escape clause and peril point procedures and places in the hands of the Congress a realistic review of the latitude so necessarily designated to the President of the United States.

When the President has failed to act in accord with what are felt to be legitimate indications of injury, direct recourse to the Congress of the United States is provided.

The proponents of the Simpson-Dorn-Davis-Bailey bill assert that this is not an effective review—this assertion is absurd to say the least for they are negating in their arguments one of the thoroughly approved methods of constitutional review of executive decisions, and I quote from the committee report:

3. The escape-clause procedure is retained and will be applicable to new as well as old concessions, with the following modifications in the procedure:

(a) Escape-clause proceedings are to be speeded up by the requirement that investigations and reports are to be completed by the Traiff Commission in 6 months instead of in 9 months as provided in present law.

(b) The Tariff Commission is given explicit subpena powers in order to acquire necessary information relevant to its trade agreement responsibilities.

(c) The increased authority to raise rates may be used where appropriate for relief in escape-clause cases, making possible a rate as much as 50 percent above the 1934 rate.

(d) Duty-free items which have been bound in trade agreements may, in escape-clause cases, be made subject to duties up to 50 percent ad valorem.

(e) New language is added to the escape-clause provision to make explicit the eligibility of organizations or groups of employees to file application for an escape-clause investigation.

(f) When the President disapproves in whole or in part a Tariff Commission recommendation in an escape-clause case, the committee bill provides that effect shall be given to any part of the recommendations which has not been made effective, if there is approved, within 60 days of the submission of the report of the President's disapproving action, a concurrent resolution by a two-thirds vote of both Houses of the Congress. Any such resolution would by privileged in order to expedite Congressional consideration.

4. The new tariff-reduction authority remains subject to the peril-point procedure, which is amended as follows:

(a) An escape-clause investigation is to be instituted automatically whenever the Tariff Commission finds in a peril-point report that an increase in duty over existing levels is required to avoid serious injury.

(b) The Tariff Commission is given increased time, 6 months instead of 120 days, in which to complete peril-point investigations and reports.

In response to their second argument, I can only say that the Congress has made a proper delegation of specific powers which it has surrounded with appropriate standards for action.

In the realization that trade agreements are important to considerations of foreign policy, the Congress has given to the President certain latitude to coordinate matters of foreign trade with other important factors with which he must deal in a sound and fully responsible approach to foreign affairs.

In the third place, negotiations of trade agreements have been truly successful—have been indeed successful in a manner which is truly reciprocal.

Over the years, the United States has obtained tariff concessions from foreign countries under the Reciprocal Trade Agreements Act. In virtually all cases the United States exports to these countries have increased considerably.

I cite for example the fact that 43 countries are now involved in trade agreements with the United States arising from the act. All of them have made substantial concessions to the United States in return for concessions made in their favor by the United States.

These 43 nations represent 80 percent of the American foreign-trade dollar. In 1957 they represented $14,895,600,000 of exports which in turn represented 79.1 percent of our total export trade of $18,828,200,000. At the same time, they represented $10,332,400,000 or 79.6 percent of $12,978,100,000 of imports.

As you can see, here alone is represented a very favorable trade balance. As the Secretary of Commerce has so aptly pointed out, our exports alone represent 6 percent of our gross national product. I might point out that only 10 of these 43 nations export a larger dollar volume of products to the United States than we export to them. All of these 10 nations represent substantial raw material trade which is so vital to the productive process of this Nation's industry. They are nations basically not in competition with us in the area of manufactured products.

I reiterate, that to imply that reciprocity has not been truly a part of the world trade picture is manifestly absurd and can be only considered as diversionary propaganda tactics on the part of extreme protectionists.

Mr. Chairman, months of intense lobbying activity on the part of the forces of extreme protectionism is now culminated in direct influence upon the solution proposed by the minority members of the Ways and Means Committee. For these gentlemen, I have the highest regard and I can certainly understand their intense and well intentioned desire to provide proper protection for those who are truly at the mercy of unfair foreign competition, the basis of which is a wage structure not at all comparable to wages paid in similar industries in the United States.

It would seem logical to afford this protection through a sound and well-considered amendment to the existing Trade Agreements Act. This the majority of the committee advocate. The minority members now place before you H. R. 12676 which they proclaim to be an alternative method of extending the Reciprocal Trade Agreements Act. It is no such thing.

The Simpson-Dorn-Davis-Bailey bill as designed would be the beginning of a return to the era of high tariffs that would eventually lead to a disastrous decrease in the volume of our foreign markets.

One very objectionable feature of the Simpson bill is that it places every tariff situation too easily within the reach of 435 Members of Congress. Each of these Members represent different types of industry, agriculture and services as well as widely differing regional interests. To me it means quite obvious that some of our more politically inspired Members might tend to trade votes on tariff legislation for votes involving local projects completely different in nature.

Mr. Chairman, I emphatically submit that no legislation passed by the Congress should create so wide a latitude for pork-barrel legislation. Should each tariff situation that arises in the course of a year's time require Congressional attention, an unconscionable amount of time would be required from the Members of Congress to the detriment of their duties in other important fields.

Section 2 of the Simpson bill, H. R. 12676, purports to extend the period during which the President is authorized to engage in the negotiation of trade agreements. The restrictions placed upon the President in this section are so severe—he is permitted so little latitude—that he is relegated to the position of an ineffective figurehead, in whom the responsible officials of no foreign nation could have complete confidence.

Section 3 of the Simpson bill purports to give the Chief Executive the same authority as to limitations on increases in tariffs to the same maximum level as does the committee bill. On a commodity-by-commodity basis with consideration for price increase over the period since 1934, this amendment would allow for practically unlimited increases which to all intensive purposes would com-

pletely destroy the reciprocal trade agreements program as an effective instrument of a national trade policy. This section amounts to protectionism in an extreme form.

Section 4 of the Simpson bill sets forth procedures for initiating negotiations and peril-point determinations. This section calls for the Tariff Commission to be the sole determinate of the list of items upon which the President is permitted to negotiate. Unrealistic time limitations are placed upon the President during which he can negotiate on the prescribed items.

The Tariff Commission would be required to request from each foreign country specific information particularly as to cost to production. It is extremely doubtful in many cases that this would be easily obtainable. The workload placed upon the Tariff Commission would indeed be severe, the possibility of attainment of their objective indeed in doubt. This section is restrictive legislation where well-considered permissive legislation could better perform the desired task.

The fact that this section alone could eliminate important negotiable items simply because of lack of information is intolerable weakness.

Section 6 of the Simpson bill would create a tariff philosophy based upon the desirability of returning the quota system as an instrument of United States foreign trade policy. Discrimination among the products produced for world consumption by friendly countries could immediately arise under the quota system. I am strongly opposed to legislation that would set one friendly foreign country against another in competition for United States quota favoritism.

Section 7 of the bill deals with escape clause recommendations. It is in the domain of this clause that the greatest harm to our reciprocal trade program would come. The President would no longer have any discretion whatsoever realistically speaking. Findings of the Tariff Commission would be virtually final. Broad and vital questions of foreign policy would be relegated to the ash heap. Action by the Congress of a constructive nature could very well be in doubt.

I wish to make only one comment concerning the national security provisions under section 8. The procedures prescribed for the Director of the Office of Defense Mobilization are so cumbersome that his ability to protect national security interests would be gravely incumbered. The committee bill is far more realistic in dealing with the essential matters of national security.

Mr. Chairman, I do not intend to delve into the effects of the Simpson bill on agriculture at this time, although there are objectionable characteristics in this portion of the bill, also. Although it claims to be an extension of the reciprocal trade program, the Simpson bill would achieve no other end than to return our national trade policy to the era of the Smoot-Hawley Tariff Act.

One of the greatest contributing factors to the severity of the 1929 depression in this country was our retreat from world markets under Smoot-Hawley. In 1930, the Congress enacted the Smoot-Hawley tariff. At this time, American industry and agriculture were given the highest levels of protection in the history of the Nation.

Thirty-three foreign nations immediately launched official protests to our Government. These protests fell on deaf ears. Tariff retaliation took wide effect throughout the world. It is most interesting to note that world trade fell from $68 billion to $26 billion by 1932. At the same time, the United States participation declined $9.6 billion in 1929 to $2.9 billion in 1932.

The Soviet dictators from Lenin to Khrushchev have issued a challenge that they would trim us economically in the free markets of the world. Nothing could be more in the interest of the Soviet desire for world domination than for us to beat a hasty retreat from our predominant position in international commerce.

To revive the protective philosophy to the extent the Simpson bill would revive it, would, in my opinion, be sheer folly.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, how many American jobs will be exported this year? No one knows exactly, but we can rest assured that the figure will be staggering because thousands of American jobs have already shipped out and gone abroad. Every time an employee in this country loses his job because of the effects of unrestricted, cut-rate imports from abroad it creates a job in a foreign country. This means that one less American is employed and one more foreigner is employed. The net result is that we have exported a job.

A lot of people forget, or try to make our citizens forget, that foreign trade is a two-way proposition. Just as in other forms of competition there is a winner and a loser.

I would like to discuss the losers—the American workers who have watched their jobs travel abroad and stay there. This is the story of Americans who have learned the hard way that every time a foreign product outsells a United States product in the American market our workers' grip on their jobs is weakened.

Fair competition is one of the principles that have made America great. We enjoy a good contest—in the prize ring, on the ball diamond, in politics, or at the county fair. The spirit of "may the better man win" has contributed mightily to the strength of our Nation. But the important thing about American competition is that it must be on the up and up. No one cheers for the boxer with a horseshoe in his glove. Americans insist that fair play is the basic ingredient of all competition.

This is just as true in the business world as anywhere else. Our code of fair play, translated into laws, prevents companies from cutting wages to a few cents an hour in order to sell their product more cheaply, from forming monopolies, or from trying other shady tactics to get an unfair advantage over their rivals. Companies in the rest of the world do not have this code of fair play regulating them. They are formed into cartels for the purpose of manipulating wages, profits, production, exports and other economic factors to give themselves an unfair advantage.

Despite this basically unfair alinement, the American brand of competition has paid off in a big way. We enjoy the highest standard of living in the world. Our consumers get the most value for their money, and our workers get the highest wages for their work—when they are working. Fair competition has contributed immeasurably to the growth of American democracy.

But unfair competition has managed to get a foothold in the economy of the United States. It is the job-stealing competition of foreign companies selling the products of cut-rate labor in unlimited quantities to our consumers for our dollars. And when a two-dollar-an-hour job depends on how well the worker competes with thirty-cents-an-hour labor that is not what Americans call fair competition.

The result of this unfair competition is, of course, that hundreds of thousands of our jobs have been exported to foreign lands. In just 1 year, between December 1956 and December 1957, at least 550,000 workers in this country lost jobs in only eight industries. These industries produce electrical machinery, food products, general machinery, primary metals, sawmill products, scientific instruments, stone, clay, and glass products, and textiles. Every one of these industries is competing—some on a large scale, and some to a lesser extent—with cheap-labor foreign products.

To make this unfortunate fact more graphic let me cite just a few figures illustrating how unfair foreign competition destroys American factories and jobs. In the past 2 years, plywood plants in Vermont, Maine, Wisconsin, Michigan, North Carolina and South Carolina have been forced to close down by soaring imports; plywood imports now supply 52 percent of the domestic market—an increase of 734 percent in 6 years.

Employment in the watch industry of the United States slumped from 10,349 in 1948 to 3,798 in 1957; imports of jeweled watches now supply nearly 80 percent of our market.

In 1956, imports of stainless-steel flatware displaced nearly 40 percent of the American production and cost American workers 3 million man-hours on the job.

The domestic fleet of long-range, tuna-fishing boats has shrunk from 210 to 153 since 1951; imports of tuna rose 600 percent in 7 years.

The number of companies in the United States manufacturing cigarette lighters dwindled from 60 in 1951 to 12 in 1955; industry spokesmen attributed this attrition to the flood of unrestricted imports.

Some people say that it's just "coincidence" that the sale of foreign cars in this country doubled in 1957 and that

Detroit became one of the regions hardest hit by the 1958 business slump. But is it a coincidence? Every day in 1957, more than 700 foreign cars were sold in the United States; daily sales in 1958 are expected to reach 1,000 units.

The United States—the so-called automobile capital of the world—now imports more cars than it exports. In fact, imports may be twice as large as exports in 1958.

The auto workers of Detroit, lined up to collect their unemployment relief checks, are not alone in their plight. A great many other industrial groups scattered across the Nation are also feeling the import pinch.

Large industries or small—it does not make any difference when the flood of imports begins. It has been estimated that as many as 10 million Americans hold jobs in industries facing cutrate foreign labor competition. Of course, not all of the 10 million are in serious trouble yet, but a great many—too many—are.

The harmful effects of this unfair competition show up in many ways other than jobs lost. When a community's paychecks begin vanishing it hurts the grocer, the doctor, the tailor, the bus driver, the hospital fund, the bank, and even the school board and the government because tax revenues are undermined, too.

Here is what it costs a community when 100 jobs are permanently lost: $360,000 in annual retail sales; $270,000 in bank deposits; 107 automobile registrations; 112 households; 74 jobs in other enterprises; and 4 retail establishments.

This is every community's stake in foreign trade.

Just how unfair is foreign competition? Here are some comparative wages. For every dollar that an American earns the British worker gets 29 cents, the French worker gets 26 cents, and the Japanese worker gets 10½ cents. It is not particularly surprising, then, that Japanese binoculars can be sold in this country for one-quarter the price of the American-made product—even after being shipped halfway around the world.

It has been argued that these wage differences are justified because foreign laborers are less productive than Americans. The argument runs that foreign nations do not have our labor-saving machinery or our extensive technological know-how; thus wages here and abroad are proportional to the amount of work done.

This may have been true some time in the past—but times are changing. For example, between 1950 and 1955, the output per man-hour in Austria, France, Italy, the Netherlands, and West Germany increased twice as much as it did in America. Our foreign competitors are catching up with us—and they are catching up fast. Largely due to American aid programs other countries have installed modern machinery and learned modern methods. Mass production is no longer an American monopoly.

The frightening fact is that, no matter how you approach this problem, it turns out to be unfair competition. With unemployment in the United States already above 5 million, and threatening to go even higher, something must be done.

If reciprocal trade were truly reciprocal the situation might be different. But it is not. Other nations severely restrict the amount of goods that can be purchased from the United States. While reasonable tariffs do not impede the flow of trade, all other trading nations of the world, with very few exceptions, have import restrictions which stop goods entirely from being brought into the country or which ration the quantities of imports. Some nations issue a license for all imports; naturally, this gives them absolute control over import levels. Others establish quotas on imports, and still others restrict imports by a complicated juggling of their monetary exchange rates. Some countries use two or more restrictions together to provide them with an iron-fisted method of import control.

Most countries apply their import restrictions according to purely domestic considerations—mainly to protect or build up domestic industries and preserve their foreign exchange. For instance, both England and France have imposed rigid import controls on watches to preserve their own watch industries. In the United States, on the other hand, foreign watches of all kinds have taken over about 60 percent of the market, and jeweled watches about 80 percent. As I have mentioned, this cost America almost 7,000 jobs.

And Switzerland, which, of course, urges us to practice "free trade" on watches, recently increased its import duty rate on nylon stockings by an exorbitant 300 percent to protect its own industry against American imports.

An American chemical firm reports that Italy's "over-all policy is to manufacture nominal quantities of inferior grade products competitive with ours, and then have a prohibitive import duty to protect home industries."

Practically every nation outside the United States discourages or prohibits imports that compete with a domestic industry. Yet these same countries express righteous indignation at the slightest United States tariff rate. And many well-meaning Americans who do not know the facts will echo them.

Any increase in American exports is not due to decreased tariff rates. Rather it is directly traceable to the effects of World War II and to the fact that we have given away billions of dollars in foreign aid. There is one big exception. Lowered tariff rates have increased the export of American jobs.

During the past 20 years many of us here in Washington have recognized the damage being done by tariff cuts. But we have not been able to do much about it—even though the Constitution of the United States says that tariffs should be regulated by Congress. Congress abdicated most of its real influence over tariffs in 1934.

That is why, as things now stand, there is little chance of American workers getting help from their Government when their jobs are threatened. And until we in Congress regain the power to regulate our tariffs they will not work in the way that they should to equalize foreign wage rates and encourage improvement of living standards throughout the world.

That is why we must approve the substitute bill introduced by the gentleman from Pennsylvania.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I believe in liberal trade. We all know that trade is essential to the establishment of a sound economy for our friends abroad. We all know that trade is essential to maintaining a sound economy here at home. But the key to a continuation of an expanded trade program is not the passage of the administration-committee bill, the Simpson substitute, nor the enactment of any trade-agreement legislation whatever. The key to continuing our liberal foreign trade is a prosperous America. Our consumers and our industries must have the power to purchase. It is for this reason, along with many others, that I will support the Simpson substitute, which, although not perfect, does in my opinion more realistically face this important problem than does H. R. 12591.

On the floor of the House yesterday and today, and in the tons of literature which we have received about this legislation, those of us who favor the substitute have been characterized as favoring high tariff walls, as being isolationists, as desiring to return us to the days of Smoot-Hawley, and as being protectionists. I do not favor high tariffs, and the Simpson substitute will not erect high tariff walls. I am no isolationist, and there is nothing isolationist about the substitute. I do not favor a return to Smoot-Hawley, and in enacting the substitute into law, we will have continued liberal trade. But as for the label protectionist, I must confess the charge is true. I firmly believe it to be my duty and the duty of every Member of this distinguished body to support legislation which will protect the jobs of hundreds of thousands of American workers.

The real objection which many of us have to the present Trade Agreements Act is not within the act itself, but is in the way and manner that has been administered. If our trade program, which we all now know is part and parcel of our foreign-aid program, if our trade-agreement program had been administered in a fair and equitable manner over the past several years, we would not be engaged in this sharp controversy today. The administrators of this program have labeled many of our basic industries expendable. They have adopted a policy which says plainly and simply that the economy of our friends abroad is more vital to maintaining a Free World than the survival of many of our domestic industries. The economy of these nations is vitally important. But we must be realistic and realize that the health of their economy depends directly upon the health of our own economy, and, Mr. Chairman, to administer this program in such a way that it will do great harm to many segments of our own economy is unthinkable.

The Congress, though charged by the Constitution with the responsibility of administering this program, does not do so. We have delegated that authority. We cannot by enacting into law either the administration-committee bill or the substitute, change our established foreign-trade policy. But we will when we vote on these measures have an opportunity to do something of great benefit, and that is to restore to the Tariff Commission the power to determine when and if our domestic industry is subject to unfair competition. This change will not affect our trade one iota. And most certainly it will not cause a collapse of our trade as is prophesied by the State Department. This step will not only restore, in part, the authority vested in the Congress by the people through the Constitution, but it will restore in the millions of working men and woman of this country the confidence that their Congress, in both domestic and foreign affairs, is going to act with good commonsense.

Mr. Chairman, the issue before us is extremely important. If H. R. 12591 is adopted as reported it will continue the present ruinous trade policy, essentially as it is today, for 5 more years. Yet, for several years many of our basic industries, including the great textile industry, have pointed out that an ever-increasing volume of imports from low-wage countries has seriously injured them. They contend that the Trade Agreements Act, pursuant to which our foreign trade is regulated, is being administered in such a manner that it permits an unfairly large volume of cheaply produced goods to enter our local markets. The textile industry maintains that it cannot compete in price with these foreign products and it is asking Congress, whose responsibility for the regulation of foreign trade is explicitly defined in the Constitution, to enact legislation which would relieve it from unfair competition with cheaply produced foreign goods. Just recently one of the large textile firms in my district was forced to close its doors and add its many longtime employees to the almost 5 million unemployed. During the past few years, many other textile plants throughout our Nation have also been forced to close. Many others that have managed to survive to date have reduced the number of shifts and cut down on the length of the workweek. Thousands of workers have been thrown out of work and thousands more have seen their hours of work reduced to such an extent that they are unable to meet their obligations. The textile workers have been aware of the recession for several years. They have been out of the market for many consumer goods that are now piling up in the retail outlets and clogging the warehouses. It is no wonder that the country as a whole is now faced with a serious recession.

Many of the textile industry's difficulties have been attributed to the Trade Agreements Act as presently administered, which is now proposed to be extended for 5 more years. Before extending this legislation let us examine closely our present trade policy so that we may determine how seriously the textile industry is being injured. In so doing we should look first to our trade relations with Japan, since it is from this nation that we receive the vast majority of our textile imports.

In 1956 our imports from Japan totaled $547,562,245. Only from Canada, Brazil, Venezuela, and the United Kingdom did we import more. Of our total import business with Japan, approximately 37 percent of it was in the textile field. During this same year we received from Japan into our local markets miscellaneous textile products of the value of $203,708,888. In this same period our textile exports to Japan were $3,926,657. In other words, the United States, which for many years has been the world's leading producer of textiles, imported from Japan more than 22 times the amount of textiles exported. This situation would be somewhat analogous to the world's leading coffee producer, Brazil, importing more coffee than it exported.

Further, it should be pointed out that of the thousands of products which we import, only an extremely limited few exceed textiles in quantity. Our textile imports from Japan almost equal the total of all products imported from each of the nations of France, India, and Italy. Our imports of this same product greatly exceed the total of all imports from Australia, Peru, Sweden, Turkey, Switzerland, and Argentina respectively. In addition to these facts, in determining the extent the United States manufacturers are suffering from unfair competition, we must consider the fact that the Japanese produce these goods with a labor force which receives approximately one-tenth of the hourly wage paid to workers in this country.

These figures point out with extreme clarity that Japanese imports are seriously threatening the very existence of our textile industry. This leads us to the obvious question of why we established such a trade policy. The answer can be stated very simply in saying that the Trade Agreements Act as presently administered has become another arm of our foreign aid program. The present administration has determined that the economy of Japan must be improved at any cost and has very deliberately set out on a plan to increase these ruinous imports knowing full well the ultimate disastrous effect upon our textile workers and manufacturers. It is a cold and hard fact that the textile industry has been labeled expendable. It is the firm policy of this administration that the economic well-being of Japan is of much greater importance than the well-being of the hundreds of thousands of Americans who depend upon this industry.

In pursuing such an incredulous course, we have completely abandoned the original concept of trade agreements as formulated by one of our greatest Secretaries of State, Cordell Hull. Secretary Hull authored the first Trade Agreements Act which was adopted in 1934. The Cordell Hull trade philosophy can best be expressed in his own words which were uttered in a speech on May 2, 1935. He said at that time:

> The general aim of our negotiators is to secure concessions for those American exports the marketing of which in the other country offers the best opportunity of development and, at the same time, promises the greatest degree of revival in our export industries; and to grant the other country concessions with respect to commodities the possible increased importations of which would be beneficial to our country.

Notice that Mr. Hull stressed the granting of concessions on goods on which the increased importation would be beneficial to our country. The criteria was not, does country A need to export these goods, but is it to our best interest to import them? Let us apply this criteria to the textile industry. No doubt, every Member of the House has seen or heard about the little booklets put out by the Department of Commerce recently in support of the passage of the administration's trade policy. On page 3 of the pamphlet in regard to Georgia, the following revealing information is found relative to textile products nationally:

> Exports substantially exceeded imports as recently as 1954, but imports have since increased, and in 1956, they were decidedly the larger in value. Against the $452 million worth of exports in 1956, imports of textile mill and related products about $550 million.

Taking the figures listed in the administration's own propaganda in support of more imports, we see that imports of textiles exceeded exports by almost $100 million. Therefore, when the administration and sincere proponents of the bill as reported make much of the fact that our total exports of all goods exceed imports, let us remember that just the opposite applies to textiles. Some people may consider the textile industry to be expendable, but I can assure you that the people of Georgia do not. According to the 1954 Census of Manufacturers, as taken from the Department of Commerce pamphlet previously mentioned, 103,079 were employed by 328 Georgia firms engaged in the production of textile mill products, or more than one-third of the total number employed in manufacturing. Certainly it is clear that to the one out of three industrial workers in Georgia who makes his living in the textile industry, the increased importation of textiles would not be beneficial to him, to his family, to his employer, nor to the local merchants with whom he trades. I certainly cannot support a bill to further endanger the textile worker and those dependent upon him. I cannot support a bill, the effect of which would be directly opposite to that intended by Cordell Hull when he sponsored the original Trade Agreements Act.

You will recall that in the year 1939 our Nation was undergoing serious economic difficulty and unemployment was running high. This time in our history can well be compared to that of today. On November 7, 1939, Secretary of State Hull wrote a letter to Senator Capper, of Kansas, in which he stated:

> The exercise of the authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed. The adjustment of our foreign-trade relations must rest on the premise of

undertaking to benefit and not to injure such interests. In a time of difficulty and unemployment such as this the highest consideration of the position of the different branches of American production is required.

I think that it has been clearly demonstrated that the textile industry, surely a sound and important American interest, has been injuriously disturbed. The Trade Agreements Act, as administered, certainly does not benefit and obviously does injure the interests of the textile worker and manufacturer.

I believe in liberal trade with our friends abroad as did Cordell Hull, but I cannot support the administration's trade program which is designed to destroy the jobs of thousands of Americans. In past years when the Trade Agreements Act was up for consideration, the only choice was to continue it essentially as it was or to let it expire. Fortunately, this year, there is another alternative. The substitute proposal will permit liberal and expanded foreign trade, but it contains safeguards for suffering industries. This substitute measure contains the Cordell Hull trade theories and it has my support. It is my sincere hope that a majority of the membership of Congress will view the matter realistically and will also support it after giving highest consideration of the position of the different branches of American production.

We should seize the opportunity presented to us now. Otherwise, it will be 5 more years before we have another chance to act. As I believe I have shown in regard to the textile industry, many industries of the United States may not survive that long.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. REED. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma.

Mr. EDMONDSON. I thank the gentlemen.

Mr. Chairman, I have listened with considerable interest and a great deal of concern to some very eloquent speeches that have been made on the subject of this bill by the most able chairman of this committee and by other members of the committee who have given to us some very persuasive assurances as to what would take place under the amended bill which the committee is offering to us. I have listened to them and I have almost been persuaded, but it has been impossible to dismiss from my memory and my thought the assurances that were given on the floor of this House in 1934, when this Reciprocal Trade Agreements Act was first voted by this House. At that time the chairman of the Ways and Means Committee, a man just as esteemed and just as distinguished as the gentleman from Arkansas, said this:

> We know that the President has predicated this whole bill upon the solid foundation that no essential American industry shall be crippled.

At that time a Member had the temerity to stand up and ask if that was adequate assurance, and Mr. Doughton, at that time the chairman, said:

> If the gentleman cannot take the word of the President of the United States when he has assured the country that no legitimate industry will be disturbed or crippled, much less eliminated, then he has his seat on the wrong side of the aisle.

The gentlemen who were listening to that speech at that time believed those assurances. They relied upon them.

The gentleman from Connecticut, Mr. Koppleman, said:

> I am, of course, for protection of American industries, as all of us are, on both sides of the House. In voting for this bill I do not compromise that position—I am not voting for the reduction of duties on articles produced in my State or in any other State.

The Members of the House in 1934 thought they were getting an emergency bill that would not disturb or cripple their own industries. They thought at that time, Mr. Chairman, that they were getting a bill with solid assurance from the leaders of this country, I say with all respect from most distinguished leaders, that American industry would not be disturbed or crippled. Does anyone question today that the lead and zinc industry of America is a legitimate industry? Does anybody question that it is a substantial industry? Is there any man that says the oil industry is an illegitimate industry and is not a substantial industry? No fair-minded person can deny that they are legitimate, and substantial, and that they are today being crippled and disturbed by the maladministration of this Trade Agreement Act. I cannot avoid the conclusion that leaders of this body and the Democratic Party, who today stand for broadening and extending Presidential authority in the face of this maladministration, do so without regard for the pledges which were given to the American people in 1934 when this act was enacted.

I believe in the Reciprocal Trade Agreement Act as it was presented to the people by President Roosevelt and by Secretary Hull and by the other great advocates of that program when it was initiated. I do not believe in it when it allows substantial American industry to be very substantially crippled or destroyed by unrestrained imports, with loss of employment and investment for American citizens who are entitled to rely upon assurances in this basic law. I do not believe that Mr. Roosevelt, if he were here today, would say he favored the operation and administration of this program as we now have it.

We have reached the point where we Members of Congress are once again going to have to assert our responsibility as representatives of our people to the end that substantial and legitimate industries and interests in our country are not injuriously disturbed and crippled under an unrestrained Executive control of the program. We have the opportunity with this bill; we have the opportunity here to place additional safeguards in this bill or send it back to committee. If we fail to act on that opportunity we are not faithful to our obligations or to our constituents.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Chairman, I would like to express to the chairman of the Ways and Means Committee my appreciation for his making it possible for me to say a few words with reference to this important legislation. Because my time is limited, I shall not be able to go into any great detail, but I would like at the outset to incorporate by reference the splendid remarks made by our distinguished colleague, the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. Chairman, I come from a seven-county Congressional District. In each of those counties we have textile plants. My own home county has more textile plants than any county on the face of the globe; we have over 100 of those plants.

I can say to you without exaggeration that throughout the length and breadth of the 11th Congressional District of North Carolina there is very serious apprehension on the part of the people who earn their livelihood in those plants because of low-wage competition from foreign manufacturers.

I am a product of the textile country, one who was raised in a textile village. I can say that had this situation with which our people are confronted today existed during my youth I doubt that the community in which I live would today have men from the villages, the cotton-mill villages, running the banks, occupying positions in government, and performing the other splendid services which make this country great.

It may sound pleasing to you and to me to talk about constitutional government and our theories of government and economy. But, it is the practical down to earth matters which are important to my friends and relatives who earn their living in the mills and factories.

Mr. Chairman, I am compelled by reason to rise in opposition to H. R. 12591, a bill to extend the authority of the President of the United States to enter into trade agreements with foreign nations under section 350 of the Tariff Act of 1930, as amended.

I am opposed to a further delegation to the President of the United States of the constitutional authority of the Congress to regulate the commerce of this country.

The time has come when the Congress, as the representative of the people of the United States, must face up to the issue and recapture its authority over tariffs and trade if certain basic industries, vital to our national economy, are to survive.

Mr. Chairman, the first Trade Agreements Act, as signed by President Roosevelt on June 12, 1934, was an emergency measure. Congress in attempting to revitalize our depression-ridden economy gave to the President vast powers over the foreign commerce of this Nation never before exercised by any Chief Executive.

It was not the intent of the Congress in 1934 to permanently confer on the President its constitutional authority over tariffs and trade. That fact is clear

to anyone who will take the time to read the hearings held in connection with the 1934 act and the debates which took place in the Congress on the subject.

Nor did the Congress in 1934 intend for American industry ever to be placed in jeopardy through action of the Executive in lowering tariffs.

Likewise, the Congress did not visualize that the time would come when the President of the United States would subordinate the interests of American labor and industry in order to gain questionable foreign policy concessions.

Like many another emergency measure the principles of reciprocal trade have become more or less permanent, and like many measures conceived in good faith so-called reciprocal trade has boomeranged.

Mr. Chairman, if H. R. 12591 is enacted in its present form, a death sentence will be pronounced by this Congress on many industries vital to the economic health and security of our Nation.

We, who oppose the passage of the administration's bill, are sincere in our belief that basic American industry is in danger. We are not blind to the realities of the present situation. We can see what is happening to industry in our respective districts, and we feel compelled to speak out against the administration's attempt to play international politics with the jobs and businesses of our constituents.

It is a situation full of grim reality for those of us who have plants in the process of liquidation and men and women walking the streets looking for employment.

Today it is textiles, leather, tile, coal, glass, bicycles, watches, fish, plywood, cameras, and sewing machines that are being forced to the wall.

Tomorrow it may be automobiles, furniture, ships, and electrical equipment that will feel the effect of too much foreign competition.

Today the industrial life of North Carolina is at stake. Tomorrow it can very well be the economic existence of Michigan.

Mr. Chairman, I represent one of the largest textile manufacturing districts in the United States. I am very familiar with the industry. I have had many discussions with textile manufacturers and the workers in the mills from every section of my district and the State of North Carolina.

I say to you with all the sincerity at my command that if adequate protection is not provided in the bill under discussion the American textile industry, North as well as South, is doomed.

The textile industry ranks fourth in America. It employs more than a million persons and operates directly in 39 of the 48 States. It pays out in excess of $3 billion a year in wages and salaries. Products made and shipped by the industry exceed $12 billion annually.

Mr. Chairman, I will not attempt to talk for my friends who represent northern textile districts. I know they are well aware of what is happening in their States as a result of foreign textile competition. I know they share my concern over the plight of their laboring people and those who have invested their fortunes in the textile industry.

The overwhelming threat today to the American textile industry is the growing textile empire which has been created in Japan since World War II and, largely, with American taxpayers' dollars.

Today the American textile industry survives, I am sorry to say, by the permission of Japan. Failing to secure any relief from our Government from an ever-increasing flow of Japanese cotton goods, Japan voluntarily agreed in January of 1957 to limit the export of cotton textiles to the United States to 235 million square yards a year for a period of 5 years beginning January 1, 1957.

Let me remind you that this agreement does not have the force of law. It is voluntary, pure and simple.

Thus, we are treated to the strange spectacle of a great American industry without adequate protection from its own Government existing at the pleasure of a foreign nation.

Such a situation has tragic overtones for the greatest nation on earth. Certainly it does for the State I am privileged to represent in this House.

Textiles are the most important manufacturing industry in North Carolina from the standpoint of the number of people employed, wages paid, and value of products. More than half of the people employed in manufacturing in North Carolina work in textile mills. Over 227,200 North Carolinians out of a total manufacturing labor force of 453,800 persons are employed in the textile industry. When some 22,900 persons employed in the allied apparel industry are considered, total employment in textiles in North Carolina amounts to 55 percent of all of our people engaged in manufacturing.

Although the greatest impact of changes affecting the textile industry is on our workers and the owners of our mills engaged in manufacturing textile products, the entire economy of North Carolina is tied very closely with the welfare of the textile industry.

Our North Carolina mills are the greatest customers for our farmers' cotton crop. North Carolina cotton mills used approximately 2,638,000 bales of cotton in the 1955–56 period. In 1956 North Carolina produced 360,000 bales of cotton. It will be seen, therefore, that the entire cotton crop of North Carolina for 1956 was consumed by North Carolina mills in just a few months of operation.

In addition to supporting a ready market for North Carolina cotton farmers a quarter of a million North Carolinians employed in our mills offer a strong market for the other agricultural products produced by our farmers.

The farmers of North Carolina have a tremendous stake in the legislation under debate today. Harm the textile industry in North Carolina and hundreds of thousands of our farmers will suffer severe economic consequences.

Mr. Chairman, I would like to call the attention of the House to another great American industry closely allied with the textile industry that is suffering by reason of the closing of our cotton mills through unfair foreign textile competition.

I speak of the American textile-machinery industry.

It will come as a surprise, I am sure, to Members of the House in whose districts textile-machinery-manufacturing plants are located to learn that over a period of years equipment and machinery purchased by the textile industry has amounted to some $460 million annually. Over 36,000 persons are employed in textile-machinery-manufacturing plants with an annual payroll in excess of $146 million.

The textile industry also purchases over $800 million worth of chemicals and $430 million worth of other industrial products each year. The great bulk of these products are manufactured in areas having very little textile production.

Mr. Chairman, it is apparent from what I have said that there is more at stake in the passage of this legislation than the welfare of those who work in the mills. The textile industry, like every industry, is interrelated with many other industries. When it suffers, every dependent industry likewise suffers.

It would be well if we would bear that fact in mind as we vote on the legislation under debate today.

I would like to call the attention of the House to an incident which I feel vividly illustrates the present decline in the American textile industry. At North Carolina State College, Raleigh, N. C., is located one of the finest textile schools in the United States. For the academic year 1950–51 the school had a total enrollment of 646. I regret to say, however, that in the academic year 1956–57 the total enrollment had dropped to 467.

It is my understanding that the rate of decline in enrollment for other textile schools throughout the United States has been even greater. This is a regrettable situation. It clearly points up the fact that our young people consider the future of the American textile industry to be uncertain.

Mr. Chairman, the American textile industry looks to the Congress for its survival. In February 1951, 1,355,000 people were employed in textiles. As of today slightly more than a million persons are earning their living in cotton mills. Over 700 mills have closed their doors in the last several years.

It is a tragic but unmistakable fact that the handwriting is on the wall for the textile industry. Unless this Congress writes into the administration bill now under discussion adequate safeguards to protect American mills from unfair competition, the attrition now underway in the American textile industry will be rapidly accelerated.

Mr. Chairman, this Congress should reassert its constitutional authority over tariffs. The foreign commerce of the United States should no longer be made a part of the bankrupt foreign policy of the present administration. The jobs of our working people and the existence of vital American industries are at stake.

Let us put the interests of the people of the United States, for a change, above that of the rest of the world. In that way we will protect the jobs of our people and safeguard the security of vital American industry.

The Simpson-Dorn-Davis substitute bill will aid in accomplishing these laudable purposes. Its adoption, in lieu of the provisions of H. R. 12591 now before us, seems to me to be dictated by all sound reasoning. I urge its adoption.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, as have several other Members of this House, I have been here since the very beginning of the reciprocal trade legislation. I was a Member of the House during those early debates on reciprocal trade which took place in 1934 in the 73d Congress.

It is to be recalled that back in 1934 not only the United States but the whole world was struggling to emerge from economic collapse and perhaps the most serious depression ever experienced. Because of the desire to prevent the continuing downward trend of those depression days, there were those who conceived the idea that if international trade could somehow be molded into a coordinated whole throughout the world the economies of all the nations would begin to adjust themselves and turn the corner toward recovery. It was believed that through the processes of negotiation that trade agreements on a basis of reciprocity could be made with the various nations of the world and that these agreements would promote a far greater movement of goods and products between the United States and the nations with whom these agreements were made.

Beginning sometime prior to 1934, Mr. Chairman, I had become sufficiently interested in the subject of international trade to study it in order to know something of the theory and the realities of trade operation. During the years since 1934 not only have I made studies myself of this tremendously important subject but I have had studies made by professionally trained economists who are specialists in the field of international trade. I have employed highly trained professional economists. The entire expense and cost of this work has come from my own private resources. This undertaking was not in any sense or in any way financed by the Federal Government. I considered this effort constructive and part of my duty in serving the people of my district and the Commonwealth of Massachusetts.

The reason for my devoting so much attention to this whole question of international trade is I believe quite obvious. It is extremely important not only to our country as a whole from within but it is important also in the field of our international relations. In addition to this it is extremely important to every person in our country because the economics of international trade sooner or later is certain to touch every business and the lives of every person within this great land of ours. It is well to remember that all factors involving economics are interrelated and that these factors in turn must be by their very nature interrelated with our social and political lives.

It is my view, Mr. Chairman, there is no member of this Congress who is opposed to the friendly trading with friendly nations. I know of no one opposed to international trade. We are concerned here not with the objective but with the method of achieving the objective. We are concerned with whether or not we proceed lawfully or whether the steps we take are unlawful. We are concerned with the basic fundamental law of the land, the Constitution of the United States.

Back in 1925 during the 69th Congress I came down to the well of the House and held up my right hand and took an oath. I swore to uphold and defend the Constitution of the United States. Since that time I have taken this oath to defend the Constitution of the United States 16 times. Every Member here has taken the same oath, and a few of you more times than I have. In all branches of the Government officials take a similar oath. The taking of this oath, Mr. Chairman, is a very serious matter. It is not just a morning exercise, part of the general procedure. It binds the mind, the conscience, and the spirit of us all to the very fundamental principles upon which this Nation was founded. It involves the strength of character of individuals. It involves the intellectual honesty of all who have taken it, to solemnly and seriously abide by and adhere to constitutional authority. In this regard no person can compromise their principles, for if they do that compromise will destroy them.

The basis for the conduct of international trade is clearly and specifically stated in the Constitution of the United States. Article I, section 8, states, and I quote:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; to regulate commerce with foreign nations, and among the several States, and with the Indian tribes.

Here then the Constitution states that the Congress shall have the power to regulate and conduct the international trade of these United States of America. The Constitution does not say that the Executive shall have this power or that some international council shall have this power or that some organization of the United Nations shall have this power, but the Constitution clearly and precisely states this power shall reside in the Congress of the Government of the United States.

Now let us take a look at this question of international trade and the tariff policy of the Nation. The purpose of any tariff policy has three objectives. The first is to raise revenue, the second is to protect the economy of the Nation for its citizens, and the third is to help in the insurance of the national defense. Now in the United States the conduct of this policy is vested in the Congress by the Constitution. In 1934 when the first Trade Agreements Act was passed, the 73d Congress wrongfully and tragically voted this power specifically vested in the Congress by the Constitution to the executive division of the Government. It is my view that the Congress did not have the legal right to transfer or to delegate a specific power vested in it by the Constitution of the United States. Several times since 1934 the Congress has renewed and extended the Trade Agreements Act until now at this hour the Congress is asked to again extend this act for 5 more years delegating its constitutional power to the executive department of the Government. Mr. Chairman, the Congress just does not have this authority and in delegating this power it is violating the law. In delegating this power, if it is done again, the Congress is again doing violence to its oath to protect and defend the Constitution of the United States.

It is my contention that if the power to regulate the commerce with foreign nations specifically vested in the Congress by the Constitution of the United States is to be taken away from the Congress and given to the executive division of our Government that this procedure should be done lawfully and not unlawfully. To accomplish this procedure lawfully requires an amendment to the Constitution of the United States. For all of those who are so willfully ready to transfer this power I recommend that they support a lawful way of doing it, a lawful way of making this transfer. If the people of this country no longer want their representatives in Congress to have this power, then the people should have the opportunity to vote, to ratify an amendment to the Constitution transferring the power from the people's representatives to the executive division of the Government. I do not believe in doing things in an underhanded way. I do not believe in sneaking around to the back door. Where the Constitution of the United States is concerned certainly all procedure should be open and above board and the people should clearly and precisely understand all that is involved.

It is to be remembered that this United States is a Government of the people. The people in the United States are the sovereign. The State is not sovereign in this country. The people are sovereign. The people conduct their Government through their representatives in Congress. I do not believe and shall never subscribe to tossing the Constitution of the United States in the wastebasket for the purposes of convenience. Most emphatically I reject the idea that the Representatives in Congress of the people's government are to be no longer directly responsible to the people for the regulation of commerce with foreign nations. I reject the idea that our representative government must to this extent lose its constitutional character and is to be increasingly and progressively beholden to Executive authority, whether that authority is national or international in character. Furthermore I reject the idea that the citizens of our great Nation either individually or as associations, as groups or as corporations are to lose their effective right to present their wishes and desires to their elected public servants representing them in the Congress of the

United States. I reject these principles because of the astounding reason that the representatives of the people elected by the people are to be no longer responsible to the people. This is nothing more than a skuttling of representative government.

It is well to think seriously about this question of the delegation of a specific constitutional power by the Congress. If the Congress can delegate a specific power vested in it by the Constitution, then the Congress can delegate any power vested in it by the Constitution. In fact, the Congress can delegate away all of its powers and representative government in the United States of America will cease to exist. We will then become a dictatorship under the authority of an Executive. The sovereignty of the people will be lost as the sovereignty is gradually transferred from the people to the State.

The proponents of this delegation of power to the Executive exclaim, "Oh, but these are modern times and they are far different from the time that existed prior to World War II." These are times of world cooperation, of international councils, of joining up with all kinds of international organizations for the benefit of the whole world. Now I am not opposed to cooperation with other nations but I am opposed to unlawful methods in the achieving of these objectives. I am opposed to the transfer of the people's authority in the United States to an international organization who in turn will have authority over the people of the United States.

Back in September of 1946 the representatives of various nations met in London as a sort of preparatory committee of the Conference on International Trade. This preparatory committee recommended procedures to give effect to certain provisions of the charter of the International Trade Organization commonly known as ITO which was set up in the Habana Conference in 1949. The United States Government did not ratify the so-called ITO treaty. However, regardless of this fact, the London Conference in 1946 of this so-called preparatory committee bound the United States to a chapter of the ITO treaty that was never ratified; namely, to enter into certain provisions and discussions to set up an international operating authority on the subject of a general agreement on tariffs and trade. Now to do this, of course this authority had to be set up and organized. To do this the preparatory committee moved and reconvened in Geneva in 1947, and out of this conference came the General Agreement on Tariffs and Trade commonly known by its initials GATT.

GATT is an international trade organization. It is based on the concept of multilateral trade agreements rather than bilateral agreements. Under its authority America can no longer make agreements with single nations on a reciprocal trade basis. Instead, under the most favored nation clause any agreement that the United States makes automatically extends to all nations the concessions found to be advantageous in that agreement. GATT is an instrument of authority in the constantly growing concept of the international state. It is a part of the Nation's foreign economic policy under the administration of the Nation's interantional trade under the authority delegated by the Congress to the Executive in H. R. 12591. If H. R. 12591 is enacted into law, GATT, this international authority, will, continue to make rules and regulations on tariffs and trade involving the United States of America. In other words, the authority, the power vested in the Congress by the Constitution now has passed to an international authority. The United States of America is no longer controlling its own international trade policies. These policies under this legislation will continue to be made by an international body known as GATT. In other words, under the reciprocal trade agreements acts and as these acts are to be continued under this legislation the people of the United States have lost some of their sovereignty without ever having the opportunity to approve or disapprove. It was taken away by Executive decree.

The advocates of this legislation claim that regardless of this fact nevertheless a great benefit results to everyone, including the United States. It is their view that the United States has improved its international trade position. It is their view the industries of America have benefited and that the people of America have benefited from this GATT control of our international trade. In view of these claims let us turn to an examination of the facts.

Compared to other nations of the world, our tariffs are the lowest, and have been for many years. In spite of this fact, under the Trade Agreements Act and GATT there have been over 55,000 trade concessions made relating to the products of countries importing into the United States. American products are being displaced in our own markets by similar products of foreign manufacture. Many of these foreign products are made by labor which is extremely low paid in comparison with the wages of labor in the United States. In view of the modern machinery which these countries now possess, this low-paid labor is producing just as efficiently as, if not more so than, the high-paid labor in the United States.

Here in America we pride ourselves on our high standard of living. We constantly boast that the standard of living in America is higher than that of any other country in the world. I believe this standard of living must be maintained. I am opposed to any policy that will jeopardize its continuance. From an economic viewpoint, however, it is impossible for me to comprehend how the high standard of living for American labor can continue if it is to be subjected to the competition of the low standard of living of labor in foreign countries.

In this regard, over 50 percent of American imports were never subjected to the payment of duties. These products were not in competition with any of our own. The products that were subjected to duties were imposed for the purpose of reserving our home markets for our own producers, and in this way maintaining employment in these particular industries. Again I must emphasize that this protection was necessary in order to protect the workers in these industries in America from the competition of the low-paid workers in other countries. In addition to this, it must be remembered that these low-paid workers are now operating modern, efficient machines.

If protection is removed, how can the families of American working men and women in these industries long compete? How can they maintain the quality of living they have worked so hard to develop?

There are many industries involved. In New England alone there have been hundreds of textile industries close up and go out of business, causing large numbers of unemployed. Certainly, all of the difficulties confronting the textile industry are not due to the importations of products from foreign lands manufactured by low-paid labor. The textile industry has many more problems to solve than foreign competition. If it had not been, however, for this cheap foreign competition, many of the textile mills now closed down could have solved and weathered their other difficulties.

The textile industry is not alone. To those Members of Congress representing large wheat and cotton areas of our country, I address this question: Do you think any grower of cotton or of wheat in the United States can benefit and improve his standard of living in view of the American program of sending seed and fertilizers, agricultural equipment, money, and technicians abroad for the purpose of developing foreign agriculture? By sending these necessities for a healthy agriculture abroad, we are removing these markets from the American grower. As a result larger and larger crops, surpluses, and soil banks result here at home.

Under this international authority of GATT the people have no release. GATT is responsible only to GATT. It is not responsible to the people of any nation. Under the Trade Agreements Act and this pending legislation the people have no recourse. We are told that there is an escape clause in this legislation which will permit the Executive to correct any agreement which is working to the detriment of an American industry. Since 1934 we have been assured and reassured by the Executive that no domestic industry was to be jeopardized. We have been told by the State Department that all duty reductions are made only after adequate hearings and a very careful examination of the facts. Has this been true?

The facts tell us otherwise. Industry after industry has appealed to the State Department through the Tariff Commission and through the escape-clause mechanism for the correction of serious injury which if continued would cause a shutdown of the particular industry, throwing its employees out of work. Time after time after time the plea of these industries has been rejected by the executive division of our Government to whom Congress delegated its authority to regulate foreign commerce in 1934. In these specific industrial crises the elected representatives of the people were powerless, powerless because they had delegated their constitutional authority. All the elected representatives could do now was to go to the executive branch of the

Government and plead and beg for justice. The elected representatives of the people had to humiliate themselves by pleading to bureaucrats who did not possess the training or the ability to exercise the power which Congress had so wrongfully given to them.

In this regard I am compelled to speak of one of the finest old-industrial institutions in America. I refer to the Merrimac Manufacturing Co. at Lowell, Mass. The business of this industry is the manufacture of velveteen cloth. This industry has been in existence for 136 years. Throughout America it possessed the reputation of producing the finest velveteen cloth in the world. Within the last few years importations of velveteen cloth from Japan where labor is paid wages less than one-tenth of the wages paid by the Merrimac Manufacturing Co., have forced the Merrimac Manufacturing Co. to cease operations, throwing hundreds of loyal employees out of their jobs—this after 136 years of successful operation. I have protested this situation with every official in the executive division of the Government having any authority whatsoever or any influence whatsoever over the problem. I have talked with this individual and that individual, I have gone to this department and that department, I have sought help everywhere there was any possibility to find help. I have been struggling with this problem for over a year. Up to the present time I have received no help whatsoever from the executive department involving this magnificent old American industry. This I say to you is a tragedy and certainly constitutes no recommendation under any circumstances for turning over the control of the foreign commerce of the United States to the executive division of the Government for administration.

In conclusion, Mr. Chairman, and by way of summary I am compelled to say I am opposed to the administration bill H. R. 12591 because it does violence to the Constitution of the United States which I have sworn to protect and defend. It is my view that if the power to regulate the foreign commerce of the United States is to be transferred from the Congress to the executive division of the Government it should be done so by constitutional amendment so that all of the people of the United States will have a chance to express their views by their vote. This is a people's Government and the people are sovereign and the people should have the right to determine any basic change in the constitutional operation of their Government. Furthermore I am opposed to this legislation because I am opposed to turning over the people's authority vested in the Congress of the United States to an international body known as GATT for the purpose of determining the trade policies of this country. I am opposed to the transfer of any part of our sovereignty to an international organization such as GATT. Under our constitutional form of Government the Representatives of the people here in the Congress are responsible to the people. GATT is responsible to no one.

I am opposed to amending the Constitution of the United States by either Congressional act or by the decree of the Executive. I believe the people of America should have a right to come to their Representatives in Congress and protest any action which is injurious to their welfare, and I believe furthermore that the Representatives of the people should have the power to correct any such injuries.

Because of the reasons I have mentioned and because of many, many more basic arguments involving fundamental economics which I do not have the time to present I am compelled to oppose H. R. 12591, the administration bill. I applaud any objective to improve our international trade with friendly nations. I can only subscribe, however, in conscience and in knowledge to lawful methods of achieving such a desired objective.

Here today the Congress is fortunate in that it has at this time alternative legislation to consider for promoting international trade between the United States and other countries. Although this legislation H. R. 12676 is not perfect and contains wide areas for improvement, I believe it is of more value than the failure to enact any legislation at all. In the alternative bill Congress does not delegate away its authority under the Constitution to regulate and control the foreign commerce of the United States.

This bill changes the presently operating procedure whereby the Department of State prepares the bargaining list for trade-agreement negotiations and instead gives this authority and responsibility to the Tariff Commission. Under this bill the Tariff Commission will determine the peril points for the items placed on the list in two categories, first, the extent of tariff reductions that can be made on any listed articles without threatening injury to American producers; and second, the Commission can increase tariffs or quotas which are necessary on any of the listed articles to avoid economic injury in the United States. Any trade agreement which fails to comply with any peril points cannot become effective for the pertinent articles unless Congress approves the concessions.

In the alternative legislation the escape clause provides greater protection for American producers. In the first place escape-clause investigations would be cut from 9 to 6 months and the recommendations of the Tariff Commission would not only go to the President of the United States but also to the Congress. The Tariff Commission recommendations would become law unless Congress, on Presidential request, within 60 days, enacted a bill providing otherwise. In other words, here again Congress as the representatives of the people is in a position to control tariff recommendations just as it is authorized to do by the Constitution of the United States. Also the Tariff Commission with Congressional approval could recommend the setting of a quota if the maximum permissible duty increase would not prevent or remedy injury to a domestic industry. Here again under this alternative legislation Congress has the opportunity to assert its constitutional power. Here the representatives of the people, the Members of Congress, have a chance to correct injury and to prevent wide-scale unemployment in American industry due to a too liberal policy of importations.

There are other benefits which this legislation provides relating to national security and agricultural commodities which I am certain will be carefully and precisely discussed by some of my colleagues extremely familiar with these subjects. I need only say that in the consideration of international trade and international organizations controlling international trade it must always be remembered that the sovereign power of the United States is vested in the people while in many of the countries with which trade agreements may be made the sovereign power is in the state or the executive. The people of those countries have nothing to say whatsoever regarding the conduct of their governments. In the United States the people have everything to say about the conduct of their Government, for their Government is only their agency.

My final remarks are these. Our Government is a Government of laws and not of men. On a few occasions I have heard President Eisenhower refer to this fact. Since this is true, it is compelling that the Government of the United States operates under the law and not around it or over it or by sidestepping it. Surely such correlation does not call for either Congressional abdication of its constitutional power or transfer of its constitutional authority to the executive division of the Government under such broad terms and broad powers that the executive can have a dictatorial hand and no longer need to consider Congress, the elected representatives of the people.

Although I believe the alternative legislation H. R. 12676 is preferable to the bill advocated by the administration, H. R. 12591, I am certain much more study and analysis of all factors associated would produce a better solution to the many complexities involved.

The American form of constitutional government has been tested sound in the economic crossfire through the years. Our job is to preserve this form of government, not to weaken it, and not to chip away its basic principles and protective guarantys for the people. It is well to remember that any constructive progressive act can be accomplished by lawful means under law. Resorting to unlawful methods doing violence to the Constitution, the basic law of the land, is not the American way.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. Chairman, I will speak principally about procedures under the Reciprocal Trade Agreements Act which are designed to give adequate protection to American industry and business from unfair competition. Mr. Chairman, two large volumes, each about as thick as the Washington telephone directory, have been issued recently by the Government Printing Of-

fice. They record the willingness and determination of the Ways and Means Committee to hear every American businessman, or his spokesman, if that businessman thought that foreign competition had hurt him or that it might hurt him in the future. The committee earnestly sought to draft a law which would maintain the integrity of the trade agreements program and at the same time give all justifiable protection to American industry and business.

Some critics of the program give the impression that the United States proceeds under the Reciprocal Trade Agreements Act in an easy and freehanded way. This is not the case. The trade agreements program at almost every turn is marked with checks and counterchecks to the point that in the opinion of some, the administration would be greatly simplified if it could be, in the language of sailing men, made shipshape and thereby made easier to steer in the troubled waters of international trade and political competition.

Let me run down a list of some of the safeguards which have been added to safeguards in order to assure American industry that it will not be seriously hurt by reciprocal trade concessions. One commentator has described the process as "the mystery of the 39 steps," or the 39 steps to the liberalization of tariff. It takes about 39 steps in order to get up a list of products upon which everyone can agree and proceed to reduce tariff rates.

Step 1 consists of preliminary consideration of items on which the duty might be reduced. The body that considers them is called the Trade Agreements Committee. It is composed of representatives of the Tariff Commission and of eight executive agencies, which might conceivably have some interest in the matter—Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury. Even the International Cooperation Administration gets into the act. Protracted analysis, negotiation and interdepartmental pushing and hauling follow. The Trade Agreements Committee labors and ultimately brings forth a list of products on which tariffs might be reduced—if nobody minds.

Step 2 consists of review by the Trade Policy Committee. This is a Cabinet-level Committee composed of Secretaries of the same departments I listed a moment ago. ICA and the Tariff Commission get dropped along the way, but I trust that the secretaries can handle the job without them.

The third step comes when the Trade Policy Committee submits the list with appropriate comments to the President for his further review.

As a fourth step the President studies the list.

Step 5, the President approves the list.

At step 6, a public announcement is made so that all interested parties can file briefs and testify at public hearings on how they think any possible concessions are going to affect them.

Step 7, at this point a third committee is introduced—the Committee on Reciprocity Information, chaired by the chairman of the Tariff Commission. The other members of the Reciprocity Information Committee represent the same agencies that were on the Trade Agreements Committee that drew up the list in the first place. This looks like an interlocking directorate arrangement because the Committee on Reciprocity Information sends all the information it derives from the hearings back to the Trade Agreements Committee. That is step 8.

At this point, only those items remain that have survived the intensive combing by 8 or 9 individual executive agencies, the Tariff Commission, 3 committees, and the President. In any case, we finally have a list of products on which tariff concessions supposedly can be made without really hurting anyone—if they are made gently. To make doubly sure that no one is going to get hurt, another battery of safeguards has been evolved—the so-called peril points. At the time the list of items that have survived the screening process is made public, the Tariff Commission starts figuring out the point below which duties may not be reduced without peril to domestic industries.

The Tariff Commission holds hearings on peril points and transmits its findings to the Trade Agreements Committee. This is step 9.

The Trade Agreements Committee now has a wealth of information that has been submitted to it, submitted primarily from sources who want to keep the tariff up. This Committee makes its recommendations to the Cabinet-level Trade Policy Committee once again, step 10, and the Trade Policy Committee reviews them again, step 11. The President reviews them again and finally authorizes negotiations to begin on the items that are left. This is step 12.

Each item on which our negotiators are authorized to make a reciprocal concession is checked and rechecked a dozen times within the executive branch and the Tariff Commission.

Now we come to the escape-clause provisions. This is step No. 13, a very unlucky step for many a foreign supplier who has worked hard to develop a market in this country. For the foreign supplier who competes with a domestic one in this country, nothing fails like success. If as a result, in whole or in part, of a concession, a product is being imported in such increased quantities as to cause or threaten injury to a domestic industry, the escape clause authorizes the President to remedy or to prevent such injury.

The Tariff Commission is the agency that makes the escape-clause investigation, and it will do so at the request of almost anyone—an industry that thinks it is being injured, the President, either House of Congress, the Senate Finance Committee, and the House Ways and Means Committee. You or I can even initiate the investigation itself. The Tariff Commission investigation includes public hearings that give all interested parties a chance to be heard.

If the Commission finds that increased imports are causing or threatening serious injury to a domestic industry, it must recommend to the President that he raise tariffs or impose quotas on the import.

The way in which the term "serious injury to a domestic industry" is defined should allay the fears of the protectionists. Take, as a hypothetical example, a company that makes tires, hoses, foam rubber cushions, electrical fittings, galoshes, and rubber kewpie dolls for shooting-gallery prizes. This company may be making a 25 percent net profit on its overall business. It may be giving dividends of 20 percent and stock bonuses in addition, but import competition may be making it difficult to maintain profits on the rubber dolls. In our example, let us say rubber dolls represent about 1 percent of this company's total output of goods but rubber dolls are defined as an industry and the company can claim injury and seek escape-clause action.

Now, Mr. Chairman, it is well that we have this kind of an escape clause. There are certain cases in which a foreign product should be kept out even though American consumers prefer it to the domestic product. I think we should recognize, however, that the present escape clause is a major irritant in our relationships with our neighbors, allies, and trading partners.

This fact was very well summarized by an economist, Mr. Benoit, who appeared before the Ways and Means Committee speaking in behalf of the Friends Committee on National Legislation. I want to stress that he made this statement before Vice President and Mrs. Nixon visited Latin America.

Mr. Benoit said in part:

> Unless we have some insight into the spiritual meaning of liberalization, I think we will be quite unable to understand the great waves of resentment and disillusionment which have resulted abroad from our tariff increases in recent years under various escape-clause actions.
>
> The point is that these actions of ours have not been interpreted as morally indifferent actions taken in pursuit of our legitimate economic interests. They have been viewed rather as a sort of betrayal, and, above all, as a rejection of friendship, a repudiation of some common bond of humanity that had been assumed to exist. When the United States raises a tariff under an escape-clause action, it appears to the foreigner to be saying, in effect: "We care, in the last analysis, only about ourselves."
>
> "To avoid even minor inconveniences to ourselves we don't mind how much trouble we cause you. We refuse to weigh your welfare and ours in the same scales. Since your trade for the moment is inconvenient, we renounce you."
>
> Gentlemen, I think we make a big mistake when we wave aside these mounting protests abroad as mere petulance or settled anti-American attitudes. In fact, many who protest loudest are our friends. And the hurt they express is genuine. By these acts we have wounded the picture that they would like to carry of America. It is for this reason, above all, that I think we should basically revise our whole concept and procedure under the injury escape-clause.

The escape clause threatens and discourages foreign exporters. It can cause them actual loss if they invest in sales outlets, hire staff and undertake a promotion campaign in the United States.

It is a major factor in the foreigner's reluctance to develop markets here, a major factor in the continuing trade deficit that most countries have with us, a major factor in the dollar shortage and in the consequent discrimination against dollar exports.

No doubt the escape clause is the principal irritant in our trade program, but it is not the only ex post facto device we have for penalizing the foreigner who succeeds too well in satisfying the American consumer.

In 1955, as a result of further demands for an additional escape clause, a national security amendment was added on to the Trade Agreements Act. This provides authority for the President to limit imports of any product being imported in such quantities as to threaten to impair the national security. This year the committee bill amends this by spelling out the criteria in great detail and setting procedures. These changes are to be welcomed.

Then there are additional laws to protect American producers against the harmful effects of goods that are subsidized by foreign governments or dumped, that is, sold to us at lower cost than in the country of origin. There are also laws to protect us from goods produced by convicts or slave labor, and also to protect our farm program and farm income.

Mr. Chairman, the reciprocal trade agreements program is not a free trade program. It is one which involves concession in the interest of national and international welfare. It should be continued in the interest of the advancement of both our domestic economy and our vital foreign policy.

Those who are supporting the extension of the program, both the spokesmen for the administration and the spokesmen from the Congress as well as those who speak for business and industry, have lined up on the broad front of national interest. They point out quite properly the importance of trade in the overall economy of the United States and also its importance as a part of United States foreign policy.

Those who oppose the extension and liberalization of the program make their case on the basis of real or imagined injury to industry and business in the United States. The problem of trade agreements, we must acknowledge, is an extremely complicated one. We must credit both those who oppose this measure and those who seek to modify it by way of extension and improvement as sincere in their intention and as concerned about the general welfare of our Nation.

The extremist opponents of reciprocal trade state that it will ruin the American economy. On the other hand, supporters of the bill have in some cases made statements which in my opinion attribute greater power and significance to the trade program than it deserves. The passage of this extension of reciprocal trade is neither a great threat to American industry and business nor is it the final answer to international economic problems. The reciprocal trade program is not a new program. It has been in effect for 24 years. During that time the standard of living in the United States has risen and national production has greatly expanded. The increase in foreign trade has kept pace with general economic growth. It is difficult to measure exactly the contribution that reciprocal trade has made to the overall growth of our economy. There is every reason, however, to hold that the program has been helpful. In any case, the United States is today the world's greatest trading nation. In 1957 the value of our exports was nearly $20 billion, while our imports amounted to approximately $13 billion. In 1957 international trade provided jobs directly for about 4½ million American workers or about 7 percent of the total employed labor force of the country.

The greatest fear of Europe in recent years and in recent months has not been over our trade policy, but rather over the state of our economy. There are certain countries and certain areas of international trade in which liberalization, however, is helpful both from an economic point of view and also from the point of view of foreign policy.

There is, in my opinion, one weakness in the overall trade program and this lies in its failure to provide adequately for those industries which may be hurt as a result of a decision which is based not upon economic questions, but upon the question of foreign policy unrelated to economics. A particular industry and the employees and managers of that industry should not be called upon to bear the whole cost in cases of this kind and to suffer all the consequences. Part of this cost should be borne by the whole American political community. It is not clearly within the jurisdiction of our committee to consider all of the actions that might be necessary in order to provide an adequate program to take care of this difficulty. It is my opinion, however, that the administration and the Congress should give attention to this problem and should develop a comprehensive program involving legislation and administrative action in addition to the trade program. Such a program should include proposals for a more adequate unemployment compensation program, for re-education of workingmen, relocation and rehabilitation of industrial areas, encouragement to reinvestment in areas which have been particularly affected by international trade policy as well as by drastic changes within our own domestic economy.

The need is for a comprehensive program which is adjusted to the needs of our time. We cannot conduct our international economic affairs according to the methods of the last generation. We must face the realities of the situation in which the Communist nations have announced that trade and international exchange are one of the principal devices in the cold war and must prepare for ourselves the necessary methods and economic weapons with which to counteract this movement.

Mr. REED. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, I greatly appreciate the opportunity at this late hour in the afternoon to stand before you and discuss this legislation. I rise in support of the Simpson substitute. In so doing, I feel I rise in support of the best interests of America and its continued prosperity. I am confident I rise in support of some of the industries that have been adversely affected in the past by the trade policies of this country.

Since 1789, we have been discussing tariffs and trade in this country and we will probably continue to discuss this important issue for another 169 years. The arguments through the years have been very similar in nature—those of the proponents and those of the opponents. On this tariff issue, we sometimes are inclined to let ourselves be carried away by emotion, by passion and by enthusiasm. When we are discussing legislation, we sometimes like to place the blame for as many of the ills of our Nation as we possibly can upon the legislation that is being discussed or we find in the prospect of new legislation the possibility that those ills may be in some miraculous manner cured. What are some of the ills of which we complain today? One of them is the threat of war. Another is the recession and the threat to our prosperity. Another is the ever present threat of communism. But, the legislation which is before us will do nothing new. The legislation that has been brought to this floor by the committee, the Mills bill, will do nothing new so how can we in it expect to find a solution to our peace and prosperity and the threat of communism? If it has not cowed communism in the years since 1934 and if it has not assured us of freedom from recession in those years and if it has not helped to bring us peace; how can the continuation of the same program help to do that? We have been advised of many dire effects if we fail to enact this legislation. How, why and in what manner can these dire effects come about? We have been told many, many things—enthusiastic statements have been made that this legislation of the committee would preserve jobs for 4½ million people. What would those 4½ million people be doing if this legislation is not extended?

They would still be continuing at the same work they are doing because the extension of the Reciprocal Trade Agreements Act or without it, the trade policies of the United States in the foreseeable future would in all probability remain unchanged. There have been so many deliberate and misleading statements concerning the effect of this legislation. Who are the 4½ million persons? What do they produce? That has not been documented for us. We are being told the sky is falling in. Is it not time that we recognize the true facts and realize that as a Nation we are one of the nations with the lowest or one of the lowest tariffs. That is nearly every situation of multilateral or bilateral agreements with other nations we have come out the loser, with industries by the dozen and workmen by the thousands and millions having been affected. Only a glance at a few will reveal what has happened in the tile industry; in the matter of the coal industry from the importation of residual fuel oil. What has happened to the pottery in-

dustry, which has suffered a tariff reduction of about 60 percent; glassware; stainless steel flatware. Those are a few of the industries that are affected by our policies. Those are just a few of the industries that are in my own District, the 15th District of Ohio.

I once knew a man who was ill, or he imagined that he was. So he started taking medicine. First, one tablespoonful and he was ill again. So he took two tablespoonfuls. Then, three, and finally, half the bottle, and he still was ill until some doctor shook him to the realization that the medicine was what was making him ill.

I strongly submit that some of the evils we have today are from the medicine we are taking. The time has come to stop taking that medicine and look realistically at the problem and take the proper and effective trade legislation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WOLVERTON. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Chairman, the reciprocal trade bill now before us brings again the necessity, as it has always done in the many times it has heretofore been before the Congress, for a balancing of the desirable with the undesirable results that have followed in the wake of its administration.

The original purpose of the act, when it first was brought to Congress for consideration seemed to have a degree of merit that entitled it to a right to be tried. The fundamental principle was just what the term "reciprocity" implies, namely, a condition in which there is mutual action, giving and taking between two parties. Thus, when applied to a government trade policy it meant an agreement between two nations in which grants each the other special advantages in trade based upon which each receives in return from the other. It was intended to enable each nation to take from each other such articles or subjects of trade that it did not have and in return give what the other nation did not have. This might mean foodstuffs or manufactured goods or anything that could be the subject of commerce.

When thus expressed it seemed fair enough, but, of course, with the further understanding that nothing would be done or agreed to that would prove detrimental to our American industries or the workers employed therein.

We might well ask the question why has there been an ever increasing amount of criticism being created against our reciprocal trade policy? An examination of this will show plainly that it is due to the fact that there has been a growing tendency in the administration of the act to give advantages to other nations far out of proportion to what we receive in return. Too frequently this has produced results greatly detrimental to our own industries with consequent loss of employment to our workers. American jobs already have been destroyed by excessive imports. More jobs will be lost if we increase imports.

With each succeeding year more and more of our industries have been adversely affected. Today the number of unemployed in our Nation is giving us great concern. Of course, I do not contend that all of this unemployment is due to the reciprocal trade agreements our Nation has entered into, but, it is nevertheless true, that much of it can be traced directly to the adverse effect of these agreements. The effect, as well as the purpose, of this reciprocal trade policy is to make it easier for foreign produced goods to enter into this country. The result of such a policy is not hard to predict when we consider that foreign wage scales are only a small fraction of the wages paid in this country. In fact, the wages paid abroad in some instances are not more than one-tenth of what is paid in this country, and, in only a few instances is it as much as one-third as much. It is not difficult to see that our workers cannot successfully compete with such underpaid labor. Our industries and our workers cannot succeed in such an unequal competition without our standard of wages and consequent higher standards of living being reduced. This is unthinkable. It is our duty to protect our American industries and our workers against farther inroads from this unequal foreign competition.

It is my opinion the present bill reported by the Committee on Ways and Means does not give the assurance of protection our industries and workers are entitled to. The Simpson substitute bill does give promise of some protection. It should be adopted. And, in the event of its defeat then the House should recommit the Mills' bill now before the House to the Committee on Ways and Means for further study.

My views in this respect continue to be the same as I expressed in the remarks I made in the House on February 18, 1955, when I said:

> The time has come when we should call a halt in the giveaway program of America. The giving away of our market to the nations of the world can only result in disaster to the standard of living of our own workers.
>
> It is highly important that we stop and give careful consideration to the adverse effect that legislation such as this now before us can have on our own economy. The time for sentimental considerations, alone, in formulating our foreign policy is fast passing. The time for practical and hardheaded consideration is upon us. Do not let us overlook the necessity of keeping American industry alive if our workers are to be kept at work.
>
> Whatever may be said as to some of the good features of a reciprocal policy, nevertheless, the fact remains crystal clear that there are provisions in this bill that should be changed to protect American industry and our workers.

Today, the situation that confronts us is critical. The extension of the Reciprocal Trade Act for a period of 5 years is unwise in this time of unsettled conditions. Congress should not tie the hands of future Congresses until 1963. The subject is one that requires constant and careful consideration. Therefore, I shall vote against the committee bill as presently before the House.

Mr. MILLS. Mr. Chairman, I yield the remainder of the time to the gentleman from Virginia [Mr. HARRISON].

The CHAIRMAN. The gentleman from Virginia is recognized for 8 minutes.

Mr. HARRISON of Virginia. Mr. Chairman, I rise to reply to the speech made today by the gentleman from Louisiana [Mr. BOGGS]. He referred to our distinguished colleague from Pennsylvania [Mr. SIMPSON] as the "Smoot-Hawley ripper dipper." I resent that. The gentleman from Louisiana maligns our colleague from Pennsylvania.

The bill offered by our colleague from Pennsylvania goes so much further and restricts American trade to such a vastly greater degree that he makes Dr. Smoot look like Adam Smith. I say if we are going to refer to the gentleman from Pennsylvania as the "Smoot-Hawley ripper dipper," we should refer to his bill as the "Simpson super duper Smoot-Hawley ripper dipper." In addition to that, he said the gentleman from Pennsylvania was trying to turn back the clock 25 years. Perhaps so, but he also has made out of the Smoot-Hawley restrictive provisions a new set of handcuffs for American commerce of 1958 and the future. Therefore, I say, Mr. Chairman, that if for any reason any Member cannot support this committee bill, then I urge that the entire program be allowed to die, rather than adopt the "Simpson super duper Smoot-Hawley ripper dipper." It would be less of a blow to American trade and commerce to let the entire program die. I charge that the Simpson bill is designed and intended to be, and as a matter of fact is, more restrictive than the Smoot-Hawley Tariff Act of 1930.

I charge that the enactment of this bill will be followed by a depression as certainly as the enactment of the Smoot-Hawley Act during a recession about equal to this was followed by the great depression of the thirties.

American industry, transportation, and trade might get along without any reciprocal-trade program, but they will die strangled in cobwebs if this Congress enacts the "Simpson-Smoot-Hawley super duper, ripper dipper," American agriculture, which exports 15 percent of all its products, may bear up with no program, but enactment of this substitute will plunge our farmers into economic despair. It will pile up surpluses in our warehouses and it will make the cost of farm programs so high that it will strain the capacity of the taxpayers to meet it.

I realize that our colleagues, Farmer SIMPSON from Pennsylvania, and Farmer DORN from South Carolina dispute this, but I believe that the president of the American Farm Bureau Federation is a witness to whom this Congress can afford to give some heed. He has denounced the Simpson bill and says, I quote his words:

> It is not in the best interest of agriculture or the national economy.

Mr. Shuman goes on to say:

Not only does this bill destroy the reciprocal-trade program, but it undermines and makes unworkable section 22 as it applies to agricultural programs.

The National Farmers' Union has denounced the Simpson bill and says that between it and the committee bill it is 100 percent for the committee bill.

The statement was made that agriculture has a stake of $4½ billion in this program, and that statement has been challenged. I have here and will put into the RECORD the statement of the president of the American Farm Bureau Federation that agriculture does have a $4½ billion stake in this measure.

The Simpson bill, insofar as agriculture is concerned, would mean more investigation and more quota restrictions. It provides for possible complete embargoes; and section 9 is designed injuriously to cut back much of agriculture's international trade.

The American farmer will not forgive us if we strike him this blow from behind. The Simpson bill is designed to restrict and straitjacket American trade and commerce. This Nation produces more than the American people can consume. We must not destroy the markets for this surplus.

In conclusion let me say one more word about this "Simpson super duper, Smoot-Hawley ripper dipper." The Smoot-Hawley bill was satisfied with the highest rates in American history, but the authors of this substitute are not satisfied with them.

Mr. SIMPSON of Pennsylvania. I wonder if the gentleman would yield to me?

Mr. HARRISON of Virginia. If I have time.

Mr. SIMPSON of Pennsylvania. Does the gentleman have time to yield?

Mr. HARRISON of Virginia. I yield to the gentleman very briefly.

Mr. SIMPSON of Pennsylvania. I want the gentleman to recall when he speaks of Mr. SIMPSON's bill as a super duper, that this piece of legislation would make unnecessary the kind of legislation the gentleman sponsored to protect his own carpet industry.

Mr. HARRISON of Virginia. That was a lowering of the tariff.

The very fact that the gentleman from Pennsylvania supports this measure in preference to letting the program die is proof that it is more restrictive. The authors of the Simpson bill are not satisfied with the provisions of the Smoot-Hawley bill but want a 50-percent increase in them. They are not even satisfied with that but want to go ahead and fasten onto American trade and American agriculture quantity quotas and embargoes.

Therefore, I say if you cannot support the committee bill, for God's sake, let the program die before you put this bill on the statute books.

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 5, 1958.

Hon. BURR P. HARRISON,
House of Representatives,
Washington, D. C.

DEAR MR. HARRISON: Foreign markets accounted for over $4.7 billion worth of our farm products last year. This is about 15 percent of domestic output. It is clear that we need to maintain and develop these foreign markets. We hope you will remember the importance of keeping international trade at a high level and support H. R. 12591, the Trade Agreements Extension Act of 1958 (the Mills bill).

A long-term extension of the reciprocal trade agreements program is important to farmers in Virginia. Last year United States fruit exports went over $230 million. Tobacco shipments ran more than $400 million. Farm Bureau considers this legislation fundamental to the development and maintenance of long-term permanent dollar markets.

The substitute Simpson bill, H. R. 12676, is not in the best interests of the agricultural or the national economy. We believe that not only does this bill destroy the reciprocal trade agreements program, but it undermines and makes unworkable section 22 as it applies to agricultural programs.

We have presented to the House Ways and Means Committee a comprehensive statement on the reciprocal trade agreements program. Most of our recommendations are contained in H. R. 12591.

We are attaching to this letter a brief analysis of some of the adverse effects the Simpson bill would have on the reciprocal trade agreements program, with special emphasis on agriculture.

Sincerely yours,
CHARLES B. SHUMAN,
President.

ANALYSIS OF THE SIMPSON BILL, H. R. 12676

The Simpson bill, proposed as a substitute to the Trade Agreements Extension Act of 1958, H. R. 12591 (the Mills bill), is not in the best interests of American agriculture because—

1. Although section 22 is designed to protect domestic agricultural programs from material interference by imports, the Simpson bill permits section 22 actions to be initiated other than by the Secretary of Agriculture. This is in effect short-cutting the Department of Agriculture on section 22 actions (p. 18, line 4).

2. The Simpson bill makes Tariff Commission findings on section 22 binding on the President and does not allow the President to use his discretion with the advice of the Secretary of Agriculture when applying import restrictions (p. 19, line 1).

3. The standards set up for designating products which are being imported are so vague as to be impossible of proper administration (p. 20, lines 5–11).

4. The vagueness of such standards, together with the inevitable increase in import restrictions, would undoubtedly result in retaliatory measures being taken on United States agricultural exports by other countries (p. 19, lines 2–13).

5. The bill would bind the President to Tariff Commission recommendations which would become, in fact, directives to the President, without regard to the broad national interest or requirements of foreign policy. It is special-interest legislation which attempts to enact a guaranteed share of the market to certain industries regardless of future United States requirements or changes in the preference of American consumers.

(Page and line references are to sec. 9 (b) (1) of the so-called Simpson bill, H. R. 12511.)

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time for general debate has expired.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 12591, had come to no resolution thereon.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AIR TRAGEDIES BETWEEN CIVILIAN AND MILITARY AIRPLANES

Mr. EDMONSON. Mr. Speaker, I ask unanimous consent that the gentlewoman from Oregon [Mrs. GREEN] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, the recent series of air tragedies between civilian and military planes have caused many people throughout the land to become greatly concerned about the seeming lack of control of our airspace. This is particularly true in the case of those whose occupations require them to make extensive use of air transportation. Under unanimous consent I ask to have inserted in the CONGRESSIONAL RECORD a sampling of the letters I have received on this important subject advocating that immediate action be taken.

The letters follow:

CROWN ZELLERBACH CORP.,
Portland, Oreg., May 29, 1958.

The Honorable EDITH S. GREEN,
House of Representatives,
Washington, D. C.

DEAR MRS. GREEN: I hope you won't mind my writing you about the recent accidents involving military jet planes and commercial aircraft.

I have been deeply concerned about this, and have the strong conviction that airway traffic control is one of our more important problems. From what I have read and from what I have gained in discussions with others, it seems that this can best be solved by placing the responsibility in the hands of a single agency.

While I don't know the number of the bill, I understand that the Congress will shortly consider legislation to create a Federal Aviation Agency, charged among other things with the responsibility for air traffic control and air traffic rules, with authority over both civilian and military aircraft. I feel this makes good sense, and I earnestly hope that this legislation will have your support.

Yours very truly,
JOHN M. FULTON.

LOGGERS & CONTRACTORS
MACHINERY CO.,
Portland, Oreg., May 28, 1958.

The Honorable EDITH GREEN,
Old House Office Building,
Washington, D. C.

DEAR CONGRESSWOMAN GREEN: No doubt you as well as I have been appalled by the

terrible air tragedies of the last few months, involving military personnel and civilian airlines. I refer particularly to the catastrophe over Las Vegas.

The writer can understand why Congress is forced to deliberate at some length on matters of national policy. However, when human lives are involved, it does not seem to me it would be necessary to debate for any such great length of time. It seems to me that you people who are in the know could sit down, regardless of party lines or who gets the credit for what, and pass some sort of a bill that will delegate a single authority to control the growing air traffic of our country.

Here in Portland we are going to witness a tragedy of our own some of these days, with these new jets screaming throughout the air at tremendous speeds, and possibly in the hands of only trainees. When that time comes, if some protective legislation has not been passed by Congress, responsibility is theirs, and that responsibility will hang heavily over their heads.

I leave to you the type of legislation (but we on the sidelines cannot condone political delays, which they seem to us to be) to do something in the way of new legislation that will prevent these terrible accidents.

Sincerely yours,

A. F. SERRANOUS,
President.

PORTLAND, OREG., *May 27, 1958.*

Representative EDITH GREEN,
Washington, D. C.

DEAR MRS. GREEN: In my business it is necessary to travel by air often. Therefore, it is natural that air accidents like the recent midair collisions have caused a good deal of uneasiness in my family. I am concerned over my safety and that of my family, who occasionally travel with me, while we are in the air. This is what prompts me to write you.

I understand that legislation has been introduced, or shortly will be introduced, to establish a single Federal Agency to regulate all air traffic. It seems to me that this legislation is vitally important to air safety in our country and should be passed immediately. I sincerely hope that you are in favor of this legislation and will do all you can to speed up its enactment.

Sincerely yours,

LOWELL BUYS.

RAY SMYTHE CO.,
Portland, Oreg., May 27, 1958.

Mrs. EDITH GREEN,
United States Representative,
House of Representatives,
Washington, D. C.

DEAR REPRESENTATIVE GREEN: It is, of course, of vital interest to every air traveler to feel that he is safe when he gets in any of the scheduled airliners. The recent uncalled for air collisions certainly creates an emergency which should be corrected without delay.

I understand that the Congress is now considering creating a Federal Aviation Agency which would take over complete control of all air activities and aim to control all traffic.

It seems to me that any program to make the air travel safe beyond reasonable doubt should have emergency legislation. On the ground you can make a few mistakes and still live, but you cannot make one mistake in the air and live to tell the tale. I hope that our legislators appreciate this situation and will lend their full support to some foolproof legislation which will control traffic safely.

Yours very truly,

RAY SMYTHE.

BULLIER & BULLIER,
Portland, Oreg., May 27, 1958.

Hon. EDITH GREEN,
United States Representative,
House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Many of us who are constantly using the airlines for transportation are deeply concerned over the unmistakable hazard in connection with flying due, in part, to the divided authority in air traffic.

Anything you can do to further the unification of both civil and military air traffic control authority will be greatly appreciated among the business people who are constantly traveling by air and who keenly feel the necessity of additional safety measures.

I personally feel that we can depend upon you to concern yourself with the enactment of legislation which will bring about safer conditions for those of us who travel by air, as well as alleviate worry and create peace of mind. I, for one, will think of you in this connection every time I board a plane.

Thanks sincerely for anything you can do to help solve this problem.

Very sincerely yours,

LEON H. BULLIER.

GEORGIA-PACIFIC CORP.,
Portland, Oreg., June 6, 1958.

Hon. EDITH GREEN,
House of Representatives,
Washington, D. C.

MY DEAR MRS. GREEN: As a frequent and regular user of commercial air travel service and speaking for the personnel of our firm who log many thousands of miles each month on commercial airlines, I am writing to ask that you take whatever action is necessary to secure prompt and favorable consideration of legislation for the creation of a Federal Aviation Agency to provide for unified air traffic control.

The tragic accidents of United Air Lines in a collision with a jet military aircraft over Las Vegas on April 21, resulting in a loss of 49 lives, and the collision of Capital Air Lines with a military jet aircraft over Brunswick, Md., on May 20, resulting in a loss of 12 lives, certainly seem to be argument enough that we are badly in need of single, unified, coordinated control of the use of the airlanes by all aircraft, commercial, military, and private. With a steady increase in traffic, it can only be expected that air travel will become more hazardous unless a completely coordinated control of all air traffic is developed.

It is our understanding that to bring about a single, coordinated control of the airlanes legislation will be necessary, and we further understand that bills to provide for such legislation have been introduced in the Senate by Senator MONRONEY and in the House by Congressman HARRIS. We urge your support of these bills and ask that you do whatever necessary to secure their prompt passage so that coordinated air traffic may become a reality at the earliest possible date.

With best regards.

Sincerely,

R. B. PAMPLIN,
President.

MAYTAG NORTHWEST CO.,
Portland, Oreg., June 4, 1958.

Congresswoman GREEN,
Old House Office Building,
Washington, D. C.

DEAR CONGRESSWOMAN: This company is responsible for the distribution of Maytag products for the Northwestern States and the Territory of Alaska. The performance of these responsibilities require air travel by all of our key personnel. We have a deep interest in the safety for air travel, not only for ourselves and our business, but for the Nation.

I know that because of the importance of air travel to your constituents, you are both interested and active in studies relating to the proper control of air travel, but I would like to add my personal interest to those you have already evidenced.

I have neither the information nor the imagination required to suggest proper controls, but I strongly urge that you use those available to you.

Respectfully,

A. R. HUGHES,
President.

THE UNITED STATES NATIONAL BANK,
Portland, Oreg., June 5, 1958.

The Honorable EDITH GREEN,
House of Representatives,
Washington, D. C.

DEAR MRS. GREEN: The recent catastrophic accident involving a collision between military and commercial airplanes, and resulting in dire loss of life, seems to me to leave no alternative for thorough consideration and action.

The one first step that I can envision in solving this problem is to set up a Federal Agency which will regulate all air traffic.

I travel a great deal by air and feel personally the need for immediate action.

I am sure of your support of legislation to this end.

Sincerely,

MARSHALL N. DANA,
Member, 100,000 Mile Club.

PORTLAND, OREG., *May 27, 1958.*

The Honorable Mrs. EDITH GREEN,
United States Representative, House Office Building, Washington, D. C.

MY DEAR REPRESENTATIVE GREEN: America—always outstanding in its regard for the individual—is, at present, making a poor record.

Because stupidly un-unified air control is needlessly and ruthlessly causing loss of American lives, we, your constituents, must join you in hanging our heads in shame.

I shall appreciate noting your stimulation and support of measures, operative immediately, to curb the present waste of American lives through air collisions. The Federal Agency promised for January, 1960, will not safeguard American lives in 1958 and 1959.

Yours in helping Americans to stay alive.

B. L. CREWDSON.

OREGON HEART ASSOCIATION, INC.,
Portland, Oreg., May 27, 1958.

Hon. EDITH GREEN,
House Office Building,
Washington, D. C.

DEAR MRS. GREEN: Today I received a letter from Mr. W. A. Patterson, president of United Airlines, outlining pending legislation in Congress to create a Federal Aviation Agency for the purpose of coordinating efforts toward air traffic control and air traffic rules.

As a member of the 100,000 Mile Club, and a passenger who is very interested in air safety, I should like to inform you that I strongly favor the enactment of this legislation.

Sincerely,

GENE MALECKI,
Executive Director.

PORTLAND, OREG., *May 27, 1958.*

The Honorable EDITH GREEN,
House of Representatives,
House Office Building,
Washington, D. C.

MY DEAR MRS. GREEN: I am sure that you are as interested and concerned with the air traffic control problem that faces the air transportation industry as we are. It is my feeling that at least until certain technical

problems can be resolved, one single agency, with complete authority for air traffic control, should be established.

Very truly yours,

G. H. MACOMBER.

UNIVERSITY OF OREGON
MEDICAL SCHOOL,
DEPARTMENT OF MEDICINE,
Portland, Oreg., May 29, 1958.

The Honorable EDITH GREEN,
House of Representatives,
Office Building, Washington, D. C.

DEAR MRS. GREEN: As a frequent user of the commercial airlines, I, along with millions of others, I am sure, have become very concerned about the midair collisions—particularly between civilian and military planes. I have long felt that there has been too much inertia connected with the development of modern methods of air control, and I do not feel that the civilian users of the airlines have been properly informed of the problems or the progress that may have been made. The most that we have received and noted in the public press has been concerned with very vague expressions of plans or problems. I thoroughly approve of the President's active role in getting something done in this field now without the inordinate delay that seems to be connected with the ponderous movement of the now existing Government agencies.

Mr. W. A. Patterson, president of the United Air Lines, sent to me a letter which he sent to all members of the 100,000 Mile Club, to which I belong. In this he clearly outlined the multiple agencies and the conflicting interests that now are trying to solve this problem. It is perfectly obvious that if we operate this way, that many years will elapse before anything sensible is accomplished.

Mr. Patterson pointed out that there is to come before the Congress some legislation intended to create a Federal Aviation Agency to bring all these agencies under one jurisdiction. Certainly this seems to be a highly sensible and long needed action, and it appears to me to be the only way to accomplish speedily what needs to be done.

I am writing to you to let you know that I, as one of your constituents, am deeply interested in this and would hope, if the legislation is well drawn and sensible, that you will see fit to support it.

Sincerely yours,

HOWARD P. LEWIS, M. D.,
Professor of Medicine.

YEAGER-SLEIGHT CO.,
Portland, Oreg., June 2, 1958.

The Honorable EDITH GREEN,
Congresswoman, Third District, State of Oregon, House of Representatives, Washington, D. C.

DEAR MRS. GREEN: I am a private businessman and yet have over 6,000 hours of flying time and am deeply concerned about these two recent crashes concerning jet military aircraft with commercial airliners.

It seems to me that a single Federal Agency should be immediately set up to control all airways traffic, and I certainly would appreciate your doing everything in your power to bring this about at once.

I understand that the Congress is ready to consider legislation intended to create a Federal Aviation Agency to be headed by an administrator in charge of aircraft control, but I think that this action should be taken now in order to avoid any future disasters such as we have experienced of late.

Any action on your part in this matter will be deeply considered by myself and many other voters who are behind you.

Cordially yours,

A. W. SLEIGHT.

PORTLAND, OREG., *May 27, 1958.*

Hon. EDITH GREEN,
Member of Congress,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE GREEN: I am deeply shocked over the recent series of aircraft catastrophes occasioned by collisions between commercial airliners maintaining an approved flight plan and military aircraft.

It appears imperative that the administration take immediate and positive steps to create a Federal aviation agency that would have complete charge over air traffic, navigation, air space, and traffic procedures.

As an Oregon businessman who uses the commercial airlines a great deal, may I urge you to give this matter your most vigorous attention.

Very truly yours,

THADDEUS B. BRUNO.

H. K. COFFEY & ASSOCIATES,
Portland, Oreg., June 3, 1958.

Hon. EDITH GREEN,
House Office Building,
Washington, D. C.

DEAR REPRESENTATIVE GREEN: Why we are having more fatal air accidents is a very serious question which certainly needs your immediate attention. Unless I have been misinformed, one of the main reasons for this increase in air accidents is because we do not have an overall single authority responsible for all air space and traffic with power to enforce its safety regulations.

This is an urgent matter. I traveled over 50,000 miles by air last year and over 300,000 since 1940. I mention this only to apprise you of the fact I am not a surface traveler requesting something about which I am unfamiliar. Is there any reason why this single authority can't be enacted this Congress?

Sincerely,

E. J. COFFEY,
General Manager.

PORTLAND STATE COLLEGE,
Portland, Oreg., June 4, 1958.

The Honorable EDITH GREEN,
The House of Representatives,
Washington, D. C.

DEAR MRS. GREEN: During the past 15 years I have been a frequent user of aircraft in traveling about the United States for an overall gross distance in excess of 300,000 miles. In recent years I have become increasingly concerned about the possibility of accidents, particularly since the development of jet-propelled planes. On more than one occasion the planes arriving at a busy port, such as La Guardia or Midway, have been too close together in view of their different rates of speed.

In addition, military aircraft seem to follow rules of their own in complete disregard for the lives of civilians, as two recent accidents reveal clearly. Present procedures for regulating air traffic are obviously inadequate.

A single Federal agency, with authority to regulate all traffic, seems to be needed in the immediate future. I trust that you will see your way clear to work toward this desirable end.

Sincerely yours,

WILLARD B. SPALDING,
Dean of Faculty.

PORTLAND, OREG., *June 2, 1958.*

Hon. EDITH GREEN,
United States Representative from Oregon, House Office Building,
Washington, D. C.

MY DEAR MRS. GREEN: Fortunately, most people adjust themselves pretty readily to the calculated risks necessary and incidental to our modern and complex way of life. Perhaps we are inclined to take them too much for granted; hence our tragic highway toll. Nothing we do is free from hazard, of course, whether it is walking across the street or flying across the continent. Once in a while, you get a shocker; sometimes, two.

As an air traveler who has logged between 200,000 and 300,000 miles, this means of transportation has become quite a matter of fact procedure as the fastest, most convenient and most pleasant way of getting from one distant point to another. I habitually travel this way, and the rare occasion when there is an accident is accepted as "just one of those things" which must be expected in any situation where the human element is involved. Certainly the record of commercial aviation in developing controls and procedures to minimize these occasions is one of which the industry can well be proud.

However, catastrophes like the two recent ones when commercial aircraft, operating on scheduled flights over established airways, are struck down by military aircraft produce quite a different reaction because it seems so utterly unnecessary. Since April 21, when a military jet crashed a United Airline ship over Las Vegas, I have traveled approximately 10,000 miles back and forth and up and down across the continent. I have talked with many air passengers, both aboard plane and in airports and on the ground. Continually I hear the query, "Why should such things happen?"

According to the news-reported investigation and editorial comment, it would seem that the principal difficulty is the lack of coordination between the several agencies which control the use of air space. With the relatively rapid development of air navigation and the tremendous increase in air traffic, it is understandable why regulation should have been a patchwork, piecemeal program. There would seem to be no reason why this deplorable situation should continue indefinitely, particularly in the face of such tragic incidents as those within the last 5 or 6 weeks.

I understand there is a bill under consideration by Congress, unifying these agencies into one overall agency, to deal with the problem of air transportation and the use of air space by military, commercial, and private aircraft. This sounds like a most constructive approach to the problem, and I am certain that not only will millions of air travelers, but also their families and friends concerned for their safety, appreciate anything that can be done to speed such legislation.

With kindest personal regards and best wishes, I am,

Very truly yours,

MCDANNELL BROWN,
Attorney at Law.

FIFTY-MILE HIGHWAY SPEED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I received today an editorial from the brother of a very distinguished Member of this House, the gentleman from New York [Mr. KEOGH]. The brother is a very distinguished member of the Supreme Court of New York. He sent me an editorial from the Brooklyn section of the New York Journal American, which endorses a resolution that I introduced for keeping the speed of motor vehicles at 50 miles an hour during the holiday weekends. I have other editorials endorsing this program, but I was delighted to hear from the supreme court justice, Judge Keogh. His brother, the Congressman, is one of my neighbors on the seventh floor of the House Office Building, and a very fine Member of the Congress.

The editorial is as follows:

Authorities on highway safety in Brooklyn today are hailing the move started in Congress by Representative EDITH NOURSE ROGERS of Massachusetts, for a national highway law to limit all motor vehicles to a speed not greater than 50 miles an hour during holiday weekends. She says the only deviation from the proposed strict regulation would be for emergency vehicles. Representative ROGERS says the Memorial weekend slaughter should never be permitted to happen again.

ANOTHER HONOR FOR CLARENCE CANNON

The SPEAKER. Under previous order of the House, the gentleman from Missouri [Mr. JONES] is recognized for 10 minutes.

Mr. JONES of Missouri. Mr. Speaker, from time to time, Members of the House of Representatives are honored in many ways. Often the occasion of the conferring of such honors goes unnoticed.

Too often we wait too long in recognizing the outstanding service which our colleagues in this body perform for their constituencies, their States, and our Nation.

That is why today I wish to call to the attention of his friends a signal honor which is being conferred upon one of our Members, the distinguished chairman of the House Committee on Appropriations, the lovable dean of our Missouri delegation, the Honorable CLARENCE CANNON.

I must admit that it is nothing new for this distinguished Member to receive honors that are reserved for those who have made the most outstanding contributions to his Nation, and I shall not attempt to enumerate the many and varied recognitions that have come to Mr. CANNON during his many long years of service in this body.

From time to time each session on the floor of this House, many Members have heaped accolades on the head of this devoted public servant, whose service cannot be measured in terms of dollars, and by whose action this Nation's taxpayers have been saved literally billions of dollars.

The remarkable thing to me about the gentleman from Missouri is the great knowledge and understanding which he has, not only of the fiscal affairs of this great Nation, but the remarkable facility he has for interpreting the signs of the times.

But, in addition to the unusual abilities which he has and which he uses with such dexterity and skill, is the unbounded energy which he displays at all times. I doubt if there is a Member of Congress who is not familiar with the long hours which Mr. CANNON consistently and continually devotes to the duties of his office. From experience we all know it is not unusual to find him in his office in the early hours of the morning, in the lateness of the night, on Saturdays, Sundays, and holidays.

We who are more intimately associated with this gentleman, know all of these things, but there are others who not only have taken cognizance of his devotion to duty, but who have also recognized the many contributions he has made throughout the years he has been in Washington.

That is why one of the great universities of this community has selected our beloved colleague to receive an honorary doctor of laws degree at its annual commencement which will be held on tomorrow evening, Wednesday, June 11. Acting unanimously the board of trustees of Southeastern University has chosen Mr. CANNON for this signal honor "on the basis of the outstanding contribution to our country which you have made during the span of your career in the House of Representatives."

It is most significant that Mr. CANNON has been chosen for this honor, since he will be the first Member of Congress on whom this degree has been conferred by Southeastern University. Some 5 years ago, this university initiated a program under which its board of trustees recognized outstanding service to our country by its career employees. While Mr. CANNON is not a career employee in the strictest sense of the word, who can deny that he has made not only a career but an enviable record as one of the greatest elected public servants of our time. So large and so great have been his contributions to our country throughout the years that this university has enlarged the field of consideration which was originally limited to "career service."

Someone may ask is this the first time that the gentleman from Missouri has been so honored? Definitely not, and while I would hesitate to try to enumerate the many honors which have been conferred upon him from time to time, and I doubt if even the most carefully compiled biography would include them all, I do know that upon at least four other occasions he has had conferred upon him the degree of doctor of law.

Many years ago these honorary degrees were conferred by Culver-Stockton College, and by Hannibal-La Grange College. He also holds a similar degree conferred by his alma mater, William Jewell College at Liberty; and in June 1954 he was similarly honored by the University of Missouri, from which he was graduated with a bachelor of laws degree. So, you see, this will be the fifth time that colleges and universities have conferred this coveted honor on the distinguished Member from Missouri.

While the man has been honored by farm, church, civic, and political groups without number, I would rather imagine that the greatest tribute which has been paid him comes from the fact, that biennium after biennium he has been returned to this House without opposition from either political party. Actually in his first race for Congress he had no opponent from the Democratic nomination, and since that election in 1922 he has been returned, usually without opposition from either party, and when he did he led the ticket for State and national offices throughout the Ninth District of Missouri.

CLARENCE CANNON has actually served this Congress and the people of this Nation since 1911 when he came to Washington as a temporary clerk in the office of the late Speaker Champ Clark, whom he served as confidential secretary. Later he was journal clerk of the House in which capacity he instituted some procedures which are followed to this day.

At the outbreak of World War I, when the son of Speaker Clark—the late Senator Bennett Champ Clark—entered the service, CLARENCE CANNON was named to the post of Parliamentarian of the House, in which capacity he served under both Democratic and Republican administrations. It was during this time that he began the studies that were to bring him distinction in the field of parliamentary procedure. For years he was the authority on parliamentary law, being the author of the treatise on that subject in the Encyclopedia Brittanica; the editor of several editions of the Manual and Digest of the House of Representatives; editor of Procedures in the House of Representatives of 1920; and of Cannon's Procedure under which the House operated for a quarter of a century. By an act of Congress he was chosen to edit and compile the Precedents of the House of Representatives. The rules may change, but it will be a long time before the Members of this House will not be reminded of Cannon's Precedents which have governed the conduct of this body for so many years.

Mr. Speaker, I did not intend that this should be a biography of our colleague and indeed it shall not be. I hope that our friend will take care of that in an autobiography which I predict would be among the best sellers of our time.

I do want to say, however, that any reference to Mr. CANNON without a word about his dedication to the farmers of America would be failing to acknowledge the most outstanding service that he has rendered to the people of this Nation. While he has not been a member of the House Committee on Agriculture, there is little legislation affecting the farmers of America which has cleared this House without the imprint of the Cannon influence. As a member of that committee, I can truthfully state that no Member of this House has evidenced a greater concern over the welfare of agriculture and the farmers of this Nation than has the gentleman from Missouri who is really a dirt farmer, living on a beautiful farm just outside the town of Elsberry.

As a student, college professor, lawyer, secretary, parliamentarian, legislator, chairman of the powerful Appropriations Committee, and dean of the Missouri delegation, CLARENCE CANNON has won the esteem and respect of those with whom he has been associated, principally because his one ambition has been to be of service to his fellow man. His record has been made. Although he has received practically every honor that can come to any man, nevertheless, I felt that the Members of this body would like to join me in extending felicitations to our colleague upon whom will be conferred this additional honor on June 11, at Southeastern University, to which all of us have been invited to witness the conferring of the doctor of laws degree.

HOUSING

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 40 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, this Nation has a half-trillion dollars—$500 billion—invested in housing.

This is nearly three times the value of our investment in agriculture, including all the farms, machinery, livestock, and other facilities in that largest of all industries. It is 5 or 6 times all the assets of our gigantic life insurance companies, which in turn dwarf our huge industrial empires.

Housing is both our largest single investment and our most neglected one, in spite of the multi-billion-dollar housing programs this Congress has authorized and billions spent privately each year.

I have today introduced two bills to encourage and speed the conservation and rehabilitation of existing housing in the United States by establishing a credit program for such purposes and providing a tax incentive.

The bills have two major objectives: to halt the enormously wasteful and unnecessary neglect of our existing housing investment and to provide a quick-acting, nationwide economic stimulant more sorely needed today than at any time since the dark days of the thirties.

We already are spending billions of dollars to eradicate slums and to rid the Nation of dwelling units unfit for human habitation which cannot be restored to livable conditions. We are extending more billions in credit, or loan insurance, for construction of new homes.

SLUM PREVENTION NEGLECTED

But we are treating the rehabilitation and conservation of our existing half-trillion dollars' worth of homes—individual homes, rental houses and apartments—as a minor, unimportant problem; a stepchild.

We are investing billions in cures for housing ills, but only nickels and dimes in the prevention of those ills. If we will start investing just a reasonable amount of capital in prevention we can begin to lick the slum problem. And at the same time, we can stimulate the economy of every city, every town, every village and even the rural areas throughout the Nation.

Recently I saw a study on the subject of conservation and rehabilitation of housing by Mr. Ernest Shinner of the Shinner Foundation in Chicago which interested me greatly. I have been given access to further research done by the foundation on the subject. The potentialities for good from such a program—both economic and social—are tremendous. Huge task forces in civic life, in business, and in labor are already marshaled and ready to undertake the job. All that is needed is a trigger to set them in motion.

CREDIT NEEDED

The required trigger is credit, and it is my judgment that a Government demonstration program will—as they have in the past—simply open a field into which private capital will move and do the bulk of the job.

We are just beginning to get a new picture of the housing situation in the United States as it was at the beginning of 1957. A few figures have been released out of the Census Bureau's Survey of Housing, made as of December 31, 1956.

There were 55,340,000 housing units in the Nation. Of these, 11,860,000 had been built since 1950. According to a Census Bureau press release, the overall quality of our housing had improved in the 6-year period—only 24 percent of the 55 million 1956 homes were dilapidated or lacking in essential facilities, compared to 30 percent of housing in those categories in 1950. But only a little analysis reveals that the number of housing units which are lacking in facilities or dilapidated remains well over 13 million units. The 24 percent of 55⅓ million homes existing in 1956 amounted to 13,281,000 units in the low, undesirable categories. The 30 percent of 45 million homes in the Nation in 1950 was 13,800,000.

NUMERICAL GAIN SMALL

We have poured hundreds of millions of dollars—billions—into slum clearance in the 6-year period. The survey shows that 2,540,000 of the housing units in existence in 1950 had been demolished or lost by other means when the 1956 survey was made. Another 670,000 units were lost by merger for a total loss of 3,210,000 of the 1950 housing units. But with all this demolition and losses in old units, we made only a half million net gain in the dilapidated and inadequate facilities categories.

What happened?

Obviously, hundreds of thousands of our stepchildren—our neglected housing units—deteriorated from the acceptable classes into the undesirable categories. Conservation and maintenance were neglected. Existing homes naturally ran down. Tens of thousands became dilapidated each year.

The press agents can stack the figures up any way they want to stack them. With all the billions spent between 1950 and 1956 on housing programs, the surveys reflect 13,794,000 low-category homes in the Nation in 1950 and 13,281,000 on December 31, 1956.

I ask consent to include in the RECORD at this point the Census Bureau table on Improvement in the Housing Supply of the United States on which this analysis has been based, with two footnotes which I have added.

Improvement in the housing supply of the United States, 1950–56

	1956			1950		
		Percent			Percent	
	Number (thousands)	Not dilapidated, all facilities	Lacking facilities or dilapidated	Number (thousands)	Not dilapidated, all facilities	Lacking facilities or dilapidated
Total United States:						
All dwelling units	55,340	76	[1]24	45,980	70	[2]30
Units from 1950 inventory	41,450	73	27	41,450	67	33
Units added since 1950	11,860	88	12			
Units lost through demolition and other means				2,540	27	73
Units changed by—						
Conversion	1,380	68	32	670	77	23
Merger	650	71	29	1,330	38	62

[1] Equals 13,282,000 units.
[2] Equals 13,794,000 units.

At this 1950 to 1956 rate of gain and assuming we keep pumping billions annually into present housing programs, it will take 160 years to lick the housing problem in the Nation.

Actually it will never be licked—our efforts will not match our requirements—so long as we pour billions into pounds of cures and nickels and dimes into prevention.

The inability of our present numerous but relatively costly housing programs to match our requirements needs but few illustrations.

CLEARANCE SLOW AND COSTLY

If all the billions of dollars currently being sought by Government for slum clearance were made available at once, they would replace only 3 or 4 square miles of slum dwellings. But there are more than 70 square miles of slums and so-called conservation areas, which can easily become slums—in the city of Chicago alone.

The Urban Renewal Administration, set up with high hopes a few years ago to restore areas that had already been destroyed or badly run down, has achieved little but frustrations to this date. The FHA report for the year 1956—the last available—shows that cumulatively through that year there had been committed less than $60 million to finance conservation and rehabilitation of housing units throughout the entire Nation.

We are told, optimistically, that nearly 500 areas have been designated as urban renewal areas, and will ultimately be in line for restoration. Housing officials out in the cities which have pioneered urban renewal projects complain privately that the projects retard, rather than speed, conservation and rehabilitation of homes.

When an area in some city is designated as an urban renewal area, the future of every structure in it becomes uncertain. Decision has to be made which blocks of homes are to be torn down, and replaced. Decision has to be made which housing structures can be rehabilitated or conserved. A master plan has to be developed. Approval of planners, housing boards, zoning boards, city council and the FHA in Washington have to be obtained and each alteration

in the master plan by one of these many agencies means that a revised plan has to be sent around the whole circuit for a new set of approvals.

This is not intended to be critical. But it is obviously going to take not weeks or months, but years, to clear many of our urban renewal projects. During that period conservation and rehabilitation will come to a virtual stop within the designated areas. Credit for such work will not be available until the fate of each building is determined. And when finally approved for insured rehabilitation loans under section 220 of the FHA Act, the owners of housing units will still have to go out and find the banker or the credit lender who will put up the dollars to do his work.

BLIGHT STILL SPREADS

The net effect of urban renewal as of today may very well be a slowing down, rather than stimulation, of the neglected maintenance, conservation, and restoration work which needs to be stimulated.

Housing blight is still spreading as fast or faster than we can tear down and replace existing housing.

We must have a new emphasis on conservation and rehabilitation to bring our total housing effort into better balance, and to meet the central problem of maintaining the values of our present half-trillion dollar investment, or the problem will not be met in even 160 years.

If we can arrest the further expansion of slums and blight by maintenance and restoration of what is still sound, then new construction will ultimately eliminate the slums already in existence. Present housing programs should not be abandoned. Their potentialities need to be reappraised, however, realistically. They are not a total answer. They will not do the whole job.

The realistic fact is that this Government and this Congress will never appropriate or vote to underwrite the billions required to demolish and replace all rundown housing units. A program that will make it possible and worth while for private owners to do the bulk of the job—which is the way it should be done in our American system—has to be devised.

A NEW APPROACH

We need to abandon the overly optimistic view of some public housing advocates that this Government should, can, and will tear down and replace every seriously rundown housing structure and face up to the fact that as much as possible of our existing investment must be maintained.

Mr. Speaker, the first bill I introduced today would establish a Housing Conservation and Rehabilitation Agency with $250 million of capital subscribed by the Federal Treasury as a start. It would have the power to make loans for conservation and rehabilitation of housing. It would have the power to issue debentures against, or guarantee and sell outright, mortgages obtained with this original capital, thereby renewing its available loan funds. It would also have the power to insure private loans for the purposes mentioned. Although the beginning Government capital is relatively small, the Agency's powers, taken together, would give it the ability to provide the credit for several billion dollars of work. And if history repeats itself, as it has in the case of title I loan program under FHA, private lenders will soon move into the field, adapt the Government program, and supply the bulk of capital required to meet our objectives.

There is no question that with a little stimulation—a triggering action by government—a tremendous volume of work can be put underway quickly.

There are now more than 6,000 community organizations, or community conservation and betterment groups, in existence in the cities of the Nation, many of them thwarted and frustrated by the lack of credit for rehabilitation work that this program would provide. Their members constitute a huge army of civic-minded citizens who are eager to press this very work.

The United States Census of Business indicates that there are more than 600,000 business establishments, large and small—contractors, plumbers, electrical contractors, painters, masons, roofers, and others—who could and would benefit from a great housing improvement program who are increasingly in need of work as the recession develops.

SOLUTIONS BEING SOUGHT

The National Association of Real Estate Boards has a Build America Better Committee now groping for ways to trigger a great rehabilitation movement. The National Association of Housing and Redevelopment Officials combs the country for techniques to facilitate such work, distributing a folder of materials on "Saving Cities through Conservation and Rehabilitation."

There are the building trades unions and industry unions beyond them, with millions of members who would benefit—and benefit the national economy—from the work created if we seriously undertook to put our gigantic investment in housing into first class condition.

And there are millions of homeowners, plus the owners of 20 million rental housing units, who, with one or both of the incentives I am proposing—a supply of credit and the right to charge costs of rehabilitation to expense taxwise—would be eager to get their investment back in good repair.

BETTER HOUSING

The end product of rehabilitation is not going to be inferior housing. It will be better housing than we are achieving in many of our all-new, expensive projects.

The cost of providing new housing is so great that efforts to economize have drastically reduced basic standards of living space, land use, equipment and other features. The result is construction which must inevitably add to the slum problem again in a very few years. Social workers are already complaining of lack of space for children—even lack of space for the men—in our modern housing units.

In contrast, the rehabilitation of millions of basically sound existing dwellings can be accomplished at far less original cost than building new units. And it can take full advantage of the good location of older homes, of the generous standards of land use and space, including fireplaces, closets and basements. Most existing homes have trees and shrubs and lawns already in existence which are far preferable to the small lawns and playgrounds of some of our new project housing. There is individuality of architecture, instead of monotonous repetition, hundreds upon hundreds of times, of the same house plan.

There is no reason why the rich and well-to-do should have a monopoly on the benefits of renovation of older buildings, and the superior amenities they offer. Because rehabilitation is less costly than new units, middle-income citizens and even low-income citizens can have more—not less—for their housing expenditures through this approach.

EXTENT OF THE PROBLEM

Clearly, not nearly all of the 13,300,000 homes now classed as dilapidated or lacking facilities can be rehabilitated. Some housers contend that virtually all should be torn down and replaced. Even if that were desirable, it is completely unrealistic. At $10,000 per unit, it would take $133 billion to do the job. There are many demands on our resources. We need more schools, health facilities, highways, resources development projects, defense supplies, industrial plants and other things.

An appraisal of how this marginal housing could and should be handled, with economic and political realities in mind, as well as the facts about the structures, has been made by research people for the Shinner Foundation. They feel that at least 6 million units can be restored. They are located in our cities, in rural areas and on farms. The distribution indicates how widespread across the Nation the economic benefit from a great housing improvement program could be.

Beyond the economic benefit, there would be social gains of inestimable intangible value. Better housing means better family life, less juvenile delinquency, less crime—a better national life.

AN ILLUSTRATION

Conservation work, as distinguished from rehabilitation, is needed by additional millions of housing units which are yet adequate and livable, but gradually running down; slipping into the dilapidated class as many hundreds of thousands did between 1950 and 1956.

The situation is illustrated in my great home community, the city of Chicago. In that city we have 16 square miles which the housers classify as slums requiring replacement. But we also have 56 square miles of so-called conservation areas where the housing, in the overall, is rundown and deteriorating, but still livable. For the most part, it requires conservation rather than rehabilitation to be made desirable and adequate.

In this area in Chicago are many, many blocks of 3- and 4-story brick apartments of the sturdiest construction, providing more ample living space than most of our modern housing. The

buildings are 25 to 40 years old. There is need for new plumbing, wiring, roofs, exterior work and other modernization. They can be made into very desirable dwelling units at far less cost than new housing can be provided. Or they can be subdivided by despondent or avaricious owners and allowed to run on down into the dilapidated class, soon becoming slums.

There are also fine old houses in this conservation area which face the same alternatives; conservation, or subdivision, exploitation, and finally dilapidation into slums.

CREDIT: A CENTRAL PROBLEM

A great many people have been assuming that when a property holder has an equity in a home, credit for rehabilitation or conservation of the structure is not a problem. This is not true.

A considerable factor in private home loans is personal income of the borrower and ability to repay regardless of the value or intrinsic worth of real estate. A large part of private home loan credit of this type is really personal credit, with the real estate actually only collateral. The right is maintained to a deficiency judgment against the borrower. For this reason older citizens without salaries or assured incomes are virtually ineligible for loans where property value is the sole security. Rental property owners whose income is largely from the real estate being mortgaged have the same handicap.

Private capital goes to the most secure loan, and where a lender has a choice between an individual's note and a Government guaranteed loan at nearly equivalent interest, the guaranteed, wholly safe loan will get the money.

We now have several such insured-loan programs in operation. We have just authorized FHA to insure an additional $4 billion of housing loans. Virtually all of this insurance will be placed on loans for new homes—the loans with which rehabilitation and conservation work must compete for available money. Obviously, the money will go to the insured loans. New homes are needed. The Government-insurance programs have proven invaluable in stimulating construction of needed new homes. I am not at all critical of the insured-loan programs. But we must face the fact that the programs are a major factor in shortage of rehabilitation loan credit, and that rehabilitation loans must be made at least equally attractive to lenders if we are going to get the money to maintain existing housing.

There are other factors which contribute to shortage of rehabilitation credit, some of them nonmoney influences, which could be reviewed at length. But the important fact we must face is that credit for conservation and rehabilitation of existing homes is scarce and costly. It is the biggest factor in neglect of our half-trillion dollar investment in housing. Its scarcity—the inability to get loan money to conserve and rehabilitate homes—all too frequently leads to a further step on the road of slum creation; the subdivision of older structures to increase rental income—a step which owners take to milk structures in their dying years of all the capital possible.

PRESENT PROGRAMS

The FHA has programs intended to aid conservation and rehabilitation of existing housing, but they are not getting the job done.

FHA title I program is the widely used small repair and modernization loan program. Under it, the FHA insures portfolios of character loans—personal loans—made to housing owners through local lenders and approved materials dealers for small jobs. The loans are limited to $3,500 in a single family house, and to $15,000, not exceeding $2,500 per unit, on the maximum, 6-unit structures which are eligible. The loan period is limited to 5 years on the single unit and 7 years on multi-unit loans. The charge for the money is a discount of $5 per $100 borrowed up to $2,500 and $4 per $100 borrowed beyond that figure. The real cost of money under this program is over 9 percent.

There has been a large volume of very small loans made under this program. From 1934 through 1957, more than 21,023,000 loans for $10½ billion dollars have been insured—the loans averaging around $500. Last year there were 1,112,000 loans insured for $869,000,000, an average of about $775 per loan.

The title I program has done a great deal of good—it is apparently our most successful mass program in the housing field—but is wholly inadequate to meet major conservation and rehabilitation needs.

SHORTCOMINGS

The statutory limitations on size of loans, the short loan periods and the high interest rate make title I useless to anyone who has a major rehabilitation job, and particularly so to the rental housing owner dependent on rental income for his own livelihood. There are tens of thousands of such rental housing owners who can spend their money to rehabilitate their structures only if the work is self-liquidating and will increase income sufficiently to amortize costs. At reasonable interest and extended loan periods, major repair jobs can be amortized out of a small increase in rental income. But not in 5 or 7 years at 9 percent interest.

Title I is far too restricted and costly to help with anything but very small jobs, as the average of its 21 million loans indicates.

The next loan program which might be used for rehabilitation work is section 207. Housing for elderly people and tourists courts are financed also through this section. Under it, rehabilitation loans must be on rental housing structures in lots of 8 or more units. There is a loan limit of $8,100 per unit and $2,500 per room in walkups, and of $8,400 or $2,700 per room in elevator structures. Interest is limited to 4½ percent on 90 percent of the estimated value of the property. The loan period can run up to 40 years.

Cumulatively, since 1940, only about $20 million of money has been used under this section to refinance or improve existing housing. What lenders are going to make 4½ percent mortgages when they can make 5¼ percent Government guaranteed loans on new houses, or 9 percent interest on smaller, short term rehabilitation loans?

SECTION 220 MOVES SLOWLY

The next significant rehabilitation loan program is the urban renewal provision, section 220, about which I have already commented. Urban renewal involves so much redtape that in its early years—and that is all there has been of it yet—it retards rather than stimulates conservation and rehabilitation. Typical of the growing disappointment with the urban renewal program which is reported to me, is this story from the Chicago Sun-Times of May 16, 1958. It is a report of the meetings of the National Conference on Social Welfare. It reports that several speakers at these meetings reported a disparity between promise and performance under the program; and that attempted remaking of great metropolitan areas has not solved many old difficulties and has created some new ones. One speaker referred to relocation of families from these areas as a game of musical chairs—a moving of families from one slum area into another, or into an area that would be deteriorated into slums by the overcrowding.

SECTION 221 LIMITATIONS

Next on this list of programs under which rehabilitation might be financed is section 221, the so-called relocation housing section.

This program was set up to assure decent homes for families put out of their former homes by government action such as construction of streets, highways, schools, or other projects by county, town, State, or the Federal Government. It has within it the elements of a successful rehabilitation program. It is not only beginning to be used—there are obviously schemes being promoted to stretch it beyond supplying relocation housing to fill the vacuum—the need—for a general conservation and rehabilitation loan program.

The official description of section 221 loans says they are made to assist in relocating families from urban renewal areas and in relocating families displaced as a result of government action. Loans can be made on single family dwellings to an owner-occupant for up to $9,000 and 100 percent of appraised value, or to an operative builder for up to $7,650 or 85 percent of appraised value. Loans of 100 percent of estimated value when improvements are completed can be made on 10 or more units up to a maximum of $10,000 per unit in high-cost areas. They are up to 40-year loans at a maximum of 5¼ percent interest on single-housing unit loans and 5 percent on multiple unit loans.

There is an overall limitation of $12,500,000 in such loans to any one person or corporation in the housing field.

STRETCHING SECTION 221

Here is a practical program, but it is ostensibly limited down to providing housing only for people who are displaced by a highway, a school, or other public project. But it is so desirable that some builders think they have found a loophole that will let them use it to

rehabilitate all the housing in a town. I have seen a letter from a national leader in private life to a civic leader in an eastern community explaining the situation in which he says:

The fastest way for the city of ------ to get a program under way to improve its housing will be with section 221 FHA insured financing. With fair enforcement of a city housing code it will be possible to raise to proper standards all substandard dwellings and remove dwellings that are economically beyond rehabilitation.

Under section 221, existing housing or new housing must be offered first to a family that has been displaced because of any form of government activity. If a displaced family does not want to buy the house, the realtor, builder, or owner, may sell it to any family after holding it for 60 days.

Note that this letter suggests that section 221, the relocation housing section, can be used to raise to proper standards "all" substandard housing, pointing out the regulation under which sales can be made to persons without relocation housing certificates.

Mr. Speaker, the full text of this letter attests the accuracy of my comments about shortage of credit on an uninsured, individual loan basis for major conservation and rehabilitation loans; it attests the efficacy of direct Government loans, or loan insurance, in the rehabilitation field. It attests and is evidence of the striving, the absolute pressure that exists across the Nation, to find a workable plan to save our communities through conservation and rehabilitation of housing. It attests the fact that a program patterned on section 221 terms could get the job done.

I am withholding the text of the letter which I have just quoted because I am not opposed to the widest possible use of the relocation housing authorities to get homes fixed up. I hope the town does get all of its deteriorated and substandard housing made over into decent homes, and I do not want to do anything to get in the way of the town's use of section 221 loans for that purpose if it is necessary.

But Congress should adopt a program, patterned after section 221, under which the job can be done without subterfuge and on a big, nationwide scale.

The Housing Conservation and Rehabilitation Agency bill I have introduced today is a proposal to do exactly that.

SUMMARY OF BILL

I ask unanimous consent for the text of the bill to be printed in the RECORD at the conclusion of my remarks.

Section 101 of the proposed bill establishes the Housing Conservation and Rehabilitation Finance Agency as a Government corporation headquartered in Washington with succession until dissolved by Congress.

Section 102 creates a board of directors of seven appointed by the President representative of both social and economic interests in housing, provides for at least monthly meetings, the board's selection of a president and vice president who shall be the executives of the agency, for per diem, and so forth.

Section 103 outlines the functions of the Agency; to make and insure loans for the conservation and rehabilitation of existing housing, including rural, and to establish basic standards for housing on which the loans will be made or insured. The Agency is authorized to establish terms of loans made or insured. Interest is limited in the proposed act to not more than one-fourth percent more than section 220 (urban renewal) loans, and the board is authorized to limit total loans made to one housing owner, or operator, and to withhold loans in areas where other housing programs, such as urban renewal or redevelopment, is taking place.

Section 104 gives the Agency authority to issue $250 million of common stock to the Treasurer of the United States, and additional stock—in its discretion—to borrowers from the Agency.

Section 105 permits the Agency to sell outright or guarantee and sell mortgages it makes, or to sell debentures against groups of mortgages, the obligation to be an obligation of the United States. This section directs the Agency to make available its obligations in denominations and in such manner to be available to small investors, including sale of $500 units through the post offices if deemed desirable.

Mr. Speaker, people in this country once invested money in home mortgages. But Security and Exchange rules and restrictions on banks make mortgages almost unavailable to individual investors today. Unquestionably, a great deal of capital—of loan money—will be made available, and small investors will be provided a type of investment they desire to hold—if this Agency's securities are marketed in reasonably sized denominations.

Section 106 gives the Agency necessary general powers of a Government corporation, subjecting it to the Government Corporation Control Act and other laws applicable to Government corporations.

Sections 107, 108, and 109 provide tax exemption, protect the Agency name, provide Treasury cooperation in issuance of securities and make the Agency securities lawful investments for fiduciary, trust, and public funds under the control of Congress.

IMPROVEMENT IS CONTAGIOUS TOO

Mr. Speaker, objections which may be raised to this bill have been examined carefully. One of the first which will be raised is that it is impossible to risk rehabilitation money in urban areas until a whole areawide redevelopment program—an urban renewal program—has been developed which assures that every house in the whole area will be improved.

The Federal Housing Administration itself retreated from this position recently by making it known that it will make some housing conservation loans, outside the urban-renewal areas, in so-called conservation areas where there is only the assurance that the local government will enforce building codes and provide necessary municipal services.

The further fact is that a few spontaneous community improvement programs, such as the back-of-the-yards project in Chicago, have shown that housing rehabilitation can be just as contagious as blight; that a shining example will trigger widespread rehabilitation if the credit obstacle is overcome.

Research convinces me that a Government loan program will demonstrate to private lenders that rehabilitation loans are entirely sound, as the small title I character loans have proved sound. There has been less than a 2-percent loss on this personal, character, credit.

NO INTERFERENCE

A second objection heard is that such a program may interfere with more formal housing projects, municipal planning, or other works by increasing value of property later to be condemned. This is a specious argument. First, city building departments can deny permits for rehabilitation in areas planned for other development. Second, authority is given to withhold loans from urban-renewal areas. And finally, if we are going to prevent maintenance of homes because some day someone may want to build a street, or a school, or a city building where a house stands, and costs would be increased, then we would simply legislate the deterioration of all our housing.

There was once a plan to extend the Capitol Mall eastward from the Capitol, between Independence and Constitution Avenues, to the Anacostia River, creating an area east of the Capitol like the Mall from the Capitol to the Potomac River at the Lincoln Memorial on the west. It might be done some day. It would be a wonderful thing. But certainly the buildings in that area should not be allowed to run down because sometime in the years ahead—10, 20, or 30 years from now—our Appropriations Committees may decide to start on the job.

There is adequate check to prevent loans going to housing units in the path of projects on which there is any activity at all, thereby increasing public project costs. There is no realistic danger in authorizing a credit program for housing outside designated areas in this program, or in the relocation housing program which we have already established and have under way.

GREAT ECONOMIC BENEFITS

There are many things to be said for this program—it can stimulate and trigger tremendous economic activity and bring equal social good. It will stimulate American private enterprise. It can save urban areas, and hundreds of small business establishments serving them, from the bulldozer.

The measure makes the Housing Conservation and Rehabilitation Agency an independent corporation including directors with both social and economic interest in housing. This is not critical of the Federal Housing Administration. It is only a realistic recognition that FHA has piled up considerable reserve funds and has become a pretty conservative organization, happy to have social usefulness but unwilling to risk a few farthings on achieving even greater social usefulness. This bill intends to create a fresh agency in the housing field. I would much prefer that it make a few mistakes but get something done about conservation and rehabilitation than to avoid all mistakes and possible minor losses by doing nothing, as I fear FHA might do.

I do not believe any money will be lost on this program. Collections will run better than on the small FHA title I character loans, and the record there is excellent with losses under 2 percent. But the provision for $250 million of Government-held stock is intended to provide a cushion of Federal funds which will permit the Agency to take a few risks to get rehabilitation going now—not many years from now—and realize the economic as well as social benefits it can mean.

THE TAX BILL

The second bill I have introduced, an amendment to our tax laws, has two major purposes. It is intended to stimulate citizen response to a rehabilitation program to speed and maximize its benefits in our present economic crisis. It is also intended to make rehabilitation more attractive, and more economically feasible, in the low-rent areas of our cities where slums are created fastest.

Very briefly, the bill provides that property owners who make expenditures to conserve and rehabilitate existing residential structures in accordance with Housing Conservation and Rehabilitation Agency standards, may deduct the expenditures as expense for income tax purposes during the year spent, or over a period of years as the property owner elects.

Unquestionably, the availability of long term and reasonable cost credit for home repair and rehabilitation will of itself cause a great upsurge in such work. There are tens of thousands of homeowners and rental property owners who have been unable to locate loan funds in the competition with insured loans, who will go ahead when credit is available. The fact that the credit is for comparatively long terms, approaching the renewed life of their structures, will make projects possible for many who would be unable to meet the larger installment payments on a short-term loan. The tax writeoff provision I have proposed will make rehabilitation projects additionally attractive and get results that can have a significant effect in offsetting the present serious economic decline.

The rehabilitation of just a million housing units in 1959 at an average cost of $3,000, will mean a $3 billion addition to economic activity in the private business sector; it will mean business for thousands of small private establishments which do this kind of work, jobs for workmen, business and jobs in the great industries which provide the supplies, and a significant stimulant to the national economy. Its effect would be vastly more widespread than the effect of a few huge public works projects, for there is housing everywhere to be improved. The effect can be almost immediate. The existence of several thousand community betterment groups assures that there will be loan applications on hand to be processed the day the Housing Conservation and Rehabilitation Board holds its first meeting. They have a backlog of work ready to be done.

REACHING LOW-INCOME AREAS

The second purpose of the tax amendment is to make conservation and rehabilitation of housing in low-rent areas more attractive to owners, economically, than permitting deterioration to continue, or subdividing the properties, overcrowding them, and milking them for rent.

A study of the problem of the increment in rental value of housing units resulting from repair, remodeling or rehabilitation, made by Rodney J. Griffiths, who heads the Build Chicago Better Committee of that city's real estate board—another group pressing for a successful rehabilitation program formula—shows that it varies greatly between areas within a city. A $3,000 rehabilitation job may increase potential rental income from a housing unit $30 per month in a high-income residence area but less than half that amount in sections of the city where lower income citizens live. Studies indicate that the economic gain of maintaining housing, through increased rental income, may be nil or marginal in the lowest income sections of cities where slum creation is the greatest problem.

The ability to save 20 to 25 percent of the cost through taxes will increase the economic cost-benefit ratio proportionately, making rehabilitation economically feasible further down the ladder.

EQUITY FOR OWNERS

Although it is not the purpose of this tax proposal to right past economic wrongs, there is a good case, on a basis of equitable treatment, for a tax concession to homeowners.

We do not permit individual homeowners to deduct the cost of maintaining their residences from income tax, although owners of rental property can do so. There have been many suggestions in the past that deductions to residence owners for maintenance should be allowed.

There is no question, in the case of rental property owners, that much of the rehabilitation work which needs to be done today on their housing units stems from rent controls in the war and postwar period. I am not debating the justice or injustice of the rent controls. I felt they were necessary and supported them, and would do so again. But any fair-minded person will admit that rent controls froze landlord income in face of rising costs. In many instances, their only recourse was to let maintenance and repair work slide. Objective surveys, including one by the Federal Housing Agency itself, attribute a considerable share of present rental housing deterioration to rent control, the economic stringency on owners, and resulting postponement of maintenance.

To the extent that the tax bill I have introduced offsets the effects of rent control, it will be an act of equity, not a concession.

EFFECT ON UNITED STATES REVENUE

Studies made for the Shinner Foundation show in some detail that any direct tax losses incurred by the United States under the proposal I have made would be more than offset by increases in revenues from secondary sources.

Assuming an average 25 percent tax on income of property owners involved there would be a direct tax forgiveness of $250 million for each $1 billion invested in conservation and rehabilitation of homes.

But studies show that 60 percent of the rehabilitation would probably occur on rental housing. An average annual rental income increase of 10 percent of rehabilitation cost would bring $60 million additional rent to owners and result in $15 million annual increase in taxes, which would continue for several years. Calculated over 8 years only, the gain would be $120 million in tax collections from this source.

A billion dollars of housing rehabilitation work would create, conservatively, at least 80,000 man-years of work, resulting in $400 million personal income subject to taxes which would yield $75 to $80 million.

Each billion dollars spent on this program would involve purchase of a half-billion dollars of materials from manufacturing corporations and distributors—such items as plumbing supplies and fixtures, electrical equipment, lumber, paint, roofing, flooring, insulation, and so forth. At an average profit-to-sales-ratio before taxes of 10 percent, this would mean $40 million profits in manufacturing taxable at 50 percent. Distributors would pay another $5 million taxes, bringing a total of $25 million tax revenue from the supply business stimulated.

Contractors and subcontractors would have approximately $100 million income out of each billion dollars of work done, and would pay an estimated $25 million taxes on this, allowing first for their costs.

These items alone offset, in increased tax income from the employment and business activity and increased values created, the direct tax loss of permitting rehabilitation work to be charged as expense by the owners.

We all know that the business activity stimulated by such investment in homes does not end with the contractors, laborers, and materials suppliers. The business of the grocer, the clothier, the filling station, the appliance dealer, and everyone else gains as a result of 80,000 more jobs. There will be a so-called tertiary stimulation of jobs, business, and income which will be net gain to the Treasury.

TEXT OF BILLS

Mr. Speaker, there is much more to be said for the two bills I have introduced, designed to conserve our $500 billion housing investment, improve the quality of housing, and alleviate social ills arising from poor housing.

Time does not permit such extensive consideration here on the floor. I am sincerely hopeful, however, that these proposals will be gone into promptly and thoroughly in committee so housing rehabilitation can make its uniquely widespread and immediate contribution to reversing the economic slide.

Mr. Speaker, by unanimous consent, I am extending my remarks at this point to include the full text of the two bills introduced by me and which I hope will

have the favorable consideration of my colleagues:

A bill to establish a Housing Conservation and Rehabilitation Finance Agency to provide loan funds for the conservation and rehabilitation of existing housing and for other purposes

Be it enacted, etc., That this act may be cited as the "Housing Conservation and Rehabilitation Finance Act."

TITLE I—HOUSING CONSERVATION AND REHABILITATION FINANCE AGENCY

Establishment of Agency

SEC. 101. There is hereby established a body corporate to be known as the "Housing Conservation and Rehabilitation Finance Agency" (hereinafter referred to as the "Agency"). The Agency shall have succession until dissolved by act of Congress. It shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue in civil actions, to be a resident thereof. Offices may be established by the Agency in such other places as it may deem appropriate in the conduct of its business.

Management

SEC. 102. The Agency shall have a Board of Directors consisting of seven persons appointed by the President of the United States from among citizens representative of both social and economic interests in housing. The Board shall hold its first meeting within 15 days following appointment of the Presidential members; it shall elect a chairman. The Board of Directors shall meet at the call of its chairman, who shall require it to meet not less often than once each month. Within the limitations of law, the Board shall determine the general policies which shall govern the operations of the Agency, recognizing a public interest in improving the condition of existing housing in the United States, maintaining and increasing values in established communities and preventing the development of slum areas. The Board shall select and effect the appointment of qualified persons to fill the offices of president and vice president, and such other offices as may be provided for in the bylaws, with such executive functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the executive officers of the Agency and shall discharge all such executive functions, powers and duties. The basic rate of compensation of the position of president of the Agency shall be the same as the basic rate of compensation established for the heads of the constituent agencies of the Housing and Home Finance Agency. The Presidential members of the Board, unless employed by a public agency, shall receive $100 per diem for services plus actual expenses.

Functions

SEC. 103. (a) To assist in the provision of housing of sound standards of construction and livability, the Agency, upon application and subject to such terms and conditions as it may be prescribed, may make mortgage loans, or enter into commitments to insure or purchase mortgage loans, or participate in such loans, to finance the conservation and rehabilitation of residential structures 10 or more years old, including the refinancing of existing loans secured by liens on such residential structures where necessary to give the Agency a first lien for the total amount of the indebtedness. Loans on rural housing may be secured by a first lien on the dwelling plus adequate land, with access to a public highway, for a homesite. Outstanding loans to one individual, corporation, or group of agencies with common ownership or control may be limited by the Housing Conservation and Rehabilitation Finance Agency directors to assure wide availability of loans.

(b) The Agency shall prescribe general standards for conservation and rehabilitation of residential structures. Such standards shall provide that rehabilitation work on any such structure shall (1) conform to all applicable requirements of local zoning and building codes, (2) improve the basic livability of the structure and increase the useful life of the structure, and (3) be soundly executed. A certificate of compliance shall be issued by the Agency, upon request and under regulations to be prescribed by it, to the owner of any residential structure which is rehabilitated after the date of enactment of this act in conformity with standards prescribed hereunder. No financial assistance shall be extended under this section with respect to the conservation or rehabilitation of any residential structure unless the work conforms to such standards.

(c) Any mortgage loan made or insured under this section shall—

(1) have a maturity satisfactory to the Agency, but not to exceed in any event the Agency's estimate of the economic life of the property rehabilitated;

(2) contain complete amortization provisions satisfactory to the Agency requiring periodic payments by the mortgagor not in excess of his reasonable ability to pay as determined by the Agency;

(3) bear interest at such rate as may be prescribed by the Agency, but not to exceed the rate charged on mortgages insured by the Federal Housing Administration under its section 203 and section 220 rehabilitation programs by more than one-fourth of 1 percent exclusive of fee for insurance, which shall not exceed one-half of 1 percent, based on declining balance;

(4) provide, in a manner satisfactory to the Agency, for the application of the mortgagor's periodic payments to the amortization of the principal of the loan;

(5) contain such terms and provisions with respect to the repair and maintenance of the mortgaged property as the Agency shall prescribe to protect the interests of the Government; and

(6) contain such terms and provisions with respect to insurance, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional liens, and other matters as the Agency may in its discretion prescribe.

(d) The Agency may limit loans it makes or insures to dwelling units of reasonable size, adequacy, and value, but shall give consideration in setting limitations on size of loan per dwelling unit to variations in building costs and nature of areas in which loans are to be made.

(e) For purposes of this section, the term "conservation and rehabilitation of residential structures" shall include the alteration, improvement, modernization, and repair of existing residential structures containing one or more dwelling units. Additions, resulting in an enlargement of the basic structure, may be included when the Agency finds them needed to make the dwelling unit adequate and livable, but cost of such addition shall not exceed 20 percent of the portion of loan made for the purpose of rehabilitation.

(f) The Agency is authorized to withhold loans or insurance of loans in areas for which urban renewal or redevelopment programs are planned, or in areas where the Agency determines other housing programs are more suitable.

SEC. 104. (a) The Agency shall issue capital stock from time to time which shall be subscribed for by the Secretary of the Treasury on behalf of the United States, and payments for such subscriptions shall be subject to call in whole or in part by the Agency. The total amount of such stock subscribed for and held by the Secretary of the Treasury at any time shall not exceed $250 million. Stock held by the Secretary of the Treasury shall be entitled to cumulative dividends for each year equal to a return on the average amount, at par, of such stock outstanding during such fiscal year at a rate determined by the Secretary of the Treasury, taking into consideration the probable term of the stock investment and the current average rate on outstanding marketable obligations of the United States as of the last day of the sixth month of such fiscal year. The Agency shall issue to the Secretary of the Treasury receipts for payments of the stockownership of the United States.

(b) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to enable the Secretary of the Treasury to make payments on such stock when called. Such stock or any part thereof may be retired at any time by the Agency out of income derived by it from its operations under this act.

(c) The Agency may require persons borrowing directly from it to purchase stock in the Agency, not to exceed 5 percent of the total of the loan. The Agency is authorized to issue such stock in addition to stock issued to the Secretary of the Treasury.

Financing of operations

SEC. 105. (a) In order to carry out its functions under this act, the Agency may issue (upon the approval of the Secretary of the Treasury) obligations (in the form of debentures or otherwise) in an aggregate amount not to exceed at any time the amount of the Agency's ownership, free from any liens or encumbrances, of mortgages held by the Agency pursuant to the operations under this act. Such obligations shall mature not later than 30 years after the date of issuance, bear interest at such rate or rates as may be determined by the Agency with the approval of the Secretary of the Treasury, and be redeemable at the option of the Agency before maturity in such manner as may be stipulated in the obligations. Any obligation issued hereunder shall be guaranteed by the United States, and shall constitute a debt of the United States. The Agency shall issue its obligations in denominations and in such a manner that they will be available to smaller investors. The Agency may purchase in the open market any of its outstanding obligations at any time.

(b) The Agency may sell and transfer, with or without insurance of the principal amount, as it deems advisable, mortgage loans made by it.

(c) The Secretary of the Treasury may purchase any obligations issued pursuant to subsection (a) of this section. For such purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such act are extended to include such purchases. The purchase of such obligations by the Secretary of the Treasury shall be upon such terms and conditions as will yield a return at a rate to be determined by the Secretary, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the making of such purchase. The Secretary of the Treasury may, at any time, sell any of the obligations acquired by him under this subsection upon such terms and conditions and at such price or prices as he shall determine to be advisable.

(d) In the administration of this act, the Agency may designate banks, building and loan associations, real estate dealers or other qualified persons or firms to act as its agent in selling debentures and in servicing loans, allowing appropriate fees. The Agency may arrange with the Postmaster General, and he is authorized if requested,

to make debentures available to the public in $500 units.

General powers

SEC. 106. (a) The Agency shall have power to adopt, alter, and use a corporate seal, which shall be judicially noticed; by its board of directors to adopt, amend, and repeal bylaws governing the performance of the powers and duties granted to or imposed upon it by law; to enter into and perform contracts, leases, cooperative agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any State, Territory, or possession, or the Commonwealth of Puerto Rico, or with any political subdivision thereof, or with any person, firm, association, or corporation; to execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers; in its corporate name, to sue and to be sued, and to complain and to defend, in any court of competent jurisdiction, State or Federal, but no attachment, injunction, or other similar process, mesne or final, shall be issued against the property of the Agency or against the Agency with respect to its property; to conduct its business in any State of the United States, including the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States; to lease, purchase, or acquire any property, real, personal, or mixed, or any interest therein, to hold, rent, maintain, modernize, renovate, improve, use and operate such property, and to sell, for cash or credit, lease, or otherwise dispose of the same, at such time and in such manner as and to the extent that the Agency may deem necessary or appropriate; to prescribe, repeal, and amend or modify, rules, regulations, or requirements governing the manner in which its general business may be conducted; to accept gifts or donations of services, or of property, real, personal, or mixed, tangible, or intangible, in aid of any of the purposes of the Agency; and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

(b) Except as may be otherwise provided in this title, in the Government Corporation Control Act, or in other laws specifically applicable to Government corporations, the Agency shall determine the necessity for and the character and amount of its obligations and expenditures and the manner in which they shall be incurred, allowed, paid, and accounted for.

(c) The President of the Agency, subject to approval of the Board, shall have power to select and appoint or employ such officers, attorneys, employees, and agents, to vest them with such powers and duties, and to fix and to cause the Agency to pay such compensation to them for their services, as he may determine, subject to the civil service and classification laws. Bonds may be required for the faithful performance of their duties, and the Agency may pay the premiums therefor. With the consent of any Government corporation or Federal Reserve bank, or of any board, commission, independent establishment, or executive department of the Government, the Agency may avail itself on a reimbursable basis of the use of information, service, facilities, officers, and employees thereof, including any field service thereof, in carrying out the provisions of this act.

Tax exemption

SEC. 107. The Agency, including its franchise, capital, reserves, surplus, mortgages, and income shall be exempt from all taxation now or hereafter imposed by the United States, any Territory or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the Agency shall be subject to State, territorial, county, municipal, or local taxation to the same extent and according to its value as other real property is taxed.

Criminal provision

SEC. 108. No individual, association, partnership, or corporation, except the body corporate created by section 101 of this title, shall hereafter use the words "Housing Conservation and Rehabilitation Finance Agency," or any combination of such words, as the name or part thereof under which he or it shall do business. Any individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine not to exceed $100, or imprisonment not to exceed 30 days, or both, for each day during which such violation is committed or repeated.

Miscellaneous

SEC. 109. (a) In order that the Agency may be supplied with such forms of obligations or certificates as it may need for issuance under this title, the Secretary of the Treasury is authorized, upon request of the Agency, to prepare such forms as shall be suitable and approved by the Agency, to be held in the Treasury subject to delivery, upon order of the Agency. The engraved plates, dies, bedpieces, and other material executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Agency shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such forms.

(b) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Agency in the general performance of its powers, and the Agency shall reimburse such Federal Reserve banks for such services in such manner as may be agreed upon.

(c) All obligations issued by the Agency shall be lawful investments, and may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer or officers thereof.

SEC. 110. This act may be known as the Housing Conservation and Rehabilitation Act of 1958.

H. R. 12878

A bill to amend the Internal Revenue Code of 1954 in regard to expenditures for rehabilitation and modernization of residential structures

Be it enacted, etc., That part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 178. Expenditures for rehabilitation of residential structures.

"(a) Allowance of deduction for expenses: There shall be allowed as a deduction expense for the conservation or rehabilitation of a residential structure (other than expenditures chargeable to capital account) paid or incurred during the taxable year. This subsection shall not apply to any expense which is allowable as a deduction under section 162 (relating to trade or business expenses).

"(b) Treatment of capital expenditures.—

"(1) Treatment as expenses: A taxpayer may elect to treat expenditures for the conservation or rehabilitation of a residential structure paid or incurred by him during the taxable year as expenses which are not chargeable to capital account.

"(2) Treatment as deferred expenses: A taxpayer may elect to treat expenditures for the rehabilitation of a residential structure as deferred expenses. In computing taxable income, all expenditures paid or incurred during the taxable year which are so treated shall be allowed as a deduction ratably over such period of not less than 12 months beginning with the first month in such taxable year) as may be selected by the taxpayer in making such election. The expenditures so treated are expenditures properly chargeable to capital account for purposes of section 1016 (a) (1) (relating to adjustments to basis of property). The period selected by the taxpayer in making an election under this paragraph shall not exceed the useful life of the residential structure with respect to which such expenditures are paid or incurred.

"(c) Rehabilitation of a residential structure defined: For purposes of this section, the term 'conservation or rehabilitation of a residential structure' means the alteration, improvement, modernization, or repair of an existing residential structure which is owned, in whole or in part, by the taxpayer and which is certified to have been rehabilitated in conformity with the standards prescribed by the Housing Conservation and Rehabilitation Agency under section 103 (b) of the Housing Conservation and Rehabilitation Act of 1958.

"(d) Time for and scope of election: The elections provided in subsection (b) shall be made within the time prescribed by law (including extensions thereof) for filing the return for the taxable year during which the expenditure is paid or incurred. The period selected by the taxpayer under subsection (b) (2) with respect to the expenditures paid or incurred during the taxable year which are treated as deferred expenses shall be adhered to in computing his taxable income for the taxable year for which the election is made and all subsequent years.

"(e) Cross references.—

"For adjustments to basis of property for amounts allowed as deductions for expenditures treated as deferred expenses under subsection (b) (2), see section 1016 (a) (17)."

TECHNICAL AMENDMENTS

SEC. 102. (a) The table of sections for part VI of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof:

"SEC. 178. Expenditures for rehabilitation of residential structure."

(b) Section 1016 (a) of the Internal Revenue Code of 1954 (relating to adjustments to basis) is amended by striking out the period at the end of paragraph (16) and inserting in lieu thereof a semicolon, and by adding after paragraph (16) the following new paragraph:

"(17) for amounts allowed as deductions for expenditures treated as deferred expenses under section 178 (b) (2) (relating to expenditures for rehabilitation of residential structures) and resulting in a reduction of the taxpayer's taxes under this subtitle, but not less than the amounts allowable under such section for the taxable year and prior years."

EFFECTIVE DATE

SEC. 103. The amendments made by sections 101 and 102 shall apply only to taxable years ending after the date of the enactment of this act.

RAILROAD SAFETY URGED

Mr. ALBERT. Mr. Speaker, I ask unanmious consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am today introducing a bill to correct a serious problem arising out of the inspection,

regulation and enforcement of railroad safety standards, by amending the Safety Appliance Act so as to confer upon the Interstate Commerce Commission jurisdiction over the running gear of railroad cars.

Injury to and death of railroad workers arising out of their employment continues to require specific action by the Congress. In 1957 alone, 196 employees were killed and 12,252 were injured. By way of comparison, 48 individuals have met death and 3,116 have been injured during the first three months of 1958 while for the corresponding period in 1957 there were 38 deaths and 2,800 injuries. On the Toledo Division West of the New York Central Railroad alone, a heavily traveled run between Toledo, Ohio, and Elkhart, Ind., six major accidents occurred between March and November of last year, resulting not only in death and injury to individuals but also in large scale damage to railroad property. In an attempt to ascertain the causes leading to this tragic situation I have been reliably informed that five of the six aforementioned accidents were caused by burned-off journals—a device similar to a wheel bearing which is enclosed in a journal box packed with a waste composition designed to lubricate and cool the journal. In this connection it must be noted that a sharp reduction in the number of car inspectors and oilers was, to a large extent, responsible for the cursory and altogether too infrequent number of inspections which led directly to these accidents.

Alarmed by the high incidence throughout the country of this type of mishap and the serious implications with respect to public safety, I brought the matter to the attention of the Interstate Commerce Commission last January and the Chairman of that agency subsequently informed me that—

> Nothing in the law gives the Commission jurisdiction over the running gear of cars, including wheels and axles. Our agents are continually making inspections, but they have no authority to inspect car bearings or journals. Nor has the Commission authority to require railroads to inspect or lubricate these journals and bearings.

Mr. Speaker, I know that a certain amount of opposition will be voiced on this proposed legislation because of an alleged resultant increase in operating costs to the railroads, but it seems to me that such opposition is the product of a penny-wise and pound-foolish philosophy. It was reported recently that during the period from 1952 through 1955 charges for railroaders injured on the job were approximately $100 million and in 1956 the costs increased over 10 percent to $111 million. In addition, costs to the railroads in the form of property damage and wreck clearing exceeded $217 million. When all of these costs are totaled it becomes apparent that accidents such as I have described are costing the railroads at least $140 million a year, and any opposition on the basis of increased operating costs to the railroads is unfounded in fact or reason.

The bill which I am introducing therefore proposes to expand the jurisdiction of the Interstate Commerce Commission to include inspection and enforcement of safety requirements of the running gear on railroad rolling stock. Specifically, the bill will direct the Interstate Commerce Commission to prescribe rules, standards and instructions for the installation and inspection, maintenance, and repair on car truck assemblies, car underframes, couplers, draft gears, and related parts. The rules, standards, and instructions adopted by the Commission, according to the bill, shall be those necessary to assure that these parts and assemblies are in proper condition for operation without unnecessary peril to life, limb, or property.

Mr. Speaker, much has been said in recent months about the financial plight of the American railroad industry and I am genuinely concerned over the economic welfare of our Nation's railroad system which is so indispensable to our economy. I submit, however, that all the financial help in the world will be of little avail unless a minimum of safety requirements is met to reduce the shocking number of accidents and restore public confidence in railroads as a safe form of transportation. I consider it a clear moral obligation of this Congress to take necessary legislative steps to bring this needed protection to our railroad employees and to the traveling public. I urge upon my colleagues on the House Interstate and Foreign Commerce Committee prompt and favorable consideration of this legislation.

THE BIG LOBBY AND ADMINISTRATIVE ASSISTANTS

Mr. PATMAN. Mr. Speaker, on Friday, May 30, the Marshall News Messenger, which is an extremely fine newspaper in the District I have the honor to represent, carried an editorial which has a pertinent message for all of us. The point of this editorial is one which we cannot be too often reminded: Certain powerful groups maintain expensive lobbies to influence legislation; the general public has no lobbyists. The public must go on faith in its elected representatives to watch out for the public interest and to resist influences which would be harmful to the public welfare.

This editorial points out that registered lobbyists reported an expenditure of more than a million dollars in the first quarter of this year, to influence legislation here in Washington. That seems a terrific amount of money, and it is a terrific amount of money. Yet the amount which is reported is only a drop in the bucket compared to the amount actually spent right here in Washington. The lobbyists here in Washington have behind them great "research staffs" and all of the administrative assistants, plush offices, and modern machines that can be used to keep these research organizations operating at top efficiency. There are many more lobbyists here in Washington than there are Members of Congress. And most of these are equipped with administrative assistants and research teams and everything else they could need to do their jobs.

LOBBYISTS HAVE ADMINISTRATIVE ASSISTANTS, BUT NOT MEMBERS OF THE HOUSE

Sometimes I think the public that puts its faith in its elected representatives to watch out for the public interest and to resist influences which would be harmful to the public welfare would be shocked to learn how poorly equipped the Representatives are to watch out for the public interest and to resist all of these bad influences. The truth is that there are too many things to watch out for, and the bad influences are merchandised in deceptive ways and wrapped in packages which look good for the public welfare but which we find are not good when we have the time and help to look below the wrappings and see what the packages actually contain.

It is perfectly absurd that Members of the House do not have sufficient help. They do not have administrative assistants to help them with their work and to help them watch out for the public interest.

Members of the Senate—yes, they have administrative assistants and also legislative assistants to help them analyze and find out what is behind legislation, which is very good and I am all for it. Members of the House vote the appropriations for the Senators to have help, but they have never voted the appropriations to equip themselves to watch out for the public interest.

The judicial branch of the Government—yes, we vote all of the appropriations necessary for plenty of help for the judges, including administrative assistants and law clerks.

The executive branch of the Government—yes, we vote appropriations to provide millions of staff workers and all kinds of high-priced, top-level scientific and technical personnel—in fact, the best experts in all fields. But the House of Representatives, which is closest to the people, which was conceived and set up as the body most nearly reflecting popular government, we are the least equipped to justify the faith which the general public places in us.

The job of watching out for the public interest is getting bigger and more difficult. All of the lobbyists and all of the lobbying in Washington is really only a small percentage of the special-interest lobbying going on. More and more the big lobbyists have found that the most effective way to lobby for legislation is not to come to Washington, but to go to the grassroots and have the people in our districts and in our hometowns writing, wiring, and calling us to pass legislation which some small group is interested in. This kind of lobbying, as we know, is more difficult to see through and more difficult to deal with. We can no longer simply vote for or against legislation on the basis of the mail we get from our constituents. We now have the job of looking into legislation and, very frequently, of informing our constituents what the real nature of the legislation is that they are asking us to vote for or against.

LOBBYING PAYS BENEFITS—AT THE PEOPLE'S EXPENSE

Now we can be sure that the money which is spent on lobbying pays dividends to the special interests. Congress

does not pass all bad legislative proposals, of course. But on the whole, the special interests receive more benefits from the lobbying—which benefits come out of the public's pocket—than the special interests spend on their lobbying. Otherwise, they would not continue to maintain these lobbies. They would not continue to spend money for lobbying if it did not pay off in a profit.

In view of the fact that the general public has no lobbyists, it seems to me that the people are entitled to have their Representatives equipped with at least one administrative assistant to help watch out for the public interest.

The editorial from the Marshall News Messenger follows:

BIG LOBBY

There's no business like the lobby business.

Group representatives, registered at Washington, listed expenses of $1,068,019, during the first quarter of the year. Lobbyists are required by law to sign up and file expense reports.

In good times or bad, the money is there to influence legislation. Some 211 organizations filed reports, indicating a considerable self-interest in pending legislation.

The public had no registered lobbyist, reflecting the faith it has in its elected representatives to watch out for its interest and to resist any influences which could be harmful to the public welfare.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. JONES of Missouri, for 10 minutes, today.

Mr. O'HARA of Illinois, for 40 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MATTHEWS and include an address.

Mr. SIMPSON of Pennsylvania (at the request of Mr. VAN ZANDT) and to include extraneous matter.

Mr. BURLESON in Committee following the remarks of Mr. IKARD.

Mr. MACK of Washington and to include resolutions in the remarks he made in the Committee of the Whole.

Mr. HARRISON of Virginia (at the request of Mr. WRIGHT), the remarks he made in the Committee of the Whole and to include extraneous matter.

Mr. PORTER.

Mr. BOW.

Mr. WRIGHT immediately following the remarks of Mr. IKARD.

Mrs. ROGERS of Massachusetts in Committee following Mr. BYRNES of Wisconsin.

Mr. BOGGS to revise and extend his remarks made in Committee and include extraneous matter.

Mr. MULTER (at the request of Mr. WRIGHT) and to include extraneous matter.

Mr. COLMER (at the request of Mr. WRIGHT) and to include extraneous matter.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2419. An act to amend the District of Columbia Unemployment Compensation Act, and for other purposes; to the Committee on the District of Columbia.

S. 2617. An act to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, as amended; to the Committee on Merchant Marine and Fisheries.

S. 3058. An act to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933, to the Committee on the District of Columbia.

S. 3651. An act to make equity capital and long-term credit more readily available for small-business concerns, and for other purposes; to the Committee on Banking and Currency.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1492. An act for the relief of Gillous M. Young;

H. R. 1700. An act for the relief of Western Instruments Associates;

H. R. 3679. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the E. B. Kaiser Co., of Chicago, Ill.;

H. R. 5355. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corp., of Union, N. J.;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 6932. An act for the relief of the estate of W. C. Yarbrough; and

H. R. 7733. An act for the relief of Arnie M. Sanders.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 6908. An act to authorize modification and extension of the program of grants-in-aid to the Republic of the Philippines for the hospitalization of certain veterans, to restore eligibility for hospital and medical care to certain veterans of the Armed Forces of the United States residing in the Philippines, and for other purposes.

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.), under its previous order, the House adjourned until tomorrow, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2009. A letter from the Assistant Secretary of Agriculture, transmitting a report for the month of May relating to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

2010. A letter from the Acting Secretary of the Treasury, transmitting a report of the purchases and contracts for property or services made under authority of clauses (11) and (16) of subsection (a), including the name of each contractor, the amount of each contract, and a description, with consideration of the national security, of the property and services covered by each contract for the period ending May 19, 1958, pursuant to section 2304 (e) of title 10, United States Code; to the Committee on Armed Services.

2011. A letter from the Comptroller General of the United States, transmitting a report on the review of activities of the supply department, Naval Air Station, Pensacola, Fla., pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53), and the Accounting and Auditing Act of 1950 (31 U. S. C. 67); to the Committee on Government Operations.

2012. A letter from the national shipswriter, Navy Club of the United States of America, transmitting the annual report of the Navy Club of the United States of America as of April 30, 1958, which was prepared by L. R. Steffa & Associates of Rockford, and certified by William J. Thomas, certified public accountant; to the Committee on the Judiciary.

2013. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes"; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee of conference. H. R. 6322. A bill to provide that the dates for submission of plan for future control of property and transfer of the trust property of the Menominee Tribe shall be delayed (Rept. No. 1866). Ordered to be printed.

Mr. O'BRIEN of New York: Committee on Interior and Insular Affairs. H. R. 9856. A bill to extend the life of the Alaska International Rail and Highway Commission and to increase its authorization; with amendment (Rept. No. 1867). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK of Illinois: Committee on Interstate and Foreign Commerce. Report pursuant to section 136 of the Legislative Reorganization Act pertaining to newsprint outlook (Rept. No. 1868). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG: Committee on Post Office and Civil Service. S. 1850. An act to adjust conditions of employment in departments or agencies in the Canal Zone; with amendment

(Rept. No. 1869). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H. R. 12869. A bill to amend the act of April 14, 1910, to provide that the Interstate Commerce Commission shall prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of certain parts on railroad cars, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURDICK:

H. R. 12870. A bill to provide for cancellation of certain feed and seed loans; to the Committee on Agriculture.

By Mr. KEAN:

H. R. 12871. A bill to increase the amounts authorized to be appropriated for each fiscal year for the programs of maternal and child health services, services for crippled children, and child welfare services, provided for by title V of the Social Security Act; to the Committee on Ways and Means.

By Mr. McCARTHY:

H. R. 12872. A bill to promote the safety of employees and travelers upon common carriers by railroad engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOULDER:

H. R. 12873. A bill to amend the Veterans' Benefits Act of 1957 to provide a conclusive presumption of service connection in the case of the death of certain World War I veterans; to the Committee on Veterans' Affairs.

H. R. 12874. A bill to amend the Veterans' Benefits Act of 1957 to provide a conclusive presumption of service connection in the case of the death of certain World War I veterans; to the Committee on Veterans' Affairs.

By Mr. WILLIAMS of Mississippi:

H. R. 12875. A bill to extend title VII of the Public Health Service Act (relating to health research facilities) for 5 years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTS:

H. R. 12876. A bill to extend title VII of the Public Health Service Act (relating to health research facilities) for 5 years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MULTER:

H. R. 12877. A bill to amend the Federal Credit Union Act; to the Committee on Banking and Currency.

By Mr. O'HARA of Illinois:

H. R. 12878. A bill to amend the Internal Revenue Code of 1954 in regard to expenditures for rehabilitation and modernization of residential structures; to the Committee on Ways and Means.

H. R. 12879. A bill to establish a Housing Conservation and Rehabilitation Finance Agency to provide loan funds for the conservation and rehabilitation of existing housing and for other purposes; to the Committee on Banking and Currency.

By Mr. BURLESON:

H. R. 12880. A bill to provide for the construction of a fireproof annex building for use of the Government Printing Office, and for other purposes; to the Committee on Public Works.

By Mr. CARNAHAN:

H. R. 12881. A bill to provide for certain purchasing programs for copper, lead, manganese, and zinc, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDMONDSON:

H. R. 12882. A bill to amend the act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma; to the Committee on Public Works.

By Mr. JONES of Alabama:

H. R. 12883. A bill to provide for certain improvements relating to the Capitol Power Plant and its distribution systems; to the Committee on Public Works.

By Mr. MORANO:

H. Con. Res. 340. Concurrent resolution requesting the United States mission to the United Nations to take all possible steps expeditiously to bring about consideration by the United Nations of the question of self-determination of the population of Cyprus; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Tennessee:

H. R. 12884. A bill for the relief of Don L. Herring; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. R. 12885. A bill for the relief of Carlos Notario Lourenco; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 12886. A bill for the relief of Giuseppina Battellino; to the Committee on the Judiciary.

By Mr. LENNON:

H. R. 12887. A bill for the relief of Simon Beriro; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 12888. A bill to provide for the compensation to a United States citizen of certain property vested under the Trading With the Enemy Act; to the Committee on the Judiciary.

By Mr. REUSS:

H. R. 12889. A bill for the relief of Michael D. Ovens; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 12890. A bill to provide for the conveyance to Orange Coast College, Costa Mesa, Calif., of all right, title, and interest of the United States in and to certain real property situated in Orange County, Calif.; to the Committee on Government Operations.

EXTENSIONS OF REMARKS

TVA and Taxes

EXTENSION OF REMARKS

OF

HON. FRANK T. BOW

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1958

Mr. BOW. Mr. Speaker, on June 4, 1958, TVA issued a news release in which it quoted its Board of Directors as branding "untrue" the charges that users of TVA power pay only "token" taxes. The release also contended that TVA's tax payments "are large and they are increasing."

This statement by the TVA Board of Directors points out that in fiscal year 1958 TVA will pay to State and local governments $5,271,907 in lieu of taxes and this, together with the approximately $8.5 million paid by distributors, brings total tax payments from TVA's power operations to about $13,750,000.

This combined payment of $13¾ million, said the TVA statement, is 11 percent greater than the amount paid in 1957 and therefore the payments are large and they are increasing. In our opinion these substantial payments make it clear that the charge that the users of TVA power pay only token taxes is untrue.

As usual, what the TVA officials have omitted in the foregoing statements is to make a fair comparison between the TVA in lieu of tax payments and the taxes paid by private electric companies.

The fact, as the following figures show, is that TVA's payments amount to only 20 percent of the amount private electric companies would pay in taxes on the same amount of business.

Under an amendment to the TVA Act passed in 1940 the TVA is now paying 5 percent of its gross sales of electricity during the previous year as in lieu of tax payments to States and local governments. This 5 percent is computed on the basis of sales which do not include sales by the TVA to Federal Government agencies. Thus, out of sales totaling $234,871,000 in 1957, $128,300,000 represented sales to Federal agencies. This means over 57 percent of all of TVA's sales are excluded immediately in figuring the in lieu of tax payments to State and local governments.

In 1957 TVA paid $4,744,401 in taxes on this basis, and its power distributors paid another $7,646,000, for a total of about $12,400,000.

Compare the above now with these figures of private electric company payments as brought out at the House Public Works Appropriations hearings recently.

At the request of Representative BUDGE, Republican of Idaho, TVA officials reported that 12 privately owned electric companies around the TVA paid local taxes totaling $56.1 million on gross revenues of $688 million in 1956. This payment amounted to 8.2 percent of gross revenues. Federal income taxes in the same year for these companies totaled $72.1 million, or 10.4 percent of

their gross sales. Thus, according to TVA officials, the companies paid a total of 18.6 percent—exclusive of social security taxes—of their gross sales in Federal, State, and local taxes.

In the same hearing, Representative BUDGE asked the TVA to insert in the record the taxes paid by the Authority and its distributors. This was the previously mentioned total of $12.4 million, or 6.3 percent of the gross revenues subject to taxation—volume I, pages 327–328.

Let us see what TVA and its distributors would have had to pay in Federal, State, and local taxes—other than social-security taxes—in 1957 if they had to pay 18.6 percent of their gross revenues as the privately owned taxpaying electric companies did.

The total tax—Federal, State, and local—would on this basis have amounted to more than $60.6 million. The actual payment of $12,400,000 is about 20 percent of the amount the privately owned electric companies in the surrounding area would have had to pay on the same business. I ask you, does the TVA really pay substantial taxes or are they only token taxes?

Furthermore, the fact that TVA and its distributors pay no Federal income taxes was clearly brought out in the same hearing by TVA Chairman General Vogel. Representative JENSEN, Republican of Iowa, questioned General Vogel as follows:

Mr. JENSEN. How much is invested in revenue-producing facilities? How much has Congress appropriated in revenue-producing facilities up to date?

Mr. VAN MOL. In TVA power facilities, Congress has appropriated 1934 through 1958, $1,360 million.

Mr. JENSEN. All of that is interest free, is it not?

Mr. VOGEL. Yes, sir.

Mr. JENSEN. And also it is Federal tax free?

Mr. VOGEL. Yes, sir. (Vol. I, p. 262.)

A Realistic Farm Program

EXTENSION OF REMARKS
OF
HON. WILLIAM M. COLMER
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 10, 1958

Mr. COLMER. Mr. Speaker, on yesterday the distinguished junior Senator from Georgia [Mr. TALMADGE] and I introduced simultaneously what I regard as a realistic farm bill. These are S. 3963 and H. R. 12845.

The bills are identical in their purpose. The only difference is that the bill of the able Georgia Senator covers the basic crops of cotton, corn, wheat, tobacco, rice, and peanuts while my bill adds tung oil.

These bills are comprehensive and yet very simple. The purpose of the proposed legislation is twofold. First, it would do away with acreage and other production controls; second, it would compensate the farmer by payment to him by the Federal Government of the difference between the price he receives and full parity on that portion of his crop consumed domestically.

In other words, the farmer could use his own discretion in the amount of agricultural products produced by him, and he would receive 100 percent of parity on that portion of his crop which would be consumed in this country.

The surplus of the commodities so produced above the proportionate allotment for the domestic consumption could be disposed of by him on the world market at competitive prices.

Mr. Speaker, this is a program which I have been advocating now for more than a decade. With the chaotic situation in which our farmers now find themselves, I believe the time is ripe to enact it into legislation. It is not a new or novel idea. It is not one that I claim to be the author of. It has been advocated by others for many years. It has been tried and, in fact, I understand it is working satisfactorily now with respect to the wool industry. Certainly, Mr. Speaker, if we are ever to get out of the morass in which we find ourselves as a result of the patchwork of farm legislation, it seems to me that the effort must be made now. Otherwise, we will see a continuation of the abandonment of our small farms and a further concentration of our rural peoples in the great urban centers.

I hope that our House Committee on Agriculture which is now considering further legislation on the agricultural problem will give it the serious consideration that this proposal merits; and that it will report this legislation out at an early date. In my judgment it offers the only constructive approach to the recapturing of our foreign markets—a necessity if American agriculture is to again prosper.

The Federal Credit Union Act

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 10, 1958

Mr. MULTER. Mr. Speaker, today I introduced H. R. 12877, a bill to amend the Federal Credit Union Act.

This bill is very much like H. R. 12819, introduced on June 5, 1958, by our distinguished colleague from Montana, Mr. ANDERSON.

I am in complete agreement with our distinguished college and with the representatives of the Credit Union National Association that a bill such as this should be enacted without any undue delay.

The House Banking and Currency Committee should promptly proceed to act on these bills. The Banking and Currency Committees of both Houses have already heard some of the testimony pertinent to these bills and the balance can be developed expeditiously.

My bill differs from Congressman ANDERSON's bill in the following respects:

H. R. 12819, in section 7 (b), provides for encouragement of internal audits while my bill requires the audits.

H. R. 12819, in section 8, subdivision 5, provides no penalty for usurious charges other than refund of the overcharge, while my bill imposes a penalty of twice the amount of the overcharge.

Subdivision 9 of the same section of my bill requires the approval of the Director before any outside borrowing is to be permitted by the Credit Union.

Subdivision 10 of the same section of my bill permits the levying of late charges against members only to the extent that may be approved by the Director.

Subdivision 12 of the same section of my bill will not permit the selling of checks but will permit the cashing of checks for a charge not exceeding the cost of the service.

In section 11 of my bill, I strike out the provision for proxy voting.

My bill, in section 15, will permit loans up to $600 rather than the existing limitation of $400.

My bill, in section 16, will permit the Director to require annual verifications of members' accounts.

In section 19 of my bill I provide that expulsion of members shall be subject to review by the Director.

Finally, I add subdivision (j) to section 21 so as to permit review of the Director's action in accordance with the Administrative Procedure Act.

I believe that all of these changes as indicated above will make for a better Credit Union Act.

Twenty-eight Democrats Telegraph President Eisenhower Urging Him To Rally Republican Members Behind Reciprocal Trade Legislation

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 10, 1958

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following news release relative to the telegram which 28 Democratic Members of the House of Representatives yesterday sent to the President urging him to rally members of his party in support of reciprocal trade legislation. The text of the wire and the names of the signers are contained in the release:

Twenty-eight House Democrats yesterday wired President Eisenhower their support of the reciprocal trade bill, and urged him to appeal personally to members of his own party to rally to the measure.

Strong supporters of the trade legislation "who have been in the thick of the fight for the passage of the Ways and Means Committee approved trade bill," the Democrats told the President that "from conversations with our colleagues who are members of your

party it is obvious to us that what is needed is a very personal appeal by you to these Members of Congress in order to enlist their support for your program."

The Democratic Members are seeking powerful bipartisan support for the legislation.

One of the signers, Representative CHARLES O. PORTER, Democrat, of Oregon, said today that "the Democrats will rally to the measure in sufficient numbers to ensure passage if the Republicans will only follow their own leader in this matter."

The text of the telegram follows:

JUNE 9, 1958.

THE PRESIDENT,
The White House, Washington, D. C.:

We, the undersigned Members of Congress, have been in the thick of the fight for the passage of the Ways and Means Committee approved reciprocal trade bill which your administration is supporting. From conversations with our colleagues who are members of your party it is obvious to us that what is needed is a very personal appeal by you to these Members of Congress in order to enlist their support for your program. We are convinced that only your leadership, expressed in the most personal and forceful fashion to the great numbers of Congressmen who are on the fence, will enable all of us to achieve the successful passage of the bill which is of such paramount importance to all America.

VICTOR L. ANFUSO, JOHN A. BLATNIK, JOHN A. BURNS, EMANUEL CELLER, GEORGE H. CHRISTOPHER, JOHN D. DINGELL, ISIDORE DOLLINGER, HERMAN P. EBERHARTER, LEONARD FARBSTEIN, EDITH GREEN, MARTHA W. GRIFFITHS, CHET HOLIFIELD, ELMER J. HOLLAND, CECIL R. KING, COYA KNUTSON, EUGENE J. MCCARTHY, GEORGE S. MCGOVERN, THADDEUS M. MACHROWICZ, RAY J. MADDEN, CHARLES O. PORTER, BARRATT O'HARA, HENRY S. REUSS, JAMES ROOSEVELT, ALFRED E. SANTANGELO, JOHN F. SHELLEY, FRANK THOMPSON, JR., AL ULLMAN, CHARLES A. VANIK, Members of Congress.

Billboard Jungle

EXTENSION OF REMARKS
OF
HON. THOMAS H. KUCHEL
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 10, 1958

Mr. KUCHEL. Mr. President, earlier this year the Senate and the House of Representatives passed, and the President signed into law, a bill, including an amendment, sponsored by the junior Senator from Oregon [Mr. NEUBERGER] and myself, which set forth a national policy for control of outdoor advertising along the 41,000-mile Interstate Highway System, and which provided a national standard of protection of the scenic beauty along the area through which this great, new, magnificent interstate thoroughfare will be constructed.

In the June issue of the magazine Outdoor America, the official publication of the Izaak Walton League of America, Inc., appears an interesting and excellent article entitled "A Milepost Through the Billboard Jungle." The article was written by my friend and colleague the junior Senator from Oregon [Mr. NEUBERGER]. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BILLBOARD JUNGLE

(By RICHARD L. NEUBERGER)

With the affixing by President Eisenhower of his signature to S. 3144, an epochal milepost has been passed on the highroad to conservation of our natural resources.

Few resources are more important or inspiring than the scenery and grandeur of the American countryside. S. 3144—the Highway Act of 1958—contains, for the first time in history, a Federal provision safeguarding the scenic majesty along our highways. This provision will limit, control and regulate signboards placarding the 41,000 miles of Interstate Highways on which the motoring public will spend some $33 billion.

Why should blatant billboards pursue our people as they drive through the American outdoors, whether they are on the way to visit Aunt Nelly in Seattle or en route to their favorite riffle on a foaming stream? Which do you want to see—an ad for whisky, soft drinks and soap or that timbered hillside where perhaps a deer or two may forage?

I am proud to have sponsored, along with my friend, Senator THOMAS H. KUCHEL of California, the section in S. 3144 which will enable the States to enter into cooperative agreements with the Federal Government to keep signboards from scarring the Interstate Highway System. This was a bipartisan undertaking. Senator KUCHEL is a Republican. I am a Democrat. Party allegiance did not decide the issue in the Senate. There was much crossing of partisan borders. Advocates as well as opponents of our proposal were found in the two parties. Happily, conservationists on both sides of the aisle emerged triumphant.

During debate on the issue, I told my colleagues in the Senate that 10 major reasons dictated support of billboard-regulation at the Federal level. The basic reasons were these, and I trust they meet with the approval and agreement of my fellow members of the Izaak Walton League of America:

WHY BILLBOARD CONTROL?

1. The new national system of interstate highways belongs to the public and the motorists who travel on it, and whose taxes pay for it, and not to any outdoor advertising companies.

2. There is all too little contact with America's natural setting and scenic grandeur in our daily lives, and when people do get out of the cities the countryside should be visible to them uninterrupted by blatant sales appeals.

3. This bill does not propose any direct Federal action but leaves the choice of action entirely to the individual State governments, offering assistance to those which wish to act.

4. The interstate highways are 90 percent federally financed. Is it unreasonable to protect this vast public investment by a slight additional offer of financial assistance to States which elect, under their own State laws, to safeguard roadside scenery along these new highways?

5. The limited-access nature of these new, transcontinental routes has been accepted by Congress without controversy, although this has denied direct highway frontage to roadside businesses such as motels and restaurants. Should a special exception exist to permit one single roadside business, the privilege of direct access to travelers on the interstate highways—the billboard business of America?

6. Signboard and other roadside controls can be obtained easily and inexpensively now, as new rights-of-way are being acquired for the interstate highways. If we fail to safeguard the public interest now, we leave an impossible burden to those who would wish to do later when we left undone, after the billboard forest has sprung up along the new highway network.

7. Experience with billboard-free routes and areas does not indicate any adverse effect on local establishments catering to the traveling public or the tourist trade. This bill makes reasonable provisions with respect to informational signs to advise travelers of such facilities located off the highways.

8. Roadside protection has enthusiastic support from millions of individuals in all walks of life, with the exception only of those who have a direct financial stake in the potential signboards along the new highways. The billboard industry itself, which deliberately misrepresents this measure in the name of States' rights, consistently fights regulatory measures at the State level. I repeat, the present bill would only assist States wishing to act.

9. Outdoor signs are effectively regulated in such realms of outstanding scenic grandeur and attraction to tourists as Hawaii, Alaska, and Switzerland.

10. The proposal in the present highway bill is wholly nonpartisan; it was drafted and urged in the committee by one Republican and one Democratic Senator; at least eight other members of Congress of both parties have introduced similar legislation; and such action has been urged by President Eisenhower, Adlai Stevenson, several governors; and men and women of both parties in all 48 States.

PROVISIONS OF THE ACT

Let me describe briefly the provisions of the first national measure to curb a clutter of signboards along the highways:

The billboard-control section of the highway act begins by declaring that it is in the public interest to encourage and assist the States to control and improve the areas adjacent to the Interstate System, particularly with respect to control of signboards. It states that outdoor advertising signs within 660 feet of the edge of the Interstate System rights-of-way should be regulated, consistent with certain specified standards.

Note that there is no suggestion of any direct Federal prohibition, control or regulation of billboards or any other roadside structures—only a declaration that in the public interest, there should be regulation, and that therefore it would be in the public interest to assist States which wish to provide such regulation. The choice in the matter is left wholly to the States. The States now have means for controlling signboards, if they wish to do so.

The standards to be prepared and promulgated by the Secretary of Commerce—whose department includes the Bureau of Public Roads that administers the Federal aid highway acts—will expressly recognize that within this process of regulation under this act, provisions shall be made for certain classes of signs.

Besides, first, the obvious and essential official signs to direct highway traffic, these include three other classes of signs which the committee thought should be provided for in fairness to landowners, and to off-highway business catering specifically to travelers in the particular locality or area where they are erected. These are, second, signs advertising the sale or lease of the property on which they are located; third, signs not larger than 500 square inches advertising activities being conducted at a location within 12 miles of the point at which such signs are located; and fourth, signs erected or maintained pursuant to authorization in State law and not inconsistent with the national policy and standards of this section, and designed to give information in the specific interest of the traveling public.

I have no idea what standards the Secretary may promulgate as to the nature and

shape of these permissible signs, their frequency, their location, their appearance in the setting in which they are to be placed, and so forth. I know that the professional personnel of various State highway departments have had much experience along these lines which no doubt will enter into the preparation of setting up the necessary standards.

The whole program is entirely dependent upon its acceptability for State action by a meaningful number of States. I wish to emphasize, we must proceed on the assumption that those charged with the administration of this program will act in a spirit of wanting to make it work. That is an essential assumption for any program, and it is an absolute sine qua non for one like this that depends on the free and voluntary action of independent States.

Another section of the act authorizes agreements between the Secretary of Commerce and the highway departments of those States wishing to enter into such agreements which will spell out the provisions for applying the policy standards.

PARKWAY OPPORTUNITIES

Beyond having to meet the standards of billboard regulation, these agreements may also include provisions for affirmative action to improve the appearance of the roadsides. This may include planting of trees and shrubs, general landscaping, the construction of viewpoints where motorists may leave the main highway surface to enjoy the scenery, roadside rest and picnic areas, historical markers, and so forth.

I believe it was Gov. Averell Harriman, of New York who recently pointed out that in building these new limited-access interstate roads, largely on new rights-of-way, the Nation has a unique opportunity to develop many thousands of miles of parkways across our country—an opportunity which will not be available to the American people again in this century. In my view, this goal of making the best possible use of that unique opportunity can and should be one of the most worthwhile aspects of the agreements contemplated under this section.

Not all of the 41,000 miles of the Interstate System will cross open country or attractive populated areas. Much of it will be through areas which are already wholly industrial or commercial in character. Many miles will traverse incorporated cities with home rule and their own zoning codes and land-use regulations. Some of it will be on existing rights-of-way, incorporating stretches of highway which already approximated the construction standards for the Interstate System when the Federal-Aid Highway Act of 1956 was enacted. To show the fallacy of those who believe that we are adopting an unreasonable, unrealistic, purist approach to this question of roadside control, it should be pointed out that the bill expressly recognizes that the agreements with the States may, within the discretion of the Secretary of Commerce, and consistent with the public policy of this bill, exclude any such segments of the Interstate System within a State.

Another feature of the bill is the incentive given to States to control signboards. Under the kind of agreement I have just described, the State will be entitled to an extra one-half percent Federal share of the project cost, beyond the 90 percent now paid from Federal funds. Surely that is a modest enough incentive to offer to any State which, on its own initiative, acts to make and preserve its parts of the national system of interstate highways attractive for the travelers of the whole Nation.

CITIZENS MUST ACT

From the preceding explanation of provisions of the billboard-control measure, it will be apparent to the reader that the legislation enacted into law in no way guarantees that a rash of signboards cannot blossom in any part of the country. But this outbreak need not occur if citizens in every State are alert and make known to State officials their desire for billboard-free highways along the section of interstate system which traverses their home areas. The effectiveness of the measure signed by President Eisenhower will be determined by:

1. The standards adopted by the Secretary of Commerce for control.

2. The degree of acceptance by individual States.

The battle for billboard control is not yet won. Eventually victory will be decided at the State level by those who wish to make a reality of the song-inspiring grandeur of America's outdoors.

There are wheatfields and handsome farms, and there are also poor, ramshackle farms and tenant shacks and even junkyards along the roads. But this is all our country, and when we see roadsides, we may see our country as it exists. The point is that none of these roadside views is there specifically to force itself on our attention. None of it is there specifically to try to sell us anything. Day in and day out, every American is assailed by advertising, whether it be the hard sell or the soft sell. Would it be such a sacrifice to let him escape, even briefly, when he takes to the open road to travel across his country—the country which, fields and streams and mountains and farms and shacks and all, we have learned to describe as America the beautiful?

I think the sellers of the Nation's goods can afford Americans this brief respite from salesmanship, without danger that the American economy will forever collapse. In this balancing of, on the one hand, the values of economic self-interest and, on the other, a noneconomic interest in values not measurable in money, let us for once act nationally and decisively to preserve the latter.

Delay, Reluctance To Act Blights Trade Program

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1958

Mr. SIMPSON of Pennsylvania. Mr. Speaker, each and every time the Trade Agreements Act of 1934 has been brought forth for extension—and this is now the 11th time—American industries and workers have been warmly assured that the law is brimming with safeguards and the Executive is prepared to use them if it becomes necessary.

The same assurances are making the rounds today. Spokesmen for the executive branch point with pride to the proposed machinery for relief. It is a lullaby first sounded 24 years ago, with new verses added through the years to soothe the prevailing uneasiness in our home industries.

It is significant, in itself, that our companies and workers remain uneasy, if not suffering outright hardship, nearly a quarter of a century after first hearing the vows of noninjury.

This is damaging testimony to the effectiveness of the safeguards in the Trade Act, and particularly to the zeal of successive administrations in granting relief when the situation clearly demanded it.

The single consistent characteristic displayed in 24 years of executive domination of our foreign commerce is reluctance—reluctance to invoke legal measures of relief. In many instances the Executive has resorted to makeshift measures in obvious attempts to sidestep the channels of relief provided by Congress.

Before the escape clause was established by law, the Executive may have had some excuse for improvising and temporizing. However, even when the responsibility for action was clear cut, the Executive has shown reluctance to act until public opinion, or Congressional insistence, forced the issue.

MEXICAN TRADE AGREEMENT

An early example is the case of the United States-Mexico trade agreement of 1942. This bilateral agreement contained an escape clause. In 1947, Mexico effectively withdrew the tariff concessions she had made to the United States.

But instead of invoking the escape clause or terminating the agreement, the United States continued to apply the tariff concessions we had made and which, of course, applied to all countries, under the most-favored-nation policy.

In July 1948, Mexico further disturbed trading relations with the United States by devaluing her currency.

In answer to insistent pleas from American industry for counteraction, the State Department announced that it would try to negotiate compensatory concessions to replace those Mexico had withdrawn, but it would not withdraw the United States concessions.

The negotiations proved ineffective. American industries clamored for action. Finally, in 1950, the State Department announced the joint termination of the United States-Mexico agreement, effective December 31, 1950.

However, cancellation of this agreement did not automatically restore our tariff rates to 1942 levels. Most of these rates in the meantime had either been bound or further reduced in other bilateral agreements or under the General Agreement on Tariffs and Trade.

Of the 192 commodity classifications in the Mexican agreement, 121, or 63 percent, had been reduced or bound against increase in other agreements. Of the remaining 71, which were due to return to 1942 levels on January 1, 1951, 38 were carried on the bargaining list for concessions being negotiated at Torquay.

COLOMBIA TRADE AGREEMENT

Much the same circumstances surrounded the United States-Colombia trade agreement of 1946. In 1948 Colombia announced her intention of revising upward her tariff concessions made un-

der that agreement. The United States made no effort to counter this move by withdrawing any of the United States concessions.

The United States-Colombia agreement was terminated by mutual consent on December 1, 1949, but by that time the bulk of United States imports from Colombia were benefiting from concessions we had made in other trade agreements.

WOOL-SUBSIDY CASE

In 1950 American wool-textile manufacturers appealed to the Secretary of the Treasury for relief because of the subsidy paid by Uruguay on exports of wool tops to the United States. The subsidy permitted Uruguayan wool tops to be sold in the United States below fair value, causing injury to American companies which processed wool into top.

The subsidy took the form of a preferential exchange rate which Uruguay granted to its exporters of wool top. The Treasury Department professed, for some time, to see no subsidy effect in this discriminatory practice and refused to impose countervailing duties authorized by the Tariff Act of 1930.

In early 1952 a joint hearing for the injured American industry was held by interested Members of the House and Senate. As a result, a letter urging Treasury action was sent to the Secretary of the Treasury by 26 Senators and Congressmen.

A year later when the Trade Agreements Act was before Congress for renewal and the Secretary of the Treasury was a witness in favor of extension, he was asked what the Treasury proposed to do about the Uruguayan subsidy case. He replied that while the Treasury heretofore had not found the Uruguayan preferential exchange to be a subsidy, he would reopen the case. This was done and on May 6, 1953, the Treasury imposed countervailing duties on imports of wool tops from Uruguay.

THE TECHNIQUE OF DELAY

In 1951, Congress enacted the escape-clause machinery into the trade-agreements program. These provisions gave the President 60 days from the time of receiving a Tariff Commission recommendation, favorable to an applicant, either to proclaim the recommended relief or advise Congress why he did not wish to do so. It was generally thought that there would be a proclamation or a rejection within 60 days, and the American industry involved would then know where it stood.

This was a false hope. Instead, from time to time, the Executive used the 60-day period not to make a final decision, but to launch a new inquiry or to consider some extraneous circumstances, so that a final decision was postponed many months beyond the 60-day deadline.

A case in point was the escape-clause application by the American manufacturers of ferrocerium—lighter flints—which, on December 21, 1955, resulted in a unanimous Tariff Commission finding of injury and a recommendation for higher tariff duties.

On February 14, 1956, the President annnounced he was deferring action on the Commission recommendation pending a study of the case by the Attorney General for possible antitrust violations. The antitrust investigation was ultimately dropped and on December 13, 1956—a full year after the Tariff Commission returned its findings—the Executive turned down the unanimous Commission recommendation.

Since 1953 the Executive has similarly postponed action on eight Commission recommendations for periods from 1 to 10 months. Five cases were referred back to the Commission for more information. The others were deferred for study by other agencies. In only two cases did the applicant ultimately win relief.

Another recent case concerns stainless steel flatware. On January 10, 1958, the Tariff Commission unanimously found that the American industry was being injured and submitted two sets of recommendations calling for duty increase.

On March 3, 1958, the Executive announced that he was deferring action on the case pending a full evaluation of Japan's voluntary limitation of shipments of stainless steel flatware to the United States. He asked the Tariff Commission to keep the case under review and to submit a report on December 31, 1958.

RECOURSE TO VOLUNTARY ACTION

One of the favorite techniques by which the Executive has avoided recourse to the letter of the law is to obtain the informal consent of a foreign country or domestic producers to a voluntary limitation on imports.

An early example of this was the Swiss watch situation. Since World War II, Switzerland has captured the major portion of the United States market for jeweled watches with resulting heavy damage to American watchmakers. The prewar United States-Switzerland trade agreement did not contain an escape clause. In the first postwar years the State Department answered loud demands for relief by obtaining the informal agreement of the Swiss to curb exports of watches to the United States. The voluntary curb was never successful, and the American industry remained in distress.

Finally, after the situation was aired at hearings before Congress, the State Department in 1950 served notice to Switzerland that the agreement would be terminated unless the Swiss agreed to insert an escape clause. But no effort was made to renegotiate the offending concession. The Swiss agreed to the escape clause, and the American industry, following a favorable Tariff Commission recommendation, prevailed upon the Executive to grant relief.

There are additional cases demonstrating the Executive predilection for voluntary action. A few of the most noteworthy cases deserve reviewing here.

COTTON TEXTILES

Since World War II the American cotton textile industry has suffered serious reverses. One of the principal aggravating causes was the flood of imports from Japan. The industry's plight was brought to the attention of the Government at general and special Congressional hearings. The unhappy experience of other industries with escape-clause action discouraged the cotton-textile industry from trying that avenue of relief. Instead, the industry sought to have the Senate order a special investigation.

In the face of growing Congressional concern, the Executive, in informal negotiations, sought voluntary assurance from Japan that its damaging imports would be curbed. On January 16, 1957, the Departments of State, Commerce, and Agriculture announced that Japan had agreed to limit exports of cotton textiles to the United States.

The effectiveness of the voluntary arrangement is yet to be evaluated. In the meantime, however, the arrangement choked off the regular avenues of relief for distressed producers.

Early in 1956, for instance, American manufacturers of velveteen, a cotton fabric, filed an escape-clause application. On October 24, 1956, the Commission unanimously recommended an increase in duty. On December 21, 1956, the Executive announced he was postponing action on the recommendation. On January 22, 1957, the Executive rejected the recommendation, telling Congress he had decided not to apply escape-clause relief in view of Japan's voluntary controls on textile shipments.

OIL IMPORTS

Congress in 1954 and 1955 provided machinery whereby the Director of the Office of Defense Mobilization and the President could determine whether imports were impairing the national security by undermining essential American industries. If so, the President was permitted to curb the offending imports.

A group of domestic oil producers sought relief through these channels. Many Congressmen and Senators urged relief action, and the case received widespread notice in 1956 and 1958.

ODM found that imports were indeed threatening to impair the national security and so reported to the President. Instead of accepting this report as fact, the Executive set up a Cabinet Committee to look into the case. The Committee recommended that, instead of Government action, the individual importers of crude oil should limit their shipments voluntarily. The Executive announced this plan on July 29, 1957. The arrangement has not proven satisfactory, and the administration has occasionally indicated it was preparing to take official action, but it has not done so.

LEAD AND ZINC

In the early 1950's the American lead and zinc mining industries were seriously injured by imports. A Senate resolution in 1953 called for the Tariff Commission to make an escape-clause investigation. In May 1954, the Tariff Commission unanimously recommended higher tariffs on the minerals. The Executive, later in 1954, rejected the recommendations and

instead undertook an expanded stockpiling program. This failed to solve the industries' problems and they again put their plight before Congress.

Congress called for a special Tariff Commission report. On April 4, 1958, the Commission unanimously found evidence of serious injury and submitted two sets of recommendations for relief.

Instead of accepting either recommendation, the Executive immediately presented legislative proposals calling for enactment of a 5-year subsidy program for lead, zinc, copper, fluorspar, and tungsten.

It remains to be seen whether the Executive will accept one of the Tariff Commission's proposed solutions. This decision is due on or before June 23—unless, of course, the decision is delayed for some reason or other.

Politics and Christian Service

EXTENSION OF REMARKS

OF

HON. D. R. (BILLY) MATTHEWS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1958

Mr. MATTHEWS. Mr. Speaker, our colleague, the Honorable COYA KNUTSON, of Minnesota, has recently delivered a most stimulating and inspiring address before the Lutheran Women's Missionary League Convention in Albany, N. Y. The subject of this talk is "Politics and Christian Service." I have asked Congresswoman KNUTSON to permit me to insert this address in the RECORD so all of us may have an opportunity to read her remarks. I commend this splendid address to each Member of the House. The complete talk follows:

POLITICS AND CHRISTIAN SERVICE

(Speech by Congresswoman COYA KNUTSON, Ninth District, Minnesota, before the Lutheran Women's Missionary League Convention, Albany, N. Y., June 5, 1958)

Four centuries ago, Martin Luther wrote: "A faithful and good servant is a real godsend; but truly 'tis a rare bird in the land."[1]

I believe that Martin Luther would have considered the late and beloved "Veep," Alben W. Barkley just such a rare bird.

An editorial in the New York Times for May 1, 1956, tells this remarkable human story of our own times.

"'I would rather be a servant in the house of the Lord than sit in the seat of the mighty,'" was the sentence Alben Barkley had just completed when death claimed him in the course of an address he was delivering at Washington & Lee University. In his lifetime Alben Barkley had indeed sat in the seat of the mighty but this United States Senator and former Vice President never lost the humility and common touch of a servant in the house of the Lord as he served the American people in their legislative halls * * *"

Alben Barkley proved that it was possible to merge the two ideals of politics and Christian service into one life. Since this was his accomplishment, I believe it can be done—with the help of God—by you and by me.

It is no easy decision for a man to make—to embark on a legislative career. That decision is doubly difficult for a woman.

The great legislator, Edmund Burke, laid down the rules of the game in a speech delivered to the electors of Bristol on November 3, 1774. Edmund Burke said:

"It ought to be the happiness and glory of a Representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasure, his satisfaction, to theirs; and above all, ever, and in all cases, to prefer their interests to his own."

I have made the precepts of Edmund Burke my own. I have endeavored to make them the first order of the day—every day—since I was elected to the United States House of Representatives.

The place of a woman legislator is none too secure although it has been nearly 4 decades since the passage of the 19th amendment to our Constitution. There are approximately 40 men to one woman in the House of Representatives. There is only one woman out of 96 Senators. The course of least resistance for women legislators—and for me—would be to be seen but not to be heard.

I do not believe that the course of least resistance is the right course for me. I want to be reelected, not for something I have refrained from doing, but for something I have done.

The parable of the talents points out the element of risk is politics. A politician who buries his God-given abilities may survive in office, but he will return nothing to his people. Small risks in politics mean small returns to the electorate. Great risks mean great returns.

This I know when I entered the national political arena. This is why I have never ceased to pray to my God, to read the Holy Bible, and to consult with men of God.

I have deliberately chosen the way of great risks to my career from which I hope to gain great returns for my people.

The Bible tells me of the wisdom of Esther, who saved her people. The Bible tells me of Judith who delivered her people from the threat of conquest. The Bible tells me of the devotion of Ruth to Naomi. The Bible tells me of the women who followed Christ, Mary, His mother; Mary Magdalene; Mary and Martha, the sisters of Lazarus.

These women of the Bible risked all to bring the presence of God to their people. I feel intensely that they are my spiritual sisters in present-day politics.

Because I believe that Christian service and politics cannot be separated, I have introduced what is the most far-reaching long-term education bill thus far brought to the attention of Congress. This bill resulted from detailed research into the facts and figures of our educational lag, and the dangerous position in which we find ourselves in the world on account of it. The 120 days between the launching of the sputnik and the launching of our own first satellite, shocked the country out of the clouds of complacency. If there were only thought and discussion, and no action, the dangers would increase daily.

We can no longer afford the luxury of more than 43 percent preinduction rejections on mental deficiency grounds, including illiteracy.

We can no longer treat education itself as a luxury. We should certainly pay into education at least the same amount that private citizens pay out annually on tobacco and liquor. Our national survival and stamina demand this.

Among other things, the bill will provide the means to increase numbers, quality, pay, and higher educational opportunities for our teachers; improve and increase plant and facilities; broaden studies to include early study of languages, customs, and economic and social needs of other people; improve techniques in the education of exceptional children; broaden educational opportunities for adults; provide loans and scholarships.

We cannot slip back into the complacency of the last few years. Last year's theories are unsafe as they often are untrue. Today's problems require tomorrow's solutions today. I introduced the Paul Bunyan education bill to fill the monumental gap between reality and need, in this space age. We are really being missionaries in a new age and with new thought if we can pioneer a new view of the solution to our basic but tremendous educational problems.

Because I believe that Christian service and politics belong together, I have consistently fought for farm women to receive a fair price for eggs at the farm. I did this so that farm women would be in a better position to educate their children, to serve their churches, and to take part in community activities.

Because I believe that Christian service and politics may not be parted, I have introduced legislation which provides for intensive research into the cause and cure of the dread disease, cystic fibrosis, which takes a terrible annual toll of the lives of American children. During recent weeks following a speech I made in March, I have received thousands of letters from parents and doctors all over the country urging a massive attack on this vicious disease. Cystic fibrosis is a hereditary almost always fatal children's disease about which very little is known but which has an unusually high occurence and mortality rate. The bill calls for $200,000 and directs the Surgeon General to act without delay to organize CF research at the National Institutes of Health. We spend billions on research into more and more dreadful weapons of defense. As Christians we must be equally concerned with research for means to end the individual tragedies of life, such as this terrible scourge that strikes family after family, generation after generation. This legislation has been received with tremendous enthusiasm and support from my colleagues on both sides of the aisle, and I am really hopeful that this humanitarian goal will be politically achieved.

Because I believe that Christian service and politics constitute one and the same thing, I have engaged in a continuing crusade to preserve the family farm. My belief is so strong that the family farm and the preservation of this form of individual enterprise is fundamental to our very way of life in America that I will go to any lengths to preserve it. History has proved over and over that taking their soil away from citizens has always been the first step and sowed the seeds of destruction of civilizations. I cannot sit by and watch this happen in my beloved country. By its own statements, this administration wishes to eliminate 50 percent of our farmers from farm work. The reason given is efficiency. If efficiency were the "be all and end all" of existence, dictatorships would be ideal. They make the trains run on time. They produce other miracles of efficiency at all costs. I deeply believe that efficiency is not a goal in and of itself. There are other and far greater human values. As Christians we cannot believe otherwise. Here is

[1] P. 186, Table Talk, by Martin Luther.

the perfect marriage of Christian service and politics. The family farm must be preserved by political action.

In the United States there is no established church. Our Government supports no particular creed. Instead, we belong to those peoples who believe profoundly in the separation of church and state. But the separation of church and state does not mean religion has no place in government. To say this would be to turn our back upon the great tradition of all the great souls whose faith in God has been a part of the magnificent foundation upon which our Nation has been built, a faith which has sustained our Nation well in its trials.

In our representative government the major political decisions are made by a relatively small number of persons. It is the Christian's responsibility to make sure that the best possible leaders are making those decisions.

The basic decision as to the equality of leadership in political offices is made in the nomination processes. It is the Christian's responsibility to join a political party and enter actively into the selection processes.

Elected leaders are amenable to the wishes of intelligent and vocal citizens. It is the Christian woman's responsibility to participate in the decision-making processes through the elected representatives; by keeping herself informed of issues to be considered, the actions which have been taken; by writing letters to her elected representatives; by organizing study and discussion groups; by securing petitions where necessary.

Big, too powerful, and inflexible government is bad. It is the Christian's responsibility to see that all voluntary private means for doing a task are exhausted before resorting to government.

Another area of Christian service—and, indeed Christian responsibility—is perhaps often overlooked. I feel sure that Christ would ask each of us to hold a basic respect for the persons we serve or the persons with whom we deal. This respect is not primarily the respect for a group—such as the respect we might have for the farmers of this Nation, or the veterans, or the Lutheran Church—or any other organized group. Far more basically it involves a respect for each individual person as a child of God. This respect is something due the individual over and beyond or regardless of any group to which he may belong or any label which he may carry. The Christian at his highest and best will go beyond this—he will hold good will toward him no matter what label he bears.

As a member of a local church, every Christian has a share in the responsibilities of the church to missions. In fact, each individual's participation in the missionary program of the church will depend on his personal response to the appeal of Christ. We hear repeatedly in testimony before our committees that our best ambassadors abroad are the missionaries.

The Christian's greatest responsibility is to do just what Saul did on the way to Damascus, to say "Lord, what will thou have me to do?" Until this step is taken, it is useless to talk about any other.

We may say that the true missionary of Christ has one great aim, in two phases: to witness to Christ in such a way that first, men will put their faith in Him, and second, that the Church of Christ will be established and built up. This aim is entirely spiritual, as it should be. Did not Christ say, "Seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you" (Matthew 6: 33). The aim includes both evangelism and teaching.

Upon whom does the responsibility for missionary work rest? Just who is responsible? Are missions the responsibility only of those individuals who feel a special interest in such a cause? Sometimes we have acted as if it were the enterprise of a selected few.

Is the individualistic attitude more prominent in missionary work than ever before? Can it be found in the attitude of young people who offer themselves for missionary service? Do they look on it only as the fulfilling of a personal obligation?

Missionary service demands that one be called to represent a larger fellowship, the fellowship of Christ. In modern political terminology, too often those in missionary work think of themselves as personal representatives of Christ rather than ambassadors of Christ and His church. The scriptures teach that both the individual and the church are responsible. But as Christians, we all have been given a great task to perform by our Lord and Saviour. So long as that task has not been completed, it is a lien against each one of us for which He may hold us personally accountable. Yet it is also a lien against the church. It is the task of the church, but it is also yours and mine. We are all responsible.

The faith of Luther was determined by his conception of God. God is no static being who has created the universe and relates himself to it through a series of laws. God is living, dynamic, actively at work in His universe. God alone gives life and meaning to all reality.

Thus the faith of Luther gives us basis for political responsibility. Personal, trusting faith becomes the center of life, out of which flows good works for all mankind.

How often, on the floor of the House of Representatives, have I thought of the words of Martin Luther, at the time of his greatest trial, at the time he said: "It is neither safe nor prudent to do aught against conscience. Here stand I—I cannot do otherwise. God help me. Amen."

And how many times has God protected me—as He protected Martin Luther—from all the attacks of my enemies.

Truly, I can say—serving my people as a Christian and as a politician—in the words of Martin Luther, himself, "A mighty fortress is my God."

Funds for the Construction Work on the Great Lakes Connecting Channels in 1959

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Tuesday, June 10, 1958

Mr. WILEY. Mr. President, I have prepared a statement regarding funds approved by the House Committee on Appropriations for the Great Lakes connecting channels in 1959, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FUNDS APPROVED BY HOUSE COMMITTEE ON APPROPRIATIONS FOR CONNECTING CHANNELS INADEQUATE

I am deeply disappointed by yesterday's action of the House Committee on Appropriations in approving only $23.5 million, instead of the needed $27.5 million to $30 million, for construction work on the Great Lakes connecting channels in 1959.

The $23.5 million amount is definitely inadequate if we are to fulfill the original—and I believe essential—goal of completing the channel work by 1962.

I point out these facts:

1. The lake ports beyond Lake Erie will be denied the benefits of the St. Lawrence Seaway, scheduled for completion in 1959, until the connecting channels are completed.

2. The Corps of Engineers has stated that it can economically utilize $27.5 million in construction next year; in addition, negotiations are underway with Canada for construction work by the United States on the alternate cutoff at the southeast bend in the St. Claire River, an integral part of the connecting channels construction. The expenditures for such work is estimated to be about two-million-dollars-plus annually. Thus, all in all, I believe we can justify a $27.5 million to $30 million appropriation for fiscal 1959, properly earmarked, of course, in anticipation of a go-ahead for United States work on the cutoff.

3. The Congress has enacted some legislation and is considering more for creating jobs and business activity—to resolve our current economic problems. An increase in expenditures for construction on the connecting channels will help achieve this objective. However, the positive economic effect will go far beyond the channel work itself. As we know, the ports around the lakes beyond Lake Erie are going ahead with additional work preparatory to full utilization of the St. Lawrence Seaway. To unnecessarily "stretch out" the construction work on the channels greatly would discourage the progress of port development. Too, it would deny the benefits of increased shipping possibly until 1963 or 1964. Even if the channels were completed by 1962, there would still be a 3-year lag before Wisconsin and the other States west of Lake Erie will be able to get full benefit from the seaway—scheduled for completion in 1959.

Earlier this year, I contacted Chairman ELLENDER, the distinguished chairman of the Senate Public Works Subcommittee of the Appropriations Committee, to stress the need for approval of $27.5 million to $30 million for the channel work.

At that time, I pointed out that if we fail to carry forward construction work on the connecting channels at maximum speed, the Great Lakes port and shipping interests beyond Lake Erie—including, of course, Wisconsin—would continue to be handicapped by depth limitations of 25 feet downbound and 21 feet upbound for traffic in the channels. Furthermore, if construction is "slowed down" by inadequate funds in the budget, there would be serious inequitable and uneconomic results. In effect, it would: (a) Defer some of the advantages of the seaway to Great Lakes Ports beyond Lake Erie for an unjustifiable number of years; (b) "slow down" the economic development—including harbor deepening, construction of port facilities, etc.—underway in anticipation of utilizing the seaway; (c) postpone the time when tolls on additional traffic can be realized for payment of seaway costs.

In view of these facts, I look forward to—and wholeheartedly urge—action by the Senate Public Works Appropriations Subcommittee to approve the needed $27.5 million to $30 million for construction work on the connecting channels for 1959. By carrying forward this project at maximum speed, I believe we will be serving the interests, not only of the upper midwestern industrial and agricultural complex, but the economy of the whole Nation.

SENATE

WEDNESDAY, JUNE 11, 1958

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father, God, as in this pavilion of prayer we fling open the shuttered windows of our darkened lives to the revealing light of Thy presence, enable us in our daily work to reflect some broken beams of Thy glory. Teach us, we beseech Thee, how to be victors over circumstances, not victims of them. Save us from despair and defeat by a faith fit to live by, a self fit to live with, and a cause fit to live for.

In these perplexing and often baffling times that try our souls and test our character, may Thy strength sustain us, Thy wisdom instruct us, and Thy hand direct us this day and evermore. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 10, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nominations of Eugene R. Gilmartin, of Rhode Island, to be United States judge for the District Court of Guam, Justus A. Gibson, to be postmaster at Mount Carmel, Ill., and Thomas D. McManus, to be postmaster at Channelview, Tex., which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Committee on Rules and Administration;

The Committee on Banking and Currency;

The Fiscal Affairs Subcommittee of the Committee on the District of Columbia; and

The Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare.

On request of Mr. MANSFIELD, and by unanimous consent, the Post Office Subcommittee of the Committee on Post Office and Civil Service was authorized to meet today during the session of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PROPOSED TRANSFER BY NAVY DEPARTMENT OF BOATS TO CITY OF PIKEVILLE, KY.

A letter from the Under Secretary of the Navy, reporting, pursuant to law, that the Navy Department proposes to transfer a 17-foot skiff and a 16-foot wherry to the City of Pikeville, Ky.; to the Committee on Armed Services.

REPORT ON LIQUIDATION OF RECONSTRUCTION FINANCE CORPORATION

A letter from the Administrator, Small Business Administration, Washington, D. C., transmitting, pursuant to law, a report on the progress made in liquidating the assets formerly held by the Reconstruction Finance Corporation, covering the quarterly period ended March 31, 1958 (with an accompanying report); to the Committee on Banking and Currency.

APPLICATION FOR LOAN AND GRANT TO WALKER RIVER IRRIGATION DISTRICT, NEV.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan and grant to the Walker River Irrigation District, Nev. (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Military Chaplains Association of the United States, at New York City, favoring the repeal of the act of February 18, 1896, providing for the special appointment for the Chaplain at West Point Military Academy; to the Committee on Armed Services.

A letter in the nature of a petition from the Right Reverend Dr. Father Basil, executive secretary of the Central California Homes for the Aged, Delhi, Calif., favoring the enactment of legislation to amend the surplus hardware program so as to grant eligibility to the nonprofit homes for the aged to receive surplus hardware; to the Committee on Government Operations.

A letter in the nature of a petition from the Right Reverend Dr. Father Basil, executive secretary, the Central California Home for the Aged, Delhi, Calif., favoring the enactment of legislation to modify the regulation of the labor code, section 222.5, so as to exempt nonprofit homes; to the Committee on Labor and Public Welfare.

Petitions signed by sundry citizens of West Covina, and Baldwin Park, both in the State of California, relating to the Presidential veto of the omnibus rivers and harbors bill, and the completion of the comprehensive plan for conservation and control of floodwaters in the county of Los Angeles; to the Committee on Public Works.

A letter in the nature of a petition from the Joint Committee on the National Capital, Washington, D. C., signed by Ralph Walker, chairman, requesting that publicity be given to any proposed changes in the Capitol Building; to the Committee on Public Works.

Resolutions adopted by the mayor and board of supervisors of the city and county of Honolulu, T. H., and the Board of Supervisors of the County of Maui, T. H., favoring separate action by the Congress on bills granting statehood to Alaska and Hawaii; ordered to lie on the table.

RESOLUTIONS OF KANSAS ASSOCIATION FOR WILDLIFE

Mr. CARLSON. Mr. President, on Monday of this week the Senate passed Senate bill 2617, amending the Migratory Bird Hunting Stamp Act of 1934.

The Kansas Association for Wildlife, Inc., has expressed its approval of that bill and also of several other bills that are pending in the Congress.

Inasmuch as I did not have these resolutions on Monday, and therefore could not make them a part of the debate, on that day, I ask unanimous consent that they be printed in the RECORD, and referred to the appropriate committees.

There being no objection, the resolutions were referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 7, MAY 18, 1958

Be it resolved by the Kansas Association for Wildlife, Inc., That we give our full support to identical bills S. 2617, H. R. 11607, H. R. 11642, and H. R. 12006, which provides a $3 duck stamp with 100 percent of funds derived therefrom to be earmarked for wetland acquisition; and

Resolved, That the Secretary of the Kansas Association for Wildlife, Inc., forward immediately to the entire Kansas delegation in both House and Senate copies of this resolution, with a request for early and favorable action; and

Resolved, That a copy of this resolution be forwarded to Hon. HERBERT C. BONNER, chairman, House Committee on Merchant Marine and Fisheries.

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 8, MAY 18, 1958

Be it resolved by the Kansas Association for Wildlife, Inc., That we urge the Senate Subcommittee on Agricultural Appropriations to restore to H. R. 11767, a Department of Agriculture appropriation bill, the 50 percent Federal share of cost on wildlife conservation practices under the Soil Bank program and to restore to $350 million the appropriation for conservation reserve payments in the fiscal year 1958–59, and to $450 million such appropriation for fiscal years 1959–60; and

Resolved, That copies of this resolution be forwarded to Senators FRANK CARLSON and ANDREW SCHOEPPEL.

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 9, MAY 18, 1958

Be it resolved by the Kansas Association for Wildlife, Inc., That we urge early and affirmative action by the Congress on S. 2447 authorizing expanded research into the effects of chemical pesticides on fish and wildlife and that copies of this resolution be directed to Senator WARREN MAGNUSON, chairman, Senate Subcommittee on Merchant Marine and Fisheries and to the members of the Kansas delegation in House and Senate.

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 10, MAY 18, 1958

Be it resolved, That Kansas Association for Wildlife, Inc., support the revised draft of bill S. 2496, the Watkins bill, which draft has been agreed upon by the executive departments and received by the Secretary of the Interior, Fred A. Seaton; and

Resolved, That the secretary of Kansas Association for Wildlife, Inc., be instructed to forward copies of this resolution to Senator WARREN G. MAGNUSON, chairman, Senate Committee on Interstate and Foreign Commerce, requesting early hearings on this measure to amend Public Law 732, the Coordination Act, and endorsing Secretary Seaton's revisions thereto; and

Resolved, That copies of this resolution be addressed to Senator ARTHUR V. WATKINS, the bill's author, and to Kansas Senators FRANK CARLSON and ANDREW SCHOEPPEL.

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 13, MAY 18, 1958

Be it resolved by Kansas Association for Wildlife, Inc., That the Secretary be instructed to forward copies of this resolution to Senators FRANK CARLSON and ANDREW SCHOEPPEL urging their support of H. R. 10746 which includes appropriations for the Forest Service and which has been referred to the Senate following passage by the House; and

Resolved, That we request our Kansas Senators to work for the appropriation of $8,120,000 for recreational areas and public use facilities in the national forests as well as the appropriation of $510,000 for wildlife habitat work in the forests, which appropriations are called for in H. R. 10746.

KANSAS ASSOCIATION FOR WILDLIFE, INC., RESOLUTION 14, MAY 18, 1958

Be it resolved by Kansas Association for Wildlife, Inc., That we favor the provisions of S. 1176, the wilderness bill, now before the Senate Committee on Interior and Insular Affairs and that we urge the Honorable JAMES E. MURRAY, chairman of said committee, and members of the Kansas delegation in the Senate to seek early and favorable action, both in committee and on the Senate floor, of this Senate bill, as revised in committee print No. 2.

THE CENTENNIAL OF SHATTUCK SCHOOL, FARIBAULT, MINN.—ARTICLES

Mr. THYE. Mr. President, earlier in this session, on May 21, I submitted a concurrent resolution to mark the centennial year of Shattuck School, in Faribault, Minn., which has just finished its centennial commencement exercises.

This memorable occasion at Shattuck was noted recently in the Christian Science Monitor; and I ask unanimous consent, Mr. President, that the two articles which appeared in the June 7 issue of that paper be printed in the RECORD at this point, and be referred to the Committee on Labor and Public Welfare.

Mr. President, Shattuck School is but a few miles from my home in Northfield, Minn. I have known of the school for many years, and have been greatly interested in it. Therefore, it is with a deep sense of appreciation that I have noted the splendid and informative article which was written by H. W. Bailey, and was published in the Christian Science Monitor. These articles will be of importance to the readers of the CONGRESSIONAL RECORD.

There being no objection, the articles were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of June 7, 1958]

SALUTE TO HISTORIC PREPARATORY SCHOOL CELEBRATING ITS 100TH YEAR—GREW UP WITH MINNESOTA

(By H. W. Bailey)

FARIBAULT, MINN.—One hundred years ago three dust-covered pioneer trail blazers paused on a picturesque bluff 50 miles south of Minneapolis. They nodded in agreement. This was it. Their search was ended.

On the following day the work of founding what is now the oldest secondary school of the Episcopal Church west of the Alleghenies was launched.

Without money or property, but with a burning zeal and a dogged determination, the three educators fired the imaginations of others and started a school which was to make history—Shattuck.

CELEBRATING WITH MINNESOTA

Today there is a certain grandeur about the wooded campus of the now famous Shattuck School overlooking the city of Faribault, Minn.

The stateliness of its solid stone buildings might well cause any man who visits it to exclaim, "I wish I'd been able to attend such a school." Today this distinguished preparatory school with a long history is celebrating its centennial—no small milestone for a school located in the Northwest region of the upper Great Lakes.

Now more than 3,000 living alumni, traditionally called "Old Shads," reside in every State in the Union, in all Territories and 22 foreign countries. One of every 73 living Old Shads is listed in Who's Who in America. Shattuck's facilities, spread over its 250 acres, are now valued at $7,500,000.

Each year at Shattuck there is what amounts to a great pilgrimage to this campus—that magnetic tug, well known to every Old Shad, draws him back. And little wonder, for having climbed their way to success in their chosen fields, these men now understand that Shattuck had subtly, yet surely, encouraged within them the makings of a man. It was more than a school to them.

While it is true that Shattuck is a church school, affiliated with the Episcopal Church, it is also true that a wide diversity of religious backgrounds is represented by the faculty and students. Nor is Shattuck a mold for future Episcopal theologians. Her alumni represent educators, diplomats, surgeons, artists, actors, business executives, engineers.

NOT A RICH MEN'S SCHOOL

A scholarship-aid program makes it possible for worthy boys from all economic levels to attend. The Reverend Sidney W. Goldsmith, Jr., rector and headmaster of Shattuck, has said, "We cannot lose sight of the fact that this school is dedicated to dealing with the whole man in preparation for life."

Recognized as one of the foremost preparatory schools in the United States, Shattuck channels its contribution to education through five distinct fields of development. Some activities, which might be considered extracurricular in other schools, are regarded as an important part of Shattuck's carefully balanced educational program.

Perhaps it is this approach at Shattuck which makes learning there not so much classroom cramming, but a way of life. Gradually there comes to its boys a striving for excellence in each of these five phases of development—academics, athletics, social life, ROTC, and worship.

As they walk the wood-paneled corridors and feel the eyes of past Shattuck greats looking down upon them from oil portraits, the students seem automatically to soak up the fact that they are expected to carry on a challenging tradition.

Worship embodies more than mere piety at Shattuck.

COMMUNITY ACTIVITY

"Worship," explains Headmaster Goldsmith, "is something considerably beyond a pious activity for pious persons. We see it as a community activity which day by day reminds us of our intended goals, our needs, our possibilities, and the sources of our power."

On Sunday a Shattuck student may attend the church of his choice in Faribault or he may worship in the school's magnificent Chapel of the Good Shepherd, considered one of the most beautiful churches in America.

This impressive structure is built of native blue limestone quarried locally. The 80-foot tower is entirely of stone, a feature rarely duplicated even now. Stonemasons from Europe were brought to Faribault to erect the tower.

On Shattuck's campus young men are learning not only how to sit reverently during a service, they are learning that religion is a practical reality to be applied to everyday life. They see Christianity, not as a shelter for stuffy fanatics but as a workable outward expression of an inward belief which, when properly applied, brings all other phases of life into balance.

CADETS AND CRACK SQUAD

Through its ROTC program, Shattuck boys cover the art of living from another angle, soaking up lessons in courtesy, teamwork, and military preparedness. The school's crack squad, a precision drill team which has never been defeated in competition, symbolizes the excellence to which all Shads aspire.

Here the school sees to it that academic training soars higher than a mere storing up of facts. The goal is a leading of sincere young thinkers toward an understanding of the significance in modern living. As a college preparatory school, Shattuck emphasizes English, mathematics, modern and classical languages, natural science, and history. The faculty-student ratio is 1 to 10, planned purposely for close association. Individual thinking, individual expression are encouraged.

Social activities are planned to arm students with social graces. Knowing how to properly meet and work with people is as important as any lesson to be learned, the staff feels.

And so with sports at Shattuck, piling up athletic trophies is not the driving force, here. The school offers a well-rounded physical training as one of its major contributions to education. This includes 12 varsity and intramural sports all scheduled to give the boys an understanding of team play as a part of the game of life.

Shattuck's educational program is not designed to produce intellectual snobs. The high, shining purpose of Shattuck is to equip its students with the ability to face life squarely with commonsense logic, to send forth men eager to help make the world a better place because they themselves, having entered Shattuck's doors, have learned to be better citizens.

SHATTUCK'S CENTURY MARKER

(By Millicent Taylor)

One hundred years is a long time, as history is written in the United States, and especially in the great rolling hills of the upper Great Lakes region that the people of Minnesota and on beyond like to call the Northwest. Shattuck School's early days saw a very different countryside. It was Indian country then. The years between have been the years of Minnesota's statehood. School and State are celebrating this centennial together.

This year's commencement is a 3-day program, June 6, 7, and 8. It is featuring parades, receptions, reunions, and the awarding of special citations, in addition to its traditional commencement activities.

BEGAN IN THE CHAPEL

Shattuck is a college preparatory school for boys. Included in the present enrollment are boys from 29 States, 4 Canadian provinces, Arabia, the Canal Zone, England, Ethiopia, France, and Venezuela. Affiliated with the Episcopal Church, this 100-year-old school began its 3-day celebration with a choral communion service in the beautiful Chapel of the Good Shepherd, offering thanksgiving for Shattuck's founding.

The centennial parade through downtown Faribault celebrated the joint birthdays of the school and the statehood of Minnesota. A marker was dedicated on the site where the Rev. James Lloyd Breck, Shattuck's founder, opened classes for 15 pupils on June 3, 1858.

Citations were awarded at a luncheon. The speaker was Dr. Athelstan Spilhaus, dean of the Institute of Technology, University of Minnesota. One hundred persons living in the United States and Territories have been chosen, following nationwide nominations, to receive centennial citations. This recognition is for making outstanding contributions toward the advancement of secondary education.

NEW WAY OF CELEBRATING

As far as the Shattuck centennial committee has been able to determine, I am told, no such program as this of the citations has ever been attempted in the field of secondary education. Editorial comments from all parts of the United States "signify interest in and approval of the project," says the Reverend Joseph M. McKee, centennial coordinator.

Today, June 7, at Shattuck, is Reunion Day—filled with meetings and greetings of fathers, mothers, and "Old Shads," with a band concert, competitive drill, retreat parade, drill of the crack squad, other things, and ending, of course, with a dance. Miss Centennial Minnesota will present the national colors to the company commander of the honor company after competitive drill.

Sunday should be a beautiful and memorable day for all. The traditional baccalaureate service and graduation day exercises center around the church, as in all church-affiliated schools. The Episcopal Bishop of Minnesota, the Right Reverend Hamilton H. Kellogg, will present the diplomas.

With this brief glimpse of a 3-day program of an historic old secondary school, you who know such schools in your own region or country can in imagination fill in details of days and years of progress down the century that has just passed, and salute with appreciation one more independent or private school for its quality contribution to education.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953, RELATING TO THE RURAL ELECTRIFICATION ADMINISTRATION—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, as sponsor of the bill (S. 2990) to amend Reorganization Plan No. 2 of 1953, I was most interested to receive a resolution which was unanimously adopted at the annual meeting of the delegates of Dairyland Power Cooperative, endorsing the provisions of the bill. I ask unanimous consent that the resolution and accompanying letter be printed in the RECORD, and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

DAIRYLAND POWER COOPERATIVE,
La Crosse, Wis., June 6, 1958.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: It is a pleasure for me to enclose herewith a copy of the annual report of Dairyland Power Cooperative, outlining its activities and results of operations for the calendar year of 1957.

The year was one of further significant progress in our goal of serving 95,000 farm families and rural businesses with ever-improving electric service. Despite inflation and for the 8th time in the last 10 years, we were again able to lower the net cost of producing a kilowatt hour of electricity. Our net costs were 28.9 percent lower than in 1947.

Electric power delivered to our 26 member distribution cooperatives exceeded 580 million kilowatt-hours, five times greater than in 1947. Individual consumption of members increased from 471 to 513 kilowatt hours per month. Our system studies indicate continued growth for the years ahead.

We hope you will find that our efforts and accomplishments here are worthy of your commendation. We solicit your continued support of the activities of Dairyland Power Cooperative and for the nationwide program of cooperative rural electrification.

We appreciate your introduction of the Humphrey-Price bill. You will be interested to know that at the annual meeting of the delegates of Dairyland Power, held in La Crosse on June 4, a resolution was unanimously adopted, endorsing the provisions of this bill. A copy of this resolution is enclosed herewith on a separate sheet.

Sincerely yours,

JOHN P. MADGETT,
General Manager.

AMENDMENT OF REORGANIZATION PLAN

Whereas Congress in enacting the Rural Electrification Act of 1936 wisely provided that the administration of REA should be nonpartisan and that the Administrator should be responsible to the President; and

Whereas pursuant to the authority vested in him by Reorganization Plan No. 2 of 1953, the Secretary of Agriculture has violated the spirit and intent of the Rural Electrification Act of 1936, by taking from the Administrator the power and responsibility to make loans in excess of $500,000 and giving this authority to politically appointed subordinates of the Secretary, thereby damaging the morale of REA and its administration of the REA Act; and

Whereas Senate bill 2990 has been introduced by Senator HUMPHREY to restore to the Administrator the functions and powers taken from him under section 1 of Reorganization Plan No. 2 of 1953: Now, therefore, be it

Resolved by the delegates from the 26-member cooperatives to the 1958 annual meeting of Dairyland Power Cooperative, That the enactment into law of S. 2990 is essential if REA is to be administered on a nonpartisan basis in accordance with the intent and spirit of the Rural Electrification Act of 1936 and if the Administrator is to act with the independence and responsibility which should be solely his.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

S. 3817. A bill to provide a program for the development of the mineral resources of the United States, its Territories and possessions by encouraging exploration for minerals and for other purposes (Rept. No. 1686).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H. R. 12521. An act to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives; and

S. Res. 310. Resolution authorizing the printing of additional copies of the hearing on saline water conversion.

By Mr. CHAVEZ, from the Committee on Public Works, without amendment:

S. 1985. A bill to authorize the preparation of plans and specifications for the construction of a building for a National Air Museum for the Smithsonian Institution, and all other work incidental thereto (Rept. No. 1687);

S. 2158. A bill relating to the procedure for altering certain bridges over navigable waters (Rept. No. 1688);

S. 2214. A bill to revise the authorization with respect to the charging of tolls on the bridge across the Mississippi River near Jefferson Barracks, Mo. (Rept. No. 1689);

S. 2964. A bill granting the consent and approval of Congress to a compact between the State of Connecticut and the State of Massachusetts relating to flood control (Rept. No. 1690);

S. 3392. A bill establishing the time for commencement and completion of the reconstruction, enlargement, and extension of the bridge across the Mississippi River at or near Rock Island, Ill. (Rept. No. 1691);

S. 3524. A bill to change the name of the Markland locks and dam to McAlpine locks and dam (Rept. No. 1692);

H. R. 2548. An act to authorize payment for losses sustained by owners of wells in the vicinity of the construction area of the New Cumberland Dam project by reason of the lowering of the level of water in such wells as a result of the construction of New Cumberland Dam project (Rept. No. 1694);

H. R. 4260. An act to authorize the Chief of Engineers to publish information pamphlets, maps, brochures, and other material (Rept. No. 1695);

H. R. 4683. An act to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the Lake Greeson Reservoir, Narrows Dam (Rept. No. 1696);

H. R. 5033. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark. (Rept. No. 1697);

H. R. 12052. An act to designate the dam and reservoir to be constructed at Stewarts Ferry, Tenn., as the J. Percy Priest Dam and Reservoir (Rept. No. 1698); and

H. J. Res. 382. Joint resolution granting the consent and approval of Congress to an amendment of the agreement between the

States of Vermont and New York relating to the creation of the Lake Champlain Bridge Commission (Rept. No. 1698).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 3053. A bill for the relief of Nettie L. Richard, Florence L. Morris, Tessie L. Marx, and Helen L. Levi (Rept. No. 1699); and

S. 3335. A bill to provide for a National Capital Center of the Performing Arts which will be constructed, with funds raised by voluntary contributions, on part of the land in the District of Columbia made available for the Smithsonian Gallery of Art (Rept. No. 1700).

DOROTHY (L.) TRAVIS JONES

Mr. CURTIS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 313) to pay a gratuity to Dorothy (L.) Travis Jones, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Dorothy (L.) Travis Jones, wife of Lloyd W. Jones, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Rear Adm. Edward H. Thiele to be Engineer in Chief of the United States Coast Guard, with the rank of rear admiral; and

Albert L. Wilding, to be a commissioned instructor with the grade of lieutenant (junior grade), United States Coast Guard.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HRUSKA:

S. 3978. A bill to provide for the revestment of certain lands or interests therein acquired for the Harlan County Reservoir, Nebr., by the reconveyance of such lands or interests therein to the former owners thereof; to the Committee on Public Works.

(See the remarks of Mr. HRUSKA when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER:

S. 3979. A bill to promote ethical standards of conduct among Members of Congress and officers and employees of the United States, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY:

S. 3980. A bill to establish a Housing Conservation and Rehabilitation Finance Agency to provide loan funds for the conservation and rehabilitation of existing housing and for other purposes; to the Committee on Banking and Currency.

S. 3981. A bill to amend the Revised Organic Act of the Virgin Islands; to the Committee on Interior and Insular Affairs.

By Mr. POTTER:

S. 3982. A bill for the relief of Androula Neofitos Stephanon (Androula Kyriacou Stephannou);

S. 3983. A bill for the relief of Chung Wai Wong; and

S. 3984. A bill for the relief of Wolfgang Stresemann; to the Committee on the Judiciary.

By Mr. HAYDEN:

S. 3985. A bill to authorize the establishment of the Hubbell Trading Post National Historic Site, in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STENNIS (for himself and Mr. EASTLAND):

S. 3986. A bill to authorize the Secretary of the Interior to enter into an agreement for relocating portions of the Natchez Trace Parkway, Miss., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HILL (for himself, Mr. STENNIS, Mr. EASTLAND, and Mr. SPARKMAN):

S. 3987. A bill granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact; to the Committee on the Judiciary.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 3988. A bill to amend the District of Columbia Teachers' Salary Act of 1955; to the Committee on the District of Columbia.

RESOLUTION

Mr. CURTIS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 313) to pay a gratuity to Dorothy (L.) Travis Jones, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. CURTIS, which appears under the heading "Reports of Committees".)

RECONVEYANCE OF CERTAIN LANDS IN NEBRASKA TO FORMER OWNERS THEREOF

Mr. HRUSKA. Mr. President, I introduce, for appropriate reference, a bill pertaining to the Harlan County Reservoir, Nebr.

The purpose of the bill is to authorize and direct the Secretary of the Army to determine what lands or interest in lands the Harlan County Reservoir, Nebr., are not required for project purposes, and to reconvey to the former owners, as defined therein, such lands or interest in lands heretofore acquired, at a price equal to that originally paid by the United States, with adjustments. Adjustments would include those for the flowage easements to which the conveyances would be subject.

It is my information, Mr. President, that some of the lands in question are now being farmed by former owners and other tenants, under lease from the Government. This fact would serve to indicate that, except for flowage rights, there is no present and immediate need for this land by the project itself. It would seem to indicate that conveyance of the land could be made subject to flowage easements without impairing in any way the operation or maintenance of the reservoir in question.

Therefore, reconveyance to the former owners would have the very beneficial effect of placing the land back on the local tax rolls, and would also restore the ownership to those from whom the land was originally taken, or if any such former owner is deceased, then to his spouse, if living, or if such spouse is also deceased, then to his children.

Among the former owners from whom such lands were acquired by the Government are: William and Glen Schoneberg; George Fishback, deceased; Frank L. and Alvina A. Pape; Harry W. Cramer; Harry W. and Carl H. Cramer; George W. and Cleta Mae Davis; E. Guy and Elsie Pearl Newton; Merle W. Callaway; heirs of the O. T. Brown estate; Thomas B. Ralston, Jr., and Elizabeth B. Sherwood; James A. McGeachin; and J. N. Ralston.

It is my hope, Mr. President, that early and favorable consideration will be given this bill by the committee to which it is assigned, and by the Senate.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3978) to provide for the revestment of certain lands or interests therein acquired for the Harlan County Reservoir, Nebr., by the reconveyance of such lands or interests therein to the former owners thereof, introduced by Mr. HRUSKA, was received, read twice by its title, and referred to the Committee on Public Works.

FEDERAL ETHICAL STANDARDS ACT OF 1958, TO PROVIDE SAME CONFLICT-OF-INTEREST CODE FOR MEMBERS OF CONGRESS AS EXECUTIVE APPOINTEES

Mr. NEUBERGER. Mr. President, I long have thought that Members of Congress should be subject to conflict-of-interest laws just as are officials of the executive branch of Government. Today I am introducing proposed legislation designed to establish that principle.

The title of my bill is the "Federal Ethical Standards Act of 1958." It seeks to resolve a dilemma which long has disturbed thoughtful students of government in the United States. These men and women have wondered how Congress can demand of the officers of executive agencies higher standards of ethics and disinterestedness than Congress is willing to set for itself.

My bill would end that dilemma. With its enactment, Congress and the executive would be under substantially the same code with respect to corporate holdings and equities, private business transactions and related matters.

Let me cite only one example. Under existing law, no official or employee of the executive agencies can leave his public post and press any pending private matter before his old bureau or department until 2 years have elapsed. However, no such restraint applies to Members of Congress who quit the House or Senate. They can act as lobbyists or representatives for private interests immediately, even in questions or issues pending before committees on which they recently served. My bill would correct this paradoxical situation.

In other words, Mr. President, many of us have been concerned for quite a while over the broad general question of

who polices the policeman. Committees of Congress require Cabinet appointees of the President of the United States to divest themselves of stock holdings in corporations that have business dealings with the Federal departments which these appointees will administer. Yet, Members of the Senate and House can own shares or partnerships of businesses that are directly affected by legislation which these Senators or Representatives are drafting and voting upon.

This does not, of course, necessarily prejudice or corrupt their judgment on the merits of the issue before them, any more than the judgment of executive officials is necessarily prejudiced or corrupted in comparable situations. It should be clearly understood that the overwhelming majority of both elective and appointive officials are persons of exceptionally high standards of honesty and integrity who make the policy choices and decisions that come before them on the basis of their best judgment of the public interest.

The unfortunate truth, however, is that this fact is not clearly and universally understood to be the case. And the inconsistency between the rules which Congress, with a great show of righteousness, applies to executive officials and its failure to apply identical rules and standards to its own Members undoubtedly has reflected adversely on the reputation of Congress in the public mind.

Members of Congress are, I repeat, as honest, ethical, and as self-sacrificing as any other class of persons in our society, and yet it has often been remarked that comparatively Congress is the object of much skepticism and cynicism. Why have we thus presented an inaccurate and unflattering image in public opinion?

One reason, I believe, is that Congress never has submitted itself to the objective standards of disinterestedness, of full disclosure, and of other procedures which Congress righteously demands of executive officials and everyone else.

LAWS MAY BE DEFICIENT

I wish to emphasize, Mr. President, that in introducing this bill I am definitely not passing upon the wisdom, adequacy, or desirability of the existing conflict-of-interest statutes which Congress has seen fit to enact for observance by officials of executive departments and agencies. In my opinion, some of these provisions might well be reviewed and analyzed with a critical eye. However, I do not wish to engage in such a review in connection with my present bill in order to avoid complicating the simple question of extension of conflict-of-interest coverage to Congress. What I am saying today is this—as long as these standards are applied to the executive arm of Government, then they should apply equally to the legislative arm of Government. That is the purport of the bill.

I also desire to stress once more that introduction of this proposed legislation implies absolutely no criticism on my part of any Member of the Senate or the House. For instance, Mr. President, a few Senators and Representatives have been singled out from time to time for public comment because they are more affluent or financially successful than the rest of us. Their private wealth has been discussed in the press, and their holdings in industries influenced by legislation or regulation have been searchingly analyzed. Yet I think the record shows that this misses the point and may often be unfair to them. Actually, there are very few of us here in Congress who can be said to be wholly isolated from any and all situations that lend themselves to a charge of conflict of interest somewhere along the line.

To begin with, political campaign contributions from the owners and managers of business corporations and from trade-union, political-education funds involve, in and of themselves, a built-in role for money in politics which pertains to and colors all our elections. After all, nearly all these business and labor organizations are heavily involved in legislative matters every day that Congress is in session.

Secondly, Members of Congress are necessarily men and women who have private lives and careers in the communities from which they come prior to their entry into full-time, professional, public life. Like everyone else, they must either make a living at some form of business or professional pursuit or they must own sources of productive wealth. They may be farmers, property owners, or businessmen. In any case, they normally have some economic stake and interest in their communities when they become candidates for Congress, and it is not expected of them that they should wholly sever these interests in the economy which, after all, involves the ultimate interests and wealth of all of us. Nevertheless, we must recognize that the maintenance of such an economic stake in specific types of property on the part of Members of Congress may give rise to exactly the same questions about ethics and disinterestedness as Congress so often raises with respect to men who are drawn from the economic life of the community into executive positions.

To mention another point, many Senators and Representatives receive handsome speaker's fees from groups and organizations with many legislative interests. This has become necessary to the pocketbooks of many Members without substantial private means, in view of the heavy expenses of maintaining two separate residences—as almost all of us must do—and of meeting the needs of our offices beyond those now provided for by appropriations. My bill would seek to have information about such speaking and writing fees and other sources of outside income made public each year, so as to forestall public feeling that there is no check on possible abuses in this practice.

PERSONAL EXPERIENCE REFLECTED IN BILL

Mr. President, a situation involving a possible appearance of a conflict of interest can intrude itself into the affairs of a Senator or Representative at virtually any time, especially in times as complex as the present. Let me cite only one example. I am familiar with it because it pertains to me personally.

In the fall of 1957, during my brief vacation, I wrote an article about a famous and stirring episode in the history of the Oregon country—the founding of Astoria at the mouth of the Columbia River by the company of John Jacob Astor's ill-fated ship, *Tonquin*. I wrote the article because of the forthcoming Oregon centennial celebration. As my colleagues know, I am a professional author and writer in private life. I wrote the article myself, without assistance or collaboration. I did so both because of my deep and abiding interest in the dramatic origins and history of my State, and also in an effort to make some money to help pay the rather large stationery bills, lunch bills, radio-tape bills, travel expenses, and other obligations which seem to go with being a Senator.

I sold the article to a periodical which I regard as one of the finest ever published in America. This is American Heritage, a great magazine dedicated to the vivid presentation of American history. I was paid a fee of $500 for the article.

Then, rather early in the present session of Congress, the editors and publishers of American Heritage came before the Senate Committee on Post Office and Civil Service with a legislative request. Because American Heritage has a hard cover, it has been unable to qualify under law for second-class mailing privileges. This, of course, substantially increased its mailing costs. As a member of the Senate Committee on Post Office and Civil Service, I thought it outrageous that a distinguished periodical like American Heritage could not qualify for a second class mailing permit because of a very old reference to the matter of bindings in the law when such permits could go without question to many magazines that are little better than trash.

Within the Postal Rate Subcommittee, I became an active champion of an amendment to the rate act which would permit magazines with stiff covers—like American Heritage—to come within the scope of second class mailing permits. I am happy to report that this effort was successful. Such an amendment was a part of the postage pay-rate bill which President Eisenhower signed on May 27, 1958.

Yet, Mr. President, note the situation which confronted me. I had written an article for American Heritage and been paid $500 for the manuscript. As a Member of the Senate, I had sponsored a proposal admitting American Heritage to second-class mailing privileges. Between the two situations there was no more connection than there is between this Senate Chamber and the Polo Grounds in New York City. But somebody with ugly intentions and evil thoughts could still try to make something of it, even though the chronology alone would disprove any such charges.

Accordingly, I chose what seemed to me a reasonable solution to the problem. I have presented the $500 check to a fine educational institution in my State, Portland State College, to be used as a scholarship for a student or students specializing in the study of Oregon his-

tory. Mrs. Neuberger and I will present the scholarship formally next year, on the occasion of our State's 100th anniversary commemoration. The check itself has already been turned over to the president of Portland State College, Dr. John F. Cramer.

I have gone into detail about the episode, Mr. President, because I believe it illustrates how no Senator or Representative ever can consider himself or herself wholly free of situations which could seem to involve conflict of interest, actual or imaginary.

ROSCOE DRUMMOND COMMENTS ON FEDERAL APPOINTEES

I am aware of the fact, Mr. President, that a good many able leaders from business and industry, and also from law firms representing business clients, have been discouraged from entering Government service—or from staying in such service—because of the harassment they sometimes confront here, and because of the financial sacrifices involved in severing all connections with the private economy. This has been shown by a recent survey conducted at the Harvard Business School Club of Washington, D. C. The survey was capably analyzed by a column issuing from the pen of the distinguished columnist, Roscoe Drummond, and I ask unanimous consent that this significant article from the Oregon Journal, of Portland, for June 1, 1958, be reprinted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT FAILS TO RETAIN BEST BUSINESS HEADS

(By Roscoe Drummond)

WASHINGTON.—When General Eisenhower was campaigning for the Presidency in 1952, one of the most appealing and persistent promises he made to the American people was this:

"I am going to get the best brains in the country, the best executive talent, the widest experience and put them to work for the Nation."

He has been unable to do it.

With all the President's prestige and persuasiveness and personal charm, he has been unable to get the best brains, the best executive talent, the widest experience to work for the Government.

More often than not the most qualified, the most promising people refused to take a Government job and when they did they left it so soon that they hardly gave value received.

The situation is getting worse, not better. It has been getting steadily worse since the end of World War II.

The Harvard Business School Club of Washington, D. C., has just completed, under the direction of Dr. Wilford L. White, of the Small Business Administration, an invaluable study of "Businessmen in Government," their experiences, reactions, difficulties, and, most of all, the colossal disinterest of the business community in having them serve.

How hard is it to get the right business executives with the right skills in the places in Government where they are most needed?

The answer of the Harvard survey is that "there exists a frightening lack of interest in the business community for participation in the Government service" and that companies and most businessmen look upon serving the Government more as a "career detour" than as an opportunity for "broadened experience."

How hard is it for the Government to retain good business executives once it gets them? The answer reveals the most discomforting fact of all: More and more qualified businessmen are serving constantly shorter periods. The Harvard survey discloses this picture:

Period when service began:	Percentage serving year or less
1941–45 (World War II)	16
1946–49	37
1950–52 (Korean conflict)	67
1953–56	70

I am not suggesting that business is the only reservoir of executive talent for Government service. But it is an important reservoir and when you find a frightening lack of interest among businessmen to serve in the Government and when you find a steady decline in the length of time they are willing to serve, no wonder the President has to reach down into the bottom of the barrel for many of his appointments. Even the Korean war did not arrest the mounting desire to cut short the period of service in Washington.

It is fair to say, I think, that it takes fully a year to master the intricacies of top Government jobs. So what do you have when 70 percent of the businessmen in Government refuse to serve more than a year? What you have is 70 percent of the businessmen in Government learning their jobs and quitting as soon as they learn.

The central conclusion of the Harvard survey is that the United States never will be able to stand up in the race with the Soviet Union if it can't get better men in Government for longer periods.

"The new competition with Soviet Russia," the report states, "is more likely to be won in the sprawling bureaucracy of Washington than on some remote battlefield. If the military services can command a certain allegiance in their recruitment, how much more should the civil departments of the Federal Government do the same."

It will require a change in our whole attitude toward Government to bring this about.

Mr. NEUBERGER. Now, Mr. President, it is my firm opinion that the doctor ought to have to swallow some of his own medicine. In other words, I mean that Congress should come under the same conflict-of-interest scrutiny which it applies to officials and employees of the executive branch of the Government.

As drafted by the Senate Legislative Counsel, my bill proposes to accomplish this simply by extending to Members of Congress the major provisions which Congress—rightly or wrongly—has found to be appropriate so as to guard the purity of motives and disinterestedness of judgment of executive officials.

For example, as I have already mentioned, there is the limitation on the representation of claims against the Government while a person is occupying a Federal office, or for 2 years thereafter.

The bill would extend to Members of Congress the existing prohibition against carrying on any trade or business in the funds or debts or public property of the United States or any State.

The bill would also extend to Members of Congress the existing prohibition against receiving any compensation for governmental services from any nongovernmental source.

ADEQUATE FUNDS AND DISCLOSURE OF OUTSIDE INCOME PROVIDED

In addition, Mr. President, my bill would add two new provisions to the overall scheme of our present conflicts-of-interest legislation. The first of these would be a provision for disclosure of outside sources of income and financial interests. This would apply equally to Members of Congress and to appointed officials holding offices requiring confirmation by the Senate. Under the bill, such elected and appointed officials would file annually with the Comptroller General a report stating the amount and sources of each item of income or gifts—including speaking and writing fees—and expenditures that exceed $100, and a statement of his assets and liabilities and dealings in securities or commodities during the preceding calendar year.

Finally, Mr. President, my bill would seek to meet one of the main reasons why such things as speaking and writing fees or other sources of outside income are needed by Members of Congress without private wealth. Therefore, it contains a section which would pull together in one place the provisions for appropriating the sums to meet the various types of administrative and office expenses which all of us in the Congress must bear in meeting the heavy demands that are made upon our offices by constantly growing populations in our States. In this bill, I have not actually specified the precise amounts which are to be appropriated. I would leave this determination to the Committee on Rules and Administration to be fixed after a thorough study of the situation. This section of my bill is limited to the Senate, because, of course, it is up to the other House itself to make whatever arrangements it may deem proper and necessary to meet the same problem.

Primarily, however, Mr. President, I want to stress that there is no reason why the Senate should not enact, from time to time, in a single, coordinated, and public manner, all of the expenditures which are reasonably necessary to operate our Senate offices in accordance with modern needs, so that there will be no necessity for Members to supplement these appropriations with substantial additional personal outlays. While these appropriations may then appear somewhat larger than many people may today believe them to be, I have no doubt that the public will be satisfied to have the reassurance that the extensive demands which they themselves make upon their elected officials are met from governmental sources, and not from private funds—whether they be that official's own private wealth or such forms of outside income as speaking and writing fees or other.

Mr. President, in conclusion I ask unanimous consent that there may be printed in the RECORD the text of my bill, followed by a sectional analysis prepared by the Office of the Legislative Counsel, and by an article which I wrote for the New York Times Sunday Magazine of February 23, 1958, entitled "Who Polices the Policeman (Congress)?" in which I expressed at greater length some of the policy considerations which lie at the basis of my proposals.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill, sectional

analysis, and article will be printed in the RECORD.

The bill (S. 3979) to promote ethical standards of conduct among Members of Congress and officers and employees of the United States, and for other purposes, introduced by Mr. NEUBERGER, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Ethical Standards Act of 1958."

CONFLICT OF INTEREST AMENDMENTS

SEC. 2. (a) Section 190 of the Revised Statutes (5 U. S. C. 99) is amended to read as follows:

"SEC. 190. It shall be unlawful for any individual who has served in the position of Member of or Delegate to the Congress, or of Resident Commissioner in the Congress, or as an officer or employee in the executive branch of the Government, to act as counsel, attorney, or agent for the prosecution of any claim against the United States which was pending in any department or agency of the United States while he occupied such position or served as such officer or employee, or to aid in any manner or by any means in the prosecution of any such claim within 2 years after he shall have ceased to serve in such position, office or employment."

(b) The first paragraph of section 283 of title 18 of the United States Code is amended to read as follows:

"Whoever, being a Member of or Delegate to the Congress, a Resident Commissioner in the Congress, an officer or employee of the United States or any department or agency thereof, or an officer or employee of the Senate or the House of Representatives, acts as an agent or attorney for the prosecution of any claim against the United States, or aids or assists in the prosecution or support of any such claim otherwise than in the proper discharge of his official duties, or receives any gratuity, or any share of or interest in any such claim, shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."

(c) The text of section 284 of title 18 of the United States Code is amended to read as follows:

"Whoever, having served as a Member of or Delegate to the Congress, a Resident Commissioner in the Congress, or as an officer or employee of the United States or any department or agency thereof (including any commissioned officer assigned to duty in any such department or agency), within 2 years after the time at which such service has ceased, prosecutes, or acts as counsel, attorney, or agent for the prosecution of, any claim against the United States involving any subject matter with which such person was directly concerned in connection with his performance of such service, shall be fined not more than $10,000, or imprisoned not more than 1 year, or both."

(d) Section 434 of title 18 of the United States Code is amended by adding at the end thereof the following new stentence: "For the purposes of this section, the possession of legal title to, or a beneficial interest in, 20 percent or fewer of the outstanding shares of the capital stock of any corporation, or entitlement to receive not more than 20 percent of the profits distributed by any other business entity for any period, shall not in itself be deemed to constitute a direct or indirect interest in the pecuniary profits or contracts of such corporation or other business entity."

(e) The text of section 1901 of title 18 of the United States Code is amended to read as follows:

"Whoever, being a Member of or Delegate to the Congress, a Resident Commissioner in the Congress, or an officer of the United States or any department or agency thereof concerned in the collection or the disbursement of the revenues thereof, carries on any trade or business in the funds or debts of the United States, or of any State, or in the public property of either, shall be fined not more than $3,000, or imprisoned for not more than 1 year, or both; and shall be removed from office, and be incapable of holding any office under the United States."

(f) The text of section 1914 of title 18 of the United States Code is amended to read as follows:

"Whoever, being a Member of or Delegate to the Congress, a Resident Commissioner in the Congress, or an officer or employee of the United States or any department or agency thereof, receives any salary in connection with his services as such Member, Delegate, Commissioner, officer, or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality; or

"Whoever, whether a person, association, or corporation, makes any contribution to, or in any way supplements the salary of, any such Member, Delegate, Commissioner, officer, or employee for the services performed by him in the execution of his office or employment as such—

"Shall be fined not more than $1,000 or imprisoned not more than 6 months, or both."

DISCLOSURE OF INCOME AND FINANCIAL INTERESTS

SEC. 3. (a) Each Member of the Senate and House of Representatives (including each Delegate and Resident Commissioner), and each civilian officer of the United States or any department or agency thereof holding any office to which he was appointed by and with the advice and consent of the Senate, shall file annually with the Comptroller General a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift (other than gifts received from members of his immediate family) received by him during the preceding calendar year which exceeds $100 in amount or value; including any fee or other honorarium received by any individual for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, travel, and other facilities received by any individual in kind;

(2) the value of each asset held by him, or by him and his spouse jointly, and the amount of each liability owed by him, or by him and his spouse jointly, as of the close of the preceding calendar year; and

(3) all dealings in securities or commodities by him, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year.

(b) Except as hereinafter provided, reports required by this section shall be filed not later than March 31 of each year. In the case of any person whose service as a Member of the Senate or House of Representatives, or as Delegate or Resident Commissioner, or as an officer or employee of the United States, terminated prior to such date in any year, such report shall be filed on the last day of such person's service, or on such later date, not more than 3 months after the termination of such service, as the Comptroller General may prescribe.

(c) Reports required by this section shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, and dealings in securities or commodities, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, or dealings in securities and commodities of any individual.

(d) Each report required by this section shall be made under penalty for perjury. Any person who willfully fails to file a report required by this section, or who knowingly and willfully files a false report under this section, shall be fined $2,000, or imprisoned for not more than 5 years, or both.

(e) All reports filed under this section shall be maintained by the Comptroller General as public records which, under such reasonable regulations as he shall prescribe, shall be available for inspection by members of the public.

(f) For the purposes of any report required by this section, an individual shall be considered to have been a Member of the Senate or House of Representatives, a Delegate or Resident Commissioner, or an officer or employee of the United States or any department or agency thereof, during any calendar year if he served in any such position for more than 6 months during such calendar year.

(g) As used in this section—

(1) The term "income" means gross income as defined in section 22 (a) of the Internal Revenue Code.

(2) The term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U. S. C., sec. 77b).

(3) The term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U. S. C., sec. 2).

(4) The term "dealings in securities or commodities" means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

(5) The term "member of his immediate family," when used in relation to any individual, includes the spouse, parent, stepparent, parent by adoption, child, stepchild, or adoptive child of such individual.

OFFICIAL EXPENSES OF MEMBERS OF CONGRESS

SEC. 4. (a) The aggregate amount of the basic compensation authorized to be paid annually for administrative and clerical assistance and messenger service in the office of each Senator shall be a sum determined in accordance with the following table on the basis of the population of the State of such Senator:

States having a population of:	*Amount*
Less than 3,000,000	$------
3,000,000 but less than 4,000,000	------
4,000,000 but less than 5,000,000	------
5,000,000 but less than 7,000,000	------
7,000,000 but less than 9,000,000	------
9,000,000 but less than 11,000,000	------
11,000,000 but less than 13,000,000	------
13,000,000 or more	------

(b) Each Member of Congress shall be reimbursed for all necessary and reasonable expenses incurred by him in traveling between his home and the District of Columbia on official business, except that no such traveling expenses shall be allowed under this act for more than ——— trips made in any year by any such Member from the District of Columbia to his home, or for more than ——— trips made in any year by any such Member from his home to the District of Columbia. Each Member of Congress shall transmit his voucher with respect to any amounts to which he is entitled under this subsection, in the case of a Senator, to the President of the Senate under rules and regulations prescribed by the Committee on Rules and Administration of the Senate, and, in the case of any other Member of Congress, to the Speaker of the House of Representatives under rules and regulations prescribed by the Committee on House Administration

of the House of Representatives, and such amounts shall be certified for payment by the Speaker or President of the Senate, as the case may be, along with the certificate for the monthly compensation of such Member. Any amounts so certified shall be conclusive upon all the departments and officers of the Government.

(c) Subject to such limitations as may be prescribed by the Committee on Rules and Administration of the Senate, there shall be paid from the contingent fund of the Senate—

(1) toll charges on official long-distance telephone calls made by or on behalf of Senators or the President of the Senate;

(2) charges on official telegrams sent by or on behalf of Senators or the President of the Senate; and

(3) airmail and special-delivery postage on official mail matter sent out by or on behalf of Senators or the President of the Senate.

(d) As used in this section—

(1) "Member of Congress" means any Member of the Senate or House of Representatives, any Delegate from a Territory, and the Resident Commissioner from Puerto Rico.

(2) "Home" means, in the case of a Member of Congress, any place within the State, Congressional District, Territory, or possession which he represents in Congress.

(3) "Session" means any regular or special session of the Congress, but shall not include any period during which the Congress is adjourned for more than 3 days to a day certain, or sine die.

(e) The following provisions of law are hereby repealed:

(1) Section 17 of the act of July 28, 1866 (2 U. S. C. 43);

(2) The proviso contained in the first section of the act of May 7, 1906 (2 U. S. C. 44);

(3) The matter relating to payment of charges on official telegrams and long-distance telephone calls, which appears under the heading "Contingent Expenses of the Senate" in the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U. S. C. 46c, 46d, 46e), as amended;

(4) The fourth paragraph under the heading "Contingent Expenses of the Senate" in the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U. S. C. 46d–1); and

(5) The paragraph relating to airmail and special-delivery postage for Members of the Senate, which appears under the heading "Contingent Expenses of the Senate" in the Legislative Branch Appropriation Act, 1942, as amended and supplemented (56 Stat. 339; 59 Stat. 242; 65 Stat. 391; 68 Stat. 402; 69 Stat. 508; 70 Stat. 359; 2 U. S. C. 42a).

(f) Section 36 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes," approved March 2, 1917 (39 Stat. 963), as amended, is amended by striking out "the sum of $500 as mileage for each session of the House of Representatives and".

(g) This section shall take effect on July 1, 1958.

The sectional analysis and article presented by Mr. NEUBERGER are as follows:

SECTIONAL ANALYSIS

Section 1 provides a short title for the act—the "Federal Ethical Standards Act of 1958."

Section 2: Except as noted hereinafter, this section would amend certain of the "conflict of interest" statutes to make them applicable specifically to Members of Congress, Delegates to the Congress, and Resident Commissioners in Congress.

Subsection (a): Would make applicable to such individuals the provisions of section 190 of the revised statutes, which now makes it unlawful for any officer or employee of any Government department, within 2 years after the termination of his office or employment, to aid in the prosecution of any claim against the United States which was pending in any department while the individual served as such officer or employee.

Subsection (b): Would make applicable to such individuals the provisions of section 283 of title 18 of the United States Code, which prohibits any officer or employee of the United States or any department or agency thereof, while serving as such, from (1) aiding in the prosecution of any claim against the United States "otherwise than in the proper discharge of his official duties," or (2) receiving any gratuity or interest in such claim in exchange for aid in the prosecution thereof.

Subsection (c): Would make applicable to such individuals the provisions of section 284 of title 18 of the United States Code, which prohibits any individual from aiding, within 2 years after the termination of his employment in any agency of the United States, in the prosecution of any claim against the United States involving any subject matter with which such individual was directly concerned in the performance of his duties in such employment.

Subsection (d): Would amend section 434 of title 18 of the United States Code, which prohibits any individual from serving as an officer or agent of the United States for the transaction of business with any business entity if such individual also is an officer, agent, or member of such business entity, or is directly or indirectly interested in the pecuniary profits or contracts of such business entity. The amendment would qualify that section by providing that possession of not more than 20 percent of the outstanding stock of any corporation, or entitlement to receive not more than 20 percent of the profits distributed by any other business entity for any period, shall not of itself be deemed to constitute a direct or indirect interest in the pecuniary profits or contracts of such business entity within the meaning of section 434.

Subsection (e): Would make applicable to Members of Congress, Delegates, and Resident Commissioners the provisions of section 1901 of title 18 of the United States Code, which prohibits officers of the United States concerned in the collection or disbursement of the revenues thereof from carrying on any trade or business in the funds, debts, or public property of the United States or of any State.

Subsection (f): Would make applicable to Members of Congress, Delegates, and Resident Commissioners the provisions of section 1914 of title 18 of the United States Code, which prohibits any Government officer or employee from receiving any salary, in connection with his services as such, from any source other than the United States Government or any State, county, or municipality, and prohibits any other person, association, or corporation from supplementing or contributing to the salary of any Government officer or employee for services rendered by him for the United States.

Section 3: This section would impose upon Members of Congress, Delegates, and Resident Commissioners, and upon civilian officers of the United States appointed after Senate confirmation, the obligation to file annually with the Comptroller General a report disclosing specified information concerning their personal financial status and transactions, and would provide for the administration of its provisions.

Subsection (a): Would require each such individual to include in each such report for each calendar year (1) the amount and source of each item of his income, and each item of reimbursement for expenditures, with specified exceptions, (2) a statement of his assets and liabilities, and those of such individual and his spouse jointly, as of the close of such year, and (3) a statement of his direct or indirect dealings in securities and commodities during such year.

Subsection (b): Would require such reports to be filed not later than March 31 of each year, except as otherwise specifically provided.

Subsection (c): Would authorize the Comptroller General to prescribe the form of such reports and the detail in which the required information is to be stated therein.

Subsection (d): Would require each report so made to be subject to penalty for perjury.

Subsection (e): Would require the Comptroller General to maintain such reports as public records available for public inspection.

Subsection (f): Would make the provisions of the section applicable to any individual who served as a Member of Congress, Delegate, or Resident Commissioner for more than 6 months in any calendar year.

Subsection (g): Would define terms used in the section. The term "income" would mean gross income as defined by the Internal Revenue Code, and would include (but would not be limited to) (1) any fee or other honorarium received for any speech, for attendance at any assembly of individuals, or for the preparation of any material for publication, and (2) the monetary value of any subsistence, travel, or other facilities received in kind.

Section 4: This section would provide means whereby more realistic provision could be made for the payment of expenses incurred by Members of Congress in the performance of their official duties.

Subsection (a): Would prescribe, in accordance with the schedule contained in existing law, the sums authorized to be paid annually for administrative and clerical assistance in the office of each Senator. The sums so to be authorized have not been inserted in the bill as introduced, the determination of appropriate amounts having been left for regular committee and floor procedure. As comparable provisions pertaining to Members of the House properly are a matter for determination by the House, no such provisions are included in the bill as introduced.

Subsection (b): Would provide for the reimbursement of each Member of Congress for necessary and reasonable expenses incurred by him annually on official business in making a number of round trips between the District of Columbia and his home. As in subsection (a), determination of the appropriate number of such trips to be authorized has been left for committee and floor determination. Under present law each Member is entitled to be reimbursed for only one such round trip per year for travel incident to the business of his office (as distinguished from the business of a committee of which he is a member).

Subsection (c): Would by a permanent provision of law authorize the Committee on Rules and Administration of the Senate to determine from time to time the amounts which may be paid from the contingent fund of the Senate for expenses incurred by the President of the Senate and by Members of the Senate for charges incurred by them on official business for long-distance telephone calls, telegrams, and airmail or special-delivery postage. Under present permanent law each Member is limited to 120 long-distance telephone calls to or from the District of Columbia aggregating 600 minutes per month, plus an expenditure of not more than $1,200 per annum on either calls to or from the District of Columbia or originating and terminating outside the District of Columbia. That requirement has been modified by a provision contained in the Legislative Appropriation Act for 1958 which makes an additional sum of $14,500 available during fiscal year 1958, for the payment, under regulations adopted by the Committee on Rules

and Administration, for the payment of telephone and telegraph expenses. Under present law each Senator is reimbursed for air mail and special-delivery postage expenses up to the sum of $400 per annum. For the reason stated with respect to subsection (a), no provision has been included with respect to the expenses of Members of the House.

Subsection (d): Contains definitions of the terms used in this section.

Subsection (e): Provides for the repeal of those provisions of law which would be replaced by the provisions of subsections (a), (b), and (c).

[From the New York Times Magazine of February 23, 1958]

WHO POLICES THE POLICEMAN (CONGRESS)?

(By Hon. RICHARD L. NEUBERGER, of Oregon)

WASHINGTON.—Once again the disturbing question of conflict of interest is racking the city that is our seat of government. This time those involved are predominantly members of powerful quasi-independent regulatory commissions, with particular emphasis on the personnel of the Federal Communications Commission, which allocates licenses for radio and television outlets. Some of these men have been charged by Congressional committees with accepting entertainment, travel expenses, speaking fees and reception equipment from various segments of the industry that they are supposed to supervise. Wives and other members of their families are also said to have shared in this hospitality. Certain of the charges have been challenged, but the basic issue continues as one of the thornier problems confronting representative government like ours.

How can private obligations be squared with one's responsibility to the public?

In these cases conflict of interest has been interpreted to mean that Federal commissioners may not be able to exercise their regulatory powers fairly and judicially when they are indebted for financial or social favors to those whom they must regulate. A television channel, after all, is a highly valuable piece of property. The dispensing of such property should never be influenced by any conflict of interest which stems from the showering of gifts upon the dispensator. Such is one crucial facet of the conflict-of-interest controversy.

Conflict of interest does not always take this form. Frequently it derives from a person's own acquisition, rather than from offerings pressed upon him. During the very recent past, Senate committees investigating the qualifications of various Cabinet appointees of President Eisenhower have suggested that these men sell their stocks in industries negotiating contracts with the Government. Such suggestions have affected the corporate holdings of Presidential selections from the business world like ex-Secretary of the Treasury George M. Humphrey and his successor, Robert B. Anderson, and ex-Secretary of Defense Charles E. Wilson and the man who succeeded him, Neil H. McElroy.

The implication has been that an inevitable conflict of interest occurs when the head of a government department must rule or pass upon contracts with a firm in which he himself retains an equity. It evidently would be taxing human nature too strenuously to expect strict impartiality in such circumstances.

Whenever the conflict-of-interest issue is raised on the floor of the Senate or House, or before a committee of either Chamber, the public stirs uneasily. The taint of corruption or shady dealings is sniffed in the land. Murmurings come from the political opposition, and often in highly inflammatory terms. The slurs over baked hams and deep freezes in the Truman administration still rankle Democrats and have not been forgiven. My Senate colleague from Oregon, WAYNE MORSE, has declared that President Eisenhower himself is guilty of a conflict of interest by accepting gifts of cattle and farm machinery for his Gettysburg estate.

The claim of conflict of interest, whether brought against Republican or Democratic regimes, invariably makes people commence to suspect that government has departed a long way from the ideals of Thomas Jefferson, who said, "When a man assumes a public trust, he should consider himself as public property."

Yet, as a Member of the United States Senate, I have some uneasy feelings of my own over the entire conflict-of-interest question, especially because the voicing of this question in any particular episode almost always begins in the Halls of Congress. Congress has set itself up to scrutinize the ethics and morals of the executive branch of government. But who watches Congress with respect to conflict of interest? Is the sentry unsullied? In other words, who polices the policeman?

Many different statutes pertain to the general matter of conflict of interest. One of these laws stipulates that "no person appointed to the office of Secretary of the Treasury shall directly or indirectly be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State, or of the United States. * * *"

This is all well and good. The Secretary of our Treasury must be above suspicion. No conflict of interest should ever attach to him. Yet the Secretary merely carries out the broad policies of taxation, of maritime customs and arrangements, of tariffs, of banking procedures, which are fixed for him by Congress. Why, then, do not these restraints apply to Members of the Senate and the House? They can own a sea vessel, buy any securities they please, negotiate to run their grazing herds on public lands, and be very much interested indeed in carrying on the business of trade and commerce. Furthermore, they can accept speaking fees. Some of these fees not only run to $1,000 or more, but are offered by organizations and groups directly interested in issues pending before Congress.

What is the theory behind such a double standard of morality? Can it possibly be the settled notion of the American people that an appointee of the President, serving as Secretary of the Treasury, is likely to be motivated by his own financial self-interest but that an elected Senator or Representative will be immune to any of these temptations? Is Congress a law unto itself?

"You can't make a Senator do anything" exclaimed a Senator, KARL E. MUNDT, of South Dakota, during the dispute between the Army and the late Senator Joseph R. McCarthy in 1954. This seems to be the situation which lurks behind Congressional exemption from the code imposed on executive agencies. A Senator, or his counterpart in the House of Representatives, can do no wrong. This may have been what was meant by Dr. George Galloway and his collaborator, Cabell Phillips, when they wrote 5 years ago, in a book about the legislative process: "No one ever investigates Congress."

Yet I fear that it has a corroding effect on Government generally, when a member of the President's Cabinet can be ordered to jettison his corporate portfolio by Senators who themselves may be dabbling in oil, cotton-futures, television, hotel chains, or uranium. If Federal commissioners are to be pilloried for accepting hacienda suites at Palm Springs or airplane tickets to Palm Beach, how can Senators and Representatives continue profitable associations with law firms retained by banks, railroads, labor unions, and utility companies?

I want to emphasize that my thesis implies no criticism of any specific Senators or Members of the House. All are only doing what comes naturally. This is a matter of group behavior and not individual sin. The pattern has become accepted over the years. Most of our law-makers are fundamentally honorable and trustworthy, but custom and habit apparently justify many contradictions. Although celebrated careers as Congressional investigators have been built by looking for fly specks in governmental bureaus, our country's annals record few instances when conflict of interest ever was applied to a Senator or Representative.

In fact, Daniel Webster of Massachusetts has just been selected by a bipartisan Senate committee as 1 of the 5 greatest Senators of our history, to be heralded in a special portrait gallery at the Capitol. The choice of Senator Webster was recently eulogized on the floor of the Senate. But Webster once wrote to Nicholas Biddle, president of the controversial Bank of the United States: "I believe that my retainer has not been renewed or refreshed as usual. If it be wished that my relation to the bank should be continued, it may be well to send me the usual retainers."

This was conflict of interest with a vengeance—even at the point of blunt threats. The Bank of the United States was in need of a Federal charter at the moment. Yet Senator Webster has been chosen in our own time as one of the Senate's immortals. Why, in view of this, should lesser legislators worry about owning sea vessels or acquiring radio and television outlets?

I am encouraged by the fact that I am by no means the only Member of Congress troubled by the double standard surrounding the current crisis over conflict of interest. Senator PAUL H. DOUGLAS, of Illinois has lamented many times that Members of the House and Senate may accept valuable gifts or speaking fees which could be the downfall of a bureaucrat in one of the executive departments. Senators THOMAS C. HENNINGS, JR., of Missouri, and ALBERT GORE, of Tennessee, have sought to provide far closer scrutiny over funds spent for lobbying, influence-peddling and other avenues to Congressional favor. And Representative THOMAS M. PELLY, a Republican sent to the Capital by the populous Seattle district, recently told his colleagues:

"I raise the question as to whether bankers should be on committees that consider matters of benefit to banks. Should members who own farms frame legislation to support the prices of crops they raise themselves? * * * It is pretty obvious that if I owned an oil well, I should not be free to participate in setting the rates for depletion. Members of Congress have raised their eyebrows and also their voices, at times, over situations involving the ethics of members of the executive branch of Government. It seems to me the standard we have set for ourselves is not as high as the standard we have set for others."

As a member of the Senate Committee on Post Office and Civil Service, I have heard Presidential appointees to the Postal Department asked if they had any properties which might benefit from special classes of mailing rates. Of course, a conflict of interest was at stake in their replies. Yet a good many Members of Congress are engaged in daily or weekly newspaper publishing, and no question ever seems to be raised when they vote on the second-class mailing schedules that apply to newspapers.

I am the author of quite a few books, but I can participate without criticism in Senate discussions deciding the fate of the separate mailing rate for book publishers. As a Senator, I am free to file for a radio station wavelength, to bid on national forest time, or to prospect for minerals on Federal land. Yet, as a Presidential appointee

to the agencies handling these matters, I would be forbidden under the conflict-of-interest statute from any such undertakings. Ironically, the Senate and the House form the supreme policymaking arm of our country, which sets the rules for all these responsibilities of government, and many more, besides.

However, it is not even in this realm that I regard Congress as being the most paradoxically immune to the conflict-of-interest standard by which it measures Federal bureaus. I think the greatest degree of irony and contrast is to be found in the freedom of candidates for the Senate and House to collect huge campaign funds.

William S. White, of the New York Times, author of the Senate analysis Citadel, has written that it requires a $200,000 exchequer to win election as a Senator in a State of small population and at least $1 million in a large industrial State. This, it seems to me, narrows to a reductio ad absurdum the spectacle of a Senate committee breaking a poor Presidential appointee on the wheel because he owns some General Motors stock or is married to a woman who manufactures military uniforms.

To begin with, I believe that the native integrity of the average human being is most jeopardized by favors he has accepted from somebody else rather than because of any holdings which have long been his own. Our political system being what it is, most successful senatorial candidates take the oath of office after having received substantial benefactions from the political-action funds of labor organizations or from the owners of distilleries, sawmills, gas corporations, power companies, breweries, airlines, and mines.

If this is not conflict of interest, what is it? Such groups are as involved in legislation as was the Bank of the United States during Webster's era. Can it be that a Federal Communications Commissioner is susceptible to the loan of a color television set, but a Senator or Representative incurs no commensurate obligation because of a $5,000 campaign contribution from a leading stockholder in a broadcasting chain?

What is the solution to all this? Must we continue standards of behavior for the executive and legislative branches of government under which one is expected to observe antiseptic purity while the other may fare forth every 2 years in quest of campaign treasuries of ever-increasing size? It is estimated that all the major political contests of 1956 cost at least $200 million for radio and television time, elaborate headquarters, paid managers and agents, signboards along miles and miles of trunk highways, and prodigious quantities of buttons, badges, balloons, and similar gadgets. This sum is sufficient to create more conflict-of-interest dilemmas than could be unearthed by Scotland Yard, the Royal Mounties, and the Federal Bureau of Investigation combined.

My recommendations for correction are these:

(1) The executive and legislative wings should be governed by conflict-of-interest laws as nearly similar as their differing structures and composition will permit.

(2) Neither administrative appointees nor Members of Congress should be required to divest themselves of their corporate holdings or other possessions. The mere public listing of these equities annually ought to be enough in a democracy to assure that such ownership will not be subject to abuse.

(3) This public listing should include a record of any speaking fees larger than $100, of any travel reimbursement from private sources higher than this amount, or any gifts greater than this value, except from members of one's own family.

(4) President Theodore Roosevelt's recommendation of 1907 should be put into effect, which would liberate political candidates from the necessity of raising large purses from private donors by authorizing the Federal Government to finance each major party with a contribution of 20 cents per voter in Presidential years and of 15 cents in the off-year elections.

(5) Enforcement of these statutes should be removed as far as possible from politics, through a special nonpartisan agency in the office of the Comptroller General, which would supervise all laws dealing with conflict-of-interest or corrupt practices.

(6) The net financial worth of a Federal administrator or Member of Congress should be disclosed at the start of his public career, in much the same manner as Adlai E. Stevenson revealed his holdings in the Presidential campaign of 1952. I am convinced this kind of yearly accounting would do far more to curtail favoritism or pocketlining than any number of artificial limitations, such as forbidding a Secretary to own a "sea vessel" or trying to prevent a Senator from establishing a law-firm connection in his home State.

(7) Adequate provision should be made by the Government for the office expenses and travel needs of Members of Congress, so they will not be under compulsion to compete for questionable speaking fees and otherwise feel an urgency to augment their incomes. I know that many Senators exhaust their $1,800 stationery allowance and $300 fund for postage stamps long before the year is ended. After that, these supplies are paid for by the Member himself. In addition, one round trip annually between the National Capital and a Legislator's home State is rarely sufficient and plane or train fares across the continent to California, Oregon or Nevada are expensive.

These proposals, in and of themselves will not promote honesty in government. The stain of corruption or careless ethics is not thus easily removed. Nor are rules ever a substitute for men and women of character and enduring integrity. But such a code would have the great virtue of placing the executive and legislative branches on the same moral footing. And one of its genuine additional benefits would be to provide for enforcement outside the ordinary political zones of government. The Comptroller General is appointed for 15 years; that fact furnishes insulation from the hazards of each passing election.

Today, for example, we have statutes dealing with the disclosure of campaign contributors, but such laws are honored principally in the breach. My 1954 campaign in Oregon was comparatively underfinanced. My Republican adversary outspent me by at least 75 percent. I had not one billboard. I had a small 2-room office near the top of an unpretentious building, only two poorly paid employees and few printed brochures. My campaign had only limited television time—a few 1-minute spots and a single 15-minute program with my wife, who was a candidate for the legislature, on the night before the election.

Imagine my consternation, therefore, when I discovered that the Senatorial contest in sparsely settled Oregon had reported a much larger expenditure to the Secretary of the Senate than extravagant campaigns in some of the States of greatest population. I decided, then and there, that few United States Attorneys or Attorneys General cared to invoke the rather ambiguous Corrupt Practices Act against United States Senators.

But until we end this double standard, until we make a Senator as scrupulous about conflict of interest as a Cabinet member must be, we shall merely be shadowboxing when we talk about coming to grips with shabbiness in government. Nor will we be dealing fairly with Congress itself unless we promote affirmative and enlightened steps to free the average Senator or Representative from the humiliating necessity, every few years of collecting a well-filled purse to finance his continuance in public office.

GRANTING CONSENT OF CONGRESS TO TENNESSEE - TOMBIGBEE WATERWAY DEVELOPMENT COMPACT

Mr. HILL. Mr. President, on behalf of the junior Senator from Mississippi [Mr. STENNIS], the senior Senator from Mississippi [Mr. EASTLAND], my colleague the junior Senator from Alabama [Mr. SPARKMAN], and myself, I introduce, for appropriate reference, a bill granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3987) granting the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact, introduced by Mr. HILL (for himself, Mr. STENNIS, Mr. EASTLAND, and Mr. SPARKMAN), was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. HILL. Mr. President, the bill, if enacted, would simply give the consent and approval of Congress to the Tennessee-Tombigbee Waterway Development Compact, and it quotes the compact as approved by both the Mississippi and Alabama Legislatures.

The bill also provides authority for any State to become a party to this compact without further submission to Congress and further reserves the right to Congress to alter, amend, or repeal this proposed act.

The purpose of this compact is to promote the development of the navigable waterway connecting the Tennessee and Tombigbee Rivers by way of the East Fork of the Tombigbee River so as to provide a navigable channel.

The compact provides that membership of the Tennessee-Tombigbee Waterway Development Authority shall consist of the governors of each party State and five other citizens of each party State, to be appointed by the governor thereof. This authority shall have power to hold hearings, to conduct studies and surveys of all problems, benefits, and other matters associated with development of this project.

The compact provides that when authorized by each party State's legislature, the party States will make available and pay the authority such funds as are required for operation of the authority.

The compact also states that the provisions of the compact shall continue in force until the legislature or governor of each State takes action to withdraw therefrom, provided that withdrawal shall not become effective until 6 months after date of action taken by the legislature or governor.

There is great merit to the Tennessee-Tombigbee Waterway, which was authorized by Congress in 1946. Within the last several years there has been a marked change in the potential economic benefit which would come from the construction to follow. Both Mississippi and Alabama have made great strides in obtaining new industries which would be served by this proposed waterway, all of which greatly strengthens the justification and the soundness of this waterway. In the last few years,

integrated chemical plants have been built and put into production within the reach of the Tombigbee River between Mobile and Jackson, Ala. Other manufacturers and chemical plants now have under consideration construction of facilities within reach of the Tombigbee. The industrial developments along the Tennessee River are also going forward at a most impressive rate.

The compact would pledge and bind the neighboring States of Alabama and Mississippi to cooperate and work together in making the Tombigbee River a navigable waterway.

The Corps of Engineers now has underway a restudy of the feasibility of this project, which is expected to be completed within the next few weeks.

The construction of this facility would greatly strengthen the economy of Mississippi, Alabama, and neighboring States, as well as the economy of the Nation. The Mississippi Legislature has appropriated $80,000 and the Alabama Legislature $100,000 to get this compact underway.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—AMENDMENTS

Mr. McNAMARA submitted amendments, intended to be proposed by him, to the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. COOPER submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table, and to be printed.

Mr. KNOWLAND. Mr. President, I submit an amendment, intended to be proposed by me, to Senate bill 3974, the labor bill, and ask that it be printed and lie on the table, and that it also be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment was ordered to lie on the table, as follows:

On page 24, between lines 24 and 25, insert the following:

"(f) (1) Every national, international, or local labor organization engaged in an industry affecting commerce shall, upon the filing with such organization of a petition therefor signed by at least 20 percent of the members of such organization, provide for the holding of a referendum within 60 days after receipt of such petition at which each member of such labor organization who would be entitled to vote in an election to which the provisions of subsection (c) are applicable shall be entitled to vote by secret ballot on the question of whether or not he favors any proposal specified in such petition—

"(A) to amend, modify, revise, or repeal any provision of the constitution, bylaws, or other governing rules or regulations of such labor organization; or

"(B) to recall any elected officer or officers of such labor organization named in such petition.

"(2) If a majority of the members voting in any such referendum vote in favor of the proposal specified in such petition, such labor organization shall take such action as will give effect to the proposal adopted in such referendum. Not less than 15 days prior to the referendum there shall be mailed to each member at his last known home address a notice of the time and place of the referendum, unless the referendum is held at the regular time specified in the constitution and bylaws of such organization on file with the Secretary of Labor. The election officials designated in the constitution and bylaws, or the secretary if no other official is designated, shall preserve for 1 year the ballots and all other records pertaining to the referendum. The referendum shall be conducted in accordance with the constitution and bylaws of such organization insofar as they are not inconsistent with the provisions of this act."

On page 25, line 11, insert "or referendum" after "election."

On page 25, line 22, insert "or referendum" after "election."

On page 25, line 23, insert "or referendum" after "election."

On page 26, line 6, insert "or referendum" after "election."

On page 26, line 7, insert "or referendum" after "election."

On page 26, line 8, insert "or referendum" after "election."

On page 26, line 11, strike out "The", and insert in lieu thereof "In the case of an election, the secretary shall promptly certify to the court the names of the persons elected which shall thereupon enter a decree declaring them to be the officers of the labor organization."

On page 26, after line 14, insert the following: "In the case of a referendum conducted under section 301 (f), the secretary shall certify to the court the results of such referendum which shall thereafter enter an appropriate decree giving effect to such results."

On page 26, line 17, insert "or giving effect to a referendum" after "organization."

On page 35, after line 25, insert the following new subsection:

"(k) 'Officer' includes a constitutional officer or a member of any board, council, committee, or other body established by the constitution or charter of a labor organization which is empowered by such constitution or charter to exercise governing or executive functions with respect to such labor organization."

On page 23, line 2, strike out the word "constitutional."

On page 23, line 8, strike out the word "constitutional."

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENT

Mr. SMATHERS (for himself and Mr. BRICKER) submitted an amendment, intended to be proposed by them, jointly, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

NATIONAL CAPITAL CENTER OF THE PERFORMING ARTS—ADDITIONAL COSPONSORS OF BILL

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that when the bill (S. 3335) to provide for a National Capital Center of the Performing Arts which will be constructed, with funds raised by voluntary contributions, on part of the land in the District of Columbia made available for the Smithsonian Gallery of Art is reported from the Committee on Public Works—I understand that it will be reported today—the names of the senior Senator from Wisconsin [Mr. WILEY], and the junior Senator from New Mexico [Mr. ANDERSON], be added as cosponsors of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Statement prepared by him entitled "The Impressive Step Forward in Establishing a National Cultural Center in Our Nation's Capital."

ADDRESS BY ADMIRAL BURKE BEFORE PROPELLER CLUB SEAPOWER LUNCHEON

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SCHOEPPEL. Mr. President, yesterday Adm. Arleigh A. Burke, Chief of Naval Operations, delivered an address at the Propeller Club seapower luncheon. The address is of such importance and is so compelling, especially at this time, that I ask unanimous consent to have the remarks the Admiral made printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ADM. ARLEIGH A. BURKE, UNITED STATES NAVY, CHIEF OF NAVAL OPERATIONS, AT THE PROPELLER CLUB SEAPOWER LUNCHEON, STATLER HOTEL, WASHINGTON, D. C., TUESDAY, JUNE 10, 1958

Mr. President, members of the Propeller Club, and distinguished guests:

I appreciate this opportunity to be with you today to say a few words about seapower, and what it means to our country.

In a few moments we will see and hear the Navy's 1958 seapower presentation as it was delivered to the Congress of the United States.

This presentation carries a message of importance. It describes the real breadth and scope of seapower in all its meaning for the Free World today. It shows that seapower does not mean simply a navy alone.

Seapower is not just men-of-war. It includes freighters, tramp steamers, passenger liners, tankers, and the many other ships which make up the merchant marine.

But seapower is even more than this. It is the sum total of weapons, ships, shipbuilding capacity, and geography which enable a nation to use the sea advantageously during peace and war.

These are the physical things, the tools of seapower. They can be made effective only by a nation whose people are aware of the advantages offered by the sea, and whose government understands the employment of its maritime assets.

For all its scope in terms of diversification of ships, weapons systems, and industrial skills, seapower is not mysterious or complicated.

On the contrary, it is based upon simple physical facts. Water is an excellent and economical means of transportation. There is nothing to compare with water transport in terms of mass capacity and economy.

The sea reaches all islands and continents on earth, where people live and fight, and do business. Ships can carry large quantities of people and goods over the homogeneous surface of the oceans.

There are no bridges to build, no mountains to cross, no tunnels to dig, and a ship can alter its course at will.

These are very substantial advantages which have not been diminished with the advent of air travel or the prospects of space vehicles.

In fact, with the great progress the world has made in communications and transport between land masses, seapower has become progressively more important as free nations have become more interdependent economically and militarily.

As populations have grown, as world resources have developed, maritime commerce has also increased. In the past 10 years world commerce has increased 50 percent.

Ten years ago United States waterborne foreign commerce was 188 million short tons. By 1956 this had risen to 327 million short tons—and it is still going up.

This indicates not only a continuing, but an increasing need for shipping.

Yet, while our waterborne foreign commerce has nearly doubled in 10 years, the percentage of this traffic in ships flying the American flag has gone down rapidly.

In 1947 American-flag ships carried 54 percent of our foreign oceangoing commerce. This percentage has been decreasing steadily since then until it is now just 20 percent.

The implications of this trend are too serious to be ignored. The United States is the greatest trading nation in the world today. We exported last year one-fifth of the world's total export trade of $100 billion.

We are heavily dependent upon the sea, and this demands that we not only control the sea but also that we have the means to use those seas. This means ships under effective American control.

Both in peace and in war, a strong American merchant marine is essential to the strength and well-being of our country.

American merchant marine capabilities are an important part of our national defense planning, which means that our commercial maritime capabilities must have the attention, the same vigorous approach to modernization which we apply to our military forces.

This is why the Department of Defense has emphasized the need for construction of modern passenger ships, and why we have fully endorsed legislation which will authorize their prompt construction.

Modern technology has provided us with new opportunities to strengthen our merchant marine. Just the other day Mrs. Richard M. Nixon waved an electronic wand which gave the signal to lay the keel of the first commercial nuclear ship *Savannah*.

This was an important milestone in the maritime history of our country. The door has now been opened to an entirely new way of seagoing life.

Nuclear power—pioneered in practical application by the United States Navy—is now being extended to the merchant marine as well, with the same historic significance as the introduction of steam, and the passage of sails from the oceangoing ships of the world.

This step represents the vigor with which American maritime interests are keeping pace with modern developments in technology. But we cannot afford to rest in contemplation of this new first in maritime development.

We know that the Soviet Union has taken a keen interest in the sea, and the Russians have moved out to sea with unprecedented energy and determination to learn more about it.

There is so little known about the depths of the sea. The sea areas of the world present mankind with virgin territory for exploration with untold economic significance.

Underwater exploration and scientific knowledge of the sea and its potential resources are only in their infancy.

As you know, the maritime nations of the world only recently concluded a conference at Geneva on the law of the sea. Much was accomplished there, but most significantly that conference demonstrated the importance which nations attach to the Continental Shelf and the waters surrounding them.

There were discussions on fishing rights, mineral rights, transit rights, and rights to the known and unknown resources on the floor of the sea for miles out from the shoreline.

We do not know, of course, what resources may be untapped beneath the surface of the world's oceans. But the 70 percent of the earth's surface which is involved is reason enough to conclude that if we do not undertake to probe the world's maritime resources, somebody will. This could be costly for us in terms of the maritime advantages we now enjoy, and the headstart we have as the world's foremost seapower.

There is a lot of hard work ahead for all of us—for shipbuilders, for shipping lines, for the American Merchant Marine, and for the United States Navy—in keeping our country supreme on the seven seas of the world.

Our partnership in American seapower is essentially an investment in Free World security and progress. In this we all have an equal responsibility for generating more general public awareness of the vital role the seas will continue to play in the life of our Nation for many, many years to come.

REORGANIZATION OF DEFENSE DEPARTMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may proceed for 25 minutes.

The VICE PRESIDENT. Is there objection? Without objection the Senator may proceed.

Mr. MANSFIELD. In a message to Congress on April 3, 1958, President Eisenhower set forth his recommendations for reorganization of the Department of Defense. On April 16, 1958, a bill, H. R. 11958, was introduced which was announced as the administration's proposals to enact the President's proposals into law. The administration's bill was referred to the House Committee on Armed Services. Hearings were promptly held by that committee, at which major officials for the administration testified at length.

At the conclusion of these hearings the House Committee on Armed Services introduced a new bill, H. R. 12541. The committee bill was developed in consultation with administration representatives and with representatives of the White House. Before the bill was introduced, the President announced his congratulations to the committee and stated that "by and large the bill seems to deal positively with every major problem I presented to the Congress." He expressed reservations on two points.

In later strongly worded public statements, the President expressed his displeasure with three points in the committee's bill. Those three points are as follows:

First. Direction, authority, and control exercised through the respective Secretaries of the military departments.

Second. Roles and missions.

Third. Legalized insubordination.

1. DIRECTION, AUTHORITY, AND CONTROL EXERCISED THROUGH THE RESPECTIVE SECRETARIES OF THE MILITARY DEPARTMENTS

Under present law, the National Security Act of 1947, as amended, places the Departments of the Army, Navy, and Air Force, within the Department of Defense and makes them military departments in lieu of their prior status as executive departments. The Secretary of Defense is the head of the Department of Defense and is designated as the principal assistant to the President in all matters relating to the Department of Defense. The Secretary of Defense has, under the National Security Act, direction, authority, and control over the Department of Defense. Present law also prescribes—section 202 (c) (4)—that the Departments of the Army, Navy, and Air Force shall be separately administered by their respective Secretaries under the direction, authority, and control of the Secretary of Defense.

The President has contended vigorously that the provision that the military departments be "separately administered" is a "hindrance to efficient administration" and that it is "inconsistent and confusing." During the hearing on the administration's bill, witnesses were asked to cite instances where the authority of the Secretary of Defense was challenged or hampered in any way by these words. No convicing evidence could be produced. No single instance was cited wherein the authority of the Secretary of Defense was effectively challenged.

Nevertheless, the issue has been raised; and the Committee on Armed Services examined in detail the question of how the Secretary of Defense was to exercise his authority and what position the military departments were to have if they were not to be separately administered by their respective Secretaries.

As a result of this study, the committee bill provides that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised

through the respective Secretaries of such departments.

The committee had the firm assurance of the President and all of the administration witnesses that merger of the military departments was not contemplated. It was, in fact, unthinkable from an administrative point of view. If the military departments are not to be merged, it follows they must be separately organized.

The President stated in his message of April 3, that he did not question the necessity for continuing the military departments, and that there is a clear necessity for the Secretary of Defense to decentralize the administration of the huge defense organization.

In keeping with these feelings, which the Armed Services Committee apparently shared, the committee's bill removes the language found offensive by the President and substitutes language which provides for precisely the type of organization the administration contended was necessary.

However, the administration objected to the words "exercised through the respective Secretaries of such departments." It is contended that such language is ambiguous and can be interpreted in such a way as to make the Secretaries of the military departments administrative bottlenecks to effective, direct control by the Secretary of Defense.

If the military departments are to be separately organized, not merged into one conglomerate unmanageable mass, each department must have a head and that person must be responsible for the affairs of his department. Without such a responsible head who has clearly established boundaries of responsibility the integrity of each department is gone, and with it goes the decentralization which the President says is necessary.

Without the language requiring the Secretary of Defense to exercise his authority, direction, and control through the Secretaries of the military departments, the Secretaries of the military departments would lose their power and authority to administer their departments. The military departments would become one great amorphous mass with every official in the Department of Defense possessing a license to bypass the service Secretaries. Under these conditions, there would be no need for service Secretaries. They could not be held responsible for their respective departments. Either there will be three military Secretaries operating under the direction, authority, and control of the Secretary of Defense and responsible for their military departments, or there should no longer be three military Secretaries responsible for these military departments.

To provide that authority shall be exercised through the Secretaries of the military departments does nothing more than establish a chain of command which is clearly understood by every military man and by every person familiar with the principles of leadership and sound business organization. The chain of command prescribed in the language is the same as that prescribed in military organization manuals as a basic principle of sound organization. The commander exercises his command through his subordinate unit commanders. The validity of this doctrine has been established through centuries of military experience. When the doctrine is not followed there is chaos, confusion, and a disintegration of the organizational structure.

As the House Armed Services Committee observed in its Report No. 1765 of May 22, 1958:

> Elimination of this line of command and responsibility from the Secretary of Defense to the Secretaries of the military departments would mean, for all practical purposes, the commingling of the operations of all departments and services within the Office of the Secretary of Defense which would become a huge overcentralized, and unmanageable administrative conglomeration.

The chain of command prescribed in the committee bill pinpoints responsibility and clarifies beyond argument the civilian line of command within the Department of Defense. It in no way impinges upon the authority of the Secretary of Defense over his department, nor does it hamper in any way his and the President's direct control over unified and specified commands.

The administration would delete the prescription that the Secretary of Defense exercise his direction, authority, and control over the military departments through the respective Secretaries of those departments. Yet, spokesmen for the administration have affirmed and reaffirmed their intentions to preserve the integrity of the departments and their military services. The administration representatives have said merger is not planned nor would it be desirable. They have declared that decentralization is essential and that the Secretaries of the military departments must be responsible for their departments. It is impossible to reconcile such objections to this provision with the repeatedly expressed statements of administration intentions.

II. ROLES AND MISSIONS

The proposal of the President, with regard to certain aspects of the authority sought for the Secretary of Defense, would transfer a constitutional power exclusively legislative in nature to an appointed officer in the executive branch of the Government. The administration bill would permit the Secretary of Defense to transfer, reassign, abolish, or consolidate any function, including combatant functions, by simply notifying the Armed Services Committees 30 days before the change was to take effect.

If Congress were to thwart such a move, it would be necessary to pass a law prohibiting such action by the Secretary of Defense. Since the Secretary's proposal would undoubtedly have Presidential approval prior to its submission, then it could be expected that the President would veto such legislative action. Consequently it would be necessary for Congress to muster the necessary votes to override a veto in order to protect a statute on this subject.

H. R. 12541, the product of the House Armed Services Committee hearings and deliberations, would make some changes in this procedure. Under this bill, if a member of the Joint Chiefs of Staff were to object to the transfer of a function from one service to another, the matter would be brought to the attention of the Congress. If, within 60 session days, Congress were to pass a concurrent resolution in opposition to such a proposed plan, the action could not be taken. Thus, the difference between the two bills is that under the House version a majority of the Congress could thwart the nullification of a law by the Secretary of Defense, while under the President's proposal it would take two-thirds of each body of the Congress to prevent such action.

The President has taken violent exception to the provisions of H. R. 12541 on the basis that the language would vest "astonishing authority in one military man," would be an impediment to progress, subordinate civilian judgment, and repudiate flexibility of combat functions.

These objections of the President are indeed surprising when examined in context with the subject. For example, his first objection is that the House bill would vest too much authority in one military man. It is apparent that he refers to the ability of one member of the Joint Chiefs of Staff to bring the issue of the transfer of a combatant function from one service to another before the Congress. The fact that this is merely a statutory vehicle for presenting to Congress basic issues of military policy, which are properly the concern of Congress, escapes the President as does the more important fact that his bill would in truth vest even more astonishing authority in one man, the Secretary of Defense. This authority in the Secretary of Defense is indeed extraordinary because it is contrary to the explicit provisions of the Constitution and violates the fundamental philosophy upon which our Government is formed. The Constitution gives certain responsibilities with regard to our military forces to the Congress. They include the responsibility of providing for the common defense, of providing and maintaining a Navy and raising and supporting armies. In addition Congress has the exclusive legislative power. To deliver to the Secretary of Defense the responsibility for prescribing the broad and general roles and missions of our armed services would be in violation of each of these constitutional provisions.

The President's contention that it subordinates civilian judgment, authority, and responsibility and is an endorsement of the concept of military superiority over civilian authority is equally difficult to understand. To say that the fact that Congress would have a reasonable opportunity to act in prevention of the repudiation of a law by the Secretary of Defense constitutes in any way a derogation of civilian judgment or authority is almost beyond belief. The fact that the House bill would in some measure prevent the repeal of a law by unilateral executive flat should leave no doubt that civilian authority is strengthened. It is not certain how much mili-

tary thought would be behind such a Pentagon plan but it is reasonably certain that very little military thought would be involved in the legislative action required to review such a proposal under the House bill.

The National Security Act sets forth in broad terms the general functions of each of the services. The President and the Secretary of Defense have the authority, and have frequently exercised it, to assign the details of these combatant functions. There is no evidence that this system has failed to meet the requirements of flexibility. Congress has indicated its willingness by repeated action to change or add to the National Security Act. If developments indicate that changes are required then the Executive, acting under the Constitution, should present such recommendations to the Congress. Now it might be said that this would not provide a system with sufficient speed. There is no reason to draw this conclusion because certainly if the matter were presented in its proper picture the Congress could and would act at least within the 30-day period which the President's bill sets forth. The important difference is that this would be compliance with our constitutional legislative process while the plan of the President would be in direct violation of this procedure.

It has been said that so long as Congress has the purse strings it need not worry about its ability to discharge its constitutional responsibilities with regard to the armed services. An examination of recent history discloses immediately the fallacy of this proposition. There are many instances whereby the will and intent of Congress, expressed by way of appropriations for particular purposes, has been denied by executive action. Congress may appropriate whatever it desires but unless the Executive will expend that money for those purposes the legislative action has little effect.

I invite the attention of Senators to the fact that in 1950 Congress added an additional amount of money to the request of the Defense Department in the appropriation bill to allow for a 70-group Air Force. Under a Democratic administration those extra funds, above the 48-group Air Force, were impounded and not used.

Under the present administration, 3 years ago the Senator from Missouri [Mr. SYMINGTON] offered, and the Congress approved, an amendment to allow the Marines $40 million in addition to the budget allowance so that the Marines could be kept at the statutory floor of 3 combat-size divisions and 3 air wings. Mr. Wilson, the Secretary of Defense, did not use that money, and tried to divert it to other purposes than those intended by the Congress. The result was that, due to the action of the distinguished Senator from Georgia [Mr. RUSSELL], chairman of the Armed Services Committee, those funds were returned to the Treasury.

This year, of the $33,200,000 which is supposed to be spent for facilities and equipment for the National Guard, something on the order of $10 million has been spent, and the other $23,200,000 has been impounded, or at least not used.

Also, in the past week the House allowed an additional sum of money to keep the Army at 900,000 men, rather than the 875,000 men proposed by the administration.

I quote from this week's Newsweek, dated June 16, 1958. This information has been carried in the press. This is a quotation relative to the action concerning the will of the Congress, and what may happen to that intent generally when the Executive takes over control:

> Undaunted by the House action, Secretary of Defense Neil McElroy carried the administration's fight for its original plan to the Senate Appropriations Subcommittee. He told the Senators frankly that the Defense Department doesn't intend to spend the extra $99 million voted to provide the 30,000 extra soldiers. Nor does it, he said, intend to spend $45 million voted for 25,000 additional marines, $82 million to restore a 10 percent cut in the National Guard and Reserve, and more than $683 million for 4 Polaris-missile submarines over 5 already planned.

If Congress is to perform its duties and live up to its constitutional responsibilities, control of the general missions and functions of the several services must be retained.

III. LEGALIZED INSUBORDINATION

The National Security Act of 1947, as amended, now provides in section 202 (c) (6) as follows:

> No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper.

The bill which received the unanimous approval of the House Armed Services Committee (H. R. 12541), retains this provision.

President Eisenhower has declared that this section encourages and sanctions insubordination. He has labeled it "legalized insubordination."

The President's objection to this provision apparently rests upon the feeling that it legalizes an implied threat from any Secretary or service chief who dislikes a decision made by the Secretary of Defense; and that it is in derogation of the President's position as Commander in Chief.

There was no evidence presented to the committee to indicate that this provision of law had caused any difficulty in the past. In fact, there is no evidence that it has ever been used.

The administration's strong opposition to this feature of the committee's bill is very strange in light of the fact that since 1948 a Federal statute has prohibited the restriction of any member of an armed force in communicating with a Member of Congress, unless the communication is unlawful or violates a regulation necessary to the Security of the United States—title 10, United States Code, section 1034.

This provision has been the law of the land through the administrations of two Presidents. President Truman did not deem it necessary to recommend the repeal of either this provision or the one in the National Security Act. Apparently they did not constitute an onerous burden to his administration. Section 202 (c) (6) was in the National Security Act in 1953 when President Eisenhower adopted Reorganization Plan 6 and reorganized the Defense Department. No mention of it was made at that time. Apparently it did not constitute sand in the gearbox during his first term, for it has never been mentioned until now. No complaints have been lodged against this feature of the National Security Act until this time. One would think by now both the restriction in the National Security Act and the broader protection for all members of the Armed Forces in title 10 would have become festering sores to the orderly administration of the Defense Department. If the National Security Act provision is to be repealed why should not title 10, United States Code, section 1034, also be repealed?

Repeal of the provision guaranteeing the right of Secretaries of the military departments and the chiefs of services to come to Congress with their recommendations would present an anomalous situation indeed. The service chiefs, as members of the Armed Forces, would still enjoy the protection afforded by section 1034, title 10, United States Code, while the Secretaries of the military departments would be unprotected, for they are civilians.

It is passing strange that the administration should develop strong feelings about this provision at the same time that the public information and Congressional liaison activities of the military departments are being consolidated and centralized in the Office of the Secretary of Defense. While it may be pure coincidence, it encourages doubt and suspicion as to the aims of the administration.

It is likewise worthy of note that the administration's desire for repeal of this provision in the National Security Act reflects a lack of understanding of the constitutional powers and responsibilities of Congress in the field of military affairs and the Armed Forces. The President is Commander in Chief and has all of the awesome power of command that such a title implies; but the Constitution also places what appear to be larger and more varied responsibilities for military affairs upon the Congress. The officers of the Armed Forces and the Secretaries of the military departments take an oath to support and defend the Constitution. Thus, they are placed in an extremely difficult moral position if they do not have the right to go to Congress after first so informing the Secretary of Defense.

Mr. President, this concludes my statement on the three points in the House committee's bill with which the President expressed strong displeasure. I would also like to call to the attention of the Senate some recommendations which I made earlier this year in a series of speeches on the Defense Department. At that time I summarized the highlights of my remarks on the Defense Department Establishment as follows:

First. The power of Congress to prescribe roles and missions for the Armed

Forces must remain with the Congress and not be transferred to the Executive.

Second. The collective judgment of the Joint Chiefs of Staff is a superior mechanism than would be the creation of a single Chief of Staff or principal military advisory to the President.

Third. The number of Assistant Secretaries, their assistants, commissions and committees in the Pentagon should be reduced drastically and the civilian bureaucracy in the Department of Defense should be overhauled.

Fourth. The Cordiner report or something approximating it should be adopted.

Fifth. The minimum I. Q.'s of all enlistees and inductees should be raised to a more realistic standard.

Sixth. If the Cordiner report, or something similar to it, is adopted, the draft should be abolished.

It is to be noted that of those six recommendations, recommendation No. 4, having to do with the Cordiner report, has been adopted. I should like to urge the Senate to give serious consideration to the remaining proposals for strengthening the Department of Defense and for bringing about a reorganization within it to the end that greater efficiency, better management, and a more realistic recognition of what needs to be done will be the result.

I would think, Mr. President, that it would be advisable for the Senate Armed Services Committee to call before it, in its consideration of the House measure, such recognized experts on the subject as Ferdinand Eberstadt, Hanson Baldwin, former Secretary of Defense Charles E. Wilson, Adm. Robert Carney, Gen. Clifton B. Cates, former Commandant of the Marine Corps, and others who, on the basis of their expert knowledge, should be of great assistance to the committee in arriving at a reasonable, sound and constitutional conclusion.

Mr. President, I ask unanimous consent to include with my remarks two news analyses by Hanson W. Baldwin, of the New York Times, entitled "Pentagon Reorganization" and "Revised Pentagon Bill."

Mr. President, one of the most vital speches relative to the reorganization of the Department of Defense was given on the floor of the House of Representatives on June 5, 1958, by the Honorable PAUL KILDAY, one of the real Congressional authorities on defense matters. I ask unanimous consent that this speech by Mr. KILDAY be inserted at this point in the RECORD, and I would most strongly urge my colleagues to read it with great care.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point various articles published in the New York Times, and the text of a speech on the subject of the reorganization of the Department of Defense, delivered on the floor of the House on June 5 by Representative PAUL J. KILDAY, an outstanding Congressional authority on defense matters.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 21, 1958]

PRESIDENT AND PENTAGON: REORGANIZATION FACES FIGHT IN CONGRESS AS TENDING TO PARTY-LINE CENTRALIZATION

(By Hanson W. Baldwin)

WASHINGTON, April 20.—After 13 substantial revisions or reorganizations in the last 9 years, the Pentagon starts on a stormy road this week toward still another change.

On Tuesday the House Armed Services Committee commences 4 to 6 weeks of hearings on the President's request for some sweeping legislative changes in military organization. The chairman of the committee, Representative CARL VINSON, Democrat, of Georgia, already has expressed in a fighting speech fundamental objections to many of the White House proposals.

Uncle CARL, the 74-year-old dean of the military experts in the House of Representatives, plans a line-by-line survey of the provisions in the requested legislation. Witnesses will testify under oath.

All of the top-ranking civilian and military leaders of the Armed Forces and many of the lesser lights will be called upon to explain, support, justify, or object to the latest administration proposals. For some it may be a painful experience, similar to the Spanish bullfighter's moment of truth, when he stands, sword in hand, before the horns of the charging bull.

PRESIDENT ASSERTS ACCORD

For the President's statement to the American Society of Newspaper Editors last week that "the convictions of senior civil and military leaders in all parts of the Defense Department closely parallel my own" is not supported by even a casual survey of the Pentagon.

There are profound misgivings—chiefly in the Navy, but also among some in the Army and Air Force—about certain aspects of the President's plan. Some of the witnesses, therefore, will be torn between loyalties. As military men they owe support to their Commander in Chief, the President, but they are also responsible to Congress, charged with the constitutional duty of raising and maintaining the Armed Forces.

The House hearings will probably be followed by similar, shorter hearings in the Senate; it is certain, therefore, that weeks or months will elapse before the President's plan comes to a vote.

PLAN AROUSES QUERIES

What the ultimate fate of the President's plan will be it is premature to judge. But the legislation that has been presented to Congress and the President's companion message already have aroused many comments and queries.

In the first place, the President's position—and his status as an expert on military organization—have been weakened by several factors. One question being asked in Washington is this:

Why, if things are as bad in the Pentagon as the President implies, did the White House wait to ask for such sweeping changes as are now proposed?

President Eisenhower has been in the White House for 5 years; why, some are asking, did he wait until he had less than 3 more years to serve before discovering such major faults?

The President, moreover, has reversed himself completely on the issue between 1953 and 1958. In 1953, when the President sent his Pentagon Reorganization Plan No. 6 to Congress, he outlined the desirable channel of responsibility and authority to a unified command as this:

From the President to the Secretary of Defense to an executive agency—the designated "civilian Secretary of a military department."

This chain of command, the President then said, would strengthen civilian control and would make it always possible to deal promptly with emergency or wartime conditions.

PROPOSES A REVERSAL

Today, the President in his message to Congress and his legislative suggestions, proposes elimination of the system he himself established in 1953. He now finds this system cumbersome and unreliable in time of peace and not usable in time of war.

More important, perhaps than this reversal are the omissions and the potential dangers of some of the proposals.

The omissions in the President's message and proposed reorganization are striking. The plan is narrowly limited to the Pentagon, and what is alleged to be wasteful interservice rivalry is held responsible for most of the Nation's military ills.

There is no acknowledgment of the profound influence in military policy and budgetary formulation of the White House, the Bureau of the Budget, the National Security Council, and other agencies of Government.

Military policy is not, and cannot be, made in the Pentagon. Yet there is no recognition in the proposal of the need not only for less civilian bureaucracy in the Pentagon but also for improved civilian-military relationships between the Pentagon and outside agencies and for a speedup outside the Pentagon in policy formulation and decision-making.

TOWARD CENTRALIZATION

The dangers of the proposed legislation are several. It reinforces powerfully the trend toward centralization in the Pentagon. It concentrates still more authority in one civilian—the Secretary of Defense—and one military man—the Chairman of the Joint Chiefs of Staff.

It would seem difficult to achieve much administrative efficiency if all the power now proposed is concentrated at Defense Department level unless the individual service departments are eliminated. And this is an objective the President disavows.

More important is the specter not of a man on horseback but of required military conformity to a military party line. The proposed system would not necessarily lead to this end. But it would certainly tend toward it, all the more since the President is known to have demanded unified opinions from the Joint Chiefs of Staff.

[From the New York Times of June 9, 1958]

RANDOM NOTES IN WASHINGTON: HOUSE MAT IS OUT FOR PRESIDENT

WASHINGTON, June 8.—President Eisenhower goes to the mat with the House Armed Services Committee this week to win critical changes in the Pentagon reorganization bill. When he does, his champions are going to have some embarrassing questions to answer on the House floor.

The first is:

When did the President discover that a clause permitting individual services to bring complaints and recommendations to Congress would create legalized insubordination?

When Neil H. McElroy, the Secretary of Defense, discussed this provision before the committee, he characterized it as a minor right, which had never been used and with which he had no real quarrel.

The second question:

If the President really believes the bill is as offensive as he suggested 10 days ago, why did he not speak out while it was being written?

It is now known that the bill was not written in secret by the committee. In fact, a member of the White House staff participated in the drafting and acted as liaison

man between White House, committee, and Pentagon to set up an agreeable compromise. When it was finished after three drafts, the White House gave the committee the impression that it was reasonably satisfied.

Embattled committee members will try to exploit these inconsistencies in the White House performance record to blunt the President's attack.

[From the New York Times]

PENTAGON REORGANIZATION: PRESIDENT'S ATTACK ON HOUSE VERSION RAISES QUESTION OF POLITICAL MOTIVES

(By Hanson W. Baldwin)

President Eisenhower fired a broadside last week against the House Armed Services Committee's version of the Pentagon Reorganization Act.

The White House, in words as unusual as they were sharp, objected specifically to three provisions of the bill that directly conflict with the administration's reorganization proposals. The President's message raises two issues—the substantive one of the controverial provisions, and the political one of why the White House, after blowing hot and cold on the reorganization program, has now emphasized it so greatly.

In no other single instance in recent years has the President brought so much pressure to bear as he has in the case of his Pentagon reorganization plan. Congressmen, even in Chairman CARL VINSON's House Armed Services Committee, have said the "heat is on," and one observer declared it was as "intense as a blow torch."

HEARINGS CUT SHORT

The committee's hearings, originally planned to continue for a far longer period, were cut short because of White House pressure. The President's legislative assistants have buttonholed individual Representatives and Senators; the President has written letters to business acquaintances and has mustered the support of chambers of commerce and many private organizations.

Last week his comments—obviously prepared by another pen—were brusque and intended to appeal for political support rather than to analyze the substantive issues.

In January at the beginning of this session of Congress, most Washington observers felt that Pentagon reorganization was not a popular or important political issue. But the President has obviously—after considerable initial hesitation—determined to make it so.

Part of the reason for this is clear. There was considerable, though perhaps temporary, impairment of the administration's prestige last fall when the Russians won the first lap of the race into space with the launching of their sputniks.

BLAME-LAYING SEEN

Some administration leaders felt this was a blow that must be repaired. Apparently they thought interservice rivalries rather than basic administration policy errors could be made to bear the responsibility.

And if the President, in the past accused of weak leadership, would lead a fight—in a field of his own specialty—for military reorganization, the issue of the Pentagon blueprint could become an important political issue, and perhaps an administration asset, rather than merely a narrow technical problem.

In any case the strength of the rather astonishing language used in the President's statement last week makes it clear that the appeal is now pitched in terms certain to be judged political by Congress, rather than confined to the more narrow but more accurate frame of technical efficiency.

The message also underlines reports that the President and the Secretary of Defense, Neil H. McElroy, do not clearly see eye to eye. The President even suggested that language employed in the House committee's version of the reorganization bill was "best described as legalized insubordination," and that Congress "hopes for disobedience and interservice rivalries."

ATTACK CALLED UNFAIR

Such generalized, unfair and extreme language may shift the focus of public attention from the Soviet lead in sputniks and long-range missiles to service whipping boys and to a White House battle with an apparently recalcitrant and backward Congress.

But to many Congressmen, such as Chairman VINSON and the House Republican whip, Representative LESLIE C. ARENDS, of Illinois, who sincerely believe in the constitutional prerogatives of Congress in relation to the Armed Forces and who are dedicated to the good of the services and the country such language is scarcely calculated to win friends and influence people.

Despite the political overtones, the substantive issue of the changes in language that the President demanded should be closely examined.

[From the New York Times]

REVISED PENTAGON BILL: PRESIDENT'S OBJECTIONS ARE REBUTTED—ADVERSE EFFECT ON EFFICIENCY DOUBTED

(By Hanson W. Baldwin)

The President's sharp statement last week on the defense reorganization bill underscores once again the fears of many observers who believe that the administration's intent goes far beyond the stated purposes of the bill.

The President objected to three specific clauses of the version of the bill approved by the House Armed Services Committee. His first objection was to a provision that the overriding direction, authority and control of the Secretary of Defense should be exercised through the respective Secretaries of the three military departments. The White House asked deletion of this last phrase, objecting to it as a legalized bottleneck, which would block normal staff processes.

The House committee report specifically pointed out, however, that if the authority of the Secretary of Defense were not exercised through the service Secretaries, the command line will be ambiguous, inefficient, and untenable.

COMMITTEE REPORT QUOTED

"It is difficult," the committee report said, "to fully comprehend the President's objections to the words, 'exercised through the respective Secretaries of such departments.' If it is intended that the military Secretaries are to be responsible for their military organizations, it is necessary that this language remain in the proposed legislation.

"On the other hand, if it is intended that the Assistant Secretaries of Defense on their own initiative shall have the power and authority to issue orders to the military departments, then there is no necessity for military Secretaries (of the individual services). The issue appears to be crystal clear—either there will be three military Secretaries operating under the direction, authority, and control of the Secretary of Defense and responsible for their military departments, or there should no longer be three military Secretaries responsible for these military departments.

"The separate identity of the services and the decentralisation of the military departments would become a myth—inviting, almost demanding, complete merger, or the unacceptable creation of a fourth operating department.

"The Secretaries of the military departments are subordinate and directly responsible to the Secretary of Defense. It is simply sound organizational procedure for the Secretary of Defense to exercise his superior authority, direction, and control through the Secretaries of the military departments. If such a procedure were not followed, the Secretaries of the military departments would be bypassed, isolating them from the activities of their departments, with the result that administrative confusion would be assured."

CLASH IN AUTHORITY

The President's second objection was to the method by which major combatant functions of the services could be transferred or abolished. He described the procedure which, under the terms of the legislation, requires the tacit approval of Congress, as an endorsement of duplication and stand-pattism in defense and of the concept of military superiority over civilian authority.

But the real issue here which was not referred to by the President has nothing to do with these questions. The fundamental issue is the power of Congress to define the roles and missions of the services; the clash is between executive and legislative authority. The House committee report noted that "Congress must exercise its constitutional responsibility in this particular area."

The third Presidential objection to the House legislation was to a provision that would permit any Secretary of a military department or member of the Joint Chiefs of Staff to present his views to Congress. The President described this in extravagant terms as "legalized insubordination." The clause exists in present law but probably has never been invoked. Neither its abolition nor its retention would have any real effect on the administration of the Pentagon, but again the issue is squarely one of Congressional versus Executive power.

Thus, aside from the political implications, the issues in the Pentagon reorganization conflict really have little to do with more effective administration of the services. The possible intent of this administration and the broad permissive powers given future administrations, if the language the President desires is approved, have obviously worried the House Armed Services Committee.

This committee is determined to insist on its constitutional duty of providing "for the common defense."

[From the CONGRESSIONAL RECORD of June 5, 1958]

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

The SPEAKER. Under previous order of the House the gentleman from Texas [Mr. KILDAY] is recognized for 60 minutes.

Mr. KILDAY. Mr. Speaker, I have taken this time for the purpose of discussing the pending bill for the reorganization of the Department of Defense. I am sure you all realize that there has been a good deal said with reference to the President's plan, with great agitation to accept it as submitted by the President.

I want to point out, Mr. Speaker, that this is the first occasion upon which anyone has taken the floor of the House to explain the issues which are involved in the reorganization of the Department of Defense or the provisions of the bill which has been reported, or the subsequent objections which have been made to the bill from the White House.

When this matter first came to the House, I was discussing it with one of the prominent newspaper correspondents here on the Hill, and after we had gone over it for a considerable period of time he asked me if I really thought that a serious constitutional question was involved in this proposal. I assured him that I did believe that it involved a very serious constitutional question. We discussed that question. Thereafter he said to me:

"Well, do you believe that you are going to be able to get the people to listen to you on a constitutional question which, after all,

will probably be rather technical, when you are faced with the all-out proposal by the President?"

I was forced to admit to him that he was probably correct, that it would be very difficult, if not impossible, to attract a great deal of attention, by the public at any rate, to a question involving the construction of our Constitution.

Mr. Speaker, I assure you that it made me feel rather badly to be forced to make that admission, although I am afraid that it is substantially true. I do not believe it will be true in the Congress of the United States when the opportunity has been had to discuss the entire question and those things which are involved.

I realize that in this day and time a great many people want to talk about their rights, their privileges, their powers, and their prerogatives. In connection with this bill, I am going to talk about Congressional responsibilities and obligations and the duties which confront us in connection with this matter. I believe I can point out to you that there is a specific duty upon the Congress of the United States which you and I cannot fail to discharge. It is one that we cannot avoid.

When we come to a discussion of constitutional provisions, in order that we may understand them thoroughly, I think it is necessary for us to review again some of those things which were said in the Declaration of Independence. You will recall that in that Declaration there were a number of reasons set out why the Continental Congress thought that a separation from the mother country was desirable and necessary. And we all probably remember from our high school civics that taxation without representation is tyranny and we have probably gone on thinking, perhaps, that was one of the principal causes of the American Revolution, as set out in the Declaration of Independence. But when we go to the instrument itself we find that taxation was mentioned one time and one time only. And it only said "for imposing taxes on us without our consent." In all there was a total of 27 reasons set out as the causes of the American Revolution—27 in all. And of those 27—note this—11 of the 27 had to do with interference of George III in the legislative process. Eleven of the 27 major causes are stated in the Declaration itself to be those things having to do with legislation within the colonies, interference with legislation, and interference with legislatures.

Of the remainder, five had to do with the military forces of Great Britain. Five of the causes set out in the Declaration of Independence were with reference to the persecution visited upon the people by the military.

So that out of the 27, 11 had to do with legislation, 1 with taxation, and 5 with reference to the military.

When we come to the Constitution we must remember that it was written by a group of men who had been loyal subjects of Great Britain, men who had been loyal Englishmen, who were very well informed indeed on the English constitutional system, men who knew they were setting up a Government in which they intended to establish a new basic concept of government and very specifically to confirm, perhaps, those things which were acceptable and with which they agreed but to change those things with which they did not agree. So we go to the document itself, and we find the very first article, the very first section, to be:

"All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

Then we find further in section 8 of article I:

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States."

And then there is a general provision "To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

The Constitution of the United States is not a prolix instrument. It contains no unnecessary language. It contains no repetition. Every word placed in that document was placed there deliberately. It was placed there for a real, a true purpose, and for a very proper and a very important reason.

Then, after having vested all this legislative power, the power to pass all laws to carry this Constitution into execution, we find the further provision that Congress shall have the power—

"To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years;

"To provide and maintain a navy;

"To make rules for the government and regulation of the land and naval forces."

The Congress had already been given power for all legislation, to make all laws necessary to carry the Constitution into execution. Then why do we have a separate provision that Congress shall have power to make rules for the government and regulation of the land and naval forces? Surely the laws would be binding upon all persons in the land and naval forces as well as those not a part of the land and naval forces. So we will have to go back to see what the situation was in England at the time of the American Revolution to determine the reason for the inclusion of that particular language.

We must remember that those members of the Constitutional Convention who were lawyers had learned their law primarily from Blackstone's Commentaries. It is not necessary for me to point out to those of the membership here who are lawyers the standing of Blackstone's Commentaries. But for others may I read to you from the Encyclopaedia Britannica, to make unnecessary a technical discussion of the standing of Blackstone:

"But the fame of Blackstone is greater in the United States than it is in his native land, and bids fair to continue to be, and justly so. After the Declaration of Independence and indeed before, the Commentaries were the chief, and in many parts of the country almost the only, source of the knowledge of English law for the great commonwealth of the West. A book which in the old country was and is a textbook became in the new an oracle of law, until as years went on the great students of the law in the United States began those deeper studies which have added such wonderful stores of learning and thought to legal literature."

So that when they met in the Constitutional Convention their concept of the English Constitution was that derived from Blackstone. What had Blackstone said with reference to the powers involving the raising and regulating armies? I am reading from Blackstone's Commentaries, first volume, page 262:

"In this capacity, therefore, of general of the kingdom, the King has the sole power of raising and regulating fleets and armies. Of the manner in which they are raised and regulated I shall speak more when I come to consider the military state. We are now only to consider the prerogative of enlisting and of governing them, which, indeed, was disputed and claimed, contrary to all reason and precedent, by the Long Parliament of King Charles I; but, upon the restoration of his son, was solemnly declared by statute (13 Car. II, c. 6) to be in the King alone; for that the sole supreme government and command of the militia within all His Majesty's realms and dominions, and of all forces by sea and land, and of all forts and places of strength, ever was and is the undoubted right of His Majesty, and his royal predecessors, kings and queens of England, and that both or either house of Parliament can not, nor ought to, pretend to the same."

That was the situation which had existed in the mother country, and as history shows, this was the struggle which had gone on for generations and centuries with regard to the power of the King, as the chief executive of the state, to control the military; or whether the Parliament had that power, and in that instance the Parliament lost. It was the law and constitution of England at the time of our Revolution, that that power resided in the King. So when our Founding Fathers came to writing the Constitution they made clear that that power did not reside in the Executive; I repeat, they made positive that that power did not reside in the Executive. By this instrument it was expressly and very deliberately transferred from the executive branch of government to the legislative branch of government. This has been the consistent holding of constitutional authorities in the United States.

I would like to discuss that point a little further: In Story's Commentaries on the Constitution—Cooley edition, section 1187—I read this:

"Our notions, indeed, of the dangers of standing armies, in time of peace, are derived in a great measure from the principles and examples of our English ancestors. In England, the king possessed the power of raising armies in the time of peace according to his own good pleasure. And this prerogative was justly esteemed dangerous to the public liberties. Upon the revolution of 1688, Parliament wisely insisted upon a bill of rights, which should furnish an adequate security for the future. But how was this done? Not by prohibiting standing armies altogether in time of peace; but (as has been already seen) by prohibiting them without the consent of Parliament. This is the very proposition contained in the Constitution; for Congress can alone raise armies; and may put them down, whenever they choose."

I suppose that the most carefully annotated work on the Constitution of the United States, and as reliable as any in existence happens to belong to the Congress itself. This is the annotated Constitution of the United States, prepared by the Legislative Reference Service of the Library of Congress. It includes practically every case heard by the Supreme Court construing the Constitution. A footnote annotation, which is not accredited to any case, but is taken from the annotated work, succinctly and properly cites the Constitution:

"The clauses of the Constitution which give Congress authority 'to raise and support armies, to provide and maintain a navy' and so forth, were not inserted for the purpose of endowing the National Government with power to do these things, but rather to designate the department of Government which should exercise such powers. Moreover, they permit Congress to take measures essential to the national defense in time of peace as well as during a period of actual conflict. That these provisions grew out of the conviction that the Executive should be deprived of the sole power of raising and regulating fleets and armies which Blackstone attributed to the King under the British Constitution, was emphasized by Story in his Commentaries."

Who presided over that Constitutional Convention, where the power to raise armies and provide rules for their governing were written? The greatest soldier of his day, George Washington, destined to be the first President of his country. He knew more about the difficulty of handling an army under the parliamentary system, of course, than anyone before or since, because he fought and won the American Revolution under the Continental Congress.

But, still, in that document, which was written by a convention of which George Washington was President, we find a very positive statement being inserted in the Constitution concerning the obligation and duty of the Congress to raise and support armies and provide for the rules and regulations of the land and naval forces. The Constitution does not say that if perhaps the time shall come when there is one who is thoroughly capable of doing this or may be regarded as more capable than others shall occupy the Presidency, that then he shall have that power. It does not say that. And we are not faced with a proposition as to who may do it better; we have here a positive rule of the Constitution which places this obligation on us. We cannot avoid it no matter how much we might wish we could, no matter how much we might wish the responsibility were not ours. It is ours, it is here, and it must be met. It cannot be avoided.

I would like to give you another little example of why this is true. Take the power of the President in foreign affairs and foreign relations, where he has wide powers, almost exclusive powers, in his power to make treaties by and with the advice and consent of the Senate. What was the situation immediately prior to the American Revolution in the mother country? And again Blackstone has said, and this is the basic law upon which that constitutional proposition was founded:

"II. It is also the King's prerogative to make treaties, leagues, and alliances with foreign states and princes; for it is by the law of nations essential to the goodness of a league, that it be made by the sovereign power, and then it is binding upon the whole community; and in England the sovereign power, quo ad hoc, is vested in the person of the King. Whatever contracts, therefore, he engages in, no other power in the kingdom can legally delay, resist, or annul; and let, lest this plenitude of authority should be abused to the detriment of the public, the Constitution (as was hinted before) hath here interposed a check, by the means of parliamentary impeachment, for the punishment of such ministers as from criminal motives advise or conclude any treaty which shall afterward be judged to derogate from the honor and interest of the nation." (1 Blackstone's Commentaries, 256 (Wendell edition, 1875).)

So that there was that great power existing at that time. But the Constitutional Convention did not want to take all that power away from the President, so they permitted it to reside there. It did not provide anything about who shall negotiate. In fact, in this field only the President can speak, and only the President can listen, because that was the rule that existed in the mother country at the time of the American Revolution. It was not changed by the Constitution except the proposition regarding delay, resist, or annul, because there it provided by and with the advice and consent of the Senate, two-thirds concurring, treaties may be ratified.

Let us see what the courts have said more recently on this subject. As a matter of fact in 1936 in the case of the *United States* v. *the Curtiss Wright Export Corporation* (299 U. S. 304-316), Justice Sutherland, speaking for the Court, said:

"As a result of the separation from Great Britain by the Colonies acting as a unit, the powers of external sovereignty passed from the Crown not to the Colonies severally, but to the Colonies in their collective and corporate capacity as the United States of America. Even before the Declaration, the Colonies were a unit in foreign affairs, acting through a common agency; namely, the Continental Congress, composed of delegates from the Thirteen Colonies. That agency exercised the powers of war and peace, raised an army, created a navy, and finally adopted the Declaration of Independence."

After other language, Justice Sutherland proceeds:

"It results that the investment of the Federl Government with the powers of external sovereignty did not depend upon the affirmative grants of the Constitution.

"The powers to declare and wage war, to conclude peace, to make treaties, to maintain diplomatic relations with other sovereignties, if they had never been mentioned in the Constitution, would have vested in the Federal Government as necessary concomitants of nationality."

That would have been true also of the power to raise and support armies and to provide a navy and to provide rules for the governing of the land and naval forces. So, we have here a matter that, by the Constitution, has been committed to our care and a duty and an obligation which we here must discharge.

Of course, the President is the Commander in Chief, under the very same Constitution of the land and naval forces of the United States. The President has the absolute right to make recommendations to Congress for legislation on any subject and to have those recommendations considered and considered seriously.

The President, in the discharge of the absolute right which he has, sent a message to the Congress asking that we pass legislation for the reorganization of the Department of Defense. Had it not been something committed to our responsibility, it would not have been necessary for the President to send it here in the first place; but in recognition of the fact that we, and we alone, have this duty, the President sent it here. I believe you will probably remember the message from the President, which was read. It was a very fine message. Thereafter the President sent us a bill which had been drafted downtown purportedly for the purpose of carrying out the message which he had sent us. But when you read carefully, as did our Committee on Armed Services, the President's message of what he desired and what he proposed to do and compared it with the bill that their staff had prepared and sent here, they bore no relation to each other.

The bill which came here would have granted absolute power to those in the Department of Defense, not only to the President but to those in the Department of Defense, to organize it as they saw fit. It happens that we have in the United States four separate services that have been established by law and long maintained. I do not take the position that because we have always had these separate services we must retain them for all time in the future, but I certainly do contend that, if they are to be abolished as separate services, it shall be in accordance with the wish, the desire, and the views of the American people as expressed through their Representatives in the Congress of the United States. But under the bill that was sent to us and was heard by our committee, we find this: In answer to a question by me, Secretary McElroy stated that under the proposal they submitted it would be possible to transfer out of or remove from the jurisdiction of the Secretary of the Army, the Navy, or the Air Force and the Chief of Staff and the Chief of Naval Operations of the Navy every single individual within that service, including the aide and orderly of the Chief of Staff himself. That was only an example of how far their bill went.

Your committee held hearings for about 4 weeks on that bill. We then rewrote the bill and we rewrote it totally. When we had finished, we had what was generally regarded as being an excellent bill. When I say "generally regarded" I expect to say by whom in just a moment. We gave the President, in that bill, what he needed to have a combat-ready force with a sharp cutting edge to which reference was made on many occasions, because the testimony was to the effect that the heart and soul of their proposal is the unified command. We provided for unified commands, giving the absolute right to the President to establish unified combat commands and to fix the military composition of these commands. When that is done, the Secretaries of the three services and the Chief of Staff must assign to that command the forces needed. Once these forces have been assigned they cannot be removed by anyone except under procedures established by the Secretary of Defense, and approved by the President.

And we gave him much stronger authority than the clumsy way in which his staff had sent it to us. True, we did not grant the broad language which would have permitted action never intended to be used and power that was never intended to be exercised. True, we did not permit the Chairman of the Joint Chiefs of Staff to secure a position of elevation so as to make him the superior of the Joint Chiefs of Staff. Our provisions are adequate to keep the Joint Chiefs of Staff as a corporate body. And, as one of the Chiefs said in testimony before our committee, "We are not the subordinates of the Chairman of the Joint Chiefs of Staff." And, that is the true concept of the organization of the Joint Chiefs of Staff, that it should be composed of the Chief of Staff of each of the services, men who have succeeded in attaining the top main rung in their service, and that none of them is to be humiliated by being subordinate to another who for the time being may be acting as Chairman of the Joint Chiefs of Staff.

I am not going to attempt to go into all of the details of that bill. That will be done in the debate on the bill next week when it comes before us.

But, I would like to point out—and in doing this I violate no confidence, because if you will go to the printed record of the hearings and to that part taken in executive session when this bill was reported, you will find printed there, ready for public distribution, how this bill was written. And, it was not written in secret from the President. Those hearings show that a member of his staff participated with some members of the Committee on Armed Services and members of the staff of the Committee on Armed Services; and that a member of the White House staff acted as liaison between the committee and its staff and the President and the Secretary of Defense. This appears in the hearings. I am violating no confidence that this bill had gone through two other printings and that the one that was then before the committee was the third printing, the third confidential committee print through which the proposal had gone. And, when we met in executive session that day, our chairman had a member of the staff read to us a letter from the President of the United States, which I want to read at this time:

THE WHITE HOUSE,
May 16, 1958.

HON. CARL VINSON,
Chairman, Committee on Armed Services, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I have just been shown your committee's revision of the defense reorganization legislation which I sent to the Congress 2 months ago. From a quick reading I have these impressions:

First, on the whole the bill clearly reflects constructive efforts to correct the main difficulties which have troubled our Defense Establishment in recent years. I congratulate you and your committee colleagues for the progress made toward developing a sound defense structure.

Second, by and large the bill seems to deal positively with every major problem I presented to the Congress.

Third, in certain respects—two quite important—I believe that changes would make the committee's revision clearer in intent and more clear cut in effect within the Defense

Department, and therefore would result in greater departmental and operational efficiency. I am requesting a member of my staff to give you my views on such items. I hope this language will be suitably adjusted on the House floor.

With warm regards.

Sincerely,

DWIGHT D. EISENHOWER.

Thereafter the Committee on Armed Services, in a more or less informal way, but by a true rollcall vote, voted 33 to none to report that bill. Thereafter, when the bill had been formally offered, there was another rollcall vote, and it was reported by a vote of 37 to none. Two members, it is true, stated they were voting with reservations.

Notwithstanding the letter that I have read to you and a feeling possessed by most people, I suppose, that all controversy about this matter had been eliminated, a rather intemperate statement was issued by the White House, written by whom I do not know. In that statement three questions were raised and some rather strong language used; far different from the complimentary language and congratulations which had been conveyed to us on May 16.

I have been asked by the press innumerable times what caused the change, and I have been forced to reply, very, very truthfully, that I have no idea. I cannot possibly imagine what caused the change.

But here are the questions. In our bill we had provided:

"Each military department shall be organized under its own secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective secretaries of such departments."

I call your attention, just incidentally, to some language there which does not seem to be quite legislative language and was probably not written by legislators, but is contained there for reasons which legislators deem to be sufficient:

"Each military department shall be separately organized under its own secretary."

Legislative language would be such as appears below—respective secretaries. In legislative language we probably would have said, "organized under the respective secretaries thereof," and not "under its own secretary." But with all deference to the one who wrote it in in lead pencil on the confidential committee print, the language was retained.

This last language the President insists be removed—exercised through the respective secretaries of such departments. That would leave the provision reading as follows:

"Each military department shall be separately organized under its own secretary and shall function under the direction, authority and control of the Secretary of Defense."

There has never been any Congressional intent that the three military departments shall be administered by the Secretary of Defense. When the National Security Act was written in 1947 it was made abundantly clear that the Secretary of Defense would not administer directly the 3 military departments. Again, in 1949, it was made perfectly clear in the law that they shall be separately administered. That was the language of the law. It is the language of the law today, that those departments shall be separately administered. But it was stated that the words "separately administered" were more or less a psychological block and should be removed. As a result this language was accepted.

But should we remove the language "exercised through the respective secretaries of such departments," you will have created a colossus in a Secretary of Defense with no one intervening between himself and almost 3 million military men, because there will be no intervening authority in those departments unless this language is retained.

It has been the policy of the United States from the day this Nation was born that the military shall operate under civilian control. Civilian control is a basic doctrine of the Government of the United States. I ask you, how are you going to maintain civilian control of 3 million men—2,800,000, actually, is the figure I should use—scattered all over the world in 3 separate services and, when you take into consideration the Marine Corps, actually 4—with only 1 man in the Pentagon attempting to supervise them? How are you going to maintain civilian control?

I submit to you that it is not going to be possible for you to maintain civilian control with no closer liaison with the military forces than one man in the Pentagon.

After all, is it a military question as to how the Department of Defense shall be organized? Is the organization of any of the other Government departments to be controlled by Congress? Why, of course it is. Do we have the power to provide how the Department of Agriculture or the Post Office Department or any other department shall be organized? Why, certainly we do.

Remember that at the present time over half of the total budget of the United States, and approaching two-thirds of the total budget of the United States, is for the Military Establishment, so that you are going to have then the power of administration of almost two-thirds of the total budget of the United States in one appointive official in the Pentagon. That is what could result from removing this language. I submit to you that this is a question of the organization of the departments, the maintenance of civilian control over these departments and over the military. Civilian control of the military is as necessary in this year of 1958 as it has been in any other year in the history of democracies. Just as soon as you permit the military to get from under the control of the civilians, then you can be sure your democracy and your Government is in danger.

I am not talking to you as an enemy of the military. I think that my almost 20 years here and the almost innumerable times I have stood in the well of this House to defend the military, to defend their generals, and to insist that they be adequately compensated, that their services be adequately and properly recognized, make it unnecessary for me now to disclaim being an enemy of the military. I appreciate more than most their fine qualities and their tremendous ability, and I think I appreciate more than most their very real limitations.

But I know what has happened elsewhere, and we have seen it happen within the last 2 or 3 weeks. I am not going to get into any argument about the type of government that existed in France and whether it should have been replaced, but I am pointing out to you the danger of permitting military men, who have command and control of your combat forces and have within their possession all the munitions of war, to determine when a government has ceased to function properly or when an administration has ceased to function properly, and when a necessity exists to change either the form of government or the administration of that government.

I have lived within 150 miles of the Mexican border all my life. I know what happens in connection with trying to preserve democracy when the Military Establishment is not under a firm and an absolute chain of civilian control. Conceding absolute good faith to everyone involved in this matter—and I do it sincerely—who is in a better position to determine effective civilian control of the military, men who have spent all of their lives in the Military Establishment? Are they in a better position to determine what constitutes effective civilian control and the necessity for effective civilian control? Are they in a better position than 37 men with service in the Congress running from 44 years to 2 years, who deal almost exclusively as civilians with the problems and the organization and the civilian control of the Military Establishment?

We bring you this bill as men who for many, many years have devoted their time and their attention to military matters as civilians, and we tell you this is the maximum authority you can grant and still maintain the doctrine of civilian control within the United States.

Now we have in here another provision.

First of all, may I say that in the National Security Act, there has existed for a long time a provision which deals with the combatant functions of each of the military forces. They are not spelled out in rigid terms, but in rather general terms. But they are sufficient to insure that this is the type of combatant function which shall be the responsibility of the various services. It has been the law for almost 9 years that noncombatant functions could be transferred by the Secretary by notifying the Congress but without any specific period of time. He simply wrote a letter to the chairmen of the Committees on Armed Services saying: "This noncombatant function is transferred or reassigned or abolished," and that was that.

The President requested that we permit combatant and noncombatant functions to be transferred, abolished, consolidated, or reassigned as he might see fit, by giving notice to the chairmen of the two Committees on Armed Services and then waiting for a period of 30 days. We in the committee did not see fit to adopt that provision, but being realistic and knowing that a great deal of flexibility is required, we provided for the transfer of noncombatant functions on a period of 30 days' notice. We brought into the bill an entirely new grant of authority for the President by providing that "notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities."

Thus, upon a finding of the President that hostilities are imminent he could reassign, consolidate, or transfer a combatant function.

Then we added another provision with reference to major combatant functions:

"(3) except as otherwise provided in paragraph (2) hereof, no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished, or consolidated until the first period of 60 calendar days of continuous session of the Congress following the date of report of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff. For the purposes of this subsection a combatant function shall be considered a 'major combatant function' whenever one or more members of the Joint Chiefs of Staff disagree to the transfer, reassignment, abolition, or consolidation of such combatant function: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems."

The President objects to this, and this I cannot understand. We suggest a provision of law that combatant functions, which are established by law, shall not be transferred until we have had a chance to look at them. What we say is "no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished," and so on. Those are references to existing provisions of law. The Congress, by solemn law, has provided the language in those sections. It is now demanded—and demanded is the proper word—it is now demanded that, notwithstanding those provisions of law, the executive branch of the Government be permitted to do exactly what it is now prohibited from doing, by simply giving us 30 days' notice.

In other words, 30 days from the date hereof, that law that you passed, with respect to section 205 (e) will still be there, but it is nullified because the Executive has seen fit to nullify it.

All in the world that we have asked is that we have a period of 60 days, while Congress is in session, to look at this proposal, and unless during that time a concurrent resolution is passed by Congress then the proposal will go into effect. So a majority of both Houses of Congress would have to act. True, the President would not have to sign it because it would be a concurrent resolution, but both Houses would have to take affirmative action before the executive branch could be prevented from nullifying the formal law of the land as enacted by Congress and signed by the President.

Under the Reorganization Acts, and we will pass over the question of whether they are constitutional—under the Reorganization Acts, the reorganization plans submitted by the President to the Congress, since the amendment of 1957, can be rejected by the majority vote of either House. Either House, by a majority vote, can reject a Presidential reorganization plan. So how much more difficult it is here to accomplish the defeat of the transfer, reassignment and abolition of a major combat function?

And what is a major combat function? First of all, it is one provided by law: Section 205, section 206, and those other sections to which I referred. In addition to that, if one of the members of the Joint Chiefs of Staff takes the position that it is a major combat function and should not be transferred as is proposed to be done by the executive department, can he prevent it? No. But he can delay it long enough for Congress, which passed the law putting that function where it now exists, to have a chance to look at it and for both Houses to take affirmative action to prevent this action by adopting a concurrent resolution. This avoids the necessity of overriding a veto, for if the President submitted a proposed change of existing law, it would otherwise have to be passed by both Houses with a majority vote, and go to the President where it would be promptly vetoed. Obviously, it would not have been submitted in the first place if the President didn't favor the action, so without our proposal a two-thirds vote of both Houses would be required to prevent the Executive from taking action opposed by the Congress. How ridiculous can we get, that the House of Representatives, in order to maintain on the law books a law which it passed, in order to protect it against an order of the executive branch of the Government, must muster a two-thirds vote? That is exactly what would be the practical situation with respect to the transfer of major combatant functions assigned by law, and established by law. In other words, to maintain what is already the law, we would have to pass, by a two-thirds vote, a law to protect our previous action.

I ask again: Just how ridiculous can you get? And I know you are getting a lot of letters from businessmen and others who probably would not recognize either the Constitution or this bill if they should meet it head on, yet they are writing, telling how we should vote on it.

There is another provision I wish to call to your attention:

"No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper."

This has been very severely attacked. This is now labeled as being legalized insubordination. It has been said that the committee recommended it. We did not recommend it on May 16. This is now the law, and has been the law since August 10, 1949. It was placed in the National Security Act of 1949 and is now the law, and the evidence before our committee is that so far as anyone in the Defense Department can recall, this privilege has never been exercised.

I asked Secretary McElroy: "Mr. Secretary, is it not perhaps correct that the very existence of this right renders resort to that right unnecessary."

He said: "That well may be."

Of course, when the Secretary of the Army, Navy, and Air Force and the Chief of Staff of the Army and Air Force and the Chief of Naval Operations of the Navy are in a position to make recommendations to Congress, they will not be pushed around quite as much as if they are not in that position. But you would think from what you read in the papers and periodicals that this provision authorized the Secretary and the Chief of Staff to just come up bearing tales and rumors. All that this provides is that he shall first notify the Secretary of Defense of his intention to come to Congress.

To do what? To make recommendations to the Congress.

Just what is wrong for the man who by law is held responsible for the military efficiency and organization of our military commands to be making recommendations to the only body which can pass laws for the improvement of those services? Just what can possibly be wrong with that?

There is a greater implication here and we might as well be frank about the whole thing. There is throughout the President's reorganization plan, whether so intended or not, the very positive implication that Congress shall not know what goes on within the Department of Defense and the military services. Let us see why I say that. First of all, a strong effort is being made to secure the repeal of an existing provision of law which permits the Secretary or the chief of a military department to make recommendations to Congress. Unless we are informed how are we to legislate? In addition to that, orders have already been issued to consolidate the public information offices in the Office of the Secretary of Defense so that when members of the press go to find what is the news in order that the American people might know—I take it they are entitled to know, in fact, I insist they are entitled to know—they go to the central public information office in the Department of Defense which does not have that information.

That office is going to have to go out and get it. Then they will, shall we say, censor it? They will decide if it is timely. They will go over it and decide what part of it they are going to permit to be published, what is going to be issued to the American people who are paying the bills.

In addition to that, the Congressional Liaison Service of the three departments is to be abolished, so that there will be no point of contact between Members of Congress and the three military departments. Again you will not be able to learn, Congress will not be able to know what is going on, what is proposed, or what needs to be done. That is the order already being issued.

So the implication here is clear that in the orders issued and to be issued and the request for the repeal of the provision of law concerning recommendations to Congress, the ability of Congress to know is to be minimized.

And still another fact: The law now provides that semiannually the Secretary of Defense shall submit a report to the Congress and that report shall contain a report by each of the three military departments. The bill as it came to us proposed that that be made an annual report but that the provision that reports be made by the three military departments be eliminated, that only the Secretary of Defense would report to the Congress on the activities of the military departments, again depriving the Congress of the ability to know what is going on within the Department of Defense.

This proposal of the President is in two parts, although it has never been separated in the message of the President nor any of the news releases, between those things which can be done by administrative action and those things which require law. All the publicity and the news releases that have been issued would lead you to believe that the unified commands cannot be set up until such time as the Congress acts. Unified commands are already in existence and have been in existence for a long period of time.

On the question of the removal of the service department Secretary from the chain of command, I am sure that the majority of you, just like the Chiefs who appeared before us, thought that the Congress by law had placed the Secretary of the military department in the chain of command between the President and the unified forces. In 1953 the present President of the United States placed the Secretary of the military department in the chain of command, not by law but by a directive from the President, and in his message to us he said, "I have directed the Secretary of Defense to cease utilizing the military departments as executive agencies." And later in the message: "So that now the chain of command goes directly from the President to the Secretary of Defense to the unified commander." Thirty days after that I learned, to my amazement, that as yet no Secretary had been removed from the chain of command, although it was condemned in very strong language as being cumbersome and unreliable; unreliable in time of peace and intolerable in time of war. As far as I know, each of the military Secretaries is still in the chain of command, although they were placed there by Executive directive and can be removed by Executive directive. But as far as I know, that has not been done yet. But they say, "Yes; to do this we have to have a larger staff than 210." I have never known a time in my experience with the military where they had a ceiling on the personnel that they could not assign officers for duty "with." And, that could have been done. But, of course, the appealing thing is the question of the sharp edge of the unified command. That is accomplished; that is in existence; it does not depend on any legislation.

May I say to you that as much admiration as I have for the military and as many times as I have spoken in their defense, we must constantly see to it that this civilian control is maintained. If you would read these hearings, you would think that the Prussian staff system was the most benign thing in the world. Maybe they think nobody on the committee reads any history or even newspapers from some of the silly claptrap that you read in these hearings with reference to the Prussian staff system. I do not contend that the recommendations of the President would create a Prussian staff system in the United States. Never has that contention been made. But I do say this, that as their

proposal was brought here, the prestige and the power of the Chairman of the Joint Chiefs of Staff was to be enhanced, and enhanced immeasurably; that the Chiefs of Staff of the various services were to be removed from their responsibility for their own services. It was provided that they may delegate their responsibility and authority over their services and the President stated he would issue orders that they shall delegate their responsibility. I know of no official in all Government who has never been permitted to delegate the responsibility of his office. The authority perhaps, but the responsibility never. The one who fills that office must take full responsibility for all that goes on below or within his organization. That was a very effective means by which, by removing the Chief of Staff of the service from day-to-day operations, you would be able to eliminate them as service chiefs. From the time of Scharnhorst until Von Moltke's retirement there was a period of about 75 years. That is how long it took to build up the power and prestige of the Prussian general staff. It did not come overnight. It did not come by the passage of law.

But by the constant accretion of power of the general staff and the chief of the general staff they became very powerful.

Mention was made here the other day of what Bismarck did when he heard that the Franco-Prussian War had started. He said, "Just open drawer No. 7." I wish the gentleman had gone a little further and told us what happened to Bismarck, the Iron Chancellor. Just what became of Bismarck the Iron Chancellor? Why did he cease to be chancellor of Germany? When Kaiser Wilhelm II came to power, Von Moltke had retired, and Bismarck was still there. But a man, who few in the United States have heard of, Von Waldersee, became chief of staff of the German Army and served only about 30 months. But in that short period of time he ousted the Iron Chancellor. The chief of staff of the German Army was so powerful, because of the power that had been built up in that office, that the Iron Chancellor of Germany fell when the chief of staff of the German Army decided it was time for him to fall.

Everyone agrees that we ought not to have a monolithic General Staff nor a self-perpetuating General Staff. But let us see what is proposed to be done by Executive order; and I hold in my hand the regulation, if anyone wants to see it, on the appointment of 3- and 4-star generals.

The SPEAKER pro tempore (Mr. DORN of South Carolina). The time of the gentleman from Texas [Mr. KILDAY] has expired.

Mr. VINSON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 15 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KILDAY. Mr. Speaker, of course, your Chief of Staff and your Chief of Naval Operations are 4-star officers. It is not essential that a man have 3 or 4 stars at the time he is designated as Chief, and there are instances in which that has happened. But those are the very rare occasions. But since April 25, 1958, the services are not going to be the sole ones to choose their 3- and 4-star officers. They are going to be chosen upon nomination, of course, of their own service, but upon recommendation of the Joint Chiefs of Staff. And it must be certified that they have shown an ability to deal with military problems without extreme service loyalties, or words to that effect.

So what do we have? They all condemn a self-perpetuating General Staff. But here is a system already established in which the Joint Chiefs of Staff from now and here on are going to pick, for all practical purposes, their own successors. So, from now on a self-perpetuating Joint Chiefs of Staff, a self-perpetuating top echelon will be provided.

Now how about this being monolithic? The monolithic that I am thinking about is not whether it comes from 1 service or the other services or all the 3 services. I am thinking about monolithic thinking and about who is going to be the brightest young general coming up the line. Of course, it is going to be that general who agrees with the thinking of the Joint Chiefs of Staff who are passing upon whether or not he is going to progress any farther than two stars. So condemn monolithic and self-perpetuating staffs and look at what you have coming up, and take heed.

Mr. Speaker, let me say to you we have reported from the Committee on Armed Services, after very serious consideration, a bill which provides for a proper reorganization of the Military Establishment so far as it goes.

Additional legislation is pending with reference to the layers of secretaries, under secretaries, assistant secretaries, deputy secretaries, deputy assistant secretaries, and assistant deputy secretaries, which still requires consideration and action by Congress. This is as far as we could go because of the exigencies of the situation. We had to move along with this portion of it.

It is my sincere belief, and I could not be more sincere on any matter I have ever brought before this House, that the bill we have brought is adequate, that it provides for the proper organization of your Military Establishment. It maintains civilian control. It does not permit to happen what has happened in many other places.

Many people have asked me if I thought could happen in the United States what has happened in France. I have told them "No, I do not think so." I do not think so, and I am sincere, I do not think so. But let me tell you what I know. I do not think that will happen, but I know it will not happen so long as you maintain civilian control of your armed services, and effective civilian control of your armed services as decreed and passed by the Congress of the United States. That I know. The other I only think. Maybe it is wishful thinking on my part.

Mr. MANSFIELD. Mr. President, in conclusion I should like to refer to what the President said to the American Society of Newspaper Editors on April 18, 1958. He assured them emphatically that there would be first, no single Chief of Staff; second, no czar; third, no $40 billion blank check; fourth, no swallowing up of the traditional services; and fifth, no undermining of the constitutional powers of the Congress.

It is my hope that the reorganization proposals now before the Congress will not lead to a constitutional crisis over the powers of the Executive versus the functions of the Congress.

OUR DEFENSE POLICY RECONSIDERED—VI—THE MISSIONS OF THE SERVICES

Mr. FLANDERS. Mr. President, I should like to inquire whether we are in the morning hour.

The PRESIDING OFFICER (Mr. HRUSKA in the chair). The Chair informs the Senator from Vermont that the Senate is still in the morning hour, subject to the 3-minute rule.

Mr. FLANDERS. I ask unanimous consent that I may address the Senate for 14 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, if we accept the atomic stalemate for long-range defense and graduated deterrence for the recurring small-scale military operations which are threatened or which actually develop from time to time, we are able to devise basic policies for solving the whole defense problem. The plea for accepting the atomic stalemate was made in my talk of June 6 and the advantages of graduated deterrence were discussed on June 9 and 10. With these basic elements accepted, it becomes possible to give a logically organized form to American defense. What follows is an example of such a form. It is given only as an example of what might well be the form of the annual report of the Defense Department as to its proposals for the coming year.

We have never had presented to us such an organized program. One could be picked out of the appropriations requests and glued together by the exercise of the imagination. Something better than this should come from the reorganized Defense Department and should be presented to the Armed Services Committees of the House and Senate for authorization, before the detailed budget requests go to the Appropriations Committee.

The missions of the services will be discussed separately in the two areas of the atomic stalemate and graduated deterrence. The assignment of missions in both cases will be on the assumption that the Air Force responsibility is primarily in the air, the Navy on and under the sea, except for the amphibious responsibilities of the Marine Corps, and the Army with operations on the land.

ORGANIZING THE ATOMIC STALEMATE

The maintenance of the massive deterrence of our nuclear defense should be sufficient in materiel and in manpower to destroy the military bases and the industrial potential of any nation which has launched an all-out atomic attack upon us. This sufficiency must be known. The efficiency of this sufficiency must be publicized, though many of the details will naturally remain restricted. It is not expected that this massive atomic deterrence will ever be used. If it has to be used, it has failed. Yet, to be effective it must be powerful and always ready. There must be no letdown.

The present primary dependence is on bombers carrying atomic warheads stationed at widely dispersed fields here and in Europe. Night and day, week in and week out, month in and month out, year in and year out there must be a suitable percentage of these bombers in the air. This instant readiness is an essential part of the massive deterrence of the atomic stalemate.

The Navy with its atomic submarines designed for launching of the subsurface Polaris constitutes the second element of massive deterrence. Some of these vessels must always be at sea and always be ready.

While we are accustomed to think of the intercontinental ballistic missile as eventually superseding the bombers, it is

in my own judgment questionable as to whether this will in fact take place. The immense complication of these bombers and the fact that missiles of intercontinental size have to be located at "hard bases" raises serious problems. The ideal of the Air Force for these ICBM's on hard bases has been that they should be manned on a 15-minute readiness. Now, that 15-minute period begins with the first sure information of the launching of an atomic attack. It is reasonable to suppose that the indication will be given by an initial attack on these hard bases, whose locations would be well known to an attacking enemy. It is true that if our services of detection succeed in their mission, the 15-minute notice might be valuable if the attack is by aircraft. It would be difficult to gain these 15 minutes if the initial attack on these bases is by intermediate range missiles for the European locations or by intercontinental missiles on the ones in America.

Is a better solution not to be found in the intermediate range missiles launched from planes? This new development would seem to warrant fast development not merely from the military standpoint but also from the danger of blundering into global atomic war. If the information which seems to warrant the release of the intercontinental missile turns out to have been a mistake, there is no way of recalling the missile. Bombers or missile launching planes can, for a short time, be recalled in the event a mistake has been made.

There would seem to be no mission for our Army in maintaining the atomic stalemate. However, an intermediate range missile might well be employed by our associated NATO forces as a counterpoise to threatened attack on European cities. There has always been danger that these centers of population, so close to the Soviet heartland and to its satellites, might by threats of destruction be blackmailed into the acceptance of Soviet domination. The knowledge that the NATO air bases were in instant readiness and that NATO armies were provided with intermediate range missiles would eliminate this danger. It is probable that European armies would prefer a missile launched from soft, mobile bases rather than from hard bases which would themselves be "sitting ducks" to atomic attack.

So much for atomic defense against atomic attack. As stated in my talk on atomic stalemate, this does not require unlimited provision of planes and bombs and missiles. It requires only the provision of sufficient bombers and missiles to get through in sufficient numbers to destroy the enemy's warmaking potential. More than this is too much. More than this wastes the taxpayers' money. Let the determination be made carefully and adhered to with determination.

There is one element of atomic defense which does not submit to the same determination of its limits. That element is the apparatus for detection of attack. It will be advisable still further to expand our ring of men and equipment for detecting and identifying approaching planes and missiles and it will furthermore continue to be necessary to perfect and likewise to increase intercepting planes, and ground-to-air missiles, and particularly to perfect the antimissile missile. Even here the requirements are not limitless.

ORGANIZING FOR GRADUATED DETERRENCE

The mission of the Army in the atomic stalemate is of minor importance. Its mission in handling the smaller scale attacks and threats of attack is of primary importance. The Army must be prepared as the major factor in a successful defense of these local emergencies.

The nature of its contribution to deterrence is as has been described. It and its associated NATO and other forces must be prepared to offer resistance sufficient to handle any local military threat. That means that it must be prepared to use conventional arms and armaments, or to use tactical atomic weapons to the degree required to ward off an attack. The tactical support of the Air Force must be organized about the Army's requirements. This tactical air support will include light bombers capable of delivering conventional warheads, or if necessary, atomic warheads as well, on definite targets.

The perfection of effective missiles of around 150 miles range capable of being fired from mobile bases will add greatly to the effectiveness of our Armies and those of our allies.

As has already been indicated, this meeting of local threats would be by means proportioned to the strength of the threat. The atomic arms would not necessarily come into use, but it must be known that they are available and will be used if necessary. It must also be known, however, that the massive atomic attack will not be employed for a local situation. Authoritative statement to this effect from the Western Powers is necessary if the local warfare is not to be an automatic entrance into a global conflict.

The Navy's mission is primarily to clear the seas for free transport of men and materiel to the trouble spot. The antisub sub must be in continuous development and must be provided in sufficient numbers. Patrol fleets including carriers of patrol and sub-destroying planes must be in sufficient number.

With the seas cleared sufficient merchant marine transport must be at hand for transporting the Armed Forces and their supporting materiel. In this connection, the authorization to build the three new supertransports to add to the facilities of the liner *United States* is of great importance. These ships are primarily military transports which are used as passenger liners during peace times. Their construction involves protection against submarine and air attack that greatly increases their usefulness in time of war.

It would seem as though the successful development of the Polaris and of the types of Air Force bombers and missiles already described would cast doubt in building any further supercarriers with their immense fleets of attending surface and submarine craft. Here is a point at which we may well conclude to cut down on the heavy defense expenses that we are incurring.

The mission of the Air Force in these smaller wars would seem to be largely in tactical support of the Army. This mission should be taken as a very serious one. The tactical wings should be adequately equipped and manned and the tactical processes given the most intense study and development.

GENERAL CONSIDERATIONS

As already stated, the above outlining of missions is tentative. It is given as an illustration only. The form of such an outline should be filled in by the Secretary of Defense and the Joint Chiefs of Staff and presented to the Armed Services Committees of the House and Senate annually for authorization of the overall defense plans. Based on the authorization, the detailed appropriations would go through the Appropriations Committees.

No program offered is definitive or static. In all the elements suggested, research must always be going on. The number of research projects will be limited by the precise definition of the missions rather than as a wide open invitation to spend money on anything and everything.

Mr. President, in a carefully worked out program of missions there seem to me to be opportunities for a better defensive posture at less expense than is given by our present procedures. I sincerely hope that the Department of Defense and the Congress will find in these suggestions some clues to more effective and less expensive military preparations and operations.

TRANSFER OF MAJ. GEN. JOE W. KELLY

Mrs. SMITH of Maine. Mr. President, Maj. Gen. Joe W. Kelly, director of legislative liaison for the Air Force, will be leaving Washington to report to his new assignment as commander of the Air Proving Ground Center at Eglin Air Force Base, Fla. I think it proper and fitting at this time that the Congress recognize General Kelly both for what he has done and for the manner in which he has worked toward the betterment not only of our Nation's defense but also for the mutual understanding of the Congress and the Air Force.

His departure is not only a loss to the Air Force, but to the Congress, as well, for never did a man do such an effective liaison performance for a military service and for Congress, as well, as has General Kelly. I truly hope that he will be returned to duty in Washington as soon as possible, and that some day he will become the Chief of Staff of the Air Force.

All of us who have seen and enjoyed the kind of effective and efficient service provided by General Kelly, all of us who have come to appreciate the value of his frank and sound advice, all of us who have shared the good humor and friendliness of General Kelly, could not overlook this opportunity to make known to him that his association with the Congress has left a deep, lasting, and profound impression. It will not soon be forgotten.

It is with a high sense of praise and admiration for General Kelly that I ask

the Members of the Senate to join me in expressing their thanks and appreciation for a job well done. We wish him well in his new assignment and in his future Air Force assignments. Our door will always be open to welcome him back among us.

Mr. President, the distinguished senior Senator from New Mexico [Mr. CHAVEZ], the chairman of the Department of Defense Appropriations Subcommittee of the Appropriations Committee is detained in the committee, where he is holding hearings on the appropriations for the Army. He has asked me to request unanimous consent to have printed at this point in the RECORD his statement regarding General Kelly. I ask unanimous consent that it be printed following my own remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CHAVEZ

I wish to wholeheartedly associate myself with the remarks of the distinguished Senator from Maine honoring Maj. Gen. Joe W. Kelly of the United States Air Force.

As chairman of the Department of Defense Subcommittee on Appropriations, I can testify to the effective and efficient service provided by General Kelly. Throughout the past 5 years of his Washington tour he has demonstrated his complete honesty, loyalty, and integrity in his dealings with all Members of the Congress.

I am sorry to see General Kelly leave his duties as director of legislative liaison for the Air Force. However, I agree with the distinguished Senator from Maine that someday he will be returned to Washington as the Chief of Staff of the Air Force.

I count General Kelly as a personal friend. I wish him the greatest success in his new assignment. I ask all Members to join me in expressing thanks and appreciation to Joe Kelly for a job well done.

Mr. THYE. Mr. President, will the Senator from Maine yield to me, so that I may concur in the remarks she has made in regard to General Kelly?

Mrs. SMITH of Maine. Yes, indeed; I shall be very glad to do so.

Mr. THYE. Mr. President, I wish to commend the Senator from Maine for bringing to our attention, on the floor of the Senate, the transfer of General Kelly.

He has served us so ably in Washington, in liaison work between the Armed Forces and the Congress, that it is with real regret that I have learned that he is to be transferred. We shall miss him very much.

We wish him well personally. We shall greatly miss the efficient service he has rendered to the Congress.

So again I commend the distinguished Senator from Maine for bringing this matter to our attention on the floor of the Senate.

Mrs. SMITH of Maine. I thank the Senator from Minnesota.

Mr. DIRKSEN. Mr. President, will the distinguished Senator from Maine yield to me?

Mrs. SMITH of Maine. I yield.

Mr. DIRKSEN. Mr. President, I should like to identify myself with the remarks which have been made by my distinguished colleague, the Senator from Maine.

I met General Kelly under rather extraordinary circumstances. At that time he was a first lieutenant in the Air Corps, and was on duty in Lima, Peru. He was at the airport when I arrived as a member of a committee which was making an investigation of air safety in Latin America. His very charming wife was with him, and expressed astonishment that I did not recognize her. She is the daughter of a very distinguished member of the Illinois State Senate who I claim as a close friend.

So not only is General Kelly a personal friend, but in his liaison capacity he has been extremely helpful to me and to my office. Seldom does one encounter one so amiable, so affable, and so diligent, with a desire always to help those in the legislative body to procure adequate answers to the problems which come to their desks.

Therefore, I join my esteemed colleague, the Senater from Maine, in saluting General Kelly and in wishing him well.

Mr. CARLSON. Mr. President, will the Senator from Maine yield to me?

Mrs. SMITH of Maine. Yes, I am very glad to yield.

Mr. CARLSON. Mr. President, I should like to concur in the commendation the senior Senator from Maine has made of General Kelly. I think all of us who have had opportunity to have contact with him, through liaison with the Defense Department, know of his fine work and his excellent service.

I shall miss him, and I know that my office, as well as the offices of other Senators, will also miss him.

We wish him well in his new appointment.

Mr. MANSFIELD. Mr. President, will the senior Senator from Maine yield to me?

Mrs. SMITH of Maine. I am glad to yield.

Mr. MANSFIELD. Mr. President, I do not wish this to be a one-sided show. I desire to say that General Kelly is to be commended for the excellent service he has rendered in an impartial manner over the years.

I join in the expressions of regret that General Kelly is leaving us. We shall miss him very much. If his successor is half so good as he is, we shall be doing very well.

Mrs. SMITH of Maine. I thank the Senator from Montana.

Mr. BRIDGES. Mr. President, it is with regret that the Senate is to lose the able services of Maj. Gen. Joe W. Kelly, director of legislative liaison for the Air Force.

General Kelly is an outstanding officer and has been most cooperative with the Members of Congress and his advice and counsel on Air Force affairs have been most helpful to this body.

General Kelly's work has been of such outstanding value that the Secretary of the Air Force extended his time in his present assignment for an additional year.

As he goes to his new assignment as commander of the Air Proving Grounds Center at Eglin Air Force Base, Fla., the good wishes of all of us go with him, knowing that he will give the same fine understanding and leadership as he has in the past.

I join in congratulating him in assuming the new responsibility which has been given him, and wish him every success in the future.

HELLS CANYON DAM AND COLUMBIA RIVER DEVELOPMENT

Mr. NEUBERGER. Mr. President, in the long battle to secure full development of the Columbia River Basin through construction of a high storage dam at Hells Canyon, the project's supporters have met with many reverses. Probably no other great water-resource project, except Grand Coulee Dam, has been declared a "dead duck" so many times. Yet Grand Coulee stands today as our Nation's largest source of hydroelectric energy.

The East Oregonian, of Pendleton, Oreg., has recognized this situation in a thoughtful editorial which analyzes the shambles to which Columbia Basin river planning has been reduced because of the adverse decision on Hells Canyon. "We doubt that the last has been heard of Hells Canyon," the editorial states. "The Federal Power Commission is up to its ears in trouble on the middle Snake. A way out must be found." I agree with that editorial emphasis. A tragic and wasteful loss of resources at Hells Canyon will be felt by all the Nation until the job can be done right, at whatever future time that will be possible.

I ask consent to include with my remarks the editorial from the East Oregonian of June 8, 1958 entitled "It Will Be Heard From Again and Again."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the East Oregonian, Pendleton, Oreg., of June 8, 1958]

IT WILL BE HEARD OF AGAIN AND AGAIN

When a House subcommittee this week defeated (15–13) a bill that would have authorized high Hells Canyon Dam almost everybody decided the project was as dead as a dodo bird. That it was failing fast was obvious before it got to the House subcommittee and that knockout punch.

Nevertheless, we strongly suspect that high Hells Canyon will be heard of again and again. The committee's action will not seal the lips of those who are convinced that the project is necessary. And future events could make their case look pretty good.

Through a combination of circumstances, some of which have been arrived at deliberately and others by inexcusable bungling, development of the resources of the middle Snake River is in a state of complete confusion.

Let's sketch the picture quickly. Pacific Northwest Power Co. made application to the Federal Power Commission for a permit to construct Pleasant Valley and Mountain Sheep Dams. While this application was under consideration Secretary of Interior Fred Seaton asked for sufficient time and funds to make a study of the possibility that the height of Pleasant Valley Dam could be increased in order to capture more storage. The FPC disregarded Secretary Seaton's request, and subsequently shocked everybody for miles around by deciding that Nez Perce Dam was preferable to Mountain Sheep and a higher Pleasant Valley.

It was a shocker because all but a few public power diehards had written off Nez Perce. The Corps of Engineers have for years looked upon Nez Perce as one of the most desirable projects in the Columbia Basin because of the vast storage it would provide, but they ruled it out because it would block fish runs to and from the Salmon River, one of the most valuable fish sanctuaries in the basin.

Without an iota of evidence that the fish migration problem at Nez Perce could be solved, the FPC said it was the best project in the middle Snake and by doing so in effect invited an application for a permit to build the dam.

Since the FPC decision there has been a scramble to come up with alternate projects. Pacific Northwest Power Co. is digging for a combination of projects on which to base application to the FPC again, hoping that in the interim the FPC will have concluded that it must take the fish problem at Nez Perce into consideration.

It is plain to anybody who has studied the middle Snake picture that the FPC by its decision on Nez Perce was trying to remove some of the error it made by refusing to grant a permit for high Hells Canyon. Recognizing that it had forsaken storage of tremendous value to downstream projects by forbidding construction of high Hells Canyon, the FPC wanted to belatedly get the maximum in storage out of what was left. Nez Perce does that. It was the old story of an umpire making a bad decision and then making another to even things up.

We doubt that the last has been heard of Hells Canyon. The Federal Power Commission is up to its ears in trouble on the middle Snake. A way out must be found. Certainly, the best combination of projects for full development on the middle Snake is high Hells Canyon and Nez Perce. If high Hells Canyon were built, Nez Perce could wait until the fish migration problem was solved.

It isn't too late to do the job right. Perhaps present members of the FPC will not concede to that statement. But a change in FPC membership could result in admission that it would be better to start all over again rather than to walk off and leave a complete mess.

ADMINISTRATION ECONOMICS—CRITICISM AND DEFENSE

Mr. BUSH. Mr. President, on May 29 the Washington Post published, under the heading "Administration Economics: A Critical Appraisal," a letter written by Seymour E. Harris, who is professor of economics at Harvard University, and is chairman of its economics department.

Subsequently, I wrote a letter to the Washington Post, which has printed under the headline "Administration Economics Defended" my observations concerning the letter written by Professor Harris.

I ask unanimous consent that both letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of May 29, 1958]

ADMINISTRATION ECONOMICS: A CRITICAL APPRAISAL

We have now had 10 months of a recession, 10 months of a declining economy. Historians of the cycle tell us that a turning point generally comes within a year of the initial decline. Perhaps this command of history explains the reluctance of the administration to take positive measures to reverse business trends. But the administration may be gambling too much on the laws of history.

So far the antirecession measures have been inadequate; and most of those taken have been forced upon the reluctant administration by a Democratic Congress, or have been automatic results of built-in flexibility—e. g., the decline of the tax receipts with reduced income and the rise of unemployment benefits.

Even defense expenditures are not rising substantially. Despite the insecure state of the Nation, and the recession, the administration is not spending more on security in calendar year 1958 than in 1957. We have the word of the Chief Finance Office of the Defense Department for this.

In fact, the best estimate I can make does not suggest a rise of Federal outlays of more than $2 billion and certainly not more than $3 billion for the calendar year 1958. (I exclude the rise of transfer payments like unemployment compensation.) Even these estimates take account of the probable outlays under the road program, the unemployment compensation, the Housing Act, the Commodity Facilities Act, and proposed legislation on area redevelopment and education.

I do not believe these estimates are ungenerous. If the administration has other estimates, they have never revealed them. Is it not about time that the administration gave the country a monthly estimate of expected help from reduction of taxes, increase of expenditures, etc.—in fact, a survey the first of the month of the trends in the economy?

What is the administration afraid of? Indeed, they underestimated revenue for fiscal year 1959 by several billions. Had they shown historical sense at this point, they would not have made this mistake. In addition, expenditures will rise by a few billion beyond their January 1957, estimate for fiscal 1959. They seem to be scared of the rising deficit.

But they should have learned a long time ago, as most economists and an increasing group of businessmen have learned, that the way to keep a deficit down is to raise income; and the way to increase income is for the Government to reduce taxes and increase spending—in the midst of a recession. A continued economic decline can only further increase the deficit.

We are losing income at the rate of $30 billion to $50 billion a year. Is inactivity supportable under these conditions? Each month the administration waits, we lose $4 billion, and, perhaps, about 700,000 man-years of employment. We do not deal with a leak in a tank by allowing the water to escape; we plug the hole.

We lose this income despite the fact that there are all kinds of public services that need attention—housing, care of the unemployed, urban redevelopment, school construction, and river development.

The Government should favor especially the expenditures that yield the largest returns in the shortest period both in stimulating the economy and helping those in distress. On this score aid for unemployment-compensation funds, redevelopment, and school and college construction stand high. Those who are fearful of large public expenditures can be appeased by selecting outlays that put the smallest burden on the Treasury, namely, loans and guaranties against grants, small subsidies for loans against outright grants.

We expect a greater degree of intervention by the Federal Reserve than we have had so far. Indeed, the Federal Reserve has reversed its policy. For this we give them credit. But the reversal was slow in coming and has not been aggressive enough. It is not enough merely to reduce discount rates or even make possible the reduction of borrowing by member banks. What is needed is a rise of several billion dollars in the reserves of member banks, inclusive of excess reserves.

The open-market operations of the Federal Reserve have been most inadequate. They are excessively concerned over the dangers of inflation.

The present danger is recession. We cannot afford to lose face in the one area where we are still strong—a well-functioning economy. Hence, let us be bold in our fiscal and monetary policies.

How silly are these buying campaigns, these appeals to labor and capital to be sacrificist, the attempts of the Federal Government to shift the responsibilities for recovery to the weakened State and local governments, and, to the contrary to their interest, operations, of the private economy.

A saturation of the capital market contributed to the recession; but just as a dear money policy and a changeover from an excess of spending to an excess of receipts by the Federal Reserve aggravated the recession and helped hasten it, so a drastic reversal of these policies will soften the blows of the recession.

SEYMOUR E. HARRIS.

CAMBRIDGE, MASS.

(Professor Harris is chairman of the economics department at Harvard University.)

[From the Washington Post and Times Herald of June 11, 1958]

ADMINISTRATION ECONOMICS DEFENDED

In a letter to the editor on May 29, Prof. Seymour E. Harris (chairman of Harvard's department of economics) endeavored to comment on the administration's economic policy. It is not easy to divine what points he is trying to make or what policies he would have pursued, but he seems to be unhappy—apparently on three counts.

First, the administration has not taken vigorous fiscal measures, and those which have been taken have been forced upon the administration by a Democratic Congress or have been automatic results of built-in stabilizers. Second, because our productive capacity is not fully employed, we are losing a lot of production. Third, Federal Reserve actions have not been sufficiently aggressive.

The first charge is hardly based on the record. The administration months ago initiated a program to accelerate procurement and obligations for needed projects. The Director of the Bureau of the Budget recently estimated that Federal outlays in the next fiscal year would be at least $78 billion, an increase of $5 billion over the fiscal year now ending.

It is, of course, true that the President has opposed using recession as an excuse to initiate the kind of wholesale increase in Federal spending which would accomplish little except to leave the Federal budget in shambles for years to come. He has objected to some long-range spending programs disguised as so-called "antirecession" measures, pointing out that they could not be initiated quickly enough to help significantly in relieving the current unemployment.

The administration has also been cool to certain measures which would really have the effect of switching projects (most of which would be undertaken anyhow) from normal financing through the private bond market to financing through the Federal budget. But there has been no hesitation about accelerating expenditures on needed projects.

In a series of actions dating back to August 1957, for example, the administration has taken steps to encourage home building, and the outlook for housing construction is at present reasonably promising.

It's hard to understand Professor Harris' charges about a reluctant administration having to be pushed by a Democratic Congress when we look at one of the most sorely needed actions in the current recession—extension of unemployment compensation to

cover for a further period those who had exhausted their benefits. This measure became law on June 4, though the President's request to the Congress for this action was made on March 25. This is not the record of a reluctant administration and an eager Democratic Congress.

It is not completely clear from the letter whether Professor Harris is unhappy with the administration for not having sponsored a major tax reduction. If so, he must also be unhappy with the leadership of the Democratic Party to which he has so closely attached himself and which controls the Congress.

Professor Harris is concerned about the loss of production during the recession. So are we all. It is important, therefore, that the economic imbalances which have played a key role in the recession be corrected promptly, so that the economy can move on to a vigorous pace of balanced economic expansion. Though the letter contains no clear and explicit statement of what Professor Harris would do, he seems to be proposing that the economy be put under more forced draft through enlarged Federal deficits of little current benefit. If so, it is clear that he is really proposing chronic inflation, which could only lead to direct controls over wages and prices, a real economic smashup, or both.

Professor Harris is also unhappy about the Federal Reserve's policy. While the Federal Reserve has moved vigorously to ease credit, there can, of course, be a difference of judgment about the timing and extent of these actions. But there is no room for argument on one matter. The Federal Reserve is not responsible to the White House. The President cannot tell it what to do. It is the agent of Congress and reports to the Congress. Only the Congress can tell it what to do.

The Congress is controlled by Professor Harris' party, but to date the Democratic leadership on the Hill has not seen fit to direct the Federal Reserve to change what it's doing. I have openly challenged them on the floor of the Senate to do this, but, of course, they know better than to try it. All of this Professor Harris should know.

He may also know how curious some of his points must be. He charges the administration with having "underestimated revenue for fiscal year 1959 by several billions." This will be news to those who have been criticized for overestimating revenues for fiscal year 1959. He alleges that "a changeover from an excess of spending to an excess of receipts by the Federal Reserve aggravated the recession and helped hasten it, [and] a drastic reversal of these policies will soften the blows of the recession." Students of central banking would puzzle for a good long while at this curious jumble of meaningless words—except for the fact that they will probably ignore it.

PRESCOTT BUSH,
Senator from Connecticut.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

TRANSPORTATION ACT OF 1958

Mr. SMATHERS obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I am happy to yield.

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of Senate bill 3778, to amend the Interstate Commerce Act so as to improve and strengthen the national transportation system.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

Mr. MANSFIELD. Mr. President, under the rules of the Senate, only a certain number of committee staff members are allowed to be on the floor during the debate on a bill. I wonder whether the distinguished Senator who is in charge of the bill cares to request unanimous consent that additional staff members be allowed the privilege of the floor.

Mr. SMATHERS. Mr. President, I so request. The bill is a highly complicated one, and covers a variety of subjects which are very technical in nature. For that reason, I ask unanimous consent that the staff members of the Subcommittee on Transportation be permitted the privilege of the floor.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. Is the morning hour concluded?

The PRESIDING OFFICER. The morning hour is concluded. The unfinished business is S. 3778.

Mr. SMATHERS. Does the Senator from New York desire to make a unanimous-consent request?

Mr. JAVITS. No, I do not.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, the measure before the Senate is the Transportation Act of 1958, which started specifically as a railroad bill, a bill designed to see if we could not bring about some relief in the deteriorating railroad situation. Hearings were begun early in January, and they lasted until the middle of May.

Let me say for the benefit of Senators and others that it has never been my privilege before, either as a Member of this House or as a Member of the other body, to serve on a committee or a subcommittee in connection with which there was more faithful and loyal attendance. The members of the subcommittee evidenced a great interest, knowledge, and concern with respect to the problems which were raised. The very able Senator from Kansas [Mr. SCHOEPPEL] is senior to me in point of service in the Senate, but by virtue of the way the political chips fall, I happen to be chairman of the subcommittee rather than he. However, he sat in the hearings as a minority member of the subcommittee, and saw to it that no politics or partisanship was discussed or injected in any fashion whatever. There was none in this particular consideration.

I am grateful to the Senator from Kansas for his faithful and loyal attendance during the long series of hearings which were held; for his keen interest in and alertness to the problems which were presented; and for his very constructive suggestions as to how to meet the particular problems which arose. His services were greatly appreciated, not only by me, as chairman of the subcommittee, but by the other members of the subcommittee.

I am also grateful for the very faithful service of the junior Senator from Ohio [Mr. LAUSCHE]. We like to think of him as not only the conscience of the subcommittee, but to a considerable degree the conscience of the Senate. He is a man dedicated and devoted to fine principles. His understanding of these problems, in relation to his principles, in my judgment won the admiration not only of members of the subcommittee, but of all the witnesses who appeared. He was fair. He was straightforward. He was regular in his attendance. He was constructive when we were trying to solve problems. I am personally grateful to him, and I know that every other member of the subcommittee is equally grateful.

The able junior Senator from Connecticut [Mr. PURTELL], who is not now in the Chamber, was present on almost all occasions. He has a background of success in business in his State of Connecticut. By virtue of his experience he was able to be most helpful to us in connection with some of the highly complex financial problems which continued to arise in connection with the question of helping the railroads and improving our overall transportation system. He made some very constructive suggestions, and his contribution to what was finally arrived at by the subcommittee was indeed great.

Another member of the subcommittee was the junior Senator from Texas [Mr. YARBOROUGH]. He was involved in a campaign in his home State, but he attended our meetings whenever he could; and whenever he was present he made a fine and constructive effort, and contributed greatly to bringing about a good bill.

I should like also to mention two members of the full committee. The chairman of the full committee, the Senator from Washington [Mr. MAGNUSON], has an absolute genius for bringing together those representing diverse interests and Senators with conflicting ideas. He was always very helpful to us, and when we encountered a particularly difficult situation, it was the Senator from Wash-

ington who was able to bring us together and provide leadership at a time when it was needed. His part in the bill was very considerable, and in my judgment he deserves a great deal of the credit for what has been done.

I should like also to mention the senior Senator from Ohio [Mr. BRICKER], who has long been interested in the problem of transportation. He was formerly chairman of the full committee. He sat with us on many occasions; and when we were faced with particularly complex problems he was very helpful to us and very constructive in the suggestions he made and the questions which he raised. His contribution to the bill has been very great.

Mr. President, I have a brief general statement which I should like to make. However, I understand that the able senior Senator from Kansas [Mr. SCHOEPPEL], who is present in the Chamber, wishes to make a few remarks. I am very happy to yield to him.

Mr. SCHOEPPEL. Mr. President, I wish to say to the junior Senator from Florida, chairman of the subcommittee, that I genuinely and deeply appreciate what he said in his opening remarks with respect to the activities of the subcommittee, and his comments with respect to the Senator from Washington [Mr. MAGNUSON] and the Senator from Ohio [Mr. BRICKER], who are members of the full committee.

Let me say at the outset that this entire proceeding calls for a great deal of patience, understanding, and attention to the details involved in the hearings. I do not know that I have ever served on a subcommittee or on any full committee of which I have been privileged to be a member, where there has been any finer type of cooperation.

I commend the junior Senator from Florida for his understanding and patience in trying to focus attention upon the problems which developed as the witnesses testified.

Practically all Members of the Senate, and many persons who have followed the railroad situation, know that the railroads are in a precarious position. I shall not at this time go into subjects which I know the Senator from Florida will cover. However, I know that on many occasions conflicting interests sought to be heard. On a number of such occasions the junior Senator from Florida, after counseling with the representatives of conflicting groups, was able to bring them together on many points which will be before the Senate in the consideration of the bill. If the situation had not been handled in that way, I am sure we would not have such an excellent bill before the Senate today.

The railroad witnesses appearing before our subcommittee presented a broad picture of economic and financial problems facing the rails. Presidents representing most of our greatest railroads presented evidence of their own particular situations. While some railroads are in what may be termed a prosperous condition, they are, in the main, exceptions.

Generally, we found that the railroads were suffering from a loss or decline of traffic, caused by many factors, as the hearings will disclose to those who are interested in reading them. Their position has continued to decline for many months, and, for that matter, for several years. In my opinion, we are dealing with a sick industry.

If this continuing deterioration were to be permitted to continue, I fear the impact upon our Nation's economy would lead to dire consequences. I need not dwell upon what might happen if we should permit 2 or 3 or more of our country's large railroads to go bankrupt. Precisely that is what may happen unless we take action now, as we view it, to aid this industry. It is our obligation to prevent a serious weakening and threatened breakdown of our transportation system.

It is in the national interest to maintain a sound transportation system, not merely that afforded by the railroads, but for all modes of transportation. That was forcefully brought to our attention by witnesses who were not in the railroad-transportation business as such. The proposed legislation is not only for the benefit of the railroads, but for all modes of transportation.

Each mode has its particular advantages and some disadvantages. Each has made its great contribution to our economy, and I believe each is deserving of our attention. We must have a healthy and adequate transportation industry.

Our railroads have been outstanding examples of the American free-enterprise system. While regulated by law, they are private businesses. They have always been privately owned and financed. They have been privately operated and self-supporting generally. They have been paying taxes to local communities, States, and the Federal Government.

It would be hard for me to believe any of the Members of this distinguished body would want to see that situation changed.

I believe we have an opportunity here to pass a constructive bill which will help this industry regain its previous position. If we fail to do that, we have another alternative. I hope I shall never see the day when it appears that the only solution to such a complex problem is the nationalization of our railroads. Yet such a result may face this industry if it is permitted to deteriorate.

Our railroads perform a needed service in our economy. It is essential, if for no other reason than national defense, that our railroads maintain a strong competitive position in our transportation scheme of things.

I shall not attempt to cite additional statistics to prove the need for this proposed legislation. Freight and passenger traffic, along with resultant revenues, has declined. Labor and materials have, during the same time, increased in cost. Many railroads, particularly those in the eastern part of the United States, have been caught in this economic squeeze. Many of the western and southern roads have a larger territory to cover, more traffic, with higher earnings and additional sources of revenue from nonrailroad enterprises. While the western and southern lines have been better off, they, too, are feeling the decline in traffic and the additional increases in operating and maintenance costs, and as a result they too are facing reduced net earnings.

The railroad industry has had a difficult time maintaining adequate capital reserves. It is well known in the investment business that the rate of return has been very low in this industry. It has, as a consequence, had great difficulty in obtaining outside investment capital. That was repeatedly brought to the attention of the committee. Testimony was received by the subcommittee that certain railroads had exhausted credit resources available to them from private banking and lending institutions.

From what I have previously said, one might draw the conclusion that this industry has done little to help itself. Such a conclusion is not warranted. It is not the case. This industry has been taking advantage of every technological advance which could be utilized. From dieselization to electronic yards, these improvements have resulted in better service and reduced costs to the customer. But this advance has been slowed by the need for capital funds. Each large improvement program has cost vast sums of money. While some rate increases have been made in the postwar period, they have not provided sufficient funds to embark on large-scale improvements; in fact, the increases have not kept pace with advances in prices paid for services and goods during this period of rapid inflation.

We all know that the history of complex legislation is frequently one of compromise. In the pending bill, S. 3778, there are several such compromises which represent concerted and cooperative efforts by all parties, including members of the committee and representatives of the competing modes of transportation. Section 5, dealing with competitive ratemaking, is one such section.

With the present language in this section—which all modes of transportation now accept—material benefits can result to the railroad industry generally. I believe the industry must have greater freedom to make reduced rates. Under this section the Interstate Commerce Commission cannot hold up the rate of a carrier to any particular level in order to protect the traffic of another mode of transportation. Under this provision, any mode of transportation will continue to enjoy the advantages which accrue to it, whether it be by the nature of the service rendered or by lowered cost.

I have some reservations concerning section 6 of S. 3778. In the opinion of our committee a guaranteed loan program is essential. I am hopeful this program, if it is finally adopted, will never become permanent. It is designed for temporary relief, and I understand there may be some question about our approach to the problem. I am hopeful that the Interstate Commerce Commission will provide sufficient regulations so that the program can be effective. Such regulations need not be burdensome; but they should be strict enough to protect the taxpayers of the Nation, whose money is being used.

With reference to the provisions of section 8 of the bill, relating to the so-called agricultural commodities clause, I

believe that the intent and purpose of this section has been twisted by judicial interpretation and construction so that the present situation is far from what the framers of this provision intended. Originally, this was designed to be a protection for the farmer and the agricultural producer, as an aid in moving their produce and crops to market. Today, little, if any advantage accrues to the man on the farm. The packer or distributor or processor largely benefits. I believe we must take action to tighten up this and other provisions in the Interstate Commerce Act. By so doing we will not be prejudicing any interests of the farmer.

It is my firm conviction that section 9, as reported by our committee, is very much needed. What we will achieve by enactment of provisions based on the Brooks Transportation Co. case will in no way interfere with legitimate private carriage of goods.

It is appropriate at this stage to emphasize the intention of the committee to regulate motor transportation when such transportation is not clearly and specifically exempt, and to make certain that we preserve a necessary and realistic distinction between regulated transportation and private transportation. Originally we would have added to section 203 these words: "nor shall any person in any other commercial enterprise transport property by motor vehicle in interstate or foreign commerce unless such transportation is solely related to and in furtherance of a primary business enterprise (other than transportation) of such person."

However, we were advised that the term "solely related to" is new and untried, while the substitute words "incidental to" are well understood and were employed by the court in the Brooks case when it approved and interpreted the Interstate Commerce Commission's "primary business" test. Accordingly, following precedent, we substituted "incidental to" for the term "solely related to." The "primary business test" would thus embrace both factors; "incidental to" and "in furtherance of" such primary business enterprise.

We intended to make it impossible for a private carrier to transport nonexempt goods of others for any form of compensation. The intention is to do no more and no less than the Commission and the Court did in the Brooks case. In doing so we wish to recognize private carriage in its proper role, and to discourage evasion of regulation by those intended to be included within its terms.

I earnestly hope that we will be able to pass the bill. It would be constructive transportation legislation. Passage of S. 3778 would benefit our transportation system.

I know that the chairman of the subcommittee [Mr. SMATHERS], as he has done on other occasions during the committee's deliberations, will discuss the measure section by section. I feel certain that with the history of the measure as it is contained in the report and in the RECORD, and with the colloquy on the part of those interested in the bill in various and sundry capacities, we can pass a realistic and, I hope, a constructive bill, which is urgently needed now, if anything constructive is to be done to save our great railroad transportation system, the only transportation system in the world today which is privately owned and operated and pays so large an amount of taxes to the Nation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. AIKEN. I am glad to hear the Senator from Kansas express apprehension over section 6. I think my apprehension goes somewhat further than his does. I do not believe we should pass a bill which establishes a conflict of interest within an agency of the Government such as this bill will establish if it becomes law. I hope that a correction will be made in this section before the bill is passed, if it is passed.

The Interstate Commerce Commission was created to protect the public interest. It seems to me, however, that section 6 vests the Interstate Commerce Commission with the authority to make loans to the railroads under certain terms. It charges the Commission with looking after the welfare of the railroads. This represents a definite conflict of interest. This is the kind of provision which gave great concern to the Hoover Commission and to other regulatory agencies 10 years ago.

Steps have been taken to get the Interstate Commerce Commission, the Federal Power Commission, and the Maritime Commission out of the executive field. It is impossible for any regulatory agency to protect the public interest and at the same time to take the part of one of the litigants.

I hope the apprehension of the Senator from Kansas will be shared by a sufficient number of Senators so that this provision will be changed. I am not arguing against providing adequate financing for the railroads, if that is needed. I think such financing probably is necessary. But certainly I would never put the financing in the hands of an agency which is charged with regulating the carriers. I hope the provision will be changed before the bill is sent to the President for approval. If it is not changed, I hope the bill will not be signed, because this provision is one of the clearest violations of the principles of good government which could be devised.

Mr. SCHOEPPEL. The Senator from Vermont, who is the ranking Republican member of the Committee on Agriculture and Forestry, has pointed out some matters which gave the subcommittee concern in its consideration of the measure. I know there is a difference of opinion about it. But I feel certain that the chairman of the subcommittee will analyze certain phases of the discussions which were held and that this statement will help us to make determinations about the changes it may be necessary to make in the bill.

Mr. AIKEN. Certainly, however, a regulatory agency should never be charged with the financing of the industry which it is charged with regulating in the public interest.

Mr. SMATHERS. That particular question was raised before the subcommittee.

Mr. AIKEN. Yes.

Mr. SMATHERS. There was much debate about the channel which should be followed. It was finally determined that the best channel to follow was the one for which there was a precedent. The precedent which was followed was the Transportation Act of 1920. At that time the Government was in the business of lending money to the railroads, and the Interstate Commerce Commission was then given the authority actually to lend the money to the railroads. In this instance, I think it should be clearly understood that the Government itself will not lend the money; the Government will merely underwrite and guarantee the loans.

Mr. AIKEN. That is correct. It amounts to the same thing. It finances the railroads.

Mr. SMATHERS. The railroads will still have to procure the money from the regular sources from which money is ordinarily borrowed. The Government will not supply any money.

But the Interstate Commerce Commission has within it a Bureau of Finance which, in fact, knows more about the railroads and their actual financial conditions than does any other agency. The Bureau of Finance has set up its own system of bookkeeping, which is very different from the system followed by most corporations. So it was believed that that particular agency was the best one to recommend that a guaranteed loan should be made to a particular railroad. The Transportation Act of 1920 was followed in providing for this procedure.

Mr. AIKEN. If that line of reasoning is to be followed, then the Federal Power Commission should be handling the REA loans. I think this proposal is wrong. I hope Congress will correct the situation. Congress has worked hard in the past 10 years on this subject, and has undertaken, generally successfully, to take the regulatory agencies out of the business of financing the entities of which they are charged with regulating.

Mr. SMATHERS. The Maritime Commission, which actually has jurisdiction over the maritime industry, today is the particular instrumentality which recommends the loans which are to be made to the various maritime companies.

Mr. AIKEN. I would not say that Congress was 100 percent successful in taking the Maritime Commission out of the maritime industry. We were partially successful, because even though the Maritime Commission recommends in matters of finance, there is another agency which actually handles the business.

Mr. SMATHERS. It is the maritime agency which, of course, gives approval to whether or not a loan will be made to a certain company. It is the Maritime Commission which finally makes the decision.

The subcommittee shares the concern of the Senator from Vermont. We believe that in the light of the precedent of 1920, plus the precedent of the Mari-

time Commission, it is better to guide the proposal in this way than it would be to route it through some other agency.

Mr. AIKEN. Congress in the past 10 years has indicated its intention of not abiding by that precedent, which was established 35 years ago. I was wondering if any of the parties concerned were insisting that the lending or the guaranteeing authority be lodged with the Interstate Commerce Commission.

Mr. SMATHERS. No.

Mr. AIKEN. All the other financing and guaranteeing done by the Government is through agencies which are not regulatory agencies.

I think this proposal is a serious mistake. I am willing to go along with the proposal to finance the railroads. I think some of the railroads urgently need financing. I do not want my statement to be understood as opposition. It does not mean that I shall vote against the bill finally, because I realize that the House must act on it, and the House may be a bit more hardboiled and businesslike in this respect than was the Senate committee.

I appreciate the difficulties which the Senator from Florida and the other members of the subcommittee had in reporting a bill at all. I think the committee has done very well. But I think there are 2 or 3 errors in the bill, and this is the most glaring one, in my opinion. I hope that before the bill is sent to the President, the errors will be corrected.

Mr. LAUSCHE. Mr. President, the Senator from Vermont asked whether any particular interest had urged that the administrative power be placed in the Interstate Commerce Commission.

I am a member of the subcommittee; and I can say positively that I, at least, heard of no such urging by anyone.

From my standpoint, I supported the proposal that the Interstate Commerce Commission be given this administrative power, because I believe it has the basic information which should be used in determining whether a loan should or should not be guaranteed. I have no fixed judgment on the provision, except that rooted in the reasons I have just outlined.

However, a commission is somewhat insulated from responsibility to the public; and it might be argued that it is necessary to fix responsibility in someone in the administration who can be held responsible.

But I formed my judgment solely on the basis that whoever had the administrative power would in all probability have to go to the Interstate Commerce Commission and request it to supply the basic information which would disclose the fiscal standing of the railroad which had requested a loan.

Mr. AIKEN. I think there could be no objection to that, namely, to get the proper information from the Interstate Commerce Commission. However, if the bill as written is enacted, I believe it would be virtually impossible for a member of the Interstate Commerce Commission not to feel a rather grave responsibility to keep any railroad from going into bankruptcy. On the other hand, perhaps the time might come when bankruptcy for one railroad or another might be warranted; the railroad might have outlived its usefulness, and might have to give up the ghost. I do not think we should guarantee a railroad perpetual operation, regardless of cost.

Therefore I believe there is a real conflict of interest in this case.

Mr. LAUSCHE. What reason was advanced several years ago when it was urged that none of these lending powers be given to commissions, but that they be lodged in some department of the Federal Government administration?

Mr. AIKEN. Although I helped write the recommendations at the time, and have been trying to refresh my memory this morning, I am not in a position to go into all the details now.

But the Hoover Commission definitely took the position that regulatory commissions should not be engaged in executive business of any kind; and in that recommendation I thoroughly concur. We have been partially successful in having our recommendations adopted. I think the instance mentioned by the Senator from Florida in the case of the Maritime Administration probably relates to the recommendation which has been least fully complied with.

Mr. LAUSCHE. Did the Hoover Commission recommend that this power not be placed in the Commission?

Mr. AIKEN. Yes; that was the Hoover Commission's very strong recommendation, in its 1948 report, as I recall.

Mr. LAUSCHE. The last time I heard of any particular interest on the part of the administration in the agency in which this administrative power would be vested was through a letter which I received a few days ago from Secretary Weeks.

Mr. AIKEN. I have not seen a copy of the letter. However, this morning I communicated with representatives of the administration; and I find that they are opposed to this provision.

If I had Secretary Weeks' letter to read, I would know more about the matter in detail.

But I am simply going back 10 years to the study which was made by the Hoover Commission, as a result of which it was found that one of the bad things being done was that regulatory commissions were requested to perform administrative functions.

It may be that this proposal will be straightened out in some other way. I hope it will.

Mr. SCHOEPPEL. Mr. President——

The PRESIDING OFFICER (Mr. NEUBERGER in the chair). Does the Senator from Florida yield to the Senator from Kansas?

Mr. SMATHERS. I yield.

Mr. SCHOEPPEL. Apropos what the Senator from Vermont and the Senator from Ohio have said, I wish to state for the RECORD, for the benefit of my distinguished colleague, the Senator from Vermont [Mr. AIKEN], that in the deliberations of the committee on this matter and in its approach to it, at no time did we ever have any suggestion of any type or kind that this power should be placed in the Interstate Commerce Commission.

I say frankly and candidly to the Senate that we were trying to approach the matter in the proper way; and, so far as I was concerned, I was trying to think of it in terms of an operation of short duration in an emergency situation. We considered the bill to be a temporary measure, and not one of a permanent nature.

Personally, I had very decided feelings against establishing a new agency which would continue in being and would grow. As I have pointed out in my statement, I hesitated to think that there would be a continuing operation.

Once we establish an agency, we often have great difficulty getting rid of it.

We did not wish to provide for duplication of a present agency which has the necessary machinery and know-how available.

As has been pointed out by the Senator from Florida, there is also the accounting phase of the matter; and there were the proceedings, to which the Senator has referred, in connection with previous legislation during the war.

So we felt that, considering the temporary nature of this measure, the Interstate Commerce Commission would be in a better position to handle this particular phase of it, in making a temporary approach. On that basis, I was willing to go along with an approach of this kind.

Mr. AIKEN. Does the pending bill provide a termination date? It has been referred to as a temporary financing measure. From the bill, I find that loans can be made for periods up to 15 years.

Mr. SCHOEPPEL. I believe we were talking in terms of a 5-year period.

Mr. AIKEN. Somewhere in the bill I read a provision to the effect that loans could be made for a period up to 15 years, and could be extended if the condition of a railroad necessitated such extension and if in the view of the Interstate Commerce Commission it was warranted. Perhaps the 15-year limitation was included more as a guide regarding the length of the life of the loans.

Mr. SMATHERS. The bill contains the following provisions:

(4) No guaranty shall be made under this section—

(A) unless the Commission is of the opinion that the proposed loan is necessary or appropriate to effectuate the purpose of this section;

(B) unless the Commission is of the opinion that without such guaranty the applicant carrier would be unable to obtain necessary funds, on reasonable terms, for the purposes for which the loan is sought;

(C) if the loan involved is at a rate of interest which, in the judgment of the Commission, is unreasonably high, or if the terms of such loan permit full repayment more than 15 years after the date thereof;

(D) unless the Commission is of the opinion that the prospective earning power of the applicant carrier, together with the character and value of the security pledged, if any, furnish reasonable assurance of the applicant's ability to repay the loan within the time fixed therefor and reasonable protection to the United States.

(E) unless the Commission is of the opinion that the applicant carrier is not in need of reorganization of its capital structure.

In other words, if they are of the opinion that a railroad is likely to go bankrupt, anyway, of course they will not make the loan.

Mr. AIKEN. I would not quarrel with the conditions laid down by the subcommittee in regard to the making of a loan, and I really am not arguing the merits of the bill. I am simply speaking from the standpoint of a desire to obtain a good, workable setup in the Federal Government. In my opinion, a regulatory commission should not be engaged in business.

Mr. SMATHERS. I think one of the greatest criticisms which can be directed against our Government and certain regulatory agencies is on the basis of the enormous amount of delay that occurs.

So when we can vest in an agency which already has the necessary information and, we might say, the know-how with respect to a specific problem, and some authority to deal with it, then of course we obviously eliminate much of the cause of delay which otherwise would occur if the necessary information had to be obtained from one commission, but another agency had to make the decision.

The Commission is obviously the best agency equipped to determine whether (a) a railroad is really in need of the loan, and (b) whether there is any prospect of the railroad repaying the loan, because the Commission is the body that fixes the freight rates, assigns the routes, prescribes what the railroads can carry and where the railroads can go. The Commission also knows what the competition is. So the Commission is really the agency that has all the information which is vital in order to arrive at a determination as to whether a loan is needed.

Rather than to take that authority away from the Commission, which in fact does have all that information, and is able to do the job competently, and provide that the Commission may make suggestions but that Congress will create another agency to do the same thing the Commission can do, establish another bureau, and go over the same procedure a second time, it was the subcommittee's judgment that it would be better, and would avoid unnecessary expense in Government operations, since there would be fewer Government employees, if we placed this particular work in the hands of the agency which now knows all about the problems which are involved. That was the conclusion of the subcommittee.

Mr. SCHOEPPEL. Mr. President, if the Senator from Florida will indulge me, with reference to the question asked by the Senator from Vermont, I refer to page 16 of the report as the basis for the Senator from Kansas referring to it as temporary legislation in certain respects, I read from that page of the report:

Other important features of the proposal include provisions that—

The Interstate Commerce Commission shall prescribe the security, if any, that is to be required; the term of a loan eligible for guaranty shall not exceed 15 years; no dividends shall be paid by a carrier so long as any loan guaranteed by the Government under this provision is outstanding—

This is the pertinent matter which I should like to point out—

the authority to guarantee loans shall terminate December 31, 1960, unless further extended by the Congress.

That is how we have tried to put safeguards around this temporary type of proposed legislation.

Mr. President, at this time I yield the floor.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The first committee amendment was on page 7, after line 11, to strike out:

"(3) In a proceeding involving competition with another mode of transportation, the Commission, in determining whether a rail rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by railroad and not by such other mode."

And, in lieu thereof, to insert:

"(3) In a proceeding involving competition between carriers of different modes of transportation subject to this act, the Commission, in determining whether a rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act."

Mr. WILLIAMS. Mr. President——

Mr. SMATHERS. Mr. President, if the Senator from Delaware will yield to me for a moment, I should like to say that the Senator from Kansas has ably discussed some of these sections. I should like to discuss them to some extent. I know the Senator from Delaware has a question he wants to raise, and I think the Senator from Maryland [Mr. BUTLER] has a question he desires to ask.

I may say I am grateful to the able Senator from Kansas, not only for his contributions to the deliberations of the committee, but for the kind remarks he has made about the junior Senator from Florida on this occasion. I recognize he has displayed his characteristic generosity toward his friends, and I am proud to be included as one of them.

Mr. President, briefly, I should like to make this statement. We are quite proud of the report of the committee on the bill. It was arranged in such a way that the problems of the railroads were first discussed. We had to decide whether there was a need for doing anything. The evidence was overwhelming that there did exist a real and urgent need for something to be done. That having been established, the question arose as to what should be done.

The report went into the decline of the railroad business, and also what the railroads could do to help themselves. We did not feel that the manner in which the railroad industry was operated was, like Ivory soap, 99.44 percent pure.

Mr. President, I yield now to the able senior Senator from Arizona [Mr. HAYDEN].

ADDITIONAL SUPPLEMENTAL APPROPRIATIONS FOR THE DEPARTMENT OF LABOR

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution 624, making additional supplemental appropriations for the Small Business Administration and the Department of Labor.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The question is on agreeing to the motion of the Senator from Arizona.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Appropriations, with amendments.

Mr. HAYDEN. Mr. President, the joint resolution contains $20 million for the Small Business Administration. The additional funds are required at this time because of a recent unprecedented increase in business loan applications and a large number of excessive rainfall disaster applications. The request from the President for these additional funds was received too late to be considered in the House committee.

I am advised that the House will accept the provision which has been included in the bill affecting the Small Business Administration since we have agreed on $20 million, rather than $5 million as proposed in the budget estimate.

The committee concurred in the action of the House in recommending the full amount of the budget estimate of $665,700,000 authorized by the Temporary Unemployment Compensation Act of 1958 signed June 4, 1958. This program is needed to provide some measure of income maintenance to the large number of unemployed workers who have exhausted their rights to benefits under the unemployment insurance laws.

If all States participate in the program, it is estimated that 2,650,000 eligible workers will file claims for benefits. It is also estimated that these individuals will draw benefits for an average of 8½ weeks.

Mr. DIRKSEN. Mr. President, this matter has been discussed in the Appropriations Committee, and also with the leadership. Actually, this joint resolution is emergent in character and requires very expeditious action.

Mr. HAYDEN. That is why I am asking for the passage of the joint resolution at this time.

The PRESIDING OFFICER. The clerk will state the committee amendments.

The LEGISLATIVE CLERK. On page 1, line 4, after the words "for the", to strike out "Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958" and insert in lieu thereof "fiscal year ending June 30, 1958."

The amendment was agreed to.

The next amendment was at the top of page 2, to insert:

CHAPTER I

SMALL BUSINESS ADMINISTRATION

REVOLVING FUND

For additional capital for the revolving fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitation, $20 million.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time.

Mr. HOLLAND. Mr. President, in my judgment both of these items are not only emergency matters, but they are of such importance that I hope they will be enacted without effort at further amendment, so the joint resolution can go speedily back to the House. The funds are very badly needed by the Small Business Administration now, and will be of great importance in bolstering small business in many critical situations throughout the country.

The major part of the measure relates to the Temporary Unemployment Compensation Act of 1958, which was passed a few days ago, and the pending appropriation is necessary if that act is to mean anything.

I certainly commend the distinguished chairman of the committee for bringing up the joint resolution for early disposition by the Senate, and I hope the Senate will pass it without any further change whatsoever.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

The joint resolution was passed.

The title was amended so as to read: "Joint resolution making additional supplemental appropriations for the fiscal year 1958, and for other purposes."

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 10 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until tomorrow, at 10 a. m.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Without objection, it is so ordered.

AUTHORITY FOR SPECIAL COMMITTEE ON SPACE AND ASTRONAUTICS TO FILE REPORT DURING ADJOURNMENT OF THE SENATE

Mr. JOHNSON of Texas. Mr. President, as chairman of the Committee on Space and Astronautics, I ask unanimous consent to file a report during the adjournment of the Senate following the session today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I announce that the committee, by unanimous vote of all the members present, has ordered reported to the Senate a space bill.

I further announce that we shall try to find a convenient time in the next few days for the Senate to consider the bill, so it may go to a conference with the House of Representatives.

TRANSPORTATION ACT OF 1958

The Senate resumed the consideration of the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

Mr. SMATHERS. Mr. President, I have been asked to yield by the able junior Senator from Ohio [Mr. LAUSCHE] who is a member of the subcommittee.

Mr. WILLIAMS. Mr. President, will the Senator yield to me, before he yields to the Senator from Ohio, so that I may ask a couple of questions of the chairman of the subcommittee?

Mr. SMATHERS. I yield to the Senator from Delaware.

Mr. WILLIAMS. It is my understanding that in the bill there is provided the same exemption for poultry and poultry products which is carried in the existing law. Is my understanding correct?

Mr. SMATHERS. The Senator is correct.

Mr. WILLIAMS. A question has also been raised about the fact that many poultry products are now being shipped in a cooked form from the plants. This form of shipment may be expanded over the next few years. Would the product be covered in such a cooked form, in the same manner as in the other form?

Mr. SMATHERS. This matter was discussed in the subcommittee and in the full committee. It was impossible to list as a part of the proposed legislation all the specific items which are being sought to be exempted, but we discussed the particular item of cooked chicken. It appears that cooked chicken will in a short time become the standard type of chicken to be transported. It was the view of the members of the subcommittee that that particular product should be exempt.

Mr. WILLIAMS. Was it the understanding that the cooked product would be exempt without the necessity for any additional amendments being offered to the bill?

Mr. SMATHERS. That was our conclusion.

Mr. WILLIAMS. That was my understanding, but I merely wanted to have it clear in the RECORD because many persons engaged in the industry were somewhat concerned about this question. I wanted to be sure we were correct in believing the exemption was included.

Mr. SMATHERS. The Senator is correct in his understanding.

Mr. WILLIAMS. I thank the Senator from Florida. There is another question which has been raised with respect to amending the Revenue Code.

Mr. SMATHERS. If the Senator does not mind, I hope we can wait a moment for a discussion of that item.

Mr. YOUNG. Mr. President, will the Senator yield so that I may ask a question or two along the line of the questions of the Senator from Delaware?

Mr. SMATHERS. I yield.

Mr. YOUNG. At the present time a bona fide farmer can haul his commodities to market, whether it is 100 or 200 miles or more away, and can haul back some of the things he needs on the farm.

Mr. SMATHERS. The Senator is correct.

Mr. YOUNG. Has that provision of law been changed?

Mr. SMATHERS. No. The law with respect to haul-back for farmers was established when we considered the trip-leasing bill 2 years ago, and that is still the law. This bill would make no change in that law. A farmer or anybody else can at any time carry exempt products without having to check with the Commission. That statement refers to an exempt commodity.

We have even gone so far as to permit the farmer, when returning to his home, to haul back some nonexempt items. That was a provision in the trip-leasing law and is still the law. We did not change that provision. The farmer would be as well off under the provisions of this bill as he ever was.

Mr. YOUNG. I thank the Senator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the junior Senator from Ohio.

Mr. LAUSCHE. Mr. President, at the very beginning I want to express gratitude to my associates on the Surface Transportation Subcommittee for the courtesies extended to me while testimony was being taken with respect to the bill. I also commend the junior Senator from Florida for the able leadership he gave in the conduct of the hearings.

Mr. President, based upon the testimony which was submitted in intermittent hearings covering a period of about 4 months, I came to certain conclusions concerning the questions which were pending before the subcommittee.

First, the testimony showed that the railroad industry, from an economic standpoint, is in trouble in our country.

Second, the railroad industry, more than any other transportation industry, is circumscribed in its management by the Interstate Commerce Commission, the Congress of the United States, and labor-union requirements.

Third, the railroad industry is placed at a disadvantage in its fight for survival by the subsidies, direct and indirect, given by the United States Government to its competitors.

Fourth, without question, the railroad industry is the backbone of our transportation system.

Fifth, the railroad industry must provide and pay taxes on its own rights-of-way, terminals, and other facilities, suffering the travesty and injustice that in part the taxes which it pays are used to subsidize its competitors.

I have made the statement that my No. 1 finding is that the railroad industry from an economic standpoint is in trouble. The records of the Interstate Commerce Commission show that the rate of return on capital investment enjoyed by the regulated water carriers is 11.3 percent, by the trucking industry is 10.4 percent, and by the railroad industry is 4.16 percent.

I repeat those figures: The rate of return is 4.16 percent for the railroads, 10.4 percent for the motortruck carriers, and 11.3 percent for the water carriers.

A number of railroads in the East in particular are so close to the point of being defunct financially that their operating funds probably would not last them a week. Any adversity of a sudden nature would precipitate those railroads into receivership or other judicial or governmental control.

The second point I made is that the railroad industry more than any other transportation industry is circumscribed in its management by the Interstate Commerce Commission, the Congress, and labor-union requirements. It may astound some of my colleagues to hear me state that the railroads are not allowed to charge a low rate, even though the low rate produces a profit for them and is nondiscriminatory with respect to shippers, if the lowness of the rate has an adverse impact upon the truckers, the barge carriers, or the airlines. The railroads are not allowed, under the interpretations given by the Interstate Commerce Commission, to utilize to the fullest advantage their inherent power in delivering mass freight at a low rate.

The railroads are required to hold an umbrella over the heads of the truckers and barge lines. They are told, when they charge a rate which is low, even though it makes a profit for them, that such rate is not allowable if it will adversely affect the ability of the truckers or the barge lines to remain in business.

With regard to the operation of the railroad system, there are conditions in the operation of trains which I shall not undertake to explain. There is one condition under which a train crew working for 2 hours is paid for an 8-hour day. It is the result of a rather involved formula, but the net result is that that condition does exist.

I made the statement that Congress, by law—and frequently with justification—imposes conditions which become a burden. Those laws are tied to safety proposals, but in many instances are contemplated merely to create work.

Third, I made the statement that the railroads are placed at a disadvantage in their fight for competitive survival by the subsidies, direct and indirect, given by the United States Government to their competitors. Let us take a look at that issue.

With respect to the air carriers, since the commercial air-carrier bill was passed in 1939, down to June 30, 1958, there has been paid to them in subsidies the sum of $819,704,000. The general public does not ordinarily understand that, but for 20 years we have paid out each year a little more than $40 million a year, making a total of more than $819 million.

In addition, this session of Congress, about 3 months ago, we passed what was known as the capital-gains bill and in that bill we allowed to certain airlines $67 million, which, in my opinion, was a gift.

Since 1937, down to 1958, the Federal Government has expended $1,640 million in the management of the Federal airway system. It is conceded that 50 percent of that service is rendered for the Navy and the Army, but the remaining 50 percent of the service is rendered for the commercial air industry. So in that instance the air carriers have been subsidized to the extent of $800 million. At this point it might be well to say that all the communications on the railroads are financed by the railroads directly.

We now come to the subject of airport construction. Since 1946, when the Federal Airport Act was enacted, the Federal Government has expended $386,795,000 in the building of airports. They are primarily used by the commercial air carriers.

In this session of Congress we provided an additional $512 million for the building of airports to accommodate the commercial airlines.

The Federal Government does not recoup a single penny of those expenditures, except the sum of money which is received from the aviation gas tax revenues, which, in the year 1959, it is estimated, will be about $62 million.

With respect to highways, the figures show that in the period from 1921 through 1955, the total public expenditures for highways and streets by all units of government amounted to $93 billion. This grand total includes $52 billion for capital improvements, $29 billion for maintenance, and $12 billion for highway administration and interest payments. Moreover, the great bulk of these expenditures have been made in comparatively recent years within this period.

As compared with the total highway expenditures of $93 billion, user taxes paid by motor-vehicle operators on the highways in the 1921–55 period amounted to $45 billion, or 48 percent of the expenditures. Of the remainder, the Federal Government contributed $14 billion and $32 billion came from general tax funds of the States and their subdivisions. In addition to these sources of funds, some highway expenditures have been financed through borrowing.

There are 800,000 trucks on the highways at present. Studies of the Bureau of Public Roads show that on the basis of ton-miles of travel, the operator of the ordinary passenger car pays three times as much for the use of the highway as does the operator of a commercial truck. The 1956 Act sought to remedy that situation by imposing a user Federal tax on the trucking industry; but the query is properly made, What was the situation prior to 1956, when there was no Federal user tax charged against the trucking industry?

I should like to say a word about the barge lines. In the development of the inland navigation system through fiscal year 1954, our Government spent $2,096 million, divided $1,444 million for construction and $652 million for maintenance and operations. Since 1954 and through fiscal 1958, it is estimated that an additional $202 million will be expended for improvements and $176 million for maintenance and operation, making a total of nearly $2,500,000,000 of Federal funds spent for improving and operating the inland waterway system. This does not include any non-Federal expenditures, such as those for the New York State barge canal or local expenditures for piers, terminals, and other improvements.

In fiscal 1959 it is proposed that the Federal Government spend an estimated $67,681,000 for improvements and $37,612,000 for maintenance and operations.

These are the funds which have been spent in the development of the inland waterways. Those waterways are the highways of the barge lines. The Federal Government recoups no part of such expenditures made in the building of locks, the deepening of the inland streams, and construction of other facilities which are provided for the barge-line carriers.

What is the position of the railroads with respect to their importance in the transportation system of our country? All the impartial witnesses who testified expressed the opinion that the railroads were the backbone of the system. I believe that an examination of what took place in World War II will show that they multiplied their services to a degree which was simply astounding.

I do not believe it can be doubted in the least degree that our country cannot suffer the danger of losing the services which are provided by the railroads of the Nation.

I also made the statement that the railroads must provide for and pay taxes on their rights-of-way, terminals, and other facilities. They suffer the travesty and injustice that part of those taxes are used to subsidize their competitors. There can be no challenge to that statement. They pay taxes on their rights-of-way, their terminals, and other facilities. Those taxes in part are used to subsidize the airlines, the barge lines, and the truck lines.

I filed dissenting views with respect to some of the recommendations which were made by the Subcommittee on Surface Transportation. However, in substance, I am in agreement with the recommendations. I shall not attempt to discuss those instances in which I dissented. I hope the Senate will not further dilute the provisions of the bill pending before it. It would be unwise

to guarantee loans up to $700 million unless we also provided ways and means whereby the railroad industry could help lift itself out of its troubles. It would be wrong merely to dip into the Federal Treasury and give the railroads money if the prospect were that they would continue in the future operating on the dangerous economic grounds on which they have operated in the past.

I wish again to commend the Senator from Florida [Mr. SMATHERS] and to express my gratitude to the Senator from Kansas [Mr. SCHOEPPEL] for his courtesy to me. The proposed legislation is important. It is my sincere hope that the Senate will pass it substantially in the form in which it is pending before the Senate.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

TENTH ANNIVERSARY OF THE INDEPENDENCE OF ISRAEL

Mr. HUMPHREY. Mr. President, on May 11, 1958, I had the honor to deliver an address at the celebration in the Chicago Stadium, Chicago, Ill., of Israel's 10th anniversary. My address was entitled "Israel—Bastion of Freedom."

I ask unanimous consent that the text of my talk be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ISRAEL—BASTION OF FREEDOM

(Address by Senator HUBERT H. HUMPHREY, Democrat, Minnesota, at Independence Festival celebrating Israel's 10th anniversary, Chicago Stadium, Chicago, May 11, 1958)

We are gathered here to commemorate the 10th anniversary of the founding of the State of Israel. It is appropriate that we do so both by looking back over Israel's challenges and achievements during that decade, and by looking ahead to Israel's future.

The skeptics said there would never be a State of Israel. They have been proved wrong.

They said that Israel, surrounded by a sea of hostile forces, with arid land, depleted resources, and a divergent and impoverished people, could not survive. Again, they were wrong.

Even now, there are a few who say that Israel cannot survive. They, too, are wrong.

Israel has confounded the fears of the skeptics, and confirmed the faith of her friends.

Last year at this time I was in Israel. I know, first hand, the determination, the faith, and the courage that have made possible the historic achievements of the last 10 years.

Israel has had more than her share of handicaps and heartaches in these first years of independence. Yes, not one, but a hundred challenges have had to be met and mastered—and all of them at the same time.

Israel has had to establish a modern free government, create a strong defensive force, build an independent economy, and revive and renew a whole culture.

She has succeeded in doing so not by the brutal efficiency of a totalitarian machine, but through a democratic process which has respected, and promoted the rights of the individual.

HUMAN RIGHTS

For instance, today in Israel every child, Arab and Jewish, is entitled to a free education and medical care. Arabs are represented in Israel's parliament, both as members of Jewish parties, and as the representatives of Arab parties. It has always seemed wonderfully symbolic to me that the rights of the Arab minority in Israel have been safeguarded even while the state itself has been under siege from hostile neighbors.

DEFENSE

Yes, on the very day of Israel's birth as a nation, her land frontiers were under attack and her ports were blockaded.

The new state's baptism of fire was costly, but it established her right to live and she lives vigorously. The people of Israel have learned to live dangerously. They have learned to brace themselves for the difficult task of rebuilding their hard-won country, and making it a haven for refugees fleeing from other lands. Today Israel stands as the most powerful nation in the Middle East, exclusive of Turkey—a strong ally, without a formal treaty of alliance.

REFUGEES

In the past 10 years, Israel has performed the monumental task of receiving, rehabilitating, and resettling more than 900,000 immigrants—from displaced persons camps in Germany, Austria, Italy, from countries in North Africa and the Middle East, from behind the Iron Curtain, as well as from other parts of the world. Today the Jewish population numbers almost 2 million. Month after month, Israel continues to receive the homeless and persecuted in truly staggering numbers.

It is to Israel's everlasting credit that every one of the hundreds of thousands who came to make a new home—and a new life—each was and is provided with enough to get started on the road to self-sufficiency.

The new immigrants are not only provided with the basic necessities of life upon their arrival, but are integrated into the community. Many are retrained for jobs in industry. An even larger number are moved to agricultural settlements. But all are given work—yes, gainful work—designed to provide not only an income, but to enrich and develop the State of Israel. Israel has proved to the world that immigration is an asset, both in wealth and power. Israel has made the principle of the dignity of the individual a reality in the Middle East.

This magnificent achievement has always seemed to me an eloquent answer and object lesson for those in this country who set themselves so rigidly against liberalization of our own unfair and outmoded immigration laws.

FOOD

Because of the primary problem of feeding people, agriculture has held top priority in Israel's development program since the first year of statehood. At the beginning, much of the food had to be imported. Today, Israel can raise all the food she needs to feed her people, except for wheat, edible oils, and meat. She has begun to export vegetables, citrus fruits, and other foodstuffs to Europe. Our food surpluses can be used to fill the gap—to balance the food requirements.

Yes; American food can be a positive force in our foreign policy. It can be the life-saving ingredient of a political and economic policy designed to assist newborn nations. The shortage of food is a common denominator throughout many areas of the world. Therefore, our abundance of food is an asset. This asset, wisely used, can create new friendships and contribute to the building of peace and freedom. No American should ever say that our surplus of food is a problem. It is, indeed, rather a privilege and one to be shared generously and constructively.

Some of the latest, most advanced farming techniques are now being used by Israel's farmers. Agricultural and mining settlements have sprung up in wastes that had been desolate and uninhabited for centuries. About 500 new agricultural settlements have been established.

The next great planned development for Israel is the conquering of the Negev, the great desert in the southern areas of Israel. The Negev possesses a tremendous challenge to the determination, imagination, and technical competence of the Israelis. The Government of Israel and its people are determined that the Negev shall be made fruitful. The land is rich and fertile if the blessing of nourishing water can be brought to it. Water can be made available—the land is there to be tilled and planted. Thousands of people await the opportunity to build new homes in freedom and security in this great expanse of Israeli territory. To develop the Negev, however, will call for great investments of capital, labor, engineering, and planning.

Prime Minister Ben-Gurion told me that the Negev will be developed. This was not just an idle promise; it was a declaration of purpose. It will be developed, because Israel needs it. It is, in truth, Israel's underdeveloped area that awaits the magic touch of modern science and technology, inspired by the strength and determination of a people who refuse to incorporate in their vocabulary the word "impossible."

INDUSTRY

We know that the country's industrial progress has also been phenomenal. A look at the production and export figures tells the story.

Israel's industry represents an investment of more than $700 million. Old, established plants have been expanded and reequipped and new ones have been built. Through self-sacrifice, careful planning, loans, and reparations, Israel has greatly enlarged her productive capacity. The most modern kind of machinery capable of producing high quality products, is now being used.

New roads and harbors have been built, railways have been extended and modernized, and new power stations and telephone installations are in use—progress—growth everywhere.

FRONTIER

All this creativity, all this activity, and all this faith are reminiscent of our country in its early pioneer days. All Israel is a frontier, still highly vulnerable to attack. Just as our own ancestors did not have time to be afraid, so now Israel finds this frontier life a source of strength. The hard, austere life of the people makes them alert, ready for emergencies, but meanwhile carrying on the normal, everyday business of living. Yes, frontier Americans once had to improvise in the face of seemingly insurmountable problems. Like them, the Israelis today are inventive, daring, resourceful, and never take no for an answer.

Here, again, Prime Minister Ben-Gurion has declared the policy and philosophy of the State of Israel when he said: "First, define your objective; declare your need, say what you want. Then, and only then consider the obstacles. But even then the obstacles must be subordinated to the objective. Never must the objective be renounced in favor of the obstacles."

In other words, the people of Israel just refuse to be licked—they will not take no for an answer. I like that kind of spirit.

WORLD ROLE

Not only has Israel made giant strides in developing her own resources in 10 short years, but she has also steadily solidified her position among the family of nations. She has formulated 17 trade agreements and has established diplomatic relations with 50 countries, 11 of them in Africa and Asia. In fact, Israel has her own point 4 program for Burma and Ghana.

Israel is a living example to all underdeveloped countries of what determination and energy can accomplish. Israel's very existence is a major stumbling block to the Communist penetration of the Middle East and Africa. Hard-pressed herself, Israel is offering a helping and sympathetic hand to others—and all the time providing a living example that democracy works in practice—even in times of trial and difficulty.

Israel's youth, Israel's stability, and Israel's achievements are inspiring other new states in Asia and Africa to develop greater confidence in their ability to improve their own economies and societies. She leads by example and by doing.

HEALTH, EDUCATION, AND WELFARE

The real measure of the spirit and purpose of Israel and her people is to be found in the emphasis placed upon health, education, and welfare. This is within the great Jewish tradition of the highest respect for individual dignity and the belief in the brotherhood of man. Modern Israel is setting an example in these important areas of human endeavor that serve to challenge new nation states throughout the world.

The people and Government of Israel do not merely pay lip service to human dignity and welfare. They act to protect and insure it. With thousands of immigrants, many uneducated and untrained, sick and weary, the State of Israel has launched a program of education, health, and welfare that encompasses every citizen and every area. In the field of education, Israel today is known for its great technical schools, its research laboratories, and the great Hebrew University. In the field of health, the new Hadassah hospital and clinic is one of the finest medical institutions in the world.

Yes, Israel places a high priority upon health and education for the people. Every citizen is entitled by right of law to complete health and hospital protection and care. Every child is given the opportunity of education. Every family can look forward to occupancy of modern housing.

These great accomplishments in the field of health, education, and welfare serve not only to strengthen Israel, but by precept and example, inspire others in the Middle East and in Asia and Africa to do likewise. This emphasis upon people, progress, and freedom serves to enhance the possibilities of peace. A people engaged in developing a country, in expanding opportunities are always making a distinct contribution to peace and justice.

CULTURE

Finally, even while being preoccupied with the problems of survival, Israel has created a rich mosaic of culture. Even more remarkable is the penetration of that culture to every stratum of the population.

Out of a longing for peace has come a thirst for music, art, and literature. After one decade, Israel possesses the places to house her cultural activities—the museums, concert halls, theaters, cinemas, libraries, and universities. These are the mere physical repositories—the roots of Jewish culture are ancient and deep.

One of the world's great military men, Moshe Dayan, formerly Chief of the Army, not long ago relinquished his command to continue his study of humanities at Hebrew University. The most revered people in Jewish society have traditionally been scholars and teachers. So it is no wonder that the country's educational standards are very high.

THE FUTURE

Rarely, if ever before, has so much been accomplished in so short a time. But Israel has not yet reached the goals she seeks and wants. As Israel faces her second decade, the determination of her people was recently expressed by Premier Ben-Gurion, that sturdy 20th century pioneer of pioneers:

"Israel is determined to strengthen her military preparedness and persevere in her work of rebuilding and redemption; to bring in Jews from the lands of oppression and misery; to conquer the desert and make it flourish by the power of science and pioneering spirit; and to transform the country into a bastion of democracy, liberty, and universal cultural values based on the teaching of Israel's prophets and the achievements of modern science."

We in American can be proud of the role our country and our people have played in Israel's first 10 years. But there is more that we must do. We must continue to provide aid and assistance to help Israel develop her economy and extend her trade. We must resist diplomatic maneuvers to undermine Israel's hard won stability. We should make our aims in the Middle East so clear that everyone will understand that an Arab-Israel peace is a primary objective of United States policy. Israel will not be sacrificed.

While this is our primary objective, there are other measures that should be adopted as soon as possible to alleviate the tension on the borders with the Arab countries. What is needed, above all, is for all friendly powers to make an unqualified statement of determination to resist, under the United Nations Charter, any forceful attempt to overthrow the sovereignty or destroy the independence of Israel or its neighbors.

Such a declaration would introduce an element of stability into the Middle East that would then permit other pacifying factors to exercise a healing influence.

A number of important peacekeeping devices have already been established in the Middle East to help calm relations between the Arabs and the Israelis. The armistice committees, the demilitarized zones, and the United Nations Emergency Force, are some of the chief measures that have been accepted by the countries in the area in an effort to halt bloodshed and restore tranquility. Thanks to the cooperation of the Israelis and their neighbors with United Nations peace machinery, quiet now reigns in the Middle Eastern region.

Yet, old hostilities and ancient fears still remain. An arms buildup relentlessly continues, and a final peace settlement does not appear to have approached any nearer than it ever was. There is still a latent danger that shots might again ring out across the sensitive Israeli-Arab borders. President Truman spoke of this.

We should continue to search for better methods to calm Middle Eastern fears and to promote a lasting settlement. One such method was suggested last month by Ben-Gurion of Israel. He announced that Israel would welcome an open-skies, aerial and ground inspection system in the Middle East, that could allay apprehension over the possibility of a surprise attack by one state upon another.

All of the countries of the Middle East should seriously consider this proposal.

The United States should take the initiative in calling it up for discussion before the United Nations.

Such an inspection system over the border areas of Israel, the United Arab Republic, Jordan and Saudi Arabia could be a pilot project of inestimable value for the cause of world disarmament.

The inauguration by the major powers of "open skies inspection" in such vital areas as the Arctic or Europe could be a major step toward a relaxation of tension between the two great power blocs. But thus far action has been blocked by Soviet obstruction and the veto.

The people of the Middle East, who have already shown their aspirations for peace by accepting new forms of peacekeeping machinery such as the United Nations Emergency Force, could make another significant contribution to world peace, if they would be the first to adopt, in their own region, the principle of inspection against surprise attack. That many of the Middle Eastern governments favor this principle was demonstrated in 1955 when they supported a United Nations resolution on the "open skies plan" and again a week or two ago when they continued their support of the concept in the Arctic debate in the United Nations. These same governments could now assist in reduction of tensions in their own area by agreeing to a "pilot inspection system" to be conducted by themselves or by outside parties as agreed upon.

But what the Middle East should aim at above all else, is a lasting settlement of the state of war which still exists between Israel and the Arab states, and a return of the area to a normally peaceful condition. With such a settlement the burden of arms now weighing heavily on Jew and Arab alike could be lightened and more resources could be devoted to the betterment of life for all.

The Middle East needs a period of tranquility—it needs stability of borders and an opportunity, too, for the more constructive forces within the area to gain the ascendancy. The Middle East needs economic development—regional economic development.

It needs the guiding hand of the United Nations—a hand that insists upon peaceful pursuits and curbs violence and aggression. The Middle East needs Israel with her modern science and technology, with her genius at government and social organization. Israel needs her neighbors.

Again and again, the statesmen of the world need to remind the peoples of the Middle East that war and violence in that area, as elsewhere, settles nothing but could well destroy everything. A war in the Middle East can spread to the Middle West. What is needed is patience and a period of stability and tranquility. The people of the world need it. The future hope of the Middle East requires it.

In the crowded years since 1948, the sacrifices and achievements of Israel have been etched deeply and unforgetably in the story of civilization.

We commemorate these achievements today. Israel's success is highest testimony of all to the dedication and energy of her people. More than anything else, it is proof that the will to live and create can survive all the handicaps of history and can triumph through tears.

PROPOSED SCHOOL CONSTRUCTION LEGISLATION

Mr. HUMPHREY. Mr. President, one of the more exasperating failures of the administration during this session of Congress has been the President's failure to request a school-construction bill. This is particularly distressing in view of the fact that a school-construction program would be a very definite shot in the arm to the national economy through the providing of additional construction jobs and the providing of a market for heavy goods.

But principally it is a complete failure to see the essential role played in providing adequate facilities for our young children and the failure to see that the expanding population of these United States is far outstripping our physical plant for education.

One case in point illustrates the often desperate financial situation of the school districts in our country.

Independent School District No. 317 at Deer River, Minn., has been manfully striving with a poor financial position for years, and still managing to send on to college from 30 to 35 percent of its graduating seniors. This school district,

a large district with high transportation costs, no industry, and a low per capita income, has required special legislation to permit bonding itself in the amount of $400,000. This authority is exhausted, as is assistance under Public Law 815, which was made possible through the providing of education for Indian children living on Federal land.

This school district's problem illustrates the point that inadequate educational facilities are a national problem. These young people coming up from School District 317 are going to be voting participating citizens just exactly as the children coming up from the wealthiest school districts in the country. They are starting out life under a severe handicap, and the Nation is going to lose part of their potential.

I have been exploring every possible way of assisting this district, but I have come to the conclusion that there is no other way to aid School District No. 317, or any similar district in the United States, without passing a school-construction bill involving Federal aid to the school districts.

Because of the light that his letter throws upon the current financial situation of many school districts, I ask unanimous consent at this time to have printed in the RECORD, a letter from Supt. H. C. Hanson, of Independent School District No. 317, of Deer River, Minn.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

INDEPENDENT SCHOOL DISTRICT No. 317,
Deer River, Minn., June 3, 1958.

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: Although your letter of May 21 was not hopeful as to solving our school problems, we appreciated hearing from you on this matter. We discussed your letter, along with Congressman BLATNIK's letter, at a recent board meeting so that they are informed on what progress is being made.

In contemplating our needs for next fall, we definitely are going to have to utilize an old schoolhouse (one room) which is sitting behind our regular building for a classroom. We also may have to attempt fixing up temporary quarters in basement space to provide an additional classroom or two. It seems with this recession in this area that people are moving into the rural area on a marginal piece of ground to raise a small garden and endeavor to get by * * * this naturally throws an added burden on our schools which are presently overcrowded and with large class sizes per teacher. We give you this added information, as we want to keep you informed as to just how critical our particular situation really is.

Our needs overall are not too great in comparison to other expenditures. Construction needs estimated at $950,000 would take care of estimated needs for 20 years. Right now we need 8 elementary classrooms (roughly $200,000) to meet minimum elementary needs.

As we have explained previously, we intend to check with our State people too, as this problem is so extensive and beyond the ability and resources of our district to meet. If we should write to others, or make contacts elsewhere, we would be pleased to do so, as we want the children of this district to have minimum facilities at least. We appreciate whatever help you can give, and suggestions you might offer to us in presenting our case for financial aid.

Sincerely,

H. C. HANSON,
Superintendent.

Mr. HUMPHREY. Mr. President, I deeply regret that we have not so far had a request from the President for a school-construction program. I respectfully suggest that it is not too late for such a request, and I firmly believe that if the President would request legislation along the lines he requested last year, the Congress would take swift action to consider and approve it.

THE SOVIET NEW LOOK

Mr. HUMPHREY. Mr. President, during the week I have read some very interesting news items concerning the Soviet foreign policy and the Soviet economic offensive. The Soviet new look has been the subject of considerable comment at home and abroad. Several times I have taken the Senate floor to discuss the complication of this new Soviet challenge—a challenge more effective, I believe, than the strenuous, militaristic old Soviet cold war line.

Yesterday morning it was my privilege to address the members of the Women's National Press Corps, and at that meeting I discussed with them the new Soviet policy of trade and aid, as well as the Soviet policy of political infiltration. I believe that the Soviet policy on trade and aid is a very serious challenge to the United States and the Free World. I was particularly pleased to note that the Prime Minister of Great Britain underscored the importance of this challenge. I join with him and the President of the United States in urging that the free nations of the world make a much more strenuous effort in the field of world trade and economic development on a worldwide basis.

Mr. Thomas P. Whitney of the Associated Press has recently put together an interesting article with up-to-date examples of Soviet affability. An article entitled "Affable Soviet Salesmen Peddle Russian Ideas All Over the World" appeared in the Minneapolis Morning Tribune for June 1, 1958. I ask unanimous consent that the text of this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFFABLE SOVIET SALESMEN PEDDLE RUSSIAN IDEAS ALL OVER THE WORLD

(By Thomas P. Whitney)

If Russia kept a log book on its worldwide buy-Russian ideas campaign, any given day would show entries like this:

A Soviet engineer in India invites his native servant to sit down at the table and addresses him as brother—speaking in Hindi.

A Soviet Ambassador in France tells a select social gathering that Russia would prefer to have France rather than the United States in North Africa.

The Soviet news agency Tass distributes a dispatch telling how pleased Egyptian guests were to find religious freedom for Moslems in central Asia.

A ballet troupe from the Bolshoi Theater plays to capacity audiences in Tokyo.

Joe Adamov, of Radio Moscow, answers letters from American and British listeners on the nightly program Moscow Mail Bag.

All this—plus the well-publicized affability of Soviet Ambassador Mikhail Menshikov in Washington—fits into a vast, meaningful pattern.

It is not new, but it has been growing steadily in scale. And particularly in the last 5 years since Stalin's death, the campaign has taken on much more skillful and novel forms.

Here's how it works in several corners of the world, as reported by Associated Press correspondents:

It's difficult to find any Soviet citizen, diplomat, engineer, journalist, or technician stationed in India who does not speak Hindi and who has not been thoroughly drilled in Indian customs and culture before he comes.

The magazine, Soviet Land, is printed in 200,000 copies every 2 weeks—in Bengali and other Indian languages. The Communist Chinese distribute 10 periodicals in India.

Helping Soviet and Communist Chinese propaganda work in India are Indian Communists who nowadays represent themselves as wholehearted constitutionalists. They are an active political force and control the government of one Indian state.

Soviet cultural, sports, and other delegations pour into India by the score every year and hundreds of Indians are invited to the Soviet Union.

The Russians are aiding the Indians with credits, equipment, and technical assistance on a number of important construction projects.

In Japan, Moscow is running a well-planned soft-sell campaign which mixes culture with technical and scientific achievements for a country deeply interested in both.

The bill last year alone came to an estimated 10 million dollars.

Red China has joined in the Soviet effort by sending dance teams, art exhibits, entertainers, and various delegations. The latter included trade groups which attempted to entice Japan into relaxing restrictions on strategic trade with the Chinese mainland by holding out prospects of a fabulous business in the China market.

Soviet propaganda material to Japan has stressed Russian proposals to suspend nuclear tests, a subject on which Japan is particularly sensitive.

With Britain the Russians go heavy on sports. The British and Russians are now negotiating an increase in cultural and sports exchanges.

In France the Communist-bloc countries, led by Russia, have the support of a big French Communist party.

Meanwhile the French Communist press hammers along Soviet propaganda lines and a fourth of the French population votes Communist.

The Soviet deputy minister of foreign affairs, Vasily Kuznetsov, toured several Latin American countries quietly and without incident, selling the notion that Russia is prepared for an enormous trade.

A quiet announcement that Leningrad University is inaugurating courses in Swahili, Congo, Amharic, and other African languages illustrates Soviet interest.

The intense activity of Russians in the Middle East—illustrated by the splendid reception of President Nasser of the United Arab Republic in Moscow recently—is effective.

Mr. HUMPHREY. Mr. President, in the same issue of the Minneapolis Tribune there was an Associated Press dispatch commenting on the excellent booklet published by the Committee for Economic Development, dealing with the Communist economic offensive. This Committee for Economic Development publication is worth immediate and serious attention. I am certain that every

Senator realizes that this is a very responsible and highly respected committee. Indeed, it has performed a great public service in outlining, in meticulous detail, the nature, scope, and dimensions of the Soviet economic offensive.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "CED Says Russ Win Good Will With Trade," published in the Minneapolis Tribune of June 1, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune of June 1, 1958]

CED SAYS RUSS WIN GOOD WILL WITH TRADE

WASHINGTON.—A private study published Saturday says communism is threatening the West through an economic offensive characterized by hardheaded business techniques.

It says the Soviets are winning good will in underdeveloped countries through a significant expansion of commercial trade and the granting of loans that, while seemingly generous, give the Communists a powerful club.

The booklet was published by the Committee for Economic Development (CED), a nonprofit organization devoted to analyzing economic problems. It was written by Michael Sapir, an economist now working for the United Nations in Latin America.

He said the most striking result of the Communist effort has been a dramatic increase since 1952 in trade between the Communist bloc and the Free World. From 1952 through 1956, he said, trade through the Iron Curtain increased in value 77 percent.

Herbert Stein, CED's research director, told reporters the benefits which the Soviets have reaped through increased trade show, "You don't have to go around giving things to people; you can satisfy a lot of wants through trade."

Sapir said the Soviet bloc is augmenting its trade offensive through the familiar techniques of trade and payments agreements, trade promotion activities, long-term credit, and technical assistance.

He said Communist foreign aid already exceeds Free World assistance to seven underdeveloped countries—Afghanistan, Burma, Egypt, Indonesia, Nepal, Syria, and Yemen.

Soviet bloc loans to these and other countries usually call for repayment over 12 years, with a 1-year grace period before repayment begins, Sapir said. Interest rates run about 2½ percent, compared with 4½ to 5 percent on loans from the World Bank and Export-Import Bank.

Also, he noted, the Communists often give their debtors another break by allowing them to repay part of the debts with goods instead of cash.

However, he added, "where currency is involved, the Soviets are exacting." He said the Communist bloc will accept few, if any, genuinely soft currencies, in contrast to the practice under several United States aid programs. And he said they carefully hedge repayment provisions against possible devaluation of the debtor's currency.

Mr. HUMPHREY. Mr. President, I note that the other House has passed, by a substantial majority, the extension of the Reciprocal Trade Agreements Act. It has rejected efforts to weaken seriously that act or in any way to cripple its effectiveness.

This is an hour of rejoicing for the American Republic. Indeed, if the Senate does as well—and I hope the Senate will even strengthen the Reciprocal Trade Agreements Act—great strength will be added to our Nation in the field of international policy and international relations.

It is my intention to support the Reciprocal Trade Agreements Act, and to support it with every effort and every means at my command, because I sincerely believe the President of the United States is right in recommending the extension of the act along the lines which were set forth in the bill which was presented to the House. I feel that it is in the interest of the Nation and in the interest of national security and world peace that the bill be promptly enacted by Congress and signed by the President.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "The World Trade Issue," written by Edwin L. Dale, Jr., and published in the New York Times of June 10, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD TRADE ISSUE—A SHORTAGE OF INTERNATIONAL LIQUIDITY IS BEHIND SURGE OF ECONOMIC COMMENT

(By Edwin L. Dale, Jr.)

WASHINGTON, June 9.—A complicated thing known in economists' jargon as insufficient international liquidity is behind the sudden surge of comment about the economic problems of the Free World.

It is at the heart of the economic portion of the talks between President Eisenhower and Harold Macmillan, the British Prime Minister. It is the problem that gave rise to recent speeches by Adlai E. Stevenson and Dean Acheson.

So far it is a problem that has mostly led to talk, with few concrete proposals. British officials stressed today that Mr. Macmillan himself was not now ready to make any proposals but merely wished to get the United States Government thinking about the problem.

In its broadest sense, the liquidity problem underlies the associated problems of keeping world trade growing and helping the underdeveloped countries to start the slow process of economic growth.

THE POTENTIAL PROBLEM

"Insufficient liquidity" for a corporation or a family means simply not enough cash to finance the volume of business or of consumption that the firm or family would like to undertake.

In the international sense, it is usually described as an insufficiency of gold and dollar holdings, outside the United States, to finance world trade and investment.

All sides are agreed that the problem is not of immediate urgency. Even Mr. Stevenson calls it a creeping crisis. But as the British and others see it, the potential problem is something like this:

Suppose there should be a prolonged American recession, with a resulting drop in American imports. Or suppose there should be a general industrial recession throughout the Western World. Or suppose there should be another Suez situation with its crisis of confidence for such a key currency as the pound sterling.

In any of these events a number of countries, from Britain through Brazil, would find their relatively meager hard currency and gold reserve quickly depleted. They would, quite literally, have not enough money in the bank to pay for their accustomed volume of imports.

Their only recourse would presumably be to shut off imports, either by physical controls on the movement of goods or by financial controls on the means of paying for them. But obviously one country's action of this kind would hurt its trading partners. The result would be a spreading of controls, a sharp contraction in trade, and impoverishment for everybody.

The issue of liquidity has arisen now for three reasons:

First, world trade has been expanding vigorously with no comparable growth in world financial reserves. A smaller world cash balance is financing a much bigger volume of business.

Second, twice in the last 18 months the British discovered just how slim a margin of reserves was behind the pound, which finances at least 40 percent, and probably more, of world trade. The Suez crisis in late 1956 and the franc crisis in September 1957 both caused runs on the pound that came near creating a disaster for Britain.

Third, a combination of the American recession, a mild business slowdown in Europe, and general oversupply has cut sharply into the demand for the products of the one-crop underdeveloped countries—copper, rubber, wool, tin, oil, coffee, and others.

The reserves of important importing countries, ranging from Brazil to Australia and from Malaya to Chile, have been seriously depleted from this cause and, in some cases, from overambitious development programs as well.

So far, emergency devices of various kinds have prevented these problems from developing into full-fledged crises. The International Monetary Fund and the United States Export-Import Bank have bailed out one situation after another.

But the feeling of those who are worried about the problem is that the resources of these two institutions are not unlimited, and that something more should be provided. If the world was and felt more liquid, these benefits would flow, according to the argument:

The British would not have to fear a run on the pound because no runs would occur as long as world traders and financiers knew that the pound was fully defended by ample reserves of gold and dollars.

The growth of world trade could proceed without fear of interruption by insufficient money in the bank by key importing nations.

The underdeveloped countries would have more of a financial cushion behind their development programs, which inevitably involve some excess of imports over exports in at least their earlier stages.

How, then, can the problem of insufficient liquidity be solved? A number of proposals have been made from such sources as The Economist of London, ranging from an increase in the dollar price of gold to wholly new international institutions.

But the proposal that appears to be receiving the most attention within governments—though none has yet reached a firm conclusion—is relatively simple. It is to increase substantially the resources of the International Monetary Fund. This would mean, among other things, another big injection of United States dollars into the fund.

The United States Government has not accepted the existence of a liquidity crisis. The position of both the Treasury and the State Department is that people who try to live beyond their means are always "illiquid," and that the best solution is to stop being profligate.

What is more, all sides, including the British Government, agree that there is no immediate problem. British reserves have been doing remarkably well for the last 6 months, having at last passed the $3 billion mark. World trade has survived the early stages of the American slump remarkably well.

But the United States Government does see a problem for the underdeveloped coun-

tries. And it has no wish to see the kind of spreading of depression that occurred in the industrial West in the nineteen thirties.

The merit of an approach like bolstering the reserves of the Monetary Fund, as many officials see it, is that it would kill both birds with one stone—the general problem of liquidity for the world as a whole and the special balance of payments problem of the underdeveloped countries in particular.

Mr. HUMPHREY. Mr. President, Mr. Dale discusses the issue of "insufficient liquidity," in the context of the recent concern over Free World economic plans voiced by Hon. Adlai Stevenson, Hon. Dean Acheson, and others; in other words, the ability of the Free World, especially many of the uncommitted nations and the new countries, to obtain adequate capital for development, and for extensive and intensive trade relationships. All these matters are of great concern to the American people, and need to be discussed whenever the opportunity is afforded in the Senate.

Mr. President——

The PRESIDING OFFICER. The Senator from Minnesota.

UNITED STATES CULTURAL RELATIONSHIPS WITH THE SOVIET UNION

Mr. HUMPHREY. Mr. President, the Senate may be interested to know, along the lines of Soviet-United States relationships, that considerable work is being done by our Government in the field of international cultural exchanges which I think is productive of good results. The other day I received a letter from Mr. Matthew P. Hyland, who is an International Organizations Exchange Specialist in the Exchange and Gift Division of the Library of Congress. Mr. Hyland's letter, dated June 2, 1958, is very interesting. He says:

It may interest you to know that the World Federation of Democratic Youth, a Communist organization with which the Library of Congress has for some time been exchanging publications, has, from its headquarters in Budapest, requested the following material from a list of publications offered to them by myself in the capacity of International Organizations Exchange Specialist in the Exchange and Gift Division of the Library. As an indication of attitudes behind the Iron Curtain with respect to the dissemination of ideas, their selection may be significant.

These are the items which were selected from the great variety of publications which were made available: The Four Freedoms, a poster; The United Nations Declaration of Human Rights; The United States Constitution; America, by Stephen Vincent Benet; United States Historical and Archeological Monuments; The Capitol in Story and Pictures; The Liberal Arts College; Theodore Roosevelt, Fighting Patriot; Up From Slavery, by Booker T. Washington, an autobiography; Great American Short Stores; The Best Short Stories of O. Henry; New Poems by American Poets; The Adventures of Tom Sawyer; Prose and Poetry of the World; Scholarship and Fellowship; and Youth, a Nation's Richest Resource.

I think it is important that we understand and know the kind of literature which organizations behind the Iron Curtain are requesting. I must say that their selection of poetry and prose, short stories, histories, biographies, and autobiographies was certainly a good one. If the Communist youth will read Theodore Roosevelt, Fighting Patriot, and then Up From Slavery, by Booker T. Washington, they will get a pretty good picture of the dynamic forces in American life. If they will read The Adventures of Tom Sawyer and the Short Stories by O. Henry, they will get a good idea of some of the folklore of American life and some of the great personalities in American literature.

I am very much pleased that the exchange program shows this kind of constructive, hopeful development. I hope we will do even more in the days to come.

THE BOOK MAINLINE—THE PINCERS MOVEMENT—ECONOMIC AND POLITICAL FREE TRADE—STATUS OF FORCES AGREEMENT—THE 1934 TRADE AGREEMENTS ACT AS EXTENDED TO JUNE 30, 1958

Mr. MALONE. Mr. President, on June 10, there was published in the Washington Post a very interesting comment by Drew Pearson on my recently published book Mainline.

One phrase—the distribution of anonymous literature—arrested my attention. The well-documented book Mainline is not exactly anonymous since, according to the publishers, the first printing is practically exhausted.

I therefore ask unanimous consent to have the article by Mr. Pearson printed at this point in the RECORD as indicated.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

One loophole is to distribute anonymous literature. Latest illustration is a neatly bound book received through the mails by Congressmen from the Long House, a publishing firm in New Canaan, Conn. It is called Mainline and is authored by Senator "MOLLY" MALONE, the isolationist Republican from Nevada.

The book is a lengthy, rambling, bitter attack on the reciprocal trade treaties. It was sent to Congressmen for the obvious purpose of influencing them to vote against the Reciprocal Trade Treaty Act now before Congress. But the identity of the persons or organization mailing out this expensive book remains a secret. Someone is putting up the money. Not MALONE. He has taken to various outside means of raising money.

Finally Congressman CHARLES PORTER, of Oregon, wrote to Long House to see who was distributing the propaganda. "I note," he said, "that the book was sent as a gift with the compliments of an interested friend. I should like to know the name of this citizen and request that you give me his name and address."

Replied the publisher: "We were requested, and agreed, to keep in confidence this man's identity. Even the author of the book does not know who he is."

LETTER TO PUBLISHER BY CHARLES PORTER, OF OREGON, AND ANSWER

Mr. MALONE. Mr. President, in the article by the distinguished columnist, reference was made to an exchange of letters between Representative PORTER, of the House of Representatives, and The Long House Publishing Co. I ask unanimous consent that the letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 17, 1958.

The LONG HOUSE, INC.
Publishers,
New Canaan, Conn.

GENTLEMEN: Thank you for sending me a copy of Mainline by the Honorable GEORGE W. MALONE. I note that it was sent to me as a gift with the compliments of an interested citizen.

I should like to know the name of this citizen and am here requesting that you give me his name and address at your early convenience.

With best wishes
Sincerely,

CHARLES O. PORTER,
Member of Congress.

THE LONG HOUSE, INC., PUBLISHERS,
New Canaan, Conn., April 19, 1958.

Hon. CHARLES O. PORTER,
House Office Building,
Washington, D. C.

DEAR MR. PORTER: Thank you for your letter of the 17th. It is one of many which we have received whose writers wish to thank the gentleman who made possible the sending of Mainline to selected people.

We were requested, and agreed, to keep in confidence this man's identity. Even the author of the book does not know who he is.

We are keeping him posted, however, on the extent to which appreciation of the book is expressed.

Most cordially,

J. H. SNOW, *President.*

Mr. MALONE. Mr. President, I have a high regard for Congressman CHARLES O. PORTER, of Oregon, one of our neighboring States, and would enjoy discussing the free trade policy of our administration with him at his convenience, or in fact any subject of interest to our States or to the Nation.

Mr. President, I am informed that a copy of the book Mainline was sent to each Member of the Senate and each Member of the House by an interested citizen, and was so inscribed. A considerable number of the Members of Congress have since presented the book to me to be autographed. The publisher has furnished the author with very few copies of the work, and with little information about its distribution.

But since Mr. Pearson has opened the subject, I now ask unanimous consent that the following be printed at this point in the RECORD:

A review of the book, as published in the Salt Lake Tribune of May 25, 1958, under the headline "Malone Book Sets Forth Policy Views."

An item from the publication "Human Events" of April 28, 1958.

An article which was published in the Southern Conservative for February 1958.

A review published in the Nevada State Journal of May 18.

Three articles by George Todt, published in the Valley Times, of North Hollywood, Calif., on May 13, May 14, and May 15.

The Dan Smoot report in the book Mainline, May 19, 1958.

Walter Winchell: "United States Senator MALONE's new book Mainline is here. Will send." May 22, 1958.

The American Legion: National Adjutant's letter May 29, 1958.

An editorial entitled "To Taxpayers: Our Sympathy," published in the New York Daily News of June 10.

An editorial entitled "Billion-Dollar Boondoggle," written by Father Richard Ginder, and published in Our Sunday Visitor, the national Catholic Action weekly.

There being no objection, the letters, editorials, excerpts, and articles were ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune of May 25, 1958]

MALONE BOOK SETS FORTH POLICY VIEWS

GEORGE W. MALONE, United States Senator from Nevada, in his first book-writing venture, has produced a compact and well organized summary of what he has been saying for many years about United States foreign and trade policies.

His main thesis is that the American concept of constitutional government is gradually being squeezed into an Old World state supremacy pattern by pincers, one jaw of which is political and the other economic.

STUDIES ECONOMIC JAW

He devotes most of his 125-page volume to the economic jaw which, because it is more subtle than the political jaw, is less likely to be recognized and resisted.

Although a Republican, the Nevada Senator does not charge the partisan opposition alone with operating the pincers. It is, he argues, a bipartisan movement which began pinching in 1934 when Congress abdicated one of its important responsibilities by passing the Trade Agreements Act (which is now before Congress for extension.)

APPLIED THE PRESSURE

Democratic administrations, he observes, applied the pressure for almost 20 years, after which a Republican administration took over and continued or even increased the pressure.

Surrender of trade responsibilities by Congress to the Executive and then by the Executive to international agencies is denounced by the author primarily on the grounds that it is destructive to the principle that the people are sovereign.

SLIGHTLY LESS VIGOR

But he denounces it with only slightly less vigor on the grounds that the policy is accomplishing the reverse of what it was supposed to accomplish—increased legitimate world trade. He supports this charge by a series of examples of its effects upon specific domestic industries.

The Senator's advice to United States citizens who want to prevent the jaws of the pincers from closing is to demand from every candidate for Congress an unequivocal "yes" or "no" answer as to whether they will support bills to restore to that representative body its constitutional powers—and then to vote accordingly in the next election.

[From Human Events]

RECIPROCAL TRADE

Those following the course of legislation on the Hill predict that important alterations in American trade policy may be forthcoming, as a result of the fight to renew the reciprocal trade agreement, due to expire unless Congress acts this year.

Conservatives pondering the tangle of legislation surrounding American trade policy cite, as an illuminating commentary, Nevada Senator GEORGE MALONE's recently published book, Mainline (The Long House; Post Office Box 3, New Canaan, Conn.; price: $3 clothbound; $2 paperback). Senator MALONE, long a foe of those seeking to knock down American tariff barriers, points out the folly of American trade policy—artificially shoring up foreign economies so that they can compete with our own, while simultaneously removing all protections that can be of assistance to American businesses.

Under the notorious GATT (General Agreement on Tariffs and Trade), MALONE points out, over 55,000 concessions have now been made, all of them to freeze or lower America's tariffs. An average reduction of 68 percent is now in effect, and our tariffs are the lowest of any major trading nation in the world.

Scoring GATT as our economic Yalta, the Nevada Republican points out that it ends our American policy of bilateral trade agreements, and that it is in no way responsible to the elected representatives of the people of these United States.

[From the Southern Conservative of February, 1958]

BOOK TELLS OF PINCERS MOVEMENT CLOSING IN ON US FROM TWO SIDES

Senator GEORGE W. MALONE of Nevada is one Member of the United States Senate who is a statesman, an informed patriot and who is interested primarily in the security and preservation of the American Republic.

He has always seemed to us to be one of the few in that great body who never talks, votes, or takes any other action relating to the interests of the American people until he has availed himself of all documented and factual information concerning the subject involved.

In these columns we have frequently called attention to the invaluable service he is rendering not only to the people of the State he represents but to those of all sections of the country.

We predict that a book he has written titled "Mainline" will be eagerly welcomed by those Americans who are greatly disturbed concerning the present state of the Union.

According to those who have seen the manuscript, the Senator has done a terrific job of writing and has produced a volume which should dissipate the apathy and indifference of that vast segment of the citizenship which has slumbered as corrupt internationalists have played games with their destiny and that of their children and their children's children.

He has taken GATT, the trade-agreements legislation, on the one hand and the status-of-forces agreements on the other, and set them out as a huge pincers movement which is pressing us from two sides.

He shows, coldly, clearly, and with impressive documentation, how we are being made dependent upon distant sources for materials critical to our defense; how industry after industry is being hurt; how agriculture is being forced to suffer; and—vitally—how this Nation is being prepared within for a federalized type of socialism even as it is being led into a world Socialist state, in strange contrast to the free and untrampled genius which erected the American Republic.

He notes that foreign-made machinery is being installed in tax-paid Government projects here, while counterpart funds—obtained from the sale of surplus products abroad—are being used to pay off foreign nations' debts.

But the essential thing, the constructive thing, is that Senator MALONE claims we can put an end to this pincers movement and that there still is time for us to do so. His thoughts in this regard will be welcomed by all who love our Constitution, and by every citizen who believes in and understands States rights.

[From the Reno (Nev.) Nevada State Journal of May 18, 1958]

SENATOR MALONE WRITES A BOOK

Students of economics and politics of the present and future owe a debt of gratitude to Nevada's Senator GEORGE W. MALONE for putting together his first book, Mainline, which has just come off the press in Connecticut.

The Republican Senator from Reno has turned his commendable energy to the preparation of a work which explains his theories on international trade and foreign aid. Any Nevadan who has heard the Senator speak during the past decade has been exposed to these views, but for the sake of leisurely study of these ideas and for the sake of future historians, Mainline puts these ideas into print in a compact and reasonably orderly form.

Even those who disagree completely with the Senator's pet ideas—and there are many ideas which deserve to be challenged—should agree he has made a contribution to the great debate of this generation over the questions of increasing American activity abroad, the constant growth of Federal executive power, and the tendency of the American democracy toward greater collective activity.

Senator MALONE regards himself as one of the rugged individualists, and he contends the developments of the last 20 years have reduced individualism. The American people, the only sovereign people in the world after 1789, have surrendered much of their sovereignty to the executive who in turn has passed this sovereignty to foreign diplomats, according to Senator MALONE.

A PANACEA

The Republican Senator, whose book appears at the politically-opportune (for himself) time when he is about to seek reelection, has a panacea for nearly all of the ills—economic and political—of the United States.

Kill the Reciprocal Trade Act of 1934. Put the responsibility for trade regulation back in the hands of Congress. Lower taxes. Utilize resources of the Western Hemisphere rather than those imported from around the world.

[From the North Hollywood (Calif.) Valley Times of May 13, 1958]

CHANCE TO BE INFORMED ON GATT

(By George Todt)

"Commerce is the equalizer of the wealth of nations."—Gladstone.

In order for my readers to get both sides of the story concerning reciprocal trade—which will be hammered on repeatedly in the months ahead on Capitol Hill in Washington—may I recommend a 120-page book called Mainline by Senator GEORGE W. MALONE, of Nevada.

The book is one of the best of its kind, and extremely well documented. Published by the Long House, Inc., Post Office Box 3, New Canaan, Conn., the important book may be ordered by mail; paperbound editions are $2 and cloth editions sell for $3 apiece.

Now, admittedly the book is biased in favor of the pro-American stand on world trade versus the theory of the internationalists and one-worlders. When I wrote earlier that the impartial reader, or thinker, needs this book to get both sides of the picture I meant exactly this: about the only information we ever get concerning such controversial items as the General Agreements on Tariffs and Trade (GATT) and reciprocal trade acts has been notoriously one-sided in the past. Frankly, it has been siphoned to the public from the internationalists, themselves. We have been getting a warped picture, perhaps.

At least, Senator MALONE—a forthright, rugged American patriot with deep convictions—seems to think so. And he tells a

very down-to-earth story which Joe Doakes ought to read. It is a story that is usually passed up by our communications media for some strange reason. Wonder what it could be? Is there more there than meets the eye?

Senator MALONE says that there is, indeed, a story-behind-the-story and tells us why it has been hushed up to such a considerable extent in the past. Regarding GATT, he says:

"The Executive alone agreed to this procedure. Not one word of mine is needed to tell you that here, in GATT's decision, is assumed a sovereignty which is as clear as it is simple and absolute.

"By gracious waiver, this international authority permitted the United States of America a course of action. This permission was conditional, too, for report cards must be submitted to the supreme authority. The American farmer was voiceless and he was helpless. He has become a peasant, beholden to the program of an international authority which he can neither meet with nor control.

"And what one authority—GATT—can do to farmers and growers, it and other global authorities can do to industrialists, to steamship operators, to men of business. They have no recourse. They may plead with the local executive, to be sure. The local executive is resident in Washington, D. C. But that executive, in turn, must plead with an international authority. It must plead with a supplicant's voice.

"The people of this Nation? They have no voice at all. They are to consider themselves citizens of the world. In education, in politics, and in economics there emerges the evidence of a plan, seemingly coordinated, to mold into a new order all of human endeavor. Its documentation to the contrary notwithstanding, all evidence is met with denial. The evidence mounts."

[From the North Hollywood (Calif.) Valley Times of May 14, 1958]

BOOK ON WHICH READERS DIFFER

(By George Todt)

"Such stuff the world is made of." (Cowper, Hope.)

Actually, it would be a good idea, albeit novel, if we were somehow able to send every internationalist "opinion moulder" of any stature within the press, radio, and TV a copy of Senator GEORGE F. MALONE's new book called Mainline—and then asked for their arguments counter to his own. What could we expect to hear? Would anything be forthcoming?

Perhaps this is something to be doubted. For the liberals in America seldom deign to reply to those who consider taxpayer Joe Doakes first. They seem to operate under the dictum of "the least said, the better!" Better to let sleeping dogs lie. Don't disturb.

But Senator MALONE doesn't mince his words. He has some powerful thinking contained within his instructive book—and it is something which all of us can afford to ponder a bit while we may still have time to do so. Consider these few passages on page 84 under his heading of "The Socialist Republic—The Socialist World State." Here Mr. MALONE has been discussing certain blighted areas in our country which had become distressed because of the aftereffects of free trade policies. He asks the questions:

"Do these areas receive gifts, lend-lease, or aid? Do they receive handouts such as are sent abroad from the pockets of the working citizens of these United States? Is there within the theory a Marshall plan for them? Does the FOA—now become a specialized agency of the United Nations—touch with its Midas wand the people who are affected?

"No, not yet. But there is a plan.

"The plan is a product of the executive branch. Its essence is a socialist economy for the United States. It proposes that workingmen whose jobs are lost to foreign competition be transferred to other areas; that investors be compensated for their losses, at taxpayer expense.

"The State Department suggests that the Government pay for moving workmen from one era to another and that owners be paid interest on their losses. When an American industry is destroyed, when unemployment is created, the plan proposes that Congress appropriate the citizens' money to provide unemployment relief for the men displaced.

"Further appropriations are to underwrite the transportation of displaced workingmen so they can migrate to other areas. The plan, in other words, assumes that the economic map of the United States is to be made over, and outlines steps for its finance. On its human side, in regard to homes and family ties, the plan itself is silent.

"The citizens of the Republic, the men and women whose proud heritage derives from the sovereign dignity of the individual—whose Nation was the first in history to by its Constitution set forth clearly the functions of Government and to strictly limit its just powers—are by this reactionary reversion to statism to be set back to the very status from which their forbears successfully rebelled."

This is one of the most thought-provoking books which any of us might find to read today. Some will agree with the author's concepts, others will not. Which is as it should be, of course. In the spirit of Voltaire, I suggest my readers look at Mainline's contents.

[From the North Hollywood (Calif.) Valley Times of May 15, 1958]

(By George Todt)

"The pomps and vanity of this wicked world."—Book of Common Prayer.

What do the overly ambitious international one-worlders propose to do with us, the people of the United States, in their hush-hush schemes of world government?

One man who is able to paint a picture for us in this regard is Senator GEORGE W. MALONE, of Nevada, in his new book Mainline, which every patriotic American ought to consider as "must" reading. It may be obtained by writing to Long House, Inc., P. O. Box 3, New Canaan, Conn. It provides some fascinating studies for all age groups.

Let me quote a few more passages from "Mainline," to give you some idea of its contents:

"Workers are to be moved about exactly as in Soviet Russia. Industry, agriculture, shipping, business and trade are to be dependent upon the State—exactly as in Soviet Russia. The citizens of this republic are to be shifted bodily, to homes which somehow, presumably, they will find—exactly as is done in Socialist Russia. And precisely as is set forth, more mildly and by law, in Socialist Britain. The pattern is global in its scope.

"The political arm of this pincers already has resulted in such pressures that our own laws—made pursuant to our society, framed within the body politic of our own firm Christian traditions, implemented according to our own codes—must be interpreted as being in accordance with the Charter and principles of the United Nations. Our men and women—and the civilian component—of our Armed Forces already are made subject to the jurisdiction of other nations, according to treaty law.

"The executive branch of the United States Government, together with the ideological advocates of a global theory, is meanwhile countenancing a gigantic economic mechanism which is designed to bring into being a completely Socialist political and economic government of the world.

"The program is being followed not by one major political party, but by both. Its theory is that peace can be achieved, and that universal prosperity can be brought forth, by abandoning the recently acquired sovereignty of nationhood and amalgamating all political authorities into one happy and carefree whole. To that theory are being subordinated the normal, natural interests of the citizens of the United States.

"Our Nation's Constitution, our Bill of Rights—those historic 10 amendments which set forth the great untappable reservoir of ultimate sovereignty which is reserved to our States and to our people—are being sacrificed, and to a dream world, presumptively governed by universal law.

"Our unique system of individual risk and profit-and-loss, our competitive free economy; our investors, large and small; our producers, workingmen, farmers, shippers; all are to be used as chips in an international poker game in the making of whose rules they have no voice. Yet without them, as the Secretary of State testified before the Senate Finance Committee in 1955, there would be no GATT (General Agreement on Tariffs and Trade); there would be no game.

"The elected representatives of these, our citizens, have no voice. Only the executive sits in the game. To play with such global chips, must be intriguing and great fun. Only the house can win. The house is no longer national. It is worldwide.

"The engaging possibilities of the situation were not overlooked by traders in Britain. In March of 1942 the Federation of British Industries published its plan. Here is the plan in part:

" 'Like the ITO (International Trade Organization), the British Clearing Union did not itself materialize. But exactly as the ITO was followed by GATT, the Clearing Union was followed by the International Bank and Fund. And in the House of Lords, John Maynard Keynes described the proposal for the Clearing House in these words: 'The Clearing Union might become the instrument of policies in addition to those which is its primary purpose to support. * * * The Union might become the pivot of the future economic government of the world.'

"Of this potential economic government of the world, the brilliant Garet Garrett immediately wrote: 'The ultimate purpose is political; namely, to redistribute the wealth of the world in favor of underprivileged nations.' "

"From each, according to his abilities," says the Communist Manifesto of Karl Marx, "and to each according to his needs."

Well, from just this much we may see that Senator MALONE lays it on the line to the liberal thinkers of the Nation—and the world. The question naturally evolves: Can the international one-worlders meet his arguments in honest debate? What do you think?

[From the Dan Smoot Report of May 19, 1958]

MAINLINE

The thesis I present is that a pincers movement is now in operation, both on the domestic and on the international scene. The first jaw of the pincers is political; the second is economic.

A clear illustration of the political jaw is the Status of Forces Agreement, a part of the NATO pact. This agreement puts the personnel of America's Armed Forces, and the civilian component, under the jurisdiction of foreign courts. An American involved can get no help from his own country—at whose orders he is stationed abroad. The rights of his citizenship—his rights to protection according to American practices of civil and criminal justice—have been surrendered.

While the situation is at present confined to military personnel and the civilian component, who shall say when the theory of its application will not be broadened? When will every American be included in its terms? Who can deny the possibility, now that the principle has been established?

Thus, in the Status of Force Agreement, we feel the pressure of the political jaw of the pincers.

The pressure of the economic jaw is more subtle. Yet, the economic jaw is closing down and hurting all of us. It is causing spotted unemployment, the closing of plants. It is causing some firms to transfer their bases, and others to open plants abroad.

Both jaws of the mighty pincers are covered with attractive velvet, but the jaws have teeth.

The political jaw of the pincers is hidden with such phrases as "the freedom-loving world," "the western allies," "international cooperation," "collective security," and "defense against aggression."

Expressions like "world trade" and "reciprocity" hide the economic jaw.

The teeth on both jaws of the pincers are gradually destroying the American independence which our forefathers fought to establish—making the American people subject to the laws and whims of foreign rulers, deliberately making our American economy strategically dependent on foreign supply, until we can no longer defend our Nation without the "cooperation" of turbulent political authorities who do not share our ideals and who are totally beyond the reach of American citizens.

The objective of the pincers movement is to make the American people so subject to foreign control, and so dependent on foreign economic and political decisions, that Americans will surrender what is left of their national independence and accept membership in a worldwide socialist dictatorship called World Government.

We can escape from the political jaw of this pincers by a reversal of our foreign policy. We cannot escape from the economic jaw until we discover what it is and how it works.

TOWARD THE INTERNATIONAL STATE

This article, abbreviated from Senator GEORGE MALONE'S Mainline, presents historical background to the pincers movement which is taking money out of American paychecks, taking jobs away from Americans, taking business and profits away from American firms and individuals to finance socialism abroad. All of this is done under the guise of promoting world peace and defending the "Free World" against communism, but its real purpose is to lower American living standards and raise foreign living standards until we produce the one-world economic system that all Communists and Socialists want:

"From the time of America's War of Independence to the present, there have been two broad ideas of government in the world. The American idea was new; the other, old.

"The American idea—basic in our Constitution—is that the people themselves, and not the head of government, are the source of all political power.

"Were I asked what was the single key to America's vast success, I would say it was this American idea of government as the carefully controlled servant of the people, for this idea unlocked the doors of the individual human mind.

"In their Constitution, the American people entrusted to Congress—not to the President or to any other agency—the protection of their liberty and sovereignty. Congress kept trade free within the States; and the people, unhampered by government, quickly built the American market into the greatest in the world.

"As soon as we had won our political independence from England, the political powers of Europe tried to capture our markets and make us economically dependent on the Old World.

"It was not a question of individual Europeans or of European businessmen trying to outtrade Americans. In the old nations of the world, foreign trade was considered a political instrumentality—a means by which political authority (that is, government) could jockey for advantage and control. In America, trade—foreign as well as domestic—was an individual enterprise.

"We set up our protective tariff system at the beginning of our national life, not to protect our business from the rigors of normal competition, but to protect our whole economy against the political-economic warfare being waged against it by foreign governments.

"The Reciprocal Trade Agreements Act of 1934 abandoned this American system and adopted the European politico-economic theory—namely, that the business and enterprise of individuals must be controlled and manipulated to promote the policies of government. Government would help individuals expand their foreign markets. Government would negotiate the terms of foreign trade.

"Thus, with the Reciprocal Trade Agreements Act of 1934, we took a great step backwards into the age-old practices of Europe—taking sovereignty and power away from the people and giving it to government.

"The act of 1934 gave to the executive branch of Government the power to regulate our foreign commerce—a power which the Constitution had been very careful to give exclusively to Congress.

"Some say that Congress merely 'delegated' this function to the Executive. That is not so. The Constitution gives Congress no right or power to delegate its constitutional responsibilities to someone else. The elected representatives of the people in 1934 abdicated, and the power passed into the hands of nameless appointed bureaucrats in the executive branch who are never subject to election or other control by the citizens of the Republic.

"Framers of the Constitution had learned from history that a people cannot be free if they trust any Executive power. That is why the framers entrusted the tariff power—and all other essential powers of the Federal Government—to the legislative branch. They bound the American Executive down with the chains of their Constitution.

"In 1934, Congress handed those chains over to the Executive so that they could be used to bind Congress and the people.

"Supporters of the 1934 Trade Agreements Act proclaimed it as 'progressive' and 'modern,' designed to meet the needs of the 'modern world.' But the act was reactionary, a reversion to the age-old theory of the supremacy of government.

"Why was this reactionary step taken? America was the only Nation on earth where people, and not executive government, had sovereign power. Hence, America could not be absorbed into the great one-world socialist state until her political structure was brought in line with the old political philosophies of Europe. The American Executive must be given unlimited power so that he could meet and deal with the rulers of other nations on an equal basis—that is, with as much sovereign power over the American people as other rulers had over theirs.

"Always before, it had been impossible for an American President (or his representative) to meet with foreign rulers on an equal footing, because the American Executive was bound down with the chains of a Constitution. He couldn't barter away markets or anything else belonging to the American people. Hence, he couldn't make international deals attractive to foreign powers. The Constitution protected American citizens against such bartering on the part of their Executive—and it set the Congress up as watchdog for the people.

"The Reciprocal Trade Agreements Act of 1934 was the first major step toward giving the American Executive the power to trade the rights and property and liberty of American citizens for imagined political gains in the age-old game of international politics.

"Since that time, the American Executive has been given, or has assumed, the power to meet with foreign executives whenever he chooses and to work out whatever deals he wants.

"All of this was done, of course, because it was going to help America. Has it helped? What have these Executive deals done for America since 1934?

"Suppose we begin with Roosevelt's announcement that we would quarantine the aggressors, at the outset of World War II. Congress had no part in this Executive declaration of policy. The quarantine announcement was followed by abrogation of our Neutrality Act, the destroyer deal with Britain, lend-lease, our convoying of foreign ships—our entry into the war.

"Operating under our newly adopted Old World theory that our national Executive must be free to act, on 'an equal footing' with other national executives, our executive agents made countless international deals during and following World War II.

"And our courts have declared that these deals take precedence over our own laws and Constitution.

"American citizens have been subjected to court interpretations which rest on 'the principles and purposes of the Charter of the United Nations.'

"In simulated invasion by 'United Nations troops,' nine communities in California, and others in Texas and New York, have been subjected to martial law, mayors imprisoned, police chiefs jailed, school teachers dragooned and their pupils ordered about at bayonet point. I know it is claimed that these were just 'exercises'; but they have happened; they are fact.

"Our men and women in the armed services abroad, and their civilian component, are subject to foreign law. Nearly 25,000 cases had been recorded by January 1957. Hundreds have been jailed. If at times punishment has been justified, that is not the point. American tradition and international law never questioned that jurisdiction rested with the sending country. But international law and American tradition have been set aside by formal treaty, sponsored by the United States Executive and approved by the United States Senate.

"Many deals which the American Executive now presumes to make are not even submitted to the Senate for approval as treaties. These deals are known as executive agreements. According to the one-world internationalist theory that our Executive must be free to negotiate whenever and whatever he likes with foreign powers, these executive agreements are also binding on our citizens as 'law of the land,' although the legal lawmakers for the whole American people—United States Congressmen and Senators—had no hand in the agreements and don't even know what they are. The Secretary of State in 1955 said there are 10,000 of these executive agreements.

"These are some of the teeth that have begun to show on the political jaw of the world-government pincers movement that is squeezing the life out of our once free and independent American republic.

"How about the economic jaw?

"Look at the Marshall plan for American foreign aid.

"We had already poured out billions in lend-lease and more billions in UNRRA (United Nations Relief and Rehabilitation Administration). We had sent $3,750 million to Britain in 1946.

"The Marshall plan was in addition to all that. It was announced as a '5-year' plan which would cost $17 billion. It would raise living standards abroad and rehabilitate war-torn economies in Europe—and would help America, of course, by greatly stimulating world trade.

"The American citizens who had to pay the bills for this vast scheme were never told that, before one penny of our Marshall plan money ever arrived overseas, the European economies that we were supposed to be rehabilitating were already rehabilitated: The production level of the war-torn European countries was already above their prewar production level.

"So, money was taken away from Americans and sent abroad to bolster economies already above their prewar levels. The plants and tools and machinery which Americans had to buy and send to industrial Europe were built to produce the same kind of products which kept our own people employed.

"As we thus built up the productive capacity of foreign industries, the foreign political powers which control and use those industries for political purposes had to find ever-widening markets. The European political industrialists knew that the richest market for their American-subsidized production was America.

"They called an international conference (at Habana, 1949) to divide up the American markets among the foreign producers. The American Executive (Truman at the time) sent representatives to the Habana Conference and helped draft a charter for a global political-economic authority to be known as ITO—the International Trade Organization.

"In recommending American membership in the ITO, the American Executive proposed to give to this nonelective international agency the power which Congress had abdicated to the President in 1934: the power to regulate American foreign commerce which our Constitution was careful to give only to the elected representatives of the people.

"The ITO Charter was acclaimed as a charter to 'Free World trade.' In fact, it was a charter for international governmental control of trade. It would have required our Government to plan and control the economy of the United States; and would have required our Government to subject its own planning and controlling to the global authority of ITO. The ITO would have set up a world cartel (controlled by nonelected international bureaucrats) to tell all peoples what they could export and import, what commodities they could produce, and what and how much they could buy and sell. The only thing free about the whole ITO scheme was the obvious intent to free the American market to wide-open exploitation by foreign producers subsidized by American taxpayers.

"Although the American executive helped write the ITO charter and urged American membership, the proposal never actually reached the Senate for consideration. The thing was so patently bad that the Senate would never have ratified the charter as a treaty.

"But it didn't matter greatly—because GATT was already doing what ITO proposed to do.

"The American Executive—without consulting Congress: again exercising its new-found Old World power to negotiate whatever deals it pleases with foreign executives—had entered GATT, the General Agreement on Tariffs and Trade in 1947.

"The Truman administration let the ITO charter die because it was apparent that the Senate would never approve the thing—and because we were already participating in the broad ITO scheme anyway, through GATT, by Executive agreements.

"The Eisenhower administration has continued our participation in GATT, by executive agreement, and has sponsored its own counterpart of ITO. OTC has now been proposed—the Organization for Trade Cooperation. Every year, the Eisenhower administration puts pressure on Congress to approve American membership in OTC. But OTC is nothing more than a rewording of the old ITO scheme—and, so far, Congress has not approved.

"GATT was supposed to cure the economic ills of the world and to help America by vastly stimulating world trade. What has GATT actually done since 1947?

"By participating in the General Agreement on Tariffs and Trade, the American Executive has sold out—or given away—the genuine national interests of America.

"American products are being displaced in our own markets by foreign products. These imports are made by labor which is low-paid in comparison with wages here, and the foreign labor is operating our latest model machines. The products are coming in in foreign hulls while our own merchant ships go out of service.

"Our avowed policy is to increase living standards everywhere. The policy is increasing foreign employment, at the expense of American employment; but it is not increasing foreign wages. The difference between the selling price of foreign goods in American stores and the selling price of American goods in the same American stores is largely due to the difference between the high wages of American workers and the low wages of foreign workers.

"No one wants a tariff that would free American producers from competition. All that any reasonable person wants is a flexible tariff that would equalize the differential between capital and labor costs abroad and costs at home.

"If a foreign producer pays low wages, the amount of tariff he will have to pay to get his goods on the American market should be equivalent to the amount he would have paid to his own workers if his wages had been competitive with American wages.

"If we had that kind of tariff, we would create real, free competition for the American market; and we would encourage foreign producers to pay wages comparable to our own—because surely foreign producers would rather pay the money to their own workers than to pay it into the Treasury of the United States, as a tariff.

"When the reciprocal trade agreements program first began, we were told that one of its primary purposes was to keep American industrialists from relocating their plants overseas—thus slowing down industrial development and throwing Americans out of work. The program has done the opposite of what it promised. The Government's foreign trade program encourages American industries to build plants abroad (with American Government guaranties against confiscation), to produce goods with low foreign wages, and then to ship those goods into the free American market in competition with home industries that pay high wages—and high taxes to support their foreign competitors.

"Sixty percent of our imports never did pay duties. American tariffs are the lowest of any major trading nation in the world. Yet, in addition to general tariff reductions made under the General Agreements on Tariffs and Trade, we have made over 55,000 special concessions under GATT. The only protection which the American executive has given to key American industries are those which are permitted by GATT. The American Government must be permitted by an international authority to make decisions which it deems important to American industries.

"Low-paid foreign workers are now operating the most modern American machines.

Do the families of America's workingmen feel they can long compete under such conditions? Does any wheat or cotton grower in the United States dream that we can continue to send seed and fertilizer, money, equipment and technicians abroad—without creating self-sufficiencies in those markets, and crop surpluses and soil banks at home?

"Under GATT and other international authorities, the decision on such matters is not reached by the people, or by their representatives in Congress. These matters are decided by international bodies, responsible only to themselves.

"And as these economic decisions entwine our affairs with those of other nations, we find our citizens subject not only to the economic but also to the political—and ultimately military—decisions of international and foreign agencies.

"Laws made under our Federal or State Constitutions are thrown out if they conflict with the principles of some U. N. agency. UNESCO adopts a resolution concerning the equitable distribution of primary commodities throughout the world, and an official agency of the executive branch of our Government (the Paley Commission) declares that the United States is bound by this resolution, because the resolution is based on a provision of the ITO charter, although the ITO charter itself died, because it was so bad that Congress would not consider it.

"Because trade and equitable distribution of goods have been made a concern of international political authorities, Americans are pawns, not only in the ancient and endless trade wars of the Old World, but in the political brawls as well. To maintain peace and promote world trade, we must constantly be intervening in the political and economic affairs of other nations. This calls for military alliances, and mutual assistance, and collective defense, and it infects every local war with the fatal germ of worldwide, international conflict.

"We have sent the men and women of our Armed Forces into more than 60 foreign countries. We build apartment houses and schools for their families overseas, but we deprive them of their basic rights of citizenship and subject them to foreign laws.

"We have created a military establishment which charges our fighting men with the mission to protect the world.

"This global Department of Defense in 1955 employed 4,300,000 people—nearly 7 percent of our active labor force. The original cost of that Department's assets was about $140 billion. It owned almost 31 million acres of land. It operated some 2,500 separate business enterprises, in competition with taxpayers who foot its bills.

"We have loaned and given and spent in foreign countries a total which may never be known but which already is estimated at something like $143 billion—all of this out of the pockets of America's working people.

"We are importing foreign goods at a rate 50 percent greater than in 1948–49, while the percentage of our own exportable goods which are being shipped abroad as commercial trade is less than in 1934—when the whole thing began for the announced purpose of increasing our foreign trade.

"Why?

"Because we abandoned our American theory of government and adopted the ancient theory of government which our Founding Fathers had rejected and tried to protect us against.

"The new American theory was that the Federal Government must be strictly limited to the powers and functions specified in the Constitution which brought it into being—that Government must be bound by the chains of that Constitution so that individuals could deal and trade with each other as free men.

"We gave up that theory for one which says that government can do for a citizen

what government decides the citizen cannot do for himself. Then, the international state can do for our Nation what the international state determines we as a nation cannot do for ourselves.

"Power must first be transferred from individuals and State governments to the National Government. That started in 1934 with the Reciprocal Trade Agreements Act when Congress first started abdicating its constitutional powers.

"Then, power must be transferred from the National Government to the international state. That started with the war and postwar conferences which spawned a multitude of United Nations and international organizations and multilateral alliances and treaties and executive agreements."

THE WAY OUT

In the articles above, I have given, in paraphrased abbreviation, the broad outlines of the argument which Senator GEORGE MALONE makes in his little book, Mainline.

The startling specific facts, the tables of statistics, the documented history of what he calls the great pincers movement—all of these I had to omit.

An average reader could go through the whole book—facts and figures and all—in 3 hours.

I recommend it.

We must completely reverse American foreign policy if we are to preserve our independence and avoid war. This may take years of massive public education and intensive political action.

We must completely reverse the taxing and spending policies of the Federal Government if we are to keep our individual freedom and preserve our American system of sovereign States operating within a Federal Union. This will probably require a constitutional amendment—the Gwinn amendment, as proposed in H. J. Res. 355—and may also take years of massive public education and intensive political action.

We must—in our schools and colleges and churches and magazines and newspapers and movies and books and radio-TV programs—have an expression of American ideals to offset a quarter of a century of socialist-one-world propaganda that has brainwashed our people. That's a long and arduous road, too.

But the program which Senator MALONE refers to as the economic jaw of the great pincers movement could be dealt a stunning blow, this year, by a simple act of Congress.

Senator MALONE believes that Congress could pull most of the teeth out of the economic jaw of this pincers if it would just let the reciprocal trade agreements program die this year.

Senator MALONE tells me that Congress, for the first time since 1934, is actually in a mood to do just that—that all Congress needs right now is a little more push from the voters back home.

I believe the voters would give Congress that push if a substantial number of key people in every community would read Senator MALONE's little book.

[From Walter Winchell in the New York Mirror of May 22, 1958]

United States Senator MALONE's new book, Mainline, is here. Will send. Very interesting. He was appalled when he learned that a Vegas policeman was indifferent to that chorus girl whose father was slugged by an admitted "member of the mob."

[From the American Legion]

A new book has been presented to the National Headquarters Library by the authors, Senior Senator GEORGE W. MALONE, of Nevada, a former department commander and national vice commander, has presented an autographed copy of his new book entitled "Mainline." Published by Long House, Inc., of New Canaan, Conn., Mainline analyzes the effect on Americans of our foreign economic policies and is presented by the author objectively.

[From the New York Daily News of June 10, 1958]

TO TAXPAYERS: OUR SYMPATHY

Maybe we're just nastily suspicious isolationists, but we got an about-to-be-taken feeling from two commencement addresses delivered Sunday—one by British Prime Minister Harold Macmillan at Depauw, and the other by Adlai Stevenson at Michigan State University.

Mr. Macmillan, looking like a weary lion and making a beautifully phrased speech, was all for increased cooperation between the United States and Britain. He spoke of interdependence, and complained of still too many artificial barriers to the free flow of money and trade in the Free World.

Adlai pulled out all the stops for big free-trade and low-tariff areas in the Free World (and too bad about United States workers thrown out of work thereby), and whooped it up for years and years of international aid to and investments in backward nations.

Stevenson said we'd have to push and pull our allies into this project—which shows that even Adlai realizes that most of the money would come from the United States.

President Eisenhower is agitating for much the same things as are Macmillan and Stevenson, though in lesser degree. He wants almost $4 billion for foreign aid in the coming year, and broad Presidential tariff-cutting powers under a reciprocal trade agreements law extended for another 5 years.

And the Senate seems willing to go along, at least part way. It voted Friday to put Congress on record as favoring United States bankrolling of India's economic development indefinitely, and to keep Red Yugoslavia and Red Poland on our breadline.

The President and Mr. Macmillan are conferring this week; and altogether, we feel that condolences to the United States taxpayer are in order. It looks as if he's stuck for years to come with the job of financing much of the Free World and some of the unfree.

Another and less alarming commencement address was delivered Sunday by Canada's Prime Minister.

[From Our Sunday Visitor of February 9, 1958]

BILLION-DOLLAR BOONDOGGLE

(By Father Richard Ginder)

Under a London dateline, the daily papers recently carried a story by Ernie Hill stating that millions of dollars of military equipment given by us to the British in the last 10 years is being dumped back in our laps at the rate of $100,000 a day.

It is creating quite a problem, Hill says, because a tangle of legal technicalities make it impossible for either them or us to sell the stuff.

Some of it is obsolete. The British just have too much of other things and want to unload. They are cutting down the size of their military forces and can't possibly use it. The military aid bounty includes everything from knives and forks to tanks.

One Air Force officer said that some of the tanks were delivered 8 years ago and have never been taken out of their grease. He estimated that about $5 million worth of equipment is stacking up in 5 American depots and is creating a storage crisis.

When we gave it to the British we made them sign an agreement that they would not resell it. And we are not allowed to sell more than $50,000 worth per month without paying British import duty on it.

Scrap metal dealers can't touch it because they would be required to pay duty which is more than they would pay to haul it away. Some of the trucks and tractors turned back may be used by American forces, but most of the equipment is of no use to anybody.

It is estimated that the British may hand back some $50 million worth before they are through. Washington has been queried on what to do with the stuff as it is piling up. There seems to be no answer. It wouldn't be worth while to ship it back to the United States. One suggestion had been that we dig several big holes and get rid of the equipment by burying it.

And in his message to Congress last month, the President asked for an appropriation of several billion dollars to finance more of the same. Indeed, he has let it be known that he will fight to the finish for this particular point of his program. He is organizing a broad and costly public relations program to educate us more simple-minded Americans, presumably on the need for shipping more trucks and tractors, knives and forks to Britain.

When we read that the Government's foreign giveaway program now totals roughly $67 billion, the mind staggers in stupidity and passes on without comprehending. How much is $67 billion?

Well, some years ago when the total was something less, the distinguished diplomat Spruille Braden was asked the same question and here is his answer. You will have to make the appropriate adjustment to bring it up to date—i. e., add 22 percent to his reckoning:

"I grasp the value of $55 billion," he said, "when I add the assessed valuation, as reported by Moody's Municipal and Government Manual of 1956, of all the property, real and otherwise, in the 13 biggest cities of this country: New York, Chicago, Philadelphia, Los Angeles, Detroit, Baltimore, Cleveland, St. Louis, Washington, San Francisco, Boston, Houston, and Pittsburgh and arrive at a grand total of just over $55 billion.

"We would be appalled by the mere suggestion that these 13 cities, if it were possible, be shipped overseas to foreign nations. Yet we have done the equivalent of that. We have given away—in effect destroyed as if by nuclear bombing—the equivalent of our 13 biggest cities."

The testimony on how this money is being spent is well nigh fantastic. Give ear to Director John B. Hollister of the International Cooperation Administration, testifying before the Senate Foreign Relations Committee:

"There is a project which I think has considerable value, and that is the possibility of developing the communications, roads, and even conceivably something of a railroad connecting India with Nepal.

"Another possibility that I think would be most valuable to settle tensions, with which we are all familiar, is the possibility of a similar development of transportation between Pakistan and Afghanistan. This could make it a lot easier to ship Afghanistan goods out through Pakistan to Karachi."

This from an administration that won't give harried postal clerks another dime per hour, nor replace a wornout mailbag, without first trying to gouge it from the American taxpayer.

"I remember a plant which used silica," Senator ELLENDER, of Louisiana, told the Senate, with reference to a project built with giveaway dollars in Formosa. "Many thousands of dollars were spent to erect the plant," he said. "It was operated for about 30 days and then it had to close because it ran out of silica."

Was there an investigation of who bungled this expensive operation and wasted so many thousands of taxpayers' dollars? Not at all. If you will look on page 1 of your evening paper you will find that the Government was too busy investigating and prosecuting

some harried dentist from the next town for a $100 shortage in his tax payments. While the man who bungled on Formosa was doubtless rewarded by being made United States Ambassador to Ruritania.

Continuing his remarks on Formosa, Senator ELLENDER said, "When I was there I found to my surprise and disappointment that efforts were being made to have Uncle Sam foot the bill for a Nationalist Chinese GI bill of rights.

"The entire cost of this program was to be furnished by the United States Government. The amount necessary to undertake the initial program was estimated to be $38 million.

"I was told, without question, that our local mission would never consent to such a project, but I have learned lately that we are to undertake it, after all."

President Truman's widely touted point 4 program, started in 1950, has developed into another giveaway. Intended to furnish technical assistance to backward countries, here is what has happened, according to Eugene W. Castle, who has made a career of studying the great giveaway.

"Under point 4, 36,000 American technicians and their families have been shipped to some 60 foreign countries to scatter our know-how and our dollars. More than 31,000 foreign technicians have been imported to be trained in American methods and then returned home to spread the training among their fellows.

"Both ways, coming and going, the American taxpayer paid the fare, freight, and maintenance.

"A never-ending tidal flow of supposedly superior humanity takes place. In the autumn of 1956, according to ICA press release 229 of October 8, 'more than 4,000 United States technicians were serving overseas. Of these, 2,700 were United States Government employees and the remainder contract personnel.' Approximately 2,500 foreign technicians were receiving training in this country under the cooperative programs."

Where will it all end? In 1871, Germany had a surplus of several billion marks extracted from France in war indemnities. Then Bismarck chose to fight socialism by sinking Germany into socialism—his own brand. By 1913, there was a national deficit of 5 billion and the Finance Minister warned the Kaiser that "the stability of the empire is in danger." The First World War came as a reprieve, but in the end Germany was bankrupt and finally Hitler took over.

In 1938, our own country was on the verge of a second great depression. Then Hitler attacked Poland and we went into the arms business—eventually, into the war.

We ended with a debt of $250 billion, which grows greater every month; and through the manufacture of armaments, the foreign giveaway, point 4, and all the rest of it, we have continued in a war economy with its attendant expense and false prosperity.

Khrushchev, of course, is delighted, for he remembers the prophecy of Lenin: "We will make the United States spend herself into bankruptcy."

The debt will grow until the crash comes—when the United States will have lost its credit and our money will be worthless.

ADDRESS—NATIONAL MACHINE TOOL BUILDERS, CHICAGO, ILL.

Mr. MALONE. Mr. President, on the same subject, I ask unanimous permission to have the address that I delivered before the 56th spring meeting of the National Machine Tool Builders' Association at the Edgewater Beach Hotel, in Chicago, on April 25, 1958, printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AMERICAN SYSTEM

(By Senator GEORGE W. MALONE, United States Senator from Nevada)

The United States is a greater economic colonial of the capitals of old Europe today than it was before the Declaration of Independence in 1776.

The 300-year-old European colonial system of England, France, Belgium, and the Netherlands was designed to control the markets of lesser nations, and included a certain responsibility. We were the first to break away from the system in 1776.

We reentered the system—including old Europe's trade wars—under the authority of the 1934 Trade Agreements Act (so-called reciprocal trade), under which the General Agreement on Tariffs and Trade was set up and is operating in Geneva, with 36 foreign competitive nations dividing our markets among themselves through multilateral trade agreements, without any responsibility.

Today the 36 foreign competitive nations are sitting in Geneva, Switzerland, completing the job.

They are operating under GATT, a brainchild of our own State Department formed in 1947 with the Alger Hiss crowd as the guiding spirit.

The gimmick in that arrangement is that the 36 foreign competitive nations do not need to keep their part of such agreements as long as they can show that they are short of dollar balance payments. It is a one-way street, since they can show such shortage until all of our markets and wealth are equally divided among them.

GATT is the offspring of the 1934 Trade Agreements Act, which is due to expire on June 30 of this year.

Let this nefarious act expire and the American workingmen and investors are back in business competing for the American markets.

No bilateral trade agreements negotiated by the State Department, or such multilateral agreements negotiated at Geneva can be made after the expiration of the act, and, following 6 months' notice the adjustment of the duties or tariffs on all products reverts to the Tariff Commission, an agent of Congress on the statutory rate to be adjusted on the basis of fair and reasonable competition.

CONSTITUTION SEPARATES POWERS

From the date of the first protective tariff act in 1789 the objective of Congress was to regulate foreign trade on the basis of fair and reasonable competition. No high or low tariff, but a tariff adjusted to represent the difference in living standards here and in the chief competing nation on each product.

The Constitution, in its separation of powers, pointedly places the regulation of foreign trade through the adjustment of the duties, imposts, and excises which we call tariffs, in the legislative branch under article I, section 8.

It places the fixing of foreign policy in the executive branch under article II, section 2.

AMENDED THE CONSTITUTION WITHOUT SUBMITTING TO STATES

The 1934 Trade Agreements Act tied the two together through the simple expedient of transferring the constitutional responsibility of Congress for the regulation of foreign trade and the national economy, to the executive with full power—according to the statement of Secretary of States Dulles before the Senate Finance Committee—to trade all or any part of any American industry to foreign nations if he believes that it will further his foreign policy. This the executive has proceeded to do since that date.

Congress then did, with the connivance of the President, amend the Constitution of the United States without the formality of submitting it to the States or to the people.

Let the act expire on June 30 and return to the principles of the Constitution.

INFLATION AND FREE TRADE

In 1933 we went off the gold standard and almost immediately priced ourselves out of the markets of the world.

In 1934 we passed the Trade Agreements Act and invited the influx of cheap labor goods through lowering our duties or tariffs and dividing our American markets among the foreign competitive nations of Europe and Asia.

We have furnished more than $70 billion to the nations of Europe and Asia to build manufacturing plants, mines, and mills to compete with our American workingmen and investors.

A NEW DECLARATION OF INDEPENDENCE

We have lived on a war economy through two wars and preparation for war, printing the money and expanding the debt to pick up the check.

What we need today is another Declaration of Independence.

With unemployment mounting because of imports of cheap labor products, with inflation inevitable as long as Congress continues to appropriate more money than it can squeeze out of the already exhausted American taxpayers, it should be evident to men in official positions that they have played the string out and that further inflation, free trade, and billions of dollars to Europe and Asia will only aggravate the beginning of a fatal disease.

The taxpayers of this Nation are years ahead of the Congress and the administration.

Neither Congress nor the administration has recognized the imported cheap labor products as the chief factor in the so-called recession.

THE AMERICAN SYSTEM

For 12 years I have fought on the Senate floor for a return to constitutional government—the American system.

The American system for a century of time meant sound money, protection of the American investor's money and the workingman's job with a duty or tariff equaling the difference in wages and taxes here and abroad, and States rights.

A return to the American system would mean, then, a return to the Constitution of the United States.

That immortal document says specifically:

1. That the "Congress shall have the power to coin money and fix the value thereof, and of foreign coin."

2. That "Congress shall have the power to regulate commerce with foreign nations" (foreign trade) and "to lay and collect taxes, duties, imposts and excises"—which we call tariffs.

3. That "the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

For a century and a half of time the Congress adjusted the duties or tariffs to equal the difference in the wages and the general costs of doing business here and in the chief competing nation on each product.

Under this principle the American investors and workingmen were assured equal access to the American markets.

The Tariff Commission was created as an agent of Congress to adjust the duty or tariff to represent the difference in the cost of producing an article or a like product here and in the chief competing nation, and to recommend that difference as a tariff.

Under this system America reached the highest standard of living in the world.

FREE TRADE THE OBJECTIVE

The duties or tariffs are reduced, under this system, to correspond to any rise in the standard of living of such nations, and when any nation has reached our approximate standard, then free trade would be automatic and immediate. I am for free trade on this principle—the basis of fair and reasonable competition.

Sound American investments can only be made on a principle established by Congress through adjusting the flexible duties or tariffs to give the American workingmen and investors equal access to American markets.

Such an adjusted duty or tariff, taking the profit out of cheap wages at the water's edge, does not prevent imports but brings them in when needed on a basis equaling our standard of living wages.

OLD WORLD CONTROL

It is plain that the plan for the nations of old Europe to control the American economy did not start yesterday.

It started with the abandonment of the gold standard in 1933 and the passage of the 1934 Trade Agreements Act. It continued with the so-called European recovery program and the 10 extensions of the 1934 Trade Agreements Act although that act was initially to be only emergency legislation of short duration.

DEAN ACHESON'S POLICIES

After Dean Acheson became Secretary of State in January 1949, he said that:

"It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. * * * Each complements and supplements the other. They must be combined in a single unified and rounded policy."

Dean Acheson's assistant, Willard H. Thorpe, said in his testimony before the House Ways and Means Committee in January of 1949 in support of the 3-year extension of the 1934 Trade Agreements Act:

1. "The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet."

2. "The trade agreements (act) program is an integral part of our overall program for world economic recovery."

3. "The International Trade Organization upon which Congress will soon be asked to take favorable action provides a long-term mechanism—each part of this program is important. Each contributes to an effective and consistent whole."

I quote now from a statement of the senior Senator from Nevada on June 17, 1950:

"FINAL ABANDONMENT OF WORKINGMEN AND INVESTORS

"These pronouncements (of Secretary Acheson in 1949) marked the final abandonment of the workingmen and investors of our own Nation in favor of the one-economic-world theory of averaging the living standards of the nations of the world, and no further venture capital for business development or stabilization could possibly be available since the State Department can choose the industries that are to survive and that are to be sacrificed on the altar of the one-economic-world theory."

I continue to quote from the statement of the senior Senator from Nevada on June 17:

"THE THREE-PART FREE-TRADE PROGRAM

"This then, is the three-part free-trade program tying the national economy to the foreign policy to which the administration is irrevocably committed and upon which they have staked their entire combined domestic and foreign policy. This is the well known bipartisan foreign policy—that is, moving toward merging this Nation with a foreign-controlled, one-economic-world.

"Spokesmen for the administration say that they have adopted this three-phase free-trade program to average our standard of living with the foreign nations of the world on the theory best expressed by one of their slogans 'that you cannot be prosperous in a starving world'; that we must divide our markets—the basis of our own income—with the nations of the world and average the living standard of nations of the world—they say—to avoid world war III.

"It is the administration's avowed method of establishing world peace."

TWO WARS AND PREPARATION FOR WAR

Since the 1934 Trade Agreements Act became effective we have had two wars—World War II and Korea—and are now preparing for a third world war. It would seem that the act has not been too effective in keeping us out of war.

CONGRESS NEVER APPROVED GATT

The adoption of the ITO (the International Trade Organization) by Congress was urged by the administration in 1950, which would have merely approved the operation of GATT in Geneva already operating under the authority of the 1934 Trade Agreements Act.

Congress refused to have anything to do with it.

The administration is now urging Congress to approve the Office of Trade Cooperation (OTC) which would also approve the operation of GATT in Geneva. Congress rejected it last year, 1957.

Congress has never approved the GATT operation in Geneva. However, Secretary Dulles has testified before the Senate Finance Committee that the administration has the authority to continue the GATT operation through the 1934 Trade Agreements Act without Congressional approval.

Many of you have heard of the "Status of Forces Treaty" that puts the personnel of America's Armed Forces, and the civilian component, under the jurisdiction of foreign courts and laws. This is a part of the political pincers movement.

All of this is a part of the economic and political pincers movement to force this Nation into a world government and is now operating on the domestic and international scene.

THE ECONOMIC PINCERS MOVEMENT

The economic pincers part of the movement is the subject matter today.

I am an engineer. They say that I am the only practicing engineer ever elected to the Senate in 180 years.

I did not go to the United States Senate for a career—I had my career—30 years in the engineering business. I went to the Senate to try to save the American system for a couple of grandchildren. It was the only office for which I ever ran.

I am a builder. I do not know how to tear anything down.

An engineer wants to know how things work—and why.

He wants to know what goes in and what comes out.

There used to be a time when a speaker addressing an American audience had a reasonably accurate idea of how that audience felt about the issues he was going to discuss.

In the United States today, however, there are few unspoken assumptions between people on the three key issues of our times—inflation, government spending, and tariffs.

Some speakers can talk on both sides of these issues, simultaneously and with great diplomacy.

But I was not trained as a diplomat.

As an engineer, I was trained to think functionally, and that is the only way my mind will work. This gets me into a lot of trouble with a lot of nice people who don't like the blunt way I get at my facts.

EMERGENCIES AND OBSOLETE EQUIPMENT

We have lived on emergencies since 1933; World War II, the Korean war and preparation of war.

There has been no indication nor implication that we will start to save the money which is now being expended on obsolete equipment on foot soldiers for the surface defense of Europe and Asia, who will all be lost when and if the fight starts; nor the billions poured into these same nations to buy agreements and treaties, none of which will be worth the paper they are written on when the chips are down.

The ultimate objective is inflation, free imports, a division of the taxpayers' money with foreign nations, and ultimately free immigration, with a world government at the end of the rainbow—all under the United Nations, with the United States having one vote.

Under this projected system, there is nowhere for our standard of living to go but down.

LIVING ON WAR ECONOMY

We are still living on a war economy.

If the amount given foreign nations to buy our goods, and that part of our shipments abroad that are subsidized by our American taxpayers be deducted, our foreign trade at this time includes a lower percentage of our exportable goods than we were exporting in 1934 when the whole program was started.

FIFTEEN BILLION DOLLARS SAVED

The next war, if and when it comes, will be fought in the air and under the sea.

Fifteen billion dollars can be saved through stopping our plans for surface defense of foreign nations and by stopping foreign aid.

This ignores, for the moment, the estimated saving of an additional $15 billion through the adoption of the Hoover Commission report and the Cordiner report, and taking the Government out of business.

SEVEN AND ONE-HALF BILLION DOLLARS FOR MISSILES AND PLANES

Out of the $15 billion saved through stopping the foreign aid and the obsolete plans for the surface defense of Europe and Asia, $7½ billion could be assigned to missiles production and to continued construction of the needed air equipment, including B–52's or the most advanced fighters and bombers, thus maintaining our air superiority until missiles can replace such manned equipment.

SEVEN AND ONE-HALF BILLION DOLLARS FOR REDUCING DEBT AND TAXES

The remaining $7½ billion could be used to pay on the national debt and to reduce personal income taxes.

EFFECT ON AMERICAN CITIES AND AREAS

If anyone questions the effect of this grandiose and international socialistic one-economic world theory let us study its effect on typical American cities and areas.

There are literally hundreds of areas throughout the United States today suffering from cheap labor imports and inflation resulting in reduced purchasing power of the dollar.

Such imports include textiles, machine tools, crockery, minerals, wool, precision instruments, and hundreds of other products.

Five such cities and areas in my own State of Nevada are pointed examples of American communities where the workingmen and investors had established a standard of living under the American system—purchasing their homes, building their schools, paying their taxes and becoming an integral part of the economic system of America—and now destroyed by action of Congress without their knowledge or consent.

These cities are Pioche and Caliente in Lincoln County, Winnemucca in Humboldt County, Henderson in Clark County, and Ely in White Pine County.

The Pioche and Caliente areas are suffering because of the imports of lead, zinc, and tungsten from cheaper labor nations.

Employment in the Winnemucca area is down because of the imports of tungsten from such areas.

In the Henderson area more than 500 men are out of work in one plant because of imports of titanium from Japan where 20 cents per hour is considered good pay for a first-class Japanese worker.

In Ely more than 1,200 men out of a total of 3,500 have been separated from their jobs in the copper mining industry because of copper imports from cheap labor countries and they have just been informed that further reductions are pending in the immediate future. Other metal mines have closed for the same reason in that area accounting for several hundred additional men.

The workingmen of Ely, understanding where their competition is located and knowing how it was promoted, passed the following resolution:

"Whereas since 1934 the legislative branch of the United States Government has steadily been legislating their constitutional responsibility to the executive branch; and

"Whereas the well being of our country is predicated on our Constitution; and

"Whereas the 1934 Trade Agreements Act is one that exemplifies the loss of the legislative branch's responsibility: Now, therefore, be it

Resolved, That the 1934 Trade Agreements Act not be renewed and the responsibility of tariff policy be restored to its rightful place, the Congress of the United States."

Our own State Department has long recognized that its policy of free trade and billions of dollars to Europe and Asia would close down and remake the industrial map of this Nation and has recommended that Congress appropriate money to train the resultant unemployed Americans for a different job and for transporting them to other areas. Also to reimburse stockholders of the destroyed industries.

What other jobs—and what other areas?

On the subject of just what kind of work our unemployed would be trained for and where they would go, and what other American products the American market could absorb under the system, the State Department is vague.

This is the Russian system. However, they do not need legislation to do the job.

With a flexible tariff the profit would be taken out of the foreign sweatshop labor at the water's edge, American men would go back to work and the money so collected would go into the general treasury to be used to lower taxes or to pay on the national debt, or both.

THE CONSTITUTION—THE AMERICAN SYSTEM

Return to the Constitution of the United States and the American system.

The American system for a century of time meant sound money; protection of the American investor's money and the workingman's job with a duty or tariff equaling the difference in wages and taxes here and abroad; and States rights.

1. Let the 1934 Trade Agreements Act expire on June 30, 1958—then the American workingmen and investors will again compete equally for the American markets.

2. Stop the annual pouring of billions of dollars into Europe and Asia.

3. Stop the obsolete defense operations throughout the world.

4. Lower taxes and pay on the national debt.

5. Make the American system work.

Remember the advice and warning of two great Presidents.

George Washington said, in his farewell address:

"* * * If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed."

Abraham Lincoln said:

"* * * If this Nation is ever destroyed, it will not be from without, it will be from within."

The big drive is on—it started operating in 1933. The American economy has been supported by emergencies including two wars and the preparation for war since that time.

Time is running out. Let's make the American system work.

Mr. MALONE. Mr. President, I ask unanimous permission, on the same subject of foreign expenditure of the taxpayers' money, to build plants abroad to compete with American workingmen and investors, resulting in continued inflation, enabling such foreign nations to compete with American investors and American workingmen through the operation of the 1934 Trade Agreements Act, all operating against the economy of this Nation, with the assistance of the World Bank, to have printed at this point in the RECORD as a part of my remarks excerpts from a dispatch which appeared in the Wall Street Journal of June 10, 1958, under the heading "World Bank Steps Up Sideline Activities as Its Loan Total Mounts."

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal of June 10, 1958]

WORLD BANK STEPS UP SIDELINE ACTIVITIES AS ITS LOAN TOTAL MOUNTS—IT ADVISES ITALY ON ATOM, EGYPT ON CANAL, PONDERS EASY-TERM CREDIT FUND—HOW TO SPLIT THE INDUS RIVER

(By John R. Gibson)

WASHINGTON.—The 66-nation World Bank, a major cog in the Free World's foreign-aid machinery, is greatly expanding its traditional role as an international financier—and is getting into some sidelines remote from the banker's usual routine.

More properly known as the International Bank for Reconstruction and Development, this 12-year-old institution will dispense a record $650 million in loans in the fiscal year ending June 30. That sum will represent an increase of nearly 70 percent over the outgo of the year before. The bank is financing such varying economic development ventures as an electric powerplant on the Djen Djen River in turbulent Algeria, road construction at the banana-land crossroads of El Empalme in Ecuador, and airplane purchases by the K. L. M. Royal Dutch Airline.

Seven new members—Ghana, Malaya, Morocco, the Sudan, Tunisia, Ireland, and Saudi Arabia—have joined up just since last July. Two more, Libya and Spain, may come in soon.

EASY-TERM LOANS

The bank also may sprout a new offshoot—a special fund for easy-term loans, to which such industrialized nations as the United States, Germany, Britain, and Japan would contribute. The bank's president, tall, 60-year-old, Atlanta-born Eugene Black, is the most influential partisan of the scheme. The United States State Department's top economic policymaker, Deputy Under Secretary C. Douglas Dillon, is now studying the possibility of United States participation in such a special fund.

SUBJECT MATTER THE BOOK MAINLINE—EXTENSION OF THE 1934 TRADE AGREEMENT ACT EXPIRES JUNE 30, 1958

Mr. MALONE. Mr. President, the question of the extension of the 1934 Trade Agreements Act, which expires on June 30 of this year, will shortly be before the Senate, since the House passed the bill this afternoon.

That act violates the Constitution of the United States. That great document, the Constitution, established the separation of powers of a three-branch Government.

It placed the regulation of foreign trade and the domestic economy, through the adjustment of duties, imposts and excises, which we have come to call tariffs, in the hands of the legislative branch, under article I, section 8. The Constitution lodged in the executive branch the responsibility of fixing foreign policy, under article II, section 2, of the Constitution.

The Trade Agreements Act of 1934, which has been extended 10 times since the first emergency period of 3 years, tied those 2 functions together, amending the Constitution without referring the question to the people as provided in that document.

This 11th extension, just voted by the House provides for another 5 years and an additional 25-percent reduction in the duties and tariffs. George Washington in his Farewell Address had this to say relative to the evasion or usurpation of the Constitution.

If in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed.

Abraham Lincoln said:

If this Nation is ever destroyed, it will not be from without, it will be from within.

In this case the legislative branch transferred the constitutional responsibility of the Congress to regulate foreign trade and the national economy, through the adjustment of what are referred to as tariffs, to the Executive.

Mr. President, it would be just as reasonable, if the legislative branch today passed a bill transferring the constitutional responsibility of the Executive to fix the foreign policy, under article II, section 2, to the legislative branch.

SUBMIT A PROPOSED CONSTITUTIONAL AMENDMENT

Mr. President, I submit that the proper way to approach this question, if there are any Members in the Congress who believe the President should exercise both powers, who believe quoting George Washington that "the distribution or modification of the constitutional powers be in any particular wrong" is to submit a constitutional amendment to the people of the country and abide by their judgment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. BOYKIN, Mr. GARMATZ, Mr. TOLLEFSON, and Mr. ALLEN of California were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 7261. An act to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia; and

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes.

TRANSPORTATION ACT OF 1958

The Senate resumed the consideration of the bill (S. 3778) to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

Mr. DIRKSEN. Mr. President, I commend the distinguished Senator from Florida [Mr. SMATHERS] and the other members of the subcommittee and the full Committee on Interstate and Foreign Commerce for the diligence which they brought to bear on the troublesome problem of strengthening the transportation system. It is difficult enough to initiate and undertake a matter of this kind; but to carry it through to fruition is quite another matter.

I can readily understand, from my own experience as a member of the Committee on the Judiciary and the Committee on Appropriations, how much time and energy have been devoted to fashioning a measure which is reasonably acceptable in all quarters, and which now has an opportunity to receive approval by the Senate and, hopefully, by the other body in the legislative branch.

When the committee was meeting in the caucus room, on occasions I would wander in and sit with the crowd and listen to the testimony. Of course, it was of high interest to me, since the city of Chicago is probably the greatest railroad hub in the entire Nation.

The committee was confronted with two absolute values. The first was that the railroads are an industry which is a part of our surface transportation system. The other was that change is one of the eternal things which somehow we have failed to recognize fully.

Over the years, since I have been in the legislative branch, I think we have agreed that there are changes in our whole transportation setup and in community and national attitudes but we have done very little about them until one branch or another of the transportation system found itself in such a position that it fairly came to the door of Congress as a suppliant for some kind of relief.

Now the two absolute values of an indispensable transportation medium are in difficulty, and the system is confronted with problems which are the result of inevitable change. If the railroads are to continue to operate effectively, we can do either one thing or a combination of things.

First, we can create for them an atmosphere which is healthy, one in which they can do business and can stand on their own.

Second, we can subsidize them.

In that connection let me say that on yesterday when the Department of Commerce appropriation bill was before the Senate, I noted that the bill contained an item of $120 million for operating differential subsidies which represent the difference between the operating cost of our own maritime industry and the operating cost of the maritime industries of other countries. The purpose is to prevent American shipping from disappearing from the high seas.

So far as I know, and as indicated by those in the transportation industry with whom I have talked, the railroads do not want a subsidy. Moreover, the last thing they would like to see would be socialized railroads. I believe that would be an absolute tragedy. In that event, all the remaining railroads would be placed on the Federal Government's payroll, so to speak. Of course, we know what happened in the days when the railroads were under Government direction. So that is the last thing to which we want to resort; and I think subsidy would be equally bad.

I believe the need for relief is clear. Those who have prestige in the industry request relief only in the hope that something more affirmative and constructive, in the form of a modification of the ratemaking rule, can be worked out, so they can finally create a climate which will permit of the development of the revenues which are indispensable to a healthy railroad industry.

The pending bill is a reasonably felicitous combination of the essential things—a guaranty of loans, a construction reserve, and a ratemaking provision. Of course, the last one is always very troublesome. I have already discussed it with my very esteemed and able friend, the Senator from Ohio [Mr. BRICKER], whose advice in this field I have always prized.

The bill also provides that the Inter-State Commerce Commission shall have authority more expeditiously to dispose of the cases presented to it from time to time. After all, the problem confronting us today is a little more than merely a local one. I believe it is one that is inherent in many governmental agencies. We even find it in connection with the Federal court system. A Federal district judge whom I know quite well found that it would take 7 years to dispose of all the cases then pending before his court.

So it seems to me that sooner or later the Congress must come to grips with that problem, and must see what it can do, by means of personnel implementation and other matters, and probably by means of modifications of substantive law, to have the Government agencies handle more expeditiously the cases which come before them.

A short time ago it was announced that the House had passed the reciprocal-trade-agreements-program bill. I believe one of the difficulties in that connection is that an applicant for relief under the escape-clause provisions may make such an application, but even 2 years may pass before the making of a finding in the case, and it is conceivable that by that time the applicant may have had to go out of business.

If the fault lies in lack of adequate personnel or lack of sufficient funds, that is a responsibility of Congress, and we should face up to it.

A similar situation confronts us in this case. So expeditious action should be taken by the Interstate Commerce Commission when it deals with these problems, for, as the committee has indicated in its report, there is always the possibility that some of the carriers might go into bankruptcy; and that would be anything but wholesome insofar as the transportation system is concerned.

I do not see on the floor at this time my distinguished colleague, the junior Senator from Ohio [Mr. LAUSCHE]; but I read with interest his separate opinions in connection with the committee report. Among other things, he referred to greater freedom in the transportation area. I concur entirely in that sentiment.

So I expect to support the bill. It may contain some defects. If so, I am sure that either in the other body or by means of the conference or after the bill goes into effect, they can be ascertained and corrected.

The bill, when enacted, should be a very distinct contribution to the effectuation of the purpose indicated by its title, namely, the strengthening and improvement of the transportation system of the country.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The question is on agreeing to the first committee amendment.

Mr. BRICKER. Mr. President, I wish to speak briefly on the bill as reported by the committee.

I desire to join the distinguished leader on this side in commendation of the chairman of the subcommittee, the chairman of the full committee, and the other members of the subcommittee, on both sides, for working out the bill.

Mr. President, the problem confronting us today is not at all a new one. It was some 6 or 7 years ago that the Interstate and Foreign Commerce Committee appointed a subcommittee to hold hearings on surface transportation. Extensive hearings were held. The conclusions reached—not unanimously, to be sure—as a result the hearings were

practically the same as the ones which have been reached by the membership of this committee.

The problem has been a growing one in recent years. The control of railroad transportation dates back to the 1870's. The first regulatory body created by the Federal Government had jurisdiction over railroads, railroad rates, and railroad transportation. That jurisdiction has expanded to the present time, until today the railroads charge rates which are fixed by the Federal Government, pay wages which are fixed by the Federal Government, and operate their transportation system and carry practically all of their business under the very strict supervision of the Federal Government. In addition, there is supervision at the local level, by the State authorities.

Since the original jurisdiction, which was established at a time when the railroads had practically a monopoly of the transportation business and imposed their power discriminately as among shippers and consumers, many other modes of transportation have evolved. At the present time the transportation business is highly competitive, as between the railroads, trucks, buses, airlines, water shippers, and pipelines. The result has been that the conditions which existed at the time of the original act no longer exist.

As a result of their strict supervision, the railroads have been limited in their opportunities to meet competitive conditions. Some of their competitors have been subsidized by the Government; some of them have been less strictly regulated than the railroads have been; and some of them have been entirely free of governmental regulation of any kind or character.

As a result, the railroads have been very rapidly losing their share or ratio of the shipping business. Much of the business the railroads formerly transported has gone to other modes of transportation.

The Transportation Act of 1920 was an expression by the Congress of its intent to have the facilities of each mode of transportation strengthened and preserved in the interest of the shipping public. That act has been interpreted by the Interstate Commerce Commission, in words, at least, in such ways as to carry out that intent; but the various applications have brought about further restrictions, which have been very burdensome on the railroads.

As a result of the hearings, the subcommittee extensively entered into the preparation of a bill. It was highly controversial. There were many sections that had to be threshed over time and again, and then submitted to the full committee.

The bill comes from the full committee with practically unanimous support, recognizing, first of all, that something must be done for the transportation industry of the country so as to carry out the intents and purposes expressed explicitly in the Transportation Act of 1920.

The worst thing that could happen to this country would be that the transportation system would be finally Government owned and operated. Yet that will be inevitable if the present trend continues many years in the future. One of the quickest ways of socializing the economy is to have the Government move into the transportation field. Let it be remembered that the Government cannot own and operate the railroads unless it also undertakes the operation of buses and trucks, and then water transportation and the other varied means of transporting people and property, because once the Government moves into one field of transportation, it cannot stand competition from private enterprise in other competing forms of transportation. So all forms of transportation will ultimately face Government operation and ownership, unless something is done about the problem with which we are confronted.

The bill was an attempt on the part of the committee to free the railroads from strict regulations which have reduced their earnings as a result of unfair competition that has depressed their share of the transportation business, and to help relieve the railroads from some of the situations which have been brought about by Government subsidies and Government aid to competing forms of transportation.

Many facets of this bill could be discussed at length. In the first place, we are dealing with rates to be fixed for the railroads. There was no effort made to do away with sections of the law in regard to discrimination as among shippers and unfair practices which brought about the interstate commerce law in the first place. There was only an effort to give the railroads a little better competitive position in regard to other modes of transportation.

The bill, in effect, states that insofar as rates are concerned, when competing with another mode of transportation, the railroads shall not be restricted by the Interstate Commerce Commission because of the effect of the rates upon a competing mode of transportation. The bill has no effect upon the discrimination prohibitions of the law. It has no effect upon carrying out the purposes of the Transportation Act as originally enacted.

There is another section which I think has much to commend it. Already the Interstate Commerce Commission has jurisdiction over intrastate rates if they are discriminatory and place an undue burden upon interstate commerce, but that is by appeal. We attempt to give to the ICC original jurisdiction to determine intrastate rates at the same time it considers the application of the rails for interstate rates.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question, or does he prefer to continue his remarks uninterrupted?

Mr. BRICKER. I yield for a question.

Mr. SALTONSTALL. I should like to point out that the commuting railroads in Massachusetts are in difficulty. The New York Central has given up one commuting line entirely. The New York, New Haven & Hartford is having difficulty. There is some reason to believe that it may try to give up another of the commuting lines completely. That would very materially handicap commuters to the city of Boston.

I am in favor of the committee bill. I think the committee has done a good job. I believe the railroads will be helped by the bill. But what is going to be the effect on commuting rates if State jurisdiction is completely taken away and given to the ICC?

Mr. BRICKER. Of course, if the ICC is given jurisdiction, there is no reason to believe it will not treat fairly the situation with regard to commuter rates. If that were not so and if commuter rates were maintained at less than compensatory rates the burden of the transportation of people of local communities would be placed upon the shippers of freight, because most of the railroad transportation of persons is carried at a loss.

The commuter problem is one of the most serious the railroads face at the present time. The carrying on of commuter service results in a heavy loss to the railroads. We have asked that a special committee be formed to study the problem of railroad transportation, and that includes local commuter service. Commuter rates ought to be compensatory, but if they are not compensatory, and if they cannot be raised to compensate the railroads, then there is involved a problem of a local nature, and a problem of the desirability of a subsidy to carry on a service which is necessary for a local community. The rate might be fixed at one level in one community, and at another level in another community; but it is a problem that cannot be solved in a general rate bill or in the bill now before the Senate.

I know the serious problem that confronts Boston, New York, Philadelphia, and possibly other cities such as Chicago. Certainly no one can ask the railroads to carry that burden endlessly, at a tremendously heavy loss, and ask the shippers of freight to make up the loss.

Mr. SALTONSTALL. I agree with the Senator. At the same time, I would dislike to see the local railroads, or any railroads, become subject to complete public ownership. In Boston the elevated and trolley car system today is completely publicly owned. The system is operated at a considerable loss. The great question is how to get commuters into and out of the city of Boston if the present railroad transportation service is abandoned.

Mr. BRICKER. Of course, when there is municipal ownership of a commuter service, or of a line furnishing such service, the taxpayers are asked to subsidize the cost of the service, unless the rates are compensatory. In the case of the railroads, shippers of freight throughout the country are being asked to subsidize the commuter service, rather than have those who get the service pay for it. Ultimately, that problem must be solved. It is not a factor in this bill. It was not important in arriving at the jurisdictional question as between the Interstate Commerce Commission and the State governments.

Mr. SALTONSTALL. So provision is made for a commission or some sort of a study group that will make an effort to

resolve this problem by another act of Congress?

Mr. BRICKER. That is correct.

Mr. SALTONSTALL. The bill now before the Senate, if enacted, would constitute a broad act designed to assist the railroads throughout the country, and to relieve them of certain restrictions which are now placed on them by Federal law, and would provide for a study group to see what can be done in special cases where railroads are being operated at a loss. Is that correct?

Mr. BRICKER. The Senator is correct. There are many other subjects on which we do not have complete information so that we can come to a legislative conclusion at the present time. The Senator from Massachusetts and I were at a hearing of the Committee on Space and Astronautics. I was not able to go to the Committee on Rules and Administration with the chairman of the subcommittee. Did the Committee on Rules and Administration authorize the appropriation?

Mr. SMATHERS. I understand the Committee on Rules and Administration did authorize the appropriation to provide for a committee to study the basic problems of total regulation of transportation, the adequacy of user charges, the problems of commuter service, and what should be done about things of that type. The answer to the Senator's question is "Yes."

Mr. BRICKER. I thank the Senator from Florida.

Mr. SALTONSTALL. I thank the Senator from Ohio.

Mr. JAVITS. Mr. President, will the Senator from Ohio yield?

Mr. BRICKER. I yield to the Senator from New York.

Mr. JAVITS. My senior colleague from New York [Mr. IVES] and I have a common interest with the Senator from Massachusetts. Based upon communication with the Public Service Commission of my State, we are very deeply disquieted by the provision now appearing in section 4 of the bill which, in giving authority to the Interstate Commerce Commission to act in commuter line matters, gives, in my opinion, a power to the Commission so circumscribed as to require the Commission to permit discontinuance of practically any commuter line as to which there is an application for discontinuance.

I shall ask the Senator a specific question on that subject. If my belief is correct, the language will put the regulatory body into a position of lacking flexibility to deal with a situation about which one cannot be precipitate. Whether we are considering New York or Boston, we can make an improvement in the situation which exists, and we can make progress, but certainly we cannot suddenly shut down the service.

My colleague from Ohio is an excellent lawyer, and I am glad, because we are discussing a question of legislative language. The language to which I should like to direct my question is shown on page 6, line 16.

I should like to read beginning with line 11, to cover the whole sentence and convey the full meaning.

If, after hearing in such investigation, whether concluded before or after such discontinuance or change has become effective, the Commission finds that the operation or service of such train, ferry, station, depot or other facility is required by public convenience and necessity and that such operation or service will not result in a net loss therefrom to the carrier or carriers and will not otherwise unduly burden interstate or foreign commerce, the Commission may by order require the continuance or restoration of operation—

And so forth. What troubles me is this question: Is the Commission absolutely bound to allow discontinuance of service the minute there is a showing of net loss upon a particular operation? I might say to my colleague that if that be so, then practically all passenger service in the congested northeastern area of the United States, certainly, could be shut down under the provision, because almost all such service is operated at a net loss.

Mr. BRICKER. That is one of the criteria of the Commission in coming to a judgment as to whether the operation shall or shall not continue. I do not know how far down one would go in the line of authority as to what is or is not a loss, or what segment of the operation would be considered in determining whether there is a loss. This is the same rule which applies at the present time to State commissions. If State commissions are compelling a railroad to operate at a loss, with a minor qualification by a recent Supreme Court decision, they are simply violating their responsibility, that is all. To compel a railroad to continue a passenger service at a loss is simply saying to the shippers of the Nation, "By additional freight charges you have to pay the cost of the losing service. You have to make up that loss." The shippers have been doing that. I will be frank with the Senator from New York. The shippers have been doing that for a long, long time.

The operating loss from passenger services last year amounted to hundreds of millions of dollars. If the railroads are to live, that revenue loss has to be made up from freight charges. I do not think the Senator from New York would ask that it be done that way. I think that would be an unfair advantage to take of the earning income of the railroads, buses, or any other form of transportation which carries passengers in the city of New York.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. BRICKER. I yield.

Mr. JAVITS. What troubles me is that this statement of the bill is not a criterion, but is the criterion.

Mr. BRICKER. It is one of several.

Mr. JAVITS. I beg the Senator's pardon, but I disagree. If we pass the bill as it is written, this is the criterion. I believe the bill must be amended, because I think we cannot tie this matter down so tight. The provision reads:

Such operation or service will not result in a net loss therefrom to the carrier or carriers and will not otherwise unduly burden interstate or foreign commerce.

An essential criterion is net loss. If we are to pass the bill and have it become a statute, we should make that provision a criterion and not the criterion. If we do that we will be making great progress in giving ICC a power it does not now have. I am for doing that, notwithstanding the views of my own public-service commission, but I am concerned about absolutely tying the power to act down to only net loss.

In answer to a previous point, about paying for this kind of service, I suggest that a railroad is a public utility. There is always involved a question of economic philosophy as to whether a public utility has to operate at a profit overall or at a profit for each particular segment of its operations. There is a question whether that is the very reason the railroad is a public utility—because some of the things it does and may have to do at a loss it does to give public service.

I say to my colleague that in view of the very narrow restriction contained in the language, which will put every railroad in a position to discontinue any passenger services it wishes, without any recourse, I would very much favor making this provision a criterion, but not the sole or essential criterion, as I feel the language in the bill would make it.

Mr. BRICKER. As I have said, the decision is not limited to a section or a segment of a railroad. I do not think the interpretation placed upon the language by the Senator from New York is a proper one. I think more leeway is given. I do not consider this language to be the sole criterion, any more than it has been for the State commissions. We are talking about practically the same authority the State commissions have had heretofore, yet those commissions have required certain segments of the industry to operate as a part of the whole.

I would not say a railroad could continue a net loss forever as a subsidy to the city of New York, or Boston, or Philadelphia, or Cleveland, or any other city. As I said to the Senator from Massachussetts a moment ago, ultimately the problem of commuter service must be worked out in some way so that there will not be the terrific loss there is today. In many cities such transportation service has been taken over by the municipal governments. The losses then are absorbed by the general taxpayers. At present the losses have to be absorbed by the other operating income of the railroads.

Mr. JAVITS. Will my colleague yield further?

Mr. BRICKER. I yield.

Mr. JAVITS. I thank my colleague for yielding. If this language should be construed as being the criterion rather than a criterion, so that any section of the road which showed a net loss could be shut down ipso facto, and the Interstate Commerce Commission would have to go along with the action, would my colleague say that should not be done in this bill?

Mr. BRICKER. I do not think it is done, in the first place. In the second place, I do not think we can force the operation of a service at a continuing loss. I do not think it ought to be done by Government or any other authority. I think such charges ought to be made as to compensate for the particular service rendered.

We can segregate this service. It is not an indivisible part of the overall. It is a limited service, and it is one as to which the income can be determined and one as to which the expenses can be determined very well. As a result, the rates could be well determined so as to make the rates compensatory.

I do not think any carrier ought to be compelled to carry freight or passengers at a noncompensatory rate. Attainment of that goal has been prevented at times because of the competition such a course might bring about, but certainly the result is the placing of a heavier burden upon a segment of the traveling or using public.

Mr. JAVITS. If that is the basis on which the bill is written it must be opposed by Senators who come from large cities, as I do, because we cannot tie around the necks of our people this kind of noose whereby at one fell swoop service may be discontinued. I shall offer an amendment to make it clear this language may be a criterion, but not the sole criterion.

I thank the Senator.

Mr. THYE. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. THYE. We must provide for the commuter trains entering and leaving the larger cities, because the congestion which automobile transportation would involve in the cities would be prohibitive, would it not?

Mr. BRICKER. They would be pretty crowded. Many cities are already pretty crowded.

Mr. THYE. That is true.

In Washington, but more especially in New York or Chicago, if the commuter trains were eliminated, and all those commuting to the city were to travel by automobile or bus, the highway system would be almost impassable for many hours, both morning and evening.

Mr. BRICKER. That is not going to happen, I assure the Senator from Minnesota, but the problem is essentially and primarily a local one. It is not a problem which we ought to deal with in connection with the pending bill. It is not a problem which will be thrust upon the cities all at once. The Interstate Commerce Commission will be as considerate as are the State utility commissions. If we put the problem on any other basis, we must put it on the basis of asking the State utilities commission for something we ought not to have.

Mr. THYE. The committee has done an excellent job. It recognizes the problems of the railroads, and it recognizes the difficulties in which the commuter trains have involved the railroads. If a loss were incurred in such an operation, it would have to be spread out among the users of the general transportation system, and in many cases upon those in the Middle West. Many railroad users in the Middle West were placed under a competitive situation which they could not meet, because freight rates were increased, and the higher rates had to be paid by the users of the railroads, whether farmers or manufacturers, and thereby they forced themselves, competitively, out of business.

I wish to commend the committee. Judging from a reading of the report, I think it has done an outstanding job of developing the facts and trying to solve the problems of the railroads in the pending legislation.

The 3 percent freight excise tax and the 10 percent excise tax on passenger transportation are handicapping those who must use the railroads. I commend the members of the committee for having done an outstanding job. I believe that the enactment of the proposed legislation would greatly assist in relieving the situation.

I believe the pending bill should be enacted. Our railroad system is exceedingly important. We must have it. If we do not correct the situation by legislative action, and if more railroads go out of existence, the Nation will suffer in the future.

I thank the Senator for yielding.

Mr. BRICKER. I thank the Senator for his contribution. He is exactly correct in the conclusion he reaches, that if one segment of the transportation industry is conducted at too great a loss, the shipping public in the Middle West and in other parts of the country must make up its portion of the loss.

Mr. THYE. We in the extreme Middle West, in Minnesota, the Dakotas, and Wisconsin, pay the bill.

Mr. BRICKER. We in Ohio pay our share, too.

Let me say further, in regard to the excise taxes, that I believe all members of the committee took the position that they should be repealed. They were placed in effect during the period of the war, in order to keep people from traveling, so that facilities would be available for the Defense Department. As proof of the need for such a measure, 97 percent of the personnel of the Second World War were carried on trains, and 90 percent of the materiel was carried on trains.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. YOUNG. First, I wish to commend the committee for tackling a very tough problem and coming up with what I think is a pretty good answer. Although I am not fully conversant with all the provisions of the bill, I intend to vote for it when they are clarified to my satisfaction.

In my own State the railroads have lost much of their business, and the only alternative they have left is to seek higher rates on the commodities left for them to haul.

In my State that happens to be mostly grain. Freight rates on grain have gone up considerably, to the extent that it is now all but impossible to get grain produced in North Dakota to the eastern seaboard by rail.

I was wondering to what extent the provisions of the bill would impinge upon the power and authority of the State Public Service Commission in fixing rates in the State.

Mr. BRICKER. There would be no more interference than there is at the present time. The railroads may make application initially to the State commission, if they wish. The States now have jurisdiction over intrastate rates, but the decisions of State commissions are appealable to the Interstate Commerce Commission if the rates fixed are a burden upon or discriminatory against the interstate transportation system.

Mr. YOUNG. In my State we have a sizable lignite coal industry. Most of the coal is consumed within the State, and not much of it is shipped outside the borders of the State. Is it true that under the provisions of the bill the State commission would no longer have authority?

Mr. BRICKER. It would have initial authority. There is no question about that. And it would have permanent authority unless the rate were a discrimination against interstate commerce. That is the authority which exists in the Interstate Commerce Commission at the present time, on appeal from the findings of the State commission.

Mr. YOUNG. Suppose the Interstate Commerce Commission were to raise the rate on lignite coal in my State. What recourse would we have?

Mr. BRICKER. An intrastate rate.

Mr. YOUNG. Thank you.

Mr. BRICKER. If it were not discriminatory and unduly burdensome upon interstate commerce, the State commission would still have authority.

Only one slight change is made, and that is that the application may contain a request that the intrastate be determined at the same time the interstate rate is determined. However, the rates are determined on the same basis.

Mr. YOUNG. Will the Senator explain briefly how the bill would change the authority of the State commission?

Mr. BRICKER. It would only give the carrier the right to appeal to the Interstate Commerce Commission initially, when the determination of an intrastate rate is a part of an interstate rate application. Now the carrier must go to the State commission secondarily, and if the State commission does not go along, the carrier must appeal under section 13, which is a long and burdensome procedure. The State still has jurisdiction over intrastate commerce, under the law, as is the case at present. The difference is a difference in procedure more than anything else.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. BARRETT. Is it proposed to give any new powers to the Interstate Commerce Commission with reference to discontinuance of service?

Mr. BRICKER. An appellate power would be given to the Interstate Commerce Commission, on the application of a railroad to abandon service. At the present time, if a railroad proposes to abandon all facilities, the Interstate

Commerce Commission has jurisdiction. However, under this provision, if the railroad proposed to take off a train, and the State commission should say, "No; you cannot do it," the carrier would have the right, under the provisions of the bill, to appeal to the Interstate Commerce Commission for the right to abandon the train, facility, station, or whatever it might be.

Mr. BARRETT. This bill gives the railroad and the Interstate Commerce Commission new authority with reference to discontinuance of service and also abandonment of facilities as I take it. Of course the carrier will not attempt to discontinue service if the rates can be increased so as to be compensatory for the service.

Mr. BRICKER. There are some rail lines which would not pay, regardless of rates. There is one State in the Union—I will not mention its name—which charges the railroads more in taxes than the entire income of the railroads on shipments in that State. So it would be pretty difficult to get a compensatory rate in that case, to offset the tax charge. The basis for abandonment is loss, or service no longer used.

I remember that when I was a member of the State commission there was a protest against the abandonment of a train running into a small college town in Ohio. Forty or fifty witnesses came to the hearing. None of them came by train. They all came by automobile. None of them had been on a train for many years, and none of them had been on that particular train for the previous 10 or 15 years.

Initially the Senator was asking about the abandonment of services and facilities. In that respect the bill does give additional jurisdiction, on appeal, to the Interstate Commerce Commission—the same jurisdiction it now has with respect to rates.

Mr. BARRETT. That is my understanding of the bill.

Mr. BRICKER. Under section 13 of the Interstate Commerce Act, the Interstate Commerce Commission has jurisdiction, on appeal, over rates fixed intrastate. We would now give it equal jurisdiction of questions involving the abandonment of facilities.

Mr. BARRETT. The effect of that provision, however, even in interstate lines is to give the Interstate Commerce Commission the ultimate decision in the matter of abandonment of service in all cases. Is that correct?

Mr. BRICKER. That is correct.

Mr. BARRETT. In my State I am more concerned about the transportation of freight since passenger transportation by rail has been largely discontinued except along the Union Pacific line.

Mr. BRICKER. That is true in many sections of the country. It is primarily due to the private automobile.

Mr. BARRETT. That is correct. I should like to ask the Senator about the provision in the bill which deals with guaranteed loans. I note that a little less than 20 percent of the money authorized for guaranteed loans can be used for operating expenses.

Mr. BRICKER. In the case of existing obligations; that is correct. It is $150 million out of $700 million, to be exact.

Mr. BARRETT. Did the committee hear any testimony to the effect that the railroads need any loans for operating purposes at this time?

Mr. BRICKER. There was some, but I do not believe that there would be an extensive use of that provision. Furthermore, it would be within the jurisdiction of the Commission to determine it. The Commission would have to recommend and guarantee the loan. I doubt very much that there would be a great deal of it used. However, it seemed to be a sort of backup protection for some roads which might get into a difficult situation, cashwise, and which had hopes of pulling out. Of course unless the Interstate Commerce Commission feels a road has such hopes and prospects, a loan cannot be made.

Mr. PURTELL. Mr. President, we have reason to believe that some railroads might shortly be forced into bankruptcy unless some financial aid were provided them for operating purposes.

Mr. BRICKER. The other provision also, it is hoped, will loosen up an opportunity for the railroads to increase their shipments, so that they will be able to pay back the loan.

Mr. PURTELL. That is the hope.

Mr. BRICKER. Yes; that is the hope. If it does not do that, there is not much use in passing the bill.

Mr. BARRETT. I believe it is a good bill. It is absolutely essential that we keep the railroads in operation. I do not see how we can protect the security of the country unless we do so. I did not think that we had come to the point where it was necessary for the railroads to borrow money for operating purposes, but, as the Senator from Connecticut has pointed out, it might be necessary in some isolated cases to do so and I shall not interpose any objection to that provision.

I wish to commend the subcommittee for its fine work on this bill, and the Senator from Ohio for his splendid presentation today. I shall vote for the measure.

With reference to the establishment of a construction reserve fund for a period of 5 years with the provision that the money shall be used for construction or acquisition of equipment and other property used in the transportation business.

Mr. BRICKER. The Senator has reference to capital construction.

Mr. BARRETT. Yes. What, in effect, is the overall limitation on the use of the construction reserve fund?

Mr. BRICKER. It must be used within 5 years and only for the purpose designated, under the rules of the Interstate Commerce Commission for fixing depreciation. At the present time the deferred maintenance of railroads is very high. It runs into hundreds of millions of dollars throughout the country. That means that the railroads are not laying rails. It means that they are not putting down any ties. It means that they are not keeping their rolling stock in the condition it ought to be to take care of the service properly. Therefore, the maintenance reserve will be set aside by the railroads, and must be used within 5 years' time for the purposes for which it was set aside, or it goes back into their income and is taxable, of course.

Mr. BARRETT. It seems to me the provision with reference to the guaranty loans and the provision for the construction reserve fund ought to be tied together, so that the carrier could accelerate its improvement program and anticipate the accretions to the construction reserve fund over the 5-year period and borrow the money under the guaranty loan provision and spend the money in the next year or so.

In other words, what I have in mind is that we should take steps which would provide employment for people, by having the railroads do the work this year or next year, rather than stretching it out over a 5-year period.

Mr. BRICKER. I believe the railroads will do that. They would have done it already if they had been able to do so. However, their income has been so depressed that they have not had the money with which to keep up their maintenance. I assure the Senator that the testimony sustains us in the view that any money the railroads are able to get for this purpose will be utilized as early as possible, because the railroad properties are depreciating.

Mr. BARRETT. Yes; I realize that, and perhaps they would take such action on their own motion. However, it seems to me that we should make it possible for them to do the work as quickly as possible and provide employment during this period when so many men are out of work.

Mr. BRICKER. Of course, they would have to get the money before they could use it. They would have to get it out of earnings, and it could be done only on the basis of depreciation as fixed by the rules of the Interstate Commerce Commission.

Mr. BARRETT. Could they not get it under the guaranteed-loan provision?

Mr. BRICKER. Oh, yes; they could use the loan money for that purpose. That is primarily the purpose of the loan money provision. The money has to be used for capital expenditures.

Mr. BARRETT. In other words, if a given railroad were permitted to borrow $50 million under the guaranteed-loan provision, it could make much-needed improvements.

Mr. BRICKER. Rebuild its rails; yes.

Mr. BARRETT. Rebuild its rails and charge off the cost over a period of 5 years under the construction reserve section.

Mr. BRICKER. No. I read from the bill:

> Such construction-reserve fund shall be established, maintained, expended, and used in accordance with the provisions of this section and rules or regulations to be prescribed by the Interstate Commerce Commission and the Secretary of the Treasury and under the joint control of the carrier and the Commission. • • • All earnings of the fund shall be deposited in the fund. Such earnings may be withdrawn by the

carrier only for expenditures for the purposes established in paragraph (1).

That has reference to this language:

It is hereby declared to be the general policy of the Congress to promote and encourage, in the interest of national defense and public welfare, the construction, reconstruction, reconditioning, or acquisition of equipment and other property used in the transportation business by common carriers subject to the Interstate Commerce Act (in whole or in part) of debt incurred, after the effective date of this section, for such purposes. It is the purpose of this section to provide implementation of this general policy through the establishment by any such carrier of a construction-reserve fund, with the privileges and subject to the limitations herein prescribed.

That is the construction reserve fund. The other section could be used, but the money could not be paid out of this fund.

Mr. BARRETT. In other words, am I to understand that the construction reserve fund must be built up year by year and used only as it accrues?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator from Wyoming will suspend until the Senate is in order. The Senate will be in order. Senators desiring to converse will retire to the cloakrooms, so that the colloquy between the Senators may be heard.

The Senator from Wyoming may proceed.

Mr. BARRETT. As I understand, the construction reserve fund can be used only on a year-to-year basis over a period of 5 years. Is that correct?

Mr. BRICKER. Yes; and it is under the joint control of the carrier and the Interstate Commerce Commission.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BRICKER. I yield.

Mr. CARLSON. First, I wish to commend the distinguished Senator from Ohio for the splendid presentation he has made of the bill. I wish also to commend the Committee on Interstate and Foreign Commerce for the work it has done on the proposed legislation, which I believe is essential for the continuing operation of our railroads, which are so important to our defense and economy.

I should like to ask the Senator some questions with respect to section 6, which deals with guaranteed loans. I have received a telegram from the Topeka Chamber of Commerce. I shall read one sentence from the telegram, and then I shall ask that the entire telegram be printed in the RECORD. I read as follows:

The Chamber of Commerce of Topeka, Kans., has given careful consideration to Senate bill 3778, and urges passage of this bill with the exception of the Federal guaranteed loan provision.

Mr. President, I ask unanimous consent that the entire telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., *June 10, 1958.*

Hon. FRANK CARLSON,
Senate Office Building,
Washington, D. C.:

The Chamber of Commerce of Topeka, Kans., has given careful consideration to Senate bill 3778, and urges passage of this bill with the exception of the Federal guaranteed loan provision. The serious condition of the railroads is very evident and is jeopardizing their position as the basic part of our national transportation industry. We are convinced that the more favorable competitive and financial provisions proposed in S. 3778 will enable the carriers to improve their status and benefit the public.

R. M. BUNTEN,
President, Topeka Chamber of Commerce.

Mr. CARLSON. I should like to ask the distinguished Senator if consideration was given to this provision, and what action——

Mr. BRICKER. Yes; it was. No one on the committee desires to put the Government in the loan field so far as the railroads are concerned, unless it is absolutely necessary. It has been done before, as the Senator knows. It was done through the RFC, and during the war. However, it will not accomplish the purpose unless the rails are given an opportunity to get higher income and can initiate more economical operation of their facilities, as well as get rid of some of their loss operations, and also obtain more control over their freight rates.

As I said before, railroad rates are fixed by the Federal Government and State governments. Railroad wages are fixed by the Government. Even the operation of their trains is determined by the Federal Government and the State governments. All safety appliances and all fixtures in relation to safety are determined by the Federal Government.

So they are very tightly regulated. They will have to be freed from some of the regulation, particularly in the field of ratemaking, or they cannot pay back their loans.

Mr. CARLSON. I raised the issue because it was raised with me in the telegram. When I suport the bill, with which I am heartily in accord, I want to have some answer to give these folks.

Mr. BRICKER. The western railroads are not in as bad a condition as are the eastern railroads. That is due to the fact that the eastern railroads operate in heavily populated territory, make shorter hauls, and have more intense competition from other modes of transportation. That is not true of the railroads which operate in the western area.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BRICKER. I am glad to yield to my distinguished colleague.

Mr. LAUSCHE. I wish to supplement the statement made by my senior colleague concerning the discussions which were had and the testimony which was received on the subject of finance. One of the first witnesses to testify was the president of an eastern railroad. He submitted the bold proposition that the Government should subsidize the railroads. He said that every other mode of transportation is being subsidized, and asked how the railroads could be expected to furnish commuter service without a loan.

Another witness, who was supported by several others who testified, urged that Congress create a $5 billion fund with which the Federal Government would buy equipment and then sell it to the railroads.

A third proposition was that the Government should make direct loans.

Culling from the three proposals, I, as a member of the subcommittee, came to the conclusion that the railroads in the East were in financial distress. I do not think that any challenge can be made of that conclusion.

Out of the four recommendations we adopted the thought that there was justification for having the Federal Government guarantee loans made to the railroads. I questioned the use the railroads might make of the fund, but generally I subscribed to the proposal. I do not feel that the railroads should pay dividends to their stockholders from the fund, and I do not think they should be permitted to pay operating expenses. I wanted to have the fund circumscribed, to be used only for investment in capital improvements.

Mr. CARLSON. The statement by the distinguished junior Senator from Ohio further helps me in replying to those who have been in communication with me. I thank the Senator very much.

Mr. LAUSCHE. We reluctantly—at least, I did—came to the conclusion that we should guarantee the loans; but I do not think there is any other escape.

Mr. POTTER. Mr. President, will the senior Senator from Ohio yield?

Mr. BRICKER. I yield to the Senator from Michigan.

Mr. POTTER. I commend the subcommittee, which worked so hard, so long, and so diligently to report a bill which has met with the acclaim which this bill has had, considering the highly competitive nature of the transportation industry, with its different modes of transportation.

The committee has reported a bill which deals with a complex problem; but its acceptance by all modes of transportation shows, I think, a high degree of statesmanship, not only on the part of the subcommittee, but also on the part of the leaders in the various modes of transportation who worked closely with the subcommittee.

I should like to have in the RECORD the comments of the distinguished senior Senator from Ohio, who is one of the knowledgeable members of the committee in the field of transportation, and who has had vast experience in the Senate, on the language which is contained in the ratemaking section of the bill. The language to which I refer reads:

Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act.

It is my understanding of the national transportation policy that the inherent advantages of each mode of transportation shall seek its level. In other words, one mode of transportation shall not be protected at the expense of another mode of transportation. Is that the Senator's concept of the meaning of this language?

Mr. BRICKER. That is a proper interpretation. The rates made by railroads should not be held at a certain level to protect a carrier in another mode of transportation; in other words, the rate should be considered as a part of the whole rate structure and a part of the rail structure, rather than as a part of the overall structure of the various other modes of transportation.

Mr. POTTER. Is it not the intention to recognize that each mode of transportation, whether it be rail, truck, or water, has its own inherent advantages?

Mr. BRICKER. It is.

Mr. POTTER. Because each mode of transportation has used the national transportation policy as its guide or bible, we wrote into the bill the provision that ratemaking shall be consistent with the national transportation policy. Therefore, the Commission will never be in the position of having to hold an umbrella over one mode of transportation at the expense of another.

Mr. BRICKER. That is correct.

Mr. LAUSCHE. Mr. President, will my colleague yield?

Mr. BRICKER. I yield.

Mr. LAUSCHE. I cite the Transportation Act of 1940, and certain statements which were made when that act was passed. The committee wrote into the report then that it was the "policy of Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act so administered as to recognize and preserve the inherent advantages of each."

The committee also said:

> The ratemaking rule has been amended to expressly provide adequate safeguards for the public and at the same time the Commission is directed in prescribing a rate to consider its effect on the movement of traffic only by the particular type of carrier for which the rate is prescribed. That is, in prescribing a rate for water carriers the Commission will not consider the effect of that rate on the movement of traffic by either rail or motor carrier.

Also, the report of the committee of conference stated:

> The conferees are unanimously in harmony in the viewpoint that the inherent advantages of each type of carrier should be preserved for the benefit of the Nation. Legitimate regulation must look to the protection of the economic advantage of each type of carrier against destructive competition of the other. No carriers should be required to charge unreasonable rates for the benefit or purpose of compelling diversion of traffic to a competitor.

So the purpose of the bill in 1940 was to preserve for each mode of transportation its inherent advantage, and the Commission was not required to hold an umbrella over competing modes—that is, airlines, bargelines, or trucklines.

Mr. POTTER. Mr. President, will the senior Senator from Ohio further yield?

Mr. BRICKER. I yield.

Mr. POTTER. As I understand, it is the intent of the ratemaking section of the bill really to reaffirm existing law—in other words, to reaffirm what the Congress already has said is to be the policy. This provision is included because at times the Commission has sought to stray from the declared policy of existing law; and therefore we wish to make sure that the Commission conforms to the national transportation policy. Is that correct?

Mr. LAUSCHE. Mr. President, the Senator from Michigan is exactly correct, and his statement is in strict conformity with the discussions had and with the purposes enunciated in the act of 1940.

Mr. BRICKER. Mr. President, I desire to thank both the Senator from Michigan and my colleague from Ohio, especially for bringing out the point that the bill applies equally and fairly to all modes of transportation.

Mr. THYE. Mr. President, will the Senator from Ohio yield to me?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. BRICKER. I yield.

Mr. THYE. Mr. President, I wish to ask a question: Will the bill exempt only the commodities listed as exempted from the application of rule 107?

It appears that fears have arisen in regard to some items as to which no controversy has developed. One of them may be soybeans, a commodity which is not included in the list, although it is generally recognized as being an exempt commodity.

Will the bill in any manner jeopardize the freight rates on grains, especially on soybeans, which are not specifically stated as being under the rule?

Mr. BRICKER. I do not think there will be any change in the Agricultural Exemption Act, if that is what the Senator from Minnesota is referring to.

Mr. THYE. Yes.

Mr. BRICKER. There will be no change. Under it, any agricultural commodity is exempt if it is hauled from the farm to the market.

Mr. THYE. But there has been some doubt in the Department of Agriculture and among the shippers, I believe, as to whether the bill might in some manner change the status of these grains, which are not specifically stipulated as being under the rule.

Mr. BRICKER. Certainly there was no intention on the part of the committee to do so; and I do not think the bill does, because the agricultural exemption applies to all agricultural commodities in their shipment from the farm—to the transportation to the processor, wherever he may be.

Mr. THYE. If the bill goes to conference, I assume that further consideration will be given there to that point.

Mr. BRICKER. Certainly. There is no desire to interfere with that exemption or to remove it.

Mr. YOUNG. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. YOUNG. At the present time, if a railroad wishes to abandon a branch line or wishes to abandon passenger or other service on a branch line, the procedure is that it appeals to the public service commission of the State; is that correct?

Mr. BRICKER. That is correct.

Mr. YOUNG. And if the public service commission of the State renders an adverse opinion, the railroad can then appeal to the Interstate Commerce Commission; can it not?

Mr. BRICKER. No.

Mr. YOUNG. How would that procedure be changed by the pending bill?

Mr. BRICKER. Confusion arises when a railroad has, let us say, four trains running between Columbus, Ohio, and Indianapolis, Ind. Ohio might permit the railroad to take off 1 train, running at 10 a. m. and Indiana might permit the railroad to take off 1 train running at 2 p. m. But in that event the railroad would have to continue the operation of all of them in order to meet the requirements of the local and State groups. That situation has led to interminable delay and confusion which would be relieved as a result of enactment of the pending bill in that then the railroads could appeal to the Interstate Commerce Commission.

In addition, there has been a great deal of pressure, because of local pride or otherwise, to maintain certain railroad service, even though it may have been highly unprofitable. Under the provisions of the bill, under such circumstances an appeal directly to the Interstate Commerce Commission, would be possible.

Mr. YOUNG. If there were a difference between the holdings or rulings, which one would prevail?

Mr. BRICKER. The ruling of the Interstate Commerce Commission would prevail.

Mr. YOUNG. Is that the case at the present time?

Mr. BRICKER. In the case of an application for complete abandonment, yes. But in the case of an application for limited or restricted service, no. At the present time, the Interstate Commerce Commission has jurisdiction over an application for the complete abandonment of a railroad.

Mr. YOUNG. So the State commissions would, as a result, lose some of the power they now have, would they?

Mr. BRICKER. Yes; some jurisdiction over local transportation.

Mr. President, if there are no other questions to be asked, let me say that it is my hope that the bill will be passed.

Let me give assurance to the Senator from New York [Mr. JAVITS] in regard to the fears he has expressed. Senate Resolution 303 particularly calls attention to the problem involved in commuter service. Therefore, I think the fears of the Senator from New York may be allayed, in view of the fact that a broad investigation will be made. The investigation was authorized today by the Committee on Rules and Administration, so I am advised by the Senator from New Jersey—and the necessary funds will be made available.

I assure the Senator from New York that the Committee on Interstate and Foreign Commerce will not do anything to prevent the working out of the problem.

Mr. JAVITS. Mr. President, I am a member of the Committee on Rules and Administration, and I was very much in favor of the investigation resolution.

What worries me—and later, when I can obtain recognition for that purpose, I shall endeavor to clarify the matter, by means of an amendment which I shall discuss—is the statutory language which will be involved if the bill as it now stands is enacted into law.

Perhaps the Senator from Ohio, who has been so gracious in yielding, would prefer to have me discuss that matter after I have obtained the floor in my own right. In any event, I wish to state that I am very grateful.

Mr. BRICKER. Mr. President, let me point out that under the resolution which was agreed to a year ago, a thorough exploration was made of that matter; and very full advice, information, and so forth, were obtained. Let me say that I hope the local governments will pursue their responsibilities in that connection.

Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of my remarks two articles prepared by the staff of the committee, one dealing with intrastate rail rates and railroad services and facilities, and the other dealing with the competitive ratemaking section of the bill.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

S. 3778 (INTRASTATE RAIL RATES AND RAILROAD SERVICES AND FACILITIES)

Let me say a word about sections 3 and 4 of S. 3778, having to do with intrastate rail rates and railroad services and facilities. Section 3 of the bill contemplates amendment of section 13 of the Interstate Commerce Act; and section 4 of the bill contemplates the addition to the Interstate Commerce Act of a new section 13a.

Under section 13 of the Interstate Commerce Act the Interstate Commerce Commission is authorized, in certain cases, to require changes in intrastate rates. If it finds, after full hearing, that any rate made or imposed by State authority causes any undue or unreasonable advantage, preference or prejudice as between persons or localities in intrastate commerce on the one hand and interstate commerce on the other, or any undue, unreasonable, or unjust discrimination against interstate commerce, the Commission is empowered to prescribe for the future such rate as, in its judgment, will remove the advantage, preference, prejudice, or discrimination; and the rates so prescribed by it "shall be observed while in effect * * * the law of any State or the decision or order of any State authority to the contrary notwithstanding."

The Commission and the courts have construed the phrase "undue, unreasonable, or unjust discrimination against interstate * * * commerce" as encompassing discrimination against interstate commerce resulting from intrastate rate levels relatively so low that they fail to contribute their proportionate share of the revenues necessary for the maintenance of an adequate railroad system. The Commission has often availed itself of the power conferred upon it, so construed, and ordered increases in the level of intrastate rates.

There are certain difficulties, however. I will mention only one. Inordinate delays are often encountered. The ICC is hesitant to exercise its jurisdiction until application has been made to the State commission for authority to make the desired adjustment in intrastate rates, and until the matter has been finally disposed of at the State level. This is on the principle of what the ICC calls comity.

To overcome the matter of burdensome delay in obtaining prescription of lawful intrastate rates by the ICC (primarily this matter of comity) it is proposed to provide in section 13 of the Interstate Commerce Act that upon the filing of a proper petition involving any intrastate rate, the Commission shall forthwith institute its investigation (whether or not the rate has been considered by the State commission and without regard to the pendency of any State proceeding thereon) and act with special expedition. This is section 3 of the bill.

Turning now to the problem of rail services and facilities, meaning those of an unprofitable nature.

The Interstate Commerce Act does not, it appears, presently confer upon the ICC any jurisdiction with regard to the discontinuance or change of railroad services or facilities. To the extent that jurisdiction over such matters exists it is in the hands of the States, and the railroads find especially burdensome the delays and adverse rulings they often encounter at the State level in seeking to discontinue or otherwise deal with unprofitable operations.

To afford needed relief in this regard it is proposed to provide in section 4 of the bill that where State law or authority inhibits the discontinuance or change of any rail service or facility a railroad may nevertheless seek to effect the desired discontinuance or change notwithstanding any State law or order (and without regard to any pending State proceeding relating thereto) by filing a 30-day notice of intention with the ICC. Upon the filing of such a notice the ICC would then have jurisdiction in lieu of the State (there being no ICC jurisdiction unless such notice is filed), and could within the 30-day notice period upon complaint, or upon its own motion, enter upon an investigation. It could suspend the proposed effective date of the discontinuance or change for as long as 4 months (but no longer), pending investigation.

After its investigation (whether finished before or after the time the discontinuance or change became effective) the Commission could, if it made certain findings, order the continuation or restoration (whichever might be appropriate) of the service or facility. To do so it would have to be found that the operation and maintenance of the particular service or facility is required by public convenience and necessity and will not result in a net loss to the railroad or otherwise unduly burden interstate commerce. If the ICC made these findings it could require the service or facility to be operated for up to 1 year.

At the end of this period, the situation would revert to that existing prior to the filing of the notice with the ICC.

The disastrous extent of the railroad passenger deficit, $700 million a year or more, clearly demonstrates the necessity for enactment of legislation such as that here proposed.

SECTION 5 OF S. 3778 (COMPETITIVE RATEMAKING)

Section 5 of S. 3778 deals with the subject of competitive ratemaking. It would write into the Interstate Commerce Act a new section to be known as section 15a (3) as follows:

"In a proceeding involving competition between carriers of different modes of transportation subject to this act, the Commission, in determining whether a rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act."

During the lengthy hearings conducted this session of the Congress by the Surface Transportation Subcommittee, and later by the full Committee on Interstate and Foreign Commerce, a subject that commanded particular attention was that of competitive ratemaking as between different forms of transportation subject to the Interstate Commerce Act. Spokesmen for the railroad industry urged enactment of a suggested amendment to the Interstate Commerce Act that—I think it must be conceded—would have rather severely restricted the authority and discretion of the Interstate Commerce Commission in its regulation of rates proposed by one form of transportation to meet competitive situations involving another form of transportation. While the committee has not seen fit to report a bill incorporating the proposal advanced by the railroads, it has become clear that amendatory language of some kind is necessary.

Witnesses appearing before the committee cited any number of instances in which the Interstate Commerce Commission (especially in recent years) has declared rates proposed by one form of transportation, particularly the railroads, to be unreasonably low even though the rates were demonstrated to be reasonably compensatory and even though they would have been nondiscriminatory as among shippers. It is fairly clear that in certain instances the ICC has required the rates of one form of transportation to be held up higher than the proposing form wished because of the effect it was felt the rates might have upon one or another of the competing forms of transportation.

It was of this that the railroads complained. Their complaint is that while the Interstate Commerce Act and the statement of national transportation policy which precedes it contemplate that each form of transportation is to be allowed to assert its inherent advantages there have nevertheless been unreasonable restraints imposed upon the railroads when they sought to avail themselves of their usual inherent advantage of low cost. To put it another way, the railroads' argument has been that when they tried in certain situations to make rates reflecting their lower cost of performing transportation service they have been prevented from doing so because of the impact those rates would or might have on motor carriers or water carriers.

The testimony before the Committee on Interstate and Foreign Commerce on this point showed, if it showed nothing else, that the Interstate Commerce Commission has been something less than consistent in the application of the rules and criteria it employs in determining whether a competitive rate proposed by one form of transportation is or is not within reasonable bounds. Cases were cited to show that the ICC, in determining the reasonableness of a rate, gives a great deal of weight to what the effect of the rate will be upon a competing form. On the other hand, cases were cited in which the Commission had said that the effect of the rate of one form of transportation on another form of transportation is as a matter of law immaterial. This inconsistency has made for a great deal of confusion in the ratemaking process of regulated carriers.

As I have said the committee did not feel that it would be justified in adopting so strong a remedy as that proposed by the railroads. The committee does feel, however, that the present state of administration of the Interstate Commerce Act in the area of regulation of competitive rates leaves much to be desired. For that reason we have, by favorably reporting section 5 of S. 3778, endeavored to lay down a rule which will more definitively spell out the intention of the Congress as to the criteria that ought to be followed by the Commission in cases involving competition between carriers of different modes of transportation.

No form of transportation, including the railroads, appears to quarrel extensively with the terms of the Interstate Commerce Act as it is now written in respect of ratemaking. The controversy arises because of differing views as to how the act ought to be construed and administered. As a starting point, then, we have tried to ascertain the intention of the Congress when it enacted the present law, that is to say when it enacted the Transportation Act of 1940.

We are convinced that Congress, in 1940, intended that for the most part the rates of each form of transportation would be determined and regulated in the light of the characteristics of that particular form. While it was not intended to exclude from the commission's consideration the relationship between the charges of one form of transportation and the charges of another form, certainly it was thought that primary weight and emphasis would be given to and placed upon the facts and circumstances surrounding the movement of the traffic by the form of transportation to which the rate was intended to apply.

No useful purpose would be served by recounting at length the various points of legislative history upon which we have relied in arriving at our conclusion. I do think, however, that it is worthwhile to point out that Congress in 1940 established for each of the forms of transportation subject to the Interstate Commerce Act a separate rule of ratemaking. For example, in that part of the Interstate Commerce Act having to do with the regulation of railroads it is provided that "in the exercise of its power to prescribe just and reasonable rates the commission shall give due consideration, among other factors, to the effect of rates on the movement of traffic by the carrier or carriers for which the rates are prescribed." Similar language is contained in the other parts of the act that apply to motor carriers and to water carriers and to freight forwarders.

This, it can be demonstrated, was thought to reflect an intention that each type of carrier would have questions as to the reasonableness of its rates decided on the basis of the conditions applying to its own form of transportation.

In an early case or two (see, for example, *Seatrain Lines* v. *Akron, C. & Y. Ry.* (243 ICC 199, decided in 1940)) the Interstate Commerce Commission itself said that no carrier should be required to hold its rates up for the purpose of protecting the traffic of its competitor. But the Commission failed to adhere to this principle. Later, in 1945, in a case which you will find cited in the committee's report on this bill (*New Automobiles in Interstate Commerce* (259 ICC 475)) the Commission undertook to reexamine the criteria that ought to be used by it in deciding competitive ratemaking cases. Recognizing that there had been "occasional deviations" it stated in clear language what it considered at that time to be a proper interpretation of the law. The Commission said:

"As Congress enacted separately stated ratemaking rules for each transport agency, it obviously intended that the rates of each such agency should be determined by us in each case according to the facts and circumstances attending the movement of the traffic by that agency. In other words, there appears no warrant for believing that rail rates, for example, should be held up to a particular level to preserve a motor-rate structure, or vice versa." [259 ICC at p. 538.]

This statement by the Interstate Commerce Commission in 1945 reflects a proper interpretation of the original Congressional intent. That intent ought to be reaffirmed; and it is by section 5 of S. 2778 that we propose to reaffirm it. By reaffirming it we are hopeful that future decisions of the Interstate Commerce Commission in cases involving rates in situations where two forms of transportation are competitive will follow a consistent line and that all may know what the proper rule of competitive ratemaking is.

The whole purpose is to say in fairly clear terms that each form of transportation should have full opportunity to make such rates as reflect its own inherent advantages so that the public may in every case have the ability and the opportunity to exercise its choice of the form of transportation to be used, cost and service considered, in the light of the transportation task to be performed. This will encourage fair and constructive competition. I emphasize the words "fair and constructive" because by the language in section 5 of the bill we are now considering the Commission, even though it is not to hold the rate of any carrier up to any particular level for the purpose of protecting the traffic of some other mode of transportation, is nevertheless to give due consideration to the objectives of the declaration of national transportation policy which prefaces the Interstate Commerce Act. That declaration of policy, I need not tell you, discourages unfair and destructive competitive practices.

Under the rule of ratemaking proposed by this bill to be incorporated into the Interstate Commerce Act the Interstate Commerce Commission will not be precluded from looking into facts and circumstances attending the movement of traffic by some carrier other than that proposing the rate; but it is the purpose of the proposed new rule to insure that the principal and primary emphasis is placed by the Commission upon the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable.

All in all what is here proposed to be done seems a happy solution to what started out as, and for some time continued to be, a raging controversy between the railroads on the one hand and other forms of transportation on the other. It is not a drastic proposal, but it is intended to serve as and should serve as an admonition to the Interstate Commerce Commission to follow what was the intention of Congress at the time the present law was written on the statute books in 1940.

What we propose to do, in a word, is make it crystal-clear that the Interstate Commerce Commission itself was correct when it said in 1945 in the New Automobiles case that the rates of each transport agency should be determined always according to the facts and circumstances attending the movement of the traffic by that agency, and that the rates of one form of transportation should not be held up or increased to a particular level in the interest of some other form.

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. JAVITS. Is an amendment in order to another section of the bill?

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment. An amendment to that amendment would be in order, but not to any other part of the bill at this time.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, and that the bill be considered as an original text for the purpose of further amendment.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. The Senator from Georgia.

Mr. RUSSELL. Reserving the right to object, I desire to address an inquiry to the distinguished Senator from Florida with reference to some language appearing on page 18 of the bill, lines 9 and 10. Any legislation which has to do with the complicated rate structures of this country with respect to transportation systems is rather complex.

I ask the Senator from Florida as to the effect of the language, which refers to "cooked or uncooked—including breaded—fish or shellfish, when frozen or fresh." What effect will that language have on the seafood packers of the country? Did those packers make any representations to the committee headed by the distinguished Senator from Florida, giving their views on the subject?

Mr. SMATHERS. We afforded the opportunity for those people to appear on two occasions before our committee, in an endeavor to arrive at language which would satisfy them. The national president of the seafood association happens to be from Sea Island, Ga., one of the more attractive places in the very attractive State of Georgia. However, he was originally a Floridian.

We endeavored to work out language which would permit this kind of fish product to be transported in unregulated carriers. We felt that was important because obviously this type of fish, even when frozen, and certainly when fresh, is very perishable.

When the packers are limited to regulated carriers which run on certain schedules, for the transportation of their product, frequently they cannot obtain service from the carriers when needed. When the packers make a big catch of fish, since the fish are perishable it is necessary to start them on their way. These packers have to have complete flexibility.

We wanted to make it extremely clear that under no circumstances would such commodities be regulated. Those commodities will receive the benefit of the exemption which was applied to them in the original section 305.

Mr. RUSSELL. I assume the language was completely satisfactory to the seafood industry.

Mr. SMATHERS. The language was completely satisfactory to the seafood industry. The Senator from Massachusetts [Mr. KENNEDY] propounded a question to me with regard to that matter. We will make the RECORD a little more complete on some other seafood matters, as to which interest has been expressed

by the people from the New England States.

Mr. RUSSELL. Mr. President, I appreciate the comments of the Senator. I wish to express my gratification that the seafood industry in my section had the precaution to elect a Georgian who had his origin in Florida as the president of the industry. [Laughter.]

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the Senator from Massachusetts.

Mr. KENNEDY. Is it the interpretation of the Senator from Florida that the bill attempts to exempt such frozen fisheries products as cod fish cakes, deviled crab, fish with sauce, fish dinners, and similar sea food products, even though they are shown as "not exempt" in ICC ruling No. 107?

Mr. SMATHERS. The answer to that question is in the affirmative, "Yes." It was our intention that the items be exempt. We could not write into the law, Mr. President, all these various items which have seafood in them. If we had, the bill would have had to be longer than some of the tax laws. As best we could we made references to these subjects in the report and in the colloquy on the floor. I am very happy to say "Yes," it is our understanding such products would be exempt under the provisions of the bill.

Mr. KENNEDY. In other words, seafoods which are preserved, such as canned or smoked fish, for example, are not exempt, but fresh or frozen seafoods which are perishable are exempt?

Mr. SMATHERS. The answer is "Yes." The factor which governs whether the article is exempt or not exempt is how perishable it is. If the seafood is canned, as is true with respect to some salmon and other fish of that nature, then the item does not need an exemption, because it can be held to await the service of regulated carriers. When the food is perishable or in a perishable state, obviously flexibility is needed.

Mr. KENNEDY. I thank the Senator. It will be good news in New England tonight when the word goes out about the codfish cakes.

Mr. SMATHERS. I am delighted the people of Massachusetts like those codfish cakes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. I should like to have a clarification of the provision on line 18, page 17:

Provided, That the words "property consisting of ordinary livestock, fish (including shellfish), or agricultural (including horticultural) commodities (not including manufactured products thereof)" as used herein shall include property shown as "Exempt" in the "Commodity List" incorporated in ruling No. 107, March 19, 1958, Bureau of Motor Carriers, Interstate Commerce Commission, but shall not include property shown therein as "Not exempt."

I think the reference to "property shown therein as 'Not exempt'" is perfectly plain. However, as I understand, this language would freeze exemptions to commodities which are now exempt, with a few—particularly frozen foods and vegetables—frozen out of the exempt list. As I understand, the exempt list specifies, we will say, "peaches in 8-pound bags," or "peaches in baskets," or "peaches shipped this way," or "other fruits." These fruits are mentioned in connection with the container or the manner in which they are shipped. The language does not make reference to the fruits themselves.

Is it possible that in the future this language could be so interpreted as to take from the exempt list those fruits and vegetables, should someone desire to ship them in some other type of container, or in some manner which is not customary at the present time.

Mr. SMATHERS. The question was raised by certain fresh fruit and vegetable growers, as to whether or not, certain products not having been mentioned, they might at some future time be subjected to regulation which no one intended. We have written into the report some language which we believe makes it perfectly clear that all exemptions originally granted in the 1935 act with respect to basic products, agricultural products, including fish, and certain types of meat, will stand fast. Such products shall have the privilege of exemption, no matter what type of container they are shipped in. They will still maintain their exemption, so long as they maintain their original form.

Mr. AIKEN. I asked for clarification of the RECORD at this point because a question had been raised by the Department of Agriculture as to what interpretation might be placed on this wording later.

Mr. SMATHERS. I thank the Senator.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. CASE of New Jersey. I refer to the same section. In lines 6, 7, 8, and 9 on page 18, there is language which would exclude from the exempt category frozen fruits, frozen berries, or frozen vegetables now exempt from regulation.

Mr. SMATHERS. Yes.

Mr. CASE of New Jersey. This is a matter which has been brought to my attention as being of serious concern to important segments of the industry in New Jersey.

The statement has been made that this provision would be a serious deterrent to the efficiency and economical conduct of the operations of that industry. It does not involve much in the way of additional revenue to the transportation industry.

I am here expressing for my constituents—and I believe the same consideration applies to the constituents of a number of other Senators who are not now present; I believe the Senator from Texas [Mr. YARBOROUGH] and other Senators have an interest—their concern over the situation. I wonder if there is a possibility that the committee might consider an amendment—and one has been submitted by the Senator from Maryland [Mr. BEALL]—to strike that language and leave in, as exempt, frozen fruits, frozen berries, and frozen vegetables. I do not possess the same degree of eloquence as does the Senator from Massachusetts [Mr. KENNEDY], who has spoken in regard to the products of the sea. However, I have the same deep feeling in regard to the products of the soil included in this bill, and I think they should be treated in the same way, because the same conditions apply—the need for flexibility of transportation, speed, and so forth. It is not a matter of significance to the transportation industry, as I have been informally advised by several in the industry with whom I have talked.

Mr. SMATHERS. The Senator from New Jersey need not apologize for any lack of eloquence. I think his eloquence far exceeds the justification for his case in this particular instance.

Mr. CASE of New Jersey. That is a compliment of which I can accept only half.

Mr. SMATHERS. We have wrestled with every one of these problems. Everyone wanted something a little different. However, it was the conclusion of the subcommittee, after listening to the witnesses representing specific industries, not only from New Jersey and Maryland, but from other States that there should be a rollback. The Sea Crest concern is the largest packer and shipper of frozen fruits. We talked with its representatives many times, and listened to their suggestions. However, it was the conclusion of the subcommittee and the full committee that we needed a rollback with respect to frozen fruits and vegetables, so as to make them what we thought they were originally intended to be, namely, nonexempt.

The reason for that, very simply, is this: The very man who originates the request referred to by the able Senator from New Jersey undoubtedly has in his packing plant an operation in which he cans a part of the vegetables he receives. He freezes another part. He puts another part into frozen concentrates, and so forth. He has a big operation, in which the canned fruit, the concentrated juices, and things of that nature, must be carried by regulated transportation.

Up until about a year ago, even frozen fruits and vegetables were carried by regulated transportation; but by virtue of a court decision they were suddenly deregulated in that particular area. So we did not feel that it was fair to those who must compete with the producers of frozen fruit and vegetables, that is, those who are not in the canning business, and those in the concentrate business—who, in effect, are in the same business—to require them to ship by regulated transportation, whereas, the frozen vegetable dealers would be permitted to ship by unregulated transportation.

There was some objection to that conclusion on the part of certain interests. We adopted the program knowing that it was not the kind that would satisfy everyone, even though in this particular connection we had gone as far as we could to satisfy all interests.

So I asked the able Senator from New Jersey to withhold pressing that particular point. We have gone into the subject, and we do not think we are in a position to accept an amendment which would, in effect, give to the frozen fruit and vegetable dealers the exemption which they seek.

Mr. CASE of New Jersey. I am sure the able Senator and the other members of his subcommittee have given what, in their judgment, is adequate and fair consideration to the problem. However, it is a little difficult for one in my position to accept a result which continues the exemption for everyone else, adds exemptions for products of the sea, and leaves only my constituents and the constituents of Senators from a few other States out in the cold.

Mr. SMATHERS. I would not want the Senator to base his argument on that point. The Senator represents the people of New Jersey, the great State in which I was born.

Mr. CASE of New Jersey. We are very proud of that fact.

Mr. SMATHERS. I was greatly concerned about the exemption for products of the sea. In addition, there is also a great canning industry in the Senator's State; and canners do not want what the Senator is asking for. Some of the concentrate dealers do not seek that for which the Senator is asking. They make the very fair argument, "So long as we are basically competitors, why should we be put on one standard of competition, while others are put on another standard of competition?"

In effect, this provision merely places all those in the fresh fruit and vegetable business—the products being once removed from their original State—on the same platform, on which they can compete.

Mr. CASE of New Jersey. I do not wish to take the time of the Senator unduly, but it seems very clear to me that it is impossible to avoid a comparison between the treatment which is given—I think properly—to seafood and the like, as well as to poultry products from Arkansas and other States, and the treatment which is not given to frozen fruits, frozen berries, and frozen vegetables. The difference between canned and permanently packed fruits and vegetables is the same as the difference between canned and permanently packed seafood and frozen food. If one is perishable, the other is perishable; and the need for rapid and flexible transportation applies in both cases.

Mr. SMATHERS. The able Senator's State is not alone. I would not want him to think that this bill represents any discrimination against him.

Mr. CASE of New Jersey. I do not think it was so intended.

Mr. SMATHERS. We in Florida have this problem to as great an extent as do the people of New Jersey, and we can thoroughly understand it. However, the subcommittee and the full committee, after wrestling with this problem for many weeks, decided that all these people should be placed on the same basis, so that they can compete from the same basis.

Mr. CASE of New Jersey. I thank the Senator for indulging me during this colloquy. I cannot honestly say that I have been persuaded—not that there is any intentional or vicious attack on the industry, but, rather, that there is a mistake being made in its treatment—and I should like to reserve for a little while longer the question of whether the amendment should be pressed.

Mr. SMATHERS. I thank the Senator.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Is there objection to the unanimous-consent request of the Senator from Florida, that the committee amendments be agreed to en bloc? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 7, after line 11, to strike out:

"(3) In a proceeding involving competition with another mode of transportation, the Commission, in determining whether a rail rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by railroad and not by such other mode."

And, in lieu thereof, to insert:

"(3) In a proceeding involving competition between carriers of different modes of transportation subject to this act, the Commission, in determining whether a rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act."

On page 13, line 11, after the word "Treasury", to insert "and under the joint control of the carrier and the Commission"; in line 18, after the word "section", to insert "and only after the expenditure for the purposes established in paragraph (1) of this section of the principal amount on which such earnings accrued"; in line 22, after the word "deposit", to insert "of such earnings"; on page 14, line 6, after the word "the", where it appears the first time, to strike out "filing of the income tax return of such common carrier for such" and insert "fifteenth day of the third month following the end of such common carrier's"; after line 14, to strike out:

"(4) In computing the gross income under section 61 (a) of the Internal Revenue Code of 1954, as amended, of any common carrier subject to this act there shall be included all amounts withdrawn during the taxable year from the said construction reserve fund for purposes other than those specified in paragraph (1) of this section: *Provided*, That any amount deposited in the reserve fund which shall be permitted to remain in such fund for 5 years after having been deposited therein shall be considered to have been so withdrawn from such fund on the first day following the expiration of such 5-year period. Such amounts shall be subject to tax at the rate or rates and shall be subject to the provisions of the Internal Revenue Code of 1954 as amended, applicable to the year in which such amounts were deducted under paragraph (3) of this section (including the interest provisions of such Code as amended, as if a tax deficiency for such year, whether or not a tax deficiency would exist for such year otherwise). For the purpose of this section, any amounts expended or withdrawn from the reserve fund shall be applied against amounts deposited therein in order of the deposits."

And, in lieu thereof, to insert:

"(4) In computing the gross income under section 61 (a) of the Internal Revenue Code of 1954, as amended, of any common carrier subject to this act there shall be included all principal amounts—

"(a) withdrawn during the taxable year from the said construction reserve fund for purposes other than those specified in paragraph (1) of this section, and

"(b) deposited in the reserve fund which shall be permitted to remain in such fund for 5 years after having been deposited therein shall be considered to have been so withdrawn from such fund on the first day following the expiration of such 5-year period.

All such principal amounts shall be subject to tax at the rate or rates and shall be subject to the provisions of the Internal Revenue Code of 1954, as amended, applicable to the taxable year in which such amounts were deducted in computing taxable income pursuant to paragraph (3) of this section including the interest under section 6601 of such code as amended, as if a tax deficiency had existed for the year for which the deduction was taken, whether or not a tax deficiency would otherwise exist for such year. For the purpose of this section, any principal amounts expended or withdrawn from the reserve fund shall be applied against principal amounts deposited therein in order of the deposits."

On page 16, line 16, after the word "tax", to strike out "deficiency" and insert "liability", and in the same line, after the word "thereon", to insert "as computed"; on page 17, line 1, after the word "by", to strike out "that portion of the deposits in the" and insert "the amount from the construction reserve"; in line 22, after the word "include", to strike out "only those commodities" and insert "property"; on page 18, line 1, after the word "Commission", to insert "but shall not include property shown therein as 'Not exempt'"; in line 8, after the word "vegetables", to strike out the comma and "or property imported from any foreign country;" and insert "and shall be deemed to include cooked or uncooked (including breaded) fish or shellfish, when frozen or fresh;"; on page 19, line 6, after the word "territory", to strike out "as a common or contract carrier" and insert "as a common, contract, or exempt carrier"; and on page 20, line 18, after the word "is", to strike out "solely within the scope" and insert "incidental to."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I call up my amendment to section 4 of the bill.

The LEGISLATIVE CLERK. On page 6, line 13, beginning with the word "that", it is proposed to strike out all language down to and including the word "otherwise" on line 17 and insert the following: "considering the public convenience and necessity and the losses incurred by the carrier or carriers, that the public interest requires the operation or service of such train, ferry, station, depot, or other facility, and it will not".

Mr. JAVITS. Mr. President, the purpose of my amendment is to remove from the bill the present definition of a situation in which a railroad may discontinue a branch line or commuter line—and that is what the amendment refers to—where such operation results in a net loss, and to substitute for that sole criterion now contained in the bill a more general criterion: "Considering the public convenience and necessity and the losses incurred by the carrier or carriers." In other words I would set

up two specific standards. First, loss; second, public convenience and necessity.

My point, Mr. President, is that as the bill is written the public convenience and necessity consideration does not control even as a part of the determination of the Commission.

There is no question about the plight of the railroads. I am entirely sympathetic with the work which has been done by the committee, and the committee has served remarkably well in terms of the welfare of the country in trying to produce some solutions to the situation which confronts the railroads.

There is no question also about the fact that one of the problems of the railroads is the loss operation of commuter services. Of course I come from a part of the country, New York State, where we have a number of large cities, especially New York City, where commuters are a very important segment of our population, and the railroad service they get is a paramount question of public interest.

I might say, so that my colleagues will understand the significance of this matter, that my amendment applies not only to New York City and other great cities of my State, but it applies also to any other great city in the country, whether it be Atlanta or Philadelphia or Detroit or San Francisco, or any other large city. To those cities this is a very important matter.

I say it is vital for this reason. I know very well that the pending bill will be acted on by the Senate and will then have to go to the other House. Then it will have to go to conference, and the differences will have to be settled in conference. However, unless we flag the situation at this stage, it may never get done, or done with the impact that is required under the circumstances.

My objection to the provision as written by the committee is that it moves too far too fast. I invite the attention of the Senate to the words themselves in section 4 of the bill. A carrier is permitted to terminate or discontinue a service, and the Interstate Commerce Commission is given authority to require the railroad to restore service or to continue it, and there is a provision for the temporary stay of the railroad's determination to discontinue a service.

The question then becomes what criterion the Commission shall use in respect to an order to require the continuance of service. The criterion is contained at page 6 of the bill, at lines 15 to 18. I read them:

> That such operation or service will not result in a net loss therefrom to the carrier or carriers and will not otherwise unduly burden interstate or foreign commerce.

I respectfully submit to my colleagues in the Senate that the only criterion which is therein set forth is net loss, because the question of the burden on interstate and foreign commerce has nothing to do with a particular operation; if it is a net loss, it does not matter whether or not it is construed as a burden on either interstate or foreign commerce. Therefore, if the Commission could find that public convenience and necessity required nonetheless, despite the fact of the net loss, operation of the particular commuter section which is sought to be discontinued, it is my view, as the bill is written, that it would have no legal power to require it. The discontinuance would be left to the entire discretion of the individual carrier.

It seems to me this is an objective which it is not wise, in the public interest, to legislate into law quite so flatly and absolutely; nor is it an objective which ought to be sought by the pending bill, because it is inconsistent with the general context of other authority which we have given to the Interstate Commerce Commission with reference to abandonment.

Why do I say that the bill tries to move too far too fast? It is because the question of what constitutes net loss will have to be determined by some one somewhere as a matter of law. It is my view, as the bill is now written, that question of law will be decided in terms of a net loss on the particular section of a railroad which is sought to be discontinued, rather than the net loss on the total operations of the carrier of which that section of the road is a part.

Should that happen, I am advised by the Public Service Commission of the State of New York, the carriers could discontinue all passenger service in the whole east, because almost all passenger service in the east operates at a loss. It is a fact that we do not expect anyone to operate at a loss. However, the question I am raising is one not with respect to a situation where there is an overall loss, but where there is a loss upon a particular section of a railroad. As the bill is written, if a loss is shown on a particular section of a railroad, that railroad can discontinue that section of the railroad, and the Interstate Commerce Commission cannot stop it.

I say that is writing a law far more strictly than we have a right to do, or have any business doing, in fairness to millions of people. The Interstate Commerce Commission does not have this power now. It is now in the hands of State commissions, and the State commissions have very different standards and criteria which they employ. For example, let me cite what applies in my State of New York. I quote from article 3 of the Public Service Law, section 51 (b), which sets up this criterion:

> The commission shall have power * * * to determine whether the existing service provided by any such train is reasonably required to provide adequate transportation service. Upon the institution of such an investigation, the commission is authorized by order to require the railroad corporation to continue existing service, pending the holding of public hearings and decision thereon—

And so forth. The bill endeavors to legislate a criterion which is very much restricted and which, if adopted, especially in view of the factual situation with respect to passenger service generally, would be a very dangerous exercise of our power. We would be absolutely binding the Interstate Commerce Commission.

I call attention to the fact that the Interstate Commerce Commission, which today has the right to deal with abandonment of all or any part of a line of a railroad, according to title 49 of the United States Code, section 1, paragraph 18, has this criterion, that "the present or future public convenience and necessity permit of such abandonment."

Let me repeat that, because I think it is very important in this debate, "the present or future public convenience and necessity permit of such abandonment."

That is a very different criterion from the sole criterion of net loss. The fact is that in most of these cases the Interstate Commerce Commission does not have the power today to allow discontinuance. It does have the power to increase rates, where intrastate rates represent an unjust discrimination or burden on interstate commerce.

The committee report itself says, at pages 10 and 11, that the mere increase of rates is not enough; first, because rates may go out of sight; and if they are passed on, patronage will so diminish that the operation will become a nonviable economic operation; second, merely permitting a rate increase is not practical; that some authority, other than the authority in the State, has to have the right to allow a section of a railroad to be discontinued.

I think we who come from the cities and are concerned with the probable discontinuances of sections of road are going a long way in recognition of the national urgency of the city, by agreeing to give to the Interstate Commerce Commission the power to bring about discontinuance, a power which it does not have now.

I am perfectly willing to go that distance, although I ask unanimous consent to have printed at this point in the RECORD a telegram from the Public Service Commission of my State opposing that very thing.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ALBANY, N. Y., *June 11, 1958.*

SIDNEY KELLY, Jr.,
Administrative Assistant to Senator Javits, Senate Office Building, Washington, D. C.:

The New York Public Service Commission strongly opposes enactment of sections 3 and 4 of S. 3778 and H. R. 12488—the proposed Transportation Act of 1958—in their present form.

Section 3 would confer upon the Interstate Commerce Commission the power to regulate rates, fares, and charges for all intrastate transportation of persons or property by rail. In terms which would be tantamount to complete Federal preemption of the subject. Section 4 would permit any rail carrier to effect summarily change or discontinuance of any passenger or freight services or facilities without reference to or compliance with State laws, authority or public need. The stated conditions under with the Interstate Commerce Commission might restrain such are completely illusory. Enactment of this section might well, in effect, occasion the termination of virtually all passenger service in the East.

Local rail services and fares are of vital concern to thousands of New York State citizens. Substitution of the type of Federal control which these sections contemplate for the present local regulation of these services would be a distinct disservice to the commuting public and might preclude further local efforts, of which the Long Island Railroad rehabilitation is illustrative, to meet

the passenger deficit and other pressing railroad problems.

The Commission urgently solicits your assistance in preventing the enactment of these two provisions of the bill. The same request has been made of all members of the Senate and House Committees on Interstate and Foreign Commerce and of each Congressional Representative from this State.

Sincerely,

BENJAMIN F. FEINBERG,
Chairman.

Mr. JAVITS. However, if we are going to go some distance toward helping in the national dilemma with respect to the railroads, we should not go to such an extent as to destroy ourselves in the big cities. I respectfully submit that by making the sole criterion "net loss" for the discontinuance of commuter roads, no less are we engaging in a destructive action in terms of the big cities. That is something which we have no right to do.

It is argued that no one should be required to carry on an operation at a loss. I join in that view, but I point out that in the case of a public utility it is almost Hornbook law that a public utility is the concern of everyone, and that the only time a public utility can be allowed to discontinue a branch of service upon which it is suffering a loss is if the operation seriously prejudices the whole financial picture of the utility. If we were to allow every public utility to discontinue service because it suffered a loss, we could not operate on a public utility basis, because many aspects of service would necessarily be discontinued. Yet if we allow the bill to stand as it is, that is exactly what we will be doing. I have very grave doubt that that is the fundamental intention of the Senate.

What we shall be doing, if we act in this drastic way, is to move too far, too fast. We are trying to help the railroads solve their commuter problems; but we shall be trying to help them, if we pass the bill as it is, by setting a standard which puts the public absolutely at the mercy of any railroad which can show a loss on any particular section of its line. That, I respectfully submit, is not and should not be our purpose. Certainly it is not in the national interest.

I do not believe that the adoption of the amendment will in any way seriously prejudice the bill. The amendment gives jurisdiction to the Interstate Commerce Commission, jurisdiction which it lacks under present law. It provides the Commission with a more flexible criterion than is provided in the bill, but a criterion, nevertheless, which gives the Commission power to save any road from serious, drastic financial injury because of the operation of an unprofitable commuter service.

I think the amendment gives the Commission the kind of authority which it ought to have; at the same time, it does not vest the Commission with life-and-death authority over commuter service based on a narrow criterion which is not based on the context of general public utility law, and is not found in other phases of Interstate Commerce Commission authority or regulation not justified by the public interest.

I refer to page 22 of the committee report, in which there is a complaint, as follows:

Without reciting individual cases the subcommittee is satisfied that State regulatory bodies all too often have been excessively conservative and unduly repressive in requiring the maintenance of uneconomic and unnecessary services and facilities. * * * In many such cases, State regulatory commissions have shown a definite lack of appreciation for the serious impact on a railroad's financial condition resulting from prolonged loss-producing operations.

I have read those words because I think they are all important in this discussion—"on a railroad's financial condition."

Those are the words, however, in the bill as presented to us.

"On a railroad's financial condition" is the basis which I am willing to accept; but on a net loss basis for a particular operation sought to be discontinued is not a basis which I or the people or the Senate ought to accept.

This is not a light matter. We are dealing with one of the fundamental and very basic problems involved in the railroading business. I am more than happy that we are now acting in the matter. I think the time has long since passed when we could do anything to meet the situation fairly and squarely. But I respectfully submit to my colleagues that meeting it fairly and squarely does not mean that we should go to such extremes under cover of doing something which is the right thing to do at this particular time as to give ourselves great cause for grief if we pass the bill.

Although, I repeat, we may be able to do something about this particular provision in conference, when the bill goes to the other body, still it is our bound and duty, when we see something wrong with a piece of proposed legislation, to put it in proper shape.

I submit to the Senator from Florida [Mr. SMATHERS], to whom I have appealed in the hope that he might be able to take this amendment to conference, that I think it truly perfects section 4, and may very well, if the motion to strike out the whole of section 4 is to be pressed, as I understand it is, result in saving this particular section which is of tremendous advantage to the railroad industry in terms of its really fundamental problems.

I had a colloquy with the Senator from Ohio [Mr. BRICKER], who is a distinguished lawyer, about this matter a while ago. I received the distinct impression from the colloquy that the Interstate Commerce Commission will not exercise authority because we are going into a very deep study of the whole transportation system, which was voted by the Rules Committee this morning. It is my understanding that he feels that the Commission is going to wait on that study before they act. But I do not see how we, as lawyers, can be satisfied with that.

Under the criterion which is set forth in the bill, if I were a lawyer representing a railroad, I would act as follows:

I would give notice of discontinuance and go before the Interstate Commerce Commission. I would accept even an adverse decision, if the Commission wanted to make it. I would then go to the court to have the decision reversed. I am confident that I could reverse the Commission upon this language, on the ground that the Congressional purpose as specified in the express words of the law, were that any railroad showing a net loss for the operation of a particular section of the road should have the right to discontinue that section. No court will overturn a Congressional purpose so clearly expressed, unless we express what is really our purpose accurately, and that is the aim of my amendment.

In summary, therefore, as the matter now stands, the bill is completely vulnerable to arbitrary construction; it is completely vulnerable to arbitrary use by the railroads. I do not believe that is in the public interest.

If the bill is amended in the way I have suggested in the amendment I have submitted, it will result in giving to the Interstate Commerce Commission a balanced authority to deal with the situation, both in respect to losses and in respect to the public in the way of convenience and necessity.

My amendment is consistent with all the other regulatory powers given the Interstate Commerce Commission in respect to the abandonment of sections of railroads.

For these reasons, I hope my amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. SMATHERS. Mr. President, I hope the Senate will not support the amendment offered by the Senator from New York. I am in sympathy with the problem which the Senator from New York recognizes and is trying to meet by his amendment. Commuter trains in metropolitan areas are obviously operating at a great loss. Nevertheless, they render great service to many people. However, the commuter problem is a problem which, it was the opinion of the committee, should be referred to our study committee, because it is essentially a problem within the States; it is not an interstate problem.

If we should adopt the language that the able Senator from New York recommends, all it would mean would be that for the first time in history a Government agency would be saying to the owners of private business, "You will have to operate your business whether you can make a profit with it or not. You will have to run the business whether you take all the stockholders' money, or whether you have to take up your tracks or cars and sell them for scrap. Nevertheless, you must run the business."

I do not think we have come to such a point in our history. I do not think Senators would want to see that happen.

If ours were a nationalistic form of government, and if it were a fact that the system were a complete monopolistic operation, then I think the argument might have some persuasiveness. But the fact is that on these particular op-

erations, it is the privately owned railroads who are losing money.

The testimony of witness after witness conclusively shows, over and over again, that very few people are patronizing the trains; yet the railroads cannot discontinue their operation. Because they have to continue to run the trains, we find that the class I railroads have sustained losses of $726 million.

In view of the importance of the railroads to the country, if we wish them to continue in operation, certainly we should not require them to continue operations of this type, and certainly we should not have the Government require them to continue their service, regardless of whether they make a profit.

So we recognize the existence of the problem. We also recognize that the study subcommittee which has been appointed will, within 18 months, make recommendations regarding what should be done about the commuter problem.

Mr. JAVITS. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Florida yield to the Senator from New York?

Mr. SMATHERS. I yield.

Mr. JAVITS. From the argument of the Senator from Florida in opposition, do I correctly understand that he construes—and that the subcommittee construes, if the Senator from Florida is able to say that—that the words "net loss," as they appear on page 6 of the bill, in line 16, refer to a railroad's financial condition—and I am now using the words of the committee report—rather than to the net loss on the particular operation which is sought to be discontinued?

Mr. SMATHERS. We construe the words "net loss" to mean the loss from the particular operation the railroad is rendering.

But to go one step further, not only do we find there is a net loss on the basis of the particular specifics the Senator from New York has in mind, which relate to the general proposition, and not only do we find there is a net loss with respect to some of the specific trips the Senator from New York has in mind, but we find there is also a net loss in many instances with respect to the entire company which is operating the commuter service.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment submitted by the Senator from New York [Mr. JAVITS].

Mr. JAVITS. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. JAVITS. Mr. President, at this time I shall speak for only 1 additional minute; I shall do so for the benefit of Senators who were not present during the previous debate.

I believe it has now been made clear, by means of the response which has been made by the chairman of the subcommittee to my question, that the definition of the words "net loss", as they appear on page 6 of the bill, in line 16, is that they relate to the net loss on the particular operation or the particular section of a line which a carrier is seeking to discontinue.

Therefore, I submit that the Interstate Commerce Commission is given no flexibility whatsoever. The Interstate Commerce Commission is not subject to reversal in the courts if it fails as a matter of law to require the continued operation of a line as to which there is proof of a net loss. I say that is contrary to fundamental public policy and the public interest in areas which are served by lines which may sustain a net loss; and I also say that what is sought to be done by the bill is far more than is necessary in fairness to the railroads. Certainly it is proper to look to the overall financial condition of the railroads, inasmuch as they are public utilities, rather than to a loss on a particular operation.

I believe this issue has been boiled down and pinpointed by the Senator from Florida to such an extent that it is clear that we would be providing relief and authority which we would have no business to provide in the national interest and in the interest of millions of the people of the country. If we provided for such relief and authority, I maintain that we would regret it, because it would not be reasonable to do so.

To give the Interstate Commerce Commission authority it does not have at the present time is in itself a mark of progress, because in that way we shall remove these decisions from the State or local scene, by providing that they shall be made on the national scene, where we have a right to assume there will be greater objectivity.

But if we wish to have greater objectivity, let us permit the Interstate Commerce Commission to have the power to exercise that responsibility by means of the criteria which are stated.

Therefore, I urge that my amendment, with these criteria be adopted, that is, considering the need for financial assistance, and also public convenience and necessity. Given the two criteria, the ICC will have an opportunity to make just decisions, in the public interest, and the railroads will have justice done to them and be given relief in their very acute situation.

Mr. President, I ask for a division on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RUSSELL. Mr. President, I send an amendment to the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Georgia will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 4, beginning on line 21, page 4, and to renumber the remaining sections accordingly.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 4, it is proposed to strike out beginning with line 21 on page 4 and ending with line 8 on page 7, as follows:

SEC. 4. The Interstate Commerce Act, as amended, is amended by inserting after section 13 thereof a new section 13a as follows:

"SEC. 13a. A carrier or carriers subject to this part, if their rights with respect to the discontinuance or change, in whole or in part, of the operation or service of any train or ferry engaged in the transportation of passengers or property in interstate, foreign, and intrastate commerce, or any of them, or of the operation or service of any station, depot or other facility where passengers or property are received for transportation in interstate, foreign and intrastate commerce, or any of them, are subject to any provision of the constitution or statutes of any State or any regulation or order of (or are the subject of any proceeding pending before) any court or an administrative or regulatory agency of any State, may, but shall not be required to, file with the Commission, mail to the governor of each State in which such train, ferry, station, depot or other facility is operated, and post in every station, depot or other facility directly affected thereby, notice at least thirty days in advance of any such proposed discontinuance or change. The carrier or carriers filing such notice may discontinue or change any such operation or service pursuant to such notice except as otherwise ordered by the Commission pursuant to this section, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before, any court or State authority to the contrary notwithstanding. Upon the filing of such notice the Commission shall have authority during said thirty days' notice period, either upon complaint or upon its own initiative without complaint, to enter upon an investigation of the proposed discontinuance or change. Upon the institution of such investigation, the Commission, by order served upon the carrier or carriers affected thereby at least ten days prior to the day on which such discontinuance or change would otherwise become effective, may require such train, ferry, station, depot or other facility to be continued in operation or service, in whole or in part, pending hearing and decision in such investigation, but not for a longer period than four months beyond the date when such discontinuance or change would otherwise have become effective. If, after hearing in such investigation, whether concluded before or after such discontinuance or change has become effective, the Commission finds that the operation or service of such train, ferry, station, depot or other facility is required by public convenience and necessity and that such operation or service will not result in a net loss therefrom to the carrier or carriers and will not otherwise unduly burden interstate or foreign commerce, the Commission may by order require the continuance or restoration of operation or service of such train, ferry, station, depot or other facility, in whole or in part, for a period not to exceed one year from the date of such order. The provisions of this section shall not supersede the laws of any State or the orders or regulations of any administrative or regulatory body of any State applicable to such discontinuance or change unless

notice as in this section provided is filed with the Commission. On the expiration of an order by the Commission after such investigation requiring the continuance or restoration of operation or service, the jurisdiction of any State as to such discontinuance or change shall not longer be superseded unless the procedure provided by this section shall again be invoked by the carrier or carriers."

Mr. RUSSELL. Mr. President, I think I am as keenly alive as to the importance of the railroad industry to our national economy and to the requirements of national defense as is any other Senator. I realize this industry is of vital importance to our civilization. I desire to assist the railroads in their difficulties in any way that I properly can, and am willing to support any reasonable proposition whereby the Federal Government may properly extend assistance to the railroad industry.

I do not, however, believe that the provisions of the pending bill, as found in section 4, are necessary to the salvation of the railroad industry. I do know that the provisions of section 4 of the bill are a tremendous blow to our dual form of Government and the rights of the several States. The section is a blow to local self-government and to the public interest of the smaller communities of the United States. This section is a direct and drastic blow to the authority of the State regulatory bodies, which are created, in most instances, by the constitutions of the several States.

Section 4 of the bill moves the local functions of government from the State capitals to the banks of the Potomac River, and is a far stride forward in the move to further centralize all the powers of government in a strong central government here in Washington.

This whole provision, as a casual reading of it will reveal, is in derogation of local self-government. It is an arrogant and contemptuous disregard of the very existence of local institutions of government that are created by the States to serve the people of the several States.

I hope every Senator who votes on the amendment will have taken care to read the provisions of section 4 of the bill. I desire to read from them briefly:

A carrier or carriers subject to this part, if their rights with respect to the discontinuance or change, in whole or in part, of the operation or service of any train or ferry engaged in the transportation of passengers or property in interstate, foreign, and intrastate commerce, or any of them, or of the operation or service of any station, depot, or other facility where passengers or property are received for transportation—

I eliminate some words—

are subject to any provision of the constitution or statutes of any State or any regulation or order of (or are the subject of any proceeding pending before) any court or an administrative or regulatory agency of any State, may, but shall not be required to, file with the Commission, mail to the Governor of each State in which such train, ferry, station, depot, or other facility is operated, and post in every station, depot, or other facility directly affected thereby, notice at least 30 days in advance of any such proposed discontinuance or change. The carrier or carriers filing such notice may discontinue or change any such operation or service pursuant to such notice except as otherwise ordered by the Commission—

That is the Interstate Commerce Commission—

pursuant to this section, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before, any court or State authority to the contrary notwithstanding.

I have never before seen a section in any bill presented to the Senate that more specifically proposes to wipe out sections of the constitutions of the States, or strike down State laws, including State regulatory bodies, and go into the courts of the States and take jurisdiction of matters pending there under State law and bring them here to Washington. I cannot conceive of any legislative proposal that makes a more forthright assault upon the right of local self-government and the rights of States than is conveyed by this section of the bill.

I repeat, officials in the Federal Government would not even have to write a letter to a governor or to a State commission, but could act in contemptuous disregard of the very existence of a State commission. They would be able to take a matter away from the control of that local government, and bring it here to Washington, without even writing a letter to tell the State officials about it, if they wanted to, under this section of the bill.

State regulatory bodies are not perfect in all instances. I know that when application is made in my own State for the discontinuance of a railroad station in a small town, it may take a little time for the lawyers for the railroads to act, and it may take a little trouble, but they usually succeed in closing the station. But under this provision the people in small towns would even be denied their day in court. Take a town having 500 or 600 people who depend on a railroad for the delivery of fertilizer or farm machinery or other commodities essential to their way of life. How are they going to get the money to hire a lawyer to go all the way to Washington and contend with the railroads before the Interstate Commerce Commission? At least, in their own State, they can get in their cars and ride to the State capital. In almost any State they can do that in half a day. Even in the great State of Texas people can ride to the capital in half a day, or at least in a day. A citizen can have his day in court before the State commission and present whatever right he is claiming. He could not do that if we transferred all of the proceedings to Washington.

It would not only be an invasion of the rights of the States, Mr. President—it would not only be an assault on our dual form of Government—it would not only be in derogation of the whole concept of local self-government, but it would be a very grievous wrong perpetrated upon the people of these smaller communities, by refusing to permit them their day in court.

I know, Mr. President, we have gone a long way toward centralization of Government, but we should not completely reverse the concept we have heretofore held that the local public service bodies shall regulate intrastate commerce and that they shall have the right to say when a local station can or cannot be discontinued.

I have never seen anything that goes further than this proposal, which would simply wipe out constitutions in the States, wipe out laws of the States, and tell the local commissions, without even the writing of a letter or paying the courtesy of notifying them, what is to be done. That would be the result of bringing these matters to Washington for a determination by the Interstate Commerce Commission.

I do not think such a provision is necessary to the salvation of the railroads of this Nation, Mr. President. I can understand why the railroads might prefer to have all of these matters handled in the Interstate Commerce Commission, but in the long run the railroads usually have their way before most of the local State regulatory bodies, if they have a good and sufficient case.

This provision will almost have the effect of denying the people of the smaller communities due process of law. It would require those people to come to Washington in the first instance to complain about the closing of a station on an intrastate railroad line.

As I say, that would be going very, very far. Mr. President, I hope the Senate will at least take notice of the significant departure and change from existing procedure by having a record vote on this issue; and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, like any reasonably junior Senator, I feel some compunction and a great deal of hesitation about ever standing up to contest with or debate with one who is probably the Senate's greatest parliamentarian and undoubtedly one of the finest, if not the finest, constitutional lawyers in this body; a man who, so far as I know, has always been consistent in his advocacy of States rights; and a man for whom, I must say, I have personally the highest respect and warmest affection. Naturally it grieves me to be competing with him on this occasion.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. RUSSELL. I wish to sincerely thank the Senator for his undeserved tribute. I have been around the Senate long enough to know such tribute usually precedes a good stout knock upon the head. His complimentary statement will enable me to bear that with equanimity.

I can assure the Senator that one of my chief regrets about the situation is that I find myself at variance with the distinguished Senator with respect to a provision of a bill identified with his name.

Mr. SMATHERS. I thank the able Senator. Of course, the Senator from Georgia is indeed flattering to me to even suggest I could knock him on the head, or that if I could I would. I could not; certainly if I could I would not.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield to the able Senator from North Dakota.

Mr. YOUNG. I think the bill now under consideration by the Senate in most respects is a very good bill. Most of the provisions of the bill are necessary to help the railroads. I plan to support the bill, but I want to associate myself with the remarks made by the Senator for Georgia [Mr. RUSSELL], for I believe the provision to which the Senator refers is objectionable, and that matter could well wait for consideration at some future time.

Mr. SMATHERS. I thank the able Senator. I hurriedly state to the rest of the Senators, before they commit themselves I hope they will at least listen to the other side for just a second. After all, as is always the case, there are two sides.

Perhaps the committee was in error. We do not profess for a moment to have all knowledge. We do not say we are the only ones who can draft any legislation. Certainly that is not the case. However, we have tried to draft good legislation.

I should like also to associate myself with the remarks of the able Senator about his high respect for States' rights. I think it has been clear in the short time I have served in the Senate that I have endeavored to hold up the banner of the States rights philosophy wherever and whenever I could possibly do so. However, I think a couple of points ought to be made.

We should all remember that the Constitution of the United States, after all, is supreme. Despite the fact that we had a so-called war between the States, I think the people of the South recognize that the Constitution is supreme, and the Constitution has only one thing to say with respect to interstate commerce, which is that the Federal Government has the absolute authority over interstate commerce.

Then we come to consideration of "What do we mean by 'interstate commerce'?" Or "What is 'interstate commerce,' over which the Federal Government has authority?"

As we study the matter we find a long series of cases in which the courts have construed that whenever a certain amount of intrastate commerce has an adverse effect on interstate commerce the Federal Government has jurisdiction over even the intrastate commerce.

We go back to 1926, to study the Colorado case. We find that this very same question arose, and the Supreme Court of the United States said, "We are going to assist in the abandoning of a certain route solely within the boundaries of the State, because there is an adverse effect on interstate commerce." The Interstate Commerce Commission was given the right, which it has at this moment and which it has had for 32 years, to completely bring about an abandonment of an entire railroad, for that matter, within a State, and the facilities within the State. Why was that done? Because there was a bearing on interstate commerce, that was the ruling in the Colorado case.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SMATHERS. I am happy to yield.

Mr. RUSSELL. Why is it necessary to write the language in this bill, if the authority has already been established in that case?

Mr. SMATHERS. I will get to that point. That seemed to me to be a question about which I was concerned at the time of consideration. We shall come to that question.

That is the law which is already on the books. It is not something which the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Connecticut [Mr. PURTELL], the Senator from Ohio [Mr. LAUSCHE], the junior Senator from Florida, or anybody else tried to write. That is the law, which has been recognized.

We now come to the question of whether if we have a whole, we have a part of the whole. We find that if the Federal Government, represented by the Interstate Commerce Commission, has the right to bring about an abandonment of an intrastate line and even the facilities on that intrastate line, because of a bearing on interstate commerce, then it would be more intelligent, it would be more wise, and it would be better, insofar as the preserving of the line in the State is concerned, to give the Commission a lesser right to say, "You can discontinue a train over that particular route." If the Commission is able to discontinue the train it is possible the railroad will not have to ask for a complete abandonment of the whole line.

That is all we have attempted to do. We have attempted to fill in a little gap to say, "If you have authority to discontinue the train on this little line, perhaps you will not have to use the authority which you already have to bring about a total abandonment."

That is what we have done. We are charged with having violated States rights. We respectfully submit we do not believe we have. Certainly we did not intend to bring about a great violation of anybody's States rights.

That is the legal point. The practical point is this: We find that last year the class I railroads in America lost $726 million, and they lost practically all of it from the uneconomic operation of certain trains. In the present situation the railroad management cannot discontinue a train, even though it is an interstate train—although we think it has the right to do so; but we have not attempted to argue that point—unless the discontinuance is approved by a local public utilities commission.

Someone comes forward with the argument, "All the State public utilities commissions are doing a good job. They grant 87 percent of the applications which are made for discontinuance of an uneconomical operation." But those figures overlook 2 or 3 things.

First, the carriers have lost many millions of dollars; obviously they are still compelled to continue a great many uneconomical operations, which will mean a loss of $726 million this year. The loss last year was $730 million.

The eastern railroads are in such condition that their presidents tell us that they are about to go under.

What happens in the case of the State public utilities commissions? We do not wish to treat them unkindly. We invited public utilities commissioners to attend our hearings. We asked all of them to come and testify. How many do Senators suppose came? There were two who came from the State of Florida, as a personal favor to me. Another who came was the national chairman, from the State of Iowa. That is all we heard from. That is how much interested they were in the preservation of States rights. They have become more interested since. I will tell Senators why.

What happens with respect to trains which the railroads wish to discontinue?

The Public Utilities Commission in Maryland does a good job. The Public Utilities Commission in Delaware does a good job. The same can be said for the Public Utilities Commissions of New York and Pennsylvania. Their record is pretty good.

Using the Pennsylvania Railroad as an illustration, it says, "We operate five or more trains between New York and Washington. We want to abandon some of those trains, but we must have approval from the public utilities commissions."

What happens? The Public Utilities Commission of New York will approve the discontinuance of trains numbered 1, 6, and 12. The Public Utilities Commission of Pennsylvania will approve the discontinuance of trains numbered 2, 9, and 13. The Public Utilities Commission of Delaware will approve the discontinuance of trains numbered 16, 19, and 8. They are never the same trains; with the result that, while the record of the public utilities commissions is pretty good with respect to the number of applications they have granted, those trains are still operating. Why? Because the railroad cannot get the public utilities commissions to agree on the same trains. I do not suggest that there is any collusion, but I do suggest that it is coincidental. That is what happens in many instances, with the result that the same trains continue to operate.

Many witnesses appeared before us. One, in particular, testified that his railroad operated a train from New York to somewhere in New England. One afternoon the train broke down. The engine would not run. A crew was sent out to try to repair the engine so that the passengers could be carried to their destination. The crew could not repair it. This witness said, "Do you know what we did? We had a train with six cars in it. We hired one taxicab and took everyone home."

One of the witnesses said, "We would be willing to buy cars for the passengers if we could have permission to discontinue the operation of uneconomic trains. The uneconomic operation is taking money away from us." No wonder they are broke. That is the problem we are up against.

We talk about States rights. We certainly should protect States rights. Legally there is no real basis for anyone concluding that this bill represents a great invasion of States rights; so far as practicalities are concerned, it is clear

that some relief must be granted to the railroads in this particular area if we believe, first, that they are in trouble—and our subcommittee and the full committee so believe—and, second, they being in trouble, if we believe we should try to help them.

So I hope the Senate, despite the very persuasive argument of my dear friend, whom I respect as much as any other man I know, will nevertheless follow the committee's position on this particular subject and reject the amendment.

Mr. RUSSELL. Mr. President, I am far from an expert in the field of transportation. It is one of the most highly complex subjects on which we legislate. I should say that tax legislation, rate structures, and transportation questions are never completely within the grasp of any one person.

I think the argument of the distinguished Senator from Florida is rather tenuous from the standpoint of plain common sense. He says that because there have been some difficulties with certain interstate trains, it is necessary for the Congress to legislate to give the Interstate Commerce Commission power over intrastate trains. It is suggested that such power be given not only to the Interstate Commerce Commission, but in fact given to the railroads, unless the Commission takes affirmative action to set aside or put an estoppel upon what the railroads seek to do.

I freely confess that the Congress has the right to legislate to its heart's content in the field of interstate commerce. If the bill provided only that the Interstate Commerce Commission should have control over trains which operate in two or more States, I would not raise my voice against such a provision in the bill.

Mr. SMATHERS. Mr. President, will the Senator yield at that point?

Mr. RUSSELL. I yield.

Mr. SMATHERS. I dislike very much to interrupt. In recognition of the persuasiveness and power of the distinguished Senator from Georgia, I have checked with the members of our subcommittee and some other members of the full committee, and I can say to the Senator that we would be perfectly agreeable, if the Senator from Georgia would accept the amendment, to offer an amendment which would state specifically that, with respect to any train which operates within a State, whose origin and destination are within the State—that is, any train with intrastate characteristics—together with the facilities used by the train, shall be completely under the authority of the State public utilities commission, and shall not be in any way affected by the language of this particular proposal, to which the Senator from Georgia objects.

Mr. RUSSELL. That would go a long way toward removing my objection. I do not like a Congressional declaration that all interstate trains are a burden on interstate commerce, but certainly the Congress has the constitutional right so to declare, if we wish to do so.

However, I do not believe that we have the right to give a railroad company authority to abandon a train which operates wholly intrastate.

What would be the effect of your proposal on the stations? Would it deny the right of the State public service commission to pass upon the closing of stations, depots, or other facilities—however the provision is spelled out in the bill—which are served by intrastate services?

Mr. SMATHERS. This amendment would provide that any train having its origin and destination in the same State, together with the facilities—specifically the terminals—serving that particular train, should be completely under the jurisdiction of the State regulatory body.

Mr. RUSSELL. The language applies to the train.

Mr. SMATHERS. It applies also to the facilities which serve the train.

Mr. RUSSELL. Facilities which are wholly intrastate in character?

Mr. SMATHERS. That is correct.

Mr. RUSSELL. I shall not debate the question further if we can obtain recognition of the right of the States to control matters wholly within their borders. I do not believe it is necessary that the railroads have the right to discontinue trains. I yield to the Interstate Commerce Commission in that field. When it comes to closing down a station in a small town which is served by a local freight train, I do not believe it is necessary to bring that question to Washington for decision. I am delighted that the Senator from Florida is willing to leave that question to the State regulatory bodies.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KUCHEL. I should like to ask a question of either the Senator from Georgia or the Senator from Florida with respect to some technical and legal points. For example, where there are two contiguous States, and a railroad train originating in one of them, State A, makes several stops in State A, and then crosses into State B, where it makes several stops also, what is the understanding of the Senator from Georgia with respect to the jurisdiction over that train by either the State utility commissions of State A and State B, on the one hand, and of the Interstate Commerce Commission on the other hand?

Mr. RUSSELL. I would say that, as to the train, jurisdiction would be vested in the Interstate Commerce Commission.

Mr. KUCHEL. Under the law today, where is that jurisdiction vested?

Mr. RUSSELL. I am sorry, but I cannot answer that question. If the Senator will permit me to yield to the Senator from North Dakota for a question, I shall yield the floor.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. YOUNG. The amendment of the Senator from Florida to the amendment offered by the Senator from Georgia meets with my approval, and I believe would remove my objection.

Mr. RUSSELL. I thank the Senator. I appreciate his statement. He will always be found on the side of the little fellow.

Mr. YOUNG. I thank the Senator.

Mr. KUCHEL. Mr. President, will the Senator from Florida yield for a question? I should like to ask a question or two of the Senator from Florida, if he will yield for that purpose.

Mr. SMATHERS. I yield.

Mr. KUCHEL. Under the present law, when a railroad operates in two contiguous States, if a train originates in one of the States and stops in the State, and then crosses the State line and stops in the other State, what jurisdiction, under the present law, does the Interstate Commerce Commission exercise over that operation?

Mr. SMATHERS. It exercises all jurisdiction with respect to the rates, and things of that character. With respect to a discontinuance, at the moment the Commission does not exercise any jurisdiction with respect to the discontinuance of a specific train, although they have complete authority with respect to bringing about a total abandonment of the whole line or any part of it.

Mr. KUCHEL. Does the jurisdiction over how and when that railroad shall run its trains in State A and State B rest in the discretion of the State public utilities commissions in State A and State B?

Mr. SMATHERS. Only with respect to discontinuance; yes. The answer is "Yes."

Mr. KUCHEL. Only with respect to discontinuance?

Mr. SMATHERS. Only with respect to discontinuance.

Mr. KUCHEL. In what respect does the Interstate Commerce Commission, under the present law, have any jurisdiction over that railroad with respect to that type of operation?

Mr. SMATHERS. With respect to rates, and with respect to total abandonment.

Mr. KUCHEL. The Senator has suggested an amendment to meet the objection of the Senator from Georgia [Mr. RUSSELL]. How would his latest suggestion affect the example I have pointed out to him?

Mr. SMATHERS. If a train originated within a State and then ran across that State to the other side of the State and ended there, within that State, and never got outside that State, then with respect to discontinuance, the State public utility commission would have sole and exclusive jurisdiction.

Mr. KUCHEL. With respect to the example I cited earlier, where a railroad originated a train in State A and that train crossed State A and went into State B, what would be the effect of the proposal of the able Senator from Florida as to jurisdiction?

Mr. SMATHERS. If it crossed the State line, then of course the Interstate Commerce Commission would have the authority not only to authorize the total abandonment, but to bring about a discontinuance.

Mr. KUCHEL. Therefore, to that extent the Senator's new proposal would eliminate State jurisdiction over any railroad operating within its borders, if a particular operation crossed a State line?

Mr. SMATHERS. If its characteristic is interstate commerce. Of course, most

lines will drop trains at the State line. However, if the train runs from one State into another State, and thus crosses the State line, that train would be properly construed to be a train operating in interstate commerce, and therefore would come under the jurisdiction of the Interstate Commerce Commission.

Mr. KUCHEL. The Senator's amendment would then preclude further control by the State public utilities commission; is that correct?

Mr. SMATHERS. That is right. They do not have any jurisdiction now.

Mr. KUCHEL. I am referring to the problem raised by the Senator from Georgia with respect to discontinuance.

Mr. SMATHERS. It would preclude the State having any further authority with respect to discontinuing an interstate train.

Mr. KUCHEL. To that extent it would preempt the field and lodge discretion in the Interstate Commerce Commission with respect to discontinuance of any train. Is that correct?

Mr. SMATHERS. In interstate commerce; yes.

Mr. KUCHEL. If it crossed a State line.

Mr. SMATHERS. Because that train is operating in interstate commerce. We give authority to the Interstate Commerce Commission only over interstate commerce trains. We more clearly define that the public utilities commission has authority over completely intrastate trains and facilities.

Mr. KUCHEL. Yet, up to 1958, Congress has not seen fit to preempt the field, but, to the contrary, until 1958 Congress has recognized that each State, through its utilities commission, should sit in judgment on what services should be performed. Is that correct?

Mr. SMATHERS. This is the first time that Congress has become concerned about the $26 million deficit. It is the first time that Congress has begun to wonder what is going to happen to the railroads, and this is the first time that we thought perhaps we had better start doing something about the problem. That is why we are considering it now.

Mr. KUCHEL. I do not believe we can get along without the railroads. I believe that we need to do something to help the railroads. However, I have a difficult problem in my own mind on this matter, and that problem has been pretty well indicated on the floor by what the able Senator from Georgia has said. That is why I wished to develop some guide lines under the situation the Senator from Florida contemplates.

Mr. SMATHERS. I thank the Senator. I appreciate his asking me questions. I would merely add that the amendment we have offered to the amendment of the Senator from Georgia more precisely divides the authority between the Interstate Commerce Commission and the State utility commissions, putting each in authority where it more properly belongs.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. BRIDGES. Does not the compromise amendment, which the Senator from Florida has discussed with the Senator from Georgia, almost completely eliminate the problem of being able to discontinue commuter trains, which are one of the chief financial burdens of the railroads?

Mr. SMATHERS. With respect to commuter trains, where the commuter trains operate wholly within a State, it of course does, yes. The answer is "Yes."

Mr. BRIDGES. So far as relief for the railroads is concerned, the amendment would do only a partial job.

Mr. SMATHERS. It is not as strong, I will say to the Senator. It is not what we started out to do. It is something which, under a practical situation, we had to do in view of the fact that there are a number of Senators who are persuaded by the theory of States rights.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. RUSSELL. I wish the Senator would make a statement which would outline wherein the language he proposes would leave the jurisdiction of the State regulatory bodies. I think I understand the statement about the operation of trains. While Congress unquestionably has the constitutional right to legislate concerning trains which cross State lines, the wisdom of doing so may be another question. But we have the right and power to legislate.

I am not at all clear about the question of the closing of stations. Would the amendment which has been offered affect the right of the local regulatory bodies and deny them jurisdiction which they have heretofore exercised?

Mr. SMATHERS. The amendment would give State public utility commissions jurisdiction over not only intrastate trains, but also facilities. We have mentioned stations. Stations would be under the jurisdiction of the State public utility commissions wherever the stations are serving intrastate trains.

Mr. RUSSELL. Of course. As I recall, there was a case in Kansas which held that the feeding of wheat to a man's chickens was a burden on interstate commerce. We have gone quite a long way in the development of the law.

I am quite clear, I think, about the jurisdiction of State regulatory bodies over trains, but I am not clear as to their control over the facilities.

Mr. SMATHERS. As a practical matter. I do not think the Senator from Georgia need worry about that. If a terminal is used by both interstate and intrastate trains, those particular operations are usually the ones which are quite profitable; for example, the terminals in Atlanta and Savannah, Ga.

Mr. RUSSELL. I am not concerned about them; they get enough business to keep going. I am concerned about the stations in rural communities.

Mr. SMATHERS. Stations located on major lines, which operate through the big cities, are ordinarily used by interstate trains. Terminals or station facilities not ordinarily used by interstate trains, and which are located in small areas or towns, which is what the Senator from Georgia is concerned about, would, under this language, be completely under the jurisdiction of the State regulatory agencies.

Mr. RUSSELL. I thank the Senator.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. BRIDGES. I want to get this clear. Trains or service operated wholly within a State—trains originating and terminating within a State—would be under the jurisdiction of that State regulatory body. That would include most of the commuting trains. If they were exempted from the Senator's original amendment, and the railroads were forced to continue their local commuter operation, but were free to proceed to discontinue service in other places, it would mean that areas like the small State of New Hampshire, and similar places, would bear the burden of the commuting service which operates into the big cities, like Boston, New York, and Chicago. Those cities would occupy a preeminent position.

Mr. SMATHERS. The Interstate Commerce Commission would still have the authority to recommend the total abandonment of commuter service.

Mr. BRIDGES. I understand that.

Mr. SMATHERS. Commuter service, however, is essentially an intrastate operation. Commuter trains operate around big cities, such as Boston, New York, Philadelphia, and Chicago. Such service is almost exclusively a local operation.

Earlier today we spoke of the condition in the State of the able junior Senator from New York. That is a matter which needs considerable study, because we do not think the Committee on Interstate and Foreign Commerce actually has particular jurisdiction over that situation. Yet that operation is so much a part of interstate commerce that somewhere along the line Congress will have to face up to the problem and determine what shall be done about it.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. REVERCOMB. Suppose a railroad had a line running through several States, and that a branch line within a State connected with the interstate line. Suppose that on the branch line and on the main line a train was operated which began and terminated its run within the State. Do I correctly understand that such a train could be discontinued only with the approval of the State commission?

Mr. SMATHERS. That is correct; that is because the train originates and terminates within a State.

Mr. REVERCOMB. The language applies to the train, irrespective of the fact that it runs on tracks which are a part of an interstate line.

Mr. SMATHERS. That is our understanding.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. CARROLL. I came to the Chamber late. When I arrived, the Senator from Florida was talking about a Colorado case, which I believe had to do with

the complete abandonment of a railroad line.

Mr. SMATHERS. In that case, there was complete abandonment of an intrastate segment of a railroad which ran interstate. The Supreme Court, in a case decided in 1926, held that the Interstate Commerce Commission could order or could permit the complete abandonment of what amounted to an intrastate branch, because it was connected with and was considered to be a part of interstate railroad operations.

Mr. CARROLL. It was a burden on interstate commerce.

The New York, New Haven & Hartford Railroad begins in Connecticut and runs over many leased lines into Massachusetts. The leased lines operate intrastate. Suppose the New Haven Railroad desired to abandon its Boston-Providence line because it was uneconomical, but sought to maintain its leased lines because they were economical. Is it the Senator's understanding that if there were to be a complete abandonment, the ICC would have jurisdiction?

Mr. SMATHERS. Yes; they have jurisdiction now.

Mr. CARROLL. That would be for the complete abandonment of the New Haven. But if there were one segment which they sought to abandon, the ICC would not have jurisdiction today.

Mr. SMATHERS. That is correct. If a train originates within a State, whether it be Connecticut or Massachusetts, and ends within the State, without crossing a State line, that particular train could be discontinued only with the approval of the State regulatory agency, under the amendment.

Mr. CARROLL. Yes; under the amendment. But I think the Senator from New Hampshire asked the question, If the New Haven decided to abandon its Boston-Providence line, under existing law does the Interstate Commerce Commission have jurisdiction? If the amendment shall be agreed to, the bill may confer jurisdiction on the Interstate Commerce Commission.

Mr. SMATHERS. No. At present the Interstate Commerce Commission has the authority to authorize abandonment, even in interstate commerce. The difference is between the abandonment of train service as a whole, including the tracks and equipment, and the discontinuance of the operation of a train. Under the present law, the Interstate Commerce Commission now has the authority to permit the total abandonment of the Boston-Providence line. But under the present law the Commission cannot permit or authorize the discontinuance of one train, which may run every day up and down that particular track.

Mr. CARROLL. I appreciate the Senator's comment. He has made the matter very clear in the RECORD. The Interstate Commerce Commission has the right to authorize the abandonment of a railroad, but it cannot authorize the discontinuance of certain trains.

Mr. SMATHERS. That is correct.

Mr. CARROLL. What is suggested now by the Senator from Florida will permit the Interstate Commerce Commission to authorize the discontinuance——

Mr. SMATHERS. It will allow the Interstate Commerce Commission to authorize the discontinuance of interstate trains.

Mr. MARTIN of Pennsylvania. Mr. President, will the Senator from Florida yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Florida yield to the Senator from Pennsylvania?

Mr. SMATHERS. I am happy to yield.

Mr. MARTIN of Pennsylvania. I should like to ask a question: According to the newspapers, recently the Baltimore & Ohio Railroad abandoned its passenger service between Baltimore and New York. How was that accomplished?

Mr. SMATHERS. It was accomplished by obtaining permission from the regulatory bodies of each of the States through which the Baltimore & Ohio Railroad has operated in rendering that service.

Mr. MARTIN of Pennsylvania. That was my understanding, but I wished to be certain about the matter.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. WILLIAMS. Mr. President, it is my understanding that the Senator from Florida is attempting to work out a compromise version of the amendment of the Senator from Georgia [Mr. RUSSELL].

In the meantime, in order that those Senators may have time to perfect the amendment, will the Senator from Florida agree that the amendment may be temporarily laid aside, and that the Senate may proceed to the consideration of an amendment which I have previously discussed, and which I think will be acceptable to the committee?

I have already discussed this matter with the Senator from Georgia [Mr. RUSSELL], and I believe he has no objection.

Mr. SMATHERS. Very well; we shall be happy to have that course followed, Mr. President.

Mr. WILLIAMS. Then, Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside, and that the Senate proceed to the consideration of the amendment which I have sent to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I have discussed this matter with the Senator from Florida.

I have noticed that section 7 would amend the Internal Revenue Code. Question has been raised—and on yesterday we discussed the matter at length—as to the advisability of establishing a precedent by having the Senate act, in the course of the passage of a Senate bill, on amendments to the Internal Revenue Code.

Therefore, I have submitted, and sent to the desk, an amendment which provides that section 7 of the bill be stricken out, without prejudice.

It is my understanding that perhaps the members of the committee subsequently will offer this section as an amendment to a bill which will be passed by the House of Representatives and, in due course, will be referred to the Senate Finance Committee, in the course of the orderly legislative procedure.

Therefore, Mr. President, I ask that the amendment which I have sent to the desk be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all of section 7, without prejudice, beginning on page 12, in line 17, through page 17, in line 14, and to renumber the following sections accordingly.

Mr. WILLIAMS. Mr. President, it is my understanding that although the chairman of the subcommittee feels very strongly about this section, in the interest of orderly legislative procedure he is willing to accept the amendment.

Mr. SMATHERS. Mr. President, I would say "Yes."

I believe the committee is entitled to make a brief statement for the RECORD; and it has authorized me to make the following statement: This section has to do with the establishment of a construction reserve. The reason why we shall accept the amendment of the able Senator from Delaware is that both he and the distinguished Chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD] believe that the committee has not proceeded in exactly the proper way in bringing before this body a proposal which, in essence, has to do with the tax program of the railroads. Or, for that matter, they do not believe that the Committee on Interstate and Foreign Commerce should report a measure which deals with a tax program. Instead, they believe that such proposals should be handled by the Finance Committee.

On the other hand, there is some authority which we believe justified the procedure our committee followed. We do have some opinions from the Parliamentarian; and we do not wish to yield on that particular point.

We understand that the other body has raised some objection to our reporting a provision with respect to setting aside such a construction reserve, not only for the railroads, but also for the motor carriers and the other common carriers. We understand that the other body did not wish to go on record as saying that it disapproves the provision; but we understand that the other body did not like the procedure which has been followed in this connection. Apparently the Ways and Means Committee of the House of Representatives wished to consider the provision first.

So at about 10 o'clock this morning it became obvious to us that even if the Senate passed the bill with the inclusion of the construction-reserve provision, it would run into a dead end in the other body.

Therefore, in the interest of saving time, and in order to quiet the anxiety and concern of some of our very dis-

tinguished colleagues, we are willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS. Mr. President, first, I wish to thank the Senator from Florida.

I assure him that I have offered the amendment without prejudice, because I am very much in favor of the principles of the pending bill. I think such legislation is long overdue, in order to recognize the plight of the railroads.

But I did feel—and I believe, as he has pointed out, that he recognizes my position—that if some legislation of this type is to be enacted, the Senate should follow the orderly legislative procedure, and should have such a provision considered by the appropriate committee in connection with an appropriate bill which had previously been passed by the other body.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS. I yield.

Mr. LAUSCHE. During the debate today there was some indication that the entire committee concurred in the proposal that the various modes of transportation should be permitted to establish construction reserves.

I have dissented from the committee's report. Attached to the committee's report will be found my dissenting views; they appear beginning on page 27. In those views I take the following position:

CONSTRUCTION RESERVE FUNDS

I do not join in the recommendation that the rail, air, and barge, and truck carriers, should be permitted to establish a construction reserve fund to be exempt from income-tax assessments until such time, not to exceed 5 years, when the fund is invested in the acquisition of capital equipment. I oppose the adoption of this new method of deferred taxation in the isolated method proposed. If the establishment by business and industry of construction reserve funds, with the right to defer payment of income taxes until the time, not to exceed 5 years, such funds are invested in capital equipment, is economically sound, then the right ought to be made available, not only to the common carriers, consisting of the truckers, the railroads, the airlines, and the barge carriers, but also to all other types of business and industry.

In addition, Mr. President, my view was that the problem ought not be approached in an isolated way, but should be approached through a centralized attack, which could be done only through the standing Senate committee which has jurisdiction of this general subject.

Mr. WILLIAMS. I thank the Senator from Ohio.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. BRIDGES. Mr. President, I wish to compliment the distinguished chairman of the subcommittee, the junior Senator from Florida [Mr. SMATHERS], and his associates on the subcommittee, on both the members of the majority and minority, for the job they have done.

They have recognized a problem which is basic, namely, to keep the railroads running, not only in time of peace, but also as an absolute necessity in time of war or other great emergency.

New Hampshire is a small State which has one major railroad. There is other railroad service, but the State is served principally by only one railroad. Like all other railroads in the East, it is sick. It needs the financial help which the bill will provide. Without it, the Boston & Maine Railroad, to which I refer, may have major difficulties.

It is true, of course, that the Nation's railroads no longer have a monopoly in the transportation field. New Hampshire and all the rest of the New England States are fortunate to have truck and air transportation service also. But these services in themselves are not enough. For a great many years to come, the railroads will play an important part in the economic life of our Nation.

Mr. BRICKER. Mr. President, will the Senator from New Hampshire yield for a question?

Mr. BRIDGES. Certainly.

Mr. BRICKER. Does the Senator from New Hampshire know that the record shows that the representative of one of the railroads which operates in New Hampshire testified that it was necessary to keep its passenger trains running regularly in order to provide service for students at holiday times when there is snowfall?

Mr. BRIDGES. No; I did not realize that there had been such testimony.

Mr. BRICKER. The testimony was that the students use the railroads when there is snowfall; but when there is no snowfall, the students use the airlines or the highways. In other words, the testimony was that the railroads have to maintain the service, because when there is snow the students use the railroads. When it does not snow, they use the airlines or the highways. So the railroads have to keep the trains running, because the Commission orders them to be kept running as a reserve against the time when there is snow and when the students are traveling during holidays.

Mr. BRIDGES. Mr. President, I think the committee has done an excellent job, one that had to be done to forestall the further deterioration of our Nation's railroads, a problem which has been discussed here today, and which most thoughtful people in the country understand.

One of the biggest problems is commuter service, which the railroads are unable to operate profitably. The Senator from Ohio has referred to that briefly.

This is not condemning the railroads as a whole or the Boston & Maine Railroad as one line. The Boston & Maine has a very energetic and able president, Mr. Patrick McGinnis, who has worked diligently to solve these problems. Obviously the solution is to be found, if indeed there is a solution, outside of subsidies, which I would prefer not to see.

Sections 3 and 4, which have been discussed here, give me some concern. I have received information from the New Hampshire Public Utilities Commission, of which I served as a member for 5 years, that they are opposed to the inclusion of these sections. I have had a good deal of correspondence on it both for and against.

What bothers me is the compromise amendment which is being discussed as a result of the objection of the senior Senator from Georgia and the contributions of other Senators. One of the major problems is commuter service in the big cities. Of course, when we force the railroads to continue commuter service and give them the privilege of discontinuing other services, it means that some of the small sections of the country will have to bear the burden, while the big cities will get the benefits. I am not sure I am for the compromise, by any means, although I think it is being worked on with the best of intentions.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BRICKER. The Senator from New Hampshire agrees with the Senator from Ohio, then, that commuter service is something that has to be worked out at the local level?

Mr. BRIDGES. I believe that people and the cities served must help meet that problem.

Mr. BRICKER. If the railroads are permitted to charge the shippers of the country so as to make up the loss of maintaining commuter service, the benefits will accrue only to those areas that get the benefit of commuter service.

Mr. BRIDGES. I think some way must be found to work out the commuter service problem. I do not think those who ship freight or who travel long distances should be called upon to bear the burden. Neither do I think the railroads should or can be forced indefinitely to carry that loss.

Mr. BRICKER. Of the approximately $700 million loss in passenger business last year, a great deal of it came from the commuter service.

Mr. BRIDGES. I am not entirely convinced the pending legislation will put the railroad industry back on the track, but I know it will make a substantial contribution in that direction. I know a great many of our railroads are sick. I know they need assistance. I know it is for the good of this Nation that they be kept running, not only in peacetime, but in time of emergency or war, when they are absolutely essential. We cannot let them deteriorate to the point where the railroad service of the country will be no more.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. COTTON. I should like to say, as a colleague of the distinguished senior Senator from New Hampshire, that I am much interested in his comments. As a member, not of the subcommittee, but of the full Committee on Interstate and Foreign Commerce, I have followed this proposed legislation most carefully. I feel exactly as the senior Senator from New Hampshire feels about the needs of our State and the necessity for protecting, so far as we can, the needs of the rural sections with regard to mail service and general service. I have felt, and the feeling has been strengthened by advice from the professional staff of our

committee, that sections 3 and 4 in their original form as they came to the Senate would not have had any serious effect upon our State. There is a natural apprehension on the part of the public utilities commission of our State, which I understand, and which I am taking into consideration, but which I think was not entirely warranted as to the provisions in the original form. I doubt if either of those sections seriously impaired the authority of our State commission.

I share with my senior colleague his apprehensions about the possibilities of a subsidy. I confess I am not sure exactly what it would do. I commend the Senator for raising this question. I think it should be considered most carefully, because it would be unconscionable to take away protection given our rural sections and regular service in favor of commuter service, as the Senator has so well stated.

I desire to associate myself with his expressions at this time, and shall follow with some care a further explanation of the proposed subsidy.

Mr. BRIDGES. I thank the Senator. I agree with my colleague. His remarks give extension to my own thoughts in the matter.

We in New Hampshire have an excellent public utilities commission. Its members are able men and have done a good job. I think if all State commissions were as efficient, there would not be so much trouble in the transportation field.

I want to be sure I know where we are going. I thought I knew where we were going, but with the compromise amendment before the Senate, I am not sure we will not complicate the situation, rather than help it.

I hope we may have consideration of the question by other members of the committee who had this matter under study. It seems to me the commuter question is one of the big problems, and if steps are taken to cure that problem, by its very nature a greater burden will be placed on the shorter lines, and lines serving rural sections.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. PASTORE. I assume the Senator from New Hampshire is opposed to section 4 as it was reported by the committee. Is that correct?

Mr. BRIDGES. No; but I wonder if we will not complicate it more by this compromise amendment.

Mr. PASTORE. The reason why I asked the question is that I have a sense of apprehension as to how far we are actually going with relation to the discontinuance of trains and stations and with relation to interstate and intrastate regulation. Preliminarily to asking a question or two, inasmuch as the distinguished Senator from Colorado took occasion to mention Providence, R. I., and how the proposal would affect Rhode Island, I feel compelled to complete the record. I have in my hand a letter dated June 3, 1958. It is addressed to me by Mr. Thomas A. Kennelly, administrator of public utilities of the State of Rhode Island. The letter reads as follows:

STATE OF RHODE ISLAND
AND PROVIDENCE PLANTATIONS,
DEPARTMENT OF BUSINESS REGULATION,
OFFICE OF PUBLIC UTILITY ADMINISTRATOR,
Providence, R. I., June 3, 1958.

Senator JOHN O. PASTORE,
United States Senate,
Washington, D. C.

DEAR SENATOR PASTORE: There is presently pending before the honorable Senate of the United States, a bill, S. 3778, which, as you are aware, was drafted and introduced to provide a measure of relief to the railroad industry. I realize that you are familiar with the provisions of this bill and the reasons which prompted its introduction. I am taking this means, however, of respectfully directing your attention to certain provisions of this bill contained in sections 3 and 4 thereof which, if they became law, would have the effect of rescinding all State authority and regulation over intrastate railroad rates for both passenger and freight operations. In lieu thereof, this bill would empower the Interstate Commerce Commission with original jurisdiction over intrastate passenger service including train, ferry, station, depot, or other facilities notwithstanding the status or pendency of any litigation proceeding before any State commission.

The members of this division who have dealt with railroad problems recognize the fact that the railroads of this Nation are presently facing a serious financial crisis; and this is particularly true in the case of the New Haven Railroad. I do not believe, however, that the present financial condition of the New Haven Railroad is due to any laxity of State regulation by the public utilities division of this State. In practically every instance this division has permitted the railroad to effect economies such as the discontinuation of trains, the raising of intrastate rail passenger fares and freight tariffs, and the elimination of both passenger and freight stations where it is evident that the public did not require their continued use. It is my belief that the loss of passenger traffic to the New Haven Railroad is due primarily to the greater use of the private automobile, and to the construction of superhighways for the use of the private automobile; and it seems evident that the New Haven Railroad, together with all other railroads, have certain embedded operational costs which are underlying factors in the railroads not being able to reduce expenses.

To my way of thinking, the provisions of sections 3 and 4 of S. 3778, which provide for placing all regulation in the hands of the Interstate Commerce Commission and wresting it away from State regulatory authority, will not increase the railroads' revenue nor will it tend to decrease the railroads' expenses.

Accordingly, as the head of the State division that is charged with regulation of the railroad within this State, I feel that it is my obligation to bring these facts to your attention for your careful consideration in order that the rights of States to regulate the intrastate phases of railroad activity will not be sacrificed needlessly under the guise of strengthening the railroad industry.

Very truly yours,

THOMAS A. KENNELLY,
Administrator.

I should like to ask a question of the distinguished Senator from New Hampshire [Mr. BRIDGES], and I also ask for the attention of the distinguished Senator from Florida [Mr. SMATHERS]. As I understand the present law, without regard to the bill reported, and without regard to the amendment offered by the distinguished Senator from Georgia, at the present time a complete abandonment of any interstate railroad can be effected by the Interstate Commerce Commission. However, if there is on that same line a discontinuance of one train, 2 trains, or a half dozen trains—or of all the trains—with the exception of 1 train there is a jurisdiction which today lies within the State authority.

Under the bill as reported by the committee with respect to intrastate and interstate authority, if the intrastate operation is connected in any way or fashion with the interstate operation all the jurisdiction would be preempted by the Interstate Commerce Commission. Under the amendment proposed to the amendment offered by the Senator from Georgia, insofar as a completely and exclusively intrastate operation is concerned the jurisdiction would remain with the State authority.

Mr. SMATHERS. The Senator is correct.

Mr. PASTORE. Insofar as the interstate operation in any shape or form is concerned, all of the authority on the discontinuance of the line or the discontinuance of even one train would pass from the State authority to the Federal authority. Am I correct in that understanding?

Mr. SMATHERS. The Senator is correct.

Mr. PASTORE. The justification for this, on the part of the able Senator, is the fact that the railroads have suffered such a tremendous loss over past years, and unless we give them authority to discontinue schedules there will have to be more subsidies on the part of the Federal Government?

Mr. SMATHERS. The Senator is correct.

Mr. BRIDGES. Or complete abandonments.

Mr. PASTORE. Or complete abandonments of railroads?

Mr. SMATHERS. Or complete abandonments.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. CARROLL. I raise a question for the distinguished Senator, because it occurs to me that the Boston to Providence line is a lessor line, and the New Haven Railroad is a lessee line. The New Haven travels from Boston to Providence and Providence to Boston. That is pretty much an interstate line in a sense, the Boston to Providence line.

Suppose the New Haven Railroad should say, "It it uneconomical for us to use the line from Boston to Providence. We can go another way. This operation is uneconomic." Would the bill give the full jurisdiction to the ICC for a discontinuance of perhaps a half dozen trains, or one train?

I think it is clear in the record that the ICC has the jurisdiction with respect to the right to abandon. That is the reason I raise this question. I do not know much about eastern railroads, except that I serve on an ad hoc subcommittee looking into the Boston, Providence, New Haven situation.

Mr. PASTORE. Mr. President, will the Senator yield to me so that I may make an observation, and may I again ask the attention of the distinguished Senator from Florida [Mr. SMATHERS]?

Mr. BRIDGES. I yield.

Mr. PASTORE. With relation to the Boston to Providence line, I understand the law today to be that the Interstate Commerce Commission could discontinue the line completely if it found the line to be an unprofitable operation. However, if there were a question of discontinuing 1, 2, or a half-dozen trains, the jurisdiction would be in both public utilities commissioners of the State of Massachusetts and the State of Rhode Island; is that correct?

Mr. SMATHERS. The Senator is correct.

Mr. CARROLL. Does the bill change the existing jurisdiction in any way?

Mr. PASTORE. Yes. The discontinuance of a train would become a Federal jurisdictional matter, rather than a matter for the public utilities administrators of Massachusetts and Rhode Island.

Mr. SMATHERS. On interstate matters.

SEVERAL SENATORS. Vote! Vote!

Mr. BRIDGES. Mr. President, to briefly finish my remarks, I do not believe any Senator present in the Chamber or any thoughtful person in the country wants to see the railroads of this Nation forced into bankruptcy. If the bill can—and there is considerable evidence to show it can—provide an impetus toward a healthier climate for our Nation's railroads, it should be adopted. I again congratulate the committee for forthrightness in bringing the bill forward.

Mr. KEFAUVER. Mr. President, all of us appreciate the great value of our railroads to the Nation, both in peacetime and in wartime.

I think the evidence is fairly well established that a great many railroads are in bad condition and need some assistance. The causes for that situation, the background, and the determination of whose fault it was is not a matter of controversy or interest now. I feel that most citizens want to have the railroads treated fairly, as I do. Most citizens want to be of some assistance to the railroads in enabling them to survive.

I am not a member of the Committee on Interstate and Foreign Commerce, but I have taken the opportunity to study the bill and the report, and, of course, I have received a great deal of correspondence concerning the matter. Generally, I think the committee has done a very good job in carefully preparing a bill which will be of assistance to the railroads which need help and which, at the same time, will protect the public interest.

Many of these provisions should have been adopted. They are fair provisions, even if some of the railroads were not in a sick condition. Some of the provisions are justified under the special circumstances, to enable the railroads to get back on their feet.

My staff and I have prepared a brief analysis of the various sections of the bill, which I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON S. 3778, TO AMEND THE INTERSTATE COMMERCE ACT REGARDING INTERSTATE CARRIERS—SECTION-BY-SECTION ANALYSIS

Section 3: This section concerns the authority of the Interstate Commerce Commission over intrastate rates. In the Interstate Commerce Act the ICC, when it finds that rates, charges, or classifications charged in intrastate traffic cause undue, unjust, or unreasonable discrimination against interstate or foreign commerce, shall prescribe rates, charges, and classifications which will remove the discrimination. The committee report asserts that the attempts to revise these rates by the ICC have been hesitant and have occasioned much delay. Ordinarily the ICC has not taken action until the State regulatory commission has completed action on intrastate rates.

This amendment directs the Commission, upon the filing of a petition by a carrier, to institute an investigation into intrastate rates, etc., whether or not the State commission has studied the matter or has action pending before it, and give special expedition to the hearing and decision therein.

This provision would also add the words "undue burden" to the grounds upon which the ICC may make adjustments in intrastate rates. The ICC would thus be able to adjust intrastate rates when they create an undue, unreasonable, or unjust discrimination against, or undue burden on, interstate commerce. The committee feels this is necessary to more clearly define the grounds for making adjustments, since it is oftentimes impossible under present circumstances to make a showing on which rate adjustments can be justified. It is difficult to see how this addition defines the grounds more clearly; it appears only to expand the discretion of the ICC.

This provision also allows the ICC to make a determination of what constitutes an undue, unreasonable, or unjust discrimination against, or undue burden on, interstate commerce without considering the totality of operations of the carrier within the State. This would allow the ICC to make adjustment of rates without referring to the relation of the rate in question to the carrier's entire State operations. It would eliminate the possibility that a rate could be adjusted only if the carrier's intrastate rate structure as a whole imposed a burden on interstate commerce.

Section 3: Also provides that in any proceeding before the ICC in which the carriers are seeking a general adjustment in rates, the carriers may petition for authority to make comparable adjustments in intrastate rates. If the ICC finds that a general adjustment in interstate rates without a comparable adjustment in intrastate rates would create a circumstance of advantage, preference, or discrimination or burden on interstate commerce, it may make a comparable adjustment in intrastate rates; these adjustments will be observed, any State laws or orders to the contrary notwithstanding.

Section 4: This provision relates to discontinuance of service. It provides that a carrier, after notifying the Commission, the governor of the State and posting other notices to public at least 30 days in advance, may discontinue service to an area. The carrier can discontinue operations unless the ICC issues an order to the contrary, the laws or orders of the State to the contrary notwithstanding. The ICC can prohibit such discontinuance upon beginning an investigation for 4 months and may require the continuation of such service if necessary for public convenience and necessity. State laws or orders remain in effect unless the carriers file with the ICC. The committee feels that the State commissions have been too slow and too unwilling to eliminate costly and unnecessary service, and therefore feels that the jurisdiction should be given to the ICC when discontinuance is applied for in that agency.

Section 5: This is the ratemaking amendment which provides that in proceedings involving competition between different modes of transportation subject to the ICC, the Commission shall consider the facts and circumstances attending the movement of the traffic by the carriers to which the rates are applicable when determining whether a rate is lower than a reasonable minimum rate. Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy in this act.

This is a highly controversial provision and represents a compromise which the truckers, at least, are willing to support. The railroads apparently desired a restriction on the authority of the ICC in this field. The committee did not accept this view which was opposed by all the competing modes of transportation. The committee felt that each mode of transportation should be given opportunity to set rates which reflect the inherent advantages of each, but that the ICC should retain the power to prevent unfair destructive practices. This provision, in effect, would admonish the ICC to allow rate setting which would encourage competition between different modes of transportation, but would prohibit practices which would be destructive and unfair. The committee notes that under this amendment, the principal, although not the exclusive emphasis in ratemaking proceedings between different types of transportation would be on the conditions surrounding the movement of the traffic by the mode to which the rate applies, thus stressing the inherent advantage of each mode.

This amendment is revised from the original Smathers proposal which stated only that the ICC "shall consider the facts and circumstances attending the movement of the traffic by railroad and not by such other mode."

Section 6: Provides assistance to the railroads in obtaining funds to finance or refinance the acquisition or construction of equipment or betterments, in obtaining funds for operating expenses, working capital, and interest on existing obligations. The United States would guarantee loans by private commercial institutions up to $700 million including unpaid interest. The ICC would administer the program, the conditions for participation being that the railroad could not obtain other financing without the guaranty; prospective earnings of the railroad are such that there is a reasonable expectation of repayment; and the applicant carrier is not in need of reorganization of its capital structure. Only $150 million could be used to guarantee loans for operating expenses and interest on obligations. Terms for loans cannot exceed 15 years; no dividends may be paid during the life of the loans; the ICC shall prescribe the security; the authority to guarantee loans would expire December 31, 1960.

The committee considers these loans a palliative to meet the short-range emergent fiscal problems of a few of the major railroads and will be helpful only if taken in conjunction with other long-range constructive programs. It feels this step must be taken to stave off bankruptcy of several of these roads.

Senator LAUSCHE objected to the use of money for paying interest on debt or for operating expenses, asserting that this would be an unjustified boon to the bondholders and a bad precedent.

Section 7: Provides for the creation of a construction reserve fund on which taxes are deferred. The purpose of the reserve fund is to encourage the replacement of physical facilities and for modernization of railroad plant. In computing Federal income tax, a deduction would be allowed equal to the amount in the fund but not to exceed in any 1 year the amount allowed for depreciation by the ICC. Funds could be used only for acquisition of equipment or reduction of debt for equipment obtained after passage of the act. These funds would have to be used in 5 years and any funds plus interest not so used would be subjected to taxation as of the date of deposit in the fund. The committee asserts that this provision is necessary to assist the railroads to maintain operational efficiency. Taxes will be deferred, not forgiven, until the funds are invested in physical plant.

Senator LAUSCHE maintained that this privilege should not be extended to an isolated industry, such as the regulated carriers. If the proposal has merit, he suggested, then all business and industry should be given similar opportunity.

Section 8: This amendment restricts the exemption for motor transportation of agricultural products by providing that such exemption shall not apply to frozen fruits, frozen berries, or frozen vegetables. The committee states that the original exemption contained in the Interstate Commerce Act was intended to aid farmers by relieving them of some of the burdens of regulation and to facilitate movement of agricultural products. This exemption has been extended to commodities having undergone varying degrees of processing and to transportation of them in ordinary commerce. This has had a serious impact on the regulated carriers, and the committee is not convinced that the exemption is helping the farmers, either. This is a first step in reversing the trend toward further exemptions. Motor carriers brought under regulation by this amendment would be entitled to a permit allowing them to continue, under regulation, hauling the same commodities within the same areas or between the same points.

Section 9: This amendment would prohibit any person in commercial enterprise from transporting property by motor vehicle unless such transportation is incidental to and in furtherance of, a primary business enterprise.

This amendment is designed to prevent the use of private, unregulated motor carriers in commercial transportation. These practices usually involve such devices as a private carrier purchasing commodities and then selling them at the other end of the line, when in fact the carrier is actually only transporting the goods similar to a common carrier; or a private carrier transports its own goods to market and then purchases commodities for the return trip in order to avoid an empty haul. These practices, which have been growing, are detrimental to the regulated carriers and should be prohibited, in the committee's opinion. These private carriers also evade the transportation tax in this way.

Other recommendations beyond the scope of the committee's jurisdiction and not in the bill: (1) Repeal of the transportation excise taxes; (2) 20-year depreciation for railroad property; (3) revamping mail transportation legislation; (4) general study of transportation policy by the Senate Interstate and Foreign Commerce Committee.

Mr. KEFAUVER. Mr. President, I have some questions to ask the Senator from Florida with respect to two sections of the bill which give me some concern.

What is the latest provision with reference to the part which State commissions will play in connection with the discontinuance of service? I ask this question because I feel that people in local communities have become accustomed to going to their State commissions in connection with questions relating to railroad service. I am speaking now more about service rather than rates.

We hear a great deal of talk about decentralizing operations, on a States rights basis. I think it is important that local people have available to them some forum before which they can present the pros and cons with reference to proposed discontinuance of service which affects them. I understand that an amendment to section 4 has been informally accepted. I should like to know the present interpretation of section 4, in the light of the amendment which has been accepted.

Mr. SMATHERS. Let me say to the able Senator from Tennessee that we have endeavored to meet the concern which he has so well expressed by an amendment to the amendment originally offered by the Senator from Georgia. His amendment would have stricken the entire section 4.

I understand that since that time the Senator from Georgia has considered the acceptance of an amendment to his amendment, which would leave State public utilities commissions completely in control of intrastate trains, trains which originate within the borders of a State and whose destination is within the borders of the State. The public utilities commission would control such trains, with respect to discontinuance, and so forth, and also the facilities, including the terminals and the depots which serve such intrastate trains.

Mr. KEFAUVER. That question would still be under the exclusive jurisdiction of the State utilities commission; is that correct?

Mr. SMATHERS. That is correct.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. RUSSELL. I am no expert in this field, but the Senator from Florida has suggested language to change the original committee language so as to reserve jurisdiction in the State public utilities commission over all purely intrastate trains.

Mr. SMATHERS. I will go further and say that if it should develop that the language does not accomplish that purpose, in the light of the statements which have been made, we shall endeavor to modify it so as to make the purpose clear.

Mr. RUSSELL. I hope I did not say anything that could be interpreted as questioning the good faith of the Senator from Florida.

Mr. SMATHERS. The Senator knows that frequently we try to draft language which expresses our thoughts, and later it is interpreted in some other way. However, I think we have made the intention clear.

Mr. KEFAUVER. I am glad that an effort is being made to reach a satisfactory compromise. I feel that that would be an improvement. Particularly in connection with the matter of service, so far as intrastate operations are concerned, I think it is an important principle that the local people should have some local agency before which they can go to present their position.

I should like to have the distinguished chairman of the subcommittee, the Senator from Florida, answer another question. This question relates to interstate operations, discontinuances, and rates which come within the jurisdiction of the Interstate Commerce Commission.

It is the policy of the Interstate Commerce Commission, and is the right of the Interstate Commerce Commission, to send hearing examiners into the various communities to enable local people to present their position in their own States, without having to come to Washington. Is that correct?

Mr. SMATHERS. The Senator is correct. That is done frequently.

Mr. KEFAUVER. Does not the Interstate Commerce Commission itself have jurisdiction to divide into hearings groups, to go into the States and hold hearings on these particular matters?

Mr. SMATHERS. The Senator is correct.

Mr. KEFAUVER. I assume it would be contemplated that probably there would have to be more examiners, and probably the Commission itself would have to hold hearings in the various States to a greater extent than it has done in the past. Is that correct?

Mr. SMATHERS. The Senator is correct.

Mr. KEFAUVER. I thank the Senator from Florida.

There is one further provision in the bill with respect to which I had some doubts. It relates to section 5, the rate-making provision. I think the provision has been improved by the language now contained in the bill. I am sure we all feel that every form of transportation has certain advantages. All forms of transportation are entitled to be protected in the economies which they can effect. There are certain benefits in water transportation, truck transportation, rail transportation, and air transportation. We wish to try to be fair to each one of them, so that they can all compete fairly in the public interest.

My question with relation to section 5 is this: A barge line competes with a railroad in all of its services; but a railroad may compete with a barge line only with respect to a very small part of the railroad service.

As I understand section 5, the Interstate Commerce Commission may allow a railroad to make a rate to compete with a barge line, with respect to that part of the system where it does compete with barge lines, on the basis of its out-of-pocket expense, without considering its overhead. The overhead may be made up in that part of its operations with respect to which it does not compete with the barge line.

Is that situation still possible under section 5, or does the language giving due consideration to the objectives of the national transportation policy declared in this act require the railroad to take into consideration a part of its overhead in making its rate to compete with the barge line?

Mr. SMATHERS. Let me say to the Senator from Tennessee that, first, the rate section was one with which we wrestled probably longer than any other. The water carriers were very much opposed to the original language. With respect to the language we now have in the bill, so far as I know they have expressed neither public nor private objection to it. I conclude, therefore, that they feel that they are adequately protected.

Personally, I am of the opinion that they are adequately protected. The testimony before our subcommittee was that they were properly protected, in the light of the fact that in part III of the Interstate Commerce Act, which has to do specifically only with water carriers, we find this language:

> Differences in the classifications, rates, fares, charges, rules, regulations, and practices of a water carrier, in respect of water transportation, from those in effect by a rail carrier, with respect to rail transportation, shall not be deemed to constitute unjust discrimination, prejudice, or disadvantage, or an unfair or destructive competitive practice, within the meaning of any provision of this act.

In other words, they can set their own rates, irrespective of the effect upon other modes of transportation. By the present language we would permit the Interstate Commerce Commission to approve of rates of a given mode of transportation, irrespective of the direct relationship it may have to another mode of transportation, so long as such rates do not result in unfair competitive practices.

Mr. KEFAUVER. We know that in the past some efforts were made by some carriers to reduce their rates on a part of a system where they were competing with a water carrier, with the point in mind of almost eliminating the competition of the water carrier. It was alleged that that might be done in order to get the water carrier out of business, and then to raise rates later, and also making up the losses on some other parts of the system. I am sure that that is not being contemplated under the language of the provision we have been discussing, or that that is the intention of the language.

However, I should like to ask the Senator a question. We know that each form of transportation should have opportunity to make rates reflecting the different inherent advantages each has to offer, so that in every case the public may exercise its choice, cost, and service considered, in the light of the particular transportation task to be performed.

Is it the intention of the subcommittee that nothing should interfere with the public's realizing the beneficial or lower cost of each form of transportation that is offered?

Mr. SMATHERS. The Senator is correct. We do not expect anything to interfere with it. We say in our report that emphasis is placed on the fact that each mode of transportation has an inherent advantage over other modes of transportation. Water carriers, for example, have a certain inherent advantage over any other type of carrier. It is, that a water carrier can carry cargo cheaper in bulk than almost any other type of transportation.

We want the public to be the beneficiary of each mode of transportation, and we ask the ICC to recognize the inherent advantages of the various modes of transportation.

Mr. LAUSCHE. Mr. President, will the Senator yield at that point?

Mr. SMATHERS. I yield.

Mr. LAUSCHE. The report of Senator Wheeler, who was chairman of the committee which wrote the report in 1940, setting forth the principle that each mode of transportation shall enjoy fully its inherent advantages, pointed out that the water carriers at that time were specifically interested in not being deprived of using to the fullest their advantage in being able to carry cargo at low rates. It was on the basis of the arguments made by the water carriers that the declaration of policy was made that all modes of transportation shall be protected, to make certain that the public will enjoy the inherent advantages of each.

I must say to the Senator from Florida and to the Senator from Tennessee that it was the purpose of the subcommittee to carry into effect, through the language used, the identical thoughts expressed by the Senator from Tennessee, that each mode of transportation is to be insured the fullest enjoyment of its inherent advantages in transporting passengers and cargo, to the end that the public shall be served.

Mr. KEFAUVER. I am very happy to have that statement by the distinguished Senator from Ohio, who has given this matter such great and full study. I know it has been on the basis of his statement and that of the chairman of the subcommittee that the water carriers have not, as I understand, raised any objection to section 5 as it is now written. Is that correct?

Mr. LAUSCHE. That is correct. The arguments which were advanced against the definite redeclaration of the policy of the 1940 act were presented primarily by the truckers; that is, they wanted the purposes and the objectives which were originally intended to protect the inherent advantages to be diluted. However, the language used, although it may not seem clear, is definitely intended to redeclare this policy of the 1940 act.

Mr. KEFAUVER. So that the National Transportation Act and the policies with reference to the inherent advantages of each form of transportation—and in order that they may not be impaired—are fully sustained in the pending bill.

Mr. LAUSCHE. That is my belief, that the letter of the bill sustains that purpose, and it definitely has been the intention of the subcommittee, and of the entire committee, I believe, to sustain that objective.

Mr. KEFAUVER. I should like to ask a question of the Senator from Florida. Some people have expressed the belief that under the provisions of section 5 it would be possible for one type of carrier to lower its rate to such an extent that another carrier would not be able to compete fairly on the basis of charging the overhead to that other carrier. There is nothing in the provision contained in section 5, is there, which would enable one carrier to take undue advantage of another carrier, beyond the general policy set forth in the National Transportation Act?

Mr. SMATHERS. No. The answer is no.

Mr. KEFAUVER. I thank the Senator from Florida. The Senator from Florida and his colleagues on the subcommittee deserve a great deal of credit for the careful consideration they have given the pending bill. I must say it is difficult to understand what will happen with reference to some sections of the bill, and I believe it will place a very heavy burden on the Interstate Commerce Commission to make sure that no form of transportation is being unfairly or unjustly discriminated against by virtue of the provisions of the bill.

I am encouraged in my support of the general principles of the bill by an editorial published in a newspaper on which I always rely to take a thoughtful and sound position on matters of public interest. I refer to the Chattanooga Times. In an editorial published a few days ago, the Chattanooga Times discussed the various provisions of the bill, and it comes to the conclusion that it is in the public interest. I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RAILROAD HELP A MUST

The evident prospect that the Senate will follow the House's lead and refuse to repeal the wartime transportation excise taxes on freight and passengers increases the urgency of the so-called Smathers bill to help the railroads.

That such help is needed is overwhelmingly conceded. The complexities are great. But Senator SMATHERS, of Florida, put the problem clearly when he said:

"Times have changed. The public prefers to ride bumper-to-bumper in its own automobiles, and when it doesn't have the time for traffic snarls it rushes to the faster, subsidy-assured airlines. Shippers like the flexibility of trucks rolling over tax-supported highways. And at the same time the Government insists on the railroads being regulated as the monopoly that they were before the advent of the Model-T Ford."

Not only are the Nation's railroads no longer a monopoly. Their situation is that total net working capital has declined from $1.6 billion in 1945 to $396 million at the first of this year. Last year income shrunk an estimated 19 percent from 1956. Passenger traffic continues its decline. Several eastern roads face bankruptcy unless remedies are found for commuter and other problems. Admitted featherbedding practices by some unions have added to costs.

Among other provisions, the Smathers bill, which may come up for Senate action next week, proposes to free the railroads

from some of the severe and outdated restrictions imposed upon them. Guaranteed loans would be made available on a basis similar to that for other modes of transport. Depreciation allowances would be strengthened.

An important, though politically sensitive, provision is for added authority to the Interstate Commerce Commission in matters governing intrastate service as they affect, directly and indirectly, interstate commerce.

If a railroad wants to abandon a consistently unprofitable operation within a State, for example, the St. Louis Post-Dispatch has said: "It is unfortunate that the State commissions are the ones to decide. They are most vulnerable to local pressures. It would, we believe, be an improvement if jurisdiction over all applications to discontinue service were vested in the ICC, as has been proposed in the subcommittee hearings."

The issue here is a difficult one. Improvement in the procedures of the State commissions, with close understanding of the railroads' real problems, would be an ideal solution. If the ICC would use some of the powers it already has, the proposal would be less significant.

There is some valid public belief that the railroads have not adequately explained their obvious indifference to passenger traffic in some instances. On the other hand, Federal curbs often tie their hands.

The Smathers bill should receive general approval as the most feasible means at present of relieving the plight of the railroads. Even more broadly, the whole scope of modern competitive transportation, vital to the Nation, needs to be studied in detail with the railroad situation in mind.

Mr. NEUBERGER. Mr. President, I realize that the Members of the Senate are ready to vote on the proposed legislation, and I shall not take more than a minute or two to express my views.

The Senator from Florida and his colleagues on the subcommittee have rendered a national service in bringing forth the pending bill. I come from a State in which there are many railroad employees and many miles of main-line and branch-line railroads. I realize the concern of not only the employees of the railroads and of the management of those railroads, but also of the communities which the railroads serve.

Our State has been particularly hard hit in the past 4 or 5 years by the recession in the lumber industry. The recession, in turn, has been accentuated by the economic adversity suffered by the railroads. The railroads have had their revenues reduced by the fact that lumber, which is the principal tonnage emanating in our State, has been very sharply curtailed by the throttling of new housing construction, on which the lumber industry is so dependent.

Therefore, for all those reasons, and many others, I believe the Subcommittee on Surface Transportation, headed by the able Senator from Florida [Mr. SMATHERS], deserves a great deal of credit for bringing forth a program which promises to offer relief to the railroad industry and to the whole transportation system in general—although some of us may disagree with certain details of the program.

I should like to ask a question of the distinguished Senator from Florida, who deserves so much credit and approbation for the proposed legislation which is now before the Senate.

Mr. SMATHERS. I am deeply grateful to the junior Senator from Oregon for his characteristic generosity, but it is undeserved. We have a wonderful committee, which has faithfully and loyally worked on the bill: The Senator from Kansas [Mr. SCHOEPPEL], the Senator from Connecticut [Mr. PURTELL], and the Senator from Ohio [Mr. LAUSCHE]. The bill represents the best efforts of all of us.

Mr. NEUBERGER. The Senator from Florida is unduly modest as to his own role, however.

I feel quite certain that the bill will pass the Senate very shortly, perhaps this afternoon. I trust that its passage will not in any way diminish the efforts of the Senator from Florida and his colleagues on the Committee on Interstate and Foreign Commerce to try to bring about the elimination of the 3-percent Federal tax on freight shipments, and the 10-percent Federal tax on travel which, in my opinion, and I am certain in the opinion of the Senator from Florida, have so greatly and devastatingly contributed to the plight in which the railroads find themselves.

The other day the Senator from Florida delivered one of the finest speeches ever made in the Senate on this issue. I simply want to have reassurance from him that he will continue his efforts with respect to the elimination of the freight and travel tax.

Mr. SMATHERS. The Senator from Oregon can be absolutely certain that we shall vigorously continue our efforts in that direction.

Mr. NEUBERGER. I thank the Senator from Florida for that reassurance, which is so comforting.

Mr. LAUSCHE. Mr. President, I regret that I cannot answer in the same tone. In my dissenting views, I recommended to the Committee on Finance the elimination of the 3 percent excise tax on freight shipments, but against the elimination of the 10 percent excise tax on passenger travel. I did so on the basis that the testimony showed that freight shipments were being diverted to private carriers.

Mr. NEUBERGER. And to carriers in Canada.

Mr. LAUSCHE. In order to avoid the payment of the 3 percent excise tax. But nothing in the testimony showed that there was any loss of passenger revenue because of the 10 percent excise tax. So I agreed to recommend the elimination of the 3 percent freight tax, but not the 10 percent passenger travel tax.

Mr. NEUBERGER. I am grateful that the Senator from Ohio has joined in the recommendation to eliminate the 3 percent tax on freight. So far as the Pacific Northwest is concerned—that is the region from which I come—it is the freight tax which is the most onerous. We are farther from our major markets than is any other part of the United States. Therefore, not only does the freight tax hurt the railroads, but it damages every single industry in the Northwest which has to ship its products so far to find markets.

It is my hope that in time we can pass a bill to eliminate the travel tax, as well. But I am grateful to the Senator from Ohio for the position he has taken concerning the elimination of the 3 percent tax on freight.

Mr. LAUSCHE. I did not join in the recommendation to eliminate the tax on travel because I was concerned with the general fiscal problem confronting the Committee on Finance, headed by the Senator from Virginia [Mr. BYRD], and confronting the administration, as well.

Mr. NEUBERGER. If at this session we can legislate to eliminate the Federal tax of 3 percent on freight, which is so bad for the State of the Senator from New Mexico, the Senator from California, and the other Senators from the Western States, I for one, will consider it to be a major advancement for all the industries located west of the Continental Divide.

Mr. POTTER. Mr. President, although I am not a member of the subcommittee which held hearings on the bill, I am a member of the full Committee on Interstate and Foreign Commerce. The full committee held additional hearings on the bill.

I wish to comment on the colloquy which took place a few minutes ago among the Senator from Tennessee, the Senator from Florida, and the Senator from Ohio, concerning the inherent advantages of having a national transportation policy written into the law. I believe it was on my suggestion that the full committee included in the bill language to correspond with the objectives of a national transportation policy. Under that policy, every mode of transportation is included.

Representatives of each mode of transportation testified before the committee that they would be perfectly happy to have their rate sections considered according to the national transportation policy. So in determining a rate, whether it be the rate for trucks, barge lines, or railroads, we stated that it had to be consistent with the national transportation policy.

The hearings on the so-called railroad problem held during this session of the Congress were lengthy and exhaustive in nature. From the statements and the testimony of those who appeared during the course of the hearings it is quite evident that the situation of the railroads is critical, indeed. Moreover, the most recent available data show that further deterioration of a serious nature is continuing right up to the present. How extremely vulnerable the railroads are to downturns in general economic activity, such as that recently experienced, is clearly indicated, for example, by recent and current data on carloading, employment, and earnings.

The conditions which one may observe in the railroad industry are urgent signals of real distress. They merit the most serious concern and obviously require immediate remedial steps. This is particularly evident when it is recognized, as it must be, that the present precarious situation of the railroads has not resulted only from the general economic downturn we have seen in past months. It is not to be expected that general economic recovery alone will suffice to relieve the basic problems which beset the railroad industry and other common carriers as

well. The deterioration of the railroad situation and the transportation situation in general has not actually been so sudden as might appear from developments occurring during the past months of economic recession. The difficulties have been persistent and they are deep-seated; consequently, their circumstances must be taken into account in determining appropriate remedial measures.

All of this has serious implications extending far beyond mere concern for the future of the railroads as such. The railroads are a part of the great transportation industry. They are essential to the Nation's commerce and are vital to the defense of our country. They are, in a word, indispensable.

Thus it is of the utmost public interest that all modes of transportation be preserved and maintained in full vigor as efficient, economical, progressive, and financially sound instrumentalities of transportation. To permit their weakening and decline is to court disaster and the sheerest folly. The gravity of the present situation of the railroads makes it imperative that they be given relief from at least some of the pressures and restrictions to which they are subject; for precarious and threatening as the present situation is, the future holds little promise of improvement unless constructive action is taken to enable them better to help themselves. Should they be allowed to deteriorate to the point where they could no longer adequately and efficiently perform their indispensable task under private ownership and management there could be only one result: Government ownership and operation. That, of course, is unthinkable so long as any alternative remains.

I and my colleagues on the committee believe that positive legislative action by the Congress is necessary in order to stave off an intolerable worsening of the railroad situation. In order to afford an opportunity for improvement in that situation, we have carefully considered a number of suggestions advanced during the hearings for dealing with certain aspects of the railroads' problems. While neither I nor my other colleagues are prepared at this time to endorse all, by any means, or even most, of the suggestions for remedial legislation received, the failure to include in S. 3778 any suggestion or proposal advanced should not be taken as a rejection by me or my colleagues of that suggestion or proposal. I believe, with my colleagues, that there should be action by Congress at once to provide at least a limited measure of relief, and that certain of the more readily apparent inequities and burdens may be alleviated in appreciable degree by means which are clearly constructive and which would effectively benefit the railroads—and to a substantial extent other common carriers as well—without having any unduly adverse effect on competing forms of transportation or the economy and without jeopardizing in any way the interests of shippers or the public generally.

Let me say that the pending bill, S. 3778, does not represent an effort at wholesale or comprehensive overhaul of our transportation policies. I recognize that, in a sense, this is only a patchwork approach, designed to deal in an incomplete and piecemeal fashion with merely a few individual facets of the overall transportation situation which urgently demand immediate action and which are susceptible of it.

Let us not delude ourselves that the limited measures recommended at this time will by any means be a panacea for the many troubles which beset the railroads and other common carriers. No panacea is intended. Many areas of trouble which quite obviously require corrective action will remain for the present untouched, for further consideration and later cure. In certain other areas additional study is needed before it can be determined whether there is or is not justification for the enactment of remedial legislation.

The urgencies of the situation justify immediate action, even though it be limited and incomplete. It is the purpose of the bill, in the interest of immediate action, to provide only a bare minimum of simple and easily understood partial remedies which are directed to readily apparent ills and which are, or should be, noncontroversial.

Mr. CURTIS. Mr. President, will the Senator from Michigan yield?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. POTTER. I yield.

Mr. CURTIS. I concur in much, if not all, of what the Senator has said. In my opinion this proposed legislation is a "must." It is in the interest of every American citizen that the transportation companies continue as taxpaying, private-enterprise operations.

Perhaps the bill is not all it should be, and I would not vouch for the correctness of every detail of it; but in the main I think the bill should be enacted, and I am supporting it.

Mr. POTTER. I thank the Senator from Nebraska.

I think a high degree of statesmanship has been demonstrated by the leaders of all modes of transportation—the railroads, the bus and truck lines, and the airlines—in arriving at a bill which we can support.

Mr. RUSSELL. Mr. President, as I understand the present parliamentary situation, the pending question is on agreeing to my amendment to strike out all of section 4 of the bill.

Objections have been made to the amendments in the nature of perfecting amendments to the text of the committee print of section 4. If those perfecting amendments are agreed to, even though they are not all that I would desire, I shall withdraw my original amendment by way of a perfecting amendment, if I am permitted to do so by the Senate.

So I ask whether the pending question is on agreeing to the amendment to strike the entire section from the bill.

The PRESIDING OFFICER. That is correct; the pending question is on agreeing to the amendment to strike out section 4 of the bill.

A substitute has been discussed, but it has not been offered.

Mr. RUSSELL. Perfecting amendments to the original text would have priority over the amendment to strike out, would they not?

The PRESIDING OFFICER. That is correct.

Mr. RUSSELL. Mr. President, I have another amendment, which I have discussed with the Senator from Florida and the Senator from Ohio. The amendment is with respect to the rather cavalier treatment given in the original bill to the officials of the States.

The effect of the amendment, which I ask to have read at the desk, is to require that the Governor of a State at least shall be notified before proceedings are removed from a State commission, thus invading a field which heretofore has been reserved to the States. I believe the amendment is important, because at least it will give the State commissions an opportunity to appear before the Interstate Commerce Commission and submit a protest.

I do not believe the amendment is controversial, and I ask that it be stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Georgia will be stated.

The CHIEF CLERK. On page 5, beginning in line 10, it is proposed to strike out the words "may, but shall not be required to, file with the Commission," and to insert in lieu thereof the words "shall be required, prior to filing with the Commission, to."

So the text at that point will read:

> Any court or an administrative or regulatory agency of any State shall be required, prior to filing with the Commission, to mail to the Governor—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment which has been submitted by the Senator from Georgia.

Mr. KUCHEL. Mr. President, I certainly think the amendment submitted by the Senator from Georgia is a good one. But I do not understand the parliamentary situation. Has unanimous consent been given to void the ordering of the yeas and nays on the question of agreeing to the original amendment of the Senator from Georgia?

Mr. RUSSELL. No. We are now in the process of perfecting the original text; and it will be necessary to do that before action is taken on the amendment to strike out the entire section.

Mr. KUCHEL. I thank the Senator from Georgia.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment submitted by the Senator from Georgia.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I now submit, and send to the desk, amendments to the original text which were first suggested by the Senator from Florida, and were prepared, I assume, by the Senator from Florida and the committee staff. Of course, the Senate is familiar with the debate on the effect of these various amendments.

The PRESIDING OFFICER. The amendments submitted by the Senator from Georgia will be stated.

The CHIEF CLERK. On page 4, in line 24, after "13a", it is proposed to insert "(1)."

On page 5, in line 3, after the word "interstate", it is proposed to strike out the comma and to insert in lieu thereof "or"; and after the word "foreign", it is proposed to strike out the comma and the words "and intrastate"; and after the word "commerce", it is proposed to strike out the words "or any of them" and the following comma.

On page 5, in line 6, after the word "interstate", it is proposed to strike out the comma and to insert in lieu thereof the word "or"; and to strike out the words "and intrastate", and to strike out the final word "or."

On page 5, in line 7, it is proposed to strike out the words "any of them" and the following comma.

Mr. JAVITS. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I understand that these particular amendments deal with the problem I raised this morning about the sole criterion in regard to "net loss" as a basis for Interstate Commerce Commission action insofar as a train which operates strictly intrastate is concerned, in that it will be removed from Interstate Commerce Commission jurisdiction. Am I correct as to that?

Mr. RUSSELL. Mr. President, I am not familiar with the first part of the Senator's statement with respect to controls; but the aim of the amendments is to remove from what I call the railroad's determination the right to abandon a train or service that is purely intrastate in character.

Mr. JAVITS. I believe I understood the Senator's purpose.

My point—if I may explain it; and certainly I believe it is important to the Senate—is that if the amendments were not added to the bill—of course, I have no doubt that they will be added to it—a railroad would have the right to discontinue a particular train, although it was intrastate, and the Interstate Commerce Commission would have the right to stop it only if the Interstate Commerce Commission could show that the operation of the train represented no net loss. And the purpose of my previous amendment is to try to broaden the criterion for that consideration.

I am trying to spell this out, because I believe it important in terms of the effect on the bill.

Therefore, I so understand the effect of the removal from the bill itself of the jurisdiction in respect to intrastate trains.

But if a train operates from one State into another State, notwithstanding that it is a commuter service preponderantly in only one State, it will nevertheless come under the provisions of this particular section of the bill, even after adoption of the amendments of the Senator from Georgia. Is that correct?

Mr. RUSSELL. That is my understanding of the provisions.

In the course of the debate, I said there is no question as to the constitutional power of Congress to legislate with respect to a train which goes from one State to another State—in other words, a train which crosses State lines. There may be some question as to the wisdom of Congressional delegation of these powers; but there is no question as to the right of Congress under the Constitution to authorize the railroads to discontinue these trains, unless they are stopped by a rule nisi on a motion by the Interstate Commerce Commission.

But I do not think Congress has a right to deal in so cavalier a fashion—and I certainly gravely question the advisability of it—with a purely intrastate operation.

If I may state my views—although I am sure a court would go further to obtain the views of an expert on interstate commerce—let me say that I believe that a train which operates from New York City to Connecticut is subject to the provisions of this law, but one which operates from New York City to White Plains, N. Y., would not be subject to the provisions of this law.

Mr. JAVITS. I thank the Senator from Georgia.

Mr. RUSSELL. That is my construction of the amendments as applied to the problem the Senator from New York has raised.

Mr. JAVITS. Mr. President, at this point will the Senator from Georgia yield to me?

Mr. RUSSELL. I yield.

Mr. JAVITS. I wish to say a word about the amendments. Is the Senator from Georgia willing to have me do so now, or does he prefer that I speak on them later?

Mr. RUSSELL. I am perfectly willing to have the Senator from New York make his statement now. I do not desire to discuss these matters further. I only wish to say that I hope the Senator from Florida and the Senator from Georgia have correctly understood what the amendments would accomplish.

Mr. JAVITS. I thank the Senator from Georgia.

Mr. President, I believe these amendments emphasize exactly what I was seeking to accomplish by means of the amendment I offered previously. I should like to redefine the purpose, so it will be crystal clear. In terms of jurisdiction, as well as in terms of substantive fact, this matter affects every Member of Congress who represents an area in which there is commuter service which is interstate; and I beg all my colleagues to listen closely, because they will hear more about this matter:

Where there is an interstate branch which comes under this section of the bill, the section provides that any railroad may discontinue that service; and the ICC can stop it, says this section, only if it shows that that particular train or branch is not operating at a net loss.

It seems to me this is giving a grant of power which we should not give, and certainly which we do not have any intention of giving.

If there is any doubt about it, I point out that the Senator from Florida [Mr. SMATHERS], the chairman of the subcommittee, said specifically in answer to my question, "Yes; if there is a net loss on the particular operation which is discontinued, then the ICC must permit it to be discontinued."

Under that interpretation, neither the public utilities commission of a State, nor the ICC, if that is to be the criterion, could prevent a discontinuation of any passenger service in the East, from Boston to New York, for instance, or from London to New York. Any line could be operating at a net loss under that standard.

I merely wish to call that matter to the attention of the Senate.

Mr. President, I ask unanimous consent to have incorporated in the RECORD a telegram from the counsel of the Public Service Commission of the State of New York, specially commenting on the amendment which I proposed, and which did not carry, setting forth the situation just as I described it to the Senate.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

ALBANY, N. Y., *June 11, 1958.*

HON. JACOB K. JAVITS,
Senate Office Building,
Washington, D. C.:

The amendment of section 4 of S. 3778 which you propose is addressed to one of the most objectionable features of the present bill. The "net loss" clause. No one knows its meaning. Under ICC accounting principles, however, virtually every passenger facility produces net loss and hence the ICC would be powerless to halt any threatened discontinuance. Your proposal would permit the continuity of essential services. The present bill would not.

The New York commission opposes vesting supervening control of purely local services in the ICC and hence opposes enactment of the section. Nevertheless your proposed amendment is a marked improvement of it.

KENT H. BROWN,
Counsel, Public Service Commission.

Mr. JAVITS. Mr. President, I emphasize that point a little for this reason: Knowing a little about how legislation works, I have no doubt, if my contention is sound, that after reflection and consideration it will have attention, whether it is attention by amendment here or not. Therefore, I think it important to emphasize the matter by way of demonstrating that the amendment offered by the Senator from Georgia does not meet the particular issue I have raised. It may meet it in part, in the sense that it excludes strictly intrastate operations, but operations of commuter service trains, whether they be around Chicago or New York, are interstate, and not intrastate, and are not met by that amendment. The situation could have been met by the amendment I proposed.

Mr. President, I do not propose to take any more time of the Senate on the proposition. If I am right, the mere fact that it has been sharply called to the attention of the Senate and that the record on it is clear, is, to my mind, satisfactory. If I am right, and the situation were not changed, it would be scandalous. Therefore, I want to post that statement to the action on the amendment which has been offered by the Senator from Georgia. If the subcommittee considered the words "net loss" to mean net loss in consideration of the overall

operations of a carrier—something broader than the net loss on the operation being discontinued—the provision might be tolerated and we could live with it.

Personally, I am for taking that jurisdiction out of the State level and putting it in the Federal level. I think we should help the railroads, but in doing it we should not swing the other way too far, and, as a matter of law, and not as a matter of discretion, permit the railroads to discontinue such service, and provide that the ICC cannot stop them, by leaving the language this way, because if the ICC tries to stop it the courts will stop the ICC.

I know the matter will be cleared, but I attempt to make the record clear by presenting my statement on the amendment offered by the Senator from Georgia, which I shall not oppose, and which I think does to some extent help the situation.

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KUCHEL. I do not see the able junior Senator from Florida [Mr. SMATHERS] present on the floor, but I would appreciate it if I might have the attention of the able Senator from Georgia.

Quite aside from the language which would be changed by the amendment of the Senator from Georgia, my reading of the text of this amendment leads me to interpret the amendment in its later language as providing the following procedure, to me unorthodox and questionable: That X Railroad in the Senator's State or in my State would have a choice of jurisdiction if, indeed, it desired to avail itself of jurisdiction at all. X Railroad could, after announcing that it was abandoning a particular train service, have the matter heard before the State regulatory body and pursue such a course to finality in the State courts, and, being deprived of what it believed was its just due under State jurisdiction, could then come to the Interstate Commerce Commission and have a second hearing by the Interstate Commerce Commission. Is that the understanding of the Senator?

Mr. RUSSELL. That would be true as to any interstate operation, but it would not be true as to an intrastate operation. The Senator speaks about a hearing before the Interstate Commerce Commission. On the notifications which are filed with the Interstate Commerce Commission, there is no hearing, unless the Interstate Commerce Commission, within a certain period of time, determines that one should be had. Unless the Interstate Commerce Commission takes affirmative action to stop the railroad's action within a certain period of time, the railroad determines such action.

Mr. KUCHEL. The able Senator is stating, even assuming that his amendment is adopted today, the bill would still provide that the X Railroad, on its own ipse dixit, could determine completely to abandon runs of a certain train, and to that extent the matter would be final, unless the Interstate Commerce Commission took affirmative action and the State utilities commission, acting pursuant to its State constitution and State laws would be powerless to do anything at all.

Mr. RUSSELL. That is my interpretation of this provision. I may say I am not an expert in this field, but I am confident that interpretation is correct. A reading of the provision will indicate that is so. Unless the Interstate Commerce Commission takes affirmative action—I have forgotten the time limit; I think within 30 days—the notification by the railroad is effective.

Mr. KUCHEL. If the able Senator from Georgia agrees with the able Senator from New York, it would mean after an abandonment had been made the Interstate Commerce Commission could not overrule that decision unless it found that there was no net loss in that particular operation. Is that correct?

Mr. RUSSELL. I would not want to undertake to interpret that. I am not sure there would have to be a loss as to that particular operation or whether there would have to be a loss on the overall operation of the service. I have not studied the bill from that angle. I went into the bill from the angle of its constitutionality and its impact on the State regulatory bodies and State commissions. The distinguished Senator from New York can perhaps give the Senator from California a more satisfactory answer because he has studied the question from the standpoint of income. I have approached it from the standpoint of the desire to protect the States in their control over local matters.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KUCHEL. Yes. If there is anything in the record which bears on the telling question which the Senator has raised as to what is meant by the phrase "net loss," as used on page 6, I think it will be helpful to have that pointed out.

Mr. JAVITS. The Senator from Florida left us in no doubt. I asked the question. He stated, in answer, that "net loss" refers to net loss on the particular operation sought to be discontinued. After he had said that and sat down, I again argued for my amendment and pointed out this was the whole ball game, that this was what we were talking about. He says it is so, and therefore we should correct it.

Mr. KUCHEL. Mr. President, I said earlier today I want to help the railroads of America, but the Senate and the Government of the United States must consider the public interest. I simply do not agree that the manner in which the amendment is written, even after the proposal of the Senator from Georgia is adopted, represents the interests of the public.

Mr. RUSSELL. Mr. President, let me say to the Senator from California that I am far from happy about the language. I try to be realistic about legislation. My original proposal was to strike the section from the bill. I have had some little familiarity with similar problems in the past, and I know something about the extent of the negotiation which has gone on between constituents and Members of this body with respect to the proposed legislation.

I determined at an early date that if I could get a quarter loaf from this situation it would be the part of wisdom to accept it. I have come out of it with that quarter loaf, which consists of the right of the States to control purely intrastate operations.

There is much in the bill and in the section of the bill we are discussing of which I do not approve. I decided it was better to salvage a quarter loaf than to lose everything.

Mr. KUCHEL. I thank the very able Senator from Georgia. I support his proposal, but I shall object to the original provision of the bill even as it will be amended by the modification of the Senator from Georgia.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a letter from the Public Utilities Commission of California dated May 29, 1958.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PUBLIC UTILITIES COMMISSION,
STATE OF CALIFORNIA,
May 29, 1958.

Hon. THOMAS H. KUCHEL,
Member of the Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KUCHEL: Your attention is respectfully called to S. 3778 and H. R. 12486, which latter bill is a companion bill to S. 3778. These bills, now pending in the Congress, would amend several sections of the Interstate Commerce Act.

This Commission is particularly concerned over the provisions of sections 2, 3, and 4 of S. 3778, which would greatly extend the present authority of the Interstate Commerce Commission over purely intrastate operations of the railroads and completely nullify the authority of the several States to regulate intrastate rates and service.

This Commission recognizes the essentially unitary character of the railroads and the desirability of consistent nationwide regulation. We are convinced, however, that sections 2, 3, and 4 of this bill go much further than necessary to accomplish this objective and would make it quite impossible for State commissions to effectively protect even the most vital local interests. Indispensable commuter service could be abandoned, for example, without any public hearing. So could any other service or facility.

We believe it to be feasible to develop legislation by which cooperation between the Federal and State regulatory agencies can be so perfected that the advantages of uniformity will be combined with the advantages of State participation in the solution of those problems which have great impact on the welfare of the State and its people. Particularly in California, because of the vast area of the State and the consequent significance of transportation in its economic development, it is essential that State authorities, with their special interest in and information about local problems, should retain a measure of authority and responsibility.

We urge, therefore, that you use your best efforts to eliminate sections 2, 3, and 4 of the said bill, if the bill is to be enacted into the law.

Very truly yours,

PETER E. MITCHELL,
President.

Mr. CARROLL. Mr. President, I desire to commend the very able Senator from Georgia for giving us an opportunity to vote for this bill. I think I would have opposed the bill had it not been for the amendment offered by the Senator from Georgia.

Mr. President, I have received a telegram from the Public Utilities Commission of the State of Colorado, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DENVER, COLO., *June 2, 1958.*

JOHN CARROLL,
Senator from Colorado,
Senate Building, Washington, D. C.

Strongly protest portions bill S. 3778 as relates to section 13 making ICC powers more complete over intrastate rail rates and giving ICC original jurisdiction over intrastate rail service. Proposed act would usurp State functions, open door for discriminatory rates and ruinous competition. Would also permit abandonment of passenger field that is purely local problem. Urge your determined opposition.

RALPH C. HORTON,
JOHN P. THOMPSON,
JOSEPH F. NIGRO,
Commissioners, the Public Utilities Commission of the State of Colorado.

Mr. CARROLL. Mr. President, the telegram vigorously protests portions of the bill. It is felt that the bill would usurp State functions, open the door for discriminatory rates and bring about ruinous competition, as well as permitting the abandonment of a passenger field which is purely a local problem.

I suggest to the very able and distinguished lawyer, the Senator from Florida [Mr. SMATHERS], that the comments of the junior Senator from New York [Mr. JAVITS] are very pertinent. The record is clearly made with regard to the bill. I think we have to pay attention to the matter, because there can be a net loss and thereafter the abandonment of a railroad line which may affect the public interest.

I associate myself with the fine argument made by the distinguished Senator from Georgia [Mr. RUSSELL]. The bill is not all that we desire, but it can go forward so that we can give the relief which seems to be necessary for the railroads of this country.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendments offered by the Senator from Georgia.

The amendments were agreed to.

Mr. RUSSELL. Mr. President, in view of the statements I have made heretofore, and the action taken by the Senate, I now ask unanimous consent of the Senate to withdraw my original amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The yeas and nays have been ordered.

Mr. RUSSELL. Mr. President, in view of the fact that the yeas and nays have been ordered on the amendment, it is necessary to ask unanimous consent to withdraw the amendment. The amendment is out of my custody and is in the custody of the Senate. If the Senate grants my unanimous-consent request to withdraw the amendment, the order for the yeas and nays will fall of its own weight.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none; and, without objection, the amendment is withdrawn.

Mr. BEALL. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 18, beginning with the world "shall" after the single quotation mark on line 6, it is proposed to strike out all language down to and including the word "and" on line 9 of page 18.

Mr. BEALL. Mr. President, the purpose of the amendment is to keep the frozen fruits and vegetables under the Department of Agriculture and to exempt them from the provisions of this bill. It is necessary to do this, Mr. President, because frozen vegetables and fruits are very often sold and shipped in less-than-carload lots. Sometimes shipments are as small as 1,000 or 2,000 pounds at a time. It is not practicable or profitable for these items to be shipped in carload lots. They are joined with other shipments in smaller trucks.

I hope the amendment will be agreed to.

Mr. SMATHERS. Mr. President, I completely sympathize with the problem which has been presented by the able junior Senator from Maryland. It is a problem which was also raised by the senior Senator from Maryland in the committee. We wrestled with the problem to see if we could provide some relief, but the wisdom of the subcommittee and the full committee was that we had better hold our ground.

Briefly, the reason we oppose the amendment is that if we accede to the wishes of the Senator from Maryland we shall be giving to the frozen fruit and vegetable people an advantage over the concentrate people and canners, which we do not believe anybody is entitled to have. It was the wish of the committee that we retain the language, with all deference to the Senator, and I hope the Senate will reject the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

Mr. PROXMIRE. Mr. President, I hesitate very much to speak on the amendment or on the bill. I do so only because I think it is vitally necessary for the record to be complete. I have the hearings before me. The Department of Agriculture, the Department of Commerce, the Farm Bureau, the Farmers' Union, the National Grange, and the National Council of Farmers' Co-ops all indicated they opposed any change in the language of the present law of the kind the bill provides, and therefore it would seem to me on any kind of interpretation of their position they would support the amendment offered by the Senator from Maryland.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maryland.

The amendment was rejected.

Mr. BEALL. Mr. President, I should like to ask the chairman of the subcommittee a question.

It is my understanding that the intent of section 8 (a) of the bill is to exempt such items as deviled crab and what is known as "imperial crab," crab cakes, hard shell crabs, fish with sauce or prepared for food, or fish frozen and shipped ready for serving. Is my understanding correct?

Mr. SMATHERS. The Senator is correct. We kept those items in the exempt status.

Mr. BEALL. I thank the Senator.

Mr. NEUBERGER. Mr. President, I offer an amendment to the bill (S. 3778) which I discussed earlier with the able Senator from Florida, the chairman of the subcommittee [Mr. SMATHERS].

My amendment would amend lines 6, 14, and 20 on page 6, in section 4, by inserting the word "or" between the words "train" and "ferry" and striking the words "station, depot or other facility."

The essential purpose of the amendment is to leave these particular items under State jurisdiction, as they are at present.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 6, it is proposed to amend lines 6, 14, and 20 of section 4 by inserting the word "or" between the words "train" and "ferry" and striking the words "station, depot, or other facility."

Mr. SMATHERS. Mr. President I will accept the amendment, with the understanding that it will be the subject of a conference which we anticipate will ultimately result.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. NEUBERGER].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared relating to Senate bill 3778.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMATHERS

During the past month or so, some newspapers and magazines carried the now-familiar advertisement with the provocative tag line: "If the railroads didn't exist, we'd have to invent them."

This ad was designed to flash an image across the mind—briefly but vividly—of the paralysis which would result to our Nation if the railroads were suddenly whisked away.

I am sure those advertisements succeeded very effectively in what they set out to do. For it is clearly impossible to visualize the 20th century as we know it without the network of steel which is both its body skeleton and its central nervous system.

Without the railroads, there could be no quantity movement of heavy goods and con-

sequently a stagnation of commerce. The great span of continent between the Atlantic and the Pacific would be chopped up into economic principalities and no doubt into different governments.

Each section would be walled up naturally within itself, living on its own limited resources and supplying its own needs as best it could.

Perhaps now, without the rails which bound us into one insoluble union and with trucks and airlines just now coming into their maturity, we might be discussing tentatively the revolutionary concept of an economic union. This Congress might be meeting, as a convention of ambassadors, to consider ways of removing restrictions on trade.

Such is the image that leaps to mind, when we think of what would have happened without railroads (before the advent of trucks and airplanes).

However, there is an ironic aspect to this fantasy. If there were no railroads to this day or if they were still in the process of being built, we would at least be freed of certain preconceptions which today work against intelligent reform of our transportation system.

To a great extent, modern efforts to meet the changing conditions in the railroad industry have had to contend against the dead weight of the past.

This is true, equally in the board rooms of the major railroad companies and in the opinion-making forums of the Nation. You have only to wander through the reading room of any major library in the United States to find how considerable is the body of literature, created near the turn of the century, in which the railroads appear as a villainous monster, dwarfing the economy.

But those days are gone. However, it is difficult to erase their memory. Generations have been nourished on this lore, and minds resist weaning from comfortable long accepted tradition.

There are still railroad men who shy away from fact and dream fondly of glories that are past. And regretably, too, there are still some among the public who would punish the railroads for the sins of old, who would have us put chains on the shadow of a colossus which is dead.

But the memories of 1890 ought not to influence the deliberations of 1958.

The choice before us is not between Federal regulation or arrogant monopoly. That decision was made irrevocably in 1887 when railroads were first put under regulation.

Today the threat is not monopoly—but, strangulation of a vital part of the Nation's transportation system.

The choice now is between a transportation industry operated under the traditional system of free enterprise, with its safeguard of decentralized control—and Government ownership or complete Government direction.

The evidence before our committee showed conclusively that the railroads are a sick and declining industry. The Government must either take them over or we the Congress must help them to help themselves.

There is no third choice. This is the common verdict of 20th century experience.

In nation after nation, the declining transportation industry has been the first—or among the first—to succumb to State control. I don't know how it strikes others, but it sends a cold chill down my spine to recall Mussolini's proud boast that, "I have made the railroads run on time."

This discomforting fact is that today the United States is the only major Nation that still has a privately owned system of railroads.

Lacking the warning—and therefore the opportunities which remain to us—each of the nations in Europe has long since been forced to nationalize its railroads. Even on our own continent, Canada has had to place all of its railroads, except the Canadian-Pacific, under state ownership.

I think we are agreed that nationalization is not the answer which commends itself to Americans.

The crisis has been developing for some time. It was already well into an advanced stage when the Surface Transportation Subcommittee of the Committee on Interstate and Foreign Commerce announced its studies last November.

Railroad carloadings had steadily declined. Employment was falling precipitously 5,800 a month for 5 years. Railroad bond and stock issues were going begging. Orders for new equipment had been temporarily suspended. Maintenance work had dropped below the safe minimum.

Today—June 1958—conditions in the railroad industry are, if anything, worse—though it scarcely seems possible. The general recession has something to do with it—of course, but there is, in fact, cause to believe that the present recession is at least as much a railroad recession as it is a general recession.

The subcommittee began hearings in January on what we termed the deteriorating railroad situation. The hearings took 3 months. There was testimony from 110 witnesses.

Six months have gone by since the hearings began. And today the deteriorating situation has further deteriorated.

It is not a pleasant story to tell. I refer to our report, section on need for action for statistics and factual administration.

Our hearings produced two fundamental facts—which were restated or reiterated in one form or another by virtually every witness be he railroad man, or shipper, or expert, or representative of competing mill.

First, a basically healthy railroad system is absolutely essential to the defense and to the economic vitality of this Nation. Railroads are the backbone of our national transportation system which includes motor trucks, airlines, buses, and water carriers.

Second, there can be no doubt whatsoever that America's railroads are—without significant exception—in worsening financial condition. Defense Department witnesses, other Government spokesmen, consumers, and shippers—even the railroads' competitors—all were agreed: The railroads are essential and they are in trouble.

IMPORTANCE OF THE RAILROADS

To be sure, the railroads are not a very glamorous form of transportation.

But considering all costs, they remain far and away the cheapest means of transporting goods or equipment overland.

Railroads can haul a ton of freight 1 mile for less than a cent and a half. The cost on competitive forms of transportation ranges from 5 cents to more than 12 cents per ton-mile.

The average freight train is manned by a crew of five and carries a net load of 1,400 tons. To move the same volume by motor freight would require approximately 140 trucks and 140 drivers.

It costs roughly 6 cents to move a ton of freight 1 mile by motor carrier. That is four times the ton-mile cost of railway carriage. And it requires nearly three times as much fuel—obviously a matter to be considered in case of national emergency.

Research in the Army War College has revealed that Germany's collapse in World War II may be traced in part to der fuehrer's excessive faith in the total sufficiency of motor transportation.

Hitler had the notion that a streamlined network of "autobahnan" and "auto-strassen" or motor roads would do a better job for Germany than would railroads.

He launched a campaign to convert the German people to use of the motor instead of the rail. Deep in that odd and twisted brain of his, Hitler was already preparing for the war which he alone knew was coming.

It seemed quite plausible—even logical. But it turned out to be a fatal mistake.

Once the war began, Germany's thirst for gasoline became insatiable. It was a relatively easy matter for the Allies to shut off the major lines of fuel supply. Stocks were quickly exhausted, and before long Hitler's magnificent roads and his fleets of automotive equipment were utterly useless.

Had Hitler relied to a greater extent on Germany's railroads, his military position, we are told, would have been far stronger. Railroads are the backbone of any national transportation system—a fact, I might add, which the Russians clearly understand.

They are putting their major emphasis on development of a complete automated railway system—and already, although they are far behind us in track mileage, they are carrying more freight on their railroads than we are able to move on ours.

Low-cost, high-volume service—such as only the railroads can provide—is without question the cornerstone of defense production.

Consider the remarkable job that the railroads did during World War II in response to national need. From 1939 to 1944 the railroads more than doubled freight traffic. They increased passenger service fourfold. In both cases the increases were accomplished with only modest additions of manpower, equipment, and fuel.

At subcommittee hearings Defense Department representatives testified that during World War II the Government called upon the railroad industry to carry 90 percent of all military freight and to handle more than 97 percent of all personnel movements.

Without belaboring the obvious, I think it is clear that the railroads are equally important to agriculture and industry. They carry the bulk of the agricultural products of the Midwest and South to the consuming areas of the Nation. They transport the products of industry from the East to the West and from the North to the South.

SERIOUSNESS OF THE RAILROADS' FINANCIAL PLIGHT

Approximately 40 years ago the railroads transported three-fourths of all intercity ton freight traffic. Today they carry less than half this traffic—report 70 percent in 1929, 30 percent today.

The resulting loss of revenue has made it harder for the railroads to modernize and thus to effect cost savings.

A National City Bank of New York chart shows net return on investment of 73 industries—rails next to last.

Today one of the witnesses during the subcommittee hearings testified that for 1958 the rate of return on net investment to the country's class I railroads would probably not exceed 2.9 percent.

Consequently, the railroads are finding it increasingly difficult to attract investors.

Lacking both revenue and investment capital, the country's major railroads are today faced with a serious shortage of funds which must be available to meet current operating costs.

Just 3 years ago the class I railroads had net working capital amounting to $938 million. By the end of last year, they had only half this amount.

This is about what it takes the railroads to operate for just over 2 weeks.

Today, the situation has become so serious that a couple of larger eastern carriers are afraid they may, at any time, have to skip a payroll.

The effect such drastic action would have on local communities and on individual families, on the general economy, would be nearly catastrophic.

In February 1957 class I railroads realized a $47.5 million profit, but in February 1958 the same railroads lost $10.7 million.

The task before us is to arrest this decline and give to this important segment of

our transportation industry a new breath of economic oxygen.

It is imperative that we not delay.

No doubt there are many among us who dislike the idea of subsidizing the railroads, no matter how briefly. What ought we to say about the subsidies which we give, through foreign aid, to socialized transportation systems abroad?

The Miami Herald reported recently that we have handed out $1.3 billion in such aid, including $220.8 million to Italy, part of which was used to construct a mile-long marble and glass railroad station which is as big as the New York, Chicago, and Cleveland terminals combined.

We subsidize foreign transportation on the ground that it is essential to the common defense and to the economies of our allies.

Can we do less for our own national economy, for our own national safety?

I am hopeful that the Senate, in its wisdom, will see fit to accept our recommendations and enact S. 3778.

The hour is late and becoming later all the time.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared concerning my views on the transportation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

I take this occasion to state my own support for S. 3778. The distinguished junior Senator from Florida [Mr. SMATHERS] and the other members of the Senate subcommittee and committee which have labored long and successfully on this legislation deserve the warmest congratulations.

The railroad industry is essential to our national economy. Its modernization and effective operation, the provision of competitive ratemaking, the possibilities for greater employment and better service, and other significant provisions of this bill, are important to the health and well-being of our entire country.

It has been a particular pleasure for me to work with the distinguished junior Senator from Florida. I am grateful to him for taking into consideration the views of many of my own constituents which I have communicated to him. I am glad to support this bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be printed at this point in the RECORD a statement prepared by the Senator from South Carolina [Mr. THURMOND] with reference to Senate bill 3778, which is about to be voted on.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR S. THURMOND WITH REFERENCE TO S. 3778

The railroad bill which we are considering is essential for the continued existence of our rail transportation. I do not believe that anyone could doubt that our railroads are in a perilous position, and that we must take action that will permit the railroads to improve their economic health.

It is only because of the drastic condition of the railroads that I can bring myself to support this measure since it embodies a substantial increase in authority for the Interstate Commerce Commission over intrastate rates and services. The Russell amendment as amended, in my opinion, did much to delete the objectionable features of section 4, with respect to intrastate services. I am delighted that this amendment was agreed to. Section 3 with regard to intrastate rates is still embodied in the bill, however. I feel very strongly that as a matter of principle, Federal regulation should be decreased in all fields rather than increased. Responsible action at the State level can never be fostered and encouraged by additional Federal regulation. The State agencies are closer to, and better acquainted with, the problems of intrastate transportation, and I am convinced that the State agencies are, therefore, better equipped to regulate intrastate carriers in the public interest.

Only the urgency of the situation as shown during the hearings before the Surface Transportation Subcommittee could command my support of legislation containing the provisions of section 3 of this bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act may be cited as the "Transportation Act of 1958."

SEC. 2. Section 1 of the Interstate Commerce Act, as amended, is amended (1) by inserting in subparagraph (a) of paragraph (2) thereof, after the word "aforesaid" and before the semicolon following that word, the words "except as otherwise provided in this part" and (2) by striking out the period at the end of the proviso in subparagraph (a) of paragraph (17) thereof and inserting in lieu thereof the following "and except as otherwise provided in this part."

SEC. 3. (a) The first sentence of paragraph (4) of section 13 of the Interstate Commerce Act, as amended, is amended to read as follows:

"(4) Whenever in any such investigation the Commission, after full hearing, finds that any such rate, fare, charge, classification, regulation, or practice causes any undue or unreasonable advantage, preference, or prejudice as between persons or localities in intrastate commerce on the one hand and interstate or foreign commerce on the other hand, or any undue, unreasonable, or unjust discrimination against, or undue burden on, interstate or foreign commerce (which the Commission may find without considering in totality the operations or results thereof of any carrier, or group or groups of carriers wholly within any State), which is hereby forbidden and declared to be unlawful, it shall prescribe the rate, fare, or charge, or the maximum or minimum, or maximum and minimum, thereafter to be charged, and the classification, regulation, or practice thereafter to be observed, in such manner as, in its judgment, will remove such advantage, preference, prejudice, discrimination, or burden: *Provided*, That upon the filing of any petition authorized by the provisions of paragraph (3) hereof to be filed by the carrier concerned, the Commission shall forthwith institute an investigation as aforesaid into the lawfulness of such rate, fare, charge, classification, regulation, or practice (whether or not theretofore considered by any State agency or authority and without regard to the pendency before any State agency or authority of any proceeding relating thereto) and shall give special expedition to the hearing and decision therein."

(b) Section 13 of the Interstate Commerce Act, as amended, is amended by inserting after paragraph (4) thereof a new paragraph (5) as follows:

"(5) In any proceeding before the Commission involving an investigation of or authorization or permission for a general adjustment in rates, fares, or charges, or any of them, of carriers subject to this part for the transportation of property or passengers, or both, in interstate commerce throughout, or substantially throughout, the United States, or 1 or more of the 3 major rate classification territories thereof (official, western, or southern), any such carrier or carriers parties thereto may by petition seek authority or permission of the Commission for a comparable adjustment of rates, fares, or charges for the transportation of like property or passengers wholly within an individual State or individual States. If, in such proceeding, the Commission finds (as it is hereby authorized to do) that authorizing or permitting an adjustment in interstate rates, fares, or charges without authorizing or permitting a comparable adjustment in intrastate rates, fares, or charges would cause, or create a circumstance of, advantage, preference, prejudice, discrimination or burden declared in paragraph (4) of this section to be unlawful, the Commission shall, incident to any adjustment it may authorize or permit in such interstate rates, fares, or charges, authorize or permit a comparable adjustment in such intrastate rates, fares, or charges. Pursuant to such authorization the said carrier or carriers, upon making any adjustment so authorized or permitted by the Commission in such interstate rates, fares, or charges may without further authority make a comparable adjustment in such intrastate rates, fares, or charges, and adjustments so made in intrastate rates, fares, or charges shall be observed while continued in effect by the said carrier or carriers, the law of any State or the decision or order of any State authority to the contrary notwithstanding."

SEC. 4. The Interstate Commerce Act, as amended, is amended by inserting after section 13 thereof a new section 13a as follows:

"SEC. 13a. A carrier or carriers subject to this part, if their rights with respect to the discontinuance or change, in whole or in part, of the operation or service of any train or ferry engaged in the transportation of passengers or property in interstate or foreign commerce, or of the operation or service of any station, depot or other facility where passengers or property are received for transportation in interstate or foreign commerce, are subject to any provision of the constitution or statutes of any State or any regulation or order of (or are the subject of any proceeding pending before) any court or an administrative or regulatory agency of any State, shall be required prior to filing with the Commission to mail to the Governor of each State in which such train, ferry, station, depot, or other facility is operated, and post in every station, depot, or other facility directly affected thereby, notice at least 30 days in advance of any such proposed discontinuance or change. The carrier or carriers filing such notice may discontinue or change any such operation or service pursuant to such notice except as otherwise ordered by the Commission pursuant to this section, the laws or constitution of any State, or the decision or order of, or the pendency of any proceeding before, any court or State authority to the contrary notwithstanding. Upon the filing of such notice the Commission shall have authority during said 30 days' notice period, either upon complaint or upon its own initiative without complaint, to enter upon an investigation of the proposed discontinuance or change. Upon the institution of such investigation, the Commission, by order served upon the carrier or carriers affected thereby at least 10 days prior to the day on which such discontinuance or change would otherwise become effective, may require such train or ferry to be continued in operation or service, in whole or in part, pending hearing and decision in such investigation, but not for a longer period than 4 months beyond the date when such discontinuance or

change would otherwise have become effective. If, after hearing in such investigation, whether concluded before or after such discontinuance or change has become effective, the Commission finds that the operation or service of such train or ferry is required by public convenience and necessity and that such operation or service will not result in a net loss therefrom to the carrier or carriers and will not otherwise unduly burden interstate or foreign commerce, the Commission may by order require the continuance or restoration of operation or service of such train or ferry, in whole or in part, for a period not to exceed 1 year from the date of such order. The provisions of this section shall not supersede the laws of any State or the orders or regulations of any administrative or regulatory body of any State applicable to such discontinuance or change unless notice as in this section provided is filed with the Commission. On the expiration of an order by the Commission after such investigation requiring the continuance or restoration of operation or service, the jurisdiction of any State as to such discontinuance or change shall no longer be superseded unless the procedure provided by this section shall again be invoked by the carrier or carriers."

SEC. 5. Section 15a of the Interstate Commerce Act, as amended, is amended by inserting after paragraph (2) thereof a new paragraph (3) as follows:

"(3) In a proceeding involving competition between carriers of different modes of transportation subject to this act, the Commission, in determining whether a rate is lower than a reasonable minimum rate, shall consider the facts and circumstances attending the movement of the traffic by the carrier or carriers to which the rate is applicable. Rates of a carrier shall not be held up to a particular level to protect the traffic of any other mode of transportation, giving due consideration to the objectives of the national transportation policy declared in this act."

SEC. 6. The Interstate Commerce Act, as amended, is hereby amended by inserting immediately after section 20c thereof the following new section:

"SEC. 20d. (1) It is the purpose of this section to aid common carriers by railroad subject to this part in rendering proper transportation service to the public by providing temporary financial assistance to them in obtaining funds to finance or refinance the acquisition or construction of equipment or additions and betterments for use in transportation service and in obtaining funds needed for operating expenses, working capital, and interest on existing obligations, all to the end of fostering the preservation and development of a national transportation system adequate to meet the needs of the commerce of the United States, of the postal service, and national defense.

"(2) In order to carry out the purpose declared in this section, the Commission, upon terms and conditions prescribed by it and consistent with the provisions of this section, may guarantee any lender, or trustee under a trust indenture or agreement for the benefit of the holders of any securities issued thereunder, by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made for the purposes set forth in this section, except that there shall be no guarantee of a loan to be used in reduction of the principal of an obligation other than in connection with the refinancing of an equipment obligation: *Provided*, That in no event shall the aggregate of all loans guaranteed by the Commission, including unpaid interest, exceed $700 million, of which no more than $150 million may be loans for operating expenses and interest on existing obligations.

"(3) Any such carrier may, prior to December 31, 1960, make application to the Commission, in such form as the Commission may prescribe, requesting guaranty by the Commission as herein authorized and setting forth the amount and term of the loan to be guaranteed; the purpose of the loan and the use to which the proceeds therefrom will be applied; the inability of the applicant to obtain such funds on reasonable terms without such guaranty; the character and value of the security, if any, that the applicant will pledge as collateral for the loan; and that the loan is necessary or appropriate to effectuate the purpose of this section. The application shall be accompanied by statements showing in detail such facts as the Commission may require with regard to the situation of the applicant. The Commission shall give preference to and expedite the consideration of any such application.

"(4) No guaranty shall be made under this section—

"(A) unless the Commission is of the opinion that the proposed loan is necessary or appropriate to effectuate the purpose of this section;

"(B) unless the Commission is of the opinion that without such guaranty the applicant carrier would be unable to obtain necessary funds, on reasonable terms, for the purposes for which the loan is sought;

"(C) if the loan involved is at a rate of interest which, in the judgment of the Commission, is unreasonably high, or if the terms of such loan permit full repayment more than 15 years after the date thereof;

"(D) unless the Commission is of the opinion that the prospective earning power of the applicant carrier, together with the character and value of the security pledged, if any, furnish reasonable assurance of the applicant's ability to repay the loan within the time fixed therefor and reasonable protection of the United States.

"(E) unless the Commission is of the opinion that the applicant carrier is not in need of reorganization of its capital structure.

"(F) unless the applicant carrier agrees that it will declare no dividends on its capital stock as long as the loan remains unpaid.

"(5) The Commission may consent to the modification of the provisions as to rate of interest, time of payment of interest or principal, security, if any, or other terms and conditions of any guaranty which it shall have entered into pursuant to this section, or the renewal or extension of any such guaranty, whenever the Commission shall determine it to be equitable to do so.

"(6) Payments required to be made as a consequence of any guaranty by the Commission pursuant to the provisions of this section shall be made by the Secretary of the Treasury from funds hereby authorized to be appropriated in such amounts as may be necessary for the purpose of carrying out the provisions of this section.

"(7) The Commission shall prescribe and collect a guaranty fee in connection with each loan guaranteed under this section. Such fees shall not exceed such amounts as the Commission estimates to be necessary to cover the administrative costs of carrying out the provisions of this section. Sums realized from such fees shall be deposited in the Treasury as miscellaneous receipts.

"(8) (a) To permit it to make use of such expert advice and services as it may require in carrying out the provisions of this section, the Commission may use available services and facilities of departments and other agencies and instrumentalities of the Government, with their consent and on a reimbursable basis.

"(b) Departments, agencies, and instrumentalities of the Government shall exercise their powers, duties, and functions in such manner as will assist in carrying out the objectives of this section.

"(9) Administrative expenses under this section shall be paid from appropriations made to the Commission for administrative expenses.

"(10) Except with respect to such applications as may then be pending, the authority granted by this section shall terminate at the close of December 31, 1960: *Provided*, That its provisions shall remain in effect thereafter for the purposes of guaranties made by the Commission."

SEC. 7. (a) Clause (6) of subsection (b) of section 203 of the Interstate Commerce Act, as amended, is amended by striking out the semicolon at the end thereof and inserting in lieu thereof a colon and the following: "*Provided*, That the words 'property consisting of ordinary livestock, fish (including shellfish), or agricultural (including horticultural) commodities (not including manufactured products thereof)' as used herein shall include property shown as 'Exempt' in the 'Commodity List' incorporated in ruling numbered 107, March 19, 1958, Bureau of Motor Carriers, Interstate Commerce Commission, but shall not include property shown therein as 'Not exempt': *Provided further, however*, That notwithstanding the preceding proviso the words 'property consisting of ordinary livestock, fish (including shellfish), or agricultural (including horticultural) commodities (not including manufactured products thereof)' shall not be deemed to include frozen fruits, frozen berries, or frozen vegetables and shall be deemed to include cooked or uncooked (including breaded) fish or shellfish, when frozen or fresh."

(b) Unless otherwise specifically indicated therein, the holder of any certificate or permit heretofore issued by the Interstate Commerce Commission, or hereafter so issued pursuant to an application filed on or before the date on which this section takes effect, authorizing the holder thereof to engage as a common or contract carrier by motor vehicle in the transportation in interstate or foreign commerce of property made subject to the provisions of part II of the Interstate Commerce Act by paragraph (a) of this section, over any route or routes or within any territory, may without making application under that act engage, to the same extent and subject to the same terms, conditions, and limitations, as a common or contract carrier by motor vehicle, as the case may be, in the transportation of such property, over such route or routes or within such territory, in interstate or foreign commerce.

(c) Subject to the provisions of section 210 of the Interstate Commerce Act, if any person (or its predecessor in interest) was in bona fide operation on January 1, 1958, over any route or routes or within any territory, as a common, contract, or exempt carrier engaged in the transportation of property by motor vehicle made subject to the provisions of part II of that act by paragraph (a) of this section, in interstate or foreign commerce, and has so operated since that time (or if engaged in furnishing seasonal service only, was in bona fide operation on January 1, 1958, during the season ordinarily covered by its operations and has so operated since that time), except in either instance as to interruptions of service over which such applicant or its predecessor in interest had no control, the Interstate Commerce Commission shall without further proceedings issue a certificate or permit, as the case may be, authorizing such operations if application therefor is made to the said Commission as provided in part II of the Interstate Commerce Act and within 120 days after the date on which this section takes effect. Pending the determination of any such application, the continuance of such operation without a certificate or permit shall be lawful. Any carrier which on the date this section takes effect is engaged in an operation of the character specified in the foregoing provisions of this paragraph, but

was not engaged in such operation on January 1, 1956, may under such regulations as the Interstate Commerce Commission shall prescribe, if application for a certificate or permit is made to the said Commission within 120 days after the date on which this section takes effect, continue such operation without a certificate or permit pending the determination of such application in accordance with the provisions of part II of the Interstate Commerce Act.

SEC. 8. Subsection (c) of section 203 of the Interstate Commerce Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "nor shall any person in any other commercial enterprise transport property by motor vehicle in interstate or foreign commerce unless such transportation is incidental to, and in furtherance of, a primary business enterprise (other than transportation) of such person."

Mr. BRICKER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. SMATHERS. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the joint resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes.

MAJ. GEN. JOSEPH WILLIAM KELLY

Mr. CAPEHART. Mr. President, I assume most Senators are aware that the gentleman who has been a fine friend of all of us, Maj. Gen. Joseph William Kelly, Director of Legislative Liaison for the Air Force, will leave us in July to assume new and greater responsibilities as another step in what has been a very distinguished military career.

Gen. Joe Kelly, as we all know him, will become commanding officer of the Air Proving Ground Center, Air Research and Development Command, at Eglin Field, Fla.

I know that all Senators will be as happy as I am for this promotion. At the same time, I am just as sure that all will be as sorry as I am to see Joe Kelly leave our midst.

Mr. President, it is a matter of great personal pride with me that General Kelly is a fellow Hoosier. He was born at Waverly in Morgan County, Ind., was graduated from the Martinsville, Ind., High School, and for a year attended DePauw University at Greencastle, Ind., before entering United States Military Academy in July of 1928.

That was the beginning of a brilliant military career which took General Kelly to many parts of the world. General Kelly had a very distinguished record in World War II and in the Korean war.

It was a fortunate thing for the Congress when General Kelly, in August of 1953, was assigned as Director of Legislative Liaison. He has done an outstanding job through his very excellent staff and I simply want to say to him through these remarks that he has our heartiest congratulations and best wishes for the future.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES, 1959

Mr. SMATHERS. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1714, House bill 12428, a bill making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for 1959.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 12428) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Florida that the Senate proceed to the consideration of House bill 12428.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 12428) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be considered as original text for the purpose of amendment, and that points of order shall not be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments of the Committee on Appropriations agreed to en bloc are as follows:

On page 3, line 19, after the word "aids," to strike out "$100,000,000" and insert "$102,000,000"; on page 4, line 2, after the word "exceed," to strike out "$3,000" and insert "$4,000", and in line 4, after the word "exceed", to strike out "$5,000" and insert "$6,000."

On page 4, line 10, after "(22 U. S. C. 1131)", to strike out "$650,000" and insert "$1,000,000."

On page 6, line 10, after the word "chauffeurs", to strike out "$1,646,000" and insert "$1,692,500: *Provided*, That, hereafter, Senate delegates to Conferences of the Interparliamentary Union shall be designated by the Presiding Officer of the Senate."

On page 7, at the beginning of line 3, to strike out "$1,500,000" and insert "$1,950,000."

On page 9, line 4, after the numerals "1944", to strike out "$750,000" and insert "$1,000,000."

On page 12, line 22, after the word "amended", to strike out "$20,800,000" and insert "$30,800,000"; in line 23 after the word "than", to strike out "$6,750,000" and insert "$8,750,000", and on page 13, line 1, after the word "exceed", to strike out "$1,387,500" and insert "$1,766,607."

On page 18, line 21, after the word "ammunition", to insert "attendance at firearms matches", and on page 19, line 12, after the words "Attorney General", to strike out the colon and *"Provided further*, That, hereafter the compensation of the Commissioner of the Immigration and Naturalization Service shall be $20,000 per annum."

On page 20, line 9, after "(5 U. S. C. 341f)", to strike out "$32,800,000" and insert "$33,707,000."

On page 27, line 19, after "section 3041", to strike out "$4,925,000" and insert "$4,995,000: *Provided*, That $70,000 of the foregoing amount shall be immediately available."

On page 28, line 5, after the word "case", to strike out "$2,950,000" and insert "$3,000,000", and at the beginning of line 7, to strike out "$12,000" and insert "$15,000."

On page 28, line 15, after the word "elsewhere", to strike out "$925,000" and insert "$975,000."

On page 32, line 10, after the word "organizations", to strike out "$97,000,000" and insert "$100,000,000"; in line 13, after the word "States", to insert "and of which sum not less than $650,000 shall be available by contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency radio programs to Latin America, Western Europe, Africa, as well as other areas of the Free World, which programs shall be designed to cultivate friendship with the peoples of the countries in those areas, and to build improved international understanding", and in line 22, after the word "exceed", to strike out "$75,000" and insert "$135,000."

On page 35, line 6, after the numerals "1956", to strike out "$6,000,000" and insert "$6,821,000", and in line 8, after the word "of", to strike out "$25,000" and insert "$50,000."

Mr. JOHNSON of Texas. Mr. President, there is before the Senate a report covering all of the items in this bill. The overall facts can be stated simply and quickly.

The overall amount recommended by the committee is $588,717,113. This is under the budget estimate by $567,898 and over the House figure by $17,994,500.

The division of this sum between the Department of State, the Department of Justice, the Judiciary, and related agencies is set forth in the report. I wish to make only a few brief comments.

In arriving at our recommendations, the committee sought to apply only one test. It was whether a sum was adequate to do the job required for the safeguarding of the security of the United States.

I believe most of us are aware of an elementary fact. It is that in this very uncertain and troubled world, our first line of security is the personnel of the Foreign Service.

We are not dealing here with the men who must fight the physical battles in event of war. But we are dealing with men and women who must succeed in their daily tasks lest other Americans be faced with the necessity of armed conflict.

In this situation, it seemed to us that we should neither pinch pennies nor scatter dollars to the winds. We must act as prudent men who realize that a certain amount of effort and a certain amount of money must be spent to reach our goals.

It has been my observation that by and large the members of the Foreign Service are dedicated people. They perform difficult tasks under exacting circumstances.

They are not entitled to any more credit than other Americans who are equally dedicated and who perform equally exacting tasks. But neither are they entitled to any less credit.

And they are certainly entitled to the tools that are needed to do the job.

The committee has not allowed all the recommendations of the State Department. We cut the item for salaries and expenses $3 million below the budget estimate.

But there were some items upon which we granted the full amount. And there was one item which we increased because we were convinced that the best interests of our country called for a substantial increase.

On the latter item, I am referring to our recommendation of $30,800,000 for international educational exchange activities. According to responsible testimony, this is one of our most effective foreign policy programs.

In this field, the facts are quite simple. It has been demonstrated that our most effective good will ambassadors are people of foreign lands who have an opportunity to come to this country and observe America for themselves.

This is a country where we have nothing to hide—nothing to conceal. We have our faults. But they are faults which are human and which are understandable.

We hope this program can be expanded—particularly in Latin America. We hope that the Department of State will make the best possible use of foreign credits and currencies that are available.

This is a program which has proven its benefits to the people of our country. It should be encouraged.

We have also recommended the full sum asked by the Budget Bureau for representation allowances. This is an issue which I believe should be met head on without any effort to conceal or hide the facts.

The total recommended for this item is $1 million. This amount would be spread among Foreign Service officers at 80 diplomatic missions and 200 consular posts abroad.

This sum will not permit any lavish entertainment. Nor will it lead to wild spending which is unchecked by any independent audit.

All of the money must be spent on the basis of a voucher. All of the vouchers are subject to audit by the General Accounting Office—an agency noted for its detailed scrutiny.

Every grown man who has had experience in the business world is aware of the fact that some social entertainment is essential to the operation of any flourishing business. Private industry, almost without exception, sets aside some of its funds for that purpose.

I think it is just as important that we sell America as that we sell soap.

We can, if we wish, avoid this issue. We can, if we wish, withhold funds which are granted to the diplomatic representatives of almost every other country in the world.

But if we do, we must resign ourselves to a foreign service composed of men of independent means—without regard to their skill in the field of foreign policy.

I think most Americans are fair-minded. I think they want their diplomatic representatives to have the same dignity and the same standing as the diplomatic representatives of other nations.

The money we are recommending for this purpose is inadequate by most standards. But it is a step forward that should be taken.

There is very little that need be said at this point about other provisions of the bill. The committee, of course, stands ready to answer any questions and to clear up any points which may not be fully explained in the report.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Massachusetts.

Mr. SALTONSTALL. First of all, I wish to commend the chairman of the subcommittee for the very careful work he has done on the pending bill. While I am a little disappointed on several matters relating to the State Department, I hope that the bill will be adequate and satisfactory. I should like to ask a question for the purpose of clarifying the record. On page 4 of the committee report, under the heading "International Contingencies," the report states:

> There is no provision made in the committee's recommendation for any costs growing out of possible meetings of heads of state or foreign ministers.

If my memory serves me correctly—and I should like to have the statement of the chairman of the subcommittee in confirmation—that statement was placed in the report to make it clear that the amounts we recommended did not include any amount for a meeting of heads of state; however, the committee took no position as to whether there should be or should not be such a meeting. The language means, simply, that if there is such a meeting, there would have to be a supplemental appropriation made for that purpose. Is that a correct statement?

Mr. JOHNSON of Texas. The distinguished Senator from Massachusetts, as usual, is correct, and his memory is correct with respect to what the committee did and its reasons therefor. It was felt that it would be presumptuous on the part of the subcommittee to recommend the appropriation of money for a meeting which had not been agreed upon. If such a meeting is agreed upon, and it is found that a fund is necessary for such a meeting, we will expect the State Department to ask Congress for it, and I would expect that Congress would act favorably on such a request.

Mr. SALTONSTALL. I thank the Senator.

Mr. JOHNSON of Texas. I wish to express my deep appreciation to the Senator from Massachusetts and to the Senator from Illinois [Mr. DIRKSEN], and to all the minority Members for their dedication to service, as demonstrated by their attendance at the hearings and by their helpfulness to me in bringing the bill to the floor of the Senate.

For the Department of Justice, we recommend an increase of $907,000 over the House figure. This deals solely with the care and custody of Federal prisoners.

An additional prison camp is essential to permit outdoor work projects to help relieve overcrowding of facilities in the Southwest. Some $707,000 would be set aside for this purpose.

The committee recommends $100 million for the salaries and expenses of the United States Information Agency. We also recommend $4,750,000 for the acquisition and construction of radio facilities.

The committee has also approved an increase in the limitation for the Agency's representation allowances to the requested amount of $135,000, as compared with the $75,000 approved by the House. In addition, the committee has approved an amount of $650,000 to be utilized for contracts with private radio licensees. Testimony on the effectiveness of the operation of station WRUL in broadcasting into Latin America was most persuasive, as was the evidence presented urging that the activities of this station be enlarged in Latin America and expanded to the continent of Africa. Accordingly, the committee has recommended an increase of $300,000 for contracts with radio licensees over the amount allowed by the Congress for fiscal 1958.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senator will permit me to do so, I should like to complete my statement. Then I shall be glad to yield for detailed questioning.

In this connection, I should like to comment that the committee was favorably impressed by the testimony of the Agency's Director. He displayed in his testimony a knowledge of the problems faced by the USIA.

He also displayed a realistic awareness of the proper relationship between a nation's foreign policy and the necessary explanation of that policy.

In the vernacular, he realizes that a saleman must have something to sell. He made quite an impression on the committee, and as a result of his testimony I believe the committee dealt very reasonably with this Agency.

Mr. President, I hope this measure will receive the favorable consideration of the Senate.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DWORSHAK. I share the sentiments just expressed by the chairman of the subcommittee that the United States Information Agency is undergoing a reappraisal of its program, under the leadership of the new Director, and that we may hope for some beneficial changes. However, the report of the committee provides $3 million more than the House figure and about $8.5 million more than the amount which was available in this fiscal year for that agency.

In view of the uprisings which occurred in many countries during the past year, when libraries of the United States Information Agency were destroyed, and expressions and demonstrations of anti-Americanism were indulged in, does the chairman of the subcommittee have some reasonable assurance that the increase in funds will be used to good advantage, and that some of the inept policies which have been followed by this agency in the past will be corrected?

Mr. JOHNSON of Texas. No. I should like to look upon the world of tomorrow as one which will be free from any troubles, and in which there will be no anti-Americanism. However, I am fearful that the picture will be considerably bleaker than that.

Nevertheless, I have confidence in the Director of this Agency. I think we have supplied him with reasonable tools with which to deal with the problem he faces. I think if we pass the appropriation as recommended to the Senate, Ambassador Allen will get value received for the dollars he spends, and that he will do a good job.

I do not know that he will correct all the mistakes which may have been made in all the fields in which we have been dealing. I do not know that he can overnight make us popular throughout the world. It may be that we shall have to engage in a little introspection and reevaluating. But I do say something which I could not say when I last presented the request of the United States Information Agency on the floor of the Senate, and that is that the testimony this year with respect to every item in the bill was adequate, was thorough, and was freely given; and when it could not be spelled out in detail immediately, the witnesses asked for a few minutes until they could gather the facts. Then they presented them to the committee.

Before the hearings started, the Director conferred with the chairman of the subcommittee and said, "The sky is the limit, so far as questions are concerned. If there is anything you want to know about this Agency, we will tell you about it." I have never been more impressed with the candor or frankness of any witness than I was with the Director of the United States Information Agency.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. HUMPHREY. I wish to compliment the Senator from Texas on his great work in preparing this important appropriation bill.

Mr. JOHNSON of Texas. I thank the Senator from Minnesota.

Mr. President, I point out that there are approximately a thousand fewer employees in the Agency than there were last year. I think the Director read the testimony given in the hearings before our committee last year and also the statements made on the floor of the Senate. Months before the appropriation was presented, he had followed the suggestions made by several Members of Congress.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DWORSHAK. I heard much of the testimony presented by Mr. Allen.

Mr. JOHNSON of Texas. I know the Senator did. I appreciate his attendance and his cooperation.

Mr. DWORSHAK. I was equally impressed by his candor and his apparent knowledge of the extensive program of the USIA. I recall that a year ago the chairman of the subcommittee was very insistent that corrections be made and was quite critical of the then Director of the USIA. I feel certain that much good was accomplished by pointing out some of the inherent weaknesses in the operations of the USIA during the past several years.

If there has been an improvement, and if the chairman of the subcommittee will maintain his thorough interests in seeing to it that Mr. Allen makes the needed improvements, we can look forward to many innovations which, I think, will prove most beneficial in combating some of the anti-Americanism which exists in many countries today.

Mr. JOHNSON of Texas. I thank the Senator from Idaho for the undeserved credit he gives me. I must share it with every member of the subcommittee, of which the distinguished Senator is a member. Our action last year was unanimous on both sides of the aisle. Whenever we needed information, we tried to get it. Finally, we acted upon the information we had, as we saw it. I do not say that everything we did was correct, but I believe we have brought before the Senate a good and effective bill. I think that if our colleagues in the House will accept some of the amendments we have made, we will have provided the funds which are needed to deal adequately with the very important services for which they are intended.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I commend the majority leader for the splendid work he has done in bringing this appropriation bill before the Senate with the amounts which are contained therein. Personally, I am particularly happy that, as a result of the advent of Mr. Allen as the head of the United States Information Agency, the committee has renewed its confidence in that Agency and has undertaken to increase its appropriation.

It has been my good fortune to have seen some of the work of that Agency, particularly in Italy, although in several other countries, too. But I think it is fair to say that the type of employee which that Agency has—frequently newspaper reporters of considerable experience—is sometimes better able to get at the grassroots of the views and sentiments of the country to which they are accredited, particularly through their exchanges of views with other reporters, in a way which is not so easily done by members of the State Department. I feel very strongly that this is an Agency which deserves the support of Congress.

I am happy to see that the committee has increased, modestly, to be sure, but nonetheless significantly, the appropriations voted by the House. I am particularly happy, as I know the majority leader is aware, about the action of the committee in increasing representation allowances, because the chairman was kind enough to afford me the opportunity to appear before his committee when that matter was under consideration.

Mr. JOHNSON of Texas. The Senator from Pennsylvania gave us very excellent testimony. We always welcome his suggestions.

Mr. CLARK. I thank the Senator. I hope that when the time comes to confer with the House, the Senate conferees will stand firm on the increase in those allowances, which, to my way of thinking, are very important in order to keep the position of the United States abroad at a level where our representatives can really do their work effectively.

I congratulate the chairman of the subcommittee, my good friend, the majority leader, upon what seems to me to be a statesmanlike and mature job. I hope that the conferees will be able to hold the position of the Senate when the bill reaches the conferees of the other body.

Mr. JOHNSON of Texas. I assure the Senator from Pennsylvania that we will present the Senate's position as effectively as we possibly can.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I must say for the majority leader that the bill has had a very vigorous and at once a very circumspectly fair hearing. I believe I was in attendance at most of the sessions.

Mr. JOHNSON of Texas. The Senator from Illinois was in attendance.

Mr. DIRKSEN. I think I attended all of them last year. I think I know some of the difficulties we had with the United States Information Agency. I share and associate myself with the comment made by the chairman of the subcommittee with respect to the improvement in the USIA and its Administrative Director.

I think the majority leader will agree that it is never easy to measure, in terms of dollars, the impact of functions which come before us in the appropriation bill for the State Department and for the United States Information Service. The impact, of course, is abroad. How to evaluate it from the Nation's capital, unless one is out in the field, is never easy to do. But I believe we have done what is reasonable. I believe this is a well-rounded bill.

There were some items I would have increased slightly; but I am not unhappy about the overall result.

So I compliment the distinguished Senator from Texas for a job well done.

Mr. JOHNSON of Texas. I thank the Senator from Illinois.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 12428) was read the third time and passed.

Mr. DIRKSEN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the motion of the Senator from Illinois to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate insist on its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MORTON in the chair) appointed Mr. JOHNSON of Texas, Mr. ELLENDER, Mr. HAYDEN, Mr. FULBRIGHT, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. HICKENLOOPER the conferees on the part of the Senate.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1715, Senate bill 3974.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare.

PROGRAM FOR CONSIDERATION OF THE SPACE AND ASTRONAUTICS BILL

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Earlier in the day, was unanimous consent of the Senate given to my request for authority to file a report on the space bill following the session of the Senate today?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, I desire to announce that sometime in the next few days, after that bill and the hearings on it are available, I shall confer about it with the distinguished minority leader. I plan to have the bill brought up by motion at an early date. I do not know just when that will be; but I shall give advance notice to the minority leadership.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas has the floor.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, before moving that the Senate adjourn, I should like to announce that tomorrow, following the morning hour, we expect to have a quorum call, and then to have the Senate proceed to general debate on the labor bill, which now has been made the unfinished business.

We expect to have the session tomorrow continue until late in the evening; and I hope that we may be able to dispose of some amendments to the bill.

I like to think that it will be possible for the Senate to complete its action on the bill on Friday. We expect the session on Friday to continue until a rather late hour in the evening, unless action on the bill has been completed at an earlier hour. I would say that Senators should be prepared to be present until 10:30 or 11 p. m. on Friday.

If action on the bill is completed on Friday, I would not request that a session be held on Saturday. But if action on the bill is not completed on Friday, then I expect to have a session held on Saturday, and to have the session continue until a late hour, until final action is taken on the bill.

We expect to have consideration of that bill followed by consideration of the atomic energy bill, on which there is a deadline. That measure is a very important piece of proposed legislation.

In addition, there is a tax bill which will be reported by the Finance Committee; and there is a deadline on it.

Today, the House of Representatives passed the trade bill; and there is a deadline on it.

There are also a number of appropriation bills on which we must act before June 30.

So I should like to have all Senators on notice that there is a strong possibility that the Senate will be in session from Monday through Saturday every week between now and the end of the session, with the exception of the weekend of the 4th of July; and there will be evening sessions whenever it will be possible to make any progress by holding them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, pursuant to the order previously entered, I move that the Senate now stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 17 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, June 12, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 11, 1958:

UNITED STATES DISTRICT COURT OF GUAM

Eugene R. Gilmartin, of Rhode Island, to be United States judge for the District Court of Guam for the term of 8 years, vice Paul D. Shriver, term expired.

CIRCUIT COURTS, TERRITORY OF HAWAII

William Z. Fairbanks, of Hawaii, to be second judge of the first circuit, circuit courts, Territory of Hawaii, for a term of 6 years. He is now serving in this office under an appointment which expires August 20, 1958.

UNITED STATES ATTORNEY

Paul W. Cress, of Oklahoma, to be United States attorney for the western district of Oklahoma for the term of 4 years. He is now serving in this office under an appointment which expires August 3, 1958.

UNITED STATES MARSHALS

The following-named persons to the positions indicated:

Charles Swann Prescott, of Alabama, to be United States marshal for the middle district of Alabama for a term of 4 years. (Reappointment.)

Jay Neal, of Arkansas, to be United States marshal for the western district of Arkansas for a term of 4 years. (Reappointment.)

William C. Littlefield, of Georgia, to be United States marshal for the northern district of Georgia for a term of 4 years. (Reappointment.)

William A. O'Brien, of Pennsylvania, to be United States marshal for the eastern district of Pennsylvania for a term of 4 years. (Reappointment.)

Harry R. Tenborg, of North Dakota, to be United States marshal for the district of North Dakota for a term of 4 years. (Reappointment.)

COLLECTOR OF CUSTOMS

Bligh A. Dodds, of New York, to be collector of customs for customs collection district No. 7, with headquarters at Ogdensburg, N. Y. (Reappointment.)

IN THE COAST GUARD

The following-named person to be a lieutenant commander in the United States Coast Guard:

Theodore S. Pattison, Jr.

The following-named persons to be chief warrant officers, 4-2, in the United States Coast Guard:

William H. Blaylock, Jr.
William P. East
Leroy F. Bent
Perry Christiansen
Lester W. Willis
Jay E. Law

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the regular corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be surgeon

Jose L. Silva

II. FOR PERMANENT PROMOTION

To be senior assistant dental surgeon

Edward M. Campbell

IN THE REGULAR ARMY

The following-named officers for appointment in the Medical Service Corps, Regular Army of the United States, in the grades specified under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Miller, James Ball, O1547403.
Nolan, Patrick Theodore, O1639873.
Smith, Orne Douglas, O1541288.
Watson, Bascomb Rannell, O1894517.

To be majors

Drotning, Theodore Benedik, O2049871.
Hoffman, Edgar Franklin, O453820.

To be captains

Fels, Robert Donovan, O2048912.
Greene, Philip Densmore, O954242.
Grimes, Cecil Herrin, O1917802.
Kilby, Albert Brown, O1057484.
McCauley, James Edward, O1546536.
Medcalf, Rex Mercer, O1703983.
Mueller, Louis Carl, O2263874.
Swieter, Kenneth Luverne, O1545192.
Williamson, Robert Luther, O996661.
Wright, Dallas Porter, O978863.

To be first lieutenant

Walker, Richard William, Jr., O2273987.

To be second lieutenant

Halladay, Robert Joseph, O4077064.

The following-named officers for appointment in the Judge Advocate General's Corps, Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, section 3292, and Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Haefele, Joseph Lynn, O284499.
Marmon, Thomas Carlyle, O875208.

To be majors

Rogers, William Thomas, O1305114.
Wofford, Ralph Webb, O1845374.

The following-named officers for appointment as chaplain in the Regular Army of the United States, in grades specified, under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be majors

Goss, Charles Allan, O540376.
Hunt, Frederick Olen, Jr., O1101506.
Krug, Clement Peter Joseph, O522387.
Lam, Alfred Paul, O434979.
Underwood, Carmah Curfew, O527992.
Waldie, Thomas Edward, O514642.

To be captains

Brady, John Charles, O996290.
Brady, Lawrence Kennedy, O997021.

The following-named persons for appointment in the Women's Army Corps, Regular Army of the United States, in the grade specified, under the provisions of title 10, United States Code, section 3311, and Public Law 737, 84th Congress, subject to physical examination required by law:

To be captains

Long, Alice Agnes, L117528.
McWilliams, Bonnie Jean, L1010490.

The following-named officers for appointment in the Regular Army of the United States in the grades specified under the provisions of Public Law 737, 84th Congress, subject to physical examination required by law:

To be lieutenant colonels

Collins, Charles Everett, Jr., O313943.
Temme, George Henry, Jr., O375407.

To be majors

Arnold, Edwin Yates, O380581.
Cordes, Walter Frederick, O1577045.
Hipp, Macon Alexander, O363711.
Kellogg, James Payson, O1299574.
Lutjens, Paul Richard, O888449.
Munroe, Donald Allison, O1041404.
Panisnick, George Gregory, O455737.
Schvaneveldt, Clyde Joseph, O425760.

To be captains

Askin, Henry Warren, O1305178.
Bolak, Aloysius, O1876313.
Bradley, Wrag Erickson, O1919293.
Conley, Richard Hopkins, O1295673.
Eggers, John Frederick, O2100281.
Frye, Wayne Eugene, O1688411.
Hylton, Alvin Roy, O2102869.
Jansen, Frank Joseph, O1052830.
Kouten, James Joseph, O998354.
Lawing, Clarence Edward, O1101542.
Leach, Charles Robert, O967285.
Madsen, Charles Gordon, O2266265.
Miller, Amory Atwater, Jr., O549051.
Moore, Sterlin Clifton, O453557.
Richie, Howard Mouzon, O424993.
Saylor, Paul, O2028950.
Toulme, Clarence Victor, Jr., O2026559.
Young, Robert Peter, O1948085.

To be first lieutenants

Luling, Charles Henry, 3d, O2021274.
Puckette, Cecil Logwood, O4001670.
Shugart, Henry Gerald, O4011980.
Walters, Howard Corey, Jr., O1341202.
Williams, James David, O1939604.

To be second lieutenants

Barber, Harry Kenneth, O4044997.
Bell, Charles Stuart, O4035822.
Bruce, William Arthur, O4048301.
Champlin, William Arthur, O4046067.
Chapman, Donald Gary, O4059169.
Chase, Charles Richard, O4056848.
Conneely, Martin Francis Xavier, O4045308.
Courtney, Guy Clifford, O4059141.
Davison, William Harris, O4053197.
Eddy, Burton Anderson, O4041336.
Foley, Michael Joseph, O4036117.
Gannon, Edwin Wals, O4010787.
Grann, Richard Arthur, O4064207.
Herlik, Querin Edward, O4041610.
Hoke, Richard Vernon, O4004346.
Hunter, Clarence Frederick, O4018250.
Kakazu, Yoshiaki, O4040100.
Kelley, Horace Stanley, Jr., O4059170.
King, Charles Murray, O4075853.
Kovarik, David Frank, O2202363.
Maidment, Richard Charles, O4048044.
May, Richard Lee, O4059328.
Medina, Othon, Jr., O4049126.
Moore, William Alexander, O4044887.
Munster, Conrad Harold, O4051876.
Murphy, Charles Thomas, O4024807.
Neely, Joe Edd, O4059194.
Newbill, James Price, O4045276.
O'Connell, Maurice Patrick, O4051402.
Ohlemueller, William Adam, O4042094.
Praides, John Peter, O4039645.
Rabdau, James Louis, O4074318.
Rehberger, Arthur John, O4057730.
Richey, Wayne Burts, O4062693.
Rosenberg, Theodore Roy, O4052979.
Sellers, Douglas Jackson, Jr., O4029057.
Sharron, Paul Arthur, O4035540.
Sheriff, Robert Merle, O4031367.
Sullivan, Daniel Denis, O4056439.
Turain, George Anthony, O4052056.
Vye, George Dennis, O4049771.
Walsh, James Patrick, O4039014.
Wheeler, Lester McFarland, O4044825.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 11, 1958:

UNITED STATES JUDGE FOR THE DISTRICT OF GUAM

Eugene R. Gilmartin, of Rhode Island, to be United States judge for the district court of Guam for the term of 4 years, vice Paul D. Shriver, term expired.

POSTMASTERS

Justus A. Gibson to be postmaster at Mount Carmel in the State of Illinois.

Thomas D. McManus to be postmaster at Channelview in the State of Texas.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 11, 1958

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Nahum 1:7: *The Lord is good, a stronghold in the day of trouble.*

Eternal God, our Father, we thank Thee for the many material and spiritual blessings with which Thou art daily enriching and gladdening our lives.

May we never doubt Thy greatness and goodness but always look unto Thee with faith and confidence.

We humbly confess that in the hurry and rush of modern life we so frequently forget Thee and yield to worry and anxiety.

Grant that in the thought and toil of this day we may be strengthened and sustained by Thy divine grace.

Give us courage for hard circumstances, light when we go through dark valleys, and that peace which passeth all understanding.

To Thy name we ascribe all the praise. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 7261. An act to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia; and

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes.

The message also announced that the Senate has passed, with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 624. Joint resolution making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is

requested, a bill of the House of the following title:

H. R. 12540. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLAND, Mr. ELLENDER, Mr. MAGNUSON, Mr. STENNIS, Mr. JOHNSON of Texas, Mr. PASTORE, Mrs. SMITH of Maine, Mr. BRIDGES, Mr. KNOWLAND, Mr. THYE, and Mr. POTTER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 135. Joint resolution providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses.

THE FORGOTTEN MEN OF 1958

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the committee bill for extension of reciprocal trade for 5 years contains only a faint and slender hope for the one major American industry which has twice qualified for relief under the escape clause, without obtaining that relief. I speak of the depressed lead and zinc industry of the United States.

For 4 years now I have been telling the hard-hit lead and zinc miners and smelter workers of Oklahoma, "Seek your statutory relief under the escape clause, and give this law a chance."

Twice the industry has gone to the Tariff Commission, since 1953.

Twice the Commission has unanimously found that it is being injuriously disturbed by foreign imports, and is in need of relief under the escape clause.

The lead and zinc industry still seeks the relief the law says it is entitled to, but to the unemployed workmen of the industry, the escape clause and reciprocal trade have become mocking and empty symbols of their frustration.

The one faint hope held forth by the committee bill—that Congress might override continued Executive rejection by a two-thirds vote—could evaporate into thin air if the President announced a decision before signing this bill. Then no Congressional veto could be in order until a new case had been made before the Commission—which would mean at least 6 more months of unemployment and bankruptcy in America's lead and zinc industry. These miners are apparently the forgotten men of this 1958-extension bill.

Mr. Speaker, this failure by the committee to recognize a manifest and intolerable injustice under the program makes it impossible for me to support this bill.

The Congress has an obligation to make the escape clause meaningful, or to provide a substitute for it.

That obligation, in my opinion, is not discharged in this bill.

CALL OF THE HOUSE

Mr. WALTER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Auchincloss	Dorn, N. Y.	Powell
Breeding	Gregory	Radwan
Buckley	Griffiths	Robeson, Va.
Christopher	Jenkins	Shelley
Clark	Kearney	Shuford
Danton	Lafore	
Dies	Morris	

The SPEAKER. On this rollcall 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF TRADE AGREEMENTS

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12591, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, all time for general debate on the bill had expired. Under the rule, the bill is considered as having been read for amendment.

No amendments are in order to the bill except the amendments offered by direction of the Committee on Ways and Means or an amendment proposing to strike out all after the enacting clause and insert in lieu thereof the text of the bill, H. R. 12676. Such amendments shall not be subject to amendment.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Trade Agreements Extension Act of 1958."

Sec. 2. The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), is hereby extended from the close of June 30, 1958, until the close of June 30, 1963.

Sec. 3. (a) Subsection (a) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a)), is amended as follows:

(1) Paragraph (2) (A) is amended by striking out "January 1, 1945" and by inserting in lieu thereof "July 1, 1934".

(2) Paragraph (2) (D) is amended by inserting "and before July 1, 1958," after "June 12, 1955,".

(3) The last sentence of paragraph (2) (D) (ii) is amended by striking out "section 402 of this act (as in effect" and inserting in lieu thereof "section 402 or 402a of this act (as in effect, with respect to the article concerned,".

(4) Paragraph (2) is amended by adding at the end thereof the following new subparagraph:

"(E) In order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the rates provided for in paragraph (4) (A) of this subsection."

(5) Paragraph (3) (A) is amended (A) by striking out "of subparagraphs (B) and (C) of this paragraph," and by inserting in lieu thereof "of subparagraphs (B) and (C) of this paragraph and of subparagraph (B) of paragraph (4) of this subsection,", and (B) by striking out "suspension under paragraph (4)" and by inserting in lieu thereof "suspension under paragraph (5)".

(6) Paragraph (3) (D) is amended by striking out "paragraph (2) (C) or (D)" and by inserting in lieu thereof "paragraph (2) (C) or (D) or paragraphs (4) (A) or (B)".

(7) Paragraphs (4) and (5) are renumbered as paragraphs (5) and (6), respectively.

(8) Subsection (a) is amended by inserting after paragraph (3) the following new paragraph:

"(4) (A) No proclamation pursuant to paragraph (1) (B) of this subsection shall be made, in order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the following rates:

"(i) The rate which would result from decreasing the rate existing on July 1, 1958, by 25 percent of such rate.

"(ii) Subject to paragraph (2) (B) of this subsection, the date 2 percent ad valorem below the rate existing on July 1, 1958.

"(iii) The rate 50 percent ad valorem or, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, any rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined as 50 percent ad valorem.

The provisions of clauses (ii) and (iii) of this subparagraph and of subparagraph (B) (ii) of this paragraph shall, in the case of any article subject to a combination of ad valorem rates of duty, apply to the aggregate of such rates; and, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, such provisions shall apply on the basis of the ad valorem equivalent of such rate or rates, during a representative period (whether or not such period includes July 1, 1958), determined in the same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purpose of paragraph (2) (D) (ii) of this subsection.

"(B) (i) In the case of any decrease in duty to which clause (i) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than five annual stages, and no amount of decrease becoming initially effective at one time shall exceed 10 percent of the rate of duty existing on July 1, 1958, or, in any case in which the rate has been increased since that date, exceed such 10 percent or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

"(ii) In the case of any decrease in duty to which clause (ii) of subparagraph (A) of this paragraph applies, such decrease

shall become initially effective in not more than five annual stages, and no amount of decrease becoming initially effective at one time shall exceed 1 percent ad valorem or, in any case in which the rate has been increased since July 1, 1958, exceed such 1 percent or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

"(iii) In the case of any decrease in duty to which clause (iii) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than five annual stages, and no amount of decrease becoming initially effective at one time shall exceed one-third of the total amount of the decrease under the foreign trade agreement.

"(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies, no part of a decrease after the first part shall become initially effective (i) until the immediately previous part shall have been in effect for a period or periods aggregating not less than 1 year, nor (ii) after the first part shall have been in effect for a period or periods aggregating more than 4 years. If any part of a decrease has become effective, then any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the 4-year period expires."

(b) Subsection (b) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (b)), is amended (1) by striking out "exclusive" in the first sentence, and (2) by amending paragraph (2) to read as follows:

"(2) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, below the applicable alternative specified in subsection (a) (2) (C) or (D) or (4) (A) (subject to the applicable provisions of subsection (a) (3) (B), (C), and (D) and (4) (B) and (C)), each such alternative to be read for the purposes of this paragraph as relating to the rate of duty applicable to products of Cuba. With respect to products of Cuba, the limitation of subsection (a) (2) (D) (ii) or (4) (A) (iii) may be exceeded to such extent as may be required to maintain an absolute margin of preference to which such products are entitled."

(c) Paragraph (2) (A) of subsection (c) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (c) (2) (A)), is amended by striking out " 'existing on January 1, 1945' and 'existing on January 1, 1955' " and by inserting in lieu thereof " 'existing on July 1, 1934', 'existing on January 1, 1945', 'existing on January 1, 1955', and 'existing on July 1, 1958' ".

(d) Paragraph (1) of subsection (e) of section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (e) (1)), is amended by inserting after "(including the incorporation therein of escape clauses)," the following: "the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the objectives of this section,".

(e) Section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), is amended by adding at the end thereof the following new subsection:

"(f) It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any foreign trade agreement under this section, should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor."

SEC. 4. (a) The third sentence of subsection (a) of section 3 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1360 (a)), is amended by striking out "120 days" and inserting in lieu thereof "six months." The last sentence of such subsection is amended by striking out "120-day" and inserting in lieu thereof "6-month."

(b) Subsection (b) of section 3 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1360 (b)), is amended by adding at the end thereof the following new sentence: "If in the course of any such investigation the Commission shall find with respect to any article on the list upon which a tariff concession has been granted that an increase in duty or additional import restriction is required to avoid serious injury to the domestic industry producing like or directly competitive articles, the Commission shall promptly institute an investigation with respect to that article pursuant to section 7 of this act."

SEC. 5. (a) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. sec. 1364 (a)), is amended by striking out "any interested party" and inserting in lieu thereof "any interested party (including any organization or group of employees)".

(b) (1) The first paragraph of section 7 (a) of such act is amended by striking out "9 months" and inserting in lieu thereof "6 months".

(2) The amendment made by paragraph (1) shall apply only with respect to applications made after the date of the enactment of this act.

(c) Section 7 of the Trade Agreement Extension Act of 1951, as amended (19 U. S. C., sec. 1364), is amended by adding at the end thereof the following new subsection:

"(f) In carrying out the provisions of this section the President may, notwithstanding section 350 (a) (2) of the Tariff Act of 1930, as amended, imposed a duty not in excess of 50 per centum ad valorem on any article not otherwise subject to duty."

SEC. 6. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended by inserting "(1)" after "(c)" at the beginning thereof, and by adding at the end thereof the following:

"(2) The action so found and reported by the Commission to be necessary shall take effect (as provided in the first sentence of paragraph (1) or in paragraph (3), as the case may be)—

"(A) if approved by the President, or

"(B) if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in the second sentence of paragraph (1) is submitted to such committees), by the yeas and nays by a two-thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

"(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary."

SEC. 7. (a) The following subsections of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time in the same manner and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Senate and House of Representatives approve the action—

"(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, in its report to the President dated , 19 , on its escape-clause investigation numbered under the provisions of section 7 of the Trade Agreement Extension Act of 1951, as amended (19 U. S. C., sec. 1364), and

"(2) disapproved by the President in whole or in part in his report (dated , 19) pursuant to the second sentence of paragraph (1) of section 7 (c) of such act.", the blank spaces therein being appropriately filled; and does not include a concurrent resolution which specifies more than one such investigation.

(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) (1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of 10 calendar days after its introduction (or, in the case of a resolution received from the other House, 10 calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed 1 hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed 10 hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order,

and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

(g) If, prior to the passage by one House of a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d) (1)) be made the subject of a motion to discharge.

(2) If a resolution of the first House with respect to such investigation has been referred to committee—

(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to committee shall be the same as if no resolution from the other House with respect to such investigation had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House.

SEC. 8. (a) Section 2 of the act entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, as amended by section 7 of the Trade Agreements Extension Act of 1955 (19 U. S. C., sec. 1352a), is amended to read as follows:

"SEC. 2. (a) No action shall be taken pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), to decrease the duty on any article if the President finds that such reduction would threaten to impair the national security.

"(b) Upon request of the head of any Department or Agency, upon application of an interested party, or upon his own motion, the Director of the Office of Defense Mobilization (hereinafter in this section referred to as the 'Director') shall immediately make an appropriation investigation, in the course of which he shall seek information and advice from other appropriate Departments and agencies to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, if the President determines that the article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article so that such imports will not threaten to impair the national security.

"(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements.

"(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

"(e) The Director, with the advice and consultation of other appropriate Departments and agencies and with the approval of the President, shall by February 1, 1959, submit to the Congress a report on the administration of this section. In preparing such a report, an analysis should be made of the nature of projected national defense requirements, the character of emergencies that may give rise to such requirements, the manner in which the capacity of the economy to satisfy such requirements can be judged, the alternative means of assuring such capacity and related matters."

(b) The amendment made by subsection (a) shall not affect any action taken or determinations made before the date of the enactment of this act.

SEC. 9. (a) Subsection (a) of section 332 of the Tariff Act of 1930 (19 U. S. C., sec. 1333 (a)) is amended to read as follows:

"(a) Authority to obtain information: For the purposes of carrying out its functions and duties in connection with any investigation authorized by law, the Commission or its duly authorized agent or agents (1) shall have access to and the right to copy any document, paper, or record, pertinent to the subject matter under investigation, in the possession of any person, firm, copartnership, corporation, or association engaged in the production, importation, or distribution of any article under investigation, (2) may summon witnesses, take testimony, and administer oaths, (3) may require any person, firm, copartnership, corporation, or association to produce books or papers relating to any matter pertaining to such investigation, and (4) may require any person, firm, copartnership, corporation, or association to furnish in writing, in such detail and in such form as the Commission may prescribe, information in their possession pertaining to such investigation. Any member of the Commission may sign subpenas, and members and agents of the Commission, when authorized by the Commission, may administer oaths and affirmations, examine witnesses, take testimony, and receive evidence."

(b) Subsection (d) of section 333 of the Tariff Act of 1930 (19 U. S. C., sec. 1333 (d)) is amended by striking out "under part II of this title" and inserting in lieu thereof "before the Commission."

(c) (1) Subsection (a) of section 336 of the Tariff Act of 1930 (19 U. S. C., sec. 1336 (a)) is amended by striking out the third sentence thereof. The first sentence of subsection (c) of section 337 of the Tariff Act of 1930 (19 U. S. C., sec. 1337 (c)) is amended by striking out "under and in accordance with such rules as it may promulgate."

(2) Part II of title III of the Tariff Act of 1930 (19 U. S. C., sec. 1330, et seq.) is amended by inserting after section 334 the following new section:

"SEC. 335. RULES AND REGULATIONS.

"The Commission is authorized to adopt such reasonable procedures and rules and regulations as it deems necessary to carry out its functions and duties."

SEC. 10. The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

The CHAIRMAN. Are there any committee amendments?

Mr. MILLS. Mr. Chairman, by direction of the Committee on Ways and Means, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLS as a committee amendment: Page 16, line 21, after "services" and before the comma insert "including the investment, exploration, and development necessary to assure such growth."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Pennsylvania: Strike out all after the enacting clause and insert in lieu thereof the text of the bill, H. R. 12676, as follows:

"That this act may be cited as the 'Trade Agreements Extension Act of 1958.'

"SEC. 2. Two-year extension of authority to enter into trade agreements.

"(a) In general: The period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351), is hereby extended from the close of June 30, 1958, until the close of June 30, 1960.

"(b) Period during which decreases may become initially effective: The first sentence of section 350 (a) (3) (C) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a) (3) (C)), is amended to read as follows: 'No part of any decrease in duty specified in paragraph (2) (D) of this subsection shall become initially effective after the expiration of the 3-year period which begins on July 1, 1957.' Section 350 (a) (3) (B) (ii) of such act is amended by striking out 'decrease under the foreign trade agreement' and inserting in lieu thereof 'maximum decrease permissible under paragraph (2) (D).'

"SEC. 3. Maximum increase in duty.

"(a) In general: Section 350 (a) (2) (A) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (a) (2) (A)), is amended to read as follows:

"'(A) (i) If the rate of duty existing on July 1, 1934, was an ad valorem rate of duty, increasing such rate by more than 50 percent.

"'(ii) If the rate of duty existing on July 1, 1934, was a specific rate of duty (or a combination of rates including a specific rate), increasing such duty to a rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined by the Tariff Commission to be not more than 50 percent above the ad valorem equivalent of such July 1, 1934, rate (or combination of rates). For purposes of this clause, the determination of an ad valorem equivalent of a July 1, 1934, rate (or combination of rates) shall be made with respect to the values of imports during the calendar year 1934 (except that if during the calendar year 1934 there were no substantial imports, it shall be made with respect to the values of imports during the first calendar year after 1934 during which there were substantial imports).'

"(b) Technical amendment: Section 350 (c) (2) (A) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351 (c) (2) (A)), is amended by striking out 'existing on January 1, 1945' and 'existing on January 1, 1955' and by inserting in lieu thereof 'existing on July 1, 1934,' 'existing on January 1, 1945,' and 'existing on January 1, 1955.'

"SEC. 4. Procedures for initiation and negotiation of trade agreements: peril point determinations.

"(a) In general: Section 3 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1360), is amended to read as follows:

"'SEC. 3. (a) (1) Before entering into the negotiation of any foreign trade agreement under section 350 of the Tariff Act of 1930, the President shall notify the Tariff Commission of his affirmative finding of fact referred to in section 350 (a) of the Tariff Act of 1930, that existing duties or other import restrictions of the United States or of any foreign country are unduly burdening or restricting the foreign trade of the United States, and shall notify the Tariff Commission of his intention to negotiate a foreign trade agreement. Upon receipt of such notification from the President, the Tariff Commission shall prepare a preliminary list of articles imported into the United States which in its judgment may be considered by the President in the proposed trade agreement negotiations for possible modification of duties and other import restrictions, imposition of additional import restrictions (including quantitative limitations), or continuance of existing customs or excise treatment. Such list shall include all articles on which the Tariff Commission considers that the existing duties or other import restrictions appear to be inadequate to prevent imports from causing or threatening serious injury to the domestic industry producing like or directly competitive articles. As soon as the Tariff Commission has completed such preliminary list, it shall publish such list and make an investigation with respect to each article on the list as to—

"'(A) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of section 350 of the Tariff Act of 1930 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

"'(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

"'(2) Whenever in its judgment it is appropriate to carry out the purposes of this section, the Commission may amend such preliminary list by adding or deleting articles. Notice of any such amendment shall be promptly published. In the case of any article so added, the Commission shall make the investigation referred to in the last sentence of paragraph (1) of this subsection.

"'(b) In the course of any investigation pursuant to this section the Commission shall hold public hearings and give not less than 60 days public notice thereof, and shall afford reasonable opportunity for all interested parties to be present, to produce evidence, and to be heard. In conducting such investigation the Tariff Commission shall request (through appropriate channels) from the foreign country which is the principal supplier (in imports into the United States) of each article on such preliminary list, and of each article added to such list by the Commission, information concerning estimated or approximate cost of production, prices, and other relevant economic data pertaining to competition of imports of such article in the domestic market. If such foreign country refuses or fails to furnish such data with respect to any article (other than any article included in the list because of inadequacy of existing import restrictions) the Tariff Commission shall omit such article from the final list of articles on which the President is authorized to negotiate a foreign trade agreement.

"'(c) In making determinations with respect to any article for the purposes of the final list, the Commission shall take into consideration each of the following factors:

"'(1) The estimated or approximate cost of producing such article in the foreign country which is the principal supplier (in imports into the United States) of such article, as compared with the estimated or approximate cost of producing like or directly competitive articles in the United States.

"'(2) The estimated or approximate average price, converted into currency of the United States, at which the foreign article is sold at wholesale in the principal supplying country as compared with the estimated or approximate average price of like or directly competitive domestic articles when sold at wholesale in the markets of the United States, during the last calendar year preceding such investigation. In the event that the Commission finds it impracticable to determine such estimated or approximate average foreign price the Commission shall consider the average invoice price of imports of such article during the last calendar year preceding such investigation as the average foreign price for comparison with the domestic price.

"'(3) Other economic data which the Commission considers relevant to the relative competitive status of the imported article with the like or directly competitive domestic article in the domestic market, and the effect of such competitive status on the likelihood of serious injury, or threat thereof, to the domestic industry producing like or directly competitive articles.

"'(d) Not later than one year after the publication of the preliminary list referred to in subsection (a) (1):

"'(1) The Tariff Commission shall publish, and transmit to the President, a final list of articles which may be considered by the President, in negotiating the foreign trade agreement referred to in such subsection, for possible modification of duties and other import restrictions, imposition of additional import restrictions, or continuance of existing customs or excise treatment.

"'(2) The Commission shall report to the President the findings of the Commission with respect to each such article on such final list as to—

"'(A) the limit to which such modification, imposition, or continuance may be extended in order to carry out the purpose of section 350 of the Tariff Act of 1930 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

"'(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

the President shall not enter into the negotiation of any foreign trade agreement until he has received from the Tariff Commission such final list and report. The President shall not include in the foreign trade agreement any article not included in such final list.'

"(b) Limitation: Subsection (a) of section 4 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1361 (a)), is amended by adding the end thereof the following new sentence: 'The provisions of any such trade agreement applicable to an article with respect to which such limits or minimum requirements are not complied with shall not become effective until the Congress, by law, shall have approved the application of the provisions of such agreement to such article.'

"(c) Conforming change: Section 4 of the act entitled 'An act to amend the Tariff Act of 1930', approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby repealed.

"SEC. 5. Escape clause reports must be made within 6 months; Tariff Commission recommendations must be submitted to Congress.

"(a) Time for making reports: The first paragraph of section 7 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (a)), is amended by striking out '9 months' and inserting in lieu thereof '6 months'. The amendment made by the preceding sentence shall apply only with respect to applications made after the date of the enactment of this act.

"(b) Recommendations by the Tariff Commission: The last paragraph of such section 7 (a) is amended by inserting, after 'President' wherever it appears, the phrase 'and the Congress.'

"SEC. 6. Serious injury; clarification with respect to quota provisions.

"The third paragraph of section 7 (a) of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (a)), is amended by inserting after the first sentence the following new sentence: 'Where the Commission finds, for any reason, that a maximum permissible increase in duty will not prevent or remedy serious injury to the domestic industry concerned, the Commission shall recommend the establishment of such quotas (either tariff quotas or absolute quotas, including seasonal quotas of either kind, such quotas to be subject to such allocation among countries of origin as the Commission may direct) as it may determine are necessary to prevent or remedy such serious injury.'

"SEC. 7. Modifications to carry out Tariff Commission's escape clause findings.

"Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., sec. 1364 (c)), is amended to read as follows:

"'(c) (1) Within 30 days after receipt of the Tariff Commission's recommendations, the President shall proclaim such adjustments in the rate or rates of duty, impose such quotas, or make such other modifications as are recommended by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry, unless, prior to the expiration of such 30 days, the President shall have submitted a report to the Congress recommending that no such adjustments or modifications be made, or no such quotas be imposed, or recommending a rate of duty as an alternate to that recommended by the Tariff Commission or recommending a quota as an alternate to that recommended by the Tariff Commission as a means of preventing or remedying serious injury to the respective domestic industry be adopted. If either the Senate or the House of Representatives, or both, are not in session at the time of such submission, such report shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"'(2) If the President submits his report to the Congress while the Congress is in session and more than 60 days before the date on which the Congress adjourns sine die, he shall, within 60 days after the submission of such a report, proclaim such adjustments, quotas, or other modifications as have been recommended by the Commission unless, prior to the expiration of such 60 days, the Congress, by law, shall have approved the recommendations made by the President, in which event the President shall proclaim the recommendations so approved. If the President submits his report—

"'(A) when the Congress is not in session, or

"'(B) less than 60 days before the adjournment of the Congress sine die and the Congress before such adjournment has not, by law, approved the recommendations made by the President,

the adjustments in the rate or rates, quotas, or other modifications specified in the recommendations of the Commission shall be put into effect provisionally within 30 days from the date of the Commission's recommendation or the date of the adjournment of Congress sine die whichever date is later, and shall become finally effective 60 days after the date on which the next session of the Congress begins, unless during such 60-day period the Congress, by law, shall have approved the President's recommendations.'

"SEC. 8. Imports which threaten to impair the national security.

"(a) Procedural changes; limitations on restrictions on imports: Subsection (b) of section 2 of the act entitled 'An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended', approved July 1, 1954 (19 U. S. C., sec. 1352a (b)) is amended to read as follows:

"'(b) In order to further the policy and purpose of this section:

"'(1) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon application of an interested party, or upon his own motion, the Director of the Office of Defense Mobilization shall promptly make an investigation to determine whether an article is being imported into the United States in such quantities as to threaten to impair the national security. In the course of such investigation, the Director shall hold public hearings after reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings. Should the Director have reason to believe, as the result of his investigation and hearings, that an article is being imported in such quantity as to threaten to impair the national security, he shall promptly so advise the President, but in no event later than 3 months from the date of the initiating request, resolution, application, or motion. For the purposes of this subsection, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements.

"'(2) If the President agrees, after such investigation as he may deem necessary, that the article is being imported in such quantity as to threaten to impair the national security, he shall, within 30 days from the date of the report made to him by the Director, by proclamation impose on such article either or both of the following:

"'(A) An increase in duty—

"'(i) to a rate not less than the rate 50 percent above the rate of duty in effect on July 1, 1934, or

"'(ii) if the July 1, 1934, rate of duty is a specific rate (or a combination which includes a specific rate), to a rate not less than 50 percent above the 1934 ad valorem equivalent of such specific rate (or such combination) existing on July 1, 1934, with respect to imports during the calendar year 1934 (except that if there were no substantial imports in the year 1934 such ad valorem equivalent shall be determined for the first calendar year thereafter during which substantial imports were entered).

The rate of duty, as increased under this subparagraph, shall not exceed 50 percent ad valorem. Any increase under this subparagraph in the existing rate of duty may be reduced for any country or countries of origin, after the President has conducted such negotiations as he deems necessary, in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the product may be transported to the United States with relative safety.

"'(B) A quota limitation (annual, quarterly, or otherwise) reducing imports of such article to a level 25 percent or more below the average level of imports of such article, such average level to be determined on the basis of imports of such article during the most recent period of 3 calendar years ending before the period to which such limitation is to be applied. After the President has conducted such negotiations as he deems necessary, any such quota limitation may be allocated, as the President determines, among countries of origin in order to take into account the availability of imports of the article in a national emergency from the country or countries of origin from which the article may be transported to the United States with relative safety.

"'(3) The President may, in lieu of action required by paragraph (2), proclaim a lesser increase in the rate of duty than that required by paragraph (2) (A) or a larger quota limitation than that required by paragraph (2) (B), or both, if he finds and so certifies to Congress that the rate of duty or quota limitation required by paragraph (2) (A) (B), as the case may be, would impair the availability of materials determined to be essential to the defense of the United States.'

"(b) Effective date: The amendment made by subsection (a) shall not affect any action taken or determination made before the date of the enactment of this act under subsection (b) of section 2 of such act, as in effect without regard to the amendment made by subsection (a).

"SEC. 9. Agricultural commodities and products.

"(a) Emergency action for perishable agricultural commodities: Subsection (a) of section 8 of the Trade Agreements Extension Act of 1951 (19 U. S. C., sec. 1365) is amended to read as follows:

"'(a) In any case where—

"'(1) any interested party has filed an application with the Tariff Commission stating that due to the perishability of any agricultural commodity emergency treatment is required; and

"'(2) the Secretary of Agriculture does not, within 15 days after the day on which the application was filed, certify to the Tariff Commission that such commodity is not perishable,

the Tariff Commission, proceeding under section 22 of the Agricultural Adjustment Act or under section 7 of this act, shall (A) make an immediate investigation to determine the facts, and (B) report the results thereof and its findings to the President. The report and findings of the Tariff Commission shall be made, and the action of the President shall be taken, at the earliest possible date but in no event more than 60 calendar days after the day on which the application was filed with the Tariff Commission.'

"(b) Amendments to section 22 of the Agricultural Adjustment Act:

"(1) Subsections (a) and (b) of section 22 of the Agricultural Adjustment Act, as amended (7 U. S. C., sec. 624), are amended to read as follows:

"'(a) Upon request of the Secretary of Agriculture, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, or upon application of any interested party, the United States Tariff Commission shall make an immediate investigation to determine whether any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with or to materially increase the cost of any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken. The Tariff Commission shall give precedence to investigations under this section to determine such facts and to determine the extent of fees or quantitative limitations on imports required to prevent such tendency to interfere or render ineffective, to increase cost, or to reduce such processing of products. Such investigation shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Tariff Commission shall specify. The Tariff Commission shall report to the President the results of its investigation at the earliest possible date but in no event more than 6 months after the date of the initiating request, resolution, or application.

"'(b) If, on the basis of such investigation the Tariff Commission finds and reports to the President the existence of such facts, he shall, within 30 days, by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Tariff Commission has found to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, or to materially increase the cost of, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Tariff Commission; except that, whenever a condition exists requiring special treatment, the President upon recommendation of the Secretary of Agriculture may impose such further limitation or suspension of imports as he deems necessary upon a full consideration of the impact of imports of competitive commodities on (1) domestic

production, (2) normal marketing and storing of domestic products, and (3) any Government support or other program: *And provided further*, That in designating any article or articles, the Tariff Commission or the President, as the case may be, may describe them by physical qualities, value, or use, or upon such other basis as it shall determine. Such designations shall be sufficiently broad to prevent evasion and may include any form, combination, mixture, or source in which the article or articles may appear.

"'In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President shall take immediate action under this section without awaiting the report of the Tariff Commission, such action to continue in effect pending the report of the Tariff Commission and action thereon by the President.'

"(2) Subsections (d) and (e) of such section 22 are amended to read as follows:

"'(d) After an investigation, findings, and a report to the President, in the manner provided in subsection (b) of this section, any proclamation issued pursuant to subsection (b) or any provision thereof may be—

"'(1) suspended or terminated by the President whenever the Tariff Commission finds and reports to the President that the circumstances requiring the proclamation or provision thereof no longer exists; or

"'(2) modified by the President whenever the Tariff Commission finds and reports to the President that changed circumstances require such modification to carry out the purposes of this section.

"'(e) Any decision as to facts under this section shall be final.'

"SEC. 10. General agreement on tariffs and trade not affected.

"The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive agreement known as the General Agreement on Tariffs and Trade."

Mr. SIMPSON of Pennsylvania. Mr. Chairman, the amendment which I have sent to the desk is designed for one purpose and for one purpose alone and that is to return to the Congress of the United States the authority to handle the duties which are given to the Congress by the Constitution of the United States, namely, to take care of matters involving the foreign trade of the country. The amendment is being offered with complete sincerity on behalf of its several sponsors.

The Congress of the United States carries a clearly defined responsibility to our Nation's industry, agriculture, and labor.

That responsibility is to strengthen their well-being and that is what this legislation does.

Sincere recognition of this responsibility is reflected in every provision of the legislation sponsored by several colleagues and myself, representing both sides of the aisle.

We recognize, as well, our Nation's heavy obligation to the Free World defense, our moral and spiritual obligations to the ideals of humanity and liberty, our obligations of friendship to assist less fortunate peoples in achieving a better life.

We are convinced, as so many of us here today are convinced, that our country's ability to meet these obligations grows out of a single element—the dynamic vitality of our own free society.

Call it capitalism, call it free enterprise, call it democracy, call it what you will—this priceless quality is the backbone and the bicep of freedom as we know it.

It is this priceless quality which H. R. 12676 seeks to preserve.

Our national security has become a paramount issue in this debate. We have been advised that we will not be able to thwart communism's global campaign of ruble diplomacy unless we continue our present policies.

My own view, and one which I am sure each cosponsor of H. R. 12676 shares, is that no trade concession will advance our own security, or the security of our friends abroad, if our industrial base buckles and wilts under the strain.

We have been asked to renew the law of 1934 for the 11th time. On 10 previous occasions American industries and workers threatened with injury were given solemn reassurance that the law would be administered without injury to them.

Today, 21 years after the first extension debate, our industries and workers are no longer taken in by these assurances, but they are still being injured or threatened with injury.

We have been asked to grant an unprecedented extension of 5 years. The term of this far-reaching authority could spread across 4 terms of Congress and more than midway through the 2 next Presidential terms.

Who will these future Presidents be whom we are asked to empower so broadly? Will they hold the Nation's confidence and respect? Are we prepared to assure our anxious industries and workers that this unknown Chief Executive would employ these powers wisely and discreetly? What right have we to delegate the authority of these future Congresses away to an unknown President?

In this field of legislation Congress has not shirked its responsibilities. Time after time this body has sought to meet the problems forthrightly. Over the years we have girded the law with the escape clause, peril points, and other safety devices that consideration for domestic interests dictates.

None, however, have proved effective. Not because the statutes were vague or unenforcible, but because those charged with the administration of this program have sidestepped Congressional intent.

The bill continues the trade agreements concept. It permits further tariff reductions. It allows further multilateral negotiations. In these provisions, it is broadly comparable to the committee's bill.

But H. R. 12676 takes up where the committee bill ends. It remedies the serious defects in the present law. It offers domestic industries and workers a remedy, instead of an empty promise.

Most importantly, if, belatedly, it translates the promise and reassurances of 24 years into reality. It provides for safeguards against excesses, and the machinery whereby the victims of past actions can gain sure relief.

America's industries, and workers, and farmers are asking nothing more than a fair shake from our foreign trade program. The responsibility of Congress to provide that fair shake is derived from our Constitution, and exists in every principle and ideal of our Government.

As you vote remember there is nothing, absolutely nothing, in the administration bill which makes certain or increases the likelihood of relief for any industry which proves injury that is not in the law today.

The CHAIRMAN. The gentleman from Arkansas [Mr. MILLS] is recognized.

Mr. MILLS. Mr. Chairman, after some 8 hours of debate on the proposal of extending the President's authority to enter trade agreements, the issue is now drawn by the submission of the substitute proposal offered by the gentleman from Pennsylvania [Mr. SIMPSON]. I know that the gentleman is sincere in his proposal, because after having known him for many, many years I know it reflects his thinking in this area. I am sure he will admit as readily that those of us who are in support of the committee bill are also very sincere in what we are doing.

We are now faced with a vote on this substitute bill.

By our vote we must choose the kind of trade and tariff policy that we want our country and by our leadership and the rest of the Free World to follow in the next several years ahead of us. I can only urge that every Member of the House make his choice with his eyes open, for we must level on this as we have never leveled on any other issue before, in a clear, straightforward manner.

It is important that we know what we are doing, because of the tremendous impact of our decision upon the lives of our own citizens in the years ahead. I think the substitute will be defeated in committee, and I think there are many reasons why it should be. I would like to give you now five of those reasons.

First, the substitute bill is not an extension of the reciprocal trade-agreements program as we have had it in the past. The substitute bill is a straightout device for the creation of high duties in the future, plus quotas. It does not extend this program that we reported from the committee, and in the process, I think, it would be most disastrous, not only to our world trade but in the process in our own domestic economy to so restrict our trade as the substitute bill would do.

Second, it would strip the President of the United States of any—I say any—responsibility or any choice in action in the field of the escape clause with respect to the fixing of duty regardless of the implications. It would enshrine the Tariff Commission with the final responsibility. How in the name of goodness can we support it on the alleged ground that we are returning the tariff-making decision to the Congress of the United States? We would not be doing that under the substitute bill.

Third. We are giving all that responsibility to the Tariff Commission in spite of the fact that when all the members of that Commission, when they appeared before the Ways and Means Committee, they had the good judgment to tell us that they did not want this responsibil-

ity; that in their opinion they were not qualified to carry out all this responsibility and cover the many other factors that are involved, such as consideration of the effects on our national interest, other domestic industries, our partners in the Free World, and so forth, but that the President was not only qualified, but that he was also elected by the people and charged under the Constitution with these responsibilities.

Fourth. The increased protection to domestic industry that is said to be contained in this substitute bill in my opinion is but a snare and a delusion. Let me ask you whether or not you protect domestic industry if in the process of trying to do so you contract activity in the United States so as to further the recession trends that are presently in existence. History tells us that that follows us if we try to contract our world trade. Can we say that we are doing this in the interest of domestic industry, if we bring it more and more recession and business downturn than it presently has?

Fifth. Let me remind you of the fact that this substitute bill was written in the interest of a few; and if it should serve the purpose of helping a few, it does so at the expense of the many and our national interest and national prestige in the Free World—yes; our national interest and our national security. How can anyone prefer the substitute to the committee bill which has been worked out by your Committee on Ways and Means and the administration together and which has the backing of the leadership on both sides of the aisle?

How can any of you say that the judgment of this group, which is responsible for the substitute bill, is superior to the judgment of all those in the administration, all those on your committee, and the many other Members of the House, plus those on the outside who support an effective continuation of the reciprocal trade agreements program as being an absolute necessity, such as is contained in the committee bill?

Mr. Chairman, the people of the United States are concerned with what we do here. They want us to do something that is in the best interest of the people, the people of the United States; and, certainly, the proposition is that whereas the substitute does not, the committee bill does serve this interest. I therefore urge you to reject this substitute proposal.

The CHAIRMAN. The time of the gentleman from Arkansas has expired; all time on the amendment has expired.

Mr. HOLTZMAN. Mr. Chairman, we now have before us in the House of Representatives legislation to extend the reciprocal trade program. This is one of the most important measures to come before us this year, and I am firmly convinced that the action we take here today will have a definite effect not only on our own economy, but on the economic situation of the entire world.

The program has now been in existence for approximately 24 years, and has provided a clear and accurate picture of our attitude toward a fair and adequate trade policy. Certainly there have been some defects in the program in the past, but safeguards have been included in the bill reported by the House Ways and Means Committee which will offer greater protection to our own industries. The committee studied the recommendations of the President very carefully and held lengthy public hearings in an effort to report a bill which would be satisfactory to all concerned—one that would in reality permit us to further our own interests, and yet would assist the other participating countries of the Free World in expanding their own economy and developing additional world markets. In listening to the debate during the last 2 days, I feel that the committee has accomplished its goal.

Since the last extension of the Trade Agreements Act 3 years ago, we have witnessed on many occasions the efforts of the Communist bloc to dominate the field of international trade. We are still engaged in a cold war with the Soviet Union, but they have recently launched another offensive by adopting an economic-aid program designed to bring within their sphere many of the uncommitted countries which have looked to us in the past for possible assistance.

History has proven many times over that high tariff barriers and restricted imports do not guarantee a sound economy for the United States. Our own expanding production needs to find other world markets. Trade is a two-way street, bringing benefits to both countries involved. Our industries welcome competition and healthy growth, and we must take steps to continue an effective reciprocal trade agreements program.

The President, as a further proof of our good faith in our trade negotiations with other countries, must be given the authority to deal with the situation and should be permitted sufficient flexibility and freedom of action in exercisng his discretion on such matters.

We must encourage free enterprise not only in this country but throughout the Free World, and this extension of the reciprocal trade program will enable us to strengthen our alliance with our brother nations.

Mr. HOFFMAN. Mr. Chairman, I offer a privileged motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN. Mr. Chairman, even though there were 8 hours of general debate on the bill, it was impossible, because there were better informed men and women who desired to speak, to obtain time, so this motion is made, though it is evident the bill will be adopted by a substantial majority.

Mr. Chairman, it is doubtful that there has been a session, or perhaps a week, when someone has not taken the floor and insisted that this is the richest, the most powerful nation in all the world.

And yet, since 1917, when we entered World War I, we have consistently followed a policy of depending upon other nations for our national security, our national existence—to me, a cowardly policy, a wasteful policy, one which repudiates and ignores the efforts of our forefathers who fought for 8 years against the then most powerful nation in all the world, to assert their freedom and to establish this, the United States of America.

It was long, long ago that someone said, "Millions for defense, but not one cent for tribute."

Today, the slogan seems to be spend billions trying to buy friends and do not offend anyone.

The argument back of this bill is the same argument as when we went to the aid of the British in World War I, though then it took the form that we were hiding behind the British Navy, while buying time to prepare for an aggressive foreign war. The appealing slogan then was that we were entering a "war to end all wars"—a thought since conclusively shown to be unsound.

As the Kaiser's armies rolled down across Belgium and into France, we were told their real destination was America—an obviously untrue statement.

Into that war we went, and the casualties: 364,800 American youth. Of that number, 126,000 sacrificed their lives.

That was a war which gave us nothing worth while. The treaties which ended it but made available a door open to future wars.

Then, on December 7, 1941, the Japs attacked Pearl Harbor. Subsequent disclosures have shown that some of our leaders were not averse to that war. It gave us 1,049,741 casualties. Of that number, 389,769 died.

That war also resulted in the making of Russia, our present enemy, a first-class world power, more recently governed by the Communists, who have with us made 40 treaties and executive agreements, all of which, except 3 (relatively unimportant ones), they have disregarded.

Then came the Korean war, with casualties of 44,173, of whom 25,604 died abroad.

These 3 wars, fought not in America nor for a legitimate American purpose, gave us a debt, as of November 30, 1918, of $19,438,355,000. As of August 14, 1945, a debt of $262,571,665,797. As of July 27, 1953, a debt of $272,516,821,439.

Recently two more unknown soldiers were buried in Arlington. One on each side of the unknown soldier of World War I—while adjacent are the stones which mark the last resting places of several hundred thousand Americans who died, not in defense of the United States of America, but to aid in the winning of the wars instigated or carried on for the protection of our so-called allies who, it is said, live in a Free World.

Free World? Here in America there are millions of the colored race who allegedly are denied their civil rights. There are other millions who are denied the right to work, except as they pay tribute to a political, corrupt union boss. Freedom.

Why do we continue to talk about a free people or a free Nation outside the confines of the continental United States when there is not a Member of this House here today within the sound of my voice

who does not know that freedom is denied millions of our own citizens?

The recent ceremonies during which honor was paid to two additional unknown soldiers who gave their lives—not in defense of their own land, but to aid in the winning of wars abroad—should not permit us to forget that 175,000, less 3 other unknown individuals are buried either in the 7 seas or on foreign soil.

You may wonder why I call attention to these facts because they are of the past. Attention is called to them because from the past the wise learn to profit from previous follies. Learn the road to sound practices. This is not to intimate that the adoption of the present bill will bring us war. No such contention is even hinted at.

The point is that the basic philosophy behind the reciprocal trade bill, and its extension, carries the same thought that got us into the three previous wars, into the spending of the billions which will make a burden upon our people. Appeasement? That is it.

The basic thought back of the three wars, back of the spending of the billions upon billions of our dollars in so-called foreign aid, is that we have so far lost the courage, the endurance, the ability which carried our forefathers through the 8 years of the war necessary to win our independence—through the War of 1812, fought with the mistress of the seas to end the impressment of our seamen; through the War Between the States—that today, instead of shouting from the housetops that, while we have billions upon billions for defense, we will not pay a cent of tribute, we seek to buy friendship by gifts of ever additional billions to other countries. No individual, no nation can buy friendship or respect or security. Each must be earned.

These matters have been referred to because this reciprocal trade bill is based upon the unsound argument that, if we would exist, trade, and prosper, we must make concessions to other nations. Buy peace. Buy prosperity.

That may be true—but, if, in the process, we betray our own people who are dependent upon their jobs for their livelihood; for their food, clothing, and shelter; for the education of their children, the price is altogether too high. The price is too high because we will be imposing upon future generations, upon a large group of our own people, unemployment; upon others, the burden of aiding in the support of the unemployed; and upon future generations a national debt to which next year will evidently be added $10 or $11 billion, and which now stands at $280 billion, calls for an interest payment of approximately $8 billion a year.

While our forefathers fought for freedom, for independence, for opportunity, we today are surrendering what they won, by the abandonment of the spirit of independence, the courage, and sacrifice which inspired them and which gave us all we now enjoy.

In my own District, men are unemployed because the products which they made now have been priced out of the market by the competitive sale of goods manufactured abroad by cheap labor.

And the wealthy corporations, the labor unions, and other organizations apparently have forgotten that many an American corporation has gone abroad, established a plant, sent the products back to our market here where they undersell the goods manufactured by American labor.

And when trouble comes, as come it will, our young men will be drafted to protect those dollars.

Reuther and his CIO may force the adoption of legislation like this but apparently they have not yet realized that the "little monsters," so characterized, the cheap but efficient cars coming in from Europe, often manufactured by the aid of American capital, are ever increasing on the streets of our cities, displacing to an ever-growing extent the sale of automobiles made by the UAW–CIO, adding to the unemployment of our employees.

And so it is with many other American products. True, the customer may for a time profit from these cheap imports; but when American labor as a group is out of employment, has no wages with which to purchase either the home or the foreign products, the bitter result of catering to industries in other countries will be fully realized.

The issue here before us is, to me, simple and clear, and it is this:

Shall we first think more of and protect our own people, their prosperity, their opportunity to earn a living wage—or, should we think first of the people across the seas? Or of the profitable investment of American dollars where cheap labor can be employed?

One thing it is possible for me to say, and that is, that never has my independence of thought been surrendered; never has the courage of those who established and those who fought to maintain our independence been forgotten by me—and never, no never, will I consciously put upon future generations, whether they be of my blood or yours, a tax burden which will make them, if judged by present standards, economic slaves to promote the welfare of other peoples who no matter how deserving, have lacked both the ability and the courage to assert their own independence, their own freedom.

If there is in me anything at all which justifies pride, it is that never consciously, or willingly, have I voted to lessen the freedom and the opportunity so dearly won by our forefathers when they asserted our independence, established this Government.

Permit a repetition: It is a strange, strange situation when the richest, the most powerful nation in all the world must so grievously injure so many of its own people—people who are just common, ordinary, average, good citizens—to please those who, when their own interest is at stake, so quickly desert us.

This is not a bill the adoption of which will aid the little man, whose welfare we so often loudly proclaim to be our first interest here, as it is a bill to please the politicians, the rich industrialists of this and other lands at the expense of the one who earns his livelihood in the sweat of his face.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman, a very able and patriotic Representative of his people.

Mr. O'KONSKI. I wonder if the gentleman read the item in this morning's newspaper about the $90 million bribe with taxpayers' money that is being used to insure the passage of the bill? This bribe was announced last night to secure the votes of metal State Congressmen. I would just like to read a little paragraph from the New York Times of this morning:

> The Government will proceed to buy $90 million worth of copper for stockpile.
>
> The administration switched position today on aid for the copper industry. It appeared to be another effort to win support for renewal of the Reciprocal Trade Agreements Act, which is pending in the House.

What does the gentleman think of the way taxpayers' money is being used to bribe the passage of this bill?

Mr. HOFFMAN. I cannot yield further, it was a proposition of trying to get a few more votes.

Mr. O'KONSKI. A $90 million bribe.

Mr. HOFFMAN. Just the same thing that happened when certain oil interests were given protection with the result the bill will get 5 or 7 more votes while the rest of us suffer.

As I tried to state a moment ago, it is all right to think of other people, but are we to impoverish ourselves? Are we to impose upon the subsequent generations of taxpayers a burden which will continue indefinitely a fruitless effort to secure good will? Something we have never been able to purchase when the real need came.

If you want to go along with the proposed extension, if you want to go along with the continuation of what was first the Marshall plan, if you want to go along spending billions after billions all the time to support other people and put your own workers and your own people out of jobs, and increase their tax burden, that is your responsibility. I am an old, old man. I cannot live forever, though I challenge the most hardy and the youngest to put in more effective hours. I will be up above or down below, whichever it is, in the not too distant future, looking down or up at all the troubles you will then be having here.

Mr. Chairman, recognizing the futility of argument, having made my own position clear, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BOGGS. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

Mr. Chairman, the gentleman who has just preceded me would have you believe that this is a program that cost the taxpayers money; that it is supported only by some vague group called internationalists, and that to continue the program

would be tremendously harmful to American business. Nothing could be farther from the facts and from the truth.

First, this is a program that not only does not cost the taxpayers a single penny, but this is a program which returns billions and billions of dollars to American industry and American workers. We exported $20 billion worth of manufactured and farm commodities in 1957.

This is a program of business enterprise. This is not a program of Government enterprise. Let us understand perfectly well what is involved here.

What the committee bill says is that individual businessmen operating across international frontiers in a climate conducive to free enterprise, to free interchange of trade and commerce, will be permitted to do business. What the Simpson substitute says, on the other hand, is not free enterprise, but that the Government, operating by subsidies, by tariffs, by quotas, by any other restrictive devices that might be considered, shall intervene when goods cross international frontiers. So that the committee program is a business program; the committee program is a free-enterprise program; the substitute program is an anti-free-enterprise program.

Let us take a look at who supports what and who speaks for whom. We have seen a great deal of tear shedding around here about the workingman and about American business. I think that the United States Chamber of Commerce pretty generally speaks for American business. The United States Chamber of Commerce supports this program wholeheartedly. As a matter of fact, the United States Chamber of Commerce conducted meetings all over the United States on behalf of this program. I do not believe the United States Chamber of Commerce has taken to being antibusiness.

Let us take a look at the workingmen. I believe the AFL–CIO, the brotherhoods and others, speak for most of the workingmen in our country. They support the committee program. The American Farm Bureau, the National Grange, the National Farmers' Union, the representatives of cotton, tobacco, and rice producers are all for this program. Certainly they speak for most of our farmers.

So the idea that this is a program that is detrimental to business, that is detrimental to the farmer, that is detrimental to the workers, just is not so if the great national organizations who speak for these groups can be relied upon.

Let us take a look at the press. In this instance, the press is unanimous. I do not know of a single newspaper from the Chicago Tribune to the Wall Street Journal, to the Journal of Commerce, to the papers in the East, West, North, and South, that do not support this program.

What happens if we do not pass the program? Well, the Des Moines Register, right in the heartland of America, wrote an editorial, and said:

Failure to enact an effective trade-agreements program would turn this recession into a real barn-burner of a depression.

Finally, what about political support for this program? Well, yesterday the distinguished minority leader, the gentleman from Massachusetts [Mr. MARTIN], read a letter from the President of the United States. I read another one addressed to my distinguished chairman, the gentleman from Arkansas [Mr. MILLS], from the President of the United States supporting this program in the most positive fashion and saying it would be a tremendous blunder if it was not continued.

I hope the substitute will be defeated.

The CHAIRMAN. The question is on the preferential motion.

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. MILLS. Mr. Chairman, in view of the fact that we will probably and ultimately have a teller vote, I now ask for tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MILLS and Mr. SIMPSON of Pennsylvania.

The Committee divided; and the tellers reported that there were—ayes 147, noes 234.

So the amendment was rejected.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes pursuant to House Resolution 578, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. REED. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REED. Mr. Speaker, I certainly am.

The SPEAKER. The gentleman qualifies.

The Clerk read as follows:

Mr. REED moves that H. R. 12591 be recommitted to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. REED. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 268, answered "present" 1, not voting 15, as follows:

[Roll No. 94]

YEAS—146

Abernethy	Flynt	O'Konski
Adair	Fogarty	Osmers
Alexander	Forrester	Patterson
Alger	Gavin	Perkins
Allen, Ill.	George	Pfost
Andersen, H. Carl	Glenn	Philbin
Andrews	Grant	Pilcher
Ashmore	Gray	Preston
Bailey	Gross	Reece, Tenn.
Baker	Gwinn	Reed
Barden	Hale	Rees, Kans.
Baring	Haley	Riley
Bates	Harvey	Rivers
Baumhart	Hays, Ohio	Roberts
Beamer	Hemphill	Rogers, Mass.
Beckworth	Henderson	Rogers, Tex.
Belcher	Hess	Sadlak
Bennett, Mich.	Hiestand	St. George
Berry	Hoffman	Saylor
Betts	Horan	Scherer
Blitch	Huddleston	Scrivner
Bosch	Jarman	Scudder
Bow	Jensen	Seely-Brown
Bray	Johansen	Sikes
Brown, Ga.	Jonas	Siler
Brown, Ohio	Kearns	Simpson, Pa.
Budge	Kee	Sisk
Burleson	Kitchin	Smith, Kans.
Byrd	Knox	Staggers
Byrnes, Wis.	Krueger	Steed
Canfield	Laird	Taber
Carrigg	Landrum	Taylor
Cederberg	Lane	Teague, Tex.
Clark	Latham	Thomson, Wyo.
Clevenger	McCulloch	Tollefson
Collier	McGregor	Utt
Colmer	McIntire	Van Pelt
Cretella	McMillan	Van Zandt
Davis, Ga.	Macdonald	Vinson
Dawson, Utah	Mack, Wash.	Vursell
Dellay	Mason	Whitener
Dent	Mitchell	Whitten
Dorn, S. C.	Montoya	Williams, Miss.
Dowdy	Moore	Wilson, Calif.
Edmondson	Morgan	Wilson, Ind.
Fenton	Neal	Winstead
Fisher	Nicholson	Withrow
Flood	Nimtz	Wolverton
	O'Hara, Minn.	Young

NAYS—268

Abbitt	Christopher	Frelinghuysen
Addonizio	Church	Friedel
Albert	Coad	Fulton
Allen, Calif.	Coffin	Garmatz
Anderson, Mont.	Cooley	Gary
Anfuso	Corbett	Gathings
Arends	Coudert	Gordon
Ashley	Cramer	Granahan
Aspinall	Cunningham, Iowa	Green, Oreg.
Avery	Cunningham, Nebr.	Green, Pa.
Ayres	Curtin	Griffin
Baldwin	Curtis, Mass.	Gubser
Barrett	Curtis, Mo.	Hagen
Bass, N. H.	Dague	Halleck
Bass, Tenn.	Davis, Tenn.	Harden
Becker	Dawson, Ill.	Hardy
Bennett, Fla.	Delaney	Harris
Bentley	Dennison	Harrison, Nebr.
Blatnik	Derounian	Harrison, Va.
Boggs	Devereux	Haskell
Boland	Diggs	Hays, Ark.
Bolling	Dingell	Healey
Bolton	Dixon	Hébert
Bonner	Dollinger	Herlong
Boykin	Donohue	Heselton
Boyle	Dooley	Hill
Breeding	Doyle	Hillings
Brooks, La.	Durham	Hoeven
Brooks, Tex.	Dwyer	Holifield
Broomfield	Eberharter	Holland
Brown, Mo.	Elliott	Holmes
Brownson	Engle	Holt
Broyhill	Everett	Holtzman
Burdick	Evins	Hosmer
Bush	Fallon	Hull
Byrne, Ill.	Farbstein	Hyde
Byrne, Pa.	Fascell	Ikard
Cannon	Feighan	Jackson
Carnahan	Fino	James
Celler	Forand	Jennings
Chamberlain	Ford	Johnson
Chelf	Fountain	Jones, Ala.
Chenoweth	Frazier	Jones, Mo.
Chiperfield		Judd
		Karsten

Kean	Moss	Selden
Keating	Moulder	Sheehan
Kelly, N. Y.	Multer	Shelley
Keogh	Mumma	Sheppard
Kilburn	Murray	Sieminski
Kilday	Natcher	Simpson, Ill.
Kilgore	Nix	Smith, Calif.
King	Norblad	Smith, Miss.
Kirwan	Norrell	Smith, Va.
Kluczynski	O'Brien, Ill.	Spence
Knutson	O'Brien, N. Y.	Springer
Lafore	O'Hara, Ill.	Stauffer
Lankford	O'Neill	Sullivan
LeCompte	Ostertag	Talle
Lennon	Passman	Teague, Calif.
Lesinski	Patman	Teller
Libonati	Pelly	Tewes
Lipscomb	Pillion	Thomas
McCarthy	Poage	Thompson, La.
McCormack	Poff	Thompson, N. J.
McDonough	Polk	Thompson, Tex.
McFall	Powell	Thornberry
McGovern	Price	Trimble
McIntosh	Prouty	Tuck
McVey	Quie	Udall
Machrowicz	Rabaut	Ullman
Mack, Ill.	Rains	Vanik
Madden	Ray	Vorys
Magnuson	Reuss	Wainwright
Mahon	Rhodes, Ariz.	Walter
Mailliard	Rhodes, Pa.	Watts
Marshall	Riehlman	Weaver
Martin	Robison, N. Y.	Westland
May	Robsion, Ky.	Wharton
Meader	Rodino	Widnall
Merrow	Rogers, Colo.	Wier
Metcalf	Rogers, Fla.	Wigglesworth
Michel	Rooney	Williams, N. Y.
Miller, Calif.	Roosevelt	Willis
Miller, Md.	Rutherford	Wright
Miller, Nebr.	Santangelo	Yates
Miller, N. Y.	Saund	Younger
Mills	Schenck	Zablocki
Minshall	Schwengel	Zelenko
Morano	Scott, N. C.	
Morrison	Scott, Pa.	

ANSWERED "PRESENT"—1

Matthews

NOT VOTING—15

Auchincloss	Gregory	Morris
Buckley	Griffiths	Porter
Denton	Jenkins	Radwan
Dies	Kearney	Robeson, Va.
Dorn, N. Y.	Loser	Shuford

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Denton for, with Mr. Matthews against.

Mr. Jenkins for, with Mr. Auchincloss against.

Mr. Kearney for, with Mr. Robeson of Virginia against.

Mr. Morris for, with Mr. Buckley against.

Until further notice:

Mrs. Griffiths with Mr. Radwan.

Mr. Dies with Mr. Dorn of New York.

Mr. FENTON, Mr. REECE of Tennessee, and Mr. BAKER changed their votes from "nay" to "yea."

Mr. MATTHEWS. Mr. Speaker, I have a live pair with the gentleman from Indiana [Mr. DENTON]. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 317, nays 98, not voting 15, as follows:

[Roll No. 95]

YEAS—317

Abbitt	Evins	Mailliard
Addonizio	Fallon	Marshall
Albert	Farbstein	Martin
Alger	Fascell	Matthews
Allen, Calif.	Feighan	May
Andersen, H. Carl	Fenton	Meader
	Fino	Merrow
Anderson, Mont.	Forand	Metcalf
	Ford	Michel
Anfuso	Fountain	Miller, Calif.
Arends	Frazier	Miller, Md.
Ashley	Frelinghuysen	Miller, Nebr.
Aspinall	Friedel	Miller, N. Y.
Avery	Fulton	Mills
Ayres	Garmatz	Minshall
Baker	Gary	Montoya
Baldwin	Gathings	Morano
Barrett	George	Morrison
Bass, N. H.	Gordon	Moss
Bass, Tenn.	Granahan	Moulder
Bates	Grant	Multer
Baumhart	Gray	Mumma
Beamer	Green, Oreg.	Murray
Becker	Green, Pa.	Natcher
Beckworth	Griffin	Nimtz
Belcher	Gubser	Nix
Bennett, Fla.	Hagen	Norblad
Bentley	Haley	Norrell
Blatnik	Halleck	O'Brien, Ill.
Blitch	Harden	O'Brien, N. Y.
Boggs	Hardy	O'Hara, Ill.
Boland	Harris	O'Neill
Bolling	Harrison, Nebr.	Osmers
Bolton	Harrison, Va.	Ostertag
Bonner	Harvey	Passman
Bosch	Haskell	Patman
Boykin	Hays, Ark.	Pelly
Boyle	Healey	Perkins
Breeding	Hébert	Pfost
Brooks, La.	Heriong	Pilcher
Brooks, Tex.	Hoeslton	Pillion
Broomfield	Hiestand	Poage
Brown, Ga.	Hill	Poff
Brown, Mo.	Hillings	Polk
Brownson	Hoeven	Porter
Broyhill	Holifield	Powell
Burdick	Holland	Preston
Burleson	Holmes	Price
Bush	Holt	Prouty
Byrne, Ill	Holtzman	Quie
Byrne, Pa.	Horan	Rabaut
Cannon	Hosmer	Rains
Carnahan	Huddleston	Ray
Celler	Hull	Rees, Kans.
Chamberlain	Ikard	Reuss
Chelf	Jackson	Rhodes, Ariz.
Chenoweth	James	Rhodes, Pa.
Chiperfield	Jennings	Riehlman
Christopher	Johnson	Roberts
Church	Jones, Ala.	Robison, N. Y.
Coad	Jones, Mo.	Robsion, Ky.
Coffin	Judd	Rodino
Collier	Karsten	Rogers, Colo.
Cooley	Kean	Rogers, Fla.
Corbett	Keating	Rooney
Coudert	Kelly, N. Y.	Roosevelt
Cramer	Keogh	Rutherford
Cretella	Kilburn	Santangelo
Cunningham, Iowa	Kilday	Saund
	Kilgore	Schenck
Cunningham, Nebr.	King	Schwengel
	Kirwan	Scott, N. C.
Curtin	Kluczynski	Scott, Pa.
Curtis, Mass.	Knutson	Scudder
Curtis, Mo.	Krueger	Selden
Dague	Lafore	Sheehan
Davis, Tenn.	Landrum	Shelley
Dawson, Ill.	Lankford	Sheppard
Dawson, Utah	Latham	Sieminski
Delaney	LeCompte	Sikes
Dennison	Lennon	Simpson, Ill.
Derounian	Lesinski	Sisk
Devereux	Libonati	Smith, Calif.
Diggs	Lipscomb	Smith, Miss.
Dingell	Loser	Smith, Va.
Dixon	McCormack	Spence
Dollinger	McDonough	Springer
Donohue	McFall	Stauffer
Dooley	McGovern	Steed
Dowdy	McIntosh	Sullivan
Doyle	McVey	Talle
Durham	Macdonald	Taylor
Dwyer	Machrowicz	Teague, Calif.
Eberharter	Mack, Ill.	Teague, Tex.
Elliott	Madden	Teller
Engle	Magnuson	Tewes
Everett	Mahon	Thomas
Thompson, La.	Vorys	Wigglesworth
Thompson, N. J.	Vursell	Williams, N. Y.
Thompson, Tex.	Wainwright	Willis
Thornberry	Walter	Wilson, Calif.
Trimble	Watts	Wilson, Ind.
Tuck	Weaver	Wright
Udall	Westland	Yates
Ullman	Wharton	Younger
Vanik	Widnall	Zablocki
Vinson	Wier	Zelenko

NAYS—98

Abernethy	Forrester	O'Konski
Adair	Gavin	Patterson
Alexander	Glenn	Philbin
Allen, Ill.	Gross	Reece, Tenn.
Andrews	Gwinn	Reed
Ashmore	Hale	Riley
Bailey	Hays, Ohio	Rivers
Barden	Hemphill	Rogers, Mass.
Baring	Henderson	Rogers, Tex.
Bennett, Mich.	Hess	Sadlak
Berry	Hoffman	St. George
Betts	Jarman	Saylor
Bow	Jensen	Scherer
Bray	Johansen	Scrivner
Brown, Ohio	Jonas	Seely-Brown
Budge	Kearns	Siler
Byrd	Kee	Simpson Pa.
Byrnes, Wis.	Kitchin	Smith, Kans.
Canfield	Knox	Staggers
Carrigg	Laird	Taber
Cederberg	Lane	Thomson, Wyo.
Clark	McCulloch	Tollefson
Clevenger	McGregor	Utt
Colmer	McIntire	Van Pelt
Davis, Ga.	McMillan	Van Zandt
Dellay	Mack, Wash.	Whitener
Dent	Mason	Whitten
Dorn, S. C.	Mitchell	Williams, Miss.
Edmondson	Moore	Winstead
Fisher	Morgan	Withrow
Flood	Neal	Wolverton
Flynt	Nicholson	Young
Fogarty	O'Hara, Minn.	

NOT VOTING—15

Auchincloss	Gregory	McCarthy
Buckley	Griffiths	Morris
Denton	Hyde	Radwan
Dies	Jenkins	Robeson, Va.
Dorn, N. Y.	Kearney	Shuford

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Auchincloss for, with Mr. Jenkins against.

Mr. Robeson of Virginia for, with Mr. Kearney against.

Until further notice:

Mr. Denton with Mr. Dorn of New York.

Mr. Morris with Mr. Radwan.

Mrs. Griffiths with Mr. Hyde.

Mr. ALGER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the bill just passed in the body of the RECORD of yesterday during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication which was read:

JUNE 11, 1958.

The Honorable SAM RAYBURN,
House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: Because of my worsening physical condition, I find it impossible to fully participate in the work of the Committee on Appropriations in which committee I have been privileged to serve for some years.

I therefore offer this writing as my resignation of membership in the above-named committee to become effective at the pleasure of the Speaker.

With every assurance of my highest esteem, I am,

Very sincerely yours,
BENJAMIN F. JAMES,
Member of Congress.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON APPROPRIATIONS

Mr. MARTIN. Mr. Speaker, I offer a resolution (H. Res. 589).

The Clerk read as follows:

Resolved, That ELFORD A. CEDERBERG, of Michigan, be, and he is hereby, elected a member of the standing committee of the House of Representatives on Appropriations.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING CONSTRUCTION AND SALE BY THE FEDERAL MARITIME BOARD OF SUPERLINER PASSENGER VESSELS

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operating in the Pacific Ocean, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees: Messrs. BONNER, BOYKIN, GARMATZ, TOLLEFSON, and ALLEN of California.

DEPARTMENT OF DEFENSE REORGANIZATION ACT OF 1958

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 579 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. THORNBERRY. Mr. Speaker, House Resolution 579 makes in order the consideration of H. R. 12541, the Department of Defense Reorganization Act of 1958. The resolution provides for an open rule and 4 hours of general debate on the bill.

The Committee on Armed Services unanimously reported H. R. 12541, with two reservations, after holding extensive hearings. The committee heard from a great number of witnesses who were qualified to give information on this highly important subject.

The Committee on Armed Services has reported this bill to provide more effective, efficient, and economical administration in the Department of Defense.

The committee has taken great care to preserve the constitutional responsibility and authority of the Congress to provide for the defense of the country and to retain civilian control over the military.

The bill provides that the Departments of the Army, Navy, and Air Force will function under the direction, authority, and control of the Secretary of Defense, but this direction, authority, and control shall be exercised through the Secretaries of the Military Departments. The bill announces the intent of Congress that there shall be established unified and specified combatant commands and that there shall be a clear and direct line of command to the unified and specified combatant commands. Commanders of these unified and specified commands are to have full operational control of forces assigned to them and such forces may be withdrawn only by direction of the Secretary of Defense with the approval of the President.

One of the most important provisions of the bill gives authority to the Secretary of Defense to abolish, consolidate, transfer, or reassign service functions, other than major combatant functions, 30 days after notifying the Congress. It also gives the Secretary of Defense the right to transfer, reassign, abolish, or consolidate major combatant functions after consultation with the Joint Chiefs of Staff if the Congress does not pass a concurrent resolution expressing disapproval within 60 days after receiving the recommendation. A combatant function becomes a major combatant function if one or more of the members of the Joint Chiefs of Staff disagree with the proposal. The President is given unlimited power to transfer, reassign, or consolidate all service functions in case of hostilities or imminent threat of hostilities, but such functions would revert to their former status upon the cessation of same.

The bill retains the restriction against the merger of our Armed Forces and prohibits the establishment of a single Chief of Staff over the Armed Forces and the creation of an overall Armed Forces general staff. It also retains the existing statutory right of the Secretaries of the Military Departments and the members of the Joint Chiefs of Staff to present recommendations on their own initiative to the Congress, after first advising the Secretary of Defense.

In an effort to eliminate unnecessary duplication in the Department of Defense, the Secretary of Defense is given direction and control of research and engineering, and a Director of Defense Research and Engineering will be appointed by the President to assist the Secretary on these scientific and technical matters.

The Joint Staff is increased from 210 to 400 officers and will function as an advisory staff to the Joint Chiefs of Staff. The number of Assistant Secretaries of each military department is reduced from 4 to 3, and the number of Assistant Secretaries for Defense is reduced from 9 to 7.

The proposed legislation does not alter the status and place of the National Guard in the defense structure, or modify or infringe upon the current organization and functions of the National Guard Bureau and its Chief.

The Armed Forces Committee in drafting the bill made every effort to provide executive flexibility with respect to combatant functions; to streamline the unified command structure; to clarify the status of the Secretary of Defense and, at the same time, retain to the Congress its constitutional responsibilities.

I urge the adoption of House Resolution 579 so the House may proceed to the consideration of this bill for which ample time has been provided.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. MARTIN].

LEGISLATIVE PROGRAM FOR TODAY AND BALANCE OF THE WEEK

Mr. MARTIN. I would like to inquire of the majority leader as to the program for today and the rest of the week if he has it available at this time.

Mr. McCORMACK. I am very glad my friend made the inquiry. In response to the inquiry and for the information of the Members of the House, the program for the rest of the day will be the defense reorganization bill. Our Republican friends have a conference set for 5 o'clock, so the Committee will go along no later than 4:30. If the House permits, we will meet tomorrow at 11 o'clock, and after the determination of the Defense Reorganization Act, we will take up the public works appropriation bill, and if both bills can be completed between now and tomorrow night, then the House will adjourn over until Monday. A little acceleration, I think, will do that very easily.

Mr. MARTIN. On the reorganization bill all we can do possibly today, then, is have general debate.

Mr. McCORMACK. I would say that is about so, yes. The resolution provides for 4 hours.

Mr. MARTIN. We will start to read the bill tomorrow.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. MARTIN. I yield to the gentleman from Georgia.

Mr. VINSON. Mr. Speaker, we may not use 4 hours of general debate. If we do not, we will be ready to consider any amendments and vote on the bill today. It all depends upon how much time is consumed in general debate.

Mr. MARTIN. Mr. Speaker, does not the gentleman think it would be well, for the convenience of the Members of the House, that we agree now that we shall have general debate only today, so that Members may be able to use the time at their convenience?

Mr. VINSON. Mr. Speaker, let me say to both the majority leader and the minority leader that I am very anxious that the House reach a decision on this bill at the earliest possible date. If the 4 hours of time granted under the rule is not used then, of course, the Committee should proceed to final consideration of the bill, and if that can be done today, I should like to see this accomplished as early as possible.

Mr. MARTIN. The gentleman could accomplish that very quickly if he would agree to the President's proposals.

Mr. McCORMACK. Mr. Speaker, if the gentleman will yield, I think the situation is this. The House will go into Committee of the Whole. We can see later in the day how things develop. If the Committee takes 4 hours then, of course, the Committee will rise when I have indicated and the bill will not be completed today. However, if only 2 hours of general debate is taken, we shall want to go ahead with some part of the bill under the 5-minute rule. I believe we can meet the situation as it develops.

Mr. MARTIN. I thank the gentleman.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. KEATING] and ask unanimous consent that he may speak out of order.

Mr. GAVIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman agree that the gentleman from New York [Mr. KEATING] may speak out of order before he makes his point of order?

Mr. GAVIN. Mr. Speaker, I shall withhold the point of order for the time being.

The SPEAKER. Without objection, the gentleman from New York may proceed out of order.

There was no objection.

ON COURT CONGESTION

Mr. KEATING. Mr. Speaker, more than any other Congress of recent years the 85th Congress has concerned itself with the rights of American citizens. But it is one thing to proclaim a right and quite another to assure its enjoyment. A right as a practical matter is meaningless unless there is also a remedy. A claim is worthless unless it can be reduced to judgment and collected. And the establishment of court procedures to enforce rights and claims is but an empty gesture unless the courts are equipped to handle controversies expeditiously.

All of us, I am sure, at one time or another have extolled the virtues of the great judicial system that distinguishes our American way of life from others. We have good cause to be proud of that system. But while we may take some satisfaction in it we must at the same time realize that we in Congress have a grave responsibility to insure that ours remains a vital system, capable always of insuring freedom and justice for all men. High-minded ideals make good topics for patriotic speeches, but unless they can be translated into reality in our daily affairs they are better left unspoken.

It is time this Congress looked the facts in the face. Every year that passes brings increasing delay in court proceedings. The tremendous growth in our population and in our economy has choked our Federal courts with litigation to the point where our judges are fighting a valiant but losing uphill battle just to hold the line. Hard as they may try, and long as they may work, their task has become impossible.

The situation cries out for solution—not some day, but now. The courts themselves have taken significant steps in an effort to increase their own efficiency. Congress too has enacted measures to enable the judiciary to make the best use of its members and to modernize court procedures. Other measures are pending, each of which can contribute in some small way to biting into the backlog. These are helpful. They deserve unanimous support. I am confident they will have it. But if you look at the record—at the stark statistics—you can come to no other conclusion but that one thing is needed above all—more manpower. If the Federal courts are denied it, American justice will wither on the vine.

Thirty-eight thousand civil cases were filed in Federal district courts in 1941. The courts then had a backlog of 29,000 cases. That year they were able to hold the line by disposing of as many cases as were filed. The litigant had to wait an average of 5 months from the time he filed to the time of trial. This relatively happy situation was achieved by a force of 200 trial judges.

As of December 31, 1957, 16 years later, the backlog of cases had soared to 66,000, an increase of 126 percent. The number of cases filed each year had skyrocketed to 62,000, an increase of more than 60 percent. How many judges have been added to meet this phenomenal upsurge in the business of the courts? A total of 50. In other words, while the number of cases pending has increased by 126 percent, the number filed annually by over 60 percent, the number of judges has been increased by a mere 25 percent.

What is most important, so far as litigants are concerned, is that our failure to keep pace by providing the necessary judges has resulted in a most discouraging increase in the length of time required to have a case heard. From 5 months in 1941, the interval from issue to trial for the median case has risen to 9 months. Even more significant, over 38 percent of all civil cases take anywhere from 1 to 4 years to be reached for trial.

Our large metropolitan areas are, of course, the hardest hit. Constituents of the distinguished chairman of the Committee on the Judiciary face a delay of 42 months in Brooklyn. That's a long time for the breadwinner of a family to wait for reimbursement of medical expenses and for an award for damages suffered as a result of an automobile accident. It's a long time too for a small-business man to wait for enforcement of his rights under an important contract. It could put some of them out of business. I have no doubt the good people of Brooklyn would welcome relief. And I am sure they are not in the least concerned whether it comes in the form of a judge appointed by a Republican or a Democratic President.

In New York City the delay is 26 months, in Pittsburgh 33 months, and in Cleveland 30 months. And with the number of cases filed increasing annually these periods are bound to grow longer and longer unless we act soon to provide some kind of relief.

Figures as to the total number of cases do not tell the whole story. The type of case involved is also important. Private civil cases, as distinguished from cases in which the Government is a party, take on the average of 3 times as long to handle as Government cases. They are, therefore, the most significant in terms of court congestion. Unfortunately, it is in this class of case that the increase has been the sharpest. Between 1941 and 1957, the number of private cases based on diversity of citizenship rose from 7,000 per year to over 23,000. Meanwhile, the backlog has increased by 150 percent.

In the last 3 years alone, the number of all civil cases filed yearly has risen 28 percent to 36,750 for the year ending March 31, 1958. As of that time 43,600 were pending. This was an increase of more than 5,000 over the same time last year. Meanwhile there has been no increase in the number of judges for the last 4 years. As a matter of fact, three judgeships have been lost and not replaced. Our judges should be commended for the herculean task they have performed for their country and for their communities. In the face of staggering workloads, they have worked on

with vigor and determination. While in 1941 the average number of cases disposed of per judge was 169, today our judges dispose of an average of 232 cases each year.

These figures add up to one thing—Congress has neglected for too long the plight of the judiciary and of the public. This in spite of the fact that sincere efforts have been made to bring Congress into action.

The Chief Justice of the United States has appealed for more judges as "vital to the administration of justice in the Federal courts." The Judicial Conference has recommended the creation of numerous additional judgeships throughout the United States. Its proposal is based on careful study of conditions facing each particular judicial district and circuit for which additional judges have been suggested. Its recommendations are embodied in the bill H. R. 3813, introduced at its request during last session by the chairman of the Committee on the Judiciary.

This omnibus judgeship bill would strike hard at court congestion in 26 States and the Territory of Alaska. It would affect 10 of the 11 judicial circuits. Specifically, it would provide for the creation of 3 new circuit judgeships and 38 new district judgeships. In addition, it would make permanent four judgeships which are now only temporary.

The manpower which would be made available by enactment of this bill could turn the tide against the ever-growing backlog of cases accumulating in our Federal courts. It would at the same time put our courts in a favorable position to dispose of new cases as they were filed. The creation of these judgeships would alleviate the intolerable load which has for so long been shouldered by many of our fine judges. The most important result of all would be the restoration of public confidence in the Federal judicial system.

In addition to this omnibus judgeship bill, numerous others have been introduced by individual members. The great majority of them would provide additional judges in those districts and circuits in which the Judicial Conference has determined they are most needed. They cannot be viewed, therefore, simply as bills to establish a new Federal office to be filled in various localities. Taken together, they can meet what is rapidly assuming the proportions of a national emergency.

On the final day of the last session the Senate passed 17 separate bills which would have provided additional judgeships. Again, the great majority of these were in line with the recommendations of the Judicial Conference.

Where are these bills? Why are they not before us now? The omnibus bill, introduced on January 28, 1957, was referred to Subcommittee No. 5 of the Committee on the Judiciary on January 30. On February 1, 1957, just 2 days later, the Department of Justice, in keeping with the urgency of the situation, strenuously urged enactment of H. R. 3813. Numerous bar groups, including the American Bar Association, have since endorsed it.

Some hope was raised for saving the situation by prompt action when the chairman, in introducing the omnibus bill, declared that its introduction constituted "one step in a proposed program to alleviate the congestion and delay which has existed in the Federal courts for some time." He emphasized that excessive delay was "causing a denial of justice to litigants in the Federal courts, thus weakening one of the bulwarks of our democracy." He went on to declare that "this situation cannot be tolerated nor permitted to grow. In order to have an immediate and direct impact on the problem, these new judgeships must be created."

I concur wholeheartedly in the eloquent statement of my distinguished chairman. I only wish that his sense of urgency at that time had since been translated into action. But no hearings have been held on his bill. As a matter of fact, I doubt the necessity for hearings in view of the almost unanimous support which has been evidenced for this legislation. But the bill has never even been considered by the subcommittee to which it was referred, nor have any of the other bills which have been introduced. The Senate bills have languished for almost a full year now in our committee without ever being referred to a subcommittee.

This footdragging in the legislative process is as much a denial of justice to litigants in Federal courts as is congestion and delay in the courts themselves. Indeed this very lack of action on the part of Congress is the breeding ground for further congestion and delay. Surely we in Congress are not so callous that we can stand by and see justice, to all intents and purposes, denied to thousands of deserving citizens.

By our failure to act in the face of these compelling circumstances we are guilty of playing fast and loose with constitutional government in this country. Party politics should never be allowed to block the path to justice. The need for action has been demonstrated. Members of both political parties, as well as those whose only interest is in improving the administration of justice, have urged the creation of additional judgeships.

Now is the time to bring these measures to the floor for a vote. The representatives of the people—and it is the public, after all, who are most vitally concerned—should be given an opportunity to voice their opinions and vote their convictions.

At stake is our American system of justice—a concept which surely every one of us cherishes. It is time new life was breathed into this system, lest it grow inadequate to meet the needs of our times. Only in this way can we, here today, insure that our judicial system remains the vibrant force for democracy that our Founding Fathers created.

Mr. KEATING. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HILLINGS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HILLINGS. Mr. Speaker, I concur wholeheartedly in the excellent statement made by my able colleague from New York, the Honorable KENNETH KEATING, and I wish to emphasize the judicial requirements of my home State, California.

The tremendous population growth in California has imposed a tremendous burden on our Federal judiciary there, and I stress that there is an obsolute need for an additional judge in the northern district of California and the creation of a separate Federal judicial district for San Diego and Imperial Counties.

Presently, two Federal judges are assigned to the San Diego area from the central division in Los Angeles, and it is my understanding that this arrangement is not completely satisfactory because of the growing volume of cases in San Diego and Imperial, where an almost unbelievable growth is magnifying the importance of this area not only in California, but nationally.

I am convinced that Congress should recognize the burden on our Federal judiciary by not only creating new judgeships in rapidly expanding areas, but also by creating new districts where the population and economic growth dictates them.

I am also positive that if Congress approves a separate judicial district for San Diego and Imperial Counties the action will be approved by the Justice Department and the President.

The caseload in our Federal courts certainly warrants early action on the omnibus judgeship legislation.

Mr. McCULLOCH. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Has the information to which the gentleman refers been before our Committee on the Judiciary for some time?

Mr. KEATING. Yes; this information has been before our committee a long time.

Mr. McCULLOCH. As a matter of fact, it is documented and has been documented at least 2 or 3 times?

Mr. KEATING. It has.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Ohio.

Mr. BOW. I appreciate the gentleman's bringing this matter to the attention of the House. Additional courts are badly needed. In the northern district of Ohio, as the gentleman has indicated, the backlog of cases, as I recall it, is something around 20 months. This creates great inconvenience and hardship to the litigants in that district of Ohio. I hope the gentleman will be successful in bringing this bill to the floor of the House so that we may act upon it and relieve the situation not only in my district but throughout the entire United States.

Mr. KEATING. I thank the gentleman for his contribution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the gentleman from Iowa.

Mr. GROSS. What is the gentleman's solution? Does he suggest more judges?

Mr. KEATING. I think that is one solution we must face up to. That is not the whole question. There are other bills in our committee which have been acted on favorably and are now pending, and others which I believe we should act favorably on and probably will. But I do think that it is necessary to consider the creation of approximately 35 to 40 new judgeships in various areas throughout the country.

Mr. GROSS. There appeared before a subcommittee of the Post Office and Civil Service Committee not too long ago, a gentleman representing, I cannot recall the exact title of it, but I believe the Judicial Conference, or whatever the administrative agency is, asking for additional supergrades. When I asked him what the people who would be elevated to the supergrades would do, he said they would be used to compel some of the Federal judges to go to work.

Mr. KEATING. Well, I think there may be isolated cases of Federal judges who do not work as hard as they might, but I think that by-and-large they are hard working and able and conscientious public servants.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the distinguished gentlewoman from New York.

Mrs. ST. GEORGE. Mr. Speaker, I wish to commend the gentleman from New York at this time for bringing this matter again to our attention. I would like to ask the gentleman if he is, and I am sure he is, fully cognizant of the urgency of this matter in our own State. In the southern tier of New York we are in dire need of another Federal judge. I might add also that the appointments are not coming through as fast as they might and we have vacancies that are not being filled.

Mr. KEATING. I am particularly cognizant of the situation in the State of New York which is, perhaps, as acute as in any State in the country. I am glad the gentlewoman has recalled it to our attention today.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. HOEVEN. I commend the gentleman for bringing this matter to the attention of the House. I introduced a bill in the 84th Congress and again in the 85th Congress providing for a third Federal judge for the State of Iowa. I testified before the Committee on the Judiciary in both instances in support of my bills. A third Federal judge for Iowa has been recommended by the Judicial Conference and by the Iowa State Bar Association. There is a real need for a third judge in the State of Iowa due to the workload which is more than the two present judges can properly handle. I do hope something can be done to jar loose the legislation which has been pending in the Judiciary Committee for much too long.

Mr. CRETELLA. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. CRETELLA. Mr. Speaker, I commend the gentleman from New York [Mr. KEATING] for bringing the matter of the appointment of additional judges in the Federal courts to the attention of this body today.

I introduced H. R. 4984, in the 84th Congress and H. R. 2792 in the 85th Congress, both dealing with the subject of additional judges for the State of Connecticut. I appeared before the Judiciary Committee, together with the Honorable J. Joseph Smith, a Federal judge for the District of Connecticut, in support of my bill.

In my opinion, a case was made out for the immediate favorable consideration of my bill, but unfortunately up to this time this legislation, like similar legislation, is pigeonholed in the Judiciary Committee without justification or cause. The records of the Federal court for the District of Connecticut indicate a steady rise in the business of that court with an increase in number of cases, both criminal and civil.

The judges have worked long and arduously on detailed and complicated matters and one in particular, the Honorable Robert P. Anderson, was involved with a Smith Act violation for more than 9 months in actual trial, for a period of 2 years in the preparation of appeals in connection therewith, while other litigants were compelled to stand by until the final determination of that matter.

Judge Smith presented very clear and concise evidence before the committee in support of the bill, and I herewith attach a statement from him which was introduced into the RECORD, showing the exact situation with our Connecticut court.

I trust that it is now apparent to the committee that it is most important that these bills be given immediate consideration.

JANUARY 30, 1956.

Hon. EMANUEL CELLER,
Chairman, House Committee on the Judiciary, Washington, D. C.

MY DEAR CHAIRMAN CELLER: The civil caseload in the District of Connecticut, which is at present a two-judge district, has increased sharply in recent years, due principally to four developments, the increase in population and business activity,[1] the great increase in motor vehicle registration,[2] and interstate car, bus, and truck travel, the congestion in the State courts and the preference of some of the bar for the more liberal discovery procedures available in the Federal practice. To these has recently been added a further disproportion in court fees between the State and Federal courts.[3] As a result, the caseload of pending civil business has increased from 296 on June 30, 1950 to 905 on December 31, 1955. Of the cases pending, the pleadings are closed in 695; 392 jury and 303 court cases; 451 cases are on the trial lists, in 79 of which pretrial conferences have so far been had. With the use of the pretrial procedures provided by the rules, and the assistance of the law clerks and other supporting personnel provided in recent years, it has been possible to dispose of a substantial volume of civil business, 510 cases being terminated in fiscal 1955. The large excess of filings over dispositions, however, has caused us to fall steadily behind since 1951, resulting in a serious and ever-increasing delay to litigants. In 1951 the median time interval from issue to trial in civil cases in which a trial was held was 4.7 months, the interval from filing to disposition in such cases 8.9 months. Those figures indicate that we had in 1951 almost a current docket, for normal discovery, pleadings, and trial preparation can be expected to consume periods of time of that order. These periods have now increased, however, until in the first half of fiscal 1956 the median interval from issue to trial in such cases was 16.4 months, from filing to disposition 22.6 months. There are several factors which make the actual situation even worse at present than these figures would indicate. Judge Anderson has been engaged since last October 4 in the trial of a Smith Act case in which the Government's case in chief is just closing. The effect of his present unavailability for civil work will show up on future reports. Among the civil jury cases awaiting trial are a number of land condemnation cases which counsel estimate will take the time of a judge and jury for 1 full year. Additional condemnation cases will undoubtedly arise from the flood control works necessitated by the recent flood disasters. On the court side among the 132 cases already on the court trial lists awaiting trial are 1 Government antitrust action, 22 contract actions, 4 patent infringement suits, 8 tax cases, 1 copyright, and 1 unfair competition suit, among the more time-consuming types of action.

We have had assistance from outside judges, and former Chief Judge Swan of the second circuit may be able to help us again in the spring. It is obvious however that outside help will not suffice to meet our permanent need for additional judges, and with increase in business in the other districts it is increasingly difficult to arrange.

Comparision with the caseload in other districts indicates that based either on cases pending June 30, 1955 or on cases filed during 1954 and 1955, Connecticut, even if it had 3 judges at present, would rank in caseload per judge well up among the 3-judge districts. Tables prepared by our clerk showing the situation in recent years are attached.

We ask the committee's favorable consideration of an increase in the number of judgeships authorized for the district of Connecticut.

Sincerely yours,

J. JOSEPH SMITH,
United States District Judge.

Mr. KEATING. I thank the gentleman.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. REES of Kansas. I commend the gentleman for bringing the matter of appointment of additional judges where needed to the attention of the House. In our State we have only two Federal judges. We have been trying to get a third judge for some time. I introduced legislation providing for an additional judge in Kansas. The recom-

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[1] Population in 1927 when Connecticut became a 2-judge district, 1,546,201. Population in 1955, Census Bureau estimate plus men in armed services, 2,271,000.

[2] Motor vehicle registration in Connecticut in 1927 was 306,784; in 1954, 926,312.

[3] Entry fee civil cases. Superior court, $14; United States district court, $15. Fee for claim for jury of 12, superior court, $50; jury of 6, $30. United States district court, none. Judgment fee, superior court, $1; United States district court, none; withdrawal fee, superior court, $5; United States district court, none.

mendation for an additional judge in our State is included in the bill to which the gentleman has called our attention. I hope we may be able to secure legislation providing for a third judge in Kansas in the very near future.

Mr. KEATING. I thank the gentleman. I know something about the situation in the State of Kansas.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. CRAMER. I want to agree with the distinguished ranking minority member of the Committee on the Judiciary on which I have the privilege of serving, and express to him my appreciation, and I know the appreciation of many Members of the House, for the leadership the gentleman has shown in attempting to get these judgeship bills successfully acted upon and favorably acted on by the Committee on the Judiciary, a position which the gentleman has consistently taken and in which I join. I know the gentleman appreciates the condition which prevails in the southern district of Florida where we have one of the largest case loads and backlogs of any place in the United States. Three years ago in the 84th session of the Congress, I know the gentleman knows I introduced a bill to provide an additional judge for the southern district of Florida. As a matter of fact, the other body last year passed such a bill. Is that not correct?

Mr. KEATING. The Senate passed a number of individual bills last year, including one for Florida.

Mr. CRAMER. And our committee has not seen fit to act on any of those bills up to this time?

Mr. KEATING. That is right.

Mr. CRAMER. Does the gentleman have any information as to why action has not been taken on this matter?

Mr. KEATING. A number of us have been urging action. I have no direct knowledge about the reason for inaction. I am not able to categorically answer the gentleman's question.

Mr. CRAMER. I will say to the gentleman the best information I can get on the subject is that, despite the fact that this is a meritorious and urgent matter, the fact of the matter is it has been suggested that, unless and until a deal can be made regarding the political complexion of those persons considered for judges, this bill will not be passed, despite the fact that judges are needed throughout the country. Has the gentleman heard any rumors to that effect?

Mr. KEATING. If the gentleman will relieve me, I do not like to base my statement on rumors. I have heard various reasons given. I endeavored to communicate with the chairman of the committee this morning and have no doubt he will have an explanation in due course. If we all work hard enough I am confident we will be able to get some action from him. I would hope that he would in some way respond to these remarks in the near future. He should have every opportunity to do so. I am sorry I was advised so late that I might have time made available to me that I was not able to succeed in requesting him to be here this morning.

Mr. CRAMER. I think that expeditious justice is being denied and apparently because of some sort of a political deal. It seems to me that, if this be true, it certainly smacks of political blackmail, and the administration could not and should not accept such an approach.

In reference to the southern district of the State of Florida I have today obtained some figures that dramatically illustrate the serious situation that I seek to overcome, in some degree in my bill, through the addition of another Federal judge to be assigned to that district.

The judges of the southern district, and may I be the first to congratulate them on the efficiency of their courts, handle a much greater caseload than the national average. In total cases the national average per judgeship is 236; the Florida average is 298. In private civil cases the national average is 151, and the Florida average 170 per judge. In criminal cases is shown the largest discrepancy, with the national average being 105, and the Florida average 214 per judge.

The office of the United States attorney for the southern district of Florida is highly indicative of the workload of the courts. This office has moved up in ranking of caseload as follows:

In 1955 the southern district ranked seventh.

In 1956 the southern district ranked sixth.

In 1957 the southern district ranked fourth.

Civil cases pending in this office have increased 20.58 percent in the last fiscal year as compared to the year before and, in the same period, civil cases and all matters increased 41 percent.

I have offered these figures to indicate in a specific instance the importance of action now. The situation in Florida is worsening every day and I can see no reason for pure political delay that denies to the people their constitutional right of speedy trial. I hope the Members of Congress will call upon the committee to act with the greatest expediency.

Mr. NIMTZ. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield to the distinguished gentleman from Indiana who has manifested his deep interest in this problem heretofore.

Mr. NIMTZ. Mr. Speaker, I wish to commend my distinguished colleague the gentleman from New York [Mr. KEATING], the ranking member of the Committee on the Judiciary, on which I have the honor of serving, for again bringing to the attention of the House the matter of congestion in the Federal courts and the need for action by the Committee on the Judiciary and the Congress to alleviate these difficulties.

It has often been said, "Justice delayed is justice denied." Litigants should not be required to wait months or years for a determination of their rights. Damages, if they are to be awarded, should be determined without undue delay, so that the litigant who is entitled to receive them is not further injured by economic hardship because he must await his turn for a long period in the judicial process.

The Committee on the Judiciary should review the situations which have been brought to its attention for additional Federal courts and judges which are believed to be necessary. A determination should be made, and the appropriate bills creating the additional judgeships and courts should be reported to the House for action.

I assure my colleague, the gentleman from New York, that I will support him in his continued efforts to have such legislation considered in order to remedy the existing situation.

Mr. KEATING. I thank the gentleman, and I am grateful for the support that has been manifested by various Members for early action on this bill.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. GAVIN. I want to compliment the gentleman on the very fine statement he has made, and I want to associate myself with you in this proposed legislation and assure you of my continued interest.

Mr. KEATING. I thank the gentleman from Pennsylvania.

Mr. SCOTT of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. KEATING. I yield.

Mr. SCOTT of Pennsylvania. I would like to compliment the gentleman also and say that he has made a very useful contribution. We are much in need of additional Federal judges in Pennvania to ease our backlog of undisposed cases.

Mr. KEATING. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. EVINS. Mr. Speaker, I should like to commend the distinguished gentleman from New York [Mr. KEATING] for his efforts in behalf of securing legislation to authorize additional Federal judges—to provide an adequate strength in our Federal judicial system. As I am sure the gentleman is aware, the situation is acute in my own State of Tennessee, particularly the middle Tennessee judicial district. In my State we have a most able and competent Federal judge serving in middle Tennessee—Judge Miller. He is a young man who has almost broken down his health by the heavy workload. There has been a tremendous increase in litigation during the past decade, and it is my information that there are many pending cases for disposition on the docket in middle Tennessee—many of which have been pending for several years. A great number of these cases arise out of condemnation proceedings resulting from Federal installations and Federal activities in Tennessee. We certainly are in need of an additional judgeship to assist Judge Miller in serving the middle Tennessee district. I should point out that for a time middle Tennessee had an additional temporary Federal judge, but with the

passing of the late Judge Davies middle Tennessee is now being served by the single Federal judge. The need for additional judgeship for the middle Tennessee district has been endorsed by the united approval of the Bar of the Lawyers of the Region, as well as all citizens interested in the effective operation of our courts. The Senate has acted to alleviate this condition, and it is unfortunate that the measure was not passed in the last session of the Congress. I certainly hope that favorable action may be taken on the Senate measure or a similar measure during this session. I certainly hope that an additional judgeship is included in the measure of the Judicial Committee for middle Tennessee.

Mr. ROGERS of Florida. Mr. Speaker, I urge that consideration be given to legislation I have introduced providing for the creation of an additional judgeship for the southern district of Florida. My bill, H. R. 3085, was incorporated in an omnibus bill, H. R. 3813, and it is presently pending before the House Judiciary Committee. A similar bill, S. 324, has already passed the Senate, and unless action is taken during this session by the House, this legislation will die.

Florida has enjoyed a phenomenal growth in population in the southern district, with a corresponding increase in litigation, and it is urgent that relief be given by the creation of an additional judgeship for this area.

The Administrative Office of the United States Courts stated in its report to the committee, dated February 13, 1957, that—

> The Judicial Conference has recommended the creation of one additional district judgeship for the southern district of Florida. Provision for this judgeship is contained in the omnibus judgeship bill, H. R. 3813, now pending before your committee, which I hope will be considered and enacted at the present session of the Congress.

Mr. Speaker, with this plea from the United States Courts, I hope the Congress will act favorably on H. R. 3813 during this session.

Mr. WILLIAMS of Mississippi. Mr. Speaker, I am glad that the gentleman from New York has brought to the attention of the House the need for additional Federal judges in various court districts throughout the country. As the gentleman knows, Judge Sidney Mize, of the southern district of Mississippi, is carrying a caseload far in excess of the average in the United States and he deserves relief. Accordingly, I hope that the House Judiciary Committee will act promptly on pending legislation which would authorize another judge for the southern district of Mississippi, as well as other districts where such a pressing need for relief has been demonstrated to the committee.

Mr. KEARNS. Mr. Speaker, I thank the distinguished gentleman from New York—the ranking member of the House Judiciary Committee—for yielding to me and I commend him for his interest in legislation to provide additional Federal judges in localities where they are badly needed throughout the United States in order to cope with the large backlog of cases now pending in our Federal courts.

Personally, in the 2d session of the 84th Congress—February 1956, to be exact—I testified before a House Judiciary subcommittee—and representatives of the Erie County Bar Association gave supporting testimony—pertaining to the need for legislation to provide for the appointment of an additional district judge for Erie, of the western district of Pennsylvania. This proposal was embodied in H. R. 8139 of the 84th Congress and was reported favorably to the full Judiciary Committee, but no action was taken.

Therefore, in the early days of the 85th Congress, I reintroduced my bill—now known as H. R. 2011—which has the approval of the Honorable John Biggs, Jr., Pennsylvania's representative in the United States Judicial Conference, as well as of the other members of the Conference.

It is my understanding, however, that the provisions of H. R. 2011 are incorporated in Chairman CELLER's omnibus judgeship bill—H. R. 3813—and it is my desire, therefore, to urge immediate consideration of H. R. 3813 to assure prompt processing of legal cases now pending in the Federal courts.

In Erie alone—and I might mention at this point that Erie is the third largest city in the Commonwealth of Pennsylvania and the second largest city in the western district—we have a huge backlog of civil cases. It seems grossly unfair to require Erie attorneys and attorneys of the other two counties in my Congressional District—Crawford and Mercer—as well as bordering counties—in addition to all the people involved in these cases, to travel 130 miles to Pittsburgh, where the great majority of these cases are now heard, when superb facilities already exist in Erie.

In Erie we have a beautiful modern Federal building facing the public square with 2 courtrooms and 2 judges' chambers, but because the 6 judges presently assigned to the western district are so occupied with the pressure of work in Pittsburgh, months often go by without a judge being available to serve the close to a million people who would prefer to use these advantageous facilities. Thus we have what might be termed a "ghost courthouse" in Erie.

May I urge the chairman and the distinguished gentleman from New York, and their colleagues on the great Judiciary Committee of the House, to report H. R. 3813 without delay so that before the adjournment of the 85th Congress, I, and other Representatives in a similar situation, may be assured of additional Federal judges—and I appeal further that the additional judge for western Pennsylvania be permitted to sit in Erie. Thank you for your consideration.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that my remarks on page 10771 of the CONGRESSIONAL RECORD, date of June 10, column 1, commencing in line 51 be corrected to read "Which grants each to the other special advantages in trade based upon which each receives in return from the other."

And line 63, the word "understand" should read "understanding"; and on page 10771, second column, line 17, the word "this" should be inserted before the word "country."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may desire to the gentleman from Maryland [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I was unavoidably absent from the Hall during the rollcall on the passage of the bill. Had I been present, I would have voted "yea."

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. SHEEHAN].

Mr. GAVIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count.

Mr. GAVIN. Mr. Speaker, I withdraw the point of no quorum.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. THORNBERRY. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. MCCARTHY] to make a statement.

Mr. McCARTHY. Mr. Speaker, I was called from the floor during rollcall No. 94 on final passage of the Reciprocal Trade Extension Act. I favor the passage of this bill.

PERMISSION TO COMMITTEES TO SIT DURING SESSION OF HOUSE TODAY

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THORNBERRY. Mr. Speaker, on behalf of the gentleman from Arkansas [Mr. HARRIS], I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have permission to sit during general debate in the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THORNBERRY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

CALL OF THE HOUSE

Mr. GAVIN. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. VINSON. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 96]

Ashley	Burdick	Griffiths
Auchincloss	Denton	Jenkins
Barden	Dies	Kearney
Breeding	Evins	LeCompte
Buckley	Gregory	Machrowicz

Morris	Robeson, Va.	Spence
Powell	Scherer	Tollefson
Radwan	Shuford	

The SPEAKER pro tempore (Mr. THORNBERRY). On this rollcall 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DEPARTMENT OF DEFENSE REORGANIZATION ACT OF 1958

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 12541), with Mr. WATTS in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, I consider it an honor to open the debate this afternoon on H. R. 12541, the proposed Defense Reorganization Act of 1958.

The bill before you is phrased in such language that it is crystal clear as to its intent and purpose. No one needs to be acquainted with military terminology to understand every word of it.

For example, just read how clear the policy statement is set forth—that is section 2 of the bill—and the same clarity runs through each section of the bill. Every line of it is free of ambiguity, free of cloudiness, and free of any fuzzy language.

This bill represents the accumulated thinking of the members of the Committee on Armed Services.

This bill was written by the Committee on Armed Services. Every member of the committee, all 37, contributed to its formulation. And here today I want to publically congratulate each and every one of the committee for the outstanding service that they have rendered to the Nation in the preparation of one of the most important legislative proposals that will come before Congress in many, many years.

I compliment them for their willingness to contribute so much of their time and talent to this important matter. Their questions were keen, deliberate and searching. The objective of each question was to determine to the satisfaction of each member what was best for our national security, what was best for our defense, what was best for America in this age in which we are living.

Mr. Chairman, I am proud of the fact that this bill comes to the floor of the House with the unanimous approval of the House Committee on Armed Services with only two reservations as to one section.

It is perhaps remarkable that a matter which could have been filled with tension and emotion has not been subjected to that type of approach.

Instead, each Member, fully conscious of his great responsibility, sought eagerly to determine from the witnesses that which they thought was best for our Nation.

I am happy to say to you that the Armed Services Committee approached this important and vital matter to reorganize the Department of Defense in a completely nonpartisan manner. Let me say to you that there can be no room anytime in the committee, or in the House for partisan politics where national security is concerned, for national security touches every American home, every American pursuit, every American life. There can be only one question—What is best for America?

Mr. Chairman, we are living in an era of rapid change. I am frank to say to you that it would be extremely dangerous for us to establish, by statute, a rigid form of defense organization, unable to respond to the appalling speed, scope and fruits of accelerated scientific discovery. We must not let the dogmas of the past cast its shadows over our thinking in this new age in which we are living today.

On the other hand, from the magnitude of the undertaking involved, it is obvious that the legislative framework for our national security must be based upon a solid foundation and adherence to certain never-changing concepts which constitute the hearthstone of our form of government.

Thus the problem before the House is to establish a legislative framework which provides flexibility for executive decisions, but, at the same time, preserves to the American people, through their elected representatives, that degree of control which is necessary to preserve to the Congress its constitutional responsibility in the defense of the Nation.

Our objective, as a committee, was to present to the House legislation that would provide—

First. Unity in strategic planning.

Second. Unity of military command.

Third. Unity in our fighting forces.

Fourth. The streamlining of the Department of Defense.

Fifth. To broaden and remove all doubt as to the direction, authority and control of the Secretary of Defense by eliminating the words "separately administered" which we are told has led to some confusion or fuzziness with regard to the Secretary's power.

Sixth. To speed up the chain of command to unified commands, and to provide the legislative tools for integrating our combatant forces.

Seventh. To give our Joint Chiefs of Staff the professional assistance needed for the unified direction of our combatant forces.

Eighth. To place defense research and engineering under one responsible official with the power to stop unnecessary duplication, speed up essential work and eliminate unnecessary and unproductive competition or harmful rivalry.

Ninth. To assure a strong defense, capable of deterring aggression, made up of a strong team of land, sea, and air forces.

Tenth. And at the same time, to preserve to the Congress its constitutional responsibility to provide for an Army, Navy, Air Force and Marine Corps. In short, Mr. Chairman, the proposed legislation provides for America's security with solvency through the proper exercise of legislative and executive responsibility.

During the hearings on the proposed legislation, which were conducted as an inquiry under House Resolution No. 67, the committee had before it various bills dealing with defense reorganization. One of these bills, introduced by the distinguished minority leader, the Honorable JOSEPH MARTIN, contained the recommendations of the President.

At the very outset it became clear that there was no disagreement in the committee with regard to objectives sought.

The problem area insofar as the President's proposal was concerned was in the method of legislative expression. Language trouble was the committee's main problem.

Mr. Charles S. Coolidge, former Assistant Secretary of Defense and special assistant to the Secretary of Defense for the preparation of the proposed reorganization of the Department of Defense, stated during the hearings:

> This is a difficult piece of legislation to draft, and I suppose it is usual or common for lawyers, when faced with a difficult piece of drafting, to make sure, if there is any error in the drafting, that it will be on their side.

The distinguished Secretary of Defense, the Honorable Neil H. McElroy, stated during the hearings:

> I believe this was an honest effort that was made by these attorneys. That in trying to provide the legal authority to do those things, that we did feel the necessity of doing, they could not find legal wordings that would accomplish these things except by using wording which I believe is, in certain instances, unnecessarily broad.

And that, Mr. Chairman, is the reason why the Committee on Armed Services completely rewrote the legislation that is now before the House. We have eliminated language trouble. We have rewritten provisions which were unnecessarily broad. We have gone through the testimony and have agreed that the objectives are sound, but that the language to accomplish these objectives must be clear, specific, and understandable. And we feel that the bill before the House today reflects those objectives which are so necessary if we are to remain a Nation of laws and not of men.

Mr. Chairman, I am happy to say to the House that as we concluded the hearings on this important matter, after 22 sessions, the President of the United States saw fit to address a letter to me which I should like to read:

> THE WHITE HOUSE,
> *May 16, 1958.*
>
> Hon. CARL VINSON,
> *Chairman, Committee on Armed Services, House of Representatives, Washington, D. C.*
>
> DEAR MR. CHAIRMAN: I have just been shown your committee's revision of the defense-reorganization legislation which I sent

to the Congress 2 months ago. From a quick reading I have these impressions:

First, on the whole the bill clearly reflects constructive efforts to correct the main difficulties which have troubled our Defense Establishment in recent years. I congratulate you and your committee colleagues for the progress made toward developing a sound defense structure.

Second, by and large the bill seems to deal positively with every major problem I presented to the Congress.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. MILLER of Nebraska. I notice that the gentleman said, "A quick reading of the bill."

Mr. VINSON. That is correct.

Mr. MILLER of Nebraska. Has there been some more mature judgment and different decision since the quick reading of the bill, in which the administration does not agree?

Mr. VINSON. I will come to that shortly, if the gentleman will just bear with me.

Third, in certain respects—two quite important—I believe that changes would make the committee's revision clearer in intent and more clear cut in effect within the Defense Department, and therefore would result in greater departmental and operational efficiency. I am requesting a member of my staff to give you my views on such items. I hope this language will be suitably adjusted on the House floor.

With warm regards.

Sincerely,

DWIGHT D. EISENHOWER.

Although the President has congratulated the committee on its "progress made toward developing a sound defense structure" and although the President stated that "by and large the bill seems to deal positively with every major problem" he presented to Congress concerning defense reorganization, there are two provisions regarding which the President has preferences that differ from the approach contained in the Committee bill.

I will not discuss those matters that differ from the President's preferences.

Now, Mr. Chairman, I would like to turn to the President's first objection to the proposed legislation. His objection centers around the words "exercised through the respective Secretaries of such Departments" which will be found on page 2, line 14, in the policy statement, and in paragraph 4, section 3, of the proposed legislation on page 5, lines 7 and 8.

To properly understand this issue it is necessary to refer to existing law and the President's proposal as contained in H. R. 11958.

Existing law states that it is the intent of Congress "to provide three military departments, separately administered, for the operation and administration of the Army, the Navy—including naval aviation and the United States Marine Corps—and the Air Force with their assigned combat and service components."

The President's proposal recommended language that it is the intent of Congress "to provide a Department of Defense, under the direction, authority and control of the Secretary of Defense, to include as military departments the Department of the Army, the Department of the Navy—including naval aviation and the Marine Corps—and the Department of the Air Force."

The legislation now before the House and that recommended by the committee states that it is the intent of Congress "to provide a Department of Defense, including the three military departments of the Army, the Navy—including naval aviation and the United States Marine Corps—and the Air Force under the direction, authority and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority and control of the Secretary of Defense exercised through the respective Secretaries of such Departments."

Now there is no dispute with regard to the words "to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense." The President objects to the words "exercised through the respective Secretaries of such Departments."

Now, Mr. Chairman, the President in his message, and Department of Defense witnesses referred throughout the hearings to the cloudiness of the authority of the Secretary of Defense because the words "separately administered" are now contained in existing law.

Without citing any specific examples, the witnesses contended that there are constant arguments in the Military Establishment concerning the power of the Secretary because of the words "separately administered." Even though we have no concrete examples before us indicating where the Secretary of Defense's authority has been challenged, nevertheless we accepted the statements of the witnesses that the words "separately administered" cast a cloud on the Secretary's title of authority and we agreed to remove the words "separately administered."

Now that raises the question of how these military departments are to operate. Are the Secretaries of the Army, Navy, and Air Force to be responsible for their military departments, or are they to become branch managers?

Are they to become subservient not only to the Secretary of Defense, the Deputy Secretary of Defense and the Director of Defense Research and Engineering, but also to the seven Assistant Secretaries of Defense and the General Counsel, together with their Deputy Assistants and the Assistants to the Deputy Assistants, and the Assistants to the Assistants, or are they to be held responsible for their military departments directly to the Secretary of Defense?

The committee bill holds them responsible directly to the Secretary of Defense.

We heard much during the hearings of the virtues of decentralization and with this we are in full accord. We are dealing with an organization that spends $40 billion a year or more. We are dealing with an Army of 905,000 military personnel and 409,000 civilian personnel. We are dealing with a Navy of 641,000 and a Marine Corps of 187,000 plus 362,000 civilian personnel. We are dealing with an Air Force of 873,000 and 314,000 civilian personnel. Each military secretary is responsible for more than 1 million people in his department. The Secretary of Defense is the boss of 3,693,000 persons.

Now how do you operate an organization of this magnitude? Do you operate through a system of decentralization or do you concentrate all of your daily operations in the Office of the Secretary of Defense?

Do you say to the military secretaries "You will follow the orders, the directives and policies of the Secretary of Defense and you will see that they are properly executed?" Or do you say to the military secretaries "You will do anything that the Secretary of Defense brings to your attention but in the meantime, every person in the Office of the Secretary of Defense will be running the various parts of your department. You may not know what is going on and neither will anyone else, but we have to have centralized chaos at all costs."

Well, Mr. Chairman, if there are those who feel that the Department of Defense is now in a somewhat confused state; if there are those who feel that decision-making has been impeded by the top layer of civilian personnel in the Office of the Secretary of Defense; if there are those who feel that decisions have been impeded by the existence of too many nomen and not enough yes-men, then I know of no better way to add to this confusion, this delay, this chaos, than to strike out the words "exercised through the respective Secretaries of such Departments."

We do not question the fact that the Secretary of Defense is the boss. We want him to be the boss. We insist that he be the boss. But we look upon him as a policymaker, not a man who will make every daily decision in the functioning of this tremendous organization.

We expect the military secretaries to follow the policies, the directives and the orders of the Secretary of Defense. We have removed any possible confusion or cloudiness in the authority of the Secretary of Defense by eliminating the words "separately administered."

But just as the President wanted a straight, rapid, clear line of command to the unified commands, so also do we want a straight, rapid clear line of civilian command in the Military Establishment.

We want the Secretary's orders to be channeled to the military Secretaries for immediate execution, but we have no intention of permitting each Assistant Secretary, of Defense or his Deputy, or one of his many assistants, to issue direct orders on his own initiative to civilians and military personnel within the military departments. We want a clear line of civilian command, the same as the President wants a clear line of military command. We want to know who is responsible for the execution of orders.

We want to be able to pinpoint responsibility and that responsibility will be placed squarely upon the military Secretaries. We want them to be directly responsible to the Secretary of Defense for the execution of his orders, directives and policies.

Now, of course, in an organizational structure of this nature, the Secretary of Defense must have staff advisers. And we view, as does the President, the Assistant Secretaries of Defense as staff advisers. It is through the Assistant Secretaries of Defense that the constant exchange of viewpoints will be conducted.

And if the Secretary of Defense delegates a specific responsibility to an Assistant Secretary of Defense, and that Assistant Secretary of Defense, in the name of the Secretary, issues a directive, policy or order to a military Secretary, then it will be incumbent upon the military Secretary to execute that order, directive or policy.

But the Assistant Secretary who acts in this manner must do so with a specific delegation of authority from the Secretary of Defense. He must not act on his own initiative.

Now, Mr. Chairman, let us analyze this situation a little further. In the order of precedence established by law, the military Secretaries rank immediately after the Secretary of Defense and the Deputy Secretary of Defense. They do not rank after the Assistant Secretaries of Defense. They are not subservient to the Assistant Secretaries of Defense. They are senior to the Assistant Secretaries of Defense. And unless we abolish the military departments and eliminate the military Secretaries, then we must prescribe in law the channel of civilian command to the military departments.

But it would be very unwise to pass a law that only says that each military department shall be "separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense." You must say by law who is responsible for the department under the Secretary of Defense.

How would these military Secretaries function under the Secretary of Defense?

The law would merely say that they would have to be organized under the military Secretaries.

If we eliminate "exercised through the Secretaries of the respective military departments" there would be no channel of command to the military departments.

Each person in the Office of the Secretary of Defense would feel, and rightly so, that the military departments were simply branches of the Office of the Secretary of Defense and should be handled accordingly.

The military Secretaries would be bypassed and they soon would not know what was going on in their own department.

About the only function that would be left to the military Secretaries would be making speeches on Memorial Day and Armed Forces Day.

But if something went wrong and Congress sought to pinpoint the responsibility, then who would we hold responsible?

The Secretary of Defense, being the boss, would have the statutory responsibility but the military Secretaries could rightfully say "I know nothing about this. No one told me anything about this. Three of the Assistant Secretaries of Defense told my bureau chiefs, or my branch chiefs, or my Deputy Chief of Staff what to do and they did it in three different ways, and you are now trying to accuse me of being negligent because I did not know what was going on. How could I know what was going on when the law says nothing about how these orders will be issued. The law does not say they have to come through me. The law says they can go any place in my department."

Mr. Chairman, I do not think any of us want to pass a law to permit such a confused situation to exist. And if you eliminate the words "exercised through the Secretaries of the respective military Departments" you will be doing exactly that.

To prevent chaos and to put order in this whole system involving the expenditure of $40 billion annually, there must be a clear civilian command channel, and that is what we have provided. If you strike the words "exercised through the Secretaries of the respective military Departments" then you create an administrative nightmare that would permit seven Assistant Secretaries, a General Counsel, and an unknown number of assistants, aided by 1,580 civilian employees to run the Military Establishment.

Therefore, I sincerely hope that the House will agree to retain these words "exercised through the Secretaries of the respective military Departments."

The elimination of these words will bring about administrative chaos.

Mr. Chairman, I now come to the second objection of the President.

I refer to that portion of the bill that sets forth the procedure for abolishing, consolidating, transferring or reassigning combatant functions. The issue here is clear cut.

Here we are dealing with combatant and noncombatant functions. These are the functions that determine the capabilities of our four services. These are the functions that make it possible for each service to fulfill its primary reason for existence.

Now to properly understand this subject matter we have to differentiate between a combatant function and a noncombatant function.

A combatant function deals with the fighting capacity of a service; a noncombatant function is comparable to a business function or a supporting function. For example, the purchase of food and supplies; the furnishing of medical services; the running of post exchanges; and matters of this nature are noncombatant functions. But the operation of destroyers, submarines, fighter aircraft, the capacity to wage warfare with troops and equipment, are combatant functions.

Now the President sought authority for the Secretary of Defense to transfer, reassign, abolish, or consolidate any function, including a combatant function, performed by any of the armed services by merely notifying the Congress and waiting 30 days.

Under the President's proposal, in order for the Congress to prevent a function from being abolished, transferred, reassigned, or consolidated it would have been necessary for the Congress to enact a law. The enactment of such a law would have required the President's signature, or would have required a two-thirds vote of each House to override a Presidential veto.

It is obvious that no Secretary of Defense would recommend the elimination of any function without first obtaining the approval of the President. And it is just as obvious that even if the Congress tried to pass a law to prevent the elimination of such a function the President would veto such action on the part of the Congress.

Thus, under the President's proposal, I think we can safely assume that every time the Congress disagreed with the elimination, transfer, reassignment, or consolidation of any function by passing a bill, it would have run into a Presidential veto, which would have required a two-thirds vote of each House to override.

Now, how did the House Armed Services Committee approach this very important matter? Here is one portion of the bill that applies to Congressional control. Here is the one provision in the bill where the Congress retains its constitutional responsibility to provide for the armed services.

We wanted to approach this matter fairly and equitably, recognizing the necessity for executive flexibility but at the same time preserving Congressional responsibility. So here is what we have provided:

The Secretary of Defense is authorized to transfer, abolish, reassign, or consolidate any function, except a major combatant function, by simply notifying the Congress of his plan to transfer, abolish, reassign, or consolidate any function, and then wait 30 days.

To prevent this action from taking place requires the enactment of a law in the same manner as was recommended in the President's proposal.

Now you will note that the one exception to this power of the Secretary of Defense is the major combatant function.

How do we decide when we are dealing with a major combatant function?

Well, we have solved that problem in section 3 of the proposed legislation. We have provided that when the Secretary of Defense wants to abolish, transfer, reassign, or consolidate a combatant function he must first consult with the Joint Chiefs of Staff. If any member of the Joint Chiefs of Staff, including the Commandant of the Marine Corps when dealing with Marine Corps matters, objects to the proposed transfer, abolition, reassignment, or consolidation, that objection converts the combatant function to a major combatant function.

When that happens the Secretary of Defense submits his recommendation to the Congress, and then the Congress can voice its objection by passing a concurrent resolution if it acts within the first period of 60 calendar days of continuous session of the Congress following the date the Secretary of Defense has made his report to the Congress.

As we all know, a concurrent resolution does not require the signature of the President. Thus, a majority of both

Houses, by passing a concurrent resolution in opposition to the proposed transfer, reassignment, consolidation, or abolition, can prevent the Secretary from taking the action he proposes.

Now suppose we are in a period of hostilities, or imminent threat of hostilities, and there is inadequate time to submit any proposed action to the Congress. We have covered that situation by giving the President of the United States complete and absolute authority to transfer, reassign or consolidate any function, including a combatant function or a major combatant function, as he sees fit. The President can take this action when he alone determines that we are in a period of hostilities, or in a period of imminent threat of hostilities. During this period he can transfer, consolidate, or reassign functions without restriction. When the hostilities or imminent threat of hostilities terminate, then these functions revert to their former status.

It is difficult for me to understand how anyone can object to this procedure that is recommended by the Committee on Armed Services.

If Congress is to retain its responsibility for providing for the national security, then at least it is entitled to some voice in the matter of transferring, abolishing, reassigning or consolidating major combatant functions.

If Congress wants to get out of this matter entirely and let the executive branch determine all functions to be performed by the armed services, leaving the Congress solely with the power of appropriating funds, then all we have to do is adopt the language recommended in the President's proposal. It is my personal conviction that this would be a complete abdication on the part of the Congress of its constitutional responsibility.

Why should Congress pass a law that permits the executive branch to repeal, and I repeat, to repeal, the laws passed by the Congress with respect to the basic fighting purposes and capabilities of our armed services?

Certainly the Congress must retain its responsibility in this field with respect to major combatant functions. Without the language contained in the committee bill, the fighting components of each of the armed services could be eliminated and the only way the Congress could stop such action would be to pass a law, undoubtedly over the objection of the President.

If we are to have Congressional responsibility in this area, we must retain the language of the committee bill. But if the Congress wishes to surrender completely to the executive branch of Government its responsibility with respect to our armed services, then the provision of the committee bill should be eliminated.

Now let me repeat so that there can be no misunderstanding about this proposal. The committee bill provides that all functions, except major combatant functions, can be transferred, reassigned, consolidated, or abolished by the Secretary of Defense by simply notifying the Congress and waiting 30 days. To prevent this action from taking place, the Congress would have to pass a law which requires the President's signature, or else override a Presidential veto.

If the Secretary of Defense proposes to transfer, reassign, consolidate or abolish a combatant function which vitally affects one of the armed services, and a member of the Joint Chiefs of Staff objects to the proposed transfer, consolidation, reassignment or abolition, this then converts the combatant function to a major combatant function.

In this case the Congress can prevent such action from taking place by the adoption of a concurrent resolution.

But in time of hostilities or imminent threat of hostilities, the President is given absolute and plenary authority to transfer, reassign, or consolidate combatant functions, including major combatant functions without even reporting the action to the Congress. When the hostilities or imminent threat of hostilities have terminated, then these functions will revert to their former status.

Mr. Chairman, I submit that we have provided here all of the executive flexibility that could properly be granted, and at the same time have preserved Congressional responsibility in this vital area. To do otherwise would be a complete surrender on the part of the Congress of its constitutional responsibility.

Bear in mind that Congress does not have to act on these proposed transfers, abolitions, consolidations or reassignments of functions. Congress only reserves the right to act when it wants to prevent such action from taking place.

The approval by Congress is not required; Congress merely retains the right to disapprove—and this is further limited to the enactment of a law in the case of noncombatant and noncontroversial combatant functions, or the adoption of a concurrent resolution in the case of major combatant functions.

The bill before you represents an admirable accommodation of executive and Congressional interest in this vital matter.

There is no basis in this bill for criticism that Congress is handicapping the executive.

As I have said, functions—even combatant ones—can be abolished, reassigned, consolidated, and transferred by the Secretary of Defense by 30-day notice to Congress.

A major combatant function, in other words a mission that is vital to the existence of a military service, can even be transferred, abolished, reassigned, or consolidated by unilateral executive action unless such a transfer, consolidation, reassignment, or abolishment meets with objection by a member of the Joint Chiefs of Staff. In this case, such a change very properly is a matter of high military policy, clearly involving the existence and effectiveness of one or more military services. It is obviously a proper subject for the attention of Congress which must continue to exercise its responsibilities as to the basic purposes for which the armed services have been maintained by Congress.

If Congress determines that such a change is wise, affirmative action is not even required by way of approval. In the absence of an objecting concurrent resolution the change is automatically effected. If Congress determines such proposed action is injurious to national security, then the executive action can be prevented by the adoption of a concurrent resolution within 60 days of its proposal to Congress.

Yet in order to clear the way for Presidential action in emergency, the committee bill gives to the President full and unfettered discretion as to reassignment, consolidation, or transfer of all functions, including major combatant functions, in time of hostilities or even imminent threat of hostilities, and the determination of whether or not hostilities are imminent is also left to the President.

I believe the House will refuse to transfer its prerogatives and responsibilities to the executive branch.

In order to be completely frank on this matter, it is only realistic to recognize that it is very doubtful without this element of Congressional participation in determination of major combatant functions, if naval aviation and the Marine Corps could long survive.

The past record is complete with evidence that Congress must assert its responsibilities in this matter if the Nation is to have a versatile, ready, hard-hitting Marine force and the naval aviation it so deeply needs in these troubled times.

Congress has insisted on this not because naval aviation and the Marine Corps need it, but rather because our Nation needs naval aviation and a Marine Corps.

I state without reservation that if Congress does not retain the proper degree of control over major combatant functions provided in this bill, Congress will have lost all effective means of discharging its responsibilities as to the basic composition and purpose of the Armed Forces.

There is a very proper area of Congressional cooperation with the Executive in these matters.

The committee bill reflects an awareness of this necessity for recognition of the President's role as Commander in Chief.

But there is a line beyond which Congress cannot and must not go. We have reached that line. To acquiesce to Presidential preference for discarding the historic partnership between the Congress and the Executive in this basic matter would mean giving to the executive branch important Congressional powers which Congress has not the power to give away.

The manner in which the committee has resolved Executive and Congressional views with respect to roles and missions is an admirable and equitable reconciliation of providing presidential flexibility, and preserving Congressional responsibility in a matter of basic defense policy.

Now, Mr. Chairman, the President, according to newspaper accounts, has now discovered a third objection to the committee bill.

This deals with the provision of existing law contained in the National Security Act which permits a military Secretary or a member of the Joint Chiefs of Staff to present to the Con-

gress, on his own initiative, any recommendation relating to the Department of Defense deemed proper, after first advising the Secretary of Defense.

This has been the law since August 10, 1949. It has never been utilized, but now it has suddenly become, in the President's words, "legalized insubordination."

Here we find a conflict between the Department of Defense and the White House because the Secretary of Defense told the committee "our feet are not in concrete in this, and if the committee decides that that is an important privilege to retain, I personally would not oppose it."

Interestingly enough, the repeal of this provision was not in the Department of Defense's version of the Defense reorganization bill. Instead it was inserted at the White House.

In effect, what the President asks the Congress to do is to repeal a provision of law which permits a military Secretary, or a member of the Joint Chiefs of Staff, from presenting a recommendation to the Congress after advising the Secretary of Defense of his intention to do so.

This provision of law, as I have stated, has never been utilzed by any military Secretary or any member of the Joint Chiefs of Staff.

Perhaps its very existence in the law is the reason it has never been utilized. So long as the military Secretaries, and members of the Joint Chiefs of Staff, with the tremendous responsibility vested in them, know that they can present to the Congress recommendations on their own initiative, after first advising the Secretary of Defense, there is ample protection to the Congress and to the military services that the Congress will be able to obtain vital information which may be necessary in order to make intelligent decisions.

But this suddenly becomes "legalized insubordination."

What are we to think about this sudden condemnation by the President?

Are we to assume that the President intends that the Congress not be informed of any controversy in the Department of Defense?

Have we reached a point in the history of Congressional-Executive relationships when the Congress is not to be trusted with information?

Must we always resort to investigations to find out the status of our national defense?

Are we to deprive competent, responsible, military leaders and civilian military leaders of the right to bring their recommendations to the Congress, which may not be in accord with the administration's policy?

Have we reached such a low in the relationship between the Congress and the executive branch of our Government that the Congress must be denied the right to information volunteered by a military leader or a military Secretary?

Mr. Chairman, I am truly amazed by the President's position in this matter. The military Secretaries are political appointees of the President, yet the President would deprive them of the right to submit a recommendation to the Congress on their own initiative after first advising the Secretary of Defense of their intention to do so. Would a military Secretary, appointed by the President, volunteer information unless he felt that it was a matter of vital concern to the safety of the Nation?

The members of the Joint Chiefs of Staff are usually the appointees of the President then holding office. Each member of the Joint Chiefs of Staff has reached the pinnacle of his career in the military profession. These are the men who would guide our destinies in the event of war—yet the President would deprive them of the right to submit a recommendation to the Congress on their own initiative after advising the Secretary of Defense of their intention.

Certainly the President must have confidence in these men who constitute the Joint Chiefs of Staff.

Certainly these men must have already demonstrated great capacity, reasonableness, soundness of judgment, and integrity, or they would not have reached the ultimate in their military careers. Why suddenly should their right to volunteer information to the Congress be taken from them?

Mr. Chairman, article I of the Constitution of the United States provides:

> That Congress shall make no law abolishing freedom of speech or the right of the people to petition the Government for a redress of grievances.

It is a fundamental constitutional right to bring problems to the Congress. Would the President also deny this right to the Joint Chiefs of Staff?

But beyond that, I would like to call the attention of the House to a provision of law which the House itself inserted in the law in 1951 in the Universal Military Training and Service Act. This provision, contained in section 4 (a) of Public Law 51 of the 82d Congress, provides as follows:

> No member of the Armed Forces shall be restricted, or prevented from communicating directly, or indirectly, with any Member, or Members of Congress, concerning any subject unless such communication is in violation of law, or in violation of regulations necessary to the security and safety of the United States.

Perhaps the President is not aware of this provision of law, for had he been aware of it he would have recommended also its repeal, for what could encourage a higher degree of insubordination than a provision of law demanded by the Congress in 1951 that permits each member of the Armed Forces to communicate directly or indirectly with the Congress.

If it is legalized insubordination for a military Secretary, or a member of the Joint Chiefs of Staff to bring a recommendation to the Congress after first advising the Secretary of Defense, I assume it is legalized mutiny that each member of the Armed Forces, subordinate to the Joint Chiefs of Staff, should be allowed to do that which the President would deny to the Joint Chiefs of Staff.

Mr. Chairman, the President's insistence upon the repeal of this provision of law can only arouse extreme curiosity in the minds of many members as to just exactly what the President has in mind to do.

What type of single doctrine, single concept thinking does the President have in mind that he does not want the Congress to know about?

How far are we to go in yielding the responsibility of the Congress to the executive branch of the Government?

Will the Congress of the United States yield to the Executive its constitutional responsibility in this tremendously important field?

To what extent are we to sit idly by as representatives of the American people and be told exactly what the President wants us to hear, and not one additional word of what the President does not want us to hear?

If it is legalized insubordination for a member of the Joint Chiefs of Staff, or a military Secretary, to be willing to sacrifice any future career in his military profession, or for a military Secretary to bring an important problem to the attention of the Congress, then certainly it is a problem that is entitled to Congressional consideration.

I am very much disturbed that after 9 years a provision of law suddenly takes on the aura of legalized insubordination when it has been in effect without any inference of legalized insubordination for the past 9 years.

It is time for the House of Representatives to take a stand, one way or the other, in our national defense matters.

Either we are to be kept informed, or we are merely to become slot machines ready to pour forth money upon the pull of the lever by the President, but not daring to ask, or seek, additional information. Are we to assume that it is none of our business what goes on in the military departments?

Are we to assume that the Constitution permits us to divest ourselves of this responsibility?

Mr. Chairman, the Congress of the United States is charged with great responsibility. That responsibility often involves the lives and destinies of the sons and daughters of America. This responsibility is imposed upon the Congress of the United States, as the representatives of the American people, by the Constitution.

How can the Congress be expected to fulfill its responsibility if the avenues of information available to it are beset with roadblocks?

If it is legalized insubordination for a military Secretary or a member of the Joint Chiefs of Staff to present recommendations to the Congress after first informing the Secretary of Defense, then I say the Congress needs far more insubordination than exists today. If it is insubordination to tell the Congress those facts which are necessary for the Congress to make intelligent decisions with respect to our national survival, then I say, give me insubordination in lieu of abject subjugation.

Now, Mr. Chairman, I have consumed a great deal of time in explaining this vital matter to the House. I apologize for the length of this statement.

But we have given this entire matter long and careful consideration. We believe sincerely that we have provided for

unity in strategic planning, unity in military planning, unity in our fighting forces and have made the first step forward in the streamlining of the Department of Defense.

We have removed any doubt as to the authority of the Secretary of Defense; we have speeded up the chain of military command and have clarified the chain of civilian command.

But I say to you that organization and reorganization cannot alone be the panacea. No amount of organizational changes can take the place of good men wholeheartedly determined to make the system work.

Mr. Chairman, we are living in an age of rapid change.

We must be ready to cope with aggression in any form in many parts of the world.

We must be flexible and we cannot be hidebound by traditions of the past.

If weapons systems must be changed, no one should be allowed to stand in the way of that change because of their attachment to an outmoded tradition. The dogmas of the past must give way to the demands of the future.

None of us knows what the future holds for this Nation and the Free World. We do know that the Soviet Union is bent on world domination. We do know that the age of missiles is now here and that the weapons that exist today are mere bows and arrows compared to the weapons of tomorrow.

But we also know that an atomic stalemate might well be the ultimate result.

So we must be prepared not only to fight a supersonic war, a missile war, an atomic war, but also a so-called conventional war.

The Armed Services Committee believes we have presented to the House the legislative vehicle for the reorganization of the Department of Defense to make all this possible.

The distinguished minority leader has stated that he will offer a substitute to the committee bill.

That substitute will contain three provisions which would nullify, in fact or in effect, three fundamental concepts contained in the committee bill.

Thus the issue will be clear cut.

So I say to you that when the issue is joined let us not equivocate—vote it up or vote it down. But when you vote I want you to remember this:

The President's proposal, as contained in the Martin substitute, would nullify the clear chain of civilian command which the committee bill provides which will determine who will be responsible for the annual expenditure of more than $40 billion of the taxpayers' money.

If you want this vast power placed in the hands of one nonelected official, vote for the Martin substitute. But if you feel, as does the committee, that this is too much power in one man's hands, you will vote against the Martin substitute.

Secondly, the committee insists that the Congress and the people are entitled to know, as a matter of law, the reason why they are to have an Army, Navy, Air Force, and Marine Corps, and the broad combatant functions charged to each.

The President's proposal would permit the abolishment of the very justification for our separate services by simply giving 30 days' notice to the Congress. If we did not agree with the President we could prevent him from acting by overriding his veto with a two-thirds vote—that is the Martin substitute. But the committee bill gives the Congress the right to prevent such action by a majority vote. Which shall we have—government by majority; or executive control by a minority?

Third, and last, the President would forbid the Secretary of a military service or the military chief of that service to advise the Congress on any important military issue. The President says that would be legalized insubordination.

But I would remind you that every person in military service, from the lowest private or seaman to the highest general or admiral, except the military chief of that service, under the President's proposal, may come to Congress or write the Congress on any matter. Every Member of this body knows that this provision of law, which was sponsored in the first instance by the House of Representatives in 1951, is used every day by his constituents and friends in the military service. For some strange reason this is not "legalized insubordination." But no one has suggested that this provision of law be repealed, and I am confident that this body would rise as one in opposition if such a proposal were pending.

Mr. Chairman, in the years that I have served in this body I have witnessed many changes in the affairs of our Government. But I never thought that the day would come when the duly elected representatives of the people would be asked to appropriate $40 billion to one man and grant him the sole power of determining its expenditure.

I never thought that the representatives of the people would be asked to maintain four military services and then surrender to a single man, not elected by the people, the integrity and the justification for the existence of such military services.

I never thought I would ever see the day that the representatives of the people would be denied the right to receive from the Secretary of a military service or the military chief of that service, on his own initiative, recommendations of the highest importance regarding our national defense.

But that day has come and that is the issue which squarely faces this body today.

You will either abdicate the responsibility which the Constitution of the United States places upon you or you will measure up to that responsibility and support the committee bill.

By your vote you will either wash your hands of your responsibility and abjectly surrender; or you will insist that you have not only the right but the responsibility and duty to have a voice in the defense of the Nation.

Mr. ARENDS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I do not know whether what I have to say today on this pending measure to reorganize the Defense Department will be persuasive with any of you. I think I can say, however, that in all my years of service in this House on the Committee on Armed Services no proposal has come before us to which I have given more study and more thought than the one which we are now considering.

In arriving at my conclusions I have considered and reconsidered what our great President has recommended. Few men, if any, know more about the multitudinous aspects of our national defense needs and organization than he. And I yield to no one in my affection for him as an individual and my respect for him and his knowledge of what should be done that we may have both peace and security in this country. In a world of continuing stresses and strains, of fears and tensions, he has furnished us with the leadership that has brought us peace and has so far enabled us to maintain that peace. In peace, as in war, he has furnished us with the leadership that has advanced the cause of freedom throughout the world and given us security.

I have also considered the views as expressed by the many witnesses, military and civilian, who have appeared before our Committee on Armed Services, as well as the views of my colleagues on the committee, who day in and day out, and some for many, many years, have been dealing with national defense problems.

Here I want to pause to interject that one of such individuals is the great chairman of our Committee on Armed Services, the gentleman from Georgia [Mr. VINSON] whom we all love and respect, particularly those of us on the committee. And as I have so often heard the Speaker of the House say, "I love this Congress." In the same vein, I say, "I love the Committee on Armed Services and the man who serves as chairman of that committee." He is an outstanding American who for over 40 years has served his country as a Member of Congress and for most of that time as a member of the Naval Affairs Committee and the Armed Services Committee and has directed and fought for the best possible Defense Establishment for our country.

While I do not by any means profess to be a national defense expert, to pretend to know all the problems, much less all the answers, in arriving at my decision on the question as to how to reorganize the Defense Department I have sought to apply what knowledge I have gained in my 22 years service on this committee; first, on the Military Affairs Committee and subsequently on the Committee on Armed Services.

In all these years I do not recall a single instance when the committee, which deals with matters so fundamental as our national security, has ever permitted partisan consideration to enter into its findings and recommendations. Yet, upon occasion we do disagree, but not for political reasons. Nor I hope has any partisan consideration entered into this matter before us.

At the very outset of our exhaustive study of our defense posture and organization there has been complete agreement between every member of the

committee, the President of the United States, the Secretary of Defense and our Joint Chiefs of Staff. We have been in complete accord that our Defense Department should be reorganized. We have all been in accord with the objectives: To streamline the Department of Defense that there may be unity in strategic planning, unity of military command, unity in our fighting forces and the maximum efficiency at the least cost. To achieve this we have sought to establish a clear line of command, both in the military and in the civilian sense.

In this proposed legislation we have clarified the authority of the Secretary of Defense. In unequivocal terms we are giving him broad grants of authority. But we are not giving him complete authority, so complete that he can in effect, if not in fact, completely abolish any one of our services: the Army, the Navy, the Air Force, or Marine Corps.

To be sure, the President of the United States and our Secretary of Defense have no intention—no desire whatsoever—to merge the three military departments. They have said so.

In considering this legislation we must not think in terms of any individual who is now President or any Secretary of Defense who today occupies that high position, but we must give thought to the future and of some other individual who might be Secretary of Defense, who might be President, who might entertain some ideas of his own as to what should be done within that great Department. We cannot now foresee the individuals who might fill these high places or what their ideas might be. We are writing a law which deals with an office and not with men.

There is little probability that I can add to what our chairman said this afternoon in his general explanation of this bill. He has rather thoroughly explained it and he has carefully outlined the position the committee has taken. As to establishing a clear line of command, both civilian and military, surely our committee report and what our chairman has said makes it clear to all that we have granted to the Secretary of Defense authority that he deems necessary. A few minutes ago the chairman read a letter from the President of the United States addressed to him as the chairman of our committee. The President wrote that in two instances he found himself in disagreement with what the committee proposed, and hoped that matters could and would be resolved on the floor of the House when the bill was being considered. It is to these matters that I want to address myself, to try to clarify exactly what the three amendments that will be offered mean. Perhaps I should state, for the information of the House, that I understand the so-called Martin substitute will not be offered, but rather some other language in these three areas will be proposed as amendments, which I think will convince some of the Members that there is very little difference between the committee's position and that of the President's proposed amendments. They clarify and they strengthen the bill.

Mr. Chairman, I have made a detailed comparison, section by section, line by line, of the objectives and recommendation of the President as embodied in the committee bill and the administration bill introduced by the gentleman from Massachusetts [Mr. MARTIN]. Let me say that in this detailed research on this bill, made possible through the staff of our committee, the analysis shows that 16 of the recommendations embodied in this bill are in accordance with what the President recommended and on which our committee was in agreement. I shall not take time to enumerate all 19 items recommended by the President, and all 16 agreed to by our committee in our efforts to work out exactly what the President of the United States recommended. Permit me, however, to give you a couple of illustrations.

The President recommended that the Secretary of Defense, with his approval, establish unified or specific commands, to assign missions to them, and also assign forces from the military departments, and that such commands shall be directly responsible to the President and the Secretary of Defense.

The Secretary told our committee that this was the "heart and soul" of the administration's bill. To that, I repeat, our committee agreed. It is in our bill. It is in section 5, found on page 11, through line 5, on page 12.

The President recommended that the Secretary of Defense have the authority for himself or any officer in the Department of Defense he might designate to perform any research and development function. The committee agreed to this granting of authority to the Secretary of Defense and establishing a new Director of Research and Engineering. That is found in section 9, pages 15, 16, and 17.

The President recommended that the number of officers on the Joint Staff should be increased. Our bill proposes an increase from the present 215 to 400 officers on the Joint Staff. This is the number suggested by the Secretary of Defense. This figure is not absolute. It can be 402 or 390 but not to exceed 400. This is found in section 5 (a) of the committee bill, found on page 9 through line 4 on page 10.

And so on. We can detail this more as we read the bill itself for amendment. The memorandum by the staff made at my request shows that 16 of the 19 recommendations of the President were adopted by our committee.

This memorandum might be interesting for you to look at. There thus is little difference between this bill and what the administration has recommended, except the three particular instances in which there is disagreement. Let me say, since I believe 60 percent of the Members are lawyers and I am not. Sometimes it is hard for the average layman to understand lawyers and why they cannot agree on words. I do not say that in a derogatory sense, but I know what happened in the Department of Defense, and even our own legal staff. It is hard to put words together to mean exactly what you intend to be the result. So we find ourselves in disagreement but so close in complete agreement that there is but little difference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ARENDS. I yield myself 5 additional minutes.

In the limited time I have let me hastily read these three amendments that have been proposed, and ask you in all fairness if you can see much difference between them and the committee provisions? I repeat, however, that the President's proposals are clarifying and strengthens the bill.

We use part of the language of the administration bill, we strike out language and we add language. For instance, section 4 begins:

Each military department—

Then we strike out:

shall be separately organized under its own Secretary—

And in place of that we say—

with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized—

No one is taking that out of the bill. The language continues—

and shall be under the direction, authority, and control of the Secretary of Defense.

Then we say:

An Assistant Secretary of Defense may direct the Secretary of a military department or his designee only—

I emphasize that "only"—

when specifically delegated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation.

Now, I am going to draw what might be a rather homely illustration. By simple direct order the Secretary of Defense may direct an Assistant Secretary of a military department to do certain things rather than go through the military department Secretary. The difference between the two methods as proposed in the committee bill and the proposed amendment is more or less like the proposition of who should have the original and who should have the carbon copy of the order.

Another amendment is the rewriting of paragraph 6 of section 3 (a):

(5) No provision of this act shall be so construed as to prevent—

We strike out "a Secretary of a military department or" and continue—

a member of the Joint Chiefs of Staff from presenting to a committee of the Congress—

And it certainly would be the Committee on the Armed Services.

The committee bill says—

on his own initiative—

In this rewrite we strike out "On his own initiative" because in my humble opinion it is really meaningless. If a member of the Joint Chiefs of Staff has a conviction that certain things should be presented to a committee of Congress, then it is his duty to present them and the phrase "on his initiative" is not necessary. If he has a firm conviction he will come to the committee and tell us. That is what he should do and that is what we want him to do,

and certainly any Secretary of Defense or of a department should want him to do so. He would gladly invite him to come and explain it, if such an invitation should be necessary. Then the language continues—

after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.

Then the third amendment is the one which deals with roles and missions, and is a rewrite of the fourth paragraph of section 3 (a):

(3) Except as otherwise provided in paragraph (2) hereof, no major combatant function of a military service—

I skip down to the definition of "major combatant function." This amendment strikes out of the committee bill the language:

No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff.

Now how do we define what is a "major combatant function" and we say:

For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever—

The committee bill carries the number "one," meaning a single member of the Joint Chiefs of Staff who may object to a proposed transfer of a function.

We strike that out and insert in lieu thereof the number "two" as to the number of the Joint Chiefs of Staff who must object and we also add, the right to object to a service Secretary. So it reads:

"Whenever two or more members of the Joint Chiefs of Staff, or a Secretary of a military department, certify in writing to the Secretary of Defense (1) that the function to be transferred, reassigned, abolished, or consolidated is an indispensable and integral part of the combatant capability of a military service and (2) that the proposed transfer, reassignment, abolition, or consolidation will, if accomplished, seriously impair the national security: *Provided*—

And this part is the committee's own language:

Provided, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services the development and operational use of new weapons or weapons systems.

These are three amendments that will be offered tomorrow.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. VINSON. Mr. Chairman, I shall be very glad to yield the gentleman some time.

Mr. ARENDS. I do not want to take time away from others. Time is very limited on this bill. If the gentleman yields me time will it have to be taken from others who may wish to speak?

Mr. VINSON. I yield the gentleman 5 additional minutes.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. KILDAY. As I understand, and I wish the gentleman would inform the House, these amendments are the same as the bill offered by the gentleman from Massachusetts [Mr. MARTIN], the substitute bill offered to carry out the three recommendations made by the President in his press release. The gentleman from Illinois now informs the committee that that bill will not be offered as a substitute, just the three separate amendments to the committee bill?

Mr. ARENDS. It is my understanding it will not be offered as a substitute but, rather, that these three amendments as such will be offered at the proper time.

Mr. KILDAY. The three amendments the gentleman from Illinois has just read?

Mr. ARENDS. Yes.

Mr. KILDAY. Is the gentleman from Illinois at liberty then to tell us whether the President will accept the three amendments which the gentleman has read?

Mr. ARENDS. Yes; I am willing to state that the President will accept these three amendments as read.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. With respect to this provision which provides in the bill that the Secretary or a member of the Joint Chiefs of Staff can come before the Congress, does the gentleman exclude secretaries under his amendment?

Mr. ARENDS. No. The change is this: In the bill it is one member of the Joint Chiefs of Staff. The amendment proposed says two members of the Joint Chiefs of Staff. Then to that is added "or a Secretary of a department." That is the difference.

I want to say to the gentleman from Iowa that is how close we are together on all of these items. It is just a matter of words. I cannot make words do what I want them to do and I am afraid other people cannot either. So objectively we are not far apart. I hope we can work this out satisfactory to all because certainly in a matter as important as national defense there should not be this division among us as to what we should do in the interest of national security.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. In view of the fact that my very good and able friend from Texas asked the gentleman a very candid question as to whether or not the President would accept these 3 amendments to be offered in lieu of the proposed Martin legislation, may I ask the gentleman from Texas, is the committee inclined to accept the 3 amendments in view of the fact that the President's position has been made known?

Mr. KILDAY. Of course, I am in no position to speak for the committee. For myself, may I say I am definitely unwilling to accept those amendments. As the schedule now stands I am scheduled to follow the gentleman from Illinois and I expect to make some remarks.

Mr. LANKFORD. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Maryland.

Mr. LANKFORD. I understood the gentleman to say that the words "at his own initiative" were meaningless?

Mr. ARENDS. On his own initiative.

Mr. LANKFORD. The gentleman said they were meaningless.

Mr. ARENDS. Meaningless as a practical matter.

Mr. LANKFORD. Why is it necessary to cut them out then?

Mr. ARENDS. For the same reason as to why they seem necessary on the part of some people to be kept in.

Mr. VINSON. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, of course, we are involved in serious business here. We are involved in business as serious as any which could come before the Congress of the United States. We have been working on this business for many weeks. It goes back to April 16. Since that time we have been working on it constantly.

I would like to ask, Mr. Chairman, what is going on here? There was a message delivered to the Congress on the 3d day of April 1958 by the President, stating that a reorganization of the Department of Defense was necessary. I would like to point out that on April 16, 1958, the gentleman from Massachusetts [Mr. MARTIN], offered H. R. 11958. That was the bill which accompanied the President's message to the Congress transmitting suggested legislation.

In his letter of transmittal the President stated that, "I recommend that the Congress enact a measure such as that set forth in the draft bill." So that on April 16 the President of the United States endorsed the provisions of H. R. 11958 and recommended that it be adopted. Thereafter and exactly 1 month to the day, on May 16, 1958, when our committee met in executive session, after having rewritten the bill, the chairman of our committee had read to the committee a letter from the President dated May 16. It has already been read by the chairman of our committee. But, in that letter the President said, "I congratulate you and your committee colleagues for the progress made toward developing a sound defense structure. By and large the bill seems to deal positively with every major problem I presented to the Congress." True, he said some amendments could, in his opinion, improve the bill, but that he was requesting a member of his staff to discuss two of those with us. But, in that letter of congratulations to the chairman and to the members of his committee, the President said that the bill seemed to deal positively with every major issue submitted by him to the Congress; not complete endorsement, no, but certainly not opposition to that provision.

Then, on May 28, and for what reason I do not know, I do not pretend to know, there was issued at the White House a press release with reference to the same bill that the President had so warmly congratulated us about for the manner in which we had approached it and the positive manner in which we had dealt with every major issue that he had sub-

mitted. The press release contained language far more intemperate than I have ever known being used by the White House with reference to the action of a committee of the Congress.

Our bill was condemned in three instances. Let me read some of the language here. With reference to the first, that the Secretary of Defense would have direction, authority, and control of the Department of the Army, the Navy, and the Air Force, exercised through the respective Secretaries of such departments, it was stated that this was a legalized bottleneck which constricts the authority of the Secretary of Defense; puts a premium on intransigeance by lower Pentagon levels; blocks normal staff processes; fails to express the intent of the committee as explained in its report; will, as the committee report itself asserts, cause "administrative chaos" if fully implemented—with the specific recommendation that it be stricken.

Then, with respect to major combatant functions, it was denominated as an "everyone's out of step but me" provision which vests astonishing authority in one military man without regard to the views of his military colleagues, the Secretary of Defense, the President and the Congress; allows one military man to hold up defense improvements for many months and perhaps block them altogether; subordinates civilian judgment, authority, and responsibility; repudiates concept of flexibility of combatant functions.

Now, as to the right of a Secretary or a military chief, this was denominated as "legalized insubordination" which invites interservice rivalries; invites insubordination to the President and Secretary of Defense; endorses idea of disunity and blocking of defense modernizations; suggests that Congress hopes for disobedience and interservice rivalries; is bad concept, bad practice, bad influence within Pentagon.

The gentleman from Massachusetts [Mr. MARTIN] offered a bill—H. R. 12801—to carry the suggestions of that press release into the present bill as a substitute. So now, with 3 recommendations from the White House, all of them here on the calendar of this House, all 3 bearing a number on the calendar of this House, lo and behold, today we are informed that all 3 of them have been abandoned and that now there will be a fourth one presented.

I know that you are receiving many, many letters on beautiful linen stationery, beautifully embossed, urging you to pass the bill as requested by the President. But, none of them tell you as of what date the President is to be supported. Now we have four different provisions, all of them endorsed by the President.

So what are you going to do? You are going to do what you should never have had any doubt that you were going to do; you are going to do what the Constitution requires of you. You are going to do what is expected of a legislative body in a free Republic such as ours. You are going to do what the Constitution meant you should do when it assigned to the Congress of the United States the power to raise and support armies and to make rules for the government of the land and naval forces of the United States.

Going back to the press release of May 28 from the White House, when this intemperate language was used, with reference to the nature of the amendments, let us take them in reverse order, where complaint was made of the following provision which has been in the law since 1949:

> No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.

On May 28 that was denominated as legalized insubordination. But here, on June 11, the gentleman from Illinois [Mr. ARENDS], saying that he speaks with the right to say that the President supports it, proposes another amendment using this exact language except that it eliminates therefrom "on his own initiative" and eliminates therefrom the right of a Secretary to come to Congress. He would provide that only the Chief of the military services had that right.

We have been talking about legalized insubordination. First of all it is not legalized insubordination—in fact, it is not insubordination of any kind—if a man does what the law authorizes him to do. But what will you denominate the action which the gentleman from Illinois indicates might be done if the provision that he suggests, leaving out "on his own initiative" is adopted, that the Chief would come anyway? Then you certainly have insubordination.

So that is the amendment which was so roundly denounced from the White House on May 28 and is now submitted here with a few words removed, and the argument is made that it is identical in intent and purpose with that which the President condemned on May 28.

Then a complaint was made by the White House with reference to the provision of the committee bill dealing with major combatant functions. First of all, let me read the first part of that section:

> Except as otherwise provided in paragraph (2) hereof, no major combatant functions assigned to the military services—

How? By law—

> by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished, or consolidated until the first period of 60 calendar days of continuous session of the Congress.

Sixty calendar days after notice to the Congress, during which time we could pass a concurrent resolution to prevent it. I have never been able to understand what could possibly be wrong with a provision which prevents the executive branch of the Government from nullifying the express, positive terms of a statute enacted by Congress, signed by the President and existing in law. The President insists that he should have the right to do exactly the contrary of that which the positive law requires by having the Secretary of Defense write a letter to Congress that "At the end of 30 days from the date of this letter I am going to nullify the law which was passed by Congress and signed by the President."

All that we ask is that we be given 60 days within which to pass a concurrent resolution. True, it need not be signed by the President. But it does require the affirmative action of both Houses of Congress. And under the Reorganization Act existing today either House of Congress can reject a reorganization plan by a simple majority of that House.

Do not get confused on that. It used to be different, but the amendment of 1957 made it clear that a majority vote of either house may reject a reorganization plan. But they are going to change that now and put in a Service Secretary—one of the political—and I do not use that in derogation; the political side of the Department rather than the military side—that a Secretary appointed by the President, serving under his appointment and his confirmation, might go contrary to the desires of the President. That is not what we have ever had in mind with reference to the protection of major combatant functions. We are dealing here with the strictly military matters. It is recommended by the gentleman from Illinois [Mr. ARENDS] that two members of the Joint Chiefs of Staff would have to oppose the transfer or abolition of a combatant function. But, if as many as two oppose it would not even be suggested in the first place.

Except when the Marine Corps is under consideration there are only four members, the Chief of Staff of the Army, the Navy, and the Air Force, and then the Chairman of the Joint Chiefs of Staff. So if two state their opposition, the proposal for practical purposes has not received a majority of support within the Joint Chiefs of Staff.

Under existing law, which is to be changed by the present proposal, it is specifically provided that the Chairman of the Joint Chiefs of Staff shall have no vote. That is being taken out because they say it downgrades the office of the Chairman of the Joint Chiefs of Staff, and they do not vote, anyway. So you would never have anything proposed in reference to the abolition, consolidation, or transfer of major combatant functions if 2 of the 3 Chiefs were opposed to it. So they are offering nothing here.

Now let us go to the other one. Remember we are taking them in reverse. That is the language of the committee bill which provides that the power of the Secretary of Defense over the military departments shall be exercised through the respective Secretaries of those departments.

You can talk about semantics all you please, you can talk about language and language difficulty all you please, but you will find that in every proposal made from the executive branch of the Government with reference to this phase of the proposal there shall be no power, no authority, resting in the Secretaries of Army, of Navy, and of the Air Force. The new language which has been suggested here today is an attempt to write into law certain minute administrative

procedures. There is not one word in there that the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force has any statutory authority, any statutory duty, or any statutory obligation. That is the principal defect in that entire contention.

This is your civilian control of the military. I spoke here on June 5 at quite some length with reference to this entire subject and to this entire problem. I could never be more serious about a matter in all of my existence than I am about this civilian control of the military. I know that there have been times when you have kidded me and poked fun at me about praising generals and standing up for the rights of the military. I have taken that in good humor and I have enjoyed it. Many is the day I have stood at this very spot insisting that the entire Military Establishment be properly treated, properly compensated, and given the benefits which they should have as members of our Military Establishment.

I have great admiration for them and for their very high qualities and, too, I know their limitations. I know their limitations when it comes to the question of civilian control. Many years ago when I was a law student, I learned the rule in Shelley's case very, very well. I learned it sufficiently well to answer the questions and pass all the examinations necessary to graduate from law school and be admitted to the bar. But, I never was able to apply the rule in Shelley's case to any existing set of facts—to make the facts fit the abstract rule or the abstract theory.

I have never known a military man who did not believe in civilian control of the military. I have never known a military man who did not proclaim his total and complete allegiance to the idea of civilian control of the military. But, I have found very, very few who have ever been able to see how it could be applied without it constituting political interference. Think it over. Think of how many times you have been able to find a military man on active duty or retired who could distinguish between civilian control and political interference. What happens when your military gets out from under civilian control? Those of us who have lived through the last month ought not to have to be asked: What could happen? What happened in France within the past month? What happened in France only yesterday? A brigadier general in Algeria presided over a committee of public safety to dictate to the present premier of France the terms upon which the military would go along with his new plan for the organization of a French Government. The point is that you cannot permit the military to ever get themselves out from under civilian control to the extent that they can do here what they did in France. In France, they decided that the present administration is no longer effective for the government of the Fourth Republic of France. They decided that the government under the constitution of France is no longer effective for the proper government of France. That is what happened there. Can it happen here? I do not think it can happen here. That is what I think, but this I know: It cannot happen here so long as we retain complete and absolute civilian control over the military. The day that you do what is requested of you here—that will be the day you start this Republic down the path that will make it a banana republic—banana republic I said—and do not think that only happens in the Central and South American republics. It does not happen only there. It has just happened to one of the Big Four nations of the world. This is a vitally serious business that you are about here today. It is not a question of who is going to win a political struggle. This is a question of fundamentals. The fundamentals of the very existence of the United States. You have here a struggle which has gone on in the United States from the date of the adoption of our Constitution. This is a struggle as between the principle of control of the military by laws passed by the Congress or by the executive branch. But, that struggle had gone on in England for hundreds of years before the American Revolution. Before the time of the American Revolution the Parliament in England had lost out. The other day I read to you at some length from Blackstone telling what the constitution of England was at the time of the American Revolution. Under the English form of government, the King had the sole and only and exclusive power of raising and supporting armies and providing fleets and navies and making rules for their government. Fully conscious of that fact, our Constitutional Convention presided over by the greatest soldier of his time, George Washington, saw to it that that power was specifically taken from the executive in this new Government of the United States. The Constitutional Convention positively and in the clearest terms took from the President, as the Executive, the power to raise and support armies and provide navies and to make rules for the government of the land and naval forces of this Nation. They specifically took them from the President and transferred them to the Congress of the United States. That has been the system under which our Government has functioned ever since. If this Congress should surrender in this struggle, it will be the first time that a parliamentary body based on the principles of Anglo-Saxon jurisprudence will have surrendered since the second year of the reign of King Charles II. It will be the first time since then. That was the surrender of the Parliament to the King. The American Constitution provided that that power existed here in Congress, and if you surrender now you are the first to surrender since the second year of Charles II of England.

There is little said here today about how much of the President's reorganization we have provided for. We have provided for everything that is strictly military. The President's message and the testimony of Mr. McElroy, the Secretary of Defense, was that the concept of unified command is the heart and soul of the President's reorganization plan. They brought here legislation which would in a very clumsy manner accomplish the proper organization of a unified command. We rewrote that language, and it is here. That has always been represented to us as being the heart and soul of the President's plan. Not any objection comes from the executive department, about what we provided with reference to the unified command, and no objection could come because we provided in the clearest of language that the President has the absolute right to establish a unified command. The Secretary of Defense will fix the force structure thereof, and when fixed, the Secretaries of the Military Departments shall provide the forces necessary to maintain that force structure. Once these forces are in a unified command they cannot be removed from the unified command except under regulations to be prescribed by the Secretary of Defense. Thus nobody can interfere with the unified command, or with the commander in his sole and exclusive command of it. The unified command is of a military nature and we have provided for it even better than the President requested. What we are talking about today in these amendments are not military questions.

Do you not think that perhaps that is why we have the President endorsing four different situations, because they are not within the realm of his very great competency. They are not military questions. They are questions having to do with legislation and civilian organization of the Department of Defense. That is why the President has been willing to take four different succeeding positions since the 16th day of April, 1958.

We have provided for proper civilian control. We have provided a system under which you cannot abolish the Marine Corps. You cannot abolish naval aviation, nor any of these other functions which are now in existence, except when the Congress knows about it and, by not acting, approves such action. That is the committee provision, the provision which the gentleman from Illinois [Mr. ARENDS] says he will seek to change, with the approval of the President, so that such action can only be taken by the Congress if two members of the Joint Chiefs of Staff certify against the proposal.

I am not wedded to the idea that you have got to have an Army, a Navy, an Air Force, and a Marine Corps simply because we have always had them, but I am certainly wedded to the proposition that when the Congress establishes by law an Army, a Navy, an Air Force, Marine Corps, or anything else, by positive provision of law, it is not going to be abolished by Executive or Presidential fiat. It is going to be abolished by a law adopted by the Congress of the United States; or, realizing the situation in which we now find ourselves, there are provisions in this bill giving us 60 days in which to veto such abolition. I submit to you, Mr. Chairman, that we have here a bill written by 37 members of the Committee on Armed Services, with long experience in

this House and in military matters. They have served here a long time and devoted almost their entire time to the question of military organization and civilian control.

Unanimously they reported this bill. Two members expressed reservation. But this committee has faced this Congress with laws vitally affecting the American people. We have drafted the young manhood of this country on the basis of laws thought out and reported to the Congress by this committee. We have provided for the benefits of pay and whatnot involving hundreds of millions and billions of dollars, on the recommendation of this committee. Where is there any reason now that the unanimous vote of this committee should be rejected by this House of Representatives on a matter peculiarly within our knowledge and on a matter expressly committed to you by the Constitution of the United States?

It is not whether you would like to avoid this and let the President do it; the Constitution does not say: "The Congress shall not do it if somebody thinks that the President at the moment might be the better qualified," this is an obligation devolving upon you that you cannot get away from, you cannot dodge, you cannot duck; you have got to stand up here and you have got to face it.

You have got to face the proposition that the organization, the raising, supporting, and providing of armies and navies is the obligation of the Congress of the United States. It is here; you have got to decide it, and I submit to you: Why is it any different here than in the case of other legislation that a unanimous vote of this committee should not be followed in connection with this legislation, when you have nothing more than the flimsy excuses given by the gentleman from Illinois to adopt different language which he says will accomplish the same purpose?

Should you do it?

Of course you should not, and I do not think you will.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield if I have time.

Mr. GAVIN. I just want to call the gentleman's attention when he says the measure was unanimously adopted, that there were two exceptions and reservations; and in the gentleman's speech recently he made that exception.

Mr. KILDAY. I did that today. I beg the gentleman's pardon if he did not hear it. I think I can give the exact words. I said "with two reservations."

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, to me this is one of the most important pieces of legislation—the reorganization of the Defense Department—that will come before the Congress this session.

I am pleased to note the great interest that has been taken in this bill and I sincerely trust that we can work out satisfactory legislation.

First let me say that the President is not presenting four different positions, that the President is only trying to reach an agreement that is satisfactory to everybody concerned. Let me state that the committee certainly changed their opinions from their original bill, if I recall correctly there were 3 different versions before we arrived at the 1 that is presented here today. The committee acquiesced to the extent of granting 16 out of 19 requests made by the President. So the committee changed their conclusions on this proposed legislation from the original legislation presented. I actually think that we would not be in the position we are today if we had not rushed this legislation through with the speed we had. In fact, I requested that men like General Gruenther, men like Gen. Lucius Clay be heard, like the former Secretary of Defense, Mr. Louis Johnson, former Secretary of Defense Lovett, and others. Oh, no. The legislation had to be reported the following week, on Tuesday, with no particular reason for expediting it, it was evident it was going to be reported out the day it was presented and it was.

When the bill came before the committee it was read. I took exception to one section. I said, "Let us consider this important matter momentarily, let us discuss this matter." It pertained to functions exercised through the respective Secretaries of the departments. Oh, no; the bill was written and that was it. There was no use of my trying to argue with the entire committee, so I just backed off and accepted it. Although I did not like it there was nothing I could do about it so I voted for it with reservations.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I yield to the gentleman from Illinois.

Mr. ARENDS. Without pointing a finger at anyone, I think it is fair to say—I believe every Member will agree—when we did act on this bill the language incorporated in the bill at that time had never been examined fully by members of the committee.

Mr. GAVIN. No; I had never seen the final bill. The bill was reported out and action was to be taken on it as you know immediately.

Mr. ARENDS. I think that is a fair statement.

Mr. GAVIN. I have tried to be fair and considerate. I am sincere and concerned about this legislation. I know of no man in the Congress of the United States for whom I have a higher regard, a deeper respect, and a greater admiration than I do for my chairman, the gentleman from Georgia [Mr. VINSON]. A man who has dedicated his life to the service of his country over the past 43 years. I say he is eminently qualified to present legislative proposals to the committee. On the other hand, I have a very high regard and deep respect for the President of the United States. That is why I have taken the position I have taken. He, too, is schooled in the art and technique of warfare; he, too, spent his life in the military; he, too, led our forces to victory in World War II; he, too, commands the respect and admiration of the American people who have respect for his thinking on military matters and legislation of this nature.

We are not too far apart on our thinking on this legislation, and if we had not moved so speedily I am quite certain that we would have reached an agreement that would have been satisfactory to all concerned.

You all recall when sputnik was orbited? Everybody was concerned, everybody was disturbed and excited about our defense setup. All agreed we would have to do something, we would have to reorganize our national defense and quick. We were very much concerned about reorganizing our defenses. After 14 or 15 years as a member of the Armed Services Committee listening to the bickerings, the beefings, the petty personalities, the feuds, the discriminations, the jealousies, the interservice rivalries, it was my opinion that we should bring out legislation for reorganization of our defense setup and find out where we were going. The necessity is to coordinate, to cooperate, to prevent overlapping, duplication, and to develop a simplification of the defense structure, and build up a defense organization that will meet the demands that may be made upon us at any time at any place in the world.

Everybody agreed that the present setup was holding back the defense program. Even my good and able friend, our chairman, if I recall correctly, said:

> We have too many Secretaries, Assistant Secretaries, and assistants to the Assistant Secretaries. Let us get down to business.

However, when you bring out legislation to simplify the defense structure and you get to this wording "separate administration exercised through respective Secretaries of such departments," you take it away above, you put it back again, and you are right where you started. Unless this is corrected and classified there will be just as much bickering and difficulty and interservice rivalries as we had before.

As for me, I am so tired of all of it that I am willing to consider anything that anybody recommends to see if we cannot improve the situation and prevent duplication, overlapping, petty interservice rivalries, and build up a strong national defense.

Now, what does this proposed amendment do? I do not think it takes anything away from any Secretary of any service department. All it does is say that the Secretary of Defense can allocate to an Assistant Secretary a project, and that Assistant Secretary can contact an Assistant Secretary of one of the service departments, providing he advises the Secretary of that service department that it is his intention of conferring. What is the situation now? Well, he has to go through the Secretary of the service department. Then he refers it to an Assistant Secretary, and that is referred to another Assistant Secretary and then to another Assistant Secretary, and the testimony we had before our committee was to the effect that between the Secretaries it took from 6 months to a year to get anything accomplished. So, what is the matter with a proposal of this nature? They are not

bypassing the Secretary of the service department. It is just authorizing the Secretary of Defense to allocate a project to an Assistant Secretary who can go right direct to the particular individual in that service department without going through all of the channels from the Secretary to the Assistant Secretary to the Assistant Secretary, which takes 6 months or a year or more.

Now, that is all that amendment does, and I cannot see where it takes anything away from any of the department Secretaries. It is as simple as that.

Now, the facts are: Everybody admits that all of the department Secretaries have multitudinous problems; they have voluminous work; they are overworked, and we are trying to afford them relief so that a project originating with the Secretary of Defense can be expedited and go direct to the Assistant Secretary to handle the project without going through the channels all the way down the line, after they have notified the head of the respective service department. So, certainly he is not being by-passed. It took me a long time to understand this proposed amendment and I am satisfied it would in no way affect the head of any service department.

The chairman of our committee, the gentleman from Georgia [Mr. VINSON], is a very busy man with many responsibilities and he turns in a magnificant performance. If I want information from the Armed Services Committee, I would hesitate to trouble and bother Mr. VINSON. I would seek the information from one of the counsels of the committee rather than disturb the chairman.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GAVIN] may proceed for 3 additional minutes.

The CAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GAVIN. And that is about all this amendment will do, that is to expedite important matters that must be attended to. Now let us not get disturbed about what is going to happen to these great United States. I will not, and I am glad to hear my very able and distinguished friend, the gentleman from Texas who preceded me say, that he will not, either.

What concerns me is this: When this legislation was first considered, it was not a scholarly and factual attack that was made on the proposed legislation, but, it was an attack such as remarks that it will lead us down the line of military dictatorship; it will lead into a Prussian general staff; the Secretary wants a blank check of $40 billion to spend as he sees fit. Well, now, you know that the Secretary is not going to get any blank check. Every witness that came before us was asked, "Do you think this will affect any particular department of defense?" "No, sir." "Do you think it will affect any particular part of your particular department, Army, Navy, or Air Force?" "No, sir." "Do you think it will eliminate the Marine Corps or Navy air?" "No, sir." Witnesses like General Bradley and people of that military experience—for whom we have a very high regard—supported the reorganization proposals. So, I do not think that we want to leave an impression that we cannot develop satisfactory legislation.

Talking about reorganization, I stated my position last week. Certainly, I am for reorganization, but reorganization as we should reorganize. So when they tried to cut back the Army I did not hesitate to say, "Listen, Mr. Secretary of Defense, in my opinion you are wrong. We need a standing Army of at least 900,000 men and we restored the $99 million to keep our ground forces at 900,000 men. I am for reorganization, however I think we ought to approach reorganization in a practical and realistic manner. Do not let anybody leave the impression that we are going to take away from the powers of Congress in the matter of defense, because last week when the question of the size of the Army was up, we moved right in and said, "Now listen, you put back $99 million. We want a standing Army of 900,000 men."

Do you think for a minute that if an attempt was made to do away with Navy, Air, or the Marine Corps, Congress would sit idly by and watch it happen? Why, certainly not. These simple amendments will solve the problem. There is nothing that cannot be worked out. We should work them out and pass this bill.

I would like to see this Vinson bill passed with these amendments. The Martin bill is proposed; however, these simple amendments could be accepted, and I know that the chairman is most considerate and I hope that they can be accepted and the Vinson bill with amendments passed by the House.

Mr. Chairman, I am proud of being a member of the Committee on Armed Services and having followed this legislation most carefully so when I speak to you today, I am talking to you with the sincerity and the conviction that with the amendments that will be offered it will be a piece of legislation of which we can be proud.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-seven Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 97]

Auchincloss	Griffths	Prouty
Bailey	Holifield	Radwan
Barden	Jackson	Robeson, Va.
Baring	James	Scherer
Blatnik	Jenkins	Shuford
Buckley	Kearney	Smith, Calif.
Burdick	Kearns	Smith, Miss.
Christopher	Madden	Spence
Denton	Metcalf	Teller
Dies	Miller, Nebr.	Willis
Durham	Morris	Yates
Engle	Multer	Younger
Gregory	Powell	

Accordingly the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having resumed the chair, Mr. WATTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 12541, and finding itself without a quorum, he had directed the roll to be called, when 384 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. VAN ZANDT. Mr. Chairman, in discussing the legislation before us, it is only fair to state that it was the consensus of the House Armed Services Committee when the bill was reported it represented a reasonable compromise in those areas where there was much controversy.

The bill not only received the unanimous approval of the House Armed Services Committee, but likewise a qualified endorsement by President Eisenhower. Since the bill was reported with such a qualified endorsement, three areas of conflicting opinion have developed, as far as the President is concerned. It is my earnest hope that the difference of opinion concerning the language in the committee bill may be resolved through agreeable amendments before the bill reaches final consideration by the House.

Mr. Chairman, this bill was perfected after weeks of hearings and after a lot of give and take by both sides. It does not represent snap judgment, but a bill that was drafted with utmost care by a committee of this House composed of Members of Congress who are dedicated to the purpose of maintaining a strong and solvent America.

It is not my intention to discuss the details of the bill or the issues in conflict, but to simply project my thinking into the future and in so doing analyze the problem confronting our Nation as we move from the conventional method of prosecuting wars into the more modern methods of the nuclear age.

In other words, we are in a period of transition. As a result, we have some who think we should maintain two types of defense: First, a conventional type of fight limited wars; and second, the more modern methods to fight a nuclear war. In addition, you hear of the possibility of firepower displacing manpower and of the necessity of a complete merger of our Armed Forces. There are many other fields of national defense under discussion, including the cost factor.

Mr. Chairman, serving as I do on both the House Armed Services Committee and the Congressional Joint Committee on Atomic Energy, I can see in the distance a type of national defense completely different from what we have today and for the next several years.

While some may disagree with my views, I can see future wars being fought from continent to continent with guided missiles carrying nuclear warheads. This means that the type of our present day military machine will be obsolete to the extent that we will have little use for conventional methods of warfare. Even some of our modern methods of

waging war now employed by our military forces will be outmoded.

As we pass through this transition era, Congress will be called upon to make momentous decisions affecting military manpower and equipment, together with roles and the mission of our Armed Forces.

Mr. Chairman, Congress will be called upon to face realities and to make bold and courageous decisions in the field of national defense. Most of these decisions will be whether to agree or disagree with the recommendations of those charged with the responsibility of administering our national defense policy. This places a grave responsibility on the shoulders of Congress.

It has been said many times that without a strong economy the military might of our Armed Forces is imperiled. Therefore, as we face decisions in the field of national defense we must protect our economy by getting the most for our Armed Forces out of every dollar spent for national security.

With this thought in mind, at the present time based on a $72 billion budget, 62 cents out of every dollar spent by our Government is for national security, which includes foreign aid, atomic energy, and our Armed Forces. This leaves only 38 cents out of every Government dollar for nonmilitary activities of the Government. Breaking this figure down we find 7 cents for veterans' benefits, 11 cents for interest on the national debt, and 20 cents for other nonmilitary functions of Government. Therefore, from this breakdown it is apparent that we cannot spend much more for the military expenditures of Government if the nonmilitary functions of Government are to be financed.

Let us see what is happening in the cost of military equipment, including weapons, planes, missiles, and so forth.

In World War II a B–29 cost $600,000, a B–36 $4 million, and the present B–52 nearly $8 million. In the period 1960 to 1965 the B–70 will replace the B–52 at a cost of nearly $16 million each.

To replace the present SAC B–47 force with a B–58 force including replacement of the KC–97 tankers with KC–135 tankers, the total cost for aircraft and spares will run from $20 billion to $25 billion.

A World War II fighter aircraft cost $93,000, the present F–100 $750,000, while the F–106 now coming into being will cost 4 times as much or $3 million.

I am sure we have all heard of the X–15 aircraft now being developed at Edwards Air Force Base in California. Three of these aircraft are estimated to cost $120 million and to eliminate technical difficulties and to further develop the X–15 to perfection the final cost for one plane alone may reach $100 million.

Let us talk about the Navy. A World War II carrier cost $55 million, the Korean war carrier $204 million, and the present nuclear-powered carrier $314 million.

Submarines in World War II cost $4.7 million each, in the Korean war $22 million, while the present nuclear-powered *Nautilus* type cost $48.9 million. The Polaris-type submarine now under development will cost $92 million.

The World War II cruiser ranged in cost from $36 million to $58 million apiece. To convert these cruisers to guided missiles, the cost of conversion will amount to $90 million each.

Let us talk about the Army for a moment. The .30-caliber machinegun, known as standard equipment, cost $445 during World War II, while its replacement, the M–60, costs $1,700. The World War II 90-millimeter antiaircraft battery, including sight and installation, cost about $7.2 million. To replace it with a Nike battery, the cost was $17 million. To keep these batteries modern with Nike-Hercules missiles, the cost will be three times greater.

Mr. Chairman, the comparison I have given of the cost of World War II and present, modern-day equipment is only a drop in the bucket when you look at the cost of the following items:

First. The Continental Defense Command, now in existence for 4½ years, costs $13 billion, with a $2½ billion annual operating cost. Keep in mind it is going to cost billions more to keep it modern.

Second. The testing and evaluating of new weapon systems from the period 1956–59 will cost $20 billion, or $20 million for each working day.

Third. One squadron of ICBM's will cost $1 billion, while an anti-ICBM system will cost $13 billion. These figures will give some idea of the cost of only one type of missile. We should remember that other types of missiles will also cost billions of dollars.

Since I have been speaking about missiles, and since they represent the modern method of warfare, let me reveal what has been happening to the dollar spent for national defense.

In 1953, just 2 cents of the defense dollar was spent on missiles; in 1957, 15 cents; in 1959, an estimated 24 cents will be spent; and in 1960, an estimated 35 cents. From these figures it is evident that the more modern method of prosecuting a war is requiring more of the defense dollar. Given another 10 or 15 years, there will be little left of the defense dollar to pay the cost of conducting conventional warfare.

Mr. Chairman, I have been talking mostly about equipment. Let us talk about personnel. The direct military personnel cost per man in 1950 amounted to nearly $3,000; but in 1958, including the recent pay increases, the cost per man is $13,500.

Mr. Chairman, as I conclude it may be well to state that the British recognized some years ago that they could not afford to maintain both the conventional and the more modern method of prosecuting a war. Therefore, to live within their economic capabilities and to have at their disposal a modern military machine, their decision was in favor of the missile or the more modern method of warfare.

These figures I have quoted are startling because they reveal the grave problem this Nation is faced with in maintaining an adequate and modern national defense without impairing our economic stability.

As I have said, some are urging that a complete merger of our Armed Forces in the distant future is imperative. I do not dispute this contention; but I do say that, to meet the present-day as well as future decisions in a bold and courageous manner, we need legislation of the type we now have before us. If this bill is enacted into law, those who administer our national-defense program will have greater flexibility and more authority to make the necessary decisions. Meanwhile, Congress will have retained its right to review such decisions and by so doing will provide an appropriate checkrein on national-defense policy during this transition era.

Mr. GAVIN. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, the bill before us today is of signal importance, and, in my judgment imperative for the security of our Nation.

To a large degree, its significance is reflected as much in a sense of attitude as it is in a strict legal sense. Much of the subject matter is already the law of the land, either in the National Security Act or in the inherent powers of the President as Commander in Chief of the military services granted him by the Constitution. In fact, much of what is provided in this measure is today the modus operandi in the Armed Forces.

Nevertheless, there are sufficient examples in present law to provide lawyers, and therefore the separate services, with legal arguments to convince themselves and the uninformed that certain words, contained in different sections of present law, have authority never intended and which, in the thinking of some, become paramount and nullify all authority granted elsewhere. Such diabolical thinking which supercedes commonsense and the clear, plain, concise explanations on this floor in years gone by, has resulted in bickering, duplication and loss of time, money and talent. However important might be the individual desires of the respective services to be foremost in all phases of warfare or to cling to roles now obsolete, the time has come to recognize the fact that America can no longer afford to wallow in the mire of tradition for tradition's sake, else we will get bogged down and jeopardize our very existence. We cannot afford the luxury of giving to all with the sole purpose of keeping everyone happy. We have many hard choices to make in the years ahead in the distribution of our funds to see to it that the maximum amount of security is provided with every dollar spent.

A fundamental aspect considered in this bill is the recognition that we no longer have months for retaliation. We have but a quarter of an hour—15 minutes—to execute orders if we are to survive. There will be no time for discussion as to who will perform such and such a function. There will be no time to notify individuals who believe orders should clear through them. Unified and specified combatant commands must be in direct contact with the President, the Secretary of Defense and the Joint Chiefs of Staff who will give the orders, and then those orders must be

carried out with maximum dispatch. In a new era, we must have new thinking. We must cast aside the outdated conventions born of yesterday. If we do not think in terms of today, there will be no tomorrow.

The President, in various messages personally, and through his various assistants, military and civilian, in the Department of Defense, submitted his proposals to the Congress and our committee. Although many people made statements outside our committee room that tended toward acrimony, let me emphatically and truthfully state that I do not recall any hearings that were conducted in a more cooperative and harmonious atmosphere.

I would also like to state that no problem areas developed during the hearings that were not resolved to the complete satisfaction of all involved. All the proposals submitted to us by the President were approved by the committee or the changes concurred by his representatives. In brief, there were no points of conflict, no differences in principles, as we prepared to mark up the bill.

When the committee print was presented to us for the first time, we were also given the President's views concerning it. As you will note on page 6 of the committee report, the President stated:

> On the whole the bill clearly reflects constructive efforts to correct the main difficulties which have troubled our Defense Establishment in recent years. I congratulate you and your colleagues for the progress made toward developing a sound defense structure—by and large, the bill seems to deal positively with every problem I presented to the Congress. In certain respects—two quite important—I believe that changes would make the committee's revision clearer in intent and more clear cut in effect within the Defense Department. I hope this language will be suitably adjusted on the House floor.

In the cordial and amiable tone of the letter and the friendly atmosphere of the committee and with a full recognition of the difficult hurdles already behind us, we seemed to have no problem before us in finding language to say more clearly what we meant to say. There seemed to be no matter of principle involved then and, in my judgment, no question of principle is involved now. It is certainly most distressing to me, after the many hard hours we spent on this bill, that even until this moment we have failed to find the words on which we could all agree. Our words were frozen in stone.

I have great pride in the Armed Services Committee. The affection and deep respect I have for our esteemed chairman is shared by all our members. Whatever differences might develop in committee are almost invariably resolved in the committee. We have always prided ourselves in the united view we always took toward our sole objective—the security of our Nation. Never have I heard, nor would we countenance, any move toward political and partisan ends.

Late last week, when it became obvious that no progress was being made toward resolving the final points, I contacted members of the committee on both sides of the aisle in an honest effort to uncover the differences of opinion. I also consulted with members of the administration familiar with the problem. I can say to you, in all candor, that there were no differences whatsoever except how identical purposes could be phrased. It seemed to me that the country was entitled to more than a fight which loomed on the House floor.

I understand that three amendments will be offered to the bill. I have read these carefully and sincerely believe that they represent the thinking of the committee. They do not represent a retreat by anyone on the basic principles that are involved.

The committee bill provides that—

> Each military department shall be separately organized under its own Secretary and shall function under the direction, authority and control of the Secretary of Defense exercised through the respective Secretaries of such Departments.

It is these last eight words that create the problem. It was the committee's view, and I believe rightly so, as the report points out that—

> It is simply sound organisational procedure for the Secretary of Defense to exercise his superior authority, direction and control through the Secretaries of the military departments. If such a procedure were not followed, the Secretaries of the military departments would be bypassed, isolating them from the activities of their departments.

I would certainly not want that to happen. The Secretary must know what is going on in his own shop if he is to conduct it. However, if the language is literally interpreted, it would seem to foreclose the daily cooperation and exchange of ideas between the subordinates in the respective departments with their counterparts in the Office of the Secretary of Defense. The report is then careful to point out that the language of the bill should not be interpreted in its strict sense in this respect because if such cooperation and free exchange of ideas should be precluded, administrative chaos would undoubtedly result.

The report also points out correctly that the Assistant Secretaries of Defense are advisers to the Secretary of Defense and except to the extent that the Secretary of Defense may specifically delegate his authority to them, they have no authority to impose their will upon a military department. Yet, the bill does not take into consideration this delegation of power either by the Secretary of Defense or the service Secretaries. If both Secretaries wished to delegate authority to their subordinates, the bill, if literally interpreted, would preclude such a relationship. If there is no delegation of authority at either level, then, of course, matters coming from the Secretary of Defense would go through the Secretary of the respective service. I believe that the proposed amendment states much more clearly what the committee had in mind than does the present language of the bill.

The second amendment is a simple one and concerns the right of a Secretary of a military department or a member of the Joint Chiefs of Staff of presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper. During the hearings I discussed this point at length with Secretary McElroy. Although he expressed a desire that this section be eliminated he stated that it was not important one way or the other to him and if the committee decides that that is an important privilege to retain that he would not oppose it. I certainly believe that if a military man would jeopardize his career to say something to the Congress which he believes is important to the security of our country, then we should not close the door to him by striking out this provision. We cannot exercise our responsibility under the Constitution unless we have all the facts and our judgment is only as valid as the information on which it is based. An amendment will provide that the words "on his own initiative" which is redundant, anyhow, be eliminated. It also provides that the words "a Secretary of a military department" be also eliminated. Since he is not a technical man nor a professional military expert, I believe that, too, is acceptable and preserves the intent of the committee.

The third amendment has to do with major combatant functions. Under the committee bill a major combatant function is defined. It states that a combatant function becomes a major combatant function when one or more members of the Joint Chiefs of Staff disagree to the transfer, reassignment, abolition, or consolidation of such combatant function. In order that the process cannot be held up by one Chief who might be over loyal and biased toward his own service, an amendment will be offered which will change the language to "two or more Chiefs." However, recognizing that a Secretary of a Department should have something to say if his Department is being torn apart, and, particularly, since he does not have to protect his career, the amendment adds "or a Secretary of a military department." This also is better language, in my opinion, than that contained in the committee bill. It is understood that such a problem will only develop on major issues and, therefore, a statement will be required indicating that the function is an indispensable and integral part of the combatant capability of a service and that the action, if taken, would seriously impair the national security. If it does not meet those tests, then they should not move to make it a major combatant function. I might also add that it is far better law and procedure to require that any person in the Department of Defense certify his reasons for disagreement rather than merely say he disagrees and therefore force an issue to the Congress.

I sincerely trust that the bill and the amendments will be adopted. The American people are tired of the bickering that is going on. Let us not be divided by words when we are united in thought. Let us show the country that bickering in these matters will not be tolerated either in the Department of

Defense or the Congress of the United States.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield.

Mr. DEVEREUX. I would like to make my position clear, too. I feel the committee bill is an excellent bill. I do agree that these amendments which will be offered are perfecting amendments. However, I could not have supported the substitute bill that has been introduced.

Mr. BATES. I thank the gentleman. I want to say I concur in his opinion because the substitute bill did not reflect the type of thinking which was in my mind and which, I believe, was in the minds of the members of the committee.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield.

Mr. VINSON. Will the distinguished gentleman from Massachusetts advise the committee how the Secretary of the Department would be responsible under the language you propose to offer?

Mr. BATES. I will answer that in my remarks later.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BATES. I yield.

Mr. WAINWRIGHT. One of the points the gentleman is making in his able presentation is that there has been no conflict and no partisanship. But it is my understanding that there is serious dispute as to the purpose of the proposed bill. Is that correct?

Mr. BATES. In my humble judgment—and I have spent a lot of time on this language—there is no difference in principle. It is a question of words—words which in the committee bill would foreclose the operations of some people in the Department of Defense, particularly the Secretaries of the various services whom we attempt to protect. I will cover that point in a moment.

Mr. WAINWRIGHT. Would the substitute bill change that, in your opinion?

Mr. BATES. In the amendments which will be offered, liaison and working operations between the two subordinates could take place. But if the Secretary of any individual service does not delegate that authority, if he does not have a designee, then of course, as the committee bill says, everything must go through the Secretaries of the respective services.

Mr. WAINWRIGHT. In other words, that seems to be the sole and principal issue in the debate here today.

Mr. BATES. That is right. In my way of thinking, if the Secretaries of the various services wish to delegate authority, they are precluded from doing so under the provisions of the committee bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GAVIN. Mr. Chairman, I yield 12 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, at the beginning I want to compliment the distinguished chairman of this committee, the gentleman from Georgia [Mr. VINSON], for this very wonderful presentation of the bill that was reported by the Committee on Armed Services.

Mr. Chairman, at the time the Armed Services Committee voted on the bill now under consideration, I expressed my reservations. Additional study has reinforced my concern. I find myself in full agreement with the President of the United States that the bill should be amended in three particulars.

They are:

First. Deletion of the requirement that the authority of the Secretary must be exercised through the respective Secretaries of the military departments;

Second. Elimination of the extreme restrictions placed on the authority of the Secretary of Defense to transfer, reassign, abolish, and consolidate combatant functions; and

Third. Repeal of the present law giving the Secretaries of the military departments and the individual Joint Chiefs of Staff the right of direct appeal to the Congress.

EXERCISED THROUGH THE RESPECTIVE SECRETARIES

The 1949 amendments to the National Security Act were intended to establish the full and complete control of the Secretary of Defense over the Department of Defense.

Although the expression "separately administered" was retained in the law, it is very clear that that phrase was never intended to limit in any way the authority of the Secretary of Defense.

The distinguished chairman of the Armed Services Committee declared that the words "direction, authority, and control" gave the Secretary the authority to run the three Departments as he thinks the Department—of Defense—should be administered.

In spite of these good intentions, the expression "separately administered" proved to be a stumbling block which caused wasteful friction and delay within the Department of Defense.

I might say, parenthetically, I know it was not done by intent of any kind, but at the time the witnesses were testifying before the committee there were occasions when they would not give specific instances saying it was unwise to do so in public session, that they would do so in executive session, but the outcome of the matter was that in the pressure of preparing the bill they did not do it, so we did not get the specific instances.

On many occasions, one or more of the services has used the phrase as justification for impeding decisions of the Secretary of Defense.

The emphasis placed on this fact by the many witnesses who testified before the Armed Services Committee of which I am a member, rightly caused the committee to recommend unanimously that "separately administered" be replaced by "separately organized". With this recommendation, I am in full accord. It is very clear that an organization of the size and complexity of the Department of Defense must be decentralized.

However, the committee bill goes further. It adds the absolute restriction that the direction, authority, and control of the Secretary of Defense over the military departments must be exercised through the Secretaries of these various Departments. This ambiguous language will inevitably produce the same unhealthy consequences as did the former language of separately administered.

It provides a loophole which could and would be exploited by a dissenting service to resist the unified direction of the Secretary of Defense. I am certain that this language, whether intended or not, will impede the free exchange of information and ideas between the Assistant Secretaries of Defense and their counterparts in the military departments.

Direct access to subordinate echelons is just good staff procedure in any organization. The Assistant Secretaries of Defense are not in the command line. They are staff advisers to the Secretary of Defense. Without open and unobstructed channels of communication, they cannot be expected to function effectively.

Our committee recognized this danger and attempted to counteract it by statements in its report. This is not the way to correct ambiguous language. The right way is to insure that the language does not appear in the bill in the first place. I, therefore, strongly recommend for your consideration, deletion of the phrase "exercised through the respective Secretaries of such Departments" where it appears in sections 2 and 3 of the bill.

Now I come to the section on combatant functions.

With regard to the transfer of combatant functions, I am convinced that, if we preserve the present wording in H. R. 12541, we will open the door for controversy, bickering, indecision, and delay within the Department of Defense. We must forgo legal sanction or legal invitation of such controversy in our national-defense effort.

Conditions today are not those of 1949, nor even of 1953. Fantastic progress has been made in the development of weapons of war. Equally rapid changes can be expected in the years to come. To keep pace with these rapid developments the Secretary of Defense must have the flexibility to assign the resources and manpower of the Department of Defense, in the manner best calculated to exploit technological progress. Congress will not meet its responsibilities if it unnecessarily ties the hands of the President and Secretary of Defense.

It is the rightful intent of H. R. 12541 to preserve the military services—each with its very broad role within our defense organization. However, as the bill now reads, it is conceivable that even relatively minor changes in functional responsibility would necessitate delays of many months for the Congressional review necessary. One military man, regardless of the views of his colleagues or his civilian superiors, could cause inordinate delay and bickering. This is unprecedented authority and totally foreign to the fundamental concept of civilian control over the Armed Forces. It is in direct conflict with the basic principles of the National Security Act and the remainder of the provisions of this bill.

I wish to emphasize that this conflict could occur every time 1 of the 4, and in some instances 1 of the 5, members of

the Joint Chiefs of Staff disagreed with regard to a change in any one of the hundreds of missions assigned to the services. I do not believe it is the desire of the Congress to legislate such a condition.

If the wording of H. R. 12541 in regard to major combatant functions is adopted, the procedures whereby the Secretary of Defense manages his departmental resources would be even more restrictive than under present law. Even more astonishing, these restrictions would operate not at Congressional discretion, but at the discretion of military officers. This repudiates the concept of clear cut and direct authority of the Secretary of Defense—that which we seek to clarify and strengthen.

Mr. Chairman, primarily for these reasons I urge that section 3 of H. R. 12541 be amended in the manner requested by the President.

RIGHT OF APPEAL

Section 3 (a) (c) (5) of H. R. 12541 continues the right of the Secretary of a military department or a member of the Joint Chiefs of Staff to present to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper. This right of appeal by these persons should be abolished.

The language of H. R. 12541 authorizing this right of appeal is a verbatim extract from the National Security Act of 1947, as amended in 1949. Since that time there has been no occasion for any person entitled to this appeal to resort to its use; yet, Congress has always been well informed on any disagreement within the Department of Defense that might have detrimental effects upon the country, and has by requesting members of the Department of Defense to appear before various pertinent committees succeeded in the proper degree of Congressional supervision over the Defense Department. There is no reason why this condition should not continue; consequently, it is unnecessary to write a provision into the law which encourages highly placed persons within the Department of Defense to air their grievances before a Congressional committee. No similar procedure exists within any other governmental agency and rightly so. Such a provision is contrary to sound management principles for any office. This provision is directly contrary to our common goal of achieving greater cooperation and unity in our defense operations; its elimination will assure the closer coordination, teamwork and cooperation we seek between the Secretary of Defense and his principal assistants and will undoubtedly result in a more efficient Defense Department.

One of the major objectives of the proposed bill is to clarify the authority of the Secretary of Defense. The invitation for his principal assistants to appeal to Congress beclouds his authority. Even if this right is never used its presence in the law is bound to damage the standing of the Secretary of Defense and to be subversive of his authority.

The President has used forceful language in expressing his disfavor of this provision of the bill. He believes that this provision is best described as legalized insubordination and that it invites interservice rivalries, invites insubordination to the President and Secretary of Defense, endorses ideas of disunity and blocking of defense modernizations, suggests that Congress hopes for disobedience and interservice rivalries, is bad concept, bad practice, bad influence within the Pentagon. The retention of this provision serves no useful purpose whatsoever, does not afford the Congress access to information that cannot be obtained through better procedures and should be eliminated from the bill.

I am convinced that these three amendments are vital to the successful establishment of a defense organization which will insure our national survival in these difficult and dangerous times. It is the considered judgment of the President that these amendments are immediate necessities. They were fully supported by the Secretary of Defense. I join with my distinguished colleagues on both sides of the House in urging their adoption.

There is one point I would like to suggest to my colleagues today. My memory goes back to the days when the Department of Defense was created in 1947. It has been said here that the Department of Defense was created as a policymaking body. If that is the case, the American people were badly deceived in 1947.

Mr. Chairman, my memory serves me well, because I came to Washington as a member of a national committee at the time working on that legislation. It was brought about for the purpose of creating greater efficiency, greater control and unification of the Armed Forces. That has never been brought about to this date under that legislation or amendments to the act since 1947, and I say we should do this now. The time is here. Split timing is necessary in this world today if we are to have the national security which is so badly needed.

Mr. ARENDS. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BRAY].

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to ask the gentleman from Indiana a question in connection with the present law which now gives the secretaries of the military departments and the individual Joint Chiefs the right of direct appeal to the Congress. If you take that right away from them, would you not in effect be making them assistant secretaries of defense?

Mr. BRAY. I think in the end you would reach exactly that position. I still believe that Congress should hear the whole story of defense which I am going to mention later. But, I believe the gentleman is correct, if that authority is withdrawn from them.

Mr. Chairman, I intend to support the committee bill. The committee met for more than 3 weeks on this legislation, and I know that they studied and worked hard on it. I have been proud that the Committee on Armed Services has never allowed partisan politics to enter into our consideration of our national defense needs, and I deeply regret that matters have arisen such as they have at the present time.

As for this bill being hurried before the House, I know that it was not the desire of the committee that the bill be hurried to the House. There were speeches being made, not by members of the committee, demanding immediate action. Pressure was brought, frankly, on the committee that this matter be reported as soon as possible. In spite of that, we did hold hearings for more than 3 weeks, and as I recall, I attended every one of those hearings.

I want to go back a little in history, not back to the reorganization bill of 1947, but I would like to mention and call attention to the hearings and the action on the reorganization bill in 1953. In that bill the Department of Defense was given everything that they asked for down to the dotting of the last "i" and the crossing of the last "t." If I am wrong, I would like for somebody to call that to my attention. Then this bill came before the committee. We heard a great deal of talk about the bill before it came to us. There were certain objections and differences of opinion between the executive department and the Committee on Armed Services, which is only natural. You find through history that the executive and the military are usually somewhat at variance from the people's elected representatives, whether it is in Congress, or any other Government body elected by the people. Now, to hear some people talk, you might feel that heretofore there was no matter of unity of purpose that there was no power in the Secretary of Defense and that the Departments Army-Navy and Air were going entirely at cross purposes. If you care to refer to the hearings, you will find on pages 6073 and 6074 where I questioned the Secretary of Defense as to the powers he now has, and he said generally this, that he had, acting on behalf of the President, the right to relieve any and all officers in the Armed Forces immediately from their command without any redtape. He also could dismiss any secretary or assistant secretary from his job and I suppose any employee of the Department of Defense, civilian, or military. The Secretary of Defense could appoint the commander or relieve the commander of any task force or department. He could determine without any Congressional or any other control, the composition, and numbers of every task force or department of our Armed Forces whether abroad or in the United States; he could move them to any place he desired. So the idea that he has been a helpless person without authority is entirely in error. Frankly, I doubt the necessity of this legislation to allow the Secretary of Defense to right all of the alleged bickering and lack of unity.

At the time the committee voted on the bill, we thought—at least I thought—that we were in material agreement with the President. I still

think we were substantially in agreement at that time. And no one here has a higher regard of the President than I. Every member of that committee voted for that bill. I believe it is a very fine bill. Oh, it is not everything I would want. I have never seen a bill that had in it everything I wanted. But this committee gave honest and sincere consideration to all matters brought before us. This was a very difficult bill to write and I greatly fear that we are making a mistake in attempting to rewrite this bill in the floor.

We did have a liaison with the White House toward the latter days in the writing of that bill and I thought that all were in substantial agreement on this bill. Frankly, I am proud of the job that has been done on that bill. If there should be an emergency, there is nothing in the suggested amendments to this bill that would speed up any needed action 1 minute.

There are three matters that have been brought up concerning possible amendments to the committee bill. The gentleman from New York [Mr. BECKER] who preceded me said this in his statement. I am reading it from his statement, a copy of which I have here, as he put out a release on it. This is what he wants in the way of an amendment.

Repeal of the present law giving the secretary of the military departments and individual Joint Chiefs of Staff the right of direct appeal to Congress.

I hope the time never comes when the military are so tonguetied and so regimented that Congress may not know what they think. If that is democracy, it is not my concept of democracy. Remember this, that the previous Secretary of Defense was opposed to the Jupiter program. We know that Congress backed the Jupiter program and it has been one of the finest programs, one of the programs of which we are most proud. Do any Members ever want the time to come when those people cannot give us their viewpoint? I certainly do not want that time to come and I am proud to stand up here and say that I want to know what is going on in the Department of Defense, especially as long as I am a member of the House Committee on Armed Services.

Another matter they make a great deal of issue out of concerns separately administered. I believe the committee bill says separately organized under the direction, authority, and control of the Secretary of Defense, exercised through the Secretaries of the respective military departments.

I do not know how many Members of this body have been in the armed services, to those of you who have, will understand the remarks I am about to make. Can you imagine a battalion commander who would skip the company commander except in emergency and give direct orders to a platoon commander or further, can you imagine an S-4 circumventing the company commander and dealing directly with the platoon, unless it was agreeable to the commander? A situation such as that could only cause difficulty. It has been mentioned that there should be liaison between different departments in the Office of Secretary of Defense and sections of the respective services. That should exist in any properly organized department of our Government. But the head of any department such as Secretary of the Army, should be deliberately bypassed by the Secretary of Defense or any of his assistants.

In a well worked out organization certainly the Assistants of the Secretary of Defense are going to be dealing with the Assistant Secretaries of the Navy, of the Army, and of the Air Force. But we would certainly be in a chaotic condition if there had to be no consideration given to that Secretary of the respective service. If the President does not want the Secretary, or believes him incapacitated, fire him. But let us not by statute bypass that man and make him a joke or a water boy.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from New York.

Mr. WAINWRIGHT. What I am not clear on is under what set of circumstances this type of tragedy would occur, under the substitute program, under the bill as it is proposed, or under the situation as it exists at the present time.

Mr. BRAY. I would be presumptuous to say at this time exactly what is to be proposed. I have heard a rumor of it. But I am saying now what the committee bill is—and correct me if I am wrong; I do not have it before me, "Separately organized under the direction, authority and control of the Secretary of Defense, exercised through the Secretaries of the respective military departments." Mr. Chairman, is that correct?

Mr. VINSON. That is correct. That is the committee's position.

Mr. BRAY. That is the way every military organization in the world has been organized, and that is merely following the same thing here. What is wrong with the committee bill?

Mr. WAINWRIGHT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Chairman, concerning one aspect of this bill I have sought the opinion of three men, all of whom have had long experience with research and with the administration and support of research. In particular these three men have had important connection with research in all branches of the armed services. These gentlemen are Rear Adm. Luis De Florez, retired, a consulting engineer and one of the founders of the Office of Naval Research; Dr. Charles C. Lauritsen, of California Institute of Technology; and Dr. Warren Weaver, who is associated with a number of private and Government research foundations. Both of the latter men have, over many years, served all branches of the armed services in direct and in consultative capacities.

These gentlemen are anxious not to impede in any way the passage of H. R. 12541, the reorganization bill; but they, and many of their scientific colleagues with whom they have conferred, feel it essential that consideration be given to the following points:

First. Basic research must be clearly differentiated from development, and the two should be administered in a different manner.

Second. At the stage of development of military devices central direction can bring saving in effort and in money by reducing unnecessary duplication. But at the level of basic research it would in the long run be disastrous to overcentralize and overcontrol.

Third. Each part of the armed service, in order to maintain an alert and informed attitude, should be free to initiate, to carry out, and to support basic research related to their mission.

Fourth. The continuous association of the scientists of all of our laboratories and universities with the uniformed personnel in all parts of the Defense Establishment constitutes a great source of national strength, and one which could be mobilized rapidly in any emergency.

Fifth. A reasonable amount of competition and even of paralleling of effort is normal, healthy, and completely justified at the level of basic research. It is of almost negligible cost as compared with duplication at the level of development.

Sixth. Variety furnishes an essential element of strength in basic research. A multiple approach helps to assure an imaginative attack, and to insure that important opportunities not be overlooked.

Seventh. Basic research includes many fields, some of which are of special interest to one service group, others to other service groups. It has been found by experience to be esential that the various groups be free to stimulate the areas of research that particularly concern them, and free to maintain direct and individual contact with the basic scientists.

Eighth. Thus it seems essential that the Director of Defense Research and Engineering, as provided by this bill, be given to understand that it is not intended that a monolithic concentration of basic research activities be carried out, with all decisions centralized in 1 man or in 1 office, but that basic research continue as at present to be a pervasive source of inspiration and strength throughout all parts of the Defense Establishment.

Mr. VINSON. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, when the President said that he would seek certain changes in the committee bill on the House floor, after congratulating the committee on the fine work it did in writing the legislation now before the Committee, there were those of us who felt that the President was very generally satisfied with the committee bill but that he had two reservations which he thought might be clarified.

Since that time the President has decided that he has three objections to the bill, and he expressed himself in no uncertain terms.

I might state that shortly after the bill was reported out by the committee I had the opportunity to talk to the highest officials in the defense organization, both military and civilian, and every one of them seemed at the time to be completely happy with the action of the committee.

But the President has gone beyond this form of persuasion, because I am satisfied that he has resorted to every known form of propaganda in order to achieve what he seeks.

I know of no bill that has been before the Congress in recent years that has been subjected to so much pressure from the White House than the bill now under debate.

Organizations are supporting the President's amendments without having the faintest notion of what is contained in these amendments. Businessmen are calling Members of Congress urging them to support the President's amendments, because someone told them to call their Congressmen. Chambers of commerce are supporting the administration's amendments even though these same chambers of commerce will be the very first to criticize a Member of Congress if he delegates his authority to an administration that may not be in accord with this thinking. But remember, once you have delegated authority you cannot get it back. I think history pretty well establishes that point.

As an example of what I am talking about, I have before me an actual memorandum put out by the Citizens Committee for the Hoover Report. May I remind my colleagues and members of the committee here this afternoon that these are not actually members of the Hoover Commission. These are just citizen groups throughout the country who support different programs to promote efficiency and economy in Government, a laudable aim. They are supposed to encourage approval of the reorganization plans that have the endorsement of the Hoover Commission.

I should like to bring out very forcefully that the legislation before you at this time was never at any time considered by the Hoover Commission, so that actually these groups now are outside their realm of influence and the scope of the program they set out for themselves when they were established. Yet they go into detail explaining what should be done and urge Members of Congress to support the President's amendments.

There is a memorandum dated June 6 issued by the Citizens Committee for the Hoover Report, 441 Lexington Avenue, New York City. I doubt if the amendments we are considering in the Committee were those which had the attention of the people who submitted this memorandum. Part of the memorandum reads as follows:

LAST CALL FOR ACTION—BATTLE NEARS ON PRESIDENT'S DEFENSE AMENDMENTS

The chips are down, the lines are drawn, the issues are clear, and the day of battle is close at hand.

Objective: House adoption of President Eisenhower's amendments to the defense reorganization bill (H. R. 12541).

Timing: Preliminary skirmishing has given citizens more time to assert their views than was originally supposed. House debate and action is now expected on Wednesday and Thursday (June 11 and 12), with just an outside chance that it might go over to June 16 or 17.

The choice: A dangerously weak kind of defense unification as set forth in H. R. 12541, the bill offered by the House Armed Services Committee, or strong unification embodied in the amendments proposed by the President (see Action Memo of May 21).

The outlook: House sentiment seems about evenly divided at the moment. Diehard standpatters are digging in for a last-ditch defense of the status quo. Powerful House parliamentarians will manage the floor fight to beat the amendments. But public opinion is rising in favor of the President's program and public opinion will be the decisive factor in a contest as close as this one.

What you can do: (1) Contact your Congressman by wire, phone, or special delivery; (2) make it plain that you want strong unification by House acceptance of the President's amendments; (3) go further and urge your Representative to take the floor and fight actively for the amendments. Don't hesitate to contact Congressmen from districts other than your own—the more the merrier. Finally, please get word to the Citizens Committee when you receive any sort of expression from a House Member—whether he supports the amendments or opposes them, or is noncommittal. Address: Research Department, Citizens Committee for the Hoover Report, 777 14th Street NW., Washington 5, D. C.

Meaning of the amendments: The House Armed Services Committee is endeavoring to depict its bill, H. R. 12541, as written, as being adequate to serving the objective of strong unification. It is nothing of the sort. It is, in fact, a sure guaranty of weak unification. For example:

1. Section 2 contains the terms "separately organized" and "exercised through the respective Secretaries of such departments," both of which weaken the chain of civilian control and hamstring the Secretary of Defense. President Eisenhower calls this provision a "legalized bottleneck."

2. Section 3 would enable any member of the Joint Chiefs of Staff to delay any change proposed by the civilian Secretary—however vital to the Nation's safety—for as much as 10 months by simply declaring that, in his opinion, the change is major. Thus just one man, with four stars on his shoulders, could frustrate the will of Congress, the President, and his civilian superiors at will. President Eisenhower calls this the "everyone's out of step but me" provision.

Finally, another provision of section 3 enables the military brass to go to Congress and complain about anything they don't like. The President calls this "legalized insubordination" which stimulates bickering, disunity, duplication, and waste.

Citizens should be on guard against claims that H. R. 12541, as written, gives us the hard-hitting, fast-moving, unified defense mechanism so vital to the Nation's safety today.

At stake: National safety with solvency or the perilous possibility of a global, atomic, 5,000-mile-an-hour Pearl Harbor.

Those of us who believe that Congress has some responsibility in the field of national defense are called diehard standpatters. And this is what the readers of this memorandum have been told to do: First, contact your Congressman by wire, phone, or special delivery; second, make it plain that you want strong unification by House acceptance of the President's amendments; and, third, "go further and urge your Representative to take the floor and fight actively for the amendments. Don't hesitate to contact Congressmen from districts other than your own—the more the merrier."

The Citizens Committee for the Hoover report analyzed some amendments. I do not know which ones they analyzed, but I know they could not have had an opportunity to analyze the amendments that we are going to be asked to consider here. But, they do object in their memorandum to the use of the words "separately organized" as well as the words "exercised through the respective Secretaries of such departments."

This is very interesting. It is a very interesting revelation since the words "separately organized" were suggested by the White House. They were not concocted by the committee. They come directly from the White House. Apparently, somebody forgot to notify this particular group of citizens for the Hoover report how these words got into the committee bill. They want us to strike out the words "exercised through the respective secretaries of such departments" and they say these words will weaken the chain of civilian control and hamstring the Secretary of Defense.

How ridiculous can you get. When you eliminate three military secretaries from the chain of command and place the entire responsibility in the hands of the Secretary of Defense, who do you suppose will end up running the national Military Establishment?

Name me one man who has seen the light of day in this century capable of running the Department of Defense singlehandedly. The Defense Establishment controls manpower equal to 10 of the largest corporations in the United States combined. It controls assets of more than $140 billion, representing in excess of 10 percent of the Nation's wealth. There is not any corporation in this country that would think of placing its destiny in the hands of a single man. Even the Secretary of Defense and the President admit that the organization is so vast that the functions must be decentralized and big business in this country is decentralizing every day. If you abolish the words "exercised through the respective Secretaries of such departments" you will have eliminated three military civilian Secretaries through which civilian control is now exercised.

But in a vast effort to merge the Armed Forces into 1 organization, in a vast effort to have 1 Secretary of Defense and 1 single Chief of Staff so that there can be 1 type of thinking and 1 type of thinking only, the citizens committee urges you to strike out "exercised through the respective Secretaries of such departments" and the President, according to the citizens report calls this provision a legalized bottleneck.

If you are in favor of eliminating civilian control and if you want to turn over the entire national Military Establishment to the generals and the admirals, and I have great admiration for these people—there is not a Member in this House who has been more zealous in his support of the Military Establishment and of each of the branches of the service—they have little difficulty in getting cooperation from me whenever they

need anything to promote the Military Establishment—but if you want to turn this whole thing over to the military control, lock, stock, and barrel, then by all means strike out the words "exercised through the respective Secretaries of such departments."

Now this Hoover report further says that the section dealing with the major combatant functions must be modified. I should not use the words "Hoover report" because it is not actually an adjunct of the Hoover Commission at all. This is the section which permits a member of the Joint Chiefs of Staff to object to the transfer, reassignment, abolishment, or consolidation of a combatant function which action converts such a combatant function to a major combatant function.

Who is better qualified to determine whether or not a combatant function is vital to the military service? A Secretary of Defense who has come fresh from civilian life, capable as he might be in his chosen field or a man who has spent his life with his service? Who will decide, if we are to go to war tomorrow, how the battles will be fought and with what weapons—a general with 35 years of military experience or a businessman who came to Washington just the other day. And I am casting no aspersion on any individual. That statement applies to anybody at any time.

In this bill we render unto Caesar those things which are Caesar's. We retain civilian control but recognize that military decisions must be made by military persons.

At the same time we say that where a military member of the Joint Chiefs of Staff wishes to object to the transfer, abolition, reassignment or consolidation of a combatant function then that converts the combatant function to a major combatant function, which a civilian Congress will have the right to review, and if the Congress agrees with the military member of the Joint Chiefs of Staff, then Congress may, with a majority vote, block the proposed transfer, abolition, consolidation or reassignment.

Now, why does the President want that eliminated? What does he have in mind that he does not want the Congress to know? What does he have in mind to do that is so far reaching and so distasteful to the American Congress as representatives of the American people that he is unwilling to trust to a majority of the Congress? What major combatant function does he have in mind to abolish? Does he have in mind eliminating the Marine Corps? Or does he have in mind abolishing the naval aviation? Or does he have in mind doing away with paratroopers or eliminating the Strategic Air Command or transferring the Tactical Air Command to the Army, or converting the Army to civil defense forces, or eliminating or federalizing the National Guard? Does he have in mind that the only kind of war we will ever have in the future will be a nuclear war? Does he have in mind that any organization not equipped to fight an exclusive nuclear war must be eliminated?

I hope not.

But I am not going to take a chance and find out, when it is too late, that that is what he had in mind.

Finally, the citizens committee urges the Congress to eliminate a provision of law that enables a military member of the Joint Chiefs of Staff, or a military Secretary to go to the Congress and make recommendations on their own initiative after first so advising the Secretary of Defense. They quote the President's reference to "legalized insubordination," and say that it "stimulates bickering, disunity, duplication, and waste."

Oh, those are glorious words that make a propagandist's dream come true—"disunity, waste, duplication, bickering." The military must all think alike. They must all act alike. If the President says they are all to wear brown hats, then they must all wear brown hats. Otherwise it would be duplication. If the President says they are to eat ham and beans, then they must all eat ham and beans, or it might be waste.

Do not think independently; do not use your initiative; just do what you are told. If you have an individual thought which might possibly keep your country from being annihilated, keep it to yourself. The President may not want the Congress to know about it. As the chief of a service you have sworn to uphold the Constitution of the United States and defend the Nation, but if you have a recommendation that is contrary to the wishes of the President, you will not be allowed to voluntarily come to the Congress with that recommendation.

It might be interpreted as "bickering" on your part.

And besides, it might embarrass the President, and you dare not embarrass the President, because that would be "disunity"—and that leads to duplication of thinking. The military service must only think one way, the way the President wants them to think.

Mr. Chairman, the Citizens Committee says that what is at stake is national defense with solvency or the perilous possibility of a global, atomic, 5,000-mile-an-hour Pearl Harbor. I agree that that is what is at stake—national security with solvency and the possibility of global missile warfare, but I also say to you that our form of government is at stake. But I am afraid that the citizens committee could care less in that regard, because they have made up their minds, and they do not want to be encumbered with the facts. They feel that national defense is a business proposition, and it has got to show a profit; and where you have two tanks you ought to eliminate one, because one should do the job of two, because there is no war on.

If you have a Navy with airplanes, an Air Force with airplanes, and a Marine Corps with airplanes, two of them ought to be eliminated, because an airplane is an airplane is an airplane—to paraphrase Gertrude Stein. The missions do not enter into the picture.

Mr. Chairman, I have been subjected to the same bombardment of claptrap and propaganda as the rest of you, but I do not think the Citizens Committee for the Hoover Report has any more patriotism or knowledge of national security matters than the Committee on Armed Services. I do not think the combined wisdom of 37 members of the House Armed Services Committee can be treated lightly.

And I do think that the "gag rule" that has been imposed upon the military forces of this country by the White House is the most reprehensible thing that has happened since I have been a Member of Congress. It is one of the reasons why you are not receiving the viewpoints from the other side of the picture.

We are fighting this battle for Congressional responsibility and sound national defense policy without fanfare and without a Madison Avenue propaganda machine grinding out letters in support of our position.

You have not been subjected to the propaganda efforts of those who support the committee action because propaganda is not necessary. The committee's report effectively speaks for itself.

But those who persist in demanding the complete merger of our Armed Forces; those who insist that we put the expenditure of $40 billion annually into the hands of one man; those who do not want the Congress to have any source of volunteer information; those who would turn over the combatant functions of our respective services to one Secretary who comes to Washington from a business world without regard to the wishes of Congress or the viewpoints of the military Chiefs of Staff will apparently stop at nothing.

Mr. GREEN of Pennsylvania. Mr. Chairman, as a Member of Congress I have sworn to uphold the Constitution of the United States.

The Constitution of the United States says that the Congress shall provide for the common defense and general welfare of the United States and shall make rules and regulations for the land and naval forces.

The bill before the House today, in my opinion, grants to the executive branch of Government as much authority as has ever been yielded by the Congress to the executive branch of the Government.

In spite of the action taken by the committee, the President has seen fit to criticize the bill on the grounds that it does not give the Secretary of Defense, or himself, the authority that he wants.

Actually, what the President wants is the complete, unfettered authority to run the Department of Defense as he sees fit without interference by the Congress of the United States.

He wants the authority to abolish combatant functions by simply notifying the Congress that that is what he has done, and if you do not like it, pass a law.

This is beyond a doubt the most obvious effort ever made in the history of our country to deprecate the authority of the Congress of the United States, and to relegate the Congress to a simple tax-raising body.

What the President asks the Congress of the United States to do is to grant an unconstitutional delegation of authority to him, through his Secretary

of Defense, whereby his Secretary can repeal a law passed by the Congress, now or in the future, and if the Congress doesn't like it, the President says: "Why, pass a law." What he means is, "Try to pass a law, because I'll veto anything you pass."

Well, Mr. Chairman, this matter is above politics at this point. There are 435 Members of the House who constitute the House of Representatives. The decision we make today will decide whether we will continue to be the House of Representatives or whether we will hereafter be known as "The Handmaidens of the President."

Either the House of Representatives will today stand on its constitutional obligations and responsibilities, and demand that its voice be heard in national defense matters, or we might just as well close shop after we appropriate the money and let the President run our national defense program as he sees fit.

Now we all recognize that the President is a great military leader, and I do not question his military capability, his integrity, or his patrotism. But I very seriously question his foresight in asking us to pass a law which would give some future executive far greater powers than any President or Secretary of Defense has the right to seek.

Well, Mr. Chairman, I for one will not succumb to the propaganda machine that has been established in an effort to sell to the American people the catchwords of flexibility, efficiency, economy, and the end of service rivalry.

I think that the Members of the House of Representatives, with their combined wisdom, have a right and a duty to pass upon the elimination, transfer, reassignment, and consolidation of combatant functions and I will trust the combined wisdom of the House to the single-mindedness of any one President.

I am afraid that some people forget that the Congress makes the laws for this country—not the President. But if this House is going to let the Secretary of Defense repeal any laws, now or in the future, dealing with combatant functions, then we might just as well turn over our entire constitutional function to the President, grant him tax-raising powers, stay home and not even bother to make one trip to Washington.

The President has said that he does not want the uniformed chiefs of services or the military Secretaries to come before the Congress on their own initiative. Why? Has anybody asked himself that question? The President said this is "legalized insubordination." Did you know that it was "legalized insubordination" if a member of the armed services told you something that was contrary to the viewpoint of the President?

How is Congress supposed to obtain the information it needs in order to act intelligently and wisely on matters of national security? Must we continuously resort to investigations in order to obtain this information, or will we leave the law as it is today which gives the military Secretaries and the Joint Chiefs of Staff the right to make recommendations to the Congress?

Is it wrong for a military Secretary or a military Chief of Staff to express a thought that is contrary to the thoughts of the President? Have we reached the point in our history where the President can think no wrong, do no wrong, and say no wrong?

Or do we remain a democracy where people can express differing opinions so that the Congress may choose the right course of action?

Mr. Chairman, in my opinion, the challenge before the House of Representatives today is the greatest challenge ever presented to the Congress of the United States.

We can sit meekly by and let the President take away our constitutional powers, or we can stand up and exercise our constitutional responsibility by defeating any efforts to amend the committee bill. For bear this in mind—any amendment that is offered to this bill with respect to combatant functions, or with respect to presenting recommendations to the Congress, will carry with it the downgrading of the Congress and upgrading of the executive branch of Government. If any of you feel that we are so incompetent that we cannot exercise reasonable judgment in national security matters, then by all means support such amendments.

But if you feel, as I do, that the Congress has a constitutional obligation to provide rules and regulations for the land and naval forces, then you will support the committee's position.

Mr. GAVIN. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, many straw men, straw specters of a military dictatorship, have been set up and knocked down.

As long as Congress keeps control of the purse strings, no military dictatorship could get to first base.

Many things have happened since a new reorganization plan was proposed several weeks ago. It looked for awhile like the hearings would go on for months—then suddenly the hearings were stopped. A bill was written and reported. Why the speed I do not know.

But I do know that it was often stated by members of the Armed Services Legislative Committee that any similarity between the President's proposals and the committee bill would be purely coincidental. Perhaps so, but some statements made today would indicate that several, perhaps as many as 16 of the President's proposals are incorporated in H. R. 12541. Debate indicates wide difference of opinion on perhaps three phases. Amendments are to be offered to set out the President's proposals. I can see no reason why they should not be adopted. I will support them.

We have been reminded of the constitutional power given Congress over the military in that language to "make rules and regulations for the land and naval forces." I just ask in passing, "Where is any constitutional power as it relates to the Air Force?"

We have been reminded, too, of the constitutional designation of the President as Commander in Chief of the Army and Navy of the United States. Certainly our Founding Fathers never meant that to be an empty title. If not then he should have power over the military and the only way with the intricacies of today is through the Secretary of Defense as he has asked.

President Eisenhower has been criticized for making reference to "legalized insubordination." That reference is justified. In fact, if you will but read the hearings before Congressional committees in the House and the Senate of the last few months, you will find countless instances of requested, induced and incited insubordination on the part of many high-ranking military and civilian officials.

Streamlining, reorganization, and a more direct line of command is needed in this day and age of split-second, supersonic, intercontinental, and astronautical elements.

Fast moving as events are, rapidly as implements of war advance and change, I would go further than any of the proposals yet made by either the President or the Committee. To keep abreast of changing times, weapons and world conditions is a full-time, 7-day-a-week job. I would make the Joint Chiefs of Staff planners only. I would divorce them from any command of the Army, Navy, or Air Force, for that, too, is a full-time job.

They would no longer be Army member, Navy member, or Air Force member. They would never again return to their former branch of service. They can be used many places in the few years remaining before their retirement.

One other place, Mr. Chairman, I would go further than yet proposed. I would make the service Secretaries—that is, Army, Navy and Air Force—Assistant or Under Secretaries of Defense for Land, Sea, and Air.

That step might lessen some of the interservice rivalry because each of the Secretaries is just as partisan as his Chief of Staff. Each service, supported by the service Secretary, seeks to have all that is necessary to win the war alone. In fact in many instances they have bucked the Secretary of Defense. That is not discipline. Without discipline an Army would be no more than a uniformed armed mob.

Decisions must be made by those authorized to do so and when made they must be complied with, otherwise instead of a military program we would have utter chaos.

This minor change in Secretaries might impel some different thinking and a realization that after all, no matter what uniform is worn, every man in the military service is a part of the team defending the United States of America.

Now, Mr. Chairman, many unfounded charges have been made as to what President Eisenhower wants to do or would if granted the power he asked.

The skeleton of a murdered Marine Corps is dangling before us. We are told the paratroopers would be disbanded. That there would be no more Navy aviators. Malarkey.

As Commander in Chief of the Army and Navy, as a man who has put in nearly all his adult life as a soldier, as a man who once served as Army Chief of Staff, and as the man who led our troops and those allied with us to the greatest victory recorded in history, President Eisenhower knows the need for Marines. He knows the need for Navy aviation and the Air Force—all as members of a fighting team.

President Eisenhower feels, and properly, that there is no reason why all of them, whether they wear the Army O. D., the Navy blue, or the sky blue of the Air Force or field green of the Marines should not fight together as a team under a single command.

It is done under Air Defense Command. It is being done under Pacific Command. Why not throughout the world wherever our troops are found? That is just good teamwork. That is efficiency. That is common sense.

Now, Mr. Chairman, let us see from words of the President himself, what he desires—and what he proposes to do and does not propose to do.

Here are his words.

Mr. Eisenhower said "the fears of critics are at the least, misconceptions, and at the most, misrepresentations." I repeat, he said:

> There will be no single Chief of Staff, no Prussian staff, no czar, no $40 billion check, no swallowing up of the traditional services, no undermining of the constitutional power of Congress. * * *
>
> The fact is, modern weapons have scrambled traditional service functions. Interservice controversy and confusion are the result. This simply means that our military weapons and techniques and certain provisions of law just do not mesh.
>
> I am quite sure that the American people feel it is far more important to be able to hit the target than it is to haggle over who makes a weapon or who pulls a trigger.
>
> In short, it is high time for all of us to pay more attention to America's strategic requirements and less to individual service claims.

Mr. Chairman, as I have inferred, this bill is far from what is required to bring unification. More must yet be done.

If the bill is good as its advocates state, it will be good with the amendments heretofore proposed. If this bill, without the amendments will not make our President "the man on horseback," "the military dictator," certainly the adding of these amendments will not do so.

If the President's years of military experience dictate the need of these amendments, is there any good reason why they should not be adopted? If there is, I have not heard it.

Mr. GAVIN. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Chairman, I wish to go on record as supporting the President's amendments which have been proposed by the gentleman from Illinois [Mr. ARENDS]. The President is showing leadership. Let us follow him for the good of the country.

Mr. GAVIN. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of debate on this subject today.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GAVIN. Mr. Chairman, I yield 5 minutes to the gentleman from Delaware [Mr. HASKELL].

Mr. HASKELL. Mr. Chairman, there are many of us in this Chamber who have served a number of years in time of war in the combat forces of the armed services, and so to discuss the quality of our Military Establishment provides for many of us mixed emotions.

It is my belief that the primary thing we would wish to preserve in the event of another conflict would be that our Military Establishment be at maximum efficiency, to function on D-day at H-hour with a decisiveness only made possible by having a truly well-administered military structure. To pull off any halfway measures of reorganization in our present competition with Communist-dominated countries of the world, would be suicide and the height of folly.

In the present deadly competition with the Soviet Union, there are four areas where victory or defeat will be determined. They are the military, economic, political, and psychological.

It is my belief that to fail to provide for the most effective establishment would be not only to weaken ourselves in the military area but would be equally detrimental in the other three.

Karl Marx, whose paranoiac policies laid the foundation of communism, looked to the economic as the principal means for destroying capitalism. One of the ways to help Karl Marx accomplish his mission would be to cause the American taxpayer to bear the burden of maintaining an inefficiently administered military operation, either now or later.

The price of that kind of administration, when one takes into consideration the race in the area of research in the laboratories, the production of the weapons of the future, as well as the major weapons in existence, would be almost intolerable in the years to come. The cost of the inefficiencies resulting from unclear administration would be in terms of billions and billions of dollars, to say nothing of the physical danger to the lives of our children and ourselves as a result of having an inferior military machine. The recent words of Khrushchev are all too clear in our minds: "We will bury you."

I believe the question before us here today is whether we shall have a first-rate administration of the largest element in our competition with the Soviet Union or whether we shall have something less than that. You have heard people speak who have more technical confidence than myself, but from my own study and from my own experience in the executive branch of our Government, I believe that two fundamental differences between the President's recommendations and the committee bill emerge for primary consideration.

The first is in section 2, where I believe some of the weasel-wording will only tend to continue some of the administrative chaos that exists down the line in the Pentagon today. If we are not absolutely clear that the words "separately administered" do not hang over like a black cloud, the administration of the military departments, in my humble opinion, we would make a great mistake. We should make very certain that there is no language that any military officer might hang his hat on to perpetuate the noncooperation that has so long existed at various levels in the Pentagon.

To continue the present legalized bottlenecks even in part would be to fail in the responsibility to our constituents.

The second area which I presume to be the most controversial, would be to allow to remain language whereby the head of one of our armed services could delay excessively the reorganization of combatant functions.

I believe that the heavy majority of my constituents want a military establishment in combat readiness, that will do the job of deterring Soviet attack, either large or small. They want the best they can get for their money and they do not want military tradition or little empires to control the final result.

I feel that we speak of war and we speak of peace in casting our vote here today to provide for an adequate military posture. I feel confident that the Congress will rise to the occasion and follow the lead of the President of the United States and the Secretary of Defense in determining how that should be done. Who is better qualified to know?

Mr. GAVIN. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I take this time to discuss the proposed amendments that the gentleman from Illinois [Mr. ARENDS] has referred to and also to express support for an amendment that I understand is going to be offered possibly by the gentleman from Massachusetts [Mr. MCCORMACK]. The McCormack amendment is a restatement, as it were, of the O'Mahoney amendment which sought to bring about unification in the area of the supply, distribution and procurement of common use items. This timely amendment also includes any service activity common to more than one military department.

In order to emphasize this point, I am going to read into the RECORD a letter which I wrote to the Honorable Charles E. Wilson, Secretary of Defense, on January 19, 1955:

JANUARY 19, 1955.

HON. CHARLES E. WILSON,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: I was shocked to receive a letter dated November 18, 1954, from the Assistant Secretary of Defense T. P. Pike, Supply and Logistics, announcing the

dissolution of the so-called Alameda medical supply test and the decision to continue operating medical supply separately by the Army and Navy and possibly by the Air Force as well.

In my opinion, this is directly contrary to the laws passed by the Congress in words, and certainly in intent. It is directly contrary to the statement of policy as expressed by President Eisenhower from time to time. In my judgment, this is one more instance where the Congress, in proper fulfillment of its constitutional authority, has written laws and the Military Establishment has sought to subvert these laws.

I appreciate that these are serious charges. In order to give you the basis for making these charges, I am setting forth the history of the Alameda test, and the Congress expressed interest in it as a test case of the overall problem of eliminating unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, and research.

Before doing so, I want to emphasize that I have no doubt as to the sincerity of those in the Military Establishment who have made the decision to go against what I have stated, in my opinion, to be the clearly expressed will—and certainly the clearly expressed intent of the Congress. I have no doubt that they feel they know better than the Congress what is best for the armed services and what is the best for our country. Nevertheless, if we are to have constitutional government in this country, we must have the Military Establishment carrying out the laws passed by the Congress in accordance with the Constitution, both as to the letter and equally as to the intent. Anything else would be chaos. Certainly such insubordination within the Military Establishment itself would be handled with dispatch.

The Military Establishment has had full opportunity to present its thoughts and views to the committees of the Congress in hearings. The Military Establishment has many able spokesmen for its point of view among the Members of the Congress so that its point of view is fully considered. In spite of this, in its wisdom the Congress has by law and by expression of what was meant by the language of the law, decided contrary to the position advanced by the Military Establishment.

The reason I stated in my second paragraph that this is one more instance was because I had in mind the heart rending attempts the Congress has made to have a single catalog system established for common use items in the Military Establishment as well as other specific cases where attempts were made by Congressional committees to see that the purpose and intent of the National Security Act of 1947 (as amended) providing for the unification of the services was carried out.

Here follows the history of the Alameda test as I see it. First, I might state it was my privilege to serve on the so-called Bonner committee during the 82d Congress and we found that there was a great duplication and costly cross-handling of medical and other common-type supplies between the service units.

We selected the medical supply field for study as it has only 8,000 to 10,000 items, uses only a few hundred million dollars' worth of supplies per year but the Army and Navy each had 5 depots at that time with stocks turning very slowly. Further, a joint agency bought the same items for each separate service. Fortunately, the Air Force continued under the Eisenhower-Spaatz agreements to get medical support from the Army though now they seem to be splitting here also. We reasoned that if 2 services can use common distribution, why in the name of sense cannot 3. Another reason for the selection of medical supply for a test was the fact that a usable catalog with common specifications and nomenclature has been in use for some time.

Our reports No. 658 issued June 27, 1951, and No. 2330 issued June 27, 1952, were critical of medical supply operations and called for eventual integration. On July 19, Deputy Secretary of Defense Lovett and the top supply officials from the services and the Munitions Board testified as to the findings and recommendations in report No. 658. At that time, Mr. Lovett produced a directive dated 2 days before (July 17, 1951) on the subject of Basic Policies Governing the Department of Defense Supply System. Paragraph 5 (c) of the directive stated:

"(c) Priority study shall be given to the feasibility of assigning to a single military department the responsibility for procurement, distribution, including depot storage and issue for classes of common items of supply and equipment, and depot maintenance of such equipment. Medical supply items shall be the first category to be studied."

It should be stated that a battle raged from July 17, 1951, to March 1952 over the establishment of the medical supply test. The Navy, in particular, was unhappy at this step toward unified distribution. The Navy has, as you know, preached the gospel of "three services separately administered" and that all supplies and services must be responsive to service command despite the fact that everyone should know by now that we must have unified commands in the theaters with supply responsive to that kind of command.

The Korean emergency placed a heavy burden on the Army medical supply system with the Oakland, Calif., depot at the end of the continental pipeline. But the Navy medical supply system with a depot across the street from the Army's in Oakland got small impact. Commonsense without prolonged study should dictate to anyone that the two pipelines could have been connected in order to make all medical supplies responsive to the unified command in Korea.

After more chapters and verses than any innocent taxpayer can imagine, the medical test was started. The committee knew of the bitter Navy opposition and went to Alameda (where the Army had moved meantime for the test) to see for ourselves how it was working. We found that the Army was putting all out to make it work and it was very successful. The Air Force was pleased at the service it was getting but the Navy was glum.

May I add that the test was operated under adverse ground rules. Each service owned part of the stock, requiring triple accounting. Admiral McNeil testified later that one revolving or stock fund should have been set up. But it never was. The excellent Syracuse study on medical supply recommended the same (one revolving fund) and here again commonsense should dictate such action. Public Law 216 (title IV) was enacted 3 years before for just such a purpose. That is, to improve financial control and management.

After viewing with alarm the committee's pressure to extend the successful medical test across the board to the other depots and end up with perhaps 3 depots in place of 10 with fast moving stock, the Navy came up with the idea of setting up functional supply systems, et cetera, each service to have its own integrated supply system. This would combine common stocks, theoretically, in each service. So Supplies and Accounts took over Navy medical supply to head off what the committee was doing. Budget Bureau officials forgot their responsibilities and went along.

After some 2½ years of operation, during which time the Korean theater was successfully served by the unified Alameda medical supply operation, it was decided to break up the test and not extend it across the board.

To my mind it was not only a sad mistake to dissolve the only effective effort made by the DOD toward integration of common supply distribution but it was a flagrant violation of the intent of the National Security Act, as amended. As late as last summer, the Army testified before the House Appropriations units that the test was to be extended. Those of us who know the Navy, knew better.

You will recall that the original National Security Act of 1947 (Public Law 253, 80th Cong.) "provided for the authoritative coordination and unified direction of the services under civilian control but not for their merger. And that the Secretary of Defense under the direction of the President was directed, in section 202 (a) (3), to:

"(3) Take appropriate steps to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, and research;".

The 1949 amendments to the National Security Act (Public Law 216, 81st Cong.) following the Hoover Commission report were designed to strengthen the original act, section 2 thereof provided:

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide three military departments, separately administered, for the operation and administration of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force, with their assigned combat and service components; to provide for their authoritative coordination and unified direction under civilian control of the Secretary of Defense but not to merge them; to provide for the effective strategic direction of the Armed Forces and for their operation under unified control and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an Armed Forces General Staff (but this is not to be interpreted as applying to the Joint Chiefs of Staff or Joint Staff)."

The amendment to the new declaration of intent included the provision for "three departments, separately administered."

The specific language authorizing the SECDEF under section 202 (a) (3) of the 1947 act to "take steps to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, and research" was omitted in the 1949 amendments as it was argued such language was unnecessary in the light of the broadened authority proposed to be conferred generally on the Secretary. (See p. 16, Bonner Overseas Report No. 1994, 82d Cong., 2d sess.)

"The National Security Act amendments of 1949 took account of several of the criticisms and of certain recommendations in the report of the Hoover Commission. The authority of the Secretary of Defense over the three military departments was somewhat strengthened and clarified. Likewise the role of the Munitions Board and its Chairman were pointed up and the Board was established more precisely as a staff arm of the Secretary.

"Nevertheless, the 1949 legislation again compromised between opposing concepts of proper organization in the Military Establishment. What was taken away with one hand was given back with the other. Although the departmental Secretaries were deprived of Cabinet rank, the separate status of the Departments was not only reaffirmed but reinforced in several particulars. As if to remove any doubts on that score, the

amendments added to the declaration of policy of the original act the intent of Congress 'to provide three military Departments, separately administered.'

"An interesting incident in the legislative consideration of the National Security Act amendments of 1949 illustrates the statutory setbacks to unification as well as the gains. The original act, in section 202 (a) which created the office of Secretary of Defense and prescribed the Secretary's duties, directed him among other things, to 'Take appropriate steps to eliminate unnecessary duplication and overlapping in the fields of procurement, supply, transportation, storage, health, and research.' The Senate bill introducing the 1949 amendments, in seeking to strengthen and clarify the Secretary's authority, proposed that the above-quoted provision in section 202 (a) be amplified as follows:

" 'Taking of appropriate steps, including such coordination, transfers, and consolidations as may be necessary, to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, personnel, health, research, and in such other fields, as he may deem proper. * * *'

"Pentagon lawyers assured the House Armed Services Committee that the Senate proposal was unnecessary in the light of the broadened authority proposed to be conferred generally on the Secretary. Accordingly, the entire provision, both of the Senate bill and of the original act, were struck out by the House committee, the deletions were accepted in conference. The law now merely presumes, without specifically stating, that the Secretary will take steps to eliminate unnecessary overlapping and duplication."

The intensive Bonner committee investigations at home and abroad clearly proved the terrible extent of overlapping, duplication and waste in the common supply field as the Air Force acquired independent status as provided by the Security Act as implemented by the Eisenhower-Spaatz agreements.

General Eisenhower told the committee at Paris (November 24, 1951):

"You have asked me what I had in mind, as far as common supplies are concerned, when General Spaatz and I made what you refer to as the Eisenhower-Spaatz agreement several years ago when I was Chief of Staff of the Army. That's a broad question, but I believe I can give you a simple answer by saying that when General Spaatz and I served together during the last war we frequently discussed ways and means of reducing what we believed to be a waste of supplies and of manpower through duplication of effort between the services. I reached the conclusion, and I am sure that he did also, that something had to be done to provide a system under which each service and each force could have all that it needed for its operation without a lot of duplicating hospitals, depots, and other supply overhead. I felt that much could be done to improve the situation that existed in the services at the end of the war. Consequently, when Spaatz and I talked things over in Washington after the war, we agreed that the policy on which the Army and Air Force supply and service arrangements should be based would be that of common service to the greatest possible extent. The so-called Eisenhower-Spaatz agreement was intended to implement that agreement on basic policy."

He further stated:

"I can illustrate some of the things I had in mind by giving you a few examples. Take blankets and bed sheets, for example. I saw no reason why there should be numerous types, sizes, and specifications for those things. I believed that a good blanket could be bought by the Department that would serve the needs of all Departments, and so could a good sheet. * * * Mops, brooms, soap, and other ordinary supplies are also good examples. * * * I could see no good reason why bread baked in an Army bakery could not be eaten by Air Force men, and vice versa. This same reasoning can be applied to the majority of commonly used equipment, such as rifles, et cetera."

Again he stated:

"I feel that what is really needed to accomplish what you gentlemen are seeking is to vest in the Secretary of Defense sufficient authority and responsibility to permit him to accomplish whatever degree of improvement in the efficiency and economy of our service and supply systems as is now necessary or that becomes necessary as time passes."

With respect of the need for unification of logistics in the theaters, the general stated:

"I will say that I am convinced that more unification is needed in logistical matters in all theaters. To my mind, the senior United States commander in any theater—be he of the Army, Navy, or Air Force—should have responsibility and powers for the overall coordination of logistics and the exercise of all possible economies in common items or common supply functions."

At the time the general made these statements (November 24, 1951) which made sense to the committee, the military services were still wrangling over the establishment of the common medical supply test as directed by the SECDEF 4 months earlier.

On June 9, 1952, Mr. BONNER, chairman of the committee, introduced a bill, H. R. 8130, which was designed to promote economy and efficiency through certain reorganizations and the integration of supply and service activities within and among the military departments. This bill contained many important provisions, including:

"SEC. 501 (a). There shall be in the Department of Defense an Under Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate:"

"SEC. 502 (a). The Under Secretary of Defense shall advise and assist the Secretary of Defense in preparation and execution of a comprehensive program to integrate supply and service activities within and among the military departments, and shall perform such other duties as are prescribed by this title.

"(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary shall—

"(1) develop standardized procedures and forms for supply and service functions;

"(2) eliminate duplication and overlapping within and among the supply activities of the military departments in the fields of production, procurement, warehousing, and distribution;

"(3) establish and operate depots for common items and other common supply and service installations throughout the United States;

"(4) develop unified logistics organizations overseas;

"(5) establish and operate a program to systematize scrap recovery, redistribution of excess materials, and surplus disposal, and coordinate such program within the Department of Defense and with those of other departments and agencies of the Government having responsibilities in these fields; and

"(6) develop plans for recruitment and training of a professional corps of supply personnel within the Department of Defense."

Meantime, the committee was in conference with certain Senate leaders who were also anxious to bring about defense with solvency by the elimination of fat in the form of overlapping, duplication, and waste.

Senator DOUGLAS gave notice to the Senate that he intended to offer H. R. 8130 or its substance as an amendment to the pending Department of Defense appropriation bill.

Senator SALTONSTALL stated:

"When the unification bill was passed in 1947, the amendment which the Senator is now proposing was considered. It was one of those steps which the committee felt it did not want to take at that time. It felt it should not go that far in concentrating so much power in the Secretary of Defense. That was one of the problems which Secretary Forrestal had confronting him. Times have changed, and conditions have changed. Personally, I think there is considerable merit in what the Senator from Illinois is proposing. I want the RECORD to show that I join with the Senator from Texas in suggesting that the Senator introduce a bill on the subject in January, and pursue it, so that the Unification Act may be amended somewhat along the lines the Senator from Illinois proposes. I believe it should be amended."

Senator O'MAHONEY, who was not only handling the appropriation bill, but was chairman of the Joint Committee on the Economic Report and thus dealing with both sides of the defense-expense coin stated:

"I wish to say to the Senator from Illinois that the Subcommittee on Defense Production was unanimous in its feeling that the principle of the Bonner amendment should be enacted into law. But the committee was aware of the fact that it could not be enacted into law on an appropriation bill. I want the Senator to know that personally I have consulted with the Secretary of Defense and the Director of the Bureau of the Budget. I spoke to both of them and told them that the economy measure must be carried through. At the same time I recognize the fact that the Committee on Armed Services of the Senate and the House are entitled as a matter of right to have the opportunity to examine into the far-reaching changes which would be made in unification."

So, as a compromise measure, section 638 was inserted in the DOD appropriation act for fiscal year 1953. This act provides:

"(a) Notwithstanding any other provision of law and for the purpose of achieving an efficient, economical, and practical operation of an integrated supply system designed to meet the needs of the military departments without duplicating or overlapping of either operations or functions, no officer or agency in or under the Department of Defense, after the effective date of this section, shall obligate any funds for procurement, production, warehousing, distribution of supplies or equipment, or related supply management functions, except in accordance with regulations issued by the Secretary of Defense.

"(b) This section shall be effective 60 days after the approval of this act."

The intent of the enactment, which is permanent legislation, as stated in the Senate report, is to develop an "integrated supply system":

"The committee believes that great savings can be made by improved integration and management of the military supply system. To this end it recommends addition of section 636 (638) to the bill, imposing a direct and specific duty on the Secretary of Defense to achieve such improvement at an early date.

"It is recognized that all the desirable changes cannot be accomplished in the 60-day period within which regulations must be issued. However, it is anticipated that, within that period, new interim regulations can be promulgated which will state the general principles to be followed, effect certain of the more obvious improvements, and assure that no additional independent or expanded supply facilities are created during development of the definitive regulations.

"When the next Congress convenes the Department of Defense should present a program, based upon regulations in effect,

which will speedily eliminate the duplications and 'historical accidents' that recur and exist in the present system of procurement, warehousing, and issue of supplies and equipment.

"Under the new system, it should be impossible for two competing facilities to be set up (or to continue to exist) in the same area for the same purpose as determined by the Secretary of Defense. Service facilities for maintenance of equipment such as motor shops, laundries, and so forth, should be integrated to serve all departmental requirements in the area. Special attention should be given to the procurement, production, distribution, warehousing, maintenance, and issue of common-use items such as clothing, food, medical supplies, and building materials, to minimize stocks, handling, transportation, and related supply management activities. Wherever possible such items and the method of handling them will be made uniform throughout the Department of Defense to facilitate such integration. Where different stock levels exist in various parts of the Department, it is expected that the lowest level will be applied to the whole Department in the absence of a compelling justification for special treatment, which justification will be made to the appropriate committees of the Congress.

"It is recognized that the administration of the program outlined above will require some changes in the organization and staffing of parts of the Department of Defense, including the Office of the Secretary of Defense. To the extent possible under existing laws this should be done within the powers and personnel ceilings presently available to the Secretary of Defense, and it is expected that necessary action will be taken immediately so that the program can be instituted without delay. Emphasis should also be placed on civilian personnel in this interservice across-the-board work of the business organization of the Department since they can provide continuity and can approach these problems unencumbered by loyalty to the traditions and practices of one particular corps or service."

On September 25, 1952, General Eisenhower, in a speech at Baltimore, stated:

"I want to talk with you tonight about the defense of our country. I want to talk with you about getting the most defense at less cost with least delay.

* * * * *

"The real problem is to build this defense with wisdom and efficiency. We must achieve both security and solvency. In fact, the foundation of military strength is economic strength. A bankrupt America is more the Soviet goal than an America conquered on the field of battle. The 156 million Americans whose lives and livelihood are at stake are entitled to and must have the plain truth. I propose to give it to them.

"Here are the three personal convictions that I hold to be true:

"First, our defense program has suffered from lack of farsighted direction.

"Second, real unification of our Armed Forces is yet to be achieved.

"Third, our defense program need not and must not push us steadily toward economic collapse.

"* * * What I do mean to criticize is routine in planning and operation, failure to establish clear-cut line of authority, and failure in preparatory work to combine industrial and military leadership. * * * Resulting frenzied expansion has meant disorder and duplication and waste. It has meant an attempt by our Air Force to buy 20,000 super de luxe chairs at $10 above the standard model. It has meant the Army buying enough front-axle gaskets for jeeps to last a full century.

"This pattern has been bad enough in the past. In today's world of continuing tension, it is intolerable.

"Against this background we must face the overriding issue of security with solvency. We must analyze the details of that issue specifically, straightforwardly, and promptly. For next November, the American people are electing leaders not for just another ordinary term, but for years of decisive destiny.

"All that I have said about how to save money and avoid waste in the weapons program applies with equal force to other parts of the defense program.

"This brings us to the supremely important matter of unification of the Armed Forces.

"When I became Chief of Staff, upon my return from Europe in November of 1945, I felt that all our war experience had rendered obsolete the defense organization then existing. I was convinced then, as I am today, that effective coordination of the services in war requires central planning in time of peace. This is the essence of unity in the Armed Forces. That unity must also extend to the procurement and administration of all the costly material and paraphernalia of modern warfare. It was the hope and expectation of all of us who had worked to achieve the passage of the National Defense Act of 1947, that this kind of unity was in the making.

"This has not proved to be the case. Such unity as we have achieved is too much form and too little substance. We have continued with a loose way of operating that wastes times, money, and talent with equal generosity. With 3 services in place of the former 2, still going their separate ways and with an overall defense staff frequently unable to enforce corrective action, the end result has been not to remove duplication but to replace it with triplication.

"All this must be brought to as swift an end as possible. Neither our security nor our solvency can permit such a way of conducting the crucial business of national defense.

"Our task, however, goes still further than this. We must critically review the political policies governing our military program; and we must review that military program itself in all its significant details. To this end I now make two major proposals.

"The first is this: At the earliest possible date next year, the new administration should create a commission of the most capable civilians in our land to restudy the operations of our Department of Defense. These men and women should, of course, be specifically qualified for their tasks. They should, I believe, be drawn from both parties, so that all matters of national security may clearly be placed beyond party politics. These men and women should be assisted by the ablest officers available from all services—Air Force, Army, Navy, and the Marine Corps."

I was surprised and shocked to learn of the dissolution of the Alameda medical supply test and a reversion to the old system. I could not imagine why one medical supply system was not established under one stock fund to serve the entire military or even the whole Government. I cannot understand why the clear intent of Congress is ignored and superseded by the subjective philosophies and regulations of DOD officials.

It should be noted that the law, the National Security Act as permanently amended by the O'Mahoney amendment and as specifically interpreted in Senate Report No. 1861 stated, "Under the new system, it should be impossible for two competing facilities to be set up (or to continue to exist) in the same area for the same purpose as determined by the Secretary of Defense. * * * Special attention should be given to the procurement, production, distribution, warehousing, maintenance, and issue of common-use items such as clothing, food, medical supplies, and building materials, to minimize stocks, handling, transportation, and related supply management activities. Wherever possible such items and the method of handling them will be made uniform throughout the Department of Defense to facilitate such integration."

I have carefully read Assistant Secretary T. P. Pike's, Supply and Logistics, DN letter of July 27, 1954, relative to current supply philosophy. Needless to say, this philosophy is the opposite of that stated by Secretary Lovett's directive of July 17, 1951. It is also in my opinion a direct contradiction of the intent of the law. Certainly it violates the fine statements of President Eisenhower. Furthermore, the issuance of this statement of policy before Messrs. Pike, Higgins, and Drake reviewed and evaluated the test in early November, condemned it in advance.

It is my understanding that it will cost from $700,000 to $1 million to move the stocks and personnel, and make the other changes required to break up the central operation. If you have a more accurate cost I should like to have it detailed.

In view of the above, I hope that you will personally look into this pilot subject which can be of such basic importance to our economy and to our defense. I may add that it is my intention to take this matter on a continuing basis to the Congress and to the public.

Sincerely,

THOMAS B. CURTIS.

(Copies to Hon. Dwight D. Eisenhower, Hon. Paul H. Douglas, Hon. Leverett Saltonstall, Hon. Herbert C. Bonner, Bureau of the Budget, General Accounting Office, Hon. Sam Rayburn, Hon. John W. McCormack, Hon. Lyndon B. Johnson, Hon. Joseph W. Martin, Hon. Carl Vinson, Hon. Dewey Short, Hon. William L. Dawson, Hon. Clare E. Hoffman, Hon. Clarence Cannon, and Hon. John Taber.)

This is a 14-page letter which documents the history of the Unification Act establishing the unification of the services and the history of the attempts of Congress to bring about unification of the three services in the area of common use items.

Incidentally, I might state the implications of the lessons that we may learn in the procurement, supply, and distribution of common use items certainly carry over to many of the military items. The only reason that I do not discuss the military items is because in the work that I performed in the 82d Congress as a member of the Bonner subcommittee, what was then called the Committee on Expenditures in the Executive Department, was confined to items like brooms, mops, and medical supplies about which there would be no question of security. But, there is likewise no question but that the lessons learned in these areas, as I have stated, can be carried over to military items as President Eisenhower himself has pointed out.

The aforementioned letter is actually summarized in the testimony of Secretary McElroy before the House Armed Services Committee on page 5977 of the committee hearings where Secretary McElroy states this:

"The National Security Act gives the Secretary direction, authority, and control over his entire department. But at the same time this law provides that the military departments are to be separately administered by their respective secretaries. The

President has recommended eliminating the provisions prescribing separate administration of the military departments as a means of reducing needless argument and misunderstanding which adds to the difficulty of administering the Department."

And, there is no question, as the 14-page letter of documentation of history indicates, of the interpretation that the military establishments have placed upon this language, "separately administered." That has been their argument for continuing this bickering and this triplification, indeed quadruplification, of procurement, distribution, and supplies. This has cost us untold billions of dollars, I might state, of unnecessary waste and inefficiency in the military operation.

I submit that the language of the committee bill is illusory. We must eliminate what Secretary McElroy said was one of the essential errors in the law. To accomplish this purpose the language in the bill must be definite. Congressional intent must be clearly stated to obviate a misconstruction of the law. The language in the O'Mahoney amendment was definite—and even there the three services sought to argue about that language. I submit the services will argue about any language. The committee certainly has given them ample opportunity to argue over the language contained in the committee bill, because on page 2 it is provided:

That each military department shall be separately organized under its own secretary and shall function under the direction, authority, and control, of the Secretary of Defense through the respective secretaries of such departments.

This statement permits the services to use the same argument that they used in regard to the language of "separately administered" to try to get around what was fully the intention of the Congress in 1946, and as expressed in the O'Mahoney amendment, and expressed time and time again in debate on the floor to try to bring about this unification.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Mr. Chairman, I am well acquainted with what the gentleman is talking about because I have been very much interested, as the gentleman knows, in the same subject of services and supplies, and so forth. I might say that it is my intention to offer an amendment to the Vinson bill tomorrow which I think will adequately take care of that situation and will be a complete culmination of the years of effort of the gentleman from Missouri [Mr. CURTIS], of myself, of the gentleman from Virginia [Mr. HARDY], the gentleman from North Carolina [Mr. BONNER], Senator O'MAHONEY, and others. I am hopeful it will be adopted. I say it is to be offered to the Vinson bill; I am referring to the committee bill.

Mr. CURTIS of Missouri. I thank the gentleman. I am happy that the gentleman is going to offer his amendment. I have had the opportunity to read the language and I think it will do exactly what the gentleman says and will be a tremendous step forward.

The substance of the amendment is that whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate. It is significant to note that any supply or service activity common to more than one military department shall not be considered a major combatant function within the meaning of subsection 3 of the committee bill.

This is an excellent amendment. It permits flexibility so that the Secretary of Defense may provide the best possible type of operation for a supply or service function depending upon its nature.

Unfortunately neither the President's bill, H. R. 11958, nor the Vinson bill, H. R. 12541, makes specific reference to supply and service activities though these functions constitute approximately two-thirds of the military budget. It is in this area of overlapping and duplication where billions of dollars can be saved, each year, at the same time producing a more alert and hard-hitting military organization by making it more efficient.

As I see it three basic things must be done in this area.

First. We must have unification of the three services in procurement, supply and distribution. This means levels of buying, warehousing, distributing, and so forth.

Second. Utilization rather than duplication of the civilian supply and distribution system.

Third. A personnel system that is trained to think in these terms and one that will improve on the system as it goes along.

Mr. Chairman, I previously stated that it is necessary to have unification in other areas. If the theory behind common-use items is accurate, as far as the unification of procurement, supply and distribution is concerned, it is certainly true of common items that are military in aspect among the three services. That is the importance of the Arends amendment and I hope the gentleman from Massachusetts [Mr. McCORMACK], and others on his side will recognize that that was the intent of the Bonner subcommittee because, although we were dealing with common-use items we stated very positively that if this proved to be true in that area, it certainly should be carried over into military areas.

Mr. Chairman, I want to point out one other thing before I conclude my remarks. There has been some question, particularly on the part of the Committee on Armed Services, challenging the statements of the Hoover Commission to the effect that billions of dollars could be saved in this area of unification of procurement, supply, and distribution. It is a difficult thing to estimate how much can be saved. But I can tell you one way in which you can verify that we are talking in terms of billions, and that is in this fashion. We start at the garbage pail, as it were, just as the supply officer, in looking to see whether or not the mess has been properly administered, takes a look at the garbage pail to see what is in it. So we look to the garbage pail, as it were, of military items that are in surplus and we find that we are talking in terms of billions of dollars. This year there will be $6 billion of excess military supplies. That is an annual figure. It has not been running as high as $6 billion each year, but it has been running in the billions. I think last year it was somewhat over $5 billion. This year it is $6 billion. This is the total value of the Department of Defense excess personal property which will be up for sale this year. We have been realizing only 7 cents on the dollar from these sales. This index I have in front of me contains some 290 pages of various items that go into this garbage pail. This index is the Department of Defense excess personal property index for the month of May 1958. There are some 35,000 individual items running in cost from millions of dollars in individual items down to 1 cent apiece. The last item in the book is a metal-backed paper tag. We overbought 46 million of them at 1 cent apiece. This amounts to $460,000 for that one item alone. A review of this index discloses thousands of similar examples. How do these surpluses accumulate? Who overbuys and why? The answer is triplicate buying, unnecessary buying, untrained personnel, a hundred reasons of inefficiency. Our military procurement system is outmoded and inefficient. If we achieve unification and efficiency we will save billions of dollars and will produce a more alert and hard hitting military organization. That is why it is necessary for this legislation to pass.

Mr. BYRNE of Pennsylvania. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BYRNE of Pennsylvania. Mr. Chairman, during the hearings on the reorganization bill I found myself mystified on the one hand by the matters which the President said he needed to make the Defense Establishment function more efficiently and on the other hand by the wording of the bill which he offered as necessary to grant him these authorities.

As the hearings progressed I believe I can say I became somewhat less mystified, but this improvement in my perception by no means arose from any ability on my part to fit the President's requests more closely to his bill. Quite the contrary, the matter became clearer for the simple reason that I came to realize that what was said to be necessary and what was sought were two entirely different things.

Today the House is considering a bill which, in my opinion, grants the President 90 percent—perhaps more than 90

percent—of what the President has requested in the way of authority. Indeed, I believe it can be correctly said that the President himself has conceded that this is so. However, ninety percent is apparently not enough. Objection is being expressed to the committee's bill on what I consider to be a purely whimsical basis, and in using the word "whimsical" I am using the kindest word that I can think of.

The law today requires that the military departments be separately administered. This, it was claimed, prevented thorough unity of organization and command. After extended testimony the committee changed this wording to state that the three departments shall be "separately organized." This was no mere playing with words. The committee realized that the Secretary of Defense might experience some difficulty in his desire of streamlining the Department by reason of inserting the words "separately administered" and therefore made a change which, in the committee's best judgment, would remove what the Secretary of Defense considered to be contradictory language.

One might raise the question, What is the difference between separately administered and separately organized? To describe the precise differences between these two phrases would take more time than is allowed me here today. Suffice it to say that the Committee, and it is my sincere hope the whole House, wishes to insure—wishes to make absolutely certain—that there is no merging of the three departments. Separately organized simply means that we will continue to have an Army, a Navy, and Marine Corps, and an Air Force. Without these words I feel there would be a great danger of the three separate departments being merged into a single service.

The second point concerning which objection has been raised is the fact that relates to the right on the part of the Secretary of a military department, after notifying the Secretary of Defense, to come to the Congress to make recommendations which he considers appropriate. I have always considered it a part of our form of government and, indeed, of the democratic system that responsible Government officials should have not only the right but the obligation to make known to the Congress matters which are of concern to all the American people. There is no element of insubordination involved here. This is not a question of going around one's superior and thereby frustrating proper organization and chain of command. Quite the contrary, this is merely affording a very sincere member of our executive branch, and a person drawing from a wealth of experience and background, to indicate to the constituted legislative authority of the Government matters which have become of such concern to him as to warrant at least some thought on the part of Congress as to whether the law should not be changed.

He has informed the Secretary of Defense under these circumstances of what he intends to do. There is no subterfuge. There is merely the exercise of what he thinks is a fundamental right—and as I said, responsibility—to express his views, right or wrong, to the only people under our form of government who can, if they are convinced of the rightness of his position, change the situation by appropriate legislation.

The plan of the Executive would allow the Secretary of Defense to transfer from the Army to the Navy, for example, any function now performed by the Army. The only limitation involved was that the transfer not be made until there had been 30 days' notice provided to the two Armed Services Committees.

Patently, this is a small matter. On its face this might not appear to be a reasonable situation, but scratch the surface and the picture becomes a little short and ridiculous. Let us assume that the Secretary of Defense does propose such a transfer of a function from one department to another, notification is given the two committees of Congress. Now, let us take the next step. The committees feel that this transfer should not be made. What do they have to do? They have to pass a law forbidding the transfer. And, who has to sign the law—the President. I have heard of vicious circles but I have never found a more perfect one. Is there any likelihood that the President will sign a law in direct contravention of a course which he himself is pursuing?

I hope these remarks will shed some small amount of light, not only on why the objection to the committee's bill is "whimsical"—my kind word—but also on the reasons why the committee bill should be enacted. The bill is a sound one. It is the result of much thought, of extended hearings, and is as fine an example of mature, considered, and sincere legislation as this House has ever seen.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. HÉBERT]

Mr. HÉBERT. Mr. Chairman, I shall not at this late hour or in the cool of the evening get very exercised or excited over the amendments to be offered to the bill because obviously we will not come to a vote this afternoon, and nobody but God and one other man knows what kind of amendments will be offered tomorrow; so I will not waste time trying to discuss them today.

There is one phase of this discussion I should like to call to your attention which I think is very, very important, and that is the fact that up to this date it has been the pride and boast of the members of the House Committee on Armed Services that never at any time in the consideration of our national defense have we indulged in partisan politics. It has been the most bipartisan committee, I think, in the Congress, and it was so until several weeks ago. Its bipartisanship I think was reflected in the 37 to 0 approval of the committee bill which had been written with the advice and counsel of representatives of the White House. Only 2 members of the 37 had reservations.

I would have to be awfully naive and totally blind not to see what is happening here today, and it is a sad day, a very, very sad day for this country, when the Committee on Armed Services is plunged into partisan politics. It is as though you saw two great formations of planes go out over your head in fighting formation, in combat formation, and the planes on one side reeled off one after another to go down; and with the one exception, the gentleman from Indiana, you have noticed that every attack on this bill has come from those who previously joined in the unanimous bipartisan vote in the Armed Services Committee. That is the responsibility of the individuals, not mine.

But I wonder, where is this heat and where is this pressure coming from? I wonder who is generating and financing these hundreds of thousands of letters which are pouring into our offices each day by overlords of industry, by giants of business, who speak with such authority on a bill they have never seen and never read.

I think it was the gentleman from Delaware who asked who better could write a bill than a Secretary of Defense who has been here 6 months and the President of the United States, for whom I have the highest regard, who has been here about 6 years. I gladly answer that question: The Committee on Armed Services of this House, whose experience goes from the days of the distinguished gentleman from Georgia, 44 or 45 years, second only to the beloved Speaker of this House in service, to such ranking members of the committee as the gentleman from Louisiana, with 22 years, the gentleman from Texas, who so eloquently spoke here today, with 22 years, the gentleman from North Carolina, 20 years, the gentleman from South Carolina, 18 years, the gentleman from Illinois, 22 years, the gentleman from Ohio, 25 years, and the gentleman from Tennessee with some 30 years. Certainly these individuals know what they are doing when they come to legislate. They know what legislation means and what administration means.

I agree with my distinguished colleague from Texas and say to the President that we do not challenge his military judgment. I think the words he used were, "in the realm of his great competence," but we do challenge his ability to do anything which will abdicate the power of Congress into the hands of the Executive.

Much has been said about the terrible mess into which the military organization, the Defense Department, has gotten itself in the last several years.

The President of the United States in his wisdom and with his great experience, has told us that under the existing law which governs the Department of Defense we have duplication, interservice rivalry, waste, inefficiency, and lack of a chain of command. If that be true and I accept the President's words that it is true, then the logical question is: Who wrote this law which caused this inefficiency, this duplication, this waste, this interservice rivalry? Who is responsible for causing this confusion and chaos? Who is the man responsible? Who penned those words and wrote those sentences which caused all this? Who? A man named Dwight D. Eisenhower. In 1953, as President of the

United States, he sent to the Congress what was known as the reorganization bill No. 6 of which the Congress did not have an opportunity to change a single sentence or a single word. The Congress had to take every dotted "i" and crossed "t." The Congress had to buy a package deal or nothing. And because this great military man, this leader whom we so admired said that we needed this, you gave it to him without question. But, I am happy to say, not with my vote because I voted against it and so did some 130 other Members in the House. And now what we hear today about the harmony on this matter in the consideration in the committee comes out now in words of harshness, in words that are inopportune such as "legalized insubordination." From the White House—legalized insubordination. That same language which is now called legalized insubordination and that same privilege of giving to the services the right on their own initiative to come to the spokesman of the people and their Government was in the law since 1949, and if it is legalized insuborination in 1958, why was it not legalized insubordination in 1953 when the President wrote the act himself? Let me give you another example of this intemperate language that is being used and I quote from the words of the counsel for the Department of Defense, a high official who takes pride that he had something to do with the writing of this bill or this proposal of the President or whosever proposal it is. In an address before the Reserve Officers' Association at the Sheraton Park Hotel here in Washington, Robert Dechert, Defense Department General Counsel had this to say:

The status quo cannot effectively be preserved by legislation. It can be preserved only if it deserves to be preserved.

He criticized the Marine Corps leaders. He said:

They insist that their organization be spelled out in detail.

He called this, and these are his words and admittedly used by him:

A foolish, absurd, impossible thing to do, a confession of weakness for the Marines. Be it the Navy or the Marines who seek to legislate the status quo in order to be sure nothing is ever done to them, they have miscalculated their strength.

I wonder if the distinguished gentleman from Maryland, the hero of Wake does not cringe at those words. This I regret is the atmosphere in which we are called upon to consider legislation so important to this Nation and so important to the future and the freedom of our people. I wish the day had never come. I wish we had never seen such a display of pressure and heat and the use of every propaganda weapon known to man whereby everybody in the Department of Defense is denied the right to speak out his own mind against the bill—mind you against the bill. The gag is on.

Nobody can speak out against it but everybody can speak out for it. Is that democracy? Is that freedom of speech and thought that we are taught to believe exists in this country and that we are trying to preserve? I have the greatest admiration for the Secretary of Defense and I think he has done a splendid job so far. He said before our committee, admitted in a question from the gentleman from Illinois, that a committee had been set up in the Pentagon—he called it a committee to give out information—he denied use of the word "propaganda." He headed one of the greatest organizations using all forms of advertisement in this country. He said to me in answer to a question, "Mr. Secretary, do you think that the American public is only entitled to know what comes out of this fox hole on the Hill?" He said that was all that was necessary for the American people to know over what was going on and what was carried by the limitation of the wire services and the radio stations—if you were a service opponent of the President's proposal.

Oh, Mr. Chairman, I submit, let us shake aside any thought of partisanship. I take pride in the fact that I cannot be accused of partisanship. I take pride in that fact, disagreed with by some, but I bespeak not for Republicans or Democrats, but I speak for the future of this country. Let us shed ourselves of partisanship. Let us ignore this oppressive heat. Let us ignore these propaganda phrases which are being passed down, and come to a firm decision which has been made by 37 men, tried and true, with full knowledge of their business.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. HÉBERT] has again expired.

Mr. GAVIN. Mr. Chairman, I yield such time as he may require to the gentleman from Maryland [Mr. DEVEREUX].

Mr. DEVEREUX. Mr. Chairman, I regret very sincerely that this very fine legislation has been presented by both sides in rather intemperate terms. However, I might make my position clear, that I believe the bill which the committee brought forth was excellent, and I have said previously on the floor of this House that I would not support the substitute bill which was to have been offered. However, I see no reasonable objection to some of the amendment which will be offered tomorrow. In the interest of the House of Representatives knowing and having an opportunity to study what those amendments will be, I ask unanimous consent that I may be able to insert in the RECORD at this point the exact wording, as I understand it, that will be submitted tomorrow.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The amendments referred to are as follows:

Rewrite of fourth paragraph of section 3 (a):

[Matter to be deleted in black brackets, new matter in italic]

"(3) Except as otherwise provided in paragraph (2) hereof, no major combatant function *of a military service* [assigned to the military services by sections 205 (e), 206 (b), 206 (e), and 208 (f) hereof] shall be transferred, reassigned, abolished, or consolidated until [the first period of sixty calendar days of continuous session of the Congress] *the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff and until forty-five days of session (whether or not interrupted by periods of recess or adjournment)* of the Congress following the date of report *by the Secretary of Defense* of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation: [No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff.] For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever [one] *two* or more members of the Joint Chiefs of Staff *or a Secretary of a military department certify in writing to the Secretary of Defense (1) that the function to be transferred, reassigned, abolished, or consolidated is an indispensable and integral part of the combatant capability of a military service and (2) that the proposed transfer, reassignment, abolition, or consolidation will, if accomplished, seriously impair the national security*: [disagree to the proposed transfer, reassignment, abolition, or consolidation of such combatant function] *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services the development and operational use of new weapons or weapons systems."

Rewrite of fifth paragraph of section 3 (a):

[Matter to be deleted in black brackets, new matter in italic]

"(4) each military department [shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective Secretaries of such departments], *with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense. An Assistant Secretary of Defense may direct the Secretary of a military department or his designee only when specifically delegated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation.*"

Rewrite of paragraph six of section 3 (a):

[Matter to be deleted in black brackets, new matter in italic]

"(5) No provision of this act shall be so construed as to prevent [a Secretary of a military department or] a member of the Joint Chiefs of Staff from presenting to *a committee of* the Congress, [on his own initiative], after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper."

Mr. VINSON. May I ask the gentleman how many more speakers he has?

Mr. GAVIN. I have one additional speaker, the gentleman from Californin [Mr. GUBSER].

Mr. VINSON. And that will close the debate on your side?

Let us try to wind up the debate on your side this afternoon.

Mr. GAVIN. You are closing debate on your side at 4:30?

Mr. VINSON. We will close debate before we recess.

Mr. GAVIN. You mean the debate will be closed on both sides?

Mr. VINSON. That is right, before we rise. It might be 5 minutes after that particular time.

Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, 1 year ago I spoke in the well of this House and respectfully requested the President to summon from retirement some of our respected military leaders of World War II for a thorough reevaluation and reorganization of the Pentagon.

I made that speech because I was disturbed by the rose-tinted pictures that had been painted by our highest Defense Department officials concerning the relative strength of our Military Establishment vis-a-vis the Communist enemy. I could not believe we were getting the true story.

With genuine sincerity, I felt the people should hear the truth from men outside the political arena, men whom they trust and believe. I felt that our Military Establishment sorely needed to be reorganized and reunited, that policies and weapons should be reevaluated, mission assignments reviewed, and morale reinforced.

Solely in the national interest, and certainly with no partisan political implication. I wrote the President a long letter urging him to take immediate action before the people lost confidence in their Military Establishment.

I received a most courteous and complimentary reply, but the final paragraph said, in effect, that he would not do it at that time. All last year, we heard loud protestations that the threat of war had lessened, that our superiority was indisputable, that there was really little to worry about, militarily.

Some people believed those reassurances and took the rosy pictures at their face value. Our people relaxed and petitioned Congress to cut appropriations for the Military Establishment. Over the protests of some of us, appropriations were cut; and the executive departments did not even spend the lessened sums allotted to them, because the official thinking was that the Nation could relax its vigilance.

All through history, great nations have underestimated dangers at crucial periods, and the results have always been fatal.

Good men, sincere men, able leaders convince themselves that wars will not happen, that sanity will prevail.

Invariably there are a few analysts who see the danger clearly and speak out, but usually it is a voice in a wilderness.

In these decisive years of our history, Missouri's STUART SYMINGTON has told us all along the true nature of the enemy threat, has called for greater strength, for weapons reevaluation and departmental reorganization long before we ever heard the word "sputnik."

Several military leaders have risked and even resigned their lifelong careers to speak out against defense policies since World War II.

But officially, the Nation turned a deaf ear to such warnings; and our people were encouraged to relax, assured that things were never safer.

When Sputnik I was launched, the first official reaction was that it was nothing to be concerned about, that our officials were not interested in "an outer space basketball game."

We were told that there was no serious interservice rivalry obstructing our progress in new scientific weapons, that we were well ahead of the Russians in all fields, that some politicians were pushing the panic button.

Later, the story changed; and we heard that there were some things wrong, after all; but actually, they were caused by officials long since retired from public life. True or not, nothing could have been less important.

Now, we are told that there are some serious deficiencies in the Defense Department and it is urgent that they be corrected.

We are making progress. In 1 year we have moved from an era of underestimating grave problems to facing up to them; and now the dispute is about details of how to face up to them.

Now, let us make no mistake about this. The efficiency of our Military Establishment and the strength of our weaponry mean the difference between life and death of this civilization, maybe this whole planet.

This is no matter to be delayed by partisan haggling over semantics, or hairsplitting arguments. If we are to err, I would rather err on the side of giving the President too much authority for the time being, because even the democratic Romans summoned a Cincinnatus from the fields when the city was threatened with disaster. No authority granted is irrevocable. If it is abused, we can take it back.

I personally respect the President's knowledge in this field. I think he has taken a personal interest in reforming the Pentagon. I think the fight he has made for reform is responsible for the bill we have before us in its present form.

And, with due respect to the very able gentlemen who so sincerely disagree with the President over the details of this bill, I submit that not 1 of the 3 amendments in dispute is really a life-or-death matter. The important point is that the Secretary of Defense be boss, so he can knock some heads together. This bill does that.

But let us be under no illusion that, once this bill is passed, head-knocking reorganization of our Military Establishment and the elimination of waste and extravagance in the Pentagon will be automatic. Nothing could be further from the truth.

Only firmness, courage, and decisive action by the Secretary of Defense can really straighten out the Military Establishment. And Congress has an obligation to see to it that the Secretary does the job, and does it well.

Not alone must the chain of command be clarified. There must be improvement in procurement. The Pentagon spends billions for weapons and materiel, over 95 percent of it purchased on a negotiated basis, rather than competitive bid. This situation invites abuse. Almost every week, a subcommittee of the Congress uncovers instances where millions of dollars' worth of unnecessary items were purchased, or where exorbitant profits were allowed on contracts, or where essential items needed by one service were sold as surplus by another. How do you stop this nonsense?

Well, there is nothing in this bill about procurement. The Defense Department told the committee that they did not want or need any additional legislative authority on procurement. I am glad to see the McCormack amendment will give them some, anyway. For the people expect these abuses to be held to a minimum; and the Secretary has no excuses. He has said that he needs no additional authority, but it is clarified anyway.

I am sure the Secretary intends to do it, but let us not just hope. Let us see to it that it is done.

Congressional committees must have adequate capable staffs to dig into this monstrous Pentagon operation constantly, to ferret out sinkholes where potential millions may be wasted, to keep administrators—from top to bottom—on their toes.

Last year, we gave the Appropriations Committee $200,000 to hire capable accountants and investigators to comb the Pentagon. Have you read their hearings on procurement? It was the best $200,000 that has been spent by this Congress in the 85th session. There is no way to calculate how many hundreds of millions of dollars that investigating staff has saved the American taxpayer. The mere fact that they were digging into the facts has no doubt made procurement personnel more alert, and the hearings are filled with examples of new procedures already adopted.

The Subcommittee of the Armed Services Committee under its able chairman, Congressman HÉBERT, of Louisiana, has rendered a valuable service to the Nation with its constant surveillance of procurement supplier contracts. Some of its findings have been so spectacular that they have been splashed upon the front pages of newspapers all over America. I urge the Congress to support this work and give this committee ample funds for staff work to enhance its studies. Congress has a responsibility in this field. We must never pry for the sake of prying, never dig for the purpose of making headlines; but we must constantly doublecheck objectively to make sure that the Nation maintains a strong, ready-to-strike Military Establishment and that we get a dollar's worth of value for each dollar spent.

This, I suggest, is the proper role for Congress. We can give the Commander in Chief the authority to organize the Military Establishment without fear of consequences, because Congress will always have the authority to doublecheck the entire establishment. The power to control the purse is the real power that will protect civilian authority. As long as we have that power, there is no real danger of a military dictatorship or Prussian staff.

But if we do a bad job of doublechecking, if we hold hearings at which we are unprepared and thereby have to let the Defense Department pull the wool over our eyes, there is potential danger of military control, whatever legislative

authority you give the Commander in Chief.

To summarize, it is my firm conviction that the issues involved in this debate are magnified out of proportion. Surely, it is clear that the Congress expects the Executive to administer the Defense Department through the Secretaries of the three services. I understand that the Secretary of Defense expects to administer the department that way. If he abuses his authority, if he creates a superstructure of assistants and assistants to assistants and circumvents unjustly the various departmental secretaries created legislatively, the Congress will know about it and we can call them on the carpet. I do object to one of the amendments.

If an able military official is convinced that the Secretary of Defense is making a grave error in judgment and feels very deeply that the defense of the country is thereby impaired, he should be able to come to the Congress and speak out before the decision is finalized. It is not legalized insubordination, because the entire Military Establishment is subordinate to the people; and they work for the people's Congress as well as their Commander in Chief.

But whatever happens to the amendments, there can be no excuses after this bill is passed. There will be sufficient legislative authority for the Secretary of Defense to run his department.

Let us give him the authority and hold his feet to the fire. This is a matter of survival. This is the future of our homes, our institutions, religion itself. Let us pass this bill, and even if it does not dot all the "i's" and cross all the "t's" it is enough.

Mr. GAVIN. Mr. Chairman, I yield the balance of the time on my side to the gentleman from California [Mr. GUBSER].

Mr. GUBSER. Mr. Chairman, I realize this has been done quite often this afternoon, but I would not like to proceed further without paying my compliments to the chairman of our committee and to the very fine staff who labored long and hard to produce a conscientious piece of work.

I would like to say at the outset that I disagree with my good friend from Louisiana [Mr. HÉBERT] that this has become a partisan issue. Certainly, speaking as one member of the minority, this is in no sense a partisan issue. It so happens that I will support two of the amendments which will be presented tomorrow, and I will vigorously oppose and vote against a third. I do not believe that any member of the committee has, at any time, been guided by principles other than what he considered were best for the country and did not consider anything but the merits of the bill before us. In that spirit and as a very young and new member of the Armed Services Committee I sat through the hearings.

If strong and intemperate words have been used since the bill was reported out of committee, I might say that perhaps strong and intemperate words were used during the progress of the committee hearings in opposition to the proposals of the President of the United States.

I became very much concerned with what I choose to call the use of red-herring tactics and throwing around such phrases as "Prussian general staff." When I was given those rare opportunities to ask questions I did so in the spirit of trying to put the thing in proper perspective and cast out the red herrings. I am happy to say that after a week or so of work the committee underwent a metamorphosis; we got down to brass tacks and worked cooperatively under the chairmanship of the gentleman from Georgia [Mr. VINSON] to turn out something that we considered was in the best interests of this country.

I might say that when we voted I was one of those who voted and did not express a reservation. I did not think it was necessary because our chairman, in his eminent and usual fairness, made the statement, "Why, of course, all Members have the right to raise objections on the floor." So it is in this spirit today that I tell you as one member of the committee I will vote for this bill on final passage with or without amendments. With the amendments it will be an improvement over the present status of our Armed Forces; without the amendments it will be an improvement, and certainly we all want improvement.

I will vote against one of the amendments; I will vote for two of them. The one to which I would like to address myself particularly and raise a thought about, which may or may not be valid, is the amendment which would require that before anything is called a major combatant function it would require 2 members rather than 1 of the Joint Chiefs to express opposition to the transfer or the abolition of the combatant function.

We all know that in the military there is resistance to change. My predecessor in Congress, the Honorable Jack Z. Anderson, I understand, had a great deal to do with the passage of the single supply catalog bill. Everyone knows the resistance of the military with regard to that.

Secretary McElroy on page 6779 of the committee hearings referred to the single manager system of procurement and supply as being a subject of resistance by the services because of the "inviolate nature of the assigned combat functions." The bill before us today does not define what is a combat function. It does not do so because it is probably impossible to define it. Certainly with sputniks orbiting, with guided missiles in existence, the traditional role of combatant functions of 10 years ago when the National Security Act was written do not hold true any longer. It is so complicated, it is so fluid, it changes so rapidly, that it is impossible to clearly define a combatant function.

I believe with the rest of the committee that the Congress has the right to assign the major combatant functions. But there is a possibility, that perhaps the committee bill as it is written increases the possibility that the Congress will surrender its right to prescribe major combatant functions to the military. I say that for this reason, and present it for your consideration: Under this procedure in the committee bill any one member of the Joint Chiefs of Staff, who is also the Chief of his respective military service, is given the absolute authority to block, at least temporarily, the transfer of a combatant function. Because he opposes that transfer, by the terms of this legislation it becomes a major combatant function. The action of one man, a military man, has declared what is a major combatant function, and assumed what is the sole responsibility of the Congress of the United States. With that thought in mind, believing it is valid, I sincerely think that the amendment which will be proposed requiring that two members of the Joint Chiefs of Staff must object before it can be considered as a major combatant function is valid and is increased protection against the thing that every one of us fears, namely, that the responsibility of the Congress can and will be taken over by military men.

For that reason I shall vote for this amendment. I wish to repeat, in the spirit of bipartisanship and out of consideration of what is good for our national defense, that regardless of what action is taken on these amendments, whether they pass or whether they fail, I shall support the bill.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield.

Mr. BROOKS of Louisiana. Since there is little difference between the suggested verbiage and that used in the bill presented by the committee, in addition to what the gentleman has said, in the committee bill it is necessary that a staff member object to the transfer. In the suggested language simply a certificate on the part of two members, whether they object or not, as I read it, would be sufficient to bring the matter to Congress. I personally like the thought that it can be brought to the Congress on a mere certificate rather than requiring an objection.

Mr. GUBSER. Well, of course, I consider that certification in writing is the same as an objection and is an objection, a formal one rather than an informal one.

Mr. BROOKS of Louisiana. It would be an objection unless they desired to have Congress rule on the matter as to whether or not a transfer should be made; for instance, a transfer from the Marine Corps, that it come up to a combatant function, could be certified to the House or to the Congress by two of the Members down there and we would dispose of the matter.

Mr. GUBSER. Of course, I bring this out only to emphasize the point that Congress has said it shall set the major combatant functions. By the terms of this legislation a major combatant function will come into existence when one member of the Joint Chiefs of Staff objects.

Mr. Chairman, to me that is the setting of major combatant functions by military men instead of civilians.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, in taking action on H. R. 12541, the House is going

to decide more than the matter of reorganizing the Military Establishment. The action taken on this bill also will determine whether the Congress intends to protect its own right of access to information about the operations of Government or whether the Congress is going to accept meekly whatever information officials of the executive branch decide to spoon-feed it. President Eisenhower, in his proposed reorganization of the Department of Defense, has seriously challenged the Congressional right to know, and has made that right an issue in the question of Defense Department reorganization.

I refer particularly to the President's request for the repeal of section 171c (6) of the National Security Act of 1947, as amended, which states:

> No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.

For 10 years this section of law has served as a safety valve to permit both the civilian and the military chiefs of the Armed Forces to discuss candidly with the Congress their opinions and recommendations, even if their ideas conflict with the policy established by the Secretary of Defense or the President. It is only through uninhibited discussion with the best qualified men in the field of military affairs that the Congress can carry out its constitutional responsibility of providing for the Nation's defenses. To prohibit such discussion would leave Congress only the power to rubber stamp decisions already made by executive agencies.

The President's insistence upon repeal of this section of law is the culmination of a series of developments aimed at restricting and manipulating information for the public and for the Congress.

The House Government Information Subcommittee during the past 2 years has conducted a careful study of the informational policies of the Department of Defense and the 3 military departments. Testimony has been taken from 87 witnesses at 21 public hearings. As a result of that study, one conclusion stands out above all others: There has been a gradual chipping away of the right of the public and the Congress to know the facts of Government.

The Department of Defense has broadened its restrictions on the availability of information to the Congress and increasingly refuses material which some official decides is preliminary. Using this rationalization, the Defense Department withheld from Congress the unclassified statements of the research and development chiefs of each of the three military departments, outlining ways to speed the flow of scientific information among the services. The Department's general counsel, Mr. Robert Dechert, said such documents were the type of information which should be withheld—and I quote—"if a responsible official so decides."

Needless to say, the refusal hampered efforts to find a way to remove unnecessary restrictions on the availability of scientific information—restrictions which delay this Nation's progress in the field of missiles and satellites.

One of the most capricious refusals involved Congressional requests for copies of the Cordiner report, recommending a program of incentive pay for military and civilian service personnel. Subcommittee testimony shows how the Department refused copies of the document to Members of Congress, even though they had been given to the press.

There has been further abuse of the President's letter of May 17, 1954, which contained Presidential instructions to the Secretary of Defense to withhold from a single Senate committee information about certain conversations relating to the Army-McCarthy matter. Last fall Secretary of the Army Brucker cited the letter as grounds for refusing a Congressional request for a copy of the Army's so-called riot-training order. The request was made by Senator HARRY F. BYRD, a member of the Senate Armed Services Committee. Not only did Secretary Brucker initially refuse a copy of the official Army order to Senator BYRD; he also refused to answer Senator BYRD's questions of a strictly historical nature—all on grounds of the Army-McCarthy letter.

Perhaps the most insidious block to information to Congress is the Defense Department's imposition of a need-to-know requirement on investigators of the General Accounting Office. The GAO was created as an arm of the Congress and specifically given full access to information about the operations of executive departments and agencies. Comptroller General Campbell has complained to the Government Information Subcommittee that Defense Department Directive 5200.1 is incompatible with GAO's increased duties in keeping track of the vast military expenditures. He said restrictions have led to inordinate delays in obtaining information.

As the result of inquiries by the Government Information Subcommittee and the House Armed Services Investigating Subcommittee, the Department of Defense has agreed to reconsider its restrictions. But in subsequent negotiations, the Department has insisted upon a requirement that information requested by GAO be relevant—with the decision reserved, of course, to the Department of Defense to determine what is relevant. The Department's attempts to determine what the Congress shall know are contrary to the intent of Congress in creating GAO.

Already under way at the Pentagon is a reorganization of both public information and Congressional liaison activities. These moves have received little public notice. But I believe it is imperative that the Congress and the public be fully aware of the far-reaching effects which will result.

President Eisenhower, in his message to Congress on April 3 of this year, revealed that he had instructed Secretary of Defense Neil McElroy to centralize the functions of public information and legislative liaison. The President stated:

> I have directed the Secretary of Defense to review the numbers as well as the activities of personnel of the various military departments who engage in legislative liaison and public affairs activities in the Washington area. I have requested that he act, without impeding the flow of information to the Congress and the public, to strengthen Defense Department supervision over these activities and to move such of these personnel and activities as necessary into the Office of the Secretary of Defense.

The centralized control of information and legislative liaison functions is being undertaken without awaiting Congressional action on H. R. 12541.

The testimony and documentary evidence compiled by the Government Information Subcommittee show that the Department of Defense has been resorting more and more to censorship of nonsecurity information originating within the Military Establishment in an effort to prevent the release of material which might prove embarrassing or controversial. This policy was exemplified in the directive issued in March 1955, by former Defense Secretary Charles E. Wilson to prohibit the release of any information which did not make a constructive contribution to the policies of the Department of Defense.

Mr. Wilson found, during his service as Secretary of Defense, that he was unable to hide information which revealed differences of opinion between the services. As a result, in August 1956, he appointed a handpicked committee headed by former Assistant Secretary of Defense Charles A. Coolidge to study the problem of leaks. The Coolidge committee, in November 1956, reported that efforts to hide disagreements were leading to the very leaks which Mr. Wilson sought to prevent. Furthermore, the Coolidge committee found that efforts to impose censorship on administrative information by using secrecy labels intended only for the protection of military information had undermined the Defense Department's security system.

The Coolidge committee recommended that the Department of Defense should "improve procedures for releasing information as to the existence and general nature of differences of opinion between the several services to permit authorized representatives to express service views without disparaging their sister services, and without, of course, disclosing information which is classified for reasons other than differences in military concept between the services."

The Coolidge committee further stated:

> There is no doubt that the existence of the differences of opinion between the services, and their general nature, is widely known. Any attempt to cover up their existence and general nature not only creates great pressure to leak but creates an undesirable and inaccurate impression in the public mind that the Secretary of Defense is trying to cover up grave issues which he cannot solve. That tends to shake the confidence of the public in our whole defense setup.

Under prodding by the subcommittee, the Department of Defense this year re-

luctantly rewrote Mr. Wilson's directive and eliminated the constructive contribution provision. But no steps were taken as recommended by the Coolidge committee to improve procedures for the orderly airing of differences of opinion on the part of responsible military leaders. On the contrary, the trend toward censorship and management of the news under the present Assistant Secretary of Defense for Public Affairs has been increasing. The constructive contribution provision has been replaced by an even more sweeping restriction on the availability of public information. The new directive states that no information shall be released until it has been reviewed by Assistant Secretary Murray Snyder's office for conflict with established policies or programs of the Department of Defense, or those of the National Government.

All announcements to the press made by any of the military departments must be cleared through Mr. Snyder. All cooperation by military departments with news mediums must receive his approval. All articles written by military personnel on subjects relating to national defense must be approved by Mr. Snyder. All speeches by military personnel must be cleared by Mr. Snyder in advance of delivery. Even the civilian secretary of a military department cannot speak or write publicly without Mr. Snyder's clearance.

Mr. Snyder, in recent testimony before the House Armed Services Committee, conceded that he withholds public information not only for reasons of policy but also for what he called timeliness.

Mr. Snyder was asked whether this amounted to censorship. He replied:

> You may call it censorship. It is review for conflict.

A memorandum outlining the new information-control plan, dated May 26 and being circulated in the Pentagon, states:

> The security review staffs now maintained by the military services are to be consolidated with the Office of Security Review in OSD.

This will shift the control over military security information from the military services to Mr. Snyder's Office of Security Review, further mixing review for security with review for "policy." Testimony before the subcommittee has shown that censorship for security and censorship for "policy" already is so confused under Mr. Snyder that even the best qualified security experts are not sure which is which.

The May 26 memorandum also states that the Chiefs of Information of the Military Services are to be under Mr. Snyder's thumb:

> The chiefs of information of the four military services shall continue in that capacity and, in addition shall be designated as Chief of Army Information, Chief of Navy Information, Chief of Air Force Information, and Chief of Marine Corps Information in the Office of the Assistant Secretary of Defense (Public Affairs). Their offices shall be established in close proximity to the Office of the ASD (PA) and to the existing consolidated Office of News Services.

Furthermore, the memorandum makes it clear that the careers of the chiefs of information will depend on what Mr. Snyder thinks of them and how well they toe the line laid down by Mr. Snyder. There will be no room for disagreement when Mr. Snyder decides that nonsecurity information must be kept secret because it fails to fit policy or because he believes it is not timely.

During his testimony before the Armed Services Committee, Mr. Snyder confirmed that fitness reports written by civilians in the Department of Defense for military personnel assigned to the Department of Defense will be given the same weight as fitness reports written by the military superiors of those officers.

Similar steps are being taken for the centralization of information for the Congress. History has shown repeatedly that control and manipulation of information is one of the first steps in the seizure of power.

Although the attitude of the Federal official involved is the most important factor in the availability of information, organizational structure also affects access to information. The more highly centralized the control, the more factors combine to restrict the flow of information. In a highly centralized organization, the power of decision moves higher and higher, and the path of information from operating subordinates becomes more tortuous and time-consuming. The opportunities for arbitrary suppression of information are increased, and the number of people in a position to challenge the suppression is reduced. As fewer and fewer officials with authority to release information stand between the public and the Government, the flow of public information becomes narrower and more restricted. In 1-man control of public information, the policies become more inflexible and restrictive simply because they are the product of less knowledge, narrower experience and the restricted judgment of 1 man. As the power to release information is concentrated in fewer people, that authority becomes increasingly subject to the weaknesses and frailties of the individuals in control.

The subcommittee has found that under Assistant Secretary Snyder there has been an alarming effort to "manage the news" by withholding nonsecurity, public information which might prove embarrassing; by using the security system for the manipulation of information; and by the release of press statements designed to reveal only that information which will produce a planned propaganda effect.

The issue of the availability of uncensored information is before us today because the President has asked the Congress to repeal the "safety valve" section of the National Security Act. I want to commend the gentleman from Georgia [Mr. VINSON] and the House Armed Services Committee for rejecting this latest move to restrict information for the Congress.

The President, on May 28, issued an intemperate rebuke to the Armed Services Committee for its action in seeking to preserve the Congressional right to know. Mr. Eisenhower stated that the section he wants repealed is legalized insubordination. He charged that retention of the provision which has been on the law books for years—and I use his exact words—"invites interservice rivalries; invites insubordination to the President and Secretary of Defense; endorses the idea of disunity and blocking of defense modernization; suggests that Congress hopes for disobedience and interservice rivalries; is bad concept, bad practice, bad influence within the Pentagon."

The President's harsh remarks reveal an alarming attitude toward information for the Congress. Under the policy called for by the President, the Congress is supposed to know only what the Secretary of Defense deems is right and proper. Differences of opinion among the men who have made a career in the military are to be stifled in an effort to erect a false facade of unity. And meanwhile, the public is supposed to view the operations of the Military Establishment through the rosy-colored glasses prescribed by the Pentagon's chief of propaganda.

The President has made the issue. He has thrown down the gantlet. It is time now for the Congress to defend one of its most important rights—the right to know. I therefore urge the House to support the gentleman from Georgia and the Armed Services Committee.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the Delegate from Hawaii [Mr. BURNS].

Mr. BURNS of Hawaii. Mr. Chairman, students of military history and military policy have commented that strategic principles are largely based upon common sense diligently applied to a given situation. At a time when we are searching for and trying to hammer out a national security policy adequate for a nuclear-outerspace age, it is well to remember that in military affairs, as in all matters affecting the Nation's welfare, there is no substitute for commonsense.

Recently, the public and the Congress have been besieged by pro-and-con arguments over the merits of the President's and the House Armed Services Committee's defense reorganization plans. Arguments on both sides of this important question have appealed to strategic concepts, separate capabilities, strategic planning, military missions, dispersion of resources, and many other phrases that flap vigorously in the breezes of oratory. Is it not time, I might ask, for the public and the Congress to forsake forensics and to get down to the essentials of defense reorganization?

A remarkable thing about American history is the extent to which the commonsense of the Founding Fathers helps each generation to gain a balanced perspective on its problems. Today, we are justifiably concerned over developing a Military Establishment organized in such a way that unified and flexible defense policies are assured. We are determined to do away with unbridled interservice rivalries and jealousies. We are determined to develop a unified military

policy which combines military power commensurate with national goals and interests; scientific and technological advancements equal to or better than that of our adversaries; and the political, social, and economic health of the Nation. We are sometimes so determined to accomplish these things in one sweeping reorganization of the Department of Defense that our commonsense tends to give way to easily adopted cure-alls. Therefore, it is time for us to look back to the wisdom of the Founding Fathers.

If there ever was a man who had ample reason to react immoderately to the trials of his time, that man was George Washington. When Washington turned from waging war to maintaining the independence of the American Republic, he devoted very careful attention to the kind of Military Establishment his young Nation needed. Given his Revolutionary War experiences with an ill-organized, ill-led, and often factious militia, how easy it would have been for Washington to recommend to his fellow citizens a highly centralized and unified National Military Establishment. But his common sense—his statesmanship—dictated otherwise.

Washington was wise enough to see that disagreement is not necessarily bad; that decentralization often nourishes initiative and specialized skills; and that unity, as a goal in itself, is sterile.

True, Washington called for "some uniform and effective system for the militia of the United States," as he did in an address to Congress on August 7, 1789. But by uniformity he meant provision for effective Federal regulation and inspection of the militia and a system of discipline based upon courts-martial for both officers and men. He did not resort to the magic of centralization. He proposed that a national military policy be developed by hard work and free discussion, not by engineering consent by administrative fiat.

While the military facts of Washington's time are different from those of today, our first President's commonsense approach to military policy ought to be ours. And it is for this reason that I must oppose the President's defense reorganization plans and support in their place the bill prepared by the House Armed Services Committee.

In the spirit of George Washington, I believe that unified strategy must be developed; that interservice bickering and factiousness must be eliminated; and that the organization of our National Military Establishment must be flexible enough to permit quick and easy adaptation to scientific and technological changes.

But I cannot believe that the individual services should not have the right to appeal to Congress if they are convinced that Defense Department policy is in error. Nor can I believe that it would be to our advantage to reduce the prestige and the power of the Service Secretaries to such extent that the many benefits of moderated decentralization would be lost. For the same reason, I firmly believe that Congress should—as the committee bill provides—be able, if it so deems, to block the transfer, abolition, consolidation, or reassignment of a major concurrent resolution. Let us preserve Government by a majority, and not adopt a concept that any President is wiser than are less than two-thirds of the Members of both Houses.

Like George Washington, let us put faith in our ability to act positively and wisely—in our ability to meet hard problems fully, squarely, and freely. Let us not "unify" our problems and our Nation out of existence.

Mr. BROWNSON. Mr. Chairman, a family emergency requires that I take an airplane at the Washington National Airport at 3:50 p. m. today. I have supported the President's position by supporting the first amendment in the teller votes and the second and third amendments by division. Were I able to remain here on the floor I would support the motion to recommit with instructions, then vote for final passage.

Mr. PHILBIN. Mr. Chairman, we are all agreed that the Defense Department and its components should be reshaped and streamlined to accord with the needs of modern warfare. There can be no question on that proposition. Our defense must be flexible, efficient, and capable of speedy action. It must be able to spring into action at a moment's notice. This bill permits that result, if it is properly administered.

There is no question, insofar as war or emergency is concerned, that the Executive, the Department of Defense and its components, have full, adequate power and authority under existing law to take immediate action in defense of the United States, should war or emergency come.

The pending bill provides for every measure of authority and flexibility in the Department for any and every change in the format of the Department and its parts at any time, that is, in wartime or peacetime, except the authority to make revolutionary changes in the basic roles, missions, and functions, without giving Congress the opportunity to disagree and write legislation of its own, pursuant to its constitutional mandate.

Can there be any question that this procedure accords with the powers of Congress, as set forth, not only in the Constitution, but evidenced in many existing statutes heretofore adopted in the regular way by the Congress. I think not. The issue for us to decide is how much additional power we can grant the executive branch and how much power we must reserve for Congress under the Constitution.

I do not believe for a moment that the President or the Secretary of Defense are seeking dictatorial powers. But this is a government of laws and it is the plain, uncontrovertible function and duty of the Congress to exercise legislative control over the armed services, to pass necessary laws as they may be required to permit flexibility and efficiency, speed, and adequacy of defense and striking force, and preserve imperative civilian control over all branches and activities of the Armed Forces.

If the administration believes it is necessary, in order to safeguard the security of the United States, to abolish or merge the Marine Corps or the Army, Navy, and Air Force or Strategic Air Command, and merge them into an unidentifiable mass of military power, dressed in the same uniform, directed by one dictatorial head, it is my view that it should not merely avail itself of a so-called reorganization bill, but it should candidly and straightforwardly bring these proposals, however shocking and revolutionary they may appear, before the Congress, so that they can be duly considered, heard, evaluated by our committee and, if feasible, be brought to the floor of the House for the decision of this great body.

To take a different course and demand from Congress unlimited, undefined, and complete power to organize and conduct our great defense system by administrative fiat is, in my judgment, not authorized by the Constitution and is totally incompatible with our historic, democratic, civilian control of the military forces of the Nation.

I am willing to go a long way to secure agreement and unity with the executive department. I am willing to support any language that will clarify the powers now indubitably residing in the Executive under the Constitution and the laws, as well as those conferred by this bill, which are designed to provide modernized organization, quick striking capacity, and adapt our entire defense to modern conditions, as we must do. But there is one step I will not take. I will not surrender the prerogatives of this House and this Congress to maintain civilian control over the armed services as prescribed by the Constitution and historically adhered to since the inception of this Government.

I have carefully read the amendments proposed here and have considered them in relation to the context of the bill and the general objectives of strengthening the defense system which most of us have in mind.

It seems to me that these proposals add nothing worthwhile of a substantive nature to the bill. They are either innocuous and unnecessary as the one purporting to define the powers of the Secretary which in another sense could produce confusion and chaos; mischievous and dangerous as the one related to the Joint Chiefs; or downright inimical to sound procedure as the one seeking to narrow the responsibility of military officers to inform Congress of their honest beliefs and opinions on matters vital to our defense structure.

How else, except by seeking and getting the views of trained, experienced professional military leaders, and experts can Congress hope to discharge its proper functions respecting the national defense. It is these men for the most part, and with few exceptions, who have the knowledge, the skills, and the specific information on vital matters military that Congress needs to make policy, correct mistakes, provide the mechanisms, and the money to implement our defenses in the right and essential channels.

At great expense, the Government trains most of these ranking leaders in our great Academies. For years they pursue their great profession in the

service of the Nation, acquiring proficiency and marked technique in military affairs. They are enrolled under their respective departments, but the product of their minds, their views, their recommendations, their knowledge is not by any means the exclusive possession of the executive department. The Congress must rely on them to furnish our committees with the technical data and professional advice absolutely essential to us, if we are to be able to legislate in this field with promptitude, intelligence, soundness, and effectiveness.

If Congress is to perform its legislative functions in an effective manner, we must have the uncensored, undictated, honest, complete, and sincere opinions of military men, and short of being guilty of legalized insubordination, these men are acting in the best traditions of their patriotic service when they aid and assist us in writing legislation. How can we ever get their candid views and their wholehearted cooperation if, when they give us their testimony, they are demoted or fired—and that has happened—or they are under wraps of timidity and intimidation because they are under orders to testify only in support of Department policy and have the fear of being accused of insubordination hanging over them like the sword of Damocles. We should broaden, not narrow, the conditions under which military men present their views to Congress and any other action is a step toward autocracy in the defense setup which I could never sanction.

Notwithstanding the provisions of this bill which are designed to clarify the status and powers of the Joint Chiefs, I have the most profound misgivings and doubts concerning any military system dominated and controlled by a self-perpetuating group. At this time I will not expatiate or enlarge upon this point of view, but, nevertheless, I wish to record my fears and my firm opposition to any system of Joint Chiefs and Joint Staff that is endowed with the characteristics of the Prussian General Staff. Such a system militates against adequate civilian control; it constitutes a constant threat to the perpetuity of democratic government; it is the apparatus, the technique and the ready machinery for totalitarian government; it is the antithesis of the American system. It can never be permitted to take root in this Government no matter what the pretext, what the situation.

There is no war, no emergency, no crisis, however grave, that could justify the suspension of the Constitution. We may have need for martial law in limited or even extensive areas. But we will and could never face any condition or situation that would warrant the total suspension of our Constitution and our system of government by law.

Let us not encourage any trend, however well-meaning, that would propel us in the direction of military dictatorship or totalitarian government. In my humble opinion, we can have the best, the strongest, and most modern defense system we need under the constitutional system and the rule of law. Let us have it.

I heartily commend the great chairman of the committee, the gentleman from Georgia, Mr. VINSON, and the able and distinguished gentleman from Texas, Mr. KILDAY, for their outstanding contributions to the consideration of this history-making bill, and I express deep appreciation to the entire committee and staff for their able, painstaking, patriotic work.

Mr. VINSON. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Department of Defense Reorganization Act of 1958."

Mr. VINSON. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WATTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks in the RECORD on the bill under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

TEMPORARY UNEMPLOYMENT COMPENSATION ACT OF 1958

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 624) making additional supplemental appropriations for the Department of Labor for carrying into effect the provisions of the Temporary Unemployment Compensation Act of 1958, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the resolution.

The Clerk read the Senate amendments, as follows:

Page 1, line 4, strike out all after "the" where it appears the second time down to and including "1958", in line 6, and insert "fiscal year ending June 30, 1958."

Page 2, preceding line 1, insert:

"CHAPTER I

"Small Business Administration revolving fund

"For additional capital for the revolving fund authorized by the Small Business Act of 1953, as amended, to be available without fiscal year limitation, $20,000,000.

"CHAPTER II"

Amend the title so as to read: "Joint resolution making additional supplemental appropriations for the fiscal year 1958, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

AMERICA'S CRISIS IN EDUCATION

Mr. REECE of Tennessee. Mr. Speaker:

I

Two related events prompt these remarks; first, the sputnik-inspired reevaluation of modern American educational theories and methods, and second, the timely publication of a well oriented, interestingly written summary of the background and educational findings of the former Special Committee To Investigate Tax Exempt Foundations.

This summary, plus a competent legal and philosophical analysis of the function of philanthropic foundations in a free society, is contained in a new book, Foundations, Their Power and Influence, written by Rene Wormser, the former counsel of the committee, who is one of the top legal minds in this area.

I recommend it to anyone who desires an accurate and dispassionate review of that hectic episode which was probably the most maligned, misrepresented, and malreported investigation ever conducted by a Congressional committee.

It is not surprising that the true significance of the committee's findings could not be recognized at the time of the investigation because the production of this kind of factual material, under the existing conditions, could be likened to the refining of metal: The fury of the fire and the fumes hide the final product until the cooling off process has taken place.

It is now generally recognized, however, that, over the last 25 years the intense preoccupation of the progressive school of educators with the so-called behavioral sciences has, with the financial assistance of the large foundations, produced a generation of Americans largely unequipped for the present-day problems of national survival and constructive citizenship.

And, all the while, our enemy, the Communists, has been moving in the opposite direction.

Almost everybody is agreed that the situation must be corrected, but that is easier said than done.

As a former faculty member at New York University, I have some understanding of the pedagogical problems involved and, believe me, they are not going to be easily solved.

But in the interest of national security we should see what has happened and what should be done about it.

II

I want to say at the outset that I do not believe that the progressive educators and the sponsoring foundations responsible for this revolution in American education had any designs on our national security.

They may have been used in this manner, without their knowledge, but I see

no evidence of deliberate action on their part.

I believe that their sole objective was to reshape the social and economic structure of the United States into a semi-Socialist welfare-state pattern based on group action which most of this small influential group conscientiously considered superior to our traditional individualistic way of life with its elements of risks and rewards.

The goal of this education was to condition our young people to seek security through group action rather than through self-reliance and individual action.

This revolution required a new educational hierarchy of self-appointed social architects and social engineers—the architects to draw up the plans and the engineers to develop the techniques.

To establish the required intellectual and academic recognition for this hierarchy, the study of man's imponderable sociological and economic relationships had to be placed on a psuedoscientific basis and that is exactly what was done.

Indeed, in the future writings on mass education in the United States, the period beginning with 1930 will probably be known as the era in which social studies and statistical research into mass behavior of man in society were improperly given the status and prestige of a science.

It does not require a great deal of thought to conclude that there is no such thing as an exact social science because any equation involving the unpredictable mercurial actions of human beings can never achieve the uniform results of a scientific conclusion.

The fact that in the past a certain percentage of a certain group of people did a certain thing at a certain time has no scientific connection with what they will do in the future.

This period in education will also be known as the dark age of mathematics, physical science and economics.

Their virtual disappearance from the required curriculum was inevitable under the new approach to education: namely that as part of their personality development students should not be required to take courses which did not stimulate their voluntary and spontaneous enthusiasm.

Inasmuch as all beneficial thinking is hard thinking, and hard thinking is usually unpleasant for teen-age students, the foregone conclusion was that very little beneficial thinking would take place under progressive education.

The shift from physical science to so-called social science on the part of brilliant students aspiring to postgraduate work was almost automatic, because that was where millions of dollars were waiting in foundation-supported scholarships and grants.

If one asks why so many colleges and universities went along with the program, we must remember that most of these institutions were in serious need of funds.

As Mr. Wormser notes in his book:

> When to conform meant bathing in a stream of millions, college and university administrators and their faculties were inclined to conform.

III

From the standpoint of national morale, I think it particularly unfortunate that so many of the foundation executives in charge of money disbursement have been so sympathetic to the financing of research and writing, such as that of the left wing socialist Dr. Gunnar Myrdal, aimed at proving that the social and economic system of the United States was far from equitable and that American young people must be trained to think in terms of social and economic reform spearheaded by government intervention.

That is hardly a good way to prepare our young people to bear arms in defense of their traditional way of life.

An article in the United States News in 1956 disclosed that fully one-third of the American prisoners of war succumbed to brainwashing without torture.

They were so weak in their patriotism, our schools had given them so little understanding of American principles, that they offered little or no resistance to the blandishments and seduction of Chinese Communist interrogators and propagandists.

Maj. Wm. E. Mayer, an Army psychiatrist, who made the study of brainwashing among 1,000 of our soldiers captured in Korea said he found even many soldiers had lost respect for patriotism. He said:

> I think a great many people feel that references to patriotism and love of country are somewhat embarrassing, unsophisticated, or foolish flag-waving. I think this is to a very considerable degree the result both of well-meaning liberals, so-called, as well as others whose intentions are clearly destructive, to create the attitude that we should abandon love of country and patriotic ideals, as being identical with this evil thing called "nationalism."

Where is the ruggedness which used to be so characteristic of Americans.

Some other significant results were found in a July 1951 report of the Chief of Intelligence of the Chinese People's Volunteer Army in North Korea entitled "An Estimate of American Military Personnel."

The report contained the following statement concerning American prisoners of war:

> Based upon our observations of American Soldiers and their officers captured in this war, the following facts are evidenced. The American Soldier has weak loyalties to his family, his community, his country, his religion, and his fellow soldiers. His concepts of right and wrong are hasy; opportunism is easy. By himself, he feels frightened and insecure. He underestimates his own worth, his own strength, and his ability to survive. He is largely ignorant of social values, social tensions, and conflicts. There is little knowledge or understanding, even among United States university graduates, of American political history and philosophy; of the Federal, State, and community organizations; of States rights, and civil rights; of safeguards to freedom, and of how these things supposedly operate within his own system.

Inasmuch as this was a confidential report, I can see no reason to believe that it did not reflect the facts as they appeared to the Chinese Military Intelligence Department.

IV

A Communist prison camp is a strange place to evaluate education and the resulting attitudes of young people toward the system under which they live, and respect for which is essential to constructive citizenship.

But we have some domestic evidence on this subject.

The following item appeared in the December 1956 issue of the National Review:

> A national organization which surveyed high school seniors in 86 communities on behalf of future employers found that 61 percent of the students held the profit motive unnecessary for the survival of the American system; 60 percent said the worker should not produce all he could; 58 percent favored the Marxian tenet, "From each according to his ability, to each according to his need."

In the same vein, Scholastic Magazine Institute of Student Opinion disclosed that in a recent poll that more than one-third of the girls and almost one-quarter of the boys believe that nine basic industries listed in the questionnaire should be controlled by the Federal Government.

A speech made by Robert W. Jackson of the General Electric Co. contains this statement:

> In an opinion survey among high school students, most high school seniors said that business is bad for the country. Fifty-six percent of the high school seniors think government could eliminate economic problems by taking from the rich and giving to the poor. Sixty-one percent of the students favor government censorship and control of press, radio, and TV.

These attitudes on the part of young people could have come only from intellectual revolution in the classroom.

V

The first thing any intellectual revolution needs is an accepted body of literature setting forth premises, theories, and conclusions which either are rational or can be made to appear rational.

As the committee discovered, the underpinnings of the basic body of literature on which progressive education was built are, first, the philosophical works of Prof. John Dewey; second, the conclusions and recommendations of the commission on social studies of the American Historical Association; and third, the Encyclopedia of the Social Sciences.

The work of Dewey laid the base for the contention that all so-called wisdom and truth accumulated by previous generations of man are not a dependable guide to correct thinking and behavior because, Dewey said, truth changes with the changing experience of each generation and of each individual.

This is, in essence, a broadening of the contention of Karl Marx that the behavior of human beings will be determined by the kind of economic system under which they live, and that their nature can change as the system changes.

John Dewey was the world's most prolific writer on educational theory and his influence among the new intellec-

tuals such as Kilpatrick, Bode, Rugg, Counts, and Roup was tremendous.

It was from the philosophy of John Dewey that the work of the American Historical Association's commission on social studies was projected.

Among the evidence presented to the committee and included in Mr. Wormser's book are some significant extracts from the conclusions and recommendations of that commission which were published in 1934.

The work of this commission was financed by the Carnegie Corp. in the amount of $340,000, which, in terms of today's money is about $700,000.

The conclusions prophesy the inevitable evolution of American capitalism into some form of collectivism.

The following direct quotations from the commission's conclusions and recommendations are to be found starting on page 146 of Mr. Wormser's "cumulative evidence supports the conclusion, that in the United States as in other countries, the age of individualism and laissez faire in economy and government is closing, and that a new age of collectivism is emerging":

As to the specific form which this collectivism, this integration and interdependence, is taking and will take in the future, the evidence at hand is by no means clear or unequivocal. It may involve the limiting or supplanting of private property by public property or it may entail the preservation of private property, extended and distributed among the masses. Most likely, it will issue from a process of experimentation and will represent a composite of historic doctrines and social conceptions yet to appear. Almost certainly it will involve a larger measure of compulsory as well as voluntary cooperation of citizens in the conduct of the complex national economy, a corresponding enlargement of the functions of government, and an increasing state intervention in fundamental branches of economy previously left to the individual discretion and initiative—a state intervention that in some instances may be direct and mandatory and in others indirect and facilitative. In any event the Commission is convinced by its interpretation of available empirical data that the actually integrating economy of the present day is the forerunner of a consciously integrated society in which individual economic actions and individual property rights will be altered and abridged.

The American economy is then portrayed as approaching self-disintegration:

The emerging age is particularly an age of transition. It is marked by numerous and severe tensions arising out of the conflict between the actual trend toward integrated economy and society, on the one side, and the traditional practices, dispositions, ideas, and institutional arrangements inherited from the passing age of individualism, on the other. In all the recommendations that follow, the transitional character of the present epoch is recognized.

Then we are told the reasons for this disintegration:

Underlying and illustrative of these tensions are privation in the midst of plenty, violations of fiduciary trust, gross inequalities in income and wealth, widespread racketeering and banditry, wasteful use of natural resources, unbalanced distribution and organization of labor and leisure, the harnessing of science to individualism in business enterprise, the artificiality of political boundaries and divisions, the subjection of public welfare to the egoism of private interests, the maladjustment of production and consumption, persistent tendencies toward economic instability, disproportionate growth of debt and property claims to production, deliberate destruction of goods and withdrawal of efficiency from production, accelerating tempo of panics, crises, and depressions attended by ever wider destruction of capital and demoralization of labor, struggles among nations for markets and raw materials leading to international conflicts and wars.

Later on the Commission discusses "the lines along which attacks can and will be made on the problem of applying its conclusions with respect to instruction in the social sciences."

Here is the punchline:

As often repeated, the first step is to awaken and consolidate leadership around the philosophy and purpose of education here expounded.

Of this report, the British socialist leader, Harold J. Laski said:

At bottom, and stripped of its carefully neutral phrases, the report is an educational program for a Socialist America.

The Carnegie Foundation did not then, and does not now, find fault with this report.

In his statement to the committee, Mr. Charles Dollard, the president of the Carnegie Foundation, said that the authors of the report were not accepting socialism; they were accepting the New Deal.

In another interesting, and somewhat alarming, statement Mr. Dollard said that the Carnegie Foundation did not have "the power to censor or rewrite the works produced under its grants."

Nor did he think that the Congress of the United States had any authority to examine them.

VI

At the same time that the impact of these conclusions and recommendations fell upon the educational world, the third load-bearing pillar of progressive education made its appearance.

It was the aforementioned encyclopedia of the Social Sciences, the writing and production of which was made possible by the Rockefeller Foundation, the Carnegie Corp., and the Russell Sage Foundation.

As evidenced by the committee's report and recorded on pages 122, 123, and 124 of Mr. Wormser's book, the key editor of the encyclopedia was Dr. Alvin Johnson, an economist and educator long associated with ultraliberal efforts.

The list of Socialists, ex-Communists, and leftwing economists who were selected by Dr. Johnson to write the more important articles, is so long and convincing that it is almost impossible to believe that their selection was accidental.

Written almost 25 years ago, this encyclopedia is still of immense importance in the educational field.

Although published in 1934, as late as 1952, it was estimated that this reference book was consulted a half million times.

VII

Given a philosophy and a body of supporting literature, the progressive educators needed clearinghouses for projects and financial contributions, to serve as a central agency to promote the unity of effort in attacking the social problems which they considered should be attacked.

The key clearinghouse is the Social Science Research Council which in its own words is a central agency to promote the unity of effort in attacking social problems which unity is required to assure maximum returns from the work of a multitude of individual social scientists and of independent, private, and public institutions.

This statement appeared in volume 1, issue No. 3 of Items, a publication of the council.

The council's president is Pendleton Herring, formerly associated with the Carnegie Corp. which has given more than $2 million for disbursement by this coordinating agency.

There can be no doubt that the Social Science Research Council has become the greatest power today in social-science research.

Although on the surface the council purports to represent seven different professional social-science societies, these societies have no authority in policy formation and the council's board of directors is an all-powerful, self-perpetuating group.

I do not contend that the council has no right to do what it does, but I do contend that, it is highly unfortunate that the council does not have a conservative-minded competitor through which conservative-minded funds could be channeled with confidence that they would be used objectively.

VIII

These two basic works—the Conclusions and Recommendations of the Commission on Social Studies of the American Historical Association, and the Encyclopedia of the Social Sciences—were all that was needed to put a new group of leftwing textbook writers into business.

The two most famous of these, George Counts and Harold Rugg, are responsible for a period of our education that has been given a special name—it is popularly known as the Counts-Rugg Era.

Millions of our citizens today are the educational products of this era.

Unlike many people, I do not blame the teachers for what has happened.

As I believe I have indicated, the thought content and philosophy of present-day education started far above the teaching level.

As has been noted, even before the advent of the conclusions and recommendations, and the encyclopedia, the revolution had taken root in the concepts of John Dewey, who in the words of Aaron Sargent, during his testimony before the committee, "expounded a principle which has become destructive of traditions and has created much of the difficulties and confusion we find today. Professor Dewey denied that there was such a thing as absolute truth, that everything was relative, everything was doubtful, that there were no basic values and nothing which is specifically true."

As a result of this, Mr. Sargent added:

> You automatically wipe the slate clean, you throw historical experience and background to the wind, and you begin all over again, which is exactly what the Marxists want someone to do.

This philosophy, as Mr. Wormser points out in his book, was no grassroots movement: it was the product of a few top intellectuals.

He quotes Ludwig von Mises, probably the greatest socioeconomic authority alive today, who said of these intellectuals:

> They form themselves into a clique and bore forth from within and operate that way * * * it is not a people's movement at all. It is a capitalization of the people's emotions and sympathies toward a point these intellectuals wish to reach.

I sincerely believe, from the evidence presented before the committee, that the granting and the application of the funds of the large foundations is largely in the hands of these intellectuals.

As Mr. Wormser points out, they have informally united into what could be called a guild which has drawn to itself a frightening degree of power over educational philosophy.

That is why I say, emphatically, that I do not believe that the American schoolteachers had anything to do with this revolution: it was simply the prevailing climate in which they had to make their living.

IX

There is another reason why I do not blame the schoolteachers; namely, that ever since their job has been to educate everybody regardless of their ability to learn, they have faced an impossible task.

This difficulty began when our laws were changed so as to require that almost all children be kept in school until the age of 18 whether they liked it or not.

The problem of what and how to teach this heterogeneous mass was a desperate one, and progressive education came along at the very moment when this problem had to be solved.

The idea that children should not be made to learn anything that did not enthuse them, must have been tremendously attractive to hundreds of thousands of harassed teachers and administrators.

Good or bad, it was the only solution offered.

Personally, as a former teacher, I believe it was mostly bad because the elimination of difficult classroom material evolved into a form of anti-intellectualism which could be called a cult of antilearning.

This was well expressed in a recent article on educational methods published in the Columbia University Forum and written by Donald Barr, who is assistant to the dean of engineering at Columbia.

In this article the following statement appears:

> This view regards the brain as an organ which evolved by natural selection, like the neck of a giraffe or the nose of a dog. Its test of the healthy functioning of the brain is survival value; in other words, one is thinking well when one's thoughts adapt one to the social environment. Ideas are thought of as "instruments," and the test of truth is experience. The more amiable the experience, the more truth it is supposed to contain. School should be a rich, rewarding experience. "Dry" subjects can be made fun by burying them in "real-life situations" at the youngsters' "experience level" the youngsters are not ready for it.

X

The belligerent attitude of the large foundations whose financial assistance and recommendations have played such an important part in the evolution of present-day education, indicates to me, three things.

First, it indicates that they actively resent any auditing of the results of their educational grants.

Second, their overemphasized indignation suggests that their consciences are not entirely clear on this matter: a person who knows he is wrong reacts much more bitterly to criticism than does a person who believes he is right.

Third, they have no intention of changing the research and educational philosophies which have motivated them in the past.

This last observation is borne out in a New York Times editorial, May 22, 1955, which states:

> It is refreshing to be told (by officials of the Rockefeller and Russell Sage Foundations) that in spite of Representative B. CARROLL REECE'S jitters about such matters, American foundations are going to deal increasingly with "controversial" issues.

All of this adds up to another fact: If there is to be any substantial support of realistic practical educational research and curriculum development in the socioeconomic field, it will have to come from individuals and organizations, particularly business executives and corporations, not now interested in this area.

I am not talking just about more money for schools and better pay for teachers.

These are essential but they do not solve the problem of what is taught and what kind of citizens come out of the classroom.

Neither am I talking about public tax money—the damage was done with private business funds and it must be undone by private business funds.

The big question is: do the people who control such private funds understand the problem and realize its importance?

I do not believe that many of them have informed themselves sufficiently to be fully aware of the crisis.

Even the subject matter of the education we are talking about is difficult to describe.

As a former teacher, I would describe it as the obvious self-evident socioeconomic facts of life that should guide all of us as progress-seeking citizens.

The crux of the problem lies in the fact that the progressive educators deny that there are any obvious self-evident socioeconomic facts of life.

They maintain that there are no natural enduring patterns of human behavior which are most productive of economic and political welfare.

To them any flat statement of economic or sociological truth is what they call a value judgment or in other words, a personal conclusion on the part of a textbook writer or teacher which should not be imposed on the minds of our youth, and thus interfere with their free development of a life philosophy.

The enormous pedagogical prestige that has been placed behind this destructive concept cannot help but frighten off many intellectually unsophisticated donors who believe that they have found constructive academic projects worthy of support but hesitate to risk criticism, from the intellectuals.

That is why the country needs a council made up of a prestige group of conservative-minded educators who could make it pedagogically respectable to contribute to traditional educational projects, thus, at least, establishing a democratic balance of power with the Social Science Research Council.

Judging from the hearings of the committee, I am sure that there are plenty of prominent conservative-minded educators who would welcome the advent of some such competitive research council.

XI

The biggest patch of blue in this clouded sky is that the overwhelming majority of social-science teachers and administrators seem to believe that there are self-evident fundamental truths borne out and supported by reason and historical experience.

Given an opportunity to use such objective socio-economic teaching materials, their enthusiasm is wonderful to behold.

I have seen enough evidence of this, on a sufficiently large scale, to be certain of what I say.

One problem is that, to be suitable, this teaching material must, for the present at least, be of such a nature that it can be woven informally into the existing social-science curriculum, permitting each teacher to place it where it seems to fit best.

The task of building a brand new integrated curriculum unit and getting it adopted on a large scale is too formidable to promise any help in the near future.

Another requirement of such material is that it must be simple enough to satisfy the relatively low intellectual abilities of the average high-school student.

This is particularly true of economic material which can easily become confusing and disheartening.

Having taught economics at the college level, I speak from firsthand knowledge.

I know, however, that economic principles can be made simple and interesting, and that there must be a lot of adult educational material already developed which could be adapted to classroom use by competent curriculum experts.

XII

To sum up, the problem divides itself into two phases—the long range and the short range.

As indicated by previous remarks, the long-range phase involves the formation and support of a new social-science research and coordinating group that could restore the balance of intellectual power now virtually monopolized by the Social Science Research Council.

The short-run phase, which has also been indicated, involves the discovery,

evaluation, and support of existing educational materials that would be welcomed by local school systems.

As mentioned before, I have no doubt that a great deal of such material can be found in the informal educational programs developed for adult educational purposes.

In conducting this search nothing could be accomplished by consulting the very educators whose work must be undone—indeed it would be fatal.

Actually the evaluation of this material would present no problems—simply ask the local social-science teachers—the vast majority of whom have their ideological feet firmly planted on the ground—to look them over, try them out, and decide whether or not they are good.

Then, if the materials are wanted, the financial assistance of local business will be gladly accepted.

Under this approach there could be none of the resentment that arises when business tries to high-pressure educational material into the classroom.

XIII

I realize that, within the limited scope of these remarks, I may not have established the importance and the urgency of educational reform in the preparation of our young people for constructive citizenship.

To many people, the power that I have attributed to the foundation-supported social-science groups will seem exaggerated and unreal.

But I assure you that the committee findings as summarized in Rene Wormser's book, Foundations, Their Power and Influence, documents the truths of what I have said.

I commend it to every objective educator and to every business executive because they represent the only force that can reverse the tide of collectivistic education of the American boys and girls in whose hands the future of our Nation will rest.

RECIPROCAL TRADE AGREEMENTS

Mr. VANIK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VANIK. Mr. Speaker, as a supporter of reciprocal trade, I oppose the amendment submitted by the Ways and Means Committee to provide protection for the privilege-heavy oil industry. It is my understanding that this concession to the oil industry is necessary to attract essential support for reciprocal trade. If concessions are to be made, why must they be made for oil? If this bill commands a call for patriotism and love of country, why should a king's ransom be extracted for support for the bill?

The fact of the matter is that the language of the "oil" amendment has not been submitted for a careful study by the House. Under the rule under which this bill will be considered, there is no opportunity for discussion or analysis of its force and effect, nor is the language of the amendment debatable. One thing is certain. It is designed to harass and curtail the importation of oil for the protection and benefit of the domestic oil industry.

The Committee amendment adds "investment, exploration, and development necessary to insure growth of domestic industries" as specific criteria and guidelines to the executive in imposing import restrictions. In my judgment, this language could be construed as a directive to prohibit all importation of oil because any importation affects domestic growth, investment, exploration or development.

During a colloquy on this bill yesterday the legislative intent was carefully defined. It was clearly stated that under the national security section as amended "it is intended that imports of petroleum and petroleum products be held at levels which would permit the domestic industry to engage in a vigorous program of exploration at a rate consistent with the demands of our economy." It was further stated to be the committee's intention that if drilling and exploration activities do not reach a satisfactory level, then under this provision the President or his designate would have the responsibility of reevaluating existing programs for the regulation and control of imports to see that they meet the requirements of these new standards.

A great deal has been said about the national security clause and the preservation of an industry essential to the national security. What about the consumer? Competition in oil is as essential as it is in other consumer items. The Texas Railroad Commission—under the guise of conservation—is able to regulate production of over 50 percent of the domestic oil supply. By discouraging oil imports through the oil amendment, competition in oil is curtailed while domestic production is industry controlled. This is a very effective way of "rigging" consumer prices throughout America.

Support of this bill presents problems to all sections of America, because foreign competition hurts everyone at some time or another at some place or another. The American people have the right to expect the same kind of sacrifice from the oil States as they do from anyone else. This oil concession smacks of favoritism to a profit-hungry segment of our economy.

ALL HOPE FOR A HIGHER STANDARD OF DECENCY SHOULD NOT BE ABANDONED

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, it was gratifying indeed to learn that an amendment had been added in the Senate to the House bill which we passed recently authorizing construction and sale by the Federal Government of two super-passenger liners. The new provision which was added to the bill would prohibit the shipping lines which acquire those two vessels from extending free or reduced rates to officials or employees of the Federal Government, or their families.

Unfortunately, I predict, Mr. Speaker, that this amendment will be deleted when the conferees meet to settle this difference because after all a great many Members of Congress and their families would lose by this limitation. But, personally, I do not believe that those of us who deal in subsidies and other legislation of great benefit to the Steamship Lines should be allowed to accept favors from them. The same restrictions should be imposed upon those connected with the Federal Maritime Administration who regulate and deal with the steamship companies so extensively.

All this points up the need of legislation to set an overall standard of ethics for officials and employees of both branches of Government. There is no standard of conduct governing public service. And until public opinion forces action to eliminate conflicts of interest, favoritism, influence peddling, and other improper and unethical practices by those in Government service bills such as my bill H. R. 10631, to establish such a code of ethics, will languish in committee pigeon holes and only token gestures and lip service will be offered to appease public indignation. Meanwhile, Mr. Speaker, "Like a good deed in a naughty world" as Shakespeare put it, the provision to ban special favors to Government officials in this ship construction legislation is a sign that all hope for a higher standard of decency in public service should not be abandoned.

KAMEHAMEHA DAY

Mr. BURNS of Hawaii. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. BURNS of Hawaii. Mr. Speaker, June 11 is the day on which Hawaii commemorates the birth of Kamehameha the Great, the monarch who united the Hawaiian Islands into the Kingdom of Hawaii. Kamehameha Day is also a day which honors the Polynesian who inhabited Hawaii prior to 1778, the year of Hawaii's discovery by Captain Cook, and whose sons are today the leavening ingredient in the brotherhood of man that is Hawaii.

Observance of Kamehameha Day affords an opportunity to the people of Hawaii to remember the greatest of the Hawaiians in songs, dances, and pageants while recalling the ancient traditions that have contributed so much to the culture of today's Hawaii.

Born about 200 years ago, Kamehameha the Great effectively demonstrated that in any time and in any age his extraordinary abilities would have won recognition. Kamehameha the Great exemplifies the fact that greatness

knows no age, race, or place. His physical accomplishments were extraordinary. So, too, were his wisdom and understanding. A most well-remembered royal edict was the Mamalahoa Kanawai, the edict of the splintered paddle, which provided that all may rest on the roadside unmolested with the death penalty provided for violators. He extended to the sick, the old, the young, and to the poor, protection from harm.

When Captain Cook first visited Hawaii in 1780, he found an orderly government under the leadership of highly trained chiefs. This, I point out, was at the time of the founding of our great Nation. It was prior to the uniting of the islands into the Kingdom of Hawaii which was accomplished about 1790.

Kamehameha I emphasized the need for law and order, firmly establishing this in the kingdom which existed until 1893. He welcomed foreigners. This welcome has continued to be a distinguishing mark of Hawaii to the present day.

Though Kamehameha died before the arrival of the missionaries, he created for them a climate which simplified their task. As one historian said of Kamehameha, "His every act was based on the simply basic concept of right and wrong, and that justice pervaded his life and thinking."

To the Polynesian-Hawaiian, the observance of Kamehameha Day is a time to honor the greatest of the Hawaiians and the legacy bequeathed them by their ancestors. It is a time for the other Americans of Hawaii, who share that legacy, to recall its source and rededicate themselves to its principles. The brotherhood of man was a reality to the Polynesian-Hawaiian. It distinguishes Hawaii today.

In collaboration with his fellow Hawaiians of many races, these descendants of Kamehameha now gain inspiration from Kamehameha's battle cry at one of his severe engagements, "Move forward till you have tasted of the bitter water," a command which allowed no turning or retreat by a charge to the objective.

Kamehameha Day acknowledges the indebtedness of Hawaii—the citadel of Americanism in the Pacific—to Kealii Kiekie Kamehameha, and honors a great man as well as an equally great people.

RECIPROCAL TRADE AGREEMENTS

Mr. MOORE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. MOORE. Mr. Speaker, I rise in support of the Simpson substitute, believing sincerely that it is an absolute necessity that Members of Congress regain authority over tariff matters as conferred on us by the Constitution of the United States.

Many times I have addressed you with respect to the severe plight of the State of West Virginia and the great suffering that results from the continuation of the present reciprocal trade program. Thousands of our families are severely hit by foreign imports from various countries around the world.

However, today, I want to bring to the attention of the Members of the House and set the record straight with respect to this fantastic claim that 4½ million American jobs are at stake in this legislation.

The administration's propaganda machine has repeated again and again and again that its bill for a 5-year renewal of the Trade Agreements Act must be passed because 4½ million American jobs depend on world trade, whereas only 200,000 jobs would be destroyed here if all our tariffs were removed entirely. Figures that are repeated often enough come to be believed by the unwary, and what significance they may have is distorted. In fact, the original statement that 4½ million American jobs depend on foreign trade has already been perverted to read that 4½ million jobs depend on our exports. Neither is correct. It may be more.

The Secretary of Labor, Mr. Mitchell, has publicly acknowledged that the 4½-million figure is—and I quote—"a product of studies made during the past 10 years." The current validity is reasonably open to question.

But the important point is the fact that even if the Trade Agreements Act were not renewed at all, not a single tariff rate would change, not a single trade agreement would be broken, and therefore, not a single American job depending on foreign trade would be thus jeopardized.

However, let us pursue the figures further. Government statisticians report that of the 4½ million jobs tied to our foreign trade, 3.1 million are dependent on our exports, and 1.4 million are in importing industries. We are told that we must keep up our imports in order that our foreign friends will accumulate sufficient dollars to buy our exports.

But about 78 percent of our exports are paid for with dollars earned by foreign countries from American tourists, G. I. expenditures, transportation and service charges, American investments abroad, and by selling us products which enter this country duty free. In other words, the supply of dollars to buy 78 percent of our exports would not be affected to the slightest degree, no matter whether our duties were raised or lowered, or even abolished.

Seventy-eight percent of 3.1 million jobs is 2,418,000—the number of jobs in our export activities that would not be affected by our tariff schedules, whether higher or lower.

Twenty-two percent of 3.1 million is 682,000—the number of American jobs that might be affected by the import volume of goods subject to tariff changes.

Six hundred and eighty-two thousand is quite a bit different from 4½ million.

Let us look at the other side of the ledger—the statement that only 200,000 American jobs would be lost if all American tariffs were abolished.

There are currently about 7 million Americans gainfully employed in agriculture. The majority of these jobs depend for their existence on quotas, the most rigid of all controls in limiting foreign competition.

Among the industries of our country which are most susceptible to the competition of cheap foreign labor are lumber and wood products; stone, clay, and glass products; textiles, chemicals, metals, machinery, and food. These industries alone employ another 7 million of our citizens.

We do not claim that all of the 14 million jobs just referred to would be lost through still lower tariffs and still greater competitive imports, but certainly an indeterminate number, far greater than 200,000 would be.

The United States textile industry, one of the prime targets for the competition of cheap foreign labor, has alone laid off 345,000 since the end of World War II and 240,000 since 1951.

On the basis of imports so far in 1958, foreign car sales in our domestic market are displacing approximately 40,000 American auto workers.

Factual statements like these make a mockery of the assertion that only 200,000 American jobs would be lost if all our tariffs were abolished.

But let us not lose the basic truth in a fruitless effort to reconcile figures that are changing by the hour. The economic strength and security of America, which now, more than ever, are essential for the survival of the Free World, are not enhanced if we seek to create a job in Detroit at the expense of destroying a job in New England. Worse yet if we destroy two to make one.

Therefore, I am opposed to the administration bill calling for a 5-year extension of the Trade Agreements Act, with further tariff-cutting powers.

In its place, I definitely support the Simpson-Dorn-Davis-Bailey-Moore bill, H. R. 12676, which shows a more realistic concern for the true facts and the basic welfare of our whole economy.

A BANKER SAYS THE BANKERS' BILL SHOULD MARINATE A WHILE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, the president of a very large bank in the Southeast—in fact one of the largest banks in this region of the country—wrote me on June 2 concerning the big bankers' bonus bill, S. 1451, sometimes known as the financial institutions bill. As no doubt all Members of the House know, the bankers' associations have on a terrific drive to rush this bill through the House Committee on Banking and Currency, and through passage in the House. The banker who wrote me, however, says that—

> I'm one of those who thinks that banking legislation can be awfully important and that it should not be rushed through.

This banker attached to his letter to me a copy of a letter of May 27 which he had written to one of the other mem-

bers of the House Committee on Banking and Currency, in which he gives a most interesting accounts of how the grass-roots lobby for passage of this bill is being conducted. He says that the bankers' associations have been out asking their members to write to Congress urging passage of the bill, but there are not many bankers who are enthusiastic about this. Then specifically, he said:

I know that many of the bankers' associations have been out asking members to write to Congress urging the passage of the Financial Institutions Act. I am not one of those, nor are many bankers among those who think that the bill in its present form is anything of terrific moment either for the good of banking or for the good of the country.

I have seen quite a few letters of this kind from bankers. Frankly, it presents a rather curious situation. The lobbying is being conducted from the top. Someone or some small group in the national association is out whipping up the State-banker associations, urging them to campaign for the passage of this bill, and the State-banker associations are in turn applying pressures on the members to pressure Congress for a bill which the bankers are not actually enthusiastic about. It is interesting to note, and quite gratifying to note, too, that many of the bankers associate the good of the country with the good of banking; they are not persuaded that what may be for the good of the selfish, short-run interests of the bankers is for the good of the country, nor for the long-run good of banking itself.

In any case, quite a few responsible bankers are unwilling to participate in any drive to rush this legislation through Congress. The banker who has written me says that he thinks that the bill should marinate for a while. To quote his own words, he says:

Since banking legislation occurs only infrequently, I'd far rather see the bill marinate for a longer period of time to be sure that the unsatisfactory parts of it are ironed out.

By use of the word "marinate," we may judge that this bank president is also a cook, or an amateur chef, and most probably an expert one. The phrase is most apt. Webster's tells me that marinate means "to let lie, as meat or fish, in a brine or a pickle." The process seems to be for the purpose of tenderizing, and breaking down the harsh elements, and perhaps adding flavor to the meat. Certainly, this big bankers' bonus bill is a tough piece of meat. It contains some very harsh sinew and gristle. And the best marinade for such a bill, in my view, is some very careful searching and study by the legislative committee which has responsibility for finding out what is in a bill, and for reporting to the House what the bill does, and why.

It has become clear, however, that the people who are directing this lobby do not want that kind of marinating to take place. They do not want the legislative committee to find out what is in this bill, what all the provisions do, and why. These people do not want the Members of the House to know these things.

At this point I cannot predict who will win out, whether it will be the responsible bankers of the country, or whether the small group of professional lobbyists who think they are pleasing certain of the big banks will succeed in having this bill brought up and pushed through this session of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. GRIFFITHS (at the request of Mr. MACHROWICZ), for the balance of the week, on account of death in the family.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. RHODES of Arizona and to include extraneous matter.

Mr. PRICE to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. PHILBIN and to include extraneous matter.

Mr. BROYHILL (at the request of Mr. CRAMER) and to include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. MCCORMACK and to include extraneous matter.

Mr. SMITH of Mississippi.

Mr. DENT (at the request of Mr. MCCORMACK) and to include extraneous matter.

Mr. HOLTZMAN (at the request of Mr. MCCORMACK) prior to the vote on the reciprocal-trade bill.

Mr. DEVEREUX, his remarks in Committee of the Whole today and to include extraneous matter.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. J. Res. 135. Joint resolution providing for the construction by the Department of the Interior of demonstration plants for the production, from saline or brackish waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 7261. An act to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia; and

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1492. An act for the relief of Gillous M. Young;

H. R. 1700. An act for the relief of Western Instruments Associates;

H. R. 3679. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the E. B. Kaiser Company of Chicago, Ill.;

H. R. 5355. An act to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment on certain claims of the United Foundation Corporation of Union, N. J.;

H. R. 5424. An act for the relief of Thomas Helms and other employees of the Bureau of Public Roads;

H. R. 6932. An act for the relief of the estate of W. C. Yarborough; and

H. R. 7733. An act for the relief of Arnie M. Sanders.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, June 12, 1958, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2014. A letter from the Administrator, Small Business Administration, transmitting a report covering the progress made in liquidating the assets formerly held by the Reconstruction Finance Corporation covering the quarterly period ending March 31, 1958, pursuant to the Reconstruction Finance Corporation Liquidation Act, as amended (67 Stat. 230) and Reorganization Plan No. 1 of 1957 (22 F. R. 4633); to the Committee on Banking and Currency.

2015. A letter from the Assistant Secretary of the Interior, transmitting a copy of an application for a loan and grant under the provision of the Small Reclamation Projects Act of 1956 (Public Law 984, 84th Cong., as amended by Public Law 85-47), pursuant to section 4 (c) of Public Law 85-47; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. GRANAHAN: Committee on Post Office and Civil Service. S. 1901. An act to amend section 401 of the Federal Employees Pay Act of 1945, as amended; without amendment (Rept. No. 1870). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT (by request):

H. R. 12891. A bill to amend the peanut-marketing quota and price-support provision

of the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, and for other purposes; to the Committee on Agriculture.

By Mr. ABERNETHY:

H. R. 12892. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. BROYHILL:

H. R. 12893. A bill to amend the act of September 7, 1950 (relating to the construction of an additional airport in the vicinity of the District of Columbia), to require public hearings and consultation on the location of access roads; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 12894. A bill to authorize the making, amendment, and modification of contracts to facilitate the national defense; to the Committee on the Judiciary.

By Mr. DENNISON:

H. R. 12895. A bill to provide for a nationally uniform system of automobile registration; to the Committee on Interstate and Foreign Commerce.

By Mr. DOLLINGER:

H. R. 12896. A bill to provide further means of securing and protecting the right of persons within the jurisdiction of the several States to the equal protection of the laws and other civil rights guaranteed by the Constitution or laws of the United States; to the Committee on the Judiciary.

By Mr. DURHAM:

H. R. 12897. A bill to authorize the Secretary of the Army to convey to the city of Durham, N. C., a waterline and related facilities that serviced the former Camp Butner Military Reservation; to the Committee on Armed Services.

By Mr. SEELY-BROWN:

H. R. 12898. A bill to amend the act entitled "An act to provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes," to establish a different method for apportionment of funds among the States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SISK:

H. R. 12899. A bill to authorize the Secretary of the Interior to construct the San Luis unit of the Central Valley project, California, and to enter into an agreement with the State of California with respect to the financing, construction and operation of additional works for joint use with the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BYRD:

H. R. 12900. A bill to provide pensions for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 12901. A bill for the relief of Mrs. Ellen Von Zur Muehlen; to the Committee on the Judiciary.

By Mr. BROOKS of Louisiana:

H. R. 12902. A bill for the relief of Clara H. Hall; to the Committee on the Judiciary.

By Mr. CEDERBERG:

H. R. 12903. A bill for the relief of Wolfgang Stresemann; to the Committee on the Judiciary.

By Mr. COFFIN:

H. R. 12904. A bill for the relief of Joseph E. Gallant; to the Committee on the Judiciary.

By Mr. OSMERS:

H. R. 12905. A bill to provide for sending the bill H. R. 12888 and accompanying papers to the United States Court of Claims; to the Committee on the Judiciary.

By Mr. VANIK:

H. R. 12906. A bill for the relief of Anneliese Ottolenghi; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 12907. A bill for the relief of Comdr. Hal C. Jones, United States Navy, retired; to the Committee on the Judiciary.

H. R. 12908. A bill for the relief of Comdr. James B. McVey, United States Navy, retired; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

672. By the SPEAKER: Petition of the city and county clerk, Honolulu, T. H., requesting the Congress to consider and approve the bills to grant statehood to Hawaii and Alaska without combining the same, and that the Senate be urged to act upon the Alaskan statehood bill in its present form; to the Committee on Interior and Insular Affairs.

673. Also petition of the county clerk, Wailuku, Maui, T. H., requesting the Congress to consider and approve the bills to grant statehood to Hawaii and Alaska without combining the same; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Radio's Programing Obligations—Letter to FCC Chairman John C. Doerfer

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 11, 1958

Mr. ROOSEVELT. Mr. Speaker, because several Members have inquired concerning the enclosed letter which I have sent to Federal Communications Commission Chairman John C. Doerfer, under leave to extend my remarks, I include it in the RECORD for the information of those who may be interested:

JUNE 9, 1958.

Hon. JOHN C. DOERFER,
Chairman, Federal Communications Commission, Washington, D. C.

MY DEAR MR. CHAIRMAN: It has been brought to my attention that the Federal Communications Commission recently made a rigid check on the right of ten radio station licensees in Atlanta, Ga., to have their licenses renewed. It is my understanding that of the ten, only four passed, while six failed. If I am properly informed, the reasons for the failure of the six to qualify for the renewal of their licenses can broadly be stated as their failure to abide by the seven basics of programing established by the FCC.

In view of the above stated situation, the question naturally arises as to whether the FCC makes any systematic check on the programing of the roughly 3,000 radio stations throughout the country today, and specifically whether this record is reviewed when the time for license renewal comes up. If 60 percent of the commercial radio operators in Atlanta failed to pass the test, it would certainly seem to raise a doubt as to whether a majority of the other stations of the Nation were conforming to the seven basic criteria of the FCC.

Certainly, I do not wish to indict all licensees for malfeasance in programing, but I do believe that the FCC has a definite responsibility to pinpoint the existing violators, not only of the Federal regulations but of the broadcasters' own code of good ethics and, above all, the needs of a democratic system, such as our own. No one could, or should, object to a reasonable amount of any sort of emphasis on the public fare of a radio station, whether or not one particularly likes, for instance, rock-'n-roll, but certainly it is a vital necessity that all the important educational arms we have in this country not be thrown completely into discard. Particularly in these times of stress, events throughout the world and in this field, as well as the others covered by FCC regulations, all radio stations should be made to completely fulfill the obligations assumed when they obtain their licenses and they should be informed that lipservice will not suffice.

The argument that television today has lifted this responsibility from radio stations cannot be accepted. Actually, in many instances, because of the technical advantages of radio, on-the-spot reporting is only possible for the radio medium. This is especially true where sufficient advance notice has not been possible.

It has been the tradition in our country to have an informed people. Our military forces are trained on that basis—and our military record proves the correctness of this philosophy. But our people need to be informed on such a wide variety of subjects today in order to properly discharge the obligations of citizenship that all mediums must fulfill their basic obligations. For their part, the people are ready and anxious. The facts that newspaper circulation figures are at an all-time high and that there are 125 million radio sets in use today, in a country boasting 170 million total population, certainly proves it. Almost every automobile has a radio and the use of portable sets is mounting daily. Thus, such things as religious discussions, agricultural information, educational material, general news and a vast number of other fields have a growing listening audience. I suppose that it is more expensive to operate such a rounded program than to just play records for a 24-hour period, but the costs are not insurmountable for those who make economic use of the special services today available to broadcasters.

I believe, therefore, that the FCC has a special responsibility to first enforce the responsibilities that a broadcaster assumes when he applies and obtains his license to operate and secondly, certainly the FCC can and should point out that he may make the same kind of arrangements as are made for independent newspapers for the use of topflight and expensive talent at minimum cost.

The question, therefore, arises whether the Commission believes that it has available today sufficient legislative authority to act and (a), if so, whether it is fulfilling this obligation and (b), if not, what enabling legislation it feels necessary to properly fulfill its basic concept.

I would much appreciate your advising me.

With all good wishes.

Very sincerely yours,

JAMES ROOSEVELT.

Unfair Trade Practice

EXTENSION OF REMARKS
OF
HON. FRANK E. SMITH
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 11, 1958

Mr. SMITH of Mississippi. Mr. Speaker, under unanimous consent, I include a copy of a letter I have addressed to the Chairman of the Federal Trade Commission protesting a grossly unfair trade practice which I believe is harmful not only to the consumer but especially to American cotton producers and the textile industry as a whole:

JUNE 11, 1958.

Hon. JOHN W. GWYNNE,
Chairman, Federal Trade Commission,
Washington, D. C.

DEAR MR. GWYNNE: I would like by this letter to call your special attention to a deceptive trade practice, which if not restrained immediately will mislead consumers and work a serious injustice on the American cotton industry.

The American Viscose Corp., our Nation's largest manufacturer of rayon, has contrived a merchandising campaign to sell an inferior and less costly product under a misleading spelling of the word cotton.

This corporation is now promoting yarns and fabrics containing blends of its rayon with cotton under the name "Cotron." Not only is the name practically identical to the word cotton in spelling and pronounciation, but the appearance of rayon blended cottons is virtually indistinguishable from 100 percent cotton yarns and fabrics.

There is obvious advantage for rayon producers to trade on the good reputation of cotton. Large amounts of this synthetic can be blended with cotton without noticeably changing the appearance of the finished product. Since rayon is 6 to 10 cents a pound less costly than cotton, these blends can be produced cheaper than all-cotton fabrics.

It is a known fact that rayon is inferior to cotton in many respects, particularly in wear and comfort characteristics. For this reason, rayon has never had cotton's high consumer acceptance.

Use of the term "Cotron" as a play on spelling and pronunciation of the established word cotton will not only delude the consumer into buying a product inferior to his expectations, but it will also do harm to the reputation of cotton which has been so carefully preserved by that industry.

Once a purchaser has bought a "Cotron" garment under the assumption that it is cotton, he will probably remove the tags and continue to believe that it is 100 percent cotton. When the item fails to live up to cotton's traditional standards of comfort and service, he will blame cotton for the failings of rayon.

Millions of dollars for research are spent each year by cotton producers and manufacturers, and by the United States Department of Agriculture, to maintain and improve the quality of this natural fiber. It is a gross injustice that the rayon industry, cotton's strongest competitor, should infringe on cotton's honestly earned markets through clever coinage of a trade name.

Such tactics by the rayon interests are not new to me. Early this year they lobbied strongly and effectively against an emergency increase in cotton acreage for 1958 desperately needed by the cotton industry.

Then seizing upon cotton's plight, Avisco sent letters to cotton mills suggesting the substitution of rayon when quality cotton became scarce resulting in a wider price gap between the two fibers.

More appropos to the situation at hand, the rayon interests have consistantly opposed the textile fabrics labeling bill which I sponsored in the House and which is now on the floor of the Senate. They fully realize that a label indicating that rayon is contained in a textile does not enhance its salability. Evidently the intent of this industry is to further its product by tying it to other well accepted fibers and fabrics in a way which will be undetected by the consuming public. Such debasement and deception should not be allowed to continue under the guise of free American marketing.

Your Commission has frequently in the past put an end to unfair marketing practices based on fraudulently coined trade names. Therefore, I strongly urge you to take immediate and appropriate action to enjoin the American Viscose Corp. from the use of the name "Cotron," which is in essence a perversion of the accepted common noun, cotton.

Cordially,

FRANK E. SMITH,
Member of Congress.

Washington-Lee High School, Arlington, Va., National Rowing Champion for Second Time

EXTENSION OF REMARKS
OF
HON. JOEL T. BROYHILL
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 11, 1958

Mr. BROYHILL. Mr. Speaker, for the second consecutive year, and for the fifth time out of 10 times competing, the rowing crew at Washington-Lee High School in Arlington has won the national championship.

Under the leadership of Coach Charles Butt, rowing competition has become a sport of major interest at Washington-Lee High School. Over 150 students applied to try out for the teams this year. This enthusiasm and the very active support of civic groups has brought about a steady string of victories.

There has never been an American high school team in the Henley Regatta, which has been held annually in England since 1839 and is scheduled for July 2 through July 4 this year. This is in effect the international championship. Teams from all over the world come to compete for this trophy.

All of Arlington, led by the Arlington Junior Chamber of Commerce and the Washington-Lee Boosters Club, seems to have united in the belief that the Washington-Lee crew is the best in the world and should be the first team to represent and win for the United States at Henley. They believe it should be a matter of pride, not only for northern Virginia and for the entire Washington metropolitan area but also for Americans everywhere.

To help make the team's dream come true, the Arlington Jaycees, through Chapter President Charles Venuto and Project Chairman Robert Rutledge, announced the adoption of a unique project to raise funds to send the team to England.

There will be 12 making the trip to England—the crew of 8, the coxswain, 2 substitutes, and the coach. The approximate cost of the trip is $7,000. Therefore, $1 will buy 1 mile for the crew, figuring in the neighborhood of 7,000 miles round trip. So the name "Buck-a-Mile" has been adopted for their slogan.

The Arlington County Board is designating a Buck-a-Mile Day to honor the crew and special events such as a parade and street dances are being planned.

The target date for the drive will probably be June 15 and there is no doubt that their goal will be met by that time.

Mr. Speaker, it is with a great deal of pleasure that I submit for the RECORD this account of a wonderful spirit in a wonderful endeavor, an endeavor shared so enthusiastically by students, teachers, businessmen, and school backers that I know their dream will become a reality.

Results of Questionnaire From First Congressional District of Arizona

EXTENSION OF REMARKS
OF
HON. JOHN J. RHODES
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 11, 1958

Mr. RHODES of Arizona. Mr. Speaker, under leave previously granted, I would like to include in the RECORD the results of the questionnaire that I recently completed in the First Congressional District of Arizona. Of the number of questionnaires mailed, 13.4 percent were returned. I feel that this is a representative cross section of the First District of Arizona:

1. (a) Do you favor a summit meeting between leaders of the Free World and Russia? Yes, 62 percent; no, 38 percent.

(b) If you favor such a meeting should it be:

(1) After preliminary talks have established the subjects to be discussed. Yes, 85 percent.

(2) Without preparation with the leaders talking "off the cuff." Yes, 15 percent.

2. Should we stop nuclear tests:

(a) When we no longer need them to develop new weapons? Yes, 43 percent.

(b) Immediately, without waiting for the Russians to stop? Yes, 5 percent.

(c) When the Russians will agree on a system of inspection to insure cessation of testing? Yes, 52 percent.

3. Secretary Benson favors a flexible system of farm price supports which vary in percentage of parity with the amount of the

crop we have in stock. Others favor support of basic crops at a fixed percentage of parity regardless of the amount we have on hand. Do you favor:

(a) The Benson flexible support? Yes, 50 percent.

(b) The high rigid support? Yes, 3 percent.

(c) The cessation of all price supports for farm products? Yes, 46 percent.

4. The Reciprocal Trade Agreements Act allows the President to raise or lower tariff rates by treaty with other nations. Do you favor its extension? Yes, 81 percent; no, 19 percent.

5. Should we continue economic aid and technical cooperation (point 4) to undeveloped foreign countries? Yes, 79 percent; no, 21 percent.

6. The Federal Government has been asked to aid the schools. Please check any of the following proposals you favor:

(a) Aid to the States for the construction of schools, 36 percent.

(b) A Federal scholarship program for students in science only, 13 percent.

(c) A Federal scholarship program for students in all fields, 26 percent.

(d) Federal aid to existing colleges and universities to buy equipment and build facilities for teaching of science, 28 percent.

(e) No Federal aid to schools other than that already given, 48 percent.

7. Although business is still good, there has been a dip in the level of business activity. The following courses of action on the part of the Government have been suggested. Check the ones you agree with.

(a) Expansion of public works, 30 percent.

(b) A tax cut aimed at increasing business incentive, 36 percent.

(c) A cut of individual income taxes, to produce more buying power, 44 percent.

(d) No additional action by the Government, 27 percent.

8. If the Government increases spending to stimulate business, it should finance the spending by:

(a) Borrowing to meet the deficit, 13 percent.

(b) Increase of taxes, 23 percent.

(c) Decrease tax rates in the hope that expanded business will produce more dollars, 62 percent.

9. Should military assistance to friendly foreign nations be continued? Yes, 74 percent; no, 26 percent.

10. Do you feel there is a need for additional Federal legislation in any of the following areas? Check any of the following:

(a) Regulate union welfare funds, 70 percent.

(b) Tighten secondary boycott restrictions, 58 percent.

(c) Make union activities subject to antitrust laws, 81 percent.

(d) Outlaw compulsory unionism, 79 percent.

(e) Repeal union-busting provision of Taft-Hartley, 13 percent.

Emergency Unemployment Compensation Law

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 11, 1958

Mr. DENT. Mr. Speaker, I believe there is a way out for Pennsylvania and other States that have no legislative authorization for the payment of jobless pay benefits under the emasculated Mills bill passed by the House and Senate.

To date, only 7 States, Alaska, and the District of Columbia have taken a position that they can accept the additional 50-percent benefit period increase under their laws.

Of these, 5 are on safe ground because of legislative authority for their action; 4 are taking a calculated risk.

I would like to point out that if a governor decides that his State can enter into a contract with the Federal Government for the funds to carry out the provisions of the Unemployment Compensation Act then the unemployed in that State will be paid the benefits. The rub comes in because so many State administrations feel that they lack the legislative or constitutional right to make such a contract.

I would also point out that if the administration arbitrarily takes a position that it is legal, then later the legislature or the courts hold it to be illegal, the State loses nothing because the unemployed will have received the money and the Federal Government will have to pay the bill.

As proof let me read this quote from the case history:

If a court were to find that a State official had entered into an agreement without due authorization, the effect of the finding would be to void the agreement. The agreement would not be simply canceled or abrogated as of the date of the ruling; the agreement, having been made outside of the powers conferred on the State official by the legislature would be null and void. As a matter of law, no agreement ever existed.

In the light of the above reasoning, it appears that we have a rather conclusive answer to the query: "Who would be left holding the sack?" The answer is the Federal Government. It could not proceed to collect the increased tax to cover disbursements in a State which had, as a matter of law, never entered into an agreement and given its consent to the imposition of an increased Federal tax on its employers. Case law is quite overwhelmingly in support of this conclusion. Annotated cases will be found in support of the following proposition, set out in 24 American Jurisprudence, page 826, Governor, paragraph 5.

"Since a governor is a mere executive officer, his general authority is narrowly limited by the constitution of the State. He has no undefined or disputable prerogatives and cannot affect the public money except as he is authorized under the constitution or by a particular law. He may not represent the sovereignty of the State as to bind it in any manner to its prejudice, unless specially authorized to do so. Therefore, all who contract with a governor do so at their own peril and are bound to see, or take the consequence of their own indiscretion, that the governor has strict authority for any contract he makes. Hence, a contract entered into with a third person by the governor upon his assumption of authority, which contract is within the province of the legislative department only, will not bind the State; the governor's act is purely ultra vires."

Of course, it will be noted that the above quote describes the governor as "a mere executive officer," one who has an investment of power only through well-defined and undisputable constitutional provisions and legislative enactments. The proposition as stated applies equally to all "mere executive officers," including State employment security administrative officials.

In the case of Pennsylvania the legislature will probably be called upon in January to either set aside or validate the Pennsylvania agreement. We believe the Governor and the Attorney General acted in good conscience and with a conviction that the Congress was equally sincere in passing this legislation to help the unemployed, help the States, and, in the main, help the economy of the country.

Certainly, no one would think that all the while Congress was working and promising relief for those critically affected by this legislation, that a law would be finally passed that meant nothing but a hollow promise to about 40 of our 48 States.

The unemployed in every State are equally entitled to benefits. Under some of our State laws and constitutions is might be years before payments can be made.

I am not suggesting that administrations in the various States sign up and worry later; I am only calling their attention to the facts in the situation. The rest is up to the States. Some States will benefit; others will not. It is up to the States.

A National Cultural Center in Washington

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Wednesday, June 11, 1958

Mr. WILEY. Mr. President, in the Daily Digest of the CONGRESSIONAL RECORD of Tuesday, June 10, there is an item reporting on the various actions taken by the Senate Committee on Public Works.

The very first reference is to a report on S. 1985, to authorize the preparation of plans and specifications to construct a National Air Museum building. In the final part of the Digest item is reference to a report, with amendment, on S. 3335, relating to the construction for the Smithsonian Institution of a National Capital Center of the Performing Arts.

Mr. President, people who are not familiar with the long history of both of these bills may not realize the enormous efforts which went into the committee's consideration of them.

The net effect, now, however, is that Washington will have a new museum on the Mall to house the Nation's collection of historic airplanes. And it will have at Foggy Bottom a great national auditorium and civic center to symbolize the interest of 175 million Americans today, and the tens of millions more who will follow after us, in the performing arts.

LOCATION OF CULTURAL CENTER

The latter center will be located in a choice area bounded by the proposed Inner Loop Freeway on the east, approaches to the proposed Roosevelt Memorial Bridge on the south, Rock Creek Parkway on the west, and New Hampshire Avenue and F Street on the north.

Under the bill, a 30-member Board of Trustees will be set up to build and operate the center. Construction funds will be raised by the trustees through contributions. Members of the Board would be 15 general trustees, appointed by the President of the United States, and 15 governmental officials.

I cannot too highly commend the Members of the Senate and House who have worked so long and so well to help bring about this legislation. The compromise effected between the contenders for the Mall site is an example of how, in the difficult legislative process, men of good will and differing viewpoint can arrive at a harmonious conclusion which can prove satisfactory to virtually all.

While it is difficult to single out a few of the many leaders in this effort, I believe that it would be the consensus of my colleagues that the names which I will mention should be cited.

CONTRIBUTIONS BY SENATOR FULBRIGHT

I refer in particular to the distinguished Senator from Arkansas [Mr. FULBRIGHT], who has, time and time again, brought to the attention of this city and of this Nation the importance of an opera house in Washington; yes, the importance of a national concert hall which would be appropriate to the great attractions which visit the Capital of this Nation.

My associate on the Senate Foreign Relations Committee, who is its second highest ranking majority member, has been keenly aware of what the presence of this great center could mean, not only to the American people, but in the eyes of the rest of the world.

WE WANT MORE THAN A SHOWPIECE FOR THE WORLD

But he has indicated, as has the second man whom I shall mention, the Honorable FRANK THOMPSON, of New Jersey, that we Americans are interested in this center in its own right.

We want an opera house because we enjoy opera. We want a concert hall because we enjoy hearing and seeing the best in the performing arts.

We do not want these simply as showpieces for others; simply to display to the rest of the world. We want them basically, because we ourselves do enjoy esthetic creations, and those who interpret and perform them.

CONGRESSMAN THOMPSON'S AND OTHERS EFFORTS

Congressman THOMPSON has been tireless in his efforts on the House side toward this and other cultural objectives and I believe that he, too, is to be warmly commended.

And I could not fail to say a well-deserved tribute to the distinguished chairman of the Public Works Subcommittee, my associate from Michigan [Mr. MCNAMARA], who helped to bring about this satisfactory compromise; to my associate from Oregon [Mr. MORSE], who worked so hard on previous auditorium legislation when it was in the District Committee, and my colleague from Minnesota [Mr. HUMPHREY], who sponsored an earlier version of this proposed legislation.

It is my own pleasure to have been associated with this project virtually from its inception, as a sponsor or supporter, or both.

On many occasions I have commented to the Senate on its importance. Thus, my views may be found in the 1957 CONGRESSIONAL RECORD, volume 103, part 3, page 3805, and part 4, page 4339.

I send to the desk now a supplementary statement which I have prepared on this subject, looking toward early favorable action by both the Senate and House on S. 3335. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUPPLEMENTARY STATEMENT BY SENATOR WILEY

The legislative compromise which has just been effected is, by no means, the last obstacle in the way of present legislation.

On the contrary, there are still quite a few hurdles—principally the hurdle of sheer inertia.

It is my hope that the Senate will be able to take up this bill very shortly and that early hearings will be scheduled in the House of Representatives.

Let both parties join in this effort. Let no partisan or personal roadblock be raised.

Moreover, let us not allow this bill to get caught in the usual closing log-jam of legislation.

CITIZEN INTEREST SHOULD REMAIN ACTIVE

I hope, therefore, that all of those many private individuals in the Greater Washington area, like our good friends, Mrs. Agnes Meyer, Mrs. Robert Low Bacon, and others, who have worked so hard on this problem, will continue to be of assistance to the Congress in helping to complete final action.

I hope that the Washington papers, the Post, the Star, and the News, will keep the issue to the foreground on both the news and editorial pages, as they have in the past.

I hope that all the distinguished citizens who have served as members of the Auditorium Commission will remain active. I refer, as well, to the members of the Federal City Council, to the very active cultural development committee of the Washington Board of Trade, and its able chairman, Mr. Ralph E. Becker, and to other leading individuals and groups.

THE NEED FOR URGENCY

If we of the Congress fail to take action in this second session, we may lose the cultural center for 2 years; or, indeed, for lack of a good alternative site, we may lose it for good.

That must not happen.

Far too many American and foreign attractions have already been denied a suitable home here. Let us not allow still more time needlessly to elapse.

Even under the best conditions, it will be quite some time before funds are raised so that this cultural center is actually built. Let us, therefore, at least assume finalized action on the authorizing legislation this year.

MOISEYEV AND FRENCH BALLETS WILL BE HERE NEXT WEEK

This very next week, Washington will be host to the Moiseyev Folk Ballet, which has already excited enthusiastic reviews wherever it has visited. By any standards, the logical place where the ballet should be presented would precisely be in this National Cultural Center, if it had already been built.

Next week's performances are, of course, already sold out. The very active Hayes Concert Bureau has little alternative but to present the ballet in the Loew's Capitol Theater which, while an impressive auditorium, is, by universal agreement, far from ideal for this and related purposes.

BALLETS DE PARIS AND WASHINGTON BALLET AT AMPHITHEATER

I should like to point out that Washington will be host, simultaneously, both to the Moiseyev Ballet and to the Ballets de Paris next week. The latter great company will be presented at the Carter Barron Amphitheater which is, fortunately, a most advantageous asset to the cultural scene of Greater Washington. I am sure that Washington will bid a warm welcome to Mr. Roland Petit, and to his wife, Jean-Maire, the company's prima ballerina.

The Ballets de Paris is the very first in a series of outstanding attractions which will be presented this year once again by Messrs. Irvin and Israel Feld, of Super Attractions, Inc. The Feld brothers are certainly to be congratulated for the very high type of program which they have brought to the Amphitheater year after year.

From June 30 to July 3 the Washington Ballet Company will appear at the Amphitheater with famed Alicia Alonso, Igor Youskevitch, and Frederic Franklin starring.

Thus we see that, despite the shortcomings of lack of an indoor home for cultural attractions, Washington is not lacking either in interest or in guest performers.

SENATOR FULBRIGHT'S COMMENT TO OPERA GUILD

I should like to recall now some words of Senator FULBRIGHT. He had delivered them in New York before some 200 opera producers and managers, from 20 States, who had gathered for a luncheon prior to the celebration of National Opera Week, this year, March 23 to 29.

At that time, Senator FULBRIGHT had urged action on the bill for a Center for the Performing Arts, so that "we will not hang our heads in shame whenever people tell us about the Bolshoi Theater in Moscow."

The National Cultural Center here in Washington will not be, however fine its features, the only new jewel, so to speak, in the American cultural firmament.

The $75 million Lincoln Square Center for the Performing Arts, in New York, will be, perhaps, the brightest jewel of all in the American cultural firmament.

THE INSPIRING LINCOLN SQUARE CENTER

On May 25, there appeared an article in the New York Times which should certainly serve as an inspiration and a challenge to all of us here in the Nation's Capital, and, yes, indeed, to every American who takes justifiable pride in our cultural heritage.

The article included a dramatic picture of a model of the new Metropolitan Opera House to be built at the Lincoln Square Center. This striking glass and masonry building will replace the old outdated structure at 39th and Broadway which had so long served the opera-loving audiences of New York and the world.

However, as magnificent as this new edifice will be, having a glass front of five adjoining arches more than eight stories tall and a 14-story stage loft, it is only a part of the tremendous Art Center.

The overall project, as envisioned by Mr. John D. Rockefeller, III, and other great leaders, will include a concert hall for the Philharmonic Orchestra, a theater of the dance, a repertory theater, the Juilliard School of Music, a museum and library, a dormitory for the music school, some shops fronting Broadway, and a large public restaurant.

It is indeed gratifying to see such a wonderful demonstration of the interest of America in promoting and contributing to cultural presentation and education.

My colleagues will recall my statement of a few weeks ago, on March 14, in which I commended, in particular, the great corporations of this land which are helping to finance modernized facilities and more widespread performances of the performing arts; and this despite the recession from which we are presently recovering.

STRENGTHENING UNITED STATES COMPETITION WITH RUSSIA

I reiterate: for too long we Americans have suffered the accusations of being the only major country in the world which still does not have an opera house in its Capital. For too long, we have not possessed an adequate concert hall for presentation of the major symphonic organizations of the world. And, indeed, when visiting ballet troups, like the Moiseyev, come to the Capital of the World they must be presented, as I have indicated, in a privately owned motion-picture theater.

It seems small wonder that the Russians pose with a smile of superiority as they listen to our protestations that our civilization produces the best efforts in the promotion of the arts. The U. S. S. R., with its system of state ownership of everything, has long supported the arts through government-owned schools and concert halls and through official franchises and subsidies to artists and musicians. Right now, Russia is spending vast sums in an effort to mislead the peoples of the world into believing that Russian civilization produces the finest artists.

Indeed, it took an international piano competition in Moscow to recognize the genius and talents of a young American, Van Cliburn, who had been sent to Moscow through the valiant efforts of a small group of private contributors.

We, with our own private enterprise system, do not intend slavishly to imitate the Russians. We have our own unique approach to private action, endowment, and support.

CONCLUSION

Let us hope that we will now see success climax the faithful efforts of my colleagues, Senator FULBRIGHT and Congressman THOMPSON.

Thus, I hope that both the New York and Washington projects will move full-speed ahead.

In the words, then, of S. 3335, as introduced, let us trust that all efforts will be devoted to "strengthen the ties which unite the United States with other nations and to assist in the further growth and development of friendly, sympathetic, and peaceful relations between the United States and the other nations of the world by demonstrating the cultural interests and achievements of the people of the United States."

Let us construct our "defenses of peace in the minds of men" by providing a "suitable building for the presentation of music, opera, drama, dance, and poetry which is deserving of recognition as a part of the great heritage of our civilization."

In short, let us throw all possible support toward the goal of being a true leader among nations; culturally and spiritually, as well as economically and defense-wise.

Commencement Exercises at Anna Maria College

EXTENSION OF REMARKS

OF

HON. PHILIP J. PHILBIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 11, 1958

Mr. PHILBIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I would like to include a news account from the esteemed Worcester Daily Telegram of June 9, 1958, about the highly impressive commencement exercises at Anna Maria College, in Paxton, Mass., an outstanding school of higher learning for young ladies conducted by the Sisters of St. Ann.

It was a high honor and distinct privilege for me to address this year's graduating class of young women in Foundress Hall on the beautiful Anna Maria campus. Following is the graduation program held at the school on Sunday, June 8:

ORDER OF EXERCISES

Processional.

National Anthem.

Invocation: Rev. Louis Dion, A. A., chaplain.

Greetings: Sister Irene Marie, S. S. A., president.

Presentation of candidates for degrees: Sister M. Rose Bernadette, S. S. A., dean of studies.

Conferring of degrees: His excellency the Most Reverend John J. Wright, D. D., Bishop of Worcester.

Chorus, The Years at the Spring (Browning): Cain.

Commencement address: the Honorable PHILIP J. PHILBIN, Representative in Congress, Clinton, Mass.

Address and benediction: His Excellency the Most Reverend John J. Wright, D. D., Bishop of Worcester.

Alma Mater (L. Cristina, class 1960), Sr. M. M. of the S.

Recessional.

Reception for the graduates and their parents in the lounge.

Under unanimous consent, I ask to have printed in the RECORD the text of my address to the Anna Maria graduating class and introductory remarks made by Sister Irene Marie, president of the college. The material follows:

Your excellency, Very Rev. Msgr. Bushey, reverend fathers, Congressman PHILBIN, dear sisters, parents of the graduates, alumnae, friends of the college, it is an honor and a great comfort to welcome our most reverend bishop in our midst this afternoon. We are always grateful for his presence and his willingness to give of his time and energy to encourage our endeavors and to add prestige to our activities. But today, our gratitude is addressed particularly to Almighty God whose watchful providence spared your excellency in an accident that could have been fatal. It was with prayerful anxiety that we followed the news reports and with relief that we heard of your public appearance at the stadium last Sunday. With the full realization of the extra fatigue which you have imposed upon yourself, we thank you for your presence in your cathedral this morning. For the entire personnel of Anna Maria College, this act of public worship is the highlight of the year, the occasion to rededicate ourselves to the high ideals of a Catholic liberal arts college and the seal of episcopal approval on the service we have pledged to the church and, in particular, to the diocese of Worcester. We pray that God's grace will sustain you and grant you as speedy a recovery as your zeal desires.

We are privileged to have as our commencement speaker the Honorable PHILIP J. PHILBIN, Representative in Congress. Mr. PHILBIN's public service to his district and to his country is too well known to require elaboration. His unflinching sense of duty, his high standards of moral and religious values, and his untiring interest in the welfare of his constituents, have been an inspiration and an example. Congressman PHILBIN's association with Anna Maria College goes back to its origin on the campus of St. Ann's Academy, where problems of a legal or political nature were often brought to his attention and solved by his sound advice. When this property was purchased for the transfer of the college, we were happy to remain within the bounds of the Third Massachusetts District.

We extend a heartfelt welcome to you, the parents of our graduates. This day is the realization of one of your fondest hopes. To give your daughters the education you had planned for them, you have made many sacrifices and deprived the family budget of the financial help they might have contributed. Many will not even repay you materially, since several wedding dates are already announced. Indeed, the indebtedness of your daughters is such that a few thousand dollars could not possibly constitute a balanced account. You will consider yourselves well repaid if your daughters prove to be, in the years ahead, truly devoted to whatever lifework God has in store for them, ready to give of themselves unstintingly and to be living exemplars of Catholic womanhood, enlightened and inspired by a thorough understanding of the dignity to which we are raised by sanctifying grace and constantly unlifted by a thirst for things intellectual rather than weighed down by immersion in material comfort.

We thank you for the happiness we have had in our daily contacts with your daughters. We have appreciated their fine spirit of cooperation and hope that they will always be a credit to you for all you have done for them.

To all the friends of the college, the members of the Anna Maria College Guild, Les Amis d'Anna Maria, Le Cercle Jeanne Mance, the Tuesday Luncheon Club, the alumnae of the college, we tender grateful thanks. Your interest has enabled the college to grow. It will foster development and attract to our campus students of moral excellence and intellectual promise.

The academic year 1957–58 saw the enrollment of our college pass the 200 mark. The need of new dormitory space has finally resulted in an application for a Federal loan, which is still in the preliminary stages of processing. We do hope and pray that the building may be completed by September 1959.

We are particularly happy to point out that this year was marked by a special series of lectures given by Miss Régine Pernoud and by the conferring of an honorary degree on this distinguished scholar and writer. Her knowledge, love, and admiration of Joan of Arc found an echo in the hearts of many in Worcester.

REMARKS OF CONGRESSMAN PHILIP J. PHILBIN AT COMMENCEMENT EXERCISES, ANNA MARIA COLLEGE, PAXTON, MASS., JUNE 8, 1958

Thank you very much, Sister Irene Marie.

Right Reverend Bishop, Monsignor Bushey, and other Dion Reverend Fathers, devoted Sisters of St. Ann, distinguished guests, and members of the faculty, members of the graduating class, parents, and friends, I am greatly honored to be with you today. I come not only as Congressman of this great district, but as a great admirer and warm friend of the devoted Sisters of St. Ann who conduct this outstanding institution of higher learning and many other widespread educational and humane activities of our great church, so commendable and so praiseworthy.

We are all honored today by the presence of our very distinguished and beloved bishop, one of the truly great spiritual leaders of our time. That he should favor and bless you today by attendance at your graduation and personally present your diplomas

is a special honor and blessing that will always remain with you.

This is indeed a day of fulfillment for you, a day mingled with feelings of joy of achievement and the sorrow of parting. Let me heartily congratulate each and every one of you on the completion of your course. It is an accomplishment of which you, your parents, and your friends can be justly proud, because it represents capacity, hard work, and perseverance. But in another respect it is just a beginning. Boundless opportunities await each and every one of you—await the impact of your aspirations, energy, ability, and faith.

Your training here has been thorough, systematic, and broad. You have had the benefit of excellent, talented instruction. Infinitely more than that, because it is all-embracing and fundamental, you have been carefully trained in the eternal doctrines of our living faith. You are the beneficiaries of a noble tradition, blessed by Providence with the happy privilege of being raised and educated in this great free country of ours in a select institution of learning, distinguished by true patriotism fused with spiritual belief, in the midst of an age-old culture and refinement that admirably fit you for constructively balanced living.

You have been fortunate to spend these important, formative years of your lives in this lofty spiritual atmosphere where individuals are judged for what they are, what they achieve, what they strive for, and what they live by, and not alone for their success, for the circumstances of their birth, their race, their station, or their national origin.

The deep spirituality that invariably abides here, the practical vision, love of freedom, willingness to sacrifice for advancement under personal liberty, trust in the Almighty, and the guidance of these dedicated, devoted women—all comprise the stimulating, inspiring atmosphere of the school of which you may be so proud to be graduates today.

As years go by, you will come increasingly to appreciate the broad, spiritual patterns which have formed the secure foundations for your higher education.

I am sure that this afternoon, as you meet officially with your teachers for the last time, your hearts are filled with sincere gratitude for all they have done for you, the many unexcelled advantages and benefits which you have enjoyed under their enlightened leadership and their constant concern for your welfare.

There is another group today to whom you owe an indefinable debt for your present success, and that is your parents. I feel sure that you are even more anxious than I am to emphasize in your hearts and minds the significant value of the love, devotion, loyalty, and in all so many instances, the sacrific, which your loving parents have displayed in furthering your interests without which this happy result we all rejoice in might be much more difficult, if not impossible.

I think you know that your parents ask no praise. They are patient and long suffering, let me assure you as one who knows. But I think that I can speak for all the parents when I say that what they have done for you they have done out of complete selflessness born of deep, lasting affection. They seek no reward or commendation of any sort, save that which to them is worth more than almost anything else—continued goodness of character, devoutness, renewed devotion to duty and future contributions in the form of good living, good works and constructive activity by all our graduates for and in behalf of their families, their communities, their Nation and their Creator.

In brief, parents ask nothing more of you than that you adhere to the ideals which you have been taught in this great school, in your churches and in your homes, that you continue comprehendingly and wholeheartedly to do the best you can in whatever work or duties you undertake; that you recognize your responsibility to yourselves, to your family, to the people as a whole and to the country, that you work, live and strive as good, industrious, God-fearing, self-respecting Americans contributing in every way you can to the building of a better America and a peaceful world.

Many of you will go out into the realistic everyday world of work; some to higher institutions of learning to train in wider fields of endeavor. But all of you will have to face the same essential problem—How can you fulfill your highest destiny—How can you meet the duties and obligations that you have as educated women living in this fast-moving, rapidly changing space age with its quantum mechanics, nuclear physics, space exploration, and astronautics.

As a class and as individuals you have made an enviable record here; by training and character you are exceptionally well equipped to cope with the complex, confused world you enter.

You can go on to service to your own aims and service also to the Nation and humanity, to the tasks which face every one of us today more than ever before of protecting, enriching and perfecting the great institutions of our country, against those who assail our religious beliefs, our political institutions and our way of life.

In the last analysis, to be sure, most of you will undoubtedly take your places in the homes of America in nurturing and guiding the family. And I think that there are few more blessed callings. From a national standpoint, there are few, if any, more essential callings than motherhood because it is in the homes of the Nation that the great struggle for survival, the battle to preserve the country can be won or lost. So long as faith, piety, devotion and sound principles are followed in the home, the youth of the country will grow up with that spiritual zeal, strength of character and wholesome outlook that will keep the country strong, not only spiritually, but militarily and economically and socially as well.

In a real sense, therefore, your place in the home in this space age, and your adherence to the truths you have been taught here will prove a mighty contribution in the great struggle now going on for mastery over the minds and bodies of men and women.

The external threats we face are great—and I would not minimize them—but the real dangers I sometimes think are here at home. If we are to survive in this conflict, we must individually and collectively make up our minds at all costs to preserve the spiritual values and the moral and ethical truths that underlie our entire system. In the past, our success as a nation has been based upon these truths. In the future, they must be guarded and protected if we are to have the moral fiber, physical strength, intellectual power and spiritual weapons to defend ourselves against those who, by stealthy infiltration and threats of aggression, are working so cleverly to undermine and enslave us.

We hear a lot these days about the achievements of the Soviet in science and mathematics and the languages—and we should not ignore these claims even though some of them may be exaggerated. But they point up one thing, that this Nation must get down to the very serious business of training and educating its youth and conditioning our people to meet the current challenge. This cannot be done by easy stages, nor by casual, half-hearted means. Science is vital but it is not everything. Material values are not everything, as some would have us believe. We cannot and must not turn our backs on the humanities, the liberal arts, the social sciences, and the spiritual sources from which our essential leadership is developed. We must find that balance, that equilibrium in all things which makes for the good life and which best nurtures those characteristics in the individual and the Nation that will strengthen us to meet every challenge of the future. We must organize not only our armed services and our economic power but we must also train and mobilize our intellectual resources and buttress and fortify our spiritual strength.

If we develop our great potential in these fields and strive earnestly to make peace, this Nation and the world could go forward to probably the greatest period of human progress.

There are some signs and guideposts we can follow. In a world where infamous men are preaching poisonous class hatred and intolerance and striving by force and trickery for the destruction of individual liberty and the enslavement of mankind, it is imperative for us regardless of the sacrifices to stand unfalteringly for freedom.

Let us remember that there is no substitute for hard work in the life of an individual or a nation. The able-bodied individual who strives to avoid or evade his responsibilities and expects the Government at some level to solve his personal problems is foredoomed to failure.

And the Nation which turns its back on the dignity and worth of the individual and listens to the siren song of collectivism and socialism will soon suffer the same fate as other nations throughout history which have departed from the basic free way of life ordained to us by the Almighty and have gone down the pathway to decay and ruin.

This Nation is not a static organism. To stand still is to retrogress. We must work for a dynamic, forward-moving democracy, but we cannot ignore the solid values of the past. We must not be led astray by current despotic doctrines as old as Methuselah or the Corn Laws of Rome that there is any easy road to personal success, governmental stability, or national prosperity. A nation, like an individual, must zealously protect its freedom or it will crumble through soft living, inertia, moral decay, and spiritual degeneration, like so many other nations of the past, into the dust of oblivion.

It is for all of us to realize the serious problems that we must face and resolve to do our best to face them with courage, resolution, and that indomitable purpose which stems from our supreme faith in our God and our country. We can, if we will, demonstrate to the world that fellowship of the human spirit and independence of the mind, coupled with economic prosperity and invulnerable national strength can coexist under free institutions when they are disciplined by the voluntary restraints of firm spiritual faith so essential to the order and progress of any enduring civilization.

I have great confidence in your group and in your generation. I believe in you, in your ideals and high purpose. I believe in your loyalty to the great causes to which you are committed—in your courage and your intention to hold your faith and loyalty high as a great, unflickering light for all those who strive to guard and protect the precious values of our Christian and democratic way.

I know that it always tugs at the heart to leave dear friends. But time will not wait. Like those who have gone before you, you must move forward—always forward to the greater responsibilities, broader opportunities, and achievements of the future.

You part today but you will be together again, I know, together in these fine warm friendships you have formed here, together in the spirit of the noble sisters to whom you owe so much, the ideals which they taught you, together in the company of all those who strive to keep our faith in our country and all she stands for and the

eternal faith in Him who can and will guide us through the darkness, if we but give Him the chance.

Let me wish you all the very best of health, success, prosperity, and happiness in the future.

May the good Lord continue to shower his richest and choicest blessings upon all of you.

And thank you, dear Sister Irene Marie, and all the sisters, for the high and happy privilege of being with you today.

The material from the Worcester Telegram follows:

ANNA MARIA CLASS HEARS CONGRESSMAN PHILBIN

(By Betty Lilyestrom)

United States Representative PHILIP J. PHILBIN, of Clinton, yesterday urged the graduating class of Anna Maria College to "work and thrive as good, industrious, God-fearing Americans and contribute what you can to make this a better world."

Representative PHILBIN was principal speaker at 1958 commencement exercises at the college in Paxton.

Bishop Wright also addressed the graduates and awarded bachelors degrees to 29 young women, including 3 nuns.

Sister Irene Marie, S. S. A., president of the college, greeted guests. Sister M. Rose Bernadette, S. S. A., dean of studies, presented candidates for degrees.

Members of the class attended a baccalaureate mass yesterday morning at 11 in St. Paul's Cathedral. The Very Reverend Msgr. John J. O'Brien, diocesan superintendent of schools, gave the baccalaureate sermon.

SPECIAL HONORS

Six students were recipients of special honors at the commencement exercises. Miss Constance Galkowski, president of the senior class, and Miss Rosemary A. Lee, president of student government, shared the Archibald R. LeMieux award of $100 given annually for outstanding leadership and service.

The Misses Mary Joanne Melican of Loudonville, N. Y., and Alice Teresa O'Malley of Clinton received certificates of membership in Delta Epsilon Sigma, national scholastic honor society for students of Catholic colleges and universities.

The Misses O'Malley, Jeanne E. Heon, and Pauline B. Raboin of Fitchburg were named to membership in Kappa Gamma Pi, national honor society for Catholic women's colleges.

The Misses Heon and Raboin, and Sister Mary Ancilla, S. S. A., received their degrees magna cum laude. The Misses Melican and O'Malley were graduated cum laude.

In his commencement address, Congressman PHILBIN paid tribute to the "thorough, systematic, and broad training you have been given by these dedicated sisters of St. Anne."

"You have been fortunate to spend your formative years in this lofty spiritual atmosphere, where people are judged by what they are—not by their race, their creed, or their national background," he said.

He charged them to hold to these lofty ideals as they go forth into the world to fulfill your highest destiny.

HOMES OF AMERICA

"You can go on to service to your own ends or service to humanity," he said. "In the last analysis, to be sure, most of you will take your places in the homes of America, guiding and directing the future generation.

"And certainly this, too, is an important work. For it is in the homes of America that the great struggle for survival in the modern world can be won or lost. If you apply the ideals you have learned here to bringing up your children, they will grow up with a spiritual zeal that will keep the country strong not only spiritually but militarily and economically as well."

Bishop Wright told the graduates that the essential item their 4 years of college should have given them is a certain Chrisitian cosmopolitanism you could not have been expected to possess at the age you came here.

"You came here 4 years ago with obvious marks on you and influences within you from the different backgrounds that are yours.

"These heritages from your family, your town, your nationality, your preparatory school are assuredly good—but they are also limiting and narrowing.

SHARP DIFFERENCES

"The function of a liberal arts college is to soften the sharp differences, the particularisms by which you would stand out awkwardly and in angular fashion in the human community.

"Its purpose is to tone down the localisms and develop in you the broad, universal unstanding that will make you at home with the most refined of human beings and human hearts, wherever they may be in history, wherever they may be in the world."

Monsignor O'Brien, in his baccalaureate sermon, asked the graduates to remember the virtue of charity as they step out into the world.

He related the parable of the Good Samaritan as an example of Christ's teaching of the real meaning of charity—"the love of others for God's sake."

"It has been said that Catholic college graduates are not too eager to enter into parish activities or that they are aloof in their attitude toward community activities.

IMPORTANCE OF CHARITY

"If this is true, it can only stem from their forgetfulness of the importance of charity. If this attitude was ever justified, it is not so today.

"As you go out into the world, join in parish work, join service groups in the community—your ideals of service to your neighbor based on love of God will make you an asset to any group."

Bishop Wright presided at the Mass. The Reverend Raymond J. Page was celebrant. Other officers were the Reverend Stanislaus J. Kubik, deacon; the Reverend Robert P. Poulin, subdeacon; the Reverend Charles J. Chwalek and the Reverend Norman Meikeljohn, A. A., chaplains to the bishop.

The Reverend Louis Dion, A. A., college chaplain, gave the invocation at commencement exercises. Bishop Wright offered benediction.

SENATE

THURSDAY, JUNE 12, 1958

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God, fountain of all life, from whom cometh all serenity and certainty, forgive our feverish ways. Make us alive and alert to the spiritual values which underlie all the struggle of these epic days. With a sense of empty futility, we confess our utter inability to save our own souls and our world by our own lifting. This day may little things be submerged in great things, and the fretful anxieties of time be seen in the quiet horizons of the abiding.

We tremble at the possibilities for evil which lurk in our own hearts. Open our eyes to the folly of changing maps without changing men. To this end, may selfishness and all uncleanness be burned from our hearts, prejudice purged from our minds, and our will be lost in thine. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 11, 1958, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of June 11, 1958,

Mr. JOHNSON of Texas, from the Special Committee on Space and Astronautics, reported favorably, with an amendment, on June 11, 1958, the bill (S. 3609) to provide for research into problems of flight within and outside the earth's atmosphere, and for other purposes, and submitted a report (No. 1701) thereon.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 11, 1958, the President had approved and signed the act (S. 1191) to authorize the Secretary of the Interior to exchange lands at Olympic National Park, and for other purposes.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare.

The Permanent Subcommittee on Investigations of the Committee on Government Operations.

The Committee on Finance.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 10 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its session today,

it adjourn until tomorrow at 10 o'clock a. m.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSFER OF MAJ. GEN. JOSEPH W. KELLY

Mr. JOHNSON of Texas. Mr. President, it was with mixed feelings that I learned that Maj. Gen. Joseph William Kelly, Director of Legislative Liaison for the Air Force, will soon be leaving us.

I am sorry to see him go. I am happy that he is being assigned new and greater responsibilities.

In July he will become the commanding officer of the Air Proving Ground Center, Air Research and Development Command, at Eglin Field, Fla.

I believe that most Members of the Senate will agree with me that Joe Kelly has done an outstanding job. And, as always happens with a man of his high caliber, he has developed a staff of the finest quality.

I take a deep sense of pride in the fact that the Air Force is represented by men like General Kelly. His military career has been distinguished, and I know it is only a forerunner of great things to come for him.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. PRESTON, Mr. ROONEY, Mr. CANNON, Mr. CLEVENGER, Mr. BOW, and Mr. TABER were appointed managers on the part of the House at the conference.

HOUSE BILL REFERRED

The bill (H. R. 12591) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, was read twice by its title and referred to the Committee on Finance.

EXTENSION OF THE RECIPROCAL TRADE AGREEMENTS ACT; CONSIDERATION OF TAX EXTENSION BILL

Mr. JOHNSON of Texas. Mr. President, in connection with the message just received from the House of Representatives, I should like to inform the Senate that I shall request the chairman of the Finance Committee and the other distinguished members of that committee to proceed to the consideration of that very important measure, the reciprocal trade bill, at the earliest possible date, and to have the hearings continue as long as possible each day, in an attempt to conclude the hearings and report the bill to the Senate—I hope without any crippling amendments—at the earliest possible date consistent with the thoroughness with which the Finance Committee is noted in all the hearings it conducts.

I believe this is one of the most important measures the Congress will receive at this session. It will have the very highest priority. It has my wholehearted support, and I think it will receive support from both sides of the aisle. I believe it is very important that at the earliest possible date the measure be considered by the committee, the witnesses be heard, the measure be debated and passed by the Senate, and that it be sent to the President.

So I should like to have Members on notice that as soon as the reciprocal trade bill is reported to the Senate, and placed on the calendar, I shall attempt to make immediate arrangements to have it cleared for consideration.

I should also like to have the Members of the Senate on notice that when the tax-extension bill is cleared by the Finance Committee, as I expect it to be shortly, it will have very high priority in the deliberations of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ON DUTY WITH DEPARTMENT OF THE ARMY AND ARMY GENERAL STAFF

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the number of officers on duty with the Department of the Army and the Army General Staff, as of March 31, 1958 (with an accompanying report); to the Committee on Armed Services.

REPORT ON FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND

A letter from the Chairman and members of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, a report of that Board, for the fiscal year ended June 30, 1957 (with an accompanying report); to the Committee on Finance.

REPORTS PRIOR TO RESTORATION OF BALANCES, DEPARTMENT OF JUSTICE

A letter from the Administrative Assistant Attorney General, transmitting, pursuant to law, reports prior to restoration of balances, as of May 31, 1958 (with accompanying reports); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Chamber of Commerce of Richmond, Mo., favoring the enactment of Senate bill 3778, and the adoption of Senate Resolution 303, relating to the plight of the railroad industry; ordered to lie on the table.

A letter, in the nature of a petition, from the United Presbyterian Church in the United States of America, Philadelphia, Pa., signed by Eugene Carson Blake, stated clerk, praying for the enactment of legislation granting statehood to Alaska; ordered to lie on the table.

A resolution adopted by the Associated Students of the University of Hawaii, Honolulu, T. H., relating to the lowering of the voting age of citizens of the Territory of Hawaii to 20 years; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without additional amendment:

S. Res. 303. Resolution providing for a study of transportation policies in the United States (Rept. No. 1702).

EXTENSION OF EXISTING CORPORATE NORMAL-TAX AND CERTAIN EXCISE-TAX RATES—REPORT OF A COMMITTEE—SUPPLEMENTAL VIEWS

Mr. BYRD. Mr. President, from the Committee on Finance, I report favorably, without amendment, the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and I submit a report (No. 1703) thereon. I ask unanimous consent that the report, together with supplemental views, be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Virginia, and the bill will be placed on the calendar.

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the executive departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KENNEDY:

S. 3989. A bill to provide head of household relief in the case of a taxpayer supporting a mentally or physically handicapped son or daughter not residing in the taxpayer's household; to the Committee on Finance.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 3990. A bill for the relief of Harvey Hiroaki Horiuchi; to the Committee on the Judiciary.

By Mr. MARTIN of Pennsylvania:

S. 3991. A bill for the relief of Konstantinos A. Kostalas; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 3992. A bill to amend section 31 of the Organic Act of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILEY:

S. 3993. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 3994. A bill to increase the duty-free allowance for articles acquired abroad by residents of the United States;

S. 3995. A bill to permit visitors from abroad to bring a limited amount of gifts into the United States free of duty;

S. 3996. A bill to reduce the period of absence from the United States required in order to entitle a resident to duty-free exemptions under the customs laws; and

S. 3997. A bill to permit residents of the United States to bring into the United States for temporary periods free of duty automobiles rented abroad; to the Committee on Finance.

S. 3998. A bill to extend the validity of the passport to 3 years; to the Committee on Foreign Relations.

S. 3999. A bill to amend the Immigration and Nationality Act so as to authorize the Attorney General to permit certain aliens to pass through the United States without complying with certain provisions of such act relating to inspection and examination; to the Committee on the Judiciary.

S. 4000. A bill to exempt from the tax on transportation of persons amounts paid in a foreign country by citizens of such foreign country for transportation within the United States, if such foreign country affords a similar exemption to citizens of the United States; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bills, which appear under a separate heading.)

By Mr. POTTER:

S. 4001. A bill for the relief of Helen Cuber; to the Committee on the Judiciary.

By Mr. BARRETT (for himself and Mr. O'MAHONEY):

S. 4002. A bill to authorize the Gray Reef Dam and Reservoir as a part of the Glendo unit of the Missouri River Basin project; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 4003. A bill for the relief of Elmer K. Ikier; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 4004. A bill to encourage and authorize details and transfers of Federal employees for service with international organizations; to the Committee on Post Office and Civil Service.

By Mr. JOHNSTON of South Carolina (by request):

S. 4005. A bill to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics and for other purposes; to the Committee on Post Offices and Civil Service.

TAX RELIEF FOR HEAD OF HOUSEHOLD SUPPORTING CERTAIN PERSONS

Mr. KENNEDY. Mr. President, I introduce for appropriate reference a bill to amend the Internal Revenue Code of 1934 to provide relief for the head of a household who provides the sole support for a mentally or physically handicapped son or daughter, incapable of self-support. Many widows or widowers are supporting totally incapacitated sons or daughters. It is an illogical and unjust quirk in the Revenue Code which permits them to claim a head of the household exemption if the person supported lives with them but denies to them this exemption when their expenses are increased because the handicapped person lives some place else.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3989) to provide head of household relief in the case of a taxpayer supporting a mentally or physically handicapped son or daughter not residing in the taxpayer's household, introduced by Mr. KENNEDY, was received, read twice by its title, and referred to the Committee on Finance.

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES IN UNITED STATES DISTRICT COURTS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States.

I do so at the request of the Attorney General and because I believe there is a serious problem which this bill would go far to cure.

It will help assure equal justice under the criminal law for rich and poor alike.

I ask unanimous consent that a short statement on this matter, prepared by me, be printed in the RECORD, as a part of my remarks, together with an excerpt from a letter from the Attorney General, recommending the enactment of this bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement and excerpt will be printed in the RECORD.

The bill (S. 3993) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement and excerpt presented by Mr. WILEY are as follows:

STATEMENT BY SENATOR WILEY

BILL OF RIGHTS

The Bill of Rights is one of the most important parts of the Constitution.

As a matter of fact, the adoption of the Constitution was on the understanding that the first 10 amendments thereto constituting the Bill of Rights would be adopted.

The freedom of the individual and the sanctity of private property owned by the individual are necessary foundations of our American way of life and our free enterprise economic system.

FREEDOM OF INDIVIDUAL

One of the great distinctions between America and the Communist world is the fact that in America a person is free to make his own decisions and, though he may sometimes decide wrongly, is never to be convicted without adequate proof and only after full opportunity for hearing.

INDIGENT DEFENDANTS DENIED RIGHTS

But there are, most unfortunately, some of our citizens who find themselves temporarily without funds to retain adequate legal counsel to defend them.

Should these people be denied the protection of the Bill of Rights of the Constitution because they cannot pay a lawyer who knows what their rights are? The answer is a resounding, "No."

The poorest defendant should have the best counsel possible.

FINE, FREE SERVICE BY BAR ASSOCIATIONS

And the most able members of the bar have rendered fine service by volunteering free of charge to defend citizens who are in trouble in the criminal courts.

However, not all members of the bar are trial lawyers. More and more lawyers are involved in complicated business transactions requiring the talents of so-called desk lawyers who seldom, if ever, appear in the courts.

INCREASED BURDEN

As a result, the burden upon the trial lawyer has increased to the point where it is likely to become intolerable. A skilled lawyer, experienced in court practice who can demand high fees can really not be expected to give nearly all of his time to the defense of indigent defendants.

As a result, the bar associations throughout the country have been studying the problem and trying to come up with solutions.

For instance, the Bar Association of the District of Columbia has done fine work in arranging for volunteer service by its members in defense of persons charged before the district and municipal courts in Washington, D. C.

At present a commission headed by former Judge Cayton is studying the problem.

PROBLEM SERIOUS

There is some feeling that, because the prosecuting attorney is employed by the Government, there might be some question as to whether a public defender also employed by the Government would represent the defendant with full vigor. It has been my experience, and I was a district attorney myself in the early part of my career, that wherever lawyers enter a case they give their full energy and talents to the representation of the particular client whom they represent, irrespective of their own personal profits, so long as no question of ethics is involved.

THIS BILL HELPS SOLUTION

If the burden had not become too great for the private practitioners to bear, I would not suggest a Government remedy. And the problem has been increased by a recent decision to the effect that all persons charged with insanity are entitled to representation by counsel. In the District of Columbia I understand that this has seriously increased the burden upon volunteer defense counsel.

And since there is a problem which is not being solved and since this problem is denying constitutional rights to some Americans, I propose the adoption of this bill to provide for appointment of public defenders in the representation of indigent defendants in criminal cases.

COURT CONTROL

This bill leaves the appointment of defense counsel in the hands of the judges, as it is now; but it provides for compensation for public defenders appointed by the courts.

EQUAL JUSTICE UNDER THE LAW

Finally, I point out the fact: Enemies of American society frequently accuse us of allegedly having one set of laws for the rich and one set of laws for the poor.

They assert that a poor man will be punished for a crime on which a rich man might escape the penalty of the law.

They further charge that in criminal cases, it is the poor who will end up in the penitentiary or receive capital punishment, and the rich who will escape with a comparatively light sentence, or perhaps escape entirely.

If we are further to demolish these accusations; if we are to confirm that there is one law, and one law only—the same law for the rich, the same for the poor—then let us make absolutely sure that in criminal cases people in the lower income brackets are not denied equal justice under the law of our country.

DEAR MR. VICE PRESIDENT: At the outset of the 84th Congress, I recommended the introduction and enactment of legislation to provide for the adequate representation of indigent defendants in criminal cases in the district courts of the United States. Although introduced in both Houses of the Congress, the legislation failed of enactment. I again urge its consideration.

As I stated in my letter of January 19, 1955, although the sixth amendment of the Constitution of the United States provides that in all criminal prosecutions an accused shall "have the assistance of counsel for his defense," the existing system of assigning counsel to represent indigent defendants does not seem adequately to comply with the spirit of the amendment. The collaboration of the bar with the bench by voluntary acceptance of assignments as defense counsel, without compensation, is much like the use of the volunteer fire system in modern society. Both seem to be outmoded. It is neither adequate nor fair that the burden of defending persons who are unable to afford counsel when charged with the commission of crime should fall upon a tiny percentage of the whole bar, to be performed upon a gratuitous catch-as-catch-can basis. There is a community responsibility, consonant with the constitutional requirement, to provide full-time paid counsel, trained in the techniques of the criminal law, to represent the poor who are charged with crime. It is the business of all of us who are charged with maintaining our form of government within the framework of the Constitution to provide an adequate means of assuring every person of the "assistance of counsel for his defense" without regard to whether he has the means to pay for such counsel.

Accordingly, I am again submitting a measure which will provide for the appointment of public defenders by the district courts of the United States, either as full-time or part-time officers, as the volume of the work may require. The measure also provides that in any districts which do not contain a city of over 500,000 people and in which a regular public defender has not been appointed, the district court may, when deemed more economical than to provide a regular public defender, appoint counsel in particular cases and determine the compensation to be paid therefor. Thus, the Federal courts will, it is believed, be able to make use of the best features of both the public defender and assigned counsel systems.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

PROPOSED LEGISLATION TO IMPLEMENT INTERNATIONAL TRAVEL

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a series of seven bills to remove barriers to foreign travel and encouraging international tourism, implementing the report to the President of the United States on International Travel by Clarence B. Randall, Special Assistant to the President, of April 17, 1958; pursuant to section 7 of the Mutual Security Act of 1957, an amendment which I sponsored. Existing laws covering customs controls, issuance of passports and visas, and personal transportation taxes would be amended in acordance with the recommendations made in the report.

These bills cover the entire range of legislative recommendations contained in the Randall report, for which measures have not already been introduced in the Senate. There are pending in both the House and Senate previously-introduced bills dealing with other of the Randall proposals. Chief among these proposals is the measure submitted by me earlier this year, Senate Concurrent Resolution 59, which looks to the designation of 1960 as Visit U. S. A. Year, an effort which has received the endorsement of the travel industry and official State and community travel bureaus.

Facilitating visits by foreign nationals to this country and by United States residents abroad is a matter of immediate Congressional concern. Stimulation of our domestic economy, expansion of foreign trade, and greater mutual understanding are all direct benefits to be reaped from increased international travel; here is one of the most pleasant and effective means to give foreign aid and to carry on the person-to-person program.

The average rate at which overall travel and the tourist business has been growing in the last decade shows signs of leveling off this year. Enactment by Congress during this session of measures to streamline regulations and procedures influencing travel by both United States residents abroad and foreign tourists to the United States, should send the travel growth indicator upward again at a sharply increased pace. Last year, about 1,350,000 United States residents went overseas, spending about $1.8 billion including the cost of transoceanic fares, and it is estimated that more than 1.5 million in 1958 will spend approximately $2 billion on overseas international travel. At the same time, about half a million foreign visitors from overseas entered the Unitd States in 1957, and under present conditions it is anticipated that some 750,000 will visit us this year, and spend close to $1 billion on travel to and within our country. Both fields are full of opportunity for expansion.

Also, taking positive action in Congress now to advance friendly and fruitful contact between our citizens and other people and the free interchange of ideas, would be a clear demonstration to all nations of vigorous United States peace leadership.

The provisions of the seven bills are as follows:

First. Permits United States residents returning home to bring in articles duty free up to the amount of $1,000 every 6 months; presently, the allowance is limited to $200 every month plus an extra $300 worth every 6 months, which actually limits the average occasional traveler to a $500 maximum.

Second. Allows foreign visitors to bring into the United States $200 worth of gifts free of duty compared to the $10 limitation now in effect.

Third. Uniformly establishes 24 hours as the period of absence from the United States required before a resident is entitled to bring in his duty-free $200 monthly exemption; the time period varies from 24 to 48 hours at some border points today.

Fourth. Permits United States residents to bring back to the United States free of duty for temporary periods automobiles rented abroad; our residents on a short swing back into United States territory under present regulations must either pay duty on the rented vehicle or place it under bond.

Fifth. Extends the original life of a United States passport from 2 to 3 years and permits a 3-year extension in lieu of the present 2-year limit.

Sixth. Amends the Immigration and Nationality Act so that the Attorney General may waive compliance for certain aliens in transit through the United States with certain inspection and examination provisions in the act, and regularize State Department and Immigration and Naturalization procedure relating to the waiver of visa requirements in emergency situations.

Seventh. Exempts from the transportation tax amounts paid in a foreign country by citizens of that foreign country for transportation within the United States, providing that this same foreign country allows a similar exemption to United States citizens.

International travel is big business with far reaching effects on our own economy even when it involves travel overseas by United States residents. Several countries, like the United Kingdom, France, and Italy, rely on tourism as their biggest single source of dollar earnings. In turn, United States foreign trade gets a tremendous boost as the countries playing host to Americans spend the tourist dollars earned to purchase American goods and services. Increased dollar earnings from American tourists, the Randall report pointed out, can help to reduce the level of dollar assistance provided under the mutual security program.

Obviously, it is in our own national interest to promote the increase of foreign travel and tourism in every appropriate way as a legitimate means of encouraging our own economic and cultural growth, and in helping to achieve our foreign policy objectives of advancing world peace and preserving free institutions abroad.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. JAVITS, were received, read twice by their titles, and referred, respectively, as indicated:

S. 3994. A bill to increase the duty-free allowances for articles acquired abroad by residents of the United States;

S. 3995. A bill to permit visitors from abroad to bring a limited amount of gifts into the United States free of duty;

S. 3996. A bill to reduce the period of absence from the United States required in order to entitle a resident to duty-free exemptions under the customs laws; and

S. 3997. A bill to permit residents of the United States to bring into the United States for temporary periods free of duty automobiles rented abroad; to the Committee on Finance.

S. 3998. A bill to extend the validity of the passport to 8 years; to the Committee on Foreign Relations.

S. 3999. A bill to amend the Immigration and Nationality Act so as to authorize the Attorney General to permit certain aliens to pass through the United States without complying with certain provisions of such act relating to inspection and examination; to the Committee on the Judiciary.

S. 4000. A bill to exempt from the tax on transportation of persons amounts paid in a foreign country by citizens of such foreign country for transportation within the United States, if such foreign country affords a similar exemption to citizens of the United States; to the Committee on Finance.

MISSISSIPPI RIVER BRIDGE NEAR JEFFERSON BARRACKS, MO.—AMENDMENT

Mr. SYMINGTON submitted an amendment, intended to be proposed by him, to the bill (S. 2214) to revise the authorization with respect to the charging of tolls on the bridge across the Mississippi River near Jefferson Barracks, Mo., which was ordered to lie on the table, and to be printed.

AUTHORIZATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mr. HOLLAND submitted an amendment, intended to be proposed by him, to the bill (S. 3910) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—AMENDMENTS

Mr. GOLDWATER submitted amendments, intended to be proposed by him, to the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organization and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which were ordered to lie on the table, and to be printed.

Mr. WATKINS. Mr. President, I submit an amendment, intended to be proposed by me to the Senate bill 3974, the pending bill, and I ask unanimous consent to have it printed and lie on the table, and also that the text of the amendment be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 36, lines 21 through 25, and page 37, lines 1 through 10, strike out all of section 602 and insert in lieu thereof the following:

"SEC. 602. Section 14 of the National Labor Relations Act, as amended, is amended by adding a new subsection (c) as follows:

"'(c) Nothing in this act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming and asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction.'"

Mr. WATKINS. Mr. President, I should like to make an explanation of the amendment.

This amendment would amend Senate bill 3974, to deal more effectively with the problem of the "no man's land" in the regulation of labor relations. This gap exists because of the exercise of administrative discretion by the National Labor Relations Board in asserting jurisdiction over matters coming within the coverage of the act and the effect of Supreme Court decisions excluding the States from taking jurisdiction of such matters.

Section 602 of S. 3974 would forbid the Board to adopt any rule of decision, regulation, standard, or policy which would preclude it from taking jurisdiction where necessary to safeguard the rights of employer or employees under the act. This amendment instead would permit any State agency or court to act with respect to labor disputes over which the Board declines in any manner to assert jurisdiction. It would not curtail the Board's present authority to decline to assert jurisdiction when it determines that it would not effectuate the purposes of the act to do so.

Mr. KNOWLAND submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table and to be printed.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent that the amendment I sent to the desk earlier in the day relative to this bill may be printed in the body of the RECORD, as well as being printed and made available to Senators.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT BY SENATOR KNOWLAND TO S. 3974

On page 26, line 2, strike out "Nothing", and insert in lieu thereof "Except as otherwise provided by section 306, nothing."

On page 28, between lines 15 and 16, insert the following new section:

"SEC. 306. (a) No strike shall be called or sanctioned by a labor organization unless at least 30 days prior to the commencement of such strike such labor organization shall have given notice thereof in writing to the National Labor Relations Board (hereinafter referred to as the "Board") and the employer, and to the employees in the appropriate bargaining unit or units involved in the strike, either individually in writing, or by announcement at a meeting of such employees.

"(b) Upon the filing with the Board, upon or at any time after receipt by the Board of a notice given under subsection (a), of a petition therefor signed by at least 30 percent of the employees in the appropriate bargaining unit or units involved in the strike, the Board shall conduct a referendum among the employees of such unit or units on the question whether such strike should be called or continued. If a majority of those voting in the referendum vote against the strike, no strike shall be called or sanctioned or continued by the labor organization until at least 90 days have elapsed following the referendum, and notice has been given in accordance with subsection (a). If a majority of those voting in the referendum vote in favor of the strike, no subsequent petition may be filed under this subsection until at least 90 days have elapsed following such referendum, and unless such subsequent petition has been signed by at least 30 percent of the employees in the appropriate bargaining unit or units involved in the strike.

"(c) Any employee who participates in a strike which has been called without notice as required by subsection (a), or which has been called or continued after a majority of the employees in the appropriate bargaining unit or units involved in the strike voting in the most recent referendum conducted with respect to such strike under this section shall have voted against such strike, shall not during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of the National Labor Relations Act or the Railway Labor Act.

"(d) Referenda provided for in this section shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referenda to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referenda.

"(e) Nothing contained in this section shall be construed to supersede or modify in any way the requirements of section 8 (d) of the National Labor Relations Act."

On page 34, line 20, strike out "Nothing", and insert in lieu theerof "Except as otherwise provided by section 306, nothing."

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITTS AND HARDSHIPS—AMENDMENTS

Mr. MURRAY submitted an amendment, intended to be proposed by him, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes, which was referred to the Committee on Finance, and ordered to be printed.

Mr. PROXMIRE submitted amendments, intended to be proposed by him, to House bill 8381, supra, which were ordered to lie on the table, and to be printed.

Mr. FULBRIGHT. Mr. President, I submit an amendment, intended to be proposed by me, to House bill 8381. I ask unanimous consent that a statement, prepared by me, relating to the amendment, may be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance; and, without objection, the statement will be printed in the RECORD.

The statement presented by Mr. FULBRIGHT is as follows:

STATEMENT BY SENATOR FULBRIGHT

BACKGROUND

S. 3651, which passed the Senate on June 9, 1958, would authorize the establishment of small-business investment companies to provide long-term credit and equity-type capital for small-business concerns. These new companies would be regulated and supervised by the Small Business Administration and the Securities and Exchange Commission.

During consideration of S. 3651 on the floor of the Senate, certain provisions relating to Federal taxation of the income of the

companies themselves and the income of investors in the companies were deleted to overcome any objection which might be raised in the House of Representatives about the origination of revenue legislation in the Senate.

EXPLANATION OF TAX PROVISIONS

These tax provisions would apply to eligible small-business investment companies and to investors in such companies, as follows:

(1) The investment companies would be allowed an ordinary rather than a capital-loss deduction for losses on worthlessness or sale of certain convertible debentures, including stock received pursuant to the conversion privilege, acquired in connection with the provision of equity-type capital for small-business concerns.

(2) Investors in the stock of such investment companies would be allowed an ordinary rather than a capital-loss deduction on losses from worthlessness or sale of such stock.

(3) The companies would be allowed 100 percent rather than the usual 85 percent intercorporate dividends-received deduction.

In testimony before the Small Business Subcommittee on April 24, Dan Troop Smith, Deputy to the Secretary of the Treasury, stated:

"These tax provisions contained both in S. 3651 and in S. 3643, are consistent with recommendations which the Administration has made in connection with its small business tax proposals and elsewhere (H. R. 12084 and H. R. 12085). We endorse this tax approach. The provisions should be helpful in increasing the amount of funds available to the proposed investment companies and they are consistent with other tax recommendations and the general corporate tax law" (hearings, p. 170).

SPECIAL APPLICABILITY OF TAX PROVISIONS

Regardless of whether Federal tax laws should be amended to make provisions of this kind generally applicable, any objection to such a policy should be greatly diminished by the fact that small business investment companies are special purpose organizations to be carefully regulated and supervised by the Federal Government. Students of the "capital bank idea" have insisted that investments in such institutions are risky and that special tax incentives are essential.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. HUMPHREY. Mr. President, I submit an amendment which I intend to propose when the Senate considers the bill (H. R. 12591) to extend the Trade Agreements Act. I ask unanimous consent that the amendment lie on the desk until the close of Senate business next Monday in order that interested Senators may have the opportunity to add their names as cosponsors.

The VICE PRESIDENT. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, I submit the amendment today, in order that the committee and all Senators may have an early opportunity to consider the language proposed in it. I would welcome the support of any Senators who care to cosponsor this amendment.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in my remarks.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill insert the following new section:

"SEC.—. For the purpose of sections 6 and 7 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C., secs. 1363 and 1364), the Tariff Commission shall include in its investigations the possibilities for alternative employment for the production facilities and workers involved and shall report fully to the President the nature and extent of adjustment difficulties that have been occasioned by any concession made pursuant to section 350 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1351). If the President refrains from increasing the protection afforded producers pursuant to an escape clause recommendation, he shall, to such extent as may be desirable and practicable, make full use of all available procedures heretofore or hereafter authorized by law, to avoid or ameliorate the economic hardships which particular communities, industries, enterprises, and individuals may suffer in the adjustment of their productive activities to the economic conditions created by our national trade policy, particularly by the lowering of trade barriers pursuant to section 350 of the Tariff Act of 1930 as amended (19 U. S. C., sec. 1351). If the President considers existing executive authority to be inadequate for this purpose, he is requested to submit to the Congress proposals for supplementary legislation."

Mr. HUMPHREY. Mr. President, this amendment is submitted today in partial fulfillment of a long-standing commitment which I have made to propose a trade adjustment amendment to the Trade Agreements Act. I ask unanimous consent that three press releases which I issued on March 9, 1958, March 28, 1958, and April 4, 1958, be printed in the RECORD as a part of my remarks.

There being no objection, the press releases were ordered to be printed in the RECORD, as follows:

MARCH 9, 1958.

TRADE ADJUSTMENT AMENDMENT PROPOSED ON RECIPROCAL TRADE PROGRAM

Senator HUBERT H. HUMPHREY, Democrat of Minnesota, today announced that he would offer a trade adjustment amendment to pending reciprocal trade agreements legislation to assist "certain industries which might be temporarily adversely affected by liberalization of our trade policy."

Addressing the Independent Bankers Association convention in Dallas, Tex., the Senator stressed the "vital interrelationship of a dynamic national economy, an expanded mutual security program, and liberalized foreign trade effort.

"The trade policy of the United States is clearly in serious trouble in the Congress," Senator HUMPHREY declared. "In my opinion it is absolutely essential that the reciprocal trade extension be passed without crippling amendments. If we present to the world a mutilated trade program we will have taken a step to discourage Free World unity at the very time when the Soviet Union is in the midst of a trade offensive, however phony it may be.

"Obviously, the closer our economic relations with our allies the more stable our political and military ties will be; contrariwise, the weaker our economic relations, the less effective our political and military unity against Soviet imperialism.

"There are also compelling domestic reasons for a liberal trade policy, since American ingenuity in most fields easily competes in world markets.

"However, there are certain selected and very limited industries which might be temporarily adversely affected by changes in our trade policy. It is my opinion that the Federal Government should assist industries, workers and communities so affected to readjust to more competitive lines. In past Congresses I have introduced a comprehensive trade adjustment program. In my opinion this would be a far better solution than the various amendments which are presently being offered.

"Therefore, I announce here and now," Senator HUMPHREY stated, "that I shall propose the trade adjustment program as an amendment to the reciprocal trade bill when it comes before the Senate for consideration. Together they will provide a strong, imaginative trade package which the Congress should endorse and the administration should support in the interest of a strong Free World and of a rising living standard for us all."

"The trade adjustment program would establish a governmentwide 'adjustment assistance' board which would be empowered to assist communities, workers, and industries adversely affected by trade policy to readjust to more competitive lines," Senator HUMPHREY explained. "The program would provide that if the President in the overall national interest disregards the escape clause or peril point findings of the Tariff Commission, he could at the same time authorize the board to extend the following benefits to United States communities and industries which are hurt by foreign competition:

"1. The Government would finance technical assistance to companies and communities needing it, to encourage diversification. Engineers, market researchers and other technicians would be financed for expert surveys out of Federal funds. Easier tax provisions for building new plants would be allowed, and import firms would be encouraged to enter such communities to stimulate new markets.

"2. Under present law, jobless payments last for varying periods up to 26 weeks. The trade-adjustment program provides that these payments would be extended for an additional 26 weeks over authorized State limits.

"3. Workers would be provided counseling, placement, and special training allowances, coupled with special moving allowances for workers seeking employment in other areas and fields."

Senator HUMPHREY emphasized that our current domestic economic relapse renders the challenge in the field of foreign trade even more critical.

"The situation is all the more urgent because of the recession now engulfing us at home," the Senator declared. "One way to keep American workers at work is to maintain our export markets abroad. Obviously since the United States exports far more than it imports, there are more workers employed in our export trade than could possibly be adversely affected by import competition.

"One of the grandiose fallacies of the high tariff protectionist argument has always been that higher tariffs protected American jobs. For every possible job they ostensibly protect, 2 or 3 are lost through retaliatory tariff restrictions abroad against our exports. It is shocking, indeed, to realize that our good neighbor and best customer, Canada, has recently moved to boycott American goods because we have set up so many barriers to Canadian exports.

"Not only will an expanded reciprocal trade program help America recover from the recession, but it is required by the international political facts of life. Trade is now a primary weapon in the arsenal of the Communist economic offensive. Trade missions from the Soviet Union, Communist China, and the satellite countries have been busy, especially in the uncommitted countries of Asia and the Middle East. The number of trade agreements negotiated between the Communist bloc and other countries has more than doubled since 1953.

"In the face of commonsense economics at home and the Communist offensive abroad, let us not respond with an inconsistent, ostrichlike trade policy of high tariffs and threats of higher ones. To help those American industries which have a legitimate grievance against low-cost foreign competition, the Trade Adjustment Act which I have sponsored in Congress would be an effective temporary cushion during the adjustment period. That act would not be a permanent subsidy, but justifiable temporary assistance to help industries over the hump of accommodation to a new period of economic life."

MARCH 28, 1958.

RECIPROCAL TRADE RENEWAL FATE MAY HINGE ON TRADE ADJUSTMENT AMENDMENT

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, warned yesterday that "the very fate of the Reciprocal Trade Act renewal may well depend upon clear evidence by the administration and the Congress that we do not intend to let a few communities, industries, or groups of workers pay the cost of a national trade program."

Calling upon President Eisenhower to support an amendment to the trade adjustment proposal designed for that purpose, Senator HUMPHREY, member of the Senate Foreign Relations Committee and an active supporter of reciprocal trade extension, outlined his views in a talk before the National Conference of Organizations on International Trade Policy at the Sheraton-Park Hotel.

"I am convinced that there are enough marginal votes in the Congress which could be affected by a trade adjustment amendment to make the difference between victory and defeat on the basic act itself," Senator HUMPHREY declared.

"It is a proper and reasonable proposal for meeting the special problems of industries and communities and workers who are in fact affected by our trade policies. Since it is in the national interest that we aim to lower tariffs, it should be a matter of national responsibility to provide relief to those affected. The cost will be minimal—and the benefit to the program will be substantial."

Senator HUMPHREY first introduced the trade adjustment proposal as an amendment to renewal of the reciprocal trade program in 1955, after it had been recommended by the Randall Commission. It failed of passage at that time. Several weeks ago Senator HUMPHREY revealed he would again offer the amendment in the hope of aiding in passage of the trade program.

But the administration must "make up its mind" as to where it stands on the proposal, Senator HUMPHREY said.

"At the risk of seeming to inject a partisan note in this nonpartisan meeting, I cannot for the life of me understand the administration's failure to endorse the trade adjustment program—although there seems to be some disagreement among Government spokesmen.

"I am glad to note that Secretary of State Dulles, in his appearance before the Ways and Means Committee, endorsed the program in principle. But two administration spokesmen who should be best acquainted with the needs of American industry and American workers—the Secretary of Commerce and the Secretary of Labor—have reflected official administration resistance.

"Only yesterday, however, the President was asked in his press conference whether he would support a trade adjustment amendment. The President indicated that he was not familiar with the proposal. This gives me some hope that when he does take a look at this important proposal he will give it his blessing—even though some of his Cabinet members have presumed to speak adversely for the administration on this subject.

"Despite my sharp disagreements with Secretary Dulles in the past, and despite my great fondness for Secretary Mitchell, I say in all candor that in this case I hope the President takes the advice of Mr. Dulles rather than that of Mr. Mitchell.

"With all sincerity and good will, I call upon the President of the United States to take a good look at the trade adjustment proposal—with the hope he will support it as the most effective means of saving reciprocal trade," Senator HUMPHREY declared.

[Newsletter of Senator HUBERT H. HUMPHREY, of Minnesota]

APRIL 4, 1958.

RECIPROCAL TRADE

Extension of the Reciprocal Trade Agreements Act is a hot issue now in Congress. The theory behind reciprocal trade is simple—that the United States benefits from trading with foreign nations. Last year we sent overseas nearly $20 billion in exports. These exports, including about $1 billion in farm products, provided jobs for more than 4½ million Americans—about 7 percent of our labor force. The reciprocal trade program gives the President authority to lower tariffs and trade restrictions to encourage expansion of our exports and imports. Of course, when we do this, we get corresponding concessions from the countries with which we trade. Also there are provisions to protect American agriculture and industry from unfair competition and to protect essential defense industries.

TRADE ADJUSTMENT

The severe recession we are now suffering produces new complaints about low-priced imports hurting American industry and putting American workers out of their jobs. But if we cut back on the imports we allow into the United States, the foreign countries with which we trade will cut back on the goods they buy from us—our exports. Such cutbacks will hurt our economy far more than would any gradual increase in imports. Our imports last year were only $13 billion compared to exports of $20 billion. Far more American workers are hurt by cutbacks in exports than would be helped by cutbacks in imports. So there is a very sound basis for liberalizing and increasing our foreign trade. To maintain a high level of exports, we must continue to import so foreign countries can buy from us. To help those industries and communities which are temporarily hurt by our trade policies, I am proposing a trade adjustment amendment to the reciprocal trade legislation. Under this program, the Government would ease transition problems by extended unemployment payments, tax benefits for affected industries, market research, and stimulation of new markets. Since it is in the national interest that we lower tariffs, it is our national responsibility to help those affected.

Mr. HUMPHREY. Mr. President, I also refer to my remarks before the National Conference of Organizations on International Trade Policy which I inserted in the CONGRESSIONAL RECORD on March 27, 1958, on pages 5590–5593. In that speech I stressed the importance of trade-adjustment legislation.

The amendment which I am submitting is an attempt to strengthen the reciprocal-trade program. In previous Congresses I have introduced legislation to ameliorate adverse effects that might occur in various industries because of our national trade policy, desirable as I feel that policy to be.

Very shortly I intend to introduce a revised version of trade-adjustment legislation which I have previously sponsored. That legislation is more detailed and complex than the amendment I submit today. I also intend to address myself early next week to the whole issue of reciprocal trade and the role that trade-adjustment assistance could play in this overall legislation.

The short amendment which I send to the desk today, Mr. President, is a slight revision of a draft suggested to the Ways and Means Committee of the House by Representatives by Representative EUGENE MCCARTHY, of the State of Minnesota. I regret that the rule under which House bill 12591 came before the other body precluded a debate and vote on this issue there.

The present amendment is a statement of Congressional intent that communities, industries, enterprises, and individuals be aided in adjusting their productive activities to the economic conditions created by the lowering of trade barriers. The amendment directs the Tariff Commission to include in its escape-clause investigations surveys of alternate uses of resources in trade-affected communities. Then it directs the President to use all appropriate agencies of the Government to render assistance to enable them to readjust. He may use such procedures as are presently available or those that might become available through the enactment of such legislation as area-redevelopment assistance as passed by the Senate earlier this session.

The United States Government is not without present resources that could be employed to assist communities, industries, and individuals to adapt to the changing economic conditions brought about by trade policy.

As examples, let me cite the technical-assistance services of the Department of Commerce, the Small Business Administration, the Department of the Interior, and the Atomic Energy Commission; the loan facilities of the Treasury's Office of Defense Lending, the Department of the Interior, and the Small Business Administration; and the procurement assistance of the Department of Labor and the Office of Defense Mobilization and Department of Defense.

We have all these agencies at present prepared to offer services of various kinds. What is needed is a determination by Congress that the agencies direct specific effort toward assisting those parts of our economy that have suffered dislocations because of lowered trade barriers. My amendment states this intent.

Mr. President, while I believe that a statement of Congressional intent such as I am proposing here today is a necessary first step in a program of trade adjustment assistance, I do not pretend it is the final answer.

I believe that the situation really requires special machinery and special programs of legislation to insure that the actual people and the actual firms that need help receive it. But a beginning is better than nothing and the amendment I propose today constitutes such a beginning.

Because we are involved today with other important legislation, I shall post-

pone further comments on adjustment assistance until I speak next week in support of our reciprocal trade program.

The VICE PRESIDENT. The amendment will be received, printed, and referred to the Committee on Finance.

AMENDMENT OF THE TRADEMARK LAWS—ADDITIONAL SPONSOR OF BILL

Mr. JAVITS. Mr. President, I ask unanimous consent that my name may be included as a cosponsor of the bill (S. 233) to permit the importation of a trademarked article, without the consent of the owner of the trademark, when such article is for the personal use of the person importing such article, when the bill is next printed. It was introduced in the first session of this Congress by the distinguished Senator from Maine [Mr. PAYNE]; and I am making this request after consultation with him.

The VICE PRESIDENT. Without objection, it is so ordered.

ALUMINUM AND WORLD TRADE

Mr. HOBLITZELL. Mr. President, I should like to make a few remarks in regard to aluminum and world trade.

First. The growth of the aluminum industry, from a domestic primary production of 409,630 tons, in 1946, to 1,047,710 tons, in 1957—an increase of over 300 percent—has made it possible for more Americans to enjoy the benefits of aluminum in more ways than do any other people in the world. The per capita consumption of aluminum in the United States is 21 pounds a year as against an average of less than 1½ pounds for the rest of the world.

Second. The Federal Government encouraged this expansion of production and capacity through the lease and sale of its surplus World War II plants in 1946, the Korean mobilization program of 1950, and the inquiry into shortages by the House Small Business Committee in 1955. As a result of the industry's cooperative response to these Government efforts, involving private investments since 1946 of over $2½ billion, domestic primary capacity now amounts to 1,989,000 tons.

Third. Since 1956, the United States has had sufficient producing and fabricating capacity to supply all domestic requirements. With low and continuously declining tariffs, however, and despite poorer market conditions in the United States during 1957, aluminum imports not only continued to come in, but actually increased. As a result, since December 1956, domestic producers have been compelled to exercise their "put" rights under the Korean mobilization expansion contracts. As a partial offset to the 222,000 tons of primary imports during 1957, the Government consequently purchased, that year, 208,000 tons of domestic production under these put provisions. Since domestic capacity continues to be substantially in excess of market needs, every ton of imports adds to the necessity of exercising these put rights, which amount to 345,000 tons in 1958, and 197,000 tons in 1959.

Fourth. During recent months, the pressure of Canadian and European aluminum on United States markets has become particularly serious as a direct result of Soviet economic warfare tactics in Europe. Until 1955, the Soviet Union was a net importer of primary aluminum. During that year it began to export aluminum to the Free World, and, because of shortage conditions, charged whatever the traffic would bear, much more than the domestic producers' prices. During 1956 and 1957, Russia increased its Free World exports, especially to Britain, West Germany, and Belgium.

The volume of Russia's net exports—13,000 tons in 1955, 26,400 tons in 1956, and 34,800 tons in 1957—is not as significant as are the marketing methods Russia used. Russia offered and sold its aluminum on a market-breaking basis, below regular prices, regardless of how low they might go, and regardless of Russia's own costs. To break the Free World price, Russia focused its sales efforts principally on the British market, a major link in Aluminum Ltd.'s worldwide market network. This producer has in the past accounted for about 70 percent of the primary aluminum moving in Free World markets. By weakening the British price, Russia could thus use Aluminum Ltd.'s worldwide marketing system to weaken all Free World aluminum markets, including that of the United States.

These Russian tactics so disrupted the British market that Aluminum Ltd. formally requested antidumping action by the Government; but thus far there has been no response to this request. As of April 1, 1958, Aluminum Ltd. matched the Soviet price in Britain by cutting its world price, including the United States price, 2 cents a pound. Russia is now again cutting below this new low price, in accord with its market-breaking policy.

The net effect has been a reduced price without any increased sales in all Free World markets, including the United States market. The Canadian, French, and Norwegian aluminum displaced in European markets by Soviet aluminum is now being offered in United States markets at depressed prices, further weakening the market here.

Fifth. The damaging effect of these developments is strikingly evident, being timed by the Soviet to add impact to the recession. The combined effect of these domestic and foreign developments has been to compel domestic aluminum producers to exercise all of their put rights, at considerable expense to the Government, and also to shut down almost one-third of their productive capacity, as well as a substantial part of their fabricating capacity. Over 605,000 tons of primary capacity are now idle. Their idleness also has meant unemployment for almost 20,000 of the industry's workers, and unemployment for the hundreds of millions invested in these facilities.

Sixth. Neither the reciprocal trade nor the antidumping laws offer adequate protection against the added burden being saddled on the domestic aluminum industry by the Soviet Union. Because we have pioneered and advanced the use of aluminum more than any other nation has, foreign producers and fabricators turn first to our market when they have difficulties in their regular market.

Seventh. Aluminum has become our second most important basic metal, surpassed only by steel. We need a healthy and strong aluminum industry to meet our civilian and national security needs efficiently and economically. An industry unnecessarily dependent on imports is unnecessarily weak. Witness the predicament of the copper, nickel, and newsprint industries and of their customers. Domestically, the fundamental cure to the recession is the resumption of the economy's growth. The aluminum industry, for over a decade, has been a leader in creating the new uses and markets which have been the basis of sound growth until now. It can make its full contribution to recovery if its resources are not wasted and diverted by the necessity of fending off Soviet economic warfare on its own, without adequate Government protection and assistance. With proper Government safeguards, the aluminum industry could resume its aggressive development of aluminum's potentials to the benefit of industry and the consumer, competing with other industries and with foreign producers and fabricators on a business basis.

Mr. President, I ask unanimous consent to have a table on the subject printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The Soviet shift in aluminum world trade—from importer to exporter—1950–57

[Short tons]

	Soviet bloc imports from Free World	Soviet bloc exports to Free World
1950	17,400	0
1951	4,900	300
1952	6,700	0
1953	6,900	0
1954	5,200	100
1955	200	13,200
1956	4,200	30,600
1957	2,200	[1] 37,000

[1] Including United Kingdom, 17,100 tons; Belgium-Luxembourg, 6,400 tons; West Germany, 2,300 tons.

OUR DEFENSE POLICY RECONSIDERED—VII—THE MORAL ASPECTS OF OUR DEFENSE

Mr. FLANDERS. Mr. President, I ask unanimous consent to address the Senate for 6 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Vermont may proceed.

Mr. FLANDERS. Mr. President, this is the seventh and last of the series of brief talks which I have given in this place under the general heading: "Our Defense Policy Reconsidered." I hope that in these talks the necessity has been shown for analyzing our defense problem.

It is essential that we accept and organize the atomic stalemate, which is the world's defense from nuclear destruction.

It is essential that we understand and organize a second balance of power against the danger of lesser wars and threats of wars. For this the policy of graduated deterrence will serve, accepting tactical atomic weapons when and where they are needed to pose a counterforce against the overwhelming Communist strength in conventional armament and armies.

We can construct a balance here if we see the problem plainly, announce our policy clearly and in emergencies act with measured strength, but unmeasured determination.

These plans and these objectives must be built into our military structure. We cannot be vague about this; we must be direct. If we are intelligent and straightforward, we and our allies will have a defense which is efficient, not haphazard and wasteful. It will give us greater safety while leaving more resources for carrying on other elements of the cold war.

As a negative result of these policies we may purchase an uneasy, perilous peace. I deeply fear, Mr. President, that such a peace is the most that our military and diplomatic policies are designed to accomplish. Unless we can devote our military strength and our diplomacy to positive ends our children and our grandchildren are to be pitied.

Thank the Lord, there are positive courses to be taken. The positive achievement will come from our recognizing that an effective defense policy is not an end in itself. It has a nobler purpose, and that purpose is to act as a shield—a protecting wall—a mighty fortress—within the protection of which the erection of an enduring peace can be undertaken.

For this reason this series of 7 talks must be considered in connection with the 5 on the "Prospect for Disarmament" given on this floor between the dates of May 7 and 14. Defense exists, therefore, so that behind it we may engage in more constructive labors.

In those talks it was shown that disarmament is almost dismayingly difficult, but that it is by no means hopeless. As with a successful defense, we must intelligently analyze the problem and take carefully considered means for reaching our end. It will be remembered that three factors had to be reckoned with. There is involved, first, persuading the American people to accept the supranational institutions needed if war is to be replaced by law; second, persuading the non-Communist world of the honesty of our purposes and the intelligence of our means for attaining them; and, third, persuading the Soviet Government to cooperate. These are concurrent, not successive, requirements.

Thus difficult is the attainment of disarmament. For while defense is not an end in itself, neither is disarmament. It can only be attained in a world ruled on the whole, in the large, by justice and freedom.

A disarmament based on freedom and justice will not come through pacifism, whether personal or national. It is a positive thing which has to be arduously constructed.

Our defense must be a Christian thing, with no enmity toward men. It must be inspired by our determination to accept the responsibility and opportunity for preserving justice and freedom in making a peaceful world. The contest will last for years, maybe for decades, perhaps for generations.

It is for this reason that the quality of the education given our children must deeply concern us. They are to go out into a hard world. But it will be an exciting world. It may be made an inspiring world. They must have their native abilities fully developed, their wills self-disciplined to heavy tasks. For such boys and girls, so trained, there awaits the experience of the greatest adventure of all the ages.

The call to our people, to our Nation, is a call to greatness.

NATIONAL SPELLING CONTEST

Mr. CARLSON. Mr. President, the national spelling contest, which has been held annually in Washington for several years, was concluded this morning at the Sheraton Park Hotel. I am proud to announce to the Senate that a Kansas girl, Jolitta Schlehuber, of McPherson, Kans., who is 14 years of age, was the national winner.

The contest in Kansas was sponsored by the Topeka Daily Capital, and is being held in Washington under the sponsorship of the Scripps-Howard newspapers.

I should like to mention two things about Jolitta. First, she was the State representative last year and placed high, and therefore the victory this year shows that she has been devoted to study and work, not only in the spelling field, but she stands high scholastically in her home county. She had the highest average grade in the elementary schools in the county, the grade being 97.6.

Another item I think is of interest is that here is a young girl, 14 years of age, who made her own dress that she wore at the spelling contest.

It might be well, for the record, to mention the words that won her the national championship. The winning word was "syllepsis," and the last contestant missed the word "propylaeum," which she spelled. We in Kansas are proud of this fine young girl.

TRIBUTE TO MAJ. JOHN M. TORBET

Mrs. SMITH of Maine. Mr. President, I want to take this occasion to commend most highly Maj. John M. Torbet, who has served so faithfully and effectively under Maj. Gen. Joe W. Kelly, Air Force Director of Legislative Liaison, and who is leaving Washington to report to his new assignment in Spain.

This young officer has truly been a junior edition of General Kelly in his performance as an Air Force officer handling liaison of the Air Force with the Senate. Those of us who have been fortunate enough to witness closely his performance have been impressed not only with his great intelligence and tact, but also with his honesty and sincerity of purpose and action.

He never compromised with principle. He never resorted to personal expediency. Instead he maintained admirable moral courage to adhere to principles regardless of whatever detrimental effect such adherence might have upon his service career.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice that I expect to move the consideration of Calendar No. 1680, House Joint Resolution 427, to permit use of certain real property in Kerr County, Tex., for recreational purposes without causing such property to revert to the United States. It is my information the joint resolution has been unanimously reported by the Committee on Government Operations. It is a House joint resolution. The minority leader has cleared it. I expect to move the consideration of the resolution at the earliest possible date, perhaps some time during today or tomorrow.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. BYRD, from the Committee on Finance:

Maynard C. Hutchinson, of Massachusetts, to be collector of customs for customs collection district numbered 4, with headquarters at Boston, Mass.;

Bernhard Gettelman, of Wisconsin, to be collector of customs for customs collection

district numbered 37, with headquarters at Milwaukee, Wis.; and

William A. Dickinson, of Virginia, to be collector of customs for customs collection district numbered 14, with headquarters at Norfolk, Va.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). If there be no further reports of committees, the nominations on the calendar will be stated.

THE UNITED STATES COAST GUARD

The Chief Clerk read the nomination of Rear Adm. Edward H. Thiele to be Engineer in Chief of the United States Coast Guard, with the rank of rear admiral, for a term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Albert L. Wilding to be a commissioned instructor with the grade of lieutenant (junior grade), United States Coast Guard.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

CONSIDERATION OF TAX EXTENSION BILL

Mr. JOHNSON of Texas. Mr. President, the distinguished chairman of the Finance Committee has informed me that his committee has ordered reported the bill received from the House for the extension of certain taxes. We have an expiration date on that legislation. I understand the date is June 30. Is that correct?

Mr. BYRD. Yes.

Mr. JOHNSON of Texas. I should like all Members of the Senate to be on notice that the Finance Committee has acted, that the bill has been ordered reported, and that the reports will be shortly available. As soon as we can clear it with the minority leader and members of the Finance Committee, we hope to take up the proposed legislation. It may even be we will follow the pending bill with the tax bill, but I want to give Senators as much advance notice as I can. I do not, however, believe that we can be sure to have the hearings and reports on Senators' desks for a week before we take up the bill. It is very important legislation. We cannot afford to have all the taxes covered by the bill expire. I want all Senators to be on notice, so that if they desire to secure copies of the hearings and copies of the report, they may do so.

CONSTRUCTION OF SUPERLINER PASSENGER VESSELS

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 11451) to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer appointed Mr. MAGNUSON, Mr. PASTORE, Mr. LAUSCHE, Mr. BUTLER, and Mr. COTTON conferees on the part of the Senate.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

THE PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. KENNEDY. Mr. President, I ask unanimous consent that any and all staff members of the Committee on Labor and Public Welfare be admitted to the floor of the Senate during the consideration of Senate bill 3974; and I ask further unanimous consent that Prof. Archibald Cox, of the Harvard Law School, who has been rendering valuable assistance to both the Subcommittee on Labor and the Committee on Labor and Public Welfare during the markup of the bill, on a volunteer basis, be permitted to assist me during the course of debate in the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. KENNEDY. Mr. President, today we begin debate on S. 3974, a bill to provide disclosure of full financial and other information governing the administrative practices of trade unions and antiunion activity of employers. I should like to discuss briefly the background of this proposed legislation.

As the Members of the Senate know, in response to increasing public and Congressional concern over abuses in the labor and management field, Congress established the select committee to investigate improper activities in this area. Under the chairmanship of the distinguished Senator from Arkansas [Mr. MCCLELLAN], such committee tirelessly worked to uncover unsavory activities on the part of persons in both labor and management. Unfortunately, the pattern revealed by the investigations has indicated the necessity for legislative action.

The select committee at the end of its first year of activity submitted an interim report only 2 months ago. In the report the select committee made 5 legislative recommendations, including, first, regulation of pension and welfare funds; second, regulation and control of union funds; third, legislation to insure union democracy; fourth, legislation to curb the activities of middlemen in labor-management disputes; and, fifth, action to clarify the no-man's land between Federal and State authority.

The Senate has already unanimously passed S. 2888, which meets the first recommendation of the select committee. The bill which is before us today, S. 3974, effectively and comprehensively attacks the remaining four legislative recommendations of the select committee.

I should like to remind the Senate that, even before the select committee issued its interim report, the Subcommittee on Labor of the Committee on Labor and Public Welfare had begun hearings in the general area covered by the select committee's legislative recommendations. Those hearings began on March 26, 1958, and every effort was exerted to meet the deadlines for reporting legislation imposed by the Senate during debate on S. 2888, the pension- and welfare-fund-disclosure bill.

The majority leader, the Senator from Texas [Mr. JOHNSON], the Senator from Alabama [Mr. HILL], the Senator from New York [Mr. IVES], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mr. MORSE], and I assured the Senate that we would report a bill for the consideration of this body not later than June 10. I am very pleased to say that we have been able to report a bill which, while it may not meet the requirements of every Senator, does enjoy strong bipartisan support.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. JOHNSON of Texas. I commend the Senator for the diligence with which he has proceeded to consider this matter, and with which he has kept faith with the Senate. The Senator has taken a very difficult subject, has worked on it morning, afternoon, and night, and has brought forth a bill which makes many corrections that should be made. The Senator is entitled to the thanks and respect of the entire membership of this body.

Mr. KENNEDY. I thank the majority leader for his statement, and also for the support he has given to the committee in this effort.

It should also be noted that the majority leadership has fulfilled its pledge to schedule the bill promptly. In meeting the deadline we have not sacrificed quality, nor has the consideration of the

bill been hasty. I am sure that Senators who have had an opportunity to consider the record of testimony—I have it here; it is extremely lengthy, running to 1,514 pages—will agree with me that the witnesses who appeared before the subcommittee gave unusually clear and competent testimony. The subcommittee met morning and afternoon in order to hear all the principal witnesses, and was able to complete its work and report the bill to the Senate in time to permit action on the proposed legislation by both Houses before adjournment of Congress.

S. 3974 covers the recommendations of the select committee having to do with union finances, internal union democracy, the no man's land problem, and trusteeships. It meets each of these abuses in a direct and effective manner. Enactment of this thoroughly considered legislation will cover the major abuses disclosed in the first year of the McClellan committee's hearings. The bill is not a punitive bill. It is designed to prevent and discourage conduct on the part of union officials, employers and labor relations consultants which are of a questionable nature, and it provides machinery to remedy improperly held elections or excesses in the use of trusteeships. The bill is carefully drawn to promote a healthy labor movement, and at the same time provide effective measures to correct the abuses which are condemned by all persons of goodwill, either within or outside the labor movement.

It is apparent that the bill embodies a philosophy that a free and independent trade union movement is a vital part of the American economic and social fabric. The philosophy of the bill also demands that trade union members be permitted effective participation in the determination of their own affairs. It respects the sincere and effective efforts which have been made by men of good will within the trade union movement to correct the abuses which have come to light. However, the bill is also based on the principle that even though commendable efforts to strengthen internal controls have been made by trade unionists, many situations cannot be reached by the machinery which has been established by the trade union movement. The bill recognizes, therefore, the necessity of applying the coercive power of Government to the correction of some of the most serious abuses which have come to the attention of the Congress.

The bill before the Senate, S. 3974, is not significantly different in the matter which it covers than the many other bills which have been introduced to deal with the problems with which we are concerned. It embodies many of the better provisions of those bills and directly attacks the abuses themselves, without at the same time destroying institutions which are highly valued and of great importance in American society. It would be tragic indeed if, in attempting to insure freedom and democracy within trade unions, we imposed straitjackets and procedures more characteristic of totalitarian than free societies.

The problem which faces the Senate is the same that faced the committee which reported the bill—that is, how to insure effective and workable legislation without doing violence to the freedoms which we all consider important.

At the outset, may I offer the benefit of my experience to the Members of the Senate. The area in which we are legislating today is extremely complex. There is a temptation to substitute slogans for sound reasoning. There is a serious tendency to apply oversimplified remedies to situations and organizations which vary widely in their characteristics, and to which a uniform rule cannot easily be applied.

I have said earlier that the bill before the Senate, S. 3974, implements each of the four recommendations of the select committee, the McClellan committee, upon which action has yet to be taken. I would like to enumerate briefly the 30 items which the bill covers—many of which go beyond the select committee's recommendations.

These major provisions would require:

First. Full reporting and public disclosure of union internal processes;

Second. Full reporting and public disclosure of union financial operations;

Third. Criminal penalties for failure to make such reports and for false reports;

Fourth. Criminal penalties for false entries in and destruction of union records;

Fifth. Full reporting and public disclosure of financial transactions and holdings, if any, by union officials which might give rise to "conflicts of interest," including payments by labor relations consultants;

Sixth. Full reporting and public disclosure by employers of expenditures of $5,000 or more to influence or affect employees in the exercise of rights guaranteed by the National Labor Relations Act;

Seventh. Full reporting and public disclosure of any arrangement by an employer under which another person undertakes to influence or affect or to provide services which interfere with, restrain, or coerce employees in the exercise of rights guaranteed by the National Labor Relations Act;

Eighth. Full reporting and public disclosure by labor-relations consultants of their arrangements to influence or affect employees or to provide services to interfere with, restrain, or coerce employees in the rights guaranteed by the National Labor Relations Act;

Ninth. Criminal penalties for the failing to file or falsification of reports required by employers and labor relations consultants;

Tenth. Criminal penalties for payments by "middlemen" to union officials;

Eleventh. Full reporting and public disclosure of trusteeships over subordinate unions;

Twelfth. Criminal penalties for failure to file or falsification of required reports relating to trusteeships over subordinate unions;

Thirteenth. Limitations upon procedure for establishment, purpose, and length of trusteeships over subordinate unions;

Fourteenth. Federal court proceedings to dissolve trusteeships, over subordinate unions when not in accordance with limitations of the bill;

Sixteenth. Election of constitutional officers of international unions at least every 5 years by secret ballot or by delegates elected by secret ballot;

Sixteenth. Election of constitutional officers of local unions at least every 4 years by secret ballot;

Seventeenth. Protection of union members' right to nominate and vote for union officers without restraint or coercion;

Eighteenth. Prohibition of use of union funds to promote individual candidacy in union elections;

Nineteenth. Federal court proceedings, with safeguards for internal union procedures, to set aside elections in violation of the bill's standards;

Twentieth. A Congressional declaration of policy favoring codes of ethical practices for labor organizations and employers;

Twenty-first. Establishment of an Advisory Committee on Ethical Practices, composed of representatives of the public, labor organizations, and employers;

Twenty-second. Directing the National Labor Relations Board not to permit continuation of the "no man's land" in which employees, unions, and employers, covered by Federal law, are left without remedies;

Twenty-third. A start on speeding up NLRB procedures by clarifying the definition of supervisors and permitting prehearing representative elections;

Twenty-fourth. Banning shakedown picketing and making it subject to mandatory injunction procedures;

Twenty-fifth. Banning demand and acceptance by unions or union representatives of payments from interstate truckers of improper unloading fees;

Twenty-sixth. Permitting, with appropriate safeguards, prehire and 7-day union-shop agreements in the building and construction industry;

Twenty-seventh. Clarification of the propriety of employer contributions to joint union-management apprenticeship funds;

Twenty-eighth. Restoration of voting rights to economic strikers engaged in lawful strikes;

Twenty-ninth. Criminal penalties for embezzlement, conversion, and so forth, of the funds of nonprofit organizations which are tax exempt under section 501 (a) of the Internal Revenue Code; and

Thirtieth. Prohibitions upon holding union office by individuals convicted of crimes involving the taking of money or violations of the reporting provisions of the bill.

Unfortunately, since the bill was reported a number of ill-informed and inaccurate comments have been made concerning its effects. I say that these comments have been unfortunate because they have sought to confuse rather than clarify; introduced partisanship where it had been minimized; and jeopardized rather than enhanced possibilities for favorable Congressional action on legislation this year.

In order that the record may be clear as we begin this debate, I should like to reply to the criticisms which have been made of the bill. Frankly, Mr. President,

I fear that some who have criticized it have never taken the trouble to read it in full—either that or modern trans-Atlantic communications are not up to par.

First. It has been contended that the committee bill "would exempt from coverage more than 60 percent of union locals." Justification for this contention is apparently based upon the claim that the cutoff of 200 members and $25,000 gross annual receipts contained in section 101 (c) of S. 3974 constitutes "an across-the-board exemption which applies to both the reporting requirements and the regulatory provisions with respect to trusteeships and elections." This claim is completely fallacious. Section 101 (c) provides an exemption only for small unions and applies only to the reporting provisions of the bill. This morning I noticed newspaper reports to the effect that the Labor Department had corrected the record by stating that they now understand that the exemption provision for the small unions would not apply to the trusteeship and election sections of the bill. Even this limited exemption with regard to reporting may be easily lifted by the Secretary if he has reason to believe that the standards prescribed by the bill are being violated. He has full investigatory authority to support his efforts, and it is expected that he will revoke any exemption when it is necessary to protect the interests of the union members.

I may say at this point that there are many small unions—and for our information we have been dependent largely on a survey of the California unions—which have only 2 or 3 or 4 or 5 or 6 members. Because the provisions of the bill with relation to reporting are so extreme and provide such detailed penalties, the union officers of such small unions might experience extreme difficulty with respect to reporting under such stringent provisions. It must be remembered that in such unions there would be very little opportunity for abuse because of their very smallness and because of the limited amount of funds involved. Consequently, the union officials of such small unions would be unable, rather than unwilling, to comply fully with the provisions of the bill.

Therefore, it was decided to exempt the small unions from the reporting provisions, but the Secretary of Labor, as I have said, can revoke the exemption whenever he considers it to be in the public interest to do so. The Department of Labor had furnished information to the effect that the bill would exempt 60 percent of the unions, when, as a matter of fact, 90 percent of all union members belong to unions which have more than 200 members and have more than $25,000 in gross annual receipts, and therefore would be covered, so far as the election and trusteeship provisions are concerned. Therefore, the bill exempts about 7 percent of the union members of the country from the reporting and financial sections, but even that exemption is subject to withdrawal whenever the Secretary of Labor considers such withdrawal to be in the public interest.

Misleading information has been issued on this point, and I think it is rather unfortunate, because I believe these sections have been carefully drawn. However, I would have no objection if a Member of the Senate desired to remove any doubt in this field by offering an appropriate amendment. It seems to me to be very unfair to use this section as a club with which to beat the whole bill.

Mr. WILEY. Mr. President, if the Senator from Massachusetts will yield to questioning at this point, as he knows, I am not a member of his committee, and I am not very well acquainted with the provisions of the proposed legislation. My time is taken up almost wholly in the Committee on Foreign Relations, in the Committee on the Judiciary, and in the work of the subcommittees of which I am a member.

I have before me a news release issued by the Department of Labor, dated June 10, 1958, the first item of criticism of the bill—and I am reading from page 1 of the release—states:

> Repeal of 9 (F) and (G) would also eliminate the requirement that unions furnish copies of their reports to the union members.

What does the Senator have to say in that regard?

Mr. KENNEDY. As the Secretary, or whoever wrote the release to which the Senator has reference points out, one of the problems has been in connection with that provision in the present law, the Taft-Hartley law, in that it has not been very satisfactory. I refer to the National Labor Relations Act of 1947. In order that a union member may be fully protected, we felt that the required information should be made available to the Secretary of Labor in Washington, subject to all the powers the Secretary has under the bill. We felt that such a provision would give better protection than would anything else from the abuses which have been exposed by the McClellan committee hearings. We felt, certainly, it would give better protection than the provisions in the present Taft-Hartley law. Incidentally, if the provision in the Taft-Hartley law read by the Senator had been satisfactory, there would be no need for making any changes.

We provide that reports shall be furnished to the Secretary in Washington, and the Secretary may make them public.

If the Secretary of Labor finds an abuse within a labor union, and finds that an improper practice exists, he is permitted not only to make an investigation, but after he has made the investigation he is permitted to make the report public. In that way it would be available to the press. He could also send copies of the report to every member of the union.

Therefore the criticism to which the Senator has referred is misleading. If anyone is concerned about that point, I should be delighted to have it clarified. I believe the Senator from Kentucky [Mr. COOPER] has been particularly concerned about it, judging from conversations I have had with him; and that point could be clarified, to make sure that the Secretary would have that authority.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. COOPER. I wish to address myself to the issue the Senator from Wisconsin has raised. I should like to say that at some point, either during the Senator's presentation or immediately following it, I intend to make some comments on title 1 of the bill, dealing with the requirement for disclosure of the management of union funds. I have already submitted an amendment, which is on the desks of all Senators, regarding the right of subpena.

Mr. WILEY. That is not in the bill, as I understand.

Mr. COOPER. No. I intend to offer at least two other amendments. One of them will deal with the question the Senator from Wisconsin has raised. Another one will deal with the question of the coverage of the unions.

Mr. KENNEDY. Yes. I will say to the Senator from Kentucky that it was felt the language in the bill would give the greatest protection to union members. The language in the present Taft-Hartley law provides that the information shall be made available to the union members. However, I do not believe that provision has worked out satisfactorily, because union members, certainly, do not have the powers possessed by the Secretary of Labor; consequently, in many cases the union members are not able to make the careful study the Secretary of Labor would be able to make.

The bill provides that the information shall be made public by the Secretary. We felt that that would give sufficient protection. However, as I have said, I shall be glad to accept language which would make certain that the reports would be made available to the members in such form as the Secretary of Labor should consider useful.

Mr. WILEY. Including the subpena issue?

Mr. KENNEDY. I would accept that.

Mr. WILEY. The Senator would accept such an amendment?

Mr. KENNEDY. Yes.

Mr. WILEY. We can probably clarify these points as we go along.

Mr. KENNEDY. I would personally accept such an amendment. Under the bill the Secretary has the same powers he has under the Fair Labor Standards Act. I understand that the Senator from Kentucky will offer an amendment with respect to the subpena feature. So far as I am concerned—and I believe the Senator from New York joins me—I would accept such an amendment.

Mr. COOPER. I have already submitted an amendment to that effect. As I said, at a point later in the discussion I shall discuss the various amendments I will offer.

Mr. KENNEDY. I thank the Senator from Kentucky and the Senator from Wisconsin. We have talked about two amendments. One relates to the power of subpena. The other relates to the question of reports to be made to union members. I am sure other amendments will be proposed. Perhaps the Senator from Kentucky may propose another amendment which will provide for the

repeal of the exemption. I should be glad to accept such an amendment also.

Mr. COOPER. Mr. President, I will offer an amendment which would confer on the Secretary of Labor all the powers which are now given to the Federal Trade Commission. I would give him the power to compel the attendance of witnesses, and the power to compel the production of books and papers and documents. That amendment is already lying on the desks of Senators.

Mr. KENNEDY. I will accept an amendment dealing with the question which has been raised about the exemption of unions. Another amendment would require the Secretary of Labor to furnish to union members reports on matters which are detailed in title I.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. McCLELLAN. With respect to the reports being made available to union members, in a further study of the bill I notice that there is no provision requiring the local itself, which makes the reports—or the local's officers—to give this information to the union members. Is that the point which the Senator is discussing at this moment?

Mr. KENNEDY. Yes. By that method, which would be a supplementary step, the local officers must provide information to the Secretary of Labor. I think there ought to be some uniformity on that point. Perhaps the Senator from Arkansas can make a suggestion.

Mr. McCLELLAN. It is my thought that we should not require union members to come to the Secretary of Labor to get copies of financial reports which are required by law to be filed by their unions. I think such reports ought to be available from the standpoint of the public interest. The public ought to have the right to obtain copies of the reports. I think the bill should be amended so as to require the making available to members of unions copies of the reports which their unions are compelled to file. The reports should be made available to the members at the local union level. I think that should be done. In the drafting of a bill such as this, I understand that it is not possible to keep everything like that in mind. Some small things may be overlooked. But this is not a small matter, because a person who pays his dues as a member of a local union should be able to get information about his union at the local level.

Mr. KENNEDY. I thank the Senator from Arkansas, who offered amendments, during the 3 or 4 days of the consideration of the bill last week, which I think have strengthened the bill considerably.

I know that I speak for other members of the committee—and I think I speak for both sides of the aisle—when I state that if any of these proposals had been made the committee would have considered them at that time. We are glad to have them brought forward now. But there was no intention ever to write into the bill anything which would at all lessen the effect of these particular provisions. If language such as the Senator from Arkansas has proposed is suggested—and I think the suggestion is a good one—we will be glad to accept it.

Mr. McCLELLAN. I was not being critical of the committee. I know the committee had a difficult task. The committee had very limited time for deliberation. There may be many things I have overlooked in my reading of the bill. I made some suggestions which the committee accepted, and which I think have strengthened the bill.

Mr. KENNEDY. There is no doubt about that.

Mr. McCLELLAN. With the adoption of those suggestions, I can now support the bill. I may see other things of this nature which I think should be included. But what appeals to me about the bill is that by its provisions we are, I know, dealing rather effectively with the crooks, hoodlums, and dishonest persons who have infiltrated the labor movement in some areas of the country. There is no doubt that is the first step which needs to be taken in reform legislation. On the basis of that approach, and for that purpose, I do not see how honest men can disagree. We may disagree as to the method; but as to the objective of driving crooks, ex-convicts, and thieves out of positions of authority in the labor unions I do not see how there can be any disagreement.

Mr. KENNEDY. I thank the Senator from Arkansas.

Mr. WILEY and Mr. COOPER addressed the Chair.

Mr. KENNEDY. I yield first to the Senator from Wisconsin, and then to the Senator from Kentucky.

Mr. WILEY. I agree with all the generalities which have been stated. I heard the Senator's statement in which he answered the criticism which was made, apparently, by the Secretary of Labor and others. I want to get at the meat of that particular question. Certainly we have known one another long enough to know that we are all interested in the public welfare.

Mr. KENNEDY. I want the Senator from Wisconsin to continue asking his questions.

Mr. WILEY. We have agreed so far that a part of the report was correct. Let us not call the comments criticism. The Senator from Kentucky [Mr. COOPER] has said he intends to propose an amendment which the Senator from Massachusetts will accept.

Here is something else which the Secretary of Labor said:

> Under section 101 (c) of the bill, labor organizations having less than $25,000 gross annual income and fewer than 200 members are exempt from the bill's requirements.
>
> This is an across-the-board exemption which applies to both reporting requirements and the regulatory provisions with respect to trusteeships and elections.

A little further on the Secretary says:

> In addition, there is nothing to prevent a local which fails to meet the exemption requirements from being subdivided into as many locals as necessary to make them all exempt. The bill's requirements are thus, in effect, limited to national and international unions and those local unions where subdivision may be impractical.

I am sure the distinguished Senator from Massachusetts wants the legislation which will be evolved to be satisfactory. As the Senator from Arkansas has said, we want to rid the unions of crooks, racketeers, and the other fellows who are injuring unionism. We want to protect honest labor.

Mr. KENNEDY. I understand the Department of Labor has issued a clarifying, correcting statement, to the effect that, after studying the bill further, they believe the exemption provision does not pertain to the trusteeship and election provisions. In that respect, they have already corrected their previous statement.

It is a fact, however, that the exemption provision does pertain to locals having fewer than 200 members and less than $25,000 in receipts. That represents about 7 percent of the union members in the Nation. We provide, on page 7, line 1, of the bill, that because of the smallness of size and the detailed reporting—

> Labor organizations having fewer than 200 members and gross annual receipts of less than $25,000 * * * shall be exempt from the provisions of this section: *Provided*, That the Secretary may revoke the exemption of any labor organization with respect to which he determines, after such investigation as he deems proper, that the purposes of this section would be served thereby.

So I make three brief answers: First, the Secretary of Labor has retracted a part of his stricture already. Second, exemption can be revoked at any time by the Secretary. Third, the Senator from Kentucky has discussed this matter, also, and I shall be glad to accept an amendment which will remove this exemption.

I know it will come as a shock to the Senator from Wisconsin for me to be so agreeable, but I am saying that I will accept such an amendment.

Mr. WILEY. No; it does not shock me. I have found the Senator from Massachusetts to be agreeable on all occasions, both on and off the Senate floor. I am sure that is one of the reasons for his popularity.

Mr. KENNEDY. The attacks on the bill by the Secretary of Labor are on matters which, as I think the Senator from Arkansas has indicated, are either legislative oversights or are due to differences of opinion, but are not substantive differences. Therefore, at any time during the consideration of the bill by the committee, speaking for myself, I would have been delighted to have accepted the amendments in the committee. The committee has accepted more than 50 amendments already, many of them quite substantial, many suggested by the Senator from Arkansas. I would have supported other amendments if any member of the committee at that time had been aware of our legislative omissions or had felt strongly that a different approach should have been used.

It was for that reason that when the Senator from Kentucky suggested his amendment I indicated on the floor, as I did in the committee, that I would be glad to accept it.

Mr. WILEY. I should like to pursue my course for a few minutes. I must

apologize because, not being a member of the Senator's committee, ordinarily I do not follow these matters in detail. I do so now with but one objective. I am doing it to clarify the generalities which have been interjected on both sides in the debate. Having practiced law for 30 years, I want the facts. The Secretary of Labor, in his statement, said:

The committee bill would relieve unions seeking NLRB recognition of the obligation to file financial reports with the Secretary of Labor, and to make these reports available to their membership.

Mr. KENNEDY. We have already discussed this point. It is the point the Senator from Arkansas made about making such reports available to the members.

The Senator from Kentucky [Mr. COOPER] also has been concerned about it; and I have stated that we would be delighted to include language which would provide that the reports in some reasonable form would be submitted to the membership.

Mr. WILEY. Very well.

Mr. KENNEDY. I hope that clarifies the matter.

Mr. WILEY. The Senator from Kentucky will cover that point, too.

Mr. KENNEDY. Yes; and I agree. So all of us are in agreement.

Mr. WILEY. Yes.

Then we have the following:

The Secretary of Labor, while given certain duties and enforcement obligations by the committee bill, would be provided with inadequate powers to properly discharge his responsibilities.

Mr. KENNEDY. The Secretary of Labor feels that the powers the bill will give him, which are the same as those he has under the Fair Labor Standards Act—to investigate, enter, inspect, and so forth—are insufficient. Therefore, the Senator from Kentucky [Mr. COOPER] proposes to submit an amendment which will provide that the Secretary of Labor shall be given the same powers—relating to the attendance of witnesses and the production of books, papers, and documents—that are provided by the Federal Trade Commission Act of 1914, as amended. We shall accept that amendment.

Mr. WILEY. That is fine. I heard the Senator from Kentucky refer to that amendment a moment ago.

Here is another comment:

Other serious deficiencies in the committee's proposals include the destruction of the present rights of union members to seek State and Federal court relief to enforce their democratic rights; the continuation of a no man's land between State and Federal labor law which denies legal protection to thousands of workers; and the relaxation and in some cases total destruction of the present legal protections provided union members.

Let me make this comment: If this is true, it would obviate, or would attempt to obviate, the recent decisions of the Court regarding the rights of a worker to his wages, and so forth. What does the Senator from Massachusetts have to say about that criticism?

Mr. KENNEDY. This is a more substantive question. At the present time, if a union member feels that his rights have been jeopardized in an election, he is able to appeal to a State court. I have done some research into that matter, and I believe we have found that only one local union election in recent years has been set aside as a result of an attempt by a member to obtain his rights by appealing to a State court. The classic example of the difficulties involved is that of the 13 members of the Teamsters Union, who, after weeks and months of litigation, have had to accept a settlement which is highly unsatisfactory in regard to the holding of an election; but the lawyer for the rank-and-file members has submitted a bill for $300,000. So that is, I believe, the classic example of the fact that the right of the members to appeal to a State court is useless.

In the bill we provide the right to appeal to the Secretary of Labor, whenever a member believes that his rights, as provided in the bill in the case of an election, have been denied to him. Then the Secretary of Labor in effect becomes the union member's lawyer. Such a provision is infinitely stronger than any provision now in effect.

So I believe that anyone who examines the bill and compares it to the situation prevailing under present law will conclude that this bill is better than the provisions of present law in the ratio that 1,000 is greater than 1; and I shall ask the Senator from Kentucky whether he agrees that the bill will give relief and will provide for it by means of the provision giving the right of appeal to the Secretary of Labor, rather than to the State courts.

Furthermore, the bill includes provisions in regard to elections, as proposed by the Senator from Arkansas [Mr. MCCLELLAN]; and they will provide equity, as compared to the existing situation.

Mr. WILEY. Does the bill attempt to reverse the recent decisions of the Court?

Mr. KENNEDY. No; it has no effect on that point. The recent decisions of the Court were in regard to certain picketing.

Mr. WILEY. And also in regard to the recovery of salaries.

Mr. KENNEDY. I understand that. But this measure has nothing to do with that matter, because this bill deals with elections and membership.

Under the trusteeship provisions of the bill, a union member still has the power to go into a State court. But, in addition, the bill gives to the Secretary of Labor the power to revoke a trusteeship after it has been in existence for 8 months.

In the case of elections, the bill gives the Secretary of Labor authority—and we expect him to enforce this section—to set aside any election in which a member is denied his rights, whereas at the present time a member is not given that right, and cannot obtain it, and cannot afford to carry a case into a State court.

As I have said, I have been able to find only one case in which a member was able to carry his case into court, in recent years; that was in the case of the Teamsters Union election.

Mr. WILEY. So I understand that the bill does not attempt to interfere with a member's present rights in relation to a union or union members who may invade his rights, along the lines suggested in the two recent decisions.

Mr. KENNEDY. The Senator from Wisconsin is entirely correct.

Mr. WILEY. The bill simply gives additional rights, as I understand——

Mr. KENNEDY. Yes; that is correct.

Mr. WILEY. In order that the Secretary of Labor can look after the member's interests in the case of such elections in the unions and in cases of trusteeship, and so forth. Is that correct?

Mr. KENNEDY. Yes, I would suggest that the Senator from Wisconsin read the bill at the bottom of page 22 and on page 23—where there is a short section—and on pages 24 and 25, which very clearly spell out the rights a union member has under the bill. I believe this is one of the best sections of the bill.

Mr. WILEY. Then the answer to my question is "Yes," is it?

Mr. KENNEDY. That is correct; the answer is "Yes."

Mr. PASTORE. Mr. President——

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Massachusetts yield to the Senator from Rhode Island?

Mr. KENNEDY. I yield.

Mr. PASTORE. The distinguished Senator from Massachusetts has covered the point I have in mind very competently. Thank you.

Mr. WILEY. Mr. President, I should like to say a further word: So far as I personally am concerned, despite my inability heretofore to find time to study the bill—although I shall study it—let me say I believe the Senator from Massachusetts has done a good job for me, and I thank him.

Mr. KENNEDY. I thank the Senator from Wisconsin. I am glad he has brought out these points.

Mr. COOPER. Mr. President——

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Massachusetts yield to the Senator from Kentucky?

Mr. KENNEDY. I yield.

Mr. COOPER. Mr. President, because of the questions which have been asked, by the Senator from Wisconsin [Mr. WILEY], at this time I should like to submit the amendments we have been discussing, and thus eliminate some of the questions which have been raised.

So if the Senator from Massachusetts will permit me to do so, I should like to speak for several minutes on the development of the bill, as I saw it as a member of the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senator from Kentucky may speak for 5 minutes, and that thereafter I may obtain the floor again, in order to conclude my remarks.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from Kentucky may proceed.

Mr. COOPER. Mr. President, first, I should like to call to the attention of the Senate the subjects with which the

bill deals. One deals with the question of union democracy. The other deals with revisions of the Taft-Hartley Act.

On the subject of union democracy, there are two titles. Title I concerns itself with the management of union funds and the punishment of officials who mismanage such funds. It is designed to protect the individual members of unions.

Title II deals with trusteeships, which I am sure will be discussed by the Senator from Massachusetts.

A third subject, and the one about which I am sure the greatest issue will be made during the debate, deals with revisions of the Taft-Hartley Act.

For the moment, I address myself and invite the attention of the Senate—as the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Arkansas [Mr. MCCLELLAN] have done—to the first title, which concerns itself with the protection of union members.

Although I am not a member of the subcommittee, after the debate at the time when the Senate considered the Welfare and Pension Fund Act, and after the Senator from Massachusetts stated that there would be hearings on this bill, and that a bill would be reported, I attended the hearings, and I also attended the meetings at which the committee considered the bill in executive session.

I wish to say—because I believe it should be said in all fairness—that the Senator from Massachusetts presided over the hearings with great diligence, and I may say with absolute fairness. He gave full opportunity to consider, in the limited time we had, all proposals that were made. He deserves full commendation for his work and fairness.

The bill was considered by the full committee, as the Senator from Massachusetts has said, word by word and line by line.

Although some amendments were offered and were defeated—yet I must say that the questions which have been raised this morning by the distinguished Senator from Wisconsin [Mr. WILEY] are additional ones; and if corrections are to be made on the basis of those questions, I do not have any recollection that they were considered by the full committee. If I am wrong about that, I ask the Senator from Massachusetts to advise me.

Mr. KENNEDY. No, I cannot.

Mr. COOPER. The point is that there was a full and honest discussion of title 1, and every consideration was given by the Senator from Massachusetts to amendments which were proposed. If the proposals which I am about to offer amendments to cover, were not covered in the committee hearings, it was not by design or purpose; it was an oversight.

The first amendment I call up lies upon the desks of Members. It would give the Secretary of Labor the full subpena powers that are granted the Federal Trade Commission, and which is also granted to the Administrator of the Wage and Hour Division, under the Fair Labor Standards Act.

My amendment would insert in the bill the following new section:

SEC. 503. For the purposes of any investigation provided for in this act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U. S. C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

So that there may be no doubt as to what the full powers of the Secretary would be under the amendment, I ask unanimous consent to have printed in the RECORD at this point section 49, title 15, United States Code Annotated.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SECTION 49. DOCUMENTARY EVIDENCE—DEPOSITIONS—WITNESSES

For the purposes of sections 41–46 and 47–58 of this title the Commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and the Commission shall have power to require by subpena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the Commission may sign subpenas, and members and examiners of the Commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpena the Commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the Commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

Upon the application of the Attorney General of the United States, at the request of the Commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of sections 41–46 and 47–58 of this title or any order of the Commission made in pursuance thereof.

The Commission may order testimony to be taken by deposition in any proceeding or investigation pending under sections 41–46 and 47–58 of this title at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission as hereinbefore provided.

Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the Commission or in obedience to the subpena of the Commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the Commission in obedience to a subpena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying. (Sept. 26, 1914, ch. 311, sec. 9, 38 Stat. 722.)

HISTORICAL NOTE

Transfer of functions: All executive and administrative functions of the Federal Trade Commission were, with certain reservations, transferred to the Chairman of such Commission by 1950 Reorganization Plan No. 8, section 1, effective May 24, 1950 (15 F. R. 3175, 64 Stat. —), set out in note under section 41 of this title.

CROSS REFERENCES

Administrator of Wages and Hour Division, Secretary of Labor, and the industry committees under Fair Labor Standards Act, application of this section to, see section 209 of title 29, Labor.

Contempts:

Contempts constituting crimes, see section 402 of title 18, Crimes and Criminal Procedure.

Jury trial for contempt in labor disputes cases, see section 3692 of title 18, Crimes and Criminal Procedure.

Jury trial of criminal contempts, see section 3691 of title 18, Crimes and Criminal Procedure.

Limitation of prosecution, see section 3285 of title 18, Crimes and Criminal Procedure.

Power of court, see section 401 of title 18, Crimes and Criminal Procedure.

Power of Supreme Court to prescribe procedure to and including and after verdict, see sections 3771 and 3772 of title 18, Crimes and Criminal Procedure.

Witness in foreign country failing to appear pursuant to subpena, see section 1784 of title 28, Judiciary and Judicial Procedure.

Fees of United States commissioners for taking and certifying depositions, see section 633 of title 28, Judiciary and Judicial Procedure.

Hearings and investigations under Fair Labor Standards Act, application to, see section 209 of title 29, Labor.

Per diem and mileage of witnesses, see section 1821 of title 28, Judiciary and Judicial Procedure.

Writs, issuance of, see section 1651 of title 28, Judiciary and Judicial Procedure.

Mr. COOPER. I think the amendment will, without any question, insure the authority of the Secretary to make investigations.

Mr. KENNEDY. Mr. President, I would accept the amendment very happily. I think it would be well that any Senator who might be interested in this matter be informed that we are about to accept the amendment. I would suggest the absence of a quorum, if that were agreeable. Then the suggestion could be withdrawn.

Mr. JOHNSON of Texas. Mr. President, I do want the Senate to be informed, before any amendment is accepted, by having a quorum call. I should like the attachés of the Senate to notify any member of the committee or any other Senator who is interested that the purpose of the quorum call is to notify them preceding the vote on this amendment or, if there is to be any discussion, so Senators may be present and discuss it.

The PRESIDING OFFICER. Does the Senator from Kentucky desire to formally call up any amendment before the quorum call?

Mr. COOPER. Yes; I call up my amendment, which I have just stated. The amendment is laying on the desk.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 36, between lines 6 and 7, to insert the following new section:

SEC. 503. For the purposes of any investigation provided for in this act, the provisions of section 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U. S. C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barrett	Green	Morton
Beall	Hayden	Mundt
Bible	Hickenlooper	Murray
Bricker	Hoblitzell	Neuberger
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Ives	Potter
Byrd	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Yarborough
Flanders	Martin, Pa.	Young
Frear	McClellan	

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

Mr. KNOWLAND. Mr. President, I wonder if the distinguished Senator from Kentucky would give a brief explanation of what his amendment purports to do.

Mr. COOPER. Mr. President, a short time before the quorum call I offered my amendment "F," which lies on the desks of Senators. It would insert on page 36 of the bill a new section, section 503.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. ALLOTT. Are copies of the amendment available?

Mr. COOPER. I submitted the amendment yesterday. It is on the desks of Senators.

The purpose of the amendment is simple. It is to give the Secretary of Labor all the power he needs to make an adequate investigation in the several instances in which he is required by the pending bill to make investigations. It would do that by giving him the same subpena powers that are given to the Federal Trade Commission.

I incorporate in the amendment the powers which are now given to the Federal Trade Commission. This same procedure of granting subpena powers has been followed with respect to other legislation. The same powers have been given to the Secretary in connection with the administration of the Wage and Hour Act. It has been done in other cases.

I have placed in the RECORD section 49, title XV, of the United States Code Annotated. This section would give the Secretary of Labor full power of access and to copy any documentary evidence of a labor organization. It would give him the power of subpena, to compel the production of witnesses and of documents.

Finally, of course, it would give to the district courts of the United States jurisdiction to enforce the right of the Secretary.

This is one of the issue questions that have been raised. It has been stated that one of the defects of the bill is that it contains no such provision. As a member of the committee I have offered the amendment to correct the situation.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KENNEDY. The present language of the bill would give the Secretary the same power as he has under the Fair Labor Standards Act. However, I think the Senator's amendment is a good one. If it had been suggested in the committee, we would have accepted it. I am glad that he has proposed it. I accept it, and I hope the Senate will also accept it.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KNOWLAND. I think the amendment is a good amendment and a constructive amendment. For whatever the reason may be, the amendment was not in the bill as reported to the Senate.

Because of the situation in which we may find ourselves with relation to the other body, I ask that the yeas and nays be ordered on this amendment, so that it will be clear that it speaks with what I hope will be the overwhelming voice of the Senate.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I should like to join the minority leader. If we start by being unanimous, we may well dispose of the bill within a reasonable time.

Mr. CASE of New Jersey. Mr. President, I should like to associate myself with the Senator from Kentucky in support of the amendment. As the minority leader has stated, it is a constructive amendment. I welcome the acceptance of it by the chairman of the subcommittee.

I should like to make this observation: I believe that we shall produce a bill covering the subjects which the McClellan committee has been investigating. We shall do it on one condition, and that is that we maintain a complete absence of partisanship in the entire area. I know that the spirit of the Senator from Kentucky is exactly that spirit, and I welcome the evidence that the same spirit prevails across the aisle, as indicated by the fact that the chairman of the subcommittee has accepted the amendment. This is the only way to make progress in this area.

Mr. COOPER. Mr. President, I should like to make one further observation. When the bill was being considered—at least by the full committee—I must say that, so far as I can remember, there was no proposal that the amendment which I am now offering, be included in the bill. So if it has not been inserted in the bill, we must say, in all fairness and honesty, that it was not because of any design or purpose on the part of any member of the committee or the chairman of the subcommittee. It was a result of an oversight on the part of all the members of the subcommittee. I think that should be stated, so that the situation may be clear.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. McNAMARA. I should like to ask the distinguished Senator from Kentucky a question. It has been repeated a couple of times in colloquy that this amendment would enable the Secretary to subpena witnesses, and the books and records of a union.

Am I to understand that the same power would be vested in the Secretary to subpena the books and records, as well as subpena individuals, on both sides of the question, in the case, for example, of a bribery allegation, when it would be necessary for the books and records on both sides of the issue to be investigated?

Mr. COOPER. The Senator is correct. The power which my amendment would give the Secretary would apply to all investigations, which would be made under the bill.

Mr. McNAMARA. I thank the Senator.

Mr. ALLOTT. Mr. President, I shall support the amendment, but I should like, first of all, to correct the erroneous impression which the Senator from Kentucky has, that the amendment was not discussed in committee. It was proposed by the Senator from Arizona [Mr. GOLDWATER] and by myself, and perhaps by other members of the committee. We urged that that amendment be adopted in the committee.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order, so that the Senator from Colorado may be heard.

Mr. ALLOTT. It was not in the exact language of the proposed amendment, of course. However, I would not wish anyone to get the impression that my attendance at the committee session was so slipshod and haphazard that such an obvious, glaring defect was overlooked.

As a matter of fact, it was discussed not only once, but 2 or 3 times during the day. What I say is not intended as any criticism of the Senator from Kentucky, but the reason why the Senator does not remember it is that at that particular time he was called to the floor in connection with the debate on the mutual-security bill, in which he was vitally interested, particularly with reference to an amendment to that bill which he was sponsoring.

I should like to say one other thing about this amendment, something that should be said. I believe it was in the 80th Congress that the Taft-Hartley law was passed. Shortly after that it became recognized on both sides of the aisle, as well as by both labor and management, that in several respects the Taft-Hartley Act should be amended. That subject will be discussed at some length in the next 2 or 3 days. However, in the last few Congresses every bill to amend the Taft-Hartley Act has lain idle. There has been no effort to adopt any amendment to that act. That was true even during the last session of Congress, when bills to that end were introduced. Even though such bills had the support of both management and labor, they still remained in committee, and no action was taken on them. I have particular reference to the construction unions.

I cite these facts only to show that the questions which will be debated today and tomorrow and Saturday and perhaps next week are important questions. These questions have demanded the attention of Congress, but have not received its attention.

In order that I may maintain some consistency in the position I have taken with respect to these matters, I should like to state that with respect to S. 2888, the bill to control and regulate welfare and pension funds, I objected, first, to taking up the bill the day after the report was made. Then I objected later to taking it up 1 day after the report and the bill as amended were available to Members of the Senate.

The facts and circumstances since then have shown that my objection was rather sound. Once that bill got to the House, the glaring defects which I tried to point out on the floor of the Senate were recognized. In fact, the bill now is in such controversy that it may well be there will be no bill passed at all, although I am not sure that this is true.

I do not wish to appear to be critical of those who are charged with the responsibility for the operation of the Senate, but I do say, that it is wrong to ask Senators to take up a bill of this magnitude, and this importance, which was available for printing in its final form only yesterday, and the report on which was available for printing in final form only yesterday, on such short notice. It goes without saying that no Senator has had an opportunity to send a copy of the bill to his constituents or to analyze it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield.

Mr. JOHNSON of Texas. Would the argument the distinguished Senator has made not also apply with equal force to amendments, such as the Knowland amendments, which were offered from the floor, and were printed only a few hours ago?

Mr. ALLOTT. I expect it would.

Mr. JOHNSON of Texas. I wish to point out that there has been considerable urgency expressed on the Senator's side of the aisle that the Committee on Labor and Public Welfare report a bill promptly, and the demand came from several Senators on both sides of the aisle that a date be fixed for reporting a bill. The committee of which the Senator is a member proceeded in good faith to carry out the wishes of the Senate. It held hearings. When the hearings were concluded the committee proceeded in an orderly fashion to mark up the bill. After the bill was marked up, a reasonable length of time was given to both sides—I might say more time than is usually given on other bills—to prepare the report. After the report was prepared and printed and on each Member's desk, at the request of the minority leader—who only a few weeks ago was urging haste in action on a labor bill—we held it up until today so that every Member of the Senate could have the report available to him. That is something we do not have available as to any amendment that has been submitted.

Therefore I should like to point out that it seems to me to be somewhat inconsistent to urge the committee to proceed with due haste to try to get a bill to the other body in time for action at this session, and, when that is done, to criticize us for being too hasty.

Mr. ALLOTT. I should like to answer the Senator, and make the answer very short, because I believe his comment can be answered in one breath. We were told that we had to take up S. 2888 because we had a terrifically important piece of pending legislation to consider, namely, the military pay raise bill. That was an important bill. However, we adopted the conference report on that bill on Monday, May 12, after a few hours of debate on the floor of the Senate. Then the Senate proceeded to the consideration of rather inconsequential matters for the better part of 2 weeks.

I wish to make the RECORD clear regarding the committee procedure on the pending bill. The whole committee was called into session last Thursday. Even though the mutual aid bill was under consideration on the floor of the Senate on Thursday and Friday, the committee to a great extent—and I can certainly say this on behalf of myself because I was there, as were most of the other members of the committee—stayed in session all day Thursday and all day Friday.

About 4:30 or 5 o'clock Friday afternoon the bill was ordered reported. I was one of those who joined in voting to report it with, I believe, several very sound and good reservations.

When the bill was reported, it was the chairman of the full committee, the distinguished Senator from Alabama [Mr. HILL], and the chairman of the subcommittee, the distinguished Senator from Massachusetts [Mr. KENNEDY], who fixed the time when the report would be submitted. No one else objected. No one else named a time. No one else attempted to name a date. The time announced by the respective chairmen, as we all sat around the table, was 4 o'clock Monday afternoon. I understand that it was somehow agreed that this time should be accelerated, and it was accelerated.

I believe that the senior Senator from New Jersey [Mr. SMITH] came to the floor with the minority views shortly after noon on Monday.

I point this out only because it seems to me that this is a bill which was entitled to a longer time for study between the time when the bill and the report were filed and the time when the Senate proceeded to consider the bill. I understand that the bill is now before the Senate, and that no motion I might make would be effectual to delay its consideration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ALLOTT. I should like to finish my statement. Then I will yield.

I respect the obligation which the majority leader has to schedule the calendar of the Senate. I realize that it is not an easy task. But I still say, and I would be inconsistent if I did not maintain this position, that the time which has elapsed between the reporting of the bill and the filing of the report, and the time for the beginning of the debate on the bill—24 hours—is far too short a time.

Mr. JOHNSON of Texas. I may say that the scheduling of the bill for consideration was in accordance with an agreement with the distinguished minority leader, who has a slight interest in the matter. I had hoped to say that while the Senator from California was present. That is why I asked the Senator from Colorado to yield.

The Senator from Colorado cannot have his cake and eat it, too. In one breath, the minority seems to be very anxious to proceed to have the bill passed by the Senate, even though it has to be in the form of amendments

on the floor which have not received committee consideration. In the next breath, they seem to want to stall the legislation after it has come to the Senate.

Mr. ALLOTT. There will be no amendments offered by me which have not been considered in committee.

Mr. JOHNSON of Texas. They were offered to the last bill without consideration by the committee.

Mr. ALLOTT. No such amendments were offered by me.

Mr. JOHNSON of Texas. I am not speaking personally to the Senator from Colorado; I am speaking about amendments to the bill.

Mr. ALLOTT. That is true. I am not seeking to speak for the minority leader.

Mr. JOHNSON of Texas. Does the Senator from Colorado advocate that we hold up action on the bill until we take up each amendment, send it to our constituents, and get their recommendations on it?

Mr. ALLOTT. That is not the practice of the Senate.

Mr. JOHNSON of Texas. I understand it is not; but I understood the Senator from Colorado was recommending that the bill lie on Senators' desks for a period, until Senators could consult with their constituents, or could hear from them.

Mr. ALLOTT. That is my belief, yes. I intend to try to remain consistent about it.

Mr. JOHNSON of Texas. How long would the Senator from Colorado like us to lay the proposed legislation aside before proceeding further with it?

Mr. ALLOTT. I know the Senator from Texas is not going to do that.

Mr. JOHNSON of Texas. The Senator from Texas could very well do it. I am trying to keep faith with the minority. The Senator from South Dakota [Mr. MUNDT], the Senator from California [Mr. KNOWLAND], and other Senators said that if the bill went back to the committee, it would not come out; or that if it did come out, it would be too late. It was finally agreed that the committee would try to report a bill by June 10. We have tried our best to keep faith.

We are trying to give the Senate a chance to act on the bill. But if a sufficient number of other Members of the minority share the views of the Senator from Colorado, the Senate might proceed to the consideration of other bills, so as to allow time for those Senators to familiarize themselves with the measure.

Mr. ALLOTT. I am speaking for myself. I am speaking my own views. The Senator from Texas has asked me to state a time. I think a bill of this importance should be on the calendar and the report should be available for at least a week before being considered by the Senate.

To conclude my preliminary remarks: So far as I am concerned, I will support the bill. I point out that this is one of the tightening provisions of the bill which was talked about and considered in committee, although not in this precise form.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY], are absent on official business.

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Wyoming [Mr. O'MAHONEY], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from North Dakota [Mr. LANGER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL], would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

YEAS—86

Aiken	Fulbright	McNamara
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barrett	Green	Morton
Beall	Hayden	Mundt
Bible	Hickenlooper	Murray
Bricker	Hoblitzell	Neuberger
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Ives	Potter
Byrd	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Yarborough
Flanders	Martin, Pa.	Young
Frear	McClellan	

NOT VOTING—10

Bennett	Humphrey	Schoeppel
Clark	Langer	Thye
Hennings	O'Mahoney	
Hill	Saltonstall	

So the amendment was agreed to.

Mr. COOPER. Mr. President, I send to the desk, and call up an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 7, between lines 11 and 12, it is proposed to insert:

(d) Every labor organization required to submit a report under this section shall furnish the information required to be contained in such report to each of its members in such form and manner as the Secretary shall by regulation prescribe.

Mr. KENNEDY. Mr. President, do I understand correctly that the amendment of the Senator from Kentucky provides that, in addition to persons required to do so under the bill making appropriate reports to the Secretary of Labor, they shall also make reports available to members of a union in such form as the Secretary may prescribe? I think it is a good amendment. I would have been willing to accept it in committee. I am delighted to accept it on the floor.

Mr. JOHNSON of Texas. Mr. President, in view of the statement just made, in view of the fact that we seem to want to have yea and nay votes, let us ask for the yeas and nays now, so that Senators may be on notice we are going to act on the amendment.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Parliamentarian has suggested to the Chair that the Senator from Kentucky should yield to another Senator only for a question, unless the Senator secures unanimous consent to speak on another subject.

Mr. WILEY. I ask unanimous consent to do so.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Wisconsin may proceed.

(Mr. WILEY made a statement on the Wisconsin tornado and deaths on highways, which appears in the CONGRESSIONAL RECORD under the appropriate headline.)

Mr. KNOWLAND. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. COOPER. Yes.

The PRESIDING OFFICER. The Senator from California will state the parliamentary inquiry.

Mr. KNOWLAND. I should like to inquire of the Chair, assuming the amendment of the Senator from Kentucky is accepted, and subsequently it was the will of the Senate to strike that whole section (c) from the bill, whether that motion would be in order.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that such an amendment would be in order.

Mr. KNOWLAND. In other words, if the motion were to strike the whole subsection (c) on page 7, that motion would be in order?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that such an amendment would be in order.

Mr. PURTELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Connecticut will state it.

Mr. PURTELL. Does the Senator from Kentucky understand that his amendment applies to all reporting disclosures, or those under section (c)?

Mr. COOPER. All those covered by title I.

Mr. President, I know the Senator from New Jersey [Mr. SMITH] desires to

make a speech giving his views on the entire bill. I am sure other Senators want to do that. So I should like to make it clear that the amendment I have offered deals solely with title I. It would require, as the Senator from Massachusetts has stated, all labor organizations to make reports to their members of matters which they must report to the Secretary of Labor, but the reports to the members would be in such form and manner as the Secretary by regulation would prescribe. It is the same language that is used in the Taft-Hartley Act.

Mr. KNOWLAND. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. KNOWLAND. Is the Senator's amendment a printed amendment? I did not find it at the desk.

Mr. COOPER. No, it is not a printed amendment. I have just had it read. I have some copies.

Mr. KNOWLAND. I wonder if we might have the amendment read for the information of the Senate at this point.

Mr. COOPER. Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 7, between lines 11 and 12, to insert the following:

(d) Every labor organization required to submit a report under this section shall furnish the information required to be contained in such report to each of its members in such form and manner as the Secretary shall by regulation prescribe.

Mr. KNOWLAND. Mr. President, will the Senator yield for one further question?

Mr. COOPER. Yes.

Mr. KNOWLAND. Can the Senator tell the Members of the Senate how this differs from the present requirement in the Taft-Hartley Act?

Mr. COOPER. The Taft-Hartley Act requires that a union or a labor organization shall file with the Secretary of Labor—I note these words "in such form as the Secretary may prescribe, a report showing all of (a) its receipts of any kind and the sources of such receipts, (b) its total assets and liabilities as of the end of its last fiscal year, (c) disbursements made by it during such fiscal year, including the purposes for which made; and." Now comes the point. It also requires a labor organization to furnish to the members of the labor organization copies of the financial report required by paragraph (1), which I have read.

I say again that paragraph 1 authorizes the Secretary of Labor to prescribe the nature and form of report. The amendment which I offer would require a labor organization to furnish to its members information which the bill requires shall be furnished to the Secretary of Labor, but in the form and manner which the Secretary may prescribe.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. COOPER. I am frank to say there is a further difference. Under the Taft-Hartley Act it is provided that if the labor organization does not file reports or make reports to its members union access to the National Labor Relations Board shall be denied. According to the pending bill, if a labor organization does not furnish reports to its members, the union or individuals failing to do so can be penalized by fine or imprisonment.

Mr. KNOWLAND. Mr. President, may we have order? Some of us are interested in this subject matter.

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order. The Senate will be in order.

The Senator may proceed.

Mr. KNOWLAND. I should like to ask the distinguished Senator from Kentucky a further question. The Senator has cited the similarities in the provisions. There is a difference. The penalty which is now prescribed by the Taft-Hartley law would be changed in the event the Senator's amendment were adopted and should remain in the bill.

Mr. COOPER. I say, with all deference, the Senator's statement is not technically correct. I know the Senator did not mean to be incorrect. The pending bill repeals this section of the Taft-Hartley Act. The bill already provides for the repeal. My amendment would close the gap.

Mr. KNOWLAND. Will the Senator yield?

Mr. COOPER. What I ask is that there be adopted something which is now lacking, the requirement that the labor organization make reports to its members.

Mr. KNOWLAND. Will the Senator yield?

Mr. COOPER. I yield.

Mr. KNOWLAND. I know both the Senator from Kentucky and the Senator from California want to be accurate.

Mr. COOPER. The Senator is correct.

Mr. KNOWLAND. We want the RECORD to be clear.

Mr. COOPER. Yes.

Mr. KNOWLAND. Of course, the Senator is not quite correct in saying that the Taft-Hartley provision in effect is repealed. It will be repealed if the bill is passed in its present form and the amendment remains in its present form.

Mr. COOPER. Yes. That is true.

Mr. KNOWLAND. What advantage, if any, is there in the adoption of the Senator's proposed language on page 7, subsection (c), and his addition of subsection (d), as compared to merely striking the subsection entirely and leaving the Taft-Hartley law precisely as it is, which I understand would be the situation with regard to the reporting provision, provided the language of subsection (c) on page 7 and the amendment offered by the Senator to subsection (c) by the addition of subsection (d) were not added to the Kennedy bill?

Mr. COOPER. I am dealing with the bill as it has been presented to the Senate. The bill, page 40, in section 607 (a), would repeal subsections (f), (g), and (h) of section 9 of the National Labor Relations Act. If the bill should be passed, it is true those subsections would be repealed.

I think the amendment would close a gap in the bill. The amendment would require a report to union members. If other amendments are offered later which attempt to restore the provisions of the Taft-Hartley Act, of course, that is a matter on which the Senate will have to vote. I think the Senator will agree with me that the addition of my amendment would be helpful.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CURTIS. I desire to be sure I understand the proposal. Under existing law a report must be made to the members of a union, must it not?

Mr. COOPER. The Senator is correct.

Mr. CURTIS. If we pass the bill, S. 3974, as it is before us, without amendment, the union will no longer have to make a report direct to its members; is that correct?

Mr. COOPER. That is the language of the bill as it is now before the Senate.

Mr. CURTIS. Yes. While there is some slight change proposed in the amendment offered by the Senator, it would continue to require that a union report to its own members concerning finances?

Mr. COOPER. That is correct.

Mr. CURTIS. And the amendment says "each of its members"?

Mr. COOPER. "Each of its members."

Mr. CURTIS. I think the Senator is to be congratulated for being alert to this problem. Certainly the workers of the country and the people of the country did not realize that the one little safeguard which union members had of being entitled to a report—I know there have been violations, a sliding over of the requirement, and poor reporting—was to be removed, and that the bill as reported to the Senate repealed the one safeguard they had. I commend the Senator for dealing with the problem.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Ohio.

Mr. LAUSCHE. I did not accurately follow the dialog between the Senator from Kentucky and the Senator from California.

I invite the Senator's attention to the question of penalty. What would be the difference between the penalty now provided by the Taft-Hartley law and the penalty to be provided by the bill in the event there is a failure to comply with the requirement of filing reports?

Mr. COOPER. Under the bill, if there should be a failure to file——

Mr. JOHNSON of Texas. May we have order, Mr. President? We want to hear the Senator. Will the Senator speak a little louder, please?

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order.

The Senator may proceed.

Mr. COOPER. Under the bill, if there should be a failure to file a report, the officer or person who failed to file the report would be subject to a criminal indictment. He could be punished by a fine of not more than $10,000 or imprisonment for not more than 5 years or both. Under the Taft-Hartley Act the penalty is directed against the union itself by denying it access to the National Labor Relations Board.

I do not know accurately the history of reporting to members under the Taft-Hartley Act, but I understand the provision has been quite ineffective and it is the judgment of the majority of the committee—at least I may say so of myself—that the reporting provisions of the pending bill would be more effective than the provisions of the Taft-Hartley Act.

Mr. LAUSCHE. Is my understanding correct that under the Taft-Hartley Act access to the National Labor Relations Board is denied as a sort of penalty when there has been a failure to file a report?

Mr. COOPER. Yes.

Mr. LAUSCHE. The Taft-Hartley Act does not provide for any criminal penalty?

Mr. COOPER. The act does not provide any penalty against persons who fail to file a report.

Mr. LAUSCHE. I see.

Mr. COOPER. I believe this provision of the committee bill is stronger and will be more effective than the provision of the Taft-Hartley Act.

Mr. LAUSCHE. I thank the Senator very much. I think I understand.

Mr. POTTER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. POTTER. Am I correct in understanding that the bill as reported by the committee would remove the requirement that the union members shall receive financial reports, and that the Senator's amendment would correct that omission?

Mr. COOPER. Yes.

Mr. POTTER. The Senator is a member of the full committee, is he not?

Mr. COOPER. Yes.

Mr. POTTER. Was this proposed provision discussed during the course of the hearings?

Mr. COOPER. It was.

Mr. POTTER. What was the reason the committee decided to remove this penalty?

Mr. COOPER. I am not a member of the subcommittee. I do not know the arguments which were made in the subcommittee. But in the discussion before the full committee—and on this point I defer to the Senator from Massachusetts—I believe there was general recognition that the reporting provision set forth in the Taft-Hartley Act had not been effective. Otherwise, we would not have this bill before us.

It was felt that the provisions for reporting to the Secretary of Labor, and the powers given to the Secretary of Labor to enforce disclosure, and the penalties imposed would give more adequate protection to union members than do the reporting provisions of the Taft-Hartley Act.

Mr. POTTER. But is it not true that under the Taft-Hartley Act unions are required to furnish financial statements to the individual members?

Mr. COOPER. That is true; but I do not believe there is any record of the effectiveness of the provision. There is no penalty against the individuals who do not obey. So far as I know, there is no record of any effort on the part of the Secretaries of Labor who have held office since the adoption of the Taft-Hartley Act to make it effective. In fairness, it is true that they have not had full powers.

Mr. POTTER. Certainly there is no disposition on the part of any committee to take away from the union members a right which they now have, whether it is effective or not. Certainly we should endeavor to strengthen the act so as to make it effective. But it is difficult for me to understand why there should be any desire to take away entirely from union members a right which they now possess. I commend the Senator for his amendment, but it is difficult for me to understand how a committee charged with the responsibility of framing legislation of this kind should report a bill to the Senate with that omission.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KENNEDY. I do not wish to interfere with any case the Senator from Michigan wishes to make. The Senator from Kentucky has always been very fair. The reason we adopted the provision which was adopted was that the present section of the Taft-Hartley law has been quite inadequate, and we felt that if the Secretary of Labor were given what we thought were sufficient powers to require detailed reports, the Secretary would be able to make an analysis, which he would be empowered to make public. Therefore, through the press, the provision should prove very effective.

Under the Taft-Hartley law the Secretary's regulation provides for summary statements to union members. In all frankness, as the Senator from Kentucky has said, that provision has been completely ineffective. The purpose of the committee was to provide a stronger and more effective provision. However, there seems to be some question as to whether even the recommendation of the committee would be sufficient. I am delighted to accept the amendment of the Senator from Kentucky. We do not claim perfection for the bill. We were compelled to put it together in a short time. This amendment was not proposed by any member of the committee and rejected by the committee.

Let me say further to the Senator from Michigan that the only intention in this regard was to strengthen the hands of members of the union. That is the spirit of the entire bill. I am glad to accept a supplementary suggestion by the Senator from Kentucky. I think it would increase the protection of union members.

I would not want any Senator to be under the impression that there was any desire on the part of the committee to weaken the protection of union members. The Senator from Kentucky has been very fair.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. I inquire whether, if the pending amendment, requiring each labor organization, in effect, to report to its members, should be adopted, as I presume it will be, another amendment, at a subsequent time, which would add further provisions with respect to this subject, would be in order?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that if the pending amendment should be adopted it would not be in order later to amend it by further language. However, the additional language could be placed in some other part of the bill. Also, the pending amendment is subject to amendment in the second degree at the present time.

Mr. ALLOTT. I thank the Chair.

I wish now to address a question to the Senator from Kentucky.

With respect to his amendment, it is a fact, is it not, that such an amendment, or a similar amendment, was considered and discussed at great length in the meeting of the Committee on Labor and Public Welfare?

Mr. COOPER. It is my recollection that it was. As I remember, the proposal carried with it penalties against the union itself.

Mr. ALLOTT. The proposal which was under discussion provided that the union should be ineligible to avail itself of the services of the National Labor Relations Board upon the termination of 90 days from the date of a refusal of anyone required to file a report to do so. That is a little different from the question the Senator is discussing. Is it not a fact that in the previous discussion the main difference was on the question as to where the penalty should be assessed.

Mr. COOPER. There was a difference between Members regarding philosophy. Some Members wished to prescribe penalties against the union for violations by its officers. The philosophy followed by a majority of the committee was that the penalty should apply to the wrongdoer. That is my philosophy.

Mr. ALLOTT. I appreciate the view of the Senator from Kentucky. I am not critical of that point of view. I do not happen to agree with it, but I am not critical of it.

Suppose the Senator's amendment were adopted and enacted into law, and, a member of a union should refuse to give certain information under section 7 upon the ground that it might tend to incriminate him; and suppose the union should continue that man in office. Will the Senator explain how he intends to make the provisions of the law effective?

Mr. COOPER. While I do not think the question is directed to the amendment which I have offered, I shall be glad to discuss it, because we discussed it in committee.

The simplest situation which might arise is one where a person who is required to report refuses to report; a second situation is one where a person fails to report, claiming the protection of the fifth amendment. In each case the question would arise: How can the facts be ascertained? The bill provides that in such event the Secretary of Labor can intervene and undertake an investigation to secure the facts. The amendment which I offered and was adopted by the Senate gives to the Secretary the power of subpena, and secures and makes effective the Secretary's investigatory power. So far as getting the facts and

the report, the power of the Secretary to intervene, with subpena authority, would be effective.

Mr. ALLOTT. I would have to disagree with my distinguished friend, because it is not a question of what powers we give the Secretary; it is a question of protecting the powers of the man who belongs to a union.

Mr. COOPER. What is the Senator's question?

Mr. ALLOTT. The question is: What are we proposing to do? There was a provision in the original bill, considered by the committee, that the Secretary could take certain action—which is about the height of ridiculousness, in my opinion—but, nevertheless, if a man refuses to sign one of these reports, as provided by subsection (c) on page 7 of the bill, on the ground that he does not want to incriminate himself, how is the Secretary going to take any meaningful action except to investigate and publish the facts? It is true, is it not, that the union can continue to keep in office such persons—who, incidentally, already have a little too much power in the unions—and the union can continue to operate, subject only to the examination of the Secretary?

Mr. COOPER. I would say that the Senator has asked three questions. The Senator's questions are not directed to my amendment. However, since the Senator has asked three questions, I shall attempt to answer them.

First, what can be done if a report is not filed? A criminal penalty is provided against the person who fails to file a report. Secondly, the Secretary of Labor has authority to secure the records, and make the records public.

The second question the Senator asked is, What if the officer claims the benefit of the fifth amendment? In such a case can the Secretary get the information? I do not know absolutely that he can. If the records came within the scope of the fifth amendment, the constitutional right against self-incrimination under the Bill of Rights would protect the union officer. For myself, I see nothing wrong with that for it adheres to the Bill of Rights.

Mr. ALLOTT. I agree with the Senator.

Mr. COOPER. The third question is, What is done if a union keeps someone in office who has failed to file reports as required by law? I am not trying to reach that point now, for it does not concern my amendment. I believe a provision could be written setting forth that, in the event there had been a final adjudication of a crime, and if the union kept the criminal in office, a penalty could be imposed against the union. The bill so provides. However, when we get into the fifth-amendment field a constitutional question is involved affecting the rights of individuals, and those rights have to be weighed and protected.

Mr. ALLOTT. The Senator will concede, I believe, that in that situation there is no further remedy available to the individual man.

Mr. COOPER. I should say that would be true under present law.

Mr. ALLOTT. Subsection (2) of section 7, of S. 2888, which the Senate passed about a month ago, reads as follows:

> The person responsible for the overall management of the plan shall make copies of such registration, annual report, or other document available upon request for examination by any participant or beneficiary at the principal offices of the plan, and shall provide information from any such registration, report, or other document, in as brief summary form as the Secretary shall prescribe to carry out the policy of this act, to each participant or beneficiary requesting it.

I should like to know if there is anything in the pending bill which requires a union or its officers to make copies of the material available for the use of individual members at the offices of the union.

Mr. COOPER. I do not recall any such provision. I do not believe there is any.

Mr. ALLOTT. I believe the answer is "No."

Mr. COOPER. That is correct.

Mr. ALLOTT. I wanted to bring out that point. I thank the Senator.

Mr. COOPER. In order to complete the record, I call attention to page 28 of the pending bill in section 305 (b), a provision which would cover in part—excluding the fifth amendment case—the question of the Senator. It reads:

> (b) No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction. No labor organization shall knowingly permit any person to assume or hold office in violation of this subsection.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. McCLELLAN. I am glad the Senator referred to that section. As I understood, he said a moment ago that he did not know of any provision in the bill which would take care of a problem which involved a violation in connection with the reporting provisions. I very strongly favor that provision, although it might be necessary to modify it before we have concluded action on the bill. I do not believe that officers who are charged with the responsibility and duty of making reports should be eligible to hold office if they are convicted of failing to make the reports. The only way to accomplish that result is to insert a penalty provision which would make them ineligible to hold office under such circumstances.

I note that the provision reads "for a period of 5 years after such conviction." I believe it should be for a period of time following the end of the sentence imposed by the court. That is one modification I would make. If we are to drive these crooks out, we must provide penalties which will drive them out. First we must deter them from committing the wrong. Secondly, if they commit the offense, they should be made ineligible to hold office.

Mr. COOPER. What I referred to was the case of an officer claiming the protection of the fifth amendment. I do not know how to reach that situation. It is not covered in the bill, because it raises a constitutional question and right.

Mr. McCLELLAN. I do not know which draft it was, but the committee considered one draft which contained a provision whereby a blank space would appear in the reports to the Secretary in which space a person who felt he could not make the report without incriminating himself could so state at that point in the report. I was very much opposed to such a provision. I do not want to invite anyone to take the protection of the fifth amendment. The Constitution gives all the protection a person needs, without writing any such provision into a bill. No matter what provision we wrote into the bill regarding the fifth amendment, if it contravene the Constitution, it would have no effect.

Mr. COOPER. I agree. We cannot write a statute which will affect the constitutional rights of anyone. We cannot take away or add constitutional rights.

Mr. McCLELLAN. I feel that a man who serves a union should be required to report on his activities.

Mr. COOPER. All these subjects were discussed, at least during the time that I was in attendance at the hearings; they were considered by the committee, and the chairman took them into account. Amendments were made. My proposed amendment follows the position I took at the time we were discussing title I. There was a fair and open discussion, and everyone was given an opportunity to present his views.

If there are issues about title I it is because there was a disagreement regarding philosophy whether the unions or the violators themselves should be penalized.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MUNDT. The Senator from Kentucky is a distinguished lawyer, as is also the Senator from Arkansas, the chairman of our so-called rackets committee. I am at a loss to understand how the prevention of a convicted criminal from holding office will have any applicability to the question raised by the distinguished Senator from Colorado about the fellow who, for fifth amendment reasons, fails to make a report. I do not think he will be affected. He has established constitutional immunity both to questions about his activities and questions about his report.

I wonder whether we do not have to approach this particular problem, as I believe the Senator from Kentucky has suggested, by looking to some kind of coercive action or repressive action against the unions, so as to continue to keep them in a responsible position with respect to the man who deliberately attempts to take the fifth amendment.

Mr. COOPER. That is a debatable question, and I do not feel that I want to discuss it at length now. There is a gap, in the bill without question, as

the Senator from South Dakota has suggested.

My judgment is that the matter will have to be left to the sense of responsibility of the unions to take care of such situations. Unions are showing a great sense of responsibility in this field to go beyond that, the Congress would be in the bad position of attempting to impose penalties upon individuals or, worse, unions or individuals who have nothing at all to do with the wrongful act, simply because some person, rightfully or wrongfully, has claimed a constitutional right.

My feeling today, is that I would not like to vote for legislation by which Congress would impose upon an individual or a body of individuals a penalty because some person has claimed his constitutional rights.

Mr. MUNDT. Earlier in the Senator's colloquy with the Senator from Colorado, he said there were two philosophies.

Mr. COOPER. Yes.

Mr. MUNDT. Philosophies which in a way divided the members of the Committee on Labor and Public Welfare as to whether the penalties should relate to the union or to the wrongdoer. The Senator from Kentucky said he stood with those who believed that the penalty should be leveled against the wrongdoer.

Mr. COOPER. That is correct.

Mr. MUNDT. I associate myself with that position. I think it is correct. I think the bill should be written so as to apply the penalty to the individual who commits a crime or who does a wrong, rather than to apply it to innocent individuals who might be members of the organization.

Having said that, though, it seems to me that if we are to protect the innocent from the wrongdoer, when the wrongdoer takes the fifth amendment, it is very unlikely that an officer will make reports for any other reason than that of self-protection at a time when he is involved in an incriminating activity. I do not believe he will raise the question and also think about a provision of that kind.

So it seems to me, as legislators we have a responsibility to face up to the contingency that the man who takes the fifth amendment does so in this connection because he is protecting himself as again the interests of the members of the union.

What must we do to meet a problem like that? We try to impose the penalty on the official. How do we tend to penalize the official? He has a constitutional right. We cannot go beyond that. We cannot compel him to answer. Whether it was written in the original bill to encourage him to do it, or whether he gets encouragement by studying the Senate debates he may suddenly realize that this is a great big loophole of which he can take advantage. If he is guilty, he is going to do that.

It seems to me, in such cases, that if the union itself, instead of taking action against the man, so as to protect its members, encourages him, embraces him, protects him, perpetuates him in office, because other union officials may be associated with him in his nefarious skulduggery, perhaps in that kind of contingency we might consider doing something to stimulate the unions to take corrective action so as to protect the rank and file members.

Mr. COOPER. If such an amendment were offered, there would be ample opportunity to debate it. I do not want to prolong my own discussion of such an amendment. The kind of situation where an individual, though guilty, is protected, obtains in the courts; it obtains before Congressional committees. It will obtain always in the life of a free country. A person may claim the fifth amendment, and go unpunished, and without question, in many instances, his claim affects the rights and interests of other persons and of society.

Nevertheless, there is the constitutional question whether Congress should try to impose penalties upon individuals or upon others who have not had a thing in the world to do with another person's wrongdoing, simply because the wrongdoer claimed a constitutional right. I do not believe we have the power, or that we should attempt to do so.

Mr. MUNDT. I am more interested in protecting the rank and file members than I am in punishing the individual. I am not trying to deprive an individual of his constitutional rights, but he should not be permitted to destroy the economic security of the rank and file members of a union. If we are to pass legislation of this kind, then as we pass it we should look to these contingencies and close the doors before the crooks can go through.

Mr. COOPER. I have belief and faith that the facts which have come to light in the last year or two have had a great effect on public opinion.

A great many unions are dealing with the question of their officers claiming the fifth amendment, and I think the action of the unions in developing their codes of ethical practice is good evidence of the desire of the unions to clean up their own houses. We are dealing with a small group of wrongdoers. We must have some faith and trust in our democratic or, I should say, republican processes, because that is the way in which liberty is expressed in this country.

Mr. MUNDT. I associate myself with the Senator from Kentucky in his faith and confidence in the integrity of the vast majority of the members of the American labor movement.

The bill was written because the committee and Congress recognized that there were some faithless persons, as well as some faithful ones. We are not passing the legislation for the faithful; we are passing it for the faithless.

We should try to act as carefully as possible to close the doors, so as to deceive no one into thinking that he has protection which he actually does not have.

Practically all the cases which have come before the investigating committee, which has been laboring, now, for 18 or 20 months, have involved areas such as we are now discussing, and in which the major offender takes the fifth amendment.

I hope the Senate will give consideration to meeting the problem with which the bill concerns itself, so that it will not apply only to the fifth amendment.

Mr. GOLDWATER. Mr. President, I realize that the particular subject under discussion is, as the Senator from Kentucky has suggested, not particularly germane to the pending amendment. However, since the subject has been discussed, I should like to comment briefly on it, inasmuch as the Senator from Kentucky has stated that among the committee members there are two different philosophies regarding this field. Let me say that there are two philosophies among the committee members; in fact, I may say to my friend, the Senator from South Dakota [Mr. MUNDT], that this matter probably brought about a sharper division in the committee than did any other point; namely, the question of where the sanctions shall apply—whether to the union or to the individual.

The bill provides that the sanctions shall apply to the individual. But we have not answered the question raised by the Senator from South Dakota [Mr. MUNDT]; namely, what to do about a union that refuses to discharge an officer even after he has been convicted of a crime and has been found guilty by the proper court?

Joining in the view that some penalty should apply to the union, I may say, is the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], who included in his own bill (S. 3618) title I, under the heading "Registration of Labor Unions." Thus the Senator from Arkansas would apply sanctions to a union if it fails to do certain things relative to registration.

Mr. President, I shall not take time to read that provision into the RECORD; but I ask unanimous consent to have printed at this point in the RECORD the portion of Senate bill 3618, introduced by the Senator from Arkansas [Mr. MCCLELLAN], to be found in title I, under the heading "Registration of Labor Unions," and the subtitle "Requirement for Registration."

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpt from the bill (S. 3618) was ordered to be printed in the RECORD, as follows:

TITLE I—REGISTRATION OF LABOR UNIONS

REQUIREMENT FOR REGISTRATION

SEC. 101. (a) No labor union engaged in commerce, or any of whose members, or any of the members of a local or constituent unit of which, are employed by a person who is engaged in commerce or in a business affecting commerce, shall—

(1) be certified or recognized as the representative of any employees by the National Labor Relations Board or any other department or agency of the Government, or

(2) be eligible to file an unfair labor practice charge under section 10 (b) of the National Labor Relations Act, or to file with any department or agency of the Government any other charge, complaint, or petition as the representative of or on behalf of any employees,

during any period for which a registration statement is not in effect under this act for such labor union.

(b) (1) No labor union engaged in commerce, or any of whose members, or any of the members of a local or constituent unit

of which, are employed by a person who is engaged in commerce or in a business affecting commerce, and no trust in which such labor union is interested shall be entitled to exemption from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954 for any taxable year which begins more than 90 days after the date of enactment of this act if on any day during such taxable year a registration statement was not in effect under this act for such labor union.

(2) In any case in which, during any taxable year which begins more than 90 days after the date of enactment of this act, there is a registration statement in effect under this act for a labor union for less than the whole taxable year, the tax payable under the Federal income tax laws by such union, and the tax payable under such laws by any trust in which such union is interested, shall be reduced by an amount which bears the same ratio to the amount otherwise payable as the number of days in such taxable year for which such registration statement was in effect for such labor union bears to the total number of days in such taxable year.

(c) For the purposes of this section, a registration statement shall be deemed to be in effect from the time it is filed in accordance with section 102, except that it shall be deemed not to be in effect during any period of suspension specified in an order entered pursuant to section 106, or after the effective date of its cancellation as specified in any such order.

Mr. GOLDWATER. Mr. President, I may also say that in the substitute which I offered for the Kennedy bill, I included substantially the language of the McClellan proposal, but applied it, instead of to registration, to violations of title 101 of the Kennedy bill. I can assure the Senate that this matter will be discussed at full length, because I proposed to offer an amendment to change this section; I shall offer the amendment if some other Senator does not do so first. At that time we can have a full discussion of the matter.

But inasmuch as the subject has been mentioned, I wish to state that in my opinion it constitutes the greatest area of difference in connection with the approach to this problem, inasmuch as the bill as it now stands will allow a union to continue to employ an officer who has been convicted of crime; and I do not think that should be the case.

Mr. KENNEDY. Mr. President, will the Senator from Kentucky yield to me?

Mr. COOPER. I yield.

Mr. KENNEDY. At the suggestion of the Senator from Vermont, who points out that the language of the amendment submitted by the Senator from Kentucky does not cover the provision of the bill which deals with conflict of interest, I wonder whether the Senator from Kentucky will accept a change in the amendment, so that instead of beginning with the words "Every labor organization," the amendment will read "Every person," inasmuch as the word "person" by definition includes a labor organization.

If that change is made, the amendment then will begin as follows:

Every person required to submit a report under this—

The next word is "section"; and I wonder whether the Senator from Kentucky will agree to change that word to the word "title."

In that event, in other words, instead of providing for the submitting of such a report under this section of title I, the amendment will provide that the report must be submitted under the provisions of the whole title.

I think those changes would be helpful to the amendment.

Mr. COOPER. Mr. President, I accept the modifications of my amendment.

Mr. DIRKSEN. Mr. President, that can be done only by unanimous consent; and I must reserve the right to object until the matter has been carefully spelled out. I believe the Senators should refer to the previous debate, and should show the applicability of the proposed changes.

Mr. COOPER. Mr. President, the Senator from New Jersey [Mr. CASE] has been on his feet, seeking recognition, for sometime. He desires to ask a question. Therefore, I yield now to him, before the Senator from Massachusetts [Mr. KENNEDY] resumes his speech.

Mr. CASE of New Jersey. I thank the Senator from Kentucky for yielding to me.

Mr. President, I wish to point out that it is not true that the bill—as I read it—does not provide penalties or sanctions which would be applicable to unions. Unions are required to file reports. Unions are persons within the definition contained in the bill. Persons who fail to comply with the provisions of the title are subject to fines and penalties; and the fines and penalties are applied very directly against the union organizations, it seems to me, under the provisions of the bill.

Certainly we should not accept contrary suggestions made by persons who are critical of the terms of the bill. I have no criticism to make of them for making their criticisms; but certainly we should not permit the public generally to believe that this is a "Milquetoast" bill. It is not, because it includes provisions for very specific penalties—criminal penalties and penalties by way of fines—against unions which fail to comply with the requirements about submitting reports or about not employing persons who have been convicted by law.

As regards the fifth amendment, I do not understand that to "take the fifth amendment" will be any excuse for failing to file these reports or any defense against the application of criminal penalties for failure to file the reports. Certainly the "taking of the fifth amendment" is not a defense for failure to file an income-tax return; if a person fails to file an income-tax return, certainly it is no defense for him to claim that if he were to file an income-tax return he would be compelled to testify against himself. So we should not let this matter get out of context.

I believe there is one constitutional question—although, perhaps, of a very narrow kind—which involves union officials who may fail to answer questions or interrogations directed to them by perfectly legally constituted authorities, including Congressional committees. But that question is not a part of the one now before us, and I think we should deal with it otherwise.

Mr. GOLDWATER. Mr. President, will the Senator from Kentucky yield further to me, so that I may attempt to answer the point which has been raised?

Mr. COOPER. I yield.

Mr. GOLDWATER. Mr. President, in case the Senator from New Jersey misunderstands what I said, let me point out again that when a union official is required to file a conflict-of-interest report, but fails to file it, no sanction is applied against the union if it continues to employ him or keep him in office.

Mr. KENNEDY. Mr. President, on this point will the Senator from Kentucky yield to me?

Mr. COOPER. I yield.

Mr. KENNEDY. Mr. President, let me say that the Senator from Arizona is entirely wrong.

Mr. GOLDWATER. Will the Senator from Massachusetts explain wherein I am wrong?

Mr. KENNEDY. Yes. If the official refuses to file such a statement, on the ground that to do so would incriminate him, he has not filed the statement or report; and therefore if the union continues to employ him under those conditions, it is subject to the penalties provided in the bill.

Mr. GOLDWATER. I agree in the case of the reporting which is required by the bill. But in the case of reporting as regards a conflict of interest, if the official refuses to report, on the ground that to make the report would incriminate him, no penalty is provided in case the union fails to discharge him after he has made such refusal.

Mr. KENNEDY. But what the Senator from Arizona said to the Senator from New Jersey was completely in error. When such an official "takes the fifth amendment," that is a flat statement, and is considered a refusal to file the report; and, therefore, if he continues in office, he is subject to all the penalties which are provided by the bill in the case of those who refuse to file. To "take the fifth amendment" does not constitute filing.

Mr. JAVITS. Mr. President, will the Senator from Kentucky yield to me?

Mr. GOLDWATER. First, I wish to clear up this matter.

Let us assume that a union official does not "take the fifth amendment," but simply refuses to file the report.

Mr. KENNEDY. Then he will be subject to the penalties provided in the case of a refusal to file.

Mr. JAVITS. Mr. President, will the Senator from Kentucky yield to me?

Mr. COOPER. I yield.

Mr. JAVITS. I believe the difficulty is that we draw no analogy between this situation and that of a corportion which is required to file a report under the Securities and Exchange Act. It is conceivable that the president of such a corporation could plead the fifth amendment. Then what would happen? Then he would not have to file the report, and no penalty would be imposed against him. But the corporation still would have to file the report; and if the corporation could not find another officer who would file the report, the corporation would be guilty of violating the law, and would be subject to all the penalties provided therefor.

A similar situation will exist in this case; and it is not necessary to write this provision into the law. The fact is that if the union cannot find an apropriate officer to file the report which the law requires to be filed, then the union, not the individual, will be guilty and will incur all the penalties which are provided.

Certainly there is an exact parallel between such action by a union and the action by a corporation to which I have referred.

Although there has been much discussion in regard to union officials who have been involved in graft, and so forth, we also know that corporations are not entirely innocent of such conduct, either. So the same requirement should be made of each.

Mr. KENNEDY. Is it not a fact that if a person refuses to file the reports required by the law, and pleads the fifth amendment as a reason for not filing them, he should either have to resign his office or the union should be subjected to the penalties which are clearly set forth in this part of the bill?

Mr. JAVITS. Exactly so; and that is where the analogy as regards a corporation is correct, because a corporation also has to file, and it cannot plead the fifth amendment, under its corporate status.

Mr. MUNDT. Mr. President, will the Senator from Kentucky yield further to me?

Mr. KENNEDY. Mr. President, I hope we can first dispose of the pending amendment.

The PRESIDING OFFICER (Mr. MARTIN of Iowa in the chair). Does the Senator from Kentucky desire to hold the floor?

Mr. MUNDT. Mr. President——

Mr. SMITH of New Jersey. Mr. President——

Mr. COOPER. Mr. President, at this time I yield to the Senator from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. President, I should like to ask a question of the Senator from Massachusetts. It seems to me we should get this point cleared up, and thus avoid a great deal of debate later on.

Can the Senator put in the RECORD at this point the section of the bill which shows the penalties to which the union would be subject in the event its officers took the fifth amendment and did not file the report?

Mr. KENNEDY. Section 107 (a), which appears on page 16 of the bill, provides:

> Any person who willfully violates or fails to comply with any provision of this title—

And so forth.

Mr. MUNDT. Would the word "person" include a union? It says "person." A little later, at the top of page 17 of the bill, it provides that each individual required to sign reports shall be personally responsible.

Mr. KENNEDY. I point out that near the top of page 6 of the bill it is provided, "Every labor organization" shall file.

Mr. MUNDT. We are talking about section 107.

Mr. KENNEDY. What is the Senator's question about section 102?

Mr. GOLDWATER. His question applies to section 102, not 101.

Mr. KENNEDY. Section 102 (a) provides:

> Every officer of a labor organization engaged in an industry affecting commerce * * * shall file.

The Senator is not suggesting that there is no penalty provided in this section for failure to report, is he?

Mr. MUNDT. No.

Mr. KENNEDY. What is he suggesting?

Mr. MUNDT. My question is, wherever the language is, would it shift the penalty from the officer to the union in the event the reporting officer took the fifth amendment?

Mr. KENNEDY. In case of the fifth amendment being pleaded, that would not remove the penalties imposed on the officer of a union. If he continued as an officer of the union and took the fifth amendment, he would not be in compliance with the provisions of the bill. Therefore, he could not continue in office. Otherwise, he would be subject to criminal penalty if he took the fifth amendment, because he would have refused to file.

Mr. MUNDT. But his constitutional safeguards would operate.

Mr. KENNEDY. He does not have any constitutional safeguard to hold his position in the union.

Mr. MUNDT. He would not have been convicted of anything.

Mr. KENNEDY. But he would have refused to file.

Mr. MUNDT. That is why I asked the Senator from Massachusetts the specific question about an officer continuing as a union official.

Mr. KENNEDY. I will give my opinion as a sponsor of the pending bill. Every officer of a union, as described in the bill, must file. The taking of the fifth amendment does not constitute filing. Therefore, if he pleads the fifth amendment and continues as an officer, he is subjected to the penalties provided in the bill. That is my thesis.

Mr. MUNDT. If the Senator is making that statement for the RECORD, he must be familiar with the bill, as I am sure he is. The Senator has referred to provisions of the bill which make a declaration of intent, so that the intent is made clear; but I have been unable to find such a provision.

Mr. KENNEDY. Let us look at the beginning of the section, where it provides that "every officer"——

Mr. MUNDT. On what page is that?

Mr. KENNEDY. Beginning with the section the Senator is discussing.

Mr. MUNDT. Is that on page 7? Very well.

Mr. KENNEDY. Does it not provide at the beginning of section 102 that "every officer shall file with the Secretary a signed report listing and describing," and so forth?

Is the Senator suggesting that if the officer does not file the report, there is no penalty?

Mr. MUNDT. I am suggesting that there is no way whereby he can be required to file a report.

Mr. KENNEDY. I have just said to the Senator that the officer would not have fulfilled the requirements of the language of the bill if he did not file under those conditions. If he took the fifth amendment, he would not have filed.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. GOLDWATER. Will the Senator yield for a question?

Mr. KENNEDY. I should like to dispose of the pending amendment.

Mr. GOLDWATER. I should like to clear up the question.

Mr. KENNEDY. Very well.

Mr. GOLDWATER. Let us assume that the officer who is supposed to file does file a report, and his report proves that he is guilty of offenses under the proposed act, and the man is tried and found guilty. Is there anything in the bill that requires the union—not the individual, but the union—to get rid of that officer after he has been found guilty?

Mr. KENNEDY. Let us talk first about the question raised by the Senator from South Dakota. Then I will answer this question.

Mr. GOLDWATER. Can we have an answer to that question?

That is what we have been talking about.

Mr. KENNEDY. Section 107 (a) provides:

> Any person who willfully violates or fails to comply with any provision of this title or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.
>
> (b) Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact in any document, report, or other information required under the provisions of this title or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

I would say that very clearly provides compulsion for an officer of a union to file a report. If he takes the fifth amendment, that does not constitute filing. Therefore, he himself is subject to the penalty of 1 year in jail. So, the practical effect is that if he takes the fifth amendment he must resign, because he is not competent to file a report, or he subjects himself to the penalty of 1 year in prison.

As a practical matter, in my opinion, this provision effectively gets rid of the officer, unless he is ready to serve a year in jail; and I do not think any officer is ready to subject himself to that penalty.

Mr. GOLDWATER. I remind the Senator that Joey Fay ran a pretty large union from Sing Sing. It has been done, and it can be done again.

Mr. KENNEDY. If the Senator is concerned about that possibility, I point out that on page 28, subsection (b), it is provided:

> No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive

committee or similar governing body, business agent, international representative, manager or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction. No labor organization shall knowingly permit any person to assume or hold office in violation of this subsection.

I do not think there is any doubt on the part of any Member of the Senate who is genuinely concerned about this danger, based on the two sections to which I have referred, the interpretation I have given to them, and the legislative history, that these sections afford the protection which the Senator wants to have provided.

Mr. GOLDWATER. There may be 95 other Senators who agree, but there is 1 who does not. Frankly, it has been my greatest cause for concern over the proposed legislation. I am hopeful the chairman will accept language in the form of an amendment when it is offered which will make meaningful the purpose of the bill.

Mr. KENNEDY. I have referred the Senator to two sections. One shows that if a person refuses to file and continues as an officer, he is subject to imprisonment for a year. I have shown that if the union continues him in office, the union is subject to fine. In addition, section 101 provides that the union itself must file, because, under the provisions of the bill, a union is also considered to be a person. I think there are ample safeguards provided in the bill.

I hope we can vote on the amendment of the Senator from Kentucky.

Mr. MAGNUSON and Mr. SMITH of New Jersey addressed the Chair.

The PRESIDING OFFICER (Mr. MARTIN of Iowa in the chair). The Senator from Kentucky has the floor.

Mr. COOPER. Mr. President, I yield the floor.

Mr. SMITH of New Jersey. Mr. President, as the ranking Republican member of the Committee on Labor and Public Welfare it seems appropriate for me to make a few remarks at this stage of the debate, to try to explain some of the reasons for the action taken by a few of us with regard to the supplemental views which were filed.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. KENNEDY. I ask unanimous consent that the amendment offered by the Senator from Kentucky [Mr. COOPER] may be modified along the lines previously mentioned, to provide it shall include "person" instead of "labor organization" and shall include "title" instead of "section."

Mr. GOLDWATER. Mr. President, reserving the right to object, I want to pose a parliamentary question. I shall have no objection unless the parliamentary situation requires it.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. GOLDWATER. If the amendment of the Senator from Kentucky is modified by the language suggested by the Senator from Massachusetts, will that action preclude a motion to strike all of subsection (c) on page 7?

The PRESIDING OFFICER. A motion to strike the whole section would be in order.

Mr. GOLDWATER. A motion to strike the section afterward would be in order?

The PRESIDING OFFICER. As amended, yes. The motion would be in order.

Mr. GOLDWATER. I thank the Chair.

Mr. DIRKSEN. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I shall be happy to yield, so long as I retain my right to the floor.

Mr. DIRKSEN. The proposal is only to perfect the Cooper amendment by making it more inclusive. I reserved a right to object. I withdraw my reservation. I have no objection, since the section is still open to any modification and can be stricken.

The PRESIDING OFFICER. Is there objection to the modification of the amendment? The Chair hears none, and the amendment is modified as suggested.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding that the Cooper amendment as now modified is the pending question before the Senate.

The PRESIDING OFFICER. The Senator is correct.

Mr. SMITH of New Jersey. Mr. President——

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. SMITH of New Jersey. Mr. President, as I started to say a moment ago, it seems appropriate at this time, for me, as the ranking minority member of the committee, to make a few remarks with respect to the proposed legislation, and especially with respect to the supplemental views which were filed by three other members of the committee and myself. Four of us voted to report the bill, reserving the right to offer amendments to strengthen it.

I emphasize first, Mr. President, that our position is not that we oppose the bill; our position is that we favor this kind of legislation. We need something in this field. However, we feel there are certain ways in which the bill can be strengthened, and we wish to have that done. I desire to make that position clear.

The people of the United States have looked toward this body with remarkable patience to see whether we would measure up to their trust and meet their demands for meaningful reforms to rid the labor movement of the racketeering and corruption revealed in the McClellan committee investigations. The American people will be closely watching to see whether we have the courage to be counted for effective labor reforms.

I congratulate the majority leader [Mr. JOHNSON of Texas] and the chairman of the Subcommittee on Labor [Mr. KENNEDY] for fulfilling their pledge. Not only was the bill reported on the deadline on June 10, but it has been brought before us for immediate consideration.

I should not want this occasion to pass without commending all of my colleagues on the Committee on Labor and Public Welfare for their cooperation in expediting the reporting of this labor reform bill. In doing so, they have given the Senate an opportunity to remedy one of the most urgent social problems of our time.

Mr. President, the committee bill, however, does not, in the opinion of many of us, meet the public demand for effective labor reform legislation. The people of the United States have been stirred to indignation by disclosures of serious abuses in the internal affairs of labor unions. The most glaring of these abuses are the lack of control over their union affairs by union members, and the serious financial irregularities which have resulted in the misuse and misappropriation of millions of dollars in union funds.

Those funds really are owned by the various members of the unions who have contributed the funds. We seek to protect the workingman by the provisions we are proposing against misuse of funds.

Mr. President, I desire to present the reasons why four of us joined in the supplemental views. First of all, we feel the bill as reported does not carry out the recommendations of the McClellan committee, which did such wonderful work. Second, from my standpoint in trying to represent the administration in this matter, we feel that the bill as reported does not contain the more important of the recommendations of the administration. On those two main grounds I make these remarks. I shall not bring up administration matters in these particular remarks, but I wish to present an analysis of the McClellan committee recommendations and to point out in what respect we feel the McClellan committee recommendations have not been carried out.

During 1957, the bipartisan McClellan committee made the most extensive investigations into and held the most exhaustive hearings on labor malpractices. On the basis of this testimony, it issued a detailed interim report on March 24, 1958, of 450 pages, summarizing that testimony and highlighting the most flagrant instances of improper conduct. The report concluded with a series of specific legislative recommendations joined in without qualification by 7 of the 8 members of the McClellan committee. I repeat: The report concluded with a series of specific legislative recommendations joined in without qualification by 7 of the 8 members of the McClellan committee.

The report accompanying the committee bill recognizes that these legislative recommendations are the necessary basis for action by the Congress, a view which many of us share. But the report also asserts that the committee bill not only carries out these recommendations but in many respects goes beyond them, an assertion which many of us deny.

The immediate issue now is with respect to title I, which covers reporting. That is the area about which the McClellan committee was mostly concerned.

Mr. President, the bill as reported fails to carry out the legislative recommendations of the McClellan committee in sev-

eral important respects. The majority report, quoting verbatim from page 450 of the McClellan committee's interim report, lists these recommendations as follows:

(1) To regulate and control pension, health and welfare funds; (2) to regulate and control union funds; (3) to insure union democracy; (4) to curb activities of middlemen in labor-management disputes; (5) to clarify the no man's land between State and Federal authority.

But the interim report does not stop at listing these five items—for they are merely general statements of legislative goals or areas. They are immediately followed on pages 450–453 of the interim report—McClellan report—by detailed specifications of the kind of legislation which is needed to attain these five goals. The report on the committee bill omits even to mention these specifications. It thereby, in effect, tells us and the public nothing about what the McClellan committee recommended to the Congress as needed legislation, and makes it impossible for us to determine whether the reported bill actually carries out the legislative recommendations of the McClellan committee.

I am reciting this information because before we vote on this important measure we should know what the McClellan committee urged as being necessary to correct the evils which that committee turned up.

Mr. President, I shall now quote from the interim report of the McClellan committee the exact language of its legislative recommendations, and shall point out, what will immediately be obvious to all of us, the significant respects in which the committee bill fails to carry these recommendations out.

Beginning on page 450, the McClellan committee sets forth the five legislative goals which it recommends and to which I have already referred. Under each, it then described the specific legislation which it recommends for attaining these goals. These are as follows:

First. Pension, health, and welfare funds.

On April 28 of this year a bill to regulate such funds passed the Senate and is now pending in the House. No more need be said on that point.

Second. Union funds.

The McClellan committee, on page 451 of its report, states:

The committee recommends that Federal legislation be enacted closing up the present loopholes in the law concerning the filing of these financial statements. It further recommends that these financial statements be required to be accurate and complete, that there be a method for the checking of their veracity and provisions for bringing legal action against unions filing false statements and against the officers of the unions testifying to these false statements. The committee feels there should be a provision in the law making it a Federal crime, punishable by a prison sentence, for the willful filing of a false or incomplete financial statement.

Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.

I wish the record of this debate to show exactly what the McClellan committee recommended, and how near we have come to meeting its recommendations.

Third. Union democracy.

The McClellan committee, on page 452 of its report, states:

The committee recommends that legislation be enacted assuring democratic procedures in labor unions. In the committee's opinion, legislation should be directed, though not limited, to three principal ends:

1. The periodic election of officers;

2. The use of secret ballots in union elections and other vital union decisions;

3. A limitation on the right of internationals to place local unions in trusteeship or supervisorship.

Much that is elicited in the committee's findings of misconduct by union officials can be substantially improved, in the committee's view, by a revitalization of the democratic processes of labor unions. Some of the burden of this revitalization will have to fall on the union members themselves. They are in some measure responsible for the mismanagement this committee may have turned up, through inertia or lack of interest in the affairs of their unions. While the committee feels that the bulk of American unions operate fairly and democratically and agrees with the principle that the Federal Government should not interfere in their normal functioning, it is still of the opinion that certain basic standards of democratic procedure should be established by law. In this regard, therefore, it recommends that Federal legislation be enacted to guarantee them a right periodically to elect their officers, a right to cast their ballots in secret, and a restriction on the baseless imposition of trusteeships and supervisorships for periods as long as 30 years.

Fourth. Management middlemen.

The committee bill deals with this problem in considerable detail, and in my opinion merely requires a few perfecting amendments to render it acceptable as an effective means for coping with this problem. Hence, it needs no further discussion at this moment.

Fifth. No man's land.

The McClellan committee, on pages 452–453 of its report declares—and this is a most important paragraph:

Testimony before the committee revealed that some employers have had no access to either the National Labor Relations Board or any comparable State agency. In many instances it was found that the fact that the National Labor Relations Board does not take jurisdiction in certain cases does not automatically turn over the case to a State board. In the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency. To solve the no-man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

Mr. President, the specific legislative recommendations of the McClellan committee are to be found in the language I have just quoted from that committee's interim report. I place it in the RECORD in full so that it will be before us during the debate on this measure.

Measured by those precise recommendations, and not by the generalized enumeration set forth on the first page of the report on the committee bill, S. 3974, that bill is revealed as failing to carry out these recommendations in several important respects.

The McClellan committee report recommends effective sanctions against both unions and union officers who fail to file complete financial statements or who file false statements. The committee bill, in section 102, contains extensive provisions requiring union officers and employees to file detailed reports concerning such of their own financial or business affairs as might involve them in conflicts of interest. But there is nothing in the committee bill to compel unions to rid themselves of officers and employees who willfully fail to file such reports on the ground that to do so would tend to incriminate them. We have just had an exchange on that subject on the floor of the Senate, so I shall not develop it further.

In such a situation, the officer or employee suffers no penalty, the Secretary of Labor does not get the desired information, and there is no provision in the bill designed to compel the union to get rid of such officer or employee. In addition, when a union itself willfully fails to file or files false information required by section 101 of the committee bill, or retains in office or employment an individual who has been convicted of failing to file or of filing falsely, the only sanction against the union is a fine of not more than $10,000. Mr. President, such a fine would scarcely be a deterrent to a large union such as the teamsters, with a huge treasury and an annual income in the millions, if such union were bent, for reasons of its own, in not revealing its financial dealings to the scrutiny of its members, the press, and the public.

Thus, it seems clear to some of us, that the total lack of sanctions against unions in one area, and the inadequate sanctions in the other areas covered by title I of the committee bill, constitute an obvious failure of the bill to follow the recommendations of the McClellan committee calling for effective sanctions against unions which do not disclose fully the financial information which relates to their activities and those of their officers and employees.

Mr. President, I wish to call to the attention of the Senate the fact that the McClellan committee's recommendations on the subject of union funds makes no exception for any unions, large or small, of any kind or character. It calls for registration and reporting in the most sweeping terms, presumably of all unions with respect to which Congress has the constitutional power to legislate. Nevertheless, the committee bill contains an exemption from these requirements for unions with a membership of fewer than 200 and gross annual receipts of less than $25,000. This has caused a great

deal of concern to many of us who have studied the bill.

It has been stated on good authority that this exemption would excuse 60 percent of the labor unions in the United States from complying with the registration and reporting provisions of the committee bill. Among those excused from disclosing their financial affairs would be the notorious paper locals of Johnny Dio and other racketeers and gangsters, because such paper unions often contain fewer than 200 members if they have any members at all. I submit, Mr. President, that this exemption makes a mockery of the pretensions of the committee bill to throw the full light of public scrutiny on union financial affairs, particularly on those dark and shady recesses which the McClellan committee labored so hard and long to drag into the open.

In order to cover this subject I am sending to the desk an amendment to the bill, striking out, on page 7, lines 1 to 11, the entire subsection (c). I ask that the amendment be printed and lie on the table, to be called up at an appropriate time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. SMITH of New Jersey. Again, the committee bill contains not a single provision designed to throw the legal protections which safeguard funds held in trust, around the funds of labor unions collected from the hard-earned wages of their members. The McClellan committee, as I have shown, emphatically declares that such moneys "are in actuality a trust," and should be held and used under limitations which are now imposed by law on those who hold and administer trust funds. In a word, union officers and employees charged with handling union funds should have a fiduciary relationship to the funds which they handle. But the committee bill creates no such fiduciary relationship.

It is difficult for me to understand how that provision could have been omitted. Its omission might have been the result of an oversight. I was not a member of the subcommittee, and I did not attend any of the meetings until the time of the final committee meeting on this subject. I was engaged in the consideration of the mutual security bill in the Committee on Foreign Relations, and I could not attend the meetings. However, the fact remains that I never heard of that subject being discussed, and I do not know why such a provision was omitted.

Mr. President, as I have pointed out, the McClellan committee made several recommendations dealing with safeguarding and extending democracy in union affairs. One of those recommendations was legislation directed at, and I quote, "the use of secret ballots in union elections and other vital union decisions."

The committee bill contains provisions requiring unions to conduct periodic elections for union officers by secret ballot, but it completely ignores the recommendation for secret ballots in "other vital union decisions."

It is my understanding that some Senators are prepared to offer amendments to deal with this subject, and therefore I shall not discuss it further.

Mr. President, there is one final area in which the committee bill completely fails to conform with the recommendations of the McClellan committee. I refer to the perennial problem of the no man's land in labor disputes which has been before the Congress on previous occasions. As we all know, under decisions of the Supreme Court, the States are forbidden to exercise jurisdiction over labor disputes even though the appropriate Federal agency, the National Labor Relations Board, has refused to do so. The unhappy result is a no man's land in which no forum exists in which the victims of unlawful conduct may have their day in court. This makes a mockery of the ancient axiom deeply embedded in our law, that for every wrong there is a remedy. The McClellan committee, recognizing the seriousness of the situation, recommended without qualification—and I call special attention to this point—"that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the [National Labor Relations] Board declines jurisdiction."

Mr. IVES. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. IVES. I should like to point out that I am the one who wrote that section of the report which recommends the provision for a no-man's land. When the matter comes up on the floor of the Senate, perhaps by way of an amendment, I shall explain why that provision is in the bill.

Mr. SMITH of New Jersey. I thank the Senator. I look forward with interest to having that explanation made.

The language is plain. The recommendation unequivocally calls for the elimination of the no man's land and the availability of a forum, State or Federal, for violations of law in the field of labor relations. But the provisions of the committee bill preserve the no man's land and deliberately aim at creating uncertainty in the law. These provisions prohibit the Federal Board from adopting any policy or standard for asserting its jurisdiction—or, to put it bluntly, the provision tells the Board it may continue to refuse to assert jurisdiction but cannot give its reasons for doing so.

I understand that the Senator from New York will explain it when we come to consider that provision. This is not only directly contrary to the recommendation of the McClellan committee, and completely at variance with the American tradition which calls for the maximum possible certainty in the law, but it confers an unbridled and limitless discretion on an administrative tribunal possessed by no other court or governmental agency in the history of the United States.

Mr. President, at the appropriate time I, or perhaps some of my colleagues, will offer to the bill reported by the committee amendments which will be designed to correct most of the defects in the pending bill which I have described.

I have every reason to believe that the distinguished Senator from Massachusetts will accept many of our proposals.

To cure these defects, these amendments will be drawn from the President's labor program, which the committee bill has failed to do. These amendments are not new. They have been before the Senate since January 23, 1958, at which time President Eisenhower sent his labor-law recommendations to the Congress and I introduced the bills S. 3097, S. 3098, and S. 3099, which embodied them.

Last April when we debated the other labor bill, I offered amendments covering the 11 specific recommendations of the President of the United States. I shall discuss these points later, because I do not believe they are adequately covered by the pending bill.

In addition, Mr. President, it is my intention to offer during this debate such amendments to the Taft-Hartley Act as the administration considers necessary to remedy the longstanding deficiencies and weaknesses in the present law. These amendments of course will be based on the recommendations embodied in the administration bills which I introduced in January.

Mr. President, I send an amendment to the desk, which I ask to have printed and to lie on the table. It is a very simple amendment. It covers the exemption provision to which I referred earlier. I shall call up the amendment later. It applies to page 7, lines 1 through 11, to strike out all of subsection "(c)." I have already referred to it. It has to do with the exemption of labor organizations from the provisions of the bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

The PRESIDING OFFICER. What is the request of the Senator from New Jersey?

Mr. SMITH of New Jersey. I send an amendment to the desk and ask that it be printed and lie on the table, to be called up when we come to vote on amendments.

The PRESIDING OFFICER. Without objection, the amendment will be received and printed, and will lie on the table.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. DIRKSEN. I know that the Senator from New Jersey has done valiant work on this subject, particularly in carrying the flag for the administration program. I believe it would be extremely useful if, in connection with his remarks, he would ask unanimous consent to include in the RECORD the comparative tables which appear at pages 1402, 1403, 1404, and 1405 of the hearings. Those tables show a comparison of the administration bill and the pending bill.

Obviously that comparison will get only limited circulation, because it is contained in the voluminous hearings. I suggest that it be included in the CONGRESSIONAL RECORD, because I am sure its

timeliness will be of great interest in many sections of the country.

Mr. SMITH of New Jersey. I thank my distinguished friend for calling it to my attention. I ask unanimous consent that the tables appearing at pages 1402, 1403, 1404, and 1405 of the hearings be printed in the RECORD. They set forth a comparison of the administration bill, the recommendations of the President last January, and S. 3974, the Kennedy bill.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparison of S. 3007 (administration) and S. 3454 (KENNEDY) labor-reports bills

Subject	Administration bill, S. 3007	Senator KENNEDY, S. 3454
I. Reporting requirements	S. 3007 replaces the reporting requirements of 9 (f) and (g) of the National Labor Relations Act with a separate reporting bill containing broader and more detailed provisions as set forth below.	Repeals 9 (f) and (g) of the National Labor Relations Act. Would enact a separate reporting bill containing broader and more detailed provisions as set forth below.
A. Constitutional basis	Commerce power and taxing authority (sec. 101)	Commerce power (sec. 101).
B. Who must report: 1. Labor organizations	Labor organizations (including regional and local conferences and councils) engaged in activities affording a basis for income-tax exemption or in activities affecting commerce (sec. 101).	Every labor organization which represents or seeks to represent employees in an industry affecting commerce (sec. 101). Secretary may exempt unions of less than 150, if burdensome. Every officer or employee of covered labor organizations who engages in certain transactions. (See I D 2, below.)
2. Union officers and representatives.	All officers or representatives of covered labor organizations (sec. 103 (a)).	
3. Employers	Employers (excluding Federal, State, or local governments) engaged in any activity or in any industry affecting commerce (sec. 103 (b)).	
C. Form	In such form, manner, and detail as the Secretary may prescribe (secs. 102, 103).	In such form as the Secretary may prescribe (sec. 106 (a)).
D. What must be reported: 1. By unions: (a) Organizational data.	Required to file copies of its constitution, bylaws, and other documents governing internal rights and responsibilities of members (sec. 102 (b)). A written report showing procedures and practices with respect to such things as qualification for or restrictions on membership, election of officers, calling of regular and special meetings, levying of assessments, imposition of fines, authorization for disbursement of union funds, and expulsion of members (sec. 102 (b)).	Almost identical to the present requirements of 9 (f). These requirements are similar to the administration's proposals, except that they do not expressly require a showing of procedures followed in disciplinary matters, as such, or the filing of any governing documents other than copies of constitution and bylaws (sec. 101 (a)).
(b) Financial data	An annual report showing assets, liabilities, and financial activities including receipts, disbursements, and amounts paid certain officers (sec. 102 (c)).	An annual report showing assets, liabilities, and financial activities, including receipts, disbursements, salaries, and allowances of certain officers, loans to any officer, employee, or member in excess of $500. Union must report loans made to any employer whose employees the organization represents or seeks to represent (sec. 101 (b)). Forbids unions to make loans to a business firm (other than a corporation the securities of which are publicly traded) in which an officer or employee of such organization has an interest (sec. 105).
(c) Financial transactions with employers.	A report setting out full circumstances of the receipt of anything of value from certain employers (sec. 102 (c)).	
(d) Secret ballots	A certification that members have the right and opportunity, at intervals of not more than 4 years, to elect their local officers directly by secret vote, and their national or other officers either directly or by secret vote or through delegate bodies elected directly by the membership by secret vote (sec. 102 (a) (5)).	Requirements as to secret ballots in choosing delegates from locals in trusteeship are set forth in IV D.
2. By union officers and representatives.	An annual report (and others, if directed) of payments to or from employers who are or might be organized by the union. (Payments under sec. 302 (c) of Labor-Management Relations Act are excluded.) (Sec. 103 (a).)	Every officer or employee of a labor organization must file an annual report of any loans in excess of $500 received from or repaid to the union, any interest he or his wife hold or any transaction they engage in or any income they receive from certain businesses which either deal with the union or whose employees the union represents or seeks to represent.
3. By employers	An annual report (and others, if directed) of the same type of payments union officials must report (sec. 103 (b)).	
E. Records required: 1. Unions	Maintain records for 3 years sufficient to verify or explain reports filed (sec. 102 (a) (3)).	Shall make, keep, and preserve for such periods and under such conditions as the Secretary shall prescribe, records sufficient to prepare and verify reports filed (sec. 104).
2. Union officers and representatives.	Maintain contemporaneous record of the circumstances surrounding payments described in I D 2, above.	
3. Employers	Maintain same records as union officers under E 2, above.	
F. Disclosure of reported information	Reports are public information, which may be published and used for studies. Reports available for inspection and copies may be made available upon payment of cost of service (sec. 104). Labor organization must make required records available for examination of Secretary of Labor. Labor organizations must make available to members copies of reports and on request, supporting books and records (sec. 102 (a)).	Documents and reports filed available for public inspection under such reasonable conditions as Secretary shall prescribe (sec. 103 (a)). Every labor organization must make copies of reports accessible to members in such manner as Secretary shall prescribe (sec. 103 (b)).
G. Administration and enforcement: 1. Agency	Provides for Commissioner of Labor Reports, to serve under direction of Secretary of Labor (secs. 301, 302).	Department of Labor.
2. Investigatory process	Provides authority to investigate violations, accuracy of reports, or any other necessary matter, hold hearings, compel testimony, and production of records (sec. 303).	Would authorize Secretary to conduct investigations to determine adequacy of the rule and regulations issued by him and for this purpose, authorize inspection of financial records and accounts of labor organization (sec. 105 (b)).
3. Cooperation with other agencies.	Provides for cooperation between Federal, State, and local agencies. Evidences of criminal violations would be turned over to the Attorney General (sec. 306).	
4. Administrative sanctions: (a) Violations by unions.	Provides the following administrative sanctions for willful violations: Withdrawal, for an appropriate period, of recognition or certification pursuant to Federal laws, access to procedures of Federal agencies which exercise decisional functions in labor-management relations matters, and tax exemptions provided for labor organizations by the Internal Revenue Code (sec. 304). These sanctions, which are in addition to continuation of the present denial of NLRB processes to nonfiling unions, would not be automatic but, in a proper case after notice and hearing subject to Administrative Procedure Act requirements including judicial review, could be imposed for willful failure to file true and proper reports. This would also be true of the similar sanction for employers referred to in subhead (b).	Imposes no sanctions upon the union for failure to comply with the reporting and disclosure provisions of this act and, by repealing 9 (f) and (g), gives union access to the procedures of the Board in spite of violations of requirements of the act.
(b) Violations by employer.	Withdrawal for an appropriate period of access to procedures of Federal agencies which exercise decisional functions in labor-management relations matters (sec. 304).	

Comparison of S. 3007 (administration) and S. 3454 (KENNEDY) labor-reports bills—Continued

Subject	Administration bill, S. 3007	Senator KENNEDY, S. 3454
I. Reporting requirements—Con.		
G. Administration and enforcement—Con.		
5. Injunctions	Would authorize actions for injunctions against violations (sec. 305).	
6. Criminal penalties	Would make willful violations of reporting requirements of the act punishable by a fine of not more than $5,000 or imprisonment for not more than 1 year, or both (sec. 307 (a)). Makes applicable to the reports required of unions and employers, the criminal penalties for false filing provided by section 1001 of the Criminal Code. Also applicable to reports required of union officers and representatives.	
II. Fiduciary responsibilities of union officials:		
A. Coverage	Would apply to officers, agents, and other representatives of all labor organizations subject to the bill's reporting requirements (sec 201).	
B. Trust relationship	Places any officer or other representative of a labor organization in a position of trust and responsible in a fiduciary capacity with respect to any money or other property in his custody or possession by virtue of his position (sec. 201).	
C. Enforcement	Provides for class action in any court of competent jurisdiction by union members for breach of these fiduciary responsibilities (secs. 202, 203).	
D. Applicability of State laws	Preserves responsibilities and remedies under State law (sec. 204).	
III. Crimes:		
A. Union funds and records	Would make embezzlement of union funds, false entries with intent to defraud or deceive, and willful destruction of union books and records a felony (sec. 501).	Would make any person who willfully violated or failed to comply with any provision of this act or who made a false statement or representation of a material fact, in any document, report, or other information required by this act subject to a fine of $5,000 or imprisonment for not more than 5 years, or both. Embezzlement or conversion of union assets by officer or employee made punishable by a fine of $10,000 or imprisonment for not more than 5 years, or both.
B. Bribery	Would make bribery by union or employer representatives in matters affecting labor-management relations a felony (sec. 502).	
IV. Union standards:		
A. Secret ballots	See I D (1) (d), certification with respect to election of officers.	
B. Restrictions on trusteeships		Would prohibit union imposing trusteeships on local except in accordance with its constitution and bylaws and for "the purpose of correcting corruption or financial malpractice, insuring the performance of collective-bargaining agreements or other duties of a bargaining representative, or otherwise carrying out the legitimate objects thereof." Would make it unlawful during trusteeship, to transfer funds of local or its trustee to parent organization, except for payment of per capita tax and normal assessments. Would also prohibit counting the vote of delegates from such body in any convention or election of officers of the labor organization unless the delegates have been chosen by a secret ballot in which all the members in good standing of such body were eligible to participate. Trusteeship requirements would be enforced by NLRB as in unfair labor practice cases. Trusteeships would be limited to 1 year unless union shows by "clear and convincing proof" that continuation is necessary. As alternative, would permit administration of trusteeship requirements by independent, impartial appeal board, provided union applies to Secretary of Labor for certificate authorizing use of alternative method and, after investigation, he finds certain requirements are met. Certificate would be valid for 2 years, and issuance or denial would be subject to judicial or administrative review.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. ALLOTT. I cannot let this moment pass without commending the Senator from New Jersey for his remarks. He is the ranking minority member of the committee, and I wish to pay public tribute to him for the great work he has done during the past years as a member of the committee, particularly his work in connection with the pending bill, in trying to have a bill reported which was not burdensome on any segment of our society, but which would guarantee to individual union members the rights which we believe every man in this country has under the Constitution, and which he receives as a result of either being born in this country or being naturalized as a citizen.

I wish particularly to stress that at no time have I ever heard him, or any other Members who were associated with him, including our Republican Members, make any remarks which would indicate that they desired to impose any punitive provisions. The sole desire and purpose of the bill, as well as of the amendments which the Senator from New Jersey is offering, and other amendments which some of us will offer, is to secure to individual union members rights in their own organizations to which all free men are entitled, no matter what their place is in society and no matter to what organizations they belong.

We have given unions special privileges by virtue of the Taft-Hartley law. We have given them access to the National Labor Relations Board. The National Labor Relations Board can award judgments to them. We give them an exemption from the income-tax laws. We give unions exemptions also from other laws, including the antitrust laws. Therefore we are dealing with a peculiar situation. I wish to say that, although the Senator from New Jersey speaks for himself, he expresses also the feelings of all of us on the Republican side, which is that we seek no punitive measures and want no punitive measures adopted. All we want is to write into the law provisions which will make the law sound, and will guarantee to the membership of unions, as individuals and as a group, the rights to which they are entitled by virtue of their citizenship.

Mr. SMITH of New Jersey. I thank the Senator from Colorado. No one has contributed more than he has in carefully studying the question, so as to make certain that members of labor unions are protected, as they should be protected, from the outrageous practices which have been disclosed by the McClellan committee.

We are not seeking to act punitively. We favor the proposed legislation, but we want to have it perfected so as to make it as strong as possible. It is my sincere hope that the Senator from Massachusetts will be willing to accept many of the amendments which we are prepared to offer, as the bill progresses toward its destination.

Mr. IVES. Mr. President——

The PRESIDING OFFICER (Mr. MORSE in the chair). The Chair recognizes the Senator from New York.

Mr. IVES. Mr. President, I yield to the Senator from Illinois for the purpose of suggesting the absence of a quorum, without losing my right to the floor.

Mr. DIRKSEN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Barrett	Green	Morton
Beall	Hayden	Mundt
Bible	Hickenlooper	Murray
Bricker	Hobitzell	Neuberger
Bridges	Holland	Pastore
Bush	Hruska	Payne
Butler	Ives	Potter
Byrd	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Yarborough
Flanders	Martin, Pa.	Young
Frear	McClellan	

The PRESIDING OFFICER. A quorum is present.

Mr. DIRKSEN. Mr. President, will the Senator from New York yield to me?

Mr. IVES. Provided I do not lose the floor. I wish to address the Senate, but first I wish to have the pending amendment voted on by the Senate.

Mr. DIRKSEN. Mr. President, it is my understanding that the Senator from New York is as anxious as are the sponsors of the amendment to have it disposed of.

Mr. IVES. Yes; I wish to have the vote on the amendment taken as soon as possible. However, I understand that the amendment has been modified.

Mr. DIRKSEN. Mr. President, I trust that it will be possible to have the Senate vote on the amendment without causing the Senator from New York to lose the floor.

Mr. IVES. I am perfectly willing to yield on that basis.

Mr. JAVITS. Mr. President, I submit an amendment, and send it to the desk, and I ask unanimous consent that the amendment, which I am submitting on behalf of myself, the Senator from New Jersey [Mr. CASE], the senior Senator from New York [Mr. IVES], and the Senator from Massachusetts [Mr. KENNEDY], may be read, and may be considered en bloc with the pending amendment of the Senator from Kentucky [Mr. COOPER]. I ask unanimous consent that that may be done after the amendment has been read.

The PRESIDING OFFICER. Without objection, the amendment will be read.

Mr. GOLDWATER. Mr. President, reserving the right to object——

The LEGISLATIVE CLERK. On page 28, after line 4, it is proposed to insert the following after (b):

No person who after notice from the Secretary shall have failed to file any information required by any report required to be filed pursuant to title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such failure.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York?

Mr. GOLDWATER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Arizona may have the floor, provided the senior Senator from New York does not lose the floor.

Mr. GOLDWATER. I should like to ask the Senator from New York for an explanation.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from New York.

Mr. IVES. Mr. President, in order to expedite matters, I have suggested that Senators not ask me to yield continually. I yield with the understanding that the moment the vote is concluded on this amendment, I shall have the floor.

The PRESIDING OFFICER. Is there objection? The Chair desires to ask the senior Senator from New York if he is accepting the amendment as a perfecting amendment.

Mr. IVES. Is the Chair asking the senior Senator from New York that question? I am one of those who sponsored the perfecting amendment.

Mr. CURTIS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. IVES. Certainly.

The PRESIDING OFFICER. The Senator from Nebraska will state his parliamentary inquiry.

Mr. CURTIS. It appears the senior Senator from New York has the floor and wishes to yield the floor for the purpose of voting on the amendment. The Senator from Nebraska wishes to speak on the amendment.

Mr. IVES. I have no objection.

Mr. CURTIS. Would I be precluded?

Mr. IVES. No; not under the arrangement I made. The unanimous consent I requested of the Chair was simply that while the amendment was being disposed of, the ordinary course of debate with respect to the amendment take place. The understanding is that I shall again have the floor as soon as the vote on the amendment is taken.

The PRESIDING OFFICER. It is the Chair's understanding that the senior Senator from New York is now asking unanimous consent to yield the floor for the period of time necessary to take action on the amendment of the junior Senator from New York, with the further understanding that with the disposition of the amendment of the junior Senator from New York, the senior Senator from New York will be recognized.

May the Chair inquire what the amendment was?

Mr. IVES. The amendment is the one primarily offered by the Senator from Kentucky. The modification is being made by the four Senators named by the junior Senator from New York.

The PRESIDING OFFICER. That is correct. The amendment before the Senate is the Cooper amendment, to which the junior Senator from New York wishes to add a modification.

Mr. DIRKSEN. Mr. President, reserving the right to object, and with full deference to the Chair, the proposed modification cannot be binding, in my judgment, unless unanimous consent is first secured.

The PRESIDING OFFICER. The Chair was about to put the unanimous-consent request, because there was really involved what the Senator from Illinois has just pointed out—the necessity of getting unanimous consent for consideration of the Javits amendment in connection with the Cooper amendment.

Is there objection?

Mr. GOLDWATER. Mr. President, I shall reserve the right to object until I have heard the explanation by the Senator from New York. I am a little confused as to how the two provisions fit into the bill.

The PRESIDING OFFICER. The Chair regrets to inform the Senator from Arizona that he cannot make his objection so conditional. He must either object or not object.

Is there objection?

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arizona will state it.

Mr. GOLDWATER. Can I reserve an objection?

The PRESIDING OFFICER. The Senator from Arizona can reserve an objection and proceed to discuss that point on the basis which the Senator stated, but the Senator cannot reserve the right to object and then let a Senator proceed to discuss the subject matter.

Mr. GOLDWATER. I yield to the Senator from New York under my reservation, for the purpose of an explanation.

Mr. JAVITS. Mr. President, we are trying to achieve a constructive result, and I thank the Senator from Arizona for adjusting himself to that objective. We encountered a legal question in the amendment, and we lawyers tried to solve the problem which arose. The problem was this: Suppose an individual who is required under the proposed law to file a report under title I of the bill, fails or refuses to file it, pleading the fifth amendment. What happens? All the lawyers agreed that if he failed or refused to file a report and pleaded the fifth amendment, nobody could make him file, and we could not enact a law to that effect.

The question was, What was the penalty? If a union fails or refuses to file, it is subject to criminal penalty. That penalty is established by the bill. If the union has to get a new officer in order to file the report, it can do so; but that does not reach the personal report that needs to be filed when an official has had personal transactions with employers or was otherwise trying to cheat in his union activities.

In order to try to close that loophole, a number of us, including myself, suggested that if we could amend the part of the bill which is now contained on page 28, line 4, and which deals with the disqualification of an individual who is convicted of any crime under this particular bill by virtue of violation of any of its

provisions, and in the same section deal with the disqualification which would result from the failure or refusal of the individual to file the report required of him, we would close the loophole. Individual members would have to be satisfied that the penalty provided in this particular section was a suitable penalty. That matter goes to the substance, and not to the procedural question.

Procedurally, the question is now: Are we shooting an arrow at the individual who refuses or fails to file a particular report? I thought we could perhaps accomplish what was desired by disqualifying that individual from holding any office of trust with the particular union for 5 years, after notice from the Secretary that he had to file a report, and, nevertheless, he failed to file it. That is the perfecting amendment.

The reason for proceeding to have it considered along with the amendment of the Senator from Kentucky [Mr. COOPER] is that it relates to the advisability of adopting the provision requiring a report to members of the union, and trying to be sure that the report which goes to the members of the union is the report made by individuals, as well as that made by the labor organization. Nothing in the proposal need affect the individual vote of any Senator upon the substance of the provision.

Mr. President, we are proceeding, in a sense, as trustees. The Senator from New Jersey and I, as lawyers, have attempted to draft language in an effort to help the Senate. We do not want to appear in the position of advocates, which is the province of the Senator from Massachusetts and my senior colleague from New York.

Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Will the Senator suspend for a moment?

The Chair would like to state the parliamentary situation. Pending before the Senate is the unanimous-consent request of the Senator from New York to consider the Javits amendment as a modification of the Cooper amendment, and consider the two together. Is there objection to that unanimous-consent request?

Mr. GOLDWATER. Mr. President, I have reserved the right to object. I propound a parliamentary inquiry: Who has the floor?

The PRESIDING OFFICER. At the present time the Senator from Arizona has the floor.

Mr. GOLDWATER. Is it not proper for me to continue to reserve my right to object?

The PRESIDING OFFICER. The Senator may reserve his right to object, but he does not have the right to parcel out time and have other Members of the Senate obtain the floor.

Mr. GOLDWATER. I should like to make a parliamentary inquiry on that point. Is that the case?

The PRESIDING OFFICER. The Chair is making an observation. The Chair is waiting to hear what the next request of the Senator from Arizona is. At the present time the Senator from Arizona has the floor in his own right.

Mr. GOLDWATER. In the meantime I have the floor in my own right?

The PRESIDING OFFICER. On a reservation of objection to a proposed unanimous-consent agreement.

Mr. GOLDWATER. Is it not possible for a Senator to answer questions or yield under the reservation?

The PRESIDING OFFICER. Under an additional unanimous-consent request. The Senator from Arizona has the floor under a reservation of objection to a proposed unanimous-consent agreement. The Chair wishes to know whether the Senator from Arizona objects or whether the Senator from Arizont wants to discuss further his reservation of objection.

Mr. GOLDWATER. Mr. President, I should like to get this matter cleared up. It is rather unique, in my short experience.

The PRESIDING OFFICER. It is in the experience of the Chair, also. [Laughter.]

Mr. GOLDWATER. Is it not possible for a Senator who has the floor to yield for the purpose of having a question propounded?

The PRESIDING OFFICER. Yes.

Mr. GOLDWATER. That is all I have done.

The PRESIDING OFFICER. To whom is the Senator asking to yield now?

Mr. ALLOTT. Mr. President, will the Senator yield to me?

Mr. GOLDWATER. I do not know whether I am afraid to yield, but I shall yield.

The PRESIDING OFFICER. The Senator from Arizona yields to the Senator from Colorado for a question.

Mr. ALLOTT. I should like to invite the attention of the Senator from New York [Mr. JAVITS] and the Senator from Arizona [Mr. GOLDWATER] to page 28 of the bill, subsection (b). I ask the Senator from Arizona if, in effect, the same material and the same penalty are sought to be imposed there as are sought to be imposed in the amendment offered by the Senator from New York.

I have a copy of the amendment offered by the Senator from New York and I shall read it:

> No person who after notice from the Secretary shall have failed to file any information required by any report required to be filed pursuant to Title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such failure.

I believe the language on page 28 is not quite inclusive of the same area, but the amendment offered by the Senator from New York is intended to cover the same situation which subsection (b) is intended to cover. Is my understanding correct?

Mr. GOLDWATER. If my understanding of the amendment offered by the Senator from New York is correct, the Senator is attempting to take care of the area, described this morning, which would be created by a union official pleading the fifth amendment. Is that a correct understanding?

Mr. JAVITS. The Senator is correct.

Mr. GOLDWATER. If that is the case, I believe the language would do it, because subsection (b) as it now stands requires a conviction of a violation.

Mr. ALLOTT. I thank the Senator.

Mr. GOLDWATER. There is one question I should like to ask my friend the Senator from New York. Is it not possible, even under the amendment the Senator offers, for a union to continue to hire such a man—to keep such a man in office—by merely paying the $10,000 fine? It would be hard to imprison a union.

Mr. JAVITS. I do not consider that a substantive question. I do not think it affects the idea involved.

Mr. GOLDWATER. No, it does not.

Mr. JAVITS. We discussed that question. We felt we were dealing with a crime. We doubted that any union, no matter how case hardened, would look with any viewpoint of expectation or favor upon paying $10,000. Let us assume the union is willing to pay the $10,000. This involves conviction for a crime. The $10,000 is a fine to be imposed after conviction. That is pretty rough. We thought it was an adequate penalty.

Mr. GOLDWATER. Let me ask the Senator another question. Does the Senator feel that some amendment would be necessary to take care of the language "or imprisoned for not more than 1 year, or both"?

Mr. JAVITS. I point out to the Senator from Arizona such an amendment could come at any time during the consideration of the bill. We are attempting to at least cover the base—let us put it that way—together with the Cooper amendment. We thought the amendment covered a service the majority which favored the Cooper amendment wished to have rendered; and that is all there is to it.

Mr. GOLDWATER. Mr. President, in my opinion this proposal is a great step forward in improving the quality of the bill. It is a matter which the minority pressed for very hard in both the subcommittee and the full committee consideration of the bill. As the author of the substitute proposal in the full committee, I do not feel that the penalty goes far enough, but I think the language of the distinguished Senator from New York [Mr. JAVITS] and my friend from New Jersey [Mr. CASE] certainly clears up the intention and gets to the point the Senator from Arizona has been constantly making with reference to the bill. I think both Senators have performed a good service. This will be a major step in completion of the consideration of the bill.

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator object to the unanimous-consent request?

Mr. GOLDWATER. No; the Senator from Arizona now withdraws any suggestion of objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. MUNDT and Mr. ALLOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. MUNDT. Mr. President, reserving the right to object, I should like to ask a question or two for information.

With respect to the penalty, assuming the situation related by the Senator from Arizona should occur, with a conviction and the payment of a $10,000 fine, would not the continuation of such official in his position constitute a second violation, and could he not be brought into court again?

Mr. JAVITS. Exactly. There would be a multiple violation.

Mr. MUNDT. I think it is an unrealistic example to consider that such a thing would happen.

Mr. JAVITS. Certainly.

Mr. MUNDT. Speaking as one who supported this approach in the debate earlier today, and one who associated himself in the colloquy with the Senator from Colorado and the Senator from Arizona, in the statement that we had opened a door which we must close again, I should like to congratulate the Senator from New York [Mr. JAVITS] and the Senator from New Jersey [Mr. CASE] for having combined their legal talents, I believe successfully, to close the door in the protection of the rank and file of American labor. I withdraw my reservation of objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. Reserving the right to object, I should like to propound a question so that the legislative record may be made clear in this matter. I should like to ask a question of the Senator who has offered the amendment to the amendment of the Senator from Kentucky.

Under section 102, which is the section dealing with conflicts of interest, suppose a man refuses to file a statement, or files a statement saying he refuses to file, upon the basis that to file it would tend to incriminate him or would incriminate him, and suppose he does nothing thereafter. Then suppose the union retains the man in office. I want the legislative record to be clear. Is it then the intent of the amendment that the union itself, by the retention of such person in office, would become subject to a fine?

Mr. JAVITS. The union would become subject to a fine under section 305 (c), which is found on page 28, line 13. That is what our concept of the law is, in the drafting of this particular proposed legislation.

Mr. ALLOTT. I think the record should be perfectly clear, and that is the reason the question was asked. The fact that a man may refuse to file under the fifth amendment would leave a "no man's land" unless it is understood in the legislative record that the union would be subject to the fine and penalty of a maximum of $10,000.

Mr. JAVITS. If my colleague will yield further, we approached this problem most humbly. I am a little worried by the fact that we have not yet had critical comment. Perhaps some other Member of the Senate will find something wrong with this proposal. Really, we simply drafted it ad hoc. We welcome a critical appraisal of the situation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. ALLOTT. Mr. President, I shall not object.

The PRESIDING OFFICER. Is there objection to the uannimous-consent request?

Mr. MORSE. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. Mr. President, there is pending before us simply a request to consider the Javits amendment along with the Cooper amendment; is that correct?

Mr. JAVITS. The Senator is correct.

Mr. MORSE. Then we can discuss the merits of the amendment?

Mr. JAVITS. Of course.

Mr. MORSE. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New York [Mr. JAVITS]? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER], as modified.

Mr. MORSE. Mr. President, I invite the attention of the Senator from New York to page 28 of the bill, subsection (b), beginning in line 4:

> (b) No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction. No labor organization shall knowingly permit any person to assume or hold office in violation of this subsection.

That is the provision in the bill.

I do not have the Senator's amendment before me, so I am speaking from recollection of the reading of it. Am I to understand that the Senator from New York provides in his amendment that if a union officer refuses to file a report on the ground that it might violate his rights under the fifth amendment, on the basis of such refusal he attaches to the union or to the individual some disability?

Mr. JAVITS. The responsibility which then attaches is that the union will not maintain him in its employ or as an officer, for at least 5 years following such failure.

Mr. MORSE. What disturbs me is that he cannot plead the fifth amendment on a form with any legal effect. The only place he can plead the fifth amendment with legal effect is in a proceeding, either in a court or before a legislative committee, or some tribunal which has jurisdiction. Simply to say, "I do not file this report because, in my judgment, if I did I might get myself involved in self-incrimination," has really no legal status.

Assume if he were to come to a contest in a tribunal which has jurisdiction, and the tribunal sustains his right to plead the fifth amendment, are we not getting into a situation in which we may raise an interesting constitutional question when we seek to impose a penalty upon an individual or upon the organization he represents because he exercises a constitutional right? That is what disturbs me on the merits of the Senator's proposal.

Mr. JAVITS. Let me try to answer that question——

Mr. MORSE. If the individual is convicted for an offense after he has pleaded the fifth amendment, that is something else. That is the point at which I wish to attach some responsibility to a union for keeping that kind of individual in office. In my judgment that provision is already in the bill. That was the subject of one of the debates in committee.

Let us pause and take a look at what the fifth amendment plea seeks to protect in this country of ours, and let us watch out that we do not propose a course of action which would take away a very precious right. Senators all know how I feel about anyone who pleads the fifth amendment. I have a right to comment on the fact that he has pleaded the fifth amendment, and the reasons why he pleaded it. In many instances he pleads it because he does not want the tribunal to know the truth about himself.

Nevertheless, this is a very fundamental constitutional right under our system of government. I repeat that the only place the fifth amendment can be pleaded with legal effect is before an official tribunal which has jurisdiction. Every free man or woman in this country is guaranteed the constitutional right to plead the fifth amendment. It is a precious right, both to the innocent and to the guilty. Let us get out of our minds the impression that under the American system of jurisprudence we have not set up these protections of fair judicial process for the innocent as well as for the guilty.

If, after this individual has been found guilty, the union keeps him in office, and he pleaded the fifth amendment before the tribunal which had jurisdiction, then I want to attach a penalty. But I do not wish to support the Senator's amendment if it means what I am assuming it means—and I am asking for information from the Senator from New York—I do not wish to attach a penalty because the officer of a union, or of any other organization, simply states, on a form, that he refuses to file a report because he believes that if he did so he might find himself involved in self-incrimination. I do not think we should go that far.

Mr. JAVITS. Let me answer the Senator's question——

Mr. MORSE. If that is what the Senator is proposing to do, rather than to attach the responsibility after conviction, I cannot support his amendment. If it relates only to the situation after

conviction, there is already such a provision in the bill.

Mr. JAVITS. The purpose of the amendment is to impose a deprivation of the right to hold office in the event of failure, after notice, to file a report.

I agree with the Senator thoroughly with respect to the juridical concepts involved. We certainly have no right to prevent anyone from pleading the fifth amendment or asserting his privilege against self-incrimination. However, at the same time, we do not have to reward such action with office in a body which enjoys a certain amount of protection by virtue of the public interest. That is the fundamental question which we must decide.

I think we have a right, therefore, even as a juridical concept, to enact the proposed legislation, which does not stop a man from pleading the fifth amendment, but stops the union, which is seeking the intercession of governmental bodies in furtherance of its work, from keeping him on as a responsible employee or officer.

I note that in the effort to arrive at simplicity of drafting we have carried over into this particular amendment the same time period, in other words, the same period of disability, which is contained in the conviction section.

As I understand the parliamentary situation, the Senator from Oregon would be free to offer any amendment relating to the term of years or to any other provision in this section which ties in with what happens to a man in a union if he refuses, after notice, to file a report required by the act. That subject could be dealt with in a perfecting amendment. I point that out because I think it is very important.

However, the fundamental principle is laid down, if the amendment stands as written, that we are seeking to disqualify the individual, if he exercises his absolute constitutional right to refuse to file on grounds of self-incrimination, from the opportunity of working for the particular unit. We are seeking to deprive him of that opportunity.

Mr. ALLOTT. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I am glad to yield if I have the floor.

Mr. ALLOTT. I think we can clarify the situation by a specific example.

If an officer is required, under section 102, which is the conflict-on-interest section, to file a report, and he refuses to file any report at all, but simply ignores the law, he can be prosecuted under the provisions of this act; is that correct?

Mr. MORSE. That is my understanding.

Mr. ALLOTT. If, on the other hand, as the Senator has pointed out, he merely scribbles a note on the report form and signs it, saying, "I refuse to sign or fill out this form on the ground that it might tend to incriminate me," we have a second situation which might occur. There are two probable, or possible, occasions which might arise under the reporting requirement in section 102. There are at least two possibilities.

As I understand the amendment of the Senator from New York, the bill as it is written would still apply to the individual; but when the union became aware that the individual had failed or refused to file his report—and the Secretary might well maintain, I think, that the signing of a report with a disclaimer under the fifth amendment was a failure or refusal to file a report—if the union persisted in keeping that man in office, the sanction would be invoked against the union, not because the man failed or refused to file a report, but because the union insisted on keeping him in office after he had failed or refused to file a report.

Mr. MORSE. I believe that is the objective.

Mr. ALLOTT. I wish to say to the Senator from Oregon that I heartily approve of what he has just said about the fifth amendment and our obligation to keep it inviolate. However, it has been misunderstood by a great many people. It may be used only when a man is before a tribunal and is being examined under oath. I can conceive of its being utilized in an attempt to avoid making a report. If the union insists on keeping such a man in office after he has violated the law, then I feel the sanction should be applied to the union, but not until that time.

Mr. MORSE. Mr. President, I wonder whether I could have the attention of the Senator from Colorado, the junior Senator from New York, and the junior Senator from New Jersey [Mr. CASE]. I have not had the time to study the language of the amendment in light of what is contained in the bill. However, I should like to discuss two situations which concern me very much.

Mr. JAVITS. Mr. President, will the Senator permit me to interrupt him at this point? If he will, it may save a little time.

Mr. MORSE. I yield.

Mr. JAVITS. Unfortunately, when the unanimous consent was granted, the Senator from Kentucky [Mr. COOPER] was not in the Chamber.

Mr. MORSE. I have asked that he be called to the floor.

Mr. JAVITS. We did also. He now tells us that he would prefer it if we did not bring about a vote on his amendment if it is coupled with our proposal. I, therefore, feel constrained to comply with his request, and my colleagues who have joined me in offering the amendment feel the same way. Therefore, for the moment, I would remove our amendment from consideration so that we may go ahead with the vote on the amendment offered by the Senator from Kentucky.

Mr. MORSE. I believe that request should be granted. It would save some time. In the meantime, I shall converse with the Senator from New Jersey and the Senator from New York and the Senator from Colorado, and our doing so may save some time.

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GOLDWATER. Is it possible for the author of the amendment to the Cooper amendment to withdraw his amendment without unanimous consent?

The PRESIDING OFFICER. It would not be in order, because the yeas and nays have been ordered on the Cooper amendment, and that order would extend also to the Javits amendment.

Mr. IVES. May it not be done by unanimous consent?

The PRESIDING OFFICER. It may be done by unanimous consent.

Mr. COOPER. I address myself to the authors of the amendment and also to the junior Senator from Arizona. The amendment which I offered is a very simple amendment, and I believe it to be a very necessary amendment. It would require a labor organization to make its report available to its members. That amendment can be voted on very easily and quickly. The amendment offered by the junior Senator from New York raises very grave questions. I believe the short debate we have had shows that it raises constitutional questions. I hope that unanimous consent will be granted to withdraw the Javits amendment. If that is done, we can proceed to a vote on the original amendment, which is simple in its terms. I ask unanimous consent that the Senators who have offered the amendment to my amendment may be permitted to withdraw their amendment.

The PRESIDING OFFICER. Is there objection?

Mr. GOLDWATER. I object.

Mr. BRIDGES. I object.

Mr. DIRKSEN. Mr. President, there is objection on this side.

The PRESIDING OFFICER. The Chair did not hear the objection.

Mr. GOLDWATER. Both the Senator from New Hampshire and the Senator from Arizona have entered objections.

The PRESIDING OFFICER. Objection is heard. Has the Senator from Oregon yielded?

Mr. MORSE. I have yielded to the Senator from Kentucky.

Mr. COOPER. I regret that I was not on the floor at the time the amendment was offered by my two friends, the distinguished Senator from New York and the distinguished Senator from New Jersey. I am sure if I had been present at the time and had asked that they withhold the amendment, they would have acceded to my wishes.

But now we have come to grips with the substance of the amendment. It is not often that I disagree with the distinguished Senator from New York and the distinguished Senator from New Jersey, because usually our views on questions of this kind coincide. But, in this case, I hope that the amendment will be rejected. First, I do not believe the amendment should be attached to my amendment, whose purpose is to assure that every member of a union will secure at least a summary report from unions of the matter which is required to be filed with the Secretary of Labor.

But my basic reason for disagreeing with the amendment is that I believe it

would cut across the constitutional rights of individuals. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. COOPER. This issue has been discussed at some length, and we have had quite a good debate on it. What does the bill provide? On page 28, section 305 (b) provides:

(b) No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction. No labor organization shall knowingly permit any person to assume or hold office in violation of this subsection.

Then subsection (c) imposes a penalty of $10,000 or imprisonment for not more than 1 year, or both, if this section is violated.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. MORSE. That is the point I have been trying to make. That penalty section provides for a conviction precedent; is that not correct?

Mr. COOPER. Yes. That is what I am getting to now. The section carries out the basic concept of justice in America. That is, that no penalty can be imposed on an individual, or a union until the individual or union has been convicted of a wrongdoing. There must be due process.

Mr. MORSE. Mr. President, will the Senator yield further?

Mr. COOPER. I yield.

Mr. MORSE. I hope the Senator does not mind my interrupting him. I believe this questioning does help to illustrate the point he is making. The Javits amendment, on the other hand, proceeds to apply a penalty to a person who puts something on a form, before there has been any conviction of wrongdoing. Is that not correct?

Mr. COOPER. The Senator is correct.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. COOPER. My basic objection to the amendment is that I believe it would do what the Senator from Oregon has suggested; that is, that Congress would attempt to impose a punishment upon a man or woman or organization for an offense without due process and before conviction for the offense.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BUTLER. Is not this done in thousands of statutes which are now on the books? If a person fails to comply with a certain provision of a statute which requires the filing of a certain form, he can be found guilty or be made to suffer some sanction.

Mr. COOPER. The same provision is in this bill. We had quite a discussion about this subject this morning. Let us see what is sought to be done by the amendment.

The committee bill provides that if a union official or a union fails to file a report, the official or the union can be fined. If an individual is involved, he can be imprisoned. The purpose of title I being actual disclosure, if such a person fails to file a report, the Secretary of Labor is authorized to accumulate the information and make it public.

The only instance in which there is a gap—and we admitted it this morning—is in the case of an individual who is called upon to file a report and claims the fifth amendment.

The individual may say, "The filing of the information may incriminate me; therefore, I invoke the protection of the fifth amendment."

I shall not try to justify my position because I do not care; I say that the fifth amendment protects the guilty and the innocent alike. It is a part of the Bill of Rights. If it means anything, then we cannot upset it by having Congress, by a statute, attempt to impose a penalty upon a person for a violation of the bill, because the person claims a constitutional right. This kind of debate has been going on for 4 or 5 years in this country, in the Congress and in its committees. It precipitated an era of trouble for the Congress and the country. Persons are trying to force the imposition of penalties on labor organizations, educational institutions, and other private organizations simply because some person connected with them claims the fifth amendment.

I shall not try today to develop the history of the fifth amendment. It is a history of several hundred years—a history of protecting the rights and the lives of innocent men, and though the guilty use it, its purpose remains. I shall simply say that I do not think Congress should impose a penalty on a union or an individual because someone has claimed his constitutional rights. But someone may ask, "How can we reach such a person?" The labor unions themselves have adopted codes of ethics dealing with the problem. I do not know whether they will fully carry them out or not. But they have made a start. They are making the effort. I would rather risk their doing it than to vote for an amendment which would deprive one of constitutional rights. I do not think such a provision would ever be held constitutional, but I do not want to vote for it in the first instance.

Mr. MUNDT rose.

Mr. MORSE. Mr. President, does the Senator from South Dakota wish me to yield to him?

Mr. MUNDT. I should like to address a question to the Senator from Kentucky.

Mr. MORSE. With the understanding that I will not lose my right to the floor, I yield to the Senator from South Dakota to ask a question of the Senator from Kentucky.

Mr. MUNDT. I thank the Senator from Oregon.

It does not seem to me that the Senator's argument is quite cogent when he says that protection is not provided, because all the amendment seeks to do is to prevent the fifth-amendment principle from being required. It does not provide a penalty other than to say that a labor organization shall not continue such a person as an officer. There is no legal penalty involved. This is simply a matter of keeping from putting a premium on this type of activity.

I believe the Senator will find that it is strictly within the constitutional concept. The person will not be penalized or will not be brought into court; he will not be affected. This is simply an effort to protect the innocent persons who belong to a labor union.

In this kind of situation, when there is one man versus a group of men, all of them the owners of some money, if we go too far we protect the union leader who stole the money, and we go too far by destroying the freedom of the rank and file, to whom the money belongs.

Mr. COOPER. It is the age-old dilemma, between the constitutional rights of an individual and what we think of as the protection of society.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BUTLER. I do not like to labor the question, but are there not penalties similar to this in the Securities and Exchange Act? If a person fails to file certain papers, a sanction is imposed, and the person cannot trade.

Under the Agriculture Act, if a person fails to file a certain form, he will not receive payments from the Department of Agriculture.

How is the constitutional right involved? I do not see how the constitutional right can be brought into the picture. This is the sort of thing which is provided in many Federal statutes, and there has been no contest about it.

Mr. MORSE. Mr. President, I well know how unpopular it is these days to insist upon a strict adherence to the great historic, constitutional guaranties. The right to plead the fifth amendment is one of those guaranties.

The Senator from Kentucky is so right when he points out, and as I tried to point out earlier this afternoon, that the constitutional guaranties were written into our organic law by our Founding Fathers as a procedural protection and constitutional right for the innocent as well as for the guilty. That protection goes back to the old Anglo-Saxon concept that, after all, the burden of establishing guilt is upon the state. Why? One of the reasons for our Revolution, among other reasons, was the protests of the colonists against the star-chamber procedures of the British Crown.

Men and women over the centuries have learned that they preserve their freedom only to the extent that they insist upon the maintenance of procedures which will check the arbitrary power of the Government. That is involved here, whether we believe it or not. Let us look at two or three of the hypothetical situations which are raised by the amendment.

Do not forget that what is proposed is to give the Secretary of Labor the authority to promulgate rules and regulations. They can be very broad regulations. At the same time, without reference to any individual Secretary

of Labor, but to the office of the Secretary of Labor, the rules and regulations can be highly capricious, and arbitrary. If the Secretary of Labor publishes a regulation, and if he requests compliance by a union official let us assume that the union official thinks that the form or the regulation itself violates his rights. Let us assume further that he replies, "I will not sign; I will not fill it out; and one of the reasons why I will not fill it out is that I believe this form violates my fifth amendment rights." In light of that situation I ask who will determine whether it does or does not violate the individual rights? Thank God, Mr. President, under our system that question must be determined by a judicial process; the courts will determine it.

As the Senator from Kentucky [Mr. COOPER] has pointed out, on page 28, in subsection (b), the bill provides that certain action will occur following a conviction.

I respectfully restate, as I stated a few minutes ago, that the Javits amendment overlooks that requirement of a prior conviction. The Javits amendment would go into effect when a union official said, following objection by him to signing or filling out a form which had been sent to him by the Secretary of Labor, that he refused to sign it, because "I think it would violate my rights under the fifth amendment." Then the Javits amendment would require that penalty action be taken immediately against that union official.

The union official might be absolutely correct in taking that position, and he might prove that when the subsequent court action was brought, if there is one. Of course, if he did not prove it, and if he were convicted, then the penalty provisions of the bill as read by Senator COOPER would apply.

The bill our committee has brought to the floor is a strong bill. I say this to Senators who think the bill is without teeth.

On page 28, in line 13, we provide:

> Any person who violates this section shall be fined not more than $10,000, or imprisoned for not more than one year, or both.

There is the penalty; there is the club; there are the sharp teeth of the bill in respect to this issue.

In this case the Senator from Kentucky proposes that we permit legal process to run its course, until a conviction has been established. Once a conviction has been established, the penalty provisions of the bill will go into effect.

Therefore, Mr. President, I close by saying that we should resolve our doubts in favor of leaning over backwards, so as to take no chances of violating or limiting or transgressing upon what I consider to be a great right of freedom, namely, the protection of the fifth amendment.

Mr. KENNEDY. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Oregon yield to the Senator from Massachusetts?

Mr. MORSE. I yield.

Mr. KENNEDY. I wish to point out that on page 843 of Corwin's Annotated Constitution, where he discusses the fifth amendment, we find the following:

> The privilege of witnesses, being a purely personal one, may not be claimed by an agent or official of a corporation either in its behalf or in his own behalf as regards books and papers of the corporation; and the same rule holds in the case of the custodian of the records of a labor union.

The point is that a union official cannot claim his rights under the fifth amendment as an excuse for failing to file information which this title would require him to file as an official of the union.

So I believe that much of the argument which has been made in this case is a specious one. The only time when such a person could claim his rights under the fifth amendment would be, not in regard to a labor organization, but in regard to conflicts of interest; that would be the only case.

It seems to me that the fact that such a person took the fifth amendment, and refused to disclose his conflict of interest would quite clearly expose him to action by the membership of the organization, who certainly would not wish to continue in office an official who took the fifth amendment as regards a conflict of interest.

So I believe it is clear that the head or other official of a labor organization cannot "take the fifth amendment" under those circumstances; and thus I believe a good deal of the confusion existing in this instance should be dissipated.

Mr. MORSE. I share the Senator's views on this issue. Mr. President, I wish to point out the existing parliamentary situation. In this connection I should like to have the attention of the Senator from Arizona [Mr. GOLDWATER] and the Senator from New Hampshire: Under the circumstances, I hope we can obtain a modification of the order which has been entered, because the present situation is that the Senator from Kentucky [Mr. COOPER] submitted an amendment, and made an able statement in behalf of the amendment, and then was called off the floor. All of us are called off the floor frequently, of course. While the Senator from Kentucky was off the floor, the junior Senator from New York [Mr. JAVITS] submitted another amendment, and asked unanimous consent that it be considered in conjunction with the Cooper amendment, or that the two amendments be considered en bloc.

When I saw that a difficult parliamentary situation was arising, I asked the head of the Republican senatorial staff to have the Senator from Kentucky [Mr. COOPER] called to the floor, because I thought he should be present during the debate on this matter, in order to participate in it.

When the Senator from Kentucky returned, and when he saw the situation which existed, he said, in effect, "I do not want the Javits amendment to be a part of my amendment or to be considered together with my amendment. I want my amendment to be considered by itself." But the yeas and nays had already been ordered; and, under the rule, unanimous consent would be required to have the Cooper amendment voted on separately from the Javits amendment.

After all, Mr. President, a rather basic rule of fair play governs our relationships in the Senate. So, under these circumstances, I think the Senator from Kentucky should be extended the courtesy of being allowed to have his amendment voted on separately from the amendment of the Senator from New York [Mr. JAVITS], particularly in view of the fact that the latter amendment has raised serious questions as to its constitutional consequences.

Now that the Senator from Arizona and the Senator from New Hampshire have returned to the floor, I should like to renew the unanimous-consent request that the amendment of the Senator from Kentucky be separated from the amendment of the Senator from New York [Mr. JAVITS]. I believe that should be allowed, because, in my opinion, it is only fair play to do so.

Then, let me say to the Senator from New Jersey [Mr. CASE] and the Senator from New York [Mr. JAVITS], after that is done, I propose to go to the cloak room and sit down with them and try to find out what they seek to accomplish by means of their amendment, and see whether we can reach agreement on language which will accomplish their purpose, without putting the Senator from Kentucky [Mr. COOPER] and myself and other Senators in a situation in which we would believe that if we voted for their amendment we would be transgressing upon basic constitutional rights.

I believe I have suggested a fair approach to the matter. So I plead with the Senator from New Hampshire and the Senator from Arizona to grant that courtesy, so the Cooper amendment may be considered separately. If that is done, then let the amendment of the Senator from New York [Mr. JAVITS] and the Senator from New Jersey [Mr. CASE] be considered, either as it now stands, or as it may be modified later in the afternoon.

The PRESIDING OFFICER. Let the Chair point out that the Senator from New Hampshire is not now on the floor.

Mr. MORSE. I am sorry, I thought he was here. I ask that word be sent to him, so that he will return to the floor.

Mr. COOPER. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. COOPER. I should like to explain to the Senate the circumstances which caused me to leave the floor. Let me say that I hope Senators will heed the plea the Senator from Oregon has made, as well as my own plea.

For about 2 months, I have had an engagement to speak at the commencement exercises at Hunter College in New York, at 6 o'clock this evening. Of course it is evident that I shall not be able to keep the engagement because my amendment is under discussion. I have been concerned about my appointment, because it has been long standing, and because I was honored by the invitation. I left the floor to telephone Dr. Shuster, president of Hunter College, and a good

friend, to let him know that I could not reach New York this evening.

If I had been in the Chamber at the time—as the Senator from New Jersey and the Senator from New York have said—their amendment would not have been offered in conjunction with my amendment.

So I hope the Senators who have raised objection will withdraw their objection to the unanimous-consent request.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Colorado?

Mr. MORSE. Mr. President, at this time I am perfectly willing to yield the floor.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Oregon is pursuing his unanimous-consent request?

Mr. MORSE. Yes; but I wish the Senator from New Hampshire to be in the Chamber.

The PRESIDING OFFICER. The Senator from New Hampshire is in the Chamber.

Mr. MORSE. Mr. President, I wonder whether the Senator from Colorado will permit me to make my request; and then we can hear from him and from the Senator from New Hampshire.

Mr. ALLOTT. Certainly.

Mr. MORSE. Then, Mr. President, I renew the unanimous-consent request.

The PRESIDING OFFICER (Mr. PASTORE in the chair). Is there objection to the unanimous-consent request?

Mr. CASE of New Jersey. Mr. President, reserving the right to object, I wonder whether it might be appropriate to ask that the request of the Senator from Oregon be modified by including also a unanimous-consent request that immediately following the taking of action on the amendment submitted by the Senator from Kentucky [Mr. COOPER], the amendment proposed by the Senator from New York [Mr. JAVITS], on behalf of himself and certain other Senators, including myself, be the pending question.

Mr. MORSE. Mr. President, let me call the attention of the senior Senator from New York [Mr. IVES] to this situation, inasmuch as I do not believe he heard the request: The present parliamentary situation is, in part, that he be recognized immediately after the taking of action on the amendment of the Senator from Kentucky [Mr. COOPER].

Mr. IVES. That is correct.

Mr. MORSE. If the vote on the amendment of the Senator from Kentucky is to be followed, immediately thereafter, by consideration of the amendment of the Senator from New York [Mr. JAVITS], then the senior Senator from New York [Mr. IVES] should give his consent, in view of the fact that previously he asked that he be recognized immediately following the taking of action on the amendment of the Senator from Kentucky.

Mr. IVES. Mr. President, let me inquire what the pending request is. I was at the desk when it was made.

Mr. CASE of New Jersey. Mr. President, after unanimous-consent was requested, I reserved the right to object, and then suggested that included in the unanimous-consent request be a proviso that the two amendments be acted on separately, and that the amendment of the Senator from Kentucky [Mr. COOPER] be voted on apart from the amendment submitted by the Senator from New York [Mr. JAVITS]; and added to that, there be an understanding that following disposal of the amendment of the Senator from Kentucky, the pending question immediately be the amendment of the junior Senator from New York, and that then the senior Senator from New York be given the floor, as he had it at first.

Mr. IVES. May I inquire how long the discussion will be on the second amendment?

Mr. CASE of New Jersey. I do not suppose anybody can answer that question except for himself. I had in mind 5 minutes for myself, at the most.

Mr. ALLOTT. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. I wish to address myself to the points which have been discussed at length by the able Senator from Oregon. I should like to inquire what the basis of this unanimous consent request is, in order that I may know whether, if I did not object, I would be precluded from discussing the points.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. If I have the floor.

Mr. ALLOTT. May I ask what the parliamentary status is?

The PRESIDING OFFICER. Will the Senator from Colorado state his parliamentary inquiry again?

Mr. ALLOTT. Yes. I should like to know what is the unanimous consent request which is pending before the Senate.

Mr. MORSE. Mr. President, I shall be glad to state it.

The PRESIDING OFFICER. The Senator from Oregon may state it.

Mr. MORSE. I understand my friend from New York [Mr. JAVITS] associates himself with this request.

I ask unanimous consent that the Cooper and the Javits amendments be separated, and be considered separately; that the amendment of the Senator from Kentucky [Mr. COOPER] be followed by consideration of the amendment of the Senator from New York [Mr. JAVITS], to be followed then by recognition of the senior Senator from New York [Mr. IVES] for the speech and proposals he was about to make when this debate started.

Mr. IVES. Two hours ago.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. MUNDT. If that unanimous consent were granted, do I understand correctly the request for the yeas and nays would hold equally as to both amendments?

Mr. MORSE. I so request, Mr. President. I call for the yeas and nays also on the Javits amendment. The yeas and nays have already been ordered on the Cooper amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. It is my understanding that the yeas and nays have been ordered only on the amendment of the Senator from Kentucky. That is the pending question before the Senate which must first be disposed of.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Would it be in order, under those circumstances, to ask for the yeas and nays on the amendment of the Senator from New York [Mr. JAVITS], which is not actually pending at the moment, insofar as I know the situation, because it has not been incorporated in the Cooper amendment and is being considered separately?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that there was an agreement to consider the amendments together. The yeas and nays were ordered on both amendments.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that the yeas and nays granted on the Cooper amendment would incorporate the Javits amendment. If the amendments are separated, then, of course, the yeas and nays have not been ordered on the Javits amendment.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. If the Senate were to vote on the pending question, it would vote on the Cooper amendment as perfected by the Javits amendment. Is that correct?

The PRESIDING OFFICER. The Senate would be voting on the two amendments considered together.

Mr. DIRKSEN. The Senator from Oregon has requested that the amendments be separated, that the Senate vote separately on the amendments, and that the yeas and nays be ordered on the Javits amendment subsequent to the Cooper amendment.

The PRESIDING OFFICER. That is correct, and that thereafter the senior Senator from New York shall have the floor.

Mr. KENNEDY. Mr. President, would we now be agreeing to the yeas and nays on the Javits amendment, if the separation should occur?

The PRESIDING OFFICER. That unanimous-consent agreement is pending.

Mr. MORSE. Mr. President, I have included that request in my proposed unanimous consent agreement.

Mr. MUNDT. Mr. President, what was the result as the Chair counted the hands raised for the yeas and nays on the Javits amendment?

The PRESIDING OFFICER. That request has not been acted on as yet. We are still having parliamentary inquiries propounded.

Mr. MUNDT. Can there be a count of Senators asking for the yeas and nays? That would dispose of the question.

The PRESIDING OFFICER. The yeas and nays on the Javits amendment have been requested. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. JAVITS. Mr. President, reserving the right to object, I wish to explain that the Senator from Kentucky was absent from the floor for longer than it was thought he would be. We are very embarrassed, because he does not wish both of these matters to be considered together. I hope very much the unanimous consent request will be granted.

I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER].

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. I wish to speak concerning the Cooper amendment, and I also should like to address a question to the author of Senate bill 3974, the distinguished Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. Let there be order in the Chamber. Will those who are conversing in the rear of the Chamber please retire to the cloak room?

Will the Senator from Nebraska suspend for a moment? Let those in conversation please desist.

The Senator from Nebraska may proceed.

Mr. CURTIS. Mr. President, I should like to gather some information from the author of the bill before the Senate, the distinguished Senator from Massachusetts [Mr. KENNEDY]. I refer to the language found on page 6, line 12, which is a part of Title I—Reporting and Disclosure.

This particular language refers to a report which a union must file with the Secretary of Labor. Line 12 provides that it shall include "receipts of any kind and the sources thereof."

What is intended by that language? How broad are the words "receipts of any kind"?

Mr. KENNEDY. It is intended to be as broad as it suggests. It is supposed to cover receipts of any kind and the sources thereof. As the Senator knows, the Secretary is empowered, under the bill, to spell it out in such detail as he feels is required. It is supposed to be a complete report.

Mr. CURTIS. Completely broad.

Mr. KENNEDY. Completely inclusive.

Mr. CURTIS. Would it include receipts which came from collections, assessments, or contributions from a part of the membership but not all?

Mr. KENNEDY. I will say "Yes" to the Senator.

Mr. CURTIS. The reason I raise the question is that I wonder what application, if any, the language might have to the so-called flower fund which was operated by the United Automobile Workers. No doubt other unions have funds of that kind. Such funds are not incorporated in the ordinary records of the union. We do not know very much about them. Obviously, members of the unions do not know very much about these funds, which are collected in cash.

Mr. Walter Reuther testified that he contributed to a flower fund. Mr. Reuther was unable to tell us how much his total contributions were, but sometimes they were as much as $75.

We made direct inquiry of one of the business agents or international representatives of the UAW about his contributions to the flower fund. That gentleman said he contributed more or less regularly and that his contributions amounted to about $10 a week. He said sometimes perhaps he missed making a contribution, and I asked him the direct question, "Would your contributions run about $500 a year?" He said that they would.

Those funds are handled in cash. It is true they are not dues in the sense that dues are payable by every member. We do not know how many union members contribute to the flower fund. It is a cash transaction. We do not know exactly what the money is spent for.

Mr. Reuther said that the money was spent for internal politics within the union, that it was a caucus fund. That might be, but the name of it—the flower fund—at least raises a question whether its true purpose is being revealed to the members of the union. The name of the fund would imply it is a small fund to send flowers to the sick and distressed.

If each international representative pays $500 a year, how large is the flower fund of the UAW, if it is raised from international representatives alone?

I asked Mr. Reuther for a list of the representatives. There are more than 700 on the payroll. Mr. President, if my mathematics are correct, if the 700 representatives pay $500 each—I do not know whether the person we asked paid the average amount or not—there would be $350,000 paid in cash, to be disbursed in cash.

A question was raised in the committee meeting about whether I demanded an audit. Mr. President, how can there be an audit of an empty cigar box, when there are no records, no checks, and no bankbooks? The items are paid in cash.

There has been an argument advanced that the so-called flower funds are voluntary and have nothing to do with the union. We have not had a complete investigation of all the details, but there is some evidence which leads to a question of whether the flower funds are voluntary. It is true the information was conveyed that the employees of the union contributed to the flower fund at the time they received their pay. How much coercion there was, I do not know. I do not know to what extent the rank and file members have to contribute to the flower fund. As I say, if no one contributed except the international representatives and if the one who testified in detail about it—who was not a hostile witness to the leadership of the UAW—represented the average, from that source alone there would be collected about $350,000 a year.

Mr. President, let us examine the suggestion that the money in question is the individual's own money, and is being contributed to a union fund known as a caucus fund, to keep the Reuther crowd in control at the local, regional, and national levels. Does the public have an interest in that fund? I contend the public does have an interest, even though the fund is made up of money belonging to those who contributed it. The public and certainly the rank and file workers have an interest in the fund.

The Congress, by virtue of laws previously enacted, permits union-shop contracts. The law of the land permits union and management to enter into a contract which compels the workers to stay in the union. The law takes away from the workers a basic right to withdraw from any organization. So the law of the land compels workers to belong to unions. I submit that when we, by law, permit that to happen, the public, as well as the rank-and-file workers, must be concerned as to how the unions are operated and how their internal politics are conducted. If, under a union-shop contract, the employees of the union are required or expected to contribute to such a fund to keep one particular group in power, then, to say the least, the rank and file of the members ought to have a report on the so-called flower funds. The union members ought to know how much is collected. The employees ought to know whether they are contributing to a fund to send roses, gardenias, or orchids to somebody, or whether they are contributing to a huge fund which is used to enable one group to dominate the union and keep any disagreeing group from ever effectively voicing itself and gaining control of the union.

I hope the intent of the language is that all the money which is handled by a union is to be included in the reporting. I am interested, not from the standpoint of simply having a report filed with the Secretary of Labor; for the city of Washington is full of reports which never have been read and never will be read. I am anxious that those reports be made available to the union members.

That discussion leads me to the point of expressing my gratitude to the Senator from Kentucky for presenting his amendment, which brings out what the bill—S. 3974—actually proposes.

I am not too sure that the amendment of the Senator from Kentucky is the ideal way of handling the problem. But it is certainly better than Senate bill 3974, as reported from the committee, and the Senator from Kentucky is to be congratulated for exposing the glaring change in the law which is proposed by Senate bill 3974.

Existing law requires unions to report their financial transactions to their own members. The bill as reported from the committee would repeal that provision. Why? Who suggested that it be repealed? That recommendation did not come from the McClellan committee.

Who suggested that we change the law so that unions no longer would be required to report to the members how much money they took in, from where, how much was expended, and for what? I do not think it was the result of a drafting oversight. I think we ought to know what forces are behind the proposal which would repeal the law requiring unions to report to their own members concerning the handling of their own dues.

Mr. President, union business is not small business. The annual income from dues is more than $600 million a year. The reserves in the pension and welfare funds are between $25 billion and $30 billion. There is an increment to such reserves every year of approximately $5 billion.

Who was it that demanded that the law be repealed, so that a report concerning the money belonging to a union would no longer be required to be made to the rank-and-file members?

I am sure that the situation was misunderstood by many Senators who voted to report the bill. I cannot believe that the chairman of our select committee, the distinguished Senator from Arkansas [Mr. McCLELLAN] was aware of that situation when he endorsed the bill. I do not charge that he was. I cannot believe it. No Member of Congress has devoted more time and attention to exposing the wrongdoing in the field of labor-management relations than has the distinguished Senator from Arkansas. I am sure that if the committee had asked him whether he recommended repeal of the existing law requiring reports to be given to the rank and file of the members, he would not have recommended it.

Much has been said about limiting this bill to the interim report of the select committee. I think an argument can be made on that score. However, I do not believe that we should be bound not to go beyond that point. We tried to make the report unanimous. We failed in one regard. That is the reason why the bill does not include some things which it was understood would be considered in connection with the proposed legislation.

This is what the interim report says about the handling of finances. I read from page 5:

(4) There has been widespread misuse of union funds in the unions studied:

(a) Financial safeguards have been woefully lacking. Audits have been little more than a formal ritual of adding up figures, while failing to probe their veracity or the vital detail behind them.

(b) Financial reports to rank-and-file members have often been false, sketchy, and even in these forms largely unavailable for perusal by the membership.

Mr. President, our responsibility is to see to it that those reports mean something, and that they are available to the membership. A distinguished committee was lead by someone to report a bill which would even repeal the requirement that the rank-and-file members be told what is going on financially in their union.

There have been no regular means provided whereby the rank-and-file could have access to these reports, and members with the temerity to suggest detailed accountings for their own money have been shouted down and sometimes beaten.

How is it proposed to end the beatings? The answer of the Kennedy bill is, "Repeal the law which imposes upon unions the necessity of reporting to their own members how they handle the money of the members."

Union officials have engaged in the habit of dealing in cash rather than by check. They have failed to submit vouchers for many expenditures, and when vouchers have been turned in they have frequently been false or only vaguely explanatory.

Who said that? Seven of the eight members of the McClellan committee.

Union officers charged with responsibility for disbursements have often signed checks in blank for their superiors with no knowledge of or request for information as to the purpose for which the funds were drawn.

The committee has hit upon a simple answer. Simply remove the requirement that a report must be made to the members.

With these incredibly loose practices, the misuse of union funds, including outright thefts and "borrowings" for personal profit, has totaled upward of $10 million in union-dues money—an average of $5 out of the pocket of every member of the unions covered in this report.

I invite attention to some of the findings of the committee, as set forth on pages 58 and 59 of the interim report. This refers to Frank W. Brewster, of the teamsters' union:

FINDINGS—FRANK W. BREWSTER

Union officials elected to a position of trust and authority have a special responsibility to the members they represent to administer the union's financial affairs judiciously and economically. At all times, such a union leader must remember that the accumulated funds are not his funds but the hard-earned dollars of working men and women paid as dues for the legitimate purpose of improving working conditions and wages.

In the Western Conference of Teamsters, the committee finds that this was lamentably, not true.

Frank W. Brewster, head of the Western Conference, did not understand the obligation under which he labored. He and the executive board of the Western Conference of Teamsters did not act in the interests of the union membership, and the activities of the executive board for a long period of time were found not to be covered by any type of record or minutes.

Checks of the Western Conference were signed in blank; books were either shoddily kept or destroyed and the funds dissipated in a revel of spending on matters that bore little resemblance to union business.

The Senate is asked to pass a measure which repeals the law providing that a union must report to its members how much money it takes in and from where, and how much is paid out and for what purpose. Again I say I doubt if any member of the committee who voted for the bill intended that purpose. However, someone did.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. Earlier today the Senator from Arizona [Mr. GOLDWATER] made the statement that the Senator from Arkansas [Mr. McCLELLAN] definitely expressed the view that whatever was enacted on this subject should contain the provision that the report should not only be made to the Secretary of Labor but also to the members of the union. The Senator from Nebraska has made the statement that in his opinion it was wholly unwise to require solely the report to the Secretary of Labor, and that the real meat of the objective has been eliminated by striking from the bill the requirement that reports be made to the members. Is that correct?

Mr. CURTIS. That is correct.

Mr. LAUSCHE. Is it the understanding of the Senator that the McClellan committee on the whole was of the opinion that reports to the membership were an indispensable part of the bill, if it is to be effective?

Mr. CURTIS. In answer to the question of the distinguished Senator from Ohio, I would say that the McClellan committee is not a legislative committee, and it cannot endorse or recommend specific legislative language. I believe it is a fair statement to say that the McClellan committee considers that union members own the funds and that they should have full knowledge of all transactions, receipts, and expenditures; also, that they should control them and should control the people who expend them. Therefore the answer is generally "yes," but I wish to add that the McClellan committee has not gone on record as to legislative matters.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. GOLDWATER. The distinguished Senator from Ohio stated he felt I had made a statement on the floor of the Senate this morning to the effect that the Senator from Arkansas [Mr. McCLELLAN] had made a certain statement. The reference I made this morning was to the fact that the McClellan bill, under title I, Registration of Labor Unions, applied sanctions to unions. However, I shall be happy at this time to read what the distinguished Senator from Arkansas said when he appeared before the Committee on Labor and Public Welfare, on the subject to which the Senator from Ohio has addressed himself. He stated that his bill provides:

That the minutes of meetings, detailed financial records, and other records be made available for an inspection by members of the union, and that such records be preserved for a period of 6 years.

Requiring each member of the union to be furnished with a copy of any collective bargaining agreement affecting his employment and that all ballots cast in any election be retained for 1 year.

Mr. LAUSCHE. Mr. President, that corroborates the substance of my understanding.

Mr. GOLDWATER. I wish to make it clear that I did not mention these two points on the floor. I merely referred to the fact that the Senator from Arkansas [Mr. McCLELLAN] did include sanctions on the union in his original recommendations.

Mr. LAUSCHE. Does not the language of the testimony given by the Senator from Arkansas indicate that it was his judgment that reports should be given to the Members?

Mr. GOLDWATER. I would not wish to say categorically that the Senator from Arkansas had that in mind. I can only refer to what he testified to on his bill.

Mr. LAUSCHE. May I ask the Senator whether recommendations were made by the Senator from Arkansas which were not accepted by the committee?

Mr. GOLDWATER. Oh, yes; there were many suggestions made by the Senator from Arkansas which were not accepted by the committee. I hope we are on the way to improving one of those situations by means of the amendment offered by the junior Senator from New York and the junior Senator from New Jersey.

Mr. LAUSCHE. Of course, I understand that the Labor and Public Welfare Committee is a different committee from the McClellan Select Investigating Committee, but the declaration of policy in the bill pending before the Senate specifically refers to the disclosures made in the investigations conducted by the McClellan committee. What is before us is the product of what was suggested should be done by the Senate to cure the evils disclosed by that investigation.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. KENNEDY. I appreciate the courtesy of the Senator from Nebraska for yielding to me so that I may reply to the Senator from Ohio.

By the Taft-Hartley Act, it is provided that the reports can be made available to the members of a union. As the Senator from Kentucky quite clearly pointed out this morning, that has not been an effective check on the abuses in the use of these funds. Therefore, when the committee considered the subject, we provided that the Secretary shall have the power to make an investigation, and we also provided that the reports shall be very thorough. We also provided that the Secretary shall make the reports public. That was an effort to provide responsibility both on the part of the union and on the Secretary. Then there is the power of the press, through publicity, to expose wrongdoing. We felt that was extremely important, and the most effective way we could use to get at the problem.

When the Senator from Kentucky discussed the problem this morning, and when it was suggested that we should give authority to the Secretary to compel union officials to give the reports to the union members, we accepted that suggestion, and it was accepted unanimously. I was delighted to do it. We had no intention of weakening the provision, but, rather, of strengthening it.

Mr. LAUSCHE. I am delighted to hear the present view of the Senator from Massachusetts. This morning, when the subject was initially discussed, the query came to my mind: Why would it not be prudent not only to provide criminal sanctions, but also continue in the act of 1958 the provisions of the Taft-Hartley Act which provide that each member shall be entitled to a copy of the report filed by the union? I believe that is thoroughly reasonable. I am glad the Senator from Massachusetts feels that way.

Mr. KENNEDY. It was not proposed in committee. That was undoubtedly due to an oversight. I was delighted to accept the amendment the minute it was proposed, and just as soon as the matter was brought to our attention. I am delighted to tell that to the Senator now. Our intention is the same as his.

Mr. LAUSCHE. So that I may have a clear understanding of the present language, it is to the effect that there will be two sanctions, one criminal, and the other in the nature of a civil sanction; and first, there shall be reports filed with the Secretary of Labor and, second, copies of those reports may be ordered by the Secretary of Labor to be sent to the members?

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. CASE of South Dakota. The Senator from Ohio has referred to two sanctions. My recollection is that the sanction provided by the National Labor Relations Act is a forfeiture of the responsibility of the Board to take any action in behalf of a union which has failed to make reports. As nearly as I can run it down—and I have not studied this very carefully—under section 607 (f), (g), and (h), of the National Labor Relations Act, there are these provisions. Subsection (h) refers to the Communist oath. Subsections (f) and (g) refer to the filing of reports. Subsections (f) and (g) provide that no investigation shall be made by the Board of any question unless the reports are filed; and, further, that no labor organization shall be eligible for certification, and no complaint shall issue unless it can show that it has complied with the provisions of the reporting section.

Where does the bill preserve that sanction?

Mr. CURTIS. I was speaking about another matter.

Mr. CASE of South Dakota. The Senator from Ohio [Mr. LAUSCHE] and the Senator from Massachusetts [Mr. KENNEDY] were engaged in a colloquy on the Senator's time. I thought the Senator from Ohio said there would be a double sanction, the sanction of the present law plus the provision in regard to filing, which is contained in the bill. But if those two paragraphs are repealed, then the sanction is lost, unless it is carried somewhere else in the bill.

Mr. LAUSCHE. Probably I used the word "sanction" in too broad a connotation. What I had in mind specifically was that under the amendment the reports will have to be filed (a) with the Secretary of Labor and (b) under direction of the Secretary of Labor, mandatorily to the members.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. McCLELLAN. The Senator from Ohio was advised by the Senator from Massachusetts, or another Senator, that it may provide for the individual members to receive copies. The amendment offered by the distinguished Senator from Kentucky [Mr. COOPER], in my judgment and interpretation, makes it compulsory for the Secretary to see to it that the members get a copy if they want it.

> Any person required to submit a report under this provision shall furnish the information required to be contained in such reports—
>
> The word is "shall," not "may"—
>
> to each of its members in such form and manner as the Secretary shall by regulation prescribe.

So the matter is not left, by this wording, to the discretion of the Secretary.

Mr. CURTIS. Mr. President, while the Senator from Arkansas is in the Chamber, in fairness to him and his committee I wish to clear up one point. It is true that under existing law the financial reports are to be sent by the union to its members. That is repealed by S. 3974, if we do not amend it.

Mr. McCLELLAN. How is it repealed? By implication?

Mr. CURTIS. No; directly. That was brought out in the colloquy this morning. The repeal of that provision was never recommended by the McClellan committee.

Mr. McCLELLAN. It was never recommended by McCLELLAN himself.

Mr. CURTIS. That is correct. The distinguished Senator from Ohio [Mr. LAUSCHE] raised the question: Were provisions recommended by the McClellan committee which are not incorporated in the bill? I wish to read a few paragraphs from the well written minority views of the distinguished Senator from New Jersey [Mr. SMITH], the distinguished Senator from Arizona [Mr. GOLDWATER], the distinguished Senator from Connecticut [Mr. PURTELL], and the distinguished Senator from Colorado [Mr. ALLOTT]. Here is what they say in answer to that:

> The exceptions we took to the committee bill, including the reservations of those of us who voted to report it to the Senate, were based on the failure of the bill to implement the following specific recommendations of the McClellan committee:
>
> 1. That financial statements required to be filed by labor unions be further required "to be accurate and complete, that there be a method for checking of their veracity and provisions for bringing legal action against unions filing false statements and against the officers of the unions testifying to these false statements."
>
> The committee bill contains extensive provisions requiring union officers and employees to file detailed reports concerning such of their own financial affairs which might involve them in "conflicts of interest." But there is nothing in the committee bill to compel unions to rid themselves of officers and employees who willfully fail to file such reports or who have been convicted for false filing.
>
> Moreover, the committee bill, by granting exemption from its financial filing and reporting requirements to unions having fewer than 200 members and gross annual receipts of less than $25,000, in fact exempts a majority of the labor unions in the United States. This nullifies the requirement where it is most needed, to wit, among the racketeer-established unions which have few or

sometimes even no members at all—thus exempting the notorious paper local activities of Johnny Dio, as in another section the bill fails to apply to such operations as those of Frank Brewster.

2. The McClellan committee recommendations declare:

"Since union dues moneys * * * are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds."

The committee bill, completely ignoring the fiduciary nature of the union officer's relation to the funds of the union, makes no provision to establish such relationship or impose the duties and obligations that a fiduciary relationship requires.

3. In speaking of "union democracy" the McClellan committee recommends legislation directed to "the use of secret ballots in union elections and other vital union decisions."

Although the committee bill requires periodic secret ballot elections for union officers, both local and international, it makes no provision for such elections in connection with "other vital union decisions."

4. The McClellan committee recommends that the "no man's land" problem arising out of the refusal of the NLRB to act and of the inability of State tribunals to act be solved by authorizing any State or Territory "to assume and assert jurisdiction over labor disputes over which the [National Labor Relations] Board declines jurisdiction."

The committee bill leaves the "no man's land" problem where it is. The NLRB retains the power to refuse to act, and the States and Territories are still denied the power, in such cases, to do so. All that the committee bill does is to write confusion into the law by prohibiting the NLRB from establishing any jurisdictional standards. This results in leaving all potential litigants in a state of complete uncertainty as to what the NLRB may do in any given case. This is directly contrary to the basic principle of our Anglo-American system of law that the law is to be made as certain and predictable as humanly possible.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. LAUSCHE. I have only one question. With regard to the recommendation of the McClellan committee that secret balloting be had for the election of officers—and I believe the Senator used language which in effect was "and on other vital matters"—will the Senator give his understanding of what was meant by "on other vital matters"?

Mr. CURTIS. I think it means the policy of the union; the delegation of authority to officers and executive boards, which is not already taken care of by the constitution and bylaws; changes in the constitution and bylaws or the conduct of business; censorship of the officers; the question of declaring a strike; the conduct of strikes.

Mr. LAUSCHE. The termination of strikes?

Mr. CURTIS. Whenever a situation arises in which the union members want a secret ballot on any matter pertaining to the union. After all, it is their union; it is their money which is involved.

Before I yielded, I was addressing myself to the necessity for an amendment which deals with the question raised by the distinguished Senator from Kentucky [Mr. COOPER]. I shall support that amendment, even though I think perhaps the existing law might be a little better. But the bill repeals the existing law.

I read from the interim report of the McClellan committee:

Checks of the Western Conference were signed in blank; books were either shoddily kept or destroyed and the funds dissipated in a revel of spending on matters that bore little resemblance to union business.

In total, the committee found some $800,000 spent in this careless manner, some of which was spent for Brewster's personal benefit, but the bulk of it spent on ventures which promised no guaranty of return to the union or its members.

The committee must conclude that Frank W. Brewster was a careless caretaker of the union members' dues with no real understanding of his fiduciary responsibility.

Mr. President, how is Frank Brewster involved in the bill as it has been reported by the committee? He is involved because the bill as reported by the committee would repeal the law which requires that he report to the members of his union the financial transactions of the union.

Mr. President, I wish to call attention to one other matter. In connection with the question of how we should legislate for the protection of the money belonging to the union members, we must not forget the notorious Dave Beck. Honest union officials will not need any law; but today we are in the process of legislating in order to control the crooks; at least, that is what we are supposed to be doing.

I read now from page 84 of the interim report of the select committee:

FINDINGS—DAVE BECK

When Dave Beck was elected general president of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America in 1952, he promised faithfully to carry out the trust of his office and said he would brook no dishonesty or racketeering within the union's ranks.

After hearing the testimony concerning Mr. Beck's activities, the committee finds that he viciously abused the trust of the union's 1½ million members, that he shamefully enriched himself at their expense, and that in the final instance he capitulated to the forces within the union who promoted the interest of racketeers and hoodlums.

The fall of Dave Beck from a position of eminence in the labor-union movement is not without sadness. When named to head this rich and powerful union, he was given an opportunity to do much good for a great segment of American working men and women. But when temptation faced Dave Beck, he could not turn his back. His thievery in the final analysis became so petty that the committee must wonder at the penuriousness of the man. What would cause a man in such circumstances to succumb to the temptation of using union funds to pay for six pairs of knee drawers for $27.54, or a bow tie for $3.50? In Beck's case, the committee must conclude that he was motivated by an uncontrollable greed.

Mr. President, that money was the union members' money; it was the money accumulated by their payments of dues. But the pending bill, as reported by the committee, even would repeal the requirement that Dave Beck report to the union members what he did with their money.

I read a little further from the interim report in regard to Mr. Beck:

The committee makes the following specific findings:

1. Dave Beck took, not borrowed, more than $370,000 in union funds from the Western Conference of Teamsters Joint Council No. 28 Building Fund, and the public relations division of joint council No. 2. When confronted by an investigation by the Internal Revenue Service, Mr. Beck began restitution which even at the time of the committee hearings, some 3 years later, had not been completed.

The money taken by Beck was used for the construction of his home, swimming pool, and the homes of four of his associates who live near him in the fashionable Sheridan Beach section of Seattle. Other funds were diverted to Nathan Shefferman, Chicago management consultant, in the amount of $85,000 to pay Beck's personal bills and those of his son and nephew.

2. Mr. Beck placed mortgages of the International Brotherhood of Teamsters through a company in which he had a financial interest and thereby received kickbacks for the placement of this teamster business.

3. Mr. Beck and his friend, Donol Hedlund, a Seattle mortgage banker, enriched themselves by $11,585.04 in the handling of the trust funds of Beck's late nearest and dearest friend, Ray Leheney.

4. Mr. Beck aggressively and dishonestly promoted the sale of toy trucks amongst the teamster locals throughout the country for the financial gain of his son, Dave Beck, Jr., and friends.

5. Mr. Beck secured a $12,500 commission for his friend, Nathan Shefferman, for the purchase of land in Washington, D. C., under the most flagrantly false pretenses. He then received an $8,000 kickback from Shefferman.

6. Mr. Beck received another $24,000 kickback as part of the profit that Shefferman had earned from selling furniture to the teamsters and arranging for the installation of a bookkeeping system in the teamsters headquarters.

7. Mr. Beck placed his relatives on the payroll of the teamsters union, and they received salaries and expenses for which they did virtually no work.

8. Mr. Beck used union accountants and attorneys to operate his own personal businesses over an extended period of time.

Mr. President, I shall have something more to say in the days ahead, while the bill continues to be under consideration by the Senate.

But again I wish to point out the great necessity for adoption of the Cooper amendment or some similar amendment in order to prevent the committee bill from doing what it would do as it now stands, namely, repeal the existing law which requires union officials to report to their members concerning their own financial transactions. That is the issue involved in the Cooper amendment.

Mr. President, we have had much debate about the parliamentary situation, about amendments, about amendments to amendments, about sanctions, and about this and that. But I think we owe it to the workers of the country to make the remedies we provide in their interest just as simple and effective as we can. There is one way to do it, or at least to give major help in that direction. But it is not approached in the

pending bill, as reported by the committee.

Mr. President, I hope the time will come when the sentiment in this body will be such that we shall preserve the right of American workingmen and workingwomen to join or not to join a union, or to withdraw from a union and to stop paying dues without losing their jobs. Once we do that, we shall give to the workers the most potent weapon with which to demand and obtain honest union officers.

When Dave Beck was before our committee, and after it had been revealed that he had enriched himself in many, many instances, I said to him: "Mr. Beck, if your members believe these charges against you, can they withdraw from the teamsters union, and stop paying dues, without losing their jobs?"

Of course, I was referring to the majority of the States where there is no right-to-work law.

The record will show that Mr. Beck did not want to answer the question. But after some 10 or 15 minutes of delay, he finally admitted that even though the members of his union knew and believed that he was stealing millions of dollars, they could not withdraw from the union and could not stop paying dues without losing their jobs; he admitted that was the case.

Mr. President, if at some time we restore to the workers their fundamental right to belong or not to belong to a union and the right to withdraw from a union without being denied the right to make a living, we shall give them a weapon with which they can end corruption in unionism at once.

Who is there to say that workers should continue to pay dues to an outfit that is corrupt, to officers who are stealing their money, or to officers who are engaged in racketeering and are in collaboration with criminals and hoodlums?

Workers should also have a right to withdraw from a union when they know the union's money, its publications, its radio programs, and its television programs are used to elect candidates in certain political parties in whom the workers themselves do not believe and with whose views they disagree.

It is no wonder this legislative proposal is a tangle. It is no wonder there is a scramble to accept amendments. It is because we have not faced directly up to the simple, fundamental matter of policy. It is an American policy that no one should be compelled to belong to any organization in order to earn his livelihood, and that he should have a right to withdraw from a union without losing his job.

Whenever Congress has the courage to repeal the existing law, and make membership in unions voluntary instead of compulsory, we shall not have to burden unions with spending half of their time sending reports to Washington, and we shall not have to add employees to bureaus in Washington and use up space in which to pile reports. We shall put control in the hands of American workers and give them the right to manage their union affairs.

Mr. President, I yield the floor.

Mr. IVES. Mr. President, as the one who has had the floor since 1 o'clock and has not been able to exercise that right, I am curious to know when we can get a vote on the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER].

Mr. ALLOTT. Mr. President, I should like to speak for about 5 minutes.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. IVES. Mr. President, if I may exercise my privilege, I should like to explain my position. I have the floor by unanimous consent, with the understanding that when the vote is finally taken on the second pending amendment, I shall then have full control of the floor. In the meantime, I have to take the same position everybody else does today in the Senate.

PAPER INDUSTRY OPPORTUNITY

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ALLOTT. Does the Senator wish me to yield to him?

Mr. HUMPHREY. For a few insertions in the RECORD.

Mr. ALLOTT. I ask unanimous consent that I may yield to the Senator from Minnesota for an insertion in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, we in the upper Midwest are keenly interested in expansion and development of the paper industry—which provides an important outlet for products of our forest areas.

I am pleased to note that the junior Senator from Wisconsin [Mr. PROXMIRE] has been taking an active role in efforts to stimulate opportunities for expansion of this industry, in both the Senate Committee on Agriculture and Forestry and the Senate Committee on Small Business, on which I am privileged to serve with him.

Mr. President, the May 30 issue of United Paper, official publication of the United Papermakers and Paperworkers, published a fine article by the Senator from Wisconsin [Mr. PROXMIRE] on this subject. I ask unanimous consent to have the article, entitled "Expanding Paper Industry Opportunity", printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPANDING PAPER INDUSTRY OPPORTUNITY

(By WILLIAM PROXMIRE, United States Senator, Wisconsin)

Despite current over-capacity problems, it is generally agreed that America's paper industry is in for a period of long-term growth.

Expansion of world literacy and the continuing necessity to replace more costly commodities with paper substitutes are but a few of the factors contributing to these optimistic projections.

It is certainly in our national interest to have a healthy growing paper industry. Not only does it contribute to a higher living standard for American people, but intelligent paper industry use of replenishable forest resources contributes to conservation of vital water, soil, and wildlife resources.

Another important consideration is the expansion of industrial opportunity to new areas of our country.

Hence, it is in our national interest to make provision for future paper industry expansion making maximum use of available forest resources.

Recently the results of scientific forestry research at the Forest Products Laboratory in Madison, Wis., have opened the promise of new uses for a multi-billion-dollar forest resource which involves new economic opportunity for great areas of the upper Great Lakes region.

This research has developed a practical new process for manufacturing newsprint from low-grade hardwoods. When tested and refined on a commercial scale of operation, this new paper industry expansion can provide a tremendous economic boon to great areas covered by hardwood forests, much of which now have little or no commercial value.

In Wisconsin, for example, the hardwood forest area covers 13½ million acres. According to the United States Forest Service, only a third of the annual growth of hardwoods is cut at all.

At current pulpwood prices, this now unused portion of the hardwood crop can become a source of millions of dollars worth of additional income for the people in Wisconsin, Michigan, Minnesota, New England, and along the Appalachian Plateau.

I have introduced a bill in the Senate to authorize construction of a pilot-plant paper mill in Northern Wisconsin to work out any final kinks in this new process and to demonstrate its feasibility under regular commercial operations.

I am happy to report that the Senate has already approved an appropriation of $20,000 for a preliminary feasibility study of the project.

My bill would authorize a Federal loan to a commercial enterprise for setting up the pilot-plant mill—either by building a new plant or by adapting an existing facility. It would authorize the Forest Products Laboratory to carry out research work in connection with its regular operations.

The pilot plant can quickly provide a practical test for the basic scientific techniques. Once they are proven and demonstrated, other enterprises can use the new process in other mills without government financing.

Lacking this boost and encouragement, it might take many years to apply the new process to commercial operations. There would be unnecessary delay, wasting time which would mean loss of tremendous benefits to workers and manufacturers in the paper industry as well as the economy as a whole.

Another benefit to be derived from accelerated commercial development of this new newsprint manufacturing process would be relieving publishers from recurring newsprint shortages. Our newsprint consumption is steadily increasing. According to industry and government estimates, we can expect to produce in this country barely one-third of our future domestic requirements.

Hardwood research promises new industries and great new economic and social developments in these neglected regions. It can fill a big gap in these areas by providing better jobs and incomes. It can also bring improvements in forestry management and conservation when utilization of these hardwoods is made possible.

By creating new areas of paper industry expansion with new job opportunities for paper workers, this project is of special importance to the United Papermakers and Paperworkers.

Leaders of UPP merit commendation for their interest in this and other projects

aimed at developing new opportunities for paper industry workers.

Men like President Paul Phillips and Emil Noren, whose good work as director in the Upper Lakes States region is well known in Wisconsin, have demonstrated that they are willing to work with government, industry, and science in long-range projects aimed at creating new opportunities for UPP members, the communities in which UPP members live, and for America.

EASY ACCESS TO PUBLIC BUILDINGS BY HANDICAPPED CHILDREN

Mr. HUMPHREY. Mr. President, I have just received a copy of a remarkable letter from the chairman of the newly formed architectural barriers committee of the Minnesota Easter Seal Society, Mr. Henry W. Haverstock, Jr., addressed to the General Services Administration.

In his letter, Mr. Haverstock proposes a simple, yet effective, idea—that in the planning of public buildings, every effort be made to provide easy access for handicapped children.

I am urging the General Services Administration to give careful study to ways and means of implementing this proposal, and I wish to share Mr. Haverstock's letter with my colleagues. Therefore, I ask unanimous consent to have printed at this point in the RECORD the letter from Mr. Henry W. Haverstock, Jr.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE MINNESOTA SOCIETY FOR CRIPPLED CHILDREN AND ADULTS, INC.,
June 6, 1958.

GENERAL SERVICES ADMINISTRATION,
Planning Division,
Washington, D. C.

GENTLEMEN: The undersigned is chairman of the newly formed ABC (architectural barriers) committee of the Minnesota Easter Seal Society. This committee numbers among its members some of the leading architects, lawyers, contractors, health specialists, and others of this area. An important purpose of this committee is to work toward the elimination of conditions in public buildings which tend to impede access to such buildings of handicapped persons.

In this connection it has been suggested to the committee that it should call this whole problem to the attention of your agency in order that in the planning of public buildings you will have this matter before you. Examples of Government buildings in Minneapolis and St. Paul which make no adequate provision in this regard are not hard to find. The main Minneapolis post office, the Minneapolis Federal courts building, the Federal Office Building and many others are all examples of buildings which are practically inaccessible to handicapped persons, particularly during the cold, icy winter days.

We would suggest that if possible one of the basic guides in the alteration of existing buildings and the planning and construction of new buildings should be adequate provision for street-level entrances and easily accessible parking. For example, this should be considered in connection with planning of the new Minneapolis Federal courts building.

This committee will appreciate whatever attention you may give to this matter. We shall also be glad to receive any information you may have available as to your present plans as to this problem.

Yours very truly,

HENRY W. HAVERSTOCK, JR.

REA HEARINGS

Mr. HUMPHREY. Mr. President, last week the Subcommittee on Government Reorganization, of which I am chairman, conducted hearings into problems confronting rural electric cooperatives. While the hearing was specifically on legislation, I have introduced to restore the authority of the REA Administrator as an administrator in fact rather than in name, during the course of the hearings a look was taken at other legislation that would effect REA cooperatives, as well as the overall administrative attitudes and policies toward the program. For the information of my colleagues, the hearing record is still being held open for submission of statements.

Similar hearings are still under way in the other House.

Cedric Foster of the Mutual Broadcasting System presented a commentary on the REA hearings and the legislative situation confronting rural electric cooperatives on June 5. It told the story of what is happening, and the concern that exists over it. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of Mr. Foster's news commentary.

There being no objection, the commentary was ordered to be printed in the RECORD, as follows:

This is Cedric Foster in Washington with my commentary on the news.

Here in Washington on Capitol Hill the guns are opening up in a legislative battle on the outcome of which could depend the life of REA, that is, the Rural Electrification Administration. The REA to city dwellers may be a dull and uninteresting question, and many persons may not have any knowledge of it or what it has done, but to millions of farmers the REA has meant the difference—literally, not figuratively—the difference between light and darkness, between the oil lamp and the candle, on the one hand, and the incandescent bulb, on the other. It has meant the difference between pushing a button or turning a switch, on the one hand, and long hours of manual labor and drudgery, on the other. In short, REA has changed the mode of living of the American farmer, and legions are gathering here in Washington for its defense.

The administration, of course, has never made any secret that it stands for private enterprise as compared with Government operation. Those inclined to be critical of the Eisenhower policies state flatly that these favor big business. There can be no denying the fact, however, that the administration is opposed to the basic philosophy exemplified in the REA program for rural electrification. But this opposition has met countering opposition in the Congress of the United States. Once again it appears that Mr. Eisenhower and Agricultural Secretary Benson are in the van in advocating policies which will be resisted on a strong bipartisan basis.

The Congress has decided to take a long look at the political maneuverings surrounding REA. Both Republicans and Democrats take a dim view of the Eisenhower-Benson actions and proposals. Supporters of the REA declare, if they were adopted, the electrification program that has made rural America a strong and important segment of our national economic and social framework, would be badly crippled.

There are Congressional committee hearings this week that will be the most sweeping in the 23-year history of the REA. They are being held on the Humphrey-Price bill to restore full powers to the REA administrator that were taken from him by Secretary Benson last year under a reorganization plan.

There are indications, however, that before the hearings are over and done with there may be ramifications that will go deep into many phases of rural electrification. Minnesota's Senator HUBERT HUMPHREY wants to know, as an example, why has the REA administrator become a figurehead. He wants to know what effect this has on the American people living in rural areas.

The Congress, apparently, wants an inclusive story. Farmers and civic leaders from rural areas are going to give this story to the Congress. The proponents of REA declare that the rural electrics have a performance record that is no less than magnificent. Twenty-two years ago only 10 percent of farms of the United States were electrified. Today—and this has happened since 1935—95 percent are electrified. This has been accomplished with loans that have been paid back, many of them ahead of schedule and with interest.

Clyde Ellis, who has been general manager of the National Rural Electric Cooperative Association since its beginning in 1942, minces no words when he talks about the Eisenhower-Benson proposals, which he described as anti-REA. Mr. Ellis, who is a former Congressman, was born and reared on an Arkansas farm. He believes that depriving the REA Administrator of his authority is "just the beginning of the end." He says that the REA program right now is in the process of being dismantled. Voicing the position of proponents—of the rural electric people who serve between 12 and 15 million Americans—Mr. Ellis says, "We may thank God that some of the decisions involving the future of the REA still are to be determined by the Congress. It is the Congress that has enabled the REA program to make far-reaching social and economic progress in the past 23 years."

When the present hearings are over, rural electric leaders from all over the United States will have testified that higher interest costs will mean rate raising, selling out, going out of business, and even lack of electric service. Times admittedly are not good for rural electrics, even without the attacks of the administration. They are hard hit by the migration from the farm—the agricultural recession. Today there are 350,000 idle services and this figure is going higher. Nevertheless, the repayment schedule of the cooperatives is on schedule. The rural electric witnesses state that the Government is making money on REA loans—$48 million profits in interest as a result of loans.

The administration is going to be heard by Members of the Congress—as a matter of fact it is going to have to justify its policy, and in no uncertain manner. The proponents are out in force and this week the comprehensive case for rural electrification becomes a matter of record. In the end the Congress will decide whether the rural electrics should pay more for their loans and the Congress will decide whether the business will be turned over to private banking interests.

PEOPLE, PEACE, AND PROGRESS

Mr. HUMPHREY. Mr. President, on May 5, 1958, I had the opportunity to address the faculty and student body at Boston University on the subject of People, Peace, and Progress.

I ask unanimous consent that the text of my remarks be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PEOPLE, PEACE, AND PROGRESS

(Remarks by Senator HUBERT H. HUMPHREY, of Minnesota, at Boston University, May 5, 1958)

It is always a wonderful tonic for me to return, however, briefly, to a college or university campus. It makes me nostalgic. I was once a political science professor myself. I miss that kind of life more than I can say. And I like to return to it at least briefly. I feel at home here this noon.

The idea of a university, and the purpose of a university, are today more important than ever before. "Bigness" has become almost a universal trait of our society—business is big, agriculture is big, labor unions are big, and our education is big. But, regardless of the purposes of these other institutions, the purpose of education is not mass production. The purpose of education is still the individual—his knowledge and his values. The bigger the rest of our civilization becomes, the more important it is for education to keep reminding us that we can lose something in this process if we are not careful. The bigger we get, the farther we remove ourselves from those personal contacts that are the most fertile seeds of human understanding and progress. We begin to get trapped by the complexities of our problems, and lose sight of the human beings and the human values involved in these problems.

What has happened in our business, our agriculture, and our labor unions has also happened in our Government. With the expansion and growing complexity of the governmental process has come a depersonalization that often can have deplorable results. All too frequently the Government, and I include Congress as well as the Executive in that term, has a tendency to deal with problems rather than with people.

A case of unemployment in Detroit, for instance, with all the heartbreak and the personal tragedy that is involved, manifests itself in Washington, not in all its human aspects but as a statistic—a figure that makes the bar on the graph grow a little taller or a little shorter as the case may be. Unfortunately, one of the basic deficiencies of the present administration is its habit, born perhaps of long business experience of most of its members, of preoccupying itself with problems to the neglect of people—and the hopes, aspirations, and needs of people.

Harsh and unsympathetic as this mistaken behavior can be and is on the domestic scene, it is positively calamitous when it infects our foreign policy.

To concentrate on the technicalities and abstractions of problems can become disastrous. Our message must be one of concern for and interest in people.

Ironically enough, the Soviet Union, where the basic political philosophy of the Communist rulers is glorification of the state and the suppression of individuality and personal rights, has grasped the fact more than we, that foreign policy affects and influences people. The barrage of letters and statements fired by Khrushchev into the world press and over the world airwaves shows that he understands all too well that there are people in the world and that their opinions are the key to the future course of affairs on our planet.

Unfortunately, in Washington, the capital of "government of the people, by the people and for the people," many in the administration seem to be only dimly aware that we must live and work with live human beings, with impressionable minds and emotions, inhabiting the great wide world beyond our national borders.

At home and abroad there is a crying demand for peace. People are sick and tired of war and conflict, whether "dirty" or "clean," "hot" or "cold" or lukewarm. They want an end to struggles for power, for influence and advantage, among a few big nations.

In many parts of the world where poverty, illness, and misery have been the lot of the common people for countless centuries, people are astir with longing for some of the comforts and better things of life. Probably the most remarkable phenomenon of our age is the vast disparity between levels of technological progress in various countries—some parts of the world rushing headlong into the atomic and space age, while others are still eking out a meager living with stick hoes and traveling in buffalo carts. This is a maladjustment that could be explosive if not corrected. Progress everywhere must be brought into closer harmony.

Peace and progress—the achievement of one and the stimulation of the other—are two of the prime obligations that we must meet if we are to be true to ourselves and just to all men. They are obligations of "people to people," and they must be comprehended as such, or we can badly miss our mark. To treat these aims of our policy as governmental problems, rather than as relationships of the most personal sort, is to invite continued failure and perhaps catastrophe. Yet sadly enough, there are few signs that our present errors are soon to be corrected.

PEACE

Let us first look at the question of peace—more specifically, of disarmament. For the State Department, the Department of Defense, and the Atomic Energy Commission, this is a problem. These agencies know that people around the globe are terribly interested in disarmament, but how to cope with this fact is, to them, only another phase of the problem.

The Atomic Energy Commission and the Defense Department do really fine jobs in carrying out their technical responsibilities.

The AEC for instance, has done a competent job in the scientific and technological development of atomic energy and nuclear weapons, but it does not see these weapons clearly in their essentially human context. The AEC spokesmen want to develop so-called clean nuclear weapons in the interests of humanity. The AEC does not seem to realize that the felt needs of the people here and now, do not fall into the clean weapons category. It does not realize that, in the interests of people rather than of some remote, abstract humanity, it would be far better to formulate methods of controlling and inspecting atomic armaments now than it would be to clean them up, which in essence means only to focus their destructiveness and make them, as Secretary Dulles puts it, more useful militarily.

The Defense Department, too, is affected by the same limited perspective. It views modern weapons as problems in military science and strategy, negelecting their impact on the delicate framework of human relationships. To be sure, the Pentagon's task is military defense. It wants to expand and improve armaments, not throw them into the scrap heap.

Even in the State Department, where one would expect a more profound appreciation of the political implications and desirability of formulating an effective disarmament policy, there has been a rigidity and a blindness that have throttled the initiative and vision required for a solution of the mounting arms crisis.

The paralysis of our disarmament policy is due in part to that bigness and complexity to which I referred earlier. Major disarmament policy decisions are made in the National Security Council, in which many agencies like State, Defense, and the AEC bring to a central point their often divergent and conflicting views. Disarmament policy, in other words, is the end product of a tortuous process that starts at numerous individual desks and winds its way painfully through a maze of bureaus, agencies, committees, and departments until it emerges as a meaningless and inadequate compromise. It is subject to all the deadening apparatus that complicated government can bring to bear upon it.

Frankly, the only way to slash through this confusing machinery is by the exercise of inspired leadership at the top where the ultimate responsibility resides. But this kind of leadership has been woefully lacking. In its place have been complacency and inertia, with the result that disarmament has remained simply a technical or a legal problem, divorced from the human considerations which the situation demands.

As evolved by the tortuous apparatus of policymaking, our disarmament proposals have been masterpieces of complexity, obscurity, and rigidity. At London last year the United States proposed a complicated, interlocking disarmament package. All this was done on the pretext of safeguarding national security. The theory ran something like this.

If we gave up nuclear tests, then to be secure there had to be a ban on the manufacture of nuclear weapons and a reduction of nuclear weapons stockpiles. But if we did these things, then to add to our security, we had to have a reduction in Armed Forces and conventional weapons in which the Soviet Union had superiority. Then just to be doubly secure we had to have inspection on the ground and in the air specifically designed to warn of surprise attack. A couple of other proposals were thrown into the package just to round it out. All this was supposed to constitute a first-step agreement which could lead the way to further disarmament steps later on. Obviously, if we had ever gotten agreement to such a first step, we would not have had to worry much about a second or third step, for the millenium of peace would have been near.

The futility of trying to negotiate such a complex package in the name of security is so obvious that I hesitate to draw it to your attention. By proposing such a package we were not advancing security, we were jeopardizing it. When nuclear bombs and missiles are dangling menacingly over our heads, the first step toward security has to be immediate and practical. The package was entirely too complicated.

Now the United States disarmament package was also intended to impress the world with the sincerity of our hopes for disarmament. But the gaps and obscurities in it were so prominent, that it had the opposite effect. For years the United States had hammered away at the theme that disarmament must be backed up by effective inspection, because of the risk that the Soviet Union would try to cheat. In view of the character of Communist ideology and the long record of broken pledges by the Kremlin, this was sound policy.

However, incredible as it might seem, the United States never evolved a practical plan of inspection for any of its London disarmament proposals, except possibly for its open skies plan of aerial inspection against surprise attack. We gave the impression that one of the main sticking points between us and the Russians was that we favored and demanded effective inspection whereas they really did not. Yet we never put on the table a specific plan of inspection or even a study proving that inspection was feasible. Here was another instance where we failed to understand that our policy must be directed at serving the needs of people, rather than at drafting theoretical blueprints in a political vacuum.

All around the globe, people want atomic tests to end. They want to put a stop to

radioactive fallout which many believe can shorten their lives or deform their children. Above all they want to make some start toward eliminating nuclear arms from the arsenals of potential belligerents. They do not understand why we persist in refusing to break up our cumbersome disarmament package and commit ourselves to a simple proposal for suspending atomic tests.

The reasons we have given to justify our basic inflexibility have, paradoxically, been unusually flexible.

At one time we said it was because we could not act without the concurrence of our allies. Furthermore, it seems hard to imagine how, if the United States and the Soviet Union ever came to a genuine agreement on an inspected test suspension, Britain, France, and other countries could long withhold their support and cooperation.

It is an open secret that a hot controversy is raging in the ranks of the administration over whether inspection for a suspension of nuclear tests could be made really effective. To settle this quarrel the President called on Dr. James Killian and his assistants to study the technicalities and let him have a decision. Recently, Dr. Killian reported that an inspection system of reasonable reliability was technically feasible.

At this point the arguments against suspending tests went through another switch, this time heavily stressing the point that we had to develop small clean weapons, a process that would take several years at least.

The United States position has been made all the more embarrassing by the Soviet announcement a few weeks ago that it had unilaterally suspended atomic tests. I agree with the President and the Secretary of State that this Soviet maneuver was a fraud and a gimmick. On the very day of the Soviet announcement I denounced it on the floor of the Senate as meaningless except for propaganda purposes.

It made no provision for inspection to verify that it was actually going to be carried out, and, coming as it did after the most intensive series of experimental explosions in Soviet history, it was transparently timed to coincide with a natural break in Soviet testing.

But mere denunciation of Soviet propaganda maneuvers is not enough. Here again the United States has treated the disarmament questions as though it were a theoretical problem and not a live question affecting thinking and breathing people. Having issued statements rebutting the Soviet announcement, the State Department then rested on its laurels. But we cannot make progress in this role of a perpetual rebutter. This negative attitude can get us nowhere. We must offer positive policies and put positive policies and put positive momentum into our endeavors for peace.

I propose that the United States move off dead center and inject fresh vigor into its disarmament policy by adoption of the following proposals:

1. We should immediately slash through all the red-tape bogging down the present United States disarmament package and announce our willingness to enter into an agreement, verified by effective inspection, to suspend nuclear weapons tests for a temporary period of 2 or 3 years. This simple proposal will be a cogent demonstration of our desire and willingness to act on behalf of peace.

2. The United States should immediately make known the kind of inspection system it believes is necessary to backstop an international ban on atomic tests. There is no practical reason why this cannot now be done. Dr. Killian's report on an inspection system is now complete. Let's spread it out publicly in front of the Soviet Union and say, "This is where we stand. What about you?" This will call the Kremlin's bluff and the world will watch and judge what Khrushchev then does.

3. The proper locale for formal presentation of our proposal is the United Nations. According to the resolutions of the General Assembly at its last session, we and the other principal negotiating nations on disarmament have a responsibility to carry on arms limitation talks within the U. N. Disarmament Commission. The Soviet Union has expressed its intention of boycotting the Commission. There is no valid reason why this should give us pause. Regardless of what Moscow does, we are still subject to the recommendations of the General Assembly, the collective voice of the nations of the world. The U. N. Disarmament Commission should meet and note the absence of the Soviets, etc. If the Disarmament Commission cannot carry on its work profitably because of the noncooperation of the Soviet Union, then we should take the arms limitation question to the U. N. Security Council. The Soviet Union cannot afford to cold-shoulder the Security Council. It tried that once before—at the time of the Korean aggression—and got badly jolted when the Council acted very effectively in its absence. In the Security Council the Soviet negotiators can be brought before the bar of world opinion. There they can be compelled to take a stand on our proposals, to vote either "Da" or "Nyet" to practical measures for peace. The world can then plainly see who is encouraging or blocking progress of the world toward more tranquil relations.

4. In the United Nations we should be flexibly ready to adopt our proposals to any reasonable conditions proposed by other countries. This is particularly true in regard to inspection. An international inspection system must be effective, but it does not necessarily have to follow every detail that we suggest. Among the first items of business, we should initiate a proposal for a United Nations commission on inspection to study our plan, the Soviet plan if it is presented, and any other plans brought forward by attendant nations.

This impartial study commission could then develop, through independent procedures, an inspection network adequate for assuring success of a test suspension.

5. We should take into account the fact that not all nuclear explosions are conducted for the purpose of perfecting weapons. This powerful blasting force has considerable potential for peaceful engineering operations, such as boring mines, digging channels and leveling mountains. The Soviet Union has recently announced its intent to conduct engineering operations with nuclear charges and our own Atomic Energy Commission has made public various kinds of projects in which nuclear blasting could be profitably carried on. Provisions for peaceful applications of nuclear explosions under appropriate United Nations surveillance and inspection should be included in an international agreement terminating weapons tests.

The adoption of a dynamic and positive policy of disarmament is only part of the job of bringing lasting peace to the world. The proposals I have outlined will not provide a final and conclusive resolution of the conflict and tensions in the world. They constitute only a first step, but which, if adopted, could have immense political implications. They would be a major break through the hard crust which the Soviet Union has constructed around itself to shut out the flow of thought and communication from the Free World. If we penetrate the Iron Curtain with an inspection system for an effective ban on nuclear weapons tests, then the door would be thrown open for further measures to advance the cause of peace.

PROGRESS

But peace alone, essential though it is, is not our only goal. We must also think of progress. Maintaining peace should not mean maintaining the status quo. Attempts to keep the peace can be construed as such, if we do not have anything else to offer.

If we are to reach through to people effectively, we cannot afford to be cast in the role of supporting the status quo in the world. It just happens that hundreds of millions of people are not satisfied with things as they are. They have caught glimpses of a better life, and are determined to get it for their children. People in the underdeveloped two-thirds of the world have embraced and embarked upon a revolution—what Toynbee calls a revolution of rising expectations. For our part, we must not block these aspirations. If we do, we will earn and deserve the enmity that have-nots feel toward the uncaring well to do.

Americans, one would think, should be sympathetic toward this new revolution. Our own country was founded that way. For generations the American Revolution was held up as an example to all peoples dissatisfied with their status. For years, we encouraged and supported the aspirations of any people for national self-determination and economic independence. We justified our own Revolution on the principle of the worth of the individual man. Our declared purposes were to insure his personal liberty and give him the opportunity to advance his welfare. When these same legitimate aims are sought in Asia and Africa we must not appear irritated and annoyed. Nor should we become the spokesmen for the status quo.

Instead, of course, we should join with the spirit of independent nationalism that grips the underdeveloped and underprivileged countries, reminding these people that we too are the children of self-determination, of revolution, and of a will to freedom and independence. These people will be a powerful force in decades to come, and we must help them prepare to use their strength in behalf of freedom.

We can aid them, if we will, to progress toward their twofold revolutionary goal of economic development and advancement of human dignity goals upon which our own good life is based.

Now, such progress is not automatic. Liberty and democracy are not the inevitable results of full stomachs, as we sometimes have let ourselves believe. In the desperate drive to overcome centuries of colonialism and deprivation, newly independent peoples may rush into communism or fall victim to the new economic imperialism of the Kremlin. The Soviet Union exerts a powerful gravitational pull over people who as yet are uncommitted to a modern way of life.

Moreover, Soviet policy is flexible. The Kremlin can throw a huge sum suddenly into Egypt or Indonesia, while we must await the slow procedures of the democratic process to institute new programs abroad.

The Soviets can concentrate their resources to buy or sell products in order to achieve political advantage abroad, while our own trade is subject to fluctuations of an uneven economy and a wavering international trade policy.

The Soviet Union can promise long-term loans at minimal interest and delayed repayment; our banking philosophy has usually insisted on higher interest and normal repayment. The Soviet Union, through education and marshaling of all its resources, has achieved a tremendous rate of growth in scientific and economic prowess; we have allowed a wastage of intellectual talent and a falling off of our rate of economic growth—needlessly.

The Soviets now appear to have broken through in technology to a point where Khrushchev can proclaim—as he did again after returning from Hungary—"A war of consumer goods" with the United States.

The result of all this is that we have lost much of our leadership in the nearly worldwide revolt against slavery to nature and to

human exploitation. We are allowing the Soviets to seize this leadership. In doing so, we risk the loss of the uncommitted nations to the cause of freedom in our time. If we lose them, there will pass into Soviet hands a preponderance of power that will eventually annihilate the peace we are trying so hard to preserve.

The only way out of this morass is for America to reassert its own leadership of the great forces of revolution toward the better life now stirring half the world. We must show these people how to achieve progress toward human betterment, and how to accomplish it without the violence of arms and without insidious capture by totalitarianism along the way.

Such progress can be had through intelligent action on the part of the United States. It will require a vigorous and imaginative foreign policy consisting of more than military pacts encircling the Soviet Union. Our policy must be based upon ideas of economic and political assistance to encircle ourselves with viable, prosperous, actively free peoples.

To embark upon a program of world progress that has some chance of success, we need a thorough going reorientation of our foreign aid program. It needs to be new, and it needs to look like a new program.

It is fair to say, I believe, that we have never really had a definite policy for speeding up the economic growth and development of friendly non-Communist countries. Whatever we have done along this line was basically only incidental to our military containment policy. Hence, the appropriateness of the term "defense support" for much of our development aid.

I believe the time has come to weave an overall pattern for overseas aid—"a grand design" bold enough to capture the imagination of the American people—and of the world—and clear enough to commend itself to men of good will everywhere as the sure way forward to economic progress plus—rather than minus—freedom. I should like to suggest several principles to guide our policy.

1. We should separate the economic assistance program of foreign aid from the military program. Once again this year, I am attempting, within the Foreign Relations Committee of the Senate, to achieve this separation. Last year the President recommended a separation, which was accepted by the Senate, but turned down by the House of Representatives. For some reason this year the President has not seen fit to repeat this suggestion.

In continuing to associate these two very different types of support—military aid and economic aid—we have generated a confusion that is harmful both abroad and here at home. Overseas we have been tagged as warmongers—of wishing only to buy minions to stand guard for us and of forcing a distortion in the economies of backward countries that cannot support heavy military budgets. Here at home the combination of military and economic aid has magnified out of all proportion, in the public mind, the percentage of money being spent abroad on nonmilitary projects. And unfortunate results of certain programs undertaken for military expediency have cast discredit on all sound foreign economic endeavors. Hence separating these programs makes sense to me.

2. We should put our foreign aid on a long-term basis. We have insisted on annual appropriations and scathing reviews. This has led to restrictive, shortsighted arrangements that have benefited us neither economically nor from a propaganda standpoint. Our foreign aid officials need to be able to sit down with officials of other countries and make a realistic study of their needs and capacities over a period of years to plan out a program of sound growth. They need to be able to make long-term commitments and be able to revise programs as experience dictates. This way, the programs with the greatest merit could be devised and followed through. This way, the full impact of our aid could be made apparent to the people concerned. We need to be realistic about loan rates and repayment schedules in order to make our offers usable and competitive.

3. We should greatly enlarge the scope of our program. Something on the order of $3 billion a year would not be out of line. Last year the Committee for Economic Development suggested from $500 million to $1.5 billion in new capital each year, over and above the present flow. The most detailed estimate I have seen came up with a total cost of $2.5 billion a year, of which some part would be borne by other industrialized countries, part could be financed with American farm surpluses, and the balance of about $1.5 billion a year would be provided by American public funds. This represents a little less than we are now spending on so-called economic aid, though, of course, under the MIT proposal this amount would go entirely for economic development, rather than military support.

We can easily afford this expense. Look at it this way. In the present recession we are allowing extensive resources to lie idle. In 1958 we have a surplus capacity of some 13 percent. For every million unemployed over the 2 million mark, the country is losing some $600 million a month in national output. At the present level of unemployment, equivalent to some 6,500,000, we are losing—irretrievably—over $2½ billion a month, or more than $30 billion a year, in goods and services. It is not even a giveaway since nobody is receiving it and nobody is benefiting from it. Our present rate of waste in terms of idle men and unused resources is far, far more than the rate of aid the people of all the underdeveloped countries could possibly use in helping them achieve improved living standards.

Anyway, the question has never been whether we can afford it, but whether our national interest will assign a sufficiently high priority to this foreign policy leadership to justify the use of our resources.

4. We need to increase the consumption level of the underdeveloped countries. We should not expect their peoples to wait for decades or even generations to reap some of the benefits of an industrializing society. England collected the capital for its industrial revolution at the cost of great misery on the part of its voteless proletariat. In the Soviet Union and in China, totalitarian governments can sweat the needed capital out of the skins of the peasants. Only in resource-rich United States could economic growth take place under more desirable conditions—and we were substantially aided by huge foreign investments and large numbers of mature, trained immigrants. The people of the new countries who have achieved political liberation should not be expected to await the economic millenium in an unforeseeable future.

Our immediate program to raise their consumer standards is through the use of our surplus resources of food and fiber. Besides raising living standards, increased supplies of vital commodities would enable these countries to start needed public works programs without the inflation of food costs such additional requirements would generate. From a domestic standpoint, nothing could be more sound than to restore economic stability and prosperity for some of our own farmers while dedicating our greatest unused productive capacity to advancement of our world policy aims. We have taken a step toward utilization of farm products in foreign programs through Public Law 480, which I have been proud to sponsor and to support. This program allows the sale abroad for foreign currencies of surplus agricultural products. While the Senate has approved an increase for this program for next year, we have not yet fully exploited the possibilities of this measure.

Permanent programs of raising consumption levels abroad depend upon large-scale investment in consumer goods industries by foreign capital. Our private corporations are willing to explore for oil and minerals and develop them abroad, but they have not been ready to produce clothing, shoes, and simple conveniences there. I believe the Government could well guarantee a rate of return equal to the cost of the capital if American manufacturers would be willing to share their managerial skills and investment funds.

In addition, a way should be found to establish consumer credit in these countries so that the workers can partake in the fruits of their labors at once.

5. We need to have a sensible foreign trade policy in order that other countries in the world may prosper.

Obviously, the closer our economic relations with our allies the more stable our political and military ties will be; contrariwise, the weaker our economic relations, the less effective our political and military unity against Soviet imperialism.

The trade policy of the United States is clearly in serious trouble in the Congress. But in my opinion is it absolutely essential that the Reciprocal Trade Extension be passed without crippling amendments. If we present to the world a mutilated trade program we will have taken a step to discourage Free-World unity at the very time when the Soviet Union is in the midst of a trade offensive.

6. We must see that our foreign aid program interlocks with other Free-World efforts. It can be designed to supplement the activities of United Nations groups such as FAO and the Special United Nations Fund for Economic Development (SUNFED). We need to encourage regional development authorities, in the Middle East, for example. We can enlist the aid of our highly developed NATO friends in supplying technicians for the rest of the world.

7. All of these programs I have suggested so far have been programs aimed at economic development. We must not neglect the other facet of the world revolution—the urge to achieve human dignity.

Overall we seem unaware that the problem we face is greater than a military one or an economic one or a technological one. It is also a matter of the spirit, of our interest, either strong or weak, in freedom and justice in a climate of progress. I think that our foreign aid should be concentrated in those countries who are making a real effort toward the development of individual liberty. There has been no such necessary relationship hitherto.

I am a champion of economic assistance for underdeveloped nations when there is a realistic probability that this assistance will be used for economically and socially progressive results. In places like India, Burma, Pakistan, and Turkey—nations where hopeful, democratically oriented, welfare-conscious governments are in power—the case for economic assistance is a strong and persuasive one. Yet since 1945 our total per capita economic assistance to each of the 392 million natives of India has been about 90 cents, while our total per capita economic assistance to each of the 10 million residents of the strategically important island of Formosa has been over $60 since 1950 alone, a period 5 years shorter.

Unfortunately, it also appears that the nations of the Middle East most likely to receive new financial benefits from the United States are those nations ruled by the most feudal and reactionary regimes.

8. To achieve the results we have every right to expect from our programs of foreign development, we should put in charge men

who realize that our job abroad is to help direct a social revolution toward democratic goals instead of authoritarian goals, and who know what reform is and how to get it. For this task we should enlist the leaders of our democratic groups. It is not a job alone for bankers or businessmen and it is not at all a job for people who are lukewarm about democracy.

9. Finally we must set a good standard at home—revise our immigration laws, set new standards of morality in Government, business and labor. We must implement our new program of civil rights. A catastrophe like Little Rock can undermine our whole national image abroad.

At home, too, we must keep our economy fully employed and fully productive to support a rising standard of living as well as adequate programs of defense and foreign policy. We cannot advertise our economic system by displaying unwillingness to make it serve our needs.

This is no time for us to falter in our own efforts. With unwavering zeal, the Communists have preached their gospel and built their power until they are within sight of their goal of making the coming century the century of communism.

Yet we still have the overwhelming predominance in industrial and economic power. If we use our power with anything like equal dedication and purpose, we can make this coming century—first for the people of the underdeveloped areas of the world, ultimately even for the peoples behind the Iron Curtain—the century of political—as well as economic—democracy.

In so doing, we would be fulfilling the highest destiny of our country, as Thomas Jefferson saw it 132 years ago, in the closing months of his life. He wrote:

"All eyes are opened, or are opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth that the mass of mankind has not been born with saddles on their backs, nor a favored few, booted and spurred, ready to ride them."

This is the vision we must cherish, and realize through bold and generous action, if we are to make the "revolution of rising expectations" through which the majority of mankind is passing our revolution, not the Kremlin's.

Seventeen hundred and seventy-six came almost a century and a half before the October revolution of 1917. This is a very long head start—and history will not readily absolve us if we fritter it away through apathy and fatigue. Let us, instead, move forward with full confidence and vigor into the great adventure of this century—the banishment of poverty and inequality from the face of the earth and from all the languages of man.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 624) making additional supplemental appropriations for the fiscal year 1958, and for other purposes, and it was signed by the President pro tempore.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. ALLOTT. Mr. President, with respect to this whole question, I should like to address myself primarily to the remarks of the Senator from Oregon [Mr. MORSE], who is absent momentarily from the floor, in an attempt to work out some language as an amendment. I think this matter should be discussed at this time, however.

Considerable reference has been made by the Senator from Oregon to subparagraph (b) on page 28 of the bill, which provides that—

> No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive committee, or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction.

I should like to point out—and this is very important—that the section refers back to section 109, on page 17, relating to false entry and destruction of records of labor organizations. For example, under this clause, if a man were convicted, he could appeal the case to a circuit court, and he could then appeal the conviction to the Supreme Court, which could take a period of 2 or 3 years. The original crime calls for imprisonment up to 1 year. So he could conceivably, at the end of that time, some time in the 5 years, stall it along, serve only 1 year, and immediately enter upon the service of the union as a trustee or officer the day he got out of the penitentiary.

This is not a proper section. It does not afford the protection which it is supposed to afford.

I shall offer an amendment later to take care of the situation.

If the Senator from Oregon is under the misapprehension that this language covers the situation, I point out that it does not.

I should like to read to the Senator from Kentucky, who is now present on the floor, the amendment which was offered by me in the Committee on Labor and Public Welfare, and for which he voted:

> SEC. 110. (a) No labor union engaged in an industry affecting commerce shall—
>
> (1) be certified or recognized as the representative of any employees by the National Labor Relations Board, or
>
> (2) be eligible to file an unfair labor practice charge under section 10 (b) of the National Labor Relations Act, or
>
> (3) be exempt from Federal income tax under section 501 (a) of the Internal Revenue Code of 1954, if such labor union retains in office or in its employ any person (A) who, being required to sign, prepare, or file reports under section 101 or 102, willfully refuses to comply with any of the provisions of such section, or (B) who has been tried and finally convicted of a crime under any of the provisions of this act.
>
> (b) The provisions of subsection (a) shall not be applicable to any labor union until the termination of 90 days from the date of such refusal to file or such final conviction. Any labor union to which the provisions of this section become applicable is empowered to remove from office or employment, any officer or employee referred to in subsection (a) notwithstanding any provision in its constitution, bylaws, or governing rules or regulations to the contrary.

I want to correct the statement I have just made. The amendment which we voted on in the committee did not contain the last sentence I have read relating to the empowering of unions to remove officers.

This involves the same principle which is involved in the amendment offered by the Senator from Kentucky as it would be amended by the amendment of the Senator from New York.

I should like to make a final remark. I believe the fifth amendment can be pleaded as to section 101, though the assertion was made on the floor that the fifth amendment could only be pleaded with respect to section 102, which is the conflict of interest section. Section 101 is the section which requires unions as such to report, which seems to have been overlooked. There is a requirement that financial officers report, and also a requirement that principal officers sign. Subsection (a) of section 101 says:

> Every labor organization engaged in an industry affecting commerce shall file with the Secretary a copy of its constitution and bylaws and a report, signed by its president and secretary or other principal officers.

If the report contained information which would tend to incriminate a man, then if the fifth amendment is available to the man it is as much available under section 101 (a) as it is under section 102, the conflict of interest section.

In section 101 (b) there is a provision that every labor organization shall file a financial report signed by its chief financial officer. If the fifth amendment is available to a man as an excuse for not filing, it is as applicable in the case of section 101, in two instances, as it is applicable in the case of section 102. I simply wanted to correct the RECORD in this respect, because I believe there has been some confusion of thought.

If the Cooper amendment is agreed to—and I shall vote for it, with the hope that the Javits amendment will also be agreed to—it will be my hope we will put some of the burden upon the unions and also put in the hands of individual members of unions a method by which, when a union retains in its employ an officer who has violated the law or been convicted of a crime, the members will have some means of removing that officer. If the union should not remove the officer and violated the law by keeping him in office, in that case the union itself would suffer the sanctions imposed by the law.

Mr. MUNDT. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. MUNDT. Mr. President, I think the Senate should know, before voting on the Cooper amendment—and as I understand the parliamentary situation we are about to have a yea and nay vote on that amendment—before coming to the floor this morning I had intended to offer an amendment along the same general line of the amendment offered by the Senator from Kentucky. I had

not seen the proposed Cooper amendment among the printed amendments on the desk. However, the Senator from Kentucky has offered an amendment which it seems to me, insofar as it goes, does the job effectively, by applying the principle of disclosure to the point that the members of the union can secure financial reports from their officials.

Like the preceding speaker, the distinguished Senator from Colorado [Mr. ALLOTT], I believe we should follow the approval of the Cooper amendment by the approval of the Javits-Case of New Jersey amendment, in order to provide a way to make the operation of the law effective by making it impossible to have capricious use of the fifth amendment to an extent which would nullify the entire law.

My purpose in taking the floor to speak is simply to point out that I have proposed an amendment which is very similar to the Cooper amendment, which would operate as to Title II much like the operation of the Cooper amendment as to Title I. I was a little disappointed and disturbed, in reading the bill, to find in the title dealing with trusteeship the language: "Every national or international labor organization engaged in an industry affecting commerce which has or assumes trusteeship over any subordinate organization shall file with the Secretary within 30 days," following which are listed a number of very salutary items, disclosing the reasons for the trusteeship, the conditions by which it was established, and so forth.

My disappointment arose because the information was not made available under the law to the people who are most vitally interested, to wit, the members of the union who belong to the unit which has been dispossessed of all of its democratic rights through the imposition of a trusteeship or an administratorship or some kind of supervisory authority from the international body.

In our investigation of labor racketeering, we found that the utilization of the trusteeship device, masquerading under different titles in different unions, has been one of the most frequent methods employed to deprive members of democratic rights. In one instance in 29 years the members of a local union have never been permitted to vote for an officer. There are other illustrations almost as bad.

It seems to me the committee should have done that which it also failed to do in title I; that is, it should have provided for detailed information being furnished to the members of the union, whose dues, incidentally, Mr. President, support the whole union enterprise and organization.

So I shall send to the desk and ask to have printed, unless we happily have an opportunity to act on it later this afternoon or evening, an amendment which I propose to offer to the title dealing with trusteeships, whereby on page 19, line 17, I suggest a new paragraph to be designated as paragraph (f) which will read:

Every labor organization required to submit a report under this title shall furnish the information required to be contained in such report to each of its members in the subordinate organization involved in such form and manner as the Secretary shall by regulation prescribe.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. MUNDT. Mr. President, I have had a preliminary discussion of this matter on the floor with the distinguished chairman of the subcommittee. I am inclined to believe the Senator will accept the amendment, or at least will not resist it. I am not sure. In any event, at the proper time I shall offer the amendment.

I think the Senate should have an opportunity to express itself by a yea-and-nay vote on this amendment, as well as on the others. I am sure the Senate will think—as I am confident it will with regard to the Cooper amendment—in terms of the men and women who pay the dues, and the consideration which is required to be given to them if democratic unionism is to become a functioning reality in America.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER]. On this question the yeas and nays have been ordered.

Mr. COOPER. Mr. President, the Senator from Massachusetts [Mr. KENNEDY] has suggested that my amendment be modified, and that instead of the words "labor organization" the word "person" be substituted; and in place of the word "section" that the word "title" be substituted.

I think the words "labor organization" should be left, to make it clear that a labor organization is required to furnish informaton to its members.

However, I think the word "title" should be substituted for "section," because then the provision would cover all reports under the title. So I ask unanimous consent to perfect my amendment by having it read as follows:

On page 7, between lines 11 and 12, insert the following:

"(d) Every labor organization required to submit a report under this title shall furnish the information required to be contained in such report to each of its members in such form and manner as the Secretary shall by regulation prescribe."

This is the language which I first offered, with the exception that the word "title" is used instead of the word "section."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none; and the amendment is modified accordingly.

Mr. CASE of South Dakota. Mr. President, I send to the desk an amendment intended to be proposed by me, and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed, and will lie on the table.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding that the first vote will be on the Cooper amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. And that subsequently, by unanimous consent, there will be a yea-and-nay vote on the amendment offered by the Senator from New York [Mr. JAVITS] for himself and other Senators.

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER], as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Wyoming [O'MAHONEY] are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from North Dakota [Mr. LANGER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

YEAS—85

Aiken	Capehart	Dworshak
Allott	Carlson	Eastland
Anderson	Carroll	Ellender
Barrett	Case, N. J.	Ervin
Beall	Case, S. Dak.	Frear
Bible	Church	Fulbright
Bricker	Cooper	Goldwater
Bridges	Cotton	Green
Bush	Curtis	Hayden
Butler	Dirksen	Hennings
Byrd	Douglas	Hickenlooper

Hoblitzell	Magnuson	Revercomb
Holland	Malone	Robertson
Hruska	Mansfield	Russell
Humphrey	Martin, Iowa	Smathers
Ives	Martin, Pa.	Smith, Maine
Jackson	McClellan	Smith, N. J.
Javits	McNamara	Sparkman
Jenner	Monroney	Stennis
Johnson, Tex.	Morse	Symington
Johnston, S. C.	Morton	Talmadge
Jordan	Mundt	Thurmond
Kefauver	Murray	Watkins
Kennedy	Neuberger	Wiley
Kerr	Pastore	Williams
Knowland	Payne	Yarborough
Kuchel	Potter	Young
Lausche	Proxmire	
Long	Purtell	

NOT VOTING—11

Bennett	Gore	Saltonstall
Chavez	Hill	Schoeppel
Clark	Langer	Thye
Flanders	O'Mahoney	

So Mr. COOPER'S amendment was agreed to.

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The question is on agreeing to the Javits amendment on which the yeas and nays have been ordered. The amendment will be stated.

The LEGISLATIVE CLERK. On page 28, line 4, after "(b)" it is proposed to insert the following:

No person who, after notice by the Secretary, shall have failed to file any information required by any report to be filed pursuant to title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after such failure.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Would a substitute amendment now be in order?

The PRESIDING OFFICER. It would be in order at this time.

Mr. MORSE. In a moment I shall send to the desk a substitute amendment, but I prefer to read it first and to make a brief statement about it. A group of Senators have been working, since we had our earlier discussion this afternoon in respect to the Javits-Case amendment, and have agreed upon the language I shall read, which I offer in behalf of myself and the Senator from Colorado [Mr. CARROLL]. We have discussed it with other Senators.

Mr. MUNDT. Mr. President, may we have order? We, on this side of the aisle, cannot hear the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon will please refrain from speaking for a moment. The Chair asks each Senator to take his seat and to cease conversation.

The Senator from Oregon may proceed.

Mr. MORSE. Mr. President, the Senator from Colorado [Mr. CARROLL] and I offer the following substitute for the Javits-Case of New Jersey amendment.

On page 28, line 10, after the word "conviction," it is proposed to insert:

No person, who after notice by the Secretary shall have failed to file any information required by title I, and whom after a hearing on a written record the Secretary determines to be in violation of title I, shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after the final determination of the violation.

I submit the amendment. I realize that it will not be satisfactory to all, but I want Senators to keep in mind what I think is the important objective. The important objective is to strengthen the determination of the rank and file members of unions to do something about officers who they find refuse to file under title I of the bill, if there is no good reason for their not filing.

At the same time, in our desire to get the unions to do their own housekeeping and to eliminate from office undesirable officers who may have wormed their way into positions in the union, as the Senator from Kentucky [Mr. COOPER] and I tried to point out earlier this afternoon, we confront a very serious constitutional problem which we ought to recognize. We should keep in mind that the matter of pleading the fifth amendment has legal effect and status only before a tribunal which has jurisdiction over the subject matter.

The PRESIDING OFFICER. Will the Senator from Oregon please suspend his statement for a moment? In consultation with the Parliamentarian, the Chair finds that the amendment offered by the Senator from Oregon is not a substitute for the amendment offered by the Senator from New York [Mr. JAVITS]. In order to have the amendment considered in the nature of a substitute, it would have to come at the same place in the bill and in lieu of the language of the amendment offered by the Senator from New York.

It is the understanding of the Chair that the amendment of the Senator from Oregon and the Senator from Colorado comes on page 28, line 10, after the word "conviction." The amendment of the Senator from New York comes in line 4, after the designation of subsection (b), and prior to the words "No person who has been convicted." Therefore, the amendment of the Senator from Oregon and the Senator from Colorado would be out of order as an amendment in the nature of a substitute.

Mr. MORSE. The amendment is offered in lieu of the language of the Senator from New York. May I have the attention of the Senator from New York?

Assuming my amendment should prove to meet with the favor of the Senate, is it not the intention of the Senator from New York to consider it as a substitute for his amendment?

The PRESIDING OFFICER. That would be in order.

Mr. JAVITS. If I correctly understand the parliamentary situation, it would be necessary for the Senator from Oregon to substitute his amendment and insert it in the same place in the bill. That is perfectly agreeable to me.

The PRESIDING OFFICER. That is correct. The amendment of the Senator from Oregon and the Senator from Colorado is in order, and the parliamentary situation is clear and proper.

Mr. MUNDT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from South Dakota for a parliamentary inquiry?

Mr. MORSE. Certainly.

Mr. MUNDT. If I correctly understand the ruling of the Chair, it does not mean that the substitute amendment automatically displaces the amendment offered by the Senator from New York without a determination by the Senate, the yeas and nays having been ordered on the amendment of the Senator from New York.

The PRESIDING OFFICER. The Senate would have to pass upon the language of the amendment offered by the Senator from Oregon.

Mr. MORSE. This is merely a device to enable the Senator from Oregon to get his amendment before the Senate in lieu of that in the pending amendment.

The PRESIDING OFFICER. The Senator from New York has not withdrawn his amendment. The situation is simply that the Senator from Oregon and the Senator from Colorado have offerred an amendment in lieu of and in the nature of a substitute for the amendment of the Senator from New York.

Mr. MUNDT. Will the Senator from Oregon spell out for the Senate the difference between what is suggested by the amendment of the Senator from New York and what the Senator from Oregon proposes? As I understand, practically the same result would be achieved, but a hearing of some kind would be interposed between the charge and the imposition of the penalty. Is that correct?

Mr. MORSE. If the Senator from South Dakota will hear me through—and I shall not speak at great length—I shall point out why I think our amendment is preferable to the amendment of the Senator from New York concerning the problems which the Senator from Kentucky and I raised earlier this afternoon.

I am sorry that a copy of the amendment is not on the desk of each Senator; but the language which we consider to be of controlling importance in our amendment, and which is not in the amendment of the Senator from New York, is in the following words:

And whom, after a hearing on a written record, the Secretary determines to be in violation of title I.

Let us remember that the only place where the fifth amendment can be pleaded with legal effect is before a tribunal which has jurisdiction over the subject matter. What the Senator from Kentucky and I have pointed out earlier in the debate is that under the original Javits amendment it is proposed, prior to conviction, to impose what amounts in effect to a penalty upon the individual concerned, simply because he either refuses to file a form which is sent to him by the Secretary of Labor, and says in refusing to file the form that he believes that to do so might violate his rights under the fifth amendment, or feels that the form itself under the rule-making power of the Secretary of Labor, which is to be given to the Secretary by

the bill, is arbitrary and capricious and violates his constitutional rights.

So we say we think it is important that the union should know the kind of guy they have in an official position in the union. The rank and file ought to have a chance to be fully informed about what the fellow is up to. But, at the same time, we have the solemn duty, as I see it, to make certain that we do not in any way take away, even from the guilty, the precious guaranties by the Constitution, including the rights under the fifth amendment. Therefore, we provide in the language, in effect, in addition to what the Senator from New York provides:

> And whom, after a hearing on a written record, the Secretary determines to be in violation of title I, shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, or paid organizer of a labor organization engaged in an industry affecting commerce for a period of 5 years after the final determination of the violation.

I think that accomplishes the main objective of the Senator from New York. It puts the Senator from Kentucky (Mr. COOPER) and other Senators who feel that the amendment raises some questions of constitutional rights in a position where we can vote for the amendment.

Now I wish to make my last point. We must not forget that the bill has teeth in it. Go back to page 28 of the bill, to subtitle (b), which begins on line 4. Penalty provisions will be found there which call for as much as a $10,000 fine and a substantial term of imprisonment. There is no question about this provision not being soft on the union official who refuses to file. But we insist that the conviction be made a condition precedent, to precede the application of any penalty under the bill. That is our case in a nutshell.

So, Mr. President, I offer the amendment.

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER (Mr. HUMPHREY in the chair). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, let me say that I think the present situation can best be summarized by saying that I wish the Senator from Oregon [Mr. MORSE] and the Senator from Colorado [Mr. CARROLL] could have given us the benefit of their judgment before we submitted the amendment, and also by saying that I wish that all those of us who sponsor the amendment—my colleague, the Senator from New York [Mr. IVES]; the Senator from Massachusetts [Mr. KENNEDY]; the Senator from New Jersey, [Mr. CASE]; and I—could have joined in sponsoring the substitute, because I agree that it will accomplish what we who have sponsored our amendment—and I can speak only for them—were seeking to accomplish.

If the Senator from Oregon will indulge me, I should like to spell out our purpose, because we wish to make it very clear: We are trying to provide that when the bill requires that an individual file a report, in order to commit himself as regards something—because that is the only way one can know whether such a person has done something wrong; and those are the words of the bill—if he does not thus commit himself, he does not deserve to be an officer; and if, notwithstanding that, the union insists on employing him, then the union will be guilty of a crime, under the proposed statute.

Because our amendment was drafted under great pressure, as I believe everyone knows, we provided that the deciding point should be notice from the Secretary.

On the other hand, now the Senator from Oregon would add what we lawyers call procedural due notice, namely, that there shall be due notice, including the making of a record and the making of a finding; and if the official does not then comply, there shall be a violation of the statute. Under our amendment, the Secretary could even have promulgated regulations which would have made constitutional what otherwise would have been unconstitutional. Of course, that has happened under statute law.

I believe that as we now understand the substantive position, the amendment is now complete; and the invitation I extended for assistance in clarifying the matter I believe has now been accepted, and I believe the purpose has now been served in a very fine way by the Senator from Oregon and the Senator from Colorado.

Were it possible to do so under the parliamentary situation, I would accept the language now suggested, in order to have it included as a part of my amendment. However, that is not possible because of the fact that, under the parliamentary situation—inasmuch as the yeas and nays have been ordered on the question of agreeing to our amendment—it can be modified in such a way only by unanimous consent. Of course, in view of the hassle which developed earlier today, we would not wish to have a repetition.

So the substitute must be voted on first; and I wish to announce that I shall vote for it.

Mr. MUNDT. Mr. President, in view of the problem dealt with in the debate earlier today between the Senator from Kentucky [Mr. COOPER], the Senator from Colorado [Mr. ALLOTT], the Senator from Arizona [Mr. GOLDWATER], and various other Senators, may we have a statement for the RECORD that the addition of this procedural formula, whereby such a hearing will be held before the penalties will apply, will not create a new opportunity for the exercise of the fifth amendment escape hatch during the course of the hearings? After all, if that escape hatch could be used, the result would be to delay further or to postpone or to invalidate the ultimate imposition of the penalty.

Mr. JAVITS. Again, Mr. President, I speak only for myself and, I believe, for the other sponsors of the amendment. I believe that a person called before such a hearing could plead the fifth amendment. But notwithstanding such a plea, the Secretary could, nevertheless, under the language of the amendment, as I understand it—although I realize that many Members of this body are good lawyers, and may disagree with my conclusion—make a finding that the individual had failed to do what he should do; namely, file a report.

Quite a number of cases hold that a mere plea by an officer of a corporation, for example, does not thereby excuse him from filing a report which, as a corporate officer, the law requires him to file.

On that basis, the Secretary could make a finding—notwithstanding the fact that such a person pleaded the fifth amendment—that he was not being compelled to testify against himself or to incriminate himself, because all that he was asked to do was to stop being an officer or official of the labor union.

Therefore, insofar as I am concerned, and, I believe, insofar as the other sponsors of the amendment are concerned, this provision does establish our intention.

Mr. MUNDT. Mr. President, I should like to have the legislative history established as definitely as possible. I believe the conclusions the Senator from New York has stated are valid and are in strict harmony with the action taken by the AFL–CIO ethical practices group itself.

Mr. JAVITS. Will the Senator from South Dakota be kind enough to read that into the RECORD?

Mr. MUNDT. Yes; I shall be glad to do so, for the information of the Senate.

In speaking on the subject of the fifth amendment, the AFL–CIO ethical practices code, which was issued in June 1957, provides as follows:

> We recognize that any person is entitled, in the exercise of his individual conscience, to the protection afforded by the fifth amendment and we reaffirm our conviction that this historic right must not be abridged.

Of course, by means of this amendment we do not seek to do anything which in any way would eliminate such a right or change such an attitude.

I continue to read from the ethical practices code:

> It is the policy of the AFL–CIO, however, that if a trade-union official decides to invoke the fifth amendment for his personal protection and to avoid scrutiny by proper legislative committees, law enforcement agencies or other public bodies into alleged corruption on his part, he has no right to continue to hold office in his union.

That is precisely what we are trying to achieve by means of the amendment; and as I pointed out this morning in the course of the debate on the amendment of the Senator from Kentucky [Mr. COOPER], that still leaves an escape hatch or loophole which we should endeavor to close or to plug by the pending amendment. We are grateful to the Senator from New York and to his associates for helping to find the proper language for plugging it.

I continue to read the statement of the ethical code on this point:

> Otherwise—

And I believe this is extremely important, and may come up again in connection with the continued discussion of this proposed labor legislation—

> it becomes possible for a union official who may be guilty of corruption to create the impression that the trade union movement

sanctions the use of the fifth amendment, not as a matter of individual conscience, but as a shield against proper scrutiny into corrupt influences in the labor union.

Therefore, Mr. President, it seems to me that by means of this amendment we are hand in glove with that statement of policy; and I shall support the amendment, as presently before us.

Mr. CASE of New Jersey. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield to the Senator from New Jersey, who has joined me in sponsoring the amendment.

Mr. CASE of New Jersey. Mr. President, I wish to associate myself with the position taken by the Senator from New York in welcoming the substitute which has been offered by the Senator from Oregon [Mr. MORSE]. I agree fully that it meets the purpose we intended to meet by means of our amendment, and improves it; and I am happy, indeed, to have this matter settled in this fortunate way.

Mr. ALLOTT. Mr. President——

Mr. JAVITS. Mr. President, I yield now to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I should like to reestablish some legislative history which we made this morning, and which I should like to repeat now, in view of the likelihood of the acceptance of the amendment. I may say that I find nothing wrong with the amendment.

I wonder whether the Senator from Oregon can hear me.

Mr. MORSE. Yes; I am able to hear the Senator from Colorado very well—and very favorably.

Mr. ALLOTT. Excellent.

I should like to ask the Senator from New York a question: Under the amendment which several Senators have joined in sponsoring, if, under these circumstances, a union official remains in office, and if the union does not remove him from office, will the penalties of subsection (c), on page 28, apply to the union?

Mr. JAVITS. Mr. President——

The PRESIDING OFFICER (Mr. CARROLL in the chair). The Senator from New York.

Mr. JAVITS. Mr. President, my answer to the question is in the affirmative.

I should also like to state my reasons for taking the position that, notwithstanding the substitute, the language now contained in lines 10, 11, and 12, on page 28, continues to be part of this section.

They read as follows:

No labor organization shall knowingly permit any person to assume or hold office in violation of this subsection.

Subsection (c), which follows, imposes the criminal penalty upon "any person who violates this section."

When we turn to page 33 of the bill, we find that the definition of the word "person," which appears in line 3, is as follows:

"Person" includes one or more individuals, labor organizations, partnerships—

And so forth. In other words, a labor organization which insists on employing a person who has fallen under the prohibition of this proposed statute would, in my opinion, thereupon come under the provisions of subsection (c) of section 305, which is the section to which the Senator has referred.

Mr. ALLOTT. I wish to thank the Senator.

Now that the Senator from Oregon is also present on the floor, I wonder if I may ask him the same question, so that the question may be cleared up and the legislative history established without doubt.

Mr. MORSE. Mr. President, I was about to ask the Senator to yield to me so that I might do that very thing, so that the RECORD might be perfectly clear.

The Senator will recall that in committee we had considerable colloquy as to what was covered by the term "any person." The Senator from Colorado raised the point in committee. We had a discussion about it. There was complete agreement that the term "any person" not only included a particular person, but a union. The definition contained on page 33 of the bill I think covers the matter.

Mr. ALLOTT. I thank the Senator. I feel that without such an understanding and such a legislative history the amendment the Senate is about to adopt might become meaningless.

Mr. LAUSCHE. Mr. President——

Mr. JAVITS. Mr. President, I still have the floor.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Kentucky.

Mr. COOPER. I should like to ask the Senator from New York and the Senator from Oregon if the amendment would authorize the Secretary of Labor to remove an official for failure to file before the official had been convicted of wilfully failing to file.

Mr. MORSE. Mr. President, may I answer that question?

Mr. JAVITS. I yield to the Senator from Oregon so he may answer the question.

Mr. MORSE. I may say to the Senator from Kentucky that the Secretary of Labor has no authority to remove an officer for failing to file, but he has the authority to point out to the union what the officer is up to. He also has the duty, under this amendment, to give the person a hearing if he refuses to file, or to offer him a hearing and—this is very important, and I want the Senate to have due notice of it—the amendment brings the matter under the Administrative Procedure Act, which I think is desirable.

Here is language which puts the Secretary of Labor in the position, which I think he ought to be in, of pointing out to the union that it has an officer who refuses to file, that the union has an officer who says the reason he refuses to file is that he thinks the report might incriminate him. A hearing is given to the officer on the basis of that protestation. That procedure puts him before a body which, under the statute, has jurisdiction over the subject matter. From then on there is provided a legal procedure for determining whether or not he is guilty of violating title I, to which subsection (b) would be applicable after his violation had been established.

Mr. JAVITS. Mr. President, may I point out that the amendment which is offered by the Senators from Oregon and Colorado is necessary, let alone desirable, because the provisions of sections 102 and 103, which contain the test for the filing of reports of information, require filing of a report of information of any such transaction that is engaged in. That is provided by subsection (c) on page 10, lines 6 to 10, as to an employee. As to an employer, it is provided by lines 16, 17, and 18 on the same page 10.

Therefore, some hearing—and I thoroughly agree with the Senator from Oregon—is required, because this provision does not merely call for the filing of a report on such a date, and if that is done, the Secretary can give a notice, and that is the end of it. The provision calls for action as to the filing of a report. Therefore, a hearing is required, at which the defendant may plead the fifth amendment. He does not have to testify.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. That bears directly on what the Senator was referring to earlier this afternoon when the Senator talked about the importance of due notice in these cases. This language gives that guaranty.

Mr. COOPER. Mr. President, I do not want to prolong the debate, but this subject has aroused my concern. My questions, about the amendment, are the same as those I addressed to the original amendment. Perhaps the Senator can clear up my difficulty.

The question I raised respecting the amendment offered by the junior Senator from New Jersey and the junior Senator from New York was whether it would attempt to impose a penalty upon an individual or a union before a finding of guilt. The imposition of a penalty before a determination of guilt is contrary to our system of law.

The amendment of the Senator would permit the Secretary of Labor to make a determination that an individual had failed to file, and then—if the individual was retained in office, the labor organization could be indicted and punished for permitting the person to remain in office.

Mr. MORSE. Will the Senator permit an interruption?

Mr. COOPER. The question I raise is whether we are faced with the same problem in connection with the amendment—can a penalty be imposed before there is a finding of guilt?

Mr. MORSE. Will the Senator permit an interruption?

Mr. JAVITS. I yield to the Senator from Oregon.

Mr. MORSE. I think the Senator from Kentucky is overlooking this language: "and whom, after hearing on a written record, the Secretary determines to be in violation of title I."

In the last 2 lines appears the language "for a period of 5 years after the final determination of the violation."

The requirement of a written record brings the procedure under the Administrative Procedure Act. The Administrative Procedure Act, which provides appeals where the matter is to be adjudicated on a written record, puts the person in a position to appeal from the finding of the Secretary of Labor if, in his judgment, the finding of the Secretary of Labor is not a sound one. That gives him all the great protections under our system. No action can be taken until there has been a final judicial determination of the conviction or the right to appeal is not exercised.

Therefore, I respectfully point out that the Senator's fear is really met by the language we offer.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. COOPER. I have one other question that I raise.

Mr. MORSE. Will the Senator permit me to add a word to what I have said?

Mr. COOPER. Yes.

Mr. MORSE. The violation we are talking about is a violation of title I. The question is whether or not a person violates title I of the bill.

Mr. JAVITS. I shall yield to the Senator again, but first I want to reinforce what the Senator from Oregon has said, because we do not want any misconception about the matter. The Secretary of Labor must find a violation of title I. He must find that a person should have filed a report. The only reason he should have filed a report is that he was engaging in one of the transactions specified in this particular section.

It is conceivable—and I state this bluntly—that he may take the fifth amendment, and nevertheless not be held to have to file the report, within the language of this amendment. It is very unlikely to happen if the Secretary of Labor is in his right mind.

Nevertheless, we must understand the situation. The people who feel that the minute a man pleads the fifth amendment he will be out as a union official are not having it all their way. I deeply feel that the compromise, consistent with procedural due process and constitutional law, is a fair one. Therefore, I am very much in favor of it.

I have made it clear I speak only for myself as to what I consider to be the fundamental intent of the sponsors. I do not for a minute presume that someone else might not have a far more drastic and different point of view.

I hope the situation is clear for the benefit of the Senator.

Mr. COOPER. It is still a little unclear in one respect. On page 28, subsection (b) provides that if a person is convicted of a violation of title I, such a person cannot hold office, and if a labor organization permits such a person to hold office the labor organization then falls subject to the penalties of the title.

Do I correctly understand that the Secretary of Labor would hold a hearing to determine if an individual or a union had willfully violated a provision of title I?

Mr. MORSE. The Secretary of Labor is to be given jurisdiction to hold a hearing on a written record when the union official refusss to file the report which is called for under title I. The Secretary will give the official a hearing and will make a determination as to whether there was any justification for refusing to file the report.

Let us consider a hypothetical case. Let us assume the decision of the Secretary of Labor is against the union official. The union official may decide to persist in a refusal to file. He can then, under the Administrative Procedure Act, by resort to the court, appeal the decision of the Secretary of Labor.

I happen to think that actions of that kind will be rare, but I also think this amendment provides an important procedure for union members. Senators should not forget the purpose the committee has in mind. The kind of procedure covered serves clear notice on the union as to what kind of person is in the office, and I think the union will do the housecleaning in most instances, under that arrangement.

By this procedure we shall be protecting the individual citizen, whether we like him or not, and shall be protecting his constitutional rights. The final appeal and final determination will be in the courts, as to whether such a person has acted in accordance with his rights.

I think this provision will meet the objection which the Senator from Kentucky and I raised earlier this afternoon, when we thought the original language might transgress upon rights under the fifth amendment.

Mr. COOPER. There is another question, and then I shall close. The Senator has made reference to the issue which troubled me and which was debated earlier. It was the question whether we were attempting to penalize a person because he might claim a constitutional right. I said that I would not support any such proposal as that.

I ask the Senator this question: If an individual were notified by the Secretary that he was in violation of the provisions of the bill, and such person claimed a constitutional right to refuse to disclose information because it might incriminate him, could that person be removed from office or have penalties placed upon the union because he was asserting his constitutional right?

Mr. MORSE. Yes, unless he took an appeal to a court. The procedure which is sought to be established here is administrative procedure. Let us face up to the problem. I happen to think that the Office of the Secretary of Labor ought to be given this kind of status in the administrative system in our country.

We are, by this language, establishing in the Office of the Secretary of Labor jurisdiction whereby when a union official refuses to file under title I for any reason, including the reason that he thinks it might incriminate him, a hearing must be held. Let us take a hypothetical case. Let us assume the labor union official comes before the Secretary of Labor, on a written record, and says: "Mr. Secretary, the only reason why I am refusing to file a report is that I think to do so might incriminate me; and, therefore I rest upon my rights under the fifth amendment." The Secretary of Labor may say in his administrative decision, "You file the report."

Then what is the union official going to do? He is going to appeal. The Senator and I, acting as counsel in that hypothetical case, would advise the union official to appeal. That is what the Administrative Procedure Act provides. The union official will appeal to the court, and the court will pass on the question whether he had the right to take the position he took.

Then we come to the last line of the amendment. That is the final determination. When the final determination is adjudicated, if the final adjudication is that such a person is guilty of violating title I, then and only then would the law finally come into effect.

Mr. COOPER. I thank the Senator very much. While I am yet troubled, he has made it clear that due process of law would be available to an individual or union.

Mr. LAUSCHE. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield to the Senator from Ohio.

Mr. LAUSCHE. It is my understanding, under the provision as it will read if the amendment is adopted, that any person convicted of violating title I will, ipso facto, be barred from holding office for a period of 5 years.

Mr. JAVITS. Yes.

Mr. LAUSCHE. In addition, even though the person is not convicted, if he fails to file a report after being ordered by the Secretary of Labor to do so, such person can be barred from holding office only after the Secretary of Labor has given him a hearing and made a finding that he has violated title I; is that a correct understanding?

Mr. JAVITS. And there has been opportunity—I am using the words very carefully—to test the finding under the Administrative Procedure Act.

Then when the matter comes to a final determination—either by a failure to appeal in time or by a final determination of the courts—the act will take effect.

Mr. LAUSCHE. I subscribe to the philosophy expounded by the Senator from Kentucky, the Senator from New York, and the Senator from Oregon that the utilization of a constitutional right should not in and of itself give rise to a presumption that the person is guilty of a crime. My thinking is that when the person fails to file the report, after he has been ordered pursuant to a hearing to do so, the compulsion is not a consequence of the invocation of a constitutional right but is the consequence of a failure to comply with the provisions of the bill, which state such a person shall file a report.

I wish to give my support to the amendment as finally drafted. I think such a provision will operate fairly and will make it impossible for those who are affected to argue, "without due hearing we have been found guilty."

Mr. MORSE. Mr. President, I thank the Senator for his statement, and I wish to say for the record that we shall

also, by the process suggested, put the union on notice. This procedure gives a very clear notice to the union of what is going wrong in the union. This is a procedure which will be very healthy for the unions.

I look upon my amendment as a sort of broom which will be used to sweep clean from the union halls men who betray their trust to the union membership.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JAVITS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. The yeas and nays were ordered on the original amendment offered by me and several of my colleagues and the vote now about to be taken is to be on the substitute offered by the Senator from Oregon [Mr. MORSE] and the Senator from Colorado [Mr. CARROLL]. If the substitute is adopted, will the yeas and nays nevertheless be taken on the amendment as it will then read?

The PRESIDING OFFICER. If the Morse-Carroll amendment is adopted, the yeas and nays will still be in order on the amendment of the Senator from New York, as amended.

Mr. JAVITS. As I understand, the Morse-Carroll amendment may be accepted on the basis of any of the procedures permitted by the rules—by voice vote, by a division, or in any other way. It does not require the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are not automatically ordered on the so-called Morse-Carroll amendment.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I am afraid I shall have to object. I think we should have a live quorum.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the call of the roll.

The rollcall was resumed.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Is my understanding correct, that the forthcoming vote will be only on the perfecting language?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to rescinding the order for the quorum call? The Chair hears none, and it is so ordered.

The question is on agreeing to the Morse-Carroll amendment, which is a substitute for the amendment offered by the Senator from New York [Mr. JAVITS] for himself and other Senators. [Putting the question.]

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now recurs on the Javits amendment, as amended.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS], for himself and other Senators, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I further announce that if present and voting, the Senator from Pennsylvania [Mr. CLARK], the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. HILL], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from North Dakota [Mr. LANGER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Kansas [Mr. SCHOEPPEL], would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

YEAS—86

Aiken	Goldwater	McNamara
Allott	Green	Monroney
Anderson	Hayden	Morse
Barrett	Hennings	Morton
Beall	Hickenlooper	Mundt
Bible	Hoblitzell	Murray
Bricker	Holland	Neuberger
Bridges	Hruska	Pastore
Bush	Humphrey	Payne
Butler	Ives	Potter
Byrd	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Douglas	Long	Thurmond
Dworshak	Magnuson	Watkins
Eastland	Malone	Wiley
Ellender	Mansfield	Williams
Ervin	Martin, Iowa	Yarborough
Frear	Martin, Pa.	Young
Fulbright	McClellan	

NOT VOTING—10

Bennett	Hill	Schoeppel
Clark	Langer	Thye
Flanders	O'Mahoney	
Gore	Saltonstall	

So the amendment offered by Mr. JAVITS for himself and other Senators, as amended, was agreed to.

Mr. IVES. Mr. President, I believe I now have the floor, by a unanimous-consent agreement entered at 1 o'clock this afternoon.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. IVES. I do not want to be at all selfish. I understand that other Senators would like the floor. But I want the press to understand that the speech I have released, I shall deliver if it is necessary to have the Senate remain in session until 3 o'clock tomorrow morning. The press need not worry about that.

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from South Carolina?

Mr. IVES. Does the Senator wish to make an insertion in the RECORD?

Mr. JOHNSTON of South Carolina. I desire to call up a conference report, which is a highly privileged matter.

Mr. IVES. I yield to the Senator from South Carolina for that purpose—and more power to him.

INCREASED CIVIL SERVICE RETIREMENT ANNUITIES—CONFERENCE REPORT

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 72) to increase annuities payable to certain annuitants from the civil service retirement and disability fund, and for other purposes. I ask unanimous consent for the present consideraiton of the report.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 9, 1958, p. 10535, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSTON of South Carolina. Mr. President, S. 72, as passed originally by the Senate, provided generally for an increase for persons on the retirement rolls of 20 percent on the first $1,500 of their annuity and 10 percent on that portion of their annuity in excess of $1,500. The House amendment to the bill provided generally for a flat increase of 10 percent. However, the House imposed a number of highly undesirable limitations on those who might receive the increase. The conference agreement strikes a happy medium. It accepts the House increase but adopts the Senate

version which did not contain the undesirable and unworkable limitations and restrictions.

In brief, the agreement does the following:

Paragraph (a) of section 1 gives a 10 percent increase to each retired employee or Member of Congress, who, on August 1, 1958, is receiving or is entitled to receive an annuity based on service which terminated prior to October 1, 1956. It might be noted here that the reason for the October 1, 1956, date is that persons who retired with an annuity based on service which terminated after that date were benefited by the 1956 amendments. This particular provision of the bill relates only to retired employees and does not, of itself, operate to increase the benefit of any survivor of any such retired employee. This paragraph provides that no retiree, by reason of the 10 percent increase, may receive a total increase in excess of $500 per annum.

Paragraph (b) of section 1 relates to survivors. This paragraph gives survivors a 10-percent increase, but provides that no such increase may exceed $250 per year. This limitation is consistent with the limitation imposed on retiring employees, because, generally, survivors receive an amount not to exceed one-half of the earned annuity of the retired employee.

Section 2 provides a limited annuity, not to exceed $750 per annum, to certain unremarried widows and widowers of employees and retired employees who died prior to February 29, 1948, either while still in the service or after having retired from the service after having performed at least 10 years of creditable service. To qualify for an annuity under this section, the unremarried widow or widower must have been married to the former employee for not less than 5 years. In addition, the widow or widower must not be entitled to any other annuity under the Retirement Act based on the service of the deceased employee. The amount of the annuity for a widow or widower of an employee with at least 10 years' service who died prior to February 29, 1948, either in service or after retirement, will be equal to one-half of the annuity which the employee was receiving on the date of his death if retired, or if he died in service will be one-half of the rate he would have been receiving if retired for disability on such date after making full deposit to the retirement fund. The annuity will cease on the death or remarriage of the widow or widower.

Section 3 fixes the effective date of the increase as August 1, 1958, or on the first day of the month in which the application for such annuity is received in the Civil Service Commission, whichever occurs later.

Section 4 provides that the increases shall be paid out of the civil service retirement and disability fund until June 30, 1960, after which they will not be paid unless financed by appropriations by Congress.

Section 5 gives a limited number of former employees, who were automatically separated by reason of age prior to October 1, 1956, but who had a sufficient amount of annual leave to their credit to keep them on the rolls until that date, an election as to whether they receive the increase provided by this bill or an increase provided by the October 1 amendments.

Mr. President, I am indeed happy that such a satisfactory agreement has been reached. I have long been cognizant of the needs of these former employees who have suffered unduly because of the devastating increased cost of living. It is only just that their plight be sympathetically considered by the Government for whom they toiled long, conscientiously, and devotedly during the best years of their lives.

The House has already agreed to the report. Now I hope the Senate will see fit to agree to it also.

Mr. CARLSON. Mr. President, I am pleased that today we are completing action on increased annuities for our faithful former employees, and that in this group will be included widows of former employees who were not included in previous retirement legislation for our Government employees.

The conference report which I hope the Senate will approve this afternoon is, of course, a compromise between the House and Senate actions on this matter.

On January 7, 1957, I introduced Senate bill 72. It was referred to a subcommittee of the Senate Post Office and Civil Service Committee. The subcommittee was chairmaned by our very good friend, the late Senator W. Kerr Scott, of North Carolina. Other members of the subcommittee were the Senator from Oregon [Mr. NEUBERGER] and the Senator from Iowa [Mr. MARTIN]. Hearings were held on the bill, and the full Senate Committee on Post Office and Civil Service unanimously reported the bill favorably to the Senate on July 25, 1957. It will be noted that that was late in the 1st session of the 85th Congress; and no action was taken by the Senate on the bill during that session of Congress. However, on March 21 of the 2d session of the 85th Congress, Senate bill 72 was passed by the Senate, after it had been amended in such a way as to give it, in our judgment, a chance of becoming law.

The distinguished chairman of our committee, the Senator from South Carolina [Mr. JOHNSTON] has called to the attention of the Senate the changes that were made in conference between the House and Senate on the separate bills that passed each body. This conference report is not as liberal in terms of the payments to the retired Federal employees as I would have liked to have it; but it is, after all, a compromise between the two bodies, and I know these increases will be of great benefit to several thousand of our citizens who have been caught with small retirement benefits in a period of inflationary prices.

As one who sponsored this legislation originally in the last session, and as the one who introduced Senate bill 72, which was the basis for this legislation, I want to express my appreciation to the members of the Senate Post Office and Civil Service Committee and other Members of the Senate for supporting our views.

I also want to commend the officers and members of the National Association for Retired Civil Service Employees, with whom it has been a pleasure to work in securing approval of the legislation.

The passage of this legislation not only has my hearty approval, but it also gives me great satisfaction.

Mr. NEUBERGER. Mr. President, I wish to comment briefly on the conference report on the Federal retirement bill, which I trust the Senate will soon adopt.

I was a member of the subcommittee which reported the bill to the full committee, after holding hearings on it and revising it in some degree. Then we brought it before the full committee, and the eventual result was that the bill was reported to the Senate.

The distinguished Senator from Kansas [Mr. CARLSON] has been unduly modest in his remarks on the bill. Senate bill 72 was drafted and written by the Senator from Kansas [Mr. CARLSON]; it was his bill. Furthermore, it was largely as a result of his work that the bill came before our committee, and that now it will result in the securing of justice and equity for these former employees of the Government.

I know that the able chairman of the full committee, Mr. JOHNSTON of South Carolina, under whose leadership the hearings were scheduled and arranged, will join me in this tribute to the Senator from Kansas, who deserves so much commendation and praise for this legislation.

I do not believe our consideration of the conference report would be complete if we did not join also in paying tribute and honor to the late Senator W. Kerr Scott, of North Carolina. When Senator Scott died on April 16, 1958, he was the chairman of our three-member subcommittee which processed this legislation.

I do not think the retired Federal Government employees or any other group in the Nation who need help ever had a better, more understanding or more sympathetic friend than the late Senator W. Kerr Scott. I know he had great compassion for any group in need. When it was shown to him, by means of a chart published in the U. S. News & World Report, that of all the groups in the Nation, without exception, the former employees of the Federal Government had suffered most in comparison with their purchasing power due to the rise in the cost of living, Senator W. Kerr Scott insisted that hearings be held on Senate bill 72. We complied with his wishes.

I believe all of us rejoice that the conference report is now before the Senate.

We are pleased that we have been able to eliminate the unduly restrictive provisions of the bill passed by the House of Representatives, which would have placed an arbitrary and wholly inadequate ceiling on the outside earned income of former employees of the Federal Government.

We are regretful to some degree that, in order to secure the elimination of the drastically unfair provisions of the bill passed by the House of Representatives,

it was necessary to scale down the increased annuities provided in the bill passed by the Senate. However, that is part of the legislative process, and we had to do that in order to effect a workable and feasible compromise.

Mr. JOHNSTON of South Carolina. Mr. President, let me say that I know the Senator from Oregon will also agree with me when I state that all of us thought that 20 percent or more should have been provided by the bill, for the reason that a Federal Government worker who retired on October 1 or thereafter, under the retirement bill which went into effect at that time, today receives 25 or 30 percent more than is received by one who retired a day before that.

Mr. NEUBERGER. That is correct.

Mr. JOHNSTON of South Carolina. Therefore, we were trying to provide equity by making an adjustment, because we thought those persons had not been treated properly in the past.

Mr. NEUBERGER. Undoubtedly the Senator from South Carolina is correct, and the increase in the annuities should be greater.

However, as I have stated, in order to secure the elimination of some of the unduly restrictive provisions voted by the House of Representatives, we had to scale down the annuity gains provided by Senate bill 72. This was necessary but unfortunate.

Mr. President, before I yield the floor, I wish to pay tribute to the newest member of the subcommittee, the distinguished junior Senator from Texas [Mr. YARBOROUGH], who was a leader in the effort to obtain increased annuity benefits from the very first day when he was appointed to our committee by the Senate.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Oregon for his kind words about me.

It is true that I advocated these increases before I became a Member of this body, and have worked diligently for them since then.

I wish to express my appreciation for the privilege of having been a member of the conference committee, and also for the privilege of signing the conference report.

I believe it is true that the distinguished chairman of the committee, the senior Senator from South Carolina [Mr. JOHNSTON], with the very full and complete cooperation and collaboration of the distinguished Senator from Kansas [Mr. CARLSON], has conducted the hearings and led in the labors which have resulted in this measure, which provides a measure of justice for these retired employees.

I join the chairman of the committee in expressing disappointment that the increase will not be greater for the first $1,500, because the 250,000 retired Federal Civil Service employees receive an average payment of $133 a month. This modest 10-percent increase should, I believe, have the support of every Member of the Senate.

Of the 80,000 survivors of retired Federal employees, tens of thousands receive not more than $50 a month. The conference report provides a very modest increase which should be granted.

As the Senate knows, it took real work to get the bill through. Those who have led in this work deserve a great deal of credit for our success in providing this measure of justice for those who have spent the greater part of their lives in working for the Federal Government, in the effort to make it more usable and more serviceable to all the people of the country.

The PRESIDING OFFICER (Mr. THURMOND in the chair). The question is on agreeing to the conference report.

The report was agreed to.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. IVES. Mr. President, I wonder whether any other Senator desires that I yield? If not, I shall begin my remarks, which have been somewhat delayed. [Laughter.]

Mr. President, as promised by several of us who are members of the Senate Committee on Labor and Public Welfare, on Tuesday, June 10, the Senator from Massachusetts [Mr. KENNEDY] introduced Senate bill 3974 on behalf of himself and other members of the committee, including myself.

The provisions of Senate bill 3974 represent the bipartisan efforts of members of the committee and of the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] who is chairman of the Select Committee To Investigate Improper Activities in Labor-Management Relations. Although there were differences of opinion among members of the committee with respect to certain provisions of this proposed legislation, it is important to note that the bill was reported to the Senate by a vote of 12 to 1.

For almost a quarter of a century, I have concerned myself with legislation to improve labor-management relations, both in the New York State Legislature and in the United States Senate. While in the New York State Legislature, I served as chairman of the Joint Legislative Committee on Industrial and Labor Conditions. During my tenure as chairman, important legislation in this field was considered by the committee wholly on a nonpartisan basis. In fact, the committee operated on the basis of unanimous consent with respect to all of its decisions. Partisan, political considerations in this important field were never involved in the committee's deliberations. Consequently the State of New York enacted constructive, forward-looking legislation beneficial to the public as well as to labor and management.

In 1946, I was elected to my first term in the United States Senate. As all of us know, the so-called Taft-Hartley Act was enacted in 1947. I enjoyed the privilege of serving on the Senate Committee on Labor and Public Welfare during this period. Although I was a junior Senator, I endeavored to bring to the committee the nonpartisan atmosphere in labor-management matters which had prevailed in the New York State Legislature. In all honesty, I must say that I was somewhat disillusioned. I found that political partisanship existed on both sides of the aisle, here in the United States Senate, with respect to labor legislation.

Both Democrats and Republicans contributed to the legislation which was enacted in 1947. And the Taft-Hartley Act was and is essentially a sound piece of legislation. However, it contains defects. These defects resulted primarily from amendments which were adopted during debate in the Senate and in consequence of the subsequent forced reconciliation of two highly different bills by the Senate-House conferees. It was my understanding that, in the following year, the Congress would again consider labor legislation designed to correct these defects. However, political considerations on the part of both major parties, including the fact that 1948 was a presidential election year, precluded consideration of needed changes in the act.

Again in 1949, many constructive amendments, including a number offered by the late great Senator Taft, were considered by the Senate. But these amendments were defeated, despite the fact that many would have been beneficial to organized labor.

In 1953, the present administration recommended to the Congress a sound and constructive labor-management program. The Senate Committee on Labor and Public Welfare favorably reported to the Senate an excellent bill. But, as all of us know, this bill was recommitted.

In summary, no major legislation in the field of labor-management relations has been enacted in 11 years—although vitally needed. I suspect that if such legislation as I have suggested had been enacted, the shocking evidence compiled by the McClellan committee would never have existed.

In 1956, the blinding of Victor Riesel—because of his disclosures of the infiltration of criminal elements into the field of labor-management relations—shocked the Nation. Following this dastardly act, I submitted a Senate resolution calling upon the Senate Committee on Labor and Public Welfare to investigate improper activities in the field of labor-management relations. Simultaneously, and unknown to me at the time, the Permanent Subcommittee in Investigations of the Senate Committee on Government Operations was already compiling evidence of such improper activities. This evidence was brought to the subcommittee's attention through its investigation of certain Government contracts. In consequence, in January of 1957, the Senator from Arkansas [Mr. MCCLELLAN], myself, and others urged the creation of the present Select Committee To Investigate Improper Activities in Labor-Management Relations.

The work of this committee under the guidance of the Senator from Arkansas [Mr. MCCLELLAN], with the able assistance of the chief counsel and his staff,

has resulted in a long-needed housecleaning by organized labor as well as by management.

In its interim report, the select committee recommended legislation in five specific areas. The provisions of S. 3974 carry out the legislative recommendations contained in the interim report. No clearer proof of this statement can be shown than the fact that the very distinguished chairman of the select committee has endorsed and supported the provisions of S. 3974.

I fully agree with an editorial endorsing this legislation contained in the Washington Evening Star dated Tuesday, June 10, which in part reads as follows:

Approval of this body (Senate) would amount to an endorsement of a fine work of its two committees (the Senate Committee on Labor and Public Welfare and the Select Committee on Improper Activities in the Labor or Management Field), as well as a step toward constructive lawmaking.

This bill was drafted by the staff of the Senate Committee on Labor and Public Welfare in consultation with the Senator from Massachusettes [Mr. KENNEDY], representatives of the Secretary of Labor, and myself. Therefore, I am keenly disappointed to see what appear to be partisan political influences inject themselves into its consideration.

In view of the bipartisan efforts which went into drafting S. 3974, I was most startled to learn of Secretary Mitchell's apparent opposition to its provisions. I personally consider most of the statements on this subject, which have been attributed to him while he is in Geneva, to be wholly uncalled for. Insofar as his criticism is constructive, both the Senator from Massachusetts [Mr. KENNEDY] and I agree that the Secretary should be granted the right to hold hearings and should be given subpena powers in order to enforce the filing provisions contained in the bill. Moreover, I see no objection to requiring that the summaries of the extensive reports required under the provisions of the act be made available to union members. In most other respects, I personally believe the comments of the Department of Labor are without merit.

For example, I am advised that the same study used by the Department of Labor, which stated that 60 percent of the local unions in California would be exempt under the provisions of this act, also disclosed that 93 percent of all union members would be covered. But the Labor Department cited only the 60 percent figure—a most misleading omission of the significant figure of 93 percent coverage. Furthermore, the Secretary is specifically authorized to deny any exemptions, if, in his wisdom, he believes it is important to do so. Thus the coverage could be raised all the way to 100 percent. The only reasons the exemption provision is contained in the bill—these are the only reasons I know of, anyway—are to relieve small local unions from the costs and administrative problems involved in filing the extensive reports which would be required, and also to keep the Department's administrative expense at as low a figure as may be warranted.

I am not at all satisfied with the language of the bill dealing with this subject, which appears on page 7 of the bill, section 101 (c) of title I. That subsection reads as follows:

(c) Labor organizations having fewer than 200 members and gross annual receipts of less than $25,000, including all sums paid over as dues or per capita tax to a parent or affiliated labor organization (excluding payments received by trustees under sec. 302 (c) (5) or (6) of the Labor-Management Relations Act, 1947, as amended) shall be exempt from the provisions of this section: *Provided*, That the Secretary may revoke the exemption of any labor organization with respect to which he determines, after such investigation as he deems proper, that the purposes of this section would be served thereby.

I have been advised that section as written invites litigation if it is enacted. In other words, it should be made positive, and should not remain in the form it is written, with the proviso offsetting the exemption of small local unions.

So I offer now the amendment which I send to the desk as a substitute for subsection (c), and I ask the clerk to read it.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out lines 1 to 11 inclusive, on page 7 and to insert in lieu thereof the following:

The Secretary may exempt from the requirements of this section for such definite or indefinite periods as he may determine any labor organization having fewer than 200 employees and having gross annual receipts of less than $25,000, including all sums paid over as dues or per capita tax to a parent, or affiliated labor organization (excluding payments received by trustees under sec. 302 (c) (5) or (6) of the Labor-Management Relations Act, 1947, as amended) if he finds that the exemption of such labor organization would not interfere with the attainment of the objectives of this act.

Mr. SMITH of New Jersey. Mr. President, will the Senator from New York yield?

Mr. IVES. I yield.

Mr. SMITH of New Jersey. Mr. President, this morning I offered an amendment to strike the entire subsection (c) on page 7, lines 1 through 11, which we are now discussing. I ask the distinguished Senator from New York if he is willing to accept my amendment as a substitute for his proposed amendment.

Mr. IVES. The amendment offered by the Senator from New Jersey certainly would clear up the matter, since it would delete the whole subsection from the bill, but it would also place in the Department of Labor a great deal of additional work. Is the Senator offering the amendment at the request of the Department of Labor or at the request of the administration?

Mr. SMITH of New Jersey. I am offering the amendment with the approval of the administration, of the Department of Labor.

Mr. IVES. The Department did not ask the Senator to offer the amendment; the Senator is doing this independently and the Department has given it full approval?

Mr. SMITH of New Jersey. I offered the amendment this morning. I have asked the Department if the Department approved, and I was told it was approved.

Mr. IVES. Let me ask the Senator another question.

Mr. SMITH of New Jersey. May I add another word? On page 15 there is a provision in the bill with respect to reporting which reads:

In exercising his power under this section the Secretary may prescribe by general rule simplified forms of report for small labor organizations and small employers for whom he finds that a detailed report would be unduly burdensome.

I asked the Department of Labor whether the Secretary would be willing to assume that responsibility, and I was told he would be willing to do so.

I think we could more fully meet the needs of the situation by striking out the entire subsection.

Mr. IVES. Let me ask the distinguished Senator from New Jersey another question.

Was the amendment the Senator offered this morning taken from the provisions of bills submitted as a part of the administration's program earlier in the session?

Mr. SMITH of New Jersey. I am not sure whether this particular item was in the early group of bills. Does the Senator refer to proposed legislation introduced in April?

Mr. IVES. I do not know when the Senator submitted the administration program. Was this provision a part of the administration program?

Mr. SMITH of New Jersey. I am advised it was, although I do not know that the particular exemption was before us, since it appears for the first time in the bill presently under consideration. I could not say that the administration anticipated what the committee would report.

Mr. IVES. I will ask my distinguished friend from New Jersey—without trying to embarrass him in any way, shape, or manner—if the Department of Labor, which is directly affected by the proposal the Senator makes, has made the request that it be adopted? Has the Department asked for this action?

Mr. SMITH of New Jersey. Let me explain it to the Senator.

Mr. IVES. In a moment. Was this action on the part of the Senator from New Jersey initiated by him, or was it initiated by the Department?

Mr. SMITH of New Jersey. In answer to that question, I have discussed the matter with representatives of the Department. I stated I planned to offer the amendment, and I was informed the Department thought it was desirable and approved of it. I stated the bill in the other provision which I have read on page 15 would give the Secretary responsibility to take care of the smaller labor organizations.

I can say the amendment has the full approval of the Department, and the Department preferred it to the other proposals.

Mr. IVES. That is all I want to know. The Department realizes, of course, the additional burden which will be placed upon it?

Mr. SMITH of New Jersey. There would be a burden either way. I have talked to the Department about the matter. I am asking if the distinguished Senator from New York is willing to accept my amendment as a substitute.

Mr. IVES. I will accept the amendment as a modification. It is my understanding, as I believe it is the Senator's understanding, that his proposal represents the desire of the Department of Labor and the administration.

Mr. SMITH of New Jersey. The answer is "Yes."

Mr. IVES. The Department wants to have this done. The answer is "Yes"?

Mr. SMITH of New Jersey. I can say the answer is "Yes."

Mr. IVES. Then I shall accept the amendment as a modification, so far as I am concerned. I will ask the Senator from Massachusetts [Mr. KENNEDY] if the modification is agreeable to him.

Mr. KENNEDY. In view of the position taken by the Senator from New York it is satisfactory to me. It is my understanding that the bill contains a proviso which gives the Secretary power to provide for a simplified form for the smaller unions. That might take care of the matter. There will be a good deal of paper work, but if the Department feels able to do it and desires to do it, I think we should accept the language suggested by the Senator from New Jersey.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from California.

Mr. KNOWLAND. If we are reaching the point where the amendment is to be voted on, I should like to suggest the absence of a quorum, because it is my desire to request the yeas and nays on this amendment.

Mr. ALLOTT. Mr. President, will the Senator yield to me?

Mr. IVES. Mr. President, I should like to have the amendment disposed of. I have not completed my remarks. I am just about finished, but before I complete my remarks I would prefer to have the amendment acted upon. It is all a part of one matter and has nothing to do with the rest of the bill.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from New York, as modified.

The LEGISLATIVE CLERK. On page 7, lines 1 through 11, it is proposed to strike out all of subsection (c).

Mr. KNOWLAND. Mr. President, I ask that the yeas and nays be ordered on this amendment.

The yeas and nays were not ordered.

Mr. KNOWLAND. Mr. President, will the Senator yield to me so that I may suggest the absence of a quorum?

Mr. IVES. Mr. President, I shall be glad to yield to the Senator if I may have unanimous consent that I shall not lose my right to the floor.

Mr. ALLOTT. Mr. President, will the Senator yield to me for a short statement, which I think will be helpful?

Mr. IVES. I yield.

Mr. ALLOTT. This morning I talked with the Under Secretary of Labor. I believe it is the feeling of the Department that the adoption of the amendment now before the Senate would greatly simplify administration, because the amount of investigative work to determine who would fall within the exemption would be very great, and the Department feels the exemption on page 15 of the bill offers ample protection.

Mr. IVES. So long as it is satisfactory to the Department and is what the administration wants, it is all right with me.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from New York may yield to me for the purpose of suggesting the absence of a quorum, and later requesting a yea-and-nay vote on the amendment, with the understanding that after the vote the Senator from New York will retain his right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New York [Mr. IVES] as modified.

Mr. KNOWLAND. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I further announce that if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Wyoming [Mr. O'MAHONEY], would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Minnesota [Mr. THYE] are absent on official business.

The Senator from Maryland [Mr. BEALL] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], the Senator from North Dakota [Mr. LANGER], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The result was announced—yeas 79, nays 1, as follows:

YEAS—79

Aiken	Hennings	Monroney
Allott	Hickenlooper	Morton
Anderson	Hill	Mundt
Barrett	Hoblitzell	Murray
Bible	Holland	Neuberger
Bricker	Hruska	Pastore
Bridges	Humphrey	Payne
Bush	Ives	Potter
Butler	Jackson	Proxmire
Capehart	Javits	Purtell
Carlson	Jenner	Revercomb
Carroll	Johnson, Tex.	Robertson
Case, N. J.	Johnston, S. C.	Russell
Case, S. Dak.	Jordan	Smathers
Church	Kefauver	Smith, Maine
Clark	Kennedy	Smith, N. J.
Cooper	Kerr	Sparkman
Cotton	Knowland	Stennis
Curtis	Kuchel	Symington
Dirksen	Long	Talmadge
Douglas	Magnuson	Thurmond
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ervin	Martin, Iowa	Williams
Frear	Martin, Pa.	Yarborough
Goldwater	McClellan	
Green	McNamara	

NAYS—1

Morse

NOT VOTING—16

Beall	Fulbright	Saltonstall
Bennett	Gore	Schoeppel
Byrd	Hayden	Thye
Chavez	Langer	Young
Ellender	Lausche	
Flanders	O'Mahoney	

So Mr. IVES' amendment, as modified, was agreed to.

The PRESIDING OFFICER. The Senator from New York [Mr. IVES] has the floor.

Mr. MORSE. Mr. President, will the Senator yield to me for a minute or two?

Mr. IVES. I wonder whether the Senator from Oregon would permit me to complete my statement. I have almost completed it.

Mr. MORSE. I wanted to make a statement about the reason for my vote.

Mr. IVES. Does the Senator wish to explain his vote? I yield to him for that purpose, with the understanding that I will not lose the floor.

Mr. MORSE. I ask unanimous consent that I may make the statement, with the understanding that the Senator from New York will not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, because the Senate has adopted the Ives amendment as modified by the Smith amendment, and I was the only Senator who voted against it, I feel I should make a statement in the RECORD of my reason for voting against it.

This is an example of why we ought to proceed with great care in considering amendments on the floor of the Senate. I wish to point out that the Senate has made an administrative mistake. If we bog down this bill with that kind of amendment, it will end up as a monstrosity. I say that because there are

70,000 local unions in the country, and we would now require, under the Senate's action on the modified Ives amendment, every one of the locals, no matter how small, to file a report with the Department of Labor. It will be expensive, and, in most instances, it will be a great waste and unnecessary.

We had in the committee bill—and it was even being improved by the affirmative language offered by the Senator from New York, before the Smith amendment was suggested—all the protection that was needed, because in the bill it is provided:

> That the Secretary may revoke the exemption of any labor organization with respect to which he determines, after such investigation as he deems proper, that the purposes of this section would be served thereby.

By that provision, which the Senator from New York was going to improve affirmatively, we provided the Secretary of Labor with authority to revoke the exemption. However, now the Senate has made it necessary for every local to file reports. The hearings and the discussion in the committee showed that it would be a great waste to have the bill place that kind of administrative burden on the Department of Labor.

I say most respectfully that I am willing to rest on the prediction I make now, that time will prove that the Senate has made a great administrative mistake when it adopted the Ives amendment as modified by the Smith amendment.

Mr. CASE of New Jersey. Mr. President, will the Senator yield so that I may submit an amendment?

Mr. IVES. I yield for that purpose, without losing my right to the floor.

Mr. CASE of New Jersey. Mr. President, I send to the desk an amendment which I ask to have printed.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

Mr. IVES. Mr. President, as I stated earlier, the bill was reported by the Committee on Labor and Public Welfare by a vote of 12 to 1. I heartily congratulate my able colleague, the junior Senator from Arizona [Mr. GOLDWATER], for his customary forthrightness in opposing S. 3974, and for his announced intention to offer a substitute bill, although I now understand that he does not intend to offer it. Is that correct?

Mr. GOLDWATER. I am not sure.

Mr. IVES. My good friend from Arizona is a man of deep convictions and thorough integrity. It is with genuine regret that I cannot agree with him in his attitude toward the bill.

Although the junior Senator from Arizona, as an employer, has had a great deal of experience in the labor-management field and is widely known and highly regarded as an enlightened employer, I suspect that his experience with organized labor is somewhat limited. Moreover, I am advised that there are only about 32,000 organized workers in the entire State of Arizona. Is that correct?

Mr. GOLDWATER. That figure is based on the national average, so far as it relates to the national labor force. While it may seem a small number when compared with the number of organized workers in New York and Pennsylvania, it is about 30 percent of the labor force of Arizona based upon the national average. We have in Arizona about 100,000 Indians who are not counted in that average.

Mr. IVES. The State of New York has some Indians, too.

It is difficult for me to understand how the Senator from Arizona can label the bill a "nonentity" or a "wrist-slapper." Is that what the Senator called it?

Mr. GOLDWATER. "Wrist-slapper" was one of the more gentle terms I used. My colleagues in the Senate seem to agree, because they have accepted six amendments today.

Mr. IVES. I do not think that because we have accepted the amendments it means that the bill is a "wrist-slapper."

Mr. GOLDWATER. I am sure that we could argue that question all night. I will be willing to listen to the Senator's views, if he will listen to mine.

Mr. IVES. Let us get together some weekend and argue the question.

Mr. GOLDWATER. Only the day before yesterday, Jim Mitchell and I agreed; so I think it is possible that the Senator from New York and I might find great areas of agreement.

Mr. IVES. It may seem strange, but I dare say that in many ways we are in agreement. I had thought there was general agreement as to the purpose of any legislation to eliminate the improper activities disclosed by the McClellan committee. I had understood that purpose was to protect the rank and file workers from dishonest union officials and to assure to them democratic processes in the operation of their unions, without depriving them of control over these unions by governmental interference and intrusion.

For example, the junior Senator from Arizona [Mr. GOLDWATER] calls it an ineffective sanction—I want to be certain that these quotations are correct—to impose a fine of $10,000 upon a labor organization for its failure to remove from office those officials who fail to file reports or wilfully file false reports. I cannot agree that we would be protecting the innocent rank and file union members by removing the tax exemption of the organization which represents them and at the same time, by denying that organization the privilege of utilising the procedures of the National Labor Relations Board. The guilty should be dealt with harshly—that is always true—but the innocent should not be forced to pay for the crimes of the guilty.

I shall not take the time of the Senate at this point to discuss all of the various proposals contained in the substitute to be offered by the able junior Senator from Arizona. However, I should point out that the recommendations of the McClellan committee did not suggest legislation at this time to eliminate the misuse of organizational picketing or to deal with the problem of secondary boycotts. In particular, secondary boycotts have not been investigated as such by the select committee. Furthermore, the Supreme Court has pending before it four cases involving the validity of so-called hot-cargo clauses in collective bargaining agreements. These cases are evenly divided, in that lower courts upheld such clauses in two of the cases and found them invalid in the other two cases. The ultimate decision of the Supreme Court can be most helpful to Congress in writing further legislation dealing with secondary boycotts.

I myself introduced proposed legislation designed to eliminate so-called "stranger picketing." But I believe that before the enactment of legislation pertaining to this matter, it should receive further study by both the select committee and the Committee on Labor and Public Welfare.

I understand that the junior Senator from Arizona and several other members of the Senate Committee on Labor and Public Welfare favor the enactment of legislation requiring secret strike ballots. As a matter of principle, I agree with them. This subject was carefully considered by the committee in 1953, and efforts were made to draft legislation which was workable. But, after prolonged consideration, I am in full agreement with Secretary Mitchell that such legislation would be most cumbersome and impractical, and would tend to freeze the positions of the parties engaged in colective-bargaining negotiations. Therefore, I am opposed to such a requirement at the present time.

The disclosures of the McClellan committee clearly show the responsibility of Congress to enact remedial legislation this year. This action requires the cooperation both of the Democratic and the Republican Members of the Congress. The provisions of S. 3974 are the result of sincere, bipartisan efforts. This bill has been labeled "moderate," but I would prefer to term it constructive and corrective, as it is just and reasonable and neither antiunion nor antimanagement.

I have allowed no partisan political considerations to influence my views with respect to the pending or any other proposed labor legislation. If the Senate and House of Representatives approve it without substantial amendments, I am confident that the President of the United States will also approve it. And we shall then have a law on the books which will go a long way toward cleaning up and preventing any recurrence of conditions which the McClellan committee has unearthed.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. IVES. I apologize for the poor voice I have this evening; I know it is difficult to listen to it. I yield.

Mr. CASE of New Jersey. I express, not simply for the remarks which the Senator from New York has made on the pending bill and the contributions he has made during its consideration, all of which have been very important, but for his long service in the Senate, following similar long and distinguished service in the State Legislature of New York and in other public and private capacities, my appreciation of everything he means in the field to which the bill relates, everything he means to the country, and everything, speaking personally,

he has meant to me, because his voice could always be listened to with respect and his views acted upon to great advantage. Personally, I shall miss the Senator from New York very much; and I know that is the feeling of my colleagues in the Senate. I wish him well. I regret that he has decided to retire. All happiness to him, and many years in which he may enjoy rest and devotion to other matters with which he would like to occupy himself.

Mr. IVES. I thank my distinguished colleague from New Jersey for his most generous remarks. I only wish they were deserved.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. MORSE. I have listened to every word of the speech of the Senator from New York, as he knows. I commend him for the speech. As one of his colleagues on the Committee on Labor and Public Welfare, I express my appreciation for his statesmanship in helping to bring to the floor of the Senate the bill which is now before us. I think the Senator from New York and the Senator from Massachusetts [Mr. KENNEDY] have demonstrated the kind of nonpartisan cooperation which ought always to exist on a controversial subject which crosses party lines, such as this one does, and involves, after all, a question of public interest.

I think the RECORD should show that a member of the committee states that the bill would not be before the Senate today if it were not for the leadership of the Senator from Massachusetts, on the Democratic side of the table, and the Senator from New York, on the Republican side of the table, and for the very effective work they did in hammering out the bill on the anvil of conscionable compromise, within the discussions of the committee.

I join with the Senator from New Jersey [Mr. CASE] in extending to the Senator from New York my sincere best wishes and the best of everything for many years to come.

Mr. IVES. I thank my distinguished friend from Oregon. It is very kind of him to make this statement.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KENNEDY. I express my appreciation of the generous words of the Senator from Oregon, who has been unflagging in his desire to improve some of the features of the bill in a fair way.

I also join with the Senator from Oregon and the Senator from New Jersey in complimenting the Senator from New York. The Senator from New York is retiring from the Senate, and, therefore, is completely disinterested in the matter. It was he who introduced the resolution which was the kickoff of this matter. I think the Senate is getting the best judgment of one who has had as long experience in the field of labor-management relations as anyone else in the Senate. That is why the advice and counsel of the Senator from New York [Mr. IVES] have been invaluable and why his endorsement of the bill has been particularly important.

Mr. IVES. Mr. President, I thank the distinguished Senator from Massachusetts very much indeed.

At this time I wish to say a word or two about the committee: Without the attitude which has prevailed among the majority of the members of the committee the bill would not be before the Senate today. This is not a case in which only 1, 2, or 3 members of the committee have been nonpartisan or bipartisan, or however one may wish to describe the situation. Instead, a majority of the members of the committee have been bipartisan in their attitude.

The pending bill does not represent the thinking or the preferences of any one person. All of us have had to give and take in connection with the bill. It contains provisions which I do not like; yet I have agreed to have it reported, in order to have a bill on this subject brought before the Senate. I should like to have included in the bill provisions which undoubtedly will not be included; but I shall not try to press for their inclusion, and I do not think other Senators will, because we do not wish to create difficulties which might prevent the passage of the bill. Without that attitude by a majority of the members of the committee, the bill would not be before the Senate today. No one of us is responsible for this situation.

I wish to say—and I have said it before on the floor of the Senate—that partisan politics has no business in labor-management relations legislation. When partisan politics enters into that field a great disservice is done to everyone concerned.

I have reached the conclusion that at least we have before us at this time a measure which is of great importance to the people of the Nation, and probably is the most important measure, or at least one of the most important measures, to come before the Senate at this session. It is a bipartisan measure; at least, Mr. President, I have not seen any partisanship whatever in connection with the handling of the bill by the committee. The situation which has existed there has been in the best interests of the country.

I desire to congratulate the chairman of the Labor Subcommittee [Mr. KENNEDY] for the way he has handled the bill. Without his bipartisan attitude—some persons may talk all they want about his being a candidate, but I say now that he is about the most bipartisan person I have seen around here——

Mr. KENNEDY. I thank the Senator from New York.

Mr. IVES. Without him, we would not have gotten anywhere with this effort. So I pay tribute to him, and I thank him for what he has done.

Mr. KENNEDY. I thank the Senator from New York.

Mr. McNAMARA obtained the floor.

Mr. DIRKSEN. Mr. President, will the Senator from Michigan yield, so that I may suggest the absence of a quorum?

Mr. McNAMARA. Mr. President, I hesitate to yield for that purpose, because it was my understanding with the managers of the bill that the amendment I shall submit will be accepted. So, under these circumstances, a quorum call will not be necessary.

Mr. DIRKSEN. Mr. President, I think a few more Senators should be on the floor to hear the remarks of the Senator from Michigan.

Mr. McNAMARA. First, Mr. President, let me call up my amendment. It is at the desk.

Mr. DIRKSEN. Very well.

Mr. McNAMARA. Mr. President, I call up my amendment, which is identified as "6-11-58-C," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 27, in line 18, it is proposed to strike out section 305 (a), and to insert the following:

SEC. 305. (a) No person who, by reason of conviction of bribery, extortion, robbery, embezzlement, grand larceny, burglary, or conspiracy to commit any such crimes, is ineligible to vote in any election held under the laws of the State of his legal residence shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, manager, or paid organizer of a labor organization engaged in an industry affecting commerce.

Mr. McNAMARA. Mr. President, section 305 (a) of the bill, as now written——

Mr. KENNEDY. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. I yield.

Mr. KENNEDY. I understand that this amendment, which is of some interest to the Senator from Arkansas [Mr. MCCLELLAN], is agreeable to him. It is also agreeable to me. So I hope the Senate will accept it.

Mr. McNAMARA. Mr. President, under the circumstances, if the Senate will accept the amendment, I shall be glad to relinquish the floor.

Therefore, I ask unanimous consent that a brief statement I have prepared on the amendment be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCNAMARA

Section 305 (a) of this bill—as it is now written—is quite disturbing to me.

It provides that persons convicted of certain crimes shall not be permitted to hold union office—for at least 1 year after his right to vote in his State has been restored.

I am not an attorney—but I have doubts about the constitutionality of such a restriction.

In any even, I believe it certainly is unjust and undemocratic.

What this does—in effect—is add an extra year's sentence to whatever penalty a man was given by the State or Federal court.

And it imposes this sentence without benefit of trial by jury—or even a hearing.

This is particularly unjust when one considers the great variety of State laws dealing with the restoration of a convict's civil rights.

Some States permit a person to regain full civil rights—including the right to vote—as soon as he completes his full sentence.

Others require that he must receive a pardon from the governor—or clearance from a State board.

I shall attach hereto a list of various State requirements in this area, as compiled by the Library of Congress.

The very differences in the State laws governing reinstatement to civil rights point up the unfairness of section 305 (a).

Actually, no matter when a person's civil rights were restored by his State, the effects of this section would be to deny him full civil rights for an additional year.

I do not argue for the right of an ex-convict to hold union office.

I argue, instead, for the principle that a person who has satisfied all penalties imposed on him for the commission of a crime—is entitled to be as free as any other American.

I need not point out to my colleagues that there are no such restrictions on candidates seeking to be Senators or Representatives—or even President of the United States.

It is even possible under existing law to run for these offices while actually in prison.

Thus, we would impose here another double standard—applying restrictions to members of labor unions that we do not apply elsewhere.

My amendment to section 305 (a) merely would remove the arbitrary 1-year Federal penalty.

It still would prevent a person from holding union office who is ineligible to vote under his State laws because of conviction for any of these crimes.

Even this applies certain restrictions to labor unions that are not applied equally to other voluntary, nonprofit organizations—or even to public office.

However, I offer this amendment in the hope that it will at least dilute the undemocratic precedent this bill would establish.

DISQUALIFICATION OF CONVICTED FELONS FROM VOTING AND REINSTATEMENT TO CIVIL RIGHTS—STATE LEGISLATION

ALABAMA

Disqualification: A person convicted of a felony is disqualified from voting (constitution of 1921, sec. 182).

Restoration of civil rights: A person convicted of any felony except treason and impeachment, whether conviction was had in a State or Federal court, and who has been pardoned, may be restored to citizenship rights by the State board of pardons and paroles when specifically expressed in the pardon (Alabama Code, 1940, title 17, sec. 16).

ARIZONA

Disqualification: A person convicted of a felony is disqualified from voting unless restored to civil rights (Code Ann., 1956, secs. 16-101c).

Restoration of civil rights: No statutory provision.

ARKANSAS

Disqualification: Person convicted of a felony is disqualified from voting unless pardoned by the Governor (Arkansas Stats., 1947, 1956 replacement, secs. 3-101).

Restoration of civil rights: No further statutory provision.

CALIFORNIA

Disqualification: No person convicted of an infamous crime or of embezzlement or misappropriation of public money shall ever exercise the privileges of an elector in this State (constitution, art. II, sec. 1).

Restoration of civil rights: A person convicted of a felony, who has been released from prison on parole or has been discharged on completion of his term, may after 2 years, file a notice with the county clerk of his intention to petition for a certificate of rehabilitation. He shall then serve a certified copy of such notice on the chief of police of his city or on the sheriff of his county. After he has served a period of rehabilitation under the supervision of the peace officer, he shall file a petition with the superior court of his county for a certificate of rehabilitation, which the court may grant after a hearing. The clerk of the court shall transmit a certified copy of the certificate to the Governor, which shall constitute an application for a full pardon which the Governor may grant and which shall restore to such person all civil and political rights of citizenship (Penal Code of California, secs. 4852.01-4852.2).

COLORADO

Disqualification: No person while confined in a public prison shall be entitled to vote; but every such person who was a qualified elector prior to such imprisonment, and who is released therefrom by virtue of a pardon or by having served out his full term of imprisonment, shall, without further action, be invested with all the rights of citizenship, except as otherwise provided in this constitution (constitution, art. VII, sec. 10).

CONNECTICUT

Disqualification: A person convicted of a crime for which an infamous punishment is inflicted shall forfeit the privileges of an elector (1955 Supp. to Gen. Stats., sec. 548d).

Restoration of civil rights: Voting rights may be restored by the commission on forfeited rights, on petition of ex-convict made not earlier than 6 months after his discharge (id., secs. 549d-552d).

DELAWARE

Disqualification: Person convicted of a felony shall be disqualified from voting (Delaware Code, Ann., 1953, title 15, sec. 1701).

Restoration of civil rights: Good conduct during confinement after conviction of a felony shall entitle the prisoner to a reduction of the term of sentence and to a certificate and recommendation by the board of parole for pardon and restoration of citizenship (id., title 11, sec. 7712 (a)).

FLORIDA

Disqualification: Persons convicted of a felony whose civil rights have not been restored are not entitled to vote (Florida Stats., 1957, sec. 97.041).

Restoration of civil rights: All persons receiving a pardon from the board of pardons shall be entitled to all the rights of citizenship enjoyed by them before the conviction, whether the pardon is granted before or after the expiration of the sentence or payment of the penalty (id., sec. 940.05).

GEORGIA

Disqualification: Persons convicted of a felony are disqualified from voting unless pardoned (constitution of 1945, sec. 2-801).

Restoration of civil rights: All pardons shall relieve from civil and political disabilities (Code of Georgia, Ann., 1951 supp., sec. 77-528).

IDAHO

Disqualification: Persons who have been convicted of a felony and have not been restored to citizenship are disqualified from voting (Idaho Code, 1948, sec. 34-402).

Restoration of civil rights: Restoration by Governor (Code, 1948, sec. 19-3810).

ILLINOIS

Disqualification: Persons convicted of a felony are disqualified from voting unless restored to their rights of citizenship (Illinois Rev. Stats., 1953, ch. 46, secs. 3-5).

Restoration of civil rights: The Governor may grant any person that has been confined in the penitentiary, a certificate of restoration to all his rights of citizenship. In cases of application for such restoration, the warden, upon request of the Governor, shall furnish him a statement of the deportment of such person during his imprisonment and may make a recommendation to the Governor as to the restoration of citizenship (Id. ch. 108, sec. 49).

INDIANA

Disqualification: A person convicted of a felony shall be disfranchised for any determinate period (Burns, Indiana Stats., 1949 replacement, sec. 29-5964).

IOWA

Disqualification: No person convicted of any infamous crime shall be entitled to the privileges of an elector (constitution, art. 2, sec. 5).

Restoration of civil rights: The Governor may grant any convict (whether convicted of State or Federal crime) a certificate of restoration to all his rights of citizenship. Upon application for such restoration, upon request of the Governor, the warden may furnish him a statement of the convict's deportment during imprisonment, and may make a recommendation to the Governor as to the restoration of citizenship (Iowa Code Ann., 1949, sec. 248.12).

KANSAS

Disqualification: A person convicted of a felony shall be disqualified from voting (Gen. Stats. of Kansas, 1949, sec. 21-309).

Restoration of civil rights: The Governor may commute the sentence of a prisoner on parole and such commutation shall provide for the restoration of citizenship to the parole prisoner (Id. sec. 62-1526).

Any person who shall receive his final discharge after having been paroled by the court, shall be restored to all the rights and privileges of citizenship (Id. sec. 62-2213).

The Governor may pardon any person confined to the State penitentiary, on account of good conduct, for the purposes of restoring him to civil rights not more than 10 days before the expiration of his term of imprisonment without notice to the trial judge of the county in which the prisoner was convicted (id. sec. 62-2222).

KENTUCKY

Disqualification: persons convicted of a felony shall be excluded from the right of suffrage; but persons hereby excluded may be restored to their civil rights by executive pardon (constitution, secs. 145, 150).

LOUISIANA

Disqualification: Persons who have been convicted of a crime punishable by imprisonment in the penitentiary, and have not afterward been pardoned with the express restoration of the franchise, shall not be permitted to vote (Louisiana Rev. Stats., West's 1951, secs. 18:42, 18:572.1).

Restoration of civil rights: One who has served out sentence at hard labor in penitentiary could be restored to his citizenship upon application to board and proper evidence of good behavior subsequent to his release (Op. Attorney General, 1922-24, p. 837).

MAINE

Disqualification: No statutory provision.

MARYLAND

Disqualification: No person convicted of an infamous crime, unless pardoned by the governor, shall ever thereafter be entitled to vote at any election in this State (constitution, art I, sec. 2). A person convicted of a felony in this or any other State, who has never received a pardon from the officer entitled to grant such pardon, who shall thereafter vote or offer to vote at any election, shall be guilty of a felony and imprisoned for from 1 to 5 years for each offense (Code of Maryland, 1957, art. 33, sec. 180).

MASSACHUSETTS

Disqualification: Persons found guilty of corrupt election practices shall be disfranchised for 3 years from date of conviction (Ann. Laws of Massachusetts, 1953 edition, chapter 55, sec. 37).

MICHIGAN

Disqualification: No statutory provision.

MINNESOTA

Disqualification: Persons convicted of a felony shall be disqualified from voting un-

less restored to civil rights (constitution art. VII, sec. 2).

Restoration of civil rights: Upon final discharge of a prisoner, the State board of parole shall issue to prisoner a certificate of final discharge and shall forward prisoner's record to Governor with recommendation as to whether prisoner shall be restored to civil rights and Governor may restore such person to all rights and privileges of citizenship, except where deprivation of any rights or citizenship is specifically made a part of the penalty for the offense which such person shall have committed (Minnesota Stats. Ann., 1957 Supp., sec. 637.08).

MISSISSIPPI

Disqualification: Person convicted of a felony is disqualified from voting (constitution, art. 12, sec. 241; Mississippi Code of 1942, 1957 edition, secs. 3214, 3235).

Restoration of civil rights: The legislature may, by a two-thirds vote of both houses, of all members elected, restore the right of suffrage to any person disqualified by reasons of crime; but the reasons therefor shall be spread upon the journals, and the vote shall be by yeas and nays (constitution, art. 12, sec. 253).

MISSOURI

Disqualification: Person convicted of a felony connected with the exercise of the right of suffrage shall not be permitted to vote at any election unless he shall have been granted a full pardon; and after a second such conviction, he shall be disfranchised forever (Vernon's Ann. Missouri Stats., 1952, sec. 111.060).

A sentence in the penitentiary for a term less than life suspends all civil rights of the persons so sentenced during the term thereof (Id., sec. 222.010), but such disability may be removed by the pardon of the Governor (Id. sec. 222.030).

Any person who shall be sentenced to the penitentiary shall be forever disqualified from voting at any election if he was 20 years old or older at time of conviction, but this disqualification may be removed by the pardon of the governor any time after 1 year from the date of conviction (Id. sec. 560.010).

Restoration of civil rights: Any person who shall receive his final discharge under the judicial paroles provision of the Code (secs. 549.060–549.180) shall be restored to all the rights and privileges of citizenship (Id. sec. 549.170).

MONTANA

Disqualification: No person convicted of a felony has the right to vote unless he has been pardoned (Rev. Codes of Montana, 1947, 1955 edition, secs. 23–302).

NEBRASKA

Disqualification: Persons convicted of a felony under Federal or Nebraska laws are disqualified from voting unless restored to civil rights (constitution art. VI, sec. 2).

Restoration of civil rights: A general pardon from the Board of Pardons of this State will restore a convict to his civil rights and privileges (Rev. Stats. of Nebraska, 1943, 1955 Supp., secs. 29–112, 29–113).

NEVADA

Disqualification: Persons convicted of felony in any State or Territory of the United States shall be disqualified from voting unless restored to his civil rights (constitution, art. II, sec. 1).

Restoration of civil rights: When a pardon is granted it may or may not include restoration to citizenship (Nevada Rev. Stats., sec. 213.090).

NEW HAMPSHIRE

Disqualification: Persons convicted of treason, bribery, or any willful violation of the Federal or New Hampshire election laws shall be disfranchised unless restored to the privileges of an elector by the Supreme Court on notice to the Attorney General (constitution, part first, Bill of Rights, art. 11th; Rev. Laws of New Hampshire, 1955, sec. 69.13).

NEW JERSEY

Disqualification: Persons convicted of a felony shall be disqualified from voting unless pardoned or restored by law to the right of suffrage (constitution, art. 2, sec. 7; New Jersey Stats. Ann., 1957 Supp., 19: 4–1).

Restoration of civil rights: The State Parole Board, when requested by the Governor, shall investigate all facts surrounding applications made to the governor for restoration of citizenship (New Jersey Stat. Ann., 1957 Supp., sec. 30: 4–123.33).

NEW MEXICO

Disqualification: Persons convicted of a felony shall be disqualified from voting unless restored to political rights (constitution, art. VII, sec 1, New Mexico Stats., 1953, Ann., sec. 3–2–51).

Restoration of civil rights: Restoration to political rights requires action by the governor (Op. Attorney General 1915–16, p. 50).

NEW YORK

Disqualification: Persons convicted of a felony pursuant to the laws of New York shall not have the right to vote at any election unless previously pardoned or restored to civil rights of citizenship by the governor or unless awarded a certificate of good conduct by the board of parole pursuant to the provisions of the executive law to remove the disability under this section because of such conviction. The governor, however, may attach as a condition to any such pardon a provision that any such person shall not have the right of suffrage until it shall have been separately restored to him. Persons convicted of a Federal offense must be restored to rights of citizenship by the President of the United States; and persons convicted of a felony in another State must be restored to the rights of citizenship by the governor or proper authority of the other State (Election Law, McKinney's, sec. 152).

NORTH CAROLINA

Disqualification: Persons convicted of a crime the punishment for which is imprisonment in the State's prison shall be disqualified from voting unless restored to citizenship in the manner provided by law (Gen. Stats. of North Carolina, recompiled, 1952, sec. 163–24).

Restoration of civil rights: A person whose rights to citizenship were forfeited by conviction of a crime, desiring to be restored to same, shall file a petition in the superior court of the State in which he is residing at the time, which court after proper hearing may decree his restoration to the lost rights of citizenship (Id. secs. 13–1 to 13–10).

NORTH DAKOTA

Disqualification: Persons convicted of a felony shall be disqualified from voting unless restored to civil rights (North Dakota Rev. Code, 1943, sec. 16–0104).

Restoration of civil rights: The board of pardons may restore to civil rights any person convicted of any offense committed against the State, after the execution or expiration of the sentence or at any other time (id. sec. 12–5524).

OHIO

Disqualification: Persons convicted of a felony in Ohio shall be disqualified for voting unless pardoned, and if convicted in another State, unless pardoned by the governor of the other State (Page's Ohio Rev. Code Ann., 1954, secs. 2961.01, 2961.02).

OKLAHOMA

Disqualification: Persons convicted of a felony are disqualified from voting unless citizenship was restored in manner provided by law. Persons convicted of bribery in election are disfranchised forever (Oklahoma Stats., Ann., 1955, title 26, secs. 61, 445).

Restoration of civil rights: The governor may restore to citizenship any person convicted of any offense committed against the laws of this State, either after the expiration of any sentence or after pardon (id. title 57, sec. 3–5).

OREGON

Disqualification: Persons convicted of a felony shall be disfranchised until such privileges are restored (Oregon Rev. Stats. sec. 247.220).

Restoration of civil rights: At the end of 1 year after full satisfaction of the judgment, such person may apply in writing to the Governor for the restoration of the privileges of an elector. Such application shall be filed with the State board of parole and probation (id. sec. 247.230).

PENNSYLVANIA

Disqualification: Any person convicted of willful violation of any provision of the Election Code shall be disfranchised for 4 years (constitution, art. 8, sec. 9).

RHODE ISLAND

Disqualification: No person convicted of bribery or of any crime deemed infamous at common law is permitted to vote until he is expressly restored to the right to vote by act of the General Assembly (constitutional amendment 24, sec. 1).

SOUTH CAROLINA

Disqualification: Persons convicted of a felony are disqualified from voting unless pardoned by the Governor (South Carolina Code, 1952, sec. 23–62).

SOUTH DAKOTA

Disqualification: Persons convicted of a felony are disqualified from voting unless restored to civil rights (constitution, art. VII, sec. 8).

Restoration of civil rights: Whenever a convict has received the maximum credit for good behavior, he shall, at the time of his discharge, be considered as restored to the full rights of citizenship (South Dakota Code of 1939, 1952 supp., sec. 13.4718).

TENNESSEE

Disqualification: Persons convicted of a felony are disqualified from voting unless restored to citizenship in the manner provided by law (Tennessee Code Ann., 1955, sec. 2–205).

Restoration of civil rights: Such persons may be restored to the rights of citizenship by the circuit court upon petition and upon notice of said petition to the district attorney (id., secs. 40–3701 to 40–3704).

TEXAS

Disqualification: Persons convicted of a felony shall be disqualified from voting unless restored to full citizenship and right of suffrage or pardoned (Vernon's Civ. Stats. of Texas Ann., 1952, art. 5.01).

Restoration of civil rights: Whenever any prisoner who has been paroled has complied with the rules governing his parole until the end of the term for which he was sentenced, the board of pardons and paroles shall report such fact to the Governor prior to the issuance of the final order of discharge, together with its recommendations as to whether the prisoner should be restored to citizenship (Laws of 1957, ch. 226, sec. 24, p. 573).

UTAH

Disqualification: Person convicted of treason or crime against the elective franchise shall not be permitted to vote at any election unless restored to civil rights (constitution, art. IV, sec. 6).

A sentence of imprisonment in the State prison for any term less than life suspends all civil rights of the person so sentenced during the imprisonment (Code of Utah, 1953, Sec. 76–1–36).

Restoration of civil rights: The board of corrections, upon the request of the board of pardons, shall, in the case of an application of a convict or of an exconvict to be restored to his civil rights, furnish the board of pardons with a statement of such person's department during his imprisonment and shall make whatever recommendations to the board of pardons it believes proper respecting such rights (id. sec. 64-9-30).

VERMONT

Disqualifications: Any voter who shall receive a bribe for his vote shall forfeit his right to vote at that election (constitution, sec. 51).

VIRGINIA

Disqualification: Persons convicted of a felony are disqualified from voting (Code of Virginia, 1950, sec. 24-13; constitution, sec. 23).

Restoration of civil rights: The General Assembly shall have power by a two-thirds vote, to remove disabilities incurred under section 23 of the constitution with reference to duelling (constitution, sec. 57).

WASHINGTON

Disqualification: Persons convicted of an infamous crime shall be disqualified from voting unless restored to their civil rights (constitution, art. VI, sec. 3).

Restoration of civil rights: Whenever the maximum term of imprisonment for which a person was committed for an infamous crime is about to expire or has expired, the Governor shall have power, in his discretion, to restore to such person his civil rights (Rev. Code of Washington, sec. 9.96.010).

WEST VIRGINIA

Disqualification: No person who is under conviction of treason, felony, or bribery in an election shall be permitted to vote while such disability continues (constitution, art. IV, sec. 1).

Restoration of civil rights: A citizen who has been convicted of bribery in an election and has undergone the punishment fixed by the judgment, is a qualified voter. (*Osborne* v. *Kanawha County Court* (68 W. Va. 189, 69 S. E. 470)).

WISCONSIN

Disqualification: Persons convicted of a felony are disqualified from voting unless restored to civil rights (constitution, art. 3, sec. 2).

Restoration of civil rights: Every person who is convicted of a crime obtains a restoration of his civil rights by serving out his term of imprisonment or otherwise satisfying his sentence. The certificate of the supervising agency that a convicted person has served out his term or otherwise satisfied the judgment against him is evidence of the fact that he is restored to his civil rights (West's Wisconsin Stats. Ann., 1957, sec. 57.078).

WYOMING

Disqualification: Persons convicted of infamous crimes are disqualified from voting unless restored to civil rights (constitution, art. 6, sec. 6).

Restoration of civil rights: On application to Governor by an ex-convict who has conducted himself properly during his imprisonment and subsequent to his discharge, the Governor may, in his discretion, grant to such person articles of restoration to citizenship, upon the granting of which said person shall be fully restored to all the rights and privileges of citizenship (Wyoming Comp. Stats., 1945, secs. 11-208, 11-209).

Mr. ALLOTT. Mr. President, will the Senator from Michigan yield to me?

Mr. McNAMARA. Mr. President, I yield the floor, because I have an appointment which I must keep.

May we have a vote on the amendment?

Mr. ALLOTT. Mr. President, first, I should like to see the amendment. No explanation of it has been made.

In addition, I should like to submit an amendment to the amendment. I send to the desk my amendment to the amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 27, in line 18, after the word "of", it is proposed to insert "any felony."

On page 27, beginning in line 19, it is proposed to strike out through the word "crimes" in line 21.

Mr. ALLOTT. Mr. President, the purpose of my amendment to the amendment of the Senator from Michigan may be briefly stated, and I hope not to keep the Senator from Michigan from his appointment.

Section 305 (a) provides that a person who has been convicted of certain crimes shall not serve "as an officer, director, trustee," and so forth.

A great oversight has been made, I believe, in connection with the crimes listed, which are "bribery, extortion, robbery, embezzlement, grand larceny, arson, the obstruction of justice, burglary, or conspiracy to commit any of such crimes," for that list does not include many of the crimes which, to judge from the McClellan committee report, are of importance in this field; they include murder, mayhem, assault with intent to kill, assault with a deadly weapon, assault with intent to do bodily harm, or kidnapping. The inclusion of the latter group of crimes is vital in connection with this matter, inasmuch as they often are committed in this field.

Last night, I picked up the report of the McClellan committee; and, merely in glancing through it, my eyes happened to light on page 50, where there are listed crimes of this very nature.

Therefore, my amendment to the amendment of the Senator from Michigan would, on page 27, beginning in line 19, strike out through the word "crimes" in line 21; and in line 18, after the word "of," would insert the words "any felony."

Thus my amendment to the amendment would make the language read: "No person who has been convicted of any felony shall serve," and so forth.

Mr. KENNEDY. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. KENNEDY. What about assault with a deadly weapon? In some cases that could be assault with a fist; but we do not wish to include crimes which are not extraordinary.

Mr. ALLOTT. Ordinarily that would depend upon the interpretation of the particular crime according to the laws of the State concerned. In most States I do not think an assault with a fist would be held to be an assault with a deadly weapon, except in the case of such an assault by a person of great strength upon a person of very inferior physique. Of course, that is only a curbstone opinion; but it seems to me that my amendment to the amendment covers the field nicely.

Mr. KENNEDY. Mr. President, will the Senator read the crimes he is suggesting be included?

Mr. ALLOTT. I was suggesting the following crimes be included, which are not included among the ones enumerated: murder, mayhem, aggravated assault, assault with intent to kill, assault with a deadly weapon with intent to kill, assault with a deadly weapon with intent to create bodily harm, kidnapping, extortion, blackmail—all of which are not included in this list.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. MORSE. I was in conference and I missed some of the Senator's statement. Am I to understand correctly that the Senator from Colorado is offering a perfecting amendment to the McNamara amendment?

Mr. ALLOTT. Yes; an amendment to the amendment.

Mr. MORSE. And what the Senator from Colorado proposes to do in effect is simply provide that this section shall cover any felony?

Mr. ALLOTT. Any felony, because the crimes which are enumerated leave out so many of the personal crimes which are set forth in the statutes of some States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. LONG. I personally hope the Senator's amendment will be agreed to, because in the State of Louisiana the distinction between the crime of embezzlement and the crime of larceny has been abolished, in order to eliminate the possibility of criminals being cleared on technical defenses. On the basis of the technical definition of what might constitute the crime of embezzlement or the crime of larceny, a person might go free. However, a person convicted of a felony would be subject to the amendment if the amendment be modified as suggested.

Mr. KENNEDY. I will say to the Senator from Colorado that I am willing to accept his amendment.

Mr. ALLOTT. I did not hear the statement of the Senator from Massachusetts.

Mr. KENNEDY. On behalf of the committee—at least on behalf of the members of the committee who are on the floor—I am willing to accept the amendment.

Mr. ALLOTT. I would be very glad to have the amendment accepted.

Mr. McNAMARA. It is satisfactory to me. I would accept the modification.

The PRESIDING OFFICER. The Senator from Michigan accepts the modification.

The question is on agreeing to the amendment of the Senator from Michigan, as modified.

Mr. ALLOTT. Mr. President, I have been asked by a Senator to have the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 27, line 18, after the word "of", to insert the words "any felony."

It is proposed, on page 27, to strike out from the beginning of line 19 through

the word "crimes" on line 21, so the section would read: "No person who has been convicted of any felony shall serve as an officer," and so forth.

Mr. ALLOTT. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan, as modified.

The amendment, as modified, was agreed to.

Mr. KENNEDY. Mr. President, I have an amendment at the desk, which I call up and ask to have read.

The PRESIDING OFFICER. Will the Senator from Massachusetts state which amendment he wishes to have stated?

Mr. KENNEDY. I call up my amendment on page 15.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed on page 15, line 18, to strike out the word "may", and insert in lieu thereof the word "shall."

It is proposed on page 15, line 19, to insert after the words "labor organizations" the words "having fewer than 200 members and gross annual receipts of less than $25,000."

It is proposed on page 15, line 21, after the word "burdensome" to insert the words *"Provided,* That the Secretary may revoke the exemption of any labor organization with respect to which he determines after such investigation as he deems proper that the purposes of this section would be served thereby."

Mr. KENNEDY. Mr. President, instead of the word "exemption," I modify my amendment so that it will read:

Provided, That the Secretary may revoke the proviso for simplified forms of any labor organization with respect to which he determines after such investigation as he deems proper that the purposes of this section would be served thereby.

The PRESIDING OFFICER. Does the Senator from Massachusetts desire to have the amendments considered en bloc?

Mr. KENNEDY. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it seems to me that, by the suggestion of the Senator from New Jersey, we have taken care to provide that every labor organization, regardless of its size, must report. All the amendment does is to provide that a small organization, one having fewer than 200 members and gross receipts of less than $25,000, shall have use of the simplified forms in reporting. The Secretary must develop such forms in any case. Any time the Secretary feels the simplified forms are not sufficient, he may revoke that provision and call for the full reports. I think such a provision is desirable to make certain that every union shall report.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the clerk read the amendment as amended, beginning on line 17, with the word "In," and state the whole text as proposed down through line 21.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The LEGISLATIVE CLERK. As modified, the sentence beginning on line 17 would read as follows:

In exercising his power under this section the Secretary may prescribe by general rule simplified forms of report for small labor organizations——

Mr. CLARK. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. CLARK. It was my understanding the sentence should read: "In exercising his power under this section, the Secretary shall prescribe," and so forth.

Mr. KENNEDY. The Senator is correct.

The PRESIDING OFFICER. The clerk will read.

The LEGISLATIVE CLERK. It is proposed to have the sentence beginning on line 17, page 15, read as follows:

In exercising his power under this section the Secretary shall prescribe by general rule simplified forms of report for small labor organizations having fewer than 200 members and gross annual receipts of less than $25,000, and small employers for whom he finds that a detailed report would be unduly burdensome: *Provided,* That the Secretary may revoke the proviso for simplified forms of any labor organization with respect to which he determines after such investigation as he deems proper that the purposes of this section would be served thereby.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Pennsylvania?

Mr. KENNEDY. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to suggest it would be far clearer if the words "the proviso" were changed to "such provision." It is not really a proviso at all. If the words "such provision" are used there will be a reference back to the earlier part of the text, which is what is meant.

Mr. KENNEDY. I accept that modification.

Mr. CLARK. I will read it with the change suggested, and I will ask my friends to follow me, to see if that is what they have in mind.

Provided, That the Secretary may revoke such provision with respect to any labor organization—

No; I believe it is—

such provision for any small——

Mr. KENNEDY. "For simplified forms."

Mr. CLARK. "For simplified forms." I shall have to give up, because I do not have the language.

Mr. KENNEDY. Very well.

Mr. CLARK. Mr. President, may we ask the cleark to read the language he now has?

The PRESIDING OFFICER. Does the Senator desire to have read the entire amendment, or simply the proviso?

Mr. CLARK. Simply the proviso.

The PRESIDING OFFICER. The clerk will state the portion of the amendment.

The legislative clerk read as follows:

Provided, That the Secretary may revoke such provision for simplified forms of any labor organization with respect to which he determines after such investigation as he deems proper that the purposes of this section would be served thereby.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. I have a minor suggestion. Since we are defining the kind of labor organization to which the simplified form would apply, we might strike out the word "small" because it would only be confusing.

Mr. KENNEDY. I accept that modification.

Mr. GOLDWATER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Arizona?

Mr. KENNEDY. I yield.

Mr. GOLDWATER. Mr. President, I see no objection to the amendment. In fact, I think it would probably enable the Secretary to operate a little more easily in this field, inasmuch as we are providing a description of what we consider to be a small labor organization. This proposal indicates the continuing need for thinking in the field of labor, and I believe the Senator is proceeding along that line.

Mr. KENNEDY. I thank the Senator.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. ALLOTT. So far as I am concerned, I think the amendment is perfectly acceptable and satisfactory.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Massachusetts [Mr. KENNEDY].

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. Mr. President, this is, in my opinion, a great improvement over the bill, now that the Smith amendment has been adopted. I think it would be much preferable to give the discretion to the Secretary of Labor to require a so-called small union to file a report, either a full or simplified report, if investigation shows it is necessary, rather than to require that 70,000 unions file even a simplified form. At least, Mr. President, this amendment will make it possible for the Secretary of Labor to devise a very simple simplified form to cover the so-called small unions.

I commend the chairman of the subcommittee for offering the amendment, because I think at least it will eliminate some of the worst features of the Smith amendment, as to which I was the lone dissenter a few moments ago. I shall vote for this amendment because it will give the Secretary the authority to require the minimum of reporting from the so-called small unions.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Massachusetts [Mr. KENNEDY].

The amendment, as modified, was agreed to.

Mr. LONG. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 28, line 7, it is proposed to strike out the words "manager or" and insert the word "manager,".

On page 28, line 8, after the word "organizer" insert the words "or other paid employee at compensation exceeding $4,000 per annum".

On page 28, line 10, after the word "organization" insert the words "or officer thereof".

On page 28, line 11, after the word "hold" insert the words "any such".

On page 28, line 11, after the word "office" insert the words "or such paid position".

Mr. LONG. Mr. President, the section which I seek to amend is the section which applies criminal sanctions to violations of title I of the proposed act. It seems to me that without the amendment which I have offered to the bill, the bill has a vast loophole which could be exploited by anyone who cared to put on the payroll those who had violated the trust which they held as union officers. Therefore, in order to close that loophole, I offer this amendment.

In the first place, the amendment would make an officer of a labor organization liable in the event he were responsible for knowingly placing on the payroll in a responsible position a person who had been convicted of violation of title I of the bill, if enacted into law. Otherwise, it would be clearly the labor organization which would be liable, and perhaps the officer who was responsible for such criminal action could not be prosecuted.

In the second place, while subsection (b), which I seek to amend, would make it a criminal act to place a person who had violated title I on the payroll as an officer, business agent, international representative, manager, or paid organizer, it would not forbid such person being placed on the payroll at perhaps a very large figure if such person were designated to serve in any other capacity. For example, a person could be designated as a consultant—any kind of consultant. He could be a consultant on management, a consultant on organization, or a consultant on public relations, at perhaps $2,000 a month. In that fashion it would be possible to take advantage of the loophole and escape the intent of the law.

For that reason I recommend that the provision be amended so as to make it clear that a person who has violated title I and has been convicted of violating title I cannot be employed for 5 years in any position if the salary for the position or the wage for the position exceeds $4,000 per annum.

What I have in mind is that it might be all right to employ a person who had violated his trust and been found guilty at $300 a month as a janitor or a chauffeur, but that such a person should not hold any high position in a union for a period of 5 years, as intended by the bill, after that person has been found guilty.

I believe the amendment would tighten up the section and close what might be some unintended loopholes. Therefore, I hope the amendment will be agreed to.

Mr. GOLDWATER. Mr. President, may we have the amendment read again?

Mr. LONG. Mr. President, for the benefit of the Senator let me read the section as it would read if the amendment were agreed to:

(b) No person who has been convicted of any violation of title I shall serve as an officer, director, trustee, member of any executive committee or similar governing body, business agent, international representative, manager, paid organizer, or other paid employee at compensation exceeding $4,000 per annum of a labor organization engaged in an industry affecting commerce for a period of 5 years after such conviction. No labor organization or officer thereof shall knowingly permit any person to assume or hold any such office or such paid position in violation of this subsection.

Then of course subsection (c) would fix the sanctions at $10,000 or imprisonment for not more than 1 year, or both.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. GOLDWATER. In the opinion of the Senator, would this amendment cover clerical help?

Mr. LONG. Yes. It is the intent of the amendment that during the 5 years when a person who has violated title I and has been convicted of violating title I would be forbidden to hold an office in a union, he should not be employed by the union at a high salary in any other capacity during that period of time.

The point I have in mind is this: Suppose the president of a union wished to take care of someone to whom he might feel very close, for personal or other reasons, although such person had been convicted of violating title I. It would be possible, without this amendment, for him to employ such person as a consultant, or in some other capacity, at $1,000 a month.

The point I have in mind is that if such a person is employed, he should not be employed, no matter in what capacity, at any substantial salary. I set the limit of $4,000 as the maximum at which he could be employed by the union in any capacity.

Mr. GOLDWATER. I thank the Senator.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. The language in line 10, as proposed to be amended by the Senator from Louisiana, would read:

No labor organization or officer thereof shall knowingly permit any person to assume or hold office in violation of this subsection.

Mr. LONG. Yes.

Mr. KENNEDY. I think we might say "willfully and knowingly." We provide that a labor organization shall be responsible. That is fine. We talk about a man being sentenced to a year in prison. I am wondering if the Senator would accept the additional language.

Mr. LONG. I am willing to accept the modification. I believe the language would continue to have the same meaning. I so modify my amendment, inserting, before the word "knowingly", in line 10, the words "willfully and."

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DIRKSEN. Does the amendment now contain both words, "willfully" and "knowingly"?

Mr. LONG. That was the suggested modification. I have no objection to it.

Mr. DIRKSEN. How would the language then read?

Mr. LONG. I so modify my amendment. Does the Senator have any objection to inserting the words "willfully or"?

Mr. DIRKSEN. No. I only make the inquiry as to the way the text would read.

Mr. LONG. Apparently the Senator from Massachusetts is willing to accept the amendment if the words "willfully and" are inserted before the word "knowingly." I do not see how a person could knowingly do something if he is not doing it willfully.

Mr. DIRKSEN. How would the language then read?

Mr. LONG. It would read as follows:

No labor organization or officer thereof shall willfully and knowingly permit any person to assume or hold any such office or any such paid position in violation of this subsection.

Mr. DIRKSEN. The Senator uses the conjunction "and", so as to read "willfully and knowingly."

Mr. LONG. Yes.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. MORSE. I respectfully suggest that the Senator strike out the last "such". If that word is left in, it will refer to the limited list of positions above, which the Senator wishes to broaden. The last "such" should be stricken. As it is now, the language reads "any such office or any such paid position." The word "such" is not required.

Mr. LONG. I am willing to strike the word "such." I so modify the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana, as modified.

ALLEGED FAVORS PERFORMED BY PRESIDENTIAL ASSISTANT SHERMAN ADAMS FOR INDUSTRIALIST FRIEND

Mr. WILLIAMS. Mr. President, earlier this week certain allegations were brought before the House Committee on Legislative Oversight as to special favors which had been given to Presidential Assistant Sherman Adams by a man who

had certain requests before Federal agencies.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "House Group Listing Adams Favors for His Industrialist Friend and Host," written by Robert G. Spivack, and published in the New York Post of June 11, 1958.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOUSE GROUP LISTING ADAMS FAVORS FOR HIS INDUSTRIALIST FRIEND AND HOST

(By Robert G. Spivack)

WASHINGTON, June 11.—Investigators for the House Subcommittee on Legislative Oversight are compiling a "list of favors" performed by Presidential Assistant Sherman Adams for his good friend and frequent host, Massachusetts industrialist Bernard Goldfine, the Post learned today.

The contents of the list is a closely guarded secret but will probably be made public on June 17, if Goldfine does not turn over his business and private financial records to the group before that time.

The favors are said to cover a wide range of matters before Federal regulatory agencies, from the Federal Trade Commission to the Securities and Exchange Commission and the Federal Communications Commission.

Not all the favors were for Goldfine's personal benefit, according to informed sources. Some were for Goldfine's friends prominent in New England politics and finance.

But it was Goldfine who always acted as "Mr. Big," made the arrangements and reciprocated with entertainment as well as gifts whenever any favors were done. A cautious man, however, he did not overwork his friendship with Adams or limit his wirepulling to the White House.

At least 2 New England Senators, 1 of them a bitter personal enemy of Adams, were said to be among his benefactors and beneficiaries.

The subcommittee has information, considered reliable, that Goldfine picked up the tab for at least one visit made by Adams outside Boston.

FOURTEEN OCCASIONS CITED

At yesterday's hearings, the committee learned of 14 separate occasions from 1955 right up to last month on which Goldfine picked up the bill for Adams' visits to the Sheraton-Plaza Hotel in Boston. A subpena served on the hotel produced the information.

Some of the larger tabs, all marked "charge to Goldfine," included:

Visit of Governor and Mrs. Adams, March 10–12, 1956, $464.60.

Visit of Governor and Mrs. Adams, March 8–9, 1957, $170.30.

Visit of Governor and Mrs. Adams, April 24–25, 1956, $187.85 (this was listed as a $65 per day suite).

Visit of Governor Adams alone—no date—$50 for room for 1 night.

There were four other trips to Boston by Adams and his wife in June, September, and December 1957. The charges came to $683.49, all paid by Goldfine.

JUST UNDER THE WIRE

Adams also permitted Goldfine to pick up a small bill just 1 day before the subcommittee's subpena was served on the hotel. This bill was dated May 5–6, 1958, and came to $59.46. The day after Adams checked out of the hotel the committee investigators subpenaed the records. That was on May 8.

On November 21, 1956, a room, No. 421, at the Sheraton-Plaza was registered in the name of Samuel Adams, the Governor's son. However, the subcommittee investigators say their inquiry disclosed that young Adams was at Dartmouth that day and apparently did not use the room.

They are still checking to find out if Adams was in Boston at that time for a conference on the FCC award of channel 5 to the Boston Herald Traveler. One month later the award was made to the newspaper, the staunchest pro-Eisenhower journal in the area.

None of the Republican members of the House subcommittee offered any defense of Adams as the testimony was heard. Washington Attorney Roger Robb, representing Goldfine, said:

"If there are any smears on Adams, they are smears on my client, too."

Robb has complained about the activities of the committee staff. He contends that the committee is blackmailing his client by threatening to put on more witnesses with wild accusations about the Adams-Goldfine relations if Goldfine doesn't surrender his records.

Robb said that Adams was simply a friend visiting Goldfine, but that he stayed in the hotel suite instead of the house. The lawyer said Adams doubtless was under the impression that the hotel rooms were kept by Goldfine interests anyway, but the hotel said Goldfine did not keep a regular suite.

Aside from that, the committee members heard the testimony of a staff investigator, Francis X. McLaughlin, in silence.

CALLS DATA IRRELEVANT

Robb defended Goldfine vigorously and insisted that his client would not turn over the records or other data requested by the subcommittee on the grounds that it was irrelevant to the inquiry into conduct of the regulatory agencies.

A skillful lawyer, with powerful right-wing Republican connections, Robb attained prominence here by conducting the Atomic Energy Commission investigation of Prof. J. Robert Oppenheimer which led to the Government's withdrawal of Oppenheimer's security clearance.

He also represented Peter Strobel, who resigned under fire as head of the General Services Administration and former Air Force Secretary Harold Talbott. Robb was also retained in the case of Richard Mack, who quit the FCC under fire during an earlier phase of the subcommittee's investigation. In the latter case, however, Robb was detained on another case and a law partner appeared with Mack before the committee.

Adams himself was not available for comment when the storm broke. He delivered a commencement address at Holderness School for Boys in Lincoln, N. H., last week, and then went on a fishing trip.

Mr. WILLIAMS. I also ask unanimous consent to have printed in the RECORD at this point a dispatch received over the wire service this afternoon in which Mr. Adams admitted that he called a Federal agency three times on behalf of his friend and in which he also denied having tried to get favored treatment for the industrialist.

I ask unanimous consent that this news dispatch be printed in the RECORD at this point as a part of my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

Presidential Assistant Sherman Adams said today he contacted Federal agencies three times for his friend, Bernard Goldfine. But flatly denied trying to get favored treatment for the Boston industrialist.

Adams told Harris subcommittee investigators had insinuated that because of the entertainment given him by Goldfine the industrialist "has received, on my intercession, favored treatment from Federal agencies."

"I categorically deny such insinuations," Adams said. "They are unwarranted, and unfair."

In the letter, designed to set the record straight, Adams said he and his wife had known Mr. and Mrs. Goldfine for well over 15 years and that they had enjoyed a close personal relationship.

As for Goldfine paying his Sheraton-Plaza bills. Adams said the industrialist had invited him to stay in the hotel suite whenever he was in Boston.

The Presidential aide said he had accepted this hospitality because he understood Goldfine maintained the hotel apartment on a continuing basis.

Adams said he did not learn until the House subcommittee aired the hotel's records that Goldfine did not keep the apartment all the time.

Adams said he and his wife also were guests of the Goldfines at the Mayflower Hotel in Plymouth, Mass., last year.

Adams said he made his first contact with a Federal agency for Goldfine in 1953 when he called Chairman Edward F. Howrey of the FTC. He said he asked if some information could be made available to Goldfine.

Mr. WILLIAMS. Mr. President, in my opinion there can be but one code of ethics for public officials, and in my opinion Mr. Adams' acceptance of this lavish entertainment, paid for by a man for whom he was interceding before Government agencies, must not be condoned, any more than we condoned such practices under the preceding administration.

In furtherance of this idea, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "The Mess in Washington," published in the Washington Post of June 12, 1958.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 12, 1958]

THE MESS IN WASHINGTON

To anyone who has been as moralistic and self-righteous as Sherman Adams about scandal and corruption in the Government, the recent charges concerning him made before the Harris subcommittee must be peculiarly embarrassing. Subcommittee investigators testified that a millionaire industrialist, accused of obtaining special consideration before Federal regulatory agencies, had paid $2,000 worth of hotel bills since 1954 for the Assistant to the President, and his family.

Mr. Adams was by no means the least vocal among those Republicans who pointed with scorn at those in President Truman's entourage who accepted freezers or mink coats or free hotel accommodations from persons who had business to do with the Government. "The people," said Governor Adams from General Eisenhower's campaign train in 1952, "will not tolerate the usual Truman administration attitude in covering up scandal and corruption by doing nothing about it in a big way." And after the election of that year, he explained the general's victory in part in this way:

"We mustn't discount the fact that people were disgusted. They were sick and tired of reading in the papers every day about some mischievous rascal trying to steal the gold out of Fort Knox. The people want Ike to clean up the Government—to make it a Government of which they can be proud. They want Eisenhower to build back honesty and integrity in the Government which is not unduly influenced by any particular

segment of society, any particular special interest."

It is not enough for Mr. Adams to say that the industrialist from whom he accepted favors was an old friend and received no favors from him in return. The Truman administration aids made the same defense—and very likely with the same sense of innocence. The answer to this is that Presidential assistants must be above suspicion as well as beyond reproach. They can never be beneficiaries of those who may hope to benefit from their friendship. So rigorous a sense of propriety is an obligation of one who sits, as Mr. Adams does, at the President's right hand—and peculiarly an obligation of one who prates about cleaning up the Government and making it a Government of which the people can be proud.

ELEMENTS CONTRIBUTING TO INFLATION

Mr. MARTIN of Pennsylvania. Mr. President, since the worldwide depression of the thirties our country has had many periods of serious economic difficulty.

In view of the current recession and widespread unemployment the experience of the past should guide us in our efforts to find a remedy.

In the depression of the thirties the Government tried many things. We moved toward a managed and regulated economy to combat deflation. We embarked on a great variety of works programs. We started welfare programs for the relief of the unemployed which are still in effect today.

Billions of dollars were poured into so-called pump priming, but the hoped for improvement was not achieved. As far as unemployment was concerned pump priming was a costly failure. After the expenditure of $47 billion, there were still nearly 10 million Americans unemployed in 1939.

Every depression remedy that was tried called for more Government spending. But spending did not cure the unemployment problems of the thirties.

It must be remembered that much of the huge Government spending was done by deficit financing—by piling up a staggering burden of debt, which is the major cause of inflation.

In less than 20 years the dollar has lost more than half of its purchasing power because of inflation—and there is every reason to believe that more deficit financing will further depreciate the value of our savings and earnings.

It should be clear to us today that Government spending is not the answer to all our problems. On the contrary it adds to the inflationary pressure and imposes increased hardships on large segments of our population. Tax cuts and higher wages are meaningless if inflation continues to take away all the expected benefits. Purchasing power is not increased when prices continue their upward spiral.

Higher wages, in payment of increased production, contribute to sound economic growth. But high wage rates, without a corresponding rise in productivity, push prices of consumer goods and services beyond the reach of many of our people.

For years we have fought against industrial monopolies with restrictive legislation. But the monopolistic power of organized labor and its bosses have been growing since the early thirties. Labor unions have gained in membership and financial resources. They have gained a powerful place in politics, and in some instances have assumed a dictatorial position.

It is true that the gains achieved by the workingman through the years have been the result of organization. As a young man I saw labor exploited by some of the great industries. Men were employed at low wages and without decent working conditions. United action, through a strong organization, was the only means by which they could hope for improvement in their living standards. It was only after a long and bitter struggle that they won recognition of their right to organize, to bargain collectively and to strike in support of what they believed to be their just claims.

Today, one of the principal elements contributing to inflation has been increased labor costs, enforced by the unrestricted power of union bosses and passed on to the consumer in higher prices. This trend could be checked by applying the same type of antitrust laws that prevent industrial monopolies to the labor monopoly which now exerts such a powerful influence on the national economy.

One of the most precious liberties that is basic to our way of life is the right of every man to earn his own living at the job of his choice. Equally fundamental is freedom to invest savings in productive enterprise in the hope of earning a profit.

When these freedoms are denied or restricted we undermine the principles upon which our Nation grew great and strong.

We will not advance the national welfare by playing politics with the plight of the unemployed. We will not make progress against the recession by resorting to vote-catching devices at the expense of the taxpayer.

It will take courage to stand against those who think only of their own advantage without thought of the price that must be paid.

In the long run it is up to the people themselves.

We must get back to the rugged, self-reliant ideals of our forefathers.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG], as modified. Without objection, the amendment is agreed to.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to further amendment.

Mr. KENNEDY. Mr. President, I will conclude the speech I began this morning. But at any time any Senator wishes to offer an amendment, I shall be glad to yield, so that the amendment can be called up.

The second criticism which was made by Secretary of Labor Mitchell was:

> The Western Conference of Teamsters, with their Brewsters and Becks, might never be exposed to public view.

Obviously this criticism is made in ignorance. The bill in section 501 (i) (5) specifically includes "a conference, joint board, joint council" in its definition of labor organizations engaged in an industry affecting commerce which are required to report under the bill. Moreover, under the administration bill the Becks and Brewsters would not have to report conflicts of interest. Under S. 3974 a full report from union officers is required on transactions involving questionable financial dealings with employers or others which might conflict with their duties to union members.

The third criticism made by the Secretary was:

> The enforcement of the reporting requirements • • • would be almost impossible to perform inasmuch as the bill does not provide subpena power.

It is true that the bill does not contain broad subpena powers permitting the Secretary to seize records peremptorily.

This subject was dealt with in an amendment this morning. I think it is true that the bill contains plenary power in sections 105 and 106 (b) and (c) to investigate, enter premises, inspect records, issue regulations, and so forth—all powers designed more effectively to enforce the statute. While I am confident that the Secretary has full powers to enforce the provisions of the bill, I would have no objection to clarifying the Secretary's powers to subpena persons and records by an appropriate amendment to the bill.

The claim has been made that the committee bill would "eliminate the requirement that unions furnish copies of their reports to the union members."

As the Senate knows, we have dealt with this subject. I think the language is satisfactory to protect small unions from burdensome reporting; but it gives the Secretary the power to require that every union, regardless of size, shall make some kind of report.

This claim also is not supported by the facts. Under section 104 (a) of the bill, the reports filed by unions would be public information. This is not the case today under the Taft-Hartley Act, even though the Senate at the last session

passed a joint resolution authorizing the Secretary of Labor to make public the information and reports filed with him under sections 9 (f) and (g) of the act. Under the authority the Secretary would be given by section 104 (b) of the committee bill, however, the Secretary could issue regulations prescribing the manner in which reports would be made available to union members. There is nothing in the bill which would compel any union member to come to Washington to obtain information contained in reports filed by his union with the Secretary. If, however, there is need to clarify this point, I would have no objection to an amendment which would require unions to furnish to each of their members the information they are required to include in their reports to the Secretary in such form and manner as the Secretary may prescribe.

Criticism has implied that S. 3974 is soft on criminal elements which have infiltrated the labor movement. On the contrary, the bill reported by the committee would exclude the Johnny Dios and other convicted criminals from union office. It would punish with severe criminal penalties those who steal union funds. It would enable union rank and file to exercise a secret ballot to throw crooked elements out of office, whereas the administration bill provides no effective remedy against crooked elections. Similarly, trusteeships imposed by criminal elements to serve their own nefarious purposes could not be broken under the original proposal by Mr. Mitchell. The bill before the Senate sets standards and provides machinery to eliminate improper trusteeships.

Critics have alleged that the bill would destroy the present rights of union members to seek State and Federal court relief to enforce their democratic rights, continue a "no-man's land between State and Federal labor laws," and relax—and in some cases destroy—the present legal protections provided union members.

A careful reading of the bill makes clear that, except where the bill provides specifically to the contrary, union members will retain all of their present rights to seek the aid of State and Federal courts to enforce their democratic rights. The bill adds to, and does not detract from the members' rights. In addition, under the bill they will have the right to invoke the aid of the Secretary of Labor and the Federal courts to relieve their locals of oppressive trusteeships maintained by national and international unions for improper or undemocratic purposes. They will also have the right and opportunity to invoke the aid of the Secretary in assuring that their constitutional officers are elected democratically by secret ballot, that members are not improperly denied the right to vote, and that elections are properly conducted.

It is certainly true that the administration bill does nothing to interfere with union members' rights in the area of trusteeships and secret elections. As a matter of fact, it does almost nothing at all in these vital areas which were of such deep concern to the McClellan Committee. There is no limitation of trusteeship in the administration bill, nor is there a real guaranty of free, periodic elections of union officers. The committee reported bill takes positive and effective action in both of these important areas.

It is maintained that the bill would have precluded the dissident teamsters union members from seeking to have their recent national election set aside or from obtaining the relief which the order of the United States District Court for the District of Columbia provided in that case. Under the provisions of the bill, however, these members would have an opportunity to invoke the aid of the Secretary of Labor in obtaining a new, a democratically conducted election under his supervision. They would, in other words, have substantial and effective remedies to protect their democratic rights and interests.

It is likewise not true that the bill would bar suits such as the successful suits recently brought by members of bakery locals which have seceded from the parent organization expelled from the AFL–CIO. The bill has nothing to do with such suits or with the schism theory which the NLRB has properly invoked in the bakery cases.

It is true that the bill does not adopt the administration proposal for dealing with the so-called no man's land problem.

This is for the plain and simple reason that the administration proposal is no proposal at all, since it would leave the no man's land problem to the States, 36 of whom have shown no disposition to deal with the problem. The committee attacks the problem at the point where the problem has arisen; namely, the refusal of the NLRB to exercise to the full extent of its authority the jurisdiction vested in it by the National Labor Relations Act, as amended. The plain fact is that a no man's land does not exist by virtue of a defect in the law but by virtue of an abdication of responsibility in certain classes of cases by the NLRB itself. Under the provisions of the bill, the Board will have to reexamine the manner in which it has been discharging its functions in this respect and will have to exercise its jurisdiction where the safeguarding of the rights of employees under section 7 of the National Labor Relations Act, as amended, makes it necessary for them to do so. Under present circumstances, this is the only reasonable manner in which the no man's land problem can be dealt with. Just yesterday the Appropriations Subcommittee recommended additional funds to enable the NLRB to carry on its proper statutory functions. If the Board applies itself to streamlining its procedures, there is no reason whatever that the no man's land problem should not be eliminated by the provisions of S. 3974.

The complaint has been made that the committee bill repeals the present act's denial of access to the NLRB for failure to file financial reports. It is true that the bill does repeal section 9 (f) and (g) of the Taft-Hartley Act. I do not, however, regard this as a defect in the bill. On the contrary, I believe that by holding union officers and employees responsible, on pain of being subjected to criminal penalties, for the faithful discharge of their administrative duties, including honest reporting for themselves and their unions as required by the bill, and their fiduciary obligations to the members, the bill represents a distinct improvement over the Taft-Hartley Act which penalizes the members of the union instead. Furthermore, it is a mistake to regard the procedures applicable to the selection of representatives for collective bargaining and prevention of unfair labor practices under the Taft-Hartley Act as conferring private benefits of which a union or employer can properly be deprived when they engage in certain improper conduct. These procedures have been provided to serve the public interest by enabling unions and employers to have machinery available to settle their disputes peacefully and in an orderly manner rather than by economic warfare. I do not believe that lawbreakers are induced to obey the law by placing them outside the law. On the contrary, I believe they should be made to obey the law, and when they do not, they should pay the penalty which the law itself provides.

What I have said about the inappropriateness of denying access to NLRB procedures as a sanction to keep unions clean and democratic is equally applicable to proposals that have been made to revoke the exemptions of offending unions from the income-tax laws. This exemption applies to labor unions, not because they are unions, but because they are nonprofit organizations. Such organizations are exempted from income taxes because it is in the public interest not to place burdens on their activities in behalf of the social and welfare objectives which they seek to serve. Revoking tax exemptions for such organizations penalizes not so much those who manage their affairs as the beneficiaries of their services whose enjoyment of these services depends to no small extent on these very same tax exemptions.

I regret that I have had to take the time of the Senate to correct some of the gross misstatements of fact which have been made about this bill. Not to have done so, however, would have reflected on the sincere efforts of many Senators on both sides of the aisle who have worked so hard to bring before this body an effective and workable bill which will remedy the abuses disclosed by the McClellan committee.

I could never in good conscience stand before this body and say that this is a perfect bill. In a highly complex area of legislation such as this is, no bill is perfect. In an area marked as this one is by controversy and deep feeling, it is difficult indeed to report a bill with which all will agree completely. However, with the close collaboration of the ranking minority member on the subcommittee, the senior Senator from New York [Mr. IVES], the counsel and advice of the distinguished Senator from Arkansas [Mr. MCCLELLAN], and the diligent work of other Senators on both sides of the aisle, a workable, fair, constructive, and comprehensive bill which fully implements and goes beyond the legislative recommendations of the select

committee is before the Senate. I am hopeful that it will receive the favorable consideration of this body.

CONDUCT OF SHERMAN ADAMS

Mr. MORSE. Mr. President, just now I read on the news ticker that the racehorse Tim Tam has run his last race, and that, because of several broken bones, he will be retired, and will be operated on, sometime this weekend, in Philadelphia.

As a horseman, I wish to express my regret at the retirement of this great racehorse.

Mr. President, by way of analogy, I should like to point out that the news ticker also carries the announcement of what I consider to be a broken political egg; and I think an operation will have to be performed on it, over the weekend, by American public opinion. I refer to the letter which Mr. Adams, of the White House, sent to Representative HARRIS, in regard to the interesting activities of Mr. Adams, and the fact that it leaves no room for doubt that Mr. Goldfine paid Mr. Adams' hotel expenses, and leaves no doubt, of course, that an interest was expressed by Mr. Adams in some interesting administrative agency matters.

I shall leave that to American public opinion, although I am disappointed that the news ticker also points out that the President saw the letter and apparently approved it before it went to Representative HARRIS. As to that, I have a little difficulty in reconciling what is reported to be the President's action with his famous "cleaner than a hound's tooth" promise in 1952. But I believe the American people will take care of this incident, and will perform the operation accordingly.

However, Mr. President—and I speak now not in a facetious spirit—I wish to say that I am saddened by the whole incident, because I think it bodes ill for clean government.

Mr. President, I turn now to another matter.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The Senator from Oregon has the floor.

PHILIP SCHIFF

Mr. MORSE. Mr. President, I have long wanted to pay tribute to a great American who passed away some weeks ago. I believe this is an appropriate time to address the Senate on this subject, for I realize that many of my colleagues need a little rest period at the dinner hour.

Mr. President, I wish to speak for the RECORD for several minutes in regard to a noble man who walked among us not so long ago, Mr. Philip Schiff.

The spirit to work unselfishly for the betterment of others seldom has been as fervently expressed as it was in the personality of the late Philip Schiff.

The character of this community and this Nation has been moulded to new dimension because of the dreams and the labors of this untiring man and his devotion to the protection of the rights and the promotion of the welfare of all men.

As Washington representative of the National Jewish Welfare Board for the past 16 years, Mr. Schiff set the pace for many devoted workers to pool their energies and ideas in the fields of civil liberties, civil rights, and social welfare. A champion of all Jewish people, through the activities of his own organization, he also aided the Negroes through his fight against segregation in Washington, D. C., schools and theaters. Ardently Mr. Schiff took up arms for the little man, as he assumed the chairmanship of the Metropolitan Washington Chapter, National Association of Social Workers. He worked diligently on the advisory committees of the Juvenile Court, the Bureau of Labor Standards, the Housing and Home Finance Agency, and the Department of Health, Education and Welfare. Added to this was his vision for improved world order, as he assumed responsibility as a member of the Board of Governors of the American Association for the United Nations.

Philip Schiff was born in New York City on October 18, 1901. After graduating from New York University, Mr. Schiff began his career in social service work as he became Director of the Madison House, on the lower East Side in New York. Here he served from 1921 until 1938. The following year he moved to New Orleans, La., to take over the directorship of the YW–YMHA of that community. With the experience of 18 years in New York's lower East Side, and 3 years in the Deep South, Philip Schiff came to the Nation's Capitol in 1942, to represent the National Jewish Welfare Board, with a wisdom born of broad experience.

Most significant about Philip Schiff, however, was his devotion to all who were needy, downtrodden, aged, or less fortunate. He became their ambassador to the legislators of this land, seeking assistance so that these people could live with security and dignity, and that they could be good citizens and could strengthen our country. All who knew Philip felt his warmth, his devotion, his electrifying desire to make a better America. These were the words that the men, women, boys, and girls inscribed on a plaque when he left the Madison House on June 22, 1939—

To Philip Schiff from the men and women, boys and girls, of the Lower East Side, for whose hearts' desire he has toiled painstakingly, unselfishly, devotedly.

To one who would be with fate conspire
To grasp this sorry scheme of things entire
Would not he shudder it to bits and then
Remold it nearer to the hearts' desire.

It is with deep personal sorrow and with a feeling of great loss to our Nation as a whole that I record the untimely passing of Mr. Philip Schiff on February 14, 1958, at the age of 56 years.

Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

THE HELLS CANYON BILL

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement made by Mr. James T. Marr, president of the National Hells Canyon Association, regarding the defeat of the Hells Canyon bill before the House Committee on Interior and Insular Affairs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

James T. Marr, president of the National Hells Canyon Association, blamed the defeat of the Hells Canyon bill today on the sellout of the Republican Party in the Pacific Northwest to the private power companies.

"As long as Brownlee Dam remains in the Snake River," said Marr, "it will be a monument to the selfishness and greed of the Idaho Power Co. Just 10 years ago, Vanport City (adjacent to Portland) was wiped out by a major flood on the Columbia. Since then, we haven't developed any flood control storage to prevent similar tragedies in the future. That tragedy at Vanport has now been compounded by the loss of the Hells Canyon Bill.

"The Eisenhower Administration and the Republican Party are equally responsible with the Idaho Power Co., for this criminal loss of nearly four million acre-feet of flood control storage at Hells Canyon. Not one Republican on the House Interior Committee voted for the bill, despite our best efforts. This will be to the everlasting shame of the Republican Party in the Pacific Northwest, whose representatives sold themselves out to the private utility interests. JACK WESTLAND, Washington Republican on the House Interior Committee, can be held personally responsible for the outcome of this vote. The same will hold true for all other Republican Congressmen from the Northwest. If any one of them had taken issue with the private utilities and with the Administration, high Hells Canyon Dam would be a reality today."

WATER AND WATER POLLUTION CONTROL

Mr. MORSE. Mr. President, earlier this year I placed in the RECORD an article on pollution control, from the Weyerhaeuser Timber Co.'s house organ. At this time I ask unanimous consent that two other articles, which complete the series, be published in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

Mr. MORSE. Mr. President, water is one of our most important resources. We are absolutely dependent upon it for life. Pollution control is vital. We often fail to realize the interrelationships that exist between the various commercial uses of land and resources and the effect upon water.

Oregon is a forested State and the leader in lumber production. Oregon is a ranking State in paper production. Our land ownership pattern along the Willamette finds farms and towns in the valley, with the forests appearing as the elevation rises.

Private forest lands predominate on the lower slopes. Then come intermingled Federal and private forests, until finally one finds the solid National Forests that rise up and over the crest of our coastal range and the Cascades.

These forests provide the principal payroll in our State, and we are exhibiting more and more concern with their proper management. We spray our Douglas-fir forests from the air, to kill the budworm, which threatens to destroy the Douglas-fir, our No. 1 tree. How-

ever, we have found that the DDT is carried into our streams and, when concentrated, kills fish.

Downstream we have industrial wood plants, such as pulp mills. From them, water-polluting discharge flows into the rivers; and, if too concentrated, not only does it kill fish, but it also renders the water unfit for use.

On May 29, the Senate passed Senate bill 2447, to authorize studies on the effects of insecticides. Public Law 660 authorizes Federal participation in pollution-control work. There are 11 such projects in Oregon, of which 2 are completed. Thirty-two other Oregon communities are included in surveys for grants under Public Law 660, and nine of these have submitted applications.

CONTROL OF WATER POLLUTION NEEDED NOW

Although the President has more recently expressed concern about the condition of the economy, and has called for certain added public works, his budget message recommended an end to one of the most useful and necessary of all public works, namely, the permanent program which makes Federal grants to cities and communities for sewage-treatment plants. Known as the Water Pollution Act, Public Law 660 was a great forward step in the protection of our water resources; yet the President wants it ended by 1960.

We must move forward. Our expanding population calls for conservation and wise use on a scope never before envisioned. We need to apply the knowledge we have to protect our water resources, and we need to extend our knowledge. Congress has acted with wisdom. It has looked forward. Private industry is on the march, too; and it should be. Yet the Eisenhower administration would turn back on Public Law 660.

I believe that water is everybody's business. We need Federal, State, and private cooperation. The Weyerhaeuser Timber Co. is one among many private concerns that are trying to do something about pollution. Since 1947, it has invested $16 million to reduce and eliminate water pollution directly and indirectly.

I hope these efforts will continue, and that the Federal Government will do its part. We shall not purify our waters with pious praises. Money and cooperation are required. The people want pollution controlled. I am confident that it will be not only controlled, but also stopped.

Therefore, Mr. President, I urge the Congress even before the end of this session to give greater attention to pollution control and prevention.

[From Weyerhaeuser magazine of March 1958]

EXHIBIT A

PEOPLE: PRIMARY WEAPON AGAINST POLLUTION

A pulp mill is a vital, living thing. It has a personality all its own.

Its personality is shaped by people. By those who locate and design it. By those who operate it. Its personality is also shaped by surroundings. By the kind of wood available for pulping. By the nature and volume of water available for pulping and for receiving mill discharges.

The sulfite mill that produced the first Weyerhaeuser pulp in 1931 is at Longview, Wash. Nearby stands the hemlock-laden St. Helens Tree Farm. Next door, company sawmills produce a ready chip supply. The sweeping Columbia, largest river to flow into the Pacific Ocean from the western part of the continent, supplies abundant process water and untaxed capacity to assimilate effluents.

From the beginning, the company recognized that the traditional sulfite pulping process had shortcomings. Company researchers sought new sulfite cooking and recovery processes. They tested ways to make products from liquor lignins and sugars. The most practical liquor use, they concluded, could be achieved through a magnesia-base process. Unlike other sulfite systems, this process approaches 100 percent use of the liquors. Chemicals are recovered. Plant fuel is gained from other liquor solids. The pollution threat is minimized. MgO was installed at Longview in 1948.

With addition of kraft, bleached board, and neutral sulfite mills at Longview, water consumption and water protection has increased. Knots that were formerly unpulpable are cooked and used. Rejected fibers are reclaimed. Domestic sewage is treated before disposal. An underwater pipeline to the Columbia's main channel achieves instant effluent dilution.

The Washington Pollution Control Commission reports, "There are no conditions of low oxygen in this portion of the river. Neither are there any apparent concentrations of substances which are toxic to fish or aquatic life."

At Everett, Wash., the second sulfite mill was built in 1936. It is fed logs from Vail, McDonald, and Snoqualmie Tree Farms, and hemlock chips from the Everett, Snoqualmie, and White River sawmills. It discharges into vast Port Gardner Bay, through which two-thirds of the fresh river water entering Puget Sound flushes before reaching the ocean.

But surveys showed that the nearby Snohomish River mouth held effluent concentrations that did not guarantee fish safe upstream passage.

So, Weyerhaeuser Timber Co. and Soundview Pulp Co. (now Scott Paper Co.) extended a joint disposal pipe out 3,000 feet from shore. At a depth of 300 feet, spent liquor disperses upward from jets in the pipe's outer 1,000-foot length, and diffuses before rising halfway to the surface.

Everett's kraft mill was built in 1953 to utilize Douglas-fir leftovers from Everett, Snoqualmie Falls, and White River sawmills.

Though 95 percent of the potential pollution load is removed by its recovery process, a 50-million gallon holding pond was built on nearby Smith Island. Effluent piped to the pond discharges only on ebb tides that sweep into deep Puget Sound waters. Everett kraft received the first permanent industrial discharge permit issued by Washington's Pollution Control Commission.

There's field proof, too, of Everett mill achievements. The Snohomish River and its tributaries response to game department fish plantings was healthy. In the winter of 1956–57 these waters produced 13,922 migrating steelhead, nearly 13 times more than in 1947–48.

The company's kraft mill at Springfield, Oreg., was built between the sprawling Calapooya and Millicoma Tree Farms in 1949. The mill is next door to the Springfield sawmill, within earshot of its water supply, the famous McKenzie River. The mill recovers 96 percent of its chemicals and other liquor solids.

The mill was designed and built to prevent direct overflows from its sewers into the river. Certain effluents are settled and evaporated in a solar pond. Others are diluted in the log pond. Careful pulping procedures lower the oxygen consuming demand of mill effluents. Odorous and potentially toxic compounds are removed from effluents—turpentines by burning, sulfur compounds by chemical stripping.

Repeated tests have shown that waters below the mill are safe for domestic use and for fish.

The Grays Harbor mill at Cosmopolis, Wash., is surrounded by Wynoochee, Clemons, and Willapa Tree Farms. Water has deeply influenced its operations. Water, after use and reuse in the plant, and after more than 85 percent of the cooking chemicals and organic solids are burned off in the magnesia-base recovery plant, is piped 3½ miles to four holding ponds. Here it is discharged only on ebbing tides. The Grays Harbor mill removes and uses more spent liquor solids—potential pollutants—than any sulfite mill previously built.

To reduce and eliminate water pollution directly or indirectly, company pulp mills have installed equipment at a cost exceeding $16 million since 1947. A third of a million dollars has been invested in company research to prevent water pollution.

A mill's location, design, and devices, each influence its personality. But a mill's performance is ultimately determined by people.

The deciding factor in pollution control, then, is attitude. It is in constantly checking spill points inside the mill. It is in continuously sampling the waters where effluents are discharged, and in testing samples soon enough to catch possible operating failures.

Company mills annually invest more than $50,000 to sample local waters and more than $150,000 to maintain antipollution equipment.

Jo Julson, Springfield pulp manager, sizes it up, "Our best antipollution weapon is the attitude of our whole crew. Everybody in our plant knows it is bad to let a tank overflow, to let a liquid escape. Our crew knows we would shut down before we would knowingly pollute the river."

Everett kraft's John McEwen, mill technical director, puts it differently: "We know that every chemical and every fiber lost to the river is a loss to the company. We think we have the tightest mill in the business: "Our guys are water conscious from the word go."

[From Weyerhaeuser magazine of April 1958]

TODAY'S TARGET: PLENTY OF GOOD WATER TOMORROW

The right to use water does not include the right to abuse it or destroy its usefulness for others. For, the more times and the more ways that water is used, the greater the wealth and service it produces.

Lined up on each side of the Washington-Oregon border today are at least 50 cities pumping their daily sewage into the Columbia River. Scores of industrial firms pipe their process liquids into the same waters. Power developers pour their concrete dams across the river. Commercial fishermen plant their nets in it. Sportsmen and commercial firms ply their boats up and down it.

Cities and industries have mushroomed along the Columbia. Continued growth is inevitable. Use of the Columbia's valuable waters will increase.

Multiply the situation on the Columbia by that on each watershed in Oregon and in Washington and in the Nation. Add the increased use of harbor, sound, and ocean waters.

Serious questions arise. One appears more critical than others: Will it be possible to keep the Pacific Northwest's vast water supply at its present high-quality level as demands for water increase?

On the Columbia, concern over this question has already been expressed in direct action. The majority of larger towns have constructed sewage treatment plants within the last 10 years. According to the Washington Pollution Control Commission, 44 industries on the Washington side of the river alone spent more than $5 million on pollution control facilities during a 6-year period

ending in 1955. Four million of this was spent by Weyerhaeuser at Longview for recovery, burning, and diffusion of pulp mill effluents. Throughout the Pacific Northwest, similar accomplishments are a matter of record. Others are under way.

Water-using groups are organized and active. Associations of sportsmen, commercial fishermen, oyster growers, industrialists, irrigation districts, resort owners, and power producers each express concern over whether or not their use will get its full share of good quality water in the future.

Cities are pressing to protect and expand their watersheds in order to guarantee delivery to their domestic and industrial customers.

On a "subject popularity" basis, the Washington State research council last year reported local, domestic water pollution problems placed third of 17 major governmental problems in a poll of Seattle and King County residents. Only taxes evoked more concern.

On the national scene, the Federal Government boasts some 25 agencies with major interests in water handling and 18 others with lesser interests.

State legislatures are confronted with intensifying interest in water resource management, including pollution control legislation. Cities and their growing suburbs are being forced to gang up on their water-distributing and sewage-disposing dilemmas.

As population increases, demands on water will grow. You can't do much of anything, or grow much of anything—and you certainly can't manufacture much of anything—without using lots of water, directly or indirectly.

The Pacific Northwest's pulp and paper industry has perhaps more at stake than any other industry in gaining assurance that great quantities of high quality waters will be continuously available. What is this industry doing to assure and protect this water supply?

The 28 major Washington and Oregon pulp mills have installed abatement facilities, with water pollution control as either the primary or corollary objective, at a cost of approximately $35 million since 1947. More than 100,000 individual samples of mill effluents and waters adjacent to the mills were tested and evaluated last year as a part of the mills' effort to protect local waters for other uses.

Late in 1957, University of Washington chemists and chemical engineers reported on a 13-year fundamental pulp research project. They had been seeking complete and profitable use of spent pulping liquors. They expressed confidence in the progress being made.

Their work will further assure future water quality. Industry has invested half a million dollars in this one project to date and has authorized more expenditures.

Looking to immediate water-use protection for all interests, the pulp and paper industry has recommended to Washington's Pollution Control Commission a three-step program to institute protection standards: (1) by areas, enunciate the multiple uses of water to be protected; (2) determine and adopt standards to protect these uses; (3) establish a water sampling program to measure compliance with the standards set.

The industry has also offered to (1) designate competent scientists and engineers to work with similar people from other groups to evaluate research and other data on water quality criteria, and (2) join in sponsoring similar evaluation by qualified and mutually acceptable consultants and scientists.

Weyerhaeuser Timber Co.'s contributions to these installation and research efforts have not gone unrecognized by other water users. Sportsmen, oyster growers, conservation groups, and individual citizens have expressed their thanks for the company's antipollution achievements.

But, as Dr. Harold Bialkowsky, Weyerhaeuser Timber Co.'s pulp research director, observes, "Water protection is like anything else in life. Even though you remedy an existing problem, you must continue to be alert to other hazards. With water, conditions are constantly changing. You just can't rest on your oars."

WINTER WHEAT HARVEST

Mr. CARLSON. Mr. President, the winter wheat producing area of the great Southwest is now either harvesting or preparing to harvest one of the large wheat crops of that section. Yields in the area harvested have been very good, and the quality of the wheat has been excellent. This is the same area which has suffered some severe droughts during the past 4 or 5 years, and the crop is badly needed by the farmers of that section.

The last forecast of winter wheat production was 1,069,000,000 bushels. Last year we produced 707, million bushels of winter wheat. This means that this year's crop is 34 percent greater, and will add very materially to the wheat surplus of our Nation.

On June 4 the Hutchinson News Herald carried an editorial entitled "Bushel Controls," which I believe is most timely in view of the present situation, and I ask unanimous consent that the editorial be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUSHEL CONTROLS

For a bribe of $815 million a year the Government has persuaded farmers to retire from cultivation 1 acre out of 13 through the Soil Bank and Soil Conservation Services. Unfortunately, the effect on crop surpluses is negligible. Because of improved production methods agriculture grows as much on the remaining 12 acres as it formerly did on the 13.

The reason this $815 million a year is wanted, so far as fitting crops to markets is concerned, is that the Government continues to look at farming in terms of acres rather than bushels, bales, or pounds.

In terms of wheat and of western Kansas, allotting a farmer 200 acres with a guaranteed price for what he produces on it is nonsense when one considers last year's virtual failure and this year's apparent bumper crop. It would be much more realistic were he given a marketable quota of 3,000 bushels.

Under such an arrangement this farmer, were he to produce 4,500 bushels thanks to favorable weather conditions, could store the surplus 1,500 bushels, either in his own bins or in commercial elevators, on his own responsibility, as a hedge against a future year when he raised only half a crop.

With bushel quotas the farmer would have better assurance of a steady income, the Government would save itself hundreds of millions a year, and a permanent reduction in the crop surpluses would be possible.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. SMITH of New Jersey. Mr. President, on behalf of myself, the Senator from Connecticut [Mr. PURTELL], and the Senator from Colorado [Mr. ALLOTT], and following up my views on the pending measure, I submit a series of amendments to the bill. I ask unanimous consent that the amendments may be printed and lie on the desk, to be called up tomorrow for presentation—possibly some tonight—and I also ask unanimous consent that the amendments be printed in the RECORD, together with a brief explanatory statement of each amendment.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments and accompanying statements will be printed in the RECORD.

The amendments and statements are as follows:

Amendment No. 1:

On page 43, line 14, strike out "611" and insert in lieu thereof "612" and between lines 13 and 14, insert the following new section 611:

"SEC. 611. (a) Subsection (b) of section 8 of the National Labor Relations Act, as amended, is amended by striking out the word 'and' at the end of paragraph 5, by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon and the word 'and', and by adding a new paragraph as follows:

"'(7) to picket or cause to be picketed, or threaten to picket or cause to be picketed, any employer with the object of forcing or requiring an employer to recognize or bargain with a labor organization as the representative of his employees, or forcing or requiring the employees of an employer to accept or select such labor organization as their collective bargaining representative:

"'(A) where the employer has recognized in accordance with this act any other labor organization and a question concerning representation may not appropriately be raised under section 9 (c) of this act, or

"'(B) where within the preceding 12 months a valid election under section 9 (c) of this act has been conducted, or

"'(C) where the labor organization cannot establish that there is a sufficient interest on the part of the employees in having such labor organization represent them for collective bargaining purposes, or

"'(D) where such picketing has been engaged in for a reasonable period of time and at the expiration of such period an election under section 9 (c) has not be conducted.

"'(E) nothing in this paragraph (7) shall be construed to permit any act which would otherwise be an unfair labor practice under this section (8).'

"(b) Section 10 (b) of such act is amended by inserting after 'paragraph 4 (A), (B), or (C)' the words 'or subsection 7.'"

The statement accompanying amendment No. 1 is as follows:

RECOGNITION OR ORGANIZATIONAL PICKETING

The proposed amendment would restrict organizational or recognition picketing to those situations in which the union can show a sufficient interest on the part of the employees in being represented by it and would restrict the duration of such picketing to a reasonable period of time during

which a representation election would have to be conducted to determine the employees' wishes as to a collective bargaining representation. The determination of sufficient interest and reasonable period of time would rest with the National Labor Relations Board.

Amendment No. 2:

On page 16, add the following at the end of title I:

"SEC.—. There shall be in the Department of Labor a Commissioner of Labor Reports, who shall be appointed by the President by and with the advice and consent of the Senate, shall receive compensation at the highest rate established for grade 16 of the General Schedule of the Classification Act of 1949, as amended, and shall perform such duties as may be prescribed by the Secretary or required by law. The Secretary may authorize the performance by the Commissioner of Labor Reports of any functions of the Secretary under this act or any other law of the United States."

The statement accompanying amendment No. 2 is as follows:

COMMISSIONER OF LABOR REPORTS

Would create, in the Department of Labor, a Commissioner of Labor Reports, to perform such duties as may be prescribed by the Secretary of Labor or required by law.

Amendment No. 3:

On page 40, line 16, strike out "9 (f)" and the following comma.

On page 40, lines 19 through 23, strike out all of subsection (b) and insert in lieu thereof the following:

"(b) Clause (1) of section 8 (a) (3) of the National Labor Relations Act, as amended, is amended by striking out 'sections 9 (f), (g), (h), and' and inserting in lieu thereof 'section 9 (f) and.'

"(c) Section 9 (f) of the National Labor Relations Act, as amended, is amended to read as follows:

"'(f) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no labor organization shall be eligible for certification under this section as the representative of any employees, and no complaint shall issue under section 10 with respect to a charge filed by a labor organization, unless such labor organization and any national or international labor organization of which such labor organization is an affiliate or constituent unit can show that prior thereto it has (1) filed with the Secretary of Labor the organizational and financial reports and documents required by title I of the Labor-Management Reporting and Disclosure Act of 1958, and (2) has made available to its members copies of such reports and documents as provided in such act.'

"(d) Until expiration of the period provided by title I of this act for the initial filing of reports and documents by labor organizations as required by such title, compliance with the provisions of section 9 (f) and (g) of the National Labor Relations Act, as amended, as those provisions read prior to the amendments made by this section, shall be accepted as compliance with the provisions of section 9 (f) of such act as amended by subsection (c) of this section."

The statement accompanying amendment No. 3 is as follows:

S. 3974: AMENDMENT TO REQUIRE COMPLIANCE WITH REPORTING PROVISIONS OF TITLE I AS A CONDITION OF THE USE OF PROCESSES OF THE NATIONAL LABOR RELATIONS BOARD BY A LABOR ORGANIZATION

S. 3974 as reported by the committee eliminates the present requirements of section 9 (f) and (g) of the National Labor Relations Act, as amended, under which organizational and financial reports to the Secretary of Labor by labor organizations are required as a condition of using the processes of the National Labor Relations Board. This amendment would restore this requirement, but amend it so that the reports to be filed would be those required by title I of the bill, eliminating any duplicative requirements now contained in the Taft-Hartley Act.

The denial of the Board's processes to unions which do not comply with requirements for reporting their organizational and financial information for the benefit of members is an important protection for union members. It ensures that they will be aware of any failure of their officers to file the required reports and acts as an incentive for member pressure to require the officers to file. Where such pressure is effective, the purposes of the disclosure requirements of the bill will be served even without the necessity of invoking other sanctions. It is, in effect, a self-policing device which has been most useful in the past and should be continued. It leaves to the union members, as the law should do, a major share of the responsibility for making sure that their officers observe the requirements of law.

Amendment No. 4:

On page 25, line 19, following the comma, insert "or as soon thereafter as possible,".

On page 25, line 25, immediately before the period at the end of the line insert "and such rules and regulations as the Secretary may prescribe".

The statement accompanying amendment No. 4 is as follows:

S. 3974: PERFECTING AMENDMENT TO SECTION 302 (e) PROCEDURE FOR ELECTION VIOLATIONS

The purpose of this amendment is to make more workable the procedures provided for correcting violations of the election requirements of title III.

As now drafted, the bill reported by the committee would require the completion of any investigation of violations and the institution of a civil action to set aside an election, all within 30 days from the date a complaint is filed. If the investigation necessary to determine probable cause for believing a violation had occurred should require too long a period to permit institution of an action within 30 days, no remedy would be provided for a violation of title III. To correct this technical deficiency, the amendment provides that action shall be brought within 30 days after the complaint is filed, or as soon thereafter as possible.

The committee bill requires the Secretary to supervise a new election if the court, after hearing, holds an election void because of violations of title III. It provides no express authority, however, for the Secretary to prescribe rules and regulations by which his supervision of the election could be exercised. The amendment provides such authority.

Amendment No. 5:

Add the following new section at the end of title I:

"SEC.—. (a) In any labor organization to which the provisions of title I apply, the individual workers who have combined as members to form or maintain such organization for their mutual benefit have the right to have any money or other property which the organization acquires as a direct or indirect result of their financial contributions, or of their having formed such an organization, conserved for their benefit and not applied, invested, disbursed, or disposed of in any manner or for any purpose not authorized by the constitution, by-laws, or other rules of the organization to which they have agreed.

"(b) Every officer, agent, or other representative of a labor organization to which subsection (a) applies shall, with respect to any money or other property in his custody or possession by virtue of his position as such officer, agent, or representative, have a relationship of trust to the labor organization and its members and shall be responsible in a fiduciary capacity for such money or other property in which the members have the rights stated in this section.

"(c) An action or proceeding may be maintained in any court of competent jurisdiction to obtain appropriate relief with respect to any act or omission of any officer, agent, or other representative of a labor organization which is in disregard of any right or responsibility set forth in this section. Such an action or proceeding may be maintained by any one or more of the members of the labor organization for and in behalf of himself or themselves and other members similarly situated, or any such member or members may designate an agent or representative to maintain such action or proceeding for and on behalf of all members similarly situated. The plaintiff in any such action or proceeding shall be entitled to recover from the labor organization his costs and a reasonable attorney's fee if it appears to the satisfaction of the court that the action or proceeding was instituted in a good faith effort to conserve the assets of such organization for proper purposes, and the court may, if satisfied that justice will be served thereby, impose liability for reimbursement of such amounts on any defendant whom the court finds to have acted or omitted to act in disregard of any right or responsibility set forth in this section.

"(d) With respect to actions under the provisions of this section, the United States district courts, together with the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam, shall have jurisdiction.

"(e) Nothing in this section shall reduce or limit the responsibilities of any officer, agent, or other representative of a labor organization under the law of any State, and nothing in this title shall take away any right or bar any remedy to which members of a labor organization are entitled under the law of any State."

The statement accompanying amendment No. 5 is as follows:

FIDUCIARY RESPONSIBILITIES

This amendment places any officer or other representative of a labor organization in a position of trust with respect to any money or other property in his possession by virtue of his position and makes him responsible for it in a fiduciary capacity. In addition it provides that union members may bring a class action in any court of competent jurisdiction for appropriate relief because of any act or omission of an official in disregard of any right or responsibility in his fiduciary capacity.

Amendment No. 6:

Strike out everything beginning with line 11 on page 10 through line 7 on page 11 and insert in lieu thereof the following:

"SEC. 103. (a) Every employer participating directly or through an intermediary in any transaction with a labor organization or with any officer or employee of a labor organization which must be reported under the provisions of section 101 (b) (2) or 102 (a) shall file annually a report with the Secretary signed by its president and treasurer or corresponding principal officers containing the following information."

On page 11, line 18, insert "and" after the semicolon, strike out lines 19 through 22,

on line 23, strike out "(4)" and insert in lieu thereof "(3)", and strike out line 25. On page 12, strike out lines 1 through 3, on line 4, strike out "(ii)" and insert in lieu thereof "(i)", on line 9, strike out "(iii)" and insert in lieu thereof "(ii)."

The statement accompanying amendment No. 6 is as follows:

S. 3974: EXPLANATION (EMPLOYER REPORTING)

Section 103 (a) of S. 3974 would require the filing of reports with the Secretary by employers engaged in an industry affecting commerce who expend over $5,000 in a year in activities intended to influence employees in the exercise of rights secured by section 7 of the National Labor Relations Act or the Railway Labor Act or who enter into an agreement with any person whereby the latter is to influence or affect employees in the exercise of their rights under the previously mentioned provisions of law or to provide an employer involved in a labor dispute with the services of paid informants, investigators, or any agency or instrumentality engaged in the business of interfering with employees in the exercise of such rights. This subsection is unsatisfactory in several respects.

This proposed coverage of employers is too limited to accomplish the objective of requiring reports respecting employer payments to representatives of employees. Many employers making such payments would not be subject to the reporting requirement.

In addition, although intended to combat the use of labor spies and strikebreakers, the section would be operative only when a labor dispute exists. Thus it would not only fail to touch employers who maintain labor spies even when no dispute exists, but there would be times when the question whether a dispute exists would be difficult to determine. Then again direct employer payments to informants themselves apparently would not be covered, and the meaning of the term "any agency or instrumentality" is unclear. If an employer reported that he had made payments for services of a specified agency "in the business of interfering with, restraining, or coercing employees," he could run a serious risk of a suit for libel by that agency.

The proposed amendment would remedy these defects by substituting for the language specifying who must report, language comparable to that contained in section 102 (b) of the administration bill, S. 3097. This would include within the proposal's coverage all employers who participate, directly or through an intermediary, in any employer-payment transaction with a union, or officer or employee of a union, which the union, officer, or employee would be required to report under other provisions of the bill.

Amendment No. 7:

On pages 33 and 34, beginning with line 17 on page 33 through line 6 on page 34, strike out all of subsection (e) and insert in lieu thereof the following:

"(e) 'Employee' means any individual employed by an employer, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice."

The statement accompanying amendment No. 7 is as follows:

AMENDMENT OF DEFINITION OF "EMPLOYEE"

The purpose of this amendment is to provide a more meaningful and less restrictive definition of "employee" consistent with the objectives of this particular bill in titles I through V. The amendment is designed for use with the amendment of the definition of "employer" and, together with that amendment, would broaden the meaning of the term "labor organization" in a manner that would be more consistent with the purposes of titles I through V.

The amendment follows the language of the broad definition of "employee" in the Fair Labor Standards Act, with the addition of a clause from the definition in the committee print which would include specifically employees whose work has ceased for the time being because of a labor dispute or unfair labor practice. There seems to be no reason why labor organizations representing agricultural employees, supervisors, or others excluded from the definition of "employee" by the committee print should not have the same reporting and election and trusteeship obligations as those of other labor organizations under the bill; yet the committee print definition would leave these out. The amendment would place all labor organizations on an equal footing in these respects.

Amendment No. 8:

On page 33, lines 6 through 16, strike out all of subsection (d) and insert in lieu thereof the following:

"(d) 'Employer' means any employer or any group or association of employers which is an employer within the meaning of any law of the United States relating to the employment of any employees or which, with respect to any private or public employment of employees, may deal with any labor organization concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes any person acting directly as an employer or indirectly in the interest of an employer in relation to an employee, but does not, as used in sections 102, 103, and 401 of this Act, include the United States or any wholly owned Government corporation or any State or political subdivision of a State."

The statement accompanying amendment No. 8 is as follows:

AMENDMENT OF DEFINITION OF "EMPLOYER"

The purpose of this amendment is to provide a definition of "employer" that is more meaningful in relation to the objectives of the bill. The meaning of this term is important not only in determining what employers are subject to the filing and other requirements provided in the bill, but also in determining the meaning of "employee" and "labor organization" as used in the bill. The definition in the committee print would have the effect, for example, of excluding from the provisions of the bill any labor organization composed of Government employees, or of employees of a Federal Reserve bank or a nonprofit hospital. It is not apparent why the reporting requirements of the bill and the protection which they provide for union members should not apply to such labor organizations the same as to others. On the other hand, the problem of requiring reports from governmental agencies as employers and reports from others as to financial dealings with such agencies can be eliminated by restricting the definition of the term for purposes of the sections in which these requirements appear. The last clause of the amendment would accomplish this. The other exclusions made by the definition in the committee print, however appropriate they may be in the National Labor Relations Act, do not appear necessary or desirable under the provisions of titles I through V, and have therefore been omitted from the amendment. The amendment would include employers subject to the Railway Labor Act and also employers who are recognized as such under other Federal legislation, such as the Fair Labor Standards Act. This would appear to be desirable in view of the purposes of the bill.

Amendment No. 9:

On page 32, strike out all of line 12 following the section designation and insert in lieu thereof the following:

"As used in titles I, II, III, IV, and V of this act—"

The statement accompanying amendment No. 9 is as follows:

S. 3974: EXPLANATION—AMENDMENT (DEFINITIONS LIMITED TO TITLES I–V)

The purpose of this amendment is to prevent the new definitions in title V of this act from applying to like terms in the Taft-Hartley Act which already has its own definitions. Application of these new definitions might cause problems under the amendments which title VI would make to that act. The amendment thus provides that the definitions shall not apply to title VI.

Amendment No. 10:

On page 32, strike out all of subsection (b) beginning with line 22 through line 2 on page 33 and insert in lieu thereof the following:

"(b) An activity or industry 'affecting commerce' means any activity or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry 'affecting commerce' within the meaning of the Labor Management Relations Act, 1947."

The statement accompanying amendment No. 10 is as follows:

AMENDMENT TO DEFINITION OF "AFFECTING COMMERCE"

The purpose of this amendment is to adjust the definition to the language of the bill itself. Persons and organizations "engaged in an industry affecting commerce" are covered by provisions of the committee print. However, under the definition in the committee print an industry not actually "in commerce" is not an industry "affecting commerce" unless it is an industry "burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce."

Amendment No. 11:

On page 33, lines 3 through 5, strike out all of subsection (c) and insert in lieu thereof the following:

"(c) 'Person' includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers."

The statement accompanying amendment No. 11 is as follows:

AMENDMENT TO DEFINITION OF "PERSON"

The purpose of this amendment is to provide a more comprehensive definition of the term "person" by adding categories omitted from the definition in the committee print which are included in the definition of the same term recently approved by the committee in S. 2888.

Amendment No. 12:

On page 14, strike out lines 13 through 22, and insert in lieu thereof the following:

"(c) The Secretary may by regulations provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Department pursuant to this title, upon payment of a charge based upon the cost of the service: *Provided*, That the Secretary shall make available without payment of a charge, or require any labor organization or employer to furnish, to such State agency as is designated by law or

by the governor of the State, in which such labor organization or such employer is domiciled, upon request of the governor of such State, copies of any reports and documents filed by such labor organization or by such employer with the Secretary pursuant to section 101 or 103, or of information and data contained therein. All moneys received in payment of such charges shall be deposited to the credit of the appropriation of the agency of the Department of Labor rendering such service and may be used, in the discretion of the Secretary, and notwithstanding any other provision of law, for the ordinary expenses of such agency."

The statement accompanying amendment No. 12 is as follows:

S. 3974: EXPLANATION—AMENDMENT (FURNISHING REPORTS TO STATE AGENCIES)

Section 104 of the bill, dealing with the disclosure of reported information, among other things would require in subsection (a) that the Secretary furnish copies of reports filed with him upon payment of a charge based upon the cost of the service. However, the section omits a provision of the corresponding section of the administration bill, S. 3097, which would empower the Secretary to make available, or require any labor organization or employer to furnish, copies of such reports to the appropriate agency of the State in which the reporter is domiciled. As a result, the effect of the subsection would be to prevent States having need of information contained in these reports in connection with the administration of their own laws from obtaining this information unless they pay the same charge which is imposed upon private individuals.

The imposition of these charges on State governments does not appear appropriate. This amendment accordingly would insert in subsection (c) of section 104 language authorizing the Secretary to make available without payment of a charge, or to require the reporter to furnish, copies of these reports to the appropriate State agency under certain conditions.

Amendment No. 13:

On page 26, beginning on line 23, strike out all of section 303 through line 5 on page 27 and insert in lieu thereof the following:

"SEC. 303. Nothing contained in this title shall be deemed to authorize any suit in any court of the United States except upon complaint of the Secretary. The rights and remedies provided by this title shall be in addition to any and all other rights and remedies at law or in equity: *Provided*, That upon the bringing of a civil action by the Secretary the jurisdiction of the district court over the parties and the matters alleged in the complaint shall be exclusive and the judgment shall be a bar to any further action by reason of the same subject matter.

The statement accompanying amendment No. 13 is as follows:

S. 3974: EXPLANATION—AMENDMENT OF SECTION 303 (EXCLUSIVE REMEDIES)

As drafted, the section would provide that the duties imposed and the rights and remedies conferred by title III would be exclusive. This would limit union members (after exhausting internal remedies available under the union's constitution and bylaws) to filing a complaint with the Secretary under section 302 (a), within 1 month after the alleged violation and based only on one of the grounds covered by the subsection. Thus union members would be deprived of the right to institute judicial proceedings on their own initiative based on alleged fraudulent practices respecting elections, with the result that they would have no remedy whatever if the ground of their complaint was not one of those specified in the subsection.

The amendment would preserve whatever judicial remedies may be presently available to union members. At the same time, the amendment would make clear that no new right of action is being conferred upon union members and that where (as would be the usual procedure) the civil action is brought by the Secretary, additional litigation based on the same subject matter cannot be instituted by the members.

The amendment also deletes language now in the section which conflicts with section 502 of the bill.

Amendment No. 14:

On page 43, lines 6 and 7, strike out "primarily engaged in the building and construction industry" and, on the same page, lines 10 and 11, strike out "engaged (or who upon their employment will be engaged) in the building and construction industry."

The statement accompanying amendment No. 14 is as follows:

APPRENTICESHIP TRUST FUNDS

This would amend the provision of S. 3974 regarding apprenticeship and pooled vacation funds so as to remove the limitation to the building and construction industry and to make it applicable to all industries.

Amendment No. 15:

On page 40, line 24, page 41, lines 1 through 24, and page 42, lines 1 through 22, strike out all of sections 608 and 609 and insert in lieu thereof the following:

"SEC. 608. (a) Section 302 of the Labor Management Relations Act, 1947, as amended, is hereby amended by striking out all of subsections (a) and (b) of said section and substituting in lieu thereof the following:

"'(a) It shall be unlawful for any employer, or any agent or representative of such employer, directly or indirectly—

"'(1) to pay or deliver or agree to pay or deliver, any money or other thing of value to any person who is a representative of any employees who are employed in an industry affecting commerce in his capacity as such representative; or

"'(2) to pay or deliver, or agree to pay or deliver, any money or other thing of value (except money or other thing of value payable by an employer to an employee as compensation for, or by reason of, his regular services as an employee of such employer) to any of his employees who are employed in any industry affecting commerce or any group or committee of such employees for the purpose of causing or enabling such employee or group or committee of employees to influence any other employee of such employer in the exercise of any right secured to employees by section 7 of this act.

"'(b) (1) It shall be unlawful for any person to receive or accept, or to agree to receive or accept, any payment or delivery of money or other thing of value prohibited by paragraph (1) of subsection (a).'

"'(2) It shall be unlawful for any labor organization, or for any person acting as an officer, agent, representative, or employee of such labor organization, to demand or accept from the operator of any motor vehicle (as defined in part II of the Interstate Commerce Act) employed in the transportation of property in commerce, or the employer of any such operator, any money or other thing of value or a fee or charge for the unloading, or in connection with the unloading of the cargo of such vehicle: *Provided*, That nothing in this paragraph shall be construed to make unlawful the payment of any such fee or charge to a labor organization if such payment is made pursuant to a collective-bargaining agreement entered into in good faith between such labor organization and the employer of such operator.'"

The statement accompanying amendment No. 15 is as follows:

EMPLOYER PAYMENTS TO UNION REPRESENTATIVES (SEC. 502)

The proposed amendment to S. 3974 would substitute for its provisions amending section 302 language based on similar provisions in S. 3097. The amendment would extend section 302 of the Taft-Hartley Act to cover certain payments not presently covered. It would:

1. Prohibit unauthorized payments made to employee representatives by employer agents or representatives, as well as those made directly by employers.

2. Cover payments by an employer to other employee representatives as well as "to any representative of his employees."

3. Prohibit payments by an employer, his agent or representative to an employee or group or committee or employees to encourage, discourage or influence other employees of the employer in the exercise of their right of self-organization or the selection of a representative.

Receipt of any of these payments, other than those described in 3, above, would also be made unlawful.

This amendment also adopts the provision contained in S. 3974 which would make it unlawful for a union to demand or accept from a motor vehicle operator fees or charges for unloading the vehicle unless such charge is made pursuant to a collective bargaining agreement between the union and the employer of the operator.

This amendment would cover, under 1, payments made to employee representatives through so-called labor relations consultants and other employer representatives.

The proposal to extend the section's coverage to prohibit employer payments to employee representatives generally is designed to cover situations in which an employer makes payments to an official of a union which does not represent his employees, for example, to induce the official not to organize his employees or to refrain from other union activities. Such payments are at present not covered by section 302.

There have been disclosures of payments of sums of money to employees, in payment for their services, or for disbursement among other employees, to influence the other employees not to join a union or to select as bargaining representative a union preferred by the employer. Proposal (3) is designed to prohibit such payments. It is not intended, however, to cover the payment of regular salary to an employee, such as a personnel or industrial relations director, whose regular duties include the shaping of the labor relations policy of the employer.

Amendment No. 16:

On page 22, lines 18 through 21, strike out all of subsection (a) and insert in lieu thereof the following:

"(a) 'Commerce' means trade, traffic, commerce, transportaton, transmission, or communication among the several States or between any State and any place outside thereof. For purposes of this subsection, 'State' includes any State of the United States, the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462)."

The statement accompanying amendment No. 16 is as follows:

The purpose of this amendment is to include as "commerce" for purposes of the bill all commerce included in the definition in the committee print, together with certain commerce which that definition does not

now cover. This definition will clearly include commerce to and from such places as Puerto Rico, the Canal Zone, outer Continental Shelf lands, and other possessions which are neither among the 48 States nor organized territories like Hawaii and Alaska. Commerce between a State and any place outside thereof, as used in the amendment, would cover also situations where commerce originating in a State (for example, voyages of fishing fleets) goes out to the high seas and comes back to the same State without going to another State or a foreign country. The definition in committee print does not appear to cover this kind of commerce.

The language of the amendment is based upon the "commerce" definition in the Fair Labor Standards Act and includes all territory covered by that act under the 1957 amendments of the act.

Amendment No. 17:

On page 15, beginning on line 22, strike out the first sentence of subsection (c), ending on page 16, line 3; on page 16 at the beginning of line 3 insert "(1)"; and at the end of the subsection, on page 16, following line 8, add the following new paragraphs (2), (3), (4), and (5):

"(2) The Secretary may, in his discretion, make such investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this title or of section 201 of title II, or any rule or regulation thereunder, and may require or permit any person to file with him a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which he may deem necessary or proper to aid in the enforcement of the provisions referred to or in the prescribing of rules and regulations thereunder. The Secretary, in making any investigation pursuant to the provisions of title II or title III, is authorized to proceed in the same manner and with the same authority as provided for investigations made pursuant to the provisions of this subsection.

"(3) Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title or of section 201 of title II, or of any rule or regulation thereunder, he may in his discretion bring an action in the proper district court of the United States, or United States court of any Territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. The Secretary may transmit such evidence as may be available concerning such acts or practices to the Attorney General, who may, in his discretion, institute the necessary investigations and criminal proceedings.

"(4) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States, shall have jurisdiction, for cause shown, to restrain violations of, to enforce ahy duty created by, or to compel disclosure of any information required to be submitted to the Secretary in accordance with this title or section 201 of title II, or the rules and regulations thereunder. All actions under this subsection shall be brought on behalf of the Secretary.

"(5) The Secretary is authorized to make such expenditures and, subject to the civil service laws and the Classification Act of 1949, as amended, to appoint and fix the compensation of such personnel, including attorneys, as may be necessary to perform the functions imposed by this act. Attorneys appointed under this section may appear for and represent the Secretary in any litigation, but such litigation shall be subject to the direction and control of the Attorney General."

The statement accompanying amendment No. 17 is as follows:

S. 3794: AMENDMENT TO STRENGTHEN ENFORCEMENT OF REPORTING PROVISIONS BY PROVIDING MORE COMPLETE AUTHORITY TO INVESTIGATE FOR VIOLATIONS, AND AUTHORITY TO BRING CIVIL ACTIONS TO COMPEL COMPLIANCE

The purpose of this amendment is to provide adequate powers in the Secretary to investigate violations of the reporting provisions of the bill, and to authorize the bringing of civil actions in court to enforce the provisions in the event of failure to comply.

The bill as reported by the committee did not provide the subpena and other powers necessary for effective investigation of violations or for any sanctions other than criminal penalties in the event of violations. These have been only partially supplied by the amendment adopted by the Senate. All the necessary powers in aid of investigations and authority to bring civil actions to enforce compliance were included in the provisions of the proposed Labor Reports Act, S. 3097, recommended by the administration, and the Senate has recently approved provisions of this kind contained in S. 2888, which requires similar reporting on employee welfare and pension funds and was approved by a Senate vote of 88 to 0.

This amendment incorporates, with the necessary technical changes, the identical language previously approved by the Senate in S. 2888, which is in substance no different from that recommended by the administration and contained in S. 3097. The amendment leaves out language from S. 2888 which would duplicate the amendment adopted earlier.

Since the amendment follows the language of S. 2888, it necessarily provides for the deletion of inconsistent language now in the committee bill which could handicap investigations of violations through its requirement that investigations be based on a showing of probable cause for the belief that violations have occurred. In many instances, it cannot be known without an investigation whether such probable cause exists. Also, the requirement would afford violators an opportunity to delay or block investigations by contesting in court the existence of probable cause and forcing the Secretary to await a court decision on the matter before proceeding with his investigation, which might then be too late to secure proof of abuses which may have been present when it was instituted.

The Supreme Court has made it clear in cases arising under the Fair Labor Standards Act that there is no constitutional requirement that investigations of this kind be conditioned upon probable cause for the belief that violations have occurred. *Oklahoma Press Co.* v. *Walling* (327 U. S. 186). As there stated, the "investigative function, in searching out violations with a view to securing enforcement of the act, is essentially the same as the grand jury's, or the court's in issuing other pretrial orders for the discovery of evidence, and is governed by the same limitations. These are that he shall not act arbitrarily or in excess of his statutory authority, but this does not mean that his inquiry must be 'limited * * * by forecasts of the probable result of the investigation.'"

The amendment applies primarily to title I and to section 201 of title II, which contains the reporting provisions with respect to trusteeships. The committee bill, however, provides for investigations also under other provisions of title II and under title III and the amendment has been drafted to provide the same investigatory authority in all instances. However, in view of the special provisions for civil actions in titles II and III of the bill, the civil actions provided by the amendment would not be authorized with respect to matters covered by these provisions of the bill. The new paragraph (5) added by the amendment is a perfecting amendment identical with section 10 (d) of S. 2888 as passed by the Senate, authorizing the disbursement and personnel actions necessary for performance of the functions of the Secretary under the bill, including the appointment of attorneys to provide the necessary legal services in carrying out its provisions.

Amendment No. 18:

On page 16 between lines 8 and 9 insert a new subsection as follows:

"( ) (1) Any labor organization which shall fail or refuse to file with the Secretary a true and proper report or other document as required by the provisions of this title or of title II and shall be determined, as provided in paragraph (4), to have done so willfully, shall be ineligible, as provided in any order issued under the provisions of this subsection—

"(i) to exercise any right or privilege which it might otherwise have under any law of the United States to obtain or retain a certification or other recognition as the representative of any employees; and

"(ii) to institute, or to request or obtain any relief or redress in, any proceeding in which it might otherwise have a right or privilege to do so under the procedures of the National Labor Relations Board or its general counsel or any other Federal administrative agency exercising decisional functions in labor-management relations matters.

"(2) Any employer who shall fail or refuse to file with the Secretary a true and proper report as required by this title and shall be determined, as provided in subsection (a), to have done so willfully, shall be ineligible, as provided in any order issued under the provisions of this subsection, to institute, or to request or obtain any relief or redress in, any proceeding in which he might otherwise have a right or privilege to do so under the procedures of the National Labor Relations Board or its General Counsel or any other Federal administrative agency exercising decisional functions in labor-management relations matters.

"(3) The Secretary shall provide for prompt service of copies of the complaint or other document by which any proceeding under this subsection is instituted, and of copies of all motions, notices, decisions, and orders issued in such proceedings. Service of such documents shall be made by certified mail upon each party against whom such a proceeding is brought, and upon any Federal departments, agencies, and establishments which, under the provisions of this subsection, may be required to act or omit to act in accordance with a decision or order issued in the proceeding. After notification of the pendency of any such proceeding, any such department, agency, or establishment may hold in abeyance any matter or proceeding which may be affected by a decision and order under this subsection until such decision and order has been made, or may take such other action consistent with law and established procedures as it may consider just and proper in the circumstances.

"(4) The Secretary shall by regulations provide for administrative proceedings which shall meet the requirements of the Administrative Procedure Act with respect to adjudication on notice and hearing, in which proceedings there shall be made on the record

thereof any necessary decisions as to whether any labor organization has willfully failed or refused to file a true and proper report or other document as required by title I or II. If it is determined in any such decision that any party to the proceeding has willfully so violated the act, such order shall be issued as is found necessary and appropriate, which shall impose such sanctions provided in this subsection for such period or periods (not exceeding 5 years unless a failure to file a proper report continues for a longer period) and under such conditions as may be determined to be necessary to carry out the purposes of this act. Decisions and orders issued by or on behalf of the Secretary pursuant to this section shall be conclusive upon departments, agencies, or establishments of the United States, which shall not allow the exercise by any person of any right, privilege, or exemption for which such person has been made ineligible under this section. Decisions and orders issued under this section shall be made, and shall be subject to judicial review in a proper case, as provided in the Administrative Procedure Act."

The statement accompanying amendment No. 18 is as follows:

ADMINISTRATIVE SANCTIONS

This amendment would impose administrative sanctions upon unions and employers who fail to comply with the reporting requirements of title I of this act. As this bill presently stands violations of these reporting requirements by unions, their officers and employees, employers, labor consultants, and trusteeships are punishable by criminal penalties only. Unions or employers in violation would not lose any right of access to the National Labor Relations Board. No provision is made for a civil action brought by the administering agency to compel anyone to comply with these provisions.

This amendment would deny to unions and employers who violate the reporting requirements of this act access to the Board or any other Federal administrative agency exercising decisional functions in labor-management relations matters. As we all know this is the most effective means of assuring union compliance with the act's requirements. In the past enforcement of criminal provisions against a union or its officers has had little salutory effect. This amendment would place responsibility where it should be, on the union itself. The knowledge on the part of the membership that the union may lose its accreditation before the Board encourages the members themselves to see to it that their officers comply with the law.

Mr. SMITH of New Jersey. Mr. President, these are amendments I have been requested to present by the administration as clarifying amendments. There are 17 or 18 of them. They are offered in the name of myself, and the cosponsors of them are the Senator from Arizona [Mr. GOLDWATER], the Senator from Connecticut [Mr. PURTELL], and the Senator from Colorado [Mr. ALLOTT]. They are what I call the administration amendments and they are designed to help clarify the pending bill, based on the criticisms the administration has had. It is my hope we shall not have to have them all called up, but I want to have them in the RECORD so it will be possible to deal with them and to see if we can agree with the Senator from Massachusetts and the other sponsors of the pending legislation on some of them.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. JOHNSON of Texas. As I understand the Senator's request, it is not necessary that he wait until tomorrow to agree with the Senator from Massachusetts [Mr. KENNEDY]. Since the Senator from Massachusetts is present, perhaps the Senator from New Jersey could agree with him tonight.

Mr. SMITH of New Jersey. I am glad the Senator from Texas makes that suggestion. I told the Senator from Massachusetts [Mr. KENNEDY] I would be glad to talk with him. I wish to send the amendments to the desk so they can lie on the desk and be presently considered.

Mr. JOHNSON of Texas. As I understand the situation, there are no amendments at the desk. We are about ready to act on the bill.

Mr. SMITH of New Jersey. I handed the Senator from Massachusetts an amendment on fiduciary relationships.

Mr. JOHNSON of Texas. I have no objection to the Senator's having the amendments printed and taking them up as he desires, but I hope he offers whatever amendments he cares to this evening, because we are going to be in session for several hours. I would like the Senator from Massachusetts to accept any he cares to, or discuss them, and have the Senate vote on them tonight.

Mr. SMITH of New Jersey. I would like to have the amendments sent to the desk and marked so they can be printed. The Senator from Arizona [Mr. GOLDWATER] has an amendment he wants to offer and discuss. I am trying to find out what can be done to bring up tonight some of the amendments which are noncontroversial.

Mr. JOHNSON of Texas. The Senator from Massachusetts is present, and I hope the Senator from New Jersey can discuss the amendments with him and see if they cannot be brought up tonight, because we expect to be in session several hours more tonight.

Mr. GOLDWATER. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment of the Senator from Arizona will be stated.

The CHIEF CLERK. It is proposed, on page 36, beginning on line 10, to strike out all of section 601, down to and including line 20, and to renumber the following sections.

Mr. GOLDWATER. Mr. President, I should like to call the attention of the distinguished senior Senator from Oregon to my remarks. I believe that this section is of interest to him. The amendment strikes out section 601, on page 36 of the bill, which is an amendment suggested to the National Labor Relations Act, as amended.

One undesirable aspect of the committee bill is the amendment contained in section 601, which would modify the definition of the term "supervisor" as set forth in section 2 (11) of the National Labor Relations Act. The language of the present act, adopted after careful consideration by the Congress 11 years ago, was a landmark in solving one of the most vexatious problems which had arisen under the Wagner Act—the problem of drawing a line of demarcation between management personnel, and rank and file employees. The language of the present act has been tested in the courts, so that today employers and unions know with certainty just what classes of persons are supervisory personnel. Literally thousands of collective-bargaining agreements contain the language of the present law. Yet, without any testimony being offered at the hearings demonstrating the need for any change in this section of the present act, the committee, in executive session, adopted two changes, the legal effect of which is highly unpredictable. In place of the language which defines a supervisor as one "having authority, responsibly to direct them, or effectively to recommend such action," the committee has substituted the words "one who does effectively recommend such action or whose principal function is responsibly to direct other employees." Insertion of the words "does" and "principal," since neither are words of art, is bound to be prolific of litigation. Until this new language is clarified by authoritative judicial decision, we can only expect prolonged contract negotiations, confusion, uncertainty and the possibility of strikes arising therefrom.

The reason I suggest the amendment is that there has been no need shown for changing the Taft-Hartley Act in this respect. I will not say there could not be made a case for it, but there has not been a case made, and there was not presented, to my memory, any evidence before the subcommittee on this matter. Therefore, I am offering the amendment to strike the section from the bill, because if the section remains in the bill and the bill becomes law, much difficulty will ensue because of the new interpretation of the term "supervisor" applying to the accepted term of "supervisor" presently existing in contracts.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona [Mr. GOLDWATER].

Mr. MORSE. Mr. President, does the Senator from Arizona yield the floor?

Mr. GOLDWATER. Yes, I yield.

Mr. MORSE. In my judgment, it would be a serious mistake to adopt the amendment of the Senator from Arizona. There was careful consideration of this provision in committee, as I shall document for the RECORD in a moment.

In my judgment, the language the committee has adopted will prove to be of great benefit to the National Labor Relations Board and to the General Counsel of the Board and to the parties to board proceedings. I think it will be found that the Board and the General Counsel will welcome the provision.

I first desire to invite the Senate's attention to what is said in the committee report about it. Sometimes, I may say good naturedly, I think we work very hard on our committee reports when we bring forth major pieces of proposed legislation, and frequently they are not read. Therefore, I hope I shall not be considered presumptuous when I turn to page 27 of the committee report and read to the Senate a short section which

deals with the provision of the bill which the Senator from Arizona desires to strike out:

CLARIFYING DEFINITION OF "SUPERVISOR"

During the hearings, the committee pressed the board and its general counsel to suggest provisions of the law which might be changed so as to eliminate delays in case handling without substantially affecting the present law and rights and policies established by it. Members of the committee were disappointed by the paucity of suggestions from the Board and General Counsel and the lack of evidence that they have given adequate attention to the urgent necessity to eliminate delays and thereby make possible the handling of more cases.

I digress to say, in fairness, that the Board also felt as to many of these matters they were being asked for legislative policy decisions, and they felt under the circumstances they should maintain a position of complete neutrality and should leave the legislative policy decisions to the Congress.

I continue to read from the committee report:

The committee believes that case handling efficiency can be promoted by clarifying the present definition of "supervisor" in section 2 (11) of the National Labor Relations Act. It is not our intention to reopen the controversy as to whether the policy of excluding supervisor from the act's covering is wise or unwise. We merely seek to clarify the definition so as to eliminate the confusion in its application which has been the subject of many cases, particularly in representation election proceedings.

The committee believes that the new definition would forestall controversies in the twilight zone of supervisors—leadmen—craftsmen. It believes that it would help to cut down contested cases, especially in combination with the revival of the "pre-hearing election."

To the extent that litigation is discouraged and eliminated in this narrow but numerous sector of cases, the Board would be enabled to process the particular cases more expeditiously and be free to direct the energies and attention of its personnel to other cases in its backlog or in the "no man's land."

In the analysis of section 601 of the bill, the committee report points out:

Section 601: Clarifies the meaning of "supervisor." NLRB witnesses testified and the Board's annual reports show that the application of the present definition has caused confusion, litigation, and delays in case handling. Without changing the policy purposes of the definition, and the exclusion of supervisors from the category of employees under this act and State labor-management laws, the line of demarcation between supervisors and employees is drawn more clearly. The redefinition retains all of the indicia and tests of supervisory status contained in present law but makes clear that the types of authority enumerated must not only exist but also must be exercised effectively, whereas under the present definition putative "authority" to recommend actions of the kind enumerated is all that seems to be required. The purpose is to provide an objective test of the existence of the authority. Those not meeting the authority test may be deemed supervisors under present law if they responsibly direct employees. This test has been very difficult to apply because many skilled workers incidentally direct coworkers such as less skilled employees and apprentices. The redefinition would require that responsible direction of other employees must be the principal function in order for this attribute alone to make an employee a supervisor.

A major purpose of the clarification is to reduce litigation of this kind of issue in representation cases, thereby enabling the Board to process more cases and to do so more quickly.

Before I turn to the committee hearing record itself, I invite attention to the fact that in 1949, when the late Senator Taft was giving consideration to amendments to the Taft-Hartley Act, some of us met with him many times and at great length. Senator Taft at that time was concerned whether the definition of "supervisor" should not be tied down—which was the language we were using in those days—and made more limited than in the 1947 Taft-Hartley Act. The fact is, Mr. President, that in the administration of the act the broad, rather general, and, as the cases have proved, somewhat ambiguous language of the definition in the act with regard to supervisors has created a great deal of litigation and caused an unnecessarily heavy caseload for the National Labor Relations Board. I think the time has come for some modification of the act.

I now refer my colleagues to the hearings before our committee, because this bears on the question whether the item was carefully considered by the committee. I ask Senators to turn to page 830 of the hearings. I was cross-examining the chairman of the Board. I ask Senators to look at the subtitle toward the bottom of the page, "Clarifying Definition of Supervisors."

I stated:

The policy question is not broached here. However, the application of this section for NLRB election purposes has been a source of dispute and confusion and litigation, and much delay.

Frequently employers and unions seek exclusion of individuals and groups and bargaining units contending that they are supervisors. As I understand the cases, the problem arises because the definition is so broad. The supervisor is one having authority "in the interest of the employer to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or responsibly to direct them, or to adjust their grievances, or effectively to recommend such action, if in connection with the foregoing the exercise of such authority is not of a merely routine or clerical nature but requires the use of independent judgment." That is what the law says.

As I said, that is what the law provides.

I then said:

Now, this language that I emphasized in reading—such as "transfer," "promote," "assign," "effectively to recommend such action," "responsibly to direct them"—this emphasized language causes most of the difficulty in the lower echelons of supervisors and the higher skilled echelons of employees.

For example, many skilled workers direct less skilled workers in their tasks. The director uses judgment, but the director probably will not have any of the other authority, perhaps only the asserted power to effectively recommend promotion, and the like. And as you know, there are myriads of problems in cases which require detailed hearing because there are such intermingling of characteristics of workers and supervisors.

Now it was suggested by some—and I want your view on it—that part of the definition covering authority to effectively recommend such action be eliminated so as to draw the line more clearly. Also it is suggested that the language "responsibly to direct" might be drawn so as to require principal or major responsibility that is, "whose principal or major responsibility shall be to direct other employees."

The Board might be very helpful in helping us suggest the language to clarify this section in the law because if I understand the problem, this language in this type of representation case gives you a great deal of concern, and you have a lot of time taken up by it.

I wonder if we could not be of help to you by an amendment in legislation this year that would clarify that section?

Mr. Leedom, the Chairman of the Board, replied:

That section needs to be clarified; that is a source of a great deal of trouble to us.

The Chairman of the Board made that statement; yet we hear it said we did not go into the matter. I am afraid, Mr. President, I probably went into the matter to almost the point of boredom during the hearings, but I happen to know that the problem incident to the definition of "supervisor" has been a headache to the Board ever since the act was passed.

Mr. Leedom is not the only member of the Board who heretofore has urged that there be some clarification of the language. The members of the Board have been of that opinion for a long time.

I refer Senators to page 831 of the hearings:

Senator MORSE. That is what I understand.

Mr. LEEDOM. It is not easy to—I think it is not easy to frame new language that will be sure to keep us out of trouble, but I think there is room for improvement.

Mr. President, before I turn to the next citation in the hearings on which I wish to comment——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I should like to finish my argument, if I may, and then I shall be glad to yield. I may say to my friend that I want to proceed with some continuity, and I shall be glad to participate in whatever colloquy the Senator may desire later.

Mr. President, there was also discussion throughout the hearings about the Barbash survey or study. Senators will recall that in 1951 the Senate Committee on Labor and Public Welfare asked a recognized expert in this field, Mr. Barbash, to make a study of the National Labor Relations Board procedures to the end of coming forward with recommendations for streamlining which might make it possible to lighten the load of the Board and enable it to handle cases more expeditiously.

Mr. Barbash came forward with a series of recomendations for procedural changes in the practices of the National Labor Relations Board. Here is one which ought also to be adopted to help improve the efficiency of the Board and reduce much of the wasted time which is now a part of the record of the Board because of some ambiguities which are in the act.

I recommend the amendment in section 601 of the bill from the standpoint of improving the efficiency of the Board and making it possible for the Board, in my judgment, to remove one of the procedural headaches from which it has suffered since 1947.

I now refer the Senate to page 1,298 of our committee hearings, which is another place in the record in which there was a discussion of this subject. We had before us at that time the General Counsel of the Board. Senators will find his testimony on this point at the bottom of page 1,298, and continuing through most of page 1,299. I shall not take the time to read it. I repeated to the General Counsel the same observations which I have just read from my statement in the hearings at the time the Chairman of the Board was on the stand. I closed that discussion of the supervisor matter by saying to the General Counsel:

Now, you might be very helpful in helping suggest methods of helping to clarify this language with the end in mind of trying to save you time and the Board in handling these so-called supervisor cases.

Do you have any suggestions to make to the committee on that?

Mr. Fenton replied:

Yes, Senator. Unquestionably the definition section is so broad as to produce the kind of confusion you have outlined.

I think that the Congress would do well to look at the problem again and button down the supervisor definition so as to narrow it.

To illustrate, a so-called leadman does supervise and he is nothing any more than, nor less than, an ordinary worker with a little special aptitude. He clearly would be the kind of person that would normally fall into the bargaining unit. Sometimes there are hassles of over such people and I think that the Congress would do well to narrow that definition.

What had we before us? In effect, we had the recommendation of both the Chairman of the Board and the General Counsel of the Board, that we should do something about the supervisory definition problem. We went to work on it. We obtained the advice of unquestioned authorities in this field of labor relations.

We have come forward with a definition which I respectfully submit will do the job. I think it would be a great mistake to adopt the amendment of the Senator from Arizona. I believe the time has come when we should narrow the supervisor definition. The committee has embodied its definition in the bill. We have checked and double-checked it with the authorities. Of course, we cannot get the National Labor Relations Board to endorse this definition or any other definition, because members of the Board take the position that it is a legislative policy matter, and that they must not be placed in the attitude of taking a position on such a policy question. Now is the time to debate the question of language. Therefore, I speak in opposition to the amendment of the Senator from Arizona.

I now yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I still stick to my original assertion that there were no hearings, in the true sense of that word, on this subject. I invite the attention of Senators to the language contained in the hearings before the Subcommittee on Labor, to which my friend from Oregon is referring, on page 831. We might go back to page 830, where the discussion begins. The entire discussion is by the senior Senator from Oregon, down to the point where he asks a question of Mr. Leedom, and Mr. Leedom says:

I think it is not easy to frame new language that will be sure to keep us out of trouble, but I think there is room for improvement.

That was Mr. Leedom's statement. I should like to ask the distinguished Senator from Oregon if Mr. Leedom ever submitted any language to help clarify the situation.

Mr. MORSE. Neither Mr. Leedom nor Mr. Fenton ever submitted any language. They both made it very clear that they were not going to participate in that kind of policy determination. We expressed regrets that they took that position. It happened to be my view that they should have made some legislative suggestions to us. Nevertheless, I do not question their right to take the position they took.

My judgment as to what happened before they came before the committee is that they apparently decided to make no recommendations to the Senate committee for any amendments to the Taft-Hartley Act. They considered that to be our responsibility and not theirs.

However, from this discussion we obtained verification from them that there was need for a narrowing or tightening of the supervisor definition.

In the light of their statement of policy, that they were not going to be of any help in drafting the language, the responsibility was placed on the Senate committee.

The Senator from Arizona says there were no hearings. However, the issue was before us, and we went to work on the draftsmanship. We consulted authorities in this field. We are perfectly satisfied that we have come forward with good language. The language has been in print since May 30.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. There has been no protest from the Board. It will be recalled that the language was adopted by an overwhelming majority of our committee. The Senator from Arizona is taking the position that when it becomes perfectly clear that there is a problem in connection with existing language in a law, the solution is to strike corrective language from the bill. The top officials of the Board, who are affected by the language, say that it should be modified in some way, but they are not going to participate in any recommendation for its modification. The job, then, is for the committee to try to draft some legislation which will solve the problem.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. That was done, and we submit the language.

I now yield to the Senator from Arizona.

Mr. GOLDWATER. Will the Senator tell the Senate whether any representative of labor appeared to testify as to the need for this change, or whether any representative of management appeared to testify on the need for it?

Mr. MORSE. We did not have any hearing, in the sense in which the Senator from Arizona is using that term, on a proposal for a specific modification of the supervisor definition. But there can be no question about the fact that our total hearings show that there is a need, particularly in connection with the caseload of the National Labor Relations Board, for the adoption of procedural changes and definition changes which will accomplish the objectives of the act and lighten the load of the Board. What we are saying to the Senate is that we think the record clearly shows that a modification of the definition of "supervisor" would greatly lighten the work of the Board.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. MORSE. I yield.

Mr. GOLDWATER. Referring to the testimony on pages 1298 and 1299, again the major expressions of dissatisfaction with the language in the present Taft-Hartley Act comes from the senior Senator from Oregon. I read what Mr. Fenton said when the question was finally put to him:

I think that the Congress would do well to look at the problem again—

He said, "the Congress would do well." The Senator from Oregon is using the term "we" in reference to some group of which I know nothing, which was looking into the question. The first the Senator from Arizona saw of this language was in the full committee, when the bill was before us. As the Senator from Oregon will recall, I questioned at that time whether it was advisable to insert such language. I had heard of no hearings. There were no hearings, as such. The Senator from Oregon has admitted it. I think possibly the Senator is correct in saying that the question of language should be explored. I think we should hold hearings on it, and devise some new language. However, the Senator from Arizona is not satisfied that this proposal is the result of a study by the Senate committee, or any representatives of the Senate committee.

Mr. MORSE. I should like to make a comment on the Senator's observation. The language was contained in the committee print from the beginning.

Mr. GOLDWATER. What was the first day that we saw the committee print?

Mr. MORSE. May 30. When the Senator says that Congress should make a study, I should like to suggest to him that if a subcommittee of the Senate which has jurisdiction over labor legislation is not a segment of Congress which should consider the matter, I do not know what part of Congress should make the study.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment. The issue was raised in connection with the "no man's land" problem. It was raised in connection with the heavy caseload of the Board.

It was raised in connection with the various recommendations, which we discussed and which had been made in the Barbash report, as to how we could streamline the Board. It became perfectly clear to the subcommittee that after Leedom and Fenton had testified as to the need for tightening of the definition, we should go to work.

The Senator says he does not know who the group was. The Senator's colleagues on the subcommittee thought that the definition should be modified. They went to work on it. We submitted a recommendation, which the subcommittee adopted, and then the full committee adopted it, and here we are. That is following very carefully the regular procedure in the legislative process in initiating a change in a bill which is the subject matter before a committee for modification.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. The Senator understands that I have always held him in the highest esteem because of his determination that the procedures of the Senate be followed. I admire his stand on that question. Therefore, I find it a little difficult to square his statements tonight with what has historically been his position.

I am a member of the subcommittee. I heard no discussion of this problem. I have read the language the Senator has read, at pages 830, 831, and also at pages 1298 and 1299. I suggest to him, in all fairness, that when one Senator appears as a witness, in conjunction with others, and does all the testifying, and then asks one question of a witness, and the witness agrees with him, that that does not constitute a hearing, as I understand a hearing.

Possibly we should examine the field, for I do not agree that we have had adequate exploration of it, and I do not recall one word being said about this matter in the subcommittee as a discussion group.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield, but first I wish to reply to the Senator from Arizona. We had the two top experts come before our committee, the Chairman of the Board and the General Counsel, and they testified that there was need for a modification. They would not tell us what form it should take. However, when we read their replies, the language becomes quite clear by implication. When we proceeded to make our proposal for a modification, it was along the general obectives that these gentlemen apparently had in mind.

The second point is that there certainly was discussion—I am sorry the Senator from Arizona does not recall it—and I know what I discussed, and certainly there was discussion in the subcommittee in regard to the need for modification of the supervisor definition. There was not a lengthy discussion. We did not discuss it for a long time, because there seemed to be quick agreement that there ought to be a modification of the definition of supervisor. We had made a rather extensive record on the no man's land issue, on the caseload of the Board, and on the need of the Board for a substantial increase in its appropriations if it is to do a good job. I took it for granted that because there was not a long debate about it there was a general consensus of opinion that a tightening up of the definition should be recommended to the full committee. We did so, and we put it into the committee print, and here it is.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. GOLDWATER. With all due regard to the Senator, in whom I have great confidence, I feel that the only person who made the recommendation is the Senator from Oregon. He says that Mr. Leedom did not feel he could write the language or make a suggestion as to the language. At page 831, I read the Senator's language: "Of course, I recognize your position—can't very well say 'write it for me.'"

Mr. MORSE. I should like to interrupt the Senator at that point. I said that at that point because, if the Senator will go back to the opening statement of Judge Leedom, he had made it very clear when he appeared before the subcommittee that he was not going to be drawn into a recommendation on any policy matter.

He made it clear that he was there to answer questions the best way he could as to what had happened. He made it very clear in his opening statement that he was not going to make any recommendation. The language the Senator has read refers back to Judge Leedom's position taken by him at the beginning, that he was not going to make a recommendation as to what the language in the bill ought to be.

Mr. GOLDWATER. I shall not prolong the argument. I wish to reiterate, however, what I attempted to bring out, that the language in section 601 resulted from the long statement of the Senator from Oregon to the effect that the provision of the present law should be amended. It was never discussed in the subcommittee. I do not recall any expert saying that we should adopt this exact language. I might have agreed with the Senator from Oregon on some language in between—and I say this to the Senate as a member of the subcommittee—but there has never been a case made for the language contained in section 601. That is why I have offered my amendment to strike section 601, so that the language may continue as it is now in the Taft-Hartley Act, until such time as we can hold hearings and allow labor and management and others an opportunity to testify.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. I shall yield in a moment. I should like to finish the colloquy with the Senator from Arizona. The record will show also that I asked similar questions of Mr. Leedom and Mr. Fenton with regard to guards. Both of them said in effect that guards involved a very small number of cases, and that the major problem was in regard to supervisors, not in regard to guards.

I wish to comment briefly on the observation of the Senator from Arizona in regard to the procedure which was followed in the drafting of the section. I say most respectfully that if we should follow strictly the point of view expressed by the Senator from Arizona, large sections of most major bills which come before a committee would have to be eliminated on the ground that no witnesses had been called to testify on particular language.

I believe it is fundamental in the performance of our duties in connection with the legislative process that the job of a legislative committee, as I see it, is to conduct hearings on policy questions involved in controversial legislation, but that the job of drafting the proposed legislation for carrying out the policy objectives rests with the members of the committee. When we came to the draftsmanship job in committee, we certainly should not be put in the position of having to call witnesses to tell us whether this word, phrase, or clause should be included in the definition. What we did was to conduct hearings, as the record will show, on the overall program of labor legislation. In the course of the hearings, it developed that one of the headaches of the Board arose out of supervisory cases. As a result, a definition which would seek to eliminate that problem was drafted and recommended by an overwhelming majority of the committee, and here it is on the floor of the Senate. In my judgment, that procedure is in keeping with the carrying out of the hearing functions and the drafting functions of the committee. I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Senator from Oregon for yielding to me. I shall speak on two aspects of the matter under discussion: first, whether the General Counsel should recommend policy to Congress. It is my understanding that when Judge Leedom was nominated, and his nomination was confirmed for a position on the National Labor Relations Board, he was recommended primarily on the ground that his experience had been in the judiciary. He had been a member of the Supreme Court of South Dakota. He was not urged or advocated by anyone as a partisan on the subject of labor-management legislation, on one side or the other. But he was recommended on the basis that he would bring to his position a judicial background and would apply himself with a judicial attitude to the problems which might come before the Board. I think that explains his position.

Mr. MORSE. I hope the Senator from South Dakota will not assume that I was criticizing Judge Leedom because he did not recommend specific language. He certainly had the right to take the position he took, and I said he had the right to take such a position.

Mr. CASE of South Dakota. I respect the Senator's statement on that point. I desire to say about Judge Leedom's background, and also in defense of it, that I myself think that when a board has at least quasijudicial responsibility, it should maintain a position of impartiality; it should be sympathetic to the

legislation it seeks to administer; but it should not seek to prescribe policy for Congress. It should report administrative problems in the administration of a law. But I do not think we should expect members of the National Labor Relations Board to recommend policy, which is for Congress to determine, any more than we should expect the Chief Justice of the United States or other members of the Supreme Court to come before Congressional committees and to make recommendations as to what Congress should determine concerning matters of legislative policy. They might report to us on the administrative problems of the law; but, if they take the position that it is up to Congress to determine what the law shall be, I respect that position.

Second, I wish to speak about the supervisory employee matter. Again, I disclaim any responsibility for any particular knowledge or authority in the field of labor legislation. But the senior Senator from Oregon will recall that once upon a time the junior Senator from South Dakota, when he was a Member of the House of Representatives, became involved in labor legislation. At that time, in 1946, we encountered the problem of the definition of "supervisory employees." The bill passed by Congress in 1946, and vetoed by President Truman, and which happened to bear the name of the junior Senator from South Dakota, merely acquainted me with the fact that there was a real problem in defining what was a supervisory employee.

The senior Senator from Oregon was at that time a member of the Committee on Labor and Public Welfare—or perhaps it was then simply called the Committee on Labor. I recall appearing before the Senator when we discussed labor legislation then. As a result of the study I made at that time, when I introduced a bill in the 80th Congress, in January 1947, I felt that there should be a definition of "supervisory employees" which would make it possible for such employees, whose responsibilities were not wholly that of supervision, not wholly that of management, to be represented by and to be members of a labor organization.

In January 1947, following the veto of the 1946 bill, I introduced a bill in which I attempted to define "supervisory employees" and to make it possible for certain persons, having some responsibility for supervision, to have the benefits of membership in labor organizations. My particular point of view at that time was not accepted in the definition provided in the Taft-Hartley Act.

I mention this merely to show that it is not an opinion I get superficially from any present attitude, but it is the remembrance of the fact that I felt we needed to draw a line very carefully in this field, which caused me to include something on that subject in the bill which I introduced in 1947, which was the bill on which the House Committee on Labor conducted hearings which led to the passage of the Taft-Hartley Act.

I think the definition which is in the Taft-Hartley Act with respect to supervisory employees could stand improvement. To me, the issue which is presented by the amendment offered by the Senator from Arizona [Mr. GOLDWATER] is merely this: Is the definition proposed in the bill better than the definition which exists in the Taft-Hartley Act? In my judgment, the definition proposed in the bill is better than the definition now in the Taft-Hartley Act. Therefore, I shall oppose striking this section from the bill.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MORSE. I am about to yield the floor; but if the Senator from Nebraska wishes to ask me a question or the Senator from South Dakota a question, I shall be glad to yield for that purpose.

Mr. CURTIS. I thank the Senator. I shall seek the floor in my own right.

Mr. MORSE. In reply to the Senator from South Dakota—and in this connection I should like the attention also of the senior Senator from New York—I do not have before me the exact language used by Senator Taft in 1949 concerning the definition; but I know that by 1949 Senator Taft thought we ought to take another look at the definition, because even as early as that there was some discussion to the effect that the definition of supervisor was creating a so-called logjam or an excessive amount of litigation which legislative clarification would help to prevent. I am satisfied that since 1947 the evidence has been cumulative.

I appreciate the Senator from South Dakota saying that he thinks that at least the language we have proposed is an improvement over that of the present law.

Mr. IVES. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. IVES. My recollection is that in 1949 no language was suggested as a substitute for that in the present law. We thought the subject ought to be examined at that time. Now I see that we are playing the same game again. There seems to be an idea that the subject should be examined further, when we know that some change is required, such as that proposed by the pending bill.

Mr. MORSE. The Senator recalls the discussion at that time, I assume.

Mr. IVES. Oh, yes; we recognized the need at that time.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. I subscribe to the view expressed by the Senator from South Dakota that the inquiry should be whether the definition proposed in the bill is a better definition than that contained in the existing law. I have studied section 601, and the only difference I see in the language in the bill as compared with the language in the present law is that one clause has been stricken in the bill on line 15. It reads:

> The term "supervisor" means any individual having authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees.

Down to that point the language of the bill is identical with that of the present law, word for word.

But at that point this clause has been stricken: "Or responsibility to direct them."

My query is: Why does the mere elimination of the language "responsibility to direct them" improve the definition?

Mr. MORSE. First, if the Senator will glance down at line 16, he will see: "or one who does effectively recommend."

And on line 17: "whose principal function."

In the litigated cases themselves it is found that much of the controversy is over the very language which we have stricken, the language in the present law "responsibly direct." So we struck it out and reworded it because it was evident that the language was stirring up a lot of litigation and was causing much difficulty for the Board. We struck that and included as a test whether the employees were exercising supervisory powers. Did they in fact "effectively recommend" such action? Is that their responsibility? Is their "principal" function to direct other employees?

Mr. LAUSCHE. That language was in the present law.

Mr. MORSE. The difference is that this language would require them do it, rather than just be based upon purported authority to do it, as provided by the existing law. The law provides authority to do it; but this language would put the Board in a position to determine the matter. The objective is to have them do it.

Mr. LAUSCHE. I think it is important that we understand the difference. The present law provides that if he has authority to do it, he is a supervisor. The language now recommended says he must do it.

Mr. MORSE. The test is whether he does do it.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Oregon yield to the Senator from Texas.

Mr. MORSE. I yield to my majority leader.

Mr. JOHNSON of Texas. Mr. President, the Senator from Arizona [Mr. GOLDWATER] wishes to have the yeas and nays ordered on the question of agreeing to his amendment. Let us have them ordered now, so all Members of the Senate may know.

Therefore, Mr. President, if the Senator from Oregon will yield to me, I ask for the yeas and nays on the question of agreeing to the amendment of the Senator from Arizona.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. I thank the Senator from Oregon.

Mr. LAUSCHE. Mr. President, it appears to me that the only difference would be that the recommended section would strike out the words "or responsibly to direct them," and would insert the words "or one who does effectively recommend such action, or whose principal function is responsibly to direct other employees"—as a supervisor. The

recommended language is that only one who has such authority and exercises it is a supervisor.

I believe it to be very important that we weigh this matter carefully. I was mayor of Cleveland when unionized men worked in supervisory positions or positions in which they directed. They were there to command; but I found that they were unionizing, rather than directing workers.

So this provision cannot be looked upon lightly. It is admitted that it will narrow the definition of "supervisor." Regardless of how we may narrow it, the National Labor Relations Board will be deluged with actions on this subject, because this will be the doorway for the expansion of membership.

I recognize that the purpose in this case is a sincere one. But I wonder whether the proposal will improve the present law. From my standpoint, I am not willing to begin to indulge in doubts. The language will have to show clearly that it will be an improvement. I have a grave question about the advisability of narrowing the scope of the persons who are called supervisors. Management and employers are entitled to have good faith and loyalty shown by those who are employed in supervisory capacities.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. CASE of South Dakota. I think the issue has been clearly drawn. But I invite attention to page 69 of the committee report, where the changes in existing law are clearly shown. The text of the existing act is shown, and the words proposed to be stricken are shown in brackets, and the new words proposed to be substituted are shown in italics. As I examine that part of the report, it seems to me that the new definition would draw a line between a matter of fact and a possibility.

Mr. MORSE. Yes. The difference between the two is the difference between an objective test and the existence of a possibility, as the Senator from South Dakota says.

Mr. CASE of South Dakota. Yes. Under existing law a supervisor is a person who has authority to regulate or responsibly to direct employees or effectively to recommend such action. The language proposed would strike out that provision and would insert the words "or one who does effectively recommend such action, or whose principal function is responsibly to direct other employees."

It seems to me the change would be a useful one, in that it would give the National Labor Relations Board a firm test as regards who constitutes supervisory employees; and I believe that the language of the existing act leaves a gray area which is responsible for some of the trouble the Board has in determining who are supervisory employees.

Mr. MORSE. I thank the Senator from South Dakota; he has stated the case exactly in the way intended.

Mr. GOLDWATER. Mr. President, I agree wholeheartedly with the distinguished Senator from Ohio [Mr. LAUSCHE] when he says this matter is a very serious one which should not be dealt with lightly.

I wish to point out to my friend, the Senator from South Dakota, that that has been my stand on this matter. It is important; and we do not have from either labor or management any testimony as to the need for the provision set forth at this point in the bill.

As a member of the Subcommittee on Labor, I never heard the matter discussed until it was brought up in connection with the bill, 5 days before the bill was reported; and at that time I raised some question about it, and suggested that I wished to have it debated on the floor of the Senate.

There may be need for a change; but I suggest that the need has not been shown, other than by means of the statement made by the senior Senator from Oregon, who conducted the colloquy almost by himself, except when the questions were answered by the gentlemen who are referred to in the committee report.

That is why I have submitted the amendment to strike out this language.

I am not unalterably opposed to a change in the definition, but I am opposed to a procedure of this sort.

I can recall the situation when the amendments were called up just 30 days ago. At that time it was argued that hearings on them had not been had. To my knowledge, this matter has not been discussed at the hearings by anyone except the senior Senator from Oregon and the gentleman to whom he addressed the questions.

I should like to know how labor and management stand on this matter, and I should also like to have the advantage of hearings on it, before we decide to change at all the language of the present law.

Mr. CASE of South Dakota. Mr. President, will the Senator from Arizona yield to me?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from Arizona yield to the Senator from South Dakota?

Mr. GOLDWATER. I yield.

Mr. CASE of South Dakota. Let me say that I voted for the Knowland amendments; and the fact that hearings had not been held on them did not affect my position.

Mr. GOLDWATER. I was not referring to the position taken by Senators on this side of the aisle. I am in hearty agreement in that respect.

I promise the Senator from Oregon that if this section is stricken out, I will do all I can to have proper hearings held on this matter, so we can reach a sensible conclusion.

Mr. ALLOTT. I shall vote for the amendment, although I wish to say to the senior Senator from Oregon that I shall do so in full realization that this section may be a perfectly proper one.

But having been a member of the committee for some 3 years, I know of nothing before the committee which would enable me to vote intelligently on what I am afraid will be an extremely important matter.

I shall join any Senator in reporting amendatory language which may be shown to be needed in connection with this matter.

But I do not believe we now have sufficient information on which to base such a decision, even though, for aught I know, the reasoning of the Senator from Oregon may be perfectly proper and he may be entirely correct.

So I shall vote to leave the law as it now stands, until we know which way to move.

Mr. KENNEDY. Mr. President, I hope the Senate will reject the amendment.

The purpose of placing this language in the bill was to clarify the procedures of the National Labor Relations Board, so as to give it more precise guideposts in making correct judgments as to who are supervisors. I think this language of the bill will help in that way, and I believe it would be unwise to strike it out.

I happened to be at the hearing when the Senator from Oregon had the discussion with both the counsel and the Chairman of the Board. Both of them indicated that the problem is a serious one.

This provision was in the bill throughout its consideration by both the subcommittee and the full committee, and I do not believe any attempt was made at that time to strike it out.

The change proposed by the bill is a helpful one, and for that reason this provision was included in the bill—and not because we wanted to blur in any way the authority of the employer. That was not the intention of the Senator from Oregon or my intention. This language was included in the bill, not as a subterfuge, but in order to clarify the matter and to help in connection with the problem.

So I hope the pending amendment will be rejected.

I believe that in the next few months we shall have a chance to consider how the Board deals with this problem.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Dworshak	Johnston, S. C.
Allott	Eastland	Jordan
Anderson	Ellender	Kefauver
Barrett	Ervin	Kennedy
Beall	Frear	Kerr
Bible	Fulbright	Knowland
Bricker	Goldwater	Kuchel
Bridges	Green	Lausche
Bush	Hayden	Long
Byrd	Hennings	Magnuson
Capehart	Hickenlooper	Malone
Carlson	Hill	Mansfield
Carroll	Hoblitzell	Martin, Iowa
Case, N. J.	Holland	Martin, Pa.
Case, S. Dak.	Hruska	McClellan
Church	Humphrey	McNamara
Clark	Ives	Monroney
Cooper	Jackson	Morse
Cotton	Javits	Morton
Curtis	Jenner	Mundt
Dirksen	Johnson, Tex.	Murray

Neuberger	Russell	Thurmond
Pastore	Schoeppel	Watkins
Payne	Smith, Maine	Wiley
Potter	Smith, N. J.	Williams
Proxmire	Sparkman	Yarborough
Purtell	Stennis	Young
Revercomb	Symington	
Robertson	Talmadge	

The PRESIDING OFFICER. A quorum is present.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona.

Mr. CURTIS. Mr. President——

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. CURTIS. Mr. President, I believe the amendment offered by the distinguished Senator from Arizona [Mr. GOLDWATER] should be agreed to. The amendment would strike from the committee bill the proposed change in the definition of a supervisor.

For many years there was controversy and much confusion, with a great deal of litigation and attempts to legislate to decide who was a supervisor and who was not. In other words, when was an individual a part of management and when was the individual a part of the labor force?

The definition in the present law has been clarified by the courts after 11 years of litigation, so that now both the employers and the unions know pretty well what constitutes supervisory personnel. If we change the definition it will mean new interpretations and new rulings. If we change this definition, as to which there has been no request for change either by labor or management, then we shall upset the existing situation. There will then be requests for more rulings and more court decisions; there will be more delay and more confusion.

The purpose of the amendment offered by the Senator from Arizona [Mr. GOLDWATER] is to retain the language of the present law. Certainly there are individuals in a business establishment who rightfully must be classified as management. That matter has been clarified now. By reason of the court decisions of the last 11 years the issue is settled.

Many collective bargaining agreements carry the language of the present law. To change that language would upset all the rulings and would make new rulings necessary; and there would result confusion, contest, litigation, and uncertainty.

The amendment offered by the Senator from Arizona should be agreed to.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. MORSE. Mr. President——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. MORSE. Mr. President, I shall speak only a few moments, to answer the Senator from Nebraska. It is simply because the question has not been settled that we urge the adoption of section 601, so as to give certainty as to the meaning of the word "supervisor" because in representation case after representation case there has been litigation to determine who is or who is not a supervisor. That issue can always be raised in a representation case, and it is being raised constantly in representation cases, because there is not a subjective test. The definition which is offered will give a subjective test.

Therefore, for the reasons advanced by the Senator from South Dakota [Mr. CASE], the Senator from New York [Mr. IVES], and the Senator from Massachusetts [Mr. KENNEDY], I urge that the amendment be rejected.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. GOLDWATER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from Wyoming [Mr. O'MAHONEY], would each vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL], are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Maryland [Mr. BUTLER], and the Senator from Minnesota [Mr. THYE], are absent on official business.

If present and voting, the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL], would each vote "yea."

The Senator from Utah [Mr. BENNETT] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from Utah would vote "yea" and the Senator from North Dakota would vote "nay."

The result was announced—yeas 38, nays 47, as follows:

YEAS—38

Allott	Goldwater	Potter
Barrett	Hickenlooper	Purtell
Bricker	Hobilitzell	Revercomb
Bridges	Holland	Robertson
Bush	Hruska	Russell
Byrd	Jenner	Schoeppel
Capehart	Knowland	Smith, N. J.
Cotton	Lausche	Stennis
Curtis	Martin, Iowa	Talmadge
Dirksen	Martin, Pa.	Thurmond
Dworshak	McClellan	Watkins
Eastland	Morton	Williams
Frear	Mundt	

NAYS—47

Aiken	Ervin	Jordan
Anderson	Fulbright	Kefauver
Beall	Green	Kennedy
Bible	Hayden	Kerr
Carlson	Hennings	Kuchel
Carroll	Hill	Long
Case, N. J.	Humphrey	Magnuson
Case, S. Dak.	Ives	Malone
Church	Jackson	Mansfield
Clark	Javits	McNamara
Cooper	Johnson, Tex.	Monroney
Ellender	Johnston, S. C.	Morse
Murray	Proxmire	Wiley
Neuberger	Smith, Maine	Yarborough
Pastore	Sparkman	Young
Payne	Symington	

NOT VOTING—11

Bennett	Flanders	Saltonstall
Butler	Gore	Smathers
Chavez	Langer	Thye
Douglas	O'Mahoney	

So Mr. GOLDWATER's amendment was rejected.

Mr. MORSE. Mr. President, I move that the Senate reconsider the vote by which the Goldwater amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. ALLOTT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado will be stated.

The CHIEF CLERK. On page 34, line 19, after the word "committee" it is proposed to insert a comma.

In line 20 it is proposed to strike the words "or plan", and insert "group, association, or plan," before the word "in".

In line 23, after the word "employment," it is proposed to substitute for the period a comma; and insert the following: "and includes any local, State, regional, national, or international organization composed of representatives of labor organizations."

Mr. JOHNSON of Texas. Mr. President, does the Senator from Colorado wish to have the yeas and nays on his amendment?

Mr. ALLOTT. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. ALLOTT. Mr. President, this is a rather simple amendment, which takes care of certain technical defects in the bill which I have discussed with the junior Senator from Massachusetts [Mr. KENNEDY], who is present in the Chamber. It is my understanding that it is his intention to accept the amendment.

This is an amendment to make sure that such organizations as the Western Conference of Teamsters, and such people as Brewster, the former president of it, who told the Government Operations Committee that it had no authority to investigate him, are brought within the purview of the act.

The amendment would do the following: On page 34 it would insert a comma in line 19, after the word "committee"; in line 20, on page 34, it would strike out the words "or plan" and insert in lieu thereof the words "group, association, or plan"; and at the end of that paragraph insert the following words: "and includes any local, State, regional, national, or international organization composed of representatives of labor organizations."

In order to include the Western Conference of Teamsters and similar organizations, we must broaden the definition of "labor organization" in the preceding paragraph.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. KENNEDY. I have discussed this matter with the Senator from Colorado——

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. There is no doubt in my mind that the language in the bill covers organizations like the Western Conference of Teamsters. The definition of a labor organization in the bill, at page 35, line 19, reads:

(5) is a conference, joint board, joint council, or other association or aggregation of labor organizations, as heretofore defined, subordinate to a national or international labor organization other than a State or local central body.

Nevertheless, if it will reassure some Members of the Senate, I am delighted to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT].

Mr. ALLOTT. I believe the amendment is necessary. I ask unanimous consent to have inserted in the RECORD as a part of my remarks a short statement explaining the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ALLOTT

AMENDMENT OF DEFINITION OF "LABOR ORGANIZATION"

The purpose of this amendment is to provide a less restrictive definition of "labor organization" which will be consistent with the objectives of titles I through V. The committee print definition is taken from the National Labor Relations Act but however adequate it may be for purposes of that Act's provisions, it appears unduly narrow to encompass all the labor organizations which appear to be appropriate for inclusion under the reporting, election, and trusteeship titles of the bill. The amended definition, for example, includes local, State, regional, national, and international organizations composed of representatives of labor organizations, which have been omitted from the definition in the committee print. A further broadening of the definition of "labor organization" would result from the adoption of the proposed amendments to the definitions of "employer" and "employee" on which this definition is based.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Why is it necessary to have a yea and nay vote on a question on which there seems to be a unanimity of opinion in the Senate?

The PRESIDING OFFICER. The Chair is advised that the request for a yea and nay vote was made a few minutes ago and the request was sufficiently seconded by the Members of the Senate; therefore the yea and nay vote has been ordered by the Chair.

Mr. KENNEDY. I would say to the Senate that if any of these amendments had been offered to the committee—and not one of them was offered to the committee—they would have been accepted immediately. I made the statement this morning that I would accept the amendments, and all of them could have been accepted within 10 minutes without the necessity of a yea and nay vote. This amendment is of no substantive importance, and it merely goes to make what is a synthetic record.

Mr. HUMPHREY. The Senator is certainly correct. If we need to have yea and nay votes in order to reassure ourselves, let us go ahead and have them.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the yea and nay vote be withdrawn. It will not accomplish anything. There seems to be no difference of opinion on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JENNER. I object.

The PRESIDING OFFICER. Objection is heard. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. SMATHERS] would each vote "Yea."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER], the Senator from Maryland [Mr. BUTLER], and the Senator from Minnesota [Mr. THYE] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Maryland [Mr. BUTLER], the Senator from Vermont [Mr. FLANDERS], the Senator from North Dakota [Mr. LANGER], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "Yea."

The result was announced—yeas 83, nays 2, as follows:

YEAS—83

Aiken	Dirksen	Johnson, Tex.
Allott	Douglas	Johnston, S. C.
Anderson	Dworshak	Jordan
Barrett	Eastland	Kennedy
Beall	Ellender	Kerr
Bible	Frear	Knowland
Bricker	Goldwater	Kuchel
Bridges	Green	Lausche
Bush	Hayden	Long
Byrd	Hennings	Magnuson
Capehart	Hickenlooper	Malone
Carlson	Hill	Mansfield
Carroll	Hoblitzell	Martin, Iowa
Case, N. J.	Holland	Martin, Pa.
Case, S. Dak.	Hruska	McClellan
Church	Humphrey	McNamara
Clark	Ives	Monroney
Cooper	Jackson	Morse
Cotton	Javits	Morton
Curtis	Jenner	Mundt
Murray	Robertson	Talmadge
Neuberger	Russell	Thurmond
Pastore	Schoeppel	Watkins
Payne	Smith, Maine	Wiley
Potter	Smith, N. J.	Williams
Proxmire	Sparkman	Yarborough
Purtell	Stennis	Young
Revercomb	Symington	

NAYS—2

Ervin Fulbright

NOT VOTING—11

Bennett	Gore	Saltonstall
Butler	Kefauver	Smathers
Chavez	Langer	Thye
Flanders	O'Mahoney	

So Mr. ALLOTT's amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. ALLOTT. Mr. President, I send to the desk, for printing, three amendments, the purposes of which are as follows:

The first amendment is on page 22, lines 15 and 16. It provides that not only the Secretary of Labor, but also the individual members of the unions, may file suits.

The second amendment tightens the clerical employee exemption, so that it cannot be used as a dodge. That amendment is on page 7, line 14.

The third amendment eliminates the dollar limit exemption from the reports—sections 101, 102, and 103.

I ask that the amendments may be printed and may lie on the table, to be brought up at a later time.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. ALLOTT. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 17, line 22, after "thereunder," it is proposed to insert "or with intent to obstruct legal process."

Mr. ALLOTT. Mr. President, the section provides that anyone who makes false entries or willfully destroys records of labor organizations so as to defraud shall be punished. The amendment would make the language apply not only to records which are altered or changed for that purpose, but also for the purpose of obstructing justice.

I believe the junior Senator from Massachusetts will accept the amendment I have offered, which is intended to correct the condition.

Mr. JOHNSON of Texas. Mr. President, has that amendment been printed?

Mr. ALLOTT. No, it has not.

Mr. JOHNSON of Texas. Does the Senator from Colorado desire a yea-and-nay vote on the amendment?

Mr. ALLOTT. No, I do not.

Mr. KENNEDY. The amendment is acceptable. It will strengthen the section.

Mr. ALLOTT. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question is on agreeing to the amend-

ment offered by the Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

Mr. ALLOTT. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 17, line 21, it is proposed to strike out "or defraud" and insert in lieu thereof "defraud or mislead."

Mr. ALLOTT. This is a perfecting amendment to the same section. I think it is self-explanatory. I do not desire a yea-and-nay vote on the amendment. I understand the Senator from Massachusetts will accept it.

Mr. KENNEDY. Mr. President, once again, I do not feel that the amendment corrects any deficiency in the language of the bill; but in order that the Senator from Colorado may be reassured as to the meaning of the language, I will accept the amendment.

Mr. ALLOTT. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. ALLOTT].

The amendment was agreed to.

Mr. ALLOTT. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 28, line 4, after "been", it is proposed to insert "finally."

On page 28, line 10, before "conviction", it is proposed to insert "final."

Mr. ALLOTT. Mr. President, it is my understanding that the Senator from Massachusetts will accept this amendment. The purpose of the amendment is this: Under the language of the bill as written, there is a technical way to evade it, in that a person could conceivably spend a year in the penitentiary, be released, and start to serve as an officer of a union, even though the intent of the section is plainly that he shall not do so for 5 years.

I think it should be made clear that in using the word, in line 4, "finally convicted," and on line 10, inserting "final conviction," it is understood that what is meant is any conviction upon which a final decision has been rendered on appeal, or upon which no appeal has been taken and the time for appeal has expired.

Mr. HOLLAND. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Florida will state it.

Mr. HOLLAND. Is or is not this an attempt to amend some provisions which already were amended earlier in the day by the so-called Javits amendment, as modified by the Morse amendment? It sounds to me as though the amendment of the Senator from Colorado comes in exactly the same places and seeks to amend language already amended.

The PRESIDING OFFICER. The amendment now offered by the Senator from Colorado comes in the same line but at a different place from the earlier amendment, and therefore is in order.

Mr. ALLOTT. I may say to the Senator from Florida that the reason for offering the amendment is that the maximum penalty is 1 year. This paragraph relates to title I. It is conceivable or possible that a person who is convicted and is sentenced to serve 1 year could prolong his appeal for 3 or even 4 years, then receive his sentence, serve the 1 year, and immediately thereafter embark upon service as an officer of a union, even though it is the intent of the paragraph to prevent that from happening.

Mr. HOLLAND. I am not at all out of accord with the Senator offering his amendment. I am simply apprehensive that the amendment may be in the same place and interfere with the amendment originally adopted. I hope the clerk has carefully checked this, because according to the notations I made the amendment adopted earlier comes at exactly the same place. If that is correct, I am simply trying to be helpful in making this suggestion.

Mr. ALLOTT. I appreciate the help of the Senator from Florida. He is always astute and helpful in these matters.

The PRESIDING OFFICER. The Chair will advise the Senator from Florida that the earlier amendments, the Morse-Javits amendments, inserted in the sentence, follow subsection (b) on page 28, line 4, before the word "No."

The amendment now offered by the Senator from Colorado comes on the same line, line 4, but at a different place. Therefore, the amendment is in order.

Mr. ERVIN. Mr. President, will the Senator from Colorado yield for a question?

Mr. ALLOTT. I yield.

Mr. ERVIN. As I understand the amendment, it would merely insert the word "final" before the word "conviction" in line 10, on page 28.

Mr. ALLOTT. Yes. Let me say that I have some difficulty hearing the Senator from North Carolina; but I understood him to ask whether the amendment would insert the word "final" in line 10, on page 28. The answer is "yes."

Mr. ERVIN. I am in sympathy with the purpose of the distinguished Senator from Colorado; but I doubt whether the amendment would accomplish his purpose, because in a criminal case there would be only one conviction, and subsequent appeals would not affect the conviction.

So I am afraid the phraseology the Senator from Colorado has selected would not accomplish his purpose, because appeals which would be of any importance would be to higher courts just on points of law; and even if the appellate court sustained the appeal, the final conviction would still be the same conviction.

Mr. ALLOTT. I agree, and I realize that the Senator from North Carolina is trying to be helpful.

I believe the words "final conviction" have a definite meaning in law. That is why I appreciate having the Senator from North Carolina raise the point. Certainly the legislative history should be made in such a way as to show very definitely that the word "final" means the final decision of any court of appeals or, if no appeal is taken, the date of the conviction and decree nisi in the trial court.

Mr. ERVIN. If the Senator from Colorado will yield, so that I may make an observation—and I ask unanimous consent that he may yield for that purpose without losing the floor—let me say that I think the conviction is the original conviction by a jury; and subsequent appeals would only involve the legality of the conviction. Therefore, the person convicted would serve the sentence after the appellate decision affirming the conviction; and I do not believe the Senator's amendment would change the situation.

Mr. ALLOTT. Does the Senator from North Carolina have a suggestion as to how the language might be improved?

Mr. ERVIN. The Senator from Colorado might propose the following amendment: between the word "conviction" and the period, in line 10, and the word "No", in the same line, insert:

For the purposes of the preceding sentence, the word "conviction" shall be interpreted to mean the final judgment affirming the adjudication of guilt.

Mr. ALLOTT. Will the Senator from North Carolina state what he thinks would be accomplished by inserting that language after the word "conviction" in line 10?

Mr. ERVIN. As a matter of fact, I believe it might be better to add, following the word "conviction", a proviso, as follows:

Provided, however, That in the event of appeal, the 5-year period shall begin to run from the time of the service of sentence.

Mr. ALLOTT. Does the Senator from North Carolina believe it would be better to insert, in line 9, following the word "after" the words "the final appeal or final determination of such conviction"?

Mr. ERVIN. I believe it would be better to add, after the word "conviction"—

or the final judgment affirming the conviction, in the event the conviction is reviewed on appeal by a higher court.

Mr. LONG. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I am happy to yield.

Mr. LONG. Is it the purpose of the Senator to make it possible, by means of his amendment, for a union official who had been convicted, to continue to serve as such union official during the period of time until the appellate court finally affirms the conviction?

Mr. ALLOTT. My purpose is exactly the opposite.

Mr. LONG. Then it seems to me that the Senator from Colorado should withdraw his amendment, because my impression is that if a person has been convicted, the language as it now stands, without the Senator's amendment, would mean that such person could no longer serve. On the other hand, if an appellate court vacated and set aside the conviction, of course the person could serve again. I fear the Senator's amendment would result in exactly what he wishes to prevent.

Mr. KENNEDY. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. I yield.

Mr. KENNEDY. I wonder whether the Senator from Colorado will send the amendment to the desk, to be printed. If so, then, overnight, we can examine it.

Mr. ALLOTT. I shall be happy to do so. We can leave it as the pending question, if we wish.

I should like to say to the Senator from Louisiana that I believe that the effect of the amendment is just the opposite of what he has stated. In line 5 he will see that the reference is to title I, and that, but for the amendment, such a person could serve the day after he got out of the penitentiary.

Mr. President, I shall be happy to discuss the amendment further with the Senator.

Let me say to the majority leader that the Senator from Massachusetts has suggested that the amendment be printed and lie on the desk overnight. I do not know what plans the majority leader may have with respect to this matter, or whether he wishes to have us proceed now with the further consideration of the amendment. Whatever he prefers will be satisfactory to me. If he wishes to have the further consideration of the amendment go over until tomorrow, that will be satisfactory.

Mr. JOHNSON of Texas. That will be perfectly agreeable to me.

The PRESIDING OFFICER (Mr. CHURCH in the chair). It is the understanding of the Chair that the further consideration of the amendment will be temporarily postponed.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

Mr. THURMOND, from the Committee on Labor and Public Welfare, to which was referred the bill (H. R. 7251) to amend the definition of the term "State" in the Veterans' Readjustment Assistance Act and the War Orphans' Educational Assistance Act to clarify the question of whether the benefits of those acts may be afforded to persons pursuing a program of education or training in the Panama Canal Zone, reported it favorably, without amendment, and submitted a report (No. 1704) thereon.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—ADDITIONAL AMENDMENTS SUBMITTED

Mr. SMITH of New Jersey submitted an amendment, intended to be proposed by him, to the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which was ordered to lie on the table, and to be printed.

Mr. CASE of New Jersey submitted amendments, intended to be proposed by him, to Senate bill 3974, supra, which were ordered to lie on the table, and to be printed.

Mr. CURTIS submitted amendments, intended to be proposed by him, to Senate bill 3974, supra, which were ordered to lie on the table, and to be printed.

Mr. CASE of South Dakota submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table, and to be printed.

Mr. THURMOND submitted amendments, intended to be proposed by him, to Senate bill 3974, supra, which were ordered to lie on the table, and to be printed.

Mr. POTTER submitted an amendment, intended to be proposed by him, to Senate bill 3974, which was ordered to lie on the table, and to be printed.

Mr. MUNDT submitted amendments, intended to be proposed by him, to Senate bill 3974, supra, which were ordered to lie on the table, and to be printed.

Mr. ALLOTT submitted amendments, intended to be proposed by him, to Senate bill 3974, supra, which were ordered to lie on the table, and to be printed.

Mr. EASTLAND submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table, and to be printed.

Mr. IVES submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table, and to be printed.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, TO CORRECT UNINTENDED BENEFITS AND HARDSHIPS—AMENDMENTS

Mr. YARBOROUGH. Mr. President, I submit amendments, intended to be proposed by me, to the bill (H. R. 8381) to amend the Internal Revenue Code of 1954 to correct unintended benefits and hardships and to make technical amendments, and for other purposes. I ask unanimous consent that the amendments may be printed in the RECORD.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 56, line 20, strike out the closing quotation marks, and after line 20 insert the following:

"'The preceding sentence shall not apply to any transfer which occurred prior to June 1, 1950.'

"(b) Amendment of 1939 Code: Section 117 (q) (3) of the Internal Revenue Code of 1939 (relating to sale or exchange patents between related persons) is amended by adding at the end thereof the following new sentence: 'Subparagraph (B) shall not apply to any transfer which occurred prior to June 1, 1950.'"

On page 56, strike out lines 21 through 24, and insert the following:

"(c) Effective dates: The amendment made by subsection (a) (except the last sentence of section 1235 (d) of the Internal Revenue Code of 1954, as added by such amendment) shall apply with respect to taxable years ending after the date of the enactment of this Act, but only with respect to transfers after such date. The amendment made by subsection (b) shall apply with respect to any amount received, or payment made, pursuant to a transfer described in section 117 (q) (1) of the Internal Revenue Code of 1939 in any taxable year beginning after May 31, 1950, pursuant to a transfer which occurred prior to June 1, 1950."

ADJOURNMENT UNTIL TOMORROW AT 10 A. M.

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate now adjourn until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 7 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, June 13, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 12, 1958:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. John Francis Uncles, O14914, Army of the United States (major general, U. S. Army).

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Gordon Byrom Rogers, O15620, United States Army, in the rank of lieutenant general.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12, 1958:

THE UNITED STATES COAST GUARD

Rear Adm. Edward H. Thiele, to be Engineer in Chief of the United States Coast Guard, with the rank of rear admiral, for a term of 4 years.

Albert L. Wilding, to be a commissioned instructor with the grade of lieutenant (junior grade), United States Coast Guard.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 12, 1958

The House met at 11 o'clock a. m.

Rev. Edward Gardiner Latch, Metropolitan Memorial, the National Methodist Church, Washington, D. C., offered the following prayer:

Our Father, who art in heaven and on the earth, who art everywhere where men's minds are turned toward Thee,

we come with hearts filled with gratitude because Thou hast been so wonderfully good to us. We are what we are, we have what we have not because we have earned them, not because we deserve them but because Thou hast been so good to us. For Thine unfailing goodness we are unfeignedly thankful.

Help us this day to stand strong and firm for all that is good and kind and true. May we be doers of Thy word and not hearers only, that men may see our good works and glorify Thee, our Father in heaven. Give to the leaders of our Nation courage and patience and wisdom that our Nation may be exalted in truth and righteousness and peace. Give to them the grace to seek first Thy kingdom that Thou mayest bless our Nation abundantly and make it a blessing to others. We pray in Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 12428. An act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1959, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSON of Texas, Mr. ELLENDER, Mr. HAYDEN, Mr. FULBRIGHT, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. HICKENLOOPER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 11451) entitled "An act to authorize the construction and sale by the Federal Maritime Board of a superliner passenger vessel equivalent to the steamship *United States*, and a superliner passenger vessel for operation in the Pacific Ocean, and for other purposes, disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. PASTORE, Mr. LAUSCHE, Mr. BUTLER, and Mr. COTTON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3778. An act to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, and for other purposes.

DEPARTMENT OF COMMERCE APPROPRIATION BILL, 1959

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12540) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1959, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. PRESTON, THOMAS, ROONEY, CANNON, CLEVENGER, BOW, and TABER.

THE PRESIDENT OF THE REPUBLIC OF THE PHILIPPINES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 18, 1958, for the Speaker to declare a recess for the purpose of receiving in joint meeting the President of the Republic of the Philippines.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 98]

Auchincloss	Engle	McCulloch
Bailey	Grant	Powell
Baring	Gray	Prouty
Blitch	Gregory	Radwan
Bonner	Gubser	Rhodes, Ariz.
Buckley	Gwinn	Scott, Pa.
Burdick	Hill	Shuford
Carnahan	Jenkins	Whitten
Celler	Judd	Williams, Miss.
Clark	Kearney	Wolverton
Delaney	Loser	
Dies	McCarthy	

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

PERSONAL STATEMENT

The SPEAKER. The Chair recognizes the gentleman from New York to make a personal statement.

Mr. DORN of New York. Mr. Speaker, because of the birth of my son, Vincent George Dorn, I was not present when the vote was taken yesterday on the reciprocal trade bill. Had I been present I would have voted against the motion to recommit and for the bill.

DEPARTMENT OF DEFENSE REORGANIZATION ACT OF 1958

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 12541, with Mr. WATTS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through section 1 of the bill. If there are no amendments to this section, the Clerk will read.

Mr. VINSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, at the outset I want to advise the Committee that all during the morning session, at least for the next 2 or 3 hours, there will be amendments offered, no doubt, and they will be voted on either by a standing vote or by tellers. So I trust all Members will remain present.

Mr. Chairman, I feel it incumbent upon me to make a very brief statement. So there will be no misunderstanding as to what I shall say, I have reduced these few words to writing.

Mr. Chairman, I was sorry to read in the paper this morning that a Republican conference was held yesterday following the general debate on this bill, and as a result the distinguished minority leader stated that 95 percent of the Republican Members would support the amendments to be offered here today.

Mr. Chairman, this is the first time in my 44 years as a Member of Congress, 25 years as chairman of committees presenting defense legislation, that I have seen a matter involving our national security become a subject of partisan politics.

I knew that the conference was going to be held yesterday, of course, and I asked the distinguished minority leader not to bring up the subject for discussion because I had hoped that it would not become a political issue.

But, Mr. Chairman, what has been done is done. I want to say to my Democratic colleagues that I hope you Democrats will vote on each one of these amendments solely on their merits.

Mr. MARTIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sorry that the gentleman from Georgia [Mr. VINSON] is trying to inject politics into this measure. And I am glad to give the real facts.

We had a conference yesterday, to be sure. We have a perfect right to have a conference and we do have conferences whenever subjects of great moment are before the House. We want our membership to understand the problems. We made no decision as to how we would vote. We left that choice to each Member. We explained the amendments that would be offered. Then following the conference a newspaperman asked me if I thought the Republicans would support the President of the United States. I said, "Yes; I think 95 percent of the Republicans will support the President, because they have respect for

his opinion. He knows our national defense needs fully as well as any member of the committee."

I do not deride any member of the committee because the gentleman from Georgia has had long experience and he has made valuable contributions to the national defense. But I want to say this so that the record will be clear and unmistakably known: There was no effort to inject politics into that conference yesterday. It was to give the membership of the House the information that they deserved to have so that they could vote intelligently this afternoon. It is just carrying out our long-standing policy of keeping our membership fully informed.

Mr. GAVIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say to my Republican colleagues that I trust you will carefully analyze every one of these amendments. All I ask you to do is vote your sincere convictions.

Yesterday on the floor of the House the distinguished gentleman from Louisiana told us about what he thought was a terrific propaganda campaign behind this proposed reorganization legislation in support of the administration proposal, the great effort that was being made by the business interests of the Nation, the number of letters that you were receiving, and that the people who had been sending them to you, had not the slightest conception of what it was all about, that they, in so many words, did not know what they were talking about.

Here is an organization that I think does know what it is talking about, and it cannot, by any stretch of the imagination, be construed as a business or commercial organization, the American Legion, of which I am proud to be a member, for some 35 or 40 years, longer than I can remember.

THE AMERICAN LEGION,
Washington, D. C., June 6, 1958.

Congressman LEON H. GAVIN,
House of Representatives,
House Office Building,
Washington, D. C.

DEAR CONGRESSMAN GAVIN: The American Legion views the proposed reorganization of the Department of Defense as essential and of utmost importance. Our national executive committee, after careful study of the President's plan, unanimously approved Resolution No. 44 (copy enclosed) which places the American Legion squarely behind the proposal as contained in the original bill, H. R. 11956.

The clean bill, H. R. 12541, which was substituted by the House Armed Services Committee, contains provisions which we sincerely believe minimizes the reorganization authority to such an extent that the heart of the plan is destroyed.

As national commander of the American Legion, from a personal viewpoint as well as in consonance with the wishes of the organization I am honored to head, I urge that you support the amendments to H. R. 12541 which would—

(1) Remove requirement that the authority of the Secretary of Defense must be exercised through the Secretaries of Army, Navy, and Air Force;

(2) Grant authority to the Secretary of Defense to transfer, reassign, abolish, or consolidate functions of the Army, Navy, or Air Force, 30 days after the proposed action has been reported to Senate and House Armed Services Committees; and

(3) Eliminate provisions in present law which authorize a civilian or military chief of a service to protest to Congress if he disagrees with national defense policy.

With sincere appreciation for your consideration in this legislative matter which is perhaps the most important in this session of Congress, I am

Sincerely,

JOHN S. GLEASON, JR.

RESOLUTION NO. 44—NATIONAL EXECUTIVE COMMITTEE MEETING, THE AMERICAN LEGION, HELD APRIL 30–MAY 2, 1958

Committee: National security commission.

Subject: Endorse the President's reorganization plan for the Department of Defense.

Whereas there has been presented to the Congress of the United States, a plan known as the President's plan for the reorganization of the Defense Department; and

Whereas there are innumerable committees, commissions, and lines of command in the Defense Department; and

Whereas we have the utmost confidence in the expert leadership of the President of the United States in affairs of national defense and believe that he has the best advice and sources of information available in our country; and

Whereas the present times demand speedy, firm, direct, unambiguous lines of control in our Defense Department; and

Whereas the American Legion in national convention assembled in Atlantic City, N. J., on September 16, 1957, reaffirmed its support of the principle of unification and control of the Armed Forces: Now, therefore, be it

Resolved, That the national executive committee of the American Legion assembled in Indianapolis, Ind., April 30–May 2, 1958, hereby recommend the American Legion endorse the President's plan for the reorganization of the Defense Department and use its best efforts to cause its enactment into law and request the national commander to give his major priority.

What do the AMVETS say about this legislation? Here is a letter from the AMVETS:

AMVETS,
Washington, D. C., June 9, 1958.

The Honorable LEON H. GAVIN,
United States House of Representatives,
Washington, D. C.

DEAR MR. GAVIN: AMVETS, at its most recent national executive committee meeting in April 1958, unanimously adopted a resolution endorsing the President's message on defense reorganization. We have followed with interest the hearings before the Armed Services Committee on legislation to implement the President's proposal.

You will soon have the opportunity to debate and vote upon H. R. 12541, the Defense Reorganization Act of 1958. The President, in a recent statement, has made it eminently clear that three provisions of H. R. 12541 directly conflict with the reorganization he proposed to the Congress. Because of his background, the President, in our judgment, is eminently qualified to speak on this important subject.

It is the considered judgment of AMVETS that the bill should be amended to provide the streamlined, efficient defense organization that is so necessary to our national security. We respectfully urge you to support amendments that will more fully and completely effect the reorganization proposed by the President of the United States.

Specifically, the requirement that the authority of the Secretary of Defense be exercised through the Secretaries of the Military Departments should be eliminated. The Secretary of Defense's authority to transfer, reassign, abolish, and consolidate functions should be more clearly defined. The provision authorizing the Secretaries of the military departments and members of the Joint Chiefs to present to Congress their recommendations relating to the Defense Establishment irrespective of the Secretary's views should be deleted. Your support of these amendments is earnestly requested.

Sincerely yours,

STUART J. SAUCILLO,
National Commander.

Mr. Chairman, by no stretch of the imagination do I believe that these two great patriotic organizations represent any business or commercial interests. They are dedicated veterans' organizations devoted to the interest and welfare of the Nation. That is why I want to call to your attention the fact that there are other organizations that you are hearing from besides business and commercial organizations that are sufficiently interested to present to you, for your careful attention and consideration, their views on this reorganization proposal. They represent hundreds of thousands of members, at least. Therefore, let us not be diverted by these extravagant statements that everybody who writes to you and is interested in this reorganization legislation just does not know what they are talking about.

Mr. Chairman, I yield back the balance of my time.

The Clerk read as follows:

AMENDING THE DECLARATION OF POLICY

SEC. 2. Section 2 of the National Security Act of 1947, as amended (50 U. S. C. 401), is further amended to read as follows:

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective Secretaries of such departments; to provide for their unified direction under civilian control of the Secretary of Defense but not to merge these departments or services; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an overall Armed Forces general staff."

Mr. BATES. Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection?

Mr. VINSON. Mr. Chairman, I object.

Mr. ARENDS. Did the Chair state that section 2 had not been read?

The CHAIRMAN. The Clerk has read down to line 4 on page 3.

Mr. BATES. Mr. Chairman, I withdraw my amendment.

Mr. WIGGLESWORTH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I did not have an opportunity to speak on this bill yesterday.

I simply want to make it clear that I am heartily in favor of the objectives sought by this bill, and that I shall support any and all amendments that may be offered that will bring the proposed language more in line with the stated views of the President of the United States.

The only criticism I have of this bill is that it does not go far enough.

If I had my way, for example, I would divorce the Joint Chiefs of Staff from their duties in respect to the separate services, limiting them strictly to their duties as members of that Staff. I think I might also provide for a Secretary of Defense and 3 Deputy Secretaries of Defense, 1 each for the Army, Navy, and Air Force.

There are other steps that I personally would recommend if I had my way.

I speak Mr. Chairman, as a member of the Committee on Appropriations, who for years has observed at close range the handicaps of divided responsibilities.

Broadly speaking, I think we ought to give the Secretary of Defense all the powers and all the authority that he needs to run the Department. He must be supreme. Then let us hold him responsible for results.

I do not believe that any one of us would want to assume the tremendous responsibilities which are his in these critical times, under any other conditions.

Mr. Chairman, as far as I am concerned, the reasons presented by the President under date of May 28 for amending the bill in its present form are absolutely unanswerable. In my opinion, failure to amend the present bill will jeopardize the objective which we all have in mind.

Two days ago, Mr. Chairman, I talked with Admiral Radford, former Chairman of the Joint Chiefs of Staff. I am authorized to state that he is 100 percent in accord with the President in this respect.

I have a wire here from Gen. Carl Spaatz, former Chief of Staff of the Air Force, which indicates that he also is in accord with the views of the President.

I have a letter from Gen. J. Lawton Collins, a former Chief of Staff of the Army, which indicates that he, too, is in accord with the views of the President.

It has just been pointed out this morning that the American Legion is in accord with the President; that the AMVETS are in accord with the President.

I believe, Mr. Chairman, that the country as a whole is strongly back of the President on this legislation, because the people know of his vast and successful experience in this field.

I hope, Mr. Chairman, that the House will give overwhelming approval to any amendment that improves this bill by providing for greater unification in accordance with the specific recommendations of the President of the United States.

Mr. Chairman, I yield back the balance of my time.

Under leave to extend my remarks, I include at this point in the RECORD a telegram dated June 11, from Gen. Carl Spaatz, formerly Chief of Staff of the Air Force, and a letter dated June 11 from Gen. J. Lawton Collins, formerly Chief of Staff of the Army.

WASHINGTON, D. C., *June 11, 1958.*

Hon. RICHARD B. WIGGLESWORTH,
United States House of Representatives:

Reference your June 9 letter the restraining language in the sections and some paragraphs you mention will prevent an efficient effective organization of the Department of Defense. There can be only one headman in the Pentagon, the Secretary of Defense. The restraining language retains the present four departments, the Army, the Navy, the Air Force and the Defense Department. We need only one. Any effort to delay the ultimate attainment of this objective jeopardizes the future security of the United States.

Gen. CARL SPAATZ.

JUNE 11, 1958.

The Honorable RICHARD B. WIGGLESWORTH,
Congress of the United States,
House of Representatives,
Washington, D. C.

DEAR MR. WIGGLESWORTH: In reply to your letter of June 9, asking for my opinion with respect to certain language in sections 2 and 3 of H. R. 12541, I am happy to give you my views as follows:

I am in agreement with the views of the President with respect to the sections you quoted as reflected in section 3 of H. R. 12801, introduced recently by Congressman JOSEPH W. MARTIN, Jr., of Massachusetts.

However, I do not feel strongly about the elimination of section 3 (5). It is my understanding that a similar provision has been in the law since the organization of the Department of Defense, but has never been utilized. I am sure authority contained in this section would be used only in an extreme case when a Secretary or a Chief felt impelled to present his views directly to the Congress.

May I add that I am happy to see that section 4 of H. R. 12541 has removed the Secretaries of the separate departments from the chain of command over military operations and that the number of Assistant Secretaries is being reduced. If anything, the numbers of such Assistant Secretaries and consultants may have to be even further reduced in order to lighten the superstructure which has been built over the operations of the combatant forces.

With warmest personal regards.

Faithfully yours,

J. LAWTON COLLINS,
General, United States Army (Retired).

Mr. BATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATES: On pages 2 and 3, strike out section 2 and insert the following:

"SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department, with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense; to provide that an Assistant Secretary of Defense may direct the Secretary of a military department or his designee only when specifically delegated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation; to provide for the unified direction of the military departments and services under the civilian control of the Secretary of Defense but not to merge them; to provide for the establishment of unified or specified combatant commands and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an overall Armed Forces general staff."

Mr. BATES. Mr. Chairman, I would like to say parenthetically that if there are any politics associated with this bill I do not know of them; I do not want to know of them and will not be associated with them. I want you to believe truly that this is a sincere and an honest effort to do something for the good and the security of our country.

The committee bill provides that each military department shall be separately organized under its own Secretary and shall function under the direction, the authority, and the control of the Secretary of Defense exercised through the respective Secretaries of such departments.

It is these last eight words that create the problem, "exercised through the respective Secretaries of such departments."

It was the committee's view, and I believe rightly so, as the report points out that—

It is simply sound organizational procedure for the Secretary of Defense to exercise his superior authority, direction, and control through the Secretaries of the military departments. If such a procedure were not followed, the Secretaries of the military departments would be bypassed, isolating them from the activities of their departments.

I certainly would not want that to happen. The Secretary must know what is going on in his own shop if he is to conduct it. However, the language, if literally interpreted, would seem to foreclose the daily cooperation and exchange of ideas between the subordinates in the respective departments with their counterparts in the Office of the Secretary of Defense.

The committee report is then careful to point out that the language of the bill should not be interpreted in its strict sense in this respect, because—

If such cooperation and free exchange of ideas should be precluded, administrative chaos would undoubtedly result.

I do not want that to happen; the committee does not want that to happen. It is said in the report that it could happen. We should eliminate that language in the bill.

The report also points out correctly that the Assistant Secretaries of Defense are "advisers to the Secretary of Defense and except to the extent that the Secretary of Defense may specifically delegate his authority to them, they have no authority to impose their will upon a military department." Yet, the language of the bill prevents this delegation of power either by the Secretary of Defense or the service Secretaries. All my amendment provides is for the Secretaries of Defense and the service departments to delegate authority if they so desire. They can do it today. The report states that it is expected that they do so in the future. However, the bill says that everything must be exercised through the Secretaries even though they might want it otherwise. The Secretaries, under my amendment, can preserve any authority they have today.

There is one other vital point I want to make.

Today, the Secretary of Defense is the absolute, the paramount boss of the Department of Defense, second only to the President of the United States.

The committee report emphatically states that to be the case. Under the committee bill and present law he can order the service Secretaries to delegate authority to a subordinate. He can do that today. I do not expect that that would happen but if it does, the Secretary of the service department can be bypassed.

This is the point that the committee is so concerned about, that the Secretaries of the respective services may be bypassed. That can be done today on the order of the Secretary of Defense.

The committee bill provides no protection for these Secretaries for whom they express such great concern. My amendment provides that they shall be kept informed. Even if this authority is delegated by any directive to his subordinates from the Department of Defense, it says the Secretary shall be advised. The committee bill provides no assurances along that line. This amendment is much better to accomplish what the committee had in mind than the committee bill itself, in my judgment.

It should be adopted.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Massachusetts [Mr. BATES].

Mr. Chairman, I was disappointed to read in the morning press the forecast that the consideration of this bill and the amendments is bound to result in hard feelings within the Committee on Armed Services. I have worked with these gentlemen on the minority side for many years, and we have always been most friendly in our personal relations. As far as I am concerned, there will be no hard feelings. I have one resentment, and that resentment I share with the minority members of our committee. I resent the merciless political pressure under which you have been placed in connection with this bill.

Mr. Chairman, I hope the membership will understand just what is involved in this amendment. The manner in which it was offered constitutes a rewriting of the entire declaration of policy which is contained in the bill. However, the one change made is to substitute within the declaration of policy what will constitute the first amendment to be offered in the substance of the bill.

The provision presently contained in the committee bill before you is that—

> Each military department shall be separately organized under its own Secretary and shall function under the authority, direction, and control of the Secretary of Defense exercised through the respective Secretaries of such departments.

The amendment would substitute the following new language:

> Each military department, with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense.
>
> An Assistant Secretary of Defense may direct the Secretary of a military department or his designee only when specifically delegated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation.

That second paragraph constitutes only an effort to legislate administrative procedures. That is not the important part of the amendment. And, of course, I can understand why the gentleman from Massachusetts [Mr. BATES] argued with reference to that portion only, because that is not the issue involved. Had I been faced with the problem which confronted the gentleman from Massachusetts, I would have argued that second paragraph of it, too, because that is not the issue that is here presented.

Here is the issue. Under the National Security Act of 1947, the separate Departments of the Army, the Navy, and the Air Force were preserved. They were continued as departments. They were autonomous departments. In 1949 the National Security Act was amended and it still preserved those three Departments of the Army, the Navy, and the Air Force, but within the executive Department of Defense. They lost some of their autonomy. The law of 1949 provided that they should be separately administered, but they lost some of their atonomy because of the phrase "under the direction, authority, and control of the Secretary of Defense."

It was represented to us that the words "separately administered" constituted a psychological block within the Department of Defense and promoted arguments and disunity, and the suggestion came to us that we use the language which you find in our bill "separately organized." We adopted that language.

Now, here is the difference. If you adopt the provision which is offered here now by the minority, upon which they caucused yesterday, you will provide that each military department, with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense. The point is that the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force will have no statutory authority and no statutory responsibility or duty. That is the thing to which the Committee on Armed Services objects.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. KILDAY] may be recognized for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KILDAY. The question here involved is whether the Secretary of Defense shall be the one civilian in control of the entire Department of Defense, including the Department of the Army, the Department of the Navy, and the Department of the Air Force, or should it be, as we provided in 1947, as we provided in 1949, and as the committee bill provides, that there shall be intervening Secretaries of the Army, the Navy, and the Air Force. This is where your civilian control of the military comes in. How could it be that one individual in the Pentagon can exercise effective civilian control over almost 3 million men scattered throughout the world and under separate commands? You know that it is not going to be possible for that one individual to do that.

It will be difficult for the 3 Secretaries of the Army, Navy, and Air Force to administer and exert civilian control over their 3 separate services; but certainly not as difficult and not as impossible as attempting to have the Secretary of Defense exercise that civilian control over all 3 services scattered throughout the world.

But there is another very serious implication here. You see, this proposed language would give the Secretary of the Army, of the Navy and of the Air Force no statutory authority. There is a provision in the bill giving some officers statutory authority. Those are your Chiefs of Staff; the Chief of Staff of the Army, the Chief of Staff of the Air Force, and the Chief of Naval Operations of the Navy, who are given statutory supervision over the personnel of those three military departments. So it would be possible for the Secretary of Defense to handle the entire Military Establishment by the chain of command, authority, and administration, proceeding directly from the Secretary of Defense to the Chief of Staff of the Army, the Chief of Naval Operations of the Navy, and the Chief of Staff of the Air Force. That would be the thing that could be done under the bill if it should be amended as proposed by the gentleman from Massachusetts [Mr. BATES].

I suspect that is exactly what is proposed to be done, because of the insistence of the executive branch of the Government that we take out of the existing law and take out of the proposed legislation any provision that the civilian secretary shall have statutory authority to administer and to control the three

separate services over which they are supposed to preside. So that you would be building up here a monolithic military organization to be handled, managed and administered by military personnel.

If you are ready to do that, well and good. As the Chairman said, he is asking you only to pass on these amendments on the merits of each individual amendment. That is what the gentleman from Massachusetts has advocated.

Mr. Chairman, on the merits, this amendment should certainly be defeated. If you intend to preserve the right of Congress to fix the organization of your Military Establishment, if you intend to preserve civilian control of the military, if you intend to see to it that the military heads of the departments do not supplant the civilian Secretaries of these Departments, you dare not adopt this amendment.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. CHELF. In other words, as I understand it, under this amendment the Chiefs of Staff would have a statutory right of power and authority.

Mr. KILDAY. Of supervision.

Mr. CHELF. Of supervision, and the Secretaries of the Army, Navy, and Air would have none.

Mr. KILDAY. Would have none whatever in law.

Mr. CHELF. That is what I thought this amendment meant and that is too much for me. To do this would give the military power that our civilian appointees of the President would not have. That could be dangerous. Look what has just happened in France. The generals have taken over. No honest general or admiral ought to want such authority, and no ambitious military person ought to have it. The country is better off without this amendment.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman.

Mr. McCORMACK. In 1953, as the gentleman knows, the President sent up Reorganization Plan No. 6 of the Department of Defense.

Mr. KILDAY. Quite well.

Mr. McCORMACK. And in his letter he said:

> With my full support the Secretary of Defense must exercise over the Department of Defense the direction, authority, and control which are vested in him by the National Security Act. He should do so through the basic channels of responsibility and authority prescribed in that act through the three civilian Secretaries of the Army, the Navy, and the Air Force.

Mr. KILDAY. I thank the majority leader. That has always been the concept of Congress and of, until now, the executive department.

Mr. GAVIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I listened with a great deal of interest to the remarks of my very good and able friend from Texas for whom I have great respect and admiration and with whom I have worked very closely over the past several years as a member of the House Committee on Armed Services.

I just want to call to the attention of my good friend from Texas that, when he says merciless political pressure has been put on the members of the Committee on Armed Services and the Members of the House, he knows very well the position I took right from the time this bill came before the committee. I think he will agree with me that no merciless pressure was put on me for the position that I took and am taking today. I doubt very much, at least from the evidence, if you read the testimony and the hearings, that any pressure was put on any member of the Committee on Armed Services. If any pressure was put on, I do not know about it. Nobody put any pressure on me, anyway.

Talking about the intemperate language referred to "legal insubordination," if every word that was uttered here or any word that any of us uttered was perfect what a fine state of affairs it would be. Occasionally somebody makes a little statement that aggravates us and someone picks it up and it is exaggerated beyond its intent. Occasionally statements are made that would be better left unsaid. So let us hear no more about intemperate language.

Why I am interested in this amendment is the fact, as the committee knows, that day after day in the forepart of this year we listened to the different service organizations appearing before our committee. We listened to the different arguments presented, we listened to who was going to do what, who was going to have charge of what, who was going to have the operational responsibility of firing missiles, whether it was going to be the Army, whether it was going to be the Air Force, whether we were going to have the Thor, or whether we were going to have the Jupiter.

We listened to who was going to have the antimissile Zeus, and who was going to have the antimissile Wizard, and who was going to have this or that or the other thing. Certainly reorganizations legislation is needed to clarify this whole setup. I want to see this whole existing setup simplified so we do not return to the old interservice rivalries, feuds that have existed for the past several years.

All this amendment will do is this: If the Secretary of Defense wants to allocate a project to an Assistant Secretary of Defense, the Assistant Secretary of Defense can go to one of the Assistant Secretaries of the service department without going directly to the head of that particular service department and do business with him.

Let us take the missile program. What was the reason we were held back with the missile program? Why did we not move expeditiously? Why did we not make more progress than we did? What was the trouble? It has to pass through too many hands before a final version is reached. The Secretary of a service department sends it to an Assistant Secretary, who sends it to another Assistant Secretary, and passing it along the line it takes about 6 months to a year to get a decision on the various projects in which we are interested. And all this while sputnik is orbiting. It was recognized that something had to be done to prevent overlapping, duplication, arguments, feuds, and interservice rivalries. "Let us reorganize the Department of Defense setup" you said. But the minute legislation is presented to reorganize you seemingly cannot break with the traditions of the past, even though there is a great change in modern warfare.

However, the minute anybody tries to simplify the defense structure, and everybody admits the Secretary of Defense is unable to carry on, many protests are registered against any changes from the present setup which is recognized as wholly unmanageable. Under the amendment, the Secretary of a department is notified that the Secretary of Defense has allocated a project. The Secretary is not bypassed. Nobody is bypassed. This would be strength behind the whole structure and expedite our whole program, letting us move forward in the building up of our national defense.

So let us not be disillusioned too much about what is going to happen. What happened the other day when they cut back the size of the Army? I am for reorganization. But, the minute they said, "We are going to cut the ground forces back to 870,000," I said, "No; in my judgment it is not the thing to do. We want to restore this $99 million to keep our Army at the 900,000 strength." And that is exactly what we did.

Do you think this Congress would sit idly by if an attempt were made to cut back any part of the Marine Corps or there was any attempt to cut back on the Navy Air? This Congress is not going to relinquish any authority. That was proved the other day when they tried to cut back the Department of the Army.

This is an amendment which will simplify the whole structure. I sincerely hope it is adopted. If it is proved wrong, then let us correct it next year. But, let us try to do something constructive. Let us take advantage of this opportunity to see if we cannot reorganize the Defense Department, streamline this structure and build up the kind of defense that we need to meet the demands made upon us in this critical and chaotic world.

I strongly urge the acceptance of this amendment, for it seems to me to provide in much clearer terms the objectives of both the President's proposal for defense reorganization and those of the House Armed Services Committee.

The committee, in its report, stated "that each military department shall be separately organized under its own Secretary and shall function under the direction, authority and control of the Secretary of Defense exercised through the respective Secretaries of each of such departments." In support of this provision, the committee stated it establishes the true and correct relationship of the military Secretaries to the Secretary of Defense. They have reported further that it should be made clear to those who have any question with regard

to the authority of the Secretary of Defense that the words "separately organized" refer simply to the fact that the military departments are to retain their separate identity and the words "separately organized" in no way are to be construed as authorizing a separately administered preserve.

The amendment proposed retains this provision and includes the words "separately organized."

The committee's report states that it is equally true that use of the words "exercised through the respective Secretaries of such departments" is intended to vest in the military Secretaries the responsibility for the functioning of the respective military departments subject always to the direction, authority, and control of the Secretary of Defense. I cannot but agree with the Committee that the Assistant Secretaries of Defense are advisers to the Secretary of Defense in the absence of a delegation of authority. They are not empowered to issue direct orders to the military Secretaries or to any subordinates within the military departments. Their function is to coordinate viewpoints and advise the Secretary of Defense in those areas that require coordination and uniform policies.

Let me point out most strongly, gentlemen, that the words contained in the amendment that has just been proposed much more clearly define this relationship than even the words that had been proposed in the committee's bill, H. R. 12541.

In spelling out this relationship in the proposed amendment, it makes unequivocally clear that an Assistant Secretary of Defense may direct the Secretary of a military department or a subordinate only when the Secretary of Defense has delegated such authority to him, and the Assistant Secretary must inform the Secretary of the military department of all directions issued pursuant to such delegation.

This language is clear and precise as it can be, and the gentleman who has proposed this amendment to clarify the relationships and still retain the objectives of both the House Armed Services Committee and the President is certainly to be complimented. The aim of the committee was to prevent the Assistant Secretaries of Defense from usurping the daily operational activities of the military departments which can only have the effect of creating a fourth and completely duplicating department within the Military Establishment. The President in his plan for reorganization and the defense witnesses appearing during the hearings of the House Committee on Armed Services certainly repeated these very same principles as their objectives.

May I strongly urge that this amendment be accepted without change, for, gentlemen, if you support this amendment, you recognize in law the unquestioned power of the Secretary of Defense and remove any doubt as to the legal fact that the Secretaries of the military departments are subordinate and directly responsible to the Secretary of Defense. It clarifies and precisely establishes a clear statutory chain of command from the Secretary of Defense to the military departments, thus assuring an orderly flow of authority downward into the military departments.

Mr. Chairman, I yield back the balance of my time.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is not a pleasant day for me. For the first time in 44 years of service in this body of the distinguished gentleman from Georgia, on a bill coming out of a legislative committee, having jurisdiction over matters pertaining to our national defense, in this case the Committee on Armed Services, there is a sharp cleavage.

Mr. Chairman, that is not healthy for our country. It is not healthy abroad. Whether or not there are partisan motivations behind this situation, I will not discuss it because I am talking above that. There seems to be plenty of evidence to justify that inference.

Mr. Chairman, this committee reported out a bill that is many times stronger than I thought would come out of the committee. Everybody who serves on that committee, on both sides of the aisle, has stated that they acted in a bipartisan manner. When they got into executive session, they lifted themselves above their own personal feelings on this or that question and approved the bill. They reported out a strong bill.

We have heard these arguments about the words "exercised through." A strong Secretary of Defense would not have to worry about those words if he were backed up by the President. If I were Secretary of Defense and I sought to transfer functions affecting one or more of the services, and if, after I had gone through the consultation and advising and collaboration and discussion that is necessary in the making of such decisions, and if after I had taken it up with the President and we had come to a decision, I would issue instructions to put that decision into effect. If the Secretary of the Air Force or the Navy or the Army did not carry out those instructions, then either I would resign or the other would resign. If I had to resign, it would mean that the President was not backing me up. This is one field, this and the field of foreign affairs, where bipartisanship is of vital importance. We saw only yesterday morning an exhibition of bipartisanship in this House on the passage of the Reciprocal Trade Agreements Act. You have seen it in the reporting out of this bill by this committee. Every member of the committee voted for it. Thirty-two members voted for it on one occasion and 37 members voted for it on another occasion. Now, the fact is there has been a change. The Democrats did not cause this change. One provision in the bill to which the President objects is a provision that has been the law since 1947. That provision never caused any embarrassment or any difficulty.

Within the past few days, we see the situation where there was a recommendation to amend the Battle Act in the other body. We find the distinguished majority leader of that body and the distinguished Senator from Massachusetts leading the fight for the relaxing amendment. Then, there was a shift. We then find a bill coming out of the Committee on Labor. We find the Secretary of Labor abroad with his own representatives sitting in drafting the bill. Then we find a shift.

I am wondering how long we on our side are going to stand for these shifts. First there was nothing but congratulatory statements about the chairman of the committee. There was general satisfaction with the bill. Now we find this situation existing. I say I find nothing specifically wrong about it. While I am sorry for my Republican friends for the predicament which they are in, this situation did not emanate from the Democratic side. The distinguished gentleman from Georgia [Mr. VINSON] made a statesmanlike speech in his opening statement. I agreed with every word of it. This is a strong bill. It is decided progress over existing law. There is no difficulty in administering it. Furthermore, there is another body to go through. It is rather provoking that there is this cleavage in this body and that this bill is considered along party lines. Whatever cleavage there is came from the Republican side and not from the Democratic side. I am supporting the committee bill.

Mr. VINSON. Mr. Chairman, I wonder if we can come to some agreement about the time.

Mr. ARENDS. May I ask the gentleman to wait just a little while?

Mr. VINSON. Very well.

Mr. DEVEREUX. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if we can get back to the amendment, I think it might be well. I have the greatest respect for the chairman of my committee, and I have the greatest respect for the gentleman from Texas [Mr. KILDAY]. I do not propose that I am qualified to debate with such a brilliant man as the gentleman from Texas. However, I think it would be well to point out a few facts so far as this amendment is concerned.

I realize that when the Defense Department was originally established, it was established to be a policy and a coordinating body. However, that time has long since passed. It has, without question, entered into the field of administration, by permission of this Congress and by the enactment of different pieces of legislation. As far as whether or not an Assistant Secretary of Defense, having been so authorized by the Secretary of Defense, should be able to give orders to a service Secretary or one of his designees, supposedly one of his assistants, I think that follows the normal procedure within a military department. That is no departure from the normal way things operate.

If the service Secretary wishes to have everything channeled through him, then all he has to do is to say that he will not designate anybody to receive those orders. That is the way it must operate so far as orders going directly from the Assistant Secretary of Defense to an Assistant Secretary of a military service.

Actually that is what is going on today. The fear has been that it was not quite clear. I believe this language will clarify some of the thinking in the Pentagon, that it will maybe formalize or legalize what is being done and what must be done.

It is utterly impossible to channel all of these orders and directions from the Secretary of Defense through the service Secretary. The service Secretary, however, is informed, so that if he has any objection to it he may then immediately go to his superior, the Secretary of Defense. That is simply a matter of staff procedure.

So far as the statutory provision of the service Secretary is concerned, it is true, and I do not think anybody will argue contrariwise, that this bill has provided that each military chief of the different services acts in the name of his service Secretary. When he acts in the name of his service Secretary, then it is quite apparent to me that the service Secretary does have the statutory status within the chain of command.

We have recognized in this bill, and in my judgment properly so, that so far as unified commands be concerned, the service Secretary is bypassed; he is simply advised as to what is happening, and wherever there be a unified command, a command made up of more than one service, the commander of that unified command receives orders directly from the Secretary of Defense. If it be correct and proper to give those orders directly to the unified command, it would appear to me in the other areas, administrative areas, where we are trying to coordinate our operations and procurement within the three departments, it appears to me that it would also be quite proper to unify to some degree, with hope that we will save money. It should be quite proper for those orders to go direct from the coordinating chief of a particular branch to his subordinate within a military department.

Mr. PRICE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the main reason I take the floor at this time is to disabuse some of the doubt that may have resulted from the remarks made by the gentleman from Pennsylvania [Mr. GAVIN] that the amendment under consideration now has something to do with reorganization of the strictly civilian functions of the Defense Establishment, and might tend to improve some control over interservice rivalry within the Defense Establishment.

I think we should bear in mind that the legislation under consideration now has absolutely nothing to do with the reorganization which many of us think is so badly needed within the civilian framework of the Defense Establishment. This bill is strictly a military bill; and I agree wholeheartedly with the gentleman from Pennsylvania [Mr. GAVIN] that there should be some reorganization of the Defense Establishment. I could lend very readily my support to the legislation proposed by the distinguished chairman of our committee and by the distinguished minority ranking member of our committee, the gentleman from Illinois [Mr. ARENDS], which would do something about relieving this bottleneck within the Defense Establishment in the area of the Assistant Secretaries. However, this latter is not the legislation now under consideration.

We had witness after witness appear before our committee, including some of the top-ranking civilian authorities and some of the top-ranking military authorities within the Pentagon, who stated the chief bottleneck in the Defense Establishment was too many Assistant Secretaries. So I can readily join in any movement that would tend to reorganize these aspects of the Defense Establishment.

The field of interservice rivalry was very thoroughly gone into by our committee in the consideration of this bill. The amendment under consideration now would not tend to do any more about that situation than you can already do under existing law or that you will be able to do if you accept the pending legislation.

I asked Secretary of Defense McElroy something about this when he was testifying before our committee. He brought up the subject by saying one of the reasons why this legislation is necessary is to correct the impression on the part of the public that there was excessive interservice rivalry. So I asked him whether or not this was an impression or an actuality. The gist of his reply to me was that it was more an impression than an actuality, that, of course, there was some interservice rivalry but in his opinion and in the opinion of almost everyone in the Pentagon it was not as harmful as the public had been led to believe. I asked him whether or not if it did exist to the extent that the public believed it did exist, it could be dealt with adequately under existing legislation. His reply was very emphatically, yes, it could.

So I do not think the amendment that we have under consideration at this moment has a thing to do with either of these two important points. The matter of interservice rivalry can be effectively dealt with under existing legislation. We are troubled there not by legislation or lack of legislation but by lack of decision. I also asked throughout testimony before the Armed Services Committee whether at any time any of the Secretaries of the various services had successfully challenged a decision of the Secretary of Defense. The reply to that was an emphatic no. So, actually, there is no need for the amendment now under consideration to deal with this very important subject. Neither is there any need of it to correct some of the bottlenecks within the Defense Establishment that are resulting from an overabundance of Assistant Secretaries—this will take separate legislation.

I think we should do something about this and if the pending legislation is accepted by the Congress, in my opinion the next study of the Committee on Armed Services should be directed toward doing something about the bottlenecks within the civil administration of the Defense Establishment.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. Does the gentleman believe we would have made as much progress as we have in the missile field and in the atomic submarine field if it had not been for the competition in the services?

Mr. PRICE. I agree with the gentleman, we would not have made the progress we have made if there had not been that competition. It is necessary to pursue several avenues of approach when you are considering these scientific matters—matters of research and development. If you do not we will be left farther behind as we were in the case of the sputnik.

Mr. Chairman, it really came as no surprise to me that President Eisenhower sought a reorganization of the Defense Department along the lines that he did. His approach is a typically military one and is entirely consistent with an attitude which he has evidenced on numberless occasions.

The word compromise has become a byword in the White House these days but it has become as meaningless as many of the other terms which have been thrown around in the ivory tower atmosphere of 1600 Pennsylvania Avenue.

Actually, there never has been any intention on the part of the President to reorganize the Department along any lines other than those which would give him complete and absolute control of the total military organization of the United States.

The idea of joint effort between the Congress and the executive branch, the idea that perhaps a too rigid, too highly concentrated military control would be dangerous in our country never seems to have entered the President's mind. The program as submitted to the Congress—and this is no exaggeration—would have placed the Secretary of Defense very close to absolute power over everything military. And when I say would have placed the Secretary of Defense in a position of absolute power, I, of course, mean to say also that it would have given the President through his agent, the Secretary of Defense, absolute and total power.

Rigidity, narrowness of thought, lack of vision and autocracy have been the hallmarks of this administration. The President's reorganization plan for the Department of Defense is almost classical in its adherence to the attitude exemplified by these words.

As a public official and as President, he has sworn to uphold and defend the Constitution of the United States. Regardless of this, he has twisted section 8, article I, of the Constitution, out of all of its ordinary, commonsense meaning. This section of the Constitution as we all know gives the Congress the authority to raise and support our military forces. It goes further to give Congress authority for the government and regulation of the land and naval forces. Implicit in this part of the Constitution is the power of Congress—and, of course, the Congress is the people—the right to determine the manner in which our Military Establishment shall be run. This does

not mean that the Congress will make specific military decisions or direct the precise conduct of a battle or of a war. That is what our military people are for. The overall policy, however, of how a Defense Establishment shall be run, what checks and controls will be placed in the system are exclusively and undoubtedly the sole province of the Congress of the United States and of the people of the United States.

I do not want any one man—I do not care who he is—to be in full and absolute control of the tremendous military organization which we must have today in the United States. Whether such control is Prussian, as has been frequently said, or Russian, or anything else, it is not American.

The House Armed Services Committee has reported out a good bill. It has granted to the President and the Secretary of Defense all of the authorities which the committee felt should be reposed in the responsible top officials of the Department of Defense. The bill gives the President everything that he said he actually needed. By this I do not mean that it gave him all of the power which the language of his bill sought. Far from it. The stated purposes of the bill and the bill as submitted by the President were two entirely different things. The language of the President's bill was so broad, so all embracing, that while I listened to it in committee, I didn't think of what he could do under the language of the bill—I wondered, rather, what he could not do.

Now, that we have given the bill, which is as broad as the American people should be willing to grant to any man, the President still raises objections to the fact that the power of the Secretary of Defense must, under the bill, be exercised through the respective Secretaries of such military departments. The Bates amendment, which we are now considering, should be defeated.

The objection to this language is not as innocent as it might appear on the surface. The Bates amendment points very clearly to the fact that the President wants no single control, roadblock, or barrier between him and complete control over the military. The Secretaries of the military departments are civilians and in their own way represent the civilian thinking of the country. He would have the quoted language removed from the bill and relegate these responsible civilian officials to the position of mere housekeepers for their respective departments.

Of course, behind these words, too, are many implications which are apparent only to those reasonably versed in the military and fiscal operations of the Department of Defense. If there is no requirement that the President's agent, the Secretary of Defense, exercise his power through the respective Secretaries, then from a fiscal standpoint he has complete control of all of the funds appropriated for the Department of Defense. We need think for a moment of the billions and billions of dollars which are involved each year in our Military Establishment to see what danger lies in the handing of these sums to any one individual.

The second point to which the President objects relates to the transfer of combatant functions. In effect, the President's position is that in order to prevent his transferring any of these functions, Congress should be called upon to pass a law—rather than a concurrent resolution as the bill provides. This is a clever approach since the President, of course, has to sign any law. He does not have to sign a concurrent resolution. So under the President's plan, we would find ourselves in this position. He wants to make a major readjustment within the Department of Defense, a readjustment that may go very directly to the constitutional prerogatives of Congress with respect to our national defense. Under his plan, it would be necessary for the Congress to pass a law forbidding this change and ask the President to sign and approve exactly the opposite of what he wants to do. Here is an anomaly if I have ever heard of one. I hope that when the amendment is offered on this point that it, too, will be rejected.

I feel that Congress will uphold the committee in the position that it has taken. I think further that the Congress as the voice of the people will see to it that no man on horseback will take over in this country, that this country will never find itself in the position that so many European and South American countries have found themselves in the recent past and today.

Mr. OSMERS. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, the problems of the organization of the Department of Defense are among the most difficult for Congress to solve. Under the Constitution both the executive and the legislative branches of the Government share in the responsibility to provide for the defense of our Nation.

H. R. 12541, now under consideration, is a good bill. The unanimous vote of the House Armed Services Committee, after a long period of highly controversial hearings, is the very best recommendation which the bill could receive.

Mr. Chairman, no member of that committee strived harder than I did during the committee hearings and the writing of the bill to preserve and strengthen the President's language and purposes.

While all Members have an obligation to remain openminded as to the exact language in any bill, it would be extremely unwise to attempt to rewrite important sections of this type of bill on the floor of the House. It would be far better to recommit this bill to committee if substantial changes are the objectives of the House. Such recommittal is unnecessary because the language in the committee bill is sufficient to accomplish the fine purposes stated by the President in seeking this legislation.

In one major respect the measure is disappointing. That is its failure to further clarify, simplify, and unify the various elements of procurement and supply within the Department of Defense. Much of this giant task still remains to be done.

The bill is not a radical proposal in any sense. Quite the contrary. It does not create a supreme general staff, in the traditional Prussian sense. In fact, its main purpose is to increase the authority of the Secretary of Defense within the Department at the expense of the individual service Secretaries. This it does. The language "separately administered" has been altered sufficiently to permit the Secretary of Defense to exercise his authority without hindrance from the service Secretaries.

The Nation, in the not too distant future, faces a real defense reorganization in which we may gather in one force our strategic attack elements such as SAC, the intermediate and intercontinental range ballistic missiles, including certain submarines and carriers; in another force our land, sea and air conventional warfare groups, and last but not least, a third group containing our continental and civil defense commands.

As to the pending amendment, it is interesting to note that not one Member has come forward and stated that the passage of this amendment or even the committee language will make any change in present Pentagon procedure. Therefore, Mr. Chairman, it seems to me that this amendment should be defeated and that the bill should be passed unanimously as it was reported by the committee.

Mr. MAHON. Mr Chairman, I move to strike out the last word.

Mr. Chairman, this is probably the unhappiest moment of my life in the House of Representatives. I do not like to take a position opposite to that of my friends, particularly when the party lines are being tightly drawn. However, I was glad when the gentleman from Massachusetts [Mr. MARTIN] said that there was going to be no politics in this bill, and I was glad when that sterling, distinguished, and stalwart leader, the gentleman from Georgia [Mr. VINSON] said he wanted everyone to vote his convictions. Regardless of political considerations, I cannot be unfaithful to the trust I hold.

During the last 10 or 15 years I suppose all would agree that I have probably listened to the testimony of more men in uniform than any Member of the United States Congress. But I stand before you today as a mere novice, as we all are, because this field is very complex, big, and very difficult.

I was saddened when I read in the paper early this morning what I assume the American people will read, that this issue of defense reorganization will be decided today on the basis of partisan politics. If it is, it will be a sad day for the American Congress and for the American people.

It has been perfectly obvious since we entered the missile field and found ourselves on the threshold of the space age that we would probably go bankrupt and still not have an adequate defense system if we did not reorganize the operations of the Department of Defense, Mr. Chairman. Anxiety and pressures and interservice rivalries have constantly mounted and the cause of defense and the American taxpayer have suffered.

It has been perfectly obvious that there was no man in Congress who had sufficient military background, experience, and prestige with the American people to take the initiative and get the job done. And if we had in the White House a man without a very distinguished military background, who sought to do it and encountered the buzz saw of the Pentagon, he, too, would be cut to ribbons, because the pressures of the Pentagon are terrific. I have felt them and I feel them today.

But I hear the call of the people, the American people, today, too. And that voice is more dominant than that of any of the pressure groups.

Mr. Chairman, I have made speeches on the floor and in Texas and elsewhere saying that it was the bounden duty of the President to take the initiative, in view of his unusual background in this particular field, straighten out the Pentagon and give the American people, at something like a reasonable cost, the kind of defense they are entitled to in this dangerous world. I think many of you, in the hustings back home and before the service clubs, have done the same thing. You may have said, "Why won't the President move out on this issue?" That is what I have been saying for many months.

Last fall sputnik came along, and this gave the President, Congress, and the people the incentive to move. It is true, we have won our previous wars, but usually we have had somebody to hold off the enemy while we took a year or so to get ready. We have always had to reorganize our defense setup after the war began. We will not have time if another war comes.

I even went a step further in the matter of defense reorganization. I took my hat in hand, because I knew the survival of democracy somewhat depended upon it, and I went down to the White House and said, "Mr. President, I believe you should lead in this field, and I think the American people will support you; and insofar as I can do so you may depend upon my support, for whatever it is worth."

Mr. Chairman, I ask no one to vote with me. Those, on either side of the aisle, who feel that the best interests of the Government will be served by following the party line should do so. Of no one do I ask a vote in accordance with my views. I only speak to express convictions long held. But how could I sit here mute and silent today when this issue is before the Congress, when I have had so much to say about it in the Congress and at home? Shall I be afraid to say what I think here? My answer is "No."

I am not going to rebuff the President on this issue. I do not think it would be good statesmanship or good politics. I think the President has come a long way from his previous position and the Committee on Armed Services can claim a signal victory. The committee has secured practically everything it has sought to get. It seems to be a victory for the Committee on Armed Services. And in these admendments, which the President has, in a spirit of compromise, finally agreed to, he has, I feel, given way to the committee to a very large degree.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, I have observed in the House and in the courtroom that we do not always know when we have won a victory. This has been a victory of the Committee on Armed Services, and I take pride in their good work. These differences between the House committee and the President are not great enough to block unity on this great national issue. The President has come such a long way and the nature of the differences between the White House and the Committee on Armed Services are such that I regret to see so much controversy arise.

I do not see why we cannot say, "Mr. President, the people think you are a great leader in defense organization. We want you to have a maximum opportunity in this area where you are so well qualified to lead."

When we go back to our districts people will be asking us questions. If the Defense Department tries to shoot the moon or orbit the moon with a rocket and the effort is a failure, the people may have a disposition to say, "Well, Congressman, if you had given the President what he asked for in Defense reorganization, we would not only have hit the Moon, we would have hit Jupiter and Mars and a few other places. You have been telling us for years that the President ought to take the leadership in these matters and yet you stubbornly refuse to give him the tools with which to do the jobs." I cannot very well fit myself into any such position.

When we get to 1960, and the people say, "Are we still behind the Russians?", and I am afraid we may be, do I want to say "Yes" to the charge that we failed to give the President the powers he needed for survival in the space age? These questions deserve serious thought.

I do not see any reason why, in the name of statesmanship and politics and good judgment, we should fence ourselves in. I just could not fence my conscience in despite the pressures of today. If we give the President the tools he wants and he fails to lead America toward preeminence in the space age, the fault will be his, as he will under our system of government have the responsibility for leadership. If we take the responsibility of denying the President the tools—and the differences between the President and the committee are not insurmountable—if we do not give the tools to him, then the Congress may be held responsible for the shortcomings of the military department from this day forward. Why we cannot see it I do not understand.

I am no troublemaker for the House Armed Services Committee. I work with them and they work with me. This is one of the few times I have spoken in disagreement on a bill presented by the Armed Services Committee.

Some time ago the House Armed Services Committee, through its representatives, came before the Appropriations Committee and insisted that we raise the Army above the President's request. The committee declined to do this, but the Armed Services Committee played a major role in raising the uniform strength of the services above 2½ million men, the figure which had been recommended by the President and a majority of the Appropriations Committee. This was all right. It was democracy in action. Sometimes we on committees tend to lose our perspective. Sometimes we cannot see the forest for the trees. It is good always for the House to work its will. We must remember that the House is not the creature of the committee but that the committee, Mr. Chairman, is the creature of the House.

I have great respect and admiration for the gentleman from Georgia, the chairman of the Armed Services Committee. I almost always follow his leadership, and he is always most kind to me. He has great stature. He has been a tower of strength through the years.

And PAUL KILDAY? There is no abler man in the Congress than PAUL KILDAY. It makes me swell with pride that he is a member of the Texas delegation, which is not made up, I hope, of weaklings.

The President, who, in the final analysis, will have the responsibility for administering the reorganization bill, has been willing to give and take as is his custom. Let us not demand the last ounce of flesh lest we chance the loss of the victory for Congress which this compromise will effect.

I realize that as committee members, we—all Members of Congress—have a tendency at times, after we have worked on a bill, to believe that if one single amendment is adopted, the house of democracy will come tumbling down and freedom as we know it will go up in smoke. Let us not deceive ourselves. We have a wonderful country which is strong and very much alive.

This bill provides even greater civilian control of the military. I have never seen a military man yet, appearing before our committee, who did not, when asked for his personal views, give a helpful statement as to what they were. There are often reservations, of course. You cannot and should not bridle the Pentagon. Officers there are not bridled today. The men in uniform can always find ways to make their views known to Congress.

Please do not compare us to France, with respect to military matters and governmental problems. In France, by reason of splinter parties and poor leadership, democracy, in a measure, ceased to function. As I view the American scene, we have a strong Congress and a strong executive branch, and there can be no threat of military dictatorship as long as that is the case. The example of France shows that if you have weak leadership in the Parliament and weak leadership in the Executive, and there is somewhat of a vacuum in the place where democracy should sit enthroned,

serious problems as to national stability arise.

The American people would not tolerate military dictatorship or the threat of military dictatorship. Congress has control of legislation. We can pass laws. We can repeal them. Moreover, Congress has the power of the purse. We appropriate money for the Defense Department, specifying the areas where it can be spent. We have the power to give. We have the power to withhold. It is money and the control of the purse strings that is going to have a great deal to do with this issue.

So, Mr. Chairman, in the light of these strong convictions, I have made these remarks in the greatest earnestness not for the purpose of persuading even one person—this is not a show of strength between committees of the House.

I would just like for us to tell Mr. Eisenhower that we do not feel that the differences are insurmountable, that we will give him the responsibility he requests. Under our form of government, it will be his responsibility to administer the law and make it work. He will need the support of the Congress and the support of the American people.

How can we, my colleagues, miss the path of duty when the road is so clear? I, for one, shall try to follow through. This issue transcends partisan politics. It is not a matter of being a good Democrat or a good Republican. It is a matter of serving the public interest on a very vital issue involving the destiny of our country. We want to see democracy function. And I have the faith to believe that it will.

Mr. BECKER. Mr. Chairman, having to follow the gentleman from Texas [Mr. MAHON] is going to be a rather difficult job, because he certainly made a very statesmanlike position known to all of us. However, because of many statements that have been made here today, I want to try to clear the record in a few instances.

First, it was said by a member of the committee that he felt sorry for those on this side of the aisle because of the terrible pressure that has been brought upon us to support the President's plan. I want to make it known right now to my good chairman of the Committee on Armed Services that when I voted this bill out of committee I did so and stated that I reserved the right to amend on the floor. At that time I knew, and I have prepared here the very amendments that the gentleman from Massachusetts [Mr. MARTIN], my good minority leader, injected into the bill he introduced, because these are the actual things that should be done. While I support wholeheartedly the bill that is being offered today, it does not go far enough. The statement has been made that politics has been injected into this. It was made by my good friend from Louisiana, a member of the committee. That was the first time partisanship was injected into this area of the armed services H. R. 12541. Yesterday afternoon on the floor of this House a Member on that side of the aisle was the first individual to inject the idea of partisan politics into this proposition. It never came from this side of the aisle.

Let me go one step further. Of course, we had a conference yesterday afternoon. Why should we not have a conference to have an opportunity to explain these amendments to the Members on our side of the aisle? Since when is it wrong that I, as a member of the Republican Party, I, as a supporter of the President of the United States, should be charged with being subject to pressure because I support his position? I think that is fantastic and utterly ridiculous.

Now, speaking on this amendment, the majority leader stood on the floor of this House a little while ago and he injected into the RECORD a letter that President Eisenhower sent in 1953, when he sent up Reorganization Plan No. 6 of the Defense Department. Well, surely the majority leader will agree with me that he would be the first one to criticize Dwight D. Eisenhower as the President, were he to rest and let matters stand as he recommended in 1953, and did not move along with the times. The majority leader, knowing him and respecting him as I do, would be the first one to raise his voice in criticism that the President remained in status quo as of 1953. So we do not pay much attention to that.

In closing, I want to call this to your attention, as to what you are asked to do today: I am supporting this amendment of my own free will, and so will anybody in this House, as the gentleman from Texas [Mr. MAHON] said. If anyone votes because he has been subjected to any pressure, I would lose my respect for him. I shall vote my own free will as an elected Member of this House and as an American citizen. But I call to your attention that in 1947, when the National Security Act, when the defense organization was established, look into the CONGRESSIONAL RECORD, look in the newspapers, and see what the American people were sold. They were sold a bill of goods that they were going to get unification of the Armed Forces. They were going to get efficiency in the military department. They were going to get complete command from the Commander in Chief down through the services. They were going to have better control. What did we do in that act? The act did none of those things that we are asking here today. We built an umbrella over three separate Secretaries. We created more jobs. We created greater bureaucracy with more channels that orders must flow through. In order to get, in this era of space age, atom and hydrogen weapons, more efficiency, these amendments are essential.

I say these amendments are excellent amendments and should be adopted by the House.

Mr. ARENDS. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I share the views expressed here about how unfortunate it is to have politics injected in this whole question of defense reorganization being debated here today. I am distressed that political consideration should enter into this or any other defense matter. I was concerned, but not upset by this development. I have confidence in the wisdom of the House as a whole that they will not be motivated by partisan politics in their approach to this important matter. Let us forget politics. Let us on both sides of the aisle say no more about politics being involved here.

As a member of the Armed Services Committee I feel the committee has brought to the House a constructive legislative proposal. As I said yesterday, it contains 16 of the 19 recommendations requested by the President of the United States. The President's letter was read into the record of our committee hearings. If I recall correctly, it was upon request reread. No one can fail to understand the last sentence of the letter from the President of the United States wherein he said that in only two major instances was he in disagreement with the bill. The President congratulated the committee on the constructive work they had done, but then he clearly pointed out that there were these two sections with which he was in disagreement. The members of the committee felt they had produced a good bill and all of us voted for it, some with reservations, and the chairman, when a member raised the point about reserving his right to vote as he saw fit on the House floor said, "Of course, it is the general and accepted practice."

So today some of us stand here in support of the President of the United States on those two items of disagreement. I talked to my chairman several times, in complete and utter frankness, about the possibility of getting together on these amendments in the hope we could reach an agreement. The chairman will confirm this. He asked: "Why do you not see if the President will agree? Why do you not see what the President thinks about these revised provisions?"

So the gentleman from Massachusetts [Mr. MARTIN] and I talked to the President about whether something could be worked out in order that we might have complete unanimity. Finally, some changes were made in the language to which the President said: "All right; I am not forsaking principle; I am not asking anyone to foresake principle, but if these changes will be effective in bringing about a better bill, clarifying the language and improve it, it is acceptable to me."

I came back and presented the changed language to the chairman of my committee. He later saw fit to say to me that he did not see how he could agree to the proposed changes in language.

I say this to the House only to try to make the Members understand that there has been an honest desire and real effort made to find the course on which we could all unite.

Yes, the language has been changed to clarify and improve. I am hopeful that the Members of this great House of Representatives, working our will as a body, will adopt this language. It will meet with the approval of the President of the United States and we will have complete unity on this important measure.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amend-

ments thereto close in 35 minutes, that 10 minutes of that time be allotted to the committee to close debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I would like to have the attention of the gentleman from Georgia, if I may, because I have taken this time for the purpose of getting an interpretation of certain language in section 2 of the bill. I draw his attention to page 2, lines 19 and 20, and to the following phrase, "to eliminate unnecessary duplication in the Department of Defense."

I call his attention also to the words following that phrase, "and particularly in the field of research and engineering."

I know that that language is new language and is not contained in the National Security Act of 1947. May I ask the gentleman whether the intent of the committee is that matters of supply shall be subject to the elimination of unnecessary duplication, if the committee had in mind that at the present time the three separate services are conducting supply functions which are unnecessarily overlapping and duplicating and that one of the purposes of this legislation is to reduce that unnecessary duplication?

Mr. VINSON. I would say "Yes." To be specific, amendments will be suggested by the gentleman from Massachusetts [Mr. MCCORMACK] that will seek to clarify what is known as central procurement, which will result in real economy and eliminate duplication.

Mr. MEADER. I wonder if it would not be in the intent and the objectives of the bill also that unnecessary duplication in supply functions would be eliminated?

Mr. VINSON. They have ample authority today, I believe, under existing procurement legislation, to eliminate all duplications.

Mr. MEADER. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SHEEHAN].

Mr. SHEEHAN. Mr. Chairman, I am heartily in favor and will work for the passage of a proper bill in order to reorganize the Department of Defense.

I am in the process of tabulating the results of my annual public-opinion poll in the 11th District on the northwest side of the city of Chicago in Illinois. One of the questions asked my constituents was their opinion on the defense reorganization plan. The question in the poll is as follows:

Do you approve of reorganization of our Defense Department?

On this question, not quite half of the replies have been tallied and the results are as follows: 2,472, or 80 percent voted "yes"; 269, or 8.5 percent voted "no"; 359, or 11.5 percent expressed no opinion. Total, 3,100, or 100 percent.

Of those who expressed an opinion, 90 percent, or 2,472, expressed themselves favorably and approximately 10, or 269, voted against a reorganization of the Defense Department. In my mind, these results unquestionably prove that the rank and file of voters in my District, and I might add that this would also hold true of the rest of the country, approve of the reorganization of the Defense Department.

As the report accompanying H. R. 12541 stated:

There is no disagreement with regard to objectives; the problem area lies in the method of legislative expression.

In other words, language trouble was the committee's main problem. This primarily is a question of semantics, a problem occasioned by the meaning of words. I am positive that my constituents and the rest of the country are not interested in word problems but are interested in action which will produce beneficial results.

The committee report stated that it was difficult to fully comprehend the President's objections to certain words. I might add that I, and I would guess the President also, find it difficult to fully comprehend the committee's objections.

The President, in his letter of May 16 to Mr. VINSON, objected to the wording in the bill at that time and suggested changes which would result in greater departmental and operational efficiency. It appears to me that as long as the main problem in the bill is a question of words and there does not seem to be clear-cut agreement among the great majority of House Members as to what is the proper word, we should give every possible consideration to the suggestions and ideas of the Department of Defense and of the President.

I am sure that the people in the country will not come to us and quibble about words and phrases but will want to know what results have been accomplished.

It seems to me a false bugaboo has risen in that the President's recommendations might put too much power in the hands of the military and deprive Congress of some of its constitutional prerogatives. I do not agree with this thought. The President's constitutional power as Commander in Chief gives him in time of war every possible latitude he might need to enable him to carry out the war to its successful conclusion. If he can do this in wartime, it would be reasonable to enable him to take such steps as to bring this constitutional authority to its most competent and efficisent use, before an actual state of war exists.

Of all the Presidents who have served our country, very few have been professional soldiers. This leads me to conclude that the chance of any permanent military control over our Defense Establishment is remote. The President, as Commander in Chief, in his appointment of the Secretary of Defense and in his role in the military as Commander in Chief, practically guarantees the citizens of our country that we will always have civilian control of the military.

Insofar as the committee itself points out the problems of language difficulties, I think we should support the President's suggestions in every manner possible, so as to bring forth a defense reorganization bill which will insure efficiency and economy.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, it is much to be regretted, I would say, that this question has to be considered from the standpoint of politics. I think most of the Members on both sides of this aisle will agree with me that we would not in any way interpret the President's past actions as Executive of the United States in an ultra partisan manner. I do not always agree with the things the President advocates, but here we have a position that concerns this country at a time when we are facing world conditions that make it necessary that our Defense Department be so organized and so constituted that we will not make mistakes in case we get into conflict in world affairs as we have done in times past.

I, for one, am not able to interpret any great differences between the wording as suggested by the committee bill and the wording of the amendments offered today. But since the President of the United States is the Commander in Chief of our defense forces and since he is responsible for the operations of the Department of Defense during times of war, if he believes and he says we should have the wording which has been submitted in these 2 or 3 amendments, then I am for the President and will vote to sustain his wishes in that respect. A lifetime of experience in military affairs during war times as well as times of peace, in my opinion qualifies President Eisenhower for authoritative leadership in the problems concerning the defense of our country.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, my very good friend, the gentleman from New York [Mr. BECKER], made what seemed to me to be a most remarkable and amazing statement; that is, if I heard him correctly, and I am going to read it a couple of times tomorrow. I understood him to say that in 1947 Congress had been sold a bill of goods; is that right? Is that what he said? I think he did. What happened in 1947? They wanted a reorganization bill. Harry Truman was President, was he not? The Republicans were in control of the House, were they not? My good friend, the chairman of the committee, the gentleman from Georgia [Mr. VINSON], nods that they were.

So what happened? The leadership in the House took 6 men off the Committee on Rules and put them over on the Committee on Government Operations which was charged with writing the reorganization bill. And in July of 1947 we held hearings and General Eisenhower, now President, appeared as a witness. The committee, with 6 members who had been on the Rules Committee having the controlling influence on that committee, closed the hearings while 26 witnesses, 24 of them high-ranking officers in the armed services, were waiting to testify. They were denied the opportunity to express their views.

Congress wrote a bill that we thought—wait a minute, I will strike out "we"—that some thought would give us unification, economy as well as efficiency. We did not get it and I doubt if we ever will get the utmost economy and efficiency, just as long as individuals have differences of opinion and we have different departments in the armed services. Nevertheless, an effort was made and we did get out a bill. And that act did improve the situation. If someone was sold a bill of goods at that time we were at fault for Republicans were in control. In my judgment we did improve matters to a rather large degree.

I wish someone who knows what is going on will tell me whether or not we are being sold a bill of goods this time, because most of us, I think all of us, in fact, want economy and efficiency in the armed services and want an end to this waste. The one thing that bothers me personally is the thing which bothered the committee at that time, that is in 1947, and that is whether we were going to permit the Marines to be sold down the river.

If you read page 13 of the report, if you will read page 271 and subsequent pages of the hearings where General Eisenhower testified—he was a general then—you will see that at that time there was an effort to lessen the roles and missions of the Marines. That was denied. As a matter of fact, I doubt if the executive department can do away with them. I do not believe the public would stand for it. The Marines are too firmly established in the confidence and admiration of our people. You just could not get rid of them if you tried, which naturally we do not want to do.

Will someone please on our side who is in charge—I wish our whip was here; but I notice the President's spokesman, the gentleman from Indiana [Mr. HALLECK], is here, and maybe he can tell me; maybe the gentleman from New Jersey [Mr. OSMERS] or the gentleman from Pennsylvania [Mr. GAVIN] can tell me—is there anything in this bill which would permit a President, the one we have now, or one who may be selected, hereafter—to get rid of the Marines? How about it, Mr. Chairman of the committee?

Mr. VINSON. I suggest the gentleman propound his question to the gentlemen on that side who are trying to correct the bill. They are probably in a better position to answer it than I am.

Mr. HOFFMAN. As I understand it, this is the gentleman's bill. He has had long hearings and had every type of opinion.

Mr. VINSON. As to the Marines, have no fear; but I just do not know what will happen if these amendments go in, and that is what I stated on the floor of the House yesterday.

Mr. HOFFMAN. The gentleman does not know?

Mr. VINSON. No; that is, if you adopt these amendments, the Marines may be in jeopardy.

Mr. HOFFMAN. Now I will ask someone on our side, because I want to know, I wish to be sure if that is possible, so I will know how to vote.

Mr. TABER. How could they be in jeopardy?

Mr. HOFFMAN. Well, under roles and missions, if the Commander in Chief assigns them or cuts off their duties—if you read page 13 of the report or the testimony taken in 1947 you can see how it can be done. It can be done, if the amendment is adopted all right enough, if the Executive so desired. The language will then permit. We need unification. We cannot, however, afford to slip into a dictatorship.

Mr. VINSON. The gentleman is absolutely correct, under his own admission.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HALLECK].

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I just want to call to the attention of the membership that I asked every witness that appeared before our committee whether anything in this legislation would eliminate any particular branch of the service. They answered, "No." I said, "Is there anything in this legislation that would eliminate any part of any branch of the service?" Their answer was, "No." Let me say if any attempt were made to eliminate any part of Navy Air or the Marine Corps, I would be one of the first to rise in their defense.

Mr. HALLECK. Mr. Chairman, I refuse to yield further. I have been trying to say a few words about this very important matter all day and I am still having difficulty. In any event, there are a few observations I would like to make.

First of all, when I used to try lawsuits in court I discovered that if I did not have a very good case I had better talk about the guy on the other side or his lawyer or something. I am a little inclined to believe that all of this talk about politics with which we started off today was just a device to draw us away from the real issue here presented, because the gentleman from Georgia and the majority leader certainly know that we on our side have conference after conference when we discuss matters, and that certainly does not mean the injection of politics.

Also it should be understood that the President of the United States was called upon by leading people in the Congress of the United States to take the initiative in this very much needed matter of reorganization in the Defense Department. He has taken that initiative. He has done a magnificent job, and as far as I am concerned I stand with him and the people who have advised him in this action.

I should like to say to my friends on the right over here, who never play any politics, I understand that—having been here just 24 years I have been on the receiving end of some of it—if you want to consider politics you bear this in mind, that the people of this country are demanding reorganization and unification in the Department of Defense. They know we are in for a long pull. If this country is to remain strong militarily we must have efficiency, or we will go bankrupt at home and lose the very freedoms we seek to protect.

Having said that, I say again, we must have real unification. Why, in the 79th Congress when you Democrats also controlled the Congress you voted for the reorganization of the Congress. As the leader in the Republican 80th Congress it fell to my lot to unify the committees of the House of Representatives. I unified the Naval Affairs Committee and the Military Affairs Committee. The result of that was to keep my great friend, Sterling Cole, from becoming chairman of the Naval Affairs Committee.

Then we had the Defense Department reorganization act and I have thought ever since that about the only unification there has ever been was accomplished right here in the House of Representatives when we unified the two committees. It is about time we had unification in the Department of Defense itself. I think there is a difference in these positions or else the gentleman from Georgia and the gentleman from Texas would not be arguing, as they have been arguing. Why, as we look back over the development of this legislation, what was done? The President of the United States appointed a commission headed by the Secretary of Defense with great men like Bradley, Radford, Foster, Coolidge and Gruenther on it. They gave their time to this. They studied this whole matter. They came up with a recommendation. I think the President did the right thing when he said to the committee, "So far as you have gone, I commend you, but these additional things you should do." You people here on my right apparently are standing as a solid phalanx. You talk about politics. It will be interesting to see how many Democrats support these amendments. Yes, it will be mighty interesting to see that. Actually, what you should do is to take these amendments so that we have real unification at long last in the Department of Defense. That is what we want. That is what the people of this country want. The details here have been argued long enough and it is not for me to add to them. I say, certainly, this amendment should be adopted to the end that this country achieve the efficient defense that is needed in this age.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I am sure my colleagues are wondering why I take this time to discuss this important piece of legislation at this point in the debate. I do such not because I set myself up as a military authority, although I think I have had as much military experience as most and maybe more than some. Certainly not at this level, though. My experience was at the infantry battalion level. It was more than adequate to prove beyond any contradiction that at certain times and certain places in a military situation, you simply cannot stop to take a vote on what you are going to do, when you are going to do it, or how you are going to do it.

The thing that compels me to talk on this amendment and the other amendments to be offered is this. Last weekend, I made a 2-day trip into my District

to my hometown of Cheyenne, Wyo. I participated in the ground-breaking ceremonies for the first ICBM missile base in the United States. There has been speculation as to whether or not that makes us the Nation's No. 1 target. I am not going to discuss that with you here. The argument was just made, though, on the floor of the House that the President submitted to this Congress in 1953 and praised a reorganization plan which called for a chain of command from the President to the Secretary of Defense to the designated civilian Secretary of a military department, as provided in this bill.

I say to you that that may have been a very good and a very adequate plan for 1953, but we are not interested in what was good for 1953. I am interested in what is necessary to meet the situation on June 12, 1958, and what happens now. In 1953, Francis E. Warren Air Force Base was a technical training base. About 20 years ago, horse cavalry troops were stationed there. What is an adequate organizational plan and chain of command for horse cavalry warfare, what is good for 1953, has no relationship to what is required in 1958. Last Saturday's ceremonies in Cheyenne, Wyo., were attended by the outstanding missile experts of our military services, by General Twining, Chairman of the Joint Chiefs of Staff and by the civilian contractor's experts. Let us not forget that this country will never be in the role of an aggressor. Not one single person at that meeting took issue with the repeated statements that if we are ever faced with an enemy intercontinental missile attack, we will have only 30 minutes, or maybe even much less time, in which to react. Can I represent the people of my home town—can I represent the people of my district—can you represent the people of your home town or of your district—and can we all collectively properly represent the people of the United States here in this Congress with regard to their individual and collective security, and be a party to putting a single road block in the way of the proper reaction within that 30 minutes or less time available? How we vote on this amendment may well be all-important to the very security and survival of this country.

Because of some of the statements that have been made on the floor of this House that these amendments are really unimportant and are only questions of language, I have studied them very carefully. If I understood the gentleman from Texas [Mr. KILDAY] correctly as he spoke just a few minutes ago, he agrees with me that this is not the fact that the effect of this proposed amendment is most substantial and important. As I understood him and as I had individually concluded, the committee, by the language in the committee bill, has put back in the bill in substance the very words "separately administered," deleted from the present law. They do this by providing that each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective Secretaries of such departments. If that is not separate administration, when the Secretary of Defense has to exercise his control through the Secretaries of the departments, then what is separate administration? I agree with the gentleman from Texas [Mr. KILDAY] that this is the same provision in the present law, dressed up in different language.

That being the case, every criticism that the President made in his remarks of May 28 applies to the committee bill without this amendment, and the criticism is sound. No language in the committee report changes that, or there would be no opposition to this amendment. The President, by this amendment, has met the objections raised in the committee report to his proposal by expressly stating the authority of the Assistant Secretaries of Defense, as indicated was desired by the committee in its report. He has met their objections. They have not met his sound objections to the committee proviso as supplying the proper organization and chain of command to meet the requirements of the present day ICBM situation. Having spoken personally with the President about it, I know he has a firm belief in what he says and a firm conviction that it goes to the very security and survival of this country. With his experience in this field, I would certainly take his considered judgment. Having considered it carefully, I am confident that he is right. With regard to this issue, his criticism was directed to its bringing about frictions, delays, duplications in the Defense Department. There is no room for this in an ICBM age of 30 or 15 minutes reaction time.

I have been speaking about command authority in a tactical situation that may very well not be a part of a separate unified command; yet is America's number one ICBM missile base constructed not to make war but to deter war and to provide peace. I am confident that we do want to detract from that deterrent or to comfort the Russians by compounding the difficulty of reacting within the limited time available in all events. We must provide for a direct line of command.

As the ground was broken for this first ICBM missile base in the Nation, another truth was altogether too evident. This single missile base may well cost in excess of $100 million. It is but the first. To deter aggression, we must continue to make adequate appropriations. When, as it has, the amount that we are appropriating reaches the $40 billion per year mark, we are face to face with meeting the very serious problem of preventing ourselves from being destroyed economically from within, as the Russians have many times stated would be the case. Under the present law, the Secretary of Defense's control is only negative. This must be strengthened. Apart from the combat functions, to provide for our security on the most economical basis, he must have adequate authority with regard to supply and procurement, to training, to schools and to the adjustment and elimination of posts, camps, stations and bases. If this is not done, as the President has stated, we will continue by Congressional approval wasteful duplications, administrative delays and interservice rivalries, all at a tremendous cost in taxpayers' dollars.

The President has met the requirements of the committee as expressed in their report, in specifying the staff function of the Assistant Secretaries of Defense. This amendment is necessary to meet the objections of the President. Otherwise we will have what has been characterized as a legalized bottleneck.

The amendment to be offered with regard to change of military roles and functions is also necessary, if expensive interservice rivalries and bickering are to be eliminated and if we are to provide for the streamlining of our military organization to meet the requirements of the missile age. All this amendment requires, in the main, is that the Joint Chief of Staff of a particular service convince just one other member of the Joint Chiefs of Staff or the Secretary of his department. It is then required that the objections to the transfer be stated in writing and that they be of a substantial nature that goes to the combat capability of a military service and the national security. This is a reasonable requirement if we are to prevent a single representative of a single service from blocking a necessary or expense-saving transfer, solely for jealous preservation of the prerogatives of his own service.

With regard to the third amendment that has been discussed and is to be offered, the important element is not the striking of the words "on his own initiative." The important provision is that the member of the Joint Chiefs of Staff is permitted only to present his case to a committee of the Congress, instead of conducting an organized lobby behind the back of his military superiors and the President as the Commander in Chief. By requiring that the case be presented to the committee, we are assured that it will be presented openly by written statement or testimony. It will stop, and properly so, the organized buttonholing of individual Congressmen. It preserves the prerogatives of Congress, assures us, and all of us, of receiving necessary and proper information, but again stops the organized lobby of the individual services.

The Secretary of the military department is an appointment of the President and directly responsible to him. He should properly be a subordinate of the Secretary of Defense. He is not an expert. He is not a career military man. If he cannot agree with his boss, as in any civilian business or similar situation, he should resign. Some have. As a private citizen, he can talk all he wants. Without this amendment, when the individual services are permitted to set themselves up as an organized lobby, it does invite interservice rivalries, disunity, blocking of defense modernization, and it does approach legalized insubordination. The amendment will provide for every necessary and proper safeguard, to see that Congress gets the

information in the proper manner whenever a question is involved that is sufficiently fundamental as to cause a member of the Joint Chiefs of Staff to be willing to present it openly and publicly to all Members of the Congress, through the committee.

Mr. Chairman, I again state that we need to meet the situation that confronts us today, in an age of ICBM's, in an age of providing for an adequate security and yet maintaining our economic system, and in an age of 30-minute or less reaction time. If we are to provide for the security of this country and the survival of our people, we must bring about this reorganization. I urge the adoption of the various amendments as they are presented. I particularly urge the adoption of this amendment, now being considered, for I think that it is fundamentally necessary for the proper chain of command to meet the requirements of the missile age.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. HALLECK. I think it ought to be understood that this is developing into quite a conflict between the President and Democrat Members who oppose these provisions that he supports. As far as I am concerned, the President has the confidence of the people in this matter. I believe they will conclude that he is right.

Second, apropos of his being aggressively for effective reorganization, I recall it was not very long ago we were told by our friends on the Democrat side the President has got to fight for a mutual-assistance program; the President has got to fight for a reciprocal trade program. By the same token he has a right to fight for this program which means so much to the people of this country.

Mr. THOMSON of Wyoming. I agree with the gentleman.

Having spoken personally with the President about this, I know he has a firm belief in what he says, that if we do not do what he is asking we are going to continue to approve wasteful duplication, delays; we are threatening the security and survival of the United States both militarily and financially.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

Mr. BUDGE. Would the fact that the House, through its Appropriations Committee, in the bill which recently passed the House—the fact that the House, and I assume the other body will approve, has raised the number of personnel in the Marine Corps not be an answer to the suggestion that the passage of this legislation would result in the destruction of the Marine Corps? As long as the purse remains in the Congress, there is certainly no point to that argument.

Mr. THOMSON of Wyoming. The gentleman is exactly correct. This bill provides for civilian control, and for the control of the Congress, as the gentleman has pointed out. I urge adoption of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Georgia to close debate.

Mr. VINSON. Mr. Chairman, at the outset of the 10 minutes, I want to take 1 or 2 to reply to the essay of the learned and distinguished gentleman from Texas [Mr. MAHON]. I deeply regret that running through his brilliant remarks was a thread of resentment. Yes, that is the right word—resentment—because the House the other day rejected his proposal with reference to keeping the Army at 900,000.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. VINSON. Yes, I yield.

Mr. MAHON. If there was any thread of resentment, I hope it may be erased. I have not resentment against anyone. I have great admiration for my friend from Georgia and high respect for all my colleagues. I would like to see the House work its will. The House is usually right.

Mr. VINSON. Well, the gentleman worked it in by pointing out the activity of the Armed Services Committee. Of course, the Armed Services Committee was active in the matter, like we are active here today, because we are interested in the welfare of our country. So is everyone else. The gentleman devoted his entire time along that line of argument and thought. I was hoping that he might discuss the amendment. I was hoping that the brilliant gentleman from Indiana [Mr. HALLECK] might discuss the amendment, but he, too, failed to say anything in regard to the amendment.

I stated that I wanted these amendments considered on their merits. I think in addressing this Congress composed of able men, I can demonstrate to a mathematical certainty the fallacy and weakness of these amendments. Put the yardstick of construction on these amendments. Let us read it. Now listen to this. I invite the attention of the gentleman from Indiana, learned and able as he is, to listen to this amendment:

> Each military department with its own Secretary, Under Secretary, and Assistant Secretary shall be separately organized and established under the direction, authority, and control of the Secretary of Defense.

What has been created by the language of this amendment? The gentleman is a lawyer. Let us see if we are going to pass on it on its merits. Three things in the lines I have read have been established:

The first is that each military department shall be separate.

The second is that the Secretaries will organize the military department.

The third is that it will be under the direction of the Secretary.

That is everything that it does; that is all it does. Now, here are my comments on it: I call the attention of the House to the fact that the amendment offered by the gentleman from Massachusetts does not, I repeat, does not provide that the military department shall function under the direction, authority, and control of the Secretary of Defense; it merely provides that they shall be organized separately and shall be under the direction, authority, and control of the Secretary of Defense.

Thus the military department will have no statutory reason for existence other than the fact that it shall be separately organized. Separately organized for what? I ask the gentleman from Iowa [Mr. CUNNINGHAM] a member of the committee. They do not even have the right to function.

The amendment creates a body but eliminates the very heart. The amendment offered today even deprives the department of the right to function. How can you run a department unless it has the right to function? Where is the authority in the language of this amendment that the secretary of a department can function?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Indiana.

Mr. HALLECK. I have listened carefully to what the gentleman has said. I must say that the impression I get is that the amendment presently pending would provide more unification than the gentleman wants.

Mr. VINSON. Of course it will not. It is a dead letter. It will not amount to a thing except to create confusion compounded. That is what will be accomplished by it. Now, let us go on further.

Since they will have no statutory right to function, the only thing the amendment creates is a shell without any substance whatever. The amendment takes the blood out of the veins and creates a vacuum. It does not replace it even with water. That is the trouble with the amendment.

The big difference exists between that and the committee bill. In the committee bill we said that under the direction, authority, and control of the Secretary of Defense, the Secretaries of the departments shall function under the Secretary of Defense. If you adopt this amendment what happens? They try to correct it later by saying that the Secretary of Defense can delegate authority to the Assistant Secretaries of the departments. Suppose the Secretary of Defense does not delegate any authority to the head of a military department. Then they do not have any authority, then no responsible head could function—there is no authority to operate.

I know all about this amendment. It has been around our committee room for weeks, and we have been pointing out its weaknessses to them. Not a man on this committee would have dared in the first instance to have voted for this amendment, because it does not fix responsibility.

Who will be responsible for the Department of the Army under this amendment?

Where is there a line in this bill that says the Secretary of Defense is responsible for his Department? Read it yourselves. Here it is:

> Each military department with its own Secretary, Under Secretary, and Assistant Secretary, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense.

Is there any authority in those words for the Secretary proper to run the Army? Of course not. Not a line in

here to authorize him to do that. That is the weakness.

I am appealing, not on political grounds, I am appealing to the intellectual attainments of a distinguished group of Americans that constitute the Congress of the United States.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New York.

Mr. TABER. Do I understand the gentleman does not agree that the Secretary of Defense should have control over the whole setup?

Mr. VINSON. Of course, I agree that he should be the boss. No doubt about that. We have written it in the bill time after time that he is the boss. But what is the authority of these Secretaries of the Departments? What is the authority, I ask the gentleman from New York, under this language of the Secretary of the Navy Department, the Air Department, and so forth?

Mr. TABER. They all have authority in existing legislation.

Mr. VINSON. This is all the authority they have. This is the language establishing the three Secretaries. This is the only authority that is given to them.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Massachusetts [Mr. BATES].

Mr. ARENDS. Mr. Chairman, on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. KILDAY and Mr. ARENDS.

The Committee divided, and the tellers reported that there were—ayes 170, noes 183.

So the amendment was rejected.

The Clerk read as follows:

STRENGTHENING THE DIRECTION, AUTHORITY, AND CONTROL OF THE SECRETARY OF DEFENSE

SEC. 3. (a) Section 202 (c) of the National Security Act of 1947, as amended (5 U. S. C. 171 (a) (c)), is amended to read as follows:

"(c) (1) Within the policy enunciated in section 2, the Secretary of Defense shall take appropriate steps (including the transfer, reassignment, abolition, and consolidation of functions other than major combatant functions) to provide in the Department of Defense for more effective, efficient, and economical administration and operations and to eliminate duplication. However, except as otherwise provided in this subsection, no functions which have been or are hereafter established by law to be performed by the Department of Defense, or any officer or agency thereof, shall be substantially transferred, reassigned, abolished, or consolidated until 30 days after a report to the Congress in regard to all pertinent details in each instance shall have been made by the Secretary of Defense.

"(2) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

"(3) except as otherwise provided in paragraph (2) hereof, no major combatant function assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall be transferred, reassigned, abolished, or consolidated until the first period of 60 calendar days of continuous session of the Congress following the date of report of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. No major combatant function shall be reported to the Congress for transfer, reassignment, abolition, or consolidation until after the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff. For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever one or more members of the Joint Chiefs of Staff disagree to the transfer, reassignment, abolition, or consolidation of such combatant function: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

"(4) Each military department shall be separately organized under its own Secretary and shall function under the direction, authority, and control of the Secretary of Defense exercised through the respective Secretaries of such Departments."

Mr. FORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD. Mr. Chairman, I have an amendment to section 3 (a) (3). Shall I offer the amendment at that point or at the conclusion of the section?

The CHAIRMAN. This section goes over to page 6, line 8. The Clerk will read.

The Clerk read as follows:

"(5) No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper."

(b) Section 202 (d) of the National Security Act of 1947, as amended (5 U. S. C. 171a (d)), is further amended to read as follows:

"(d) The Secretary of Defense shall annually submit a written report to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, accompanied by (1) such recommendations as he shall deem appropriate, (2) separate reports from the military departments covering their expenditures, work, and accomplishments, and (3) itemized statements showing the savings of public funds and the eliminations of unnecessary duplications and overlappings that have been accomplished pursuant to the provisions of this act."

(c) Section 2201 of title 10, United States Code, is repealed and the analysis of chapter 131 of title 10 is amended by striking out the following item:

"2201. General functions of Secretary of Defense."

(d) Section 2351 of title 10, United States Code, is repealed and the analysis of chapter 139 of title 10 is amended by striking out the following item:

"2351. Policy, plans, and coordination."

Mr. McCORMACK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McCORMACK: At page 5, after line 3, insert the following:

"(4) Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate. For the purposes of this subsection (4), any supply or service activity common to more than one military department shall not be considered a 'major combatant function' within the meaning of subsection (3) above."

Renumber succeeding subsections (4) and (5) as subsections (5) and (6).

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. VINSON. The distinguished gentleman gave the gentleman from Texas [Mr. KILDAY] and me and others the privilege of examining this amendment. We have examined it and know exactly what it means. Its purpose is to bring about a more unified and economical procurement of items which are common to two or more military services. Last year some $1,200,000,000 was procured under a single service manager, through whom the four services are buying medical supplies, clothing, and other things. There is no objection from our side to this amendment.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Mr. Chairman, I am sorry I was not privileged to find out exactly what this amendment provides. I should like to hear an explanation of it, and a very clear explanation. If it provides for a single agency to procure everything for our military departments, then I think it might be very dangerous. We might have the tail wagging the dog. So I for one want a thorough discussion of it.

Mr. VINSON. This deals with a single method of procurement. I know what runs through the gentleman's mind. The amendment is valid, in my estimation.

Mr. GAVIN. I would suggest we permit the gentleman to proceed and explain.

Mr. McCORMACK. The gentleman from Georgia is doing it much better than I could.

Mr. Chairman, you remember the years of effort by the gentleman from Missouri [Mr. CURTIS], the gentleman from North Carolina [Mr. BONNER], the gentleman from Virginia [Mr. HARDY], the gentleman from Michigan [Mr. MEADER], and myself and any number of others, and Senator O'MAHONEY and others, in connection with trying to bring about greater efficiency and economy in the armed services. This is really the culmination of those years of effort. The result in this amendment. If adopted and carried out, it could save many, many hundreds of millions of dollars each year. It has been carefully gone into by the committee.

Mr. DEVEREUX. I beg the gentleman's pardon. It has not been gone into carefully, at least by the Armed Services Committee.

Mr. McCORMACK. I assure the gentleman I consulted with Members on your side, who have been studying this

matter for many, many years. They are thoroughly acquainted with it.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BROOKS of Louisiana. I am thoroughly in accord with the amendment. It is an excellent amendment. It will save the Government many, many dollars. I hope the amendment is carried unanimously.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am glad to yield to my colleague.

Mr. DEVEREUX. Will it be possible to have an explanation of exactly what this amendment means?

May we have the amendment reread by the Clerk?

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the amendment be read again.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The amendment was again reported.

Mr. DEVEREUX. I would like to ask the gentleman: Is that not now being done to a degree, where we are having a service that is given the responsibility for now supplying these common-use items?

Mr. McCORMACK. Not to the extent that it can be done, if this amendment is adopted. There is a cloudiness and vagueness in this area. During the past few months I have talked with the Assistant Secretary of Defense, Perkins McGuire, for example, who is a very fine gentleman—not because he comes from Massachusetts—but he is a very fine gentleman, as well as a fine public official.

Mr. DEVEREUX. Even though he is a Republican.

Mr. McCORMACK. We have discussed this problem together with the gentleman from Missouri [Mr. CURTIS] and the gentlewoman from Illinois [Mrs. CHURCH], and others.

This amendment has been very carefully worked out. The suspicions of my good friend are simply not justified.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DEVEREUX. Mr. Chairman, I ask unanimous consent that the gentleman from Massachusetts may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield now to the gentleman from Missouri [Mr. CURTIS] and then I will yield to the gentleman from Maryland. I am sure the gentleman from Missouri can make a contribution to a better understanding of the amendment.

Mr. CURTIS of Missouri. The only reason I have asked the gentleman to yield is that I took 10 minutes yesterday to explain some of the background of this amendment. I extended my remarks quite extensively and it is in today's RECORD. I think the gentleman from Massachusetts has stated it accurately when he said that this was worked out over a period of many years and a study was made of the difficulties in enforcing the O'Mahoney amendment in the common-use supply area of the Military Establishment. I certainly am strongly behind this amendment, and I think it will go a long way toward clearing up a cloudiness and uncertainty in this area.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. DEVEREUX. I regret I was not present on the floor of the House when the gentleman from Missouri was explaining this proposal. However, we all recognize it is not possible to be on the floor of the House at all times every day although I was very attentive practically every minute on yesterday. However, I would like to ask this question. Under this proposed amendment, would it not be possible to establish in the Department of Defense an agency which would take over the functions now being carried on by the various services. I am talking about supply, logistics, procurement, and all of that.

Mr. McCORMACK. In relation to supply and services in some limited respects, it probably could be done, but certainly in the field in which this amendment is confined, I think everyone recognizes we should make progress because this is the field where we can eliminate unnecessary duplication on common-use items and thereby save countless hundreds of millions of dollars each year to the taxpayer.

Mr. DEVEREUX. If the gentleman will yield again, I would like to point out that the amendment which was just defeated, in my judgment, would have gone a great way to accomplishing that very thing.

Mr. McCORMACK. Let us discuss the amendment which is now before us.

Mr. DEVEREUX. All right, sir, let us discuss this amendment.

If you establish an agency that is going to control the supplies going out to the services, that is one single agency, then you have the possibility of a supply branch influencing the outcome of a military operation. I think that is extremely dangerous and we should be on the alert so far as that is concerned.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. VINSON. I submitted this amendment to Secretary McElroy, and the record shows in the Armed Services Committee a communication from the Secretary of Defense to the effect that they have no objection to this amendment.

Mr. McCORMACK. I thank the gentleman.

I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. I thank the gentleman for yielding to me at this time. There is no amendment which will more cut to the heart of duplication and waste in military procurements than the one that the gentleman has offered. If anyone has not become already disillusioned about the inefficiency and extravagance in Government, they should go into procurement methods of the armed services, caused by multiple purchasing and duplication. In these last two Congresses following my study as a member of the Government Operations Committee, I have introduced bills to remedy this situation. This amendment may do more to produce saving to the taxpayer than any other part of the bill.

There are two things I want to say. In the first place, I wish to call attention to the words in the gentleman's amendment, that "when the Secretary of Defense shall deem it advantageous," and then only, shall he so act. This allows a great deal of latitude, because the Secretary would have it within his discretion and power to determine what steps he could consider advantageous. Secondly, it so happens that last year I took occasion to visit one agency which has so operated. It is the Military Subsistence Supply Agency in Chicago. Gen. H. R. McKenzie of that agency has been doing the food procurement for all branches of the service and doing it with economy and with benefit to the service. Certainly I would say that this is a good example of what could be done if the gentleman's amendment is accepted by the House. I do not think that its benefits can be overestimated. We have waited 8 years for such purchasing by single agency, as is herewith permitted.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. BRAY. Without speaking to the merits of this amendment, I do not believe it has been clarified yet exactly what it does. This part of the bill goes into the major functions of the Department of Defense. Major functions cannot be changed without the consent of Congress, under certain conditions. This amendment says that you cannot call a matter a major function if it has to do with supplies. I do not think that has been properly explained. If this amendment carries, and the Army, Navy, Air, or Marine says this is a major function it could cause it to come back to Congress. If it is a supply matter they can bring about this reform or this change without any consideration of Congress. Otherwise, if it is a major function, it would have to come to Congress. This merely eliminates that roadblock.

Mr. McCORMACK. The gentleman is correct in that respect.

Mr. Chairman, in further explanation, I have introduced an amendment to H. R. 12541, the Department of Defense reorganization bill, as follows:

At page 5, after line 9, insert the following:

"(4) Whenever the Secretary of Defense determines it will be advantageous to the Government in terms of effectiveness, economy, or efficiency, he shall provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as he deems appropriate. For the purposes of this subsection (4), any supply or service activity common to more than one military department shall

not be considered a 'major combatant function' within the meaning of subsection (3) above."

Renumber succeeding subsections (4) and (5) as subsections (5) and (6).

The purpose of this amendment is to obtain greater effectiveness, economy, and efficiency in supply and service activities in the Department of Defense. These activities are commonly known as support activities or noncombatant activities.

It should be borne in mind that when the National Security Act of 1947 was being considered the proponents of a separate Air Force assured the Congress that there was no intention of establishing additional supply and service activities for the new Air Force Department and that such support where practical would continue to come from the Army as had been the case for many years. The so-called Eisenhower-Spaatz agreements to implement the Security Act reemphasized the proposition that supply and service activities for the new department would come from the Army. Despite the intent of the law and the Eisenhower-Spaatz agreement, the Air Force proceeded with all haste to establish its own supply and support activities. Efforts should have been made at this time to integrate the supply and service systems of the Army and the Navy. The Bonner committee in 1951 and 1952 investigated this division at great length and found that the Air Force was establishing depots and other service facilities all over the world at a tremendous duplication and triplication in expense.

It will be recalled that General Eisenhower, in September 1952, in a speech at Baltimore protested at great length at the expense and extravagance that had been built into the three departments contrary to the express promises to the Congress. The general also stated that he was going to take vigorous action to stop this needless waste. Unfortunately, he has not done so and the reorganization bill which he sent to Congress failed to take into consideration the supply and service activities.

These activities include procurement, warehousing, distribution, cataloging, and other supply activities, surplus disposal, financial management, budgeting, disbursing, accounting, and so forth, medical and hospital services, transportation—land, sea, and air—intelligence, legal, public relations, recruiting, military police, training, liaison activities, and so forth, and use an estimated 66⅔ percent of the military budget.

It is also estimated that procurement activities alone utilize 50 percent of the budget.

Intensive investigations by the Bonner committee, Riehlman committee, Harden committee, Hébert committee, Johnson committee, and others have shown conclusively the extent of overlapping, duplication, and waste in the supply and service activities in the four military services and the many corps, bureaus, and commands.

The first Hoover Commission reported that the military departments had an inventory of $27 billion in fiscal year 1948. A recent report by the House Government Operations Committee shows that the supply-system inventories of the services as of June 30, 1957, were in excess of $54 billion. This was twice the inventory reported in fiscal year 1948. Furthermore, the same report indicates that the worldwide personal property inventory of the military services was $117 billion as of June 30, 1957.

An analysis of the supply-system inventories shows that much of the stock in each of the services is in excess classification. These excess stocks run into the billions of dollars and current plans are to declare surplus this year approximately $6 billion worth of personal property based upon acquisition cost. Since all of this inventory is not under uniform control there is conclusive proof that one service may be buying the same items that another is declaring excess and selling for a few cents on the dollar.

Some progress has been made in the last 2 years in establishing single managers in the Department of Defense for a few categories of common supplies. At the present time four categories—namely, clothing and subsistence, petroleum, medical supplies—have been included in the single-manager systems. However, only 47,000 items out of a possible 3,350,000 items covered by the catalog system have been included in the single-manager program. Such obviously common-type items as general stores, photographic supplies, electronic items, engineering equipment, and communications equipment have not been brought into the single-manager system.

When the so-called O'Mahoney amendment was enacted in 1952 it was the intention of the Congress that an integrated supply system be developed and while a good start was made in 1952 it it is to be noted that in subsequent years the act was almost totally ignored and progress toward efficiency, economy, and effectiveness in supply management activities was largely ignored.

The amendment which I have offered today includes not only supply activities which in a sense is a duplication of the O'Mahoney amendment, but also includes all other service activities.

The amendment is not intended to advocate any particular type of organization, either centralized or decentralized; it merely provides for maximum flexibility so that the Secretary of Defense is empowered to provide, after thorough study, the best possible type of operation for supply and service functions depending upon their nature. Effectiveness is to be the key in making the determinations with economy and efficiency very important but secondary considerations.

The language is intended to permit the Secretary, that is, to permit one Department, to operate for the benefit of all if this is considered advisable as in the present situation with the Army handling chemical and biological functions for the Department of Defense. Under the language it might be considered advisable that the Secretary have a joint staff represent the Department before regulatory bodies on transportation matters or utility services generally. Such activities as weapons evaluation could be handled as now in the Office of the Secretary of Defense. I shall repeat that the facts and circumstances with respect to the individual supply and service activity should govern and that the amendment is not intended to establish a fixed pattern.

It would be my opinion that in the unified commands there would be a high degree of consolidation and standardization of supplies, equipment, forms, procedures, regulations, and so forth, in order to have maximum flexibility to provide for free exchange between the commands and to save on staff, transportation facilities, and so forth.

In order that there will be no confusion the amendment specifically states that supply and service activities shall not be considered as being major combatant functions within the terms of the bill.

I am confident that the enactment of this amendment will provide the flexibility needed to meet the fluid conditions that face us today and will also make possible savings which will run into large sums of money which can more profitably be spent on productive military functions and upon such activities as school facilities, medical improvement, conservation of natural resources, reclamation programs, highways, and so forth.

Mr. RIEHLMAN. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague and majority leader of the House, the Honorable JOHN MCCORMACK. I am not going to dwell on the provisions of this amendment as they have been amply covered by the gentleman from Massachusetts.

I know of his keen interest in the field of military procurement and supply system. I also know of his profound interest in the field of research and development and the outstanding support he gave me as chairman of the Subcommittee on Military Affairs of the House Committee on Government Operations while we were holding hearings in the 83d Congress on this most important subject.

The remainder of my time I wish to devote to what I feel will be accomplished in research and development when this legislation which we are considering today becomes law.

Mr. Chairman, during the 83d Congress, as a member of the House Committee on Government Operations, it was my privilege to serve as chairman of the Subcommittee on Military Operations. One of the major studies to which our committee devoted much attention concerned organization and administration of military research and development programs.

The 24th intermediate report of the Committee on Government Operations, which was House Report No. 2618, 83d Congress, issued August 4, 1954, was written as a result of that detailed study.

Our committee offered a number of recommendations which, if implemented, would streamline procedures of the Department of Defense in research and development. A chief point in our report to the Congress was the proposal to coordinate research programs directly through the Office of the Secretary of

Defense, the result of which would be to assign to these programs the importance demanded in the planning and operation of a modern defense establishment.

It is most satisfying to me, and I am certain to other members of the subcommittee who labored diligently on this study during the 83d Congress, to have in sight at last the fulfillment of those recommendations to achieve the needed direction and high status so essential to this program.

The recommendation of the President in his April 3 message to the Congress stated:

> We must reorganize the research and development functions of the Department in order to make the best use of our scientific and technological resources.

The President further added that the Secretary of Defense should have complete and unchallengeable control over research and development organization and funds and that he must have full authority to prevent unwise service competition.

The Committee on Armed Services of the House in submitting House Report No. 1765 to accompany H. R. 12541, said the proposed legislation provides for placing defense research and engineering under one responsible official with the power to stop unnecessary duplication, speed up essential work and eliminate unnecessary competition or rivalry.

The committee said it is Congressional intent to "eliminate unnecessary duplication in the Department of Defense, but particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense."

The executive branch of Government and the Committee on Armed Services are to be commended for the effort that has been made to establish a coordinated program of research and development that most certainly will yield increased results in present levels of operation and open the way for accomplishments in many new and different directions.

Approval of this legislation will bring into effect a number of the recommendations concerning research and development made by our committee 4 years ago.

Certainly it should mean more complete coordination in all of our research and development programs, which, in turn, will have a highly contributive effect in the eliminating of duplication and the trimming away of waste.

Another important and vital factor will be the achievement of the reduction in lead time in our various scientific projects. We all are cognizant, I am sure, of the necessity of bringing the greatest speed possible to our many projects by shortening the time between origination of an idea for a weapon to the development and production of that weapon. This will be accomplished through this legislation without damage to scientific endeavor by the elimination of cumbersome factors which throw roadblocks into the efforts of our scientific and engineering personnel.

I view the potentialities of our research and development program with much optimism should the proposed legislation receive the approval of the Congress. It will mean research and development, at long last, will assume the role to which it is deserving.

Our scientific and technical programs will be placed in a position to provide the greatest benefit to our Nation as we enter the space age. Our entire defense structure and effort will be further advanced to the fullest degree as we permit endeavors in this vital field to move ahead at a rapidly increasing pace.

Before concluding my remarks I do want to address myself to the amendments to the bill as recommended by the President.

The recommendations proposed by the President are necessary. If we are to have the reorganization in our defense establishment that we seek, we should adopt the President's proposals. If we do not want these changes made, let us not make a pretense at reorganization by aproving something that will not do the job.

I will support the Defense Reorganization bill with the amendments that have received the approval of the President. I support this particular form because I sincerely believe it provides the long-awaited solution to resolving many of the difficulties in our defense organization which have been of major concern and subject to considerable criticism through the years from the Congress, the Hoover Commission, and the many other interested groups and individuals who have followed this closely.

We will take a forward step through adoption of this legislation with the amendments as recommended by the President. Today we can visualize only very minutely the achievements that will result from our action. Tomorrow the concrete results will be told in a defense structure that will be the most formidable this country has ever had.

It will be a defense structure functioning on the most improved and sound fiscal policy we could have. The truth of our actions today will be told in the programs of tomorrow when our country will continue to remain secure, knowing full well that we are the most powerful Nation on the earth equipped to resist any effort of aggression against us.

The President's proposal is vital to the preservation and enhancement of the security of America and her people. He has my full support to this end.

Mr. GROSS. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman from Massachusetts [Mr. McCORMACK] if his amendment provides for the creation of additional Assistant Secretaries or assistants to Assistant Secretaries.

Mr. McCORMACK. It does not.

Mr. GROSS. I thank the gentleman.

Mr. MEADER. Mr. Chairman, I move to strike out the required number of words. I support the amendment offered by the gentleman from Massachusetts, and I ask unanimous consent to extend my remarks at this point.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEADER. Mr. Chairman, the purpose of the amendment offered by the gentleman from Massachusetts [Mr. McCORMACK] is the elimination of the duplication of supply services in the military departments which many present and former members of the Committee on Government Operations have sought since the 82d Congress.

The subcommittee of what was then the Committee on Expenditures in the Executive Departments under the chairmanship of the gentleman from North Carolina [Mr. BONNER] conducted an extensive investigation of the effort of the Air Force to set up its own procurement and supply system for common use items which up until that time had been supplied to Air Force units by the Army.

The Bonner subcommittee conducted hearings in Washington, in many points within the United States, and at overseas military installations. It compiled a record of evidence which was overwhelming—that the proposed separate individual supply system for the Air Force for common use items was wholly unnecessary and extremely wasteful.

April 9, 1952, the House in Committee of the Whole debated the defense appropriation bill for fiscal year 1953. Many of the members of the Bonner subcommittee offered amendments reducing appropriations. I, myself, offered an amendment to cut $130 million from the item of "Major procurement other than aircraft" because I was advised that it was in that item that a substantial portion of the funds were provided for establishing a separate Air Force supply system for common use items. After debate, in which the Appropriations Subcommittee chairman opposed the amendment, on a teller vote the amendment was adopted by a vote of 81–72.

Subsequently, in the section of the bill containing general provisions, I offered another amendment designed to prohibit the Air Force from establishing a separate supply system for common use items in the following language:

> SEC. 636. No part of the funds herein appropriated shall be used to expand the personnel, facilities, or activities of the Department of the Air Force to establish or maintain a separate system for providing such supplies and services as were furnished to the Department of the Air Force by the Department of the Army prior to August 1, 1951.

That amendment was adopted by the committee by a vote of 134 to 87, and remained in the bill passed by the House.

Thus, Mr. Chairman, the House of Representatives was clearly on record as opposing establishment by the Air Force of its own supply system for common use items previously supplied it from Army sources.

Mr. Chairman, when the defense appropriations bill for 1953 was considered by the Senate, an alternative approach was offered by the Senator from Wyoming [Mr. O'MAHONEY], which in effect ordered the Secretary of Defense to issue directives preventing unnecessary duplication of supply services for common use items. The O'Mahoney amendment

had the same objective as the amendment which I had offered and the House had overwhelmingly adopted. But, instead of rigidly denying funds to the Air Force to set up its own supply system, the O'Mahoney amendment instructed the Secretary of Defense to accomplish that objective.

The Secretary of Defense did in fact issue directives relating to supply of common-use items and the Bonner subcommittee or its successors held hearings with respect to those directives.

Subsequently, Mr. Chairman, the Hoover Commissions found extensive duplication and overlapping in the supply systems for common-use items in the military departments and strongly urged that such duplication and waste be eliminated.

Mr. Chairman, I know of no recent inquiry by any committee of Congress to establish the situation as of today with respect to the Air Force supply system. However, information has come to my attention indicating that, notwithstanding the clear view of the Congress, the directives of the Secretary of Defense, the strong recommendations of the Hoover Commissions, the Air Force doggedly and bullheadedly has proceeded with its original program and, by and large, has established its own system of supply for common-use items. Thus, Mr. Chairman, I welcome the effort of the majority leader to write into the Defense Reorganization Act language to reassert the policy of the Congress with respect to duplicating supply systems. I hope his amendment will be adopted.

Frankly, however, I question whether the language is tight enough to accomplish the objective we all have in mind. Unless there is a sincere and abiding desire to avoid duplication in whoever may be the Secretary of Defense and his associates, and unless there is constant vigilance on the part of the committees of the Congress, I fear that the military officials will go ahead in their own sweet way to establish and maintain their separate, independent—I might almost say sovereign—empires of bureaucracy with their wasteful duplication of services and supply.

I expressed this point of view in an exchange of correspondence with the majority leader, a copy of which I insert at this point in my remarks:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY LEADER,
May 14, 1958.

Hon. GEORGE MEADER,
House of Representatives.

DEAR GEORGE: For your interest and information I am enclosing a copy of a letter I have addressed to the Honorable CARL VINSON concerning the military reorganization bill.

Sincerely yours,

JOHN.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
OFFICE OF THE MAJORITY LEADER,
May 13, 1958.

Hon. CARL VINSON,
Chairman, Armed Services Committee, House of Representatives.

DEAR CARL: In further reference to my letter of May 9, 1958, I have had occasion to discuss the very important military reorganization bill with a number of people in both branches and both sides of the aisle particularly with respect to the need to facilitate improvement of the noncombatant supply and service activities within and among the defense agencies.

I realize that it is difficult to provide for a uniform pattern of operation for these things inasmuch as some, like the supply single managers, may lend themselves to a centralized operation and others do not. For this reason I would suggest that the committee, at the proper place or places in the bill, insert some flexible language along the following lines:

"Notwithstanding any other provisions of law, the Secretary of Defense may provide for carrying out any supply or service activity common to more than one military department by a single agency or combination of agencies where he determines, after consultation with the Secretaries of the military departments concerned, that to do so will be advantageous to the Government in terms of economy, efficiency, and effectiveness."

Sincerely yours,

———.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
May 15, 1958.

Hon. JOHN W. MCCORMACK,
Member of Congress,
The Capitol, Washington, D. C.

DEAR JOHN: Thanks for your note of May 14 and the copy of your letter of May 13 to Congressman VINSON.

I read your suggested amendment with interest and agree with its objective. My only question is whether or not it is strong enough.

You may recall that I offered an amendment in the early 1950's to prevent the Air Force from setting up a third supply system for common-use items it had been receiving from the Army Supply system. This amendment, which was rigid and enforceable, was adopted by the House, but in the Senate an alternative proposal by Senator O'MAHONEY resulted in instructing the Secretary of Defense to accomplish this objective. I have discovered more or less by accident in connection with other overseas inquiries that the O'Mahoney approach was unsuccessful in preventing the Air Force from setting up a third supply system for common-use items. This, of course, is in direct violation of the announced purpose of the Congress and was possible only because of a soft approach.

I should be very happy to work with you in getting something written into the law which will prevent effectively unnecessary duplication and waste in the supply system particularly of common-use items.

Sincerely,

GEORGE MEADER.

Mr. Chairman, it is my hope that if the amendment of the gentleman from Massachusetts becomes law, the appropriate committees of the Congress, especially the Armed Services Committee, the Appropriations Committee and the Government Operations Committee, will maintain a constant, running inquiry into the extent of the obedience by the military officials to the clear will of Congress as expressed in the amendment of the gentleman from Massachusetts and as maintained by the Congress for the past 8 years. Without such vigilance by Congressional committees I am afraid the language offered by the gentleman from Massachusetts will become a noble but ineffective gesture.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The amendment was agreed to.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: Pages 4 and 5, section 3, is amended to read as follows:

"(3) Except as otherwise provided in paragraph (2) hereof, no major combatant function of a military service shall be transferred, reassigned, abolished, or consolidated until the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff and until 45 days of session (whether or not interrupted by periods of recess or adjournment) of the Congress following the date of report by the Secretary of Defense of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. For the purposes of this subsection a combatant function shall be considered a major combatant function whenever two or more members of the Joint Chiefs of Staff or a Secretary of a military department certify in writing to the Secretary of Defense (1) that the function to be transferred, reassigned, abolished, or consolidated is an indispensable and integral part of the combatant capability of a military service and (2) that the proposed transfer, reassignment, abolition, or consolidation will, if accomplished, seriously impair the national security: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services the development and operational use of new weapons or weapons systems."

Mr. HIESTAND. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. HIESTAND. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD immediately following the remarks of the gentleman from Michigan [Mr. FORD].

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Michigan [Mr. FORD] is recognized.

Mr. FORD. Mr. Chairman, by and large, while I endorse and concur in the bill reported by the committee, it does seem to me, and it has for some time, that the three objections by the President to the bill were well founded. I am particularly concerned about this specific section. My interest in this section is not one of recent date.

About 3 weeks ago the gentleman from Illinois [Mr. PRICE] and myself debated the committee bill and the President's views on a television program in Columbus, Ohio. During that debate I emphasized and reemphasized my concern about this provision. The President has been willing to go along with the modification of the committee provision in order to seek an area of agreement.

Gentlemen, the amendatory language which would change the concept of the handling of major combatant functions found on page 4 of H. R. 12541 can only be said to be of most vital importance to the whole Department of Defense reorganization plan. It is in this area of transfer, reassignment, abolition, or consolidation of major combatant functions that the advancement of a dynamic fighting force is most pronounced. The proposed language changes also mark in

a vivid fashion the attempt of the President to reach agreement with this Congress in an area of decision of the first magnitude. A reflection of this country's greatness will be found in its ability to protect its great heritage of freedom through the recognition of scientific development. Of necessity, science, in general, is wedded today to military might. The scientific breakthroughs of tomorrow must be taken advantage of as soon as they make their appearance. Our military organization must be so molded that the Department of Defense will not be effectively precluded from taking advantage of these breakthroughs because of a concept static in nature. These provisions of H. R. 12541 can be said to be of such a static nature.

It is fully recognized, however, that there must be uniformity of thinking in the Government as to the methods utilized to effect the changes in combatant functions. The so-called civilian side of the Defense Department will, under the proposed amendment, act only after consultation with the Joint Chiefs of Staff, thereby allowing for concert in thought between two groups which are by definition distinguished one from the other.

The amendment would provide that in order for a combatant function to be considered a major one, two or more members of the Joint Chiefs of Staff must express disagreement with the change proposed. Here again we find an area where reasonable men may agree on legislative purposes. H. R. 12541 speaks of one member of the Joint Chiefs of Staff being able to effectively declare a combatant function to be major in nature. The amendment raises this figure to 2. One of its results would be the suppression of the parochial interests of a single service by very effectively providing that at least two of the services must be in agreement on the subject. This naturally results in a more objective approach to any problem at hand by the services and considering the realities of interservice relations should result in military programs more beneficial to the total military effort of the country.

The effort of the President to reach accord with the Congress in this vital area is epitomized in that portion of the amendment which would delete the words "the first period of 60 calendar days of continuous session" from H. R. 12541 and provide for "45 days of session—whether or not interrupted by periods of recess or adjournment." It must be fully recognized that once the necessity for a change of combatant functions is seen, any delay in affecting the change could allow for the endangering of our whole military effort. This portion of the amendment in a very reasonable fashion would allow for Congressional review and at the same time tend to draw that "time for review" down to a period which would not result in nonaction of extremely serious import.

The language of the amendment which would require certification by the disagreeing parties is designed to illustrate the extremely serious situation to which we address ourselves. The persons who may be involved will be of high stature in the Nation, they nevertheless must have brought home to them by force of law, the extreme nature of any action taken by them in this regard.

In conclusion, I will ask that all my colleagues here present look at this amendment with the clear understanding that there is space for agreement in this vital area and that this amendment more than signifies a heartfelt attempt to benefit the Nation's security for the good of the whole people.

Mr. HIESTAND. Mr. Chairman, there have been several statements made in the debate of this defense reorganization bill that constitute an unwarranted attack on the judgment of the businessmen of this country. Apparently, there is a feeling among some that the views of business and professional men are lacking in an understanding of the fundamental issues raised by this bill.

For example, I would like to quote a statement from the CONGRESSIONAL RECORD of June 5, 1958, made by my eminent colleague [Mr. KILDAY]. Here is the statement appearing on page 10341:

> I ask again: Just how ridiculous can you get? And I know you are getting a lot of letters from businessmen and others who probably would not recognize either the Constitution or this bill if they should meet it head-on, yet they are writing, telling how we should vote on it.

I find it quite difficult to reconcile this statement with the history of our Nation. I think we should remind ourselves of one of the prime factors responsible for the birth of this great Nation, which seems to have been overlooked in the attacks made on American businessmen.

We all recall the history leading up to the drafting of the Constitution and the rejection of the Articles of Confederation. This came about, as I am sure all of you may recall, because the business and professional men of our Original Thirteen Colonies found it impossible to live under the Articles of Confederation. And it was the efforts of these business and professional men that brought about the drafting of the Constitution of the United States. There was hardly a man who took part in this great effort who was not a business or professional man vitally affected by the business conditions that existed because of the vital weaknesses in the Articles of Confederation.

Times have not changed. There is no real difference between the businessmen who fought for the adoption of our Federal Constitution and the businessmen of today whom my eminent colleague has said "would not recognize either the Constitution or this bill if they should meet it head on." I daresay there are many businessmen who are engaged in day-to-day work with the Department of Defense in connection with defense work who know much more about the problems of defense organization than some of us.

Mr. KILDAY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. FORD].

Mr. Chairman, the gentleman from Michigan has very clearly explained a portion of his amendment and what is sought to be accomplished, as to the 45-day period, on the question of urgency, not waiting 60 days, but reducing the time to 45 days.

The gentleman from Michigan did not mention the provision which is contained in the bill, subsection (2) of section 3, immediately ahead of the section which he seeks to amend. That subsection is important because in it we bring into the National Security Act for the first time a new provision as follows:

> (2) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

So that we are adding in this bill a new provision which gives the President the power, upon determination by himself that hostilities are imminent, that time is of the essence, to proceed immediately and without referring the matter to Congress; and the transfer, and reassignment that he makes will remain in effect until such time as he determines that the emergency is past.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Michigan.

Mr. FORD. That is an important change, one in which I wholeheartedly concur, but anything other than imminent hostilities or the imminence of hostility is not included.

Mr. KILDAY. That is correct.

Mr. FORD. There are times when an imminent hostility might bring about a very dangerous situation.

Mr. KILDAY. The question of urgency is no longer here. The difference between 45 and 60 days is not too material. The committee bill does become much more flexible for the President than under existing law.

But, let us get to the real important part of it, and that is the question of referring the matter to Congress and how it can come here. Under the bill reported by the committee, if one member of the Joint Chiefs of Staff objects to the transfer, reassignment, or abolition of a combat function fixed by law under section 205 (e) and other sections enumerated, then it must come to the Congress and the Congress must take affirmative action within 60 days. The gentleman's provision is that two members of the Joint Chiefs of Staff would have to so certify. The Joint Chiefs of Staff consist of the Chiefs of Staff of the Army, the Navy, and the Air Force, and the Chairman of the Joint Chiefs of Staff. So, as to matters not involving the Marine Corps, you have only four members on the Joint Chiefs of Staff. True, they say they do not vote. Why they should not vote I cannot imagine for the life of me. Why, in any organization such as the Joint Chiefs of Staff, they should not be permitted to vote, I cannot understand. But they say they do not vote. But, in any procedure that I have ever known of, if less than

a majority of the group favor a proposal, then it does not carry. So, where you have 4 members, the question would not arise, if there is a proposal to transfer, reassign, or abolish and 3 members do not agree to it; the question will never come up, because you only have those 4. Another situation exists when the Marine Corps participates, where the Commandant of the Marine Corps serves as a member of the Joint Chiefs of Staff when matters affecting the Marine Corps are under consideration. There it would require the two to do it.

But, this amendment goes much further than that. What are these gentlemen going to have to certify to the Congress of the United States in their official capacity? They are going to have to certify that the function transferred is an indispensable and integral part of the combatant capability of the military service, and in addition, that the proposed transfer, reassignment, or abolition, if accomplished, would seriously impair the national security. He is going to have to certify in his official capacity that if this is carried out, it is going to seriously impair the national security.

What are you going to do with the eroding type of thing where you come along and take a little bit today and at the next meeting of the Joint Chiefs of Staff you take a little bit more? Neither one of them is an integral part or indispensable part of the combat function; none of which will constitute that; none of which would impair the national security. But, suppose there are 3 or 4 which, taken separately, would accomplish those results and those ends, then those gentlemen could not on their honor and in their official capacity make the certification required by the language which is proposed here.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. KILDAY] may be recognized for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KILDAY. Now, we have provided in the bill that the committee reported here that even though the law positively provides that certain functions and combat functions and whatnot shall reside within a certain service, that the President shall be given the power to nullify those provisions of law. That is going an awfully long way to provide that the President shall have the power to nullify any provisions of law. But, we do provide that the President may nullify existing law, unless Congress comes in and takes affirmative action; not one House of the Congress but both Houses of the Congress.

I submit to you that the provision contained in the bill is adequate; it is sufficient; it is proper; it is all that is needed and should be retained in the bill and that the amendment offered by the gentleman from Michigan should be defeated.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I would like to congratulate the gentleman from Texas for his very fine and forthright statement. I think he put it right on the line, and I assure the gentleman from Texas and my chairman that I will oppose this particular amendment.

Mr. KILDAY. I certainly thank the gentleman from Maryland. It seems like old times again.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JACKSON. Mr. Chairman, I, too, want to express my appreciation of the position taken by the gentleman from Texas. Of all the matters that are here in controversy today none is of more genuine concern to the Marine Corps than the amendment presently under consideration. The process of erosion, the process of changing the nature of roles and missions by attrition, by small bites, instead of the outright alteration of a major combatant function is of true concern to the Marine Corps. I support the gentleman's position precisely.

Mr. KILDAY. And it well might be of extreme importance to the other services. The Army is at the bottom rung of the ladder these days. And if too many people become obsessed with the idea that if there is going to be any war at all, it is going to be an all-out nuclear war, we are going to find ourselves, should another Korea or Indo-China come along, with no capability of providing for such a situation. And there are too many people who are consumed with the idea that there will be a total nuclear war, or no war at all. It is essential that the Congress of the United States interpose these blocks. We do provide flexibility in the event of the danger of hostilities or the existence of hostilities by authorizing the President to take any action he desires; but require a reasonable period of time, 60 days, during which Congress can look at the situation and take action if it deems action advisable, when no emergency exists.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In the opinion of the gentleman, will the adoption of the pending amendment make it more difficult for any one branch of the service to protest a change in roles and missions?

Mr. KILDAY. In my opinion, the proposed amendment not only makes it more difficult, it makes it practically impossible, in many instances, for any official, such as the Chief of Staff of the Army or of the Navy or of the Air Force, or the Commandant of the Marine Corps, on his honor and in his official capacity to make the certification which would be required by the proposed amendment, because he would have to certify that it would seriously impair the national security, and if it were one of these parts of the process of erosion, to which I have referred, he could not do so in each individual case, although the whole series taken together might result in that end.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that we spent literally hours in committee on this very matter?

Mr. KILDAY. That is true.

Mr. VAN ZANDT. And all of us showed great concern about it, and it was only afterward that we arrived at an agreement on the language which is in the bill at the present time?

Mr. KILDAY. That is right. This thing of permitting the Executive to nullify acts of Congress is something that ought not to be approached too lightly, to eagerly. I do not like the situation at all. The question of reorganization plans which may be submitted was raised. A reorganization plan may be rejected by a simple majority of those present in either House. In the provision in this bill it takes a majority of those present in both Houses to take affirmative action in order to preserve a law which Congress has solemnly enacted and the President has signed and which is already in effect. So I say to you that this reasonable safeguard of a law already in existence is as far as you could go in whittling away at the power of the legislative branch to make the laws for the Government of this country.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman state frankly whether or not, if the authority provided for by the amendment is written into this bill and it becomes law it could eventually reduce the Marine Corps to a ceremonial outfit?

Mr. KILDAY. It could, if the action were taken in separate bites; that is right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. FORD].

The question was taken; and on a division (demanded by Mr. ARENDS) there were—ayes 97, noes 123.

So the amendment was rejected.

Mr. ARENDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ARENDS: On page 5, paragraph (5) is amended to read as follows:

"(5) No provision of this act shall be so construed as to prevent a member of the Joint Chiefs of Staff from presenting to a committee of the Congress, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper."

Mr. ARENDS. Mr. Chairman, I shall not at this time take up too much time of the House. However, I should like to read the present language of the bill and then as it would be changed by the proposed amendment. I am anxious that everyone knows exactly what is proposed and why.

Under the language of the bill we say:

No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to [a committee of] the Congress, on his own initiative, after first so informing the Secretary of Defense,

any recommendations relating to the Department of Defense that he may deem proper.

In this amendment what is being offered is striking out the words "a Secretary of a military department or" and striking out the four words "on his own initiative."

The question at issue seems to be with respect to the four words "on his own initiative." Certainly we have no intention and no one wants to deny to any member of the Joint Chiefs of Staff the right or privilege of coming to the Congress at any time there is something of major importance. It need not be on his own initiative. We would ask him to come.

If a Chief of Staff concerned has a conviction about some matter that is fundamental or of vital importance as it affects his service, certainly he is going to make certain we are advised on the facts, and I do not think he will need much urging from us. Certainly his own service will want him to come up here to discuss the matter with our committee. So I do not see any real reason why these words should necessarily be in the provision. So in regard to these four little words here, let us take them out. Whether "on his own initiative" or by invitation, we in the Congress must make certain we get all the information we want and need to have. The provision in this bill with the words omitted still insure us that any member can come before us.

Mr. VINSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I trust that there will not be much objection to the defeat of this amendment. This amendment concerns a matter of vital importance to the Congress. In 1949 we passed a bill. That bill became law. It said:

> No provision of this act shall be construed so as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper.

That law has been on the books for 9 long years. When this bill was first drafted it was born in the budget office. From there it went to the Department of Defense. The Department of Defense did not seek to repeal that language. Then when the bill reached the other end of the avenue, it was said that these words must come out. When the hearings were taking place, the distinguished gentleman from Massachusetts [Mr. BATES] developed this subject matter. Here is what Secretary McElroy said after Mr. BATES asked him a question:

> Secretary MCELROY. Well, I would simply like to say that our feet are not in concrete on this, and if the committee decides that that is an important privilege to retain, I personally would not oppose it.

This was not one of the matters that the President sent back to the committee when he wrote his letter on the 16th day of May. All of a sudden, a few days ago, we read in the paper where this had become "legalized insubordination". I was sorry to read that because it is not insubordination—and it certainly is not legalized insubordination—it is not an invitation to the Secretary to run to the Congress unless it is of such great national importance that it should be laid before the Congress. The very heart of this law is stricken out by this amendment. This amendment strikes out the words "on his own initiative". Of course, they can come to the Congress when they are requested to testify. There is no doubt about that. But, the amendment offered by the gentleman from Illinois says:

> No provision of this act shall be construed as to prevent a member of the Joint Chiefs of Staff from presenting to the Congress, after first so informing the Secretary—

What do we say? What does the law say? What does the law say that has been on the books for 9 years? It says:

> No provision of this act shall be construed so as to prevent the Secretary of a military department or the Joint Chiefs of Staff of their own volition from coming here and telling the Congress what goes on.

If you do not have this kind of law on the books, then the Committee on Armed Services will be constantly in session trying to find out what is going on in the departments.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman, with pleasure.

Mr. KILDAY. In view of the fact that the law has been in effect for some 9 years that he may come of his own volition, does the gentleman agree with me that under the rules of statutory construction, if the Congress were to now strike out the provision permitting him to come on his own volition, that it would be tantamount to saying that a member of the Joint Chiefs of Staff shall not make recommendations to the Congress?

Mr. VINSON. Of course, that is the correct construction to be placed on it. Why should the Congress want to be denied the right to get this information? Why is it insubordination to get information so that you and I can operate efficiently and intelligently.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman, with pleasure.

Mr. MEADER. When you strike out the phrase "on his own initiative" then what does the following phrase mean: "after first so informing the Secretary of Defense"? If he is requested by the Congress to come up and give information, does that mean he must now go and ask the Secretary of Defense for permission before he can give the information? Those phrases belong together. If you take out one, you ought to take out the other.

Mr. VINSON. Of course. This is the very heart of the law. The words "on his own initiative" are the very heart of the law which the Congress passed. I ask that this House vote down this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CUNNINGHAM of Iowa. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I strongly urge the complete and unanimous support and acceptance of the amendment just proposed by the esteemed gentleman from Illinois. It seems to me that this amendment certainly provides for the objectives of both the House Armed Services Committee and those of the President of the United States.

In the House committee's report after lengthy hearings, the committee stated that to provide and insure that the professional viewpoints of the military departments and the services are not withheld from the President or Congress, the bill continues provision for a Secretary of a military department or a member of the Joint Chiefs of Staff to present to the Congress, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense as he may deem proper.

I call to your attention, gentlemen, the fact that the President, in taking exception to this language in the House bill, only did so on the basis, and I think rightly, that this would invite insubordination to the President and the Secretary of Defense.

By the language of the proposed amendment, both the precautionary measures recommended by the committee in their bill to protect the constitutional right of the Congress to hear out representatives of the military, and the President's desire to provide for good organization and to prevent disunity within the official family, have been met.

By striking in line 10 "a Secretary of a military department," merely recognizes one of the fundamental aspects of good organization. The Secretary of the military department, responsible for his department, must rely for military strategic and tactical advice on his service chief. For him personally to represent his views would seem a little incongruous and would destroy the effectiveness of the civilian control that both the Congress and the President feel so necessary for the proper administration of the vast Defense Department and, of course, its objective of the preservation of the national security.

This amendment does not prevent a member of the Joint Chiefs of Staff—after first so informing the Secretary of Defense—of presenting any matters that he deems necessary that should be brought before the body of the Congress. This insures the fact that technical, qualified military personnel have ready access at all times to voice their views.

The President has never held to the tenet that the Congress should not have this authority and has pointed out, and this was substantiated during the hearings on this bill by Defense witnesses, that the Congress must and should at anytime it deems necessary call witnesses from the Defense Department, that it should as a body through the medium of appropriations have a check on the activities of the Defense Department. Nothing in this amendment changes any of these thoughts. Nothing in this amendment changes or modifies any of the authority of the President, the Congress, or the Secretary of Defense, but it does serve the purpose of retaining

the integrity of civilian control and the principles of good organization.

I respectfully and earnestly request your support of this amendment introduced by the esteemed gentleman from Illinois.

Mr. HARDY. I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HARDY. Mr. Chairman, the purpose of this amendment was made clear in the White House press release which has been referred to a number of times in the course of debate on this bill. The press release attributed to the President a number of very strong remarks which, if read literally, would seem to indicate that he holds the Congress, and particularly the Armed Services Committee of the House, in very low esteem. I have no personal feeling about this, but I do want to talk especially about his reference to a provision in the bill and in present law which he says promotes legalized insubordination. This provision, which has been in permanent law for many years, provides that a military secretary or a military chief of a service may, after advising the Secretary of Defense, present to the Congress on his own initiative any recommendation which he deems proper. No secretary or chief of service has ever made use of this provision of law. Perhaps the very fact that it is in the law makes it unnecessary for a military chief or secretary to utilize it. But the President wanted this provision of law stricken entirely, and the amendment pending before the House was designed to accomplish that very purpose by eliminating the language which authorizes the chief of a service to come to the Congress voluntarily and by excluding the right of a military secretary to come under any circumstances.

The Congress must depend upon top officials in the executive branch of the Government for its information. Moreover, there has already been too much evidence that information has been withheld by administrative agencies. Indeed, we should take steps to facilitate the transmission of information by personnel within the agencies who have the facts and the knowledge.

Under no circumstances should we ever preclude the head of an agency, and particularly a military agency, from coming to the Congress with a recommendation that may be vital to our survival, but which might not be in accord with the views of whoever the President might be at that time. In connection with this subject and the use of the charge legal insubordination, I want to read an editorial which appeared in the Richmond News Leader. This is timely and points up the dangers entailed by the President's efforts to restrict information from Congress:

LEGALIZED INSUBORDINATION?

After reading the House version of his defense reorganization bill—and reading it again—the President decided last week that Congressman CARL VINSON and company had not given him what he wanted after all. He came forth with a blistering statement that struck to the core of the bill. One of his objections concerned the crucial fifth part of section 3 of the House bill. That part reads as follows:

"No provision of this act shall be so construed to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper."

The President said that this language "is best described as legalized insubordination." Further, he said it "invites insubordination to the President and Secretary of Defense" and that it "is a bad concept, bad practice, bad influence within the Pentagon."

Those are strong words—especially strong words coming from an administration that had at first welcomed the House version of the reorganization bill as a workable compromise. And those words are excessively strong when one considers that the House version which the President now finds so objectionable merely puts into the new law what has been standing practice. Traditionally, leaders of the various services have come to Congress with their special arguments.

The administration's original reorganization bill would have gagged service leaders. Decisions would have been made within the Defense Establishment by the Joint Chiefs of Staff with the Secretary of Defense and, possibly, the President participating. But the Congress would have received the one answer which this group decided upon. The minority view, whatever its merits, would have been buried in the Department's files.

And what have been some of these minority views? Two recent dissents may be recalled. Gen. Curtis LeMay took his argument for more funds for long-range bombers to the Congress and the Congress overrode the recommendation of the Secretary of Defense to grant the Air Force more money for large bombers. Today these bombers with their nuclear payloads are the West's best deterrent to Soviet aggression. The other example? Adm. Hyman Rickover thought this Nation should put more emphasis on nuclear submarines. He fought to get the original nuclear submarine approved and he fought this year to get the Congress to push construction of this potentially valuable weapon. Nuclear subs, he pointed out, could serve as mobile missile launching sites.

The Defense Department recommended construction of five nuclear submarines. Admiral Rickover did not think this was enough. As it turned out, neither did the Congress. Last week the House voted funds to build nine. In other words, the House ignored the recommendation of the Defense Department to accept the views of Admiral Rickover. Was the admiral guilty of insubordination? The House surely would not think so.

Certainly there has to be teamwork in the Defense Establishment. No one would deny the importance of loyalty, discipline, and obedience to authority within the Armed Forces. But one of the cardinal precepts of America's form of government is that ultimate control over military forces must lie in civilian hands; higher than the highest of the top brass are the people themselves. Their right to hear testimony and to give orders, through their spokesmen in Congress, must never be infringed; and obedience to such orders, we would say to the President, is not insubordination at all.

"Legalized insubordination." Insubordination to whom? Obviously the President is talking about insubordination to the Secretary of Defense, and to the Commander in Chief—himself. I ask, "To whom do the officials of the military, and the Secretaries of the services, and every other governmental official owe first allegiance?" Their first allegiance is to the Nation and to the people of the Nation. It would seem then that in that quotation attributed to the President, he places himself and the Secretary of Defense in positions of supremacy. His remarks seem to infer that he would require personal loyalty even at the expense of insubordination to the American people by withholding information from their elected representatives—the Congress. I cannot believe that this is what the President meant or what he wants.

The amendment must be defeated.

Mr. TABER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, if you do not adopt this amendment and leave those words "on his own initiative" in there, that means he cannot come up any other way. That means Congress cannot send for him.

Mr. BATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when this particular section was considered in our hearings at considerable length, I questioned the Secretary of Defense. To me, the provision was of signal importance, because it is absolutely necessary for the Congress to be advised of what is going on in military affairs. So, if a man has such deep convictions, a member of the military, professional man, technical man who has spent his entire life in this business, then certainly Congress under its constitutional responsibility should invite that particular individual to come before it. The language "on his own initiative" has been discussed at great length. I have been advised that the language "on his own initiative" has been stricken from the bill solely because it is redundant; that implicit in the section itself is the very clear fact that this individual will come before Congress if he sees fit. So, for purposes of the record, if there is any question about it, I would not strike that language, simply to prevent or in any way foreclose an individual from coming here. But the entire problem we have had in this whole bill from the first day we have had hearings has been the question of language. As we wrote the bill we tried to perfect the bill, to take out of it extraneous language that has no meaning or has no significance. So when I was advised as to the intent of these particular words, I was informed that they were being stricken from the bill only because they were redundant. But there was another portion of this particular amendment that was changed, and that is the part concerning the Secretaries. In my questioning of the Secretaries, never once did I bring up the question of the Secretaries of the various services, because the thing I wanted to obtain was sound, technical, professional, military judgment on this problem. In my opinion, the Secretary of a service, many of them who have come and gone in my short five terms in this Congress, are not qualified along technical lines. So, when that portion was stricken from it, I had no objection. But let me say if anybody interprets

those words to mean that in any way we are closing the door to a military chief coming up here, certainly that is not my intention, nor would I so vote.

I do not believe that the language in this amendment so conveys that thought. I therefore intend to support the amendment.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes, the last 5 to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. Six members are seeking recognition on the amendment. The Chair will divide the time equally among them.

The gentleman from Michigan [Mr. MEADER] is recognized.

Mr. MEADER. Mr. Chairman, I think the principle involved here is one of extreme importance. The question is the access of Congress to information that it needs to make intelligent decisions on questions of national importance.

This paragraph of the bill says only that "No provision in this act shall prevent giving information to Congress. There may be other provisions, or general control and supervision by the Executive over people in the executive branch of the Government, by which they can control and limit the amount of information that the executive officials give to the Congress. All this language states is that there is nothing in this act which shall prevent the secretary of a military department or a member of the Joint Chiefs of Staff from informing Congress.

When you strike out the phrase "on his own initiative" the following phrase, "shall, after first so informing the Secretary of Defense," renders the meaning of this section almost impossible to determine. With that language stricken, suppose the Secretary of the Army were before the Armed Services Committee and a member asked for his recommendation, even at the request of the committee; he would first have to inform the Secretary of Defense what his recommendation was going to be. How can a committee operate under those circumstances?

I believe that the provision in the act limits this to this act first of all, and by striking it out it looks as though it is the intent of Congress to approve of a gag upon officials in the executive branch of Government, preventing them from giving their recommendations to the committees of Congress.

I think the amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. TEWES].

Mr. TEWES. Mr. Chairman, what we have been witnessing here today is a gigantic and probably a historic struggle between the chairman of a committee of the Congress and the President of the United States. While I do not qualify as an expert on the details of the legislation before us, I rise to say that in making a choice between the principals in this struggle, I cast my lot with the President, a man who has given his life to military matters.

And I deny the charge of the committee chairman that my choice is predicated on politics. Because I am a first-term Congressman and because of my great respect for the President, I would appear to be a likely candidate for White House political pressure. Yet neither the President nor any of his staff has contacted me concerning this matter.

Nonetheless, I have felt political pressure, but a political pressure of the right kind. This is the pressure which is generated naturally by a President fighting for a principle in which he believes. This is the pressure which comes from 170 million American people who agree with the President. This is the pressure which a Congressman feels when his conscience tells him that the President's cause is right. To that kind of pressure I willingly succumb.

I think some of the agonizing statements coming from the opposite side of the aisle are the direct result of this same pressure. I suggest that it would be well for America if political pressure of this kind would always dominate the Congress. The President's leadership in this important matter has the support of the experts, of the people, and deserves the support of Congress.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, our decision on the reorganization of our Defense Establishment will be one of the most important we shall make in this session. It is a decision which demands of each of us the vision and wisdom to look beyond immediate interests to the long-run welfare of America.

If we have the foresight to enact legislation in this Congress which will accomplish a meaningful reorganization of our national defense structure, then this Nation's chances to remain at peace will be immeasurably improved. Halfway measures will not suffice, however. We must accomplish a wholehearted shakeup in the organization of our defenses in order to do the job completely.

My backing of this and the preceding amendments is keyed to the conviction that they furnish a means by which the recommendations of the President can be completely carried out and really significant changes accomplished. This seems to me to be peculiarly a field in which the President is entitled to our most earnest consideration.

Mr. Chairman, I think none among us will deny the burning need for modernizing our Defense Establishment. In the relatively few years since the end of World War II, man's ability to destroy man has grown by leaps and bounds. Almost overnight, the science of destruction has been transformed. A whole new and ghastly arsenal of weapons is available to a group implacably hostile to all who live in freedom.

In a word, modern technology and science have placed at the disposal of potential enemies instruments of almost unlimited power and weapons of incredible destructiveness. An important aspect of these advances has been the fact that this destruction can be delivered with breathtaking speed and practically without warning. Thus, the problems of defense and retaliation have become doubly difficult.

All this means that if there is another war, although it may be of a modified pushbutton variety, it could well become a personal thing for every citizen of the United States. It could mean bursting bombs and missiles right here in Washington.

The terrible threat of world war III simply means that we can no longer putter along in our accustomed grooves, impervious of the outside world, and concerned only with our daily tasks. The business-as-usual attitudes of the past can no longer sustain us as free men.

Our national survival—indeed, the liberty of free men everywhere and those who yearn to be free—may well depend on our ability to meet these challenges fearlessly and head on. The fate of all humanity may well rest on our ability as Americans and free people to buckle down to the task, our willingness to make sacrifices necessary to keep up our national defenses, and our capability to make the changes needed to maintain our national security.

We are faced today with one of those challenges. We must meet without further delay the problem of bringing our defense organization up to date to meet the demands of modern warfare. If we do not successfully carry out this task, we may not be able to deter the Communist warlords from engaging in overt aggression, much less withstand their onslaughts, should war ever come.

The plan drafted by President Eisenhower for reshuffling the Pentagon is a good one. It is a hardheaded, reasoned program, drawn up under the supervision of our Chief Executive, one of the great military authorities of our time. Significantly, it has the support of the Second Hoover Commission.

The simple, logical premise of this plan is that intercontinental missiles, antimissile missiles, and all the other modern weapons of war have so changed our military needs that all branches must, to a certain extent, be unified. Since the instruments of war cut across all services and can be used by all services, the units of all three branches must be combined under a unified command to carry out specific strategic missions.

That is exactly what the President's plan would do. That is why I am behind it wholeheartedly. But I do not think we should be content with halfhearted measures. Only the full reorganization, as requested by the Chief Executive, will do the job.

The need is compelling for accomplishing these changes promptly simply because we are in this new era of warfare. We must be ready at the outset of any conflict—or else we might as well not bother at all.

It is true, of course, that during World War II a semblance of unified service commands was achieved. General Eisenhower and General MacArthur headed them. But even then the separateness of the three services denied

the top men the full authority necessary to achieve really effective cooperation. The result was some very serious military hazards, delays, and confusion.

The big reason such unification failed during the Second World War is simply that it wasn't in existence when the war started. There was no opportunity for the officers to become familiar with the plan and to alter their methods of operation to fit the new scheme.

The painful truth is that today the situation has not changed radically from the pre-World War II setup. The terrible truth is that there will be no chance for a practice period, for adjustment, in any future war.

Clearly, the present military organization of this country is woefully inadequate. Interservice rivalries and jealousies are constantly flaring. Duplication and quarrels are common place. Tactics and research plans clash and overlap. Emotional decisions and conflicting prerogatives knock heads at every turn. The new weapons—universal in their application to the services—have tended to blur even more the already inexact lines of demarkation between the missions of the various branches. In a word, we are in a new age of military science, of military responsibility, and of military decision.

The old dividing lines of land, sea, and air simply do not mean anything today. We can't start fresh, but neither can we stand pat and preserve all the outmoded tools of the past if we are to utilize fully the weapons of modern war.

This thinking has led the President to the inescapable conclusion that if the services are to fight under a unified military command in time of war they must be managed by a civilian command in time of peace. And, of course, the separateness must end.

That is the heart and soul of the President's reorganization plan.

The result would be a less costly, more flexible, more realistic defense, attuned to the needs of our times. The result of full implementation of the President's idea would be a far stronger national defense, better able to deter all who would destroy us.

Unfortunately, the President's proposals have run into a great deal of opposition since they were submitted to Congress. A great deal of this opposition has been based on very real fears about certain provisions in the proposals, and certain desirable changes have been made in the original draft.

But, on the other hand, some of this opposition is based on negative and obtuse thinking which will simply get us nowhere. If these bow and arrow concepts win out, we may never be able to modernize our military system.

Mr. Chairman, a good many absurd charges have been levelled against the President's plan. In many instances, they stem from a misunderstanding of just what his proposals intend to accomplish and how. Now that the smoke of battle has cleared and all the evidence has been presented, I am hopeful the way is cleared for full implementation of the Chief Executive's proposals.

Unfortunately, the bill reported by the committee is merely a partial attempt to accomplish the reorganization we so badly need. It reeks with the timidity and with failures to grasp the bull by the horns. In several respects, it would legalize the confusion and delays which now plague our National Defense Establishment.

I can think of nothing more destructive of constructive progress than to have Congress go on record as approving the waste, duplication, rivalries, and administrative delays which are the very cause of the legislation before us. Yet that is what we would be doing if we approved the committee's bill without amendment. Even the proposed amendments do not go far enough and represent very substantial concessions on the part of the President in his original proposals.

Certain provisions of this measure continue to encourage the disunity and schisms within the Defense Department that we set out to eliminate. Now, a major objective of the President's plan was to establish the clear and unchallenged authority of the Secretary of Defense over our entire Defense Establishment. Yet, section 2 of H. R. 12541 invites the very bottlenecks we should be seeking to eliminate. By requiring that the Secretary of Defense's authority be exercised through the respective Secretaries of such departments this measure limits seriously the role of the Secretary of Defense, clogs administrative channels, and generally puts a Congressional stamp of approval on friction and delays in the Defense Department. It cannot in good conscience be enacted into law if we want to do this reorganizing job fully and completely.

Section 3 of H. R. 12541, likewise is at odds with the stated objectives of Pentagon reorganization. It would effectively condone the overlapping and archaic procedures now impeding progress and would also encourage the idea of military superiority over civilian authority. Subsection (c) 3 of section 3, in effect says that one military leader—without regard to the views and judgments of his superiors or equals—could impede needed defense changes for dangerously long periods. It is directly contrary to the proven need for greater flexibility within our defense hierarchy. This offending language should be eliminated.

I also direct the attention of my colleagues to the dangers involved in the provisions of section 3 (4), which clearly continues the separateness and possibilities for holdups which we should be trying to cut out. That language should be eliminated.

Section 3 (5) of H. R. 12541, now under consideration, would also controvert the objectives of military reorganization. This provision, authorizing a single department secretary or a member of the Joint Chiefs of Staff to make recommendations to Congress, is a virtual invitation to interservice rivalry. It clashes directly with the need for unity of channels of administration and command. It practically gives a carte blanche to undercutting the President and the Secretary of Defense. And perhaps worst of all, enactment of such language would hint that Congress is in favor of friction among the armed services.

Mr. Chairman, these provisions of the committee bill must be eliminated if we are to accomplish fully the objective of modernizing the Pentagon. Having come this far, let us not turn back. Let us finish the work we set out to do.

The substitute proposal, to be offered I understand, by the gentleman from Illinois [Mr. ARENDS], is in line with the President's thinking. It will permit the clear channels of command, the unity of organization, planning, and administration, which we so sadly need in these perilous times. I shall vote for this substitute proposal with the clear conviction that this is the means our military experts and the Chief Executive feel will best do the job.

Constructive, thoughtful opposition and suggestions are fine and should be encouraged. But Congressional armchairism, if carried to extremes, can be a dangerous practice. I feel we should repose the confidence in our military leaders they have so clearly shown they deserve.

We can express that confidence and do the job that needs to be done in reorganizing our Defense Establishment only by adopting the substitute to be offered by the gentleman from Illinois.

The answers we frame to the questions before this body today may well decide the fate of America, as well as that of the Free World. Let us have the vision, the foresight, and the dedication to the good of the Nation to give the President what he has asked for.

Our thinking must not be hide-bound and biased toward a particular favorite branch. We must not be military mossbacks dragging our feet and holding up progress.

The real question before this body is not which service will emerge in the dominant role. It is not which Member will see his pet branch top dog.

It is simply whether we can sufficiently modernize our defenses to meet the challenges of modern warfare.

Tearful attachments to outmoded concepts will not do in this day of ICBM's and outer space conquest. Modern, hardheaded, openminded thinking must be the order of the day.

The challenges to the Free World demand that we face up to the facts unflinchingly and squarely. We can only do that by amending H. R. 12541 to bring it in line with the sound recommendations of the Chief Executive.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, if it be legalized insubordination to deny the Secretaries of the various services the right to come before the Congress or any committee of the Congress to voice recommendations or to protest or whatever it may be, then it is equally legalized insubordination to invite the Chiefs of Staff to do precisely the same thing.

Mr. Chairman, I am irrevocably opposed to any amendment that would circumscribe the right of the Secretaries

of the various services to come before Congress. Let us keep the door wide open to the Chiefs of Staff and to the Secretaries to come before the Congress at any time when they think they have a legitimate protest or a legitimate recommendation. This is a process vital to continued civilian control of the military.

It was only a few weeks ago that the House of Representatives, by an overwhelming vote, approved the so-called right-to-know bill. That legislation will be meaningless unless those who are charged with administering the laws we enact and with spending the money that we appropriate are protected in their right to come to Congress and report if they deem it necessary. And none of these administrators are more important than those who are responsible for the military services and the defense of this Nation; an area in which some $40 billion is now being spent each year.

Mr. Chairman, as previously stated, I am irrevocably opposed to the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, if I understood the gentleman from Massachusetts, [Mr. BATES], correctly, he stated that it was not intended by this amendment to prohibit or prevent or impede a chief of a military service to make recommendation to the Congress. I think that was the point the gentleman from Massachusetts made.

I want to point out that at the time the President, on May 28, expressed his opposition to certain provisions of the bill, he suggested three amendments. One of them had to do with the very matter which is now pending before us in this amendment.

At that time, in a news release section 3 was set out and quoted in full. In that news release there were included the comments of the President with reference to the total paragraph as it now exists in law. His statement is as follows:

> The underscored language is best described as legalized insubordination. It invites interservice rivalries; invites insubordination to the President and Secretary of Defense; endorses idea of disunity and blocking of defense modernization; suggests that Congress hopes for disobedience and interservice rivalries; is bad concept, bad practice, bad influence within Pentagon.

I point out that the entire section was underscored in the news release.

I have not been conscious of the Congress taking any action that encouraged disobedience or interservice rivalries.

The suggested remedy as carried in the press release is "delete the underscored language in section 3."

That is the whole thing. So, evidently, the purpose was to see to it that a member of the Joint Chiefs of Staff or the Secretary of a military department would not come to the Congress.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Massachusetts.

Mr. BATES. I want to make my own position absolutely clear. The gentleman from Illinois [Mr. ARENDS] showed me this language. I asked him, What do these words "on his own initiative" mean? And he said they were only redundant; therefore, there is no meaning. In this particular amendment, to me, it means only that. If it means more, then, of course, that is something else.

Mr. KILDAY. Will the gentleman point out the language which makes this redundant or repetitious?

Mr. BATES. The very fact that someone initiates an action to go to see the Secretary of Defense to inform him, of course, amounts to initiation of an action.

Mr. KILDAY. I am not responsible for the wording of the amendment that was offered here, but I thoroughly understand the motivation which produced the desire to eliminate this, and it is not quite as innocuous as the gentleman from Massachusetts describes it.

I think the gentleman has explained his position.

In 1951, by law, we provided that any member of the Military Establishment could contact a Member of the Congress. That was offered from the floor here by a gentleman on the minority side, and it was adopted by the House, and it has been the law ever since. Now you bring in a provision which would permit everybody in the Military Establishment to contact the Congress except the top man. Everybody else would be permitted to contact the Congress except the top man.

Mr. Chairman, this particular amendment should not be adopted. There is no reason in the world to change a law that has been here for 9 years. They say in the Department that they do not know of an instance in which it has been used or resort has been had to this provision. Its very existence has probably rendered its use unnecessary, because if it exists in law, then the Chief or the Secretary does not have to demand the right to come here. They are given the right to come to Congress freely and openly. You have a provision in law that has been in existence for 9 years, "on his own initiative"; and if you strike that out, the courts will say, "What did Congress mean when they said that?" They will say that Congress said, "You shall not go on your own initiative."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ARENDS].

The question was taken; and on a division (demanded by Mr. MARTIN) there were—ayes 82, noes 150.

So the amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mrs. ROGERS of Massachusetts. Mr. Chairman, since World War II this is the second reorganization of our national defense the Congress has had to consider. The first of these was the National Security Act of 1947. It was amended in 1949 and again by the Reorganization Plan No. 6 of 1953. Now in 1958 we are called upon to drastically amend existing law with this new bill to completely reorganize the Defense Department.

Back in 1947 when the National Security Act was under consideration a tremendous amount of time and study was given to this legislation. The exact meaning of every word in that law was carefully considered and defined. This was the law in which the Office of the Secretary of Defense was created. This was the law of unification of the military services. Many of you here today remember well this unification legislation. It unified 2 departments into 4 military departments. When it was finished instead of having 2 major military departments, the Army and the Navy, we awakened to the fact that we had 4; the Army, the Navy, the Air Force, and in 1949 the Department of Defense. Regardless of this fact the advocates of this legislation still called it unification. It was a bill to integrate the military services. It integrated them all right, out of 2 military services it created 4. Instead of reducing the cost to the taxpayers it tripled the cost. Instead of unification the National Security Act often has been referred to as triplication or quadruplification.

Under the National Security Act of 1947 it was the intention of Congress in accord with its constitutional authority to define in general terms the military functions of the respective services. It was the purpose of Congress to provide for three military departments separately administered by their respective civilian secretaries and to provide for their authoritative coordination and unified direction under civilian control. It was not the specific intention of Congress to merge the military services. Furthermore it was not the intention of the Congress to make the new Secretary of Defense "the boss" of the military services as does the legislation before us today. The sole function of the new Secretary of Defense created in the original National Security Act as intended by the Congress at that time was to coordinate the respective services and he was to act as an advisor to the President, the Commander in Chief, on matters pertaining to the military services. Although the Secretary of Defense was given the authority to establish general policies and programs for the Military Establishment, it was not the intention of Congress at that time that this new officer of the military services should have any authority over the operation of the respective military departments. Furthermore, it was the intention of the Congress to provide efficient coordination and integration between the services in their respective military operations.

In the Reorganization Plan No. 6 of 1953 the President came to Congress and asked for more power for the Secretary of Defense. This the Congress provided. In this present bill now being considered, virtually complete power over the respective services exercised by the Secretary of Defense is provided. The respective military services are no longer to be separately administered by their civilian secretaries. The Secretary of Defense is the complete, overall "boss." The civilian secretaries of the service are to take all of their orders, their

complete direction from the Secretary of Defense. In fact, if the language of the committee bill is not adopted, and the language of the administration is adopted there will no longer be any need for civilian secretaries of the respective military departments. This legislation makes the Secretary of Defense the second most important official, the second most powerful official in the Government of the United States.

Another important part of this legislation has to do with the transfer, the reassignment, the consolidation, and the abolishment of the functions of the respective military services. This is the heart of this legislation. This is the kernel, the pith, the purpose of the whole bill before us.

In 1947 when the National Security Act was passed by the Congress and a new military service was created, namely the United States Air Force, Congress found it necessary to exercise its constitutional authority to spell out the general basic functions of the respective military services. It is my view that authority over the functions of the military services should not be legislated from the Congress and given over to the judgment of one man, the Secretary of Defense or to the President of the United States regardless who they may be. I have every confidence in the present Secretary of Defense. I do not believe he would ever countenance an unfair or unjust act. He is a very able gentleman and doing an excellent job of serving this Nation. Certainly we know of the great dependability, integrity, and honor of our great and distinguished President Eisenhower. We are not concerned with the immediate present. We are vitally concerned with our future security.

At this time, Mr. Chairman, we are enacting a law, a law which will continue to be in force until such time as the Congress may be called upon to change it or to pass on another reorganization of our national defense. We do not know who the President of the United States will be in the years ahead and we do not know who the Secretary of Defense will be. This power over the military functions must not be given away by the Congress, and to the extent that this power is given away by the Congress in this legislation it is very wrong. It is so wrong that this Nation will see the time when it will realize a tragic mistake was made. Some future Congress will be called upon to correct this tragic mistake but that may be too late. It is my view and my recommendation that if any change in the military functions of the respective military services is desired on the part of the Commander in Chief, the President of the United States, the proposed change should be submitted to the Congress for Congressional consideration and enactment. It is argued that Congressional action is not fast enough and is not flexible enough.

I reject these arguments. I have been in Congress a long time and I have seen Congress act very, very quickly if there is sufficient necessity. I repeat, I am opposed to the transfer to the Secretary of Defense of any power whatsoever over the military functions of the respective services. For the Congress to transfer this control over military functions based in its constitutional authority to the Secretary of Defense is wrong and can only result in tragedy at some future time.

Now this matter of the functions of the military services is extremely important to the national security of this Nation. It is extremely important to every American citizen. Because of this fact I include in my remarks at this point a very excellent description and narrative on the subject of the roles and missions or functions of the services prepared by the very able and competent staff of the House Armed Services Committee:

ROLES AND MISSIONS OF THE SERVICES

Prior to 1947, Congress regulated the affairs of the Army and the Navy through the Secretaries of War and Navy with no intervening authority. The constitutional responsibilities of Congress respecting the Army and Navy were expressed in numerous legislative actions effecting the composition and capabilities of each of these services, where broad roles in warfare were understood and taken for granted.

But the Congressional hearings of 1947, leading to the creation of a third military department and to the establishment of an intervening authority, the Secretary of Defense, raised certain questions. What were to be the combatant functions of the forces developed by the new department? What were to be the residual combatant functions of the forces to be left within the original departments? To resolve the conflicts associated with these questions, Congress determined that it must, in enacting unification legislation, spell out the basic missions of the respective military services. Indeed, this delineation of the combatant functions of the several armed services was early identified as one of the three basic issues of the unification issue; the others were the Government organization for national security, and the organization for unified command in the field.

The resulting statutory statements of roles and missions are not to be confused with the amplifying and more detailed service functions which can and have been assigned by executive order of the Secretary of Defense. The provisions of the law—stated in sections 205, 206, and 207 of the National Security Act—are not narrow and confining, but broad. For example, the jurisdictional problem which arose with the advent of the ballistic missile, the single major technological development since 1947, was dealt with in the fall of 1956, by the Secretary of Defense, acting within the scope of his statutory authority. In settling the issue, he did not deal with a matter which was frozen in legislation. Instead, he found a broad and flexible legislative delineation between the sphere of the Army and the sphere of the Air Force which provided him with both the authority and the precedent to reach a decision. Much of the controversy subsequent to this decision may be traced to dissatisfaction with its substance, none to its making.

Under its constitutional obligation Congress must exercise its responsibility with respect to the Armed Forces which is implicit in the legislative determination of the broad roles and missions of the services. In a practical sense this is one of the few meaningful instruments by which Congress can discharge its responsibilities. If service roles and missions were removed from law and made subject to executive determination, little would remain for Congress except to appropriate funds.

In discharging this function, Congress must prescribe roles and missions in such detail as appears to be necessary. It may be a general assignment of a more or less obvious function as in the case of the Army, a more exact assignment to insure specific composition and capabilities, as in the case of the Navy, or it may be the detailed recital (as in the case of the Marine Corps) which is clearly necessary as a safeguard against the incursions of the larger services.

The testimony offered to the committee indicates that the present statements of the combatant functions of the services, as enacted by Congress in 1947, are still valid and, indeed, that they could not be improved upon.

These prescriptions, it should be noted, do not tell the Army to fight a war on land, the Navy on the sea, or the Air Force in the air. They merely tell these services to develop forces organized, trained, and equipped primarily for combat in these three media and with the minimum of duplication. These forces are employed under the unified command to which they are assigned. Congress did not enjoin the services to fight independently 3 separate wars, 1 on land, 1 on the sea, and 1 in the air. It told them instead to develop an efficient team of land, naval, and air forces. To remove all doubt on this score the Congress provided specifically for joint forces, and joint action through the medium of unified commands, each employing land, sea, and air forces in closely integrated combat action.

In other words the assignment of service roles and missions was not intended to be rigidly prescriptive with respect to employment of forces in combat. Rather it decentralizes the overall task of preparing forces for war. It promotes stability, continuity, and economy, and facilitates long-range planning by assigning each of the military services responsibility for organizing, training, equipping, and providing forces designed primarily to fulfill specified portions of the total task.

During the hearings conducted by the committee, there was no criticism of the statements of the roles and missions of the military services as now set forth in law but rather an affirmation of their validity. What was advocated was that the Secretary of Defense be given the right, on his own initiative, with a simple notification to Congress, to transfer, reassign, abolish, or consolidate functions of such nature as go to the very heart of a service's statutory tasks in order that he might eliminate any problematic overlapping which might be created by the advent of new weapons.

The Secretary of Defense, as was demonstrated by his 1956 supplement to the functions paper, has very substantial authority to alter service functions and to assign to one or more of the military services responsibility for the employment of new weapons. But where the issue involves the ability of a service to discharge effectively the role assigned to it by Congress, then Congress must participate in the decision.

To properly analyze this problem it is necessary to discuss the origin of the existing statutory provision which limits the Secretary of Defense's authority to transfer, reassign, abolish, or consolidate functions. There were no such limitations in the 1947 act, but the actions of the Secretary of Defense under the authority provided in that act gave evidence of the need for such provisions in the 1949 amendments designed to clarify and strengthen his authority.

The summary cancellation on April 23, 1949, of the aircraft carrier U. S. S. *United States*, unilaterally by the Secretary of Defense—without prior consultation with the

Appropriations and Armed Services Committees of the Congress—brought this observation from the Armed Services Committee:

"The committees and the entire Congress had passed twice on the carrier—favorably each time. It was clearly the intent of the Congress that the carrier should be built. Despite this declaration of Congressional intent, despite the clear intent of laws enacted by the Congress, the construction of this vessel was canceled summarily by administrative decision.

"It was precisely for the purpose of anticipating such situations in the future that the Armed Services Committee insisted upon the inclusion of a provision in the Unification Act Amendments of 1949 that, '* * * no function which has been or is hereafter authorized by law to be performed by the Department of Defense shall be substantially transferred, reassigned, abolished, or consolidated until after a report in regard to all pertinent details shall have been made by the Secretary of Defense to the Committees on Armed Services of the Congress.'

"In view of this provision of law and the results flowing from the carrier cancellation, the committee anticipates that this type of action will not recur in the future."

If the executive branch could disregard the intent of Congress in respect to the construction or nonconstruction of a single combatant unit in one of the armed services, it might also transfer, reassign, abolish, or consolidate functions inseparable from the basic combatant functions of the military services as expressed in law. In fact, in 1949 there was substantial evidence that the Secretary of Defense was doing just that. For example, the Marine Corps had been directed to reduce the number of rifle battalions in its divisions to the point where they could not discharge the amphibious function of the corps even though Congress had provided, and the Marine Corps had on its rolls personnel to man a greater number of units.

Consequently, Congress also specified that the Secretary of Defense might not exercise his power so as to transfer, reassign, abolish, or consolidate the combatant functions of the military services as expressed in the National Security Act, or indirectly accomplish the same purpose by either directing the expenditure of funds or detailing or assigning personnel.

Congress cannot abdicate the responsibilities vested in it by the Constitution. It must continue to reserve to itself decisions as to the basic duties each of the four services is to perform. This has the great advantage of insuring that matters of such vital import to the defense of the Nation are not left to the Executive alone, but are subjected to the collective judgment of Congress.

This is an excellent account of the military functions and their importance. I wish that everyone interested in military matters could read this description. This is the reason I have placed it in my remarks at this time.

In the legislation we are now considering, however, the House Armed Services Committee has tried to devise a mechanism by which the Secretary of Defense can effect changes in the combatant functions of the military services. This has been done on the theory that Congressional action in effecting changes is too slow or might be too time consuming. I cannot accept this statement because of the reason I have previously stated, namely that Congress can act very quickly if the necessity arises. Nevertheless the committee has recommended this mechanism for effecting changes in this legislation. The bill, first, grants the Secretary of Defense authority to abolish, consolidate, transfer, or reassign service functions, other than major combatant functions, 30 days after notifying Congress.

Second. Grants the President unlimited power to transfer, reassign, or consolidate combatant and noncombatant functions, in case of hostilities or imminent threat of hostilities, which will revert to their former status upon the cessation of hostilities or the threat of hostilities; and

Third. Gives the Secretary of Defense the right to transfer, reassign, abolish, or consolidate major combatant functions, after consultation with the Joint Chiefs of Staff, if the Congress does not pass a concurrent resolution expressing disapproval of such transfer within 60 days after receiving the recommendation. A combatant function which the Secretary of Defense proposes to transfer, reassign, consolidate or abolish becomes a "major combatant function" if one or more members of the Joint Chiefs of Staff disagrees with the proposed transfer, reassignment, abolition, or consolidation.

It is my view that this method of effecting changes in the combatant functions of the military services is not only unworkable but that it cannot possibly work. It is my view that it is wrong and sooner or later will develop into tragedy affecting the security of this Nation. I am opposed to this part of this legislation. Even this method of control over functions as worked out by the Committee however is preferable to the complete control requested by the administration. Although there are provisions in this proposed legislation which I cannot accept, I believe the distinguished chairman of the House Armed Services Committee and the members of the committee together with the able staff of the committee have done an excellent job in working out this legislation to accomplish many of the recommendations of President Eisenhower for a smoother operation of our defense organization while at the same time preserving some of the checks of control which the Congress should rightly exercise. I shall support this legislation with these reservations.

I do not approve of that part of the legislation relating to the power of the Secretary of Defense over the administration of the respective military departments. Furthermore I do not approve of the method devised to permit the Secretary of Defense to affect changes or to abolish the roles and missions or functions of the respective military services. Furthermore I cannot approve of the provision giving to the President, whoever he may be, the unlimited power to transfer, reassign, or consolidate all military functions in case of hostilities or a threat of hostilities. Certainly the Congress is still in existence and the Congress can deal with emergencies just about as quickly as can the Chief Executive. Furthermore I object to that part of this legislation which deals with the Joint Staff and the Chairman of the Joint Chiefs of Staff. Although the intention of Congress is stated that under no consideration is the Chairman of the Joint Chiefs of Staff in conjunction with the Joint Staff to operate under a so-called general staff system, it would appear that the machinery is set up for an easy and a quick conversion into the so-called general staff system.

It is to be remembered that in the United States of America the people are the sovereign. With the people as the sovereign certainly there is no room for any military overlord or any general staff system making its own rules and regulations and controlling the whole military organization. In the United States the authority of government is vested in the people and is exercised by the elected representatives of the people in Congress. Let this fact never be forgotten, for if it is, representative government will cease to exist on this earth.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be open to amendment by any Member at any point, and that the bill now be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The remainder of the bill is as follows:

CLARIFYING THE CHAIN OF COMMAND OVER MILITARY OPERATIONS

SEC. 4. (a) Section 3034 (d) (4) of title 10, United States Code, is amended to read as follows:

"(4) exercise supervision over such of the members and organizations of the Army as the Secretary of the Army determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act."

(b) Section 5081 (c) of title 10, United States Code, is amended to read as follows:

"(c) Under the direction of the Secretary of the Navy, the Chief of Naval Operations shall exercise supervision over such of the members and organizations of the Navy and the Marine Corps as the Secretary of the Navy determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act."

(c) Section 5201 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) Under the direction of the Secretary of the Navy, the Commandant of the Marine Corps shall exercise supervision over such of the members and organizations of the Marine Corps and Navy as the Secretary of the Navy determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act."

(d) Clause (5) of section 8034 (d) of title 10, United States Code, is renumbered "(4)" and amended to read as follows:

"(4) exercise supervision over such of the members and organizations of the Air Force as the Secretary of the Air Force determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act."

(e) Section 8034 (d) is amended by striking out clause (4) and by renumbering clauses (6) and (7) as clauses "(5)" and "(6)," respectively.

(f) (1) Section 8074 (a) of title 10, United States Code, is amended to read as follows:

"(a) The Air Force shall be divided into such organizations as the Secretary of the Air Force may prescribe."

(2) Subsections (b) and (c) of section 8074 of title 10, United States Code, are repealed, and subsection (d) is redesignated as subsection "(b)."

(g) Section 8032 (b) (1) of title 10, United States Code, is amended to read as follows:

"(1) prepare for such employment of the Army, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Army, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff.";

(h) Section 8032 (b) (1) of title 10, United States Code, is amended to read as follows:

"(1) prepare for such employment of the Air Force, and for recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff;".

CLARIFYING THE ORGANIZATION AND DUTIES OF THE JOINT STAFF

SEC. 5. (a) Section 143 of title 10, United States Code, is amended to read as follows:

"§ 143. Joint Staff.

"(a) There is under the Joint Chiefs of Staff a Joint Staff consisting of not more than 400 officers selected by the Joint Chiefs of Staff with the approval of the Chairman. The Joint Staff shall be selected in approximately equal numbers from—

"(1) the Army;

"(2) the Navy and the Marine Corps; and

"(3) the Air Force.

The tenure of the members of the Joint Staff is subject to the approval of the Chairman of the Joint Chiefs of Staff, and except in time of war, no such tenure of duty may be more than 3 years. Except in time of war, officers completing a tour of duty with the Joint Staff may not be reassigned to the Joint Staff for a period of not less than 3 years following their previous tour of duty on the Joint Staff, except that selected officers may be recalled to Joint Staff duty in less than 3 years with the approval of the Secretary of Defense in each case. The number of such officers recalled to Joint Staff duty in less than 3 years shall not exceed 30 serving on the Joint Staff at any one time.

"(b) The Chairman of the Joint Chiefs of Staff in consultation with the Joint Chiefs of Staff, and with the approval of the Secretary of Defense, shall select the Director of the Joint Staff. Except in time of war, the tour of duty of the Director may not exceed 3 years. Upon the completion of a tour of duty as Director of the Joint Staff, the Director, except in time of war, may not be reassigned to the Joint Staff. The Director must be an officer junior in grade to each member of the Joint Chiefs of Staff.

"(c) The Joint Staff shall perform such duties as the Joint Chiefs of Staff or the Chairman prescribes. The Chairman of the Joint Chiefs of Staff manages the Joint Staff and its Director, on behalf of the Joint Chiefs of Staff.

"(d) The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority. The Joint Staff may be organized and may operate along conventional staff lines to support the Joint Chiefs of Staff in discharging their assigned responsibilities."

(b) Section 141 of title 10, United States Code, is amended by adding a new subsection (e) as follows:

"(e) With the advice and assistance of the Joint Chiefs of Staff the President, through the Secretary of Defense, shall establish unified or specified combatant commands for the performance of combatant missions, and shall determine the force structure of such combatant commands to be composed of forces of the Department of the Army, the Department of the Navy, the Department of the Air Force, which shall then be assigned to such combatant commands by the departments concerned for the performance of such combatant missions. Such combatant commands are responsible to the President and the Secretary of Defense for such combatant missions as may be asigned to them by the Secretary of Defense, with the approval of the President. Forces assigned to such unified combatant commands or specified combatant commands shall be under the full operational command of the commander of the unified combatant command or the commander of the specified combatant command. All forces not so assigned remain for all purposes in their respective departments. Under the direction, authority, and control, of the Secretary of Defense each military department shall be responsible for the administration of the forces assigned from its department to such combatant commands. The responsibility for the support of forces assigned to combatant commands shall be vested in one or more of the military departments as may be directed by the Secretary of Defense. Forces assigned to such unified or specified combatant commands shall be transferred therefrom only by authority of and under procedures established by the Secretary of Defense, with the approval of the President.

AUTHORIZING THE DELEGATION OF DUTIES BY THE MILITARY SERVICE CHIEFS

SEC. 6. (a) Section 3035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) The Vice Chief of Staff has such authority and duties with respect to the Department of the Army as the Chief of Staff, with the approval of the Secretary of the Army, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff."

(b) Section 5085 (b) of title 10, United States Code, is amended to read as follows:

"(b) The Vice Chief of Naval Operations has such authority and duties with respect to the Department of the Navy as the Chief of Naval Operations, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Vice Chief of Naval Operations in performing such duties have the same effect as those issued by the Chief of Naval Operations."

(c) Section 5202 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"(c) The Assistant Commandant has such authority and duties with respect to the Marine Corps as the Commandant, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Assistant Commandant in performing such duties have the same effect as those issued by the Commandant."

(d) Section 8035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"(d) The Vice Chief of Staff has such authority and duties with respect to the Department of the Air Force as the Chief of Staff, with the approval of the Secretary of the Air Force, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff."

CLARIFYING THE ROLE OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SEC. 7. Section 141 (a) (1) of title 10, United States Code, is amended by striking out the words ", who has no vote".

REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF MILITARY DEPARTMENTS

SEC. 8. (a) Section 3013 (a) of title 10, United States Code, is amended to read as follows:

"(a) There are an Under Secretary of the Army and three Assistant Secretaries of the Army in the Department of the Army. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate."

(b) (1) Section 5034 of title 10, United States Code, is amended to read as follows:

"§ 5034. Assistant Secretaries of the Navy: appointment; duties

"(a) There are three Assistant Secretaries of the Navy in the Department of the Navy. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Assistant Secretaries shall perform such duties as the Secretary of the Navy prescribes."

(2) Section 5035 of title 10, United States Code, is repealed.

(3) The analysis of chapter 505 of title 10, United States Code, is amended by striking out the following items:

"5034. Assistant Secretaries of the Navy: appointment; duties; compensation.

"5035. Assistant Secretary of the Navy for Air: appointment; duties; compensation."

and by inserting the following in lieu thereof:

"5034. Assistant Secretaries of the Navy: appointment; duties."

(c) Section 8013 (a) of title 10, United States Code, is amended to read as follows:

"(a) There are an Under Secretary of the Air Force and three Assistant Secretaries of the Air Force in the Department of the Air Force. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate."

ESTABLISHING THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

SEC. 9. Section 203 of the National Security Act of 1947 is further amended by adding a new subsection (b) as follows:

"(b) (1) There shall be a Director of Defense Research and Engineering who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, who shall take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. The Director performs such duties with respect to research and engineering as the Secretary of Defense may prescribe, including, but not limited to, the following: (i) to be the principal adviser to the Secretary of Defense on scientific and technical matters; (ii) to supervise all research and engineering activities in the Department of Defense; and, (iii) to direct and control (including their assignment or reassignment) research and engineering activities that the Secretary of Defense deems to require centralized management. The compensation of the Director is that prescribed by law for the Secretaries of the military departments.

"(2) The Secretary of Defense or his designee, subject to the approval of the President, is authorized to engage in basic and applied research projects essential to the responsibilities of the Department of Defense in the field of basic and applied research and development which pertain to weapons systems and other military requirements. The Secretary or his designee, subject to the approval of the President, is authorized to perform

assigned research and development projects by contract with private business entities, educational or research institutions, or other agencies of the Government, through one or more of the military departments, or by utilizing employees and consultants of the Department of Defense.

"(3) There is authorized to be appropriated such sums as may be necessary for the purposes of paragraph (2) of this section.

"(4) Section 7 of the act of February 12, 1958 (72 Stat. 14) is amended to read as follows:

"SEC. 7. The Secretary of Defense or his designee is authorized to engage in such advanced projects essential to the Defense Department's responsibilities in the field of basic and applied research and development which pertain to weapons systems and military requirements as the Secretary of Defense may determine after consultation with the Joint Chiefs of Staff; and for a period of 1 year from the effective date of this act, the Secretary of Defense or his designee is further authorized to engage in such advanced space projects as may be designated by the President.

"Nothing in this provision of law shall preclude the Secretary of Defense from assigning to the military departments the duty of engaging in research and development of weapons systems necessary to fulfill the combatant functions assigned by law to such military departments.

"The Secretary of Defense shall assign any weapons systems developed to such military department or departments for production and operational control as he may determine."

SEC. 10. (a) Subsections (b) and (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), are redesignated as subsections "(c)" and "(d)," respectively.

(b) Section 171 (a) of title 10, United States Code, is amended by renumbering clauses (6), (7), (8), and (9) as clauses "(7)," "(8)," "(9)," and "(10)," respectively, and inserting the following new clause (6) after clause (5):

"(6) the Director of Defense Research and Engineering;."

REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF DEFENSE

SEC. 11. (a) Subsection (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), as redesignated by section 10 (a) of this act, is amended as follows:

(1) By striking out the word "8" and inserting the word "7" in place thereof.

(2) By striking out the word "and" after the word "Navy,"

(3) By inserting the words ", and the Director of Defense Research and Engineering" after the words "Air Force."

(b) Section 3 of Reorganization Plan No. 6 of 1953 (67 Stat. 638) is repealed.

AUTHORIZING THE TRANSFER OF OFFICERS BETWEEN THE ARMED FORCES

SEC. 12. Chapter 41 of title 10, United States Code, is amended as follows:

(1) By adding the following new item at the end of the analysis:

"716. Commissioned officers: transfers between Army, Navy, Air Force, Marine Corps."

(2) By adding the following new section at the end:

"§716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps

"Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from the Army, Navy, Air Force, or Marine Corps to, and appoint him in, any other of those armed forces. The Secretary of Defense shall establish, by regulations approved by the President, policies and procedures for such transfers and appointments. No officer transferred pursuant to this authority shall be assigned precedence or relative rank higher than that which he held on the day prior to such transfer."

Mr. SCRIVNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: On page 9, line 8 insert the following:

"THE JOINT CHIEFS OF STAFF

"(b) Section 141 of title 10, United States Code, is amended to read as follows:

"'§ 141. Composition; functions

"'(a) There are in the Department of Defense the Joint Chiefs of Staff consisting of—

"'(1) a Chairman;

"'(2) an officer appointed from the Army who shall have the title "Member, Joint Chiefs of Staff";

"'(3) an officer appointed from the Navy who shall have the title "Member, Joint Chiefs of Staff"; and

"'(4) an officer appointed from the Air Force who shall have the title "Member, Joint Chiefs of Staff."

Each officer appointed as a member of the Joint Chiefs of Staff shall be appointed to that office by the President, by and with the advice and consent of the Senate, and (except in the case of the Chairman), shall have the same grade, and shall serve for the same period, as is the case with respect to the Commanding Officer of the service from which he is appointed. While holding office as a Member of the Joint Chiefs of Staff, he outranks all other officers of the service from which he is appointed. He shall not exercise any military command over any armed force.

"'(b) The Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense.

"'(c) No officer appointed as a member of the Joint Chiefs of Staff may again serve with the service from which he is appointed

"'(d) Subject to the authority and direction of the President and the Secretary of Defense, the Joint Chiefs of Staff shall—

"'(1) prepare strategic plans and provide for the strategic direction of the Armed Forces;

"'(2) prepare joint logistic plans and assign logistic responsibilities to the Armed Forces in accordance with those plans;

"'(3) establish unified commands in strategic areas;

"'(4) review the major material and personnel requirements of the Armed Forces in accordance with strategic and logistic plans;

"'(5) formulate policies for the joint training of the Armed Forces;

"'(6) formulate policies for coordinating the military education of members of the Armed Forces;

"'(7) provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and

"'(8) perform such other duties as the President or the Secretary of Defense may prescribe.'"

Mr. SCRIVNER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with inasmuch as the language is that which is contained in the present bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, although I am not a member of the Armed Services Committee I trust I may be pardoned for offering an amendment or suggesting that perhaps after several years on the Military Appropriations subcommittee I have seen a little bit of the military situation and have some knowledge of the Pentagon problems.

You will also notice, Mr. Chairman, that although all other members do, I wear no rose on my lapel. I would like to advocate that the sunflower be made the national flower, not the rose. The sunflower has learned to grow under adverse climatic conditions, whether it be wet or hot, it requires no pampering, no special expert care, and, as we have demonstrated throughout the years, those who come from the Sunflower State have had to triumph over adversity. "To the Stars Through Difficulty." That is the Kansas motto and is well exemplified by the sunflower.

But back to the business at hand, Mr. Chairman.

I have watched this House perform in many wondrous ways its miracles. I know the sentiment of the House, and I can get the feeling today well enough to know that there is very little if any chance of my amendment's being adopted, even though it is, perhaps, one of the best that has been offered today. But if one did not attempt to do something merely because he thought his attempts would meet with failure, nothing would ever be accomplished in this world. So, even though it may go down in defeat, here is the amendment I have offered and here is what it would do.

It would take from the members of the Joint Chiefs of Staff one of the two hats which they must now wear. First, one hat is worn as the Chief of Staff of the Army, Navy or Air Force. In other words, they have a full-time job being in command of the Army. They have a full-time job being in command of the Navy, and they have a full-time job being in command of the Air Force. But on top of that full-time job they are also required to be planners. They must wear the other hat as member of the Joint Chiefs of Staff. They must keep themselves well versed on all the new developments and weapons here and abroad, they must keep themselves well versed on all of the conditions throughout the world, and look to the future, and that is a full-time job.

They go onto the Joint Chiefs of Staff as partisans, as advocates of their own particular branch of the service. If some decision comes up before the Joint Chiefs of Staff that involves the Army, naturally the Chief of Staff of the Army is going to stay in there and battle for the Army and resist proposals on behalf of the Army. He cannot be impersonal, he cannot be dispassionate, he cannot be nonpartisan in it because tomorrow when he goes back to his office as Chief of Staff of the Army he has to face the men who serve with and under him and perhaps apologize and explain why he took action which may have been contrary to Army views but necessary as a team measure.

What this amendment does is to set these men up as planners, and that is all. They have no military command, none whatsoever. They are divorced from

their service. They are planners and advisers to the commanders in chief of the Army and Navy. They are planners and advisers to the Secretary of Defense. They are planners and advisers to the members of the National Security Council. Thats all—and that is enough to keep them busy.

My amendment provides one other thing. They would merely be members of the Joint Chiefs of Staff. They would not be an Army member or a Navy member. They are members of a team of planners.

My amendment goes further. It provides that after their tour of duty as members of the Joint Chiefs of Staff they shall not return to any branch of the service. That is to be sure they are and forever remain absolutely nonpartisan, unbiased, and impartial. By the time they complete their tour of duty as members of the Joint Chiefs of Staff, they are just about ready to retire. There are many places they can be used whether it be NATO or some military advisory group in any number of places where their experience as members of the Joint Chiefs of Staff would be most valuable.

Then, too, you would have this other result. The man who is in command of the Army would be in command of the Army and he would not be subject to the orders of the member who is wearing two hats. He would be the one man to run the Army on his own responsibility, and that is a full-time job. Both jobs are too big for any one man to do as well as they should be done.

Mr. Chairman, this amendment is practical. It is common sense. It would give us a sound, sane, and sensible military program and would be a great improvement over the present situation which now exists where two hats are worn, where there should be but one.

This change made, these men would then be no longer fighting the battles of their service department, but would be fighting 100 percent for the Nation's defense.

Adoption of this plan would give us a modern defensive setup, ready to act upon mature plans drawn up and developed in an atmosphere completely free from pressures of the various services, and free from obligation to their former service. Plans developed solely upon consideration of the needs of our national defense.

Mr. Chairman, this amendment should be adopted, although quite frankly and honestly I do not expect it to be.

Mr. BROOKS of Louisiana. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in reference to what my friend, the gentleman from Kansas, has to say about the sunflower, I am not going to take issue with him. I do not think that is a rather vital part of this measure and whether it be the rose or the sunflower, I am still for the flowery kingdom.

But I am against this amendment. I am against it for any number of reasons. In the first place, the amendment is a long and complicated one. The gentleman did not think enough of it, I assume, to have the entire amendment read to the House of Representatives.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield? The gentleman mentioned my name will he yield?

The gentleman inferred that it was improper. I did think enough of the amendment.

Mr. BROOKS of Louisiana. I yield to the gentleman for a question.

Mr. SCRIVNER. I did think enough of the amendment and asked that the further reading of the amendment be dispensed with and that time not be taken to read the rest of it because the rest of my amendment is exactly the same as the language that is in the bill right now.

Mr. BROOKS of Louisiana. The gentleman has offered a long and complicated amendment which was not fully read to the House of Representatives. It involves things that the Committee on Armed Services has carefully studied over a long period of time. It is one of the most technical amendments which could have been submitted to this particular bill at this time. It is an amendment that should be considered most carefully and seriously in committee over a long period of time.

The gentleman says that he would make simply planners of the Joint Chiefs of Staff. He says he would not give them the responsibility of executing their plans. I submit to the Members of the House that I approach that sort of arrangement with serious misgivings. Are you going to set up a group of men to make plans and have no responsibility for the execution of the plans? Are we going to wait until a great crisis comes along and then let them tell the armed services what has to be done, to have them say, "Here are the plans"? And yet, they are to have no responsibility whatsoever for the carrying out of those plans? The plan may be impossible of execution. The plans may be ridiculous. And yet the people who set up the plans and presented the plans for execution have no responsibility under the shining sun for the carrying out of those plans, whether they be good or bad. So I submit that that portion of the amendment is all wrong and it should not be adopted.

Then, I make reference to the part about not permitting the Joint Chiefs of Staff to return to the regular service after they have served their terms as members of the Joint Chiefs of Staff. In effect, this would preclude a young member of the armed services from becoming a member of the Joint Chiefs of Staff. A younger member would not wish to become a member of the Joint Chiefs of Staff.

A man, unless he is about ready to retire, would forego that honor. If he accepted it, he would be at the end of his tenure of office and he would then be put on the shelf. He would be retired, whether his usefulness as a member had ceased or not. So I submit that portion of the amendment is bad.

This is the first time I have talked on this bill today. I sat in our committee over a long period of time listening to the testimony. I am one member of that committee that honestly and conscientiously worked for a strong bill. I think we must have a Department of Defense that has the power and the organization to give us efficiency in defense. I believe I was instrumental, at least to some extent, in getting changes brought into the bill that is before you so as to give us a well organized and efficient Defense Department.

Additional amendments may be needed in the future, but we have done a good job. This bill should be passed by the House and go on to the other body, and it should become the law of the land. It is a far step forward in the development of the Defense Department. I supported unification when it was before the House a number of years ago. I support this bill because it marks another step forward. I do not say it is the last step we have to take, but it is a needed step. It will give us a better Defense Department, and I hope we get a unanimous vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. SCRIVNER].

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WATTS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, pursuant to House Resolution 579, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CLEVENGER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CLEVENGER. I am, Mr. Speaker.

The Clerk read as follows:

Mr. CLEVENGER moves to recommit the bill to the Committee on Armed Services, with instructions to report the same back forthwith, with the following amendment: Strike out all after the enacting clause, and insert the following:

"That this act may be cited as the 'Department of Defense Reorganization Act of 1958.'

"AMENDING THE DECLARATION OF POLICY

"SEC. 2. Section 2 of the National Security Act of 1947, as amended (50 U. S. C. 401), is further amended to read as follows:

"'SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide a Department of Defense, including the three military Departments of the Army, the Navy (including

naval aviation and the United States Marine Corps), and the Air Force under the direction, authority, and control of the Secretary of Defense; to provide that each military department, with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense; to provide that an Assistant Secretary of Defense may direct the Secretary of a military department or his designee only when specifically delegated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation; to provide for the unified direction of the military departments and services under the civilian control of the Secretary of Defense but not to merge them; to provide for the establishment of unified or specified combatant commands, and a clear and direct line of command to such commands; to eliminate unnecessary duplication in the Department of Defense, and particularly in the field of research and engineering by vesting its overall direction and control in the Secretary of Defense; to provide more effective, efficient, and economical administration in the Department of Defense; to provide for the unified strategic direction of the combatant forces, for their operation under unified command, and for their integration into an efficient team of land, naval, and air forces but not to establish a single Chief of Staff over the Armed Forces nor an overall Armed Forces General Staff.'

"STRENGTHENING THE DIRECTION, AUTHORITY, AND CONTROL OF THE SECRETARY OF DEFENSE

"SEC. 3. (a) Section 202 (c) of the National Security Act of 1947, as amended (5 U. S. C. 171 (a) (c)), is amended to read as follows:

"'(c) (1) Within the policy enunciated in section 2, the Secretary of Defense shall take appropriate steps (including the transfer, reassignment, abolition, and consolidation of functions other than major combatant functions) to provide in the Department of Defense for more effective, efficient, and economical administration and operations and to eliminate duplication. However, except as otherwise provided in this subsection, no functions which have been or are hereafter established by law to be performed by the Department of Defense, or any officer or agency thereof, shall be substantially transferred, reassigned, abolished, or consolidated until 30 days after a report to the Congress in regard to all pertinent details in each instance shall have been made by the Secretary of Defense.

"'(2) Notwithstanding other provisions of this subsection, if the President determines that it is necessary because of hostilities or imminent threat of hostilities, any function, including those assigned to the military services by sections 205 (c), 206 (b), 206 (c), and 208 (f) hereof, may be transferred, reassigned, or consolidated and subject to the determination of the President shall remain so transferred, reassigned, or consolidated until the termination of such hostilities or threat of hostilities.

"'(3) Except as otherwise provided in paragraph (2) hereof, no major combatant function of a military service shall be transferred, reassigned, abolished, or consolidated until the Secretary of Defense shall have consulted in respect thereto with the Joint Chiefs of Staff and until 45 days of session (whether or not interrupted by periods of recess or adjournment) of the Congress following the date of report by the Secretary of Defense of such action to the Congress shall have expired without a concurrent resolution having been passed by the Congress in opposition to the proposed transfer, reassignment, abolition, or consolidation. For the purposes of this subsection a combatant function shall be considered a "major combatant function" whenever one or more members of the Joint Chiefs of Staff or a Secretary of a military department certify in writing to the Secretary of Defense (1) that the function to be transferred, reassigned, abolished, or consolidated is an indispensable and integral part of the combatant capability of a military service and (2) that the proposed transfer, reassignment, abolition, or consolidation will, if accomplished, seriously impair national security: *Provided*, That the Secretary of Defense has authority to assign, or reassign, to one or more departments or services, the development and operational use of new weapons or weapons systems.

"'(4) Each military department with its own Secretary, Under Secretary, and Assistant Secretaries, shall be separately organized and shall be under the direction, authority, and control of the Secretary of Defense. An Assistant Secretary of Defense may direct a Secretary of a military department or his designee only when specifically designated such authority by the Secretary of Defense and shall inform the Secretary of the military department concerned of all directions issued pursuant to such delegation.

"'(5) No provision of this act shall be so construed as to prevent a member of the Joint Chiefs of Staff from presenting to the Congress, after first so informing the Secretary of Defense, any recommendations relating to the Department of Defense that he may deem proper.'

"(b) Section 202 (d) of the National Security Act of 1947, as amended (5 U. S. C. 171a (d)), is further amended to read as follows:

"'(d) The Secretary of Defense shall annually submit a written report to the President and the Congress covering expenditures, work, and accomplishments of the Department of Defense, accompanied by (1) such recommendations as he shall deem appropriate, (2) separate reports from the military departments covering their expenditures, work, and accomplishments, and (3) itemized statements showing the savings of public funds and the eliminations of unnecessary duplications and overlappings that have been accomplished pursuant to the provisions of this act.'

"(c) Section 2201 of title 10, United States Code, is repealed and the analysis of chapter 131 of title 10 is amended by striking out the following item:

"'2201. General functions of Secretary of Defense.'

"(d) Section 2351 of title 10, United States Code, is repealed and the analysis of chapter 139 of title 10 is amended by striking out the following item:

"'2351. Policy, plans, and coordination.'

"CLARIFYING THE CHAIN OF COMMAND OVER MILITARY OPERATIONS

"SEC. 4. (a) Section 3034 (d) (4) of title 10, United States Code, is amended to read as follows:

"'(4) exercise supervision over such of the members and organizations of the Army as the Secretary of the Army determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act.'

"(b) Section 5081 (c) of title 10, United States Code, is amended to read as follows:

"'(c) Under the direction of the Secretary of the Navy, the Chief of Naval Operations shall exercise supervision over such of the members and organizations of the Navy and the Marine Corps as the Secretary of the Navy determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act.'

"(c) Section 5201 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) Under the direction of the Secretary of the Navy, the Commandant of the Marine Corps shall exercise supervision over such of the members and organizations of the Marine Corps and Navy as the Secretary of the Navy determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act.'

"(d) Clause (5) of section 8034 (d) of title 10, United States Code, is renumbered '(4)' and amended to read as follows:

"'(4) exercise supervision over such of the members and organizations of the Air Force as the Secretary of the Air Force determines: *Provided*, That such supervision shall be exercised in a manner consistent with the full operational command vested in unified or specified combatant commanders pursuant to section 5 (b) of this act.'

"(e) Section 8034 (d) is amended by striking out clause (4) and by renumbering clauses (6) and (7) as clauses '(5)' and '(6)', respectively.

"(f) (1) Section 8074 (a) of title 10, United States Code, is amended to read as follows:

"'(a) The Air Force shall be divided into such organizations as the Secretary of the Air Force may prescribe.'

"(2) Subsections (b) and (c) of section 8074 of title 10, United States Code, are repealed, and subsection (d) is redesignated as subsection '(b)'.

"(g) Section 3032 (b) (1) of title 10, United States Code, is amended to read as follows:

"'(1) prepare for such employment of the Army, and for such recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Army, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff.'

"(h) Section 8032 (b) (1) of title 10, United States Code, is amended to read as follows:

"'(1) prepare for such employment of the Air Force, and for recruiting, organizing, supplying, equipping, training, serving, mobilizing, and demobilizing of the Air Force, as will assist in the execution of any power, duty, or function of the Secretary or the Chief of Staff.'

"CLARIFYING THE ORGANIZATION AND DUTIES OF THE JOINT STAFF

"SEC. 5. (a) Section 143 of title 10, United States Code, is amended to read as follows:

"'§ 143. Joint Staff

"'(a) There is under the Joint Chiefs of Staff a Joint Staff consisting of not more than 400 officers selected by the Joint Chiefs of Staff with the approval of the Chairman. The Joint Staff shall be selected in approximately equal numbers from—

"'(1) the Army;

"'(2) the Navy and the Marine Corps; and

"'(3) the Air Force.

The tenure of the members of the Joint Staff is subject to the approval of the Chairman of the Joint Chiefs of Staff, and, except in time of war, no such tenure of duty may be more than 3 years. Except in time of war, officers completing a tour of duty with the Joint Staff may not be reassigned to the Joint Staff for a period of not less than

3 years following their previous tour of duty on the Joint Staff, except that selected officers may be recalled to Joint Staff duty in less than 3 years with the approval of the Secretary of Defense in each case. The number of such officers recalled to Joint Staff duty in less than 3 years shall not exceed 30 serving on the Joint Staff at any one time.

"'(b) The Chairman of the Joint Chiefs of Staff in consultation with the Joint Chiefs of Staff, and with the approval of the Secretary of Defense, shall select the Director of the Joint Staff. Except in time of war, the tour of duty of the Director may not exceed 3 years. Upon the completion of a tour of duty as Director of the Joint Staff, the Director, except in time of war, may not be reassigned to the Joint Staff. The Director must be an officer junior in grade to each member of the Joint Chiefs of Staff.

"'(c) The Joint Staff shall perform such duties as the Joint Chiefs of Staff or the Chairman prescribes. The Chairman of the Joint Chiefs of Staff manages the Joint Staff and its Director, on behalf of the Joint Chiefs of Staff.

"'(d) The Joint Staff shall not operate or be organized as an overall Armed Forces General Staff and shall have no executive authority. The Joint Staff may be organized and may operate along conventional staff lines to support the Joint Chiefs of Staff in discharging their assigned responsibilities.'

"(b) Section 141 of title 10, United States Code, is amended by adding a new subsection (e), as follows:

"'(e) With the advice and assistance of the Joint Chiefs of Staff the President, through the Secretary of Defense, shall establish unified or specified combatant commands for the performance of combatant missions, and shall determine the force structure of such combatant commands to be composed of forces of the Department of the Army, the Department of the Navy, the Department of the Air Force, which shall then be assigned to such combatant commands by the departments concerned for the performance of such combatant missions. Such combatant commands are responsible to the President and the Secretary of Defense for such combatant missions as may be assigned to them by the Secretary of Defense, with the approval of the President. Forces assigned to such unified combatant commands or specified combatant commands shall be under the full operational command of the commander of the unified combatant command or the commander of the specified combatant command. All forces not so assigned remain for all purposes in their respective departments. Under the direction, authority and control of the Secretary of Defense each military department shall be responsible for the administration of the forces assigned from its department to such combatant commands. The responsibility for the support of forces assigned to combatant commands shall be vested in one or more of the military departments as may be directed by the Secretary of Defense. Forces assigned to such unified or specified combatant commands shall be transferred therefrom only by authority of and under procedures established by the Secretary of Defense, with the approval of the President.'

"AUTHORIZING THE DELEGATION OF DUTIES BY THE MILITARY SERVICE CHIEFS

"SEC. 6. (a) Section 3035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"'(c) The Vice Chief of Staff has such authority and duties with respect to the Department of the Army as the Chief of Staff, with the approval of the Secretary of the Army, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff.'

"(b) Section 5085 (b) of title 10, United States Code, is amended to read as follows:

"'(b) The Vice Chief of Naval Operations has such authority and duties with respect to the Department of the Navy as the Chief of Naval Operations, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Vice Chief of Naval Operations in performing such duties have the same effect as those issued by the Chief of Naval Operations.'

"(c) Section 5202 of title 10, United States Code, is amended by adding at the end thereof a new subsection (c) to read as follows:

"'(c) The Assistant Commandant has such authority and duties with respect to the Marine Corps as the Commandant, with the approval of the Secretary of the Navy, may delegate to or prescribe for him. Orders issued by the Assistant Commandant in performing such duties have the same effect as those issued by the Commandant.'

"(d) Section 8035 of title 10, United States Code, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) The Vice Chief of Staff has such authority and duties with respect to the Department of the Air Force as the Chief of Staff, with the approval of the Secretary of the Air Force, may delegate to or prescribe for him. Orders issued by the Vice Chief of Staff in performing such duties have the same effect as those issued by the Chief of Staff.'

"CLARIFYING THE ROLE OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF

"SEC. 7. Section 141 (a) (1) of title 10, United States Code, is amended by striking out the words ', who has no vote.'

"REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF MILITARY DEPARTMENTS

"SEC. 8. (a) Section 3013 (a) of title 10, United States Code, is amended to read as follows:

"'(a) There are an Under Secretary of the Army and three Assistant Secretaries of the Army in the Department of the Army. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.'

"(b) (1) Section 5034 of title 10, United States Code, is amended to read as follows:

"'§ 5034. Assistant Secretaries of the Navy: Appointment; duties

"'(a) There are three Assistant Secretaries of the Navy in the Department of the Navy. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

"'(b) The Assistant Secretaries shall perform such duties as the Secretary of the Navy prescribes.'

"(2) Section 5035 of title 10, United States Code, is repealed.

"(3) The analysis of chapter 505 of title 10, United States Code, is amended by striking out the following items:

"'5034. Assistant Secretaries of the Navy: Appointment; duties; compensation.

"'5035. Assistant Secretary of the Navy for Air: Appointment; duties; compensation.'

and by inserting the following in lieu thereof:

"'5034. Assistant Secretaries of the Navy: Appointment; duties.'

"(c) Section 8013 (a) of title 10, United States Code, is amended to read as follows:

"'(a) There are an Under Secretary of the Air Force and three Assistant Secretaries of the Air Force in the Department of the Air Force. They shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.'

"ESTABLISHING THE DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING

"SEC. 9. Section 203 of the National Security Act of 1947 is further amended by adding a new subsection (b) as follows:

"'(b) (1) There shall be a Director of Defense Research and Engineering who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, who shall take precedence in the Department of Defense after the Secretary of Defense, the Deputy Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. The Director performs such duties with respect to research and engineering as the Secretary of Defense may prescribe, including, but not limited to, the following: (i) to be the principal adviser to the Secretary of Defense on scientific and technical matters; (ii) to supervise all research and engineering activities in the Department of Defense; and, (iii) to direct and control (including their assignment or reassignment) research and engineering activities that the Secretary of Defense deems to require centralized management. The compensation of the Director is that prescribed by law for the Secretaries of the military departments.

"'(2) The Secretary of Defense or his designee, subject to the approval of the President, is authorized to engage in basic and applied research projects essential to the responsibilities of the Department of Defense in the field of basic and applied research and development which pertain to weapons systems and other military requirements. The Secretary or his designee, subject to the approval of the President, is authorized to perform assigned research and development projects: by contract with private business entities, educational or research institutions, or other agencies of the Government, through one or more of the military departments, or by utilizing employees and consultants of the Department of Defense.

"'(3) There is authorized to be appropriated such sums as may be necessary for the purposes of paragraph (2) of this section.

"'(4) Section 7 of the act of February 12, 1958 (72 Stat. 14), is amended to read as follows:

"'SEC. 7. The Secretary of Defense or his designee is authorized to engage in such advanced projects essential to the Defense Department's responsibilities in the field of basic and applied research and development which pertain to weapons systems and military requirements as the Secretary of Defense may determine after consultation with the Joint Chiefs of Staff; and for a period of 1 year from the effective date of this act, the Secretary of Defense or his designee is further authorized to engage in such advanced space projects as may be designated by the President.

"'Nothing in this provision of law shall preclude the Secretary of Defense from assigning to the military departments the duty of engaging in research and development of weapons systems necessary to fulfill the combatant functions assigned by law to such military departments.

"'The Secretary of Defense shall assign any weapons systems developed to such military department or departments for production and operational control as he may determine.'

"SEC. 10. (a) Subsections (b) and (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), are redesignated as subsections '(c)' and '(d),' respectively.

"(b) Section 171 (a) of title 10, United States Code, is amended by renumbering clauses (6), (7), (8), and (9) as clauses '(7),'

'(8),' '(9),' and '(10),' respectively, and inserting the following new clause (6) after clause (5):

"'(6) the Director of Defense Research and Engineering.'

"REDUCING THE NUMBER OF ASSISTANT SECRETARIES OF DEFENSE

"SEC. 11. (a) Subsection (c) of section 203 of the National Security Act of 1947, as amended (5 U. S. C. 171c), as redesignated by section 10 (a) of this act, is amended as follows:

"(1) By striking out the word 'three' and inserting the word 'seven' in place thereof.

"(2) By striking out the word 'and' after the word 'Navy.'

"(3) By inserting the words ', and the Director of Defense Research and Engineering' after the words 'Air Force.'

"(b) Section 3 of Reorganization Plan No. 6 of 1953 (67 Stat. 638) is repealed.

"AUTHORIZING THE TRANSFER OF OFFICERS BETWEEN THE ARMED FORCES

"SEC. 12. Chapter 41 of title 10, United States Code, is amended as follows:

"(1) By adding the following new item at the end of the analysis:

"'716. Commissioned officers: transfers between Army, Navy, Air Force, Marine Corps.'

"(2) By adding the following new section at the end:

"'§ 716. Commissioned officers: transfers between Army, Navy, Air Force, and Marine Corps

"'Notwithstanding any other provision of law, the President may, within authorized strengths, transfer any commissioned officer with his consent from the Army, Navy, Air Force, or Marine Corps to, and appoint him in, any other of those armed forces. The Secretary of Defense shall establish, by regulations approved by the President, policies and procedures for such transfers and appointments. No officer transferred pursuant to this authority shall be assigned precedence or relative rank higher than that which he held on the day prior to such transfer.'"

The SPEAKER. The question is on the motion to recommit.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 192, nays 211, not voting 27, as follows:

[Roll No. 99]

YEAS—192

Adair	Bush	Dwyer
Addonizio	Byrne, Ill.	Farbstein
Alger	Byrnes, Wis.	Fenton
Allen, Calif.	Canfield	Fino
Allen, Ill.	Cannon	Fogarty
Andersen, H. Carl	Carrigg	Ford
	Cederberg	Frelinghuysen
Arends	Chamberlain	Fulton
Ashley	Chenoweth	Gavin
Avery	Chiperfield	George
Ayres	Clevenger	Glenn
Baker	Collier	Griffin
Baldwin	Corbett	Gubser
Bass, N. H.	Coudert	Gwinn
Bates	Cramer	Hale
Baumhart	Cretella	Halleck
Beamer	Cunningham, Iowa	Harden
Becker		Harrison, Nebr.
Belcher	Cunningham, Nebr.	Harvey
Bennett, Mich.		Haskell
Bentley	Curtin	Henderson
Berry	Curtis, Mass.	Heselton
Betts	Curtis, Mo.	Hess
Boland	Dague	Hiestand
Bolton	Dawson, Utah	Hillings
Bosch	Dennison	Hoeven
Bow	Derounian	Holmes
Broomfield	Devereux	Holt
Brown, Mo.	Diggs	Holtzman
Brown, Ohio	Dixon	Horan
Broyhill	Dooley	Hyde
Budge	Dorn, N. Y.	Jarman
Jensen	Miller, N. Y.	Scrivner
Jonas	Minshall	Scudder
Judd	Moore	Seely-Brown
Kean	Morano	Sheehan
Kearns	Moulder	Siler
Keating	Mumma	Simpson, Ill.
Kilburn	Neal	Simpson, Pa.
King	Nicholson	Smith, Calif.
Knox	Nimtz	Smith, Kans.
Krueger	Norblad	Springer
Lafore	O'Hara, Minn.	Stauffer
Laird	Ostertag	Taber
Latham	Patterson	Talle
LeCompte	Pelly	Taylor
Lipscomb	Pillion	Teague, Calif.
McDonough	Poff	Tewes
McGovern	Quie	Thompson, N. J.
McGregor	Ray	Thomson, Wyo.
McIntire	Reece, Tenn.	Tollefson
McIntosh	Reed	Udall
McVey	Rees, Kans.	Van Pelt
Macdonald	Reuss	Vorys
Mack, Wash.	Rhodes, Ariz.	Vursell
Mahon	Riehlman	Wainwright
Mailliard	Robison, N. Y.	Weaver
Marshall	Robsion, Ky.	Westland
Martin	Rodino	Wharton
Mason	Sadlak	Widnall
May	St. George	Wigglesworth
Merrow	Saylor	Williams, N. Y.
Michel	Schenck	Wilson, Ind.
Miller, Md.	Scherer	Withrow
Miller, Nebr.	Schwengel	Younger

NAYS—211

Abbitt	Gathings	Norrell
Abernethy	Gordon	O'Brien, Ill.
Albert	Granahan	O'Hara, Ill.
Alexander	Grant	O'Konski
Anderson, Mont.	Gray	O'Neill
	Green, Oreg.	Osmers
Andrews	Green, Pa.	Passman
Anfuso	Griffiths	Patman
Ashmore	Gross	Perkins
Aspinall	Hagen	Pfost
Barden	Haley	Philbin
Barrett	Hardy	Pilcher
Bass, Tenn.	Harris	Poage
Beckworth	Harrison, Va.	Polk
Bennett, Fla.	Hays, Ark.	Porter
Blatnik	Hays, Ohio	Powell
Blitch	Healey	Preston
Boggs	Hébert	Price
Bolling	Hemphill	Rabaut
Boykin	Herlong	Rains
Boyle	Hoffman	Rhodes, Pa.
Bray	Holifield	Riley
Breeding	Holland	Rivers
Brooks, La.	Hosmer	Roberts
Brooks, Tex.	Huddleston	Robeson, Va.
Brown, Ga.	Hull	Rogers, Colo.
Burdick	Ikard	Rogers, Fla.
Burleson	Jackson	Rogers, Mass.
Byrd	Jennings	Rogers, Tex.
Byrne, Pa.	Johansen	Rooney
Celler	Johnson	Roosevelt
Chelf	Jones, Ala.	Rutherford
Christopher	Jones, Mo.	Saund
Church	Karsten	Scott, N. C.
Clark	Kee	Selden
Coad	Kelly, N. Y.	Shelley
Coffin	Keogh	Sheppard
Colmer	Kilday	Sieminski
Cooley	Kilgore	Sikes
Davis, Ga.	Kirwan	Sisk
Davis, Tenn.	Kitchin	Smith, Miss.
Dawson, Ill.	Kluczynski	Smith, Va.
Dellay	Knutson	Spence
Dent	Landrum	Staggers
Denton	Lane	Steed
Dingell	Lankford	Sullivan
Dollinger	Lennon	Teague, Tex.
Donohue	Lesinski	Teller
Dorn, S. C.	Libonati	Thomas
Dowdy	McCormack	Thompson, La.
Doyle	McFall	Thompson, Tex.
Durham	McMillan	Thornberry
Eberharter	Machrowicz	Trimble
Edmondson	Mack, Ill.	Tuck
Elliott	Madden	Ullman
Engle	Magnuson	Utt
Everett	Matthews	Vanik
Evins	Meader	Van Zandt
Fallon	Metcalf	Vinson
Fascell	Miller, Calif.	Watts
Feighan	Mills	Whitener
Fisher	Mitchell	Wier
Flood	Montoya	Willis
Flynt	Morgan	Wilson, Calif.
Forand	Morris	Winstead
Forrester	Morrison	Wright
Fountain	Moss	Yates
Frazier	Multer	Young
Friedel	Murray	Zablocki
Garmatz	Natcher	Zelenko
Gary	Nix	

NOT VOTING—27

Auchincloss	Gregory	Prouty
Bailey	Hill	Radwan
Baring	James	Santangelo
Bonner	Jenkins	Scott, Pa.
Brownson	Kearney	Shuford
Buckley	Loser	Walter
Carnahan	McCarthy	Whitten
Delaney	McCulloch	Williams, Miss.
Dies	O'Brien, N. Y.	Wolverton

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. O'Brien of New York for, with Mr. Bonner against.

Mr. Auchincloss for, with Mr. Buckley against.

Mr. Wolverton for, with Mr. Walter against.

Mr. McCulloch for, with Mr. Loser against.

Mr. Jenkins for, with Mr. McCarthy against.

Mr. Radwan for, with Mr. Gregory against.

Mr. Scott of Pennsylvania for, with Mr. Santangelo against.

Mr. Prouty for, with Mr. Williams of Mississippi against.

Mr. Brownson for, with Mr. Baring against.

Mr. James for, with Mr. Carnahan against.

Until further notice:

Mr. Delaney with Mr. Kearney.

Mr. Whitten with Mr. Hill.

Mr. REUSS changed his vote from "nay" to "yea."

Mr. HERLONG changed his vote from "yea" to "nay."

Mr. MOULDER changed his vote from "nay" to "yea."

Mr. POWELL changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 402, nays 1, not voting 27, as follows:

[Roll No. 100]

YEAS—402

Abbitt	Blitch	Coffin
Abernethy	Boggs	Collier
Adair	Boland	Colmer
Addonizio	Bolling	Cooley
Albert	Bolton	Corbett
Alexander	Bosch	Coudert
Alger	Bow	Cramer
Allen, Calif.	Boykin	Cretella
Allen, Ill.	Boyle	Cunningham, Iowa
Andersen, H. Carl	Bray	
	Breeding	Cunningham, Nebr.
Anderson, Mont.	Brooks, La.	
	Brooks, Tex.	Curtin
Andrews	Broomfield	Curtis, Mass.
Anfuso	Brown, Ga.	Curtis, Mo.
Arends	Brown, Mo.	Dague
Ashley	Brown, Ohio	Davis, Ga.
Ashmore	Broyhill	Davis, Tenn.
Aspinall	Budge	Dawson, Ill.
Avery	Burdick	Dawson, Utah
Ayres	Burleson	Dellay
Bailey	Bush	Dennison
Baker	Byrd	Dent
Baldwin	Byrne, Ill.	Denton
Barden	Byrne, Pa.	Derounian
Bass, N. H.	Byrnes, Wis.	Devereux
Bass, Tenn.	Canfield	Diggs
Bates	Cannon	Dingell
Baumhart	Carrigg	Dixon
Beamer	Cederberg	Dollinger
Becker	Celler	Donohue
Beckworth	Chamberlain	Dooley
Belcher	Chelf	Dorn, N. Y.
Bennett, Fla.	Chenoweth	Dorn, S. C.
Bennett, Mich.	Chiperfield	Dowdy
Bentley	Christopher	Doyle
Berry	Church	Durham
Betts	Clark	Dwyer
Blatnik	Coad	Eberharter

Edmondson	Kitchin	Reuss
Elliott	Kluczynski	Rhodes, Ariz.
Engle	Knox	Rhodes, Pa.
Everett	Knutson	Richlman
Evins	Krueger	Riley
Fallon	Lafore	Rivers
Farbstein	Laird	Roberts
Fascell	Landrum	Robeson, Va.
Feighan	Lane	Robison, N. Y.
Fenton	Lankford	Robsion, Ky.
Fino	Latham	Rodino
Fisher	LeCompte	Rogers, Colo.
Flood	Lennon	Rogers, Fla.
Flynt	Lesinski	Rogers, Mass.
Fogarty	Libonati	Rogers, Tex.
Forand	Lipscomb	Rooney
Ford	McCormack	Roosevelt
Forrester	McDonough	Rutherford
Fountain	McFall	Sadlak
Frazier	McGovern	St. George
Frelinghuysen	McGregor	Saund
Friedel	McIntire	Saylor
Fulton	McIntosh	Schenck
Garmatz	McMillan	Scherer
Gary	McVey	Schwengel
Gathings	Macdonald	Scott, N. C.
Gavin	Machrowicz	Scrivner
George	Mack, Ill.	Scudder
Glenn	Mack, Wash.	Seely-Brown
Gordon	Madden	Selden
Granahan	Magnuson	Sheehan
Grant	Mahon	Shelley
Gray	Mailliard	Sheppard
Green, Oreg.	Marshall	Sieminski
Green, Pa.	Martin	Sikes
Griffin	Mason	Sller
Griffiths	Matthews	Simpson, Ill.
Gross	May	Simpson, Pa.
Gubser	Meader	Sisk
Gwinn	Merrow	Smith, Calif.
Hagen	Metcalf	Smith, Kans.
Hale	Michel	Smith, Miss.
Haley	Miller, Calif.	Smith, Va.
Halleck	Miller, Md.	Spence
Harden	Miller, Nebr.	Springer
Hardy	Miller, N. Y.	Staggers
Harris	Mills	Stauffer
Harrison, Nebr.	Minshall	Steed
Harrison, Va.	Mitchell	Sullivan
Harvey	Montoya	Taber
Haskell	Moore	Talle
Hays, Ark.	Morano	Taylor
Hays, Ohio	Morgan	Teague, Calif.
Healey	Morris	Teague, Tex.
Hébert	Morrison	Teller
Hemphill	Moss	Tewes
Henderson	Moulder	Thomas
Herlong	Multer	Thompson, La.
Heselton	Mumma	Thompson, N. J.
Hess	Murray	Thompson, Tex.
Hiestand	Natcher	Thomson, Wyo.
Hillings	Neal	Thornberry
Hoeven	Nicholson	Tollefson
Hoffman	Nimtz	Trimble
Holifield	Nix	Tuck
Holland	Norblad	Udall
Holmes	Norrell	Ullman
Holt	O'Brien, Ill.	Utt
Holtzman	O'Hara, Ill.	Vanik
Horan	O'Hara, Minn.	Van Pelt
Hosmer	O'Konski	Van Zandt
Huddleston	O'Neill	Vinson
Hull	Osmers	Vorys
Hyde	Ostertag	Vursell
Ikard	Passman	Wainwright
Jackson	Patman	Watts
Jarman	Patterson	Weaver
Jennings	Pelly	Westland
Jensen	Perkins	Wharton
Johansen	Pfost	Whitener
Johnson	Philbin	Widnall
Jonas	Pilcher	Wier
Jones, Ala.	Pillion	Wigglesworth
Jones, Mo.	Poage	Williams, N. Y.
Judd	Poff	Willis
Karsten	Polk	Wilson, Calif.
Kean	Porter	Wilson, Ind.
Kearns	Powell	Winstead
Keating	Preston	Withrow
Kee	Price	Wright
Kelly, N. Y.	Quie	Yates
Keogh	Rabaut	Young
Kilburn	Rains	Younger
Kilday	Ray	Zablocki
Kilgore	Reece, Tenn.	Zelenko
King	Reed	
Kirwan	Rees, Kans.	

NAYS—1

Clevenger

NOT VOTING—37

Auchincloss	Brownson	Dies
Baring	Buckley	Gregory
Barrett	Carnahan	Hill
Bonner	Delaney	James
Jenkins	O'Brien, N. Y.	Shuford
Kearney	Prouty	Walter
Loser	Radwan	Whitten
McCarthy	Santangelo	Williams, Miss.
McCulloch	Scott, Pa.	Wolverton

So the bill was passed.

The Clerk announced the following pairs:

Mr. Walter with Mr. McCulloch.
Mr. Bonner with Mr. Scott of Pennsylvania.
Mr. Whitten with Mr. Wolverton.
Mr. Williams of Mississippi with Mr. Auchincloss.
Mr. McCarthy with Mr. James.
Mr. Baring with Mr. Hill.
Mr. Carnahan with Mr. Brownson.
Mr. Santangelo with Mr. Jenkins.
Mr. Barrett with Mr. Prouty.
Mr. Delaney with Mr. Radwan.
Mr. O'Brien of New York with Mr. Kearney.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the CONGRESSIONAL RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PERSONAL ANNOUNCEMENT

Mr. BAILEY. Mr. Speaker, rollcall No. 99 was completed during my absence. Had I been present I would have desired to vote against the motion to recommit.

PROGRAM FOR NEXT WEEK

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, I take this time for the purpose of requesting the majority leader to give us the program for next week.

Mr. McCORMACK. On Monday, if the conference report on the classified pay bill is in order, we will bring that up; if not, as quickly as possible. Monday is also Consent Calendar day, and there are six suspensions:

H. R. 10969, extension of the Defense Production Act of 1950.

S. 3093, extension of the Export Control Act of 1949.

H. R. 12586, Direct Purchase Act, although that bill has not been reported out of committee yet. But, if it is reported out, then it will come up under suspension.

S. 846, establish National Outdoor Recreation Resources Review Commission.

H. R. 12226, a bill relating to the salt water distillation facilities of the Virgin Islands.

S. 1850, to improve employment in the Canal Zone.

Any record votes on Monday or Tuesday will go over until Wednesday, on account of some primaries taking place on Tuesday.

Tuesday there will be the call of the Private Calendar.

House Resolution 533, contested election case, Carter against LeCompte.

H. R. 4504, Agriculture, Marketing Facilities Perishable Products bill.

For Wednesday, Thursday, Friday, and Saturday, as follows: There will be a joint meeting on Wednesday for President Garcia of the Philippines at 12:30.

H. R. 12858, Public Works appropriation bill for 1959.

Thereafter the District of Columbia appropriation bill for 1959, and if a rule is reported out, H. R. 12716, Atomic Energy Act, exchange of information, and S. 83, Water, Cloud Modification Research Act of 1957.

Then the usual reservation that conference reports may be brought up at any time, and any further program will be announced later.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I was just going to ask a question about the program for tomorrow.

Mr. McCORMACK. There is no program for tomorrow. I am going to ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next. Does the gentleman yield for that purpose?

Mr. CRAMER. Yes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. JONES of Missouri. Mr. Speaker, reserving the right to object, I do not know whether I am expressing the opinion of more than one person, but I am expressing my own opinion, that it is pretty difficult for Members of this House to make any plans in view of the announced programs here. We were told this week that we would be in session until we completed certain bills. According to the leaders, we have a lot of legislation here, and we are going to waste another day, which will keep us here in session an awfully long time. I feel that we are making a mistake when we keep this House in session up until the middle of August or the first of September for the convenience of some people who want to go home on weekends and things like that. I know there is work that can be done here. I do not know what the leadership has talked over about some of these things. They tried to explain some, but they have not explained it to my satisfaction. For 4 or 5 weeks we have been told that certain things would be brought up. I have made my plans to stay here. I would like to go home; I need to be home for a few days, too, but when a person lives as far away as I do, you cannot make your plans in an hour or two to go home. And, I say, for one, I do not like it a bit.

Mr. McCORMACK. Of course, the gentleman has expressed his own views, as he has a right to, and thank God we are living in a country where one can express his views, whether correct or not. I am not apologizing to any Member of the House for the way in which the leadership conducts the program.

The House has already done 2 weeks' work in the 4 days of this week. We have had important legislation. Last week the House did 2 weeks' work.

As far as the gentleman from Massachusetts is concerned I was in hopes that the public works appropriation bill could be brought up. But there were circumstances over which I had no control and over which others probably had no control, so I am criticizing no one. Those circumstances prevented the public works appropriation bill from being brought up.

Those on the committee who were interested and those in the position of leadership had a conference. As a matter of fact, I was not at that particular conference, but its effect, so far as I am concerned, was operative upon me. They decided that the bill would be taken up next Wednesday.

When the program is announced everyone knows that it is flexible. Everyone knows that there is no guaranty that everything listed on the program is going to be brought up, because the reservation always is made that there may be changes.

Mr. Speaker, I sympathize with my friend from Missouri. I would like to have seen the public works bill come up, and I think many others would, too. On the other hand, the situation is such that it could not come up. Let me say further to my friend that no time is being lost. I have six suspensions listed for Monday. That is a good day's work. Usually during any week bills are brought up to which there is not very much opposition and a wise leadership, no matter which party is in control of the House, would attempt to set those bills down for Monday. May I say to my friend from Missouri, if he were chairman of the committee and had an important bill coming up, he would not want me to set it down for Monday. With all due respect to his opinion, I have no apologies to offer to him for the manner in which the program is conducted. So far as this week is concerned, the change which was made was made under conditions over which there was no control. Rather than take the bill up under the situation that existed, with a number of items of appropriation involved that would be subject to a point of order, it was decided to put the bill over until next week. It would be indefensible when a number of Members of the House are interested in items of appropriation in connection with projects in their districts, in which they are deeply concerned, for the bill to be brought up today and then have those items subject to a point of order whereas, by next Wednesday we are hopeful, at least, that we may be able to adjust that situation. I think it is wise leadership to give consideration to those problems which confront Members of the House. If they do not confront the gentleman from Missouri [Mr. JONES] in this bill, or the gentleman from Massachusetts, they might confront us in some other bill to be taken up in the future.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Ohio.

Mr. McGREGOR. Mr. Speaker, as the senior minority member on the Committee on Public Works I want to say that we appreciate the fairness of the Speaker, the majority leader, and the minority leader in delaying the public works appropriation bill. I concur in the statement made by the gentleman from Massachusetts [Mr. McCORMACK]. There are a number of projects in the bill to which a point of order could be raised. In order to save time and in order to be fair to all parties concerned so that we would have the opportunity to bring out an omnibus rivers and harbors bill, we requested, along with Members on the other side, that the public works appropriation bill be delayed until we had the opportunity of bringing in that omnibus bill. I personally thank the leadership for adhering to that line.

Mr. McCORMACK. Mr. Speaker, if the gentleman from Florida will yield further to me, probably my friend from Missouri did not have that information. I tried to give it to him in a brief moment that I had with him, but I probably did not state it as effectively as I might if I had had 2 or 3 minutes more of time. But I think with the statement that my friend from Ohio has just made, my friend from Missouri [Mr. JONES] will admit that on this occasion the leadership did the wise thing.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that when the House adjourns today it adjourn to meet on Monday next?

Mr. JONES of Missouri. Mr. Speaker, I object to the House adjourning over until Monday.

Mr. KEATING. Mr. Speaker, will the gentleman from Florida yield to me?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. KEATING. Mr. Speaker, I would like to inquire of the distinguished majority leader whether he has programed for next week or one of the early programs thereafter a bill for which a rule has been granted, I understand, to deal with the so-called Mallory decision of the Supreme Court. I believe a rule has been granted.

Mr. McCORMACK. May I say to my friend that I am hopeful that that bill will be programed the week after next.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1959

Mr. RABAUT. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight Friday to file a report on the District of Columbia Appropriation Bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. TABER reserved all points of order on the bill.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the House Committee on Banking and Currency may have until midnight tomorrow night to file a report on the bill H. R. 12586.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

WEATHER MODIFICATION

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 590, Rept. No. 1876), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 86) to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now in the bill and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

BOATING SAFETY LAWS

Mr. BOLLING, from the Committee on Rules, on behalf of Mr. MADDEN, reported the following privileged resolution (H. Res. 591, Rept. No. 1877), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 11078) to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours,

to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON THE JUDICIARY

Mr. WILLIS. Mr. Speaker, I ask unanimous consent that the House Committee on the Judiciary have until midnight tomorrow to file a report on the bill H. R. 3, along with minority views.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ADJOURNMENT UNTIL MONDAY NEXT

Mr. JONES of Missouri. Mr. Speaker, I withdraw my objection to adjourning over until Monday.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. HOFFMAN. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman who made the objection——

The SPEAKER. That gentleman has just made the statement on the floor that he was withdrawing the objection. The Chair therefore recognized the gentleman from Massachusetts to renew the request.

Mr. McCORMACK. The gentleman from Michigan ought to know I would not make the request unless the gentleman from Missouri had withdrawn his objection.

Mr. HOFFMAN. I just wanted to know if he really wanted to withdraw it or if he was over-persuaded, that is all.

The SPEAKER. Yes, he did.

Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE ROBERT M. LA FOLLETTE, SR.

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON. Mr. Speaker, on June 14 it will be 103 years since the birth of one of Wisconsin's most distinguished citizens, Robert M. La Follette, Sr. He served his State both as a Governor and as a United States Senator. His devotion to honest government in the interests of the people earned for him the constant bitter opposition of a wide variety of special interests and the lasting gratitude of the Wisconsin citizens he represented directly and the other average Americans whose interests he championed in a hundred different legislative battles on the Hill.

As Governor he was instrumental in the advancement of public education, because he believed sincerly in the idea that free people can do the best job of governing themselves with all the advantages of good education. His record for constructive social and labor legislation and his efforts to protect the public interest in the regulation of public service corporations drew praises from the famous writer, Lincoln Steffens, famed for his exposure of corruption in government.

Robert M. La Follette, Sr., believed it was the primary interest of government to promote the public welfare as against the private interest. During the Teapot Dome oil scandal which he helped expose in the 1920's, he wrote:

> The people have it within their power to get relief. It is the people's Government.

His constant militant concern for the public interest brought criticism from many sides. Sometimes he was left virtually alone to carry on a cause which he believed just. But whatever the battle he carried out his mission to the best of his generous ability, sparing none who stood in his way, expecting no quarter and asking none.

It was my good fortune to hear "Fighting Bob" speak at Campbellsport, Waupun, and Fond du Lac in 1916 when he was speaking in Wisconsin. My father prided himself in being a La Follette man, and I know he felt he was extending a great privilege to me when he allowed me to accompany him to hear Mr. La Follette speak. Later, when I became active in politics, it was natural for me to do so as a Progressive. The party has disappeared from the scene now, but the principles he bestowed upon it are those of millions of Democrats throughout the Nation. I hope those principles will continue to attract the support of men who are sincerely interested in honest, efficient government in the interests of all citizens, not just the favored few.

SENOR JOSÉ FIGUERES

Mr. O'HARA. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in the CONGRESSIONAL RECORD of June 10, 1958, is an extension of remarks including the statement made by Senor José Figueres, former President of the Republic of Costa Rica, at the hearing now being conducted by the Inter-American Subcommittee of the Committee on Foreign Affairs. I am a member of that subcommittee, and I was glad to have the opportunity of listening to an expression of the viewpoints of one who had held the high position of president of the great Republic of Costa Rica. I do not necessarily subscribe to the viewpoints of any witness but strive to listen to all witnesses with an open mind and to join with my colleagues in the giving of respectful attention.

It had been my understanding, and I think that also of my colleagues in the subcommittee, that the witness had voluntarily deleted from his statement a risqué story that had no application whatsoever to the subject of hemispheric relations. I am sure that President Figueres, with the respect for the proprieties for which his country is noted, will agree with me that a Congressional hearing room is not the proper forum for the recital of a story that would not pass the copydesk of any American newspaper with family circulation.

I regret deeply that, I trust through inadvertence, this risqué story has been given out for publication as part of the proceedings had before a Congressional committee of which I am a member. Under the circumstances, I feel it my duty to the House and to my constituents to make my position public.

PERSONAL ANNOUNCEMENT

Mr. DENTON. Mr. Speaker, yesterday I was unable to attend the session of the House. I was in my District in the State of Indiana attending the funeral of a close friend. I would like to have the RECORD show that if I had been present, I would have voted in favor of the passage of the bill, H. R. 12591, the so-called reciprocal trade bill on rollcall No. 95.

SUBCOMMITTEE NO. 2 OF THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. MULTER. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Select Committee on Small Business may meet on Tuesday, Wednesday, and Thursday of next week during general debate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TEWES. Mr. Speaker, under the rule which controlled debate on the Reciprocal Trade Act, Members were prevented from offering specific proposals which would alter provisions in the law directly affecting individual industries. The only amendments permitted were those presented by the committee or by the gentleman from Pennsylvania [Mr. SIMPSON]. Such a rule, of course, considerably restricts debate and puts a heavy responsibility on the Committee.

As one of those who supported Reciprocal Trade, I am disturbed by the committee's submission of its amendment to the National Defense provisions of the bill. This was offered yesterday at the climax of debate. It seems clear to me that no one sitting on the floor and hearing the amendment for the first time

could have any concept of its significance. I, for one, was unable even to find the appropriate section in the bill before the amendment was agreed to.

It now appears that the amendment pertains to oil and mining industries. Perhaps I, coming from Wisconsin where we are concerned by the disappearance of our domestic zinc mining industry, have been indirectly benefitted. But even so, I protest its acceptance because it seems to me to be on the verge of violating the general aim to avoid dealing with specific industries.

My other responsibilities have prevented me from studying the full significance of this amendment, but I have reason to suspect special treatment for the oil industry. The chairman of the Committee told me yesterday that he believes sincerely the new words change nothing. But I find it hard to believe that its proponents would maneuver the provision into the bill if it does not provide a relevant change they desire.

My interest here, as it has been on numerous occasions on this floor, is that all citizens and groups have equal consideration. The amendment yesterday, I fear, does not meet that standard.

NATIONAL ROSE WEEK

Mr. KEATING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was on objection.

Mr. KEATING. Mr. Speaker, it has been my privilege today to assist in the distribution to Members of both bodies of Congress of the roses which dot so many lapels in this Chamber. They are fitting example of the fine products which make Rose Week an occasion of such significance.

These flowers, appropriately called Better Times Roses, have been made available through the cooperation of the Jackson & Perkins Co., of Newark, N. Y., and All-America Rose Selections. Newark, N. Y., which is in my Congressional District, is widely known as the rose capital of America. The garden of the Jackson & Perkins Co., is said to contain over 36,000 varieties of the "queen of flowers." This weekend I shall participate in the far-famed Annual Rose Festival—the 27th to be held—in Newark.

It is appropriate on this occasion that we consider the long and proud story of the rose, and review the position it has held in the hearts and minds of men over the years.

No flower has been more closely linked with human affairs than the rose. It is the flower that has influenced the lives and the customs of people and nations. Down through the ages of history, the influence of the rose is recorded in religion, in art, in music, in song, and in story.

It is a known fact that the rose has been on our earth for more than 35 million years. It is a known fact that the rose has been on this continent for more than 33 million years for fossils of the genus Rosa have been found in Oregon and Colorado. For the past 2,500 years the rose has reigned supreme as Queen of the Flowers, a title bestowed upon it by the Greek poetess Sappho about 600 B. C.

Even before the beginnings of recorded history the rose was playing an intimate part in life. It seems to be the oldest cultivated flower—whenever there have been gardens there have been roses.

Various myths surround the origin of the rose. One of the favorite myths tells us that the rose first appeared when Venus emerged from the sea. The earth, eager to show that it could equal the beauty created by the gods, produced the rose. The gods, seeing its perfection, paid homage to its beauty by watering it with nectar.

The rose has always been the symbol of Venus and Aphrodite and most of the myths associated with its origin concern them. Flora, the goddess of flowers, however, is also sometimes credited with its creation. Overcome by the death of her favorite nymph—whose beauty was exceeded only by her virtue—Flora beseeched the deities to change her nymph into an immortal flower that all would recognize as queen. The deities consented and the rose was created. Apollo gave it rays to vivify it, Bacchus bathed it in nectar, and Flora gave the petals their hue.

For many centuries the rose played an important part in the life of Greece. It was dedicated first to Venus, the goddess of beauty; then to Cupid, the goddess of love; then to Aurora, the goddess of morning. The Greeks also dedicated the rose to Harpocrates, the god of silence. The unknown author of Rosa Flos Veneris explained that the "rose is the flower of Venus; and Love, in order that his dishonesties be hidden, dedicated the gift of his mother to Harpocrates, the god of silence. Hence the host who hangs the rose over his table, that the guests may know that what is said beneath its bloom will be regarded as secret." Thus it is that the use of the white rose, suspended above the festive table or placed on a grave, has become the symbol of secrecy and concealment.

There is little record of the use of the rose in ancient Egypt, but we do know it was cultivated there at a very early date. In a tomb opened in 1888, there was found a garland of roses said to have been placed there in 2 A. D. Cleopatra contributed much to the popularization of the rose. When Cleopatra received Mark Antony, on the floor of the hall and covered by a very fine net, were strewn rose petals 18 inches deep as a demonstration of her wealth.

After being defeated at the battle of Actium, Antony, not wishing to fall into the hands of Augustus, killed himself, asking that Cleopatra cover his tomb with roses.

The Romans made greater use of the rose than any other people. In Roman times a great deal was known about rose culture and a great many varieties were raised. Horace, who was an ardent lover of roses as evidenced in his writings, was one of the first rosarians. Pliny, writing in the first century, recorded many cultural facts about the growing of roses—some of which we often consider to be modern discoveries. He tells us that rose seeds are slow to germinate and that soil and climate effect variations in the rose. Pliny also recorded many of the customs associated with the rose in his own day. In his writings, he states that roses and violets were the only two flowers used in making garlands. He also tells us that roses were used for many culinary arts, saying that many dishes were served either covered with rose leaves or sprinkled with their juice. He assures his readers that the use of roses does make a tasty dish, indeed, and no one will suffer from any harmful effects.

During the reign of Augustus, the Romans made the most lavish use of roses. The rich dined on beds of rose petals; their guest rooms had floors and beds covered with roses, and rose garlands were to be found on all public statues. The Romans first discovered that roses could be grown out of season by using hot-water pipes, which was the beginning of modern rose culture under glass.

From the rose the Romans made perfumes, fragrant oils, wines; they used the rose for culinary purposes; they used the rose for wedding and funeral garlands alike and even for embalming the dead.

As the Arabs extended their empire over a large part of central and western Asia, northern Africa and southwestern Europe, they were captivated by the beauty of the rose. They transported roses from one region to another which resulted in a variety of species. Soon the Arabs began to lose control of their vast empire and from that time until the Renaissance very little is recorded on the rose.

During the Renaissance, the medical significance of the rose continued to grow. It was thought that roses would help to strengthen the heart and it was also widely used as an eye ointment. While epidemics were occurring so frequently in Europe, roses were often used as a safeguard rather than a cure. People were urged to make fires of roses and other flowers and herbs to purify their homes. In Rosenberg's Rhodolgia, published in 1631, he praises the rose as the universal healer for all ills of the flesh, maintaining that at least every third proved remedy was made from these flowers, either wholly or in part.

In our own day, medical science has proved that the rose hip has a vitamin C content 400 times higher than that of the orange. As a result, during World War II the British Ministry of Health encouraged the collection of rose hips to be converted into rose-hip sirup as a badly needed source of this necessary vitamin.

In old medical books are to be found many recipes for the use of the rose in the kitchen. In the cookbook, Queen's Delight, published in 1695, recipes are given for both cooked and uncooked conserves. Pickled rosebuds were also much in demand as a condiment. Rose petal jams, jellies, marmalades, and cakes made with rose water and sugar delicately flavored with roses graced the tables of fashionable Victorian hostesses. Rose-petal sandwiches were also teatime favorites.

During the Middle Ages at least one person connected with each Christian

monastery was required to have a knowledge of the curative powers of plants. The close association of the rose with the church, therefore, has been as much a result of its healing attributes as it has been to its rare beauty, and also to the fact that it was used as an ecclesiastical emblem.

Since a short time after the fall of the Roman Empire, the rose has been associated in various ways with the church, both in ceremonies and in the symbolism of many religions. The early Christians developed a symbolic use of the rose, the 5 petals of the rose typifying the 5 wounds of Christ.

King Edward I was the first English sovereign to choose the rose as his badge. Since that time, it has been prominent in English heraldry. The rose became England's emblem in 1481. It was brought to particular prominence in England during the civil war between the houses of York and Lancaster—a white rose being used as the symbol of the former and the red rose of the latter.

Dante was perhaps the first poet to attribute the highest form of mysticism to the rose, making it the symbol of paradise in Heaven: "brighter than a million suns, immaculate, inaccessible, vast, fiery, with magnificence, and surrounding God as if with a million veils."

In the religious traditions of the Orient, a mystic rose is found in an allegorical garden. Buddha and the Hindu God, Indra, suffered for robbing paradisiacal gardens of a flower. The emblem of Mohammed's eyes was considered to be a rose. The Peruvian Eve of the Garden of Eden sinned, not for plucking an apple, but a rose. The Mexican Eve also gathered a rose. This garland of symbolic roses encircles the globe.

The evolution of roses in the past and in the present must be credited to those who love the flower. Since the latter part of the 19th century, a great revival in rose interest has taken place. The work of the rose hybridists has greatly enhanced the beauty and the varieties of roses that are now grown. It seems almost possible to use the rose as an index of human progress. As civilizations have emerged, risen to their height and fallen, so has interest in the rose followed a parallel course.

There seems little question that the rose today is America's best loved flower. It is the official flower of New York State, as a result of the work of my good friend, the distinguished assemblywoman from Lyons, N. Y., the Honorable Mildred F. Taylor.

There are bills pending before Congress today which would designate the rose our national flower. Strangely enough, this country does not have such a flower, even though almost every other country does. In this connection, I have read with interest an article in the June 8, 1958, issue of This Week magazine which recorded the results of a poll as to what color readers would prefer, were the rose chosen to serve as our national flower.

It came as no surprise to me that over half of those polled by This Week chose the red rose grown in Newark, N. Y. For this is typical of the finest roses grown anywhere in the world today—those which originate in Newark. Their unexcelled beauty, fragrance, and color have gained for the roses of that area a worldwide reputation.

Mr. Speaker, the rose is rendered our favorite flower by many pleasant associations. It has charmed poets both modern and ancient. With the ancients it was the ornament of their festivals, their altars and their tombs. Today, as of old, it remains the emblem of love, beauty, youth, modesty, and innocence. Its name brings thoughts of tender sentiment and pleasant images.

The homage and love given the rose has always remained the same. Now, as in the past, it remains the queen of flowers because it is the most beautiful and most charming of all flowers.

The rose unites elegance and beauty with the freshness and brilliance of its colors and to all this nature has added a delightful perfume. These attributes are emphasized to us as we celebrate National Rose Week. They should emphasize to us the validity of the rose's claim to be our national flower.

Truly, no other bloom has been able to match the qualities of the fairest flower of them all—the rose.

LABOR PROBLEMS

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was on objection.

Mr. CHAMBERLAIN. Mr. Speaker, I take this occasion to call to the attention of the Members of the House my recent questionnaire dealing with labor problems. The results have just been tabulated by IBM.

Taking into consideration the composition of the Sixth Congressional District of Michigan, I believe that these results are of more than ordinary significance. The industry of our District is predominantly automotive. At the present time the unemployment situation is most critical. In the city of Flint, for example, approximately 18½ percent of the total working force is unemployed. More than 71,000 workers are normally employed by Chevrolet, Buick, Oldsmobile, Fisher Body, AC Spark Plug and other automotive industries within the district, more auto workers than any other district in the country.

Considering this background, I feel that it is most enlightening when this collective opinion of the workers of our District is related to the findings and recommendations of the McClelland committee, the possibility of enacting labor legislation during this session of Congress and the impact of the recession in many of our more industrial areas. More than half of the 10,000 replying to the questionnaire, which I mailed to every home in the District, added their personal comments. From reading several thousands of these comments, I am convinced that the workers of our country expect this Congress to act with respect to labor legislation.

Therefore, in order that my colleagues may have an indication of how some of these problems are viewed in Michigan's Sixth District, I am asking that my questionnaire, together with the results, be included in the RECORD.

[In percent]

Questions	Responses from hourly wage employees only			All responses		
	Yes	No	No opinion	Yes	No	No opinion
Do you favor Federal legislation, as recently passed by the House, to assist States in providing for an extension of unemployment benefits?	79	12	9	62	25	13
Do you favor repeal of the 10-percent automobile excise tax?	78	13	9	73	18	9
Should public reports be required in connection with welfare and pension funds?	79	8	13	82	7	11
Should labor unions be made to file financial reports?	94	4	2	93	3	2
Should employers be required to file reports of financial dealings with unions?	88	6	6	88	6	6
Do you favor secret ballots for union elections?	79	17	4	79	16	5
Should misuse of union funds be made a Federal offense?	92	4	4	92	4	4
In view of present economic conditions, do you favor—						
A. Wage increases?	11	53	36	7	63	30
B. A profit-sharing plan?	25	39	36	19	48	33
C. Holding wages and prices as much as possible?	82	4	14	86	4	10
To avoid possible labor strife at this time, do you believe labor and management leaders should be urged to renew existing union contracts?	77	14	9	83	8	9
Do you object to the manner in which union dues are used?	63	22	15	69	13	18
Do you believe that the policies adopted by union leaders represent the thinking of rank and file union membership?	16	70	14	10	77	13
Do you belong to a union?	90	10	------	40	60	------
Do you work in automotive production?	76	24	------	36	64	------
Are you now employed?	81	19	------	75	25	------

VETERANS' LEGISLATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include some information from the American Legion magazine and also a bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was on objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, on Monday the Committee on Veterans' Affairs will hold hearings; and Members who introduced legislative bills that are very important for the veterans, the chairman said, will be heard first.

The American Legion Auxiliary has been sending out thousands of letters endorsing the bill that I have introduced increasing the compensation for widows. I hope the committee will vote it out.

It is a very meritorious bill. As the Speaker knows, the Congress has done practically nothing for the veterans this year. They need help.

My bill, H. R. 97111, is to provide pensions for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I.

H. R. 11183, by Mr. CHRISTOPHER, is exactly the same as my bill.

The American Legion Auxiliary has written thousands of letters endorsing the principle of these bills. On Monday I will insert an article by the auxiliary.

CONGRATULATIONS TO JOLITTA SCHLEHUBER, WINNER IN NATIONAL SPELLING CONTEST

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I am pleased and proud to announce to the House of Representatives that Jolitta Schlehuber, of McPherson, Kans., who is 14 years of age, is the winner of the national spelling contest that was concluded in Washington today.

This annual contest, which brings together representatives from every State in the Union, is one of the important attractions in the city of Washington. It is sponsored by the Scripps-Howard newspapers. The contestants, before coming to Washington, are winners in their own States. Jolitta was sponsored by the Topeka Daily Capital of Topeka, Kans. She was a contestant last year. She ranked high in that contest. Today she has the honor of being first-place winner of all the States in the Union.

Jolitta is one of the high-ranking students in her school. Her average grade is 97.6 percent. Jolitta brings credit to herself, to her family, to her school, and to the State of Kansas. We are proud of her achievements. We salute Jolitta and extend to her our congratulations and our kindest wishes.

SOCIAL SECURITY; THE NEW FREEDOM FOR THE AGED

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, in the carefree days of our early youth, we were companions of the sun and the air, and it seemed that we could go on playing forever.

The month of June brought liberation from school.

The long and wonderful summertime, with each day bringing a new adventure, opened its arms to us.

Off we went on our bicycles to fish, and swim, and try our hand at baseball.

When we came home at evening to replenish our energies at the supper table, we rushed through our meal so that we could run out and play again under the arc light as the night closed in.

And when our mothers sharply commanded us to come in and go to bed, we were having such fun that we did not hear them. Only when our fathers appeared on the scene did we admit that another happy day had come to a pause.

Ten minutes after we came into the house we were sound asleep.

Almost immediately thereafter, mother was calling us to breakfast, but the sun and the air were calling us with a language we understood, but we were sure she did not hear.

Father had gone off to some mysterious place called work long before we got out of bed. Mother was busy in the kitchen and warning us to be careful of this and that, as the screen door slammed behind us, separating the two worlds as we escaped to the glorious freedom of summertime.

It seemed that we were born to be forever young and happy.

Just as father was born the way he was, already grown up, and always off to work except on evenings and Sundays.

Or as mother seemed to be a part of the house and the front porch when she was calling to us as she wiped her hands on her apron.

There were two other older people in our house. One was called "Aunt Alice," who worked for a pittance in a store downtown and assisted mother with the many household chores in her spare time.

Then there was Grandpa.

That was his name.

Grandpa spent much of his time in good weather sitting on a bench in the Common, talking over old times with his cronies. I know that mother used to give him a little of her pin money to keep his clay pipe supplied with tobacco. She was forever whispering to us to keep quiet on those rainy days when we had to stay indoors. "Grandpa doesn't like noise," she cautioned.

That's the way it seemed in the wonderful summertime of boyhood that was to last forever.

Then suddenly, one day, we were graduating from high school.

A gray-haired man from another part of the State was the orator of the day. He was talking to us about commencement, which seemed so strange when our high school life was ending.

Only later, looking over my shoulder toward the past, did I realize what he was trying to tell us: "Life is real, life is earnest."

The joyous freedom of childhood and early youth was over and gone as maturity beckoned us to our burdens.

Some went on to college; others went to work in stores, offices, and "the can," which was the nickname of the textile mills of those days.

Life had commenced.

On the 10th reunion of our class, they called the roll.

Many had married. Others had moved to New York City and to California. Three had died in the war.

Our ranks had thinned a little by the time of our 20th reunion. They were working hard, these "children of yesterday," creating new life in turn, and caring for it, and worrying about their ability to provide for their children the opportunities for greater happiness and service and fulfillment.

They had their noses to the grindstone, these companions of my youth.

All this labor and devotion and sacrifice for their families was also building up the Nation. More and more married women were doubling up on their responsibilities: as homemakers, and as part- or full-time workers in private industry. This economic teamwork of husbands and wives was accelerating the Nation's material progress at a rate undreamed of a few short years ago.

There would have to be social progress to match this development and the changes that accompany it.

Around the turn of the century, a man could hold his job in a store or a mill until he could work no more. He had to, because there was no provision for his old age, except the few dollars he might have saved on the substandard wages of those days.

And when he could work no more, the grown children supported him for the rest of his days. Before the automobile came, and with it the mobility that led to dispersion, families were closely knit, the various members usually living in the same community. Weekend reunions were the custom. A daughter or a son usually stayed on at the old homestead to look after their aging parents.

All that has changed.

Even jobs move today, as enterprises close down, or shift the base of their operations elsewhere, or start up in some distant community.

The old style unity of the home, that once embraced four generations under one roof, has melted away under the necessities of modern life.

Older people can no longer depend upon financial assistance from their sons and daughters who are far away, and are wrapped up in their work, and in the loving but worrisome duty of raising their own families.

The older folks, now alone, must look after themselves.

But they must have an income to provide for their needs.

That is why this Nation, at long last, decided to build a social-security system, centered on old-age and survivors insurance and disability insurance. In cooperation with the States, it participates in eight other programs: Unemployment insurance, old-age assistance, aid to the needy blind, aid to dependent children, aid to the permanently and totally disabled, maternal and child-health services, services for crippled children, and child-welfare services.

When we speak of social security however, we think primarily of Federal pensions for the aged, earned by the social

security tax contributions that they paid during their working years.

Since the Social Security Act was enacted on August 14, 1935, the number of people covered by it, as well as the average benefits paid, have gradually increased.

In the fiscal year that ended on June 30, 1957, benefits were paid to more than 10 million retired workers and their dependents.

The younger Americans now working, and their employers, are contributing a total tax of 4½ percent on their earnings up to $4,200 to support this fund.

By 1960 the social-security tax will go up to 5½ percent, with further 1 percent increases scheduled for 1965, 1970, and 1975.

The last general amendments to the Social Security Act became effective in 1956.

In the 2 years from 1956 to 1958 the cost of living has gone up month by month. This has caused a steady deterioration in the purchasing power of social-security benefits.

For a long time I have been of the opinion that it would be better to have a national pension of $150 per month, payable to all Americans upon reaching the age of 62 years of age, provided that they have been citizens of the United States for at least 10 years.

This would be financed by an increase in social-security taxes which I am sure that those now working would be willing to pay, with the anticipation of the benefits that they themselves would enjoy upon their retirement.

I have introduced a bill for that purpose.

In the meantime, if Congressional opinion will not support such a solution to the problem of providing adequate security in old age, we must not delay.

An increase in benefits, under the present system, is clearly in order, if we are to keep faith with those who depend upon Congress for an old-age and survivors insurance system that will truly provide for their essential needs during "the harvest years" of their lives, when they are entitled to reap security for their life's work.

Social security benefits should be increased by at least 10 percent, and the system should be improved by providing insurance to cover the costs of hospital, nursing home, and surgical care for all who qualify for old-age benefits.

A number of Congressmen, including myself, have introduced bills along these lines. To avoid an increase in the social security tax rate that would be necessary to finance such improvements, it is felt that we should raise the taxable amount of wages from $4,200 to $4,800.

There is need for an extensive revision and expansion of our whole social security system.

It has not kept pace with the times.

This Republic was established on the basis of political democracy.

Our responsibility, today, is to apply the spirit of democracy to our social and economic relationships.

The callous days when an old person, facing destitution, was told: "You should have saved your money when you were young" are gone, without regret.

If that oldtimer had thought only of himself, he would have had plenty of money in his old age; but he would have given very little, if anything, to his children, or to his community, during the years when they needed his help.

Most of our older citizens have contributed more to life than society can ever repay.

As the United States Department of Health, Education, and Welfare states:

> Everyone wants economic security. Everyone wants the assurance that he will at all times have enough income to meet his and his family's needs. Congress passed the Social Security Act as a step toward making this possible for all. * * * Spreading earnings over a lifetime could not be done, the committee realized, on an individual basis; relatively few people can save enough out of their income to take care of emergency periods. But the committee agreed the problem could be met to a large extent through savings on a social basis. It could be done through social insurance, on the principle of sharing the cost and spreading the risk.

The Social Security Act, that was designed and passed by a Democratic Congress under the administration of President Franklin D. Roosevelt, is the greatest humanitarian achievement in the history of our Government during the 20th century.

We have found, from experience, that it is also an economic asset to the Nation, by helping to sustain purchasing power, and by leveling out those extremes in the economic cycle that caused so much distress in past generations.

As I look back to the freedom of my boyhood, I now understand the sacrifices made and the economic hardships that were suffered by father and mother, and Aunt Alice, and Grandpa. And many of our neighbors as well.

I remember the degrading poor house maintained by the city, where the spirit of decent old people in the community who had become penniless was crushed.

Like the seven ages of man, I am following in the footsteps of those grown-ups in my home, who have since passed to their heavenly reward where there is no destitution and there is no fear of poverty.

I am taking over their responsibilities with one blessed exception.

In the year 1958 I am living in a country that is awakening to its social duties; where Government, representing the people, provides them with insurance against those disasters which they could not cope with as individuals.

I know that not one of my fellow citizens will ever be in dire want when his working days are over.

And some of the happy security of my youth is experienced again when I think of the progress by the United States in building a system of social security—the new freedom for the aged.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order of Calendar Wednesday next week may be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

A BANKER SAYS THE BANKERS' LOBBY REPRESENTS ONLY A FEW BIG BANKERS WHO WANT TO CONTROL THE ECONOMY OF THE NATION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, banking is built on public trust, probably more so than any other business, and most bankers are trusted pillars of their communities. Until recently, bankers have been especially careful and jealous of their good reputations; and they have been quick to disassociate themselves from any member of their fraternity who deviated from the high ethical standards expected of bankers. Within the last few years, however, the bankers have allowed some of their most important affairs to fall into the hands of some very bad actors. These bad actors are the people who are directing the bankers' lobby which makes no bones about its intentions of railroading through Congress, the big bankers' bonus bill, S. 1451.

DECEIT, VIOLATION OF TRUST, THEN A PUBLIC HOLDUP

I hate to admit that such a thing could happen in any Congress, particularly in a Congress which is supposed to be controlled by Democrats, but the plain truth is a small group of unscrupulous bankers sponsored a bill S. 1451 which makes at least 117 changes in the banking laws, plus the repeal of over 200 statutes, and got this bill passed by the Senate without the very bad amendments being detected. Some of the hidden booby traps in this bill got by the Senate simply for the reason that they are so outrageous it never occurred to the Senators to look for such things—especially after the complete trust the acting chairman of the Senate committee had expressed in letting these bankers write their own legislation. But after the bill got to the House Committee on Banking and Currency, some of these booby traps were detected and exposed, such as those which knock out the usury laws.

USURY LAWS THE PAST 2,000 YEARS

If the several histories which I have consulted are correct, then over the past 2,000 years there have been few and brief occasions when any civilized country failed to maintain its usury laws, which laws prohibit the taking of exorbitant interest. Such laws have had strong support in all of the main religions—Christian, Jewish, Mohammedan, Buddhism, and others. Yet these bankers put into this bill clauses which knock out both the Federal and State usury laws.

After the monstrous deceit which these bankers had perpetrated on the Senate had been discovered, and after the way in which they had violated the trust placed in them by the Senate had been exposed, we might have expected that

the great majority of bankers would have repudiated this small group. We might have expected that the great majority of bankers would have been greatly embarrassed to have been associated, even unwittingly, with such a monstrous affair. But what has in fact happened? The fact is that this brazen bankers' lobby is now openly demanding and pressuring members of the Committee on Banking and Currency to report out this bill. They think that they have sufficient power that they can ram through Congress anything they want. It is not my purpose to attack any Member of the United States Senate or the House of Representatives. I am sure all of them, having anything to do with this bill, acted in the very best faith. The fact that a bill passes one House of Congress before harmful provisions are detected by the other House is not too surprising as it has happened before.

AN ETHICAL BANKER WANTS NO PART OF IT

A State banker in Missouri, where many of the dead-end kids in banking seem to be located, has written me to disassociate himself from this lobby. In a letter dated June 9, this banker tells me two things: One, the financial institutions bill is designed for big business and big banks; and two, the American Bankers Association and various State banker associations are not representing the people. They don't even represent the attitudes of a majority of bankers, but just the big bankers who want to control the entire economy of this Nation.

As in the case of previous letters which I have received from bankers protesting this bankers' lobby and the big bankers' bonus bill, I am withholding the name of this banker, as well as other information which would identify him, otherwise the letter is as follows:

JUNE 9, 1958.

MR. PATMAN: I have come to conclusion that Financial Institutions Act is designed for big business and big banks.

You cannot count the A. B. A. and various State banking associations as representing the people—they don't even represent the majority of banks, just the big ones who want to control our economy. I appreciate your stand on principle of this matter.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ROOSEVELT, for 20 minutes, on Tuesday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MEADER to revise and extend remarks made in Committee of the Whole today and to include extraneous matter.

Mr. SCHENCK.

Mr. SADLAK (at the request of Mr. CRAMER) and include extraneous matter.

Mr. WATTS (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. BREEDING (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. FOGARTY (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. ANFUSO and include extraneous matter.

Mr. HIESTAND.

ENROLLED JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 624. Joint resolution making additional supplemental appropriations for the fiscal year 1958, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 7261. An act to amend the Federal Probation Act to make it applicable to the United States District Court for the District of Columbia; and

H. R. 7953. An act to facilitate and simplify the work of the Forest Service, and for other purposes.

ADJOURNMENT

Mr. MCCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 28 minutes p. m.), under its previous order, the House adjourned until Monday, June 16, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2016. A letter from the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 18th Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, pursuant to section 201 (c) of the Social Security Act, as amended (H. Doc. No. 401); to the Committee on Ways and Means and ordered to be printed.

2017. A letter from the Secretary of the Army, transmitting a report of the number of officers on duty with the Department of the Army and the Army General Staff on March 31, 1958; to the Committee on Armed Services.

2018. A letter from the Administrative Assistant Attorney General, transmitting a report in connection with the restoration of balances withdrawn from appropriation and fund accounts under the act of July 25, 1957 (31 U. S. C. 701–708), pursuant to Bureau of the Budget Circular No. A–23; to the Committee on Government Operations.

2019. A letter from the Under Secretary of the Navy, relative to a proposal by the Department of the Navy to transfer a 17-foot skiff, hull No. 22212, and a 16-foot wherry, hull No. 14649, to the city of Pikeville, Ky., pursuant to title 10, United States Code, section 7308; to the Committee on Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama: Committee on Public Works. S. 2100. An act to amend the Public Buildings Act of 1949, to authorize the Administrator of General Services to name, rename, or otherwise designate any building under the custody and control of the General Services Administration; without amendment (Rept. No. 1871). Referred to the House Calendar.

Mr. JONES of Alabama: Committee on Public Works. S. 2109. An act to amend an act extending the authorized taking area for public building construction under the Public Buildings Act of 1926, as amended, to exclude therefrom the area within E and F Streets and 19th Street and Virginia Avenue NW., in the District of Columbia; without amendment (Rept. No. 1872). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H. R. 10969. A bill to extend the Defense Production Act of 1950, as amended; without amendment (Rept. No. 1873). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON of Illinois: Committee on Government Operations. Twenty-sixth report of the Committee on Government Operations pertaining to civil-service reorganization. (Rept. No. 1874). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H. R. 12224. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to acreage allotments for peanuts; with amendment (Rept. No. 1875). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 590. Resolution for consideration of S. 86, an act to provide for a research program in the field of weather modification to be conducted by the National Science Foundation, and for other purposes; without amendment (Rept. No. 1876). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 591. Resolution for consideration of H. R. 11078, a bill to promote boating safety on the navigable waters of the United States, its Territories, and possessions; to provide coordination and cooperation with the States in the interest of uniformity of boating laws; and for other purposes; without amendment (Rept. No. 1877). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rules XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H. R. 12909. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. HIESTAND:

H. R. 12910. A bill to amend the Internal Revenue Code of 1954 so as to deny tax exemption to rural electric cooperatives which engage in propaganda; to the Committee on Ways and Means.

By Mr. MOORE:

H. R. 12911. A bill to increase the amount of benefits payable under the Federal old-age, survivors, and disability insurance program, and for other purposes; to the Committee on Ways and Means.

H. R. 12912. A bill to amend the Social Security Act to reduce, for purposes of old-age and survivors insurance benefits, the age requirement from age 65 to 60; to the Committee on Ways and Means.

By Mr. O'NEILL:

H. R. 12913. A bill to amend section 41 of the Longshoremen's and Harbor Workers' Compensation Act so as to provide a system of safety rules, regulations, and safety inspection and training, and for other purposes; to the Committee on Education and Labor.

By Mr. WATTS:

H. R. 12914. A bill to amend title II of the Social Security Act to eliminate the special dependency test for disabled children over 18, so that the dependency status required of such children for benefit purposes will be the same as that required of children under 18; to the Committee on Ways and Means.

By Mr. DELLAY:

H. R. 12915. A bill to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits; to the Committee on Banking and Currency.

By Mr. JONES of Alabama:

H. R. 12916. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. BOYKIN:

H. R. 12917. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. GRANT:

H. R. 12918. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. ANDREWS:

H. R. 12919. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. RAINS:

H. R. 12920. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. ELLIOTT:

H. R. 12921. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. ROBERTS:

H. R. 12922. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. HUDDLESTON:

H. R. 12923. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. SELDEN:

H. R. 12924. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. SMITH of Mississippi:

H. R. 12925. A bill granting the consent and approval of Congress to the Tombigbee-Tennessee Waterway development compact; to the Committee on Public Works.

By Mr. TEAGUE of Texas:

H. R. 12926. A bill to amend section 2105 of the Veterans' Benefits Act of 1957 to provide that certain veterans' benefits shall be paid in full; to the Committee on Veterans' Affairs.

H. R. 12927. A bill to amend section 358 of the Veterans' Benefits Act of 1957 to provide for apportionment of compensation of veterans who disappear; to the Committee on Veterans' Affairs.

H. R. 12928. A bill to amend section 1502 of the Veterans' Benefits Act of 1957 to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 12929. A bill to extend the period during which military personnel will be given preference in the occupancy of the Passyunk housing projects in Philadelphia, and during that period to waive all income requirements with respect to such projects for both military personnel and civilians employed in defense activities; to the Committee on Banking and Currency.

By Mr. BENNETT of Michigan:

H. R. 12930. A bill to provide that veterans may accrue educational benefits under the Veterans' Readjustment Assistance Act of 1952 and Public Law 894, 81st Congress, until individuals may no longer be inducted for training and service in the Armed Forces, and for other purposes; to the Committee on Veterans' Affairs.

H. R. 12931. A bill to grant a pension of $100 per month to all honorably discharged veterans of World War I who are 60 years of age; to the Committee on Veterans' Affairs.

By Mr. BROOKS of Louisiana:

H. R. 12932. A bill to provide for the erection of a Federal and post office building in Coushatta, La.; to the Committee on Public Works.

H. R. 12933. A bill to provide for the erection of a Federal and post office building in Springhill, La.; to the Committee on Public Works.

By Mr. BUCKLEY:

H. R. 12934. A bill to authorize the conveyance to the city of New York of certain lands located in said city for park and recreational purposes; to the Committee on Public Works.

By Mr. CELLER:

H. R. 12935. A bill to prohibit certain acts involving the importation, transportation, possession, or use of explosives, and for other purposes; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 12936. A bill to amend title II of the Social Security Act to increase all benefits thereunder by 15 percent and to provide that full benefits (when based on attainment of retirement age) will be payable to both men and women at age 60, and for other purposes; to the Committee on Ways and Means.

By Mr. POWELL:

H. R. 12937. A bill to provide that the people of the Virgin Islands be represented by a Delegate in the House of Representatives of the United States; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H. R. 12938. A bill to provide for the conveyance of an interest of the United States in and to fissionable materials in a tract of land in Leon County, Fla.; to the Committee on Government Operations.

H. R. 12939. A bill to amend section 203 (i) of the National Housing Act to authorize the Federal Housing Commissioner to insure mortgages on existing homes thereunder; to the Committee on Banking and Currency.

By Mr. WHARTON:

H. R. 12940. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

By Mr. McINTOSH:

H. J. Res. 625. Joint resolution designating the rose as the national flower of the United States; to the Committee on House Administration.

By Mr. KEARNS:

H. Res. 592. Resolution commemorating the 800th anniversary of the founding of the city of Munich, Germany; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT of Florida:

H. R. 12941. A bill for the relief of Joseph E. Casserly, his wife, Rosa Muller Casserly, and their minor child, Christopher Allen Dacks (also known as Christopher Allen Casserly); to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 12942. A bill for the relief of Walter H. Berry; to the Committee on the Judiciary.

By Mr. DOOLEY:

H. R. 12943. A bill for the relief of Fleischmann Distilling Corp. and others; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H. R. 12944. A bill for the relief of Mrs. Kunigunde Beidle; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 12945. A bill for the relief of George N. Panagiotou; to the Committee on the Judiciary.

By Mr. RABAUT:

H. R. 12946. A bill for the relief of Margherita Zebri; to the Committee on the Judiciary.

By Mr. WILLIAMS of New York:

H. R. 12947. A bill for the relief of Joseph Homsani; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

674. By Mr. BUSH: Petition of 34 employees furloughed from railroad jobs in Williamsport and Lycoming County, Pa., in support of legislation to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

675. Also, petition of 16 employees furloughed from railroad jobs in Williamsport and Lycoming County, Pa., in support of legislation to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

676. Also, petition of 25 employees furloughed from railroad jobs in Renovo and Clinton County, Pa., in support of legislation to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

677. Also, petition of 51 employees furloughed from railroad jobs in Renovo and Clinton County, Pa., in support of legislation to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system; to the Committee on Interstate and Foreign Commerce.

678. By the SPEAKER: Petition of the executive secretary, Central California Homes for the Aged, Delhi, Calif., relative to two resolutions, one relating to modifying or amending the surplus hardware program and the other relating to modifying or nullifying the regulation of the Labor Code, section 222.5 (amended by the 1957 legislation), to

exempt nonprofit homes; to the Committee on Government Operations.

679. Also, petition of the city clerk of Chicago, Ill., relative to urging enactment of pending legislation for acquisition of the Indiana Dunes as a national park; to the Committee on Interior and Insular Affairs.

680. Also, petition of the stated clerk, the United Presbyterian Church in the United States of America, Philadelphia, Pa., relative to commending the House of Representatives for approving statehood for Alaska; to the Committee on Interior and Insular Affairs.

681. Also, petition of Alexander Meiklejohn, Berkeley, Calif., relative to Clarence D. Herriott and others endorsing the petition of Alexander Meiklejohn, of Berkeley, Calif., relating to a redress of grievance pertaining to the House Committee on Un-American Activities; to the Committee on Rules.

EXTENSIONS OF REMARKS

Tribute to the Lithuanians

EXTENSION OF REMARKS
OF
HON. ANTONI N. SADLAK
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 12, 1958

Mr. SADLAK. Mr. Speaker, the plight of the people of Lithuania and her Baltic neighbors, Estonia and Latvia, under Soviet occupation, is of deep and abiding concern to all Americans.

During World War II Lithuania like other eastern European nations, led a precarious political life between the two powerful political nations, the U. S. S. R. and Nazi Germany. The infamous Hitler-Stalin pact of August 1939 led to her conquest. In 1940 Russia moved in, and in 1941 and 1942 the Nazis took over the country. Terror was practiced by both states. Toward the close of the war, Russia again occupied Lithuania. Throughout the war Lithuania had suffered from Nazi and Communist despotism, but their suffering did not end with the so-called liberation by the Red army. Instead, their liberators made them prisoners in their homeland.

The Soviet Union once again initiated a reign of terror. Thousands of Lithuanians have been executed and hundreds of thousands deported to Siberia. All the terrible methods of modern police states are still being practiced on their soil by the Russians. The long and dismal record of the mass liquidations, imprisonments, and tortures brutally inflicted by the Soviets upon the brave and freedom-loving people of Lithuania is a black page of world history. It vividly reveals the barbaric tyranny that Communist dictatorship imposes.

Yet under such severe repressions as the Communists inflict and the unbearable conditions they create, the indomitable and undaunted Lithuanian spirit of freedom and independence has survived and someday will win against the oppressors.

This year marks the 18th anniversary of the Soviet occupation of Lithuania. We in the Free World have not forgotten the tragedy which has befallen the Lithuanian people. In these days when our hearts and minds are attuned to the unceasing appeal for help and understanding for the oppressed, no plea to our conscience and sympathy is more appealing than that of the Lithuanian people. We applaud with humility and compassion the courageous nation for its fervent attempts to free itself from Soviet oppression.

Lithuania's enemy is the enemy of both the free and captive world. The very existence of Soviet totalitarianism is a threat to all democratic people. Soviet Russia seeks the systematic destruction of liberty and independence of all nations. It is essential that we seek the liberation of captive nations in the removal of the causes of international tensions. We all desire a truly democratic world order based on the respect of freedom and independence of all peoples.

It is my privilege to join with the millions of Americans in paying tribute to the valiant Lithuanians. It is our hope to see the eventual dissolution of Soviet dictatorship and the return to the Lithuanians of the most cherished gift of all—genuine freedom.

Decline in Unemployment

EXTENSION OF REMARKS
OF
HON. EDGAR W. HIESTAND
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 12, 1958

Mr. HIESTAND. Mr. Speaker, on June 6, the Departments of Labor and Commerce released the latest employment-unemployment figures. These showed a decline of 216,000 in unemployment and a gain of 1,154,000 in employment; 4,904,000 were jobless, 7.2 percent of our labor force. In February 1950, when President Truman said, "A certain amount of unemployment, say from three to five million, is supportable," there were 4,684,000 out of work, percentagewise, 7.6 percent of the work force.

Of course, there will always be some men temporarily out of work due to normal circumstances; job changes, personal preference, and the like. But when a man is out of a job through no desire or fault of his own, it is a personal tragedy for him and his family. Therefore, I do not concede that any involuntary unemployment is "supportable", and even though the picture is much brighter than in the past few months, there can be little satisfaction in any unemployment statistics. Unemployment statistics are not something to be harvested as political hay. Therefore, I am truly proud of the administration and of my colleagues in this body, who have shown remarkable restraint in this, their hour of vindication.

In contrast, I cannot but note that in the past 4 months, Democratic Members of the House and Senate, have made—or inserted into the CONGRESSIONAL RECORD—over 200 speeches on the "gloom and doom" themes; recession, depression, bankruptcies, high cost-of-living, unemployment, hard money, and so forth. With poorly concealed cheer, they have vocally savored every statistical item that could be translated into criticism of the Administration and the Republican Party. With equal subtlety, they have cheerfully ignored everything that might reflect favorably, for example, the above mentioned unemployment figures.

In the next few weeks, approximately 900,000 high-school and college graduates will enter the labor market. This will no doubt be reflected in next month's statistics. The result will be, at best, a leveling off, and at worst, a proportionate increase in unemployment. It will be interesting to observe the reaction of the "vocal opposition."

Restore Powers of REA Administrator

EXTENSION OF REMARKS
OF
HON. J. FLOYD BREEDING
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 12, 1958

Mr. BREEDING. Mr. Speaker, I should like to take this opportunity to make known my full support of the bill H. R. 11762, which proposes to amend Reorganization Plan No. 2 so as to transfer back to the Administrator of the Rural Electrification Administration all functions and powers which were taken from the Administrator and given to the Secretary of Agriculture.

The Administrator of the REA, in my opinion, Mr. Speaker, must have the authority to act decisively and promptly in order to act effectively. His position currently has been demoted to the point where he cannot act independently, so that the final authority to make loans no longer rests with the REA.

By making the Administrator's actions dependent upon the clearance and approval of the Secretary of Agriculture, apparently we are hampering the operations of the REA to the detriment of rural America. Rural America cer-

tainly has benefited greatly from the REA's electric and telephone service programs over the last 23 years.

On the basis of the REA's exceptionally fine record of service since it was established in 1935, it appears unwise to cripple its effectiveness by superimposing upon the Administrator the burden of having to seek approval of his every decision thereby rendering sluggish, if not ineffective, the Administration's operations.

I recommend unconditionally favorable consideration of the bill H. R. 11762, Mr. Speaker.

Retirement Savings Programs

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 12, 1958

Mr. FOGARTY. Mr. Speaker, I have received many communications from professional groups and individuals urging that legislation be enacted to enable self-employed persons to establish their own retirement savings programs. These communications have pointed out that under present law corporate officials and their employees are allowed substantial tax reductions on amounts contributed to corporate pension or retirement programs for the benefit of these officials and employees. No such tax savings are permitted self-employed individuals for amounts they contribute to their private pension or retirement plan.

This to me, Mr. Speaker, is regrettable discrimination against self-employed taxpayers in that they are denied the tax benefits accorded to employees generally for their retirement. Physicians, dentists, lawyers, accountants, farmers, self-employed businessmen and many other individuals are thus refused equal treatment under our tax law. They are denied the opportunity to make realistic provision for their years of retirement.

Bills have been introduced in the Congress over the past several years to correct this obvious inequity. Unfortunately, to date none of them has received the necessary approval of the Committee on Ways and Means which would permit action by the full House of Representatives. I am confident that should such a bill come before us for a vote it would receive the overwhelming support of the distinguished membership of this great legislative body.

Since time is running out in this session, Mr. Speaker, and since I firmly believe that legislation of this type is a must for favorable action in this Congress, I have today introduced a companion bill to those already submitted. My purpose is to bring to the attention of the committee the urgency of the need for immediate action if we are to correct this tax inequity before adjournment. Simply stated the bill I have introduced would allow self-employed individuals to exclude amounts up to 10 percent of their otherwise taxable income in computing their tax liability, provided such amounts are invested in prescribed types of retirement funds, annuities, and insurance contracts. It would provide an annual maximum deduction of $5,000 and a lifetime maximum deduction of $100,000. Appropriately, the legislation would allow a somewhat larger annual deduction for individuals who are over 50 years of age at the time the legislation becomes effective. The amounts excluded from tax would become subject to tax as they are withdrawn after the taxpayer reaches 65 and retires.

Thus, a small businessman running his own individual company or a professional man who is self-employed such as an accountant, lawyer, druggist, physician, or dentist would, for the first time, be able to intelligently plan for his retirement. Such an individual with a net taxable income of $10,000 would be permitted to apply $1,000 of it to the purchase of an annuity or insurance contract. From experience we know that any person who works for a living faces tremendous difficulty in attempting to provide for the needs of his family out of currently earned income after the payment of taxes. In the great majority of cases a self-employed person finds it impossible to take care of his family and still put aside something for his later years. The application of this bill would permit such a person to provide for family needs and at the same time invest a moderate sum in a retirement program.

From this brief description of the bill it is evident that self-employed individuals from all walks of life would receive deserved benefit from its enactment. It seems to me to be a matter of simple justice that the millions of American citizens who are now victims of discrimination in our present tax structure be offered the benefit of equal treatment under our tax law. I hope, Mr. Speaker, that the Committee on Ways and Means takes quick action to report out the bill and that the Members of this House be given the opportunity to extend to this large group of self-employed the tax fairness and tax equity to which they are entitled.

Elimination of Discriminatory Dependency Test for Disabled Child's Social Security Benefit

EXTENSION OF REMARKS
OF
HON. JOHN C. WATTS
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 12, 1958

Mr. WATTS. Mr. Speaker, I am introducing a bill today which will amend the Social Security Act so as to eliminate the discriminatory and highly unwarranted special dependency test for children over the age of 18 who would draw benefits on the basis of their permanent and total disability. I believe that few of us in the House in 1956 realized that the Senate, in amending our bill authorizing benefits for disabled children 18 and over, had imposed a harsher standard of dependency than that which existed, and exists today, for children under 18. No reason for this distinction appears in the legislative history of the 1956 amendments, and no reference to the Senate change appeared in the conference report.

It is my sincere conviction that the continuation of this double standard cannot be justified. Moreover, its elimination would be a negligible cost factor to the old-age and survivors insurance system.

We in America have good reason to be proud of our social-security program. Our system of benefits based on the family unit has made a unique contribution to the growth of social-insurance legislation throughout the world. Since this concept was first established by the Social Security Amendments of 1939, retirement benefits have been extended to the wage earner's wife and children, and survivor benefits to his widow, children, and dependent parents.

In 1956 Congress extended this concept of family protection, for we realized that, by limiting the child benefits to individuals below the age of 18, the law ignored many situations where parental responsibilities extended far beyond this age. Congress was well aware of the tragic cases of children who, because of mental deficiency, never grow up or who require constant and expensive care because of some severe physical disability.

The action we took in 1956 was with the highest humanitarian motives. It recognized that older afflicted children of any age are often more dependent upon their parents than are children in their early teens. Thus, it was a distinct shock to me when a constituent in my district wrote of the difficulties he was having in getting a benefit for his permanently and totally disabled brother on the basis of their deceased father's wage record. The social-security people maintained that the disabled brother could not be paid such a benefit under the 1956 amendments since the law stated that, to be eligible, he must have received one-half of his support from his father at the time of his father's death. Inasmuch as the father was retired at this time and receiving a social-security benefit of only $56.20 a month, while a daughter in the household was bringing in $185 a month, the social-security people concluded that the father was not providing one-half of the support of his son. Is it reasonable, I ask you, or for that matter is it possible, for a retired worker to contribute one-half of the support of a disabled child on the sum of $56.20 per month? This disparity of treatment is further pointed up by the fact that if

the same father had a son under 18, he would have been entitled to a benefit because his dependency would have been presumed by the fact that he was living with his father.

The brother of the disabled child has written me, with considerable discernment, that while it might be the letter of the law it is hard to believe that such an interpretation was intended. I could hardly agree more heartily, when the provision for paying benefits for disabled children passed the House in 1955, there was no difference in the definition of dependency for children under 18 and those who were under a disability. I can see no justification for this distinction today, particularly when there is a safeguard requirement in the law that the child must have been disabled before the age of 18.

I hope the Ways and Means Committee will give early consideration to this matter in the name of justice and simple equity.

The Cuban Situation and the Forthcoming Elections

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 12, 1958

Mr. ANFUSO. Mr. Speaker, in the CONGRESSIONAL RECORD of June 4, 1958, beginning on page 10221, are printed my remarks on the United States and Inter-American Relations in which I further developed my proposal to establish a Pan-American Parliamentary Association—PAPA. In order to strengthen my arguments in favor of this proposal, I inserted at the end of my remarks the following: First, the text of my resolution, House Concurrent Resolution 335, which I introduced on May 26; second, the text of an address by the Cuban Ambassador at a luncheon in New York on May 29, which contains an endorsement of my proposal; and, third a letter from Assistant Secretary of State Roy R. Rubottom, Jr., commenting favorably on my proposal.

I have since received a number of letters commenting pro and con on the situation in Cuba. These were prompted, I assume, by the Cuban Ambassador's address which I incorporated as part of my remarks. His address was devoted to the need for improved relations between the United States and the Latin American countries, and he cited the political and economic situation in Cuba to illustrate the desire of its people and government to cooperate. I was particularly impressed with the following remark of the Ambassador to which I directed attention:

> If the leaders of both Houses of the Congress of the United States would today issue a call to their opposite numbers in the Congresses of their sister Republics to the south for a mighty gathering of the leaders of the Western Hemisphere, I am convinced they would be greeted with instant and eager cooperation.

To me, this was a direct endorsement of my proposal to convoke a conference of the parliamentary leaders of the 21 American Republics for the purpose of improving relations as suggested in my remarks of June 4. But much more than that, it constituted an expression of democratic views and a belief in democratic institutions through cooperation on the part of parliamentary representatives, as direct spokesmen of the people, rather than of heads of government. Coming from the diplomatic representative of Cuba, a country which has been the subject of much criticism in recent years, this is welcome indeed for it denotes a trend in the direction of greater democracy in its governmental approach and in the interests of its people.

Let me make it clear that I have no desire to intervene in the internal affairs of any friendly or allied country. Their form of government is a matter for the people themselves to determine. As an American, I am interested in strengthening the Free World against communism and in providing as much security as possible for our Nation and those allied with us in the common struggle. The interests of the people of all Latin American Republics are close to our hearts. We would not like to see communism make inroads in the Western Hemisphere, undermine the independence of even a single republic in this hemisphere, and destroy the welfare and the freedom of any people.

In recent days, the proponents of the Cuban Republic have submitted to me pertinent information regarding the present situation in that country, the upcoming national elections, and highlights on the candidate for president, Dr. Andres Rivero Aguero, who is supported by the four political parties comprising the government coalition and who will in all probability be President Batista's successor. I feel it my duty to make this information known to my colleagues, so that we can all get a clear picture of what is going on in Cuba.

The present government in Cuba, I am assured, is determined to obtain a solution of the country's political situation through the best and most important instrument offered by democracy, namely, free and fair elections. General elections were originally scheduled for June 1, 1958, but a wave of terrorism and sabotage which took a heavy toll of innocent lives and the destruction of much property forced the government to postpone the elections. Any rational being could easily see that the holding of elections under such circumstances would be fraught with danger. It was at the request of the opposition parties that the government agreed to postpone the elections until November 3, 1958, and it is the aim of the government to go through with this schedule.

It is to be noted that in the face of recent actions undertaken by rebel groups, the Cuban Government has acted with calmness but firmness in maintaining public order and protecting life and property. The Cuban people have given their full support to these measures. Economic activities, traffic and communications, tourism and other manifestations of a thriving nation are normal. In fact, I am informed, that the electoral system has been modified and improved so as to harmonize as much as possible with the different viewpoints of the opposition parties.

The government maintains that the forthcoming elections will be as irreproachable as the previous elections held under the Batista administration in 1944, which transmitted the power of government to Batista's opponent after he emerged victorious at the polls. Furthermore, the Cuban constitution in force is the one drafted in 1940 by a constitutional assembly, at a time when the Batista supporters represented only a minority. Hence, the electoral law which will regulate the elections meets the strictest democratic and liberal requirements. Thus, all guaranties have been given to the opposition. Incidentally, foreign newsmen desiring to cover the elections will be free to do so. The government is even prepared to allow observers from international organizations in connection with the elections, if opposition parties should so desire.

There are several important aspects in the current Cuban situation which should not be overlooked. One of these is the fact that the government has offered a general amnesty, without exception, if arms were laid down by the rebels. Guaranties were given to all those wishing to surrender through provincial and local authorities, or through the armed forces, or a member of the clergy.

Another factor is the achievement of the present administration in furthering Cuba's economy. Through a series of measures, including the creation of credit institutions, the government has maintained the economic activity of the nation at a high level and has stabilized its economic position which is so dependent on the production and sale of sugar.

In 1957, Cuba, which rates third in United States export markets in Latin America, had imported $618 million worth of goods and materials from the United States—an increase of $100 million in imports over the previous year. Despite the recent disturbances and sabotage activities, the Cuban sugar crop has reached its expected figure and that country will once again prove that it is an efficient and reliable source of supply for the United States sugar market.

Finally, it should likewise be noted that the Cuban Government continues to pursue a policy of reciprocal cooperation in matters pertaining to the defense of the Western Hemisphere and against Communist penetration.

This brings me to Dr. Andres Rivero Aguero, the presidential candidate referred to earlier. I believe it will be of interest to all of us in the Congress to learn something about this man who will probably lead the Cuban people after next November.

Dr. Rivero Aguero is a lawyer, a writer, and a journalist. He has always advocated peaceful and cordial solutions to Cuba's political problems and difficulties. As a fervent advocate of a policy of national harmony and as leader of the majority parties in the Cuban Senate, he fought for the extensive political amnesty legislation which was approved in 1955. It was under this legislation that Fidel Castro, the rebel leader, was freed after being sentenced to jail by Cuban courts for an attack on army headquarters in Santiago de Cuba.

Dr. Rivero Aguero was also a firm supporter of the proposal for elections in 1956 which contemplated the renewal of half of the membership of the House of Representatives and of all mayors. Had this plan been adopted, it would have contributed in large measure to the solution of Cuba's political problems that followed.

The nomination of Dr. Rivero Aguero as presidential candidate of the four parties comprising the government coalition should be regarded as a clear demonstration of the sincere interest of the present administration and of President Batista to pave the way, through the general elections on November 3, toward national harmony and unity, toward peace and reconciliation, without hatred and revenge, without victor or vanquished, and without persecutors and persecuted.

Dr. Rivero Aguero is a family man of the highest moral standards. He was born in 1905, the son of a very modest family, in a small town in the Eastern part of Cuba. At the age of 14 he was still illiterate, not having had the means to obtain even an elementary education. He first worked as a farmhand, later he went to Santiago de Cuba where he worked as a messenger in an office. There he started his education studying at night while working during the day. In time he came to Habana to study at Habana University, then the only one in Cuba. He obtained first a doctorate in law, then doctor in social sciences and public law, and later doctor in philosophy and letters.

He became a professional journalist, attaining much fame for his articles on political and social problems. At the age of 32 he was appointed Minister of Agriculture when General Batista was first elected President of Cuba. He rendered outstanding services to Cuban agriculture and to the country's economy, particularly the colonization of untilled lands, which, due to his efforts, became productive areas. Earlier, Dr. Rivero Aguero had been elected a member of the Municipal Council of Santiago de Cuba.

In 1949, when Dr. Rivero Aguero was spokesman of the opposition party, he was chosen as chairman of the executive committee of the party in Pinar del Rio, the westernmost province of Cuba. When President Batista returned to office in 1952 he appointed Dr. Rivero Aguero as Minister of National Education, one of the most important departments in the Government. In this capacity he achieved outstanding results in the field of popular education and in the struggle against illiteracy.

In the general elections of 1954 Dr. Rivero Aguero was elected as senator from the Province of Pinar del Rio, and he was subsequently chosen by his colleagues in the Cuban senate as majority leader. Last year, in 1957, he was appointed Prime Minister, and in this capacity performed his duties in a very effective manner, with tact, capability, and energy. It was because of his accomplishments in the latter office that he was nominated this year for the Presidency as the candidate of the four political parties comprising the coalition.

Dr. Rivero Aguero's militant attitude against communism is well known. He has published many articles on this subject expressing his views forthrightly. His election as President of Cuba should serve as a guarantee for the maintenance and the strengthening of cordial and friendly relations with the United States, as well as the assurance that Cuba will continue to be a friendly stronghold for the United States against Commmunist penetration into and subversion of the Western Hemisphere.

Schedule of Grassroots Conferences in Third Ohio District

EXTENSION OF REMARKS
OF

HON. PAUL F. SCHENCK

OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 12, 1958

Mr. SCHENCK. Mr. Speaker, it is a great privilege and an honor to represent the people of the Third District of Ohio here in the Congress of the United States. I am deeply grateful for this opportunity to be of service, and it is my constant aim to serve my constituents in the best way possible. It has been my regular policy to keep in close contact with the people of the Third District so that I may know how they feel about the many important issues facing us here in Congress.

Our Third District is the largest Congressional District in Ohio and one of the largest in the United States. Size alone, however, is not its major claim to importance. Its recognition is based on the outstanding contributions of its fine citizens to the welfare of our Nation.

Not only is it the birthplace and cradle of aviation, but many of its other products and inventions are serving people throughout the world. Our people are highly skilled in many ways, and we have a district in which scientific projects, manufacturing, and agriculture are developed to an unusually high degree. As the Representative of this great district, I have considered it my duty not only to be well informed of the opinions of my constituents, but also to be of the greatest possible service to persons having problems dealing with agencies or departments of our Federal Government.

Seven years ago I initiated the idea of holding grassroots conferences throughout our District, and I have continued this practice each year during the time Congress is in adjournment. I also have a full-time Congressional service office at the United States Post Office Building in Dayton, where I can meet with people personally at any time that my official duties permit me to return to the district.

During the time I am in Washington attending to legislative and official duties, a competent secretary is in charge of my district service office to assist callers and to help them with requests for aid in dealing with the Federal Government so that I can be of every proper assistance to them.

In these ways I have sincerely tried to keep well informed as to the personal opinions of my constituents, and I have also tried continuously and sincerely to be of every proper service to them.

Members of Congress are constantly called upon to give careful and earnest consideration to legislation dealing with many complex national and international problems. These day-to-day decisions often affect the lives and living of every citizen in our nation. Consequently, these personal and private conferences help me to serve all of the people in my district in a much more effective manner.

This year during our official Congressional recess, I am again taking time to hold these grassroots conferences throughout our district at convenient public buildings. I deeply appreciate the fine cooperation of the many officials who have made these meeting places available to me as an aid in rendering this public service.

This is the schedule I have arranged:

Dayton Post Office, room 314, September 8 and 9, 9 a. m. to 4 p. m.

Miamisburg City Building, September 11, 4 to 8 p. m.

Germantown City Building, September 12, 4 to 8 p. m.

Phillipsburg City Building, September 13, 1 to 3 p. m.

Brookville City Building, September 13, 4 to 8 p. m.

Hamilton Courthouse, September 15, 9 a. m. to 4 p. m.

Middletown American Legion, September 17, 9 a. m. to 4 p. m.

Oxford Municipal Building, September 18, 4 to 8 p. m.

Fairfield City Building, September 20, 4 to 8 p. m.

Each year an increasing number of our folks have visited with me at these conferences, and the attendance has been most encouraging. It is sometimes surprising to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over problems of mutual concern.

Special appointments are not necessary for these conferences, and I sincerely urge individuals or groups to meet with me on the date and at the place most convenient to them. The knowledge obtained through these grassroots conferences will help me to render better service, both legislative and personal, to all of the people of our important Third District as their Representative in the Congress of the United States.

SENATE

FRIDAY, JUNE 13, 1958

The Senate met at 10 o'clock a. m.

Rev. Herley C. Bowling, assistant secretary, Methodist Commission on Chaplains, Washington, D. C., offered the following prayer:

Our Father, we know that in Thy will lies peace and welfare for all mankind. May it be our purpose this day to serve our country well, that in serving it we may best serve Thee. May it be our country's purpose to seek Thy will and serve Thee well. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., June 13, 1958.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. BARRY GOLDWATER, a Senator from the State of Arizona, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. GOLDWATER thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 12, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 12541) to promote the national defense by providing for reorganization of the Department of Defense, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Banking and Currency Committee was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Public Works was authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

COLLECTORS OF CUSTOMS

The Chief Clerk proceeded to read sundry nominations of collectors of customs.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT PRIOR TO RESTORATION OF BALANCES, TREASURY DEPARTMENT

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report covering restoration of balances withdrawn from appropriation and fund accounts under the control of that Department, as of May 20, 1958 (with an accompanying report); to the Committee on Government Operations.

RECOMMENDATIONS ADOPTED BY INTERNATIONAL LABOR ORGANIZATION

A letter from the Assistant Secretary of State, transmitting, pursuant to law, recommendations adopted by the International Labor Conference, at Geneva, June 26, 1956 (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the City Council of the City of Los Angeles, Calif., relating to a world fair in the Los Angeles area in 1962; to the Committee on Foreign Relations.

A letter in the nature of a petition from California World's Fair, Inc., Los Angeles, Calif., signed by J. A. Smith, relating to a World Fair in the Los Angeles area in 1962 (with accompanying papers); to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Chicago, Ill., favoring the enactment of legislation to provide for the acquisition of an area in the Indiana Dunes as a national park; to the Committee on Interior and Insular Affairs.

Petitions signed by sundry citizens of West Covina, and Baldwin Park, both in the State of California, relating to the Presidential veto of the omnibus rivers and harbors bill, and the completion of the comprehensive plan for conservation and control of floodwaters in the county of Los Angeles; to the Committee on Public Works.

IMPORTS OF ANTHRACITE COAL—RESOLUTION

Mr. HOBLITZELL. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the United Mine Workers of America, concerning imports of anthracite coal.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Whereas the United Mine Workers of America have constantly encouraged the export of American anthracite into world markets in their concern for the employment problems in the anthracite areas of the United States; and

Whereas the anthracite producing areas of the United States have been for many years the most seriously depressed labor areas in the entire United States; and

Whereas a low-ash anthracite suitable for use in the European markets has been and is being produced in the American anthracite mines; and

Whereas the American produced low-ash anthracite is competitive in the European market with anthracite produced by the competing nations of the world; and

Whereas the French market can and does purchase approximately 900,000 tons of prepared anthracite each year and is therefore a large potential market for low-ash prepared American anthracite; and

Whereas the French government by its actions and regulations has caused the French market to be supplied primarily by prepared anthracite imported from Russia and has thereby effectively closed the French market to prepared American anthracite; and

Whereas during the 1957–58 coal season France imported approximately 600,000 tons of prepared Russian anthracite and imported only 20,000 tons of prepared American anthracite; and

Whereas many French importers and users of anthracite wish to obtain American rather than Russian anthracite; and

Whereas it appears that France during the 1958–59 coal season will again import from Russia substantially all of its prepared anthracite requirements and will again effectively bar American prepared anthracite from the French market; and

Whereas the assistance of the United States Government is needed to prevent a continuation of this unfair discrimination in favor of Russian produced anthracite and against the United States produced anthracite: Now, therefore, be it

Resolved by the United Mine Workers of America, That the Honorable John Foster Dulles, Secretary of State, be advised that the United Mine Workers of America respectfully urges that no additional financial aid or assistance of any type or kind be granted or extended to the government of France until such time as the French government institutes the necessary reforms to terminate existing preferences or discriminations in favor of Russian produced prepared anthracite and permits American produced anthracite to compete in the French market on a free and equal basis; and

Resolved, That a copy of this resolution be presented to the Honorable John Foster Dulles, Secretary of State, and to several members of Congress from the coal producing areas of the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with an amendment:

S. 3829. A bill to extend certain franking privileges to the Secretary and the Sergeant at Arms of the Senate, and the Clerk and the Sergeant at Arms of the House of Representatives (Rept. No. 1705).

By Mr. FULBRIGHT, for the Committee on Banking and Currency, without amendment:

S. 3323. A bill to extend the Defense Production Act of 1950, as amended (Rept. No. 1708).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 9381. An act to designate the lake above the diversion dam of the Solano project in California as Lake Solano (Rept. No. 1707); and

H. R. 9382. An act to designate the main dam of the Solano project in California as Monticello Dam (Rept. No. 1706).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with an amendment:

S. 3916. A bill to amend the Shipping Act, 1916 (Rept. No. 1709).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON:

S. 4006. A bill to provide for continued delivery of water under the Federal reclamation laws to lands held by husband and wife upon the death of either; to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 4007. A bill for the relief of Magda Kusen Canjuga; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 4008. A bill to increase the maximum travel allowance for postal transportation clerks, acting postal transportation clerks, and substitute postal transportation clerks; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE:

S. 4009. A bill to amend the act authorizing the Washoe reclamation project, Nevada and California, in order to increase the amount authorized to be appropriated for such project; to the Committee on Interior and Insular Affairs.

By Mr. McCLELLAN (by request):

S. 4010. A bill to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

CONCURRENT RESOLUTION

Mr. JOHNSON of Texas submitted a concurrent resolution (S. Con Res. 93) to provide for correction in the enrollment of S. 734, to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, which was considered and agreed to.

(See concurrent resolution printed in full when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

INCREASED TRAVEL ALLOWANCE FOR CERTAIN POSTAL EMPLOYEES

Mr. YARBOROUGH. Mr. President, I introduce for appropriate reference a bill to increase the maximum travel allowance for postal transportation clerks and substitute postal transportation clerks.

All of us are aware of the high cost of living, and we are no less aware of the level of expenses incurred away from home. Postal transportation clerks receive $2.25 for each 6 hours that they are away from headquarters, following the passage of the first 10 hours.

The act of June 10, 1955, provides in section 607 (b) that such travel allowance may be paid "after the expiration of 10 hours from the time the initial run begins."

If my bill were to be enacted, it would mean that for each 6 hours after the first 10 this specially trained and most deserving type of public servant would receive $3 instead of $2.25.

This adjustment would merely make postal transportation clerks assigned to road duty eligible to receive the same maximum allowances already available to other Federal employees in travel status. It would not alter the requirement that travel allowance may be paid only after the expiration of 10 hours from the time of commencing work. This stringent limitation is restricted to postal transportation clerks and because it lowers the amount actually received, this procedure should justify a rate of allowance to these employees which is greater instead of less than that paid to other Federal employees while traveling.

If my bill is enacted, the 10-hour exemption will still operate to give to these people a lower rate than that paid to other Federal employees in travel status.

Under present law postal transportation clerks receive travel allowance at the rate of $9 per day. The 10-hour exemption reduces the amount actually received in the first 24 hours to $6.75.

Under my bill the rate would be increased to $12 per day. The 10-hour exemption would then make the actual payment $9 for the first 24-hour period. Other Federal employees receive $12 for this same length of time.

Postal transportation clerks assigned to road duty eat in the same restaurants as those patronized by other Federal employees away from home. In many cases they also stop at the same hotels and pay the same rates.

Feeling that this change in the law is just and necessary, I hope the Senate will take early action on the bill this year.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 4008) to increase the maximum travel allowance for postal transportation clerks, acting postal transportation clerks, and substitute postal transportation clerks, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

RECEIPT AND DISBURSEMENT OF FUNDS IN GOVERNMENT PRINTING OFFICE UNDER CERTAIN CIRCUMSTANCES

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

This bill is being introduced in response to a request submitted to the President of the Senate by the Public Printer. In his letter to the President of the Senate, the Public Printer stated that the proposed bill has been referred to the Bureau of the Budget and that the Government Printing Office has been advised that a similar bill relating to the Post Office Department was cleared by that office last year with the approval of the Treasury Department, the General

Accounting Office, and the Department of Justice.

I ask unanimous consent that the letter from the Public Printer together with a communication addressed to the Director of the Bureau of the Budget and a report from that agency be printed in the RECORD at this point as a part of my remarks.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letters and report will be printed in the RECORD.

The bill (S. 4010) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes, introduced by Mr. MCCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letters and report presented by Mr. MCCLELLAN are as follows:

UNITED STATES GOVERNMENT
PRINTING OFFICE,
Washington, D. C., May 26, 1958.

The PRESIDENT OF THE SENATE,
United States Senate,
Washington, D. C.

SIR: It is respectfully requested that the attached draft bill containing proposed legislation pertaining to the Government Printing Office be introduced before the Congress.

The purpose of this bill is: "To provide for the receipt and disbursement of funds and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes."

The proposed bill has been referred to the Bureau of the Budget and we have been advised that a similar bill relating to the Post Office Department was cleared by that office last year with the approval of the Treasury Department, the General Accounting Office, and the Department of Justice. Also, that the Bureau of the Budget has checked informally with the above agencies and they have raised no objections.

Very truly yours,
RAYMOND BLATTENBERGER,
Public Printer.

(Enclosures: Copy of letter from Public Printer to Director of Bureau of the Budget, dated April 28, 1958, and draft of bill; copy of letter from Acting Assistant Director for Legislative Reference, Bureau of the Budget, dated May 19, 1958.)

UNITED STATES
GOVERNMENT PRINTING OFFICE,
Washington, D. C., April 28, 1958.

HON. MAURICE STANS,
Director, Bureau of the Budget, Executive Office of the President, Washington, D. C.

DEAR MR. STANS: Public Law 85-240, approved March 15, 1958, "Post Office Departments—Disbursing Officer—Vacancy—Issuance of Checks," makes provision for the issuance of checks and continuation of accounts when there is a vacancy in the office of the disbursing officer for the Post Office Department.

From a review of this bill and the report on same, House Report No. 1369, it seems that a somewhat similar provision of law should be available when there is a vacancy in the office of the disbursing officer for the Government Printing Office.

A proposed bill, which has been informally reviewed by your legal authorities prior to formal transmittal to your office for submission to the Congress, is enclosed. This proposed bill would also have the effect of changing the title of disbursing clerk of the Government Printing Office (see sections 50, 51, 52, and 73, of title 44, U. S. Code) to disbursing officer for the Government Printing Office.

If there are no objections to this proposed legislation, an early submission to the Congress would be appreciated.

Very truly yours,
JOHN M. WILSON,
Acting Public Printer.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 19, 1958.

HON. RAYMOND BLATTENBERGER,
Public Printer, United States Government Printing Office, Washington, D. C.

DEAR MR. BLATTENBERGER: Attached is the draft bill "To provide for the receipt and disbursement of funds and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes," on which our opinion was requested in Mr. Wilson's letter of April 28, 1958. We have reviewed the bill, and it seems to us to be in good order.

The similar bill relating to the Post Office Department was cleared by this office last year with the approval of the Treasury Department, the General Accounting Office, and the Department of Justice. We have checked informally with these agencies and they raise no objection to your bill.

Sincerely yours,
PHILLIP S. HUGHES,
Acting Assistant Director for Legislative Reference.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—AMENDMENTS

Mr. MUNDT submitted amendments, intended to be proposed by him, to the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which were ordered to lie on the table, and to be printed.

EXTENSION OF EXISTING CORPORATE NORMAL-TAX AND CERTAIN EXCISE-TAX RATES—AMENDMENTS

Mr. MCNAMARA submitted amendments, intended to be proposed by him, to the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which were ordered to lie on the table, and be printed.

RECOVERY BY THE STATES OF CERTAIN UNCLAIMED PERSONAL PROPERTY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 4, 1958, the names of Senators BYRD, BUSH, and BARRETT were added as additional cosponsors of the bill (S. 3937) to facilitate the discovery and recovery by the States of unclaimed personal property in the custody of Federal agencies, and for other purposes, introduced by Mr. HUMPHREY (for himself and Mr. JAVITS) on June 4, 1958.

FEDERAL ETHICAL STANDARDS ACT OF 1958—ADDITIONAL COSPONSOR OF BILL

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the name of the distinguished Senator from Pennsylvania [Mr. CLARK] may be added as a sponsor of the bill (S. 3979) to promote ethical standards of conduct among Members of Congress and officers and employees of the United States, and for other purposes, introduced by me on June 11, 1958.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. JACKSON:

Address entitled "An Academy of National Policy," delivered by him at the graduation ceremony of the Industrial College of the Armed Forces, at Washington, D. C., on June 11, 1958.

By Mr. HILL:

Commencement address delivered by him at Hahnemann Medical College, Philadelphia, Pa., on June 12, 1958.

By Mr. WILEY:

Article entitled "One Hundred Fifty Help Wright in Observance of His 89th Birthday Fete," written by Herb Jacobs, and published in the Capital Times of June 9, 1958.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been received and are now pending before the Committee on the Judiciary:

Harry R. Tenborg, of North Dakota, to be United States marshal, for the district of North Dakota, for a term of 4 years—reappointment.

Herbert G. Homme, Jr., of North Dakota, to be United States attorney for Guam, for the term of 4 years—reappointment.

Robert Vogel, of North Dakota, to be United States attorney for the district of North Dakota, for a term of 4 years—reappointment.

Julian T. Gaskill, of North Carolina, to be United States attorney for the eastern district of North Carolina.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, June 20, 1958, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearings which may be scheduled.

TRIBUTE TO EUGENE MEYER, OF WASHINGTON POST AND TIMES HERALD

Mr. NEUBERGER. Mr. President, behind every great institution is generally some one person who provides the inspiration and the drive to make it a success. This is particularly true of great and outstanding newspapers in the United States. Every newspaper of distinction generally needs a publisher or an owner who has his eye and his mind on the publication of truthful information, rather than solely on the cash register.

In the case of the Washington Post and Times Herald, of Washington, D. C., one of the illustrious periodicals of the Nation, this man is Mr. Eugene Meyer. The Washington Post, as it then had its nomenclature, was purchased by Mr. Meyer some quarter of a century ago, when the newspaper was at a low ebb in its destiny, its financial status, and its prestige. However, under his leadership and guidance, the Post has now become strong financially and also strong in its influence in our seat of Government and in the country as a whole.

On today, June 13, 1958, the Post has paid tribute to its principal owner, in an editorial entitled "Public Conscience." I ask unanimous consent that the editorial be printed in the body of the RECORD, in connection with my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PUBLIC CONSCIENCE

The love and admiration which members of this newspaper hold for the man who has guided it for a quarter century need no further public expression on his 25th anniversary of the purchase of the Washington Post by Eugene Meyer. What is of public importance is the vigor and distinterestedness with which the independent newspaper he built seeks to serve its audience; and that is for readers to judge.

Mr. Meyer has had a simple and abiding objective for the Washington Post: to tell all of the truth, so far as it can be ascertained, and to present informed comment on public affairs. He also has supplied the basic criteria by which editorial policy is formulated in individual situations: belief in constitutional government, civil liberties, an expanding free economy and international cooperation, and a recognition that good means are as important as good ends.

Chief Justice Warren, in a tribute this week, took note of Mr. Meyer's recognition that the special protections of the first amendment carry with them an unwritten obligation for a newspaper to serve not only its own interest but also the national interest—"as if an oath of office stood behind each printed line. One thing in the Nation's Capital does not change," said the Chief Justice. "It is the public conscience of the Washington Post."

That is a high and humbling challenge. Like all human creations, this newspaper makes mistakes; but the concept of public trust outlined by Mr. Meyer is and will continue to be its foremost consideration. We take this opportunity, on the occasion of Eugene Meyer's silver anniversary in journalism, to rededicate the Washington Post to the principles for which he has always stood in his public and private life.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CASE of New Jersey in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—EDITORIAL

Mr. HOBLITZELL. Mr. President, I should like to read into the RECORD an editorial from the New York Herald Tribune of June 13, 1958, under the heading "Putting Teeth in KENNEDY's Tiger":

Thanks to the floor amendments by Senator JOHN SHERMAN COOPER, the labor reform bill is beginning to look a lot more like what its name betokens. He has plugged up at least a couple of the big holes Senator JOHN (Profiles in Courage) KENNEDY left in the bill.

As the bill emerged from KENNEDY's hands, it was singularly devoid of teeth. It was a paper tiger. For example:

It purported to guarantee free elections, and open financial records, for all union members. But the fine print exempted those with less than 200 members—the kind of paper locals that gangster Johnny Dio likes to use to blackmail and threaten decent citizens. COOPER plugged that gap.

It authorized the Secretary of Labor to investigate such unions, but gave him no power of subpena. COOPER plugged that, too.

It prohibited union officeholding by individuals convicted of crimes, involving the taking of money. But it would not lay a single finger on hoods, for example, like Barney Baker, a strong-arm man for the Teamsters who served two terms for stench-bombing, was the associate of the notorious waterfront murderers, James Dunn and Denny Gentile, and who has been arrested for carrying concealed weapons. This gap is still open. These omissions were no accident. KENNEDY is a lawyer. He knows a loophole when he sees one.

With typical demagoguery, the Democratic National Committee accused Republican critics of this phony bill of wanting to smash labor unions.

That's a foul lie. The American people are fed up to the teeth with the arrogance and crookedness of corrupt union leaders. So are union members. They want the books and election procedures of all union locals put on a democratic basis, not a dictator basis.

Let us hope there are enough Senators on both sides of the aisle with the moral courage and plain, old-fashioned honesty to vote a bill that says what it means and means what it says. KENNEDY's bill did not.

INDIANA DUNES

Mr. DOUGLAS. Mr. President, some days ago I introduced a bill to have the Federal Government purchase approximately 3,500 acres of land in the Indiana Dunes and to create a national monument there.

Since then the proposal has been endorsed by the Chicago City Council, and I ask unanimous consent that the resolution of the council be printed in the RECORD at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

UNITED STATES CONGRESS MEMORIALIZED TO ENACT PENDING LEGISLATION TO ACQUIRE PORTION OF INDIANA DUNES AS NATIONAL PARK

"Whereas, the Indiana Dunes constitute a unique and invaluable recreation area for the people of the United States and especially for all the people of the States bordering on Lake Michigan; and

"Whereas this great recreation area should be preserved: Now, therefore, be it

"*Resolved*, That the City Council of the City of Chicago hereby memorializes the Congress of the United States to enact the measure pending before it for the acquisition of an area in the Indiana Dunes as a national park, for the benefit of all the people of this Nation."

On motion of Alderman Bohling (seconded by Alderman Despres) said proposed resolution was adopted.

Mr. DOUGLAS. The proposed legislation has also been endorsed by the Chicago Daily News, a leading newspaper of the Midwest. I ask unanimous consent that an editorial supporting the proposal be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAVE THE INDIANA DUNES

Senator DOUGLAS, Democrat, of Illinois, has introduced in the Senate a bill to create an Indiana Dunes National Monument in a 3,500-acre area fronting on a 4-mile strip of Lake Michigan shoreline east of Gary.

Gov. Harold W. Handley of Indiana has bitterly attacked DOUGLAS for what he calls his meddling in Indiana affairs.

The dunes area which DOUGLAS would preserve is owned by two large steel companies. Steel mills have been projected there, as well as deep water port facilities.

Senator DOUGLAS paved the way for Congressional consideration of his save-the-dunes measure by taking to television and radio to tell Indiana and Illinois residents that Handley ought to be ashamed of himself for supporting the industrialization of the region.

Handley fired back by telling DOUGLAS to "mind his own business and take care of Illinois."

It is our opinion that Senator DOUGLAS is not only taking care of Illinois but is also serving the national interest in advancing his proposal.

Hundreds of thousands of Illinoisans, Indianians and other residents of the Middle West have used this magnificent recreation area since the earliest days of settlement.

At one time the dunes, an unusual expanse of moving, wind-blown mounds formed from the Lake Michigan beach sands, extended for 25 miles along the shore.

Except for the 3-mile stretch of shoreline incorporated in the Indiana Dunes State Park in the 1920's, the area which DOUGLAS would preserve is all that is now left of one of the Midwest's finest outdoor resources.

It is a wonderland of bird life, where more than 300 species pass through in migration. And Prof. H. C. Cowles, the noted botanist, says, "There are few places on our continent where so many species of plants are found in so small a compass."

Senator DOUGLAS wants the Department of Interior to purchase the 4-mile strip between Ogden Dunes and Dunes Acres and preserve it and develop it for the benefit of the public. We believe the Congress should earnestly consider his conservation appeal.

Mr. DOUGLAS. The proposal has also been endorsed by the East Chicago, Ind., Globe. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Senator DOUGLAS of Illinois introduced a bill in the Senate which would (if passed) make a national park out of the sand dunes area between Gary and Michigan City. This of course, would stop construction on any proposed new steel mills in that area. There are two such mills in the planning stages at this time.

The Douglas bill is a good one inasmuch as the area in question has become a scenic vacation spot of national fame, one which will grow in popularity as the years march by.

Steel mills dirty the horizon of the lake shore all the way from South Chicago to Gary. That 25 mile stretch of beautiful sand dunes should remain as nature created it and not be ruined by the dirt and filth which invariably follows the construction of steel mills in any area.

Furthermore, America does not have enough business to keep our existing steel mills operating at full capacity, so why build more steel mills?

ADMINISTRATION OPPOSITION TO A TAX CUT

Mr. DOUGLAS. Mr. President, I ask unanimous consent that a very able editorial from the St. Louis Post-Dispatch for Saturday, June 7, 1958, be printed in the RECORD at this point. The editorial criticizes the attitude of the Eisenhower administration in opposition to a tax cut and favors positive action by our Government to get out of the slump.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOW LONG AT BOTTOM?

The employment situation shows a very slight improvement, steel production is rising and new construction in May went up 10 percent over April. Welcome as this news is, it does not justify the administration's continued inaction and it does not change the basic fact that the national economy has stopped growing. Since new workers are joining the labor force every month, stagnation can be as costly as decline. Every month of official paralysis in Washington costs the Nation billions of dollars in lost production.

Unfortunately, for every optimistic indicator so far there is a less favorable one. Thus though steel output has turned upward (perhaps because buyers are trying to beat an anticipated price increase), the industry is still producing at less than 60 percent of capacity. Though new construction is better than it was in April, it still shows no marked improvement over this time a year ago. And though unemployment has declined by 200,000 to 4,900,000, due largely to seasonal expansion of farm and service jobs, the key fact remains that employment in manufacturing industry, where the recession has been centered, is still falling.

Nor have any sure signs of substantial improvement in the immediate future made their appearance. Business spending for capital goods is now expected to fall this year below the $32 billion estimated earlier, and may not start rising again until 1959. Government spending is up, but not enough to compensate fully for the drop in business spending. Consumers fortunately seem to have stabilized their buying at a relatively high level; if they continue to buy, the Nation can legitimately hope that the bottom has been reached.

The big question is how long we are going to stay on the bottom. It is ominous that the talk of a late-summer, early-fall recovery now tends to shade into vaguer talk of an upturn maybe in 1959. The Congressional Joint Economic Committee staff foresees unemployment of 5 million to 5,500,000 persisting into next winter, perhaps touching 7 million next spring. Even the determinedly optimistic Guaranty Survey concludes that—

"It is somewhat difficult to become enthusiastic over prospects for sharp recovery this fall. And anything less than sharp recovery will leave the economy burdened with what some people undoubtedly will regard as an intolerably high total of unemployment."

Yes, some people undoubtedly will regard 7.5 to 8 percent of the labor force as an intolerable high level of unemployment—certainly too high to be allowed to become chronic. The Post-Dispatch believes that the Federal Government ought to move strongly against the recession now—with tax cuts, with public works, with an energetic determination to cause, rather than wait for, full recovery.

The administration favors inaction on the ground that we face a large Treasury deficit next year. But the deficit will be larger still if an upturn fails to materialize this year. Is it not more prudent to put an end to stagnation and the lost production of an underemployed economy?

At a time when the Soviet economy is expanding rapidly, and when every month of delayed recovery increases the strain on our allies abroad, the United States simply cannot afford the risk of continued slump.

PROGRAM FOR VOLUNTARY PRICE-WAGE STABILIZATION

Mr. KEFAUVER. Mr. President, reporting on a poll among steel producers, the trade magazine Steel stated on May 12 that steel prices will probably rise $4 to $6 a ton on July 1. I am sure each Member of this body has noticed that this same prediction appeared in current weekly news magazines, as well as newspapers. I am satisfied that, unless extraordinary action is taken by President Eisenhower, steel prices will be increased substantially on July 1. If the past can be accepted as an indication of what will happen generally throughout American industry if such price increase is made, we can expect another round of inflation.

Let us consider the prospects if steel prices actually are increased. There will be higher direct costs to steel buyers. The Subcommittee on Antitrust and Monopoly found that the July 1, 1957, steel-price rise, which was on the average of $6 per ton, increased the direct cost of steel shipped by some $540 million a year. However, by the time this direct increase reaches the ultimate consumer, it will be considerably greater, since it tends to pyramid. This pyramiding results from the efforts of producers and distributors, at each stage, to raise prices by amounts sufficient to cover not only the direct higher costs of steel to themselves, but also to preserve their customary percentage margins.

With the increase in the price of steel, the producers of consumers' goods, including automobiles, may be expected to raise their prices. The ultimate effect, of course, will be to reduce consumption. This is particularly true with respect to durable goods, as to which most of our present recession is centered. We might expect, with reduced consumption, that production and employment will fall to even lower levels than exist today. The paradox of this downswing will become even more striking—increased prices accompanied by falling output and jobs.

Up until recently the steel industry has been operating at approximately 50 percent of capacity. It is my opinion that although at present the steel industry is reported to be operating at approximately 60 percent of capacity, much of this increase reflects orders placed in anticipation of the coming July 1 price increase. The automobile industry, as against an estimated annual capacity of 9 to 10 million cars, is operating at a current estimated automobile output this year of only 4.2 million cars, or below 50 percent of capacity. These substantial decreases in production as a percentage of capacity have occurred in other durable-goods industries as well. Take heed of this: As low as is production in these industries, their operating rates can sink to even lower levels if the prices of goods to consumers are increased. This will most certainly take place if the price of steel is again advanced.

I note again that the spokesmen for the steel industry state that the increase which is to be announced on July 1 is again traceable to the added costs arising from the provisions of the 3-year contract between the steel companies and the United Steel Workers of America. Again, if the past is to provide any clue to the future, it is reasonable to anticipate that this price increase will again be at least twice the rise in the costs resulting from wage increases. This is the conclusion reached by the majority of the Senate Subcommittee on Antitrust and Monopoly, on the basis of an extensive inquiry last fall into administered prices in the steel industry.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The time of the Senator from Tennessee has expired.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that I may proceed for 6 additional minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

Mr. KEFAUVER. Mr. President, it appears to me that clearly the time for action is at hand. Every step should be taken to prevent the announced increases in steel prices from taking effect. According to a recent survey of consumer buying intentions conducted by the National Bureau of Economic Research, plans to buy new cars were 20 percent lower in April than last October. Intentions to buy major consumer durable goods such as ranges, refrigerators, TV sets, freezers, and so forth, dropped on the average by more than 10 percent. If the prices of these products are again raised, as they certainly will be if steel prices are increased, the decline in actual purchases can be expected to be even greater than is indicated by the survey.

I am convinced that steps short of mandatory controls can be taken by the executive branch of the Government—as indeed they have been taken in the

past—which would result in a considerable degree of success. I refer to voluntary measures of one type or another. Their use was strongly urged by eminent economists appearing before the Antitrust and Monopoly Subcommittee. Between August 1939 and February 1942, all of the price- and wage-restraining efforts by the Government were on a voluntary basis. By the time the Price Control Act was passed in early 1942, the prices of many basic commodities, including steel, had already been successfully stabilized by voluntary measures. The success of such a program is also attested by a comparison of price increases in those industries where voluntary measures were applied with the increases that occurred during comparable periods before World War I. Thus between July 1914 and November 1916 the list price of steel rose 103 percent. During the comparable 28-month period between August 1939 and December 1941 it advanced only 2 percent. Other comparisons are equally as impressive.

After giving this matter considerable thought, realizing that there is no statutory authority for the establishment of mandatory price and wage controls—and not wishing to become an advocate for the establishment of any such authority at this time—I recently transmitted by letter to President Eisenhower a suggested program which I believe would be most effective.

In suggesting to the President that he institute a voluntary price-and-wage-control program, I pointed out that among specific voluntary measures which had been taken, and which could be used at this moment, are: First, informal conferences between an industry's leaders and Government representatives; second, public requests to an industry to abstain from making a proposed price increase; third, the issuance of brief summary analyses of an industry's prices, profits, and production, indicating generally whether a price advance is required and, if so, its approximate extent; fourth, the issuance on a voluntary basis of suggested price ceilings; and, fifth, efforts to persuade labor that for the welfare of the economy they should hold the wage line and avoid inflationary wage increases.

Mr. President, the only force behind such voluntary measures would be public opinion, but this is a force to be reckoned with. Large corporations, such as steel and automobile companies, do not disregard public opinion lightly. Once our citizenry have the facts, their enlightened awareness can be equally powerful as any statute in preventing unjustified price and wage increases. In advancing this program to the President I had every hope and belief that such a program would receive the full cooperation of labor. If labor organizations were to persist in demands which exceed productivity gains and require significant increases in prices, the spotlight of publicity should be turned on them.

The recommendation for action which I outlined to the President grew out of voluminous testimony and evidence presented to the Senate Antitrust and Monopoly Subcommittee in its inquiry on administered prices. These hearings clearly indicate that large corporations, such as steel and automobile manufacturers, have the power to effectively set aside the law of supply and demand. Because of the immense consequences of their decisions, the managers of these huge corporations must be made forcefully aware of their responsibilities to the public welfare. Voluntary price-wage stabilization programs would accomplish that objective. From my study of the causes of the present recession, I am satisfied that much present-day buyer resistance stems from a lack of confidence in the future. I am also convinced that this lack of confidence comes from the large number of unemployed. Is it not logical to believe that the large number of employees who are employed, even at all-time high wages, might very well be curtailing their purchases because many of their fellow employees have been laid off and are presently out of jobs?

Having recently talked with the heads of several large corporations who indicated a willingness to enter into a voluntary program of rehiring laid-off employees, I suggested to President Eisenhower that if he would appeal to the heads of industry to voluntary rehire, at least for a trial time, some percentage, say 5 percent, based on their payroll—such an appeal might very well be successful. If only the 500 largest corporations were to increase their employment by 5 percent, the increase in total employment would approximate 400,000. Putting that many people to work would go far toward a restoration of confidence and help in overcoming the recession.

By letter of June 3 in answer to my letter of May 22, President Eisenhower advised that the general approach of my letter had been the subject of much thought and discussion, both in and out of Government, but that in his judgment he could best discharge his responsibility in this matter by continuing on the course which he had set rather than by adopting the public conference approach.

I am satisfied that the President will continue his program and efforts toward the end of fostering wage-price policy in the national interest. I most certainly and sincerely hope that whatever the President's program is, it will be successful in fostering a wage-price policy in the national interest. I am satisfied, however, that if the President would use the full powers of his office, he could most certainly deter the further raising of prices by steel or any other industry. He could likewise, in my opinion, deter any labor union from demanding any increase in wages unless it could be shown that, correspondingly, productivity would be so increased.

Unless the President's program is successful in dissuading the steel industry from advancing its prices on July 1 coming, I fear the economic consequences of such price increases. We can ill afford for the managers of our basic industries or leaders of our larger labor unions to play an economic chess game with the public welfare. Leaders of industry and labor must be made aware of the dire consequences of their actions. The time is long past when we can afford the luxury of a power game between labor and management, each attempting to prove the other is a scapegoat for increased prices. The great American public deserves more consideration. I, for one, say we cannot stand idly by and see this power game continue to the detriment of the public interest.

THE CRISIS IN LEBANON

Mr. MANSFIELD. Mr. President, I note that the United Nations Security Council voted 2 days ago to set up an observation group on urgent basis "to insure that there is no illegal infiltration of personnel or supply of arms or other material across Lebanese frontiers." The vote on this measure was 10 to 0 with the Soviet Union abstaining. The United States took a position in support of this action.

It seems to me that this action of the Security Council and the position of the United States with respect to it is a step in the right direction. It is an important initiative for stability in the highly volatile situation in the Middle East.

In a statement in the Senate on May 22, I made the following observation:

> What the United States can support, indeed, what we must support are international efforts to put at rest any genuine fears of aggression, Arab of Israeli or Israeli of Arab or, indeed, Arab of Arab. To that end, Mr. President, it seems to me high time for this country to take an initiative for peace. It seems to me high time to propose in the United Nations the extension of the United Nations Emergency Force to the borders of any country in the Middle East which is concerned with aggression from a neighbor and which asks for that safeguard. It is time, in short, to determine who is really afraid of war and who is really afraid of peace in the Middle East.

The action of the executive branch in clearly supporting the resolution of the Security Council on the Lebanon situation is a step in accord with that observation, and I am fully in accord with it.

RESTRICTIONS ON TRAVEL OF AMERICAN CITIZENS TO FOREIGN COUNTRIES

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report submitted by the State Department on S. 2770, introduced by me, and on S. 3344, introduced by the senior Senator from Missouri [Mr. HENNINGS]. Both measures deal with the policies covering the issuance of passports and on restrictions on travel of American citizens to foreign countries.

There has been considerable interest in the press and elsewhere in the passport policies of the United States Government. I, therefore, feel that it would serve a useful purpose for the views of the Department to be published in the CONGRESSIONAL RECORD in order that the observations of the Department of State might be available to interested persons.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

MAY 19, 1958.

Hon. THEODORE FRANCIS GREEN,
Chairman, Committee on Foreign Relations, United States Senate.

DEAR SENATOR GREEN: Reference is made to the letter of March 13, 1958, of the Committee on Foreign Relations signed by Mr. Carl Marcy, chief of staff. The committee requested the comments of the Department of State on S. 2770, introduced by Senator FULBRIGHT, and on S. 3344, introduced by Senator HENNINGS. Both bills deal with the passport question and with restrictions on the travel of American citizens to foreign countries.

As this committee is aware, cases are pending before the Supreme Court of the United States in which the Department's passport procedures and regulations have been challenged. It is therefore difficult for the Department to comment definitely on any legislative proposals in this field until the precise limits of authority under the Constitution shall have been traced by the Court. Nevertheless, a number of observations may be made at this time, in line with the Government's position as expressed in its written and oral arguments before the Supreme Court.

It should be borne in mind that the Secretary of State, as the representative of the President, is the official of this Government in charge of the conduct of foreign affairs. This principle has been recognized by the Congress (5 U. S. C. 156). The question of whether or not a passport should be issued necessarily involves questions of foreign affairs. From its very nature a passport is a request to governments of foreign countries for which it is valid asking those governments, as the passport itself states, "to permit [the bearer] safely and freely to pass and in case of need to give all lawful aid and protection" to him. The Secretary of State must have discretion to determine whether the presence of a particular individual in a foreign country would affect foreign relations and also whether travel of American citizens generally to a particular foreign country would have a similar effect. This has also been recognized by the Congress (22 U. S. C. 211 (a)). As has been said by the Court of Appeals for the District of Columbia in *Shachtman* v. *Dulles* (225 F. 2d 938, 942), "the issuance of passports throughout our history has been left to the judgment of the Secretary of State under Presidential regulation, and is subject only to constitutional safeguards. And even these must be defined with cautious regard for the responsibility of the Executive in the conduct of foreign affairs."

Neither the Fulbright bill nor the Hennings bill recognizes the right of the Secretary of State to refuse a passport for the reason that the presence of the individual in a foreign country would adversely affect foreign affairs. Under the terms of the bills it appears that the Secretary of State could not deny passport facilities, even to a professional espionage agent or to an American going abroad to assassinate the head of a government with which our relations may already be strained. It seems clear that the activities of such individuals abroad would have an immediate and serious effect upon our foreign relations, if not our national security. There is also the less improbable hypothesis of the American going abroad to engage in activities designed to influence the outcome of a foreign political election, thereby interfering in the internal affairs of a foreign country and possibly endangering immediate interests of the United States. The Secretary of State, as responsible officer for the conduct of our foreign relations, should not be constrained to issue him a passport.

Present regulations provide for the refusal of passport facilities on such grounds, and the Department opposes any legislative measure which would deprive the President's chief officer concerned with foreign affairs the discretionary power of declining to sanction American travel abroad which would be prejudicial to the orderly conduct of foreign relations.

It may also be necessary from time to time to restrict travel of citizens generally to certain areas in the interest of foreign affairs. The Fulbright bill possibly has this in mind in permitting restriction of travel to "countries to which the President finds that travel should be restricted in the national interest," but this restriction would be limited to 1 year by the terms of the bill. The Hennings bill makes no provision for such a contingency. World conditions, and those in particular countries and areas, as to which the Executive has special information not available to the legislative branch and on the basis of which he is specially qualified to make decisions, may well require the imposition of such restrictions and may require that they be continued for a longer period than 1 year.

The Department's administration of the present Executive regulations does not reflect abuse of the passport power, with regard either to individual or to general geographic restrictions. Administrative procedures now in force pay scrupulous regard to the individual's rights to procedural and substantive due process of law. And the power to impose or to cancel general geographic restrictions on passports is undeniably useful, both as a means of endeavoring to protect our citizens from hazards due to armed conflicts or natural disasters in foreign countries, and also as an instrument of foreign policy. This latter aspect is exemplified by the cancellation, on October 31, 1955, in connection with the Geneva Conference of Foreign Ministers, of passport restrictions on American travel to certain European countries in the Soviet bloc, and by the imposition in February 1956 of the requirement of passport validation for travel to Hungary, one of the measures taken in connection with our protests against harassment of legation employees and newspaper correspondents in Budapest.

Under the Hennings bill, in the absence of involvement of this country in war or open hostilities, any American could visit areas declared "unsafe for travel" with a passport in his possession, merely by filing a waiver of the protection of this Government. In effect, therefore, a policy determination against travel to a particular country would be rendered meaningless and an important instrument in the conduct of foreign relations would be destroyed.

Every citizen has the right to relinquish the protection of this Government by voluntarily expatriating himself. But so long as the bond of allegiance is not broken by expatriation, this Government must retain its right under international law—and its duty under any reasonable view of national political responsibility—to protest, in the interest of the Nation as a whole, unjust treatment accorded to an American by a foreign government, even if the citizen himself does not request this Government's protection.

The Department is of the opinion that a waiver by a citizen of the protection of his Government would have little, if any, legal effect, because diplomatic protection is the right of the Government to be exercised in the discretion of the Government, and the individual citizen has no right to insist on it or disavow it. Moreover, Congressional sanction of such waivers would immeasurably weaken any protest or claim made by this Government to a foreign government on behalf of an American citizen who might have filed such a waiver but who must nevertheless be the subject of protective measures because of national or international policy considerations.

For both policy and legal reasons, therefore, the Department must oppose the waiver provision of the Hennings bill.

Both the Fulbright and the Hennings bills provide for an appeal to the United States district court from any final administrative decision on passport cases. While the scope of judicial review intended by those provisions is not clear, judicial review is now being given, independently of statute, with respect to questions of impairment of constitutional rights, procedural due process and compliance by the Department with statutory and regulatory requirements. If the intent of the provisions of the bills under consideration is to broaden the scope of judicial review by substituting the discretion of the courts for the discretion of the Secretary of State, then the Department must oppose those provisions.

The foregoing policy observations and the more technical comments enclosed with reference to each of the two bills sufficiently indicate, it is believed, the reasons for the Department's opposition to these bills. The Department appreciates the opportunity afforded by this committee to study the effect of the bills, in line with the remarks of Senator FULBRIGHT at the time he introduced S. 2770, when he expressed the hope that the bill would serve to stimulate study and discussion of the passport problem. As he pointed out, no case on the subject had then come to the Supreme Court of the United States. In any event, the Department is in complete agreement with the objective that travel by Americans abroad should be as free from governmental restraint as possible, consistent with the requirements of national security and the conduct of foreign affairs.

The Department believes that the present laws relating to travel control and passports provide an adequate basis for its operations. However, if in the Department's opinion any legislative changes should prove necessary or desirable in the light of forthcoming determinations by the Supreme Court, recommendations will be submitted promptly by the Department to the Congress.

In accordance with the request contained in the Committee's letter of March 13, 1958, there is also enclosed a schematic comparative analysis of the two bills with each other and with existing law, regulations, and practice.

This letter and its enclosures have not been cleared with the Bureau of the Budget. Copies, however, have been furnished the Bureau for its information.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary
(For the Secretary of State).

COMMENTS ON OTHER PROVISIONS OF THE FULBRIGHT BILL

1. Although Communist Party members or recent members may be denied passports, no information, much less any statement under oath, regarding such membership may be demanded in the passport application (sec. 6).

2. The requirement that sufficient reasons for denial be given and the failure to mention security limitations might be interpreted to exclude the use of confidential information in any passport denial proceedings (sec. 9 (a) (2)).

3. Supporters of the Communist movement or persons dominated thereby, although not presently or recently members of the Communist Party, would be entitled to passport facilities (sec. 7 (b)).

4. Although the bill distinguishes between travel restraints and passport facilities, it is not clear by what means travel restraints are to be implemented other than by the

use of the passport power which may not be effective to prevent travel (secs. 7, 8, 9, 10).

5. A literal interpretation of the bill's references to citizens rather than nationals (secs. 3 (a) and 5) would exclude certain nationals who are not citizens (e. g., Samoans). The bill was probably intended to entitle all nationals to passports.

6. The language of section 6 would seem to require that the Department establish a passport applicant's American citizenship, on the basis of such information as the applicant can provide. It would seem that the applicant should have the burden of establishing his United States nationality.

7. Although the bill authorizes, under certain emergency conditions (secs. 5, 8, 10), the limitation of a passport with respect to areas or countries for which it is valid, it would not provide authority for the limitation of a passport with respect to its duration and could be interpreted to exclude such authority. The effect would be to require, for example, the issuance of a passport valid for 3 years to a naturalized citizen who would lose his American citizenship because of extended residence abroad some time before the expiration of the 3-year period of validity.

8. As the bill provides for issuance only by the Department of State, executive officers of insular possessions and trust territories would have no authority, and the authority of Foreign Service officers abroad would be in doubt (sec. 3 (a)).

9. The bill provides 30-day time limits on both the issuance of passports (sec. 9 (a) (1)) and the rendering of decisions after hearings are concluded (sec. 9 (a) (3)) which are administratively impractical.

10. The bill does not provide for any renewal of the passport at the expiration of the 3-year initial period of validity (sec. 5). A new passport would have to be issued.

11. The bill does not provide for a fee for a passport application, and the indeterminate fee for issuance ("no higher than is necessary to defray the cost of issuance," sec. 5) would be difficult to compute, always subject to change and possibly an odd amount.

12. While it seems clear that some existing statutes would be repealed or amended by enactment of the bill, the bill does not contain the usual provision referring to statutes repealed or amended thereby.

Comments on Other Provisions of the Hennings Bill

1. The provision relating to diplomatic passports (sec. 106) would appear to exceed legislative power since accreditation of Presidential representatives to foreign governments is a matter reserved to the executive branch.

2. The bill would make it unlawful for an American to travel outside the Western Hemisphere without a passport, even in peacetime and in the absence of an emergency (sec. 405). This would be an extension of the present emergency legislation and would take away the Executive power to make exceptions which is permitted under present law.

3. The bill contains no provision expressly authorizing the limitation of the normal passport with respect to duration and areas for which it is valid. Section 105 authorizes such limitations only for passports issued by way of exception to persons in categories otherwise barred from possession of passports under section 104. Section 105 could therefore be interpreted to exclude the authority to limit the duration of any other passports and could require the issuance of a passport valid for 3 years to a naturalized citizen who would lose his nationality by extended residence abroad some time before the expiration of the 3-year period.

4. The references in sections 108 and 302 to the right of any person to request a hearing before the Passport Review Board and the reference in section 303 to the right of appeal to the judiciary would give the Board and the courts jurisdiction to examine cases of denials on grounds of lack of United States nationality. There are already in existence other effective remedies for testing citizenship.

5. The bill would provide no express delegation of authority for administrative regulations in time of peace (sec. 101; cf. secs. 404, 405).

6. The bill would exclude the Secretary of State from the administrative review procedure (secs. 301, 303).

7. The bill (sec. 102) would remove the Director of the Passport Office from the chain of command established by section 104 (c) of the Immigration and Nationality Act and by departmental organization.

8. The bill provides 60-day time limits on both the issuance of passports (sec. 108) and the holding of hearings before the Passport Review Board (sec. 302) which are administratively impractical.

Comparative Analysis

I. Individual and General Passport Restrictions

A. Under the Fulbright bill an individual citizen may be restrained in his travel and denied a passport only if (sec. 7)—

(1) there is good reason to believe that the citizen's travel or activities abroad will violate United States laws; or

(2) he is a member of the Communist Party or of an organization which has been finally ordered by the Subversive Activities Control Board to register, or he has recently terminated such membership under circumstances indicating that he continues to act in furtherance of the interests and under the discipline of the Communist Party or such organization; or

(3) he has not satisfied his debt to the Government arising out of an advance of public funds to pay for his transportation back to the United States on a previous occasion.

The travel of all citizens may be restrained and passports limited in validity with respect to certain places or countries, provided the President declares that travel there should be restricted in the national interest (secs. 8 and 10). It is not clear from the bill (sec. 8 (a) and sec. 10) whether a Presidential declaration is necessary as to places where armed hostilities are in progress or as to countries with which the United States is at war. In any event, the President's declaration must be reported, with reasons therefor, to the appropriate Congressional committees, and is valid only for 1 year unless extended by statute (sec. 10).

As the language covering both individual and general restrictions is permissive rather than mandatory (secs. 7 and 8), exceptions may apparently be made in the Secretary's discretion. Exceptions from general restrictions for individuals and for classes, such as professional news gatherers and doctors on medical missions, would be expressly authorized (sec. 8 (b)).

B. Under the Hennings bill, an individual national may be denied a passport if (sec. 104)—

(1) he is a member of the Communist Party or any organization which is registered or as to which there is in effect a final order of the Subversive Activities Control Board requiring registration with the Attorney General of the United States as a Communist-action, Communist-front or Communist-infiltrated organization, or who has terminated such membership under such circumstances as to warrant the conclusion that he continues to act in furtherance of the interests of the Communist movement or who, regardless of the formal state of his affiliation with the Communist Party, engages in activities which support the Communist movement under such circumstances as to show that he has engaged in such activities as a result of direction, domination, or control exercised over him by the Communist movement;

(2) he has been formally charged with a felony or with treason;

(3) he is a convicted criminal at liberty on bail pending appeal from his conviction.

As to passport restrictions of a general nature, the Secretary of State may designate a foreign country as unsafe for travel, and the country's name shall be stamped on passports, if the lack of diplomatic relations or disturbances in the foreign country prevent the United States from extending normal protection to citizens traveling there (sec. 401).

In time of war or when United States Armed Forces are engaged in hostilities, the President may impose more stringent travel restrictions by regulations (secs. 403, 404).

The Secretary of State would have discretion to issue a passport to an individual national otherwise barred provided that issuance is determined to be in the national interest (sec. 105).

Holders of passports which list countries declared "unsafe for travel" would nevertheless be entitled to visit those unsafe countries by filing a waiver of United States protection (sec. 402).

C. The present practice of the Department of State is governed by the regulations of the Secretary of State (22 C. F. R. secs. 51.135 and 51.136), the text of which is set forth in the attached circular.

II. Criminal Provisions

A. Fulbright bill:

(1) Nonemergency: No penalties except those presently in force.

(2) War or national emergency: No penalty except those presently in force. As the bill does not provide for repeal of the present travel control statute, the penalties provided in the latter might remain in force.

B. Hennings bill:

(1) Nonemergency:

(a) The bill does not purport to repeal present penalties for misuse of passport or false statement on application.

(b) Travel to Eastern Hemisphere without passport: 1 year and/or $1,000.

(c) Entry into an area designated "unsafe for travel" without having waived protection: 1 year and/or $1,000.

(2) When United States at war or engaged in combat:

Travel in violation of Presidential regulations: 5 years and/or $5,000 (felony).

No provision for statute of limitations for new penalties under (1) (b) and (c), and under (2).

C. Present laws:

(1) Nonemergency (18 U. S. C. 1541–1544):

Five years and/or $2,000 for:

(a) false statement in application for passport and use thereof;

(b) use of conditional passport after condition occurs;

(c) misuse.

Ten-year statute of limitations.

(2) War or national emergency (8 U. S. C. 1185):

Five years and/or $5,000 for offenses similar to those under (1).

III. Administrative Review

A. Fulbright bill:

(1) Nonemergency: None; Department must bring suit within 30 days after denial.

(2) War or national emergency:

(a) Person may appeal Department's denial to a "board of passport appeals" within the Department under Presidential or departmental rules of procedure. Person has rights of notice, hearing and counsel. Notice must contain sufficient reasons.

(b) No time limit on person's right to request hearing.

(c) Time limit of 30 days on Department to render decision after close of hearing.

(d) Jurisdiction of board:

(i) Geographic grounds of general applicability as well as personal grounds.

(ii) Doubtful as to citizenship questions.

B. Hennings bill:

(1) Nonemergency denials:

Person has 60 days after denial either in Department or in field, to request hearing before Passport Review Board (five departmental officers chosen by Secretary and responsible to him). Reasons for denial must be stated as specifically as national security permits. Board makes rules, to be approved by Secretary. Person has right to notice, hearing, personal appearance, counsel, to offer evidence, to cross-examine witnesses, and to examine all evidence consistent with national security. Hearing must be held in 30 days unless person waives the time limit. Board has jurisdiction over all denial grounds, including citizenship. Board's ruling final administrative action.

(2) United States involvement in war or hostilities: President may change foregoing by regulation.

C. Present practice:

The Department's practice is governed by regulations of the Secretary of State and the rules of the Board of Passport Appeals (22 C. F. R. secs. 51.137–51.141, secs. 51.151–51.170), the text of which is set forth in the attached circulars. In passport denial cases, the Secretary of State makes factual findings sufficient to bring the applicant within a particular provision of the regulations limiting passport issuance. Moreover, if the Secretary's findings are based (in whole or in material part) on secret information not disclosed to the applicant, the applicant is informed whether the reasons for non-disclosure pertain to internal security or to the conduct of foreign affairs and, with as much particularity as in the Secretary's judgment the circumstances permit, the nature of the reasons for nondisclosure of such information.

IV. JUDICIAL REVIEW

A. Fulbright:

(1) Nonemergency situation: Department must sue in district court at citizen's residence within 30 days after denial to establish reasonable cause for the denial.

(2) War or emergency situation: Citizen can sue Secretary in district court for his residence, appealing from Department's final decision after hearing before board of passport appeals. No time limit on bringing of such action.

B. Hennings:

(1) Nonemergency situation: Person may appeal decision of Passport Review Board (not the Secretary) to District Court for District of Columbia. No time limit.

(2) War or hostilities situation: Presidential regulation would supersede any contrary provisions of the bill.

C. Present law: Citizens denied passport facilities must be accorded due process, both substantive (reasonable grounds) and procedural (due notice and opportunity to be heard).

V. OPERATIONS

A. Application:

(1) Present:

(a) Any question authorized by regulation.

(b) Application must be under oath or affirmation.

(2) Fulbright:

(a) Only citizenship data.

(b) No verification requirement.

(3) Hennings:

(a) Any question authorized by regulation.

(b) Application must be verified.

B. Issuance:

(1) Present:

(a) No time limit on issuance after receipt of completed application; present average is 4½ to 5 days.

(b) Secretary issues in United States; Foreign Service officers issue in foreign countries; executive officers in insular possessions and trust territories.

(c) Family group passports are issued upon request, including unmarried children under 21.

(2) Fulbright:

(a) Must be issued (or denied) within 30 days after application.

(b) Only Department may issue.

(c) Family group passports, including children under 16, may be issued on request of head of family.

(d) Group passports cannot be required.

(3) Hennings:

(a) Must be issued (or denied) within 60 days after receipt of completed application.

(b) Can be issued by Secretary, Foreign Service officers, and executive officers of insular possessions and trust territories.

C. To whom issued:

(1) Present: nationals.

(2) Fulbright: citizens.

(3) Hennings: nationals.

D. Fees:

(1) Present:

(a) Application: $1; no exceptions.

(b) Issuance: $9; certain exceptions.

(c) Renewal: $5.

(2) Fulbright:

(a) Issuance: no higher than cost of issuance.

(3) Hennings:

(a) Application: $2; no exceptions.

(b) Issuance: $9; certain exceptions.

(c) Renewal: $5.

E. Validity:

(1) Present:

(a) Two years, renewable for 2 years.

(b) May be limited in duration.

(2) Fulbright:

(a) Three years, not renewable.

(b) May not be limited in duration.

(3) Hennings:

(a) Three years, renewable for 2 years.

(b) May be limited in duration only if issued as an exception in national interest to Communist or criminal.

SUPPLEMENT TO PASSPORT REGULATIONS—TITLE 22, FOREIGN RELATIONS—CHAPTER I, DEPARTMENT OF STATE—PART 51, PASSPORTS—SUBPART B, REGULATIONS OF THE SECRETARY OF STATE

(Regulations of August 28, 1952, as amended on January 10, 1956)

51.135. Limitation on issuance of passports to persons supporting Communist movement: In order to promote the national interest by assuring that persons who support the world Communist movement of which the Communist Party is an integral unit may not, through use of United States passports, further the purposes of that movement, no passport, except one limited for direct and immediate return to the United States, shall be issued to:

(a) Persons who are members of the Communist Party or who have recently terminated such membership under such circumstances as to warrant the conclusion—not otherwise rebutted by the evidence—that they continue to act in furtherance of the interests and under the discipline of the Communist Party;

(b) Persons, regardless of the formal state of their affiliation with the Communist Party, who engage in activities which support the Communist movement under such circumstances as to warrant the conclusion—not otherwise rebutted by the evidence—that they have engaged in such activities as a result of direction, domination, or control exercised over them by the Communist movement.

(c) Persons, regardless of the formal state of their affiliation with the Communist Party, as to whom there is reason to believe, on the balance of all the evidence, that they are going abroad to engage in activities which will advance the Communist movement for the purpose, knowingly and willfully of advancing that movement.

51.136. Limitations on issuance of passports to certain other persons: In order to promote and safeguard the interests of the United States, passport facilities, except for direct and immediate return to the United States, will be refused to a person when it appears to the satisfaction of the Secretary of State that the person's activities abroad would: (1) Violate the laws of the United States; (2) be prejudicial to the orderly conduct of foreign relations; or (3) otherwise be prejudicial to the interests of the United States.

51.137. Notification to person whose passport application is tentatively disapproved: A person whose passport application is tentatively disapproved under the provisions of 51.135 or 51.136 will be notified in writing of the tentative refusal, and of the reasons on which it is based, as specifically as in the judgment of the Department of State security considerations permit. He shall be entitled, upon request, and before such refusal becomes final, to present his case and all relevant information informally to the Passport Division. He shall be entitled to appear in person before a hearing officer of the Passport Division, and to be represented by counsel. He will, upon request, confirm his oral statements, in an affidavit for the record. After the applicant has presented his case, the Passport Division will review the record, and after consultation with other interested offices, advise the applicant of the decision. If the decision is adverse, such advice will be in writing and shall state the reasons on which the decision is based as specifically as within the judgment of the Department of State security limitations permit. Such advice shall also inform the applicant of his right to appeal under 51.138.

51.138. Appeal by passport applicant: In the event of a decision adverse to the applicant, he shall be entitled to appeal his case to the Board of Passport Appeals provided for in 51.139.

51.139. Creation and functions of Board of Passport Appeals: There is hereby established within the Department of State a Board of Passport Appeals, hereinafter referred to as the Board, composed of not less than three officers of the Department to be designated by the Secretary of State. The Board shall act on all appeals under 51.138. The Board shall adopt and make public its own rules of procedures, to be approved by the Secretary, which shall provide that its duties in any case may be performed by a panel of not less than three members acting by majority determination. The rules shall accord applicant the right to a hearing and to be represented by counsel, and shall accord applicant and each witness the right to inspect the transcript of his own testimony.

51.140. Duty of Board to advise Secretary of State on action for disposition of appealed cases: It shall be the duty of the Board, on all the evidence, to advise the Secretary of the action it finds necessary and proper to the disposition of cases appealed to it, and to this end the Board may first call for clarification of the record, further investigation, or other action consistent with its duties.

51.141. Bases for findings of fact by Board: (a) In making or reviewing findings of fact, the Board, and all others with responsibility for so doing under 51.135–51.143, shall be convinced by a preponderance of the evidence, as would a trial court in a civil case.

(b) Consistent and prolonged adherence to the Communist Party line on a variety of issues and through shifts and changes of that line will suffice, prima facie, to support a finding under 51.135 (b).

51.142. Oath or affirmation by applicant as to membership in Communist Party: At any stage of the proceedings in the Passport Di-

vision or before the Board, if it is deemed necessary, the applicant may be required, as a part of his application, to subscribe, under oath or affirmation, to a statement with respect to present or past membership in the Communist Party. If applicant states that he is a Communist, refusal of a passport in his case will be without further proceedings.

51.143. Applicability of sections 51.137–51.142: Except for action taken by reason of noncitizenship or geographical limitations of general applicability necessitated by foreign policy considerations, the provisions of 51.137–51.142 shall apply in any case where the person affected takes issue with the action of the Secretary in granting, refusing, restricting, withdrawing, canceling, revoking, extending, renewing, or in any other fashion or degree affecting the ability of such person to receive or use a passport.

CODE OF FEDERAL REGULATIONS—TITLE 22, FOREIGN RELATIONS—CHAPTER I, DEPARTMENT OF STATE—PART 51, PASSPORTS—SUBPART B, REGULATIONS OF THE SECRETARY OF STATE

RULES OF THE BOARD OF PASSPORT APPEALS[1]

Pursuant to the authority vested in the Board of Passport Appeals by the Regulations of the Secretary of State issued on August 28, 1952 (17 Federal Register 8013; 22 Code of Federal Regulations 51.139), and pursuant to the authority vested in the Secretary of State by paragraph 126 of Executive Order No. 7856, issued on March 31, 1948 (3 Federal Register 681; 22 Code of Federal Regulations 51.77), under authority of section 1 of the act of Congress approved July 3, 1926 (44 Stat. 887; 22 U. S. C. 211 (a)), the regulations issued on March 31, 1938 (departmental order 749) as amended (22 Code of Federal Regulations 51.101 through 51.143) are hereby further amended by the addition of the following Rules of the Board of Passport Appeals as adopted by the Board, and approved by the Secretary for incorporation as sections 51.151 through 51.170 of subpart B or part 51 of 22 Code of Federal Regulations:

Sec. 51.151. Organization of Board.
Sec. 51.152. Decisions of the Board.
Sec. 51.153. Counsel to the Board.
Sec. 51.154. Examiner.
Sec. 51.155. Chairman.
Sec. 51.156. Prior administrative remedies.
Sec. 51.157. Petition.
Sec. 51.158. Delivery of papers.
Sec. 51.159. Notice of hearing.
Sec. 51.160. Appearance.
Sec. 51.161. Applicant's attorney.
Sec. 51.162. Supplementary information to applicant.
Sec. 51.163. Hearings.
Sec. 51.164. Admissibility.
Sec. 51.165. Argumentation.
Sec. 51.166. Privacy of hearings.
Sec. 51.167. Misbehavior before Board.
Sec. 51.168. Transcript of hearings.
Sec. 51.169. Notice of decision.
Sec. 51.170. Probative value of evidence.

Authority: section 51.151 through section 51.170 issued under section 1, 44 Statutes 887, title 22, United States Code section 211 (a).

Section 51.151. Organization of Board: The Secretary of State shall appoint a Board of Passport Appeals consisting of three or more members, one of whom shall be designated by the Secretary as Chairman. The Chairman shall assure that there is assigned to hear the appeal of any applicant a panel of not less than three members including himself or his designee as presiding officer, which number shall constitute a quorum.

Section 51.152. Decisions of the Board: Decisions shall be by majority vote. Voting may be either in open or closed session on any question except recommendations under section 51.140, which shall be in closed session. Decisions under section 51.140 shall be in writing and shall be signed by all participating members of the Board.

Section 51.153. Counsel to the Board: A counsel, to be designated by the Secretary of State, shall be responsible to the Board for the scheduling and presentation of cases, aid in legal and procedural matters, information to the applicant as to his procedural rights before the Board, maintenance of records and such other duties as the Board or the Chairman, on its behalf, may determine.

Section 51.154. Examiner: The Board may, within its discretion, appoint an examiner in any case, who may, with respect to such case, be vested with any or all authority vested in the Board or its presiding officer, subject to review and final decision by the Board, but, an applicant shall not be denied an opportunity for a hearing before the Board unless he expressly waives it.

Section 51.155. Chairman: The Chairman, or his designee, shall preside at all hearings of the Board, and shall be empowered in all respects to regulate the course of the hearings and pass upon all issues relating thereto. The Chairman, or his designee, shall be empowered to administer oaths and affirmations.

Section 51.156. Prior administrative remedies: It is required that prior to petitioning for an appeal, an applicant shall (1) exhaust the administrative remedies available in the Passport Office, as set out in section 51.137, and (2) comply with the provisions of section 51.142, as a part of his application, if deemed necessary by the Passport Office.

Section 51.157. Petition: An applicant desiring to take an appeal shall, within thirty calendar days after receipt of the advice of adverse decision by the Passport Office file with the Board a written petition under oath or affirmation which shall, in plain and concise language, refute or explain the reasons stated by the Passport Office for its decision.

Section 51.158. Delivery of papers: Petitions or other papers for the attention of the Board may be delivered personally, by registered mail, or by leaving a copy at the offices of the Board at the address to be stated in the advice of adverse action furnished applicant by the Passport Office.

Section 51.159. Notice of hearing: Applicant shall receive not less than 5 calendar days' notice in writing of the scheduled date and place of hearing which shall be set for a time as soon as possible after receipt by the Board of applicant's petition.

Section 51.160. Appearance: Any party to any proceedings before the Board may appear in person, or by or with his attorney, who must possess the requisite qualifications, as hereinafter set forth, to practice before the Board.

Section 51.161. Applicant's attorney: (a) Attorneys at law in good standing who are admitted to practice before the Federal courts or before the courts of any State or Territory of the United States may practice before the Board.

(b) No officer or employee of the Department of State whose official duties have, in fact, included participation in the investigation, preparation, presentation, decision or review of cases of the class within the competence of the Board of Passport Appeals shall, within 2 years after the termination of such duties appear as attorney in behalf of an applicant in any case of such nature, nor shall any one appear as such attorney in a case of such class if in the course of prior Government service he has dealt with any aspects of the applicant's activities relevant to a determination of that case

Section 51.162. Supplementary information to applicant: The purpose of the hearing is to permit applicant to present all information relevant and material to the decision in his case. Applicant may, at the time of filing his petition, address a request in writing to the Board for such additional information or explanation as may be necessary to the preparation of his case. In conformity with the relevant laws and regulations, the Board shall pass promptly and finally upon all such requests and shall advise applicant of its decision. The Board shall take whatever action it deems necessary to insure the applicant of a full and fair consideration of his case.

Section 51.163. Hearings: The Passport file and any other pertinent Government files shall be considered as part of the evidence in each case without testimony or other formality as to admissibility. Such files may not be examined by the applicant, except the applicant may examine his application or any paper which he has submitted in connection with his application or appeal. The applicant may appear and testify in his own behalf, be represented by counsel subject to the provisions of section 51.161, present witnesses and offer other evidence in his own behalf. The applicant and all witnesses may be cross-examined by any member of the Board or its counsel. If any witness whom the applicant wishes to call is unable to appear personally, the Board may, in its discretion, accept an affidavit by him or order evidence to be taken by deposition. Such depositions may be taken before any person designated by the Board and such designee is hereby authorized to administer oaths or affirmations for the purpose of the depositions. The Board shall conduct the hearing proceedings in such manner as to protect from disclosure information affecting the national security or tending to disclose or compromise investigative sources or methods.

Section 51.164. Admissibility: The Board and the applicant may introduce such evidence as the Board deems proper. Formal rules of evidence shall not apply, but reasonable restrictions shall be imposed as to the relevancy, competency, and materiality of evidence presented to the Passport Office's stated reasons for its decision and/or to the application of section 51.135 or section 51.136 to applicant's case.

Section 51.165. Argumentation: All argumentation shall be directed to the application of the passport regulations to the facts of the particular case The Board will permit no oral argument or motions relative to the legality or propriety of the hearing or other procedures of the Board. Submission of such argument or motions will be confined to the filing of written briefs, objections, or motions to be made a part of the record. The Board will not undertake to consider any such motion or contention.

Section 51.166. Privacy of hearings: Hearings shall be private. There shall be present at the hearings only the members of the Board, Board's counsel, official stenographers, departmental employees concerned, the applicant, his counsel, and the witnesses. Witnesses shall be present at the hearing only while actually giving testimony.

Section 51.167. Misbehavior before Board: If, in the course of a hearing before the Board, an applicant or attorney is guilty of misbehavior, he may be excluded from further participation in the hearing. In addition, he may be excluded from participation in any other case before the Board.

Section 51.168. Transcript of hearings: A complete verbatim stenographic transcript shall be made of hearings by qualified reporters, and the transcript shall constitute a permanent part of the record. Upon request, the applicant and each witness shall have the right to inspect the transcript of his own testimony.

Section 51.169. Notice of decision: The Board shall communicate the action recommended under section 51.140 on all cases appealed to it, to the Secretary of State. The

[1] Published in 19 Federal Register 161, January 9, 1954.

decision of the Secretary of State shall be notified in writing to the applicant. Such notice shall be given the applicant as promptly as possible after his hearing before the Board.

Section 51.170. Probative value of evidence: In determining whether there is a preponderance of evidence supporting the denial of a passport the Board shall consider the entire record, including the transcript of the hearing and such confidential information as it may have in its possession. The Board shall take into consideration the inability of the applicant to meet information of which he has not been advised, specifically or in detail, or to attack the credibility of confidential informants.

Adopted by the Board of Passport Appeals, December 30, 1953.

THRUSTON B. MORTON,
Chairman, Board of Passport Appeals.
JOHN FOSTER DULLES,
Secretary of State.

Date: January 4, 1954.

EDUCATION INSIDE THE SOVIET UNION

Mr. WILEY. Mr. President, I have on numerous occasions expressed before this body the importance of education to the American way of life, and the necessity of dedicating ourselves to education so that every child will have the opportunity of attaining the highest knowledge and skill of which he is capable and of making his ability available to the advancement and defense of our country.

Our schools are designed to prepare youth for our way of life. We have recently begun to wonder what the Russian schools are doing. Now, we have an unbiased answer—one prepared by the distinguished members of an American survey team of education inside the Soviet Union. The initial and preliminary report was today presented by Dr. Lawrence G. Derthick, United States Commissioner of Education, before the National Press Club.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a copy of Commissioner Derthick's address entitled "The Russian Race for Knowledge," together with a list of the members of the official United States Office of Education team to study education in the U. S. S. R., and the original announcement of the initiation of this survey.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE RUSSIAN RACE FOR KNOWLEDGE

(By Lawrence G. Derthick, United States Commissioner of Education, Department of Health, Education, and Welfare)

President Horner, members of the Press Club, and guests, we have just returned from a month-long study of the schools in the U. S. S. R.

What we have seen has amazed us in one outstanding particular: we were simply not prepared for the degree to which the U. S. S. R., as a nation, is committed to education as a means of national advancement. Everywhere we went we saw indication after indication of what we could only conclude amounted to a total commitment to education. Our major reaction therefore is one of astonishment—and I choose the word carefully—at the extent to which this seems to have been accomplished. For what it is worth, 10 American educators came away sobered by what they saw.

Here are some of the evidences of this total Soviet commitment to education:

Classes are of reasonable size.

Teachers are chosen on a highly selective basis—we saw no indication of any shortage.

Foreign languages are widely taught.

The educational process extends after school hours and during the summer under professional direction.

Teachers and principals have an abundance of staff assistance: curriculum experts, doctors, nurses, laboratory assistants, and so forth.

School money is available to do the job. We were told repeatedly, "A child can be born healthy but he cannot be born educated."

Responsibility for the conduct and achievement of their children rests with the parents, who participate regularly in school affairs.

These factors insure vigor and quality in any school system, whether in a communistic society or a democracy.

This, of course, is a preliminary report. Our team of 10 has covered so much ground in such a short time we have not yet completed the detailed analysis necessary for careful judgments in a number of areas. As soon as possible we plan to publish a comprehensive report—part of the continuing study of Russian education to which many other groups will contribute.

Our hosts were most cooperative. Minister of Education Afanasenko, at our very first meeting, smilingly referred to the closed curtains in his office, saying, "This is only for the benefit of the movie cameras. You will find no Iron Curtain about our schools."

This prediction was confirmed. We were impressed by the apparent interest of the Russians in the cultural exchange with the United States. In theaters and on the streets, as well as in the schools and on campuses, we were greeted with great interest, reflecting Russian curiosity about things American. In Leningrad, for example, we saw lines that, we were told, had waited all night long to buy tickets to the Philadelphia Symphony.

Despite our limited time we were anxious to obtain a cross section view and asked for a schedule that turned out to be exceedingly strenuous, even with a chartered airplane and night travel of nearly 7,000 miles around the Soviet Union, in addition to our studies in the Moscow area which itself involves a school system comparable in size and complexity to that of Chicago, Ill.

We were in some areas seldom, if ever, visited by Americans since the war. We visited in the Tartar Republic at Kazan; Sverdlovsk, the Pittsburgh of Russia, in the Urals and Siberia; Alma Ata and Tashkent in Kazakstan; and Nzbekistan down close to the borders of China and Afghanistan. Then we traveled to Sochi on the Black Sea, to Minsk in Byelorussia, to Leningrad and back to Moscow for the final work. We saw schools in operation from the nursery through the university and their extensive program of complementary educational activities. The delegation visited two collective farms, saw industrial operations and toured museums and galleries as a part of the total U. S. S. R. educational endeavor.

In Leningrad we saw a typical example of the Soviet drive for knowledge. Here 70,000 men and women in full-time jobs are on double shifts—but the second shift is spent as full-time students in regularly established schools operating day and night to fit their jobs. From this and other observations it seems clear that for hundreds of thousands of working youth and adults education has not ended; not only do they have an opportunity to finish secondary school, but also a great proportion continue right on through the higher institutions of learning. And then other tens of thousands take the popular correspondence courses.

As I mentioned earlier, we saw no evidence of any teacher shortage. Teacher workloads and other working conditions are advantageous. Teacher prestige is high; salaries are at the levels of those of doctors and engineers, in fact, a fully trained doctor and nurse are regular members of each school staff; only the best are chosen to teach—1 out of 6 who apply.

We saw scientific research establishments with trained staff running into the thousands, and with excellent plants and equipment. We saw, of course, the skyscraper university in Moscow with its lavish appointments and its ultramodern equipment. We noted the expansion of universities everywhere, and at the other end of the scale we were impressed by the quantity and number of child-care centers and kindergartens.

The importance of science in Soviet education is a matter which is unquestioned. Biology, chemistry, physics, and astronomy are required of every pupil regardless of his individual interests or aspirations.

The Minister of Education for the largest Soviet Republic told us that plans were under way to introduce greater variety into their curriculum. The emphasis upon a uniform academic curriculum weighted heavily with mathematics and science is being modified, somewhat in favor of polytechnic courses and industrial practice. The contemplated program will add an 11th year, and decrease slightly the number of lessons in mathematics, science, and the humanities. All pupils in grades 9, 10 and 11 will be required to spend 3 days in school and 3 days in agricultural and industrial work experience outside the school.

Incidentally, we were interested to note that driver training is being included as a part of the practical course work in the secondary school, and this in a country where one must wait at least a year for his automobile.

The avowed goal of the planned changes is to increase the numbers of skilled workers immediately upon graduation, also to insure the conditioning of every child to production work.

We witnessed an education-centered economy—planned, and developing in stages, with the emphasis upon the collective rather than the individual needs of the people. While the Soviet system imposes uniformity, the Soviet education adjusts itself to meet changing conditions. Developmental programs are encouraged in limited numbers by the Ministry of Education as part of the process in a planned economy and a planned culture.

Our delegation was critical of the stereotyped concepts of culture and esthetics which we encountered and the lack of emphasis upon individual expression and creativeness. When we probed for explanations we were told, "The Soviet people believe in reality, science and the laws of nature."

At every turn in our travels we were struck by the emphasis and attention paid to the study of languages in the schools. This is one of the areas of experimentation. For example, during the school year just completed, 17 schools began foreign language instruction in the second grade. Eight of these schools are referred to as English schools, 7 as German, and 2 as French. Instruction in literature, history, and geography classes is also carried on in the second language beginning in the fifth grade.

The stated aim of these experimental schools is "to have pupils graduating from the secondary school who will have a free command of the language, and who will not have to go to special foreign-language institutes." It may also be of interest to know that approximately 45 percent of the

10-year school pupils are studying English, 35 percent German, and 20 percent French. We were also informed by the Minister of Education that efforts are being made to increase the emphasis on conversational competence.

Direct comparisons of the quality of education in two countries as different in goals and aspirations as the United States and the Soviet Union are difficult, if not impossible. Soviet teaching methods and content are designed to insure that every pupil passes. In an attempt to accomplish this, extra teaching services are provided with individual tutoring, incentives and awards, and restriction of student privileges.

Examination procedures are confined to those elements in which the pupils have been repeatedly drilled. Little, if any, attention is given questions involving the application of knowledge to new situations. Teachers evaluate each individual lesson and daily recitation. Low marks or examinations or lessons are usually considered a reflection upon the teacher rather than the pupil.

Clearly, much more study and research are necessary before a fair evaluation could be made of the effectiveness of these procedures. The best products of Soviet schools are undoubtedly very good. However, we are inclined to think that the enormous effort made to advance slow learners in highly academic subjects tends to restrict opportunities for many able students.

Everywhere in Russia there were evidences not only of passionate love of country, but a burning desire to surpass the United States in education, in production, in standard of living, in world trade—and in athletics. The slogan we saw most in posters, films, and everywhere was "Reach and Overreach America." We did not find among children and teachers any evidence that this fierce sense of competition was other than of peaceful intent. In education the spirit is a race for knowledge, for supremacy in a way of life and in world leadership. The Russian attitude is, as one Soviet official told us, "We believe in a planned society, you in individual initiative. Let time tell." They are convinced that time is on their side and they can win world supremacy through education and hard work.

This conviction is basic to all of their efforts and all of their plans for the future. Education is paramount. It is a kind of grand passion—this conviction that children, schools, and hard work will win them their place in the sun, and on the moon.

We are today in competition with a nation of vast resources, a people of seemingly unbounded enthusiasm for self-development, and fired with conviction that future supremacy belongs to those with the best-trained minds, those who will work hard and sacrifice.

The American people look to their system of education for infinitely more than the means of political and economic advancement. Our schools must always preserve the intangible values of our free society.

Speaking for 10 American educators who have had a unique opportunity to study Soviet schools, let me say that our confidence in the educational system of the United States, as reflected in our better schools, has been strengthened by this experience. On the other hand, our concern for our weaker and neglected schools has been deepened. We come back convinced that we cannot, as a nation, afford to disregard the challenge imposed upon us by the Russian race for knowledge.

MEMBERS OF OFFICIAL UNITED STATES OFFICE OF EDUCATION TEAM TO STUDY EDUCATION IN THE U. S. S. R.

Dr. Lawrence G. Derthick, United States Commissioner of Education: In addition to heading the United States team, Dr. Derthick gave special attention to the Soviet administrative structure at all levels, including the professional preparation of supervisory and administrative personnel.

Dr. Lane C. Ash, Assistant Director, Division of Vocational Education, United States Office of Education: Dr. Ash was concerned with vocational education in the 10-year schools in the U. S. S. R., the work of vocational schools in industry, and the training of teachers for vocational schools.

Dr. George Z. F. Bereday, associate professor of comparative education, Teachers College, Columbia University: Dr. Bereday was interested in the philosophy of Soviet education, including education within the general frame of reference of comparative education.

Dr. Henry Chauncey, president, Educational Testing Service, Princeton, N. J.: Dr. Chauncey's area of interest in the U. S. S. R. was guidance, tests, and measurements, including the professional preparation of guidance personnel and the methods of testing and evaluating abilities and achievements of students under the Soviet system.

Dr. Arthur J. Holden, commissioner of education, State of Vermont: Dr. Holden's primary interest in the U. S. S. R. was with higher education, including the education of college teachers.

Dr. Herold C. Hunt, Eliot professor of education, Harvard University: Dr. Hunt studied the educational procedures at all levels in the U. S. S. R. and observed the administrative structure of the educational system there.

Dr. Harry C. Kelly, Assistant Director for Scientific Personnel and Education, National Science Foundation: Dr. Kelly observed science education throughout the Soviet educational system, including the preparation of science teachers.

Dr. John R. Ludington, Assistant Director of Instruction and Chief of Secondary Education, United States Office of Education: Dr. Ludington's primary interests in the U. S. S. R. were the 10-year program, technical education, the education of teachers, special schools, and classroom techniques and facilities.

Dr. Helen K. Mackintosh, Chief Elementary Schools Section, United States Office of Education: Dr. Mackintosh, only woman member of the delegation, studied the after-school activities of the pioneer groups in arts, crafts, dramatics, and dancing, in addition to evaluating scholastic achievement.

Dr. John B. Whitelaw, Chief, Teacher Education, United States Office of Education: Dr. Whitelaw studied teacher education in the Soviet Union for all levels of teaching.

RELEASE OF UNITED STATES DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A month-long survey of education inside the Soviet Union, the first Government-sponsored study of this kind, will be made by a team of 10 United States educators, the Department of Health, Education, and Welfare announced today.

The study team, headed by United States Commissioner of Education, Lawrence G. Derthick, will leave for the U. S. S. R. on Tuesday, May 6, and will return around June 10.

The survey has been made possible by the agreement of January 27, 1958, between the Governments of the United States and the Union of Soviet Socialist Republics on exchange of missions in cultural, technical, and educational fields.

Several technical and cultural missions have been exchanged, but this is the first time that an official group from America representing a cross-section of education will have visited the Soviet Union to observe various aspects of Soviet education.

A group of Soviet educators will make a similar study of education in the United States at a later date.

Commissioner Derthick said the project is in line with the Office of Education's responsibility to keep abreast of educational developments in other parts of the world.

In addition to Commissioner Derthick, the team will include:

Dr. Herold C. Hunt, Eliot professor of education, Harvard University, and former Under Secretary of Health, Education, and Welfare; Dr. Harry C. Kelly, Assistant Director for Scientific Personnel and Education, National Science Foundation; Dr. A. John Holden, Jr., State commissioner of education, Vermont; Dr. Henry Chauncey, president, Educational Testing Service; and Dr. George Z. F. Bereday, associate professor of education, Columbia University; and four members of the Office of Education staff, Dr. John R. Ludington, Chief, Secondary Schools Section; Dr. Lane C. Ash, Assistant Director, Division of Vocational Education; Dr. John B. Whitelaw, Chief Teacher Education Section; and Dr. Helen H. Mackintosh, Chief, Elementary Schools Section.

The American team will travel together inside the U. S. S. R. but will visit various schools and institutions in smaller groups. The educators will give major attention to the 10-year Soviet school system and technical and teacher education.

Plans for the visit were made by Oliver J. Caldwell, Assistant Commissioner for International Education, Office of Education. Dr. Caldwell returned April 22, from a 2-week tour of the U. S. S. R.

Mr. WILEY. Mr. President, this obviously unbiased report by a distinguished team of our own educators should make us pause. Not that we should change our own brand of education, for it is splendidly suited to our own individualistic way of life. But the decision of the U. S. S. R. to commit so much energy and money to education for communism there, should make us rededicate our efforts—in every town, city, and State and throughout the United States, to make each one of our schools, colleges, and universities the best possible institution of learning of which we are capable.

I suggest to those who have the time and are interested in knowing the facts about how the Russians are progressing that they read this report.

AMERICA'S CONTRIBUTION TO MEDICAL SCIENCE

Mr. BRIDGES. Mr. President, during the debates this week on the Foreign Aid bill I was struck by the value of a fresh idea advanced on both sides of the Chamber—by the Senator from Wisconsin [Mr. WILEY] on the Republican side and by the Senator from Minnesota [Mr. HUMPHREY] on the Democratic side. The idea is that there is a psychological value in our many-sided contests with international communism in the fact that the most effective medicines of the modern world are medicines made in the United States—even if bigger sputniks are made in Russia.

As these colleagues have pointed out, we are competing for the respect and admiration—not gratitude, but respect and admiration—of the common people of Asia, Africa and Latin America. What the common people of underdeveloped areas respect and admire, irrespective of what some of their power-hungry leaders respect and admire, is skill in science to bring them peace and light rather than turbulence and death.

We are in this contest for admiration of competitive skills in modern science whether we want to be or not. Skill in science is now the measure to underdeveloped peoples of their respect and admiration for so-called developed nations. Certainly the mass of the common people can and will respect the science of those who use their scientific ability to bring life and peace rather than destruction and death.

Fortunately, this field of modern medicine and pharmaceutical magic is the one field in which the United States, incontestably, is ahead—not only of the Communist nations, but also of every other nation. This lead is particularly marked in the drugs for elimination of the epidemic diseases that ravaged mankind in underdeveloped countries. The diseases like malaria, which we have expressly undertaken to eradicate in our foreign aid and health programs. In this particular field, therefore, it seems self-evident that we should make the most of what we make in America.

We can, with imagination and ad hoc application of common sense, make it clear to the millions of recipients of medicines that the magic of relief comes not only from American generosity but also from American scientific technique and superior medical skill. That message will be more widely distributed in more useful places than any propaganda message we can utter and will do more than the Voice of America to bring us, among millions in the underdeveloped lands, a respect and admiration for ability that will last longer than gratitude.

It is important that in receiving this gift of health and life, both with American funds, that the recipient regard this gift not merely as a symbol of a fortunate, rich man's generosity which may only end in envy. It is important rather that they should see it as the symbol of a nation of skillful scientists who can create the magic remedy as well as merely pay for it; the gift not of a fat, rich nation, but of a strong and able nation, scientifically competent beyond all others in the magic of medicine and the magic of life.

The administrative situation in the management of these health programs, particularly as they become involved in international cooperation, is so complicated that I have not thought it wise to suggest specific statutory direction to carry out these purposes. I hope it is clear to those who will administer the foreign aid and foreign health programs that this idea of making the most of what America makes in the psychological value of this field of magic drugs has caught the imagination of Congress as a way to win friends and influence people. We hope and expect that by regulation and administration it will be utilized to the fullest extent to get the most for the United States, as well as for the world, out of these health programs.

MURRAY-METCALF BILL FOR SCHOOL SUPPORT

Mr. NEUBERGER. Mr. President, one of the most persuasive statements that I yet have seen in behalf of the Murray-Metcalf bill, for Federal support of school construction and teachers' salaries, appeared in the May 24, 1958 issue of School and Society magazine. The author of this article is Dr. J. L. McCaskill, executive secretary of the Legislative Commission of the National Education Association, who is a thoroughly informed representative of our largest school organization. Dr. McCaskill sets forth cogently many of the reasons why I feel privileged to be a cosponsor of the Murray bill, S. 3311.

I ask unanimous consent that Dr. McCaskill's article, entitled "Federal Support, Not Federal Aid: The Murray-Metcalf Bill," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEDERAL SUPPORT, NOT FEDERAL AID: THE MURRAY-METCALF BILL

(By J. L. McCaskill, executive secretary, NEA Legislative Commission, Washington, D. C.

On February 17, 1958, Representative LEE METCALF, Democrat, Montana, introduced H. R. 10763 "to authorize assistance to States and local communities in remedying the inadequacies in the number of their teachers and teacher salaries and the shortage in classrooms." The bill was referred to the Committee on Education and Labor. The same week, Senator JAMES E. MURRAY (Democrat, Montana) introduced S. 3311, a companion bill which was referred to the Senate Labor and Public Welfare Committee. Joining Senator MURRAY were 12 additional cosponsors: MIKE MANSFIELD (Democrat, Montana), PAT MCNAMARA (Democrat, Michigan), WARREN G. MAGNUSON (Democrat, Washington), JOHN S. COOPER (Republican, Kentucky), THOMAS C. HENNINGS, JR. (Democrat, Missouri), WAYNE MORSE (Democrat, Oregon), WILLIAM LANGER (Republican, North Dakota), RICHARD L. NEUBERGER (Democrat, Oregon), WILLIAM PROXMIRE (Democrat, Wisconsin), JOSEPH S. CLARK, JR. (Democrat, Pennsylvania), HUBERT H. HUMPHREY (Democrat, Minnesota), and HENRY M. JACKSON (Democrat, Washington).

The Murray-Metcalf bill represents a bold step toward the solution of an important crisis in American education. The bill closely reflects the legislative program of the National Education Association which has long called for the Federal Government to assume its proper responsibilities toward education and to provide adequate financial support to supplement the inadequate revenues provided by the property tax and State support.

For professional educators there is no need to elaborate on the evil consequences of the continuing shortage of classrooms, or the great number of underqualified teachers in American classrooms. It may be appropriate, however, to explain how the Murray-Metcalf bill could provide a significant stimulus toward the solution of these problems.

The twin bills call for substantial Federal funds: for fiscal 1958 they ask $25 for each school-age child, totaling approximately $1,100,000,000. In successive years this appropriation rises to $50 for 1959–60, $75 for 1960–61, ending on a plateau of $100 beginning in 1961–62. When multiplied by the school-age population, this means that the bill anticipates an annual expenditure of $4,500,000,000.

The Murray-Metcalf bill includes a prohibition against Federal interference in the schools, channels the funds through the United States Commissioner of Education, and allots them to the official State education agencies. Decisions whether the funds are to be spent for teacher salaries, for school construction or basic equipment, or how they are to be divided between these two broad areas are left to the State education agencies.

The bill also provides that the States and local communities shall maintain their support for school finance. To accomplish this, the Murray-Metcalf bill defines an effort index; States which fall below the national average will have their allocations reduced.

The national education effort index is derived by taking the total expenditures for the States from current funds and dividing them by the number of children in average daily attendance. Similarly, the State effort index will be calculated on the basis of the number of children in average daily attendance in public elementary and secondary schools, divided into the State expenditure from current funds. Deductions, if any, from State allocations shall be reallotted among the remaining States.

Section 6 of the bill deals with grants for teacher salaries. It calls for each State to certify to the United States Commissioner of Education through its State education agency that the salary allotment will be distributed among its public-school districts, to be used solely by such districts for teacher salaries and to be distributed so that three-fourths of the allotment will go to local districts on a flat grant basis determined by the number of teachers in the public-school districts of the State. The remaining one-fourth presumably will be distributed in any manner the State sees fit.

The portion of its total allocation of Federal funds which the State did not use for teachers' salaries would be available under sections 7 and 8 for school construction, including basic equipment, on a project-by-project basis. Each State would file a plan with the United States Office of Education indicating how it would allocate its construction allotment among local school districts. On certification of the State, Federal funds would be paid to a local district selected by the State to receive construction assistance. The State would have full discretion within the total Federal funds available to it for construction purposes to determine the Federal share in any given project.

The Murray-Metcalf bill breaks away from the pattern of previously introduced grant-in-aid bills for education. First of all, it is not conceived as a Federal-aid bill—a dole to the schools as if they were the objects of charity. Rather, it is an attempt to rectify the present imbalance of school support in which the Federal Government contributes only 4 cents out every dollar of revenue for public schools below college level.

Two other major differences are the use of a flat grant rather than an equalization formula for allocating the money to States and the omission of any requirement for State matching. Studies of Federal tax incidence (not collections) show that there is considerable inherent equalization in the comparison of revenue coming from the States with the allocations they would receive under the Murray-Metcalf bill. Since this bill is supposed to add a third layer of revenue for schools to the layers represented by State and local revenues, there is no need for matching. The effort index will help assure maintenance of State and local support at present levels. Experience with the 40-year-old Federal vocational program shows that the States and localities now spend more than $4 for each Federal dollar received even though they are only required to spend dollar for dollar. Thus, the fear that Federal funds will remove State and local incentive to spend for schools seems unfounded.

With official and public interest centered on specialized short-range programs directed toward the shortage of skilled manpower in the technical fields, advocacy of a general, long-range Federal educational program appears to be flying in the face of popular trends. No doubt, immediate results can and will come from programs concentrated on

higher education. But as NEA's first vice president, Dr. Ruth Stout, reminded the House Education and Labor Committee in March, "Our schools must meet the need for increased expenditures for buildings, teachers, and equipment if they are to educate properly the young people that should benefit from a scholarship or fellowship program."

THE SECRET SERVICE

Mr. PAYNE. Mr. President, I ask unanimous consent that a statement I have prepared on the outstanding work of the Secret Service be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR FREDERICK G. PAYNE ON THE SECRET SERVICE

The Vice President of the United States, during his recent visit to Latin America, narrowly escaped serious bodily injury and possibly even death. Had either occurred, the repercussions therefrom would have probably disrupted for many years to come the long-standing and well-grounded alliance between the United States and her neighbors to the south. Americans, while not easily provoked, have historically reacted strongly and resolutely to any hostile action toward his citizens or property either at home or abroad. One can only imagine the force and direction of aroused American public opinion had the Vice President been injured or killed.

The fact that the Vice President and United States relations with Latin America are still whole is due in sole measure to the calmly deliberate actions of a handful of Americans, namely, the Secret Service agents who accompanied the Vice President throughout his tour. It is amazing enough that six Secret Service agents were able to fend off an aroused and fanatic mob of several hundred, but it is almost incredible to find that they did so without the use of weapons or unnecessary physical force. One can only surmise the effect of world opinion on United States prestige had one of the Secret Service agents lost his control and wounded or killed a Peruvian or Venezuelan citizen. The Vice President, himself, most eloquently described the conduct and value of the Secret Service work in a recent address to the National Press Club, in which he said:

"The greatest credit goes not to me, not to members of our party, but to the Secret Service who showed tremendous restraint, who took a great deal of abuse, and who handled themselves magnificently."

It is noteworthy to mention that Mr. NIXON, in performing the duties of the Vice President in an unprecedented manner, has added stature and dignity to the office and has engendered good will for the United States throughout his numerous trips to various parts of the world. However, the changing nature of the Vice President's office has multiplied the duties of the Secret Service who, in order to protect the Vice President, must be intimately familiar with not only problems to be faced at home, but also the anticipation and understanding of difficult situations across the globe.

It is rare that the actions and the performance of duty by this, the most highly trained law enforcement agency in the country, are brought to the attention of the American people. The only plausible explanation for the lack of notoriety given to Secret Service operations is the fact that these gentlemen are ever calm, discreet and courteous in the exercise of their highly demanding duties. The incidents in Latin America vividly demonstrated the adherence of the Secret Service to the highest standards of honorable and prudent law enforcement.

Although the attacks on the Vice President constituted an unusual test of Secret Service skill, these agents are constantly and daily called upon to deal with the possibility of injury to the President or Vice President of the United States. In any country of 180 million people, there are bound to be a handful of crackpots or fanatics who would work injury on the highest officials of our Government. The fact that the President and the Vice President safely and freely move about the country in the greatest variety of situations and physical conditions with the least amount of interference or discomfort to the public, is the highest tribute which can be paid to the Secret Service.

These incidents so highly publicized will probably serve to increase the popular conception of the Secret Service as merely bodyguards of the President and Vice President. While such is an important part of their duties, it by no means covers the extent of their many difficult and demanding assignments. The Service, as a necessary adjunct of the Department of the Treasury, has historically been charged with the responsibility of enforcing a large number of complex and diversified laws administered by the Department.

I am pleased to have this opportunity of commenting on the valor and dignity of each and every Secret Service agent, and I trust that we in Congress and the people at large will never forget the debt that we daily owe to this small and dedicated group of Americans. In any commendation of the Service we must include the distinguished Chief, U. E. Baughman, whose able administration and remarkable example have been chiefly responsible for the high standards of the entire Service.

If ever the Secret Service is called upon to deal with another situation such as confronted them in Latin America, they have given proof that we have little to fear for the safety of their charges.

It is my further hope that whenever the Congress comes to consider the Secret Service, we shall deal with it in a spirit of generous support and rightful acknowledgment of their contributions to the safety and the preservation of the United States Government and its highest officials. The absence of their protection would only tempt the anarchists who, by threatening or destroying Government officials, could endanger democracy itself as we know it. It is high time that in recognition of the value of the Service we should insure ample and just compensation and promotions for the now existing staff and create incentives whereby a career in the Service will become more appealing to the types of individuals needed to fulfill the difficult tasks.

The Secret Service is entirely dedicated, highly qualified, and eminently capable of performing their vital task. Were this unfounded or idle praise, the United States might find itself without a Vice President.

THE TRAGIC DAY WHEN LITHUANIA LOST ITS FREEDOM

Mr. JAVITS. Mr. President, June 15 will mark the 18th anniversary of that day in 1940 when Lithuania lost its freedom and became a Soviet state by virtue of a contrived plebiscite conducted after invasion by Soviet forces and during occupation by the Red army. This was a plebiscite, the results of which were even announced in advance. After 4 years of German occupation during World War II, Lithuania was reoccupied by Soviet forces and its incorporation into the Soviet Union was made complete. The United States, along with the other free Western powers, refuses to recognize this annexation, an annexation of a country of some 3 million people made despite solemn treaties and agreements to the contrary.

Thus died the independence achieved in February 1918 when the Lithuanians had declared themselves free after 123 years of Russian rule. The independence of Lithuania was shortlived, but 22 years, but it lives forever in the hearts of its sons and daughters who cherish liberty and abhor the enslavement and the tyranny imposed by imperialistic masters. By marking this anniversary of enslavement, as we have commemorated previously in this body the attainment of Lithuanian independence, we keep fresh in the memory of Americans a small country whose liberty was forfeited through agreement between Nazi and Communist totalitarian powers; we remind the world that Lithuanian independence must remain a real expectation for the future and not merely a memory of the past.

The PRESIDING OFFICER. Is there further morning business?

Mr. MANSFIELD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is concluded.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ALLOTT], which will be stated.

The CHIEF CLERK. On page 28, line 4, after "been", it is proposed to insert "finally".

On page 28, line 10, before "conviction", it is proposed to insert "final".

Mr. GOLDWATER. Mr. President, in my opinion, much progress was made on the floor of the Senate yesterday toward arriving at a more perfect bill in the field of labor-management relations. I have charged that the bill is not perfect. I feel that the amendments which were adopted yesterday accomplished much. As the Senate begins its deliberations today on the bill, I should like to list those amendments.

The first was the amendment offered by the Senator from Kentucky [Mr.

COOPER] to give the Secretary of Labor power to issue subpenas.

The second was the amendment offered by the Senator from Kentucky [Mr. COOPER] providing that a union must send financial reports to each member.

The third was the amendment offered by the Senator from Oregon [Mr. MORSE] barring from holding office in a union anyone who fails to file a report on conflicts of interest.

The fourth was the amendment offered by the Senator from New York [Mr. IVES], as modified by the suggestion of the Senator from New Jersey [Mr. SMITH], to strike the exemption clause so that all unions must file reports under title I.

The fifth was the amendment offered by the Senator from Michigan [Mr. MCNAMARA] to bar convicted felons from holding union office.

The sixth was the amendment offered by the Senator from Massachusetts [Mr. KENNEDY] providing that the Secretary of Labor must prescribe simplified forms for small unions.

The seventh was the amendment offered by the Senator from Louisiana [Mr. LONG] providing that unions may not hire any person at more than $4,000 per annum if he has been convicted of failure to file reports under the act.

The eighth was the amendment offered by the Senator from Colorado [Mr. ALLOTT] to redefine the term "labor organization."

The ninth was the amendment offered by the Senator from Colorado prescribing criminal sanction for false entry and disclosure of labor records for the purpose of obstructing justice.

The tenth was the amendment offered by the Senator from Colorado prescribing criminal sanction for false entry and disclosure of labor records for the purpose of defrauding or misleading.

The only amendment rejected yesterday was my amendment to strike from the bill the new definition of the term "supervisor." So I feel that progress was made yesterday. However, there are still three areas of the McClellan committee suggestions in which the Senate must operate. I make these remarks today in order to call the attention of the Senate to inequities which still remain in the bill in this particular field.

The first proposal which I believe will be considered today covers fiduciaries. I understand it is amendment No. 5 of the Senator from New Jersey [Mr. SMITH]. The second is in the "no man's land" field.

The third deals with the secret ballot on matters of general interest.

In February 1957, as the result of a question about the jurisdiction of the Permanent Investigating Subcommittee of the Senate Government Operations Committee, the Senate, by resolution, created the Select Committee on Improper Activities in the Labor or Management Field. A year and 4 months later, on June 1, 1958, the chairman of that committee, the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], appeared on the radio program, The Manion Forum, and gave this résumé of the committee's activities:

The committee has held 146 days of public hearings and taken the testimony of 715 witnesses. The record of these hearings is spread across more than 25,000 pages of original transcript.

Members of the committee staff have traveled more than 700,000 miles and conducted approximately 18,000 interviews with prospective witnesses in 44 of the 48 States. In addition, our accountants have examined thousands of accounts, records, and files of both labor organizations and business enterprises.

To date, the committee has received, analyzed, and screened considerably in excess of 100,000 letters. More than 75 percent of these came from labor-union members or members of their families. From these letters, we have received valuable leads and much important information. Unfortunately, the committee has not been, and never will be, able to investigate all of the charges these communications contain. From them, however, and from the testimony before us, an unhappy and tragic story has unfolded.

That is the end of that part of the statement which the Senator from Arkansas made on the Manion Forum.

According to the records of the select committee, taxpayers dollars in the amount of $538,302.05 were spent during 1957 and thus far this year, of $500,000 authorized, the committee has spent $206,418.30, a total to date of $744,720.35.

Mr. President, although I may be accused by many people of being penurious, nevertheless, I have never felt that I had been niggardly in authorizing the expenditures of funds for purposes which we all consider essential. I certainly do not feel the expenditures by the McClellan committee were unnecessary, and I would gladly vote to authorize more money if I were convinced it could be profitably used. The question that comes to my mind, Mr. President, is now that we have authorized the select committee to spend the money and it has amassed this 25,000 pages of testimony, just what is being done with the knowledge that has been obtained?

There is no question that the American public has followed keenly disclosures of union corruption and lack of democratic procedures made by the McClellan committee. I have great regard for the chairman of the committee, and I have often complimented him on the splendid way in which he has attended to his duties as chairman of that committee. I concur in many of the remarks made by the chairman over the past year and one-half as to what he feels has been accomplished by the committee and what must be done to protect the American workingman from these abuses. I was 1 of the 7 members of the select committee who voted for the interim report of the committee which was issued on March 24, 1958, which contained legislative recommendations as follows:

The United States Senate Select Committee on Improper Activities in the Labor or Management Field recommends that the Congress of the United States give attention to the passage of legislation to curb abuses uncovered in five areas during our first year of hearings.

These recommendations are:

1. Legislation to regulate and control pension, health, and welfare funds.
2. Legislation to regulate and control union funds.
3. Legislation to insure union democracy.
4. Legislation to curb activities of middlemen in labor-management disputes.
5. Legislation to clarify the "no-man's land" in labor-management relations.

These recommendations are certainly reasonable and could not be characterized by anyone as being antiunion or antimanagement. Later in the debate, Mr. President, I shall comment specifically on these recommendations and relate them to the pending bill. As I sat on the floor yesterday, listening to the Senator from New York [Mr. IVES] and other Senators speak about antiunion measures, I was at a loss to understand what they were discussing. Certainly none of the proposals suggested by the distinguished Senator from Arkansas [Mr. MCCLELLAN] and others of us who serve with him on the committee can be considered to be antiunion. All we want to do is regulate and control pension and welfare funds, to control union funds, to insure union democracy, to curb activities of middlemen in labor and management disputes, and to clarify the no man's land. I defy any reasonable person to point out anything in those suggestions which even the most rabid union leader can justifiably consider as antiunion.

If Senators wish to classify as antiunion the efforts of those who would curb the growing power of certain labor bosses, then I suppose they can focus the light on a few of us who have been active in that field. However, our main purpose is not to destroy unions but to perpetuate unions. If the unbridled power of some of the labor leaders continues unchecked, I suggest that someday there may rise up in this country a wrath sufficient to do serious damage to the unions. One of the reasons why I have interested myself in this field is to prevent the coming of that day.

Mr. President, it will be recalled that in April of this year when the bill to regulate pension and welfare funds was before the Senate, amendments were offered by our distinguished minority leader [Mr. KNOWLAND], as well as the distinguished senior Senator from New Jersey [Mr. SMITH], and others, which were designed to insure democratic procedure in labor unions and to remedy loopholes in the Taft-Hartley Act. The distinguished senior Senator from Arkansas, during that debate, admitted the need for, labor legislation; however, he contended from a parliamentary point of view the amendments should be rejected. His position was that the Senate Labor Committee, which had legislative jurisdiction over the proposals, ought to have a chance to consider them before the Senate as a whole voted on their passage. I did not agree with the distinguished Senator at that time; however, I certainly appreciate the depth of his convictions which were shared by many of our colleagues.

On June 1, 1958, the senior Senator from Arkansas appeared on the Manion

forum and listed the things the McClellan committee has exposed to public view. I wish to comment on these points briefly as I go through them, and state whether the bill takes care of them. The Senator from Arkansas listed them as follows:

1. The theft, embezzlement, misuse, and pilfering of union welfare and pension funds.

2. Extortion, collusion, and bribery.

3. Vandalism, violence, threats of physical harm to employers, employees, union members, and their families.

The bill takes care of the first two items, at least to some extent, certainly to a greater extent than originally. With reference to the third item, vandalism, violence, and so forth, we have much work to do in this field, and I will agree that as yet we may not know enough about it to act.

4. Fraudulent financial records and the willful destruction of such records to cover up embezzlement.

That has been covered by the pending bill.

5. The rigging of elections, denying union members the right to vote by use of force, threats, and intimidations.

That has not been covered by the pending bill.

6. The calling of strikes and the making of "sweetheart contracts" with management without the knowledge or approval of rank-and-file union members.

That has not been covered by the pending bill.

7. The imposition of trusteeships upon local unions unjustifiably and continuing them indefinitely, and the appointment of unreformed exconvicts, thugs, and known criminals to manage and operate such trusteeships.

That has been taken care of by the pending bill.

8. The infiltration into positions of power and influence in the union movement, in some areas, of racketeers, gangsters, and disreputable characters.

That has been taken care of by the pending bill.

9. Organizational picketing to force employees to join a union against their choice and to compel management to coerce its employees into doing so.

That has not been taken care of in the present language of the bill to the extent the junior Senator from Oregon and others feel it should be done.

I continue with the statement of the distinguished Senator from Arkansas on the Manion Forum:

We have also heard evidence on the impact of secondary boycotts, mass picketing, improper political activities, and other practices that we expect to further develop and report on at a later time.

Subsequent to the listing of these exposures, the senior Senator from Arkansas discussed the legislative prospects for this session of Congress and stated:

But the evils I have described must be eradicated. They can no longer be tolerated or condoned by labor leaders who have a proper sense of duty and obligation to the working men and women of this country, nor can they be ignored by responsible governmental authority.

These conditions must be dealt with. Dedicated leadership of organized labor, however conscientious and determined it may be to discover, expose, and drive out the crooks, racketeers, hoodlums, and undesirable elements who have reached positions of influence and authority in some labor unions, simply do not have either the capacity or the power to do it.

The duty, therefore, rests squarely upon the Congress of the United States to enact adequate laws to safeguard the rights, the interest, and the welfare of the workers, of the employers, and of the public at large. This duty the Congress must not shirk. It must be met. We have no other alternative except by inaction to condone that which in all good conscience we must condemn and should prevent.

A dozen or more bills have been introduced in the Senate dealing with various aspects of the problem. The Senate Labor and Public Welfare Committee is now holding public hearings and processing these measures, and it is expected that the committee will report out a bill to the Senate within the next 10 days.

The Senator from Arkansas at that time also discussed his own proposal, S. 3618, which was considered by the Senate Labor and Public Welfare Committee, and which, I might add, I supported before that body. The Senator from Arkansas described his bill as follows:

I personally have introduced a rather comprehensive bill, S. 3618. Among other things, it would require all unions to register with the Secretary of Labor with a statement revealing full information regarding the governmental and financial structure of the union and accompanied by a copy of its bylaws and constitution. To be eligible to register, its constitution and bylaws would have to meet certain minimum requirements. Among them are:

(1) The guaranteeing of democratic processes to its members by the holding of regular membership meetings.

(2) The election of all officers of the union and fixing their salaries by secret ballot.

(3) Fixing their terms for a period of 2 years.

(4) Providing for the removal of union officers for cause.

(5) The election of delegates to national conventions by secret ballot.

(6) That all officers handling union funds be placed under bond.

(7) That the minutes of meetings, detailed financial records, and other records be made available for inspection by members of the union, and that such records be preserved for a period of 6 years.

(8) Requiring each member of the union to be furnished with a copy of any collective bargaining agreement affecting his employment and that all ballots cast in any election be retained for 1 year.

(9) Prohibit the loaning of union funds to union officers, or to any business in which they are interested.

It would further prohibit organizational picketing until there had been an election by the employees designating a specific union as its bargaining agent.

It would make persons who are under civil disability for conviction of crime ineligible to serve as officers, representatives or agents of any union (this provision is essential and will surely help to drive out the ex-convicts and gangsters who have infiltrated the labor movement).

Another vital feature of my bill is that it would require unions to obtain the approval of a majority of its members, by secret ballot, before calling a strike or entering into a collective bargaining agreement with management.

The bill provides heavy criminal penalties for theft, bribery, collusion, and extortion.

Any union failing to register and to keep such registration current, as the act provides, or fails to meet the prescribed minimum requirements in its constitution and bylaws, would be ineligible to serve as a collective bargaining representative. Such union would be denied the services of the National Labor Relations Board; and, for any period of time that it was unregistered or not in compliance with the registration provisions of the act, it would be denied the tax exemption privileges now granted to labor organizations.

I make no claim that this bill is all that is needed in the way of legislation. It is not. Nor do I contend that it provides the only approach to a solution of the problem. It may not. But I do insist that, if it is enacted into law, we will have taken a major step toward correcting the unwholesome conditions that now prevail and in eliminating many of the evils the committee's investigation has exposed.

The Senator from Arkansas on that program posed several rhetorical questions, such as: "Will Congress act?" "Does the Congress have the moral and political courage to face up to the issue and meet its responsibilities?"

Just before concluding his remarks, the Senator from Arkansas stated:

If you agree with me, if that is what you want done (with reference to remedial legislation) let your Senators and Congressmen know how you feel about it.

I cannot speak for any other Members of the Senate, but my office has been deluged with mail from both union members and nonmembers alike, insisting that Congress meet its legislative responsibilities in the labor-management field so as not to be guilty of unjustifiable delay or unconscionable compromise.

Mr. President, earlier I mentioned that I was confused by certain happenings of the past few days and the single most confusing statement that I read was one issued by the senior Senator from Arkansas on June 6, when he said:

The committee bill, of course, does not cover all areas in which legislation is needed, but an effort to enact everything that is needed, in my judgment, would result in the enactment of nothing.

This statement leaves several questions to be answered, and one of them is whether the recommendations of the McClellan committee were so broad that nobody could abide by them. If not, then the present bill is no bill at all, but merely a measure which pays lipservice to the responsibilities of Congress.

I have mentioned earlier that I am a neophyte in the political arena and must seek guidance from those I respect in this body. The one question which intrigues me more than any other is this: If the Kennedy bill is the only measure that can be passed at this session of Congress, who decreed so, and who has determined that this is all that the Congress will pass? Mr. President, certainly the Republicans have not determined this is the only bill they can support, because four minority members of the Senate Labor Committee filed supplemental views on the committee bill in which they took exception to the limited scope of the measure. The Republican attitude was demonstrated further in the votes on the Knowland amendments in the debate on the welfare and pension bill.

During that debate many conservative Senators on the other side of the aisle implied that if it were not for the parliamentary precedent involved, they would have been happy to vote for the democratic process amendments which were offered by the minority leader.

Mr. President, I do not understand exactly what it is or who it is that makes anyone feel that the Kennedy bill is the only measure on the subject which can be passed during this session of Congress. I think the American public is clamoring for comprehensive protective legislation, and I think the Senate is duty bound to answer their plea.

Mr. President, earlier I mentioned that I was deeply interested in practical politics. To further my knowledge I have studied many writings both ancient and contemporary. Our eminent colleague, the junior Senator frcm Massachusetts [Mr. KENNEDY], cosponsor of the bill, recently authored a prize-winning book entitled, "Profiles in Courage." The book is a must for anyone, like myself, who has an intense interest in politics. Recently, I reread the book to seek a clue as to what is happening today. I was particularly interested in the discussion on compromise in which Senator KENNEDY commented as follows:

> Some of my colleagues who are criticized today for lack of forthright principles—or who are looked upon with scornful eyes as compromising politicians—are simply engaged in the fine art of conciliating, balancing, and interpreting the forces and factions of public opinion, an art essential to keeping our Nation united and enabling our Government to function. Their consciences may direct them from time to time to take a more rigid stand for principle, but their intellects tell them that a fair or poor bill is better than no bill at all, and that only through the give-and-take of compromise will any bill receive the successive approval of the Senate, the House, the President, and the Nation.

Mr. President, I think all of us in this body subscribe to the principle outlined in this passage, but I have always felt that a compromise was a balancing of points of view. It seems to me that so far as the committee bill is concerned, the Senate has nothing to equate. It apparently is faced with the choice between a weak, ineffective bill, a weaker, more ineffective bill, or no bill at all.

I do not think that this choice involves any compromise on the part of any Senator, nor do I think it affords the opportunity for a profile in courage, much less a full-length portrait.

The bill reported by the Labor Committee has been described variously as a moderate bill, a middle-of-the-road measure, a bill worthy of bipartisan support and most recently as a nonpartisan bill. I can certainly subscribe to the last description of the proposal. This bill is nonpartisan because it is not worthy of support by members of either party, any labor union leader or member, or the public at large.

Mr. President, later in the debate, I intend to discuss in detail the provisions of the pending bill and contrast them with the provisions recommended by the administration, various Senators, including the senior Senator from Arkansas and the minority leader, as well as the provisions of my own bill, which was offered in committee as a substitute for the bill we are discussing today.

Mr. President, I should like now to get back to the source of my confusion, the statement that "the bill, of course, does not cover all the areas in which legislation is needed, but an effort to enact everything that is needed, in my judgment, would result in the enactment of nothing." I find it difficult to reconcile that statement of June 6 with a statement made by the senior Senator from Arkansas on April 25, during the debate on the pension and welfare legislation:

> The present Congress will fail in its duty if it does not, at this session, legislate in this area. That is my position. I am only trying at this time to preserve the due and proper legislative processes. When we undertake to legislate in an area such as this, where there are sharp and conflicting views, with deep convictions back of them, I do not think the Senate or the Congress should deny to people the right to be heard on either side, or those in between.

I can assure the Members of this body that the Labor Subcommittee heard from many witnesses during the course of deliberations and was afforded an opportunity to consider sharp and conflicting views.

Mr. President, again on the floor of the Senate, the senior Senator from Arkansas, on April 15, expressed his views on the responsibility of the Congress to legislate in the labor-management field, as follows:

> The duty, therefore, rests squarely upon the Congress to enact laws to safeguard the rights, the interest, and the welfare of the workers, of the employers, and of the public at large. This duty we cannot shirk. It must be met. We have no other alternative except by inaction to condone that which in all good conscience we should condemn and prevent.
>
> It is being freely predicted in some quarters that the Congress lacks the moral and political courage to face up to this issue and to do anything about it. Other sources are skeptical and are apprehensive that we will be influenced by partisan or political considerations rather than be guided by a sense of patriotic and public responsibility. On that score, I know we face a challenge, but I do not believe we will either fail or falter. I have an abiding faith and confidence in the courage, wisdom and integrity of the membership of this body, and of the other House of the Congress, and I simply cannot—I do not—believe we will be derelict in our duty and found wanting.

Mr. President, I, too, have an "abiding faith and confidence in the courage, wisdom, and integrity of the membership of this body and of the other House of Congress," and I cannot, therefore, join in the feeling that the bill we are considering today is the best that can be passed.

I am certain that my remarks will be interpreted in some quarters as an indication that I would not be happy with anything short of a union-busting measure.

I ask anyone who subscribes to this feeling to examine the substitute bill which I offered to determine whether or not it is a union buster. I can honestly state that I have not offered, nor did the Labor Subcommittee consider, any measure which deserves such an appellation. The committee did consider, however, legislation which would go far toward correcting the abuses and mismanagement disclosed by the McClellan committee.

Mr. President, the Senate is now being given an opportunity to foreclose discussions on the question of whether or not the pending measure is "the best we can do." I have not satisfied myself as to the source of opposition to a comprehensive bill, but apparently a specter has settled over this body and has led many Senators to believe that a weak, mousy bill is the best that can be accomplished. Mr. President, I do not subscribe to that feeling, and I do not know exactly who does. Certainly not the public; certainly not the 100,000 people who have written to the McClellan committee; certainly not the Republican Members of the Senate; and, certainly not, to my way of thinking, my colleagues on the other side of the aisle who, although they voted against the amendments to the welfare and pension bill, reserved the right to reconsider their vote after the Labor and Public Welfare Committee had had an opportunity to consider the amendments.

Mr. President, I have never felt that the Senate must base its legislation on what it feels is the attitude of the other House of Congress, nor has it been demonstrated to me that the other House of Congress is interested in a weak labor-management bill. Who, then, Mr. President, is the source of the feeling that weak legislation is the best that we can accomplish?

I have not heard of any genuine opposition to comprehensive legislation to correct what the McClellan committee has spotlighted, except—and this is to be expected—from certain labor leaders. I may be naive, Mr. President, but I do not think the time has yet come when labor leaders can say what will and what will not pass the Senate. Only the Senate can determine that and in the next few days, during the yea-and-nay votes on amendments to this bill, the question will be set at rest, once and for all.

Mr. President, if the pending legislation is the best that can be passed by the Senate, then I feel it is time to give serious consideration to the remarks of the senior Senator from Arkansas, made on the floor of the Senate on March 18, 1958:

> Some reference has been made to the usefulness of the (McClellan) committee. Whenever I reach the conclusion that the usefulness of the committee has come to an end for the purposes for which it was created, I shall walk out on the floor of the Senate and so report. If the Senate does not agree with me, then I shall ask to be relieved of my duties. I do not want to perform a vain and useless and ineffective labor, arduous as it is, for whatever vainglory there may be in serving as chairman of a Senate investigating committee. I want the RECORD to be very clear on that point.

After it has been finally determined how squarely the Senate is willing to meet its obligations, I should like to ask the senior Senator from Arkansas to advise the Senate whether the usefulness of the McClellan committee has come to an end and, if so, why the suggestions

of the junior Senator from Michigan [Mr. McNAMARA] and the senior Senator from Oregon [Mr. MORSE] should not be implemented.

In the meantime, Mr. President, I am confident that the Members of the Senate will lay aside their personal differences and make of this ivy-league bill, conceived in Cambridge and dedicated to the proposition that something—though weak, ineffective, and illusory, is better than nothing, a meaningful demonstration of lawmaking.

The actions of yesterday indicate that the Senate recognized the deficiencies of the bill by plugging some of the loopholes, which I outlined at the outset of my remarks today. There are still other areas of major importance, covered by the McClellan committee report, which have not been touched upon. It is my hope that today the Senate will proceed to close these additional loopholes and produce a really effective bill, a bill of which we can be proud.

Mr. President, I do not like to impose upon the time of the Senate longer, but I am forced, by remarks made yesterday, both on the floor and in the press of the Nation against Secretary of Labor Mitchell, to offer at least a defense on his behalf.

I know that those who know of the relationship between Secretary Mitchell and me will think that it is somewhat strange for me to be defending a man whom I have criticized often. But our relationship is a friendly one, on a personal basis, although we have disagreed in the field of labor law.

Both the Senator from New York [Mr. IVES] and the Senator from Massachusetts [Mr. KENNEDY] have criticized Secretary Mitchell for issuing a press release. Secretary Mitchell said:

I have been following closely the work of the Labor Subcommittee of the Senate Committee on Labor and Public Welfare headed by Senator KENNEDY in its efforts to draft legislation to curb abuses in the labor-management field.

After examining and analyzing the proposals that have just been made to the Congress by the committee, I am deeply disappointed to find that these proposals contain deficiencies and weaknesses of such magnitude that were they enacted into law, I am convinced they would provide only illusory protection to trade union members and to the public, as well as being almost impossible to administer.

Mr. President, the proof of the pudding is in the eating. Yesterday the Senate, after due deliberation, recognized at least 10 places in the Kennedy-Ives bill which were weak and needed strengthening. I think it was 10; it might have been 9. So, certainly, that paragraph of Secretary Mitchell's statement was true. Then the Secretary said:

I was discouraged to find that because of imperfections, omissions, or loopholes in the language of these legislative proposals submitted by the committee, the proposals not only fail to meet the recommendations for labor-management legislation made to the Congress by President Eisenhower last January, but that they also weaken the already pitifully ineffective legal protection presently provided by law to union members and the public.

Mr. President, we need only to look at some of the amendments agreed to yesterday to realize that the Senate recognized imperfections, omissions, or loopholes in the language of the bill. So, again, the Secretary of Labor was correct. The Secretary continued:

The legislation submitted to the Senate by the committee would exempt more than 60 percent of labor unions from its provisions, including many unions which now report their financial affairs to the Government. Paper locals, like those controlled by persons such as Johnny Dio, could be permitted concealment.

Mr. President, that must have been a true statement, because the Senate in its wisdom saw fit to adopt amendments which would plug loopholes in the language, loopholes which would have allowed the activities of the Johnny Dios to continue.

The Secretary of Labor continued:

Also, under these proposals the activities of such union organizations as the Western Conference of Teamsters, with their Brewsters and Becks, might never be exposed to public view.

Again, that must have been a true statement by the Secretary, because the Senate, in its august judgment, saw fit to agree to amendments which would plug the loopholes to which the Secretary referred.

The Secretary continued:

Under present laws, unions seeking NLRB recognition must file financial reports with the Secretary of Labor and make these reports available to their membership. The committee's proposals would relieve unions of this obligation, and would instead force local members to go to Washington to obtain such information.

Certainly one of the most distinguished members of the Committee on Labor and Public Welfare, the Senator from Kentucky [Mr. COOPER], recognized the loophole and was successful in having adopted an amendment which he offered. So again Secretary Mitchell was right.

The Secretary continued:

The legislative proposals reported by the committee give certain duties and enforcement obligations to the Secretary of Labor, but they provide the Secretary with inadequate powers to properly discharge his responsibilities. For instance, the proposals would require the Secretary to make investigations and inspect books and records of unions when he has "probable cause" to believe that anyone had violated the law. However, the Secretary is denied the power to compel testimony, hold hearings, or to issue subpenas for persons or records, and he appears further to be subject to injunctive processes which would impair and hinder him from carrying out even the limited authority the bill provides.

Mr. President, again the Senator from Kentucky [Mr. COOPER], a hard-working, diligent member of the Committee on Labor and Public Welfare, recognized the truth of the Secretary's statement when he offered an amendment which would close the loophole, and was instrumental in having it adopted. So, again, the Secretary of Labor was correct.

I read further from the Secretary's statement:

Other serious deficiencies in the committee's proposals include the destruction of the present rights of union members to seek State and Federal court relief to enforce their democratic rights; the continuation of a no-man's land between State and Federal labor laws which denies legal protection to thousands of workers; and the relaxation and in some cases total destruction of the present legal protections provided union members.

Mr. President, one might argue that there is a provision in the Kennedy bill which purports to take care of that situation; but it takes care of it in liberal fashion, by turning over the jurisdiction to the Federal Government, instead of letting the authority rest with the States, where we who believe in States rights think it should rest. But today, I feel certain, an amendment will be offered which will take care of that deficiency in the bill.

I shall not comment on the next two paragraphs of the Secretary's statement, because I do not believe either the distinguished senior Senator from New York or the distinguished junior Senator from Massachusetts found fault with them.

In conclusion, I think it was disclosed yesterday that the Secretary of Labor not only was right in his opinions of the bill, but that he was following his duty as Secretary of Labor in pointing out deficiencies in the bill. In one day, I suggest, almost all the deficiencies which were called to the attention of the Senate by the Secretary of Labor were recognized by the Senate and were corrected.

I apologize for taking so much of the time of the Senate to make the RECORD clear in respect to the feelings both of the Secretary of Labor and myself.

FEDERAL EMPLOYEES SALARY INCREASE ACT OF 1958—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, a very important conference report which affects more than 1 million persons is ready, and awaits our action.

I wish to state that the distinguished chairman, Mr. JOHNSTON of South Carolina, and the ranking minority member, Mr. CARLSON, of the Committee on Post Office and Civil Service, have done an excellent job in bringing the conference report to us.

The Senate must act first. The action has been long delayed. I am informed that it will probably take less than 5 minutes to dispose of the conference report, which is a highly privileged matter.

Therefore, I ask unanimous consent that the conference report be laid before the Senate; and, when that is done, I ask the distinguished chairman of the committee, the senior Senator from South Carolina, to make a brief statement in explanation of the report, and I also ask the ranking minority member of the Post Office and Civil Service Committee, the distinguished Senator from Kansas [Mr. CARLSON] to make a statement on the report.

Mr. JOHNSTON of South Carolina. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the bill (S. 734)

to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the bill (S. 734) entitled "An Act to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment Numbered 1: That the Senate recede from its amendment numbered 1.

Amendments Numbered 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, and 13: That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, and 13, and agree to the same.

Amendment Numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5 and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"SEC. 10. Section 505 of the Classification Act of 1949, as amended (5 U. S. C. 1105), is amended by adding at the end thereof the following new subsections:

"'(f) The Director of the Administrative Office of the United States Courts is authorized to place a total of four positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(g) The Commissioner of Immigration and Naturalization is authorized to place a total of eleven positions in grade 17 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grade by subsection (b).

"'(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government to place additional positions in grade 16, 17, or 18, the total number of positions authorized by this section to be placed in such grades shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by such provisions to be placed in such grades. Such reduction shall be deemed to have occurred in the following order: first, from any number specifically authorized for such agency under this section, and second, from the maximum number of positions authorized to be placed in such grades under subsection (b) irrespective of the agency to which such positions are allocated.

"'(i) Appointments to positions in grades 16, 17, and 18 of the General Schedule shall be made only upon approval by the Civil Service Commission of the qualifications of the proposed appointees, except that this subsection shall not apply to those positions—

"'(1) provided for in subsection (e) of this section;

"'(2) to which appointments are made by the President alone or by the President by and with the advice and consent of the Senate; and

"'(3) for which the compensation is paid from (A) appropriations for the Executive Office of the President under the headings "The White House Office", "Special Projects", "Council of Economic Advisers", "National Security Council", "Office of Defense Mobilization", and "President's Advisory Committee on Government Organization", or (B) funds appropriated to the President under the heading "Emergency Fund for the President, National Defense" by the General Government Matters Appropriation Act, 1959, or any subsequent Act making appropriations for such purposes.'

"SEC. 11. (a) Section 505 (b) of the Classification Act of 1949, as amended, is amended by striking out 'twelve hundred and twenty-six' and inserting 'fifteen hundred and thirteen', by striking out 'three hundred and twenty-nine' and inserting 'four hundred and one', and by striking out 'one hundred and thirty' and inserting 'one hundred and fifty-nine'.

"(b) Section 505 (e) of such Act is amended by striking out 'thirty-seven' and inserting in lieu thereof 'seventy-five'.

"SEC. 12. (a) The first section of the Act of August 1, 1947 (Public Law 313, Eightieth Congress), as amended, is amended by striking out 'one hundred and twenty' and 'twenty-five' in subsection (a) and inserting in lieu thereof 'two hundred and ninety-two' and 'fifty', respectively.

"(b) Such section is further amended by striking out 'thirty' in subsection (b) and inserting in lieu thereof 'ninety'.

"(c) Such section is further amended by adding at the end thereof the following new subsections:

"'(d) The Secretary of the Interior is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of the Interior, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(e) The Secretary of Agriculture is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Agriculture, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(f) The Secretary of Health, Education and Welfare is authorized to establish and fix the compensation for not more than five scientific or professional positions in the Department of Health, Education, and Welfare, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(g) The Secretary of Commerce is authorized to establish and fix the compensation for not more than 25 scientific or professional positions in the Department of Commerce, of which not less than five shall be for the United States Patent Office in its examining and related activities, each such position being established to effectuate those research and development functions of such Department which require the services of specially qualified personnel.

"'(h) In any case in which, subsequent to February 1, 1958, provisions are included in a general appropriation Act authorizing an agency of the Government referred to in this Act to establish and fix the compensation of scientific or professional positions similar to those authorized by this Act, the number of such positions authorized by this Act shall, unless otherwise expressly provided, be deemed to have been reduced by the number of positions authorized by the provisions of such appropriation Act.'

"(d) Section 3 of such Act is amended by inserting after 'Secretary of Defense' a comma and the following: 'the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health, Education, and Welfare,' and by inserting after 'Military Establishment' a comma and the following: 'the Department of the Interior, the Department of Agriculture, the Department of Commerce, the Department of Health, Education, and Welfare,'.

"(e) Section 208 (g) of the Public Health Service Act, as amended (42 U. S. C. 210 (g)), is amended by striking out 'sixty positions' and inserting in lieu thereof 'eighty-five positions, of which not less than seventy-three shall be for the National Institutes of Health'.

"(f) The annual rate of basic compensation of the position of Chief Postal Inspector in the Post Office Department shall be $19,000.

"SEC. 13. (a) (1) Clause (2) of that paragraph of section 602 of the Classification Act of 1949, as amended (5 U. S. C. 1112), which defines the level of difficulty and responsibility of work in grade 5 of the General Schedule (GS–5) is amended to read as follows:

"'(2) to perform, under immediate supervision, and with little opportunity for the exercise of independent judgment, simple and elementary work requiring professional, scientific, or technical training; or'.

"(2) Clause (2) of that paragraph of the same section which defines the level of difficulty and responsibility of work in grade 7 of the General Schedule (GS–7) is amended to read as follows:

"'(2) under immediate or general supervision, to perform somewhat difficult work requiring (A) professional, scientific, or technical training, and (B) to a limited extent, the exercise of independent technical judgment; or'.

"(b) The Civil Service Commission shall exercise its authority to issue such standards or regulations as may be necessary for the administration of subsection (a) of this section.

"SEC. 14. It is the sense of the Congress that appropriations for cooperative agricultural extension work and appropriations for payments to State agricultural experiment stations for the fiscal year beginning July 1, 1958, should include additional amounts sufficient to provide increases in the portion of the compensation of persons employed in such work or by such stations, which is paid from such appropriations, corresponding to the increases provided for employees under this Act."

And the Senate agree to the same.

OLIN D. JOHNSTON,
MIKE MONRONEY,
DICK NEUBERGER,
FRANK CARLSON,
WILLIAM E. JENNER,
Managers on the Part of the Senate.

TOM MURRAY,
JAMES H. MORRISON,
JAMES C. DAVIS,
EDWARD H. REES,
ROBERT J. CORBETT,
Managers on the Part of the House.

The PRESIDING OFFICER (Mr. JACKSON in the chair). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, as I understand, the conference report is a unanimous one.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. JOHNSON of Texas. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I am certainly glad to report that the conference report on Senate bill 734, the classified pay bill, is a unanimous report.

The conference agreement accepts in principle the bill as amended and passed by the Senate only a few days ago.

Major modifications of that bill, as agreed to in conference, are as follows:

First, the conference agreement gives professional and scientific personnel, whose positions have been up-graded by Civil Service Commission action, the full amount of the increase provided by the bill.

Second, the number of supergrades and high level professional and scientific positions authorized by the Senate version of the bill are reduced by approximately one-half.

Third, the conference agreement accepts a number of clarifying and perfecting amendments which were adopted by the Senate.

In brief, this measure provides an across-the-board 10 percent increase to employees in the executive branch, the legislative branch, and the judicial branch.

The increase is retroactive to the first pay period beginning on or after January 1 of this year.

Of course, that provision was not before the conferees, inasmuch as both Houses had already passed favorably on that feature.

In addition to the employees mentioned, this measure provides an adjustment in the upper levels of the Post Office field schedule, thereby giving all Federal employees equal treatment. That provision, and also the one to which I referred a few moments ago—that dealing with the scientific positions—were requested by the administration.

Mr. President, the conference agreement provides a proper increase, and accords all employees equal treatment. The report, as agreed to by all the conferees, is good, fair, and long overdue.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. BYRD. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. BYRD. I should like to ask the Senator from South Carolina the cost of the retroactive provision. As I understand, this measure will be retroactive so far as it concerns the civil service employees, those in the legislative branch, and those in the judicial branch.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. BYRD. What will be the extra cost?

Mr. JOHNSTON of South Carolina. It will be five-twelfths of the annual cost of the bill, or approximately $200 million. But both Houses had previously passed on that provision, as the Senator from Virginia knows, so it was not before the conferees.

Mr. BYRD. Is not the Senator from South Carolina mistaken as to the amount? Certainly, the cost for 5 months will be considerably larger than the amount he has stated; would it be closer to $500 million?

Mr. JOHNSTON of South Carolina. No; the total cost for 1 year is that amount; and the cost of the retroactive provision will be five-twelfths of that.

Mr. BYRD. The Senator from South Carolina handled the original bill. What was the justification for making the increase effective as of January 1958?

Mr. JOHNSTON of South Carolina. The justification was that these employees should have received the increase then, instead of later this year.

My BYRD. That is the Senator's opinion?

Mr. JOHNSTON of South Carolina. Yes.

Mr. BYRD. Congress did not enact the bill then; but the conference report would require that the increase be made effective as of 5 months ago.

Mr. JOHNSTON of South Carolina. The Senator from Virginia will recall that last year the Congress passed the pay increase bill, but the President vetoed it.

Mr. BYRD. So the bill did not then become a law.

Mr. JOHNSTON of South Carolina. That is true.

Mr. BYRD. Mr. President, I wish to express my opposition to retroactive salary increases. I think that is a very bad policy. I am now advised that the retroactive pay features in the classified bill will cost $260 million; that the retroactive features in the postal pay act will cost $118 million; and that the military pay bill will be effective for 1 month in fiscal year 1958. The cost of this bill for June will be approximately $50 million. The total cost of what may be regarded as retroactive features in pay legislation thus far in the current session of Congress will be in excess of $425 million. I shall cast my vote against the conference report.

Mr. JOHNSTON of South Carolina. Mr. President, I wish it clearly understood that the conferees' hands were tied, insofar as the retroactive feature was concerned, because that provision was contained in both the House of Representatives version and the Senate version of the bill.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. YARBOROUGH. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. YARBOROUGH. Mr. President, I wish to commend the conferees for the fine work they have done on this measure.

As a member of the Committee on Post Office and Civil Service, I can state from my personal knowledge that both the distinguished chairman of the committee, Mr. JOHNSTON of South Carolina, and its ranking minority memeber, the Senator from Kansas [Mr. CARLSON], worked for many months on this measure. The committee received testimony over a period of many weeks.

I particularly wish to congratulate the conferees for extending the 10-percent salary increase to scientific personnel, inasmuch as the testimony showed that the Government was losing some of its very valuable scientific employees who are engaged in some of the most critical governmental work; and included among them are Navy personnel who are engaged in underwater sound research at the Philadelphia Navy Laboratory and also personnel who are engaged in research work in various places, including both Army and Navy research work at Governors Island. Many other critical programs of the Government are affected. It is obvious that the continued loss of service of such valuable scientific personnel in programs of that kind has a very direct bearing on the efficiency or lack of efficiency of the national-defense effort.

I believe the testimony which has been received shows clearly that the salary increases provided by the conference report are modest, as compared to the pay increases which have been provided by private employers throughout the country.

I believe the increases provided by the report will help answer the problem of how to persuade personnel of ambition and ability to continue in the Government service, rather than to leave it and enter private employment.

One million and thirty thousand Government employees are covered by this measure; and the evidence received by the committee shows that virtually all of them are faithful and loyal, and many of them are highly dedicated. The testimony also shows that many of the scientific personnel, particularly, could receive double their present salaries if they were to leave the Government service and enter private employment. I believe that this bill is a good Government bill, and that its adoption will increase the morale and efficiency of the Government service.

Therefore, Mr. President, I believe our sincere thanks are due to the conferees on the part of the Senate for their very fine and speedy work. In fact, I think our thanks are particularly due to them because the conference report is a unanimous one on the part of all the conferees.

In conclusion, let me say that I have enjoyed very much the privilege of serving on the Committee on Post Office and Civil Service under the excellent leadership of the distinguished senior Senator from South Carolina [Mr. JOHNSTON]. I am for these salary increases, and have supported this measure since before my election to the Senate. I have supported it with diligence in the committee and urge its adoption.

Mr. JOHNSTON of South Carolina. Mr. President, I thank the Senator from Texas, not only for the statement he has made, but also for the very fine work he has done as a member of the committee.

As he recalls, in the course of the hearings we ascertained that private firms and corporations throughout the country have increased the salaries of their employees by about twice the 10-percent increase which, as a result of the enactment of this measure, will be made in the salaries of these Government employees.

Mr. CARLSON. Mr. President, I am pleased that this morning there has been laid before the Senate the conference report which provides for a 10-percent pay increase for the classified employees of the Federal Government. I am also

pleased that the report is a unanimous one.

Furthermore, when this bill was considered by the Senate, I stated that whatever pay increase the Senate voted for the postal employees I would insist also be provided for the classified employees. The pending report includes that very provision.

I should also like to state that at this session the Congress has taken the same action in regard to increasing the pay of the retired employees or annuitants who formerly were employed in the Federal civil service.

So the Congress has—to the credit of the distinguished chairman of our committee—handled three rather difficult, rather controversial bills, in dealing with pay legislation for the postal employees, the classified employees, and the retired Federal employees or annuitants. The postal-pay legislation was particularly difficult, because it carried with it a postal-rate increase. Our committee has labored literally for years, and certainly all of last year and a great portion of this one, on these three bills.

Therefore, Mr. President, I am pleased that today we have brought a unanimous conference report to the Senate.

I should like to refer to 1 or 2 items in the conference report. In order to come to an agreement, we were forced to reduce by about 50 percent the number of supergrade positions which had been requested by the executive branch of the Government, and which were reported by the Senate committee and passed by the Senate. I wish to state I regret that it was necessary to do that, because I firmly believe the executive branch of the Government needs a number of additional supergrade positions.

There are 2 million Federal employees, and presently there are about 1,300 supergrade positions. No private employer, no business would operate with that percentage of top administrative or executive positions.

The executive branch of the Government had asked for 568 additional supergrade positions, and 555 additional professional-scientific positions. As I stated, we were forced to reduce that number by practically 50 percent, in order to arrive at an agreement.

I regard this action as an unduly restrictive attitude toward the establishment of badly needed positions. I regret that such action was necessary to reach a conference agreement.

Like the chairman of the committee, I shall look forward to further requests from the departments; and, if the departments can justify their requests, we hope to establish such positions in other legislation.

The second point I wish to make is that when the Committee on Post Office and Civil Service does not act to create new supergrade positions, the Appropriations Committee from time to time includes in its bills increases in the number of supergrade positions. I see present on the floor the distinguished Senator from Florida [Mr. HOLLAND], who this week handled the Department of Commerce appropriation bill. In it were provided 20 new supergrade positions. If the Committee on Post Office and Civil Service does not act in the matter, then the only way a department can get the positions it needs is through the action of the Appropriations Committee. That not only is a poor way to legislate, but it is unfair to our committee. I hope that it will not be necessary for the Appropriations Committee to provide supergrade positions, and that the Committee on Post Office and Civil Service will be permitted to handle such matters.

I wish to refer to the section of the bill which provides the Civil Service Commission shall check on the appointments to positions in grades 16, 17, and 18 in the General Schedule, regarding what we call positions outside the civil-service classification. We wrote into the bill a provision requiring the Civil Service Commission approval of appointees to GS 16, 17, and 18 positions. I sincerely hope the Commission will keep in mind that this will not be the start of a program whereby the executive branch will be limited to appointments without regard to the type of persons they need, and have to secure them through the Civil Service Commisison. The executive branch must have and should have some leeway in making appointments to administrative and executive positions.

Mr. President, I am happy the three bills to which I have referred have passed. I know they will result in great benefit to all Government employees and to retired employees. It has been a pleasure to have been associated with this legislation.

Mr. SYMINGTON. Mr. President, the lead and zinc mining industry in my State——

Mr. JOHNSON of Texas. Mr. President, will the Senator from Missouri defer his statement? The Senator from Ohio [Mr. LAUSCHE] wants to speak on the conference report, which will affect about 1 million persons. We would like to have it acted on.

Mr. SYMINGTON. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I understand that pending before the Senate is the conference report on the classified Federal employees' wage increase bill. When that bill was originally acted upon by the Senate I indicated in the RECORD that if there had been a yea and nay vote I would have cast my vote in the negative. I did so on the basis that the President's original recommendation was that the pay increase should be limited to 6 percent. Then there was a feeling that the pay increase would be fixed at 7½ percent. It finally was pushed up to 10 percent and beyond. I now understand that out of the conference has come a recommendation that, in substance at least, the pay increase should be 10 percent.

I cannot subscribe to that recommendation. I cannot do so because of the fact that the 10 percent wage increase fixed by the Senate will be used as an index throughout the country in the making of demands for increased wages, and thus contribute to the unbearable inflation from which we are suffering. We in the Congress will be setting the index. We will be declaring that a 10 percent wage increase is justifiable.

I desire to repeat what I said when the bill was voted upon. The dollar today is worth only 48 cents. We have a $280 billion debt. We shall have a $3 billion deficit in 1958. If we keep moving in the direction we have been moving, there will be a $10 billion deficit in 1959.

Those who have bonds or who receive annuities or retirement payments can sit at home and look, and while they are doing so they will see the savings they have built up dwindling before their very eyes.

Inflation is one of the menaces facing our country. I do not think Congress should, by example, give word to labor leaders and to industrialists: "Keep pumping up your prices. The public will pay."

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I understand there will be a voice vote on the conference report. I shall vote against the recommendation of the conferees.

Mr. SYMINGTON. I yield to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I wish to say to the Senator from Ohio that I am in accord with what he has said. I think percentagewise the pay raise cannot be justified. The retroactive features also raise some very serious questions.

In all this spending, we are not spending our own money; we are not spending the money of this generation's taxpayers; we are spending money which will have to be raised by somebody else.

I appreciate the remarks of the Senator from Ohio.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of action on the conference report the Senator from Missouri [Mr. SYMINGTON] be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I wish to supplement the statement which I made. I, too, feel that the retroactive feature of the bill is not sound, and I state for the RECORD that in 10 years in the governor's office in Ohio I saw no semblance of retroactive features such as I have witnessed in the bills passed by Congress. Retroactivity has been injected into practically every bill which provides for the expending of the public's money.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Delaware.

Mr. WILLIAMS. I wish to associate myself with the fear the Senator from Ohio has expressed of what will result from the principle we are establishing. This bill will result in the expenditure of from $250 million to $275 million in retroactive payments, which will be made about the 1st of August. Other bills which we have passed will embrace another $250 million.

Of course, the nearest estimate we can get is that under such provisions, $500 million of retroactive payments will be made around the first of August. Certainly we should take recognition of the

fact, as has been pointed out, that the Federal Government does not have the money. Not only does the Federal Government not have it, but it cannot borrow the money until an increase in the ceiling for the national debt has been provided. I think it is time Congress should wake up to the fact that the American taxpayers are paying just about all they can afford to pay.

The present proposal goes far beyond the needs brought about by an increase in the cost of living.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina [Mr. JOHNSTON] to lay on the table the motion of the Senator from Texas [Mr. JOHNSON] to reconsider.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I want the RECORD to show that had there been a record vote I would have voted in the negative on the conference report.

REVISION OF BASIC COMPENSATION SCHEDULES OF CLASSIFICATION ACT OF 1949—CORRECTION IN ENROLLMENT OF S. 734

Mr. JOHNSON of Texas subsequently said: Mr. President, the engrossed copy of Senate bill 734, the classified pay bill, which affects more than 1 million Federal Government workers, and which earlier today was passed by the Senate, contains an incorrect figure in the schedule for staff officers and employees of the Department of State. In the sixth line of the salary schedule in section 6 (a) (3) the figure is "8,955," whereas the correct figure is "8,755."

I submit and ask unanimous consent for its immediate consideration, a concurrent resolution for the purpose of authorizing the correction of that figure.

The PRESIDING OFFICER. The concurrent resolution will be read.

The concurrent resolution (S. Con. Res. 93) was read, as follows:

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (S. 734), to revise the basic compensation schedules of the Classification Act of 1949, as amended, and for other purposes, the Secretary of the Senate is authorized and directed to make the following correction:

In the sixth line of the salary schedule in section 6 (a) (3) strike out "8,955" and insert in lieu thereof "8,755."

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (S. Con. Res. 93) was considered and agreed to.

The PRESIDING OFFICER. Under the unanimous-consent agreement previously entered into, the Senator from Missouri is recognized.

THE CRISIS IN THE LEAD AND ZINC INDUSTRY

Mr. SYMINGTON. Mr. President, the lead and zinc mining industry in my State, and also in other States throughout the country, is in a serious depression.

In Missouri, employment in this industry is down about 25 percent from what it was only a year ago. Furthermore, those who have retained their jobs have taken severe wage cuts, as well as reductions in their workweek.

A substantial number of miners have already exhausted their unemployment benefits, and, unless something is done promptly, the unemployment will increase and the distress of these workers and their families will worsen.

As is true in many basic extractive industries, entire communities are adversely affected when the lead and zinc mining business is depressed. No one in these mining communities is untouched by the spread of economic distress.

The various proposals which have been made for assisting the lead and zinc industries include renewal of Government purchases for the strategic stockpile, barter agreements under the provisions of Public Law 480, increase in tariff duties, and compensatory payment legislation.

Proposals alone, however, do not help the industry, and certainly do not put people back to work. Action is needed—and it is needed now.

As long ago as last September 26, the lead and zinc industry appealed to the Tariff Commission for relief; hearings were held in November; and the Tariff Commission made its recommendations to the President on April 24 of this year. So far, the President has taken no action, even though almost 50 of the 60 allowable days have already elapsed.

Delay in this decision has not only prolonged the distress of the industry, but also has had the effect of delaying action on other proposals.

The proposals which would give the most immediate assistance to the industry would be the stockpiling and barter proposals, which would relieve the market of some of the depressing effect of surpluses.

As for longer range assistance, the compensatory payment principle, as embodied in a recent proposal from the administration, appealed to me as being worthy of thoughtful consideration. I understand the chairman of the Committee on Interior and Insular Affairs is moving promptly to hold hearings on this proposal.

Action must be taken promptly to assist the lead and zinc industry, so that the unemployment can be eliminated and the employed can be allowed a reasonable take-home pay.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

GEN. JOE W. KELLY

Mr. SYMINGTON. Mr. President, day before yesterday a number of the Members of the Senate praised Maj. Gen. Joe W. Kelly for the outstanding way he has handled the legislative liaison responsibility for the Air Force. I desire to join them in their praise, and in their expressions of regret that he is shortly to be transferred.

I am proud that Joe Kelly has been my friend for many years. His administrative competence, his devotion to his job, his understanding of both the Air Force and the Congress, combined with his sense of humor and delightful personality, have enabled him to perform great service for his country. This he has done with unsurpassed success.

Everyone who knows General Joe wishes him the best of everything in his new assignment.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

TRAGIC LITHUANIA

Mr. SYMINGTON. Mr. President, 18 years ago—June 15, 1940—the Russian Communists invaded the small but free nation of Lithuania.

The result was obvious from the start—another blot of tyranny on the pages of history.

Yet the spark of freedom and independence still burns in the minds of these enslaved people. This fact should be both a warning and a source of encouragement to those of us who are fortunate enough to have escaped from the heel of Communist dictatorship.

It is a warning that human values and independence for others have no meaning to the Soviet Communists. On the other hand, such evidence that the spirit of freedom does not die easily should be an encouragement and a stimulus to us all.

Mr. President——

The PRESIDING OFFICER. The Senator from Missouri.

CLARENCE CANNON—AMERICAN PATRIOT

Mr. SYMINGTON. Mr. President, the day before yesterday, June 11, 1958, one of our great Congressional leaders, the Honorable CLARENCE CANNON, was the recipient of an honorary doctor of laws degree from Southeastern University here in Washington.

Representative CANNON is the dean of the Missouri Congressional delegation. Over the years his leadership, his advice, his steadfast devotion to the security and progress of our Nation, and his hard work on behalf of his constituents, have endeared him to all of us in Missouri. Therefore, we are pleased that this fine university in the Nation's Capital has recognized this great American.

Mr. President, I ask unanimous consent that the citation of achievement which was read at the degree presentation by Mr. William B. Wolfe, Jr., trustee of Southeastern University, be printed at this point in the RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

THE HONORABLE CLARENCE CANNON, MEMBER OF CONGRESS, NINTH DISTRICT OF MISSOURI

Mr. President, fellow members of the board of trustees, I have the very great honor and personal pleasure to present this candidate for the honorary degree of doctor of laws. He is the Honorable CLARENCE CANNON, Member of Congress, Ninth District of Missouri.

He was born April 11, 1879, in Elsberry, Mo. He was graduated from La Grange College, William Jewell College, and the University of Missouri. He has received honorary doctor of laws degrees from William Jewell College, Culver-Stockton College and the University of Missouri. He is a former professor of history at Stephens College, Columbia, Mo. He has been admitted to State and Federal bars. He is the editor of the Manual and Digest of the House of Representatives; and is the author of Synopsis of the Procedures of the House of Representatives; Cannon's Manual (which is published by resolution of the House of Representatives); Convention Parliamentary Manual (which is published by the Democratic National Committee); Cannon's Precedents of the House of Representatives (which is published by law); and treatises on parliamentary law contained in the Encyclopedia Britannica and in the Encyclopedia Americana. He is the editor and compiler of the precedents of the House of Representatives, by act of Congress; he is a Regent of the Smithsonian Institute and is parliamentarian of the Democratic National Committee as well as parliamentarian at their national conventions.

Congressman CANNON has served in the Congress of the United States since 1923, a total of 35 years. He is chairman of the Committee on Appropriations, United States House of Representatives, and has held this post since 1941 except during the times that the House was controlled by the Republican Party. This committee, as you know, is one of the key committees of Congress, particularly where the operations of the Federal Government are concerned. In connection with the operations of the Federal Government, Southeastern University has recognized the outstanding service to the United States by its career employees by granting honorary degrees of doctor of laws in recognition of outstanding and devoted service to the United States Government.

This man, of course, is not a career employee of the Government but is an elected official. His service to our country, like the service of so many of our elected officials, has been so outstanding as to cause us to honor him tonight with the honorary degree of doctor of laws.

The pages of our history are filled with the deeds of great men and women from all walks of life who have served our country, each in their own way.

We have had our Washingtons, our Lincolns, our Patrick Henrys, our Molly Pitchers and countless others. Throughout our history we have had great patriots serving in the Congress of the United States. Today in these critical times, as in the past, we have devoted men and women serving in this great branch of our government. I sometimes wonder, however, if we fully realize how hard our Senators and Congressmen actually work. We, as Americans, can visit and see our Congress in session. We can sit in the galleries and listen to their debates; we can read from the CONGRESSIONAL RECORD what they have said and how they have voted; but this is only viewing a very small part of the total picture. To complete this picture, we have to consider the countless hours that they spend in committee meetings—the many hours that are spent on research—the many hours that are spent in serving their constituents back home and finding out how they feel about the issues of the day—and finally, the many hours of soul-searching that may result in only one word—spoken on the floor of the House or Senate and appearing in the CONGRESSIONAL RECORD—an aye or nay voting for or against a bill.

Tonight we are paying tribute to one of our great legislators, but in a larger sense we are also paying tribute to every man and to every woman in our Congress through him. A former Prime Minister of Great Britain, Sir Winston Churchill, paid tribute to the Royal Air Force in 1941 by saying, "Never in the field of human conflict was so much owed by so many to so few." I should like to change this as our tribute to all the men and women that serve so nobly in the United States Congress. To them I say—"Never have so few done so much for so many."

Mr. CANNON is revered and respected by all that know and associate with him, irrespective of which of the two great political parties they may embrace, because he has risen above the level of partisan politics.

To him the welfare of the United States come first, last, and always. Many of the distinguished friends and colleagues of Mr. CANNON from the United States House of Representatives are here tonight to join in our tribute to him and are seated in the front rows of the auditorium to my left. We received a letter from the 33d President of the United States—the Honorable Harry S Truman, and I should like to read it to you, now.

INDEPENDENCE, MO., *May 5, 1958.*

Mr. WILLIAM B. WOLFE, JR.,
Member, Board of Trustees, Southeastern University, Washington, D. C.

DEAR MR. WOLFE: I am very disappointed that I will not be available on June 11, but I am happy that you are conferring an honorary degree on the Honorable CLARENCE CANNON, the chairman of the Appropriations Committee of the House.

Congressman CANNON and I have been good friends for all the many years we have known each other. He is a great legislator and one of Missouri's favorite sons.

Please congratulate him for me and tell him I am more than sorry that I cannot be present when he receives this high honor.

Sincerely yours,

HARRY S TRUMAN.

There are so many great things that he has accomplished in his lifetime of service to our country—in fact, so many that if they were listed they would fill many volumes. Maybe I should tell you of the billions and billions of dollars Mr. CANNON and his associates on the Appropriations Committee have saved us as taxpayers; maybe I should tell you about the dominant role he has played in the improvement of financial management and budgeting in the Federal Government to the end result of a more efficient service in return for each tax dollar appropriated and spent; maybe I should tell you about the nights—the Saturdays and Sundays—spent in accomplishing the vast volume of work in his office. Perhaps I should tell you of his interest in higher education and of the foundation which bears his name and which he endowed to aid needy men and women in acquiring an education; perhaps I should tell you of his work in the Baptist church. I shall not talk of all these facets of his distinguished career. I should rather tell you just two things about him—the first he regards as having been the most important part of his life. Throughout his entire career there has been a person at his side, sharing all of his triumphs, suffering all of his trials and tribulations, providing him with a wealth of love and understanding. That person is his lovely wife, the former Ida Dawson Wigginton. They were married in 1906 and have two daughters, Ida Elizabeth and Ruby Melinda. To really see this great man smile, all you have to do is start talking about his granddaughter and four grandsons. The devotion between this man and woman and the love he has for his children and grandchildren tell more about his basic character than I could ever state in words.

I have always considered that you can judge a man by the little things he does, because therein is the real key to his character, his integrity, his basic morality and honesty. All Senators and Congressmen, as you know, have franking privileges for mailing letters and other documents in connection with their official business. When Mr. CANNON replied to our letter in which we notified him that he had been selected to receive this degree, he did not consider this as being in the realm of "official" business and, therefore, he affixed a 3-cent stamp to the envelope. A small thing—yes; a very small thing; so small, in fact, what difference would it have made if he had not used a stamp for this letter but had sent it under his franking privilege? His basic honesty would not let him do so. By the small things a man does, so may we judge his basic character.

Mr. President, on behalf of the board of trustees of this university, I present to you the Honorable CLARENCE CANNON, Member of Congress from the Ninth District of the great State of Missouri—a gentleman, scholar, churchman, author, educator, humanitarian, farmer, legislator, and outstanding public servant—for the honorary degree of doctor of laws. Mr. CANNON.

THE STRATEGIC AIR FORCE—LACK OF ADEQUATE TRAINED PERSONNEL

Mr. SYMINGTON. Mr. President, seldom does a week go by without one of the heads of this Government or of another government of the Free World stressing the fact that the great deterrent to Communist aggression—in effect, therefore, the greatest deterrent to future war—is the Strategic Air Force of the United States. Each time when the Communists give new evidence of their technological superiority, from the President down that is our reply.

Therefore, I believe the American people should realize that last year 70 percent of the airmen of SAC had been in SAC less than 2 years, and this year 75 percent of the airmen in SAC have been in SAC less than 2 years.

More than 50 percent of SAC airmen are in their first enlistment.

In the past 4 years SAC has lost 111,214 airmen.

It is estimated that the average cost of training and maintaining one airman for 4 years is $19,779, or an average of about $5,000 a year.

Assuming that the 111,214 men who left SAC during the 4-year period referred to averaged 2 years of service, the cost of training and maintaining them for that period would be about $1,112,140,000.

Then, the process has to be done all over again, and at least another $1,112,140,000 must be spent for training and maintaining their replacements for another 2 years.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the

reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

Mr. HOLLAND obtained the floor.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may yield to the Senator from Arkansas without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida? The Chair hears none, and it is so ordered.

Mr. McCLELLAN. I thank the distinguished Senator from Florida for yielding to me for some brief remarks.

Mr. President, the able junior Senator from Arizona [Mr. GOLDWATER] in his remarks earlier this morning referred to statements I have made from time to time with respect to labor legislation and the work of the Senate Select Committee on Improper Activities in the Labor or Management Field.

The Senator from Arizona quoted from a statement I made on a radio program some 2 weeks ago, on what is known as the Manion Forum. The Senator referred to nine items which I listed, relating to conditions which had been exposed by the select committee.

As I followed the remarks of the distinguished Senator from Arizona when he was quoting from the statement I had made with respect to the exposures of the select committee, I checked the items. Of the 9 I had mentioned, the bill which is presently before the Senate definitely deals with 6. There is one I am not sure could be dealt with by Federal legislation.

The third item I listed referred to vandalism, violence, or threats of physical harm to employers, employees, union members, and their families. A question would arise whether the Federal Government should go into that field and make such actions Federal crimes. I have not made any positive determination about that in my own mind. The bill evidently does not deal with those particular conditions, which the committee has exposed.

The sixth item related to the calling of strikes and the making of "sweetheart" contracts with management without the knowledge and approval of rank and file union members. The pending bill does not deal with that subject.

During the consideration of the bill by the committee, from the time I received the first draft of the proposed legislation until the bill was finally reported, I made a number of suggestions to the committee with respect to provisions which I thought the bill should contain. That was one of the suggestions. That is one of the three things which I suggested to which the committee did not respond favorably.

Comparing the bill as reported with the first draft, I find that the Committee on Labor and Public Welfare was very considerate of my suggestions and recommendations. I find in the bill today 22 changes from the original draft. Those changes are in line—either fully or in part—with suggestions which I made.

The ninth area which I said we had covered deals with organizational picketing to force employees to join a union against their choice, and to compel management to coerce its employees into doing so. I urge that that subject be covered in this bill.

I urged that a provision in a bill which I had introduced be incorporated in the pending bill. That provision would definitely prohibit organizational picketing until there had been an election, or until two-thirds of the employees had definitely indicated, by petition or otherwise, that they wanted a union. The committee rejected that suggestion.

I did not get everything I wanted. Everything I want is not in the bill. I think I could strengthen the bill if I could sit down and write it myself. I think I could improve upon it. No doubt every other Senator feels the same way. Each Senator, no doubt, feels that if he were privileged to write it he could improve on this measure.

However, we are dealing with one of the most sensitive, technical, and difficult areas in which to legislate. We can load the bill down with many things which I favor, and for which I shall continue to fight. We can load the bill down with provisions which other Senators want, and the result will be that we shall have no legislation at all, in my judgment, at this session of the Congress.

If we were to approve the first five titles of the bill, I believe there would be a good chance of enacting it into law. If we will do that, I believe we would be making constructive progress toward the legislation which is needed in the labor-management field.

I need not describe to Senators the atmosphere in which we are working here during an election year. Each of you are fully conscious of it. This session of Congress is not a "last chance drug store." There will be another session of Congress next year. I should like to see the first 5 titles of the bill, with certain strengthening amendments, enacted, so that the bill would actually do what we want to do in the areas covered by the first 5 titles. Then we would know we are making progress.

I have certain ideas which are embodied in proposed legislation which I have introduced. Some of the provisions in those bills are highly controversial. If we add 5 or 6 highly controversial amendments to this bill, some Senators will support 2 or 3 of them and oppose the remainder, which means they would vote against the bill. The safest way and the best way to legislate in this field is to enact into law provisions designed to cover the areas with respect to which no honest man can object—in the area in which we are trying to protect union funds; the area in which we are trying to deal with corruption and illegal and improper practices; and the area in which we are trying to bring back to rank-and-file members a substantial measure of democratic processes. Let us enact such provisions into law now. That will be making constructive progress toward our goal.

At the next session of Congress—if there were time at this session, I would undertake to do it now—if I can get action from the Committee on Labor and Public Welfare, I should like to have various controversial provisions considered separately and voted up or down, on their merits. I know that there is a way to bring a bill to the floor of the Senate if we cannot get the Labor Commitee to act. All I am pleading for is that we not jeopardize legislation to which everyone should subscribe by insisting on putting in the bill highly controversial amendments which would result in no legislation at all. To do so will defeat our own purpose.

Mr. KENNEDY and Mr. WATKINS addressed the Chair.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The Senator from Florida [Mr. HOLLAND] has the floor. Does he yield, and if so, to whom?

Mr. HOLLAND. Mr. President, I have the floor. I ask unanimous consent that I may be allowed to yield to the Senator from Massachusetts for the purpose of addressing a question to the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Massachusetts may proceed.

Mr. KENNEDY. Mr. President, I congratulate the Senator from Arkansas for his statement. He has placed the issue in proper perspective.

We sat here from 1947 to 1958 without any amendments to the Taft-Hartley Act going through either the House or Senate, for the very reason which the Senator from Arkansas has cited. This is an issue on which people feel so strongly that they want to amend legislation to suit themselves. The result is that we cannot obtain a concensus in the Senate or House with respect to labor legislation, and no action is taken.

In 1953 and 1954, when Senator Taft and the Republicans were in the majority, there were a good many amendments which he was desirous of having written into law. A bill was brought to the floor of the Senate, but it had to be recommitted.

We now have before us a bill which has some reasonable prospect of being enacted into law. The bill may not go as far as some Senators desire. I believe that it would be unwise to jeopardize the work which the Senator from Arkansas and his committee have done in connection with a bill to which he has given his support, by insisting upon certain amendments merely because all of us are so strongminded that our amendments must be accepted or we will not support the bill.

The bill is in danger of going down to defeat. If Senators insist upon controversial amendments, we shall know where the responsibility lies.

I believe that the Senator from Arkansas deserves a great deal of credit for the work he has done.

Mr. WATKINS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may yield to the Senator from Utah to enable him to address a question to the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Utah may proceed.

Mr. WATKINS. Mr. President, I have a great deal of respect for the judgment of the Senator from Arkansas in matters of this kind. I have been a Member of this body for nearly 12 years. The first year I was here the late great Senator George of Georgia, made a speech at the time the Senate was considering overriding the Truman veto of the Taft-Hartley bill. He said, "If we do not do something now, we may never be able to get any action in this field, in which reforms have been imperative for a long time."

He told the Senate that he had voted for the Wagner Act. From that time until the Taft-Hartley bill was considered by the Congress, passed, and vetoed, nothing was done. That was the first opportunity there was to get any action from the Committee on Labor and Public Welfare.

Mr. KENNEDY. The Senator is incorrect. There was a bill before the Senate in 1954.

Mr. WATKINS. I remember that; but it was recommitted. There was no relief.

It is a difficult matter to obtain action from the committee. In 1957 I introduced a bill dealing with the no-man's land situation, an area with respect to which there ought to be almost unanimous agreement in Congress. Both management and labor need reforms in that area.

Did I get anywhere? The committee would not call a hearing or do anything about it, until the recent hassle which developed while we were considering another piece of labor legislation.

I ask the Senator in all good faith if he believes that, in the future, we will get from the Labor and Public Welfare Committee anything which the labor unions do not want? I mean as the committee is presently constituted.

Mr. McCLELLAN. The Senator should address that question to his colleagues who are members of the Committee on Labor and Public Welfare. I do not believe I should be called upon or required to answer for them. However, I will say to the Senator that if we do not get from the committee what we want, we can take it away from them, if we have the courage to stand up for our convictions; and if they are not willing to perform their functions, we have the power to take a bill from them and bring it to the floor. I do not desire to criticize any of the members of the committee for disagreeing with me. Most of them disagree with me on some of the things I want.

Here again, are we going to load the bill down with amendments? It would be possible to load the bill down with amendments so that even I would be compelled to vote against it. We could load it down with amendments which would force other Senators to vote against it.

I say let us take what we know all of us want, and pass the bill, and then move on. I say to the Senator, without any reservation, that I intend to fight for additional legislation in this field. If I become convinced that the Labor and Public Welfare Committee will not move or is being dilatory and is not trying to go into other areas, I will join with the Senator from Utah and other Senators in a motion to take the bill from the committee.

Mr. WATKINS. The Senator from Arkansas has been the chairman of the committee which has been investigating labor conditions and the charges which have been made in connection therewith. Yet very little is being said about getting any reforms in the labor field. When the investigation was under way, conditions were revealed which showed that a good many changes should be made in the labor act. The late Senator George said that reforms were indicated at that time. I do not like to have the Senate act on the proposed legislation without enacting some of those very much needed reforms.

Mr. McCLELLAN. We are getting some. We are not getting all of them, or all that I want.

Mr. WATKINS. We should get more.

Mr. McCLELLAN. Perhaps we should get more. However, let us be practical. Should we not want to take what all of us know we can get, and go ahead and pass the bill?

Mr. WATKINS. We should press for more, and get it, too.

Mr. McCLELLAN. I am not saying that we cannot get anything else. However, let us get what we know we can, without risking the loss of everything.

Mr. HOLLAND. Mr. President, I have agreed to yield to the Senator from Colorado. I ask unanimous consent that I may yield to him provided that I do not lose the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. McCLELLAN. May I conclude my statement?

Mr. HOLLAND. I have agreed to yield to the Senator from Colorado at this point.

Mr. ALLOTT. The Senator was yielding to me for another purpose. However, I should like to ask the Senator from Arkansas two questions.

Mr. HOLLAND. I ask unanimous consent that I may yield to the Senator from Colorado for such purpose.

The PRESIDING OFFICER (Mr. PURTELL in the chair). Is there objection? the Chair hears none, and it is so ordered.

Mr. ALLOTT. I have before me the interim report, and at this time I should like to compliment the distinguished Senator from Arkansas on that report. This is the first opportunity I have had to do so.

In the report, action is recommended in three areas, with reference to which, however, no action is being taken in the bill before the Senate. The first is in the field of "no man's land." The second is the fiduciary status of union officers, which, by the way, was included in S. 2888, which the Senate passed some time ago. The third has to do with secret elections on vital union affairs in addition to the election of officers.

I wish to ask the Senator from Arkansas if he believes these three areas, and the suggested amendments which no doubt will be offered in these fields, constitute anything but moderate approaches to labor legislation.

Mr. McCLELLAN. If I understood the Senator, he mentioned three areas, one the reform in the "no man's land" area, and the other two——

Mr. ALLOTT. "No man's land," secret ballots in elections on vital union affairs in addition to the election of officers, and the fiduciary status of union officers.

Mr. McCLELLAN. I have very definitely favored covering those subjects. I introduced a bill accordingly, as the Senator well knows, and I should like to have my bill reported and passed. However, I am again being practical, that is all. I recommended to the committee that it write into the pending bill a provision requiring a secret ballot before calling a strike. The committee rejected the proposal. If we were to add that amendment to the bill, even if we should be able to have it agreed to, we could bring about some complications which would be detrimental to the passage of the whole bill.

Mr. ALLOTT. That particular question is a very controversial one.

Mr. McCLELLAN. Yes.

Mr. ALLOTT. In the three areas I have suggested, is there any reason why the Senate, at the time it is considering this proposed legislation, should not consider those three items to which the Senator referred in his report?

Mr. McCLELLAN. There is no reason.

Mr. ALLOTT. I believe he said the proposals made provided a very moderate approach.

Mr. McCLELLAN. There is no reason, so far as I am concerned. Personally, I should like to see every one of those reforms adopted.

Mr. IVES. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I ask unanimous consent that I may yield to the Senator from New York without losing the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from New York may proceed.

Mr. IVES. Mr. President, I thank the distinguished Senator from Florida.

I wish to comment first, if I may, on what the great Senator from Arkansas has just said. At least we have had a speech which is practical. The Senator from Arkansas has told the truth. He has issued a warning to the Senate, which the Senate should heed. It is a warning which he himself has followed.

The proposed legislation, as it stands before the Senate, is not wholly satisfactory to the Senator at all, I venture to say, knowing him as I do. It is not wholly satisfactory to me. It is not wholly satisfactory to anyone, so far as I know. That is what we get when we deal in this kind of controversial field.

That is what we must expect when we come to legislate in this whole area itself.

I wish to commend the Senator for what he has said. In the first place, I praise the Senator from Arkansas for the attitude he has taken in connection with the whole matter as chairman of the select committee. I have praised him before, and I now reiterate what I have said in the past. He has been a grand chairman—probably the greatest chairman I have ever known in connection with any committee—and I have known a good many fine chairmen.

Mr. McCLELLAN. Well——

Mr. IVES. I mean it. I am not kidding. The Senator has done a grand job. He has been fair. He has acted as a good judge should act. So far as I know he has received no criticism whatever from the people. He has produced a record which has made a tremendous impression upon the public, and the public is rising up and demanding legislation. The public has a right to demand legislation. I am with the public in that demand.

I do not know what is the matter with Congress that it does not heed the Senator. But in all these matters, we must be practical, as the Senator from Arkansas has pointed out. We can go only so far. I, too, have offered a program of legislation, very little of which is included in the pending bill. I would like to see it enacted. Some of my proposals go a great deal farther than what is included in the bill, just as is the case with some of the bills which have been offered by the Senator from Arkansas. However, we realize that we cannot do everything at this time. If we were to undertake to do so, as the Senator has pointed out, we would get into the bill material which is controversial from the standpoint of many Senators, and in the end we would find an overwhelming majority in the Senate opposed to the whole bill. We would meet the same opposition we encountered in 1953, only more so. I shall vote for the bill.

I have an amendment I should like to offer, but I do not expect to offer it. I believe heartily in what that amendment contains. It is an amendment to make discriminations in employment an unfair labor practice. It should have been in the Taft-Hartley Act to start with. I have never tackled it. I have never undertaken to propose it, because I have realized how controversial it is, and I do not want to plague some of my good friends from the South by offering it. That is exactly why I have not presented it. I do not intend to offer it.

But if there is placed in the bill something which some of us cannot swallow, which will mean that the bill will get nowhere in the House of Representatives, then perhaps I will do what I personally want to do, and not yield, as I am yielding now, about a provision which I think should be in the bill.

Again, I commend the Senator from Arkansas.

Mr. HOLLAND. Mr. President, has the Senator from Arkansas concluded his statement?

Mr. McCLELLAN. Mr. President, I shall have concluded in 1 minute. I thank the distinguished Senator from New York for his complimentary references to the work I have tried to do as chairman of the select committee. His praise is beyond what I deserve. I have worked hard to perform what is not a pleasant task. But I have had the cooperation of my colleagues on the committee. It is because we have tried to work as a team that we have been able to hold the committee together and to expose that which is rotten.

I shall likely be misunderstood by some for the position I have taken on this proposed legislation. I shall get some criticism from sources from which I would rather not be criticized. But I have to make a decision, and I have made it. If temporary criticism is to deter me from taking a course of action which I am convinced is imperatively necessary to secure the remedial legislation which is in the bill, then I shall have to subject myself to such temporary criticism and, perhaps, misunderstanding.

But knowing that I am doing what is right and best in my effort to get the most of what is good, I do not intend to turn back. I shall fight to get the crooks out of the labor movement. I shall fight to keep them from being elected as officers and representatives of unions. I shall fight for the democratic processes, so that union members can have a choice in their elections of officers.

I shall fight beyond this bill, but I am going to fight to get this much now. The sooner we get it, the sooner we will be serving the notice which should be served on the gangsters, racketeers, and unreformed exconvicts who have in some places seized the reins of the labor movement and have used labor unions for their personal gain and profit and for the exploitation of working men and women who belong to labor unions.

Let us get this much now. We can do it if we do not wreck the bill.

Mr. HOLLAND. Mr. President, I have agreed to yield to the Senator from Colorado [Mr. ALLOTT] for another purpose. I ask unanimous consent that I may yield to him for that purpose, with the understanding that I shall retain my place on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, the amendment offered by me last night is still being worked upon with some modifications. I withdraw the amendment at this time, but with the intention of presenting it a little later in the day.

The PRESIDING OFFICER. The amendment of the Senator from Colorado is temporarily withdrawn.

Mr. CURTIS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. Will the Senator be brief? I must keep an appointment shortly.

Mr. CURTIS. I have 2 or 3 questions I wish to propound to the Senator from Arkansas.

Mr. HOLLAND. Mr. President, I yield briefly to the Senator from Nebraska for that purpose, provided I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. I wish to ask my very distinguished chairman about some matters in the bill which were not included in the scope of the hearings of the select committee. I refer to the present language in section 602, the "no man's land" provision. I think it would be very helpful if we knew how the distinguished chairman feels concerning the so-called "no man's land" provision in the bill.

Mr. McCLELLAN. Mr. President, as the Senator will recall, in my remarks I said that I was interested in titles 1 to 5. That is the proposed legislation which interests me. I have made no final commitment either way on title 6. I need to study it more. I am not exactly sure what it provides. It was included by the Committee on Labor and Public Welfare. It was not in accordance with the suggestion I made.

Mr. CURTIS. Is the same statement true with respect to section 605?

Mr. McCLELLAN. My statement applies to all of title 6.

Mr. CURTIS. That section relates to economic strikers.

Mr. McCLELLAN. I am referring to all of title 6. Titles 1 to 5 are acceptable. In those areas, I should like to have legislation at this session of Congress.

Mr. CURTIS. I agree; but I think some of the other provisions in the bill are definitely bad.

Mr. McCLELLAN. I have not said that some things in the bill could not be called bad; I have spoken only with reference to titles 1 to 5.

Mr. CURTIS. I thank the Senator from Arkansas, and I thank the Senator from Florida.

Mr. HOLLAND. Mr. President, the distinguished Senator from Ohio [Mr. LAUSCHE] has requested that I yield to him so that he may ask a question of the Senator from Arkansas. I ask unanimous consent that, without losing my right to the floor, I may yield to the Senator from Ohio for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I have observed that the Senator from Arkansas confined his remarks to the first 5 titles. I inferred from that that he has grave question about the wisdom of having the sixth title in the bill.

Mr. McCLELLAN. Let me answer in this way: I am not an expert in labor legislation. As the Senator from Ohio knows and can appreciate, I have been a very busy man. I have not had the opportunity to study title VI. It is not in the bill at my request; it is there through the exercised judgment and wisdom of the Committee on Labor and Public Welfare. I am not attacking it at the moment; neither am I defending it. I am simply saying that I am not prepared to make a committal on it.

Mr. LAUSCHE. I observed that last night the Senator from Arkansas voted for the elimination from the bill of the provision which changed the definition

of "supervisor." That provision was in the sixth title of the bill.

Mr. McCLELLAN. If I clearly understood what that section did, I might be for it. But I have not been able to inform myself with regard to it. I shall vote for the bill, unless something shall be included in it which I simply cannot accept. There is another House which will consider the bill, too.

Mr. LAUSCHE. What I am disturbed about is that the committee followed the Senator from Arkansas with respect to the first 5 titles——

Mr. McCLELLAN. I would not say they followed me. They did accept recommendations.

Mr. LAUSCHE. And they added a sixth title; and the sixth title does not in any way strengthen the Taft-Hartley Act where it should be strengthened, but only weakens it.

I commend the Senator from Arkansas for his noble and fearless work in leading the select committee. I am certain that if it were within his power, there would be legislation which would cope with the whole gamut of problems produced by the investigation.

Mr. McCLELLAN. I thank the distinguished Senator from Ohio.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. HOLLAND. Mr. President, upon the same condition, that I do not lose my right to the floor, I ask unanimous consent that I may yield to the Senator from Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I may say, in answer to the Senator from Ohio, who was concerned that the sections of the bill followed the recommendations of the McClellan committee up to title VI, which includes the so-called amendments to the Taft-Hartley Act, that when the Knowland amendments were offered certain amendments were presented by the Senator from New Jersey [Mr. SMITH] for the administration. Those amendments related to the Taft-Hartley Act. I agreed, as a part of my understanding with the Senate, that we would report a bill which would consider not only the recommendations of the McClellan committee, but also the recommendations of the administration with respect to the Taft-Hartley Act. That is the reason why they were included; and the language is the administration's language in regard to amendment of the Taft-Hartley Act.

Mr. LAUSCHE. But let me say that the final draft of this title is not in conformity with the recommendation of Secretary Mitchell or with the recommendation——

Mr. KENNEDY. Will the Senator from Ohio tell me why it is not?

Mr. LAUSCHE. The bill as reported reduces the time in which a worker may join a union or be compelled to join a union from 30 days to 7 days.

Mr. KENNEDY. But that was in the Secretary's recommendation.

Mr. LAUSCHE. In his recommendation there was a provision that no bargaining agreement shall be made without the approval of the workers, except where there was a prior history showing the relationship between the employer and the union.

I shall not go into the matter at this time; but on page 19 I think it will be found that the draft of the pending bill is not in conformity with the recommendation of the Secretary of Labor.

Mr. KENNEDY. We can discuss that later; but I merely state now that I think the Senator from Ohio is in error.

Mr. HOLLAND. Mr. President, I always wish to be courteous to my colleagues, and I have tried to be so today, but as most Members know, there is a Senate-House conference on the commerce appropriation bill which I must attend this afternoon. So at this time I should like to submit my amendments and discuss them briefly, and then I shall yield for questions.

Mr. President, I offer the amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 40, between lines 23 and 24, it is proposed to insert a new section, as follows:

SEC. 608. Section 14 of the National Labor Relations Act, as amended, is amended by adding at the end thereof a new subsection, as follows:

"(c) (1) Nothing in this act or the Labor-Management Relations Act, 1947, shall be construed to nullify the provisions of any State or Territorial law which regulate or qualify the right of employees of a public utility to strike, or which prohibit strikes by such employees.

"(2) As used in this subsection the term 'public utility' means an employer engaged in the business of furnishing water, light, heat, gas, electric power, or passenger transportation services to the public."

On page 40, line 24, strike out "608" and insert "609."

On page 42, line 3, strike out "609" and insert "610."

On page 42, line 23, strike out "610" and insert "611."

On page 43, line 14, strike out "611" and insert "612."

The PRESIDING OFFICER. (Mr. LAUSCHE in the chair). The question is on agreeing to the amendments of the Senator from Florida.

Mr. HOLLAND. Mr. President, I offer the amendments on behalf of the distinguished junior Senator from Virginia [Mr. ROBERTSON] and myself. We offer the amendments in the earnest hope that finally Congress will act to fill this particular legal "void"—or labor-management "no man's land"—which fails to assure the continued operation of local public utilities, which dangerous situation was created on February 26, 1951, by a strained interpretation, by the United States Supreme Court, in the so-called Wisconsin case, construing the legislative intent in the passage of the Taft-Hartley Act.

In less than 3 months after that Supreme Court decision was handed down, a bipartisan effort was begun in the Senate to correct the unfortunate situation created thereby. Republican Senators Wiley, of Wisconsin, and Hendrickson, of New Jersey, together with Democratic Senators Robertson, of Virginia, and myself, introduced, on May 23, 1951, Senate bill 1535 of the 82d Congress, Unfortunately that bill never saw the light of day, but died in the Senate Labor and Public Welfare Committee without being accorded a hearing.

In the following Congress, the 83d, a corrective proposal was again before the Senate Committee on Labor and Public Welfare in an omnibus labor bill, S. 2650, which was considered by the committee, and was favorably reported. However, it will be recalled that, due in large part to the fact that three FEPC amendments were pending, under a unanimous-consent agreement limiting debate, the Senate, by a vote of 50 to 42, recommitted that bill. Although I found much to approve in Senate bill 2650—particularly in the section dealing with strikes in public utilities—I voted with the majority to recommit the bill, because of the unfavorable parliamentary situation which required the consideration of FEPC legislation under a gag rule.

Senate bill 2650, as reported from the Senate committee, contained the following language:

(c) Nothing in this act shall be construed to interfere with the enactment and enforcement by the States of laws to deal in emergencies with labor disputes which, if permitted to occur or continue, will constitute a clear and present danger to the health or safety of the people of the States.

During the debate on that measure, I questioned at length the senior Senator from New Jersey [Mr. SMITH], then chairman of the Senate Committee on Labor and Public Welfare, concerning the purpose of that proposed language. I specifically asked the distinguished Senator from New Jersey if it were his understanding that that provision was designed effectively to return to the States the power, authority, and jurisdiction to deal under State laws, and under machinery provided under State laws, with work stoppages, strikes, threatened strikes, lockouts, or anything which would tend to bring about a stoppage of the rendition of services by public utilities to the people of States or communities within States. The Senator from New Jersey replied:

In preparing this particular paragraph the committee felt that utilities certainly would be included, because utilities usually could affect the health or safety of the people.

In his January 11, 1954, message to the Congress on labor-management relations, President Eisenhower called attention to the problem at hand, and recommended correction, in the following manner:

The act should make clear that the several States and Territories, when confronted with emergencies endangering the health or safety of their citizens, are not, through any conflict with the Federal law, actual or implied, deprived of the right to deal with such emergencies. The need for clarification of jurisdiction between the Federal and the State and Territorial Governments in the labor-management field has lately been emphasized by the broad implications of the

most recent decisions of the Supreme Court dealing with this subject.

Of course, the President was referring to the decision of the Supreme Court in the Wisconsin case.

On June 18, 1955, in the 1st session of the 84th Congress, Senator ROBERTSON and I again introduced a bill, S. 527, designed to correct this situation. Again our proposal received no attention.

This year we introduced Senate bill 3692, thus making this the fourth Congress in a row that such a proposal has been before the Congress, though the problem is still with us. And we have never had a report from the committee, either favorable or unfavorable, on this particular proposal.

Mr. President, as I stated earlier, this amendment was made necessary by the interpretation of the National Labor Relations Act, as amended by the Labor-Management Relations Act of 1947, by the Supreme Court of the United States in the so-called Wisconsin case—*Amalgamated Association of Street Electric Railway and Motor Coach Employees of America, Division 998, et al.* v. *Wisconsin Employment Relations Board* (340 U. S. 383, 71 S. Ct. 359, 95 L. ed. 354)—dated February 26, 1951. The net result of the majority opinion in that case was that a Wisconsin statute which prohibited strikes against public utilities, and provided for compulsory arbitration of labor disputes after an impasse in collective bargaining has been reached, was invalid, because it was held to be in conflict with the National Labor Relations Act, as amended.

I have studied the case rather carefully; and I find myself in complete agreement with the strong dissenting opinion written by Mr. Justice Frankfurter, and joined in by Mr. Justice Burton and Mr. Justice Minton. In other words, the Court was not unanimous in its decision; and the three Justices I have mentioned strongly dissented from the majority opinion, and held that the States had not been precluded from their right, under their police powers and their statutes, to deal with threatened closures or stoppages of public-utility services.

I feel—as did the principal Senate author of the act in question, the late Senator Robert A. Taft—that the majority of the Court came forward with a highly strained interpretation of the intent of Congress in the passage of the Taft-Hartley Act of 1947, and one which was never anticipated by its sponsors. Senator Taft made no secret of his complete disagreement with the majority opinion, and personally expressed himself strongly to me on the subject on several occasions. His comments in this regard were of particular interest to me in view of the fact that both the majority and the dissenting opinions refer to some of the same comments made by Senator Taft during the 1947 debate, in support of their interpretation of the legislative history of the Taft-Hartley Act.

Also, it is clear from the record that another coauthor of the bill, former Representative Hartley, had a completely different interpretation of the intent of the bill from that ascribed to it by the Supreme Court. I quote the following from the CONGRESSIONAL RECORD of June 4, 1947, volume 93, part 5, page 6383, from the debate which occurred at that time in the House of Representatives:

> Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?
>
> Mr. HARTLEY. I yield.
>
> Mr. KERSTEN of Wisconsin. I wish to compliment the gentleman on the very fine exposition he is making of the conference report. I would like to ask the gentleman about that portion which pertains to the validity of State laws. Wisconsin and other States have their own labor-relations laws. We are very anxious that disputes be settled at the State level insofar as it is possible. Can the gentleman give us assurance on that proposition, so that it is a matter of record, that that is the sense of the language and of the report?

He is speaking of the conference report which became the final act after the President's veto had been overridden.

> Mr. HARTLEY. That is the sense of the language of the bill and of the report. That is my interpretation of the bill, that this will not interfere with the State of Wisconsin in the administration of its own laws. In other words, this will not interfere with the validity of the laws within that State.
>
> Mr. KERSTEN of Wisconsin. And it will permit as many of these disputes to be settled at the State level as possible?
>
> Mr. HARTLEY. Exactly.

It is difficult for me to understand how anyone could conceive of Congress intending to preempt for the Federal Government a field of such vital importance to the general public—which had been entered by many local and State governments—without providing a substitute for local procedure, under an act which contained in its declaration of policy the statement—and I now quote from the declaration of policy in the Taft-Hartley Act—"and above all recognize under law that neither party has any right in its relations with any other to engage in acts or practices which would jeopardize the public health, safety, or interest"; and also the words—and I quote again from the policy statement of the Taft-Hartley Act—"and to protect the rights of the public in connection with labor disputes affecting commerce." In my opinion, the majority opinion of the Supreme Court went completely contrary to the expressed declaration of policy in the act, without specific language in the body of the act to justify such a departure; and by this interpretation the Supreme Court accomplished in part what the act was trying to prevent, by declaring void all protective State laws dealing with strikes in public utilities and thereby permitting the public health and safety to be placed in jeopardy during public-utility strikes.

Congress made provision for threatened and actual strikes which would "if permitted to occur or continue, imperil the national health or safety," and provided authority for the President of the United States to set in motion investigatory and judicial processes which would at least prevent a work stoppage for a period of 80 days, during which conciliation, mediation, arbitration, and continued collective bargaining could operate to effect a settlement of the dispute. However, in the opinion of the majority of the Supreme Court, it left under the law a situation where the health, safety, and general welfare of the same people can be jeopardized without restriction when they are affected in smaller groups—that is, on a State or local level rather than a national level.

The dissenting opinion by Mr. Justice Frankfurter, concurred in by the other two Justices already mentioned, states clearly what I believe to be not only the proper interpretation of the intent of Congress in this regard, but the only reasonable and logical interpretation. Speaking for the minority of the Court Mr. Justice Frankfurter stated:

> But the careful consideration given to the problem of meeting nationwide emergencies and the failure to provide for emergencies other than those affecting the Nation as a whole do not imply paralysis of State police power. Rather, they imply that the States retain the power to protect the public interest in emergencies economically and practically confined within a State. It is not reasonable to impute to Congress the desire to leave States helpless in meeting local situations when Congress restricted national intervention to national emergencies.

Florida is one of the States which has had its laws dealing with this subject declared invalid as a result of this decision of the Supreme Court.

In 1947, by a vote of 33 to 0 in the State senate, and 74 to 12 in the house, the Florida Legislature passed a law requiring compulsory conciliation and arbitration when a stalemate has been reached in the collective bargaining process betwen employer and employee of a public utility, as defined in the act.

Briefly, Mr. President, the Florida law defines the term "public utility employer" as an employer engaged "in the business of rendering electric power, light, heat, gas, water, communication or transportation services to the public of this State," and then sets up a procedure to be followed when the collective bargaining processes reach an impasse and stalemate, which includes:

First. The appointment by the Governor of a conciliator who must effect a settlement within 30 days after appointment—an additional 15 days may be allowed by the Governor.

Second. If the conciliation effort is unsuccessful the Governor may appoint an arbitration board which must hand down its decision within 60 days after appointment—the Governor may for good cause extend that period 30 days.

Third. Within 15 days after the date of an order of the arbitration board, either party may petition the Circuit Court for a review of such order.

Fourth. Thereafter, any interested party may appeal to the Supreme Court of Florida.

Those were pretty reasonable conditions, and they were designed to be fair and reasonable to all concerned, and particularly to the general public, who have such a vital stake in having a continuance of such services as light, power, heat, gas, and the like.

The Governor may proceed with the action stated only after concluding that the dispute, if not settled, "will cause or is likely to cause the interruption of the supply of a service on which the community affected is so dependent that the hardship would be inflicted on a substantial number of persons by a cessation of such service."

From and after the filing of a petition for the appointment of a conciliator, and until and unless the Governor shall determine that the failure to settle the dispute with respect to which such petition relates would not cause severe hardship to be inflicted on a substantial number of persons, no interruptions of work and no strikes or slowdowns by the employees, and no lockout or other work stoppage by the employer, are permitted, until the statutory procedure has been exhausted or during the effective period of any order issued by the Board of Arbitration pursuant to the law.

I think Senators will be interested in the origin of the language contained in the Florida law, because it shows a willingness to work together on the part of the representatives of the public, unions, and employers—a willingness which I wish existed at this level of Government.

After a hearing had been held before a Senate Committee of the State Legislature of Florida on this subject, the committee requested labor and public utility officials to get together and come up with language for a bill, which was mutually satisfactory, and the bill which was unanimously passed by the Senate, and passed by an overwhelming majority in the House, as I have indicated, was drafted at a conference participated in by the chief counsel of the State federation of labor and the State president of the American Federation of Labor.

It is comforting to know that reasonable men from labor and management can still sit down and come up with effective and mutually satisfactory programs for the protection of the public health and safety when properly encouraged to do so, and that is exactly what happened with reference to this Florida law. With such cooperation from public spirited representatives of labor and management being exhibited concerning this subject in my State, it was indeed discouraging to have a United States Supreme Court decision result in our law being declared invalid by our State supreme court.

The Supreme Court of Florida, which rendered its decision on May 5, 1953, declaring invalid the Florida public utilities arbitration law, based its conclusion entirely on the decision of the United States Supreme Court in the so-called Wisconsin case.

Mr. President, I call attention to the 2 sets of tables which appear on pages 480 and 481 of the hearings. I shall not read from them, but they show that 17 States, including Florida and the Territory of Hawaii, have somewhat similar laws on this subject. Table No. 6 is entitled "Regulation of Disputes in Public Utilities, etc." Table No. 7 is entitled "Compulsory Mediation and Arbitration."

I ask unanimous consent that the two tables be printed in the RECORD at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 6.—*Regulation of disputes in public utilities, etc.*

State and date of law	Provision against strikes in—			Provisions for seizure
	Public utilities	Government service	Other essential industries	
Florida: 1947 (S. L. L. 19: 231)	[1] X			
Hawaii:				
1949 (S. L. L. 21: 256)	X			
1949 (S. L. L. 21: 285)			Docks	X
Indiana: 1947 (S. L. L. 24: 168)	[1] X			
Kansas: 1920 (Gen. Laws Annot., sec. 44-601 to 608, S. L. L. 26: 245)	X		Industries affected with the public interest.[2]	[3] X
Maryland: 1956 (S. L. L. 30: 255)	X			X
Massachusetts: 1947 (S. L. L. 31: 257)	[4] X		Distribution of food, fuel, hospital, and medical services.[5]	X
Michigan: 1949 (S. L. L. 32: 245)	[1 6] X		Hospitals [1]	
Minnesota:				
1947 (S. L. L. 33: 274)			Charitable hospitals	
1951 (S. L. L. 33: 272)		X	do	
Missouri: 1947 (S. L. L. 35: 211)	[3 6] X	X		X
Nebraska: 1947 (S. L. L. 37: 235)	X	X		
New Jersey: 1946, 1947, 1949, 1950 (S. L. L. 40: 221)	[3 7] X			X
New York: 1947 (S. L. L. 42: 267)		X		
North Dakota: 1943 (S. L. L. 44: 258)				X
Ohio: 1947 (S. L. L. 45: 234)		X		
Pennsylvania:				
1947 (SLL 48:251)	[1] X			
1947 (SLL 48:270)		X		
Texas:				
1947 (SLL 54:238)		X		
1947 (SLL 54:234)	[8] X			
Virginia:				
1946 (SLL 57:245)		X		
1950 (SLL 57:236)			Coal mines	X
1952 (SLL 57:215)	[9] X			
1952 (SLL 57:232)	[10] X			
Wisconsin: 1947 (SLL 60:248)	X			

[1] No strike until such time as all of the procedure provided for by law has been exhausted.
[2] The ban on strikes has not been exercised, since other features of the Kansas Industrial Relations Act were declared unconstitutional.
[3] No strike after the public utility has been taken over by the State.
[4] Act held unconstitutional by U. S. Supreme Court (26 L. R. R. M. 2082) as applied to an employer engaged in interstate commerce.
[5] No strike for 5 weeks after mediation fails and the governor has been notified.
[6] Act unconstitutional, in opinion of State attorney general (27 L. R. R. M. 69).
[7] No strike for 60 days after written notice of intention to strike to the board of mediation and the other party.
[8] No ban on strikes. Act provides penalties for picketing and sabotage.
[9] No ban on strikes. Provides for mediation of public utility disputes.
[10] No ban on strikes. Provides for temporary replacement of all employees who do not want to work for the Government during seizure.

TABLE 7.—*Compulsory mediation and arbitration*

State and date of law	Industries included	Provision for—	
		Compulsory mediation	Compulsory arbitration
Florida: 1947 (SLL 19: 231)	Public utilities	X	X
Indiana: 1947 (SLL 24: 168)	do	X	X
Kansas: 1920 (Gen. Laws, Annot., sec. 44-601 to 623, SLL 26: 245).	Industries affected with the public interest.	X	X [1]
Massachusetts: 1954 (sec. 3, SLL 33: 256)	Public utilities	X	
Minnesota:			
1955 (sec. 6, SLL 33: 223)	Any dispute, on petition of either party.	X	
1939 (sec. 7, SLL 33: 224)	Industry, affecting public interest	X	
1947 (SLL 33: 274)	Charitable hospitals	X	X
Missouri: 1947 (SLL 35: 211) [2]	Public utilities	X	X [3]
Nebraska: 1947 (SLL 37: 235)	do		X
New Jersey: 1946, 1947, 1949, 1950 (SSL 49: 221)	do	X	X
North Dakota: 1953 (SLL 44: 225)	Any dispute	X	
Pennsylvania: 1947 (SLL 48: 251)	Public utilities	X	X
Virginia: 1952 (sec. 40-96.3, SLL 57: 746)	do	X	
Wisconsin: 1947 (SLL 60: 248)	do		X

[1] The U. S. Supreme Court in decisions in 1923 and 1925 declared that it is unconstitutional to fix wages by compulsory arbitration in the meatpacking industry. However, the act may still apply to the railroad and public utilities industries.
[2] Act unconstitutional, in opinion of State attorney general.
[3] If no agreement reached, a public hearing panel is established which must make recommendations for settling the dispute.

Mr. HOLLAND. Of interest in table No. 6 is disclosure of the fact that even since the Wisconsin case two States, realizing the need for some kind of machinery to protect the public in such matters—Virginia in 1952 and Maryland in 1956—have enacted State laws regulating disputes in public utilities cases.

The treatment of this subject in these laws varies greatly. Some of them ban strikes until a statutory procedure is complied with, as in Florida; some provide for seizure and operation by the State; one permits no strikes until 60 days after written notice of intention to strike to a board of mediation and the

other party; others do not ban strikes but provide penalties for picketing and sabotage, or provide for mediation of disputes; and various other methods are employed to handle the problem—the methods which are acceptable to the people of the particular State, as enacted in laws passed by the State legislature.

Different States have different methods for handling such matters, but certainly they should be permitted to take jurisdiction over labor-management problems in a local field of such vital concern to the local people.

Mr. President, I have presented the basic facts as I understand them concerning the no man's land in connection with strikes in public utilities, and without rearguing the Wisconsin case, it is perfectly clear to me that the major proponents of the Taft-Hartley Act never intended any such result when that act was passed. Regardless of that fact, however, the basic problem is with us—it is serious—and it demands early attention.

The problem has been demanding early attention, Mr. President, for 7 years. The Senator from Florida, along with other Senators, has been endeavoring to bring this problem to the Senate floor for 7 years. This is the first time I have had a chance to do so. I simply state, with a smile, that I have found the committee recalcitrant when it came to consideration of this particular measure, either favorably or unfavorably.

I think it should be said in complete justice to the distinguished chairman of the subcommittee, the junior Senator from Massachusetts [Mr. KENNEDY], that in a former debate on this subject on the floor he expressed sympathy with our problem and a willingness to help solve it. We hope that sympathy and willingness will show themselves in the attitude of the distinguished Senator as a leader today.

I desire to read, Mr. President, from the CONGRESSIONAL RECORD of May 6, 1954, volume 100, part 5, page 6113, from the debate upon a measure amending the Taft-Hartley law in that year. I shall not weary Senators by quoting unduly, but I shall simply quote two paragraphs from the remarks of the distinguished Senator from Massachusetts, with the full understanding that any Senator has the right to quote the entire statement. I am not seeking in any way to embarrass anybody. I simply want to show there is sympathy, but when it comes to results we have not been able to get any.

I read this paragraph, as a quotation from the distinguished Senator from Massachusetts:

> I know the Senator from Florida is entirely sincere in his desire to permit the States to protect themselves in cases of emergency. I believe the Federal Government has such authority under the Taft-Hartley Act, and that, therefore, the States should have it.

Mr. President, the Senator's philosophy and mine are completely on all fours as to that. I, too, think the States should have the power. I agree completely with the statement then made by the distinguished Senator from Massachusetts.

> I would not object if the amendment of the Senator from New Jersey [Mr. SMITH] were drawn in language sufficiently specific to provide for State action in a case involving a public utility employer whose work involved the lives of the people, but not in a field as broad as that defined in the Florida statute.

A little later in the same debate in another paragraph there is a statement which shows the considered judgment of the distinguished Senator from Massachusetts at that time, and I believe his judgment is the same at this time:

> I should like to join the Senator from Florida in attempting to ascertain whether we can agree upon amendatory language which would really give the States the right to deal with genuine emergencies, under language drawn with sufficient care so that it will not permit the States to stray over into a wide area which hitherto has been under the protection of the Federal act.

Mr. President, the subcommittee headed by the distinguished Senator from Massachusetts is the first committee in 7 years which has been gracious enough to allow the Senator from Florida the opportunity to be heard upon this measure. I express my grateful thanks to the Senator for that consideration.

During the course of the hearings, the Senator from Massachusetts expressed again his feeling that the Florida law might be a little broad. Senators will find that statement in the colloquy which took place.

In the effort to meet the views of the distinguished Senator from Massachusetts, the Senator from Florida redrafted the amendment proposed by him and the Senator from Virginia [Mr. ROBERTSON], so as to leave out some matters which perhaps are not as vital, such as the operation of a bridge, the operation of a tunnel, sanitation and communication services. At present the amendment, as proposed, covers what seems to the Senator from Florida to be the mere skeleton or the mere essence of what is required in any civilized community in order that the public interest may be safeguarded. That essence is stated in the amendment now pending in the following words:

> Nothing in this act or in the Labor-Management Relations Act, 1947, shall be construed to nullify the provisions of any State or Territorial law which regulate or qualify the right of employees of a public utility to strike, or which prohibit strikes by such employees.
>
> As used in this subsection, the term "public utility" means an employer engaged in the business of furnishing water, light, heat, gas, electric power, or passenger transportation services to the public.

Mr. President, that is the mere essence of services which are taken for granted and are completely vital to the functioning of a civilized community, and the Senator from Florida and the Senator from Virginia have attempted to confine the operation of the proposed amendment to those vital fields.

In my State we have had some experience with this situation. I regret to have to so report to the Senate. I have already mentioned that in a case passed upon by the Florida Supreme Court, the United States Supreme Court decision in the Wisconsin case was followed in such a way as to knock out the Florida statute. I think our court was correct in its action. After all, the decision of the Supreme Court of the United States is the supreme law of the land. When we reach the time when we do not so regard it, Mr. President, we shall be drifting toward a dangerous situation.

I remind Senators that the Supreme Court decision was not a unanimous one on the part of the Court, but that there were able Justices on each side. If anything, the opinion of the dissenting or minority justices is even stronger and more completely acerbic in wording than the opinion of the majority of the Court in that case.

Mr. President, that particular case arose in the city of Miami and grew out of the local transit system strike, a strike which resulted in the very great hurt of the city and its people, but particularly to the hurt of people who work with their hands and who have to patronize the public-utility transportation system, not having cars of their own in which to go to their places of work.

Mr. President, I have had repeatedly made to me by humble citizens of my own State both within unions and outside of unions—and I certainly agree with them—the point that the people of humble background economically and the people who work with their hands, many of whom do not have cars of their own and could not move out of the city, if there should be a stoppage of power, light, electricity, or gas, but would have to continue to live in their humble surroundings, would be the ones worse hurt if there were a stoppage or a shutdown of any of these public utilities.

Mr. President, I wish to come to the immediate facts. Yesterday marked approximately the 80th day of the strike in Jacksonville on the bus system. I am hoping the strike, which has been continuing for nearly 80 days, was wound up yesterday, but I have not heard this morning.

I shall simply ask to have printed in the RECORD some excerpts from the editorial of the Tampa Tribune on this subject, which show how seriously our people are affected by the situation, and also show, I think, the expression of the majority thinking in our State, that the State should be allowed to deal effectively with such interruptions of such vital service.

These quotations are from the editorial in the Tampa Tribune, entitled "Make 'Em Give It Back, Senator." They were talking to me, and I am glad they were. The editorial relates to what the editors thought was the very great need for the enactment of this amendment. I ask unanimous consent that the excerpts be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

MAKE 'EM GIVE IT BACK, SENATOR

A strike which has shut down Jacksonville's transit line for 38 days points up a neglected Congressional duty which Florida

Senator SPESSARD HOLLAND is trying to persuade Congress to perform.

Florida and nine other States formerly had laws requiring arbitration of labor disputes affecting public utilities and transportation systems. But in 1951, in a case arising in Wisconsin, the United States Supreme Court held that Congress, in passing the Taft-Hartley law and the National Labor Relations Act, had closed to State regulation the field of peaceful strikes in industries affecting commerce.

Whether this was the intent of Congress, we don't know. But the fact remains that in the ensuing 7 years Congress has done nothing to restore to the States the power to deal with strikes affecting public utilities.

Senator HOLLAND has vainly introduced the necessary bill in three previous sessions of Congress. Undismayed, he again submitted one the other day in cooperation with Senator A. WILLIS ROBERTSON, of Virginia.

If Florida had its old law in effect, the shutdown of the Jacksonville bus system presumably could have been avoided. The Governor could have invoked procedures requiring labor and management to submit their differences to arbitration and keep the buses running in the meantime.

As matters stand, the State can do nothing. Neither, apparently, can the city of Jacksonville.

* * * * *

A bus shutdown, as Tampa knows from past experience, can cause great public inconvenience and economic loss. But it's nothing compared to the public dangers of a strike in electric, gas, telephone, or water systems.

There's no excuse for strikes of this kind, where the innocent public is the chief sufferer. Labor and management both ought to have enough sense of responsibility to arbitrate their differences, if they can't agree. Since they sometimes fail their responsibility, the State should have power to compel arbitration.

Congress ought never to have taken this power from the States. But since, in the Supreme Court's view, it did, it should put an end to 7 years of procrastination and give back to the States what is rightfully theirs.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. I have gone through the group of amendments on my desk. Has the Senator's amendment been printed?

Mr. HOLLAND. My amendment was printed in the form of a bill several weeks ago. In its present form, as cut down to the present essentials, I do not believe it has been printed. I am sending to the distinguished Senator a copy of the amendment.

Mr. KNOWLAND. I was wondering if the Senator could have mimeographed copies prepared—unless copies can be obtained from the Public Printer before the Senate acts on the Senator's amendment—so that copies would be available to all Senators.

Mr. HOLLAND. I am perfectly agreeable to that course. The situation under which I am laboring is this: This is my only opportunity to present the amendment. I must be in conference this afternoon on an appropriation bill, as the distinguished Senator from California knows.

Mr. KNOWLAND. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. KNOWLAND. I am not questioning the merits of the Senator's proposal, because I have not had an opportunity to study it. However, it seems to me that in this field the Senator is certainly amply justified in offering the amendment.

But when we do not have printed copies, it would be helpful, particularly with respect to an amendment of some importance, and involving some controversy, if mimeographed copies could be made available to each of the 96 Senators before we act.

Mr. HOLLAND. I appreciate the statement of the Senator.

The proposal in its original form was introduced as Senate bill 3692, which we have amended by eliminating various services which, as indicated in the hearing, were not regarded by the chairman of the subcommittee as of sufficiently vital importance to justify their inclusion, leaving only water, light, heat, gas, electric power, and passenger transportation. If the Senator will examine a printed copy of Senate bill 3692, he will find that if he will strike out all the other services except those I have named, he will have the language of my amendment.

Mr. KNOWLAND. I am not an attorney, and I believe the Senator from Florida is. In his judgment would his amendment be necessary if the so-called twilight zone amendment were adopted?

Mr. HOLLAND. It would, because the "twilight zone" amendment, as I understand, is based upon clearing up the situation in cases in which the National Labor Relations Board declines to take jurisdiction. The pending amendment deals with a field in which, in my judgment the Court misinterprets the Taft-Hartley Act. The Court, by a majority opinion, with three Justices dissenting, has held that the States are without any authority whatsoever to continue to administer State laws in such a way as to assure the continued functioning of vital public utilities. As the Senator from Florida understands, that is in addition to the other field, generally referred to as the "no man's land" field, which results only in cases in which the National Labor Relations Board declines to assume jurisdiction.

I note the presence in the Chamber of the distinguished Senator from Utah [Mr. WATKINS], who has made a very profound study of that particular field, the "no man's land" area. If I may be permitted to do so, I should like to yield to him to state his opinion on that subject.

I ask unanimous consent that I may yield to the Senator from Utah for that purpose without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WATKINS. Mr. President, if I correctly understand the Senator from Florida, the situation he is now discussing is not one in which the National Labor Relations Board has refused jurisdiction.

Mr. HOLLAND. The Senator is correct.

Mr. WATKINS. It has taken jurisdiction, but in effect it has not done anything.

Mr. HOLLAND. The Senator is correct in part, and incorrect in part. The National Labor Relations Board is not responsible for the ruling in this case. The ruling was made by the United States Supreme Court. It has held that the Federal Government has preempted this field so entirely that State laws which attempt to deal with stoppages or threatened stoppages of vital public utilities are nullified to the point that there is no State remedy at all. That is in addition to the "no man's land" which results in the case of rulings from the National Labor Relations Board that it will not accept jurisdiction in a particular field.

Mr. WATKINS. Under the circumstances, I feel that the amendment which I have proposed would probably not take care of the situation the Senator is discussing.

Mr. HOLLAND. I appreciate the opinion of the distinguished Senator from Utah, which I am sure is correct.

Mr. President, I have taken enough of the time of the Senate. It will probably be urged that there is no immediate need for this amendment. It is needed, because for the past 80 days in the city of Jacksonville, the second largest city in my State, the public has been completely ignored in the abandonment of operations during the strike of the public-utility employees. I should like to have the RECORD show something of the hardship which has been visited upon many people, and particularly upon humble people.

Not only has the stoppage taken place, but it has been complete. When the mayor of the city and others moved to request that enough buses be operated to enable naval personnel to spend their weekends at their home base, Mayport, on the outskirts of Jacksonville, in order to enable them to visit their loved ones or enjoy themselves in any way they saw fit, such request was denied by whoever was in charge of making the decision for the union. The Navy had to divert great carriers, with their personnel of thousands, on their weekend leaves and other leaves, from the port of Jacksonville to ports farther north—as I understand, the ports of Charleston and Norfolk.

Economic loss has been suffered by people who have nothing to do with the strike argument. The economic loss sustained by them has been very severe. That case alone should show the need for the amendment.

I have heard my distinguished friend the senior Senator from New Jersey [Mr. SMITH] comment on this question. He commented upon it the other day during the course of an argument in the committee. By the way, the committee did not see fit to take a position either for or against the proposal. The committee was completely silent concerning it.

I notice in the hearings these words by the distinguished senior Senator from New Jersey, speaking with some approval of the position taken by the Senator from Florida:

> I have had the experience in my own State of a situation where, because of the Wisconsin case, we could not deal with the matter of an electric light shutdown, and it caused terrible hardship because there was absolutely no way to deal with it.

When electric power is shut off, cutting out light and all the other blessings

which go with electricity, a blow is struck at the operation of hospitals, the operation of dairy farms, and the operations of those who make their living in the poultry industry. A blow is struck at people who have stored in various refrigerating devices food for a considerable time in the future.

A blow is struck at very humble people of every sort who are seriously affected. A blow is struck at the city, and its ability to operate its traffic lights.

A blow is struck at government and private life in so many areas that it seems to me to be inescapable that services of this type should be continued, especially when we realize that they are afforded under a monopolistic grant or franchise given by the city or State, which, in effect, makes the utility an arm of the government in its operations.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. The Senator from Florida has quoted correctly what I said to the committee. The Senator refers to a field which I feel should be covered, in order to prevent public utility breakdowns, and so forth. However, I believe that there would be a great danger if we dealt with the subject in the pending bill, which provides for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

I feel I must do all I can to protect those who have worked on the bill and have brought it to the floor of the Senate, and to limit it to the subjects with which it purports to deal. If we open the bill to other subjects, we may defeat the whole bill.

I am in sympathy with what the Senator from Arkansas said this morning. I, too, would like to strengthen the bill. However, if we go into other areas, such as the one the Senator from Florida suggests, I am afraid we will confuse the issues and a number of other amendments will be offered, which do not belong in the proposed legislation, and we will prejudice the whole bill.

I believe I must support the chairman of the committee in his position that we are going far afield if we open the bill in this way. If the distinguished Senator wishes to offer a separate bill, to amend the Taft-Hartley Act, I shall be glad to support it.

Mr. HOLLAND. I appreciate the frank remarks of the distinguished Senator from New Jersey. He has taken that stand for 7 years, and he has not been able to get any action on our bill in those 7 years, even though he has been a member of the committee to which the bill has been referred. He spoke with great sympathy during the hearings. It appears that the same inability to get action probably still exists, because there is no mention made of such an amendment in the report of the committee, and such an amendment is not included in the bill, in spite of the fact that the President, who belongs to the party so honorably served by the distinguished Senator from New Jersey—and who also serves the Nation as well—has specifically called attention to the necessity for this particular amendment.

I believe that the distinguished Senator from New Jersey, in his remarks, was inclined to think that the request for dealing with this subject matter, made by the President, perhaps reached back to and included the earlier request specifically covering this subject, made in 1954. The Senator's remarks are found at pages 485 and 486 of the hearings.

Mr. SMITH of New Jersey. Mr. President, I introduced proposed legislation for the administration in January of this year. It is embodied in the amendments which I have submitted and which are now at the desk. Why a proposal on the subject under discussion is not included in the President's recommendation this year, I do not know, but it is not included this year.

I believe we are trying to pass a bill which will meet the problem of disclosure. That is what we are seeking. I do not want to get away from that main objective. The amendments I have submitted and will offer are aimed toward perfecting the bill which has this definite purpose. I feel it would be difficult and confusing if we were to open the floodgates to amendments which are far afield from the main purpose.

I do not want to do anything which will prevent our passing a bill now to take care of the main objectives. I favor strengthening those main objectives, but I do not favor going into other areas. There are any number of other areas which I should like to see taken care of, but I do not believe it would be wise to do it now.

Mr. HOLLAND. I appreciate the comments of the Senator from New Jersey, whose convictions I respect. I call attention to the oft-repeated statement of the Senator from Arkansas that he is perfectly willing to include such an amendment as this in his bill, because he believes it to be of vital necessity and importance.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CURTIS. I wish to commend the distinguished Senator from Florida for offering his amendment.

Mr. HOLLAND. I thank the Senator from Nebraska.

Mr. CURTIS. My own State of Nebraska has a statute which deals with these purely intrastate matters. Some years ago I introduced a bill on this subject, and the late Senator Butler offered a bill for many years in the Senate on the same subject. It is a matter with which we should deal, and which must be taken care of.

There is involved the very fundamental principle of States rights. It is a question of whether we are to permit the Supreme Court ruling to stand as to these matters, which are purely local. It is a question of whether local communities shall be denied the power and light and water and transportation they require, and whether the States and localities can deal with the problem.

No one can object to the Senator's amendment on the ground that in a particular State there is no such statute and that it does not want to enact such a law. The amendment does not force anything on any State. However, it gives a State the right to meet the problem. I shall not only vote for the Senator's amendment, but I hope it will be adopted by one of the unanimous votes we have been having lately.

Mr. HOLLAND. I certainly appreciate the cordial and generous remarks of the Senator from Nebraska, which are a real contribution to the debate.

In the hearings he will find listed the States which have such laws. I have already submitted the list for the RECORD. In that list I find the State so ably represented, in part, by the Senator from Nebraska [Mr. CURTIS]. The list shows that Nebraska, by an act passed in 1947, provides machinery to guard against stoppages both in public utilities and in Government services, showing that the State of Nebraska has gone further than my own State in this regard. My State deals merely with the field of public utilities.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. MUNDT. I should like to inquire from what page of the hearings the Senator is quoting.

Mr. HOLLAND. I am reading from page 480 of the hearings before the committee so ably headed by the junior Senator from Massachusetts.

Mr. MUNDT. I thank the Senator.

Mr. HOLLAND. In the list of States there will be found 17 States and Hawaii, but I do not find in the list the State of South Dakota.

Mr. MUNDT. That is why I made the inquiry of the Senator. I wonder if the Senator would explain the impact of his amendment on States such as mine, which apparently do not have the type of legislation which Nebraska, Florida, and other States have.

Mr. HOLLAND. I thank the distinguished Senator. I note that his neighboring State of North Dakota does have such an act, which is apparently even more far reaching than any of the acts which I have mentioned up to now. The law in North Dakota provides for seizure and for State operation and compulsory mediation of all disputes and for seizure in the field of public utilities. I do not find any similar act in South Dakota.

Mr. MUNDT. Would the adoption of the amendment take from a State such as South Dakota any of the protection which it now has?

Mr. HOLLAND. The adoption of the amendment would not take from a State anything; it would give back to the States what the United States Supreme Court took away from them when, in the Wisconsin case, it ruled that the passage of the Taft-Hartley Act had preempted entirely for the Federal Government the field of collective bargaining, to the degree that there was no continued validity or effect to any State law which sought

to guard against the closing of the operation of public utilities in a State or in communities within a State.

Mr. MUNDT. I am entirely in sympathy with what the Senator from Florida is endeavoring to do. I support fully the position that the States should have this authority and right where they have provided for it by implementation of law. My inquiry was whether by the adoption of the amendment a State such as South Dakota would be any less well protected by virtue of the fact that we have restored or preserved or solidified the right of the State.

Mr. HOLLAND. No. South Dakota would be better protected because, at least, there would be no question of its right to exercise its police power within the language of its statute. South Dakota would be allowed, then, to go ahead, if it desired to do so, in the wisdom of its own legislature, to pass further measures for mediation, for conciliation, for seizure, for injunction, and for any of the other things which are effective in continuing permanently or for some period of time the operation of public utilities.

Mr. MUNDT. In the interim, the Senator's amendment would not deprive a State of any protection which it might derive by virtue of some Federal statute?

Mr. HOLLAND. In the interim, the amendment would simply restore the States to the position in which they were at the time of the passage of the Taft-Hartley Act, and would enable them to deal with this important question in the field of public utilities. The amendment deals with nothing but the field of public utilities.

Mr. MUNDT. As I understand it, it would not deprive the States of any protection which they might otherwise secure through the Taft-Hartley Act or any other provision of Federal law.

Mr. HOLLAND. Not in any way.

Mr. MUNDT. I thank the Senator from Florida.

Mr. HOLLAND. The amendment, if adopted, would be effective only to permit the functioning of State laws, if there were any which were designed to keep the public-utility services I named in operation.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. ALLOTT. My State is one of those which is listed on page 480, and which does not have such laws. It would be in the same category, then, as the State of the Senator from South Dakota.

Would the adoption of the amendment in any way diminish the rights of the people of such a State or deprive them of any of their rights under the Taft-Hartley law?

Mr. HOLLAND. It would not in any way.

Mr. ALLOTT. I thank the Senator from Florida.

Mr. HOLLAND. The Taft-Hartley law is silent as to providing any method to continue the operation or accomplishing the continued operation of public utilities. By the closure of such utilities, a national emergency is not created; the emergency is created only in the communities where the utilities operate. The court held that, notwithstanding the fact that there is no remedy provided by the Taft-Hartley law in such a case, the Federal Government has preempted or fully occupied that field in such a way that the States are left powerless and helpless to meet the problems of their own people and their own communities in those fields.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND] for himself and the Senator from Virginia [Mr. ROBERTSON].

Mr. ERVIN. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. KENNEDY. Mr. President, will the Senator from North Carolina yield, so that I may suggest the absence of a quorum, with the understanding that he will not lose the floor?

Mr. ERVIN. With that understanding, I yield.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FREAR in the chair). Without objection, it is so ordered.

Mr. ERVIN. Mr. President, the lot of a legislator is not always a happy one. Many times he is compelled to vote against proposed legislation which he favors.

Insofar as I am concerned, that is true in respect to the amendment submitted by the able and distinguished senior Senator from Florida [Mr. HOLLAND]. I am strongly in favor of the enactment of a law which will carry out the objective of his amendment. I say here and now that such a law is favored by me personally, and also is favored by the overwhelming majority of the citizens of my State. I believe that in the Wisconsin case decision, the Supreme Court of the United States misconstrued the provisions of the Taft-Hartley Act with reference to the power of the States to act in emergencies which affect public health and public welfare; and I state further that I pledge to the able and distinguished Senator from Florida that, if the committee fails to report within a reasonable time a separate bill embodying the substance of his amendment, I shall be glad to join him in voting to discharge the committee from the further consideration of such a measure.

But, Mr. President, in common with other Members of the Senate who constitute the McClellan select committee for a year and a half, I have spent a major portion of my energies and my time in conducting investigations into a limited number of labor unions. In common with the other members of the committee and in common with the great majority of informed Americans, I have been astounded by the revelations of conditions existing in such limited number of unions. Personally, I do not believe such conditions exist in the great majority of the unions. But I am convinced that the conditions which have been revealed by the investigations conducted by the McClellan select committee demand the enactment of legislation without delay.

Mr. President, if the bill the Committee on Labor and Public Welfare has reported is used by us as a vehicle for a consideration of all the changes which Senators think should be made in the Taft-Hartley Act, we would make it certain, insofar as this session of Congress is concerned, that the labors of the McClellan select committee have been in vain.

Undoubtedly there are many areas in which the Taft-Hartley Act should be amended; and it should be amended in the area to which the amendment of the able and distinguished senior Senator from Florida [Mr. HOLLAND] applies.

Mr. HOLLAND. Mr. President, will the Senator from North Carolina yield for a question?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from North Carolina yield to the Senator from Florida?

Mr. ERVIN. Yes; I am glad to yield.

Mr. HOLLAND. Mr. President, I think I am a rather patient man. I have been trying to obtain a hearing on this amendment for 7 years, but without success, and I have not received any comment upon the amendment even in the report on the pending measure.

Does the distinguished Senator from North Carolina think it is necessary to wait longer than 7 years in order to find out what is the attitude of the particular committee which is handling this proposed legislation?

Mr. ERVIN. My answer to the Senator from Florida is that it is better to do one job at a time. It is much better for the Senate to pass a law which the overwhelming majority of the Members of Congress, I believe, will support, than it is to propose to that law amendments which will make it virtually certain that no legislation in this field will be enacted at this session.

Mr. MORSE. Mr. President, will the Senator from North Carolina yield to me?

Mr. ERVIN. I yield to the able and distinguished senior Senator from Oregon.

Mr. MORSE. I have listened with great profit to the distinguished Senator from North Carolina, as I always do. I believe that, in the last analysis, the Senator from North Carolina will vote differently than I will when there comes before the Senate proposed legislation providing for the handling of disputes affecting public utilities. I intend to speak on that subject later today, if such an amendment is incorporated in the pending bill.

But at this time I wish to speak for a moment about procedures, to my friend, the Senator from North Carolina, because on that point he and I were of one mind a few weeks ago, in connection with labor legislation.

I understand the situation which confronts the Senator from Florida [Mr.

HOLLAND], and I have a great deal of sympathy for it.

But I completely share the view, as expressed by the Senator from North Carolina [Mr. ERVIN], that the primary job before the Senate in connection with the pending measure is to meet the problems presented by the abuses which have been disclosed by the McClellan Select Committee and also in the course of the hearings relative to this proposed legislation. That is the objective and that is the purpose of this measure.

My record is rather clear, as one who has favored a whole series of amendments to the Taft-Hartley Act since the late Senator Taft first proposed some amendments in 1949. Furthermore, I believe there is strength in the position of the Senator from Florida, in that I believe that from a procedural standpoint he is entitled to have some proposed legislation in connection with the proposals he has made reported by the Committee on Labor and Public Welfare and voted either up or down by the Senate.

Some weeks ago, when it seemed that what I called a catchall, omnibus bill would be drafted on the floor of the Senate, I pledged to the Senate, as a member of the committee, that if our committee did not report a bill dealing with the subject matter which I believe all of us had in mind then, growing out of the hearings conducted by the McClellan Select Committee, I would move on June 10 that the committee be discharged from the further consideration of the bill. However, on June 10 the committee made its report.

A few minutes ago the Senator from North Carolina said, if I understood him correctly, that if the committee did not report, either affirmatively or negatively, on the Holland proposal, he would, within a reasonable period of time, move that the committee be discharged from the further consideration of the measure.

Mr. President, I am a member of the committee; and I shall join the Senator from North Carolina in such a motion. I think we must come to grips with the proposal of the Senator from Florida.

Later, I shall state the reasons why I shall not vote for his proposal in its present form. But certainly there is no reason why the Senate should not have an opportunity to receive from the Committee on Labor and Public Welfare, after hearings—and it will not take very long to hold the hearings—a report directed specifically to the proposal of the Senator from Florida, and then have an opportunity, within a reasonable length of time, to vote on such a proposal in sufficient time to enable the House of Representatives to vote on it also before this session ends.

Mr. HOLLAND. Mr. President——

Mr. MORSE. But now, if the Senator will bear with me for a minute longer, I will tell the Senator what concerns me. I think we have to come to grips with the question which concerns the Senator from North Carolina. We have to make up our minds this afternoon whether we are to have legislation enacted in this session of Congress dealing with abuses of unions which were disclosed by the McClellan committee.

Who can predict what will happen in Congress? I shall not predict, but I shall express my judgment. My judgment is that if the Holland amendment is attached to the bill, there will be no legislation enacted in this Congress along the line of the pending bill. There are divisions among us on the issues raised by the Holland amendment. The Holland amendment raises the question of a major amendment of the Taft-Hartley law. I think it would be a sad thing if we got ourselves bogged down and boxed in during this debate over the Holland amendment, when in my judgment, the end result would be no legislation. All I can do is express my judgment. As a member of the Committee on Labor and Public Welfare, I want the RECORD to show I shall urge that hearings be held immediately on the Holland proposal, and that there be a vote on the proposal before Congress adjourns.

If the Holland amendment were added to the bill, I could not vote for the bill, because I have deep convictions about compulsory arbitration and the dangers it will lead to in the country. I think there are alternative procedures for handling public utility strikes that are preferable to those which the Senator from Florida has offered. What I am worried about is the procedural snarl we are about to get ourselves into if the amendment is attached to the bill. I think the end result will be defeat of a great objective and goal which an overwhelming majority of the Senate wants to reach.

Mr. HOLLAND. Mr. President——

Mr. ERVIN. I shall yield in a moment.

Mr. HOLLAND. I have only a few minutes for lunch and then I must attend a conference.

Mr. ERVIN. I defer to the Senator from Florida.

Mr. HOLLAND. Mr. President, I ask for the yeas and nays on my amendment. I am called to conference. I shall not be able to come back later.

The yeas and nays were ordered.

Mr. HOLLAND. I thank the Senator for his courtesy.

Mr. ERVIN. Mr. President, the able and distinguished senior Senator from Oregon has placed his finger squarely on the crucial issue now before the Senate. As he has pointed out, there are Members of the Senate, as well as Members of the House, who entertain quite divergent opinions with respect to many provisions of the Taft-Hartley law and many proposals for the amendment of the Taft-Hartley law. But here is a bill on which, at least in respect to the first five titles, all Senators, with varying opinions, can unite, and which all Senators agree represents a good bill and one that should be passed, not only for the benefit of the rank and file of union members and for the benefit of union officers who are honorable and law-abiding men, but also for the purpose of making for decency and honesty in one of the great areas of our national life.

The pending bill, for example, makes it a criminal offense to deliberately destroy records of unions. In the investigations of the McClellan committee we found that on many occasions records of unions that were being investigated had been destroyed, not only for the purpose of preventing the committee from ascertaining that those records would show, but also for the purpose of preventing their own members from knowing what was transpiring. This bill would make such action a crime and thus put an end to that practice.

We also found in our investigations that in some cases charters for local unions had been issued to members of the underworld, and those members of the underworld, under color of the charters, were exploiting the rank and file of labor in many cases by making sweetheart contracts with management. This bill would put an end to such practices as that.

We also found that officers of some unions had, in effect, committed what was nothing more nor less than embezzlement or larceny of union funds, and that they had not been brought to task for it. This bill will make certain that embezzlement or larceny of union funds for personal profit or personal pleasure by those who ought to guard those funds will end, or the wrongdoers will serve jail sentences for misapplication of the funds.

We also found in our investigations that under the trustee process, many local unions were deprived of the right to manage their own affairs by dictatorial action of international officers. This bill, if enacted into law, would put an end to that practice, and make certain that the device which on many occasions has been used to destroy democracy in local unions would be supervised in such a manner as to prevent its abuse in the future.

We found in many cases there had been no elections in local unions for years. This bill will make certain that members of local unions will have an opportunity to vote for their officers under such circumstances that their votes will be counted.

Such provisions should be passed. I personally have some misgivings about the inclusion of title VI.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ERVIN. I am glad to yield to the able and distinguished Senator from Ohio.

Mr. LAUSCHE. I gather the Senator from North Carolina declares that in principle this bill ought to be confined to provisions which will deal with the evils which were principally disclosed by the investigation of the McClellan committee, and that, therefore, the inclusion of the amendment of the Senator from Florida would possibly bring about the defeat of the bill because of the controversial nature of the amendment.

Conceding that principle as sound, will the Senator from North Carolina explain on what theory there has then been included in the bill title VI, which deals with vital matters, which deals with loosening the provisions of the Taft-Hartley Act, and, in fact, exempts from the Taft-Hartley Act the huge building and construction industry?

Mr. ERVIN. Not having been a member of the subcommittee of the Senate Committee on Labor and Public Welfare which considered the bill, I am unable to

answer the distinguished Senator's question. However, as I recall, the chairman of the subcommittee, the able and distinguished Senator from Massachusetts, stated that some of those provisions were included in the bill at the request and suggestion of the Secretary of Labor.

The Senator from Ohio has correctly stated my position. I should like to confine the bill to the first five titles, which provide remedies to prevent abuses toward the rank and file of labor members in their democratic rights as members of local unions, those abuses which result in the misuse of union funds, and those abuses illustrated by the "sweetheart" contracts between union leaders and management. Therefore, I would vote for an amendment to strike out title VI entirely and to restrict the bill solely to those matters investigated by the McClellan committee. That action would result in a bill for which every man who believes in honesty and square dealing—as does every Member of the House and the Senate—could vote without misgivings.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ERVIN. I am glad to yield to the Senator from Arizona.

Mr. GOLDWATER. I am glad the Senator has yielded at this point, because I desire to address a question to him. If the Senator will allow, I should like to read a few lines from the interim report of the Select Committee on Improper Activities in the Labor or Management Field, of which committee the Senator and I are both members.

On page 450 appear the "legislative recommendations":

The United States Senate Select Committee on Improper Activities in the Labor or Management Field recommends that the Congress of the United States give attention to the passage of legislation to curb abuses uncovered in five areas during our first year of hearings.

These recommendations are:

1. Legislation to regulate and control pension, health, and welfare funds.

I invite the Senator's attention to the fact that we have provided for that recommendation.

2. Legislation to regulate and control union funds.

I invite the Senator's attention to the fact that we have in part covered that matter in the bill, but the fiduciary responsibilities which are secondary have not been acted on, and are the subject of an amendment which I believe will be offered today. By the way, this has no relationship to title VI.

3. Legislation to insure union democracy;

That has been acted on to some extent in the pending bill, but not in the detail to which the Senator from Arkansas [Mr. McCLELLAN] in discussions indicated he thought it might require—

4. Legislation to curb activities of middlemen in labor-management disputes;

That will be accomplished in the presently proposed legislation.

5. Legislation to clarify the "no man's land" in labor-management relations.

This is the point to which I desire to invite the Senator's attention. The question I desire to pose to the Senator is: If he supports the thesis that we should strike title VI, does he then support the thesis that we should not act to clarify the "no man's land" in labor-management relations, since that would have to be an amendment to the Taft-Hartley Act? Does the Senator feel we should ignore No. 5 of the legislative recommendations of the McClellan committee?

Mr. ERVIN. I do not think the Senate should ignore that recommendation. I think an appropriate amendment or an appropriate change in the law to clarify the "no man's land" area would require more study than we are able to give on consideration of the bill presently before the Senate. Therefore, I would not favor going into that matter with respect to the pending bill.

I think we ran into some other things as to which the evidence indicated a need for change. I think we need a clarification of the law as to secondary boycotts.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. ERVIN. I yield.

Mr. GOLDWATER. I have assigned my question only to the field as to which the Senator was talking.

Mr. ERVIN. Yes.

Mr. GOLDWATER. I am in effect supporting the Senator's suggestion that we see to it that the McClellan committee recommendations are met as a minimum. That might even be as a maximum, but certainly as a minimum we should see that those recommendations are met.

If we members of the select committee are going to be sincere in our feelings, those recommendations should be met, and certainly we have to consider language to clarify the "no man's land." We have had an abundance and an overabundance of testimony for years to the effect that there must be action in such field, to give to the States the right to handle the disputes and arguments which arise which the NLRB will not handle or cannot handle because it does not go into local matters.

I want to be clear in my mind, and I ask the Senator because he is a member of the select committee. Does he feel that recommendation No. 5 of the McClellan committee should be ignored?

Mr. ERVIN. I am heartily in accord with the view that there is a necessity for legislation to clarify the "no man's land" in the area of labor. I think that is essential. However, I think it is a problem which demands far more study than the Senate is able to give to it during the consideration of the bill presently before the Senate. I would rather insure the passage of the pending bill by restricting the bill to the prevention of corruption in financial matters—or, to state it in the reverse, the security of union funds—the promotion of democracy within the unions, to allow the rank and file to manage their own affairs; and the prevention of the collusive "sweetheart" contracts between labor and management.

There is no Member of the Senate who is a greater believer in States rights than I am. The closer to home we can keep the government, the better government we are going to have. I believe it wise to get this bill passed encompassing the provisions of the first five titles, because I do not think there is any substantial opposition to those on the part of anybody. Some would, of course, like to tighten the provisions up a bit and make them a little more stringent. I think if we go beyond those first five titles in the bill presently under consideration we shall jeopardize passage of the bill and make it practically certain that the bill will not become law. Let us do one job at a time.

Mr. GOLDWATER and Mr. MORSE addressed the Chair.

Mr. ERVIN. I am glad to yield further to the Senator from Arizona.

Mr. GOLDWATER. The Senator has answered my question, and I need not pursue the matter further.

I have discerned an implication in the arguments on the floor today that we cannot pass legislation unless it is held within certain circumscribed areas. I do not know who says we cannot pass the legislation. The Republicans do not say that. I am sure the Democrats do not say it. I have not heard anybody give any concrete reason why, if such an amendment is adopted, the bill cannot pass.

The distinguished Senator from New York [Mr. IVES] might urge the FEPC amendment, at which time we could probably "kiss the bill goodby," but I am pretty sure the Senator would be constrained from doing that.

I do not know why we are hearing today the idea that because of additions some Senators are against the bill. I invite the Senator's attention to the fact that omissions can also cause difficulty.

I intend to vote for the bill. It is not the kind of bill I want. I will say the amendments which are to be offered yet are not punitive amendments. They are not restrictive of the unions. They are not union busting. They are not strict. They will do nothing to hinder the operations of unions.

I cannot understand why all of a sudden we are hearing the argument used that legislation which goes beyond certain prescribed bounds cannot be passed. I have never heard that argument used on the floor of the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ERVIN. I will say to the Senator from Arizona that I have seen many a bill defeated because of amendments which were added to it. The unfortunate thing, I will say to the able and distinguished Senator from Arizona, on this point, is that all of the Members of the Senate and the House of Representatives do not entertain the same sound views on this subject I do. If they did, there would not be any trouble getting the right kind of law passed, but unfortunately they do not. [Laughter.]

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ERVIN. There is one thing I wish to say to the Senator from Arizona.

I used to read Aesop's fables. In Aesop's fables there is a story about a dog which started across a foot log over a creek with a bone in its mouth. The

dog saw his reflection and the reflection of the bone he was carrying in the creek. Being anxious to get the bone he thought he saw in the creek, he opened his mouth to grab that bone, and lost the bone he had. That is precisely what is going to happen with respect to this bill if we load the bill down with a lot of amendments which are not germane to the restrictive field covered by the first five titles.

In a moment I shall be glad to yield to the Senator from Oregon, who is waiting.

I will say that the junior Senator from Arizona and I have served on the McClellan select committee together for a year and a half, and it has been a most pleasant association.

We agreed on many things. We disagreed upon some. I wish to say that the Senator has made a very substantial contribution to our country by the very diligent and courageous work he has done as a member of the committee. I think he deserves to be recognized for it.

Mr. GOLDWATER. I thank the Senator for his generous remarks.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. MORSE. Before I make comment on the observations of the Senator from North Carolina with respect to title VI, let me say humorously to my friend from Arizona that I think he made a comment which completely sustained the case of the Senator from North Carolina as to where we should stop in connection with the pending bill.

The Senator from Arizona stated that he intends to vote for the bill. I think we had better stop adding amendments to it. That is about as strong a statement as I have heard from anyone as to why we should follow the argument of the Senator from North Carolina and not add extraneous amendments such as the amendment of the Senator from Florida.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. MORSE. I am glad to yield, with the consent of the Senator from North Carolina.

Mr. ERVIN. Mr. President, I ask unanimous consent that I may yield with the understanding that I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. At no time has the junior Senator from Arizona indicated that if certain things were or were not done, he would not vote for the bill. I think there is too much threatening on the floor of the Senate with respect to legislation. I think we should be open-minded.

As the Senator knows, I do not agree with the original proposals. I think we have come a long way in the past day and a half toward perfecting the bill. When a Senator stands on the floor of the Senate and says, "If this is in the bill, I will not vote for it," or "If this is not in the bill, I will not vote for it," that is not the proper way to legislate. I think there has been too much of that suggested on the floor already.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. MORSE. I think my friend from Arizona is quite mistaken as to the nature of the legislative process, if he interprets as a threat a statement by a Senator to the effect that he cannot go along with a bill if a certain principle is added to it, which he thinks so abhorrent that he would have to vote against the bill. Rather, I think we owe it to each other, as we hammer out legislation on the floor of the Senate, to display just the sort of frankness in which some of us have engaged.

As the Senator from North Carolina has pointed out, when we find ourselves pretty much in agreement on the bill as it comes from the committee, and when some of us are honest enough to say that if certain principles are added to the bill we cannot support it, I think we should be commended and not criticized or charged with making threats.

If a compulsory arbitration feature were added to the bill, in view of my long-standing opposition to that principle, I could not support a bill with that sort of police state procedure in it. That is what I happen to think compulsory arbitration is, for reasons which I shall set forth later.

Knowing the judicial fairness of the Senator from North Carolina, I ask him if he will reserve judgment on the striking of title VI until he hears from the committee at greater length why it is there.

Mr. ERVIN. I certainly will do that.

Mr. MORSE. Title VI is not separate from the other five titles. One of the primary purposes of title VI is to implement the other five titles.

Title VI, which is based upon some recommendations from the Government departments concerned, including the Department of Labor, has a great deal to do with the regulation of unions. I ask the Senator to turn to page 42, section 609, in line 5:

(b) (1) It shall be unlawful for any person to request, demand, receive, or accept, or agree to receive or accept, any payment or delivery of any money or other thing of value prohibited by subsection (a).

Title VI goes to the whole question brought out by the McClellan committee, of the financial abuses and corruption abuses practiced on the part of a few labor leaders who have betrayed their trust to the rank and file, and a few employer representatives who have betrayed their trust to American business. It deals with the kind of mess disclosed by the Shefferman incident.

It will be found that in title VI there are some legal standards which enforcement agencies will need in order to administer and implement the first five titles of the bill.

The one farthest removed from the point I am now making is the building trades case. As I stated in committee, and now repeat on the floor of the Senate, we have had our troubles with some of the building trades locals, with regard to some of the very problems which concern members of the McClellan committee.

I think the building-trades proposal would do a great job in helping the officials of the building-trades unions to follow a good code of practice within the building-trades unions.

I offer that section of title 6—among other reasons—on the ground that its enactment would strengthen the hands of building-trades union officials in maintaining the kind of practices we want within the building-trades unions and all other unions.

So I ask the Senator from North Carolina to reserve judgment until some of us on the committee can take time to show him the interrelationship between title VI and the other five titles of the bill.

Mr. ERVIN. I assure the distinguished Senator from Oregon that I will certainly listen to any argument which is made. When one changes his mind from one day to another, it sometimes shows that he is wiser today than he was yesterday. So I am always ready to listen.

In closing, let me say that it has been a great privilege to serve on the McClellan committee with the other Senators who constitute that committee. All of them have been very diligent in the investigations conducted by the committee.

I also wish to commend the subcommittee headed by the able and distinguished junior Senator from Massachusetts [Mr. KENNEDY] for the work done on this bill. It is a remarkable thing, considering the many different shades of opinion on such a controversial subject as labor, to find a bill—at least so far as concerns the first 5 titles—on which men of divergent views can unite.

I think it would be a tragedy for America, a tragedy for the rank and file of the unions, and a tragedy for common honesty and decency for the Senate to add to the pending bill amendments which might jeopardize its passage—a bill which, as the revelations before the McClellan committee indicate, would meet the most crying need for legislation to be found in any field in our national life at this particular time.

Mr. DIRKSEN. Mr. President, I both agree and disagree with my learned friend from North Carolina.

I disagree with him with respect to the "no man's land" amendment, which will be offered later. That subject has been under consideration in the Senate for a number of years, but no action has been taken.

I do not believe that people ought to be left in jeopardy, or without a forum for the redress of wrongs when the National Labor Relations Board declines to assume jurisdiction and, at the same time, the courts take the position that the States have no jurisdiction.

I agree with my friend from North Carolina with respect to the pending amendment. If I read it correctly, if there is on the books of any State a law which prohibits the right to strike, under the provisions of the bill, if it were enacted into law, the National Labor Relations Act could not affect the State law in that respect. Is that correct?

Mr. ERVIN. That is the way I construe the amendment offered by the able

and distinguished senior Senator from Florida.

Mr. DIRKSEN. The same thing would be true with respect to regulation of the right to strike. The same thing would be true with respect to a modification of the right to strike. The only limitation, then, on the right to strike, with respect to which this amendment would intervene, would be in connection with public utilities, which are defined. It would leave that right uninterdicted in the State with respect to the business of supplying water and the business of supplying light, which, clearly, might be interstate, through a power company operating from one State into an adjoining State.

It would relate to heat. That might mean any heat which is transmitted, whether in a community or otherwise. It would apply to gas. If it applies to gas, obviously the Federal law could not touch the State law with respect to the pipelines which convey the gas to the State. The same is true of electric power. The same is true of passenger transportation service. I do not know where it would stop. Much of the passenger transportation service is certainly in interstate commerce. One segment of it might want to undertake a strike. However, here would be an interdiction in State law. Nothing in the bill, if it were enacted into law, and nothing in the Taft-Hartley law, would affect the interdiction in a State law. That is going pretty far. In my considered judgment, I believe the matter requires a great deal of further consideration by an appropriate committee of the Senate.

Therefore, I intend to vote against the Holland amendment. I believe that the Watkins amendment, which will be offered later, dealing with the area of "no man's land," merits the attention of the Senate now, because it was before the Senate in 1954. It was in the bill which was finally recommitted by a vote of 50 to 42. I believe it is imperative to deal with it, and that it should very properly be incorporated in title VI of the pending bill.

Therefore, I intend to vote against the pending amendment and shall support the Watkins amendment, because the latter is both vital and necessary.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SMITH of New Jersey. I share the view of the Senator. However, so far as "no man's land" is concerned, I am thinking in terms of protecting the recommendation of the McClellan committee.

Mr. DIRKSEN. I might add that this amendment was not requested by the administration insofar as I am familiar with the administration policy. The amendment goes beyond what was requested at any time.

Mr. SMITH of New Jersey. The Senator is correct. I have examined the recommendations of the administration, which I introduced in January, and I have examined the recommendations in the amendments which I have offered to the pending bill, and neither includes these matters. This matter deserves careful study. They should be covered at some time, but not in the pending bill, by means of which we are trying to implement the McClellan recommendations and the recommendations of the President in his message to Congress of this year.

I wish to make this perfectly clear in the RECORD, because I expect to vote against the Holland amendment, although, in principle, I should like to support it. However, I wish to implement the McClellan recommendations and the recommendations of the President.

Mr. DIRKSEN. The domain affected by the Holland amendment is so great, even though I might be committed to it in principle, I believe it requires a great deal of additional exploration before it should have the approval of the Senate.

Mr. COOPER. Mr. President, on its face the amendment seems reasonable, and has appeal. I intend to vote against it, and I wish to give my reasons for voting against it.

It is true, of course, that the Taft-Hartley Act preempts the field of regulation of labor management relations. There is only one section of the Taft-Hartley Act, so far as I know, which excludes the preemption, and that is the one which provides that the States are permitted to enact right-to-work laws. But by reason of the fact that the National Labor Relations Board is unable to consider all cases which come before it, there has arisen what is called a "no man's land," an area in which the Federal Government will not take jurisdiction, and the State courts cannot take jurisdiction. Another issue has developed to which this amendment is directed. Some believe that in emergencies which affect the safety and health of the people they should have the authority to act under their police powers.

In 1954 the Committee on Labor and Public Welfare reported an amendment to the Taft-Hartley Act which would have permitted the States to deal with emergencies in labor disputes when they presented a clear and present danger to the health or safety of the people of a State. The amendment was included in the bill which was recommitted to the committee by the Senate. The amendment itself, of course, would have been before the courts for interpretation and there would have been a determination as to what constituted a clear and present danger to the people.

I should like to point out that the amendment which has been offered by the Senator from Florida goes far beyond the amendment which was offered in 1954. The Holland amendment would permit the State to assume jurisdiction in all cases which deal with public utilities—the furnishing of water, light, heat, electric power, and passenger transportation services. As the Senator from Illinois has said, it would permit State action, even though the industry served several States. It would give to the States in addition, the right to enact laws which could limit strikes, could prohibit strikes, and make laws affecting picketing and boycotts; in fact, it could permit States to set up some kind of Taft-Hartley law, or do away with the Taft-Hartley law in those fields which are named in the amendment.

I point this out to indicate to the Senate that the amendment goes far. Its scope should be understood by the Senate.

For a few moments I wish to address myself generally to the bill. I have no prepared remarks, and my remarks will be short. The bill contains several titles dealing with the protection of union funds, union elections, and the regulation of trusteeships. As I said yesterday, they can be considered to deal with the subject Union Democracy. I believe all of us can agree—including my friend from Arizona [Mr. GOLDWATER]—that, as these titles now stand, after amendment, they are effective in this field.

We now come to a question of policy—a question of judgment—a question which was raised by the distinguished Senator from Arkansas, and which has been discussed by the Senator from North Carolina. Both Senators are members of the select committee. The question now is: Shall we assure the passage of a bill which is important, and which can assure a great improvement in the field of union democracy and in the protection of labor union funds?

Shall we assume this important advance, as far as we can, by passing the committee bill in the Senate? Then perhaps, it will become the judgment of the House, for they are patriotic men, that they too, should consider the bill and pass it, thus making a real advance at this session in setting up machinery to eliminate the abuses that I have heard discussed by the select committee. Or shall we attempt to revise the Taft-Hartley Act; and shall we add amendments, some of them, perhaps, which in their own right should be adopted, and others which ought not to be adopted, and thus so load down the bill that it certainly, even if it passes the Senate—which may be doubtful—cannot receive full consideration by the House Committee on Labor, and probably will not pass the House?

I know the argument can be made to us: "You are evading your responsibility. Your responsibility is to do what is right and what is just. Your responsibility is to take the action in the whole field of labor-management relations."

The argument can also be made: "You cannot predict what the House will do. Your duty is to act on the facts before you." I recognize the fact that these arguments can be made. Yet I know we have to deal with a practical situation. I know something about this subject, because I have served on the Committee on Labor and Public Welfare. While it is not a field in which I have had practical experience, I have been a faithful member of the committee and I have devoted my attention and studied the problems which come before the committee.

Mr. IVES. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. IVES. I commend the Senator from Kentucky for what he is now saying, and also for the work he has been doing on the Committee on Labor and Public Welfare. Contrary to what he

might try to make people think, he has been a very valuable member of that committee. The ideas which he has expressed have helped us through a great many of our difficulties. I commend him for that. I know that the other members of the committee will agree with me in that statement.

On the question of the legislation about which he is speaking, an eminent Democrat one time made a very sound statement. He said: "We are dealing with a condition, not a theory." The Democrat came from New York State. I always had great admiration for him. That man was Grover Cleveland.

So in this instance, in touching on the proposed legislation, we are dealing with a condition. Legislation is needed. We want a bill, and we want a bill which can be passed under the present conditions.

But, as the Senator from Kentucky has said, if we load the bill with a great many controversial matters, it is doubtful if it will pass the Senate; and I doubt very much, even if it passes the Senate, that it will pass the House. That is the condition which faces us.

Some statements were made a while back about threats being made. It has been said that we must vote for this and vote for that; vote against this, and vote against that. I do not make threats. When I say I will vote against the bill if it contains certain things which I myself cannot approve, I will vote against the bill for those reasons—and I do not say that lightly. That is not a threat; that is a promise. I hope the bill will be in such shape that I can vote for it.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. ERVIN. I join with the able senior Senator from New York in commending the position just taken by the able Senator from Kentucky. The Senator from Kentucky has stated in the most lucid fashion what I consider to be a most sound position.

Mr. COOPER. I thank the Senator. I have had some experience with this matter. In 1947 and 1948 I was a Member of the Senate when it passed the Taft-Hartley Act. I voted for it. In 1953 and 1954, I was a member of the Committee on Labor and Public Welfare after the death of Senator Taft. The committee considered amendments to the Taft-Hartley Act. The amendments were reported to the Senate and were promptly recommitted.

But the atmosphere has changed somewhat. Mr. George Meany, a very outstanding labor leader and statesman, was before the committee, and in response to questions directed to him by the Senator from New York and myself he said it is now the position of the AFL–CIO that they do not favor the repeal of the Taft-Hartley Act, but they now take the position, which many of us have held for a long time, that the question is one of revision. I was glad to hear Mr. Meany make that statement.

Based on the experience I have had in the committee, it has become evident that it is not possible to have legislation enacted unless there is some agreement, some effort from both sides of the body. I pay tribute to the senior Senator from California [Mr. KNOWLAND]. While I voted against his amendments when we were considering the welfare and pension bill because I believed hearings should be held, I doubt if we would have this labor bill before us today if it had not been for the fact that the Senator from California had offered amendments to the welfare and pension bill, and was able to secure the commitment that a labor bill would be reported and voted on.

I would say also that the Senator from Massachusetts [Mr. KENNEDY], has discharged his duty faithfully, honestly, and fairly in the committee, and further, he has brought great knowledge and courage to the difficult issues involved. I believe now that sections 1, 2, 3, and 4 which deal with union democracy, are adequate, are good sections. We have gone far toward making an advance in that field.

I do not take a rigid position. I do not say I will not vote for any amendment. But my desire and my intention are to consider amendments which deal with the subject of union democracy. I do not intend to vote for certain amendments, even though some of them, standing by themselves, are justified, because I believe that if we go far, beyond the field of union democracy, we will have a bill which will not pass, and nothing will be done.

An advance was made this year in the enactment of the welfare and pension fund bill through the efforts of the Senator from New York [Mr. IVES] and the Senator from Massachusetts [Mr. KENNEDY]. We now have the opportunity to assist the unions, union employees, protect union funds, and to encourage advances in the field of union democracy to see this done. Speaking for myself, I do not intend to do a futile thing, destroy the chance to make an advance by voting for amendments about which we cannot agree at this session of Congress.

Mr. JOHNSON of Texas. Mr. President, some distinguished guests are visiting the Senate. The Chairman of the Committee on Foreign Relations desires to present them to the Senate a little later. I shall suggest the absence of a quorum in the hope that, following the quorum call, we may have the yea-and-nay vote on the amendment.

I ask unanimous consent that at the conclusion of the yea-and-nay vote, the distinguished Senator from Rhode Island be recognized for not to exceed 5 minutes, and that he may yield to the Senator from Wisconsin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendments offered by the Senator from Florida [Mr. HOLLAND] for himself and the Senator from Virginia [Mr. ROBERTSON].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that, if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

The Senator from South Dakota [Mr. CASE] is unavoidably detained.

The Senator from Utah [Mr. BENNETT] is paired with the Senator from Vermont [Mr. FLANDERS]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Vermont would vote "nay."

The Senator from South Dakota [Mr. CASE] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 27, nays 60, as follows:

YEAS—27

Allott	Frear	Mundt
Bricker	Hickenlooper	Robertson
Bridges	Holland	Russell
Butler	Hruska	Schoeppel
Byrd	Jenner	Stennis
Capehart	Lausche	Thurmond
Cotton	Malone	Watkins
Curtis	Martin, Iowa	Wiley
Eastland	Martin, Pa.	Williams

NAYS—60

Aiken	Hayden	McNamara
Anderson	Hennings	Monroney
Barrett	Hill	Morse
Beall	Hoblitzell	Morton
Bible	Humphrey	Murray
Bush	Ives	Neuberger
Carlson	Jackson	Pastore
Carroll	Javits	Payne
Case, N. J.	Johnson, Tex.	Potter
Chavez	Johnston, S. C.	Proxmire
Church	Jordan	Purtell
Clark	Kefauver	Revercomb
Cooper	Kennedy	Smith, Maine
Dirksen	Kerr	Smith, N. J.
Douglas	Knowland	Sparkman
Dworshak	Kuchel	Symington
Ellender	Long	Talmadge
Ervin	Magnuson	Thye
Fulbright	Mansfield	Yarborough
Green	McClellan	Young

NOT VOTING—9

Bennett	Goldwater	O'Mahoney
Case, S. Dak.	Gore	Saltonstall
Flanders	Langer	Smathers

So the amendments offered by Mr. HOLLAND for himself and Mr. ROBERTSON were rejected.

Mr. PASTORE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KENNEDY. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

VISIT TO THE SENATE BY MEMBERS OF PARLIAMENTS OF COUNTRIES OF NORTH ATLANTIC TREATY ORGANIZATION

The PRESIDING OFFICER. Under the unanimous-consent agreement previously entered into, the Senator from Rhode Island [Mr. GREEN] is now recognized.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I ask that we have order in the Chamber.

The PRESIDING OFFICER. Senators will desist from conversation.

Mr. JOHNSON of Texas. Mr. President, under the unanimous consent agreement, I understand the Senator from Rhode Island, the distinguished chairman of the Foreign Relations Committee of the Senate, is to be recognized.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. GREEN. Mr. President, we are honored today to have visiting us in the Senate some 40 members of the parliaments of the countries of the North Atlantic Treaty Organization. They have just completed a tour of the United States Strategic Air Command Headquarters in Omaha, Nebr., and the headquarters of the Supreme Allied Command of the Atlantic in Norfolk, Va.

Many of our guests participated in either the 2d or 3d NATO Parliamentary Conferences, held in Paris in 1956 and 1957, which were attended also by delegations from the United States Senate and House of Representatives. I had the privilege of serving as chairman of the United States delegations to both conferences.

Our guests are standing in the rear of the Chamber, and I ask that they be recognized, and that we heartily welcome them.

[Applause, Senators rising.]

Mr. WILEY. Mr. President, representing the minority party in the Senate, as well as, I trust, the majority party in this instance, I am happy to join with the chairman of the Committee on Foreign Relations in welcoming this distinguished group into our sacred hall, so to speak.

Gentlemen, you come from 17 different countries. America is glad to know you have come to get acquainted with us and to see the kind of folk we are.

We know that you as members of NATO have a tremendous task on your hands. We join with you in seeking to make sure that peace shall prevail on earth. That is one of the greatest endeavors in which man can engage today.

I, too, say "Welcome to God's country."

[Applause, Senators rising.]

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 10 A. M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until tomorrow at 10 a. m.

The PRESIDING OFFICER. Without objection, it is so ordered.

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958

The Senate resumed the consideration of the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WATKINS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. WATKINS. Mr. President, may we have order? I should like to have the Members of the Senate hear the amendment.

The PRESIDING OFFICER. The Senate will be in order.

The CHIEF CLERK. On page 36, lines 21 through 25, and page 37, lines 1 through 10, it is proposed to strike out all of section 602 and insert in lieu thereof the following:

Sec. 602. Section 14 of the National Labor Relations Act, as amended, is amended by adding a new subsection (c) as follows:

"(c) Nothing in this act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming and asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction."

Mr. WATKINS. Mr. President, I wish to make a brief explanation of the amendment before I proceed to a general discussion.

This amendment would amend S. 3974 to deal more effectively with the problem of the "no man's land" in the regulation of labor relations. This gap exists because of the exercise of administrative discretion by the National Labor Relatons Board in asserting jurisdiction over matters coming within the coverage of the act and the effect of Supreme Court decisions excluding the States from taking jurisdiction of such matters.

Section 602 of S. 3974 would forbid the Board to "adopt any rule of decision, regulation, standard or policy" which would preclude it from taking jurisdiction where necessary to safeguard the rights of employer or employees under the act. This amendment, instead, would permit any State agency or court to act with respect to labor disputes over which the Board declines in any manner to assert jurisdiction. It would not curtail the Board's present authority to decline to assert jurisdiction when it determines that it would not effectuate the purposes of the act to do so.

Mr. President, the amendment is very simple. It is stated in language anyone can understand.

Mr. KNOWLAND. Mr. President, will the Senator yield, so that I may ask for the yeas and nays on his amendment?

Mr. WATKINS. I yield for that purpose, Mr. President.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER (Mr. MORTON in the chair). Is there a sufficient second?

The yeas and nays were ordered.

Mr. KNOWLAND. I thank the Senator from Utah.

Mr. WATKINS. Mr. President, I started to say that the amendment is couched in very simple language. It refers to the situation which occurs when the National Labor Relations Board does not have jurisdiction or declines jurisdiction on a matter arising in a State. The amendment gives to the State boards jurisdiction over labor disputes over which the Board by ruling or otherwise has declined to assert jurisdiction. That is about the simplest form I have been able to find which meets the necessities of the situation.

Mr. President, in previous presentations on this subject both on the floor and before the committee, passing reference has been made to positions that have been previously taken with regard to solving this "no man's land" question. I would like to bring together now all of the history—or at least part—of this problem so that my colleagues who will soon be called upon to cast their vote "yea" or "nay" in this issue may do so in the light of facts rather than in the light of preconceived determinations which may or may not have been arrived at on the basis of emotion or political expediency.

Mr. President, I respectfully ask that we have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. WATKINS. I find the competition a little too keen for me to cope with, and that is the reason I ask for order.

The PRESIDING OFFICER. The Senator from Utah may proceed.

Mr. WATKINS. Mr. President, in passing the Taft-Hartley Act we consistently attempted to equalize the protection of labor laws so as to give employers and employees equal rights to relief from excesses and abuses. The law has stood the test of time quite well, has afforded relief in many areas, and has restored to a great degree the mutuality in the law which had been missing theretofore. The Taft-Hartley Act, however, as interpreted by the Supreme Court, has withdrawn the protection of the State courts which previously existed. Therefore, there is no prompt remedy in many cases. Likewise, there is uncertainty rather than certainty in par-

ticular areas and there is a total lack of an effective remedy in others.

Most distressing, however, is the "no man's land," which now exists where there is no remedy at all. In this area, as one witness before the committee testified, "Victory goes to the strong, not to the just." The Supreme Court, in the Guss case, which arose in Utah, recognized that only Congress can effectively supply a solution for this problem. Specifically the Supreme Court said, "Congress is free to change the situation at will." I think that was an invitation on the part of the Supreme Court to act in this field. I submit that now is the time for Congress to express that will.

Prior to 1953 the State court jurisdiction was effectively used to obtain relief in many of these labor disputes; however, the Supreme Court in the Garner case effectively wiped out all State laws as applied to interstate businesses. These were laws which in many instances predated the Federal act, and in many States the relief which was available was obtained through the injunctive process based upon common law. Subsequent to the Garner case the Supreme Court handed down three decisions on March 25, 1957, including Guss against Utah Labor Relations Board, which established the fact that in any labor dispute affecting interstate commerce, neither a State court nor a State agency has jurisdiction, notwithstanding the fact that the NLRB declines to assert jurisdiction in the case, on the ground that it would not effectuate the policies of the act for it to do so. Thus the Court held that only by use of section 10 (a)—authorization to cede jurisdiction—can the States obtain jurisdiction over such disputes and this the Supreme Court did despite the fact that the limits in section 10 (a) themselves have made it impossible for the Board to cede jurisdiction to any State.

On January 11, 1954, President Eisenhower submitted a number of legislative recommendations calling for amendment to the Taft-Hartley Act. Among those recommendations was one to permit the States and Territories to deal with labor disputes or classes of cases over which the Board has refused to assert jurisdiction. In April of that year the Senator from New Jersey [Mr. SMITH] submitted the report of the committee on Labor and Public Welfare on S. 2650, which contained language permitting agencies or courts of any State or Territory to assume and assert jurisdiction of any labor dispute or class of cases over which the Board had declined to assert its own jurisdiction.

Six members of the committee filed minority views on that bill and with respect to this subject of "no man's land" I refer to the minority views which were printed as part 2 of Senate Report No. 1211, 83d Congress:

> We agree with the committee majority that a problem now exists with regard to the commerce jurisdiction of the Federal Board on the one hand and State agencies and courts on the other. That problem comes about because the Federal Board now has, and now exercises, discretion to decline to take cases within its jurisdiction—the power which the majority proposal would explicitly confer on the Board. When the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction.

The Members found fault with the administration's proposal at that time for two specific reasons. The Members I am talking about, of course, are the minority Members whom I have just quoted. The reasons were:

> (1) The parties should know in advance whether their dispute is going to be decided under Federal law or State law. In no single case does a State labor relations law contain the same provisions as Taft-Hartley. If the parties do not know in advance what law governs their dispute, they cannot know how they must act in order to act lawfully.
>
> (2) The procedure proposed by the majority would make for delay. Every case would have to be taken before the Federal Board first, for it to decide whether or not to take jurisdiction. That might take months or even years. Then, if the Federal Board declined to act, it would be necessary to start over before the State boards or courts.

The solution suggested at that time by Senators Hill, Murray, Douglas, Lehman, Neeley, and Kennedy was "that the jurisdiction of the Federal Board be explicitly defined, that it be required to take all cases within that jurisdiction, and that all other cases be left to the jurisdiction of State agencies and courts."

Needless to say, much valuable time has been lost since that bill we recommitted on a vote of the Senate, so we are now restudying the same subject in 1958 that could have been settled in 1954. On April 28 I argued here on the floor the case for this same amendment. I was put off by the argument that "It needs further study. We will take care of the situation when a general bill is before the Senate." My argument appears on pages 7494–7503 of the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent to have that discussion printed in the RECORD at the conclusion of my remarks and to have it marked "Exhibit No. 1."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WATKINS. The Guss case, to which I have previously referred, was explained in considerable detail in my testimony before the Senate subcommittee and appears in the printed hearings commencing on page 421. Rather than explain that case again at this time, I ask unanimous consent to have my statement before the Senate subcommittee, which held hearings on the bill now before us, printed in the RECORD as exhibit No. 2 at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. WATKINS. Let us analyze the provisions of the pending bill dealing with this no man's land question to see whether it carries out the previous declaration of intent as expressed in the minority views on S. 2650 of the 83d Congress and whether or not it will solve this no man's land problem which is universally recognized by all to exist and to require an effective solution. In analyzing section 602 commencing on page 36 of the pending bill, the first question which requires answering is: Is the jurisdiction of the Federal Board explicitly defined? Let me read the language of the pending bill:

> SEC. 602. Section 6 of the National Labor Relations Act, as amended, is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That the Board shall not adopt any rule, regulation, standard, rule of decision or policy which is intended or has the necessary tendency or effect of precluding the Board from taking appropriate action in cases involving recognition or certification of employees for purposes of collective bargaining (pursuant to sec. 9) or the commission of unfair labor practices (listed in sec. 8) affecting commerce, when such action is necessary to safeguard the rights of employers or the rights of employees to form or join unions, to bargain collectively through representatives of their own choosing or to engage in other concerted activities for their mutual aid or protection, or to refrain therefrom, as provided in section 7."

That does not stop the Board from making a decision in any individual case, declining jurisdiction or accepting jurisdiction. It merely prohibits the Board from establishing any standards or general policies which would bar it from accepting jurisdiction or from proceeding under the jurisdiction which has already been given it by the Taft-Hartley Act. In other words, it is a prohibition against the Board adopting any general standards which might guide management, labor, or the general public. But, as I understand that section, the Board is not prohibited from deciding, in each case, whether or not it will assume jurisdiction or will cede jurisdiction to State boards or courts.

I cannot imagine anything more confusing than that. It would require any litigant, union, management, company, or employer to go first to the National Labor Relations Board to see whether or not it would accept jurisdiction or whether it would cede jurisdiction. Such a process would be costly, and in the case of small business it would be prohibitive. When the litigant came before the Board, he might find, after all, that the Board would not accept jurisdiction, but would cede it.

If it did not cede it, under the decisions of the Supreme Court, the State labor board would have no jurisdiction, and the State courts would have no jurisdiction.

That is the impossible situation we are trying to correct. The bill does not correct it. I wish to point out that the amendment adopted by the committee does in effect go into the very problem into which, it is said by some members, we should not go at this time. The committee does go into it. The committee provides a remedy which is more confusing than the situation is today. Yet it is said we must not propose any amendment, because the bill might be loaded down and defeated.

I should like to call attention to the fact that the evidence is overwhelming

that there is a need for my amendment. It comes within the purview of the investigation made by the select committee of which the distinguished Senator from Arkansas is chairman. When I speak of him, I do so with great admiration for the splendid manner in which he has conducted the investigation, and with profound respect for his judgment. I call attention to the statement in the interim report at page 452. I refer to the statement on the no-man's-land question. It reads:

> Testimony before the committee revealed that some employers have had no access to either the National Labor Relations Board or any comparable State agency. In many instances it was found that the fact that the National Labor Relations Board does not take jurisdiction in certain cases does not automatically turn over the case to a State board.

That statement is significant, and I should like to have the Members of the Senate who are present pay attention to it.

The statement in the report continues:

> In the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency. To solve the no-man's-land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

With that kind of language in the interim report, I am unable to understand how any member of the committee, who heard the testimony, could say that we are getting into another field when we propose an amendment such as this, particularly when it is the definite finding of the committee that the conditions in the New York area existed largely because employers had no recourse to any governmental agency.

Then the report suggests a remedy to solve the no-man's-land problem. It states that the National Labor Relations Board should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

That is precisely what my amendment provides. It is the answer to the problem stated by the committee after it had conducted its investigation. The subcommittee and the full committee have gone into that field. They have now come up with a wishy-washy amendment, which prescribes standards which people are expected to interpret in order to give them an indication of where jurisdiction lies, and which law they should follow. It is a generalized statement, which means that the decision will be made in each individual case, and that jurisdiction may be taken or may not be taken. That is the kind of situation we now have. It seems to me that the recommendation made by the select committee in its report is absolutely unanswerable, and should be adopted.

The best that can be said for this section is that it explicitly defines jurisdiction in cases involving recognition or certification of employers for purposes of collective bargaining; or second, the commission of unfair labor practices affecting commerce. But the section goes on to limit this definition of jurisdiction to cases where the action of the Board is necessary to safeguard the rights of employers or employees: First, to form or join unions; second, to bargain collectively through representatives of their own choosing; or third, to engage in other concerted activity for their mutual aid or their protection, or to refrain therefrom.

Under that section, the Utah union, which had a controversy with Mr. Guss, would have had to come to Washington, to the National Labor Relations Board, to find out whether the Board had jurisdiction or did not have jurisdiction. If the NLRB had decided that they would not take jurisdiction, the representative of the Utah union would have had to return to Utah without any relief, and then, under the Supreme Court decision, they would not have been able to get any relief in the State courts. That was exactly what happened in the Guss case, so this proposed committee language solves nothing.

This is one interpretation of the committee's language. Another interpretation is expressed by the majority of the committee commencing on page 41 of the committee report. I asked my colleagues to consider this language, to interpret it themselves, and to determine fairly whether or not this is what you would call an explicit definition. I submit without intent to impugn the good intentions of the members of the committee, that this is neither explicit nor definite. Rather, I submit that it will lead to more confusion, more litigation, and more delay, the results of which will be frustration, confusion, and hardship and ultimately will require this body to once again legislate to close this no man's land gap.

The second question to be determined then is: Does this language require the board to take all cases within that jurisdiction and does it leave all other cases to the jurisdiction of State agencies and courts? Without rereading the language, I direct the attention of my colleagues to what has already been studied, and I submit that while it may require the Board to take jurisdiction of all cases within its interpretation of the breadth of this additional language, no businessman and no labor union official can at this time specifically determine whether or not his case falls within or without the definition of the jurisdiction of the NLRB, and I submit that under the decision of the Guss case all other cases not specifically covered by even the most broad interpretation of this language would still fall into no man's land. How much of the vacuum has therefore been removed we cannot predict. I submit, however, that we can with reasonable assurance predict that we have here a proposal which will stimulate a tremendous amount of legislation. On May 12 Mr. Harry L. Brown, appearing before the subcommittee in behalf of the American Retail Federation had the following to say concerning the Watkin's bill, the substance of which is being proposed in my amendment.

Mr. Brown's statement consists of five pages, and I do not care to read them to the Senate. However I ask unanimous consent that the statement may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE JURISDICTIONAL VOID IN LABOR DISPUTES

The Taft-Hartley Act was supposed to equalize the protection of labor laws so as to give employers and employees some rights to relief from labor union excesses. It did afford some relief and restored a degree of mutuality in the law which had been completely missing under the Wagner Act. However, the Taft-Hartley amendments had one unfortunate effect which the framers and Congress did not intend, and that was to withdraw the protection of the State courts to employers in many situations where union conduct was actually in violation of State law. It has some other unfortunate side effects also. Where there is need for a prompt remedy, there is delay. Where there is a need for certainty, there is uncertainty. Where there is a need for an effective remedy, the remedy is often ineffective. And frequently, there is no remedy at all for admittedly illegal conduct—a no man's land where the victory goes to the strong, not to the just. This is the result of Federal preemption. Only Congress can effectively provide the solution for this urgent problem which an analysis of the preemption cases will readily demonstrate.

In the great majority of the States employers were able to obtain relief from such picketing in their local courts prior to 1953. During that year, however, the Supreme Court by its decision in the Garner case effectively wiped out all State laws as applied to interstate businesses. These State laws were not peculiar to any section of the country. Picketing in the absence of a labor dispute was prohibited, for example, in Arizona, Missouri, Minnesota, South Dakota, Texas, Wisconsin, and many other States. Many States have no statutes on the subject but injunctions could be obtained under the common law. Ohio is an example of such. Since the Garner decision, however, State courts have been deprived of the power to act.

Under its present jurisdictional standards, the NLRB does not take jurisdiction over many retail stores. But that does not mean that State court relief is obtainable. The United States Supreme Court, in three decisions rendered on March 25, 1957, decided that in any labor dispute affecting interstate commerce, neither a State court nor State agency has jurisdiction, notwithstanding the National Labor Relations Board declines to assert jurisdiction in the case on the ground that it would not effectuate the policies of the act for it to do so. *Guss* v. *Utah Labor Relations Board* (353 U. S. 1); *Amalgamated Meat Cutters* v. *Fairlawn Meats* (353 U. S. 20); *San Diego Building Trades Council* v. *Garmon* (343 U. S. 26). The Court held that section 10 (a) of the NLRA provides the only means whereby the National Board may cede jurisdiction to a State over labor disputes falling within the purview of the National Act. The Court so held despite the fact that the limitations of section 10 (a) are such that the Board has been unable pursuant thereto to cede jurisdiction to any State.

The result of these decisions is to create a no man's land for many labor disputes. The National Board declines jurisdiction because the impact upon commerce is insubstantial and yet neither a State court or agency can act. Many employers, employees, and unions are thus deprived of any forum of which to seek relief even though their rights are being

violated. It is doubtful if any industry is harder hit by these decisions than the retail industry. The Board's jurisdictional standards exclude all but the interstate chains and the larger department stores.

Of course, the American Retail Federation would prefer legislation such as introduced by Senator GOLDWATER in the last Congress which would have given concurrent jurisdiction to the States in strike and picketing. We would also prefer passage of S. 337 introduced by Senator MCCLELLAN and others which would permit the States to act in the absence of an expressed contrary intent in a Federal statute which was assigned to the Judiciary Committee. We believe it is most important in strike and picketing situations particularly, that State courts and boards be reinvested with their traditional right to exercise jurisdiction where the conduct is violative of State law. However, since neither of these approaches appear to be considered in this Congress and because of the desperate need to fill the jurisdictional void this year, we turn to the Watkins bill, S. 1723. This bill would give statutory authority to the NLRB to establish dollar volume jurisdictional standards and then permit the States to act when an employer's business fails to meet such standards.

The ARF endorses the Watkins bill. It believes that if a person is aggrieved by illegal conduct of another, he should be entitled to appeal to some forum—State or Federal—to obtain relief. If the NLRB door is closed to him, he must be able to appeal to a State agency or court. Otherwise, although he is an innocent party, he is compelled to suffer the unlawful conduct without redress.

There is no possibility of conflict between State and Federal authority, where the Federal authority lies dormant and unexercised and the Federal Board has announced that it will not proceed in a given area.

Unless the Watkins bill is enacted it will almost compel the National Board to take jurisdiction of all cases affecting interstate commerce. We believe that such action would so bog down the Board with many cases that it will be unable to carry out the policies of the act in much more important cases where really serious threats to interstate commerce are presented and frustrate the proper administration of the National Act.

The *Guss* case (353 U. S. 1), and related cases as we have mentioned rocked the foundations of our American system of jurisprudence. States were not permitted to act even in cases where the NLRB declined jurisdiction. The employer, as well as the employees, were helpless. He could get no relief from the Board. He was denied the right to seek relief from the State courts. There was a wrong, but no remedy. He must stand by and watch his business destroyed by one who is immune from the law. Nature abhors a vacuum, it is said, and she must be very disturbed by the current situation. One Michigan court judge was so offended by the inequity of the situation brought about by the Supreme Court's extension of the Federal preemption doctrine that he simply refused to follow it, *Johnson* v. *Grand Rapids Building & Construction Trades Council* (decided Sept. 7, 1957, 38 Labor Cases, para. 70, 996). He granted relief on the theory that application of the preemption doctrine to cases where the Board will not act is a violation of the fifth amendment. He said: "Nature abhors a vacuum as does the law. Absence of any legal process is anarchy." The judge was right philosophically and basically, but not legally. His reliance upon the fifth amendment to circumvent the Supreme Court's holding will not, unfortunately, stand up on review.

In labor-management relations today, as one court has already pointed out, "Employer-employee relationships revert to unsupervised jungle where decisions go to the strong and ruthless," *Ringling Bros.* v. *Lewis* (37 LRRM 2810).

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. MUNDT. Does the language mean that the National Labor Relations Board must affirmatively decline to assert jurisdiction, or would mere failure to assert such jurisdiction be sufficient to permit the State agency to proceed?

Mr. WATKINS. Is the Senator referring to the language of my amendment?

Mr. MUNDT. Yes.

Mr. WATKINS. As to the classifications mentioned in the bill, the bill specifically does not allow the State courts to have jurisdiction.

Mr. MUNDT. I am wondering about cases in which the National Labor Relations Board has not acted, either because of an inadequate staff, a heavily encumbered calendar, or for any other reason. Do such cases simply simmer on the back of the stove, without any action by the NLRB, one way or the other?

If the wording were "declined and failed," I would understand exactly what was meant. But when it is "declined," it means that the Board must have affirmatively refused to rule that the matter is outside their jurisdiction, before the court would have any authority.

Mr. WATKINS. It might mean that the Board was very busy; that the matter was a minor one; that it was more of an intrastate dispute than an interstate one. It might be for any one of those reasons.

Mr. MUNDT. Yes; but there must be some kind of action before the States are permitted to function by themselves.

Mr. WATKINS. That is correct. The States could not take jurisdiction of a case where the Board had not yet acted, and had not given any definite indication that it was not going to act. I think the States would be in trouble if, for instance, a matter came before the Board, and because the Board was dilatory in acting, the States thought they could act. I think that would create a great deal of trouble. So there must be some positive act to indicate that the Board had declined to act.

Mr. MUNDT. There must be a positive action showing a declination to act.

Mr. WATKINS. I think that is correct. They must do it by rule or otherwise. They do it by a decision, so as to declare and assert jurisdiction. I can imagine circumstances in which a court might find, by reason of the Board's conduct, without its having said so in so many words, that the Board had declined, in effect, to act. However, that is a field in which there might be some dispute as to whether the Board had declined or not.

Does the Senator from Connecticut wish me to yield to him?

Mr. BUSH. I have a brief statement I wish to make in support of the Senator's amendment, after the Senator has finished.

Mr. WATKINS. I have not quite finished.

Mr. SMITH of New Jersey. Mr. President, will the Senator yield for a question?

Mr. WATKINS. I yield.

Mr. SMITH of New Jersey. There is a point I desire to make clear; I do not know whether the Senator brought it out. The language of the amendment, if I am correct, is the same as the language in the bill which was presented to amend the Taft-Hartley Act in 1954, which bill was recommitted to the committee.

Mr. WATKINS. I am advised that that is correct in substance.

Mr. SMITH of New Jersey. Is the Senator aware of the fact that the bills I introduced on behalf of the administration this year, covering the administration's recommendations, included this proposal, and in the language the Senator has in his amendment?

Mr. WATKINS. I am advised that that is a correct statement.

Mr. SMITH of New Jersey. I introduced the bills, so I know that is a correct statement. They indicate the administration's position. The issue is whether when the NLRB declines jurisdiction in certain cases, the States will be allowed to assert jurisdiction.

Mr. WATKINS. The National Labor Relations Board may be too busy; it may not have sufficient personnel; it may think the matter is too trivial; it may think that it has more intrastate aspects than interstate. Then the parties are completely lost.

Mr. SMITH of New Jersey. That is the whole point. The parties are lost. When the NLRB has not acted or could not act, then should the States be excluded from exercising control, or should the State be in a position to give assistance to the person who desired relief? As I have just said, the President of the United States in his messages has favored State solution of the matter. The McClellan committee, after discussing the question at some length, sought to solve the no-man's-land problem. Therefore, it has recommended that the NLRB should exercise its jurisdiction to the greatest extent practical; and furthermore, that a State or Territory should be allowed to assume or assert jurisdiction over labor disputes over which the Board has declined jurisdiction.

Mr. WATKINS. That is correct.

Mr. SMITH of New Jersey. In other words, the McClellan committee, and also the President of the United States, favor the solution of having the States exercise jurisdiction in cases in which the NLRB does not act.

Mr. WATKINS. I agree with the Senator. I point out that this is a case in which we are not entering into a new field. This is a case in which the Committee on Labor and Public Welfare made a report and attempted to do something about it. But what it pretends to do would be worse than the situation which now exists. Here is a situation in which we should endeavor to protect hundreds of thousands of American citizens in the rank and file of labor and management—the latter mostly in small business—who do not have any remedy whatsoever. Under that kind of situation in New York, the committee found, racketeers, exploiters, and crooks got into the game because neither side had a remedy, there was nothing that could be done about it.

Mr. SMITH of New Jersey. I agree with the Senator completely.

Mr. WATKINS. That is the situation which exists now. It is a situation which demands action now. We cannot let racketeering go on because of the failure to make the law clear about jurisdiction, and the failure to give the State courts the power to settle disputes when the Federal courts hold that the NLRB will not or has not taken jurisdiction. We must do something about it. The situation is crying for some kind of remedy. The language of the committee bill will not correct; it will simply confuse the situation more and more.

Mr. SMITH of New Jersey. Since the Supreme Court decision which held that the Federal courts and the Federal agencies have jurisdiction, the States are out of the picture.

Mr. WATKINS. That is correct.

Mr. SMITH of New Jersey. While the Senator from Utah said—and I think he was correct—that the language we are considering would not cure the trouble which the Senator from Florida [Mr. HOLLAND], in his recent amendment, was trying to have corrected, nevertheless it is true that the same principle is involved: Shall a State court be allowed to act in a case where there is doubt about jurisdiction?

Mr. WATKINS. That is correct.

Mr. SMITH of New Jersey. This amendment would settle the matter, so far as the NLRB deficiencies are concerned, and by implication would settle the matter in other cases.

Mr. WATKINS. It has been argued on the floor of the Senate today that we should study the proposal; that we ought to know more about its effect.

We have had a committee in session for a long, long time. The committee found that there is a vacuum which is responsible for some of the corruption which is occurring in New York State and possibly elsewhere. It seems to me that my amendment is so clear that there should be no difficulty about acting on it now.

When the matter was brought up before, at the time the welfare bill was before the Senate, we were, in effect, although not in express language, told, "No. We will take care of this when we begin to study the situation. Then we will make recommendations to take care of it." But the committee has not taken care of it. They have left the matter in worse condition.

In Utah we have a State labor relations board and courts which are competent to take care of situations of this kind. One of them will handle a case when the Federal body will not.

It seeems to me that what is sought to be done now, in effect, is to say to the States of the Union, as far as we can go by provision, or at least with reference to rules, standards, and general policies, we will prohibit the States from having any say in labor-management matters. It seems to me to be a very adroit attempt to say to the States of the Union, "You cannot get into this." The only thing which was left open was the making of a decision in each case by the NLRB. The States were prohibited from taking action in the other fields which are most important in labor relations.

Mr. SMITH of New Jersey. In that situation, opportunity was opened for a no man's land.

Mr. WATKINS. There is a denial of justice and a denial of a right to go to the courts. American citizens, both in labor and management, are deprived of their right to litigate their disputes in the courts of the State and Nation.

Mr. SMITH of New Jersey. Mr. President, I am glad the Senator from Utah has submitted the amendment. I believe it is sound; and I am in entire agreement with him on it; and I believe I speak for those in the Department of Labor and elsewhere who have studied this matter.

Mr. WATKINS. Mr. President, I hope the committee will be magnanimous in regard to this matter, and thus will accept the amendment, because it seems to me that what the amendment attempts to do is no more than what the Senator from Massachusetts [Mr. KENNEDY] and the other minority Members said should be done in 1954. So I cannot quite understand the reason for the reversal of that position at this time.

Mr. COOPER. Mr. President, will the Senator from Utah yield to me?

The PRESIDING OFFICER (Mr. MORTON in the chair). Does the Senator from Utah yield to the Senator from Kentucky?

Mr. WATKINS. I yield.

Mr. COOPER. Mr. President, a few minutes ago, in the course of the debate, I said I wanted the Senate to pass a bill which would deal with the questions of union democracy and also the proper management of union funds, and for that reason would not vote for amendments, which I believed would, though written, deny the passage of a bill.

I must say that I consider the subject which the amendment raises within the scope of my statement, because if in any situation—an individual or a union—labor or management is denied access to the courts, fundamental rights are denied.

So if an appropriate amendment is proposed, I shall feel constrained to vote for it.

The committee considered this matter. The proposition is not quite as simple as the Senator from Utah, with all his great ability, has made it out to be.

The Supreme Court has passed on this matter. The Senator from Utah is familiar with the Supreme Court's decision, because the case arose in his own State.

I do not think the Senator from Utah should say that the committee is responsible for this situation. When the Congress passed the Taft-Hartley Act, it gave the Federal Government plenary power of regulation in the field of labor-management relations in industries affecting interstate commerce. The Taft-Hartley Act also contains a provision that in the event the National Labor Relations Board wishes to do so, it can cede its authority to State agencies, if they adhere to the same standards prescribed by the Taft-Hartley Act or to standards which are at least equal to them.

Mr. WATKINS. Or, in other words, even better standards.

Mr. COOPER. Yes. Only a few States have adopted such standards.

The difficulty—the no man's land—occurs because there has been such a multitude of cases that the National Labor Relations Board has not been able to take jurisdiction of all of them.

Further, the Board has set up its own standards, which have removed some cases from its jurisdiction. The Supreme Court has not passed on the question whether the Board has the right to deny its jurisdiction by setting up standards.

I would not be too critical of the language included by the committee, because, in effect, it says that the National Labor Relations Board cannot set up standards which exclude cases from consideration by the Board, but that the Board is under the duty of considering them.

Still the question arises, Does the Board have the staff and the funds which it must have if it is to do the job properly? The Board says it does not have the necessary funds or the necessary staff, and that the Congress has denied it sufficient funds to enable it to do the job properly.

Mr. WATKINS. I think that language is also susceptible of the interpretation to which I have referred.

Mr. COOPER. Mr. President, I should like to ask the Senator from Utah a question. I am not afraid of the judgment of the State courts. Like the Senator from Utah, I was once a circuit judge; and I think he and I know that judges try to do their duty. But they must have some standards to follow.

What standards would the courts follow if his amendment is adopted? Does the Senator intend that State courts would follow the standards prescribed by the National Labor Relations Act, the decisions of the Supreme Court, and the decisions of the National Labor Relations Board interpreting the Taft-Hartley Act if his amendment should be adopted? Or would the State courts follow standards of their own, based on State law?

Mr. WATKINS. I cannot answer that question.

Mr. COOPER. But we can make legislative history regarding that point.

Mr. WATKINS. In the case of Utah, for instance, I believe the State courts have standards which are comparable to those established by the National Labor Relations Board, and I assume that the courts have attempted to apply those standards. In doing so in this particular case, they upheld the contention of the labor union; and later the Utah Supreme Court upheld the decision of the Utah board.

Mr. COOPER. But I respectfully submit that the Senator's amendment, if adopted, would turn over to State courts the jurisdiction of cases arising under the Taft-Hartley Act. In that event, what standards would they follow?

Mr. WATKINS. I would assume that in cases which arose under the Taft-Hartley Act they would apply the stand-

ards of that act. But in the absence of enactment of the amendment, they would have no standards and no rule, and thus could not act at all.

Mr. COOPER. The Taft-Hartley Act not only gave full power to the Federal Government, but also indicated that there should be uniformity in its application. So I believe the Senator from Utah should make clear whether his amendment, if adopted, would require the State courts to follow the Taft-Hartley Act and the interpretations made by the National Labor Relations Board and by the courts. If the Senator's amendment does not mean that, of course, there could be different interpretations in every State of the Union.

Mr. WATKINS. Of course that is true; and of course the State courts would have to have some regard for State law, as well, if they were to have jurisdiction. But I assume that if a case arose, as the Senator from Kentucky suggested a moment ago, under the Taft-Hartley Act, they would be required to follow the decisions of the Supreme Court in connection with application of the standards provided by that act.

Mr. COOPER. If the amendment were adopted, many of the cases would go to the State courts, or to justices of the peace—who while men of judgment—do not deal with labor law.

Mr. WATKINS. I doubt that they would go to justices of the peace.

Mr. COOPER. They might, in such cases involving picketing, and similar matters.

Mr. WATKINS. Not in Utah; and I doubt that they would in other States.

Mr. COOPER. But there must be some standards. That is why I ask my able friend, who is a great lawyer, to state whether the amendment proposes that there be uniformity of standards, regardless of the court which may handle the cases.

Mr. WATKINS. I think that would be desirable, although the amendment does not so state in direct terms. But I believe a fair interpretation of the amendment would be that if a case arose under the Taft-Hartley Act, the courts would be required to use the standards of that act, and also that the intermediate appellate courts would adhere to those standards.

Mr. ALLOTT. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. Mr. President, first, I should like to have the Senator from Kentucky conclude, because what he has been saying is very important.

Mr. COOPER. Then I think the Senator from Utah should state clearly that it is his intent that if the amendment is adopted, there should be uniform standards throughout the United States.

Mr. WATKINS. The reason why I am not going the full distance the Senator from Kentucky wishes me to go is that only recently the Supreme Court of the United States has decided that those who are involved in such disputes may go into the State courts—something which never has been done before. That decision seems to indicate that the act itself is not all-embracing and is not the last word in regard to labor disputes and individual rights in that connection.

Mr. COOPER. There is a line of such decisions, in which the Supreme Court has held that it did not arrive at its decisions on the basis of the Taft-Hartley Act but, instead, arrived at them on the basis of State law. If the Taft-Hartley Act had been applicable, it could not have so decided.

We are dealing with only one class of cases, namely, those which arise under the Taft-Hartley Act. In my opinion, there would be chaos in such cases if uniform standards were not applied throughout the country.

Mr. ALLOTT. Mr. President, at this point will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. ALLOTT. I should like to avoid the use of the term "no man's land." In terms which an ordinary person can understand, it seems to me that the amendment simply means that under the provisions of the Taft-Hartley Act, if the National Labor Relations Board refuses to accept jurisdiction, then, in view of the law as it now stands, both management—employers—and employees are left without any recourse whatsoever.

Mr. WATKINS. That is correct.

Mr. ALLOTT. And it hurts the employee, or may hurt him, depending on the case.

Mr. WATKINS. It did in my State of Utah.

Mr. ALLOTT. The way the law now reads, it may also hurt the employer. In other words, if there is a dispute and it is submitted to the National Labor Relations Board, and the Board refuses to take jurisdiction, either side, employee or employer, may be left completely without any remedy anywhere.

Mr. WATKINS. That is exactly what happened in Utah.

Mr. ALLOTT. This situation is known as the "no man's land."

Mr. WATKINS. "No man's land," and it should be known as "no court land."

Mr. ALLOTT. "No court land," or "no redress land," because each party is left without a remedy.

Referring to the bill which is now before the Senate, and not the Senator's amendment, in the case of the present committee print, in an attempt to pin down these differences, the National Labor Relations Board is forbidden from setting up any standards governing whether it shall or shall not take jurisdiction. Is that correct?

Mr. WATKINS. That is correct. I think that policy is not sound, because I believe the Board ought to be permitted to set up some standards so persons in the field of management or labor would have some criterion on which to proceed.

Mr. ALLOTT. That is exactly correct. Otherwise, everybody would be subject to the law of the jungle, because no one would know where the remedy lies.

Mr. WATKINS. The parties would have to go to the National Labor Relations Board each time to ascertain whether the Board had jurisdiction or did not have jurisdiction.

Mr. ALLOTT. And there would be no standards for knowing whether the parties have any right to go before the National Labor Relations Board.

Mr. WATKINS. That is true. The parties would not know which law applied.

Mr. ALLOTT. Is it not a fact that the amendment of the Senator from Utah would not diminish in any way the right of any employer, employee, or any other interested party, to go to the National Labor Relations Board?

Mr. WATKINS. That is correct; they could go there. If the Board should not decline to take jurisdiction, the parties could pursue their remedy before that Board.

Mr. ALLOTT. But if the Board refuses to accept jurisdiction, then the State courts may accept jurisdiction of the matter and determine it?

Mr. WATKINS. The State labor relations board, or whatever machinery is set up in the State for that type of matter, could.

Mr. ALLOTT. Whatever agency the individual State has could do so.

A little while ago the Senator remarked about the situation which existed when he attempted heretofore to offer this proposal. I read now, from page 63 of the report, the statement the junior Senator from Massachusetts [Mr. KENNEDY] made to the Senator from Utah [Mr. WATKINS]:

> I agree with the Senator from Utah that equity should be done in areas where the National Labor Relations Board is without jurisdiction, and where a State attempts to take jurisdiction, particularly in the instance cited by the Senator from Utah. But I should like to give some directions to the National Labor Relations Board as to when they shall have jurisdiction. I do not think we should leave it to the Board to decide where it will take jurisdiction. I think there should be some standard prescribed by Congress.

While it is not completely in line with the statement of the Senator from Massachusetts, the amendment of the Senator from Utah would clear up this area by making it definite that an employee or employer who was refused access by the National Labor Relations Board could go to his own State administrative or judicial machinery to get his case decided.

Mr. WATKINS. I think the statement of the Senator is accurate. A party could go to the State courts, or to the State labor relations board, or whatever instrument or agency the States sets up to take care of matters of this kind. The committee's provision, as I understand it, is directly to the contrary.

Mr. ALLOTT. That is correct.

Mr. WATKINS. The provision leaves it wide open for the Board to decide in each individual case whether it will or will not take jurisdiction. It prohibits the Board from setting up standards.

Mr. ALLOTT. It does prohibit the Board from setting up standards so that an officer of a labor union or an employer would never know from day to day, when he appealed to the National Labor Relations Board, whether the Board would or would not accept jurisdiction, because the Board is prevented from setting up standards which provide that one is subject to the National Labor Relations Board.

Mr. WATKINS. That is true. To enable a small business organization or labor union to ascertain an answer to that question the cost would be almost prohibitive.

Mr. ALLOTT. I thank the Senator. I hope this provision will be of assistance in providing language which people who are not so familiar with legal language, as the Senator from Utah and I are, can understand.

Mr. WATKINS. We drew up the amendment so anybody could understand it. When the National Labor Relations Board declines jurisdiction, then State instrumentalities can proceed. It does not provide that State boards or courts can take jurisdiction if the Board is simply negligent or a little slow in getting to a case.

Mr. ALLOTT. I thank the Senator.

Mr. WATKINS. I appreciate the contribution of the Senator from Colorado, and also that of the Senator from Kentucky.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I have been particularly interested in the discussion between the Senator from Utah and the Senator from Kentucky. While I have no expert knowledge in this matter, some 6 years ago I was privileged to be chairman of the Labor-Management Subcommittee. We made a study at that time of jurisdictional problems of the National Labor Relations Board, and also of problems which arose as a result of State courts and State agencies moving into the area of labor law which had been preempted, supposedly, by Federal action. I think the Barbash report, relating to the jurisdiction of the court, has been referred to. Another report was also made on the matter of injunctive-relief provisions of the Taft-Hartley law.

Here is my point, which, in a very informal, and I hope helpful, way I should like to discuss with the Senator from Utah. As I see it, the argument made by the Senator from Kentucky is that whenever there are turned over to State or local agencies responsibilities in the area of law which was supposed to have been covered by Federal statute and to have been, at least theoretically, determined by a Federal agency, and there is no uniformity of standards to guide the local or State administrative agency or court, there results a multiplicity of standards and decisions which are based on no similarity of standards. I think that is a valid argument.

As I view the bill before the Senate, section 602 contains language which would fill in the gap which now exists as a result of the National Labor Relations Board's own decisions as to its power and jurisdiction. Actually, a part of the problem today relating to the so-called "no man's land" or "no court land" or "no agency land" results from the fact that the National Labor Relations Board itself has limited its own jurisdiction.

Mr. WATKINS. There are two ways to look at jurisdiction. As a matter of law and as a matter of theory the NLRB does have jurisdiction to take over those cases.

Mr. HUMPHREY. The Senator is correct.

Mr. WATKINS. But the Board also has the power in the act itself, as I understand, to decline certain cases.

Mr. HUMPHREY. The Senator is correct. At least, it is implied that the Board has such power.

Mr. WATKINS. I think the courts have held the Board has that right. The Board also has a right to cede jurisdiction.

Mr. HUMPHREY. Under agreements.

Mr. WATKINS. Under agreements with the State labor boards. We have a State labor board in Utah.

Mr. HUMPHREY. Yes.

Mr. WATKINS. It seems to me there is a field in which the State people should operate. For instance, in the consideration of a case such as the Guss case, there were only one or two operations in the entire case which had to do with people outside the State, which made it an interstate case in character. Much of the activity of the Guss company was wholly within the State and involved an intrastate matter.

Mr. HUMPHREY. The Senator is correct.

Mr. WATKINS. I consider that in such a case it would be wise for the Federal Government not to move in. The State should have some right of activity. Such a matter should not be completely turned over to the Federal authorities. The State should be able to act in that kind of case, but the State cannot do so under the court decisions.

Mr. HUMPHREY. I know of cases which have occurred in my own State of Minnesota in which there has been a failure to find where the jurisdiction seemed to lie. I do not deny that such a thing can happen. The reason is that the National Labor Relations Board has refused to take jurisdiction when the law was clear as to its right to take jurisdiction.

Mr. WATKINS. The Board has a right not to take jurisdiction, under the law.

Mr. HUMPHREY. The Board may have a right not to do so, but it has an obligation under the Taft-Hartley law to enter into cooperative agreements with States in the cases where there are standards which meet Federal standards.

Section 602 of Senate bill 3974, introduced by the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. IVES], the Senator from Oregon [Mr. MORSE], the Senator from Alabama [Mr. HILL] and the Senator from Montana [Mr. MURRAY], as to the matter of the National Labor Relations Board jurisdiction, states:

SEC. 602. Section 6 of the National Labor Relations Act, as amended, is amended by inserting before the period at the end thereof of a colon and the following: "*Provided*, That the Board shall not adopt any rule, regulation, standard, rule of decision or policy which is intended or has the necessary tendency or effect of precluding the Board from taking appropriate action in cases involving recognition or certification of employees for purposes of collective bargaining (pursuant to section 9) or the commission of unfair labor practices (listed in section 8) affecting commerce, when such action is necessary to safeguard the rights of employers or the rights of employees to form or join unions, to bargain collectively through representatives of their own choosing or to engage in other concerted activities for their mutual aid or protection, or to refrain therefrom, as provided in section 7."

I believe the purpose of that language was to close up the loophole which the National Labor Relations Board itself designed.

Mr. WATKINS. In other words, what the Senator is saying, in effect, and what the language reported by the committee intends to say, is close the door to State activity in any of those fields. That would make it impossible for the National Labor Relations Board to set up standards which would permit the States to engage in activities in this field.

Mr. ALLOTT. Mr. President, will the Senator yield to me so that I may make a comment to the Senator from Minnesota?

Mr. HUMPHREY. I may say, respectfully, there is a concept of law that when the Federal Government steps in under the power of the Constitution and establishes law, the Federal Government can preempt the authority.

Mr. WATKINS. I understand.

Mr. HUMPHREY. That is the situation in the case of the Taft-Hartley Act. We are not denying the State something, because the State never had the authority. This is an interstate proposition and relates to the powers set forth in the Taft-Hartley Act. All that has happened is that the National Labor Relations Board in several instances has said, "We refuse to take jurisdiction." The Board did not say it did not have jurisdiction or did not have the power of jurisdiction; it simply refused to take jurisdiction.

I think if there is any doubt as to the exercising of rightful jurisdiction by the National Labor Relations Board we ought to see that the matter is clarified. I understand the Senator from New York has drafted a provision which would remove any doubt whatsoever as to the authority of the National Labor Relations Board, as well as its responsibility.

I will conclude by stating that if we are to include State courts or agencies, then the point which has been made by the Senator from Kentucky would be absolutely controlling. We cannot have any kind of pattern of harmonious and successful labor-management relationships if we have one set of standards in the State of Wisconsin, another set of standards in the State of Michigan, and another set of standards in the State of Minnesota, when we have cases which are supposedly within the jurisdiction of the Taft-Hartley law and the National Labor Relations Board.

The cases involving strictly intrastate matters, which are completely local and intrastate, are not covered by the Taft-Hartley Act, and of course are a matter of local jurisdiction and local authority.

What we are discussing today, so as to preclude any misrepresentation of the facts, is the case wherein the law now provides the authority for the Federal Government and for a Federal agency, but a case wherein the Federal agency

does not exert its authority. Under the amendment of the Senator from Utah, a State would be able to take over the responsibility, but there would be no uniformity of standards. I think we would have chaos.

Mr. WATKINS. I do not think the amendment would mean that at all.

Mr. HUMPHREY. What does the amendment mean?

Mr. WATKINS. It means the State can take the case over when the NLRB declines to act.

Mr. HUMPHREY. When the National Labor Relations Board declines to act.

Mr. WATKINS. The Senator is correct. The language put in the bill by the committee would not make provision for each individual case. The Board is simply told it cannot set up any standards.

Mr. HUMPHREY. If there is any doubt as to the duty of the National Labor Relations Board to act in these cases, that matter can be clarified by precise language. I understand the Senator from New York intends to do exactly that.

Mr. WATKINS. As a matter of law, I wish to discuss the situation the Senator has raised in his argument, with reference to the standards, the State courts or the State boards would have to use, in connection with infractions of the Taft-Hartley Act——

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WATKINS. I will yield in a moment, if the Senator will let me finish this point.

The point is that ordinarily, if the Federal Government is enforcing a State law—which it sometimes does, since the Supreme Court passes upon State cases and enforces State law—unless the law is unconstitutional the decision will follow the State law. The State courts or the State boards, as to violatons of the Taft-Hartley law, would necessarily have to use the same standards and follow the decisions with respect to the Taft-Hartley law.

Mr. HUMPHREY. Of course, the Senator does not say that in his amendment.

Mr. WATKINS. We cannot spell it all out.

Mr. HUMPHREY. I think we had better do so.

Mr. WATKINS. The amendment does say that, in effect.

Mr. HUMPHREY. I understand why the Senator from Kentucky made his point. If we are going to cede jurisdiction in a matter of Federal law to a State agency, then in the process of ceding jurisdiction, as we write it into a statute, we should lay down the mandate that the Federal standards will be used.

Mr. WATKINS. We have numerous laws on the books, and we would have the books so filled with language we would never get anywhere if we had to write in all of the decisions made by the courts. It is ordinarily understood that when one is construing a Federal law and applying it in any way, one must follow the decisions of the Federal courts. When applying State law, one must use the decisions of the State courts, insofar as applicable. There would be a difference only when the State decisions were held to be unconstitutional.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WATKINS. I yield to the Senator from Illinois for a moment, and then I shall yield again to the Senator from Minnesota.

Mr. HUMPHREY. The Senator has been very considerate.

Mr. DIRKSEN. I am afraid we will get so bogged down concerning standards and rules that the poor devil who is the victim of this situation will founder before he gets relief.

The whole situation is quite simplified, as I read the Guss case, the decisions, and the Watkins amendment.

The National Labor Relations Board says, "We decline to take jurisdiction." The Board says, "We will not." The court has said in that case, so far as Utah is concerned, "You cannot."

We are considering the poor devil who is caught in between. The Federal Government says, "We will not take jurisdiction." The State government says, "Under the ruling, we cannot take jurisdiction."

What are we going to do about that situation? Are we going to quibble about rules, decisions, and standards?

Has the Senator from Minnesota read the language of the amendment?

Mr. HUMPHREY. Yes. I read the language very carefully. I might remark, for the benefit of the Senator from Illinois, one does not run from one hot pan to another. The Senator says, "If you are getting no relief here, move over into this land of chaos and confusion, with 48 separate standards around the country as to labor cases."

Mr. DIRKSEN. Let me continue for a moment, if my friend will permit me.

Mr. WATKINS. One at a time. Let us get some logic and sense into the debate.

Mr. DIRKSEN. The language of the bill is as follows:

> *Provided*, That the Board shall not adopt any rule, regulation, standard, rule of decision or policy which is intended or has the necessary tendency or effect of precluding the Board from taking appropriate action.

What is appropriate action? The Board may still say, We decline to take jurisdiction, either because commerce is not burdened, because there is not enough money involved, or enough business involved. Then the poor devil is trussed up high and dry on the pikestaff.

I should like to make one further point. The committee says there will be a great deal of difficulty because only 12 States will have adequate State laws. So what? There is no uniformity in State laws on many subjects, so there will be differences in many cases. I see a great lawyer, the Senator from South Carolina [Mr. THURMOND] shaking his head. He is quite right. So we are not departing from the situation which exists in many fields. There are no uniform laws with respect to highways, weights and standards, and many other things. The fact that 12 States are in one category and 36 in another makes no difference, for the very good reason that if the Board refuses to take jurisdiction, the legislatures of the 36 States are still free to act, and make it possible to get these people out of their difficulty.

This is an emergent situation. It has been before us for a long time. It was recognized in the bill of 1954. It is recognized by the administration. Unless we do something adequate, there will be cases in which people will be in difficulty. There will be no forum in which they can obtain even a hearing of their problems. That is why I regard this problem as one of the most important before the Congress today.

Mr. WATKINS. It seems to me that what the committee did was a very adroit way of saying to the States. In this field you cannot legislate. Keep out. That would apply to any number of laws which have been enacted by the States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. HUMPHREY. Let me say to the Senator from Illinois that his argument that the other 36 States could legislate is a truism. I do not doubt that the other 36 State legislatures could meet and set up whatever standards might be required; but, by the same token, the Congress of the United States could meet once. It would not have to have 36 meetings. We shall be able to remedy the situation with the amendments which will be offered.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. DIRKSEN. The simplest answer to the Senator from Minnesota is this: In the unemployment compensation bill we provided that the States should move in. We were not so squeamish or thin-skinned about involving the unemployed, to the extent of hundreds of millions of dollars. Why not do the same thing here? Not a session of Congress goes by that we do not say, This act will be come effective only upon further action by legislatures at the State level. That is such a common practice that it requires no discussion or argument on my part.

Mr. WATKINS. Mr. President, I should like to enter into the debate for a moment since I have the floor. I enjoy discussions with my colleagues. I point out that there are situations in which there is no clear line of demarcation. As I remember the facts in the Guss case, it involved both interstate and intrastate transactions. Which law is the National Labor Relations Board to enforce in cases in which both are involved? Is it to enforce the State laws of Utah, for example, in cases involving intrastate affairs, and the Taft-Hartley Act when interstate matters are concerned? That is something to think about.

I do not believe that we have reached the point where we should turn over to the National Labor Relations Board 100 percent of the adjudication of disputes arising all over the United States, whether they involve interstate or intrastate subjects. There are certain fields

in which the decision is very close as to whether they involve interstate or intrastate. The Taft-Hartley Act wisely provided that the Board could cede jurisdiction.

It is said that we would have to make larger appropriations to provide more clerks in the National Labor Relations Board to take care of the situation. What the Board should do is to take over to the extent of 100 percent in all cases involving Federal questions. I do not see how anyone who is an advocate of States' rights could be opposed to this amendment and in support of the committee provision.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. THURMOND. I should like to have the Senator from Minnesota listen to what I am about to say because of his particular interest. I wish to read one paragraph from the interim report of the Select Committee on Improper Activities in the Labor or Management Field, headed by Senator McCLELLAN.

The report was issued on March 24, 1958. I read from page 452 a paragraph which shows the distinct need for the amendment of the Senator from Utah. It deals with an entire no man's land.

> Testimony before the committee revealed that some employers have had no access to either the National Labor Relations Board or any comparable State agency. In many instances it was found that the fact that the National Labor Relations Board does not take jurisdiction in certain cases, does not automatically turn over the case to a State board. In the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency. To solve the no man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

As I understand the amendment of the Senator from Utah, from a reading of it, that is exactly what the amendment would do.

Mr. WATKINS. We purposely drafted it in language anyone can understand—union leaders, State authorities, Federal authorities, as well as Members of the Senate.

Mr. THURMOND. It is very simple. It implements the very recommendation which was made by the McClellan committee.

Mr. WATKINS. It is designed for that very purpose; and we thought it would meet with unanimous approval.

Mr. THURMOND. The amendment reads as follows:

> (c) Nothing in this act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming and asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction.

In other words, if the Board asserts jurisdiction, the National Labor Relations Board has control of the situation, and the State agencies do not come into play. But if the NLRB does not assert jurisdiction, under the provisions of the pending amendment the appropriate State agency would. That would fill the gap which now exists in a no man's land, where jurisdiction does not seem to reside in either a State or Federal agency, when the National Labor Relations Board declines to take jurisdiction.

Mr. WATKINS. That is what the amendment is designed to do. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. COOPER. I wished to address my remarks to the Senator from Illinois [Mr. DIRKSEN], but he has left the Chamber. He probably did not hear the first statement I made on this question. As I stated, there is a practical situation in which persons, individuals, or unions are denied access to the courts.

I do not believe that is a good situation. I hope it can be remedied. What I tried to point out was that there are some problems involved in the amendment which is being offered which ought to be considered. I say respectfully that my friend from Illinois glossed over those items. This is a situation on which the Supreme Court has passed. I do not know what my friend from South Carolina would say about it. However, the Supreme Court has held, first, that the Taft-Hartley Act gave complete jurisdiction to the Federal Government in all labor dispute cases arising under the Taft-Hartley Act affecting interstate commerce.

Mr. HUMPHREY. That is all we are talking about.

Mr. COOPER. That is all we are talking about. The courts have further held that in the interpretation of these cases, there must be uniformity. Even under the section of the Taft-Hartley law which authorizes the Federal Government to cede some of these cases to State agencies, the State agencies must follow Federal standards.

The point I make is—and I repeat it—the Taft-Hartley Act does call for uniformity.

I do not see how we can have cases decided one way in one State and decided another way in another State, particularly in connection with an industry which does business in interstate commerce.

Let us suppose that an industry does business in the State of the Senator from Utah and in my State, and in every State between Kentucky and Utah, and each State court decided differently. I do not believe that would be a desirable situation. What I am saying is that if the amendment is to be adopted it ought to provide that in cases which affect interstate commerce—and that is all we are talking about—the courts or agencies of the State shall be bound by the rulings and decisions of what the NLRB and the Supreme Court under the Taft-Hartley Act have held. The language ought to be drawn to cover that situation. I am now merely giving my view.

Mr. WATKINS. The Senator is a lawyer and a former judge. It is a principle which has been accepted by the courts throughout the United States for many years that when a Federal law is being construed, either by State courts or by Federal courts, the courts follow the rules and standards of the Federal decisions interpreting that law. Is that not correct?

Mr. COOPER. I do not agree wholly with the Senator. The Federal courts must follow State law in some cases.

Mr. WATKINS. Where the case concerns intrastate matters; yes.

Mr. COOPER. If the Senator will study the case of Guss against The Utah Labor Board, he will find that the question of uniformity was raised in that case. The record shows that the National Labor Relations Board filed a brief, and even the Board could not agree as to whether State standards would be followed or whether Federal standards would be followed.

Mr. WATKINS. The Senator, I assume, understands why that was true in that case. It was because it involved both Federal and State law.

Mr. COOPER. No; they were dealing simply with the cases which affected interstate commerce. This amendment is not clear. A reading of the Supreme Court's decision so indicates. The question of standards will be left hanging in the air.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. COOPER. It is not a simple matter to dash off the way my friend from Illinois dashed off. The question of uniformity of decisions affects unions and individuals throughout the land.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. ALLOTT. I should like to address my remarks primarily to the Senator from Kentucky [Mr. COOPER] and the Senator from Minnesota [Mr. HUMPHREY], who commented on this subject. I believe that a great portion of what they have said must be taken under careful consideration. I should like to point out that in 1954 the President said:

> Where the National Labor Relations Board has refused to assert jurisdiction on the ground that it would not effectuate the policies of the act for it to do so, it should be made clear by legislation that the States are free to act.
>
> Since I understand that your committee will report shortly on various amendments to the Taft-Hartley Act, I thought that you would like to have this progress report.

First of all, knowing the Senator from Utah as I do, and knowing how meticulous he is, probably more than any other Senator——

Mr. WATKINS. Well——

Mr. ALLOTT. I am happy to pay this tribute to the Senator. He is one of the most meticulous and studious men in the Senate, and he has given a great deal of study to this subject. I am sure he has given consideration to it, and feels that the reply he has given to the Senator from Kentucky is true and that the State courts will adequately assume jurisdiction and interpret in a correct way the matters and items that come before them and I, too, feel that they will.

However, this leads up to the real point in issue. The Senator from Kentucky

has raised this question, and Senators may put as little emphasis on it as they wish. Even considering it in its direct implications, I do not believe the State courts are irresponsible. But even assuming that they are, that does not pose a problem which will compare in the slightest degree with that which will be faced by us if the bill is passed as it is. In the bill we leave a complete jungle.

Let us be specific. Corporation A can appeal to the National Labor Relations Board and have the National Labor Relations Board assume jurisdiction of its case this week. Corporation B can come to the National Labor Relations Board next week on a case which is on all fours with the case of Corporation A this week, and be denied jurisdiction. That is so because the bill does not prescribe any regulations. What is the result? I see sitting around me on the floor of the Senate many able and capable lawyers who have had much more experience and many more years at the bar than I have had. What is the result? The result is that which is most feared by a lawyer when talking with his client and trying to advise his client—and labor unions and employers are going to lawyers for advice. When they go to them for advice, their lawyer will have to tell them, There are no regulations or standards. The NLRB is forbidden to prescribe standards. Even though last week Corporation A got before the NLRB, I cannot assure you that this week you will get to the NLRB, even though your case is on all fours with the other case.

This is one of the greatest hazards we could possibly face in this area, because we will remove even what certainty there is now. We will have a confusing jungle.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CASE of New Jersey. I believe that all of us share at some time the concern to make the act definite and to let everyone know—even lawyers, so that they can advise their clients for a fee—what the rights of the people are, and what remedies exist. I wish to be certain that no action of mine will make things worse or less certain. However, I believe that there is involved not only the question of what statutes shall apply—and of course in cases affecting interstate commerce, I am sure all of us agree that the Taft-Hartley Act provisions are binding and apply no matter which court enforces them—but there is also——

Mr. WATKINS. We have accepted that as a matter of law.

Mr. CASE of New Jersey. Yes. In addition to that, we have the question of the machinery which is provided for the enforcement and the implementation of these procedures. It was the action of Congress which created the National Labor Relations Board, and its branches throughout the country, and the Office of the General Counsel, which, in a way, made it unnecessary to go to court; and there were prescribed the standards and rights and obligations under which the act should be enforced.

I think that is the reason, although I was not here during its development, why the act itself requires that the cession of jurisdiction be made in certain cases by agreements with State agencies. It is in order to preserve not only the standards and rules of law, but also to preserve effective and adequate comparable governmental machinery. I do not think we should lightly take action here which would abolish that principle. I would be inclined at the moment to support a resolution on this issue, along the lines which I understand the Senator from New York [Mr. IVES] is now considering, to make it clearer that the Board must take jurisdiction in all cases affecting commerce, unless, as I understand, the Board is able to make agreements with State agencies which will provide comparable relief in all respects, both to employers and employees.

Mr. IVES. Mr. President, will the Senator from Utah yield, so that I may make a point clear?

Mr. WATKINS. I wanted to make a statement at this point.

Mr. IVES. I will have more to say about this in my own right.

Mr. WATKINS. If the Senator wishes to comment on what was said by the Senator from New Jersey, I yield.

Mr. IVES. No; I will take the floor in my own right later.

Mr. WATKINS. I shall be glad to yield to enable the Senator to make his comment.

Mr. IVES. No; it will take some time to make my comments.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. First let me make a statement, before I yield to the Senator from New Jersey.

The amount involved in the Guss case, State-wise, was about $152,025. From sources outside the State, Stainless Steel involved a little less than $50,000. Finished products were shipped to the Air Force at Wright-Patterson Field, Dayton, Ohio, and other Air Force bases, both inside and outside the State. All the other activities of the Guss business were in the State.

I can understand very readily why, as a matter of policy, the Federal Board should not, probably, step into cases of that kind. They should have ceded jurisdiction to the State, but they did not. A case of that kind involved a great deal more of Utah law than of Federal law.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CASE of New Jersey. This raises the point quite sharply and properly. I do not think that a very slight amount of business done in interstate commerce should result in depriving the employees or the employers in a given business of Federal standards and Federal machinery, or machinery comparable to it. I really feel very strongly about that. I suspect that the people who are interested in the matter are not so much the people of States like Utah, which has, as I understand, very good labor-relations machinery, or New York, or my own State, which have laws of their own; but, rather, it is the desire of people in many other places where the protection for both management and labor in such matters is not adequate to maintain what supposed advantage exists. For that reason, really, I have no sympathy with the argument that simply because a slight amount of business is in interstate commerce the State should apply its law which is different from the Federal law, or employ its machinery which is not adequate or equivalent to the machinery provided by the Labor-Management Act.

Mr. WATKINS. In this case the State did not try to grab the case. The State came into the situation only when the National Labor Relations Board failed to do anything. The Board actually declined to take action.

Mr. CASE of New Jersey. I do not think they should have.

Mr. WATKINS. Under the circumstances, I think we must be reasonable. I am not ready to turn over every operation in the State to the Federal Government, even if it involves a $5,000 as against a $1-million operation. I think that is getting to the point of being ridiculous. If that is what Congress wants to do, I register my emphatic opposition to such a policy.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. CASE of South Dakota. I am inclined to support the amendment of the Senator from Utah for two reasons: First, it seems to me that the reason which the Chairman of the NLRB gave for the declining to take jurisdiction of a number of cases was the reduction in the force allotted to the Board. At page 810 of the hearings is a table submitted by the NLRB, giving the average employment and appropriations for the past 10 years.

In 1949, the NLRB had 1,698 employees. That was within 2 of 1,700.

For 1959, under the Budget estimate, the Board will have only 1,182 employees. If Senators will consult the table, they will note that there has been an almost constant decline in the number of employees for the past 10 years. The decline from 1,698 to 1,182 is a drop of more than 500 employees, or a drop of one-third. In other words, the NLRB has now only two-thirds the personnel it had 10 years ago.

Judge Leedom, in response to interrogations made of him at the time, pointed out that the fewer number of employees, the reduction in personnel by one-third made it incumbent upon the Board to draw some lines as to the cases which the Board would hear, or as to which they would accept jurisdiction.

So, first, if Congress is insistent upon reducing the appropriations for NLRB, which has resulted in a drop of one-third in the personnel over a period of 10 years, it must recognize that the Board almost has to have some guidelines as to the cases of which it will accept jurisdiction.

Consequently, I hesitate to approve the language which is provided in the bill, to the effect that the Board may not adopt any rule which is intended or has the necessary effect of precluding the Board from taking the necessary action in cases. In other words, if such language as that is adopted, how will the

Board be able to determine which cases it will hear, if its personnel has been reduced by one-third in 10 years?

The second reason why I am inclined to support the amendment offered by the Senator from Utah is that even the language of the bill, it seems to me, begs the question, because after prescribing that the Board shall not adopt any rule, and so forth, it reads: When such action is necessary to safeguard the rights of the employees and the rights of the employers.

Who is to determine when such action is necessary? When we say that the Board may not do so when such action is necessary, who is to determine when such action is necessary, other than the Board itself, unless a litigant goes to court and persuades the court to determine whether action is necessary?

It seems to me that the language of the bill would be unfortunate, even if it did what it apparently intends to do. That is my second reason for preferring the language suggested by the Senator from Utah. It would eliminate some of the "no man's land" and would make it possible for the employers or the employees to seek relief before a State agency, if such an agency existed.

Mr. WATKINS. Would not the Senator from South Dakota agree with me that if the Board accepted cases involving amounts as small as $5,000 or $50,000, it would be so loaded down with proceedings of this type all over the land that it would be unable to function, even if it doubled its forces? It is now in a field where the sums are so small, and where the State interests are so much greater.

Mr. CASE of South Dakota. I do not have the information which would enable me to pass upon where the dividing line should be. I think perhaps the line should be drawn so that the Board itself would have some authority. I think the Board should not be stripped of authority to fix the dividing line if the personnel is inadequate to handle the total amount of work.

Mr. WATKINS. My philosophy dictates to me that in small matters, at least, the States should have the right and power to take jurisdiction. They should cooperate. Then we can have the law enforced, and stop denying to the people their rights in the courts.

Mr. CASE of South Dakota. In other words, they will not be forbidden by this act. It will be provided that nothing in the act shall preclude State agencies from acting when the National Labor Relations Board has declined to act.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. THURMOND. Was it not the intent of Congress, when the Taft-Hartley law was passed, to convey certain powers to the Federal Government, but not to preempt the entire field for the Federal Government?

Mr. WATKINS. I think that was clear.

Mr. THURMOND. But the Supreme Court later held that the Taft-Hartley Act did preempt the field. Since then, decisions have been handed down to the effect that the Federal Government has the entire judisdiction. Yet the Federal agency which is administering the Taft-Hartley Act exercises jurisdiction only in certain areas, and leaves blank any action in other areas. It stands to reason that the States, under the Supreme Court decisions, do not have the power to step in and take action.

Mr. WATKINS. Let me call attention to the fact that in the Guss case the Supreme Court invited the Congress to step in and give the States jurisdiction.

Mr. THURMOND. Is not an amendment to the act essential, in order to give the States authority to step into this no man's land and act when the agency empowered by the Federal Government to administer the act fails to do so?

Mr. WATKINS. Yes, when it declines to act.

Mr. GOLDWATER. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. GOLDWATER. I appreciate the courtesy of the Senator from Utah in yielding to me. I hold in my hand a compilation of State laws which apply in this field, and I believe the compilation is of value in connection with this point.

During the hearings, when I, as a layman, raised the question of the no-man's land, I was confronted with the argument which we have heard here today; namely, that only 12 States have laws of this kind. From that statement one might gather that the other 36 States have never enacted any laws in the labor field.

I should like to say—if I may have the indulgence of the Senator from Utah—that the following States, for example, have on their books laws in the field of arbitration: Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois Indiana, Iowa, Kansas, Kentucky, Maine, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, West Virginia, Wisconsin, and Wyoming.

I may say that every State in the Union and, so far as I can ascertain, also all the Territories have, not only one law, but several laws in this field; and some States have voluminous laws on the subject of labor.

I wonder whether the Senator from Utah would be willing to have the list which I hold in my hand, which is entitled "Cumulative List of Major Laws and Regulations," and comes from the Commercial Clearing House, printed at this point in the RECORD.

Mr. WATKINS. I shall be glad to have that done. Mr. President, I ask unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CUMULATIVE LIST OF MAJOR LAWS AND REGULATIONS

(EDITOR'S NOTE.—Following is a State-by-State list of the major labor-management relations and employment regulation statutes and regulations appearing in this binder. The laws are arranged alphabetically by State or Territory, and in each case the page on which the text begins is set out opposite the title of the law. For page references to other laws, see the tables of contents appearing at the beginning of each State or territorial unit.)

ALABAMA

Boycotting and Picketing Act 10:243
Right-to-work law 10:265
Union membership in public employment 10:275
Union Regulation Act (Bradford Act) 10:265

ALASKA

Fair Employment Practice Act 11:201

ARIZONA

Anti-Injunction law 12:257
Picketing and secondary boycotts (Fair Labor Practices Act) 12:255
Right-to-work amendment 12:275
Right-to-work law 12:276

ARKANSAS

Arbitration Act: General 13:235
Common carriers: Law forbidding interfering with during strike 13:257
Picketing Act 13:255
Right-to-work law 13:291

CALIFORNIA

Collective bargaining agreement: Enforcement 14:218
Arbitration Act: General 14:249
Jurisdictional Strikes Act 14:273

COLORADO

Anti-Discrimination Act 15:201
Arbitration:
Civil procedure 15:261
Industrial commission 15:262
Labor Peace Act 15:231

CONNECTICUT

Anti-Injunction Act 16:280
Arbitration Act: General 16:271
Fair Employment Practice Act 16:201
Fair Employment Practices Act: Rules of commission 16:206
Labor relations law 16:227
Board of Labor Relations: Rules and regulations 16:245
Mediation and Arbitration Act 16:265
Picketing law 16:279

DELAWARE

Arbitration and award 17:121

FLORIDA

Arbitration Act: General 19:225
Public utility arbitration law 19:231
Right-to-work amendment 19:265
Union regulation law 19:275
Union welfare funds 19:279

GEORGIA

Arbitration statute: Common law arbitration and award 20:125
Arbitration statute: Statutory arbitration and award 20:126
Picketing Act 20:155
Right-to-work law 20:191
Strike regulation law 20:155

HAWAII

Employment Relations Act 21:215
Employment relations board: Rules and regulations 21:235
Interference with employment 21:271
Picketing of residence or dwelling 21:271
Public Utility Labor Act of 1949 ..... 21:256
Stevedoring industry: Emergency seizure 21:265
Strikes against government 21:270

IDAHO

Anti-Injunction Act 22:265
Arbitration Act: General 22:235
Secondary Boycott Act 22:255

ILLINOIS

Arbitration Act: Labor 23:245
Injunctions in labor disputes 23:265

INDIANA

Anti-Injunction Act 24:171
Arbitration Act: General 24:155
Fair Employment Practices Act 24:115
Public utility disputes: Compulsory arbitration 24:158

IOWA

Anti-discrimination policy 25:115
Arbitration boards for labor cases 25:145
Boycotts and jurisdictional strikes 25:105
Arbitration Act 25:145
Right-to-Work Act 25:195

KANSAS

Anti-Discrimination Act 26:201
Anti-Injunction Act 26:265
Arbitration Act 26:251
Arbitration and mediation: compulsory 26:245
Labor Relations Act of 1941 ..... 26:215
Labor Relations Act: 1955 amendments 26:219

KENTUCKY

Arbitration Act 27:221

LOUISIANA

Anti-Injunction Act 28:265
Labor Mediation and Arbitration Act 28:245
Right-to-work law 28:295

MAINE

Anti-Injunction Act 29:251
Arbitration conciliation: State board 29:226

MARYLAND

Anti-Injunction Act 30:271
Interracial problems and relations: commission 30:201
Labor Arbitration Act 30:254
Mediation and arbitration by commissioner 30:251
Public Utility Disputes 30:255
Rules and Regulations Under Public Utility Disputes Act 30:260
Sitdown strike law 30:275

MASSACHUSETTS

Age: Discrimination 31:219
Anti-Injunction Act 31:271
Arbitration Act: General 31:254
Emergency Labor Disputes Act 31:257
Fair Employment Practice Act 31:201
Rules of Practice of Commission Against Discrimination 31:211
Policies of commission against discrimination 31:218
Labor Arbitration Act 31:251
Labor relations law 31:231
Rules and regulations of labor relations commission 31:243

MICHIGAN

Fair Employment Practices Act 32:201
Labor Mediation (Bonine-Tripp) Act 32:245
Rules and regulations of labor mediation board 32:255
Strikes by public employees 32:266

MINNESOTA

Anti-Injunction Act 33:265
Arbitration Act 33:251
Fair Employment Practices Act 33:201
Labor Relations Act 33:221
Rules and regulations under Labor Relations Act 33:235
Labor Union Democracy Act 33:285
Secondary Boycotts Act 33:271
Strikes against certifications 33:271
Strikes by public employees 33:272

MISSISSIPPI

Arbitration Act 34:222
Picketing: Act forbidding violence or threats 34:261
Right-to-work law 34:262

MISSOURI

Arbitration Act 35:220
Public Utility Disputes Mediation Act 35:211
Rules and regulations of board of mediation 35:218

MONTANA

Arbitration Act 36:227
Arbitration and Conciliation Act: Labor 36:225

NEBRASKA

Arbitration Act: General 37:225
Mass picketing prohibition 37:245
Public utility labor disputes: Compulsory arbitration 37:235
Right-to-work law 37:291
Amendment to constitution 37:291

NEVADA

Arbitration Act: General 38:237
Arbitration Act: Labor 38:235
Right of organization and representation 38:225
Right-to-work law 38:277

NEW HAMPSHIRE

Arbitration Act: General 39:202
Conciliation and Arbitration Act: Labor 39:203
Union-security agreements: Law repealing regulation act 39:214

NEW JERSEY

Antidiscrimination Act 40:201
Division against discrimination: Rules of practice 40:208
Anti-Injunction Act 40:261
Arbitration Act: General 40:241
Arbitration of labor disputes in manufacturing industries 40:243
Labor Mediation Act 40:245
Board of mediation: Rules and regulations for arbitrators 40:248
Mediation board: Procedures for consent elections 40:228
Public Utility Labor Disputes Act 40:221

NEW MEXICO

Anti-Injunction Act 41:215
Arbitration law: General 41:211
Fair Employment Practices Act 41:201

NEW YORK

Anti-Injunction Act 42:261
Arbitration of disputes 42:256
Labor disputes: Boards of inquiry 42:255
Fair Employment Practices Act 42:201
Commission against discrimination: Rules and practice and procedure 42:306
Posting regulation 42:213
Lawful and unlawful job inquiries 42:214
Labor Mediation Act 42:253
Labor Relations Act 42:229
Regulations of State labor relations board 42:241
Waterfront Commission Act 42:277
Welfare fund regulation 42:298a

NORTH CAROLINA

Arbitration Act: General 43:219
Arbitration Act: Labor 43:216
Mediation and conciliation of labor disputes 43:215
Right-to-Work Act 43:285

NORTH DAKOTA

Anti-Injunction Act 44:255
Arbitration Act: General 44:226
Labor disputes: Settlement 44:225
Public utility strikes: Plant seizure 44:258
Right-to-work law 44:276

OHIO

Mediation and Arbitration Act: Labor 45:215
General Arbitration Act 45:218
Strikes by public employes (Ferguson Act) 45:234

OREGON

Anti-Injunction Act 47:265
Fair Employment Practices Act 47:201
Fair employment practice division: Policy statement on employment inquiries 47:209
Hot Cargo Act 47:269
Labor Relations Act 47:225
Mediation and Arbitration Act: Labor 47:255

PENNSYLVANIA

Anti-Injunction Act 48:261
Arbitration Act: General 48:242
Arbitration of public utility disputes 48:251
Fair Employment Practice Act 48:201
Labor Relations Act 48:201
Labor relations board: Rules and regulations 48:235
Mediation Act: Labor 48:241
Strikes by public employees 48:270

PUERTO RICO

Anti-Injunction Act 49:245
Arbitration statute 49:245
Labor Relations Act 49:215

RHODE ISLAND

Anti-Injunction Act 50:265
Arbitration Act: General 50:255
Fair Employment Practices Act 50:201
Policies of commission against discrimination 50:211
Commission against discrimination: Rules of practice and procedure 50:214
Labor Relations Act 50:227

SOUTH CAROLINA

Arbitration Act 51:221
Conciliation of industrial disputes 51:221
Right-to-Work Act 51:285

SOUTH DAKOTA

Picketing Regulation Act 52:241
Right-to-Work Act 52:285
Union Regulation Act 52:265

TENNESSEE

Arbitration Act: General 53:202
Right-to-Work Act 53:278

TEXAS

Arbitration Act: Labor 54:221
Injunctions against unlawful strikes or picketing 54:231
Picketing by minority unions 54:233
Picketing of public utilities 54:234
Picketing Regulation Act 54:232
Secondary strikes, picketing, and boycotts 54:236
Strikes by public employees 54:238
Strike or picketing violence: Penal code provisions 54:238
Right-to-Work Act of 1947 ..... 54:281
Union Security Act of 1951 ..... 54:281

UTAH

Anti-Injunction Act of 1933 ..... 55:251
Anti-Injunction Act of 1917 ..... 55:265
Arbitration Act: General 55:231
Labor Relations Act 55:207
Labor Relations Board: Regulations 55:221
Right-to-work law 55:281

VERMONT

Mediation and Arbitration Act: Labor 56:202

VIRGINIA

Arbitration Act: General 57:215
Mediation in public utility industry 57:215
Picketing Act 57:231
Right-to-work law 57:271
Strikes by Government employees 57: 245

WASHINGTON

Anti-Injunction Act (Labor Disputes Act) 58:255
Discrimination in employment 58:201
Board against discrimination: Rules and regulations 58:215
Mediation and Arbitration Act: Labor 58:245
Union welfare funds 58:285

WEST VIRGINIA

Arbitration Act: General 59:211

WISCONSIN

Anti-Injunction Act of 1931 ..... 60:265
Anti-Injunction Act of 1919 ..... 60:270
Arbitration Act: General 60:245
Employment Peace Act 60:225
Fair Employment Act 60:301
Public Utility Arbitration Act 60:248
Arbitration of utility disputes: Rule and regulations 60:252

WYOMING	
Anti-Injunction Act	61:241
Arbitration Act	61:221

Mr. GOLDWATER. Mr. President, during the hearings, it was argued that only 12 States handle this problem.

Let me say that I have perfect confidence in the ability of the State courts to handle these matters; and from experience in Arizona, I can say—and my colleague, the Senator from Utah, knows that Arizona, which is a neighbor of his State of Utah, is a large State, although it has a small population—that in my State there are many small businesses, and I know that many businesses have been drastically hurt by their inability to obtain action of this sort.

So I am not impressed by the provision of the Kennedy bill which would turn over this matter to the Federal Government, because we have had from the National Labor Relations Board testimony that it cannot handle any more cases.

As to the point that additional funds will be required in order to enable the Board to handle more cases, the question is merely whether the additional funds to be provided should be $1 million or $2 million or $3 million, for instance. I venture the assertion that in the next few years many American people and many American firms will suffer because of a lack of proper attention to this field.

Mr. WATKINS. In fact, only recently a delegation of businessmen from Illinois—a large State, populationwise—called on me and said they were in desperate straits because of their failure to obtain action by an agency with jurisdiction in this field. In other words, by reason of the failure of the National Labor Relations Board to act, they were unable to obtain relief; and they hoped that some agency would have jurisdiction.

I believe that should be done. I believe that in small matters, usually intrastate matters, jurisdiction should be vested in the State courts, which are closer to the areas involved; and we have found it much more satisfactory and much better to have such matters handled at the grassroots, rather than from the top.

Mr. GOLDWATER. In the McClellan committee, the evidence adduced during 1 year induced us to propose legislation which would cover this specific field. Although I cannot speak for the distinguished chairman of the committee, I believe that the evidence adduced there shows that the States, not the Federal Government, should have this power.

Mr. KENNEDY. Mr. President, will the Senator from Utah yield to me?

Mr. WATKINS. I yield.

Mr. KENNEDY. It seems to me that when the Senator from Colorado [Mr. ALLOTT] talked about the situation of A and B, and said that at the present time the case of A is subject to such jurisdiction, but the case of B is not——

Mr. ALLOTT. No, Mr. President; I did not say that.

Mr. KENNEDY. Did the Senator from Colorado not say that such cases would be under the jurisdiction and standards of the court?

Mr. ALLOTT. No; that was not the illustration I used.

I said that under the pending bill, the case of A might receive consideration, whereas if next week a case involving B arose, it might not receive consideration.

Mr. KENNEDY. Mr. President, I believe that is an important point, and I wish to answer it.

It seems to me that John Morley has said that politics is a field where action is one long second best, and where the choice constantly lies between two blunders.

It seems to me that the solution proposed by means of the bill is not a particularly happy one, because it can still be shot full of holes.

But let us consider the solution the Senator from Utah is suggesting. In 39 States, where there is no State act which bears any relationship to the Taft-Hartley Act, what kind of treatment would A or B or C get?

Mr. WATKINS. I have answered that point.

Mr. KENNEDY. Will the Senator from Utah answer it again, please? I am not sure what his answer was.

Mr. WATKINS. Yes. In the State courts, and I have some knowledge of them, because I was once a presiding judge in a State court—the courts follow the practice of interpreting Federal laws according to the decisions of the Federal courts; that is the universal rule.

Mr. KENNEDY. I would have no objection to having the State courts have jurisdiction in cases in which the National Labor Relations Board ceded jurisdiction, if the State courts would apply the provisions of the National Labor Relations Act. But that is not the case. For instance, in New York, the State courts would subject the employers and the employees to the closed shop, which is not a policy of the National Labor Relations Act.

Mr. WATKINS. But in this case we are referring strictly to Federal matters. The Senator from Kentucky [Mr. COOPER] has pointed out that these matters affect interstate commerce, and thus require a Federal act. In such cases, of course, the Federal act or Federal law must be followed.

Mr. KENNEDY. But we are discussing the jurisdiction of the National Labor Relations Board. No one has challenged the jurisdiction of the National Labor Relations Board over these matters. Instead, we are speaking of the failure of the Board to assert its jurisdiction over Federal areas. So this question is not one of States rights.

Mr. WATKINS. It is in part.

Mr. KENNEDY. How?

Mr. WATKINS. Because, although one of the firms to which reference has been made does much of its business outside the State in which it is located, on the other hand, much of its business is intrastate.

Mr. KENNEDY. Then do I correctly understand that the Senator from Utah wants to rewrite the Taft-Hartley Act?

Mr. WATKINS. No.

Mr. KENNEDY. The Supreme Court has held that the National Labor Relations Board has the right to assume jurisdiction. However, the Board does not do so in many of these cases because it holds that a certain number of them do not affect interstate commerce sufficiently to warrant jurisdiction by the Board.

I believe a much sounder way to proceed is to require the National Labor Relations Board to meet its responsibilities. That is what we are attempting to do by means of this measure, rather than to have the Board turn over its responsibility to the 48 States, all of which have different laws; and 39 of them do not even have laws comparable to the National Labor Relations Act.

Mr. WATKINS. Actually, the Senator from Massachusetts would give the Board an impossible job.

Mr. KENNEDY. No; the Senator from Utah would, by means of his amendment, give them an impossible job, because the State laws do not provide sufficient machinery.

Mr. WATKINS. No, Mr. President, the State laws can help in these cases.

Mr. KENNEDY. In how many States?

Mr. WATKINS. Probably all of them have some sort of labor laws. The Senator from Massachusetts heard the Senator from Arizona [Mr. GOLDWATER] say that all the States have such laws.

Mr. KENNEDY. I do not regard the Senator from Arizona as the final authority on this matter. It is my information that only 12 States have acts dealing with collective bargaining, unfair labor practices, and such matters.

Several Senators addressed the Chair.

Mr. WATKINS. I must yield in the order in which Senators asked me to yield. Let me yield first to the Senator from Colorado.

Mr. ALLOTT. The Senator from Minnesota really asked the Senator to yield before I did, but the statement I desire to make applies now. The most interesting thing about the discussion of the Senator from Massachusetts is this: The National Labor Relations Board refused to take jurisdiction in the Guss case for a very peculiar reason. If there is any reason for denying jurisdiction of State courts where the Board refuses to take jurisdiction, after one reads the reasons for the Board's refusing to take jurisdiction, I would like to know what that reason is. I read from page 5, volume 353 of the United States Reports, 1956:

> The Board's Acting Regional Director declined to issue a complaint. He wrote on July 21:
>
> "Further proceedings are not warranted, inasmuch as the operations of the company involved are predominantly local in character, and it does not appear that it would effectuate the policies of the act to exercise jurisdiction."

This in spite of the fact that the company was engaged in interstate commerce. The National Labor Relations Board had held an election. There was no question that the company was engaged in interstate commerce. Yet the reason given for refusal to take jurisdiction was that the operations of the company involved were predominantly local in character.

If the Board can refuse to accept jurisdiction on such grounds as that, then there is certainly nothing wrong in

handing over to State courts jurisdiction in such cases.

Mr. WATKINS. I may add that there is nothing in the committee amendment which will take care of that situation. It is still left to the decision of the National Labor Relations Board in each case. The Board can set up any standards it wishes, but it must make a decision in each individual case.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. HUMPHREY. First I wish to thank the Senator from Utah for his customary patience in these matters. This has been a helpful and informative discussion, but there are a few points which need to be pinned down beyond a shadow of a doubt.

The Senator from Massachusetts said, in concise language, and perhaps it needs reiteration, that we are talking about nothing else except a case in which there is Federal law and in which a Federal agency has jurisdiction, according to Supreme Court decision. We are not talking about law or rights or privileges or duties that lie within the area of a State. This is determined by law and by court.

The next point I wish to make is that we are talking about the present operations of the National Labor Relations Board. I am perfectly willing to concede it is not doing a very good job. But it could do a good job. The law permits it to do a good job. The Board is authorized by the Taft-Hartley Act to take jurisdiction in the cases for which the law has been written. What we are saying is that the National Labor Relations Board under the present administration and under present operations is not doing well. I agree. It ought to do much better. But we should not compound one mistake by adding another.

What has been preposed here is quite interesting. The Senator from South Dakota [Mr. CASE] reminds us that one reason why the National Labor Relations Board is not doing too well is that Congress cut off one-third of the Board's personnel by monetary limitation. This undoubtedly has compelled the General Counsel to issue rules to limit jurisdiction and refuse to take certain jurisdiction.

Now there is offered an amendment by the Senator from Utah which provides that whenever the Board does not take jurisdiction, it can put all these cases, which should be under Federal law and in Federal courts and in Federal agencies, into the 48 States, each and every one of which has separate standards.

Mr. WATKINS. Just a moment. That is not what the amendment means. It says when the Board declines.

Mr. HUMPHREY. I am coming to that point. All that has to be done to really cut off more jurisdiction of the National Labor Relations Board is to cut more appropriations next year, so more cases will go back to the States—cases over which Federal law is supposed to be controlling. Forty-eight States and their agencies will take those cases over. The year after that more appropriations could be cut, and the Board would be unable to take jurisdiction to an even greater extent, because it would not have the manpower. Therefore, additional cases could be sent to the State agencies.

I ask the Senator not to misunderstand me. There undoubtedly are many States that can handle these cases. I am not arguing what I am sure is the real desire of the Senator from Utah; namely, that when there is a legitimate case which cannot be handled at the Federal level, it should be handled at the State level.

We have compounded the error by saying the jurisdiction of the National Labor Relations Board is needed. We have asked the National Labor Relations Board to enforce the Taft-Hartley law. We say we want the Board to point out the cases of which it will not take jurisdiction and cede jurisdiction over them to the States, which are not prepared to handle them. It is like examining a sick patient and discovering that he has a very serious disease, but because appropriations for the hospital have been reduced and the patient cannot be taken care of, he is asked to stand outside in the wind and the cold and the rain and told to take 10 deep breaths and, somehow or other, he will get relief.

I believe the Kennedy bill tries to meet the situation honestly and correctly. That was taken care of in the report and in the statutory language. The report reads, "under section 602":

> This amends the rulemaking authority of the NLRB so as to prevent the Board from declining to exercise its full jurisdiction, and thereby rendering employees, unions, and employers subject to the act remediless.

In other words, the purpose of the language in the Kennedy bill is to give the Board a mandate to utilize and exercise its jurisdiction and to deny the Board any excuse, by rule or regulation, for limiting or denying its jurisdiction. Then the committee recommends adequate funds to get the job done.

I heard the Senator from Arizona [Mr. GOLDWATER] say the States have some labor laws. He cited laws of arbitration. That does not answer the problem. There may be laws dealing with representation, unfair labor practices, and cases in which injunctive remedies may apply. It cannot be stated that merely because a State has some labor laws it is capable of meeting problems which are within the jurisdiction of Federal law. That is what we are talking about. We are talking about cases to which Federal law applies theoretically, and to which the jurisdiction of the NLRB applies theoretically, but does not apply realistically. It is said that the remedy in such cases should be placed in the hands of the States.

Unless there are uniform standards for all cases, unless there are State agencies which are equipped with a mandatory background, experience, and uniformity of standards to handle cases, as the Senator from Colorado has stated, in one case Company A will get one ruling in Michigan, Company B will get another ruling in Wisconsin, Company C will get a third ruling in Minnesota. We in Minnesota do not happen to have an agency that handles such laws. Is this fair to a company? There will be instances where companies will appeal, under this kind of amendment, to an agency in a State which has no statutory law, so that the case will come under the common law. The common law protects the employer and the property right but gives very little protection to the right of the union or of employees to organize and have representation.

I have mentioned some of the problems involved. I think the Senator from Kentucky [Mr. COOPER] put his finger on the problem at the beginning of the argument. The Senator said he was not opposed to closing the so-called gap. I think I interpret correctly the remarks of the Senator. He recognized the problem in the committee. He recognizes the problem now, as does the Senator from Massachusetts. But the Senator does not feel, when we have 1 problem, we should compound it by adding 3 more. What the Senator is attempting to do is find language which will close the gap and at the same time put the money and manpower on the line to permit the Federal law to be enforced.

I thank the Senator for his courtesy and patience.

Mr. WATKINS. I thank the Senator very much for all of his comments. They are very interesting.

I point out, however, that, in my opinion, it was a very wise and sound decision of the National Labor Relations Board not to take jurisdiction in the Guss case, because there was some $50,000 involved in 2 or 3 transactions outside the State, with the majority of the business of the company being done within the State of Utah. That was an intrastate case, really. That is the situation we are trying to clear up.

The National Labor Relations Board would be loaded down with an impossible task if it tried to consider all the cases. The Board would become so big and cumbersome it could not operate if it had to consider every dispute between management and labor throughout the United States and had to take jurisdiction simply because some interstate commerce was involved in the operation of these companies or industries.

Somewhere along the line we have to recognize the States. The States have to have something to say. The States will have machinery, if they do not have it already. We should not deny the right to the States which already have the machinery—and there are 12 of them—to operate in this field, in considering cases of this kind. Apparently that is the only kind of case involved.

Mr. SYMINGTON. Mr. President, will the able Senator yield?

Mr. WATKINS. I yield. I should like to close my remarks in a moment. I have been on my feet for more than 2½ hours.

Mr. SYMINGTON. I should like to ask a question or two. Is this not a problem which arises as a result of either inefficiency at the National Labor Relations Board, or lack of adequate funds needed to operate the agency in accordance with the law?

Mr. WATKINS. I cannot agree at all with what the Senator is suggesting. The employees of the National Labor Relations Board are human, as all of

us are. We are not too adequate in the Senate. Those men are as human as we are.

As a matter of fact, it would be a tremendous task if we were to ask those men to enter a field so all-encompassing as, say, the Guss case. There are a great number of such cases. The National Labor Relations Board would need so many examiners to handle so many of these cases, which would come pouring in, it would be almost impossible for any organization to take care of them.

I do not think it is a matter of inefficiency. The job is tremendous. That is why I believe those who insist upon more and more Federal activity and the taking over of more and more of the functions of the States are on the wrong track entirely. When such persons say this situation is the result of inefficiency, and that the task is one anybody can do, if given enough money, that simply is not the answer.

Mr. SYMINGTON. Will the able Senator yield further?

Mr. WATKINS. I yield.

Mr. SYMINGTON. If the Board is given enough money to properly handle the job as outlined in the legislation which has passed the Congress, it would not be necessary to adopt this amendment, would it?

Mr. WATKINS. I think, as a matter of fact, the Board should not assume that much. Of course, something in addition to money is needed in a case of that kind. Money will not do the entire job.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. COOPER. I attended the hearings. The counsel for the NLRB testified as to this matter. I will try to clear up the record a bit.

It was evident from the record as to the work of the NLRB that the Board has done effective and efficient work. The employees of that organization have worked hard. The National Labor Relations Board has done a good job.

The counsel was closely questioned by both the Senator from New York [Mr. IVES] and the Senator from Oregon [Mr. MORSE]. Records were put in the hearing transcript to show the Board had done an effective job.

The counsel did say the National Labor Relations Board did not have enough money and that, if given $3 million more, the Board could handle an additional caseload equal to 20 percent of the present caseload. But the counsel said, "Even if we get the $3 million we will not be able to handle the entire case load."

I think in all honesty it ought to be said there might be a point, if there were available X million dollars, when the Board could handle every case, but that situation does not exist today.

Mr. WATKINS. As a matter of fact, we would have to have a vast Federal machinery so large and so cumbersome it would be almost impossible to operate, to get down to all of those transactions. There are literally hundreds and hundreds of millions of transactions. It was said in the debate at one time, in considering whether to tax all transactions, that they run into the billions.

If the case has a little Federal activity connected with it, the argument made today is that it ought to be under the direction of the National Labor Relations Board. That is not sound sense. We have to be practical in this matter.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. SYMINGTON. I think I have had almost as much experience with labor negotiations as any Member of this body.

If I correctly understand the distinguished Senator from Utah—and there is nobody in the Senate for whom I have more respect—in effect the Senator says the National Labor Relations Board is not capable of enforcing the law. As a result, if the amendment is adopted it will be possible to do something which I personally think very dangerous; namely, offer special incentives to industry from a particular State because that State can make it possible for industry to pay employees less than necessary in other States.

Mr. WATKINS. I will say to my dear friend, that is not the purpose of the amendment. Any action which is taken with respect to the Federal law would have to be based upon the Federal standards. It would be the State law, but it would be interpreted on that basis, statewide.

Mr. SYMINGTON. It would not be on the basis of a Federal standard would it, if it were an intrastate operation?

Mr. WATKINS. Let us consider the Guss case. There were two transactions outside the State, amounting to about $50,000, and the transactions within the State amounted to more than $150,000. That was largely an intrastate operation.

Are we going to ask the Federal Government to operate only on the Federal side, while we have the State board come in on the other side? Is that the idea? That would call for much duplication.

Mr. SYMINGTON. Mr. President, I am sorry to tell my friend I do not know all the details of the Guss case.

Mr. WATKINS. That is the situation we are talking about. It is really a "no man's land" area.

Mr. SYMINGTON. I am afraid if we pass a law which makes it possible for one State to offer industry a more favorable labor situation than another State can offer, this with the premise that the National Labor Relations Board cannot do its assigned job, we shall get into the same type and character of situation I have heard many Senators object to many times on this floor. For example, as to whether a particular power situation in a particular locality gives advantages, by law, which do not seem fair to other States, is a matter often discussed on this floor.

Mr. WATKINS. If a Federal law is involved and the States have anything to do with the matter the States will have to enforce the Federal law according to the standards. There is concurrent jurisdiction in many areas, between the States and the Federal Government. That is not a new idea. There are certain persons who want to turn everything which has anything to do with labor over to the Federal Government, whether intrastate or interstate. When we have the two areas, there is no reason on earth why the State agencies cannot operate in that field and why we could not cede jurisdiction to the States.

Mr. SYMINGTON. Mr. President, I make this observation to my distinguished friend: Just because one wants to have administration of the law through the National Labor Relations Board in accordance with legislation passed by the Congress, one should not be accused of wanting to see the Federal Government handle everything. After all, we passed the law.

Mr. WATKINS. I did not refer to the Senator. I referred to certain persons—and there are many in the country—who want that to happen. With the billions of transactions involved, the Federal Government cannot go into them all.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. BUTLER. If the National Labor Relations Board should assume jurisdiction in all cases in this no man's land, what would be the Senator's estimate as to the number of examiners needed to handle the workload?

Mr. WATKINS. I am not sufficiently well informed to estimate the number. I do not think anybody could estimate very exactly until he went into the matter thoroughly.

Mr. BUTLER. In effect, would we not be building on top of an already-established Federal judiciary another judiciary almost equal in size to handle nothing but labor cases?

Mr. WATKINS. We are getting too much Federal Government now. We ought to be going in the other direction and cutting down on Government. If there is a field in which the State can operate legitimately, and apply Federal standards on interstate business, we ought to allow the State to take that share of the load. The Federal Board cannot take it all. No agency under the sun would be wise enough to undertake a task of that kind.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. BUTLER. As the Senator from Kentucky has stated, the NLRB itself said it could not assume more than 20 percent in addition to the work it is now carrying. So the only way it could be done would be to increase the number of examiners on the staff of the Board to the point where it would be almost equal to another Federal judiciary on top of the one we already have.

Mr. WATKINS. I thank the Senator for his comment.

Mr. President, I should like to finish my presentation. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the remainder of the statement which I had prepared. It is considerably distant in point of time from the beginning of the

presentation, but probably it will fit in.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WATKINS

On May 8, 1957, Richard F. Hooker, secretary of the Contractors and Suppliers Association, of western Michigan, had the following to say concerning the same measure:

"I am attorney and executive secretary for Contractors and Suppliers Association, of western Michigan, a nonprofit corporation serving employers in the building industry in the Grand Rapids area. Since most of our member employers fall within the void created by the recent Supreme Court decisions regarding Federal preemption in labor cases, we are vitally interested in the proposed legislation designated above. Congressman GERALD R. FORD, of this district, has sent us a copy of the bill.

"At a recent membership meeting our members were unanimous in urging the prompt attention of Congress to this very serious problem. Delay can only work to the advantage of the large international unions who have shown complete disregard for State and Federal law in their organizing efforts. The aforementioned Supreme Court decisions have caused them to accelerate these illegal activities. Without corrective legislation, our members and those similarly situated are at an extreme disadvantage in protecting their rights and the rights of their employees. We hope that you will be successful in convincing your colleagues to act on Senate bill 1723 within the next few weeks."

In July 1957 the Illinois State Chamber of Commerce submitted for my examination a synopsis of a case pointing up the problems which have developed under this no man's land condition. Recently conversations with the manager of the labor relations department of that State chamber of commerce indicate that the situation as detailed in their letter still exists and still awaits a solution:

The Illinois State chamber is vitally interested in this problem and the State chamber's labor relations committee has followed the developments in a local case which dramatically points up the dire need for this proposed legislation. The case involves Mr. Carl Eckhardt, a small filling station operator in Morton Grove, Ill., and the Teamsters Union. In May 1955 representatives of the Teamsters Union repeatedly demanded that Eckhardt recognize the union as the bargaining agent and sign a contract compelling the employees to join the union. Eckhardt's position was that he would recognize the union as the bargaining agent of his employees and would sign a contract if the union actually represented a majority of his four employees. The union representatives admittedly had never approached the employees soliciting their membership in the union and declined to do so when Eckhardt invited them to do so on his time. On May 24, 1955, the teamsters commenced picketing Eckhardt's place of business to coerce him into compelling his employees to join. The picketing has continued to date—over 2 years.

In November 1955 the NLRB refused to take jurisdiction of the matter inasmuch as Eckhardt, being a small filling station operator, did not do a sufficient amount of business in interstate commerce to meet the jurisdictional standard requirement. Eckhardt then filed suit for an injunction in the State court, however in May 1957 the master in chancery recommended dismissal for want of jurisdiction in view of the previously mentioned Guss case. Petitions then were filed again with the NLRB asking that the Board take jurisdiction, but on June 11, 1957, the Board again declined to take jurisdiction of the case. Accordingly, Eckhardt is in no man's land with no forum before which he may obtain a hearing on the merits of the case.

The Illinois State chamber's concern in this matter is not predicated on one individual case, but the Eckhardt case is a vivid example of the problem as it exists nationwide.

I submit that the language proposed by the committee does not solve the problem at all but leaves the situation just as it is today. The amendment which I have proposed recognizes the workload which presently faces the Board and which from all indications will continue to face the Board through the years to come. The members of the committee recognize this workload and in their report when they state:

"The committee has recommended more ample appropriations to enable the Board to discharge its full duties and other amendments are designed to simplify and speed up NLRB procedures. The committee is also desirous that the NLRB take every possible step to streamline its procedures and to minimize confusion occasioned by frequent changes in interpretations of the law, which (1) unsettle bargaining relations, and (2) lead to unnecessary litigation, thereby creating burdens the Board says it is not competent to handle. Such a combination of measures will go far in eliminating the 'no man's land' in which lawlessness and irresponsibility breed."

By the most general study of the report the committee it is shown that the no man's land problem has not been solved. My amendment on the other hand would recognize the discretion inherent in the Board's procedure to determine the question of whether or not the particular case falls within the jurisdiction of the Board. It leaves to the Board discretion to reexamine and redefine this question of jurisdiction in light of changes incident to national progress. It specifically reserves all other cases to the jurisdiction of the State agencies and State courts, thus removing the doubt existing under the committee bill, and putting to rest once and for all the intention of Congress as pointed up by the Supreme Court in the Guss case.

I plead with my colleagues to take a realistic look at this problem for I feel certain that if this is done they will arrive at the conclusion which I have arrived at, namely, that unless we adopt this amendment which I now propose the Senate will be called upon in a few months to fill the gap left by the language in the committee bill.

Mr. WATKINS. Mr. President, I conclude by pointing out a few generalities.

There is general agreement as to the need for a so-called no man's land amendment.

The President of the United States has made recommendations for the correction of this situation.

The McClellan committee has recommended legislation authorizing States and Territories to assert jurisdiction over labor disputes when the National Labor Relations Board declines to act.

The Council of State Labor Boards has adopted a resolution calling on Congress to make necessary amendments to the law to eliminate the "no-man's land."

The American Bar Association has adopted a resolution urging that this legal vacuum be eliminated.

A number of bills have been introduced in the Senate to accomplish this objective.

My amendment is directed at the real evil which now exists. I believe that its adoption would clear up a very bad situation.

Mr. President, I yield the floor.

EXHIBIT 1

[From the CONGRESSIONAL RECORD of April 28, 1958]

Mr. WATKINS. Mr. President, I have called up my amendment to the pending bill. By way of identification, let it be referred to as the no-man's land amendment.

This is a rescue operation, and I take it a rescue operation is always in order. I want the Members of the Senate who have other things to do to listen to this presentation, because some time or other they will have to face a record on this amendment.

This is called the no-man's-land amendment because it seeks to rescue American citizens who are taxpayers—laborers, union members, and employers—from a situation which is almost intolerable. That is why I say it is always in order. I hope my Democrat friends on the other side of the aisle will consider this matter in voting upon the amendment.

* * * * *

Mr. WATKINS. Mr. President, I will include a technical explanation of the amendment, but first I would like to describe for my colleagues the origin of this proposal.

The amendment is the text of S. 1723, which I introduced early in the first session of this Congress. It was proposed by me after the Supreme Court ruled on March 25, 1957, in what has now become known as the Guss case, the effect of which was to leave a no man's land between the areas of State jurisdiction and Federal jurisdiction in unfair labor practice cases.

In the Guss case the businessman doing business in Utah was so engaged that his business was determined to affect commerce within the meaning of the National Labor Relations Act; thus the National Labor Relations Board had jurisdiction.

The National Labor Relations Act specifically deals with the conduct charged in the Guss case. The National Labor Relations Board declined jurisdiction but had not entered into a cession agreement with the Utah Labor Relations Board. In other words, they had not conceded officially, so that the Utah Labor Relations Board could take jurisdiction.

At the same time the Guss case was decided, the Supreme Court decided the Fairlawn Meats case which arose in Ohio and the Garmon case against San Diego Building Trades Council. These decisions, when read in conjunction with previous decisions of the Supreme Court, established a no man's land in labor practices litigation, for we have established now the absolute supremacy of the National Labor Relations Act to such an extent that a litigant who has declined the jurisdiction of the National Labor Relations Board and the litigant whose case falls within a category of cases which the National Labor Relations Board has previously refused to grant jurisdiction to are just the same precluded from taking their grievances into State courts.

This leaves both the worker and the small-business man with a grievance but absolutely no way to litigate the question so as to arrive at a solution. This is working to the detriment of thousands of small-business men at the present time, and in a similar way it is affecting the lives of those who are employed in these small businesses.

This inequity was called to the attention of Congress back in the 83d Congress by the report of the Committee on Education and Labor to accompany S. 2650, No. 1211. On page 17 of that report there appears, under the title "State Powers," an ample description of this problem, which was evident even before the Guss case. As the Members of

the Senate will remember, that bill, after full hearings, was recommitted, as recommended in the minority views by both the chairman of the full committee and the present chairman of the Subcommittee on Labor.

The problem has been called to the attention of the committee by my colleague, the senior Senator from New York [Mr. IVES] and myself. In fact, I have a letter from the chairman of the Subcommittee on Labor, dated May 13, 1957, in response to a communication sent to the chairman of the full committee concerning my bill, S. 1723. In that reply, the junior Senator from Massachusetts [Mr. KENNEDY] made the following statement:

"As you know, the Subcommittee on Labor has been holding extensive hearings on extension and coverage problems under the minimum-wage law, and our schedule has been full. At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act. However, I will be more than glad to keep Mr. Mathias' letter in the subcommittee files and to bring it to the attention of the subcommittee at such time as legislation on this subject is under consideration."

I cite this, Mr. President, as evidence of the attention which this particular problem has had by both the present and the previous Senator Labor Committee, and as evidence of the attention which we can anticipate it will receive in the future.

The only time that an attempt was made to rectify this error was in the 83d Congress. The same problem has existed and ample opportunity has been given for corrective action to have been taken.

I believe that Senator KENNEDY's statement, "At the present time there are no plans for immediate hearings on any amendments to the Taft-Hartley Act" is as valid today as it was on May 13, 1957, when he so stated such in reply to my letter.

In order that this record not be incomplete, I ask unanimous consent to insert at this place in my remarks copies of the three Supreme Court decisions to which I have referred; namely, the Guss case, the Fairlawn case, and the Garmon case.

The PRESIDING OFFICER. Without objection, the decisions may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. WATKINS. Mr. President, so long as the Guss case stands, Americans are deprived of their fundamental right to the use of our courts in litigating and thus solving disputes, because it places a particular group outside the jurisdiction of any court or tribunal.

I do not believe that it was the intention of any Member of the Senate or of the House to bring about such a result through passing previous labor-management legislation. If it was not the intention of this body to so deprive Americans of this fundamental right, then by voting for this amendment their intentions and their interpretation of the existing act can be made manifest and a fundamental inequity corrected.

If, however, members of this body are of the opinion that an American taxpayer should be deprived of a forum in which to litigate his labor-relations problems merely because the National Labor Relations Board declines jurisdiction or because his business falls within a category of businesses wherein the National Labor Relations Board has refused to exert jurisdiction, then let them vote against the amendment. Let them vote against the "rescue operation."

I do not believe that the present situation reflects the intention of Congress, but irrespective of what it reflects I do not believe the present situation should be permitted to continue to the detriment of these hundreds of workers and small-business men who must settle their labor relations problems under this no man's land decision.

I close with a quotation from the decision of the Supreme Court in the so-called no-man's land case, the Guss case:

"And here we find not only a general intent to preempt the field but also the proviso to section 10 (a), with its inescapable implication of exclusiveness.

"We are told by appellee that to deny the State jurisdiction here will create a vast no man's land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress' power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no man's land.

"Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no man's land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction. The National Labor Relations Board can greatly reduce the area of the no man's land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a)."

In other words, the Court is asking Congress to perform the rescue operation.

There is a note to this decision which I think is very interesting and should be considered. The note to Mr. Justice Warren's decision is as follows:

" 'The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or no man's land with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief' (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that 'when the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a no man's land—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction'."

In conclusion, we have a situation which should appeal to the equity powers of the Congress of the United States. No matter what the arguments have been in the past with respect to amendments to the Taft-Hartley Act, with respect to procedures, and so forth, here we have a case in which American citizens are denied the forum in which to have their rights decided. That has been going on for many years. Parties can obtain no relief.

* * * * *

Let me call attention also to the fact that this question was carefully considered in 1954. As a part of the recommendations of the majority of the Committee on Labor and Public Welfare, which submitted a report to the Senate, No. 1211, there was included an amendment in S. 2650 to take care of this situation. The bill was discussed, and, as I recall, it was recommitted upon the solid vote of the Democratic Members of this body.

* * * * *

Mr. WATKINS. Earlier in the debate on the bill, I called attention to a speech made by the late Senator Walter George, of Georgia. I do not cast any aspersions upon Senators who oppose the amendments. I believe they are sincere. But I believe they are mistaken. I think we can be excused for not relying upon their judgment as to what may happen in the future.

I think the situation with which we are now faced is very much the same as that which confronted Senator George at the time the motion to override the veto of the Taft-Hartley bill was before the Senate. A part of the speech by Senator George, which was not long, was placed in the RECORD by me earlier in the debate. I ask unanimous consent that the entire speech may be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

"Mr. GEORGE. Mr. President, I wish to say at the outset that I have not the slightest doubt that the President of the United States is entirely sincere in submitting his veto message. I have no doubt also that he has analyzed the bill with the assistance of those in the executive branch of the Government who are unfriendly to this legislation. But I have no doubt that the President has reached what he considers to be an entirely honest decision on this measure.

"Mr. President, I voted for this legislation when it came before the Senate. I voted for the conference report; and I shall have to vote to override the President's veto. My reasons are simple. Within 10 minutes, of course, I could not undertake and would not undertake to discuss the merits of the bill as such.

"Almost 12 years ago, in July 1935, the Congress of the United States and the President of the United States approved the Wagner Act. I voted for the Wagner Act. I therefore do not appear on this floor as one unfriendly to labor. At that time I believed that it was necessary to pass the Wagner Act, although I realized that it was a very one-sided piece of legislation.

"What has occurred in the interim? For nearly 10 years, at least, honest men in industry, and many in labor, as well as many not directly connected with either management or labor, have earnestly besought the American Congress to make some simple, sensible amendments to the Wagner Act.

"What has happened? During all that long period of time the Committee on Education and Labor in the United States Senate has held the line, and aside from the present bill has brought to this floor only one other bit of legislation which would have corrected, in a small degree, the inequities and unbalance of the Wagner Act. I refer to the Case bill, which the President saw fit to veto about a year ago after it had been passed by the Congress of the United States.

"I do not criticize the President for the exercise of his veto rights and powers; but I do assert that if there is to be any labor legislation in America, if we are to bring about any degree of balance in the unbalanced condition which has existed for almost 12 years, now is the time to do it, not in anger toward the workers of the Nation, not in resentment of their devotion to legislation which they thought was for their benefit, but simply and solely because this Nation, as a representative government, must somewhere down the road decide whether the people of the United States shall be allowed to function through their lawmaking bodies, or whether organized minorities are to control and dictate the legislation which we must have.

"I speak plainly, but not in anger. There is but one way for us to break the stranglehold of labor bosses—not the rank and file of the workers, but labor bosses who have been unwilling to dot an "i" or cross a "t" for 12 long years. That is to pass this bill and invite labor and management to come to the Congress of the United States, where both should come, and sit around the table as honest men, representing conflicting and ofttimes hostile interests, be it conceded, and there iron out their differences.

"In my opinion this is the final test of whether Government is to function or whether minority groups, highly organized, are to dictate the type of legislation that we shall have. If there were no other reason for the passage of this legislation, I should assuredly support it.

"In his address to this body the distinguished Senator from Oregon [Mr. MORSE], whom I hold in high esteem, asserted that if the bill should prove to be unworkable or have inequities and injustices in it, we could not excuse ourselves by saying that we would vote for it nevertheless. I would agree with him, but when I recall that for 12 years, whatever the merits of the proposal, the Senate Committee on Labor and Education held a stranglehold upon the throat of the American people and would not permit legislation to come before this body, then I must wholly reject the logic of the distinguished Senator from Oregon, which otherwise would be impeccable. This is the only chance that we shall have, but it is a magnificent chance for the American people. I speak not in anger or hostility toward the workers. I speak as one who voted for the original Wagner Act in the firm belief at that time that if inequities did appear and inequalities did exist, we could correct them as a legislative body. I have seen the hands of the legislative body tied. I have seen the legislative body of this Nation helpless in the face of organized minorities operating from outside.

"So, Mr. President, I shall be compelled, much as I regret to do so, to vote to override the President's veto of this bill."

EXHIBIT 2

STATEMENT OF SENATOR WATKINS TO SENATE LABOR SUBCOMMITTEE ON (1) WATKINS BILL, S. 1723, SO-CALLED NO MAN'S LAND BILL, (2) THE CASE OF LOCAL 222 TEAMSTERS UNION AT SALT LAKE CITY

Mr. Chairman, I am appreciative of the invitation to appear before the Labor Subcommittee and to present the case for my no man's land bill, S. 1723.

Before I close I'd like to touch on one other point covered in Rackets Committee interim report, with the committee's indulgence.

The no man's land bill grew out of the Guss case, March 25, 1957. At the same time the Guss case was handed down, the Supreme Court also handed down decisions on *Amalgamated Meat Cutters* v. *Fairlawn Meats, Inc.*, which arose in Ohio, and the *San Diego Buildings Trades Council* v. *Garmon*.

To lay a correct foundation for this presentation, let me recite the facts of the Guss case. This Utah case was P. S. Guss doing business as Photo Sound Products Manufacturing Co. He was engaged as a manufacturer of specialized photographic equipment for the United States Air Force. The business during the period in question involved 3 Air Force contracts, 1 for chemical mixers in the amount of $84,896.73, 1 for printers in the amount of $37,222.42, and 1 for print straighteners in the amount of $29,906.35 (total $152,025.50). To perform these contracts for the Air Force, Photo Sound purchased from sources from outside the State, stainless steel in an amount "a little less than $50,000." The finished products were shipped to the Air Force at Wright-Patterson Field, Dayton, Ohio, and other Air Force bases, both inside and outside the State of Utah.

Shortly after the company started operating, the United Steelworkers of America, CIO, in December of 1953, filed with the National Labor Relations Board, a petition under section 9 of the National Labor Relations Act for certification of that union as the bargaining representative for all of the employees of the company, except clerical and supervisory employees, as defined in the national act. At the time for hearing on the petition on January 19, 1954, the company and the union entered into an agreement for a consent election to be conducted by the National Labor Relations Board. Among other things, this agreement recited that the employer, Photo Sound, was "engaged in commerce within the meaning of section 2 (6), (7) of the National Labor Relations Act."

The election was conducted by the National Board on April 26, 1954, and was won by the union, 15 to 11. Under date of May 4, 1954, the United Steelworkers of America, CIO, were duly certified by the National Labor Relations Board pursuant to section 9 (a) of the National Labor Relations Act.

There ensued a period of charges and recriminations, interposed with collective bargaining sessions. Even before the first bargaining session, the union filed with the National Labor Relations Board, under section 8 (a) (1), (3), and (5) of the National Labor Relations Act, a charge of unfair labor practices against Photo Sound. This charge was being investigated by the National Labor Relations Board during June and July 1954, while the collective bargaining negotiations were in progress.

In July, 1954, the National Labor Relations Board issued the new yardsticks which it indicated it would apply to determine whether it would, in a particular case, exercise the exclusive jurisdiction granted it by Congress (NLRB Release No. R-445, July 1, 1954, and No. R-449, July 15, 1954). Applying this new yardstick, the National Board under date of July 21, 1954, declined to consider the matter of the charges filed by the United Steelworkers of America, CIO, against Photo Sound, stating:

"Further proceedings are not warranted, inasmuch as the operations of the company involved are predominately local in character and it does not appear that it would effectuate the policy of the act to exercise jurisdiction. I am, therefore, refusing to issue complaint in this matter."

The union, in this notice, was advised that it had the right to a review of this action taken by the National Board in declining to exercise its jurisdiction, but no such appeal was taken.

On July 20, 1954, the union filed substantially the same charge with the State board that it had previously filed with the National Board. No complaint was issued by the State board until January 14, 1955, and notice of hearing thereon issued the same date.

At the hearing on the charges before the State board on February 7, 1955, the company presented its contention that the matter was not within the jurisdiction of the Utah board, but within the exclusive jurisdiction of the National Labor Relations Board, and objected to the introduction of all evidence and other proceedings on the same grounds. At the close of the union's case, the company renewed its motion to dismiss on the ground that the proceedings were not within jurisdiction of the National Labor Relations Board. The ruling was reserved on the issue by the hearing examiner.

The hearing examiner ruled that the business of Photo Sound affected intrastate as well as interstate commerce and concluded therefrom that the State board had jurisdiction. Appellant filed its exceptions claiming the matter was exclusively within the jurisdiction of the National Board and that the National Board had not ceded such jurisdiction. The Utah State Labor Relations Board affirmed the ruling of the hearing examiner and issued an order directing Photo Sound to cease and desist from refusing to bargain collectively with the CIO and directing it to take certain affirmative action with respect to certain of its ex-employees designated in the order.

After a motion for rehearing based upon the same contention, that section 10 (a) of the national act precluded State action was denied, a writ of review was obtained from the Supreme Court of Utah upon a petition alleging that—

"Contrary to the specific grant of exclusive power to the National Labor Relations Board under said act, the Utah Labor Relations Board has entertained a charge filed with it by the United Steelworkers of America, CIO, and issued a complaint thereon against petitioner. That despite the contentions of petitioner concerning the lack of jurisdiction of said board, said board, under date of June 21, 1955, issued its decision and order relating to the labor relations of petitioner, and on June 29, 1955, denied petitioner's motion for rehearing. At all times herein petitioner has contended said board was wholly without authority or jurisdiction to act in the matter."

The only issue briefed or argued to the Supreme Court of Utah was the Federal constitutional question. The posture of the case before the Utah Supreme Court was thus stated in its opinion as follows:

"The employer obtained this writ of review for the purpose of questioning the jurisdiction of the Utah Labor Relations Board. The sole question before us is whether the State board may act in relation to a business admittedly engaged in interstate commerce and subject to the National Labor Relations Act and the National Labor Relations Board, when that Board declines, upon the grounds stated, to exercise jurisdiction" (*Guss* v. *Utah Labor Relations Board* (296 P. 2d 733, 734)).

The Utah Supreme Court upheld jurisdiction of the State board.

At the same time the Court of Appeals for the 10th Circuit (Colorado, Wyoming, Utah, Kansas, Oklahoma, and New Mexico), in *Retail Clerks* v. *Your Food Stores* (226 F. 2d 659), held:

"Moreover, the refusal by the NLRB to entertain the instant grievance on its merits did not of itself alter the pertinent law, thereby revesting the State court with authority to proceed. Amended section 10 (a) of the act specifically provides what this court deems to be the only way State authorities can be vested with authority now within the exclusive purview of the act. Unless and until there is an express ceding of jurisdiction to a proper State agency, exclusive jurisdiction remains in the Federal agency. For sake of order such must be true. Otherwise, an interminable problem of determining jurisdiction would exist, throwing needless confusion into an area clearly preempted by Congress" (225 F. 2d 659, 653).

Thus, in Utah, depending upon whether the issue was before a State or a Federal court, different results would be obtained.

The United States Supreme Court, in the Guss case, reversed the judgment of the Utah Supreme Court.

Mr. Chairman, the committee should have before it the facts of the Utah case so it may be seen just what the United States Supreme Court reversed. The best recital of the charges and rulings is set forth in the intermediate report of Trial Examiner Robert J. Shaughnessy:

"THE UNFAIR LABOR PRACTICES

"1. The discharges

"1. Charles Ilisley was employed by the respondent[1] in October of 1953. The following month he signed a union-authorization card. He became active immediately in promoting the union among fellow employees. He acted as the union observer at

[1] At the hearing before the Utah Labor Relations Board, Photo Sound Products Manufacturing Co. (the appellant herein) was designated as the respondent, and United Steelworkers of America, CIO, was designated as the claimant and petitioner.

the time of the NLRB election. He later became a member of the union negotiating committee and grievance committee. He participated in virtually all negotiations that were held between the company and the union until negotiations ceased. Ilisley was discharged in August 1954 after negotiations had broken off and the NLRB had refused to issue a complaint.

"After the advent of the organization campaign it seems from all the evidence that a general attitude of antiunion conduct developed on the part of management toward the infant union. Negotiations were not satisfactory. The respondent failed to give proper attention to the request of the union for meetings or discussions on grievances. Since Mr. Ilisley was spearheading the union movement in all these fields, it follows that because of the general antiunion attitude of the respondent they were most anxious to see him discharged.

"In point of seniority in his classification he was the oldest employee of the respondent. His successor was another employee of the respondent that did not work for Photo Sound but an entirely separate operation that the respondent maintained elsewhere.

"The referee finds and concludes that Charles Ilisley was discharged solely because of his activities for and on behalf of the complainant union.

"2. Gary Watrous was employed as a clerk and stock-record keeper in the production shop and had been so employed since July 15, 1953. Mr. Watrous had attended a meeting of the union at which the respondent's manager, Mr. Garber, spoke. He had met in cars outside respondent's place of business with the union representative, Mr. Mullet, and had been observed by Mr. Garber, who also knew the request for meetings were reasonable as to number, time, and place. For these reasons the record supports a finding that the respondent has since on or before refused to bargain collectively with the duly designated representatives of their employees."

The Utah Labor Relations Board, on June 21, 1955, affirmed the trial examiner's rulings and adopted as its own the findings of facts as made in the intermediate report and recommended order.

In the concluding paragraphs of March 25, 1957, United States Supreme Court decision, Chief Justice Warren, speaking for the Court, stated:

"We are told by appellee that to deny the State jurisdiction here will create a vast no man's land, subject to regulation by no agency or court. We are told by appellant that to grant jurisdiction would produce confusion and conflicts with Federal policy. Unfortunately, both may be right. We believe, however, that Congress has expressed its judgment in favor of uniformity. Since Congress' power in the area of commerce among the States is plenary, its judgment must be respected whatever policy objections there may be to creation of a no man's land.

"Congress is free to change the situation at will. In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a no man's land and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction. The National Labor Relations Board can greatly reduce the area of the no man's land by reasserting its jurisdiction and, where States have brought their labor laws into conformity with Federal policy, by ceding jurisdiction under section 10 (a). The testimony given by the Chairman of the Board before the Appropriations Committees shortly before the 1954 revisions of the jurisdictional standards indicates that its reasons for making that change were not basically budgetary. They had more to do with the Board's concept of the class of cases to which it should devote its attention.

"The judgment of the Supreme Court of Utah is reversed."

The result of this decision, therefore, was to recognize that the United Steel Workers had been aggrieved but to deny them a forum in which to seek redress.

It is a bit ironical that I am here today citing the Guss case as a reason for adoption by this committee of the language of my bill S. 1723 since the Supreme Court in deciding the Guss case cited this language from the Senate bill S. 2650 of the 83d Congress as a reason for its decision. That language and the text of S. 1723 are substantially the same.

I refer to the final paragraph of the Court's opinion and footnote No. 16:

"In 1954 the Senate Committee on Labor and Public Welfare recognized the existence of a 'no man's land' and proposed an amendment which would have empowered State courts and agencies to act upon the National Board's declination of jurisdiction.

"The effect * * * of the Board's policy of refusing to assert its jurisdiction has been to create a legal vacuum or 'no man's land' with respect to cases over which the Board, in its discretion, has refused to assert jurisdiction. In these cases the situation seems to be that the Board will not assert jurisdiction, the States are forbidden to do so, and the injured parties are deprived of any forum in which to seek relief" (S. Rept. No. 1211, 83d Cong., 2d sess., p. 18). The minority agreed that "When the Federal Board refuses to take a case within its jurisdiction, the State agencies or courts are nevertheless without power to take jurisdiction, since the dispute is covered by the Federal act, even though the Federal Board declines to apply the act. There is thus a hiatus—a 'no man's land'—in which the Federal Board declines to exercise its jurisdiction and the State agencies and courts have no jurisdiction" (id., pt. 2, p. 14). The committee's bill, S. 2650 was recommitted (CONGRESSIONAL RECORD, vol. 100, pt. 5, p. 6203).

Mr. Chairman, my appearance completes a 360° ride on this merry-go-round. This language has gone from the committee to the Court and back to the committee.

As the committee is aware Utah is 1 of 10 States having State labor boards. S. 1723 is so drafted as to provide a forum for all aggrieved parties denied jurisdiction before the NLRB.

In Utah and nine other States the remedy will commence with the State board and in those other States not now enjoying the benefits of a State board the remedy shall commence with the State courts.

I have heard no objection to the proposal to rescue these people from this legal "no man's land." I sincerely believe this inequity will be corrected. I can't urge too strongly that it be done now while there is yet time to obtain approval from the other House, before adjournment.

My bill is a suggested solution. Senator IVES, a distinguished member of the Labor Committee, also has a proposal to remedy this defect pending before the committee. I leave it to the discretion of you gentlemen of the committee who are experts in this field the difficult job of deciding upon the preferential language.

TRUSTEESHIP

In my opening remarks I mentioned that I intended to address the subcommittee on another area of much-needed labor legislation.

I wish to discuss a problem that arose recently in Utah regarding trusteeship. The subcommittee heard at length yesterday from Professor Cox, of Harvard Law School, a recognized gentleman in the field of labor law. He devoted a considerable portion of his time to the question of trusteeships and abuses possible thereunder.

Recently in Utah certain members of local 222 of the International Teamsters Union became vocal on the abuses perpetrated under the trusteeship that has existed over their local for 20 years. Out of expressions of concern voiced by one such member came a threat delivered to him in typical gangland style which caused him to employ counsel. That threat is the subject of a letter dated April 25, 1958, addressed by the attorney to Senator MCCLELLAN.

Mr. Chairman, that letter points up more clearly than anything I could say as to the general need for this type of legislation. I do wish to ask that the chairman carry with him to Senator MCCLELLAN the most sincere request that Mr. Plenkinton's problem receive prompt attention by the Rackets Committee.

I'm requesting of Senator MCCLELLAN that a staff investigator be sent to Salt Lake City to speak with Mr. Plenkinton and five others whom I have named in my letter to the Senator.

All 6 of these men are members of local 222 of the teamsters union and will testify to abuses in their local, if called upon by the committee.

When asked for the name of the trustee of their local, these men were unable to reply. A call to the industrial relations office developed that the present trustee is a fellow residing in Los Angeles.

This situation has existed for 20 years, and the members of this local need help in getting control of their union where it belongs—in the hands of the Utah membership.

I recommend no language to correct this and other abuses perpetrated under extended trusteeship, but I do request that the committee members consider this example when drafting legislation to deal with the problems of trusteeship.

It goes without saying that these six teamster members will be happy to appear at the subcommittee's request if their testimony would be of further enlightenment.

I know I express their appreciation along with my own when I thank the chairman and the members for this opportunity to appear. These Teamsters join me likewise in pleading for remedial legislation which must start in this subcommittee.

Thank you.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a section-by-section analysis of the amendment which I have submitted, and which is at the desk.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

AMENDMENT TO S. 3974—ANALYSIS

I would like to undertake an analysis of the provisions of my amendment so that the Members of the Senate can be made aware of the necessity of closing the major loopholes in the present secondary boycott section of the National Labor Management Relations Act.

As you all know, the present law attempts to deal with secondary boycotts presently regulated in part by section 8 (b) (4). It is this section that my amendment 6-12-58H would change.

Subsection (4): Subsection (4) of the present law contains four prohibitions. In order to read and understand those four prohibitions it is necessary to read each one by going back to section 8 (b) which reads as follows:

"It shall be an unfair labor practice for a labor organization or its agents." Then read subsection (4) which presently reads, "to engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment to use, manufacture, process, transport, or otherwise handle or work

on any goods, articles, materials, or commodities or to perform any services, where an object thereof is:"

But my proposal amends in part the latter quotation. It also amends certain paragraphs of such subsection and adds two additional paragraphs.

Thus on line 7 of my amendment the new subsection (4) appears. It would revise Taft-Hartley to read:

"(b) It shall be an unfair labor practice for a labor organization or its agents—

"(4) To exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an objection thereof is * * *."

This is at once a simplification and an extension of subsection (4). It is my intent that the general prohibition against the exertion of pressure, economic or otherwise, includes, among other things, the inducement and encouragement of employees to refuse to perform work as set forth in the present act. It also covers any other type of union activity which exerts pressure against an employer or employees of an employer as I will hereafter discuss in greater detail. It also is designed to close five of the present Taft-Hartley secondary boycott loopholes, which I shall now proceed to discuss.

HOT CARGO

Note the parenthetical expression on line 8, page 1, and line 1, page 2, which reads: "(regardless of the provisions in any collective bargaining or other contract)."

This would outlaw the making of the so-called hot-cargo secondary-boycott clauses now used so extensively by the teamsters and building trades unions. Among the building trades, these types of boycott clauses are known as "standard form of agreement" clauses.

In effect these clauses permit unionized employees to refuse to handle goods labeled as "unfair" or "hot" by the union. They are intended to serve as a defense to an otherwise unlawful inducement of neutral employees to enforce a secondary boycott. Hot cargo may be used to force the unionization of the employees of a secondary employer or used to bring pressure on a secondary employer who is having a labor dispute.

With a hot-cargo clause, a union official may order an employer, under the threat of a strike, to stop doing business with another employer.

Here is how it has worked in two well-known situations. When the employees of the Galveston Truck Lines, of Houston, Tex., refused to join the Teamsters Union, the union applied pressure on interline carriers in Oklahoma City not to accept freight from Galveston unless Galveston employees joined the teamsters.

The immediate victims of such action, aside from the employees of Galveston Truck Lines, whose jobs were imperiled, were the scores of Houston firms who ship via Galveston Truck Lines. Their freight was tied up because workmen hundreds of miles away in another city refused to move it.

As for the building trades use of such clauses, let's look to Baltimore. Here the unions sought to force all unionized contractors not to do business with contractors whose employees did not want to join the building trades union. In other words, unionized general contractors could not hire nonunion subcontractors, and unionized subcontractors could not work for nonunion general contractors.

EMPLOYER PRESSURE

Subsection (4), in line 1, page 2, refers to the exertion of economic coercion and pressure against an employer. This is a change from the present Taft-Hartley Act to close another major boycott loophole. The present act makes it an unfair labor practice for a union to induce or encourage employees of any employer to commit a secondary boycott. Nothing is said about inducement of employers.

Union officials have grasped at this language defect to bypass the employee and threaten the employer with labor trouble unless he stops doing business with another firm. The National Labor Relations Board and the courts have interpreted such action as beyond the statute.

The typical example of such a loophole is the now famous Burt Manufacturing Co. case of Akron, Ohio. Burt has a union-shop contract with the United Steelworkers and has had such an agreement for more than a decade.

The sheet-metal workers would like to represent Burt's employees. Their way of trying to persuade Burt employees to switch unions is to put pressure on Burt, the employer. Until now, their activity has been regarded as beyond the prohibitions of Taft-Hartley.

The sheet-metal agents will approach contractors and architects—they stay away from the workmen—and hint that there may be "trouble" on any construction job in which Burt products are specified. This secondary-boycott threat usually is enough to make an architect avoid ordering Burt products.

It is true that a complaint has been issued by the NLRB in the Burt case after an 11-year boycott, but it is problematical whether the Board action will be successful. In any event, it should be made clearly a violation by statute.

CONCERTED ACTIVITIES AND COURSE OF EMPLOYMENT

Now let me return to the language in my amendment. When you compare the first sentence of subsection (4) with the present first sentence of subsection (4) of Taft-Hartley, a careful reading will note the deletion of two phrases. It is from these 2 phrases, now found in the present bill, that we have 2 more boycott loopholes.

Subsection (4) of the present law makes it an unfair labor practice for a union to "engage in, or to induce or encourage the employees of any employer to engage in, a strike or a concerted refusal in the course of their employment" to handle the goods of another firm.

Note the terms "concerted refusal" and "in the course of their employment." These terms have given rise to boycott loopholes, and they are deleted from subsection (4) of my amendment.

CONCERTED

The word "concerted" has been interpreted by the Supreme Court in the famous 1951 International Rice Milling Co. case to mean that the inducement of a single or key employee not to do business with another person does not violate the act.

To make the secondary boycott illegal, the union must encourage concerted or group action by the employees of a neutral employer.

Yet from practical experience, we know that the inducement of a single employee, perhaps a key employee, can be enough to shut down a job or cause enough difficulty for the employer and the other employees to make the neutral employer give in to the union and go along with the secondary boycott.

The second deletion is the phrase "course of employment." This phrase has resulted in an important loophole. It works in this manner. In those situations where workers have not yet been hired, the inducement of those workers not to go to work for a particular employer is not considered by the Labor Board a violation of the present act. It is particularly effective when the union, usually through a hiring hall, controls the labor supply for an industry in a particular community. The union hiring hall may tell a contractor it does not have men available, or that the men will not be assigned to work on a certain job because the union objects to some company with whom the contractor is doing business.

In such cases, employees of the contractor and employees of the manufacturer lose work, and one or both of the employers may have their business destroyed.

This loophole was created by the NLRB in 1953 in the Joliet Contractors case. Although a circuit court of appeals (seventh circuit) has approved the Board's decision, I understand a new case is now before the NLRB on this very point.

Let me again refer to the famous Burt case in Akron. When it is known that Burt products are to go into a job, the Sheet Metal Workers Union advises it will dispatch no sheet metal workers to the job site if Burt products are there. There is an inducement by the union of employees not to work, but the action is not illegal, because the employees are not at work when so induced. Because they are not "in the course of their employment," there is no illegal boycott. The effect, however, is the same.

SECONDARY CONSUMER BOYCOTTS

Another type of economic pressure not covered by the present language of Taft-Hartley's section 8 (b) (4) is the secondary consumer or customer boycott.

A union can apparently picket the customer entrances of a retail store which is carrying a product manufactured by a company with which a union has a primary dispute. Similarly a union can organize a consumer or customer boycott against a soft drink distributing company merely because that company advertises on a radio or television station or in a newspaper with which the union has a primary dispute. These are examples of secondary customer or consumer boycotts. They are a potent form of economic pressure and are intended to be made unlawful by the language of my amendment.

A current case involves station WKRG and WKRG–TV in Mobile, Ala. A union which lost an election immediately began picketing the stations, and also is attempting to bring economic pressure on sponsors who continue to advertise on the stations. They threatened the sponsors with loss of business.

Thus subsection (4) is designed to cure five of the major secondary boycott loopholes. Now, permit me to take up the remaining parts of the bill.

Section 8 (b) (4) (A): On line 4 of page 2, you will find subsection (A). It reads:

"It shall be an unfair labor practice for a labor organization or its agents—(4) to exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(A) causing or attempting to cause any employer or self-employed person to join any labor or employer organization."

This is pretty much of a repeat of the present subsection (A) of the present law, except that it is simplified and except that the opening three words of the present law which read "(A) forcing or requiring" are changed in my bill to "causing or attempting to cause."

The purpose of this change is to insure the full effectuation of the legislative intent to eliminate secondary boycotts. Once the factor of unlawful coercion has been found, the intent of Congress is not to be frustrated because it might conceivably be said that the objective of the coercion was merely to induce or cause a certain course of action rather than to force or require it.

There is no other change in the meaning or interpretation of (A).

Section 8 (b) (4) (B): Subsection (B) on line 7 of page 2, like subsection (4) is the heart of the amendment. It attempts to close three secondary boycott loopholes. It would read:

"It shall be an unfair labor practice for a labor organization or its agents—(4) to exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(B) causing or attempting to cause an employer or other person to cease doing business with any other person."

Again the words "causing or attempting to cause" are substituted for the present Taft-Hartley language which introduces each subsection, "forcing or requiring."

DEFINITION LOOPHOLE

Note the use of the word "person" in subsection (B). It is a substitute for the phrase "employees of any employer." This is designed to halt the NLRB's interpretation of the present act permitting secondary boycotts to be used on agricultural workers, railroad employees, independent contractors, and the employees of political subdivisions of the State.

The NLRB permits such secondary boycotts when it contends that the words "employee" and "employer" are limited in their meaning to the technical definition of these words found in section 2 of the present act. Section 2 excludes from Taft-Hartley railroad and agricultural workers, independent contractors and the employees of city, county, and State governments.

This exclusion was intended by Congress to bar the NLRB from regulating the labor relations of these employees. It did not intend to exclude such employees from being used as secondary boycott tools.

The United States Fifth Circuit Court of Appeals has twice affirmed this view and ordered the NLRB to halt secondary boycotts involving railroad employees.

In the International Rice Milling case of 1951 and in the more recent W. T. Smith Lumber Co. case involving employees of the L. & N. Railroad, the woodworkers union sought to prevent L. & N. employees from serving the Smith Lumber Co., because of a dispute the woodworkers had with Smith.

The Labor Board acknowledges the fifth circuit's view only in the geographic areas within the court's jurisdiction. In other areas, the Board refuses to halt such secondary boycotts.

EMPLOYER PRESSURE

Subsection (B) also covers the "pressure upon employers" loophole in the present law, as explained in my reference to subsection (4). Note that subsection (B) refers to "cause an employer" to cease doing business. This strengthens the attempt to close this particular loophole.

AMBULATORY PICKETING

Another major dodge of the boycott prohibitions in Taft-Hartley is the use of ambulatory or roving situs picketing. This technique generally involves pickets following a truck of the primary employer and picketing the truck when it stops to make a delivery. The effect is economic pressure or loss to the neutral secondary employer and his employees. In the 1949 Schultz Refrigerated Service Co. case, the NLRB found such boycott activity beyond the scope of Taft-Hartley. The theory was that the truck was an extension of the primary employer's premises.

Although the NLRB in more recent cases has since limited the broad holding of its Schultz decision, legislation is necessary to remove all doubt as to the intent of Congress to halt secondary boycotts.

I believe the present law, if properly interpreted, adequately covers ambulatory picketing as an illegal secondary boycott. But to remove all doubt and prohibit such boycotts where neutrals are concerned, the word "person" in subsection (B) is used.

It will be noted that the phrase "cease doing business with" is used in place of the somewhat more elaborate wording in the Taft-Hartley Act. The change is for purposes of simplification and clarity only. It is not intended to suggest a more restrictive application.

Section 8 (b) (4) (C): This section at line 10 on page 2 of the amendment is virtually identical to section 8 (b) (4) (B) of the present law. The only change is the substitution of the introductory words "causing or attempting to cause" for the present "forcing or requiring."

I believe its language is self-explanatory in that it makes it an unfair labor practice for a union to cause an employer to recognize or bargain with a union unless that union has been certified as the legal bargaining agent for the employees.

RECOGNITION PICKETING

Section 8 (b) (4) (D): This new section at line 15, page 2, would read:

"It shall be an unfair labor practice for a labor organization or its agents (4) to exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract) against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(D) causing or attempting to cause any employer to interfere with his employees' right to join or refrain from joining a labor organization as set forth in section 7."

This new section in my amendment is aimed at stopping recognition picketing. The language is not found in the present Taft-Hartley boycott section. It is designed to prohibit union officials from forcing an employer, via economic pressure on his business, to interfere with his employees' right to join or refrain from joining a union. This, of course, is the cornerstone of both the Wagner and Taft-Hartley Acts.

It follows that, if a union has the power to compel an employer to recognize it as the bargaining agent, the employees of that employer will be forced to be represented by that union, whether they prefer that particular union or no union.

Neither a company nor a union should have the power to force a bargaining agent upon employees unless the employees want such an agent. Again it follows that an employer should be free from such economic coercion as the secondary boycott to compel him to interfere with the rights of his employees.

ORGANIZATIONAL PICKETING

Section 8 (b) (4) (E): This also is a new section. It is found at line 19, page 2, of the amendment. It is designed to halt organizational picketing, and it would read:

"It shall be an unfair labor practice for a labor organization or its agents (4) to exert, attempt to exert, or threaten to exert (regardless of the provisions in any collective bargaining or other contract against an employer, or employees of an employer, economic or any other type of coercion, by picketing or by any other means, where an object thereof is—

"(E) causing or attempting to cause employees to join or refuse to join a labor organization except as provided in the first proviso to section 8 (a) (3)."

The purpose of this section (E) is to prohibit the use of economic coercion against an employer where an object is the causing of employees to join or refuse to join a labor organization. It does not interfere with the right to negotiate a union shop contract.

The present law provides means for unions to organize employees and it provides for elections to determine union representation. Picketing should not be used as a replacement for the already prescribed procedures.

In theory there is a hairline difference between recognition and organizational picketing, but the practical effect is the same. The picket line is present in both varieties.

Here again organizational picketing, like recognition picketing, is closely related to the secondary boycott; thus, its inclusion in the amendment.

If a union fails to persuade employees to join its organization, it may place a picket line before the employer's place of business so as to bring pressure upon the employer to coerce his employees to join that union. This picket line can be the foundation for a secondary boycott, and, in many instances, the picket line will be extended to the premises of neutral secondary employers.

JURISDICTIONAL DISPUTES

Section 8 (b) (4) (F): This section, beginning at line 22 on page 2 is, except for the first three words, exactly the same as that contained in section 8 (b) (4) (D) of the Taft-Hartley Act. This is in line with the same changes made in the other sections.

INJUNCTIONS

Paragraph (b), line 12, page 3: Lines 12 through 20 on page 3 merely bring the present section 10 (1) of Taft-Hartley—the injunction section—into conformity with the changes and new unfair labor practice sections of the amendment. There is no change in the basic principles of section 10 (1) providing for NLRB priority status for secondary boycott charges and for injunctions to halt secondary boycotts.

DAMAGE SUITS

Paragraph (c), line 21, page 3: Line 21 on page 3 through line 5 on page 4 brings the present section 303 (b) of title III of Taft-Hartley into conformity with the changes and new unfair labor practice sections of the amendment. Section 303 (b) is the section which provides for damages resulting from secondary boycott violations of section 8 (b) (4). My amendment makes no changes in the principles set out in the present section 303 (b) of the act.

My amendment relating to secondary boycotts was not intended to, and does not, change existing law so far as struck work is concerned. Under existing law if a recognized or certified union is engaged in a strike against an employer, and that employer proceeds to make arrangements with another employer to have such other employer perform for him the work which his employees would have performed, and the second employer aware of these facts performs the work, the picketing by the union of the second employer is not a secondary boycott. Under those circumstances the second employer is an ally of the struck employer and is not a neutral. *Douds* v. *Metropolitan Federation of Architects* (75 F. Supp. 672 (S. D. N. Y.)); *NLRB* v. *Business Machines and Office Appliance Mechanics* (228 F. (2d) 553 (C. C. A. 2) cert. den. 351 U. S. 962).

On the other hand, if the customer makes the arrangements for having the work performed by the second employer, the picketing of the second employer both under existing law and under my amendment, is a secondary boycott. Surely a completely independent person, who may need supplies to complete articles he is manufacturing, should have a right to make his own arrangements to get them from a second employer without harassment if the first employer is being struck. Existing law and my amendment also make it unlawful to picket a second employer who is simply continuing his normal relationship with the struck employer, performing no work in excess of or of a

different kind than that performed before the strike. (*Metal Polishers Union* (25 LRRM 1052)).

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah [Mr. WATKINS].

Mr. IVES. Mr. President, I should like to suggest the absence of a quorum, inasmuch as I am about to offer an amendment in the nature of a substitute for the pending amendment. I think it would be a good idea to have as many Senators as possible present to listen to the discussion. We are faced with a very fundamental question, and I think Senators should know what is going on. We are dealing with a very vital part of the Taft-Hartley Act, a very vital element in connection with labor relations. Therefore, if I may do so without losing my right to the floor, I ask the privilege of suggesting the absence of a quorum.

The PRESIDING OFFICER. Without objection, the Senator may suggest the absence of a quorum without losing the floor.

Mr. IVES. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Allott	Hayden	Morton
Anderson	Hennings	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bible	Hoblitzell	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE] is absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

The PRESIDING OFFICER. A quorum is present. The Senator from New York has the floor.

Mr. IVES. Mr. President, I wish the Senator from Utah, who is the author and sponsor of the pending amendment, were on the floor while I am speaking. It so happens that he and I for a number of years have been dealing with this particular subject of the "no man's land." It also happens that I myself am just as much interested in having the question resolved as is the Senator from Utah. Perhaps I am more interested. At least, I am the one who introduced the first bill on the subject.

It also happens that, so far as the interim report of the select committee is concerned, from which a quotation has been read in the debate, I myself wrote the recommendation in that report concerning the "no man's land." I wrote in longhand the part which has been quoted from the report. I shall read it now, because it has been quoted only partly. It is the last sentence. This is the actual recommendation:

> To solve the no man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

In that connection, I point out something about the amendment which the Senator from Utah has offered. I shall read the language of his amendment. It is short. It can be seen exactly what it does and how it fits into the recommendation made in the report of the select committee:

> Nothing in this act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming and asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction.

That amendment, as the Senator from Utah has proposed it, deals with only a part of the recommendations of the committee. It deals with the last part. The Senator has nothing whatever in the amendment which touches on the first part, which calls for the NLRB to exercise its jurisdiction to the greatest extent practicable.

That is particularly serious when we realize that in proposing the amendment he is striking out what is in the bill itself. I myself do not wholly approve of what is in the bill. It is not so strong as I would like it to be. It does not do what I would like it to do. That is why I am offering a substitute amendment. In other words, I am dealing with the question in the bill as I would deal with the question if I were in the committee. The proposal in the bill, section 602, at the bottom of page 36, it will be noted, is a little vague. It does not authorize the Board to do anything. Theoretically, it calls upon the Board to do as much as it can. But the question of how far the Board will be able to go is left to the Board's discretion.

I like language a little stronger than that, and I think we are obligated to provide something stronger than that. That is why I am offering this substitute.

Mr. CURTIS. Mr. President, will the Senator from New York yield for a question?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from New York yield to the Senator from Nebraska?

Mr. IVES. I yield.

Mr. CURTIS. What does the Senator's amendment do with reference to——

Mr. IVES. I have not yet offered the amendment; but I shall do so in a moment or two, and then the Senator from Nebraska will know what I am talking about.

Mr. CURTIS. Very well.

Mr. IVES. I am about to offer the amendment. I appreciate the courtesy of the Senator in bringing that point to my attention.

Mr. President, I was explaining the background of the amendment submitted by the Senator from Utah [Mr. WATKINS] and the history of the Senate bills which deal with this question. I want that to be clear, so it is understood that I am in sympathy with what the Senator from Utah is endeavoring to do, although I do not approve of the way he is attempting to do it.

Mr. President, at this time I submit the amendment, send it to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from New York will be stated.

The LEGISLATIVE CLERK. In lieu of the language proposed to be inserted by the amendment of Mr. WATKINS, it is proposed to insert the following:

> SEC. 602 (a). Section 14 of the National Labor Relations Act, as amended, is amended by adding a new subsection, as follows:
>
> "(c) The National Labor Relations Board shall adopt, by regulation or policy, standards asserting jurisdiction over all labor disputes arising under the National Labor Relations Act, as amended: *Provided*, That the Board is empowered by agreement with any agency of any State of Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith."
>
> SEC. 602 (b). Amend section 10 (a) of the National Labor Relations Act, as amended, by repealing the proviso thereto.

Mr. IVES. Mr. President, let me describe what this amendment will do.

First, it will fill the gap left by the amendment of the Senator from Utah [Mr. WATKINS], for it calls upon the Board itself to meet all the requirements which it should meet as a Board in dealing with these matters. In other words, the Board must assert, 100 percent, jurisdiction. Under the provisions of the amendment, there will be no question whatever about this matter. All of the shady or shadowy or vague language now contained in the bill will be eliminated; this amendment will repeal or eliminate all of that language, as the amendment of the Senator from Utah itself would do. This amendment is a substitute for the amendment of the Senator from Utah.

Mr. MORSE. Mr. President, will the Senator from New York yield for a question?

Mr. IVES. I yield.

Mr. MORSE. Does the Senator from New York share my opinion that the McClellan hearings and some of the testimony adduced before our committee show that in this so-called no man's land there is an area in which there are many shady dealings, too; and that in this area there are found some of the so-called sweetheart dealings and some of the Shefferman dealings and some of the corruption on which we are trying to place a check, by means of the pending legislation; and that we shall not rectify that situation by adopting an amendment of the type of the one submitted by the Senator from Utah, but that we shall rectify it only by means of an amendment like the one the Senator from New York has submitted?

Mr. IVES. Of course, I recognize that in New York, for example, much racketeering of that sort exists. We must deal with it, and we must eliminate it. The first part of the amendment deals with that question.

In the second part of the amendment—that in regard to turning over to the States, and so forth, the authority to act in these matters—the language which follows the proviso is exactly the language of the proviso in section 109 as it now stands; there is no difference whatever.

Therefore, the question which has been raised here, namely, as to the effect or result of the amendment of the Senator from Utah, if it were enacted into law, is eliminated. In other words, if a company has plants in, let us say, half a dozen or eight States—which is not at all unusual in the case of some of the large companies—and if each of those 8 States has a law which deals with this question, but which is very different from any other law, no confusion will develop, because the provision of the Taft-Hartley law which is being repealed and replaced requires the cession of jurisdiction over any cases in any industry as to which cession can be made, even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act—that is to say, of the Taft-Hartley Act—or has received a construction inconsistent therewith.

In other words, the cession of jurisdiction must be to agencies which are operating under laws which in this particular instance deal with the particular subjects involved, and are identical with or closely enough identified with the Taft-Hartley Act so there will be no substantial difference. That provision will eliminate the problem the Senator from Kentucky has suggested as to many different interpretations.

Mr. BUTLER. Mr. President, will the Senator from New York yield to me?

Mr. IVES. I yield.

Mr. BUTLER. Does that mean that the Board will initially take jurisdiction of every case covered by the National Labor Relations Act?

Mr. IVES. Yes; if it relates to or involves interstate commerce.

Mr. BUTLER. Of course, that is understood. So, under this amendment, the Board will either decide the case or will refer it to a State agency; is that correct?

Mr. IVES. It will have to do that. If the State does not have any laws in this field which the agency could follow, of course the case could not very well be referred to such a State agency.

Mr. BUTLER. I understand.

The first sentence of the amendment is as follows: "The National Labor Relations Board shall adopt, by regulation or policy," and so forth.

How would the Senator from New York go about adopting something by policy? What is the meaning of the word "policy" in that connection? Does it mean a policy established by a line of decisions which might change at any time? Does not the Senator from New York want something more substantial or definite than that? Why does not he use the words "by regulation"?

Mr. IVES. As I understand, it could not change in any way because it is the procedure that has been followed right along.

Mr. BUTLER. If the purpose of the amendment is to have the Board take jurisdiction in all cases, why does not the Senator from New York either by rule or by regulation specify the type of cases in the amendment itself, rather than have the matter determined or controlled by a policy which might shift from day to day? Why not have the law provide a certainty, rather than have the Board continue to do what it is doing now?

Mr. IVES. It seems to me that under this amendment there will be certainty.

Mr. BUTLER. I do not believe there will be certainty if the words "regulation or policy" are used. What does the Senator from New York mean by "policy"?

Mr. IVES. Of course, all cases affecting commerce are covered by this.

Mr. BUTLER. Of course that is true.

Mr. IVES. And the court decisions will have to determine the policy, under the Board's decisions, regardless of whether jurisdiction is ceded.

Mr. BUTLER. Yes; but the Board could adopt one policy today in connection with one case and another policy tomorrow in connection with a similar case. There would be no certainty. In other words, nobody would know where he was going when he initiated a case.

Mr. IVES. Would it make it any simpler to the Senator from Maryland if I omitted the words "or policy"?

Mr. BUTLER. I think it would.

Mr. IVES. Mr. President, I modify my amendment by eliminating the two words "or policy," and striking out the comma before the word "by" and the comma following the word "policy."

Mr. BUTLER. I may say to the Senator from New York one of the reasons I made the suggestion is that the present Supreme Court does not seem to be too astute in interpreting what the Congress means. If the words "or policy" were used, I think we would be laying ourselves open to criticism.

Mr. IVES. I think the Senator's suggestion is well made. I am thankful to him.

Mr. President, the question may be raised that the Board cannot handle this many cases. I do not know, in the first instance, that the Board can handle this many cases. I tried my best in all the hearings I attended—and I attended them when the Board Chairman appeared and the counsel appeared before the Committee on Labor and Public Welfare and the subcommittee—to get from the representatives of the Board what they needed. They indicated to me that with an additional appropriation above what was allowed by the House of Representatives—I think it was $3 million—the Board could take on 20 percent more cases.

I asked the witnesses at that time whether the 20 percent would cover the "no man's land" cases. They did not know how many cases were in the "no man's land" area. In other words, I discovered, on inquiry, that nobody in the United States, apparently, has any idea what the load of "no man's land" cases is, how many cases would fall within that description, the area it would cover, or anything about it. They did not know.

If this amendment is adopted, it will not take the Board very long to find out. It will not take us very long to ascertain whether the Board is able, with this additional appropriation, to handle all the cases.

By the way, I should like to say the appropriation referred to is not merely a happy thought. The Appropriations Subcommittee dealing with the question has already approved it. There is provided $1½ million above the budget estimate, $13,100,000. I think we can hold that increase, because I believe the country realizes, and I think we can get the House of Representatives to realize—I am sure the House will—that the amount is absolutely necessary. We have to have a vital agency that can do the job it is supposed to do, and the failure to do it is raising Cain in our economy.

I am not disturbed about that feature of the question. I think this is the proper way to approach it. I originally was not for that idea. I was for the approach the Senator from Utah is espousing. That approach would be more satisfactory to the people of the State of New York than would the approach I am here proposing; but I am not in the Senate to participate in enacting legislation only for one State. I want to get something in the law which will work for the whole country, and I believe my amendment will do that. If the State of New York is not benefited as much by this approach as it would be by the other approach, it is too bad. Ultimately, all the States will be benefited by this kind of approach and will be satisfied with it. That is the position I am taking on the question.

So I urge the Senate to approve the substitute to the amendment offered by the Senator from Utah.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. KENNEDY. I think the amendment the Senator from New York has offered as a substitute for the amendment of the Senator from Utah is pref-

erable to the provision in the bill. I think the Senate should be appreciative to the Senator from Utah for bringing the amendment forth. I believe the provision suggested by the Senator from New York is a better provision for the "no man's land" cases. I hope the Senate will adopt it.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. CASE of South Dakota. I have read the amendment at the desk. I think it is an improvement over the language in the bill, but there is one question in my mind. I refer to a State which may not have an agency with which an agreement could be made to take jurisdiction, under the proposal.

Mr. IVES. We are in that condition now. That is why I am saying the State of New York would much prefer the amendment proposed by the Senator from Utah, because New York still operates under the Little Wagner Act. We do not have the Taft-Hartley Act in New York State. Our people in New York State, particularly our labor people, would much prefer the one we have.

Mr. CASE of South Dakota. I had the privilege of addressing the New York State Bar Association at the time they were working on the Little Wagner Act.

Mr. IVES. That was in 1937.

Mr. CASE of South Dakota. The Senator from New York recalls that. I think the experience in New York State with that law has been good, but some States do not have that kind of statute. We do not have it in my State.

Mr. IVES. In other words, the State of the Senator from South Dakota and my own State could not take advantage of this proposal.

Mr. CASE of South Dakota. They could not?

Mr. IVES. No.

Mr. CASE of South Dakota. The responsibility would still rest with the——

Mr. IVES. With the National Labor Relations Board, and it would be forced to act. If the Board wants to state that it cannot take all the case, let it come to Congress and say so, and then the Congress can pass the kind of bill it should pass dealing with this question, and it would have information on which to act. Now we do not have the information. I have learned that much in the time I have been studying the problem.

Mr. CASE of South Dakota. With reference to the statement of the Senator about the illogical position of asking the Board to take a load when it does not have adequate personnel, I should like to give the figures on the personnel of the Board.

In 1949 the National Labor Relations Board asked for 2,282 employees. It received appropriations for 1,698. That was just 2 under 1,700.

The next year the appropriations permitted the employment of 1,462 employees. That was the Budget recommendation. Actually the appropriation was for a lesser number.

The next year the number decreased to 1,408.

The next year the number was 1,466.

The next year the number was 1,475.

In 1954 the number dropped to 1,391. That was with the allowance made by the President under the Truman provision. The actual appropriation was for somewhat less than that number.

The next year the number of employees dropped from 1,391 to 1,198.

The next year the number dropped to 1,138.

The next year the number was 1,295.

In 1958 the number dropped to 1,137.

For 1959 the figure is 1,182.

The number of personnel has dropped from 1,698—practically 1,700—to 1,182, a decrease of over 500 employees in the space of 10 years, or a drop of one-third.

Mr. IVES. Some of the reduction may have been justified.

Mr. CASE of South Dakota. Some of it may have been justified, but obviously it would be impossible for 1,182 employees to do as much as 1,700 employees, and that should not be expected.

Mr. IVES. I thank the Senator for his comments on this matter and for the figures he has given us. They are very pertinent.

It would appear offhand, from looking at the situation, that Congress had been pennywise and pound foolish in dealing with the NLRB. However, when I have been criticized because Congress has not provided sufficient money for this important agency, I have always taken the side of the Congress, although I think the importance of this matter is too little understood by the Members of Congress. That is not surprising. This is a rather technical field. It is a field in which comparatively few States engage in any great activity.

New York happens to be the largest State industrially. Naturally this is a problem on our doorstep, and we know more about it. I do not know why many States should know much about the problem, and I can understand why there are such feelings about it. Some of the Members of Congress share the feelings, because they do not have much industry in their home Districts. We have a very hard time explaining the matter.

That does not alter the fact that this question relates to a vital part of our economy and we are taking a great chance in letting it go the way it is going.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. BUTLER. The Senator has heretofore said it is the purpose of his amendment to have the National Labor Relations Board assume jurisdiction over every case arising under the National Labor Relations Act. If that be the case, would the Senator object to an amendment which would specifically so state, followed by language such as he uses, with the proviso that within 60 days after the passage of the act rules, regulations, and standards shall be promulgated as to the cases over which the Board shall entertain jurisdiction and the cases which the Board shall refer?

I wish to be perfectly certain that the Board assumes jurisdiction over all cases—that the action be compulsory, and either the Board must decide the cases or the Board must have standards, by rules and regulations, for referring the cases to the proper State authority.

Mr. IVES. I think the Senator from Maryland has a good idea, but I do not think we would be allowing enough time.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. IVES. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to address myself to the substitute amendment of the Senator from New York. I believe there is more than one way to approach this matter. Certainly, so far as I am concerned, my mind at this moment is not fixed in the belief that we have to approach it in any particular way.

I think the remarks of the Senator from Maryland are very, very good. There is no question in my mind that as the substitute is written all it requires is the setting up of standards for accepting all cases. I think the Board should accept all cases, and the ones which are not handled by the Board ought to be sent back to the States.

Mr. IVES. The Board would not send anything back, unless the conditions were provided.

Mr. ALLOTT. Standards would not be needed if the Board is to take all cases. If the Board is to take jurisdiction of all cases, then standards are not needed.

Mr. IVES. I think that would have to be determined from the court decisions. In other words, some of the actions depend upon the court decisions.

Mr. ALLOTT. For myself, I suggest the amendment would not be of benefit in the situation. As a matter of fact, if the amendment is adopted, the situation may be left in a more chaotic state than at present.

Mr. IVES. It could not be worse than now, because now there is nothing.

Mr. ALLOTT. All that would be required is the setting up of standards for the taking of jurisdiction in all cases, but the Board would not have to take jurisdiction in all cases.

Perhaps those who are working on this proposal can come up with perfecting language to remedy the situation.

Mr. IVES. I think that is what we are working on now.

The PRESIDING OFFICER. The Senator from New York has the floor.

Mr. IVES. Mr. President, I should like to have the Senator from Oregon [Mr. MORSE] present while we are discussing this amendment. We are trying to find language which will be satisfactory.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. LAUSCHE. I should like to have a bit of explanation about the final clause in the amendment which says that an agreement may be made with State agencies for the disposition of a dispute, and in closing reads, "unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith."

What is envisioned to be covered by that language?

Mr. IVES. Let me answer the Senator by saying that is exactly what is contained in section 10 (a) of the Taft-Hartley Act. We are repealing that part of the Taft-Hartley Act and transferring it. That is the proviso in section 10 (a) of the Taft-Hartley Act. There is no change at all in the way things are at the moment.

Mr. LAUSCHE. Would this clause require that the agreement be made only in those instances when under Territorial or State statutes there would be an ability to adjudicate the dispute in accordance with the Federal laws?

Mr. IVES. Yes; in accordance with the standards. It would be substantially the same. That is the whole idea.

Mr. LAUSCHE. The clause provides that if the State or Territorial statute is inconsistent with or has been given a construction which is inconsistent with the Federal laws the agreement could not be made?

Mr. IVES. The Senator is correct. It must be pertinent to this particular language.

Mr. LAUSCHE. Yes.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. BUTLER. Will the Senator agree to amend his amendment so that it will read:

The National Labor Relations Board shall assert jurisdiction over all labor disputes arising under the National Labor Relations Act, as amended:

And follow that with the proviso in the present amendment?

Mr. IVES. Yes; I will accept that. Is that agreeable to the chairman of the subcommittee?

Mr. KENNEDY. Yes; it is agreeable.

Mr. BUTLER. Is that agreeable to the Senator from Utah?

The PRESIDING OFFICER (Mr. CHURCH in the chair). Does the Senator from New York wish to modify his amendment?

Mr. IVES. Mr. President, I so modify my amendment.

The PRESIDING OFFICER. The Senator has a right to modify his own amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. LAUSCHE. In the event the Board finds that under the State or Territorial statutes it could not make an agreement, what would be the status of the proceeding in view of the change which has been made in the language which now provides that the Board shall assert jurisdiction?

Mr. IVES. That was the kind of language I intended to use. The situation would be simply this: The National Labor Relations Board itself would have to assume jurisdiction. This is the important thing: If the National Labor Relations Board cannot assume jurisdiction, it will have to explain to the Congress the reason why it cannot, so we can enact legislation which will permit that area to be covered. That will be the no man's land.

Mr. LAUSCHE. To begin with, the Board must take jurisdiction.

Mr. IVES. It must take jurisdiction.

Mr. LAUSCHE. In certain cases it can make an agreement to transfer the adjudication to a State agency.

Mr. IVES. Yes.

Mr. LAUSCHE. But if, under the circumstances, it finds that it cannot transfer it to a State agency, it must pursue its jurisdiction to the end and dispose of the case.

Mr. IVES. That is correct. That is the whole intent.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from New York [Mr. IVES] in the nature of a substitute for the amendment offered by the Senator from Utah [Mr. WATKINS]. The modified amendment in the nature of a substitute will be stated.

The LEGISLATIVE CLERK. In lieu of the language of the the Watkins amendment, it is proposed to insert the following:

SEC. 602 (a). Section 14 of the National Labor Relations Act, as amended, is amended by adding a new subsection as follows:

"(c) The National Labor Relations Board shall assert jurisdiction over all labor disputes arising under the National Labor Relations Act, as amended: *Provided*, That the board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation, except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act, or has received a construction inconsistent therewith."

SEC. 602 (b). Amend section 10 (a) of the National Labor Relations Act, as amended, by repealing the proviso thereto.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Morse
Allott	Hayden	Morton
Anderson	Hennings	Mundt
Barrett	Hickenlooper	Murray
Beall	Hill	Neuberger
Bible	Hoblitzell	O'Mahoney
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	
Goldwater	Monroney	

The PRESIDING OFFICER. A quorum is present.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. IVES], as modified, in the nature of a substitute for the amendment offered by the Senator from Utah [Mr. WATKINS].

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. WATKINS. Mr. President, after the debate which followed the offering of my amendment, I was called on the long distance telephone, and, as a result, I have not had an opportunity to scrutinize to any extent the substitute offered by the Senator from New York. If I get the significance of it, it is apparently an effort to make the operations under the Taft-Hartley Act completely and 100 percent Federal. In my judgment, that would deprive States of opportunities for cooperation with the Federal Government in those cases in which the activities are largely intrastate, as distinguished from interstate. The amendment is not printed, and I have not had an opportunity to study it. It was offered after debate had started on my amendment.

Mr. IVES. Mr. President, will the Senator yield, with the understanding that he will not lose the floor?

Mr. WATKINS. Yes. However, I am not desirous of making any further speech on the subject. We have already had more than 2½ hours of debate on the amendment. We have about exhausted all that can be said on the subject.

Mr. IVES. I should like to point out a thing or two, nevertheless. The interim report, to which the Senator has referred and from which he has quoted, contains a recommendation on the so-called no man's land. That recommendation was written by me. As I remember, I wrote it largely in longhand myself.

Mr. REVERCOMB. Mr. President, will the Senator speak louder?

Mr. IVES. I am putting a terrible strain on my vocal chords.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. IVES. The recommendation reads as follows:

It is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable—

That, I point out to my distinguished friend from Utah, is not considered in his amendment; his amendment completely ignores that point. Then follows the part that his amendment does cover:

and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

That is what the Senator covers in his amendment.

Mr. WATKINS. Yes.

Mr. IVES. The amendment I am proposing, in the first place, carries out the first part of that recommendation——

Mr. WATKINS. Let me interrupt the Senator at that point. I believe the amendment I proposed takes care of that, too, because it would be a practicable situation. If the Board declines jurisdiction, it would certainly be practicable for the State agency to come into the picture.

Mr. IVES. That is where the Senator and I differ completely. I believe we must bring this matter to a head by forcing the Board to take some action. I was not at all satisfied, in the hearings before the Committee on Appropriations and the Committee on Labor and Public Welfare with the answers given by members of the Board, including the Chairman and counsel, to the questions concerning this matter. The Senator from Utah and I fundamentally agree absolutely on this question. The Senator from Utah and I have introduced almost identical bills dealing with this subject.

Mr. WATKINS. I still stand by my position. I think the Senator from New York has changed his position.

Mr. IVES. Perhaps I have, for the time being. Perhaps I have learned a thing or two. That is why I have changed.

Mr. WATKINS. After listening to the Senator from New York, I conclude that my position was sound in the beginning, and that his was sound in the beginning.

Mr. IVES. I thought mine was; and I think mine ultimately may be. But I do not think we are proceeding in the right way. I think we should force the Board to act. Then, if the Board cannot act, or finds that it cannot do so, we will know about it. As the Senator from Utah himself knows, we have no idea of the extent of no man's land. Nobody in the United States knows. We do not know what it embraces; we do not know about the conditions. I asked questions about it at both committees. Nobody could answer them.

Mr. KNOWLAND. Mr. President, will the Senator yield, so that I may ask the Senator from New York a question?

Mr. WATKINS. I yield.

Mr. KNOWLAND. Does the senior Senator from New York believe that the NLRB should assume jurisdiction of every labor dispute in every little hamlet of the country?

Mr. IVES. I cannot imagine a labor dispute in every little hamlet in the country which would involve interstate commerce.

Mr. KNOWLAND. But throughout the country, and broadly and generally.

Mr. IVES. That is not the question with which we are dealing. We are dealing with no man's land. That involves areas where the Board will not take jurisdiction. It is not because it cannot; it simply will not assert jurisdiction. We are dealing with interstate commerce. The Board simply will not take jurisdiction.

Mr. WATKINS. The Senator from New York does not mean, does he, that the Board is violating the law?

Mr. IVES. No. I am trying to make it violate the law, if it wants to.

Mr. WATKINS. The case in Utah, which I was discussing, involved about $150,000 of activity within the State—wholly intrastate—and about $50,000 of transactions outside the State. The National Labor Relations Board refused to take jurisdiction in that case. It declined to do so. But under the ruling which was finally announced by the Supreme Court the State board could not assume jurisdiction. In other words, the National Labor Relations Board had full jurisdiction. That is what made the no man's land.

Mr. IVES. Suppose the reason the State could not assume jurisdiction was that its laws relating to the question were sufficiently different on this particular matter from the Taft-Hartley Act so that there was no resemblance at all.

Mr. WATKINS. I do not think that was the case.

Mr. IVES. If not, I cannot imagine what it would be.

Mr. WATKINS. The opinion states the reason clearly. I do not want to go into a long discussion of the opinion.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WATKINS. I yield.

Mr. BUTLER. Is there any possibility that by this amendment Congress could establish any reasonable regulation of those cases which the State shall decide, rather than leave it to the Board? Could not that be provided in the law itself? The cases of national organizations operating in many States should come before the NLRB. Congress in its wisdom can certainly provide that a company employing very few people and whose business in interstate commerce represents only 1 or 2 percent of its total business shall go to the local agency.

Mr. WATKINS. That is, in effect, what the Board does; but it has done so in individual cases, rather than make a set of regulations.

Mr. BUTLER. But the Board has not done it by deciding cases. We want to make the Board find some way to decide the cases.

Mr. IVES. That is exactly the point.

Mr. BUTLER. If I have made any contribution at all, it was simply to perfect the Senator's amendment. I have not made up my mind how I shall vote on the question. I do not want to see the rights of the States invaded. I do not want to see the NLRB operating in every hamlet and town in America and taking jurisdiction of cases, when they clearly have no business to do so. But I want to see a resolution of this question. The only way it will ever be resolved is by writing something into the law about it.

Congress must act. The Supreme Court has said this is a matter of which Congress must take cognizance. Judge Leedom has said that the matter can be resolved only by Congress. The question is now before Congress. We shall have to decide the matter one way or the other.

My desire is to see the cases decided. I should like to see them decided at the local level when the cases are very small. I should like to have the cases of national organizations, whose business is large enough to affect interstate commerce, be within the jurisdiction of the NLRB, where they belong.

Mr. WATKINS. The judgment of those who have studied the matter, in the administration and other areas, is that the amendment I have offered will take care of that situation.

Mr. KUCHEL. Mr. President, will the Senator from Utah yield?

Mr. WATKINS. I should like to yield the floor.

Mr. KUCHEL. I wish to ask a question. Under the amendment offered by the Senator from Utah, when there is a labor dispute which affects interstate commerce, but as to which the National Labor Relations Board fails or neglects or refuses to assert jurisdiction, where does the aggrieved party have his day in court?

Mr. WATKINS. Under my amendment, he would not have his day in court, unless the National Labor Relations Board had declined jurisdiction. Then the States would take over. My amendment is in very plain language and carries out almost exactly the language of the report of the McClellan committee.

Mr. KUCHEL. If the National Labor Relations Board does not decline to take jurisdiction, but simply does not act, then do I correctly understand that under the amendment offered by the Senator from Utah a person who feels aggrieved has no remedy whatsoever?

Mr. WATKINS. He would probably go to the Federal court to see if he could get a mandamus to have the Board take the case or to make a decision one way or the other—to go ahead or to decline to take the case.

Mr. KUCHEL. Am I to gather from the Senator's answer that State agencies are not, then, empowered to sit in judgment upon the aggrieved person's complaint, under the Senator's amendment?

Mr. WATKINS. Not until the National Labor Relations Board has declined to accept jurisdiction. That is what the amendment says; that is what it means.

Mr. KUCHEL. Can the Senator from Utah tell me, as a matter of fact, what has been the action of the National Labor Relations Board historically? Has it declined to take some cases and merely failed to take action in other cases?

Mr. WATKINS. I think it has usually declined to take action. It did in the Guss case, which brought about my amendment.

I think the amendment offered by the Senator from New York will not fit the situation. It will have a tendency to put the National Labor Relations Board in control, and it could do so in every city and town in the United States that has businesses which are both in interstate and intrastate commerce and possibly in cases where the larger interest is within the State, but only incidentally interstate.

I am sure Congress does not want to take that position, because to do so would require the establishment of an agency so large and so costly, if it went into all these transactions and was compelled to take them, that it would become top-heavy and would not be at all efficient.

Agencies of this kind can be made too large for successful operations. That, I think, would be the case in this instance.

I urge the rejection of the amendment of the Senator from New York.

I yield the floor. The Senator from Colorado [Mr. ALLOTT], who is a member of the Committee on Labor and Public welfare, wishes to speak on the question.

Mr. ALLOTT. Mr. President, I should like to say what I hope will be, for me, the final word on this question. If the Supreme Court can decide, as it did in the Guss case, that an interstate business is not an interstate business, and can say that an interstate business is actually an intrastate business—and a long line of decisions along this course can be cited—then I must agree with the Senator from Utah. I believe that the proposed substitute would only pile confusion upon confusion. I believe it would not permit the immediate remedial process which would be available under the remedy proposed by the Senator from Utah.

Therefore, I hope the Senate will support the Watkins amendment, and not the proposal of the Senator from New York. Under the amendment offered by the Senator from New York, even though the National Labor Relations Board wanted to cede jurisdiction, a tremendous organization would have to be built up, and still it would probably never be able to cope with the situation; whereas under the Watkins amendment jurisdiction would be ceded back to the States only when the National Labor Relations Board refused to act.

This seems to me to be logical. It would not cut down their power one iota. It would not cut down the power of any employer or of any employee to call upon the National Labor Relations Board. It would result in a greatly expanded area in which both employers and employees could expect to obtain quick remedial action.

Mr. KUCHEL. Mr. President, will the Senator from Colorado yield for a question?

Mr. ALLOTT. I yield.

Mr. KUCHEL. In the Senator's opinion, is the difference between the two amendments mainly the difference between "declining to assert jurisdiction," on the one hand, and "ceding jurisdiction to the States," on the other? Is that what the difference amounts to?

Mr. ALLOTT. In one sense, I believe that is true; yes.

Mr. CURTIS. Mr. President, will the Senator from Colorado yield to me?

Mr. ALLOTT. Yes; if the Senator from Nebraska wishes to ask me a question.

Mr. CURTIS. I should like to make a brief observation.

Mr. ALLOTT. Very well; I yield.

Mr. CURTIS. Mr. President, I wish to commend the Senator from Colorado. I think something very basic is involved here, namely, the matter of States rights. Shall we go on and on vesting in Federal agencies jurisdiction over every transaction and the rights of everyone with the decisions to be made in Washington; or shall we adopt the amendment of the Senator from Utah and thus provide for an orderly process by means of which these matters can be determined in the States where they originate?

At the present time, such situations involving small business develop again and again; but the parties involved are unable to obtain Federal relief, and they cannot seek State relief. That situation should be cleared up.

In connection with this point, let me read from page 439 of the hearings, as follows:

In *NLRB v. El Paso-Ysleta Bus Line, Inc.* (190 Fed. 2d 261), the company owned 13 buses which transported passengers between 2 towns in Texas, a distance of 12 miles. Federal jurisdiction was upheld because some passengers were employed by companies engaged in interstate commerce.

Mr. President, this evening the Senate has a chance to speak out against such centralization of government, and to assert that the States themselves have some rights to regulate local affairs.

So I shall support the amendment of the Senator from Utah [Mr. WATKINS], and I shall vote against the amendment of the Senator from New York [Mr. IVES].

Mr. ALLOTT. Mr. President, I yield the floor.

Mr. CURTIS obtained the floor.

Mr. IVES. Mr. President, will the Senator from Nebraska yield to me?

Mr. CURTIS. I yield.

Mr. IVES. I should like to ask the distinguished Senator from Nebraska a question: In his judgment, if the Watkins amendment were included in the law, as enacted, would any abuse such as the one which has been described be prevented? Or would not such possibilities of abuse still obtain in cases in which the Board had asserted jurisdiction?

Mr. CURTIS. I do not know what would be the effect in the particular case to which I have just referred, for it has already been decided. But in cases of that class, I believe there would be an opportunity to send them back to the States, where they belong, for decision.

Mr. President, I yield the floor.

Mr. KENNEDY. Mr. President, I rise to support the amendment which has been submitted by the Senator from New York [Mr. IVES].

It is true that the problem presented by the no man's land is a serious one.

In this case we have two alternative proposals. One is to encourage the National Labor Relations Board to cede to the 48 States, which have various conflicting or differing State laws as regards the matter of industrial relations, jurisdiction over areas in interstate commerce with the provisions of the Taft-Hartley Act should regulate. The State laws vary widely in their provisions. For instance, in some States, such as New York, there is provision for a closed shop. Under such statutes and under decisions based on those statutes, the closed shop could be held to apply even to interstate commerce matters, whereas the National Labor Relations Act forbids the closed shop.

So, in order to prevent such a situation, and to provide that the National Labor Relations Act shall be truly a national act, and shall control in matters which are national in character, and shall control them on a national basis, the amendment of the Senator from New York would compel the National Labor Relations Board to assume jurisdiction in all cases applying to interstate commerce. But the amendment does not provide that the Board shall assume jurisdiction over cases in intrastate commerce.

If the Taft-Hartley Act is a good act—and many of the present Members of the Senate were Members of the Senate at the time when that act was passed, and voted for it—it seems to me it should control in the case of matters in interstate commerce. Then the Federal law will provide remedies in regard to cases in interstate commerce, and the State laws will provide remedies in intrastate cases.

Mr. WATKINS. What would happen in cases which are both interstate and intrastate in character?

Mr. KENNEDY. Interstate cases would be regulated by the National Labor Relations Board.

Mr. WATKINS. But what about intrastate cases?

Mr. KENNEDY. They would be regulated by the State boards.

Mr. WATKINS. How about cases which are both interstate and intrastate in character.

Mr. CURTIS. Mr. President——

Mr. KENNEDY. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Massachusetts.

I should like to ask a question of the distinguished Senator from New York [Mr. IVES]. His amendment has not been printed. Many Senators have grave misgivings about how far the Ives amendment would go in taking jurisdiction over these matters from the State and in centralizing power in the National Government.

So I should like to have the record show the purpose of the amendment of the Senator from New York. Is it the intent of his amendment in any way to nullify section 14 (b) of the Taft-Hartley Act, under which the States enact their right-to-work laws?

Mr. IVES. It is not; the amendment has no bearing whatever on that point. The amendment does encompass, however, 100 percent the no man's land.

Mr. AIKEN. Mr. President, it seems to me that we are getting a very good start toward arriving at an imperfect solution of an insoluble problem. [Laughter.]

I cannot say that I like either of the amendments which are proposed in this case. It seems to me that the amendment of the Senator from New York [Mr. IVES] would virtually direct the National Labor Relations Board to do the impossible, and I do not know that we wish to inflict such a burden upon the Board.

On the other hand, I do not see the real value of using this bill to impose upon the States the requirement of enforcing Federal laws.

It seems to me that the best interim solution to the problem is to reject both the Ives amendment and the Watkins amendment. Then the National Labor Relations Board will enforce this law to

the extent that the Congress, through its Appropriations Committees, enables the Board to do so. That is my position on this matter.

I had not intended to say anything at all on this bill; I had made that perfectly good resolution—which now is broken, although I hope it will be broken only once.

However, that would be my solution of the problem which now is before us.

Mr. IVES. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. IVES. There is a third alternative which the Senator from Vermont might consider in connection with that matter; in other words, there is still the provision in the bill.

Mr. AIKEN. I realize that then the law will remain as it is.

Mr. IVES. No; I am talking about the bill.

Mr. AIKEN. I realize that the law will remain as it is unless the Congress, through its Appropriations Committees, enables the National Labor Relations Board to handle these cases better. I can visualize also that if the Watkins amendment were adopted, our Appropriations Committees might see fit to recommend a reduction of the Board's appropriations. If that were done, a great deal of the enforcement of the Federal law would be thrown back to the States.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from New York [Mr. IVES], as modified, in the nature of a substitute for the amendment of the Senator from Utah [Mr. WATKINS].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. EASTLAND (when his name was called). On this vote I have a pair with the junior Senator from Nevada [Mr. BIBLE]. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE], Senator from Tennessee [Mr. GORE], are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "nay."

The Senator from Utah [Mr. BENNETT] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from Utah would vote "nay," and the Senator from North Dakota would vote "yea."

The result was announced—yeas 43, nays 46, as follows:

YEAS—43

Carroll	Chavez	Clark
Case, N. J.	Church	Cooper
Douglas	Jordan	O'Mahoney
Ellender	Kefauver	Pastore
Fulbright	Kennedy	Payne
Green	Kerr	Proxmire
Hayden	Kuchel	Purtell
Hennings	Long	Smathers
Hill	Magnuson	Sparkman
Humphrey	Mansfield	Symington
Ives	McNamara	Thye
Jackson	Monroney	Wiley
Javits	Morse	Yarborough
Johnson, Tex.	Murray	
Johnston, S. C.	Neuberger	

NAYS—46

Aiken	Dworshak	Mundt
Allott	Ervin	Potter
Anderson	Frear	Revercomb
Barrett	Goldwater	Robertson
Beall	Hickenlooper	Russell
Bricker	Hoblitzell	Schoeppel
Bridges	Holland	Smith, Maine
Bush	Hruska	Smith, N. J.
Butler	Jenner	Stennis
Byrd	Knowland	Talmadge
Capehart	Lausche	Thurmond
Carlson	Malone	Watkins
Case, S. Dak.	Martin, Iowa	Williams
Cotton	Martin, Pa.	Young
Curtis	McClellan	
Dirksen	Morton	

NOT VOTING—7

Bennett	Flanders	Saltonstall
Bible	Gore	
Eastland	Langer	

So Mr. IVES' amendment, as modified, in the nature of a substitute for Mr. WATKINS' amendment, was rejected.

Mr. WATKINS. Mr. President, I move to reconsider the vote by which the amendment in the nature of a substitute was rejected.

Mr. KNOWLAND. Mr. President, I move to lay that motion on the table.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Utah [Mr. WATKINS], to reconsider the vote by which the amendment was rejected.

The motion to lay on the table was agreed to.

Mr. MORSE obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. MORSE. I will yield if I do not lose my right to the floor.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Oregon, without losing his right to the floor, may yield to me so that I may make a parliamentary inquiry.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered. The Senator will state his parliamentary inquiry.

Mr. KNOWLAND. Is the pending amendment the Watkins amendment?

The PRESIDING OFFICER. The Senator is correct. The pending question is on agreeing to the amendment offered by the Senator from Utah [Mr. WATKINS]. On this question, the yeas and nays have been ordered.

The Senator from Oregon has the floor.

Mr. MORSE. Mr. President, I wish to speak briefly in opposition to the Watkins amendment.

The PRESIDING OFFICER. The Senate will be in order so that the Senator from Oregon may be clearly and plainly heard.

Mr. COOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kentucky?

Mr. MORSE. I shall yield to the Senator from Kentucky if I do not lose my right to the floor.

Mr. COOPER. Mr. President, will the Senator yield so that I may offer an amendment to the Watkins amendment?

Mr. MORSE. I cannot hear the Senator.

Mr. COOPER. I should like to offer an amendment to the Watkins amendment. Will the Senator yield for that purpose?

Mr. MORSE. I yield for that purpose.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The CHIEF CLERK. On line 8 of the amendment offered by Mr. WATKINS, after the word "jurisdiction," it is proposed to add the following:

Provided, That in the determination of causes over which an agency or court has assumed jurisdiction the provisions of the National Labor Relations Act of 1947, as amended, and construed by the courts of the United States, shall be applicable.

Mr. COOPER. Mr. President, those who were on the floor when we were first discussing the amendment offered by the Senator from Utah will understand the meaning of my amendment.

Mr. WATKINS. Mr. President, will the Senator yield? Does the Senator have a copy of his amendment?

Mr. COOPER. The amendment is at the desk.

In the debate when the Senator first offered his amendment I think certain facts became clear. The National Labor Relations Act today gives to the Federal Government plenary jurisdiction in all labor disputes which affect interstate commerce. Therefore, when we talk about giving up jurisdiction or returning jurisdiction to the States we are talking about a situation which does not exist. The Federal Government now has jurisdiction.

If there is a "no man's land" it is because the National Labor Relations Board has not had the money or the personnel to take jurisdiction in every case. Perhaps even if the Board had the money and the personnel it could not take jurisdiction in every case.

If the Senator's amendment should be adopted, a second question would arise. What standards would guide the courts or the agencies in their determination of causes over which they would assume jurisdiction? This is not an abstract question. In connection with the case which came up in the Supreme Court from the Senator's own State, in the arguments made there were differences of opinion as to whether State courts, if they had the power to act, should act under State statutes or under the National Labor Relations Act—or how they should act.

The courts have held—and whether they have held it or not, the Taft-Hartley Act provided—that there should be uniformity in dealing with the disputes which arise under it. That provision is already the law. So I have offered this amendment to provide, in case it should be adopted, that the State agencies and courts which would assume jurisdiction over causes would be guided by the provisions of the Taft-Hartley Act, and by the decisions of the courts of the United States in construing that act. So there would be uniformity in the various States, and we would not have one State holding in one way concerning a particular industry, and another State holding in a different way concerning the same industry. The amendment would provide for uniformity in decisions arising under causes over which a court or an agency assumed jurisdiction. Without it there would be differences in decisions respecting the same matters all over the United States.

Mr. MORSE. Mr. President, I wish to associate myself with the remarks of the Senator from Kentucky. I shall support his amendment. I think it is a sound amendment.

I wish to comment very briefly in opposition to the Watkins amendment. I would describe it under the title of "Making Confusion Worse Confounded."

I wish to make three or four points very quickly. First, I point out that we are dealing with an interstate commerce issue. We are dealing with the interstate commerce clause of the Constitution, and all the cases which are involved in the so-called no man's land area should be kept in mind as cases which the Supreme Court includes within its interpretation of the interstate commerce clause. If that were not true, Congress would not have jurisdiction to enact any legislation about them in the first place.

Suppose it were proposed to enact legislation which would apply the interstate commerce clause to one State and not to another State. We know what would happen to that kind of proposal. The proponent of it would be laughed off the floor of the Senate. He would not receive a single vote.

What has been happening, the way the National Labor Relations Board has been operating, is that thousands of our fellow citizens have not been granted their constitutional rights under the interstate commerce clause because the National Labor Relations Board has been refusing to take jurisdiction over their cases. So, as to those workers and those employers, there is an injustice. It must be remembered that employers also have a vested interest in this issue. In fact, I shall use as my chief witness in my speech tonight the representative of the State Chamber of Commerce of the State of New York, who pleaded with our committee not to adopt the Watkins amendment.

Senators would do well to talk with many employers as to their views about the application of the Watkins amendment. Many employers, as well as workers, recognize that it would result in a discriminatory application of the commerce clause, with the result that many people would not be accorded the benefits to which they are entitled under the commerce clause.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORSE. I wish to make my argument. There is great pressure afoot. I know the parliamentary situation. I do not intend to let the amendment come to a vote until I shall have made a record showing that these legal points have been raised. In my judgment they are unanswerable legal points.

We are dealing with the question of whether or not we are to support a uniform application of the interstate commerce clause across the breadth of America, or whether we are to adopt an amendment which, in effect, seeks to carve up the commerce clause and seeks to have a myriad of differing decisions in regard to interstate commerce industrial relations cases. That is my first illustration of what I mean when I say the Watkins amendment makes confusion worse confounded.

The second point I wish to make is with regard to the arguments which have been made as to what is happening to the States under the no-man's-land cases. There has been a great deal of bleeding on the floor of the Senate for the States which have not complied with section 10 (a) of the Taft-Hartley law. Let me read that section:

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in sec. 8) affecting commerce. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, or otherwise: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith.

My second point is that under the Taft-Hartley law there is nothing to stop any State legislature from passing a State labor relations act consistent with the Taft-Hartley Act, under which provision the National Labor Relations Board could cede jurisdiction over the so-called minor cases—but major cases to the employers and employees involved—to a State agency, such as a State labor relations board, provided the State has enacted legislation in conformity with the Taft-Hartley Act.

That protects the uniform application of the commerce clause of the Constitution. That is keeping faith with equality of justice for all citizens on the same subject matter under Federal jurisdiction.

We hear it said that great injustice is being done to some of the States by reason of this "no man's land" because the cases cannot be handled in the States. Whose fault is that? It is the fault of the States, and not the Federal Government.

The Senator from New York [Mr. IVES] is not at present in the Chamber. He would be my witness to the fact that in 1947 he and I, along with the late Senator Taft, drafted that proviso clause. That is my second point.

My third point is that in connection with the Guss case, the Utah case referred to so frequently in this debate, we must bear in mind the fact that in the first instance the National Labor Relations Board did take jurisdiction. The first phase of that case was a representation issue. The Board took jurisdiction in the Guss case originally.

Then an unfair labor practice issue arose in the Guss case, and in the intervening time, in 1954, the Board adopted an entirely new set of jurisdictional standards.

Mr. President, I should like to have Senators keep in mind what I am saying when we come to analyze some of the very pregnant language. The Watkins amendment deals with standards, incidentally. In 1954, after the National Labor Relations Board had previously taken jurisdiction in the Guss case over a representation issue, the Board adopted a wholly new set of jurisdictional standards. Under those new standards, the Board would not assert jurisdiction in the Guss case over the unfair labor-practice issue.

As the Board's annual report shows, whether the Board will or will not assert jurisdiction under the 1954 standards, as interpreted in hundreds of cases, is a branch of law all by itself. In some way, somehow, we must take enough time during the debate to get the Senate to understand how jurisdiction is taken in a labor case before the National Labor Relations Board. I say most respectfully, Mr. President, the difficulty that I find in the debate is that so many of my colleagues do not understand the procedure of getting a case before the Board. They do not understand the significance of the set of standards of criteria which the Board has set up to determine whether or not it will take jurisdiction. In my informal conversations on the floor of the Senate with many of my colleagues, I find that in these cases in the so-called "no man's land" field, they believe that the National Labor Relations Board, specific case by specific case, has rejected the jurisdiction. That is not so at all. In the overwhelming majority of these cases, the people involved in them have never seen the inside of a National Labor Relations Board room; they have never been anywhere near the National Labor Relations Board.

Failure on the jurisdiction question involves a set of standards, so far as jurisdiction is concerned. Let me show the Senate a recent annual report of the Board. I have in my hand the 21st annual report of the National Labor Relations Board for the fiscal year ended June 30, 1956. We start on page 7, under the title "Jurisdiction of the Board." We go on to page 28 for a lengthy discussion of these complicated standards which the Board has set up for taking or not taking jurisdiction, with footnotes and citations to literally scores of cases.

That shows the complexity of the application of the standards.

It is not a fact when it is said that if the Board does not take jurisdiction in a particular case it means the Board has ruled on that specific case. It merely means that it is alleged that under the standards applied by the Board, the case would not fall within the jurisdiction of the Board. The determination of the application of the jurisdictional criteria can take as much time and energy as a determination of the case on the merits.

My next point was admitted by the counsel of the Board and by the Chairman of the Board under my cross-examination at the hearings. The Supreme Court of the United States has never ruled, up to this hour, that the Board has the right to refuse jurisdiction in an interstate case. I repeat that. The Supreme Court of the United States has never, in any case, ruled on the question of whether the National Labor Relations Board has any right to set up these very complex standards and criteria on jurisdiction. I do not propose to stand here this evening and predict what the Supreme Court will do when such a case comes before it. However, I wish to say it is a great constitutional issue for the Court still to determine. It is my opinion that we cannot square, under the Constitution of the United States, the denial to workers in a plant or to the employer a uniform application of the commerce clause to an industrial relations dispute which has arisen in that plant.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. No; I shall not yield until I have finished my argument. It cannot refuse once Congress provides for a procedure which gives a uniform application of that clause of the Constitution. That is what we had in mind in 1947 when we wrote the proviso in section 10 (a) into the Taft-Hartley law.

This is not a new issue for those of us who have been in the midst of these labor relations questions for years. In 1947, when the Taft-Hartley law was being written on the floor of the Senate, we came to grips with the matter of what we would do with some of the so-called minor cases. They are minor in that the businesses do not involve many employees and do not have large capitalization, and do not deal with a tremendous amount of interstate business; but, nevertheless, they are a business, and they fall within the jurisdiction of the interstate commerce clause.

I remember very well the distinguished Senator from New York [Mr. IVES], back in 1947, on this point. Much of the credit for the proviso clause of 10 (a) goes to the Senator from New York.

Out of those conferences came this provision, that the Board should be allowed to cede jurisdiction, provided it was ceding jurisdiction to a State agency which was bound by the same standards and the same provisions and the same requirements that bound the Federal agency operating under the Taft-Hartley law.

This is a very important legal point. The no man's land issue has arisen because States have not passed legislation necessary for the application of the proviso clause in section 10 (a).

In support of the position I have just enunciated, in regard to the position of the Supreme Court, let us go to the Guss case. This is what the majority of the Supreme Court said in the Guss case:

> This Court has never passed and we do not pass today upon the validity of any particular declamation of jurisdiction of the Board or any set of jurisdictional standards.

Up to the moment that I speak, that is the last word on the subject. Nothing said here in the Senate can change that judicial fact. Up to this moment the Supreme Court has said, in effect: "We have not passed on the question as to whether the National Labor Relations Board can cede jurisdiction, or that the National Labor Relations Board can set up a set of standards which denies jurisdiction under the interstate commerce clause."

In my opinion it would be an unsound interpretation of the Constitution if the Court should so hold, because my difficulty with such a holding would be that it would result in unequal treatment to fellow Americans under the Constitution of the United States.

It is proper to cede jurisdiction, provided in the ceding of the jurisdiction the rights of parties are not changed in any way. That is why the provision in the 1947 act, under the leadership of the Senator from New York [Mr. IVES], was worked out for the Taft-Hartley law.

Furthermore, I have always taken the position that it requires a legislative act to vary jurisdiction by standards. I have always taken the position that the National Labor Relations Board, by establishing a set of jurisdictional standards, is legislating; and it has no authority to legislate.

I have always taken the position that when the National Labor Relations Board adopted these complex, complicated criteria and standards for the releasing of jurisdiction, they tried to set themselves up as Congress. It does not fall within their administrative prerogative. The question as to whether any group are to be denied their rights under the commerce clause never vests in a board in the exercise of its discretion, but only in Congress.

I do not speak for the Supreme Court, but I want to tell Senators what my hunch is. My hunch is that in the language I cited, the Supreme Court hinted much. In the Guss case, the Supreme Court went out of its way to say that the court has never passed, and did not pass then, upon the validity of any particular declination of jurisdiction by the Board or any set of jurisdictional standards. I do not think we should have to be hit on the head to get the hint of the Court.

Let me go back to the record. When Mr. Leedom, chairman of the National Labor Relations Board, was on the stand—I refer to page 799 of the hearings—I said:

> Now as to the Guss case—and I want you to know, Judge, that I speak most respectfully to the Board as I bring out some criticisms that I think this hearing should have brought out, or raise some problems of Board policy I think should be raised in fairness to you so you can make comment on them, because if we are going to legislate on this matter and be of assistance to you and carry out our public trust, we have got to know what the problems are we are legislating about.
>
> Now in the Guss case, the Supreme Court held, and I quote:
>
> "This Court has never passed and we do not pass today upon the validity of any particular declination of jurisdiction by the Board or any set of jurisdictional standards."
>
> Now, unless there is some case I have missed, it is my understanding that the law as of this hour is that the declination of jurisdiction by the Board has never been validated by the Supreme Court, nor has the Supreme Court ever directly on the nose, as we say, approved the standards of these criteria of jurisdiction that you have set up.
>
> Am I in error as to the law on that?
>
> Mr. LEEDOM. No, sir.

NO MAN'S LAND AGGRAVATED BY ADMINISTRATIVE ACTION

> Senator MORSE. So we are confronted in this country today with an administrative agency that is, in the exercise of administrative discretion, denying to thousands of workers and hundreds of employers any protection under the National Labor Relations Act on the ground that the Board says in effect: "We do not have the personnel, we do not have the money, we do not have the available time to do the work that is called for under this act."
>
> Is that a fair statement?
>
> Mr. LEEDOM. Yes; although I presume I will be given a chance to make a little explanation.
>
> Senator MORSE. Oh, stop me any time.
>
> Mr. LEEDOM. Well, in the quotation you gave us from the Guss case, of course, it is clear that the Court did not say that we did not have the right to fix jurisdictional standards and——
>
> Senator MORSE. It was not at issue directly, was it?

COURT APPROVAL OF BOARD LIMITATIONS OF JURISDICTION

> Mr. LEEDOM. It really was not at issue, so I am not saying the Court ruled on it. I am merely saying if the Court wanted to frown more severely on the practice, they had an opportunity. But the important thing is at least two circuit courts of appeal have recognized the right to limit our jurisdiction and the Board ever since it came into existence has limited its jurisdiction. Congress has made very comprehensive amendments to the act since the Board started limiting its jurisdiction and did nothing about that. So I think that the history back of this action that was taken latest by the Board in 1954 is, you might say, a warranted action.
>
> Senator MORSE. I am sure my time is up but I want to come back to the statements you made about the failure of the Supreme Court to comment on the exercise and discretion to exercise when it was not at issue before the Court.
>
> Is it your position that because the Court remained silent on a matter that was not at issue before the Court that it indirectly approved of your criteria?
>
> Mr. LEEDOM. No, sir.

Mr. President, there is no doubt that we are dealing here with a very important procedural safeguard, which I think will simply be destroyed by the Watkins amendment, if it is adopted. I do not know what I can do to get the Senate to pause long enough to go to the books and study the effect of the amendment. All

I can do is to raise warning flags about it.

I move now to my next point. I turn to the language of the Watkins amendment itself. Remember what I said a few moments ago about how these jurisdictional standards came into existence. Remember what I said a few minutes ago: that when a case is considered to be outside the jurisdiction of the National Labor Relations Board, that does not mean that the Board has ruled on the case. I read the language of the amendment:

> Nothing in this act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming or asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction.

I emphasize: "by rule or otherwise has declined to assert jurisdiction."

Mr. President, I will bet a dinner that if I were to sit down and talk personally with individual Senators and ask them the question, "Is it your understanding that under the Watkins amendment, before the State would get jurisdiction of a case, the National Labor Relations Board would, in the first instance, have had to turn it out by direct decision?" I would find that a majority of my colleagues are laboring under the misapprehension that that is what is involved in the case. But it simply is not.

I will give a hypothetical case. I want Senators who think that a great issue of States rights is involved to follow this statement.

Let us take the State of Georgia, for example. Suppose it has been alleged that in a little plant in Georgia an unfair labor practice has been committed by a union. The Watkins amendment, let us suppose, is on the books. The employer says to his attorney, "I want you to go before a Georgia court immediately and ask it to take jurisdiction of the case."

If that procedure is followed under the Watkins amendment, the amendment in effect will turn every State court in the land into a "little labor relations board." There has been talk about the backlog of cases before the National Labor Relations Board, something about which the Senator from New York [Mr. IVES], the Senator from Massachusetts [Mr. KENNEDY], and I, and some of the rest of us want to do something, because that is where we think the trial ought to be held, until a good showing has been made that Congress should adopt some other procedure. That is what the Ives amendment sought to do. It was a very sound amendment. It is a sad thing that it was rejected. I think it was rejected because Senators did not understand the procedural point I am discussing. They are under the impression that a State will take over a case only after the National Labor Relations Board has specifically rejected the case. But the National Labor Relations Board, in most instances, will never even have seen the case or heard about it. That is what a monstrosity the Watkins amendment is, procedurewise. So I go back to my hypothetical case.

To continue the example: The attorney goes before a Georgia court. What does the judge in the Georgia court first have to determine? Remember, we are talking about a State judge in a State court. He has to decide, first, the issue before him: whether it is a case of which the National Labor Relations Board should take jurisdiction.

How will he determine that question? Well, really, there will be a trial on the question. There will have to be a court proceeding. There will have to be a discussion of the criteria and standards of jurisdiction which the National Labor Relations Board has established, as to whether it will or will not take jurisdiction. The lawyers will argue on one side that the State court does have jurisdiction, because the National Labor Relations Board would not take jurisdiction, if the case should have happened to get before it; and the union will argue that the State court does not have jurisdiction. The union will contend that it is a case which does not conform to the jurisdictional criteria of the National Labor Relations Board.

And finally the judge will decide whether he will proceed with the case. If he decides that he will proceed with it, then the union will take its exceptions, and will file an appeal; and the appeal will go on and on and up and up, through the court system; and finally the Supreme Court will decide whether the Georgia court was right or was wrong in taking jurisdiction in the first place; but no one will have gotten anywhere with the merits of the case. Mr. President, if we stop long enough to consider what such procedure would amount to, how can we even think of voting for the adoption of such procedure?

I point out that such procedure cannot be erased from the Watkins amendment, because it provides that—

> (c) Nothing in this Act shall be deemed to prevent or bar any agency, or the courts, of any State or Territory from assuming and asserting jurisdiction over labor disputes over which the Board by rule or otherwise has declined to assert jurisdiction.

Mr. President, the words "by rule or otherwise" mean by criteria, by standards which had been set up. And these standards have been promulgated; and I say these standards are really statutes, beyond the Board's rulemaking power.

After the promulgation of these criteria and these standards, the lawyers will have a great time determining whether this particular case in Georgia comes under those standards. Mr. President, the amendment will be a great boon for the activities of labor-relations lawyers across the country.

The point I wish to make in regard to the meaning of the Watkins amendment is that there is nothing clear about it, from the standpoint of a court decision on a specific case. And when we realize that such cases would be multiplied, not by the hundreds, but by the thousands, we realize what a backlog of cases there will be.

Earlier this afternoon the Senator from Kentucky [Mr. COOPER] talked about what would happen if we adopted such a legislative precedent. In that case, instead of giving the National Labor Relations Board the funds it needs in order to assert its jurisdiction over cases coming under the interstate commerce clause, we would find antilabor forces in the country conducting a drive each year to cut down the appropriations for the National Labor Relations Board, in order that more and more cases would go to the States; and in the States there would be such a great diversity of laws and opinions. That is why, as more and more employers have in recent weeks begun to awaken to what is involved in the Watkins amendment, we have begun to receive testimony such as that given before our committee by the representative of the New York State Chamber of Commerce. His testimony was in opposition to the Watkins amendment. Let me call attention to part of his testimony, and for this purpose I make him my witness.

Mr. David L. Benetar, who is chairman of the Committee on Labor-Management Relations, of the New York Chamber of Commerce, testified, in part, as follows:

> I would like to address these remarks to the question of the "no man's land," and to start by saying that the "no man's land" results, as we see it, from a combination of two factors.
>
> One of them is the Congressional intention to extend uniform labor law in this Nation to the full reach of the commerce power. Not that it was Congress' intention to preempt the States from this field, but rather, to make sure that all federally covered employers and employees would be governed by a uniform law.

Mr. President, how sound that testimony is.

I read further from his testimony:

> A wise and worthy policy, this Congressional one, because if ever there was a need in any field of law for uniformity and stability, it is in the field of labor relations.
>
> The other factor which led to the "no man's land" was the failure of any State to come forward and qualify for cession from the National Board under the conformity provisions of section 10 (a). The door has always been open for them to come in and exercise jurisdiction wherever the National Board declined to do so, upon the execution of a cession agreement if they were operating under a statute in conformity with the national law. None of them has seen fit to do so.

Mr. President, I shall not take time to read all of his testimony. It is in the hearings, for Senators to read if they wish to do so. I still like to believe that Senators will wish to read it before they make a great mistake by voting for adoption of the Watkins amendment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the testimony given before the committee by David L. Benetar, chairman of the Committee on Labor-Management Relations, of the New York Chamber of Commerce.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DAVID L. BENETAR, CHAIRMAN, COMMITTEE ON LABOR-MANAGEMENT RELATIONS, NEW YORK CHAMBER OF COMMERCE

Mr. BENETAR. Mr. Chairman, gentlemen of the committee, I speak as chairman of the committee on labor-management relations of the New York Chamber of Commerce. I

am a practicing attorney in the State of New York, where I have been practicing since 1929. I have served the Government in Washington at the National War Labor Board, and in New York at the Regional War Labor Board.

Most of my practice has been devoted to specializing labor-management relations matters in the city of New York.

I would like to address these remarks to the question of the no man's land and to start by saying that the no man's land results, as we see it, from a combination of two factors.

One of them is the Congressional intention to extend uniform labor law in this Nation to the full reach of the commerce power. Not that it was Congress' intention to preempt the States from this field, but rather, to make sure that all federally covered employers and employees would be governed by a uniform law. A wise and worthy policy, this Congressional one, because if ever before was a need in any field of law for uniformity and stability, it is in the field of labor relations.

The other factor which led to the no man's land was the failure of any State to come forward and qualify for cession from the National Board under the conformity provisions of section 10 (a). The door has always been open for them to come in and exercise jurisdiction wherever the National Board declined to do so, upon the execution of a cession agreement if they were operating under a statute in conformity with the national law. None of them has seen fit to do so.

LETTING THE STATES STEP IN AUTOMATICALLY

The proposals or the majority of proposals before your committee would automatically let the States step in wherever the National Board declines to act, but would let them step in to act on their own terms, which means that the proposals before you are proposals to reverse the policy of the national law and, instead of having a no man's land, to have an every man's land with 48 States regulating federally covered employees and employers in 48 ways, if they so desire.

Those are the effects and results of the proposals before you.

I deplore a no man's land, but I think you can have a solution which is more dangerous than the evil which it is intended to correct; and I think the solutions which are under discussion here, and have been throughout most of today, would create more mischief in the labor-relations field than they would quiet.

Let me be a little bit more specific.

If the States may step in wherever the National Board declines to act, then you will not only open the door for 48 ways of handling labor problems affecting federally covered employees—and that is all I am talking about; I am not talking about employees in intrastate commerce—you will have opened the door for 48 ways of regulating federally covered employees, and we will have this situation:

Within any given State, you will have an employer with an annual volume of indirect purchases, let us say, of a million dollars, with the result that the National Board will take jurisdiction of his case. His next-door competitor may have only $900,000 volume, so the National Board will not take jurisdiction. The consequence is that these two competitors and their employees, both of them either engaged in interstate commerce or affecting it, are going to be regulated, one by the National Board and the other by the State board.

CLOSED SHOP IN NEW YORK STATE

Take my home State of New York, and let us see what would happen.

There would be innumerable differences, and basic differences, in the way the two competitors' cases would be handled, just depending on their volume of business. For example, the competitor who was lucky enough to hit the $1-million volume would be protected, and so would his employees be protected, against a closed shop. The union could not demand it, they could not force the enough to hit the $1 million volume would being hired, and it would be an unfair labor practice for the union to insist on a closed shop in that competitor's business.

But in company B, whose volume was only $900,000, the union can come in and demand a closed shop and get a closed shop, and force employees to join the union as the price of getting or even of applying for a job. It is being done every day, with the consequence that we have industries in New York where the supply of labor is controlled by the unions who have closed shops. By the mere accident that this competitor has a volume of only $900,000 he would be subject to that.

There would be differences all along the line. The larger competitor's supervisors would be excluded from any elections because under the national act they are not employees. The smaller competitor's supervisors could go in and be certified. Guards would be handled differently. Professional employees would be handled differently.

And let us take another look at this picture: After the New York board, let us say, acting under a grant of power by Congress to act where the National Board did not act—after the New York board certified this union, the employer would be under a duty to bargain collectively in good faith, but the union would not, because under New York law there is no such thing as a union unfair labor practice, and under New York law no union can be compelled to bargain in good faith by a labor board, by a court, or by anybody else.

Now let me give you the supreme irony.

Next year, the fellow with a million dollars of indirect purchases has a fall off in business and a new union comes in for an election, but this time he has only $900,000 of volume, so next year his case goes before the State labor board. The closed shop that he refused to agree to last year now becomes legal.

And the other competitor, who had only $900,000 volume last year, goes into the million-dollar class, and a new union comes along and applies for an election in his case, and he now comes under the aegis of the National Labor Relations Board and gets the protection against a closed shop and is able to insist on the union bargaining in good faith.

NEW YORK STATUTE

This question of the New York statute—and I am not talking about the New York board; I am talking about the law under which they must operate—they have no discretion in this matter. They cannot say that they would like to do something about the Federal law. They operate under a statute which tells them what to do.

Let me illustrate. One of our best judges in New York State, Judge Bookstein, made this remark when this issue came up before him. He said:

"Surprising as it may seem, it is true, as contended by the board"—meaning our labor board—"that while an employer may be guilty of an unfair labor practice as defined in the State labor relations act, no practice on the part of an employee or a labor organization, no matter how unfair it may appear to the average person, constitutes an unfair labor practice under the State labor relations act."

Now is Congress going to deliver to the tender mercies of that kind of a statute federally covered employees and employers and say to them, "the National Board does not wish to take jurisdiction over you, so you are now relegated to the New York law which does not give you one-tenth of the protection that the national law does."

This is not only a reversal of the policy of uniformity which is embodied in the Labor-Management Relations Act of 1947, but, as we see it, would be a grave injustice to companies engaged in commerce and their employees.

Let us talk a moment, if we may, about the McClellan committee, and the problems which confronted it, because, as I understand the purpose of this committee, it is primarily to focus its attention, at least at this time, on legislation which grew out of the facts coming on or brought to light in the McClellan hearings, or at least those problems which are mentioned in the first portion of the report of that committee.

"SWEETHEART" CONTRACT

The McClellan committee came across the "sweetheart" contract situation. Let us just take a look at the "sweetheart" contract situation in the light of the legislation which has been proposed here.

Gentlemen, a racketeer union which has for sale a "sweetheart" contract does not have to go to any labor board. That is not the way they operate, because either the employer, if he is ready to violate the law, welcomes them and recognizes them gratefully, lest another more vigorous union comes along, or else he will have nothing to do with them and they have nothing to do with him because they are looking for money in the form of payoffs.

So the racketeer union which is peddling a "sweetheart" contract does not have to go to the Labor Board. But in the McClellan hearings, instances were described where racketeer unions had the employees of a firm in their clutches, under a 2- or 3-year contract. People who were fighting those unions went to the National Labor Relations Board and applied for a decertification of the union, or a deauthorization of the union shop.

That deauthorization of the union shop is a terrific weapon in the hands of a rival against a racketeer union, because it goes to the most vulnerable point of a racketeer union—hits them in their pocketbook. If the union shop can be revoked, then the automatic collection of dues will be revoked, and the racketeer union will rapidly lose interest in the shop.

And so, those who were fighting the racketeers—and they testified to this before the McClellan committee—came in and used the National Board's facilities and applied at the National Board for decertification of these racketeer unions or deauthorization of the union shop.

And the question was asked—I happened to be watching the hearings and I think it was Senator Ives who asked one of the witnesses:

"Why didn't you ever go to the New York board?" Because this witness came from New York, and he was testifying about the oppressed immigrant workers in New York City.

He (Senator IVES) said, "Why didn't you go to the New York Labor Board? Why did you always file at the National Board?"

PROVISIONS OF NEW YORK LAW

And the man gave the only answer he could under New York law. "In New York you can't file for a decertification of a union, and you cannot file for a deauthorization of the union shop. There is not any provision for it."

So if this committee is looking for solutions of problems raised by the McClellan hearings, and rightly you must be looking for such solutions, surely they are not going to be found in the kind of legislation which will automatically put the State boards in whenever the National Board fails or refuses to act.

This is going to create, if you please, a hodgepodge, in a field which cannot afford this kind of diversity of treatment and with respect to employees who are entitled to the protection of the national law.

I think I have said enough to illustrate the basis of my approach.

May I, sir, say a word or two concerning the solution which I propose.

Senator McNAMARA. Go right ahead.

Senator MORSE. Mr. Chairman, may I interrupt for this remark.

I would say, as we lawyers say, "Your Honor, I rest my case." That is about what I would say at the present time, and would file my statement. But I would be delighted to hear you further.

Mr. BENETAR. Well, I think to be solely critical without having any constructive suggestion could itself by criticized; and while I am mindful of the fact when the judge is with you, you should stop, I will take that advice by stopping very shortly.

STATE APPLICATION OF FEDERAL LAW

My proposal is this: I think the States should be invited in to act wherever the National Board fails to do so or is unable to do so for budgetary reasons. I would like to see the National Board cover the whole field, if it were feasible. But if it is not, I think the States ought to come in, but not on their own terms, and it is my proposal to your committee that any State be authorized to step into a labor relations dispute, otherwise regulated by the Federal law, provided—and this your statute would so read—in the determination of that dispute and in any further disputes between those parties, the State would follow and apply Federal law as written and interpreted.

This, gentlemen, would do two things: It would give cognisance to the doctrine of States rights, because intrastate commerce could still be regulated as each State saw fit. Over such commerce each State has exclusive rights and no one can tell them what to do. But in the case of employees and employers covered by Federal law, it would be up to each State in its legislature to decide whether they wished to step into the area vacated; and, if they did, then they should give their agency power to step in, but on Federal terms.

Mr. MORSE. The witness pointed out how unfair this would be to the employers of America, and what a great hardship it would impose on employers in the various States which have good laws, and on employers in States that come under the Federal law, and on employers in States with low labor standards, where the employers would come under loose State laws that work to the detriment of employers, as opposed to the laws in States which have good labor standards. That is what would happen if the Congress were to enact a provision based on the principle of non-uniformity of application of a constitutional right under the commerce clause.

Mr. President, I could speak at greater length, but I believe I have made my case. My case can be summarized by saying that the Watkins amendment makes confusion more confounded.

Today, the Senate had an opportunity to adopt the Ives amendment, which was the amendment of a labor statesman. I think it is sad that that amendment was not adopted. If it had been adopted, the bill would have included both the language of the committee amendment and the language of the amendment of the Senator from New York.

But now we are faced with the amendment proposed by the Senator from Utah [Mr. WATKINS], plus the possibility of the inclusion of any language which, under the rules of the Senate, would be permissible for inclusion, now that the amendment of the Senator from New York has been rejected.

Mr. President, I want the RECORD to show that at least at this hour I raise my voice in warning against the result of adoption of an amendment which would prove to be a legal monstrosity. If the amendment is adopted, it will come back to plague the Congress.

Mr. President, I am such a firm believer in the uniform application of the Constitution to all the citizens of the country that I could not think of voting for proposed legislation which included the Watkins amendment. On that issue alone, I would refuse to vote for the bill, if the Watkins amendment were added to it, because as a lawyer I do not intend to sully whatever reputation I have for a knowledge of constitutional principles—and for teaching as I did for 15 years—the principle that in the United States the Constitution must be applied uniformly to like cases, if justice is really to be upheld.

Mr. President, I rest my case on the ground that the amendment of the Senator from Utah cannot be reconciled with the uniform application of justice in America.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. The yeas and nays have been ordered on the Watkins amendment, have they not?

Mr. DOUGLAS. That is correct. The Cooper amendment, however, is the pending question.

Mr. COOPER. Mr. President, I withdraw my amendment. I shall offer it again if the Watkins amendment is adopted.

The PRESIDING OFFICER. The yeas and nays have been ordered on the Watkins amendment, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE] and the Senator from Tennessee [Mr. GORE] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] is absent on official business.

If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "yea."

The Senator from Utah [Mr. BENNETT] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from Utah would vote "yea," and the Senator from North Dakota would vote "nay."

The result was announced—yeas 37, nays 53, as follows:

YEAS—37

Allott	Dworshak	Potter
Barrett	Goldwater	Purtell
Bricker	Hickenlooper	Revercomb
Bridges	Hoblitzell	Robertson
Bush	Holland	Russell
Butler	Hruska	Schoeppel
Byrd	Jenner	Smathers
Capehart	Knowland	Smith, N. J.
Carlson	Lausche	Thurmond
Case, S. Dak.	Martin, Iowa	Watkins
Cotton	Martin, Pa.	Williams
Curtis	Morton	
Dirksen	Mundt	

NAYS—53

Aiken	Hill	Monroney
Anderson	Humphrey	Morse
Beall	Ives	Murray
Carroll	Jackson	Neuberger
Case, N. J.	Javits	O'Mahoney
Chavez	Johnson, Tex.	Pastore
Church	Johnston, S. C.	Payne
Clark	Jordan	Proxmire
Cooper	Kefauver	Smith, Maine
Douglas	Kennedy	Sparkman
Eastland	Kerr	Stennis
Ellender	Kuchel	Symington
Ervin	Long	Talmadge
Frear	Magnuson	Thye
Fulbright	Malone	Wiley
Green	Mansfield	Yarborough
Hayden	McClellan	Young
Hennings	McNamara	

NOT VOTING—6

Bennett	Flanders	Langer
Bible	Gore	Saltonstall

So Mr. WATKINS' amendment was rejected.

Mr. KENNEDY. Mr. President, I move that the vote by which the Watkins amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Massachusetts to reconsider the vote by which the Watkins amendment was rejected. [Putting the question.]

The motion to reconsider was laid on the table.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE of South Dakota. The junior Senator from South Dakota voted against the Ives amendment as a substitute for the Watkins amendment because he wished to vote for the Watkins amendment. The Watkins amendment has now been rejected.

In my personal opinion the language of the Ives amendment is far preferable to the language in the text of the bill. Is it now in order to offer the Ives amendment by way of a motion to strike section 602 of the bill and substitute the language of the Ives amendment?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that such a motion would be in order.

Mr. CASE of South Dakota. I make such a motion.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUMPHREY. Is the Ives amendment the one which was rejected a short time ago?

The PRESIDING OFFICER. The Senator is correct, but it was offered as a substitute for the Watkins amendment.

The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE] by way of a motion to strike out section 602 of the bill and substitute the language of the so-called Ives amendment.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays on that motion.

The yeas and nays were ordered.

Mr. IVES. Mr. President, I suggest to the Senator from Massachusetts that this amendment be accepted.

Mr. KENNEDY. Mr. President, I wonder if we could obtain unanimous consent to rescind the order for the yeas and nays. In that case we could accept the amendment.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may we have a vote on the motion of the Senator from South Dakota?

Mr. CASE of South Dakota. Mr. President, during the debate on the Ives amendment, many Senators stated that the language in the Ives amendment was preferable to the language in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota, by way of a motion to strike out section 602 of the bill and substitute therefor the original Ives amendment, which will be stated.

The LEGISLATIVE CLERK. On page 36, it is proposed to strike out from line 21 to line 10 on page 37, and to insert the following:

SEC. 602 (a). Section 14 of the National Labor Relations Act, as amended, is amended by adding a new subsection as follows:

"(c) The National Labor Relations Board shall assert jurisdiction over all labor disputes arising under the National Labor Relations Act, as amended: *Provided*, That the Board is empowered by agreement with any agency of any State or Territory to cede to such agency jurisdiction over any cases in any industry (other than mining, manufacturing, communications, and transportation except where predominantly local in character) even though such cases may involve labor disputes affecting commerce, unless the provision of the State or Territorial statute applicable to the determination of such cases by such agency is inconsistent with the corresponding provision of this act or has received a construction inconsistent therewith."

SEC. 602 (b). Amend section 10 (a) of the National Labor Relations Act, as amended, by repealing the proviso thereto.

Mr. HUMPHREY. Mr. President, I felt that the Ives amendment was very desirable. I supported it, but I think it is perfectly clear that the Ives amendment was offered originally as a substitute for the Watkins amendment. Had it been adopted, it would have been in the bill on the first vote. All we are doing is marching up the hill, down the hill, and up the hill again. It is good exercise, but it is very confusing.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE] by way of a motion to strike out section 602 of the bill and substitute therefor the language of the so-called Ives amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SMITH of New Jersey. Mr. President, I offer the administration amendment, which I submitted last night. It is designated "6-12-58-PP."

The PRESIDING OFFICER. The amendment offered by the Senator from New Jersey will be stated.

The LEGISLATIVE CLERK. At the end of title I it is proposed to add the following new section:

SEC. . (a) In any labor organization to which the provisions of title I apply, the individual workers who have combined as members to form or maintain such organization for their mutual benefit have the right to have any money or other property which the organization acquires as a direct or indirect result of their financial contributions, or of their having formed such an organization, conserved for their benefit and not applied, invested, disbursed, or disposed of in any manner or for any purpose not authorized by the constitution, bylaws, or other rules of the organization to which they have agreed.

(b) Every officer, agent, or other representative of a labor organization to which subsection (a) applies shall, with respect to any money or other property in his custody or possession by virtue of his position as such officer, agent, or representative, have a relationship of trust to the labor organization and its members and shall be responsible in a fiduciary capacity for such money or other property in which the members have the rights stated in this section.

(c) An action or proceeding may be maintained in any court of competent jurisdiction to obtain appropriate relief with respect to any act or omission of any officer, agent, or other representative of a labor organization which is in disregard of any right or responsibility set forth in this section. Such an action or proceeding may be maintained by any one or more of the members of the labor organization for and in behalf of himself or themselves and other members similarly situated, or any such member or members may designate an agent or representative to maintain such action or proceeding for and on behalf of all members similarly situated. The plaintiff in any such action or proceeding shall be entitled to recover from the labor organization his costs and a reasonable attorney's fee if it appears to the satisfaction of the court that the action or proceeding was instituted in a good faith effort to conserve the assets of such organization for proper purposes, and the court may, if satisfied that justice will be served thereby, impose liability for reimbursement of such amounts on any defendant whom the court finds to have acted or omitted to act in disregard of any right or responsibility set forth in this section.

(d) With respect to actions under the provisions of this section, the United States district courts, together with the District Court for the Territory of Alaska, the United States District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam, shall have jurisdiction.

(e) Nothing in this section shall reduce or limit the responsibilities of any officer, agent, or other representative of a labor organization under the law of any State, and nothing in this title shall take away any right or bar any remedy to which members of a labor organization are entitled under the law of any State.

Mr. SMITH of New Jersey. The amendment aims to put the same responsibility on individuals who have charge of union funds, paid into trust funds, as is imposed on the trustee of any other kind of trust funds. These are funds which are paid into the union treasury, to give protection to those who have contributed the funds. The amendment would provide the usual protection which is given to trust funds under any reasonable trust fund arrangements. We wish to establish the same liability against any person who misuses such trust funds. I am speaking, of course, of funds which union members contribute for the purpose of the union, for the purpose of the union welfare fund, or for any other purpose, to which the members contribute money which is paid to the union either by the members directly or through a checkoff system. In either case the members are compelled to pay the funds.

I will read the statement on the amendment which I inserted in the CONGRESSIONAL RECORD yesterday.

This amendment places any officer or other representative of a labor organization in a position of trust with respect to any money or other property in his possession by virtue of his position and makes him responsible for it in a fiduciary capacity. In addition it provides that union members may bring a class action in any court of competent jurisdiction for appropriate relief because of any act or omission of an official in disregard of any right or responsibility in his fiduciary capacity.

We all realize that there are many instances when trust funds are set up, and our laws have always protected the beneficiaries of such trust funds. There is nothing in the pending bill which would take care of such a situation in connection with union trust funds.

I am offering the amendment at the request of the Department of Labor, to protect the security of the funds which are contributed by the union members, and to make those who have charge of the funds responsible for them, so that there cannot be a repetition of situations like the one in which Beck was involved, and similar situations, because of which there has been so much scandal.

This amendment would confirm by Federal law the fiduciary responsibilities of persons entrusted with the funds of labor organizations and provide for the enforcement of these responsibilities through representative suits in the Federal or State courts.

S. 3974 explicitly recognizes in its "Declaration of Findings, Purposes and Policy" that it is necessary that labor organizations, employers and officials adhere to the highest standards of responsibility. It further states that because

of breaches of trust and other failures to observe high standards of responsibility and trust, legislation is needed to afford the necessary protection of the rights and interests of employees.

Mr. President, this amendment is in furtherance of that declared purpose. Legislation in this area should go further than to deter acts of wrongdoing. It should also provide a remedy in the event that such wrongdoing does occur. This amendment would provide such a remedy, for, if such acts should occur, under this amendment union members would be insured of the right to bring a class action in an appropriate Federal district court to enforce fiduciary responsibilities for union funds. Of course, this in no way would reduce or limit the responsibilities of union officials under State law or in any way bar any remedy of union members under State law.

It is hard for me to understand why the amendment cannot be accepted as a part of the bill. It is merely a perfecting amendment, to make trustees responsible for union trust funds.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I am glad to yield to the Senator from Connecticut.

Mr. PURTELL. It appears that there is an area which is not covered by the bill. It is a very vital area, if we wish to establish fiduciary responsibility; and certainly we should want to do that. It is an area which should be covered, and which was discussed in the committee. It is covered by the amendment which has been offered, and of which I am happy to be a cosponsor. As I understand, the President has recommended it.

Mr. SMITH of New Jersey. Yes; it was very definitely recommended. The President feels that this provision should be added to the bill. I have discussed the matter with the Secretary of Labor also. Both of them think that we should add the fiduciary-responsibility amendment to the bill, so that the union member who pays his money will be protected against wrongdoing by the person who has charge of the fund.

Mr. PURTELL. As a beneficiary, he has a right to the same safeguards that other people have. In other words, it is trust money, and the trustees should be responsible, in the event the funds are misused.

Mr. SMITH of New Jersey. It is the same principle.

Mr. PURTELL. It seems to be an area which was not covered, but should have been covered, and the amendment now proposed will cover that situation; and it will give the necessary protection to the workers to which they are entitled.

Mr. SMITH of New Jersey. That is all I am asking for in the amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. GOLDWATER. Mr. President, because of my close association with the McClellan committee, and having sat for almost a year and a half listening to the testimony, which prompted the distinguished chairman of the select committee to call for this measure, I am in support of the amendment.

It has been said and said correctly that this bill has many imperfections, omissions, and loopholes.

There can be no question that the bill itself contemplated legislative improvements in areas that it fails to cover. In the declaration of findings, purpose, and policy on page 2, lines 15 and 16, reference is made to the "disregard of the rights of individual employees and other failures to observe high standards of responsibility and trust." It would be expected, therefore, that in this bill there would be a provision dealing with the fiduciary responsibilities of union officers. The recital itself states that supplemental legislation is required in this area. The administration bill contains a provision with respect to the fiduciary responsibilities and the McClellan committee made a special point in recommending that there be legislation with respect to this type of responsibility of union officers. I think, therefore, that the sponsors of the Kennedy bill themselves must concede the omission and accept a provision dealing with the fiduciary responsibility.

I, therefore, support this amendment which would charge union officers or other representatives with a fiduciary responsibility with respect to any property in his custody by virtue of his position as such an officer. The amendment would also authorize class actions by union members to enforce such standards.

Mr. President, in conclusion I should like to say that the amendment offered by the distinguished Senator from New Jersey contains the exact language of the amendment which I now have at the desk.

Mr. SMITH of New Jersey. I thank the Senator. The amendment appears in the CONGRESSIONAL RECORD of yesterday, at page 11003, and is amendment No. 5 on that page.

Mr. President, I should like to ask the Senator from Massachusetts whether he would accept the amendment.

Mr. KENNEDY. I am trying to understand it. I wonder whether the distinguished Senator from New Jersey will continue with his explanation of it.

Mr. SMITH of New Jersey. All I can say is that the amendment was prepared for the purpose of giving trustee responsibility to those who are charged with the keeping of trust funds. That is all it does.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. MUNDT. I was unable to hear the reply of the Senator from Massachusetts. I do not know whether he said he would accept the amendment or would not accept it.

Mr. SMITH of New Jersey. He said he was trying to understand it, and that I should try to make it clear to him.

Mr. MUNDT. Is is in perfect harmony with the purport of the entire bill. It covers a phase which in some manner or other the subcommittee and the whole committee overlooked. It would protect the rank and file members of labor unions against the kind of corruption which has been revealed by the McClellan committee, of which I am a member. Certainly, it would plug up a very big loophole.

Mr. SMITH of New Jersey. I thank the Senator for his remarks. It is a matter which should be covered by the bill. It strengthens the bill; it does not weaken it. It would protect the union member who pays his dues in order to have security of the funds which he will need in his old age.

Mr. MUNDT. Precisely. Because it is in such complete harmony with the purpose of the bill. I hope the committee will accept the amendment. It is incomprehensible to me that they would resist the chance to plug a loophole which, by accident, they failed to cover when they reported the bill.

Mr. SMITH of New Jersey. I thank the Senator from South Dakota.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. CURTIS. I commend the distinguished Senator from New Jersey for offering the amendment, and also the distinguished Senator from Arizona for preparing a similar amendment. The amendment is based on the proposition that the officials in charge of these funds are handling other people's money. That is an essential point.

Throughout the hearings of the McClellan committee, we learned of case after case where the union officials were using the assets of the union as though they owned them. It was being done by Dave Beck and a great many others right down the line, including Mr. Valenti and Mr. Klenert, of the textile union. They were spending the union's money as though it were their own. They operated the unions as though they were a proprietary business.

In one instance—I do not recall the names of those concerned—the union bosses fell out with one another; and as each left the union, he was paid a substantial portion of the assets.

The amendment offered by the Senator from New Jersey would end that practice. It would recognize, by law, that the union officials hold the funds belonging to the union members in a fiduciary capacity. The part of the Senator's amendment which gives an individual member a right to sue in behalf of himself and other members is a very fine part of the amendment. It places on the union officials the responsibility for their actions on behalf of the members. The union should exist for all the members; its funds are their property. The amendment will lessen the autocratic role which is so often exercised by the officials of some unions who have not lived up to their obligations as they should.

Mr. SMITH of New Jersey. I thank the Senator from Nebraska most cordially, because I know of his faithful service on the select committee which is making the investigation of labor unions. I am sorry the Senator from Arkansas [Mr. MCCLELLAN] is not here. If he were, I think I am right in saying that he would be in favor of this amendment which is obviously designed to place the responsibility where it belongs and to provide legal safeguards around the officials, who are clearly trustees acting

in the same capacity as a trust company in handling other people's funds.

Mr. CURTIS. We must keep in mind that this is not small business. The annual income from dues is more than $600 million. The reserves in the pension and welfare funds are between $25 billion and $30 billion. The amount is being increased by $5 billion a year. The members of unions are entitled to the same protection as they would have if their money were in a bank, an insurance company, or any other local institution.

Mr. SMITH of New Jersey. Mr. President, I should like to have a vote on my amendment.

Mr. ERVIN. Mr. President, I recognize in full the major motive which prompts the proponents of the amendment. The motive is entirely praiseworthy. But I fear that the amendment would complicate simplicity.

The bill as it is now before the Senate provides full protection, from a criminal law standpoint, of union funds. The bill as reported by the committee makes it a Federal criminal offense to embezzle or steal or misapply funds under circumstances which would constitute a crime. The fundamental trouble with the amendment, despite its praiseworthy motives, is this——

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ERVIN. I should prefer to continue.

Mr. NEUBERGER. I should like to suggest the absence of a quorum, so that more Senators may be present.

Mr. ERVIN. I yield for that purpose.

Mr. NEUBERGER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROUTY in the chair). Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I have two fundamental objections to the amendment. The first is that it would have a tendency to complicate simplicity. The amendment undertakes to impose by Federal law a trust obligation or a fiduciary obligation upon union officers who handle money. Such obligations are now imposed upon such officers by State laws.

So the first fundamental trouble with the amendment is that it undertakes to impose upon union officers who handle these funds a Federal trust relationship or a Federal fiduciary relationship to the union members; but nowhere does the amendment define what the consequences of such a relationship are under Federal law; and I know of no Federal statute which defines the obligations which rest upon a fiduciary or upon a trustee. Therefore, we would have the creation of a Federal right without a definition of the responsibilities which would go with that right; and that would introduce into the law confusion, rather than protection, in my judgment.

The amendment is unnecessary, because in the 48 States there are already laws which define the duties of trustees and of other fiduciaries. Those laws vary from State to State. While those laws are similar in many respects, they are different in many respects.

So the amendment would introduce into the law a tremendous amount of confusion, in that it undertakes to impose a Federal obligation of a fiduciary nature under a statute which nowhere defines what that obligation is.

The amendment should also be rejected for a second reason. Under existing law the Federal courts have jurisdiction of cases which involve a diversity of citizenship, that is cases between plaintiffs who were residents of one State and defendants who are residents of another. The amendment would confer jurisdiction on Federal courts in all cases under it, regardless of the citizenship of the parties to such cases. Thus there would be imposed upon the Federal courts the jurisdiction of a tremendous amount of litigation which now can be handled, under the State laws, in the State courts, when no diversity of citizenship is involved.

In summary, Mr. President, notwithstanding the praiseworthy motives of those who propose the amendment, I believe it would not add any increased protection insofar as the members of the unions are concerned. This is true because under existing laws in virtually every State the union members now have a right to go into court and request the enforcement, under State law, of the fiduciary relationships, as defined by State law. This amendment would not give them any additional Federal right, because the amendment does not define what the fiduciary right under the Federal law would be. Federal courts can now act in this area under State laws in case of diversity of citizenship.

The amendment would not add any degree of protection, because it does not define the supposed Federal fiduciary obligation.

Therefore, Mr. President, the amendment would complicate the situation rather than be of any assistance.

For this reason and also because the amendment would carry into Federal courts many cases which now come under the jurisdiction of the State courts, I believe the amendment should be rejected.

After all—to paraphrase Aesop's fable—too many tracks already lead to the cave of the Federal Government, and too few of them lead from it. I am not in favor of having any more tracks lead to the Federal cave from which there is no return.

Mr. PURTELL. Mr. President, will the Senator from North Carolina yield to me?

Mr. ERVIN. I yield.

Mr. PURTELL. On page 451 of the interim report of the Select Committee on Improper Activities in the Labor or Management Field—the committee of which the distinguished Senator from North Carolina is a member—we find that one of the committee's recommendations is as follows:

> Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

Will the Senator from North Carolina point out to me where, in the Kennedy bill, such recommended provisions are included?

Mr. ERVIN. We have previously passed a measure which guards, and provides for the security of, the welfare and pension funds. In the pending measure we provide for the security of union funds, and in this measure there are also provided criminal penalties for misappropriation of those funds.

Mr. PURTELL. Does the Senator from North Carolina mean that provision has already been made for punishment which can be meted out to those who abuse the funds? But where in the Kennedy bill is provision made for the particular committee recommendation I have just read?

I shall repeat a part of the recommendation, namely—

> certain restrictions on the use of these funds, such as are now imposed on banks and other institutions—

And so forth.

Mr. ERVIN. That is the trouble with the amendment, because it does not define the obligations which would be created under it; it leaves them exactly as they are now under State law.

Mr. PURTELL. Then does the Senator from North Carolina mean to state that this recommendation of the committee has not been carried out?

Mr. ERVIN. Section 108 of the bill provides:

> Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or the use of another any of the moneys, funds, securities, property, or other assets of an organization which is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 of which he is an officer or by whom he is employed directly or indirectly shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both.

Mr. PURTELL. That section will punish a transgressor. But what protection does the bill give to a beneficiary of the fund?

Mr. ERVIN. The proposed amendment does not give him any protection except what he already has under existing law—in other words, under State laws, which vary from State to State. They define these obligations. But this amendment does not define what obligation would rest, under Federal law, on such a man as a fiduciary; and no existing Federal statute defines that obligation.

Mr. PURTELL. May I point out to the Senator that in the debate prior to the time we started to take up this amendment it was my understanding we were concerned with getting uniformity, and therefore getting at the Federal

level. This does provide uniformity, does it not?

Mr. ERVIN. No. Nowhere in the amendment—and this is one of the fundamental objections I have to it—does it undertake to define in any respect what obligation is imposed upon a fiduciary or upon a trustee by Federal law. The amendment attempts to give a man a right which is not defined, and nobody will know what the right is.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. CURTIS. Will the Senator agree that there is a great body of case law which defines what is proper conduct for the fiduciary?

Mr. ERVIN. I agree that not only is there a great body of State law which defines the obligations of a fiduciary, but there is a great body of statutory law—that is, laws of the States, not of the Federal Government. Those laws vary from State to State, and the statutes vary from State to State.

Mr. CURTIS. The amendment does not take away from any union member any right he has under State law.

The Senator from North Carolina is a member of the McClellan committee. For months we sat in the committee and heard stories about misuse of funds, about borrowing of funds, about entering into transactions in which officers, as parties, were in a position to gain. Does the Senator know of any case where the members have been told to sue in their own behalf, and in behalf of others so situated, to hold the officers accountable?

Mr. ERVIN. Under the case law of virtually every State in the Union of which I have knowledge, they can do that now; but I should like to ask the Senator from Nebraska this question: When one brings a suit, under this proposal, to enforce a Federal fiduciary right, is the Court going to determine his right by the law of North Carolina, by the law of Nebraska, by the law of California, or by the law of some other State?

Mr. CURTIS. There is not very much difference in the laws as to what is proper conduct of a fiduciary.

Mr. ERVIN. There is a difference with respect to investment of funds. Every State has statutes providing how such funds can be invested, and those laws vary from State to State.

Mr. CURTIS. We in the committee have had our attention called to cases in which a member has proceeded against union officers for an accounting of funds, or similar action. The member has been expelled from the union or has been beaten because he did not go through the channels of the union; and the channels of the union are usually dominated by the offenders in those particular cases.

The pending amendment declares, as a part of the Federal law, that where questions of jurisdiction arise, the laws pertaining to a fiduciary position apply to union officers. I believe it is a good amendment.

Mr. ERVIN. I might possibly agree with the distinguished Senator from Nebraska if the proposal undertook to define what the duties of a fiduciary or a trustee are under Federal law, but it does not undertake to do so, and, so far as I know, there is not a single Federal statute in existence which undertakes to do that. So the proposal introduces confusion, chaos, and uncertainty.

Mr. PURTELL. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. PURTELL. I did not quote the whole passage and I think I should have, when I referred to the McClellan interim report, of which the Senator was one of seven who signed.

I am sure the Senator will agree with me that there have been no Federal laws in this field enacted between the time the Senator signed the report and today. There may have been some changes in State law, but they would not be effective in the matter to which we are addressing ourselves.

Let me point out to the Senator what the committee really recommended, and which we certainly are charged with trying to carry out.

The committee said this, and I read from page 451 of the interim report of the McClellan committee:

> The committee recommends that Federal legislation be enacted closing up the present loopholes.

The paragraph goes on to speak about trusts and union dues. The committee itself recommended that Federal legislation be enacted. That is exactly what we are trying to do.

May I ask the Senator if any attempts have been made by the committee, in view of the fact that objection has been made to the proposal offered, to propose legislation to follow out the recommendations of the committee?

Mr. ERVIN. Will the Senator tell me to which committee he is referring, because there are two committees involved?

Mr. PURTELL. I am referring to the McClellan committee.

Mr. ERVIN. The McClellan committee did not interpret its authority to include the introduction of specific proposed legislation. It felt that matter was left, under the resolution, to the jurisdiction of the Committee on Labor and Public Welfare.

Mr. PURTELL. We tried to do it.

Mr. ERVIN. The trouble with this amendment is that it does not undertake to adopt any language defining the term "fiduciary," or to carry out the recommendation of the committee, but undertakes to give a person a Federal right of action without defining the terms under which he enjoys that right of action and what that right of action is.

Mr. PURTELL. Is the Senator correct in interpreting the desire of the committee as wanting Federal legislation in this field?

Mr. ERVIN. I think it would be helpful if we had Federal legislation in proper form.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. KENNEDY. Since we are interpreting the language, I wish to refer to the recommendations of the McClellan committee as contained in the interim report:

> The committee recommends that Federal legislation be enacted closing up the present loopholes in the law concerning the filing of these financial statements.

That has been done in this bill.

> It further recommends that these financial statements be required to be accurate and complete—

That is done in the bill—

> that there be a method for the checking of their veracity—

That is provided in the bill—

> and provisions for bringing legal action against unions filing false statements and against the officers of the unions testifying to these false statements.

That is provided in the bill.

> The committee feels there should be a provision in the law making it a Federal crime, punishable by a prison sentence, for the willful filing of a false or incomplete financial statement.

That is provided in the bill. The recommendation goes on to say:

> Since union-dues moneys, as well as health and welfare funds, are in actuality a trust—

Which I believe they are—

> being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

As I gather and interpret that statement—and I signed the report, and so did the Senator—the committee is suggesting that we should consider the advisability of stating that certain kinds of investments of union funds should be permitted, and certain kinds should not be permitted; in other words, that union funds might be invested in bonds, but not in common stocks. It does not say anything about applying to Federal law fiduciary standards which exist for union officials under State law.

Mr. PURTELL. Where in the bill is there a provision restricting the use of funds?

The PRESIDING OFFICER. The Senator from North Carolina has the floor.

Mr. ERVIN. There is a great deal of difference in the laws of the States defining obligations of fiduciaries with reference to handling funds and with reference to investing funds, both in the character of the investment and the extent of the responsibility.

The amendment which has been proposed would undertake to give a right without a definition of the nature and the extent of the right, or a definition of the nature and extent of the responsibility upon which the right rests. The amendment would introduce confusion, rather than any salutary regulation of the matter.

Mr. PURTELL. I should like to make an inquiry of the Senator. I wonder in what way this recommendation has been carried out, since it was recommended that attention should be given to the placing of certain restrictions on the use of these funds, such as are now imposed on banks and other institutions.

Mr. ERVIN. The provisions of this and the previous bill include restrictions on the use of these funds for personal pleasure or personal profit. There have been regulations prescribed, as the Senator from Massachusetts pointed out a while ago, with reference to accountability for funds and the filing of reports. There have been a great many things done with reference to this matter in the previous bill. Furthermore, I think the pending bill gives full protection to these funds in its present form.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. PURTELL. May I point out to the Senator that is simply disclosure.

Mr. ERVIN. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I say to the Senator that we are trying to write a law. I do not think it should be so altered by the amendment that we should try to say unions should be permitted to make certain investments and not other investments. It seemed to us in the committee it would be much better to provide for satisfactory disclosure. That is what the bill provides, in addition to providing prohibitions as to expenditures by union officials.

Mr. PURTELL. Mr. President, will the Senator yield to me?

Mr. ERVIN. I yield.

Mr. PURTELL. The proposed amendment would give an additional protection to the funds by imposing a fiduciary responsibility upon those who manage the funds, and providing that if there is abuse there can be a recourse to the courts and a recovery by the beneficiaries of the funds.

Mr. ERVIN. The trouble is that the language does not define what the fiduciary obligation is. At present people handle funds for others under fiduciary obligations, but the fiduciary obligations are defined by the laws of the 48 States and are nowhere defined by any Federal law.

Mr. PURTELL and Mr. ALLOTT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Carolina yield; and, if so, to whom?

Mr. ERVIN. I yield first to the Senator from Connecticut, and then I shall yield to the Senator from Colorado.

Mr. PURTELL. I should like to point out to the Senator there is not a single prohibition pertaining to the expenditure of union funds in the committee bill.

Mr. ERVIN. There are a great many provisions with respect to the use of the funds in the bill, and also——

Mr. PURTELL. Would the Senator point them out? The bill only provides for reporting, for disclosure, and for penalties to be imposed upon the individual who violates the law after the money is gone.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ERVIN. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I will say to the Senator that the bill provides for a very clear disclosure. The money belongs to the union members. The bill provides that, if any improper practices are engaged in, if there are any excessive loans of the type revealed by the McClellan committee, or any procedures such as that, they must be reported and must be disclosed to the Secretary of Labor. As a result of the amendments which we have accepted in the past 24 hours, that information will be made known to the members of the union. That seems to me to be the most effective way of handling this rather sensitive problem, rather than attempting to say, "We will permit union funds to be invested in A, but we will not permit union funds to be invested in B."

As the Senator from North Carolina pointed out, there are very clear remedies in the State courts.

Mr. PURTELL. I disagree with the Senator. I might suggest there is small satisfaction in discovering that the funds are gone, when one learns the information from a report filed subsequent to the disappearance of the funds.

Mr. ALLOTT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Colorado?

Mr. ERVIN. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to ask the Senator how he reconciles his point of view with his votes upon S. 2888. When S. 2888 was before the Senate, one of the major arguments which was considered at great length was whether a fiduciary responsibility should attach to the employers who handled the funds in the case of employer managed funds. We did, upon that basis, place a fiduciary responsibility upon them. The Senator may go through the whole RECORD and look at it. We placed a fiduciary responsibility upon the employers who manage the funds, which they solely contribute, and to which the unions and the employees do not contribute 1 cent.

The Senator from North Carolina voted the same in every instance. The Senator did not vote for one amendment to that bill. If I recall correctly, the Senator from North Carolina voted in every instance to place upon employers a fiduciary responsibility, when the only funds they were handling were the funds they themselves had put up entirely. The Senator voted to put a fiduciary responsibility on the employers with relation to the employees.

How does the Senator justify dodging the fiduciary responsibility when it is the money of the union members themselves which is being taken and handled by union officers? Does the Senator only want to place some other responsibility on them?

Mr. ERVIN. In the bill to which the Senator refers obligations were placed upon those employers who were managing the welfare and pension funds for unions, and obligations were also placed upon unions which were handling those funds, and obligations were also placed upon a combination of management and unions handling those funds, which obligations were spelled out and consisted simply of requiring them to keep those funds safely, and to make reports about the funds.

Mr. ALLOTT. May I ask the Senator to yield further. The Senator is mistaken. The provisions go far beyond that. The employers not only have to report to the unions—this is not true with respect to all the funds—but also, as to many of the funds, the unions do not put up 1 cent of the pension fund, which is provided by the employer.

Mr. ERVIN. I did not say who put up the money.

Mr. ALLOTT. Wait a minute. The situation is that in many instances the unions did not put up 1 cent, yet with respect to S. 2888 the Senator from North Carolina voted for every amendment—

Mr. ERVIN. No; I did not. I voted against several amendments.

Mr. ALLOTT. The Senator is exactly correct. The Senator voted against every amendment.

Mr. ERVIN. Yes.

Mr. ALLOTT. The Senator voted against every amendment. If I am wrong I should like to be corrected. The amendments were to place upon the employer of employer-managed funds only a contractual relationship.

Yet, tonight, with respect to funds put up wholly not by the employer but by the union men, from their own money—taken out of there grocery money, taken out of the shoe money for their children—the Senator does not want to have a fiduciary relationship, although the Senator voted 3 or 4 weeks ago for that relationship as to funds which were contributed and managed solely by the employer. Let the Senator answer that.

Mr. ERVIN. I do not understand what I am to answer. I understood the Senator to say at one time that I voted for all the amendments, and now the Senator says I did not.

Mr. ALLOTT. I said the Senator did not vote for any amendments.

Mr. ERVIN. If I could understand the question I would answer.

Mr. President, I did not say anything about where the funds came from. I said that we passed a bill to give security to welfare and pension funds, and we put certain obligations on the managers of those funds—not to misapply those funds, and to file certain reports—regardless of who those managers were and regardless of the source of the funds. That is all we did. Those were the obligations which were imposed; not to misapply the funds, and to give due reports.

There was an effort made, as I recall, to write an amendment into the bill to specify, as in the case of banks and trustees handling funds under State law, how those funds should be invested.

The trouble with this proposal is that it is an attempt to impose complete fiduciary and trustee responsibilities under Federal law upon persons, without ever defining what the Federal responsibilities are.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. KENNEDY. I think the Senator from Colorado should show us the language which the Senator from New Jersey has offered as it appears in S. 2888.

Mr. ALLOTT. I will show it to the Senator in the RECORD.

Mr. KENNEDY. Can the Senator show the language to us in the bill?

Mr. ALLOTT. I will show the Senator.

Mr. KENNEDY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from North Carolina has yielded to the Senator from Massachusetts.

Mr. KENNEDY. The Senator from Colorado has been extremely critical of the Senator from North Carolina for voting, in the case of Senate bill 2888, for fiduciary standards with respect to union welfare funds. Then the Senator from Colorado takes issue with the Senator from North Carolina for failing to include the same language in this bill. I ask the Senator from Colorado if he will tell me where the language of the Senator from New Jersey is to be found in Senate bill 2888?

Mr. ALLOTT. Mr. President, will the Senator from North Carolina yield to me to answer that question?

Mr. ERVIN. I yield for that purpose.

Mr. ALLOTT. Of course, the language of the Senator from New Jersey is not in Senate bill 2888; but if the Senator from North Carolina was on the floor during the consideration of Senate bill 2888—and I am sure he was—he will remember that a great deal of the discussion centered around upholding Senate bill 2888 upon the basis that it imposed a fiduciary relationship upon the employer.

There can be no doubt about this; and if it has to be documented later, we will get out the RECORD and show that that is true.

If the Senator does not wish to impose a fiduciary relationship upon a labor leader who collects funds and fees from his fellow workers and still upholds the principle and theory of Senate bill 2888, as shown in the report of the committee, and in the bill; and if the RECORD on this floor was based upon the fact that the employer was in a fiduciary relationship, if the Senator does not wish to place that burden upon an employee when he is collecting the funds of his fellow employees, that is really a peculiar standard to apply to these bills.

Mr. ERVIN. The Senator from North Carolina never voted to make law out of all the words in the CONGRESSIONAL RECORD. Neither did the Senator from North Carolina ever vote to make law out of all the words in a committee print.

The Senator from North Carolina is not objecting to establishing a fiduciary relationship with respect to those who handle union funds. That obligation is already placed upon such persons by the laws of the 48 States, which vary from State to State.

What the Senator from North Carolina is objecting to is an amendment which attempts to create a civil right of action under Federal law for violation of a supposed Federal fiduciary duty, which is nowhere defined by Federal law, and certainly is not defined in this amendment.

Mr. MUNDT. Mr. President, I have been listening to the discussion relative to the Smith of New Jersey amendment because it deals with a subject which has greatly concerned the McClellan committee. I happen to be a member of that committee, as is the distinguished Senator from North Carolina. But I become a little bewildered by the way we twist the argument about States rights around on the floor of the Senate to fit our peculiar viewpoint in connection with this specific piece of legislation.

A few minutes ago the Senator from North Carolina voted against the Watkins amendment on the theory that it would tend to provide for the States doing something now done by the National Government. Now we see the reverse side of the coin, because the Senator from North Carolina tells us—and correctly—that there are State laws dealing with this subject. Of course there are State laws dealing with this subject.

Mr. ERVIN. Mr. President, will the Senator yield to me? He has used my name.

Mr. MUNDT. I am happy to yield to the Senator from North Carolina.

Mr. ERVIN. The Senator from South Dakota says that I voted against the Watkins amendment. I voted against the Watkins amendment. I also voted against the substitute offered for the Watkins amendment by the distinguished senior Senator from New York [Mr. IVES]. I took this course for this reason: The floor of the Senate is no place to write a bill of this kind. A serious question was raised by the amendment and the substitute, a question that should be studied by the Senate for at least a week before we legislate. I did not know enough about the subject to legislate about it on the Senate floor, and suspect that some other Senators were in the same state. I felt that we should not legislate on the spur of the moment on the floor of the Senate. That is the reason why I voted against the amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield to me in order that I may ask for the yeas and nays on the pending amendment?

Mr. MUNDT. I yield for that purpose.

Mr. KNOWLAND. I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I am happy to have the explanation of my distinguished friend from North Carolina as to why he voted against the Watkins amendment and against the Ives substitute for the Watkins amendment. I am not here as a clairvoyant or mind reader. If he honestly believes that the great Senate of the United States does not have the legislative capacity to act on this question on the floor of the Senate, that is a valid point of view, to which he is entitled. I do not agree with him. I believe that this is the greatest legislative body in the world. Some of the most important legislation enacted by the Congress has been written on this floor. I have faith enough in Members of the Senate to believe that we can dedicate ourselves to a legislative proposition and come up with a good answer. But I respect the point of view of the Senator from North Carolina, although I differ with him.

I would feel much more convinced if the Senator from North Carolina were to resist the so-called Smith amendment because of his lack of confidence in this body to legislate intelligently on this floor than I am convinced by the argument which he presented.

It seems to me that one thing stands out as clear as a path to the country schoolyard. I refer to the fact that every single discrepancy, every single violation, every single raid made by a union official upon the dues of rank-and-file members, has been made while the State laws about which the Senator from North Carolina spoke so eloquently were on the statute books of the respective States.

Obviously, therefore, we face a challenge to try to do something to correct the situation existing with respect to State laws.

The Senators who sponsor this amendment provide what seems to me to be a very effective and moderate move in the direction of protecting the rank-and-file dues-paying union members in their right to the money taken from them by union officials.

If the Senator from Michigan [Mr. MCNAMARA] were to rise and undertake to disavow the McClellan committee report, I could understand it. It was issued by a vote of seven to one. The Senator from Michigan voted against it. But my good friend from North Carolina, along with all the other distinguished members of the committee, voted in favor of the interim report. To disavow it now comes a little late.

Let me say a few words about the basis on which we reached our conclusions. On page 5 of the interim report we list a long series of defalcations on the part of union leaders. We list them ad infinitum and ad nauseam. There they are—one instance after another of violations of the trust relationship between the union leaders and union members, occurring as of now, with every State law mentioned by the Senator from North Carolina on the statute books.

Financial safeguards have been woefully lacking.

So said the Senator from North Carolina. So agreed the Senator from South Dakota.

Financial reports to rank-and-file members have often been false, sketchy, and even in these forms largely unavailable for perusal by the membership.

On that point the Senator from North Carolina and the Senator from South Dakota are in complete agreement.

Union officials have engaged in the habit of dealing in cash rather than by check. They have failed to submit vouchers for many expenditures, and when vouchers have been turned in they have frequently been false or only vaguely explanatory.

All seven of us agreed on that point—all members of the committee save only the distinguished Senator from Michigan [Mr. MCNAMARA].

Union officers charged with responsibility for disbursements have often signed checks

in blank for their superiors, with no knowledge of or request for information as to the purpose for which the funds were drawn.

One union leader testified that he had a check-writing machine in the office, and he simply left it there so that his secretary could write checks for the benefit of his friends who came to the office.

A few months ago, all of us, except only the Senator from Michigan issued a report which said we should call such practices to the attention of the appropriate legislative committee, so that it could propose legislation; or, if such committee failed to do so, that the Senate would have the capacity to write a bill dealing with an ugly situation like that.

We said also:

(e) With these incredibly loose practices, the misuse of union funds, including outright thefts and "borrowings" for personal profit, has totaled upward of $10 million in union-dues money—an average of $5 out of the pocket of every member of the unions covered in this report.

That was $10 million dishonestly utilized by union officials, and the money was collected from union members, while the State laws, of which we hear so much, were on the books. Question? Since the legislative committee did not propose any legislation on this point, since they now display a strange reluctance to accept it, what are Senators going to do? Are they simply going to say, "We do not have the capacity to pass a law on this subject?" Are they going to say, "We are going to vote in favor of the union leaders who have been dishonest?" Or are they going to say, on the forthcoming rollcall, "We will vote to protect the interests of the dues-paying working men and women of America against this kind of corruption?"

Proceeding to the next item in the interim report:

(f) Even in the case of publicized gifts to union officials, the recipients have not declared them for income-tax purposes, while the donors (frequently employers) have written them off as deductible business expenses.

Fresh from our hearings on this unsavory subject, we all agreed that this matter should be called to the attention of the Senate, in the hope that in 1958 we would legislate to fill the vacuum left by the State laws which are now extant, in order to provide safety, security, and protection for the rank-and-file union members, who will not get it if Senators knuckle under to the union leaders on this vote, instead of voting for the union members.

Only the Senate tonight can determine whether we will protect the honest working men and women of the country, who in many cases have no choice but to belong to a union in order to earn a living for their families, by providing some safeguards against the thievery and skulduggery indulged in so unhappily—not by all the union leaders, by any means—by the dishonest few union leaders against whom legislation should properly be aimed.

There is another item:

(g) Destruction of financial records and canceled checks has been rife, often coincidentally with the approach of committee investigators.

I suspect that those who can destroy the records will probably be able, for a while, to make reports which are far from the fact; and it will be a long, slow process, if reliance must be placed simply on the reports to the Secretary of Labor of what is happening to the financial transactions, before the union men and women will get the protection they need.

(h) Union officials have received flat expense allowances often in excess of demonstrated needs. Even in the absence of evidence that these moneys were used for legitimate union purposes, they were not recorded as income in the filing of tax returns.

Where did the money come from? From the dues-paying members. How are we going to stop it? By the Smith amendment. How are we going to perpetuate these steals? By voting against the Smith amendment, and by leaning on the weak reed called our present State laws, which failed so cataclysmically that we have had to establish the McClellan committee and have had to make the report to the Senate based on the facts. It is as clear as that.

We are not living in a dream world. We are not arguing about theory. This has been happening even while the State laws have been on the books.

Tonight is our chance to demonstrate whether we will enact legislation effectively to protect—not management, not employers, not the general public, but the rank-and-file dues-paying members of America, who are just as good Americans as anyone of us, and who are just as much entitled to have the money they earn, as any of us, but who, unhappily belong to an organization which they cannot control, and in which they are unable to protect their interests without proper legislation being enacted by Congress.

That is not all. The Senator from North Carolina [Mr. ERVIN], the Senator from South Dakota, the Senator from Arkansas [Mr. MCCLELLAN], the Senator from New York [Mr. IVES]—all of us, except the distinguished Senator from Michigan [Mr. MCNAMARA]—on that happy day signed the report, almost unanimously, calling upon Congress to act. Here we are. Here is the amendment. Someone heeded the call for action. What are we going to do when the roll is called?

This is what we said next:

(i) Loans of union funds have gone to favored officers when no such opportunities have been available to rank-and-file members. Union loans have also been made indiscriminately to corporations, to personal friends of union officials, and to individuals of low repute unable to obtain credit from banks and lending institutions.

Mr. President, I remember distinctly asking one of the union presidents one day, when he said they had a system by which they would lend money with collateral and without interest to all the members of the executive committee, "Where did you get the money?"

He said, "It comes from union dues."

I said, "That is a very interesting bank you operate. Do you make these loans available only to members of the executive committee, or are they available also to some poor workingman whose wife is in the hospital and who is short of money with which to pay the doctor's bill? Can he get such a loan?"

First he answered "Yes."

I said, "That is wonderful. We are on television. We are on radio. You say you have a hundred thousand members. That is the best news these 100,000 members have heard in a long time. Say it again."

He would not say it again.

I said, "I will say it for you." I said, "This is good news, members of the union. Your president says that anyone of you can come to him and get a loan, in the same way he got his. You can get a loan from your union fund, without collateral and without interest."

He said, "No, no; that is not exactly right."

Then he had to admit under oath that only the officers of the union, and only the members of the executive committee, could obtain money from this strange and generous bank, which loaned money without interest and without collateral.

This is the kind of thing the Senator from New Jersey [Mr. SMITH], the Senator from Connecticut [Mr. PURTELL], the Senator from Colorado [Mr. ALLOTT], and the other authors of the amendment propose to eliminate. This is the kind of thing the McClellan committee suggested Congress meet legislatively. It was this problem, unhappily, which the Senate legislative committee overlooked. It is on that issue that we shall vote "yea" or "nay," on a rollcall which will be open to public inspection, as it should be.

That is not all, Mr. President:

(j) Tax-exempt union funds have been used to bring profit either to the union or to its officials in sharp violation of the laws governing tax-exempt organizations. As pointed out to the Senate Permanent Subcommittee on Investigations, the Internal Revenue Service at least when the committee's investigation began, did not check on union funds to determine violations of the tax-exemption statutes.

And so it goes.

In conclusion, therefore, very properly it seems to me, in our recommendations, we urge Congress to enact legislation on this subject. We said, almost unanimously:

This type of legislation—

Referring to proposed legislation like the Smith amendment now before us—

This type of legislation, in the committee's opinion, would go a long way toward preventing wholesale misappropriation and misuse of union funds such as that disclosed by committee testimony.

That is what we said. What did the Senate Committee on Labor and Public Welfare say? What does the committee say in its sales talk on its bill, in its own report issued by its subcommittee chairman, the Senator from Massachusetts [Mr. KENNEDY]? What did they say in making the presentation to the country that this is a good bill; that it meets the problems involved; that the Senate should vote for it, I suppose, without dotting an "i" or crossing a "t," despite

the fact the members of the committee themselves, in vote after vote, have joined unanimously in adding amendments and correcting their bill which badly needed correction when it came from the committee?

What a happy day it is that all Members of the Senate do not feel that as a legislative body we are unable to enact legislation or cannot improve the bill. We have given the members of the committee a chance to vote with us unanimously in yea-and-nay votes in order to improve the bill which the committee reported. I do not condemn the committee for that. The chairman was honest. He said it was necessary to report the bill in a hurry; that the committee was aiming at a date; that it had a target date of June 10. I commend the committee for meeting the deadline. They are here. I have enough respect for my fellow Senators to believe that any inadequacies can be corrected.

But what did they say in their committee report stump speech? I quote now, not from the report of the interim committee; I quote from the report of the legislative committee, page 5:

Labor unions belong to the members.

I agree. There has not been an amendment offered which spelled that out more eloquently than the Smith of New Jersey amendment. That amendment points out and proves that the unions belong to the members. It provides the means for the members to recoup from the union leaders moneys which the union leaders have misappropriated. But the committee was not content. In its enthusiasm it went further than that. It said:

A union treasury should not be managed as the private property of union officers.

I agree. They put it even better than the McClellan committee did with our 7-to-1 vote. Let me read that again. It is a text for the vote we are about to take. It would seem that the committee must have had in mind the Smith of New Jersey amendment when they made this part of the sales talk:

A union treasury should not be managed as the private property of union officers.

If I understand the English language, the Smith amendment is the way to spell out that doctrine legislatively. The Smith of New Jersey amendment does that. The amendment says that a union treasury does not belong to the union officers; and that if it is used in that way, the union members are provided with a device, with a technique, with a procedure, with a modus operandi, with a legal process by which they can haul the union leaders into court. The Smith of New Jersey amendment is the answer to the committee's plea at the time they were writing the committee report.

The committee report says even more. It says:

A union treasury should not be managed as the private property of union officers, however well intentioned, but as a trust fund.

I call to the attention of the committee which now seems so reluctant to accept an amendment which carries out the plea which they wrote into the report that the amendment contains the language which makes such union funds trust funds. This is the language which protects the trust fund. This is the language which makes valid the statement that the money should be considered as a trust fund governed by fiduciary obligations.

There it is, Mr. President. I suspect that I waste my words.

Where could we find a more eloquent, persuasive endorsement of the Smith of New Jersey amendment than in the committee report? The committee wrote those words. What has happened since then to change their minds, I do not know. It looked for a while tonight as though the committee would accept this amendment. I suspect they have changed their minds, despite the fact that the language of the amendment is in such close harmony with the report. But I hope that, when the vote comes, they will vote for the amendment, because it does precisely what their report states should be done in cases of this kind.

This is not a complicated amendment. It spells out very clearly what it purports to do. It does not contain a mass of technical legislative language about responsibility and the fiduciary position of the officials of the union; but it makes extremely clear when they are out of order. One does not have to be a Harvard graduate to understand the language of the amendment on lines 3, 4, 5, and 6, on page 2. The language reads—and it is as simple as this:

In any labor organization to which the provisions of title I apply, the individual workers who have combined as members to form or maintain such organization * * * have the right to have any money or other property which the organization acquires as a direct or indirect result of their financial contributions, or of their having formed such an organization, conserved for their benefit and not applied, invested, disbursed, or disposed of in any manner or for any purpose not authorized by the constitution, bylaws, or other rules of the organization to which they have agreed.

The amendment places the responsibility for the management of these funds on the officials. They are not to apply, invest, disburse, or dispose of them in any manner or for any purpose not authorized by the constitution of the union.

"Constitution" is a good, old-fashioned American word. We can all understand it.

"Bylaws." Every women's club has a constitution and bylaws. We know what that means.

"Or other rules of the organization to which they have agreed." The language of the amendment is as specific as that. It is as clear as that. It says that no officer has any right to utilize any funds the use of which is not authorized by the constitution, the bylaws, or the rules of the union organization.

If he does, what will happen? If he should violate that obligation, which would become a Federal law and a Federal standard, with no ambiguity whatsoever, the union member who is being robbed or ransacked—any member of the labor union—could go into court and demand an action in order to be sure that his rights were protected.

Mr. President, this is not a complicated amendment. I am convinced that the Senate is well able to legislate on language as simple as this and to arrive at a pretty good opinion. It is not so complicated as to be necessary to call in constitutional lawyers and to hold extensive hearings. The amendment carries out faithfully and magnificently what the Committee on Labor and Public Welfare itself said, on page 5 of the report, it was trying to do. It carries out also the recommendations of our McClellan committee. I certainly hope that in the forthcoming vote we will not make a travesty of that report or a travesty of that great expression of good intentions, but that we will provide for the union man this additional right.

I call attention, in conclusion, to the bottom of page 3 of the amendment, which reads:

Nothing in this section shall reduce or limit the responsibilities of any officer, agent, or other representative of a labor organization under the law of any State.

Does any Senator have confidence that the State laws are sufficient, despite the fact that they failed so completely that the disclosures of the McClellan committee concerning the State laws had to come after the fact?

Well, if Senators have such confidence, they can keep it high. Nothing is lost, because the last part of the section reads:

Nothing in this section shall reduce or limit the responsibility of any officer, agent, or other representative of a labor organization under the law of any State, and nothing in this title shall take away any right or bar any remedy to which members of a labor organization are entitled under the law of any State.

This is an additional safeguard. It sacrifices nothing. It destroys nothing. It invalidates nothing. It supersedes nothing. It eliminates nothing. It moves into a vacuum and provides something in addition to protect the working men and women of America.

The amendment should be adopted unanimously in the forthcoming rollcall vote.

Mr. GOLDWATER. Mr. President, I support the amendment, as I said earlier. I have a similar amendment at the desk, but I have yielded to the Smith of New Jersey proposal.

I call the attention of the Senate and especially the members of the select committee, the McClellan committee, with whom I have served for almost a year and a half, to some of the costs of this committee to the people of the country.

The committee has held 146 days of public hearings. It has taken the testimony of 715 witnesses. The record of the hearings is spread across more than 25,000 pages of original transcript.

The members of the committee staff have traveled more than 700,000 miles and have conducted approximately 18,000 interviews with prospective witnesses in 44 of the 48 States.

In addition, our accountants have examined thousands of accounts, records, and files both of labor organizations and business enterprises.

To date, the committee has received, analyzed, and screened considerably in ex-

cess of 100,000 letters. More than 75 percent of these came from labor union members or members of their families. From these letters we have received valuable leads and much important information. Unfortunately, the committee has not been, and never will be, able to investigate all the charges these communications contain. From them, however, and from the testimony before us, an unhappy and tragic story has unfolded.

Mr. President, those were the words of the distinguished chairman of the committee, the senior Senator from Arkansas [Mr. McCLELLAN], when he appeared on the Manion Forum as recently as June 1 of this year.

According to the records of the select committee, taxpayers' dollars in the total amount of $744,720.35 have been spent. But, Mr. President, as a Member of this body and as a United States citizen, I do not feel that that money has been misspent, if the findings are applied to the development of proper legislation. That suggests the question which comes to my mind at this moment, in this day of Senate history. We have amassed some 25,000 pages of testimony. Now the precise question is, What are we doing with the knowledge thus obtained?

Mr. President—and I call this point to the attention of my brethren on the select committee, and I see that 4 of us, as well as 1 former member, are in the Chamber at this time; and I may say that the former member, my good friend, the Senator from Michigan [Mr. McNAMARA], is the only one of us who has a right to talk in the way that my good friend, the Senator from North Carolina [Mr. ERVIN], has been talking, because the Senator from Michigan is the only member of the committee who disagreed with the findings—I want to commend to my brethren on the committee what we said when we signed our names to the interim report. I realize that reports are not the holiest of things; nevertheless, this report meant something when we signed our names to it, and it will go down in history as far as reports go. I read from the legislative recommendations which appear at the end of the report, beginning on page 450:

LEGISLATIVE RECOMMENDATIONS

The United States Senate Select Committee on Improper Activities in the Labor and Management Field recommends that the Congress of the United States give attention to the passage of legislation to curb abuses uncovered in five areas during our first year of hearings.

These recommendations are—

1. Legislation to regulate and control pension, health, and welfare funds;

2. Legislation to regulate and control union funds.

Mr. President, let me turn from that recommendation to the second paragraph on the bottom of page 451; and there we find, among the recommendations to which we signed our names—

Since union-dues moneys, as well as health and welfare funds, are in actuality a trust, being held for the members of the union by their officers, the committee feels that attention should be given to placing certain restrictions on the use of these funds, such as are now imposed on banks and other institutions which act as repositories and administrators for trust funds.

That is very plain language; and it is not difficult for anyone to understand. What we recommended to this body, after we had spent nearly $1 million and after we had amassed 25,000 pages of testimony, was that the Senate should do precisely what is suggested by the amendment of the Senator from New Jersey and, I suggest, what the language of the report on the committee bill suggests be done.

I read further from the legislative recommendations of the select committee, as contained in its interim report:

3. Legislation to insure union democracy;

4. Legislation to curb activities of middlemen in labor-management disputes;

5. Legislation to clarify the no man's land in labor-management relations.

In respect to the fifth recommendation, let me read, from page 453, what the committee recommended to the Senate in the interim report:

To solve the no man's land problem, therefore, it is recommended that the NLRB should exercise its jurisdiction to the greatest extent practicable, and, further, that any State or Territory should be authorized to assume and assert jurisdiction over labor disputes over which the Board declines jurisdiction.

Mr. President, a simple conclusion comes to my mind, and I am sure it has come to the minds of other Members of the Senate, and I am certain that it is coming to the minds of people across the Nation. Tonight, by legislative action, the Senate already has stated specifically that it will not adopt one of the recommendations of the McClellan committee. The Senate is now in the throes of coming to a vote on the question of whether it will adopt the specific language, or nearly the language, and recommendation of that committee in another field.

Mr. President, as we approach our decision on this point—and let me say that it is with great reluctance that I make this statement; I was hoping that I would not have to make it—if we continue to ignore the recommendations of the senior Senator from Arkansas [Mr. McCLELLAN] and the recommendations of the select committee, as made by it after it held hearings over a period of 1½ years, after which it made specific recommendations in this field, I am afraid that I am coming to the conclusion that there may have been some validity to the suggestion which was made by my good friend, the Senator from Oregon [Mr. MORSE], and by my good friend, the Senator from Michigan [Mr. McNAMARA], namely, that this committee may have outlived its purpose.

The purpose of Congressional standing committees and select committees is to propose the enactment of specific legislation. But I am afraid that the Senate is specifically saying "no" in regard to one part of the recommendations of the McClellan committee. I hope that is not the case. But in view of the action which the Senate has taken thus far, I am afraid that only the good Lord Himself can intervene to save this specific part of the recommendations which are set forth in the interim report of the McClellan committee.

Mr. ALLOTT. Mr. President, I note that the senior Senator from North Carolina [Mr. ERVIN], with whom I previously had a colloquy, is still on the floor. He made some remarks concerning the lack of necessity for adoption of the amendment and the failure of Federal statutes to place a fiduciary responsibility on such persons. Of course, since he and I had that colloquy, very little time has elapsed; and thus I have not had opportunity to make a complete research into the point. But I wish to read now from supplement V of the United States Code, titles 44–50, tables and index, commencing at page 3689. Let me say that I do not know whether this part of the supplement has subsequently been amended or added to; but, in any event, I shall read from this page, in order to show the areas in which the Congress already has legislated:

FIDUCIARIES

Bank holding company, this index.

Banks, assessment for examination of fiduciary activities, 12, section 482.

Guardian and ward, generally, this index.

Income tax, this index.

Internal revenue:

Assessment, request for prompt assessment, 26 (I. R. C. 1954), section 6501.

Definition, 26 (I. R. C. 1954), section 7701; notice; fiduciary relationship, 26 (I. R. C. 1954), section 6903; address for notice of liability, 26 (I. R. C. 1954), section 6901; qualification of fiduciary: bankruptcy law, suspension of limitations on assessment, 26 (I. R. C. 1954), section 6872; Secretary of Treasury of qualification as fiduciary, 26 (I. R. C. 1954), section 6036.

Investments, obligations of Federal intermediate credit banks, 12, section 1045.

National banks, assessment for examination of fiduciary activities, 12, section 482.

Parent or guardian as including fiduciary, 38, section 1032.

Payment to fiduciary of benefits under civil-service retirement due person under legal disability, 5, section 2264.

Restraining assessment or collection of tax against, 26 (I. R. C. 1954), section 7421.

Servicemen's and Veterans' Survivor Benefits Act, this index.

Stamp tax, exemption, 26 (I. R. C. 1954), section 4342.

Tax Court of United States, substitution of parties, rules, 26 (I. R. C. 1954), section 7453, rule 23.

Wholesale liquor dealers' tax, exemption, 26 (I. R. C. 1954), section 5113.

Furthermore, Mr. President, a number of other instances come to my mind, namely, that of the officers of Federal savings and loan institutions; that of the officers of production credit banks; that of the officers of rural electrification associations. All of them serve in a fiduciary capacity.

A few minutes ago the Senator from Massachusetts [Mr. KENNEDY] questioned me about the fiduciary matters referred to in Senate bill 2888. Of course, he was correct in that respect, as I said at that time. But I believe what he has forgotten is that when the committee wrote its first interim report—and let me point out that it was ready for examination and study by all Members of the Senate when they returned for the beginning of this session, in January of this year; there was then in galley-proof form, about 2 feet long, a report consisting of 28 pages of galley proof—1 section of it, a section upon

which a great portion of the argument hinged, was based on the fact that all welfare and pension funds, regardless of their source, regardless of whether they are multilaterally or unilaterally administered, regardless of whether they are contributory or noncontributory—no matter what their nature—are trust funds or fiduciary funds, and an employee who administers them becomes a fiduciary.

As a matter of fact, all one has to do is look at the final report on S. 2888 and he will see that some of my argument—as a matter of fact, a great deal of my argument—on the floor is on the basis that there is a contractual relationship, and not a fiduciary relationship, involved. But take the report of the majority, to which I did not subscribe, and on page 10 of the majority report on S. 2888, in the middle of the page, appears the statement:

> The administrator of a plan, whether he be an employer, union official, or independent trustee, bears a fiduciary relationship to the employee-beneficiaries if he takes their contributions or part of the compensation which would otherwise be paid them to buy insurance or to finance a pension plan.

I now refer to S. 2888, and turn to page 6, under "Coverage." I find every pension and welfare plan complying with the numerous requirements set forth—and only Government plans are exempted, practically—is required to report.

Approximately 90 percent of these plans happen to be contributed to solely or primarily by the employer. Yet the chairman of the subcommittee in that instance, who happens to be the chairman of the subcommittee which considered this bill, contended that the trustee relationship must apply to every employer, even though he is administering a welfare or a pension fund for which he puts up all the money himself and to which the employee does not contribute a cent.

Compare that with the situation which is before the Senate tonight—and a very peculiar situation it is—where it is contended that when a man puts up his money to join a labor union and to maintain membership in the union, the officers who handle his money have no better than a contractual relationship with him.

If a person who handles his own money is placed, with relation to other persons, as a fiduciary, how much more is it so in the case of a union official who handles the money which is contributed by his own membership and by the poor people who elected him?

We went much further in S. 2888 than we go in the proposal now before the Senate. I attempted to point this out last night. In S. 2888, on page 17, line 6, we not only provided, as this bill did not provide as it came to the floor, that reports must be given to the membership itself, but we provided that the employer himself who supplied all the money for pension and welfare funds not only had to report to the union, not only had to report to each individual, but we exposed to the whole world the operations of that fund. We did not even limit it to the union or the persons who were interested in it.

Let me read from line 6, page 17, of S. 2888:

> The Secretary shall make copies of such registration, annual report, or other document available for examination in the public documents room of the Department of Labor.

So we have the rather ridiculous standard that a man who has put up his own money to provide a welfare and pension fund must not only, as is provided in the following paragraph, send a report to each participant or beneficiary requesting it, but he also has to file it with the Secretary of Labor. And there it is subject to the scrutiny of whom? Not only the union members for whom it is established; not only the officers of the union; not only the national officers of the union; but the whole world, including his competitors. Yet we quaver and quiver about establishing such small, minor, weaker standards and obligations in the pending measure.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. GOLDWATER. I hope I am not interrupting the thought of the Senator from Colorado, but this just occurred to me. Inasmuch as the distinguished Senator from Colorado and I were minority members of the committee, and have been charged in various statements with wanting more restrictive legislation, of wanting union-busting legislation, of wanting stronger legislation, I should like to ask the Senator from Colorado if he feels that protecting the funds of individual union members is union-busting.

Mr. ALLOTT. Of course, there can be only one answer to that question. I am sure the Senator from Arizona, in his private life has, and I know in my private life, as an attorney, as an officer of a savings and loan institution, and in many other situations, I have assumed the qualities and the responsibilities of a fiduciary relationship. It is incomprehensible to understand why a person should hesitate to assume the standards and duties that go with a fiduciary relationship when he handles money of the people who contribute it to the union.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. ALLOTT. I yield.

Mr. GOLDWATER. Would the Senator say legislation such as is proposed by the Smith amendment, which would protect the money of union members, is in any way a detriment to the further organization of unions in this country?

Mr. ALLOTT. On the contrary, no. In fact, in view of the Federal statute which I have just quoted, and which deals with other fields, I find it difficult to realize how anyone can really advance a successful argument against the assuming of a fiduciary relationship. After all—and this is the part I was just about to close upon—what are we doing here? I think, too often, when people start dealing with unions, almost immediately a sort of metamorphosis takes place, and they wrap their minds in cocoons or in mothballs and fail to reason.

I can see no reason why a union officer who, as a union officer, takes the money of his fellow employee in dues or in initiation fees should fail to assume a full fiduciary responsibility, or, as it is said in the report, a position of trust with respect to those funds. It is simply incomprehensible to me what argument or reason could be advanced for not having those men assume such responsibility.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ALLOTT. I yield.

Mr. GOLDWATER. Much has been said on the floor, particularly today, to the effect that a bill which is tougher or stricter than the pending one would stand no chance of passage and enactment. I think the Senator has answered me, but in the Senator's mind is there anything more strict or tougher about the bill with the Smith amendment than the bill without?

Mr. ALLOTT. The only thing I can see which may be tougher is that it would require a union official to act more strictly and be civilly liable in more instances for the handling of the membership funds. I see no objection to that.

Mr. GOLDWATER. The Senator may have hit upon the quick answer which is being developed over the long term in my mind, when he said that union officials might object to it. Perhaps we are approaching the hidden persons, the nebulous individuals, whose heads we have heard being beaten against the wall all day, who say, "No legislation can be passed unless it is confined within certain limits."

I hate to think it, but perhaps the union leaders have said, "We will not take this bill with this amendment in it." I hate to think that is so, after having heard the woes of the union members over a year and a half of hearings, for which nearly a million dollars of the taxpayers' money was spent.

Today, for some unknown reason, time and again I have heard my colleagues say on the floor, "We cannot pass legislation more restrictive or more strict." I cannot figure out what is restrictive or strict about trying to protect the money of a union member. I cannot get through my head the reason for the timidity on the opposite side of the aisle about accepting the amendment. Frankly, I do not know how a Senator who votes against the amendment is going to justify his vote when he goes home and Mr. Joe Union Member says to him: "Why are you against me? Why do you not want to protect my money? Why do you want Dave Beck and the Brewsters to continue buying yachts, to continue to spend money on women, to buy"—as I remember—"goose liver, champagne, trips around the world, and trips to Miami?"

I would hate to be in that position, whether I lived in North Carolina, Massachusetts, or New Mexico. I would hate to think of going home and having a union man say to me: "Senator, you surely did me wrong."

Mr. ALLOTT. I will say to the Senator I do not propose to justify the buying of goose liver.

Mr. GOLDWATER. A vote against the amendment will be justifying the buying of goose liver.

Mr. ALLOTT. The Senator is exactly correct.

If the Senator has more questions I shall be happy to yield, but otherwise I desire to conclude with this thought: I do not know what cocoon engulfs our minds when we start talking about unions. There has not been proposed upon this floor or in the committee, of which I am a member—and I was present at the committee hearings, I believe, all the time, or substantially all the time—one amendment which would not enlarge the powers of the individual member of a union, which would restrict the rights of the union member, which would restrict in any way the right of the union member to bargain, or which would restrict in any way the rights of the union member under the Taft-Hartley Act. The pending amendment would guarantee the union member many rights he has never had before.

I do not know why we should impose on union leaders and officers a lesser responsibility than we require of lawyers in the practice of law, or brokers, or real estate agents, or the officers of rural electrification associations, or the officers of Federal savings and loan associations, or officers of banks, or officers of production and credit associations, or anyone else, upon whom a fiduciary responsibility is placed. In my opinion there is absolutely no justification for imposing on union leaders a lesser responsibility, particularly in view of the rigid impositions we placed, in S. 2888, upon those who handle not money of other people but money of their own.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. ERVIN. Mr. President, the able and distinguished Senator from Colorado read from the United States Code index certain references to fiduciaries. The reading of the index reminds me of an event down in my section of North Carolina. The people who have relatives buried in churchyards there meet occasionally and clean off the briars and weeds growing on the graves. As a general rule, the custom is for each individual to do his own work. On one occasion, however, when there was one of these cleanup ceremonies down in my county, there was a person much like myself, somewhat lazy. So he hired a boy named George to go along with him to the cemetery to do his work. Well, George was down on the grave pulling the weeds off, and all at once he burst into laughter. His employer said, "George, what in the world are you laughing at?" George said, "I am laughing at them funny words writ down on this tombstone." His employer said, "George, I don't see any funny words written on that tombstone." George said, "Just read here where it says, 'Not dead, but sleeping.'" His employer said, "George, I do not see anything funny about that." George said, "Well, boss, he's not fooling anybody but himself." [Laughter.]

When the able and distinguished Senator from Colorado read from the index to the lawbook for the purpose of challenging or rebutting my statement that there is no Federal statute defining the general duties of the Federal fiduciary, he fooled nobody but himself. If the Senator will read the statutes the index refers to, he will not even fool himself.

I will pick up one of the statutes for an example. Title 26, section 3797, subsection (6), is one of the statutes referred to. It reads:

> The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

Each one of these fiduciaries, with the possible exception of a receiver or a conservator, is appointed under State law and his duties are defined under State law. This provision is a part of the Internal Revenue Code which defines fiduciaries who must pay income taxes for estates, wards, trusts, and so forth under the code.

Another sample of such statutes is title 12, section 941, which provides as follows:

> 941. Fiduciary and trust funds—security for public deposits.
>
> Farm loan bonds issued under the provisions of this chapter by Federal land banks or joint stock land banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits.

This provision defines the investments which may be made by national banks, which, of course, the Federal Government can do.

Despite the voluminous references in the index, none of such references, in my honest judgment, refers to any statute which undertakes to define any obligations of a Federal fiduciary such as would come under the undefined amendment which has been offered.

All I have to say further on this subject is that I am in favor of protecting union funds. I have voted for bills to do it. However, I am opposed to cluttering up the law books with an amendment which undertakes to create a right of action resting upon a supposed Federal fiduciary obligation when there is no Federal law to define what that fiduciary obligation is.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. JOHNSTON of South Carolina. Is it not also true that on this same subject there are 48 different State laws?

Mr. ERVIN. That is true. If the proposed statute is to have any meaning whatever, we must select the fiduciary obligation to be enforced.

Mr. JOHNSTON of South Carolina. And we would not know which one to select.

Mr. IVES. Mr. President, I rise to clear up a statement which I believe was inadvertently placed in the RECORD earlier this evening. I think it was unintentional.

One of the speakers made a statement to the effect that the legislative recommendations on pages 451, 452, and 432 of the select committee's report were signed by members of the select committee. I am sure I am correct in making the statement that such a thing never occurred. I never signed any document of such a nature. The only action that was ever taken as a whole by the members of the committee, or by the committee itself, was the action taken on the five recommendations found on page 450. Those recommendations are:

> 1. Legislation to regulate and control pension, health, and welfare funds.

That bill has already been passed by the Senate.

> 2. Legislation to regulate and control union funds.

That legislation is taken care of in the bill before us.

> 3. Legislation to insure union democracy.

That calls for the secret ballot; and that provision is in the bill before us.

> 4. Legislation to curb activities of middlemen in labor-management disputes.

That is in the bill before us.

> 5. Legislation to clarify the "no man's land" in labor-management relations.

Let me repeat that—"legislation to clarify the 'no man's land' in labor-management relations." That is what the amendment offered by the distinguished Senator from South Dakota [Mr. CASE] would do. The amendment which I had offered as a substitute for the Watkins amendment earlier this afternoon, and which was voted down, was finally approved by a voice vote in the Senate. But that is what that amendment would do.

So I think I can safely say that all the basic recommendations made by the select committee have been carried out in the proposed legislation now before us as it stands.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. BUSH. I invite the Senator's attention to the language on page 6 of the bill, which deals with direct and indirect loans to officers. This section, beginning in line 4, requires labor organizations to file with the Secretary a financial report which will disclose direct or indirect loans to any officer, and so forth.

In the pending amendment of the Senator from New Jersey, the provision on page 2, under (b), deals with a relationship of trust between the labor organization and its members; and it provides that every officer shall have that relationship and be responsible in a fiduciary capacity for money or other property in his possession in which the members have rights set forth in the bill.

My question is this: Does the Senator believe that it is proper, because of the existence of the fiduciary capacity, for officers of a union to lend money to themselves?

Mr. IVES. That subject is covered in subdivision 4, on line 16, on page 6.

Mr. BUSH. That is correct. The language provides that disclosure must be made of direct and indirect loans to an officer.

Mr. IVES. To be perfectly honest, I do not think so, and I objected to that particular provision of the bill. However, I yielded on that point.

Mr. BUSH. The thought which has been going through my mind is that it would be a good idea to prohibit union officers from lending money to themselves.

Mr. IVES. To themselves; yes.

Mr. BUSH. That is what I wished to bring out. Would not this amendment prohibit such a thing?

Mr. IVES. It would be easy enough to modify the language of the bill as it stands.

Mr. BUSH. I am not sure that it should be modified. I wish to establish the fact, first, that the bill probably would prohibit such loans.

Mr. IVES. I think it would.

Mr. BUSH. I think that is a good idea, because time after time in the history of financial institutions, when officers have been guilty of lending money to themselves, such a practice has led to disaster and corruption. We have only to read the hearings before the McClellan committee to learn that in the case of labor unions the same thing has occurred. I wish to bring out the fact that I believe this provision would prohibit loans to officers of labor unions by themselves. The establishment of the fiduciary or trust capacity would do that. I think it is in the interest of the union and its members to do so.

Mr. IVES. I agree with the Senator on that point, but I do not approve of the amendment.

Mr. BUSH. I am discussing only one aspect, and that is whether or not this provision would prohibit the lending of union funds by an officer to himself.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. CURTIS. I invite the attention of the distinguished Senator from Connecticut to the fact that the language on page 6 of the bill does not prohibit loans.

Mr. BUSH. I am aware of that.

Mr. CURTIS. It merely requires reporting.

Mr. BUSH. Yes.

Mr. CURTIS. The loan may be reported by an officer other than the one who received the loan. So the two provisions are not in conflict. But without the Smith amendment, I think we would be failing to do that which we should do to protect the funds of union members.

Mr. BUSH. Mr. President, may I ask the Senator from Nebraska a question, with the permission of the Senator from New York?

Mr. IVES. I yield for that purpose.

Mr. BUSH. I ask the Senator from Nebraska whether he agrees that the Smith amendment would have the effect of prohibiting loans by union officers, of union funds, to themselves?

Mr. CURTIS. I believe it would.

Mr. BUSH. Does the Senator think that is a good idea?

Mr. CURTIS. Much of the corruption which has been disclosed on the part of racketeer union leaders—and we are talking about only a minority of them—has come about by reason of the fact that they have taken possession of the assets of the union and have managed them as though they were their own. They have bought yachts, taken trips, made investments, put their families in business, and all that sort of thing. They have not regarded the union funds as other people's money. That is what the Smith amendment would prevent.

Mr. BUSH. Mr. President, I should like to make one further observation. I believe that one of the worst practices in the history of lending which has developed from time to time is the business of men in a trust capacity or in a capacity of being responsible for other people's money, lending that money to themselves on their own authority. Most banks now prohibit the lending of money to their own officers—and correctly so. Most corporations prohibit lending funds of a corporation to its own officers; and I think correctly so.

In view of all the revelations we have had in the past 2 years as a result of the findings of the McClellan committee, it is high time that the unions themselves prohibited loans of union funds by officers to themselves. I hope very much that the effect of the proposed legislation will actually be to prohibit it.

Mr. IVES. If I may comment on that statement, I certainly will not quarrel with the idea of the Senator from Connecticut in that connection, but it is not necessary to adopt the Smith amendment to do that.

Mr. BUSH. The Smith amendment is not my amendment, but I wish to make sure whether that would be the effect of it.

Mr. IVES. It probably would be.

SEVERAL SENATORS. Vote! Vote!

Mr. LAUSCHE. Mr. President, I send an amendment to the desk. I ask that it be printed and placed on the table, to be available to my colleagues.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. LAUSCHE. The amendment proposes to strike from the bill section 604, appearing at pages 38 and 39—

Mr. BUSH. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LAUSCHE. The amendment proposes to strike from the bill section 604, appearing at pages 38 and 39 of the bill, and substitute therefor the provisions of S. 3098, introduced by the Senator from New Jersey [Mr. SMITH] at this session of Congress.

The substitute language is taken verbatim from S. 3098, through which the Senator from New Jersey contemplated allowing an employer and a labor union engaged in the building and construction industry voluntarily to enter into a collective-bargaining agreement even though the existing or future employees had not authorized the particular union to represent them.

The ultimate purpose of the existing language in section 604 and that of the substitute which I propose is identical. Both contemplate granting to a labor union the right to act as a bargaining agent without any previous authority from the workers. The difference between the two provisions is that S. 3098, introduced by the Senator from New Jersey [Mr. SMITH], protects to a reasonable degree, while section 604 of the pending bill does not protect the affected workers at all.

Under my amendment the right of a union to represent workers is attached to certain conditions, taken from the Taft-Hartley Act. The union, under the committee bill, is given the extraordinary right unconditionally.

Under my proposed amendment, the union's right to represent the workers without previous authority shall not apply unless, first, there is a history of collective-bargaining relationship between the petitioning employer and the union or, second, unless the Board finds, based upon a complaint made by an employee, a group of employees, or any individual or labor organization, that a substantial number of the current employees claim that they are not represented by the union.

Moreover, under the pending bill, a worker, as a condition to the right to work, would be compelled to join the union in 7 days, while under my proposal, as taken from the Smith bill, it would be 30 days, as generally provided by the Taft-Hartley Act.

Mr. MORSE. Mr. President, I turn to a brief discussion of the pending amendment. I wish to make a brief argument against it. I interpret the amendment to involve the basic purpose of declaring that all union funds are trust funds. I judge that that is a fair interpretation, at least of one of the major purposes of the amendment, as I read it:

> (b) Every officer, agent, or other representative of a labor organization to which subsection (a) applies shall, with respect to any money or other property in his custody or possession by virtue of his position as such officer, agent, or representative, have a relationship of trust to the labor organization and its members and shall be responsible in a fiduciary capacity for such money or other property in which the members have the rights stated in this section.

There was a proposal before our committee on this subject. It was not pressed. The proponents did not provide data in support of it.

Every lawyer in the Senate knows that there is probably no legal subject more complicated than the law of trusts, unless it might be future interests in the law of real property. We all know great practitioners in our States whose specialty is the law of trusts, who, when they get to their declining years, say to young lawyers: "I am just begining to understand something about the law of trusts."

That is how complicated this field is, which here on the floor of the Senate tonight it is proposed, without the consideration a complicated subject such as this ought to have, to apply to union funds by adopting the pending amendment.

It is proposed to do that without even a summary of the trust laws of the various States before us. We are asked to adopt a vast, complicated system of law. We are asked here on the floor of the Senate to bring union funds into the trust system of law, with all the volume of statute and case law involved, and apply it, sight unseen, to union funds.

The Senator from North Carolina [Mr. ERVIN], a distinguished former justice of his State supreme court, has very rightly suggested the main point I wish to stress in this brief argument. He demonstrated that there is no Federal law on the subject, and closed by observing that State laws would apply under the amendment. That is what we are asked to do: To bring union funds under at least 48 different sets of trust laws. In doing so, we may be denying rights which courts are constructing on nontrust theories of contract and tort. The courts are establishing theories of responsibility based upon the representative character of the unions. But now it is proposed, by the pending amendment, that technical and complex rules of trust shall be applied to union finances and union relationship. Of the many examples which could be cited—and I could stand here all night, to show how dangerous such an amendment as this would be if we were to adopt it, without greater attention being paid to an analysis of the individual trust laws of the several States—I suggest that we consider the example I now cite.

Under this amendment would union officials have the traditional duty to invest funds for profit or stand to lose personally? That is the risk the trustee runs in a good many States under the trust laws. He has the duty to invest the trust funds and to use the best judgment he can to invest them at a profit. If he does not do so, he has to stand the loss personally.

Is that what is contemplated by this amendment? There will be those who will so charge. I am not charging it; I am simply raising the hypothetical. But if it is involved, and if that is the requirement under some State trust laws, as it is, then we have here a very interesting device for putting the union funds into a nonliquid condition, so that the union cannot conduct an effective strike. A union has to have its funds in a position so that they can be obtained quickly to pay strike benefits, to take care of the picket lines, and to conduct an effective strike against an employer.

The question I have just raised in this hypothetical cannot be answered until one sits down and, in a prolonged committee study, analyzes the 48 State trust law systems throughout the Nation, learns what they require of the trustee, and understands what duties are imposed upon the fiduciary relationship under the trust laws.

As applied to union funds, I submit that to impose any such trust obligation as my hypothetical raises would be foolish. But it is a common requirement of trust laws. On page 3 of the bill we see the burden which is to be imposed upon unions; and a severe burden it will be.

We are enacting disclosure legislation in regard to finances. The State courts are fashioning the protections for the interests of the union members in their funds. Let us know what we are doing before we sweep away nontrust theories of protection and apply the highly technical trust activities which are an unknown quantity as we sit here tonight.

I submit, respectfully, that I do not think there is a lawyer in the Senate, including the present speaker, who, if examination papers were being passed out tonight for an examination on the law of trusts, based on the trust laws of our own States, could pass the examination, because that is a highly technical field of law; and the human mind being what it is, most of us who have not been active in the practice of trust law would have forgotten a good many of the trust theories we learned in the law of trust back in our law-school days. This, I repeat, is a highly technical field of law.

I close my argument by asking, What did the committee try to accomplish in regard to better control of union funds? What is the theory of this phase of the bill which the committee has reported? If Senators do not agree with this theory, then vote the committee down. We had the benefit of the McClellan hearings, and we took a little testimony ourselves before the Committee on Labor and Public Welfare. We found that there have been abuses on the part of some union officials who have betrayed the trust which they owed to the rank and file members of their unions. That was what we found.

We decided we must write into the bill something which would require disclosure beforehand of such activities as those of the Becks and others who have betrayed their union members with respect to union funds. So we said: We will cooperate with the reliable union leaders as they are represented by the AFL–CIO, as they have promulgated their code of ethical procedures which is to be binding on the member unions of that great labor movement. We will strengthen their hand by passing a law which will require the disclosure of financial practices within unions.

We will require the publication and disclosure of the amount of money they have collected, what their disbursements have been, what they have spent the money for, to whom they have loaned it, and why they have loaned it. We have written that into the bill. We feel that if we are to keep faith with the principle of voluntarism in the operation of the trade union movement, the first step we ought to take is the step for disclosure and the requirement of disclosure and the imposition of penalties upon the individual union officials if they refuse or fail to disclose. We suggest that we ought to try that.

I think the bill provides a very effective broom with which to sweep out bad practices and abuses which may have crept into the house of labor. But certainly we will defeat our purposes if we now yoke around the neck of the labor movement all the technical trust law requirements of some 48 systems of trust law throughout the Nation. I hardly think the Senate is ready to do that. Senators have not sufficiently studied the problem. They do not know enough about its effects. They cannot pass an elementary examination on its consequences.

This proposal sounds nice. It is very plausible to say that we must insist upon the fiduciary relationship toward union funds on the part of the officers of unions. This sounds fine; but we had better take a look at its legal consequences. If we do that, then, in my judgment, I think we will reject the amendment by an overwhelming majority.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BUSH. I should like to ask a question about direct or indirect loans to officers, the reporting of which is required by the bill. I have said it is bad practice and ought to be prohibited in the pending legislation. So long as the Senator from Oregon is talking about the question of fiduciaries, and has made a very interesting case on it, I should like to have him comment on the question whether the matter of the officers of a union making loans directly to themselves from union funds should or should not be prohibited in the interest of decent management and in the interest of all union members.

Mr. MORSE. The Senator from Connecticut poses a very troublesome question. I want to summarize for him what happened in our committee in regard to it, as I recall, and what my position was on it in the committee, because we discussed the matter in the committee at length.

Mr. BUSH. Did the Senator actually consider the question of prohibition?

Mr. MORSE. The decision of most of us was finally against a prohibition.

The discussion ran along these lines: The first thing which is important is to insist upon the requirement in the law that the members of unions know about the loan, and that they know the purpose for which the loan was made. They should know the terms and conditions of the repayment of the loan. The bill requires such disclosures.

The committee felt, after we had batted the question back and forth, so to speak, that in some circumstances members of the union might very well want to authorize a loan, either to an officer of a union or to a member of a union. I think I was the one in the discussion, as I now recall, who used an extreme, exaggerated case to illustrate the point I had in mind.

I said: "Suppose a union official or a union member who was driving with his family suffered a horrible automobile accident, and his wife and four youngsters were put into a hospital for months at a terrific expense. He did not happen to be insured, but the union knew the plight of the officer and decided, under those circumstances, to make a loan to the officer to pay the hospital bills and to supply the necessities of life in the meantime, with the membership having full knowledge of the conditions of repayment."

I think it would be very unreasonable to take the position that under no circumstances could a union make a loan to that officer.

Mr. BUSH. The Senator said a while ago in his remarks, I think, that the purpose of the union funds was to have them ready instantly; that they should be in cash or readily available and convertible into cash, so that they might be quickly used when needed for union purposes.

Does not the Senator believe that if union officers make a practice of tying up union funds in loans to themselves or other officers, it would interfere with that very process?

Mr. MORSE. That is something which is for the union members to decide; it is not for the United States Senate to decide for them. It is for the union members to decide. If we provide a democratic procedure in the bill—and I think we do—under which the union members will have a chance to control their union's affairs, then I say, most respectfully, that if they want to make a loan of $5,000, $7,000, or whatever amount of money may be necessary to help over the hump the union official who has had the horrible accident to which I referred, I think they ought to be free to do it. I do not believe Congress ought to say: We prohibit you from voting to use your union money in that cause.

Let us consider another example. My colleagues will recall that I referred to this one in the committee. I said, "Suppose in a community a drive is being conducted for the construction of a community hospital; and suppose the members of the union think it would be in the long-term interest of the union to have the hospital built, and that it would be good public relations for them to lend some of their union's funds for the building of the hospital. So suppose they decide, under their union procedures, that the union will loan $15,000 or $20,000 to the organization which is seeking to raise sufficient funds to have the hospital constructed. In such a case, should the Senate decide to vote for the enactment of a law which would prohibit the union members from lending that amount of money for the construction of the hospital?"

So, Mr. President, I stress the point that I believe the Senate will be going far enough—certainly, far enough for now, in order to be able to try it out—if it decides that, by means of this law, the rank-and-file members of the union will be guaranteed that they will know what is going on in the case of their union funds.

Mr. BUSH. But, Mr. President, I am not referring to the use of union funds for the construction of a hospital. I am referring to a case in which a union officer lends the union funds to himself.

Mr. MORSE. But I am trying to tell the Senator from Connecticut that if we bring those who handle the union funds under the trust or fiduciary law of a State, we shall not have the slightest idea, in fact, about what restrictions may be placed on them, in connection with the use of those funds. We shall not know whether, in such a situation, the union officials will or will not be able to lend some of the union's funds for the construction of a community hospital; we shall not know whether a State court will be required to step in and to say, "Under the laws of this State, you must, as a trustee or fiduciary for these funds, take steps to meet the requirement for the payment of the amount of interest that must be paid in the case of the use of such funds to make commercial loans; and if you do not meet that requirement, if you do not take steps to provide that that amount of interest or profit shall be made from the use of these funds, we shall hold that you must pay, out of your own pocket, the difference into the treasury of the union."

Mr. BUSH. But is it not a fact that State laws actually prohibit corporations or banks from lending money to their own officers?

Mr. MORSE. Yes; that is my hazy recollection of the law in some jurisdictions.

Mr. BUSH. In that case, it seems to me that the situation I have referred to is no different. The question is one of principle; the question is one of whether such conduct or such use of funds would be right and moral—whether it would be right and moral for one who serves in a fiduciary capacity or a trusteeship capacity or who is in charge of, and responsible for the care of such funds to lend them to himself. I do not see why, in that connection, the rule in the case of a labor union should be any different from the rule in connection with a financial institution or a corporation engaged in business.

Mr. MORSE. I see now what our difference is. I respect the point of view of the Senator from Connecticut. Our difference is that in my opinion a labor union is quite different from a corporation, and the purpose of a labor union is quite different from the purpose of an investing corporation. A labor union is a corporation of men and women who have bound themselves together to bargain collectively for better wages, hours, and conditions of labor, and to act in concert on the economic front to get those better conditions, if they are not able to get them otherwise. That purpose is quite different from the purpose of a corporation.

Furthermore, a labor union has fraternal objectives which a corporation does not have; and when we speak of fraternal objectives, we speak of the kind of situation I am talking about when I refer to a case in which the wife and children of a union member have been seriously injured in an automobile accident, or when I refer to a union whose members think they would do well to cooperate with their community by lending some of their union's money—probably without interest—for the construction of a community hospital.

If the union officials who handle the money are placed in a trustee relationship, consider what would happen if a case involving the use of those funds was brought before a court, and consider what a court would say about a union official who served in a trustee or fiduciary relationship and who would lend that money without interest.

Mr. BUSH. I quite agree with what the Senator from Oregon says about the difference between a union and organizations of the type of those I have mentioned.

Nevertheless, from my point of view, it makes no difference whether the organization be a fraternal one or one of any other type: If an officer of the organization is charged with the responsibility of preserving and managing its funds, it is wrong for him to lend the funds to himself; and that should be prohibited.

Mr. MORSE. I understand the point of view of the Senator from Connecticut; but I think it makes a great deal of difference in the case of a fraternal organization.

But the important point in connection with the pending bill is that it takes steps to protect the rank-and-file membership, so they may have full knowledge of what is done with their funds, so they will be able to exercise their sanctions and checks if they do not like what is done with their funds by the officers of their union.

If that had been the situation in the case of Dave Beck and the Teamsters Union, I do not think Dave Beck and the others would have been able to get by with their misuse of the union's funds.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Monroney
Allott	Green	Morse
Anderson	Hayden	Morton
Barrett	Hennings	Mundt
Beall	Hickenlooper	Murray
Bible	Hill	Neuberger
Bricker	Holland	Pastore
Bridges	Hruska	Payne
Bush	Humphrey	Potter
Butler	Ives	Proxmire
Byrd	Jackson	Purtell
Capehart	Javits	Revercomb
Carlson	Jenner	Robertson
Carroll	Johnson, Tex.	Russell
Case, N. J.	Johnston, S. C.	Schoeppel
Case, S. Dak.	Jordan	Smathers
Chavez	Kefauver	Smith, Maine
Church	Kennedy	Smith, N. J.
Clark	Kerr	Sparkman
Cooper	Knowland	Stennis
Cotton	Kuchel	Symington
Curtis	Lausche	Talmadge
Dirksen	Long	Thurmond
Douglas	Magnuson	Thye
Dworshak	Malone	Watkins
Eastland	Mansfield	Wiley
Ellender	Martin, Iowa	Williams
Ervin	Martin, Pa.	Yarborough
Frear	McClellan	Young
Fulbright	McNamara	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH], offered for himself, the Senator from Connecticut [Mr. PURTELL], and the Senator from Colorado [Mr. ALLOTT]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE] and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

Mr. DIRKSEN. I announce that the Senator from Utah [Mr. BENNETT], the Senator from Vermont [Mr. FLANDERS], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from North Dakota [Mr. LANGER] and the Senator from West Virginia [Mr. HOBLITZELL] are absent on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], and the Senator from Vermont [Mr. FLANDERS], would each vote "yea."

The Senator from West Virginia [Mr. HOBLITZELL] is paired with the Senator from North Dakota [Mr. LANGER]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from North Dakota would vote "nay."

The result was announced—yeas 42, nays 47, as follows:

YEAS—42

Allott	Curtis	Mundt
Barrett	Dirksen	Payne
Beall	Dworshak	Potter
Bricker	Eastland	Purtell
Bridges	Goldwater	Revercomb
Bush	Hickenlooper	Robertson
Butler	Hruska	Schoeppel
Byrd	Jenner	Smith, N. J.
Capehart	Knowland	Thurmond
Carlson	Kuchel	Thye
Case, N. J.	Martin, Iowa	Watkins
Case, S. Dak.	Martin, Pa.	Wiley
Cooper	McClellan	Williams
Cotton	Morton	Young

NAYS—47

Aiken	Holland	McNamara
Anderson	Humphrey	Monroney
Bible	Ives	Morse
Carroll	Jackson	Murray
Chavez	Javits	Neuberger
Church	Johnson, Tex.	Pastore
Clark	Johnston, S. C.	Proxmire
Douglas	Jordan	Russell
Ellender	Kefauver	Smathers
Ervin	Kennedy	Smith, Maine
Frear	Kerr	Sparkman
Fulbright	Lausche	Stennis
Green	Long	Symington
Hayden	Magnuson	Talmadge
Hennings	Malone	Yarborough
Hill	Mansfield	

NOT VOTING—7

Bennett	Hoblitzell	Saltonstall
Flanders	Langer	
Gore	O'Mahoney	

So the amendment offered by Mr. SMITH of New Jersey for himself and other Senators was rejected.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the Smith amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas [Mr. JOHNSON] to lay on the table the motion of the Senator from Massachusetts [Mr. KENNEDY] to reconsider.

The motion to lay on the table was agreed to.

Mr. SMITH of New Jersey. Mr. President, I call up my amendment 6-12-58-OO and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 40, line 16, it is proposed to strike out "9 (f)" and the following comma.

On page 40, line 19 through 23, strike out all of subsection (b) and insert in lieu thereof the following:

(b) Clause (1) of section 8 (a) (3) of the National Labor Relations Act, as amended, is amended by striking out "sections 9 (f), (g), (h), and" and inserting in lieu thereof "section 9 (f) and."

(c) Section 9 (f) of the National Labor Relations Act, as amended, is amended to read as follows:

"(f) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, no labor organization shall be eligible for certification under this section as the representative of any employees, and no complaint shall issue under section 10 with respect to a charge filed by a labor organization, unless such labor organization and any national or international labor organization of which such labor organization is an affiliate or constituent unit can show that prior thereto it has (1) filed with the Secretary of Labor the organizational and financial reports and documents required by title I of the Labor-Management Reporting and Disclosure Act of 1958, and (2) has made available to its members copies of such reports and documents as provided in such act."

(d) Until expiration of the period provided by title I of this act for the initial filing of reports and documents by labor organizations as required by such title, compliance with the provisions of section 9 (f) and (g) of the National Labor Relations Act, as amended, as those provisions read prior to the amendments made by this section, shall be accepted as compliance with the provisions of section 9 (f) of such act as amended by subsection (c) of this section.

FEDERAL AVIATION AGENCY—MESSAGE FROM THE PRESIDENT

Mr. JOHNSON of Texas. Mr. President, the Senate received today a message from the President of the United States with regard to midair collisions of aircraft. I ask that the message be appropriately referred, without reading, and that the full text of the message be printed in the RECORD.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Without objection, it is so ordered.

The message was referred to the Committee on Interstate and Foreign Commerce, as follows:

To the Congress of the United States:

Recent midair collisions of aircraft, occasioning tragic losses of human life, have emphasized the need for a system of air traffic management which will prevent, within the limits of human ingenuity, a recurrence of such accidents.

In this message, accordingly, I am recommending to the Congress the establishment of an aviation organization in which would be consolidated among other things all the essential management functions necessary to support the common needs of our civil and military aviation.

Soon after taking office as President I received reports that the increasing speed of aircraft, the rapid growth in the volume of daily flights, and the introduction into common use of jet and vertical lift aircraft were causing serious congestion in the airspace. It was also reported that the aviation facilities then in use were rapidly becoming inadequate for the efficient management of air traffic.

To develop a positive program it was first necessary to obtain more precise information on the nature and seriousness of the air traffic control problem. This task was assigned to an aviation facilities study group appointed at my request by the Director of the Bureau of the Budget.

In its report this study group found that the airspace was already overcrowded and that the development of airports, navigation aids, and especially the air traffic control system, was lagging far behind aeronautical developments and the needs of our mobile population. Development of a comprehensive plan to meet the national requirements for aviation facilities was recommended and it was proposed that the plan be developed by an individual of national reputation. I approved the report and its recommendations and on February 10, 1956, appointed Mr. Edward P. Curtis to the post of Special Assistant to the President for Aviation Facilities Planning.

Mr. Curtis on May 10, 1957, submitted to me a positive plan of action designed to correct the deficiencies which had led to the inadequacies of our aviation facilities system. Mr. Curtis identified the major deficiencies as first, technological, and second, organizational.

While the Curtis plan was under preparation, the Nation was shocked by the most costly civil air disaster in its history. On June 30, 1956, two civil airliners collided over the Grand Canyon and 128 lives were lost. This tragedy gave dramatic support to the view that even in the less congested portions of our airspace the separation of aircraft should not be left to chance or to the visual ability of pilots.

As an essential step in solving the complex technical problems involved, Mr. Curtis called for the creation of an Airways Modernization Board as a temporary independent agency to develop, test and select air traffic control systems and devices. The Congress promptly established the Airways Modernization Board by an enactment which I approved on August 14, 1957.

The Airways Modernization Board is now a functioning organization engaged in developing the systems, procedures, and devices which will help assure that tomorrow's air traffic control measures can safely and efficiently handle tomorrow's aircraft and traffic load. Except for certain facilities so peculiar to the operations of the Armed Forces as to have little or no effect on the common system, all air traffic control facilities are now developed by the Airways Modernization Board. The duplication and conflict between military and civil air facilities research agencies, which have proved so costly in the past, have been eliminated by the partnership which characterizes the new agency. It embodies an approach to facilities research and development which must ultimately be expanded to traffic control operations, namely: a single agency so organized and staffed as to be capable of taking into account the requirements of all categories of aviation.

Some time will pass before the new systems being developed by the Airways Modernization Board can play a decisive part in enhancing the safety and efficiency of the airways. Meanwhile, existing facilities and programs for air traffic management must continue to be expanded and improved if they are to cope with the growing volume of air traffic. This responsibility is currently being discharged by the Civil Aeronautics Administration of the Department of Commerce, which has developed an accelerated Federal Airways Plan calling for the expenditure of large sums to meet

the Nation's short-range air traffic requirements. The Civil Aeronautics Administration's appropriations for installing, maintaining, and operating Federal air traffic control facilities have been sharply increased to enable it to do this job on schedule.

Following the recent midair collision over Maryland, a number of additional measures were taken by the Government to reduce the immediate risk of such accidents. For example, on May 23, 1958, the military services announced they would voluntarily curtail certain flying activities previously permitted by air regulations. Special steps are also being taken to further safeguard air carriers using the more heavily traveled cross-country airways.

With respect to organization, Mr. Curtis recommended that an independent Federal Aviation Agency be established in which would be consolidated all the essential management functions necessary to support the common needs of United States civil and military aviation. He also recommended the appointment of a Special Assistant to the President to implement the programs outlined in his report. On July 17, 1957, I appointed Mr. E. R. Quesada to the post of Special Assistant to the President for aviation matters and charged him with taking the leadership in securing the implementation of the Curtis plan of action.

A fully adequate and lasting solution to the Nation's air traffic management problems will require a unified approach to the control of aircraft in flight and the utilization of airspace. This national responsibility can be met by the active partnership of civil and military personnel in a Federal Aviation Agency as proposed in the Curtis report, and which is able to serve the legitimate requirements of general, commercial, and military aviation.

The concept of a unified Federal Aviation Agency charged with aviation facilities and air traffic management functions now scattered throughout the Government has won widespread support in the Congress and among private groups concerned with aviation. The Congress indicated its position in a provision of the Airways Modernization Act of 1957:

> It is the sense of Congress that on or before January 15, 1959, a program of reorganization establishing an independent aviation authority, following the objectives and conclusions of the Curtis report of May 14, 1957, entitled "Aviation Facilities Planning," be submitted to the Congress.

In accordance with this Congressional directive, it had been my intention to submit recommendations for a Federal Aviation Agency to the Congress early in the next session. The recent Maryland collision has made it apparent, however, that the need for action is so urgent that the consolidation should be undertaken now.

I therefore recommend that the Congress enact at the earliest practicable date legislation establishing a Federal Aviation Agency in the executive branch of the Government and that the new Agency be given the powers required for the effective performance of the responsibilities to be assigned to it.

The Federal Aviation Agency should be headed by an Administrator assisted by a Deputy Administrator, with both officials to be appointed by the President by and with the advice and consent of the Senate.

All functions now carried out by the Civil Aeronautics Administration should be transferred to the new Agency.

All functions and powers of the Airways Modernization Board should also be placed in the Federal Aviation Agency, the responsibilities now lodged in the Board to be discharged by the Administrator through a major division of the Agency devoted to research and development.

Experience indicates that the preparations, issuance, and revision of regulations governing matters of safety can best be carried on by the agency charged with the day-to-day control of traffic, the inspection of aircraft and service facilities, the certification of pilots and related duties. I therefore recommend that the function of issuing air safety regulations now vested in the Civil Aeronautics Board be lodged in the Federal Aviation Agency. Decisions of the Administrator with respect to such regulations should be final, subject, of course, to such appeals to the courts as may be appropriate.

The legislation should require the Administrator to report to the Civil Aeronautics Board the facts, conditions, and circumstances relating to accidents involving civil aircraft. The Board should in turn be empowered to review the Administrator's report and all evidence relating to the accident and should be authorized to make a determination as to the probable causes of the accident. The Board should conduct a public hearing with respect to an accident whenever it considers such hearing to be in the public interest. This distribution of responsibility will place the function of gathering the facts pertaining to accidents in the agency best equipped to do the job and most likely to make early and advantageous use of the findings. At the same time the public will be assured that a Board divorced from immediate responsibility for traffic control or airworthiness operations will receive the Administrator's reports, consider all the evidence, arrive at determinations of causes, and make public such recommendations as the facts may warrant. Appropriate provisions should be made for cooperation between the Agency and military authorities in the investigation of accidents involving military aircraft.

Appropriate Department of Defense functions which are susceptible of effective administration by the new Agency without impairment of the national defense should also be transferred as rapidly as adequate arrangements for their performance and the solution of personnel problems can be worked out.

It is not practicable to prescribe in legislation all the units, facilities and functions, especially in the Department of Defense, which should eventually be lodged in whole or in part in the new Agency. The legislation should therefore give the President the authority to transfer to the Administrator any functions of executive departments or agencies which relates primarily to air traffic management.

Because the Agency will be administering important functions and activities which have heretofore been administered in civil agencies and others which have been carried on in the military services, it is essential that the legislation provide for the staffing of the Agency in such a manner as to permit the participation of military personnel as well as civilians in positions of authority.

The legislation should also impose on the Administrator the obligation to provide for the assignment and participation of military personnel within the Agency in such a manner as to assure that national defense interests as well as the needs of all aircraft for safe and efficient traffic management will be considered in the conduct of the Agency's operations. The development of a genuine civil-military partnership in which all agencies and interests concerned with aviation may place full confidence will be essential to the success of the Federal Aviation Agency.

To assure that the Agency will be able to discharge its responsibilities effectively in time of war or other emergency, plans must be developed and legislation enacted to guarantee that, in the event of emergency, Agency personnel will continue to perform their duties, will be subject to assignment to such posts as may require staffing, and will enjoy appropriate protections and benefits. The executive branch will prepare such plans as quickly as possible and I shall recommend to the Congress the enactment of appropriate legislation at a later date.

The complex transfers and consolidations involved in getting the Agency underway make it desirable that the legislation, other than the provisions creating the Agency, take effect 90 days after enactment. I also recommend that the Administrator be authorized to defer the taking effect of any portion of the act for a reasonable additional period should he find such a delay necessary or desirable in the public interest.

I recommend that the Federal Aviation Agency be given full and paramount authority over the use by aircraft of airspace over the United States and its Territories except in circumstances of military emergency or urgent military necessity.

To assure maximum conformance with the plans, policies, and allocations of the Administrator with respect to airspace, I recommend that the legislation prohibit the construction or substantial alteration of any airport or missile site until prior notice has been given to the Administrator and he is afforded a reasonable time to advise as to the effect of such construction on the use of airspace by aircraft.

I urge that in the interest of proceeding as rapidly as possible with the task of increasing safety in the air, legislation carrying out these recommendations be enacted during the current session of Congress.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 13, 1958.*

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

LABOR-MANAGEMENT REPORTING AND DISCLOSURE ACT OF 1958—AMENDMENTS

Mr. KENNEDY submitted an amendment, intended to be proposed by him, to the bill (S. 3974) to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes, which was ordered to lie on the table, and to be printed.

Mr. LAUSCHE submitted an amendment, intended to be proposed by him, to Senate bill 3974, supra, which was ordered to lie on the table and to be printed.

EXTENSION OF EXISTING CORPORATE NORMAL-TAX RATE AND CERTAIN EXCISE-TAX RATES—AMENDMENTS

Mr. DOUGLAS submitted amendments, intended to be proposed by him, to the bill (H. R. 12695) to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, which were ordered to lie on the table and to be printed.

ADJOURNMENT UNTIL TOMORROW AT 10 A. M.

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate now adjourn until 10 o'clock a. m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 24 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Saturday, June 14, 1958, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 13, 1958:

NATIONAL LABOR RELATIONS BOARD

Philip Ray Rodgers, of Maryland, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1963. (Reappointment.)

UNITED STATES ATTORNEYS

The following-named persons to the positions indicated:

B. Hayden Crawford, of Oklahoma, to be United States attorney for the northern district of Oklahoma for the term of 4 years. (Reappointment.)

Robert Vogel, of North Dakota, to be United States attorney for the district of North Dakota for a term of 4 years. (Reappointment.)

Joseph E. Hines, of South Carolina, to be United States attorney for the western district of South Carolina for a term of 4 years. (Reappointment.)

Herbert G. Homme, Jr., of North Dakota, to be United States attorney for Guam for the term of 4 years. (Reappointment.)

UNITED STATES MARSHAL

Joseph F. Job, of New Jersey, to be United States marshal for the district of New Jersey for a term of 4 years. He is now serving in this office under an appointment which expired June 10, 1958.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13, 1958:

COLLECTORS OF CUSTOMS

Maynard C. Hutchinson, of Massachusetts, to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass.

Bernhard Gettelman, of Wisconsin, to be collector of customs for customs collection district No. 37, with headquarters at Milwaukee, Wis.

William A. Dickinson, of Virginia, to be collector of customs for customs collection district No. 14, with headquarters at Norfolk, Va.

EXTENSIONS OF REMARKS

Commencement Address by Senator Hill at Hahnemann Medical College, Philadelphia

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Friday, June 13, 1958

Mr. HILL. Mr. President, yesterday I had the honor and the privilege of delivering the graduation address at the 111th commencement exercises of the Hahnemann Medical College of Philadelphia, and I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY UNITED STATES SENATOR LISTER HILL AT THE 111TH COMMENCEMENT EXERCISES OF THE HAHNEMANN MEDICAL COLLEGE OF PHILADELPHIA, JUNE 12, 1958

Dean Cameron, doctors and guests, students, graduates, and friends of the Hahnemann Medical College of Philadelphia, I am happy and honored to be with you today to take part in the observance of your 111th commencement exercises. For I come as one who has deep roots in the medical history of Philadelphia, and I rejoice at the opportunity to nourish them once again.

It was in Philadelphia that my father, a surgeon and a practitioner of medicine for more than half a century, was privileged to study under the renowned Samuel D. Gross at Jefferson Medical College. Here he acquired, as a student and seeker of medical knowledge, much of the foundation that prepared him for the eventful night—more than 50 years ago—when he performed by lamplight on a rude kitchen table the first successful suture of the human heart in America.

Here my father made warm friendships which endured throughout his lifetime. From Philadelphia he went to London to study under Joseph Lister, whose name I proudly bear. It was at that time that that great benefactor of mankind was fighting to establish the principles of antiseptic and aseptic treatment of wounds, the treatment which gave birth to modern surgery.

It is always a stimulating pleasure for me to be among doctors—not only as the son of a doctor, the nephew of a doctor, the brother-in-law of 2 doctors and the first cousin of 5 doctors—but as one early imbued with a deep and abiding interest in doctors and in the progress of medicine and medical care in our Nation.

One of my chief concerns in the Congress of the United States has long been the field of legislation on health and medicine. I am proud to have played a part in the building of some of the Nation's legislative landmarks in the field of medicine—the Hospital and Health Center Construction Act, which has brought nearly 4,000 hospitals, health centers, and other health facilities to the Nation; the establishment of the National Institutes of Health, with the great impetus to medical research through the institutes in so many of the killing and crippling diseases; the greatly increased Federal support for medical research at our medical schools and research institutions, for the training of doctors, research specialists, and health technicians, and personnel of all kinds, and for the construction of research facilities at our medical schools and other institutions.

I come to you, then, as a member of the family. And as a member of the family, let me say, with affection and respect, what so many tens of thousands of men and women and children will say to you in the years to come. Some will say it with their voices, some with their eyes, all will say in their hearts that which I would be the first to say to you:

Thank you for what you have done.

Thank you for what you will do.

Thank you for what you are.

Thank you for becoming doctors; for having taken the hard way; for having resisted the easy; for having worked and studied and sacrificed so much. Thank you for having had so early in life the wisdom to know that only in a life of constant study and service to your fellow man can your lives be rich and meaningful.

We need you as doctors. People—some in fear, some in pain, some in danger—need you and need the art and the science you have learned.

We need you as citizens. In matters of economics, of sociology, of social welfare, and particularly of the relationship of health and Government, what you say and do will be accorded a respect unsurpassed by that given to any other member of your community. In the past few years the revolutionary strides in the field of health have been achieved largely because of the willingness of men and women in medicine to assume the responsibilities of citizenship. Through vigorous leadership and cooperation with professional and lay leaders, and with legislators, doctors have contributed mightily to an ever-expanding pattern of progress in medicine and its related fields.

You join the profession of medicine in a setting that is rich in its traditions and fruitful in its heritage. You will, I know, honor these traditions and add to this heritage.

Philadelphia was the cradle of American medicine, as she was the cradle of America's political and financial and cultural life.

Here the Founding Fathers proclaimed the Declaration of Independence and wrote the Constitution of the United States. Here Robert Morris and his associates began the building of American finance. And here the sturdy old philosopher, journalist, scientist, and public servant—Benjamin Franklin—blended so well the courage and commonsense, the intellectual curiosity and power that symbolized our young and growing Nation.

Largely through Franklin's efforts, Philadelphia raised the first hospital in the United States—the renowned Pennsylvania Hospital which 6 years ago moved into its third century of humanitarian service. The Pennsylvania Hospital laid the enduring foundation for Philadelphia's medical history, and provided the incentive and the inspiration for the many fine medical institutions which for so many years have made Philadelphia a metropolis of medical learning not only in the United States but throughout the world.

Hahnemann Medical College has added richly to this proud medical tradition of Philadelphia, of Pennsylvania, and of the Nation. Hahnemann's motto rings true today as it did in 1848—"Together in the things that are true; liberal in doubt; generous always."

In fulfillment of this motto, you have built a complex medical center, that has brought together in lecture room and hospital the best in medical training. Deep-rooted for more than a century in this same section of Philadelphia, amidst its teeming city life that so often stays alive only because of the prompt emergency treatment you give, Hahnemann Medical College gives the student, the intern, and the resident a rare opportunity for rich medical experience.

The research programs of Hahnemann Medical College are famed across the Nation—your research into the source and treatment of heart and vascular diseases; research into the chemical characteristics within the nucleus of the cell where many scientists believe the answer will be found to cancer; and research into health as a factor at the roots of juvenile delinquency. For Hahnemann has recognized and accepted the responsibility of teaching the medical knowledge we have. And Hahnemann has recognized and accepted the responsibility for carrying on research to seek out new knowledge, to find new answers to the cause, the cure, and better still, the prevention of illness.

Under construction you have a new laboratory for biochemical research in cancer; on the drawing boards are new buildings for clinical research; and contemplated is a new nurses home and additional buildings for college use.

From the past, Hahnemann Medical College has preserved and has built upon a priceless medical heritage. Today in its programs of research and of construction your great institution looks to the future.

What does the future hold?

You enter the profession of medicine at a moment bright in medical history. For we stand at the threshold of a momentous era—a golden age of medicine. You will be a part of this great new adventure in medical science.

May I predict that within a few short years the world will see a momentous breakthrough of medical knowledge that will enable us to overcome many of the dread diseases that have through the ages plagued and baffled man. There is reason for confidence that this breakthrough will yield many answers in the battle against heart disease, cancer, mental illness, and other crippling and degenerative diseases.

The breakthrough of knowledge will not come from any one discovery. It will be the accumulation of many discoveries. And from you who go forward in the study and the practice of medicine—from you may come the overlooked fact, the vital unnoticed clue, that causes a host of other facts to fall into place. And brings another great discovery to mankind.

Medical research, tremendously expanded in the past 15 years, is making possible this dramatic new thrust in medical progress. Since the early 1940's medical research has achieved a three-dimensional expansion. I say three-dimensional because medical research has been vastly expanded in volume, in scope, and in depth.

The volume of medical research has grown with the tremendous increase in financial support from $45 million a year in 1940 to $365 million in 1958. The private sources of support—endowment, philanthropy, and industry—have greatly increased their contributions. But the most striking change in the pattern of research support is the role played by the Federal Government. For research and research training, the Federal Government is now contributing over $211 million a year in research funds—more than half the total expended by the Nation. Our Senate committee handling Federal appropriations for medical research has just recommended to Congress that further substantial increases be provided in the funds available for research into newly developing ailments and diseases, as well as into the ancient scourges of mankind. And may I say here that we are pressing for the passage of a bill providing Federal funds to assist our medical schools in the construction of buildings and facilities for medical education.

The scope of medical research is expanding beyond the study of the body processes of the individual. Environment and group living are being related to disease and the causes of disease. The known relationship between eating certain kinds of fats and the development of atherosclerosis, for example, already is helping the physician to sharpen his diagnosis of the individual case, and it may lead to new dietary habits for the entire Nation.

The depth of medical research is penetrating into the cell and even into the integrated systems within the cell. This has given us a new concept of disease. We have precise descriptions of basic chemical processes and of the biochemical defects which cause certain diseases. With this knowledge we are on the way to establishing—disease by disease—a rational basis for prevention, amelioration, and cure.

Today we see a new unity of medical research and medical practice.

New research findings, new drugs, and new techniques are communicated immediately to the practicing physician, and the local doctor finds new opportunity for greater service and accomplishment in his chosen profession, for greater satisfactions and rewards in serving his fellow man.

The practicing physician, in turn, plays his part in advancing modern research. The research-oriented doctor, trained in the methods of investigation, feeds back into research the information he gathers in daily diagnoses. He tests research findings in practice, in clinic, and in hospital; he gives new scope to environmental and group research.

This new unity of medical research and medical practice is such that the doctor, when he enters the operating room or carries his skill to the bedside of the sick, is supported by physicists, mathematicians, virologists, biochemists, reactor engineers, agronomists—all the vast array of highly trained specialists who make up modern America's science and technology and productive genius.

Radioisotopes provided by the physicist are being used in the diagnosis and treatment of cancer and the heart and vascular diseases. Internal use of isotopes is being tested as a substitute for exploratory surgery. Modern technology gives us other marvelous new tools for diagnosis and treatment—radio used within the body, radar, and many electronic instruments. The mathematician and the electronic computer solve the intricate and changing equations of modern medical research. The metallurgist and the engineer build the atomic reactor and the cobalt bomb for treating cancer. Industry and the agricultural scientist join hands in the mass production of new drugs and chemicals, multiple vaccines, and the whole family of antibiotics.

Thus have medicine, science, and technology massed knowledge, equipment, and techniques in the service of the practicing physician.

But all the wondrous new drugs and chemicals, the ever more delicate and subtle devices, the greater knowledge of nutrition and preventive medicine, all that we know of human life and its mysterious workings—these are only the sinews and the tools of medicine.

The doctor is the mind, the spirit, the genius of medicine. The doctor is ever the central figure in the drama of medical care. All else is to assist him to do his best, to help him achieve the best possible results.

We must realize that if the doctor is to do his best, he must remain free and uncontrolled. Only as the doctor finds the inspiration and enjoys the individual action that freedom gives—to explore, to inquire, to discover, to serve in his own way—only then can he give his best, only then can we continue the marvelous progress of American medicine.

For even in the coming golden age of medicine, medical practice will not lose its central, vital fact—the human relationship between the doctor and his patient. Indeed, there will be greater need than ever before for this reassuring personal contact in our troubled world where the individual is beset on one side with massive world problems, and on the other is subjected to deep personal tensions.

The doctor of generations past is gone—he who was general practitioner, specialist, surgeon, psychiatrist, counselor, and friend all in one. But the doctor of today has found—as you, the doctors of tomorrow, will find—that the sick, the suffering, the troubled of any time and any place still look to the doctor for understanding, for guidance, for the supporting hand.

We turn then to you, the doctors of the coming day. Yours is the challenge, yours the task. I have faith that you shall meet the challenge; that you shall perform the task.

I say to you, go forward, doctors, into the ever-widening, the endless frontiers of medical discovery and medical knowledge, to serve as our fathers served: healing the sick and making whole the maimed, safeguarding the mother in childbirth and the infant so newly come to this world, bringing life and health and happiness to your fellow man, following with humility and faith in the footsteps of Him who nearly 2,000 years ago was called the Great Physician.

An Academy of National Policy

EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, June 13, 1958

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of my address entitled "An Academy of National Policy," delivered at the graduation ceremony of the Industrial College

of the Armed Forces, Washington, D. C., June 11, 1958.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ACADEMY OF NATIONAL POLICY

(Address by Senator HENRY M. JACKSON, Industrial College of the Armed Forces, Washington, D. C., June 11, 1958)

General Mundy, distinguished guests, faculty, and members of the college, I am honored to participate in this graduation ceremony. This is a memorable day for you—and an important day for our country. You go to your new assignments far better equipped than before to share in the common tasks of national security.

I hope you never forget that you stand in the high tradition of this college. You can continue to raise basic questions. In moments of leisure you can let your minds range freely over all problems of national security. With this habit of mind you will be able to contribute your best judgment to the fateful decisions in which you will participate.

This is a tumultuous and risky time for the free way of life.

Nothing whatsoever insures that the future belongs to the Free World. The past is strewn with the wreckage of empires and nations that failed to rise to the challenge of their day. The laws of historical growth and decline continue to operate. Our survival is without guarantee. We will meet the new problems or we will go downhill—and rapidly.

The symbol of the new age is the relentless, all-out competition of the Soviet Union. We are confronted with a competitive challenge to our economy, to our scientific capacity, to our educational system, to our military strength, to our political and diplomatic skills.

We can hardly deny that the Kremlin now sets the pace—winning critical races of discovery, taking the initiatives, posing the challenges.

The irony of it. On the one hand, Moscow with its czarist-Communist tradition of reaction, putting across the idea that it is the great innovator. On the other hand, America with its tradition of pioneering, being regarded in many sections of the world as the champion of the standpat.

But Moscow is only part of the challenge. A host of new problems are crowding upon us.

The accelerating pace of technology;

The new nationalisms in former colonial areas;

Atomic weapons possessed by more and more states; and

The growing strength of Communist China.

Of course, the future is dangerous. Indeed, as Professor Whitehead remarks: "It is the business of the future to be dangerous."

In these middle years of the twentieth century we are face to face with one of the supreme times of challenge—in which the character of our response decides the chances of survival. It is our business to find the answers to the new problems—stubbornly affirming that we can rise above disaster.

This is graduation week and the country is filled with generalities about what America must do to be saved. It is easy enough to say that we must revitalize our society, that we must accelerate the growth of our economy, that we must build more classrooms, that we must overhaul foreign aid, that we must win the war of words. But these are hopes and goals. They are not policies and programs.

It is important to pay attention to hopes and goals: To what is worth doing. But we know pretty well now what we should do. The central question is why haven't we done these things, and how can we do them?

Obviously, there is no simple answer. An entire book could scarcely do the subject justice. I think it is clear, however, where part of our trouble lies.

Certainly we do not lack a cause—our free way of life. Certainly we do not lack the will to productive work—that is our tradition. Certainly we do not lack talent—we have plenty of that.

What seems to be missing is a mechanism to put our best talent to work on the burning issues of national policy.

We say this is government of the people, by the people, for the people. But when it comes to the making of policy, it is not.

When I say this I do not mean that our Government intentionally tries to keep the people out. Not at all. The fact is, however, that we have a vast reservoir of talent that goes unused—because we lack the mechanism to use it.

In grappling with the great problems of our day, the Nation is like a man with one hand tied behind his back, and the other hand all taped up except for one finger.

This situation is not unique to any one administration. It has been the situation under both administrations. My comments apply to what is a national problem—a national failing.

There is no single mechanism, either inside or outside the Government, which focuses the best minds in this country on the great issues of national policy.

In the realm of science and technology we have made considerable progress in mobilizing our best brains. We have our great national laboratories, and now, at the highest level, a science adviser to the President. We have the Advanced Research Projects Agency that will try to make sure we identify critical projects and stay ahead.

In the realm of the social sciences and the humanistic studies, however, we have made almost no progress in mobilizing our assets. A number of universities are under contract to the Government for special projects. Yet excellent work in other centers has no channel into the Government.

In part, the Soviet challenge is directed to our scientific and military strength. We want to be sure that our scientific programs, which involve the critical races of discovery, are headed in the right direction and supported by adequate resources.

But Moscow challenges us on other fronts—indeed, on almost every front. Moreover, the most serious issues we now face lie in the relation of science to human behavior.

We need a mechanism that can rally our learned talent in all fields—the sciences, history, economics, political science, education, languages, literature, and philosophy.

But let me be very clear about just where we need improvement.

We have departments of Government in foreign affairs, in defense, in health, education, and welfare, in commerce, in labor, and in many other fields. These departments, by and large, have competent personnel to handle day-to-day policies. The President has a Cabinet and a National Security Council and an Operations Coordinating Board.

The Congress—though it could use improvement—has access to scientists and learned men who appear before its committees and testify. It has good men as assistants and on its committee staffs.

Although all of these agencies and organizations can doubtless be improved this is not the great and glaring gap.

The trouble is that none of these people have time to look at long-range problems or to raise fundamental questions. Each of them is enormously busy—preoccupied by daily tasks. They have little time to let their minds enter deeply into the minds of others—in hard and sustained thinking.

When really up against it, the National Security Council may set up a committee of distinguished consultants like the Gaither Committee. But once these special groups file their reports, they disband. Most of the time the Council relies on whatever policy suggestions emerge from the hundreds of advisory committees, steering groups, and planning staffs in the Government.

All of these groups, however, are parochial—limited to special functions or areas. Each of them may generate some good ideas, but there is no sustained scrutiny.

Yet such scrutiny seems imperative. The need is for long-range, fundamental thinking about all aspects of the whole range of problems facing our Nation and society.

Obviously, providing for this long-range thinking is a formidable problem. There are no easy solutions.

Today, I want simply to throw out one idea—for consideration. The details of this proposal would, of course, need to be worked out with great care.

What if we established here in Washington, D. C., and Academy of National Policy.

This academy could rally all our learned talents. It could relate our scientific programs to the other fields of national policy, rethink existing assumptions, and give new directions to both scientific and political effort.

Right now, many good minds all over the country are focused on other problems. What we want to do is bring these minds to Washington where their attention will be focused on the central problems of the nuclear age, and where they can work without the distraction of day-to-day duties.

The academy would be able to draw on every important segment of experience and thought—in government, industry, the humanities, science, labor, and agriculture. As needed, it could also use the special abilities of outstanding men and women from abroad.

What I visualize is a rotating group of leaders in the sciences, the social sciences, and the humanities, including men of broad experience from business, labor, and public affairs. These men would spend a year or two at the academy in Washington. They would be chosen by a board of directors, which might be appointed by the President of the United States. But the board would be left completely free in making its appointments and in running the academy.

Here for example are the kinds of problems with which task forces in the academy might deal:

How to design our policies so that they not only meet the threat of the Soviet Union, but also work toward modifying their ambitions.

How to step up economic growth and at the same time avoid inflation and undue Government intervention.

How to make the inheritors of power in the underdeveloped nations—the new generations—apprehend what we stand for.

How much research effort should we put into investigating the control of weather.

But one of the greatest values of the academy is that it would raise entirely new questions that none of us has yet thought of. It is for this reason that we should guarantee the academy the freedom to look around for areas in which new thinking is needed.

The academy's reports would normally be public. But when the academy thinks it necessary, its task forces could also prepare special confidential reports for the use of the Government.

Let me say this in conclusion:

In these terrific days we dare not marshall our brainpower only halfway. This Nation is engaged in the greatest competition ever undertaken by a free country. We are up against the most prodigious problems of our history.

As a free society we must demonstrate our capacity to make effective use of learning in all fields—in the interest of a national policy of survival.

My friends, the task of rallying our best talent is indeed difficult. There is no use drugging ourselves with comfortable words.

But the mastery of this problem does not lie beyond our capacities.

Unlike some problems that press upon us, the use to which we put our learning is within our own control. The only obstacle is our indecision of today. Let us now overcome that indecision and move ahead with confidence.

The 89th Birthday of Frank Lloyd Wright—The Agelessness of an Inspired Man

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EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, June 13, 1958

Mr. WILEY. Mr. President, last Sunday night, in Spring Green, Wis., one of the most famous citizens of my State celebrated another milestone. I refer to the 89th birthday of America's great architectural genius, Frank Lloyd Wright.

So many eloquent tributes have been paid to this remarkable man that there is very little I, for one, can add or need add in detail at the present time.

Previously, on other milestones, I have been happy to pay tribute to Mr. Wright in public statements on and off the Senate floor.

I should like to do so again, however, because I think that the deeper significance of Frank Lloyd Wright should be recognized at this particular time.

This great man symbolizes the spirit of eternal youthfulness. 89 years have not dimmed his creative ability, or his courage, or his zest for living.

LET US NOT BE MENTALLY SABOTAGED BY COMPULSORY RETIREMENT IDEA

We hear so much about so-called old age and retirement at 65 these days that I think we may almost have been mentally sabotaged by the retirement concept.

For here is a man who, 24 years after the time which some so-called experts might have suggested he retire, is actually going stronger than ever in a host of bold new projects.

I wonder how great are the talents this country has lost because of the retirement at 65 concept.

This does not mean, of course, that I, for one, do not want to see our senior citizens enjoy the rest and relaxation they deserve and may want. But it does mean that compulsory retirement is nonsense at any rigidly fixed age.

WE LIVE IN DEEDS, NOT YEARS

It is not the chronological number of years which count, it is man's spirit.

Man, himself, was made in the image of God. His spirit is, therefore, ageless; it is timeless.

His spirit is ever at "midday meridian," if he but wills it so and reaches out for the invisible power and strength which are stronger than all the tangible forces of power in this world.

This very morning, I received from another "young man" a personal message of friendly greetings. It was from Dr. Konrad Adenauer, the great Chancellor of the West German Federal Republic.

Here, too, is another great leader who defies time and all the so-called physical limitations which are supposed to beset man.

SENATORS FROM RHODE ISLAND, ARIZONA, AND MONTANA

The Senate, itself, is the living embodiment that man's services must not be artificially restricted by an age barrier.

Think, now, of the distinguished and industrious chairman of the Senate Foreign Relations Committee, my dynamic colleague, the senior Senator from Rhode Island [Mr. GREEN]. Also, think of the tireless chairman of the Senate Appropriations Committee who has served his State ever since its entrance into the Union [Mr. HAYDEN], or of the able chairman of the Senate Interior and Insular Affairs Committee [Mr. MURRAY].

And think of other Members of this body who, at the fourscore mark, or beyond, or approaching that mark, have the resiliency, the vigor, the courage which a man half their age would be proud to have.

In wishing well, therefore, of Frank Lloyd Wright, I wish well as well, to all those senior statesmen at home and abroad; to Konrad Adenauer, to Winston Spencer Churchill, to Theodore Francis Green, to Carl Hayden, to James Murray and others who demonstrate that we truly live in deeds, not years.

TRIBUTE TO A NONCONFORMIST

But to Frank Lloyd Wright, in particular, I say America wishes you many more years of fruitful endeavor.

You are a fearless nonconformist, and we are proud of your nonconformity. You are an individualist, and we are proud of your individualism.

You are the greatest single exponent of architectural beauty and functionalism and naturalness who has inspired a whole generation of architects at home and abroad.

I submit now the text of a writeup which appeared in the Madison Capital Times last Monday. It describes the birthday celebration with a great many distinguished guests in Mr. Wright's honor at Taliesin; his studio-home near Spring Green, Wis. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUSIC, FIREWORKS, NO SPEECHES—150 HELP WRIGHT IN OBSERVANCE OF HIS 89TH BIRTHDAY FETE

(By Herb Jacobs)

SPRING GREEN.—Architect Frank Lloyd Wright marked his 89th birthday Sunday night at Taliesin, his studio-home near here, with some 80 guests from all parts of the country to help him celebrate with dinner, music, and fireworks.

Including the 60 or more members of the Taliesin Fellowship, apprentices who help Mr. Wright with his work, nearly 150 persons sat down to dinner in the big hall adjoining the Taliesin Theater.

There were no speeches or testimonials, but all the guests rose to sing Happy Birthday when a huge cake was brought in and placed before Mr. and Mrs. Wright.

Many parts of the evening's celebration were filmed by a crew from the United States Information Service who had spent the whole day with Mr. Wright. Their floodlights flashed on and off at intervals during the dinner, and for the music later in the theater. The films are to be sent to television stations throughout the world.

Mr. Wright, who usually contributes several flashes of barbed wit on these festive occasions, circulated among the punch-drinking guests before dinner, engaging them in informal conversation. After the dinner, he and the guests sat through a long musical program, and as the party closed with fireworks by the lakeside, he remained to shake hands with the departing guests as midnight approached.

Gunnar Johansen, university artist in residence, played Mozart's C Minor Fantasy, and then he and Brandock Peters, son of Wesley Peters, Mr. Wright's son-in-law, played a Beethoven composition for piano and 'cello.

Then the University's Pro Arte Quartet, which had come to Taliesin as a special tribute to Mr. Wright, played Beethoven's Opus 131, led by Rudolph Kolisch, first violinist.

Among notables from out of town who attended were Mr. and Mrs. Harold C. Price, of Bartlesville, Okla., for whom Mr. Wright designed the 17-story Price Tower; George Cohen, New York, architectural concrete specialist who is the contractor for the $3 million Guggenheim Museum now going up in New York; and Miss Elizabeth Gordon, editor of House Beautiful magazine, which devoted an entire issue, and parts of others, to Wright.

Mr. and Mrs. Charles Manson, of Wausau, for whom Wright designed a house, were also present.

The Madison contingent included Mayor and Mrs. Ivan Nestingen, Editor William T. Evjue of the Capital Times and his sister, Miss Nellie Evjue; Mr. and Mrs. Harold Groves and Mr. and Mrs. Don Lescohier; Dr. and Mrs. Arnold Jackson; Prof. and Mrs. John Kienitz of the university art history department, Betty Cass, and Mr. and Mrs. Herbert Jacobs and daughter, Elizabeth.

Many friends from Spring Green were also present. Among them were Vernon Hill, editor of the Spring Green Home News; Mrs. Hill and their daughter, Lee; Miss Emily Ackerman; Mr. and Mrs. James Dresser, Mr. and Mrs. Herbert Fritz, Mrs. Herbert Fritz, Sr.; Mr. and Mrs. Ben Graves, and Miss Marian Kanouse.

Mr. and Mrs. Aaron Green came from San Francisco, where Green, a former apprentice, is Mr. Wright's west coast representative. John Hill and William Short, former apprentices, came from New York. Mrs. Maginal Barney, Mr. Wright's sister, was among the guests.

The dining room was decorated with many hanging streamers of paper, and circular flattened paper lanterns, made in Denmark. The dinner included pilaf, a dish of lamb and rice, with added prunes and raisins, salad, rolls and cake, washed down with New York State riesling wine. Some jumbo-sized photographs of various Wright buildings, taken from the famous Florence exhibit, looked down on the diners from the second story of the dining hall. The wife of one of the apprentices circulated among the guests at dinner, playing a guitar.

Besides various things to eat and drink, the presents to the architect on his 89th birthday included a large Japanese bowl, depicting a medieval hero, given by Mrs. Wright; a 90-inch illuminated globe from son-in-law Wesley Peters, some verses, and many drawings by the apprentices.